



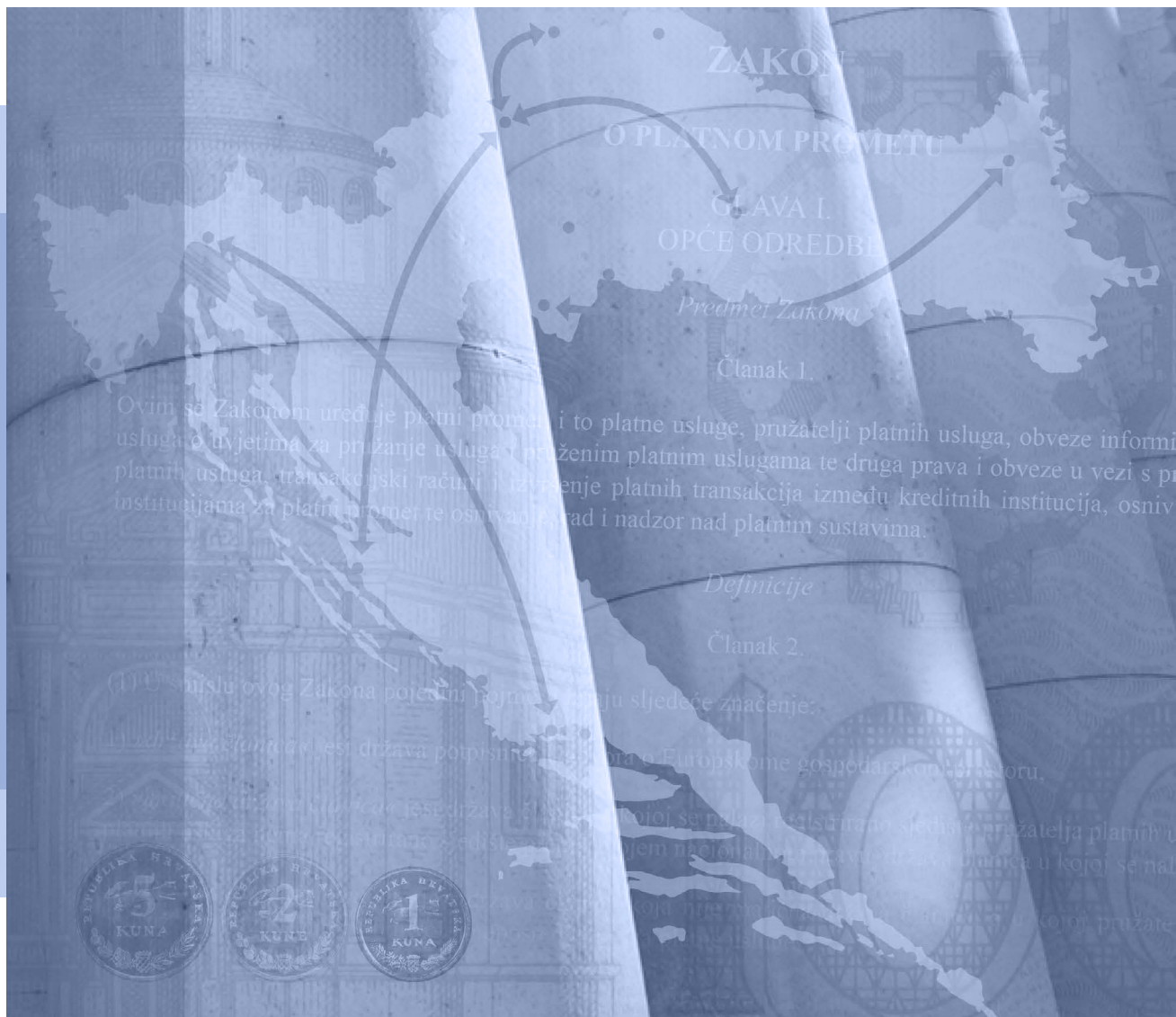
HNB

Payment Transactions and Accounts

Payment Statistics

2021

Year VII · July 2022



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www.hnb.hr

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

Any additional corrections that might be required will be made in the website version.

ISSN 2459-8585

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 use of funds as a means of payment and the execution of cashless payment transactions, i.e. the transfer of funds from payer to payee. An effective and safe functioning of payment operations is also exceptionally important for the central bank, the institution responsible for the functioning of payment operations in the country, as well as for the overall financial system and all of its participants.

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 the “Payment Transactions and Accounts” 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.

The data on executed payment transactions in 2021, broken down by the payment service used, are especially interesting and specific given that some restrictions on certain activities and services still applied in the Republic of Croatia for the most part of 2021, in line with the civil protection measures to contain the COVID-19 pandemic.

However, analysis of the data on the executed payment transactions suggests that the total number and value of all cashless payment transactions increased from 2020. Such an increase was primarily recorded in national and international credit transfers, reflecting a continued several-year-long upward trend in the number and value of cashless payments in the Republic of Croatia, after a considerable slowdown in 2020 due to the impact of the pandemic.

Data about the payment channels used suggest that rather than paper-based orders, consumers and business entities have been increasingly using electronic methods of payment transaction initiation. In other words, the number of mobile and Internet banking users and of payment transactions initiated through these channels continued to trend up.

The above-mentioned changes and many other overviews of the situation based on statistical data collected in four reports (credit transfers, money remittances, direct debits and accounts) are described in more detail in the publication.

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 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.

Payment services regulated by the PSA and covered by this publication include: credit transfers, which also include standing orders, money remittances also comprising the bill-paying and direct debit services.

Statistical data on the above-mentioned payment services are collected pursuant 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.

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.

The publication gives an overview of payment services for 2021 through statistical data collected in four reports as provided in the Decision: 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 the Financial Agency and credit institutions (banks) that have obtained authorisation from the CNB, which includes authorisation to provide payment services prescribed by a special act.

The publication presents aggregated statistical data in the RC for 2021 and a comparison with the previous periods. Data are grouped, as follows:

- 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 debits – 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 the observed payment services in payment statistics are collected in the original currency, i.e. the currency in which the transaction takes place (transaction currency).

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

The publication shows the value of the transactions in three categories:

1. in all currencies – includes all currencies, including the kuna, expressed in kuna;
2. in kuna – includes only the transactions executed in kuna;
3. in foreign currencies – includes all currencies excluding the kuna, expressed in kuna.

For the purposes of the publication, all transactions executed in foreign 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.

In addition to aggregated statistical data in the RC, the publication gives an overview of individual statistical data for consumers and non-consumers, defined by the Instruction, as follows:

“consumer” – means a natural person who, in payment service contracts covered by the Payment System Act (OG 66/2018), is acting for purposes other than his or her trade, business or profession;

“non-consumer” – means a legal or natural person other than the consumer (hereinafter referred to as ‘business entity’) and includes legal persons (e.g. corporates, institutions, cooperatives, associations, foundations etc.), craftsmen and other natural persons employed as freelancers or carrying out an economic activity when entering into a contract on payment services or a contract on the issuing of electronic money within the area of their economic activity or freelance occupation, entities that do not have legal personality, but that may be the holders of payment accounts (e.g. bodies of state administration, representative offices etc.).

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

3 Payment transactions in the Republic of Croatia

Table 1 shows payment transactions in the RC in 2021. Data refer to the payment transactions of consumers, business entities, credit institutions and the Financial Agency executed in all currencies (including the kuna), expressed in kuna.

Table 1 Payment transactions in the RC

Executed payment transactions	Number of transactions	%	Value of transactions	%
A) National payment transactions				
1 Sent credit transfers	356,115,102	86.07%	2,254,514,852,280	96.53%
2 Standing orders	24,680,635	5.96%	62,655,838,900	2.67%
3 Bill-paying service	12,813,576	3.10%	4,561,468,089	0.20%
4 Direct debits	20,117,260	4.86%	13,741,833,881	0.59%
5 Sent money remittances	36,370	0.01%	72,710,951	0.01%
Total national payment transactions (1 – 5)	413,762,943	100%	2,335,546,704,101	100%
B) International payment transactions				
6 Sent credit transfers	4,556,556	35.52%	319,161,041,726	49.59%
7 Received credit transfers	8,087,429	63.04%	323,993,825,347	50.34%
8 Sent money remittances	7,495	0.06%	15,768,859	0.01%
9 Received money remittances	177,077	1.38%	377,879,787	0.06%
Total international payment transactions (6 – 9)	12,828,557	100%	643,548,515,719	100%
TOTAL (A + B)	426,591,500		2,979,095,219,820	

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

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

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

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

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

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

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

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

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

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

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

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

Notes: Including payment transactions of consumers, business entities, credit institutions and the Financial Agency, executed in all currencies (including the kuna) and converted into kuna. Data refer to 2021.

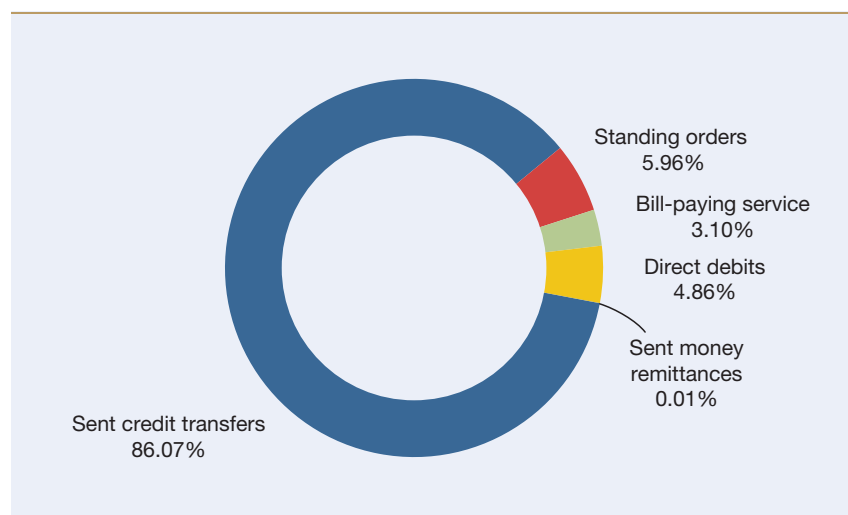
Source: CNB.

A total of 413.76 million national cashless payment transactions with a total value of HRK 2,335,546.70 million were executed in 2021 by consumers, business entities, credit institutions and the Financial Agency, debited from their accounts. The total number of national cashless payment transactions increased by 6.89% and their value by 3.35% from 2020.

A total of 426.59 million international cashless payment transactions with a total value of HRK 2,979,095.22 million were executed in 2021 by consumers, business entities, credit institutions and the Financial Agency, debited from their accounts. The total number of international cashless payment transactions increased by 7.12%, and their value by 7.68% from 2020.

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 (86.07%). A smaller part refers to direct debit transactions with the share of 4.86%, standing order transactions with 5.96% and bill-paying service transactions with the share of 3.10%. Money remittance transactions are ranked last, their share being 0.01% (Figure 1).

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

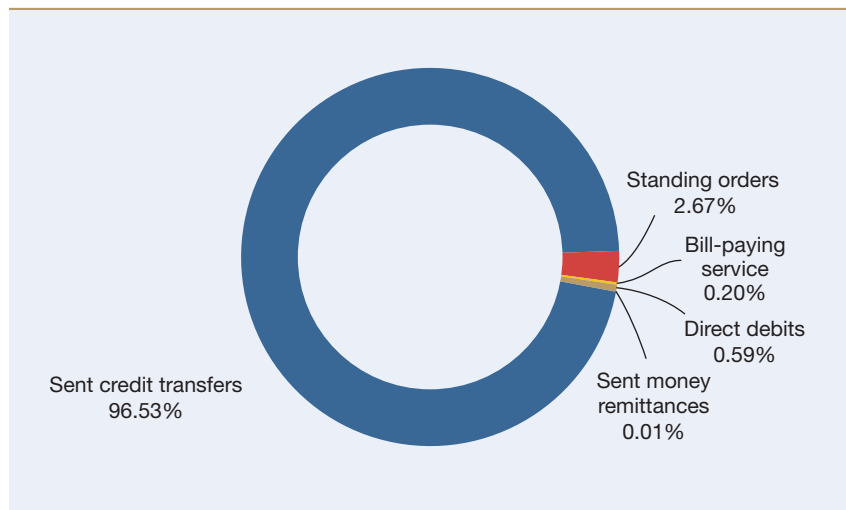


Notes: Including payment transactions of consumers, business entities, credit institutions and the Financial Agency, executed in all currencies (including the kuna) and converted into kuna. Data refer to 2021.

Source: CNB.

In the structure of national payment transactions, according to the value of executed transactions, sent credit transfers account for the largest share, 96.53%, while the standing order service (2.67%), direct debit service (0.59%), bill-paying service (0.20%) and sent money remittances (0.01%) account for much smaller shares – Figure 2.

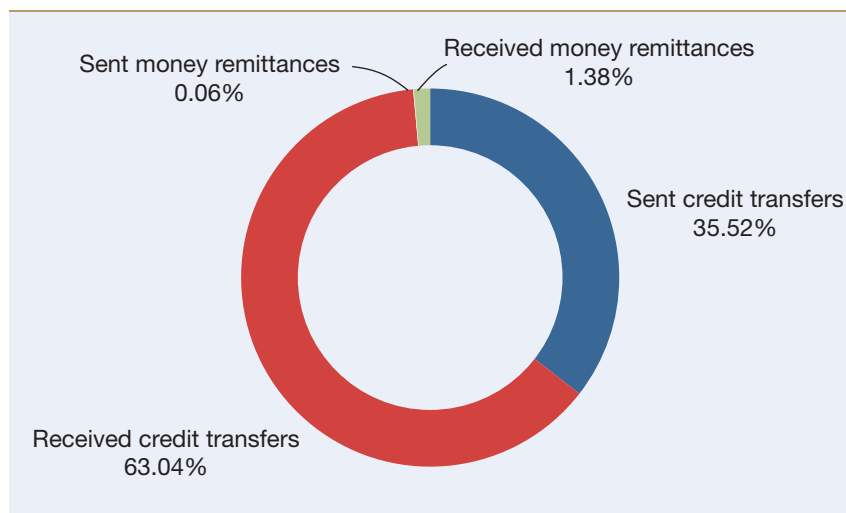
Figure 2 Structure of national payment transactions according to value of executed transactions



Notes: Including payment transactions of consumers, business entities, credit institutions and the Financial Agency, executed in all currencies (including the kuna) and expressed in kuna. Data refer to 2021.
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 63.04%, and by sent credit transfers, which account for 35.52%. A smaller share refers to received money remittances and sent money remittances accounting for 1.38% and 0.06% respectively (Figure 3).

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

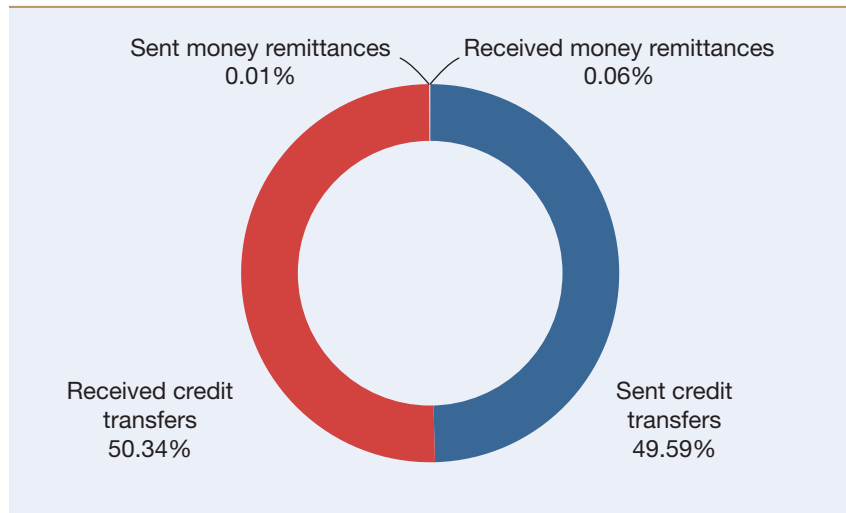


Notes: Including payment transactions of consumers, business entities, credit institutions and the Financial Agency, executed in all currencies (including the kuna) and expressed in kuna. Data refer to 2021.
Source: CNB.

