

2021 GhIPSS ANNUAL MEDIA ENGAGEMENT



GhIPSS considers the media a key stakeholder and partner in Ghana's journey towards an electronic payment society. The annual media engagement thus affords GhIPSS the opportunity to reflect on operations and achievements for the past year and the outlook for this year.

This engagement is also expected to be a renewal of our partnership for 2021 and for the media to keep the cashless agenda on the front burner throughout the year.

ABOUT GhIPSS

The Ghana Interbank Payment and Settlement Systems Limited (GhIPSS) is a wholly owned subsidiary of the Bank of Ghana. It was incorporated in May 2007 with a mandate to implement and manage interoperable payment system infrastructures for banks and non-bank financial institutions in Ghana. In line with its mandate, GhIPSS has implemented and currently manages the following:

- National Biometric Smart Card Banking & Retail System- e-zwich®
- Cheque Codeline Clearing (CCC) System
- Automated Clearing House (ACH) Systems- Direct Credit & Direct Debit
- National Switching and Processing System – gh-link™

Riding on these platforms are the Cards & Verified Payment Services (gh-link Card, gh dual Card, GhIPSS Payments Bureau, e-zwich services, PoS driving business); Real Time Payments Services (MMI, GhIPSS Instant Pay, GhQR, Proxy Pay, GhIPSS Corporate Suite, GIP Payment Gateway, Request to Pay etc.); Bulk Payment Services (ACH Direct Credit Standard, Express & Near Real Time, Cheques Clearing: Express & Standard)

GhIPSS' payment infrastructure is currently used by all banks in Ghana including the ARB Apex Bank and its affiliates, (The Apex body for Rural and Community banks) Savings and Loans Companies and other Payment Service Providers (e.g. Fintech Companies, MasterCard, Visa, Mobile Money Operators etc.)

For further information on our Services, log onto: www.ghipss.com

You can also follow us on all our social media platforms:

Instagram: @GhIPSS

LinkedIn: Ghana Interbank Payment and Settlement Systems Limited

Facebook: Ghana Interbank Payment and Settlement Systems Limited

For media enquiries and interview request, contact the Corporate Communications Unit on:

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2020 Performance Summary

GhIPSS’ strategic objective for 2020 was to drive adoption and usage of its real time payments services and expand the portfolio for same. In this regard, the Proxy Pay and GhQR services were launched and rolled out in March last year.

At the end of 2020 a total of 77 million transactions were processed across all platforms, compared to the 38 million transactions processed in 2019, representing a 103% increase. The value of transactions processed in 2020 was GHC 254 billion, a 16% increase compared to the GHC 219 billion processed in 2019.



Real Time Payments Services

The real-time portfolio comprising GhIPSS Instant Pay, Mobile Money Interoperability (MMI), Proxy Pay, GhQR etc recorded significant growth, closing the year with the strongest performance. The major contributor to this performance was MMI; processing a total of 43.9 million transactions, representing a 367% increase from 9 million transactions processed in 2019. The MMI performance was driven by three (3) use cases namely: Transfers between wallets across Mobile Money Operators (MMOs); Transfers from mobile wallets to bank accounts and transfers from Mobile wallets to e-zwich Card wallets.

The GhIPSS Instant Pay (GIP) platform also recorded significant growth in both transfers from bank accounts to mobile wallets and transfers between bank accounts across banks. At the end of 2020, GIP transactions increased by 257% from 1.9 million in 2019 to 6.8 million. GhIPSS also recorded introductory transactions from new services such as Proxy Pay and GhQR code.

The upsurge in the use of these real-time services was largely influenced by COVID-19 related factors such as: the 3 weeks lockdown which restricted the physical movements of people, public awareness through extensive education discouraging the handling of physical cash and encouraging the use of electronic alternatives and the incentivization from the financial services industry with fee waivers on their services.

Clearing/ Bulk Payments Services

The clearing house was impacted by the 3 weeks partial lock down as corporates who are the primary users of Cheques and ACH were unable to operate. Additionally, industries such as manufacturing, hospitality, travel and education have not been able to return to normal operations resulting in reduced economic activity. In spite of these challenges, the clearing house processed the second highest volume of instruments and managed to record 0.10% increase to bring the total volume of Cheques processed in 2020 to 14.9 million transactions. The clearing house still remains the preferred channel for processing high values especially by large corporate institutions. Despite the state of the economy in 2020, the clearing house recorded a 9% increase in transaction value from GHC209 billion in 2019 to GHC 229 billion. In a bid to extend real-time payment functionalities to bulk payments which is mainly patronized by corporate clients, GhIPSS introduced the Near real-time (NRT) service. Since its launch in September, 2020, GhIPSS has successfully processed over 100 thousand NRT payments. We expect to see adoption of NRT growing among our corporate clients.

