

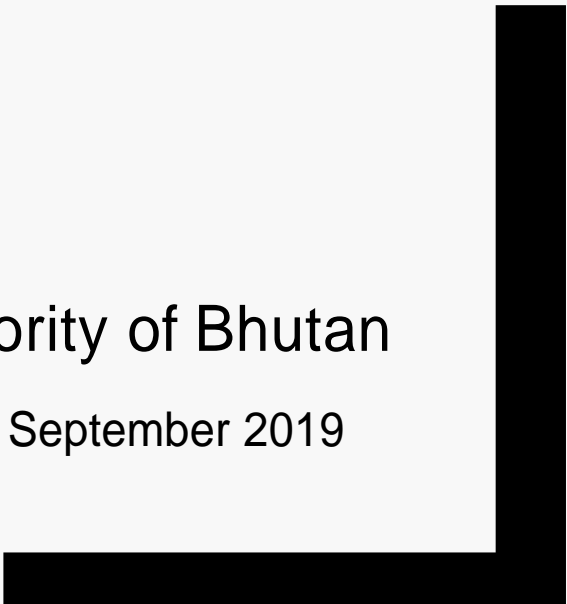


PRIORITY SECTOR LENDING

Quarterly Report: Q1-2019

Royal Monetary Authority of Bhutan

September 2019



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Milestones

PSL – Review of Implementation

Overview

The Priority Sector Lending (PSL) initiative was launched on 13 December 2017 for implementation with effect from 1 January, 2018. This report provides updates for the first quarter of 2019 (some past data have been revised).

The Dzongkhags collectively received 1,440 PSL applications so far, out of which 1,171 projects were approved. The capital, Thimphu, received the highest number of applications (268 projects). The majority of the projects (79%) were agriculture-related projects with the highest concentration in primary production. Projects were clustered around similar ideas while proponents were all individuals with only a handful of groups.

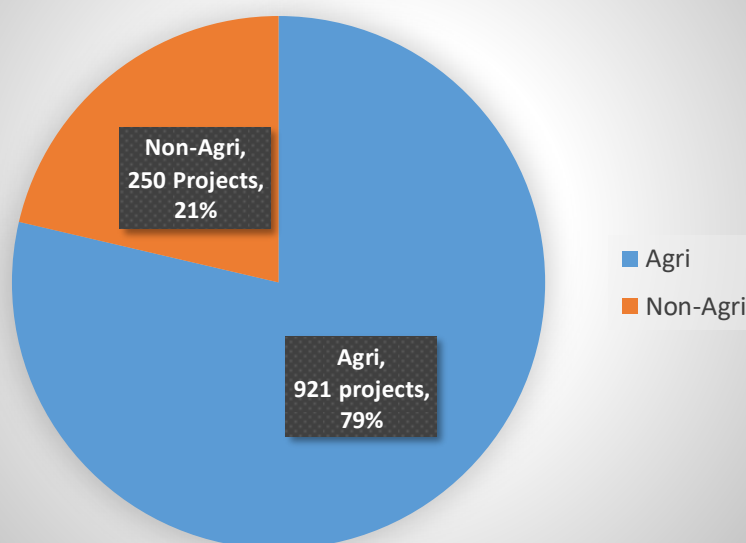
The financial institutions collectively assessed 916 projects as of 1st Quarter 2019, out of which 384 projects were approved. More than half the projects rejected by the financial institutions were on account of poor credit history of the clients. The financial institutions collectively sanctioned Nu. 351.61 million out of which Nu. 251.29 million were disbursed as of 1st Quarter 2019.

