

Payment System Report (Q2 2023)

According to payment statistics in Q2 2023¹, the payment systems functioned smoothly across the country. Statistics including the number of bank accounts, the volume of non-cash payments and the transaction volume in payment systems maintained growth in general.

I. Bank Accounts

The number of bank accounts remained stable. At end-Q2, a total of 14.287 billion bank accounts² had been opened nationwide, increasing by 0.46 percent quarter on quarter (q-o-q).

The number of bank accounts opened by institutions edged up. At end-Q2, bank accounts opened by institutions nationwide registered 97.7134 million, increasing by 2.67 percent q-o-q. Specifically, 68.7191 million were basic deposit accounts, 23.9021 million were general deposit accounts, 4.8908 million were special deposit accounts, and 201,500 were temporary deposit accounts, accounting for 70.33 percent, 24.46 percent, 5.01 percent and 0.21 percent, respectively, of the total number of bank accounts held by institutions.

The number of individual bank accounts remained steady. At end-Q2, bank accounts opened by individuals totaled 14.189 billion nationwide, increasing by 0.44 percent q-o-q.

II. Non-cash Payment Instruments

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.

In Q2, a total of 130.227 billion non-cash payment transactions³ with an amount of RMB1308.83 trillion were processed by banks across the country, increasing by 17.90 percent and 12.28 percent year on year (y-o-y), respectively.

(I) Bank Cards

The number of bank cards remained stable. At end-Q2, the number of bankcards opened increased by 0.50 percent q-o-q to 9.621 billion nationwide. Specifically, debit cards increased by 0.59 percent q-o-q to 8.834 billion; credit cards and debit-credit integrated cards decreased by 0.59 percent q-o-q to 786 million. The number of bankcards per capita⁴ was 6.81, among which the per capita number of credit cards and debit-credit integrated cards recorded 0.56.

The number of merchants connected to the UnionPay inter-bank payment system and POS terminals connected to the system witnessed a small growth. At end-Q2, merchants connected to the UnionPay inter-bank payment system (UnionPay system) and POS⁵ terminals connected to the UnionPay system recorded 27.7447 million and 35.4938 million, up 2.1309 million, and 2.3965 million from end-Q1 2023, respectively. ATM⁶ terminals registered 862,800, down 20,000 q-o-q. The number of POS terminals connected to the UnionPay system per 10,000 persons recorded 251.42, increasing by 7.24 percent q-o-q, and the number of ATMs per 10,000 persons recorded 6.11,

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.

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 Q2 2023. In particular, POS terminals include traditional POS terminals and equipments such as QR code scanners, white boxes for payments and merchant-presented QR code.

⁶ The ATMs include traditional self-service equipments such as self-service deposit machines, self-service withdrawal machines, cash recycling system (CRS) and self-service payment terminals placed by banking depository financial institutions, as well as new terminals and equipments such as self-service terminals, visual teller machine (VTM), and smart counters.

decreasing by 2.26 percent q-o-q.

Bankcard transactions grew fast. In Q2, a total of 127.397 billion bankcard transactions⁷ with an amount of RMB271.76 trillion were processed across the country, increasing by 18.07 percent and 11.35 percent y-o-y, respectively. Specifically, cash deposits recorded 1.164 billion, or RMB8.60 trillion; cash withdrawals recorded 1.458 billion, or RMB7.80 trillion; transfers recorded 52.344 billion, or RMB222.48 trillion; and consumer payments recorded 72.43 billion, or RMB32.89 trillion. The consumer payment per bankcard registered RMB3,418.35 and that per transaction recorded RMB454.05.

The total bankcard credit line remained generally stable. At end-Q2, the total bankcard credit line⁸ was RMB22.31 trillion, increasing by 0.59 percent q-o-q. The outstanding balance of bankcard credit was RMB8.55 trillion, decreasing by 0.17 percent q-o-q. The credit line per bankcard was RMB28,400, with the credit utilization rate⁹ standing at 38.33 percent. The credit card payment overdue by half a year or more¹⁰ totaled RMB89.646 billion, decreasing by 9.45 percent q-o-q, accounting for 1.05 percent of the total outstanding balance.

