

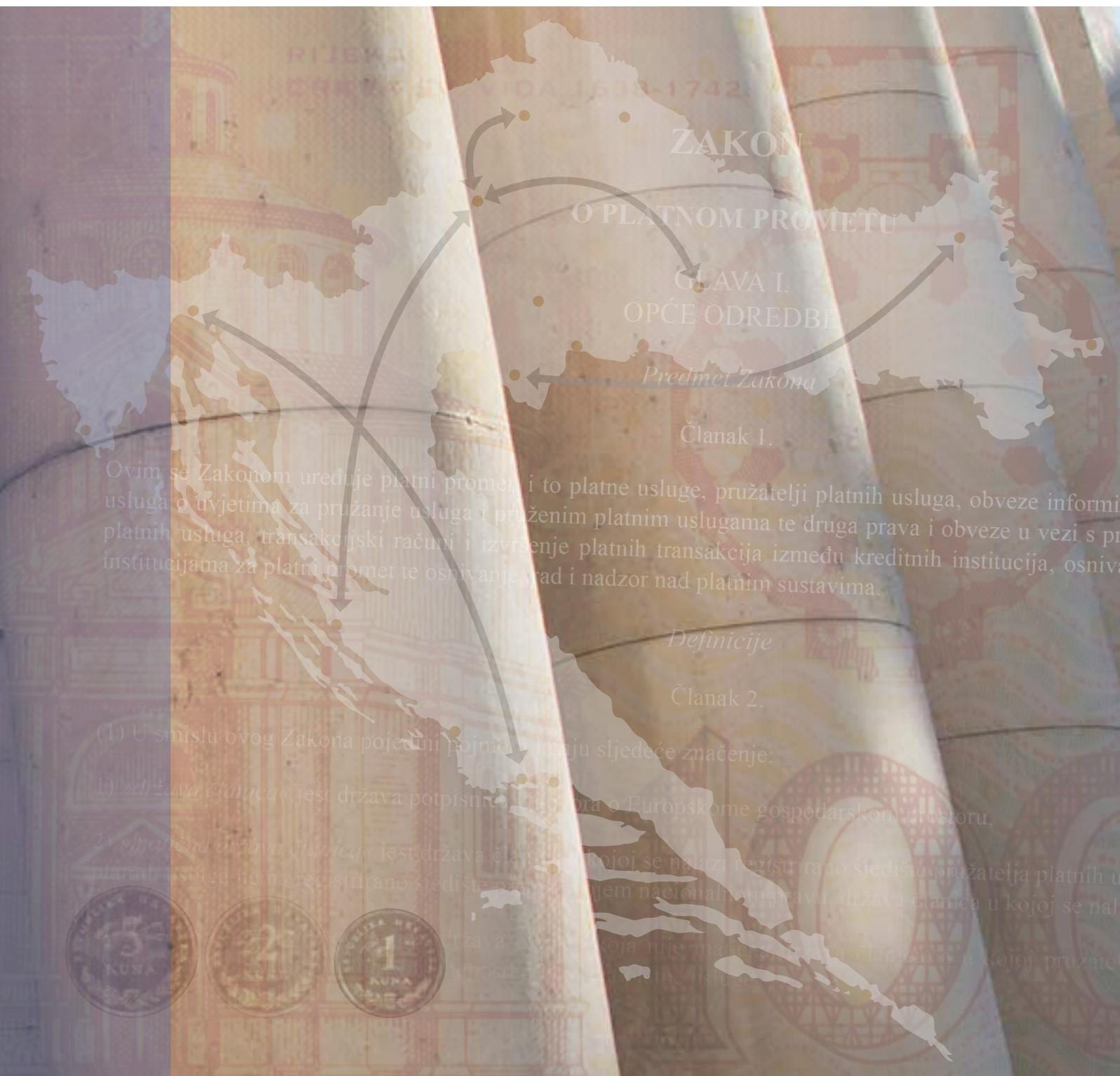


# Payment Transactions and Accounts

Payment Statistics

2018

Year IV · September 2019



ZAKON

O PLATNOM PROMETU

GLAVA I.  
OPĆE ODREDBE

*Predmet Zakona*

Članak 1.

Ovim se Zakonom uređuje platni promet, i to platne usluge, pružatelji platnih usluga, obveze informiranja o uvjetima za pružanje usluga i pruženim platnim uslugama te druga prava i obveze u vezi s pružanjem platnih usluga, transakcijski računi i izvršenje platnih transakcija između kreditnih institucija, osnivanje i nadzor nad platnim sustavima.

*Definicije*

Članak 2.

(1) U smislu ovog Zakona pojedini pojmovi imaju sljedeće značenje:

1) »država članica« jest država potpisnica Ugovora o Europskome gospodarskom prostoru,

2) »materijalna država članica« jest država članica u kojoj se nalazi registrirano sjedište pružatelja platnih usluga, a država članica u kojoj se nalazi registrirano sjedište pružatelja platnih usluga nije materijalna država članica u kojoj pružatelj pruža usluge.



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# Introduction

Payment operations are an integral part of the economic system of any country and their basic function is to enable a safe and effective execution of payment transactions, i.e. the transfer of funds from payer to payee. An effective functioning of payment operations is one of the foundations of the financial market.

Payment operations include payment services and instruments, procedures, rules, participants and interbank funds transfer systems, the purpose of which is the transfer of funds, in other words, the circulation of funds in the country.

An important precondition for efficient and safe payment operations is a clear legislative framework.

The purpose of this publication is to provide a comprehensive overview of the payment services of credit transfers (including the standing order service), money remittances (including the bill-paying service), direct debits and data on transaction accounts opened with credit institutions.

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## 1 Legal framework

The Payment System Act (Official Gazette 66/2018; hereinafter referred to as 'PSA'), into which the provisions of Directive (EU) 2015/2366<sup>1</sup> (hereinafter referred to as 'Directive') have been transposed, regulates payment services in the Republic of Croatia (hereinafter referred to as 'RC') in a uniform manner, i.e. in the same manner as laid down by the Directive for the entire European Economic Area. The PSA regulates payment services, payment service providers, the obligations of payment service providers to provide payment service users with information as well as other rights and obligations related to the provision and use of payment services, transaction accounts, the establishment, operation and supervision of payment institutions and the establishment, operation and supervision of payment systems.

<sup>1</sup> Directive 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market, amending Directives 2002/65/EC, 2009/110/EC and 2013/36/EU and Regulation (EU) No 1093/2010, and repealing Directive 2007/64/EC.

Payment services regulated by the PSA include, among other things, the payment services of credit transfers/standing orders, money remittance/bill-paying and direct debit services.

The Decision on the manner of opening transaction accounts (Official Gazette 3/2011, 35/2011, 50/2011, 89/2011, 101/2011, 135/2011, 56/2012, 18/2013, 23/2013, 10/2014, 150/2014, 64/2016, 107/2017 and 1/2018) governs the manner of opening transaction accounts with credit institutions.

The Republic of Croatia has fully aligned its legislation with the acquis in the area of payment operations. The PSA regulates payment services in the RC in the same way as they are regulated in the EU. Thus the services of credit transfer (including the standing order service), money remittances (including the bill-paying service) and direct debits are among the payment services defined by Article 4, items (3), (4) and (6) of the PSA.

Statistical data on credit transfers/standing orders, money remittances/bill-paying service, direct debits and transaction accounts are collected according to the Decision on the obligation to submit data on the payment system and electronic money (Official Gazette 147/2013 and 16/2017; hereinafter referred to as 'Decision'), which entered into force on 1 January 2014. The Decision prescribes the obligation of reporting data concerning the payment system and electronic money to the Croatian National Bank (hereinafter referred to as 'CNB'), as well as the content and manner of and deadlines for such reports.

The Decision prescribes the scope of the data and the reporting entities. In addition to data on national payment transactions, data on international payment transactions are also collected, and the reporting period is determined at a monthly level.

Pursuant to the Decision, the reporting entities are the following:

1. credit institutions (banks and savings banks) with head offices in the RC;
2. electronic money institutions with head offices in the RC;
3. payment institutions with head offices in the RC;
4. branches of third-country credit institutions (or branches of banks) with head offices in the RC;
5. branches of third-country electronic money institutions with head offices in the RC;
6. branches of credit institutions from other member states with head offices in the RC;

7. branches of electronic money institutions from other member states with head offices in the RC;
8. branches of payment institutions from other member states with head offices in the RC;
9. agents of payment service providers from other member states with head offices in the RC, through which these payment service providers provide payment services in the RC, provided that these agents have been authorised to provide payment services; and
10. the Financial Agency.

The Instruction on the method of collecting and compiling and on the obligation to submit payment and electronic money statistics is an integral part of the Decision; it prescribes the compilation and collection of data on the payment system and electronic money through 11 reports:

- “Credit transfer” Report;
- “Money remittance” Report;
- “Direct debit” Report;
- “Credits to/debits from the accounts by simple book entry” Report;
- “Cash” Report;
- “Cheques and bills of exchange” Report;
- “Issuing of payment cards” Report;
- “Accounts” Report;
- “Infrastructure” Report;
- “Acquiring of payment cards” Report; and
- “Legal authority” Report.

The publication gives an overview of payment services for 2018 through statistical data collected in four reports: the Credit transfer, Money remittance, Direct debit and Accounts reports.

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## 2 Methodology

The methodology of collecting data in accordance with the Decision is based on predefined terms harmonised with legal provisions, the ECB’s Regulation (EU) No 1409/2013 of 28 November 2013 on payment statistics (ECB/2013/43)<sup>2</sup> and other standards governing payment services.

<sup>2</sup> Regulation (EU) No 1409/2013 of the European Central Bank of 28 November 2013 on payment statistics (ECB/2013/43).

The payment service providers (reporting entities) whose data were used in the preparation of the publication include credit institutions (banks) that have obtained authorisation from the CNB, which includes authorisation to provide payment services prescribed by a special act and the Financial Agency.

The publication presents complete aggregated statistical data in the RC for 2018 as well as an overview of individual statistical data for 2018 with a comparison for 2017 and 2016 on:

- credit transfers and standing orders – shown at a monthly level with the balance at the end of the last day of the reporting period (month) or at an annual level;
- money remittances and bill-paying service – shown at a monthly or an annual level;
- direct debit – shown at a monthly level with the balance at the end of the last day of the reporting period (month) or at an annual level; and
- transaction accounts – shown at a monthly level or with the balance at the end of the last day of the reporting period (month).

Data on payment services of credit transfers (including the standing order service), money remittances (including the bill-paying service) and direct debits are collected in the original currency, i.e. the currency in which the transaction takes place (transaction currency). For the purposes of the publication, however, all transactions in other currencies are recalculated in kuna at the CNB's midpoint exchange rate on the last day of the reporting period. Data on the par value of transactions are shown in kuna without lipa.

The publication presents complete aggregated statistical data in the RC for 2018 as well as an overview of individual statistical data for consumers and non-consumers:

- “**consumer**” – means a natural person who, in payment service contracts covered by the Payment System Act (OG 66/2018), is acting for purposes other than his or her trade, business or profession,
- “**non-consumer**” – means a legal or natural person other than the consumer (hereinafter referred to as ‘business entity’).

The following are included:

- legal persons (e.g. corporates, institutions, cooperatives, associations, foundations etc.), craftsmen and other natural persons employed as freelancers or carrying out an economic activity when entering into a contract on payment services or a contract on the issuing of electronic money within the area of their economic activity or freelance occupation,

entities that do not have legal personality, but that may be the holders of payment accounts (e.g. bodies of state administration, representative offices etc.).

Detailed methodological explanations related to the individual terms of the Report are given in each chapter separately.

### 3 Payment transactions in the Republic of Croatia

Table 1 shows payment transactions in the RC in 2018. Data refer to the payment transactions of consumers, business entities, credit institutions and the Financial Agency executed in all currencies, converted into kuna.

From the structure of national payment transactions by the number of executed transactions, it is evident that sent credit transfer transactions account for the largest share (80.47%). A smaller part refers to bill-paying service transactions with the share of 6.14%, direct debit transactions with 7.30% and standing order transactions with 6.05%. Money remittance transactions are ranked last, their share being 0.04% (Figure 1).

**Table 1** Payment transactions in the RC

Executed payment transactions	Number of transactions	%	Value of transactions	%
<b>A) National payment transactions</b>				
1 Sent credit transfers	303,058,642	80.47%	1,918,046,876,783	95.73%
2 Standing orders	22,784,868	6.05%	59,514,169,532	2.97%
3 Bill-paying service	23,137,485	6.14%	5,415,783,828	0.27%
4 Direct debits	27,486,333	7.30%	20,329,358,957	1.01%
5 Sent money remittances	138,691	0.04%	205,688,300	0.02%
<b>Total national payment transactions (1 – 5)</b>	<b>376,606,019</b>	<b>100%</b>	<b>2,003,511,877,400</b>	<b>100%</b>
<b>B) International payment transactions</b>				
6 Sent credit transfers	3,833,309	36.31%	247,167,149,939	49.94%
7 Received credit transfers	6,484,021	61.42%	247,250,441,295	49.96%
8 Sent money remittances	13,054	0.13%	27,493,568	0.01%
9 Received money remittances	225,754	2.14%	449,859,958	0.09%
<b>Total international payment transactions (6 – 9)</b>	<b>10,556,138</b>	<b>100%</b>	<b>494,894,944,760</b>	<b>100%</b>
<b>TOTAL (A + B)</b>	<b>387,162,157</b>		<b>2,498,406,822,160</b>	

**Executed payment transactions** include executed payment transactions of credit transfers, standing orders, direct debits, money remittances and bill-paying services in all currencies.

**A) National payment transaction** means a payment transaction the execution of which involves a payer's payment service provider and a payee's payment service provider, or only one payment service provider, operating in the RC;

**1 Sent credit transfers** include all national credit transfers executed to debit the payment accounts of consumers, business entities and credit institutions.

**2 Standing orders** include all national standing orders executed to debit the payment accounts of consumers and business entities.

**3 Bill-paying service** includes all national payment account payment services executed to debit consumers and business entities.

**4 Direct debits** include all national direct debits executed to debit the payment accounts of consumers and business entities.

**5 Sent money remittances** include all national money remittances executed to debit consumers and business entities.

**B) International payment transaction** means a payment transaction the execution of which involves two payment service providers one of which (of either the payee or the payer) operates in the RC, while the other payment service provider (of either the payer or the payee) operates in a third country or another member state;

**6 Sent credit transfers** include all international credit transfers executed to debit the payment accounts of consumers, business entities and credit institutions.

**7 Received credit transfers** include all international credit transfers to credit the payment accounts of consumers, business entities and credit institutions.

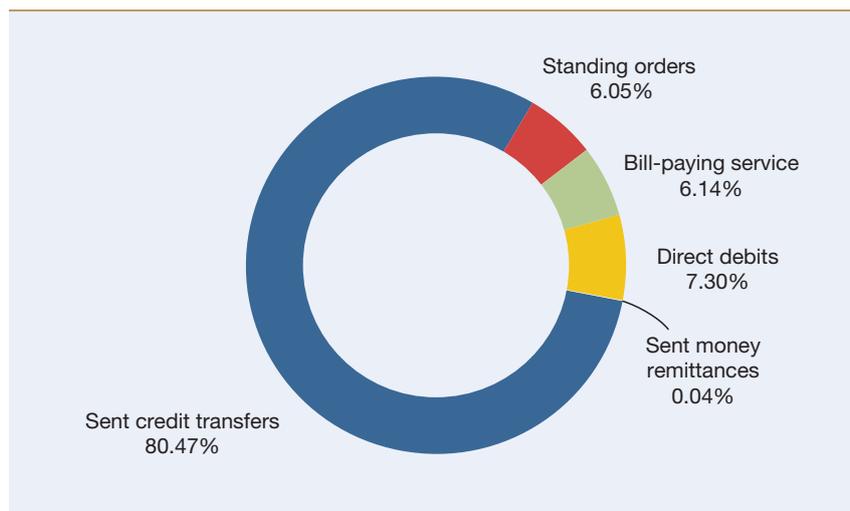
**8 Sent money remittances** include all international money remittances to debit consumers and business entities.

**9 Received money remittances** include all international money remittances to credit consumers and business entities.

Note: Including payment transactions of consumers, business entities, credit institutions and the Financial Agency, executed in all currencies and converted into kuna.

Source: CNB.

**Figure 1** Structure of national payment transactions according to number of executed transactions



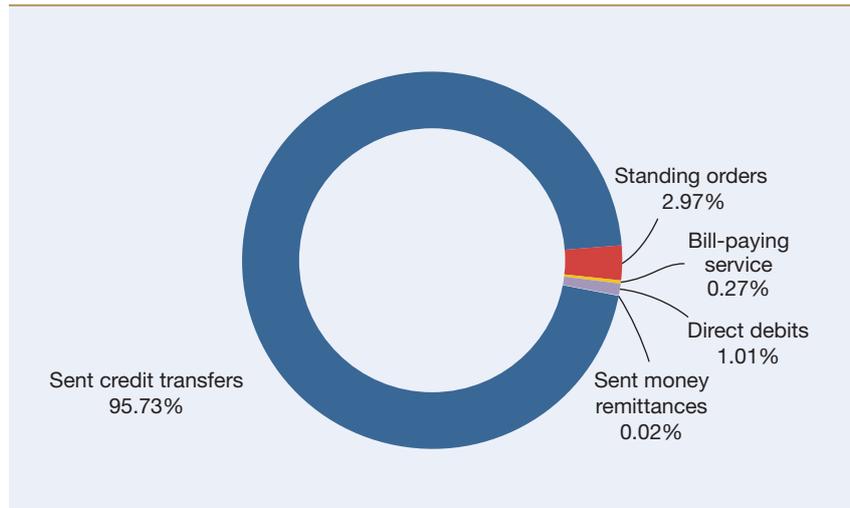
Note: Including payment transactions of consumers, business entities, credit institutions and the Financial Agency, executed in all currencies and converted into kuna.

