

Q4

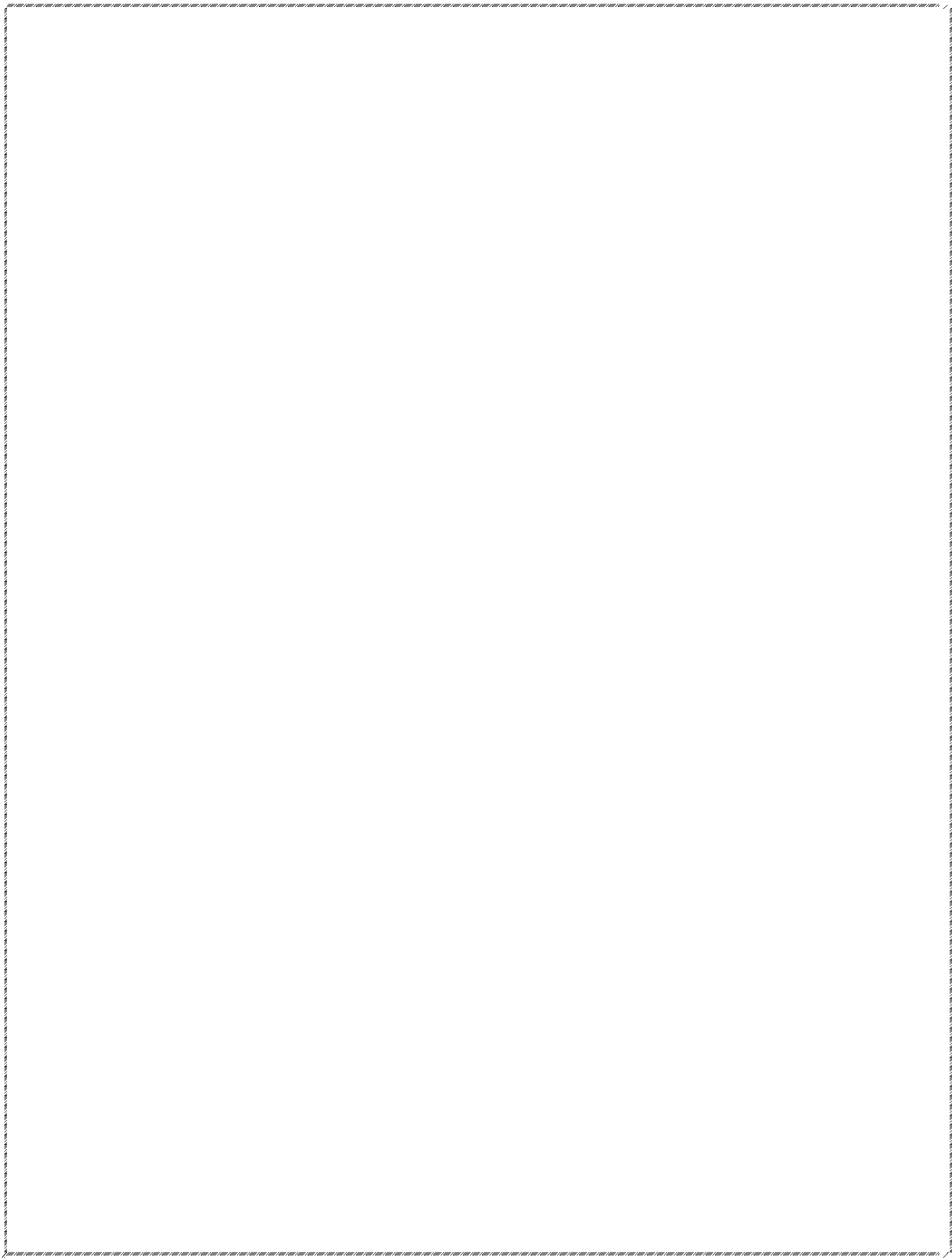


Quarterly Payment System Report

Q4, 2023

(October - December)

Department of Payment and Settlement Systems.



PREFACE

We are delighted to share the **quarter 4, 2023** report. The report highlights the outlook of digital payment channels – in terms of volume, value, usage, and users observed in the fourth quarter (October 2023 – December 2023). The report also shows the performance in comparison to the same quarter of the previous years (2020, 2021 and 2022).

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 (Q4, 2023)

VOLUME & VALUE OF DOMESTIC PAYMENT TRANSACTIONS –2023 Q4 IN FOCUS (In comparison to the same quarter of the previous year)



Mobile Banking

36.42 million transactions (3.14% decrease)
amounting to Nu. 133.14 billion
(11.31% increase)



Internet Banking

21.48 thousand transactions (131.76% increase)
amounting to Nu. 1.41 billion
(177.09% increase)



QR Code Payments

27.11 million transactions (36.28% increase)
amounting to Nu. 24.77 billion
(34.59% increase)



Domestic Payment Gateway

0.84 million transactions (0.67% increase)
amounting to Nu. 1.67 billion
(349.67% increase)

VOLUME & VALUE OF DOMESTIC PAYMENT TRANSACTIONS –2023 Q4 IN FOCUS

(In comparison to the same quarter of the previous year)



Wallets

2.71 million transactions (32.17% increase) amounting to Nu. 767.57 million (31.07% increase)



Bhutan Inter-bank Real Time Fund Transfer

61.19 thousand transactions (16.05% decrease) amounting to Nu. 24.39 billion (7.06% increase)



Card – ATM & POS

558.80 thousand transactions (9.35% decrease) amounting to Nu. 2.96 billion (9.60% decrease)



Cheque

115.94 thousand transactions (6.17% decrease) amounting to Nu. 41.46 billion (14.64% decrease)

VOLUME & VALUE OF REGIONAL PAYMENT TRANSACTIONS – 2023 Q4 IN FOCUS

(In comparison to the same quarter of the previous year)



Acquirer

0.21 thousand
transactions (13.23% increase)
amounting to Nu. **1** million
(97.84% increase)



Issuer

13.14 thousand
transactions (49.27% increase)
amounting to Nu. **78.70** million
(95.68% increase)

VOLUME & VALUE OF INTERNATIONAL PAYMENT TRANSACTIONS – 2023 Q4 IN FOCUS

(In comparison to the same quarter of the previous year)



SWIFT - inflow

9.16 thousand transactions (27.93% increase)
amounting to Nu. 8.46 billion (13.29% increase)



SWIFT - outflow

7.09 thousand transactions (15.37% increase)
amounting to Nu. 11.84 billion (2.39% decrease)



International Payment Gateway

3.14 thousand transactions (73.63% increase)
amounting to Nu. 129.73 million (982.89% increase)



International Card

114.41 thousand transactions (466.61% increase)
amounting to Nu. 653.04 million (557.51% increase)

SUMMARY

The payment transactions in Table 1 report the total transactions made through various digital payment channels operated by the RMA and the 6 banks at the domestic, regional (India) and international levels from October to December 2023. It also shows the comparison of these transactions with the same quarter of the past 3 years.

Table 1: Payment Transaction Comparison – Q4 for 2020, 2021, 2022 and 2023.

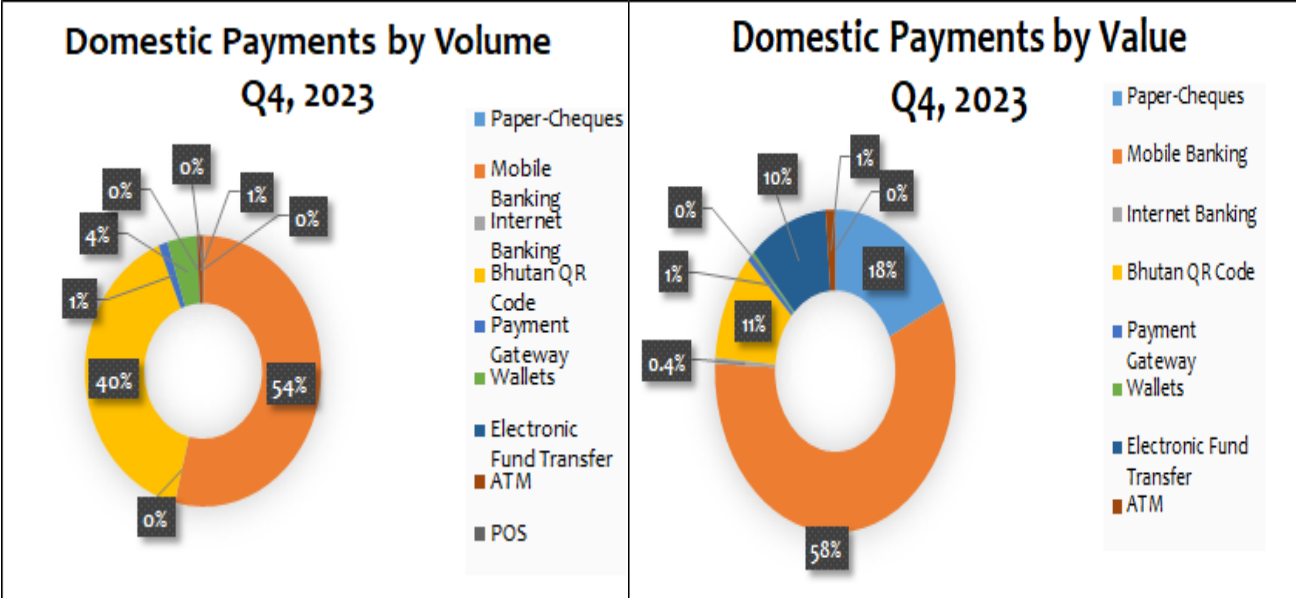
Instrument	Q4 2020		Q4 2021		Q4 2022		Q4 2023		% Change	
	Volume (thousands)	Value (millions)	Volume (thousands)	Value (millions)	Volume (thousands)	Value (millions)	Volume (thousands)	Value (millions)	Volume (thousands)	Value (millions)
Paper-Cheques	127.95	33,075.70	113.99	40,481.22	123.56	48,570.69	115.94	41,459.46	-6.17%	-14.64%
Mobile Banking	22,129.99	52,288.38	33,015.54	105,439.93	37,602.69	119,602.97	36,421.59	133,135.09	-3.14%	11.31%
Internet Banking	2.20	148.58	7.63	436.88	9.27	510.02	21.48	1,413.23	131.76%	177.09%
Bhutan QR Code	2,021.24	2,487.26	13,327.42	12,633.08	19,895.21	18,402.39	27,113.99	24,767.40	36.28%	34.59%
Payment Gateway	106.20	82.90	831.88	264.71	833.67	370.88	839.26	1,667.73	0.67%	349.67%
Wallets	180.05	85.11	1,056.36	368.18	2,049.76	585.64	2,709.15	767.57	32.17%	31.07%
Bhutan Inter-bank Real Time	51.50	17,570.44	68.42	35,870.00	72.89	22,776.24	61.19	24,385.16	-16.05%	7.06%
ATM	1,397.42	4,901.03	823.68	3,436.78	609.02	3,082.47	558.56	2,962.07	-8.29%	-3.91%
POS	0.51	1.37	0.29	1.66	7.41	194.82	0.25	0.61	-96.64%	-99.69%
Domestic Payment	26,016.55	110,639.41	49,244.91	198,930.78	61,196.07	213,901.31	67,841.15	230,557.71	10.86%	7.79%
RuPay ATM & PoS Acquiring	2.43	8.39	0.21	0.49	0.19	0.51	0.21	1.00	13.23%	97.84%
RuPay ATM & PoS Issuing			3.46	12.60	8.80	40.22	13.14	78.70	49.27%	95.68%
Regional Payment	2.43	8.39	3.67	13.10	8.99	40.72	13.35	79.70	48.51%	95.71%
SWIFT - Inflow	9.00	5,269.18	9.28	3,715.80	7.16	7,464.99	9.16	8,457.35	27.93%	13.29%
SWIFT - Outflow		4,447.97		11,969.89	6.14	12,125.24	7.08	11,835.35	15.37%	-2.39%
International Payment Gateway	0.21	1.03	1.02	2.08	1.81	11.98	3.14	129.73	73.63%	982.89%
International Cards					20.19	99.32	114.41	653.04	466.61%	557.51%
International Payments	9.21	9,718.17	10.29	15,687.77	35.30	19,701.54	133.79	21,075.47	279.03%	6.97%

DOMESTIC PAYMENTS

During fourth quarter of 2023, domestic payment recorded an increase of 10.86 percent and 7.79 percent in terms of volume and value respectively. Among the different channels of domestic payment, mobile banking constitutes majority shares by 53.69 percent in terms of volume followed Bhutan QR code with 39.97 percent. For the value transaction, mobile banking and cheque payments constitute the majority of the shares with 57.74 percent and 17.98 percent respectively.

However, PoS transactions constitute the least shares, both in volume with 0.00 percent and value with 0.00 percent for this quarter. This is followed by internet banking with 0.03 percent for transaction volume and wallets by 0.33 percent.

Pie chart 1: Domestic Payment Transaction – Q4, 2023.

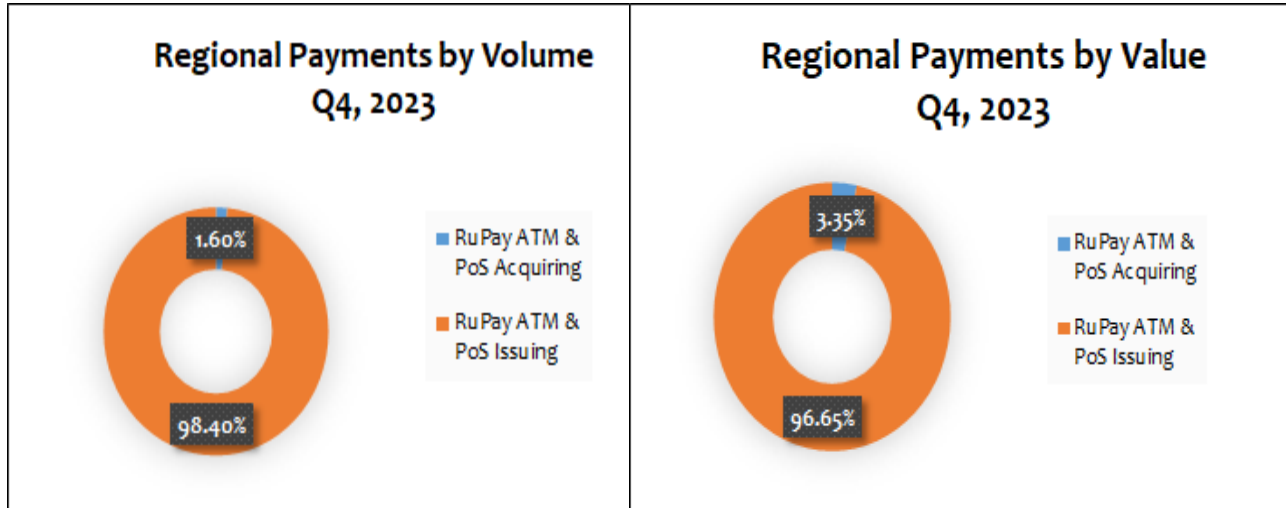


Note: 0.00% corresponds to a volume less than 0.25 thousand and value of Nu. 0.61 million.