PSL DATA-AT-A-GLANCE

Summary of PSL Applications Processed: January 2018 - March 2019

SL No.	Dzongkhag	No. of Projects Received by Dzongkhag	No. of Projects Approved by Dzongkhag	No. of Projects Received by FIs	No. of Projects Approved by FIs	Loan Sanctioned (Nu. in millions)	Loan Disbursed (Nu. in millions)
1	Bumthang	116	87	50	21	21.47	17.08
2	Chukha	43	40	40	22	30.97	25.40
3	Dagana	165	107	59	20	6.06	3.01
4	Gasa	13	12	10	5	1.98	1.98
5	Haa	40	36	51	17	7.71	4.73
6	Lhuentse	4	4	4	1	0.34	0.10
7	Mongar	16	13	14	2	1.48	0.77
8	Paro	100	64	51	18	16.24	13.71
9	Pemagatshel	91	88	49	2	10.55	5.00
10	Punakha	17	15	16	10	10.83	3.96
11	Samdrupjongkhar	18	13	13	4	7.38	6.22
12	Samtse	126	118	80	43	17.66	7.94
13	Sarpang	132	126	55	33	15.45	13.38
14	Tashigang	52	42	50	32	20.79	14.50
15	Tashiyangtse	4	4	5	1	0.50	0.06
16	Thimphu	268	214	183	101	133.81	94.55
17	Trongsa	18	13	9	5	4.58	2.63
18	Tsirang	133	105	92	20	13.63	11.76
19	Wangduephodrang	24	17	27	14	22.35	19.58
20	Zhemgang	60	53	58	13	7.83	4.95
	Total	1,440	1,171	916	384	351.61	251.29

Project Approved by Dzongkhag: By Category
(2018 - March 2019)



PSL Applications Processed by Dzongkhag

Dzongkhag	FY 2018				Q1 2019			
	Received	Approved	Under Review	Rejected	Received	Approved	Under Review	Rejected
Bumthang	116	87	15	14	-	-	-	-
Chukha	40	37	1	2	3	3	-	-
Dagana	139	81	52	6	26	26	-	-
Gasa	10	9	-	1	3	3	-	-
Haa	40	36	4	-	-	-	-	-
Lhuentse	4	4	-	-	-	-	-	-
Mongar	10	7	1	2	6	6	-	-
Paro	82	46	29	7	18	18	-	-
Pemagatshel	61	59	-	2	30	29	-	1
Punakha	17	15	-	2	-	-	-	-
Samdrupjongkhar	15	11	1	3	3	2	-	1
Samtse	106	99	2	5	20	19	-	1
Sarpang	117	112	2	3	15	14	1	-
Tashigang	46	36	10	-	6	6	-	-
Tashiyangtse	4	4	-	-	-	-	-	-
Thimphu	247	193	51	3	21	21	-	-
Trongsa	18	13	-	5	-	-	-	-
Tsirang	131	103	10	18	2	2	-	-
Wangduephodrang	24	17	7	-	-	-	-	-
Zhemgang	47	40	-	7	13	13	-	-
Total	1,274	1,009	185	80	166	162	1	3