The structure of the value of international payment transactions shows that sent credit transfers (49.59%) and received credit transfers (50.34%) account for almost identical shares, while received money remittances

(0.06%) and sent money remittances (0.01%) account for much smaller shares (Figure 4).

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



Notes: Including payment transactions of consumers, business entities, credit institutions and the Financial Agency, executed in all currencies (including the kuna) and converted into kuna. Data refer to 2021.

Source: CNB.

An analysis of the trend of total payment transactions in 2021, as compared to the figures for 2020, shows that both the number and the value of transactions increased slightly from the previous year, due to stronger economic activity and recovery relative to the pandemic year of 2021.

The total number and value of cashless payment transactions grew by 7.12% and 7.68% respectively from the previous year (Table 1).

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 payer³. The transaction itself must not be identified with the term of “credit” in the sense of a loan, rather, it

3 ‘Credit transfer’ means a payment service for crediting a payee’s payment account with a payment transaction or a series of payment transactions for debiting a payer’s payment account by the payment service provider which holds the payer’s payment account, based on a payment order initiated by the payer.

originates from the term “credit transfer”, which implies that it is used to initiate the transfer to credit the payee’s account at the payer’s initiative.

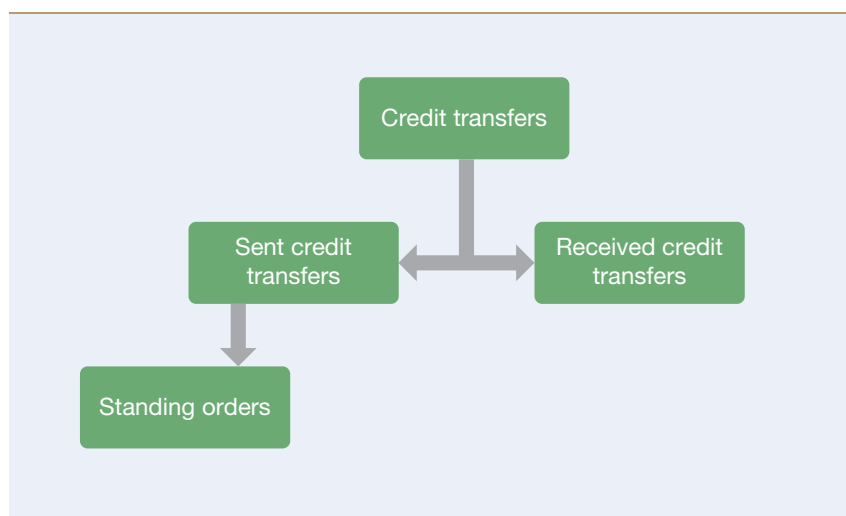
Credit transfers include sent credit transfers executed to debit the accounts of payment service users and received credit transfers executed to credit the accounts of payment service users.

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

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

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

Figure 5 Structure of credit transfers



In the RC, 21 credit institutions provided credit transfer payment services on 31 December 2021.

In 2021, in all 336.49 million national and international credit transfers debiting the accounts of consumers and business entities in the RC were executed in all currencies, worth a total of HRK 2,033.82 billion, which is an increase of 8.8% and of 7.9% in the number and the value of transactions relative to 2020.

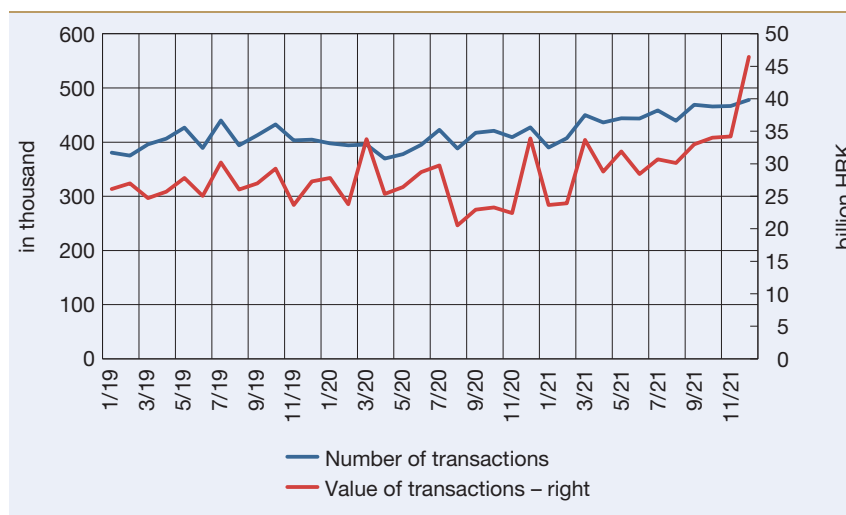
The total number and value of national and international credit transfers in all currencies increased by 8.75% and 7.87% respectively in 2021 from 2020.

An account holder – user (consumer and/or business entity) may have several opened payment accounts. In the RC in 2021, an account holder – consumer on average initiated 50 transactions, worth in all HRK 52,574 debiting own payment account, while a business entity debiting its account in 2021 initiated on average 460 transactions with a total annual value of HRK 5.9 million.

Sent national and international credit transfers of consumers and business entities in foreign currencies (all currencies excluding the kuna), expressed in kuna

In 2021, in all, 5.35 million transactions of sent national and international credit transfers of consumers and business entities were executed in foreign currencies (all currencies excluding the kuna), worth a total of HRK 378,820.12 million (expressed in kuna). At a monthly level, on average 445,686 transactions were executed with the average monthly value of HRK 31,568.34 million. The average value of such a credit transfer was HRK 70,831 (Figure 6).

Figure 6 Total sent national and international credit transfers of consumers and business entities in foreign currencies (all currencies excluding the kuna)



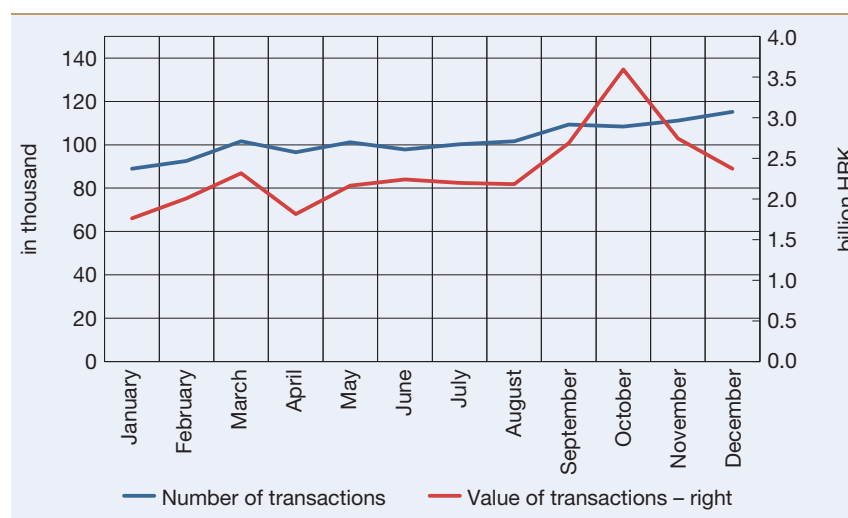
Notes: Including sent national and international credit transfers of consumers and business entities in foreign currencies (all currencies excluding the kuna), converted into kuna. Data refer to 2021.

Source: CNB.

The total number and value of sent national and international credit transfers in foreign currencies increased by 11.08% and 18.84% respectively in 2021 from 2020.

An analysis of the above data, depending on whether the transactions were initiated by consumers or business entities, shows the following. In the RC, in all, 1,224,740 transactions of sent national and international credit transfers of consumers were executed in foreign currencies (all currencies excluding the kuna), worth a total of HRK 28,080.23 million (expressed in kuna). On average 102,062 transactions were executed on a monthly basis, with the average value standing at HRK 2,340.02 million (Figure 7). The average value of a consumer transaction in a foreign currency was HRK 22,928.

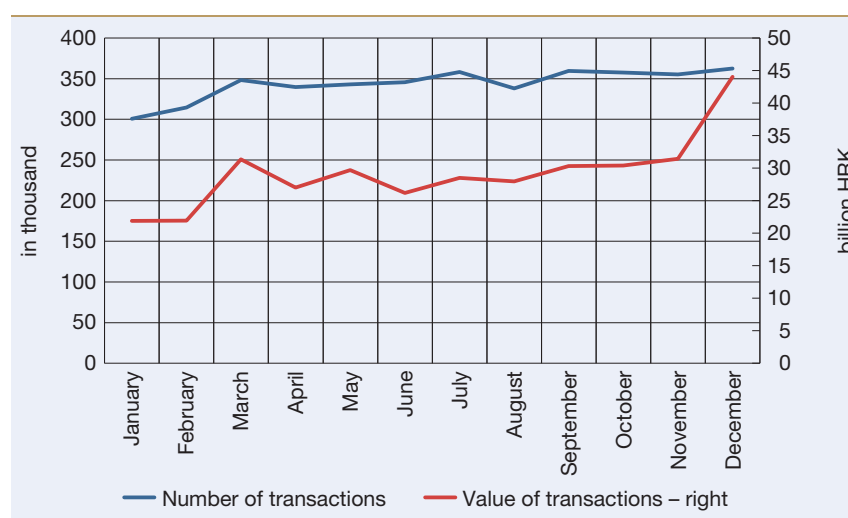
Figure 7 Sent national and international credit transfers of consumers



Notes: Including sent national and international credit transfers of consumers in foreign currencies (all currencies excluding the kuna). Value of transactions is converted into kuna. Data refer to 2021.

Source: CNB.

Figure 8 Sent national and international credit transfers of business entities



Notes: Including sent national and international credit transfers of business entities in foreign currencies (all currencies excluding the kuna), expressed in kuna. Data refer to 2021.

Source: CNB.

An analysis of the movement of the shown number and value of the transactions of sent national and international credit transfers of business entities in foreign currencies (all currencies excluding the kuna), established that there had been 4.12 million transactions, worth in all HRK 350,739.89 million (expressed in kuna). The average monthly number of transactions was 343,624, with an average value of HRK 29,228.32 million (Figure 8). The average value of a transaction of a business entity was HRK 85,059.

4.1 National credit transfers

National credit transfers include national payment transactions executed to debit the accounts of payment service users (consumers and business entities⁴), 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.

In the Republic of Croatia, 21 credit institutions participated in the execution of national credit transfers in 2021.

In 2021, in all 331.92 million transactions of sent national credit transfers of consumers and business entities were executed in all currencies (including the kuna), worth a total of HRK 1,718.12 billion when expressed in kuna.

The total number of sent national credit transfers in all currencies (including the kuna) increased by 8.73% in 2021 from 2020, while their total value grew by 5.23% in the same period.

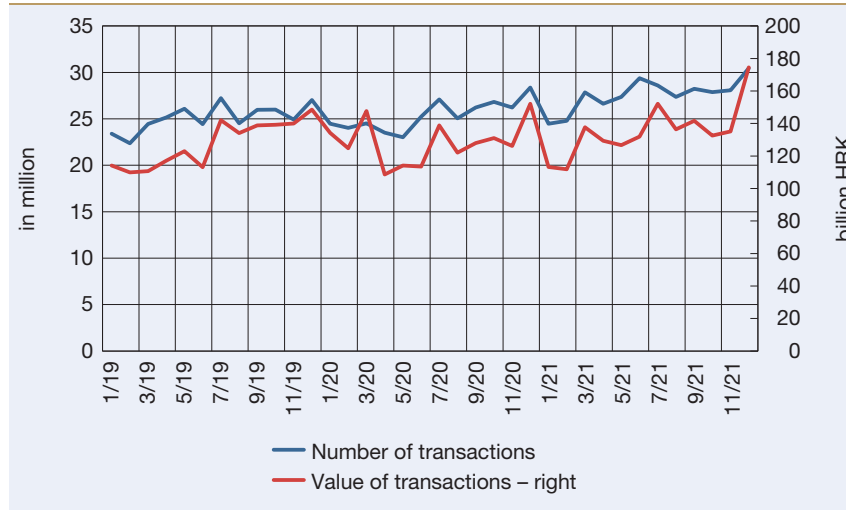
A detailed analysis of sent national credit transfers in kuna and in foreign currencies (all currencies excluding the kuna) for consumers and business entities is provided below.

Sent national credit transfers in kuna

In all 331.07 million national credit transfers, worth a total of HRK 1,622.66 billion, were executed in 2021. At a monthly level, on average 27.59 million transactions were executed, with an average monthly value of HRK 135,221.55 million (Figure 9). The average value of a sent national credit transfer came to HRK 4,901.

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

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



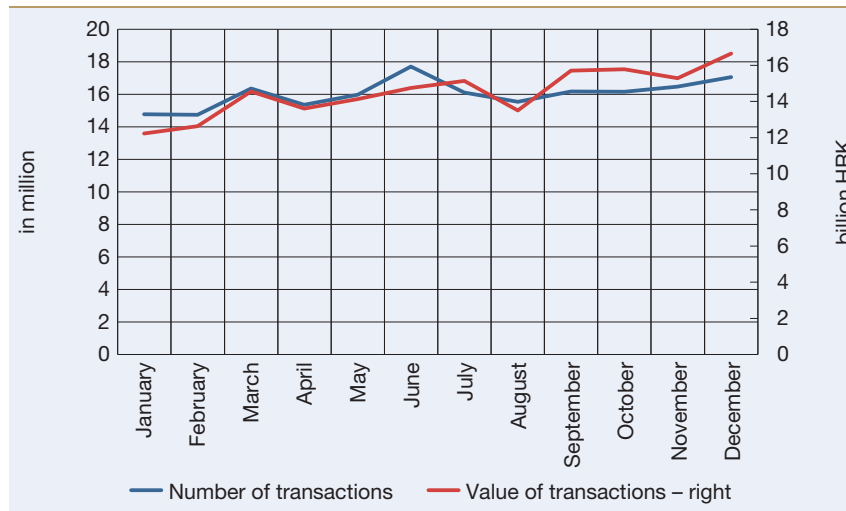
Note: Including sent national credit transfers of consumers and business entities in kuna.
Source: CNB.

The total number of sent national credit transfers of consumers and business entities in kuna increased by 8.7% from 2020 to 2021, while their total value grew by 5.3% in the same period.

The total number of sent national credit transfers of consumers in kuna in 2021 was 192.38 million transactions, with a total value of HRK 173,966.52 million.

At a monthly level, on average 16.03 million transactions were executed, with an average monthly value of HRK 14,497.21 million. The average value of such a transaction was HRK 904 (Figure 10).