REGIONAL PAYMENTS

In the fourth quarter of 2023, RuPay issuing dominates the regional payments by 98.40 percent and 96.65 percent in terms of transaction volume and value. RuPay issuing and acquiring recorded volume of 13.14 thousand and 0.21 thousand respectively. The value for regional payment recorded a total of Nu. 79.70 million.

Pie chart 2: Regional Payment Transaction – Q4, 2023.

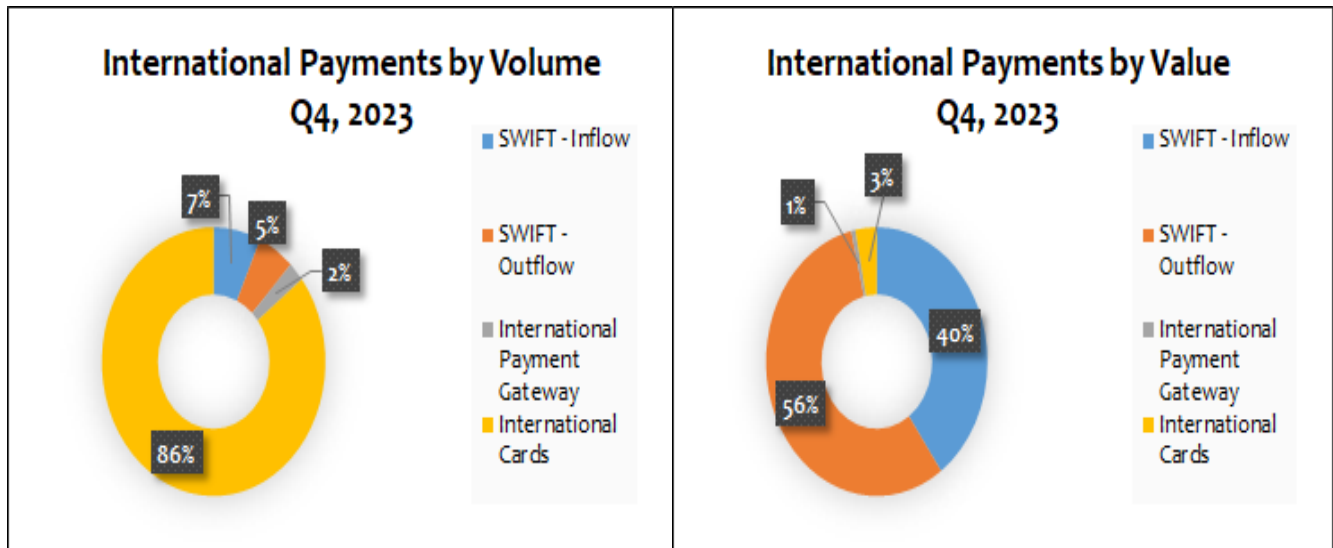


INTERNATIONAL PAYMENTS

The international payment constitutes SWIFT, International Payment Gateway, and International Cards issuing. The transaction volume was recorded at 133.79 thousand, an increase of 279.03 percent compared to the same quarter of the previous year. The international card constitutes the highest share of 85.51 percent followed by SWIFT inflow of percent with 6.84 percent.

In terms of value, Nu. 21.08 billion was recorded which is an increase of 6.97 percent as compared to the same quarter of the previous year. The SWIFT inflow, unlike the transaction volume, SWIFT outflow constitutes the majority share of 56.16 percent and followed by the SWIFT inflow of 40.13 percent.

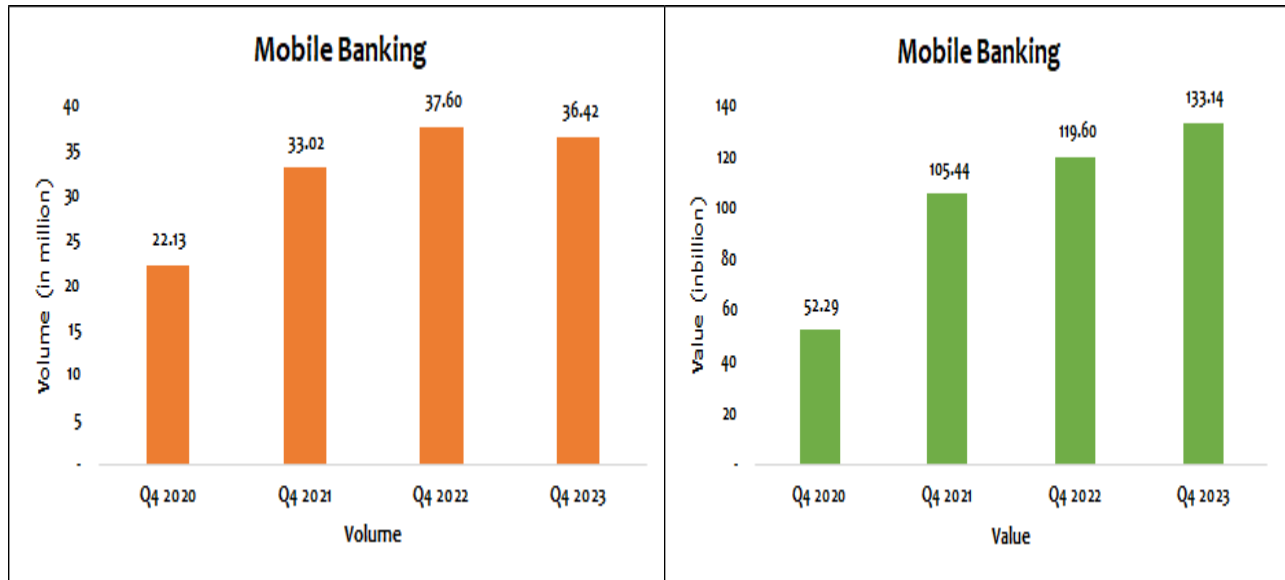
Pie chart 3: International Payment Transaction – Q4, 2023.



DOMESTIC PAYMENT TRANSACTIONS (Q4, 2023)

a) Mobile Banking

Graph 1: Mobile Transaction (Volume & Value -Q4 for 2020, 2021, 2022, and 2023)



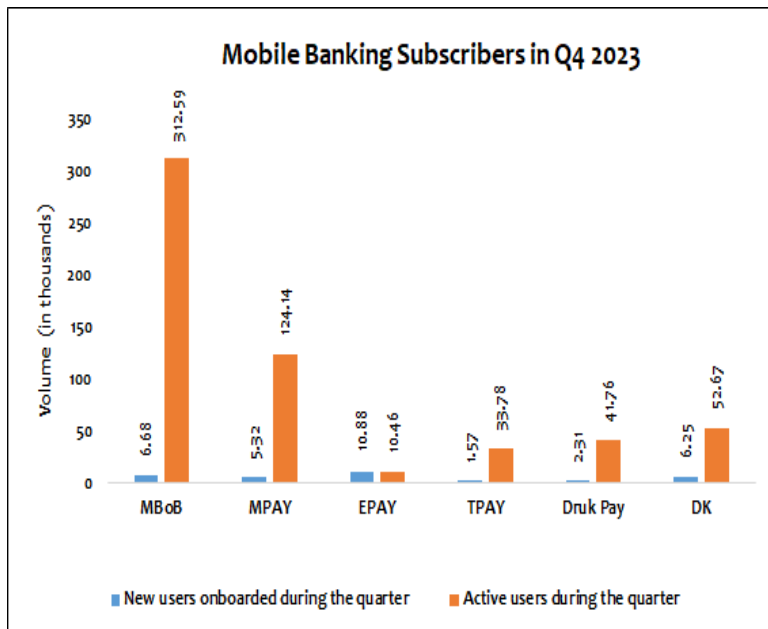
Although the volume of transactions decreased slightly in Q4 2023, the value of transactions increased. This suggests a shift towards higher-value transactions by customers.

The volume of mobile banking transactions has been consistently increasing from Q4 2020 to Q4 2022, with a slight decrease in Q4 2023 by 3.14 percent as compared to same quarter of previous year. There was a significant increase of 49.19 percent from Q4 2020 to Q4 2021 in transaction volume from 22.13 million to 33.02 million. The growth continued, though at a slower rate, in Q4 2022 with an increase of 13.89 percent from 33.02 million to 37.60 million. However, in Q4 2023, there was a small decline of about 3.14 percent in transaction volume from 37.60 million to 36.42 million.

Similar to volume, the value of mobile banking transactions has shown consistent growth over the four quarters. The value has more than doubled, experiencing an increase of about 101.65 percent from Nu. 52.29 billion in Q4 2020 to Nu. 105.44 billion in Q4 2021. The growth rate remained strong, with an increase of approximately 13.43 percent from Nu. 105.44 billion to

Nu. 119.60 billion in Q4 2022. The value continued to rise, with an additional 11.31 percent increase to Nu. 133.14 billion in Q4 2023.

Graph 2: Mobile Banking Subscribers -Q4,2023

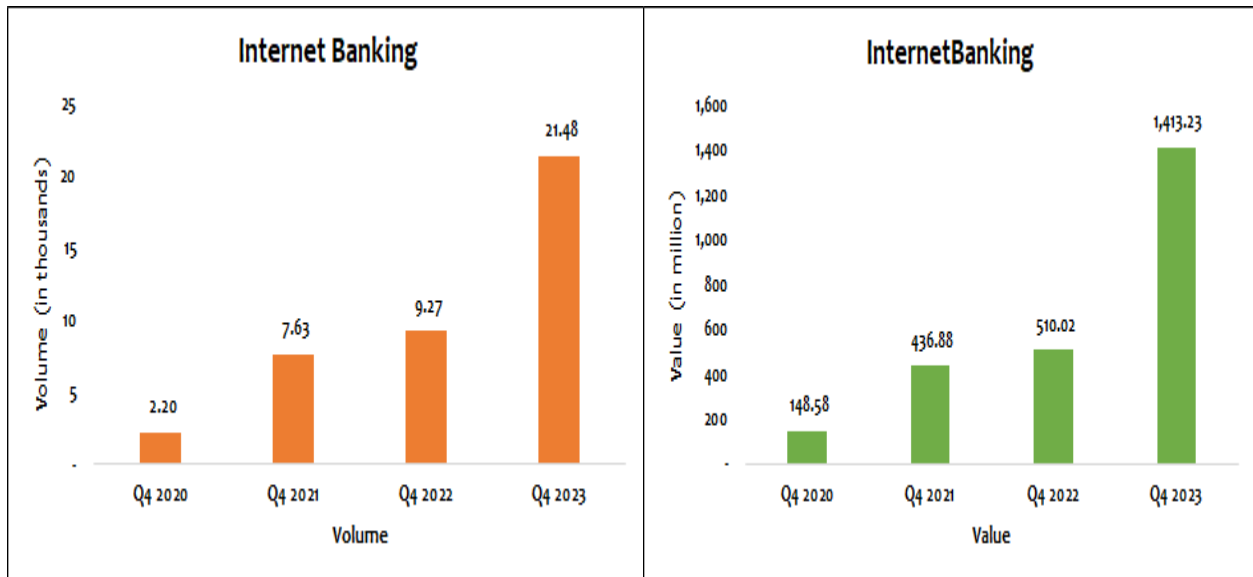


In Q4 2023, **32,992** new users subscribed to the mobile banking apps of six financial institutions.

Consequently, the active users have increased to **575,398** indicating a growth and popularity of different mobile banking platforms in terms of both new user registrations and active user engagement during the quarter.

b) Internet Banking

Graph 3: Internet Banking Transaction (Volume & Value -Q4 for 2020, 2021, 2022, and 2023)



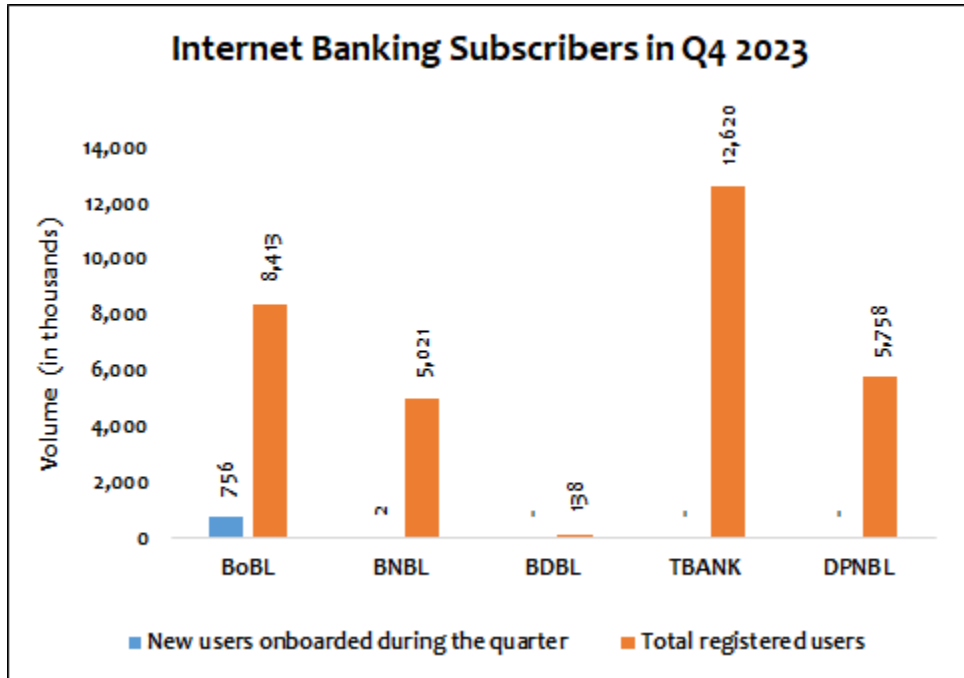
Both transaction volume and value have experienced significant growth during this quarter, indicating a substantial increase in the adoption and usage of internet banking services. The volume of internet banking transactions has shown significant growth over the four quarters.