PSL Applications: Status with Financial Institutions

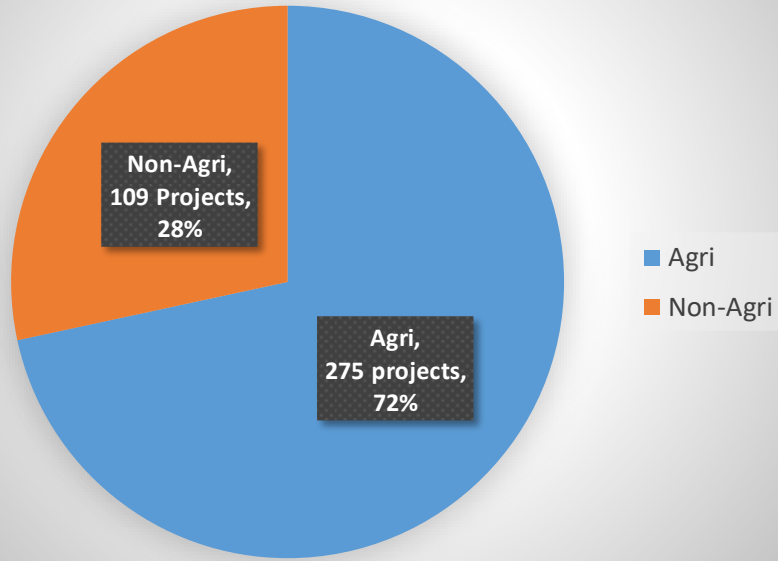
January 2018 - March 2019

SL No.	Dzongkhag	PSL Projects Processed by		Status with Financial Institutions						
		Total Received	Total Approved	Received by Fls	Of which: Loan Approved	Of which: Under Review	Of which: Withdrawn by Client	Of which: Rejected	Loan Sanctioned (Nu. in millions)	Loan Disbursed (Nu. in millions)
1	Bumthang	116	87	50	21	0	3	26	21.47	17.08
2	Chukha	43	40	40	22	0	2	16	30.97	25.40
3	Dagana	165	107	59	20	11	0	28	6.06	3.01
4	Gasa	13	12	10	5	2	1	2	1.98	1.98
5	Haa	40	36	51	17	1	2	31	7.71	4.73
6	Lhuentse	4	4	4	1	0	0	3	0.34	0.10
7	Mongar	16	13	14	2	4	0	8	1.48	0.77
8	Paro	100	64	51	18	6	1	26	16.24	13.71
9	Pemagatshel	91	88	49	2	20	0	27	10.55	5.00
10	Punakha	17	15	16	10	1	0	5	10.83	3.96
11	Samdrupjongkhar	18	13	13	4	1	0	8	7.38	6.22
12	Samtse	126	118	80	43	3	2	32	17.66	7.94
13	Sarpang	132	126	55	33	1	2	19	15.45	13.38
14	Tashigang	52	42	50	32	5	1	12	20.79	14.50
15	Tashiyangtse	4	4	5	1	2	0	2	0.50	0.06
16	Thimphu	268	214	183	101	9	9	64	133.81	94.55
17	Trongsa	18	13	9	5	1	1	2	4.58	2.63
18	Tsirang	133	105	92	20	0	10	62	13.63	11.76
19	Wangduephodrang	24	17	27	14	1	0	12	22.35	19.58
20	Zhemgang	60	53	58	13	3	1	41	7.83	4.95
Total		1440	1171	916	384	71	35	426	351.61	251.29

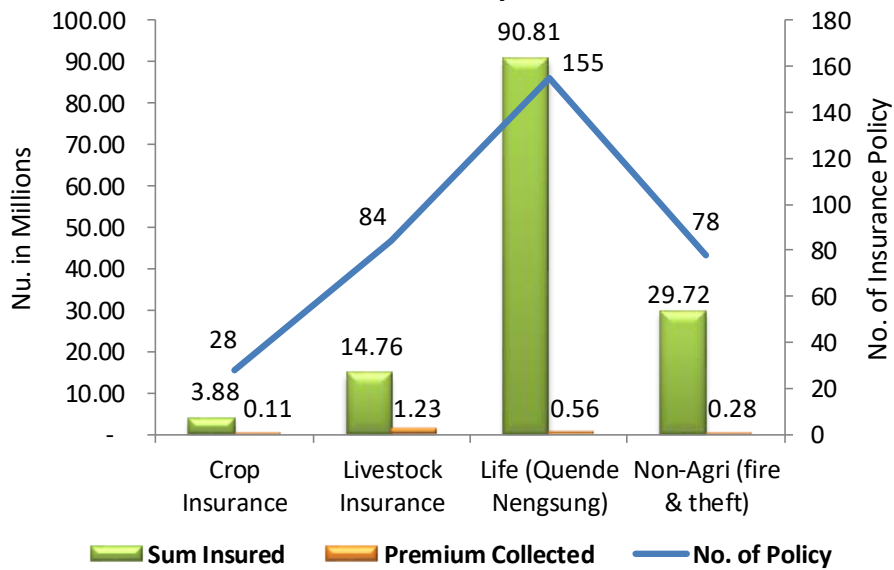
PSL Approved by Financial Institution - Dzongkhag wise