Source: CNB.

In the structure of national payment transactions, according to the value of executed transactions, sent credit transfers account for the largest share, 95.73%, while the standing order service (2.97%), direct debit service (1.01%), bill-paying service (0.27%) and sent money remittances (0.02%) account for much smaller shares – Figure 2.

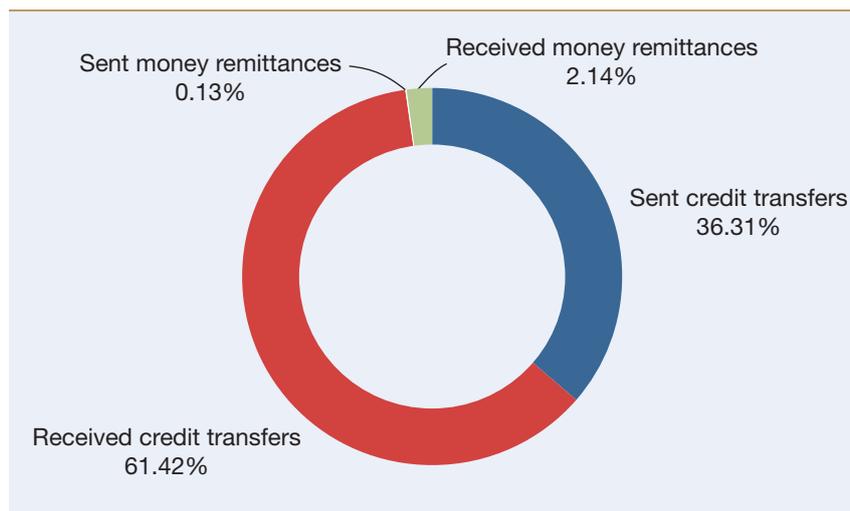
The biggest shares in the number of international payment transactions are accounted for by transactions of received credit transfers, which have a share of 61.42%, and by sent credit transfers, which account for 36.31%. A smaller share refers to received money remittances and sent money remittances accounting for 2.14% and 0.13% respectively (Figure 3).

**Figure 2** Structure of national payment transactions according to value of executed transactions



Note: Including payment transactions of consumers, business entities, credit institutions and the Financial Agency, executed in all currencies and converted into kuna.  
Source: CNB.

**Figure 3** Structure of international payment transactions according to number of executed transactions

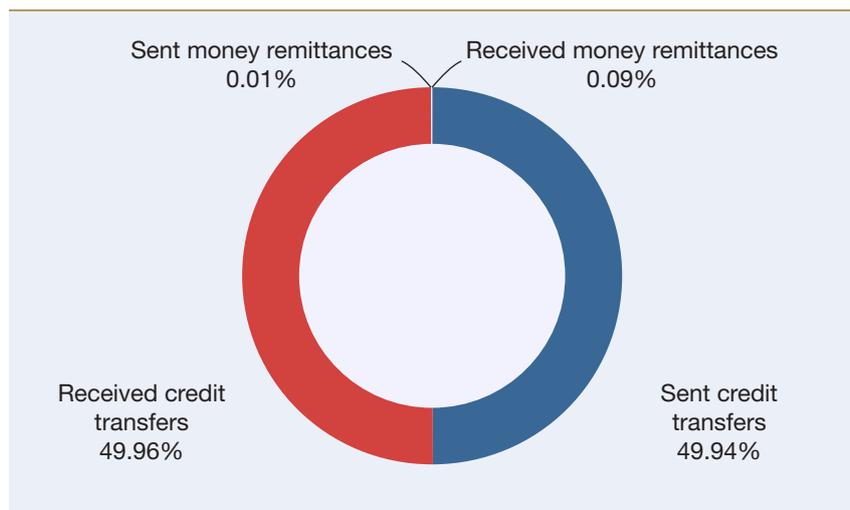


Note: Including payment transactions of consumers, business entities, credit institutions and the Financial Agency, executed in all currencies and converted into kuna.  
Source: CNB.

The structure of the value of international credit transfers shows that sent credit transfers (49.94%) and received credit transfers (49.96%) account for almost identical shares, while received money remittances (0.09%) and sent money remittances (0.01%) account for much smaller shares (Figure 4).

An analysis of the trend of total payment transactions in 2018 as compared to the figures for 2017 leads to the conclusion that the number and value of transactions ranged around almost the same level and that credit transfers grew slightly.

**Figure 4** Structure of international payment transactions according to value of executed transactions



Note: Including payment transactions of consumers, business entities, credit institutions and the Financial Agency, executed in all currencies and converted into kuna.

Source: CNB.

## 4 Credit transfers

‘Credit transfer’ means a payment service by which a payer’s payment account is debited and a payee’s payment account is credited on the basis of an order initiated by the payer.<sup>3</sup> The transaction itself must not be identified with the term of “credit” in the sense of a loan, rather, it originates from the term “credit transfer”, which implies that it is used to initiate the transfer to credit the payee’s account at the payer’s initiative.

Credit transfers include sent credit transfers executed to debit the accounts of payment service users and received credit transfers executed to credit the accounts of payment service users.

Sent credit transfers include national, cross-border and international payment transactions executed to debit the accounts of payment service users (consumers and business entities); they also include the standing order service.

Received credit transfers include cross-border and international payment transactions executed to credit the accounts of payment service users (consumers and business entities).

<sup>3</sup> Not including data submitted by electronic money institutions that at the same time carry out the activity of telecommunications services.

**Figure 5** Structure of credit transfers

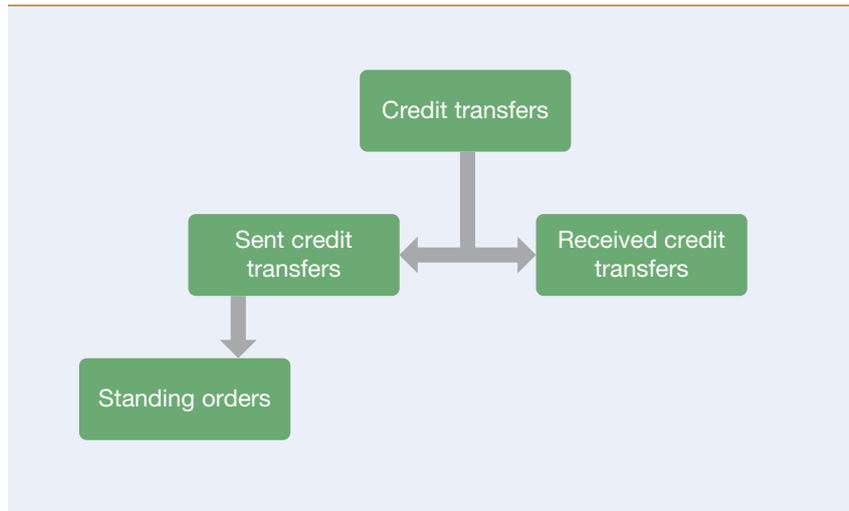


Figure 5 shows the structure of credit transfers that include sent and received credit transfers. Sent credit transfers also include standing orders.

In the RC, 25 credit institutions provided credit transfer payment services in 2018.

In 2018, in all 29.88 million national and international credit transfers of consumers and business entities were executed in all currencies, worth a total of HRK 1,987.73 million when converted into kuna.

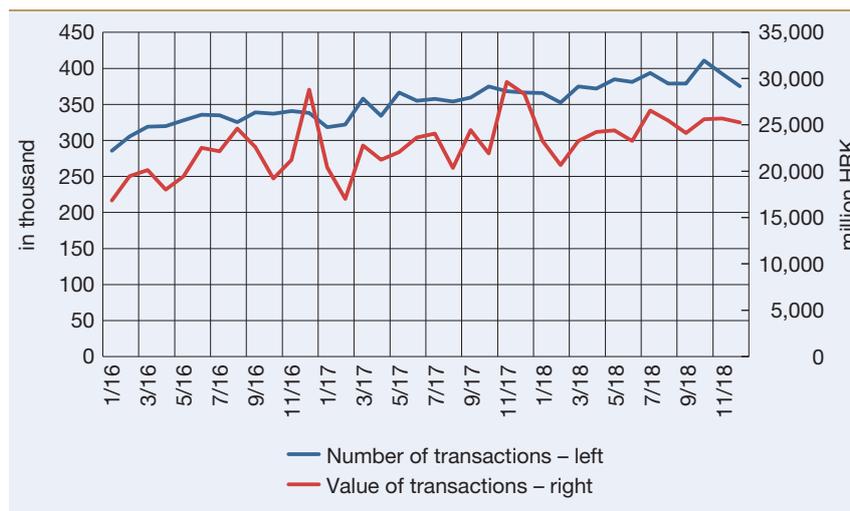
### **Sent national and international credit transfers of consumers and business entities in all currencies (other than the kuna), converted into kuna**

In 2018, in all 4.56 million transactions of sent national and international credit transfers of consumers and business entities were executed in all currencies (other than the kuna), worth HRK 291,943.7 million when converted into kuna. At a monthly level, on average 380,132 transactions were executed monthly, with an average monthly value of HRK 24,328.64 million. The average value of a credit transfer was HRK 64,000 (Figure 6).

The total number and value of sent national and international credit transfers in all currencies (other than the kuna), converted into kuna, grew by 8% and 6% respectively from 2017.

An analysis of the average number and value of the transactions of sent national and international credit transfers (all currencies, converted into kuna) per transaction account of consumers and business entities showed that, in the case of consumers, on average two credit transfers

**Figure 6** Total sent national and international credit transfers of consumers and business entities



Note: Including sent national and international credit transfers of consumers and business entities in all currencies (other than the kuna), converted into kuna.  
Source: CNB.

were executed at a monthly level per transaction account with an average monthly value of HRK 1,937.

An analysis of the same data for business entities established that they had an average monthly number of 32 credit transfers per transaction account with an average monthly value of HRK 390,738.

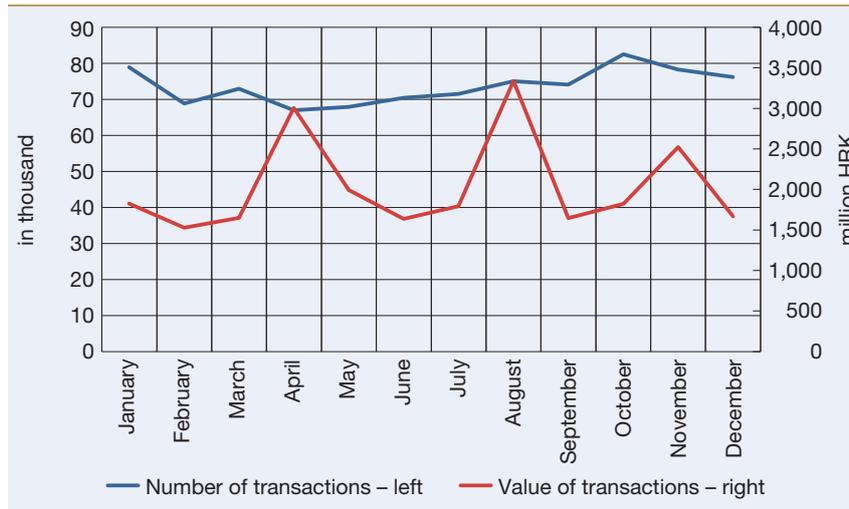
A holder – user (consumer and/or business entity) may hold or own several payment accounts.

In analysing the movements of sent national and international credit transfers of consumers in kuna according to the account holder, where the holder – consumer who is the owner of several payment accounts is counted as one, it was established that the average annual number of credit transfers was 39 transactions with an average annual value of HRK 33,750.

An analysis of the same data for business entities established that their average monthly number was 481 transactions with an average annual value of HRK 5.24 million.

In the RC, in all, 883,571 transactions of sent national and international credit transfers of consumers were executed in all currencies (other than the kuna); converted into kuna, they were worth in all HRK 24,427.18 million. On average 73,631 transactions were executed on a monthly basis, with the average value standing at HRK 2,035.6 million. The average value of a transaction was HRK 27,646 (Figure 7).

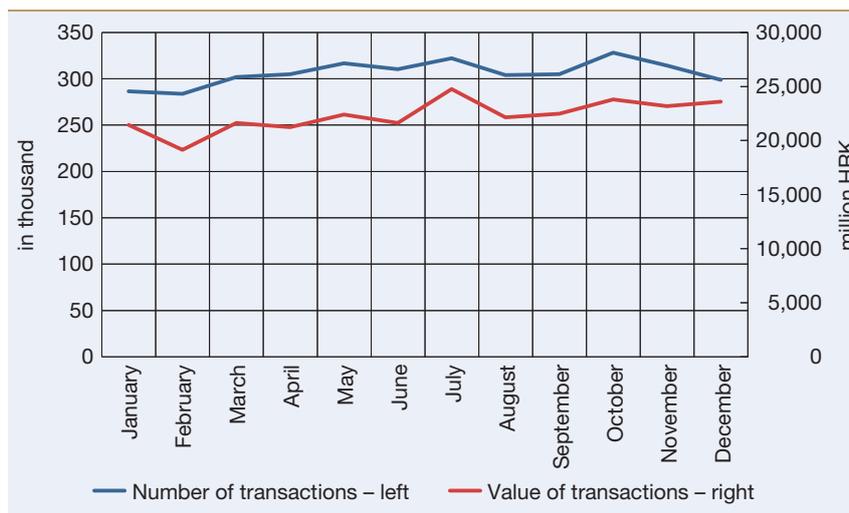
**Figure 7** Sent national and international credit transfers of consumers



Note: Including sent national and international credit transfers of consumers in all currencies (other than the kuna), converted into kuna.  
Source: CNB.

An analysis of the movement of the shown number and value of the transactions of sent national and international credit transfers of business entities in all currencies (other than the kuna), converted into kuna, established that their total number was 3.68 million transactions, worth in all HRK 267,516.52 million. The average monthly number of transactions was 306,201, with an average total value of HRK 22,293.04 million. The average value of a transaction was HRK 72,734 (Figure 8).

**Figure 8** Sent national and international credit transfers of business entities



Note: Including sent national and international credit transfers of business entities in all currencies (other than the kuna), converted into kuna.  
Source: CNB.

## 4.1 National credit transfers

National credit transfers include national payment transactions executed to debit the accounts of payment service users (consumers and business entities<sup>4</sup>).

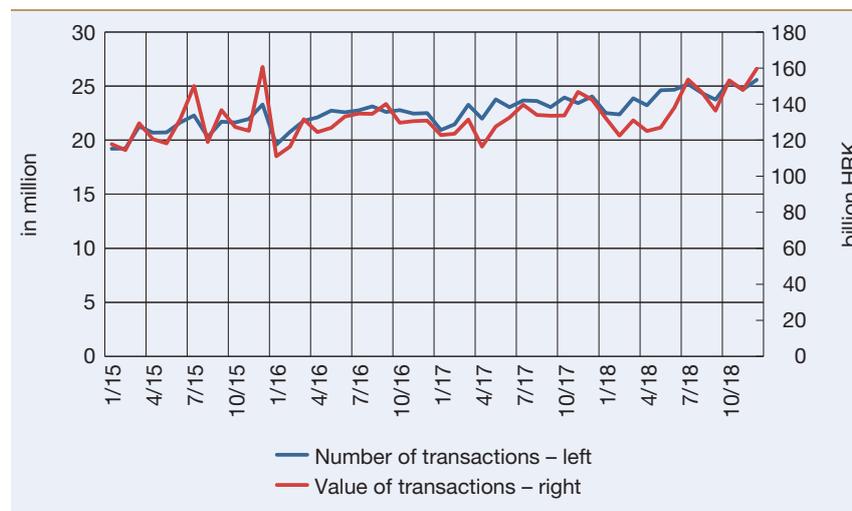
In the RC, 25 credit institutions provided national credit transfer payment services in 2018.

Credit transfers may be initiated by a paper-based order or electronically.

### Sent national credit transfers in kuna

In 2018, in all 290.28 million transactions of sent national credit transfers of consumers and business entities were executed in kuna, worth HRK 1,673.15 billion. At a monthly level, on average 24.19 million transactions were executed, with an average monthly value of HRK 139,428.91 million. The average value of a credit transfer was HRK 5,766 (Figure 9).

**Figure 9** Total sent national credit transfers of consumers and business entities



Note: Including sent national credit transfers of consumers and business entities in kuna.  
Source: CNB.

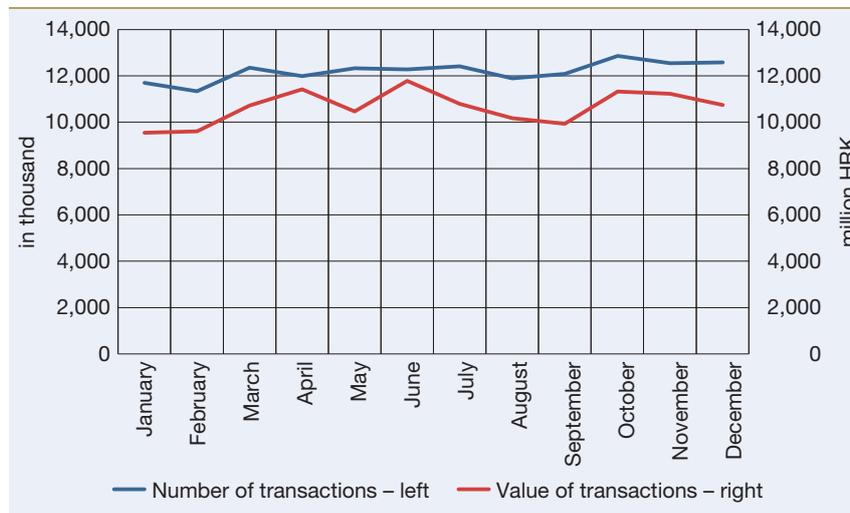
The total number of sent national credit transfers of consumers and business entities in kuna increased by 5.1% from 2017 to 2018, while their total value grew by 5.6% in the same period.

