

Payment System Report (Q2 2021)¹

According to payment statistics in Q2 2021, the number of bank accounts remained generally stable, and the volume of non-cash payments grew rapidly. The transaction value in payment systems rose steadily, and the payment systems functioned smoothly in general across the country.

I. Bank Accounts²

The number of bank accounts edged up. At end-Q2 2021, bank accounts reached 13.119 billion nationwide, increasing 2.05 percent quarter on quarter (q-o-q), a deceleration of 0.50 percentage points from the end of previous quarter.

The number of bank accounts held by institutions maintained growth. At end-Q2 2021, bank accounts held by institutions totaled 79.1905 million, increasing 3.02 percent q-o-q, representing an acceleration of 0.27 percentage points from end-Q1 2021. Specifically, 56.8872 million were basic deposit accounts; 17.9183 million were general deposit accounts; 4.1977 million were special deposit accounts; and 187,200 were temporary deposit accounts. They accounted for 71.84 percent, 22.63 percent, 5.30 percent and 0.24 percent of the total number of bank accounts held by institutions, respectively. In Q2 2021, basic deposit accounts, general deposit accounts, special deposit accounts and temporary deposit accounts increased by 1.5042 million, 750,600, 64,700 and 300, respectively.

The growth of the number of individual bank accounts slowed down. At end-Q2 2021, individual bank accounts totaled 13.040 billion, marking an increase of 2.05 percent q-o-q, with a deceleration of 0.50 percentage points from end-Q1 2021.

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.

II. Non-cash Payment Instruments

In Q2 2021, a total of 103.894 billion non-cash payment transactions³ with an amount of RMB1,080.82 trillion were processed by banking financial institutions nationwide, exhibiting a year-on-year (y-o-y) increase of 24.10 percent and 6.25 percent respectively.

(I) Bank cards

The number of bank cards remained basically stable. At end-Q2 2021, the number of bankcards rose 0.89 percent q-o-q to 9.110 billion nationwide. Specifically, debit cards rose 0.91 percent q-o-q to 8.320 billion, while credit cards and debit-credit integrated cards rose 0.73 percent q-o-q to 790 million. The number of bankcards per capita⁴ reached 6.45, among which the per capita number of credit cards and debit-credit integrated cards recorded 0.56.

The number of bankcard processing terminals decreased moderately. At end-Q2 2021, merchants, terminals⁵ connected to the inter-bank bankcard payment system and ATM terminals⁶ recorded 24.0332 million, 32.7333 million and 986,700 respectively, recording a decrease of 1.8979 million, 1.9832 million and 19,500 q-o-q respectively. The number of terminals connected to the inter-bank bankcard payment system per 10,000 persons recorded 231.86, down 5.71 percent q-o-q, and the number of ATMs per 10,000 persons recorded 6.99, down 1.94 percent q-o-q.

Bankcard transactions climbed up steadily. In Q2 2021, a total of 101.317 billion bankcard transactions⁷ with an amount of RMB240.25 trillion were processed across the country, increasing 24.38 percent and 9.66 percent y-o-y

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 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.

⁵ The data of merchants and terminals that were connected to the inter-bank bankcard payment system are from China UnionPay Co., Ltd. Since Q1 2020, UnionPay has adjusted the relevant statistical standards, adding the statistics of the QR code used-only equipments such as QR code scanners, white boxes for payments and merchant-presented QR code and of the corresponding offline merchants connected to the system.

⁶ 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.

⁷ Bankcard transactions refer to the sum of RMB and foreign currency denominated transactions.

respectively. The transactions included 1.238 billion cash deposits of RMB9.41 trillion, 1.788 billion cash withdrawals of RMB8.71 trillion, 43.304 billion transfers of RMB188.97 trillion, and 54.987 billion consumer payments of RMB33.16 trillion. The bankcard penetration rate stood at 49.14 percent, decreasing 0.15 percentage points q-o-q. The consumer payment per capita via bank cards reached RMB23,500, increasing 15.39 percent y-o-y. The consumer payment per bank card registered RMB3639.51, increasing 10.58 percent y-o-y. The consumer payment per transaction via bank cards recorded RMB603.00, down 10.23 percent y-o-y.

