

Q1

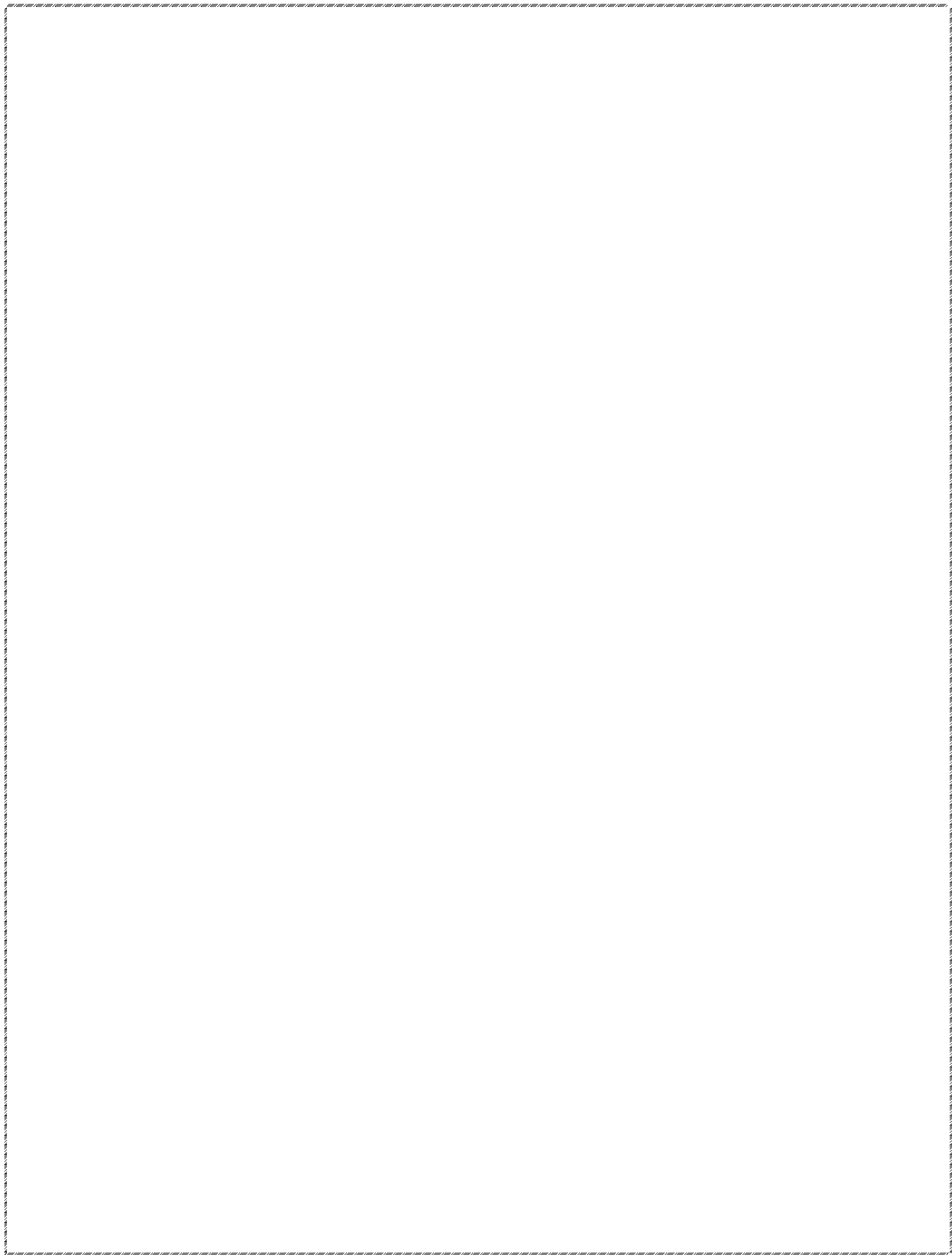


# Quarterly Payment System Report

## Q1, 2022

### (January–March)

Department of Payment and Settlement Systems.



# PREFACE

We are delighted to share the **quarter 1, 2022** report. The report highlights the outlook of digital payment channels – in terms of volume, value, usage, and users observed in the first quarter (January 2022 – March 2022). The report also shows the performance in comparison to the same quarter of the previous year (Q1, 2021).

For easy reference, the report has been categorized as –

- 1) Domestic payment transactions
- 2) Regional payment transactions and
- 3) International payment transactions.

We would like to thank all our contributors for submitting the report on time.

# PAYMENT TRANSACTIONS AT A GLANCE

## (Q1, 2022)

### VOLUME & VALUE OF DOMESTIC PAYMENT TRANSACTIONS –2022 Q1 IN FOCUS



#### Mobile & Internet Banking

**33.05** million transactions amounting to  
Nu. **91.07** billion  
Both volume and value ↑



#### QR Code Payments

**9.41** million transactions amounting to  
Nu. **8.71** billion  
Both volume and value ↑



#### Wallets

**1.22** million transactions amounting to  
Nu. **433.49** million  
Both volume and value ↑



#### Domestic Payment Gateway

**652.16** thousand transactions amounting to  
Nu. **329.24** million  
Both volume and value ↑

# VOLUME & VALUE OF DOMESTIC PAYMENT TRANSACTIONS –2022 Q1 IN FOCUS



## Electronic Fund Transfer

**63.86** thousand transactions amounting to

Nu. **12.93** billion

Volume ↑  
value ↓



## Card - ATM

**0.37** million transactions amounting to

Nu. **1.67** billion

Both volume and value ↓



## Cheque

**51.94** thousand transactions amounting to

Nu. **21.66** billion

Both volume and value ↓

# VOLUME & VALUE OF CROSS – BORDER PAYMENT TRANSACTIONS – 2022 Q1 IN FOCUS



Acquirer

70 transactions  
amounting to  
INR 0.20 million  
Both volume and value ↓



Issuer

3.09 thousand  
transactions amounting to  
INR 11.59 million  
Both volume and value ↑



SWIFT

6,624 transactions  
Volume ↓  
Value ↑



International Payment  
Gateway

591 transactions amounting to  
Nu. 1.73 million  
Both volume and value ↑

## SUMMARY

The payment transactions in Table 1 reports the total transactions made through various digital payment channels operated by the RMA and the 6 banks at domestic, regional (India), and international level from January to March 2022. It also shows the comparison of these transactions with the same quarter of the previous year, Q1 2021.

**Table 1: Payment Transaction Comparison – Q1 2021 and Q1 2022.**

Instrument	Q1, 2021		Q1, 2022		% Change	
	Volume (thousands)	Value (millions)	Volume (thousands)	Value (millions)	Volume (thousands)	Value (millions)
Paper-Cheques	113.57	42,962.27	51.94	21,666.17	-54.27%	-49.57%
Mobile & Internet Banking	26,634.53	64,807.37	34,049.96	91,070.33	27.84%	40.52%
QR Code Payments	3,568.81	3,886.11	9,414.62	8,712.59	163.80%	124.20%
Payment Gateway	95.50	96.30	652.16	329.24	582.89%	241.91%
Wallets	239.88	110.65	1,221.37	433.49	409.15%	291.78%
Electronic Fund Transfer	43.87	18,008.12	63.86	12,925.10	45.59%	-28.23%
ATM	1,173.62	4,223.21	368.87	1,678.93	-68.57%	-60.25%
PoS	0.29	0.97	0.16	0.70	-43.40%	-27.92%
<b>Domestic Payment</b>	<b>31,870.06</b>	<b>134,094.99</b>	<b>45,822.95</b>	<b>136,816.55</b>	<b>43.78%</b>	<b>2.03%</b>
RuPay ATM & PoS Acquiring	0.32	1.41	0.07	0.20	-78.33%	-85.71%
RuPay ATM & PoS Issuing	0.33	1.40	3.09	11.59	828.89%	725.75%
<b>Regional Payment</b>	<b>0.66</b>	<b>2.82</b>	<b>3.16</b>	<b>11.79</b>	<b>381.74%</b>	<b>318.84%</b>
SWIFT -Inflow	7.85	64.91	6.62	75.97	-15.65%	17.05%
SWIFT -Outflow		125.51		268.49		113.93%
International Payment Gateway (IPG)	0.24	0.58	0.59	1.73	144.21%	198.81%
<b>International Payments</b>	<b>8.10</b>	<b>190.99</b>	<b>7.22</b>	<b>346.20</b>	<b>-10.87%</b>	<b>81.26%</b>

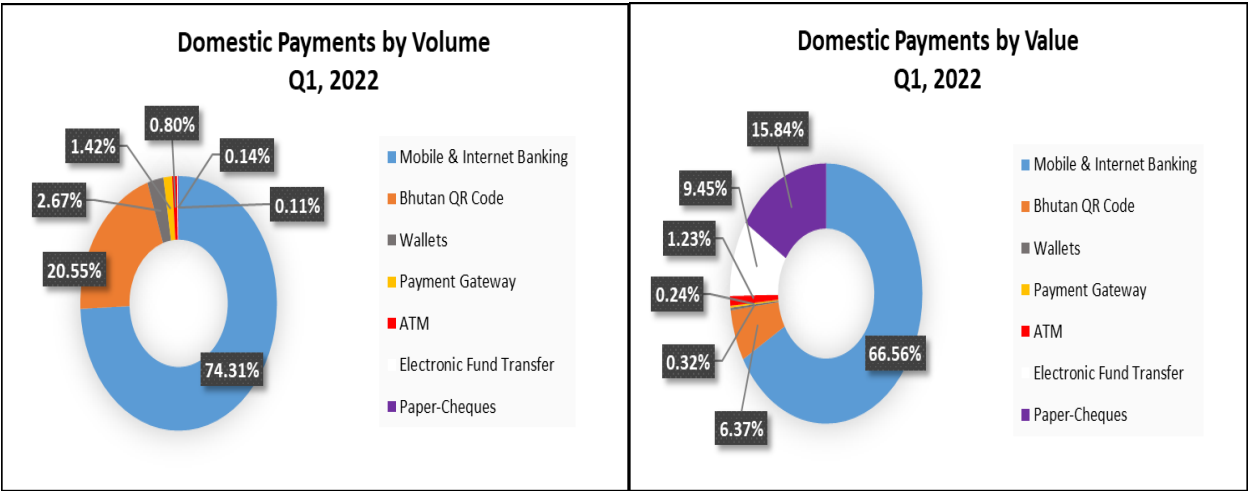
As compared to the first quarter 2021:

- Domestic payments saw an overall increase of 43.78% by volume and 2.03% by value.
- Regional payments saw an overall increase of 381.74% by volume and 318.84% by value. This increase is mainly because of the increase in RuPay Issuing transactions.
- International payments saw an overall decrease of 10.87% by volume. However, an increase of 81.26% by value. The SWIFT transactions are the transactions that are carried out at the bank level and doesn't include RMA's transactions.

