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2 batches of BOB employees at FLEXCUBE trainings conducted at the Head Office



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### BOB Bulletin

BOB Chairman, Board of Directors and senior officials have participated in various meetings and seminars this year in order to push for certain agenda items related to CBS technology, SWIFT, Credit Information Bureau (CIB) and the strategic partnership with the State Bank of India (SBI):

1. SBI SAARC Conference for this year was held in Nepal from November 2-4, 2009. The conference was attended by SBI SAARC countries' CEOs and the senior management of International Banking Group of the SBI including the Chairman. BOB CEO has been invited to this seminar from 2008 and it offers an excellent opportunity for the CEO to meet the SBI Chairman in person for two days and raise many important issues.

This year the highlight of the meeting was the meeting between the BOB Chairman and the SBI Chairman on November 3, 2009. This meeting was able to renew the excellent cooperation between the two banks and also plan for the following strategic areas of interest:

- i. Issue of SBI-BOB Credit Cards
- ii. SBI to sponsor Subsidiary membership with VISA and Master-Cards for BOB

We would like to thank the Honourable Chairman of SBI and Bank of Bhutan for sparing their time and holding this very important

meeting.

2. The Oracle CBS Leadership program and the 2009 SIBOS conferences were held in Hong Kong from September 10-18, 2009. The SIBOS was organized by SWIFT. There were about 6000 bankers at the SIBOS Program and three participants from Bhutan (CEOs of BOB & BNB, and DMD RMA). SWIFT training for BOB employees were conducted after the program.
3. Dumm & Bradstreet Knowledge Forum was organized by ADB and RMA at Cairo, Egypt from October 7-11, 2009. This was attended by CEOs of financial institutions, MD RMA and led by Honourable Finance Minister of Bhutan.
4. CBS team led by the Project Manager Mr. Laxman Sharma, Mr. Prem Moktan, Mr. Sonam Kelzang, Mr. Binod Ghalley and Mr. Sangum Chettri also visited the following banks in Nepal and managed to share CBS experiences and other issues:
  - i. Laxmi Bank
  - ii. Himalayan Bank
  - iii. SBI Nepal
  - iv. Sithartha Bank
  - v. Nabil Bank
5. We would also like to congratulate Eastern Zonal team for successfully conducting their study tour to Guwahati and North Eastern Region led by the Zonal Manager Mr. Janga Rana. About 25 of them participated in the tour.

<<Bulletin cont. Page 2>>

## Financial Highlight of Third Quarter, 2009

### Financial Performance of Q 3 Summary (Nu. in millions)

Profit & Loss Statement	30.09.09	30.09.08	Growth	
			Absolute	%
<b>INCOME</b>				
Interest earned	625.257	582.308	42.949	7.38
Other Income	150.030	119.924	30.106	25.1
<b>Total Income</b>	<b>775.287</b>	<b>702.232</b>	<b>73.055</b>	<b>10.4</b>
<b>EXPENDITURE</b>				
Interest Expended	201.872	221.264	-19.391	-8.76
Operating Expenses	140.930	109.595	31.336	28.59
Provision for Income Tax	30.594	89.155	-58.561	-65.68
Provision and Contingencies	330.503	74.190	256.314	345.48
<b>Total Expenditure</b>	<b>670.306</b>	<b>405.048</b>	<b>268.258</b>	<b>66.23</b>
<b>Profit for Quarter 3</b>	<b>71.387</b>	<b>208.029</b>	<b>-136.642</b>	<b>-65.68</b>

### Financial Highlight of the Quarter

<<BOB Bulletin continuation from pg. 1 >>

We see a substantial decrease in the amount of profit. This is mainly due to system NPA provisioning. While most of the provisioning shall be corrected and rectified by the end of year in the CBS system, there are increasing non performing loans which require the urgent attention of the branch managers.

You may recall that our focus till the end of the year shall be on reducing the NPA and making maximum recovery as intimated by Memo from CEO dated October 2, 2009.

Further on October 3, 2009, the CEO had talked to all the branch managers through conference calls highlighting on this issue.

Therefore, we hope all branch managers will be able to reduce their NPA by the end of the year.

### Annual Closing

Since this is the first Annual Closing with the Flex branches, the Annual Closing needs to be carefully planned, executed and monitored. The DMD (CS), the Project Director, CBS shall head and supervise all annual closing activities.

