

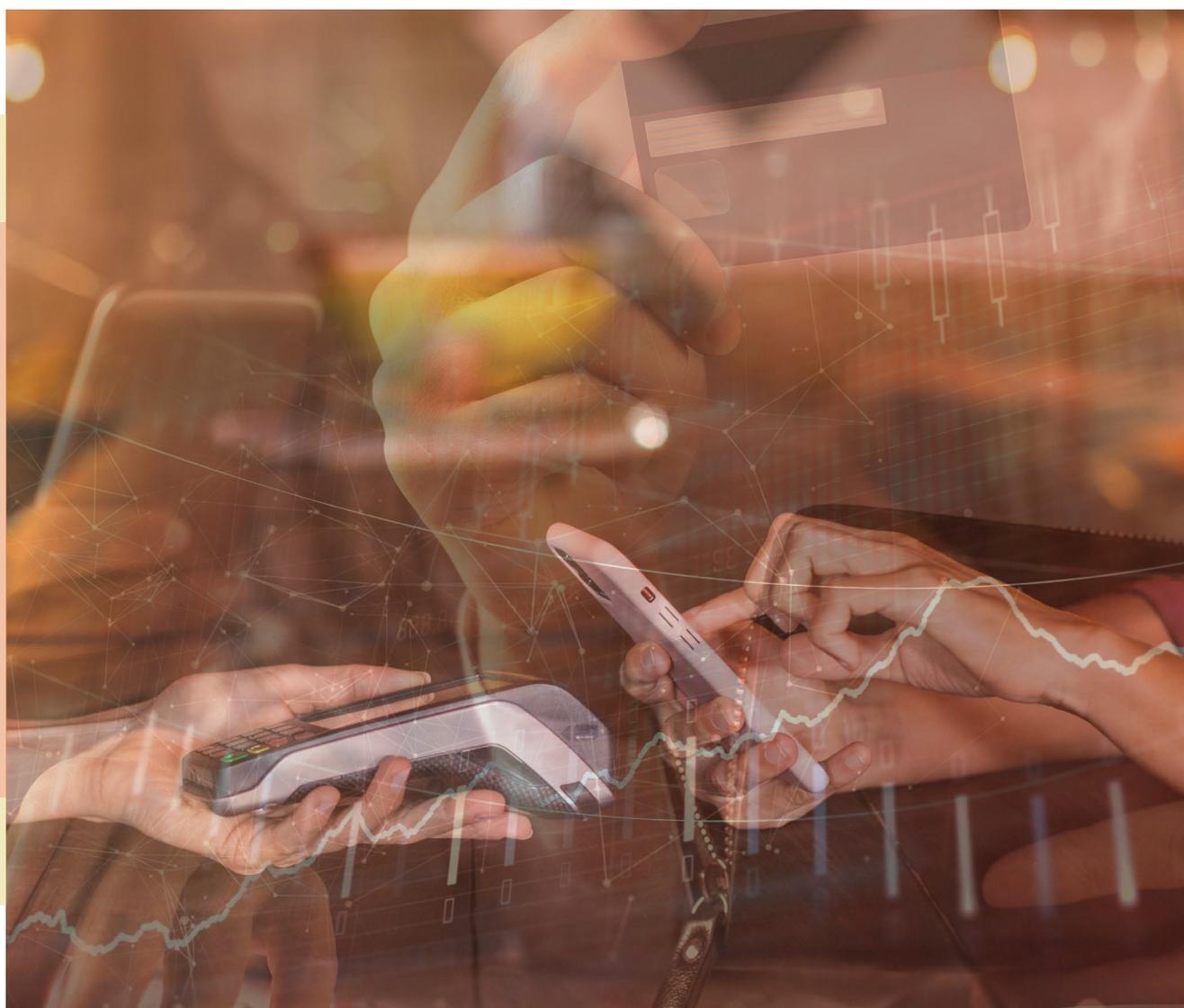


Cashless Payment Transactions

Payment Statistics

2021

Year III · July 2022



Contents

1 Introduction.....	3
2 National cashless payment transactions	6
2.1 Sent credit transfers	9
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	19
3.2 Received credit transfers	21
3.3 Transactions using payment cards issued in the RC	23
3.4 Transactions of acquiring payment cards issued outside the RC	24
4 Overview of basic definitions	25

Publisher

Croatian National Bank

Trg hrvatskih velikana 3, 10000 Zagreb

Phone: +385 1 4564 555, Contact phone: +385 1 4565 006, Fax: +385 1 4564 687

www.hnb.hr

Those using data from this publication are requested to cite the source.

ISSN (online)

1 Introduction

The increase in both the number and the value of cashless payment transactions continued over the past few years. The increase in cashless payment transactions has been strongly driven by advances in internet and mobile banking as well as in card payments. 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 60%, while their value increased by 52% in the past five years. An average Croatian citizen today has 2.12 payment cards in his/her wallet.

At the same time, 36% of consumers and 50% of business entities in the RC have internet banking agreements, and 48% of consumers and 34% of business entities have mobile banking agreements, allowing them to initiate electronic payment orders 24 hours a day.

If the above data are compared with the data for 2020, the number of consumers using a mobile banking service increased by 17% and the number of consumers using an internet banking service increased by 20% in 2021.

The rise in the number of mobile banking users was accompanied by an increase in both the number and the value of payment transactions initiated through this channel, with the result that in 2021, relative to 2020, the number and the value of consumer transactions increased by 25% and 37%, while the number and the value of transactions initiated by business entities increased by 36% and 54%, respectively.¹ These figures and the fact that an increasing number of consumers have mobile banking agreements confirm that the mobile phone is growingly becoming the first choice in the selection of a device with which to initiate electronic transactions.

In contrast to the previous years, when credit transfer transactions accounted for the largest share of the number of national cashless payment transactions, if 2021 is analysed, it can be concluded that card-based payment transactions accounted for the largest share (42%) in the total number of national cashless payment transactions, while the share of credit transfers stood at 36%. The rise in the number and value of transactions executed using payment cards issued in the RC relative to 2020 is described in more detail in item 5 of Table 1. They are followed by transactions of debits from the accounts by simple book entry with the share of 18%. Bill-paying service transactions account for a share of approximately 1%, while direct debit service transactions account for a 2% share.

¹ In 2021, consumers in the RC initiated 21.7 million transactions using the internet banking service, totalling HRK 25.9bn and 106.9 million transactions using the mobile banking service, totalling HRK 83.1bn.

At the same time, card-based payment 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 still account for a very dominant share of the total value of cashless payment transactions. In 2021, they accounted for approximately 95% of the total value of all and international cashless payment transactions executed.

Such a high share of credit transfers in the total value of all cashless payment transactions is the result of credit transfers being the 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 transactions², which is much higher than, for example, the average value of card transactions³, primarily used for the purchase of goods and services in retail.

After two years during which the COVID-19 pandemic had an impact on the number and value of international transactions, in 2021 market recovery was observed, i.e. an increase in the number and value of international transactions using payment cards issued in the RC as well as transactions in the RC using cards issued outside the RC. A detailed analysis of such transactions is shown in items 3.3 and 3.4 of of the publication.

Table 1 shows the total number and value of executed cashless payment transactions in the RC in 2021 in all currencies expressed 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:

- credit institutions (banks) that have obtained authorisation from the CNB, which includes the authorisation to provide the payment services of acquiring payment transactions;
- 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

2 The average value of national credit transfers stood at HRK 6,331 (excluding standing orders).

3 The average value of national transactions using payment cards issued in the RC stood at HRK 183.

- payment institutions that have obtained authorisation from the CNB to provide payment services of acquiring payment transactions executed by payment instruments.