**DOMESTIC PAYMENTS**

**Domestic payments** recorded a total of **45.82 million** transactions comprising of intra and interbank domestic transactions worth **Nu.136.82 billion** during the 1<sup>st</sup> quarter, 2022. There is an increase of 43.78% by volume and 2.03% by value as compared to the first quarter, 2021. The increase in volume of the domestic payments in the first quarter 2022, is mainly contributed by an increase in the transactions of payment gateway, wallets, and QR code payments. Similarly, the increase in value is mainly due to the increase in the transactions of wallets and payment gateway by 291.78% amounting to Nu. 322.84 million and 241.91% amounting to Nu. 232.95 million respectively.

**Pie chart 1: Domestic Payment Transaction – Q1, 2022.**



In the Q1 2022, mobile and internet banking dominated the domestic payment space followed by QR code payment in terms of volume and in terms of value, mobile and internet banking is followed by paper cheques and electronic fund transfer.

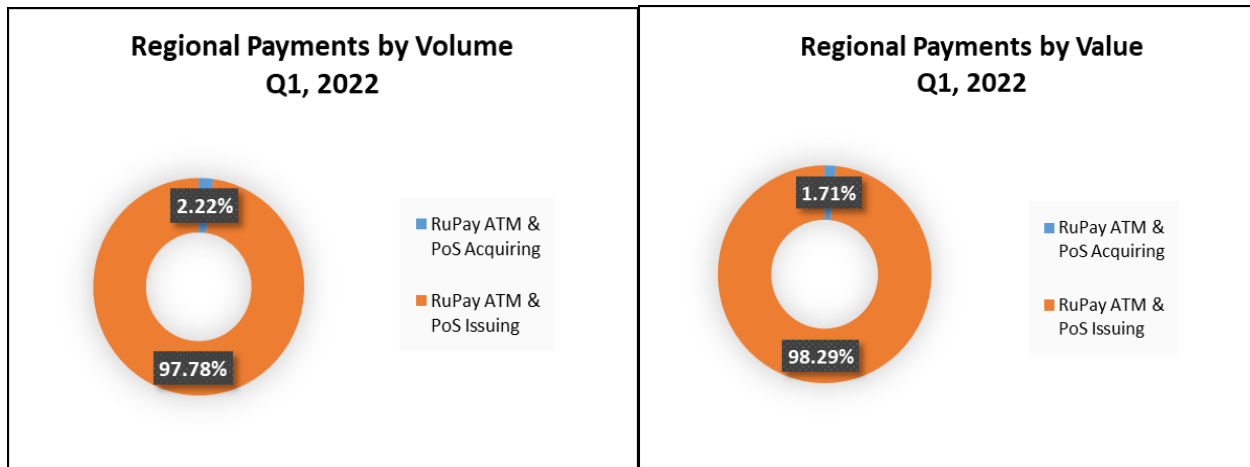
Although mobile banking and QR code payments are one channel, it is segregated because it is independently integrated with separate settlement accounts. As shown in the chart above, the share percentage of QR payments is increasing higher than the other channels including mobile banking.

**REGIONAL PAYMENTS**

**Regional payments** include RuPay card transactions through the ATM and PoS terminal in India and Bhutan. During the 1st quarter 2022, a total of **2,279** regional payments amounting to **Nu. 8.25 million** were transacted of which 3.07% constitutes acquiring transactions and 96.93% Issuing transactions.



Pie chart 2: Regional Payment Transaction – Q1, 2022.

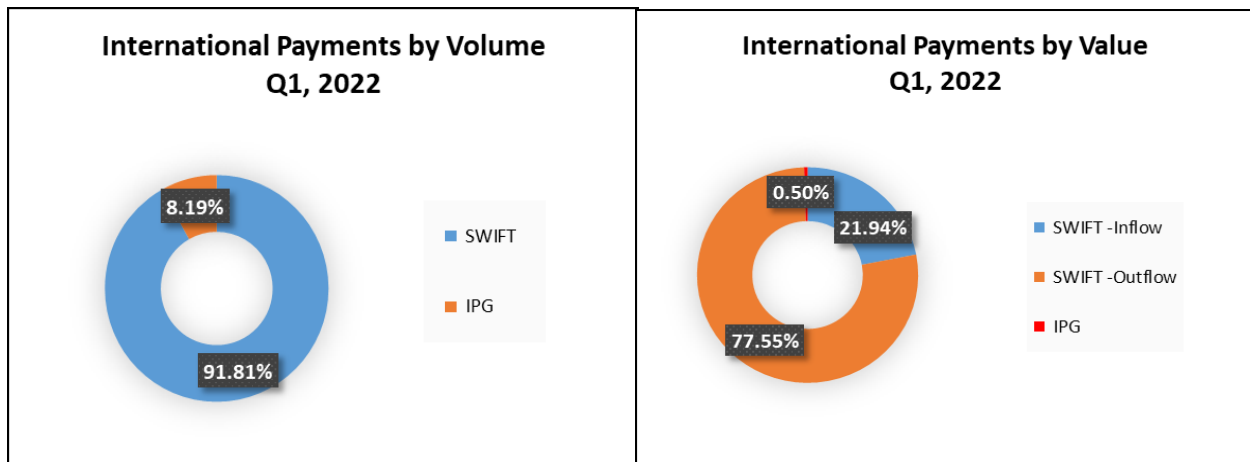


### INTERNATIONAL PAYMENTS

**International payments** contain the SWIFT and International Payment Gateway (IPG) transactions made from the banks. During the 1<sup>st</sup> quarter 2022, international payments recorded **7,215** transactions of value **346.19 million**. There is a decrease of 10.87% by volume and an increase of 81.26% by value as compared to the same quarter previous year.

The IPG recorded **591** transactions while the SWIFT recorded a total of **6,624** transactions.

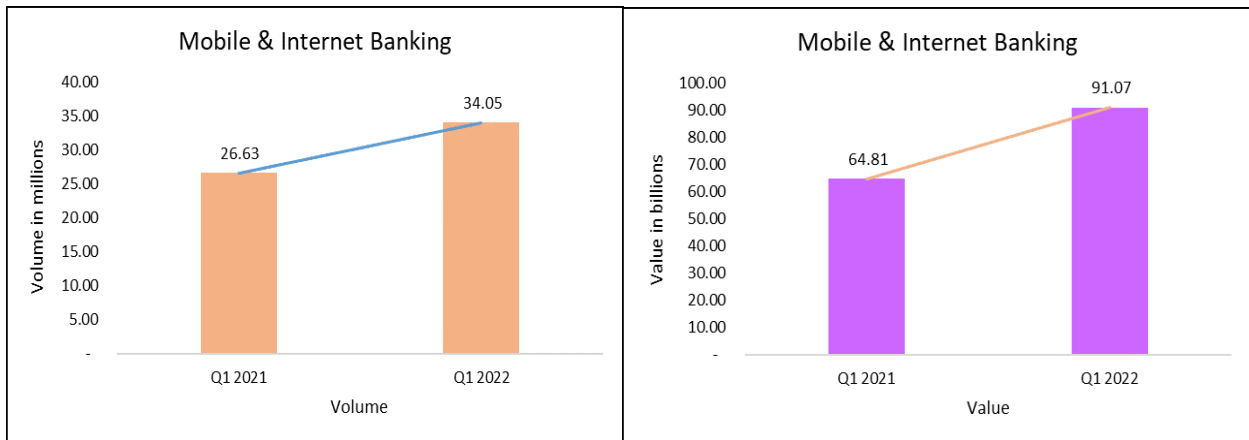
Pie chart 3: International Payment Transaction – Q1, 2022.



# DOMESTIC PAYMENT TRANSACTIONS (Q1, 2022)

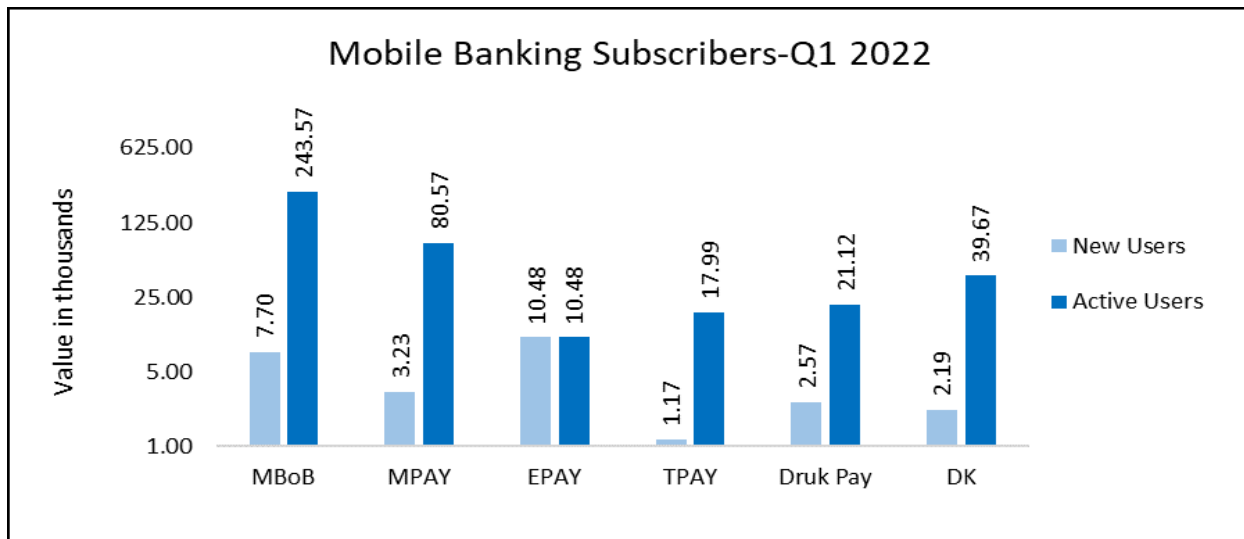
## a) Mobile and Internet Banking

Graph 1: Mobile and Internet Banking Transaction (Volume & Value -Q1 2021 and Q1,2022)



