

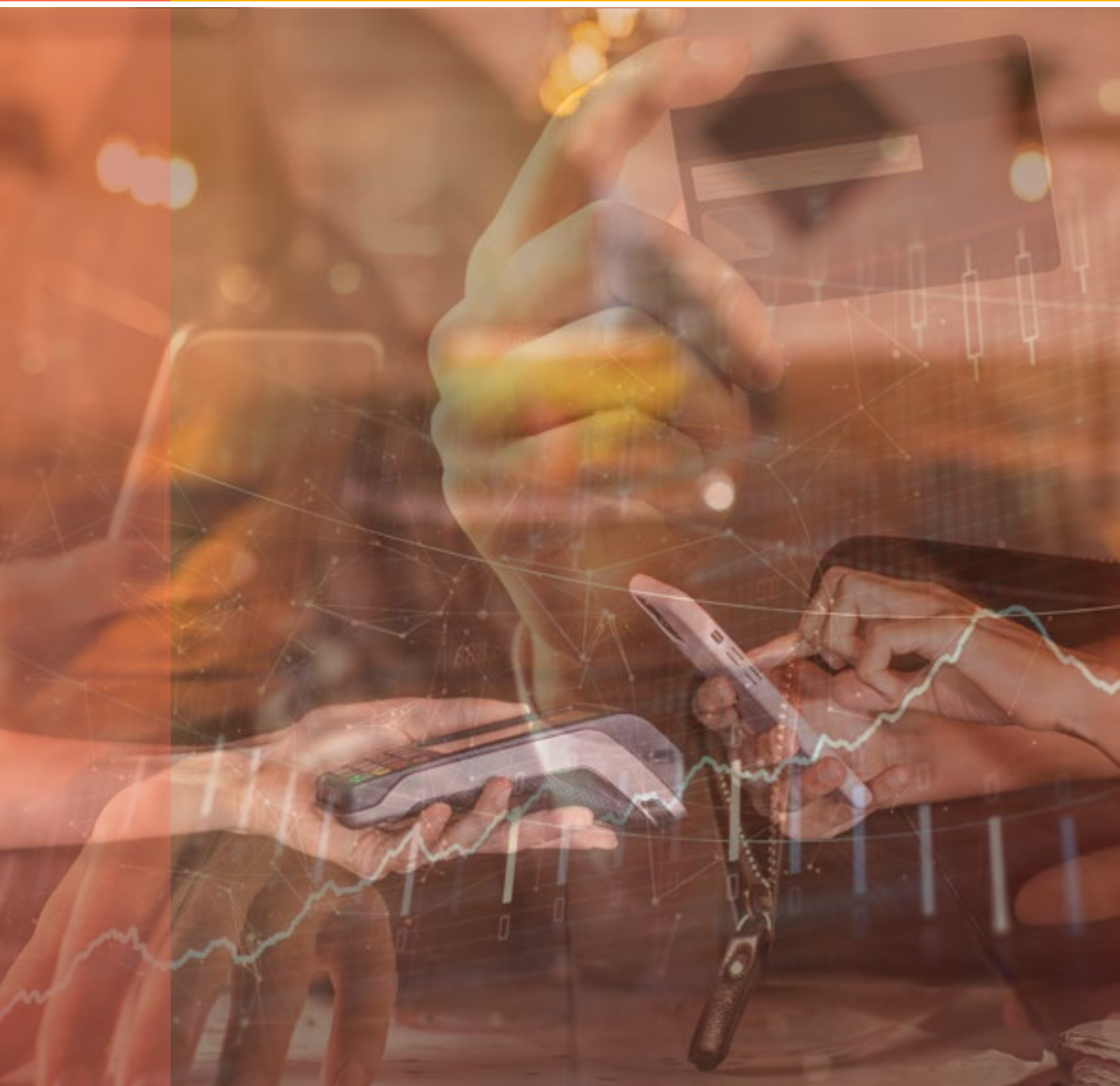


Cashless Payment Transactions

Payment Statistics

2019

Year I · October 2020



Contents

1 Introduction.....	3
2 National cashless payment transactions	5
2.1 Sent credit transfers	8
2.2 Bill-paying service	11
2.3 Direct debits	12
2.4 Debits from the accounts by simple book entry.....	13
2.5 Transactions using payment cards issued in the RC.....	14
3 International cashless payment transactions	16
3.1 Sent credit transfers	18
3.2 Received credit transfers	20
3.3 Transactions using payment cards issued in the RC	22
3.4 Transactions of acquiring payment cards issued outside the RC	23
4 Overview of basic definitions	24

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1 Introduction

Cashless payment transactions recorded a significant increase in almost all EU member states over the past few years. In the Republic of Croatia (hereinafter referred to as 'RC'), the increase particularly referred to the number of national card-based payment transactions which, according to Croatian National Bank data, increased by 58%, while their value increased by 47% in the past five years. An average Croatian citizen today has 2.55 payment cards in his/her wallet, which places the RC on the very top of the European Union. At the same time, 26% of consumers and 50% of business entities in the RC have internet banking agreements, allowing them to initiate electronic payment orders 24 hours a day at lower fees than for the initiation of paper-based payment orders. The increase in the total number of national cashless payment transactions is also attributable to services such as mobile banking, which is seeing a steady rise in number of users.¹ Clearly, the expectations regarding mobile banking in the future are high, as evidenced by the fact that in 2019 the number of transactions initiated by consumers in the RC using mobile banking services exceeded the number of payment transactions initiated by consumers using internet banking.²

If the structure of the number of national cashless payment transactions in 2019 is analysed, it can be concluded that credit transfer transactions account for the largest share (38%) of the total number of national cashless payment transactions. They are followed by card-based transactions, with a share of 38% and transactions of debits from the accounts by simple book entry, with a share of 19%. Bill-paying service transactions account for a share of approximately 2%, while direct debit service transactions account for a share of 3%.

At the same time, payment card-based transactions accounted for 89%, or the largest share, of the number of international cashless payment transactions, followed by transactions executed using the credit transfer service with a total share of 11%.

By contrast, transactions executed using the credit transfer service account for a predominant share of the total value of cashless payment transactions. In 2019, they accounted for approximately 95% of the total value of all executed national and international cashless payment transactions.

Such a high share of credit transfers in the total value of all cashless payment transactions is the result of the fact that it is precisely credit transfers that

1 As at 31 December 2019, 32% of consumers and 27% of business entities in the RC subscribed to mobile banking services. Compared to the number of mobile banking users as at 31 December 2018, the number of consumers and business entities enrolled in this service rose by 24% and 91%, respectively, in 2019.

2 In 2019, consumers in the RC initiated 29.7 million transactions using the internet banking service, totalling HRK 30bn and 61.3 million transactions using the mobile banking service, totalling HRK 46.7bn.

are most frequently used in larger-value transactions. Thus, credit transfers are commonly used for the execution of payments between corporations, corporations and banks, payments between natural persons, the payment of wages and pensions, etc. This is also evident from the average value of individual credit transfer transactions³, which is much higher than, for example, the average

Table 1 Report on cashless payment transactions in the Republic of Croatia in 2019

Executed payment transactions (1)	Number of transactions	%	Value of transactions in kuna	%
A) NATIONAL PAYMENT TRANSACTIONS				
1 Sent credit transfers (2)	350,351,188	37.76%	2,181,733,638,720	95.71%
1.1 Credit transfers	326,255,218	93.12%	2,119,489,183,882	97.15%
1.2 Standing orders	24,095,970	6.88%	62,244,454,837	2.85%
2 Bill-paying service	18,033,995	1.94%	5,404,906,960	0.24%
3 Direct debits	27,911,570	3.01%	22,893,521,426	1.00%
4 Debits from the accounts by simple book entry (3)	178,397,802	19.23%	3,117,091,423	0.14%
5 Transactions using payment cards issued in the RC (4)	353,157,073	38.06%	66,339,740,534	2.91%
5.1 Debit payment cards	264,734,955	74.96%	43,699,334,871	65.87%
5.2 Credit payment cards	88,422,118	25.04%	22,640,405,663	34.13%
TOTAL NATIONAL PAYMENT TRANSACTIONS (1 – 5)	927,851,628	100%	2,279,488,899,063	100%
B) INTERNATIONAL PAYMENT TRANSACTIONS				
6 Sent credit transfers (5)	4,080,576	4.01%	270,260,116,117	46.8%
7 Received credit transfers (6)	6,918,035	6.8%	273,698,622,950	47.39%
8 Transactions using payment cards issued in the RC (7)	36,412,495	35.78%	11,913,563,395	2.06%
9 Transactions of acquiring payment cards issued outside the RC (8)	54,354,532	53.41%	21,645,619,856	3.75%
TOTAL INTERNATIONAL PAYMENT TRANSACTIONS (6 – 9)	101,765,638	100%	577,517,922,318	100%
TOTAL (A+B)	1,029,617,266		2,857,006,821,381	

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

Source: CNB.

