

# Highlights on the Financial Sector Performance

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March 2021



*This report presents the highlights on the performance of the Bhutanese financial sector on peer group basis for the period ended Q1FY'21 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.*

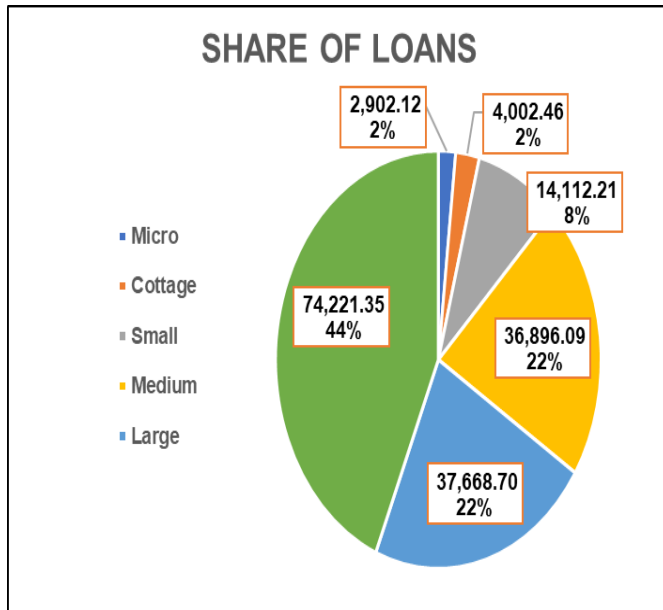
**DEPARTMENT OF FINANCIAL REGULATION & SUPERVISION  
ROYAL MONETARY AUTHORITY OF BHUTAN**

## Highlights of the Financial Institutions<sup>1</sup>

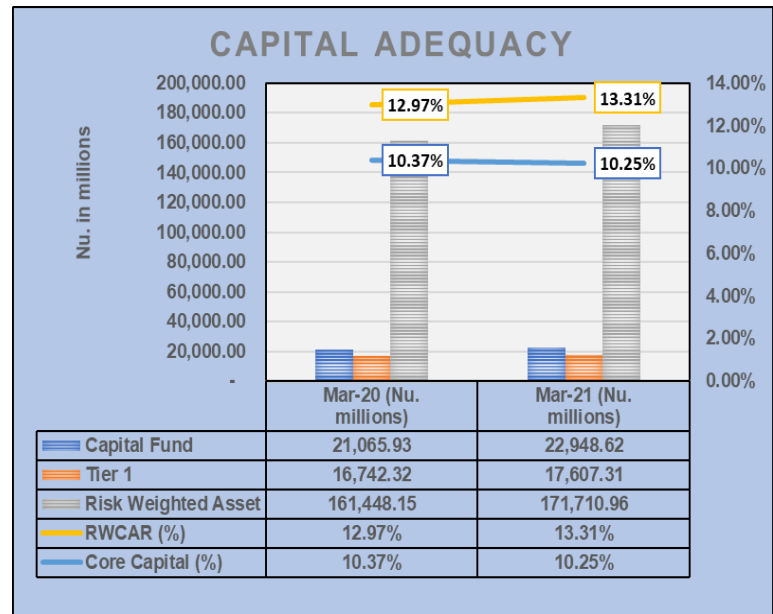
Indicators	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
<b>Capital</b>					
<i>RWCAR (12.5%)</i>	12.97%	11.65%	12.42%	13.82%	13.31%
<i>Core CAR (7.5%)</i>	10.37%	9.20%	9.77%	10.75%	10.25%
<i>Leverage Ratio (5%)</i>	7.04%	6.16%	6.42%	6.68%	6.43%
<b>Asset Quality</b>					
<i>Gross NPL Ratio</i>	17.72%	16.35%	15.45%	14.61%	14.58%
<i>Net NPL to Net Loan</i>	7.61%	6.03%	5.20%	5.08%	4.61%
<i>Single Largest Borrower</i>	17.74%	15.63%	17.45%	16.70%	18.67%
<i>Provision to NPL</i>	50.15%	54.90%	57.66%	54.75%	56.77%
<i>Ten Largest Borrower</i>	12.30%	13.66%	14.15%	14.30%	14.69%
<i>NPL</i>	Nu. 28.16b	Nu. 26.59b	Nu. 25.5b	Nu.24.40b	Nu. 24.75b
<i>Loan</i>	Nu. 158.93b	Nu. 162.93b	Nu. 164.8b	Nu.166.99b	Nu. 169.80b
<b>Earning</b>					
<i>Return on Asset (RoA)</i>	-1.15%	-0.08%	-0.53%	0.92%	0.80%
<i>Return on Equity (RoE)</i>	-9.90%	-0.75%	-4.88%	8.73%	7.53%
<i>Profit After Tax (PaT)</i>	Nu. 4.7m	Nu. -155.01m	Nu. -1.01b	Nu 1.83	Nu.1.63b
<b>Liquidity</b>					
<i>Loans to Deposits ratio</i>	83.56%	81.12%	79.23%	78.40%	80.12%
<i>Statutory Liquidity Requirement ratio</i>	24.14%	25.76%	27.04%	30.67%	29.50%
<i>Liquidity Position</i>	Nu. 9.02b	Nu. 12.22b	Nu. 14.73b	Nu.22.86b	Nu.20.87b
<i>Statutory Liquidity Requirement</i>	Nu. 31.75b	Nu. 33.18b	Nu. 34.25b	Nu.36.91b	Nu.37.10b

