



QUARTERLY PAYMENT SYSTEM REPORT

Quarter 3 (July - September 2020)

Preface

The 2020 Q3 Payments Report presents the total payment transactions recorded in Q3 from July to September 2020.

The report has been divided into two parts - 1) Domestic Payments, and 2) Regional and International Payments.

Domestic payments covers the transactions that are made within Bhutan (which includes transactions effected through Mobile and Internet banking, Bhutan QR, Card - ATM and POS, GIFT (Electronic), Wallet, and Paper Based (Cheque). While, the Regional and International payments includes RuPay - ATM transactions made by the regional tourist who visited/lives in Bhutan; and SWIFT and ACU transactions.

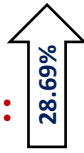
Coinciding with the launch of Bhutan QR, transactions made through QR is segregated from mobile transactions as separate channel for transparency and also to determine actual transactions made at merchant locations.

We extend our appreciation to all the member banks and institutions for timely submission of reports.

PAYMENT TRANSACTIONS - Q3 2020 IN FOCUS

QR Scan :

Mobile Banking :



Q2 2020 : **13.94** million transactions amounting to Nu. **30.13** billion

Q3 2020 : **17.94** million transactions amounting to Nu. **34.79** billion

Q3 2020 : **700.99** thousand transactions amounting to Nu. **965.93** million

GIFT :



Q2 2020 : **48,730.00** transactions amounting to Nu. **11.91** billion

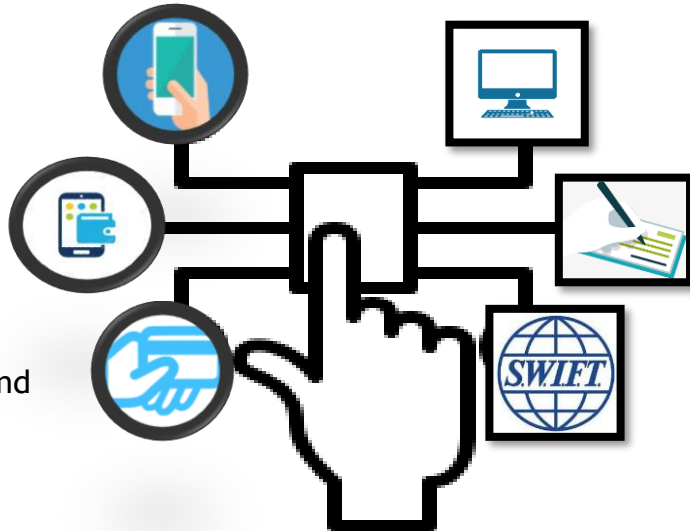
Q3 2020: **40,282.00** transactions amounting to Nu. **10.78** billion

Wallet :



Q2 2020 : **113.53** thousand transactions amounting to Nu. **42.31** million

Q3 2020 : **315.21** thousand transactions amounting to Nu. **123.29** million



Cheque :



Q2 2020 : **150.42** thousand transactions amounting to Nu. **72.95** billion

Q3 2020 : **106.96** thousand transactions amounting to Nu. **41.29** billion

Card - ATM & POS :



Q2 2020 : **1,85** million transactions amounting to Nu. **6.16** billion

Q3 2020 : **1.51** million transactions amounting to Nu. **5.09** billion

SWIFT :