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

Table 1 Report on cashless payment transactions in the Republic of Croatia in 2021

Executed payment transactions (1)	Number of transactions	%	Value of transactions in kuna	%
A) NATIONAL PAYMENT TRANSACTIONS				
1 Sent credit transfers (2)	380,795,737	36.29%	2,317,170,691,180	95.75%
1.1 Credit transfers	356,115,102	93.52%	2,254,514,852,280	97.30%
1.2 Standing orders	24,680,635	6.48%	62,655,838,900	2.70%
2 Bill-paying service	12,813,576	1.22%	4,561,468,089	0.19%
3 Direct debits	20,117,260	1.92%	13,741,833,881	0.56%
4 Debits from the accounts by simple book entry (3)	190,682,414	18.17%	3,089,640,346	0.13%
5 Transactions using payment cards issued in the RC (4)	444,944,049	42.40%	81,494,909,617	3.37%
5.1 Debit payment cards	355,980,943	80.01%	59,742,390,772	73.31%
5.2 Credit payment cards	88,963,106	19.99%	21,752,518,845	26.69%
TOTAL NATIONAL PAYMENT TRANSACTIONS (1 – 5)	1,049,353,036	100.00%	2,420,058,543,113	100.00%
B) INTERNATIONAL PAYMENT TRANSACTIONS				
6 Sent credit transfers (5)	4,556,556	4.11%	319,161,041,726	47.04%
7 Received credit transfers (6)	8,087,429	7.29%	323,993,825,347	47.75%
8 Transactions using payment cards issued in the RC (7)	41,825,082	37.69%	14,544,147,659	2.14%
9 Transactions of acquiring payment cards issued outside the RC (8)	56,480,883	50.91%	20,805,354,482	3.07%
TOTAL INTERNATIONAL PAYMENT TRANSACTIONS (6 – 9)	110,949,950	100.00%	678,504,369,214	100.00%
TOTAL (A+B)	1,160,302,986		3,098,562,912,327	

(1) Executed payment transactions include executed cashless payment transactions in all currencies, converted into 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 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.

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.

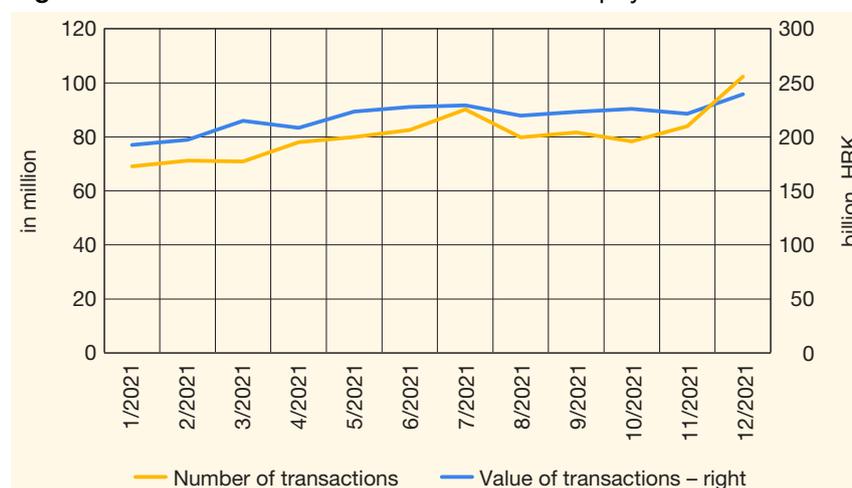
2 National cashless payment transactions

National cashless payment transactions are 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 1,049.4 million national cashless payment transactions were executed in 2021, worth a total of HRK 2,420.1m. Compared with the total number and value of national cashless payment transactions in 2020, the total number of transactions rose by 10% and the total value of transactions by 3.7%. On average 87.4 million national cashless payment transactions were executed monthly, with an average monthly value of HRK 201.7m (Figure 1). The average value of national cashless payment transactions in 2021 was HRK 2,306.

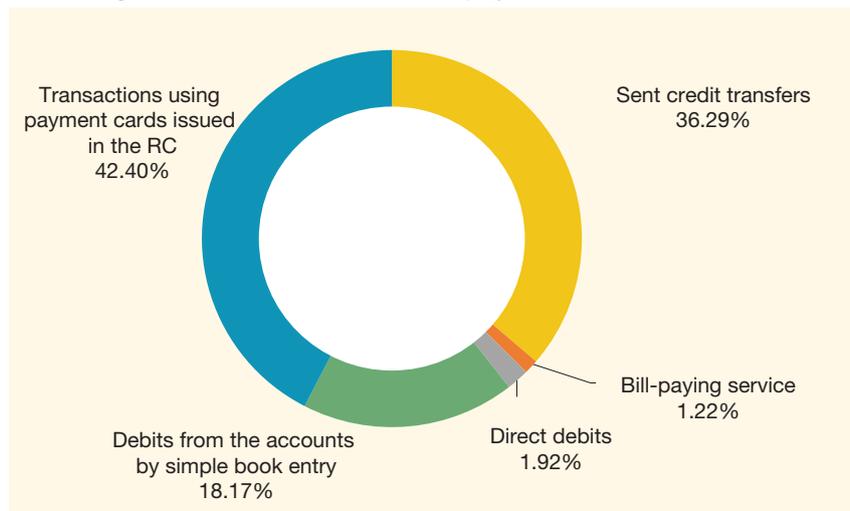
Figure 1 Number and value of national cashless payment transactions



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

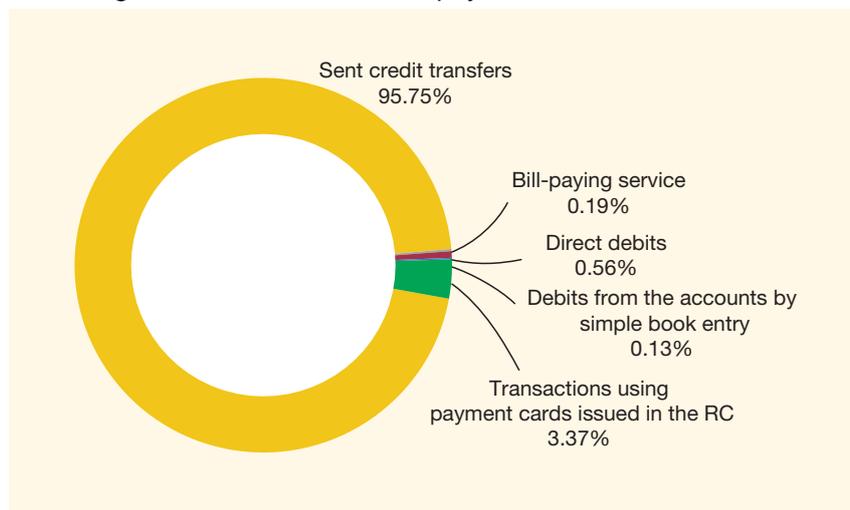
From the structure of national cashless payment transactions according to the number of payment transactions executed in 2021 it was established that the largest share (42.4%) related to transactions using payment cards issued in the RC. They were followed by transactions of sent credit transfers, with a share of 36.29% and the transactions of debits from the accounts by simple book entry, with a share of 18.17%. Transactions executed using the bill-paying service and direct debit service accounted for 1.22% and 1.92%, respectively (Figure 2).

Figure 2 Structure of national cashless payment transactions according to the number of executed payment transactions



Source: CNB.

