

Q3



Quarterly Payment System Report

Q3, 2021

(July – September)

Department of Payment and Settlement Systems.

PREFACE

We are delighted to share the **quarter 3,2021** report. The report highlights the outlook of digital payment channels – in terms of volume, value, usage and users observed in the third quarter (July, 2021 – September, 2021). The reports also show the performance in comparison to the same quarter last year (Q3, 2020).

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 reports on time.

PAYMENT TRANSACTIONS AT A GLANCE
(Q3, 2021)

VOLUME & VALUE OF DOMESTIC PAYMENT
TRANSACTIONS – 2021 Q3 IN FOCUS



*Mobile & Internet
Banking*

31.64 million transactions
amounting to Nu. **93.16**
billion



Bhutan QR Code

10.64 million
transactions amounting to
Nu. **9.99** billion



e-Money

667.35 thousand
transactions amounting
to Nu. **243.22** million



*Domestic Payment
Gateway*

745.46 thousand
transactions amounting
to Nu. **524.77** million

VOLUME & VALUE OF DOMESTIC PAYMENT TRANSACTIONS – 2021 Q3 IN FOCUS



Electronic Fund Transfer

63.40 thousand
transactions amounting
to Nu. **21.28** billion



Card - ATM & POS

0.95 million transactions
amounting to Nu. **3.72**
billion



Cheque

120.36 thousand
transactions amounting
to Nu. **77.16** billion

CROSS - BORDER PAYMENT TRANSACTIONS -2021 Q3 IN FOCUS



Acquirer

371 Transactions
amounting to INR **1.47**
million



Issuer

1.80 thousand
Transactions amounting
to INR **7.35** million



SWIFT

8,423 Transactions



*International Payment
Gateway*

2198 Transactions
amounting to Nu. **0.69**
million

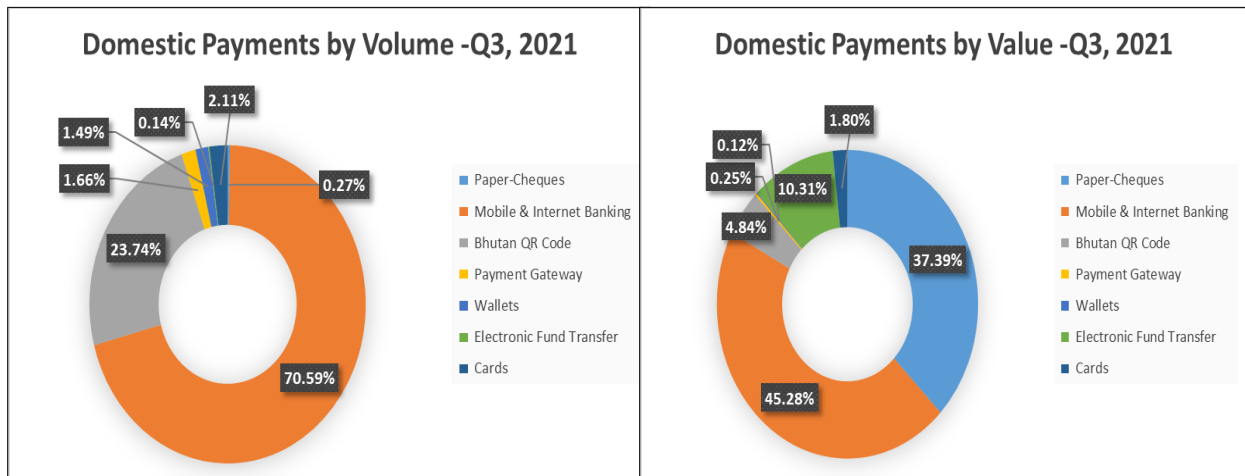
SUMMARY

The payment transactions in Table 1 reports the total transactions made through various payment channels operated by the RMA and the 6 banks at domestic, regional (India), and international (COTI) level from July to September 2021.

Table 1: Payment Transaction Volume & Value – Q3, 2021.

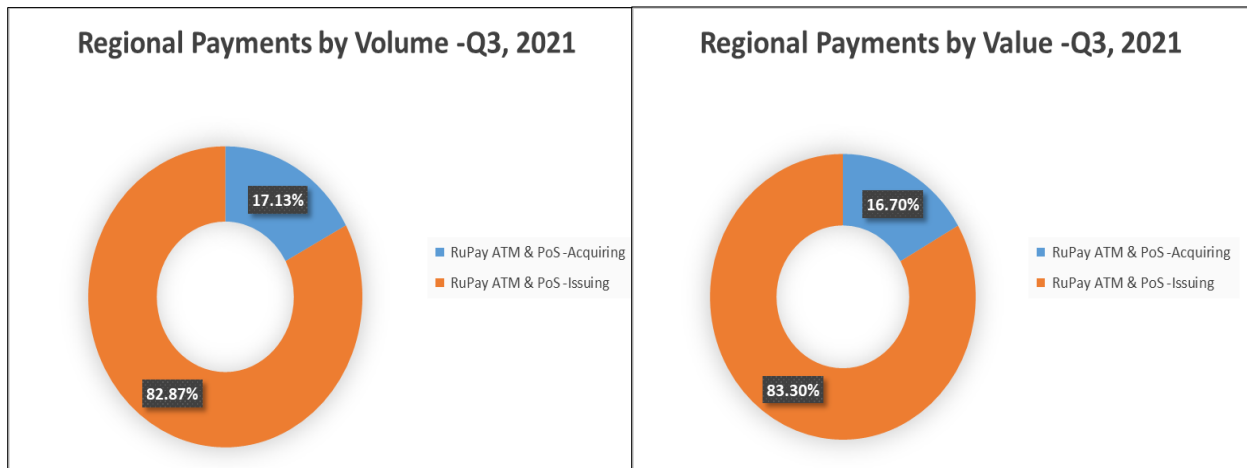
Instrument	Q3, 2020		Q3, 2021		Q3-o-Q3 % change	
	Volume (in thousand)	Value (in million)	Volume (in thousand)	Value (in million)	Volume	Value
Paper-Cheques	106.96	41,290.00	120.36	77,162.41	13%	87%
Mobile & Internet Banking	17,940.00	34,790.00	31,647.17	93,443.08	76.41%	168.59%
Bhutan QR Code	700.99	965.93	10,643.27	9,991.27	1418.32%	934.37%
Payment Gateway	53.42	22.22	745.46	524.77	1295.58%	2262.22%
Wallets	315.21	123.29	667.35	243.22	111.72%	97.27%
Electronic Fund Transfer	40.28	10780	63.40	21,281.07	57.38%	97.41%
Cards	1,508.53	5,079.35	945.52	3,720.94	-37.32%	-26.74%
PoS	3.15	10.65	0.38	1.65	-88.10%	-84.52%
Domestic Payments	20,668.54	93,061.44	44,832.91	206,368.41	116.91%	121.76%
RuPay ATM & PoS -Acquiring	0.85	3.45	0.37	1.47	-56.15%	-57.28%
RuPay ATM & PoS -Issuing	-	-	1.80	7.35	-	-
Regional Payments	0.85	3.45	2.17	8.83	156.03%	155.83%
SWIFT -Inflow	6.86	81.33	8.42	76.48	22.87%	-5.97%
SWIFT -Outflow		82.86		149.55		80.49%
International Payment Gateway (IPG)	0.56	0.35	2.20	0.69	290.41%	95.53%
Intenational Payments	7.42	164.55	10.62	226.73	43.18%	37.79%

Domestic payments recorded a total of **44.83 million** comprising of intra and interbank domestic transactions worth **Nu.206.37 billion** during the 3rd quarter, 2021. It is an increase of 116.91% by volume and 121.76% by value compared to the same quarter last year.