The total number of sent national credit transfers of consumers in kuna in 2018 was 146.39 million transactions, with a total value of HRK 127,731.78 million. At a monthly level, on average 12.2 million

<sup>4</sup> Not including credit transfers executed to debit the accounts of credit institutions and the Financial Agency.

transactions were executed, with an average monthly value of HRK 10,644.31 million. The average value of a transaction was HRK 873 (Figure 10).

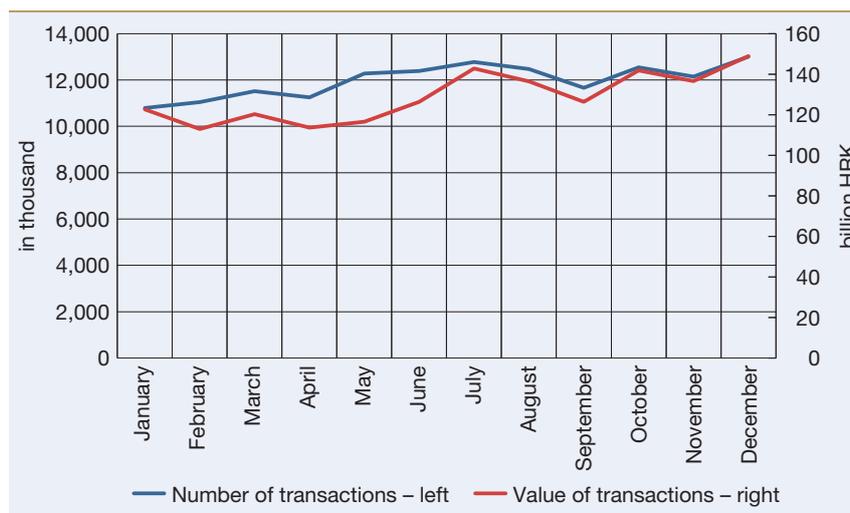
**Figure 10** Sent national credit transfers of consumers



Note: Including sent national credit transfers of consumers in kuna.  
Source: CNB.

An analysis of the movement of the shown number and value of sent national credit transfers of business entities in kuna established that there was a total number of 143.89 million transactions, worth in all HRK 1,545.42 billion. The average monthly number was 12 million transactions in an average monthly amount of HRK 128,784.59 million. The average value of a transaction was HRK 10,740 (Figure 11).

**Figure 11** Sent national credit transfers of business entities

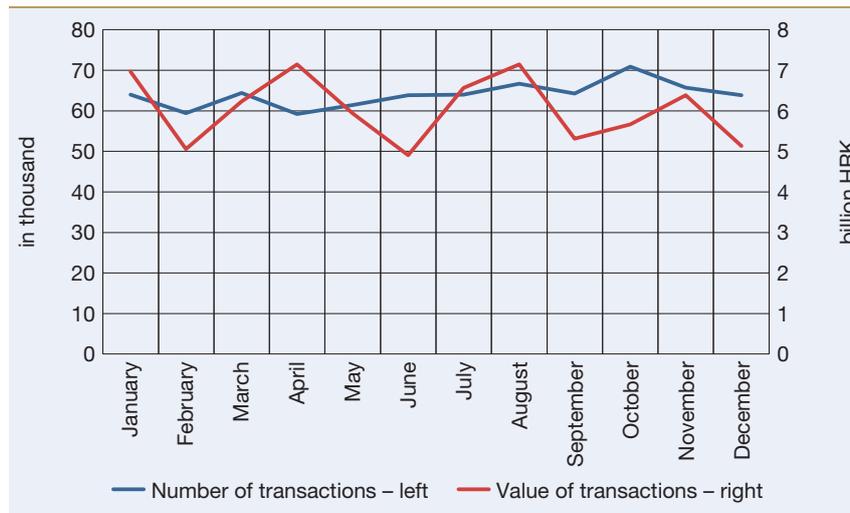


Note: Including sent national credit transfers of business entities in kuna.  
Source: CNB.

## Sent national credit transfers in all currencies (other than the kuna), converted into kuna

In the RC, in all 767,617 transactions of sent national credit transfers of consumers and business entities were executed in all currencies (other than the kuna); converted into kuna, they were worth HRK 72,453.37 million. At a monthly level, on average 63,968 transactions were executed with the average monthly value of HRK 6,037.78 million. The average value of a credit transfer was HRK 94,387 (Figure 12).

**Figure 12** Total sent national credit transfers of consumers and business entities

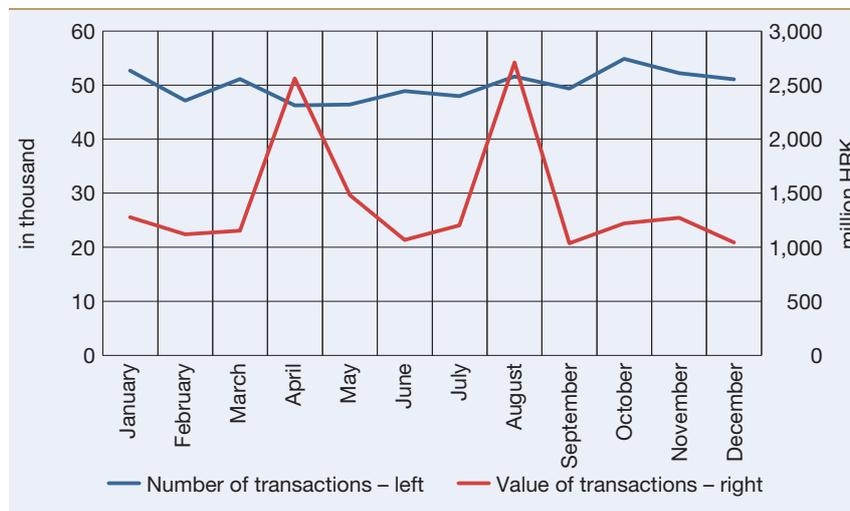


Note: Including sent national credit transfers of consumers and business entities in all currencies (other than the kuna), converted into kuna.

Source: CNB.

In the RC, in all, 599,548 transactions of sent national credit transfers of consumers were executed in all currencies (other than the kuna); converted into kuna, they were worth in total HRK 17,151.35 million. At

**Figure 13** Sent national credit transfers of consumers



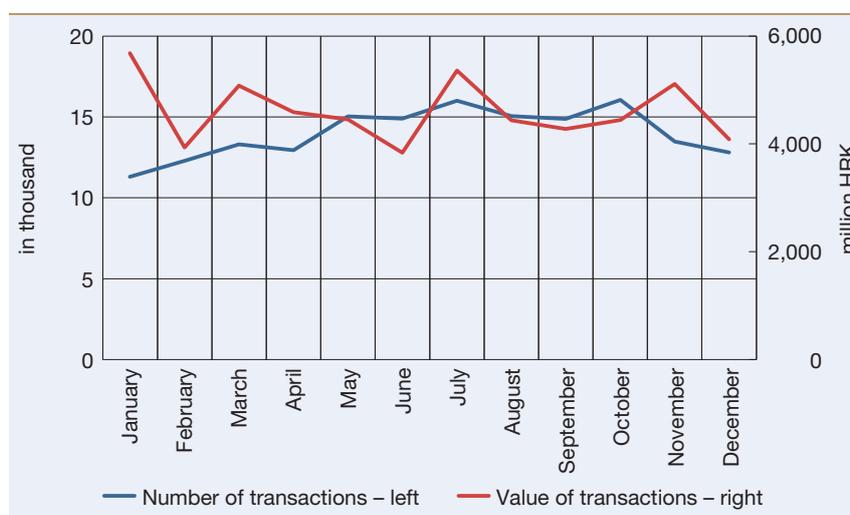
Note: Including sent national credit transfers of consumers in all currencies (other than the kuna), converted into kuna.

Source: CNB.

a monthly level, on average 49,962 transactions were executed with an average monthly value of HRK 1,429.28 million. The average value of a credit transfer was HRK 28,607 (Figure 13).

An analysis of the movement of the shown number and value of the transactions of sent national credit transfers of business entities in all currencies (other than the kuna) established that their total number was 168,069 transactions, worth in all, when converted into kuna, HRK 55,302.1 million. The average monthly number was 14,006 transactions with the average monthly value of HRK 4,608.5 million. The average value of a credit transfer was HRK 329,044 (Figure 14).

**Figure 14** Sent national credit transfers of business entities



Note: Including sent national credit transfers of business entities in all currencies (other than the kuna), converted into kuna.

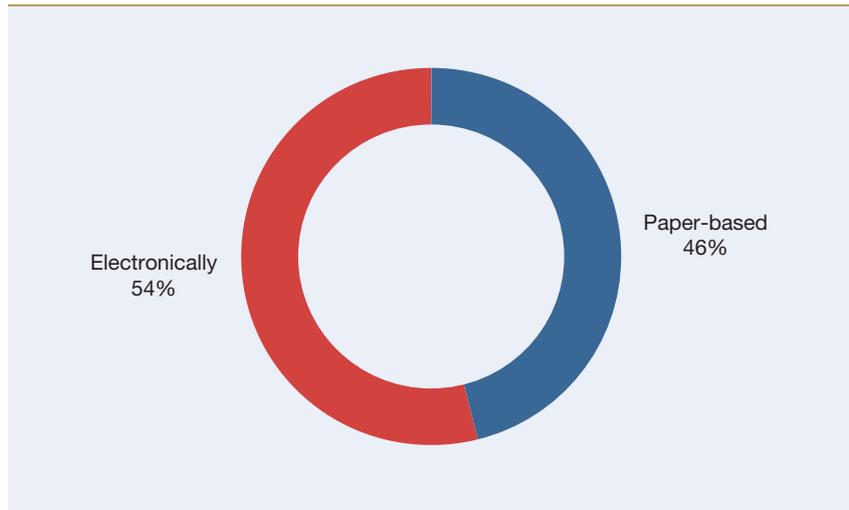
Source: CNB.

### National credit transfers according to the method of initiation

An analysis of the movement of the national credit transfers of consumers in kuna according to the method of initiation established that the total number of national credit transfers executed by paper-based orders came to 66.42 million transactions, while 77.81 million transactions were executed electronically. The average monthly number of the national credit transfers of consumers in kuna executed by paper-based orders and electronically stood at 5.53 million transactions and 6.48 million transactions respectively.

According to the shown number of the national credit transfers of consumers in kuna according to the method of initiation it is evident that the number of credit transfers executed electronically is 17% larger than the number of paper-based orders. In 2018, the total number of the

**Figure 15** Total number of national credit transfers of consumers according to the method of initiation

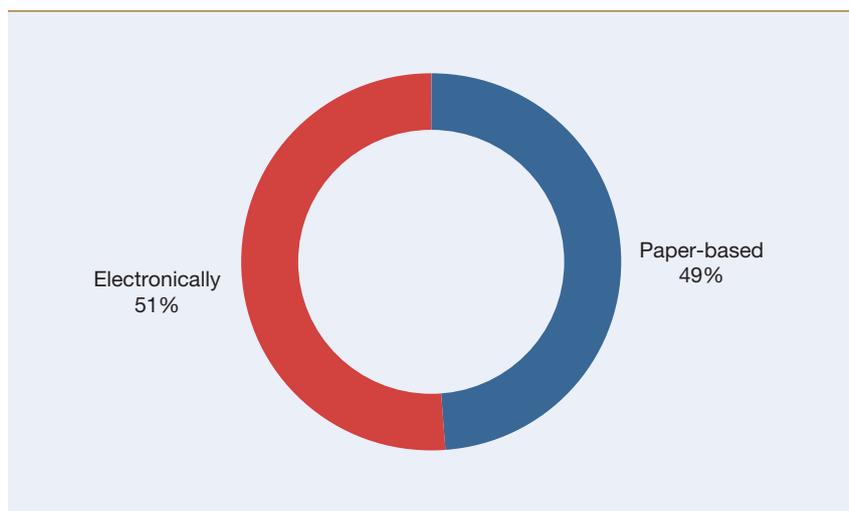


Note: Shown are national credit transfers of consumers in kuna.  
Source: CNB.

national credit transfers of consumers in kuna executed electronically rose by 15% from 2017.

The shown data on the value of the national credit transfers of consumers according to the method of initiation established that the total value of transactions executed by paper-based orders stood at HRK 61,526.96 million, while the total value of transactions executed electronically came to HRK 64,505.68 million. Monthly, the value of all transactions executed by paper-based orders on average amounted to HRK 5,127.25 million, while the monthly value of transactions executed electronically was on average HRK 5,375.47 million.

**Figure 16** Total value of national credit transfers of consumers according to the method of initiation



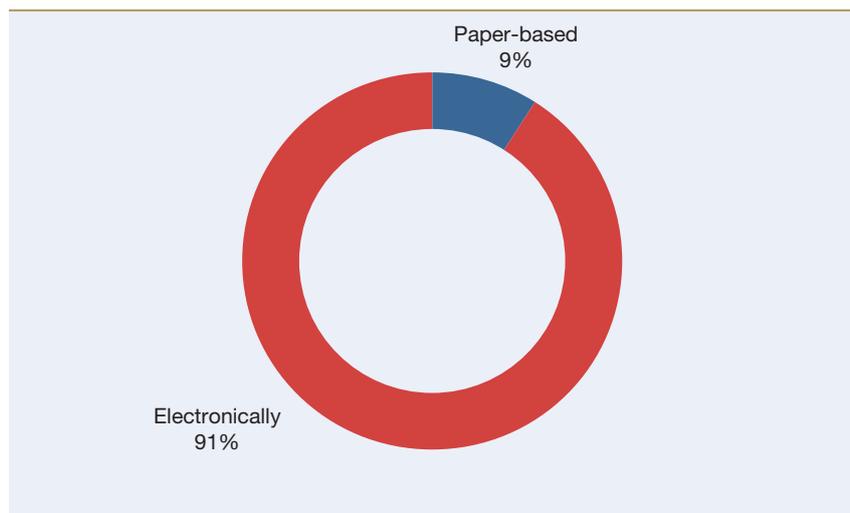
Note: Shown are national credit transfers of consumers in kuna.  
Source: CNB.

In 2018, the total value of the national credit transfers of consumers executed electronically went up 17.8% from 2017.

An analysis of the movement of the executed national credit transfers of business entities according to the method of initiation established that the total number of national credit transfers in kuna executed by paper-based orders was 13.03 million and that 130.36 million transactions were executed electronically.

According to the shown number of the executed national credit transfers of business entities in kuna according to the method of initiation it is evident that, as in 2017, the number of orders executed electronically was considerably higher than the executed paper-based orders. The average monthly number of credit transfers executed using paper-based orders stood at 1.1 million transactions, while monthly on average 10.86 million transactions were executed electronically.

**Figure 17** Total number of national credit transfers of business entities according to the method of initiation

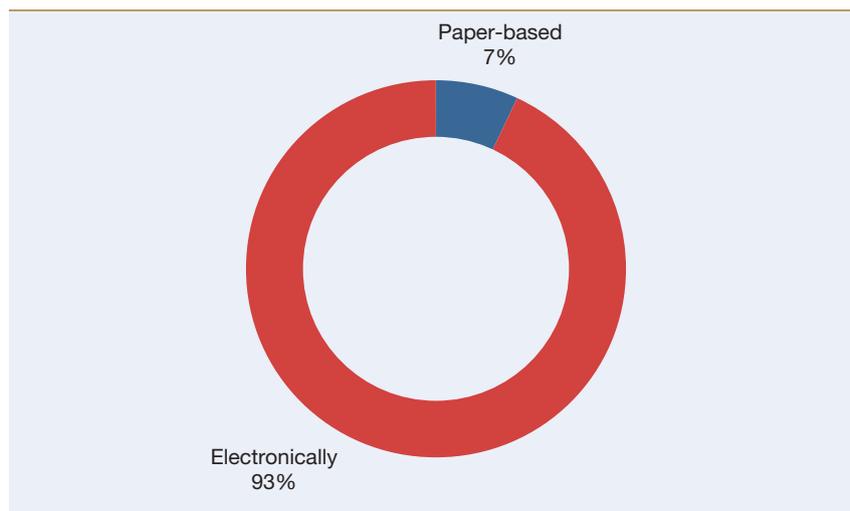


Note: Shares in the number of national credit transfers of business entities according to the method of initiation.  
Source: CNB.

In 2018, the total number of the national credit transfers of business entities executed electronically rose by 5.3% from 2017.

An analysis of data on the value of national credit transfers of business entities in kuna according to the method of initiation established that, as in 2017, in all, considerably fewer transactions were executed with paper-based orders than with orders initiated electronically. The total value of paper-based orders stood at HRK 108,409.46 million, while orders worth a total of HRK 1,434.99 billion were executed electronically. The average monthly value of paper-based orders was HRK 9,034.12 million, while on a monthly average the value of transactions executed electronically was HRK 119,582.75 million.

