

Abridged Prospectus for Rights Issue of Equity Shares of T Bank Limited

The following constitutes full and true disclosure of all material facts relating to the Rights issue offered by T Bank Ltd. through this prospectus as required by the Rules Governing the Official Listing of Securities.

1. General Information

- a) Name of the Company : T Bank Ltd.
b) Registered Office : TCC Complex Building, Opposite Pemako, Samten Lam, Thimphu
c) Name & Address of Auditors : M/s. S.N. Mukherji, Chartered Accountants, Kolkata

2. Objectives of the Issue

Issuance of Rights Issue of equity shares to the Shareholders in the ratio of 1:5 (One share for every five shares held) at Nu. 10/- per share for cash at par aggregating to Nu.174.31 million to augment the capital of the bank (Tier I) and to enhance long term growth of the bank and maintaining the minimum capital ratio (CAR) of the bank in line with the Prudential Regulations requirements of the Royal Monetary Authority of Bhutan.

3. Capital Structure of the Company

Authorized Share Capital	: Nu. 2,000 million divided into 200 million equity shares of Nu. 10 each
Issued and Paid up Capital	: Nu. 871,569,300

4. Shareholdings

The shareholding pattern of the bank is as under:

Shareholders Name	Total Shares held
Ashi S.Dorji	20%
Dasho Wangchuk Dorji	20%
Dashi Topgyal Dorji	20%
General Public	40%

5. Particulars of the Offer

5.1 Number of rights shares offered	17,431,386
5.2 Ratio	1:5 (one equity share for every five shares held).
5.3 Issue price	Nu.10/ per share
5.4 Total capital raised from the rights issue	Nu. 174,313,860.00
5.5 Record date	May 28, 2025
5.5 Opening date	May 29, 2025
5.6 Closing date	June 28, 2025
5.7 Allotment date	June 30, 2025

6. Directors Participation and Renunciation

The Directors have undertaken to subscribe the full eligible numbers of Rights Issue offered by the bank.

7. Lock-in Period for Significant Owners

The promoters and significant shareholders have undertaken to subscribe the eligible Rights Issue, including a lock-in period of two years from the date of closure of the subscription.

8. Method of Application

- 8.1 Brokerage firm: BNB Securities
8.2 Application form and abridged prospectus will be available at the following:
BNBL Securities, Thimphu, T Bank website and RSEB website.

9. Terms of payment

- 9.1 BNB Securities shall receive the share application along with the money and deposit into their account.
9.2 Upon allotment of the shares, the money shall be deposited with RSEB along with the complete list of shareholders in excel format (both hard and soft copies)

10. Renunciation of Rights Issue

The shareholders have the right to renounce the shares offered partially or in full in favor of any person other than promoters, substantial shareholders of the issuing company.

- 10.1 The shareholders who do not want to renounce their rights shall have the option to sell their rights as per Section 6.14 (i);
10.2 Any shareholder not exercising their rights, RSEB shall treat their rights as renounced and shall be sold as per Section 6.14 (i); and
10.3 The rights issue offer document shall contain a letter of renunciation and sale of rights attached to an allotment letter that the shareholder completes if he/she decides to transfer or sale his/her entitlement to another person.

11. Option for Sale of the Rights Issue

The shareholders shall have the option for sale of their rights through RSEB auctioning process. All shareholders who agree to sell their rights shall inform the executing broker through the rights issue form:

- 11.1 RSEB shall offer sale of the rights issue through an auctioning process where the buyers shall be allowed to bid for the sale volume. The best price shall be determined through RSEB auctioning process where prices shall be placed in descending order, the price at which the total volume gets filled shall be the auction price. The orders shall be allocated as per as per the Exchange System
11.2 After the close of the rights issue, the executing broker shall submit the list of the shareholders in the following format:
11.2.1 Shareholders who have subscribed;
11.2.2 Shareholders who have renounced; and
11.2.3 Shareholders who have not subscribed.
11.3 The RSEB shall announce the date for the auction of the rights within 2 working days from the receipt of the list of the shareholders from the executing broker;
11.4 The auction of the rights issue shall be open for 3 working days, after the announcement;
11.5 Interested bidders shall submit their bids for the rights issue through any broker according to the bid order form and the minimum lot size shall be 100 shares.
11.6 Interested bidders shall deposit 25% as advance of the initial bid value in order to qualify for the auction. Successful bidders shall deposit the remaining amount on the allotment date. If the successful bidders fail to deposit the amount on the allotment date, the 25% advance shall be forfeited in favor of RSEB.
11.7 In the event of unsuccessful auction or if the right issue is partially auctioned, the remaining rights issue shall be exercised by the company in the most beneficial manner that the company deems fit.
11.8 Interested bidders shall have the option to submit their bids for the rights issue through the RSEB online portal.