Cards Payments Services (gh-link & e-zwich card transactions)

e-zwich transactions declined by 3% from 10.7 million transactions in 2019 to 10.4 million in 2020.

gh-link transactions also declined by 17% from 900 thousand transactions in 2019 to 800 thousand transactions in 2020. Despite the decline in transaction volumes, the value of transactions increased. The value of e-zwich transactions increased by 43% from GHC 6 billion in 2019 to GHC 9 billion in 2020. The value of gh-link transactions also increased marginally by 0.14% to GHC 300 thousand. Lack of adequate outlets to access e-zwich services remain the major hindrance to the growth of e-zwich transactions. Clients are compelled to move out all their funds once they are paid to reduce the frequency of using the e-zwich card. The decline in gh-link transactions on the other hand can be attributed to the lack of gh-link card issuance on the part of financial institutions, the growing adoption of mobile forms of payments and the impact of COVID-19 communications on dangers in touching surfaces.

Graphical Representation of Comparative Product Performance

PLATFORM	2019 (,000,000)	2020 (,000,000)	% DIFFERENCE
Cheques Values	124,373.71	119,054.73	-4
Cheques Volumes	6	5	-14
Express Cheques Values	49,249.54	58,570.27	19
Express Cheques Volumes	0.54	0.52	-5
ACH Direct Debit Values	173.10	936.07	441
ACH Direct Debit Volumes	0.72	0.83	15
ACH Direct Credit Values	24,603.84	34,246.45	39
ACH Direct Credit Volumes	6.25	6.90	10
Express ACH Direct Credit Values	11,534.13	15,547.81	35
Express ACH Direct Credit Volumes	1.15	1.23	7
Near Real Time ACH Direct Values		1,345.31	N/A
Near Real Time ACH Direct Volumes		0.11	N/A

e-zwich Value	6,308.37	9,033.25	43
e-zwich Volume	10.80	10.48	-3
gh-link Value	329.23	329.70	0.14
gh-link Volume	0.97	0.81	-17
GIP Value	1,957.44	9,146.76	367
GIP Volume	1.91	6.80	257
MMI Value	781.69	5,866.81	651
MMI Volume	9.45	43.94	365
TOTAL VALUE	219,311.04	254,077.15	16
TOTAL VOLUME	38.08	77.00	102

