

Payment System Report (Q4 2020)¹

According to payment statistics in Q4 2020, the number of bank accounts went up slightly, and non-cash payment maintained growth. The volume of transactions in payment systems rose steadily, and the payment systems generally functioned smoothly across the country.

I. Bank Accounts²

The number of new bank accounts went up slightly. In Q4 2020, new bank accounts reached 277 million nationwide, increasing 3.37 percent quarter on quarter (q-o-q), an acceleration of 10.72 percentage points from the previous quarter.

The number of new institutional bank accounts decreased slightly. In Q4 2020, new institutional bank accounts totaled 3.2108 million, decreasing 7.93 percent q-o-q, representing a deceleration of 5.31 percentage points from the previous quarter. Specifically, 2.2202 million were new basic deposit accounts; 795,400 were new general deposit accounts; 177,200 were new specified deposit accounts; and 18,000 were new temporary deposit accounts. They accounted for 69.15 percent, 24.77 percent, 5.52 percent and 0.56 percent of the total number of new institutional bank accounts respectively.

The number of new individual bank accounts climbed slightly. In Q4 2020, new individual bank accounts nationwide totaled 274 million, marking an increase of 3.51 percent q-o-q, with an acceleration of 10.92 percentage points from Q3 2020. The number of accounts held per capita³ reached 8.90.

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.

³ When indicators involve per capita figures, the population applied is 1.40005 billion of mainland China at the end of 2019, in accordance with the data released by the National Bureau of Statistics, similarly hereinafter.

In Q4 2020, a total of 107.868 billion non-cash payment transactions⁴ with an amount of RMB1069.33 trillion were processed by banking financial institutions nationwide, exhibiting a year-on-year (y-o-y) increase of 12.53 percent and 10.29 percent respectively.

(I) Bank cards

The growth rate of the number of newly-issued bank cards⁵ slowed down.

In Q4 2020, the number of newly-issued bank cards nationwide decreased 1.89 percent q-o-q to 231 million, among which newly-issued debit cards decreased 1.14 percent q-o-q to 193 million, and newly-issued credit cards and debit-credit integrated cards decreased 5.57 percent q-o-q to 37 million. The number of total bankcards held per capita reached 6.40, among which the per capita number of credit cards and debit-credit integrated cards recorded 0.56.

The number of bankcard merchants and POS terminals⁶ increased. At end-Q4 2020, bankcard merchants and POS terminals connected to the inter-bank bankcard payment system increased 3.4155 million and 4.7400 million respectively from end-Q3 2020. ATM terminals⁷ decreased 15,200 from the end of the previous quarter. The number of terminals connected to the inter-bank bankcard payment system per 10,000 persons recorded 273.78, up 14.11 percent q-o-q, and the number of ATMs per 10,000 persons recorded 7.24, down 1.48 percent q-o-q.

Bankcard transactions steadily rebounded. In Q4 2020, a total of 105.311 billion bankcard transactions⁸ with an amount of RMB234.74 trillion were

⁴ 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.

⁵ The number of newly issued bankcards refers to all the numbers of bankcards issued by banks during the statistical period, without distinguishing card states at the end of the statistical period.

⁶ 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 corresponding offline merchants connected to the payment system. Quarter-on-Quarter data are calculated on a comparable basis.

⁷ 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.

⁸ Bankcard transactions refer to the sum of RMB and foreign currency denominated transactions.

processed across the country, increasing 12.80 percent and 3.45 percent y-o-y respectively. The transactions included 1.381 billion cash deposits of RMB10.30 trillion, 2.141 billion cash withdrawals of RMB9.77 trillion, 47.281 billion transfers of RMB182.58 trillion, and 54.508 billion consumer payments of RMB32.09 trillion. The bankcard penetration rate stood at 49.17 percent, decreasing 0.09 percentage points q-o-q. The consumer payment per capita via bank cards reached RMB22,900, increasing 3.29 percent y-o-y. The consumer payment per bank card registered RMB3583.88, decreasing 2.56 percent y-o-y. The consumer payment per transaction via bank cards recorded RMB588.75, down 13.45 percent y-o-y.

The outstanding bankcard credit maintained growth. At end-Q4 2020, the total bankcard credit line⁹ increased RMB370 billion from the end of the previous quarter. The outstanding balance of bankcard credit increased RMB150 billion from the end of the previous quarter. The credit line per bank card was RMB24,400, with the credit utilization rate¹⁰ standing at 41.73 percent, down 0.05 percentage points from the end of the previous quarter. The total outstanding amount of credit in arrears for more than half a year¹¹ was RMB83.864 billion, down 7.50 percent q-o-q, accounting for 1.06 percent of the total outstanding balance of credit.

