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**BDB** | Bhutan Development Bank Limited



"Your Development Partner"

»» NEWSLETTER ««

Issue 50



## CEO'S VISIT TO THE BRANCHES



### »»» 2nd to 8th April, 2023

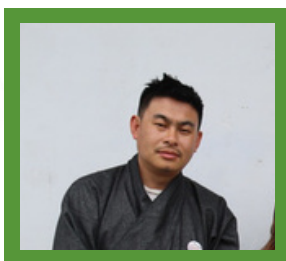
The Chief Executive Officer (CEO), Mrs. Tshering Om made a familiarization visit to the branch offices of Paro, Thimphu, Haa, Phuentsholing, Samste, Dorokha, Tashicholing, Chukha, Gedu, Gomtu and Tendu field offices.

During the visit, the CEO interacted with the staff and took stock of the challenges they are facing. The branch staff were informed of the current situations the Bank is facing and major changes taking place at head office during the transition period



"To be a Strong Dependable Customer Focused Bank that Contributes Towards achievement of Gross National Happiness"





By: Samten Wangchuk  
AGM, Administration  
Division, Administration  
& HR Department







## Risk Management Framework (RMF)



By: Kelzang Wangmo

Research Officer, R&D Department

**RMA AML & CFT regulations states that**

*“The risk management framework is the process used to identify the potential threats to an organization and to define the policies and procedures to eliminate or minimize the threats, as well as develop a strategy or guideline to monitor and review the identified risk.”*

As per the requirement from Royal Monetary Authority (RMA) for all the Financial Institutions (FIs) to self-assess the risk to achieve compliance with RMA's Risk Management Guidelines 2019, the Bhutan Development Bank Limited (BDB) also recognized the importance of having an effective risk management process to work towards meeting the organizational goals. This policy establishes the prudent risk management process to identify, measure, monitor and control all material risks arising from BDB's business activities and sets the bank's risk appetite and limits.

"To be a Strong Dependable Customer Focused Bank that Contributes Towards achievement of Gross National Happiness". Risk Management Framework 2022 has been developed by the Risk Division with assistance from the external consultancy. A team from TOT Unit, Credit Department and Risk Division has carried out the pilot testing assessment at few branch offices in the western region towards the end of year 2022. After the pilot testing assessment, necessary changes were incorporated for the upcoming training session.



The team virtually trained the RMF to officials at the operational (Branch) level and officially completed the sensitization program on the RMF at the functional (Head Office) level by the end of April 2023.

With this, BDB expects all the officials to serve the CUSTOMERS with utmost due diligence.



*“Customers are the reason for work, not an interruption of work.”*



# *Fire Mock Drill*

By: Chandra Maya Pradhan

Marketing Officer, R&D Department

A fire mock drill was conducted at the Bhutan Development Bank head office on 25th April 2023 by the Royal Bhutan Police officials and ISO Consultant. It was conducted as part of the International Standard Operations, ISO certification for BDB. ISO certification signifies that the financial institution has implemented robust quality management practices, demonstrating its commitment to providing reliable and efficient services in enhancing customer confidence, improved operational efficiency, efficient workflow, and effective risk management systems in meeting internationally recognized standards for quality management. Thereby providing a competitive advantage in dedicating to excellence, and quality and giving a competitive edge in the international market by promoting a culture of continual improvement within financial institutions.





Fire safety is of paramount importance for organizations, including financial institutions like Bhutan Development Bank Limited (BDBL). Conducting fire mock drills plays a crucial role in enhancing preparedness, evaluating response strategies, and ensuring the safety of employees, customers, and valuable assets. The important aspect of a fire mock drill for BDB can be in compliance with regulations and codes for preventing potential legal consequences, ensuring the well-being of employees and customers, protecting assets by identifying vulnerabilities, implementing preventive measures, and minimizing the risk of damage to assets.

It also familiarizes with the evacuation procedures, assembly points and emergency exit. Individuals gain the necessary knowledge to react swiftly and efficiently and reducing the potential for injuries or casualties.

The mock drill conducted at the head office was also to give in-hand training on firefighting equipment such as fire extinguishers and fire blankets and to form an emergency response team comprising individuals responsible for sounding alarms, guiding evacuations, and providing first aid for managing the situation.





# VISIT OF OFFICIALS FROM NATIONAL PAYMENTS CORPORATION OF INDIA (NPCI) INTERNATIONAL PAYMENT LIMITED



**The** representatives from National Payments Corporation of India (NPCI) International Payment Limited (NIPL) Mr. Chetan Lotankar, Business Development, and Mr. Mihir Shah, Project Delivery visited with the officials from the Payment System, card, Operations Division and IT Department of the Bhutan Development Bank Limited on 24th May 2023.

