

Payment System Report (Q3 2019)¹

According to payment statistics in Q3 2019, the nation's payment systems functioned smoothly as the size of fund flows within the economy expanded and the payment volume rose steadily.

I. Bank Accounts²

The number of RMB bank accounts grew steadily. At end-Q3 2019, the RMB bank accounts totaled 11.017 billion, increasing 3.33 percent quarter on quarter (q-o-q), an acceleration of 1.37 percentage points from the end of the previous quarter.

The number of bank accounts held by institutions maintained its growth. At end-Q3 2019, bank accounts opened by institutions totaled 66.7341 million, increasing 2.85 percent q-o-q, representing an deceleration of 0.32 percentage points from the end of the previous quarter. Specifically, 47.7597 million were basic deposit accounts, with an increase of 1.5038 million q-o-q; 15.0699 million were general deposit accounts, with an increase of 300.8 thousand q-o-q; 3.7221 million were specified deposit accounts, with an increase of 47.3 thousand q-o-q; and 182.4 thousand were temporary deposit accounts, with a decrease of 900 q-o-q. They accounted for 71.57 percent, 22.58 percent, 5.58 percent and 0.27 percent of the total number of entity-holding bank accounts respectively.

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.

The number of individual bank accounts increased steadily. At end-Q3 2019, the bank accounts opened by individuals totaled 10.950 billion, marking an increase of 353 million or 3.33 percent q-o-q, with an acceleration of 1.38 percentage points from Q2 2019. The number of accounts held per capita³ reached 7.85.

II. Non-cash Payment Instruments

In Q3 2019, a total of 89.760 billion non-cash payment transactions⁴ with an amount of RMB926.03 trillion were processed by banking financial institutions nationwide, exhibiting a year-on-year (y-o-y) increase of 54.80 percent and 0.06 percent respectively.

(I) Bankcards

Bankcard issuance increased steadily. At end-Q3 2019, the number of bankcards in use rose 3.00 percent q-o-q to 8.217 billion, among which debit cards rose 2.97 percent q-o-q to 7.482 billion, while credit cards and debit-credit integrated cards rose 3.25 percent q-o-q to 734 million. The number of total bankcards per capita reached 5.89, and the per capita number of credit cards and debit-credit integrated cards recorded 0.53.

The number of bankcard acceptance terminals⁵ remained generally stable.

At end-Q3 2019, 24.8550 million merchants and 32.4276 million POS terminals

³ When indicators involve per capita figures, the population applied is 1.39538 billion of mainland China at the end of 2018, in accordance with the data released by the National Bureau of Statistics, similarly hereinafter.

⁴ Non-cash payment transactions include commercial papers, bankcards and other settlement transactions. Specifically, other settlement transactions include credit transfer, direct debit, collection with acceptance and domestic L/C.

⁵ The data of merchants and POS terminals that were connected to the inter-bank bankcard payment system is from China UnionPay Co., Ltd.

were connected to the inter-bank bankcard payment system, with a decrease of 319.8 thousand and 445.3 thousand q-o-q respectively. 1.0888 million ATM terminals⁶ were connected to the inter-bank bankcard payment system, decreasing by 11.6 thousand from the previous quarter. The numbers of POS and ATM terminals per 10,000 persons decreased by 1.35 percent and 1.05 percent q-o-q respectively, to 232.39 and 7.80.

Bankcard transactions rose steadily. In Q3 2019, a total of 87.39 billion bankcard transactions⁷ with a cumulative trading amount of RMB220.59 trillion were processed across the country, increasing 57.69 percent and 2.98 percent y-o-y respectively. The transactions included 1.753 billion cash deposits of RMB12.62 trillion, 2.786 billion cash withdrawals of RMB11.99 trillion, 39.833 billion transfers of RMB166.31 trillion, and 43.018 billion consumer payments of RMB29.67 trillion. The bank card penetration rate stood at 49.04 percent, increasing 0.02 percentage points q-o-q. The consumer payment per capita via bank cards reached RMB21.3 thousand, increasing 22.90 percent y-o-y. The consumer payment per bankcard reached RMB3,610.49, increasing 10.89 percent y-o-y. The consumer payment per transaction via bankcards recorded RMB689.63, decreasing 24.21 percent y-o-y.

The bankcard credit exhibited appropriate growth. At end-Q3 2019, the total bankcard credit line⁸ reached RMB16.99 trillion, with a growth of

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 were the sum of RMB and foreign currency denominated transactions.

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

4.11 percent q-o-q, while the outstanding balance of bankcard credit was RMB7.42 trillion, with a q-o-q growth of 2.67 percent. The credit line per bankcard was RMB23.1 thousand, with the credit utilization rate⁹ standing at 43.69 percent. The total outstanding amount of credit in arrears for more than half a year reached RMB91.916 billion, accounting for 1.24 percent of the total outstanding balance of credit, up 0.08 percentage points q-o-q.

