

Payment System Report (Q1 2023)

According to payment statistics in Q1 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 edged up. At end-Q1, a total of 14.221 billion bank accounts² had been opened nationwide, increasing by 0.39 percent quarter on quarter (q-o-q).

The number of bank accounts opened by institutions maintained growth. At end-Q1, bank accounts opened by institutions nationwide registered 95.1738 million, increasing by 2.93 percent q-o-q. Specifically, 66.8988 million were basic deposit accounts, 23.2442 million were general deposit accounts, 4.8312 million were special deposit accounts, and 199,600 were temporary deposit accounts, accounting for 70.29 percent, 24.42 percent, 5.08 percent and 0.21 percent, respectively, of the total number of bank accounts held by institutions.

The number of individual bank accounts increased slightly. At end-Q1, bank accounts opened by individuals totaled 14.126 billion nationwide, increasing by 0.37 percent q-o-q.

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 Q1, a total of 114.587 billion non-cash payment transactions³ with an amount of RMB1277.53 trillion were processed by banks across the country, increasing by 18.46 percent and 11.10 percent year on year (y-o-y), respectively.

(I) Bank Cards

The number of bank cards increased slightly.. At end-Q1, the number of bankcards opened increased by 1.01 percent q-o-q to 9.573 billion nationwide. Specifically, debit cards increased by 1.18 percent q-o-q to 8.782 billion; credit cards and debit-credit integrated cards decreased by 0.84 percent q-o-q to 791 million. The number of bankcards per capita⁴ was 6.78, 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 terminals connected to the system witnessed a small decrease. At end-Q1, merchants connected to the UnionPay inter-bank payment system (UnionPay system), POS⁵ terminals connected to the UnionPay system, and ATM⁶ terminals recorded 25.6138 million, 33.0974 million and 882,700, down 1.6147 million, 2.4633 million and 13,200 from end-Q4 2022, respectively. The number of POS terminals connected to the UnionPay system per 10,000 persons recorded 234.44, decreasing by 6.93 percent q-o-q, and the

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 Q1 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.

number of ATMs per 10,000 persons recorded 6.25, decreasing by 1.47 percent q-o-q.

Bankcard transactions showed a notable increase. In Q1, a total of 111.839 billion bankcard transactions⁷ with an amount of RMB292.90 trillion were processed across the country, increasing by 18.75 percent and 10.57 percent y-o-y, respectively. Specifically, cash deposits recorded 1.271 billion, or RMB11.01 trillion; cash withdrawals recorded 1.803 billion, or RMB11.05 trillion; transfers recorded 45.165 billion, or RMB237.79 trillion; and consumer payments recorded 63.599 billion, or RMB33.04 trillion. The consumer payment per bankcard registered RMB3,451.12 and that per transaction recorded RMB519.48.

The total bankcard credit line remained generally stable. At end-Q1, the total bankcard credit line⁸ was RMB22.18 trillion, increasing by 0.18 percent q-o-q. The outstanding balance of bankcard credit was RMB8.57 trillion, decreasing by 1.42 percent q-o-q. The credit line per bankcard was RMB28,000, with the credit utilization rate⁹ standing at 38.62 percent. The credit card payment overdue by half a year or more¹⁰ totaled RMB99.004 billion, increasing by 14.35 percent q-o-q, accounting for 1.16 percent of the total outstanding balance.

(II) Commercial Papers

The transaction volume of commercial papers stayed on a downward

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.

trend in general. In Q1, transactions of commercial papers totaled 24.1744 million or RMB23.63 trillion nationwide, decreasing by 15.66 percent and 10.82 percent y-o-y, respectively. Specifically, there were 17.8231 million transactions or RMB17.81 trillion of checks, decreasing by 16.81 percent and 13.06 percent y-o-y, respectively; 6.2850 million actual settlements or RMB5.72 trillion of commercial drafts, decreasing by 12.19 percent and 3.17 percent y-o-y, respectively; 23,600 transactions or RMB31.625 billion of bank drafts, decreasing by 26.07 percent and 5.29 percent y-o-y, respectively; 42,700 transactions or RMB75.642 billion of bank promissory notes, decreasing by 15.93 percent and 3.84 percent y-o-y, respectively.

Transactions processed by the electronic commercial draft system¹¹ decreased. Q1 saw the following transactions processed by the electronic commercial draft system: 6.6481 million or RMB5.84 trillion acceptances, decreasing by 6.67 percent and 15.64 percent y-o-y, respectively; 2.1747 million or RMB3.89 trillion discounts, decreasing by 18.05 percent and 18.68 percent y-o-y, respectively; 3.3535 million or RMB12.24 trillion interbank discounts, decreasing by 23.98 percent and 13.04 percent y-o-y, respectively; 994,000 or RMB6.71 trillion pledged repos, increasing by 17.42 percent and 14.29 percent y-o-y, respectively; and 88,700 or RMB485.111 billion outright repos, increasing by 7.45 percent and 26.15 percent y-o-y, respectively.

(III) Credit Transfers and Other Settlement Transactions

The volume of credit transfers and other settlement transactions maintained growth. In Q1, the number of other settlement transactions including credit transfer, direct debit, collection with acceptance, and domestic L/C totaled 2.724 billion with an amount of RMB961.00 trillion, increasing by

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

8.08 percent and 11.95 percent y-o-y, respectively. In particular, the credit transfer transactions recorded 2.622 billion, totaling RMB935.77 trillion.