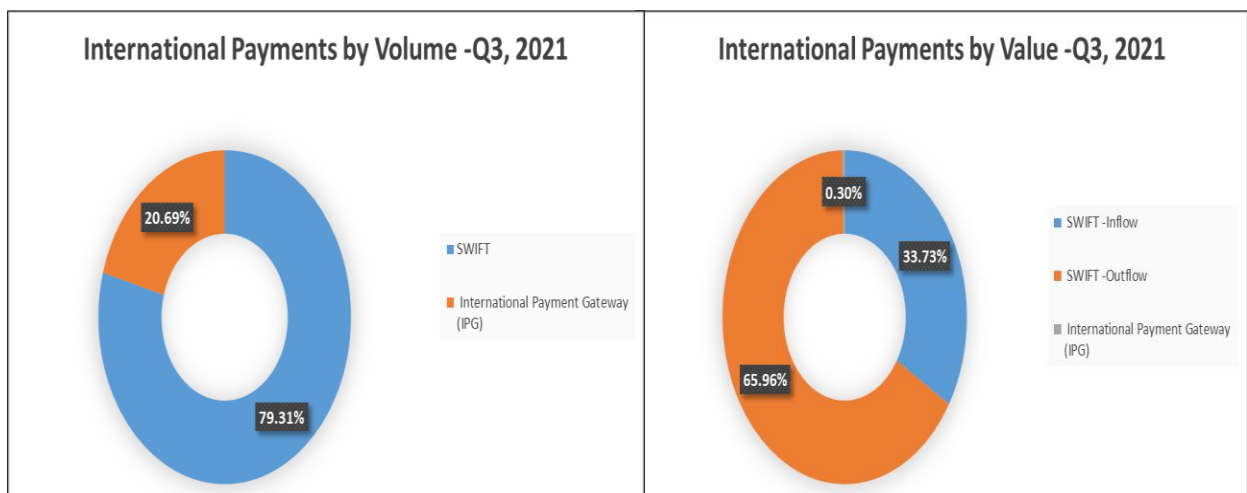


The increase is mainly contributed by increased usage of QR scan at the merchants and payment gateway for online sites. Further, the report includes transaction of an additional bank- Digital Kidu which offers all digital banking services and commenced its operations from February 2021.

Regional payments include RuPay card transactions through the ATM and PoS terminal in India and Bhutan. During the 3rd quarter, a total of **2,166** Regional payments of **Nu. 8.83 million** were transacted of which 17.13% constitute acquiring transactions and 82.87% Issuing transactions.



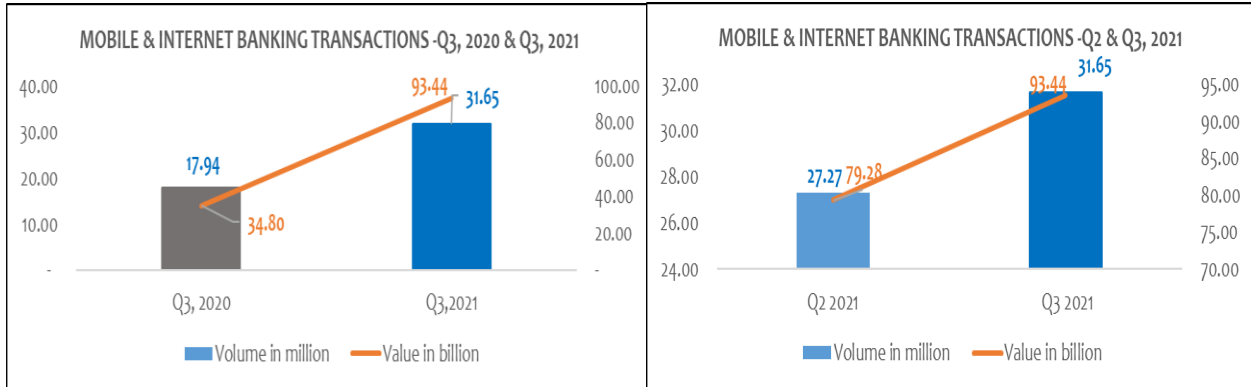
International payments contain the SWIFT and International Payment Gateway (IPG) transactions made from the banks. During the 3rd quarter 2021, international payments gateway recorded **10,621** transactions of value **226.73 million**. While, the SWIFT recorded a total of 8,423 transactions, which is however a decrease of 5.97% in inflow and increase of 80.49% in outflow when compared to the same quarter last year.



DOMESTIC PAYMENT TRANSACTIONS (Q3, 2021)

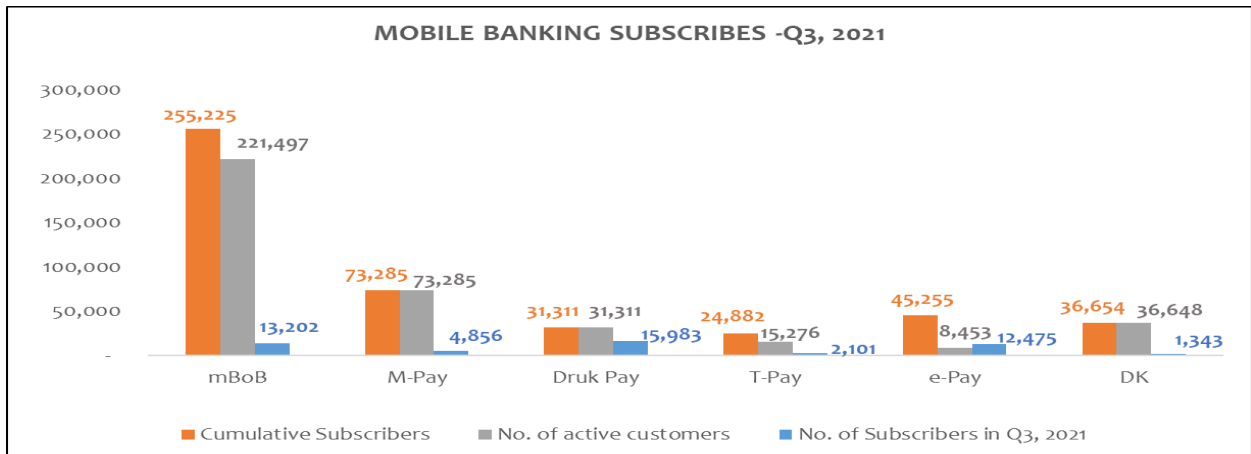
a) Mobile Banking and Internet Banking

Graph 1: Mobile and Internet Banking Transaction Volume & Value -Q3,2021



During the 3rd quarter 2021, **31.65 million** transactions worth **Nu. 93.44 billion** were processed using the banks mobile banking app. When compared to the same quarter last year, it is an increase of 76.41% and 168.59% by volume and value respectively while the quarter-to-quarter growth is 16.05% and 17.86% only.

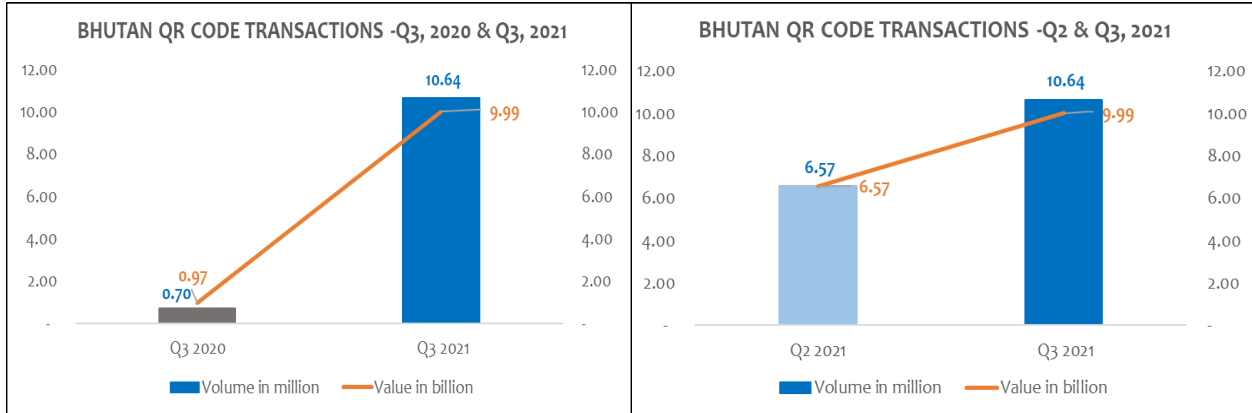
Graph 2: Mobile Banking Subscribers -Q3,2021



From July to September 2021, 49,960 new users subscribed to use the mobile banking apps making the total number of mobile banking subscribers to 466,612 as of reporting date. Out of the total, 83 percent (386,470) are recorded to be active users. The detailed bank wise subscription during the 3rd quarter, 2021 are shown above in the graph 2.

