



Payment Transactions and Accounts

Payment Statistics

2015

Year I · December 2016



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 Europskom gospodarskom prostoru,

2) »matična država članica« jest država članica u kojoj se nalazi registrirano sjedište pružatelja platnih usluga te na registrirano sjedište pružatelja platnih usluga primjenjuje nacionalno pravo država članica u kojoj se nalazi matična država članica.



Contents

Introduction	4
1 Legal framework	4
2 Methodology	7
3 Payment transactions in the Republic of Croatia	8
4 Credit transfers	11
Sent national and cross-border/international credit transfers in all currencies (other than the kuna), converted into kuna	12
4.1 National credit transfers	14
Sent national credit transfers in kuna	14
Sent national credit transfers in all currencies (other than the kuna), converted into kuna	16
National credit transfers according to the method of initiation	18
National credit transfers executed by paper-based orders	20
National credit transfers executed electronically	21
4.1.1 Standing orders	22
4.2 Cross-border/international credit transfers	25
4.2.1 Sent cross-border/international credit transfers	26
4.2.2 Received cross-border/international credit transfers	29
5 Bill-paying services	32
6 Money remittances	33
6.1 Sent money remittances	33
6.1.1 Sent national money remittances	33
6.1.2 Sent cross-border/international money remittances	34
6.2 Received money remittances	35
6.2.1 Received cross-border/international money remittances in kuna	35
6.2.2 Received cross-border/international money remittances in other currencies	35
6.2.3 Received cross-border/international money remittances in the five most represented currencies	36
7 Direct debits	37
7.1 Number of accounts and users of the direct debit service and given consents	38
7.2 Number and value of direct debit transactions	39

7.3 Average number and value of direct debit transactions.....	40
7.4 Average number and value of direct debits per user and account.....	41
8 Accounts.....	42
8.1 Transaction account.....	42
8.2 Another payment account.....	42
8.3 Number of users by payment instrument (service).....	44
8.4 Single-currency and multi-currency accounts.....	46
8.5 Transaction accounts by status.....	48
8.5.1 Accounts without an authorised overdraft.....	49
8.5.2 Accounts with an authorised overdraft.....	49
8.5.3 Blocked accounts.....	50
Glossary.....	51
Appendix.....	53
List of tables.....	53
List of boxes.....	53
List of figures.....	53

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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 the payer to the 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 and transparent 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.

1 Legal framework

The Payment System Act (Official Gazette 133/2009 and 136/2012; hereinafter referred to as 'PSA'), into which the provisions of the Payment Services Directive 2007/64/EC¹ (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.

¹ Directive 2007/64/EC of the European Parliament and of the Council of 13 November 2007 on payment services in the internal market.

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.

Based on the PSA the Decision on the manner of opening transaction accounts was adopted (Official Gazette 3/2011, 35/2011, 50/2011, 89/2011, 101/2011, 135/2011, 56/2012, 18/2013, 23/2013, 10/2014 and 150/2014), which 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 they are regulated in the EU. Thus the services of credit transfers (including the standing order service), money remittances (including the bill-paying service) and direct debits are among the payment services defined by Article 3, items (3), (4), (6) and (7) of the PSA.

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

The Decision was adopted pursuant to two acts:

- the Payment System Act (Official Gazette 133/2009 and 136/2012); and
- the Electronic Money Act (Official Gazette 139/2010; hereinafter referred to as 'EMA').

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 registered offices in the RC;
2. electronic money institutions with registered offices in the RC;
3. payment institutions with registered offices in the RC;
4. branches of third-country credit institutions (or branches of banks) with registered offices in the RC;
5. branches of third-country electronic money institutions with registered offices in the RC;

6. branches of credit institutions from other member states with registered offices in the RC;
7. branches of electronic money institutions from other member states with registered offices in the RC;
8. branches of payment institutions from other member states with registered offices in the RC;
9. agents of payment service providers from other member states with registered 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 2015 through statistical data collected in four reports: Credit transfer, Money remittance, Direct debit and Accounts.

2 Methodology

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

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.

The publication presents complete aggregated statistical data in the RC for 2015 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;
- 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, 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.

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

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

3 Payment transactions in the Republic of Croatia

Table 1 shows payment transactions in the RC in 2015. Data refer to the payment transactions of consumers, business entities (non-consumers) and credit institutions executed in all currencies, converted into kuna.

Table 1 Payment transactions in the RC

Executed payment transactions	Number of transactions	%	Value of transactions	%
A) National payment transactions				
1 Sent credit transfers	265,259,989	79.95%	1,751,821,854,937	95.70%
2 Standing orders	19,019,926	5.73%	57,299,859,395	3.13%
3 Bill-paying service	26,401,117	7.96%	5,917,574,758	0.32%
4 Direct debits	20,978,975	6.32%	15,391,632,855	0.84%
5 Sent money remittances	122,523	0.04%	178,753,074	0.01%
Total national payment transactions (1 – 5)	331,782,530	100.00%	1,830,609,675,019	100.00%
B) International payment transactions				
6 Sent credit transfers	2,941,053	37.91%	215,738,592,302	50.20%
7 Received credit transfers	4,536,719	58.48%	213,385,770,122	49.65%
8 Sent money remittances	7,514	0.10%	21,439,247	0.01%
9 Received money remittances	272,739	3.51%	592,236,954	0.14%
Total international payment transactions (6 – 9)	7,758,025	100.00%	429,738,038,625	100.00%
TOTAL (A+B)	339,540,555		2,260,347,713,644	

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

Sent credit transfers include all national credit transfers executed to debit the payment accounts of consumers, business entities (non-consumers) and credit institutions.

Standing orders include all national standing orders executed to debit the payment accounts of consumers and business entities (non-consumers).

Bill-paying service includes all national payment account payment services executed to debit consumers and business entities (non-consumers).

Direct debits include all national direct debits executed to debit the payment accounts of consumers and business entities (non-consumers).

Sent money remittances include all national money remittances executed to debit consumers and business entities (non-consumers).

Sent credit transfers include all international credit transfers executed to debit the payment accounts of consumers, business entities (non-consumers) and credit institutions.

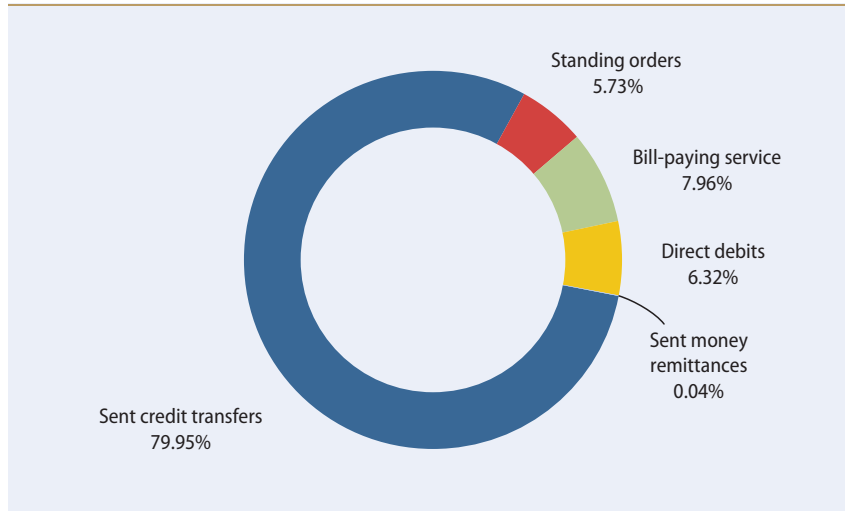
Received credit transfers include all international credit transfers to credit the payment accounts of consumers, business entities (non-consumers) and credit institutions.

Sent money remittances include all international money remittances to debit consumers and business entities (non-consumers).

Received money remittances include all international money remittances to credit consumers and business entities (non-consumers).

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 (79.95%). A smaller part refers to bill-paying service transactions with the share of 7.96%, direct debit transactions with 6.32% and standing order transactions with 5.73%. Money remittance transactions are ranked last with a share of 0.04%.

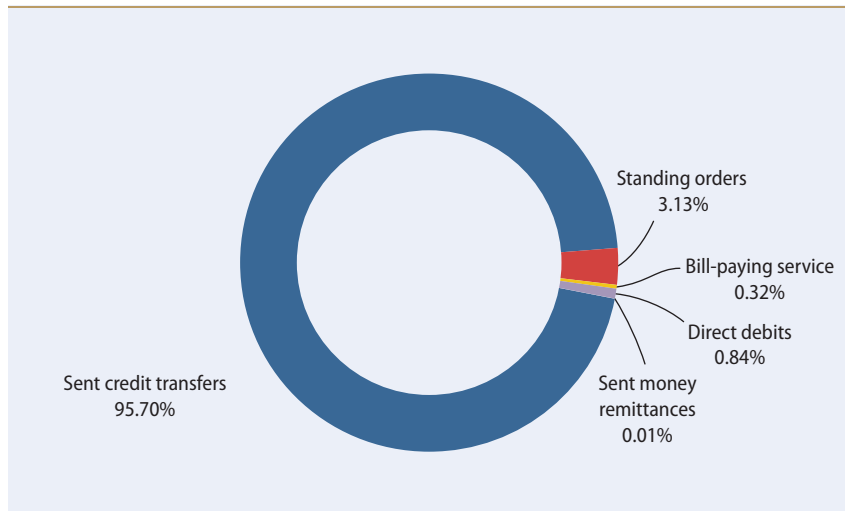
Figure 1 Structure of national payment transactions according to number of executed transactions



Source: CNB.

In the structure of national payment transactions, according to the value of executed transactions, sent credit transfers account for the largest share with 95.70%, while the standing order service (3.13%), direct debit service (0.84%), bill-paying service (0.32%) and sent money remittances (0.01%) account for much smaller shares.

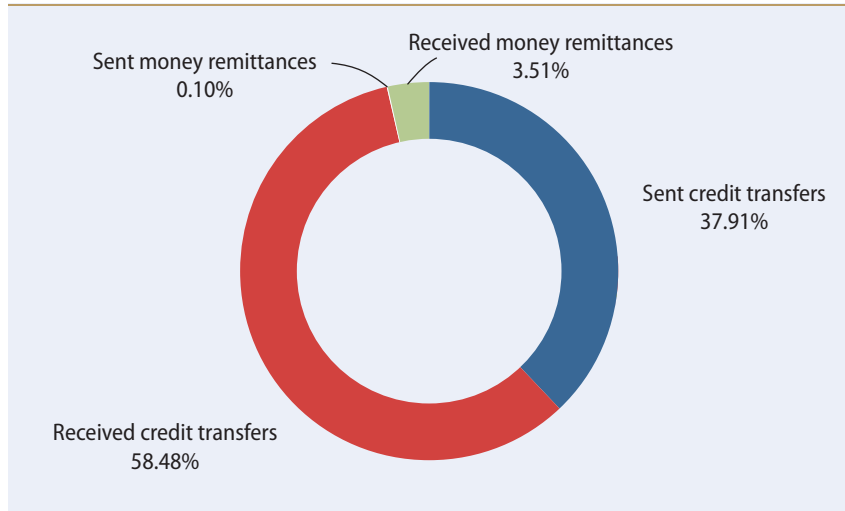
Figure 2 Structure of national payment transactions according to value of executed transactions



Source: CNB.

Transactions of received credit transfers account for 58.48%, while sent credit transfers account for 37.91% of the largest share in the number of international payment transactions. A smaller share refers to received money remittances and sent money remittances accounting for 3.51% and 0.10% respectively.

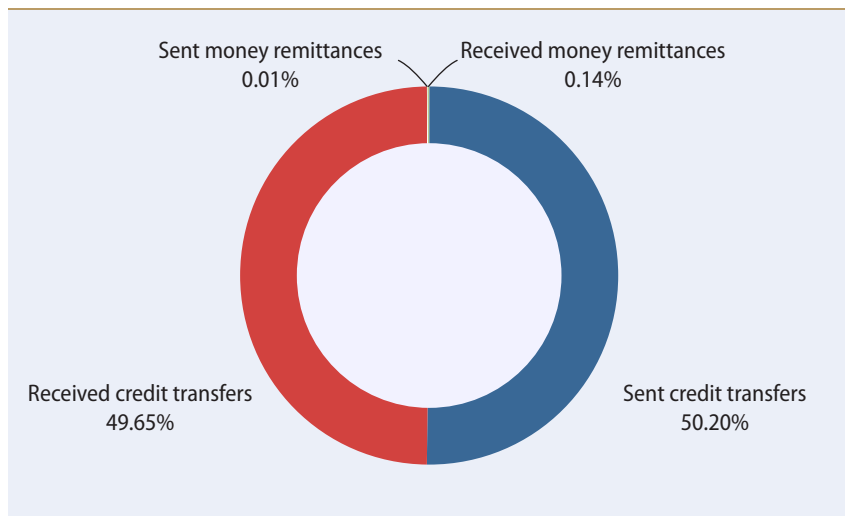
Figure 3 Structure of international payment transactions according to number of executed transactions



Source: CNB.

The structure of the value of international credit transfers shows that sent credit transfers (50.20%) and received credit transfers (49.65%) account for almost identical shares, while the smallest share refers to received money remittances (0.14%) and sent money remittances with a share of 0.01%.

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



Source: CNB.

An analysis of the trend of total payment transactions in 2015 from 2014 leads to the conclusion that the number and value of transactions ranged at almost the same level.

4 Credit transfers

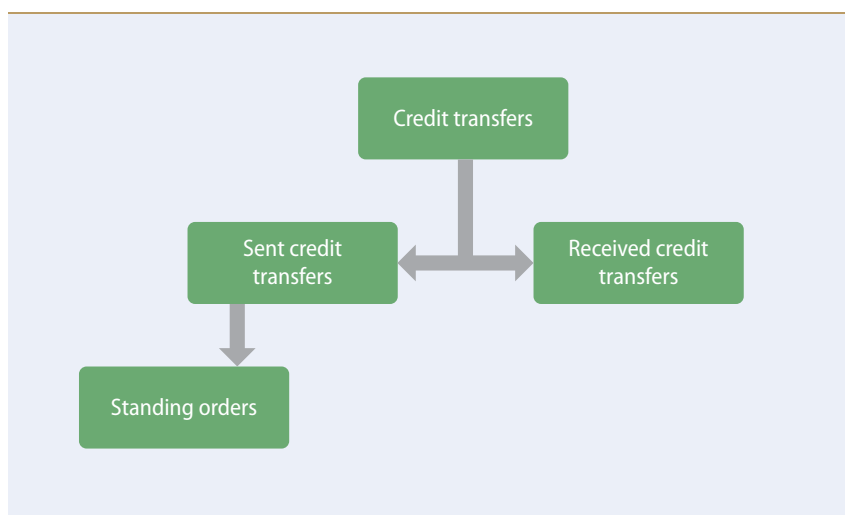
‘Credit transfer’ means a payment service by which the payer’s payment account is debited and the payee’s payment account is credited on the basis of an order initiated by the payer. The transaction itself must not be identified with the term of “credit” in the sense of a loan, rather, it originates 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 [non-consumers]) and to debit the accounts of credit institutions; 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 [non-consumers]) and to credit the accounts of credit institutions.

