

Q2



## Quarterly Payment Systems Report Q2, 2021 (April – June)

Department of Payment and Settlement Systems.

## PREFACE

We are delighted to share the **quarter 2,2021** report. The report highlights the outlook of digital payment channels – in terms of volume, value, usage and users observed in the second quarter (April - June) of 2021. The reports also show the performance in comparison to the previous quarter.

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.

## VOLUME & VALUE OF DOMESTIC PAYMENT TRANSACTIONS –2021 Q2 IN FOCUS



### *Mobile & Internet Banking*

**27.27** million transactions  
amounting to Nu. **79.28**  
billion



### *Bhutan QR Code*

**6.57** million transactions  
amounting to Nu. **6.57**  
billion



### *e-Money*

**421.77** thousand  
transactions amounting  
to Nu. **173.69** million



### *Domestic Payment Gateway*

**318.87** thousand  
transactions amounting  
to Nu. **71.13** million

## VOLUME & VALUE OF DOMESTIC PAYMENT TRANSACTIONS –2021 Q2 IN FOCUS



### *Electronic Fund Transfer*

**42.89** thousand  
transactions amounting  
to Nu. **20.87** billion



### *Card – ATM & POS*

**1.07** million transactions  
amounting to Nu. **3.99**  
billion



### *Cheque*

**177.78** thousand  
transactions amounting  
to Nu. **66.27** billion

## CROSS - BORDER PAYMENT TRANSACTIONS –2021 Q2 IN FOCUS



*Acquirer*

**361** Transactions  
amounting to INR **1.63**  
million



*Issuer*

**761** Transactions  
amounting to INR **2.75**  
million



*SWIFT*

**8,235** Transactions



*International Payment  
Gateway*

**541** Transactions amounting  
to Nu. **0.65** million

## DOMESTIC PAYMENT TRANSACTIONS (Q2, 2021)

Domestic payment transactions constitute of transactions made within the country through 7 payment channels as shown below in the table 1.

**Table 1: Payment Transaction Volume & Value – Q2, 2021.**

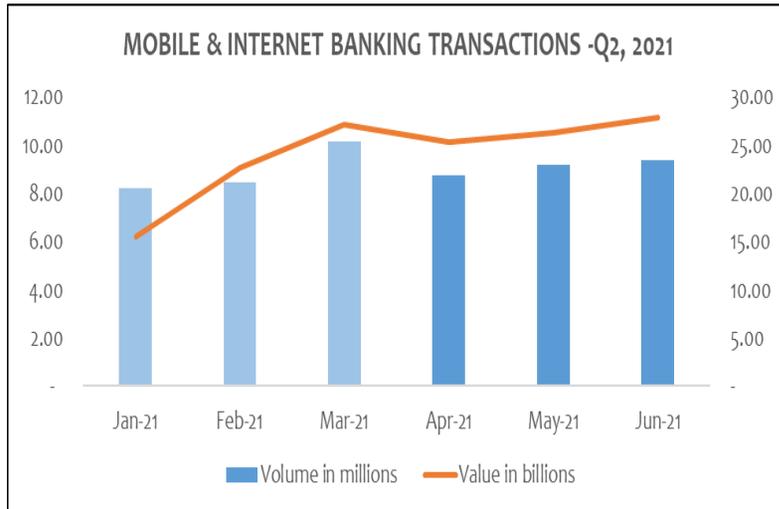
| Payment Channels          | 2021 Q1               |                     | 2021 Q2               |                     | Percentage Change (in Volume) |
|---------------------------|-----------------------|---------------------|-----------------------|---------------------|-------------------------------|
|                           | Volume (in thousands) | Value (in millions) | Volume (in thousands) | Value (in millions) |                               |
| Paper-Cheques             | 108.72                | 39,737.21           | 117.78                | 66,276.22           | 8.34%                         |
| Mobile & Internet Banking | 30,203.34             | 68,693.48           | 33,835.42             | 85,848.99           | 12.03%                        |
| Payment Gateway           | 115.65                | 117.26              | 318.87                | 71.13               | 175.72%                       |
| Wallets                   | 230.40                | 105.67              | 421.77                | 173.69              | 83.06%                        |
| Electronic Fund Transfer  | 43.72                 | 53,975.57           | 42.89                 | 20,869.89           | -1.90%                        |
| Cards                     | 1,218.27              | 4,377.71            | 1,072.87              | 3,994.91            | -11.93%                       |
| <b>Total</b>              | <b>31,920.09</b>      | <b>167,006.90</b>   | <b>35,809.59</b>      | <b>177,234.82</b>   | <b>12.19%</b>                 |

In the 2<sup>nd</sup> quarter, a total of **35.81 million** transactions worth **Nu.177.23 billion** domestic transactions were made through the digital channels, which is an increase of **12.19%** and **6.12%** by **volume** and value respectively compared to the previous quarter.

A significant increase of **175.72%** was observed in the Payment Gateway transactions followed by wallets with **83.06%**. Mobile & Internet banking grew with **12.03%**, and Paper-cheque by **8.34%** compared to the previous quarter. While on the other hand, Electronic Fund Transfer declined slightly by **1.90%** and card transactions by **11.93%**.

## a) Mobile Banking– Fund Transfer and Internet Banking

**Graph 1: Mobile and Internet Banking Transaction Volume & Value -Q2,2021**

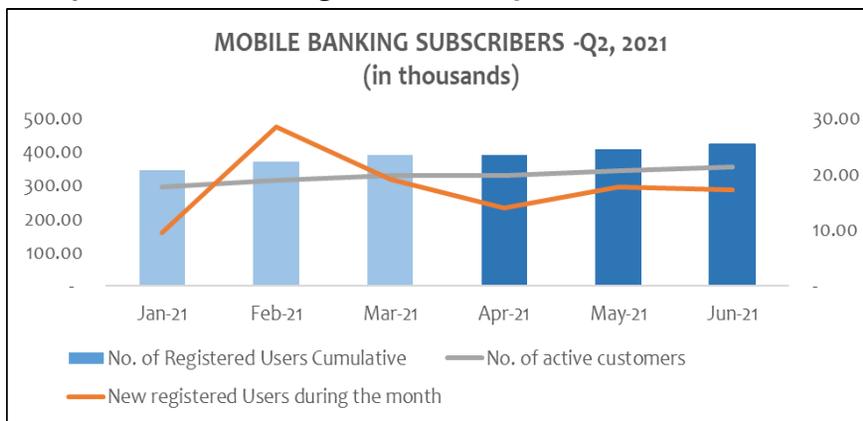


A total of 53.90 million mobile and internet banking transactions (exclusion of QR payment) worth Nu.144.09 billion has been transacted as of second quarter this year. In 2<sup>nd</sup> quarter alone, there were **27.27 million** transactions worth **Nu. 79.28 billion**. It is an increase of **2.39%** by **volume** and **22.34%** by value compared to the previous quarter.