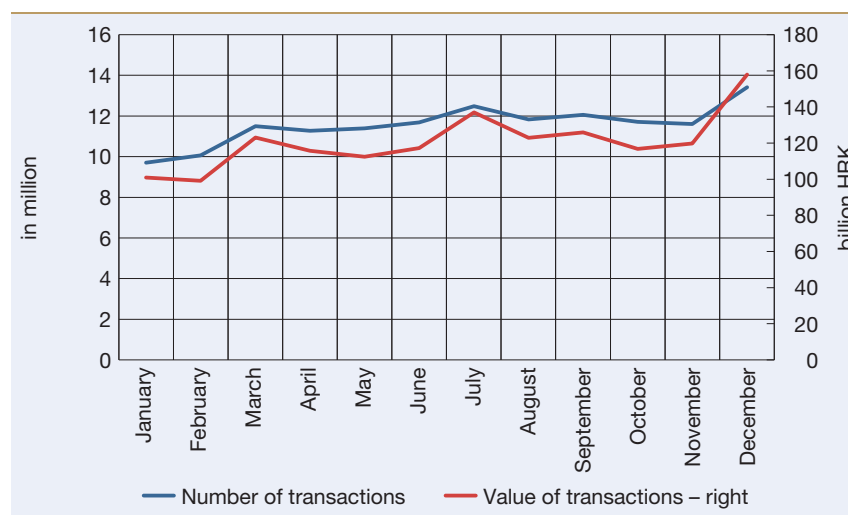
Figure 10 Sent national credit transfers of consumers



Note: Including sent national credit transfers of consumers in kuna in 2021.
Source: CNB.

In the same period, i.e. in 2021, the total number of sent national credit transfers of business entities in kuna was 138.69 million transactions, worth in all HRK 1,448.69 billion. The average monthly number was 11.56 million transactions in an average monthly amount of HRK 120,724.34 million. The average value of a transaction of a business entity was HRK 10,446 (Figure 11).

Figure 11 Sent national credit transfers of business entities

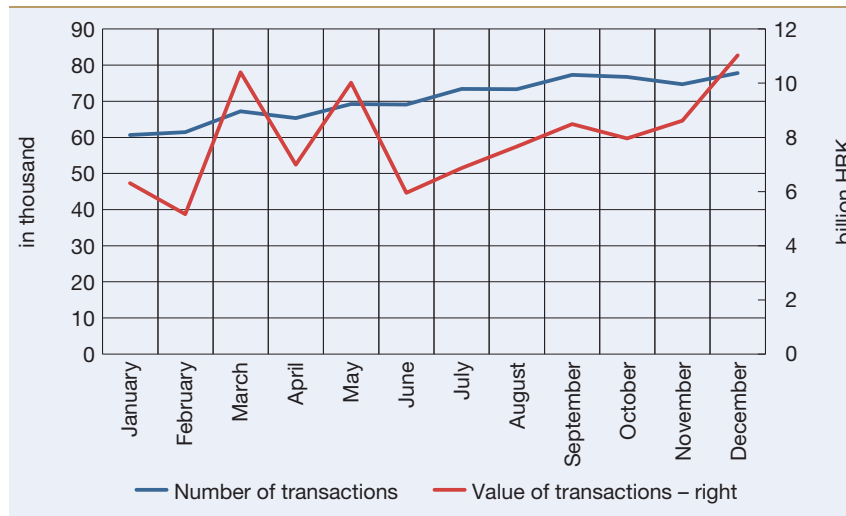


Note: Including sent national credit transfers of business entities in kuna in 2021.
Source: CNB.

Sent national credit transfers in foreign currencies (all currencies excluding the kuna)

In 2021, in the RC, in all 846,362 transactions of sent national credit transfers were executed in foreign currencies (all currencies excluding the kuna), worth a total of HRK 95,461.04 million (the value expressed in kuna). In the total number of all transactions executed in the RC in foreign currencies, 88.5% were in the euro. At a monthly level, on average 70,530 transactions were executed with the average monthly value of HRK 7,955.09 million. The average value of a national credit transfer in foreign currency (all currencies excluding the kuna) was HRK 112,790 (Figure 12).

Figure 12 Total sent national credit transfers of consumers and business entities in foreign currencies (all currencies excluding the kuna)

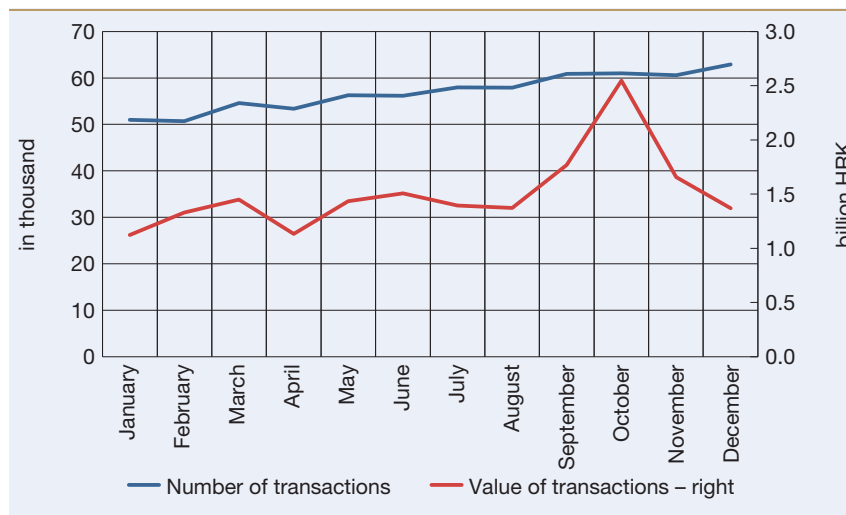


Notes: Including sent national credit transfers of consumers and business entities in foreign currencies (all currencies excluding the kuna), converted into kuna. Data refer to 2021.

Source: CNB.

In the RC, in all, 683.412 transactions of sent national credit transfers of consumers were executed in foreign currencies (all currencies excluding the kuna), worth a total of HRK 18,082.33 million. At a monthly level, on average 56,951 transactions were executed, with an average monthly value of HRK 1,506.86 million. The average value of a consumer credit transfer was HRK 26,459 (Figure 13.).

Figure 13 Sent national credit transfers of consumers



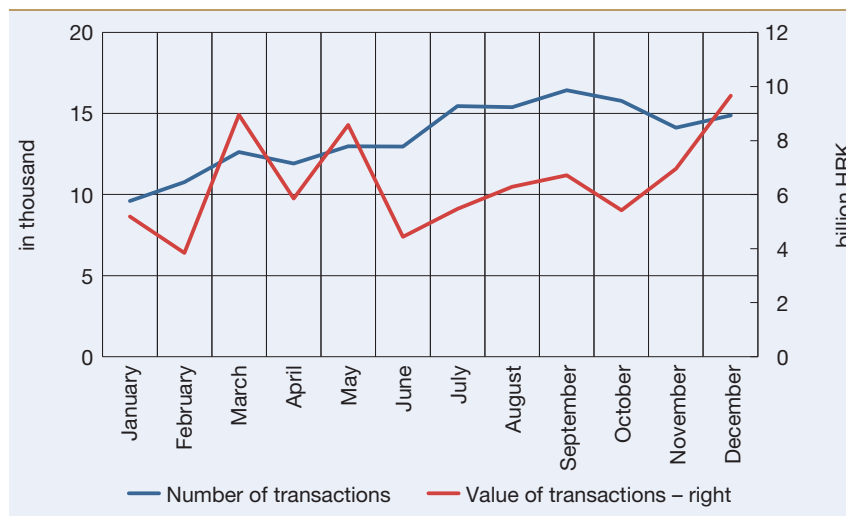
Notes: Including sent national credit transfers of consumers in foreign currencies (all currencies excluding the kuna). The total value of transactions is converted into kuna. Data refer to 2021.

Source: CNB.

In the same period, i.e. in 2021, it was established that business entities initiated in the RC, in all, 162,950 transactions of national credit transfers in foreign currencies (all currencies excluding the kuna), worth a total

of HRK 77,378.7 million. The average monthly number was 13,579 transactions with the average monthly value of HRK 6,448.23 million. The average value of a credit transfer was HRK 474,862 (Figure 14).

Figure 14 Sent national credit transfers of business entities

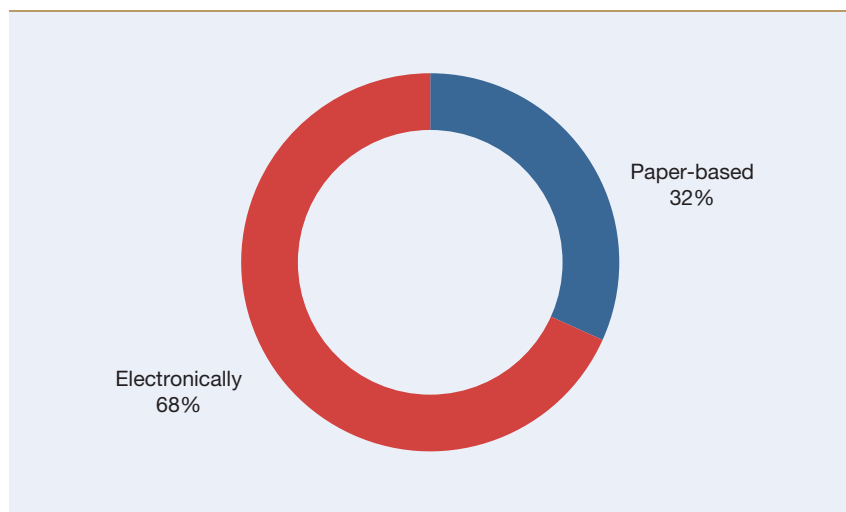


Notes: Including sent national credit transfers of business entities in foreign currencies (all currencies excluding the kuna), expressed in kuna. Data refer to 2021.
Source: CNB.

National credit transfers according to the method of initiation

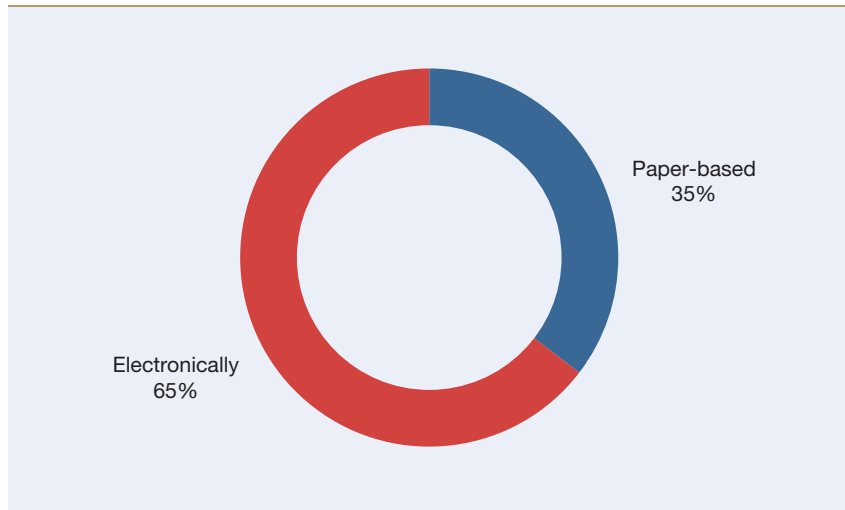
It follows from the received statistical data on executed national credit transfers of consumers in kuna in 2021 that 60.47 million of them were initiated by a paper-based order while 130.07 million were initiated electronically. On a monthly average, there were 5.04 million consumer national credit transfers initiated by paper-based orders and 10.84 million electronically initiated consumer credit transfers.

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



Notes: Shown are national credit transfers of consumers in kuna. Data refer to 2021.
Source: CNB.

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

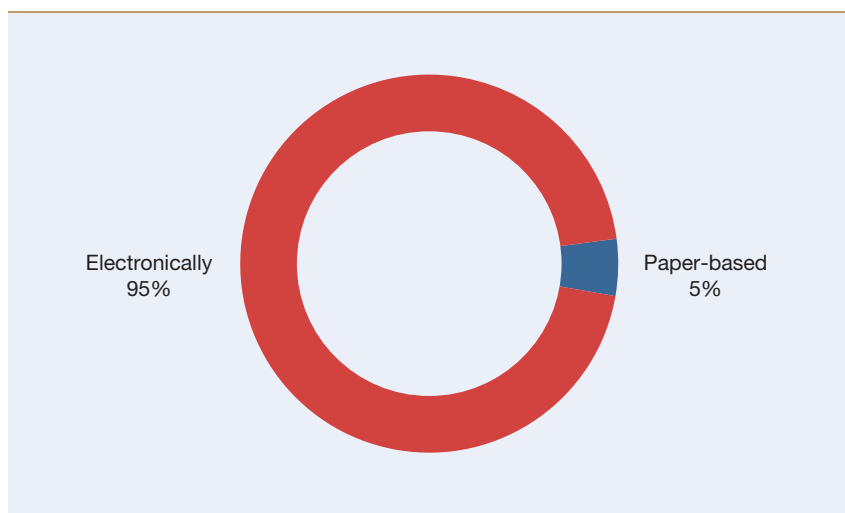


Notes: Shown are national credit transfers of consumers in kuna. Data refer to 2021.
Source: CNB.

A comparison of the above data with the data from the previous year leads to the conclusion that the number of national credit transfers of consumers initiated electronically in kuna had increased by 15.9% from 2020. The data also indicate that in 2021 the number of credit transfers of consumers initiated electronically was 115% higher than the number of credit transfers initiated by paper-based orders, suggesting that consumers have been increasingly using the electronic initiation of payment orders instead of initiation by paper-based orders.

The data shown on the value of national credit transfers of consumers according to the method of initiation reveal that the total value of transactions initiated by paper-based orders in 2021 stood at HRK

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



Notes: Shares in the number of national credit transfers of business entities according to the method of initiation. Data refer to 2021.
Source: CNB.

61,037.34 million, while the total value of transactions initiated electronically by consumers came to HRK 111,310.76 million. Monthly, the value of transactions initiated by paper-based orders on average amounted to HRK 5,086.45 million, while the monthly value of transactions initiated electronically was on average HRK 9,275.9 million.

In 2021, the total value of the national credit transfers of consumers initiated electronically went up 26.36% from 2020.

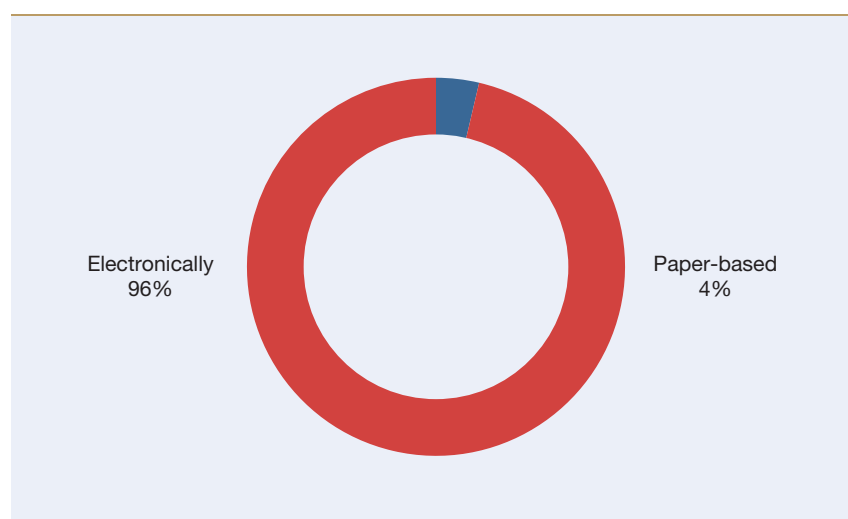
The data on the number of executed national credit transfers of business entities according to the method of initiation underline the dominant share of credit transfers initiated electronically as against the number of credit transfers initiated by paper-based orders. In 2021, the total number of national credit transfers initiated by paper-based orders was only 6.72 million (4.86%) while that of those initiated electronically was several times larger, i.e. 131.58 million transactions (95.14%).

The average monthly number of credit transfers of business entities initiated by paper-based orders was 0.56 million, while that of those initiated electronically was 10.96 million.

In 2021, the total number of national credit transfers of business entities initiated electronically increased by 8.83% from 2020, while their value increased by 7.46%.