The Report is divided into national (item **A** of the Report) and international payment transactions (item **B** of the Report).

(1) Executed payment transactions include executed cashless payment transactions in all currencies, converted in kuna at the CNB's midpoint exchange rate on the last day of each month.

(2) Sent credit transfers include all national credit transfers executed by debiting the payment accounts of consumers, business entities and credit institutions.

(3) Debits from the accounts by simple book entry include debits from the accounts by simple book entry on the accounts of consumers and business entities (interests and fees for individual payment services, e.g. account management fee). The transactions of debits from the accounts by simple book entry do not include the transactions of the transfer of the amount of the instalment/annuity of a credit from the payment account of a payment service user to the account of the credit institution if such a transfer is agreed under a credit agreement.

(4) Transactions using payment cards issued in the RC include only national card-based payment transactions for the purchase of goods and services and contractual debits (including transactions of the purchase of goods and services through repayment in instalments and consumer credits). The transactions of withdrawal and depositing of cash using a payment card, as well as the transactions of fees, interests, membership fees, etc. collected by the issuer through the payment card, are not included.

(5) Sent credit transfers include all international credit transfers executed by debiting the payment accounts of consumers, business entities and credit institutions.

(6) Received credit transfers include all international credit transfers crediting the payment accounts of consumers, business entities and credit institutions.

(7) Transactions using payment cards issued in the RC include international payment transactions using payment cards issued in the RC, i.e. the transactions of the purchase of goods and services and the transactions of cash withdrawal using a payment card.

(8) Transactions of acquiring payment cards issued outside the RC include the transactions of acquiring payment instruments executed by payment instruments issued outside the RC for the purchase of goods and services through acquiring terminals. Transactions of purchase using e-money are included in the Report..

3 The average value of national credit transfers stood at HRK 6,496 (excluding standing orders).

value of card transactions⁴, which is primarily used for the purchase of goods and services in retail.

Table 1 shows the total number and value of executed cashless payment transactions in the RC in 2019 in all currencies calculated in kuna. The data shown in the Report have been collected based on the Decision on the obligation to submit data on the payment system and electronic money (hereinafter referred to as 'Decision'). The Decision prescribes the obligation of reporting to the Croatian National Bank (hereinafter referred to as 'CNB') about payment system and electronic money data, as well as about the content, manner and deadlines of the reporting.

The payment service providers, whose data were used in the preparation of the Report include:

1. credit institutions (banks) that have obtained authorisation from the CNB, which includes the authorisation to provide the payment services of acquiring payment transactions;
2. electronic money institutions that have obtained authorisation from the CNB to provide the payment services of issuing payment instruments and acquiring payment transactions executed by payment instruments; and
3. payment institutions that have obtained authorisation from the CNB to provide the payment services of acquiring payment transactions executed by payment instruments.

2 National cashless payment transactions

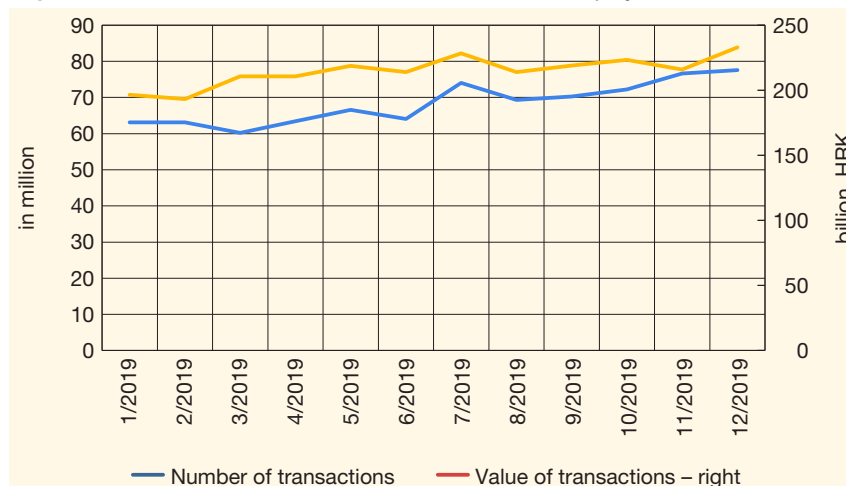
National cashless payment transactions are payment transactions the execution of which involves a payer's payment service provider and a payee's payment service provider, or only one payment service provider, operating in the Republic of Croatia. Data on national cashless payment transactions in the Report are grouped into five categories:

- Sent credit transfers;
- Bill-paying service;
- Direct debits;
- Debits from the accounts by simple book entry; and
- Transactions using payment cards issued in the RC.

According to data submitted by reporting entities, a total of 927.85 million national cashless payment transactions were executed in 2019, worth a total

⁴ The average value of national transactions using payment cards issued in the RC stood at HRK 188.

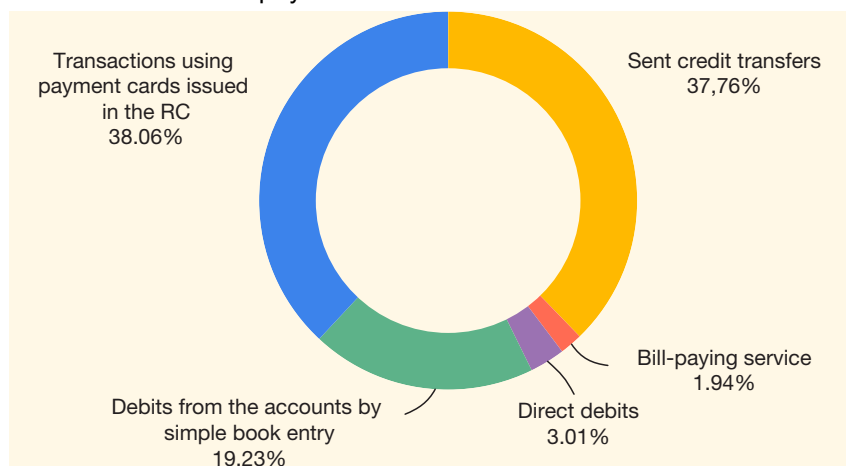
Figure 1 Number and value of national cashless payment transactions



Note: National cashless payment transactions include cashless payment transactions executed in all currencies and converted into kuna.

Source: CNB.

Figure 2 Structure of national cashless payment transactions by the number of executed payment transactions

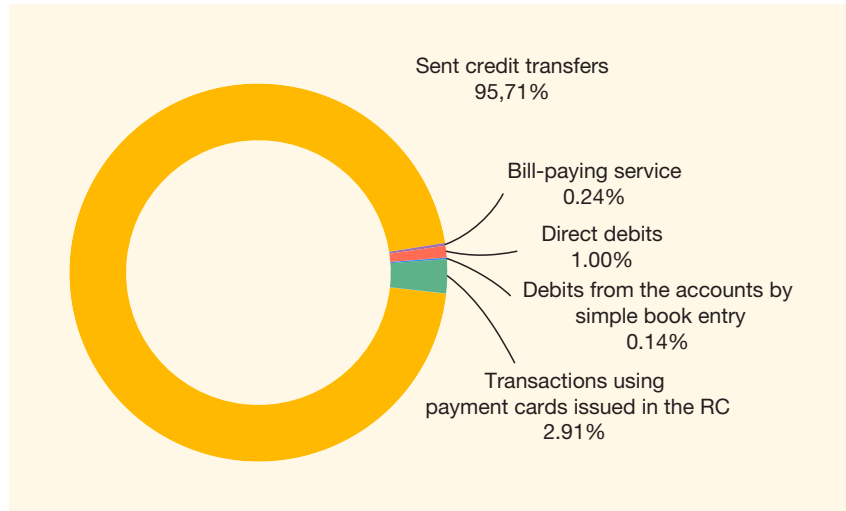


Source: CNB.

of HRK 2,279,488.9m. If compared with the total number and value of national cashless payment transactions in 2018, the total number of transactions rose by 8.4% and the total value of transactions by 10.3%. On average 77.3 million national cashless payment transactions were executed monthly, with an average monthly value of HRK 189,957.4m (Figure 1). The average value of national cashless payment transactions in 2019 stood at HRK 2,457.

It was established from the structure of national cashless payment transactions by number of payment transactions executed in 2019 that the largest share (38.06%) referred to transactions using payment cards issued in the RC, in contrast to previous years when sent credit transfers accounted for the largest share. They were followed by the transactions of sent credit transfers, with a share of 37.76% and transactions of debits from the accounts by simple book entry, with a share of 19.23%. Transactions executed using the bill-paying service and direct debit service accounted for 1.94% and 3.01%, respectively (Figure 2).

