

Payment System Report (Q4 2022)

According to payment statistics in Q4 2022¹, the payment systems functioned smoothly across the country. Statistics including the number of bank accounts, the value of non-cash payments and the transaction volume in payment systems generally maintained smooth growth.

I. Bank Accounts

The number of bank accounts edged up. By the end of Q4 2022, a total of 14.167 billion bank accounts² had been opened nationwide, increasing by 0.53 percent quarter on quarter (q-o-q).

The number of bank accounts opened by institutions kept rising. As of end-Q4 2022, bank accounts opened by institutions nationwide registered 92.4626 million, up 1.98 percent q-o-q. Specifically, 65.1284 million were basic deposit accounts, 22.3858 million were general deposit accounts, 4.7507 million were special deposit accounts, and 197,600 were temporary deposit accounts, accounting for 70.44 percent, 24.21 percent, 5.14 percent and 0.21 percent, respectively, of the total number of bank accounts held by institutions.

The number of individual bank accounts increased slightly. As of

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

² Bank accounts refer to RMB bank settlement accounts.

end-Q4 2022, bank accounts opened by individuals totaled 14.074 billion nationwide, up 0.52 percent q-o-q.

II. Non-cash Payment Instruments

In Q4 2022, a total of 127.827 billion non-cash payment transactions³ with an amount of RMB1214.09 trillion were processed by banks across the country, exhibiting a year-on-year (y-o-y) decrease of 0.55 percent and increase of 4.67 percent, respectively.

(I) Bank Cards

The number of bank cards increased slightly. By the end of Q4 2022, the number of bankcards opened increased by 1.02 percent q-o-q to 9.478 billion nationwide. Specifically, debit cards went up 1.23 percent q-o-q to 8.680 billion; credit cards and debit-credit integrated cards went down 1.20 percent q-o-q to 798 million. The number of bankcards per capita⁴ reached 6.71, among which the per capita number of credit cards and debit-credit integrated cards recorded 0.57.

The number of merchants connected to the UnionPay inter-bank payment system and terminals connected to the system witnessed a small decrease. At end-Q4 2022, merchants connected to the UnionPay inter-bank payment system (UnionPay system)

³ 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.

⁴ With respect to per capita indicators, the population refers to 1.41175 billion people on the Chinese mainland at end-2022, as released by the National Bureau of Statistics. The same applies hereinafter.

recorded 27.2285 million, down 2.3653 million compared to the end of the previous quarter; POS⁵ terminals connected to the UnionPay system recorded 35.5607 million, down 4.0313 million compared to the end of the previous quarter; and ATM⁶ terminals recorded 895,900, down 14,100 compared to the end of the previous quarter. The number of POS terminals connected to the UnionPay system per 10,000 persons⁷ recorded 251.89, down 10.13 percent q-o-q, and the number of ATMs per 10,000 persons recorded 6.35, down 1.49 percent q-o-q.

Bankcard transactions declined slightly. In Q4 2022, a total of 125.058 billion bankcard transactions⁸ with an amount of RMB246.67 trillion were processed across the country, decreasing by 0.56 percent and 3.64 percent y-o-y, respectively. The transactions included 1.023 billion cash deposits, 1.475 billion cash withdrawals, 52.708 billion transfers, and 69.853 billion consumer payments, with their values registering RMB7.57 trillion, RMB7.21 trillion, RMB198.87 trillion, and RMB33.04 trillion, respectively. The consumer payment per bankcard registered RMB3485.84 and that per transaction recorded RMB472.97.

⁵ The data of merchants and POS terminals connected to the UnionPay inter-bank payment system are from China UnionPay Co., Ltd, and they cover the merchants and POS terminals that had at least one successful transaction in Q4. Since Q1 2020, the UnionPay has expanded its statistics to cover such equipments and merchants as QR code scanners, white boxes for payments and merchant-presented QR code, as well as the corresponding merchants offline.

⁶ In Q1 2018, the statistical standard for ATMs was changed. In addition to traditional self-service equipments in use such as self-service deposit machines, self-service withdrawal machines, cash recycling system (CRS), self-service payment terminals placed by banking depository financial institutions, the statistics began to cover new terminals and equipments such as self-service terminals, visual teller machine (VTM), and smart counters.

⁷ With respect to per capita indicators, the population refers to 1.41175 billion people on the Chinese mainland at end-2022, as released by the National Bureau of Statistics. The same applies hereinafter.

⁸ The volume of bankcard transactions refers to the sum of transactions denominated in the RMB and in foreign currencies.

The total bankcard credit line remained generally stable. In Q4 2022, the total bankcard credit line⁹ increased by 0.20 percent from the end of the previous quarter to RMB22.14 trillion. The outstanding balance of bankcard credit marked RMB8.69 trillion, a decrease of 0.82 percent q-o-q. The credit line per bankcard was RMB27,800, with the credit utilization rate¹⁰ standing at 39.25 percent. The credit card payment overdue by half a year¹¹ or more totaled RMB86.580 billion, down 8.24 percent q-o-q, accounting for 1.00 percent of the total outstanding balance.