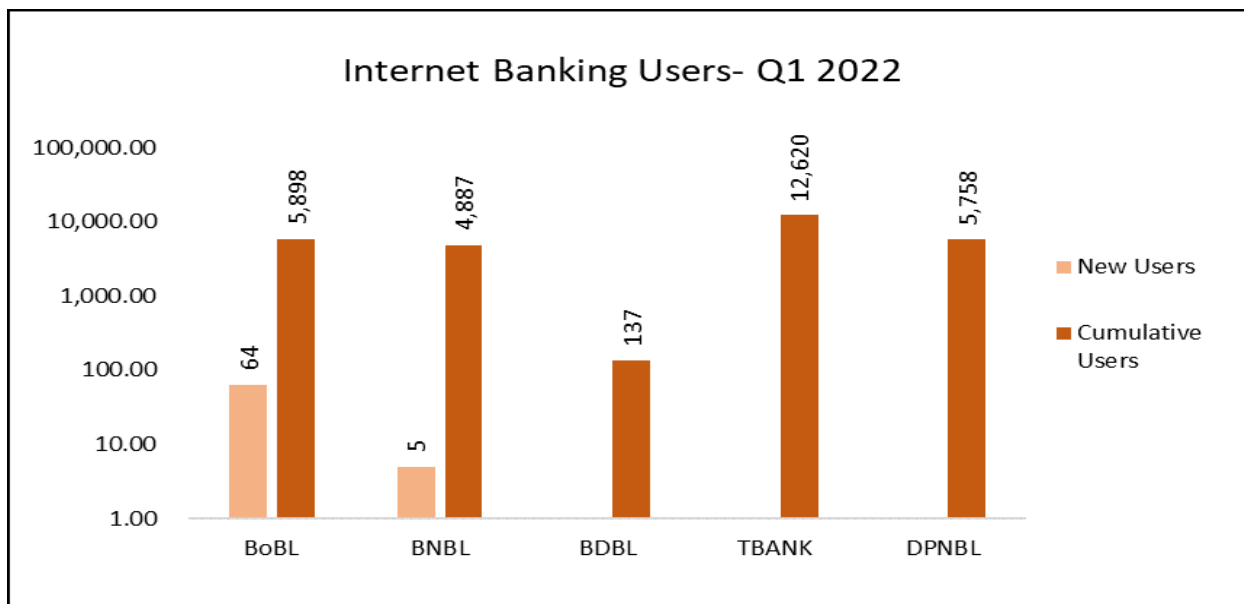
During the 1<sup>st</sup> quarter 2022, **34.05 million** transactions worth **Nu. 91.07 billion** were processed through the banks mobile banking app and the internet banking. When compared to the same quarter of the previous year, there is an increase of 27.84% and 40.52% by volume and value respectively. The average value of per transaction has increased from **Nu.2,433** per transaction in 1<sup>st</sup> quarter 2021 to **Nu.2,674** per transaction in same quarter 2022.

**Graph 2: Mobile Banking Subscribers -Q1,2022**



From January to March 2022, **27.35 thousand** new users subscribed to use the mobile banking apps making the active number of mobile banking subscribers to **413,395** as of reporting date. The detailed bank wise subscription during the 1<sup>st</sup> quarter, 2022 are shown above in the graph.

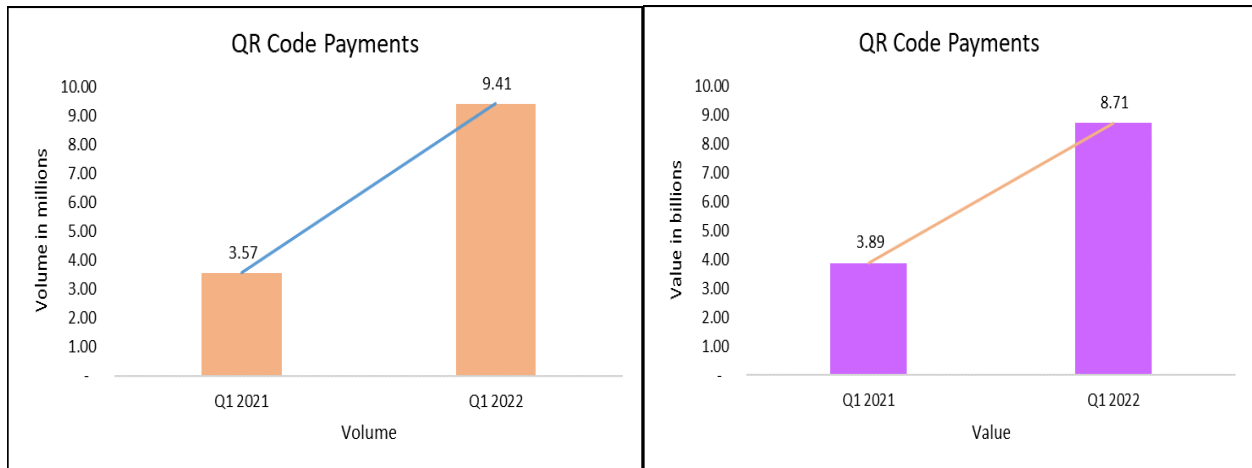
**Graph 3: Internet Banking Subscribers -Q1,2022**



For internet banking, **69** new users have subscribed during the first quarter taking the total internet banking users to **29,300** as of first quarter 2022.

## b) Mobile Banking – QR Code Payments

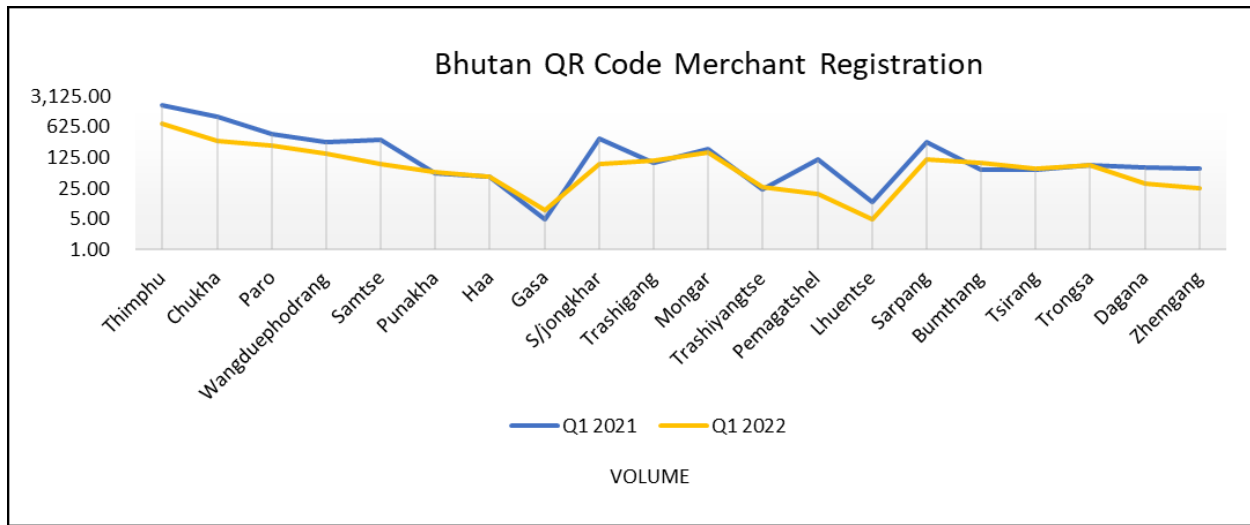
Graph 4: QR Code Payments (Volume & Value -Q1, 2021 and Q1,2022)



QR code payments saw a total of **9.41 million** transactions of value **8.71 billion** during the 1<sup>st</sup> quarter 2022, equivalent to 27.65% of the mobile banking transactions in terms of volume and 9.57% in terms of value. The transactions have increased by 163.80% by volume and 124.20% by value when compared to the same quarter last year.

The increase is because of the launch of Bhutan QR by the RMA in July 2021 which enables interoperable use of common codes issued by member banks. Since then, QR scan code has been gaining popularity in shops, restaurants, cafes and even in the taxis as they are contactless, touchless, and easy to use. Bhutan QR code has further helped during this pandemic as it limits in person transactions making it less likely for the virus to spread to others through cash exchanges.

**Graph 5: QR Code Merchant registration (Dzongkhag wise) -Q1, 2021 & Q1, 2022**



During the 1<sup>st</sup> quarter 2022, the banks have onboarded **2,441** new QR code merchants taking the total QR issued till now to **42,470** which is an increase of **6.10%** compared to the total merchant registration as of December 2021. However, if we compare to same quarter of the previous year, there is a decrease of 55.77% in the Bhutan QR code merchant registration.

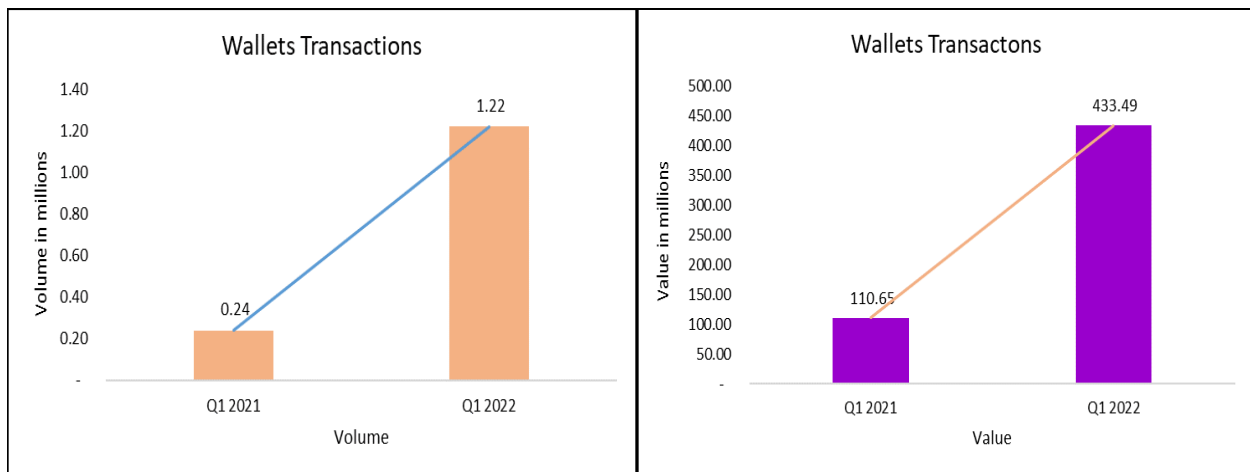
The drastic decrease was seen in Pemagatshel Dzongkhag with 83.04% drop. They have registered 112 QR Code merchants in first quarter 2021 but it has reduced to 19 in same quarter 2022. This is followed by Samdrupjongkhar Dzongkhag and Chukha Dzongkhag with 73.24% and 71.31% drop respectively. The decrease could be because of the availability of self-generating features on the mobile banking apps which allows individuals and merchants to generate their own QR code for receiving payments.