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.

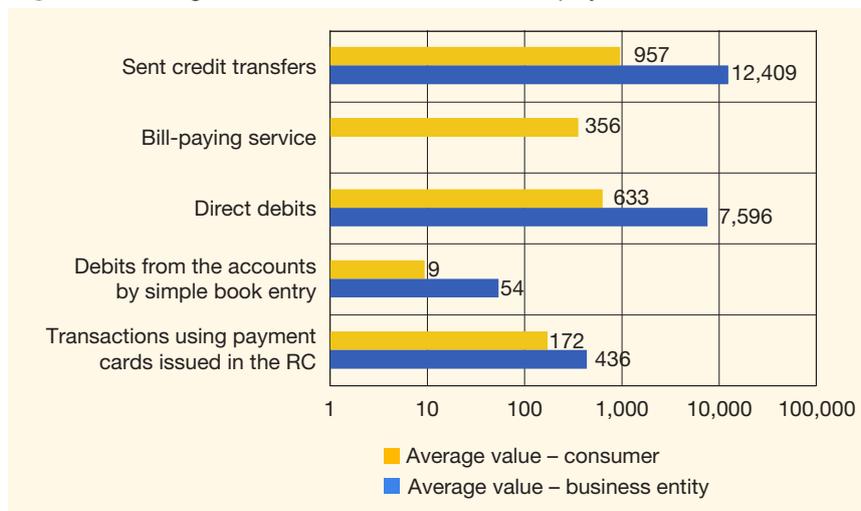
Source: CNB.

Sent credit transfers accounted for a predominant share of national cashless payment transactions in terms of value of executed payment transactions in 2021. They accounted for 96% 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 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 transactions, which are 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 consumers and business entities in Figure 4.

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 2021 could be initiated by consumers only.
 Source: CNB.

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

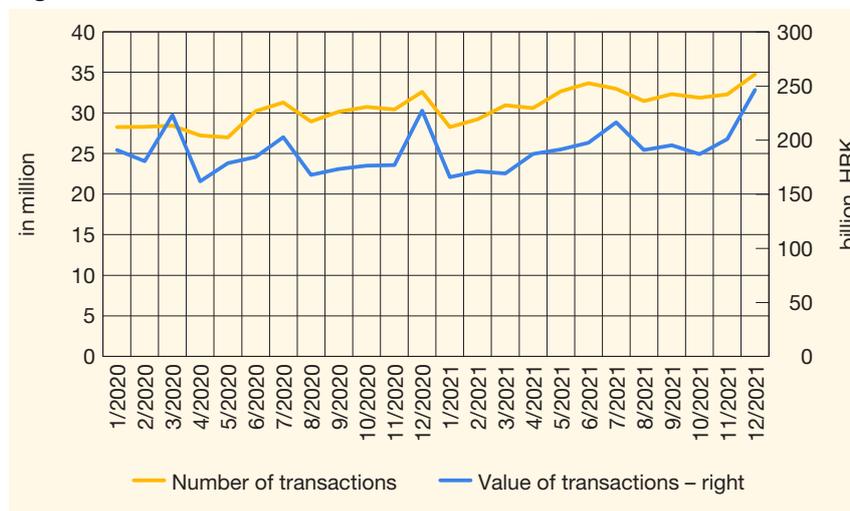
2.1 Sent credit transfers

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 2021, 21 credit institutions provided credit transfer payment services in the RC.

Sent credit transfers constitute the dominant payment service in the RC; 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 standing orders.

In 2021, in the RC, 380.8 million transactions of sent credit transfers were executed in a total value of HRK 2,317,170.7m. At a monthly level, on average 31.7 million sent credit transfers were executed with the average value of HRK 193,097.6m per month. The average value of sent credit transfers stood at HRK 6,085. If compared with the total number and value of sent credit transfers in 2020, the total number of transactions in 2021 rose by 7.8% and the total value of transactions by 3.4%. Figure 5 shows the movement of the total number and value of sent credit transfers in the past two years.

Figure 5 Number and value of sent credit transfers

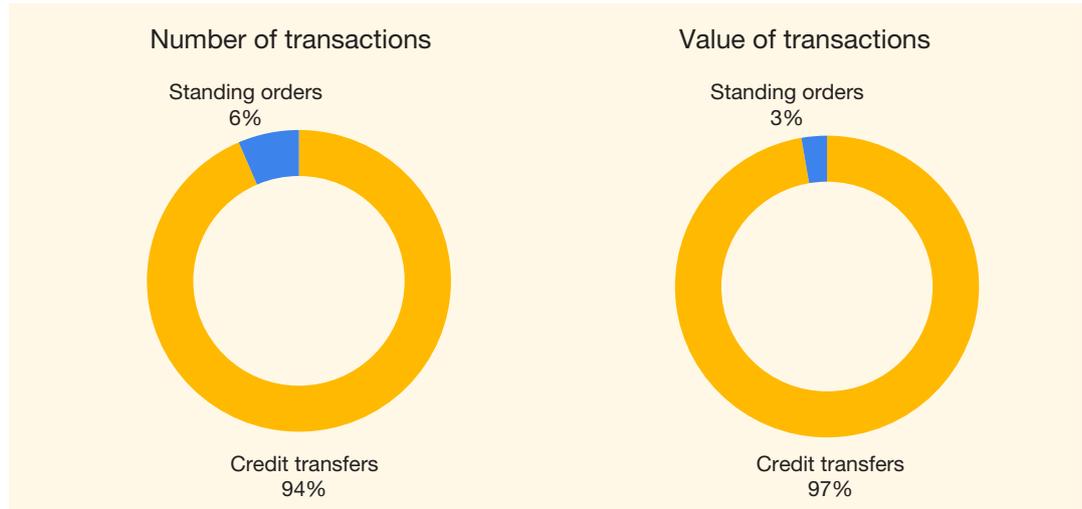


Note: Data refer to the payment transactions of sent national credit transfers executed in all currencies and converted into kuna.

Source: CNB

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 loan) 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 2021 is shown in Figure 6.

Figure 6 Share of credit transfers and standing orders in the total number and value of sent credit transfers in 2021

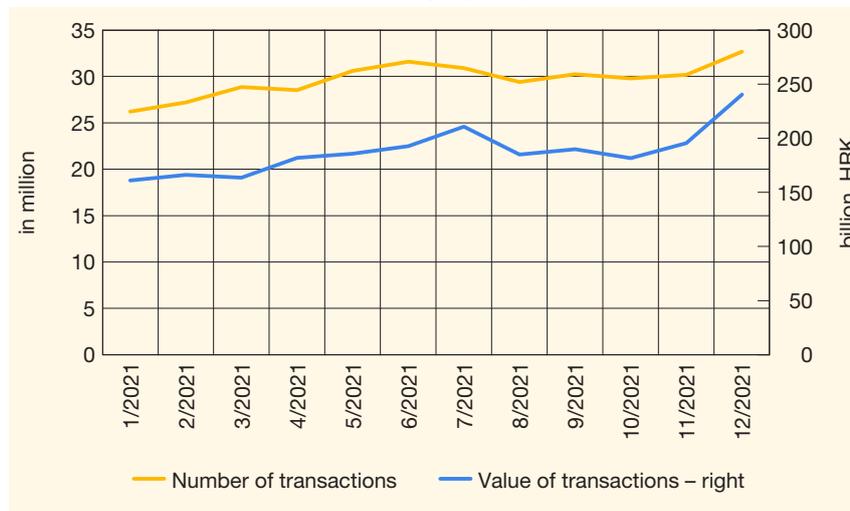


Note: Data refer to sent national credit transfers executed in all currencies and converted into kuna.
Source: CNB.

