

Highlights on the Financial Sector Performance

March 2020



This report presents the highlights on the performance of the Bhutanese financial sector on peer group basis for the period ended Q1FY'20 in comparison to the previous year's corresponding quarter. This report has been prepared by the Department of Financial Regulation & Supervision of the Royal Monetary Authority of Bhutan (RMA) and the information contained in this report is based on the returns submitted by the financial institutions.

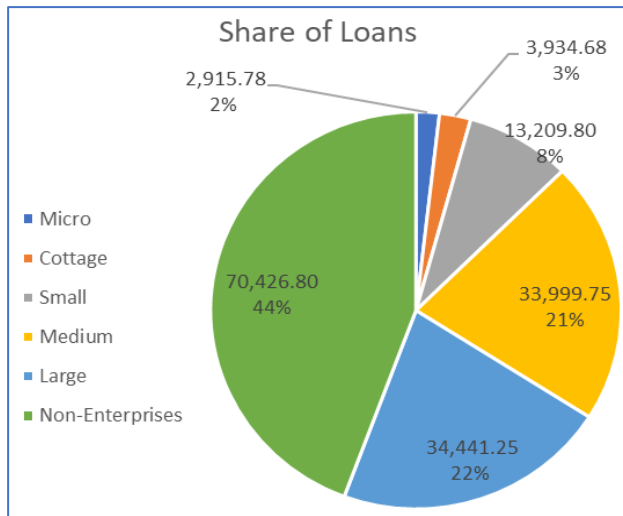
**DEPARTMENT OF FINANCIAL REGULATION & SUPERVISION
ROYAL MONETARY AUTHORITY OF BHUTAN**



Highlights of the Financial Institutions¹

Indicators	Dec-18	Jun-19	Sep-19	Dec-19	Mar-20
Capital					
RWCAR (12.5%)	15.12%	12.62%	12.77%	14.22%	12.97%
Core CAR (7.5%)	11.80%	9.81%	10.18%	11.35%	10.37%
Leverage Ratio (5%)	9.43%	7.99%	7.98%	7.56%	7.04%
Asset Quality					
Gross NPL Ratio	10.43%	16.53%	18.39%	10.86%	17.72%
Net NPL to Net Loan	2.07%	6.19%	6.56%	1.98%	7.61%
Single Largest Borrower	13.56%	16.31%	14.88%	16.93%	17.74%
Provision to NPL	68.59%	54.75%	56.86%	68.57%	50.15%
Ten Largest Borrower	13.56%	13.93%	12.23%	18.04%	12.30%
NPL	Nu. 12.54b	Nu. 21.43b	Nu. 24.47b	Nu. 16.76b	Nu. 28.16b
Loan	Nu. 120.24b	Nu. 129.6b	Nu. 133.08b	Nu. 154.33b	Nu. 158.93b
Earning					
Return on Asset (RoA)	0.30%	-0.91%	-1.52%	1.06%	-1.15%
Return on Equity (RoE)	2.29%	-7.24%	-12.58%	9.14%	-9.90%
Profit After Tax (PaT)	Nu. 474.78m	Nu. -1.49b	Nu. -2.5b	Nu. 1.55b	Nu. 4.7m
Liquidity					
Loans to Deposits ratio	85.69%	87.36%	84.43%	92.03%	83.56%
Statutory Liquidity Requirement ratio	22.24%	20.96%	22.78%	23.32%	24.14%
Liquidity Position	Nu. 5.16b	Nu. 3.5b	Nu. 6.3b	Nu. 7.49b	Nu. 9.02b
Statutory Liquidity Requirement	Nu. 26.64b	Nu. 28.05b	Nu. 29.3b	Nu. 31.17b	Nu. 31.75b