The highest issuance is still in Thimphu Dzongkhag with 725 new registrations as shown above in the graph 5, owing to the maximum merchant base.

## c) Wallets

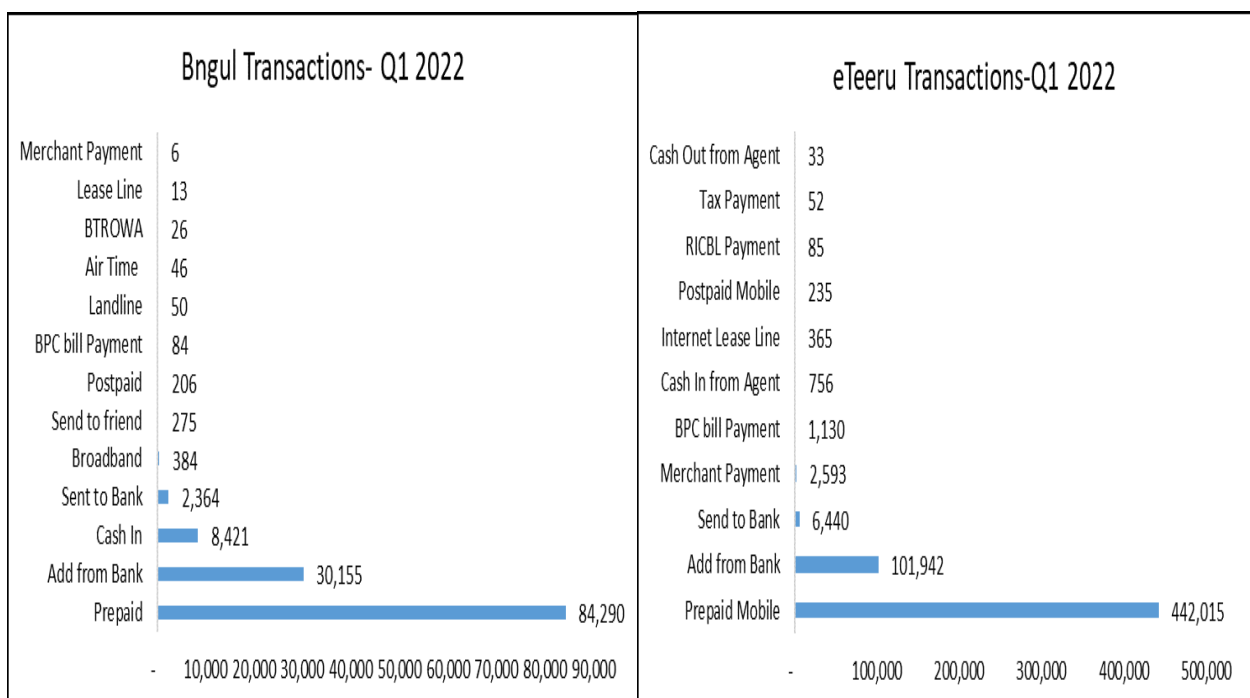
As of first quarter, 2022 Bhutan Telecom has onboarded 10 Bngul merchants with **78,160** users, Tashi Cell has onboarded **58,241** merchants for eTeeru with **79,991** users and BOBL has registered **117,424** goBoB users.

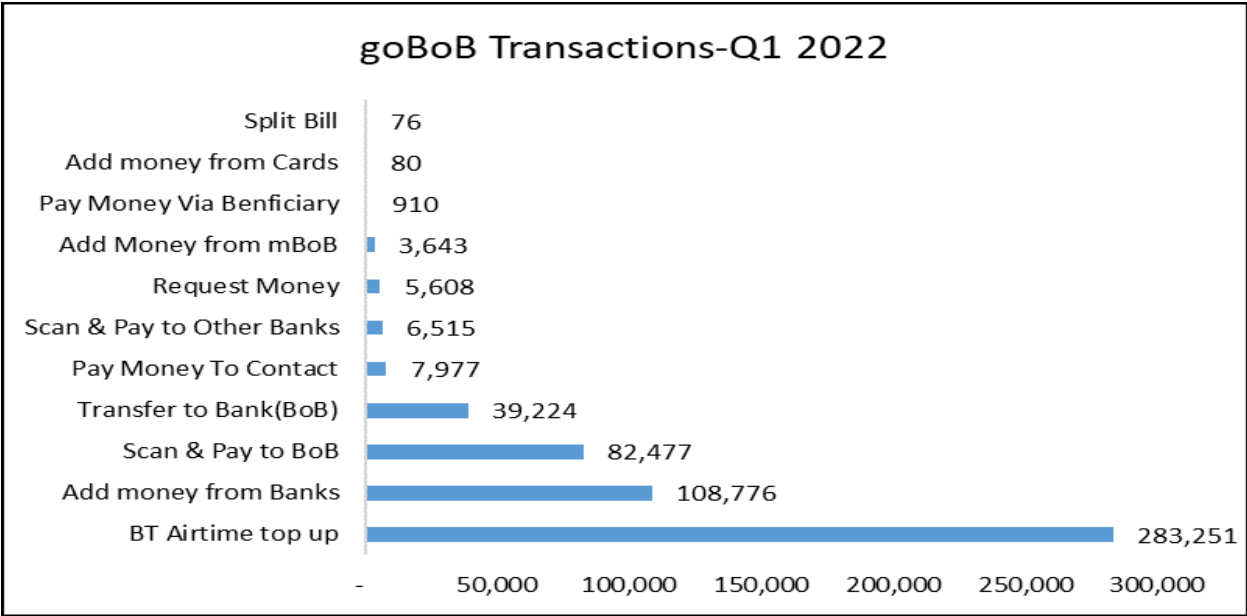
**Graph 6: Wallets Transaction (Volume & Value -Q1 2021 and Q1 2022)**



A total of **1.22 million** transactions worth **Nu. 433.49** million were transacted through the wallets during the 1<sup>st</sup> quarter 2022. Wallet transactions have significantly increased by 409.15% and 291.78% by volume and value respectively as compared to the same quarter previous year. This could be due to addition of goBoB as one of the wallet service providers.

**Graph 7: Wallets Transaction (Volume) – Q1 2022**



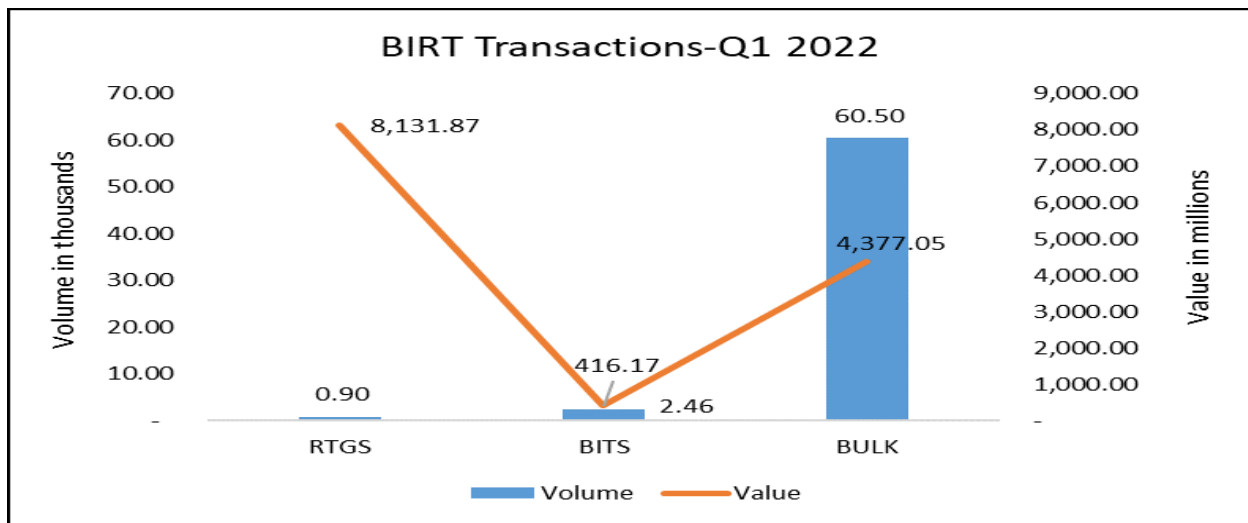


Although majority of wallet transactions are observed to be done for availing telco services like recharges, unlike the wallets provided by telcos, goBoB’s transaction pattern indicate increased usage for fund transfer and merchant payments. The easy interoperability with other wallet account, mobile numbers of both telcos, and most importantly bank accounts provided by BoBL maybe the factor for such diverse usage.

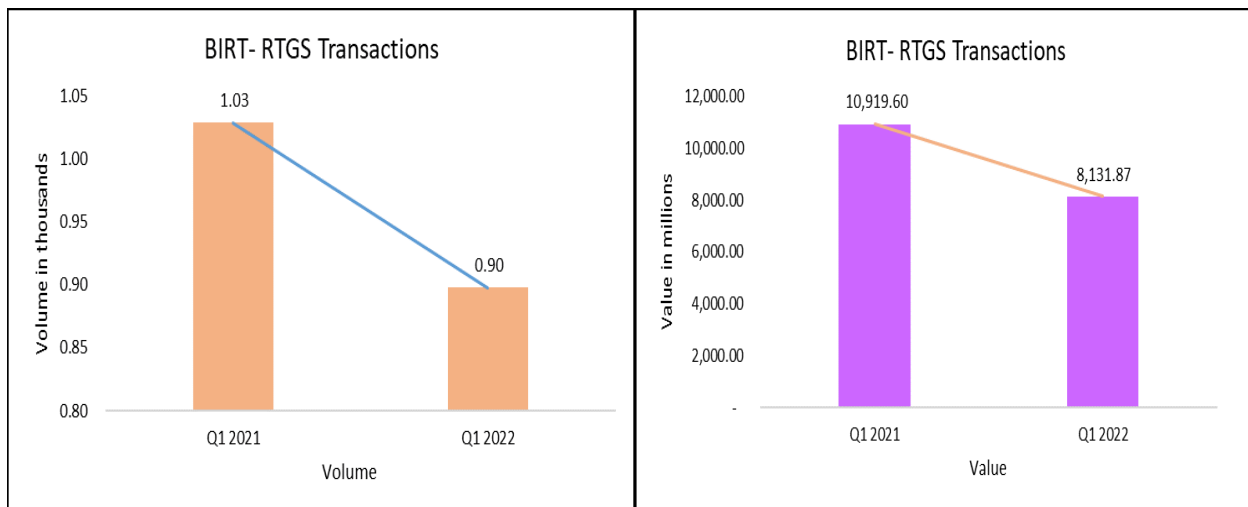
## d) Electronic Fund Transfer – BIRT Fund Transfer System

During the 1<sup>st</sup> quarter 2022, **63,864** transactions amounting to **Nu. 12.93 billion** were transacted through BIRT Fund Transfer System. The total BIRT transactions in the 1<sup>st</sup> quarter 2022 have increased by 45.59% by volume. However, there was a decrease of 28.23% by value as compared to the same quarter previous year. The maximum transactions were received in the BULK settlement in terms of volume and RTGS in terms of value as shown below.