There was a substantial increase of 247.38 percent in transaction volume from 2.20 thousand in Q4 2020 to 7.63 thousand in Q4 2021. The growth continued, with an increase of about 21.41 percent to 9.27 thousand in Q4 2022 as compared to same quarter of previous year. There was a remarkable surge in transaction volume, experiencing an increase of around 131.76 to 21.48 thousand in Q4 2023.

Similar to volume, the value of internet banking transactions has shown substantial growth over the four quarters. The value in Q4 2021 experienced an increase of 194.03 percent from Nu. 148.58 million in Q4 2020 to Nu. 436.88 million. The growth rate remained strong, with an increase of 16.74 percent to Nu. 510.02 million in Q4 2022. There was a significant surge in value, experiencing an increase of 177.09 percent to Nu. 1,413.23 million during this quarter.

The rapid growth from Q4 2022 to Q4 2023 suggest that internet banking is becoming more widely adopted, potentially reaching new customer segments or gaining market share from other forms of banking.

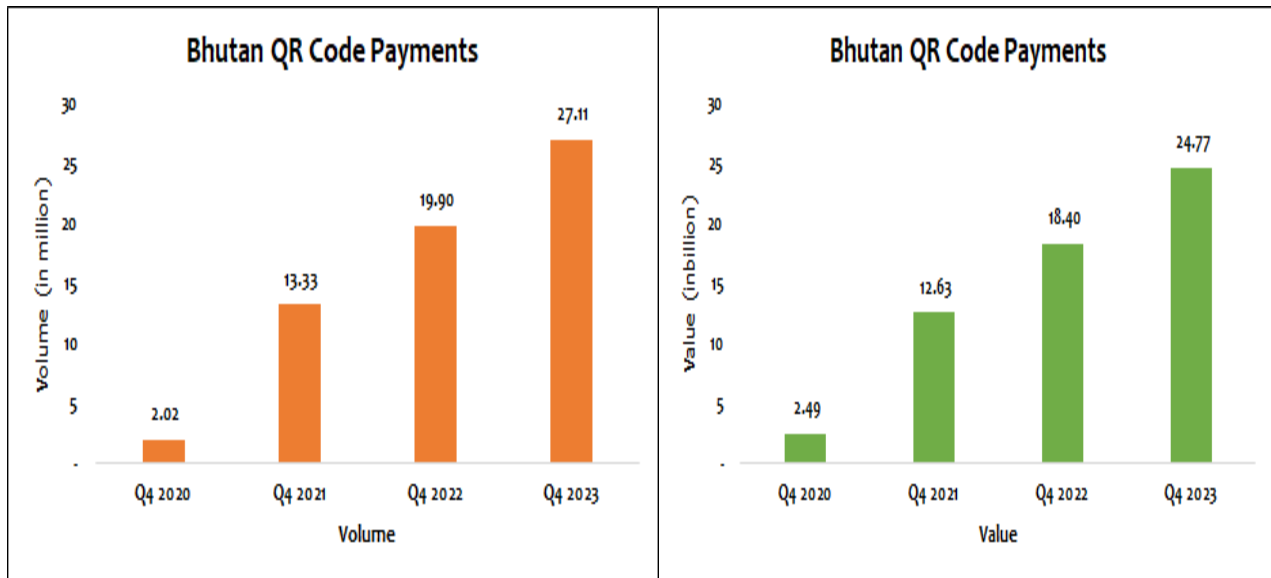
Graph 4: Internet Banking Subscribers -Q4,2023



For Internet banking, 758 new users subscribed during the fourth quarter taking the Internet banking total users to 31,950. Internet banking is a convenient way for customers to access their bank accounts and perform transactions online. The increase in users indicates that the adoption of Internet banking is growing, but there is still significant variation between different banks in terms of the number of users.

c) Bhutan QR Code Payments

Graph 5: QR Code Payments (Volume & Value -Q4 for 2020, 2021, 2022 and 2023)

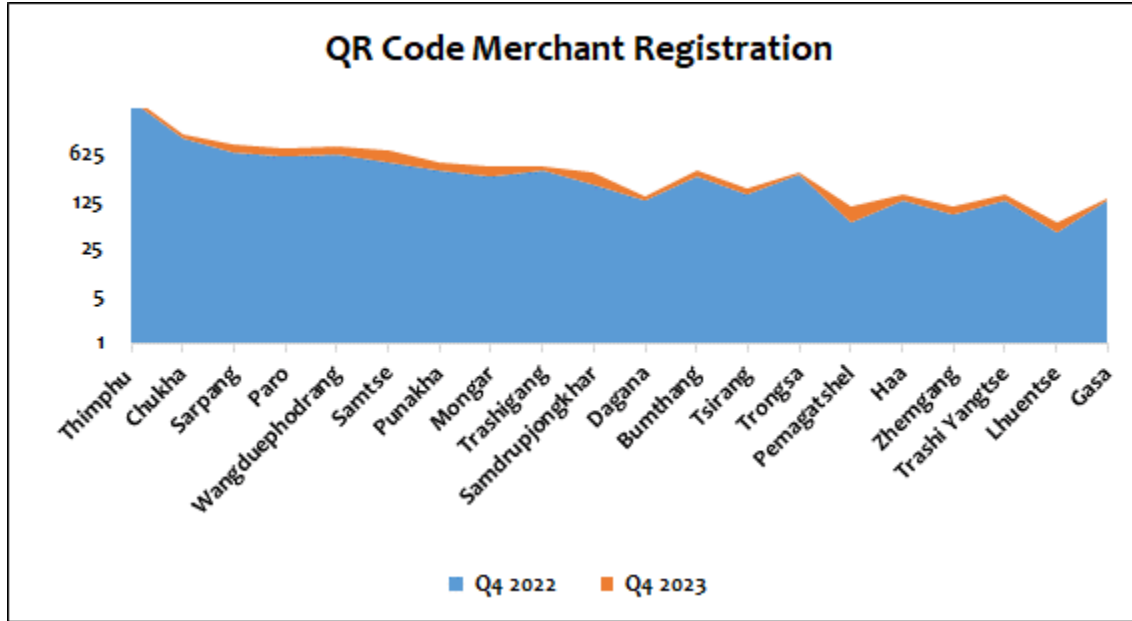


The data indicates a strong demand for National QR code transactions, which is influenced by factors such as ease of use, contactless transactions, and widespread acceptance at various merchants.

In the Q4 2021, there was a significant increase of 559.37 percent in transaction volume from 2.02 million in Q4 2020 to 13.33 million. The growth continued, with an increase of 49.28 percent from 13.33 million in Q4 2021 to 19.90 million in Q4 2022. There was a continued growth in transaction volume, experiencing an increase of around 36.28 percent to 27.11 million during this quarter.

The transaction value increased significantly, experiencing a growth of about 407.91 percent from Nu. 2.49 billion in Q4 2020 to Nu. 12.63 billion in Q4 2021. The growth rate remained strong, with an increase of 45.67 percent from Nu. 12.63 billion to Nu. 18.40 billion in Q4 2022. There was a continued growth in value, experiencing an increase of 34.59 percent Nu. 24.77 billion in Q4 2023.

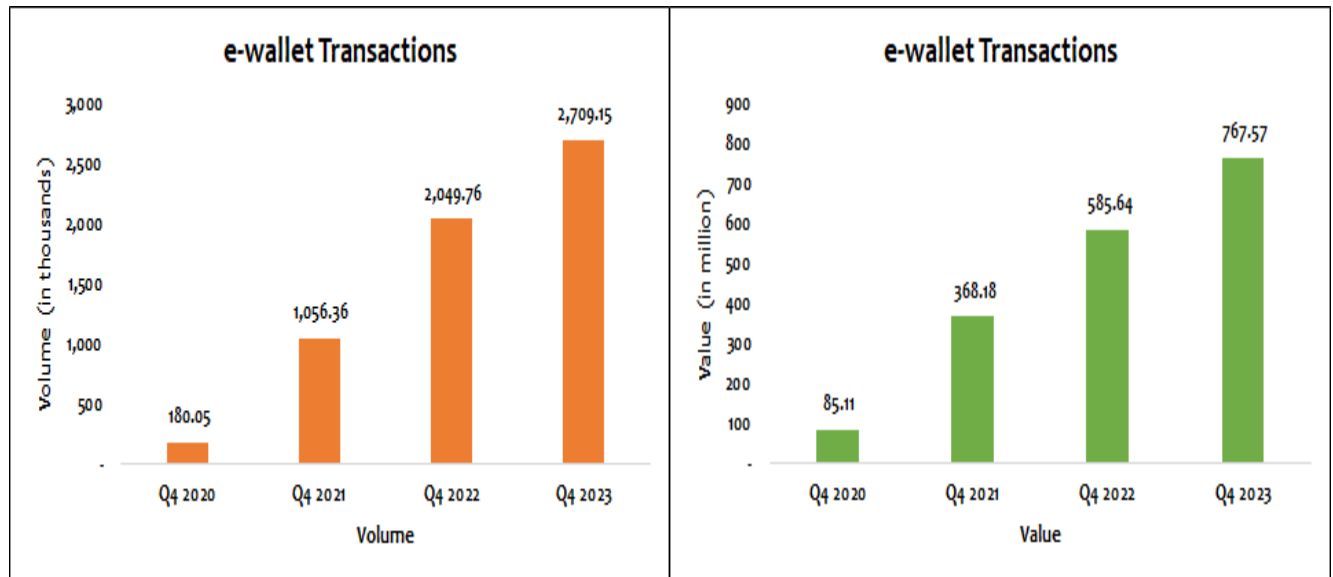
Graph 6: QR Code Merchant registration (Dzongkhag wise) -Q4, 2022 & Q4, 2023



In terms of QR merchant registration, Thimphu Dzongkhag recorded the highest registration of 601, a decrease by 85.49 percent as compared to Q4 2022. This is followed by Samtse with 206 merchant registration which is a decrease of 47.29 percent. The least merchant registration was in Gasa with 11 followed by Dagana of 11 new merchants.

d) Wallets

Graph 7: Wallets Transaction (Volume & Value -Q4 for 2020, 2021, 2022, and 2023)

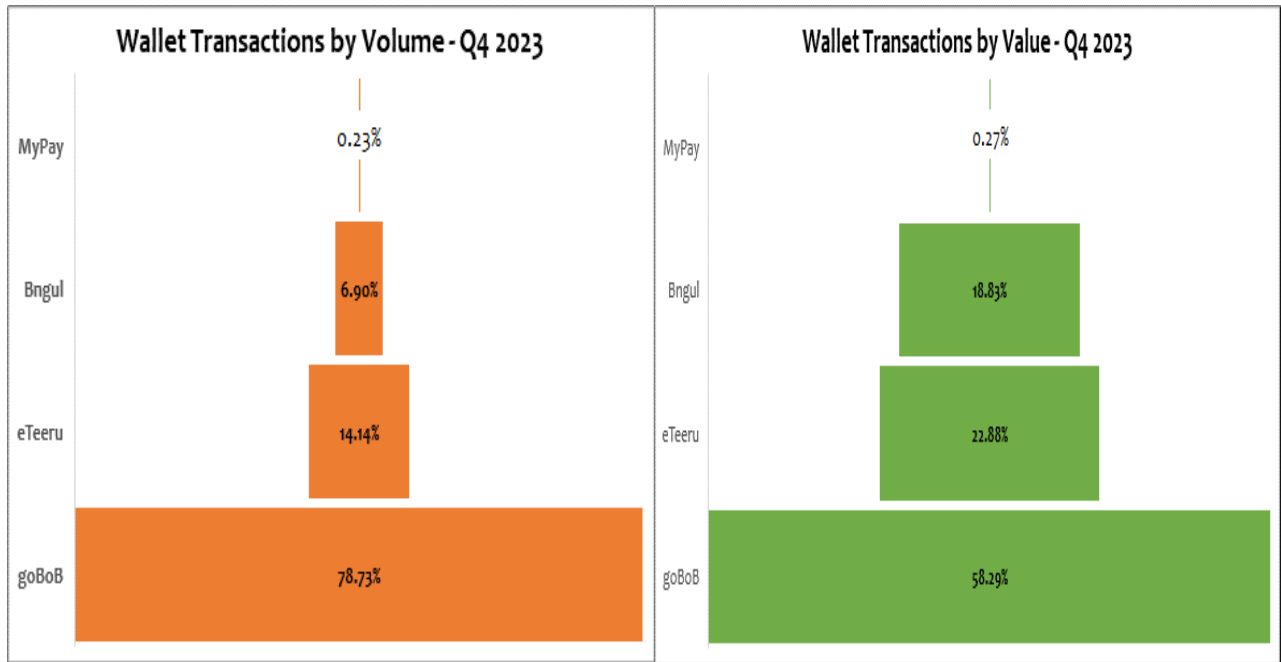


The transaction volume of e-wallet transactions has shown consistent and significant growth over the four quarters. There was a substantial increase of 486.70 percent in transaction volume from 180.05 thousand in Q4 2020 to 1,056.36 thousand in Q4 2021. In Q4 2022, the growth continued, with an increase of 94.04 percent to 2,049.76 thousand as compared Q4 2021. There was a continued growth in transaction volume, experiencing an increase of around 32.17 percent from 2,049.76 thousand to 2,709.15 thousand in Q4 2023.

Comparable to volume, the transaction value of e-wallet transactions has shown consistent and substantial growth over the four quarters. The value more than quadrupled, experiencing an increase of about 332.60 percent from Nu. 85.11 million in Q4 2020 to Nu. 368.18 million in Q4 2021. The growth rate remained strong, with an increase of 59.06 percent to Nu. 585.64 million in Q4 2022. In Q4 2023, there was a continued growth in value, experiencing an increase of 31.07 percent to Nu. 767.57 million.

The consistent growth in both volume and value indicates a growing market for e-wallets. However, the growth rate has slowed from the initial explosive phase, suggesting a maturing market.

