



Payment Transactions and Accounts

Payment Statistics

2017

Year III · October 2018



ZAKON

O PLATNOM PROMETU

GLAVA I. OPĆE ODREDBE

Predmet Zakona

Članak 1.

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

Definicije

Članak 2.

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

- 1) »država članica« jest država potpisnica Ugovora o Europskome gospodarskom prostoru,
- 2) »matična država članica« jest država članica u kojoj se nalazi registrirano sjedište pružatelja platnih usluga te na registrirano sjedište pružatelja platnih usluga primjenjuju pravila nacionalnog prava država članica u kojoj se nalazi registrirano sjedište pružatelja platnih usluga,
- 3) »država članica« jest država članica u kojoj se nalazi registrirano sjedište pružatelja platnih usluga,
- 4) »matična država članica« jest država članica u kojoj se nalazi registrirano sjedište pružatelja platnih usluga,
- 5) »matična država članica« jest država članica u kojoj se nalazi registrirano sjedište pružatelja platnih usluga,

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Introduction

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

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

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

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

1 Legal framework

The Payment System Act (Official Gazette 66/2018; hereinafter referred to as 'PSA'), into which the provisions of Directive (EU) 2015/2366¹ (hereinafter referred to as 'Directive') have been transposed, regulates payment services in the Republic of Croatia (hereinafter referred to as 'RC') in a uniform manner, i.e. in the same manner as laid down by the Directive for the entire European Economic Area. The PSA regulates payment services, payment service providers, the obligations of payment service providers to provide payment service users with information as well as other rights and obligations related to the provision and use of payment services, transaction accounts, the establishment, operation and supervision of payment institutions and the establishment, operation and supervision of payment systems.

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

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

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

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

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

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

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

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

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

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

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

The publication gives an overview of payment services for 2017 through statistical data collected in four reports: the Credit transfer, Money remittance, Direct debit and Accounts reports.

2 Methodology

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

The payment service providers (reporting entities) whose data were used in the preparation of the publication include credit institutions

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

(banks) that have obtained authorisation from the CNB, which includes authorisation to provide payment services prescribed by a special act.

The publication presents complete aggregated statistical data in the RC for 2017 as well as an overview of individual statistical data for 2017 with a comparison for 2016 and 2015 on:

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

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

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

3 Payment transactions in the Republic of Croatia

Table 1 shows payment transactions in the RC in 2017. Data refer to the payment transactions of consumers, business entities (non-consumers) and credit institutions executed in all currencies, converted into kuna.

From the structure of national payment transactions by the number of executed transactions, it is evident that sent credit transfer transactions account for the largest share (79.54%). A smaller part refers to bill-paying service transactions with a share of 6.81%, direct debit transactions, a share of 7.51% and standing order transactions, 6.10%. Money remittance transactions are ranked last, their share being 0.04% (Figure 1).

Table 1 Payment transactions in the RC

Executed payment transactions	Number of transactions	%	Value of transactions	%
A) National payment transactions				
1 Sent credit transfers	288,038,794	79.54%	1,784,471,940,978	95.62%
2 Standing orders	22,098,573	6.10%	58,237,817,870	3.12%
3 Bill-paying service	24,642,794	6.81%	5,483,239,196	0.29%
4 Direct debits	27,205,931	7.51%	17,981,462,451	0.96%
5 Sent money remittances	135,520	0.04%	197,325,717	0.01%
Total national payment transactions (1 – 5)	362,121,612	100.00%	1,866,371,786,212	100.00%
B) International payment transactions				
6 Sent credit transfers	3,575,988	36.55%	233,248,787,473	50.26%
7 Received credit transfers	5,951,768	60.83%	230,248,638,886	49.62%
8 Sent money remittances	12,929	0.13%	28,772,848	0.01%
9 Received money remittances	243,792	2.49%	492,697,153	0.11%
Total international payment transactions (6 – 9)	9,784,477	100.00%	464,018,896,360	100.00%
TOTAL (A + B)	371,906,089		2,330,390,682,572	

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

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

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

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

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

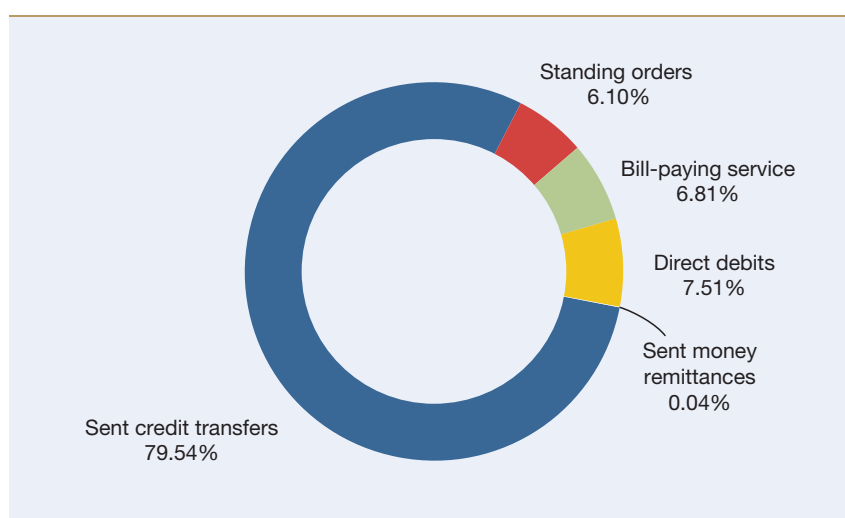
Sent money remittances include all national money remittances executed to debit consumers and business entities (non-consumers).

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

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

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

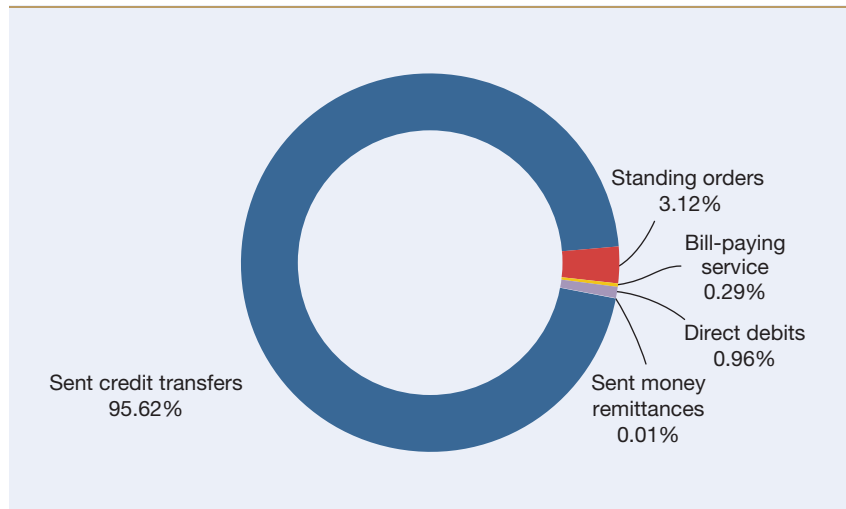
Received money remittances include all international money remittances to credit consumers and business entities (non-consumers).

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

Source: CNB.

In the structure of national payment transactions, according to the value of executed transactions, sent credit transfers account for the largest share, 95.62%, while the standing order service (3.12%), direct debit service (0.96%), bill-paying service (0.29%) and sent money remittances (0.01%) account for much smaller shares – Figure 2.

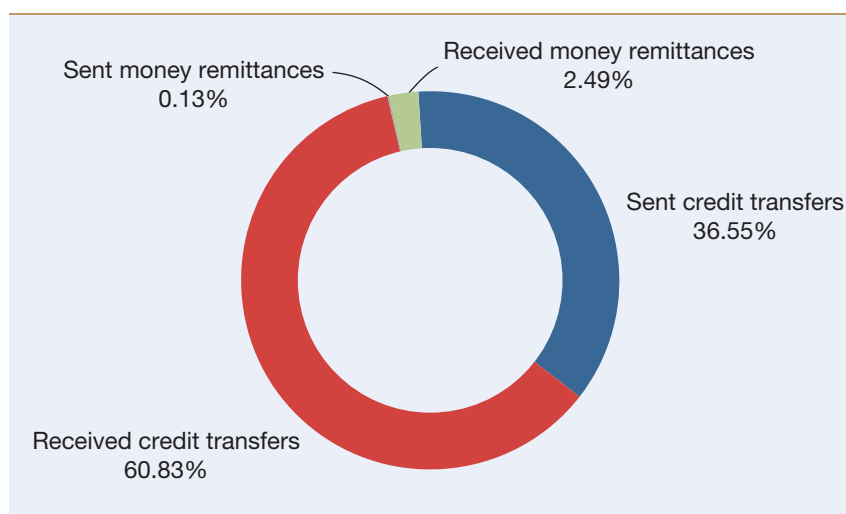
Figure 2 Structure of national payment transactions according to value of executed transactions



Source: CNB.

The biggest shares in the number of international payment transactions are accounted for by transactions of received credit transfers, which have a share of 60.83%, and by sent credit transfers, which account for 36.55%. A smaller share refers to received money remittances and sent money remittances accounting for 2.49% and 0.13% respectively (Figure 3).

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

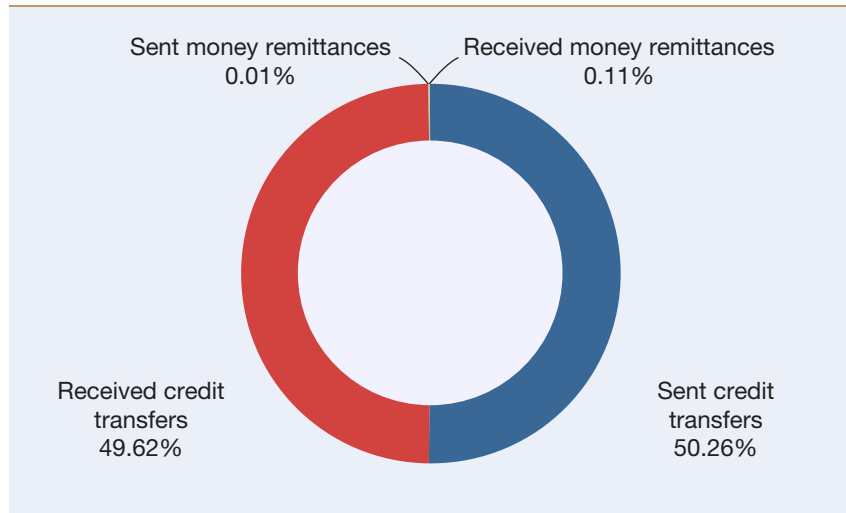


Source: CNB.

The structure of the value of international credit transfers shows that sent credit transfers (50.26%) and received credit transfers (49.62%)

account for almost identical shares, while received money remittances (0.11%) and sent money remittances (0.01%) account for much smaller shares.

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



Source: CNB.

An analysis of the trend of total payment transactions in 2017 as compared to the figures for 2016 leads to the conclusion that the number and value of transactions ranged around almost the same level.

4 Credit transfers

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

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

Sent credit transfers include national, cross-border and international payment transactions executed to debit the accounts of payment service users (consumers and business entities [non-consumers]) and to debit

the accounts of credit institutions; they also include the standing order service.

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

Figure 5 Structure of credit transfers

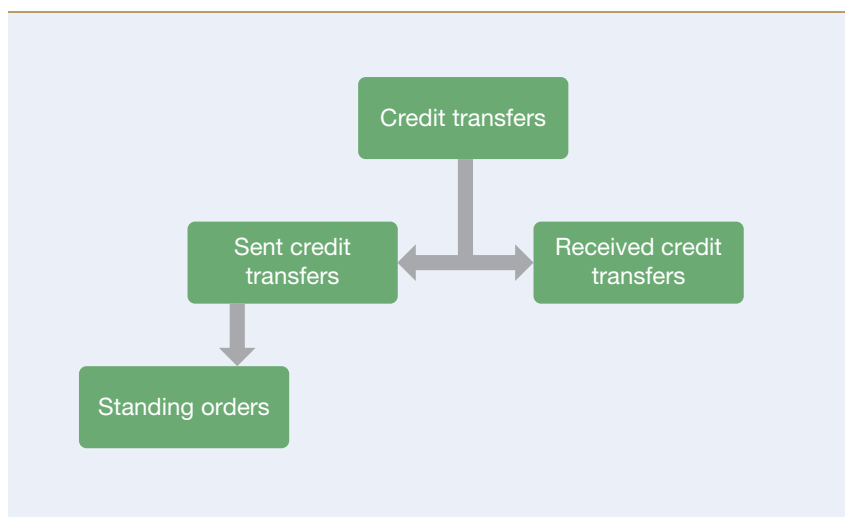


Figure 5 shows the structure of credit transfers that include sent and received credit transfers. Sent credit transfers also include standing orders.

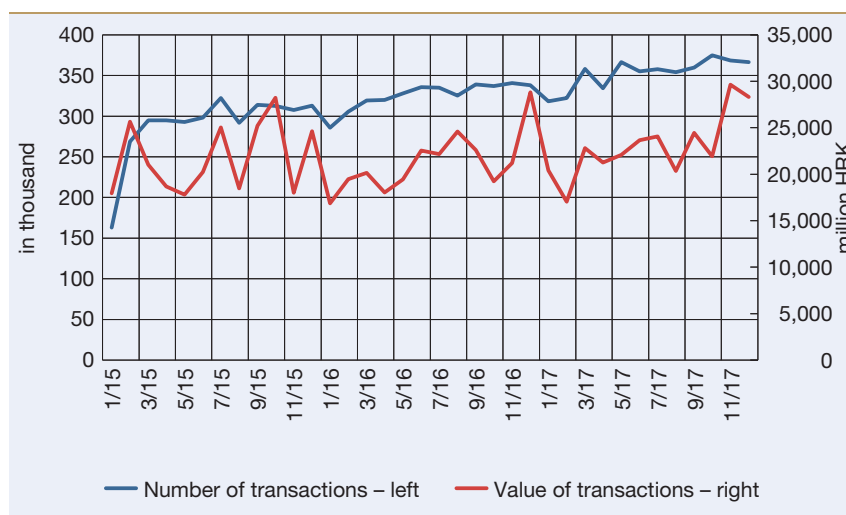
In the RC, 27 credit institutions provided credit transfer payment services in 2017.

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

In the RC, in all 4.24 million transactions of sent national and cross-border/international credit transfers of consumers and business entities (non-consumers) were executed in all currencies (other than the kuna), worth HRK 275,987.45 million when converted into kuna. At a monthly level, on average 352,957 transactions were executed monthly, with an average monthly value of HRK 22,998.95 million. The average value of a credit transfer was HRK 65,161 (Figure 6).