1. Share of Loans to Micro, Cottage, Small, Medium, Large & Non-Enterprise

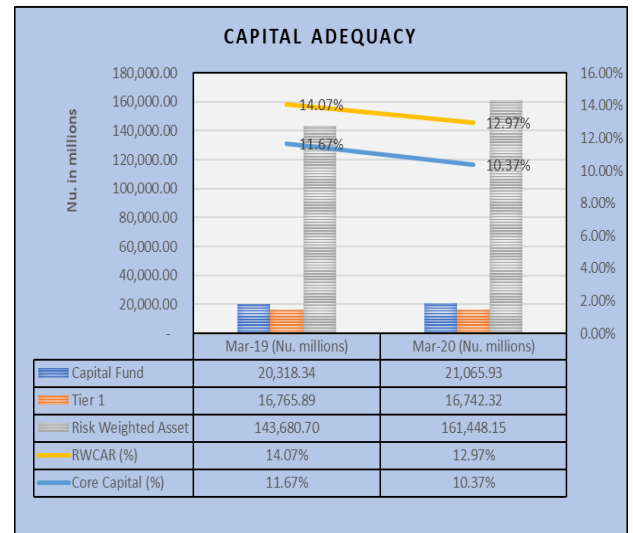


2. Assets/ Liabilities

Assets	Mar-19 (Nu. millions)	Mar- 20 (Nu. millions)
Cash & Bank balances	35,652.79	67,276.48
Marketable securities	10,084.28	5,679.52
Loans & Advances (net of provisions)	112,253.33	141,538.01
Equity Investment	911.57	6,068.63
Fixed Assets	2,274.97	4,486.87
Other Assets	2,809.26	3,977.96
Total	163,986.21	229,027.47

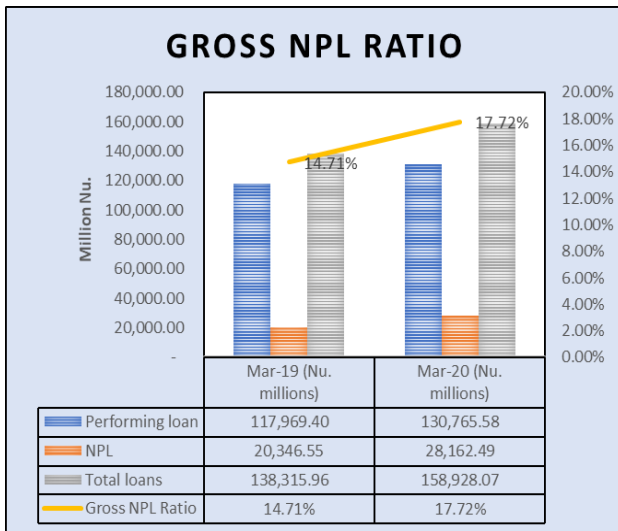
Liabilities	Mar-19 (Nu. millions)	Mar- 20 (Nu. millions)
Paid up capital	9,517.25	10,550.89
Reserves	10,346.91	13,232.21
Deposit Liabilities	117,184.56	141,735.17
Bonds & borrowing	4,272.93	3,412.68
Interest provision	3,523.13	4,010.37
Fund	12,409.29	49,892.20
Other liabilities	6,732.14	6,193.94
Total	163,986.21	229,027.47

3. Capital and Reserves

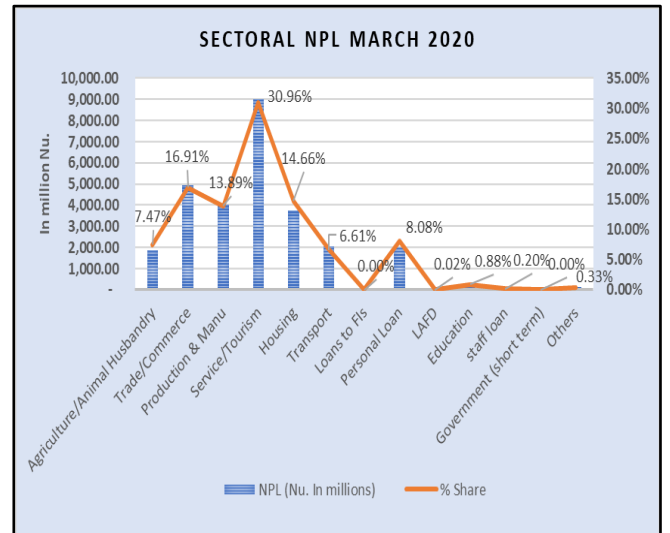


¹ The reporting Financial Service Providers include Banks; BNBL, BoBL, DPNBL, TBank, BDBL, Non-Banks; RICBL, BIL, NPPF and MFIs