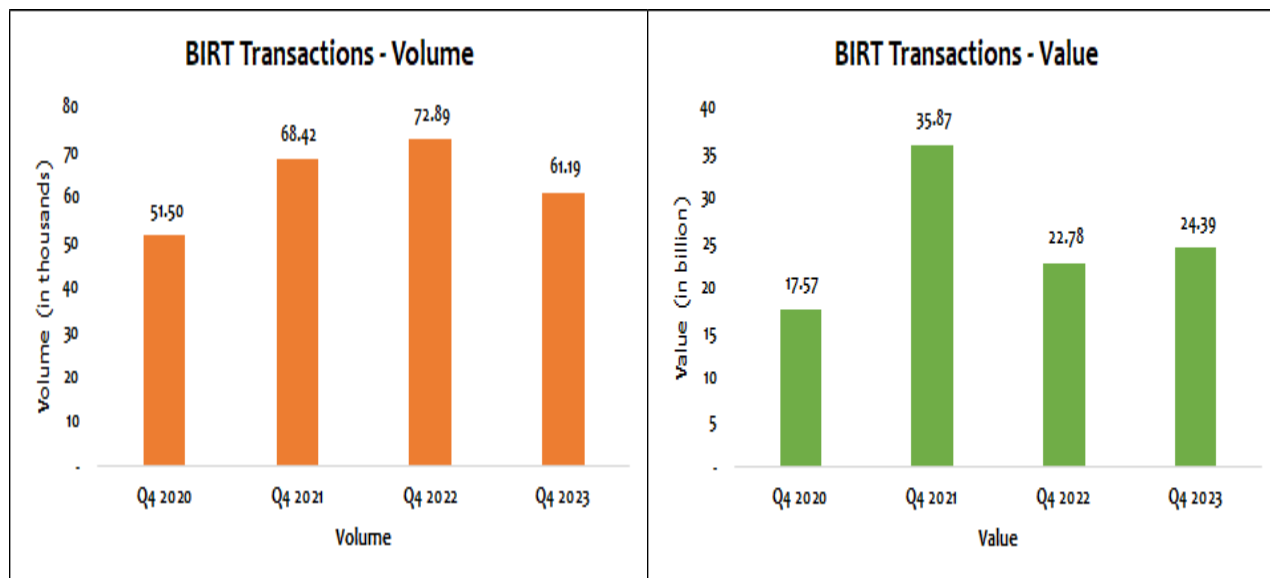
Graph 8: Wallet Transaction (Bngul, eTeeru, goBOB and MyPay) – volume and value



In terms of volume and value, goBoB dominates the e-wallet market, accounting for 78.73 percent and 58.29 percent respectively. While goBoB dominates, other e-wallets like Bngul and eTeeru make significant contributions to both volume and value. The variety in e-wallets suggests that different users may have preferences for specific platforms, possibly based on features, usability, or promotional offers.

e) Bhutan Interbank Real Time (BIRT) Fund Transfer System

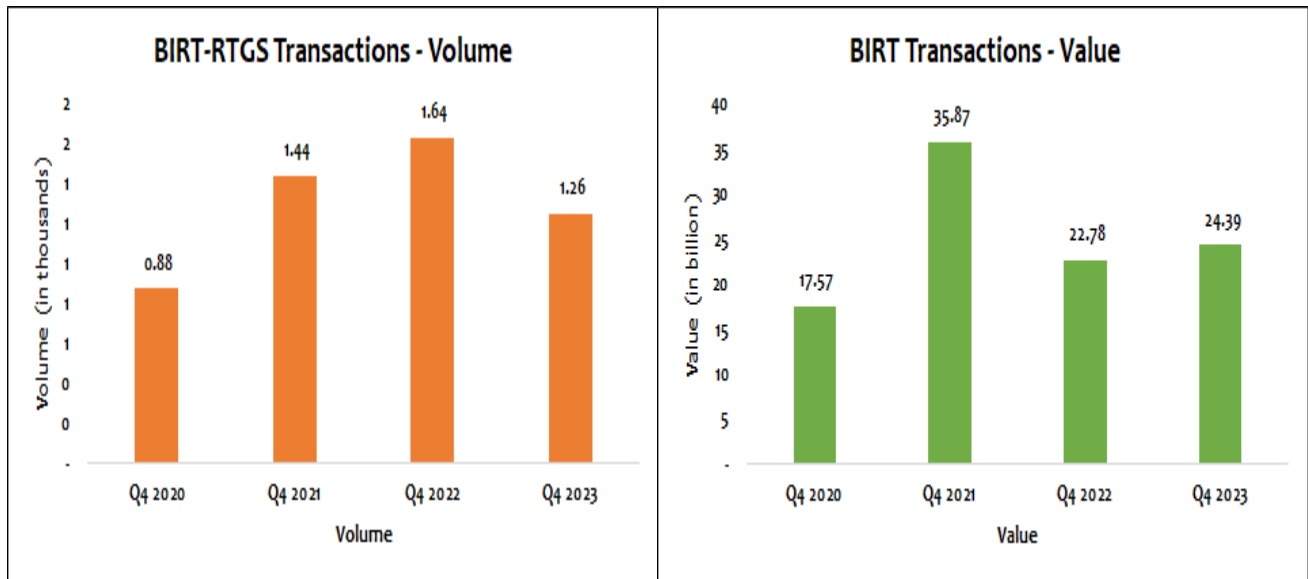
Graph 9: BIRT Transaction (Volume & Value -Q4 for 2020, 2021, 2022 and 2023)



The volume of real-time fund transfers has shown some fluctuation over the four quarters. There was an initial increase of 32.84 percent in transaction volume from 51.50 thousand in Q4 2020 to 68.42 thousand in Q4 2021. The growth continued, with an increase of 6.54 percent from 68.42 thousand to 72.89 thousand in Q4 2021. However, during this quarter, there was a decrease of 16.05 percent in transaction volume from 72.89 thousand to 61.19 thousand.

In terms of value, BIRT recorded some fluctuation as well. There was a significant increase of 104.15 percent in transaction value from Nu. 17.57 billion in Q4 2020 to Nu. 35.87 billion in Q4 2021. However, there was a considerable decrease of 36.50 percent from Nu. 35.87 billion to Nu. 22.78 billion in Q4 2022. During this quarter, there was a modest increase of 7.06 percent in transaction value from Nu. 22.78 billion to Nu. 24.39 billion.

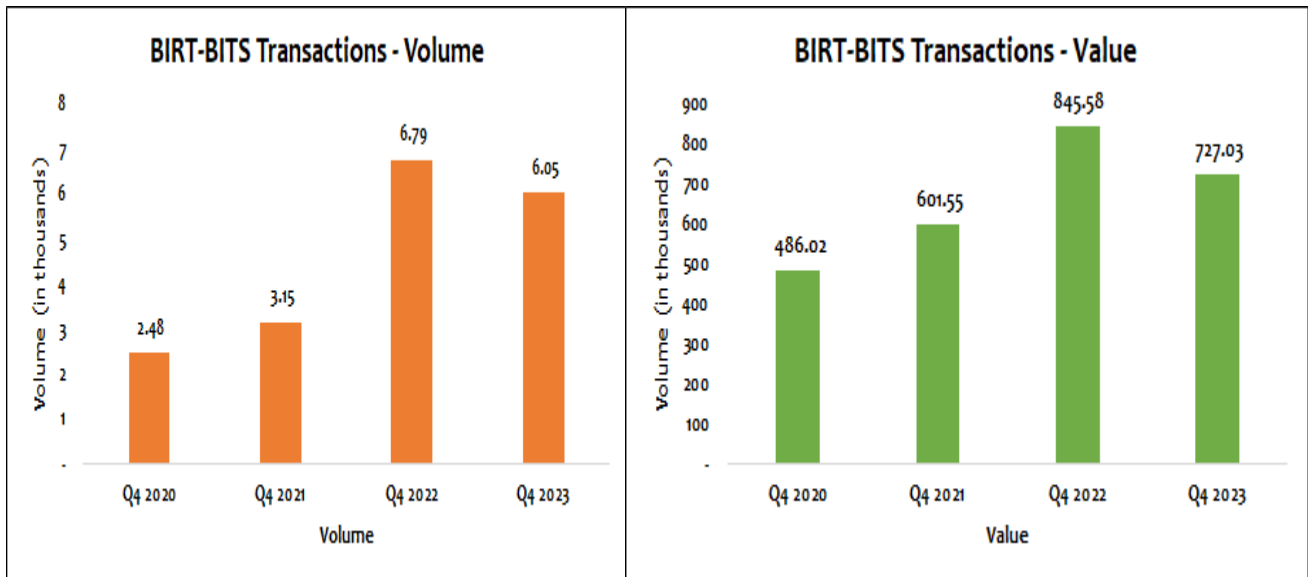
Graph 10: BIRT-RTGS Transaction (Volume & Value -Q4 for 2020, 2021, 2022 and 2023)



BIRT RTGS (Real Time Gross Settlement) is the payments that are settled immediately in real-time and are an important payment system as it is used for high-value transactions which are above Nu. 1 million.

During the 4th quarter of 2023, RTGS recorded a transaction volume of 1,256, a decrease of 23.32 percent from 1,638 in Q4 2022. In terms of value, it recorded a value of Nu. 15.75 billion, an increase of 4.45 percent as compared to Nu. 15.08 billion in Q4 2022.

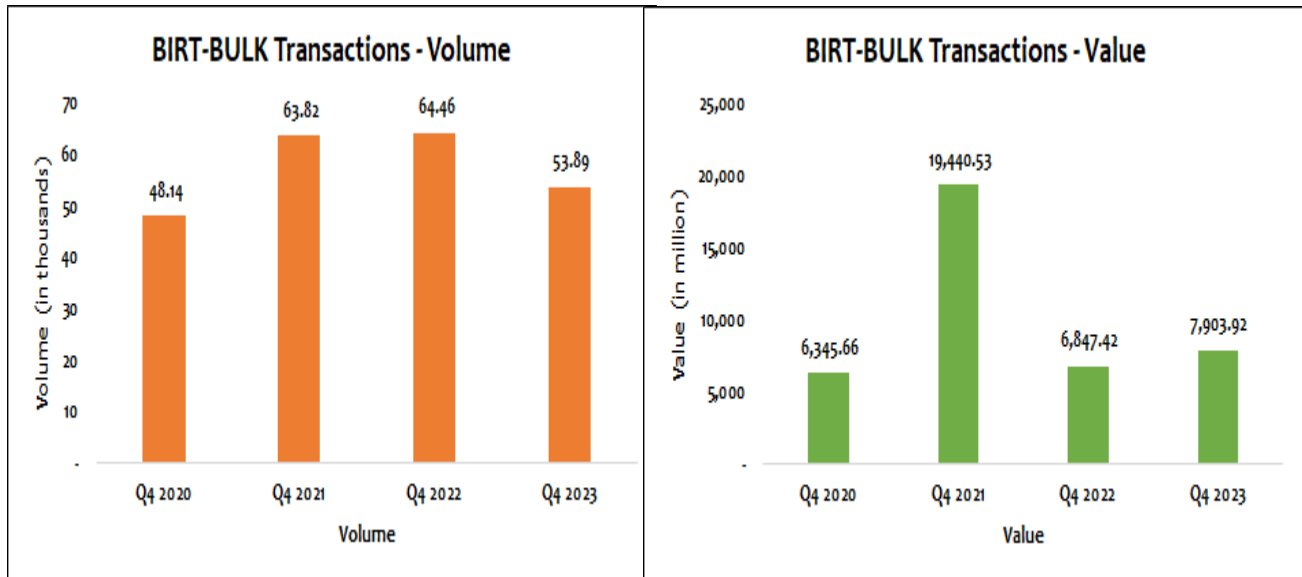
Graph 11: BIRT-BITS Transaction (Volume & Value -Q4 for 2020, 2021, 2022 and 2023)



BIRT BITS (Batched Settlement Service) enables interbank fund transfer in a batched settlement cycle. The maximum limit for the transfer of funds is Nu. 1 million.

During this quarter, BITS recorded a transaction volume of 6,048, a decrease of 10.91 percent from 6,789 in Q4 2022. In terms of value, it recorded a value of Nu. 727.03 million, a decrease of 14.02 percent as compared to Nu. 845.58 million in Q4 2022.

Graph 12: BIRT-BULK Transaction (Volume & Value -Q4 for 2020, 2021, 2022 and 2023)

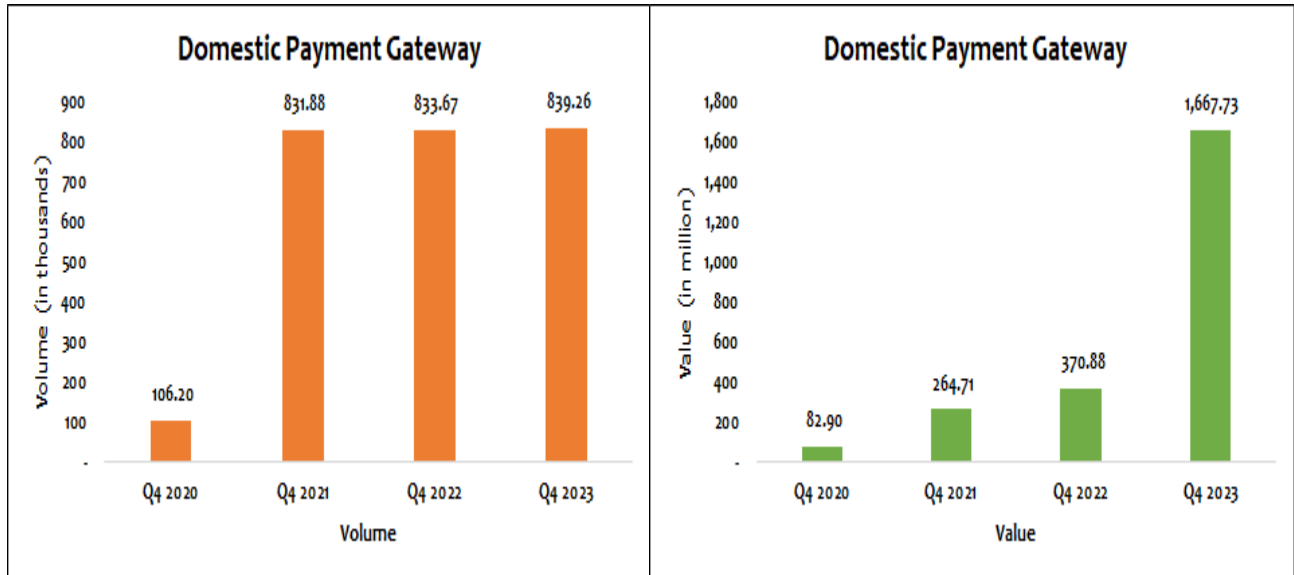


BIRT BULK is a payment system that handles bulk payments from a single account to multiple beneficiaries targeted mostly for institutional payments like salary, pension payments, loan repayment, and so on.