The meeting with the NPCI officials was mainly to discuss and collaborate on the implementation of RuPay Issuance and the ongoing adoption of the new QR code messaging standard of BHIM UPI in Bhutan. The team discussed strategies to resolve operational and technical issues for RuPay and BHIM QR and also developing new product features.

# MOENLAM CHENMO AT BUDDHA POINT



*"If anything is worth doing,  
do it with all your heart."*

*Buddha*



A week long Moenlam Chenmo was being presided over by Dorji Lopen at Buddha Point in Thimphu from 27th May, 2023 to 2nd June, 2023.

On 2nd June, 2023, led by the Administration Division, the staffs of BDB Head Office made offerings at the Moenlam Chenmo for the benefits of all the sentient beings and welfare of the employees of Bhutan Development Bank (BDB) and the organization as a whole.



By: Chandra Maya Pradhan  
Marketing Officer,  
R&D Department





Bhutan Development Bank Limited (BDB) officially launched Special Education Loan Scheme on 3rd June 2023 at Thimphu Main Branch to help finance aspiring students to achieve their dreams to study abroad. The Loan is to cover Visa fees, Tuition fees, and Living expenses for Overseas Studies. The main objective of the loan is to enable Bhutanese individuals to have an opportunity to pursue higher education. There are two types of Special Education Loans;

## 1. UNSECURED LOAN

**Nationality:** Bhutanese

**Age:** 18 years to 35 years

**Eligible countries:**

Australia, Canada, United States of America and United Kingdom

**Eligibility Criteria:**

The household members (parents -including the parents of spouse and his/her spouse), should not have NPL (as per the CIB report)

- Any member of the household with net taxable income of less than Nu. 1 million (as per latest tax returns from DRC)
- Any member of the household with business overdraft facility/limit less than Nu. 1 million (as per CIB report).
- Land ownership letter from NLCS specifying the location, area, type and PAVA value of land and if the value of the land is less than the loan amount. The borrower will obtain the land certificate from the NLCs.

**Loan Amount:** Nu.3.5 million or amount in visa requirement of the specific country whichever is less.

**Gestation Period:** 3 months from the date of sanction

**Loan Tenure:** 5 Years

**Interest:** 9.90%

**Collateral is not required**

**Other Requirements:** a valid and genuine offer letter from the University is required.

**Interest Computation:** Banks shall compute interest on the sanctioned amount and borrowers shall pay upfront interest for three months (during gestation period).



## Special Education Loan

*a bridge between you and your future*

*kadrinchey*  
for Banking with us

### 2. SECURED LOAN



**Nationality:** Bhutanese

**Age:** 18 years and above

**Eligible countries:**

Australia, Canada, USA and UK

**Loan Amount:** Nu. 5 million or amount in visa requirement of the specific country whichever is less.

**Gestation Period:** 3 months from the date of sanction

**Loan Tenure:** 5 Years

**Interest:** 8.90%



**Collateral Requirements:**

Loan shall be secured by mortgage properties/collateral. The mortgage property can be in the name of the applicant or in the name of the third party. The Loan to Value Ratio requirement is 80%.

**Other Requirements:** a valid and genuine offer letter from the University is required.



**Interest Computation:**

Banks shall compute interest on the sanctioned amount and borrowers shall pay upfront interest for three months (during gestation period).



# LIFE OF A DEVELOPMENT BANKER



“To be a Strong Dependable Customer Focused Bank that Contributes Towards achievement of Gross National Happiness”



My employment with the Bhutan Development Bank began in 2010 as a credit officer at the Tsirang Branch office, a few months after I graduated. I had a lot of difficulties figuring out what to do and how to proceed because it was my first real-time job, but I consider myself fortunate to have had supportive coworkers. I was responsible for handling four Gewogs' rural credit, including some of the most isolated areas of the Dzongkhag. My duties included collecting forms, accepting deposits, and facilitating withdrawals, which is defined as Farmers Outreach Banking (FOB), a special service that is provided by the bank. In addition to evaluating rural loan proposals, I also had to travel to the village level to recover loans. This carried a significant amount of risk since we needed to have cash on hand to facilitate withdrawals and to transport the cash that was collected as a deposit and loan repayment from the village level back to the station. I had to trek through rivers and challenging terrain to get to the service facility because there were no suitable transportation facilities.