(II) Commercial Papers

The transactions of commercial draft increased slightly. In Q3 2019, transactions of commercial papers totaled 46.3349 million, or RMB32.22 trillion, decreasing by 14.33 percent and 10.09 percent respectively y-o-y. These included 40.5704 million transactions or RMB27.24 trillion of checks, with a respective year on year decrease of 16.58 percent and 13.40 percent; 5.5393 million actual settlements or RMB4.80 trillion of commercial drafts, with an increase of 8.44 percent and 16.73 percent y-o-y; 64.0 thousand transactions or RMB39.298 billion of bank drafts, with a decrease of 9.99 percent and 10.48 percent y-o-y; and 161.3 thousand transactions or RMB147.971 billion of bank promissory notes, with a decrease of 41.39 percent and 36.28 percent y-o-y respectively.

Transactions processed by the electronic commercial draft system¹⁰ remained growth. Q3 2019 saw the following transactions: 5.3066 million issues of RMB4.80 trillion, increasing 29.07 percent and 9.30 percent y-o-y respectively; 5.4007 million acceptances of RMB4.89 trillion, increasing 28.50 percent and 9.36 percent y-o-y; 1.7721 million discounts of RMB3.00

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

¹⁰ The data of the electronic commercial draft system were from the Shanghai Commercial Paper Exchange.

trillion, increasing 48.71 percent and 13.06 percent y-o-y; 2.0881 million inter-bank discounts¹¹ of RMB9.40 trillion, increasing 2.39 percent and 6.47 percent y-o-y; and 312.5 thousand bond-pledged repos of RMB3.07 trillion, increasing 152.31 percent and 130.86 percent y-o-y.

(III) Credit Transfers and Other Settlement Transactions

The volume of credit transfers and other settlement transactions remained basically stable. In Q3 2019, the number of other settlement transactions including credit transfer, direct debit, collection with acceptance, and domestic L/C totaled 2.323 billion, with a cumulative amount of RMB673.22 trillion, dropping 7.50 percent and 0.32 percent y-o-y respectively. To be specific, the credit transfer transactions recorded 2.209 billion, totaling RMB651.61 trillion.

(IV) Electronic Payment

The mobile payment transaction volume grew relatively rapidly. In Q3 2019, banks processed a total of 59.464 billion electronic payment transactions¹² in RMB612.90 trillion. Specifically, online payment recorded 21.539 billion transactions or RMB495.63 trillion, up 44.62 percent and 0.08 percent y-o-y respectively. The transaction volume and value of mobile payment reached 27.274 billion and RMB86.11 trillion, up 61.05 percent and 31.52 percent y-o-y respectively. The transaction volume of payment by phone posted 43 million and the transaction value reached

¹¹ Since Q3 2017, the statistics of inter-bank discounts and bond-pledged repos of electronic commercial drafts have been compiled separately.

¹² Electronic payment refers to the transaction volume and value that cause changes in the balance of settlement accounts initiated by customers through six channels including online banking, telephone banking, mobile banking, ATM, POS, and other electronic payments.

RMB2.52 trillion, up 16.57 percent and 38.67 percent y-o-y respectively.

In Q3 2019, non-bank payment agencies processed a total of 191.187 billion online payment transactions¹³ with an amount of RMB63.99 trillion, increasing 37.01 percent and 23.04 percent y-o-y respectively.

III. Payment Systems

In Q3 2019, the payment systems¹⁴ processed a total of 156.132 billion transactions in payments of RMB1,752.87 trillion.

(I) PBC Payment Systems

In Q3 2019, the PBC payment systems¹⁵ processed 4.754 billion transactions in payments of RMB1,325.64 trillion, up 13.53 percent and 8.13 percent y-o-y respectively, accounting for 3.05 percent and 75.63 percent of the total payment transactions and value respectively. The daily processed transactions averaged 53.2771 million and the daily processed value averaged RMB19.91

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 transaction volume of payment accounts, but does not include the transaction volume of Red Packet and similar entertainment products. On April 1, 2018, *the Provisions on Barcode and QR Code Payment Business Standards (Interim)* came into effect. Since 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), ACH (automated clearing house), CFXPS (China foreign exchange payment system), intra-bank payment systems of banking financial institutions, bankcard inter-bank payment system, urban commercial banks draft processing system and payment & clearing system, rural credit bank payment & clearing system, CIPS (China international payment system) and Nets Union clearing system.

¹⁵ The PBC Payment Systems include HVPS, BEPS, IBPS, CFXPS and ACH.

trillion¹⁶.

