



SCHEDULES

Schedules forming part of Balance Sheet

SCHEDULE 12

Notes on Accounts

1. Provision against loans amounting to Nu. 36,724,668.87 has been made during the year 2009 (Previous year Nu. 94,750,622.71) as per the prudential guidelines issued by Royal Monetary Authority of Bhutan. This year there is a write back of Nu. 1,405,711.97 to the interest income. (Previous year interest earned but uncollected and not recognized NU.25,389,859.11 was kept in Interest in Suspense Account.)
2. Guarantees given and Letters of Credit issued outstanding at the year-end amounting to Nu. 1,005,070,421.14 & Nu. 610,535,076.71 respectively (Previous year Nu. 914,877,316.56 and Nu. 204,881,513.47). The total margin money collected against Guarantees is Nil. (Previous year Nu. 16,000.00). Total margin money against Letter of Credit amount to Nu. 113,382,112.25 (Previous year Nu. 22,037,098.41).

3. Provision for taxation includes

Tax on Current Year's Profit	Nu.111,233,092.10
Less: Advance Tax Paid	Nu.0.00
Less: Withholding tax on Dividend Received	Nu.344,090.00
Net Tax payable	<u><u>Nu.110,889,002.10</u></u>

4. Other assets (advance, claims, pre-payments, deferrals etc.) include balances in Sundry Receivable Account aggregating to Nu. 88,467,456.64 (previous year Nu. 19,570,597.96) pending settlement of claims on various parties. Similarly, other Liabilities include an unadjusted balance in Sundry Payables Account of International Banking Division amounting to Nu. 3,923,526.48 (previous year Nu. 5,283,492.48) representing receipt from foreign sources pending identification of the payees.
5. Market value of quoted Equity Investments at the end of the year is Nu. 74,601,850.00 (previous year Nu. 72,001,400.00)
6. Remuneration and expenditure paid, reimbursed or accrued to the Chief Executive Officer:



SCHEDULES

Schedules forming part of Balance Sheet



	Current Year	Previous Year
Salary & Other Benefits	Nu.2,104,939.56	Nu.2,157,843.52
Vehicle expenses	Nu.209,554.53	Nu.172,489.82
Travel-Local/Foreign	Nu.687,936.70	Nu.217,084.76
Medical Reimbursement	Nu.0.00	Nu.87,272.42
Training & Seminars	Nu.518,037.74	Nu.388,029.50
Total	<u>Nu.3,520,468.53</u>	<u>Nu.3,022,720.02</u>

7. Tax assessment of the bank has been completed upto 31st December 2007. The bank has not paid advance tax for the year 2009.
8. During the year, the bank has made a loss on foreign exchange transactions/assets and liabilities amounting to Nu. 19,510,417.81 (previous year gain of Nu. 84,506,707.92). The total loss has been appropriated from the Foreign Exchange Fluctuation Reserve as per RMA Prudential Regulations.
9. BNB Employee Gratuity Fund is a separate fund created under the aegis of The Bhutan National Bank Employees Gratuity Trust. During the year a sum of Nu. 11,297,535.00 (Previous year Nu. 14,738,686.10) has been provided towards gratuity liability.
10. Current Account Balance (Dr) Nu.158,814,737.00 in ICICI Bank, Siliguri Branch, includes NU.91.00 Million transferred by ICICI Bank on different dates stated to be through Auto Sweep and reportedly kept by ICICI Bank in their Fixed Deposit Account. Pending receipt of details for the same from ICICI Bank, no effect, including interest if any, has been given in the accounts.
11. Royal Monetary Authority has concurred approval (after FI's appeal to the Government)

For the Financial Institutions deferring the EMI for Term Loans for the Steel Industries at Pasakha Industrial Estate till 30th January 2010. Bank's Total exposure to six such industries on 31st December,2009 is Term Loan Nu.413 Million and Working Capital Nu.386 Million. Accordingly these Loans have been kept out of provisioning required as per RMA Prudential Regulation, 2002.
12. Previous year's figure have been re-arranged and regrouped, wherever necessary.