The total number and value of sent national and cross-border/international credit transfers in all currencies (other than the kuna), converted into kuna, grew by 8% from 2016 to 2017.

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



Source: CNB.

An analysis of the average number and value of the transactions of sent national and cross-border/international credit transfers (all currencies, converted into kuna) per transaction account of consumers and business entities (non-consumers) showed that, in the case of consumers, on average two credit transfers were executed at a monthly level per transaction account with an average monthly value of HRK 1,735.

An analysis of the same data for business entities (non-consumers) established that they had an average monthly number of 32 credit transfers per transaction account with an average monthly value of HRK 392,905.

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

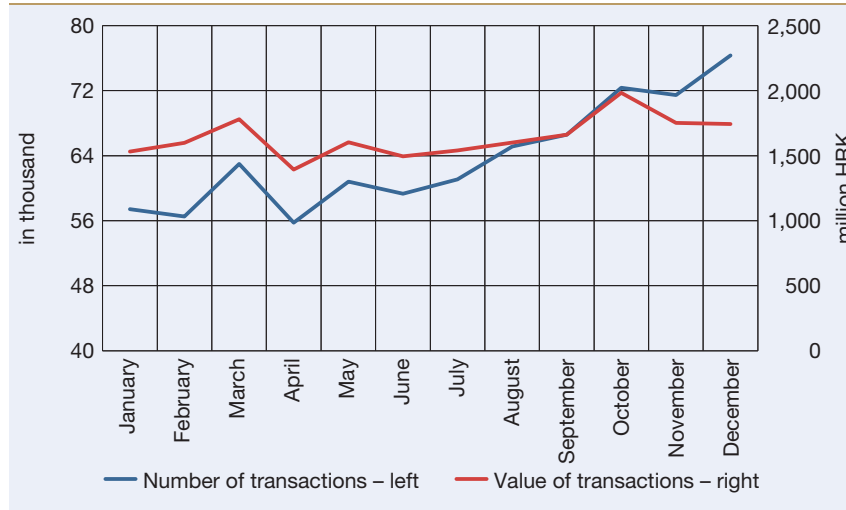
In analysing the movements of sent national and cross-border/international credit transfers of consumers in kuna according to the account holder, where the holder –consumer who is the owner of several payment accounts is counted as one, it was established that the average monthly number of credit transfers was 37 transactions with an average monthly value of HRK 31,299.

An analysis of the same data for business entities (non-consumers) established that their average monthly number was 474 transactions with an average monthly value of HRK 5.09 million.

In the RC, in all, 765,718 transactions of sent national and cross-border/international credit transfers of consumers were executed in all currencies (other than the kuna); converted into kuna, they were worth in all HRK 19,681.33 million. On average 63,810 transactions were

executed on a monthly basis, with the average value standing at HRK 1,640.11 million. The average value of a transaction was HRK 25,703 (Figure 7).

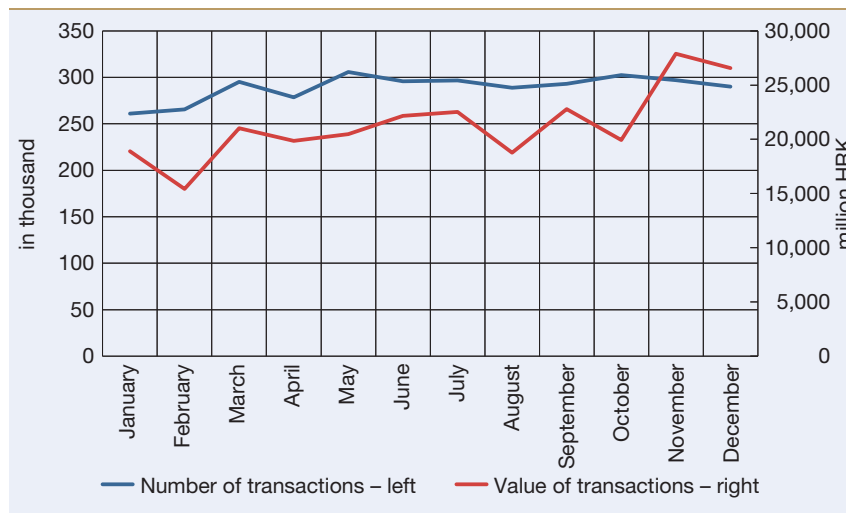
Figure 7 Sent national and cross-border/international credit transfers of consumers



Source: CNB.

An analysis of the movement of the shown number and value of the transactions of sent national and cross-border/international credit transfers of business entities (non-consumers) in all currencies (other than the kuna), converted into kuna, established that their total number was 3.47 million transactions, worth in all HRK 256,306.12 million. The average monthly number of transactions was 289,148, with an average total value of HRK 21,358.84 million. The average value of a transaction was HRK 73,868 (Figure 8).

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



Source: CNB.

4.1 National credit transfers

National credit transfers include national payment transactions executed to debit the accounts of payment service users (consumers and business entities [non-consumers]) and to debit the accounts of banks.

In the RC, 27 credit institutions provided national credit transfer payment services in 2017.

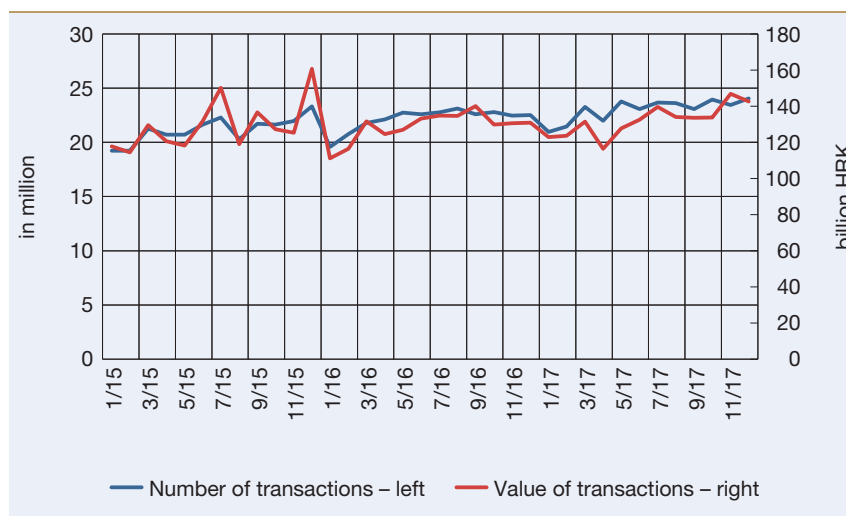
Credit transfers may be initiated by a paper-based order or electronically.

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

Sent national credit transfers in kuna

In 2017, in all 276.25 million transactions of sent national credit transfers of consumers and business entities (non-consumers) were executed in kuna, worth HRK 1,584.73 billion. At a monthly level, on average 23.02 million transactions were executed, with an average monthly value of HRK 132,060.44 million. The average value of a credit transfer was HRK 5,737 (Figure 9).

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

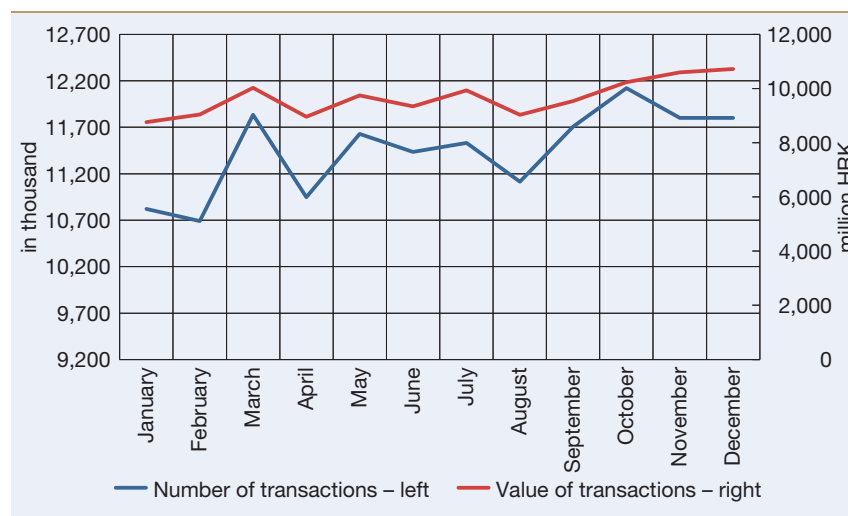


Source: CNB.

The total number of sent national credit transfers of consumers and business entities (non-consumers) in kuna increased by 4% from 2016 to 2017, while their total value grew by 3% in the same period.

The total number of sent national credit transfers of consumers in kuna in 2017 was 137.43 million transactions, with a total value of HRK 115,935.5 million. At a monthly level, on average 11.45 million transactions were executed, with an average monthly value of HRK 9,661.29 million. The average value of a transaction was HRK 844 (Figure 10).

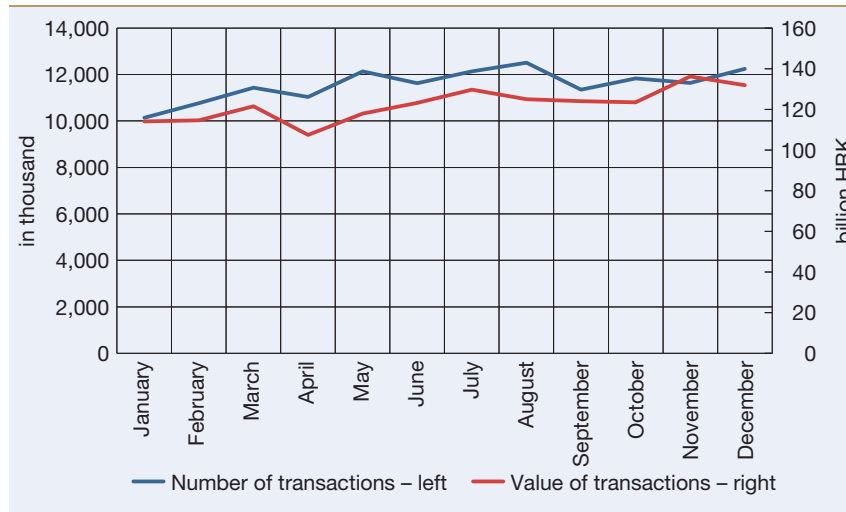
Figure 10 Sent national credit transfers of consumers



Source: CNB.

An analysis of the movement of the shown number and value of sent national credit transfers of business entities (non-consumers) in kuna established that there was a total number of 138.82 million transactions, worth in all HRK 1,468.79 billion. The average monthly number was 11.57 million transactions in an average monthly amount of HRK 122,399.15 million. The average value of a transaction was HRK 10,581 (Figure 11).

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

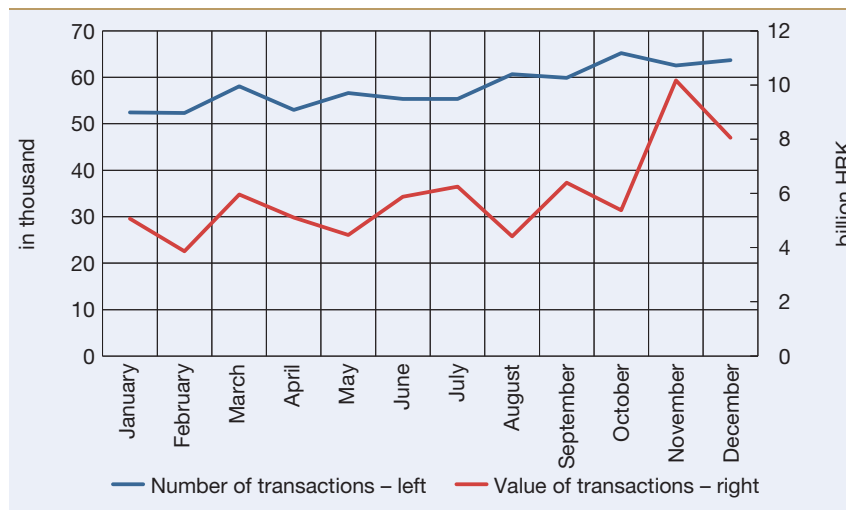


Source: CNB.

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

In the RC, in all 695,061 transactions of sent national credit transfers of consumers and business entities (non-consumers) were executed in all currencies (other than the kuna); converted into kuna, they were worth HRK 71,028.7 million. At a monthly level, on average 57,922 transactions were executed with the average monthly value of HRK 5,919.06 million. The average value of a credit transfer was HRK 102,191 (Figure 12).

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

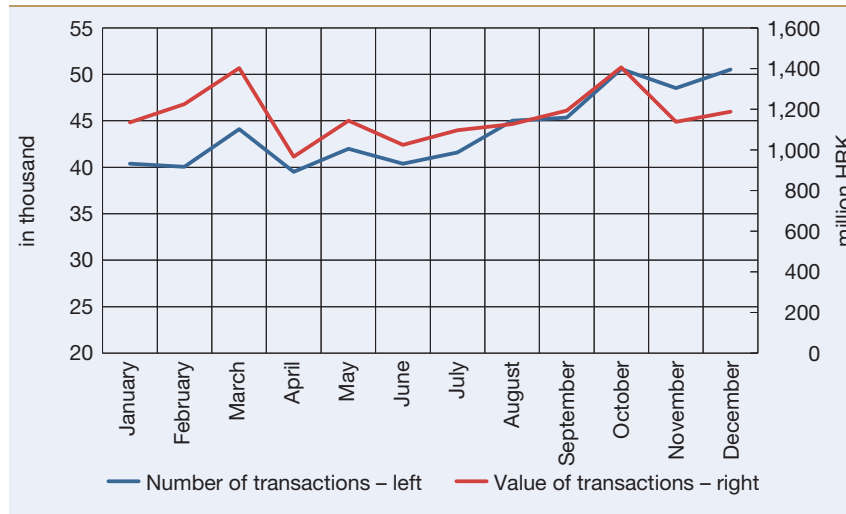


Source: CNB.

In the RC, in all, 528,012 transactions of sent national credit transfers of consumers were executed in all currencies (other than the kuna); converted into kuna, they were worth in total HRK 14,042.22 million. At a monthly level, on average 44,001 transactions were executed with an

average monthly value of HRK 1,170.19 million. The average value of a credit transfer was HRK 26,595 (Figure 13).