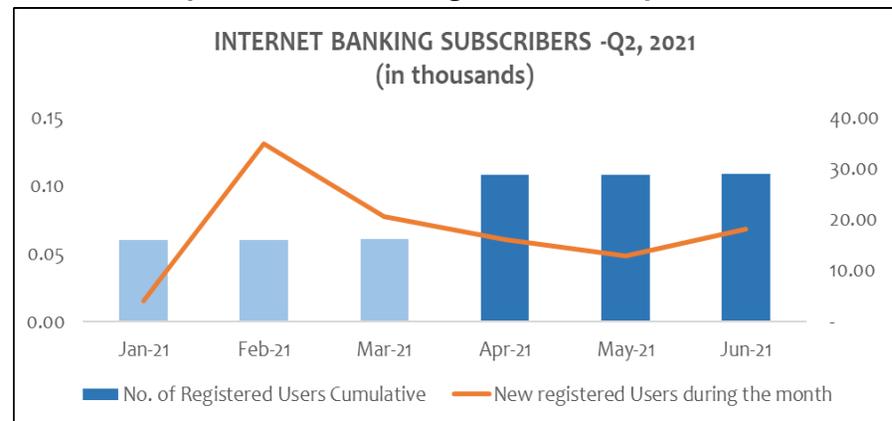
In terms of users, there were total of 423,262 registered mobile banking subscribers of which 84% are active users as of June this year. In 2<sup>nd</sup> quarter alone, there were **48,809** new subscriptions. The percentage increase in the users is **10.38%** compared to the previous quarter.

While there were total of 28,892 internet banking subscribers as of June this year, in 2nd quarter, **176** new users were onboarded by the banks.

**Graph 2: Mobile Banking Subscribers -Q2,2021**

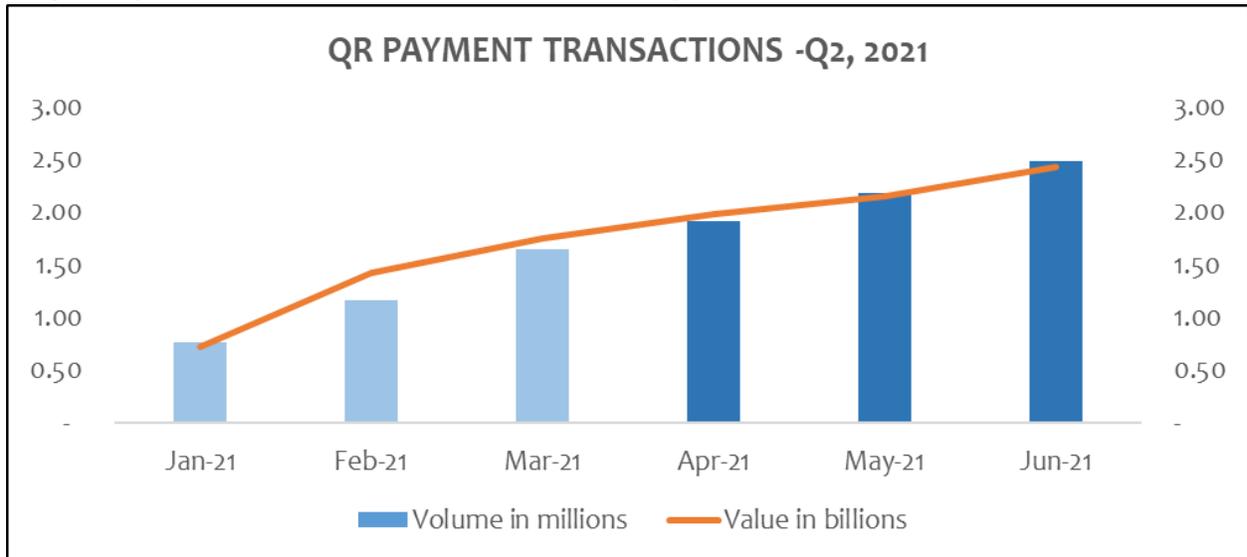


**Graph 3: Internet Banking Subscribers -Q2,2021**



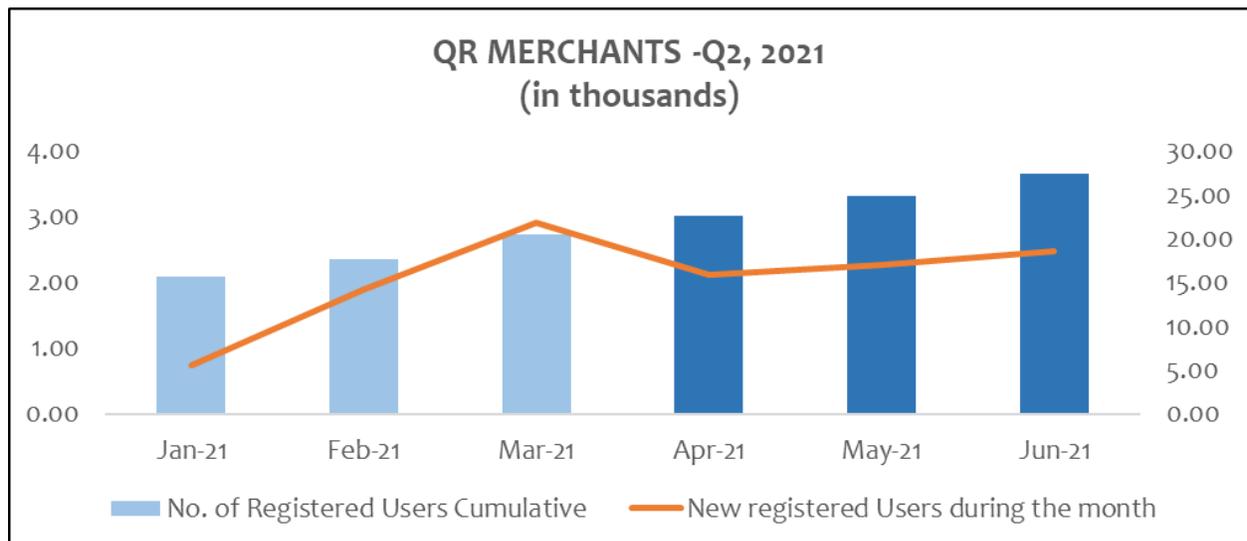
## b) Mobile Banking -QR Payment

Graph 4: QR Payment Transactions Volume & Value -Q2,2021



A total of 10.13 million QR payment worth Nu.10.45 billion has been transacted as of second quarter this year. In 2<sup>nd</sup> quarter alone, there were **6.57 million** transactions of value **6.57 billion** contributing to 19% of the mobile and internet banking. The QR payment has an increase of **83.96%** by **volume** and **68.98%** by value compared to the previous quarter.