Figure 3 Structure of national cashless payment transactions according to the value of executed payment transactions

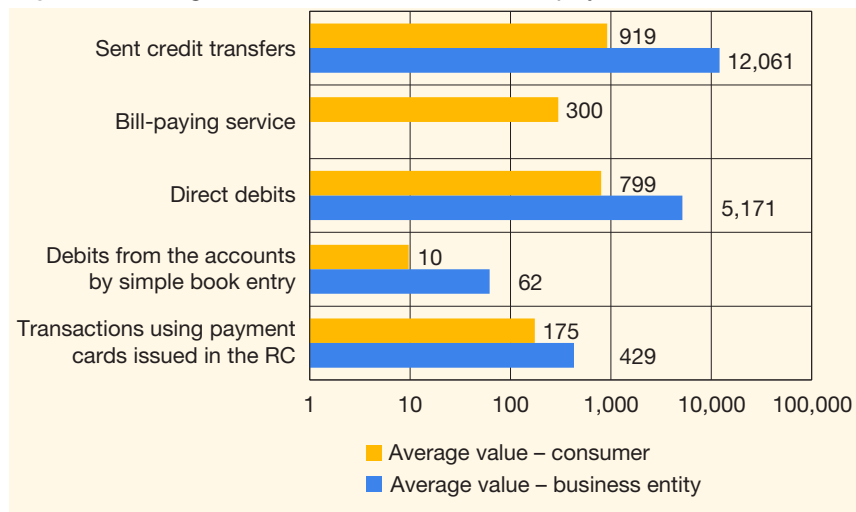


Note: National cashless payment transactions include cashless payment transactions executed in all currencies and converted into kuna.
Source: CNB.

Sent credit transfers accounted for a very large share of national cashless payment transactions in terms of value of executed payment transactions in 2019. They accounted for over 95% of the total value of all the executed national cashless payment transactions (Figure 3).

The high share of credit transfers in the total value of national cashless payment transactions is because it is precisely credit transfers that are most frequently used in larger-value transactions. Thus, credit transfers are commonly used for the execution of payments between corporations, corporations and banks, payments between natural persons, the payment of wages and pensions, etc. This is also evident from the average value of the national credit transfer transactions, which is much higher than, for example, the average value of card

Figure 4 Average values of national cashless payment transactions



Notes: National cashless payment transactions include cashless payment transactions executed in all currencies and converted into kuna.
Payment transactions executed using the bill-paying service in the RC in 2019 could be initiated by consumers only.
Source: CNB.

transactions, which is primarily used for the purchase of goods and services in retail. The amount of the average value for each of the categories of national cashless payment transactions is shown separately for the consumer and the business entity in Figure 4.

The analysis of each of the categories of national cashless payment transactions is given below.

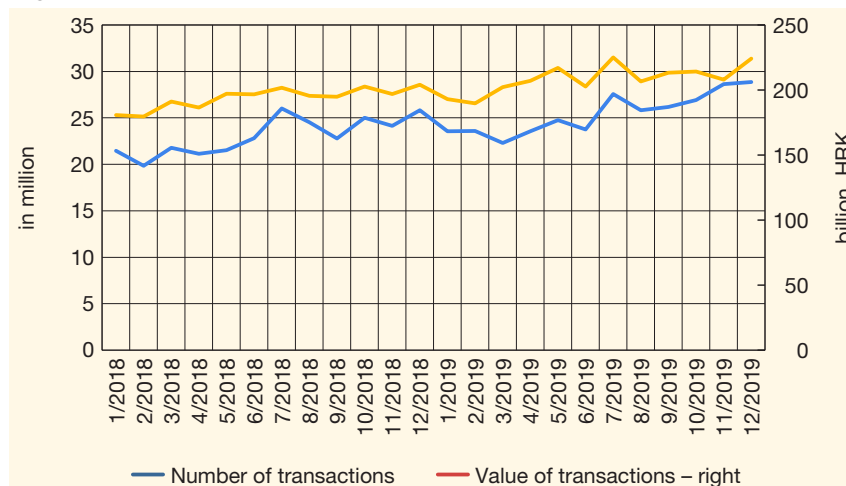
2.1 Sent credit transfers

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 should 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 payment account at the payer's initiative. As at 31 December 2019, 21 credit institutions provided credit transfer payment services in the RC.

Sent credit transfers are a dominant payment service in the RC and they include all national credit transfers executed by debiting the payment accounts of consumers, business entities and credit institutions in the RC. Sent credit transfers also include the standing order service.

In 2019, in the RC, 350.4 million transactions of sent credit transfers were executed in a total value of HRK 2,181,733.6m. At a monthly level, on average 29.2 million sent credit transfers were executed with the average value of HRK 181,811.1m per month. The average value of sent credit transfers stood at HRK 6,227. If compared with the total number and value of sent credit transfers in 2018, the total number of transactions in 2019 rose by 7.5% and the total value

Figure 5 Number and value of sent credit transfers



Note: Data refer to the payment transactions of sent national credit transfers executed in all currencies and converted into kuna.

Source: CNB

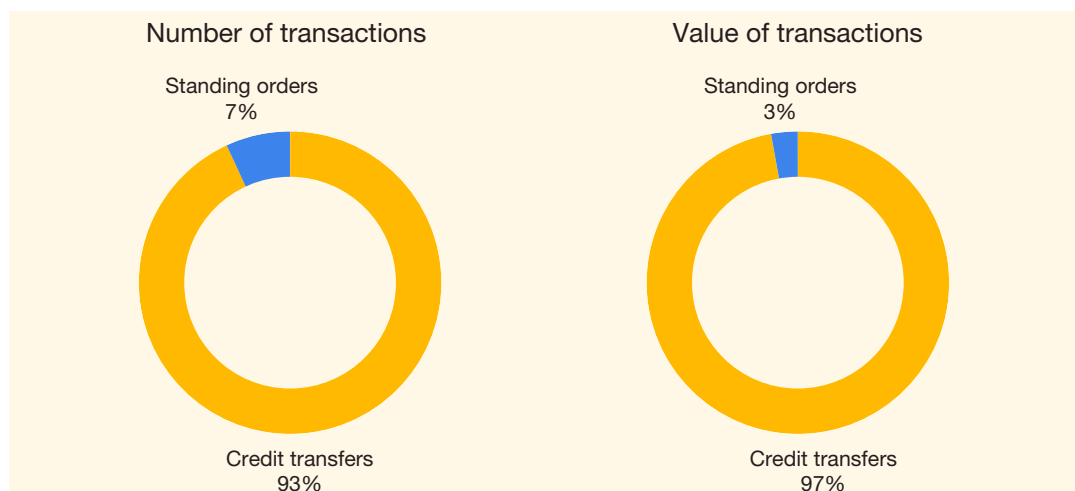
of transactions by 10.3%. Figure 5 shows the movement of the total number and value of sent credit transfers in the past two years.

With the intention of showing standing orders, i.e. national cashless credit transfers executed at regular intervals or on dates set in advance (e.g. the payment of annuities or instalments of a credit) separately, the category of sent credit transfers in the Report is divided into two subcategories, i.e. credit transfers (Subcategory 1.1) and standing orders (Subcategory 1.2). The share of each of the subcategories in the total number and value of sent credit transfers in 2019 is shown in Figure 6.

As shown in Figure 6, credit transfers (Subcategory 1.1) have a much more significant share than standing orders in the total number and in the value of sent credit transfers. In 2019, their share accounted for 93% of the total number and 97% of the total value of sent credit transfer transactions. A total of 326 million transactions of national credit transfers, worth a total of HRK 2,119,489.2m, were executed in 2019. At a monthly level, 27 million national credit transfers were executed on average, with their average value of HRK 176,624.1m per month (Figure 7).

Of the total number of executed national credit transfer transactions, 50.54% were executed debiting the payment accounts of consumers, 45.97% debiting the payment accounts of business entities and 3.49% debiting the payment accounts of credit institutions in the RC. At the same time, of the total value of executed national credit transfer transactions, as many as 83.55% were executed debiting the payment accounts of business entities, 7.45% were executed debiting the payment accounts of consumers and 9% were executed debiting the payment accounts of credit institutions in the RC. The average value of executed credit transfers debiting the payment accounts of consumers,

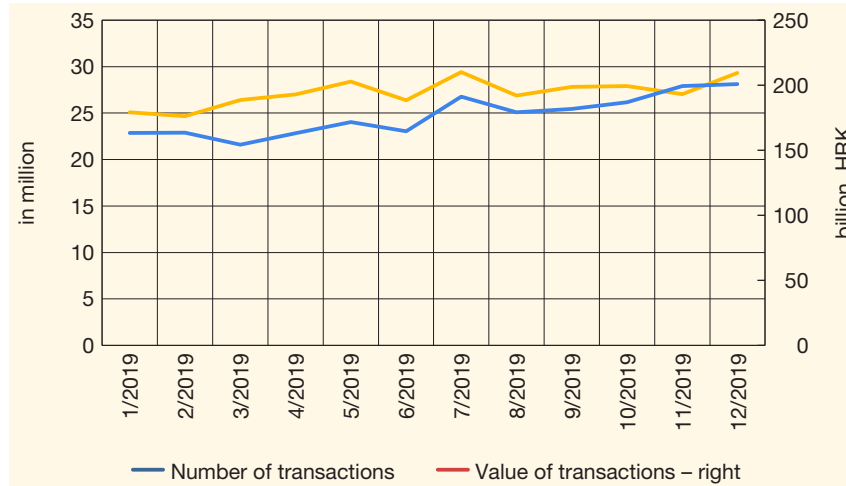
Figure 6 Share of credit transfers and standing orders in the total number and value of sent credit transfers in 2019



Note: Data refer to the payment transactions of sent national credit transfers executed in all currencies and converted into kuna.