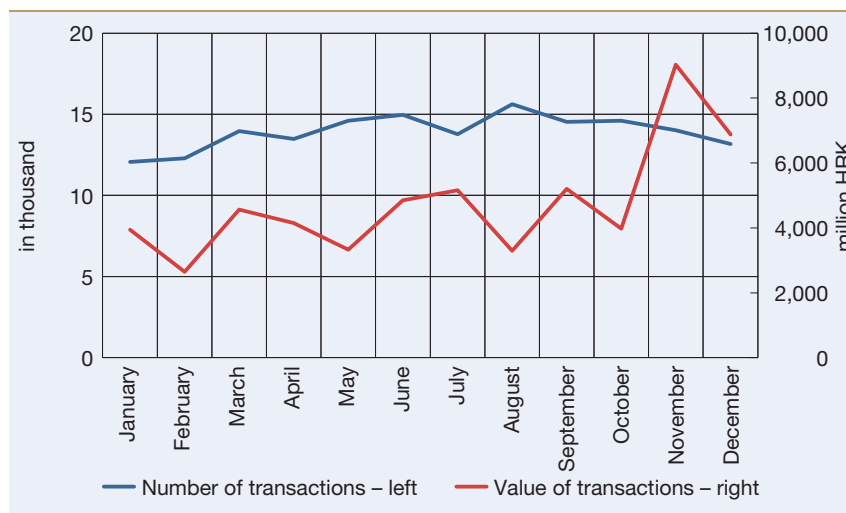
Figure 13 Sent national credit transfers of consumers



Source: CNB.

An analysis of the movement of the shown number and value of the transactions of sent national credit transfers of business entities in all currencies (other than the kuna) established that their total number was 167,049 transactions, worth in all, when converted into kuna, HRK 56,986.48 million. The average monthly number was 13,921 transactions with the average monthly value of HRK 4,748.87 million. The average value of a credit transfer was HRK 341,136 (Figure 14).

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



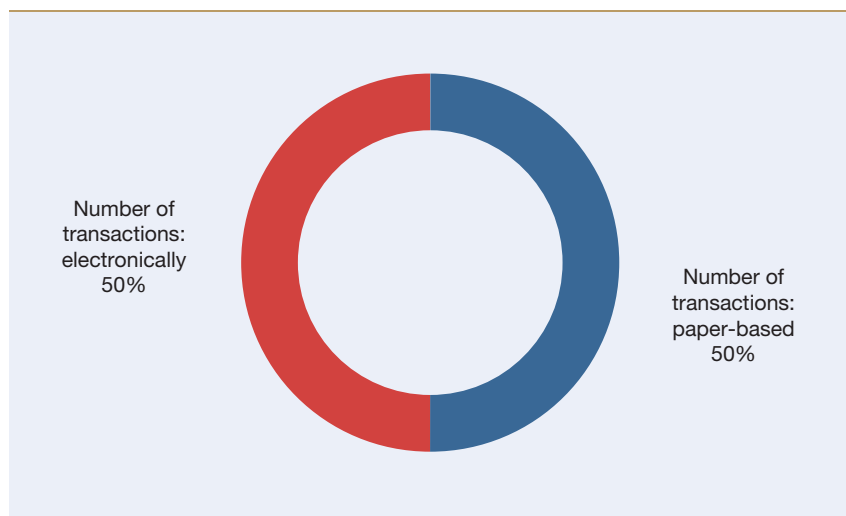
Source: CNB.

National credit transfers according to the method of initiation

An analysis of the movement of the national credit transfers of consumers according to the method of initiation established that the total number of national credit transfers executed by paper-based orders came to 67.55 million transactions, while 67.54 million transactions were executed electronically. The average monthly number of the national credit transfers of consumers executed by paper-based orders and electronically ranged around the same level, each standing at 5.63 million transactions.

According to the shown number of the national credit transfers of consumers according to the method of initiation it is evident that the ratios of credit transfers executed by paper-based orders and electronically became the same. In 2017, the total number of the national credit transfers of consumers executed electronically rose by 3% from 2016.

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

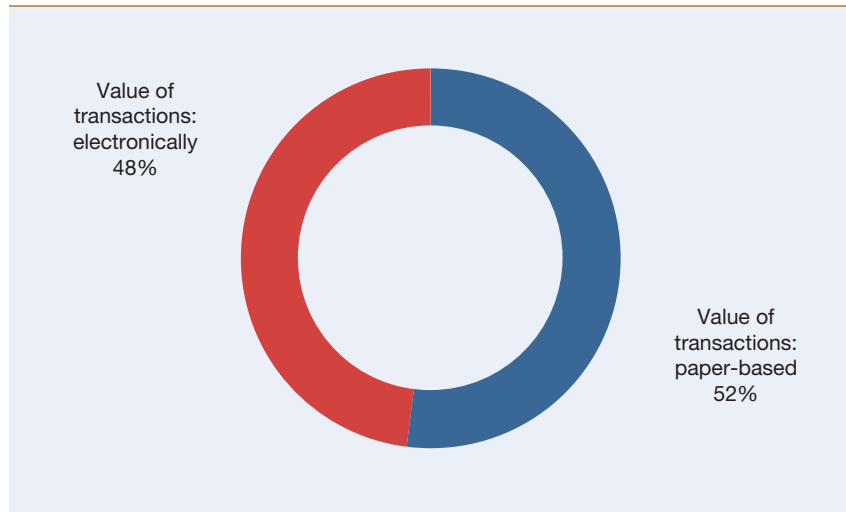


Source: CNB.

The shown data on the value of the national credit transfers of consumers according to the method of initiation established that the total value of transactions executed by paper-based orders stood at HRK 59,413.98 million, while the total value of transactions executed electronically came to HRK 54,764.41 million. Monthly, the value of all transactions executed by paper-based orders on average amounted to HRK 4,951.16 million, while the monthly value of transactions executed electronically was on average HRK 4,563.7 million.

In 2017, the total value of the national credit transfers of consumers executed electronically went up 2% from 2016.

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

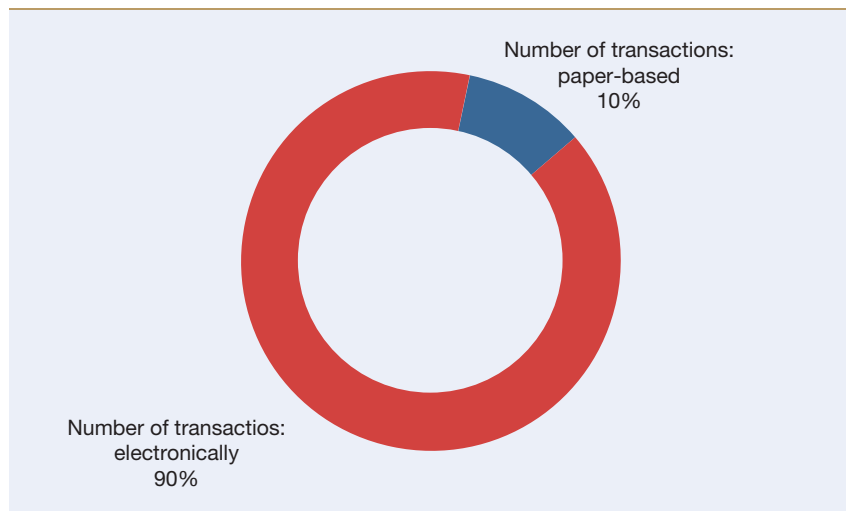


Source: CNB.

An analysis of the movement of the executed national credit transfers of business entities (non-consumers) according to the method of initiation established that the total number of national credit transfers executed by paper-based orders was 14.41 million and that 123.79 million transactions were executed electronically.

According to the shown number of the executed national credit transfers of business entities (non-consumers) according to the method of initiation it is evident that, as in 2016, the number of orders executed electronically was considerably higher than the executed paper-based orders. The average monthly number of credit transfers executed using paper-based orders stood at 1.2 million transactions, while monthly on average 10.32 million transactions were executed electronically.

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



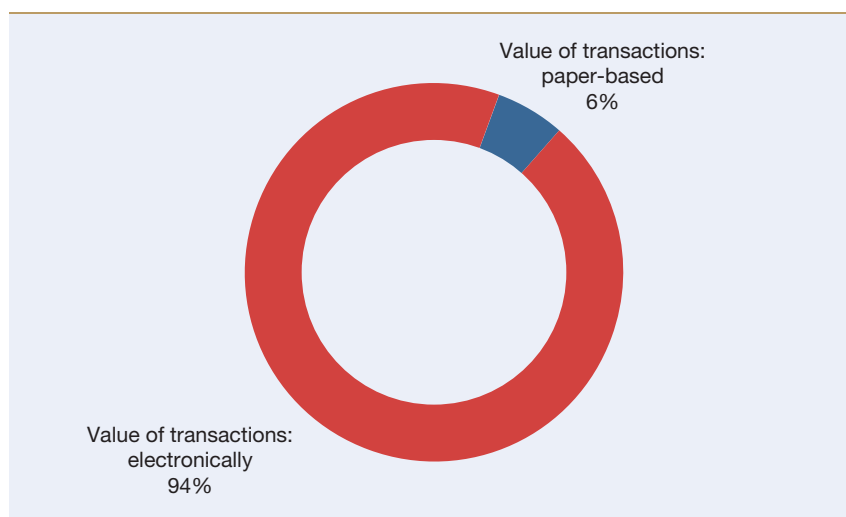
Source: CNB.

In 2017, the total number of the national credit transfers of business entities (non-consumers) executed electronically rose by 2% from 2016.

An analysis of data on the value of national credit transfers of business entities (non-consumers) according to the method of initiation established that, as in 2016, in all, considerably fewer transactions were executed with paper-based orders than with orders initiated electronically. The total value of paper-based orders stood at HRK 86,683.75 million, while orders worth a total of HRK 1,379.49 billion were executed electronically. The average monthly value of paper-based orders was HRK 7,223.65 million, while on a monthly average the value of transactions executed electronically was HRK 114,957.83 million.

In 2017, the total value of the national credit transfers of business entities (non-consumers) executed electronically rose by 2% from 2016.

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



Source: CNB.

National credit transfers executed by paper-based orders

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

The total number of national credit transfer transactions of consumers initiated by a paper-based order over the counter at credit institutions

was 27.73 million transactions, while 13.8 million transactions were executed at business entities (non-consumers). Their total value for consumers was HRK 51,316.99 million and for business entities (non-consumers) HRK 85,095.36 million.

Compared with 2016, a decrease in the number of executed transactions initiated by a paper-based order over the counter was recorded for both consumers and business entities (non-consumers), of 1.79 million transactions and 2.28 million transactions, respectively.

According to the data for national credit transfers executed with the use of a 2D barcode on paper-based payment orders, it was established that their total number for consumers was 39.82 million transactions and for business entities (non-consumers) 606,508 transactions. Their total value for consumers was HRK 8,096.93 million and for business entities (non-consumers) HRK 1,507.35 million.

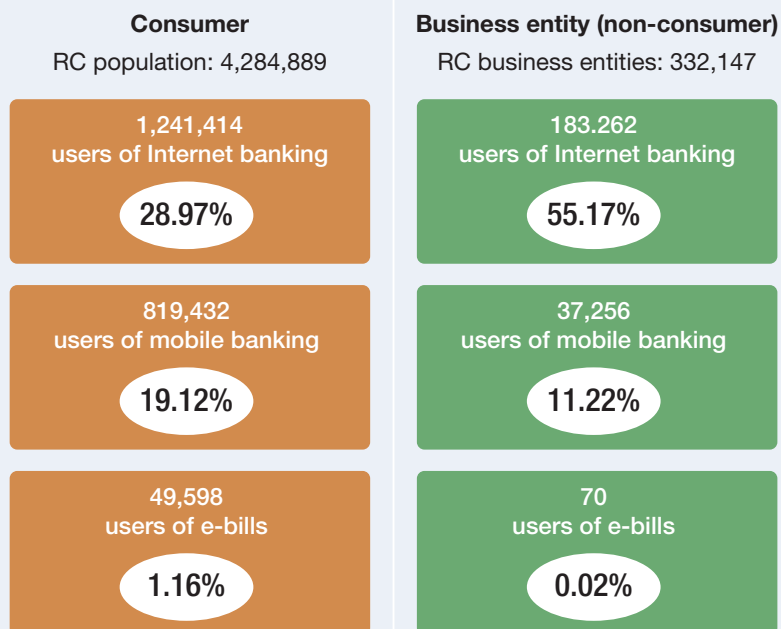
Compared with 2016, both consumers and business entities (non-consumers) recorded an increase in the total number of transactions executed with the use of a 2D barcode on paper-based payment orders. As regards consumers, the total number of transactions increased by 935,972 and their value increased by HRK 87,981.57 million. As regards business entities (non-consumers), the total number of transactions increased by 136,907 and their value increased by HRK 277,882.61 million.

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

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

National credit transfers executed electronically

Box 1 The share of the use of payment instruments of consumers relative to the population of the RC and of business entities (non-consumers) relative to the number of registered business entities (non-consumers) and entities in crafts and trades and free lances in the RC



Source: CNB.

Table 2 Total number of national credit transfers executed electronically

Payment method	Consumer	Business entity (non-consumer)
Over the counter	180,297	25,487,925
Internet	35,568,613	92,026,354
Telebanking	0	294,948
Mobile phone	31,089,636	3,377,520
ATM/banking kiosk	50,612	0
E-bill	522,791	226
Other	126,296	2,600,580

Source: CNB.

Table 3 Total value of national credit transfers executed electronically

Payment method	Consumer	Business entity (non-consumer)
Over the counter	283,016,220	265,826,980,495
Internet	31,223,528,009	977,849,663,556
Telebanking	0	15,506,772,830
Mobile phone	21,630,852,640	7,427,852,834
ATM/banking kiosk	32,973,964	0
E-bill	107,913,741	69,598
Other	1,486,125,610	112,882,673,057

Source: CNB.

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

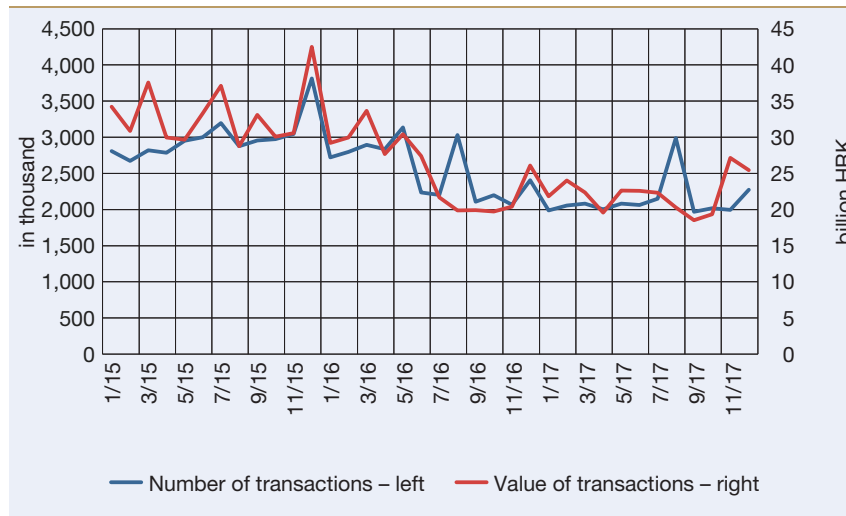
Services	Consumer		Business entity (non-consumer)	
	Number of transactions	Value of transactions	Number of transactions	Value of transactions
Internet banking	29	25,152	502	5,335,802
Mobile banking	38	26,397	91	199,373
E-bill	11	2,176	3	994

Source: CNB.