12. Brokers Commission and Settlement Procedures

- 12.1 Permissible fee charged to the bidders by the respective brokers or by the RSEB through its online portal for the auction shall be 2% of the successful bid value;

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2

- 12.2 The Exchange shall charge 1% of the total successful bid value from the respective brokers;
12.3 RSEB shall provide the allotment list of the successful bidders to the respective brokers for the purpose of payment and settlement;
12.4 The respective brokers shall deposit the proceeds from the auction to the settlement account of RSEB. RSEB shall be responsible to transfer the rights issue subscription proceeds to the issuing company. The difference between the auction price and the rights issue price shall be paid to respective shareholders through the executing broker.

13. Risk Factors

The investor should make their own assumption/analysis on the general market risks before deciding to subscribe to the Rights Offer. However, following risks are directly related in the investment business:

a) Operational Risk:

Operational risks are associated with operations system and processes in the company. Bank has put in place a strong internal control system with separate administrative structure to formulate, implement and monitor systems and procedures in place.

The operational risks is an inherent part of the Overall Risk Management Framework of the Bank, and is continuously assessed, monitored and implemented periodically in line with the Risk Management Policy.

b. Credit Risk:

The lending business carries the risk of default by the borrowers. The bank takes adequate care to minimize credit risk by having well-diversified loan portfolios with a comprehensive and prudent project and credit appraisal system. The Credit Manual of the bank provides guidelines on the types of credit portfolios, credit processes, eligibility criteria and collateral requirements etc.

c. Market / Economy Risk

Market or Economy Risk arises from the fluctuations in interest rates, foreign exchange rates, commodity prices and equity prices in the economy that may affect the bank's assets, liabilities or income. The bank has in place the Asset and Liability Management Committee and Risk Management Framework that proactively monitors bank's performance to evolving internal and external risks. The bank is also in compliance with various banking regulatory requirements of the Royal Monetary Authority of Bhutan.

d. Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates may affect the bank's financial performance. The bank has put in place a system to review lending and deposit rates in order to minimize the interest rate risk. The Asset and Liability Management Committee of the bank reviews these risks on regular basis. The Bank's policy is to continuously monitor positions on daily basis and various strategies are used to ensure positions are maintained within prudent levels.

14. Particulars of Present Board of Directors and Company Secretary

Mr. TshenchokThinlay	Interim Chairman
Mr. Ngawang Gyetse	Independent Director
Mr. Tashi Tshering	Director
Ms. Rinzin Lhamu	Independent Director
Mr. Sangay Tenzin	Independent Director
Mr. Pema Tshering	Director/Member Secretary
Mr. Gyam Agay Dorjee Namgyal	Company Secretary

15. Financial Highlights

Financial ratios for preceding three financial years:

Key Ratios	2024	2023	2022
Average Rate of Interest Income	9.40%	10.00%	11.81%
Average Rate of Interest Expense	5.31%	4.36%	5.42%
Net Interest Rate Spread	4.09%	5.64%	6.39%
CD Ratio	76.51%	74.42%	67.84%
NPL Ratio	0.52%	0.55%	0.19%
SLR Ratio	20.97%	23.62%	26.76%
Capital Adequacy Ratio	13.30%	12.21%	14.75%
Return on Assets	1.13%	1.65%	1.44%
Return on Equity	11.81%	12.65%	12.79%
Total Business (Nu. In millions)	32,647.63	29,985.39	26,086.77
Total employees as on 31 December	187	161	185
Business per employee (Nu. In millions)	174.59	186.24	141.01
Income per employee (Nu. In millions)	8.17	8.46	7.20
Profit per employee	1.24	1.84	1.21
Cost per employee (Nu. In millions)	0.86	0.97	0.74
No. of Shares	79,232,533	66,027,269	60,025,223
Earnings per share	2.25	2.89	2.61

Projected Financials for the next three years.

PROJECTED PROFIT & LOSS ACCOUNT FOR NEXT THREE YEARS			
PARTICULARS	2025	2026	2027
Interest & Similar Income	1,474,156,284	1,701,766,014	1,964,518,686
Interest & Similar Expense	(1,042,289,464)	(1,146,518,410)	(1,261,170,251)
Net Interest Income	431,866,820	555,247,603	703,348,435
Fee and commission income	71,083,979	85,300,775	102,360,930
Other Operating Income	202,554,007	232,937,108	267,877,674
Forex Gain/(Loss)	20,000,000	20,400,000	20,808,000
Operating Income	293,637,986	338,637,883	391,046,604
Total Operating Income	725,504,805	893,885,486	1,094,395,039
Personnel Expenses	(182,853,439)	(195,653,180)	(209,348,903)
Depreciation on Property Plant & Equipment	(33,995,457)	(37,395,003)	(41,134,503)
Amortization of Intangible Assets	(16,270,696)	(17,897,766)	(19,687,543)
Other Operating Expenses	(135,631,334)	(149,194,467)	(164,113,914)
Impairment(charges)/reversal for loan and other lossess	(30,000,000)	(70,000,000)	(100,000,000)
Total Operating Expenses	(398,750,927)	(470,140,416)	(534,284,862)
Profit Before Tax	326,753,879	423,745,070	560,110,177
Income Tax Expense			
Current Tax	(81,688,470)	(105,936,268)	(140,027,544)
Profit for the Year	245,065,409	317,808,803	420,082,632

