



ཡུལ་ཉེན་བཅོལ་ཚད་འཛིན།

Bhutan Insurance Limited

Providing Security, Building Confidence

Your insurance of
CHOICE

ISO/IEC 27001:2022 & ISO/IEC 27701:2019 Certified Company



Abridged Prospectus

Bhutan Insurance Limited

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YOUR INSURER OF
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1. General Information

1.	Name	Bhutan Insurance Limited
2.	Registered Office	Above Memorial Chorten , Thimphu
3.	Name & Address of Auditors	Mookherjee Biswas & Pathak, Kolkata
4.	Bankers	BOBL, BNBL, DPNBL, BDBL and T bank
5.	Paid up Capital	600,000,000.00

2. Bhutan Insurance limited hereby issues Corporate Bond with the following terms and conditions:

1.	Name and contact number)Underwriter/Broker	BOB securities and Contact Number 77789206
2.	Tenure	10years
3.	Face value per unit	Nu. 1,000
4.	Total number of units offered	500,000
5.	Total Value of Bond	Nu. 500,000,000.00
6.	Minimum bid size	The minimum subscription shall be 1,000 scripts for institutions and 10 for private individuals.
7.	Mode of payment	Cash/Cheque/Draft/Others
8.	Coupon rate	8.5% Per annum from the date of allotment
9.	Listing	The Bonds will be listed with RSEB within 15 working days from the date of the allotment.
10.	Opening date	01/08/2025
11.	Closing date	15/08/2025
12.	Allotment date	18/08/2025
13.	Tax	Applicable as per rule of the income tax act of the Kingdom of Bhutan

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D. Market Risk.

Market risk reflects the potential decline in the value of BIL's investments in third-party entities, influenced by factors such as falling share prices, interest rate changes, equity price volatility, or foreign exchange movements. BIL addresses this by limiting exposure to such investments, periodically restructuring its investment portfolio, and adjusting interest rates as necessary to safeguard against adverse market shifts.

5. Redemption Terms:

The bonds shall mature and be redeemed at their face value on the expiry of 10 years from the date of allotment. The bonds carry a lock-in period of 5 years during which early redemption by the issuer or bondholders is not permitted.

After the lock-in period, either the issuer or the investors may opt for early redemption subject to regulatory approvals and mutual consent. In the event of early redemption by either party, a penalty of 2.5% per annum on the principal amount of the bond shall be payable for the entire tenure of the bond.

Redemption payments, including the principal and any applicable penalty, will be made via bank transfer to the registered bondholders' accounts.

6. Private Placement

The Bhutan Insurance Limited will place Nu.500 million of subordinated debt through public offering. If the offering is undersubscribed, BIL may place the remaining securities through private placement.

7. Conditions for premature redemption:

In the event of premature redemption of the subordinated debt, the investors shall be liable to pay a penalty of 2.5% per annum on the principal amount on the bond, for the entire period of the bond tenure and the same conditions to be applied to the issuer in case of premature redemption.

8. Eligibility

The following categories of investors may apply for the Subordinated Term Debt:

- Companies/ Institutions registered within the country
- Individuals holding Bhutanese Citizenship
- Trusts, Association, and societies registered under the applicable laws in Bhutan

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9. Financial Highlights

Financial ratios based on audited annual reports for the preceding three financial years:

Particulars	2024	2023	2022
Earnings before Interest & Tax	433 million	475 million	493 million
Net Profit Margin	37.56%	48.37%	56.54%
Debt to Equity Ratio	2.30	2.28	2.42
Gearing Ratio	1.82	1.74	1.89
Debt Service Coverage Ratio	9.72	NA	NA

10. Financial statement for the last three years (Audited)

Bhutan Insurance limited				
Statement of Comprehensive Income for last three years(Audited)				
Figures in Million				
Particular	2024	2023	2022	
Net Earned Premium	210	212	184	
Finance Income	12	11	7	
Net Fees & Commission Income	85	47	32	
Net Interest Income on Loans & Advances	174	178	162	
Other Operating Income	60	61	53	
Total Operating Income	544	512	440	
Net Claims Expenses	(71)	(76)	(60)	
Other Operating & Administrative Expenses	(134)	(110)	(90)	
Depreciation	(10)	(8)	(7)	
Amortization	(1)	(1)	(1)	
Provision against loan	(58)	13	86	
Total Operating Expense	(273)	(180)	(69)	
	-	-	-	
Profit Before Tax	272	333	371	
Income Tax	68	83	93	
Deferred Tax	-	1	1	
Prior period adjustment	-	2	31	
Profit After Tax	204	247	249	

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Bhutan Insurance limited
Statement of Financial Position for last three years(Audited)
Figures in Million