(II) Commercial Papers

The transactions of commercial drafts rose slightly. In Q4 2020, transactions of commercial papers totaled 41.3492 million nationwide, or RMB33.65 trillion, decreasing by 16.81 percent and 5.08 percent y-o-y respectively. These included 35.4934 million transactions or RMB28.29 trillion of checks, with a respective year-on-year decrease of 19.64 percent and 6.62 percent; 5.7401 million actual settlements of commercial drafts or RMB 5.23 trillion, with an increase of 7.44 percent and 5.20 percent y-o-y respectively; 45,900 transactions or RMB40.620 billion of bank drafts, with a decrease of 20.09

⁹ Total bankcard credit line refers to the sum of credit lines of credit cards and debit-credit integrated cards.

¹⁰ The credit line utilization rate is the ratio of outstanding bankcard credit balance to total credit line.

¹¹ 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.

percent and 11.63 percent y-o-y respectively; 69,700 transactions or RMB92.302 billion of bank promissory notes, with a decrease of 48.36 percent and 33.91 percent y-o-y respectively.

Transactions processed by the electronic commercial draft system¹² continued to rise. Q4 2020 saw the following transactions: 6.2355 million issues of RMB5.40 trillion, increasing by 11.90 percent and 4.62 percent y-o-y respectively; 6.3257 million acceptances of RMB5.53 trillion, increasing by 11.52 percent and 4.53 percent y-o-y respectively; 2.0322 million discounts, up 9.21 percent, and with an amount of RMB3.08 trillion, down 0.91 percent y-o-y; 2.7083 million interbank discounts of RMB9.85 trillion, increasing 32.29 percent and 20.08 percent y-o-y respectively; 525,000 bond-pledged repos of RMB4.78 trillion, increasing 85.32 percent and 60.77 percent y-o-y respectively; and 34,000 bond buyout repos of RMB185.789 billion, increasing 555.47 percent and 1143.43 percent y-o-y respectively.

(III) Credit Transfers and Other Settlement Transactions

The volume of credit transfers and other settlement transactions rose moderately. In Q4 2020, the number of other settlement transactions including credit transfer, direct debit, collection with acceptance, and domestic L/C totaled 2.515 billion, with an amount of RMB800.94 trillion, increasing 2.86 percent and 13.26 percent y-o-y respectively. In particular, the credit transfer transactions recorded 2.417 billion, totaling RMB790.05 trillion.

(IV) Electronic Payment

Mobile payment transaction volume grew rapidly. In Q4 2020, banks processed a total of 66.639 billion electronic payment transactions¹³ in RMB738.70 trillion. Specifically, the transaction volume and value of online payment posted 24.366 billion and RMB594.08 trillion, up 12.69 percent and 12.15 percent y-o-y respectively. The transaction volume and value of mobile payment reached 36.081 billion and RMB118.43 trillion, up 17.40 percent and

¹² The data of the electronic commercial draft system are from the Shanghai Commercial Paper Exchange.

¹³ 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.

24.77 percent y-o-y respectively. The transaction volume of payment by phone stood at 56 million and the transaction value reached RMB2.79 trillion, up 43.54 percent and 23.40 percent y-o-y respectively.

In Q4 2020, non-bank payment institutions processed a total of 246.085 billion online payment transactions¹⁴ with an amount of RMB84.49 trillion, up 21.52 percent and 23.22 percent y-o-y respectively.

III. Payment Systems

In Q4 2020, the payment systems¹⁵ processed a total of 228.373 billion transactions in payments of RMB2,212.64 trillion, up 30.39 percent and 24.12 percent y-o-y respectively.

(I) PBC Payment Systems

In Q4 2020, the PBC payment systems¹⁶ processed 5.379 billion transactions in payments of RMB1,527.81 trillion, up 6.51 percent and 14.47 percent y-o-y respectively, accounting for 2.36 percent and 69.05 percent of the total payment transactions and value respectively. The daily processed transactions averaged 59.2736 million, and the daily processed value averaged RMB24.49 trillion¹⁷.

The growth of the transactions value in the HVPS continued. In Q4 2020, the HVPS processed 141 million transactions, down 46.31 percent y-o-y, in payments of RMB1,422.48 trillion, up 12.52 percent y-o-y. The daily transactions averaged 2.3105 million in volume and RMB23.32 trillion in

¹⁴ 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.

