

Performances of the Payment System in the Third Quarter of 2013

Payment statistics in the third quarter of 2013 showed that the payment system operated in a stable manner, and the volume of fund transactions kept on rising. The payment business maintained a rapid growth momentum, with the amount of transactions growing further. The market for retail payment services continued to improve, and more innovative payment instruments came into the market.

I. Non-cash Payment Instruments

In the third quarter of 2013, non-cash payment transactions totaled 12.83 billion in number and 412.89 trillion yuan in value, an increase of 20.49 percent and 25.87 percent respectively year on year, with growth of the number of non-cash payment transactions decelerating 3.41 percentage points year on year, and the growth of value accelerating 9.87 percentage points.

1. Negotiable Instruments

Volume of negotiable instrument-based business declined, and the value of commercial draft settlements increased year on year. In the third quarter of 2013, there were 172 million negotiable instrument-based transactions with a value of 71.14 trillion yuan, down 11.93 percent and 4.14 percent respectively year on year. Among the total, the number of check transactions was 165 million with a value of 63.90 trillion yuan, down 12.29 percent and 5.29 percent respectively year on year; the number of settled commercial draft was 4,210,100 with a value of 4.81 trillion yuan, up 7.72 percent and 20.47 percent respectively year on year; the number of bank draft transactions was 929,500 with a value of 0.52 trillion yuan, down 16.78 percent and 13.56 percent respectively year on year; the number of bank promissory note transactions was 1,537,400 million with a value of 1.47 trillion yuan, down 14.27 percent and 15.32 percent respectively year on year.

Transactions of the Electronic Commercial Drafts System maintained a growth momentum, with a deceleration in the growth of rediscount transactions and the value

In the third quarter, the System issued 140,900 commercial drafts, with a value of 416.892 billion yuan, up 73.94 percent and 60.41 percent respectively year on year; it handled 144,200 acceptance transactions with a value of 425.583 billion yuan, up 73.42 percent and 60.44 percent respectively year on year; it processed 33,500 discount transactions with a value of 146.877 billion yuan, up 40.26 percent and 26.33 percent respectively year on year; it processed 52,800 rediscount transactions with a value of 441.78 billion yuan, up 84.12 percent and 131.26 percent respectively year on year. In particular, the growth of rediscount transactions decelerated considerably, with the growth of transactions and the value declining by 59.51 percentage points and 163.82 percentage points respectively year on year.

2. Bankcards

The growth of bankcard issuance volume continued to decelerate. As of the end of the third quarter, 3.966 billion bankcards were issued in cumulative terms, up 16.65 percent year on year, representing a deceleration of 4.55 percentage points from the same period of the last year, and down 2.21 percentage points from the previous quarter. Specifically, 3.59 billion debit cards were issued in cumulative terms, up 16.47 percent year on year; 376 million credit cards were issued in cumulative terms, up 18.40 percent year on year. On average, an individual held 2.92 bankcards and 0.28 credit cards.

The environment for bankcard acceptance was further improved. As of the end of the third quarter, the number of merchants, POS machines and ATMs connected to the interbank payment system was 6.516 million, 9.2882 million, and 484,000, representing an increase of 827,900, 979,600 and 18,400 respectively quarter on quarter. The number of bankcards corresponding to each ATM was 8,194, down 5.66 percent year on year, and the number of bankcards corresponding to each POS was 427, down 15.95 percent year on year.

The value of bankcard transactions has exceeded 100 trillion yuan for three consecutive quarters. In the third quarter, the number of bankcard transactions was 12.173 billion with a value of 108.07 trillion yuan, up 20.78 percent and 22.53 percent respectively year on year. Specifically, the number of cash deposit transactions was 2.021 billion with a value of 16.80 trillion yuan, the number of cash withdrawal transactions with a value of 17.78 trillion yuan, the number of money transfer transactions was 2.223 billion with a value of 65.21 trillion yuan, and the number of consumer spending transactions was 3.313 billion with a value of 8.27 trillion yuan.

The bankcard payments for consumption increased rapidly, and the penetration rate of bankcards rose slightly. In the third quarter, the number and value of bankcard payments for consumption transactions increased by 43.47 percent and 48.73 percent respectively year on year, among which the number of transactions involving interbank payment was 1.76 billion with a value of 6.12 trillion yuan, accounting for 53.14 percent and 73.94 percent of the total respectively. The penetration rate of bankcard was 47.53 percent, an increase of 1.23 percentage points from the same period of the last year. The amount of bankcard payments for consumption was 6,097.02 yuan per person, an increase of 2,497.36 yuan or up 3.67 percent year on year.