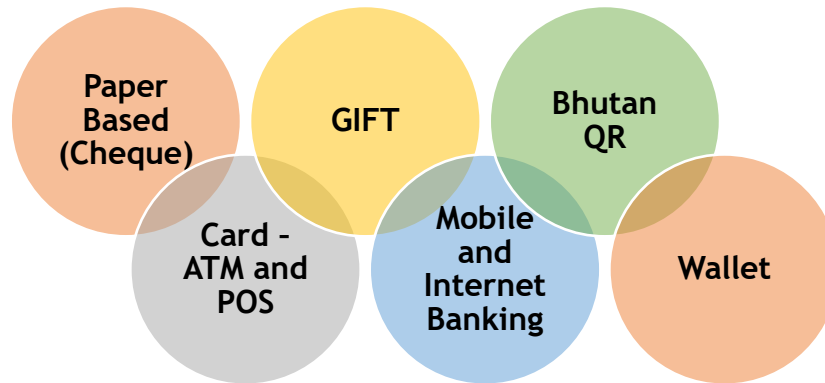
Q2 2020 : **7,497.00** transactions

Q3 2020: **6,973.00** transactions

Key Highlights

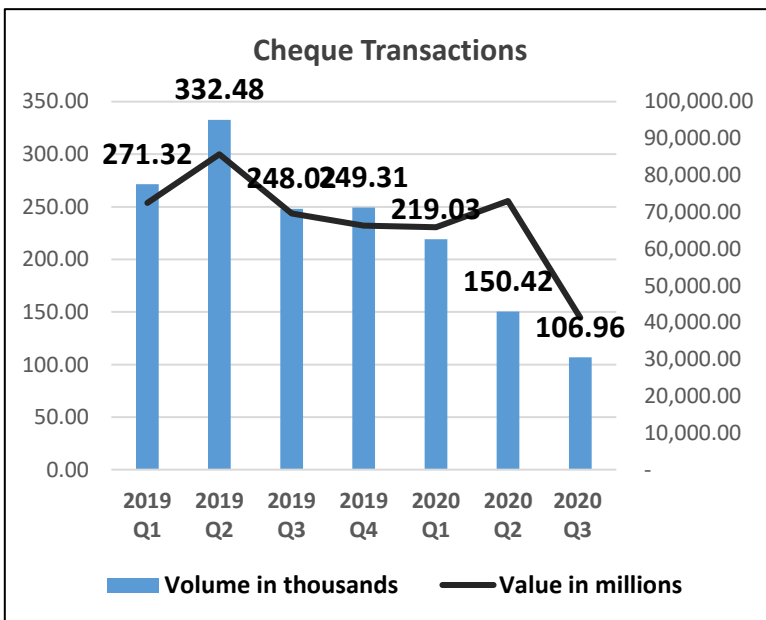
- ✓ The overall payment transactions saw a q-o-q growth of **28%** recording **21.53** million domestic transactions amounting to Nu. **93.05** billion;
- ✓ The growth was mainly contributed by increase in Mobile, Internet Banking and Bhutan QR although cheque and cash transactions on ATM declined in the same period;
- ✓ Mobile and Internet Banking and Bhutan QR transactions accounts for **90.42%** of the market share in Q3 2020;
- ✓ In Q3, there are 5 Mobile Banking Apps with the total registered users of **298,518.00**; of which, majority (**66.22%**) with BOBL, BNBL (**17.90%**), DPNB (**3.45%**), T Bank (**3.43%**), and BDBL (**8.99%**);
- ✓ In Q3, particularly during the Nationwide Lockdown, a total of **15,521.00** and **4,507.00** new users were onboarded on Mobile Banking and Wallet, respectively;
- ✓ Mobile wallet transactions viz e-money transactions observed a spike of **177.65%** from Q2;
- ✓ As of Q3, there are a total of **261** ATM terminals across the country; of which majority (42.15%) are BOBL's followed by BNB (**24.90%**);
- ✓ Thimphu Dzongkhag recorded the maximum number of ATM withdrawals with **46.08%** in Q3;
- ✓ Regional and International transactions declined in Q3 with only **5,382.00** and **6,973.00** transactions recorded on account of RuPay ATM and SWIFT respectively;
- ✓ Limits on interbank Mobile and Internet banking/Bhutan QR were enhanced in Q3 to minimum of **200,000.00** per day to facilitate increased usage of digital payments during the COVID 19 nationwide lockdown; and
- ✓ The RMA Issued three guidelines - namely a) Guideline for ATM and POS 2020, b) Guideline for Payment Aggregator and Payment Gateway 2020, and c) Guideline for Bhutan QR Payments 2020.

1. Domestic Payment Channels :



A total of **21.53** million domestic transactions were recorded amounting to Nu. **93.05** billion in Q3 2020.

a. Paper Based (Cheque)



The volume of cheque transactions shows a decreasing trend on q-o-q basis. In Q3, the rate of decline is **28.89%** over Q2 2020. Overall, the declining trend could be due to increasing popularity of digital payments. However, for Q3 in particular, the decline could be partially attributed to 21 days nationwide lockdown in the country. Furthermore, with the implementation of **10.00%** penalty on the return charges, the number of returned inter bank cheques charges has also dropped as shown in figure 2 below. The percentage of drop is **45.36%** over Q2 2020.

Figure 1: Cheque

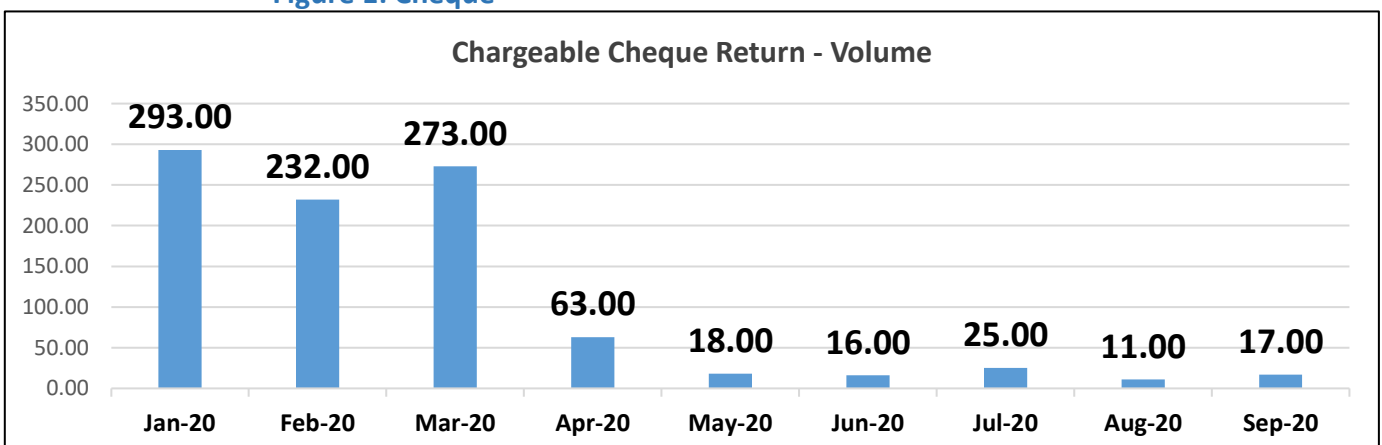
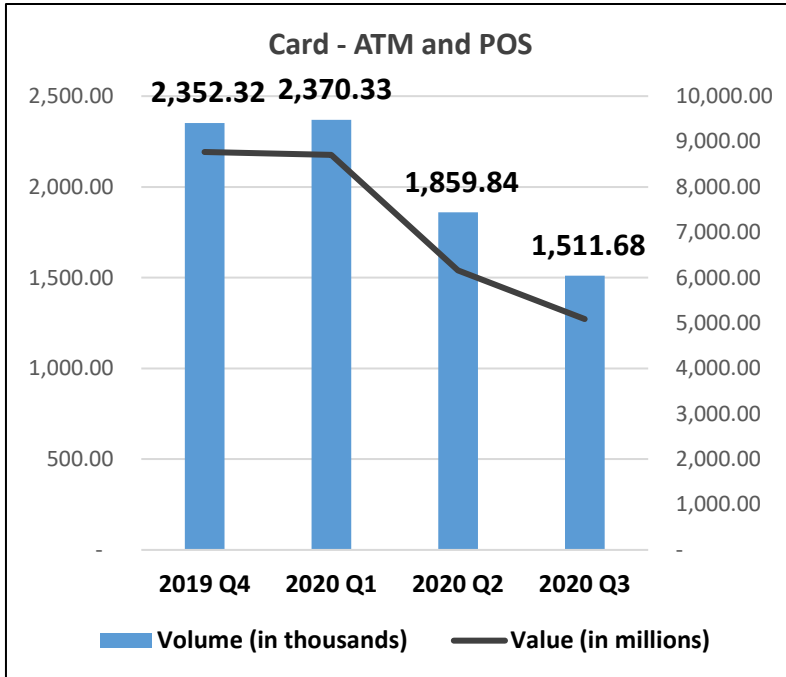