**Figure 18** Total value of national credit transfers of business entities according to the method of initiation



Note: Shares in the value of national credit transfers of business entities according to the method of initiation, in kuna.

Source: CNB.

In 2018, the total value of the national credit transfers of business entities executed electronically rose by 4% from 2017.

### **National credit transfers executed by paper-based orders**

Some payment transactions of national credit transfer are executed in such a manner that they are submitted as a paper-based order over the counter at a credit institution or through another legal person that is acting on behalf and for the account of a credit institution. Also, they may be initiated by using a 2D barcode on paper-based payment orders that are scanned/read over the counter at a credit institution or through another legal person that is acting on behalf and for the account of a credit institution, which are executed as credit transfers.

The total number of national credit transfer transactions of consumers initiated by a paper-based order over the counter at credit institutions was 25.62 million transactions, while 12.36 million transactions were executed at business entities. Their total value for consumers was HRK 53,317.33 million and for business entities HRK 106,631.34 million.

Compared with 2017, a decrease in the number of executed transactions initiated by a paper-based order over the counter was recorded for both consumers and business entities, of 7.6% and 10.4%, respectively.

According to the data for national credit transfers in kuna executed with the use of a 2D barcode on paper-based payment orders, it was established that their total number for consumers was 40.77 million transactions and for business entities 645,448 transactions. Their total

value for consumers was HRK 8,209.63 million and for business entities HRK 1,408.23 million.

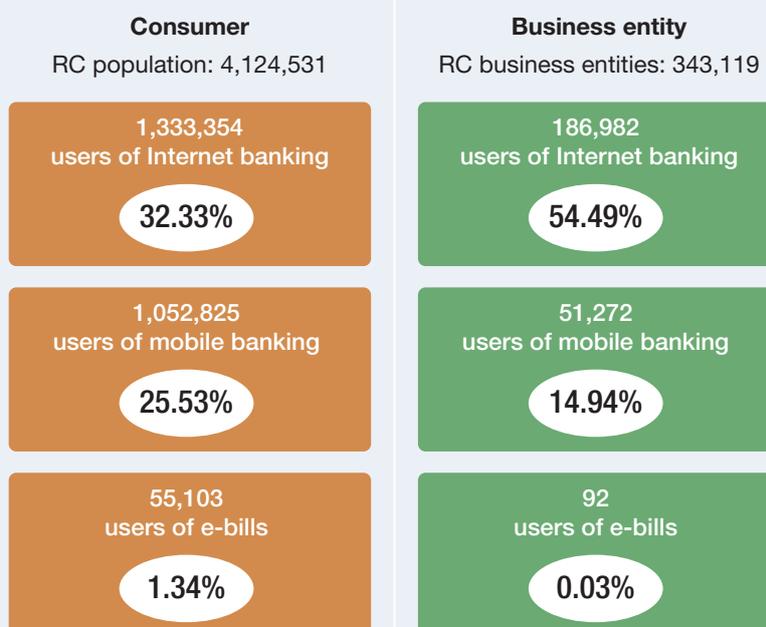
Compared with 2017, both consumers and business entities recorded a slight increase in the total number of transactions executed with the use of a 2D barcode on paper-based payment orders. As regards consumers, the total number of transactions increased by 2.4% and their value increased by 1.4%. As regards business entities, the total number of transactions increased by 6.4% and their value decreased by 6.6%.

In analysing the value of executed transactions, it can be seen that the value of transactions executed over the counter is higher than that of transactions executed with a 2D barcode in both consumers and business entities.

It can be concluded from the data shown that consumers use the service of the execution of payment transactions with a 2D barcode much more than business entities.

### National credit transfers executed electronically

**Box 1** The share of the use of payment instruments of consumers relative to the population of the RC and of business entities and entities in crafts and trades and free lances in the RC



Source: CNB.

**Table 2** Total number of national credit transfers executed electronically

Payment method	Consumer	Business entity
Over the counter	189,536	23,918,694
Internet	33,096,784	98,444,170
Telebanking	0	336,523
Mobile phone	43,814,479	5,165,600
ATM/banking kiosk	59,844	0
E-bill	568,323	228
Other	80,442	2,491,305

Note: Including national credit transfers executed to debit consumers and business entities in kuna.  
Source: CNB.

**Table 3** Total value of national credit transfers executed electronically

Payment method	Consumer	Business entity
Over the counter	260,599,916	264,807,489,001
Internet	30,750,417,729	1,051,114,943,729
Telebanking	0	18,608,627,662
Mobile phone	31,861,204,405	12,092,145,193
ATM/banking kiosk	44,499,042	0
E-bill	117,735,388	64,793
Other	1,471,227,078	88,369,680,549

Note: Including national credit transfers executed to debit consumers and business entities in kuna.  
Source: CNB.

**Table 4** The average number and value of transactions of national credit transfers according to the number of users of payment services

Services	Consumer		Business entity	
	Number of transactions	Value of transactions	Number of transactions	Value of transactions
Internet banking	25	23.062	526	5.621.477
Mobile banking	42	30.263	101	235.843
E-bill	10	2.137	3	704

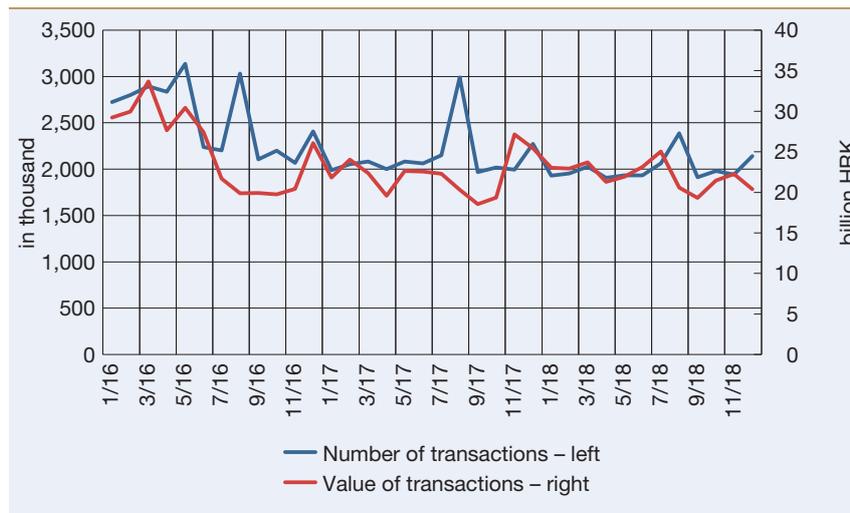
Note: Including national credit transfers executed to debit consumers and business entities in kuna.  
Source: CNB.

An analysis of the total number of national credit transfers of consumers and business entities executed electronically over the counter leads to the conclusion that the total number decreased by 6% from 2017 to 2018 (Figure 19).

An analysis of the total value of national credit transfers of consumers and business entities executed electronically over the counter leads to the conclusion that the total value declined by 0.4% from 2017 to 2018 (Figure 19).

An analysis of the total number of national credit transfers of consumers and business entities executed electronically by mobile phone leads to

**Figure 19** Total number and value of national credit transfers of consumers and business entities executed electronically over the counter



Note: Including national credit transfers of consumers and business entities in kuna.  
Source: CNB.

the conclusion that the total number increased by 42% from 2017 to 2018 (Figure 20).

An analysis of the total value of national credit transfers of consumers and business entities executed electronically by mobile phone leads to the conclusion that the total value increased by 51% from 2017 to 2018 (Figure 20).

**Figure 20** Total number and value of national credit transfers of consumers and business entities executed electronically by mobile phone



Note: Including national credit transfers of consumers and business entities in kuna.  
Source: CNB.

### 4.1.1 Standing orders

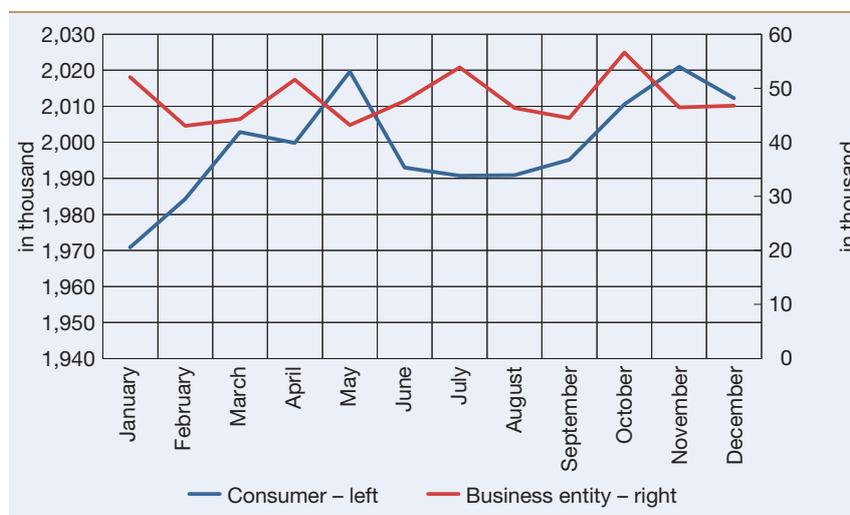
A standing order is a payment service by which a credit institution, on the basis of a special standing order contract with a payment service user, periodically on a certain or determinable day transfers a certain or determinable amount from the payment account of the payment service user to credit the payment account of the payee (e.g. for payment of the TV fee, payment of an annuity or instalment of a loan, etc.).

In the RC, 25 credit institutions provided standing order services in 2018.

The number of standing order contracts is determined by the number of payers' consents for the execution of a standing order payment transaction that the credit institution has received and recorded by the credit institution at which the account is managed, which is specified in the standing order contract.

A national standing order payment transaction includes national payment transactions in kuna executed to debit the accounts of payment service users (consumers and business entities).

**Figure 21** Number of standing order contracts

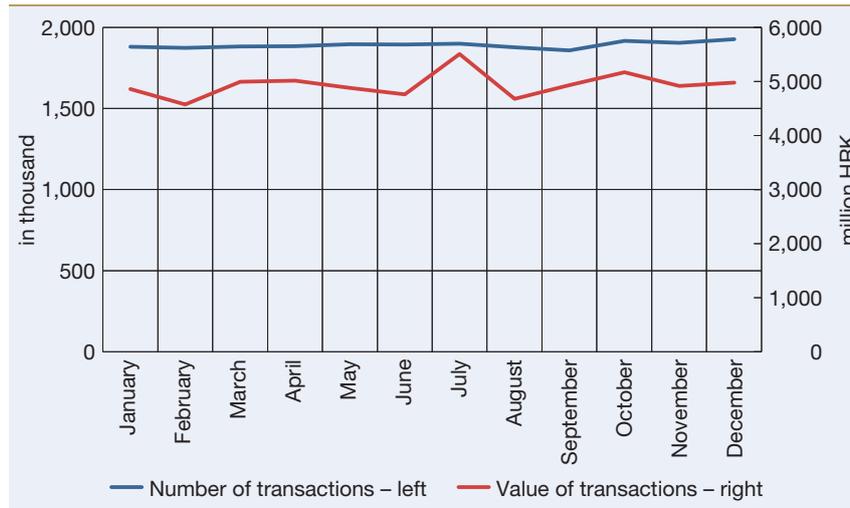


Source: CNB.

In 2018, in all 22.78 million standing order transactions of consumers and business entities were executed in the RC (in all currencies, converted into kuna), worth a total of HRK 59,514.17 million.

In the RC, in all 22.70 million standing order transactions of consumers and business entities were executed in kuna, worth a total of HRK 59,298.5 million. At a monthly level, on average 1.89 million transactions were executed, with an average monthly value of HRK 4,941.54 million. The average value of a standing order transaction was HRK 2,612 (Figure 22).

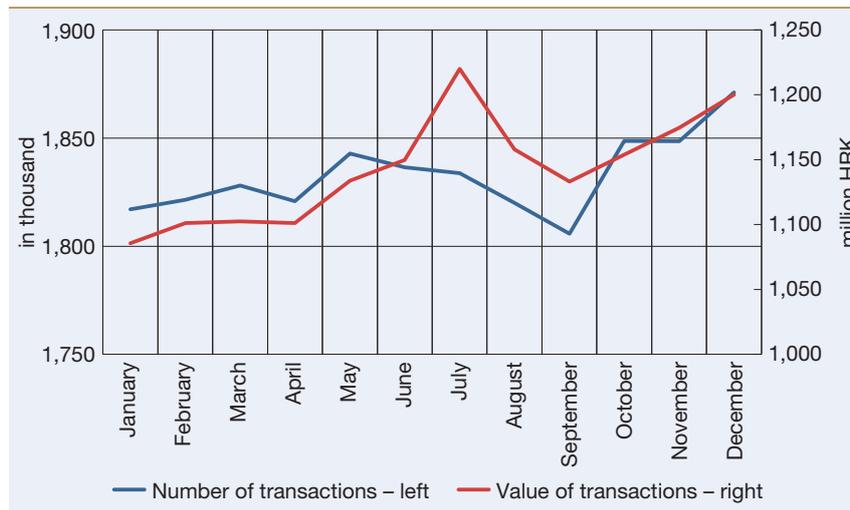
**Figure 22** Total number and value of standing order transactions of consumers and business entities



Note: Including standing orders of consumers and business entities in kuna.  
Source: CNB.

According to the shown number and value of standing order transactions of consumers in kuna, it was established that their total number came to 21.99 million transactions, worth in all HRK 13,713.57 million. At a monthly level, on average 1.83 million transactions were executed with the average monthly value of HRK 1,142.8 million. The average value of a standing order transaction was HRK 624 (Figure 23).

**Figure 23** Number and value of standing order transactions of consumers

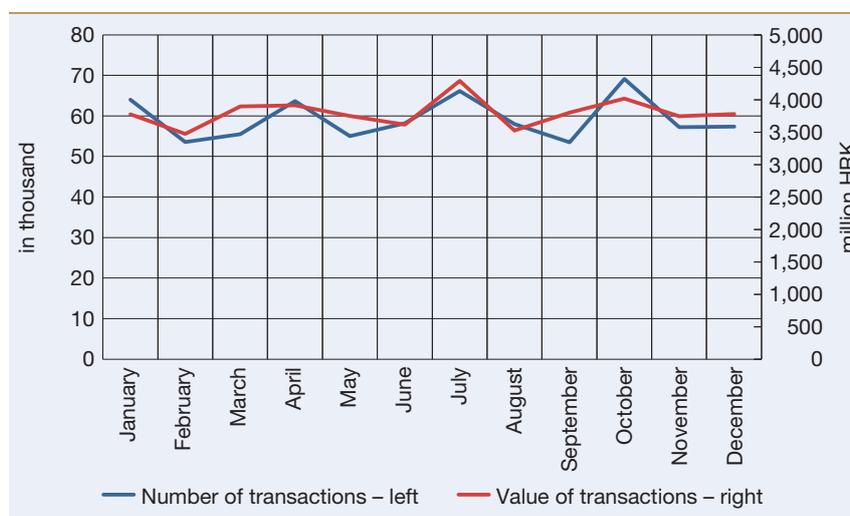


Note: Including standing orders of consumers in kuna.  
Source: CNB.

According to the data on the number and value of standing order transactions of business entities in kuna, it was established that their total number was 711,179 transactions, worth in all HRK 45,584.93 million. At a monthly level, on average 59,265 transactions were executed with an average monthly value of HRK 3,798.74 million. The

average value of a standing order transaction stood at HRK 64,098 (Figure 24).

**Figure 24** Number and value of standing order transactions of business entities



Note: Including standing orders of business entities in kuna.  
Source: CNB.

From a comparison of the standing orders of consumers and business entities executed, it can be concluded that, as in previous years, the number of standing orders of consumers is larger than the number of standing orders of business entities. However, from an analysis of the value of executed standing orders, it can be concluded that the value of standing orders in business entities is larger than that in consumers.

An analysis of the data on the number of consumer users of payment services using the standing order service to debit their payment account (in which case the user is counted as one, irrespective of the number of standing order contracts entered into with a credit institution) established that their proportion in the total population of the RC came to 31.23% (there were 1,288,231 of them having at least one contracted standing order service).

According to the number of business entity users of payment services using the standing order service to debit their payment account (in which case the user is counted as one, irrespective of the number of standing order contracts entered into with a credit institution), it was established that their proportion in the total number of registered business entities in the RC stood at 10.2% (there were 35,092 of them having at least one contracted standing order service).

It can be seen from the data shown that the number of users of the standing order payment service and the number of accounts in which the

execution of standing orders is contracted for is much higher in consumers than in business entities.

From the data on the total number and value of standing order transactions in the RC (total all currencies, converted into kuna) according to the number of payment service users (consumers and business entities) that have entered into a standing order contract with a credit institution to debit their payment account, the following can be concluded:

- the average monthly number of transactions of consumer standing orders per standing order user was 1.4 transactions, with an average monthly value of HRK 898 per transaction;
- the average monthly number of transactions of business entity standing orders per standing order user was 1.7 transactions, with an average monthly value of HRK 108,372 per transaction.

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## 4.2 International credit transfers

**International credit transfer** means a credit transfer payment transaction the execution of which involves two payment service providers of which one payment service provider (of payee or payer) operates in the Republic of Croatia, and the other payment service provider (of payee or payer) in a third country or another member state.

- Cross-border credit transfers include cross-border payment transactions, the execution of which involves two payment service providers of which one payment service provider (of payee or payer) operates in the Republic of Croatia, and the other payment service provider (of payee or payer) in another member state, executed to debit/credit the accounts of payment service users (consumers and business entities) and to debit/credit the accounts of credit institutions.
- International credit transfers include international payment transactions, the execution of which involves two payment service providers of which one payment service provider (of payee or payer) operates in the Republic of Croatia, and the other payment service provider (of payee or payer) in a third country, executed to debit/credit the accounts of payment service users (consumers and business entities) and to debit/credit the accounts of credit institutions.

