

## Payment System Report (Q2 2022)

According to payment statistics in Q2 2022<sup>1</sup>, 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 generally maintained smooth growth.

### I. Bank Accounts

**The number of bank accounts edged up.** By the end of Q2 2022, a total of 13.974 billion bank accounts<sup>2</sup> had been opened nationwide, increasing by 0.48 percent quarter on quarter (q-o-q).

**The number of bank accounts opened by institutions kept rising.** As of end-Q2 2022, bank accounts opened by institutions nationwide registered 88.3742 million, up 2.67 percent q-o-q. Specifically, 62.4612 million were basic deposit accounts, 21.1542 million were general deposit accounts, 4.5666 million were special deposit accounts, and 192,200 were temporary deposit accounts, accounting for 70.68 percent, 23.94 percent, 5.17 percent and 0.22 percent, respectively, of the total number of bank accounts held by institutions.

**The growth in the number of individual bank accounts slowed down.** As of end-Q2 2022, bank accounts opened by individuals totaled 13.886 billion nationwide, up 0.47 percent q-o-q.

### II. Non-cash Payment Instruments

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

<sup>2</sup> Bank accounts refer to RMB bank settlement accounts.

In Q2 2022, a total of 110.456 billion non-cash payment transactions<sup>3</sup> with an amount of RMB1165.73 trillion were processed by banks across the country, exhibiting a year-on-year (y-o-y) increase of 6.32 percent and 7.86 percent, respectively.

### **(I) Bank Cards**

**The number of bank cards remained stable.** By the end of Q2 2022, the number of bankcards opened decreased by 0.21 percent q-o-q to 9.299 billion nationwide. Specifically, debit cards went down 0.28 percent q-o-q to 8.493 billion, while credit cards and debit-credit integrated cards rose 0.57 percent q-o-q to 807 million. The number of bankcards per capita<sup>4</sup> reached 6.58, among which the per capita number of credit cards and debit-credit integrated cards recorded 0.57.

**The number of bank card terminals decreased.** At end-Q2 2022, merchants connected to the UnionPay inter-bank payment system (UnionPay system) recorded 27.1827 million, up 68,500 compared to the end of the previous quarter; POS<sup>5</sup> terminals connected to the UnionPay system and ATM<sup>6</sup> terminals recorded 36.7033 million and 915,300, down 663,800 and 21,500, respectively, compared to the end of the previous quarter. The number of POS terminals connected to the UnionPay system per 10,000 persons recorded

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<sup>3</sup> 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.

<sup>4</sup> With respect to per capita indicators, the population refers to 1.41260 billion people on the Chinese mainland at end-2021, as released by the National Bureau of Statistics. The same applies hereinafter.

<sup>5</sup> 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. 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.

<sup>6</sup> 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.

259.83, down 1.78 percent q-o-q, and the number of ATMs per 10,000 persons recorded 6.48, down 2.29 percent q-o-q.

**Bankcard transactions continued to climb up.** In Q2 2022, a total of 107.900 billion bankcard transactions<sup>7</sup> with an amount of RMB244.05 trillion were processed across the country, increasing by 6.50 percent and 1.58 percent y-o-y, respectively. The transactions included 1.098 billion cash deposits, 1.510 billion cash withdrawals, 45.169 billion transfers, and 60.123 billion consumer payments, with their values registering RMB7.68 trillion, RMB7.13 trillion, RMB198.53 trillion, and RMB30.71 trillion, respectively. The bankcard penetration rate stood at 49.20 percent, up 0.01 percentage points q-o-q. The consumer payment per bankcard registered RMB3301.84 and that per transaction recorded RMB510.70.

**The total bankcard credit line remained generally stable.** At end-Q2 2022, the total bankcard credit line<sup>8</sup> increased by 1.29 percent from the end of the previous quarter to RMB21.75 trillion. The outstanding balance of bankcard credit marked RMB8.66 trillion, an increase of 2.35 percent q-o-q. The credit line per bankcard was RMB27,000, with the credit utilization rate<sup>9</sup> standing at 39.81 percent. The credit card payment overdue by half a year or more<sup>10</sup> totaled RMB84.285 billion, down 8.49 percent q-o-q, accounting for 0.98 percent of the total outstanding balance.