(II) Commercial Papers

The transaction volume of commercial papers stayed on a downward trend in general. In Q4 2022, transactions of commercial papers totaled 23.2454 million or RMB23.79 trillion nationwide, representing a decline of 33.05 percent and 16.53 percent y-o-y, respectively. Specifically, there were 16.4145 million transactions or RMB17.28 trillion of checks, a decrease of 41.13 percent and 24.36 percent y-o-y, respectively; 6.7731 million actual settlements or RMB6.44 trillion of commercial drafts, an increase of 0.28 percent and 16.25 percent y-o-y, respectively; 24,800 transactions or RMB23.737 billion of bank drafts, a decrease of 28.27 percent and 44.81 percent y-o-y, respectively; 33,000 transactions or RMB52.574 billion of bank promissory notes, a decrease of 33.23 percent and 32.25 percent y-o-y, respectively.

⁹ Total bankcard credit line refers to the sum of credit lines of credit cards and debit-credit integrated cards.

¹⁰ The credit line utilization rate is the ratio of outstanding bankcard credit balance to total credit line.

¹¹ The credit card payment overdue by half a year or more refers to the outstanding balance of the principal of a credit card whose minimum payment is overdue by more than 181 days (inclusive), excluding the written-off amount.

Transactions processed by the electronic commercial draft system kept rising. Q4 2022 saw the following transactions processed by the electronic commercial draft system¹²: 6.5962 million or RMB6.74 trillion issues, down 3.46 percent y-o-y and up 11.89 percent y-o-y, respectively; 6.7071 million or RMB6.94 trillion acceptances, down 3.14 percent y-o-y and up 12.79 percent y-o-y, respectively; 2.8077 million or RMB4.86 trillion discounts, up 2.86 percent and 23.82 percent y-o-y, respectively; 4.4911 million or RMB13.38 trillion interbank discounts, up 0.40 percent and 17.22 percent y-o-y, respectively; 886,700 or RMB6.35 trillion pledged repos, up 30.00 percent and 29.90 percent y-o-y, respectively; and 129,200 or RMB509.843 billion outright repos, up 265.64 percent and 230.69 percent y-o-y, respectively.

(III) Credit Transfers and Other Settlement Transactions

The volume of credit transfers and other settlement transactions climbed up. In Q4 2022, the number of other settlement transactions including credit transfer, direct debit, collection with acceptance, and domestic L/C totaled 2.745 billion with an amount of RMB943.63 trillion, up 0.03 percent and 7.78 percent y-o-y, respectively. In particular, the credit transfer transactions recorded 2.647 billion, totaling RMB927.06 trillion.

(IV) Electronic Payment

¹² The data of the electronic commercial draft system are from the Shanghai Commercial Paper Exchange.

The value of electronic transactions processed by commercial banks witnessed a small growth. In Q4 2022, banks processed a total of 72.228 billion electronic payment transactions¹³ in RMB809.36 trillion, down 4.39 percent and up 3.33 percent y-o-y, respectively. Specifically, the transaction volume of online payments went down by 4.70 percent y-o-y to 26.419 billion and the total value went up 10.12 percent y-o-y to RMB669.57 trillion; the transaction volume of mobile payments decreased by 1.85 percent y-o-y to 41.738 billion and the total value dropped 20.63 percent y-o-y to RMB121.36 trillion; the transaction volume of phone payment dropped 18.93 percent y-o-y to 54 million and the total value decreased by 13.08 percent y-o-y to RMB2.29 trillion.

In Q4 2022, non-bank payment institutions processed a total of 259.602 billion online payment transactions¹⁴ with an amount of RMB87.41 trillion, down 6.85 percent y-o-y and 3.90 percent y-o-y, respectively.

III. Payment Systems

In Q4 2022, the payment systems¹⁵ processed a total of 292.424

¹³ Electronic payment refers to the transaction volume and value that cause changes in the balance of settlement account initiated by customers through such channels 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.

¹⁴ 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 Payment Standards (Interim) came into effect. Starting from Q2 2018, the statistics of merchants' barcode transaction payments have been shifted from the category of online payment to that of bankcard acquiring services.

¹⁵ 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

billion transactions in payments of RMB2,701.29 trillion, up 8.17 percent and 6.92 percent y-o-y, respectively.

(I) PBC CNCC Systems

In Q4 2022, the PBC CNCC systems processed 5.358 billion transactions in payments of RMB1,944.62 trillion, down 3.24 percent y-o-y and up 10.47 percent y-o-y, respectively. The daily processed transactions averaged 58.7595 million in volume and RMB30.30 trillion in value¹⁶.