The processed transactions in the HVPS maintained growth. In Q3 2019, the HVPS processed 295 million transactions in payments of RMB1,261.22 trillion, up 6.28 percent and 8.35 percent y-o-y respectively. The daily transactions averaged 4.4689 million in volume and RMB19.11 trillion in value.

The transaction value of payments processed by BEPS surged. In Q3 2019, the BEPS processed 681 million transactions of RMB12.51 trillion, up 21.55 percent and 38.13 percent y-o-y respectively. On a daily basis, the system processed 7.3970 million transactions of RMB136.026 billion.

The transaction volume of IBPS maintained a steady growth. In Q3 2019, the IBPS processed 3.700 billion transactions in payments of RMB27.59 trillion, up 13.63 percent and 18.54 percent y-o-y respectively. On a daily basis, the system processed 40.2211 million transactions of RMB299.871 billion.

The transaction volume of ACH continued to decrease. In Q3 2019, the ACH¹⁷ processed 77.9626 million transactions in payments of RMB22.24 trillion, down 16.27 percent in volume and 19.33 percent in value y-o-y respectively. On a daily basis, the system processed 1.1813 million transactions of RMB337.022 billion.

The number of CFXPS transactions increased slightly. In Q3 2019, the

¹⁶ In Q3 2019, HVPS, CFXPS, ACHs and CIPS operated for 66 business days and other payment systems for 92 business days. The actual operating business days are used for the calculation of daily averages, similarly hereinafter.

¹⁷ The ACH includes the intra-city notes exchange system and the intra-city electronic clearing system.

system processed 581.4 thousand transactions of USD293.243 billion (equivalent to about RMB2.07 trillion¹⁸), with a y-o-y increase of 3.69 percent and a drop of 3.59 percent respectively. On a daily basis, the system processed 8,809.03 transactions of USD4.443 billion (equivalent to about RMB31.425 billion).

(II) Other Payment Systems¹⁹

The transaction volume of the intra-bank payment systems of banks increased slightly. In Q3 2019, these systems processed 4.034 billion transactions of RMB302.96 trillion, up 6.80 percent and 1.44 percent q-o-q respectively. On a daily basis, the systems processed 43.8507 million transactions of RMB3.29 trillion.

The number of transactions processed by the interbank bankcard payment system²⁰ maintained its growth. In Q3 2019, the system processed 38.404 billion transactions²¹ of RMB44.91 trillion, up 11.69 percent and 0.53 percent q-o-q respectively. On a daily basis, the system processed 417 million

¹⁸ The transaction value of CFXP was calculated and then converted to RMB according to the exchange rate of the last trading day of each quarter.

¹⁹ According to the PBC working requirement of “breaking the direct connection between third-party payment institutions and commercial banks”, all third-party payment institutions joined the system of UnionPay or Nets Union, and the business 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.

²⁰ The data of the inter-bank bankcard payment system is from China UnionPay Co., Ltd.

²¹ Since Q2 2018, the number of transactions processed by the interbank bankcard payment system only includes transactions of capital settlement; inquiries, account verification and other non-capital settlement transactions are excluded. Since 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.

transactions of RMB488.205 billion.

The number of transactions processed by the urban commercial bank draft processing system and payment & clearing system increased²². In Q3 2019, the systems processed 1.2510 million transactions of RMB190.181 billion, up 7.34 percent in volume and 8.78 percent in value q-o-q. The daily transactions averaged 13.6 thousand or RMB2.067 billion.

The number of transactions of the rural credit bank payment & clearing system²³ grew rapidly. In Q3 2019, the system processed 384 million transactions of RMB724.351 billion, up 34.42 percent and 4.32 percent q-o-q respectively. The daily transactions averaged 4.1778 million or RMB7.873 billion.

The transaction volume of CIPS²⁴ continued to increase. In Q3 2019, the CIPS processed 512.5 thousand transactions of RMB9.43 trillion, which were up 34.41 percent and 34.48 percent y-o-y respectively. The daily transactions averaged 7,765.48 or RMB142.901 billion.

The transactions on the Nets Union platform²⁵ continued to rise. In Q3 2019, the platform²⁶ processed 108.554 billion transactions of RMB69.01 trillion, up 24.20 percent and 19.75 percent q-o-q respectively. The daily

²² The data of the urban commercial bank draft processing system and payment & clearing system is from the Urban Commercial Bank Clearing Co., Ltd.

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

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

²⁵ The data of the Nets Union platform is from Nets Union Clearing Co., Ltd.

²⁶ The data of the Nets Union platform refers to online payment transaction volume initiated by payment institutions and processed by the Nets Union platform via bank accounts.

transactions averaged 1.180 billion or RMB750.058 billion.