<sup>1</sup> The reporting Financial Institution include Banks; BNBL, BoBL, DPNBL, TBank, BDBL, Non-Banks; RICBL, BIL, and NPPF.

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



## 3. Capital and Reserves<sup>2</sup>

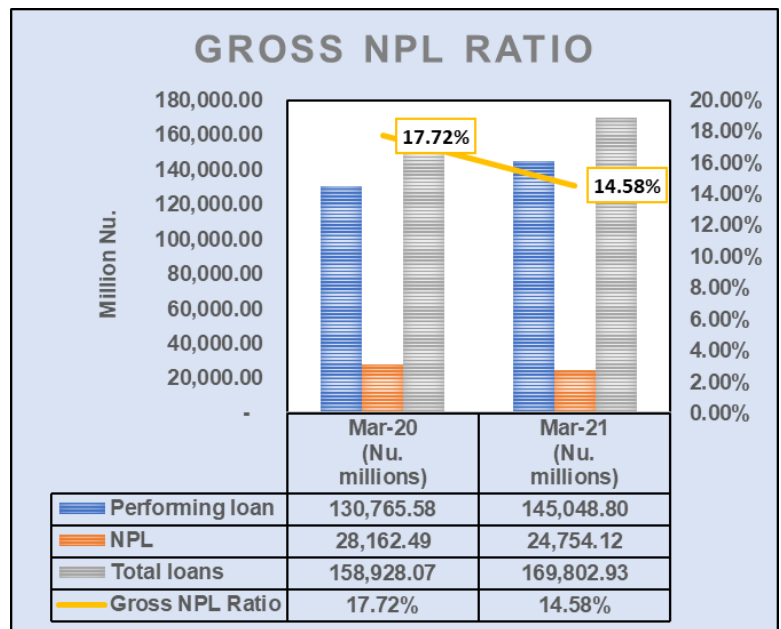


## 2. Assets/ Liabilities

Assets	Mar- 20 (Nu. millions)	Mar- 21 (Nu. millions)
Cash & Bank balances	67,276.48	83,840.00
Marketable securities	5,679.52	10,702.90
Loans & Advances (net of provisions)	141,538.01	151,985.65
Equity Investment	6,068.63	5,507.16
Fixed Assets	4,486.87	4,929.01
Other Assets	3,977.96	6,769.95
<b>Total</b>	<b>229,027.47</b>	<b>263,734.67</b>