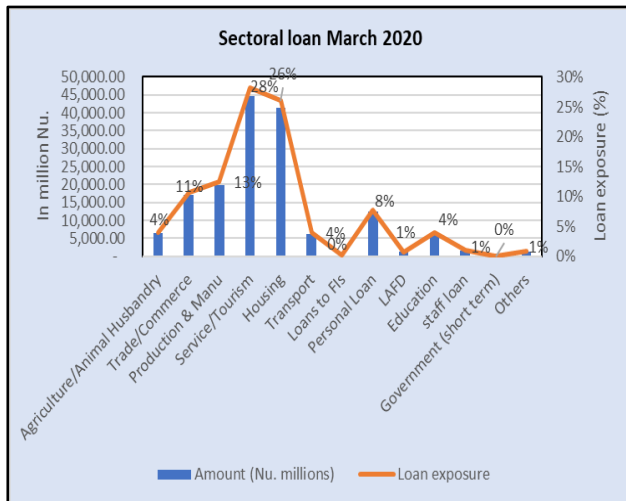
3. Asset Quality



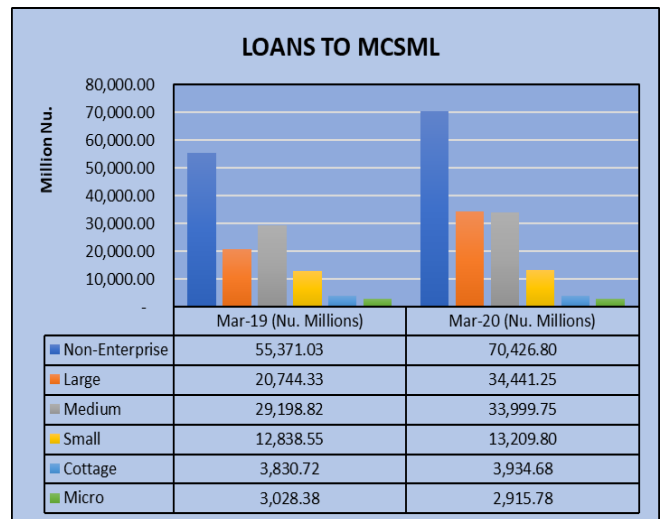
3.2 Sectoral NPL of Financial sector



3.1 Sectoral Loans and Advances



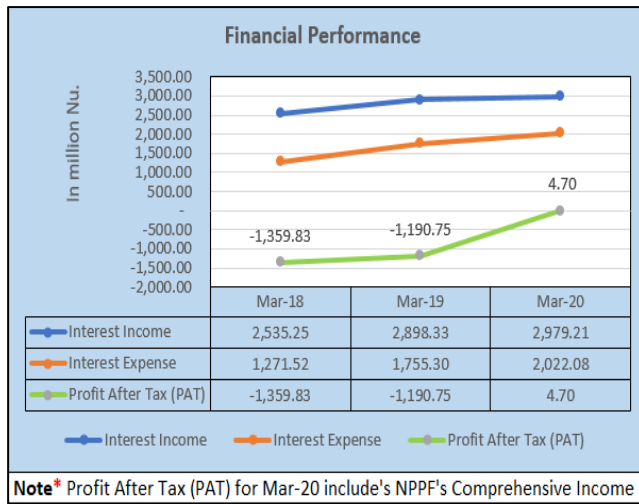
4. Loans to MCSML



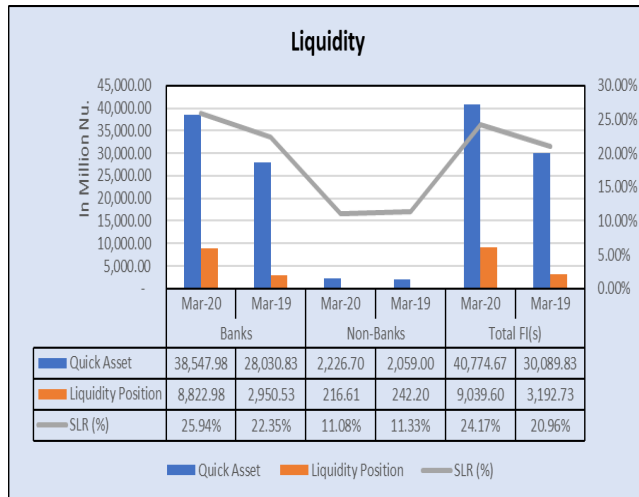
4. Access to Finance through Micro Finance Institutions (MFIs)

Loan and NPL of MFIs (Nu. in millions)			
Sl no	Particulars	Mar-20	Mar-19
1	Total Loan Sanctioned	271.62	146.94
2	Total Loan Outstanding	210.26	129.64
3	Total NPL	5.12	2.69
4	Total no. of loan a/cs	3,735	2,712
5	NPL to loan ratio	2.44%	2.08%