Figure 5 Structure of credit transfers



Source: CNB.

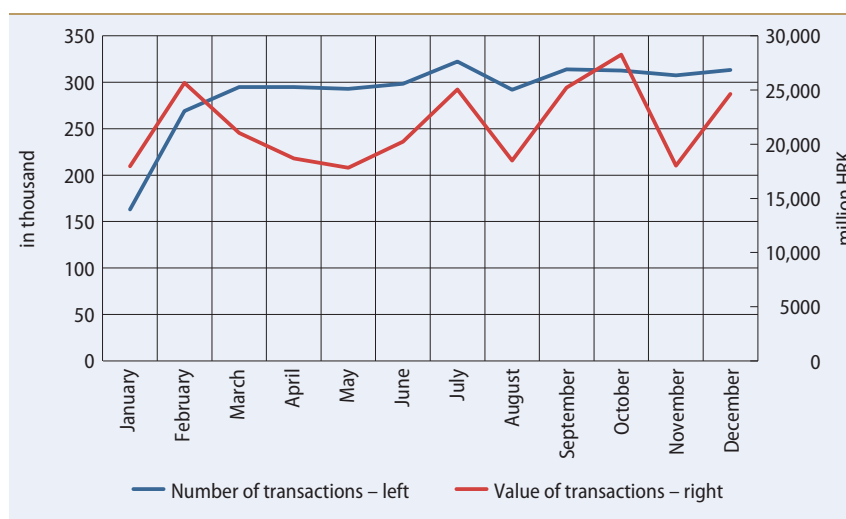
Figure 5 shows the structure of credit transfers that include sent and received credit transfers. Sent credit transfers also include standing orders.

In the RC, 28 credit institutions provide the credit transfer payment service.

Sent national and cross-border/international credit transfers in all currencies (other than the kuna), converted into kuna

In the RC, in all 3.47 million transactions of sent national and cross-border/international credit transfers of consumers and business entities (non-consumers) were executed in all currencies (other than the kuna), converted into kuna, worth HRK 260,964.70 million. At a monthly level, on average 289,458 transactions were executed, with an average monthly value of HRK 21,747.06 million. The average value of a credit transfer stood at HRK 75,130.

Figure 6 Total sent national and cross-border/international credit transfers of consumers and business entities (non-consumers)



Source: CNB.

An analysis of the average number and value of the transactions of sent national and cross-border/international credit transfers (all currencies, converted into kuna) per transaction account of consumers and business entities (non-consumers) showed that in consumers on average two credit transfers were executed at a monthly level per transaction account with an average monthly value of HRK 1,595.

An analysis of the same data for business entities (non-consumers) established that their average monthly number was 30 credit transfers per transaction account with an average monthly value of HRK 390,276.

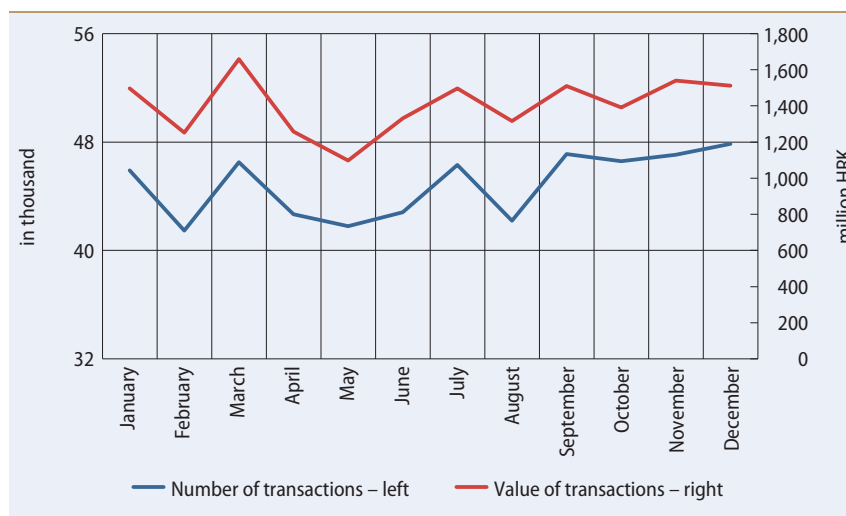
A holder – user (consumer and/or business entity [non-consumer]) may hold or own several payment accounts.

In analysing the movements of sent national and cross-border/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 35 transactions with an average annual value of HRK 28,979.

An analysis of the same data for business entities (non-consumers) established that their average annual number was 443 transactions with an average annual value of HRK 5.03 million.

In the RC, in all, 538,234 transactions of sent national and cross-border/international credit transfers of consumers were executed in all currencies (other than the kuna), and converted into kuna were worth in all HRK 16,858.24 million. On average 44,853 transactions were executed on a monthly basis, with the average value of HRK 1,404.85 million. The average value of a transaction was HRK 31,321 (Figure 7).

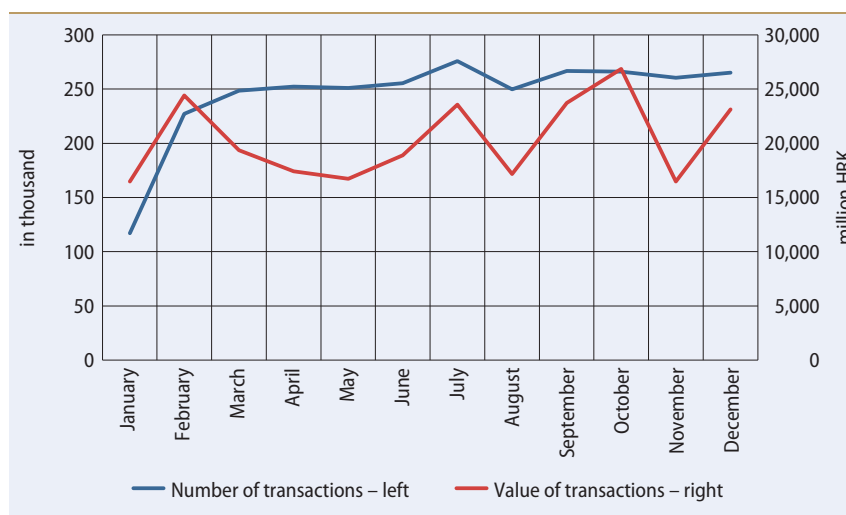
Figure 7 Sent national and cross-border/international credit transfers of consumers



Source: CNB.

An analysis of the movement of the shown number and value of the transactions of sent national and cross-border/international credit transfers of business entities (non-consumers) in all currencies (other than the kuna), converted into kuna, established that their total number was 2.94 million transactions, worth in all HRK 244,106.46 million. The average monthly number of transactions was 244,606, with an average value of HRK 20,342.21 million. The average value of a single transaction was HRK 83,163.

Figure 8 Sent national and cross-border/international credit transfers of business entities (non-consumers)



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 [non-consumers]) and to debit the accounts of banks.

In the RC, 28 credit institutions provide the national credit transfer payment service.

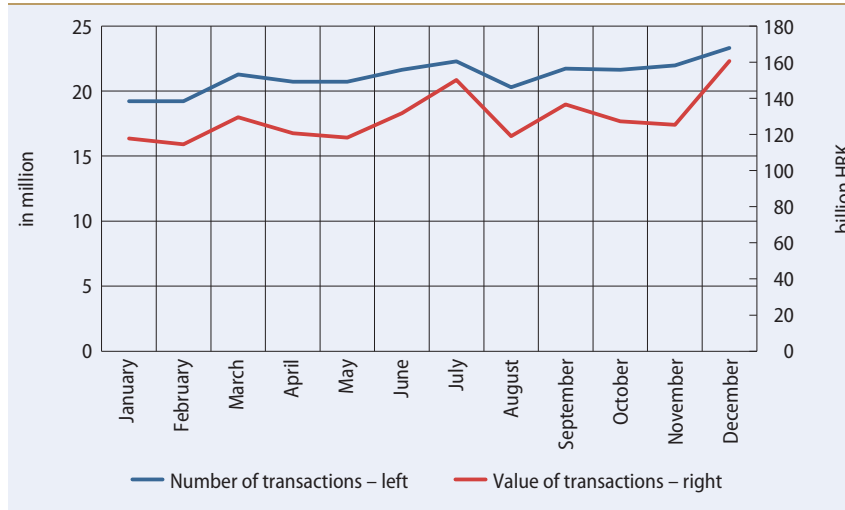
Credit transfers may be initiated by a paper-based order or electronically.

The e-bill service is one of the more recent services in the market, in which the order is received electronically. Data on orders are completed in advance for a user that has agreed on the above service with a credit institution. In order to execute the order, the user authorises it electronically.

Sent national credit transfers in kuna

In the RC, in all 253.98 million transactions of sent national credit transfers of consumers and business entities (non-consumers) were executed in kuna, worth HRK 1,551.32 billion. At a monthly level, on average 21.17 million transactions were executed, with an average monthly value of HRK 129,276.87 million. The average value of a credit transfer stood at HRK 6,108.

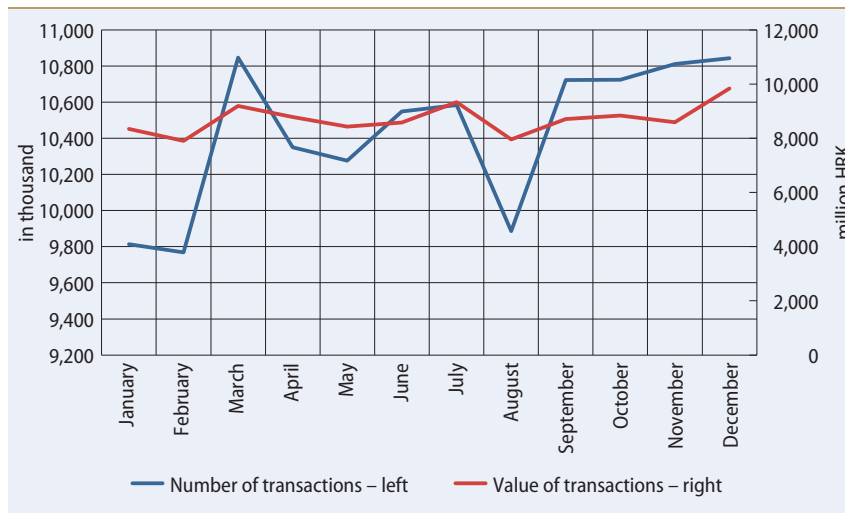
Figure 9 Total sent national credit transfers of consumers and business entities (non-consumers)



Source: CNB.

The total number of sent national credit transfers of consumers in kuna in 2015 was 125.17 million transactions, with a total value of HRK 104,511.26 million. At a monthly level, on average 10.43 million transactions were executed, with an average monthly value of HRK 8,709.27 million. The average value of a transaction was HRK 835.

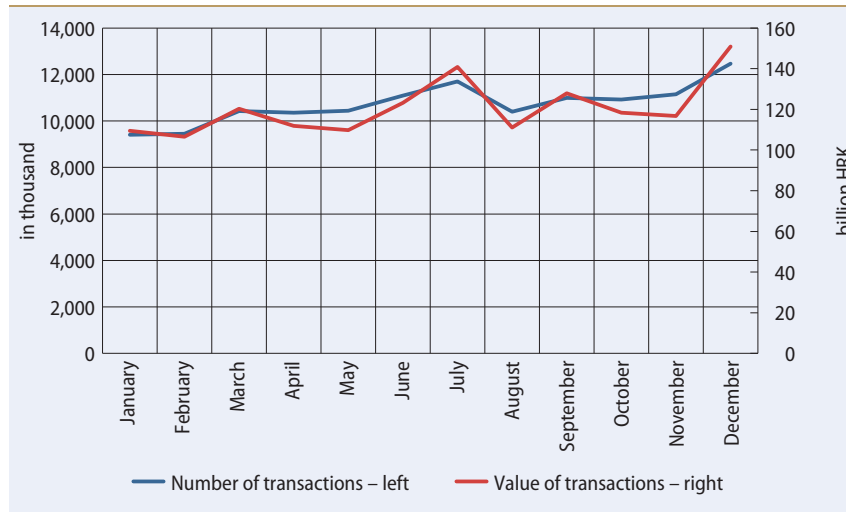
Figure 10 Sent national credit transfers of consumers



Source: CNB.

An analysis of the movement of the shown number and value of sent national credit transfers of business entities (non-consumers) in kuna established that there was a total number of 128.81 million transactions, worth in all HRK 1,446.81 billion. The average monthly number was 10.73 million transactions in an average monthly amount of HRK 120,567.60 million. The average value of a transaction was HRK 11,232.

Figure 11 Sent national credit transfers of business entities (non-consumers)

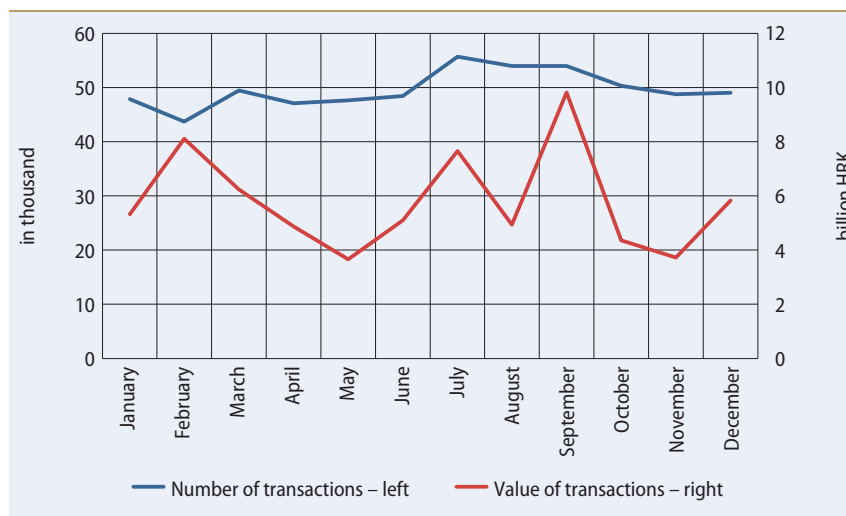


Source: CNB.

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

In the RC, in all 595,865 transactions of sent national credit transfers of consumers and business entities (non-consumers) were executed in all currencies (other than the kuna); converted into kuna, they were worth HRK 69,627.34 million. At a monthly level, on average 49,655 transactions were executed with an average monthly value of HRK 5,802.28 million. The average value of a credit transfer was HRK 116,851.