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 2021, their share accounted for 94% of the total number and 97% of the total value of sent credit transfer transactions. A total of 356.1 million transactions of national credit transfers, worth a total of HRK 2,254.5m, were executed in 2021. At a monthly level, 29.7 million national credit transfers were executed on average, with an average value of HRK 187,876.2m per month (Figure 7).

Of the total number of executed national credit transfer transactions, 54.21% were executed debiting the payment accounts of consumers, 42.54% debiting the payment accounts of business entities and 3.25% 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 much as 81.7% was accounted

Figure 7 Credit transfers (Subcategory 1.1)

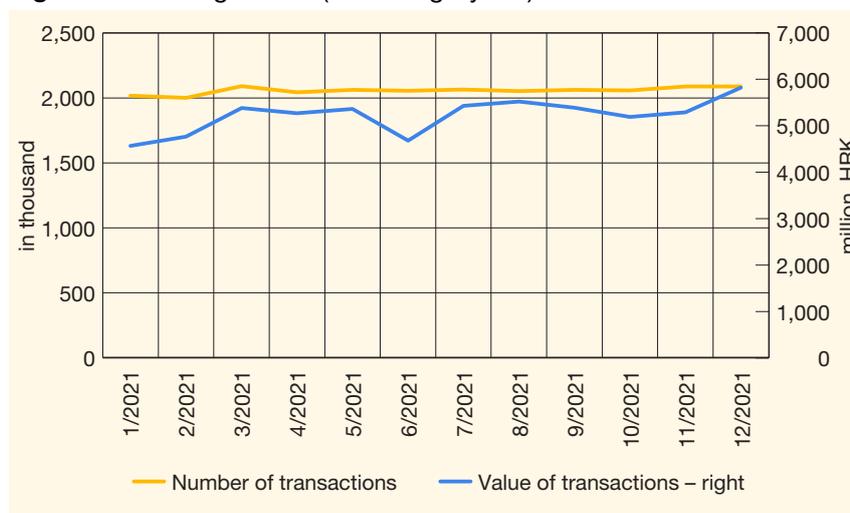


Note: Data refer to the transactions of sent national credit transfers executed in all currencies and converted into kuna.
Source: CNB.

for by debits of the payment accounts of business entities, 8.5% by debiting the payment accounts of consumers and 9.8% debiting the payment accounts of credit institutions in the RC. The average value of executed credit transfers debiting the payment accounts of consumers, business entities and credit institutions came to HRK 995, HRK 12,158, and HRK 19,090, respectively.

In 2021, 24.7 million standing orders (Subcategory 1.2) totalling HRK 62,655.8m were executed by debiting the payment accounts of consumers and business entities. The above amounts account for 6.5% of the total number and 2.7% of the total value of sent credit transfers (Figure 6). On average, at a monthly level, 2.1 million standing orders were executed, totalling an average of HRK 5,221.3m per month (Figure 8).

Figure 8 Standing orders (Subcategory 1.2)



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

Source: CNB.

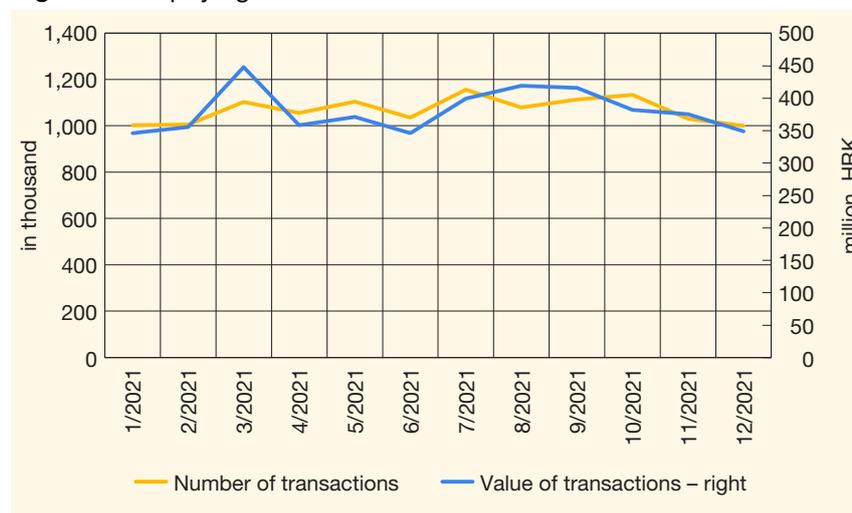
Of the total number of executed standing order transactions, 97% were executed by debiting the payment accounts of consumers and 3% by debiting the payment accounts of business entities. However, if the total value of executed standing order transactions is analysed, 25% were executed by debiting the payment accounts of consumers and 75% were executed by debiting the payment accounts of business entities. The average value of standing orders executed by debiting the payment accounts of consumers was HRK 654 and the average value of standing orders executed by debiting the payment accounts of business entities HRK 64,566.

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, Croatian Post, retail chains). As at 31 December 2021, 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 2021 came to 12.8 million with a total value of HRK 4,561.5m.

Figure 9 Bill-paying service



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

Source: CNB.

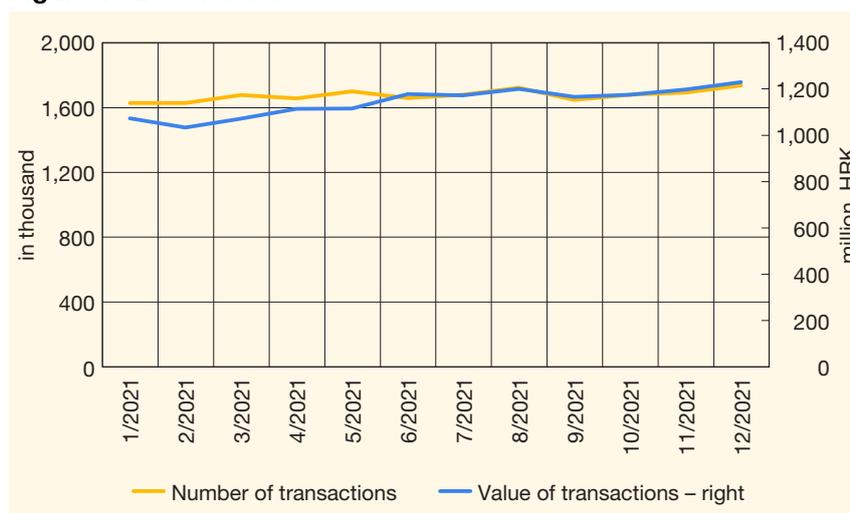
As shown in Figure 9, on average 1.1 million transactions were executed monthly using the bill-paying service with the average value amounting to HRK 380.1m per month. The average value of transactions executed using the bill-paying service was HRK 356.

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 2021 (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 2021, a direct debit service in the RC was provided by 17 credit institutions and a total of 20.1 million transactions of direct debits debiting the payment accounts of payers in the total value of HRK 13,741.8m were executed. Of the total number of direct debit transactions, as many as 99.3% were executed by debiting the payment accounts of consumers worth a total of HRK 12,653.2m (92.1% of the total value of all such transactions).

Figure 10 Direct debits



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

Source: CNB.