Figure 2 : Cheque Charges

b. Card - ATM and POS



The number of transactions made from ATM and POS terminals in Q3 was **1,511.68** (thousand) transactions of value Nu. **5.08** billion which was a drop of **18.72%** from Q2. The drop in ATM may also mean increasing usage of digital payments such as QR and Mobile payment for retail payments in this ongoing situation of pandemic COVID-19.

However, Card - ATM and POS accounts still accounts to **7.33%** of the total market share in Q3 2020.

Figure 3: Card – ATM and POS

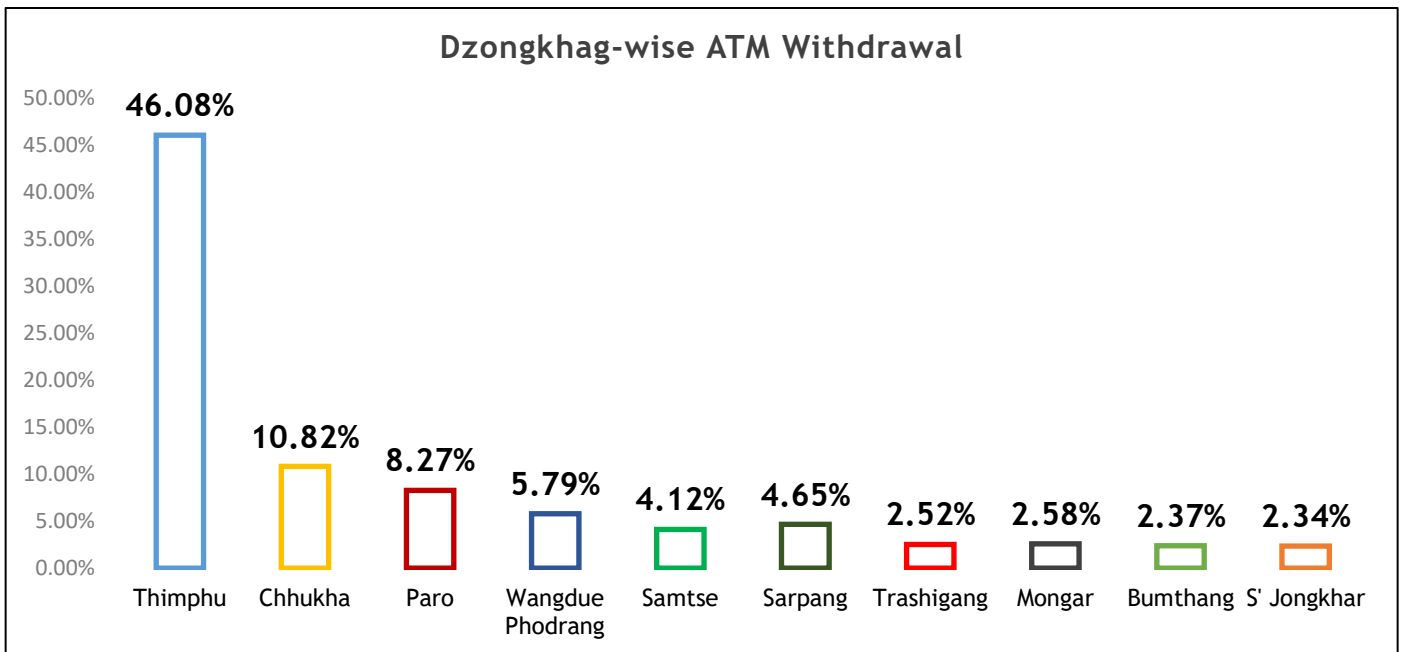


Figure 4: Top 10 Dzongkhag wise ATM withdrawal

Figure 4 depicts the top 10 Dzongkhag wise ATM withdrawals made in Q3 - as depicted above, maximum ATM withdrawal was recorded in Thimphu with **46.08%**, followed by Chhukha with **10.82%**, and Paro with **8.27%**.