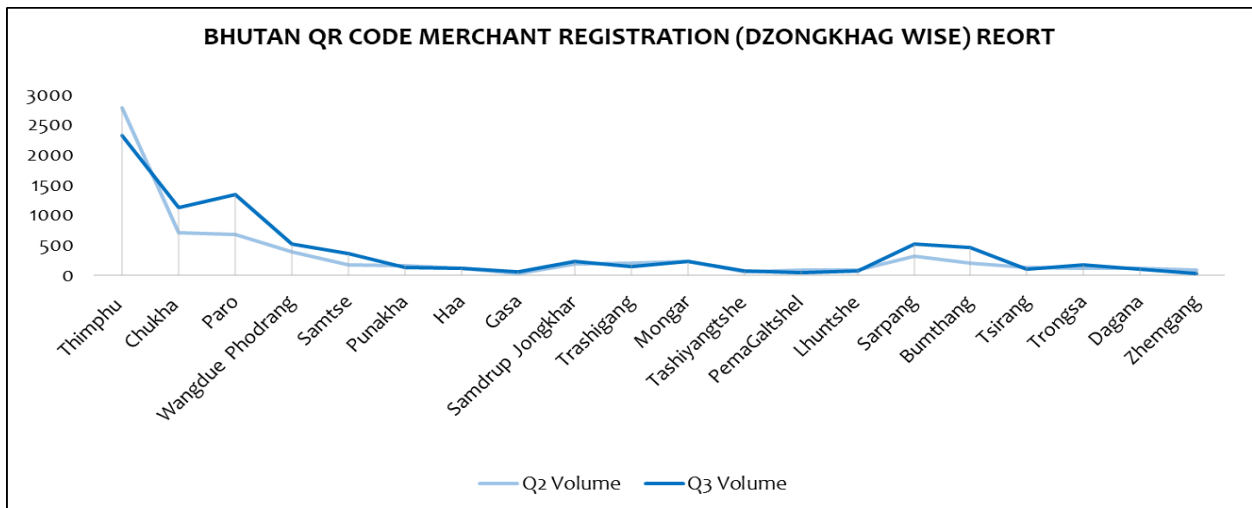
b) Mobile Banking –Bhutan QR Code

Graph 3: QR Payment Transactions Volume & Value -Q3,2021



A total of **10.64 million** transactions of value **9.99 billion** were transacted as of the 3rd quarter 2021, equivalent to 25% of the mobile banking transactions. The significant increase in the transactions when compared to previous quarter is because of launch of Bhutan QR by the RMA in July 2021 which enables interoperable use of common codes issued by member banks. The quarter-to-quarter depicts an increase of 62.11% by volume and 52.15% by value indicating an upward trajectory in its usage by the individuals for making payments at the merchants.

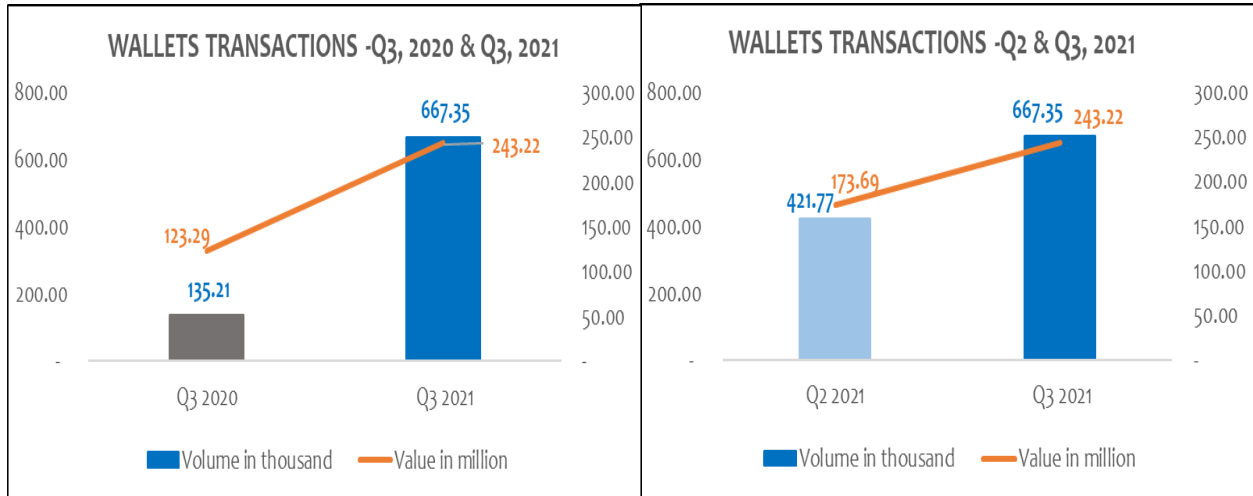
Graph 4: QR Merchant registration (Dzongkhag wise) -Q3,2021



During the 3rd quarter, the banks have onboarded **8,184** new merchants, with that the total QR issued till now is 35,514. It is an increase of **19.49%** compared to the previous quarter. The Bhutan QR code registration has increased in Paro, Chukha, Wangdue Phodrang, Sarpang and Bumthang Dzongkhags compared to the previous quarter. On the other hand, there is a drop in Thimphu Dzongkhag during this quarter. The highest issuance is still Thimphu Dzongkhag as shown below in the graph 5, owing to the maximum merchant base.

c) Wallets

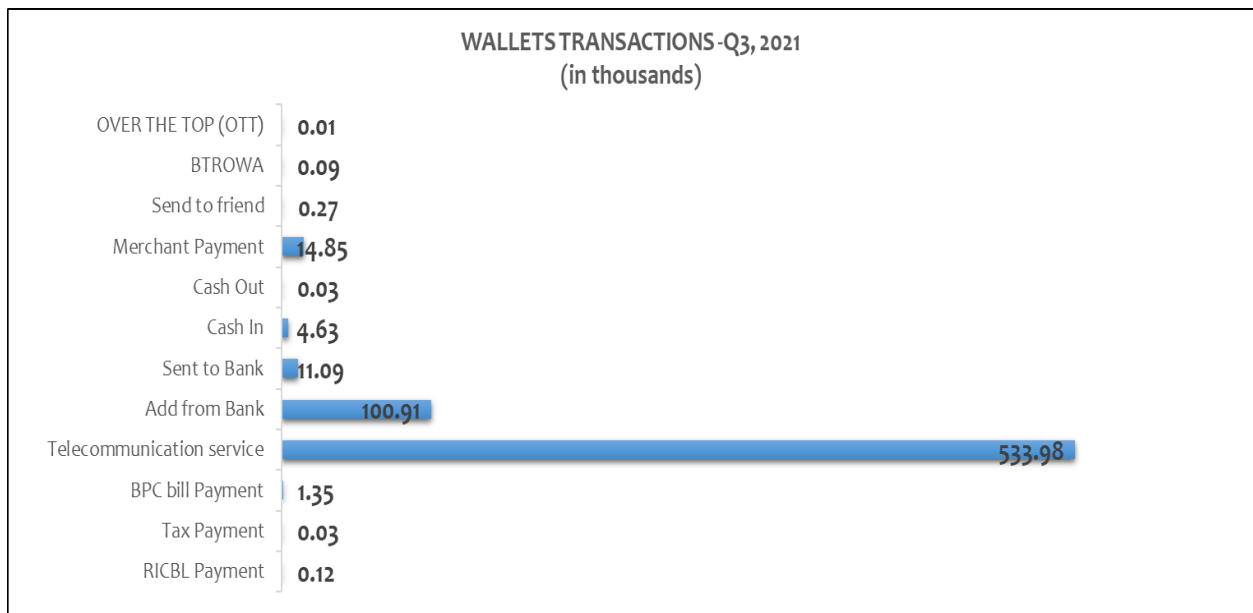
Graph 5: Wallets Transaction Volume & Value -Q3,2021



A total of **667,354** number of transactions worth **Nu. 243.22** million were transacted through the wallets during the 3rd quarter 2021. Wallet transactions of the telecoms have significantly increased by 111.72% and 97.27% by value compared to the same quarter last year. The significant increase was seen in send to friend, telecommunication and merchant payment through the wallets.

