

# Payment System Report (Q1 2022)

According to payment statistics in Q1 2022<sup>1</sup>, the payment systems functioned smoothly in general across the country. Statistics including the number of bank accounts, the volume of non-cash payments and the transaction volume in payment systems generally maintained smooth growth.

## I. Bank Accounts

**The number of bank accounts increased slightly.** By the end of Q1 2022, a total of 13.907 billion bank accounts<sup>2</sup> were opened nationwide, increasing by 1.78 percent quarter on quarter (q-o-q).

**The number of bank accounts held by institutions maintained growth.** By the end of Q1 2022, 86.0725 million bank accounts held by institutions were opened nationwide, up 3.24 percent q-o-q. Specifically, 60.9566 million were basic deposit accounts, 20.4399 million were general deposit accounts, 4.4850 million were special deposit accounts, and 191,000 were temporary deposit accounts, accounting for 70.82 percent, 23.75 percent, 5.21 percent and 0.22 percent of the total number of bank accounts held by institutions respectively. In Q1 2022, Enterprises and individual businesses newly opened 3.4371 million bank accounts, up 14.18 percent y-o-y (year on year).

**The growth in the number of individual bank accounts slowed down.** As of end-Q1 2022, individual bank accounts totaled 13.821 billion nationwide, up 1.77 percent q-o-q.

## II. Non-cash Payment Instruments

In Q1 2022, a total of 96.730 billion non-cash payment transactions<sup>3</sup> with an

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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.

<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.

amount of RMB1149.85 trillion were processed by banking financial institutions nationwide, exhibiting a y-o-y increase of 10.74 percent and 7.91 percent respectively.

### **(I) Bank Cards**

**The number of bank cards witnessed a small increase.** By the end of Q1 2022, the number of bankcards opened increased by 0.78 percent q-o-q to 9.319 billion nationwide. Specifically, debit cards went up 0.83 percent q-o-q to 8.517 billion, while credit cards and debit-credit integrated cards rose 0.28 percent q-o-q to 802 million. The number of bankcards per capita<sup>4</sup> reached 6.60, among which the per capita number of credit cards and debit-credit integrated cards recorded 0.57.

**The number of bank card acceptance terminals decreased.** At end-Q1 2022, merchants, POS<sup>5</sup> terminals connected to the inter-bank bankcard payment system and ATM<sup>6</sup> terminals recorded 27.1142 million, 37.3671 million and 936,700 respectively, down 868,600, 1.5690 million and 11,100 compared to the end of the previous quarter. The number of POS terminals connected to the inter-bank bankcard payment system per 10,000 persons recorded 264.53, down 4.03 percent q-o-q, and the number of ATMs per 10,000 persons recorded 6.63, down 1.17 percent q-o-q.

**Bankcard transactions continued to climb up.** In Q1 2022, a total of 94.181 billion bankcard transactions<sup>7</sup> with an amount of RMB264.90 trillion were processed across the country, increasing by 10.90 percent and 3.90 percent

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<sup>4</sup> When indicators involve per capita figures, the population applied is 1.41260 billion of Chinese mainland at end-2021, in accordance with the data released by the National Bureau of Statistics, similarly hereinafter.

<sup>5</sup> The data of merchants and POS terminals that were connected to the UnionPay inter-bank payment system are from China UnionPay Co., Ltd, and the statistical standards were the merchants and POS terminals that had at least one successful transaction in Q1. Since Q1 2020, UnionPay has newly added the statistics of the QR code used-only equipment 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> From Q1, 2018, the statistical standard of ATMs includes the traditional self-service equipment such as self-service deposit machines, self-service withdrawal machines, CRS, self-service payment terminals posted by banking depository financial institutions, and new terminal equipment of self-service terminals, visual counters (VTM), and smart counters.

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

y-o-y, respectively. The transactions included 1.244 billion cash deposits of RMB9.84 trillion, 1.862 billion cash withdrawals of RMB10.73 trillion, 38.919 billion transfers of RMB211.70 trillion, and 52.156 billion consumer payments of RMB32.62 trillion. The bankcard penetration rate stood at 49.19 percent, decreasing by 0.01 percentage points q-o-q. The consumer payment per bank card registered RMB3500.79, decreasing by 4.85 percent y-o-y. The consumer payment per transaction via bank cards recorded RMB625.51, down 12.86 percent y-o-y.

**The total bankcard credit line remained generally stable.** At end-Q1 2022, the total bankcard credit line<sup>8</sup> increased by 2.93 percent from the end of the previous quarter to RMB21.64 trillion. The outstanding balance of bankcard credit marked RMB8.50 trillion, decreasing by 1.38 percent q-o-q. The credit line per bank card was RMB27,000, with the credit utilization rate<sup>9</sup> standing at 39.28 percent. The total outstanding amount of credit in arrears for more than half a year<sup>10</sup> was RMB92.676 billion, up 7.71 percent q-o-q, accounting for 1.09 percent of the total outstanding balance of credit.