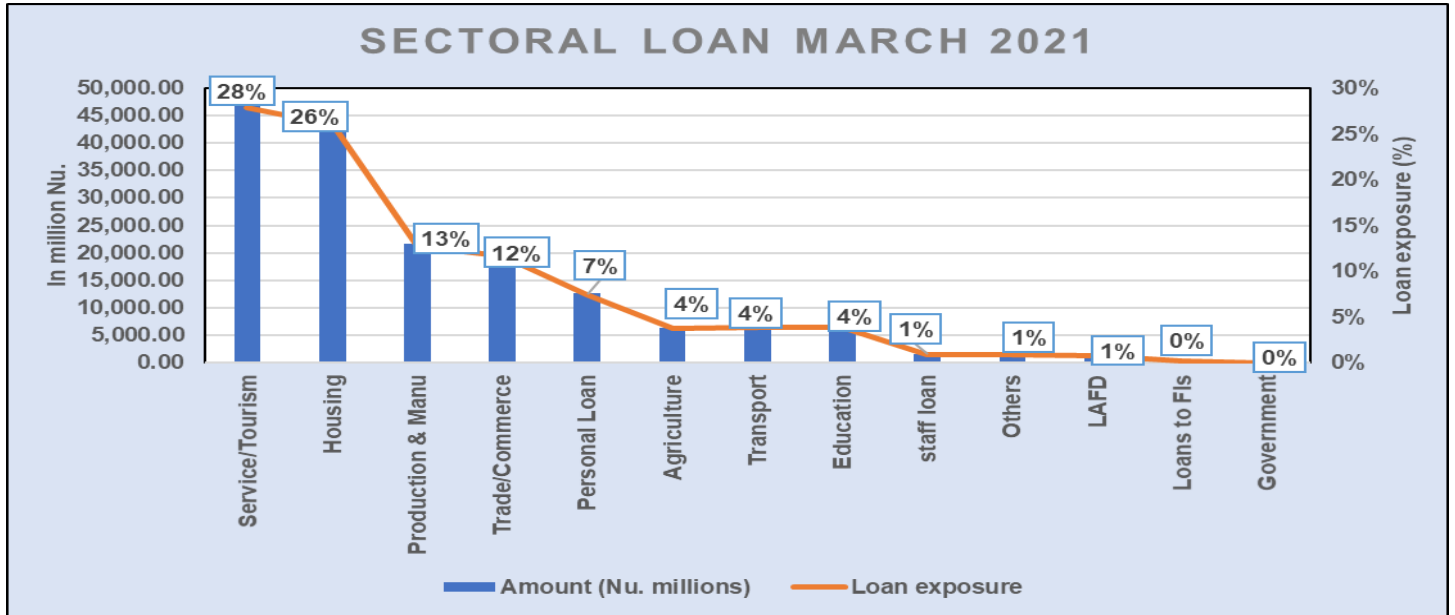
Liabilities	Mar- 20 (Nu. millions)	Mar- 21 (Nu. millions)
Paid up capital	10,550.89	10,690.90
Reserves	13,232.21	16,130.46
Deposit Liabilities	141,735.17	164,372.37
Bonds & borrowing	3,412.68	2,378.25
Interest provision	4,010.37	4,688.33
Fund	49,892.20	57,422.40
Other liabilities	6,193.94	8,051.97
<b>Total</b>	<b>229,027.47</b>	<b>263,734.67</b>