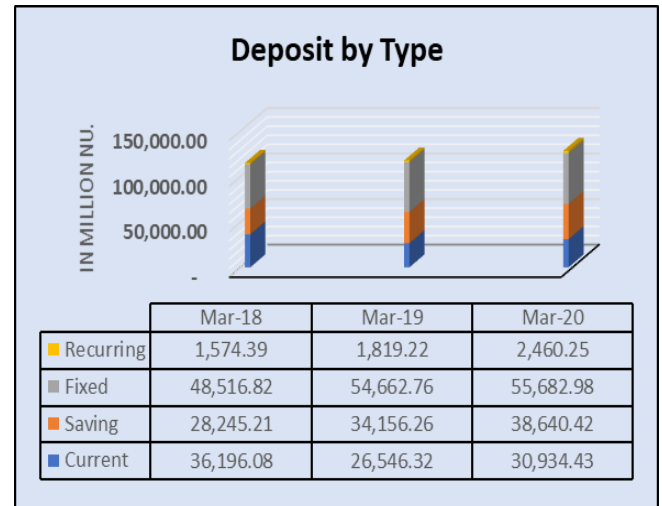
5. Financial Performance



6. Liquidity



7. Deposits (Banking Sector)



a) Deposit by Customer March 2019- 2020 (figures in million Nu.)

Table 1

Deposits by Customer	Total Deposits (Nu. Millions)			
	Mar-19	Mar-20	% change	% holding
Corporate deposits	46,336.91	67,142.85	44.90%	47.37%
Government	9,021.60	17,226.46	90.95%	12.15%
Government Corp.	14,210.08	16,828.68	18.43%	11.87%
Public Companies	893.38	1,346.38	50.71%	0.95%
Private Co.	4,767.63	4,899.53	2.77%	3.46%
Commercial Banks	9,263.68	16,413.65	77.18%	11.58%
NBFIs	8,180.55	10,428.15	27.47%	7.36%
Retail deposits	70,847.65	74,592.33	5.29%	52.63%
Individuals	69,086.41	73,348.83	6.17%	51.75%
Foreign Currency	1,761.24	1,243.49	-29.40%	0.88%
Total	117,184.56	141,735.17	20.95%	100.00%

b) SECTORAL LOAN March 2019-2020 (figures in million Nu.)

Table 2

Sector	Banks		Non-Banks		Total Loans		% Change	% Holding
	Mar-19	Mar-20	Mar-19	Mar-20	Mar-19	Mar-20		
Agriculture/Animal Husbandry	6,183.68	6,360.36	4.55	56.70	6,188.23	6,417.06	3.70%	4.04%
Trade & Commerce	13,307.19	12,770.54	4,475.89	4,334.17	17,783.08	17,104.71	-3.81%	10.76%
Production & manu	12,507.46	13,682.50	2,539.95	6,245.24	15,047.41	19,927.75	32.43%	12.54%
Service/Tourism	23,153.47	30,336.03	7,040.88	14,385.11	30,194.36	44,721.13	48.11%	28.14%
Housing	27,244.70	35,076.47	3,061.34	6,291.94	30,306.04	41,368.41	36.50%	26.03%
Transport	5,464.55	4,978.18	1,459.79	1,243.48	6,924.33	6,221.66	-10.15%	3.91%
Loans to FIs	427.72	0.00	0.00	330.63	427.72	330.63	-22.70%	0.21%
Personal Loan	9,767.98	10,326.10	2,302.91	2,062.15	12,070.89	12,388.25	2.63%	7.79%
LAFD	972.46	1,220.72	0.00	0.00	972.46	1,220.72	25.53%	0.77%
Education	1,685.67	1,470.38	97.31	4,731.83	1,782.98	6,202.21	247.86%	3.90%
Staff loan	1,134.44	1,144.87	387.20	445.01	1,521.65	1,589.88	4.48%	1.00%
Government (short term)	430.80	0.00	0.00	0.00	430.80	0.00	-100.00%	0.00%
Others	1,190.09	1,068.07	171.79	367.59	1,361.88	1,435.66	5.42%	0.90%
Totals	103,470.21	118,434.21	21,541.62	40,493.86	125,011.82	158,928.07	27.13%	100%

c) SECTORAL NPL March 2019-2020 (figures in million Nu.)