I worked in the Tsirang branch for more than one and a half years before being transferred to the Bumthang branch as the assistant branch manager, where I continued to provide banking services, Farmers Outreach Banking, and rural credit services. In addition to the standard loan programs, there is a credit facility program called Group Guarantee Lending Scheme (GGLS) that was very well-liked in the Bumthang branch and allowed groups of 3 to 7 members to form and receive loans. The group's participants served as each other's guarantees. The tiny community greatly profited from these facilities to carry out agricultural activities like potato farming, which is their primary source of seasonal revenue. To assist the clients with deposits, withdrawals, loan disbursements, and loan recoveries, I had to travel to the villages on a monthly basis. In order to connect with the clients and ensure that there was no communication gap, I had to master the fundamentals of the Bumthap Language.

I worked at the Bumthang Branch Office for three years before being chosen by the BDBL Management to lead the Dorokha Branch. I had never been there before, and I had heard that there were frequent power outages and a problem with road connectivity. However, when I arrived, I found that it was much worse than I had anticipated. Since BDBL was the only bank operating in the area, it routinely traveled to Samtse town to deposit checks and extra cash. Since there were few roads in the Dungkhag, we had to travel primarily by foot through the gewogs, which took us over five hours each day. Yet, the team as a whole had a successful year.



## Life of a development banker



After living in Dorokha for two years, I had to ask to be transferred to Thimphu because I got married and my wife was employed here. My request was kindly granted by my management, and I have since worked in a number of different fields as a recovery officer, an appraiser, a manager of corporations, and now as the manager of credit at the Thimphu Main Branch. Looking back on my 13-year career with BDBL, I am proud of the fact that we assisted many people, particularly those from rural areas of the nation, with their basic financial needs, which significantly improved their quality of life, that of their families, that of their communities, and the overall economy of the nation. With the financial support from the bank, we have witnessed people developing and accomplishing their goals.

*I have interests outside of my profession as a banker, including photography, art, music, and travel.*

By: Parasha Bandhari  
Manager Thimphu Main Branch  
Bhutan Development Bank Ltd

# Amrith Bdr. Limbu

Founding president of  
**Bhutan Sharing and Loving Youth**

*"Make the world a better place"*



## Profile

My name is Amrith Bdr Limbu, and I am a 30-year-old individual from Denchukha, a remote region in Dorokha, Samtse. I was born and raised in this area. Currently, I am employed at Bhutan Development Bank in Thimphu since 2012 as an assistant procurement officer. In addition to my professional commitments, I devote my time to leading an independent youth group called Bhutan Sharing & Loving Youth (BSLY), which is based in Thimphu. I serve as the founding President of this group, and my role is entirely voluntary.



## The Spirit of Youth Volunteerism in Bhutan

Thanks to my active involvement in volunteering, I have had the privilege to present a paper titled "The Spirit of Youth Volunteerism in Bhutan – A Case of Bhutan Sharing & Loving Youth" at the International Conference on Emerging Social Work Practices. This conference was organized by Samtse College of Education and UNICEF Bhutan.







- Furthermore, I had the privilege as a resource person for the Certificate Course on Social Work, a collaborative effort between Samtse College of Education and UNICEF Bhutan. Additionally, I was selected among numerous youth leaders to attend CSO Capacity Development training organized by UN Bhutan and a volunteer designing workshop organized by the International Volunteer Office and UNICEF Bhutan. In recognition of my contributions, I received the National Young Achievers Award in 2019 from the Youth Caring Community, presented by the Prime Minister of Bhutan, Lyonchen Dr. Lotay Tshering, and the British Honorary Consulate.

## Bhutan Sharing & Loving Youths (BSLY)

Bhutan Sharing & Loving Youths, BSLY, a youth volunteer group established in 2016 aims to foster a compassionate and caring society by actively engaging young volunteers. I am deeply committed to this vision and have witnessed significant growth in our group over the years. We now have over 300 registered members, including both in-school and out-of-school youth. Our outreach has expanded to include Jigme Singye Wangchuck School of Law, Paro College of Education, and Gedu College of Business Studies.



BSLY is affiliated with the Young Bhutan Network, operating under the Department of Youth & Sport, which falls under the Ministry of Education. We strongly believe that volunteerism and social activities are crucial for building a responsive society. Our primary focus is to instill a sense of responsibility and purpose among young people, thereby creating a loving and caring society.



One of the main challenges faced by many NGOs in Bhutan is a shortage of manpower during events and programs. To address this issue, BSLY provides volunteer services to various NGOs on weekends and holidays, aligning our efforts with social causes. We have even established a Memorandum of Understanding with the Royal Society for Senior Citizens (RSSC) to conduct advocacy programs, raise awareness about the importance of love, care, and respect for senior citizens, and extend voluntary services and support for RSSC's planned activities and events.