c. Mobile and Internet Banking

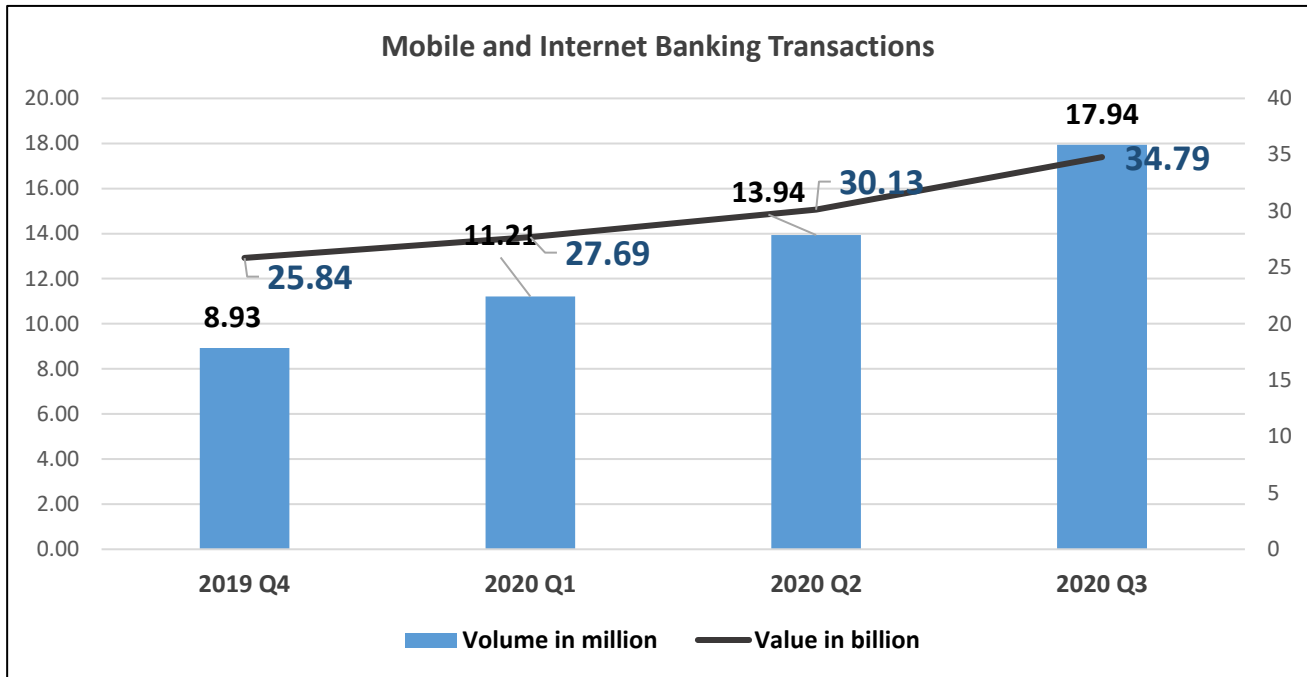


Figure 5: Mobile and Internet Banking

A total of **17.94** million transactions amounting to Nu. **34.79** billion digital payments through mobile and internet banking was recorded in Q3 of 2020. The q-o-q growth was **28.69%** and **15.47%** in volume and value, respectively. Mobile and Internet Banking constituted **87.02%** of the market share in Q3.

Table 1 : Mobile Banking Users

Bank	Registered Users	Active Users
	298,518.00	246,976.00
BOBL	66.22%	69.91%
BNBL	17.90%	21.64%
DPNB	3.45%	4.18%
T Bank	3.43%	4.15%
BDBL	8.99%	0.12%

As of Q3, a total of **298,518.00** users have been registered; of which, only **246,976.00** users are active - **69.91%** of active users belongs to BOBL, followed by BNBL with **21.64%**.