In the RC, 22 credit institutions provided international credit transfer payment services in 2018.

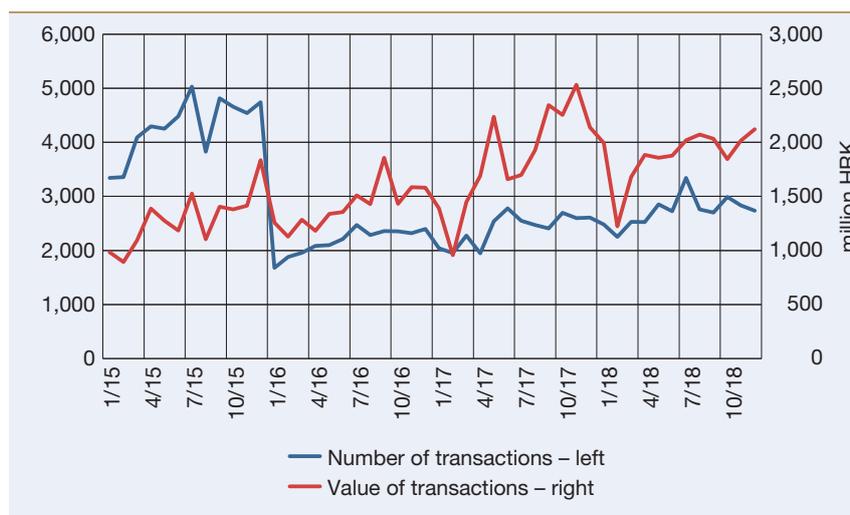
## 4.2.1 Sent international credit transfers

Sent international credit transfers include international payment transactions to debit the accounts of payment service users (consumers and business entities) that the credit institution has executed/sent to credit the payee's payment service provider operating in another member state, or in a third country.

In 2018, in all, 32,756 transactions of sent international credit transfers of consumers and business entities were executed in kuna, worth in all HRK 22,634.87 million. At a monthly level, on average 2,730 transactions were executed monthly, with an average monthly value of HRK 1,886.24 million (Figure 25).

The total number of sent international credit transfers of consumers and business entities in kuna increased by 13.4% from 2017 to 2018, while their total value grew by 1.6% in the same period.

**Figure 25** Total sent international credit transfers of consumers and business entities in kuna



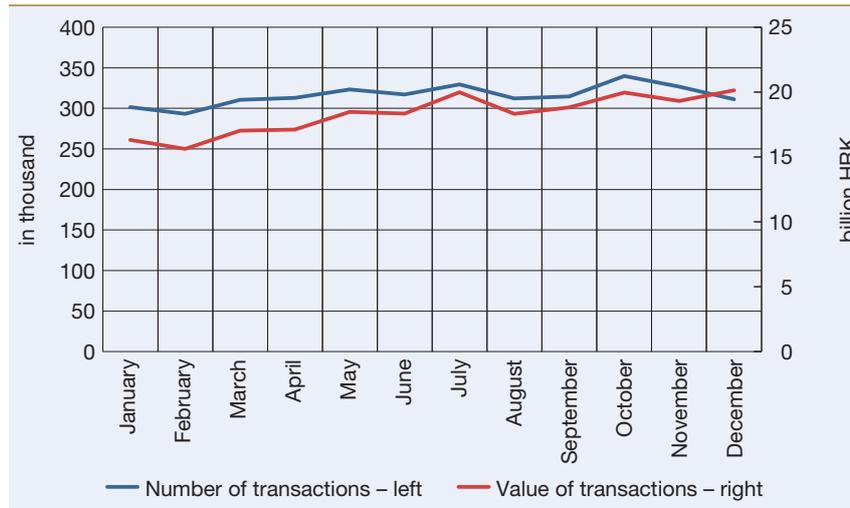
Note: Including sent international credit transfers of consumers and business entities in kuna.

Source: CNB.

In the RC, in all, 3.79 million transactions of sent international credit transfers of consumers and business entities were executed in all currencies (other than the kuna), and when converted into kuna were a total of HRK 219,490.33 million. At a monthly level, on average 316,163 transactions were executed monthly, with an average monthly value of HRK 18,290.86 million (Figure 26).

According to the shown number and value of the sent international credit transfers of consumers in all currencies (other than the kuna), it can be seen that their total number stood at 284,023 transactions and that when converted into kuna they were worth in all HRK 7,275.83 million. At a

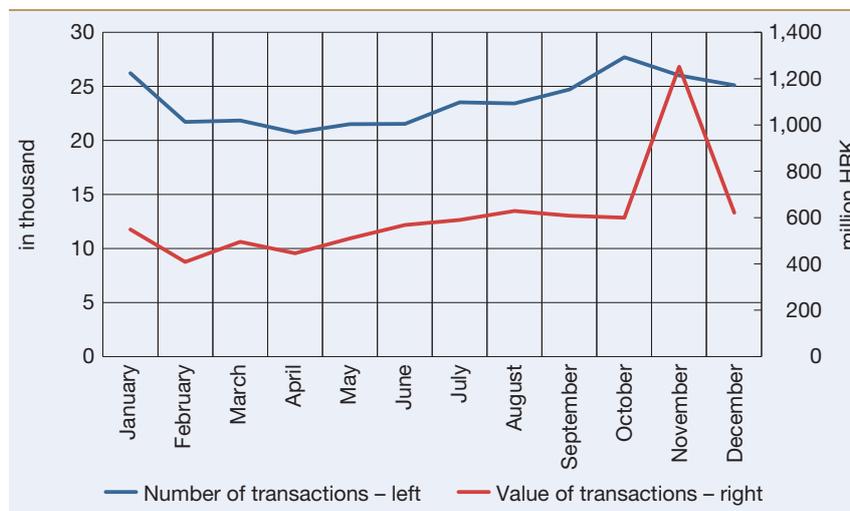
**Figure 26** Total sent international credit transfers of consumers and business entities in all currencies (other than the kuna)



Note: Including sent international credit transfers of consumers and business entities in all currencies (other than the kuna).  
Source: CNB.

monthly level, on average 23,669 transactions were executed with the average monthly value of HRK 606.32 million. The average monthly value of a transaction amounted to HRK 25,617 (Figure 27).

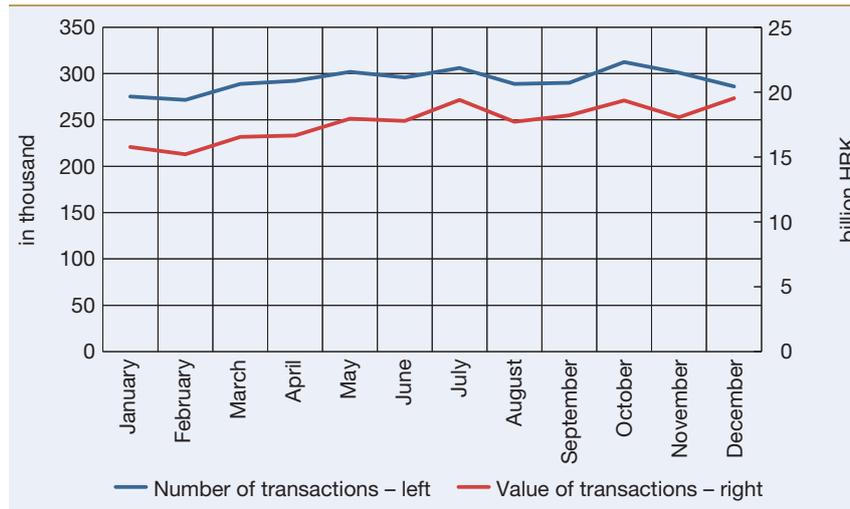
**Figure 27** Sent international credit transfers of consumers



Note: Including sent international credit transfers of consumers in all currencies (other than the kuna).  
Source: CNB.

An analysis of the data shown established that the total number of sent international credit transfers of business entities in all currencies (other than the kuna) was 3.5 million transactions, worth in all HRK 212,214.51 million when converted into kuna. At a monthly level, on average 292,495 transactions were executed monthly, with an average monthly value of HRK 17,684.54 million. The average value of a transaction was HRK 60,461 (Figure 28).

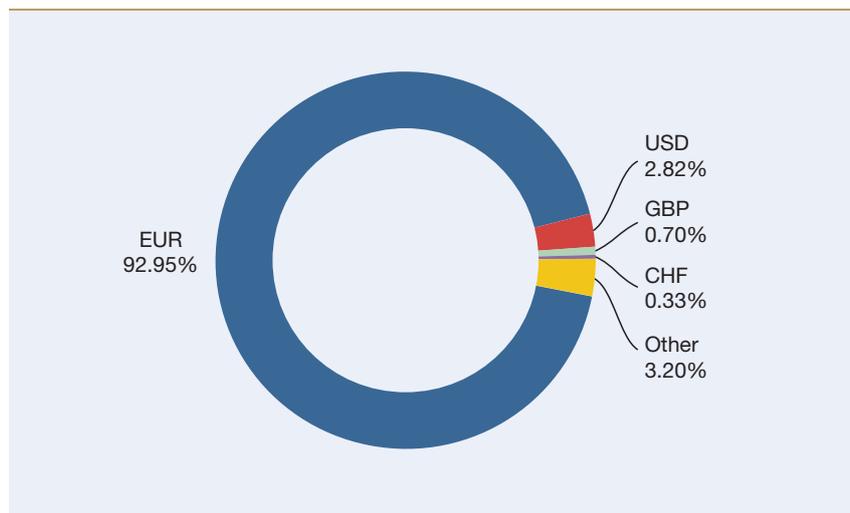
**Figure 28** Sent international credit transfers of business entities



Note: Including sent international credit transfers of business entities in all currencies (other than the kuna).  
Source: CNB.

Figure 29 shows that the euro is the currency that accounts for the largest share in the total number of transactions of sent cross-border/international credit transfers of consumers and business entities, 92.95%. It is followed by the US dollar with a share of 2.82%, the pound sterling with 0.7% and the Swiss franc with 0.33%. The share of 3.2% refers to the total of all other currencies.

**Figure 29** Structure of the share of currencies in the total number of transactions of sent international credit transfers of consumers and business entities

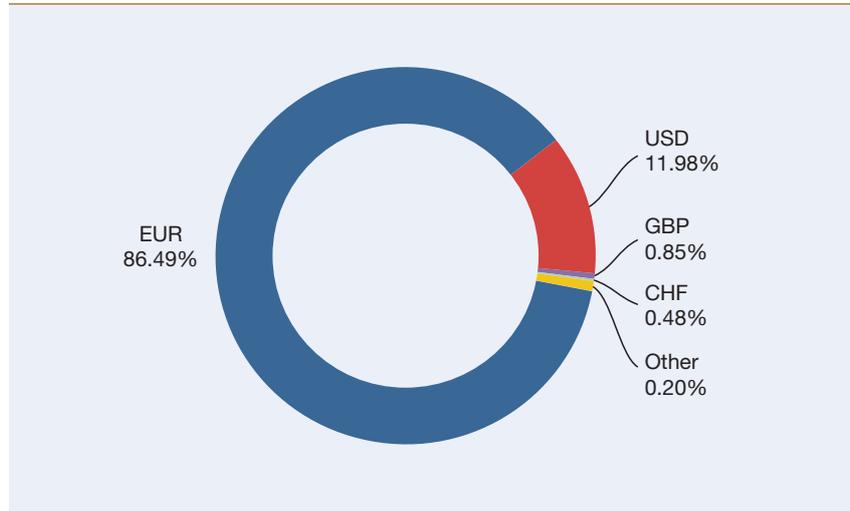


Note: Structure of the share of currencies of all consumers and business entities.  
Source: CNB.

According to the shares of currencies in the total value of the transactions of sent international credit transfers of consumers and business entities, from Figure 30 it can be concluded that the euro is the currency that accounts for the largest share of transactions, 86.42%. The currencies that follow include the US dollar with a share of 11.98%, the

pound sterling with 0.48% and the Swiss franc with 0.2%. The share of 0.85% refers to the total of all other currencies (Figure 30).

**Figure 30** Structure of the share of currencies in the total value of transactions of sent international credit transfers of consumers and business entities

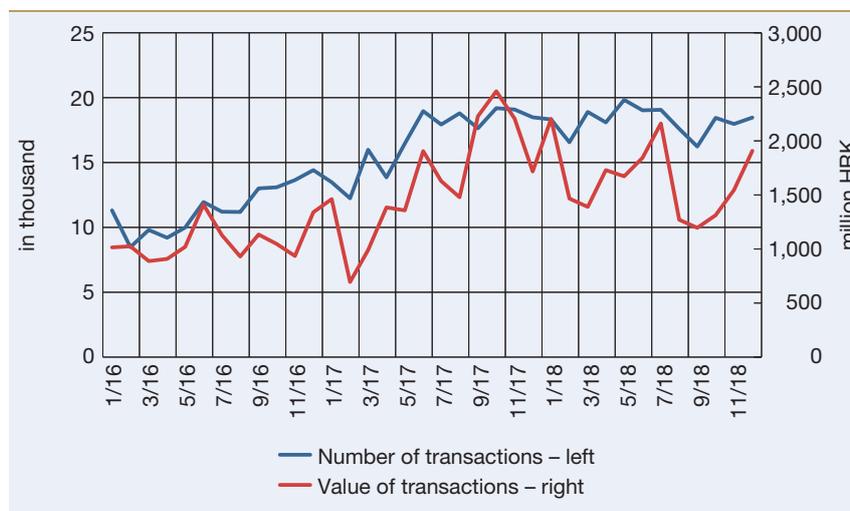


Note: Structure of the share of currencies of all consumers and business entities.  
Source: CNB.

#### 4.2.2 Received international credit transfers

Received international credit transfers cover payment transactions received to credit the account of payment service users (consumers and business entities) at which the payer's payment service provider operates in another member state, or in a third country.

**Figure 31** Total received international credit transfers of consumers and business entities in kuna



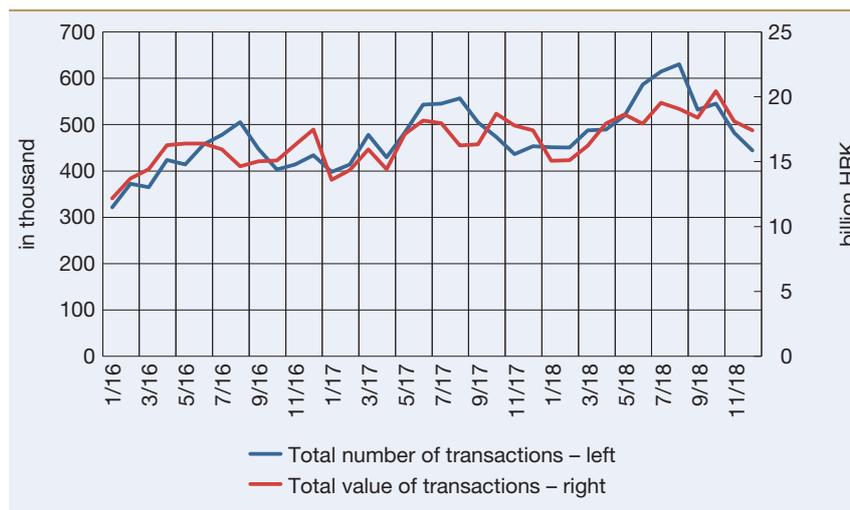
Note: Including received international credit transfers of consumers and business entities in kuna.  
Source: CNB.

In 2018 (Figure 31), in the RC, in all, 218,576 transactions of received international credit transfers of consumers and business entities were executed in kuna, worth a total of HRK 19,707.61 million. At a monthly level, on average 18,215 transactions were executed monthly, with an average monthly value of HRK 1,642.3 million.

The total number of received international credit transfers of consumers and business entities in kuna increased by 8.1% from 2017 to 2018, while their total value grew by 0.95%.

In the RC, in all, 6.23 million transactions of received international credit transfers of consumers and business entities were executed in all currencies (other than the kuna), and when converted into kuna were worth in all HRK 213,874.27 million. On average 519,376 transactions were executed monthly, with an average monthly value of HRK 17,822.86 million (Figure 32).

**Figure 32** Total received international credit transfers of consumers and business entities in all currencies (other than the kuna)

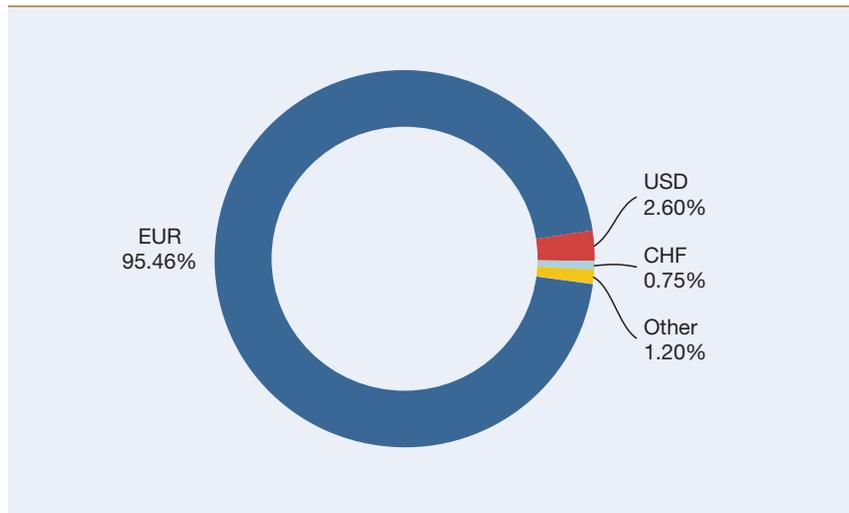


Note: Including total received international credit transfers of consumers and business entities in all currencies (other than the kuna).  
Source: CNB.