Table 3

Sector	Banks		Non-Banks		Total NPLs		% Change	% Holding
	Mar-19	Mar-20	Mar-19	Mar-20	Mar-19	Mar-20		
Agriculture/Animal Husbandry	1,583.22	1,854.16	1.83	2.29	1,585.05	1,856.45	17.12%	6.59%
Trade/Commerce	2,825.76	2,920.68	1,985.63	2,029.56	4,811.38	4,950.24	2.89%	17.58%
Production & manu	1,403.08	3,130.45	757.91	894.55	2,160.98	4,025.00	86.26%	14.29%
Service/Tourism	1,967.16	4,745.68	3,432.92	4,257.62	5,400.07	9,003.31	66.73%	31.97%
Housing	1,859.16	2,606.37	599.46	1,143.80	2,458.62	3,750.17	52.53%	13.32%
Transport	692.30	1,481.01	704.71	577.93	1,397.01	2,058.93	47.38%	7.31%
Loans to Fls	0.00	0.00	0.00	0.00	0.00	0.00		0.00%
Personal Loan	737.75	929.23	1,173.44	1,065.52	1,911.19	1,994.75	4.37%	7.08%
LAFD	11.35	28.48	0.00	0.00	11.35	28.48	150.92%	0.10%
Education	126.26	233.94	24.10	90.57	150.36	324.50	115.82%	1.15%
Staff loan	21.85	33.44	36.13	22.60	57.98	56.04	-3.34%	0.20%
Government (short term)	0.00	0.00	0.00	0.00	0.00	0.00		0.00%
Others	50.96	20.29	29.25	94.32	80.21	114.61	42.88%	0.41%
Totals	11,278.84	17,983.72	8,745.36	10,178.77	20,024.20	28,162.49	40.64%	100.00%