Data on the value of national credit transfers of business entities in kuna according to the method of initiation also suggest that, as in 2020, in all, considerably fewer transactions were initiated by paper-based orders than by orders initiated electronically. The total value of transactions

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



Notes: Shares in the value of national credit transfers of business entities according to the method of initiation, in kuna. Data refer to 2021.
Source: CNB.

initiated by paper-based orders stood at HRK 53,063.34 million, while executed credit transfers worth a total of HRK 1,393.91 billion were initiated electronically. The average monthly value of transactions initiated by paper-based orders was HRK 4,421.94 million, while on a monthly average the value of transactions initiated electronically in 2021 was HRK 116,159.2 million.

In 2021, the total value of national credit transfers of business entities initiated electronically rose by 7.46% from 2020.

National credit transfers initiated by paper-based orders

Payment transactions of national credit transfers initiated by a paper-based order may be submitted for execution 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. Over the last few years, most of the initiated paper-based orders were able to be issued by using a 2D barcode printed on such 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.

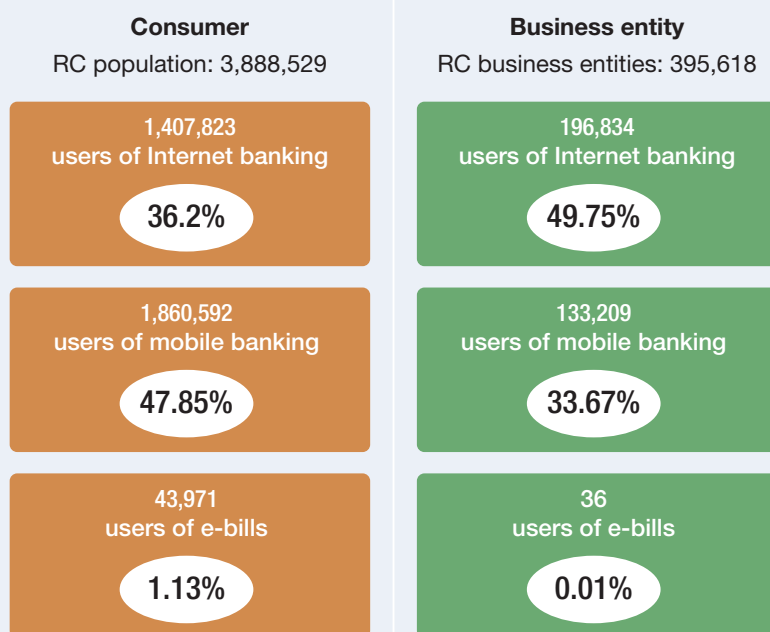
In 2021, the total number of national credit transfer transactions of consumers initiated by a paper-based order over the counter at credit institutions was 19.69 million transactions (excluding the number of credit transfers initiated by using a 2D barcode), while 6.41 million transactions were initiated by business entities. Their total value for consumers was HRK 52,942.65 million and for business entities HRK 51,767.36 million.

Compared with 2020, a decrease in the number of executed transactions initiated by a paper-based order over the counter of 15.5% was recorded for business entities, growing by 15% for consumers. Such growth in the area of consumers may be attributed to the impact of the pandemic because institutions' branch offices were closed for a certain period in 2020 due to the measures imposed by the Civil Protection Headquarters to contain the pandemic, and thus the number of transactions initiated in branch offices decreased. Compared with the situation in the pre-pandemic 2019, the number of executed transactions initiated by consumers by a paper-based order over the counter dropped by 21.21% in 2021, because consumers have been increasingly initiating transactions electronically.

According to the data for national credit transfers in kuna initiated by using a 2D barcode on paper-based payment orders, it was established that their total number for consumers was 40.73 million transactions and for business entities 324,528 transactions. Their total value for consumers was HRK 8,084.36 million and for business entities HRK 1,452.25 million.

National credit transfers initiated electronically

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



Source: CNB.

Table 2 Total number of national credit transfers initiated electronically

Payment method	Consumer	Business entity
Over the counter	217,168	16,370,717
Internet banking	21,733,267	102,301,585
Telebanking	0	597,929
Mobile banking	106,883,063	11,569,544
ATM/banking kiosk	70,265	0
E-bill	462,780	0
Other	705,030	735,771

Notes: Including national credit transfers executed to debit consumers and business entities in kuna. Data refer to 2021.

Source: CNB.

Table 3 Total value of national credit transfers initiated electronically

Payment method	Consumer	Business entity
Over the counter	59,157,424	80,629,575,571
Internet banking	25,949,931,898	1,172,229,877,657
Telebanking	0	34,654,818,903
Mobile banking	83,120,870,360	39,332,863,357
ATM/banking kiosk	71,033,870	0
E-bill	97,340,559	0
Other	2,012,428,819	67,063,245,033

Notes: Including national credit transfers executed to debit consumers and business entities in kuna. Data refer to 2021.

Source: CNB.

When the data on the total number and value of transactions initiated through Internet and mobile banking in the RC are compared with the number of payment service users (consumers and business entities) that have contracted the use of Internet and mobile banking services with a credit institution (in which case the user is counted as one, irrespective of the number of contracts on Internet and/or mobile banking with a credit institution), the following can be concluded (Table 4):

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

Services	Consumer		Business entity	
	Number of transactions	Value of transactions	Number of transactions	Value of transactions
Internet banking	15	18,433	520	5,955,424
Mobile banking	57	44,674	87	295,272
E-bill	11	2,214	0	0

Notes: Including national credit transfers executed to debit consumers and business entities in kuna. Data refer to 2021.

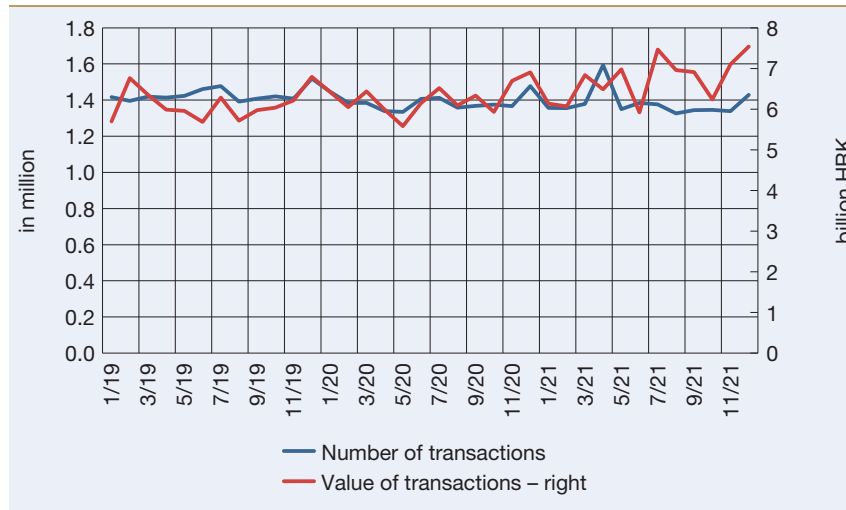
Source: CNB.

- on average there were 15 national transactions of consumers initiated by Internet banking in 2021, each user accounting for an average value of HRK 18,433;
- on average there were 520 national transactions of business entities initiated by Internet banking in 2021, each user accounting for an average value of HRK 5,955,424;
- on average there were 57 national transactions of consumers initiated by mobile banking in 2021, each user accounting for an average value of HRK 44,674;
- on average there were 87 transactions of business entities initiated by mobile banking in 2021, each user accounting for an average value of HRK 295,272.

An analysis of the total value of national credit transfers of consumers and business entities initiated electronically over the counter leads to the conclusion that the total number declined by 0.45%, and that the total value increased by 7.39% in 2021 from 2020 (Figure 19). Orders submitted on memory sticks or CDs over the counter at branch offices are an example of such transactions.

An analysis of the total number and value of national credit transfers initiated by mobile banking (m-banking applications of credit institutions) leads to the conclusion that the upward trend continued in 2021. Thus the total number and value of credit transfers initiated by mobile banking increased by 25.53% and 41.68% respectively in 2021 from 2020. The

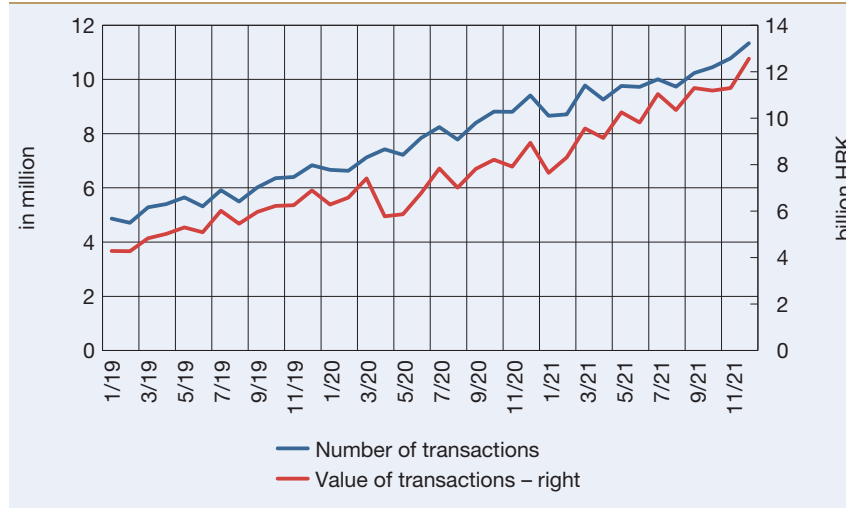
Figure 19 Total number and value of national credit transfers of consumers and business entities initiated electronically over the counter



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

movement of the total number of credit transfers initiated by mobile banking for the period from 2019 to 2021 in the RC is shown in Figure 20.

Figure 20 Total number and value of national credit transfers initiated electronically by mobile banking



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

If the total number and value of transactions initiated by mobile banking in 2021 are analysed separately for consumers and business entities, the data show that 90.2% of transactions were initiated by consumers (in all, 106.88 million), while 9.8% of transactions were initiated by business entities (in all, 11.57 million). As regards the value of transactions initiated by mobile banking, 67.9% of the total value of executed transactions was initiated by consumers (in all, HRK 83,120.87 million), and 32.1% by business entities (in all, HRK 39,332.86 million).

If the above data are compared with 2020, the number of transactions initiated by consumers using mobile banking increased by 24.5%, while the growth in business entities was 36% in 2021. The value of transactions increased by 36.5% in consumers and 53.9% in business entities in 2021 from the previous year.

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.).

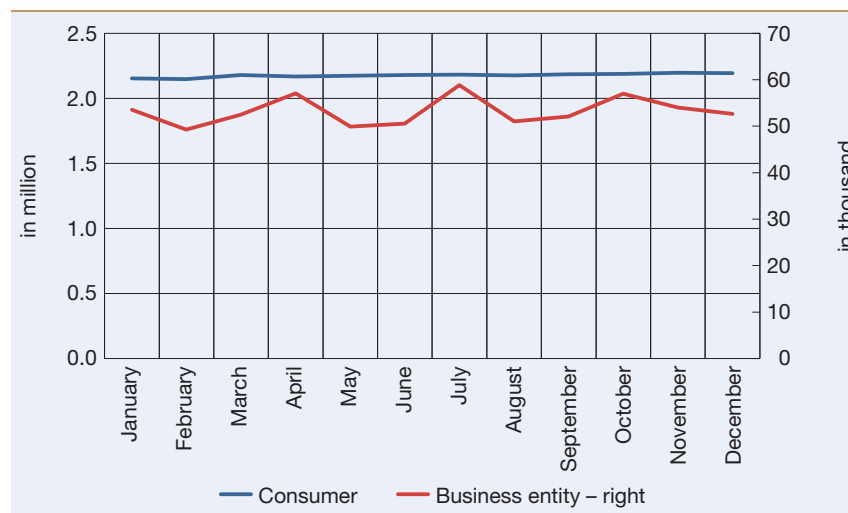
In the RC, 21 credit institutions provided standing order services on 31 December 2021.

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

Figure 21 shows the movement of the number of standing order contracts of consumers and business entities in 2021 by months. On 31

Figure 21 Number of standing order contracts on 31 December 2021



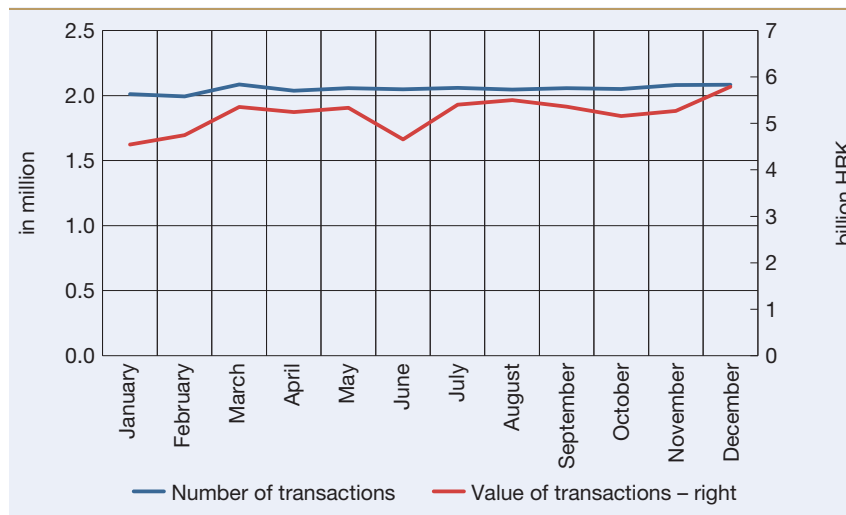
Source: CNB.

December 2021, consumers had 2,194,767 standing order contracts and business entities had 52,676 standing order contracts entered into with a credit institution.

In 2021, in all 24.7 million standing order transactions (in all currencies) were executed in the RC, worth a total of HRK 62,655.84 million (expressed in kuna). Of the total number of standing order transactions, 99.7% of them were executed in kuna, and the remaining 0.3% were executed in other currencies.

At a monthly level, on average 2.05 million transactions were executed, with an average monthly value of HRK 5,196.21 million. The average value of a standing order transaction was HRK 2,534 (Figure 22).

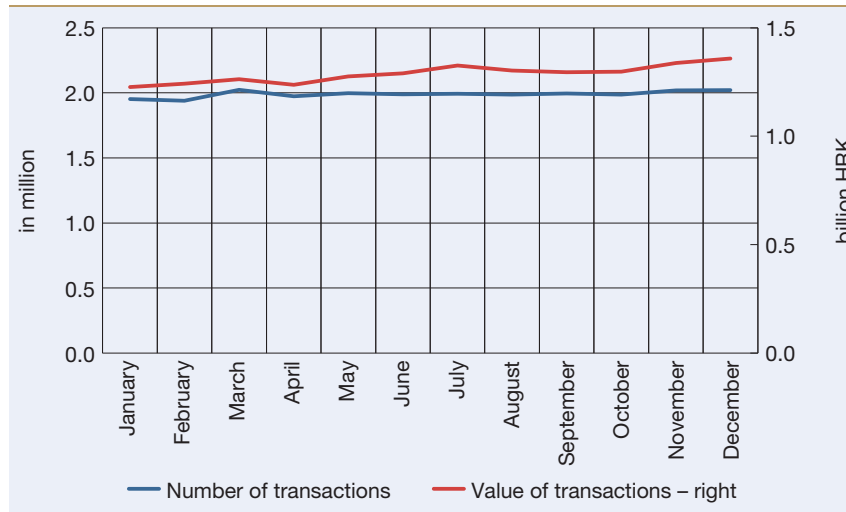
Figure 22 Total number and value of standing order transactions of consumers and business entities



Notes: Including standing orders of consumers and business entities in kuna. Data refer to 2021.
Source: CNB.