Throughout the years, BSLY has undertaken numerous volunteer activities which are as follows:

- On November 11, 2016, we organized our inaugural social service event at the Social Service Center, Central Monastic Body, Hejo, Thimphu, in honor of the Birth Anniversary of the 4th Druk Gyalpo.
- We actively participated in the cleaning and decoration of the Durga Mandir on November 28, 2016.







- On November 30, 2016, we assisted Mr. Singye Wangchuk, a physically challenged patient, in lighting a butter lamp at Anim Dratshang in memory of his late wife.
- Our members helped transport construction materials for the ongoing Tshamkang project on December 8, 2016, in support of Tshampa.
- On January 8, 2017, we provided assistance to Gyeltshen, a physically challenged elderly man living alone, by offering him a neat haircut and cleaning his living space and surroundings.
- In March 2017, we extended our support to Ap Choejay, a physically challenged and abandoned individual, by facilitating his admission to a hospital in Phuentsholing and Thimphu. We also provided him with essential provisions, care, and affection.
- Together with the Chithuen Phendey Association, we actively participated in the National Drug Awareness Campaign 2017 on April 14th.
- On April 30, 2017, our team assisted Aap Gyeltshen, an elderly man with physical challenges, by providing a plastic rooftop for his hut.
- In August 2018, we organized a two-day event called "The Minds Meet: Motivational Talk for Youth," with the theme "Discovering the Unknown."
- From November 25 to 29, 2018, we dedicated our efforts for five days to assist an elderly couple living in a deprived shack without basic amenities such as electricity, toilet, and water.
- On March 31st, 2019, our team organized the Major trash Tag Challenge, which brought together 80 volunteers.
- We initiated a fundraising campaign and successfully raised around Nu. 4.5 Million for the liver transplant of a baby named Aanish.

# PONZI SCHEME

By: Tashi Dawa

ToT Officer

HR Division, HR & Admin Department

The Ponzi scheme is named after the Italian-American businessman Charles Ponzi, who became infamous and gained notoriety for his investment fraud operation in the year 1920 in America. Investors have lost millions of dollars in his scam.

Ponzi scheme is a scam where victims are lured into investing in a business activity that does not exist at all. It's fraudulent investment schemes in which returns or profits are paid to earlier investors with the fund from new investors as there is no actual profit through legitimate business activities.

Eventually, this scheme will collapse when they no longer be able to recruit new investors to pay off the returns promised to earlier investors. Thus, one who has invested in the later stage shall lose everything.

In recent times, the Ponzi scheme has taken place in many different forms and new ones can emerge at any time. Many people have been victims of such schemes. Therefore, it's crucial to be aware of the warning signs of a Ponzi scheme and need to do research before investing.



## How to identify Ponzi Scheme?

1. The guaranteed promise of high return with no risk in a short time.
2. Aggressively pursued to make investment
3. The promising constant flow of return regardless of market condition
4. External business activities promoted by local people.
5. Investment strategies that are too complex to explain.
6. Lured into investment through referral without proper official paperwork.





# Why we fall victims of Ponzi scheme?

## 1. Lack of financial Literacy:

One who does not have financial knowledge gets trapped in such a scheme. Need to seek reliable financial advice before investment.

## 2. Greed:

Who does not want to become rich and lead a luxurious life? The Ponzi scheme gives you much higher returns for investment. Usually, economically backward people become victims of these schemes.

## 3. Want to get rich in a short time:

Some of such schemes will double your investment amount in a few months. Such Ponzi schemes are enticing enough to make you invest.

## 4. Recommended by friends and family.

Usually, such a Ponzi scheme will be encouraged by our close ones as some of them have first-hand experience of investment returns. However, these are the ones who have invested in the beginning of the scheme.



## How to stay away from Ponzi Scheme?

- **Do your research:** Investors need to check the authenticity of that particular business activity and the credentials of the promoters.
- **Not to trust unrealistic returns:** Most of the time, high returns with low risk and time can be a Ponzi scheme.

- **Look out for pressure tactics:** Ponzi schemes often use high-pressure sales tactics to convince people to invest quickly before the opportunity is gone.
- **Ask Questions:** Usually, they refer people who have got a return for their earlier investment. In addition to that investors need to know about their business strategies, how incomes are generated and how investment is structured.