Figure 12 Total sent national credit transfers of consumers and business entities (non-consumers)

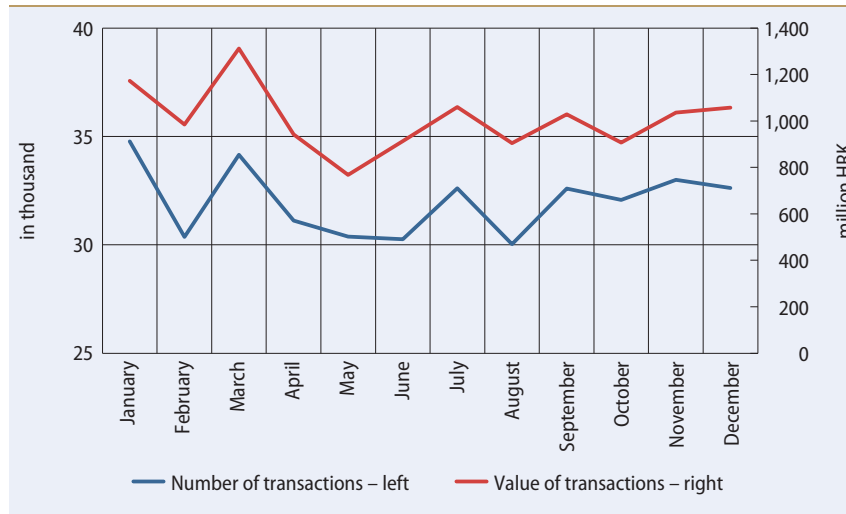


Source: CNB.

In the RC, in all 383,984 transactions of sent national credit transfers of consumers were executed in all currencies (other than the kuna); converted into kuna, they were worth in all HRK 12,085.41 million. At a monthly level, on

average 31,999 transactions were executed with an average monthly value of HRK 1,007.12 million. The average value of a credit transfer was HRK 31,474.

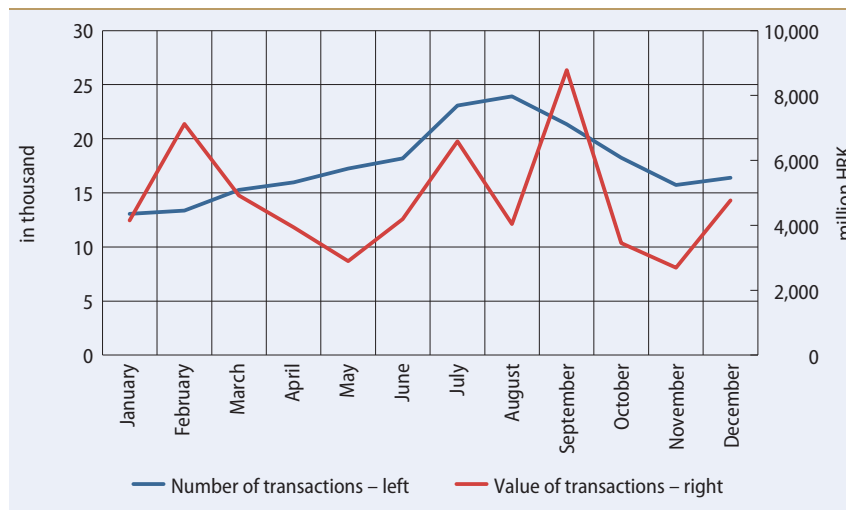
Figure 13 Sent national credit transfers of consumers



Source: CNB.

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 211,881 transactions, worth in all, when converted into kuna, HRK 57,541.93 million. The average monthly number was 17,657 transactions with an average monthly value of HRK 4,795.16 million. The average value of a credit transfer stood at HRK 271,577.

Figure 14 Sent national credit transfers of business entities (non-consumers)

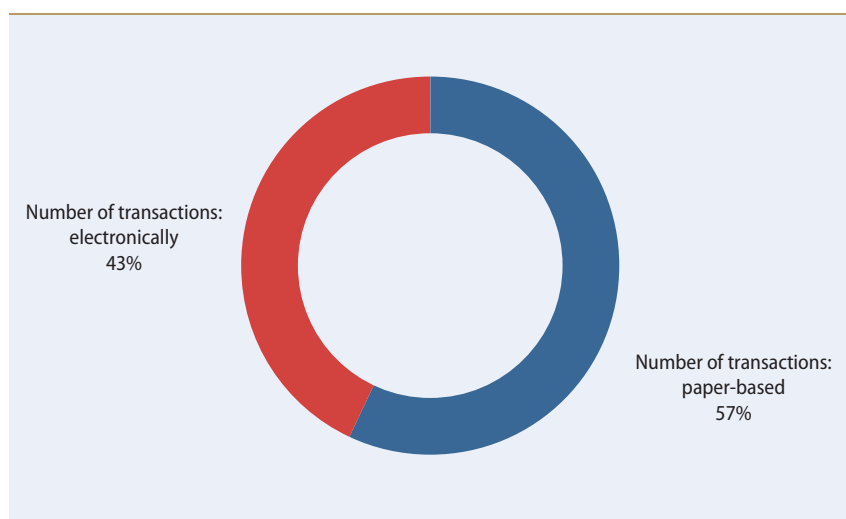


Source: CNB.

National credit transfers according to the method of initiation

An analysis of the movement of the national credit transfers of consumers according to the method of initiation established that the total number of national credit transfers executed by paper-based orders came to 70.11 million transactions, while 52.86 million transactions were executed electronically. The average monthly number of national credit transfers of consumers executed by paper-based orders amounted to 5.84 million transactions, while monthly on average 4.41 million transactions were executed electronically.

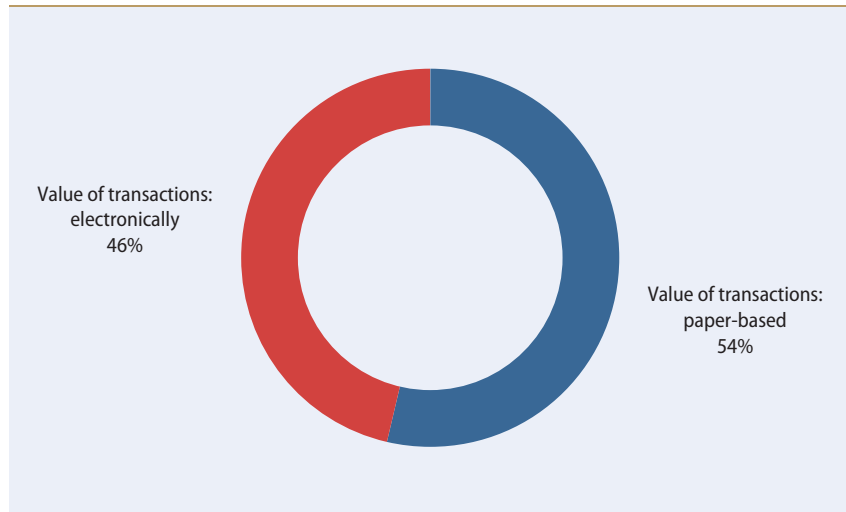
Figure 15 Total number of national credit transfers of consumers according to the method of initiation



Source: CNB.

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 was HRK 55,202.91 million, while the total value of transactions executed electronically came to HRK 47,650.48 million. Monthly, the value of transactions executed by paper-based orders on average amounted to HRK 4,600.24 million, while on average the monthly value of transactions executed electronically on average was HRK 3,970.87 million.

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

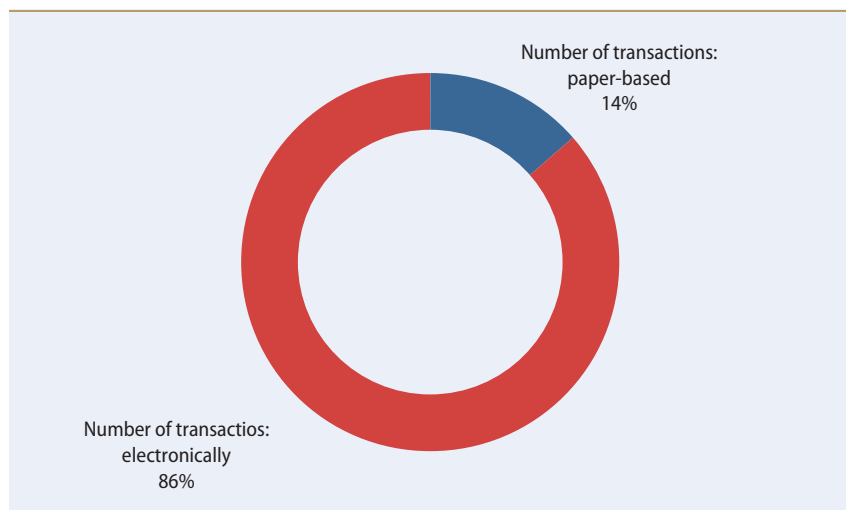


Source: CNB.

An analysis of the movement of the executed national credit transfers of business entities (non-consumers) according to the method of initiation established that the total number of national credit transfers executed by paper-based orders was 17.38 million transactions and that 110.72 million transactions were executed electronically.

According to the shown number of the executed national credit transfers of business entities (non-consumers) according to the method of initiation it is evident that the ratio 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 1.45 million transactions, while monthly on average 9.23 million transactions were executed electronically.

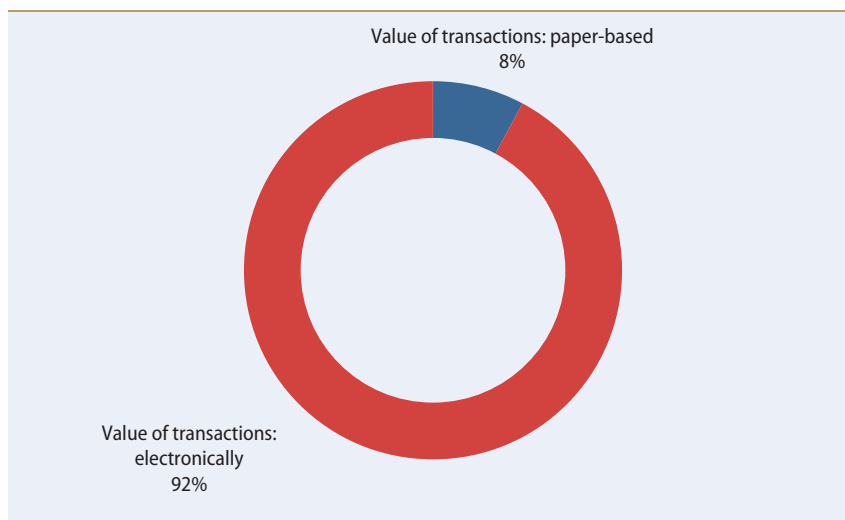
Figure 17 Total number of national credit transfers of business entities (non-consumers) according to the method of initiation



Source: CNB.

An analysis of data on the value of national credit transfers of business entities (non-consumers) according to the method of initiation established that in all considerably fewer transactions were executed by using paper-based orders than by using orders initiated electronically. The total value of paper-based orders stood at HRK 113,036.01 million, while orders worth a total of HRK 1,330.73 billion were executed electronically. The average monthly value of paper-based orders was HRK 9,419.67 million, while on a monthly average the value of transactions executed electronically was HRK 110,894.56 million.

Figure 18 Total value of national credit transfers of business entities (non-consumers) according to the method of initiation



Source: CNB.

National credit transfers executed by paper-based orders

A proportion of 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 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 a 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 31.73 million transactions, while 17.24 million transactions were executed at business entities (non-consumers). Their total value for consumers was HRK 47,208.38 million and for business entities (non-consumers) HRK 112,724.04 million.

According to the data for national credit transfers executed by using a 2D barcode on paper-based payment orders it was established that their total number for consumers was 38.38 million transactions and for business entities

(non-consumers) 148,090 transactions. Their total value for consumers was HRK 7,994.54 million and for business entities (non-consumers) HRK 304.27 million.

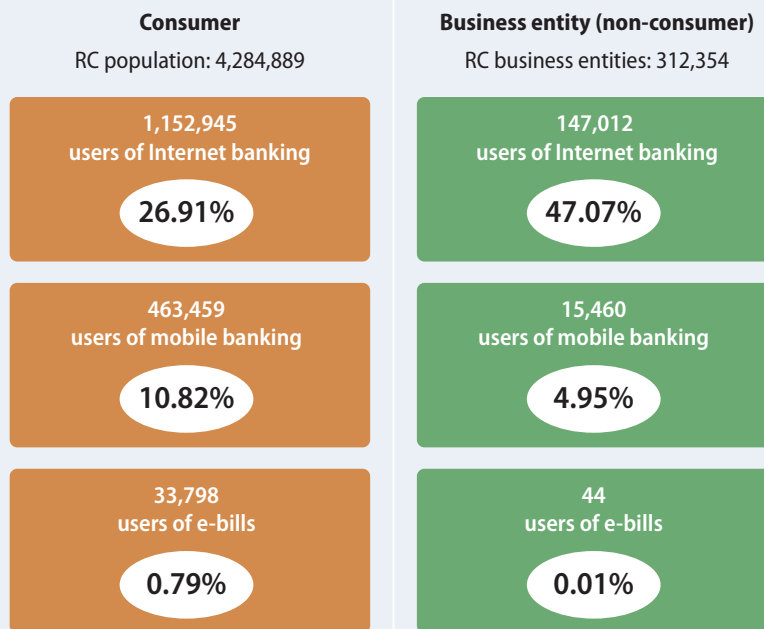
As shown by the data, the number of transactions executed over the counter and by using a 2D barcode was almost at the same level in consumers, while in business entities (non-consumers) the number of transactions executed over the counter was much higher than transactions executed using a 2D barcode.

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 using a 2D barcode in both consumers and business entities (non-consumers).

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

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 (non-consumers) relative to the number of registered business entities (non-consumers) in the RC



Source: CNB.

Table 2 Total number of national credit transfers executed electronically

Payment method	Consumer	Business entity (non-consumer)
Over the counter	625,783	35,276,267
Internet	39,261,344	71,358,061
Telebanking	0	233,595
Mobile phone	12,544,474	1,220,763
ATM/banking kiosk	47,098	0
E-bill	297,590	46
Other	83,807	2,627,458

Source: CNB.

Table 3 Total value of national credit transfers executed electronically

Payment method	Consumer	Business entity (non-consumer)
Over the counter	3,495,968,237	394,179,621,041
Internet	34,367,692,312	848,219,553,628
Telebanking	0	10,044,304,645
Mobile phone	8,844,793,652	2,599,497,599
ATM/banking kiosk	34,556,039	0
E-bill	65,581,842	19,685
Other	841,884,172	75,691,772,420

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 (non-consumer)	
	Number of transactions	Value of transactions	Number of transactions	Value of transactions
Internet banking	34	29,809	485	5,769,730
Mobile banking	27	19,084	79	168,143
E-bill	9	1,940	1	447

Source: CNB.