The total number of received international credit transfers of consumers and business entities in all currencies (other than the kuna), converted into kuna, increased by 9% from 2017 to 2018, while their total value grew by 8% in the same period.

Figure 33 shows that in terms of currency, the euro accounts for the largest share in the total number of the transactions of received international credit transfers of consumers and business entities, 95.45%. It is followed by the US dollar with a 2.6% and the Swiss franc with a 0.75% share. The share of 1.2% refers to the total of all other currencies.

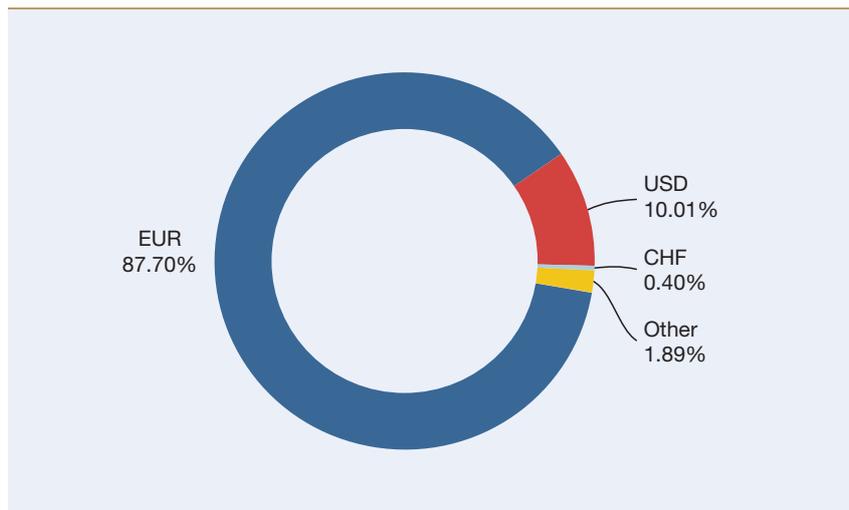
**Figure 33** Structure of the share of currencies in the total number of transactions of received international credit transfers of consumers and business entities



Note: Structure of the share of currencies of all consumers and business entities.  
Source: CNB.

An analysis of the shares of currencies in the total value of the transactions of received international credit transfers of consumers and business entities from Figure 34 shows that the euro is the currency that accounts for the largest share of transactions, 87.7%. The currencies that follow include the US dollar with a share of 10.01% and the Swiss franc with a share of 0.4%. The share of 1.89% refers to the total of all other currencies (Figure 34).

**Figure 34** Structure of the share of currencies in the total value of transactions of received international credit transfers of consumers and business entities



Note: Structure of the share of currencies of all consumers and business entities.  
Source: CNB.

## 5 Bill-paying services

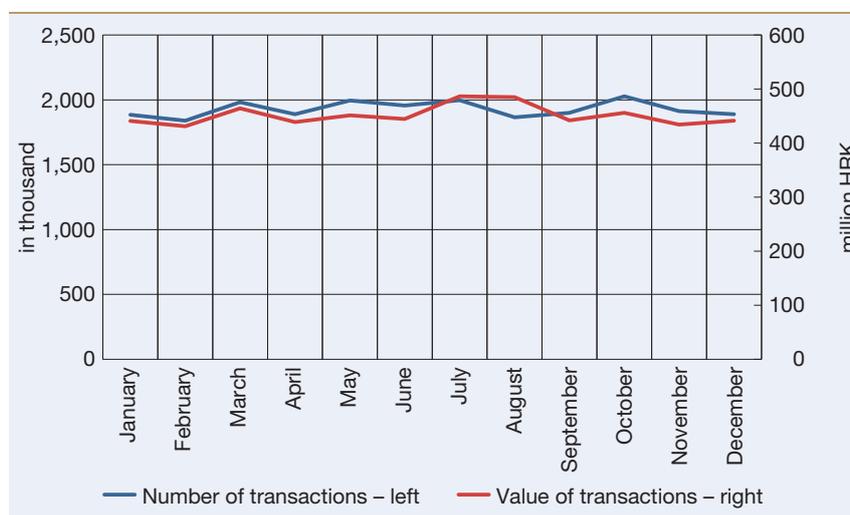
‘Bill-paying service’ means a service in which a credit institution, on the basis of a contract with a payee, collects funds from a payer and makes the collected amount available to the payee within time cycles determined by a contract (e.g. electricity, water, gas and other bills), pursuant to the provisions of the Payment System Act which define the deadlines for the execution of payments.

In the RC, 13 credit institutions and one electronic money institution provided bill-paying services, exclusively in kuna, in 2018.

In the RC, in 2018, a total of 23.14 million transactions were executed through the bill-paying service in the total value of HRK 5,415.78 million. The average value of a transaction was HRK 234.

Compared with 2017, a decrease of 6% and 1.2% respectively was recorded in 2018 both in the number and value of transactions of the bill-paying service. The average value of a transaction remained at almost the same level.

**Figure 35** Number and value of transactions of the bill-paying service



Note: Total number and value of transactions of the bill-paying service in kuna.  
Source: CNB.

The movement of the total monthly number and value of transactions of the bill-paying service in 2018 is shown in Figure 35.

Data point to minor oscillations in the use of the bill-paying service in 2018, which in the number of transactions ranges between 1.84 million transactions recorded in February and 2.03 million transactions recorded in October 2018.

The value of transactions ranges within the interval from HRK 431 million (February) to HRK 486.43 million (July).

At a monthly level, the average number of transactions was 1.93 million transactions, with an average value of HRK 451.32 million.

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## 6 Money remittances

‘Money remittance’ means a payment service where funds are received from a payer, without any payment accounts being created in the name of the payer or the payee, for the sole purpose of transferring a corresponding amount to a payee or to another payment service provider acting on behalf of the payee, and/or where such funds are received on behalf of and made available to the payee.

Data on money remittances presented in this publication have been collected from credit institutions that are the providers of the money remittance service in accordance with the Payment System Act (or act as an agent), the Financial Agency and one payment institution.

In the RC, five credit institutions, one payment institution and the Financial Agency provided the service of sending and receiving money remittances in 2018.

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### 6.1 Sent money remittances

Data are presented on money remittances that consumers sent to payees both in the RC and outside of the RC. A sender in the RC always submits kuna for the execution of a money remittance, while the payment is in the required currency in the payee’s country.

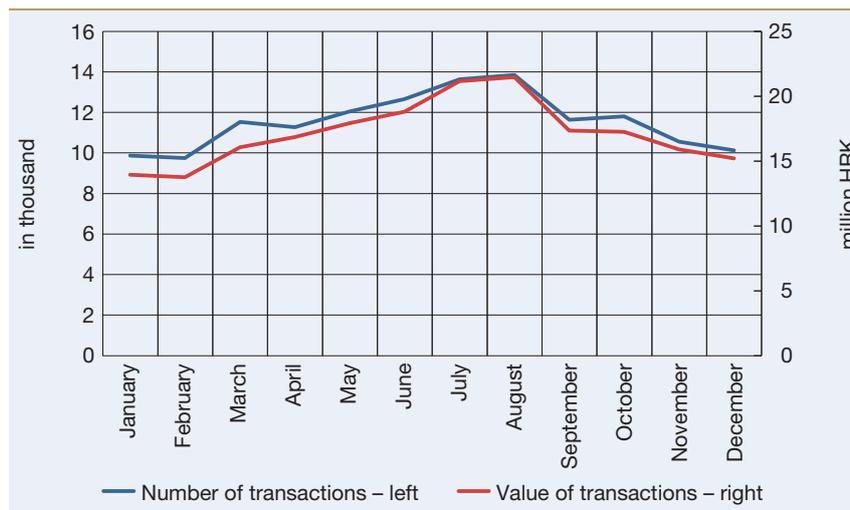
#### 6.1.1 Sent national money remittances

In 2018, in all 138,691 money remittances were sent in the RC, worth a total of HRK 205.69 million. The average value of a transaction stood at HRK 1,483.

Both the number and value of sent national money remittances went up by 2.3% and 4.2% respectively from 2017, while the average value of a transaction remained at almost the same level.

An analysis of the movement of the shown number and value of sent national money remittances (Figure 36) established that the average monthly number of sent money remittances in the RC was 11,558, with an average value of HRK 17.4 million a month.

**Figure 36** Sent national money remittances



Note: Including sent national money remittances of consumers in kuna.  
Source: CNB.

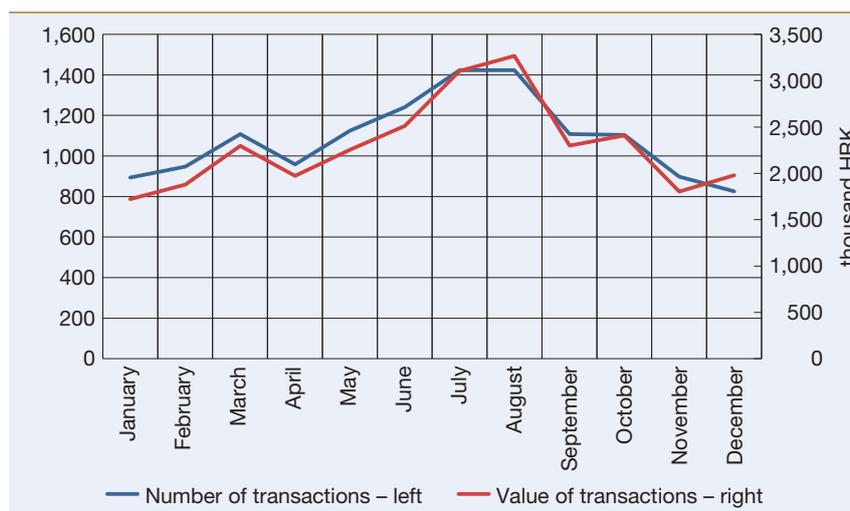
## 6.1.2 Sent international money remittances

International money remittances include international and cross-border payment transactions the execution of which involves two payment service providers of which the payer's payment service provider operates in the RC, and the payee's payment service provider in a third country, or in another member state.

In all, 13,054 international money remittances, worth a total of HRK 27.49 million, were sent in 2018 (Figure 37). The average value of a sent international money remittance stood at HRK 2,106.

Compared with 2017, the number of sent international money remittances increased by 1% in 2018, while their value decreased by 4.3%. The average value of a sent international money remittance was 5% lower in 2018 than in the year before.

**Figure 37** Sent international money remittances



Note: Including sent international money remittances of consumers in kuna.  
Source: CNB.

## 6.2 Received money remittances

Data are presented on money remittances that consumers received from senders outside the RC.

In the RC, consumers may receive a money remittance from all countries in the world, i.e. in all currencies, provided that the payment currency is always the kuna.

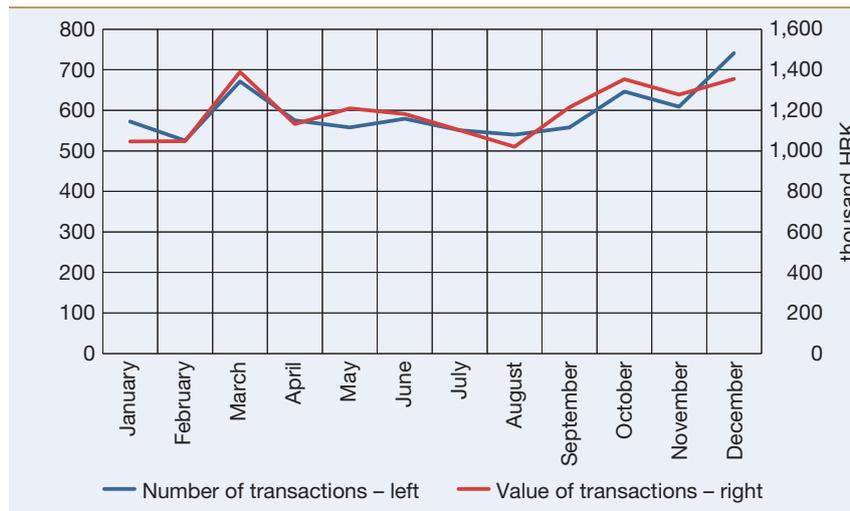
### 6.2.1 Received international money remittances in kuna

In 2018, consumers received in all 7,125 money remittances from abroad, worth a total of HRK 14.33 million. The average value of a money remittance came to HRK 2,011.

The number of received cross-border/international money remittances in kuna fell by 7% from 2017, while their value dropped by 23%. The average value of a money remittance was 17% lower in 2018 than in the year before.

If the above data are observed at a monthly level, no very large oscillations in the number and value of transactions are observed, as shown in Figure 38. At a monthly level, on average 594 money remittances were received, with an average monthly value of HRK 1.19 million.

**Figure 38** Received international money remittances in kuna



Note: Including received international money remittances of consumers in kuna.  
Source: CNB.

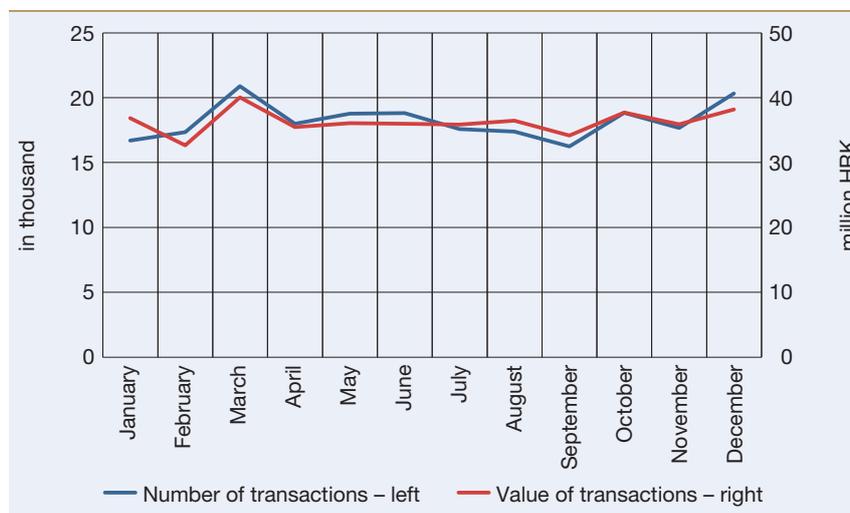
Received money remittances mostly refer to foreign pensions, grants and gifts of relatives and friends from abroad.

### 6.2.2 Received international money remittances in other currencies

In 2018, consumers received in all 218,629 money remittances in other currencies (other than the kuna) from abroad, which, converted into kuna, amounted to HRK 435.53 million. The average value of a received money remittance in other currencies was HRK 1,992.

From 2017, the number of received international money remittances in other currencies decreased by 7.4%, while their value fell by 8.1%.

**Figure 39** Received international money remittances in other currencies



Note: Including received international money remittances of consumers in other currencies (other than the kuna) converted into kuna.  
Source: CNB.

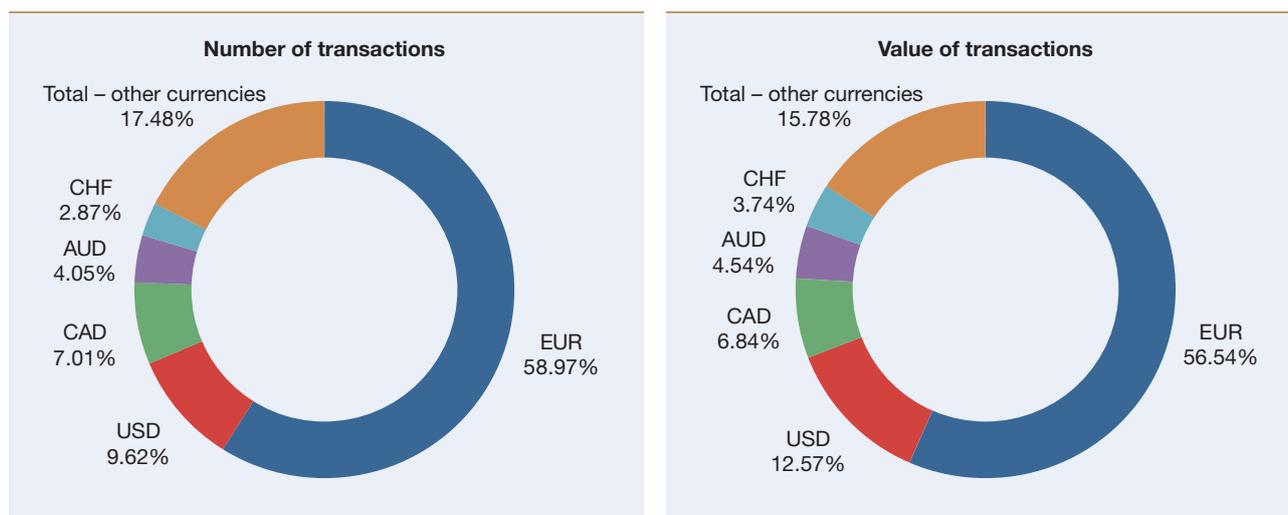
The average value of a received money remittance in other currencies remained at almost the same level.

According to data at a monthly level, no very large oscillations in the number and value of transactions are observed for other currencies, as shown in Figure 39. On average, 18,219 money remittances in other currencies were received monthly, which, converted into kuna, had the average monthly value of HRK 36.29 million.

