

## Payment System Report (Q3 2021)<sup>1</sup>

According to payment statistics in Q3 2021, the payment systems functioned smoothly in general across the country. The number of bank accounts increased slightly, the volume of non-cash payments rose steadily, and the transaction value in payment systems went up rapidly.

### I. Bank Accounts

**The number of bank accounts<sup>2</sup> edged up.** At end-Q3 2021, bank accounts reached 13.381 billion nationwide, increasing 1.99 percent quarter on quarter (q-o-q), a deceleration of 0.06 percentage points from the end of the previous quarter.

**The number of bank accounts held by institutions maintained growth.** At end-Q3 2021, bank accounts held by institutions totaled 81.4388 million, increasing 2.84 percent q-o-q, representing a deceleration of 0.18 percentage points from end-Q2 2021. Specifically, 58.2164 million were basic deposit accounts; 18.7528 million were general deposit accounts; 4.2816 million were special deposit accounts; and 188,100 were temporary deposit accounts. They accounted for 71.48 percent, 23.03 percent, 5.26 percent and 0.23 percent of the total number of bank accounts held by institutions, respectively. In Q3 2021, bank accounts newly opened by enterprises and individual businesses posted 3.7831 million, up 17.98 percent year on year (y-o-y), an acceleration of 7.51 percentage points from the end of last quarter.

**The number of individual bank accounts went up slightly.** At end-Q3 2021, individual bank accounts totaled 13.299 billion, marking an increase of 1.99

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<sup>1</sup> Since 2015, the payment system has disclosed payment transaction data according to the financial industry standards of Statistical Indicators of Payment Operations.

<sup>2</sup> Bank accounts refer to RMB bank settlement accounts.

percent q-o-q, with a deceleration of 0.06 percentage points from end-Q2 2021. In Q3 2021, newly-opened individual bank accounts amounted to 335 million nationwide, up 26.54 percent y-o-y, an acceleration of 11.72 percentage points from last quarter.

## **II. Non-cash Payment Instruments**

In Q3 2021, a total of 119.728 billion non-cash payment transactions<sup>3</sup> with an amount of RMB1109.19 trillion were processed by banking financial institutions nationwide, exhibiting a year-on-year increase of 19.66 percent and 6.32 percent respectively.

### **(I) Bank cards**

**The number of bank cards rose slightly.** At end-Q3 2021, the number of bankcards opened rose 0.80 percent q-o-q to 9.183 billion nationwide, a deceleration of 0.10 percentage points compared with end-Q2 2021. Specifically, debit cards rose 0.78 percent q-o-q to 8.385 billion, while credit cards and debit-credit integrated cards rose 0.97 percent q-o-q to 798 million. The number of bankcards per capita<sup>4</sup> reached 6.50, among which the per capita number of credit cards and debit-credit integrated cards recorded 0.57.

**The number of merchants and terminals increased.** At end-Q3 2021, merchants, terminals connected to the inter-bank bankcard payment system<sup>5</sup> and ATM terminals<sup>6</sup> recorded 25.3188 million, 34.9181 million and 959,700

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<sup>3</sup> Non-cash payment transactions of banks include commercial papers, bankcards and other settlement transactions. Specifically, other settlement transactions include credit transfer, direct debit, collection with acceptance and domestic L/C.

<sup>4</sup> When indicators involve per capita figures, the population applied is 1.41178 billion of mainland China at end-2020, in accordance with the data released by the National Bureau of Statistics, similarly hereinafter.

<sup>5</sup> The data of merchants and terminals that were connected to the inter-bank bankcard payment system are from China UnionPay Co., Ltd, and the statistical standards were the merchants and terminals that had at least one successful transaction in the quarter. Since Q1 2020, UnionPay has newly added the statistics of the QR code used-only equipments such as QR code scanners, white boxes for payments and merchant-presented QR code, and corresponding offline merchants connected to the payment system.

<sup>6</sup> Since Q1 2018, the statistical coverage of the number of ATMs has been adjusted. It includes not only the in-service automatic deposit machines, automatic withdrawal machines, automatic deposit and withdrawal machines, self-service payment terminals, and other traditional self-service facilities distributed by depository banking institutions, but also self-service terminals, Virtual Teller Machines (VTM), smart counters and other new-type terminals.

respectively, recording an increase of 1.2856 million, 2.1848 million, and a decrease of 27,000 q-o-q, respectively. The number of terminals connected to the inter-bank bankcard payment system per 10,000 persons recorded 247.33, up 6.67 percent q-o-q, and the number of ATMs per 10,000 persons recorded 6.80, down 2.73 percent q-o-q.