The outstanding balance of bankcard credit maintained growth. At end-Q2 2021, the total bankcard credit line⁸ recorded RMB20.23 trillion, up 3.01 percent q-o-q from the end of the previous quarter. The outstanding balance of bankcard credit stood at RMB8.18 trillion, up 2.36 percent q-o-q. The credit line per bank card was RMB25,600, with the credit utilization rate⁹ standing at 40.43 percent. The total outstanding amount of credit in arrears for more than half a year¹⁰ was RMB81.804 billion, down 8.31 percent q-o-q, accounting for 1.00 percent of the total outstanding balance of credit.

(II) Commercial Papers

The transaction volume of commercial papers generally remained trending downwards. In Q2 2021, transactions of commercial papers totaled 32.1205 million nationwide, or RMB27.87 trillion, decreasing by 9.96 percent and 6.29 percent y-o-y respectively. These included 25.4697 million transactions or RMB22.13 trillion of checks, with a decrease of 14.06 percent and 11.25 percent y-o-y respectively; 6.5569 million actual settlements of commercial drafts or RMB5.63 trillion, with an increase of 11.51 percent and 20.80 percent y-o-y respectively; 31,400 transactions or RMB25.156 billion of bank drafts,

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 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.

with a decrease of 38.25 percent and 24.61 percent y-o-y respectively; 62,500 transactions or RMB88.171 billion of bank promissory notes, with a decrease of 41.11 percent and 23.56 percent y-o-y respectively.

Transactions processed by the electronic commercial draft system¹¹ kept rising. Q2 2021 saw the following transactions processed by the electronic commercial draft system. 6.4248 million issues of RMB6.02 trillion, both increasing by 22.23 percent and 10.42 percent y-o-y respectively; 6.5504 million acceptances of RMB6.15 trillion, both increasing by 22.26 percent and 10.01 percent y-o-y respectively; 2.4391 million discounts with an amount of RMB3.96 trillion, both up 37.04 percent and 13.47 percent y-o-y respectively; 3.5421 million interbank discounts of RMB12.88 trillion, with the former increasing 19.32 percent and the latter decreasing 3.14 percent y-o-y respectively; 735,600 bond-pledged repos of RMB 5.78 trillion, both increasing 15.65 percent and 2.41 percent y-o-y respectively; and 67,800 bond buyout repos of RMB417.533 billion, both increasing 309.61 percent and 463.62 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 Q2 2021, the number of other settlement transactions including credit transfer, direct debit, collection with acceptance, and domestic L/C totaled 2.545 billion, with an amount of RMB812.70 trillion, increasing 14.29 percent and 5.77 percent y-o-y respectively. In particular, the credit transfer transactions recorded 2.449 billion, totaling RMB799.29 trillion.

(IV) Electronic Payment

Mobile payment transaction volume maintained growth. In Q2 2021, banks processed a total of 67.392 billion electronic payment transactions¹² in

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

¹² 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.

RMB745.74 trillion. Specifically, the transaction volume and value of online payment posted 25.190 billion and RMB605.19 trillion, up 16.42 percent and 11.80 percent y-o-y respectively. The transaction volume and value of mobile payment reached 37.011 billion and RMB117.13 trillion, up 22.79 percent and 10.32 percent y-o-y respectively. The transaction volume and value of payment by phone reached 65 million and RMB2.74 trillion, as the volume went up by 20.97 percent y-o-y and the value decreased by 12.27 percent y-o-y.

In Q2 2021, non-bank payment institutions processed a total of 260.830 billion online payment transactions¹³ with an amount of RMB87.32 trillion, up 28.17 percent and 24.37 percent y-o-y respectively.

III. Payment Systems

In Q2 2021, the payment systems¹⁴ processed a total of 225.054 billion transactions in payments of RMB2,303.32 trillion, up 31.12 percent and 11.60 percent y-o-y respectively. The payment value represented 81.43 times the amount of GDP in Q2 2021.