Table 1: COMPARATIVE PRODUCT PERFORMANCE 2019 and 2020

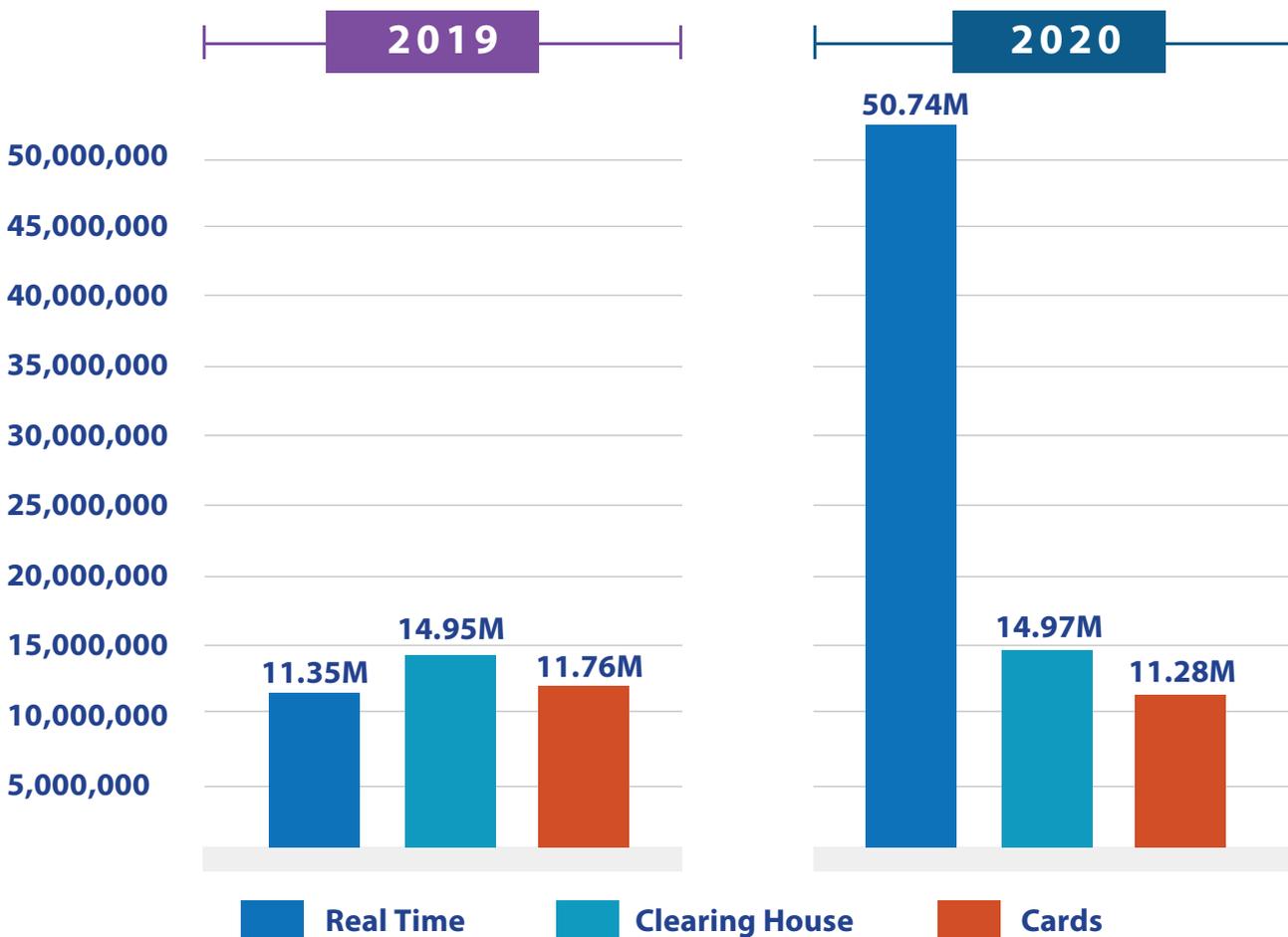


Figure 2: Comparative performance for GhIPSS Services - 2019 & 2020

2020 has been a great year for real-time services. GhIPSS processed 50 million real-time transactions in 2020 representing an increase of 347%. At the end of the year real-time transactions represented 66% of all transactions processed through GhIPSS.

BREAKDOWN OF MOBILE MONEY INTEROPERABILITY (MMI) TRANSACTIONS

		2019 (Million)	2020 (Million)	% DIFF
Wallet to Wallet	Val	<u>GHC 618.64</u>	<u>GHC 5,026.09</u>	<u>712</u>
	Vol	9.19	42.89	367
Wallet to Bank	Val	<u>GHC 162.36</u>	<u>GHC 838.48</u>	<u>416</u>
	Vol	0.25	1.04	309
Wallet to e-zwich	Val	<u>GHC 0.69</u>	<u>GHC 2.24</u>	<u>226</u>
	Vol	0.006	0.012	110
Account to Wallet	Val	<u>GHC 552.51</u>	<u>GHC 2,609.22</u>	<u>372</u>
	Vol	1.60	5.83	265
e-zwich to Wallet	Val	<u>GHC 143.27</u>	<u>GHC 290.73</u>	<u>103</u>
	Vol	0.33	0.64	95

Outlook for 2021

Ghana is seeing a growing adoption of non-cash payments among individuals. In order to consolidate the gains made in 2020, GhIPSS will continue to pursue the cashlite Ghana Agenda by deepening usage of existing digital payments platforms while exploring other opportunities.

To achieve this goal the company will:

1. Partner Financial Service Providers to roll out all new real time services to their customers
2. Deepen usage through public education.
3. Ensure continuous system availability and reliability.

GhIPSS would also be working with partner institutions to extend the use of the ACH NRT, Proxy Pay, GIP Payment Gateway and the GhIPSS Corporate Suite to corporate institutions. These services will provide Corporate Institutions with efficient payment options.

COVID-19 has brought with it accelerated adoption of digital payments as witnessed in the surge in e-payments volumes. It is expected that these digital payment experiences will continue to grow in popularity post COVID-19 pandemic. Following the positive gains made in the payment space, and the growing uncertainty about the future of the world, post the COVID-19 pandemic, Capgemini (World Payment Report 2020) predicts that non-cash transactions would grow by \$1.1 trillion by 2023. GhIPSS remains committed to partnering the financial services industry to provide Ghanaians with non-cash payment services to further the Cashlite Ghana Agenda.

About the Services to Introduce to Corporate Institutions

1. ACH Near Real Time (NRT) allows Corporate Institutions to make bulk payments faster and almost in real time. It enhances the efficiency of making bulk payments such as salaries, dividends etc. by reducing the time to credit accounts from **within 4 to 24 hours to 15 minutes**; from one source account to multiple accounts in different banks.

As benefits, ACH DC NRT:

- Allows corporate institutions to credit the accounts of beneficiaries on a bulk payments file within **15 minutes** of presenting payment file to their banks.
- It is an efficient payment option which provides transparency and certainty of payments
- Corporate Institutions have the opportunity to make bulk payments anytime between 6:00pm the previous day and 3:00pm the following day
- Because the NRT system allows banks of corporate institutions to re-present returned payment details within

the same session, corporate institutions can correct all payment errors for re-presentment without fear of missing payment timelines.

2. GIP Payment Gateway is a payment solution for online payments. It allows a customer to pay for goods or services online, directly from their account without the use of a card.

3. GhIPSS Corporate Suite is an electronic service that allows Corporate Institutions with multiple bank accounts domiciled in different banks in Ghana; see all of their account balances, in one place.

GhIPSS Corporate Suite provides a single platform to view all account balances in real time. This service leverages on the GhIPSS Instant Payment (GIP) platform.

4. Proxy Pay is service built on the rails of the GhIPSS Instant funds transfer platform. The service allows a customer of a member financial institution to register an Alias/unique identifier which is then uniquely mapped to his or her bank account to receive payment via the alias.