Source: CNB.

Figure 7 Credit transfers (Subcategory 1.1)



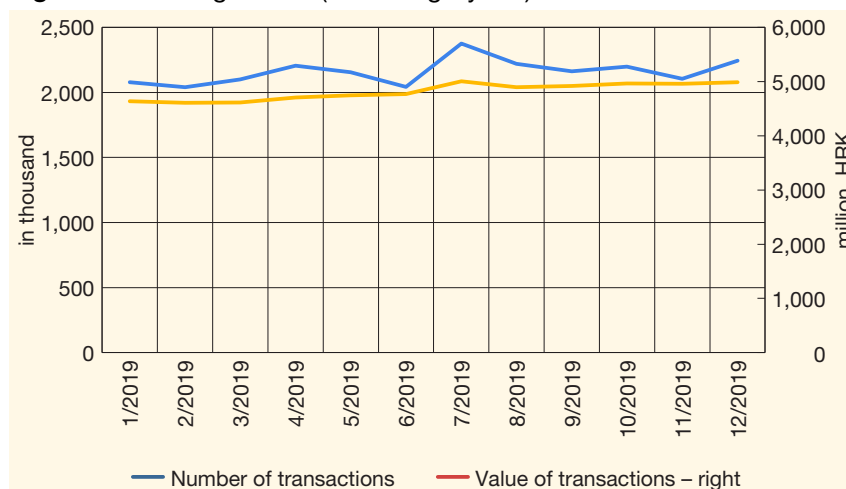
Note: Data refer to the transactions of sent national credit transfers executed in all currencies and converted into kuna.
Source: CNB.

business entities and credit institutions stood at HRK 957, HRK 11,807, and HRK 16,757, respectively.

In 2019, 24.1 million standing orders (Subcategory 1.2) totalling HRK 62,244.5m were executed by debiting the payment accounts of consumers and business entities. The above amounts account for 7% of the total number and 3% of the total value of sent credit transfers (Figure 6). At a monthly level, 2 million standing orders were executed on average, totalling on average HRK 5,187m per month (Figure 8).

Of the total number of executed standing order transactions, 97% were executed by debiting the payment accounts of consumers and 3% by debiting the payment accounts of business entities. However, if the total value of executed

Figure 8 Standing orders (Subcategory 1.2)



Note: Data refer to standing order transactions executed in all currencies and converted into kuna.
Source: CNB.

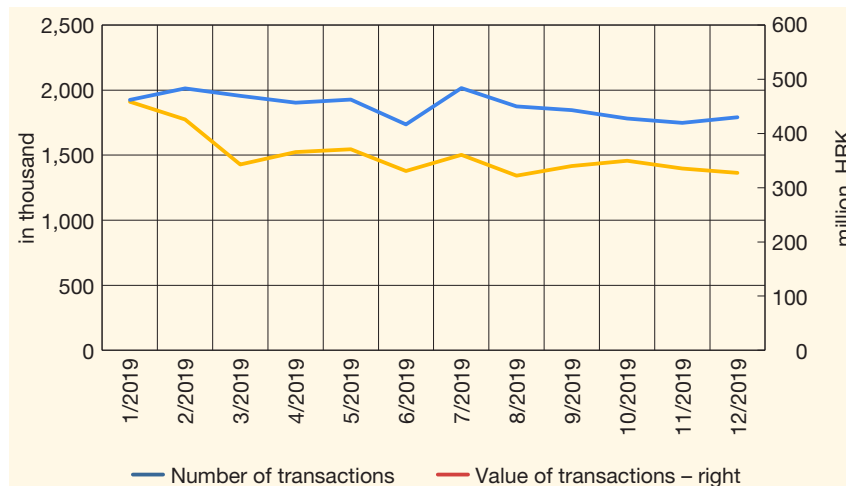
standing order transactions is analysed, 24% were executed by debiting the payment accounts of consumers and 76% were executed by debiting the payment accounts of business entities. The average value of standing orders executed by debiting the payment accounts of consumers stood at HRK 646 while the average value of standing orders executed by debiting the payment accounts of business entities stood at HRK 63,152.

2.2 Bill-paying service

The bill-paying service includes all payment transactions 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). The credit institution receives payment orders on its own or through third parties (FINA, Hrvatska pošta, retail chains). As at 31 December 2019, in the RC, the bill-paying service was provided by 12 credit institutions and one electronic money institution. The total number of payment transactions executed by the bill-paying service in 2019 stood at 18 million with a total value of HRK 5,404.9m.

As shown in Figure 9, on average 1.5 million transactions were executed monthly using the bill-paying service with the average value standing at HRK 450.4m per month. The average value of transactions executed using the bill-paying service stood at HRK 300.

Figure 9 Bill-paying service



Note: Data refer to the payment transactions executed using the bill-paying service in kuna.

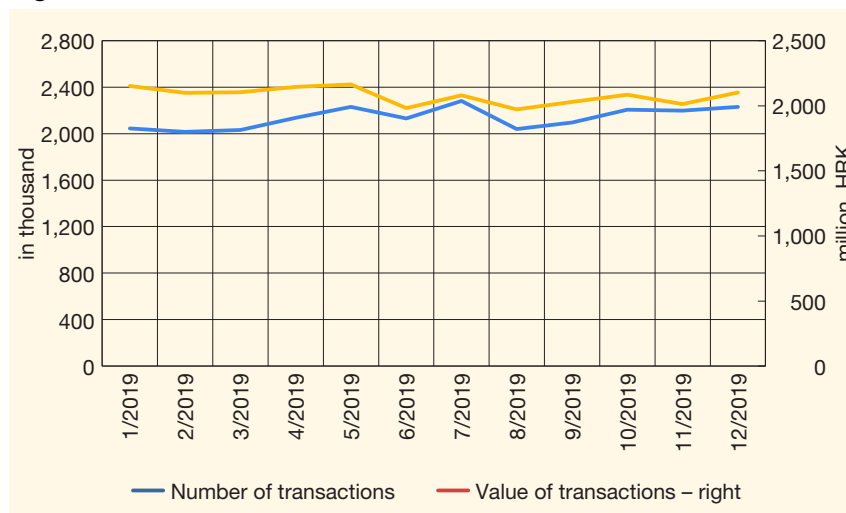
Source: CNB.

2.3 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. Transactions in the Report include all direct debits on the basis of which the payment accounts of payers in the territory of the RC were debited in 2019 (e.g. the payment of liabilities for utility services, collection of expenses on the card with a delayed debit function, etc.).

As at 31 December 2019, the direct debit service in the RC was provided by 18 credit institutions and a total of 27.9 million transactions of direct debits debiting the payment accounts of payers in the total value of HRK 22,893.5m were executed. Of the total number of direct debit transactions, as many as 99.5% were executed by debiting the payment accounts of consumers worth a total of HRK 22,177.6m (96.9% of the total value of transactions).

Figure 10 Direct debits



Note: Data refer to direct debit transactions executed in all currencies and converted into kuna.

Source: CNB.

The movement of the total monthly number and value of direct debit transactions in 2019 is shown in Figure 10. The average monthly number of direct debits according to which payment accounts of payers in the territory of the RC were debited in 2019 stood at 2.3 million transactions with an average value of HRK 1,907.8m per month. The average value of direct debit transactions executed by debiting the payment account of consumers stood at HRK 799 while the average value of direct debit transactions executed by debiting the payment account of business entities stood at HRK 5,171.