## 4. Asset Quality

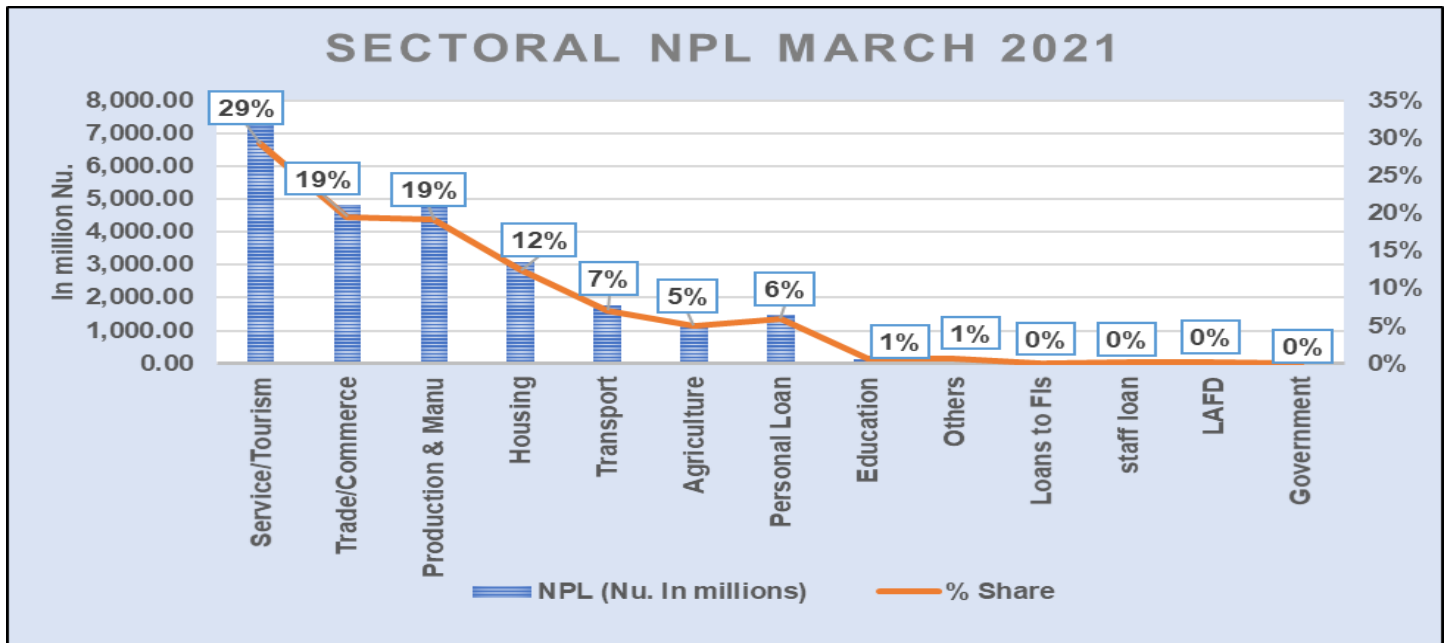


<sup>2</sup> For computation of RWCAR, related party NPLs are deducted from the Capital Fund