MCSML and Non enterprise Loan as of March 2020						Figures in Nu. Million							
Sl no.	Sector	Banks				Non Banks				Total FIs			
		Loan Outstanding	NPL	% share of each category	% share of total outstanding	Loan Outstanding	NPL	% share of each category	% share of total outstanding	Loan Outstanding	NPL	% share of each category	% share of total outstanding
(1) MICRO	AGRICULTURE	2,469.59	583.32	85.11%	2.09%	0.69	0.00	4.97%	0.00%	2,470.28	583.32	84.72%	1.55%
	PROD & MANU	52.03	20.71	1.79%	0.04%	0.30	0.00	2.11%	0.00%	52.33	20.71	1.79%	0.03%
	SERVICE	100.78	37.94	3.47%	0.09%	5.22	1.34	37.36%	0.01%	106.00	39.28	3.64%	0.07%
	TRADE&COMMERCE	279.41	101.62	9.63%	0.24%	7.76	3.65	55.56%	0.02%	287.18	105.27	9.85%	0.18%
	LOANS TO FIs	0.00	0.00	0.00%	0.00%	-	-	0.00%	0.00%	-	-	0.00%	0.00%
	MICRO TOTAL	2,901.81	743.59	100.00%	2.45%	13.97	4.99	100.00%	0.03%	2,915.78	748.58	100.00%	1.83%
(2) COTTAGE	AGRICULTURE	2,791.68	921.19	72.36%	2.36%	1.41	0.49	1.84%	0.00%	2,793.08	921.69	70.99%	1.76%
	PROD & MANU	99.07	40.22	2.57%	0.08%	3.28	2.16	4.28%	0.01%	102.35	42.38	2.60%	0.06%
	SERVICE	294.04	161.94	7.62%	0.25%	24.17	6.64	31.53%	0.06%	318.21	168.58	8.09%	0.20%
	TRADE&COMMERCE	673.26	258.93	17.45%	0.57%	47.78	20.96	62.35%	0.12%	721.04	279.89	18.33%	0.45%
	LOANS TO FIs	0.00	-	0.00%	0.00%	-	-	0.00%	0.00%	-	-	0.00%	0.00%
	COTTAGE TOTAL	3,858.04	1,382.28	100.00%	3.26%	76.64	30.24	100.00%	0.19%	3,934.68	1,412.53	100.00%	2.48%
(3) SMALL	AGRICULTURE	756.97	229.77	7.54%	0.64%	2.98	0.00	0.09%	0.01%	759.96	229.77	5.75%	0.48%
	PROD & MANU	1,648.82	694.71	16.43%	1.39%	264.09	130.66	8.32%	0.65%	1,912.91	825.36	14.48%	1.20%
	SERVICE	3,219.52	1,179.86	32.09%	2.72%	1,437.45	903.12	45.27%	3.55%	4,656.98	2,082.98	35.25%	2.93%
	TRADE&COMMERCE	4,408.90	1,274.72	43.94%	3.72%	1,471.06	658.08	46.32%	3.63%	5,879.96	1,932.80	44.51%	3.70%
	LOANS TO FIs	-	-	0.00%	0.00%	0.00	-	0.00%	0.00%	-	-	0.00%	0.00%
	SMALL TOTAL	10,034.21	3,379.06	100%	8.47%	3,175.59	1,691.85	100%	7.84%	13,209.80	5,070.90	100.00%	8.31%
(4) MEDIUM	AGRICULTURE	342.12	119.88	1.39%	0.29%	51.62	1.80	0.55%	0.13%	393.73	121.68	1.16%	0.25%
	PROD & MANU	3,997.94	1,229.66	16.21%	3.38%	1,694.67	550.84	18.14%	4.19%	5,692.61	1,780.50	16.74%	3.58%
	SERVICE	14,986.21	2,997.43	60.78%	12.65%	4,789.97	2,609.68	51.26%	11.83%	19,776.18	5,607.11	58.17%	12.44%
	TRADE&COMMERCE	5,329.66	1,262.72	21.62%	4.50%	2,807.56	1,346.87	30.05%	6.93%	8,137.23	2,609.59	23.93%	5.12%
	LOANS TO FIs	-	-	0.00%	0.00%	-	-	0.00%	0.00%	-	-	0.00%	0.00%
	MEDIUM TOTAL	24,655.93	5,609.68	100%	20.82%	9,343.82	4,509.20	100%	23.07%	33,999.75	10,118.88	100.00%	21.39%
(5) LARGE	AGRICULTURE	-	0.00	0.00%	0.00%	-	-	0.00%	0.00%	-	-	0.00%	0.00%
	PROD & MANU	7,884.65	1,145.15	36.34%	6.66%	4,705.44	210.90	36.93%	11.62%	12,590.09	1,356.05	36.56%	7.92%
	SERVICE	11,735.47	368.51	54.08%	9.91%	7,705.76	736.86	60.48%	19.03%	19,441.23	1,105.37	56.45%	12.23%
	TRADE&COMMERCE	2,079.31	22.69	9.58%	1.76%	-	-	0.00%	0.00%	2,079.31	22.69	6.04%	1.31%
	LOANS TO FIs	-	0.00	0.00%	0.00%	330.63	-	2.59%	0.82%	330.63	-	0.96%	0.21%
	LARGE TOTAL	21,699.43	1,536.36	100%	18.32%	12,741.82	947.76	100%	31.47%	34,441.25	2,484.11	100.00%	21.67%
Non-Enterprise	HOUSING	35,076.47	2,606.37	63.45%	29.62%	6,291.94	1,027.95	41.55%	15.54%	41,368.41	3,634.31	58.74%	26.03%
	TRANSPORT	4,978.18	1,481.01	9.00%	4.20%	1,243.48	577.93	8.21%	3.07%	6,221.66	2,058.93	8.83%	3.91%
	PERSONAL	10,326.10	929.23	18.68%	8.72%	3,731.53	1,065.52	24.64%	9.22%	14,057.63	1,994.75	19.96%	8.85%
	STAFF LOAN	1,144.87	33.44	2.07%	0.97%	445.01	22.60	2.94%	1.10%	1,589.88	56.04	2.26%	1.00%
	Education Loan	1,470.38	233.94	2.66%	1.24%	3,062.46	28.43	20.22%	7.56%	4,532.84	262.36	6.44%	2.85%
	Loan Against Fixed Deposits	1,220.72	28.48	2.21%	1.03%	-	-	0.00%	0.00%	1,220.72	28.48	1.73%	0.77%
	Loans to the Govt	-	0.00	0.00%	0.00%	-	-	0.00%	0.00%	-	-	0.00%	0.00%
	Others	1,068.07	20.29	1.93%	0.90%	367.59	94.32	2.43%	0.91%	1,435.66	114.61	2.04%	0.90%
	Non-Enterprise TOTAL	55,284.79	5,332.75	100.00%	46.68%	15,142.01	2,816.74	100%	37.39%	70,426.80	8,149.49	100.00%	44.31%
	GRAND TOTAL	118,434.21	17,983.72			40,493.86	10,000.77			158,928.07	27,984.50		