An analysis of the total number of national credit transfers of consumers and business entities (non-consumers) executed electronically over the counter leads to the conclusion that the total number decreased by 16% from 2016 to 2017 (Figure 19).

An analysis of the total value of national credit transfers of consumers and business entities (non-consumers) executed electronically over the counter leads to the conclusion that the total value declined by 13% from 2016 to 2017 (Figure 19).

Figure 19 Total number and value of national credit transfers of consumers and business entities (non-consumers) executed electronically over the counter

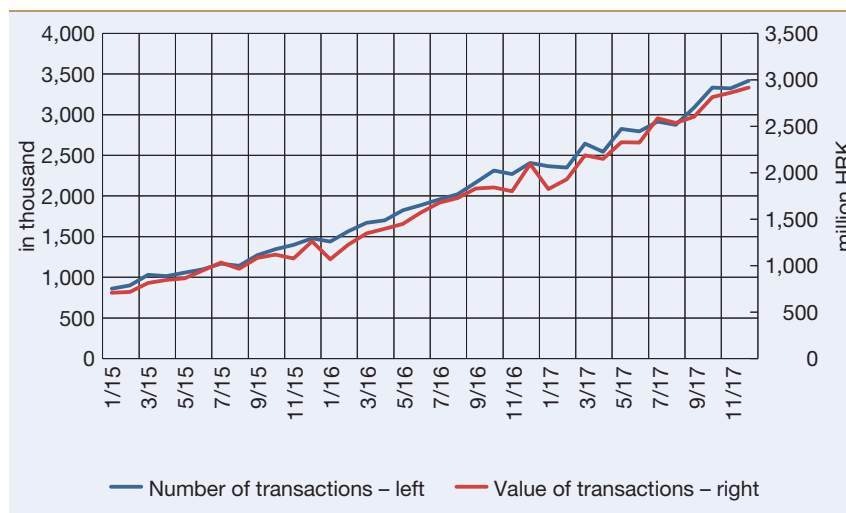


Source: CNB.

An analysis of the total number of national credit transfers of consumers and business entities (non-consumers) executed electronically by mobile phone leads to the conclusion that the total number increased by 48% from 2016 to 2017 (Figure 20).

An analysis of the total value of national credit transfers of consumers and business entities (non-consumers) executed electronically by mobile phone leads to the conclusion that the total value increased by 53% from 2016 to 2017 (Figure 20).

Figure 20 Total number and value of national credit transfers of consumers and business entities (non-consumers) executed electronically by mobile phone



Source: CNB.

4.1.1 Standing orders

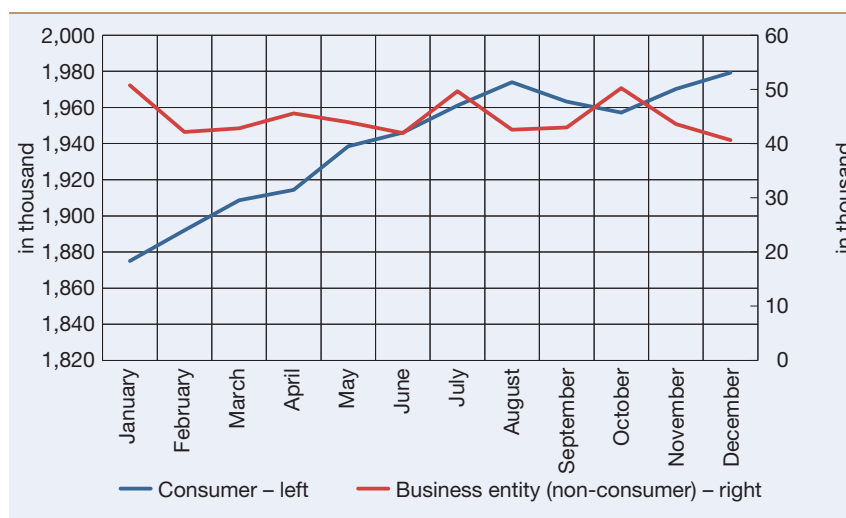
A standing order is a payment service by which a credit institution, on the basis of a special standing order contract with a payment service user, periodically on a certain or determinable day transfers a certain or determinable amount from the payment account of the payment service user to credit the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

In the RC, 27 credit institutions provided standing order services in 2017.

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

A national standing order payment transaction includes national payment transactions executed to debit the accounts of payment service users (consumers and business entities [non-consumers]).

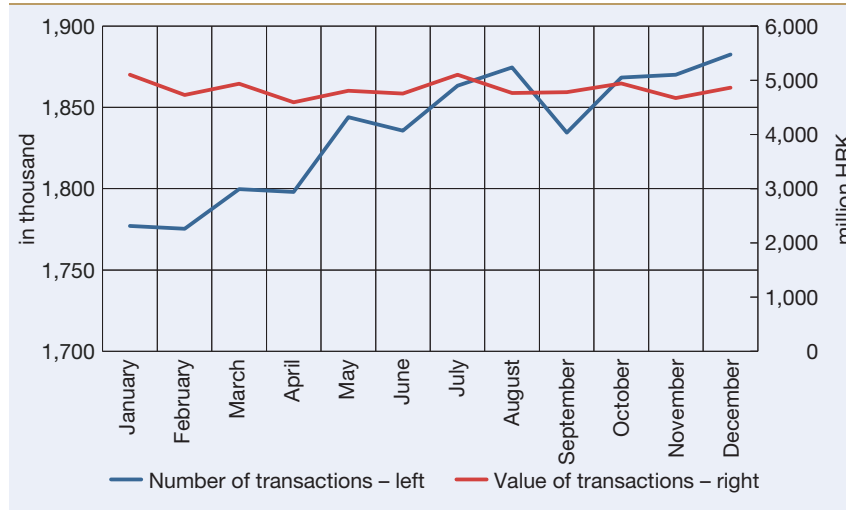
Figure 21 Number of standing order contracts



Source: CNB.

In the RC, in all 22.02 million standing order transactions of consumers and business entities (non-consumers) were executed in kuna, worth a total of HRK 58,032.8 million. At a monthly level, on average 1.84 million transactions were executed, with an average monthly value of HRK 4,836.07 million. The average value of a standing order transaction was HRK 2,635 (Figure 22).

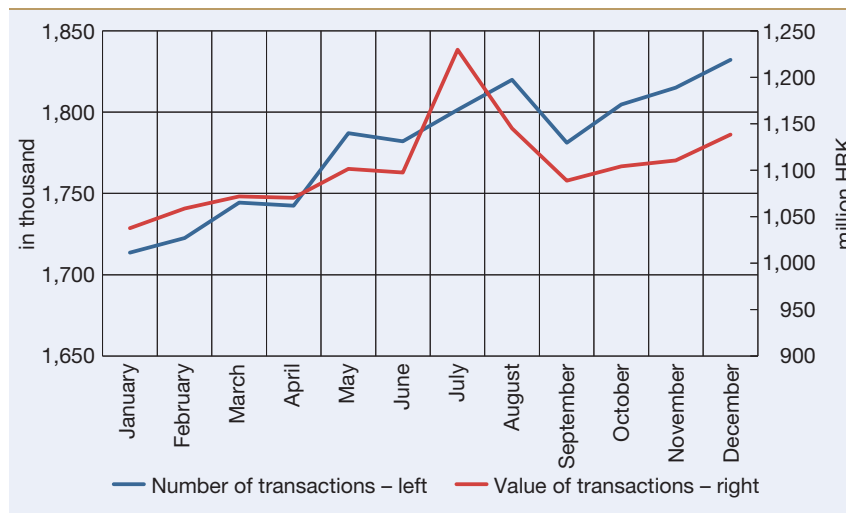
Figure 22 Total number and value of standing order transactions of consumers and business entities (non-consumers)



Source: CNB.

According to the shown number and value of standing order transactions of consumers in kuna, it was established that their total number came to 21.35 million transactions, worth in all HRK 13,253.21 million. At a monthly level, on average 1.78 million transactions were executed with the average monthly value of HRK 1,104.43 million. The average value of a standing order transaction was HRK 621 (Figure 23).

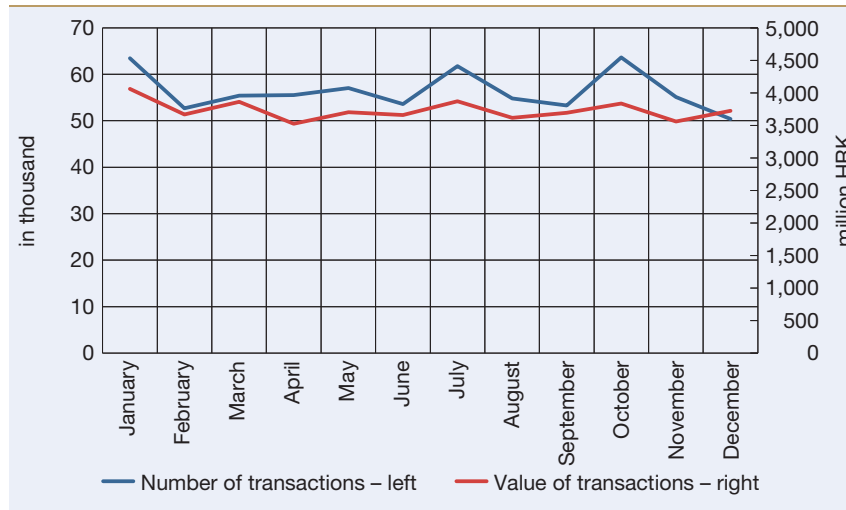
Figure 23 Number and value of standing order transactions of consumers



Source: CNB.

According to the data on the number and value of standing order transactions of business entities (non-consumers) in kuna, it was established that their total number was 676,672 transactions, worth in all HRK 44,779.59 million. At a monthly level, on average 56,389 transactions were executed with an average monthly value of HRK 3,731.63 million. The average value of a standing order transaction stood at HRK 66,176 (Figure 24).

Figure 24 Number and value of standing order transactions of business entities (non-consumers)



Source: CNB.

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

An analysis of the data on the number of consumer users of payment services using the standing order service to debit their payment account (in which case the user is counted as one, irrespective of the number of standing order contracts entered into with a credit institution) established that their proportion in the total population of the RC came to 28.77% (there were 1,232,594 of them having at least one contracted standing order service).

According to the number of business entity (non-consumer) users of payment services using the standing order service to debit their payment account (in which case the user is counted as one, irrespective of the number of standing order contracts entered into with a credit institution), it was established that their proportion in the total number of registered business entities (non-consumers) in the RC stood at 10% (there were 33,202 of them having at least one contracted standing order service).

It can be seen from the data shown that the number of users of the standing order payment service and the number of accounts in which the execution of standing orders is contracted for is much higher in consumers than in business entities (non-consumers).

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

- the average monthly number of transactions of consumer standing orders per standing order user was 1.4 transactions, with the average monthly value of HRK 907 per transaction;
- the average monthly number of transactions of business entity (non-consumer) standing orders per standing order user was 1.7 transactions with an average monthly value of HRK 112,502 per transaction.

4.2 Cross-border/international credit transfers

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

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

In the RC, 27 credit institutions provided cross-border/international credit transfer payment services in 2017.

4.2.1 Sent cross-border/international credit transfers

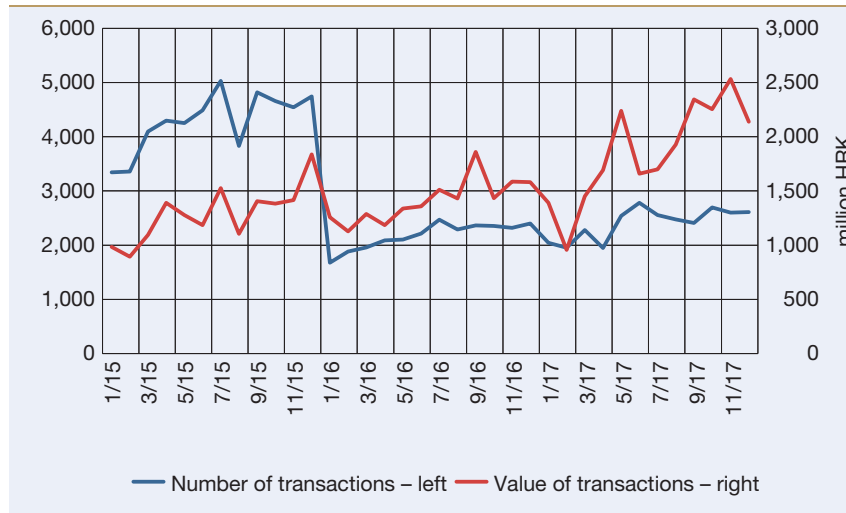
Sent cross-border/international credit transfers include cross-border/international payment transactions to debit the accounts of payment service users (consumers and business entities [non-consumers]) and to debit the accounts of credit institutions, transfers that the credit institution has executed/sent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

In 2017, in all, 28,892 transactions of sent cross-border/international credit transfers of consumers and business entities (non-consumers) were executed in kuna, worth in all HRK 22,286.89 million. At a monthly

level, on average 2,408 transactions were executed monthly, with an average monthly value of HRK 1,857.24 million (Figure 25).

The total number of sent cross-border/international credit transfers of consumers and business entities (non-consumers) in kuna increased by 11% from 2016 to 2017, while their total value grew by 31% in the same period.