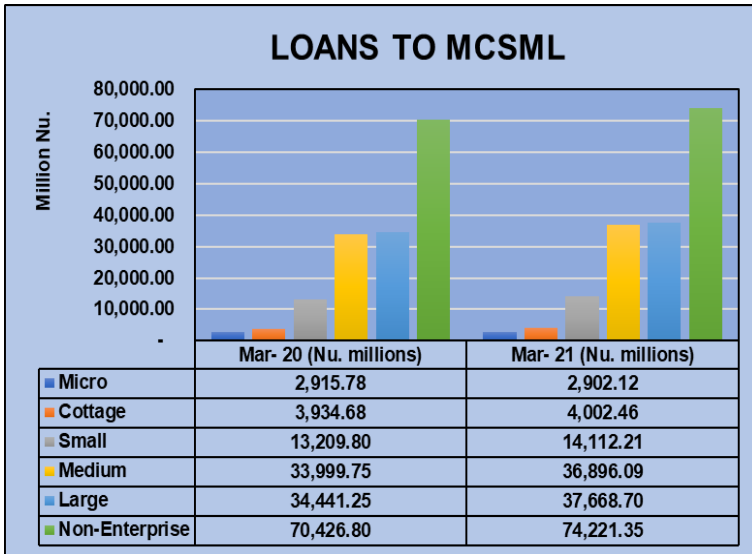
#### 4.1 Sectoral Loans and Advances



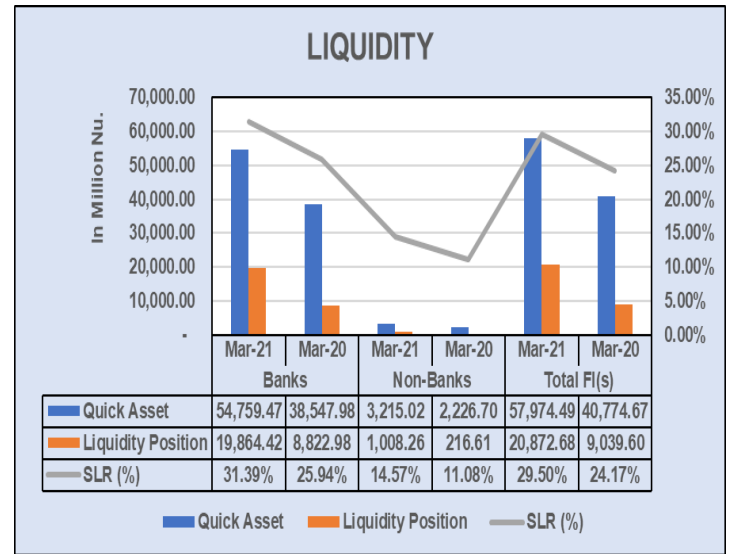
#### 4.2 Sectoral NPL of Financial sector



### 5. Loans to MCSML



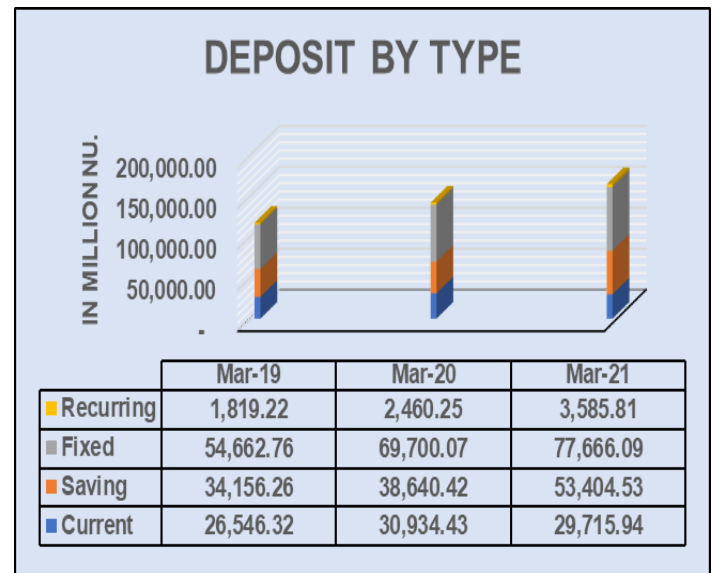
### 8. Liquidity



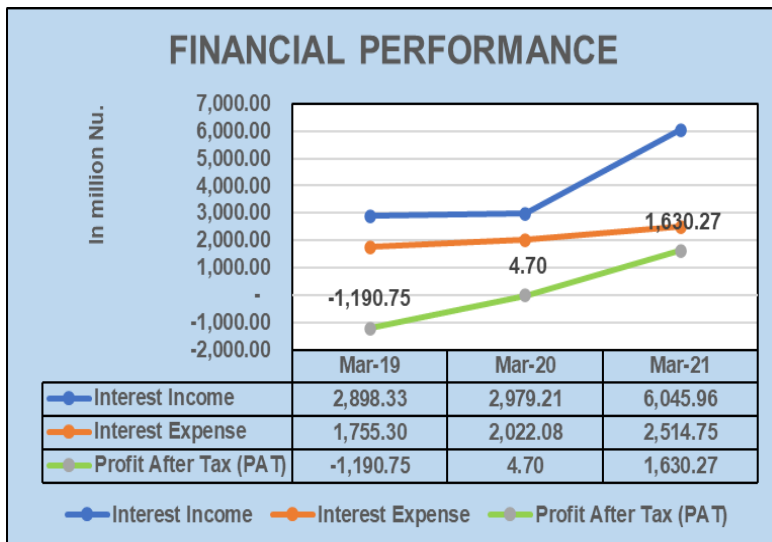
### 6. Access to Finance through Micro Finance Institutions (MFIs) and CSI Bank