d. Bhutan QR

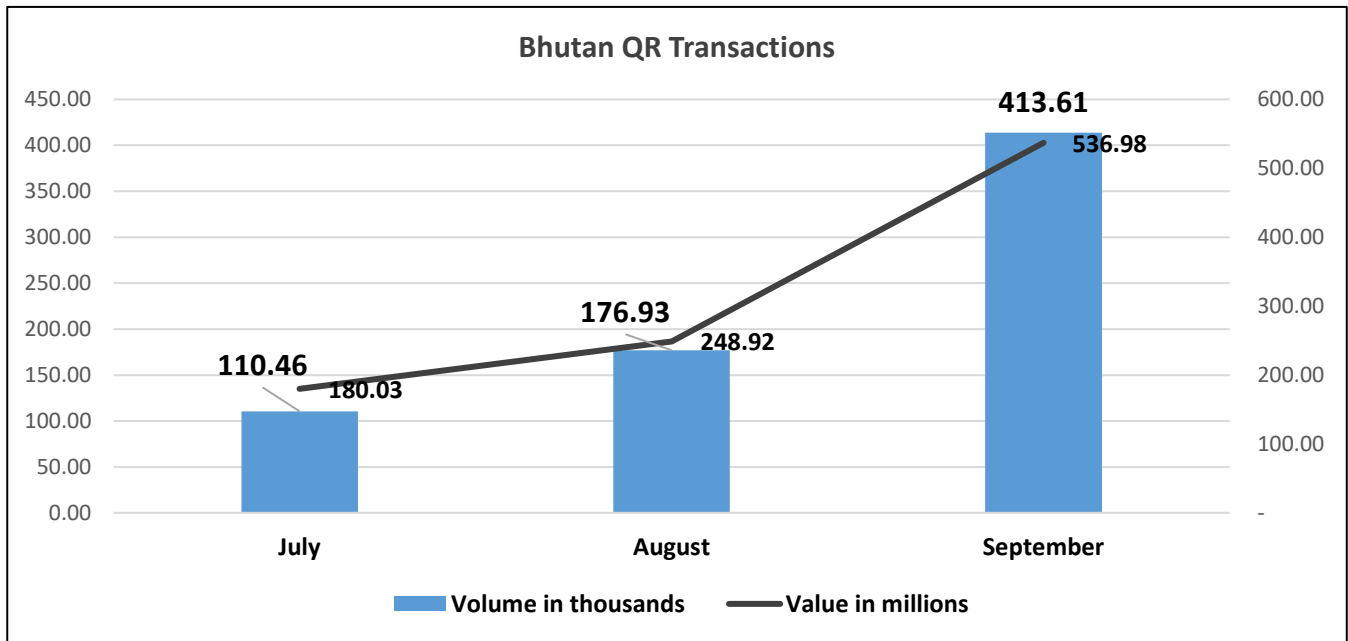


Figure 6 : Bhutan QR Transactions

Bhutan QR was launched on 17th July 2020. With the launch of Bhutan QR, interoperability of QR payments among the member banks have become possible, meaning one can scan any QR templates of member banks at the merchant locations. Currently, BOB, BNB and BDBL are part of the network.

Since its launch, a total of **700.99** thousand transaction amounting to Nu. **965.93** million was recorded. **92.83%** of the transactions was recorded with BOB, followed by BNB with only **7.16%** in Q3. Bhutan QR accounts to **3.40%** of the market share.

e. Wallet : B-Ngul and eteeru

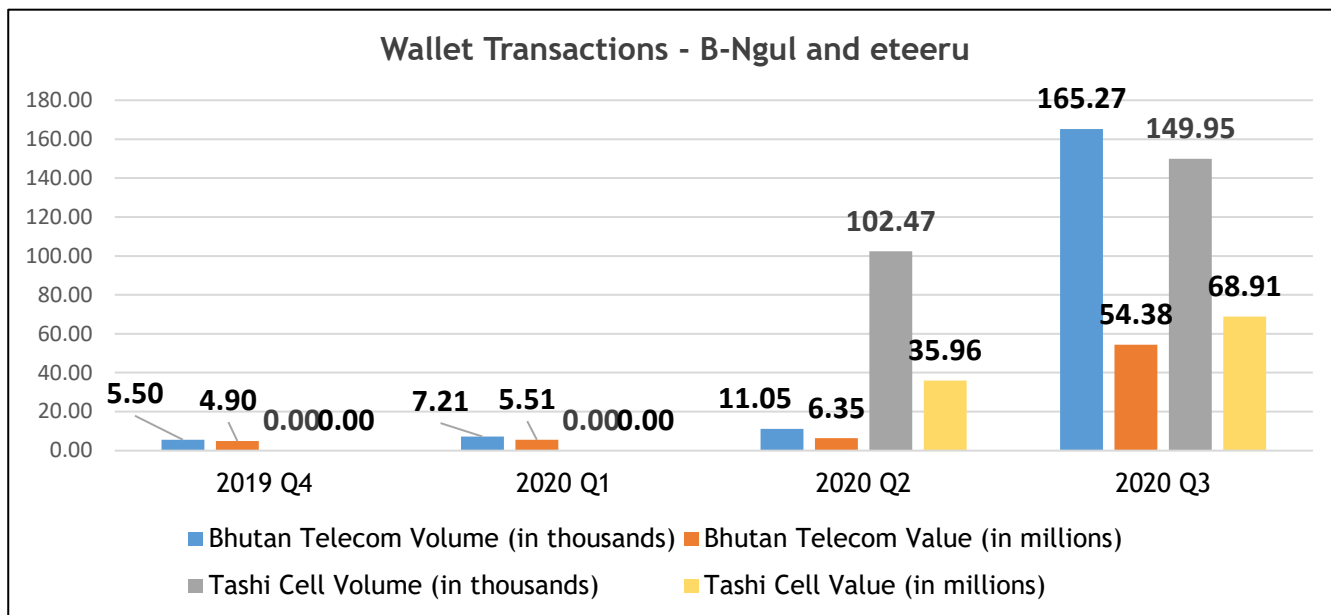


Figure 7 : B-Ngul and eteeru transactions

A total of **135.21** thousand transactions amounting to Nu. **123.29** million were made through wallet - a spike of **177.65%** over Q2 2020.

Prepaid top up is the most popular service availed on wallet (it accounts to **78.75%**), followed by add from bank with **12.90%**. Wallet accounts to only **1.53%** of the market share in Q3 2020.

As of Q3, a total of **52,823.00** and **47,388.00** users were registered by B-Ngul and eteeru, respectively.

f. GIFT - RTGS, BITS and BULK

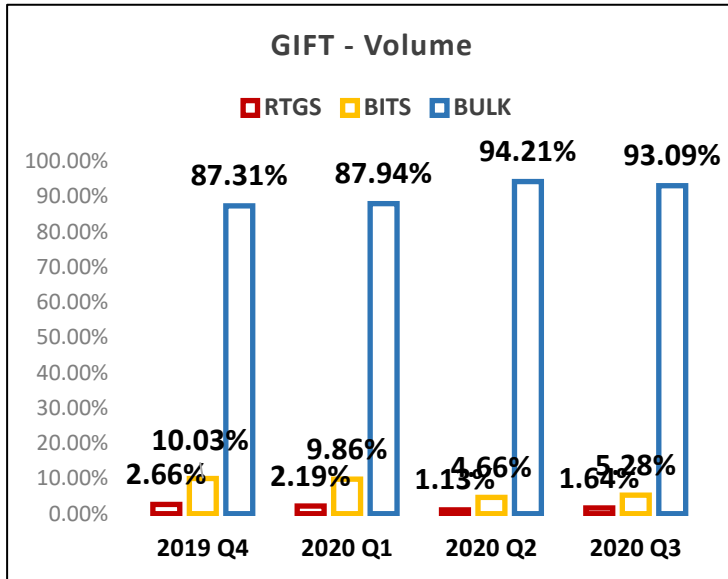


Figure 8 : GIFT Volume

In Q3 2020, as depicted in figure 10, large value fund transfer through the GIFT-RTGS saw an increase of 19.13% in volume, but decline of 7.62% in value. GIFT-RTGS are mostly used by the businesses to make interbank large value fund transfer within Bhutan.