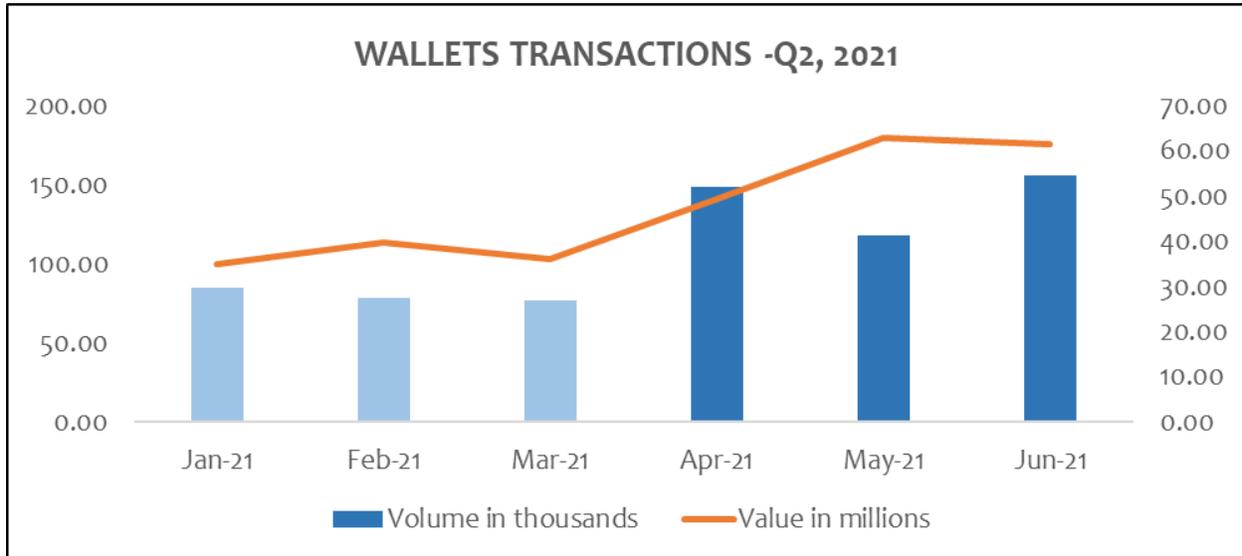
Graph 5: QR Merchants -Q2,2021



In terms of QR merchants, as of 2<sup>nd</sup> quarter, there is total of 27,330 merchants with 12,368 new QR code issued as of June 2021. In 2<sup>nd</sup> quarter alone, the banks have onboarded **6,849** new QR merchants contributing to **24.10%** increase compared to the previous quarter.

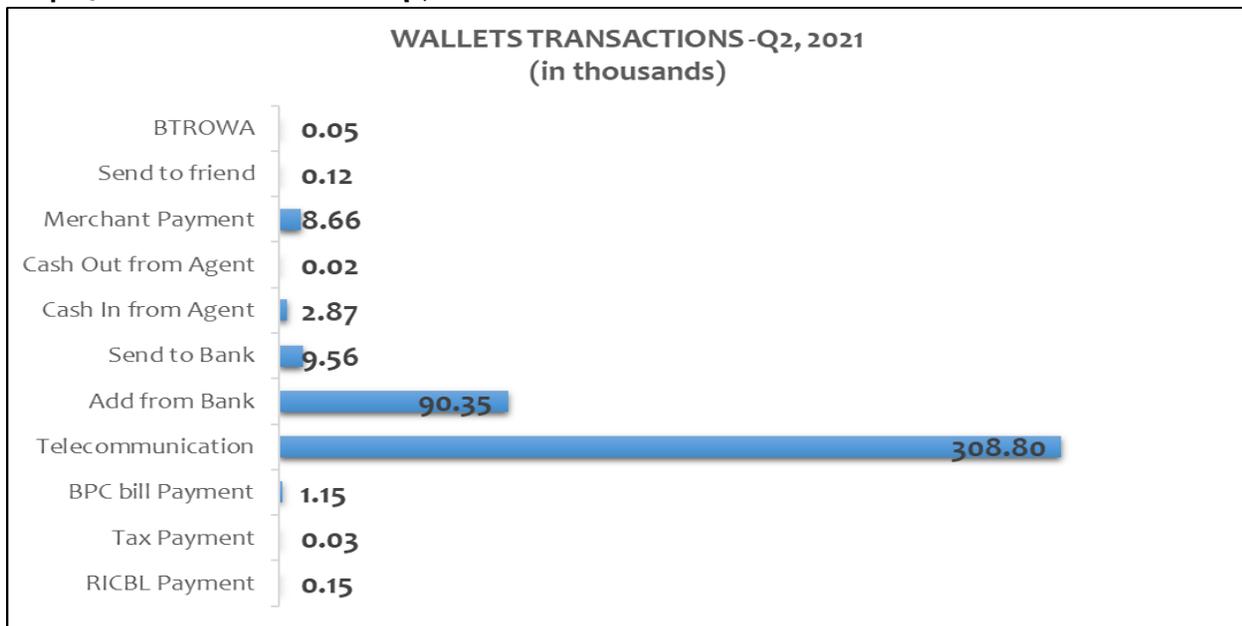
## c) Wallets

**Graph 6: Wallets Transaction Volume & Value -Q2,2021**



A total of 652,166 wallets transaction worth Nu.279.37 million has been transacted as of second quarter this year of which **421,768** transactions of **Nu. 173.69** million transacted during the 2<sup>nd</sup> quarter. It has an increase of **83.06%** by **volume** and 64.37% by value compared to the previous quarter. The significant increase was seen in cash in and out from the banks during the 2<sup>nd</sup> quarter. There is also a slight drop in the May month e-money transactions owing to the reduced cash in to the wallet as well as reduced expenditure to the telecommunication such as internet lease line and mobile postpaid.

**Graph 7: Wallets Transactions -Q2,2021**



## d) Electronic Fund Transfer

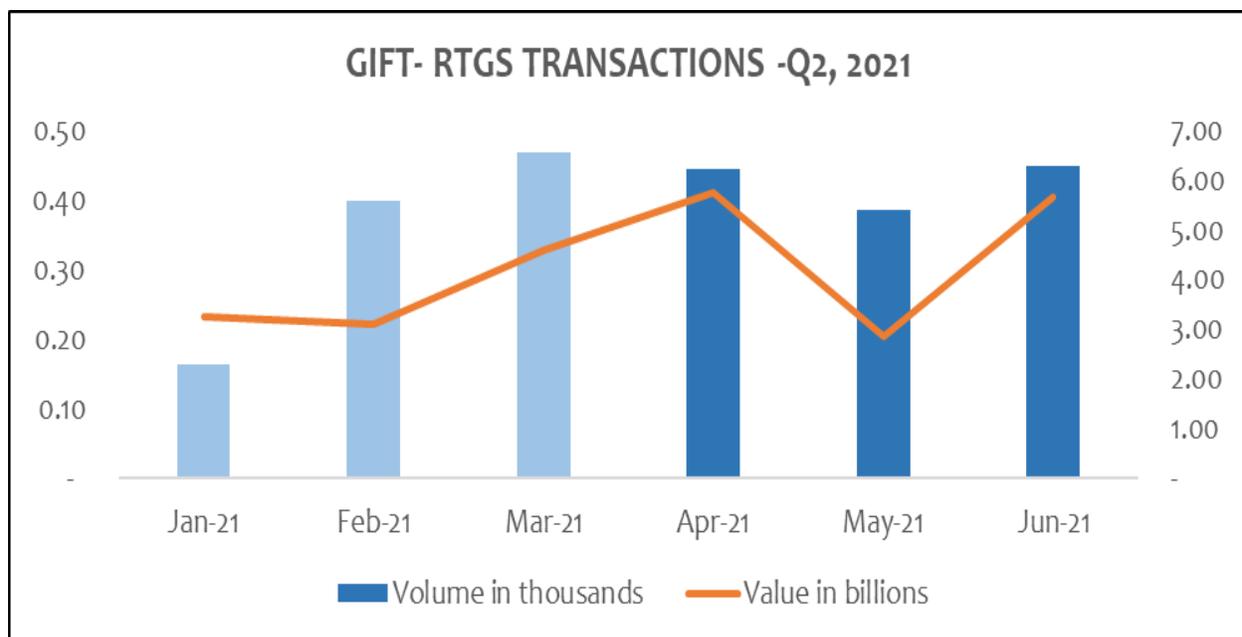
### Global Interchange for Financial Transaction (GIFT)

Global Interchange for Financial Transaction support three types of payment services; BULK, BITS and RTGS. The system is also integrated with the government ePEMS system.