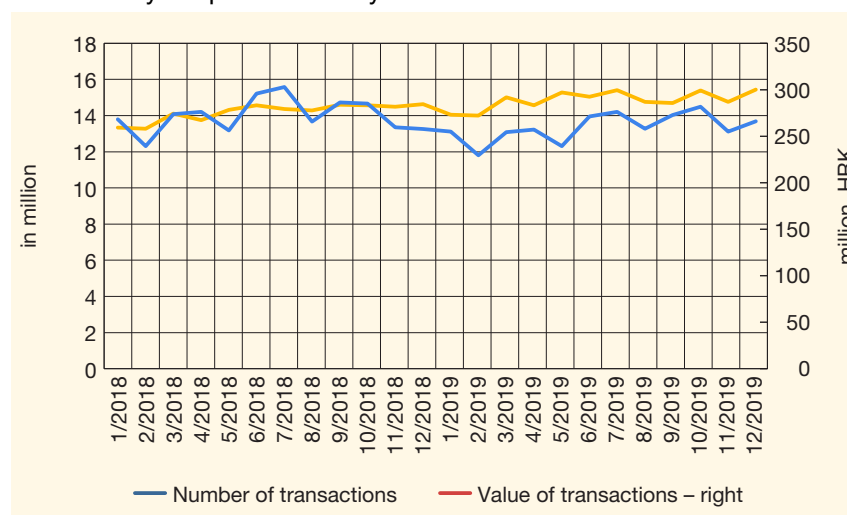
2.4 Debits from the accounts by simple book entry

Debits from the accounts by simple book entry include the total number and value of transactions initiated and executed by a credit institution, by transfer from the payment account of its payment service user on the basis of a contract with the user, without a specific payment order (e.g. interest payments, fees for individual payment services, such as, for example, account management fee). For the purposes of this Report, the transactions of debits from the accounts by simple book entry do not include the transactions of the transfer of the amount of the instalment/annuity of a credit from the payment account of a payment service user to the account of the credit institution if such a transfer is agreed by the credit agreement.

In line with the above, 178.4 million transactions of debits from the accounts by simple book entry worth a total of HRK 3,117.1m on interests and fees were executed in the RC in 2019. The total number of transactions of debits from the accounts by simple book entry increased by 4.8% and their total value decreased by 4.6% from 2018. The movement of the total monthly number and value of debits from the accounts by simple book entry transactions in the past two years is shown in Figure 11.

In 2019, at a monthly level, on average 14.9 million transactions of debits from the accounts by simple book entry were executed with the average value of HRK 259.8m per month. The average value of transactions of debits from the accounts by simple book entry executed by the transfer from payment accounts of consumers stood at HRK 10 and that executed by the transfer from payment accounts of business entities stood at HRK 62.

Figure 11 Number and value of transactions of debits from the accounts by simple book entry



Note: Data refer to the transactions of debits from the accounts by simple book entry executed in all currencies and converted into kuna.

Source: CNB.

2.5 Transactions using payment cards issued in the RC

Transactions using payment cards issued in the RC shown in item 5 of the Report include national card-based payment transactions executed using payment cards issued by issuing payment service providers in the RC. Payment service providers – issuers⁵ in the RC include:

1. credit institutions (banks) that have obtained authorisation from the CNB, which includes the authorisation to provide the payment service of issuing payment cards; and
2. electronic money institutions, which have obtained the authorisation from the CNB to provide the payment service of issuing payment cards.

For the purposes of this Report, national card transactions⁶ include only the following:

- payment transactions of the purchase of goods and services using a payment card; and
- direct debits collected through a payment card.

In all, 353.16 million such national card-based transactions using payment cards issued in the RC worth a total of HRK 66,339.7m were executed in 2019. If these data are compared with the data from 2018, the total number of national transactions using payment cards issued in the RC increased by 14.2% and their total value rose by 11.6%. The movement of the total number and value of national transactions using payment cards issued in the RC in the last two years is shown in Figure 12.

In the Report, national transactions using payment cards issued in the RC are divided into two subcategories: 5.1 Debit payment cards and 5.2 Credit payment cards. Debit payment cards include only debit cards, while credit payment cards include credit, charge, revolving, delayed debit and membership cards.

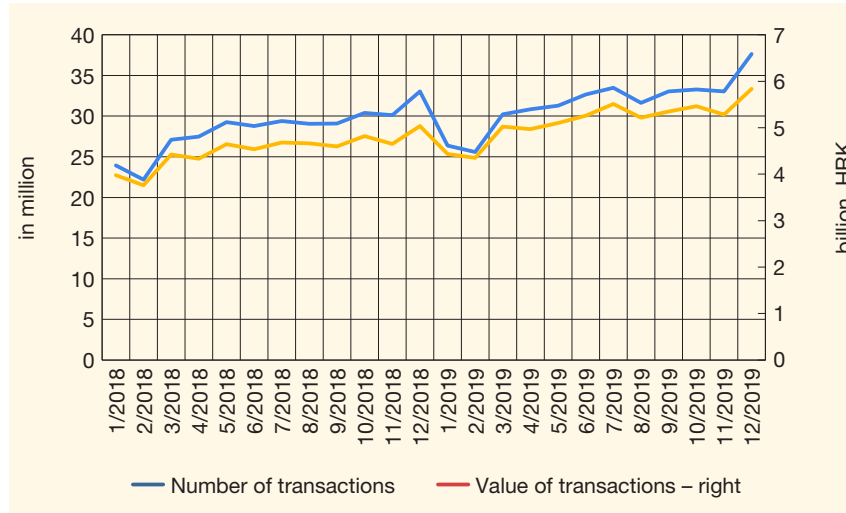
As at 31 December 2019, of the total number⁷ of payment cards issued in the RC, 6,895,963 (75%) were debit payment cards and 2,328,889 (25%) were credit payment cards. Debit cards were used to execute 264.7 million transactions (75%), worth a total of HRK 43,699.3m (65.9%). The rest of the total number of national transactions using payment cards issued in the RC was executed using credit cards (88.4 million transactions or 25%, worth a total of HRK 22,640.4m

5 Payment cards issued in the RC, which were used to execute national card transactions in 2019, were issued by 22 credit institutions and two electronic money institutions.

6 In this Report, the transactions of the withdrawal and deposit of cash using a payment card, and the transactions of fees, interests, membership fees, etc., collected by the issuer through the payment card, are not included in national card transactions.

7 As at 31 December 2019, in all 9,224.852 issued payment cards were recorded in the RC. Of the total number of issued payment cards, 95% were issued to consumers and 5% to business entities.

Figure 12 Transactions using payment cards issued in the RC

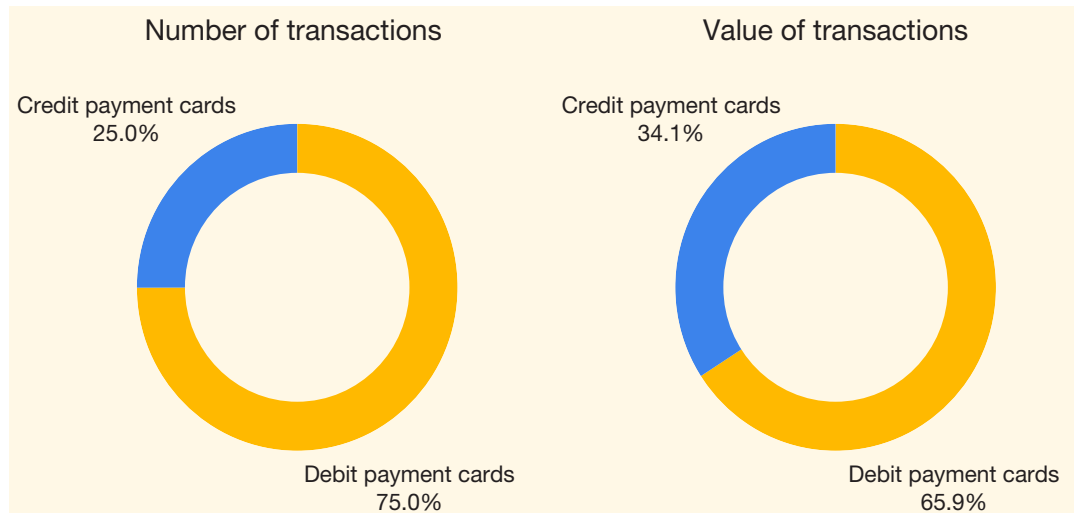


Note: Data refer to national transactions using payment cards issued in the RC, which include payment transactions of the purchase of goods and services using a payment card and direct debits collected through a payment card executed in kuna.
Source: CNB.

or 34.1%). The shares of debit and credit payment cards in the total number and value of transactions executed using payment cards issued in the RC are shown in Figure 13.

The average value of national transactions executed using a debit card issued in the RC in 2019 stood at HRK 165, and that of national transactions executed using a credit card issued in the RC stood at HRK 256.

Figure 13 Share of debit and credit payment cards in the total number and value of transactions executed using payment cards issued in the RC



Note: Data refer to transactions using payment cards issued in the RC executed in kuna.
Source: CNB.