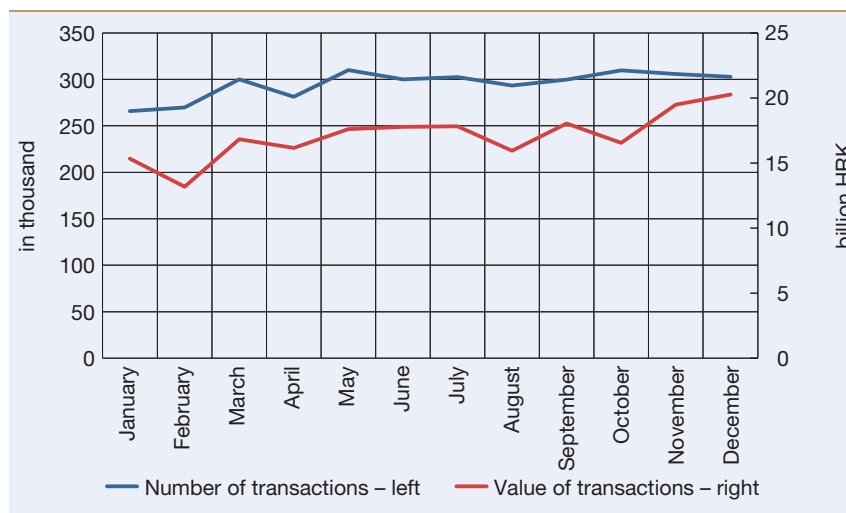
Figure 25 Total sent cross-border/international credit transfers of consumers and business entities (non-consumers) in kuna



Source: CNB.

In the RC, in all, 3.54 million transactions of sent cross-border/international credit transfers of consumers and business entities (non-consumers) were executed in all currencies (other than the kuna), and when converted into kuna were a total of HRK 204,958.74 million. At a monthly level, on average 295,036 transactions were executed monthly, with an average monthly value of HRK 17,079.9 million (Figure 26).

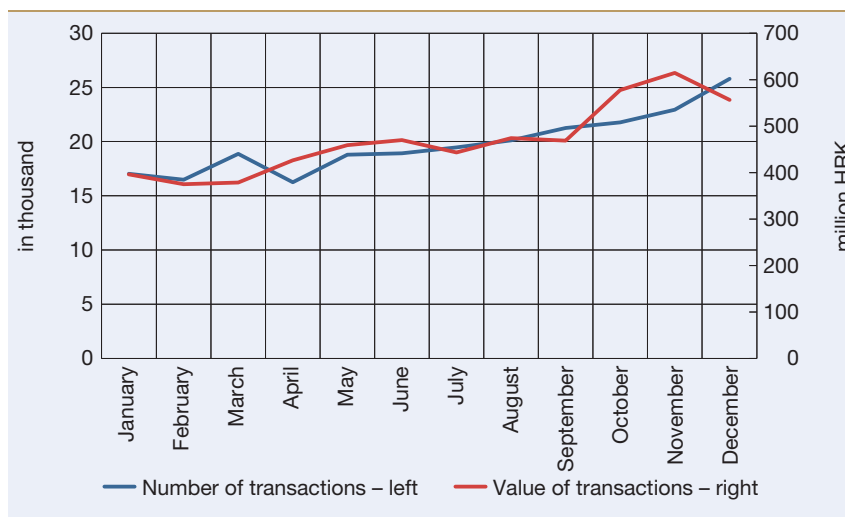
Figure 26 Total sent cross-border/international credit transfers of consumers and business entities (non-consumers) in all currencies (other than the kuna)



Source: CNB.

According to the shown number and value of the sent cross-border/international credit transfers of consumers in all currencies (other than the kuna), it can be seen that their total number stood at 237,706, transactions and that when converted into kuna they were worth in all HRK 5,639.1 million. At a monthly level, on average 19,809 transactions were executed with the average monthly value of HRK 469.93 million. The average monthly value of a transaction amounted to HRK 23,723 (Figure 27).

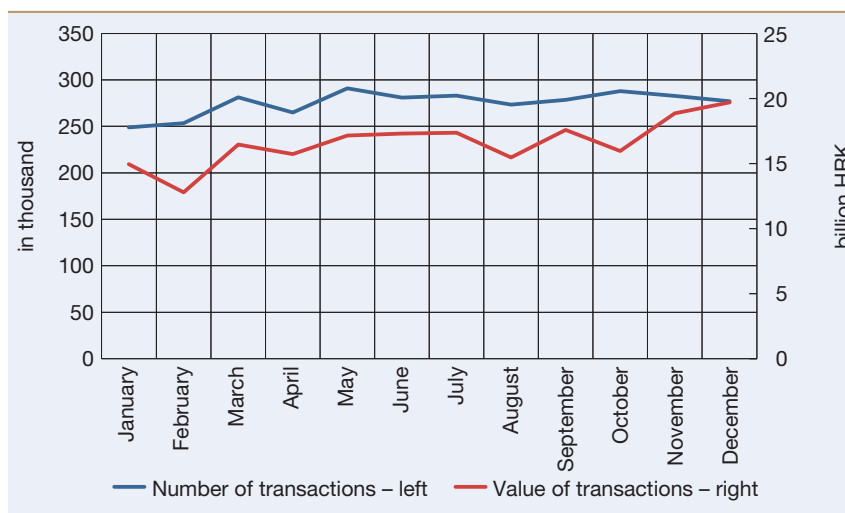
Figure 27 Sent cross-border/international credit transfers of consumers



Source: CNB.

An analysis of the data shown established that the total number of sent cross-border/international credit transfers of business entities (non-consumers) in all currencies (other than the kuna) was 3.3 million transactions, worth in all HRK 199,319.64 million when converted into kuna. At a monthly level, on average 275,227 transactions were executed

Figure 28 Sent cross-border/international credit transfers of business entities (non-consumers)

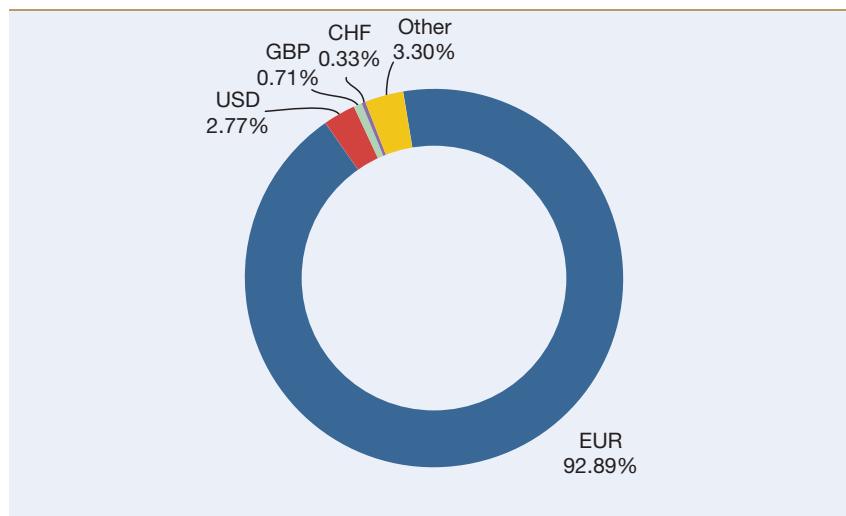


Source: CNB.

monthly, with an average monthly value of HRK 16,609.97 million. The average value of a transaction was HRK 60,350 (Figure 28).

Figure 29 shows that the euro is the currency that accounts for the largest share in the total number of transactions of sent cross-border/international credit transfers of consumers and business entities (non-consumers), 92.89%. It is followed by the US dollar with a share of 2.77%, the pound sterling with 0.71% and the Swiss franc with 0.33%. The share of 3.30% refers to the total of all other currencies.

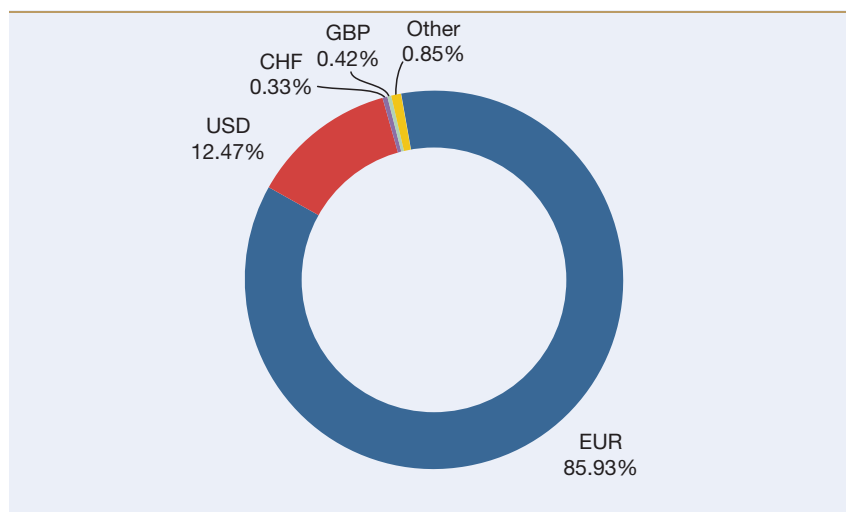
Figure 29 Structure of the share of currencies in the total number of transactions of sent cross-border/international credit transfers of consumers and business entities (non-consumers)



Source: CNB.

According to the shares of currencies in the total value of the transactions of sent cross-border/international credit transfers of consumers and business entities (non-consumers), from Figure 30 it can

Figure 30 Structure of the share of currencies in the total value of transactions of sent cross-border/international credit transfers of consumers and business entities (non-consumers)



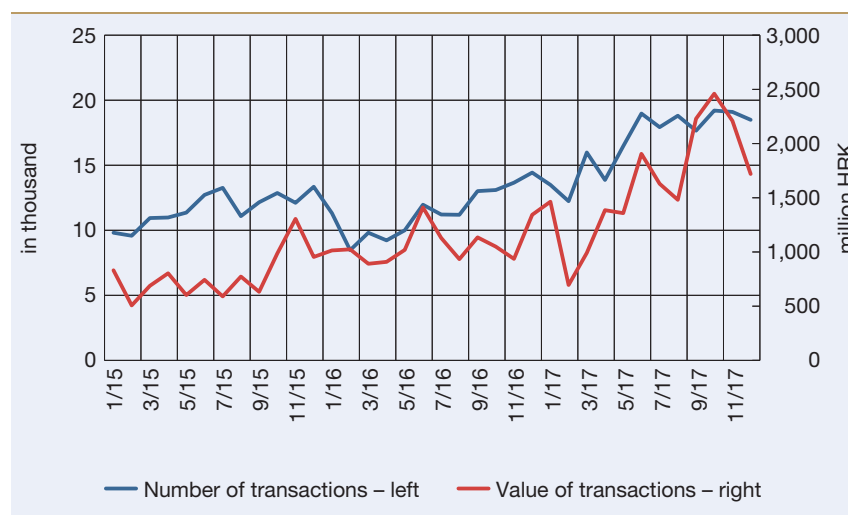
Source: CNB.

be concluded that the euro is the currency that accounts for the largest share of transactions, 85.93%. The currencies that follow include the US dollar with a share of 12.47%, the pound sterling with 0.42% and the Swiss franc with 0.33%. The share of 0.85% refers to the total of all other currencies (Figure 30).

4.2.2 Received cross-border/international credit transfers

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

Figure 31 Total received cross-border/international credit transfers of consumers and business entities (non-consumers) in kuna



Source: CNB.

In 2017 (Figure 31), in the RC, in all, 202,196 transactions of received cross-border/international credit transfers of consumers and business entities (non-consumers) were executed in kuna, worth a total of HRK 19,521.38 million. At a monthly level, on average 16,850 transactions were executed monthly, with an average monthly value of HRK 1,626.78 million.

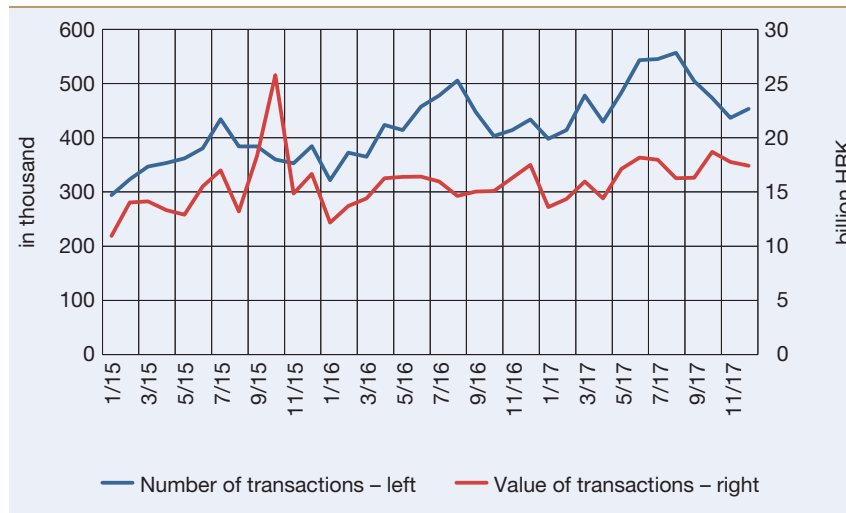
The total number of received cross-border/international credit transfers of consumers and business entities (non-consumers) in kuna increased by 47% from 2016 to 2017, while their total value grew by 53%.

In the RC, in all, 5.72 million transactions of received sent cross-border/international credit transfers of consumers and business entities (non-consumers) were executed in all currencies (other than the kuna), and when converted into kuna were worth in all HRK 198,071.65 million. On

average 476,298 transactions were executed monthly, with an average monthly value of HRK 16,505.97 million (Figure 32).

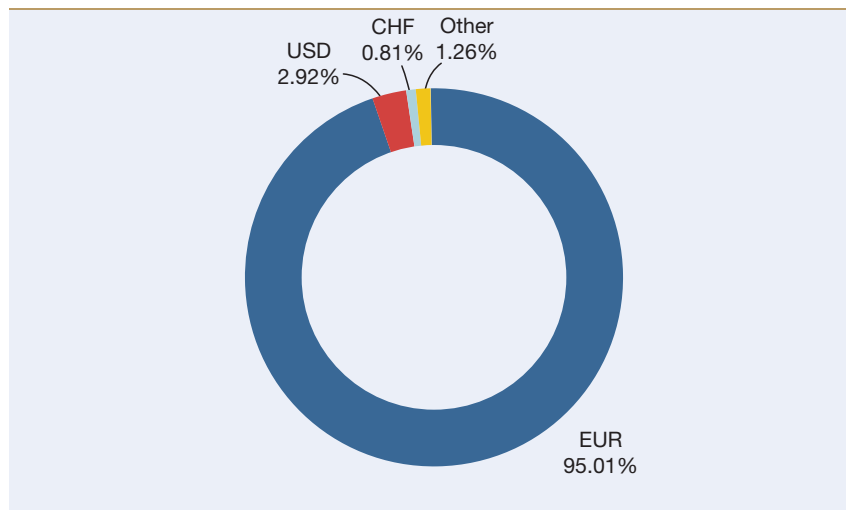
The total number of received cross-border/international credit transfers of consumers and business entities (non-consumers) in all currencies (other than the kuna) increased by 13% from 2016 to 2017, while their total value grew by 8% in the same period.