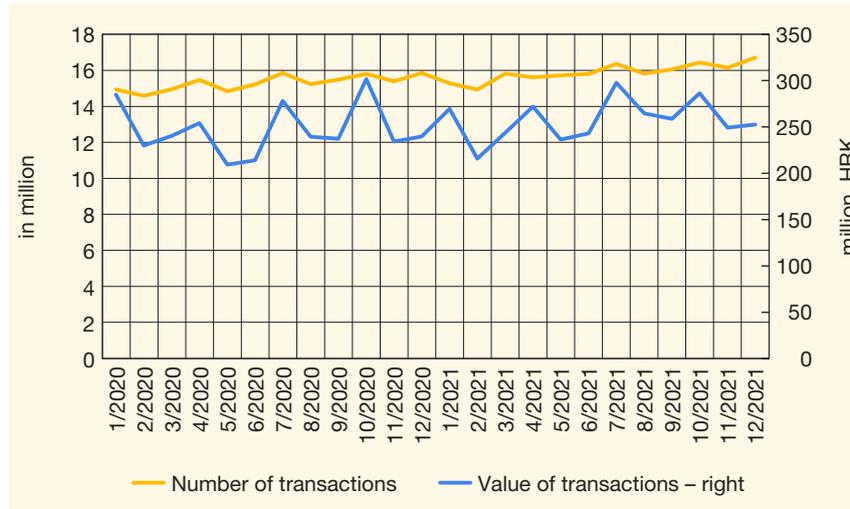
The movement of the total monthly number and value of direct debit transactions in 2021 is shown in Figure 10. The average monthly number of direct debits according to which payment accounts of payers in the territory of the RC were debited in 2021 stood at 1.7 million transactions with an average monthly value of HRK 1,145.2m. The average value of direct debit transactions executed by debiting the payment account of consumers stood at HRK 633 while the average value of direct debit transactions executed by debiting the payment account of business entities came to HRK 7,596.

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, 190.7 million transactions of debits from the accounts by simple book entry worth a total of HRK 3,089.6m arising out of interest and fees were executed in the RC in 2021. The total number of transactions of debits from the accounts by simple book entry increased by 3.9% and their total value decreased by 4.3% from 2020. 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.

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.

In 2021, at a monthly level, on average 15.9 million transactions of debits from the accounts by simple book entry were executed with an average value of HRK 257.5m 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 9 and that executed by the transfer from payment accounts of business entities came to HRK 54.

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 – issuers⁴ 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.

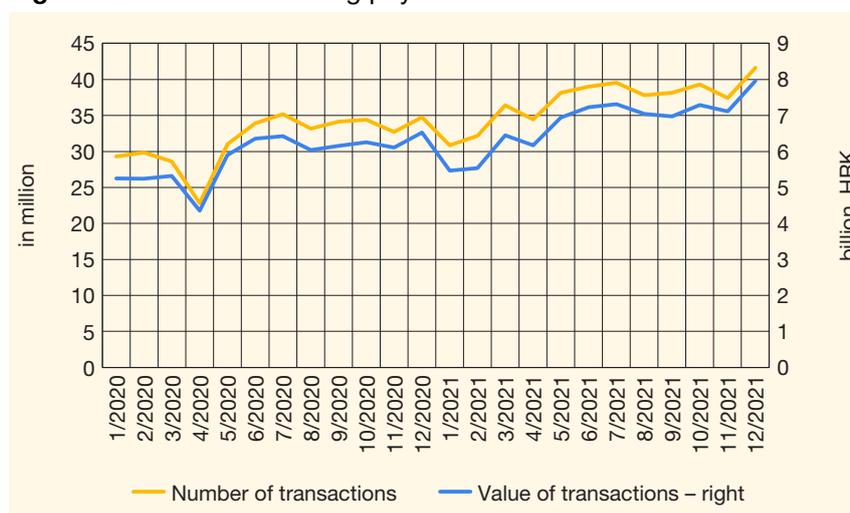
⁴ Payment cards issued in the RC used to execute national card transactions in 2021 were issued by 21 credit institutions and three electronic money institutions.

For the purposes of this Report, national card transactions⁵ 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, 444.9 million such national card-based transactions using payment cards issued in the RC worth a total of HRK 81,494.9m were executed in 2021. If these data are compared with the data from 2020, it can be seen that the total number of national transactions using payment cards issued in the RC increased by 17.1%, and their total value rose by 16.5%. The movement in 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.

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.

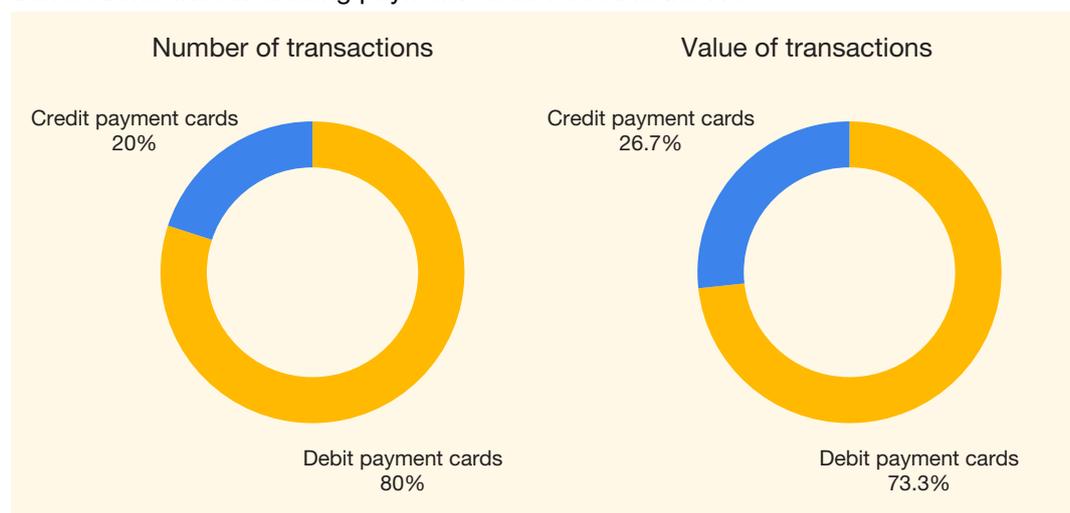
In the Report, national transactions using payment cards issued in the RC are divided into two subcategories: 5.1 Debit payment cards and 5.2 Credit payment cards. Debit payment cards include only debit cards, while credit payment cards include credit, charge, revolving, delayed debit and membership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

As at 31 December 2021, of the total number⁶ of payment cards issued in the RC, 6,920,600 (79%) were debit cards and 1,802,127 (21%) were credit cards. Debit cards were used to execute 356 million transactions (78.2%), worth

- 5 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.
- 6 As at 31 December 2021, in all, 8,722,727 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.

a total of HRK 59,742.4m (73.31%). The rest of the total number of national transactions using payment cards issued in the RC was executed using credit cards (89 million transactions or 20%, worth a total of HRK 21,752.5m or 26.7%). 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.

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.

The average value of national transactions executed using a debit card issued in the RC in 2021 was HRK 168, and that of national transactions executed using a credit card issued in the RC was HRK 245.