Likewise, the number of BULK transactions saw a q-o-q drop of 18.57% and 21.33% in volume and value terms.

BOBL has sent the maximum number of outward transactions, followed by T Bank. For inward, BNBL has received the maximum transactions, followed by BOBL.

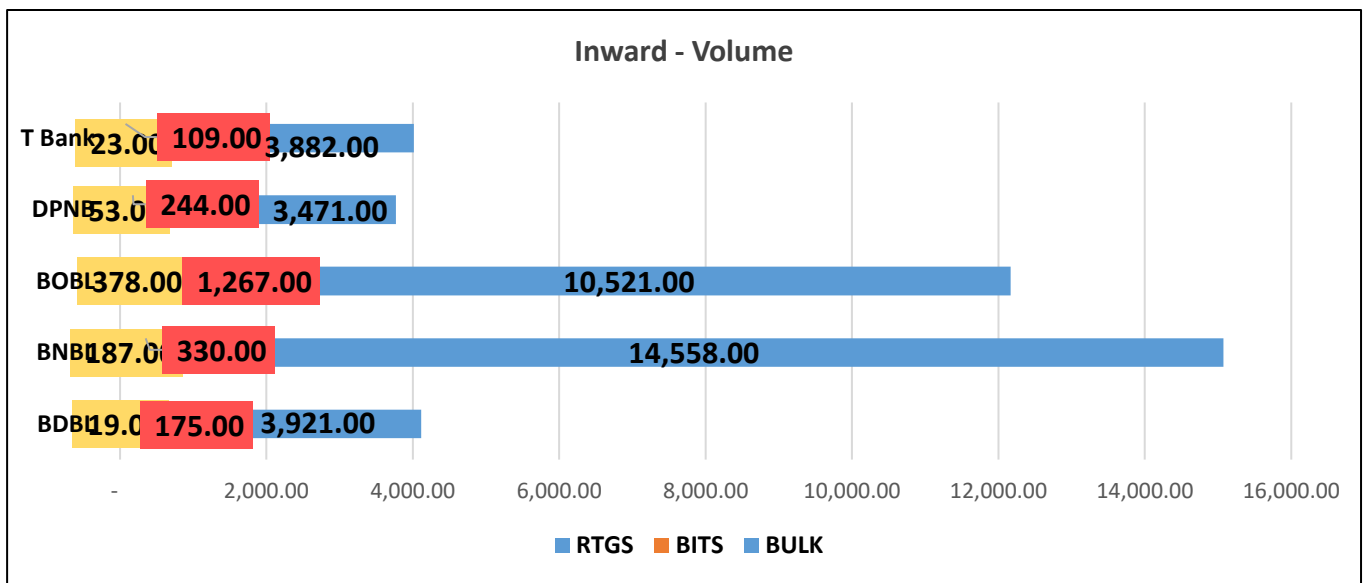


Figure 9 : GIFT Inward

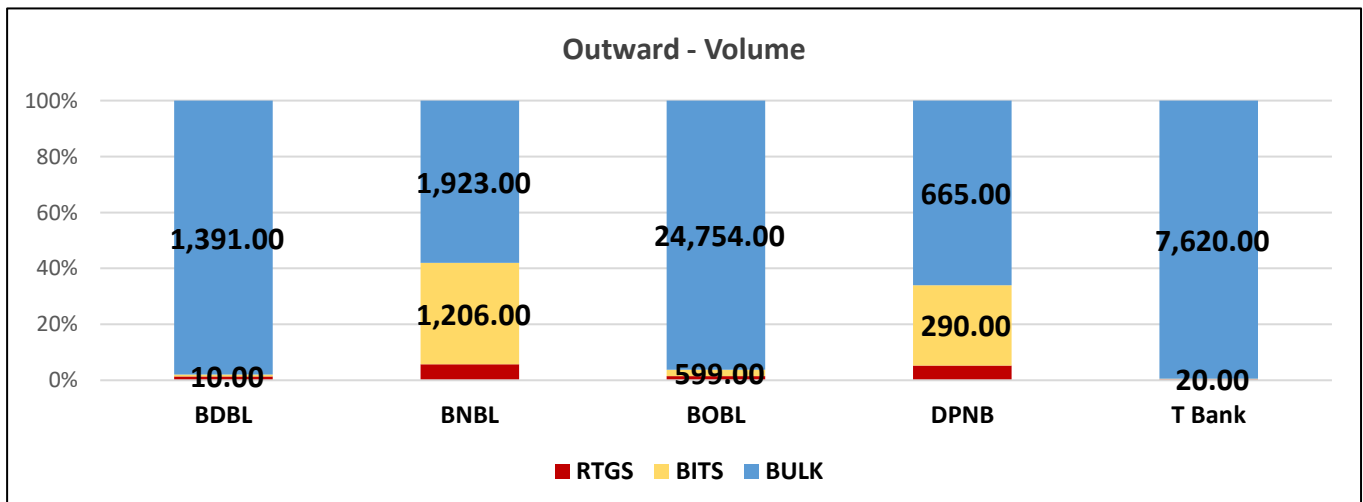
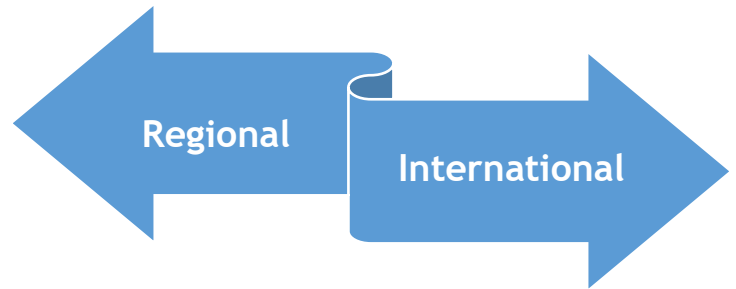