(II) Commercial Papers

The transaction volume of commercial papers continued to declined. In Q2, transactions of commercial papers totaled 21.7114 million or RMB22.77 trillion nationwide, decreasing by 8.41 percent and 7.80 percent y-o-y,

⁷ The volume of bankcard transactions refers to the sum of transactions denominated in the RMB and in foreign currencies.

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

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

¹⁰ 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.

respectively. Specifically, there were 14.8159 million transactions or RMB15.73 trillion of checks, decreasing by 10.98 percent and 15.33 percent y-o-y, respectively; 6.8191 million actual settlements or RMB6.97 trillion of commercial drafts, with the former decreasing by 2.43 percent and the latter increasing by 15.47 percent y-o-y, respectively; 40,800 transactions or RMB24.143 billion of bank drafts, with the former increasing by 14.61 percent and the latter decreasing by 16.82 percent y-o-y, respectively; 35,600 transactions or RMB53.192 billion of bank promissory notes, decreasing by 9.71 percent and 11.71 percent y-o-y, respectively.

Transactions processed by the electronic commercial draft system¹¹ edged up. Q2 saw the following transactions processed by the electronic commercial draft system: 6.8143 million or RMB6.54 trillion acceptances, with the former increasing by 4.41 percent and the latter decreasing by 7.61 percent y-o-y, respectively; 2.9075 million or RMB5.05 trillion discounts, decreasing by 1.08 percent and 6.94 percent y-o-y, respectively; 5.0522 million or RMB17.39 trillion interbank discounts, decreasing by 13.00 percent and 0.14 percent y-o-y, respectively; 1.3791 million or RMB8.73 trillion pledged repos, increasing by 49.95 percent and 21.17 percent y-o-y, respectively; and 85,100 or RMB470.285 billion outright repos, with the former increasing by 0.80 percent and the latter decreasing by 9.03 percent y-o-y, respectively.

(III) Credit Transfers and Other Settlement Transactions

The volume of credit transfers and other settlement transactions increased. In Q2, the number of settlement transactions including credit transfer, direct debit, collection with acceptance, and domestic L/C totaled 2.808 billion with an amount of RMB1014.29 trillion, increasing by 10.92 percent and 13.08

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

percent y-o-y, respectively. In particular, the credit transfer transactions recorded 2.708 billion, totaling RMB981.60 trillion.

(IV) Electronic Payment

The volume of electronic transactions processed by commercial banks increased. In Q2, banks processed a total of 73.578 billion electronic payment transactions¹² in RMB842.19 trillion, increasing by 8.05 percent and 11.65 percent y-o-y, respectively. Specifically, the transaction volume of online payments decreased by 5.79 percent y-o-y to 23.645 billion and the total value increased by 11.82 percent y-o-y to RMB685.19 trillion; the transaction volume of mobile payments increased by 19.52 percent y-o-y to 46.042 billion and the total value increased 14.29 percent y-o-y to RMB138.96 trillion; the transaction volume of phone payment decreased by 13.74 percent y-o-y to 53 million and the total value decreased by 23.15 percent y-o-y to RMB2.21 trillion.

In Q2, non-bank payment institutions processed a total of 308.257 billion online payment transactions¹³ with an amount of RMB82.74 trillion, increasing by 18.38 percent and 16.07 percent y-o-y, respectively, on a comparative basis.

III. Payment Systems

¹² 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.

¹³ 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. According to the revised *Statistics of Payment Business Data for Non-Banking Payment Institutions*, starting from January 2023, transfer business were included and duplicate calculation of cooperation business between payment institutions were removed.

In Q2, the payment systems¹⁴ processed a total of 303.575 billion transactions in payments of RMB3,047.92 trillion, increasing by 17.61 percent and 11.14 percent y-o-y, respectively.

(I) PBOC CNCC Systems

In Q2, the PBOC CNCC systems processed 5.484 billion transactions in payments of RMB2,291.66 trillion, increasing by 6.53 percent and 13.92 percent y-o-y, respectively. The daily processed transactions averaged 60.7449 million in volume and RMB36.35 trillion in value¹⁵.