### 6.2.3 Received international money remittances in the five most represented currencies

From an analysis of received international money remittances by currency it can be concluded that the largest number and value of received money remittances in the RC from abroad were initiated/made in the euro, followed by the US dollar, Canadian dollar, Australian dollar and Swiss franc.

**Figure 40** Shares of the five most represented currencies in received money remittances



Note: Shares of the five most represented currencies in received money remittances.  
Source: CNB.

If the share of the five most represented currencies is analysed relative to all other currencies in all, it can be observed that they account for 85.52% of the number and 84.22% of the value of received international money remittances.

The euro is the most represented currency, accounting for 58.97% of the number and 56.54% of the total value of received international money remittances.

A comparison of these data with the data, i.e. percentages, for the previous year, leads to the conclusion that they remained at the same level.

---

## 7 Direct debits

‘Direct debit’ means a payment service for debiting a payer’s payment account, where a payment transaction is initiated by a payee on the basis of the payer’s consent given to the payer’s own payment service provider, to the payee, or to the payee’s payment service provider.

In the RC, 22 credit institutions provided the direct debit service in 2018.

The number of direct debit consents is shown as the total number of active direct debit consents on the last day of the reporting period, i.e. of the month.

This publication presents direct debit consents and direct debit payment transactions given and executed to credit the payment account of another user of the service, most frequently a utility company (e.g. electricity, water, gas and other bills), as well as to credit the credit institution itself (e.g. the collection of charges on a card with a delayed debit function when the payment card issuer is at the same time the payment service provider that holds the payer’s account).

Consents are counted according to the number of payees (creditors) per payer, irrespective of the number of a payer’s payment accounts that are debited and irrespective of whether the consent for the execution of direct debits to credit several payees (creditors) is given by a single contract. In cases in which a payer gives consent to the same payee by a new or the same contract, it is counted as two consents (e.g. consents given for direct debits for monthly charges for a fixed telephone in a usual residence and in a holiday home).

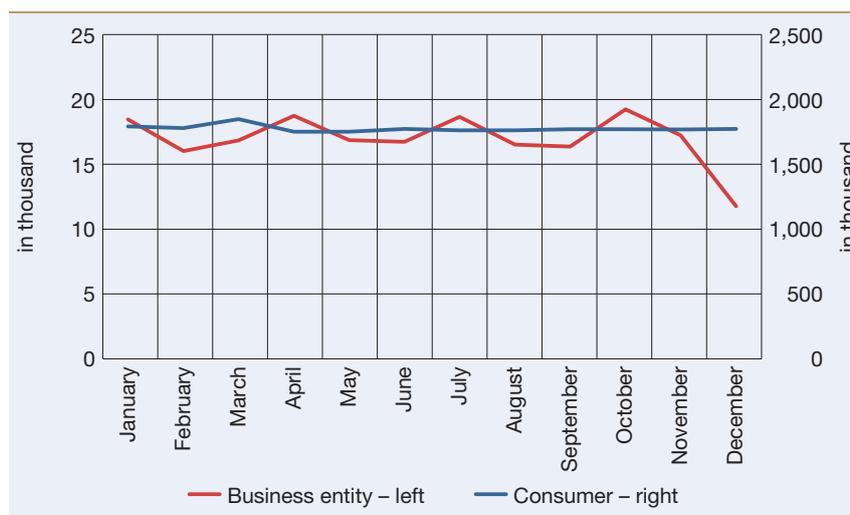
Consents are distinguished according to type of the payee and are broken down into consents given to credit the service user (e.g. utility company for the supply of electricity, water, gas, etc.) and consents to credit a credit institution (e.g. collection of charges on a card with a delayed debit function when the payment card issuer is the credit institution that manages the payer’s payment account).

## 7.1 Number of accounts and users of the direct debit service and given consents

Figure 41 shows that, with respect to the payer, the direct debit service is used by consumers to a much larger extent than by business entities.<sup>5</sup>

An analysis of the number of consents for direct debits showed that the average monthly number was 1,775,373 for consumers and 16,954 for business entities.

**Figure 41** Number of direct debit consents



Note: Shown is the number of direct debit consents.  
Source: CNB.

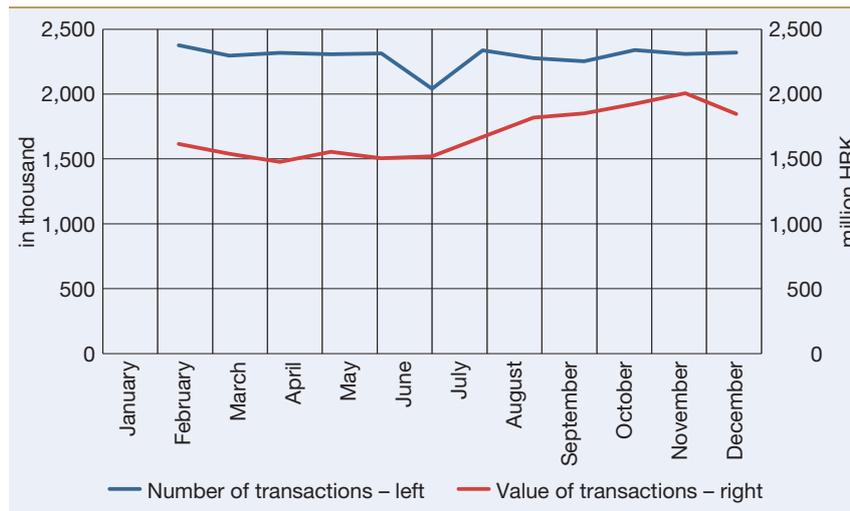
With regard to the number of direct debit service users that have given consent for the execution of direct debits, as well as the number of accounts for which this service is contracted, the ratio was also tipped towards consumers. On 31 December 2018, 940,869 consumers were recorded as being users of direct debit services, contracted to debit 950,192 accounts. On the other hand, on the same day, only 2,012 business entities were the users of direct debit services.

## 7.2 Number and value of direct debit transactions

Figure 42 shows debits from the payment accounts of consumers and business entities based on direct debit orders received by payees operating in the RC.

<sup>5</sup> Not including data submitted by electronic money institutions that at the same time carry out the activity of telecommunications services.

**Figure 42** Total number and value of direct debit transactions



Note: Total number and value of direct debit transactions from the payment accounts of consumers and business entities.

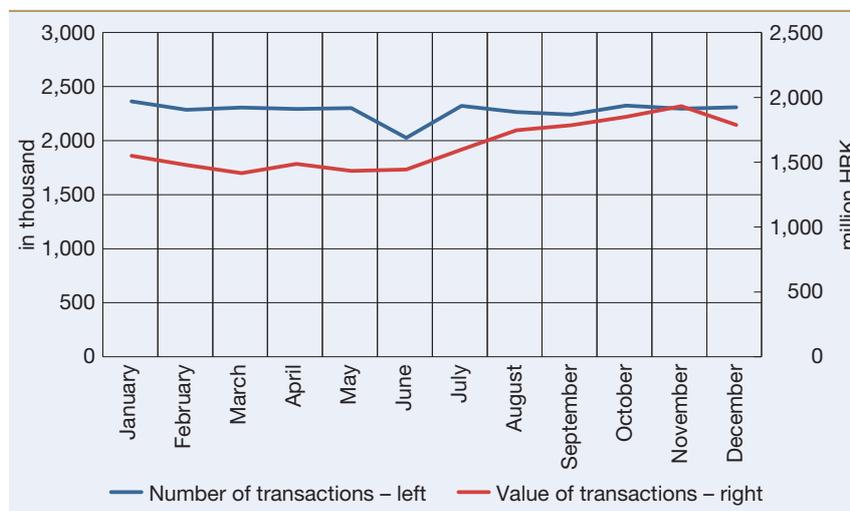
Source: CNB.

In 2018, in total, 27.49 million direct debit transactions from the payment accounts, worth a total of HRK 20,329.36 million, were executed in the RC. The average value of a direct debit was HRK 740.

The above data on the number and value of direct debit transactions (Figures 43 and 44) also show that consumers use the direct debit service to a much larger extent, which is correlated with the data on the number of granted consents.

In 2018, 27.32 million direct debits were made from the payment accounts of consumers and 162,235 million were made from the payment accounts of business entities in the RC. The total value of

**Figure 43** Number and value of direct debit transactions of consumers

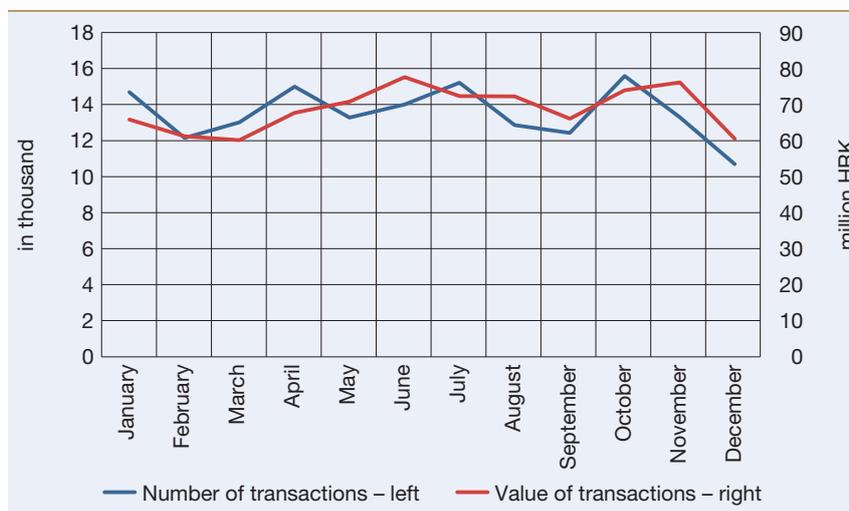


Note: Number and value of direct debit transactions from the payment accounts of consumers.

Source: CNB.

direct debits made from the payment accounts of consumers was HRK 19,504.68 million and from the payment accounts of business entities HRK 824.68 million.

**Figure 44** Number and value of direct debit transactions of business entities



Note: Number and value of direct debit transactions from the payment accounts of business entities.

Source: CNB.

### 7.3 Average number and value of direct debit transactions

If the data are observed at a monthly level, it is noted that they are of the same order of magnitude, without any large oscillations from month to month, since the contracted service of debiting the account is concerned, most frequently for various overhead costs that are of the same or similar value each month.

An analysis of the trend in the average number and value of direct debit transactions established that each month on average 2.28 million direct debit transactions from the payment accounts of consumers and 13,520 direct debit transactions from the payment accounts of business entities were executed in 2018. The average monthly value of transactions of direct debit from the payment accounts of consumers was HRK 1,625.39 million, while for business entities it was considerably lower, i.e. HRK 68.72 million.

---

## 7.4 Average number and value of direct debits by user and account

If the average number and value of transactions per account for which direct debit service is contracted, i.e. per user is analysed, the amounts are much larger for business entities than for consumers. In accordance with the above, in 2018, the average monthly number of transactions per account and user for consumers was 2.4 transactions, with an average monthly value of HRK 1,728 per user. On the other hand, in 2018, business entities had on average 6.7 direct debits per user recorded each month, on average worth HRK 34,157 monthly.

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## 8 Accounts

This chapter provides a detailed analysis of the number of payment accounts of consumers and business entities opened with credit institutions and presents the number of payment accounts and the number of users by payment instrument, i.e. according to the agreed methods of payment of users at a credit institution.

‘Payment account’ means an account held by a payment service provider in the name of one or more payment service users which is used for the execution of payment transactions, including a transaction account and another payment account.

---

### 8.1 Transaction account and another payment account

‘A transaction account’ means a current account or a giro account regulated by the Payment System Act, and it can be a single-currency or a multi-currency account.

‘Another payment account’ means any account operated by a payment service provider in the name of one or more users of payment services used for the execution of payment transactions that cannot however be categorised as a transaction account.

‘Another payment account’ means all payment accounts that are not transaction accounts but from which a payment transaction may be freely executed.

Payment accounts under ‘Another payment account’ are not distinguished according to the status on whether they have or do not have an authorised overdraft. Therefore, only data on the total number of accounts opened as ‘Another payment account’ and the number of blocked accounts on the last day in the month are shown in this publication.

On 31 December 2018, a total of 8,339,295 payment accounts of consumers and 412,184 payment accounts of business entities were recorded. On 31 December 2018, a total of 7,770,743 transaction accounts of consumers and 410,472 transaction accounts of business entities were recorded. Of the total number of payment accounts, 93.5% are transaction accounts, while accounts entitled ‘Another payment account’ have a share of 6.5%.

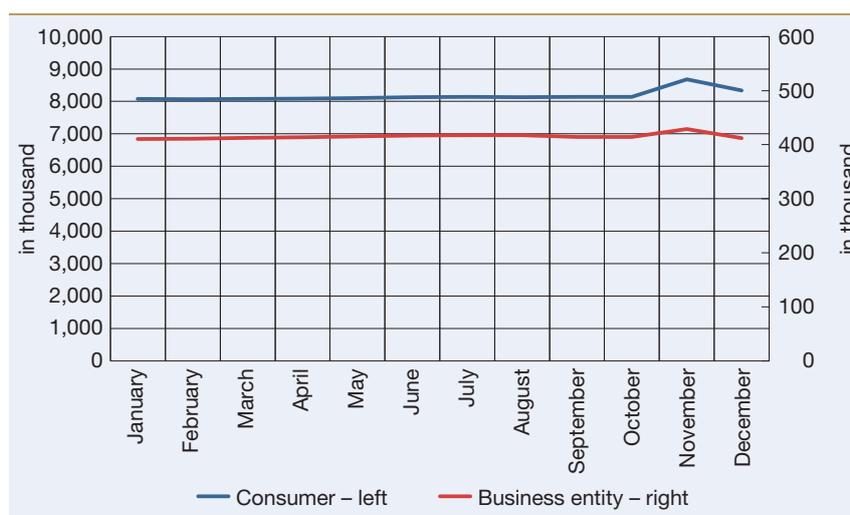
**Table 5** Number of accounts of consumers and business entities on 31 December 2018

Type of account	Consumer	Business entity
Transaction account	7,770,743	410,472
Another payment account	568,552	1,712
<b>Total</b>	<b>8,339,295</b>	<b>412,184</b>

Note: Including blocked accounts on 31 December 2018 and excluding accounts of credit institutions and the Financial Agency.  
Source: CNB.

The trend in the total number of accounts of consumers and business entities by month is shown in Figure 45.

**Figure 45** Total number of payment accounts of consumers and business entities

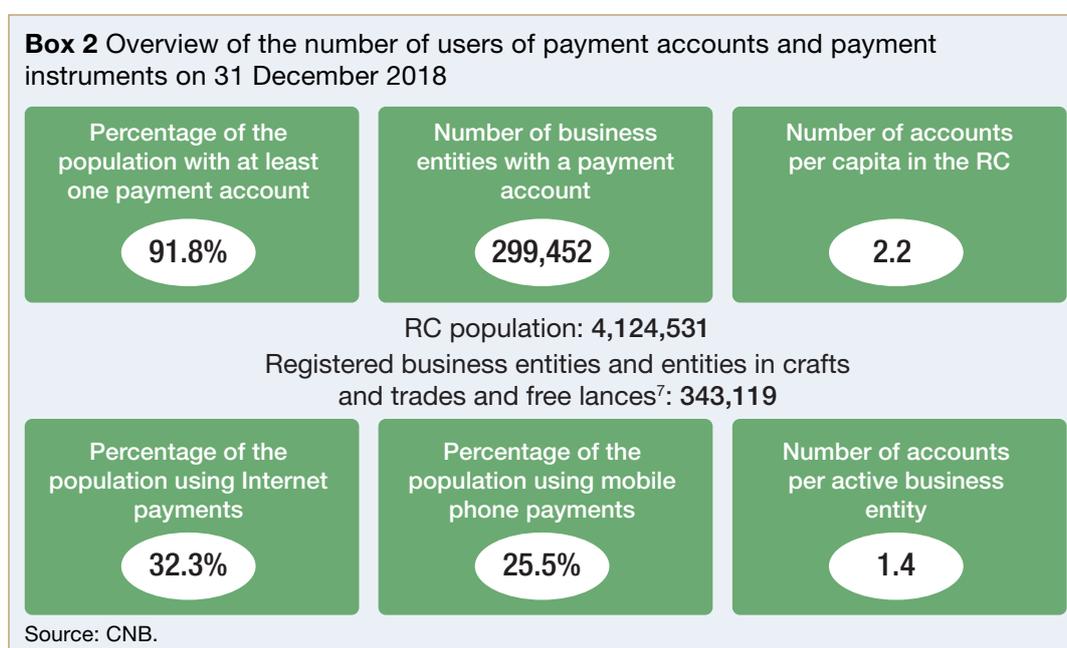


Note: Shown is total number of payment accounts of consumers and business entities (excluding accounts of credit institutions and the Financial Agency).  
Source: CNB.

An analysis of how many inhabitants of the total of 4,124,531<sup>6</sup> have payment accounts opened with credit institutions shows that on 31 December 2018 in all 3,786,060 inhabitants of the RC (consumers) had accounts opened with credit institutions.

On 31 December 2018, 299,452 business entities of the total of 343,119 business entities operating in the RC had accounts opened with credit institutions.

When the above data are compared with the total number of the recorded payment accounts of consumers and business entities on 31 December 2018 (Table 5), it can be concluded that each inhabitant of the RC (consumer) has on average two, or actually 2.2 accounts and that each business entity in the RC on average has 1.4 payment accounts.