Similarly in comparison to last quarter 2021, It has an increase of 58.23% by volume and 40.03% by value. The maximum transactions were transacted in the Telecommunication service, add from bank and merchant payments as shown below in the graph 7.

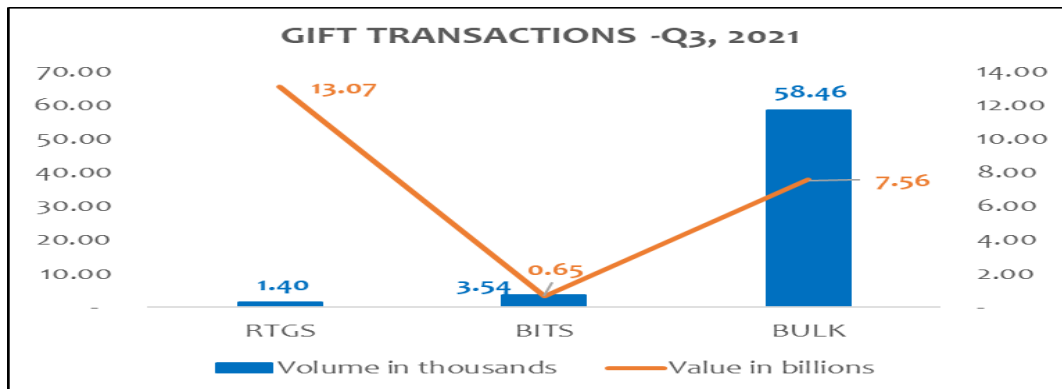
Graph 6: Wallets Transactions -Q3,2021



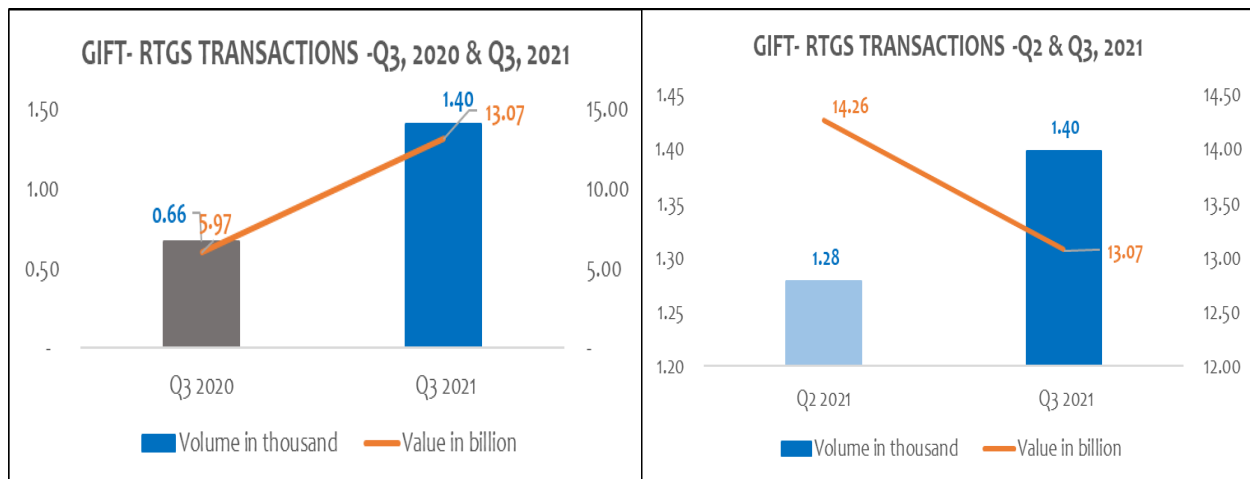
d) Electronic Fund Transfer -GIFT

During 3rd quarter, there were **63,397** transactions amounting to **Nu. 21.28 billion**. With that, the total GIFT transactions in the 3rd quarter 2021 have increased by 57.38% by volume and 97.41% by value compared to same quarter last year. Likewise in comparison to the previous quarter 2021, it has increased by 47.81% and 1.97% by volume and value respectively. The maximum volume was received in the BULK settlement while highest value was from RTGS settlement as shown below.

Graph 7: GIFT Transaction Volume & Value -Q3,2021



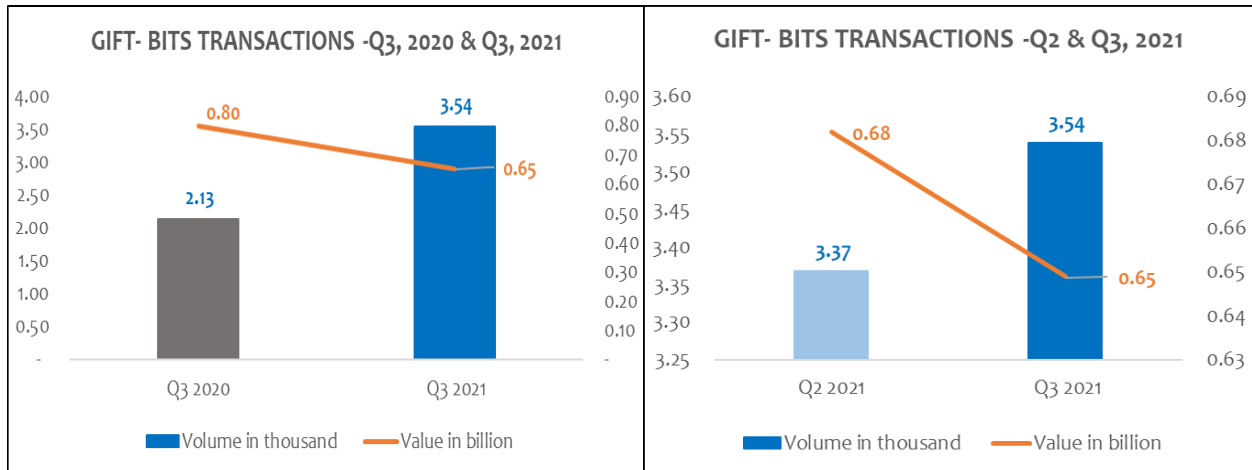
Graph 8: GIFT (RTGS) Transaction Volume & Value -Q3,2021



GIFT RTGS allows real time fund transfer above Nu. 1m. During the 3rd quarter 2021, **1,398** transactions worth **Nu.13.07 billion** were transacted which is an increase in the volume by 111.82% but the value has decreased by 118.92% compared to the same quarter last year.

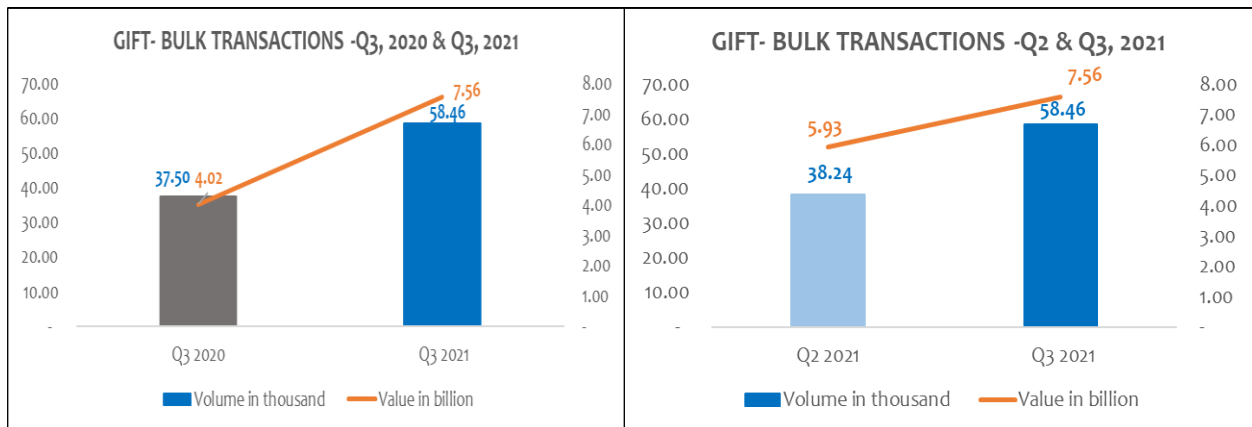
Also, in comparison to the 2nd quarter this year, the RTGS transactions has increased by 9.39% in Volume while the value has decreased by 8.34%.