**Bankcard transactions climbed up steadily.** In Q3 2021, a total of 117.020 billion bankcard transactions<sup>7</sup> with an amount of RMB250.93 trillion were processed across the country, increasing 19.93 percent and 6.45 percent y-o-y, respectively. The transactions included 1.217 billion cash deposits of RMB8.98 trillion, 1.821 billion cash withdrawals of RMB8.57 trillion, 52.179 billion transfers of RMB199.58 trillion, and 61.803 billion consumer payments of RMB33.80 trillion. The bankcard penetration rate stood at 49.18 percent, increasing 0.04 percentage points q-o-q. The consumer payment per capita via bank cards reached RMB23,900, increasing 8.76 percent y-o-y. The consumer payment per bank card registered RMB3680.96, increasing 5.08 percent y-o-y. The consumer payment per transaction via bank cards recorded RMB546.93, down 10.55 percent y-o-y.

**The outstanding balance of bankcard credit maintained growth.** At end-Q3 2021, the total bankcard credit line<sup>8</sup> recorded RMB20.66 trillion, up 2.11 percent q-o-q from the end of the previous quarter. The outstanding balance of bankcard credit stood at RMB8.40 trillion, up 2.74 percent q-o-q. The credit line per bank card was RMB25,900, with the credit utilization rate<sup>9</sup> standing at 40.68 percent. The total outstanding amount of credit in arrears for more than half a year<sup>10</sup> was RMB86.926 billion, up 6.26 percent q-o-q, accounting for

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<sup>7</sup> Bankcard transactions refer to the sum of RMB and foreign currency denominated transactions.

<sup>8</sup> Total bankcard credit line refers to the sum of credit lines of credit cards and debit-credit integrated cards.

<sup>9</sup> The credit line utilization rate is the ratio of outstanding bankcard credit balance to total credit line.

<sup>10</sup> The total outstanding amount of credit in arrears for more than half a year refers to the balance of outstanding principal of a credit card that has not fully repaid the minimum payment with overdue period over 181 days (inclusive), excluding the written-off amount.

1.04 percent of the total outstanding balance of credit.

## **(II) Commercial Papers**

**The transaction volume of commercial papers rose slightly.** In Q3 2021, transactions of commercial papers totaled 33.0715 million nationwide, or RMB25.96 trillion, decreasing by 12.47 percent and 14.26 percent y-o-y respectively. These included 25.9432 million transactions or RMB20.67 trillion of checks, with a decrease of 19.39 percent and 18.09 percent y-o-y respectively; 7.0337 million actual settlements of commercial drafts or RMB5.17 trillion, with an increase of 29.05 percent and 5.20 percent y-o-y respectively; 36,500 transactions or RMB36.550 billion of bank drafts, with a decrease of 36.60 percent and 3.04 percent y-o-y respectively; 58,100 transactions or RMB91.657 billion of bank promissory notes, with a decrease of 37.84 percent and 7.67 percent y-o-y respectively.

**Transactions processed by the electronic commercial draft system<sup>11</sup> kept rising.** Q3 2021 saw the following transactions processed by the electronic commercial draft system. 6.9240 million issues of RMB5.54 trillion, both increasing by 15.25 percent and 18.41 percent y-o-y respectively; 7.0492 million acceptances of RMB5.63 trillion, both increasing by 15.39 percent and 17.65 percent y-o-y respectively; 2.4872 million discounts with an amount of RMB3.50 trillion, both up 54.81 percent and 41.88 percent y-o-y respectively; 3.6131 million interbank discounts of RMB11.42 trillion, with an increase of 73.64 percent and 30.58 percent y-o-y respectively; 729,700 bond-pledged repos of RMB 5.90 trillion, both increasing 28.99 percent and 6.52 percent y-o-y respectively; and 48,500 bond buyout repos of RMB335.307 billion, both increasing 122.77 percent and 121.97 percent y-o-y respectively.

## **(III) Credit Transfers and Other Settlement Transactions**

**The volume of credit transfers and other settlement transactions continued**

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<sup>11</sup> The data of the electronic commercial draft system are from the Shanghai Commercial Paper Exchange.