**Graph 8: BIRT Transaction (Volume & Value -Q1 2022)**



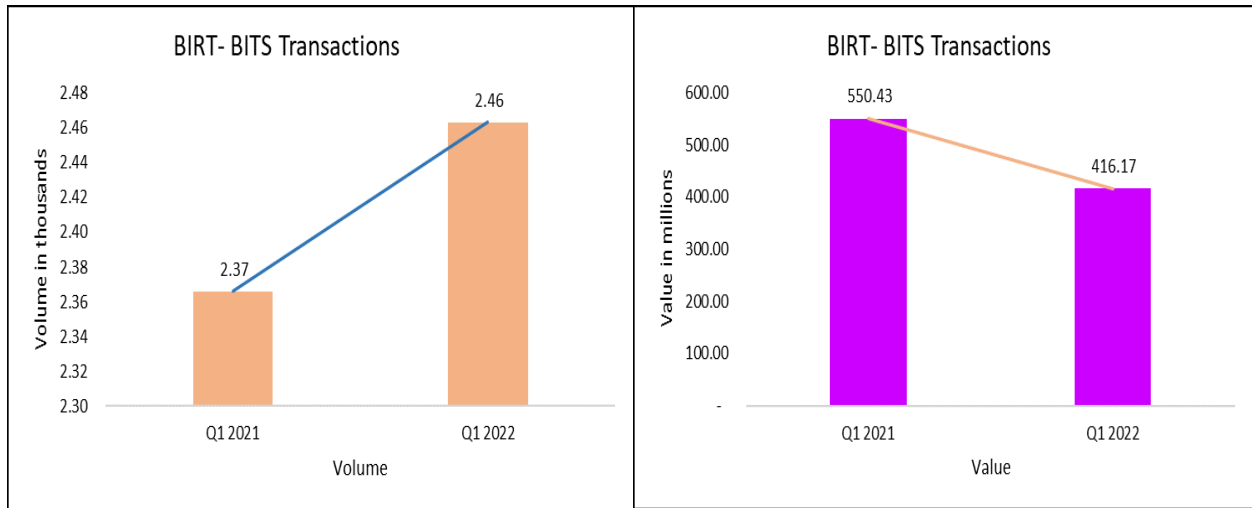
**Graph 9: BIRT-RTGS Transaction (Volume & Value -Q1 2021 and Q1 2022)**



**BIRT RTGS** allows real time fund transfer above Nu. 1m. During the 1<sup>st</sup> quarter 2022, **898** transactions worth **Nu.8.13 billion** were transacted which is a decrease in the volume by 12.73% and 25.53% by value as compared to the same quarter previous year.

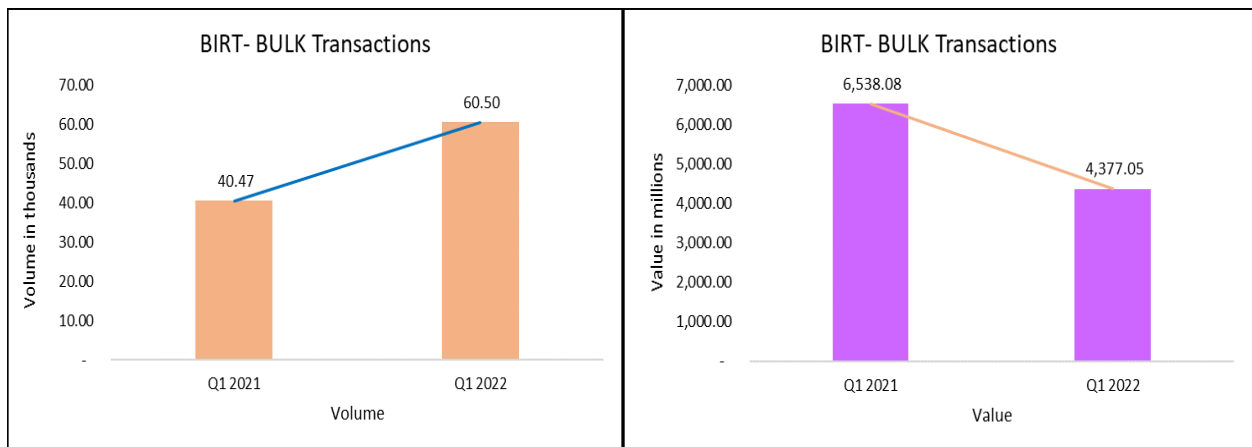


**Graph 10: BIRT-BITS Transaction (Volume & Value -Q1 2021 and Q1 2022)**



**BIRT BITS** permits the users to transfer funds below Nu. 1m in the batch settlement (10 transactions in a batch) in every 30 minutes. There was **2,366** transaction worth **Nu. 416.17 million** transacted in the 1<sup>st</sup> quarter 2022. There is an increase of 4.10% by volume and a decrease of 24.29% by value as compared to the same quarter previous year.

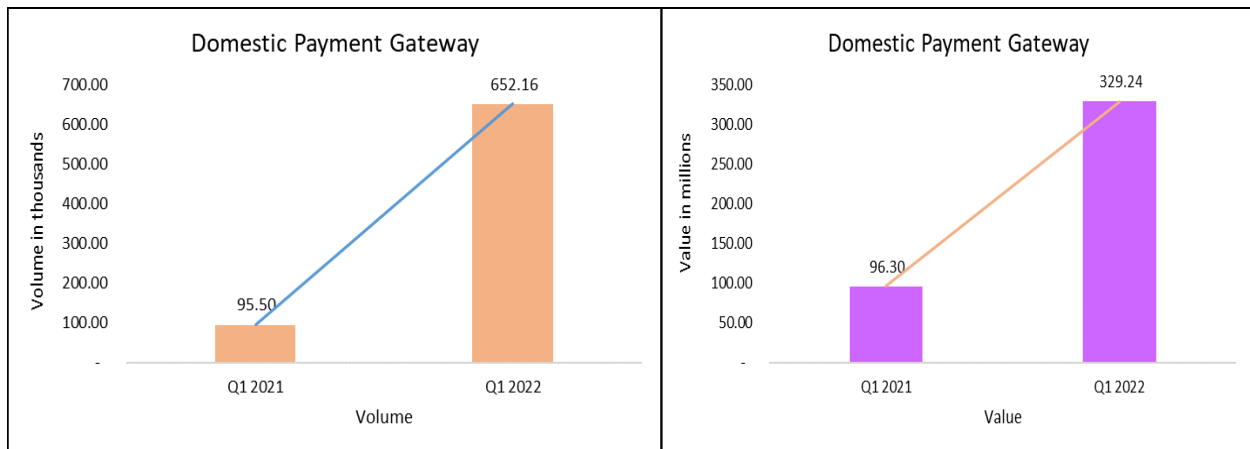
**Graph 11: BIRT-BULK Transaction (Volume & Value -Q1 2021 and Q1 2022)**



Likewise, **BIRT BULK** allows single debit and multiple credits for the users. In 1<sup>st</sup> quarter 2022, there was **60,503** BULK transactions amounting to **Nu. 4.37 billion**. It is an increase in terms of volume by 49.50% and a decrease in value by 33.05% as compared to the same quarter previous year.

## e) Domestic Payment Gateway

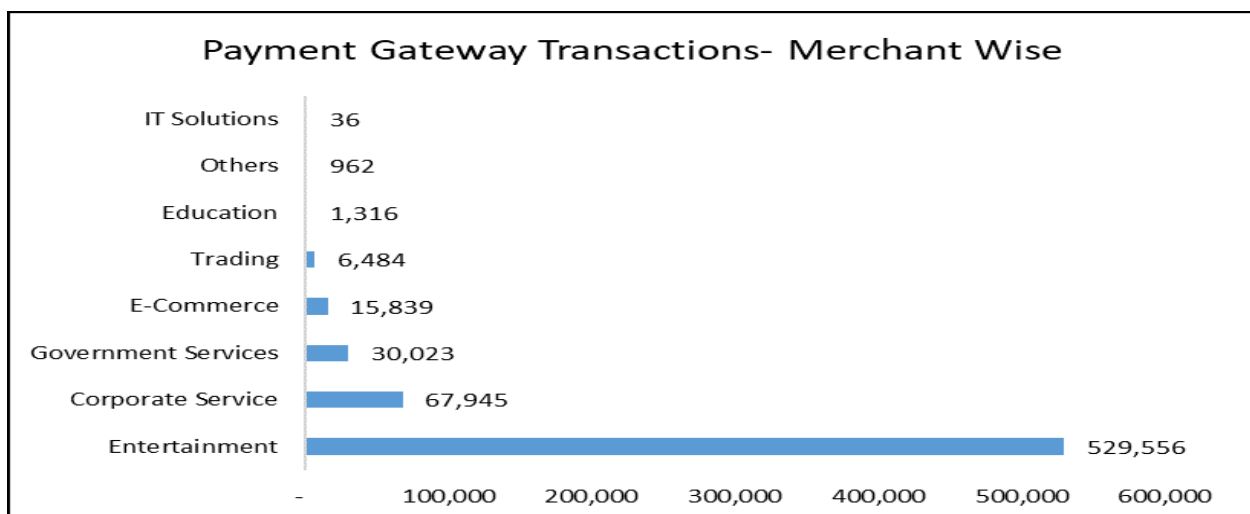
**Graph 12: Payment Gateway Transaction (Volume & Value -Q1 2021 and Q1 2022)**



Domestic Payment gateway is a merchant service provided by RMA for the direct payment processing for e-commerce, government services and e-corporate utilities. During this quarter, **652,161** transactions amounting to **Nu.329.24** million were transacted. In comparison to the same quarter previous year, there is an increase both in terms of volume and value by 582.89% and 241.91% respectively.

The highest domestic PG transactions in the first quarter of 2022 was recorded in the entertainment category followed by e-corporate utilities services category and government services -G2C Payment aggregator.