As of 2<sup>nd</sup> quarter 2021, a total of total 86,604 transactions of value Nu.74.85 billion has been transacted in GIFT system. In 2<sup>nd</sup> quarter alone, there were **42,887** transactions amounting to **Nu. 20.87 billion**. The maximum volume was received in the BULK settlement while highest value was from RTGS settlement.

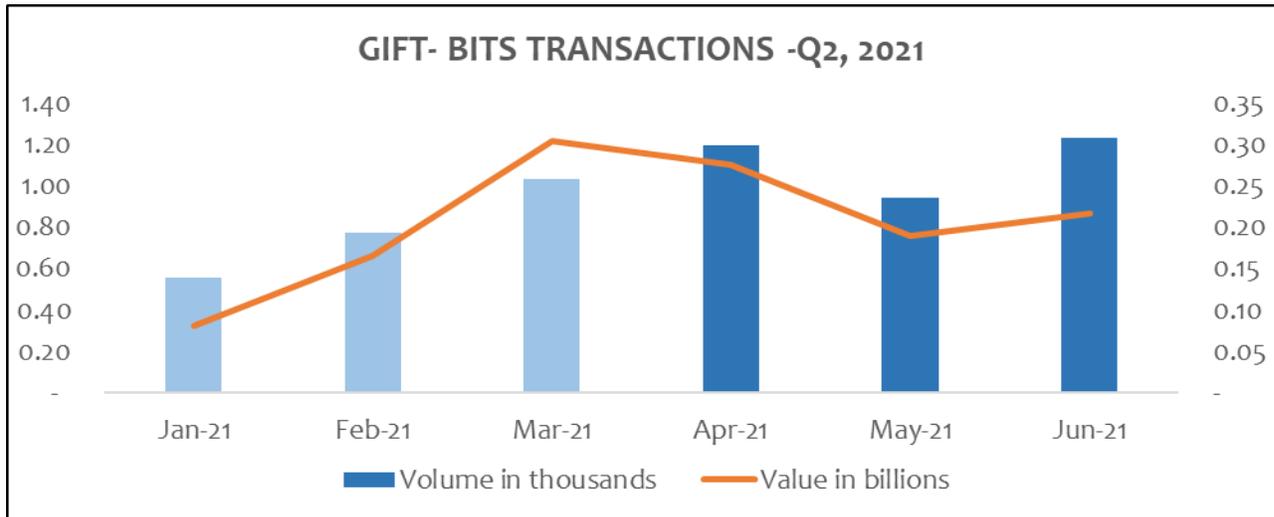
1. **GIFT-RTGS:** A real time retail payments has recorded a total of 2,307 GIFT RTGS settlement transactions worth Nu. 25.18 billion as of June, 2021. In 2<sup>nd</sup> quarter alone, **1,278** transactions worth **Nu.14.26 billion** has been transacted. It is an increase in **volume** by 24% and 31% by value compared to the previous quarter.

Graph 8: GIFT (RTGS) Transaction Volume & Value -Q2,2021



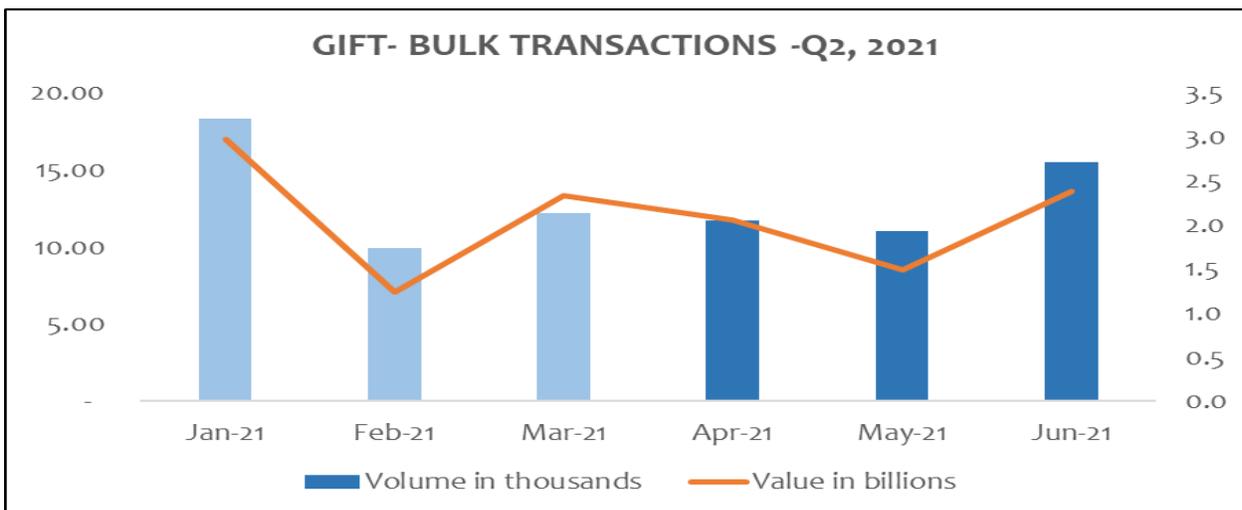
2. **GIFT-BITS:** Batched settlement service allows transactions below Nu.1 million. GIFT BITS services have a record of 5,733 transactions worth Nu.1.23 as of June this year. In 2<sup>nd</sup> quarter, there were **3,367** transaction worth **Nu. 681.75 million**. It is an increase of **42%** by **volume** and 24% by value in 2<sup>nd</sup> quarter compared to the previous quarter.

Graph 9: GIFT (BITS) Transaction Volume & Value -Q2,2021



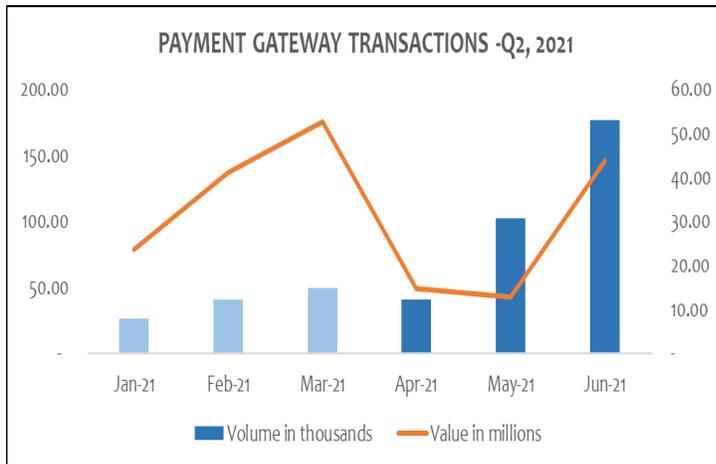
3. **GIFT-BULK:** In case of GIFT BULK settlement, there were total of 78,713 transactions worth Nu.12.47 billion. In quarter 2 alone, there were **38,242** BULK transactions worth **Nu.5.93 billion**, a decline by **6%** compared to the previous quarter. This was due to the huge transactions recorded during the lockdown in Jan, 2021. However, transactions are picking up monthly after February 2021.

