

འབྲུག་གི་དངུལ་ཁང་།



BANK OF BHUTAN

A **dhi** Company

Banker to the Nation since 1968

***Sustainable Mountain tourism
and Financial solution***

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Presentation Outline

- Bank profile
 - COVID-19 impact and Monetary relief support
 - Investment opportunity in Tourism Sector
 - Innovative Financial solutions
 - Issue & Challenges
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BOB
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Bank of Bhutan



Established in 1968



Government Bank



Commercial bank

MARKET SHARE

Credit Market	33%
Deposit Market	45%
No. of Customers	312,949

***COVID-19 impact
and monetary
support
intervention***

Monetary support to tourism sector (phase I-III):

- Interest waiver for 3 years
- Restructuring of loans- deferral for 3 years
- Concessional interest rate working capital loan(tourism, airlines, and manufacturing) to meet:
 - Salary of employees
 - Utility bill payment
 - Other overhead expenses
 - Refund of advance booking liabilities

“With a hope for blue sky after storm”

Investment opportunity

- Global average contribution from tourism was 10.30% in 2019
- Bhutanese tourism sector contributed about 7% to the GDP which is way below the global average.
- For a sector which employs 16% of the total workforce, the contribution to the GDP should be significantly higher.



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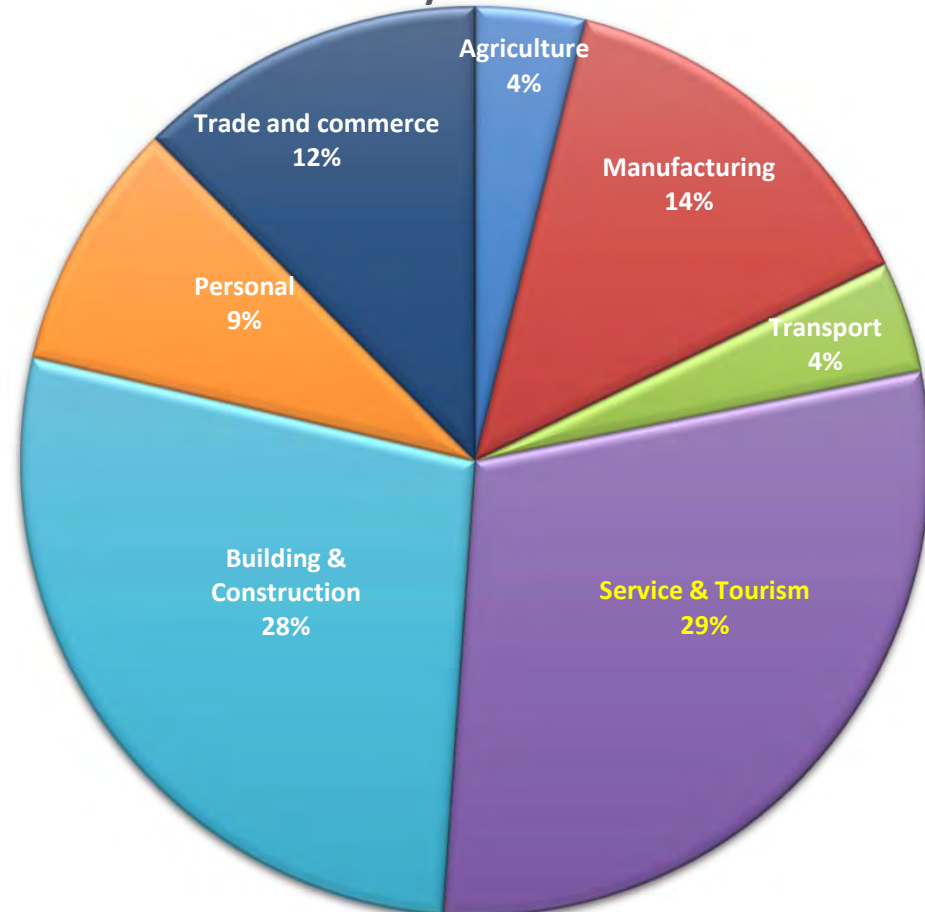
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Service & tourism Sector lending