¹⁵ 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 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.

¹⁶ The PBC Payment Systems include HVPS, BEPS, IBPS, ACH and CFXPS.

¹⁷ In Q4 2020, HVPS, ACHs, CIPS and CFXPS operated for 61 business days; and other payment systems 92 business days. The actual operation business days are used for calculation of daily averages, similarly hereinafter.

value.

The transaction value of payments processed by BEPS surged. In Q4 2020, the BEPS processed 973 million transactions of RMB40.67 trillion, up 22.07 percent and 76.04 percent y-o-y respectively. On a daily basis, the system processed 10.5796 million transactions of RMB442.065 billion.

The transaction value of IBPS expanded rapidly. In Q4 2020, the IBPS processed 4.259 billion transactions in payments of RMB60.05 trillion, up 8.23 percent and 78.67 percent y-o-y respectively. On a daily basis, the system processed 46.2984 million transactions of RMB652.678 billion.

The transaction volume of ACH dived. In Q4 2020, the ACH¹⁸ processed 4.3535 million transactions in payments of RMB1.70 trillion, down 91.95 percent in volume and 84.97 percent in value y-o-y respectively. On a daily basis, the system processed 71,400 transactions of RMB27.860 billion.

The growth of CFXPS transactions volume remained steady. In Q4 2020, the CFXPS processed 830,700 transactions in payments of USD445.802 billion (equivalent to about RMB2.91 trillion¹⁹), a y-o-y increase of 43.17 percent and 31.57 percent respectively. On a daily basis, the system processed 13,600 transactions of USD7.308 billion (equivalent to about RMB47.685 billion).

(II) Other Payment Systems²⁰

The value of transactions processed by the intra-bank payment systems of banking financial institutions grew at a relatively fast pace. In Q4 2020, these systems processed 4.486 billion transactions of RMB507.75 trillion, up 3.73 percent and 61.61 percent y-o-y respectively. On a daily basis, the systems processed 48.7571 million transactions of RMB5.52 trillion.

¹⁸ The ACH includes the intra-city notes exchange system and intra-city electronic clearing system

¹⁹ 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.

²⁰ 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.

The volume of transactions processed by interbank bankcard payment system²¹ continue to rise. In Q4 2020, the system processed 46.884 billion transactions²² of RMB53.05 trillion, up 18.43 percent and 15.97 percent y-o-y respectively. On a daily basis, the system processed 510 million transactions of RMB576.611 billion.

The volume of transactions processed by urban commercial bank draft processing system and payment & clearing system²³ climbed up rapidly. In Q4 2020, the systems processed 2.9811 million transactions of RMB380.683 billion²⁴, up 124.96 percent and 80.52 percent y-o-y respectively. The daily transactions averaged 32,400 of RMB4.138 billion.

The transaction volume of rural credit bank payment & clearing system²⁵ maintained growth. In Q4 2020, the system processed 483 million transactions of RMB756.945 billion, up 17.00 percent and 5.18 percent y-o-y. The daily transactions averaged 5.2463 million of RMB8.228 billion.

The transaction volume of CIPS²⁶ continued to expand. In Q4 2020, the CIPS processed 684,100 transactions in payments of RMB13.51 trillion, up 28.61 percent and 56.03 percent y-o-y respectively. The daily transactions averaged 11,200 of RMB221.485 billion.

The transaction volume of NetsUnion platform²⁷ maintained relatively fast growth. In Q4 2020, the platform processed 171.138 billion transactions in payments of RMB109.38 trillion²⁸, up 36.07 percent and 39.35 percent y-o-y.

²¹ The data of interbank bankcard payment system are from China UnionPay Co., Ltd.

²² 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.

²³ The data of the urban commercial bank draft processing system and payment & clearing system are from the Urban Commercial Bank Clearing Co., Ltd.

²⁴ 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.

²⁵ The data of rural credit banks payment & clearing system are from the Rural Credit Banks Funds Clearing Center.

²⁶ The data of CIPS are from Cross-border Interbank Payment and Settlement Co., Ltd.

²⁷ The data of the NetsUnion platform are from NetsUnion Clearing Co., Ltd.

²⁸ The data refer to online payment transaction volume initiated by payment institutions and processed by the NetsUnion platform via bank accounts.

The daily transactions averaged 1.860 billion in payments of RMB1.19 trillion.