(I) PBC Payment Systems

In Q2 2021, the PBC payment systems¹⁵ processed 5.507 billion transactions in payments of RMB1,628.15 trillion, up 14.06 percent and 2.42 percent y-o-y respectively, accounting for 2.45 percent and 70.69 percent of the total payment transactions and value respectively. The daily processed transactions averaged 61.1158 million, and the daily processed value averaged RMB25.72 trillion¹⁶.

The transaction value of the HVPS held steady. In Q2 2021, the HVPS

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, 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.

¹⁴ 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.

¹⁵ 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.

¹⁶ In Q2 2021, HVPS, CIPS and CFXPS 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, similarly hereinafter.

processed 116 million transactions in payments of RMB1,519.00 trillion, as the former dropped by 5.91 percent y-o-y and the latter went up by 1.26 percent y-o-y. The daily transactions averaged 1.8786 million in volume and RMB24.50 trillion in value.

The transaction volume of payments processed by BEPS maintained rising.

In Q2 2021, the BEPS processed 975 million transactions of RMB39.00 trillion, up 11.45 percent and 4.93 percent y-o-y respectively. On a daily basis, the system processed 10.7133 million transactions of RMB428.541 billion.

The transaction volume of IBPS expanded rapidly. In Q2 2021, the IBPS processed 4.414 billion transactions in payments of RMB66.76 trillion, up 15.95 percent and 40.25 percent y-o-y respectively. On a daily basis, the system processed 48.5086 million transactions of RMB733.579 billion.

The transactions volume of CFXPS surged remarkably. In Q2 2021, the CFXPS processed 948,400 transactions in payments of USD525.683 billion (equivalent to about RMB3.40 trillion¹⁷), a y-o-y increase of 58.41 percent and 54.40 percent respectively. On a daily basis, the system processed 15,300 transactions of USD8.479 billion (equivalent to about RMB54.774 billion).

(II) Other Payment Systems¹⁸

The volume of transactions processed by the intra-bank payment systems of banking financial institutions grew at a relatively fast pace. In Q2 2021, these systems processed 4.563 billion transactions of RMB488.03 trillion, up 9.01 percent and 44.27 percent y-o-y respectively. On a daily basis, the systems processed 50.1410 million transactions of RMB5.36 trillion.

The volume of transactions processed by interbank bankcard payment system¹⁹ soared. In Q2 2021, the system processed 51.377 billion transactions²⁰

¹⁷ 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.

¹⁸ 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.

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

of RMB54.76 trillion, up 48.04 percent and 18.05 percent y-o-y respectively. On a daily basis, the system processed 565 million transactions of RMB601.798 billion.

The volume of transactions processed by urban commercial bank draft processing system and payment & clearing system²¹ climbed up rapidly. In Q2 2021, the systems processed 3.9057 million transactions of RMB455.149 billion²², up 173.33 percent and 91.46 percent y-o-y respectively. The daily transactions averaged 42,900 of RMB5.002 billion.

The transaction volume of rural credit bank payment & clearing system²³ continued rising. In Q2 2021, the system processed 648 million transactions of RMB810.975 billion, up 42.62 percent and 26.15 percent y-o-y. The daily transactions averaged 7.1171 million of RMB8.912 billion.

The transaction volume of CIPS²⁴ expanded rapidly. In Q2 2021, the CIPS processed 805,900 transactions in payments of RMB19.14 trillion, up 63.82 percent and 90.46 percent y-o-y respectively. The daily transactions averaged 13,000 of RMB308.665 billion.

The transaction volume of NetsUnion platform²⁵ maintained relatively fast growth. In Q2 2021, the platform processed 162.955 billion transactions in payments of RMB111.98 trillion²⁶, up 27.84 percent and 42.38 percent y-o-y. The daily transactions averaged 1.791 billion in payments of RMB1.23 trillion.

²⁰ 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.

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

²² 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.

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

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

²⁵ The data of the NetsUnion platform are from NetsUnion Clearing Co., Ltd.

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