4.1.1 Standing orders

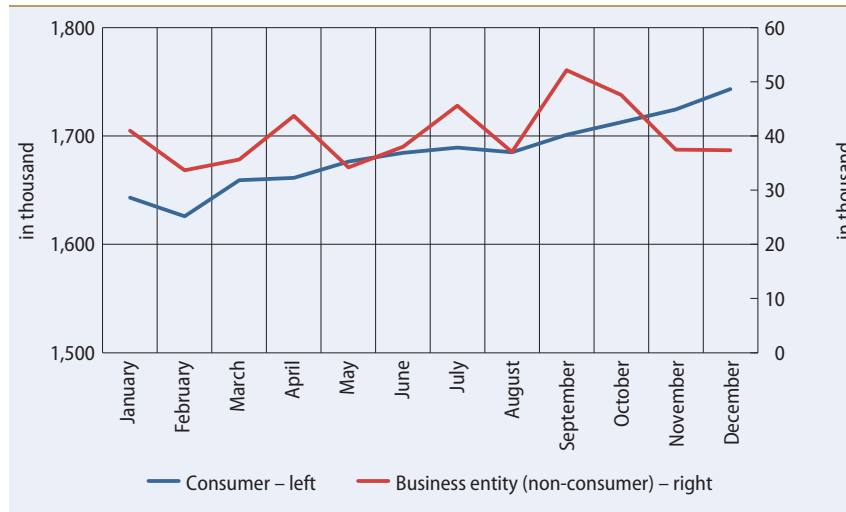
A standing order is a payment service by which a credit institution, on the basis of a special standing order contract with its payment service user, periodically on a certain or determinable day transfers a certain or determinable amount from the payment account of its payment service user to credit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

In the RC, 28 credit institutions provide a standing order service.

The number of standing order contracts is 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 executed to debit the accounts of payment service users (consumers and business entities [non-consumers]).

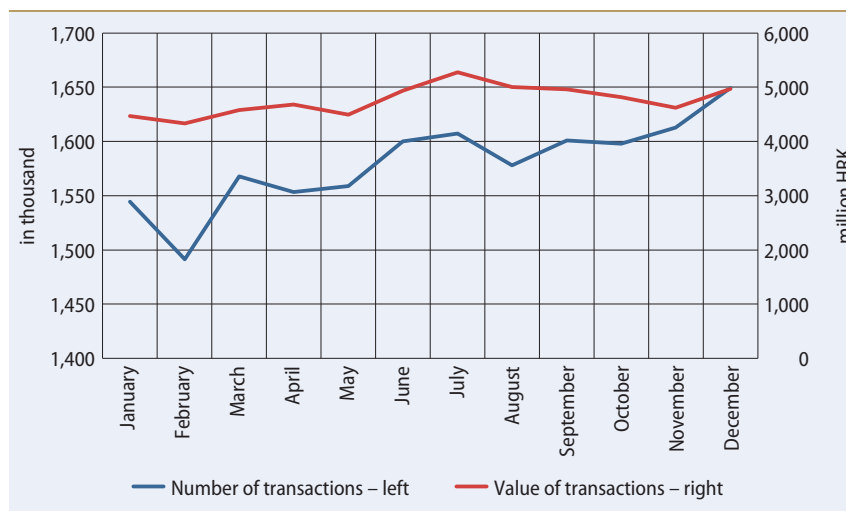
Figure 19 Number of standing order contracts



Source: CNB.

In the RC, in all 18.96 million standing order transactions of consumers and business entities (non-consumers) were executed in kuna, worth a total of HRK 57,144.81 million. At a monthly level, on average 1.58 million transactions were executed with an average monthly value of HRK 4,762.07 million. The average value of a single standing order transaction was HRK 3,014.

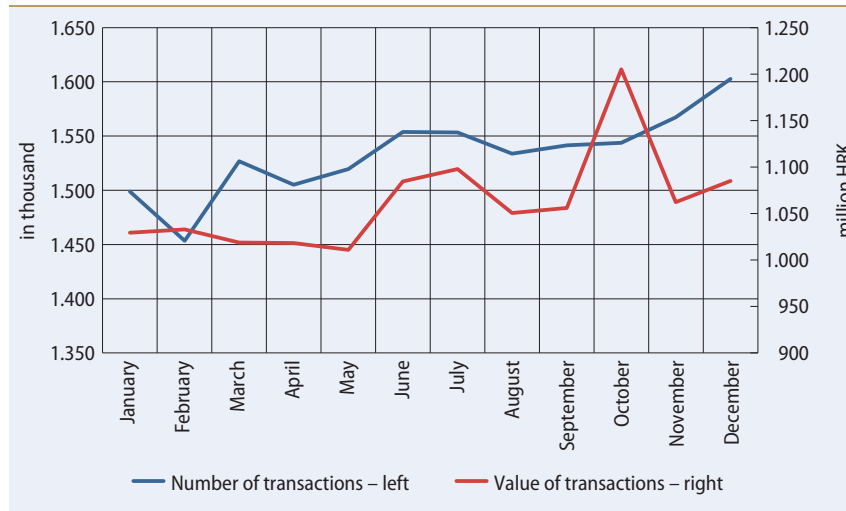
Figure 20 Total number and value of standing order transactions of consumers and business entities (non-consumers)



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 18.40 million transactions, worth in all HRK 12,751.32 million. At a monthly level, on average 1.53 million transactions were executed with an average monthly value of HRK 1,062.61 million. The average value of a standing order transaction was HRK 693.

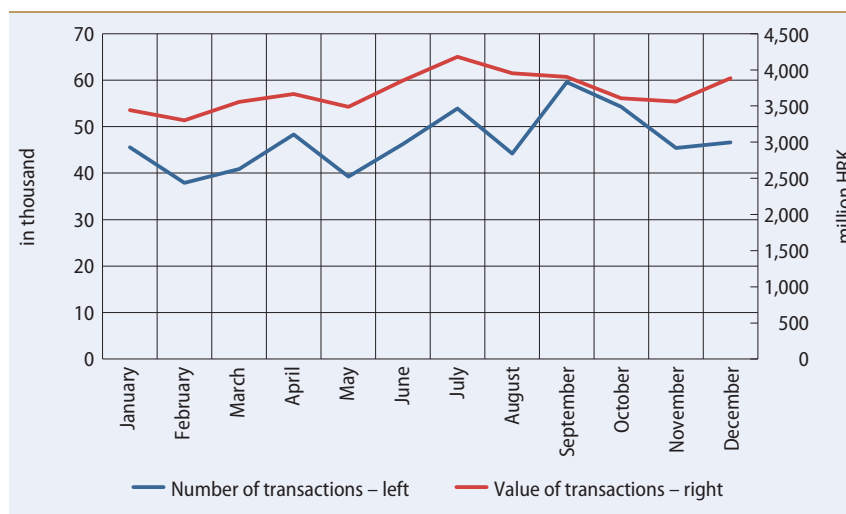
Figure 21 Number and value of standing order transactions of consumers



Source: CNB.

According to the data on the number and value of standing order transactions of business entities (non-consumers) in kuna, it was established that their total number was 562,222 transactions, worth in all HRK 44,393.50 million. At a monthly level, on average 46,852 transactions were executed with an average monthly value of HRK 3,699.46 million. The average value of a standing order transaction was HRK 78,961.

Figure 22 Number and value of standing order transactions of business entities (non-consumers)



Source: CNB.

From a comparison of the standing orders of consumers and business entities (non-consumers) executed, it can be concluded that the number of standing orders of consumers is larger than the number of standing orders of business entities (non-consumers). However, from an analysis of the value of executed standing orders it can be concluded that the value of standing orders in business entities (non-consumers) is larger than that of standing orders 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 24.59% (there were 1,053,615 of them).

According to the number of business entity (non-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) it was established that their proportion in the total number of registered business entities (non-consumers) in the RC stood at 9.19% (there were 28,719 of them).

It can be concluded 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 larger in consumers than in business entities (non-consumers).

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 [non-consumers]) 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 1.5 transactions, with the average monthly value of HRK 1,019 per transaction;
- the average monthly number of transactions of business entity (non-consumer) standing orders per standing order user was 1.7 transactions with an average monthly value of HRK 128,885 per transaction.

4.2 Cross-border/international credit transfers

Cross-border credit transfers include cross-border payment transactions executed to debit/credit the accounts of payment service users (consumers and

business entities [non-consumers]) and to debit/credit the accounts of credit institutions.

International credit transfers include international payment transactions executed to debit/credit the accounts of payment service users (consumers and business entities [non-consumers]) and to debit/credit the accounts of credit institutions.

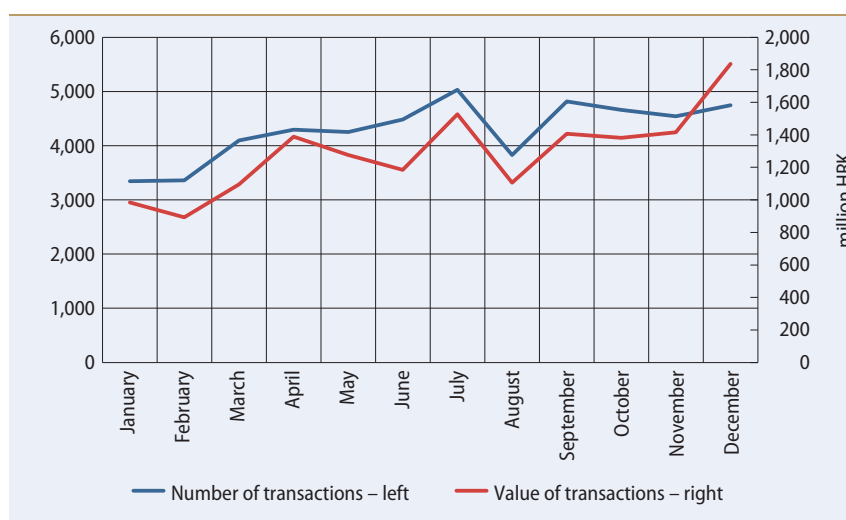
In the RC, 28 credit institutions provide cross-border/international credit transfer payment services.

4.2.1 Sent cross-border/international credit transfers

Sent cross-border/international credit transfers include cross-border/international payment transactions to debit the accounts of payment service users (consumers and business entities [non-consumers]) and to debit the accounts of credit institutions, transfers 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 the RC, in all 51,459 transactions of sent cross-border/international credit transfers of consumers and business entities (non-consumers) were executed in kuna, worth in all HRK 15,496.46 million. At a monthly level, on average 4,288 transactions were executed with an average monthly value of HRK 1,291.38 million.

Figure 23 Total sent cross-border/international credit transfers of consumers and business entities (non-consumers)

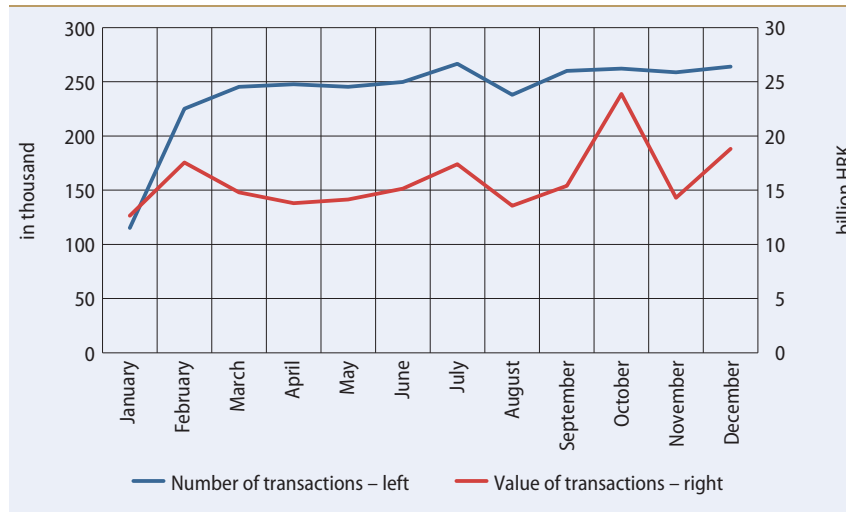


Source: CNB.

In the RC, in all 2.88 million transactions of sent cross-border/international credit transfers of consumers and business entities (non-consumers) were executed in all currencies (other than the kuna), and when converted into kuna were

worth in all HRK 191,337.36 million. At a monthly level, on average 239,803 transactions were executed, with an average monthly value of HRK 15,944.78 million.

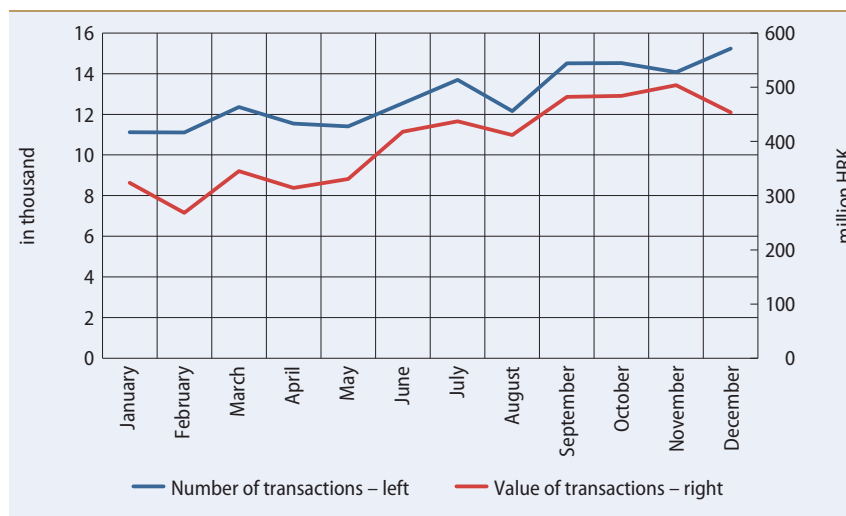
Figure 24 Total sent cross-border/international credit transfers of consumers and business entities (non-consumers)



Source: CNB.

According to the shown number and value of the sent cross-border/international credit transfers of consumers in all currencies (other than the kuna), it can be seen that their total number stood at 154,250 transactions, and that when converted into kuna they were worth in all HRK 4,772.83 million. At a monthly level, on average 12,854 transactions were executed with the average monthly value of HRK 397.74 million. The average monthly value of a transaction amounted to HRK 30,942.