**to grow.** In Q3 2021, the number of other settlement transactions including credit transfer, direct debit, collection with acceptance, and domestic L/C totaled 2.674 billion, with an amount of RMB832.30 trillion, increasing 9.30 percent and 7.09 percent y-o-y respectively. In particular, the credit transfer transactions recorded 2.574 billion, totaling RMB817.67 trillion.

#### **(IV) Electronic Payment**

**Mobile payment transaction volume maintained growth.** In Q3 2021, banks processed a total of 71.014 billion electronic payment transactions<sup>12</sup> in RMB737.15 trillion. Specifically, the transaction volume and value of online payment posted 26.832 billion and RMB587.21 trillion, up 10.67 percent and 6.45 percent y-o-y respectively. The transaction volume and value of mobile payment reached 39.077 billion and RMB126.81 trillion, up 13.28 percent and 8.62 percent y-o-y respectively. The transaction volume and value of payment by phone reached 77 million and RMB3.25 trillion, as the volume went up by 5.83 percent y-o-y and the value went down by 20.93 percent y-o-y.

In Q3 2021, non-bank payment institutions processed a total of 268.186 billion online payment transactions<sup>13</sup> with an amount of RMB90.71 trillion, up 14.37 percent and 14.88 percent y-o-y respectively.

### **III. Payment Systems**

In Q3 2021, the payment systems<sup>14</sup> processed a total of 254.153 billion

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<sup>12</sup> Electronic payment refers to the transactions volume and value that cause changes in the balance of settlement account initiated by customers through six channels such as online banking, telephone banking, mobile banking, ATM, POS, and other electronic payments.

<sup>13</sup> The online payment transaction volume processed by non-bank payment institutions includes the volume of online payment involving bank accounts initiated by payment institutions and online payment of payment accounts, but does not include the transaction volume of Red Packets and similar entertainment products. On April 1st 2018, *the Provisions on Barcode and QR Code Payment Business Standards (Interim)* came into effect. Starting from Q2 2018, statistics of merchants' barcode and QR code transaction payments have been collected based on bankcard payment acquiring services instead of online payment.

<sup>14</sup> The payment systems include HVPS (high-value real-time payment system), BEPS (bulk electronic payment system), IBPS (internet banking payment system), CFXPS (China foreign exchange payment system), intra-bank payment systems of banking financial institutions, bankcard interbank payment system, city commercial banks draft processing system and payment & clearing system, rural credit banks payment & clearing system, CIPS (China international payment system) and NetsUnion clearing system.

transactions in payments of RMB2,406.80 trillion, up 21.50 percent and 9.23 percent y-o-y respectively. The payment value represented 82.72 times the amount of GDP in Q3 2021.

### **(I) PBC Payment Systems**

In Q3 2021, the PBC payment systems<sup>15</sup> processed 5.505 billion transactions in payments of RMB1,695.25 trillion, up 5.30 percent and 6.11 percent y-o-y respectively, accounting for 2.17 percent and 70.44 percent of the total payment transactions and value respectively. The daily processed transactions averaged 60.3588 million, and the daily processed value averaged RMB25.22 trillion<sup>16</sup>.

**The transactions value of the HVPS held steady.** In Q3 2021, the HVPS processed 121 million transactions in payments of RMB1,582.68 trillion, as the former went down by 10.56 percent y-o-y and the latter went up by 5.56 percent y-o-y. The daily transactions averaged 1.8285 million in volume and RMB23.98 trillion in value.

**The transaction volume of payments processed by BEPS maintained growth.** In Q3 2021, the BEPS processed 960 million transactions of RMB40.42 trillion, up 4.98 percent and 6.61 percent y-o-y respectively. On a daily basis, the system processed 10.4349 million transactions of RMB439.325 billion.

**The transaction value of IBPS expanded in a steady pace.** In Q3 2021, the IBPS processed 4.423 billion transactions in payments of RMB68.49 trillion, up 6.34 percent and 23.02 percent y-o-y respectively. On a daily basis, the system processed 48.0775 million transactions of RMB744.460 billion.

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<sup>15</sup> The PBC Payment Systems include HVPS, BEPS, IBPS and CFXPS. All ACH businesses were incorporated into HVPS and BEPS for processing in December 2020. Therefore, the transaction volume and value of ACH will no longer be disclosed separately starting from Q1 2021.

<sup>16</sup> In Q3 2021, HVPS, CIPS and CFXPS operated for 66 business days, while other payment systems operated for 92 business days. The actual operation business days are used for calculation of daily averages, similarly hereinafter.

