

ANNUAL REPORT 2024



Registered Office

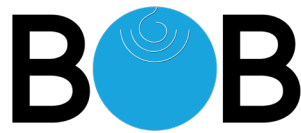
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BANK OF BHUTAN

A dhi Company

Annual Report

2024



The Year in Review

The year 2024 marked a significant phase of economic recovery for Bhutan, building on the momentum from the previous year. The rebound in tourism, along with continued growth in mining and other service sectors, played a vital role in revitalizing the economy. The Bank continued to remain a key driver of national growth. It sustained its market leadership in both deposits and loans, while further strengthening its position in digital banking. The Bank's continued commitment to innovation and financial inclusion reflected its enduring role in Bhutan's development journey.

In summary, some major highlights of the Bank for 2024 were:

1. **Efficient Management of Non-Performing Assets** - With the recovery of the economy, the Bank demonstrated improved performance and successfully kept its Gross Non-Performing Assets (GNPA) at a steady rate of 1.95% as of December 31, 2024 compared to 2.29% in the previous year.
2. **Credit Growth** - The credit portfolio of the Bank experienced a decline in growth, with a growth rate of 6.38% compared to the credit growth rate of 21.77% observed in 2023. Out of the total growth of 6.38%, normal loans accounted for 96.00%, while special education loans contributed 1.97%.
3. **Profit After Tax** - In the year 2024, the Bank experienced drastic increase in its net profit. The Bank recorded a Net Profit of Nu. 1,540.40 million in the year 2024, against the Net Profit of Nu. 1,002.49 million achieved in 2023. This represents a significant increase of 53.66% in Net Profit surpassing the previous year.
4. **Security** - As part of its commitment to information security and compliance, the Bank reviewed its Policies and Procedures and conducted awareness programs and training for all employees. To maintain alignment with security standards, key activities such as VAPT, ASV

1. scans, application penetration testing, and network segmentation were carried out under PCI DSS readiness. Additionally, audits of Information Security were conducted for ISO 27001, ISO 27701, and PCI DSS certifications.
2. New Products – In a continued effort to digitize banking services, the Bank launched the revamped mBoB on February 28, 2024, enhancing user experience with a more intuitive interface and personalized features. On May 29, 2024, the Bank introduced its Digital Lending Platform (DLP), allowing customers to apply for loans online. Subsequently, on July 26, 2024, BoB unveiled its AI Chatbot on the official website. This virtual assistant provides 24/7 customer support, delivering instant responses to inquiries, personalized assistance, and seamless navigation through banking services. BoB also launched the BoBaccount – an online Saving Account opening facility on December 31, 2024, to simplify the account opening process. Additionally, on May 6, 2024, BoB introduced Foreign Currency Accounts for Bhutanese residents. These initiatives reflect BoB's commitment to enhancing customer convenience and embracing digital transformation in the banking sector.
3. Additional Services and Improvements – As always, the Bank continued to enhance its existing products and services for improved usability and efficiency. mBoB introduced new features such as Credit Card PIN generation, DRC payments, and Tourism Payments, allowing customers to use mBoB to make payments in USD for VISA fees, SDF, flights, and selected hotels. Additionally, parents can now top up their children's Annual Travel Scheme using their VISA International Credit or Debit Card.
4. Employee Engagement – The year 2024 ended with a total of 763 employees. During the year, employees had the opportunity to participate in a range of training programs – domestic and international – and online programs. The Bank provided ex-country training for 238 employees, in-country training for 245 employees, in-house training for 355 employees, and online training programs for 61 employees across all functions. These training initiatives were specifically designed to enhance employees' knowledge, skills, and attitude, while also fostering greater motivation and commitment.
5. Challenges and Way Forward – The Bank of Bhutan is committed to supporting the country's evolving economic landscape. To ensure seamless service delivery and align with global standards, the Bank is upgrading its digital infrastructure, enhancing workforce capabilities, and promoting financial inclusion and innovation. While staff attrition remains a major challenge, the Bank is actively developing talent management and succession planning strategies to ensure business continuity. The Bank is also preparing for the much anticipated Gelephu Mindfulness City (GMC).



Dorji Kadin
Chief Executive Officer

The Year 2024



January 04th

Children from Thimphu visited TMB to chant Loday to welcome the new year



February 28th

Launched new and improved UI design of mBoB app to the public



April 24th

Conducted a successful Townhall Meeting with hoteliers and tour operators



May 25th

Celebration of the 56th Foundation Day of BoB



May 28th

Officially launched BoBloan, a digital Lending platform



July 01st

In partnership with BFF, BoB conducted a grass-root level football coaching for 2 weeks at Changlingmithang



July 17th

Partnered with Bhutan Mobile Gaming Association as the main sponsor for the first-ever eSports Championship



July 26th

Officially launched BoB AI Chatbot



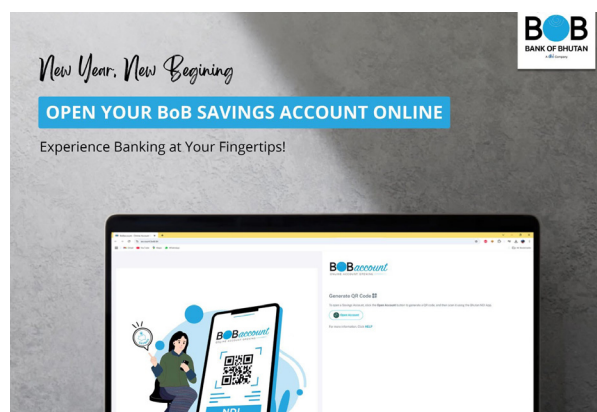
August 21st

BoB was declared the winner of the Financial Institution Cup, 2024



October 23rd - 24th

At the 7th Royal Highland Festival in Laya, BoB promoted goBoB and opened accounts for highland residents



December 31st

Officially launched seamless online account opening with BoBaccount Platform

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Our Vision

To be the Nation's leading premier financial institution, recognized for exceptional customer service, innovative solutions, and sustainable growth.

BOBCARES

COURAGE FOR CHANGE

Always learning, accepting change and embracing diversity.

ACCOUNTABILITY

Delivering the values of honesty, sincerity and integrity.

EXCELLENCE

A customer friendly culture aiming to achieve superior performance.

SOCIAL RESPONSIBILITY

Striving to support communities and their growth.

RELATIONSHIP

Building relationships based on mutual respect and trust.

Our Mission

To provide our customers with a comprehensive range of financial products and services, tailored to meet their individual needs. We aim to build long-term relationships based on trust, transparency, and integrity. By leveraging technology and fostering a culture of continuous improvement, we strive to deliver excellence in customer experience and drive the Nation's economic growth. Our commitment to social and environmental responsibility guides our decisions as we work towards a sustainable future for all stakeholders.





BANKER TO THE NATION

— SINCE 1968 —

Our Values

Bank of Bhutan's core values can be abbreviated as I-CARE which signifies that the Bank cares for all its stakeholders, be its employees, customers, community, shareholders and the nation at large, along with the significance of each term explained.

I

Innovation

Achieving organizational growth through innovation is key to staying afloat in today's highly competitive world.

C

Customer Centric

The customer is the priority, and all steps, processes, and decisions are to be customer centric.

A

Accountability

Resolute for transparency, integrity and accountability through ethical, transparent, honest & sincere ownership of every action.

R

Relationship

Fulfilling relationships through building mutual respect and trust within the organization, with clients, and other stakeholders

E

Excellence

Excellence in service through customer friendly culture, diligent processes and professional systems and efficient delivery of services



ALWAYS WITH YOU ANYWHERE, ANYTIME

Extending facilities to serve you with no bank visits!

ATM

mBoB

goBoB

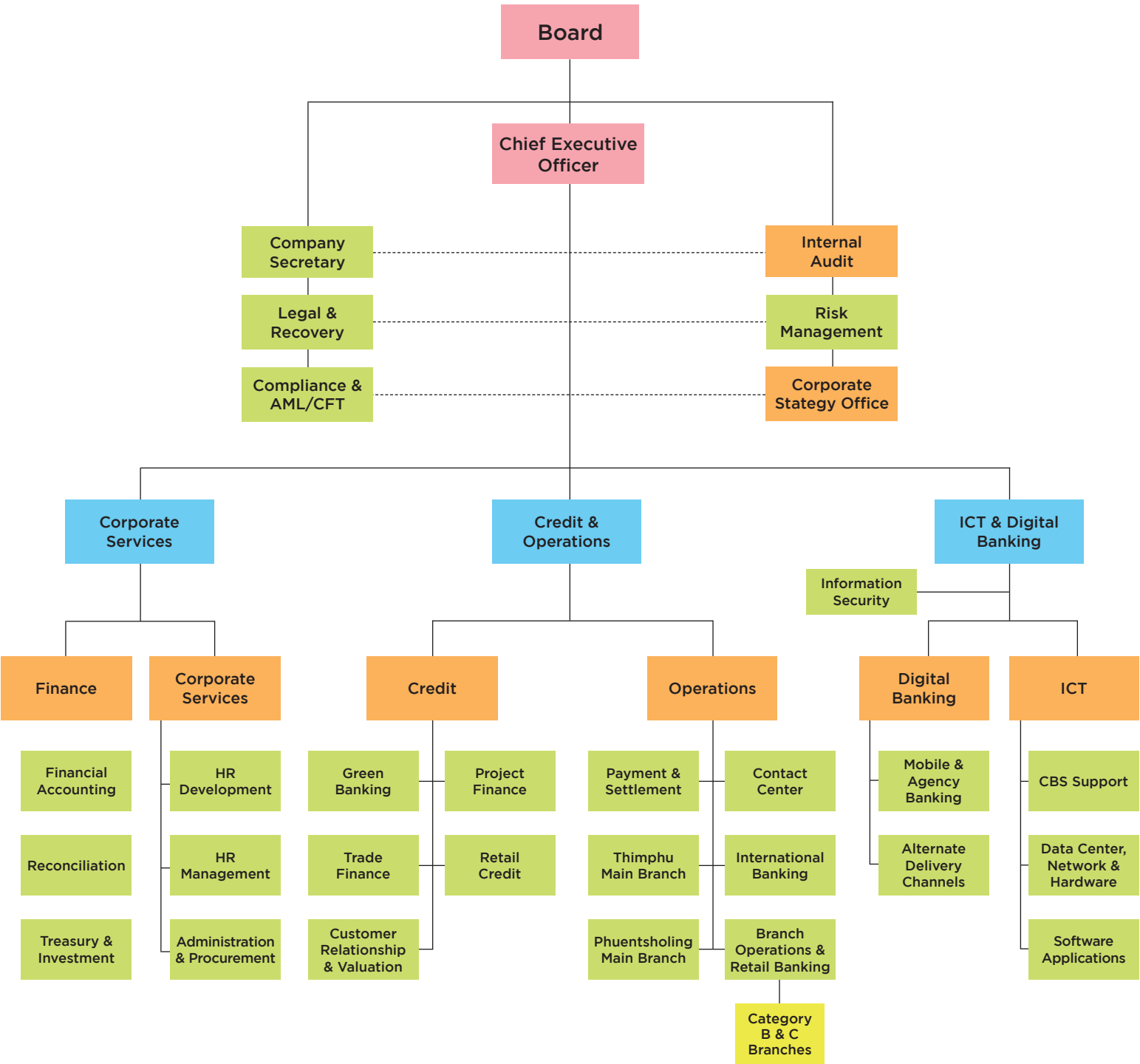
Cards

BoBit

Internet Banking

BoBConnect

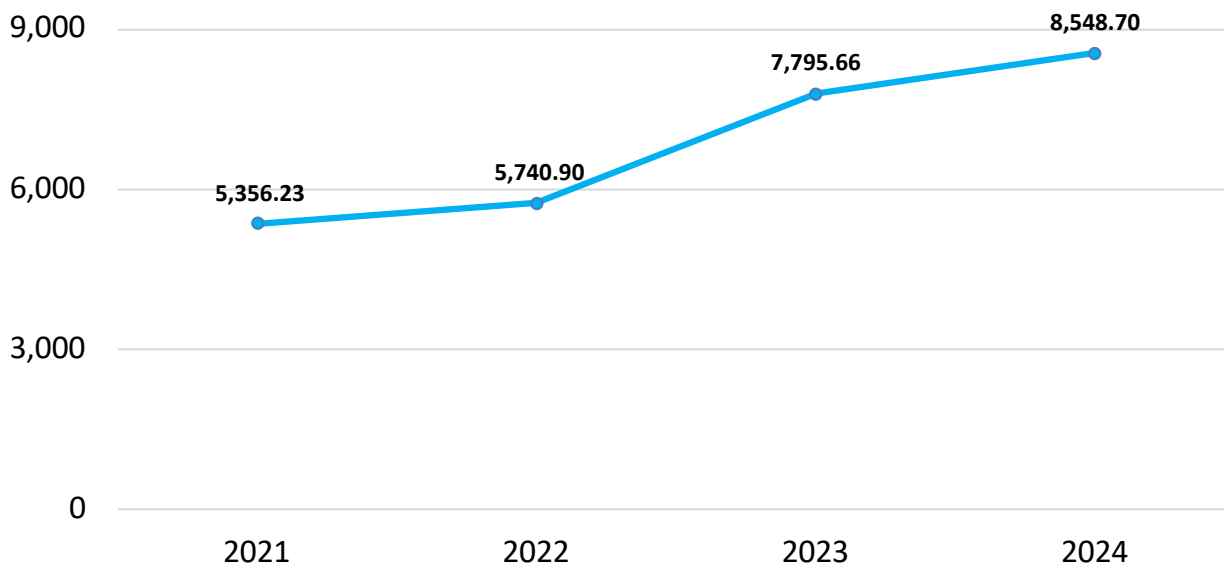
Organization Structure



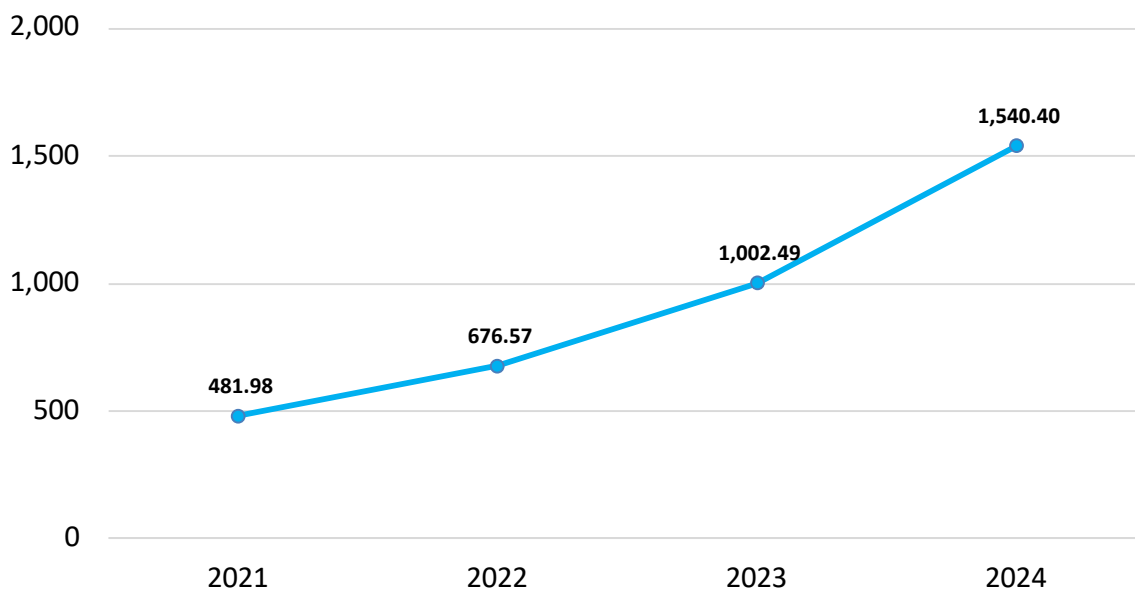
: Department : Division : Section

Performance 2024

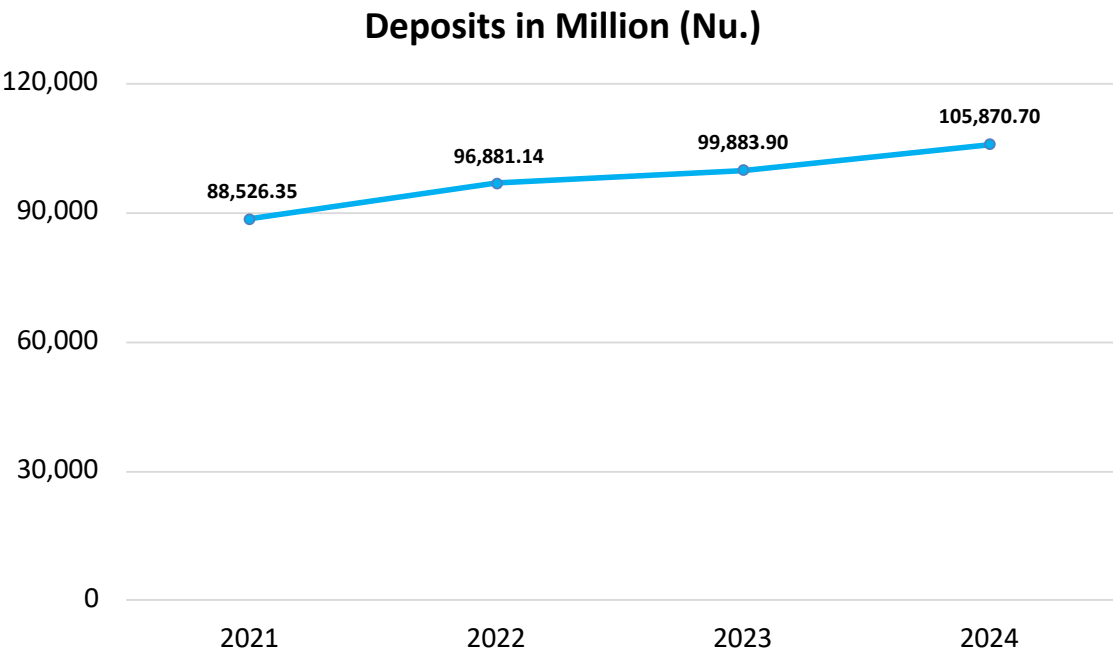
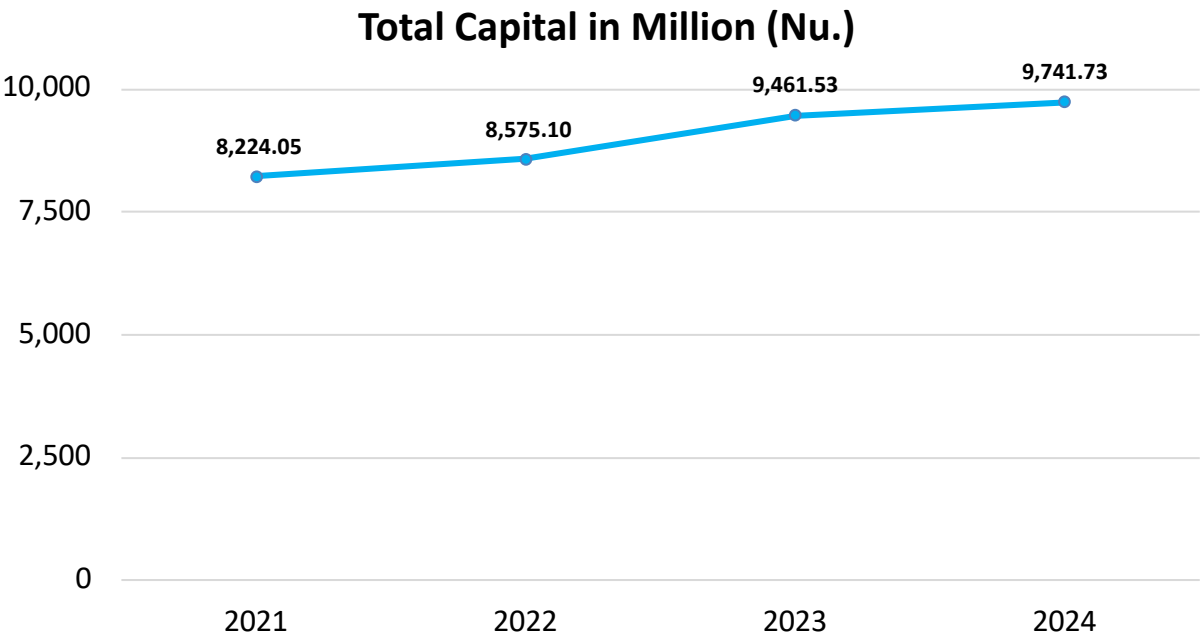
Revenue in Million (Nu.)



Net Profit in Million (Nu.)



Performance 2024



Board Directors



Dasho Karma Yonten, *Chairman*

Dasho Karma Yonten currently serves as the Head of the Office of Performance Management under His Majesty's Secretariat, bringing over 26 years of diverse experience across the Royal Government of Bhutan, as well as the private and corporate sectors. He holds a Bachelor's degree in Electrical Engineering from the University of Kansas, USA, as a Fulbright Scholar, and a Master of Business Administration from Hitotsubashi University, Japan. Dasho began his career in the Department of Power and Energy under the former Ministry of Trade and Industry, where he also served as Project Manager for the construction of the Basochu Hydropower Project. He later became the founding Chief Executive Officer of the Bhutan Electricity Authority, a role he held until his retirement from the civil service. Following his civil service career, he worked as a Consultant with Ongdi Consulting Services, before being appointed as the founding Chief Executive Officer of Druk Holding and Investments Limited (DHI) in 2007, playing a key role in establishing and leading Bhutan's sovereign investment arm. He currently serves on the boards of The JSW School of Law, Bhutan Agro Industries Limited, Gerab Nyed-Yon Limited, and Bhutan Lottery Limited. In addition, he contributes to national development initiatives as a Steering Committee Member of the De-suung Skilling Program and the Royal Commission for Urban Development.



Mr. Biranchi Narayan Rath

Mr. Rath is the General Manager (IB Domestic, Retail & Subsidiaries) in the International Banking Group at State Bank of India (SBI), bringing over 32 years of extensive experience in banking and financial services. He holds a Postgraduate Degree in Physics from Utkal University, Odisha, India. He is a Certified Associate of the Indian Institute of Bankers, and holds diplomas in Management from the Institute of Management Technology (IMT), Ghaziabad, as well as in International Banking & Finance and Treasury Investment and Risk Management. Throughout his career, Mr. Rath has played a key role in the formulation and execution of strategic business initiatives, business development, credit operations, and driving operational efficiency across SBI's international network. He has also been instrumental in advancing technological integration in areas such as Trade Finance and Trade Remittances, while ensuring compliance with FEMA guidelines. The International Banking Group at SBI oversees a global network of 227 offices across 30 countries, managing a business portfolio of nearly USD 74 billion and a workforce of over 3,000 employees. Mr. Rath's responsibilities span the oversight of these operations, with a strong focus on international banking, credit, corporate and retail banking, including his tenure in SBI's Mauritius operations. He currently serves as a Director on the boards of several Overseas Banking Subsidiaries and Joint Ventures of SBI, as well as on the Board of SWIFT India Services Private Limited.



Mr. Sonam Thinley

Mr. Sonam currently serves as the Deputy Chamberlain to His Majesty the King and plays a key leadership role as both the Executive Director and Steering Committee Member of the De-suung Skilling Program. Previously, he served as the Chief Administrative Officer in the Office of the Prime Minister, Royal Government of Bhutan, where he played a pivotal role in supporting governance and public administration at the highest level. He holds a Bachelor of Arts in Politics, Philosophy & Economics from Rangsit University, Thailand, and has completed a Master of Arts as well as a Postgraduate Diploma in Development Studies from the University of Auckland, New Zealand. In addition to his current roles, Mr. Sonam Thinley also serves as the Chairperson of the Athletes Commission of Bhutan, contributing to the promotion and representation of athletes in the country and also as the Board Director for De-suung Skilling Program-Solar Project.



Mr. Tshering Norbu

Mr. Tshering is the Founder and Managing Director of NANO, a Tier-I Category 'A' Internet Service Provider in Bhutan, bringing over 23 years of experience in the corporate and private sectors. He holds a Bachelor of Engineering in Telecommunications from the University of New South Wales, Australia, and a Master of Business Administration (Management of Technology) from the Asian Institute of Technology, Thailand. Mr. Norbu's expertise spans Internet operations and technologies, telecommunications, and information technology. He previously served as Chief Technology Officer at Bhutan Telecom Limited, where he also led the Internet and Enterprise IT Services Division. He played a central role in the DHI Group as the IT CXO, and has contributed to the growth of Bhutan's ICT ecosystem through various strategic and technical leadership roles. He has served as a Board Director of Thimphu Tech Park Limited, and was the Chair of the South Asian Network Operations Group (SANOG) from 2013 to 2017. Mr. Norbu has also been actively involved in Bhutan's Cable TV industry, acting as a consultant in the digitization roadmap, and overseeing the industry's digital migration. He currently serves on the Board of NetCom Bhutan, a Multi-System Operator (MSO) in the country.



Ms. Choni Ome

Ms. Choni is the Managing Director of Bhutan Jasmine Tours, bringing with her a diverse background in business development, project execution, and investment across both domestic and international markets, with over 15 years of professional experience. Prior to her current role, she served as the Associate Director of the Investment Abroad Division under the Department of Investment at Druk Holding and Investments Limited (DHI), where she was actively involved in managing and promoting Bhutan's overseas investments. Ms. Choni Ome holds a Bachelor of Arts in Economics and Pre-Medical Studies from Wellesley College, Massachusetts, USA, and earned her Master of Business Administration from ESSEC Business School in Paris, France. She has previously served as a Board Director for both the Natural Resources Development Corporation Limited (NRDCL) and Dungsum Polymers Limited (DPL). She currently sits on the Board of Gerab Nyed-Yon Limited, contributing her strategic insights to the company's governance and growth.



Ms. Tashi Lhamo

Ms. Tashi is the Director of the Department of Finance, Druk Holding and Investment Limited (DHI). With over two decades of experience in banking, corporate finance, and accounting, she brings a wealth of expertise to her role in managing the financial strategies of Bhutan's premier investment arm. Prior to joining DHI, she led the Finance & Accounts Department at Bhutan National Bank, and served as the Director of Revolving Fund Management and Operations at the Business Opportunity and Information Center (BOiC), where she was instrumental in steering strategic fund management to support economic development initiatives. She holds an MBA (Advanced) from the Graduate School of Business, Curtin University, in Perth, Western Australia, and is a certified CPA (Australia). She was also selected as a Hubert H. Humphrey Fellow and pursued her fellowship at Boston University, Massachusetts, USA. She served on the Board of Druk Green Power Corporation Limited (DGPC). She currently serves as the Vice-Chair of the Technical Working Committee at the Accounting and Auditing Standard Board of Bhutan (AASBB) and as a Board Director on the Board of Bhutan Lottery Limited (BLL).



Mr. Dorji Kadin

Mr. Dorji is the Chief Executive Officer of Bank of Bhutan, bringing over 25 years of experience across the Royal Government and the corporate sector. He holds a Bachelor of Commerce (Honours) from Sherubtse College, Bhutan, a Master of Business Administration from the Asian Institute of Management, Philippines, and a Postgraduate Diploma in International Business from Flinders University, South Australia. Mr. Dorji Kadin spent over 16 years at Bhutan Telecom, where he held several key positions including Head of Billing & International Affairs Division, Manager of Corporate Planning and Business Development, Manager of Wangdue Exchange, and General Manager of Personnel and Administration Division. He joined Bank of Bhutan Limited in October 2013 as Chief Strategy Officer, was appointed Chief Financial Officer in April 2016, and later served as Director of Corporate Services from December 2016. In April 2019, he assumed the role of Chief Executive Officer. He previously served on the boards of the State Trading Corporation of Bhutan Limited, the Financial Institutions Training Institute, and the Royal Securities Exchange of Bhutan Limited. He currently serves as a Board Director of Bhutan Carbide and Chemicals Limited and the President of the Financial Institutions Association of Bhutan, where he plays a pivotal role in advancing the country's financial sector.