3 International cashless payment transactions

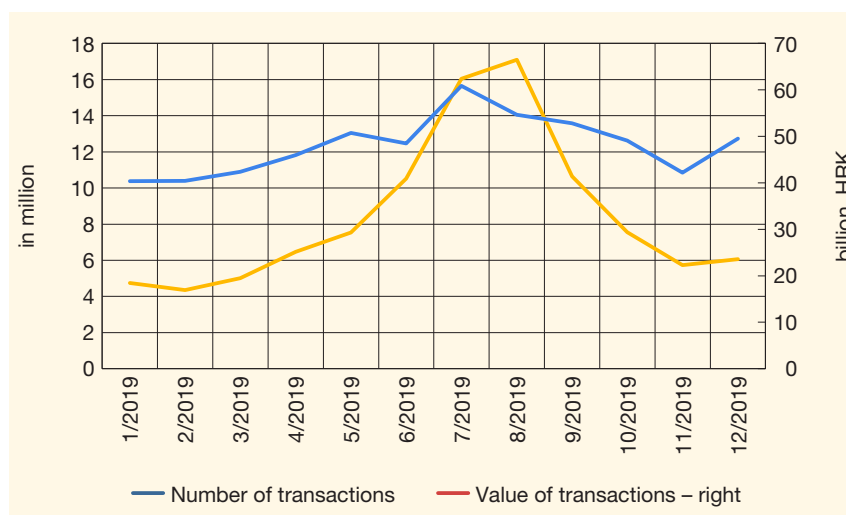
International cashless payment transaction means a payment transaction the execution of which involves two payment service providers of which one payment service provider operates in the RC, whereas the other payment service provider operates outside the RC. Data on international cashless payment transactions in the Report are grouped into four categories:

- Sent credit transfers;
- Received credit transfers;
- Transactions using payment cards issued in the RC; and
- Transactions of acquiring payment cards issued outside the RC.

A total of 101.8 million international cashless payment transactions worth a total of HRK 577,517.9m were executed in the RC in 2019. If the year is compared with 2018, the total number of these transactions rose by 20% and their total value by 10.5%. The average value of international cashless payment transactions in 2019 stood at HRK 5,675. The movement of the total monthly number and value of international cashless payment transactions in 2019 is shown in Figure 14.

In 2019, on average 8.5 million international cashless payment transactions were executed monthly, worth on average HRK 48,126.51m per month. The exponential growth in the number of international cashless payment transactions in the period from May to September 2019 is explained in the part related to the transactions of acquiring payment cards issued outside the RC.

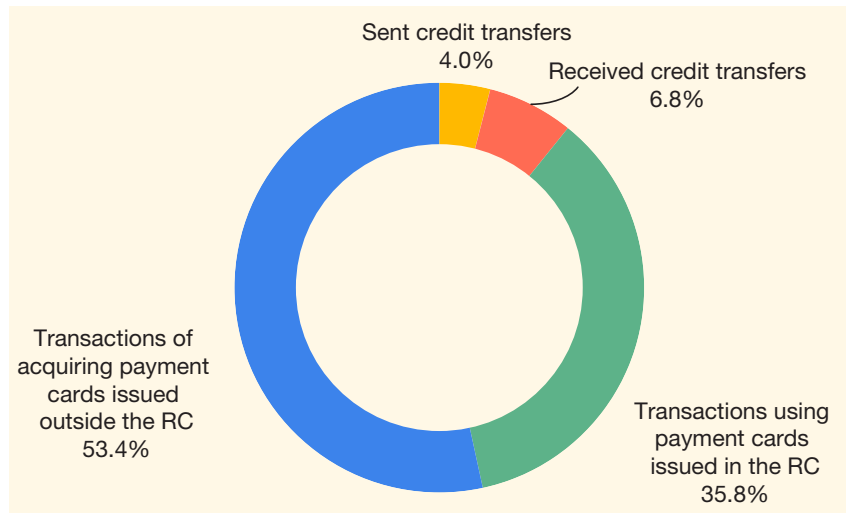
Figure 14 Number and value of international cashless payment transactions



Note: Data refer to international cashless payment transactions executed in all currencies and converted into kuna.

Source: CNB.

Figure 15 Structure of international cashless payment transactions according to the number of executed payment transactions

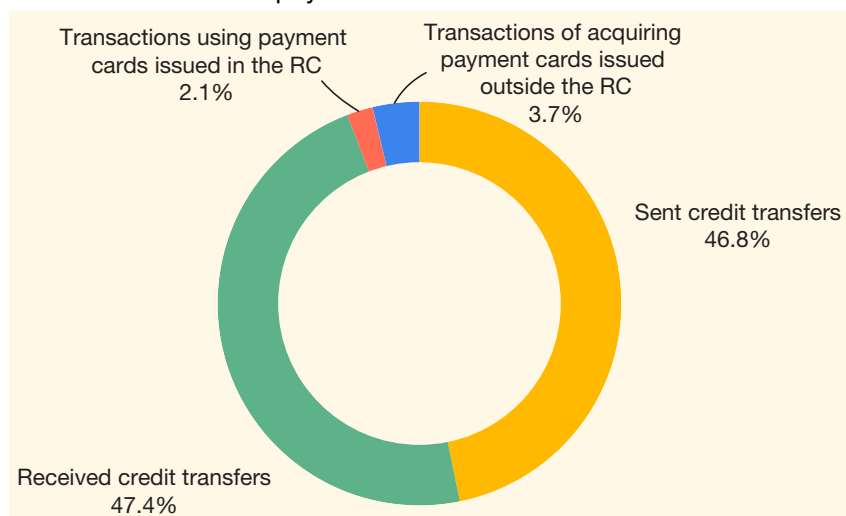


Source: CNB.

The transactions of acquiring payment cards issued outside the RC and international transactions using payment cards issued in the RC accounted for the largest shares of the total number of international cashless payment transactions in 2019, with a 53.4% and 35.8% share respectively (Figure 15). They were followed by international credit transfer transactions crediting payment accounts in the RC with a share of 6.8%, while sent credit transfers ranked the last with a 4% share.

As shown by the structure of the value of international cashless payment transactions (Figure 16), international credit transfers account for 94% of the total value of transactions. Of the total value of international cashless payment transactions, 47.4% relates to international credit transfers executed by crediting payment accounts in the RC and 46.8% relates to international credit transfers executed by debiting payment accounts in the RC. The transactions of acquiring

Figure 16 Structure of international cashless payment transactions by the value of executed payment transactions



Note: Data refer to the value of international cashless payment transactions executed in all currencies and converted into kuna.

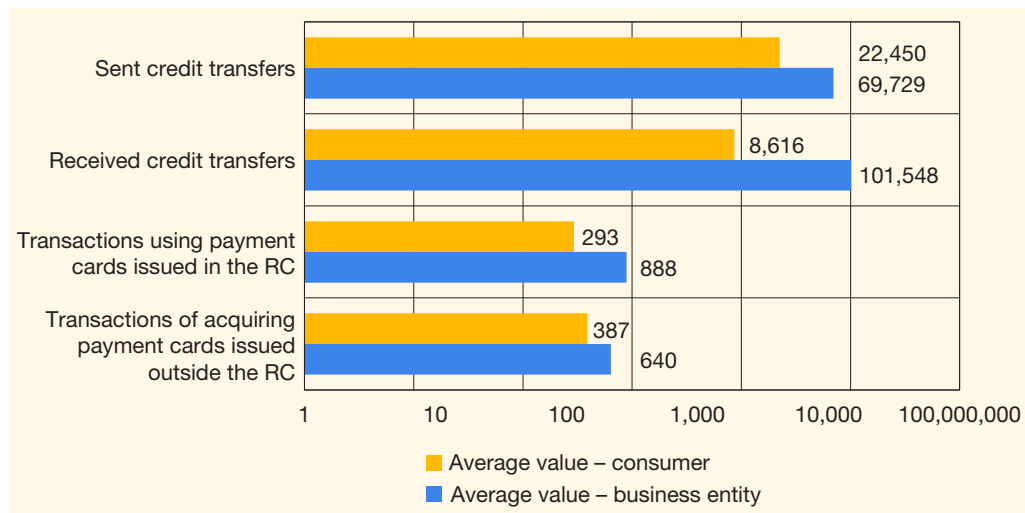
Source: CNB.

payment cards issued outside the RC and international transactions using payment cards issued in the RC account for 3.8% and 2.1%, respectively, of the total value of international cashless payment transactions.

The high share of credit transfers in the total value of international (as in national) cashless payment transactions results from credit transfers being the most frequently used in larger-value transactions. This can also be seen in the average value of international cashless payment transactions, which is notably higher in the case of international credit transfers than the average value of international transactions executed using a payment card. The average values of international cashless payment transactions for consumers and business entities are shown in Figure 17.

The analysis of each of the categories of international cashless payment transactions is given below.

Figure 17 Average value of international cashless payment transactions



Note: International cashless payment transactions include cashless payment transactions executed in all currencies and converted into kuna.
Source: CNB.