Graph 10: GIFT (BULK) Transaction Volume & Value -Q2,2021



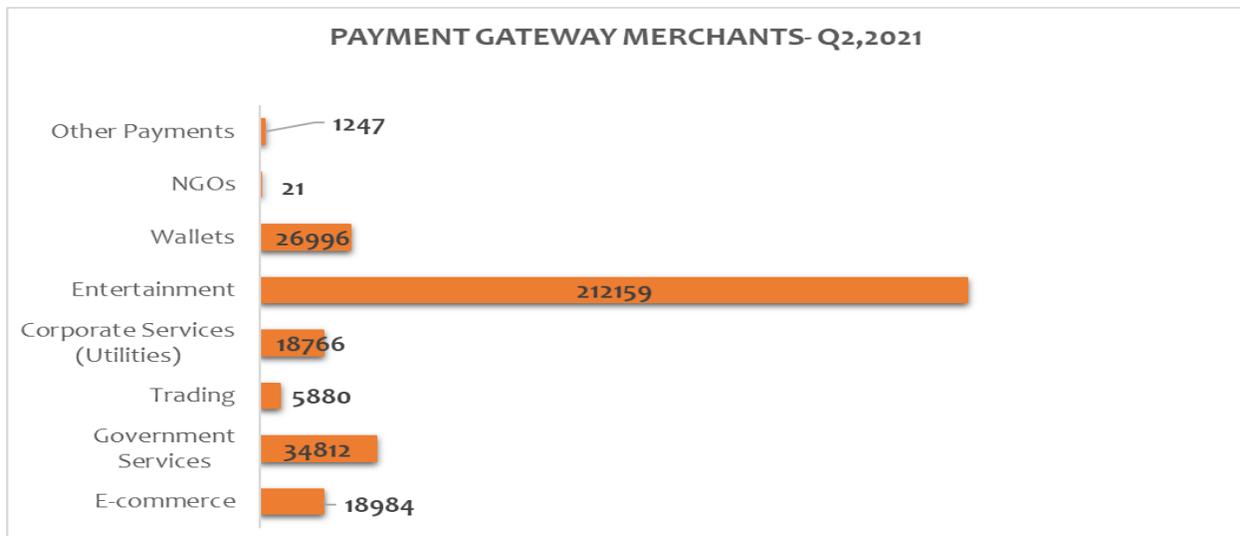
## E) Domestic Payment Gateway

**Graph 11: Payment Gateway Transactions Volume & Value -Q2,2021**



As of 2<sup>nd</sup> quarter 2021, there were 434,515 PG transaction of value Nu. 188.38 million. During this quarter alone, **318,865** transactions amounting to **Nu.71.13** million were transacted. In terms of **volume** the percentage increased to **175.72%** whereas the value has decreased by **39.34%** compared to the previous quarter.

**Graph 12: Domestic PG Users -Q2,2021**

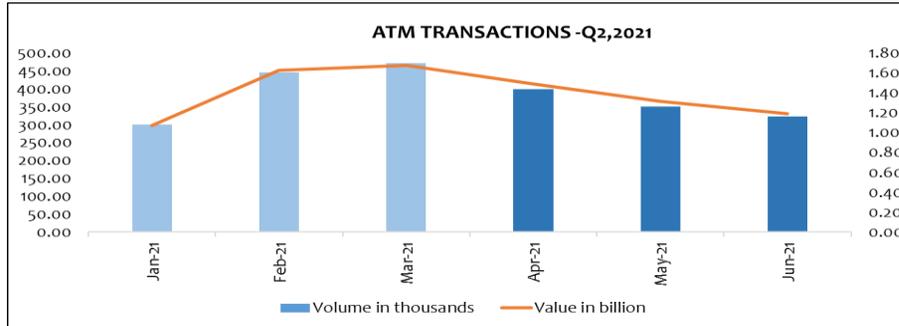


There is a total of **65** registered merchants in the domestic PG portal as of June, 2021 of which 39 merchants are active while 26 are dormant this year. The highest PG transactions were observed to be initiated by Bhutan Lottery Limited followed by G2C Payment aggregator and Tashi infocomm Ltd, Royal Securities Exchange of Bhutan, Bhutanbuy.com and Druk Bees. While Bhutan Buy and BOLTS NLC has significant drop in their transaction during the 2<sup>nd</sup> quarter.

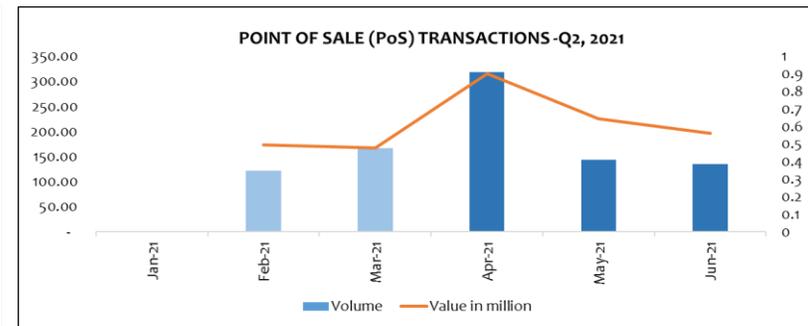
The new entries like Ability Bhutan Society, Azha Pasa, Bhutan OK eCommerce, Dragon Coders Private Limited, Druk Gi Kalapingka and Samuh Media Tech has started receiving their transactions in the 2<sup>nd</sup> quarter this year.