(IV) Electronic Payment

The volume of electronic transactions processed by commercial banks increased. In Q1, banks processed a total of 67.584 billion electronic payment transactions¹² in RMB831.82 trillion, increasing by 6.83 percent and 12.44 percent y-o-y, respectively. Specifically, the transaction volume of online payments decreased by 6.28 percent y-o-y to 22.089 billion and the total value increased by 13.84 percent y-o-y to RMB666.15 trillion; the transaction volume of mobile payments increased by 19.14 percent y-o-y to 41.284 billion and the total value increased 9.90 percent y-o-y to RMB144.60 trillion; the transaction volume of phone payment decreased by 17.53 percent y-o-y to 54 million and the total value decreased by 9.48 percent y-o-y to RMB2.42 trillion.

In Q1, non-bank payment institutions processed a total of 266.501 billion online payment transactions¹³ with an amount of RMB84.66 trillion, increasing by 11.97 percent and 11.34 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 Q1, the payment systems¹⁴ processed a total of 258.432 billion transactions in payments of RMB2,777.43 trillion, increasing by 20.74 percent and 11.66 percent y-o-y, respectively.

(I) PBC CNCC Systems

In Q1, the PBC CNCC systems processed 5.468 billion transactions in payments of RMB2,019.84 trillion, increasing by 5.24 percent and 14.73 percent y-o-y, respectively. The daily processed transactions averaged 61.2436 million in volume and RMB32.47 trillion in value¹⁵.

The transaction value of the HVPS maintained growth. In Q1, the HVPS processed 92.1887 million transactions in payments of RMB1,893.21 trillion, with the former decreasing by 13.22 percent y-o-y and the latter increasing by 15.15 percent y-o-y, respectively. The daily processed transactions averaged 1.5113 million in volume and RMB31.04 trillion in value.

The transaction volume of BEPS showed a notable increase. In Q1, the BEPS processed 1.102 billion transactions in payments of RMB44.86 trillion, increasing by 13.51 percent and 10.93 percent y-o-y, respectively. The daily processed transactions averaged 12.2466 million in volume and RMB498.413 billion in value.

The transaction value of IBPS edged up. In Q1, the IBPS processed 4.272

¹⁴ 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 bank payment & clearing system, CIPS (Cross-border Interbank Payment System) and NetsUnion Clearing platform.

¹⁵ In Q1, HVPS, CFXPS and CIPS operated for 61 business days, while other payment systems operated for 90 business days. The actual operation business days are used for calculation of daily averages, and the same hereinafter.

billion transactions in payments of RMB77.62 trillion, increasing by 3.76 percent and 8.06 percent y-o-y, respectively. The daily processed transactions averaged 47.4669 million in volume and RMB862.410 billion in value.

The transaction volume of CFXPS increased. In Q1, the CFXPS processed 1.1510 million transactions in payments of USD605.352 billion (equivalent to about RMB4.16 trillion¹⁶), with the former increasing by 5.17 percent and the latter decreasing by 8.86 percent y-o-y, respectively. The daily processed transactions averaged 18,900 in volume and USD9.924 billion (equivalent to about RMB68.193 billion) in value.

(II) Other Payment Systems¹⁷

The volume of transactions processed by the intra-bank business systems edged up. In Q1, these systems processed 5.142 billion transactions, totaling RMB540.09 trillion, increasing by 11.23 percent and 0.88 percent y-o-y. On a daily basis, the systems processed 57.1351 million transactions, totaling RMB6.00 trillion.

The volume of transactions processed by the UnionPay interbank payment system¹⁸ showed a notable increase. In Q1, the system processed 65.634 billion transactions, totaling RMB73.23 trillion, increasing by 25.53 percent and 18.34 percent y-o-y, respectively. On a daily basis, the system processed 729 million transactions, totaling RMB813.653 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 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.

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 Q1, the systems processed 8.7189 million transactions, totaling RMB831.822 billion, increasing by 75.79 percent and 54.24 percent y-o-y, respectively. On a daily basis, the system processed 96,900 transactions, totaling RMB9.242 billion.

The number of transactions processed by rural credit bank payment & clearing system²⁰ increased. In Q1, the system processed 880 million transactions, totaling RMB944.763 billion, increasing by 12.27 percent and 6.12 percent y-o-y, respectively. On a daily basis, the system processed 9.7820 million transactions, totaling RMB10.497 billion.

The volume of transactions processed by CIPS²¹ rose rapidly. In Q1, the CIPS processed 1.3720 million transactions, totaling RMB25.17 trillion, increasing by 62.50 percent and 12.63 percent y-o-y, respectively. On a daily basis, the system processed 22,500 transactions, totaling RMB412.664 billion.

The number of transactions processed by NetsUnion Clearing platform²² showed a notable increase. In Q1, the platform processed 181.298 billion transactions, totaling RMB117.32 trillion, increasing by 19.95 percent and 10.85 percent y-o-y. On a daily basis, the platform processed 2.014 billion transactions, totaling RMB1.30 trillion.

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.