The total number of standing order transactions of consumers in kuna in 2021 came to 23.88 million transactions, worth in all HRK 15,454.8 million. At a monthly level, on average 1.99 million transactions were executed with the average monthly value of HRK 1,287.9 million. The average value of a standing order transaction was HRK 647 (Figure 23).

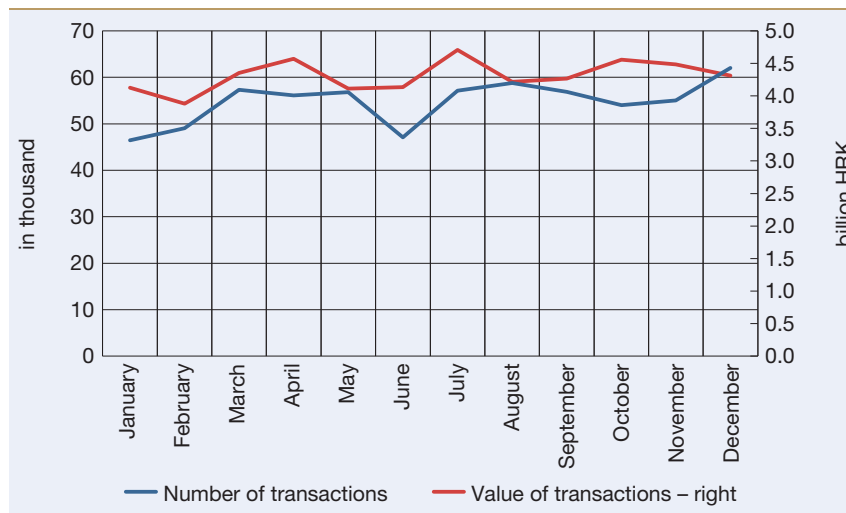
Figure 23 Number and value of standing order transactions of consumers



Notes: Including standing orders of consumers in kuna. Data refer to 2020.
Source: CNB.

In the same period, i.e. in 2021, there were in all 723,981 standing order transactions of business entities in kuna, worth in all HRK 46,899.72 millions. At a monthly level, on average 60,332 transactions were executed with an average monthly value of HRK 3,908.31 million. The average value of a standing order transaction was HRK 64,780 (Figure 24).

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



Notes: Including standing orders of business entities in kuna. Data refer to 2020.
Source: CNB.

From a comparison of the executed standing orders of consumers and business entities, it can be concluded that, as in previous years, considerably more standing order transactions were executed debiting consumer accounts (97.1%) than the accounts of business entities (2.9%). However, from an analysis of the value of executed standing orders, it can be concluded that the value of standing orders executed

by debiting the accounts of business entities (75.2%) is significantly larger than the value of standing orders executed by debiting the accounts of consumers (24.8%).

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 35.54% (there were 1,381,804 of them having at least one contracted standing order service).

According to the number of business entity users of payment services using the standing order service to debit their payment account (in which case the user is counted as one, irrespective of the number of standing order contracts entered into with a credit institution), it was established that their proportion in the total number of registered business entities in the RC stood at 9.23% (there were 36,498 of them having at least one contracted standing order service).

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

- there were on average 1.44 monthly transactions of consumer standing orders, with an average monthly value of HRK 944.5;
- there were on average 1.7 monthly transactions of business entity standing orders, with an average monthly value of HRK 107,299.

4.2 International credit transfers

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

In the RC, 21 credit institutions provided international credit transfer payment services as of 31 December 2021.

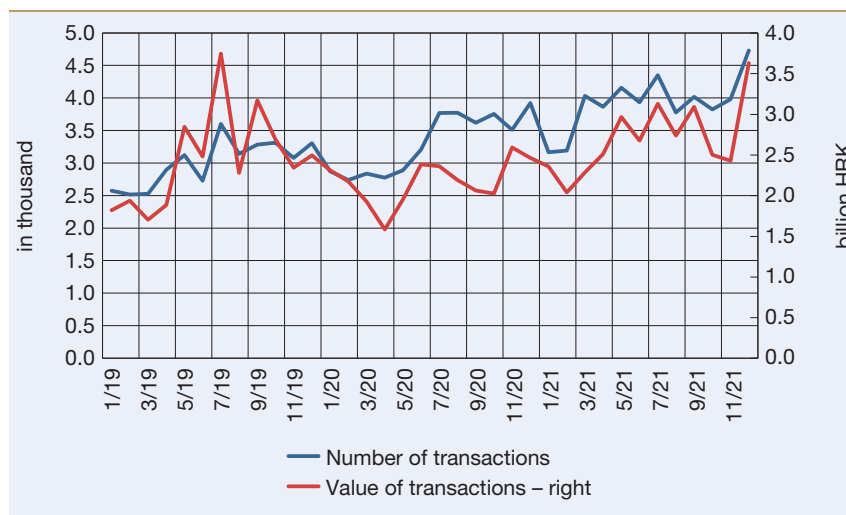
4.2.1 Sent international credit transfers

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

In the RC in 2021, in all, 4.56 million international credit transfer transactions were sent in all currencies (including the kuna), worth in all HRK 319,161.04 million (expressed in kuna). At a monthly level, on average 379,713 transactions were sent with the average monthly value of HRK 26,596.75 million. The total number of sent international credit transfers increased by 10.24% in 2021 relative to 2020, while their total value rose by 24.22% in the same period.

Of the total number of sent international credit transfers in 2021, 47,018 (1.03%) of them were initiated in kuna, with a total value of HRK 32,343.12 million (10.13%). At a monthly level, on average 3,918 transactions were executed, with an average monthly value of HRK 2,695.26 million (Figure 25).

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



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

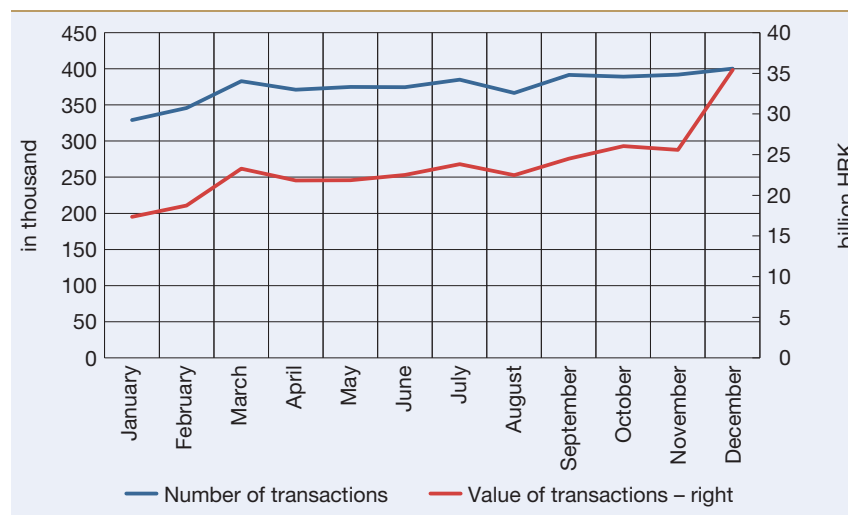
Source: CNB.

The total number of sent international credit transfers in kuna increased by 18.5% in 2021 from 2020, while their total value rose by 24.3% in the same period.

At the same time, in all 4.5 million transactions of international credit transfers of consumers and business entities were sent in foreign currencies (all currencies excluding the kuna), worth a total of HRK

283,359.08 million (expressed in kuna). At a monthly level, on average 375,156 transactions were sent, with an average monthly value of HRK 23,613.26 million (Figure 26).

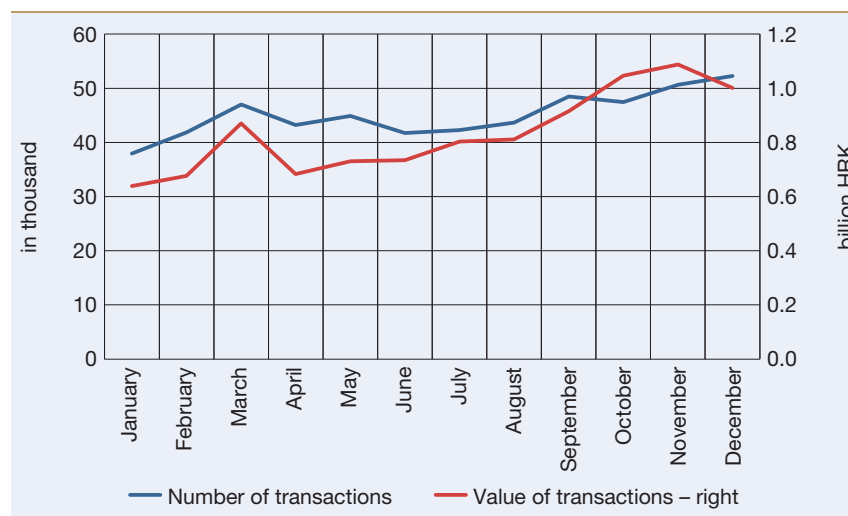
Figure 26 Total sent international credit transfers of consumers and business entities in foreign currencies (all currencies excluding the kuna)



Notes: Including sent international credit transfers of consumers and business entities in foreign currencies (all currencies excluding the kuna). Data refer to 2021.
Source: CNB.

An analysis of the data on the total number and value of sent international credit transfers in all currencies other than the kuna according to whether they were initiated by consumers or business entities shows that, in 2021, consumers initiated 541,328 transactions worth a total of HRK 9,997.9 million and business entities initiated 3.96 million transactions, worth a total of HRK 273,361.19 million. The movement of the total number and value of sent international credit transfers in foreign currencies (all currencies excluding the kuna) by

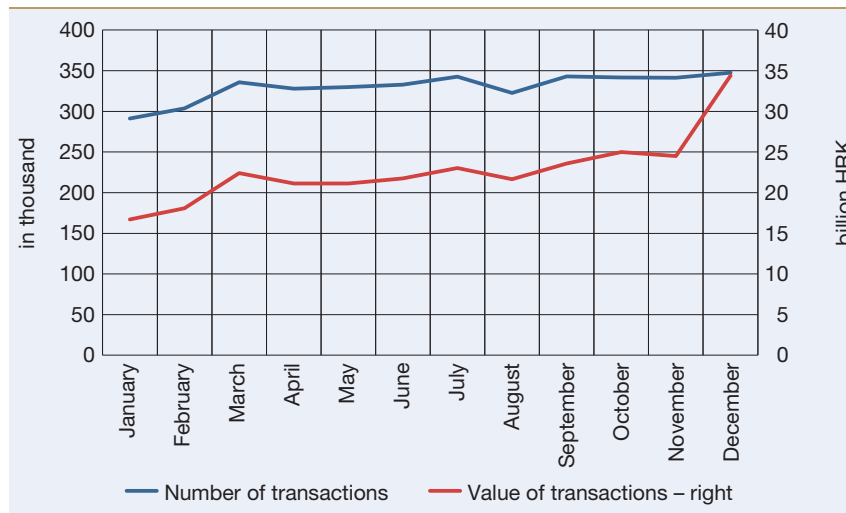
Figure 27 Sent international credit transfers of consumers



Notes: Including sent international credit transfers of consumers in foreign currencies (all currencies excluding the kuna). Data refer to 2021.
Source: CNB.

months for consumers is shown in Figure 27 and for business entities in Figure 28.

Figure 28 Sent international credit transfers of business entities

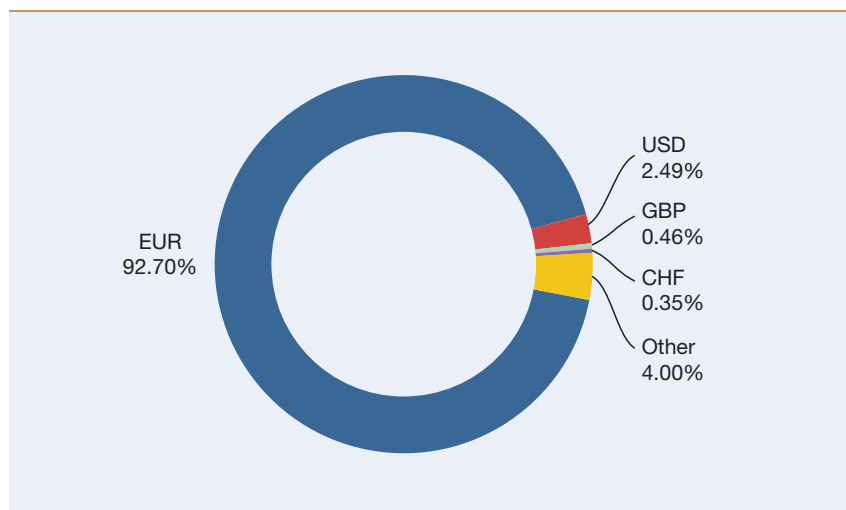


Notes: Including sent international credit transfers of business entities in foreign currencies (all currencies excluding the kuna). Data refer to 2021.
Source: CNB.

At a monthly level, consumers on average initiated 45,111 transactions of sent international credit transfers in foreign currencies (all currencies excluding the kuna) with an average monthly value of HRK 833.16 million (converted into kuna). The average monthly value of a transaction of sent international credit transfers in foreign currency of consumers amounted to HRK 18,469.

At a monthly level, business entities on average initiated 330,045 transactions of sent international credit transfers in foreign currencies

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



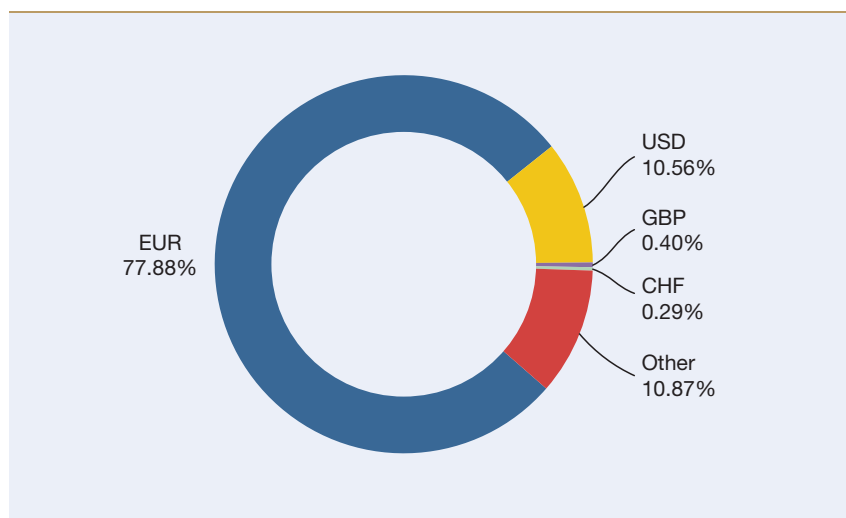
Notes: Structure of the share of currencies of all consumers and business entities. Data refer to 2021.
Source: CNB.

(all currencies excluding the kuna) with an average monthly value of HRK 22,780.1 million (converted into kuna). The average value of a transaction of a sent international credit transfer in foreign currency of business entities amounted to HRK 69,021 (Figure 28).

The euro was the currency that accounted for the largest share in the total number of transactions of sent international credit transfers of consumers and business entities in 2021, with a dominant 92.7%. It was followed by the US dollar with a share of 2.49%, the pound sterling with 0.46% and the Swiss franc with 0.35%. The share of 4% refers to the total of all other currencies (Figure 29).

According to the shares of currencies in the total value of the transactions of sent international credit transfers of consumers and business entities, the euro is the currency that accounts for the largest share, 77.88%. The currencies that follow include the US dollar with a share of 10.56%, the pound sterling with 0.40% and the Swiss franc with 0.29%. The share of 10.87% refers to the total of all other currencies (Figure 30).