Management Team



Mr. Dorji Kadin, *Chief Executive Officer*

Mr. Dorji holds an MBA from the Asian Institute of Management, a Post Graduate Diploma in International Business from Flinders University of South Australia, and a Bachelor of Commerce (Honors) from Sherubtse College. With over 17 years of experience, he has served in diverse business functions at Bhutan Telecom before joining the Bank in 2013. His tenure at the Bank included roles such as Director of Corporate Services, culminating in his appointment as CEO in April 2019.



Mr. Tshering Tenzin, *Director, Corporate Services Department*

Mr. Tshering holds a Bachelor of Commerce (Honors) from Sherubtse College, a Bachelor of Business from South Australia, and a CPA accreditation from CPA Australia. With over 24 years of diverse work experience spanning the RGoB and corporate sector, his expertise lies primarily in Finance and Accounting. He previously held roles such as Chief Executive Officer at Hiraoka Ventures Pvt. Ltd., Senior Program Coordinator at the Ministry of Finance, and General Manager (Commercial) at Dungsam Cement Corporation Limited (DCCL). After serving as an Independent Director, he took on the position of Director of Corporate Affairs before assuming the role of Director, Corporate Services in 2023.



Mr. Prem Bdr. Moktan, *Director, Credit & Operations Department*

Mr. Prem holds an MBA in Banking & Finance from the University of Canberra, Australia, and a Bachelor of Commerce (Honors) from Sherubtse College. He is a Certified Trade Finance Professional (CTFP) accredited by the International Chamber of Commerce (ICC) Academy and holds an Advanced Certified Banking and Credit Analyst (CBCA™) certification from CPA Canada. He is also an Environmental Social & Governance (ESG) specialist with over 20 years of experience in diverse business functions at the Bank of Bhutan, he served as Chief Financial Officer and Director of Credit before assuming the role of Director, Credit & Operations.



Mr. Tsewang Dorji, *Director, ICT & Digital Banking Department*

Mr. Tsewang holds an MBA from the University of Thai Chamber of Commerce in Bangkok, Thailand, and a Bachelor of Computer Applications from Sherubtse College. He brings a wealth of experience from diverse roles across financial institutions, spanning both business and IT functions. In December 2021, he was appointed as the Director of ICT & Innovation before assuming the role of Director, ICT & Digital Banking.



Mr. Pasang Dorji, Chief, Corporate Services Division

Mr. Pasang has a Master's in Project Management from Curtin University, Western Australia, and a Bachelor of Technology (Civil Engineering) from the Indian Institute of Technology (IIT), Roorkee, India. He had worked for 21 years in the Ministry of Education. He joined the Bank in 2011 as Head, Real Estate Division and headed both Real Estate, Administration and Procurement Division of the Bank from 2017 until he was appointed as Chief, Corporate Services Division.



Ms. Lhakey Choden Tshering, Chief, Banking Operations Division

Ms. Lhakey holds a Masters of Business Administration from Southern Cross University, Australia. She joined the Bank in 2005 as a Banking Officer and has worked for 18-plus years in various business functions of the Bank. She was the Head of Branch Operations & Retail Banking until she was appointed as Chief, Banking Operations in January 2023.



Mr. Dasang Namgay, Chief, Finance Division

Mr. Dasang holds a Bachelor's degree in Business Administration from Gaeddu College of Business Studies, specializing in Finance, and a Post Graduate Diploma in Banking from the Institute of Finance, Banking, and Insurance in Kolkata, India. He commenced his career in 2010 as a Credit Officer at a bank, advancing to the position of Head of Financial Accounting and MIS Division before assuming the role of Chief Financial Officer in 2023.



Ms. Sonam Lhakey, Chief, Credit Division

Ms. Sonam has a Masters of Business Administration with a minor in Finance and Graduate Certificate from The Australian National University, Canberra, Australia, Post Diploma in Banking from the Institute of Finance, Banking and Insurance, Kolkata, India and Bachelor of Business Administration from Gaeddu College of Business Studies (GCBS), Bhutan. She joined the Bank in 2010 as a Credit Officer and worked as Head, Project Finance and Head, Credit Operations until she was appointed as Chief, Credit Division in January 2023.



Ms. Sangum Chhetri, Chief, ICT Division

Mr. Sangum holds a Bachelor's degree in Computer Applications (BCA) from Bangalore University, India. He began his career at the Bank of Bhutan in 2008 as an IT Officer, where he gained extensive experience in information technology and network systems. Over the years, he progressed through various roles, including Manager, Network and Hardware, demonstrating strong technical expertise and leadership in managing the bank's IT infrastructure. In January 2023, he was appointed as Chief of the ICT Division, where he now oversees the bank's information and communication technology operations, driving strategic initiatives to enhance security, digital banking services, and operational efficiency.



Ms. Upahar Subedi, Chief, Corporate Strategy Office

Ms. Upahar holds an MBA from Symbiosis International University, India, and a Bachelor of Science (Honors) in Computer Science from Sherubtse College. She is a certified Balanced Scorecard Professional, having completed her certification from The Balanced Scorecard Institute (in conjunction with The George Washington University). She began her tenure at the Bank in 2008 as a Research Analyst. She has since taken on roles such as Head of Planning & Monitoring and Chief of the Research & Policy Department before her appointment as Chief of the Corporate Strategy Office in March 2023.



Mr. Karma Jambayyang, Chief, Internal Audit

Mr. Karma has a Master of Professional Accounting – Master of Business Administration (MPA-MBA) from James Cook University, Australia. He is a member of CPA, Australia. He joined the Bank in April 2024. Before joining the Bank, he had worked with the Royal Audit Authority (RAA) for 22 years in various capacities.



Mr. Raju Tamang, Chief, Digital Banking Division

Mr. Raju holds dual degrees in Commerce and Computer Applications from India. Since joining Bank of Bhutan in 2008, he has taken on progressive leadership roles in IT and infrastructure, including Head of the Data Center Division and Manager of the Data Center & Network Section. He is certified in Oracle Database Administration (OCA) and trained in Oracle Cloud and Systems, enhancing his technical leadership. Appointed as Chief of the Digital Banking Division in 2024, Mr. Tamang now leads the Bank's digital transformation journey, bringing over 17 years of experience in IT infrastructure, data center operations, and digital innovation.

Director's Report

As the Chairman of the Board of Directors of the Bank of Bhutan Limited (BoB), and on behalf of the Board of Directors and the management, I have the honour to present the Directors' Report for the year 2024.

Operational Highlights

In 2024, the economy experienced a strong recovery from the impact of COVID-19, driven by a rebound in tourism and expansion in industries such as mining and other service sectors. Simultaneously, the Bank continued to contribute to the country's economic growth, maintaining its position as the market leader in both deposits and loans. It also retained its leadership in all areas of digital transactions.



There was a significant increase in the digital transaction from 94.34% in 2023 to 98.73% in 2024. This was attributed by the revamp of the mBoB carried out in February 2024. In summary, (i) there was an increase in the number of mBoB users from 312,364 in 2023 to 339,535 in 2024, reflecting an 8.6% growth along with an increase in the total transaction value using mBoB from Nu. 501 billion in 2023 to Nu. 593.83 billion in 2024 (18.5% growth). (ii) The National Quick Response (NQR) code also expanded, with the number of merchants using it rising from 42,890 in 2023 to 53,620 in 2024 (25% growth), this facilitated payment worth Nu. 83 billion in 2023, which surged to Nu. 107.67 billion in 2024 (23% growth); (iii) The number of goBoB users increased from 205,742 in 2023 to 254,421 in 2024, achieving a 23.66% growth by year-end 2024. This increase contributed to a rise in transaction value from Nu. 1,415.04 million in 2023 to Nu. 2,113.84 million in 2024, reflecting a 49.3% growth.

To enhance convenience, the Bank launched BoBLoan, a digital lending platform designed to provide an efficient and convenient way for customers to apply for loans anytime, anywhere. After its launch, the platform received 8,499 applications worth Nu.6.70 billion. The Turn-Around-Time of loan process improved drastically with the implementation of BoBLoan.

Additionally, to promote financial inclusion, the Bank introduced a Foreign Currency Account, which is eligible for all Bhutanese individuals. Following its launch, 277 accounts were registered for FC-I Bhutanese with a total value of Nu. 26.94 million as of December 2024.

To improve customer interactions and offer a more personalized banking experience, the Bank also launched an AI Chatbot. As of December, we have received 7,161 inquiries through this platform.

The Bank continued to provide accessible and inclusive banking services nationwide through 38 branches, 8 extension branches, 88 ATMs, and 187 active agents. And It facilitated seamless remittance services processing transactions amounting from Nu. 1,786.53 million in 2023 to Nu. 5,167.16 million in 2024.

In terms of customer service, the Bank achieved a customer satisfaction index of 3.96 in 2024, a slightly lower index as compared to 4.20 in 2023.

To address employee attrition, the Human Resources Development implemented a comprehensive strategy focused on fostering continuous learning and development. The Bank provided ex-country training for 238 employees, in-country training for 245 employees, in-house training for 355 employees, and online training programs for 61 employees across all departments, enhancing their knowledge and experience.

Financial Position and Key Financial Performance Highlights

The financial statements for 2024 of the Bank have been prepared as per the Bhutan Accounting Standards (BAS). In terms of financial performance, the year 2024 showed a better performance as compared to the year 2023. The Bank registered a Net Profit of Nu. 1,540.40 million in the year 2024, against a Net Profit of Nu. 1,002.49 million in 2023. This reflected an increase of 53.66% in Net Profit compared to 2023. This achievement was made possible due to increase in the loan portfolio from Nu. 77,581.87 million in 2023 to Nu. 82,453.7928, resulting in 6.28% increase. million in Financial Year 2024, coupled with effective Non-Performing Loan (NPL) management. The NPL decreased from 2.29% in 2023 to 1.95% in 2024. Deposits from customers continued to grow and has increased from Nu. 97,938.44 million in 2023 to 105,691.65 million 2024, resulting in 7.92% increase. This confirms the people's continued confidence and trust in the Bank. There is an increase in interest expenses from Nu. 3,566.22 million in 2023 to Nu.3,894.44 million in 2024.

The total Shareholder's fund increased to Nu. 9,741.73 million in 2024 from Nu. 9,461.53 in 2023, before declaring dividend.

The NII for the financial year 2024 has substantially increased to Nu.3,818.79 million from Nu. 3,318.52 million in 2023, an increase of Nu.500.27 million. Likewise, NIM for the financial year 2024 has increased to 3.95% from 3.74% in 2023.

Corporate Governance

The Bank is in adherence to the Corporate Governance Rules and Regulations (CGRR) 2024 issued by the Royal Monetary Authority, The Financial Services Act 2011, The Companies Act of Bhutan 2016, and the DHI Corporate Governance Code. The Bank has fully implemented all the directives of the Board. The Board Audit Committee, Board Credit Committee, Board Risk Management Committee and Board Governance Committee held their own minimum meetings as required by their Rules of procedures. The internal Service Rules and Regulations are also in line with the provisions of the Labour & Employment Act.

The Human Resources Committee (HRC), Board Governance Committee and the Board, as per delegation of power, addressed all human resource issues properly. Grievance redressal rules and procedures have been put in place so that employees could express their views either against individual employees, supervisors or the management. The management conducts regular management meetings to monitor activities being executed on time as per the annual compacts of Departments and directives of the management and the Board. BoB is following the requirements stipulated by the Registrar of Companies, Ministry of Economic Affairs.

Corporate Social Responsibility

The Bank continued its commitment towards social responsibility and engaged in social activities that touched lives of many across all corners of the country. Following the CSR policy for all DHI Owned Companies, the Bank focused its activities in various sectors and contributed in Lhakhang renovations, Bhutan Bird Festival Event, Lhaksam for completion of their ongoing project for the construction of community based home care center, Draktsho vocational training center, Bhutan Tennis Federation for youth hostel, Royal Highland Festival. Besides these, the Bank made a contribution of Nu.200,000.00 towards the success of the 117th National Day Celebration.

Statutory Audit

Span & Associates, a firm based in India, was appointed to audit the books of accounts of Bank of Bhutan Ltd. (BoB) for the financial year 2024 by the Royal Audit Authority with approval from the Royal Monetary Authority.

Board's Recommendation on Dividend

BoB has been adopting a consistent dividend policy of balancing the twin objectives of providing good returns to its shareholders and retaining sufficient capital to maintain a healthy capital adequacy ratio to support future business growth. Considering this, a dividend of 11% which amounts to Nu. 167,332,969.41 million (Ngultrum One Hundred Sixty-Seven Million Three Hundred Thirty Two Thousand Nine Hundred Sixty Nine and Cheltrum Four One) only is proposed from the PAT of 2024.

Challenges and Way Forward

The economic landscape is steadily advancing, and the Bank of Bhutan is dedicated to playing a pivotal role in fostering this growth.

With the transformation of Gelephu Mindfulness City reshaping the nation's economy, the Bank of Bhutan recognizes the need to evolve accordingly. Committed to seamless service delivery, it will upgrade digital infrastructure, enhance workforce skills, and align operations with global standards, strengthening financial inclusion, innovation, and efficiency.

Staff attrition has always been a challenge and the Bank continues to lose promising people in various positions. The Bank lost 71 employees in 2024 with 64 voluntarily resignations. The Bank is working on policies and strategies to manage talent and succession planning for business continuity.

Information Technology (IT) plays a critical and central role in the Bank. Recognizing this, the Bank continues to explore the implementation of AI and ML technologies strategically across operational workflows to enhance efficiency, improve risk management, boost productivity and optimize decision making processes.

Acknowledgements

The Directors of the Board, Management and employees of BoB express appreciation for the continued guidance and assistance rendered by the Royal Government, Druk Holding and Investments, State Bank of India, the Royal Monetary Authority, the Royal Audit Authority, statutory Auditors, other Regulatory Authorities, Agencies, and correspondent banks. The Board also conveys their sincerest gratitude to the shareholders, clients, investors, and well-wishers for their continued goodwill, patronage, and support. The Bank of Bhutan remains committed to work together to build an inclusive and resilient economy. Most importantly, the Board also conveys its sincere appreciation to the management of the Bank of Bhutan for its leadership over the year and to all the employees for their dedication, hard work and commitment to the Bank. The Board of Directors would like to take this opportunity to pledge their commitment and dedication to the growth and development of the Bank. The Directors look forward to the continued support from all stakeholders in the years ahead.

Tashi Delek!

For and on behalf of the Board



Dasho Karma Yonten
Chairman

Report on Corporate Governance

Corporate Governance (CG) is a set of systems and procedures that enable and ensure that companies are being managed in the most accountable, transparent, and fair manner while meeting the expectations of shareholders and other stakeholders. Sound CG practices are critical for effective use of company resources with the highest ethical standards.

The Bank of Bhutan Limited (BoB) aims to achieve high standards of CG and ensures compliance with legislation, regulation and the CG codes to ensure sustainability of the business.

BoB is compliant with the provisions of the Royal Monetary Authority (RMA) Corporate Governance Rules and Regulations 2024, the Corporate Governance Code and the Ownership Policy developed by the Druk Holding and Investments Limited (DHI), The Companies Act of Bhutan 2016, The Financial Services Act of Bhutan 2011 and other statutory requirements for the Financial Year 2024.

Board of Directors

The Board of Directors is entrusted with the ultimate responsibility for guiding the strategic direction and performance of BoB to achieve the targets. All appointments made was submitted to the BoB's Annual General Meeting for endorsement. The BoB Board consists of seven Directors, including the Chairman and the Chief Executive Officer (CEO). A detailed information is as given below:

Composition of the Board and attendance in 2024

Name of Director	Category	Address	Date of Appointment /Retirement (Present Term)	Current Term of the Board Director	No. of BM attended in 2024	No. of Directorship on other DHI Owned/ Controlled companies
Total Number of Board meetings conducted in 2024					5	
Mr. Karma Yonten	Chairman Non-Independent Non-Executive	Office of Performance Management, HM's Secretariat	Re-appointed on 26th June 2024	2nd Term	5	None
Mr. Tshering Kezang	Board Director Independent Non-Executive	Former Auditor General	Appointed on 05th May 2021	1st Term	1	None
Mr. Tshering Norbu	Board Director Independent Non-Executive	Managing Director, NANO	Appointed on 03rd June 2022	1st Term	5	None
Mr. Biranchi Narayan Rath	Board Director Non-Independent Non-Executive	General Manager (Credit), International Banking Group, State Bank of India	Appointed on 28th November 2022	1st Term	3	None
Mr. Sonam Thinley	Board Director Independent Non-Executive	Office of Gyelpoi Zimpon, HM's Secretariat	Appointed on 26th June 2024	1st Term	4	None
Ms. Choni Ome	Board Director Non-Independent Non-Executive		Re-appointed on 26th June 2024	2nd Term	5	None
Ms. Tashi Lhamo	Board Director Independent Non-Executive	Director, Finance Department, DHI	Appointed on 14th November 2024	1st Term	0	None
Mr. Dorji Kadin	Board Director/CEO Executive Non-Independent	CEO, Bank of Bhutan Ltd.	Appointed on 1st April 2019	2nd Term	5	None

Board Meetings

A total of five Board Meetings were held in 2024. The meetings were held as frequently as required and the gap between any two meetings never exceeded three months as required by “The Companies Act of Bhutan 2016”. The details of the Board attendance are as follows:

Board Meeting No.	Date	Members Present	Leave of Absence
293rd	13th March 2024	1. Dasho Karma Yonten 2. Mr. Tshering Kezang 3. Mr. Tshering Norbu 4. Mr. Biranchi Narayan Rath 5. Ms. Choni Ome 6. Mr. Dorji Kadin	None
294th	16th July 2024	1. Dasho Karma Yonten 2. Mr. Sonam Thinley 3. Mr. Tshering Norbu 4. Mr. Biranchi Narayan Rath 5. Ms. Choni Ome 6. Mr. Dorji Kadin	None
295th	5th August 2024	1. Dasho Karma Yonten 2. Mr. Sonam Thinley 3. Mr. Tshering Norbu 4. Mr. Biranchi Narayan Rath 5. Ms. Choni Ome 6. Mr. Dorji Kadin	None
296th	16th October 2024	1. Dasho Karma Yonten 2. Mr. Sonam Thinley 3. Mr. Tshering Norbu 4. Ms. Choni Ome 5. Mr. Dorji Kadin	Mr. Biranchi Narayan Rath
297th	14th November 2024	1. Dasho Karma Yonten 2. Mr. Sonam Thinley 3. Mr. Tshering Norbu 4. Ms. Choni Ome 5. Mr. Dorji Kadin	Mr. Biranchi Narayan Rath

Board Committee Meetings and Procedures

Board Governance Committee (BGC)

The Board Governance Committee was established to make decisions on HR related issues which are beyond the authority of the management.

The Board Governance Committee was reconstituted during the 294th Board meeting held on 16th July 2024 with the appointment of a new Board Director. Only one Board Governance Committee meeting was held in 2024.

Details of the BGC held in 2024 are as follows:

Name of Director	Category	No. of BGC Attended
Ms. Choni Ome	Chairperson	1
Ms. Tashi Lhamo	Board Director	1
Mr. Dorji Kadin	Board Director/ CEO	0

BGC No.	Dates	Members Present	Leave of Absence
60th	2nd December 2024	1. Ms. Choni Ome 2. Ms. Tashi Lhamo	Mr. Dorji Kadin

Board Credit Committee (BCC)

The Board Credit Committee was established to make decisions on credit related issues which are beyond the authority of the management.

The Board Credit Committee was reconstituted during the 294th Board meeting held on 16th July 2024 with the appointment of a new Board Director. A total of three Board Credit Committee meeting was held in 2024.

Details of the BCC held in 2024 are as follows:

Name of Director	Category	No. of BCC Attended
Dasho Karma Yonten	Chairman	3
Ms. Choni Ome	Board Director	3
Mr. Dorji Kadin	Board Director/ CEO	3

BCC No.	Dates	Members Present	Leave of Absence
44th	9th February 2024	1. Dasho Karma Yonten 2. Ms. Choni Ome 3. Mr. Dorji Kadin	None
45th	14th August 2024	1. Dasho Karma Yonten 2. Ms. Choni Ome 3. Mr. Dorji Kadin	None
46th	31st December 2024	1. Dasho Karma Yonten 2. Ms. Choni Ome 3. Mr. Dorji Kadin	None

Board Risk Management Committee (BRMC)

The Board Risk Management Committee was established to monitor the key risk indicators of the Bank besides making decisions on risk related issues and activities.

The Board Risk Management Committee was reconstituted during 294th Board meeting held on 16th July 2024 with the appointment of a new Board Director. A total of four Board Risk Management Committee meetings were held in 2024.

Details of the BRMC held in 2024 are as follows:

Name of Director	Category	No. of BRMC attended
Mr. Tshering Norbu	Board Director (Independent) – Chairperson	4
Ms. Choni Ome	Board Director	4
Ms. Tashi Lhamo	Board Director	1
Mr. Dorji Kadin	Board Director/CEO	1

BRMC No.	Dates	Members Present	Leave of Absence
31st	28th February 2024	1. Mr. Tshering Norbu 2. Ms. Choni Ome 3. Mr. Dorji Kadin	None
32nd	29th July 2024	1. Mr. Tshering Norbu 2. Ms. Choni Ome	None
33rd	11th October 2024	1. Mr. Tshering Norbu 2. Ms. Choni Ome	None
34th	21st November 2024	1. Mr. Tshering Norbu 2. Ms. Choni Ome 3. Ms. Tashi Lhamo	None

Board Audit Committee (BAC)

The Board Audit Committee was established to monitor the internal control systems and internal audit activities of the Bank.

The Board Audit Committee was reconstituted during the 294th Board meeting held on 16th July 2024 with the appointment of new Board Directors. A total of six Board Audit Committee meetings were conducted in 2024.

Details of the BAC held in 2024 are as follows:

Name of Director	Category	No. of BAC attended
Mr. Sonam Thinley	Chairperson (Independent) - Chairperson	3
Ms. Choni Ome	Board Director	4
Mr. Tshering Norbu	Board Director (Independent)	6
Mr. Tshering Kezang	Chairperson (retired with effect from 56th AGM)	3

BAC No.	Dates	Members Present	Leave of Absence
79th	29th January 2024	1. Mr. Tshering Kezang 2. Ms. Choni Ome 3. Mr. Tshering Norbu	None
80th	29th February 2024	1. Mr. Tshering Kezang 2. Ms. Choni Ome 3. Mr. Tshering Norbu	None
81st	5th March 2024	1. Mr. Tshering Kezang 2. Ms. Choni Ome 3. Mr. Tshering Norbu	None
82nd	29th July 2024	1. Mr. Sonam Thinley 2. Ms. Choni Ome 3. Mr. Tshering Norbu	None
83rd	27th September 2024	1. Mr. Sonam Thinley 2. Mr. Tshering Norbu	Ms. Choni Ome
84th	25th October 2024	1. Mr. Sonam Thinley 2. Mr. Tshering Norbu	Ms. Choni Ome

Board Project Steering Committee (BPSC)

The Board Project Steering Committee was established to oversee the migration of Bank's Core Banking Solution (CBS) from current Tata Consultancy Services (TCS) BaNCS to TCS BaNCS Global Banking Platform (GBP) project due to its highly complex nature and extensive resource requirements.

The Board Project Steering Committee was constituted during the 294th Board meeting held on 16th July 2024. A total of two Board Project Steering Committee meetings were conducted in 2024.

Details of the BPSC held in 2024 are as follows:

Name of Director	Category	No. of BPSC attended
Mr. Tshering Norbu	Chairperson (Independent)	2
Ms. Tashi Lhamo	Board Director	1
Mr. Dorji Kadin	Board Director/CEO	2

BPSC No.	Dates	Members Present	Leave of Absence
1st	15th October 2024	1. Mr. Tshering Norbu 2. Mr. Dorji Kadin	None
2nd	27th December 2024	1. Mr. Tshering Norbu 2. Mr. Dorji Kadin 3. Ms. Tashi Lhamo	None

Board Remuneration

The following table contains the details of the remuneration paid to the Chief Executive Officer, Directors and the Board Directors during the year 2024:

Sl. No.	Particulars	31st December 2023
a.	Remuneration, allowances, etc. paid to Chief Executive Officer:	
i.	Salary, Allowances, Bonus and Encashment of Leave	4,532,771.19
ii.	Contribution to Provident Fund	230,029.00
iii.	Sitting Fee	84,000.00
	TOTAL	4,846,800.00
b.	Executive Directors:	
i.	Salary, Allowances, Bonus and Encashment of Leave	9,874,371.18
ii.	Contribution to Provident Fund	497,408.00
iii.	Sitting Fee	4,000.00
	TOTAL	10,357,779.18
c.	Non-Executive Directors:	
i.	Sitting Fees paid to other Directors	372,000.00
	TOTAL	372,000.00

Annual General Meeting

The 57th Annual General Meeting (AGM) was held on 21st March 2025 and the AGM was attended by the shareholders, Board Directors and the key members of the management team.

Risk Management Systems

The Risk Management Framework of BoB continues to seek to put in place a comprehensive monitoring, management and reporting framework that allows risk to be identified, managed and overseen in a timely and efficient manner. The framework also seeks to set up systems and procedures to actively mitigate associated risks and optimize resources not only to protect the Bank but also to provide a return commensurate with the risk profiles adopted through its Risk Register. The Risk Register is an evolving document that is being reviewed and updated on an annual basis.

This is further administered through various risk management policies, activities and exercises, which are updated to the management and board periodically.

Board and CEO Evaluation

The Druk Holding and Investments Limited (DHI) conducts an annual online questionnaire-based evaluation whereby feedback is collected from the Chairman, Board Directors and CEO on the performance of the individual board directors in the DHI Owned Companies. The key issues covered include the board directors' dedication and preparedness for the meeting, professional and ethical attributes, team work and their contribution in the meeting.

The annual performance evaluation of the CEOs of DHI Owned Companies is based on the achievement of the annual compact performance which accounts for 80% weight and 20% leadership assessment. The CEO's leadership assessment is also administered online by DHI which is undertaken by the Chairman and all the Board directors. This is also considered during the renewal of contracts of the CEO.

Independent Auditor's Report

Report on the Audit of the Financial Statements

To the Members of the Bank of Bhutan Limited:

Opinion

We have audited the financial statements of Bank of Bhutan Limited (the Bank), which comprise the statement of financial position as of December 31, 2024, and the statement of comprehensive income, statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as of December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with Bhutanese Accounting Standards (BAS).

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the ethical requirements that are relevant to our audit of the financial statements in Bhutan, and we have fulfilled our other ethical requirements in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended December 31, 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we, depending on the facts and circumstances of the Bank and the Audit, have not identified areas of specified risk and accordingly have not communicated any key audit matters.

Information Other than the Financial Statements and Auditor's Report thereon

The Management of the Bank is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon, which is expected to be made available to us after the date of this audit report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information as stated above, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Bhutanese Accounting Standards (BAS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we have exercised professional judgment and maintained professional scepticism throughout the audit. Our responsibilities are to:

- i. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide basis for our opinion. The risk of not detecting material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions misrepresentations, or override of internal control;
- ii. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for purpose of expressing an opinion on the effectiveness of the Bank's internal control;
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- iv. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as going concern. If we conclude that material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a Going concern; and
- v. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We have communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We have audited 4 branches along with Corporate Banking and Head office and those account for 76.92 percent of Bank's total Loans and Advances. We have not audited the financial statements and financial information of the rest of the Branches and units included in the financial statement of the Bank.