3 International cashless payment transactions

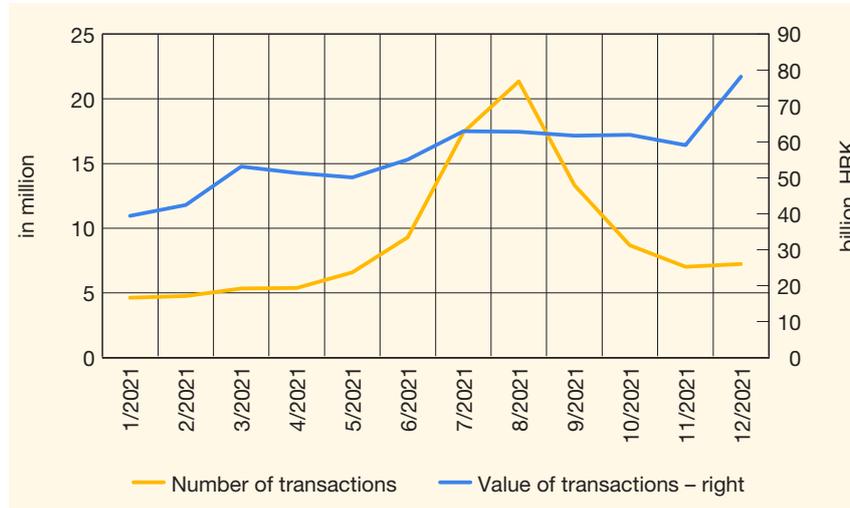
International cashless payment transaction means a payment transaction the execution of which involves two payment service providers of which one payment service provider operates in the RC, whereas the other payment service provider operates outside the RC. Data on international cashless payment transactions 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 110.9 million international cashless payment transactions worth a total of HRK 678,504.4m were executed in the RC in 2021. Compared with the figures for 2020, the total number of these transactions increased by 51% and their total

value by 29%. The average value of international cashless payment transactions in 2021 stood at HRK 6,115. The movement of the total monthly number and value of international cashless payment transactions in 2021 is shown in Figure 14.

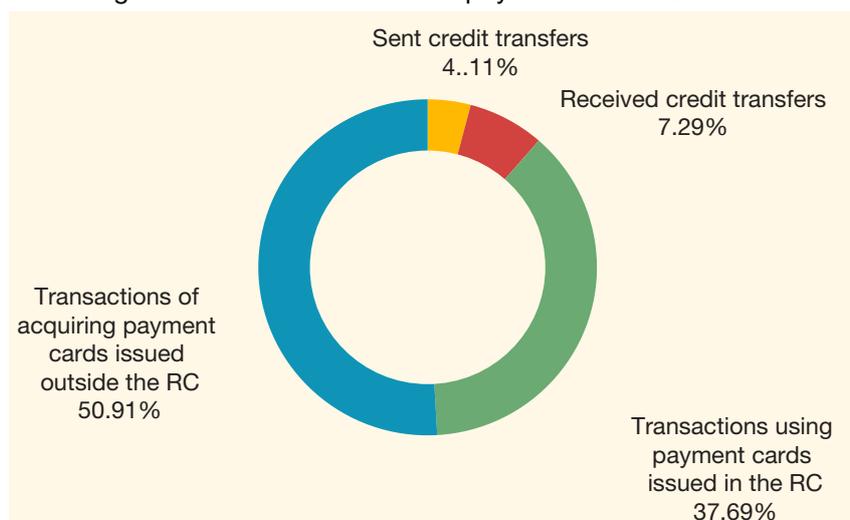
Figure 14 Number and value of international cashless payment transactions



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

In 2021, on average 9.2 million international cashless payment transactions were executed monthly, worth on average HRK 56,542m per month. The exponential growth in the number of international cashless payment transactions in the period from May to September 2021 is explained in the part related to the transactions of acquiring payment cards issued outside the RC.

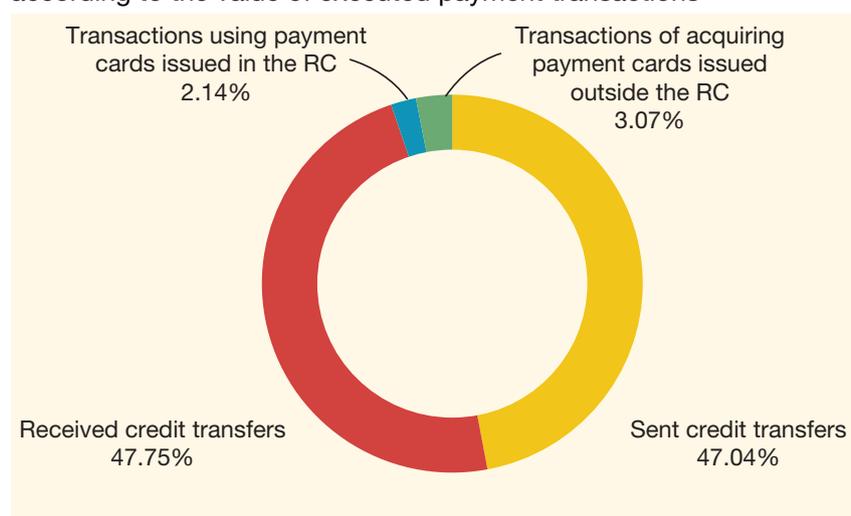
Figure 15 Structure of international cashless payment transactions according to the number of executed payment transactions



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 2021, with 50.91% and 37.69% shares respectively (Figure 15). They were followed by international credit transfer transactions crediting payment accounts in the RC with a share of 7.29%, while sent credit transfers ranked last with a 4.11% share.

Figure 16 Structure of international cashless payment transactions according to 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.

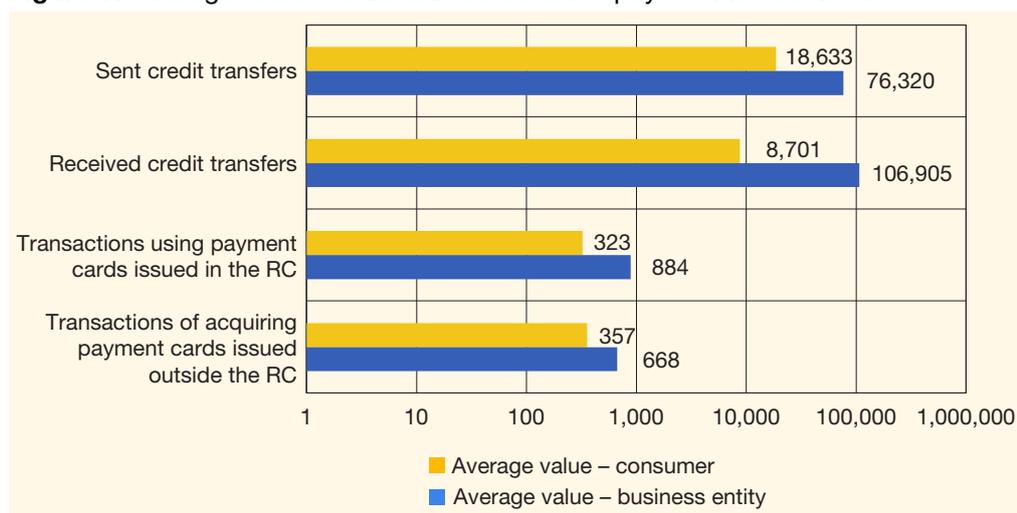
Source: CNB.

As shown by the structure of the value of international cashless payment transactions (Figure 16), international credit transfers account for 95% of the total value of transactions. Of the total value of international cashless payment transactions, 47.75% relates to international credit transfers executed by crediting payment accounts in the RC and 47.04% relates to international credit transfers executed by debiting payment accounts in the RC. The transactions of acquiring payment cards issued outside the RC and international transactions using payment cards issued in the RC account for 3.07% and 2.14%, 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.