Figure 32 Total received cross-border/international credit transfers of consumers and business entities (non-consumers) in all currencies (other than the kuna)



Source: CNB.

Figure 33 Structure of the share of currencies in the total number of transactions of received cross-border/international credit transfers of consumers and business entities (non-consumers)



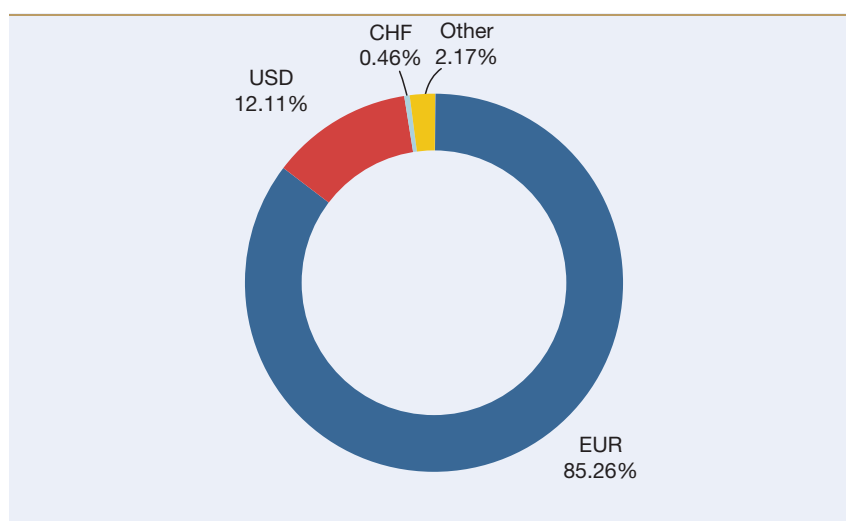
Source: CNB.

Figure 33 shows that in terms of currency, the euro accounts for the largest share in the total number of the transactions of received cross-border/international credit transfers of consumers and business entities (non-consumers), 95.01%. It is followed by the US dollar with a 2.92%

and the Swiss franc with a 0.81% share. The share of 1.26% refers to the total of all other currencies.

An analysis of the shares of currencies in the total value of the transactions of received cross-border/international credit transfers of consumers and business entities (non-consumers) from Figure 34 shows that the euro is the currency that accounts for the largest share of transactions, 85.26%. The currencies that follow include the US dollar with a share of 12.11% and the Swiss franc with a share of 0.46%. The share of 2.17% refers to the total of all other currencies (Figure 34).

Figure 34 Structure of the share of currencies in the total value of transactions of received cross-border/international credit transfers of consumers and business entities (non-consumers)



Source: CNB.

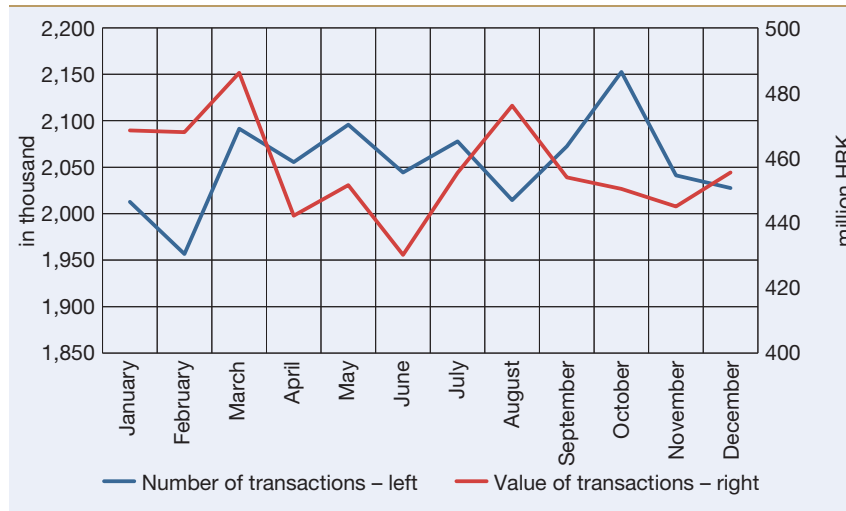
5 Bill-paying services

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

In the RC, 14 credit institutions provided bill-paying services, exclusively in kuna, in 2017.

In the RC, in 2017, a total of 24.64 million transactions were executed through the bill-paying service in the total value of HRK 5,483.24 million. The average value of a transaction was HRK 223.

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



Source: CNB.

Compared with 2016, a decrease of around 10% was recorded in 2017 both in the number and value of transactions of the bill-paying service. The average value of a transaction remained at the same level.

The movement of the total monthly number and value of transactions of the bill-paying service in 2017 is shown in Figure 35.

Data point to minor oscillations in the use of the bill-paying service in 2017, which in the number of transactions ranges between 1.96 million transactions recorded in February and 2.15 million transactions recorded in October 2017.

The value of transactions ranges within the interval from HRK 430.23 million (June) to HRK 486.19 million (March).

At a monthly level, the average number of transactions was 2.05 million transactions, with an average value of HRK 456.94 million.

6 Money remittances

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

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

In the RC, five credit institutions, one payment institution and the Financial Agency provided the service of sending and receiving money remittances in 2017.

6.1 Sent money remittances

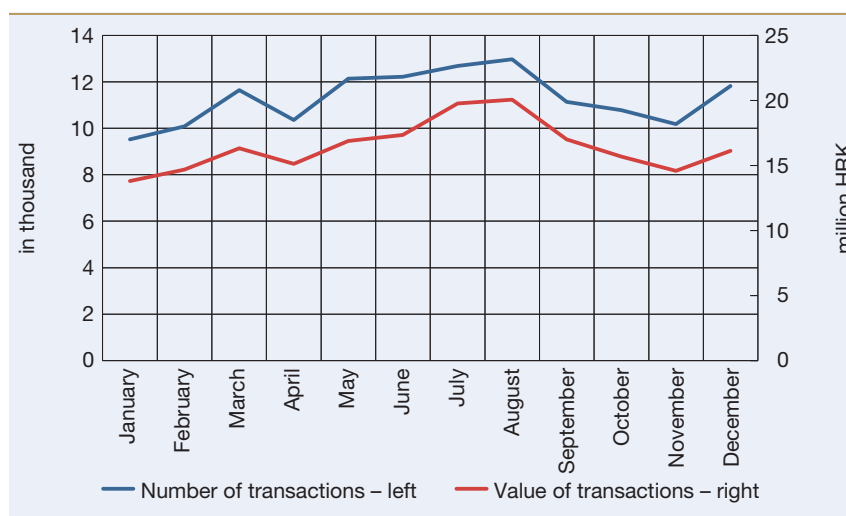
Data are presented on money remittances that consumers sent to payees both in the RC and outside of the RC. A sender in the RC always submits kuna for the execution of a money remittance, while the payment is in the required currency in the payee's country.

6.1.1 Sent national money remittances

In 2017, in all 135,520 money remittances were sent in the RC, worth a total of HRK 197.33 million. The average value of a transaction stood at HRK 1,456.

Both the number and value of sent national money remittances went up by more than 7% from 2016, while the average value of a transaction remained at the same level.

Figure 36 Sent money remittances in the RC



Source: CNB.

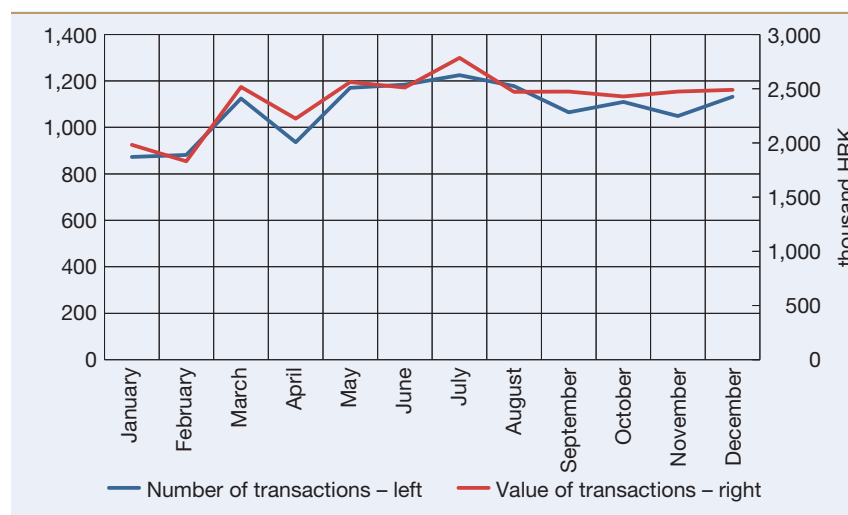
An analysis of the movement of the shown number and value of sent national money remittances (Figure 36) established that the average monthly number of sent money remittances in the RC was 11,293, with an average value of HRK 16.44 million a month.

6.1.2 Sent cross-border/international money remittances

In all, 12,927 cross-border/international money remittances, worth a total of HRK 28.74 million, were sent in 2017 (Figure 37). The average value of a sent cross-border/international money remittance stood at HRK 2,223.

Compared with 2016, the number of sent cross-border/international money remittances increased by 75% in 2017, while their value grew by 55%. The average value of a sent cross-border/international money remittance was almost 12% lower in 2017 than in the year before.

Figure 37 Sent cross-border/international money remittances



Source: CNB.

6.2 Received money remittances

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

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

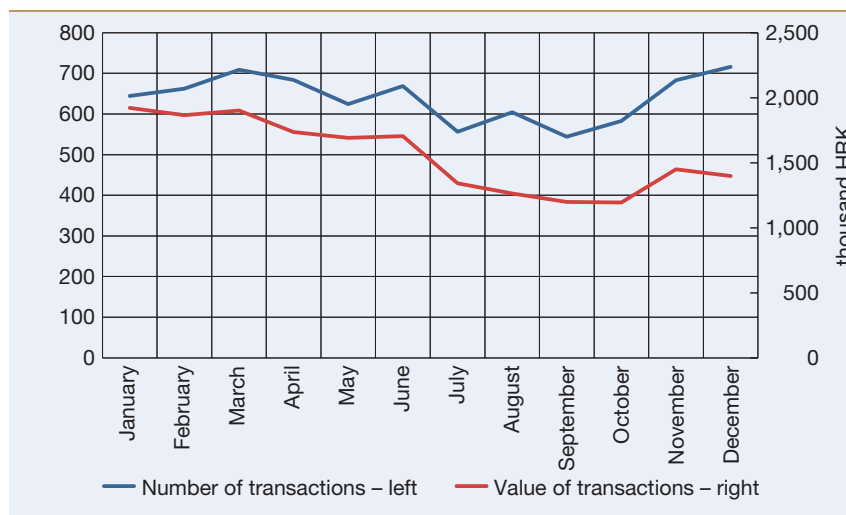
6.2.1 Received cross-border/international money remittances in kuna

In 2017, consumers received in all 7,678 money remittances from abroad, worth a total of HRK 18.67 million. The average value of a money remittance came to HRK 2,432.

The number of received cross-border/international money remittances in kuna fell by almost 6% from 2016, while their value dropped by almost 20%. The average value of a money remittance was 15% lower in 2017 than in the year before.

If the above data are observed at a monthly level, no very large oscillations in the number and value of transactions are observed, as shown in Figure 38. At a monthly level, on average 640 money remittances were received, with an average monthly value of HRK 1.56 million.

Figure 38 Received cross-border/international money remittances in kuna



Source: CNB.

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

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

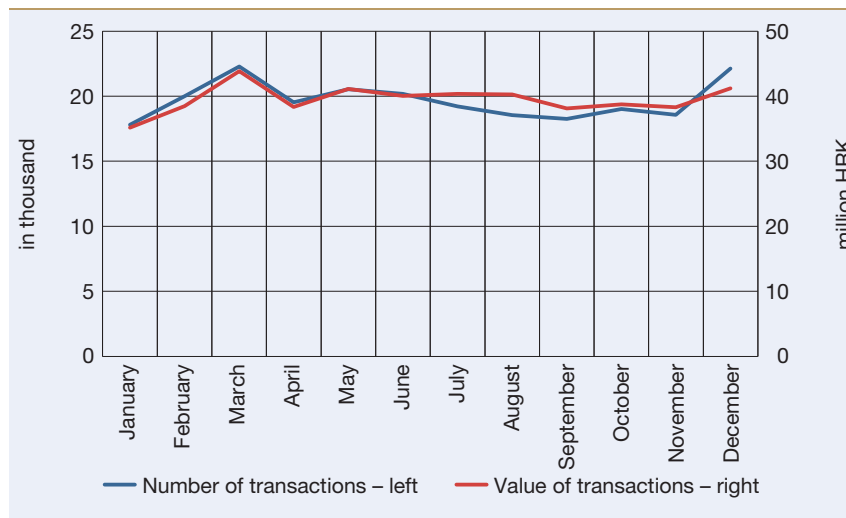
In 2017, consumers received in all 236,114 money remittances in other currencies from abroad, which, converted into kuna, amounted to HRK 474.03 million. The average value of a received money remittance in other currencies was HRK 2,008.

From 2016, the number of received cross-border/international money remittances in other currencies decreased by 6%, while their value

fell by 8%. The average value of a received money remittance in other currencies remained at almost the same level.

According to data at a monthly level, no very large oscillations in the number and value of transactions are observed for other currencies, as shown in Figure 39. On average, 19,676 money remittances in other currencies were received monthly, which, converted into kuna, had the average monthly value of HRK 39.5 million.

Figure 39 Received cross-border/international money remittances in other currencies

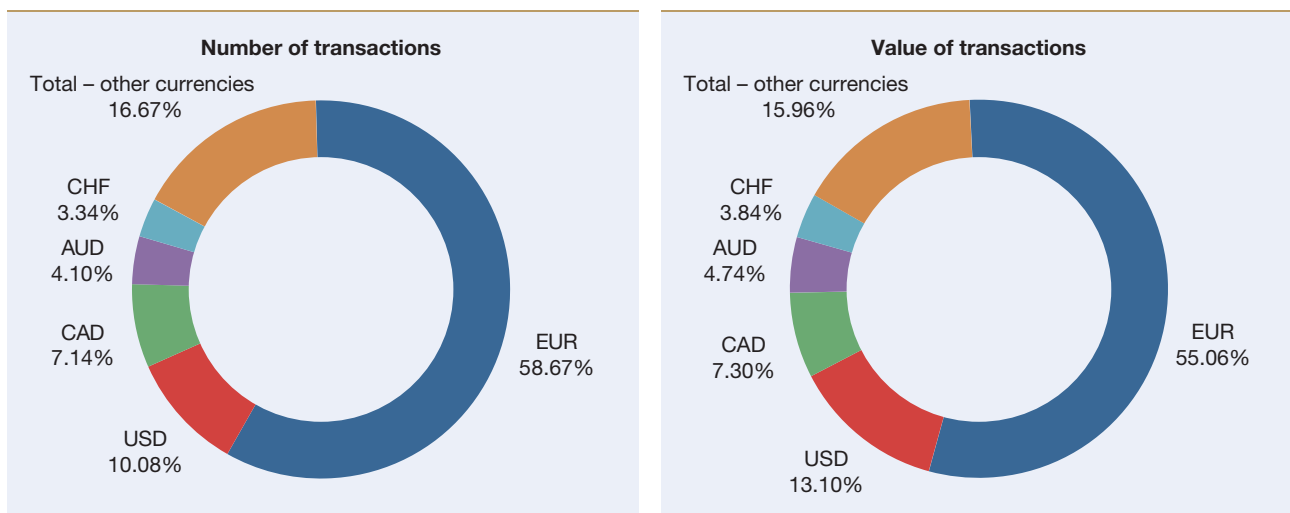


Source: CNB.