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

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

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

<sup>10</sup> 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.

## **(II) Commercial Papers**

**The transaction volume of commercial papers stayed on a downward trend in general.** In Q2 2022, transactions of commercial papers totaled 23.7062 million or RMB24.70 trillion nationwide, representing a decline of 26.20 percent and 11.40 percent y-o-y, respectively. Specifically, there were 16.6426 million transactions or RMB18.57 trillion of checks, a decrease of 34.66 percent and 16.09 percent y-o-y, respectively; 6.9886 million actual settlements or RMB6.03 trillion of commercial drafts, an increase of 6.58 percent and 7.25 percent y-o-y, respectively; 35,600 transactions or RMB29.025 billion of bank drafts, an increase of 13.27 percent and 15.38 percent y-o-y, respectively; 39,400 transactions or RMB60.246 billion of bank promissory notes, a decrease of 36.93 percent and 31.67 percent y-o-y, respectively.

**Transactions processed by the electronic commercial draft system<sup>11</sup> kept rising.** Q2 2022 saw the following transactions processed by the electronic commercial draft system: 6.4268 million or RMB6.97 trillion issues, increasing by 0.03 percent and 15.85 percent y-o-y, respectively; 6.5267 million or RMB7.08 trillion acceptances, down 0.36 percent and up 15.15 percent y-o-y, respectively; 2.9392 million or RMB5.42 trillion discounts, up 20.51 percent and 37.01 percent y-o-y, respectively; 5.8072 million or RMB17.41 trillion interbank discounts, an increase of 63.95 percent and 35.16 percent y-o-y, respectively; 919,700 or RMB 7.20 trillion pledged repos, an increase of 25.02 percent and 24.52 percent y-o-y, respectively; and 84,500 or RMB516.990 billion outright repos, an increase of 24.53 percent and 23.82 percent y-o-y, respectively.

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

### **(III) Credit Transfers and Other Settlement Transactions**

**The value of credit transfers and other settlement transactions continued to grow.** In Q2 2022, the number of other settlement transactions including credit transfer, direct debit, collection with acceptance, and domestic L/C totaled 2.531 billion with an amount of RMB896.98 trillion, as the former decreased by 0.54 percent and the latter increased by 10.37 percent y-o-y, respectively. In particular, the credit transfer transactions recorded 2.439 billion, totaling RMB879.57 trillion.

### **(IV) Electronic Payment**

**The volume of electronic transactions processed by commercial banks was generally stable.** In Q2 2022, banks processed a total of 68.099 billion electronic payment transactions<sup>12</sup> in RMB754.33 trillion, up 1.05 percent and 1.15 percent y-o-y, respectively. Specifically, the transaction volume of online payments dropped 0.37 percent y-o-y to 25.098 billion and the total value rose 1.25 percent y-o-y to RMB612.77 trillion; the transaction volume of mobile payments rose 4.09 percent y-o-y to 38.523 billion and the total value rose 3.80 percent y-o-y to RMB121.58 trillion; the transaction volume of phone payment decreased by 4.15 percent y-o-y to 62 million and the total value rose 5.23 percent y-o-y to RMB2.88 trillion.

In Q2 2022, non-bank payment institutions processed a total of 255.521 billion online payment transactions<sup>13</sup> with an amount of RMB78.53 trillion, down

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<sup>12</sup> 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.

<sup>13</sup> 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

2.04 percent and 10.08 percent y-o-y, respectively.

### **III. Payment Systems**

In Q2 2022, the payment systems<sup>14</sup> processed a total of 258.121 billion transactions in payments of RMB2,742.47 trillion, up 14.69 percent and 19.07 percent y-o-y, respectively.

#### **(I) PBC CNCC Systems**

In Q2 2022, the PBC CNCC systems processed 5.148 billion transactions in payments of RMB2,011.67 trillion, down 6.51 percent and up 23.56 percent y-o-y, respectively. The daily processed transactions averaged 57.0975 million in volume and RMB31.89 trillion in value<sup>15</sup>.