## **(II) Commercial Papers**

**The transaction volume of commercial papers continued a downward trend in general.** In Q1 2022, transactions of commercial papers totaled 28.6641 million nationwide, or RMB26.50 trillion, decreasing by 22.25 percent and 12.59 percent y-o-y respectively. These included 21.4242 million transactions or RMB20.48 trillion of checks, with a decrease of 29.66 percent and 15.52 percent y-o-y respectively; 7.1572 million actual settlements of commercial drafts or RMB5.90 trillion, with an increase of 13.53 percent and a

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<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.

decrease of 0.51 percent y-o-y respectively; 31,900 transactions or RMB33.391 billion of bank drafts, with a decrease of 7.76 percent and 3.59 percent y-o-y respectively; 50,800 transactions or RMB78.664 billion of bank promissory notes, with a decrease of 29.74 percent and 19.78 percent y-o-y respectively.

**Transactions processed by the electronic commercial draft system<sup>11</sup> kept rising.** Q1 2022 saw the following transactions processed by the electronic commercial draft system. 6.9595 million issues of RMB6.80 trillion, increasing by 3.87 percent and 14.56 percent y-o-y respectively; 7.1236 million acceptances of RMB6.92 trillion, increasing by 3.86 percent and 14.24 percent y-o-y respectively; 2.6537 million discounts with an amount of RMB4.78 trillion, up 31.81 percent and 32.29 percent y-o-y respectively; 4.4111 million interbank discounts of RMB14.08 trillion, with an increase of 50.33 percent and 25.57 percent y-o-y respectively; 846,600 bond-pledged repos of RMB 5.87 trillion, increasing by 40.05 percent and 14.52 percent y-o-y respectively; and 82,600 bond buyout repos of RMB384.563 billion, increasing by 16.44 percent and 3.67 percent y-o-y respectively.

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

**The volume of credit transfers and other settlement transactions continued to grow.** In Q1 2022, the number of other settlement transactions including credit transfer, direct debit, collection with acceptance, and domestic L/C totaled 2.520 billion, with an amount of RMB858.45 trillion, increasing by 5.73 percent and 10.01 percent y-o-y respectively. In particular, the credit transfer transactions recorded 2.422 billion, totaling RMB842.11 trillion.

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

**The volume of electronic transactions processed by commercial banks remained stable.** In Q1 2022, banks processed a total of 63.262 billion

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

electronic payment transactions<sup>12</sup> in RMB739.77 trillion, up 3.68 percent and 4.18 percent y-o-y, respectively. Specifically, the transaction volume and value of online payment posted 23.570 billion and RMB585.16 trillion, up 4.60 percent and 5.72 percent y-o-y, respectively. The transaction volume and value of mobile payment reached 34.653 billion and RMB131.58 trillion, up 6.24 percent and 1.11 percent y-o-y, respectively. The transaction volume and value of payment by phone reached 66 million and RMB2.67 trillion, as the former went up by 1.16 percent and the latter went down by 11.93 percent y-o-y, respectively.

In Q1 2022, non-bank payment institutions processed a total of 231.328 billion online payment transactions<sup>13</sup>, up 4.85 percent y-o-y, with an amount of RMB84.41 trillion, down 2.38 percent y-o-y.

### **III. Payment Systems**

In Q1 2022, the payment systems<sup>14</sup> processed a total of 214.037 billion transactions in payments of RMB2,487.45 trillion, up 16.27 percent and 12.35 percent y-o-y, respectively.

#### **(I) PBC CNCC Systems**

In Q1 2022, the PBC CNCC systems processed 5.195 billion transactions in payments of RMB1,760.58 trillion, as the former went down by 2.13 percent

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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. Specifically, online payment refers to the number and amount of payments initiated through bank settlement accounts by customers using electronic devices such as computers. Mobile payment refers to the number and amount of payments initiated by customers through bank settlement accounts using mobile devices such as mobile phones.

<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 the four PBC CNCC (China National Clearing Center) systems, namely, HVPS (high-value real-time payment system), BEPS (bulk electronic payment system), IBPS (internet banking payment system), and CFXPS (China foreign exchange payment system), as well as intra-bank business systems of commercial banks, UnionPay interbank payment system, the payment & clearing system of City Commercial Bank Clearing, rural credit banks payment & clearing system, CIPS (Cross-border Interbank Payment System) and NetsUnion Clearing platform.

and the latter went up by 14.44 percent y-o-y. The daily processed transactions averaged 58.3223 million, and the daily processed value averaged RMB28.72 trillion<sup>15</sup>.

**The transaction value of the HVPS maintained growth.** In Q1 2022, the HVPS processed 106 million transactions in payments of RMB1,644.10 trillion, as the former went down by 13.69 percent y-o-y and the latter went up by 15.06 percent y-o-y. The daily processed transactions averaged 1.7705 million in volume and RMB27.40 trillion in value.