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

From an analysis of received cross-border/international money remittances by currency it can be concluded that the largest number and value of received money remittances from abroad were in the euro,

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



Source: CNB.

followed by the US dollar, Canadian dollar, Australian dollar and Swiss franc.

If the share of the five most represented currencies is analysed relative to all other currencies in all, it can be observed that they account for 83.33% of the number and 84.04% of the value of received cross-border/international money remittances.

The euro is the most represented currency, accounting for 58.67% of the number and 55.06% of the total value of received cross-border/international money remittances.

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

7 Direct debits

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

In the RC, 22 credit institutions provided the direct debit service in 2017.

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

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

Consents are counted according to the number of payees (creditors) per payer, irrespective of the number of a payer’s payment accounts that are debited and irrespective of whether the consent for the execution

of direct debits to credit several payees (creditors) is given by a single contract. In cases in which a payer gives consent to the same payee by a new or the same contract, it is counted as two consents (e.g. consents given for direct debits for monthly charges for a fixed telephone in a usual residence and in a holiday home).

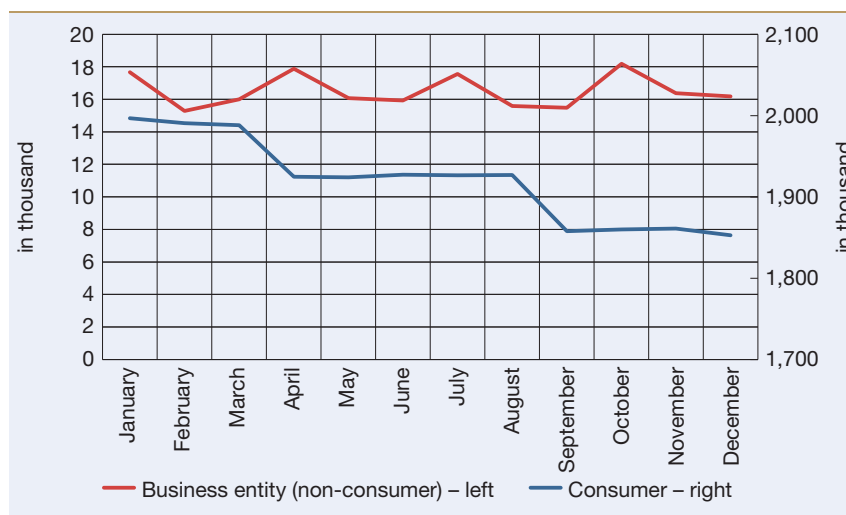
Consents are distinguished according to type of the payee and are broken down into consents given to credit the service user (e.g. utility company for the supply of electricity, water, gas, etc.) and consents to credit a credit institution (e.g. collection of charges on a card with a delayed debit function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

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

Figure 41 shows that, with respect to the payer, the direct debit service is used by consumers to a much larger extent than by business entities (non-consumers).³

An analysis of the number of consents for direct debits showed that the average monthly number was 1,919,755 for consumers and 16,517 for business entities (non-consumers).

Figure 41 Number of direct debit consents



Source: CNB.

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

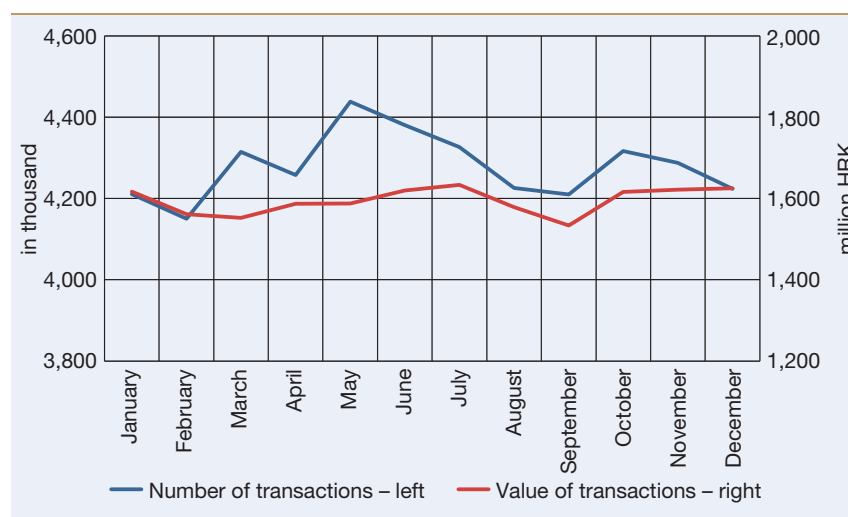
With regard to the number of direct debit service users that have given consent for the execution of direct debits, as well as the number of accounts for which this service is contracted, the ratio was also tipped towards consumers. On 31 December 2017, 969,675 consumers were recorded as being users of direct debit services, contracted to debit 1,020,628 accounts. On the other hand, on the same day, only 2,044 business entities (non-consumers) were the users of direct debit services.

7.2 Number and value of direct debit transactions

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

All payment transactions shown in Figure 42 are national, since so far in the RC there have been no cross-border/international debits from and credits to payment accounts based on direct debits.

Figure 42 Total number and value of direct debit transactions



Source: CNB.

In 2017, in total, 51.34 million direct debit transactions from transaction accounts and payment cards, worth a total of HRK 19,133.04 million, were executed in the RC. The average value of a direct debit was HRK 373.

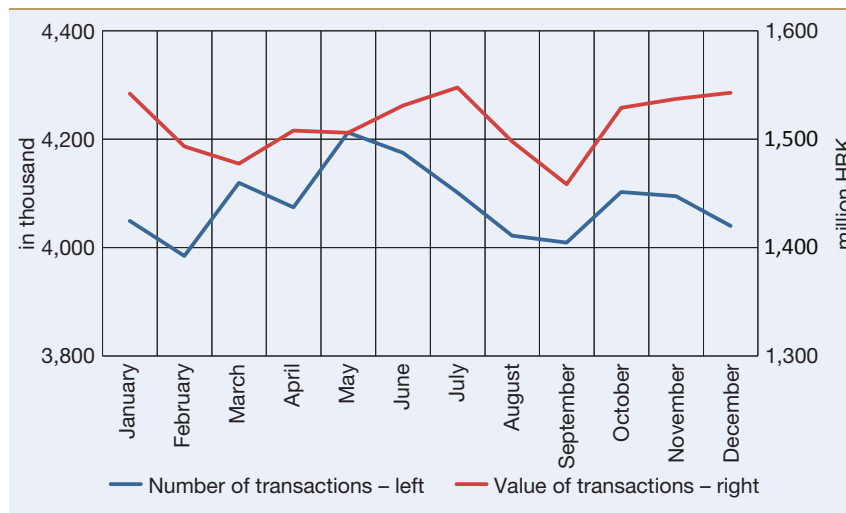
Compared with 2016, the number and the value of direct debits from transaction accounts and payment cards recorded a mild decrease,

of 5% and 7%, respectively, while the average value of a direct debit remained at almost the same level in 2017.

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

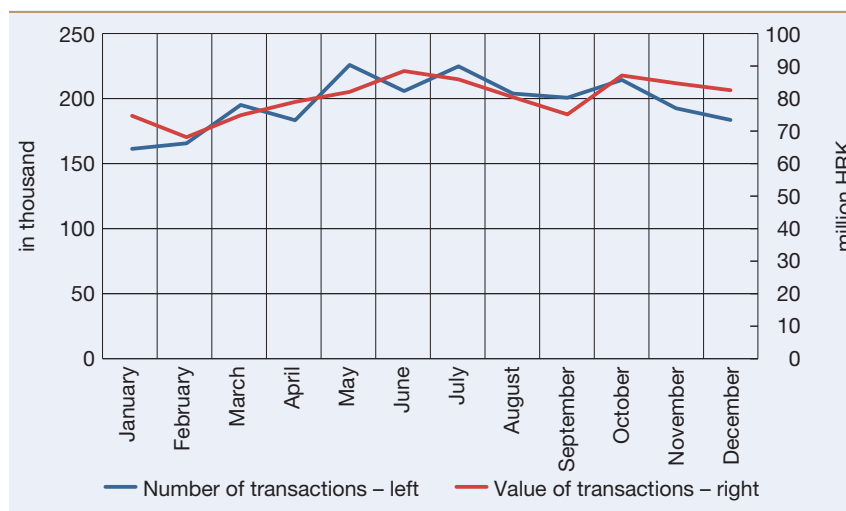
In 2017, 48.98 million direct debits were made from the accounts and payment cards of consumers and 2.36 million were made from the accounts and payment cards of business entities (non-consumers) in the RC. The total value of direct debits made from the accounts and payment cards of consumers was HRK 18,170.18 million and from the accounts and payment cards of business entities (non-consumers) HRK 962.86 million.

Figure 43 Number and value of direct debit transactions of consumers



Source: CNB.

Figure 44 Number and value of direct debit transactions of business entities (non-consumers)



Source: CNB.

7.3 Average number and value of direct debit transactions

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

An analysis of the trend in the average number and value of direct debit transactions established that each month on average 4.08 million direct debit transactions from the accounts and payment cards of consumers and 196,303 direct debit transactions from the accounts and payment cards of business entities (non-consumers) were executed in 2017. The average monthly value of transactions of direct debit from the accounts and payment cards of consumers was HRK 1,514.18 million, while for business entities (non-consumers) it was considerably lower, i.e. HRK 80.24 million.

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

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

If the average number and value of transactions per account or per user is analysed, the amounts are much larger for business entities (non-consumers) than for consumers. In accordance with the above, in 2017, the average monthly number of transactions per account and user for consumers was four transactions, with an average monthly value of HRK 1,562 per user. On the other hand, in 2017, business entities (non-consumers) had on average 96 direct debits per user recorded each month, on average worth HRK 39,256 monthly.

8 Accounts

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

8.1 Transaction account

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

8.2 Another payment account

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

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

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

On 31 December 2017, a total of 8,080,628 accounts of consumers and 411,050 accounts of business entities (non-consumers) were recorded. Of the total number of accounts, 95.6% are transaction accounts, while accounts entitled ‘Another payment account’ have a share of 4.4%.

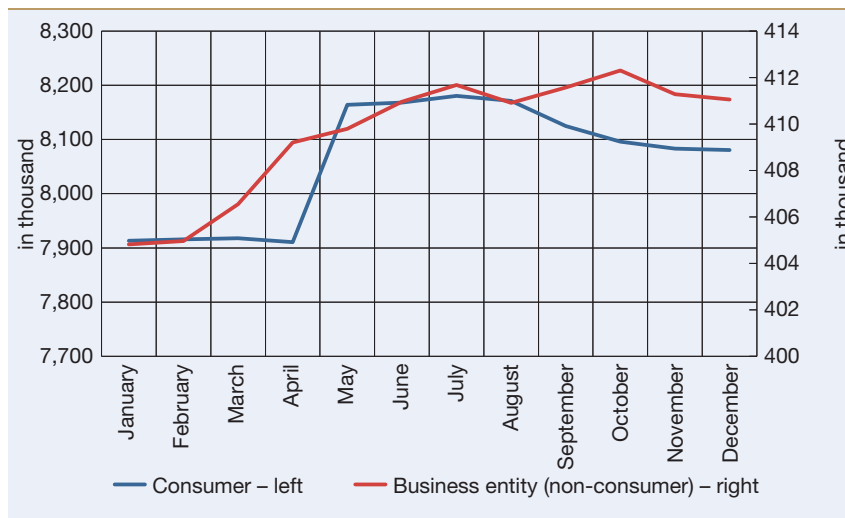
Table 5 Number of accounts of consumers and business entities (non-consumers) on 31 December 2017

Type of account	Consumer	Business entity (non-consumer)
Transaction account	7,711,196	409,380
Another payment account	369,432	1,670
Total	8,080,628	411,050

Note: Including blocked accounts on 31 December 2017.
Source: CNB.

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

Figure 45 Total number of accounts of consumers and business entities (non-consumers)

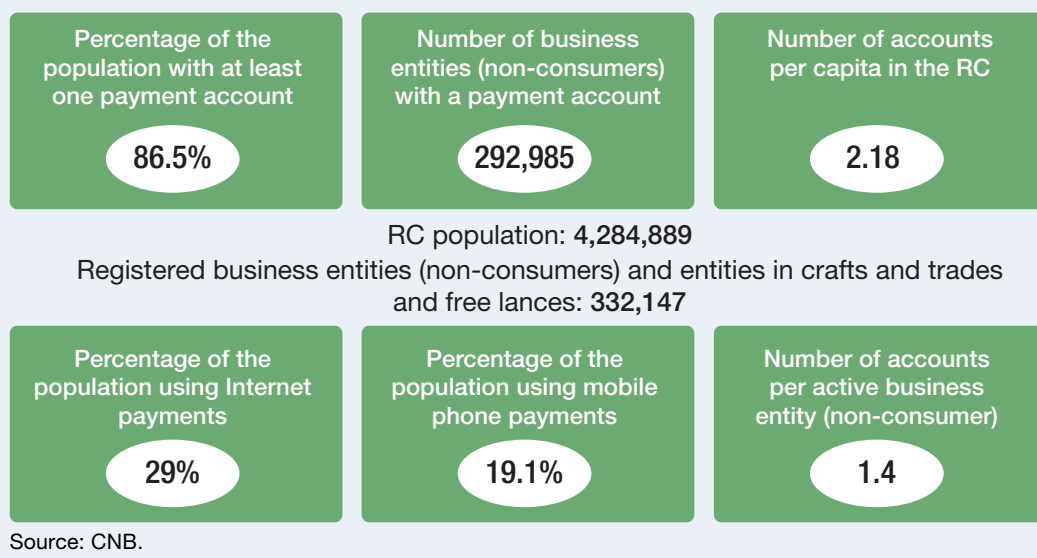


Source: CNB.