Graph 9: GIFT (BITS) Transaction Volume & Value -Q3,2021



GIFT BITS permits the users to transfer funds below Nu. 1m in the batch settlement (10 transactions in a batch) in every 30 minutes. There are **3,538** transaction worth **Nu. 648.93 million** transacted in the 3rd quarter 2021. It is an increase of 66.49% by volume and decrease in the value by 18.45% compared to the same quarter last year. Also compared to the previous quarter 2021, volume has increased by 5.08% and value has decreased by 4.81%.

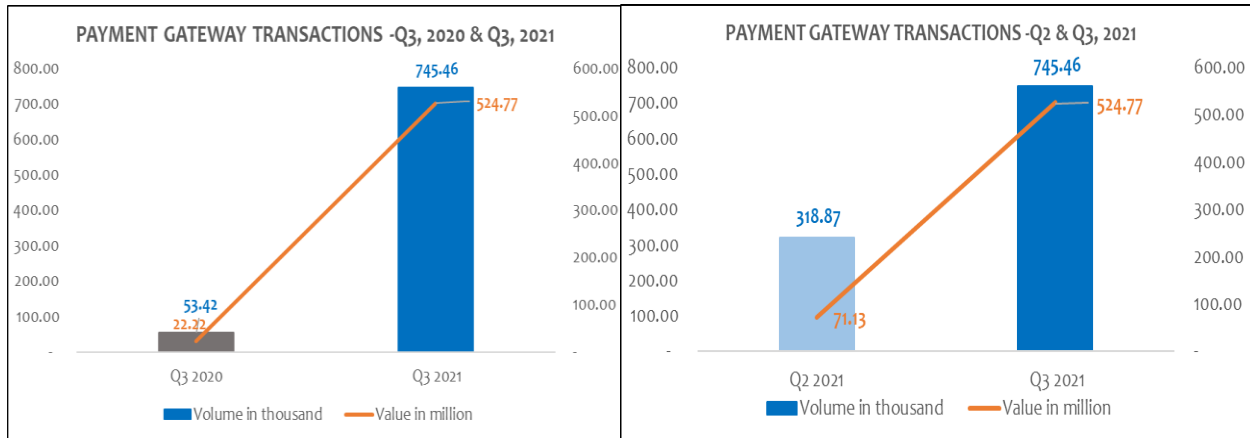
Graph 10: GIFT (BULK) Transaction Volume & Value -Q3,2021



Likewise, **GIFT BULK** allows single debit and multiple credits for the users. In 3rd quarter 2021, there are **58,461** BULK transactions amounting to **Nu.7.56 billion**. It is an increase both in terms of volume and value by 55.91% and 88.28% respectively compared to the same quarter last year. Also, compared to previous quarter this year, BULK transactions have increased both in volume and value by 52.87% and 27.55% respectively. The maximum transactions were observed during the August month.

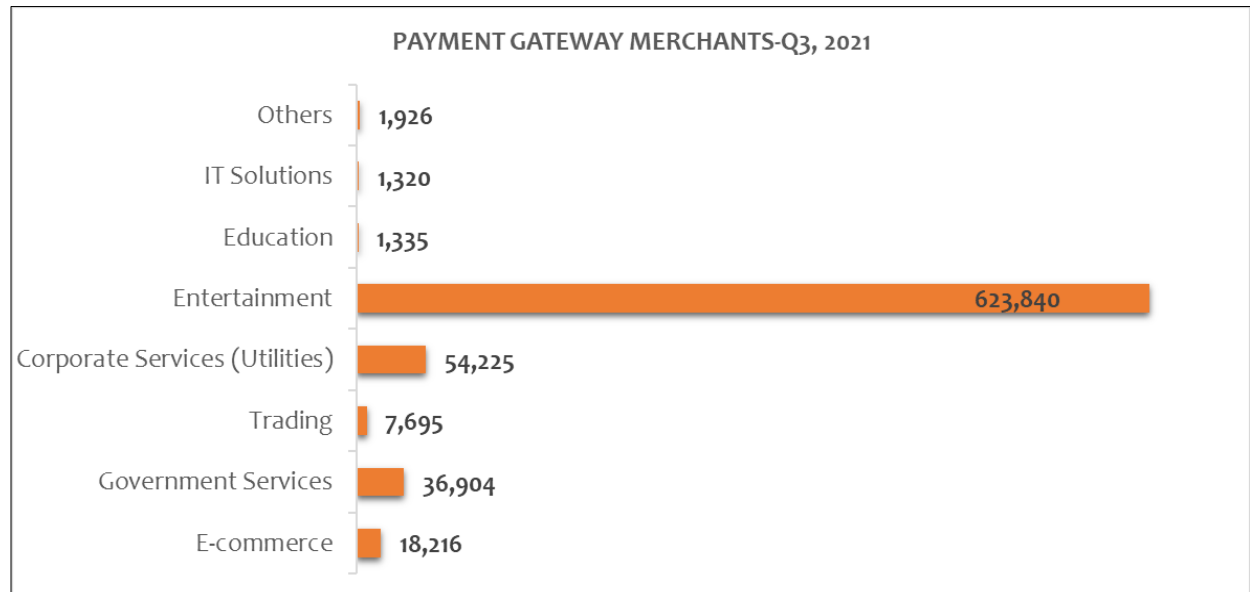
e) Domestic Payment Gateway

Graph 11: Payment Gateway Transactions Volume & Value -Q3,2021



Domestic Payment gateway is a merchant service provided by RMA for the direct payment processing for e-commerce, government services and corporate utilities. During this quarter, **745,461** transactions amounting to **Nu.524.77** million were transacted. The PG transactions have gained popularity in 2021 with the significant growth compared to the same quarter last year. In terms of quarter-to-quarter growth, both the volume and value has increased by 133.79% and 637.81% respectively

Graph 12: Domestic PG Users -Q3,2021

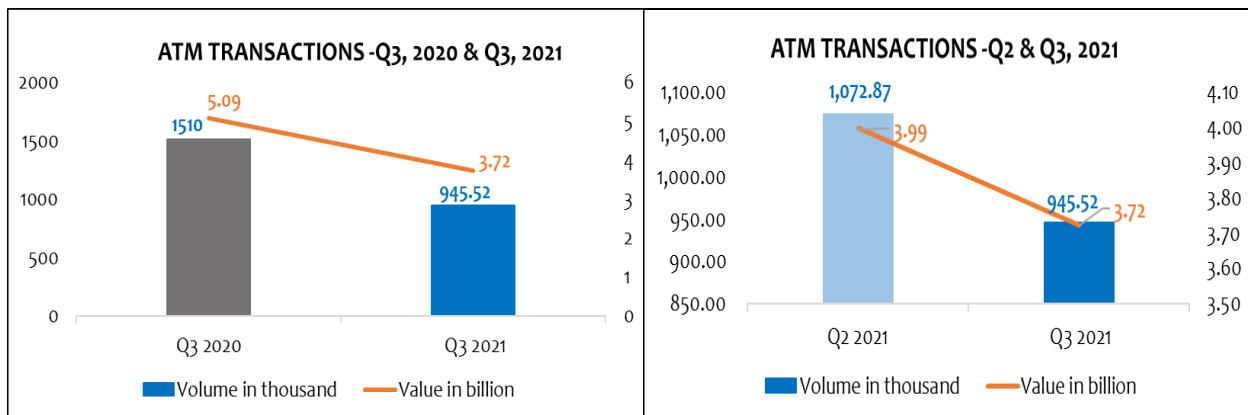


There are a total of **65** registered merchants in the domestic PG portal as of September 2021, out of which 46 are active while 19 are dormant this year. The highest domestic PG transactions in the third quarter is recorded in the entertainment category followed by Government services -G2C Payment aggregator and e corporate utilities services category.