The outstanding amount payable of credit cards rose considerably, and the utilization rate of credit line ¹increased further. As of the end of the third quarter, the aggregate credit line of credit cards was 4.35 trillion yuan, up 30.33 percent year on year. The outstanding amount payable at the end of the period was 1.70 trillion

¹ The utilization rate of credit line refers to the proportion of the total amount payable of credit cards at the end of the period to the aggregate credit line of credit cards at the end of the period.

yuan, up 69.58 percent year on year, or up 11.16 percent quarter on quarter. The credit line of each credit card was 11,500 yuan, and the utilization rate of credit line was 39.16 percent, up 9.06 percentage points from the same period of the last year. The outstanding amount payable in arrears for over half a year was 22.617 billion yuan, up 15.27 percent from the end of the last quarter. The share of amount payable in arrears from over half a year accounted for 1.33 percent in the total amount payable, up 0.08 percentage points from the end of the last quarter.

3. Remittance and other transactions

The business of remittance transactions maintained a rapid growth momentum.

In the third quarter, the total number of remittances, entrusted collection of payments, and other settlement business was 485 million with a value of 233.68 trillion yuan, up 29.45 percent and 41.10 percent respectively year on year, an acceleration of 9.25 percentage points and 7.70 percentage points from the same period of the last year. In particular, the number of remittance transactions was 477 million with a value of 229.15 trillion yuan, up 30.12 percent and 41.45 percent respectively year on year, an acceleration of 9.52 percentage points and 7.15 percentage points from the same period of the last year, accounting for 98.28 percent and 98.06 percent of remittance transactions and entrusted payments respectively. The remittance transaction remained the major settlement mode among others.

4. Electronic payments

The volume of electronic payments increased rapidly, among which mobile payments continued to grow at a high speed.

In the third quarter, the total number of electronic payments² was 6.663 billion with a value of 282.99 trillion yuan, up 28.03 percent and 32.10 percent respectively year on year. In particular, the number of online payments was 6.074 billion with a value of 278.96 trillion yuan, up 22.44 percent and 31.378 percent respectively year on year; the number of telephone payments was 91 million with a value of 1.13 trillion yuan, down 23.55 percent and 18.49 percent respectively year on year; the number of mobile payments was 498 million with a value of 2.90 trillion yuan, up 300.97 percent and 490.20 percent respectively year on year.

In the first three quarters of the year, a total of 12.25 billion online payments was conducted with a value of 6.55 trillion yuan, up 81.48 percent and 50.88 percent respectively year on year.

II. Payment System

In the third quarter, the payment system³ processed 6.036 billion payment transactions, with a value of 742.54 trillion yuan, which was 53.50 times of GDP in

² The electronic payment in this paper refers to the payment business through online banking, telephone banking, mobile banking and other electronic channels, including online payment, telephone payment and mobile payment.

³ Including HVPS, BEPS, the interbank clearing system for online payments, the intra-city bill clearing system, the domestic foreign currency payment system, CIS, the intra-bank payment system within financial institutions, the interbank payment system for bankcards, the payment and clearing system for city commercial banks, and the payment and clearing system for rural credit banks.

the third quarter.

From the perspective of fund flow in the payment system⁴, in the third quarter the amount of intra-provincial fund flow accounted for 50.22 percent of fund flow on a whole, and the amount of intra-provincial fund flow in 21 provinces (municipalities and autonomous regions) exceeded 50 percent of fund flow in these provinces (municipalities and autonomous regions).

1. PBC payment system

The PBC payment system⁵ handled 750 million transactions with a value of 545.44 trillion yuan, up 47.39 percent and 12.06 percent respectively year on year, and accounting for 12.42 percent and 73.46 percent of the payment systems. The daily handling of payment transactions averaged 9,402,600, with a value of 8233.819 billion yuan.⁶

The workload of High Value Payment System (HVPS) continued to climb. In the third quarter, the HVPS handled 158 million transactions with a value of 520.15 trillion yuan, up 25.72 percent and 12.22 percent year on year respectively. The number of daily transactions averaged 2,392,400 with a value of 7,881.099 billion yuan.

The workload of Bulk Electronic Payment System (EBPS) continued to rise rapidly. In the third quarter, the BEPS handled 281 million transactions with a value of 4.79 trillion yuan, up 39.32 percent and 6.63 percent year on year respectively. The number of daily transactions averaged 3,121,700 with a value of 53.274 billion yuan.

The workload of online payment interbank clearing system continued to increase rapidly. In the third quarter, the online payment interbank clearing system handled 204 million with a value of 2.75 trillion yuan, up 173.30 percent and 174.40 percent respectively year on year. The number of daily handled transactions averaged 2,270,300 with a value of 30.589 billion yuan.