Loan and NPL of MFIs and CSI Bank (Nu. in millions)			
Sl no	Particulars	Mar-21	Mar-20
1	Total loan Sanctioned	2,641.31	271.62
2	Total loan Outstanding	2,347.11	210.26
3	Total NPL	42.44	5.12
4	NPL to loan ratio (%)	18.08%	2.44%
5	Total no of loan a/cs	10,602	3,735

### 9. Deposits (Banking Sector)



### 7. Financial Performance



a) Deposit by Customer March 2020- 2021 (figures in million Nu.)- Table 1

Deposits by Customer	Total Deposits (Nu. Millions)			
	Mar-20	Mar-21	% change	% holding
<b>Corporate deposits</b>	<b>67,142.85</b>	<b>66,795.38</b>	<b>-0.52%</b>	<b>40.64%</b>
Government	17,226.46	16,873.63	-2.05%	10.27%
Government Corp.	16,828.68	23,208.75	37.91%	14.12%
Public Companies	1,346.38	688.14	-48.89%	0.42%
Private Co.	4,899.53	5,940.69	21.25%	3.61%
Commercial Banks	16,413.65	6,543.67	-60.13%	3.98%
NBFIs	10,428.15	13,540.50	29.85%	8.24%
<b>Retail deposits</b>	<b>74,592.33</b>	<b>97,576.99</b>	<b>30.81%</b>	<b>59.36%</b>
Individuals	73,348.83	97,151.72	32.45%	59.10%
Foreign Currency	1,243.49	425.26	-65.80%	0.26%
<b>Total</b>	<b>141,735.17</b>	<b>164,372.37</b>	<b>15.97%</b>	<b>100.00%</b>

b) SECTORAL LOAN March 2020- 2021 (figures in million Nu.)- Table 2

Sector	Total Loans		% Change	% Holding
	Mar-20	Mar-21		
Agriculture/Animal Husbandry	6,417.06	6,426.33	0.14%	3.78%
Trade/Commerce	17,104.71	19,926.77	16.50%	11.74%
Production & Manufacturing	19,927.75	21,667.03	8.73%	12.76%
Service/Tourism	44,721.13	47,283.49	5.73%	27.85%
Housing	41,368.41	44,163.95	6.76%	26.01%
Transport	6,221.66	6,610.76	6.25%	3.89%
Loans to FIs	330.63	277.96	-15.93%	0.16%
Personal Loan	12,388.25	12,669.59	2.27%	7.46%
LAFD	1,220.72	1,225.37	0.38%	0.72%
Education	6,202.21	6,497.17	4.76%	3.83%
Staff Loan	1,589.88	1,530.72	-3.72%	0.90%
Government	0.00		0.00%	0.00%
Others	1,435.66	1,523.79	6.14%	0.90%
<b>Totals</b>	<b>158,928.07</b>	<b>169,802.93</b>	<b>6.84%</b>	<b>100%</b>

c) SECTORAL NPL March 2020- 2021 (figures in million Nu.)- Table 3

Sector	Total NPLs		% Change	% Holding
	Mar-20	Mar-21		
Agriculture/Animal Husbandry	1,856.45	1,240.66	-33.17%	5.01%
Trade/Commerce	4,950.24	4,823.15	-2.57%	19.48%
Production & Manufacturing	4,025.00	4,741.15	17.79%	19.15%
Service/Tourism	9,003.31	7,242.49	-19.56%	29.26%
Housing	3,750.17	3,072.94	-18.06%	12.41%
Transport	2,058.93	1,754.59	-14.78%	7.09%
Loans to FIs	0.00	0.00		0.00%
Personal Loan	1,994.75	1,482.02	-25.70%	5.99%
LAFD	28.48	40.36	41.73%	0.16%
Education	324.50	147.87	-54.43%	0.60%
Staff Loan	56.04	32.13	-42.67%	0.13%
Government (short term)	0.00	0.00	0.00%	0.00%
Others	114.61	176.75	54.23%	0.71%
<b>Totals</b>	<b>28,162.49</b>	<b>24,754.12</b>	<b>-12.10%</b>	<b>100.00%</b>