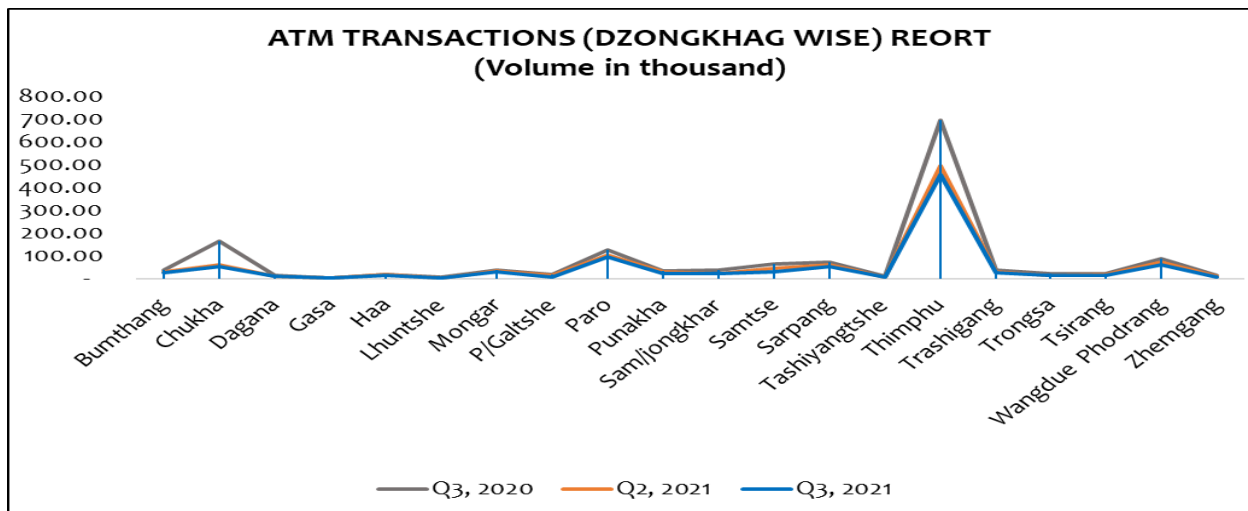
f) Cards – ATM & PoS

The cards payments refer to cash withdrawal/transactions from ATM and PoS terminals in the country using domestic ATM cards. In 3rd quarter 2021, a total of **0.95 million** transactions worth **Nu.3.72 billion** were transacted. Unlike other payment instrument, we are observing decreasing trend for card payments. In terms of volume the percentage has decreased by 37.32% and the value has decreased by 26.74% compared to the same quarter last year. Also, decrease of 11.87% by volume and 6.86% by value compared to the previous quarter (Q2, 2021).

Graph 13: ATM Transaction Volume & Value -Q3,2021

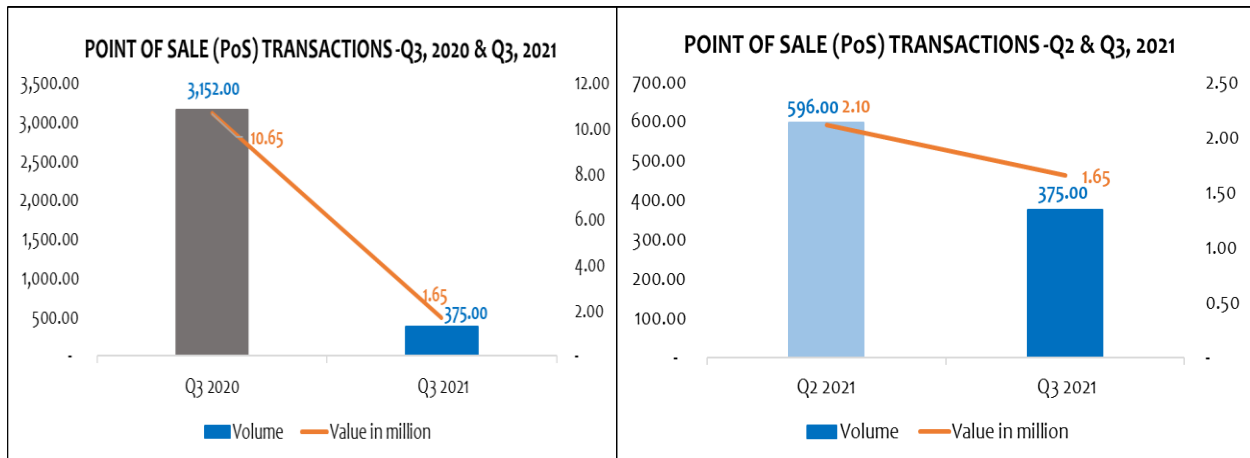


Graph 14: ATM Transaction Dzongkhag Wise -Q3,2021



In the 3rd quarter 2021, there is a significant decline in ATM transactions of Thimphu and Chukha Dzongkhags, a slight decline in Samtse, Paro and Wangdu Phodrang Dzongkhags compared to the same quarter last year. And in comparison, to the previous quarter (Q2, 2021) and this quarter, the ATM transactions has decreased slightly. The maximum domestic withdrawal is still in Thimphu Dzongkhag.

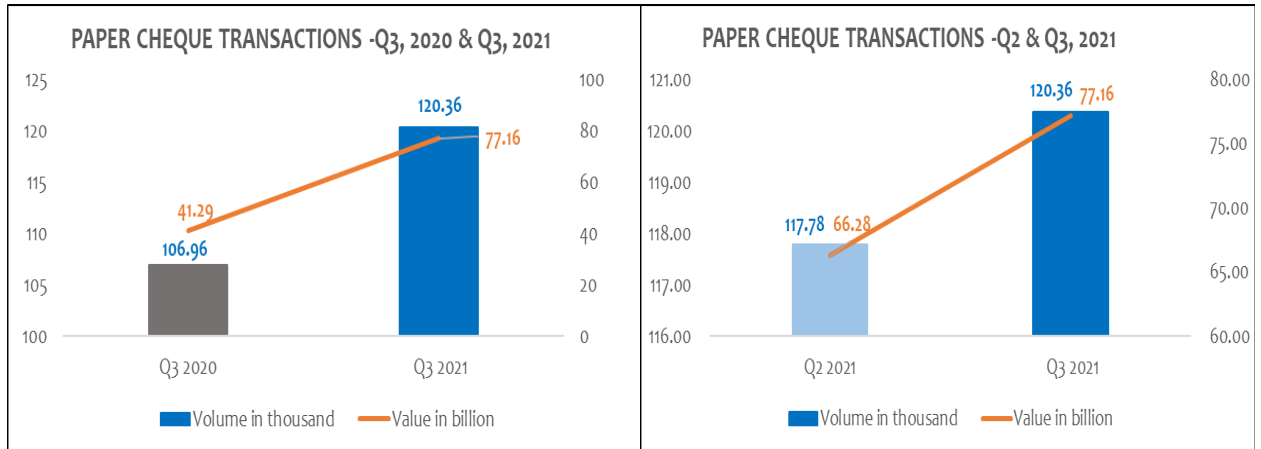
Graph 15: PoS Transaction Volume & Value -Q3,2021



The domestic PoS transactions have recorded only 375 transactions of value Nu.1.65 million, it is a decreased by 88.10% and value by 84.52% compared to the same quarter last year. Likewise, in comparison to 2nd quarter this year, the transactions have decreased by 37.08% and value by 21.64%.