Overall Credit by Sector -Dec 2020



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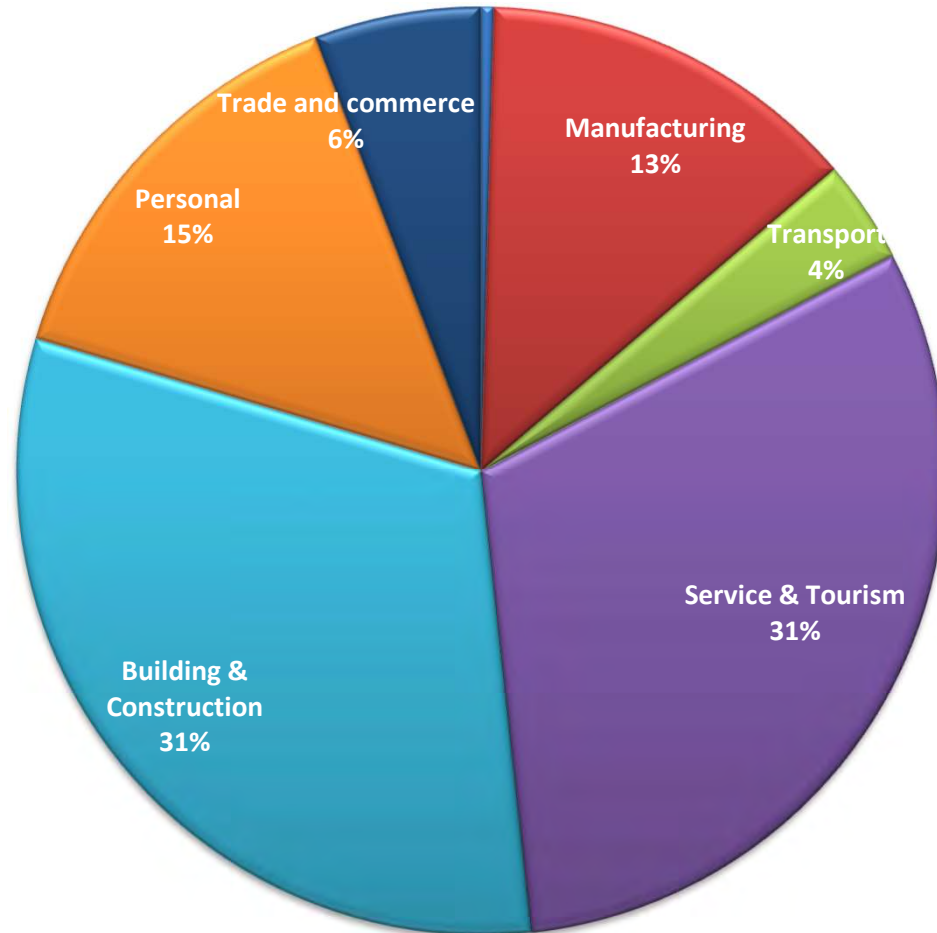
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*Service & tourism
Sector lending*

BOB Credit by Sector-2021



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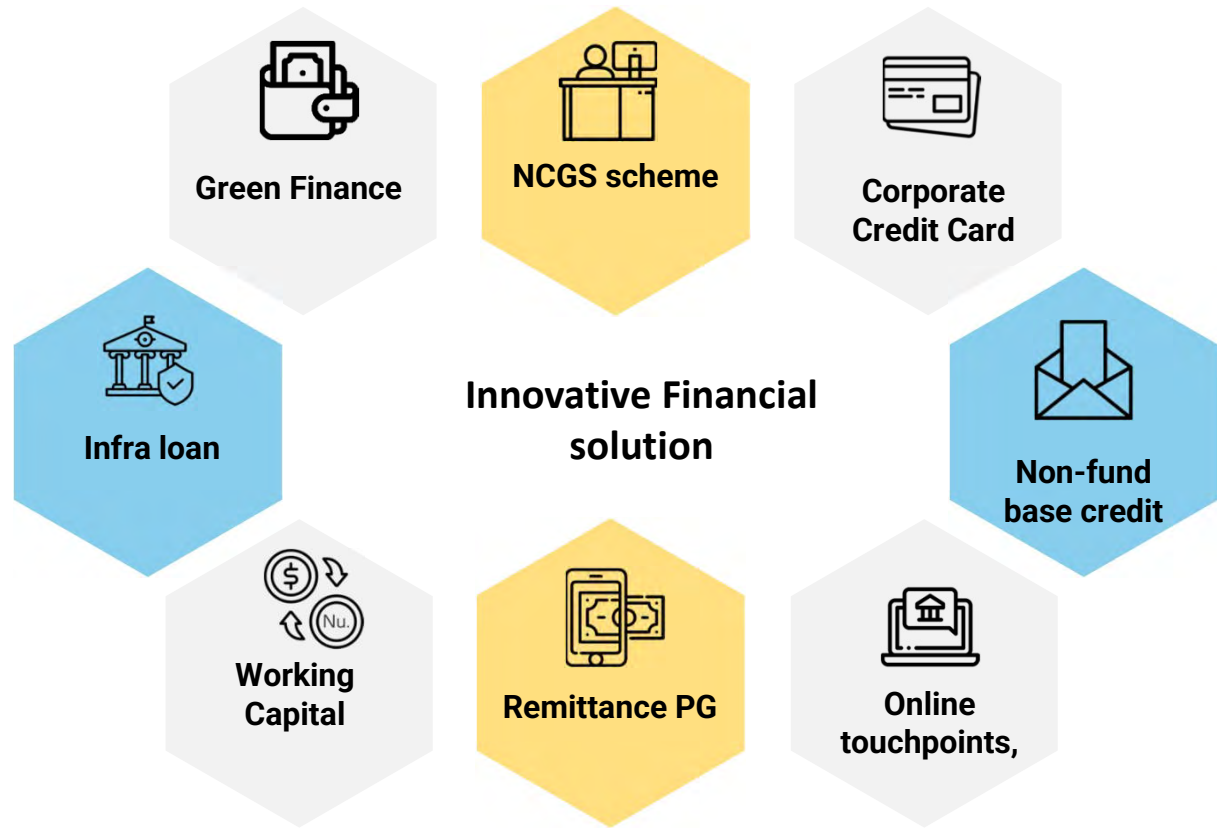
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What we Offer?