In Q4 2023, BULK recorded a transaction volume of 53,885, a decrease of 16.41 percent from 64,463 in Q4 2022. In terms of value, it recorded a value of Nu. 7.90 billion, an increase of 15.43 percent as compared to Nu. 6.85 billion in Q4 2022.

f) Domestic Payment Gateway

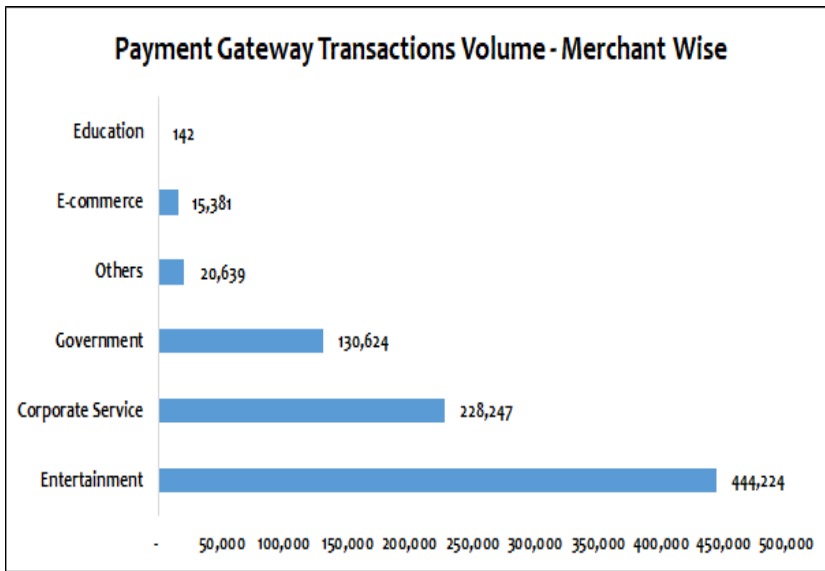
Graph 13: Payment Gateway Transaction (Volume & Value -Q4 for 2020, 2021, 2022, and 2023)



Both transaction volume and value have observed significant growth, indicating a considerable increase in the utilization of the domestic payment gateway. There was a noteworthy increase of 683.33 percent in transaction volume from 106.20 thousand in Q4 2020 to 831.88 thousand in Q4 2021. The growth rate continued, with a slight increase of 0.22 percent to 833.67 thousand in Q4 2022. There was a further increase of 0.67 percent in transaction volume to 839.26 thousand during the 4th quarter of 2023.

There was a significant increase of 219.32 percent in transaction value from Nu. 82.90 million in Q4 2020 to Nu. 264.71 million in Q4 2021. The growth rate remained strong, with an increase of a 40.11 percent to Nu. 370.88 million in Q4 2022. There was a remarkable surge in transaction value, experiencing an increase of 349.67 percent to Nu. 1,667.73 million during the 4th quarter of 2023.

Graph 14: Domestic PG Transactions- Merchants Wise -Q4 2023

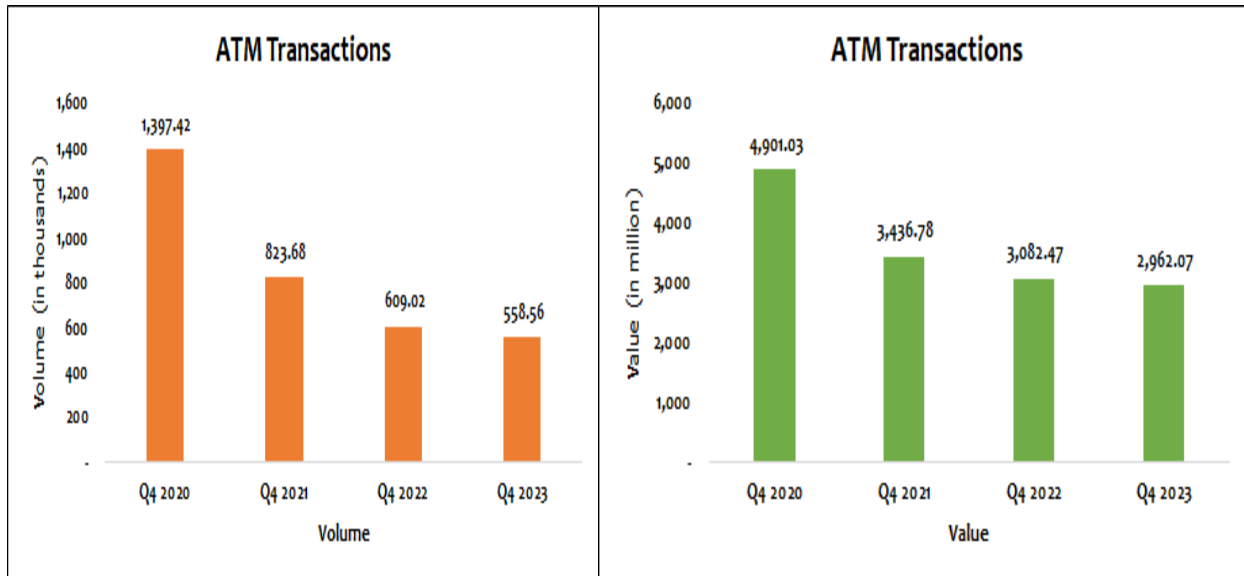


Among the six different categories of payment gateway merchants, entertainment has recorded the highest transaction volume consisting of 52.93 percent of total transaction volume followed by corporate services of 27.20 percent.

There are total of 102 registered merchants in the domestic payment gateway portal as of December 2023, of which 45 merchants are blocked, 3 in testing phase and 54 are active.

g) Cards - ATM

Graph 15: ATM Transaction (Volume & Value -Q4 for 2020, 2021, 2022, and 2023)

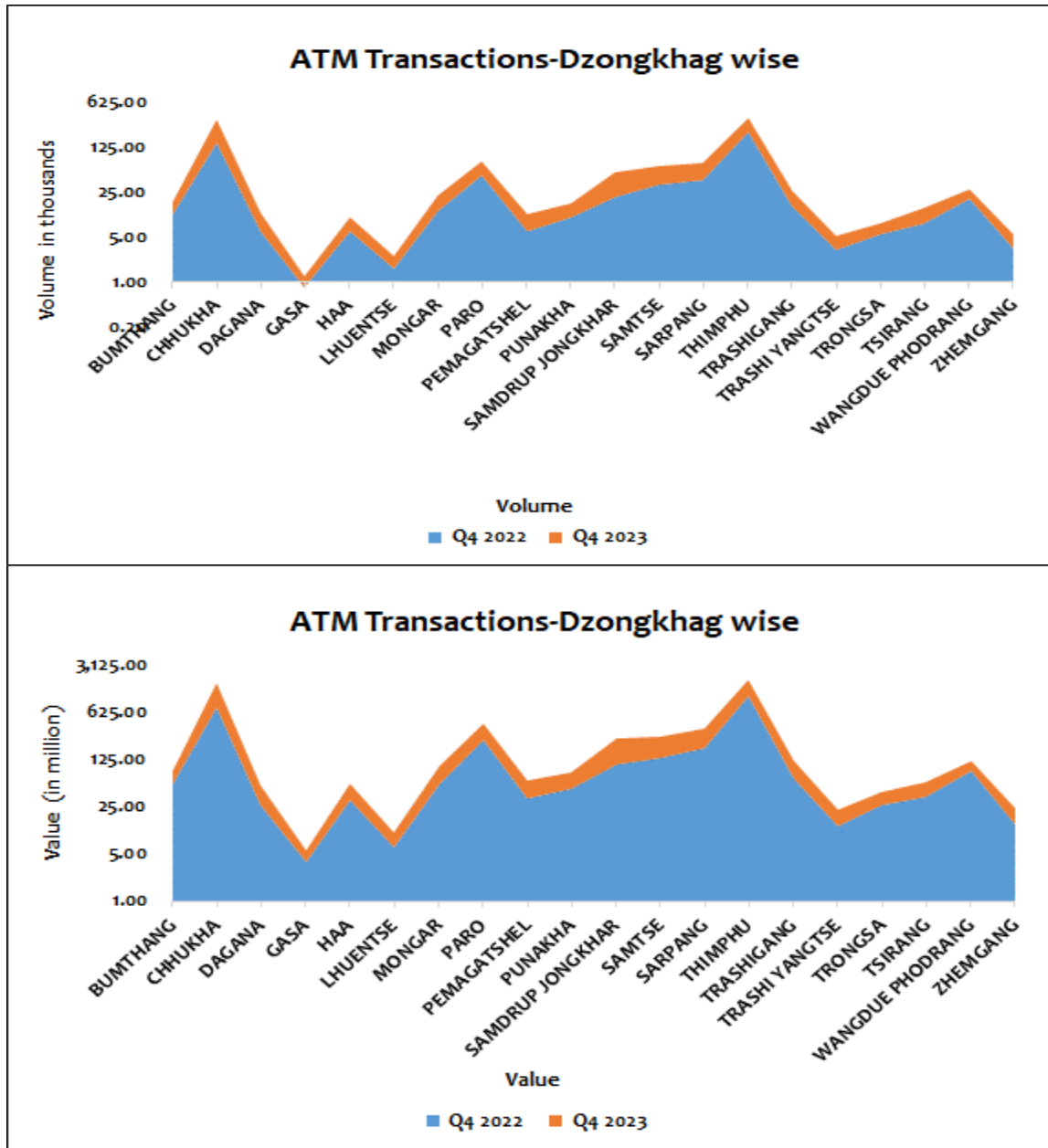


For the ATM, both volume and value recorded a consistent downward trend, suggesting an adoption of alternative payment methods like mobile and internet banking. The sustained decline in ATM transactions suggest that the COVID-19 pandemic has accelerated the adoption of digital payment methods, and this data may reflect a shift away from physical cash transactions during this period.

During the Q4 2021, there was a significant decrease of 41.06 percent in transaction volume from 1,397.42 thousand in Q4 2020 to 823.68 thousand. The decrease in volume continued, with a further decline of about 26.06 percent from 823.68 thousand to 609.02 thousand in Q4 2022. During the 4th quarter of 2023, there was a slight decrease of around 8.29 percent in transaction volume to 558.56 thousand.

Similarly, there was a substantial decrease of 29.88 percent in transaction value from Nu. 4,901.03 million in Q4 2020 to Nu. 3,436.78 million in Q4 2021. The decrease in value continued, with a further decline of 10.31 percent in Q4 2021 from Nu. 3,436.78 million to Nu. 3,082.47 million in Q4 2022. During 4th quarter of 2023, there was a modest decrease of around 3.91 percent in transaction value to Nu. 2,962.07 million as compared to same quarter of previous year.

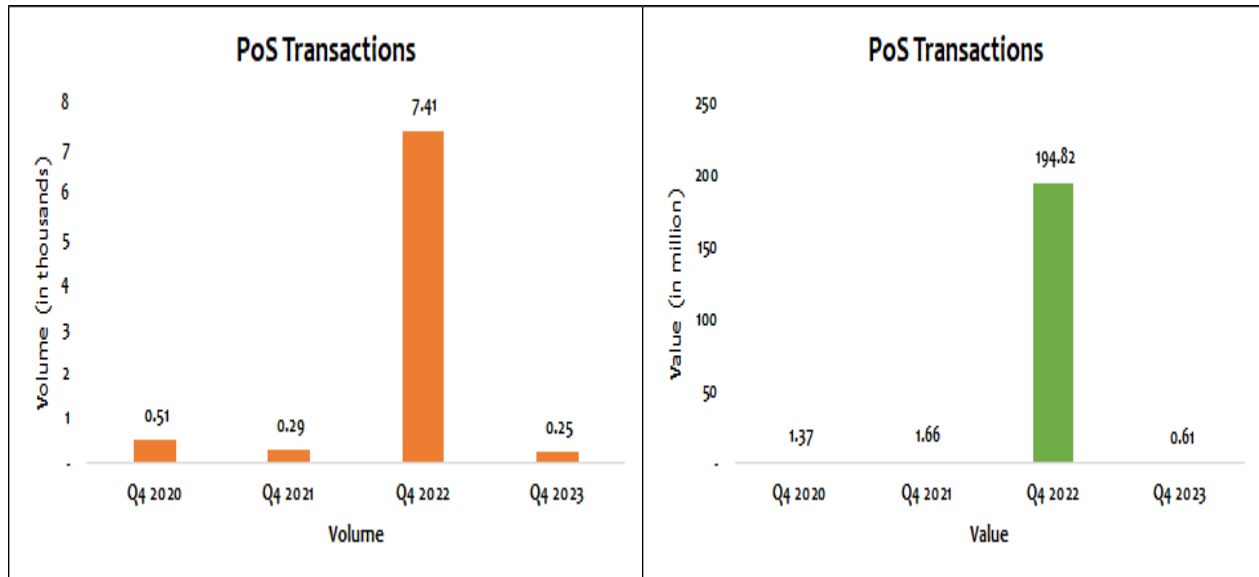
Graph 16: ATM Transaction Dzongkhag Wise (Volume & Value -Q4 2022 and Q3 2023)



Chhukha Dzongkhag recorded the highest increase in volume and value in Q4 2023, consisting of 35.37 percent in terms of volume followed by Thimphu with 26.89 percent of total volume. In terms of value, Chhukha consist of 34.21 percent of total transaction value which is followed by Thimphu with 29.11 percent.

h) Cards – PoS

Graph 17: PoS Transaction (Volume & Value -Q4 for 2020, 2021, 2022 and 2023)



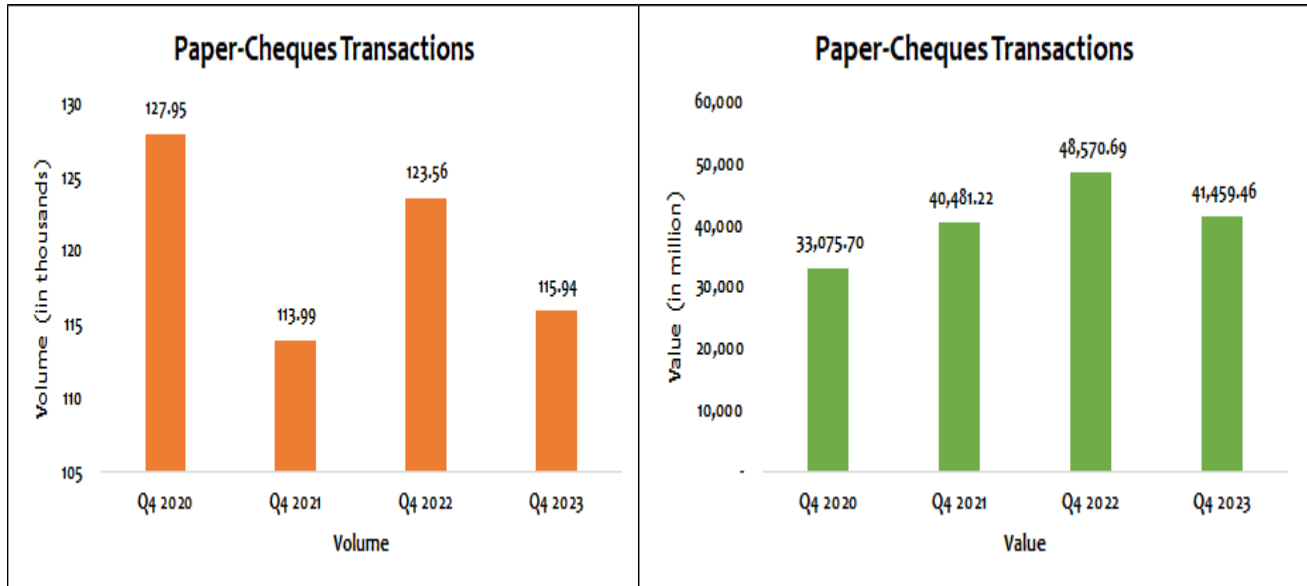
The volume of POS transactions has shown significant fluctuations over the four quarters. There was a notable decrease of 43.47 percent in transaction volume from 0.51 thousand in Q4 2020 to 0.29 thousand in Q4 2021. The volume experienced a substantial increase in Q4 2022 to 7.41 thousand. During the 4th quarter of 2023, there was a sharp decline of 96.64 percent in transaction volume from to 0.25 thousand.