The Bank is operating under Core Banking Solution, ERP for accounting transactions, Fixed Assets Management, etc., and IFRS 9 ECL computation for determining impairment and provisioning of Loans and Advances.

The commencement of the depreciation of assets is determined when the said asset is practically available for use.

Report on Other Legal and Regulatory Requirements

As required by Section 266 of the Companies Act of Bhutan 2016, we enclose the Minimum Audit Examination and Reporting Requirements as a separate section "report on minimum audit examination requirements"

Further, as required under Section 265 of the Companies Act of Bhutan 2016, we report that:

- a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books.
- c. The Bank's Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report have been prepared in accordance with BAS and are in agreement with the books of accounts; and
- d. Based on the information, explanations and management representations received during the course of our audit, the Bank has complied with other legal and regulatory requirements to the extent applicable to the Bank.

For, S P A N & Associates

Firm Registration No. : 302192E

Amlan
Kusum
Mandal

Digitally signed
by Amlan
Kusum Mandal
Date: 2025.03.17
18:25:58 +05'30'

(Amlan Kusum Mandal)

Partner

Membership No. 064631

UDIN: 25064631BMOZCR5949

Date:

Place: Thimphu, Bhutan

Report on
**Minimum Audit Examination
Requirements**

Annexure as Referred to in our Audit Report of Even Date

Minimum audit reporting requirements

As required under the “Minimum Audit Examination and Reporting Requirements” referred to in Section 266 of The Companies Act of Bhutan, 2016 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we report as follows:

- a. During the course of audit, we have not come across any instance of violation by the Company of the Corporate Governance Guidelines and Regulations.
 - b. The governing board/authority pursue a prudent and sound financial management practice in managing the affairs of the Company.
 - c. The financial statements are prepared applying the Bhutanese Accounting Standards issued by the Accounting and Auditing Standards Board of Bhutan (AASBB) subject to exceptions as detailed in the Independent Auditors’ Report.
 - d. Proper books of accounts have been maintained, and financial statements are in agreement with the underlying accounting records.
 - e. Records as specified under Section 228 of the Companies Act of Bhutan 2016 have been duly maintained by the Company.
 - f. We have not come across any non-compliance of mandatory obligations social or otherwise, that have been entrusted to the Company.
 - g. Amount of tax has been computed correctly and reflected in the financial statements for the FY 2024.
1. The Company has been maintaining proper records showing particulars including quantitative details and situation of the fixed assets. As explained to us, all the fixed assets have been physically verified. Physical verification of fixed assets conducted by the Management did not reveal any material discrepancies.
 2. The fixed assets of the Company have not been revalued during the year.
 3. Being a Bank, the Company is a finance company and not coming under the category of manufacturing, mining or processing company. Hence, physical verification of finished goods, stores, spares parts and raw materials at reasonable intervals is not applicable.
 4. According to information and explanation given to us, the procedures of physical verification followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 5. According to the information and explanations given to us, no discrepancy was noticed on physical verification of inventory as compared to the book records.
 6. Being a Bank, the Company is a finance company. Hence, reasonable system of recording receipts, issues and consumption of materials and stores and allocating materials consumed to the respective jobs is not applicable for this Company.
 7. According to the information and explanations given to us, the Company prepares quantitative reconciliation at the end of accounting year in respect of all major items of inventories. The Company does not have any finished products and therefore, quantitative reconciliation is not required to be carried out in respect of finished products.
 8. According to the information and explanations given to us, obsolete, damaged, slow moving, and surplus goods/inventories has been determined and if the value is significant, adequate provisions are made. However, the company does not have obsolete, damaged, slow moving, and surplus goods/inventories as of December 31, 2024.
 9. According to the information and explanations given to us, obsolete and surplus inventories are disposed off and proceeds from such disposals are accounted for appropriately.
 10. According to the information and explanations given to us, the Company has a system of obtaining approval of the Board/ appropriate authority for writing off amounts due to material loss/ discrepancies in physical/book balances of inventories. However, being a

finance company, inventories of stores and spares are not being held and the Company does not have obsolete, damaged, slow moving, and surplus goods/inventories as of December 31, 2024.

11. On the basis of examination of valuation of stocks and the information and explanations given we are of the opinion, the valuation is fair and proper in accordance with the normally accepted accounting principles. The basis of valuation of inventory is the same as in the preceding year.
12. The Company has not availed any loan.
13. The Company has not granted any loan to other parties which are ultra-vires to the Articles of Incorporation and other relevant Acts and Regulations.
14. Loans/advances granted to officers/staff are in keeping with the provisions of service rules and no excessive/frequent advances are granted and there is no case of accumulation of large advances against particular individual.
15. According to information and explanation given to us during the course of our audit, in our opinion internal control systems of the Company requires further improvement in order to be commensurate with its size and the volume of business to ensure completeness, accuracy and reliability of accounting records, to carry out the business in an orderly and efficient manner, to safeguard the assets of the Company as well as to ensure adherence to the applicable rules/regulations, systems and procedures.
16. There is a reasonable system of authorization at proper levels in respect of issue of stores and allocation of materials and labour to jobs wherever applicable. As the Company is engaged in providing services, it has no requirement of raw materials.
17. In our opinion and according to the information and explanations given to us, having regard to the exception that some of the items of special nature, there is an adequate system of competitive bidding, commensurate with the size of the Company and the nature of its business, for the purchase of goods and services including stores, plant and machinery, equipment and other assets. As the Company is engaged in providing services, it has no requirement of raw materials.
18. (a) On the basis of checking of books of account and relevant records of the Company and according to the information and explanations given to us, we are of the opinion that the Company has not entered into any transaction for purchases and sale of goods and service made in pursuance of contracts or arrangements entered into with the director(s) or any other party(ies) related to the director(s) or with the Company or firms in which the director(s) are directly or indirectly interested except DHI & its subsidiaries, the details of which is duly disclosed in the Related party transactions in notes to accounts to the financial statements. Please refer to Note 7.2 Related Party Transaction "Key Management Personnel" Section of this Report. The company has provided Loans to Directors and the same is as per RMA directives as per section 2.4.1 of Prudential Regulations and the company's SOP of Staff Incentive Loan.
(b) The examination of records does not reveal any transaction entered into by the Company which is prejudicial to the interest of the Company wherein directors are directly or indirectly interested.
19. According to the information and explanations given to us, and on the basis of our checking of the accounts and other books and records, to the best of our knowledge, no personal expenses have been debited to the Statement of Comprehensive Income other than those payable under contractual obligations/service rules.
20. As explained to us, there are no unserviceable or damaged stores, which have not been provided for in the books of account. The Company being a finance sector company, does not have any raw materials or finished goods.
21. The Company being a finance sector company, this Section/Clause is not applicable for the Company.
22. The Company being a finance sector company, this Section/Clause is not applicable for the Company.
23. The Company being a finance sector company, this Section/Clause is not applicable for the Company.
24. The Company is generally regular in depositing statutory dues.
25. As per the records made available to us, there was no undisputed amount payable in respect

of rates, taxes, provident funds and other statutory dues, which are outstanding as on the last day of the financial year.

26. The Company being a finance sector company, this Section/Clause is not applicable for the Company.
27. Not applicable.
28. The Company being a finance sector company, this Section/Clause is not applicable for the Company.
29. Credit sales policy is not applicable for the Company.
30. The system of screening commission agents found to be adequate where sales are made through commission agents. We have been informed that the agency commission and other terms and conditions with agents have been fixed by the Management after considering Industry Norms and Market Conditions. Company has a system of evaluating performance of each agent on a periodic basis.
31. The Company has reasonable system of continuous follow-up with debtors and other parties for recovery of outstanding amounts. Also age wise analysis is carried out for management information and follow-up action.
32. We noted that the management of liquid resources during the year under audit particularly cash/bank and short-term deposits etc. have been adequate considering the present suitability.
33. In our opinion and to the extent our examination reveals, the business activities carried out by the Company are lawful and intra-vires to its Articles of Incorporation of the Company.
34. In our opinion and according to the information and explanations given to us, the Company has a system of approval of the Board for all capital investment decision.
35. The Company has an effective budgetary control system.
36. Being a company under the finance sector, this clause is not applicable for the Company.
37. The Company has reasonable system of continuous follow-up with debtors and other parties for recovery of outstanding amounts. Also age wise analysis is carried out for management information and follow up action. The details of remuneration, commission and other payments made in cash or in kind to the Board of Directors including the Chief Executive Officer or any of their relatives (including spouse(s) and child/ children) if any, by the Company directly or indirectly are disclosed in the accounts. Please refer to the note 7.2 Related Party Transaction "Key Management Personnel" Section of this Report.
38. According to the information and explanation provided to us, we have not come across any instance of the directives of the Board that has not been complied with.
39. According to the information and explanation provided to us, the officials of the Company have not transmitted any price sensitive information which are not made publicly available, unauthorized to their relatives / friends/associates or close persons which would directly or indirectly benefit themselves. We have however relied on the Management assertion of the same and cannot independently verify the same.
40. Necessary records are being maintained for inter unit transactions/services and arrangements for services made with other agencies engaged in similar activities.
41. According to the information and explanation provided to us, proper agreements are executed and that the terms and conditions of leases are reasonable and the same are applied if machinery/equipment are acquired on lease or leased out to others.

In the case of Finance and Investment Company

1. All matters as may be relevant and applicable for Financing and Investment company has been specified above.
2. Our observations on adequate documents and records are maintained for loans and advances granted by the Company and Agreement for the same has been furnished separately in the Management Report.
3. Proper records of the transactions and contracts have been maintained and timely entries have been made therein by the company for dealing or trading in shares, securities and other investments subject to our observation as furnished in the Management Report.

4. Reasonable records have been maintained for deposits of customers and interest payment thereof.
5. Provisions are made for permanent diminution, if any, in the value of investment (shares).
6. Requirements of Financial Services Act of Bhutan 2011 and any other applicable laws, rules and regulations and guidelines including prudential regulations issued by the Royal Monetary Authority of Bhutan (RMAB) have been duly complied with by the Company, subject to our observations as furnished in the Management Report.
7. Our observations on the requirements relating to provisioning for the non-performing assets including loans and advances have been complied with subject to our observations as furnished in the Management Report.
8. Not applicable.
9. For observations on hypothecation of assets against loans and advances and physical verification, valuation, mortgage deed execution and creation of charges etc. of such assets, please refer to our observations as furnished in the Management Report.
10. Our observations on the system of monitoring of projects for which loans have been provided to ensure that loan amounts are used for the specified purposes and project activities are progressing satisfactorily have been enclosed in the Management Report.
11. Disposal of assets taken over for repayment defaults etc. are made through open/sealed bids.
12. Rescheduling of loans is carried out in accordance with the provisions of Prudential Regulations 2016.
13. Necessary system is in place to ensure that additional loans are not granted to those who have defaulted payments of previous loans.
14. Total amounts of loans charged off during the year was Nu.1,720,510,431.05.

Computerized Accounting Environment

1. Organizational and system development controls and other internal controls are adequate relative to size and nature of computer installations.
2. According to the information and explanation given to us, the Bank has adequate safeguard measures and back up facilities.
3. Based on the information and explanations given to us, the Bank has set up an offsite facility with Bhutan Telecom to store and back up files as a disaster recovery measure.
4. The operational controls are adequate to ensure correctness and validity of input data and output information.
5. Measures to prevent unauthorized access over the computer installation and files are adequate.
6. As per information and explanation provided to us, data migration during change over to new system to ensure completeness and integrity of data as well as smooth operation of the system is in force. However, certification by the auditor for successful completion of system audit was not available for verification.

General

1. Going Concern

The Company's present operational and financial data indicates that the Company is financially healthy and we have no reason to believe that the Company is not a going concern entity. Accordingly, the financial statements have been prepared on the going concern assumption.

2. Ratio Analysis

Relevant ratio analysis has been carried out and the details are under Section “Ratio Analysis.”

3. Compliance with the Companies Act of Bhutan 2016

As confirmed by the Management and as verified from accounts and information provided, we are of the opinion that the Company has complied with provisions of The Companies Act of Bhutan 2016.

4. Adherence to Laws, Rules and Regulations

The audit of the Company is governed by the Companies Act of Bhutan, 2016, the Bhutanese Accounting Standards and the Prudential Rules & Regulations, 2024, and the scope of audit is limited to examination and review of the financial statement as produced to us by the Management and the same has been covered by us based on the risk assessment. Accordingly, instances of non-compliance have been reported through the Management Report.

For **S P A N & ASSOCIATES**

Chartered Accountants
(FRN - 302192E)

Amlan
Kusum
Mandal

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Mandal
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(Amlan Kusum Mandal)

Partner

(Membership No. 064631)

Financial Statements

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2024

(Amount in Nu.)

ASSETS	Note No.	December 31, 2024	December 31, 2023
Cash and Cash Equivalents	5.1	2,994,532,794.68	4,019,125,921.57
Balances with Central Bank	5.2	19,424,508,364.53	13,163,785,735.67
Placements with other Banks	5.3	2,960,064,309.95	2,059,864,800.00
Loans & Advances to Customers	5.4	79,846,695,478.95	76,538,627,843.28
Investments - Held to Maturity	5.5	13,252,095,066.60	13,347,269,000.00
Investments - Available for sale	5.6	448,028,675.20	523,085,081.12
Investments in Associates	5.7	49,753,800.00	46,650,060.00
Other Financial Assets	5.8	1,387,309,507.70	1,328,779,999.98
Other Assets	5.9	80,010,205.93	66,768,700.18
Property, Plant & Equipment	5.10	1,648,930,691.46	1,549,312,802.83
Right of Use Assets/Leashold Properties	5.11	21,629,245.13	18,684,146.13
Intangible Assets	5.12	351,899,816.25	227,898,432.70
Capital Work-in-Progress	5.13	215,292,421.27	217,975,582.18
TOTAL ASSETS		122,680,750,375.85	113,107,828,103.84
LIABILITIES			
Due to Banks	5.14	398,085.32	1,134,188.32
Due to Customers	5.15	107,210,117,250.85	99,883,898,460.09
Subordinated Debt	5.16	2,780,150,000.00	1,500,000,000.00
Current Tax Liabilities	5.17	418,237,555.52	223,214,931.02
Other Financial Liabilities	5.18	210,623,915.24	176,335,720.49
Provision for Liabilities & Charges	5.19	8,341,736.79	8,941,736.79
Retirement Benefit Obligations	5.20	254,911,482.00	240,955,466.00
Other Liabilities	5.21	1,907,717,903.75	1,463,020,938.09
Deferred Tax Liabilities	5.22	124,306,812.59	127,656,412.59
Lease Liability	5.23	24,218,009.71	21,140,138.71
TOTAL LIABILITIES		112,939,022,751.76	103,646,297,992.10
EQUITY			
Share Capital	5.24	3,000,000,000.00	3,000,000,000.00
Reserve Fund	5.25	3,174,741,215.08	2,789,641,733.46
Exchange Fluctuation Reserve	5.25	370,801,786.46	353,782,845.48
Fixed Assets Revaluation Reserve	5.25	322,593,730.98	322,593,730.98
Retained Earnings	5.25	2,873,590,894.53	2,995,511,801.62
TOTAL EQUITY		9,741,727,627.06	9,461,530,111.54
TOTAL LIABILITIES & EQUITY		122,680,750,375.85	113,107,828,103.84
Contingent liabilities	5.26	2,930,267,477.21	1,718,617,444.38
Bills for Collection	5.27		-
Significant Accounting Policies	1-4		
Notes to Accounts	7		
Disclosures Related to Abandoned Property	7.11		
Macro Prudential Disclosures	7.12		

The above Statement of Financial Position should be read in conjunction with the accompanying

For SPAN & Associates:

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Amlan Kusum Mandal

Audit Partner

Firm Registration No. FRN:302192E

Membership No:064631

Date: 03/03/2025

Place: Thimphu, Bhutan

For Bank of Bhutan Limited:

Dasho Karma Yonten
Chairman, BOBL

Mr. Sonam Thinley
Board Audit Committee, BOBL

Mr. Dorji Kadin
Chief Executive Officer & Director, BOBL



STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2024

(Amount in Nu.)

Particulars	Note No.	December 31, 2024	December 31, 2023
Interest Income	6.1	7,713,222,349.67	6,884,743,536.39
Interest Expenses	6.2	(3,894,435,255.41)	(3,566,222,710.42)
Net Interest Income		3,818,787,094.26	3,318,520,825.97
Fees & Commission Income	6.3	643,662,364.80	606,690,433.89
Fees & Commission Expenses	6.4	(270,855,710.71)	(207,662,823.03)
Net Gains from Trading of Foreign Exchange	6.5	68,075,763.90	123,001,313.58
Other Operating Income	6.6	123,735,986.28	181,227,636.74
Net Non-interest Income		564,618,404.27	703,256,561.18
Total Operating Income		4,383,405,498.53	4,021,777,387.15
Staff Costs	6.7	(745,771,809.59)	(591,429,340.49)
Premises Costs	6.8	(48,203,284.29)	(46,542,634.00)
General Administrative Expenses	6.9	(300,713,290.45)	(290,286,522.82)
Depreciation on Property, plant & equipment	6.10	(164,048,901.76)	(143,104,970.46)
Amortization of Intangible Assets	6.11	(64,318,548.73)	(58,385,060.47)
Impairment reversal on loans and advances	5.4 & 6.14	(833,448,061.32)	(1,383,453,940.29)
Total Operating Expenses/(Loss)		(2,156,503,896.14)	(2,513,202,468.53)
Profit before Taxation		2,226,901,602.39	1,508,574,918.62
Tax Expenses	6.12		
- Current tax		(681,148,760.99)	(453,829,273.21)
- Current tax - earlier year's		(8,704,514.91)	(58,144,669.34)
- Deferred tax		3,349,600.00	5,893,216.00
Net Profit for the year		1,540,397,926.49	1,002,494,192.07
Other Comprehensive Income - Items that will not be reclassified to P&L (BAS 1.82a)			
Actuarial Gains/(Losses) on Retirement Benefits		5,429,762.00	(47,774,176.00)
Net Gains/(Losses) from Financial Instruments designated at Fair Value through OCI		(71,952,665.92)	60,519,643.12
Changes in revaluation surplus/ (deficit)			-
Total Other Comprehensive Income		(66,522,903.92)	12,745,467.12
Total Comprehensive Income for the year		1,473,875,022.57	1,015,239,659.19
Basic & Diluted Earnings Per Share	6.13	51.35	33.42

The above Statement of Financial Position should be read in conjunction with the accompanying

For SPAN & Associates:

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Amlan Kusum Mandal

Audit Partner

Firm Registration No. FRN:302192E

Membership No:064631

Date: 03/03/25

Place: Thimphu, Bhutan

For Bank of Bhutan Limited:


Dasho Karma Yonten
Chairman, BOBL


Mr. Sonam Thinley
Board Audit Committee, BOBL


Mr. Dorji Kadin
Chief Executive Officer & Director, BOBL



CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2024

(Amount in Nu.)

Particulars	December 31, 2024	December 31, 2023
Cash flows from operating activities		
Profit before taxation	2,226,901,602.39	1,508,574,918.62
Add: Depreciation on Property, Plant & Equipment	154,182,705.76	132,097,595.46
Add: Amortization of Intangible Assets	64,318,548.73	58,385,060.47
Add: Depreciation on Right of Use Assets	9,866,196.00	11,007,375.00
Add: Interest Expense on Lease Liability	2,358,949.00	2,526,700.00
Operating profit before changes in operating assets & liabilities	2,457,628,001.88	1,712,591,649.55
(Increase)/Decrease in operating assets		
Balance with RMA in CRR Account	(614,556,835.15)	(635,601,600.34)
Loans & Advances to Customers	(3,308,067,635.67)	(12,645,519,927.49)
Other Financial Assets	(58,529,507.72)	(624,131,863.92)
Other Assets	(13,241,505.75)	3,573,748.02
Sub Total (Operating Assets)	(3,994,395,484.29)	(13,901,679,643.73)
Increase/(Decrease) in operating liabilities		
Due to Banks	(736,103.00)	(2,385,650.56)
Due to Customers	7,326,218,790.76	3,002,756,935.80
Other Financial Liabilities	1,314,438,194.75	1,597,398,628.61
Other Liabilities	662,537,299.00	30,303,507.28
Sub Total (Operating Liabilities)	9,302,458,181.51	4,628,073,421.13
Net cash (used in)/generated from operating activities before income tax	7,765,690,699.10	(7,561,014,573.05)
Income taxes paid	(686,503,675.90)	(506,080,726.55)
Net cash (used in)/generated from operating activities	7,079,187,023.20	(8,067,095,299.60)
Cash Inflows from investing activities		
Investments	167,126,599.32	3,050,429,848.88
Purchase of PPE (Excl. ROU Asset)	(439,437,366.75)	(132,295,450.46)
Acquisition of PPE-ROU Asset	(12,811,295.00)	(7,297,457.00)
Net cash generated from/(used in) investing activities	(285,122,062.43)	2,910,836,941.42
Cash Outflows from financing activities		
Dividend Paid	(191,665,560.07)	(72,883,587.19)
Other Adjustments from Retained Earnings	(1,068,534,851.93)	(43,185,355.46)
Payments of Lease Liability	(9,733,424.00)	(10,583,031.00)
Cash payment for interest portion of Lease Liability	(2,358,949.00)	(2,526,700.00)
Net cash used in financing activities	(1,272,292,785.00)	(129,178,673.65)
Net Cash generated/(used) during the year	5,521,772,175.77	(5,285,437,031.83)
Cash and cash equivalents at the beginning of the year	11,593,709,072.11	16,879,146,102.78
Cash and cash equivalents at the end of the year	17,115,481,245.56	11,593,709,072.11
Cash and cash equivalents at the end of the year		
Cash and Cash Equivalents	2,994,532,794.68	4,019,125,921.57
Balances with Central Bank	11,160,884,140.93	5,514,718,349.38
Placements with other Banks	2,960,064,309.95	2,059,864,801.33
Total Cash & cash equivalents at the end of the year	17,115,481,245.56	11,593,709,072.11

Note: Balance with RMA in CRR Account Nu.8,263,624,221.44 is Restricted Cash as on 31st December 2024

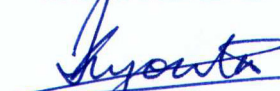
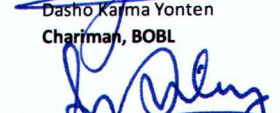
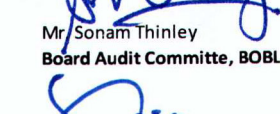
For SPAN & Associates:

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Amlan Kusum Mandal
Audit Partner
Firm Registration No. FRN:302192E
Membership No:064631
Date: 03/03/2025
Place: Thimphu, Bhutan

For Bank of Bhutan Limited:


Dashi Karma Yonten
Chairman, BOBL

Mr. Sonam Thinley
Board Audit Committee, BOBL

Mr. Dorji Kadin
Chief Executive Officer & Director, BOBL



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2024

(Amount in Nu.)

Particulars	Share Capital	Reserve Fund	Exchange Fluctuation Reserve	Retained Earnings	Fixed Asset Revaluation Reserve	Total
As at January 01, 2023	3,000,000,000.00	2,539,018,185.44	323,032,517.09	2,379,722,170.36	333,331,989.46	8,575,104,862.35
Transfer to Reserve Fund	-	250,623,548.02	-	(250,623,548.02)	-	-
Dividend transferred to Reserve Fund	-	-	-	-	-	-
Transfer to Exchange Fluctuation Reserve	-	-	30,750,328.40	(30,750,328.40)	-	-
Prior Period Adjustments to Retained Earnings	-	-	-	(118,076,151.32)	(10,738,258.48)	(128,814,409.80)
Other Comprehensive Income	-	-	-	12,745,467.12	-	12,745,467.12
Profit for the year	-	-	-	1,002,494,192.07	-	1,002,494,192.07
As at December 31, 2023	3,000,000,000.00	2,789,641,733.46	353,782,845.48	2,995,511,801.81	322,593,730.98	9,461,530,111.74
Transfer to Reserve Fund	-	385,099,481.62	-	(385,099,481.62)	-	-
Dividend transferred to Reserve Fund	-	-	-	-	-	-
Transfer to Exchange Fluctuation Reserve	-	-	17,018,940.98	(17,018,940.98)	-	-
Prior Period Adjustments to Retained Earnings	-	-	-	-	-	-
Dividend Paid for FY 2023				(191,665,560.07)		(191,665,560.07)
Movement in Retained Earnings				(1,002,011,947.18)		(1,002,011,947.18)
Other Comprehensive Income	-	-	-	(66,522,903.92)	-	(66,522,903.92)
Profit for the year	-	-	-	1,540,397,926.49	-	1,540,397,926.49
As at December 31, 2024	3,000,000,000.00	3,174,741,215.08	370,801,786.46	2,873,590,894.54	322,593,730.98	9,741,727,627.06

For SPAN & Associates:

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Amlan Kusum Mandal
 Audit Partner

Firm Registration No. FRN:302192E
 Membership No:064631
 Date: 03/03/2025
 Place: Thimphu, Bhutan

For Bank of Bhutan Limited:

Dasho Karma Yonten
 Chairman, BOBL

Mr. Sonam Thinley
 Board Audit Committee, BOBL

Mr. Dorji Kadin
 Chief Executive Officer & Director, BOBL



Accounting Policies & Notes to Accounts

SIGNIFICANT ACCOUNTING POLICIES APPENDED TO AND FORMING PART TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

1. Corporate Information

- Bank of Bhutan Limited (“the Bank”) is established under the Royal Charter in May 1968 and it is the only banking institute in the country until 1997. It acted as the Central Bank of Bhutan till the Royal Monetary Authority of Bhutan was set up in 1982. The registered office of the Bank is located at Norzin Lam, PO Box No. 102, Thimphu, Bhutan.
- The Bank is a subsidiary of Druk Holding & Investments. The Bank has been incorporated and registered under the Companies Act of Bhutan, 2016 with limited liability.
- The Bank is governed by the Companies Act of Bhutan 2016. Financial Services Act of Bhutan 2011 and other applicable laws, rules and regulations and guidelines including Prudential Regulations issued by the Royal Monetary Authority of Bhutan (RMA).
- The Bank of Bhutan is the largest commercial bank in Bhutan and has its presence in every Dzongkhag, and major towns through a network of 37 branch offices including 9 extension offices. The banking operations were fully automated in 2009 when the Bank rolled out its first Flex-cube Core Banking Solution (CBS). c. Subsequently, the Bank migrated to TCS BaNCS CBS on the 1st April 2009. This paved a way for customers to use the cutting-edge technologies for banking services.
- The financial statements of the Bank for the year ended 31st December 2024 were approved during the 299th Board meeting held on 3rd March 2025.

2. Bhutanese Accounting Standards (BAS)

The financial statements have been prepared in accordance with the BAS issued by Accounting and Auditing Standard Board of Bhutan, Ministry of Finance of Royal Government of Bhutan.

2.1 Application of Bhutanese Accounting Standards (BAS)

The Bank prepared its financial statements in accordance with generally accepted accounting principles (GAAP) and the provisions of the Companies Act of the Kingdom of Bhutan, 2016 till 2013.