Usual BOB Annual Closing is on December 31, which falls on Thursday this year. Since more time would be required with the new system, 2<sup>nd</sup> and 3<sup>rd</sup> December being Saturday and Sunday respectively, BOB shall be closed for public transactions from 31.12.2009 to 03.01.2010 for which timely public and repeated announcement will be made well in advance. Approvable from RMA shall also be sought in this matter.

6. Our Chief Credit Officer, Mr. B.B. Chuwan attended the Asian Bankers workshop organized by Standard Chartered Bank from 13<sup>th</sup> to 16<sup>th</sup> August, 2009 in Seoul, Korea.

7. A group of BOB officials (25) led by the CEO also conducted a study tour and a meeting with the counter banks officials in Siliguri including Axis Bank, SBI, HDFC from July 12-13, 2009. The meeting was extremely useful in learning and sharing of experiences and resulted in some initiatives like the Central Loan Processing Unit, Auditing, Customer Service and branch ambience.

8. Similarly, managers from the South and West Zones are also planning to make a similar trip to the regional banks.

9. In the wake of increasing customer complaints, the Customer Care Division of the bank has drafted *Complaint Handling Manual*. Ms Susan Lama is taking the charge of the manual. The draft manual is being submitted to all the department heads and the branch managers for feedback and suggestions for further improvement.

10. Recently the bank introduced 2 helpline mobile numbers. The Customer Care Division is instructed to receive customer calls 24/7 and shall contact the focal persons for the specific queries and apprise the management. Helpline numbers:

1. 17970104
2. 17970105

11. An electronic token system is introduced in Phuentsholing Main Branch. Customers appreciated the facilities for they no more have to stand in long queues. We hope such facilities can be put in place in all BOB branches.

### Editorial Note

Dear Colleagues,



Another quarter is up. It is time to read another issue of BOB's Quarterly Newsletter. We hope you have been waiting eagerly. Any good work is a culmination of inspiration and hard work. We would like to thank you all for your sincere feedback and suggestions. We anticipated scores although it is unfortunate that we received only a few.

Some of the employees were of the opinion that the three quiz questions in the last issue were quite simple and that anyone could have answered them correctly. Actually our goal was to have as many employees as possible participating in the contest. But it is interesting to note that we have only 4 employees who sent us the answers.

Mr. Anjan Kumar Dutta joins the bank as the new CFO. We are pleased to have him with us. Another recruitment process is completed wherein the bank has selected 3 executive secretaries, 13 graduates, 1 head for investment banking, and 2 senior officers. We take this chance to welcome them all to the bank with a big round of applause.

Don't forget this quarter's quiz questions and check out the bank's third quarter financial highlight. Also find out what customers are saying about Bank of Bhutan's service in our findings of the recent customer survey and many more ...

The management and editorial team feel that most of the news stories are from the Head office. Therefore, we suggest the branches to submit their own for future issues. If the branches would like to share any news, please kindly to send your news or articles via email to the editor.

With best regards,

Happy Reading!

Editorial Team:

Ngawang Phuntsho  
Upahar Subedi

### New Board Director for BOB

Druk Holding and Investments approves Mr. Arun Duggal as the Bank of Bhutan's new Board Director in view of his vast experience in the financial sector. The Board, management and all employees of Bank of Bhutan would like to welcome him aboard.

We hope Mr. Duggal will contribute to the bank new insights and directions to take the company forward. We are proud to have him on board and wish him the best.

### Bank Donates to Royal Kidu Fund

BOB and other DHI Companies donated Nu 20 million on November 10, 2009 to Royal Kidu Fund on account of recent Earthquake Relief activities. BOB's contribution was Nu 2 million. We offer our deepest condolences to the families affected by the earthquake and wish them all a speedy reconstruction of their homes.

"With businesses, you go to the same places because you like the service, you like the people and they take care of you. They greet you with a smile. That's how people want to be treated, with respect. That's what I tell my employees...customer service is very important." --- Magic Johnson

# Our Employees: All that Matter

## Who left Bank of Bhutan?

Next time you go to a person's office, but you cannot find that person, think he/she has left Bank of Bhutan. The following employees have left the Bank for good:

1. Mr. G.P Sharma, DMD (Credit)
2. Ms. Binla Gurung, Company Secretary
3. Mr. Namgay Dorji, GM
4. Mr. Tashila, SSO
5. Mr. Sherub Jamtsho, SSO
6. Mr. Dorji Penjor, SO- I
7. Mr. R.K Pradhan, SO- I
8. Mr. Yeshi Nidup, SO- I
9. Mr. Yonten Dorji, OG- I
10. Ms. Yangki Dema, OG- II
11. Mr. Mr. Durga Gazmer, SO- I
12. Mr. Ratan Sinha, OG- II
13. Mr. Amit Chettri, OG- I
14. Ms. Sati Chettri, SA
15. Mr. Karma Dukpa, AG- I
16. Mr. Sonam Norbu, AG- I
17. Ms. Kinley Wangmo, AG- II
18. Ms. Tshering Dolma, SA

We are happy most of them are happily retired after long and successful careers with the bank or have been offered better opportunities and positions in the new banks or personal businesses. We would like to thank them all for their services and we would like to solicit their goodwill and support in future.