Similarly, the value of POS transactions has also shown significant fluctuations over the four quarters. There was a slight increase of about 21.28 percent in transaction value from Nu. 1.37 million in Q4 2020 to Nu. 1.66 million in Q4 2021. However, in Q4 2022, the value experienced a substantial increase from Nu. 1.66 million to Nu. 194.82 million. During this quarter, there was a significant decrease of around 99.69 percent in transaction value from Nu. 194.82 million to Nu. 0.61 million.

The significant fluctuations in both volume and value suggest a highly dynamic and possibly unpredictable nature of POS transactions.

i) Paper Cheque

Graph 18: Paper Cheque Transaction (Volume & Value -Q4 for 2020, 2021, 2022 and 2023)

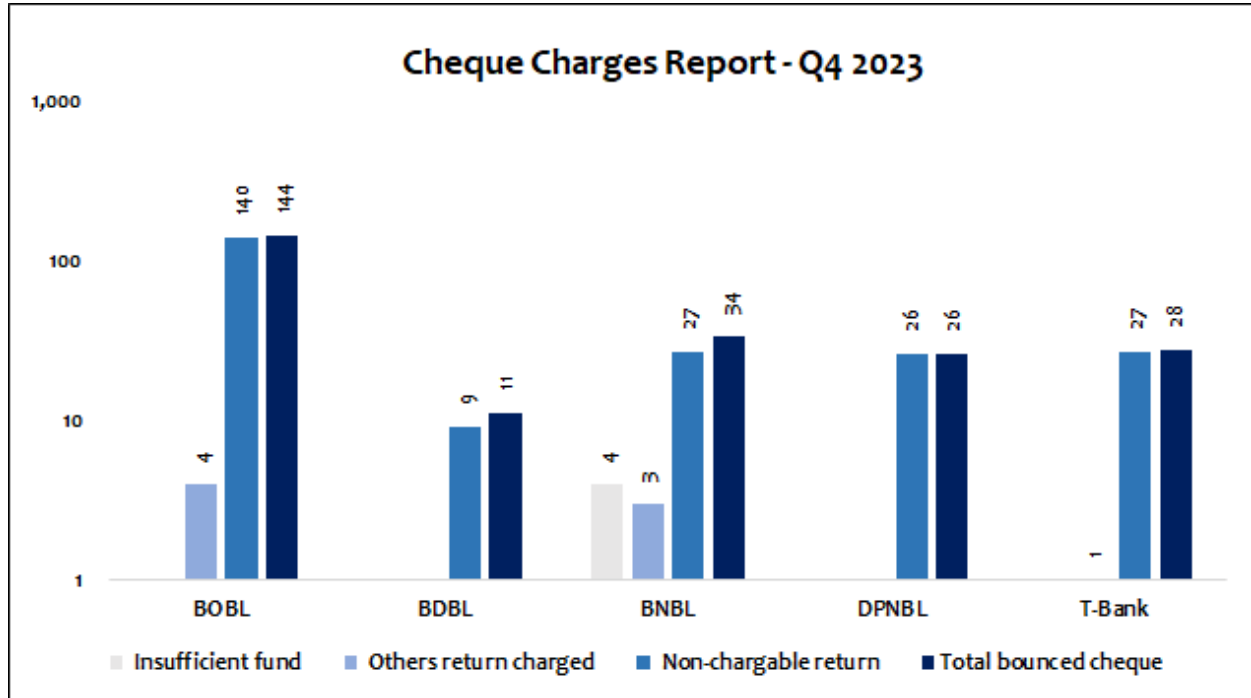


While the volume of cheque transactions has shown some fluctuation, the value has demonstrated a more consistent upward trend, indicating larger individual transaction amounts.

In Q4 2021, there was a decrease of 10.92 percent in transaction volume from 127.95 thousand in Q4 2020 to 113.99 thousand. However, in Q4 2022, the transaction volume has increased to 113.99, an increase of 8.40 percent as compared to Q4 2021. In Q4 2023, the transaction volume has further decreased by 6.17 percent to 115.94 thousand.

The value has recorded an increasing trend until Q4 2022 and a decrease in Q4 2023. In Q4 2021, there was an increase of 22.39 percent in transaction value from Nu. 33.08 billion in Q4 2020 to Nu. 40.48 billion. During Q4 2022, the value has increased by 19.98 percent to Nu. 48.57 billion. In the Q4 2023, there was a decrease of around 14.64 percent in transaction value from Nu. 48,57 billion to Nu. 41,46 billion.

Graph 19: Bounced cheque report -Q4 2023

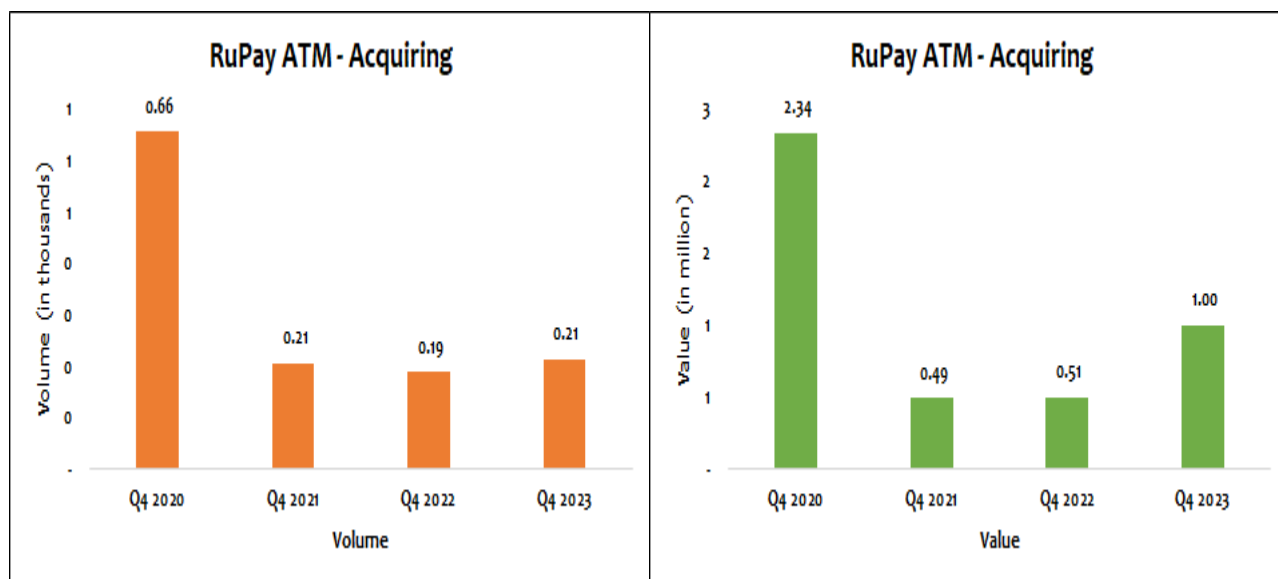


In Q4 2023, a total of 243 cheques were bounced out of which, 5 cheques were charged to the customer for their insufficient balance and 9 cheques were charged to the banks for their failure to do due diligence.

REGIONAL PAYMENT TRANSACTIONS (Q4,2023)

a) RuPay Acquiring

Graph 20: RuPay Acquiring ATM Transaction (Volume & Value -Q4 of 2020, 2021, 2022 and 2023)



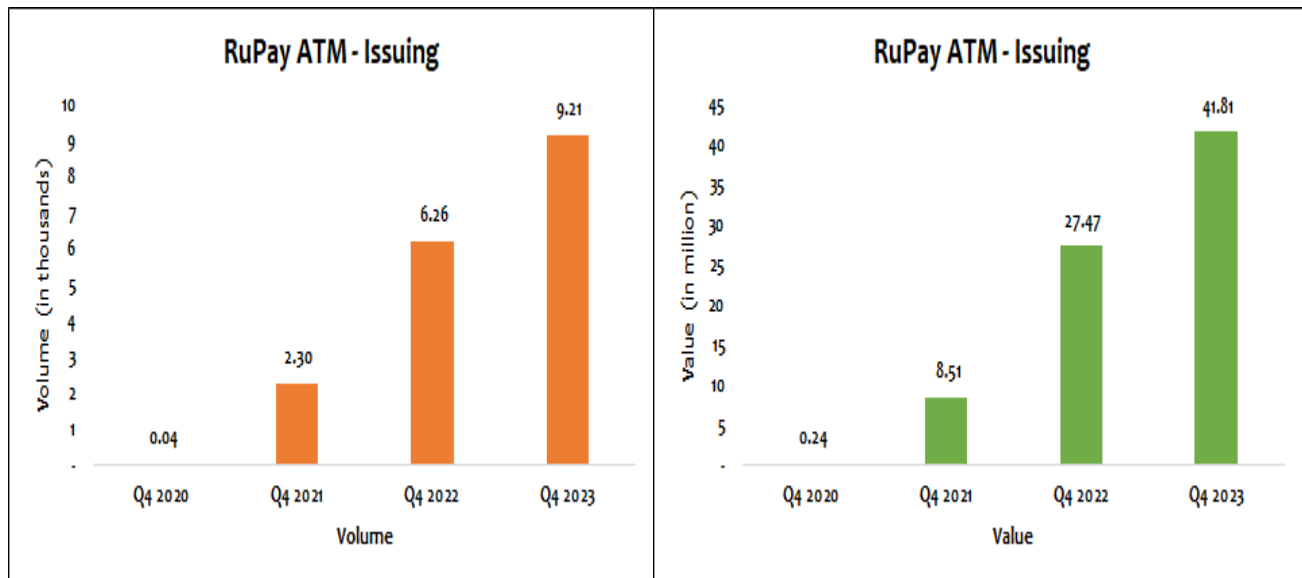
RuPay Acquiring allows Indian nationals to withdraw cash and make payments through all Bhutan ATMs and PoS terminals. The volume of transactions at RuPay Acquiring ATMs has shown some fluctuation over the four quarters. During Q4 2021, there was a substantial decrease of 68.34 percent in transaction volume from 0.66 thousand in Q4 2020 to 0.21 thousand. In Q4 2022, the volume further decreased by 9.13 percent from 0.21 thousand to 0.19 thousand. During this quarter, there was a slight increase of around 13.23 percent in transaction volume from to 0.21 thousand.

In terms of value, it has shown some fluctuation over the four quarters. In Q4 2021, there was a significant decrease of 78.90 percent in transaction value from Nu. 2.34 million in Q4 2020 to Nu. 0.49 million. During 4th quarter of 2023, there was a notable increase of around 97.84 percent in transaction value from Nu. 0.51 million in Q4 2022 to Nu. 1.00 million.

During the 4th quarter of 2023, no PoS transaction was recorded.

b) RuPay Issuing

Graph 22: RuPay Issuing ATM Transaction (Volume & Value -Q4 for 2020, 2021, 2022 and 2023)



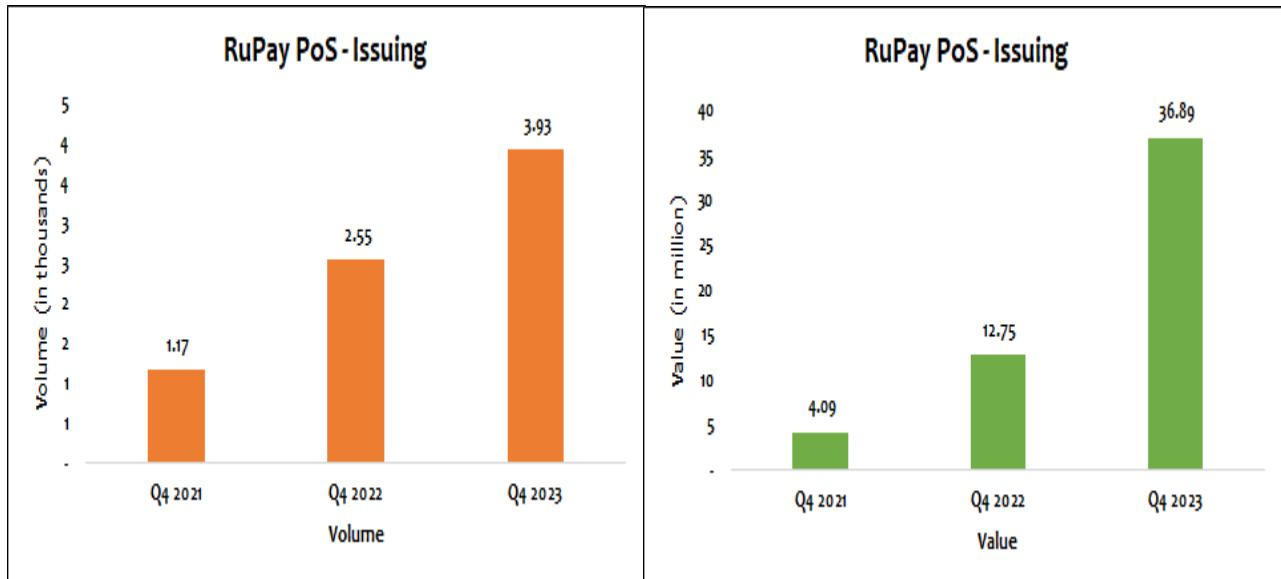
RuPay Issuing launched in November 2020, allows Bhutanese nationals to withdraw cash and make payments through all the ATM and PoS terminals in India. Currently, Bhutan National Bank Limited and T Bank Limited are the issuing bank in Bhutan.