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

Figure 17 Average value of international cashless payment transactions



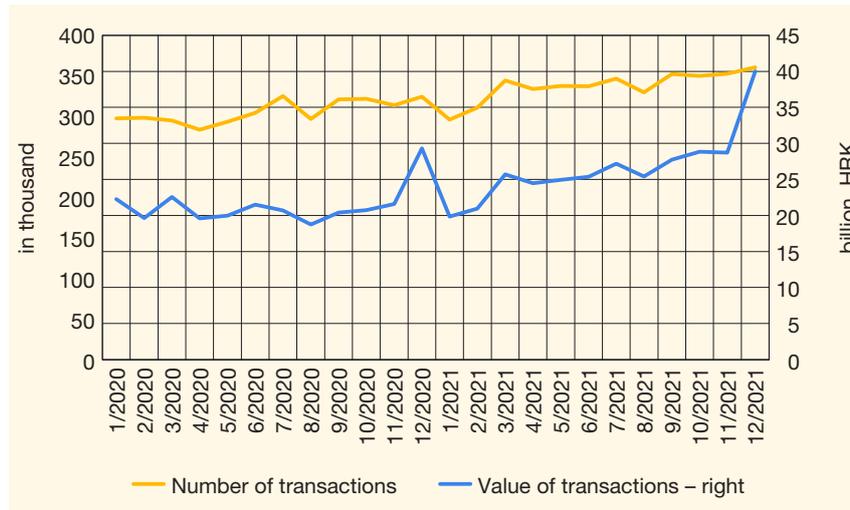
Note: International cashless payment transactions include cashless payment transactions executed in all currencies and converted into kuna.
Source: CNB.

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, 4.6 million transactions of sent international credit transfers worth a total of HRK 319.16m (executed in all currencies and converted into kuna) were executed in 2021. The above data show that the total number of sent international credit transfers rose by 10.2% and their total value by 24.2% on an annual basis from 2020. At a monthly level, on average 379.7 thousand sent international credit transfers worth an average of HRK 26,596.8m were executed in 2021. The movement in the total number and value of sent international credit transfers in 2020 and 2021 is shown in Figure 18.

Figure 18 Sent international credit transfers



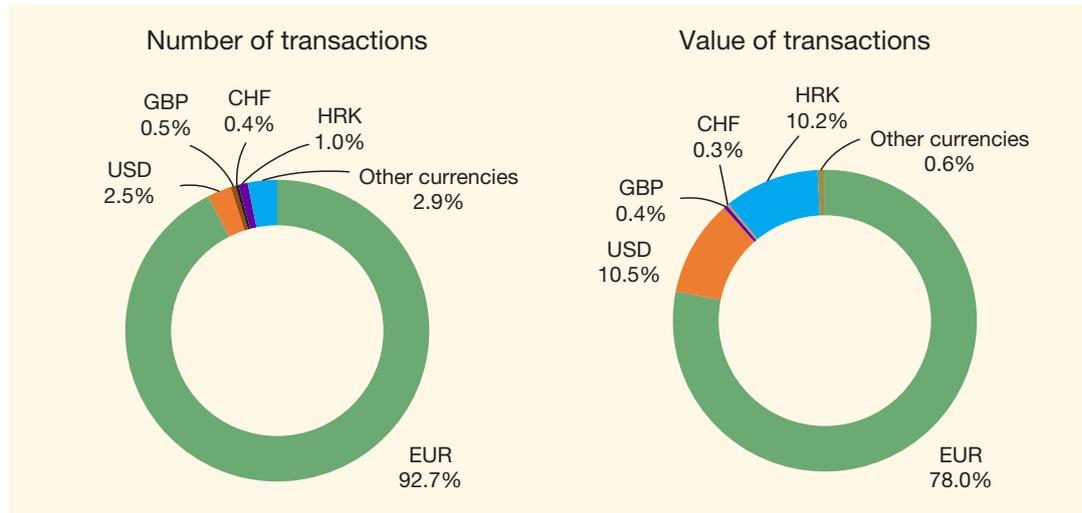
Note: Data refer to sent international credit transfers executed in all currencies and converted into kuna.
Source: CNB.

Of the total number of sent international credit transfers in 2021, 87.8%, worth a total of HRK 305,537.8m, were executed by debiting the payment accounts of business entities in the RC. Of the total number of sent international credit transfers, 12%, worth a total of HRK 10,164.4m, were 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 3,458.8m.

The average value of an international credit transfer debiting the payment account of a business entity in the RC stood at HRK 76,320, that debiting the payment account of a consumer in the RC stood at HRK 18,633, and that debiting the payment account of a credit institution in the RC stood at HRK 450,840.

It can be concluded from the analysis of the structure of sent international credit transfers in terms of currency that in 2021 the largest number (92.7%) and the largest value (78%) of sent international credit transfers were executed in euro. The shares of the currencies in the structure of sent international credit transfers in terms of currency are shown in Figure 19.

Figure 19 Structure of sent international credit transfers by currency



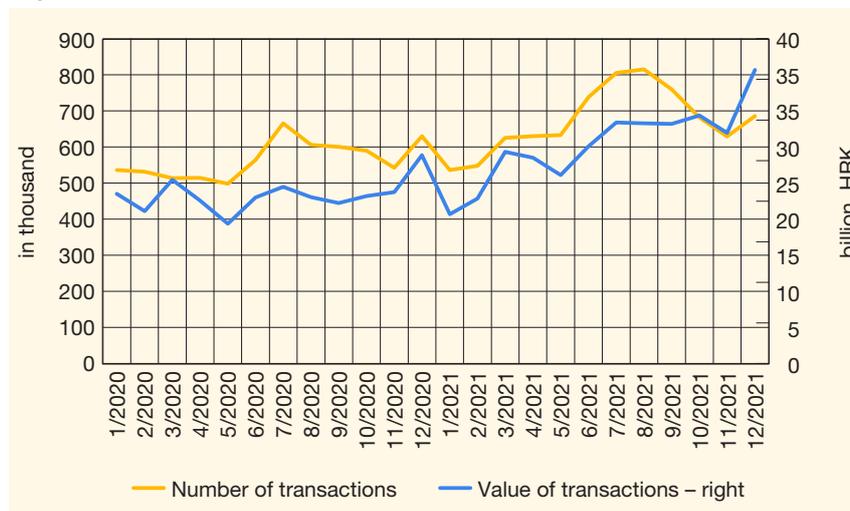
Notes: Data refer to sent international credit transfers by currency. The value of transactions per individual currencies is converted into kuna.
Source: CNB.

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, 8.1 million transactions of received international credit transfers worth a total of HRK 323,993.8m (executed in all currencies and converted into kuna) were executed in 2021. If these data are compared with the figures for 2020, the total number of received international credit transfers can be seen to have increased by 19.1% and the total value of transactions by 30%. At a monthly level, on average 674 thousand received international credit transfers worth on average HRK 26,999.5m a month were executed in 2021 (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.