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



Notes: Structure of the share of currencies of all consumers and business entities. Data refer to 2021.
Source: CNB.

4.2.2 Received international credit transfers

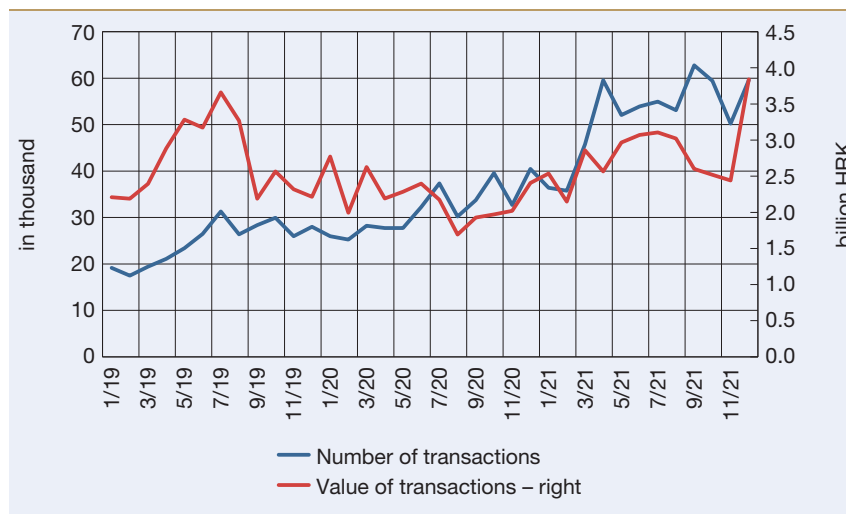
Received international credit transfers cover payment transactions received to credit the accounts of payment service users (consumers and business entities) in which the payer's payment service provider operates in another member state, or in a third country.

In 2021, in the RC, in all 8.04 million international credit transfers of consumers and business entities were received in all currencies (including the kuna), worth a total of HRK 312.41 billion when converted into kuna.

The total number and value of received international credit transfers in all currencies (including the kuna) increased by 19.10% and 28.66% respectively in 2021 from 2020.

A detailed analysis of received international credit transfers in kuna and in foreign currencies (all currencies excluding the kuna) for consumers and business entities is provided below.

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



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

In 2021 (Figure 31), in the RC, in all, 623,388 transactions of international credit transfers of consumers and business entities were received in kuna, worth a total of HRK 33,679.23 million. At a monthly level, on average 51,949 transactions were received, with an average monthly value of HRK 2,806.6 million.

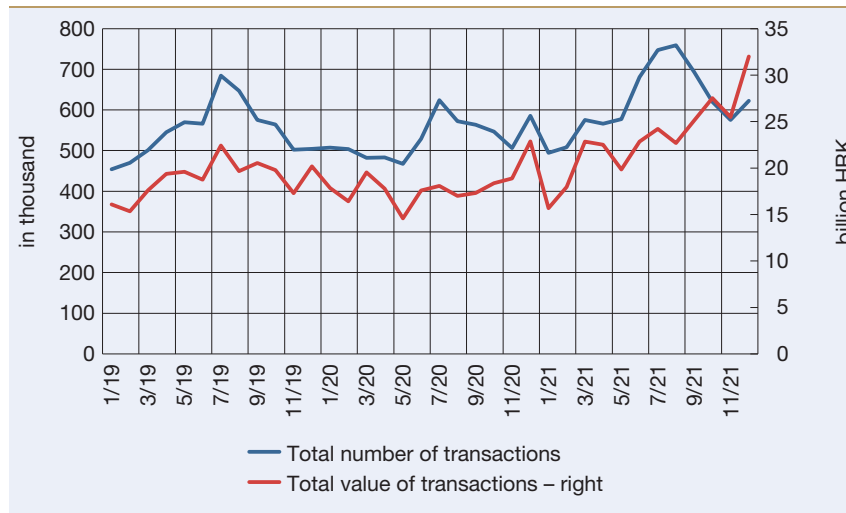
The total number of received international credit transfers of consumers and business entities in kuna increased by 63.6% in 2021 from 2020, while their total value increased by 27.28%.

At the same time, in the RC, in all, 7.42 million international credit transfers of consumers and business entities were received in foreign currencies (all currencies excluding the kuna), worth a total of HRK 278,727.77 million (expressed in kuna). At a monthly level, on average

618,435 transactions were received, with an average monthly value of HRK 23,227.31 million (Figure 32).

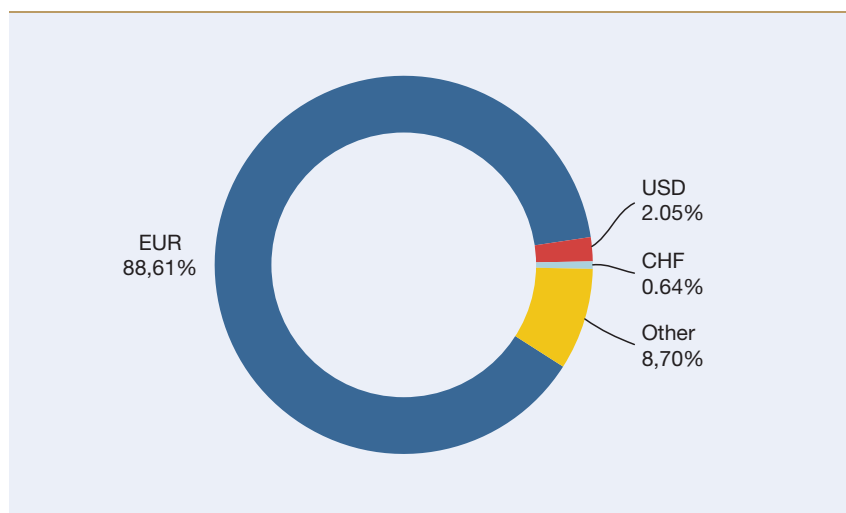
The total number and value of received international credit transfers of consumers and business entities in foreign currencies (all currencies excluding the kuna) increased by 16.44% and 28.85% respectively in 2021 from 2020.

Figure 32 Total received international credit transfers of consumers and business entities in foreign currencies (all currencies excluding the kuna)



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

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

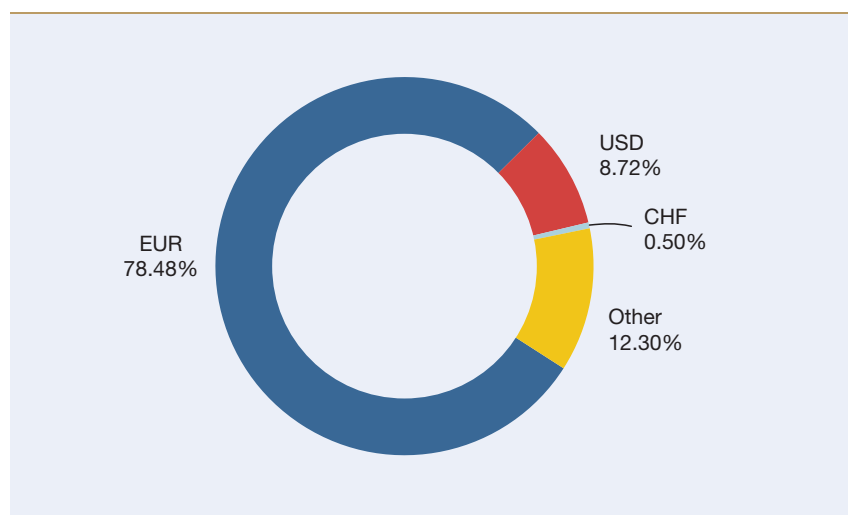


Notes: Structure of the share of currencies of all consumers and business entities. Data refer to 2021.
Source: CNB.

The euro was the currency that accounted for the largest share in the total number of the transactions of received international credit transfers of consumers and business entities, with a dominant 88.61%. It is followed by the US dollar with a 2.05% and the Swiss franc with a 0.64% share. The share of 8.69% refers to the total of all other currencies (Figure 33).

In the total value of the transactions of received international credit transfers of consumers and business entities, the euro is the currency that accounts for the largest share, 78.48%. The currencies that follow include the US dollar with a share of 8.72% and the Swiss franc with a share of 0.50%. The share of 12.30% refers to the total of all other currencies (Figure 34).

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



Notes: Structure of the share of currencies of all consumers and business entities. Data refer to 2021.
Source: CNB.

5 Bill-paying service

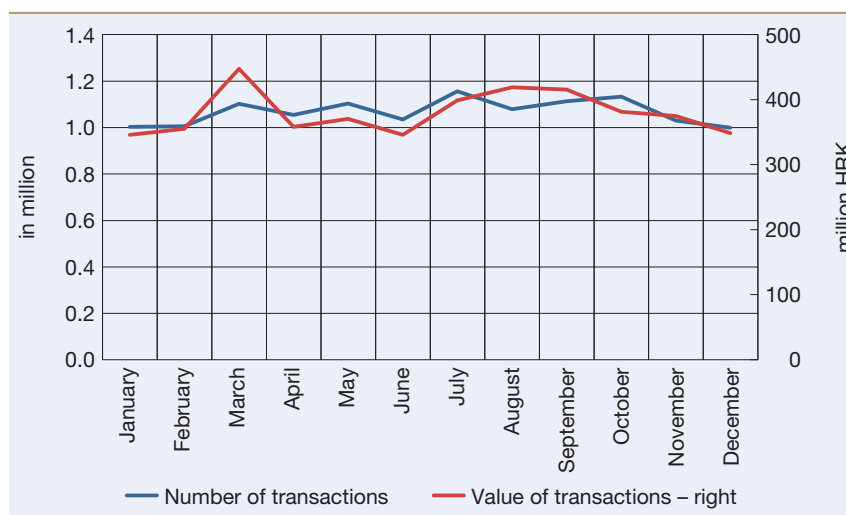
‘Bill-paying service’ means a service in which a credit institution, on the basis of a contract with a payee, collects funds from a payer and makes the collected amount available to the payee within time cycles determined by a contract (e.g. electricity, water, gas and other bills), pursuant to the provisions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

In the RC, on 31 December 2021, 12 credit institutions and one electronic money institution provided bill-paying services, exclusively in kuna.

In the RC, in 2021, a total of 12.81 million transactions were executed through the bill-paying service in the total value of HRK 4,561.47 million. The average value of a transaction executed using this service was HRK 356.

Compared with 2020, decreases of 15.46% and 4.2% respectively were recorded in 2021 in the number and the value of transactions of the bill-paying service, which was expected because consumers have been increasingly using other methods (channels) for the initiation of transactions, such as mobile and Internet banking. However, it is interesting that the average value of a transaction executed using the bill-paying service increased by 13.3% in 2021 from 2020.

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



Notes: Total number and value of transactions of the bill-paying service of consumers in kuna. Data refer to 2021.
Source: CNB.

The movement of the total monthly number and value of transactions of the bill-paying service in 2021 is shown in Figure 35.

At a monthly level, the average number of transactions was 1.07 million, with an average value of HRK 380.12 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, and/or where such funds are received on behalf of and made available to the payee.

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

In the RC, four credit institutions and the Financial Agency provided the service of sending and receiving money remittances in 2021.

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.

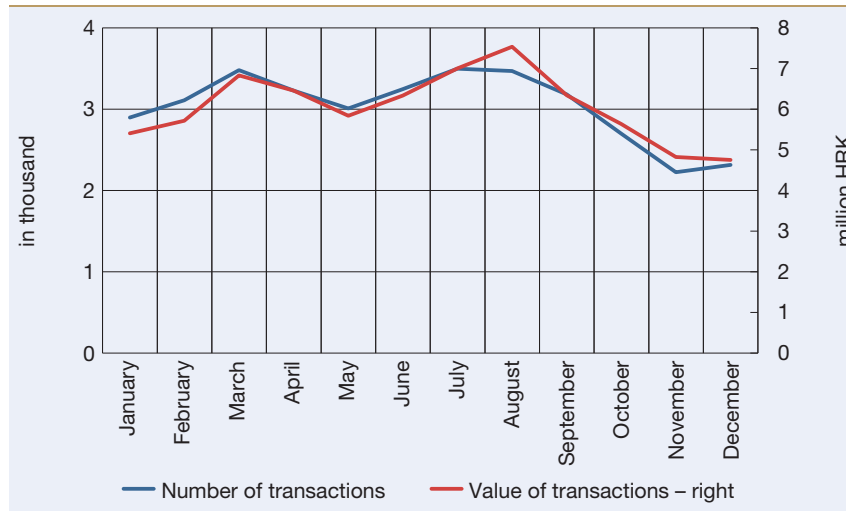
6.1.1 Sent national money remittances

In 2021, in all 36,370 money remittances were sent in the RC, worth a total of HRK 72.71 million. The average value of a transaction stood at HRK 1,999.

Both the number and the value of sent national money remittances continued to decrease significantly from 2020, by 26.48% and 23.48% respectively, while the average value of a transaction increased by 4.06%.

An analysis of the movement of the shown number and value of sent national money remittances in 2021 (Figure 36) established that the average monthly number of sent money remittances in the RC was 3,031, with an average value of HRK 6.06 million a month.

Figure 36 Sent national money remittances



Notes: Including sent national money remittances of consumers in kuna. Data refer to 2021.

Source: CNB.

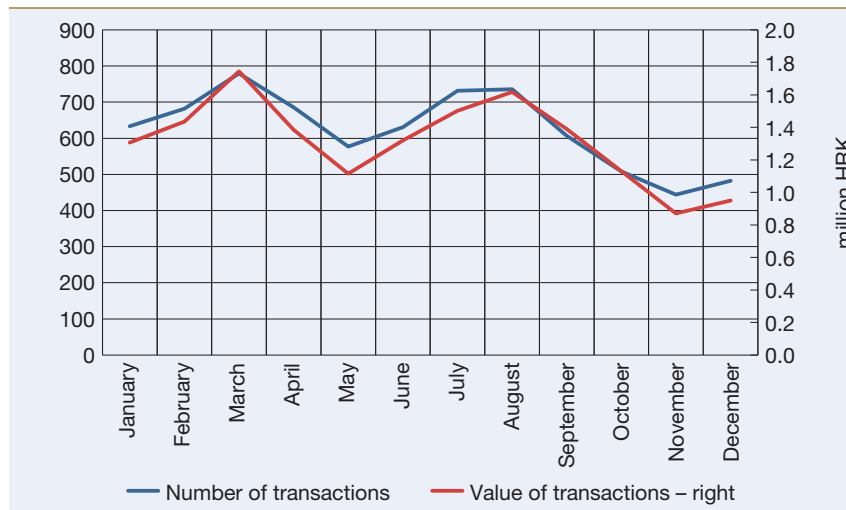
6.1.2 Sent international money remittances

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

In all, 7,495 international money remittances, worth a total of HRK 15.77 million, were sent in 2021 (Figure 37). The average value of a sent international money remittance stood at HRK 2,104.

Compared with 2020, the number of sent international money remittances decreased by 34.42% and the value went down by 36.22%. The average value of a sent international money remittance decreased by 2.74% in 2021 from the year before.

Figure 37 Sent international money remittances



Notes: Including sent international money remittances of consumers in kuna. Data refer to 2021.

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.

In 2021, consumers received in all 177,077 money remittances from abroad in different currencies (including the kuna), worth a total of HRK 377,879,787 (converted into kuna).

Below is a detailed presentation of received international money remittances in kuna and in foreign currencies, with a special analysis of the five most represented currencies.