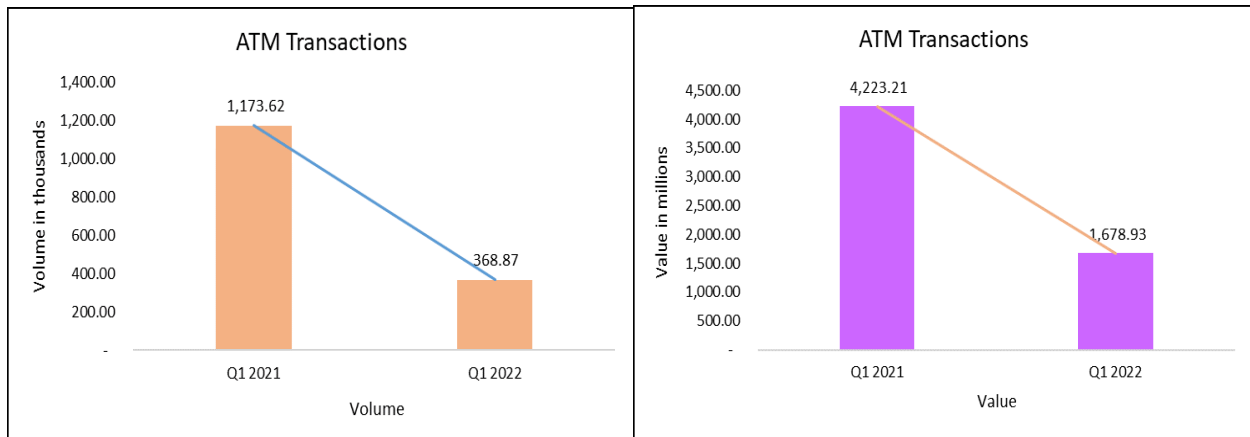
**Graph 13: Domestic PG Transactions- Merchants Wise -Q1 2022**



There are a total of **77** registered merchants in the domestic PG portal as of March 2022, out of which 43 are active while 34 are dormant this year.

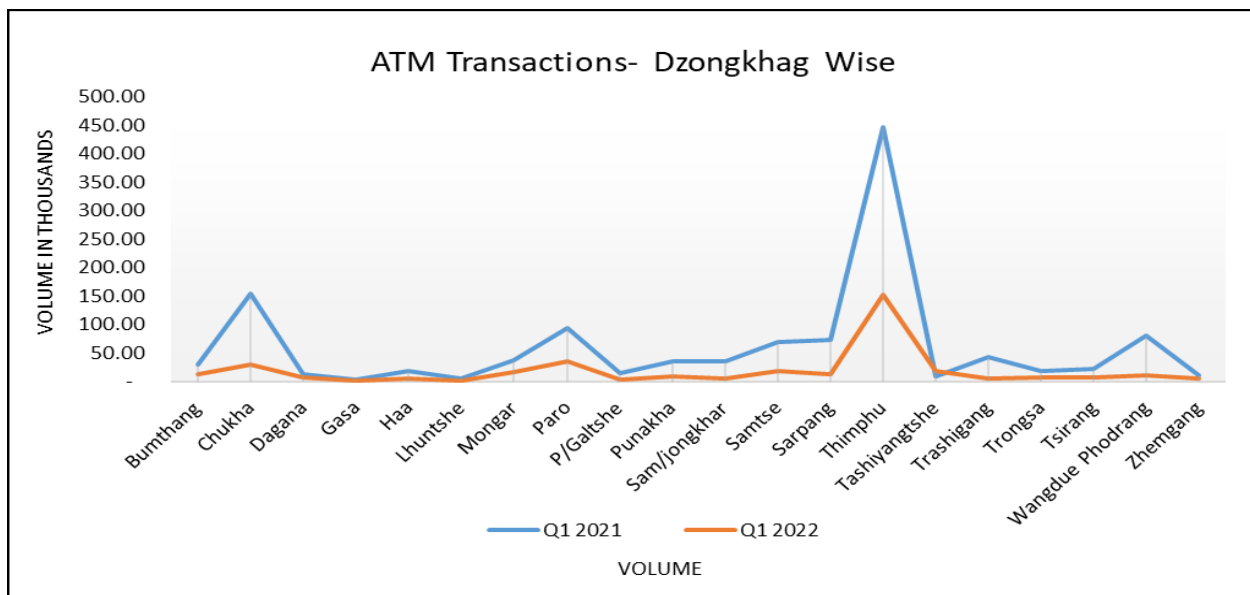
## f) Cards – ATM

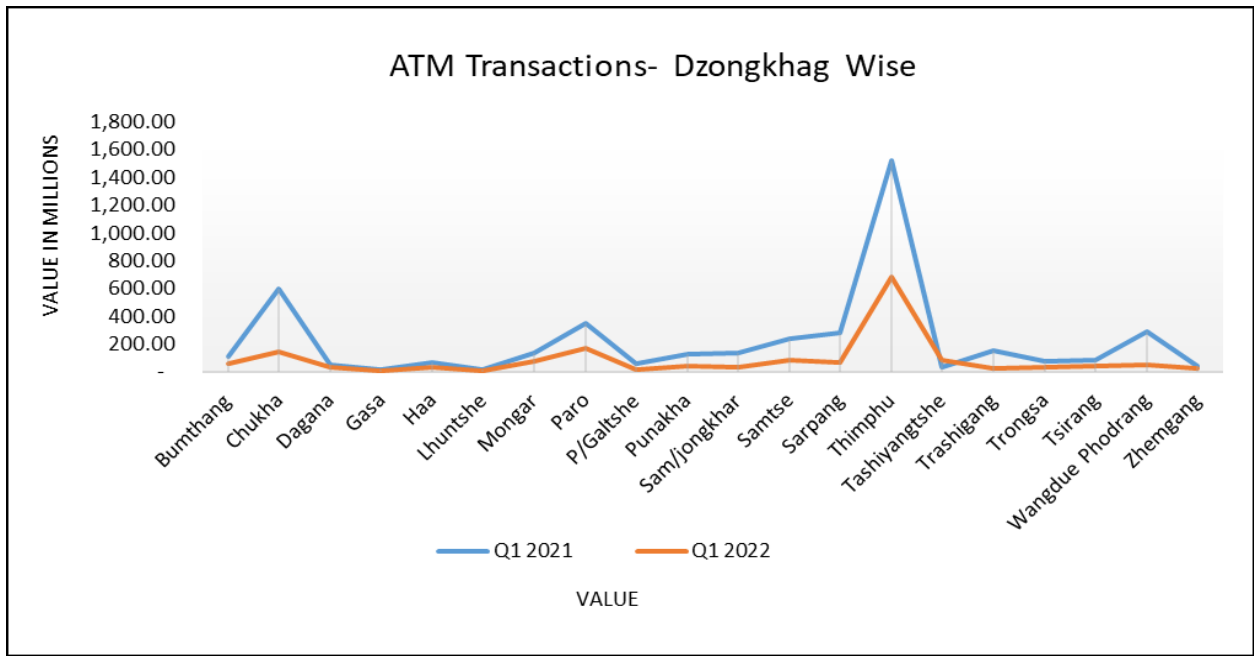
Graph 14: ATM Transaction (Volume & Value -Q1 2021 and Q1 2022)



The cards payments refer to cash withdrawal/transactions from ATM terminals in the country using domestic ATM cards. In 1<sup>st</sup> quarter 2022, a total of **0.37 million** transactions worth **Nu.1.68 billion** were transacted. Unlike other payment instrument, we are observing decreasing trend for card payments every quarter. In terms of volume, there is a decrease by 68.57% and in terms of value, there is a decrease by 60.25% as compared to the same quarter previous year.

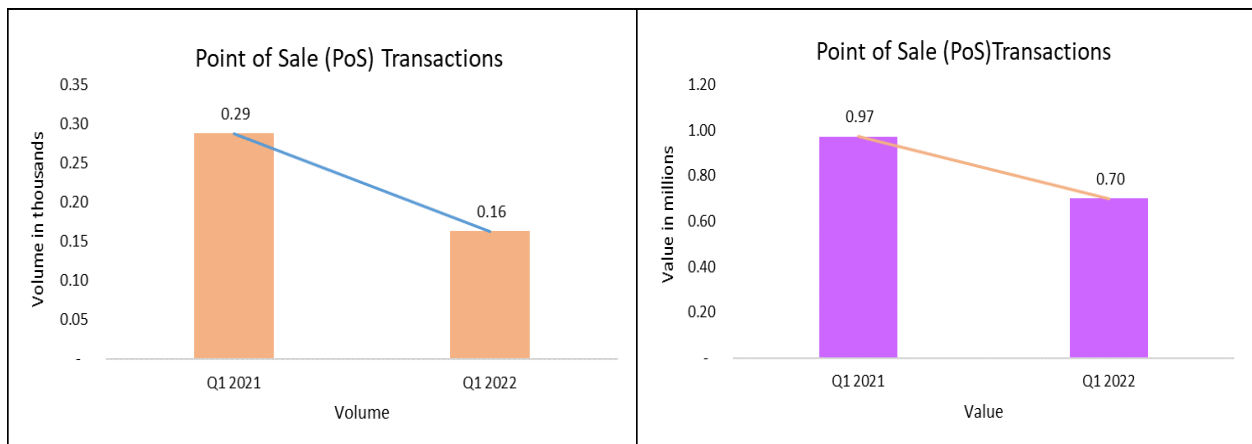
Graph 15: ATM Transaction Dzongkhag Wise (Volume & Value -Q1 2021 and Q1 2022)





In the 1<sup>st</sup> quarter 2022, there is a drastic decline in ATM transactions in all the Dzongkhags as compared to the same quarter previous year. The maximum decrease was seen in Thimphu Dzongkhag followed by Paro and Wangdue Phodrang Dzongkhag both in terms of volume and value.