**MCSML and Non enterprise Loan as of March 2021**

SI no.	Sector	Total FIs			
		Loan Outstanding	NPL	% share of each category	% share of total outstanding
(1) MICRO	AGRICULTURE	2,417.10	354.51	83.29%	1.42%
	PROD & MANU	65.85	22.49	2.27%	0.04%
	SERVICE	101.32	31.35	3.49%	0.06%
	TRADE&COMMERCE	317.85	94.96	10.95%	0.19%
	LOANS TO FIs	-	-	0.00%	0.00%
	<b>MICRO TOTAL</b>	<b>2,902.12</b>	<b>503.31</b>	<b>100.00%</b>	<b>1.71%</b>
(2) COTTAGE	AGRICULTURE	2,808.62	617.88	70.17%	1.65%
	PROD & MANU	93.66	29.60	2.34%	0.06%
	SERVICE	369.80	145.10	9.24%	0.22%
	TRADE&COMMERCE	730.37	206.28	18.25%	0.43%
	LOANS TO FIs	-	-	0.00%	0.00%
	<b>COTTAGE TOTAL</b>	<b>4,002.46</b>	<b>998.85</b>	<b>100.00%</b>	<b>2.36%</b>
(3) SMALL	AGRICULTURE	849.61	146.36	6.02%	0.50%
	PROD & MANU	1,964.72	721.54	13.92%	1.16%
	SERVICE	4,416.21	1,501.20	31.29%	2.60%
	TRADE&COMMERCE	6,881.67	1,851.12	48.76%	4.05%
	LOANS TO FIs	-	-	0.00%	0.00%
	<b>SMALL TOTAL</b>	<b>14,112.21</b>	<b>4,220.23</b>	<b>100.00%</b>	<b>8.31%</b>
(4) MEDIUM	AGRICULTURE	351.00	121.91	0.95%	0.21%
	PROD & MANU	6,627.06	1,489.80	17.96%	3.90%
	SERVICE	19,637.76	4,601.63	53.22%	11.57%
	TRADE&COMMERCE	10,259.99	2,670.78	27.81%	6.04%
	LOANS TO FIs	20.28	0.00	0.05%	0.01%
	<b>MEDIUM TOTAL</b>	<b>36,896.09</b>	<b>8,884.12</b>	<b>100.00%</b>	<b>21.73%</b>
(5) LARGE	AGRICULTURE	-	-	0.00%	0.00%
	PROD & MANU	13,790.79	2,477.72	36.61%	8.12%
	SERVICE	21,883.34	963.22	58.09%	12.89%
	TRADE&COMMERCE	1,736.89	(0.00)	4.61%	1.02%
	LOANS TO FIs	257.68	-	0.68%	0.15%
	<b>LARGE TOTAL</b>	<b>37,668.70</b>	<b>3,440.94</b>	<b>100.00%</b>	<b>22.18%</b>
Non-Enterprise	HOUSING	44,163.95	3,072.94	59.50%	26.01%
	TRANSPORT	6,610.76	1,754.59	8.91%	3.89%
	PERSONAL	14,978.65	1,488.43	20.18%	8.82%
	STAFF LOAN	1,530.72	32.13	2.06%	0.90%
	Education Loan	4,188.11	141.46	5.64%	2.47%
	Loan Against Fixed Deposits	1,225.37	40.36		
				1.65%	0.72%
	Loans to the Govt	-	-	0.00%	0.00%
	Others	1,523.79	176.75	2.05%	0.90%
		<b>Non- Enterprise TOTAL</b>	<b>74,221.35</b>	<b>6,706.66</b>	<b>100.00%</b>
	<b>GRAND TOTAL</b>	<b>169,802.93</b>	<b>24,754.12</b>		