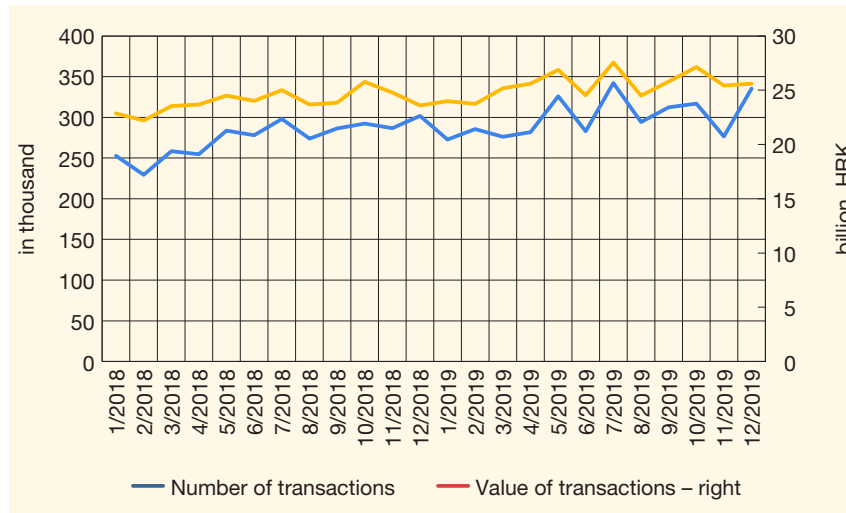
3.1 Sent credit transfers

Sent credit transfers include all international credit transfers executed by debiting the payment accounts of consumers, business entities and credit institutions in the RC. Data that refer to executed credit transfers debiting the payment accounts of credit institutions in the RC do not include transactions that credit institutions in the RC carried out in their name and for their account in the financial market (e.g. payments in foreign exchange and/or capital market).

In all, 4.1 million transactions of sent international credit transfers worth a total of HRK 270,260.1m (executed in all currencies and converted into

kuna) were executed in 2019. The above data show that the total number of sent international credit transfers rose by 6.5% and their total value by 9.3% from 2018. At a monthly level, on average 340 thousand sent international credit transfers worth on average HRK 22,521.7m were executed in 2019. The movement of the total number and value of sent international credit transfers in 2018 and 2019 is shown in Figure 18.

Figure 18 Sent international credit transfers

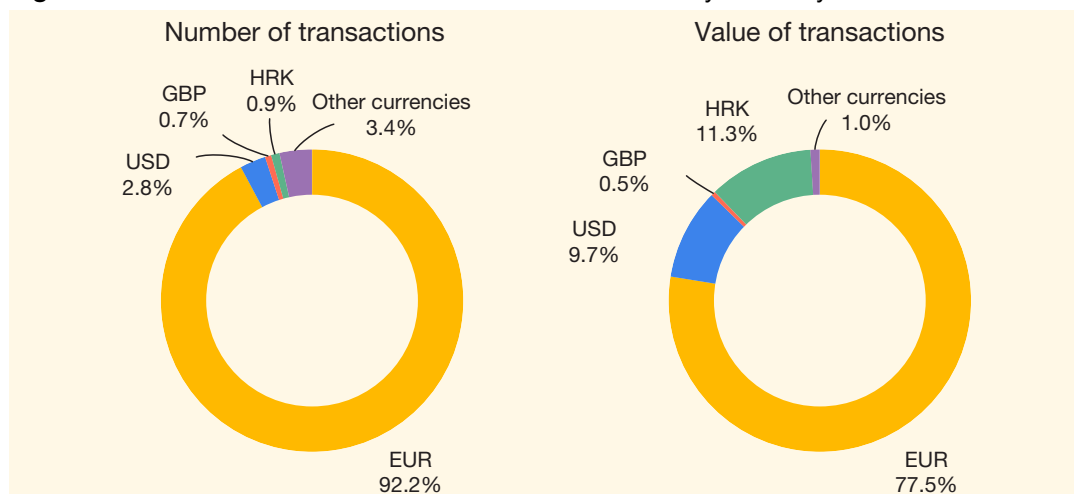


Note: Data refer to sent international credit transfers executed in all currencies and converted into kuna.

Source: CNB.

Of the total number of sent international credit transfers in 2019, 91.3%, worth a total of HRK 259,860.2m, was executed by debiting the payment accounts of business entities in the RC. Of the total number of sent international credit transfers, 8.5%, worth a total of HRK 7,795.7m, was executed by debiting the payment accounts of consumers in the RC. The remaining 0.2% of the share referred to the share in the number of sent international credit transfers executed by debiting the payment accounts of credit institutions in the RC, worth a total of HRK 2,604.2m.

Figure 19 Structure of sent international credit transfers by currency



Notes: Data refer to sent international credit transfers by currency. The value of transactions per individual currencies is converted into kuna.

Source: CNB.

The average value of international credit transfers debiting the payment account of a business entity in the RC stood at HRK 69,729, that debiting the payment account of a consumer in the RC stood at HRK 22,450, and that debiting the payment account of a credit institution in the RC stood at HRK 394,641.

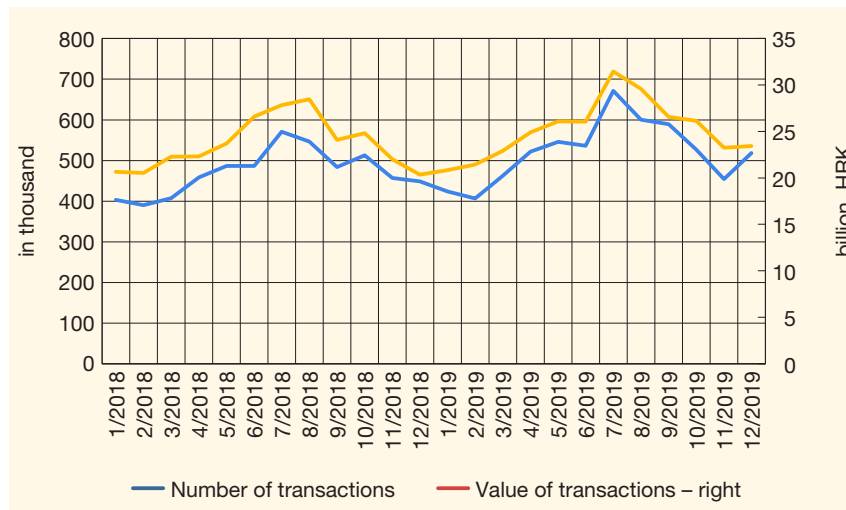
It can be concluded from the analysis of the structure of sent international credit transfers by currency that in 2019 the largest number (92.2%) and the largest value (77.5%) of sent international credit transfers were executed in euro. The shares of the currencies in the structure of sent international credit transfers by currency are shown in Figure 19.

3.2 Received credit transfers

Received credit transfers include all international credit transfers executed by crediting the payment accounts of consumers, business entities and credit institutions in the RC.

According to data submitted by credit institutions, 6.9 million transactions of received international credit transfers worth a total of HRK 273,698.6m (executed in all currencies and converted into kuna) were executed in 2019. If these data are compared with the figures for 2018, the total number of received international credit transfers increased by 6.7% and the total value of transactions by 10.7%. At a monthly level, on average 576 thousand received international credit transfers worth on average HRK 22,808.2m a month were executed in 2019 (Figure 20).

Figure 20 Received international credit transfers



Note: Data refer to received international credit transfers executed in all currencies and converted into kuna.

Source: CNB.

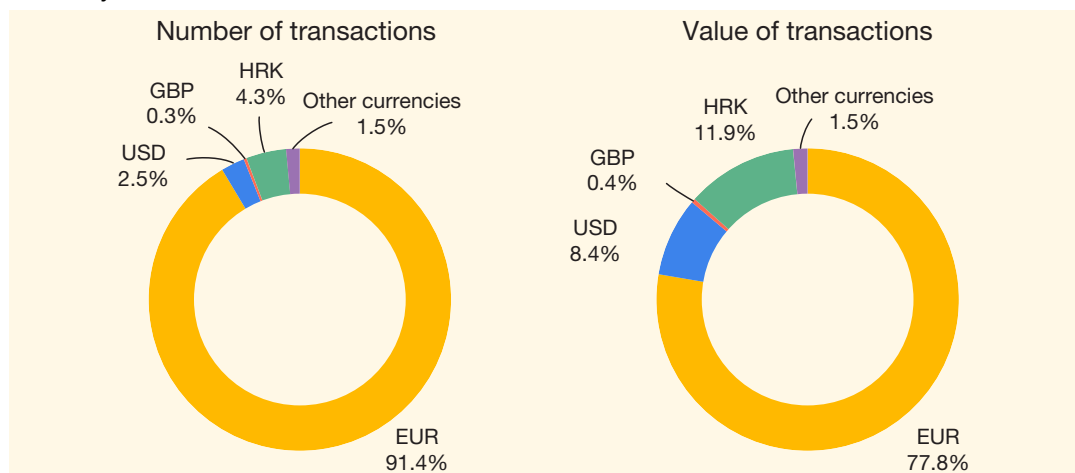
Of the total number of received international credit transfers in 2019, 68.4%, worth a total of HRK 40,778.4m were executed by crediting the payment accounts of consumers in the RC. Of the total number of received international credit transfers, 31.1%, worth a total of HRK 218,256.2m were executed by crediting the payment accounts of business entities in the RC. The remaining 0.5% worth a total of HRK 14,664.1m related to the share in the number of received international credit transfers executed by crediting the payment accounts of credit institutions in the RC.