During the four quarter, the transaction volume has shown a consistent and significant increase. There was a substantial increase of volume from 41 to 2,297 in Q4 2021. Similarly, in Q4 2022, the volume has increased to 6,257 ATM withdrawals. During the 4th quarter of 2023, there was a further increase of 47.26 percent in transaction volume from 6.26 thousand to 9.21 thousand.

The transaction volume, in similar manner to transaction volume, the value has also shown a consistent and significant increase over the four quarters. In Q4 2021, RuPay issuing recorded a substantial increase from Nu, 0.24 million in Q4 2020 to Nu. 8.51 million. The value continued to grow, experiencing an increase of 222.76 percent to Nu. 27.47 million in Q4 2022. During the 4th quarter of 2023, there was a further increase of around 52.19 percent in transaction value from Nu. 27.47 million to Nu. 41.81 million.

The consistent growth of RuPay issuing indicates growing trends of Bhutanese withdrawing amount in India.

Graph 23: RuPay Issuing PoS Transaction (Volume & Value -Q4 for 2021, 2022 and 2023)



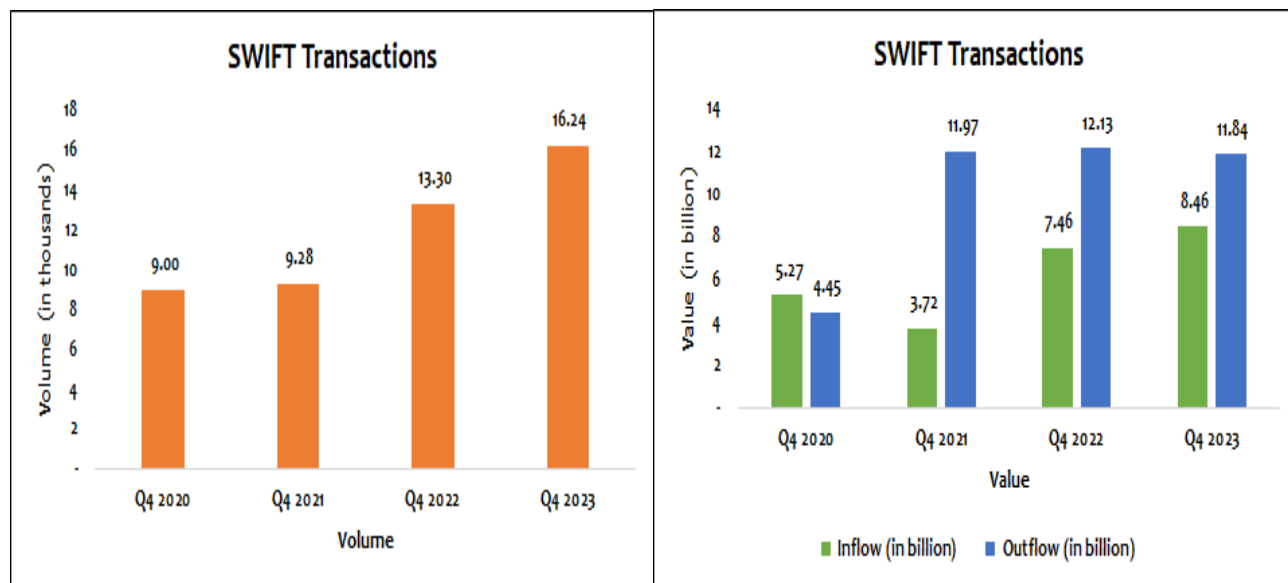
The volume of RuPay Issuing PoS transactions has shown a consistent increase over the three quarters. In Q4 2020, no transaction through PoS were recorded. In Q4 2022, transaction volume has recorded an increase of 118.35 percent from 1.17 thousand in Q4 2021 to 2.55 thousand. The volume, in Q4 2023, continued to grow, experiencing an increase of 54.20 percent to 3.93 thousand.

The value of RuPay Issuing PoS transactions has also shown a consistent and substantial increase over the three quarters. There was an increase of 211.41 percent in transaction value from Nu. 4.09 million in Q4 2021 to Nu. 12.75 million in Q4 2022. The value continued to grow, experiencing an increase of 189.42 percent from Nu. 12.75 million to Nu. 36.89 million during the fourth quarter of 2023.

INTERNATIONAL PAYMENT TRANSACTIONS (Q4, 2023)

a) SWIFT Transactions through the banks

Graph 24: Member Bank SWIFT Transaction (Volume & Value -Q4 for 2020, 2021, 2022 and 2023)

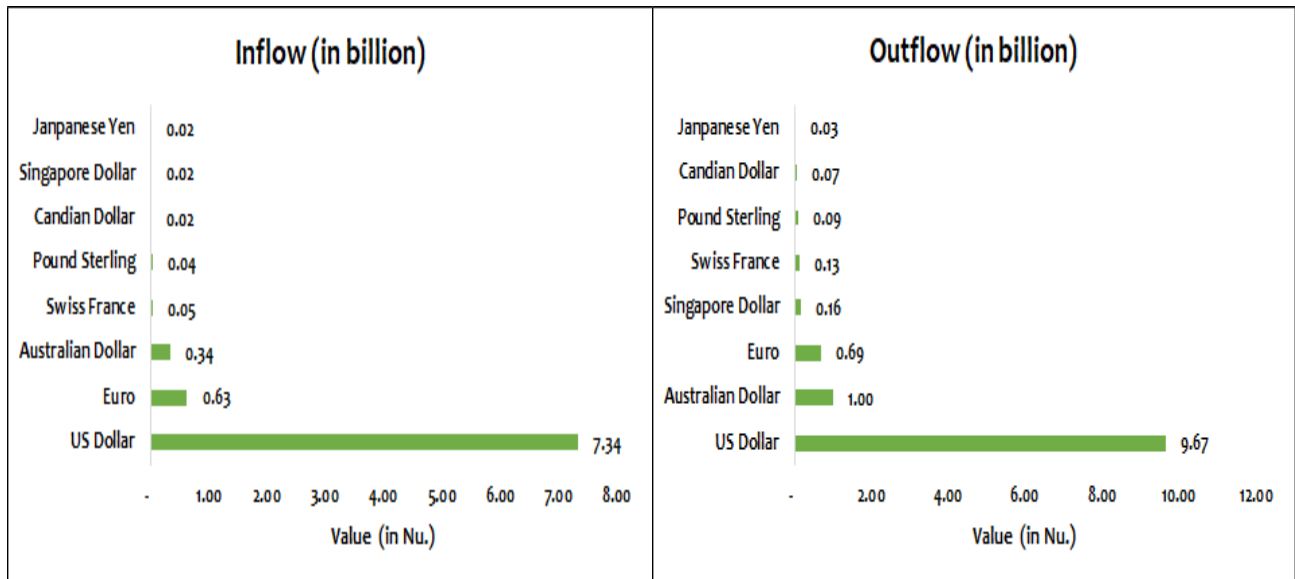


Over the four quarters, the number of SWIFT transactions increased steadily with a substantial and consistent growth trajectory. This suggests a significant increase in SWIFT transaction activity over the years, reflecting a growing demand for international financial transactions and cross-border financial services.

The volume of SWIFT transactions increased in Q4 2021 to 9.28 thousand, showing growth of 3.03 percent as compared to 9 thousand in Q4 2020. In Q4 2022, the volume continued to increase to 13.30 thousand, indicating further expansion of 43.35 percent. By Q4 2023, the volume reached 16.24, showing an increase of 22.13 percent as compared to same quarter of previous year.

With regard to the SWIFT inflow, the transaction recorded some variation over the four quarters. There was a decrease of 29.48 percent from Q4 2020 to Q4 2021, a decrease of Nu. 1.55 billion. Nevertheless, in Q4 2022, the SWIFT inflow has increased to Nu. 7.26 billion, which is an increase of Nu. 100.90 percent as compared to Q4 2021. The SWIFT inflow has continued to increase in Q4 2023 by 13.29 percent, from Nu. 7.46 billion to Nu. 8.46 billion.

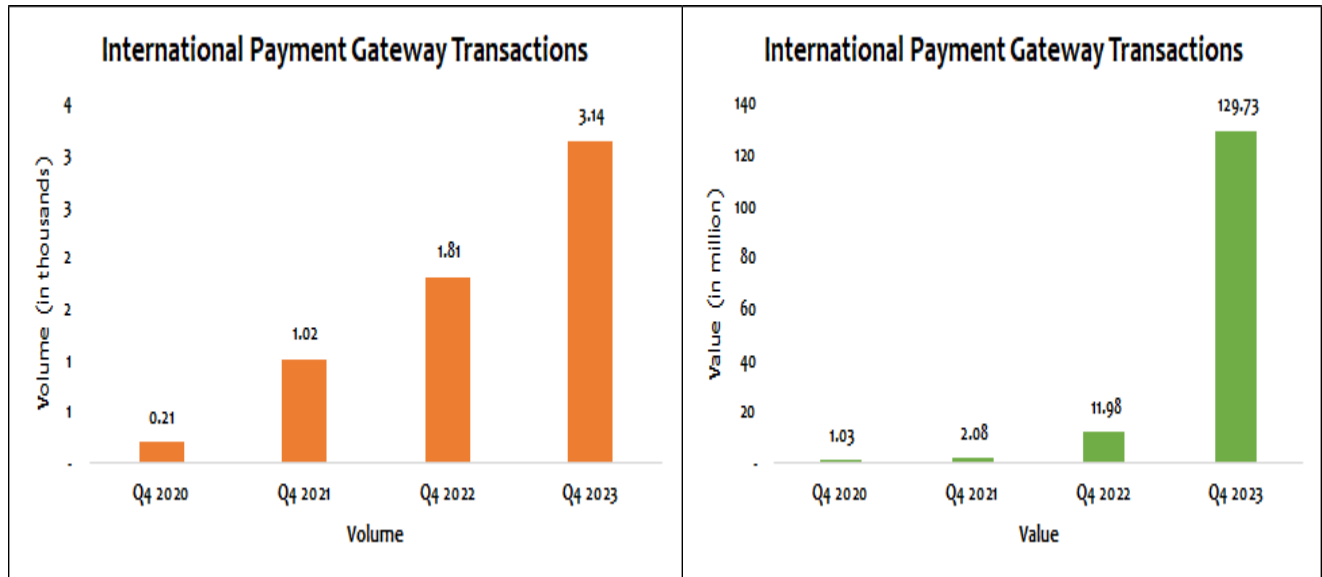
Graph 25: SWIFT inflow and outflow currency-wise for Q4 2023 (Value)



In terms of SWIFT inflow and outflow, the US recorded the highest transaction of Nu. 7.34 billion and Nu. 9.67 billion respectively. Euro has led the second highest transaction for SWIFT inflow of Nu. 0.63 billion followed by Australian dollar of Nu. 0.34 billion. In terms of SWIFT outflow, Australian dollar led the second highest outflow of Nu. 1 billion which is followed by Euro of Nu. 0.69 billion.

b) International Payment Gateway (IPG)

Graph 26: IPG Transaction (Volume & Value -Q4 for 2020,2021, 2022 and 2023)



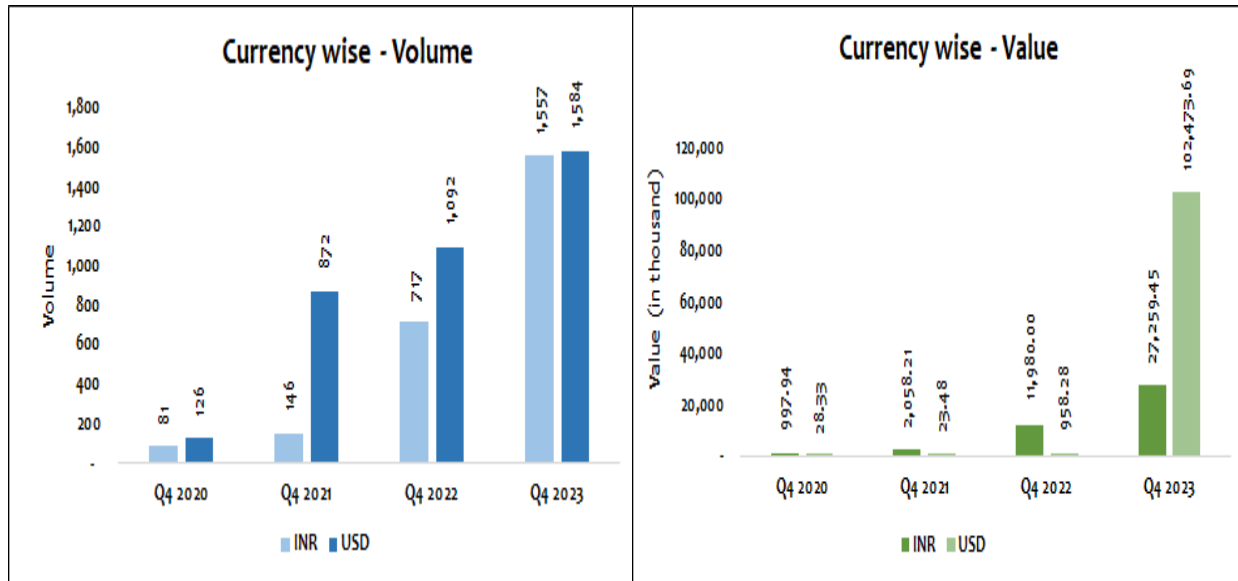
Both transaction volume and value through the international payment gateway have demonstrated explosive and consistent growth, indicating an increasing adoption and usage of the gateway.