The AASBB decided to adopt IFRS and IAS in phased manner with minor changes. These standards are referred to as BAS. The prescribed standard for Phase I was adopted from 1st January 2014, and applicable standards for Phase II was adopted from January 2016. The final phase, phase III was adopted in 2018 with the exception to Expected Credit Loss (ECL) modelling under BFRS 9. However, the AASBB mandated full adoption of ECL under BFRS 9 from January 2022. The following applicable standards were adopted:

BAS Phase I (Effective Date: January 1, 2014)	BAS Phase II (Effective Date: January 1, 2016)
BAS 1 – Presentation of Financial Statements BAS 7 – Statement of Cash Flows BAS 8 – Accounting Policies, Changes in Accounting Estimates & Errors BAS 10 – Events after Reporting Period BAS 12 – Income Taxes BAS 16 – Property, Plant & Equipment BAS 18 – Revenue BAS 21 – The effects of Changes in Foreign Exchange Rates BAS 24 – Related Party Disclosures BAS 33 – Earning Per Share BAS 37 – Provisions, Contingent Liabilities and Contingent Assets BFRS 8 – Operating Segments	BAS 17 – Leases BAS 19 – Employee Benefits (early adopted in Phase I) BAS 36 – Impairment of Assets BAS 38 – Intangible Assets BAS 40 – Investment Property

BAS Phase III (Effective Date: January 1, 2018)

BAS 32- Financial Instruments: Presentation
 BAS 39- Financial Instruments: Recognition and Measurement
 BFRS 1-First-time adoption of Bhutanese Financial Reporting Standards
 BFRS 7- Financial Instruments: Disclosures
 BFRS 9- Financial Instruments
 BFRS 13- Fair Value Measurement
 BFRS 15- Revenue from Contracts with Customers

The Financial Statements for the year ended 31st December 2024 have been prepared in line with BAS.

3. Critical Accounting Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Although the Bank regularly assesses these estimates, actual results could differ materially from these estimates. Changes in estimates are recorded in the year in which they become known. Actual results may differ from management's estimates if these results differ from historical experience or other assumptions do not turn out to be substantially accurate, even if such assumptions were reasonable when made. The said estimates are based on the facts and events, that existed as at the date of statement of financial position, or that occurred after that date but provide additional evidence about conditions existing as at the statement of financial position date. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are discussed below.

a. Fair Value Measurement of Financial Instruments

The fair value measurement of a financial asset or liability on the date of reporting is the amount for which it could be settled between the parties in an arm's length transaction under market conditions. The most objective and common reference for the fair value of a financial asset or liability is the price that would be paid for it on an organized, transparent and deep market ("quoted price" or "market price").

While measuring the fair value of financial asset or liability, the Bank has taken into the consideration the characteristics such as market condition, economic situation and restriction if any on the sale or hold of such instruments.

When the fair value of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Adjusted Net Asset Method etc. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values.

b. Impairment of Financial assets

At each reporting date, the Bank assess whether the credit risk on a financial instrument has increased significantly since initial recognition. The Bank compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. However, the Bank assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. The impairment provisions of financial assets are based on the BFRS 9 "Expected Credit Loss Model" (ECL), under which the Bank uses judgement in making the relevant assumptions and selecting the inputs to the impairment calculation, based on Bank's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

When measuring the ECL, the Bank considers the risk or probability that a credit loss occurs by reflecting the possibility that a credit loss occurs and the possibility that no credit losses occur, even if the possibility of a credit loss occurring is very low and also considered the maximum contractual period over which the Bank is exposed to credit risk and not a longer period, even if that longer period is consistent with business practice.

c. Impairment of Non-Financial Assets

The Bank assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Bank estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less cost of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other fair value indicators.

d. Property Plant and Equipment

The Property, Plant and Equipment are depreciated on a pro-rate basis on straight line method over their respective useful lives. Management estimates the useful lives of these assets as detailed in Note 4.5 below. Changes in the expected level of usage, technological developments, level of wear and tear could impact the economic useful lives and the residual values of these assets. Therefore, future depreciation charges could be revised and could have an impact on the profit in future years.

e. Revaluation of Land

Revaluation model is applied on the entire class of freehold land. The revaluation is done as per the Group Accounting Policies. The Market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use are taken into account in measuring the fair value of the freehold land. The detailed revaluation of freehold land is also disclosed as required by the standard.

f. Lease Accounting

BRFS 16 introduces single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

g. Retirement Benefit Obligations

The costs of retirement benefits and present value of the retirement benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation and its long-term nature, retirement benefit obligations are sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

i. Discount Rate

Discount rate is one of the key actuarial assumptions used to calculate the present value of future liabilities when accounting for employee benefits in defined benefit obligations (DBO) plan. BAS 19 states that the rate used to discount post-employment benefit obligations shall be determined by reference to market yields as the end of the reporting period on high quality corporate bonds. In countries where there is no deep market in such bonds, the market yields on government bonds shall be used. The currency and term of bonds shall be consistent with that of the currency and estimated term of the post-employment benefit. As there is neither actively traded bonds in the market nor a long-term yield curve for the economy, the discount rate has been derived considering the bonds listed in the Royal Securities Exchange of Bhutan Ltd. and deposit rates for 7 - 10 years in the banks.

ii. Salary Growth Rate

As per para 84 of BAS 19, "estimates of future salary increases take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market." The assumed salary growth rate reflects expectation of salary increment over the long term inclusive of annual increment and major salary revision every 3 - 5 years.

iii. Attrition Rate

The reduction in staff/employees of a company through normal means, such as retirement and resignation. This is natural in any business and industry. It is set based on the Company's experience and expected long-term future employee turnover within the Company.

iv. Mortality Rate

Mortality rate is a measure of the number of deaths (in general, or due to a specific cause) in a population, scaled to the size of that population, per unit of time. The scheme 12 does not have sufficient experience (data) in respect of past mortality claims. Based on professional judgment, 100% of IAL Mortality Table (20012-14) would be appropriate for assessment of liability in respect of death benefits.

v. Employee Turnover Rate

The employee turnover rate used in the valuation was based on the past experience and future expectation.

4. Summary of Significant Accounting Policies

4.1 Basis of Preparation

4.1.1 Statement of Compliance

- a. These financial statements are the general-purpose financial statements are prepared in accordance with and to comply with the Bhutanese Accounting Standards, the Companies Act of Bhutan 2016 including the Accounting Standard Rules for Companies in Bhutan 2015, the Financial Services Act of Bhutan 2011 and other applicable laws, rules and regulations including prudential regulations issued by the Royal Monetary Authority of Bhutan (RMA).
- b. The financial statements have been prepared on the accrual basis of accounting with the historical cost convention and going concern basis except as stated otherwise in the Financial Statements. The preparation of the Financial Statements requires the use of certain critical accounting estimates and judgments. It also requires management to exercise judgment in the process of applying the Bank's accounting policies and if the reported amounts of revenue, expenses, assets and liabilities may differ from the estimates, the differences between the actual results and the estimates are recognised in the period in which the results are known/materialised. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed.
- c. The format used in the preparation and presentation of Financial Statements as per BAS and the disclosures made therein also comply with the specified formats prescribed by the RMA.

- d. The assets and liabilities in the financial statements have been presented in decreasing order of liquidity to provide information, which are more relevant to the financial statements of the Bank, than the current/non-current presentation. The same is as per the exemption given to the financial institution in 'BAS 1: Presentation of Financial Statements'. However, the status of current/non-current assets and liabilities on the basis of residual maturity is given in the Note 7.9 as disclosure.
- e. The accounting policies based on BAS have been applied consistently for the years presented in these financial statements. There were no changes in the accounting policies applied compared to the previous year, except otherwise stated.

4.1.2 Basis of Measurement

In preparing the Financial Statements, management has made judgements and estimates that affect the application of the Bank's accounting policies and the reported amounts of assets, equity, liabilities, commitments, income and expenses.

- a. The financial investments that are classified as "available for sale" are measured at fair valued as required by BFRS 7 (Note 7.5) and recognised through Other Comprehensive Income (OCI).
- b. The Loans and Advances are tested for impairment on periodic basis and recognised through profit or loss less the impairment charges.
- c. Defined benefit obligations are actuarially valued and recognised at the present value of the defined benefit obligation.
- d. The Fixed Deposit placed by customer are measured at fair value. The fair value for fixed deposits with the interest earning at the maturity, estimated using discounted cash flows, applying market rates and effective interest rate on the expired periods. The difference between the FV at MIR and FV at EIR is the additional interest to be booked.
- e. The incentive loans provided to employees of the Bank are measured at fair value. In order to determine fair value of staff loan needs to determine the market interest rate for similar instruments and discount all cash flows from the loan with the market interest rate to arrive at their present value. The difference between the present values at given rate on the remaining loan instalments and the present value at market rate on the remaining loan instalments is deferred employment cost.

4.2 Presentation of Financial Statement

As prescribed by the BAS accounting standard (BAS-1), the basis for presentation of general-purpose financial statements is presented to provide financial information about the Bank which is useful to existing and potential investors and other users and to ensure comparability both with the Bank's financial statements of previous periods and with the financial statements of other banks.

Items in the Statement of Financial Position of the Bank are classified by nature of such item and presented broadly in order of their relative liquidity and maturity pattern. An analysis regarding long term or short term that are either payable or receivable within 12 months after the Reporting date (current) and more than 12 months after the Reporting date (non-current) is presented in Note 7.9.

4.2.1 Foreign Currency Translation

i. Functional and Presentation Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Bank operates, referred to as the "functional currency". The functional currency and presentation currency of the Bank is Bhutanese Ngultrum.

ii. Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the Statement of Comprehensive Income.

4.2.2 Going Concern

The Bank has made an assessment on the Bank's ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. The financial statements are prepared on a going concern basis. The Bank do not anticipate any material uncertainties that may pose substantial uncertainty to the Bank's ability to continue as a going concern. Therefore, the Financial Statements continue to be prepared on the going concern basis.

4.2.3 Accrual Basis of Accounting

The Bank prepared its financial statements, except for cash flow information, using the accrual basis of accounting. It recognizes items such as assets, liabilities, equity, income and expenses (the elements of financial statements) when they satisfy the definitions and recognition criteria for those elements in the framework.

4.2.4 Materiality and Aggregation

In compliance with BAS 1 – "Presentation of Financial Statements", each material class of similar items are presented separately in the Financial Statements. Items of dissimilar nature or functions are presented separately unless they are immaterial. Financial statements result from processing large numbers of transactions or other events that are aggregated into classes according to their nature or functions. The final stage in the process of aggregation and classification is the presentation of condensed and classified data, which form line items in the financial statements.

4.2.5 Offsetting

All the items that are recorded in the financial statements are reported gross except for loans and advances which is net off impairment charges. Income and expenses are not offset in the Statement of Profit or Loss unless required or permitted by any accounting standard or interpretation and as specifically disclosed in the accounting policies of the Bank.

4.2.6 Frequency of Reporting

As required by BAS accounting standard, the Bank prepares a complete set of financial statements including comparative information annually. The other financial information that are required by Companies Act of Kingdom of Bhutan, 2016 and Central Bank of Bhutan, Royal Monetary Authority of Bhutan are presented as a separate disclosure on quarterly and half-yearly basis.

4.2.7 Comparative Information

The previous year's figures have been regrouped/rearranged wherever considered necessary, to conform to the current year's presentation. As a minimum, the Bank has reported two statements of financial position, two statements of profit or loss and OCI, two statements of cash flows, two statements of changes in equity and related notes.

4.3 Operating Segments

An operating segment is a component of the Bank that engages in business activities from which it may earn revenues and incur expenses. The Bank operates in single segment of commercial banking. However, it is applicable only to listed company. Since the Bank is unlisted company, it is not required to identify the operating segment as per BFRS 8.

4.4 Property, Plant and Equipment

The cost of an item of property, plant and equipment is recognized as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Bank and the cost can be measured reliably.

Property, plant and equipment are initially recognized at cost. The initial cost of property, plant and equipment comprises its net purchase price after deducting any trade discount and rebates, including import duties and non-refundable purchase taxes, and directly attributable costs of bringing the asset to its working condition and location for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the Statement of Comprehensive Income during the financial period in which they are incurred.

4.5 Depreciation and Amortisation Methods, Estimated Useful Lives and Residual Value

On other tangible assets

- Depreciation is provided on pro rata basis on the straight-line method to allocate the cost, net of residual value over the estimated useful lives of the assets.
- Where a significant component (in terms of cost) of an asset has an estimated economic useful life shorter than that of its corresponding asset, the component is depreciated over its shorter life.
- Useful life of assets is determined by the management based on the internal technical assessments as follows:

Asset	Useful life (no. of years)
Buildings and civil structures (built on owned land only)	30
Plant and machinery and other equipment	7
Furniture and fixtures	7
Office equipment	7
Vehicles	10
Leasehold property improvements	Over the lease term
Desktops, Servers, Card embossing machine	5
Laptops, printers, scanners, routers, switches, modems, UPS	3

The useful life, residual value and depreciation method are reviewed, and adjusted appropriately, at least at each Statement of Financial Position date to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits. Change in the estimated useful life, residual value and/or depreciation method, if any, is depreciated prospectively over the asset's remaining revised useful life.

- The cost and the accumulated depreciation for property, plant and equipment sold, scrapped, retired or otherwise disposed-off are eliminated from the financial statements and the resulting gains and losses are included in the Statement of Comprehensive Income.

4.6 Intangible Assets

Intangible assets include identifiable capitalized software costs and are recognized at cost of acquisition/implementation less accumulated amortisation and any other provision for impairment losses. Subsequent costs are included only when it is probable that the item associated with the cost will generate future economic benefits and the cost can be reliably measured.

Internally generated intangible assets are recognized only when the asset created can be identified and it is probable that the asset created will generate future economic benefits and the costs can be measured reliably. Otherwise, the expenditure is charged to the Statement of Comprehensive Income for the year of incurring the expenditure.

Amortisation is calculated and recognized using the straight-line basis over the estimated useful life as estimated by the management as given in below table. The useful lives and the amortization methods are reviewed annually and are adjusted as appropriate at the end of each reporting year, with any changes recognized as a change in the accounting estimate.

Asset	Useful Life (No. of years)
Software	7

An intangible asset is derecognized when disposed off or when no future benefits are expected to arise from the continued use of the asset. The gains and losses are determined by comparing the proceeds with the carrying amount and are recognized in the Statement of Comprehensive Income.

4.7 Cash and Cash Equivalents

In the Statement of Cash Flows, “cash and cash equivalents” includes cash in hand and deposits held at call with other banks.

4.8 Customer Deposits

Customer deposits include all customer accounts where the Bank owes money to customers (excluding balances owed to other banks, including central banks). Credit balances in card-holder accounts are also treated as customer deposits.

4.9 Income Tax

Current tax assets and liabilities for the current period are measured at the amount expected to be recoverable from or payable to the Income Tax Authority based on the current period’s taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted on the reporting date by the Income Tax Authority.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities and assets are recognized for all taxable temporary differences except when the deferred income tax liability or asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. Deferred income tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and the Bank intends to settle its current tax assets and liabilities on net basis. Management evaluates positions taken in income tax returns with respect to situations in which applicable income tax regulation is subject to interpretation.

The income tax liabilities are recognized when, despite the Bank’s belief that its income tax return positions are supportable, the Bank believes, it is more likely than not, based on the technical merits, that certain positions may not be fully sustained upon review by income tax authorities. Benefits from tax positions are measured at the single best estimate of the most likely outcome. At each Statement of Financial Position date, the tax positions are reviewed,

and to the extent that new information becomes available which causes the Bank to change its judgment regarding the adequacy of existing income tax liabilities, such changes to income tax liabilities are duly recognized in income tax expense in the year in which such determination is made. Interest and penalties, if any, related to accrued liabilities for potential tax assessments are included in income tax charge for the year in which the assessment is completed.

4.10 Employee Benefits

a. Short Term Employee Benefits

All Employee benefits payable within twelve months of rendering the services are classified as short term benefits. Such benefits include salaries and allowances, performance-based incentive and performance based variable allowance, etc., and the same are in the Statement of Comprehensive Income in the period in which the employee renders the related services.

b. Other Long-Term Benefit

The liability towards encashment of the employees' long term compensated absences, which are partly en-cashable during the service period and balance at the time of retirement/ separation of the employees is a long-term benefit and is provided for based on actuarial valuation as at the Statement of Financial Position date. The liability is discounted to present value applying the pre-tax rate of return on Government bonds of similar tenure and currency. Increase in the liability due to passage of time is recognized as interest expense. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in Other Comprehensive Income in the year in which they arise.

c. Defined Contribution Plan:

Contribution to Provident Fund administered by Bank is a defined contribution scheme and is recognized in the Statement of Comprehensive Income as and when they fall due.

d. Defined Benefit Plan:

The Bank's employees are entitled for post-retirement benefits of Gratuity, Travel Allowance and Separation Grant. These liabilities are provided for based on actuarial valuation as at the Statement of Financial Position date. The liabilities are discounted to present value applying the pre-tax rate of return on Government bonds of similar tenure and currency. Increase in the liability due to passage of time is recognized as interest expense. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

4.11 Provisions, Contingent Liabilities and Contingent Assets

- a. The Bank creates a provision when there is a present obligation arising as result of past event that probably requires an outflow of resources, and a reliable estimate can be made of the amount of obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation, at the balances sheet date and are not discounted to its present value.
- b. A disclosure for a contingent liability is made when there is a present obligation arising as a result of past event that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

4.12 Revenue Recognition

Revenue is recognized to the extent that it is probable that the associated economic benefits will flow to the Bank and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable.

The following specific recognition criteria must also be met before revenue is recognized:

i. Interest Income

Interest income on loans and advances is recognized on accrual basis except for non-performing loans and advances, in respect of which the interest income, as per the guidelines issued by the Royal Monetary Authority of Bhutan is deferred and shown under the head "Interest Suspense Account" in the liabilities, and is taken to the Other Comprehensive Income on actual realization only.

ii. Other Income

- a. Other items of incomes are accounted for on accrual basis except commission on guarantees and letters of credit, which are accounted for on cash basis.
- b. Dividend income on investments is recognized when the right to receive dividend is established.
- c. Interest income on investment is recognized on time proportion basis taking into account the amount outstanding and applicable interest rates.

4.13 Mandatory Cash Reserve with RMA

Mandatory Cash Reserve with RMA are carried at historical cost and represent mandatory reserve deposits with Royal Monetary Authority of Bhutan (RMA), which are not available to finance the Bank's day to day operations and hence are not considered as part of cash and cash equivalent for the purposes of the statement of cash flows.

4.14 Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial Assets

(a) Initial recognition and measurement

At initial recognition, all financial assets are recognized at its fair value plus, in the case of a financial asset not carried at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(b) Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in the following categories:

- a. Financial assets measured at amortized cost;
- b. Financial assets measured at fair value through other comprehensive income (FVTOCI); and
- c. Financial assets measured at fair value through profit and loss (FVTPL)

Where financial assets are measured at fair value, gains and losses are either recognized entirely in the Statement of Profit and Loss (i.e. fair value through profit and loss), or recognized in other comprehensive income (i.e. fair value through Other Comprehensive Income).

The classification of financial assets depends on the Bank's business model for managing the financial assets and the contractual terms of the cash flows. Management determines the classification of its financial assets at initial recognition.

(1) Financial assets measured at amortized cost:

A financial asset is measured at amortized cost if both the following conditions are met:

- **Business Model Test:**

The objective of the business model is to hold financial asset in order to collect contractual cash flows (rather than to sell the asset prior to its financial maturity to realize its fair value changes); and

- **Cash Flow Characteristics Test:**

Contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Bank estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. The EIR amortization is included in the Statement of Comprehensive Income.

The losses arising from impairment are recognized in the Statement of Comprehensive Income. This category applies to term deposits, investments in bonds and treasury bills, loans and advances to customers (including staff), and other advance etc.

(2) Financial instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI):

A financial instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- **Business Model Test:**

The objective of the business model is achieved by both collecting contractual cash flows and selling financial assets; and

- **Cash Flow Characteristics Test:**

The Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on principal amount outstanding.

Financial instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value. Fair value movements are recognized in Other Comprehensive Income (OCI) except for the recognition of interest income, impairment gains and losses and foreign exchange gain and losses which are recognized in the Statement of Profit and Loss. This category generally applies to investments (other than in bonds and treasury bills) and other advances.

(3) Financial instruments measured at Fair Value Through Profit and Loss (FVTPL)

Fair Value through Profit and Loss is a residual category. Any financial instrument, which does not meet the criteria for categorization as at amortized cost or fair value through other comprehensive income is classified as FVTPL. Financial instruments included in FVTPL category are measured initially as well as at each reporting period at fair value. Fair value movements i.e. gain or loss and interest income are recorded in Statement of Comprehensive Income.

(c) Impairment of financial assets

The Bank assesses impairment of financial assets, based on the Incurred Loss Model as per 'BAS 39 – Financial Instruments: Recognition and Measurement'. Under the said model, the Bank assesses at the end of each reporting period, whether there is any objective evidence that a financial asset or group of financial assets is impaired, and in that case the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the assets is reduced through Allowance for Impairment Loss Account, and the amount of the loss is recognised in the Statement of Comprehensive Income. If, in a subsequent

period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the Allowance for Impairment Loss Account, to the extent the impairment loss was previously recognised on the respective asset. The amount of such reversal is recognised in the Statement of Comprehensive Income.

(d) De-recognition of Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Bank's Statement of Financial Position) when:

- a. The rights to receive cash flows from the asset have been expired/transferred, or
- b. The Bank retains the contractual right to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Bank has transferred an asset, it evaluates whether it has substantially transferred all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. When the Bank has not transferred substantially all the risks and rewards of ownership of a financial asset, the financial asset is not derecognized.

Where the Bank has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Bank has not retained control of the financial asset. When the entity retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

(ii) Financial Liabilities

Initial Recognition and Measurement

All financial liabilities are recognized initially at fair value and, in the case of deposits and borrowings and payables, net of directly attributable transaction costs. The Bank's financial liabilities include deposits from customers including banks, borrowings, security deposits and other payables.

Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities at Fair Value through Profit or Loss (FVTPL)

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the Statement of Comprehensive Income.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in BAS 39 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in Other Comprehensive Income. These gains/ losses are not subsequently transferred to the Statement of Comprehensive Income. However, the Bank may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of comprehensive income. The Bank has not designated any financial liability as at fair value through the Statement of Comprehensive Income.

Borrowings and Deposits - Fair Value through EIR

Any difference between the proceeds (net of transaction costs) and the repayment amount is recognized in profit or loss over the period of the liability and subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in the Statement of Comprehensive Income when the liabilities are derecognized as well as through the EIR amortization process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Financial Guarantee Contract - Bank Guarantee

Financial guarantee contracts issued by the Bank are those contracts that require a payment to be made to reimburse the holder for loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of BAS 39 and the amount recognized less cumulative amortization.

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Comprehensive Income.

(iii) Off-setting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

4.15 Impairment of Non-Financial Assets

The Bank assesses, at each reporting date, using external and internal sources, whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous period/s. If any indication exists, or when annual impairment testing for an asset is required, the Bank determines the recoverable amount and impairment loss is recognised when the carrying value of an asset exceeds its recoverable amount.

The recoverable amount is determined:

- In the case of an individual asset, at the higher of the asset's fair value less cost of sell and value in use; and
- In the case of cash generating unit (a group of assets that generates identified, independent cash flows) at the higher of the cash generating unit's fair value less cost to sell and value in use.

In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that effects current market assessments of the time value of money and the risks specific to that asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

An impairment loss for an asset is reversed, if and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized, the carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss being recognized for the asset in prior year/s.

4.16 Earnings Per share

The Bank presents the basic and diluted EPS data for its ordinary shares. Basic and diluted EPS are computed by dividing the profit after tax for the year attributable to the ordinary shareholders of the Bank by the number of ordinary shares outstanding during the year.

4.17 Dividend Distribution

Dividend on ordinary shares is recognized as a liability and deducted from equity when it is approved by the Shareholders of the Bank. Interim Dividend is deducted from equity when it is declared. Dividend for the year that is approved after the reporting date is disclosed as an event after the reporting date.

Notes forming part of the Statement of Financial Position as at December 31, 2024

NOTE 5.1 - CASH AND CASH EQUIVALENTS

Amount in Ngultrum

Particulars	December 31, 2024	December 31, 2023
i. Cash in Hand		
- Local Currency	1,147,468,297.53	1,187,141,509.36
- Foreign Currency	213,163,204.99	414,342,126.64
ii. Balances in Current Accounts		
- Local Banks	200,000.00	200,000.00
- Foreign Banks	1,633,701,292.16	2,417,442,285.57
TOTAL	2,994,532,794.68	4,019,125,921.57

NOTE 5.2 - BALANCES WITH CENTRAL BANK

Amount in Ngultrum

Particulars	December 31, 2024	December 31, 2023
Balances with Royal Monetary Authority (RMA)		
- Cash Reserve	8,263,624,221.44	7,649,067,386.29
- Current Account	11,160,884,143.09	5,514,718,349.38
TOTAL	19,424,508,364.53	13,163,785,735.67

NOTE 5.3 - PLACEMENTS WITH OTHER BANK

Amount in Ngultrum

Particulars	December 31, 2024	December 31, 2023
On Deposit Accounts		
- Local Banks	2,500,000,000.00	1,800,000,000.00
- Foreign Banks (Refer note 7.4)	460,064,309.95	259,864,800.00
TOTAL	2,960,064,309.95	2,059,864,800.00

NOTE 5.4 - LOANS & ADVANCES TO CUSTOMERS**Amount in Ngultrum**

	Particulars	December 31, 2024	December 31, 2023
	Gross Loans & Advances	82,438,283,025.79	79,109,849,157.41
	Less: Interest in Suspense	(191,781,920.16)	(277,915,567.67)
	Gross Loans & Advances after adjustment	82,246,501,105.63	78,831,933,589.74
	Less: Allowance for Impairment Loss		
	- Individually assessed*	371,342,594.06	248,799,228.01
	- Collectively assessed	2,043,971,532.62	2,044,506,518.45
	Total Allowance for Impairment Loss	2,415,314,126.68	2,293,305,746.46
	Net Loans & Advances	79,831,186,978.95	76,538,627,843.28
	Bills discounted & purchased	15,508,500.00	-
	TOTAL	79,846,695,478.95	76,538,627,843.28

*Individually assessed includes additional provision (Letter of Credit Nu. 11,034,510.23 & Bank Guarantee Nu.36,536,329.09)

	Particulars	December 31, 2024	December 31, 2023
a.	Current portion	7,864,717,261.60	8,007,286,892.12
b.	Non-Current portion	71,981,978,217.35	68,531,340,951.16
	TOTAL	79,846,695,478.95	76,538,627,843.28
	Particulars of Advances	December 31, 2024	December 31, 2023
i	Debts considered good in respect of which Bank is fully secured	73,159,029,043.46	61,235,132,010.26
ii	Debts considered good for which Bank holds no other security than the Debtor's personal security	6,649,604.01	16,414,176,673.15
iii	Debts considered good, secured by the personal liability of one or more parties in addition to the personal security of the Debtors	9,272,604,378.32	1,460,540,474.00
	TOTAL	82,438,283,025.79	79,109,849,157.41
	Debts due by directors, managers or officers of Bank or any of them either severally or jointly with any other person	1,019,999,040.49	869,408,405.24
iv	Maximum amount of advances, including temporary advances made at any time during the year to directors, managers or officers of Bank or any of them either severally or jointly with any other person	284,935,747.57	220,943,982.17
v	Debts due by companies, firms in which the directors of Bank are interested as directors, partners or members	160,000,000.00	389,931,000.00
	Maximum amount of advances, including temporary advances outstanding during the year to the companies or firms in which directors of Bank are interested as directors, partners or members		295,276,093.78

NOTE 5.5 - FINANCIAL INVESTMENTS - HELD TO MATURITY
Amount in Ngultrum

Particulars	December 31, 2024	December 31, 2023
Bonds - Fully paid up - Listed		
(Previous Year: 115,332) Bonds of Dungsam Cement Corporation Limited of Face Value of Nu. 1,000 each	-	115,332,000.00
400,000 (Previous Year: 352,270) Bonds of Tashi Air Limited of Face Value of Nu. 1,000 each	400,000,000.00	352,270,000.00
Bonds & Treasury Bills - Fully paid up - Unlisted		
DHI Seed Fund		
RGoB Bond	12,282,817,000.00	12,282,817,000.00
Royal Monetary Authority (RMA) Treasury Bill	425,415,600.00	596,850,000.00
Commercial Paper	95,341,916.60	-
Commercial Paper Non-SLR	48,520,550.00	
TOTAL	13,252,095,066.60	13,347,269,000.00

NOTE 5.6 - FINANCIAL INVESTMENTS - AVAILABLE FOR SALE
Amount in Ngultrum

Particulars	December 31, 2024	December 31, 2023
Equity Shares - Fully Paid Up - Listed		
1,724,000 (Previous Year: 1,724,000) Equity Shares of Bhutan Board Products Limited of Face Value of Nu. 10 each	41,548,400.00	60,340,000.00
1,584,500 (Previous Year: 1,584,500) Equity Shares of Bhutan Carbide & Chemicals Limited of Face Value of Nu. 10 each	77,909,865.00	81,189,780.00
503,800 (Previous Year: 503,800) Equity Shares of Bhutan Ferro Alloys Limited of Face Value of Nu. 10 each	80,073,972.00	62,869,202.00
41,745 (Previous Year: 41,745) Equity Shares of Penden Cement Authority Limited of Face Value of Nu. 10 each	1,586,310.00	3,364,647.00
1,111,757 (Previous Year: 1,111,757) Equity Shares of Druk Ferro Alloys Limited of Face Value of Nu. 10 each	1,20,069,756.00	158,047,375.12
1,905,660 (Previous Year: 1,270,440) Equity Shares of State Trading Corp'n. of Bhutan Limited of Face Value of Nu. 10 each	95,797,528.20	97,188,660.00
Equity Shares - Fully Paid Up -Unlisted		
1,272,600 (Previous Year: 1,272,600) Equity Shares of Bhutan Development Bank Limited of Face Value of Nu. 1,0 each	24,421,194.00	53,665,542.00
17,500 (Previous Year: 17,500) Equity Shares of Credit Information Bureau of Face Value of Nu. 100 each	6,621,650.00	6,419,875.00
TOTAL	448,028,675.20	523,085,081.12

NOTE 5.7 - INVESTMENTS IN ASSOCIATES**Amount in Ngultrum**

Particulars	December 31, 2024	December 31, 2023
Equity Shares - Fully Paid Up - Unlisted		
1,620,000 (Previous Year: 162,000) Equity Shares of Royal Securities Exchange of Bhutan Ltd. of Face Value of Nu. 10 each	34,327,800.00	29,262,060.00
1,800,000 (Previous Year: 1,800,000) Equity Shares of Financial Training Institution of Face Value of Nu. 10 each	15,426,000.00	17,388,000.00
TOTAL	49,753,800.00	46,650,060.00

NOTE 5.8 - OTHER FINANCIAL ASSETS**Amount in Ngultrum**

Particulars	December 31, 2024	December 31, 2023
Accrued Interest on Investments and Deposits	442,172,184.60	254,075,476.63
Balances relating to Visa/Mastercard/BFS etc.	879,175,334.44	947,011,934.39
Stamps, Sundry Deposits and Amounts Recoverable	74,828,191.22	62,676,704.49
CP-Interest Receivable	(8,866,202.56)	65,015,884.47
TOTAL	1,387,309,507.70	1,328,779,999.98

CP-Interest Receivable with a credit balance of Nu.8,866,202.56, is yet to be crystallized and subject to reconciliation of balance with the Central Bank.