**BE INFORMED AND STAY  
AWAY FROM SCAMERS**

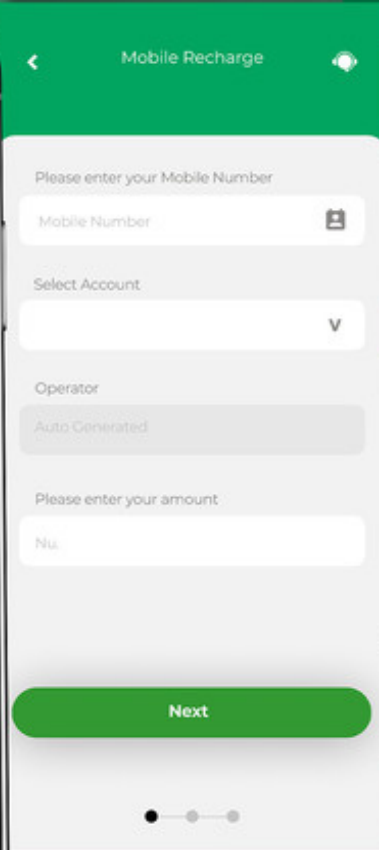




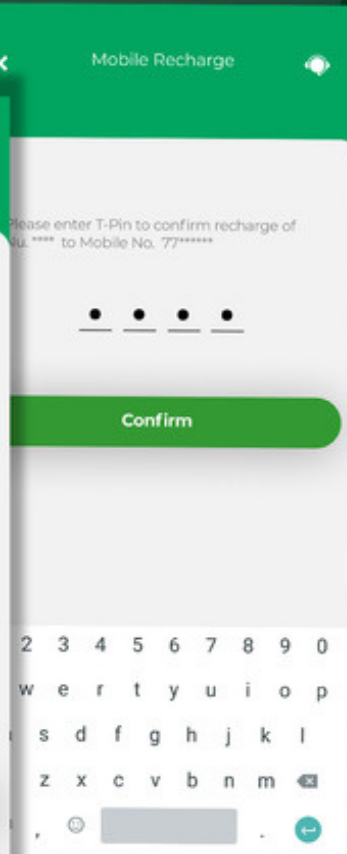
# How to Recharge with BDB ePay



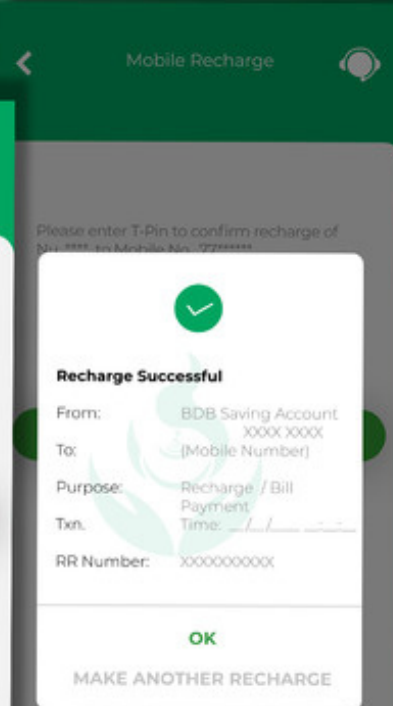
Click on Recharge



- Enter your mobile number
- Select your BDB account
- Enter your amount
- Click Next



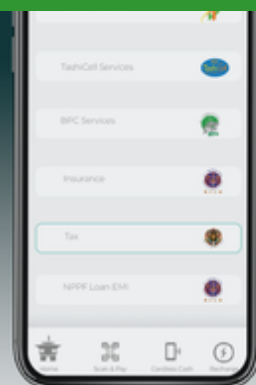
Enter your TPIN to confirm



Recharge Successful

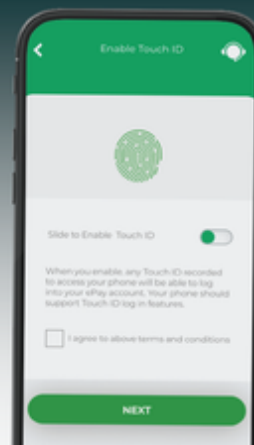
*Kadrinchey*  
for banking with us

## BDB ePay Features

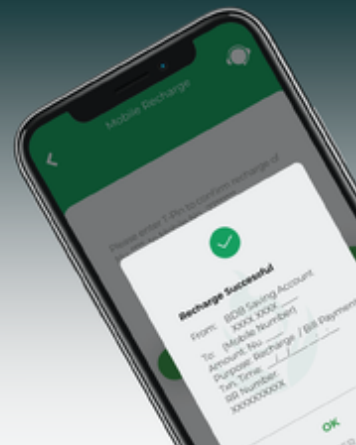


Bill Payment

## Biometric



## Recharge







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