The transaction value of the HVPS maintained growth. In Q2, the HVPS processed 92.0186 million transactions in payments of RMB2,169.05 trillion, with the former decreasing by 9.09 percent y-o-y and the latter increasing by 14.21 percent y-o-y, respectively. The daily processed transactions averaged 1.4842 million in volume and RMB34.98 trillion in value.

The transaction volume of BEPS continued to increase. In Q2, the BEPS processed 1.155 billion transactions in payments of RMB44.51 trillion, increasing by 13.48 percent and 8.13 percent y-o-y, respectively. The daily processed transactions averaged 12.6975 million in volume and RMB489.079 billion in value.

The transaction value of IBPS increased. In Q2, the IBPS processed 4.235

¹⁴ The payment systems include the four PBOC 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 bank payment & clearing system, CIPS (Cross-border Interbank Payment System) and NetsUnion Clearing platform.

¹⁵ In Q2, HVPS, CFXPS and CIPS operated for 62 business days, while other payment systems operated for 91 business days. The actual operation business days are used for calculation of daily averages, and the same hereinafter.

billion transactions in payments of RMB73.93 trillion, increasing by 5.16 percent and 10.27 percent y-o-y, respectively. The daily processed transactions averaged 46.5429 million in volume and RMB812.428 billion in value.

The transaction volume of CFXPS edged up. In Q2, the CFXPS processed 1.2609 million transactions in payments of USD577.15 billion (equivalent to about RMB4.17 trillion¹⁶), with the former increasing by 7.78 percent and the latter decreasing by 8.04 percent y-o-y, respectively. The daily processed transactions averaged 20,300 in volume and USD9.309 billion (equivalent to about RMB67.264 billion) in value.

(II) Other Payment Systems¹⁷

The volume of transactions processed by the intra-bank business systems increased. In Q2, these systems processed 5.247 billion transactions, totaling RMB533.55 trillion, with the former increasing by 15.20 percent and the latter decreasing by 1.39 percent y-o-y. On a daily basis, the systems processed 57.66 million transactions, totaling RMB5.86 trillion.

The volume of transactions processed by the UnionPay interbank payment system¹⁸ maintained growth. In Q2, the system processed 76.83 billion transactions, totaling RMB70.98 trillion, increasing by 24.73 percent and 15.02 percent y-o-y, respectively. On a daily basis, the system processed 844 million transactions, totaling RMB779.955 billion.

¹⁶ 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.

¹⁷ According to the PBOC 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.

¹⁸ The data of the UnionPay interbank payment system are from China UnionPay Co., Ltd.

The volume of transactions processed by the payment and clearing systems of City Commercial Banks Clearing¹⁹ rose rapidly. In Q2, the systems processed 9.6466 million transactions, totaling RMB890.645 billion, increasing by 66.78 percent and 60.38 percent y-o-y, respectively. On a daily basis, the system processed 106,000 transactions, totaling RMB9.787 billion.

The number of transactions processed by rural credit bank payment & clearing system²⁰ decreased. In Q2, the system processed 847 million transactions, totaling RMB783.892 billion, with the former decreasing by 18.77 percent and the latter increasing by 3.19 percent y-o-y, respectively. On a daily basis, the system processed 9.3077 million transactions, totaling RMB8.614 billion.

The volume of transactions processed by CIPS²¹ continued to grow. In Q2, the CIPS processed 1.6202 million transactions, totaling RMB29.49 trillion, increasing by 60.40 percent and 29.04 percent y-o-y, respectively. On a daily basis, the system processed 26,100 transactions, totaling RMB475.565 billion.

The number of transactions processed by NetsUnion Clearing platform²² showed a notable increase. In Q2, the platform processed 215.156 billion transactions, totaling RMB120.58 trillion, increasing by 15.82 percent and 16.12 percent y-o-y, respectively. On a daily basis, the platform processed

¹⁹ 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.

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

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

²² 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.

2.364 billion transactions, totaling RMB1.33 trillion.