6.2.1 Received international money remittances in kuna

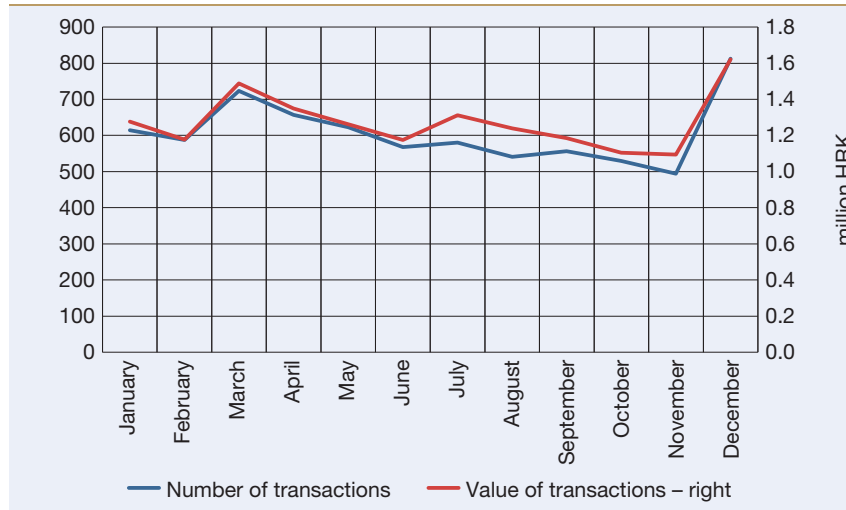
In 2021, consumers received in all 7,286 money remittances sent in kuna from abroad, worth a total of HRK 15.29 million. The average value of a money remittance came to HRK 2,098.

Relative to 2020, the number of received international money remittances in kuna decreased by 1.79%, while their value remained at the same level, increasing only slightly, by 0.07%. The average value of a received

international money remittance in kuna was only 1.9% higher in 2021 than in the year before.

At a monthly level, on average 607 international money remittances were received, with an average monthly value of HRK 1.27 million.

Figure 38 Received international money remittances in kuna



Notes: Including received international money remittances of consumers in kuna. Data refer to 2021.
Source: CNB.

6.2.2 Received international money remittances in foreign currencies

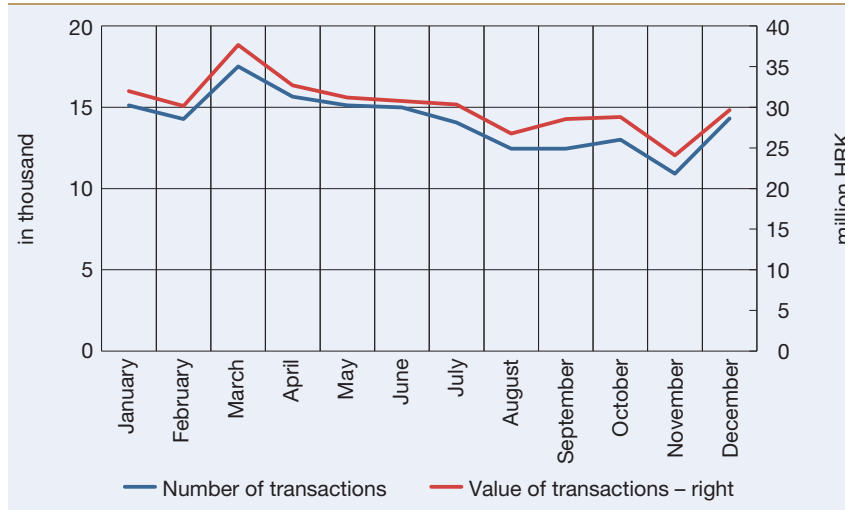
In 2021, consumers received in all 169,791 money remittances in foreign currencies (all currencies other than the kuna) from abroad, which, converted into kuna, amounted to HRK 362.59 million. The average value of a received international money remittance in foreign currency was HRK 2,136.

From 2020, the number and the value of received international money remittances in foreign currencies decreased by 12.31% and 11.11% respectively. The average value of a received money remittance in a foreign currency increased by 1.39%.

On average, 14,149 money remittances in foreign currencies were received monthly, which, converted into kuna, had the average monthly value of HRK 30.22 million.

From communication with reporting entities, it can be seen that received money remittances mostly refer to foreign pensions, grants and gifts of relatives and friends from abroad.

Figure 39 Received international money remittances in foreign currencies (all currencies excluding the kuna)



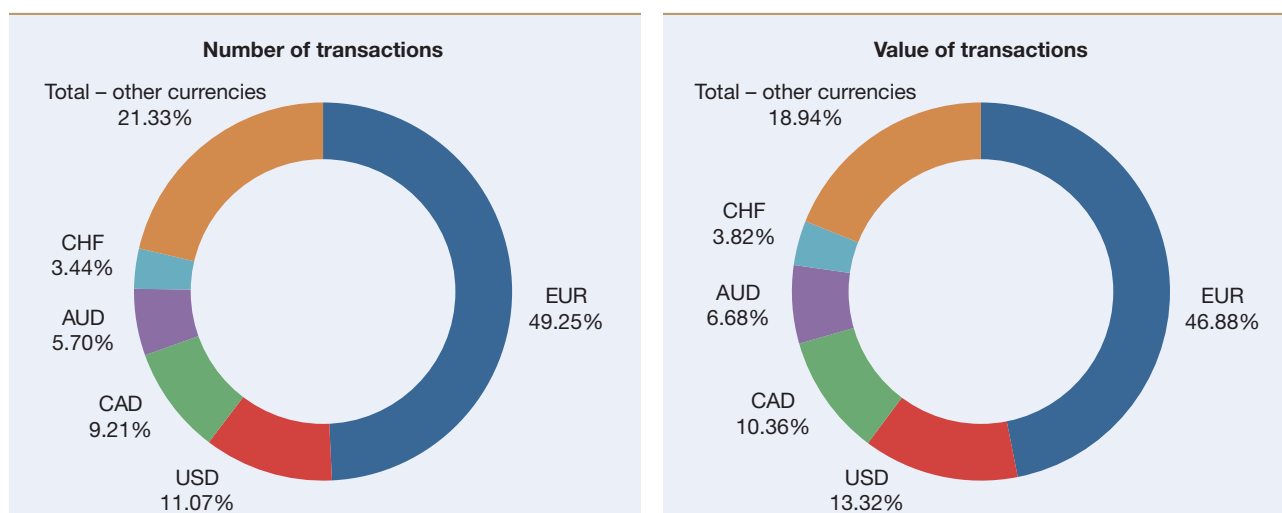
Notes: Including received international money remittances of consumers in foreign currencies (all currencies excluding the kuna), converted into kuna. Data refer to 2020. Source: CNB.

6.2.3 Received international money remittances in the five most represented currencies

From an analysis of received international money remittances by currency it can be concluded that the largest number and value of received money remittances in the RC from abroad were initiated/made in the euro, followed by the US dollar, Canadian dollar, Australian dollar and Swiss franc. The five most represented currencies account for 78.67% of the number and 81.07% of the value of total received international money remittances.

The euro is the most represented currency, accounting for 49.25% of the number and 46.88% of the total value of received international money remittances.

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



Note: Shares of the five most represented currencies in received money remittances in 2021.
Source: CNB.

7 Direct debits

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

In the RC, on 31 December 2021, 17 credit institutions were providing the direct debit payment service.

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).

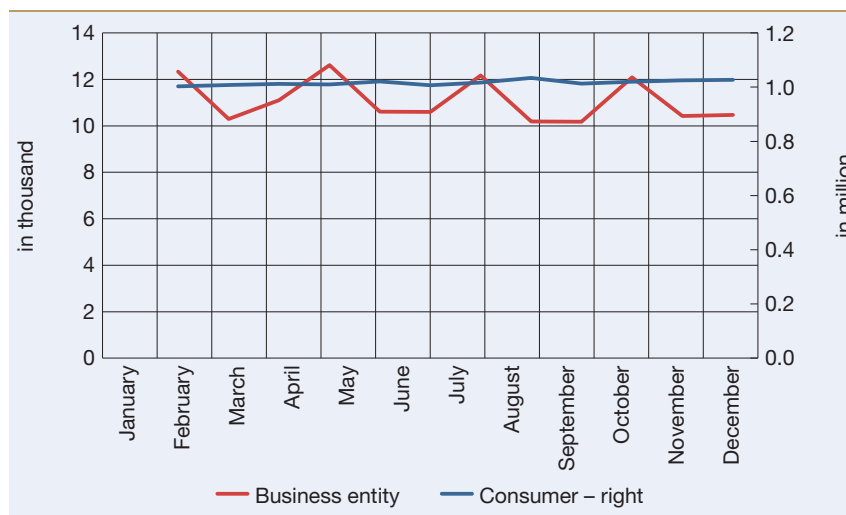
Consents are distinguished according to type of the payee and are broken down into consents given to credit the service user (e.g. utility company for the supply of electricity, water, gas, etc.) and consents to credit a credit institution (e.g. collection of charges on a card with a delayed debit function 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 much more frequently than by business entities.⁵

The average monthly number of consents for the direct debit service in 2021 was 1,016,242 for consumers and 11,089 for business entities. The above indicates a decrease in the total number of consents of consumers by 0.9% and of business entities by 11% from 2020.

Figure 41 Number of direct debit consents



Note: Shown is the number of direct debit consents in 2020.

Source: CNB.

With regard to the number of direct debit service users that have given consent for the execution of direct debits, as well as the number of accounts for which this service is contracted, the ratio was also tipped towards consumers. On 31 December 2021, 679,253 consumers were

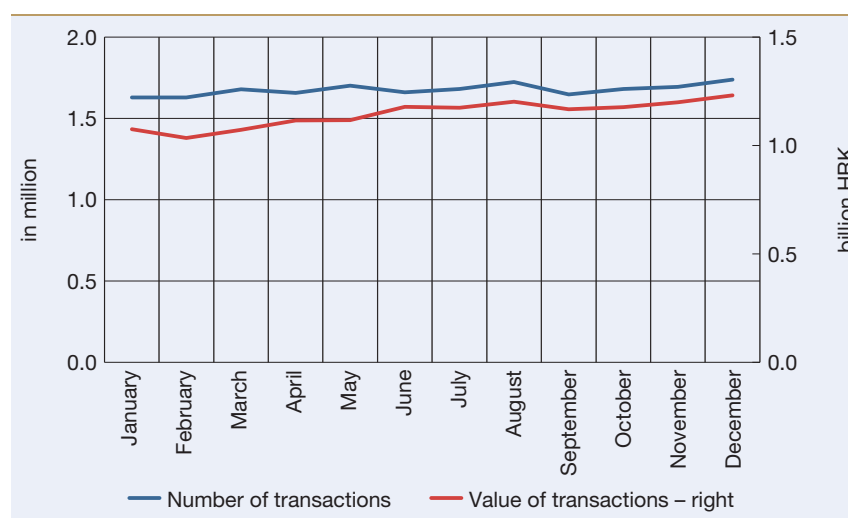
⁵ Not including data submitted by electronic money institutions that at the same time carry out the activity of telecommunications services.

recorded as being users of direct debit services contracted to debit their 591,575 payment accounts. On the other hand, on the same day, 2,045 business entities were the users of direct debit services.

7.2 Number and value of direct debit transactions

Figure 42 shows debits from the payment accounts of consumers and business entities based on direct debit orders received by payees operating in the RC in 2021.

Figure 42 Total number and value of direct debit transactions



Notes: Total number and value of direct debit transactions from the payment accounts of consumers and business entities executed in all currencies (including the kuna), converted into kuna. Data refer to 2021.

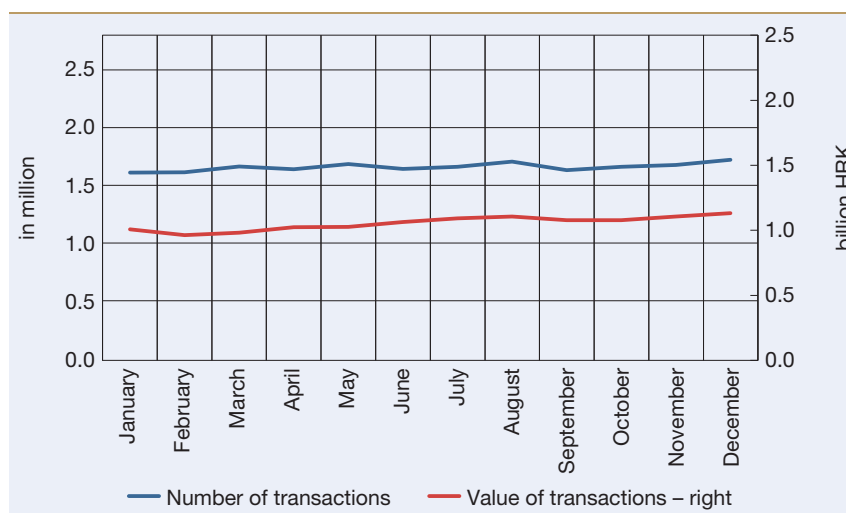
Source: CNB.

In 2021, in all 20.12 million direct debit transactions from the payment accounts in all currencies (converted into kuna), worth a total of HRK 13,741.83 million, were executed in the RC. The average value of a direct debit was HRK 683.

The data on the number and value of direct debit transactions (Figures 43 and 44) also suggest that consumers use the direct debit service to a much larger extent than business entities.

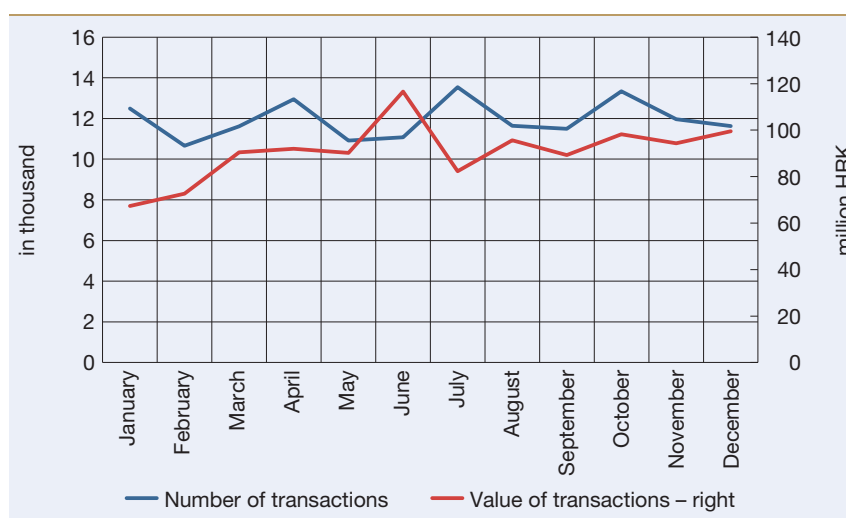
In 2021, in all, 19.97 million direct debits were made from the payment accounts of consumers and 143,315 were made from the payment accounts of business entities in the RC. The total value of direct debits made from the payment accounts of consumers was HRK 12,653.22 million and from the payment accounts of business entities HRK 1,088.61 million.

Figure 43 Number and value of direct debit transactions of consumers



Notes: Number and value of direct debit transactions from the payment accounts of consumers executed in all currencies (including the kuna), converted into kuna. Data refer to 2021.
Source: CNB.

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



Notes: Number and value of direct debit transactions from the payment accounts of business entities executed in all currencies (including the kuna), converted into kuna. Data refer to 2021.
Source: CNB.

7.3 Average number and value of direct debit transactions

Each month on average 1.66 million direct debit transactions from the payment accounts of consumers and 11,943 direct debit transactions from the payment accounts of business entities were executed in 2021. The average monthly value of direct debit transactions executed from the payment accounts of consumers was HRK 1,054.44 million, while for business entities it was HRK 90.72 million (Figures 43 and 44).