At the same time we would like to welcome to our BOB family, the following:

CFO – Mr. Anjan Kumar Dutta joins us with his rich experience with Bhutan National Bank. We are happy to have him with us to start the Finance Department.

Mr. Dopfu Dorji joins us from RSEB as the head of Investment Banking. He would help the bank establish the much awaited Investment Portfolio Centre.

Also Bank of Bhutan recruited 3 executive secretaries, 13 graduates, and 2 senior officers. The new recruits have joined the bank on November 16, 2009.

Tashi Delek to them all! We wish them fulfilling careers ahead with Bank of Bhutan.

Mr. Robert Ramser and his wife, both professional bankers and now retired will be joining us from November 2009 to February 2010 to share some of their experiences in banking strategies, private and high net-worth banking. Mr. Robert had worked as the Chief Financial Officer for Lloyds TSB Bank for many years while his wife had worked in many private banks in Europe.

We are also happy to inform all of you that now we have selected Ms. S.K. Mittal from New Delhi as our auditor for the next three years. M/s. S.K. Mittal is a highly reputed firm with over 160 auditors and have audited some of the biggest public sector organizations like NPTC, Reserve Bank of India, and even the State Bank of India. We have increased the scope of the auditors to audit all the branches and also carry out a comprehensive auditing of the banks functioning including detail loan portfolios. We hope to maintain the highest level of transparency and compliance in our reporting to the board, shareholders and the regulators.

## Training Update:

Bank of Bhutan is conducting a series of in-house trainings for the employees. The management has realized that in-house training is cost effective and more efficient.

### Oracle Flexcube - Retail Banking

- Trainer: Mrs. Lekshmi and Shalini
- 25 participants
- October 20 - 24, 2009

### Oracle Flexcube for CBS and IT

- Trainer: Mrs. Lekshmi and Shalini
- 24 participants
- October 26 - 30, 2009

### Swift On-site training

- Trainer: Vinode Mazumder
- 15 participants
- November 2 - 4, 2009

### Performance Management and Customer Service Workshop

- Trainer: DHI
- 3 participants
- November 4, 2009

### Seven Habits of Highly Effective People

- 20 Participants
- September 14-16<sup>th</sup>, 2009

Basic computer trainings were conducted by the Royal Institute of Management for the BOB manual branches. Only three remain as of today. The feedback has been very positive and we would like to encourage such trainings in future.

## REASSIGNMENT

We also have the following reassignment of some senior officials. They're being reassigned given their background experience and relevance to the job that they would be handling:

1. Mr. Laxman Sharma is transferred to Thimphu to take over the charges of Thimphu Main Branch in addition to his duty as COO
2. Mr. Tharpo Dukpa will be heading the NPA and Recovery Management Task Force given the importance of NPA Recovery Strategy
3. Mr. Sonam Gyeltshen is the head of Administration and Real Estate
4. Mr. Sithup Tshering is the new head of Internal Audit
5. Mr. Damber Tamang is the Compliance officer
6. Mr. H.K Archarya is the new Project Manager for CBS Project

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RMA Onsite Inspection was carried out from October 5-November 5, 2009. Their findings shall be communicated after the exit meeting is conducted.  
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## Special Moments



"It is better to lead from behind and to put others in front, especially when you celebrate victory when nice things occur. You take the front line when there is danger. Then people will appreciate your leadership."

---Nelson Mandela

# What customers think of our services – a preliminary findings of Customer

## Survey

A customer survey was conducted in all the BOB branches in July this year. We would like to thank all the branches for taking the lead in that project and making it a success. A total of 808 respondents were involved in the survey, which we think is a good number.