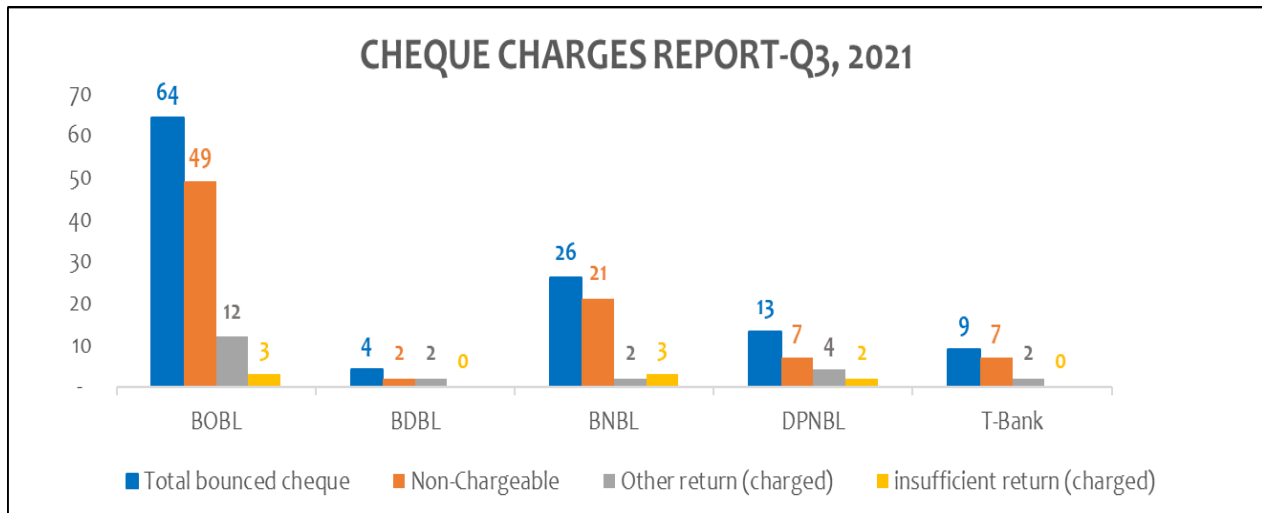
g) Paper Cheque

Graph 16: Paper Cheque Transaction Volume & Value -Q3,2021



Cheque payments are still observed to be used for making large value payments in the country. A total of **120,360** cheques worth **Nu. 77.16 billion** was recorded in 3rd quarter 2021. It is an increase of 12.53% by volume and 86.88% by value compared to the same quarter last year. While in comparison to the previous quarter (Q2, 2021), there is also a slight increase of 2.19% by volume and 16.43% by value.

Graph 17: Bounced cheque report -Q3,2021

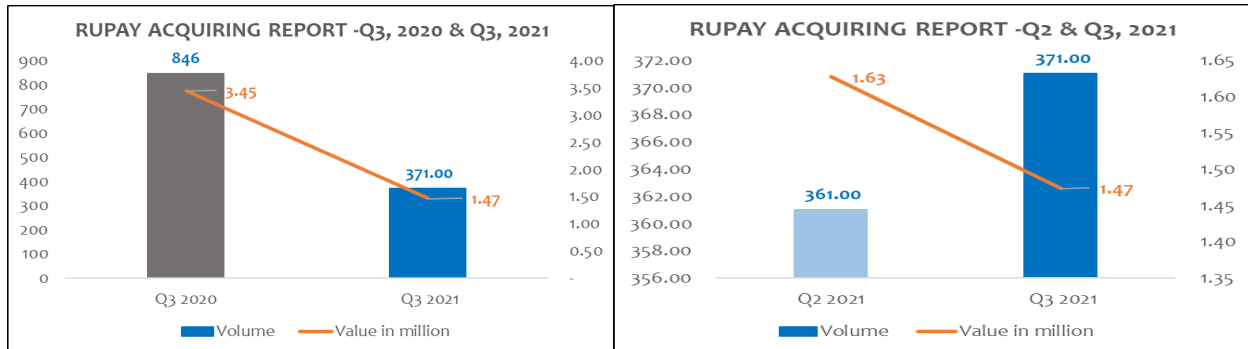


During the 3rd quarter, a total of 116 cheques were bounced out of which, 8 cheques were charged to the customer for their insufficient balance and 22 cheques were charged to the banks for their failure to do the due diligence. The maximum number of cheques was returned for invalid account number, cheque 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 DIGITAL PAYMENT TRANSACTIONS (Q3,2021)

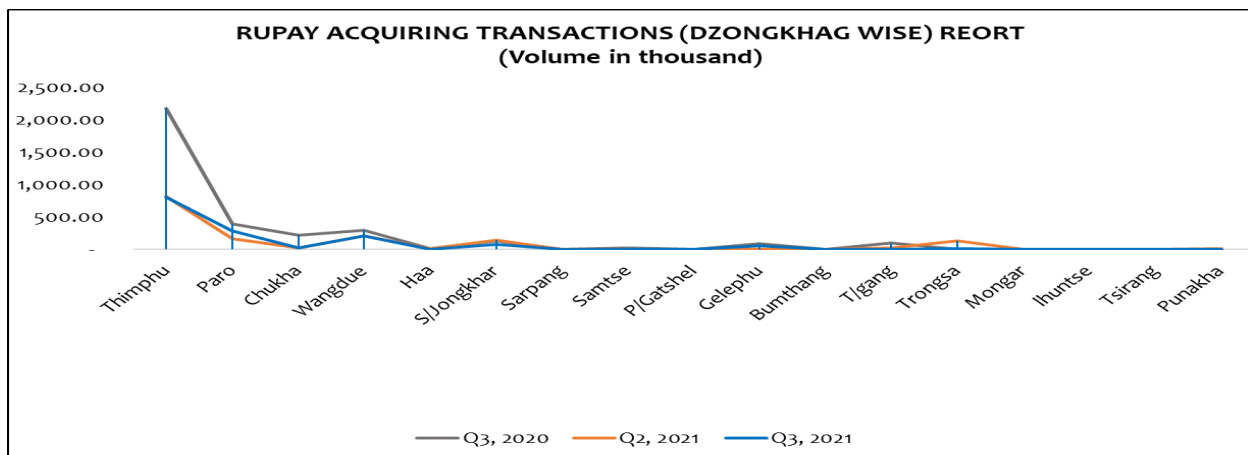
a) RuPay Acquiring

Graph 18: RuPay Acquiring Transaction Volume & Value -Q3,2021



RuPay Acquiring allows Indian nationals to withdraw cash and make payment through all the ATM and PoS terminal in Bhutan. During 3rd quarter 2021, it has recorded **371** transactions worth **Nu. 1.47 million**, a decrease of 56.15% by volume and 57.28% by value compared to the same quarter last year. However, in comparison to the 2nd quarter this year, the volume has increased slightly by 2.77%

Graph 19: RuPay Acquiring Transaction Value (Dzongkhag wise) -Q3,2021

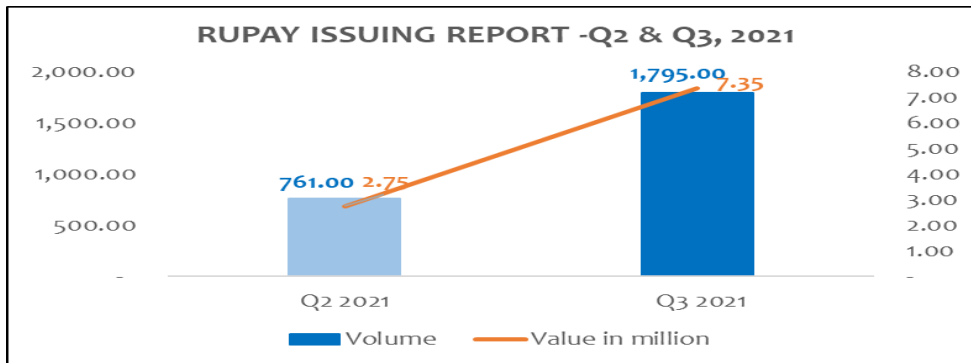


There is a sharp decline in the RuPay ATM acquiring with the withdrawal drop in Thimphu, Paro, Chukha and Wangdue Phodrang dzongkhags in this quarter compared to the same quarter last year. And compared to the previous quarter (Q2, 2021), the transactions have slightly increased in Paro and Gelephu, while Trongsa and Samdrup Jongkhar has dropped. The maximum withdrawal is still in Thimphu Dzongkhag.