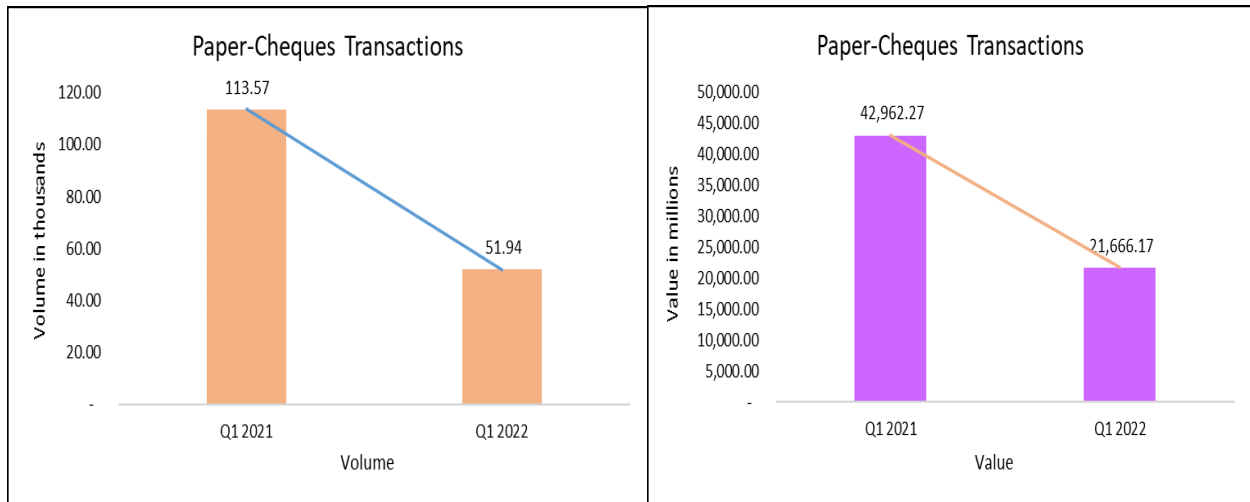
**Graph 16: PoS Transaction (Volume & Value -Q1 2021 and Q1 2022)**



The domestic PoS transactions have recorded only **163** transactions of value **Nu.0.70 million** during the first quarter of 2022. It is a decreased by 43.40% in terms of volume and 27.92% by value as compared to the same quarter previous year.

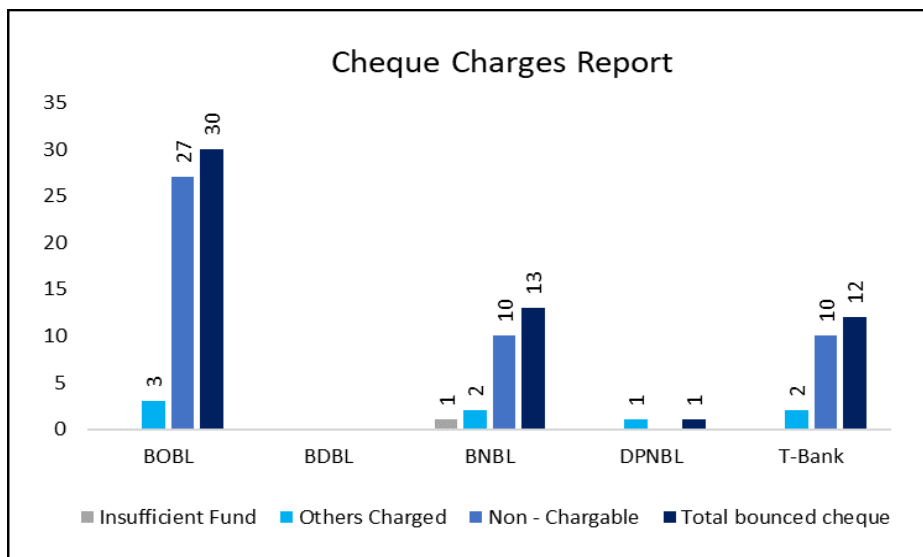
## g) Paper Cheque

Graph 17: Paper Cheque Transaction (Volume & Value -Q1 2021 and Q1 2022)



Cheque payments are still observed to be used for making large value payments in the country. A total of **51,937** cheques worth **Nu. 21.67 billion** was recorded in the 1<sup>st</sup> quarter 2022. However, it is a decrease of 54.27% by volume and 49.57% by value as compared to the same quarter previous year.

Graph 18: Bounced cheque report -Q1 2022



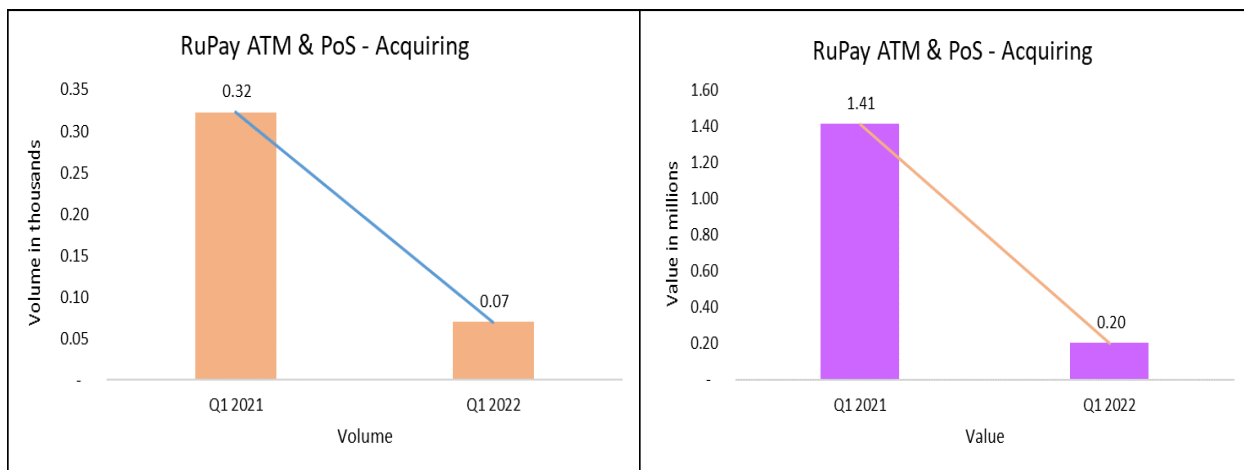
During the 1<sup>st</sup> quarter, a total of **56** cheques were bounced out of which, 1 cheque was charged to the customer for their insufficient balance and 8 cheques were charged to the banks for their failure to do the due diligence.

The maximum number of cheques were returned because of invalid account number, cheque belonging to different account, endorsement missing, drawers sign different, etc. RMA has instituted to charge Nu.300 plus 10% of the cheque value for the insufficient balance to stop cheque returned due to insufficient balance and associated illicit activities around it and Nu.100 to the banks for failure to do their due diligence.

# REGIONAL PAYMENT TRANSACTIONS (Q1,2022)

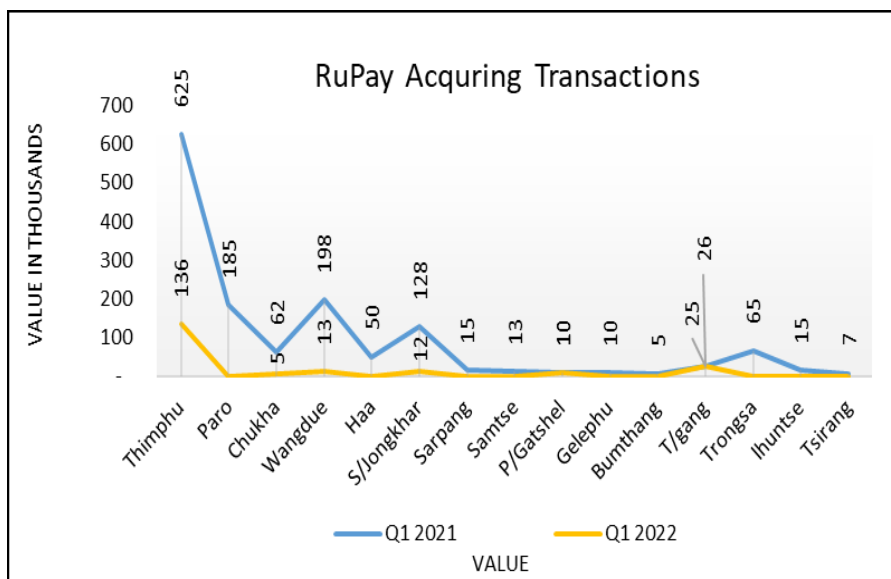
## a) RuPay Acquiring

Graph 19: RuPay Acquiring Transaction (Volume & Value -Q1 2021 and Q1 2022)



RuPay Acquiring allows Indian nationals to withdraw cash and make payment through all the ATM and PoS terminal in Bhutan. During 1<sup>st</sup> quarter 2022, it has recorded **70** transactions worth **Nu. 0.20 million**, a decrease of 78.33% by volume and 85.71% by value as compared to the same quarter previous year.

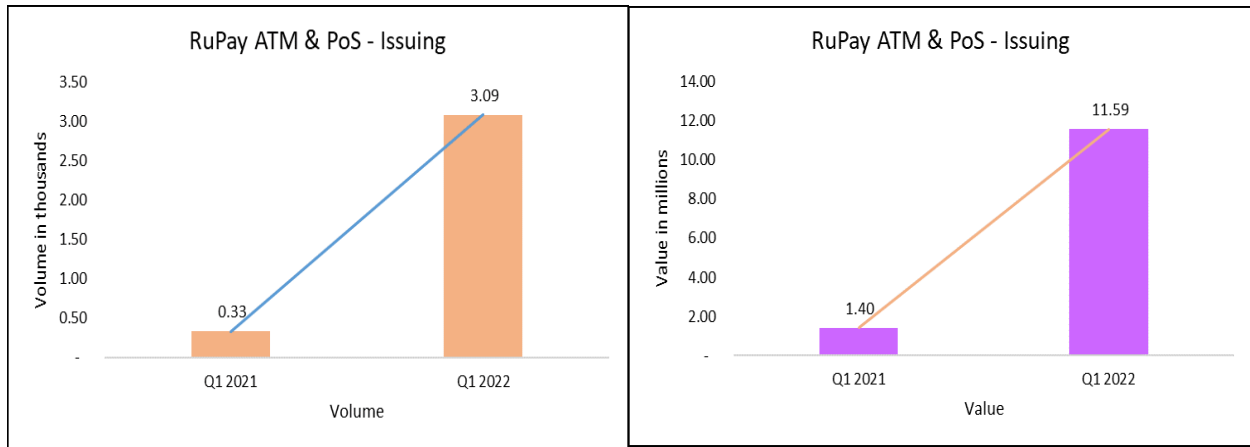
Graph 20: RuPay Acquiring Transaction Value (Dzongkhag wise) -Q3 and Q4, 2021



There is a sharp decline in the RuPay ATM acquiring with the withdrawal drop in all the Dzongkhags except in Tashigang Dzongkhag as compared to the same quarter of the previous year. The maximum withdrawal is still in Thimphu Dzongkhag.