**The transaction volume of payments processed by BEPS edged up.** In Q1 2022, the BEPS processed 971 million transactions of RMB40.44 trillion, up 2.51 percent and 3.17 percent y-o-y, respectively. On a daily basis, the system processed 10.7887 million transactions of RMB449.306 billion.

**The transaction value of IBPS continued to grow.** In Q1 2022, the IBPS processed 4.117 billion transactions in payments of RMB71.83 trillion, as the former went down by 2.84 percent and the latter went up by 7.39 percent y-o-y. On a daily basis, the system processed 45.7449 million transactions of RMB798.076 billion.

**The transaction volume of CFXPS sustained growth.** In Q1 2022, the CFXPS processed 1.0944 million transactions in payments of USD664.214 billion (equivalent to about RMB4.22 trillion<sup>16</sup>), a y-o-y increase of 31.49 percent and 28.66 percent respectively. On a daily basis, the system processed 18,200 transactions of USD11.070 billion (equivalent to about RMB70.276 billion).

## **(II) Other Payment Systems<sup>17</sup>**

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<sup>15</sup> In Q1 2022, HVPS, CIPS and CFXPS operated for 60 business days, while other payment systems operated for 90 business days. The actual operation business days are used for calculation of daily averages, similarly hereinafter.

<sup>16</sup> The transaction value of CFXPS was calculated and then converted to RMB according to the exchange rates of the last trading day of the statistical period.

<sup>17</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 should join the system of UnionPay or NetsUnion, and the businesses between the payment institutions and commercial banks, as well as business

**The volume of transactions processed by the intra-bank business systems of commercial banks inched up.** In Q1 2022, these systems processed 4.623 billion transactions of RMB535.38 trillion, up 2.18 percent and 7.23 percent y-o-y, respectively. On a daily basis, the systems processed 51.3682 million transactions of RMB5.95 trillion.

**The volume of transactions processed by the UnionPay interbank payment system<sup>18</sup> increased steadily.** In Q1 2022, the system processed 52.284 billion transactions of RMB61.88 trillion, up 21.71 percent and 13.40 percent y-o-y, respectively. On a daily basis, the system processed 581 million transactions of RMB687.571 billion.

**The volume of transactions processed by the payment and clearing systems of City Commercial Banks Clearing<sup>19</sup> went up rapidly.** In Q1 2022, the systems processed 4.9599 million transactions of RMB539.288 billion, up 49.72 percent and 43.49 percent y-o-y, respectively. The daily processed transactions averaged 55,100 of RMB5.992 billion.

**The transaction volume of rural credit bank payment & clearing system<sup>20</sup> enjoyed stable growth.** In Q1 2022, the system processed 784 million transactions of RMB890.267 billion, up 44.52 percent and 5.24 percent y-o-y. The daily processed transactions averaged 8.7127 million in payments of RMB9.892 billion.

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between members of City Commercial Banks Clearing Co., Ltd. or Rural Credit Banks Funds Clearing Center and third-party payment institutions will not be included in calculating transactions of the intra-bank business systems of commercial banks, the payment & clearing system of City Commercial Banks Clearing, and rural credit banks payment & clearing system.

<sup>18</sup> The data of the UnionPay interbank payment system are from China UnionPay Co., Ltd. Starting from Q2 2018, the volume of transactions processed by the UnionPay interbank payment system only includes transactions of capital settlement; inquiries, account verification and other non-capital settlement transaction are excluded. Starting from Q1 2019, the volume of transactions processed by the UnionPay interbank payment system includes online payment involving bank accounts initiated by payment institutions and processed by the UnionPay interbank payment system.

<sup>19</sup> The data of the payment & clearing system of City Commercial Banks Clearing include the previous city commercial bank draft processing system and the payment & clearing system. The data are from the City Commercial Banks Clearing Co., Ltd. Starting from 2017, in addition to the statistics of bank drafts, remittance and deposit and withdrawal, the payment & clearing system of City Commercial Banks Clearing also includes real-time statistics of the collection and payment agent services.

<sup>20</sup> The data of rural credit banks payment & clearing system are from the Rural Credit Banks Funds Clearing Center.

**The transaction volume of CIPS<sup>21</sup> continued to expand.** In Q1 2022, the CIPS processed 844,300 transactions in payments of RMB22.35 trillion, up 11.69 percent and 27.80 percent y-o-y, respectively. The daily processed transactions averaged 14,100 in payments of RMB372.501 billion.

**The transaction volume of NetsUnion Clearing platform<sup>22</sup> maintained growth.** In Q1 2022, the platform processed 151.145 billion transactions in payments of RMB105.83 trillion, up 15.60 percent and 2.68 percent y-o-y. The daily processed transactions averaged 1.679 billion in payments of RMB1.18 trillion.

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<sup>21</sup> The data of CIPS are from Cross-border Interbank Payment System Co., Ltd.

<sup>22</sup> The data of the NetsUnion Clearing platform are from NetsUnion Clearing Co., Ltd. The data refer to online payment transaction volume initiated by payment institutions and processed by the NetsUnion Clearing platform via bank accounts.