Figure 25 Sent cross-border/international credit transfers of consumers

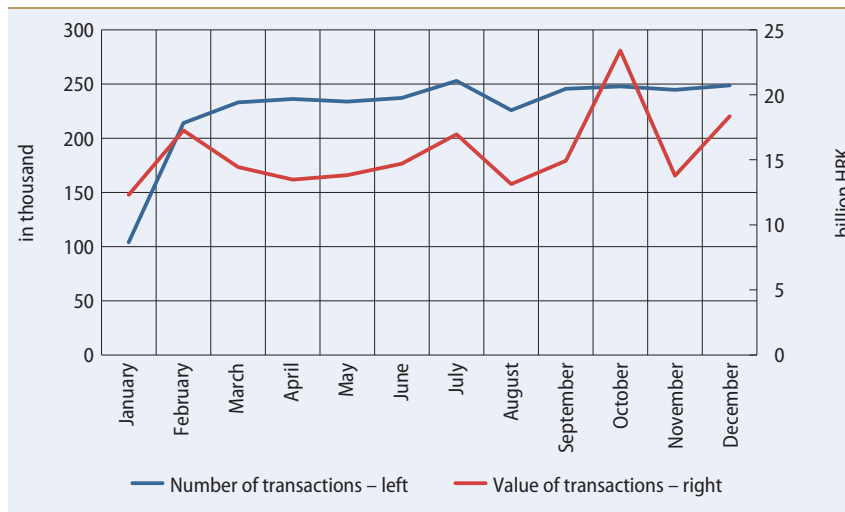


Source: CNB.

An analysis of the data shown established that the total number of sent cross-border/international credit transfers of business entities (non-consumers) in all currencies (other than the kuna), was 2.72 million transactions, worth in all HRK

186,564.53 million when converted into kuna. At a monthly level, on average 226,949 transactions were executed with an average monthly value of HRK 15,547.04 million. The average value of a transaction was HRK 68,505.

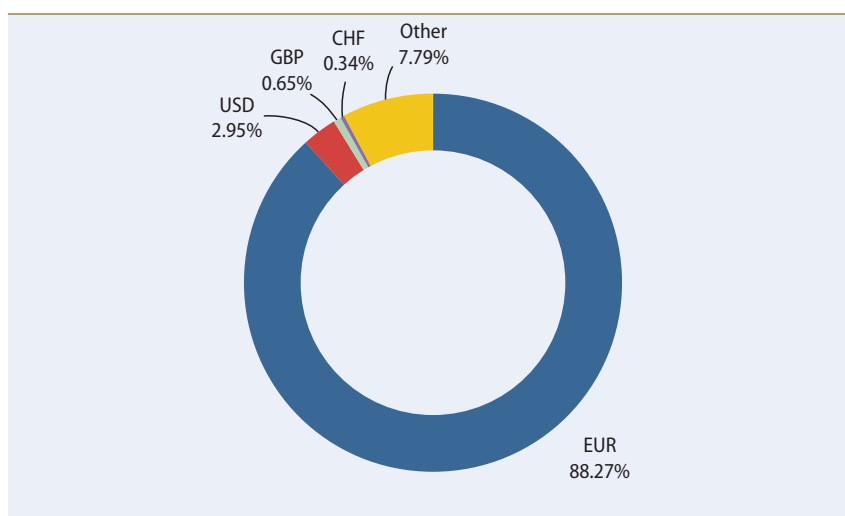
Figure 26 Sent cross-border/international credit transfers of business entities (non-consumers)



Source: CNB.

Figure 27 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 (non-consumers), 88.27%. It is followed by the US dollar with a share of 2.95%, the pound sterling with 0.65% and the Swiss franc with 0.34%. The share of 7.79% refers to the total of all other currencies.

Figure 27 Structure of the share of currencies in the total number of transactions of sent cross-border/international credit transfers of consumers and business entities (non-consumers)

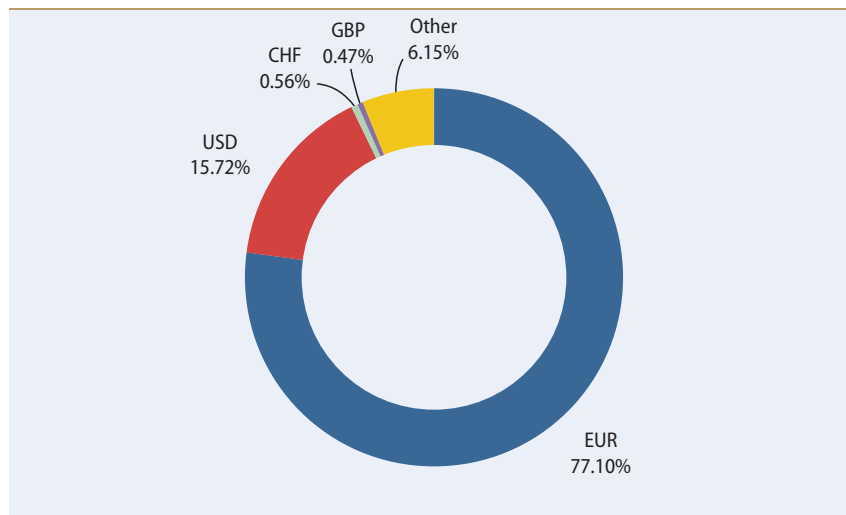


Source: CNB.

According to the shares of currencies in the total value of the transactions of sent cross-border/international credit transfers of consumers and business

entities (non-consumers), from Figure 28 it can be concluded that the euro is the currency that accounts for the largest share of transactions, 77.10%. The currencies that follow include the US dollar with a share of 15.72%, the Swiss franc with 0.56% and the pound sterling with 0.47%. The share of 6.15% refers to the total of all other currencies.

Figure 28 Structure of the share of currencies in the total value of transactions of sent cross-border/international credit transfers of consumers and business entities (non-consumers)



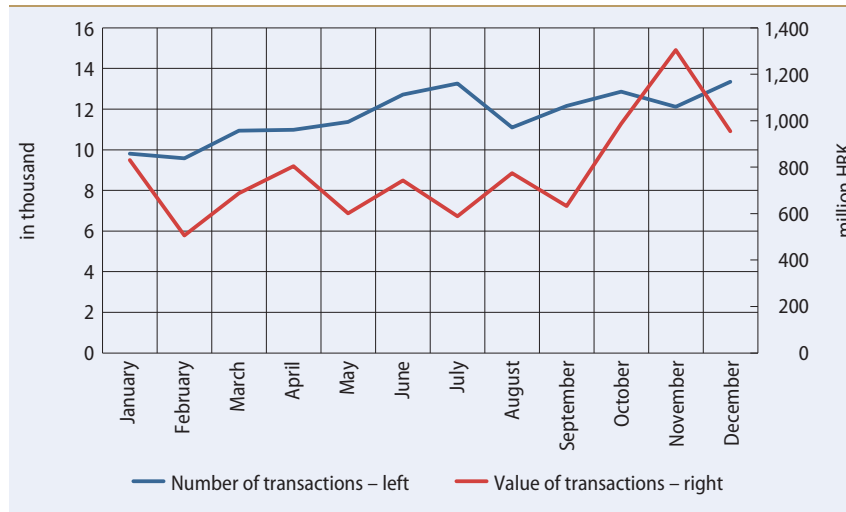
Source: CNB.

4.2.2 Received cross-border/international credit transfers

Received cross-border/international credit transfers cover payment transactions received to credit the accounts of payment service users (consumers and business entities [non-consumers]) and the accounts of credit institutions at which the payer's payment service provider operates in the EU, or a third country.

In the RC, in all 140,198 transactions of received cross-border/international credit transfers of consumers and business entities (non-consumers) were executed in kuna, worth in all HRK 9,413.43 million. At a monthly level, on average 11,683 transactions were executed monthly, with an average monthly value of HRK 784.45 million.

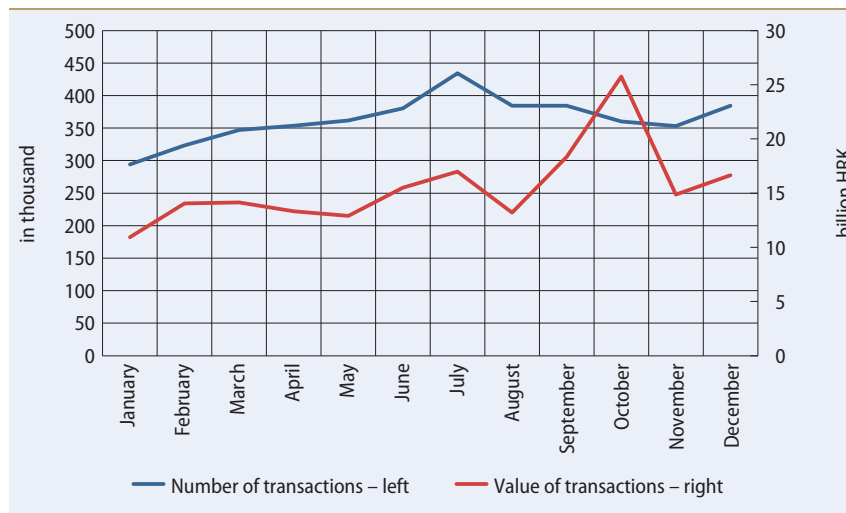
Figure 29 Total received cross-border/international credit transfers of consumers and business entities (non-consumers)



Source: CNB.

In the RC, in all 4.36 million transactions of received cross-border/international credit transfers of consumers and business entities (non-consumers) were executed in all currencies (other than the kuna), and converted into kuna were worth in all HRK 186,684.83 million. At a monthly level, on average 363,400 transactions were executed monthly, with an average monthly value of HRK 15,557.07 million.

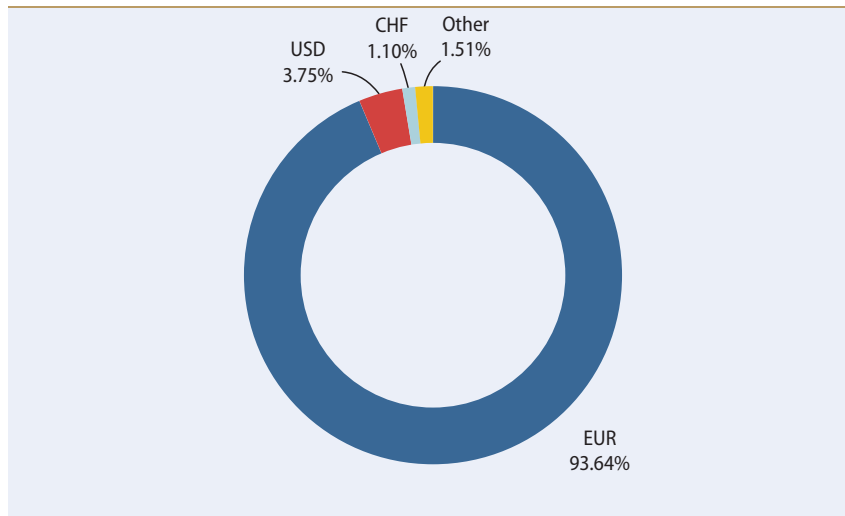
Figure 30 Total received cross-border/international credit transfers of consumers and business entities (non-consumers)



Source: CNB.

Figure 31 shows that in terms of currency, the euro accounts for the largest share in the total number of the transactions of received cross-border/international credit transfers of consumers and business entities (non-consumers), 93.64%. It is followed by the US dollar with a 3.75% and the Swiss franc with a 1.10% share. The share of 1.51% refers to the total of all other currencies.

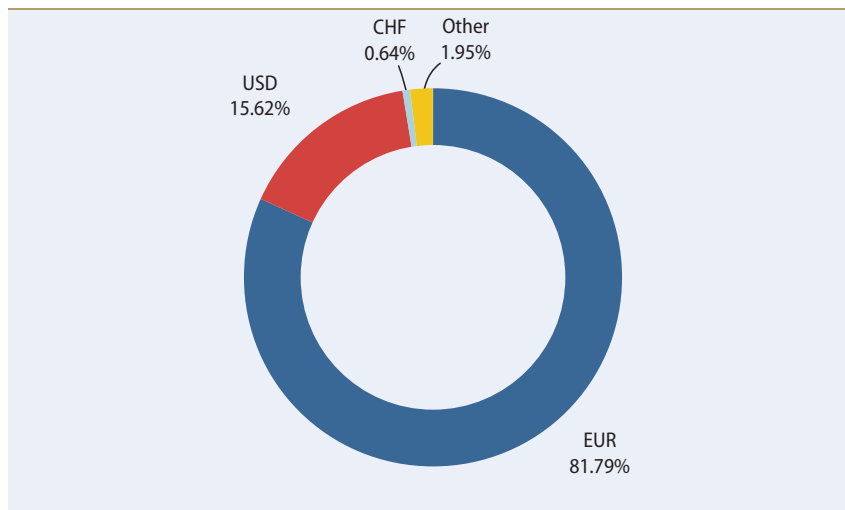
Figure 31 Structure of the share of currencies in the total number of transactions of received cross-border/international credit transfers of consumers and business entities (non-consumers)



Source: CNB.

It can be concluded from the analysis of the shares of currencies in the total value of the transactions of received cross-border/international credit transfers of consumers and business entities (non-consumers) from Figure 32 that the euro is the currency that accounts for the largest share of transactions, 81.79%. The currencies that follow include the US dollar with a share of 15.62% and the Swiss franc with a share of 0.64%. The share of 1.95% refers to the total of all other currencies.

Figure 32 Structure of the share of currencies in the total value of transactions of received cross-border/international credit transfers of consumers and business entities (non-consumers)



Source: CNB.

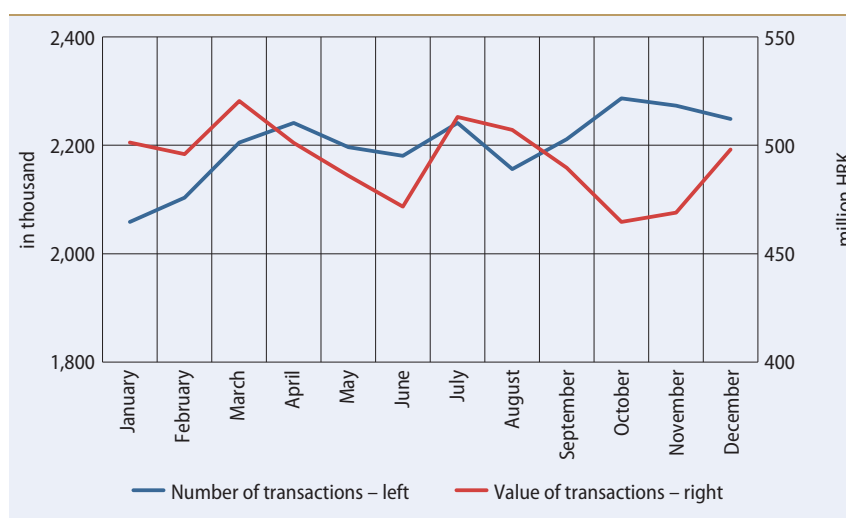
5 Bill-paying services

'Bill-paying service' means a payment transaction 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), pursuant to the provisions of the Payment System Act, which defines the deadlines for the execution of payments.