In Q4 2021, there was an increase of transaction volume from 207 in Q4 2020 to 1,018 volume, which is a substantial increase of 391.79 percent. During Q4 2022, the volume continued to grow, experiencing an increase of 77.70 percent to 1,809 from 1,018 transaction volume. During 4th quarter of 2023, there was a further increase of around 73.63 percent in transaction volume to 3,141.

Likewise, the transaction value through the international payment gateway has shown a substantial and consistent increase over the four quarters. There was an increase of 102.67 percent from Nu. 1.03 million in Q4 2020 to Nu. 2.08 million in Q4 2021. The value continued to increase, experiencing a noteworthy increase of about 475.96 percent from Q4 2021 to Q4 2022 to Nu. 11.98 million. During this quarter, international payment gateway, recorded a huge increase in transaction value to Nu. 129.73 million, indicating an increase in usage by consumers.

The trends suggest a high demand for secure and efficient international payment solutions, possibly driven by globalization and increased online commerce.

Graph 27: IPG transactions (volume and value) in USD and INR for Q4 for 2020, 2021, 2022 and 2023.

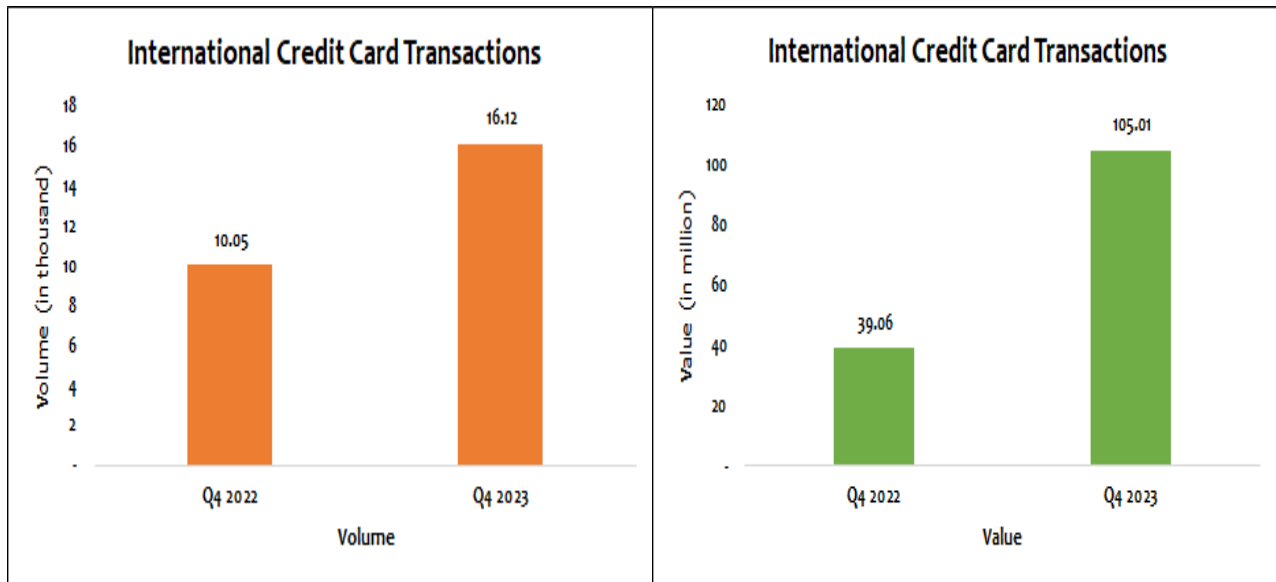


With regard to the INR, the volume increased from INR 81 in Q4 2020 to INR transaction of 146 in Q4 2021, an increase of 80.25 percent. The transaction volume has continued to grow at 391.10 percent in Q4 2022 to INR transaction of 717. Similarly, in 4th quarter of 2023, the volume has increased to 1,557. In terms of USD transaction volume, it depicted an increase over the quarters, from Q4 2020 to Q4 2021 by 746 transactions. In Q4 2022, the transaction volume has increased by 220 USD transactions to 1,092. In Q4 2023, the volume increased further by 45.05 percent.

The international payment gateway transaction value has also exhibited an increased trends over the years. The INR value has increased by 106.25 percent from Q4 2020 to Q4 2021 which has further increased by Nu. 9.92 million in Q4 2022. In Q4 2023, the INR value has increased to Nu. 27.26 million from Nu. 11.98 million in Q4 2022. In terms of USD value, it has decreased from Q4 2020 by 17.14 percent in Q4 2021, from Nu. 28.33 thousand to Nu. 23.48 thousand. However, in Q4 2022, the value has increased substantially to Nu. 958.28 thousand which has further increased to Nu. 102.47 million during the 4th quarter of 2023.

c) International Card (Issuing)– International Credit Card

Graph 28: International Credit Card transactions (Volume & Value -Q4 for 2022 and 2023)

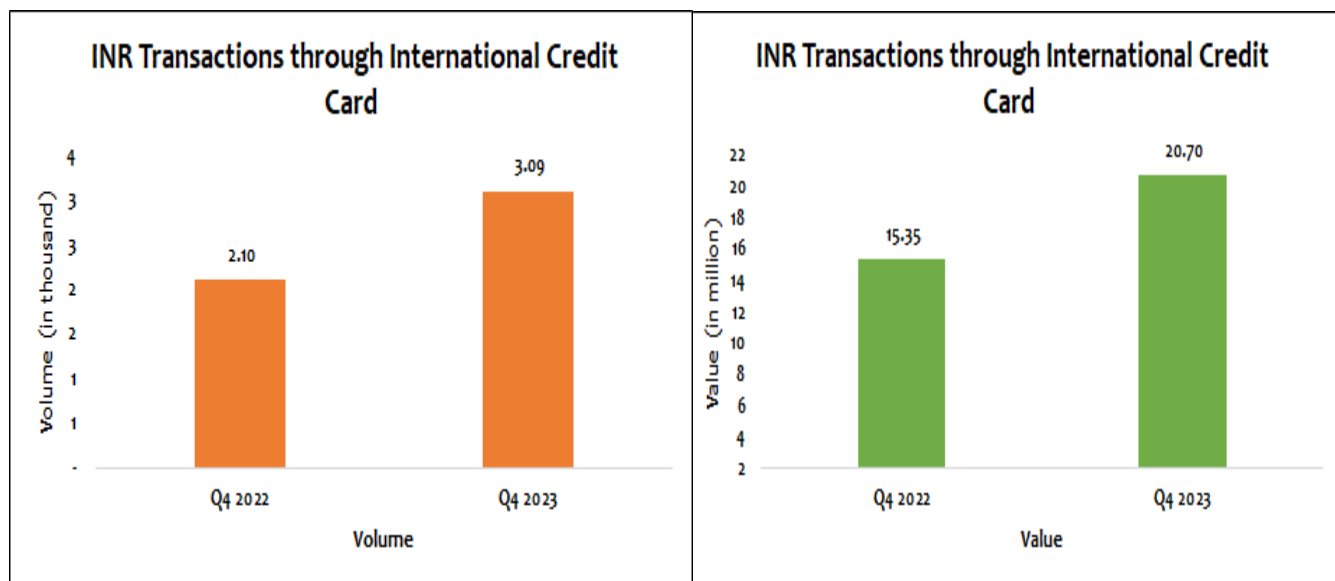


Note: the below data is exclusively for convertible currencies.

During the 4th quarter of 2023, both transaction volume and value for international credit cards have demonstrated rapid growth, indicating an increasing adoption and usage of international credit cards. There was a significant increase of 60.40 percent in transaction volume, from 10.05 thousand to 16.12 thousand. In terms of transaction value, there was a substantial increase of 168.85 percent, from Nu. 39.06 million to Nu. 105.01 million.

The growth in transaction volume and value could be a positive sign for economic recovery, as increased consumer spending is often associated with economic confidence.

Graph 29: INR Transactions through International Credit Card (Volume & Value -Q4 for 2022 and 2023)

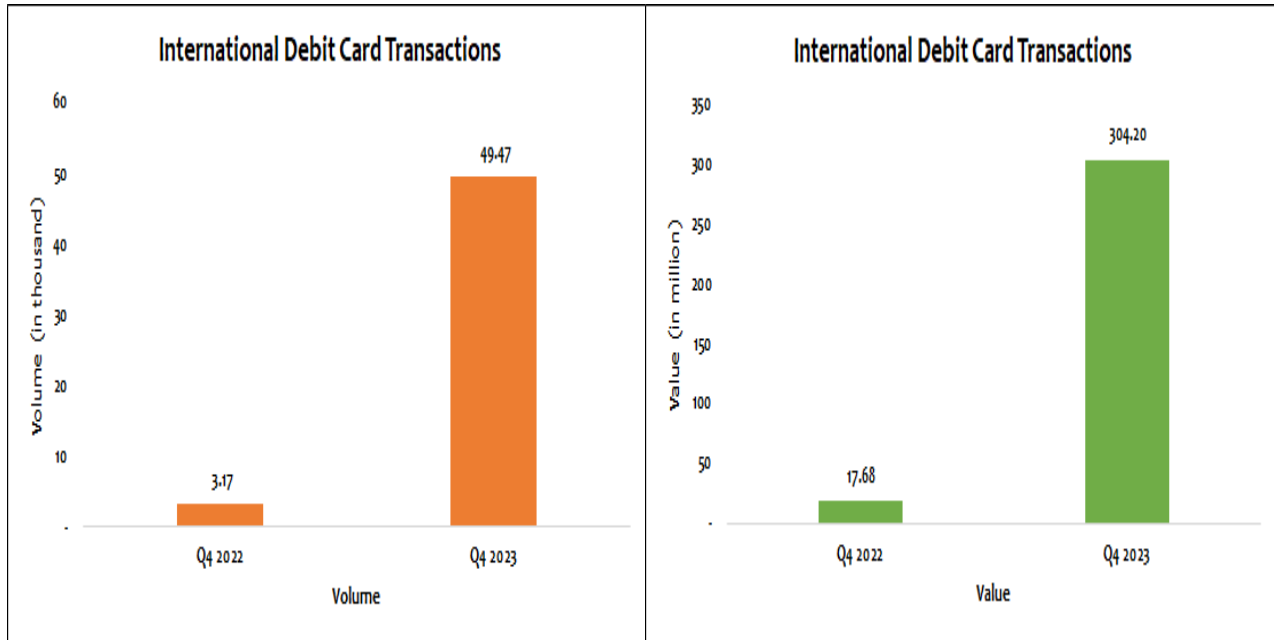


The graph above shows the INR transactions through international credit cards in Q4 2022 and Q4 2023 through ATMs and PoS. In Q4 2023, the volume increased by 47.14 percent from 2.10 thousand in Q4 2022 to 3.09 thousand. In terms of value, it also increased by 34.84 percent from INR 15.34 million to INR 20.70 million in Q4, 2023

c) International Card (Issuing) – International Debit Card

Graph 30: International Debit Card transactions (Volume & Value -Q4 for 2022 and 2023)

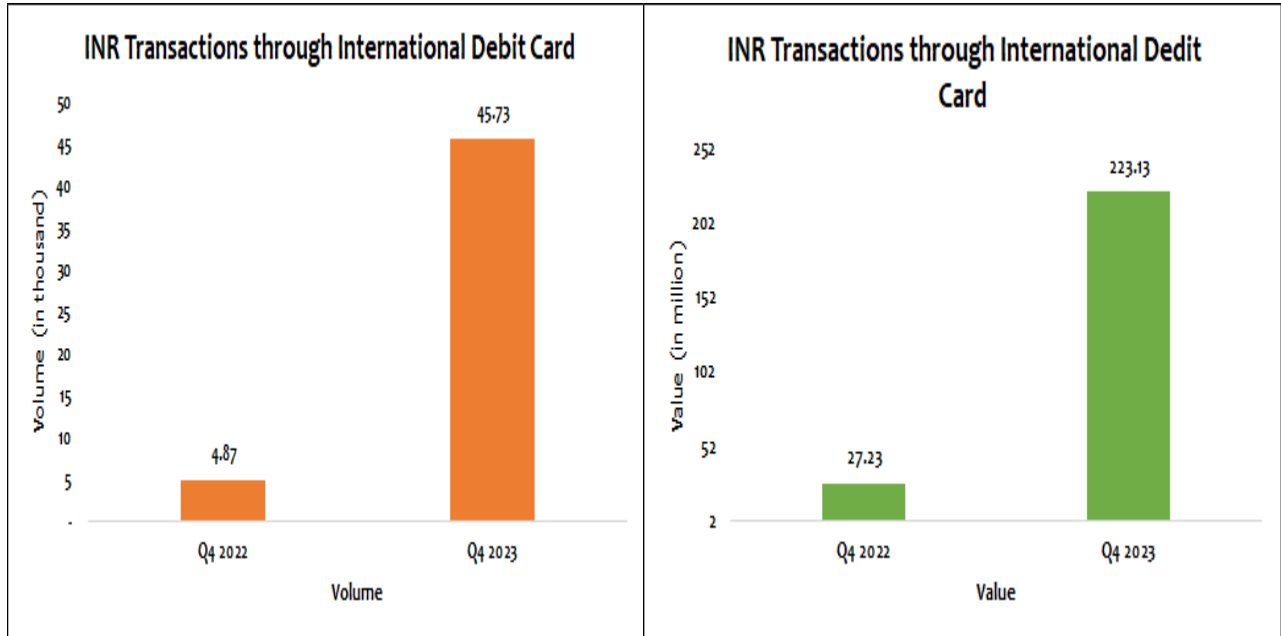
Note: The below data is exclusively for convertible currencies



The number of international debit card transactions has experienced significant growth over the two quarters. In Q4 2023, the volume has increased from 3.17 thousand in Q4 2022 to 49.47 thousand. This indicates a robust adoption of debit card usage for cross-border transactions.

The total value of international debit card transactions has shown an extraordinary surge over the two quarters. In Q4 2022, the total value was Nu. 17.68 million, which skyrocketed to Nu. 304.20 million in Q4 2023. This represents a substantial growth rate in transaction value and indicates that the average transaction value has increased significantly.

Graph 31: INR Transactions through International Debit Card (Volume & Value -Q4 for 2022 and 2023)



The graph above shows the INR transactions through international debit cards in Q4 2022 and Q4 2023 and it includes INR transactions are made through ATMs and PoS. In Q4 2023, the volume increased from 4.87 thousand in Q4 2022 to 45.73 thousand. Meanwhile, the value has also increased from INR 27.23 million to INR 223.13 million in Q4 2023.