Financial Institution	Dzongkhag	Approved Projects			Loan Sanctioned (Nu. in millions)			Loan Disbursed (Nu. in millions)		
		Q1 2019	Y 2018	Total	Q1 2019	Y 2018	Total	Q1 2019	Y 2018	Total
BOBL	Bumthang	-	7	7	-	1.28	1.28	-	1.25	1.25
	Chukha	1	11	12	0.24	11.30	11.54	-	7.72	7.72
	Dagana	7	7	14	1.53	2.16	3.69	-	1.51	1.51
	Haa	-	5	5	-	2.74	2.74	-	1.73	1.73
	Lhuentse	-	1	1	-	0.34	0.34	-	0.10	0.10
	Mongar	-	1	1	-	0.45	0.45	-	0.41	0.41
	Paro	-	5	5	-	2.04	2.04	-	1.18	1.18
	Punakha	-	4	4	-	1.20	1.20	-	0.67	0.67
	Samdrupjongkhar	-	4	4	-	7.38	7.38	-	6.22	6.22
	Samtse	4	12	16	1.87	3.54	5.41	-	1.98	1.98
	Sarpang	-	13	13	-	4.15	4.15	-	2.54	2.54
	Tashigang	3	10	13	1.12	9.43	10.55	-	4.26	4.26
	Tashiyangtse	-	1	1	-	0.50	0.50	-	0.06	0.06
	Thimphu	5	40	45	2.16	33.02	35.18	3.91	25.79	29.70
	Trongsa	-	4	4	-	1.58	1.58	-	0.63	0.63
	Tsirang	-	15	15	-	10.47	10.47	-	9.46	9.46
	Wangduephodrang	2	-	2	0.13	-	0.13	0.13	-	0.13
Zhemgang	5	5	10	1.59	1.68	3.27	1.52	0.62	2.14	
BOBL Total		27	145	172	8.64	93.27	101.92	5.55	66.13	71.68
BNBL	Bumthang	-	13	13	-	11.86	11.86	-	7.50	7.50
	Chukha	-	8	8	-	18.43	18.43	-	16.83	16.83
	Dagana	2	1	3	0.88	0.21	1.08	-	0.21	0.21
	Gasa	-	5	5	-	1.98	1.98	-	1.98	1.98
	Haa	2	10	12	0.52	4.45	4.97	-	3.00	3.00
	Mongar	1	-	1	1.03	-	1.03	0.36	-	0.36
	Paro	-	8	8	-	12.21	12.21	-	10.89	10.89
	Pemagatshel	-	2	2	-	10.55	10.55	-	5.00	5.00
	Punakha	1	5	6	1.65	7.98	9.63	0.44	2.85	3.29
	Samtse	5	12	17	3.96	4.05	8.01	0.77	3.23	3.99
	Sarpang	2	4	6	0.60	3.29	3.89	0.60	2.84	3.44
	Tashigang	8	10	18	3.07	4.17	7.24	3.07	4.17	7.24
	Thimphu	3	32	35	4.85	55.15	60.00	0.45	38.20	38.65
	Tsirang	2	3	5	1.00	2.16	3.16	0.24	2.06	2.30
	Wangduephodrang	2	6	8	0.80	12.28	13.08	0.50	10.06	10.56
Zhemgang	1	2	3	0.78	3.78	4.56	-	2.81	2.81	
BNBL Total		29	121	150	19.14	152.54	171.68	6.42	111.63	118.04
BDBL	Dagana	-	3	3	-	1.29	1.29	-	1.29	1.29
	Samtse	1	1	2	0.40	0.50	0.90	0.40	0.50	0.90
	Sarpang	3	11	14	1.50	5.90	7.40	1.50	5.90	7.40
	Thimphu	1	5	6	0.20	2.05	2.25	-	2.05	2.05
	Wangduephodrang	1	1	2	0.70	0.70	1.40	0.70	0.70	1.40
BDBL Total		6	21	27	2.80	10.44	13.24	2.60	10.44	13.04
DPNBL	Bumthang	-	-	-	-	0.50	0.50	-	0.50	0.50
	Chukha	-	1	1	-	-	-	-	-	-
	Paro	-	4	4	-	1.49	1.49	-	1.32	1.32
	Samtse	-	3	3	-	1.40	1.40	-	1.07	1.07
	Thimphu	1	4	5	6.88	2.59	9.47	-	1.98	1.98
	Wangduephodrang	1	1	2	6.94	0.80	7.74	6.94	0.55	7.49
DPNBL Total		2	13	15	13.82	6.78	20.60	6.94	5.42	12.36
TBANK	Chukha	-	1	1	-	0.50	0.50	-	0.35	0.35
	Paro	-	1	1	-	0.50	0.50	-	0.32	0.32
	Samtse	4	-	4	1.45	-	1.45	-	-	-
	Thimphu	-	5	5	-	14.70	14.70	-	12.83	12.83
	Trongsa	-	1	1	-	3.00	3.00	-	2.00	2.00
TBANK Total		4	8	12	1.45	18.70	20.15	-	15.50	15.50
BIL	Thimphu	-	1	1	-	0.33	0.33	-	0.16	0.16
BIL Total		-	1	1	-	0.33	0.33	-	0.16	0.16
RICBL	Bumthang	-	1	1	-	8.33	8.33	-	8.33	8.33
	Tashigang	-	1	1	-	3.00	3.00	-	3.00	3.00
	Thimphu	-	5	5	-	12.39	12.39	-	9.18	9.18
RICBL Total		-	7	7	-	23.72	23.72	-	20.51	20.51
Grand Total		68	316	384	45.84	305.78	351.63	21.51	229.79	251.30