## F) Cards – ATM & PoS

Graph 13: ATM Transaction Volume & Value -Q2,2021

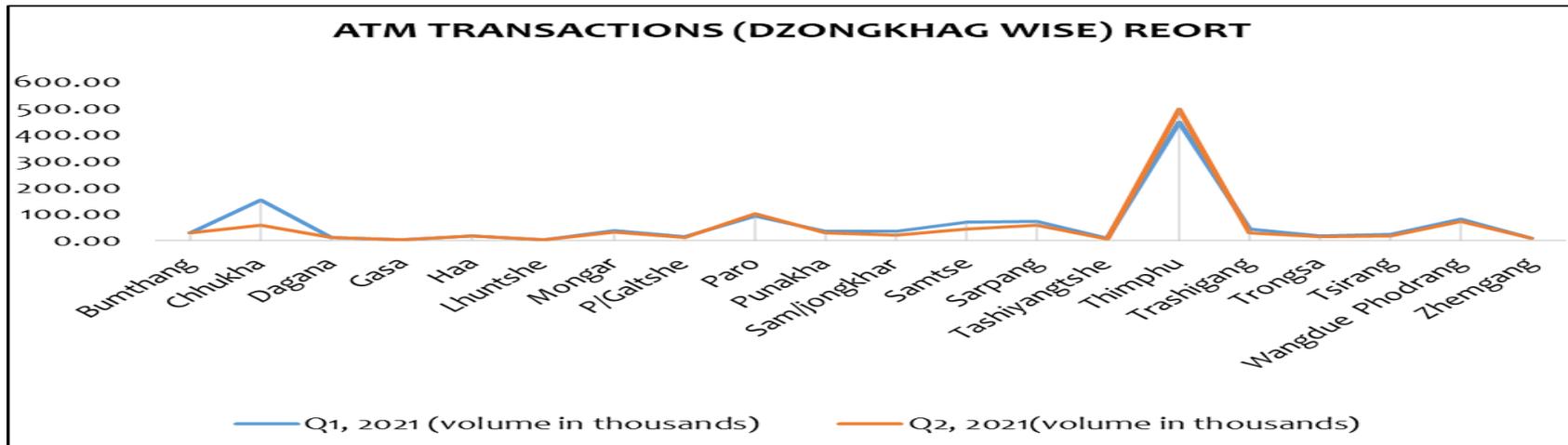


Graph 14: PoS Transaction Volume & Value -Q2,2021



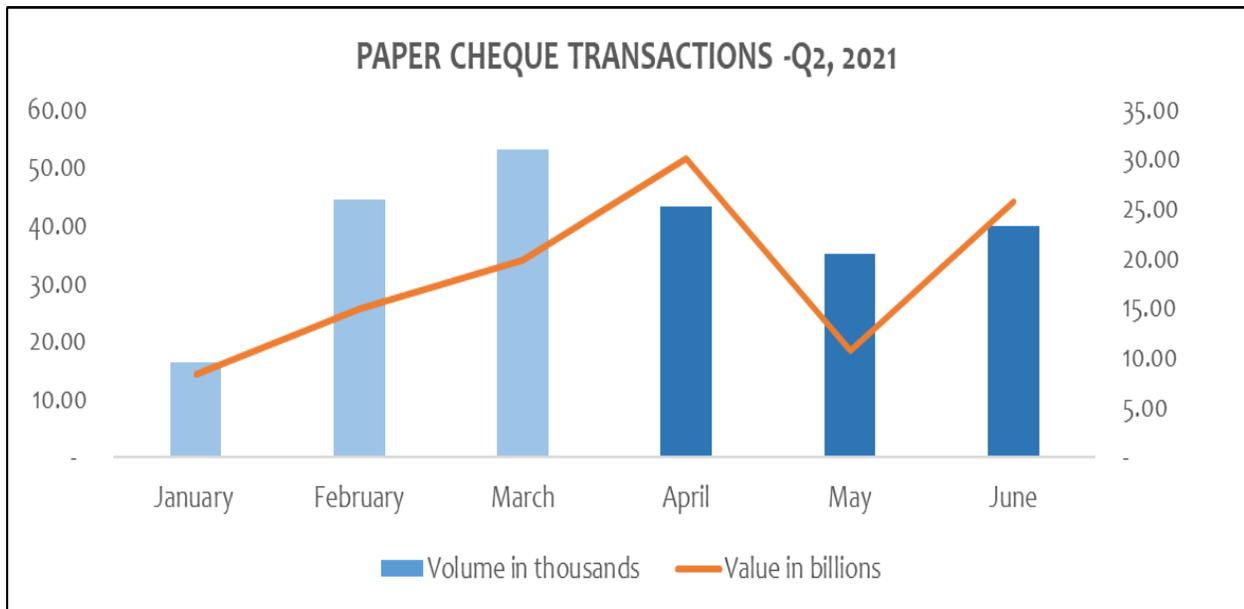
As of 2<sup>nd</sup> quarter 2021, there were 2.29 million ATM transaction of value Nu. 8.37 billion. During this quarter alone, **1.07 million** transactions worth **Nu.3.99 billion** were transacted. Unlike other payment instrument, there is a declining trend for card payments. In terms of **volume** the percentage has decreased by **11.93%** and the value has decreased by 8.74% compared to the previous quarter.

Graph 15: ATM Transaction Dzongkhag Wise -Q2,2021



## F) Paper Cheque – Cheque Truncation System (CTS)

Graph 16: Paper Cheque Transaction Volume & Value -Q2,2021



A total of 226,503 cheque transactions amounting to Nu. 106.01 billion were transacted as of June 2021 of which **117,783** cheques worth **Nu. 66.28 billion** was recorded in 2<sup>nd</sup> quarter. It has increased slightly by **8.34%** compared to the previous quarter due to the financial year closing for most of the businesses.

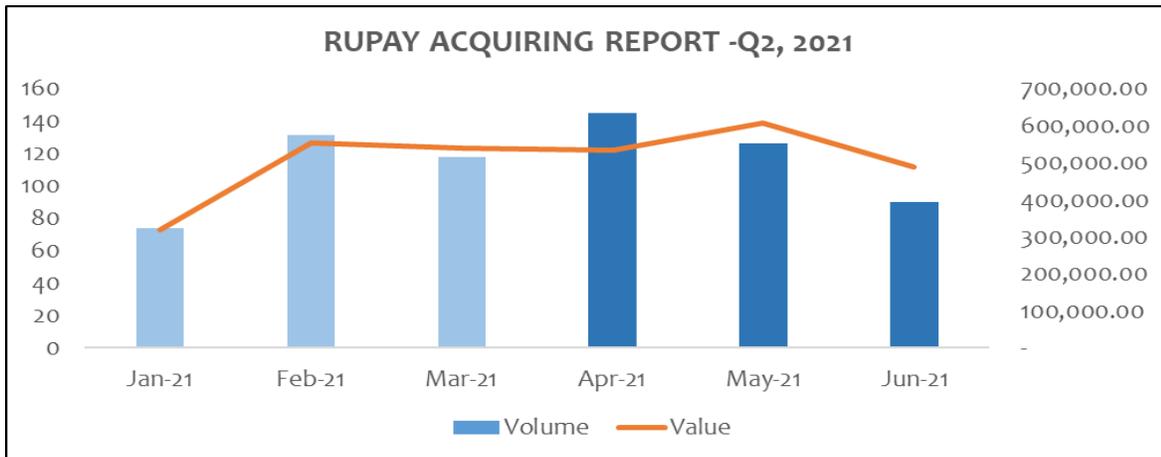
The maximum cheque bounced were for invalid account number, cheque belong to different account, endorsement missing, drawers sign different, etc. During the 2<sup>nd</sup> quarter, 19 cheques were charged to the customer for their insufficient balance and 71 cheques were charged to the banks for their failure to do the due diligence during the 2<sup>nd</sup> quarter.

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.