- *Sector infra investment*
- *Maintenance loans*
- *Development of destination*
- *Green Finance window*



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Chharo e-wallet



YOUR ULTIMATE DIGITAL WALLET CHHARO



*To cater tourists financial
transaction needs.*

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International Credit Card



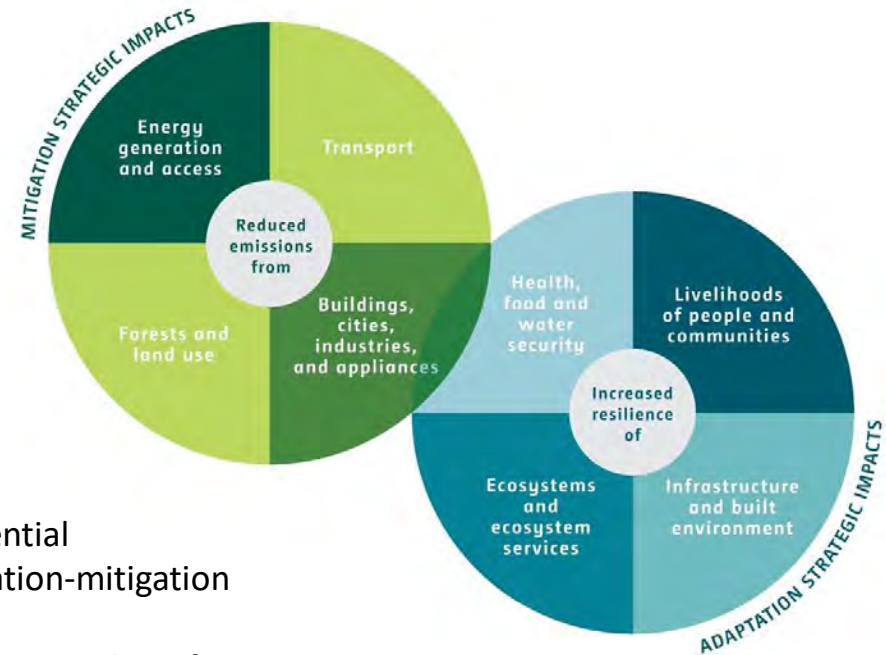
Can be used on
VISA enabled
POS in all countries and
online in all countries
except in India.

Acceptance of all international cards like
VISA, Master, AMEX, JCB etc.;

What we Offer?

- *Sector infra investment*
- *Maintenance loans*
- *Development of destination*
- *Green Finance Window*

Green finance Window



With a focus on...

- Impacts
- Paradigm-shift potential
- Crosscutting adaptation-mitigation benefits
- Sustainable investment co-benefits
- Innovative financial solution

Source: GCF 8 strategic result areas

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Key issues and possible Strategic Interventions

Tourism as an economic growth tool

- Taxonomy for green lending, green project and green bond
- Regulation for the banks to disclose carbon footprint of their loan and investment,
- Strong incentive for green/low carbon tourism project:
 - green interest rates for low carbon activities
 - Reduction in risk weight for green asset
 - Green qualified collateral for sourcing for funds
 - Environmental & climate risk analysis –part of credit risk assessment



Joenpalekso!

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