An analysis of how many inhabitants of the RC and business entities (non-consumers) operating in the RC have accounts opened with credit institutions shows that on 31 December 2017 in all 3,705,071 inhabitants of the RC (consumers) and 292,985 business entities (non-consumers) had accounts opened with credit institutions.

When the above data are compared with the total number of the recorded accounts of consumers and business entities (non-consumers) on 31 December 2017 (Table 5), it can be concluded that each inhabitant of the RC (consumer) has on average two, or actually 2.18 accounts and that each business entity (non-consumer) in the RC on average has 1.4 accounts.

Box 2 Overview of the number of users of payment accounts and payment instruments on 31 December 2017



An analysis of the percentage of the population using mobile phone payments points to a steady upward trend; this percentage was 5.3% higher in 2017 than in 2016. The percentage of the total population in the RC using Internet banking grew slightly, by 1.6%, from 2016.

8.3 Number of users by payment instrument (service)

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

A user of each individual payment instrument, i.e. payment method, shown in Table 6 is counted only once, or if the user uses the same

Table 6 Number of users by payment instrument

Description of payment methods	Consumer	Business entity (non-consumer)	Total
Internet	1,241,414	183,262	1,424,676
Mobile phone	819,432	37,256	856,688
Telebanking	0	229	229
E-bill	49,598	70	49,668
Direct debit	969,675	2,044	971,719
Standing order	1,232,594	33,202	1,265,796
Debit card	3,365,680	203,772	3,569,452
Credit card	1,146,998	30,563	1,177,561

Note: As at 31 December 2017.
Source: CNB.

service (payment method) in two or more credit institutions and/or electronic money institutions, it is shown as one user.

Since 2016, there has been an increase of 5.7% in the number of consumer users of Internet banking and an increase of 6.8% by business entities (non-consumers) in 2017.

The number of users of a mobile phone as a method of payment grew by 38.5% among consumers and by 50.8% among business entities (non-consumers) from 2016 to 2017.

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

- **Internet** – records the total number of payment service users that have contracted the use of Internet (electronic) banking with a credit institution, irrespective of the number of tokens the credit institution has issued to them.
- **Mobile phone** – records the total number of payment service users that have contracted the use of an application installed on a mobile phone with the credit institution.
- **Telebanking** – records the total number of payment service users that have contracted the use of telebanking with a credit institution.
- **E-bill** – records the total number of payment service users (payers) that have contracted the use of e-bills with a credit institution.
- **Direct debit** – records the total number of payment service users (payers) that have given consent for the direct debiting of their payment account(s) operated by a credit institution.
- **Standing order** – records the total number of payment service users (payers) that have entered into a standing order contract with a credit institution.
- **Debit card** – allows the holder to pay for goods and services and withdraw cash through an ATM, other terminals and over the counter at credit institutions. When using a debit card, the cardholder's payment account is debited for the incurred expense immediately after the execution of the card-based payment transaction, provided that there is coverage in the account. The coverage in the account also includes the amount of the unused allowed overdraft.
- **Credit card** – allows the holder to pay for goods and services and withdraw cash through an ATM and other terminals. The use of a credit card is not conditional upon the holder's ensuring coverage in the payment account for the execution of a payment transaction at the time of its initiation. A credit line (limit) is granted to the credit card user for the execution of a payment transaction. Expenses incurred by using a

credit card during a specific period are charged within deadlines defined by the agreement on the issue of the credit card, i.e. after a specific time.

An analysis of data from Table 6 leads to the conclusion that consumers use the most the services of Internet banking (33.5%) and standing order (33.3%), followed by direct debit (26.2%) and mobile phone (m-banking) (22.1%), while the e-bill service (1.3%) still accounts for a smaller share than the other methods of payment.

In business entities (non-consumers), as expected, Internet banking is the most represented (62.5%), followed by the standing order (11.3%) and the mobile phone (12.7%), while the e-bill service (0.02%) is still used very rarely.

On 31 December 2017, 3,365,680 consumers and 203,772 business entities (non-consumers) holding a debit card and 1,146,998 consumers and 30,563 business entities (non-consumers) holding a credit card were recorded.

Table 7 Payment instruments linked to the payment account on 31 December 2017

Number of payment instruments	Consumer	Business entity (non-consumer)
1	1,498,462	102,116
2	882,388	142,792
3	728,580	42,634
4 and more	598,297	8,335

Source: CNB.

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

Table 7 shows that in all 1,498,462 consumers and 102,116 business entities (non-consumers) have a payment account opened with a credit institution, but do not use any other payment instrument.

The largest number of consumers, 882,388 of them or 23.8% of the total number of payment account holders, use another payment instrument in addition to the payment account. The number of business entities (non-consumers) that use another payment instrument in addition to the payment account comes to 142,792, or 48.7% of the total number of payment account holders.

If the number of used payment instruments shown in Table 7 is analysed according to the structure, i.e. the type of payment instruments that

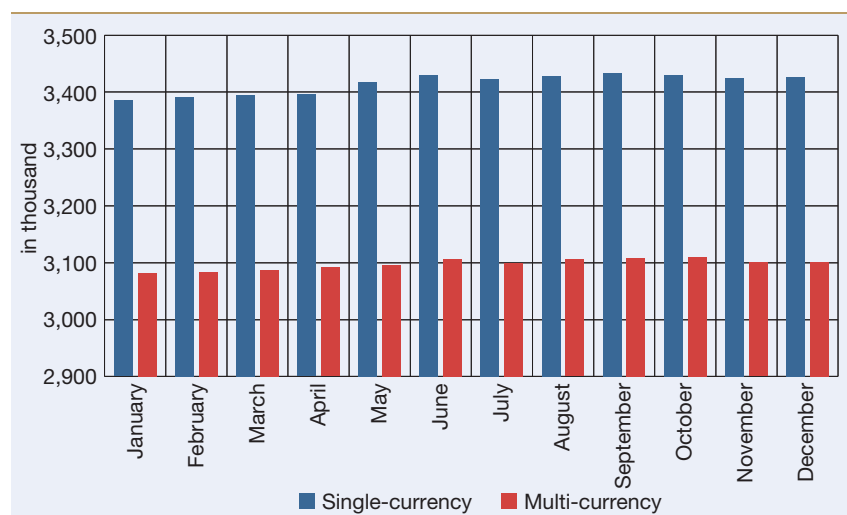
clients use the most, it can be seen that consumers that in addition to a payment account use only one other payment instrument most frequently use standing orders, i.e. in all 276,934 or 31.4% of them, followed by Internet banking, i.e. in all 253,164 or 28.7% of them. Business entities (non-consumers) that in addition to the payment account use only one other payment instrument most frequently use Internet banking, in all 132,659 or 92.9% of them.

8.4 Single-currency and multi-currency accounts

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

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

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



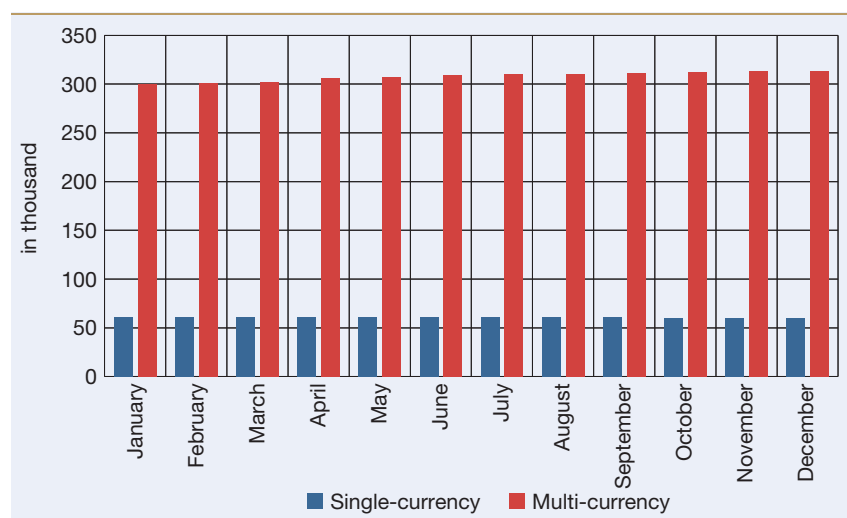
Note: Not including blocked accounts.

Source: CNB.

While among consumers the shares of single-currency and multi-currency accounts are rather similar, in business entities (non-consumers) the ratio is completely different and the share of multi-currency accounts in the total number of accounts is much larger, on average 84%, than that of single-currency accounts, the share of which is only 16%.

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

Figure 47 Number of single-currency and multi-currency accounts of business entities (non-consumers)



Note: Not including blocked accounts.
Source: CNB.

8.5 Transaction accounts by status

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

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

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

Accounts with an authorised overdraft are transaction accounts opened with a credit institution that can be debited for the execution of payment

transactions in excess of the amount of funds in these accounts, or up to the amount of an agreed limit.

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

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

The disposal of funds may be temporarily disabled because of:

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

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

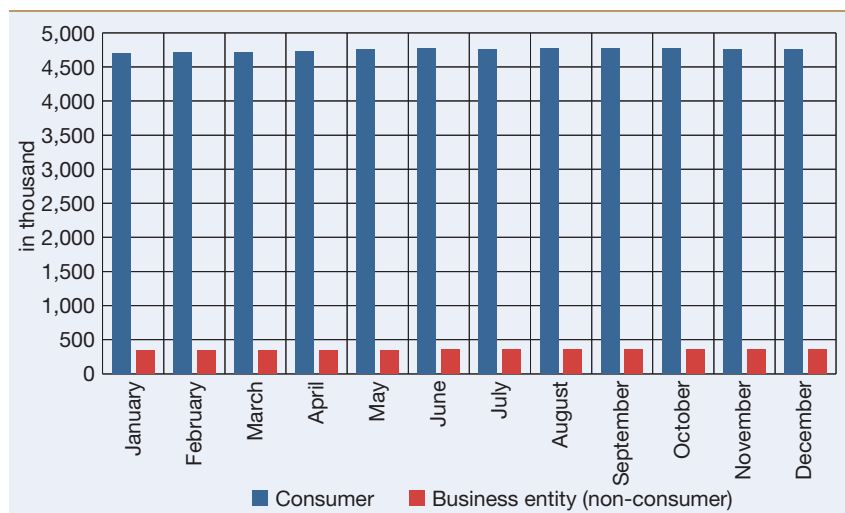
Below is an overview of the number of accounts by account status, and there are also data on total authorised overdrafts and the amount of the used overdraft.

8.5.1 Accounts without an authorised overdraft

On 31 December 2017, a total of 4,758,942 accounts of consumers and 354,773 accounts of business entities (non-consumers) that did not have an authorised overdraft were open.

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

Figure 48 Number of accounts of consumers and business entities (non-consumers) without an authorised overdraft



Note: Not including blocked accounts.
Source: CNB.

If the number of accounts without an authorised overdraft is analysed, depending on whether it is a single-currency or a multi-currency account, it can be seen that there are more multi-currency than single-currency accounts, in particular in business entities (non-consumers). Multi-currency accounts account for 83% of the accounts of business entities (non-consumers), while consumers have 55% multi-currency as against 45% single-currency accounts.

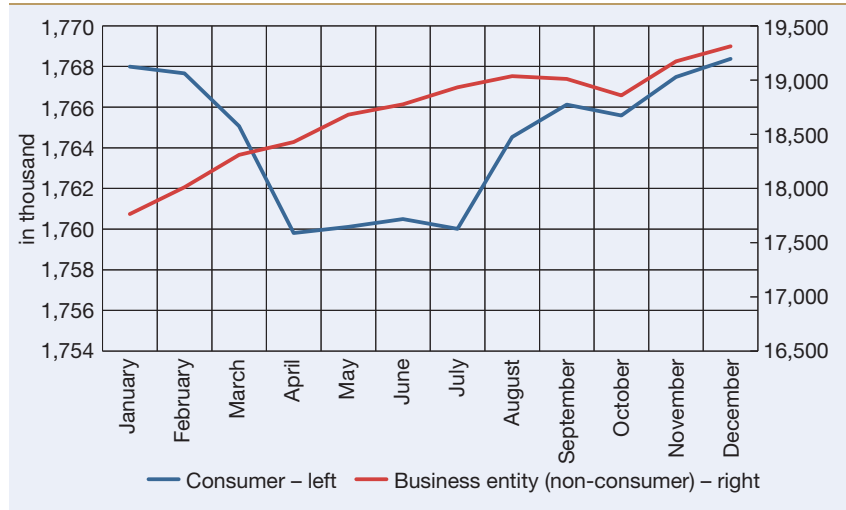
8.5.2 Accounts with an authorised overdraft

The number of accounts with authorised overdrafts is much smaller than the number of accounts without authorised overdrafts, and 1,768,370 accounts of consumers and 19,310 accounts of business entities (non-consumers) were recorded on 31 December 2017.

An analysis of the number of accounts that have authorised overdrafts, depending on whether they are single-currency or multi-currency accounts, leads to the conclusion that the ratio is significantly different than in accounts without authorised overdrafts, in particular in consumers. Single-currency accounts account for 71.6% of consumer accounts, while multi-currency accounts account for 28.4% of all accounts with authorised overdrafts. In business entities (non-consumers), the shares are completely different, and there are 10% of single-currency accounts as against 90% of multi-currency accounts that have authorised overdrafts.

Figure 49 presents the number of accounts of consumers and business entities (non-consumers) with authorised overdrafts by month for 2017.

Figure 49 Number of accounts of consumers and business entities (non-consumers) with authorised overdrafts



Note: Not including blocked accounts.
Source: CNB.

Of the total of 1,768,370 accounts of consumers that on 31 December 2017 had authorised overdraft facilities, 54% of them, or 955,404 accounts were actually overdrawn. Among business entities (non-consumers) the percentage of accounts with authorised overdrafts that were actually overdrawn on 31 December 2017 was similar and stood at 58%, or in all 11,229 accounts were overdrawn of the total recorded 19,310, which had overdraft facilities.

8.5.3 Blocked accounts

On 31 December 2017, a total of 1,250,925 accounts of consumers and 35,879 accounts of business entities (non-consumers) were blocked, i.e. the disposal of funds was disabled.

Table 8 Number of blocked accounts on 31 December 2017

Type of account	Consumer	Business entity (non-consumer)
Transaction account	1,183,884	35,297
Another payment account	67,041	582
Total	1,250,925	35,879

Source: CNB.

9 Glossary

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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