## REGIONAL DIGITAL PAYMENT TRANSACTIONS (Q2,2021)

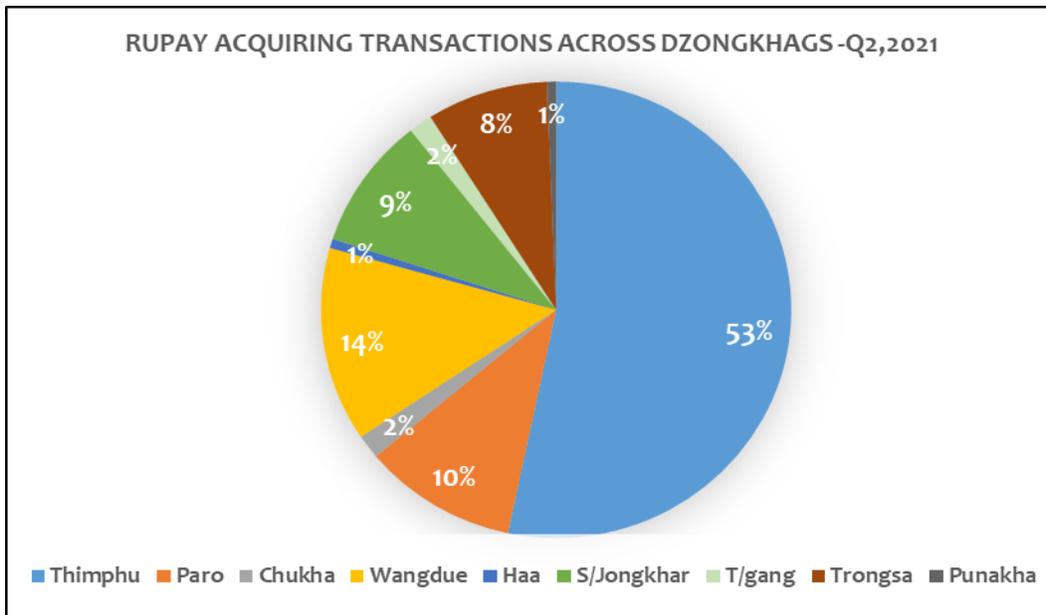
### A) RuPay Acquiring

**Graph 17: RuPay Acquiring Transaction Volume & Value -Q2,2021**



RuPay Acquiring allows Indian nationals to withdraw cash and make payment through all the ATM and PoS terminal in Bhutan. A total of 684 RuPay Acquiring transactions amounting to Rs. 3.04 million were received as of June 2021. Quarter 2 alone has **361** transactions worth **Rs. 1.63 million** which is **12%** increase by **volume** and **15%** increase by value in comparison to the previous quarter. The transactions hits across the country are shown below;

**Graph 18: RuPay Acquiring Transaction Value (Dzongkhag wise) -Q2,2021**

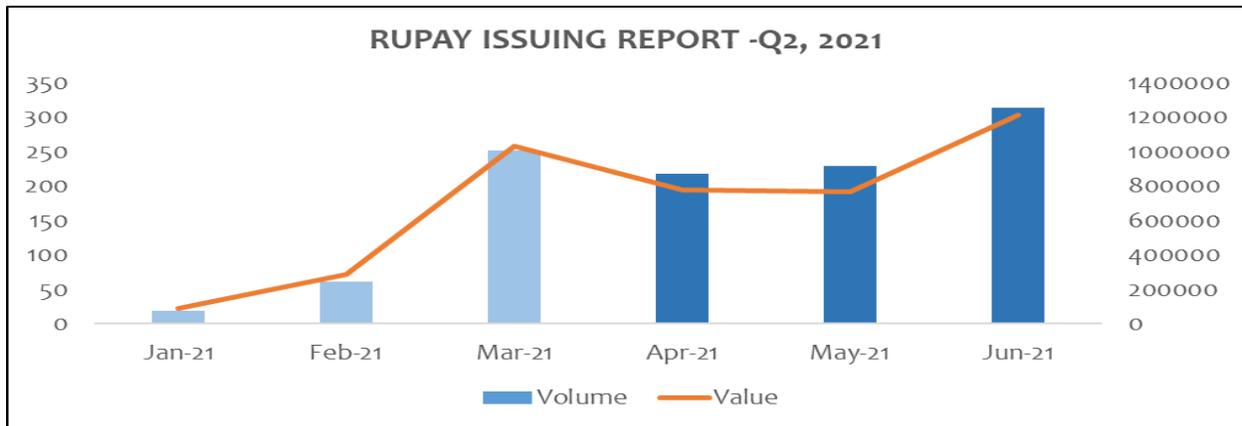


## B) RuPay Issuing

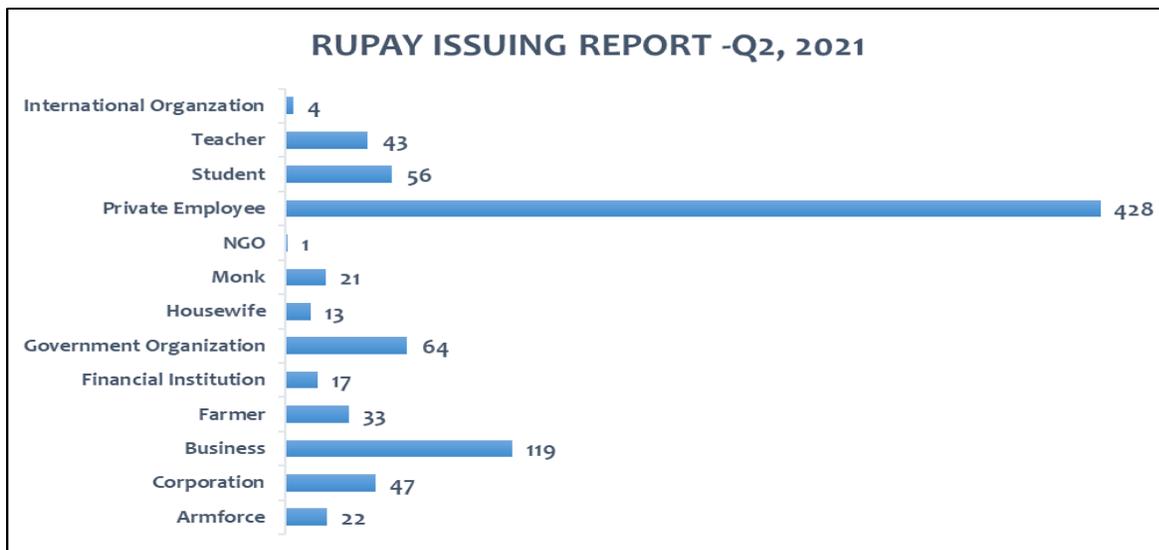
RuPay Issuing allows Bhutanese nationals to withdraw cash and make payment through all the ATM and PoS terminal in India.

As of June 2021, a total of 1,093 transactions worth Rs. 4.16 million has been transacted and in 2<sup>nd</sup> quarter alone, there is **761** transactions worth **Rs.2.75 million**. Therefore, it is **129%** increase by **volume** and 96% increase by value compared to the previous quarter.

Graph 19: RuPay Issuing Transaction Volume & Value -Q2,2021



Graph 20: RuPay Card Issuance (BNBL) -Q2,2021



Currently, Bhutan National Bank Ltd is only the issuer bank in Bhutan, the rest of the banks are yet to issue their RuPay card. As of June 2021, total of 2,243 cards were issued of which **868** were issued in the 2<sup>nd</sup> quarter. The highest issuance was to the private employees followed by businesses and students.