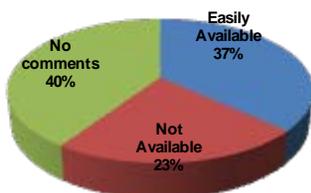
Tsimasham Branch has surpassed all other branches in collecting feedback from 128 respondents. We applaud the branch staff. However, we were quite disheartened that there were no respondents from Samtse, Thimphu and Paro. Thimphu and Paro branches claim to have distributed the survey forms, but received none back. Samtse branch claims that it has not received our survey forms at all.

In the following, we furnish a few important things the survey revealed:

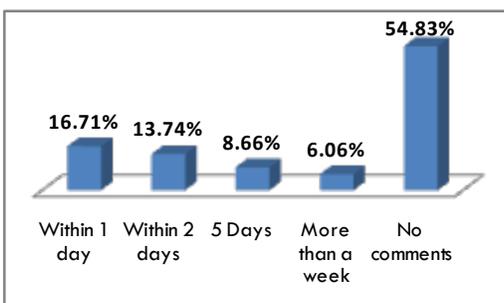
This shows that 23% of the respondents were not able to register their complaint while 40% may not be aware of the process of registering their complaints.

	V. Good	Good	Average	Poor	No Comments
Services provided for Customer enquiry	45%	40%	7%	1%	7%
Availability of product guidelines	29%	49%	8.5%	0.5%	13%
General behavior of Staff	44%	41%	3%	1%	11%
Delivery of printed passbook or bank statements	20%	39%	10%	9%	22%

### Availability of complaint register on demand



### Time taken for sanctioning of loans against FD/RD:



### Social stereotypes: what do they mean?

One of my friends had a severe toothache last winter and the pain was unbearable. But despite her teeth-gritting-pain, my cousin's sense of humor kept her laughing.

"How come?" remarked my cousin. "I thought it is only our teeth that an insect can permeate."

"Why? What do you mean?"

"I had this feeling that people working in the hospital do not get sick. The medicine odor would kill all the germs before they enter your body."

We all smiled. But I hesitated. Just because my friend is a nurse, should her teeth be immune to 'insects'?

But that is definitely something to reflect on. Don't we always carry these stereotyped notions? Almost always! And I believe it is a common feature of our society. But sure, people have the right to stereotype.

So, an employee of a bank must have his purse full all the time. Because the bank is a reservoir of all moneys! And people who work in Bhutan Power Corporation will have good electricity supply for free. By the same token, those working in Road Safety and Transport Authority are good drivers and employees of Royal Insurance Corporation of Bhutan are fully insured, head to toes. And finally if you are relatives or friends of policemen, you commit no crime. The list is endless.

Stereotyping is an assumption we make about others, either seriously or casually. And unless we correct some social defects by doing that, the act itself carries not much meaning.

But I still wonder - what if I am a millionaire working in a bank married to an RSTA employee, have a sister who is a nurse, a brother who works in BPC, a grandmother employed in RICB and a father who is a policeman? That would be one fulfilling life. Isn't it? Folks, that's all for today! Keep your eyes and ears open.

...ngawang phuntsho

### Test Your BOB IQ

Answer the following questions and get your own copy of BOB Newsletter:

1. What was the bank's Paid-up Capital as of 31.12.08?
2. In FLEXCUBE, what does CUBE stand for?
3. When was the BOB's Internet Banking launched?

Please email your answers to: [dept.research@gmail.com](mailto:dept.research@gmail.com) latest by December 31, 2009



Answers to last issue's questions:

1. JRS Homes
2. Wangdi Branch
3. Late Lyonpo Chhogyel

The following employees have sent us the correct answers.

1. Mr. Janga Rana, ZM, East
2. Mr. P Moktan, CBS
3. Mr. Penjor Gyeltshen, CBS
4. Mr. Raju Tamang, IT

Congratulation! Your copy of BOB Newsletter is on the way.

## Do you know?

### BOB Management Team



Chief Executive Officer  
(Kinga Tshering)



Dy. Managing Director  
(Passang Tshering)



Chief Operation Officer  
(Laxman Sharma)



Chief Credit Officer  
(B. B. Chuwan)



Chief Legal Advisor  
(Damche Tenzin)



Chief Monitoring Officer  
(Dr. Dil Bdr. Rahut)



Chief Finance Officer  
(Anjan Kumar Dutta)

What do you think about the BOB's training nomination procedures?

- (a) It is fair
- (b) It is unfair
- (c) I don't care

Please kindly send your answers and comments to: Research, Planning and Monitoring Division, Head Office, Phuentsholing  
Or email us at: [dept.research@gmail.com](mailto:dept.research@gmail.com)

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