Particulars	2024	2023	2022
Current Assets			
Cash and cash equivalents	260	204	261
Loans & Advances	667	622	527
Investment Held Till Maturity	170	235	175
Insurance Receivable	101	47	101
Deferred Tax Assets	9	9	6
Other Assets	119	121	103
Total Current Assets	1,328	1,239	1,174
Non Current Assets			
Loans & Advances	2,847	2,596	2,151
Investment Held Till Maturity	5	5	-
Equity Investment-FVOCI	104	90	88
Property, Plant and Equipment	170	166	146
Intangible Assets	3	-	-
Total Non current Assets	3,130	2,858	2,386
TOTAL ASSETS	4,459	4,098	3,561
Current Liabilities			
Insurance Contract	56	39	37
Reinsurance Contract	75	-	-
Subordinate Term Debt	-	120	-
Borrowed Funds	1	2	1
Employee Benefit Obligation	20	19	16
Deferred Tax Liability	8	13	10
Tax Payable	68	83	93
Provisions & Contingencies	198	188	202
Other Liabilities	217	210	197
Total Current Liabilities	647	676	558
Non Current Liabilities			
Subordinate Term Debt	-	-	120
Borrowed Funds	2,460	2,173	1,841
Total Non current Liabilities	2,460	2,173	1,961
Total Liabilities	3,107	2,849	2,520
EQUITY & RESERVES			
Share Capital-Paid up	600	600	300
General Reserve	423	371	310
Retained earnings	185	205	380
CAT Reserve	14	14	13
Equity Investment Revaluation Reserve	51	37	-
Fixed Assets Revaluation Reserve	25	18	-
Corporate office construction Reserve	50	-	-
Investment Revaluation Reserve	-	-	36
Net assets attributable to the Company's owners	1,351	1,248	1,041
Total Equity	1,351	1,248	1,041
TOTAL EQUITY & LIABILITIES	4,459	4,098	3,561

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11. Financial statement Projected for next three years (forecast)

Bhutan Insurance limited				
Statement of Financial Position projected for next three years(Forecast)				
Figures in Million				
Particulars	2025	2026	2027	
ASSETS				
Current Assets				
Cash and Cash Equivalents	444	348	476	
Loans & Advances (Current)	810	900	1,005	
Investment Held Till Maturity	175	180	185	
Insurance Receivable	109	119	130	
Deferred Tax Assets	10	10	10	
Other Assets	125	130	134	
Total Current Assets	1,675	1,689	1,942	
Non-Current Assets				
Loans & Advances (Non-current)	3,245	3,614	4,133	
Investment Held Till Maturity	105	105	115	
Equity Investment-FVOCI	109	120	179	
Property, Plant and Equipment	279	320	369	
Intangible Assets	3	3	4	
Total Non-Current Assets	3,744	4,163	4,802	
TOTAL ASSETS	5,419	5,853	6,745	
LIABILITIES				
Current Liabilities				
Insurance Contract	60	63	66	
Reinsurance Contract	67	79	82	
Borrowed Funds (Current)	1	2	2	
Employee Benefit Obligation	21	22	23	
Deferred Tax Liability	8	9	10	
Tax Payable	76	92	106	
Provisions & Contingencies	245	306	400	
Other Liabilities	229	239	249	
Total Current Liabilities	712	816	942	
Non-Current Liabilities				
Subordinate Term Debt (incl Bond)	500	500	500	
Borrowed Funds (Non-current)	2,585	2,715	3,103	
Total Non-Current Liabilities	3,085	3,215	3,603	
TOTAL LIABILITIES	3,797	4,031	4,545	
EQUITY & RESERVES				
Share Capital-Paid Up	600	600	600	
General Reserve	491	573	667	
Retained Earnings	387	504	786	
CAT Reserve	15	16	17	
Equity Investment Revaluation	51	51	51	
Fixed Assets Revaluation	25	25	25	
Corporate Office Construction	50	50	50	
Total Equity & Reserves	1,621	1,821	2,199	
TOTAL LIABILITIES & EQUITY	5,419	5,853	6,745	

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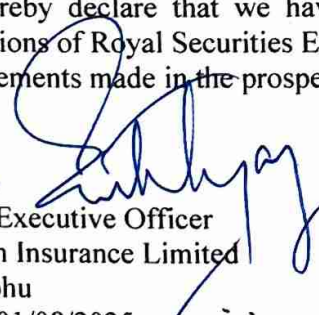
Bhutan Insurance limited
Statement of Comprehensive Income Projected for next three years(forecast)
Figures in Million

Particulars	2025	2026	2027
Net Earned Premium	240	313	358
Net Fees & Commission Income	48	58	71
Net Interest Income	272	321	413
Other Operating Income and Finance Income	96	121	117
Total Operating Income	658	815	960
Net Claims Expenses	(89)	(109)	(133)
Other Operating & Admin Expenses	(149)	(172)	(197)
Depreciation and Amortization	(11)	(12)	(13)
Provision against loan	(48)	(61)	(94)
Total Operating Expenses	(296)	(352)	(436)
Operating Profit	363	463	525
Less: Bond Interest (Nu 500M @ 8.5%)	(18)	(43)	(43)
Profit Before Tax	345	421	483
Income Tax (22%)	76	92	106
Profit After Tax	269	328	376

Name of Company secretary: Sonam Wangmo
Contact number: 17456393

Declaration

We hereby declare that we have complied with the relevant provisions of the Companies Act, the regulations of Royal Securities Exchange of Bhutan, and all prevailing rules and regulations. Furthermore, no statements made in the prospectus contradict the provisions of the Companies Act.


Chief Executive Officer
Bhutan Insurance Limited
Thimphu
Date: 01/08/2025



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