NOTE 5.9 - OTHER ASSETS**Amount in Ngultrum**

Particulars	December 31, 2024	December 31, 2023
Prepaid Expenses	25,725,289.99	31,179,563.66
Stationery	36,873,455.49	32,429,803.52
Advances to Suppliers & Others	17,411,460.45	3,159,333.00
TOTAL	80,010,205.93	66,768,700.18

NOTE 5.10 - PROPERTY, PLANT AND EQUIPMENT

As at December 31st, 2024

Particulars	Freehold Land	Buildings & Civil Structures	Furniture & Fixtures	Office Equipment & Machineries	Vehicle	Computer & IT Equipment	Amount in Ngultrum	
							Total (as at December 31, 2024)	Total (as at December 31, 2023)
Gross Block								
Balance as at January 1, 2024	488,771,295.68	583,706,394.31	86,488,393.20	738,531,096.04	47,895,041.45	312,078,783.08	2,257,471,003.76	2,118,563,944.65
Additions/Revaluation	16,059,160.65	45,864,176.13	4,770,078.28	123,236,841.87	1,839,823.89	62,594,934.19	254,365,015.01	219,654,764.66
Deletions/Adjustments/Reclassification	-	-	(2,659,844.18)	(5,904,294.69)		(16,514,856.62)	(25,078,995.49)	(80,747,705.54)
Closing Balance as at December 31, 2024	504,830,456.33	629,570,570.44	88,598,627.30	855,863,643.22	49,734,865.34	358,158,860.65	2,486,757,023.28	2,257,471,003.77
Accumulated Depreciation								
Balance as at January 1, 2024	-	(93,923,706.34)	(44,776,440.03)	(279,047,166.43)	(33,980,587.33)	(256,430,302.78)	(708,158,202.91)	(644,984,247.47)
Depreciation on deletions/adjustments/reclassification	-	-	2,595,928.34	5,806,681.51		16,111,967.00	24,514,576.85	68,923,641.99
Depreciation for the year	-	(19,411,371.23)	(9,044,387.60)	(90,995,371.51)	(3,753,397.13)	(30,978,178.29)	(154,182,705.76)	(132,097,595.46)
Balance as at December 31, 2024	-	(113,335,077.57)	(51,224,899.29)	(364,235,856.43)	(37,733,984.46)	(271,296,514.07)	(837,826,331.82)	(708,158,200.94)
Net Book Value as at December 31, 2024	504,830,456.33	516,235,492.87	37,373,728.01	491,627,786.79	12,000,880.88	86,862,346.58	1,648,930,691.46	1,549,312,802.83

i) The useful life of firewalls and routers has been considered to be three years, in accordance with Clause 4.5 of the Significant Accounting Policy.

ii) The commencement of the depreciation of assets is considered when the said asset is practically available for use.

During the year, Bank of Bhutan Limited (BoBL), in compliance with court directives, undertook the foreclosure of the following mortgaged properties, subsequently recognizing them as fixed assets in the financial statements:

- Land: valued at market value and Building valued as balance amount of the loan amount recoverable. The total recorded value amounts to Nu. 61,923,336.78.
- A Vehicle valued as at Nu. 1,839,823.89, equivalent to the outstanding loan balance.

NOTE 5.11 - RIGHT OF USE ASSET**Amount in Ngultrum**

Particulars	December 31, 2024
Right of Use Assets/Leasehold Properties	31,495,441.13
Less: Accumulated Depreciation	(9,866,196.00)
Net Book value of right of use assets/leasehold properties	21,629,245.13
Gross Block	
Balance as at 1 January, 2024	18,684,146.13
Additions during the year	12,811,295.00
Balance as at 31 December, 2024	31,495,441.13
Accumulated Depreciation	
Balance as at 1 January, 2024	
Depreciation during the year	9,866,196.00
Balance as at 31 December, 2024	9,866,196.00

NOTE 5.12 - INTANGIBLE ASSETS**Amount in Ngultrum**

Particulars	December 31, 2024
Gross Block	
Balance as at January 1, 2024	591,461,445.22
Additions	188,319,932.28
Deletions/Adjustments/Reclassification	-
Closing Balance as at December 31, 2024	779,781,377.50
Accumulated Amortization	
Balance as at January 1, 2024	(363,563,012.52)
Amortization for the year	(64,318,548.73)
Deletions/Adjustments/Reclassification	-
Balance as at December 31, 2024	(427,881,561.25)
Net Book Value as at December 31, 2024	351,899,816.25
Gross Block	
Balance as at January 1, 2023	562,068,193.92
Additions	29,467,251.30
Deletions/Adjustments/Reclassification	(74,000.00)
Closing Balance as at December 31, 2023	591,461,445.22
Accumulated Amortization	
Balance as at January 1, 2023	(305,251,949.05)
Amortization for the year	(58,385,060.47)
Deletions/Adjustments/Reclassification	73,997.00
Balance as at December 31, 2023	(363,563,012.52)
Net Book Value as at December 31, 2023	227,898,432.70

NOTE 5.13 - CAPITAL WORK IN PROGRESS**Amount in Ngultrum**

Particulars	December 31, 2024
Balance as at January 1, 2024	217,975,582.18
Additions	
Adjustments/Capitalization during the year	(2,683,160.91)
Balance as at December 31, 2024	215,292,421.27
Balance as at January 1, 2023	322,978,081.13
Additions	
Adjustments/Capitalization during the year	(105,002,498.95)
Balance as at December 31, 2023	217,975,582.18

The other foreclosed property recognised as capital work in progress amounts to Nu. 108,108,251.88.

NOTE 5.14 - DUE TO BANKS
Amount in Ngultrum

Particulars	December 31, 2024	December 31, 2023
Current Deposits	398,085.32	1,134,188.32
TOTAL	398,085.32	1,134,188.32

NOTE 5.15 - DUE TO CUSTOMERS
Amount in Ngultrum

Particulars	December 31, 2024	December 31, 2023
i. DEMAND DEPOSITS		
Current Accounts	38,753,555,159.62	34,318,430,280.53
Less: Provision for Gratuity	(179,447,177.97)	
Savings Bank Accounts	32,850,994,940.40	30,906,603,678.64
Interest Accrued on SB	-	-
	71,604,550,100.02	65,225,033,959.17
ii. TERM DEPOSITS		
Fixed Deposits (Net)	32,426,358,063.89	31,767,082,754.38
Fixed Deposits	31,083,510,018.38	30,047,799,771.38
Less: Fair Value FD-Staff	(173,031.66)	(386,174.02)
Less: Fair Value FD-Public	(25,996,791.08)	(48,321,478.32)
Interest Accrued on FD	1,369,017,868.25	1,767,990,635.34
Recurring Deposits	3,003,189,728.45	2,664,472,409.66
Interest Accrued on RD	176,019,358.49	227,309,336.88
	35,605,567,150.83	34,658,864,500.92
TOTAL	107,210,117,250.85	99,883,898,460.09
Particulars	December 31, 2024	December 31, 2023
a. Current portion	48,941,708,027.34	56,794,801,298.07
b. Non-Current portion	58,268,409,223.51	43,089,097,162.02
TOTAL	107,210,117,250.85	99,883,898,460.09

NOTE 5.16 - Subordinate Debt
Amount in Ngultrum

Particulars	December 31, 2024	December 31, 2023
Subordinate Debt		
Current Accounts	2,780,150,000.00	1,500,000,000.00
TOTAL	2,780,150,000.00	1,500,000,000.00

NOTE 5.17 - CURRENT TAX LIABILITIES
Amount in Ngultrum

Particulars	December 31, 2024	December 31, 2023
Income Tax Payable	681,148,760.99	453,829,273.21
Less: Advance Tax	(226,914,636.60)	(192,749,324.40)
Tax Deducted at Source (TDS)	(35,996,568.87)	(37,865,017.79)
TOTAL	418,237,555.52	223,214,931.02

NOTE 5.18 - OTHER FINANCIAL LIABILITIES
Amount in Ngultrum

Particulars	December 31, 2024	December 31, 2023
Interest Accrued & Due	125,462,205.70	95,086,861.12
Balances relating to Visa/Mastercard	14,923,814.99	19,457,009.71
Unearned Commission Income	70,237,894.55	61,791,849.66
TOTAL	210,623,915.24	176,335,720.49

NOTE 5.19 - PROVISION FOR LIABILITIES & CHARGES**Amount in Ngultrum**

Particulars	December 31, 2024	December 31, 2023
Provision towards frauds/thefts	8,341,736.79	8,941,736.79
TOTAL	8,341,736.79	8,941,736.79

NOTE 5.20 - RETIREMENT BENEFIT OBLIGATIONS**Amount in Ngultrum**

Particulars	December 31, 2024	December 31, 2023
Provisions for Employee Benefits:		
- Gratuity *	199,876,339.00	189,767,970.00
- Leave Encashment *	-	-
- Separation & Travel Allowance *	55,035,143.00	51,187,496.00
TOTAL	254,911,482.00	240,955,466.00
Particulars	December 31, 2024	December 31, 2023
a. Current portion	36,231,695.00	20,185,591.00
b. Non-Current portion	218,679,787.00	220,769,875.00
TOTAL	254,911,482.00	240,955,466.00

*Refer note 7.1

NOTE 5.21 - OTHER LIABILITIES**Amount in Ngultrum**

Particulars	December 31, 2024	December 31, 2023
Drafts & Cash Warrants issued & outstanding	231,446,352.80	220,849,532.01
Others (including provisions for operating expenses)	1,676,271,550.95	1,242,171,406.08
TOTAL	1,907,717,903.75	1,463,020,938.09

NOTE 5.22 - DEFERRED TAX LIABILITIES**Amount in Ngultrum**

Particulars	December 31, 2024	December 31, 2023
Deferred Tax Liabilities	127,656,412.59	133,549,628.59
Less: DTA	(3,349,600.00)	(5,893,216.00)
TOTAL	124,306,812.59	127,656,412.59

NOTE 5.23 - LEASE LIABILITY**Amount in Ngultrum**

Particulars	December 31, 2024	December 31, 2023
Balance as at 1 January 2023	21,140,138.71	24,425,712.71
Additions	12,811,295.00	7,297,457.00
Accretion of Interest	2,358,949.00	2,526,700.00
Lease payment during the year	(12,092,373.00)	(13,109,731.00)
TOTAL	24,218,009.71	21,140,138.71

NOTE 5.24 - SHARE CAPITAL**Amount in Ngultrum**

Particulars	December 31, 2024	December 31, 2023
AUTHORISED CAPITAL		
100,000,000 Shares of Nu. 100 each	10,000,000,000.00	10,000,000,000.00
ISSUED AND PAID-UP CAPITAL		
30,000,000 Shares of Nu. 100 each	3,000,000,000.00	3,000,000,000.00

DETAILS OF SHARES HELD BY EACH SHAREHOLDER HOLDING MORE THAN 5% SHARES

Name of equity shareholder	December 31, 2024		December 31, 2023	
	No. of Shares held	% holding in that class of shares	No. of Shares held	% holding in that class of shares
Druk Holding & Investment Limited, Bhutan	24,000,000	80.00%	24,000,000	80.00%
State Bank of India, India	6,000,000	20.00%	6,000,000	20.00%
TOTAL	30,000,000	100.00%	30,000,000	100.00%

RECONCILIATION OF EQUITY SHARE OUTSTANDING

Amount in Ngultrum

Name of equity shareholder	December 31, 2024		December 31, 2023	
	No. of Shares held	Amount	No. of Shares held	Amount
At the beginning of the year	30,000,000	3,000,000,000.00	30,000,000	3,000,000,000.00
At the end of the year	30,000,000	3,000,000,000.00	30,000,000	3,000,000,000.00

NOTE 5.25 - RESERVES & SURPLUS

Amount in Ngultrum

Particulars	December 31, 2024	December 31, 2023
Reserve Fund		
Opening Balance	2,789,641,733.46	2,539,018,185.44
Add: Transfer from P & L	385,099,481.62	250,623,548.02
	3,174,741,215.08	2,789,641,733.46
Exchange Fluctuation Reserve		
Opening Balance	353,782,845.48	323,032,517.09
Add: Transfer from P & L	17,018,940.98	30,750,328.40
	370,801,786.46	353,782,845.48
Retained Earnings		
Opening Balance	2,995,511,801.81	2,379,722,170.35
Less: Transfer to Reserve Fund	(385,099,481.62)	(250,623,548.02)
Less: Dividend transferred to Reserve Fund	-	-
Less: Transfer to Exchange Fluctuation Reserve	(17,018,940.98)	(30,750,328.40)
Less: Interest Reversal		
Less: IPS Recover	(1,002,011,947.18)	(118,076,151.32)
Less: Dividend paid for FY 2023	(191,665,560.07)	
Add: Other Comprehensive Income	(66,522,903.92)	12,745,467.12
ADD: Additional in OCI(buyback shares of BFAL)		
Add: Profit for the year	1,540,397,926.49	1,002,494,192.07
	2,873,590,894.53	2,995,511,801.81
Fixed Asset Revaluation Reserve		
Opening Balance	322,593,730.98	
Add: Transfer from P & L		333,331,989.46
Less: Deduction	-	10,738,258.48
	322,593,730.98	322,593,730.98
TOTAL	6,741,727,627.06	6,461,530,111.73

NOTE 5.26 - CONTINGENT LIABILITIES**Amount in Ngultrum**

Particulars	December 31, 2024	December 31, 2023
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations	1,103,451,022.63	697,415,358.00
Guarantees Issued & Outstanding (Refer Note 7.8.a)*	1,826,816,454.58	1,021,202,086.38
TOTAL	2,930,267,477.21	1,718,617,444.38

*The figure reflected here for Bank Guarantee is 50% of net BG

Notes forming part of the Statement of Comprehensive Income as at December 31, 2022**NOTE 6.1 - INTEREST INCOME****Amount in Ngultrum**

Particulars	December 31, 2024	December 31, 2023
On Customer Loans (Net of Interest Suspense)*	6,784,036,865.80	6,045,876,313.00
On Bills Discounted & Purchased	221,386.39	98,637.41
On Investments	832,659,545.84	766,532,676.62
On Inter-Bank Deposits	96,304,551.64	72,235,909.36
TOTAL	7,713,222,349.67	6,884,743,536.39

NOTE 6.2 - INTEREST EXPENSES**Amount in Ngultrum**

Particulars	December 31, 2024	December 31, 2023
On Customer Deposits	3,726,416,390.71	3,432,193,343.58
CP Interest Expenses	98,737.78	7,922,359.55
On Inter-Bank Deposits	-	-
Interest on CD Special Education	21,167,418.99	37,450,842.91
Interest on Subordinated Debt	146,752,707.93	88,656,164.38
TOTAL	3,894,435,255.41	3,566,222,710.42

NOTE 6.3 - FEES & COMMISSION INCOME**Amount in Ngultrum**

Particulars	December 31, 2024	December 31, 2023
Commission	167,585,247.98	149,000,042.80
SB Maintenance Fee	59,282,793.69	56,668,390.97
Exchange - Fund Transfer/Drafts	99,079,927.89	95,113,781.51
Debit Card Issuance & Usage Fees	6,145,115.43	7,645,999.41
Visa/Master Card POS Acquiring Commission	41,221,019.20	23,901,586.35
Visa Debit Card ATM Charges	5,723,975.00	4,916,555.00
BFS ATM Interchange Fee Income	170,935.83	331,310.00
International ATM Access Fees	6,435,900.00	5,424,300.00
Income From Visa Credit Cards	6,154,861.72	6,728,585.00
Prepaid card Load/Reload Fee	4,232,300.00	10,823,150.00
M-BoB Service Charge/Commission	2,648,723.00	3,446,838.20
Electronic Wallet Transaction Commission	202,750.00	360,340.00
E-Acquiring Commission	11,666,210.06	14,932,632.10
Airtime Top Up Commission-BT	157,880,313.04	155,303,178.38
Airtime Top Up Commission-T-Cell	63,538,414.44	61,665,473.05
AMEX ATM Access Fee Acc	19,200.00	12,600.00
Other miscellaneous income	11,659,977.52	10,415,671.12
Solvency Noc & Credit Line Charges	14700	
TOTAL	643,662,364.80	606,690,433.89

NOTE 6.4 - FEES & COMMISSION EXPENSES
Amount in Ngultrum

Particulars	December 31, 2024	December 31, 2023
Visa & Master Card Fee	242,343,632.82	175,242,525.74
BFS Interchange Fee Expenses	636,461.00	951,154.17
BT Share on Bwallet Commission	18,413,714.60	21,148,734.82
Securities Trading Fee Expense	229,503.00	717,465.46
goBoB Expenses Account	-	-
Tshongdrel Ngotshab Comm. Payout Ac	-	-
Tshongdrel Ngotshab Bonus Payout Ac	-	-
Agency Banking Comm. Payout	864,424.05	4,721,140.23
BFS RuPay POS Reimbursement Debit	-	-
AMEX Reg Fee Charges Acc	2,342,909.95	2,147,310.30
AMEX POS Reimbursement Ac Dr	3,921,031.69	1,517,373.50
AMEX ATM FCY Loss Acc	4,454.47	1,115.45
AMEX POS FCY Loss Acc	737,041.13	318,503.36
Securities listing \ Fees	1,362,538.00	897,500.00
TOTAL	270,855,710.71	207,662,823.03

NOTE 6.5 - NET GAINS FROM TRADING OF FOREIGN EXCHANGE
Amount in Ngultrum

Particulars	December 31, 2024	December 31, 2023
Gains on trading of Foreign Currency (net)	68,075,763.90	123,001,313.58
TOTAL	68,075,763.90	123,001,313.58

NOTE 6.6 - OTHER OPERATING INCOME
Amount in Ngultrum

Particulars	December 31, 2024	December 31, 2023
Dividend on Equity Investments	6,851,349.15	41,139,178.00
Rental Income	12,310,074.13	11,483,756.93
Profit on sale of property, plant & equipment	265,142.42	519,180.68
Other Income including recoveries for charges	104,309,420.58	128,085,521.13
TOTAL	123,735,986.28	181,227,636.74

NOTE 6.7 - STAFF COSTS
Amount in Ngultrum

Particulars	December 31, 2024	December 31, 2023
Employment Cost-Salaries	254,787,714.00	245,495,260.36
Employment Cost-Allowances	215,472,715.00	129,513,900.00
Employment Cost-PBVA	77,697,265.20	77,697,265.20
Employment Cost-PF-Employer's Contribution	35,473,597.00	33,696,824.00
Employment Cost-Leave Encashment (Refer note 7.1)	18,918,207.09	15,236,244.72
Staff Welfare-Medical Expenses	116,650.00	34,427.08
Employment Cost-Gratuity (Refer note 7.1)	29,643,727.00	27,527,471.00
Employment Cost-Leave Travel Concession (LTC)	9,016,242.60	9,753,769.74
Staff Welfare-Tea Expenses/Pantry	633,146.50	457,054.80
Uniform Expenses	53,400.00	63,550.00
HRD-Training Expenses	39,077,914.48	7,852,198.58
Employment Cost-Separation	21,623,260.00	19,996,235.00
Employment Cost-Transfer Grant	450,009.00	3,453,834.00
Recreation & Sports	163,900.00	315,625.00
Prices & Awards	-	-
HRD-Long Term Trainings/Scholarships	-	1,676,663.44
Entertainment Allowance	-	1,542,080.00
Employment Cost-Fringe Benefits-Staff Loan	37,490,707.72	13,627,764.57
Staff Welfare-Staff Engagement Costs	981,571.00	912,107.00
Staff Welfare-Trendrel Ceremony	80,396.00	21,200.00
Staff Welfare-Funeral Expenses (Semso)	81,100.00	45,000.00
Employment Cost-Temporary Staff & Intern Charges	1,287,900.00	934,650.00
Employment Cost-Carriage Charges	364,129.00	-
Staff Welfare-Prayer/Ritual Expenses	598,493.00	307,589.00
Staff Welfare-Company Annual Events	1,759,765.00	1,268,627.00
TOTAL	745,771,809.59	591,429,340.49

NOTE 6.8 - PREMISES COSTS**Amount in Ngultrum**

Particulars	December 31, 2024	December 31, 2023
Rent	14,913,247.61	14,682,929.18
ATM Rent	4,022,544.21	4,024,444.96
IFRS 16 Lease adjustment	(12,092,373.00)	(13,109,731.00)
Insurance Building	1,084,576.18	1,124,397.11
Equipment & Machineries Insurance	-	598,872.66
Electricity & Lightings	4,392,891.41	4,076,053.41
Rates & Taxes	2,072,732.35	221,831.80
Water & Sewerage	285,251.11	316,233.75
Running & Maintenance Cost-Office Building	41,225.00	161,131.00
Motor Vehicle-Repair & Maintenance	1,259,620.39	865,068.63
Repair & Maintenance Cost-Furniture & Fixtures	3,960.00	44,544.00
Repair & Maintenance Cost-Office Equipment	2,083,269.08	3,243,398.24
ATM Expenses	429,695.00	2,302,635.25
House Keeping Expenses	3,755,679.28	3,748,425.65
Motor Vehicle-Fuel	1,695,194.08	1,628,018.40
Security Services Costs-Outsourced Security Service	24,247,606.51	20,633,977.32
Security Services Costs-Other Security Cost	8,165.08	1,980,403.64
TOTAL	48,203,284.29	46,542,634.00

NOTE 6.9 - GENERAL ADMINISTRATIVE EXPENSES**Amount in Ngultrum**

Particulars	December 31, 2024	December 31, 2023
Travelling Expenses	15,174,411.74	8,594,465.81
Directors' Sitting Fees	518,000.00	538,000.00
Postage & Stamps	34,880,352.80	31,649,732.80
Audit Fees	275,000.03	275,000.00
Audit Expenses	4,580,532.00	1,111,584.40
Annual Maintenance Charges - Computers, equipment & Machineries & Software	113,897,135.08	107,397,136.17
Stationery, Printing, Advertisement etc	25,527,304.96	27,454,892.89
Charity and Donations	620,000.00	527,754.00
Property, Plant & Equipment written off	555,385.06	1,014,314.75
Golden Jubilee Celebration	-	-
Brand & management fees	17,084,845.90	11,749,409.58
Other Miscellaneous Expenditure	87,600,322.88	99,974,232.42
TOTAL	300,713,290.45	290,286,522.82

NOTE 6.10 - DEPRECIATION ON PROPERTY, PLANT AND EQUIPMENT**Amount in Ngultrum**

Particulars	December 31, 2024	December 31, 2023
Depreciation on Vehicle	3,753,397.13	3,708,778.58
Depreciation on Furniture & Fixtures	9,044,387.60	8,878,692.55
Depreciation on Office Equipment	90,995,371.51	72,065,995.48
Depreciation on Computer & It's Peripherals	30,978,178.29	28,153,892.61
Depreciation on Buildings	19,411,371.23	19,290,236.24
Depreciation on Right of use Asset	9,866,196.00	11,007,375.00
TOTAL	164,048,901.76	143,104,970.46

NOTE 6.11 - AMORTIZATION OF INTANGIBLE ASSETS**Amount in Ngultrum**

Particulars	December 31, 2024	December 31, 2023
On Software	64,318,548.73	58,385,060.47
TOTAL	64,318,548.73	58,385,060.47

NOTE 6.12 - TAX EXPENSES
Amount in Ngultrum

Particulars	December 31, 2024	December 31, 2023
Current Income Tax		
Current tax	681,148,760.99	453,829,273.21
Current tax - earlier year's	8,704,514.91	58,144,669.34
Deferred tax	(3,349,600.00)	(5,893,216.00)
TOTAL	686,503,675.90	506,080,726.55

NOTE 6.13 - EARNINGS PER SHARE
Amount in Ngultrum

Particulars	December 31, 2024	December 31, 2023
Profit after Tax	1,540,397,926.49	1,002,494,192.07
Weighted average number of Ordinary Shares in issue	29,999,999.00	30,000,000.00
Basic and Diluted Earnings per Share	51.35	33.42

NOTE 6.14 - OTHER IMPAIRMENT LOSS PROVISION
Amount in Ngultrum

Particulars	December 31, 2024	December 31, 2023
Other Impairment loss Provision	1,921,767.00	-
Basic and Diluted Earnings per Share	1,921,767.00	-

7. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024
7.1 Employee Benefits

a. Disclosures as required under BAS 19 "Employee Benefits" are as under:

i. Change in present value of obligation: (Amount in Nu.)