Projections for Next Three Years			
PARTICULARS	2025	2026	2027
ASSETS			
Cash & Cash Equivalents	1,418,281,035	1,728,448,224	2,266,911,146
Cash & Balances with Central Bank	1,701,087,166	1,735,108,910	1,735,108,910
Placement with other Banks	2,176,470,023	2,376,470,023	2,376,470,023
Loans & Advances to Customers	15,851,142,835	16,851,142,835	17,851,142,835
Equity instruments – at cost	7,750,000	7,750,000	7,750,000
Equity instruments (FVPL)	44,142,844	44,142,844	44,142,844
Debt Instruments at Amortized Cost	1,623,230,826	1,704,392,367	1,789,611,985
Other Financial Assets	35,472,400	39,019,639	42,921,603
Other Assets	222,371,457	233,490,030	245,164,532
Property, Plant & Equipment	120,989,761	127,039,249	133,391,212
Intangible Assets	160,690,912	168,725,458	177,161,731
Total Assets	23,361,629,260	25,015,729,580	26,669,776,821
LIABILITIES			
Due to Customers & Other FIS	19,000,000,000	20,500,000,000	21,500,000,000
Debt issued and Other Borrowed Funds	950,000,000	600,000,000	600,000,000
Current Tax Liabilities	81,688,470	105,936,268	140,027,544
Provision for Loans	235,076,714	305,076,714	405,076,714
Interest Payable on Deposits	767,475,787	840,002,249	919,382,461
Other Liabilities	390,345,150	409,862,408	430,355,528
Total Liabilities	21,424,586,121	22,760,877,638	23,994,842,247
Equity			
Share Capital	1,045,869,436	1,045,869,436	1,045,869,436
Reserves			
Retained Earnings	781,761,952	1,094,470,755	1,509,351,387
APFR	36,019,845	36,019,845	36,019,845
HRD Reserve Fund	12,000,000	12,000,000	12,000,000
Research/Digital and Development Fund	3,664,764	3,664,764	3,664,764
Foreign Exchange Fluctuation Reserve	57,727,142	62,827,142	68,029,142
Total Equity	1,937,043,139	2,254,851,942	2,674,934,574
Total Liabilities and Equity	23,361,629,260	25,015,729,579	26,669,776,821

Projected Statement of Cash Flow			
Particulars	2025	2026	2027
Cash flows from operating activities			
Profit before Taxation	326,753,879	423,745,070	560,110,177
Adjustments for:			
Depreciation and amortization	50,266,153	55,292,769	60,822,046
Impairment charges/(reversal) for Loans and advances	30,000,000	70,000,000	100,000,000
Cash flows from operating activities before changes in operating assets and liabilities	407,020,032	549,037,839	720,932,222
(Increase) /decrease in assets	(47,168,531)	(48,687,556)	(15,576,465)
Increase /(decrease) in liabilities	96,264,469	162,043,719	199,873,333
Net cash from operating activities before income tax	456,115,971	662,394,002	905,229,090
Tax expenses	(81,688,470)	(105,936,268)	(140,027,544)
Net cash generated from operating activities	374,427,501	556,457,735	765,201,545
Cash flow from Investing Activities			
Investment in Bonds/FDs/loan	(2,274,092,856)	(1,700,015,314)	(1,632,033,020)
Acquisition of Property, plant, equipment and intangibles	(79,915,237)	(14,084,034)	(14,788,235)
Net cash from investing activities	(2,354,008,093)	(1,714,099,348)	(1,646,821,256)
Cash flows from financing activities			
Movement of Debt and other borrowed Funds	1,454,728,271	1,150,000,000	1,000,000,000
Changes in Share Capital & Reserves	419,376,982	317,808,803	420,082,632
Net cash from financing activities	1,874,105,253	1,467,808,803	1,420,082,632
Net increase/(decrease) in cash and cash equivalents	(105,475,339)	310,167,189	538,462,922
Cash and cash equivalents at the beginning of period	1,523,756,374	1,418,281,035	1,728,448,224
Cash and cash equivalents at the end of period	1,418,281,035	1,728,448,224	2,266,911,146

16. Market Value of the Shares

The average market value of our shares as per RSEB website is Nu.41.20 per share for the last six months as of March 15, 2025.

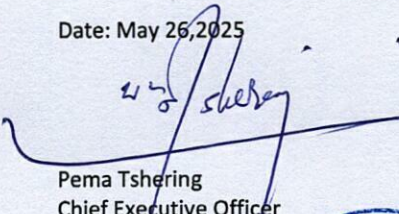
17. Outstanding Litigation

The Company has no outstanding statutory dues as of date. No litigation is pending against the Company.

18. Declaration

We hereby declare that all the relevant provisions of the Companies Act of Bhutan, 2016, and the guidelines issued by the Securities Exchange have been complied with and no statement made in prospectus is contrary to the provisions of the Companies Act of Bhutan, 2016.

Date: May 26, 2025


Pema Tshering
Chief Executive Officer