## b) RuPay Issuing

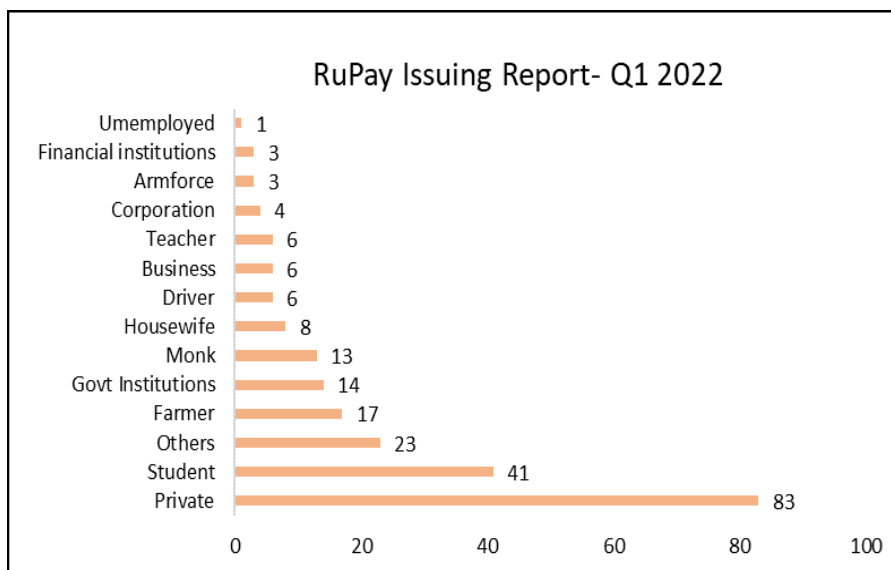
Graph 21: RuPay Issuing Transaction (Volume & Value -Q1 2021 and Q1 2022)



RuPay Issuing launched in November 2020, allows Bhutanese nationals to withdraw cash and make payment through all the ATM and PoS terminal in India. Currently Bhutan National Bank Ltd. is the only issuing bank in Bhutan.

During the 1<sup>st</sup> quarter 2022, **3,087** transactions worth **Rs. 11.59 million** were recorded. There was a drastic increase of 828.89% by volume and 725.75% by value as compared to the same quarter of the previous year.

Graph 22: RuPay Card Issuance (BNBL) -Q4,2021

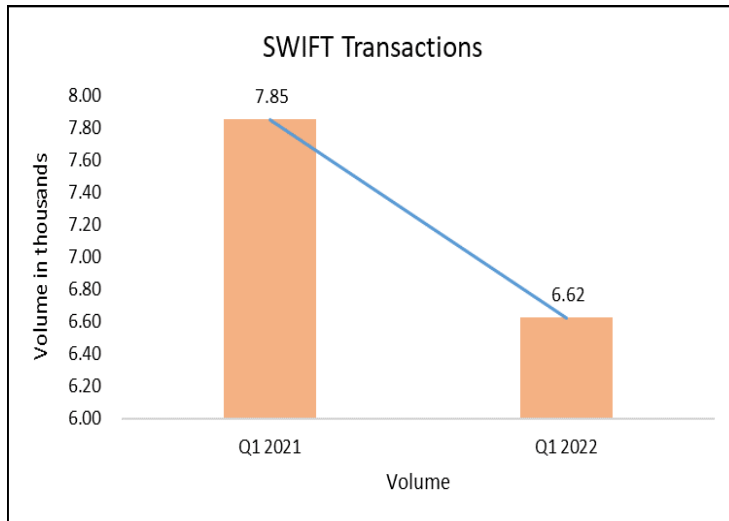


As of March 2022, a total of **3,721** cards were issued of which **228 cards** were issued during the first quarter. The highest issuance was to the private employees with 83 cards followed by students with 41 cards. Only 1 card has been issued to unemployed.

# INTERNATIONAL PAYMENT TRANSACTIONS (Q1,2022)

## a) SWIFT Transactions through the banks

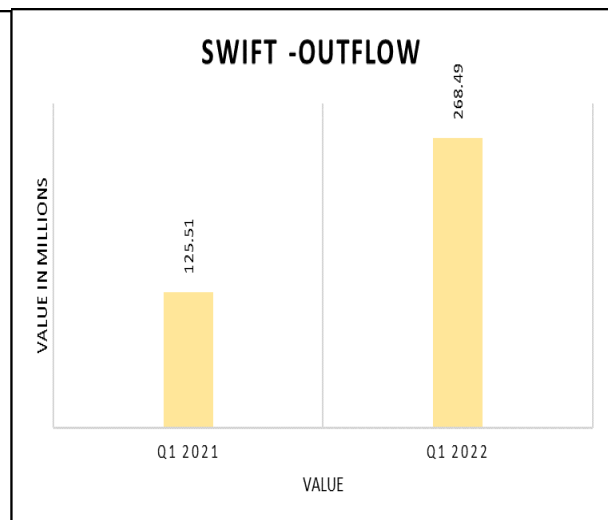
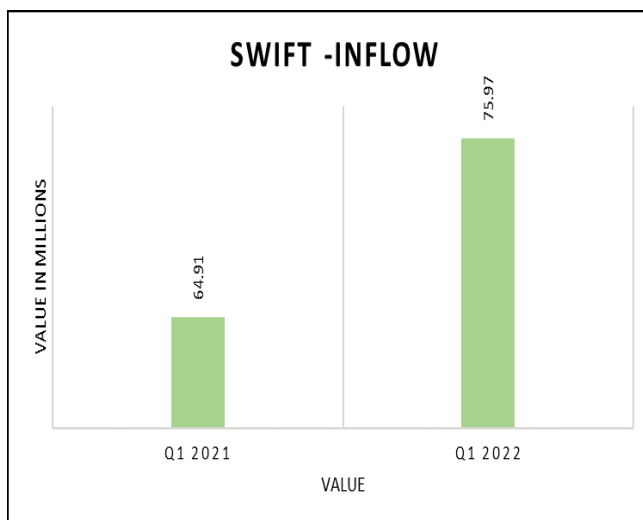
Graph 23: Member Bank SWIFT Transaction (Volume & Value -Q1 2021 and Q1 2022)



In this quarter, the SWIFT transactions have recorded **6,624** transactions. However, there was a decreased of 15.65% by volume.

The highest transacted currency is US Dollar with **5,612** transactions followed by EURO with **424** transactions and Singaporean Dollar with **151** transactions.

During the first quarter 2022, both SWIFT inflow and outflow have increased by 17.05% and 113.93% respectively as compared to same quarter previous year.

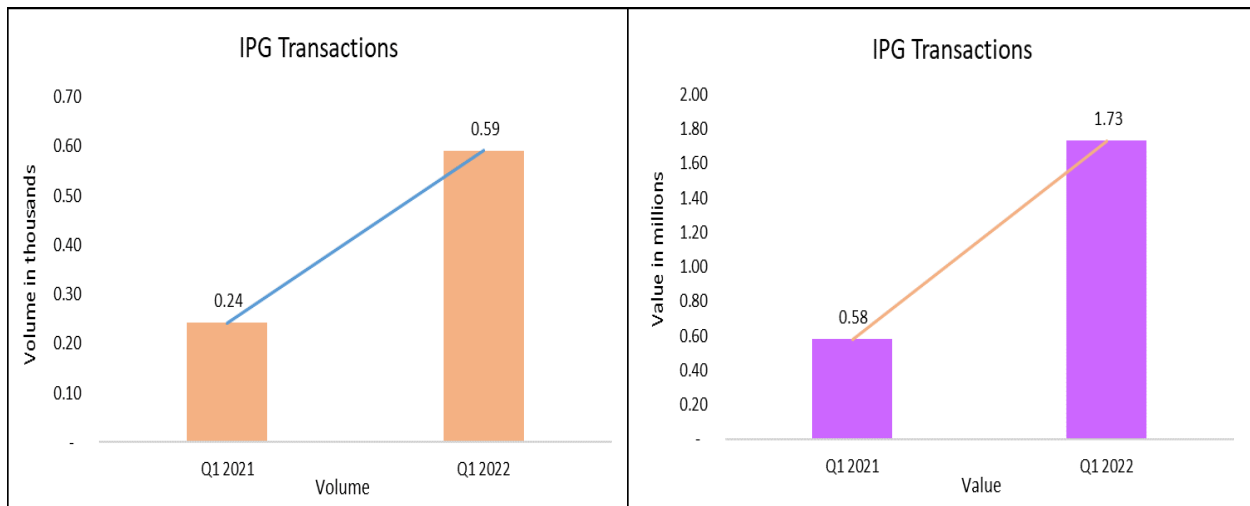




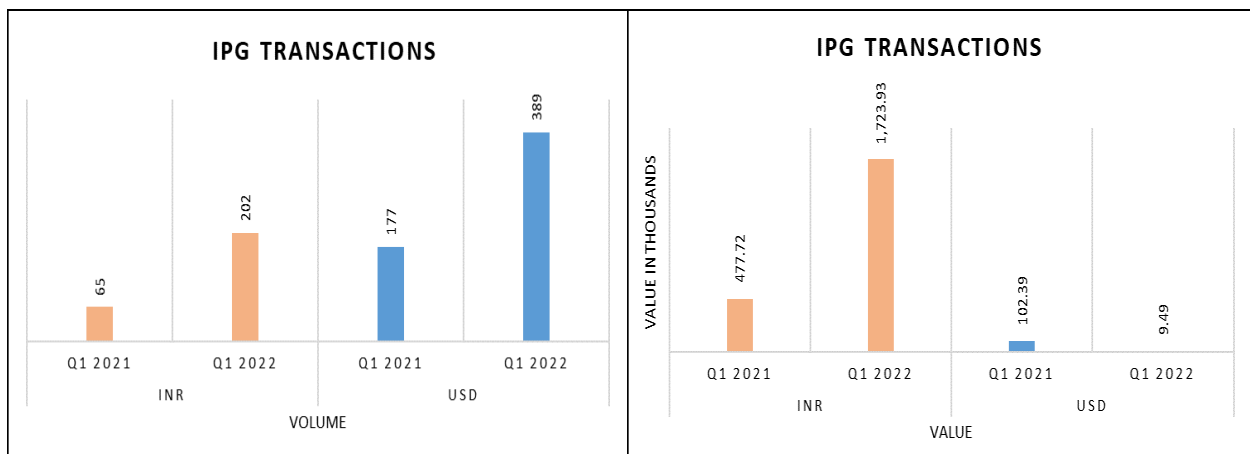
## b) International Payment Gateway (IPG)

The International Payment Gateway (IPG) is a platform to acquire card payment made in USD and INR. There was a total of **591** transactions of value **\$9,488.41** and INR 1.72 million transacted in the first quarter 2022.

**Graph 24: IPG Transaction (Volume & Value -Q1 2021 and Q1 2022)**



During the first quarter 2022, 25 merchants have registered in the International Payment Gateway Platform. IPG transactions saw an increase of 144.21% by volume and an increase of 198.81% by value as compared to the same quarter of the previous year.



The USD transactions has increased significantly in terms of volume by 119.77% but the value has decreased by 90.73%.

In terms of INR, both the volume and value has increased by 210.77% and 260.86% respectively as compared to the same quarter previous year.

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