Particulars	Gratuity	
	December 31, 2024	December 31, 2023
Present Value of obligation at the beginning of year	189,767,970.00	186,924,815.00
Interest cost	14,093,207.00	12,970,216.00
Past Service Cost		
Current Service Cost	15,550,520.00	14,557,255.00
Benefit Paid	(27,205,753.00)	(49,594,228.00)
Net actuarial Loss on obligation	7,670,395.00	24,909,912.00
Present value of the defined benefit at the end of year	199,876,339.00	189,767,970.00
Current Liability	30,336,330.00	16,884,961.00
Non-current Liability	169,540,009.00	172,883,009.00

(Amount in Nu.)

Particulars	Separation Grant		Travel Allowance	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Present Value of obligation at the beginning of year	27,716,660.00	9,387,619.00	14,786,022.00	6,365,938.00
Interest cost	2,117,839.00	544,263.00	1,126,117.00	353,622.00
Current Service Cost	9,161,063.00	9,949,095.00	4,983,453.00	5,572,610.00
Benefit Paid	(2,487,344.00)	(5,168,663.00)	(1,419,108.00)	(3,891,329.00)
Net actuarial Loss on obligation	(7,187,115.00)	13,004,346.00	(3,688,907.00)	6,385,181.00
Present value of the defined benefit at the end of year	29,321,103.00	27,716,660.00	15,787,578.00	14,786,022.00
Current Liability	3,452,235.00	1,748,463.00	1,641,626.00	905,942.00
Non-current Liability	25,868,868.00	25,968,197.00	14,145,952.00	13,880,080.00

(Amount in Nu.)

Particulars	Carriage Charges	
	December 31, 2024	December 31, 2023
Present Value of obligation at the beginning of year	8,684,814.00	3,993,195.00
Interest cost	664,025.00	225,906.00
Current Service Cost	3,570,763.00	3,329,721.00
Benefit Paid	(769,005.00)	(2,338,745.00)
Net actuarial Loss on obligation	(2,224,135.00)	3,474,737.00
Present value of the defined benefit at the end of year	9,926,462.00	8,684,814.00
Current Liability	801,504.00	646,225.00
Non-current Liability	9,124,958.00	8,038,589.00

ii. Expenses recognized in the Statement of Comprehensive Income

(Amount in Nu.)

Particulars	Gratuity	
	December 31, 2024	December 31, 2023
Interest cost	14,093,207.00	12,970,216.00
Current Service Cost	15,550,520.00	14,557,255.00
Past Service Cost	-	-
Net actuarial Loss recognized in the year	7,670,395.00	24,909,912.00
Expenses recognized in Statement of Comprehensive Income	29,643,727.00	27,527,471.00

(Amount in Nu.)

Particulars	Separation Grant		Travel Allowance	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Interest Cost	2,117,839.00	544,263.00	1,126,117.00	353,622.00
Current Service cost	9,161,063.00	9,949,095.00	4,983,453.00	5,572,610.00
Net actuarial Loss recognized in the year	(7,187,115.00)	13,004,346.00	(3,688,907.00)	6,385,181.00
Expenses recognized in Statement of Comprehensive Income	11,278,902.00	10,493,358.00	6,109,570.00	5,926,232.00

(Amount in Nu.)

Particulars	Carriage Charges	
	December 31, 2024	December 31, 2023
Interest Cost	664,025.00	225,906.00
Current Service cost	3,570,763.00	3,329,721.00
Net actuarial Loss recognized in the year	(2,224,135.00)	3,474,737.00
Expenses recognized in Statement of Comprehensive Income	4,234,788.00	3,555,627.00

iii. Year-end Expected Benefit Payments

(Amount in Nu.)

Particulars	Amount in (Nu.)
December 31, 2025 (Retirement Benefit Obligations)	38,355,238.00
December 31, 2026	20,853,571.00
December 31, 2027	22,960,241.00
December 31, 2028	18,953,075.00
December 31, 2029	19,669,719.00
December 31, 2030 to December 31, 2034	94,587,800.00

iv. Sensitivity Analysis

a. Gratuity

(Amount in Nu.)

Particulars	December 31, 2024	December 31, 2023
i) Discount Rate		
Discount Rate as at Year end	8.00%	8.00%
Effect on DBO due to 0.5% increase in Discount Rate	(8,609,667.00)	(8,692,201.00)
Effect on DBO due to 0.5% decrease in Discount Rate	9,331,249.00	9,422,423.00
ii) Salary Escalation Rate		
Salary Escalation Rate as at Year end	6.00%	6.00%
Effect on DBO due to 0.5% increase in Salary Escalation Rate	19,661,020.00	19,854,380.00
Effect on DBO due to 0.5% decrease in Salary Escalation Rate	(17,004,552.00)	(17,165,430.00)

b. Separation Grant, Travel Allowance & Carriage Charges

(Amount in Nu.)

Particulars	December 31, 2024	December 31, 2023
i) Discount Rate		
Discount Rate as at Year end	8.00%	8.00%
Effect on DBO due to 0.5% increase in Discount Rate	(3,240,671.00)	(3,035,021.00)
Effect on DBO due to 0.5% decrease in Discount Rate	3,590,979.00	3,357,708.00
ii) Salary Escalation Rate		
Salary Escalation Rate as at Year end	6.00%	6.00%
Effect on DBO due to 0.5% increase in Salary Escalation Rate	7,673,107.00	7,167,310.00
Effect on DBO due to 0.5% decrease in Salary Escalation Rate	(6,341,196.00)	(5,942,742.00)

7.2 Related Party Transactions

A related party transaction is a transfer of resources, services and/or obligations between the Bank and a related party, regardless of whether a price is charged.

Of the 30,000,000 equity shares (Nu.100 each) issued by the Bank as at December 31, 2024, 24,000,000 equity shares (80%) are held by M/s Druk Holding and Investments Limited (DHI). The entire share capital of DHI is held by the Ministry of Finance, Royal Government of Bhutan. The Bank considers that for the purpose of BAS24, Related Party Disclosures, the Royal Government of Bhutan is in a position of control over it and therefore regards the Royal Government of Bhutan and its controlled companies as related parties for the purpose of the disclosures required by BAS24.

A summary of the Bank's transactions with the Royal Government of Bhutan and its related entities is included below:

Related Party Disclosure as on December 31, 2024

(Amount in Nu.)

Sl. No	Name of Primary Party	Relationship	Nature of Transaction with related Party	Amount Outstanding as of December 31, 2024	Transaction during the year
1	Azista Bhutan Healthcare Limited	Fellow Subsidiary Company	Trade Loan	14,664,332.68	Total Debit Nu.23,845,303.56 Total Credit Nu.9,337,303.56
			Industrial loan	37,500,000.00	Total Debit Nu.154,955,919.54 Total Credit Nu.147,638,587.61
			Industrial loan	170,252,640.34	Total Debit Nu.11,757,993.01 Total Credit Nu.16,935,100.00
2	Bhutan board products limited	Fellow Subsidiary Company	Industrial loan	136,000,000.00	Total Debit Nu.281,434,158.42 Total Credit Nu.252,257,077.71
			Industrial loan	16,208,550.43	Total Debit Nu.16,723,850.43 Total Credit Nu.515,300.00
			MFG-CP-19	2,088,882.00	Total Debit Nu.2,174,482.00 Total Credit Nu.85,600.00
			Industrial loan	27,492,328.60	Total Debit Nu.28,415,728.60 Total Credit Nu.923,400.00
			Bank guarantee	Nil	
3	Bhutan Carbide and Chemicals Limited	BoBL Shareholding	Industrial loan	160,000,000.00	Total Debit Nu.391,335,380.55 Total Credit Nu.391,446,521.18
			Bank guarantee	823,700.00	One Bank Guarantee issued for Nu. 823,700
4	Bhutan Ferro Alloy Limited	Fellow Subsidiary Company	Industrial loan	250,000,000.00	Total Debit Nu.2,741,626,359.97 Total Credit Nu.2,584,966,999.81
			Letter of credit	2 No of letter of credit from Corporate	Nu. 25,043,075.00
			Bank guarantee	1,026,544.00	Three Bank Guarantee issued for Nu. 818,700.00, Nu. 207,844.00 & one BG is nil

5	Bhutan Power Corporation Limited	Fellow Subsidiary Company	Service loan	500,000,000.00	Total Debit Nu.545,335,480.84 Total Credit Nu.545,336,496.14
			Service loan	438,690,000.00	Total Debit Nu.1,257,753,416.90 Total Credit Nu.1,257,753,143.95
			Industrial loan	648,552,856.59	Total Debit Nu.54,617,742.55 Total Credit Nu.81,084,932.52
			Bank guarantee	Nil	
6	Construction Development Corporation Limited	Fellow Subsidiary Company	Trade loan	100,000,000.00	Total Debit Nu.661,804,095.12 Total Credit Nu.696,625,937.48
			Letter of Credit	Nil	
			Bank Guarantee	Nil	
7	Druk Air Corporation Limited	Fellow Subsidiary Company	Service loan	1,000,000,000.00	Total Debit Nu.1,936,965,240.66 Total Credit Nu.1,936,063,119.69
			Serv-CP-19	22,379,921.46	Total Debit Nu.0.00 Total Credit Nu.7,033,689.63
			Serv-CP-19	172,733,315.36	Total Debit Nu.9,835,901.08 Total Credit Nu.58,213,438.69
			Service loan	27,463,168.69	Total Debit Nu.0.00 Total Credit Nu.8,631,281.56
			Service loan	172,733,315.36	Total Debit Nu.9,835,901.08 Total Credit Nu.58,213,438.69
			Bank guarantee	Nil	Nil
8	Druk Green Power Corporation Limited	Fellow Subsidiary Company	Service loan	900,000,000.00	Total Debit Nu.200,711,460.16 Total Credit Nu.200,711,458.04
			Service loan	2,340,741.76	Total Debit Nu.0.00 Total Credit Nu.492,787.76
			Service loan	61,270,544.64	Total Debit Nu.4,896,763.93 Total Credit Nu.7,096,799.44
9	Dungsam Cement Corporation Limited	Fellow Subsidiary Company	Industrial loan	618,252,193.46	Total Debit Nu.54,588,397.74 Total Credit Nu.99,161,120.64
			Industrial loan	460,635,340.69	Total Debit Nu.37,261,445.01 Total Credit Nu.84,794,664.91
			Industrial loan	421,939,680.16	Total Debit Nu.34,076,808.96 Total Credit Nu.87,639,154.20
			Bank guarantee	2,550,000.00	Three Bank Guarantee issued for Nu. 850,000.00 Nu. 850,000.00 & Nu.850,000.00
10	Dungsam Polymers Limited	Fellow Subsidiary Company	Industrial loan	25,000,000.00	Total Debit Nu.177,945,334.31 Total Credit Nu.171,239,873.30
11	Koufuku International Limited	Fellow Subsidiary Company	Agriculture loan	12,000,000.00	Total Debit Nu.79,897,106.96 Total Credit Nu.91,327,393.43
12	Penden Cement Authority Limited	Fellow Subsidiary Company	Industrial loan	100,000,000.00	Total Debit Nu.229,756,384.92 Total Credit Nu.147,138,595.80
			Bank guarantee	2,493,600.00	Four Bank Guarantee issued for Nu. 831,000.00 Nu. 831,000.00, Nu.831,000.00 & one BG is nil
13	Royal Insurance Corporation of Bhutan Limited	Fellow Subsidiary Company	Inter bank loan	1,500,000,000.00	Total Debit Nu.1,411,376,226.43 Total Credit Nu.1,290,107,273.89
14	State Trading Corporation of Bhutan Limited	Fellow Subsidiary Company	Service loan	150,000,000.00	Total Debit Nu.6,381,647,600.02 Total Credit Nu.6,247,957,933.00
			Service loan	55,777,904.62	Total Debit Nu.5,023,784.76 Total Credit Nu.13,571,393.83
			Letter of credit	5 No of letter credit from corporate	Nu.89,891,452.82
			Bank Guarantee	399,750.00	Two Bank Guarantee issued for Nu. 100,000.00 & Nu.299,750.00

15	Burgangchhu Hydropower Project	Subsidiary Company of DGPC	Industrial loan	576,599,066.89	Total Debit Nu.576,642,808.69 Total Credit Nu.43,741.80
16	Yungichhu Hydropower Project	Subsidiary Company of DGPC	Industrial loan	593,059,611.99	Total Debit Nu.593,099,535.99 Total Credit Nu.39,924.00
17	Suchhu Hydropower Project	Subsidiary Company of DGPC	Industrial loan	345,876,635.68	Total Debit Nu.345,903,536.08 Total Credit Nu.26,900.40
18	Druk Holding & Investment Ltd	Holding Company	Bank guarantee	825,840,000.00	Two Bank Guarantee issued for Nu. 230,640,000.00 & Nu.595,200,000.00
19	Dasho Karma Younten	Board of Director	Housing loan	10,208,638.88	Total Debit Nu.915,952.44 Total Credit Nu.1,039,116.00
20	Tashi Wangdi	Board of Director	Consumer loan (Director Tshering Norbu is a guarantor)	113,553.35	Total Debit Nu.11,707.51 Total Credit Nu.68,200.00
21	Sonam Rinchen	Board of Director	Consumer loan (Director Tshering Norbu is a guarantor)	213,763.12	Total Debit Nu.22,031.62 Total Credit Nu.106,800.00
22	Dorji Kadin	Non Independent Board of Director	Housing (self)	9,700,916.34	Total Debit Nu.1,440,641.64 Total Credit Nu.990,926.94
		Non Independent Board of Director	Self loan (self)	213,980.10	Total Debit Nu.13,369.00 Total Credit Nu.113,880.00
		Non Independent Board of Director	Education loan (self)	2,776,934.53	Total Debit Nu.3,127,834.53 Total Credit Nu.350,900.00
23	Lhaki Lhaki	Independent Board of Director	Housing(jointed account of Mr.Sonam Thinley)	7,828,934.85	Total Debit Nu.701,065.81 Total Credit Nu.868,800.00
		Independent Board of Director	Housing(jointed account of Mr.Sonam Thinley)	5,533,932.18	Total Debit Nu.512,713.32 Total Credit Nu.1,016,400.00
		Independent Board of Director	Housing(jointed account of Mr.Sonam Thinley)	10,116,790.29	Total Debit Nu.900,449.93 Total Credit Nu.988,800.00
		Independent Board of Director	Housing(jointed account of Mr.Sonam Thinley)	37,134,799.13	Total Debit Nu.3,306,113.46 Total Credit Nu.3,652,800.00
		Independent Board of Director	Housing(jointed account of Mr.Sonam Thinley)	129,185.55	Total Debit Nu.29,300.29 Total Credit Nu.372,985.00

All transactions between the Bank and above related parties fall under “Related Party Transactions”. However, all transactions in 2024 have been carried out at an “arms-length” and no benefit has accrued to either party as a result of the relationship.

Key Management Personnel (KMP)

KMPs are those persons having authority and responsibility for planning, directing and controlling the activities of the Bank directly or indirectly including any director whether executive or otherwise. Key management personnel of the Bank for the purpose of disclosure of compensation include the members of the Board of Directors and Chief Executive Officer as required by the Companies Act of Bhutan, 2016.

Summary of the compensation paid to KMPs are given below:

(Amount in Nu.)

Particulars	December 31, 2024	December 31, 2023
Remuneration, allowances, etc. paid to Chief Executive Officer:		
Salary, Allowances, Bonus and Encashment of Leave	4,532,771.19	4,234,284.00
Contribution to Provident Fund	230,029.00	221,039.00
Sitting Fee	84,000.00	100,000.00
Total	4,846,800.19	4,555,323.00
Non-Executive Directors:		
Sitting Fees paid to other Directors	372,000.00	392,000.00
Total	372,000.00	392,000.00

7.3 Confirmation / Reconciliation

a. The reconciliation of the following accounts maintained with various agencies / parties are in process, and the impact if any, subsequent to the reconciliation of these accounts, will be taken in the year of reconciliation, which in view of management, will not be material.

(Amount in Nu.)

Account	Maintained with	Unidentified / un-reconciled	Unidentified / un-reconciled
		Debit Entries (Nu.)	Credit Entries (Nu.)
Cover fund Account, Draft Cover Account and Principal Account	State Bank of India, India	800,046,801.40	2,875,535,214.55
Nostro Accounts (20 Accounts (including 15 FCY accounts))	Various Foreign Banks	614,927,928.14	1,159,145,924.31
Global Interchange for Financial Transactions (GIFT) Account (Nostro Statement Balance - GL Balance)	Royal Monetary Authority	-	-
Global Interchange for Financial Transactions (GIFT) Difference Account	BoB	-	-

7.4 Assets under Lien

Balances in the Placements with Other Banks (Note 5.3) include USD 3.120 million equivalents to Nu. 267,165,600 (Previous Year: USD 3.120 million equivalent to Nu. 259,864,800), which is under lien with Standard Chartered Bank, Singapore and Commerzbank, Germany respectively with respect to Letters of Credit issued by the Bank and confirmed by Standard Chartered Bank and Commerzbank.

7.5 Fair value measurement of Equity investments

(i) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Bank has classified its financial instruments into the three levels prescribed under the BAS.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3. In practice, the bank relies on previous year audited report for valuing unquoted stocks. However, due to time lag of 12 months in the previous year's audited report and current year's reporting period, fair value measurement may lead to material changes in the financial health of the unlisted companies. Hence, it is imperative that the bank uses data for valuation closest to the valuation/reporting date.

(ii) Valuation technique used to determine fair value

The carrying amounts of other financial assets, due to customers and other financial liabilities are considered to be the same as their fair values, due to their short-term nature.

The fair values for financial instruments such as loans and advances including staff loans and investment in DHI seed fund were calculated based on cash flows discounted using current borrowing rate/respective interest rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

Financial assets at fair value - recurring fair value measurements

Quoted Entities: The fair value measurements of investments quoted/listed are taken at current market price on the date of reporting from Royal Security Exchange of Bhutan Limited (RSEBL). The same are compared against the cost and the difference of purchase price and market price is passed to OCI.

Unquoted Entities: The bank has computed the fair value measurement for those investments which are not quoted in the active market using adjusted net asset method. The difference of fair value and book value is passed to OCI.

Significant estimates

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Bank uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used and the impact of changes to these assumptions see (ii) above. The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy.

(Amount in Nu.)

	LEVEL I	LEVEL II	LEVEL III
As at December 31, 2024			
Investments available for sale (Quoted shares)	416,985,831.20	-	-
Investments (Unquoted Shares)	-	-	80,796,644.00
As at 31st December, 2023			
Investments available for sale (Quoted shares)	462,999,664.12	-	-
Investments (Unquoted Shares)	-	-	106,735,477.00

7.6 Consolidation of Accounts

The consolidation of the accounts of associates of the Bank viz. Financial Institutions Training Institute and Royal Securities Exchange of Bhutan Limited has not been done by Bank as the Holding Company i.e. Druk Holding & Investments Ltd. has agreed to consolidate the same.

7.7 Capital Commitments

The capital commitment as of 31st December 2024 stood at NU.147,785,956.99 for purchase of fixed assets & change request for software.

7.8 Contingent Liabilities

To meet the financial needs of its customers, the Bank enters into various irrevocable commitments and contingent liabilities. These consist of financial guarantees, letters of credit and other commitments to lend. As at the statement of financial position date, these obligations may not be recognised but they contain the credit risk and therefore form part of the overall risk of the Bank. Letters of Credit and Guarantees (including standby letters of credit) commit the Bank to make payments on behalf of the customers in the event of a specific act, generally related to the import or export of the goods. The value of these commitments is given in the Note 5.26.

7.9 Current and Non-Current Classifications

The status of current/non-current assets/liabilities in the Statement of Financial Position on the basis of residual maturity is as follows:

(Amount in Nu.)

ASSETS	December 31, 2024	December 31, 2023
Current Assets		
Cash and Cash Equivalents	2,994,532,794.68	4,019,125,921.57
Balances with Central Bank	19,424,508,364.53	13,163,785,735.67
Placements with other Banks	2,960,064,309.95	2,059,864,800.00
Loans & Advances to Customers	7,864,717,261.60	8,007,286,892.12
Financial Investments - Held to Maturity	425,415,600.00	596,850,000.00
Other Financial Assets	1,387,309,507.70	1,328,779,999.98
Other Assets	80,010,205.93	66,768,700.18
Total Current Assets	35,136,558,044.39	29,242,462,049.52
Non-Current Assets		
Loans & Advances to Customers	71,981,978,217.35	68,531,340,951.16
Financial Investments - Held to Maturity	12,826,679,466.60	12,750,419,000.00
Financial Investments - Available for sale	448,028,675.20	523,085,081.12
Investments in Associates	49,753,800.00	46,650,060.00
Property, Plant & Equipment	1,648,930,691.46	1,549,312,802.83
Right of Use Assets/Leasehold Properties	21,629,245.13	18,684,146.13
Intangible Assets	351,899,816.25	227,898,432.70
Capital Work-in-Progress	215,292,421.27	217,975,582.18
Total Non-Current Assets	87,544,192,333.26	83,865,366,056.12
TOTAL ASSETS	122,680,750,377.65	113,107,828,103.84

(Amount in Nu.)

ASSETS	December 31, 2024	December 31, 2023
Current Liabilities		
Due to Banks	398,085.32	1,134,188.32
Due to Customers	48,941,708,027.34	56,794,801,298.07
Subordinate debt	2,780,150,000.00	1,500,000,000.00
Current Tax Liabilities	418,237,555.52	223,214,931.02
Other Financial Liabilities	210,623,915.24	176,335,720.49
Provision for Liabilities & Charges	8,341,736.79	8,941,736.79
Retirement Benefit Obligations	36,231,695.00	20,185,591.00
Other Liabilities	1,907,717,903.75	1,463,020,938.09
Deferred Tax Liabilities	124,306,812.59	127,656,412.59
Lease Liability	24,218,009.71	21,140,138.71
Total Current Liabilities	54,451,933,741.26	60,336,430,955.08
Non-Current Liabilities		
Due to Customers	58,268,409,223.51	43,089,097,162.02
Retirement Benefit Obligations	218,679,787.00	220,769,875.00
Total Non-Current Liabilities	58,487,089,010.51	43,309,867,037.02
TOTAL LIABILITIES	112,939,022,751.77	103,646,297,992.10
Share Capital	3,000,000,000.00	3,000,000,000.00
Reserve Fund	3,174,741,213.91	2,789,641,733.46
Fixed Asset Revaluation Reserve	322,593,730.98	322,593,730.98
Exchange Fluctuation Reserve	370,801,786.46	353,782,845.48
Retained Earnings	2,873,590,894.53	2,995,511,801.81
TOTAL EQUITY	9,741,727,625.88	9,461,530,111.73
TOTAL LIABILITIES & EQUITY	122,680,750,377.65	113,107,828,103.84

In the opinion of the Management, all items of assets and liabilities appearing in the Statement of Financial Position as at 31st December, 2024 have a value equal to the amount at which they are stated therein.

7.10 Disclosures

a. Abandoned Property

As per Section 245 of the Financial Services Act of Bhutan the Bank has identified unclaimed balances with detailed information on the amounts and beneficial owners of such monies or articles. The Bank continues to take action to contact the beneficial owners of such monies or articles.

As at year-end, the following amounts are “abandoned property” included in the statement of financial position of the Bank.

(Amount in Nu.)

Category	December 31, 2024	December 31, 2023
Unclaimed Cash Warrants	4,094,054.38	5,202,101.92
Unclaimed Drafts	6,509,230.49	8,336,442.04
Unclaimed Term Deposits	8,855.60	8,855.60
Other Unclaimed Balances	59,790,950.54	82,337,018.10
TOTAL	70,403,091.01	95,884,417.66

b. Income Tax Assessment

Income tax assessment has been completed up to the financial year 2022 and there pending tax obligation till 2022.

c. Deferred Taxation

Deferred tax is accounted for in accordance with BAS12, Income Taxes. BAS12 defines a deferred tax liability as being the amount of income tax payable in future periods in respect of taxable temporary differences and deferred tax assets are the amount of income taxes recoverable in future periods in respect of deductible temporary differences.

The computation of deferred tax assets and deferred tax liabilities is as follows:

(Amount in Nu.)

Particulars	December 31, 2024
Deferred tax assets:	
Deferred tax asset to be recovered after more than 12 months	-
Deferred tax asset to be recovered within 12 months	3,349,600.00
Total Deferred tax assets	3,349,600.00
Deferred tax liabilities:	
Deferred tax liabilities to be recovered after more than 12 months	127,656,412.59
Deferred tax liabilities to be recovered within 12 months	0.00
Deferred tax assets / (liabilities) (net)	124,306,812.59

The gross movement on the deferred income tax account is as follows:

(Amount in Nu.)

Particulars	December 31, 2024
At January 1, 2024	
Charged (credited) to the income statement	(3,349,600.00)
Charged (credited) to other comprehensive income	-
Charged (credited) directly to equity	-
Acquisition of subsidiary	-
Exchange differences	-
At December 31, 2024	(3,349,600.00)

Movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction:

(Amount in Nu.)

Deferred tax liabilities	Depreciation	Fair Value Gains	Total
At January 1, 2024			
Charged (credited) to the income statement	11,165,333.68	(0.00)	11,165,333.68
Charged (credited) to other comprehensive income			-
Charged (credited) directly to equity			-
Acquisition of subsidiary		-	
Exchange differences			-
At December 31, 2024	11,165,333.68	(0.00)	11,165,333.68

d. Current Income Tax

According to the Income Tax Act of Bhutan, 2001, all Companies registered under the Companies Act of the Kingdom of Bhutan shall be subject to full tax liability on all sources of income. Currently as per Section 45.1 of Chapter 9 of the Act, the rate of income tax for companies under full tax liability shall be 30 percent on the net profit. All companies shall file an income tax return for the income year within the 31st of March of the succeeding year in accordance with the rules prescribed by Ministry of Finance.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years. The amount of current tax receivable or payable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes if any.

Accordingly, provision for taxation is made on the basis of the accounting profit for the year, as adjusted for taxation purposes, in accordance with the provisions of the Income Tax Act of Bhutan, 2001.

The current income tax expenses calculation is in below table:

(Amount in Nu.)

Particulars	December 31, 2024	
	Amount	Amount
Profit Before Tax		2,226,901,602.39
Add: IFRS16 lease adjustment (Notional expenses)	(12,092,373.00)	
Add: Penalty	178,624.54	
Add: Donation, Contribution & Sponsorship & BOB CSR	1,935,075.00	
Add: Gift & entertainment & sports & recreational	392,265.00	
Add: FV-FD Interest Expenses-Staff (Notional expenses)	213,142.36	
Add: FV-FD Interest Expenses-public (Notional Expense)	22,324,687.24	
Add: Retirement Benefit- Separation Cost(Provisional expenses)	16,915,879.00	
		29,867,300.24
Sub Total		2,256,768,902.63
Less: Retirement Benefit-Gratuity(Actual expenses is more than provisional expenses)	(2,561,634.00)	(2,561,634.00)
Total Taxable Income		2,259,330,536.63
Tax @ 30%		677,799,160.99
Less: Deferred Tax liability		3,349,600.00
Total Tax		681,148,760.99

e. Asset Pending Foreclosures

Royal Authority Monetary came up with the guideline on the transfer of non-performing loans asset as asset pending foreclosures in order to minimize the impact of high NPLs and loan loss provisions resulted from pandemic.

The main purpose of these Guidelines is to provide broad uniform guidelines to the financial service providers for foreclosing and writing off NPLs in a timely manner across the financial sector. And this is also to enhance the financial institution's capital position thereby enabling creation of new loans with the ultimate objective of improving the economy.

Non-performing loans of the financial institutions that are beyond the scope of recovery or unable to recover due to COVID-19 pandemic shall be eligible for transfer to APF.