In the RC, 13 credit institutions provide the bill-paying service, exclusively in kuna.

In the RC, in 2015, a total of 26.4 million transactions were executed through the bill-paying service in the total value of HRK 5,917.6 million. The average value of a transaction was HRK 224.

Figure 33 Number and value of transactions of the bill-paying service



Source: CNB.

The movement of the total monthly number and value of transactions of the bill-paying service in 2015 is shown in Figure 33.

Data point to minor oscillations in the use of the bill-paying service in 2015, which in the number of transactions ranges between 2.1 million transactions recorded in February and 2.29 million transactions recorded in October 2015.

The value of transactions ranges within the interval from HRK 466.67 million (October) to HRK 520.38 million (March).

At a monthly level, the average number of transactions was 2.2 million, with an average value of HRK 493.13 million.

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 to whom such funds are made available.

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).

In the RC, six credit institutions provide the service of sending and receiving money remittances.

Data presented in this publication have been collected exclusively from credit institutions that provide money remittance services.

6.1 Sent money remittances

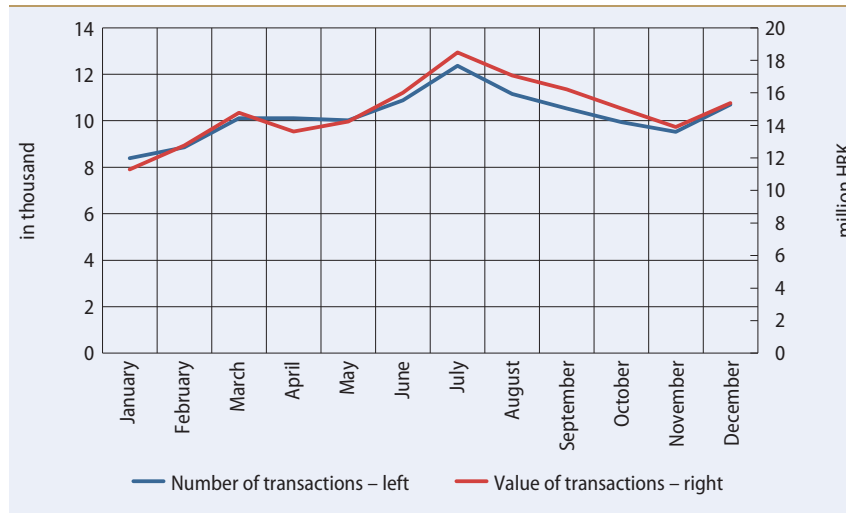
Data are presented on money remittances that consumers sent to payees both in the RC and outside of the RC. A sender in the RC always submits kuna for the execution of a money remittance, while the payment is in the required currency in the payee's country.

6.1.1 Sent national money remittances

In 2015, in all 122,523 money remittances were sent in the RC, worth a total of HRK 178.75 million. The average value of a transaction stood at HRK 1,459.

An analysis of the movement of the shown number and value of sent national money remittances (Figure 34) established that the average monthly number of sent money remittances in the RC was 10,210, with an average value of HRK 14.9 million a month.

Figure 34 Sent money remittances in the RC

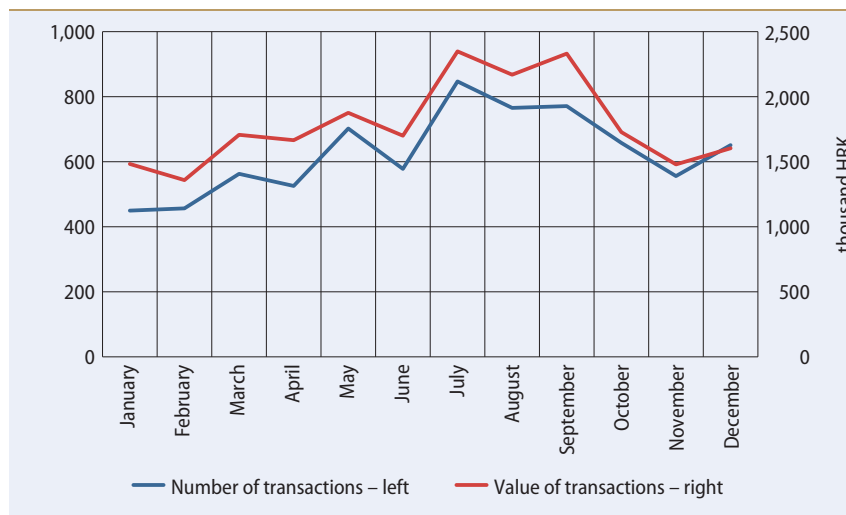


Source: CNB.

6.1.2 Sent cross-border/international money remittances

In all, 7,514 cross-border/international money remittances, worth a total of HRK 21.44 million, were sent in 2015 (Figure 35). The average value of a sent cross-border/international money remittance stood at HRK 2,853.

Figure 35 Sent cross-border/international money remittances



Source: CNB.

6.2 Received money remittances

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

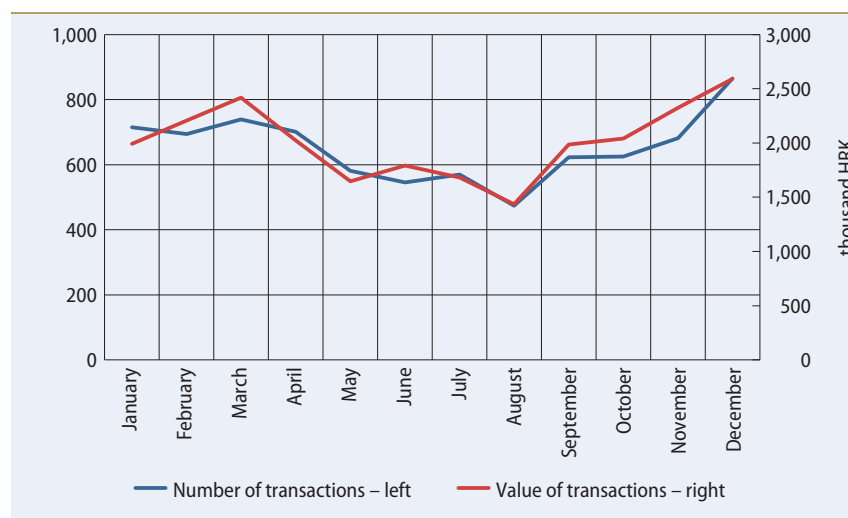
In the RC, consumers may receive a money remittance from all countries in the world, i.e. in all currencies, provided that the payment currency is always the kuna.

6.2.1 Received cross-border/international money remittances in kuna

In 2015, consumers received in all 7,812 money remittances from abroad, worth a total of HRK 24.14 million. The average value of a money remittance came to HRK 3,090.

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 36. At a monthly level, on average 651 money remittances were received, with an average monthly value of HRK 2.01 million.

Figure 36 Received cross-border/international money remittances



Source: CNB.

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

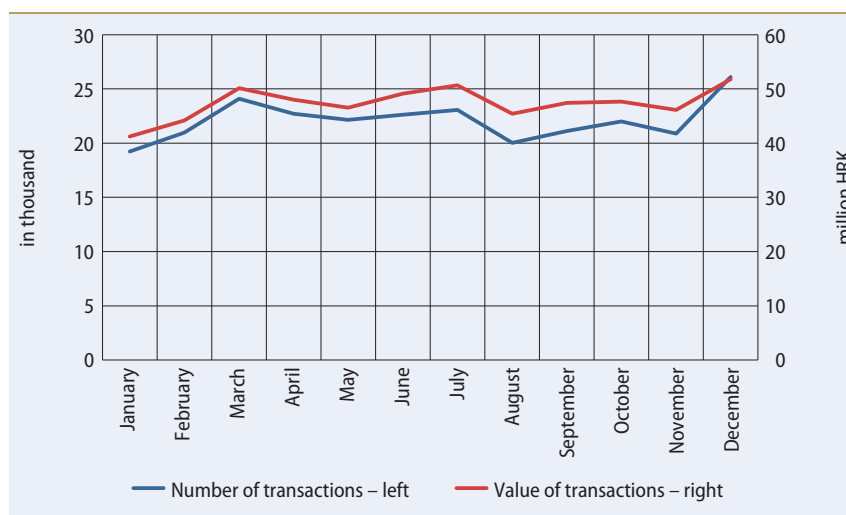
6.2.2 Received cross-border/international money remittances in other currencies

In 2015, consumers received in all 264,927 money remittances in other currencies from abroad, which, converted into kuna, amounted to HRK 568.1

million. The average value of a received money remittance in other currencies was HRK 2,144.

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 37. On average, 22,077 money remittances in other currencies were received monthly, which, converted into kuna, had the average monthly value of HRK 47.34 million.

Figure 37 Received cross-border/international money remittances



Source: CNB.

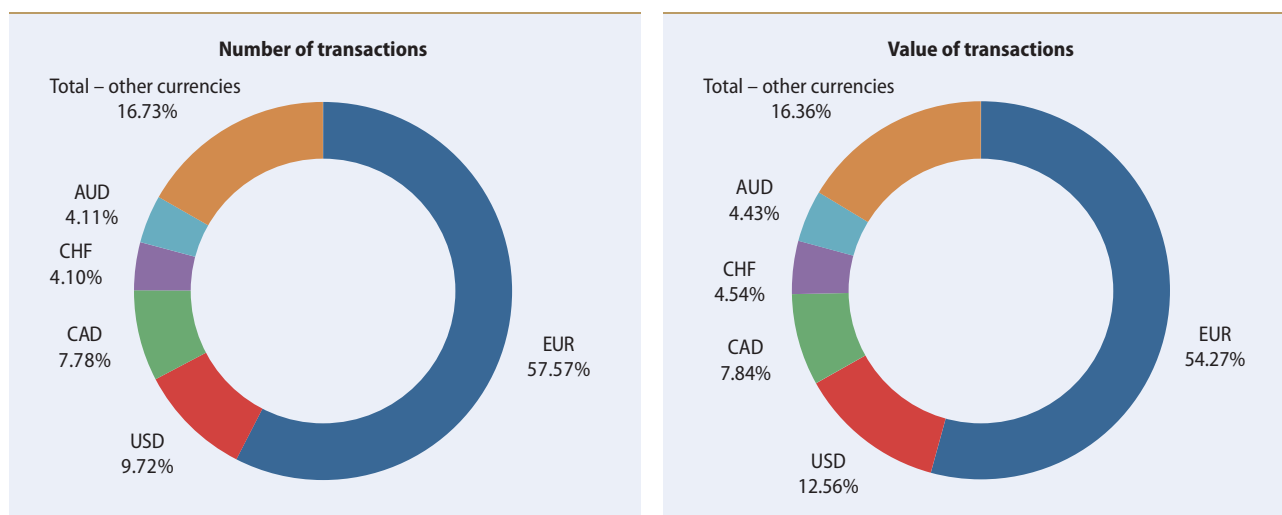
6.2.3 Received cross-border/international money remittances in the five most represented currencies

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

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 83.27% of the number and 83.64% of the value of received cross-border/international money remittances.

The euro is the most represented currency, accounting for 57.57% of the number and 54.27% of the total value of received cross-border/international money remittances.

Figure 38 Shares of the five most represented currencies in received money remittances



Source: CNB.

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, 23 credit institutions provide direct debit services.

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, i.e. banks or electronic money institutions (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, which 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).

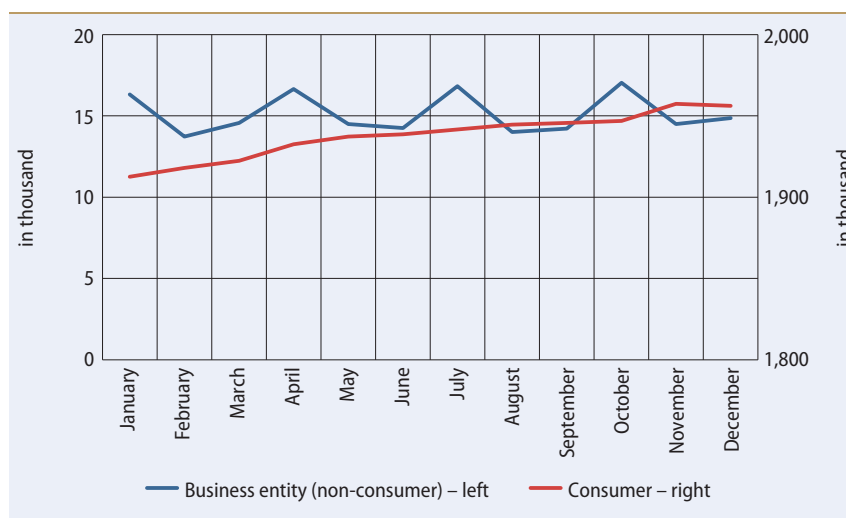
Consents are distinguished according to type of payee and are broken down into consents given to credit the service user (e.g. utility companies for the supply of electricity, water, gas, etc.) and consents to credit a credit institution (e.g. collection of charges on a card with a delayed debit function 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 39 shows that, with respect to the payer, the direct debit service is used by consumers to a much larger extent than by business entities (non-consumers).³

An analysis of the number of consents for direct debits showed that the average monthly number was 1,937,791 for consumers and 15,121 for business entities (non-consumers).

Figure 39 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 2015, 1,000,345 consumers were recorded as being users of direct debit services, contracted to debit 1,081,813 accounts. On the other hand, on

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

the same day, only 2,877 business entities (non-consumers) were the users of direct debit services.

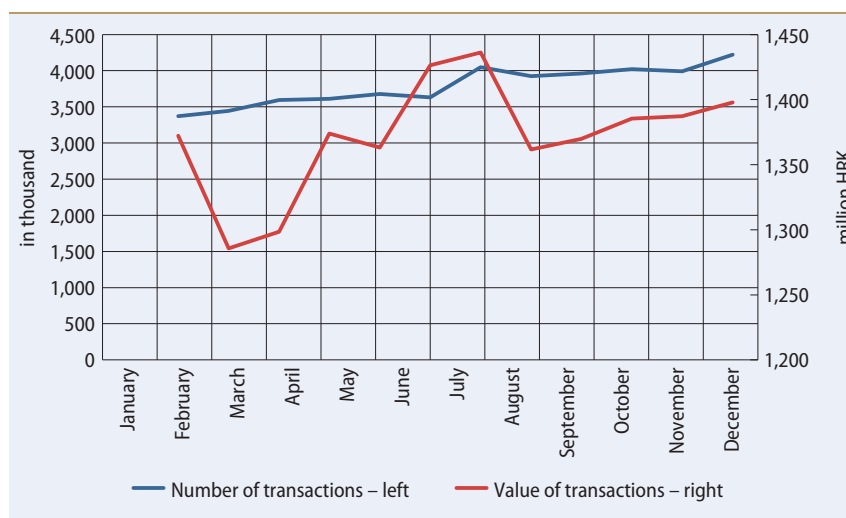
If the number of direct debit service users is analysed with respect to the payee, it can be seen that there are 236 business entities (non-consumers), most frequently utility companies and other services in the role of the payee, i.e. they enable users to pay bills for services delivered through direct debits. Of the total of 236 business entities (non-consumers) 169 or 71.6% of them had a contract with only one credit institution.