Figure 10 : GIFT Outward

2. Regional and International Transactions

a) A total of **5,382.00** transactions amounting to INR **19.28** million were made since January 2020.

b) A total of **6,973.00** SWIFT transaction were made in Q3 2020 - a drop of **6.99%** over Q2.



a) RuPay - ATM Transactions

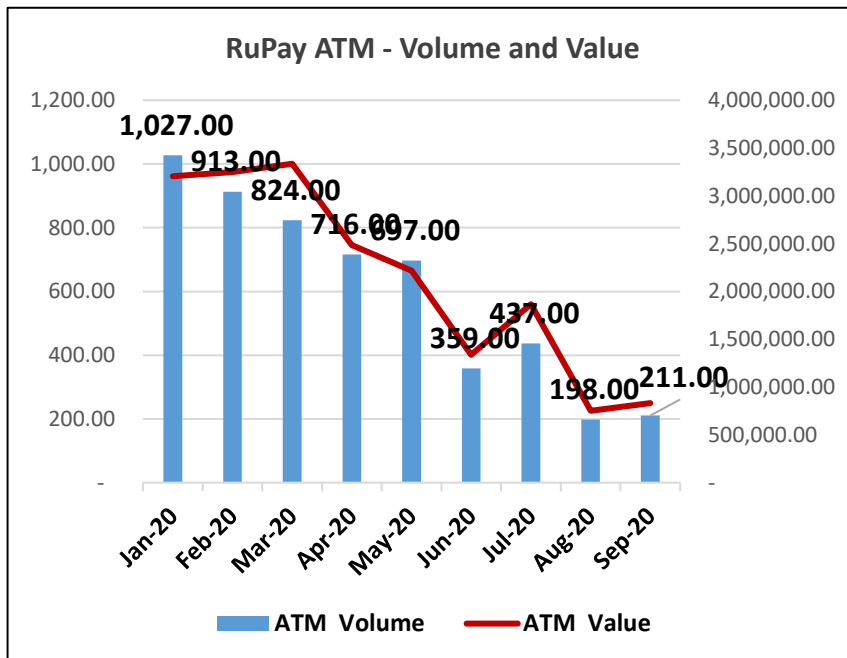


Figure 11 : RuPay

Since the closure of international flights to and from Bhutan in March 2020, the RuPay transactions have drastically declined over the months. The rate of decline in volume is **52.26%** and in value is **42.88%** over Q2 2020.

b) SWIFT Transactions

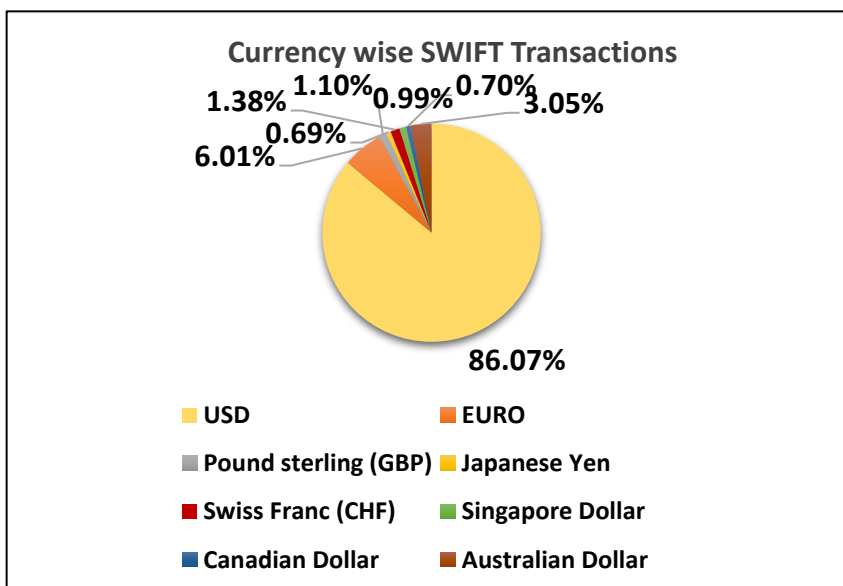


Figure 12 : SWIFT

As shown in figure 14, **USD** has dominated the market share, followed by **EURO**. In terms of bank performance, BOBL has made the maximum number of transactions, followed by BNBL, and DPNB.