**The transaction value of the HVPS grow steadily.** In Q2 2022, the HVPS processed 101 million transactions in payments of RMB1,899.26 trillion, down 13.10 percent and up 25.03 percent y-o-y, respectively. The daily processed transactions averaged 1.6325 million in volume and RMB30.63 trillion in value.

**The transaction volume of BEPS edged up.** In Q2 2022, the BEPS processed 1.018 billion transactions in payments of RMB41.16 trillion, up 4.44 percent and 5.55 percent y-o-y, respectively. The daily processed transactions averaged

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merchants' barcode transaction payments have been shifted from the category of online payment to that of bankcard acquiring services.

<sup>14</sup> 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.

<sup>15</sup> In Q2 2022, 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, and the same hereinafter.

11.1887 million in volume and RMB452.306 billion in value.

**The transaction value of IBPS remained basically stable.** In Q2 2022, the IBPS processed 4.028 billion transactions in payments of RMB67.05 trillion, down 8.76 percent and up 0.44 percent y-o-y, respectively. The daily processed transactions averaged 44.2585 million in volume and RMB736.774 billion in value.

**The transaction volume of CFXPS sustained growth.** In Q2 2022, the CFXPS processed 1.1698 million transactions in payments of USD627.635 billion (equivalent to about RMB4.21 trillion<sup>16</sup>), up 23.46 percent and 19.85 percent, respectively. The daily processed transactions averaged 18,900 in volume and USD10.123 billion (equivalent to about RMB67.941 billion) in value.

## **(II) Other Payment Systems<sup>17</sup>**

**The value of transactions processed by the intra-bank business systems of commercial banks increased slightly.** In Q2 2022, these systems processed 4.555 billion transactions, decreasing by 0.17 percent y-o-y, with the transaction value totaling RMB541.09 trillion, increasing by 10.87 percent y-o-y. On a daily basis, the systems processed 50.0539 million transactions, totalling RMB5.95 trillion.

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<sup>16</sup> 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.

<sup>17</sup> 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.

**The volume of transactions processed by the UnionPay interbank payment system<sup>18</sup> increased steadily.** In Q2 2022, the system processed 61.595 billion transactions, totalling RMB61.71 trillion, up 19.89 percent and 12.68 percent y-o-y, respectively. On a daily basis, the system processed 677 million transactions, totalling RMB678.098 billion.

**The volume of transactions processed by the payment and clearing systems of City Commercial Banks Clearing<sup>19</sup> continued to rise.** In Q2 2022, the systems processed 5.7840 million transactions, totalling RMB555.321 billion, up 48.09 percent and 22.01 percent y-o-y, respectively. On a daily basis, the system processed 63,600, transactions, totalling RMB6.102 billion.

**The transaction volume of rural credit bank payment & clearing system<sup>20</sup> maintained stable growth.** In Q2 2022, the system processed 1.043 billion transactions, rising by 60.99 percent y-o-y, and the transaction value registered RMB759.652 billion, dropping by 6.33 percent y-o-y. On a daily basis, the system processed 11.4581 million transactions, totalling RMB8.348 billion.

**The transaction volume of CIPS<sup>21</sup> continued to grow.** In Q2 2022, the CIPS processed 1.0101 million transactions, totalling RMB22.85 trillion, up 25.34

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<sup>18</sup> 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 online payment involving bank accounts initiated by payment institutions and processed by the UnionPay interbank payment system.

<sup>19</sup> 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.

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

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

percent and 19.39 percent y-o-y, respectively. On a daily basis, the system processed 16,300 transactions, totalling RMB368.528 billion.

**The transaction volume of NetsUnion Clearing platform<sup>22</sup> maintained growth.** In Q2 2022, the platform processed 185.773 billion transactions, up 14.00 percent y-o-y, and the transaction value registered RMB103.83 trillion, down 7.27 percent y-o-y. On a daily basis, the platform processed 2.041 billion transactions, totalling RMB1.14 trillion.

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<sup>22</sup> The data of the NetsUnion Clearing platform are from NetsUnion Clearing Co., Ltd. The data refer to online payment transaction volume initiated by payment institutions and processed by the NetsUnion Clearing platform via bank accounts.