The workload of the intra-city bill clearing system increased stably. In the third quarter, the intra-city bill clearing system handled 106 million transactions with a value of 16.63 trillion yuan, up 2.75 percent and down 1.96 percent respectively year on year. The number of daily handled transactions was 1,612,500 with a value of 251.994 billion yuan.

⁴ Including money transactions of HVPS, BEPS and the interbank payment system within the banking financing institutions.

⁵ Including money transactions of HPVs, BEPs, the interbank clearing system for online payments, the intra-city bill clearing system, and domestic foreign currency payment system.

⁶ There were 66 operation days for HVPS, the intra-city bill clearing system, and the domestic foreign currency payment system, and 90 operation days for BEPS and the online payment interbank clearing system in the third quarter of 2013. The calculation of operation days is applied hereby.

The business volume of the domestic foreign currency payment system maintained a growth momentum. In the third quarter, the domestic foreign currency payment system processed 374,900 transactions with a value of 1.11 trillion yuan (USD 180 billion), up 21.26 percent and 19.13 percent respectively year on year. The number of daily handled transactions was 5,680.91 with a value of 16.863 billion yuan (USD 2.732 billion).

The workload of the Cheque Image System (CIS) declined slightly. In the third quarter, the CIS processed 2,911,400 transactions with a value of 142.538 billion yuan, down 9.97 percent and 5.86 percent respectively year on year. The number of daily handled transactions was 44,100 with a value of 2.16 billion yuan⁷.

2. Payments systems of other institutions

The transactions of intra-bank payment system of banking financial institutions increased steadily. In the third quarter, the intra-bank payment system within banking financial institutions handled 2.68 billion transactions with a value of 189.14 trillion yuan, up 16.66 percent and 16.39 percent respectively year on year, and accounting for 44.40 percent and 25.47 percent of the payment system. The number of daily handled transactions was 29,134,100 with a value of 2055.898 billion yuan⁸.

Transactions of bankcard interbank payment system continued to grow. In the third quarter of 2013, the bankcard interbank payment system handled 2.571 billion transactions with a value of 7.17 trillion yuan, accounting for 42.60 percent and 0.97 percent of the payment system, and up 19.34 percent and 36.70 percent respectively year on year. The number of daily handled transactions was 27,949,600 with a value of 77.918 billion yuan.

Transactions of city commercial banks' payment and clearing system grew rapidly. In the third quarter, the payment and clearing system of city commercial banks handled 260,300 transactions with a value of 73.07 billion yuan. The number of daily handled transactions was 2,800 with a value of 794 million yuan.

Transactions of the rural credit bank payment and clearing system decreased slightly quarter on quarter. In the third quarter, the payment and clearing system of rural credit banks handled 31,298,900 with a value of 567.622 billion yuan, up 11.34 percent and down 1.93 percent respectively quarter on quarter. The number of daily handled transactions was 340,200 with a value of 6.17 billion yuan.

III. RMB Bank Settlement Accounts

The stock of RMB bank settlement accounts grew steadily, with a slight decrease from the second quarter. As of the end of the third quarter, there were 5.446 billion

⁷ There were 90 operation days for the CIS in the third quarter of 2013. The calculation of operation days is applied hereby.

⁸ There were 92 natural days in the third quarter of 2013. The calculation of natural days is applied hereby, and the same hereinafter unless indicated.

RMB bank settlement accounts, up 3.52 percent quarter on quarter, a deceleration of 0.20 percentage points from the second quarter.

The stock of corporate bank settlement accounts grew mildly. As of the end of the third quarter, there were 34,744,500 corporate bank settlement accounts, accounting for 0.64 percent of the total, up 2.91 quarter on quarter, and a deceleration of 0.52 percentage points from the second quarter. In particular, the number of primary deposit accounts, general deposit accounts, special deposit accounts and temporary deposit accounts was 21,004,300, 10,810,000, 2,707,300, and 222,900 respectively, accounting for 60.45 percent, 31.11 percent, 7.79 percent, and 0.65 percent of corporate bank settlement accounts. Specifically, the number of basic deposit accounts, general deposit accounts, and special deposit accounts increased by 673,900, 276,400 and 33,300 respectively, but the number of temporary deposit accounts decreased by 2,300.

The growth of personal bank settlement accounts decelerated, while the possession of personal bank settlement accounts per person rose steadily. As of the end of the third quarter, there were 5.411 billion personal bank settlement accounts, accounting for 99.36 percent of the total, up 3.53 percent quarter on quarter, a deceleration of 0.19 percentage points from the second quarter. The average possession of personal bank settlement accounts was 3.99 accounts per person, 0.14 more than in the second quarter.