7.2 Number and value of direct debit transactions

Figure 40 shows debits from the payment accounts of consumers and business entities (non-consumers) based on direct debit orders received by payees operating in the RC.

All payment transactions shown in Figure 40 are national, since so far in the RC there have been no cross-border/international debits from and credits to payment accounts based on direct debits.

Figure 40 Total number and value of direct debit transactions



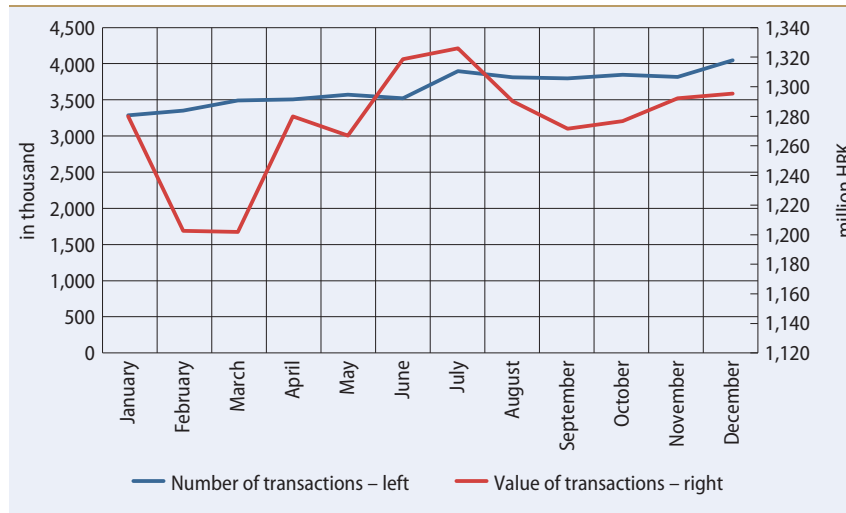
Source: CNB.

In 2015, a total of 45.5 million direct debit transactions from transaction accounts and payment cards, worth a total of HRK 16,458.05 million, were executed in the RC. The average value of a direct debit was HRK 362.

The above data on the number and value of direct debit transactions (Figure 41 and 42) 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.

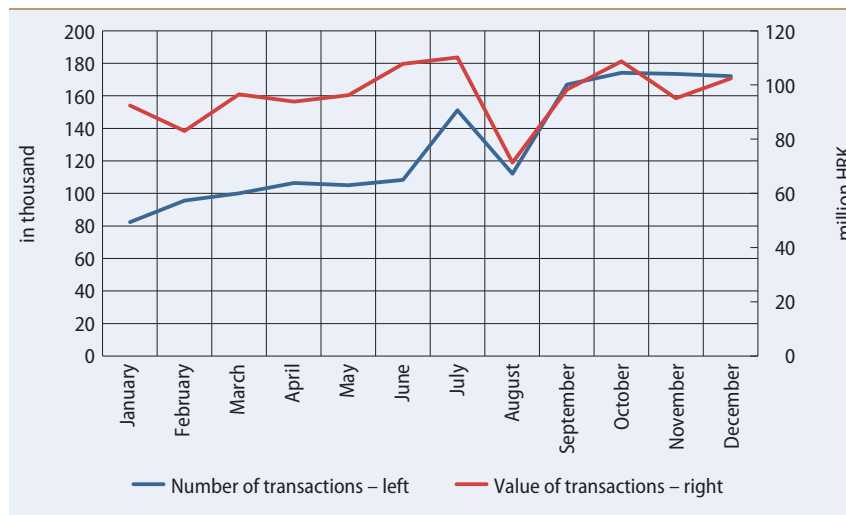
In 2015, 43.95 million direct debits were made from the accounts and payment cards of consumers and 1.55 million were made from the accounts and payment cards of business entities (non-consumers) in the RC. The total value of direct debits made from the accounts and payment cards of consumers was HRK 15,302.16 million and from the accounts and payment cards of business entities (non-consumers) HRK 1,155.89 million.

Figure 41 Number and value of direct debit transactions of consumers



Source: CNB.

Figure 42 Number and value of direct debit transactions of business entities (non-consumers)



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 very 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 3.66 million direct debit transactions from the accounts and payment cards of consumers and 128,970 direct debit transactions from the accounts and payment cards of business entities (non-consumers) were executed in 2015. The average monthly value of transactions of direct debit from the accounts and payment cards of consumers was HRK 1,275.18 million, while for business entities (non-consumers) it was considerably lower, i.e. HRK 96.32 million.

The figures also show data on debits from a payment card by payment service providers (credit institutions and card issuers) on orders from the payee and based on the consent of a payer that is at the same time a payment card user (e.g. individual payment of a telecommunication service bill by contracted debit from a payment card).

7.4 Average number and value of direct debits per user and account

If the average number and value of transactions per account or per user is analysed, the amounts are much larger for business entities (non-consumers) than for consumers. In accordance with the above, in 2015, the average monthly number of transactions per account and user for consumers was 3.7 transactions, with an average monthly value of HRK 1,275 per account/user. On the other hand, in 2015, business entities (non-consumers) had on average 45 direct debits per account, i.e. per user recorded each month, on average worth HRK 63,149 monthly.

8 Accounts

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

8.1 Transaction 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.

Single-currency accounts are payment accounts in which credit institutions, in accordance with the framework contract, maintain users' funds in a single currency.

Multi-currency accounts are payment accounts in which credit institutions, in accordance with the framework contract, maintain users' funds in several different currencies.

8.2 Another payment 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' includes 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 of 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 how many of them are blocked on the last day in the month are shown in this publication.

Below is a detailed analysis of the number of accounts of consumers and business entities (non-consumers) by type and status.

On 31 December 2015, a total of 7,805,412 accounts of consumers and 422,383 accounts of business entities (non-consumers) were recorded. Of the total number of accounts, 93.3% are transaction accounts, while accounts entitled 'Another payment account' have a share of 6.7%.

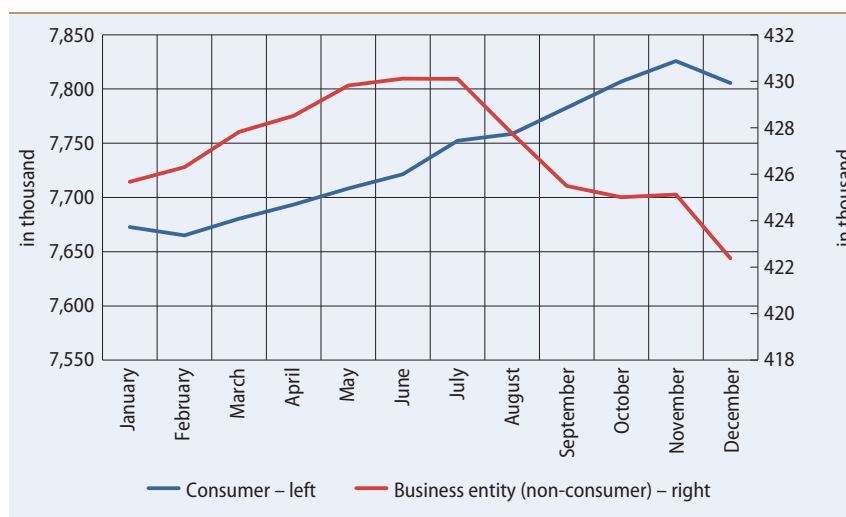
Table 5 Number of accounts of consumers and business entities (non-consumers) on 31 December 2015

Type of account	Consumer	Business entity (non-consumer)
Transaction account	7,258,363	420,990
Another payment account	547,049	1,393
Total	7,805,412	422,383

Note: Including blocked accounts on 31 December 2015.
Source: CNB.

The trend in the total number of accounts of consumers and business entities (non-consumers) by month is shown in Figure 43.

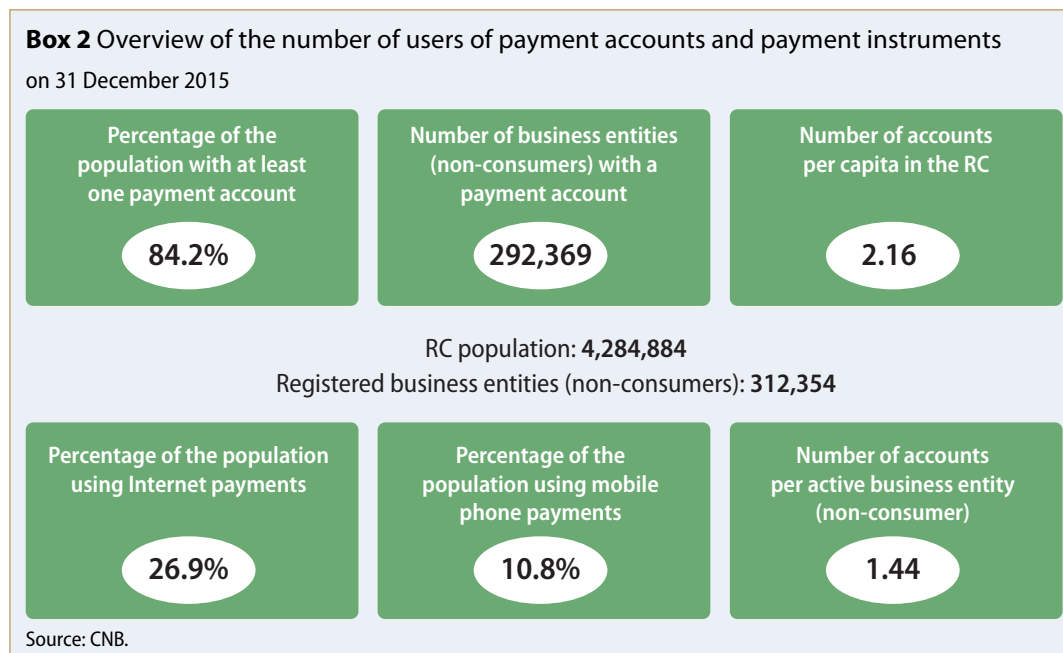
Figure 43 Total number of accounts of consumers and business entities (non-consumers)



Source: CNB.

An analysis of how many inhabitants of the RC and business entities (non-consumers) operating in the RC have accounts opened with credit institutions shows that on 31 December 2015 in all 3,608,852 inhabitants of the RC (consumers) and 292,369 business entities (non-consumers) had accounts opened with credit institutions.

When the above data are compared with the total number of recorded accounts of consumers and business entities (non-consumers) on 31 December 2015 (Table 5), it can be concluded that each inhabitant of the RC (consumer) has on average two, or actually 2.16 accounts and that each business entity (non-consumer) in the RC on average has 1.44 account.



8.3 Number of users by payment instrument (service)

Table 6 shows the total number of users, consumers and business entities (non-consumers), 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.

Table 6 Number of users by payment instrument

Description of payment methods	Consumer	Business entity (non-consumer)	Total
Internet	1,152,945	147,012	1,299,957
Mobile phone	463,459	15,460	478,919
Telebanking	0	249	2,612
E-bill	33,798	44	33,842
Direct debit	1,000,345	2,877	1,003,222
Standing order	1,053,615	28,719	1,082,334
Debit card	3,345,174	214,887	3,560,061
Credit card	1,117,302	29,030	1,146,332

Note: As at 31 December 2015.
Source: CNB.

The 'Number of users' means the 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;
- **Debit card** – allows the holder to pay for goods and services and withdraw cash through an ATM, other terminals and over the counter at credit institutions. When using a debit card, the cardholder's payment account is debited for the incurred expense immediately after the execution of the card-based payment transaction, provided that there is coverage in the account. The coverage in the account also includes the amount of any unused allowed overdraft;
- **Credit card** – allows the holder to pay for goods and services and withdraw cash through an ATM and other terminals. The use of a credit card is not conditional upon the holder's ensuring coverage in the payment account for the execution of a payment transaction at the time of its initiation. A credit line (limit) is granted to the credit card user for the execution of a payment transaction. Expenses incurred by using a credit card during a specific period are charged within deadlines defined by the agreement on the issue of the credit card, i.e. after a specific time.

An analysis of data from Table 6 leads to the conclusion that consumers use the services of standing order (29.2%), direct debit (27.7%) and in particular Internet banking (32%) much more than they use a mobile phone (m-banking) (12.8%) or the e-bill service (0.9%); although this latter is becoming an increasingly popular method of payment, it still accounts for a smaller share than the other methods of payment. In business entities (non-consumers), as expected, Internet banking is the most represented (50.3%), followed by the standing order (9.8%) and the mobile phone (5.3%), while the e-bill service (0.02%) is still used very rarely.

On 31 December 2015 a total of 3,345,174 consumers and 214,887 business entities (non-consumers) holding a debit card and 1,117,302 consumers and 29,030 business entities (non-consumers) holding a credit card were recorded.

Table 7 Payment instruments linked to the payment account on 31 December 2015

Number of payment instruments	Consumer	Business entity (non-consumer)
1	1,595,305	135,136
2	898,878	124,802
3	656,324	27,839
4 and more	296,739	4,592

Source: CNB.

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

Table 7 shows that in all 1,595,305 consumers and 135,136 business entities (non-consumers) have a payment account opened with a credit institution, but do not use any other payment instrument.

The largest number of consumers, 898,878 of them or 24.9% of the total number of payment account holders, use another payment instrument in addition to the payment account. The number of business entities (non-consumers), 124,802, or 42.7% of the total number of payment account holders, use another payment instrument in addition to the payment account.