b) RuPay Issuing

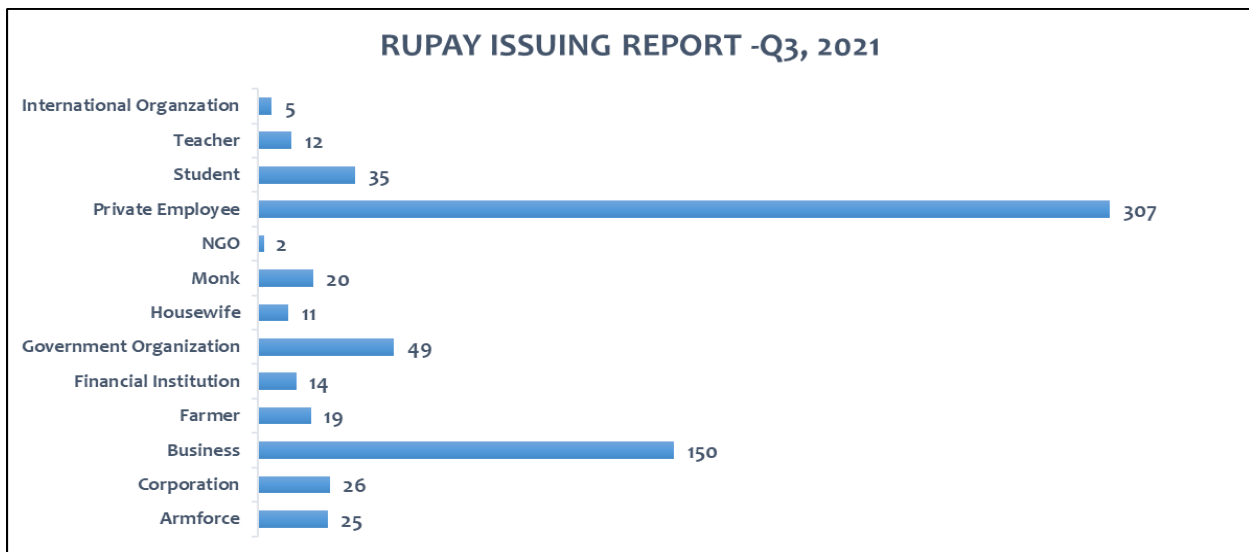
RuPay Issuing launched in November 2020, allows Bhutanese nationals to withdraw cash and make payment through all the ATM and PoS terminal in India. Currently Bhutan National Bank Ltd. is the only issuing bank in Bhutan.

Graph 20: RuPay Issuing Transaction Volume & Value -Q3,2021



In the 3rd quarter, there is **1,795** transactions worth **Rs.7.35 million**. Therefore, it is an increase of 135.87% increase by volume and 167.14% by value compared to the previous quarter.

Graph 21: RuPay Card Issuance (BNBL) -Q3,2021

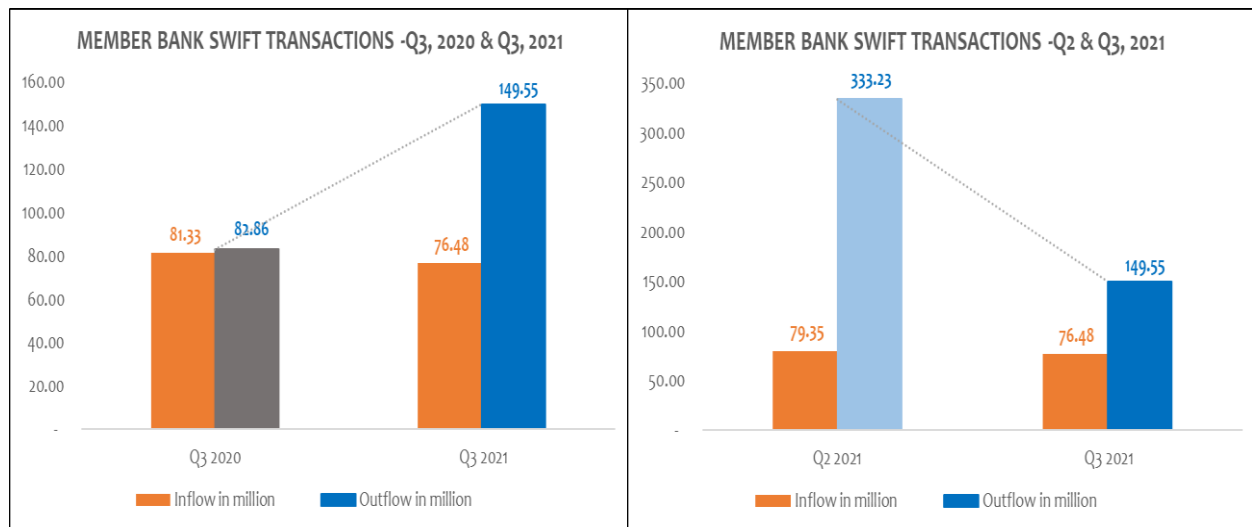


As of September 2021, total of 2,852 cards were issued of which **675** were issued in this quarter. The highest issuance was to the private employees followed by businesses and Government organizations.

INTERNATIONAL DIGITAL PAYMENT TRANSACTIONS (Q3,2021)

a) SWIFT Transactions through the banks

Graph 22: Member Bank SWIFT Transactions Volume & Value -Q3,2021



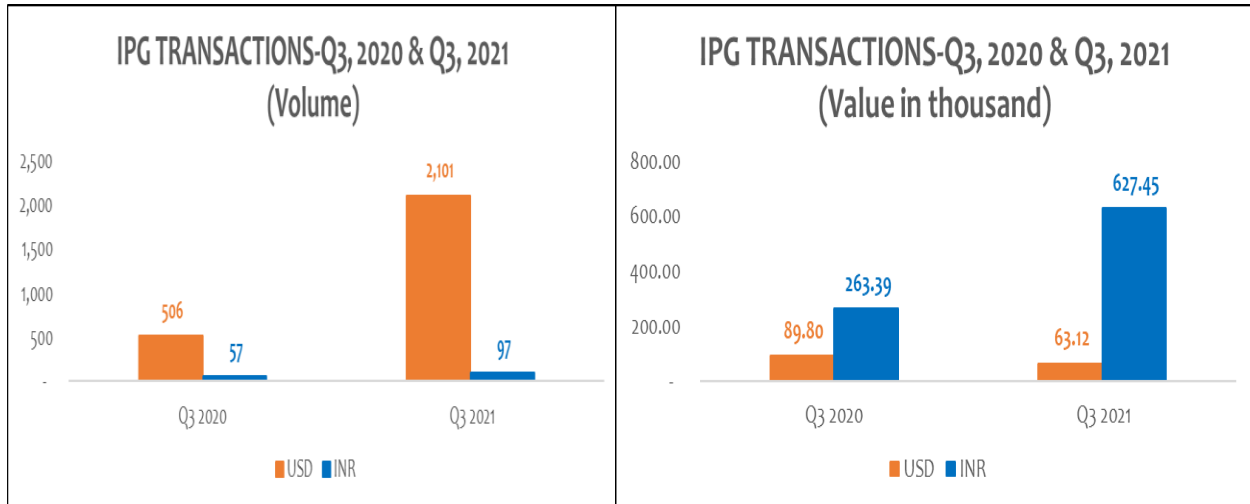
In this quarter, the transactions done through SWIFT have increased by 22.87% compared to same quarter last. Likewise, it has also increased by 2.28% compared to the previous quarter this year.

In terms of value, the SWIFT inflow has decreased by 5.97% while the outflow has increased by 80.49% compared to the same quarter last year. Likewise compared to 2nd quarter 2021, both inflow and flow has decreased by 3.62% and 55.12% respectively. The top three currencies transacted in the member bank SWIFT system during this quarter are USD, Japanese Yen (JYP) and Euro.

b) International Payment Gateway (IPG)

The International Payment Gateway (IPG) transact USD and INR has a total of **2,198** transaction of value \$63,122.91 and INR 627,454.39 transacted in the third quarter this year.

Graph 23: IPG Transactions Volume & Value -Q3,2021



The volume of the USD transactions has increased significantly by 315.22% but the value has decreased by 29.71%, and in terms of INR, the volume has increased by 70.18% and value by 138.22% compared to the same quarter last year.

There are total of 25 merchants registered in the International Payment Gateway Platform. Under the USD, the maximum transactions both in terms of volume and value are routed in Samuh and Leo Entertainment. The highest number of INR transactions processed in the IPG are Samuh and Songyala, while in terms of value, the highest was routed by Wangchuk Hotel and Bhutan Sprit Sanctuary in the 3rd quarter, 2021.