**Project Approved by FIs: By Category
(2018 - March 2019)**



PSL Insurance: January, 2018 - March, 2019



PSL Insurance Data: January - March 2019

SI	Insurance Product	No. of Policy	Sum Insured (Nu. in Mill.)	Premiums Collected (Nu. in Mill.)
1	Crop Insurance	28	3.88	0.11
2	Livestock Insurance	84	14.76	1.23
3	Life (Quende Nengsung)	155	90.81	0.56
4	Non-Agri (fire & theft)	78	29.72	0.28
TOTAL		345	139.18	2.18

MILESTONES

1 JAN 2018

- Government Order C2/823 empowering Dzongkhag PSL Committees issued
- PSL Guidelines come into effect

JAN. 2018

- Dzongdag Conference on PSL for all twenty Dzongkhags conducted (19 January in Gelephu; 22 January in Samdrupjongkhar; 26 January in Paro)

MAR. 2018

- 8 March: First PSL loan sanctioned (Nu.500,000 sanctioned by BNBL to a 26 year-old farmer from Wangduephodrang for commercial potato cultivation)
- 13 March: Coordination meeting with donors and development partners to discuss support in capacity building and access to market and technology
- 14 March: Second PSL loan sanctioned (Nu.846,000 sanctioned by BOBL to a 34 year-old farmer for mushroom/poultry integrated farming in Thimphu)

MAY 2018

- PSL capacity building workshop for Dzongkhag PSL Focals at FITI, Thimphu.

NOV. 2018

- 03 November: PSL monitoring tours for all 20 Dzongkhags kick-started with Chhukha Dzongkhag
- 05 November: PSL System launched by DCSI, MoEA

FEB. 2019

- PSL bilateral meetings conducted with the Financial Institutions

This report has been compiled by the Royal Monetary Authority of Bhutan based on data provided by the financial institutions and the Dzongkhag PSL focal officers.

Data pertains for the year 2018 and 1st Quarter 2019.

Any revisions to the data published in this report will be reflected in the next report.

The RMA would like to thank all our partners for your support.

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