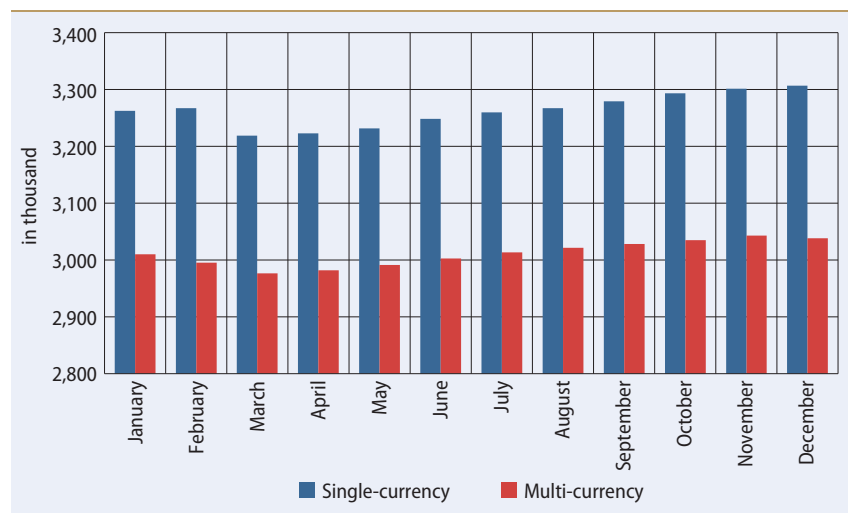
If the number of used payment instruments shown in Table 7 is analysed according to the structure, i.e. the type of payment instruments that clients use the most, it can be seen that consumers that in addition to a payment account use only one other payment instrument most frequently use Internet payments, i.e. in all 308,019 or 34.3% of them. Business entities (non-consumers) that in addition to the payment account use only one other payment instrument also most frequently use Internet payments, in all 115,535 or 92.6% of them.

8.4 Single-currency and multi-currency accounts

Payment accounts operated by credit institutions can be single-currency or 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 accounts stands at 52% and the trends in the total number of single-currency and multi-currency consumer accounts by month is shown in Figure 44.

Figure 44 Number of single-currency and multi-currency accounts of consumers opened with credit institutions

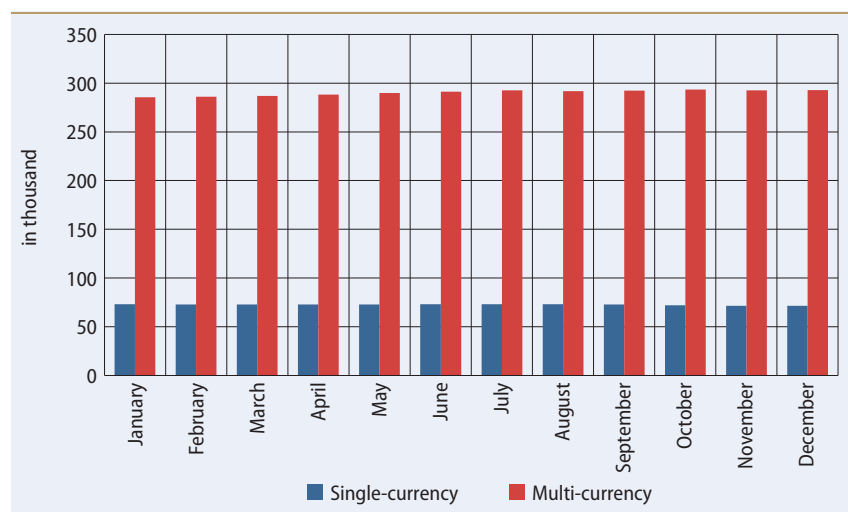


Note: Not including blocked accounts.
Source: CNB.

While in consumers the share of single-currency and multi-currency accounts is rather similar, in business entities (non-consumers) the ratio is completely different and the share of multi-currency accounts in the total number of accounts is much larger, i.e. 80%, than that of single-currency accounts, the share of which is only 20%.

The movement of the number of single-currency and multi-currency accounts of business entities (non-consumers) by month is given in Figure 45.

Figure 45 Number of single-currency and multi-currency accounts of business entities (non-consumers)



Note: Not including blocked accounts.
Source: CNB.

8.5 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 account' 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 reporting entity;
- 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.

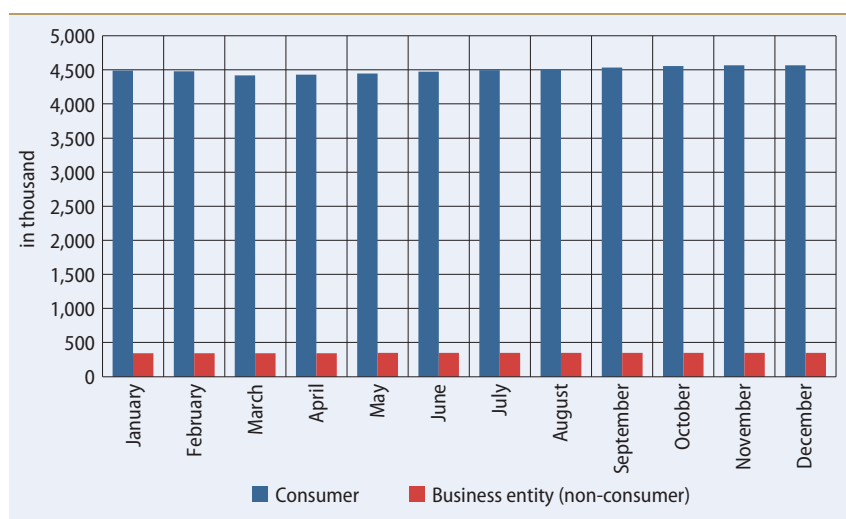
Below is an overview of the number of accounts by account status, and there are also data on total authorised overdrafts and the amount of the used overdraft.

8.5.1 Accounts without an authorised overdraft

On 31 December 2015, a total of 4,565,281 accounts of consumers and 347,934 accounts of business entities (non-consumers) that did not have an authorised overdraft were open.

Figure 46 shows that the number of accounts without an authorised overdraft was constant during the observed period and that there were no oscillations either in consumers or in business entities (non-consumers).

Figure 46 Number of accounts of consumers and business entities (non-consumers) without authorised overdraft



Note: Not including blocked accounts.
Source: CNB.

If the number of 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 (non-consumers). Multi-currency accounts account for 80% of the accounts of business entities (non-consumers), while consumers have 55.4% multi-currency as against 44.6% single-currency accounts.

8.5.2 Accounts with an authorised overdraft

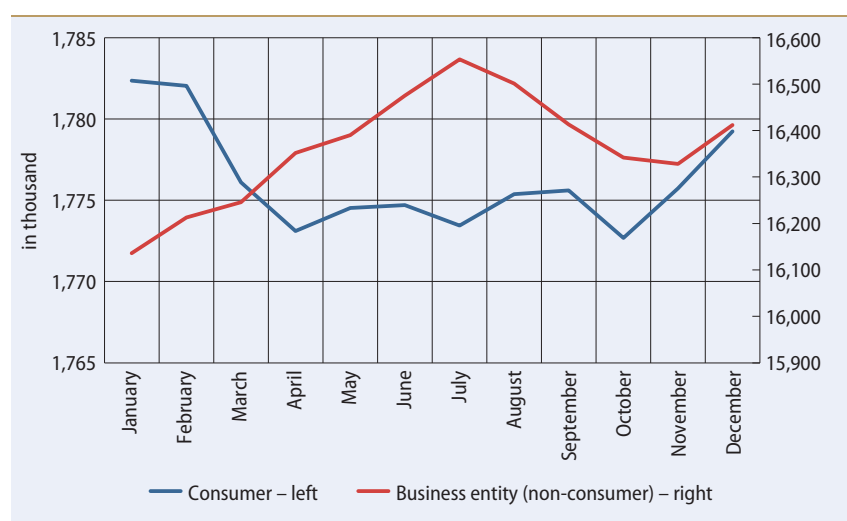
The number of accounts with authorised overdrafts is much smaller than the number of accounts without authorised overdrafts, and 1,779,230 accounts of consumers and 16,412 accounts of business entities (non-consumers) were recorded on 31 December 2015.

An analysis of the number of 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 (non-consumers), the shares are completely different, and there are 10.8% of single-currency accounts as against 89.2% of multi-currency accounts that have authorised overdrafts.

Figure 47 presents the number of accounts of consumers and business entities (non-consumers) with authorised overdrafts by month for 2015.

Figure 47 Number of accounts of consumers and business entities (non-consumers) with authorised overdrafts



Note: Not including blocked accounts.
Source: CNB.

Of the total of 1,779,230 accounts of consumers that on 31 December 2015 had authorised overdraft facilities, 57.2% of them, or 1,018,035 accounts were using the authorised overdraft. In business entities (non-consumers) the percentage of accounts with authorised overdraft that were in use on 31 December 2015 was similar and stood at 53.4%, or in all 8,771 accounts were in use of the authorised overdraft of the total recorded 16,412, which had the possibility to use the overdraft.

8.5.3 Blocked accounts

On 31 December 2015, a total of 992,847 accounts of consumers and 57,108 accounts of business entities (non-consumers) were blocked, i.e. the disposal of funds was disabled.

Table 8 Number of blocked accounts

on 31 December 2015

Type of account	Consumer	Business entity (non-consumer)
Transaction account	913,852	56,644
Another payment account	78,995	464
Total	992,847	57,108

Source: CNB.

Glossary

‘Bill-paying service’ means a payment transaction 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 133/2009 and 136/2012) is acting for purposes other than his/her trade, business or profession, a natural person concluding a contract for the issue of electronic money in accordance with the Electronic Money Act (Official Gazette 139/2010) outside the area of his/her business activity or freelance occupation.

‘Credit payment card’ allows the holder to pay for goods and services and withdraw cash through the ATM and other terminals. The use of a credit card is not conditional upon the holder insuring coverage in the payment account for the execution of a payment transaction at the time of its initiation. A credit line (limit) is granted to the credit card user for the execution of a payment transaction. Expenses incurred by using the credit card during a specific period are charged within deadlines defined by the agreement on the issue of the credit card, i.e. after a specific time.

‘Credit transfer’ means a payment service by which the payer’s payment account is debited and the payee’s payment account is credited on the basis of an order initiated 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 (of either the payer or the payee) operates in the RC, whereas the other payment service provider (of either the payer or the payee) operates pursuant to the regulations of another member state.

‘Debit payment card’ allows the holder to pay for goods and services and withdraw cash through an ATM, other terminals and over the counter at credit institutions. When using a debit card, the cardholder’s payment account is debited for the incurred expense immediately after the execution of the card-based payment transaction, provided that there is coverage in the account. The coverage in the account also includes the amount of the unused allowed overdraft.

‘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 (of either the payer or the payee) operates in the RC, whereas the other payment service provider (of either the payer or the payee) operates pursuant to the regulations of 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 to whom such funds are made available.

‘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 payer and/or payee.

‘Payment transaction’ means the deposit, withdrawing or transferring of funds initiated by 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...).

Appendix

List of tables

Table 1 Payment transactions in the RC	8
Table 2 Total number of national credit transfers executed electronically.....	22
Table 3 Total value of national credit transfers executed electronically.....	22
Table 4 The average number and value of transactions of national credit transfers according to the number of users of payment services	22
Table 5 Number of accounts of consumers and business entities (non-consumers)	43
Table 6 Number of users by payment instrument.....	44
Table 7 Payment instruments linked to the payment account.....	46
Table 8 Number of blocked accounts	51

List of boxes

Box 1 The share of the use of payment instruments of consumers relative to the population of the RC and of business entities (non-consumers) relative to the number of registered business entities (non-consumers) in the RC	21
Box 2 Overview of the number of users of payment accounts and payment instruments on 31 December 2015	44

List of figures

Figure 1 Structure of national payment transactions according to number of executed transactions	9
--	---

Figure 2 Structure of national payment transactions according to value of executed transactions	9
Figure 3 Structure of international payment transactions according to number of executed transactions	10
Figure 4 Structure of international payment transactions according to value of executed transactions	10
Figure 5 Structure of credit transfers.....	11
Figure 6 Total sent national and cross-border/international credit transfers of consumers and business entities (non-consumers)	12
Figure 7 Sent national and cross-border/international credit transfers of consumers.....	13
Figure 8 Sent national and cross-border/international credit transfers of business entities (non-consumers)	14
Figure 9 Total sent national credit transfers of consumers and business entities (non-consumers)	15
Figure 10 Sent national credit transfers of consumers	15
Figure 11 Sent national credit transfers of business entities (non-consumers)	16
Figure 12 Total sent national credit transfers of consumers and business entities (non-consumers)	16
Figure 13 Sent national credit transfers of consumers	17
Figure 14 Sent national credit transfers of business entities (non-consumers)....	17
Figure 15 Total number of national credit transfers of consumers according to the method of initiation	18
Figure 16 Total value of national credit transfers of consumers according to the method of initiation	19
Figure 17 Total number of national credit transfers of business entities (non-consumers) according to the method of initiation	19
Figure 18 Total value of national credit transfers of business entities (non-consumers) according to the method of initiation	20

Figure 19 Number of standing order contracts.....	23
Figure 20 Total number and value of standing order transactions of consumers and business entities (non-consumers)	23
Figure 21 Number and value of standing order transactions of consumers	24
Figure 22 Number and value of standing order transactions of business entities (non-consumers)	24
Figure 23 Total sent cross-border/international credit transfers of consumers and business entities (non-consumers)	26
Figure 24 Total sent cross-border/international credit transfers of consumers and business entities (non-consumers)	27
Figure 25 Sent cross-border/international credit transfers of consumers.....	27
Figure 26 Sent cross-border/international credit transfers of business entities (non-consumers)	28
Figure 27 Structure of the share of currencies in the total number of transactions of sent cross-border/international credit transfers of consumers and business entities (non-consumers)	28
Figure 28 Structure of the share of currencies in the total value of transactions of sent cross-border/international credit transfers of consumers and business entities (non-consumers)	29
Figure 29 Total received cross-border/international credit transfers of consumers and business entities (non-consumers)	30
Figure 30 Total received cross-border/international credit transfers of consumers and business entities (non-consumers)	30
Figure 31 Structure of the share of currencies in the total number of transactions of received cross-border/international credit transfers of consumers and business entities (non-consumers)	31
Figure 32 Structure of the share of currencies in the total value of transactions of received cross-border/international credit transfers of consumers and business entities (non-consumers)	31
Figure 33 Number and value of transactions of the bill-paying service.....	32
Figure 34 Sent money remittances in the RC.....	34

Figure 35 Sent cross-border/international money remittances	34
Figure 36 Received cross-border/international money remittances	35
Figure 37 Received cross-border/international money remittances	36
Figure 38 Shares of the five most represented currencies in received money remittances	37
Figure 39 Number of direct debit consents	38
Figure 40 Total number and value of direct debit transactions.....	39
Figure 41 Number and value of direct debit transactions of consumers.....	40
Figure 42 Number and value of direct debit transactions of business entities (non-consumers)	40
Figure 43 Total number of accounts of consumers and business entities (non-consumers)	43
Figure 44 Number of single-currency and multi-currency accounts of consumers opened with credit institutions.....	47
Figure 45 Number of single-currency and multi-currency accounts of business entities (non-consumers)	47
Figure 46 Number of accounts of consumers and business entities (non-consumers) without authorised overdraft	49
Figure 47 Number of accounts of consumers and business entities (non-consumers) with authorised overdrafts	50