An analysis of the percentage of the population using mobile phone payments points to a steady upward trend; this percentage was 28.48% higher in 2018 than in 2017. The percentage of the total population in the RC using Internet banking grew, by 7.41%, from 2017.

6 Croatian Bureau of Statistics: First Release “Population Estimate of Republic of Croatia, 2018”, 7 February 2019.

7 Croatian Bureau of Statistics: First Release “Population Estimate of Republic of Croatia, 2018”, 7 February 2019.

## 8.2 Number of users by payment instrument (service)

Table 6 shows the total number of users, consumers and business entities, according to payment instruments (services) (hereinafter referred to as 'payment instrument'), i.e. according to the contracted methods of payment of users to debit the accounts opened with a credit institution.

A user of each individual payment instrument, i.e. payment method, shown in Table 6 is counted only once, or if the user uses the same service (payment method) in two or more credit institutions, it is shown as one user.

**Table 6** Number of users by payment instrument

Description of payment methods	Consumer	Business entity	Total
Internet	1.333.354	186.982	1.520.336
Mobile phone	1.052.825	51.272	1.104.097
Telebanking	0	224	224
E-bill	55.103	92	55.195
Direct debit	940.869	2.012	942.881
Standing order	1.288.231	35.092	1.323.323

Note: As at 31 December 2018.  
Source: CNB.

Since 2017, there has been an increase of 7.14% in the number of consumer users of Internet banking and an increase of 2.03% by business entities in 2018.

The number of users of a mobile phone as a method of payment grew by 28.48% among consumers and by 37.62% among business entities from 2017 to 2018.

The 'Number of users' refers to data on the total number of payment service users (consumers and business entities [non-consumers]) that have contracted the following methods of payment (payment instruments) with a credit institution to debit their payment account:

- **Internet** – records the total number of payment service users that have contracted the use of Internet (electronic) banking with a credit institution, irrespective of the number of tokens the credit institution has issued to them.
- **Mobile phone** – records the total number of payment service users that have contracted the use of an application installed on a mobile phone with the credit institution.
- **Telebanking** – records the total number of payment service users that have contracted the use of telebanking with a credit institution.
- **E-bill** – records the total number of payment service users (payers) that have contracted the use of e-bills with a credit institution.

- **Direct debit** – records the total number of payment service users (payers) that have given consent for the direct debiting of their payment account(s) operated by a credit institution.
- **Standing order** – records the total number of payment service users (payers) that have entered into a standing order contract with a credit institution.

An analysis of data from Table 6 leads to the conclusion that consumers use the most the services of Internet banking (35.2%) and standing order (34.03%), followed by mobile phone (m-banking) (27.8%) and direct debit (24.9%), while the e-bill service (1.46%) still accounts for a smaller share than the other methods of payment.

In business entities, as expected, Internet banking is the most represented (62.4%), followed by the mobile phone (17.1%) and the standing order (11.7%), while the e-bill service (0.03%) is still used very rarely.

**Table 7** Payment instruments linked to the payment account on 31 December 2018

Number of payment instruments	Consumer	Business entity
1	1,502,393	97,646
2	832,595	140,794
3	747,659	50,216
4 and more	703,413	10,796

Note: Shown is the number of payment instruments used by the credit institutions' clients.  
Source: CNB.

The number of consumers and business entities that have opened only a payment account with a credit institution is presented under a payment instrument.

Table 7 shows that in all 1,502,393 consumers and 97,646 business entities have a payment account opened with a credit institution, but do not use any other payment instrument.

The largest number of consumers, 832,595 of them or 22% of the total number of payment account holders (3,786,060), use another payment instrument in addition to the payment account. The number of business entities that use another payment instrument in addition to the payment account comes to 140,794, or 47.02% of the total number of payment account holders (299,452).

If the number of used payment instruments shown in Table 7 is analysed according to the structure, i.e. the type of payment instruments that clients use the most, it can be seen that consumers that in addition

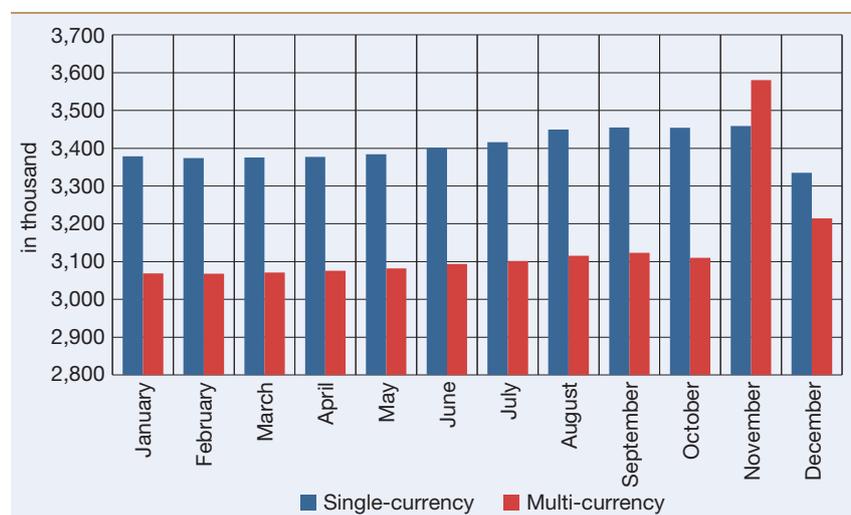
to a payment account use only one other payment instrument most frequently use standing orders, i.e. in all 282,587 or 33.9% of them, followed by Internet banking, i.e. in all 217,334 or 26.1% of them. Business entities that in addition to the payment account use only one other payment instrument most frequently use Internet banking, in all 126,964 or 90.2% of them.

### 8.3 Single-currency and multi-currency accounts

Payment accounts operated by credit institutions can be single-currency and multi-currency accounts. Single-currency accounts are payment accounts in which credit institutions, in accordance with the framework contract, maintain users' funds in a single currency, while in multi-currency accounts they maintain funds in several different currencies.

The share of single-currency accounts in the total number of consumer transaction accounts stands at 52% and the trend in the total number of single-currency and multi-currency consumer accounts by month is shown in Figure 46.

**Figure 46** Number of single-currency and multi-currency accounts of consumers opened with credit institutions

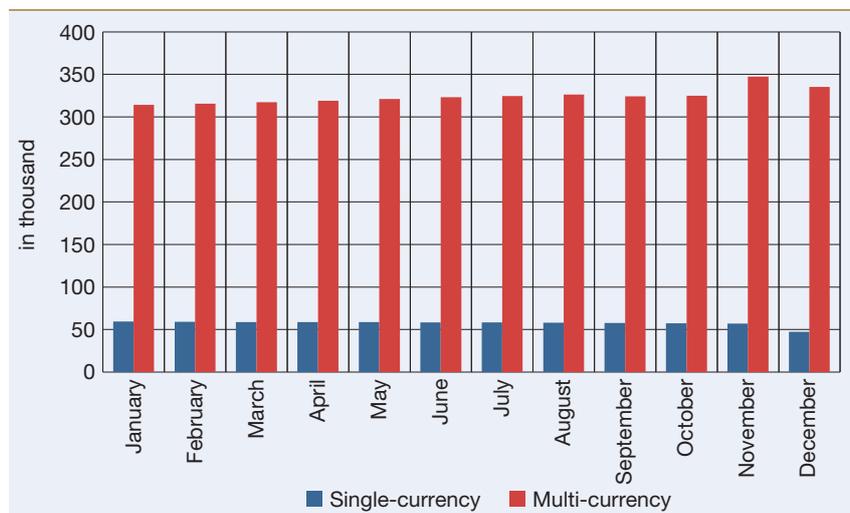


Note: Not including blocked accounts and another payment accounts.  
Source: CNB.

While among consumers the shares of single-currency and multi-currency accounts are rather similar, in business entities the ratio is completely different and the share of multi-currency accounts in the total number of accounts is much larger, on average 87.6%, than that of single-currency accounts, the share of which is only 12.4%.

The movement of the number of single-currency and multi-currency accounts of business entities by month is given in Figure 47.

**Figure 47** Number of single-currency and multi-currency accounts of business entities



Note: Not including blocked accounts and another payment accounts.  
Source: CNB.

## 8.4 Transaction accounts by status

Transaction accounts can, according to their status, have an authorised overdraft or no authorised overdraft or be blocked.

Accounts without an authorised overdraft are transaction accounts opened with a credit institution that can be debited for the execution of payment transactions only up to the amount of funds in these accounts.

Accounts blocked on the last day of the reporting period or month are not included in the presentation of data on transaction accounts without an authorised overdraft.

Accounts with an authorised overdraft are transaction accounts opened with a credit institution that can be debited for the execution of payment transactions in excess of the amount of funds in these accounts, or up to the amount of an agreed limit.

Accounts blocked on the last day of the reporting period or month are not included in the data on transaction accounts with an authorised overdraft. Also, the amounts of limits authorised for repayment in instalments on the transaction account (repayment in instalments for the debit payment card) are not included.

Blocked payment accounts are transaction accounts and ‘Another payment accounts’ opened with credit institutions, on which the disposal of all funds is temporarily disabled on the last day of the reporting period or month.

The disposal of funds may be temporarily disabled because of:

- the execution of orders for forced collection of funds in accordance with the law governing the execution of cash assets;
- arrears in accordance with conditions from the framework or another contract of the payment service user with the payment service provider;
- suspicion of unauthorised use;
- the implementation of other regulations, by which the disposal of funds on accounts is temporarily disabled; and
- other reasons.

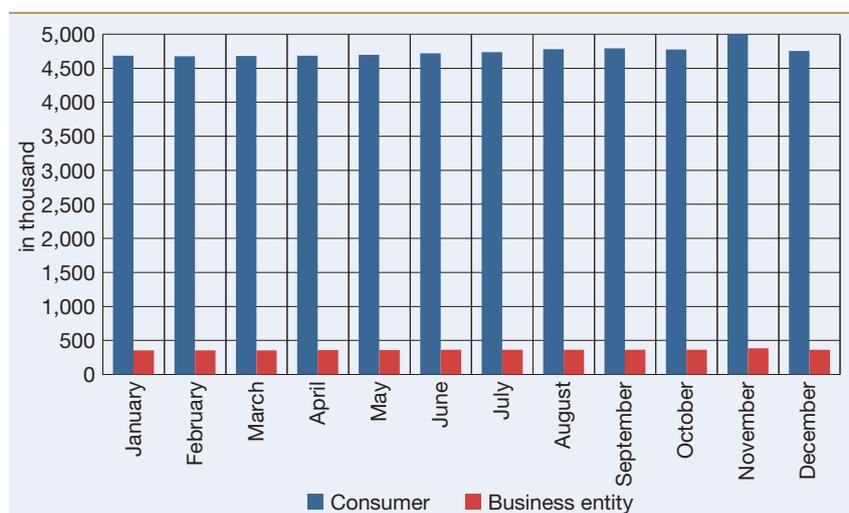
Blocked accounts are not shown according to the statuses with no authorised overdraft and with an authorised overdraft.

Below is an overview of the number of accounts by account status, and there are also data on total authorised overdrafts and the amount of the used overdraft.

### 8.4.1 Transaction accounts without an authorised overdraft

On 31 December 2018, a total of 4,752,979 transaction accounts of consumers and 362,379 transaction accounts of business entities that did not have an authorised overdraft were open.

**Figure 48** Number of transaction accounts of consumers and business entities without an authorised overdraft



Note: Not including blocked accounts.  
Source: CNB.

Figure 48 shows that the number of transaction accounts without an authorised overdraft was constant during the observed period and that there were no oscillations either among consumers or among business entities.

If the number of transaction accounts without an authorised overdraft is analysed, depending on whether it is a single-currency or a multi-currency account, it can be seen that there are more multi-currency than single-currency accounts, in particular in business entities. Multi-currency accounts account for 85% of the transaction accounts of business entities, while consumers have 55% multi-currency as against 45% single-currency accounts.

#### **8.4.2 Transaction accounts with an authorised overdraft**

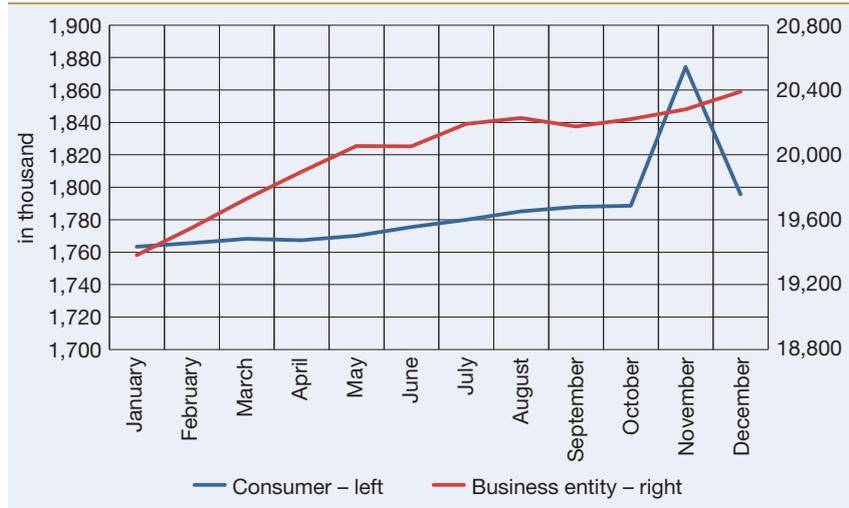
The number of transaction accounts with authorised overdrafts is much smaller than the number of transaction accounts without authorised overdrafts, and 1,795,692 accounts of consumers and 20,389 accounts of business entities were recorded on 31 December 2018.

An analysis of the number of transaction accounts that have authorised overdrafts, depending on whether they are single-currency or multi-currency accounts, leads to the conclusion that the ratio is significantly different than in accounts without authorised overdrafts, in particular in consumers. Single-currency accounts account for 71.4% of consumer accounts, while multi-currency accounts account for 28.6% of all accounts with authorised overdrafts. In business entities, the shares are completely different, and there are 9.2% of single-currency accounts as against 89.8% of multi-currency accounts that have authorised overdrafts.

Figure 49 presents the number of transaction accounts of consumers and business entities with authorised overdrafts by month for 2018.

Of the total of 1,795,692 transaction accounts of consumers that on 31 December 2018 had authorised overdraft facilities, 52% of them, or 930,098 accounts were actually overdrawn. Among business entities the percentage of transaction accounts with authorised overdrafts that were actually overdrawn on 31 December 2018 stood at 58%, or in all 11,896 accounts were overdrawn of the total recorded 20,389, which had overdraft facilities.

**Figure 49** Number of transaction accounts of consumers and business entities with authorised overdrafts



Note: Not including blocked accounts.  
Source: CNB.

### 8.4.3 Blocked payment accounts

On 31 December 2018, a total of 1,311,393 payment accounts of consumers and 28,287 payment accounts of business entities were blocked, i.e. the disposal of funds was disabled.

**Table 8** Number of blocked payment accounts  
on 31 December 2018

Type of account	Consumer	Business entity
Transaction account	1,222,072	27,704
Another payment account	89,321	583
<b>Total</b>	<b>1,311,393</b>	<b>28,287</b>

Source: CNB.

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## 9 Glossary

**‘Bill-paying service’** means a payment service in which a credit institution, on the basis of a contract with the payee, collects funds from the payer, and makes the collected amount available to the payee within time cycles determined by a contract (e.g. electricity, water, gas and other bills).

**‘Consumer’** means a natural person who, in payment service contracts covered by the Payment System Act (Official Gazette 66/2018), is acting for purposes other than his/her trade, business or profession, or a natural person who concludes a contract for the issue of electronic money in accordance with the Electronic Money Act (Official Gazette 64/2018) for purposes other than his/her trade, business or profession.

**‘Credit transfer’** means a payment service for crediting a payee’s payment account with a payment transaction or a series of payment transactions from a payer’s payment account by the payment service provider which holds the payer’s payment account, based on an instruction given by the payer.

**‘Cross-border payment transaction’** means a payment transaction the execution of which involves two payment service providers of which one payment service provider operates in the RC, and the other in another Member State.

**‘Direct debit’** means a payment service for debiting a payer’s payment account, where a payment transaction is initiated by a payee on the basis of the payer’s consent given to the payer’s own payment service provider, to the payee, or to the payee’s payment service provider.

**‘International payment transaction’** means a payment transaction the execution of which involves two payment service providers of which one payment service provider operates in the RC, and the other in a third country.

**‘Money remittance’** means a payment service where funds are received from a payer, without any payment accounts being created in the name of the payer or the payee, for the sole purpose of transferring a corresponding amount to a payee or to another payment service provider acting on behalf of the payee, and/or where such funds are received on behalf of and made available to the payee.

**‘National payment transaction’** means a payment transaction the execution of which involves a payer’s payment service provider and a payee’s payment service provider, or only one payment service provider, which operate in the RC.

**‘Non-consumer’** means a legal or natural person other than the consumer (business entity).

**‘Payment account’** means any account held by a payment service provider in the name of one or more payment service users, which is used for the execution of payment transactions.

**‘Payment service user’** means a natural or legal person making use of a payment service in the capacity of a payer or a payee or in both capacities at the same time.

**‘Payment transaction’** means the placing, withdrawing or transferring of funds initiated by or on behalf and for the account of the payer or by the payee, regardless of any underlying obligations between the payer and the payee.

**‘Standing order’** means an instruction issued by the payer to the provider of payment services, which holds the payer’s payment account, for the execution of credit transfers at regular intervals or on dates set in advance (e.g. payment of the TV fee, the instalment of an annuity...).

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