The transaction value of the HVPS increased. In Q4 2022, the HVPS processed 102 million transactions in payments of RMB1,828.03 trillion, down 16.05 percent and up 11.41 percent y-o-y, respectively. The daily processed transactions averaged 1.6212 million in volume and RMB29.02 trillion in value.

The transaction volume of BEPS increased. In Q4 2022, the BEPS processed 1.081 billion transactions in payments of RMB43.69 trillion, up 8.23 percent and down 0.57 percent y-o-y, respectively. The daily processed transactions averaged 11.7468 million in volume and RMB474.871 billion in value.

The transaction value of IBPS witnessed a down trend. In Q4 2022, the IBPS processed 4.174 billion transactions in payments of

Clearing, rural credit bank payment & clearing system, CIPS (Cross-border Interbank Payment System) and NetsUnion Clearing platform.

¹⁶ In Q4 2022, HVPS operated for 63 business days, CIPS and CFXPS operated for 62 business days, while other payment systems operated for 92 business days. The actual operation business days are used for calculation of daily averages, and the same hereinafter.

RMB68.92 trillion, down 5.48 percent and 3.78 percent y-o-y, respectively. The daily processed transactions averaged 45.3725 million in volume and RMB749.158 billion in value.

The transaction volume of CFXPS decreased slightly. In Q4 2022, the CFXPS processed 1.1823 million transactions in payments of USD571.309 billion (equivalent to about RMB3.98 trillion¹⁷), down 2.16 percent and 9.36 percent y-o-y, respectively. The daily processed transactions averaged 19,100 in volume and USD9.215 billion (equivalent to about RMB64.176 billion) in value.

(II) Other Payment Systems¹⁸

The volume of transactions processed by the intra-bank business systems increased slightly. In Q4 2022, these systems processed 4.785 billion transactions, increasing by 1.10 percent y-o-y, with the transaction value totaling RMB543.93 trillion, decreasing by 2.75 percent y-o-y. On a daily basis, the systems processed 52.0099 million transactions, totaling RMB5.91 trillion.

The volume of transactions processed by the UnionPay interbank payment system¹⁹ increased steadily. In Q4 2022, the

¹⁷ The transaction value of CFXPS was calculated and then converted into the RMB using the exchange rate on the last trading day of the statistical period.

¹⁸ According to the PBC requirement of “breaking 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 business between payment institutions and commercial banks, as well as the business 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 transaction calculation for the intra-bank business systems of commercial banks, the payment & clearing system of City Commercial Banks Clearing, and rural credit banks payment & clearing system.

¹⁹ 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 transactions are excluded. Starting from Q1 2019, the volume of transactions processed by the UnionPay interbank payment system includes

system processed 64.574 billion transactions, totaling RMB63.71 trillion, up 12.07 percent and 6.88 percent y-o-y, respectively. On a daily basis, the system processed 702 million transactions, totaling RMB692.550 billion.

The volume of transactions processed by the payment and clearing systems of City Commercial Banks Clearing²⁰ rose rapidly. In Q4 2022, the systems processed 8.3800 million transactions, totaling RMB789.444 billion, up 78.19 percent and 53.40 percent y-o-y, respectively. On a daily basis, the system processed 91,100 transactions, totaling RMB8.581 billion.

The transaction volume of rural credit bank payment & clearing system²¹ grew at a fast pace. In Q4 2022, the system processed 995 million transactions, totaling RMB763.816 billion, up 48.30 percent and down 5.07 percent y-o-y, respectively. On a daily basis, the system processed 10.8206 million transactions, totaling RMB8.302 billion.

The transaction volume of CIPS²² continued to grow. In Q4 2022, the CIPS processed 1.3142 million transactions, totaling RMB26.07 trillion, up 42.39 percent and 22.41 percent y-o-y, respectively. On a

online payment involving bank accounts initiated by payment institutions and processed by the UnionPay interbank payment system.

²⁰ The data of the payment & clearing system of City Commercial Banks Clearing include the previous city commercial bank draft processing system and 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 as well as deposit and withdrawal, the payment & clearing system of City Commercial Banks Clearing also includes real-time statistics of the collection and payment agent services.

²¹ The data of rural credit banks payment & clearing system are from the Rural Credit Banks Funds Clearing Center.

²² The data of CIPS are from Cross-border Interbank Payment System Co., Ltd.

daily basis, the system processed 21,200 transactions, totaling RMB420.459 billion.

The transaction volume of NetsUnion Clearing platform²³ maintained growth. In Q4 2022, the platform processed 216.701 billion transactions, up 7.41 percent y-o-y, and the transaction value registered RMB121.41 trillion, down 2.53 percent y-o-y. On a daily basis, the platform processed 2.355 billion transactions, totaling RMB1.32 trillion.

²³ The data of the NetsUnion Clearing platform are from NetsUnion Clearing Co., Ltd. The data refer to the volume of online payment transactions initiated by payment institutions and processed by the NetsUnion Clearing platform via bank accounts.