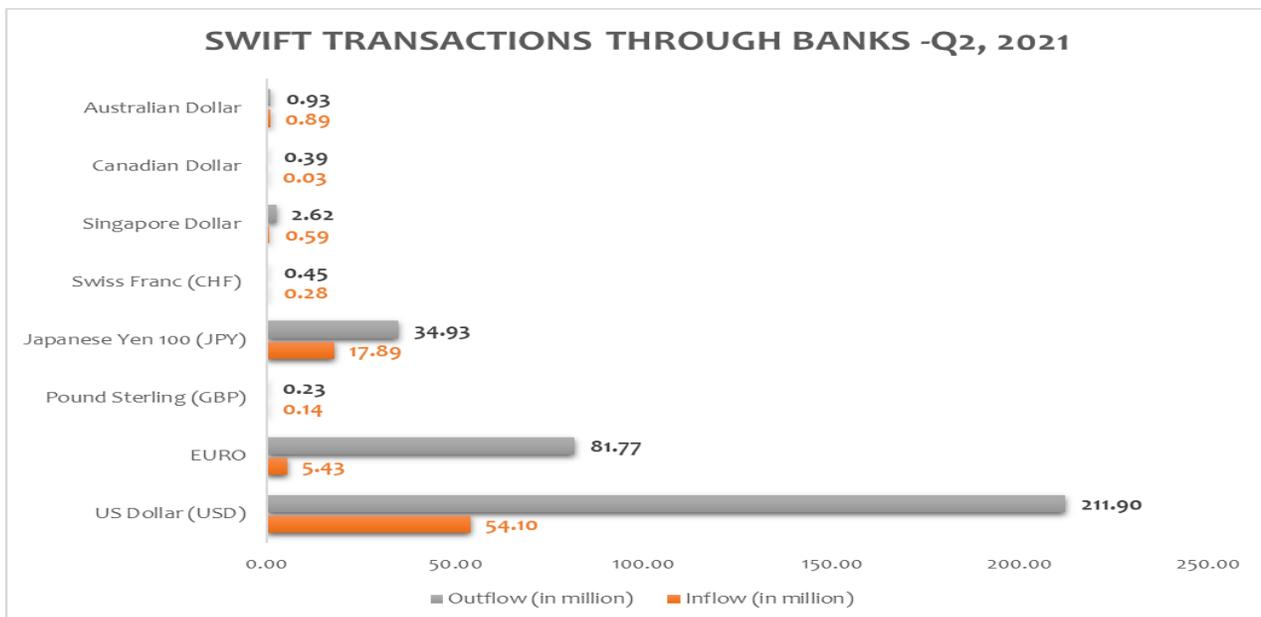
## INTERNATIONAL DIGITAL PAYMENT TRANSACTIONS (Q2,2021)

### a) SWIFT Transactions Through the Banks

**Table 3: Member Bank SWIFT Transactions Volume & Value -Q2,2021**

| SWIFT Transactions     | No. of Transaction | Inflow (in million) | Outflow (in million) |
|------------------------|--------------------|---------------------|----------------------|
| US Dollar (USD)        | 7076               | 54.10               | 211.90               |
| EURO                   | 527                | 5.43                | 81.77                |
| Pound Sterling (GBP)   | 90                 | 0.14                | 0.23                 |
| Japanese Yen 100 (JPY) | 55                 | 17.89               | 34.93                |
| Swiss Franc (CHF)      | 100                | 0.28                | 0.45                 |
| Singapore Dollar       | 144                | 0.59                | 2.62                 |
| Canadian Dollar        | 62                 | 0.03                | 0.39                 |
| Australian Dollar      | 181                | 0.89                | 0.93                 |

**Graph 21: Member Bank SWIFT Transactions (Inflow & Outflow) -Q2,2021**



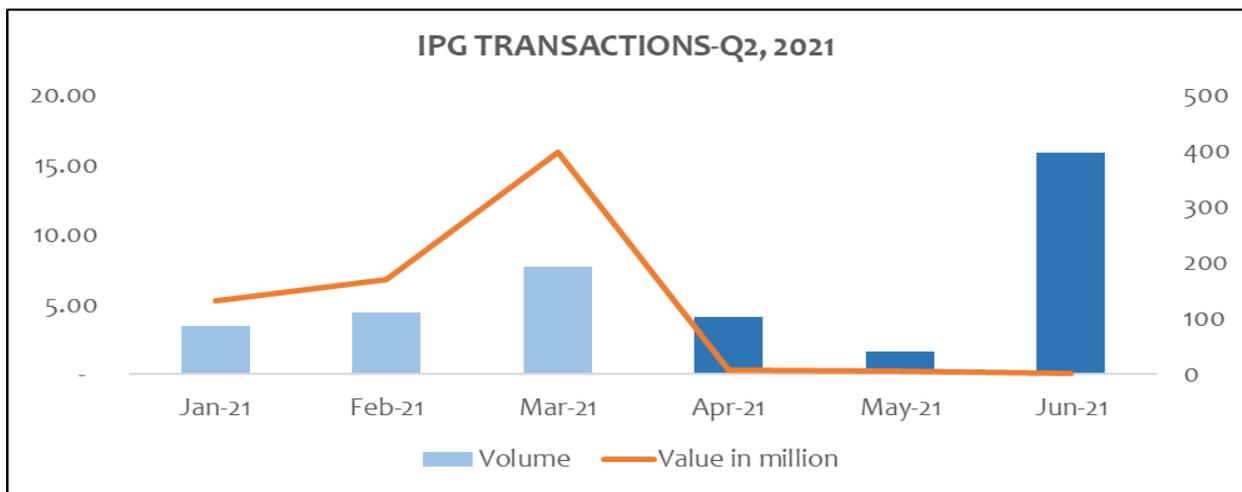
The total of **8,235** transactions has been routed through the member bank SWIFT system with the maximum being the US dollar transactions in the 2<sup>nd</sup> quarter, 2021. The outward transactions were carried out across all the currencies with the major inflow and out follow of the US dollar.

**Inflow comparison with the previous quarter:** The US dollar inflow from the member banks has increased by 22%, EURO by 3%, Japanese Yen by 45% compared to the previous quarter while rest of the currencies have decreased with significant inflow decline in Canadian dollar by 70% compared to the previous quarter.

**Outflow comparison with the previous quarter:** The significant percentage increase in the outflow was observed to be Euro, followed by Singapore dollar, Japanese Yen and then dollar with 105% increase. On the other hand, outflow for Swiss Franc, Canadian dollar and Australian dollar has decreased compared to the previous quarter from the member banks.

**b) International Payment Gateway (IPG).**

**Graph 22: IPG Transactions Volume & Value -Q2,2021**



A total of 932 transaction worth Nu. 28.65 million has been routed in international payment gateway with **541** transaction of value **Nu. 0.65 million** transacted during the 2<sup>nd</sup> quarter. The transaction **volume** has increase by **38%** while the value has decreased by **98%** compared to the previous quarter.

The transactions were mostly routed for the following;

- i. Computer Programming, Integrated Systems Design and Data Processing Services
- ii. Artist’s Supply and Craft Shops
- iii. Postal Services – Government Only
- iv. Government Services (Not Elsewhere Classified)-Royal Security Exchange services
- v. Card Shops, Gift, Novelty, and Souvenir Shops
- vi. Hotels
- vii. Vocational Schools and Trade Schools
- viii. Entertainment (Music & Song)
- ix. eCommerce.

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