Annexures I

Table 1 : Cheque

Quarter	Volume in thousands	Value in millions
2019 Q1	271.32	72,514.41
2019 Q2	332.48	85,724.19
2019 Q3	248.02	69,643.05
2019 Q4	249.31	66,291.29
2020 Q1	219.03	65,893.02
2020 Q2	150.42	72,955.09
2020 Q3	106.96	41,291.88

Table 2 : Cheque Charges

Month	Total return	Chargeable
Jan-20	407.00	293.00
Feb-20	303.00	232.00
Mar-20	392.00	273.00
Apr-20	112.00	63.00
May-20	77.00	18.00
Jun-20	70.00	16.00
Jul-20	119.00	25.00
Aug-20	45.00	11.00
Sep-20	64.00	17.00

Table 3 : Mobile and Internet Banking

Quarter	Volume in million	Value in billion
2019 Q4	8.93	25.84
2020 Q1	11.21	27.69
2020 Q2	13.94	30.13
2020 Q3	17.94	34.79

Table 4 : Wallet

Quarter	Bhutan Telecom		Tashi Cell	
	Volume (in thousands)	Value (in millions)	Volume (in thousands)	Value (in millions)
2019 Q4	5.50	4.90	0.00	0.00
2020 Q1	7.21	5.51	0.00	0.00
2020 Q2	11.05	6.35	102.47	35.96
2020 Q3	165.27	54.38	149.95	68.91

Table 5 : Bhutan QR

Banks	July		August		September		Total (Bank wise)	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
BOB	101,962.00	164,815,138.76	166,059.00	234,228,839.59	382,725.00	490,835,444.52	650,746.00	889,879,422.87
BNB	8,494.00	15,210,486.17	10,863.00	14,692,256.81	30,863.00	45,632,032.94	50,220.00	75,534,775.92
BDBL	-	-	7.00	1,726.00	26.00	516,302.00	33.00	518,028.00
DPNB	-	-	-	-	-	-	-	-
T-Bank	-	-	-	-	-	-	-	-
Grand Total	110,456.00	180,025,624.93	176,929.00	248,922,822.40	413,614.00	536,983,779.46	700,999.00	965,932,226.79

Table 7 : ATM and POS

Quarter	Volume (in thousands)	Value (in millions)
2019 Q4	2,352.32	8,773.05
2020 Q1	2,370.33	8,708.51
2020 Q2	1,859.84	6,160.26
2020 Q3	1,511.25	5,090.77

Table 8 : GIFT - Inward

Bank	2020 Q2		2020 Q3		2020 Q2		2020 Q3		2020 Q2		2020 Q3	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
	BDBL	68.00	517.48	59.00	290.59	187.00	34.27	175.00	80.34	5013.00	761.09	4545.00
BNBL	140.00	1077.31	175.00	1266.49	265.00	55.51	330.00	220.26	17461.00	797.48	14988.00	1477.69
BOBL	162.00	3195.33	196.00	3096.67	1279.00	129.04	1267.00	234.95	14099.00	2508.94	10529.00	1844.25
DPNB	136.00	1136.82	163.00	617.74	269.00	95.27	244.00	104.66	4047.00	809.11	3471.00	133.56
T Bank	48.00	535.86	67.00	699.05	128.00	21.73	109.00	155.51	5428.00	228.52	3964.00	151.44
Total	554.00	6462.80	660.00	5970.54	2128.00	335.82	2125.00	795.71	46048.00	5105.14	37497.00	4016.11

Table 9 : GIFT - Outward

Bank	2020 Q2		2020 Q3		2020 Q2		2020 Q3		2020 Q2		2020 Q3	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
	BDBL	13.00	101.58	19.00	58.20	23.00	3.49	10.00	1.73	1036.00	731.72	1396.00
BNBL	174.00	1377.21	187.00	2591.40	1392.00	155.09	1206.00	249.03	2404.00	63.90	1923.00	36.42
BOBL	314.00	2395.23	378.00	2433.75	562.00	160.28	599.00	490.49	32223.00	2341.39	25880.00	1408.42
DPNB	41.00	2093.96	53.00	516.89	151.00	16.96	290.00	50.98	363.00	109.24	676.00	173.70
T Bank	12.00	494.82	23.00	370.29	0.00	0.00	20.00	3.47	10022.00	1858.89	7622.00	1386.03
Total	554.00	6462.80	660.00	5970.54	2128.00	335.82	2125.00	795.71	46048.00	5105.14	37497.00	4016.11

Table 10 : RuPay ATM

2020		
Month	ATM	
	Volume	Value
Jan-20	1,027.00	3,203,950.00
Feb-20	913.00	3,249,300.00
Mar-20	824.00	3,335,300.00
Apr-20	716.00	2,484,450.00
May-20	697.00	2,217,900.00
Jun-20	359.00	1,337,700.00
Jul-20	437.00	1,867,500.00
Aug-20	198.00	751,200.00
Sep-20	211.00	831,100.00
Total	5,382	19,278,400.00

Table 11 : SWIFT Transactions

Bank	Currency								Total
	USD	EURO	Pound sterling (GBP)	Japanese Yen	Swiss Franc (CHF)	Singapore Dollar	Canadian Dollar	Australian Dollar	
BOBL	2,950.00	225.00	48.00	25.00	94.00	59.00	49.00	209.00	3,659.00
RMA	99.00	8.00	-	9.00	2.00	-	-	-	118.00
BNB	2,427.00	174.00	27.00	13.00	-	-	-	-	2,641.00
DPNB	356.00	11.00	-	1.00	-	10.00	-	-	378.00
T Bank	170.00	1.00	2.00	-	-	-	-	4.00	177.00
Total	6,002.00	419.00	77.00	48.00	96.00	69.00	49.00	213.00	6,973.00

Annexures II