**The transactions volume of CFXPS surged.** In Q3 2021, the CFXPS processed 1.1759 million transactions in payments of USD568.172 billion (equivalent to about RMB3.67 trillion<sup>17</sup>), a y-o-y increase of 56.51 percent and 41.66 percent respectively. On a daily basis, the system processed 17,800 transactions of USD8.609 billion (equivalent to about RMB55.613 billion).

## **(II) Other Payment Systems<sup>18</sup>**

**The volume of transactions processed by the intra-bank payment systems of banking financial institutions maintained growth.** In Q3 2021, these systems processed 4.631 billion transactions of RMB508.69 trillion, up 5.17 percent and 14.44 percent y-o-y respectively. On a daily basis, the systems processed 50.3326 million transactions of RMB5.53 trillion.

**The volume of transactions processed by interbank bankcard payment system<sup>19</sup> continued to increase.** In Q3 2021, the system processed 56.048 billion transactions<sup>20</sup> of RMB58.00 trillion, up 30.51 percent and 13.40 percent y-o-y respectively. On a daily basis, the system processed 610 million transactions of RMB630.436 billion.

**The volume of transactions processed by urban commercial bank draft processing system and payment & clearing system<sup>21</sup> climbed up rapidly.** In Q3 2021, the systems processed 4.3472 million transactions of RMB528.342

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<sup>17</sup> The transaction volume of CFXPS was calculated and then converted to RMB according to the exchange rate of the last trading day of each quarter.

<sup>18</sup> According to the PBC working requirement of “breaking the direct connection between the third party payment institutions and commercial banks”, all third-party payment institutions joined the system of UnionPay or NetsUnion, and the businesses between the payment institutions and commercial banks, as well as business between the Urban Commercial Bank Clearing Co., Ltd. or members of Rural Credit Banks Funds Clearing Center and third-party payment institutions will not be included in calculating transactions of the intra-bank systems of banks, urban commercial bank payment and clearing system, and rural credit bank payment and clearing system.

<sup>19</sup> The data of interbank bankcard payment system are from China UnionPay Co., Ltd.

<sup>20</sup> Starting from Q2 2018, the volume of transactions processed by the interbank bankcard payment system only includes transactions of capital settlement; inquiries, account verification and other non-capital settlement transaction are excluded. Year-on-year data are calculated on a comparable basis. Starting from Q1 2019, the volume of transactions processed by the interbank bankcard payment system includes online payment involving bank accounts initiated by payment institutions and processed by the interbank bankcard payment system.

<sup>21</sup> The data of the urban commercial bank draft processing system and payment & clearing system are from the Urban Commercial Bank Clearing Co., Ltd.

billion<sup>22</sup>, up 103.47 percent and 71.45 percent y-o-y respectively. The daily transactions averaged 47,300 of RMB5.743 billion.

**The transaction volume of rural credit bank payment & clearing system<sup>23</sup> enjoyed continued growth.** In Q3 2021, the system processed 669 million transactions of RMB813.414 billion, up 39.48 percent and 28.43 percent y-o-y. The daily transactions averaged 7.2669 million of RMB8.841 billion.

**The transaction volume of CIPS<sup>24</sup> expanded rapidly.** In Q3 2021, the CIPS processed 856,800 transactions in payments of RMB21.68 trillion, up 46.51 percent and 78.63 percent y-o-y respectively. The daily transactions averaged 13,000 of RMB328.457 billion.

**The transaction volume of NetsUnion platform<sup>25</sup> grew at a steady pace.** In Q3 2021, the platform processed 187.295 billion transactions in payments of RMB121.83 trillion<sup>26</sup>, up 19.97 percent and 25.34 percent y-o-y. The daily transactions averaged 2.036 billion in payments of RMB1.32 trillion.

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<sup>22</sup> Starting from 2017, in addition to the statistics of bank draft, remittance and deposit and withdrawal, the urban commercial bank draft processing system and payment & clearing system also collect the statistics of real time receipts and payments.

<sup>23</sup> The data of rural credit banks payment & clearing system are from the Rural Credit Banks Funds Clearing Center.

<sup>24</sup> The data of CIPS are from Cross-border Interbank Payment and Settlement Co., Ltd.

<sup>25</sup> The data of the NetsUnion platform are from NetsUnion Clearing Co., Ltd.

<sup>26</sup> The data refer to online payment transaction volume initiated by payment institutions and processed by the NetsUnion platform via bank accounts.