The summary of APF foreclosure as 31st December 2024 is provided below:

(Amount in Nu.)

S.No	Account Type	No. of Accounts	Amount Outstanding
1	Deceased	3	3,059,585.38
2	Deficit	9	41,166,973.25
3	Foreclosure	3	693,802.46
4	Imprisoned	9	2,415,631.60
5	Law Enforcement Investigation	8	270,974,755.13
6	Unable to Auction	18	81,237,949.68
7	Untraceable	3	7,842,229.15
Total		54	407,390,926.65

f. Right of Use Assets / Lease Liability

Initial Recognition and Measurement

Lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset, and a lease liability representing its obligation to make lease payments in the Statement of Financial Position.

Lessee measures right-of-use asset similarly to other non-financial assets (such as Property, Plant and Equipment) and lease liabilities similarly to other financial liabilities. Consequently, a lessee recognizes amortization of the right-of-use asset and interest on the lease liability.

Assets and liabilities arising from a lease are initially measured on a present value basis. The initial lease asset equals the lease liability.

At lease commencement, a lessee accounts for two elements:

1. Right-of-use asset: Initially, a right-of-use asset is measured in the amount of the lease liability and initial direct costs. Then it is adjusted by the lease payments made before or on commencement date, lease incentives received, and any estimate of dismantling and restoration costs.
2. Lease liability: The lease liability is in fact all payments not paid at the commencement date discounted to present value using the interest rate implicit in the lease or incremental borrowing rate if the implicit rate cannot be determined. These payments may include fixed payments, variable payments, payments under residual value guarantees, purchase price if purchase option will be exercised.

Subsequent Measurement

After commencement date, lessee needs to adjust both elements recognized initially. Lessee accretes the lease liability to reflect interest and reduce the liability to reflect lease payments made.

Right-of-Use Asset: Lessee shall measure the right-of-use asset using a cost model under BAS 16 - "Property, Plant and Equipment" and to depreciate the asset over the lease term on a straight-line basis. The resulted depreciation amount is charged to the Profit or Loss.

Lease Liability: Lessee shall recognize an interest on the lease liability and the lease payments are recognized as a reduction of the lease liability. Interest on lease liability is charged to the Profit or Loss.

Right of use asset included in Note 5.11 and the movement during the years is as follows:

(Amount in Nu.)	
Particulars	December 31, 2024
Right of Use Assets/Leasehold Properties	31,495,441.13
Less: Accumulated Depreciation	(9,866,196.00)
Net Book value of right of use assets/leasehold properties	21,629,245.13
Balance as at January 1, 2024	18,684,146.13
Additions during the year	12,811,295.00
Balance as at December 31, 2024	31,495,441.13
Accumulated Depreciation	
Balance as at January 1, 2024	-
Depreciation during the year	9,866,196.00
Balance as at December 31, 2024	9,866,196.00
Net Book value as at December 31, 2024	21,629,245.13

Lease liability included in Note 5.23 and the movement during the years is as follows:

(Amount in Nu.)	
Particulars	December 31, 2024
Balance as at January 1, 2023	21,140,138.71
Additions	12,811,295.00
Accretion of interest	2,358,949.00
Lease Payments	(12,092,373.00)
Balance as at December 31, 2023	24,218,009.71

Maturity Analysis of Lease Liability

(Amount in Nu.)	
Particulars	December 31, 2024
Less than 1 year	1,937,727.71
1 to 5 years	12,603,768.00
More than 5 years	9,676,514.00
Total Lease Liability	24,218,009.71

g. Freehold Land Re-valuation

In line with new standards issued by AASBB for implementation of BAS 2020 which was issued in January 2022 and as per the Group accounting policy, the Bank has applied revaluation model for entire class of freehold land under property, plant and equipment to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The change from cost model to revaluation model for freehold land is due to the fact that it will provide relevant and reliable value of land. As required by the standard, the revalued amount was maintained in the Fixed Asset Revaluation Reserve in the statement of Financial Position.

While standard does not require to engage independent valuer for revaluation purpose, the Bank engaged National Land Commission (NLC) to do the valuation based on the rate published by Ministry of Finance (MoF) which is known as PAVA rate (Property Assessment and Valuation Agency) and shall be reviewed whenever MoF revises the PAVA rate.

The detailed freehold land owned by the Bank and the fair value based on the PAVA rate is as under.

The detailed freehold land owned by the Bank and the fair value based on the PAVA rate is as under.

Land Revaluation as per PAVA Land Compensation Rate - 2024

Sl. No.	Asset Name	Land in Acre	Land in Decimal	Land in sq. ft.	Rate per PAVA (in sq. ft.)	Net Book Value-2023	2023-Revised Total Amount Per PAVA rate (Nu.) in 2024	2024-Total Amount Per PAVA rate (Nu.)
1	Land-Lower Market Plot no. 2995 Phuntsholing	0.038	3.845	1,674.88	5,104.53	8,549,486.93	8,549,486.93	8,549,486.93
2	Land-Tsimaka-Chhukha Dzongkhag	3.000	300.000	130,680.00	24.31	3,176,361.00	3,176,361.00	3,176,361.00
3	Land-Bank Land-Damphu-Plot no.151	0.130	13.000	5,662.80	308.54	1,747,228.60	1,747,228.60	1,747,228.60
4	Land-Bank Land-Menbi-Lhuntse	0.874	87.400	38,071.44	7.47	284,520.21	284,520.21	284,520.21
5	Land-Bank Land-Monggar-Plot no.28	0.195	19.492	8,490.72	989.65	8,490,715.20	8,490,715.20	8,402,863.42
6	Land-Bank Land-Paro-Plot no. 4586	0.220	22.000	9,583.20	68.62	657,554.26	657,554.26	657,554.26
7	Land-Bank Land-Phuensholing-Plot no. 602	0.406	40.551	17,664.02	1,678.50	29,648,982.34	29,648,982.34	29,648,982.34
8	Land-Bank Land-Phuentsholing-Plot no. 577	0.621	62.126	27,062.09	1,407.12	38,079,641.95	38,079,641.95	38,079,641.95
9	Land-Bank Land-Punakha-Plot no. 147	1.009	100.908	43,955.52	38.76	12,395,458.00	851,029.98	1,703,562.00
10	Land-Bank Land-Samtse-Plot no. 329	0.407	40.675	17,718.03	650.00	11,516,691.19	11,516,691.19	11,516,691.19
11	Land-Bank Land-Semtokha-Plot no.2033	5.000	500.000	217,800.00	97.46	21,227,715.00	21,227,715.00	21,227,715.00
12	Land-Bank Land-S/Jongkhar-Plot no.75	0.343	34.311	14,945.87	434.97	6,500,949.70	6,500,949.70	6,500,949.70
13	Land-Bank Land-Thimphu-Thram no. 1744 Chagedaphu	0.693	69.335	30,202.33	1,825.86	55,145,199.01	55,145,199.01	55,145,199.01
14	Land-Bank Land-Thimphu-Plot no. 127 Norzin Lam	0.815	81.494	35,498.79	6,198.76	220,048,308.15	220,048,308.15	220,048,308.15
15	Land-Bank Land-Thimphu-Plot no. 415 Chubachu	0.230	22.957	10,000.07	5,668.87	56,689,134.99	56,689,134.99	56,689,134.99
16	Land-Bank Land-Trashigang-Plot no. 227	0.162	16.203	7,058.03	693.45	4,894,370.10	4,894,370.10	4,894,370.10
17	Land-Bank Land-T/Yangtse-Plot no. 54	0.102	10.248	4,464.03	97.69	436,088.12	436,088.12	436,088.12
18	Land-Bank Land-Zamsa-Paro-Thram no. 1015	13.740	1,374.000	598,514.40	11.90	7,122,301.04	7,122,301.04	7,122,301.04
19	Land-Dovan Geog-Sarpang-Thram no. 230	8.000	800.000	348,480.00	6.47	2,213,864.00	2,213,864.00	2,255,354.00
20	Gelephu BO	0.077	7.700	3,354.12	1,402.83	4,705,259.54	4,705,259.54	4,705,259.54
21	Gelephu stq Fishery	0.111	11.146	4,855.20	641.37	3,113,964.68	3,113,964.68	3,113,964.68
22	Haa BO	0.456	45.640	19,880.78	116.96	2,325,182.45	2,325,182.45	2,325,182.45
23	Trongsa BO	0.041	4.121	1,795.11	139.99	251,300.00	251,300.00	251,300.00
24	Zhemgang	0.113	11.256	4,903.11	59.00	289,277.00	289,277.00	289,277.00
Total				1,602,314.52		499,509,553.46	487,965,125.44	488,771,295.68

7.11 Macro Prudential Disclosure

Financial Risk management of the Bank (Qualitative)

i. Capital Planning

The Bank has a process for assessing and monitoring its Capital Adequacy Ratio in line with the Bank's risk appetite while maintaining its capital in line with the statutory requirements. The monitoring process provides an assurance that the Bank has adequate capital to support all risks inherent to its business and appropriate capital buffer based on its business profile. The Bank identifies, assesses and manages comprehensively all risks that it is exposed to through its governance and control practices, risk management and an elaborate process for capital calculation and planning, through its annual planning processes.

The Bank has a structured internal framework to assess its capital requirements which involves the identification and evaluation of all significant risks that the Bank faces, which may have a material impact on its financial position. The Bank also implemented a comprehensive Internal Capital Adequacy Assessment Process (ICAAP) that will guide the and future business activities/risks and built a model on the capital projections/requirements for a period of up to 5 years.

ii. Credit Risk Management

The Bank has an approved Credit risk policy document governing credit risk identification, assessment and monitoring. Credit scoring is key for assessing the credit risk arising from facilities. Credit scoring assesses the credit worthiness of borrowers and is indicative of expected losses by undertaking the loan. A rating model consists of a set of factors, which is used to assess the customers' ability to repay the loan based on their inherent credit risk.

Capital Requirements

For capital requirements, ICAAP policy document covers the method to compute the regulatory capital requirements. The Bank further complies the RMA Prudential regulation 2024 to maintain the minimum CAR of 12.5 percent along with operation risk capital using BIA method.

Credit Risk Stress Testing

Credit risk stress testing is being conducted semi-annually to ascertain the resilience of Bank under severe but plausible scenarios for the following variables:

- Capital adequacy;
- Liquidity risk;
- Profitability risk;
- Interest rate risk;
- Non-performing assets;
- Concentration risk;
- Sectoral risk etc.;

a. Credit Risk Provisions for Loans and Advances

For individual impairment any customer with total exposure exceeding Nu.10 million and loan against cash collaterals at customer level is considered as individually significant.

Collective Impairment provision is calculated transaction wise based on the pool define as per sector wise classifications. The credit loss provisioning is done for those accounts under stage 1, stage 2 and stage 3 as per the Expected Credit Loss Model as below.

Classifications	December 31, 2024	December 31, 2023
Individual Impairment	323,771,754.74	248,799,228.01
Stage 1	269,901,509.71	149,093,858.13
Stage 2	26,320,859.82	32,532,438.02
Stage 3	27,549,385.21	67,172,931.86
Collective Impairment	1,891,964,023.62	2,044,506,518.45
Stage 1	486,090,934.40	533,417,588.66
Stage 2	142,529,309.00	124,741,378.03
Stage 3	1,263,343,780.22	1,386,347,551.76
Total Impairment	2,215,7354,778.36	2,293,305,746.46
Interest impairment	152,007,509.07	277,915,567.67

b. Methodology for Valuation and Management of Collaterals

We take collaterals such as fixed assets, movable assets, stock and book debts, and against fixed deposits. The valuation and management of the collaterals is based on the followings:

- Place of locations and its feasibility of business
- Verifications and valuations of stock and book debt
- Execution of mortgage deed of the collateral being offered against the loan
- Insurance requirement for mortgaged property
- Physical verification assets and site visits

Collateral Management

Collateral management is the method of verifying the status, evaluate the value of collateral in the market and maintain proper track record of collateral transactions, in order to reduce credit risk.

- Taking into account the depreciated value of the collateral securities on a yearly basis during the periodical review of loans till the currency of loan account.
- Securing and continue to have comprehensive insurance for the full value of collateral security, having adjusted the periodical depreciation.

Risk Management Strategy

The Risk Management Policy of the Bank provides a detailed approach to identifying, assessing, and managing risks across the organization. It defines risk as any potential event that could hinder the achievement of objectives, measured by impact and likelihood. It emphasizes the integration of risk management into strategic planning, decision-making, and daily operations to ensure sustainability and resilience. The policy is guided by principles such as adding value, proportionality, integration into routine functions, and continuous improvement. The Bank promotes a risk-aware culture where all employees understand their role in managing risk, supported by a governance structure that includes the Board of Directors, the Board Risk Management Committee, and the Risk Management Committee.

The Bank's risk management policy outlines the various types of risks including:

Strategic Risk

Strategic risk refers to the potential impact on the Bank's earnings or capital due to poor business decisions, improper implementation of strategies, or failure to respond effectively to

changes in the industry or external environment. These risks can significantly affect the bank's ability to achieve its long-term goals and vision. To manage strategic risk, the board and senior management play a critical role in overseeing the development and implementation of the Bank's strategic plans. This includes setting clear strategic goals and objectives, aligning them with the Bank's mission and risk tolerance, and ensuring that the organization has the necessary resources, infrastructure, and capabilities to execute its strategies. Regular performance evaluations and feedback mechanisms are in place to monitor progress and adjust as needed. The bank also employs stress-testing techniques to assess the potential impact of adverse scenarios on its strategic plans and to develop contingency strategies.

Credit Risk

Credit risk arises when borrowers fail to meet their contractual obligations, leading to potential financial losses. This risk is inherent in its lending activities and is one of the most significant risks faced by the Bank. To manage credit risk, the Bank has established comprehensive policies and procedures for credit assessment, approval, and monitoring. These include setting exposure limits to avoid over-concentration in specific sectors or borrowers, conducting thorough due diligence on borrowers' financial health and repayment capacity, and using collateral and guarantees to mitigate potential losses. The Bank also employs internal risk rating systems to monitor the quality of its credit portfolio and identify problem loans early. Stress testing is conducted to assess the ability to withstand adverse economic conditions, and internal audits ensure compliance with credit policies and procedures.

Liquidity Risk

Liquidity risk is the risk that the Bank may not be able to meet its financial obligations as they become due, potentially leading to financial distress or insolvency. Effective liquidity risk management is crucial to maintaining its financial stability and confidence among stakeholders. The Bank monitors key liquidity indicators such as the Loan to Deposit Ratio and the Statutory Liquidity Ratio to ensure it maintains sufficient liquid assets to cover short-term obligations. Stress testing is used to evaluate the bank's ability to withstand liquidity shocks under various scenarios, including market disruptions or sudden withdrawals of deposits. The Bank also has a Contingency Funding Plan in place to address potential liquidity shortfalls and ensure continuity of operations during periods of stress.

Market Risk

Market risk arises from adverse movements in market rates, such as interest rates, foreign exchange rates, equity prices, and commodity prices, which can negatively impact the Bank's earnings and capital. The Bank manages market risk by setting limits on open positions, monitoring exposure to interest rate and foreign exchange risks, and conducting regular stress tests to assess the potential impact of adverse market conditions. The Asset Liability Management Committee plays a key role in overseeing the market risk management activities, ensuring that the risk remains within approved limits and aligns with its overall risk appetite.

Operational Risk

Operational risk refers to the risk of loss resulting from inadequate or failed internal processes, people, systems, or external events. This includes risks related to fraud, system failures, human error, and external disruptions such as natural disasters. The Bank has implemented a comprehensive operational risk management framework that includes policies and procedures for identifying, assessing, and mitigating operational risks. This framework covers areas such as outsourcing, business continuity planning, and incident management. The Bank also conducts regular risk assessments and internal audits to identify weaknesses in its operational processes and controls. Stress testing is used to evaluate the Bank's resilience to operational risk events, and contingency plans are in place to ensure the continuity of critical operations in the event of a disruption.

IT and Cybersecurity Risk

IT and cybersecurity risks are associated with the information technology systems and the potential for data breaches, system failures, or cyberattacks. These risks can have significant financial, operational, and reputational consequences. The bank has established a detailed IT risk management framework that includes policies for information security, access control, system development, and disaster recovery. The framework ensures the confidentiality, integrity, and availability of the data and systems. The Bank conducts regular vulnerability assessments and penetration testing to identify and address potential weaknesses in its IT infrastructure. It also provides training to employees on IT security best practices and has incident response plans in place to quickly address and mitigate the impact of cybersecurity incidents.

Reputational Risk

Reputational risk is the risk of damage to the Bank's reputation due to negative publicity, customer dissatisfaction, or unethical business practices. This risk can arise from a wide range of factors, including poor customer service, regulatory violations, or involvement in controversial activities. The Bank manages reputational risk by monitoring customer satisfaction, handling complaints effectively, and ensuring transparency in its operations. It also has policies in place to promote ethical behaviour and compliance with legal and regulatory requirements. The Bank conducts regular assessments of its reputation among stakeholders and uses early warning indicators, such as customer complaints and media coverage, to identify and address potential reputational risks before they escalate.

Compliance Risk

Compliance risk arises from the failure to comply with laws, regulations, or internal policies, which can result in financial penalties, legal actions, or reputational damage. The bank has established an independent compliance function to monitor and ensure adherence to all applicable legal and regulatory requirements. This function is responsible for identifying compliance risks, developing policies and procedures to mitigate these risks, and providing training to employees on compliance-related matters. The Bank also conducts regular internal audits to assess the effectiveness of its compliance controls and reports any compliance breaches to senior management and the board. By maintaining a strong compliance culture, the bank aims to minimize the risk of non-compliance and ensure that it operates within the bounds of the law.

The Risk Management Policy of the Bank provides a detailed approach to identifying, assessing, and managing risks across the organization. It defines risk as any potential event that could hinder the achievement of objectives, measured by impact and likelihood. It emphasizes the integration of risk management into strategic planning, decision-making, and daily operations to ensure the bank's sustainability and resilience. The policy is guided by principles such as adding value, proportionality, integration into routine functions, and continuous improvement. The bank promotes a risk-aware culture where all employees understand their role in managing risk, supported by a governance structure that includes the Board of Directors, the Board Risk Management Committee, and the Risk Management Committee.

ISO/IEC 27001:2022 (ISMS), ISO/IEC 27701:2019 (PIMS) and PCI-OSS Certification

The Bank of Bhutan Limited, the largest and the oldest Bank in the country, has come a long way, in serving the Nation and its Citizens, towards successfully steering the country's economy growth. In this long journey, the Bank has transformed itself from legacy banking into offering reliable digital banking experience. However, the digital transformation is always associated with Cyber Threats and Risks.

In order to minimize the Cyber Threats and Risks, the Bank has implemented world-class Cyber Security Standards such as ISO 27001:2022 ISMS (Information Security Management System),

ISO/IEC 27701:2019 PIMS (Privacy Information Management System) and Payment Card Industry Data Security Standards (PCI-DSS), during the Year 2021, as part of its commitment in extending secured and reliable digital services.

ISO/IEC 27001:2022 is a specification for the Information Security Management System (ISMS). An ISMS is a framework of policies and procedures that includes all legal, physical and technical controls involved in an organization's Information Risk Management Processes. The Information Security Management System preserves the confidentiality, integrity and availability of information, by applying a risk management process and gives confidence to interested parties, that the risks are adequately managed.

ISO/IEC 27701:2019 is an extension of ISMS focusing on the privacy of Personally Identifiable Information (PII) of the bank. This new standard adds Privacy as Pillar in CIA triad. Securing the ISO 27001 certification demonstrates that BoB has identified the risks, assessed the implications and put in place the needed systemized controls, to limit any damage to the organization and that the Bank is prepared to provide requirements for establishing, implementing, maintaining and continually improving its information security management system. Overall, getting ISO 27001 certification portrays that the Bank is sensitive about the Information Security.

PCI-DSS is an Information Security Standard, applicable to organizations handling the card transactions, from the major Card Schemes, like Visa, MasterCard etc. The standard was created, to increase controls around card holder-data and to reduce card-related frauds. PCI certification ensures security of card data at business, through fulfilment of a set of requirements established by the Payment Card Industry Security Standard Council (PCI-SSC). These include a number of commonly known best practices, such as Installation of firewalls, Encryption of data transmitted, etc.

As part of these certifications, the Bank underwent various assessment processes, which include from defining the scope, Gap assessment, developing the Policies & Procedures, Vulnerabilities Assessment, Penetration Testing and suitable Remediation. The journey was very challenging and costly to the Bank, yet worth doing it, since this is the only way to minimize the ever-increasing Cyber Threats and Risks to the Bank and its esteemed customers.

Disclosures required as per Macro-prudential Rules and Regulations

Item 1: Tier 1 Capital and Its Sub-components (Amount in Nu.)

Sl. No	Particulars	December 31, 2024	December 31, 2023
1.	Total Tier 1 Capital	9,048,332,109.62	8,785,153,535.27
a.	Paid-Up Capital	3,000,000,000.00	3,000,000,000.00
b.	General Reserves (After profit appropriation)	3,174,741,215.08	2,789,641,733.46
c.	Share Premium Account		-
d.	Retained Earnings	2,873,590,894.53	2,995,511,801.81
	Less:-		
e.	Losses for the Current Year (other Comprehensive Loss)	-	-
f.	Buyback of FI's own shares	-	-
g.	Holdings of Tier 1 instruments issued by FIs	-	-

Item 2: Tier 2 Capital and Its Sub-components**(Amount in Nu.)**

Sl. No	Particulars	December 31, 2024	December 31, 2023
1.	Tier II Capital	3,473,545,517.44	2,176,376,576.46
a.	Capital Reserve		
b.	Fixed Asset Revaluation Reserve	322,593,730.98	322,593,730.98
c.	Exchange Fluctuation Reserve (After Profit Appropriation)	370,801,786.46	353,782,845.48
d.	Investment Fluctuation Reserve	-	-
e.	Research & Development Reserve	-	-
f.	General Provision	-	-
g.	Asset Pending Foreclosure Reserve	-	-
h.	Capital Grants	-	-
i.	Subordinated Debt	2,780,150,000.00	1,500,000,000.00
j.	Other Comprehensine Income/(Loss)	-	-
k.	Profit for the Year (After profit is appropriate)	-	-

Item 3: Risk Weighted Exposure Table (Current Period & COPY)**(Amount in Nu.)**

Sl. No	Assets	Risk Weight %	December 31, 2024		December 31, 2023	
			Balance Sheet Amount*	Risk Component	Balance Sheet Amount#	Risk Component
1.	Zero-Risk Weighted Assets	0%	34,570,332,029.50	-	28,662,874,997.03	-
2.	20% Risk Weighted Assets	20%	4,963,743,008.41	992,748,601.68	4,533,270,230.62	906,654,046.12
3.	50% Risk Weighted Assets	50%	6,363,956,595.41	3,181,978,297.71	10,430,905,756.05	5,215,452,878.03
4.	100% Risk Weighted Assets	100%	78,399,636,642.88	78,399,636,642.88	71,199,394,564.34	71,199,394,564.34
5.	150% Risk Weighted Assets	150%	1,313,349,578.66	1,970,024,367.99		
6.	200% Risk Weighted Assets	200%				
7.	250% Risk Weighted Assets	250%				
8.	300% Risk Weighted Assets	300%				
	Grand Totals		125,611,017,854.86	84,544,387,910.26	114,826,445,548.04	77,321,501,488.49

* includes total assets of Nu. 122,680,750,375.8492 and Contingent Liabilities of Nu..2,930,267,477.21

includes total assets of Nu.113,107,828,103.66 and Contingent Liabilities of Nu.1,718,617,444.38

Item 4: Capital Adequacy Ratios

(Amount in Nu.)

Sl. No	Particulars	December 31, 2024	December 31, 2023
1.	Tier 1 Capital	9,048,332,109.62	8,785,153,535.27
a.	Of which Counter-Cyclical Capital Buffer (CCyB) (If applicable)		
b.	Of which Sectoral Capital Requirements (SCR) (If applicable)		
i.	Sector 1	-	-
ii.	Sector 2	-	-
iii.	Sector 3	-	-
2.	Tier 2 Capital	3,473,545,517.44	2,176,376,576.46
3.	Total qualifying Capital	12,521,877,627.06	10,961,530,111.73
4.	Core CAR	10.24%	10.99%
5.	BIA	3,776,191,136.92	2,620,839,813.36
a.	Of which CCyB (If applicable) expressed as % of RWA		
b.	Of which SCR (If applicable) expressed as % of Sectoral RWA		
i.	Sector 1	-	-
ii.	Sector 2	-	-
iii.	Sector 3	-	-
6.	CAR	14.18%	13.71%
7.	Leverage Ratio	7.20%	7.65%

Item 5: Loans and NPL by Sectoral Classification as per BFRS

(Amount in Nu.)

Sl. No	Sector	December 31, 2024		December 31, 2023	
		Total Loans*	NPL	Total Loans#	NPL
a.	Agriculture	264,237,563.78	26,968,943.59	435,925,767.45	27,365,587.07
b.	Manufacturing/Industry	13,780,207,339.77	372,800,168.24	9,382,017,815.16	141,805,140.33
c.	Service & Tourism	16,887,572,341.57	1,523,337,162.44	18,982,027,788.46	410,429,156.67
d.	Trade & Commerce	6,082,847,445.97	837,401,499.12	3,304,276,633.95	769,542,849.84
e.	Housing	28,768,077,501.76	2,970,699,358.22	26,119,194,612.21	457,189,855.49
f.	Transport	1,329,780,589.74	414,606,561.01	2,003,042,900.22	477,331,425.23
g.	Loans to Purchase Securities	521,593,223.65	249,852.45	367,719,737.05	1,375.28
h.	Personal Loan	979,208,414.67	125,886,294.04	913,811,598.50	120,407,245.14
i.	Education Loan	6,612,005,984.28	251,551,687.32	10,629,261,793.36	78,627,966.96
j.	Loan against Term Deposits	643,756,128.42	11,393,271.69	570,389,965.03	414,544.44
k.	Loans to FI (s)	121,268,952.54		2,836,115.98	-
l.	Infrastructure Loans			-	-
m.	Staff Loans (incentives)	932,625,578.64	7,862,987.98	821,841,485.56	5,023,508.36
n.	Loans to Govt Owned Corporation	194,900,651.59		172,508,770.21	
o.	Consumer Loan (GE)	5,335,709,809.41	51,303,791.48	5,404,994,174.27	93,196,705.71
	TOTAL	82,453,791,525.79	6,594,061,577.58	79,109,849,157.41	2,581,335,360.52

includes gross loans and advance of Nu.82,453,791,525.79 and Bills discounted & purchased of Nu. 15,508,500

* includes gross loans and advance of Nu. 79,109,849,157.41. and Bills discounted & purchased of Nu. 0

Item 5: Loans and NPL by Sectoral Classification as per RMA PR**(Amount in Nu.)**

Sl. No	Sector	December 31, 2024		December 31, 2023	
		Total Loans*	NPL	Total Loans#	NPL
a.	Agriculture	264,237,563.78	11,251,567.82	434,396,771.57	13,404,500.86
b.	Manufacturing/Industry	13,780,207,339.77	163,107,891.20	6,862,481,351.14	268,346,414.75
c.	Service & Tourism	16,887,572,341.57	31,986,103.86	17,667,754,634.43	179,349,602.54
d.	Trade & Commerce	6,082,847,445.97	677,798,308.83	2,916,907,501.92	505,754,035.53
e.	Housing	28,959,836,123.10	352,905,944.12	25,965,133,028.52	375,975,848.95
f.	Transport	1,329,780,589.74	258,126,110.99	1,645,892,988.98	280,604,680.63
g.	Loans to Purchase Securities	521,593,223.65		367,719,737.05	1,375.28
h.	Personal Loan	979,010,410.19	36,492,267.91	858,553,247.65	42,674,173.48
i.	Education Loan	6,612,005,984.28	42,116,669.12	10,629,261,793.36	50,542,093.08
j.	Loan against Term Deposits	643,756,128.42	611,387.53	569,402,787.41	1,985,601.41
k.	Loans to FI (s)	121,268,952.54	-	-	-
l.	Infrastructure Loans		-	-	-
m.	Staff Loans (incentives)	932,625,578.64	298,528.56	812,287,638.96	4,624,443.09
n.	Loans to Govt Owned Corporation	3,142,030.25		3,482,732,630.01	
o.	Consumer Loan (GE)	5,335,907,813.89	33,929,430.67	5,390,961,070.26	55,224,684.45
	TOTAL	82,453,791,525.79	1,608,624,210.61	77,603,485,181.26	1,778,487,454.05

includes gross loans and advance of Nu. 82,453,791,525.79 and Bills discounted & purchased of Nu.15,508,500.00

* includes gross loans and advance of Nu. 77,603,485,181.26 and Bills discounted & purchased of Nu.0

#Credit card (LOS) added to personal

#Bills added to Trade & Commerce

Item 6: Loans (Overdraft and Term Loans) by type of Counter-Party

Sl. No	Counter Party	December 31, 2024	December 31, 2023
1.	Overdrafts	9,436,589,633.54	9,218,164,415.20
a.	Government	3,142,030.25	
b.	Government Corporations	390,894,165.62	2,493,319.84
c.	Public Companies	311,602,008.70	288,754,005.26
d.	Private Companies	4,343,445,043.23	7,455,361,976.96
e.	Individuals	764,905,756.89	1,468,718,997.16
f.	Commercial Banks	-	0
g.	Non-Bank Financial Institutions	121,268,952.54	2,836,115.98
h.	NGO	-	
i.	Sole Proprietorship	3,501,331,676.31	
2.	Term Loans	72,961,603,204.51	69,860,268,107.24
a.	Government		
b.	Government Corporations	4,581,019,954.81	170,015,450.37
c.	Public Companies	1,363,242,723.97	2,719,401,119.04
d.	Private Companies	13,098,195,287.97	19,260,146,339.88
e.	Individuals	45,880,552,474.26	47,710,705,197.95
f.	Commercial Banks	-	-
g.	Non-Bank Financial Institutions	-	-
h.	NGO	310,353,295.33	
i.	Sole Proprietorship	7,728,239,468.17	
	Total	82,398,192,838.05	79,078,432,522.44
	Bills	15,508,500.00	-
	Credit Cards	40,090,187.74	31,416,634.97
	Total Loan Outstanding	82,453,791,525.79	79,109,849,157.41

Item 7: Assets (net of provisions) and Liabilities by Residual Maturity (Amount in Nu.)