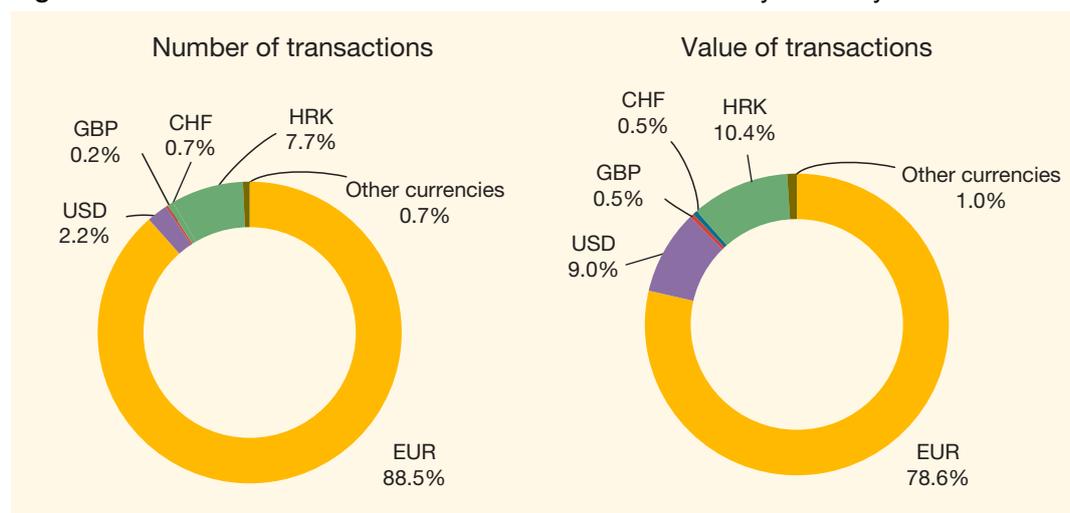
Of the total number of received international credit transfers in 2021, 69%, worth a total of HRK 48,519.3m were executed by crediting the payment accounts of consumers in the RC. Of the total number of received international credit transfers, 30.5%, worth a total of HRK 263,887.7m were executed by crediting the payment accounts of business entities in the RC. The remaining 0.5% worth a total of HRK 11,586.8m 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 2021, the average value of international credit transfers executed by crediting the payment account of business entities in the RC stood at HRK 106,905, that executed by crediting the payment account of consumers in the RC stood at HRK 8,701, and that by crediting the payment account of credit institutions in the RC stood at HRK 270,619.

It was established from the structure of received international credit transfers in 2021 by currency that the largest share of transactions (88.5% in the number and 78.6% 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 2.2% in the total number and 9% 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 are 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

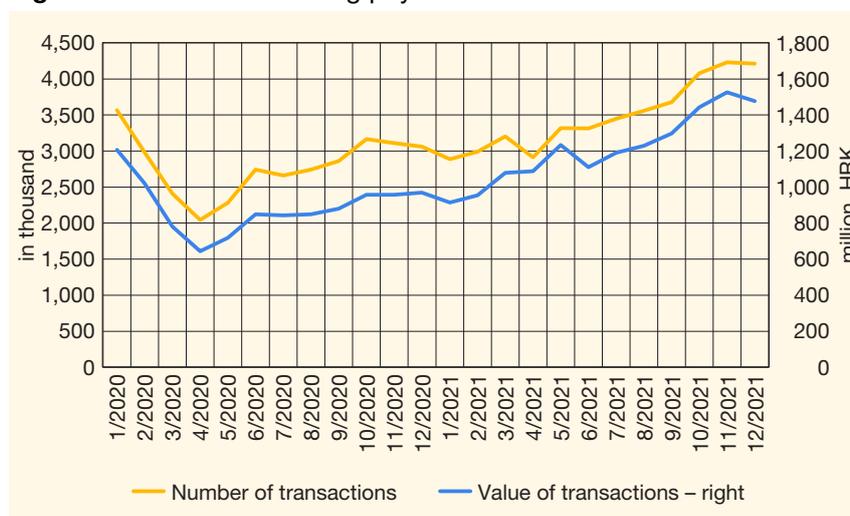
Transactions using payment cards issued in the RC include all international transactions using payment cards issued by payment service providers in the RC, i.e.:

- 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, 41.8 million international transactions using payment cards issued in the RC worth a total of HRK 14,544.1m were executed in 2021. The transactions were executed in 129 currencies and 205 different countries. The total number of executed international transactions using payment cards issued in the RC increased by 24.4% and their total value by 36.3% from 2020.

On a monthly level, in 2021, 3.5 million international transactions using payment cards issued in the RC were executed on average, worth an average of HRK 1,212m monthly. The movement of the total monthly number and value of international transactions using payment cards issued in the RC in 2020 and 2021 is shown in Figure 22.

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.

In 2021, of the total number and value of international transactions using payment cards issued in the RC, 95.6% of the number and 88.8% of the value of international payment card transactions were executed using consumer cards, while 4.4% of the number and 11.2% of the value of international payment card transactions were executed using the cards of business entities.

The average value of international transactions using a payment card issued to a consumer in the RC was HRK 323 and that of international transactions using a payment card issued to a business entity in the RC was HRK 884.

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.:

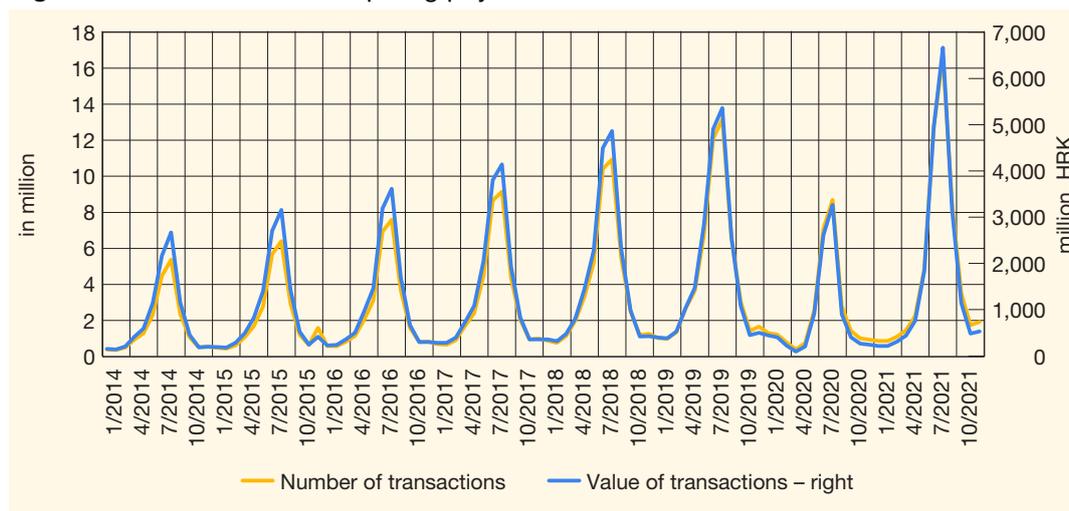
1. credit institutions (banks) that have obtained authorisation from the CNB, which includes the authorisation to provide the payment service of acquiring payment transactions executed by payment instruments;
2. electronic money institutions that have obtained authorisation from the CNB to provide the 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, 56.5 million transactions of acquiring payment cards of foreign issuers, worth a total of HRK 20,805.4m were executed in 2021. As compared with the total number and value of the acquiring transactions of payment cards of foreign issuers in 2020, the total number of transactions rose by 95% and their total value by 105%. The significant increase in the number and value of the mentioned transactions in 2021 from 2020 was caused by the considerable decrease in the number and value of the transactions of acquiring payment cards of foreign issuers in 2020 due to the COVID-19 pandemic.

The movement of the total monthly number and value of transactions of acquiring payment cards issued outside the RC in the last eight years is best shown in Figure 23, according to which, on an annual basis, until 2021, the total number and the total value of transactions on average rose by 23% and 20% respectively.

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.

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 level of the beginning of the year. In 2021, the average value of transactions of acquiring payment cards issued by foreign issuers for the purchase of goods and services stood at HRK 368.

4 Overview of basic definitions

‘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 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.

‘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.

‘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).

‘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/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, operating in the Republic of Croatia.

‘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. the payment of an annuity or credit instalment, etc.).