Accordingly, it can be concluded that the largest share of the value of received international credit transfers was executed by crediting the payment accounts of business entities in the RC, while the largest share of the number of received international credit transfers was executed by crediting the payment accounts of consumers in the RC.

In 2019, the average value of international credit transfers executed by crediting the payment account of business entities in the RC stood at HRK 101,548, that executed by crediting the payment account of consumers in the RC stood at HRK 8,616, and that by crediting the payment account of credit institutions in the RC stood at HRK 411,230.

It was established from the structure of received international credit transfers in 2019 by currency that the largest share of transactions (91.4% in the number and 77.8% in the value) referred to transactions in euro. They were followed by the transactions of received international credit transfers in US dollars with a share of 2.5% in the total number and 8.4% in the total value of received international credit transfers by currency. The shares of the currencies in the structure of received international credit transfers by currency is shown in Figure 21.

Figure 21 Structure of received international credit transfers by currency



Notes: Data refer to received international credit transfers by currency. The value of transactions per individual currencies is converted into kuna. Source: CNB.

3.3 Transactions using payment cards issued in the RC

Transactions using payment cards issued in the RC include all international transactions using payment cards issued by payment service providers in the RC, i.e.:

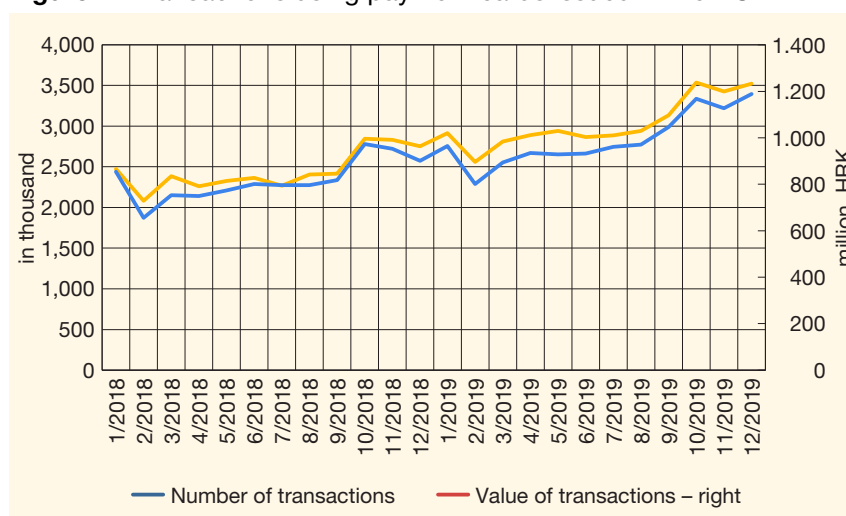
- payment transactions of the purchases of goods and services using a payment card; and
- payment transactions of cash withdrawal using a payment card.

According to the data submitted, 36.4 million international transactions using payment cards issued in the RC worth a total of HRK 11.914m were executed in 2019. The transactions were executed in 139 currencies and 219 different countries. The total number of executed international transactions using payment cards issued in the RC increased by 23.8% and their total value by 21.3% from 2018.

On a monthly level, in 2019, 3 million international transactions using payment cards issued in the RC were executed on average, worth an average of HRK 992.8m monthly. The movement of the total monthly number and value of international transactions using payment cards issued in the RC in 2018 and 2019 is shown in Figure 22.

In 2019, of the total number and value of international transactions using payment cards issued in the RC, 94.3% of the number and 84.5% of the value of international payment card transactions were executed using consumer cards, while 5.7% of the number and 15.5% of the value of international payment card transactions were executed using the cards of business entities.

Figure 22 Transactions using payment cards issued in the RC



Note: Data refer to international transactions using payment cards issued in the RC, which include payment transactions of the purchase of goods and services using a payment card and payment transactions of cash withdrawal using a payment card executed in all currencies and converted into kuna.

Source: CNB.

The average value of international transactions using a payment card issued to a consumer in the RC was HRK 293 and that of international transactions using a payment card issued to a business entity in the RC was HRK 888.

3.4 Transactions of acquiring payment cards issued outside the RC

The transactions of acquiring payment cards issued outside the RC include data on the transactions of acquiring payment cards issued by payment service providers outside the RC (hereinafter referred to as 'foreign issuer'), including e-money purchase transactions. The service of acquiring payment cards was provided by acquiring payment service providers, i.e.:

1. credit institutions (banks) that have obtained authorisation from the CNB, which includes the authorisation to provide the payment service of acquiring payment transactions executed by payment instruments;
2. electronic money institutions that have obtained authorisation from the CNB to provide the payment services of acquiring payment transactions executed by payment instruments; and
3. payment institutions that have obtained authorisation from the CNB to provide payment services of acquiring payment transactions executed by payment instruments.

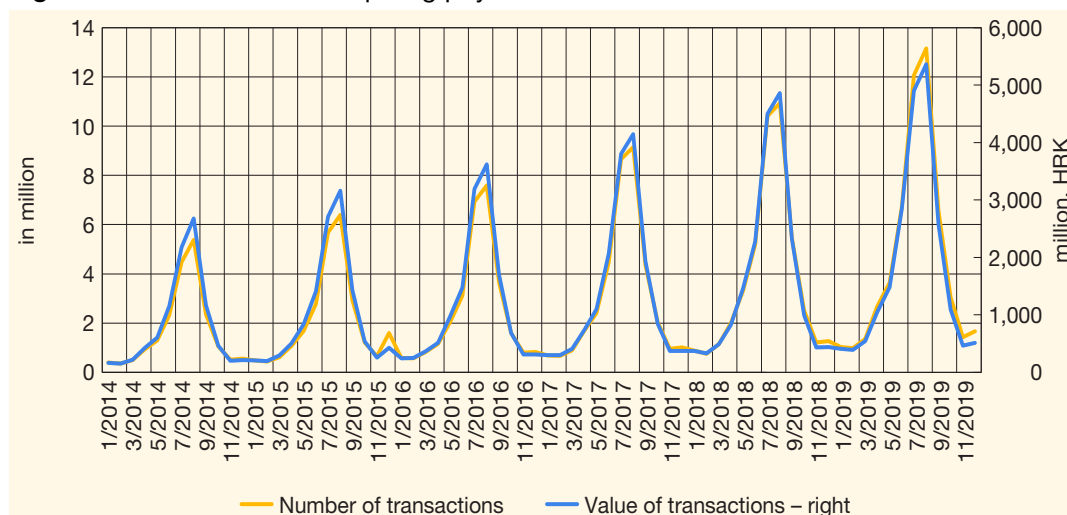
For the purposes of this Report, the transactions presented herein include exclusively the transactions of acquiring for the purchase of goods and services executed through the EFTPOS terminals and online at the point of sale through a payment card.

In all, 54.4 million transactions of acquiring payment cards of foreign issuers, worth a total of HRK 21,645.6m, were executed in 2019. If compared with the total number and value of the acquiring transactions of payment cards of foreign issuers in 2018, the total number of transactions rose by 20.6% and their total value by 12.1%.

The movement of the total monthly number and value of transactions of acquiring payment cards issued outside the RC in the last six years is best shown in Figure 23, according to which, on an annual basis, the total number and the total value of transactions rose by 21% and 12%, respectively.

The data shown in Figure 23 also suggest an upward trend in the total number and value of monthly transactions of acquiring payment cards of foreign issuers for the purchase of goods and services in the period from May to September. After September and the summer tourist season, the number and value of monthly transactions usually falls to the beginning of the year level. In 2019, the average value of transactions of acquiring payment cards issued by foreign issuers for the purchase of goods and services stood at HRK 398.

Figure 23 Transactions of acquiring payment cards issued outside the RC



Note: Data refer to the transactions of acquiring payment cards issued outside the RC, which include the transactions of acquiring for the purchase of goods and services executed through EFTPOS terminals and online at the point of sale through a payment card; executed in kuna.

Source: CNB.

4 Overview of basic definitions

‘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.

‘Card-based payment transaction’ means a service based on a payment card’s acquiring infrastructure and card scheme business rules to make a payment transaction by means of a debit or a credit card.

‘Credit transfer’ means a payment service for crediting a payee’s payment account with a payment transaction or a series of payment transactions debiting 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.

‘International/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 Republic of Croatia, and the other payment service provider operates in another member state or a third country (hereinafter referred to as ‘international payment transaction’).

‘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 Republic of Croatia.

‘Debits from the accounts by simple book entry’ means a transaction initiated and executed by a credit institution, by a transfer from the payment account of its payment service user on the basis of a contract with the user, without a specific payment order (interests, fees for individual payment services, such as, for example, account management fee).

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

‘Bill-paying service’ means a service in which a credit institution, on the basis of a contract with the payee, collects funds from the payer, irrespective of the manner of their collection, 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.