December 31, 2024	On Demand	1-30 days	31-90 days	91-180 days	181-270 days	271-365 days	Over 1 year	TOTAL
Cash in hand	1,360,631,502.52	-	-	-	-	-	-	1,360,631,502.52
Gov't Securities			425,415,600.00			2,450,000,000.00	9,832,817,000.00	12,708,232,600.00
Investment securities				48,520,550.00			897,782,475.20	1,041,644,941.80
Loans & advances to banks		2,671,260,000.00	192,898,709.95				95,905,600.00	2,960,064,309.95
Loans & advances to customers	459,975,008.02	960,151,553.14	1,110,298,575.74	1,739,274,755.09	2,325,662,202.47	2,186,627,331.73	71,049,197,552.76	79,831,186,978.95
Other assets		24,778,990,044.43						24,778,990,044.43
TOTAL ASSETS	1,820,606,510.54	28,410,401,597.57	1,823,954,802.29	1,787,795,305.09	2,325,662,202.47	4,636,627,331.73	81,875,702,627.96	122,680,750,377.65
Amounts owed to other banks	398,085.32	-	-	-	-	-	-	398,085.32
Demand deposits	2,476,613,003.42	2,476,613,003.42	2,476,613,003.42	2,476,613,003.42	2,476,613,003.42	2,476,613,003.42	23,893,877,139.09	38,753,555,159.62
Savings deposits	1,972,126,702.42	1,972,126,702.42	1,972,126,702.42	1,972,126,702.42	1,972,126,702.42	1,972,126,702.42	21,018,234,725.90	32,850,994,940.40
Time deposits	32,000.00	2,865,473,321.05	1,398,499,106.87	2,206,169,167.82	1,819,385,535.88	1,874,823,152.85	23,896,147,639.62	34,060,529,924.09
Bonds & other negotiable instruments							2,780,150,000.00	2,780,150,000.00
Other liabilities		14,235,122,269.23	-	-	-	-	-	14,235,122,269.23
TOTAL LIABILITIES	4,449,169,791.16	21,549,335,296.12	5,847,238,812.71	6,654,908,873.66	6,268,125,241.72	6,323,562,858.69	71,588,409,504.61	122,680,750,378.66
Assets/Liabilities	0.41	1.32	0.31	0.27	0.37	0.73	1.14	1.00
Net Mismatch in each Time Interval	(2,628,563,280.62)	6,861,066,301.45	(4,023,284,010.42)	(4,867,113,568.57)	(3,942,463,039.25)	(1,686,935,526.96)	10,287,293,123.35	(1.00)
Cumulative Net Mismatch	(2,628,563,280.62)	4,232,503,020.84	209,219,010.42	(4,657,894,558.15)	(8,600,357,597.40)	(10,287,293,124.35)	(1.00)	(2.00)

Item 7: Assets (net of provisions) and Liabilities by Residual Maturity

(Amount in Nu.)

December 31, 2023	On Demand	1-30 days	31-90 days	91-180 days	181-270 days	271-365 days	Over 1 year	TOTAL
Cash in hand	1,601,483,636.00	-	-	-	-	-	-	1,601,483,636.00
Gov't Securities	-	596,850,000.00	-	-	-	-	12,282,817,000.00	12,879,667,000.00
Investment securities	-	-	-	102,270,000.00	-	115,332,000.00	819,735,141.12	1,037,337,141.12
Loans & advances to banks	-	1,466,580,000.00	500,000,000.00	-	-	-	93,284,800.00	2,059,864,800.00
Loans & advances to customers	1,384,811,010.75	631,663,666.22	1,620,685,479.03	1,523,297,360.51	1,527,662,084.62	1,319,167,290.99	68,531,340,951.16	76,538,627,843.28
Other assets	-	18,990,847,683.26	-	-	-	-	-	18,990,847,683.26
TOTAL ASSETS	2,986,294,646.75	21,685,941,349.48	2,120,685,479.03	1,625,567,360.51	1,527,662,084.62	1,434,499,290.99	81,727,177,892.28	113,107,828,103.66
Amounts owed to other banks	1,134,188.32	-	-	-	-	-	-	1,134,188.32
Demand deposits	2,099,884,740.86	2,099,884,740.86	2,099,884,740.86	2,099,884,740.86	2,099,884,740.86	2,099,884,740.86	21,719,121,835.35	34,318,430,280.53
Savings deposits	2,072,173,329.50	2,072,173,329.50	2,072,173,329.50	2,072,173,329.50	2,072,173,329.50	2,072,173,329.50	18,473,563,701.64	30,906,603,678.64
Time deposits	32,000.00	3,881,387,614.58	1,658,788,509.04	2,080,309,010.98	1,529,485,912.06	1,478,237,430.67	22,035,324,051.37	32,663,564,528.70
Bonds & other negotiable instruments	-	-	-	-	-	-	1,500,000,000.00	1,500,000,000.00
Other liabilities	-	13,718,095,427.28	-	-	-	-	-	13,718,095,427.28
TOTAL LIABILITIES	4,173,224,258.68	21,771,541,112.22	5,830,846,579.40	6,252,367,081.34	5,701,543,982.42	5,650,295,501.03	63,728,009,588.36	113,107,828,103.46
Assets/Liabilities	0.72	1.00	0.36	0.26	0.27	0.25	1.28	1.00
Net Mismatch in each Time Interval	(1,186,929,611.93)	(85,599,762.74)	(3,710,161,100.37)	(4,626,799,720.83)	(4,173,881,897.80)	(4,215,796,210.04)	17,999,168,303.92	0.20
Cumulative Net Mismatch	(1,186,929,611.93)	(85,599,762.74)	(3,795,760,863.11)	(8,422,560,583.94)	(12,596,442,481.75)	(16,812,238,691.79)	1,186,929,612.13	1,186,929,612.33

Item 8: Assets (net of provisions) and Liabilities by Original Maturity								(Amount in Nu.)	
December 31, 2024	On Demand	1-30 days	31-90 days	91-180 days	181-270 days	271-365 days	Over 1 year	TOTAL	
Cash in hand	1,360,631,502.52							1,360,631,502.52	
Govt. Securities			425,415,600.00				12,282,817,000.00	12,708,232,600.00	
Investment securities				143,862,466.60			897,782,475.20	1,041,644,941.80	
Loans & advances to banks			2,300,000,000.00	371,260,000.00		192,898,709.95	95,905,600.00	2,960,064,309.95	
Loans & advances to customers		40,090,187.74	19,093,864.25	182,550,409.58	202,764,568.72	552,370,231.19	78,834,317,717.47	79,831,186,978.95	
Other assets	-	24,778,990,044.43	-	-	-	-	-	24,778,990,044.43	
TOTAL ASSETS	1,360,631,502.52	24,819,080,232.17	2,744,509,464.25	697,672,876.18	202,764,568.72	745,268,941.14	92,110,822,792.67	122,680,750,377.65	
Amounts owed to other banks	398,085.32							398,085.32	
Demand deposits	2,476,613,003.42	2,476,613,003.42	2,476,613,003.42	2,476,613,003.42	2,476,613,003.42	2,476,613,003.42	23,893,877,139.09	38,753,555,159.62	
Savings deposits	1,972,126,702.42	1,972,126,702.42	1,972,126,702.42	1,972,126,702.42	1,972,126,702.42	1,972,126,702.42	21,018,234,725.90	32,850,994,940.40	
Time deposits			2,100,032,000.00	362,745,559.97	157,727,519.62	1,966,222,916.75	29,473,801,927.75	34,060,529,924.09	
Bonds & other negotiable instruments							2,780,150,000.00	2,780,150,000.00	
Other liabilities		14,235,122,269.23						14,235,122,269.23	
TOTAL LIABILITIES	4,449,137,791.16	18,683,861,975.07	6,548,771,705.84	4,811,485,265.81	4,606,467,225.46	6,414,962,622.59	77,166,063,792.74	122,680,750,378.66	
Assets/Liabilities	0.31	1.33	0.42	0.15	0.04	0.12	1.19	1.00	
Net Mismatch in each Time Interval	(3,088,506,288.64)	6,135,218,257.10	(3,804,262,241.59)	(4,113,812,389.63)	(4,403,702,656.74)	(5,669,693,681.45)	14,944,758,999.93	(1.00)	
Cumulative Net Mismatch	(3,088,506,288.64)	3,046,711,968.47	(757,550,273.12)	(4,871,362,662.75)	(9,275,065,319.49)	(14,944,759,000.93)	(1.00)	(2.00)	

Item 8: Assets (net of provisions) and Liabilities by Original Maturity										(Amount in Nu.)	
December 31, 2023	On Demand	1-30 days	31-90 days	91-180 days	181-270 days	271-365 days	Over 1 year	TOTAL			
Cash in hand	1,601,483,636.00	-	-	-	-	-	-	1,601,483,636.00			
Govt. Securities			596,850,000.00				12,282,817,000.00	12,879,667,000.00			
Investment securities							1,037,337,141.12	1,037,337,141.12			
Loans & advances to banks		400,000,000.00	916,580,000.00	650,000,000.00			93,284,800.00	2,059,864,800.00			
Loans & advances to customers	-	31,416,634.97	687,478.56	122,850,118.67	220,591,835.57	114,462,657.77	76,048,619,117.74	76,538,627,843.28			
Other assets	-	18,990,847,683.26	-	-	-	-	-	18,990,847,683.26			
TOTAL ASSETS	1,601,483,636.00	19,422,264,318.23	1,514,117,478.56	772,850,118.67	220,591,835.57	114,462,657.77	89,462,058,058.86	113,107,828,103.66			
Amounts owed to other banks	1,134,188.32	-	-	-	-	-	-	1,134,188.32			
Demand deposits	2,099,884,740.86	2,099,884,740.86	2,099,884,740.86	2,099,884,740.86	2,099,884,740.86	2,099,884,740.86	21,719,121,835.35	34,318,430,280.53			
Savings deposits	2,072,173,329.50	2,072,173,329.50	2,072,173,329.50	2,072,173,329.50	2,072,173,329.50	2,072,173,329.50	18,473,563,701.64	30,906,603,678.64			
Time deposits	32,000.00	1,098,601,381.20	1,460,728,893.12	1,723,088,194.68	408,275,160.92	1,262,489,904.31	26,710,348,994.47	32,663,564,528.70			
Bonds & other negotiable instruments							1,500,000,000.00	1,500,000,000.00			
Other liabilities	-	13,718,095,427.28	-	-	-	-	-	13,718,095,427.28			
TOTAL LIABILITIES	4,173,224,258.68	18,988,754,878.84	5,632,786,963.48	5,895,146,265.04	4,580,333,231.28	5,434,547,974.67	68,403,034,531.46	113,107,828,103.66			
Assets/Liabilities	0.38	1.02	0.27	0.13	0.05	0.02	1.31	1.00			
Net Mismatch in each Time Interval	(2,571,740,622.68)	433,509,439.39	(4,118,669,484.92)	(5,122,296,146.37)	(4,359,741,395.71)	(5,320,085,316.90)	21,059,023,527.40	-			
Cumulative Net Mismatch	(2,571,740,622.68)	433,509,439.39	(3,685,160,045.53)	(8,807,456,191.90)	(13,167,197,587.62)	(18,487,282,904.52)	2,571,740,622.88	2,571,740,622.88			

Item 9: Assets and Liabilities by time-to-re-pricing							Amount in Nu.)	
December 31, 2024		Time to re-pricing				Non-interest bearing	TOTAL	
Assets	0-90 days	91-180 days	181-365 days	366 <=	More than 12. months			
		0-3 months	3-6 months	6-12 months				
Cash and Balances with Banks						22,419,041,159.21	22,419,041,159.21	
Treasury Bills	425,415,600.00						425,415,600.00	
Loans and Advances	72,095,186,633.72	30,050,783.72	79,226,709.80	7,871,819,716.09			80,076,283,843.33	
Investment Securities	2,959,500,626.55	48,520,550.00	2,450,000,000.00	10,328,722,600.00		497,782,475.20	16,284,526,251.75	
Other Assets						3,475,483,523.36	3,475,483,523.36	
Total financial assets	75,480,102,860.27	78,571,333.72	2,529,226,709.80	18,200,542,316.09		26,392,307,157.77	122,680,750,377.65	
Liabilities								
Deposits	10,180,384,535.17	4,178,295,870.24	7,638,462,093.56	44,914,382,365.52		38,753,953,244.94	105,665,478,109.43	
Borrowings				2,780,150,000.00			2,780,150,000.00	
Other Liabilities						14,235,122,269.23	14,235,122,269.23	
Total financial liabilities	10,180,384,535.17	4,178,295,870.24	7,638,462,093.56	47,694,532,365.52		52,989,075,514.17	122,680,750,378.66	
Total interest Re-pricing gap	65,299,718,325.10	(4,099,724,536.52)	(5,109,235,383.76)	(29,493,990,049.43)		(26,596,768,356.39)	(1.00)	

(Amount in Nu.)

Item 9: Assets and Liabilities by time-to-re-pricing

December 31, 2023	Time to re-pricing							Non-interest bearing	TOTAL
Assets	0-90 days	91-180 days	181-365 days	366 <=					
	0-3 months	3-6 months	6-12 months	More than 12. months					
Cash and Balances with Banks	-	-	-	-		17,182,911,657.24	17,182,911,657.24		
Treasury Bills	596,850,000.00	-	-	-		-	596,850,000.00		
Loans and Advances	3,637,160,156.00	1,523,297,360.51	2,846,829,375.61	68,531,340,951.16		-	76,538,627,843.28		
Investment Securities	2,068,850,000.00	-	115,332,000.00	93,284,800.00		13,102,552,141.12	15,380,018,941.12		
Other Assets	-	-	-	-		3,409,419,662.02	3,409,419,662.02		
Total financial assets	6,302,860,156.00	1,523,297,360.51	2,962,161,375.61	68,624,625,751.16		33,694,883,460.38	113,107,828,103.66		
Liabilities									
Deposits	11,756,728,112.12	4,152,482,340.48	7,152,070,001.73	40,508,887,753.01		34,319,564,468.85	97,889,732,676.19		
Borrowings		-	-	1,500,000,000.00		-	1,500,000,000.00		
Other Liabilities	-	-	-	-		13,718,095,427.28	13,718,095,427.28		
Total financial liabilities	11,756,728,112.12	4,152,482,340.48	7,152,070,001.73	42,008,887,753.01		48,037,659,896.12	113,107,828,103.46		
Total interest Re-pricing gap	(5,453,867,956.12)	(2,629,184,979.97)	(4,189,908,626.12)	26,615,737,998.15		(14,342,776,435.74)	0.20		

Item 10: Non performing Loans and Provisions as per BFRS

December 31, 2024						
Stage	Amount of NPL's (Gross)	Principal Impairment Provision	Interest Impairment Provision	Total Impairment Provision	Net NPL's	
Stage 1		486,090,934.40		486,090,934.40		
Stage 2	4,545,939,565.38	142,529,309.00		142,529,309.00	4,403,410,256.38	
Stage 3	1,414,129,355.16	1,415,351,289.22	191,781,920.16	1,607,133,209.38	(193,003,854.22)	
Total Collective Impairment#	5,960,068,920.54	2,043,971,532.62	191,781,920.16	2,235,753,452.78	4,210,406,402.16	
Individual Impairment*	633,992,657.04	371,342,594.06		371,342,594.06	262,650,062.98	
Total Impairment (Collective+Individual)	6,594,061,577.58	2,415,314,126.68	191,781,920.16	2,607,096,046.84	3,986,965,530.74	
Impairment provision %					8.00%	82,453,791,525.79
Net NPLs to net Loans					4.99%	79,831,186,978.95

* Individually impairment includes additional provision (Letter of credit Nu.11,034,510.23 & bank Guarantee Nu.36,536,329.09)

As at December 31, 2023						
Stage	Amount of NPL's (Gross)	Principal Impairment Provision	Interest Impairment Provision	Total Impairment Provision	Net NPL's	
Stage 1	-	533,417,588.66	-	533,417,588.66	-	
Stage 2	275,034,639.13	124,741,378.03	-	124,741,378.03	150,293,260.10	
Stage 3	1,664,351,909.75	1,386,347,551.76	277,915,567.7	1,664,263,119.43	88,790.32	
Total Collective Impairment	1,939,386,547.88	2,044,506,518.45	277,915,567.67	2,322,422,086.12	150,382,050.42	
Individual Impairment*	641,948,812.64	248,799,228.01	-	248,799,228.01	393,149,584.63	
Total Impairment (Collective+Individual)	2,581,335,360.52	2,293,305,746.46	277,915,567.67	2,571,221,314.13	10,114,046.39	
Impairment provision %					3.26%	
Net NPLs to net Loans					0.01%	76,538,627,843.28

*Individually impairment includes additional provision (Letter of credit Nu.6,974,153.58 & bank Guarantee Nu.10,212,020.86)

Item 11: Assets and Investments
(Amount in Nu.)

Sl. No	Investment	December 31, 2024	December 31, 2023
1.	Marketable Securities (Interest Earning)		
a.	RMA Securities	425,415,600.00	596,850,000.00
b.	RGOB Bonds/Securities	12,282,817,000.00	12,282,817,000.00
c.	Corporate Bonds	-	115,332,000.00
d.	Others	495,341,916.60	352,270,000.00
	Sub-Total	13,203,574,516.60	13,347,269,000.00
2.	Equity Investments		
a.	Public Companies	416,985,831.20	462,999,664.12
b.	Private Companies		
c.	Commercial Banks	24,421,194.00	53,665,542.00
d.	Non-Bank Financial Institutions	56,375,450.00	53,069,935.00
e.	Less: Specific Provisions		
	Sub-Total	497,782,475.20	569,735,141.12
3.	Fixed Assets		
a.	Fixed Assets (Gross)	3,503,460,067.18	3,085,592,177.29
b.	Less: Accumulated Depreciation	1,265,707,893.07	1,071,721,215.43
c.	Fixed Assets (Net Book Value)	2,237,752,174.11	2,013,870,961.86

Item 12: Foreign exchange assets and liabilities as at December 31, 2023 (Amount in Nu.)

Currency	Liquid Foreign Currency Holdings (up to one Week)			Long Term Foreign Currency Holdings (More than one Week)			Nu. In Millions	
	Assets in Foreign Currency 1	Liabilities in Foreign Currency 2	Net Short Term Position 3=1-2	Assets in Foreign Currency 4	Liabilities in Foreign Currency 5	Long Term Net Position 6=4-5	Overall Net Position 7=3+6	Overall Net Position/ Core Capital 8
USD	1,214,344,455.69	1,537,968,437.81	(323,623,982.12)	54,797,428.85	-	54,797,428.85	(268,826,553.27)	(3.06)
SGD	23,678,297.24	214,105,671.85	(190,427,374.61)	-	-	-	(190,427,374.61)	(2.17)
EURO	107,739,914.19	8,378,026.08	99,361,888.11	-	-	-	99,361,888.11	1.13
AUD	1,159,988,365.90	52,227,495.22	1,107,760,870.68	-	-	-	1,107,760,870.68	12.61
CAD	24,288,052.80	-	24,288,052.80	-	-	-	24,288,052.80	0.28
HKD	53,325.00	-	53,325.00	-	-	-	53,325.00	0.00
GBP	39,660,218.43	7,446.56	39,652,771.87	-	-	-	39,652,771.87	0.45
CHF	37,686,788.20	497,228.04	37,189,560.16	-	-	-	37,189,560.16	0.42
JPY	30,420,765.24	-	30,420,765.24	-	-	-	30,420,765.24	0.35
DKK	-	-	-	-	-	-	-	-
SEK	-	-	-	-	-	-	-	-
NOK	-	-	-	-	-	-	-	-
TOTAL	2,637,860,182.69	1,813,184,305.56	824,675,877.13	54,797,428.85	-	54,797,428.85	879,473,305.98	10.01
					Core Capital		8,785,153,535.27	

Item 13: Geographical Distribution of Exposures

(Amount in Nu.)

Particular	Domestic		India		Other	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Demand Deposits held with other banks	200,000.00	200,000.00	181,475,986.95	451,105,358.26	1,452,225,305.21	1,966,336,927.31
Time deposits held with other banks	2,500,000,000.00	1,800,000,000.00	-	-	267,165,600.00	259,864,800.00
Borrowings	-	-	-	-	-	-

Item 14: Credit Risk Exposure by Collateral

(Amount in Nu.)

Sl. No	Particular	December 31, 2024 #	December 31, 2023 #
1.	Secured Loans	82,447,141,921.78	78,656,127,366.95
a.	Loans secured by physical/real estate collateral	71,834,295,146.21	61,235,132,010.26
b.	Loans Secured by financial collateral	1,340,242,397.25	1,006,818,683.54
c.	Loans secured by guarantees	9,272,604,378.32	16,414,176,673.15
2.	Unsecured Loans	6,649,604.01	453,721,790.46
	Total Loans	82,453,791,525.79	79,109,849,157.41

includes gross loans and advance of Nu. 82,453,791,525.79 and Bills discounted & purchased of Nu. 15,508,500

* includes gross loans and advance of Nu.79,078,432,522.44. and Bills discounted & purchased of Nil

Item 15: Earnings Ratios**(Amount in Nu.)**

Sl. No	Ratio	December 31, 2024
1.	Interest Income as a percentage of Average Assets	3.24%
2.	Non-interest income as a percentage of Average Assets	0.48%
3.	Operating Profit as a percentage of Average Assets	1.89%
4.	Return on Assets	1.26%
5.	Business (Deposits plus Advances) per employee (Nu. In million)	243.43
6.	Profit per employee (Nu. In million)	2.02

Item 16: Penalties imposed by the RMA in the past period**(Amount in Nu.)**

Sl. No	December 31, 2024		December 31, 2023	
	Reason for Penalty Imposed	Penalty Imposed	Reason for Penalty Imposed	Penalty Imposed
1.	NIL	NIL	NIL	NIL
2.				
3.				
4.				
5.				

Item 17: Customer Complaints**(Amount in Nu.)**

Sl. No	Particular	December 31, 2024	December 31, 2023
1.	No. of complaints pending at the beginning of the year	57	35
2.	No. of complaints received during the year	5344	9299
3.	No. of complaints redressed during the year	5435	9277
4.	No. of complaints pending at the end of the year	6	57

Item 18: Provision Coverage Ratio (PCR)**(Amount in Nu.)**

Year	Gross NPL	Additional NPL	Additional Impairment Provisions	Additional Interest in Suspense A/c	PCR
1	2	3	4	5	6= (4/5)
31.12.2024	6,594,061,577.58	4,012,726,217.06	122,008,380.22	(86,133,647.51)	(1.42)
31.12.2023	2,581,335,360.52	1,277,329,250.26	1,381,665,032.77	118,297,657.82	11.68
31.12.2022	1,304,006,110.26	(400,841,856.49)	(59,546,292.59)	15,775,001.76	(3.77)

Year	Gross NPA	Impairment Provision	Interest Impairment
2022	1,304,006,110.26	911,640,713.69	159,617,909.85
2023	2,581,335,360.52	2,293,305,746.46	277,915,567.67
2024	6,594,061,577.58	2,415,314,126.68	191,781,920.16

Item 19: Concentration of Credit and Deposits
(Amount in Nu.)

Sl. No	Particulars	December 31, 2024	December 31, 2023
1.	Total loans to 10 largest borrowers	15,477,454,759.35	13,651,218,516.38
2.	As % of total loans	18.77%	17.26%
3.	Total deposits of the 10 largest depositors	26,671,448,961.75	13,749,470,410.95
4.	As % of total deposits	25.24%	14.05%

Item 20: Exposure to 5 Largest NPL accounts
(Amount in Nu.)

Sl. No	Particulars	December 31, 2024	December 31, 2023
1.	Five largest NPL accounts	1,137,457,377.13	455,506,740.03
2.	% of Total NPLs	17.25%	25.61%

Ratio Analysis

Ratios	December 31, 2024	December 31, 2023
Return on Equity (PAT/Shareholders Equity)	16.04%	11.12%
Return on Assets (PAT/Total Assets)	1.31%	0.91%
Capital Adequacy Ratio (Tier 1+ Tier 2 Capital)/ (Risk Weighted Assets + Operation Risk)	14.18%	13.71%
Credit to Deposit Ratio (Total Loans/Total Deposits)	76.91%	79.20%
Statutory Liquidity Ratio (Quick assets/Total liabilities excluding capital fund and RMA liabilities)	26.08%	23.36%
Gross Non-Performing Assets (Non-performing Assets/Total Loans)	1.95%	2.25%
Earnings per share (PAT/No. of Shares)	51.35	33.42
Net interest margin (Total Interest Income-Interest Expenses)/ Total earning assets (Total Loans to customer + Loans to banks)	3.95%	3.74%
Leverage Ratio (Tier 1 /total balance sheet Amount including off balance sheet item)	7.20%	7.65%
Debt to Equity Ratio (Total Liabilities/Shareholder's Equity)	9.02	9.46

For SPAN & Associates:
Amlan Kusum Mandal

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Amlan Kusum Mandal
Date: 2025.03.17
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Amlan Kusum Mandal

Audit Partner

Firm Registration No. FRN:302192E

Membership No:064631

Date:

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