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

If the average number and the value of executed direct debit transactions per account for which direct debit service is contracted, i.e. per user, are compared, it can be concluded that in 2021 the average monthly number of direct debit transactions per account of a consumer was 2.8 with an average monthly value of HRK 1,782.4. On the other hand, in 2021, business entities had on average 5.7 direct debits recorded each month, on average worth HRK 43,157.7 monthly.

8 Accounts

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

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

8.1 Transaction account and another payment account

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

‘Another payment account’ means any account operated by a payment service provider in the name of one or more users of payment services used for the execution of payment transactions that cannot however be categorised as a transaction account. ‘Another payment account’ 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 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 2021, a total of 8,177,441 payment accounts of consumers and 425,523 payment accounts of business entities were recorded. Of the total number of payment accounts, 95.6% are transaction accounts, while accounts entitled 'Another payment account' have a share of 4.4%.

Of the total number of transaction accounts, 7,799,598 of them were the accounts of consumers and 423,566 were the accounts of business entities.

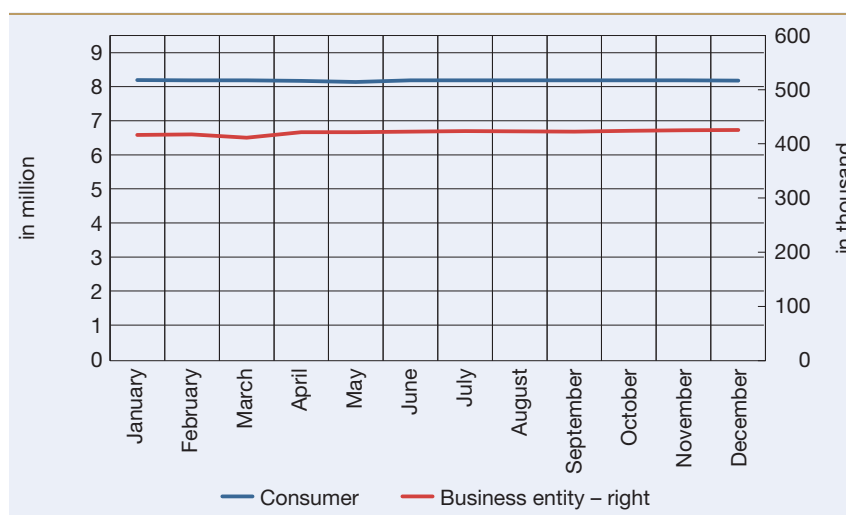
Table 5 Number of accounts of consumers and business entities on 31 December 2021

Type of account	Consumer	Business entity
Transaction account	7,799,598	423,566
Another payment account	377,843	1,957
Total	8,177,441	425,523

Note: Including blocked accounts on 31 December 2021 and excluding accounts of credit institutions and the Financial Agency.

Source: CNB.

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



Note: Shown is the total number of payment accounts of consumers and business entities in 2021 (excluding accounts of credit institutions and the Financial Agency).

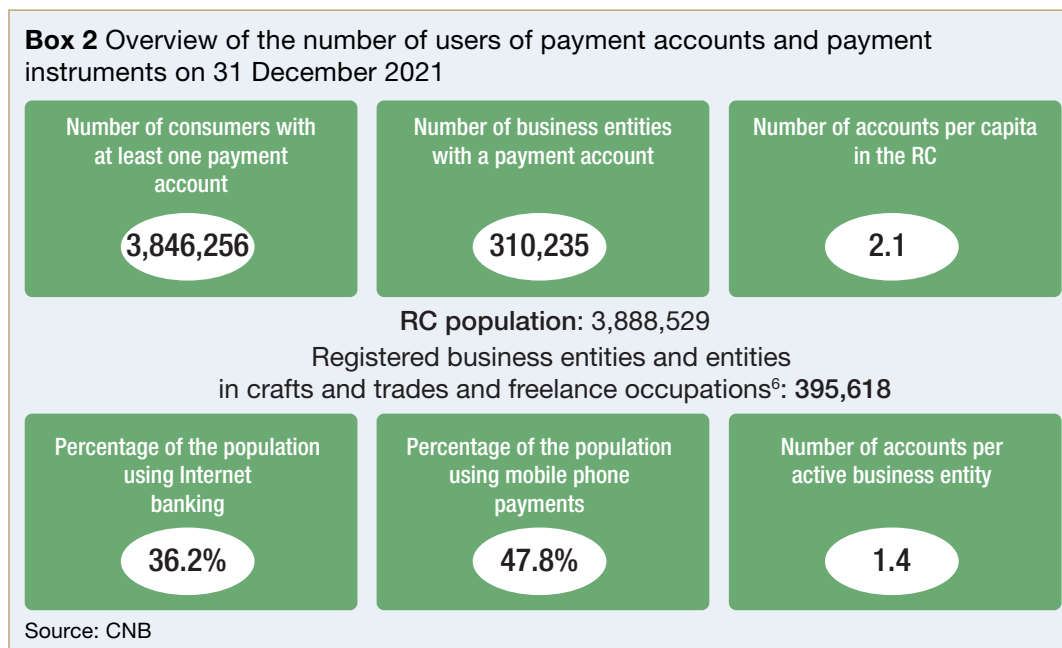
Source: CNB.

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

On 31 December 2021, in all 3,846,256 consumers had at least one payment account opened with credit institutions in the RC.

On 31 December 2021, 310,235 business entities of the total of 395,618 business entities operating in the RC had payment accounts opened with credit institutions in the RC.

When the above data are compared with the total number of the recorded payment accounts of consumers and business entities on 31 December 2021 (Table 5), it can be concluded that each consumer has on average two (2.1) payment accounts and that each business entity in the RC on average has 1.4 payment accounts.



8.2 Number of users by payment instrument (service)

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

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

⁶ Croatian Bureau of Statistics: Census of population, households and dwellings in 2021 – preliminary results (29 March 2022)

Table 6 Number of users by payment instrument

Description of payment methods	Consumer	Business entity	Total
Internet banking	1,407,823	196,834	1,604,657
Mobile banking	1,860,592	133,209	1,993,801
Telebanking	0	249	249
E-bill	43,971	36	44,007
Direct debit	679,253	2,045	681,298
Standing order	1,381,804	36,498	1,418,302

Note: As at 31 December 2021.

Source: CNB.

The number of users shown in Table 6 refers to data on the total number of payment service users (consumers and business entities) that have contracted the following methods of payment (payment instruments) with a credit institution to debit their payment account:

- **Internet banking** – records the total number of payment service users that have contracted the use of Internet banking with a credit institution, irrespective of the number of tokens the credit institution has issued to them.
- **Mobile banking** – records the total number of payment service users that have contracted the use of an application installed on a mobile phone with a 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.

Data from Table 6 indicate that consumers in the RC use the most the mobile banking service (48.4%), Internet banking (36.6%), the standing order service (35.9%), followed by direct debits (17.7%), while the e-bill (1.1%) accounts for a smaller share than the other methods of payment.

In business entities, Internet banking continues to be the most represented with the share of 63.4%, followed by the mobile banking service (42.9%) and the standing order (11.8%), while the e-bill (0.01%) is still used very rarely.

The number of users of mobile banking as a method of payment grew by 17% among consumers and by 17.2% among business entities in

2021 from 2020. Since 2020, there has been an increase of 19.6% in the number of consumer users of Internet banking and an increase of 6% in business entity users in 2021.

Table 7 Payment instruments linked to the payment account
on 31 December 2021

Number of payment instruments	Consumer	Business entity
1	1,327,124	67,176
2	743,736	131,666
3	910,480	97,249
4 and more	864,916	14,144

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

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

Table 7 shows that in all 1,327,124 (34.5%) consumers and 67,176 (21.7%) business entities have a payment account opened with a credit institution, but do not use any other payment instrument (i.e. a service such as Internet or mobile banking, direct debit, standing order, etc.).

The largest number of consumers, 743,736 of them or 19.3% of the total number of payment account holders (3,846,256), use another payment instrument in addition to the payment account. The number of business entities that use another payment instrument in addition to the payment account comes to 131,666, or 42.4% of the total number of payment account holders (310,235).

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 users (consumers or business entities) 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 319,069 or 42.9% of them, followed by mobile banking, i.e. in all 271,444 or 36.5% of them. Business entities that in addition to the payment account use only one other payment instrument most frequently use Internet banking, in all 90,893 or 69% of them.

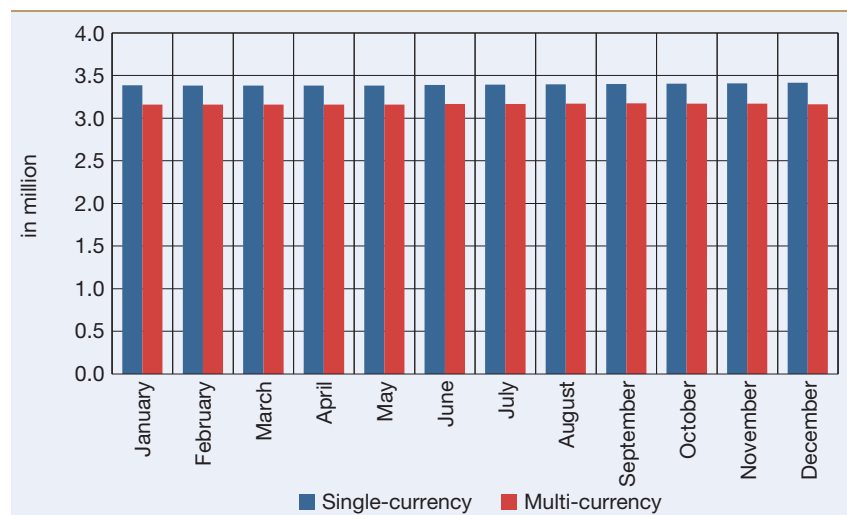
8.3 Single-currency and multi-currency accounts

As regards the currency, payment accounts operated by credit institutions can be single-currency and multi-currency accounts. Single-currency accounts are payment accounts in which banks maintain users' funds in a single currency – most frequently in kuna or euro. By contrast, in multi-currency accounts, users may have funds in several different currencies. In Croatia, multi-currency accounts most frequently only allow the maintenance of funds in foreign currencies. However, in some multi-currency accounts, funds may be maintained in kuna together with other foreign currencies. The traditional foreign currency accounts offered by credit institutions in the RC are accounts in which foreign currencies are maintained excluding the kuna.

The total number of single-currency accounts in the RC on 31 December 2021 was 3,464,132, and multi-currency accounts 3,519,303.

The share of single-currency accounts in the total number of consumer transaction accounts stood at 43.8% on 31 December 2021. 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

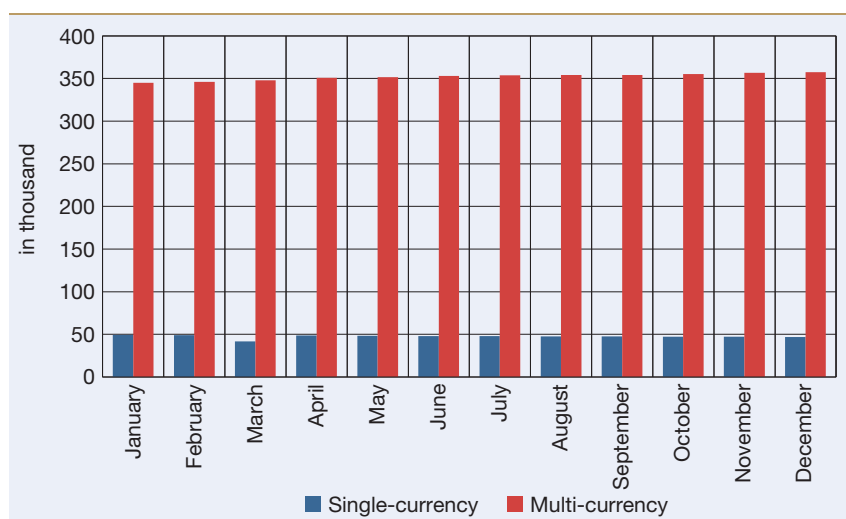


Notes: Not including blocked and another payment accounts. Data refer to 2021.
Source: CNB.

Croatian citizens contract single-currency and multi-currency accounts almost equally, while business entities most frequently contract only multi-currency accounts – i.e. on 31 December 2021, 88% of accounts of business entities were multi-currency accounts.

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

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



Notes: Not including blocked and another payment accounts. Data refer to 2021.
Source: CNB.

8.4 Transaction accounts by status

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

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

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

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

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 for the purposes of payment statistics 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 in accounts is temporarily disabled; and
- other reasons.

Blocked accounts are not shown according to the status of having or not having an authorised overdraft facility.

On 31 December 2021, a total of 1,779,613 accounts had an authorised overdraft facility and 5,196,608 accounts did not. Of the total number of accounts with an authorised overdraft facility, 44.9% of them used this possibility.

An analysis of the ratio of the number of accounts with an authorised overdraft to the number of accounts without an authorised overdraft shows that 26.8% of transaction accounts of consumers and only 4.8% of transaction accounts of business entities have an authorised overdraft, while other transaction accounts do not have an authorised overdraft.

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

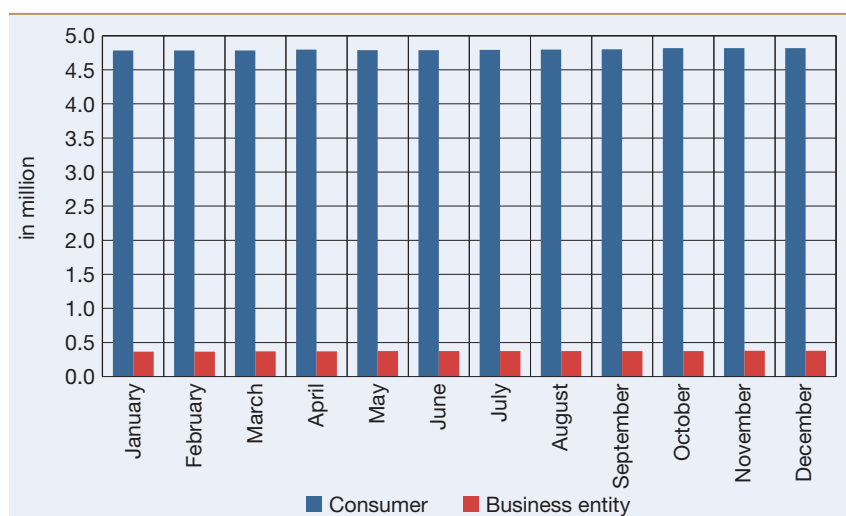
8.4.1 Transaction accounts without an authorised overdraft

On 31 December 2021, a total of 4,818,943 transaction accounts of consumers and 377,497 transaction accounts of business entities that did not have an authorised overdraft were open in the RC.

Figure 48 shows that the number of transaction accounts without an authorised overdraft facility was constant during the observed period in

2021, and there were no significant changes either in consumers or in business entities.

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



Notes: Not including blocked accounts and another payment accounts. Data refer to 2021.

Source: CNB.

If the number of transaction accounts without an authorised overdraft is analysed, depending on whether it is a single-currency or a multi-currency account, it can be seen that there are more multi-currency than single-currency accounts, in particular in business entities. Multi-currency accounts account for 90% of the transaction accounts of business entities, while consumers have 54% multi-currency as against 46% single-currency accounts.

8.4.2 Transaction accounts with an authorised overdraft

The total number of transaction accounts with authorised overdrafts in the RC is several times smaller than the total number of transaction accounts without authorised overdrafts, and 1,760,534 accounts of consumers and 19,079 accounts of business entities with authorised overdrafts were recorded on 31 December 2021. The above implies that an overdraft is only contracted and authorised in every fourth consumer account, which means that not all citizens have an authorised overdraft facility. Also, only 4.5% of transaction accounts of business entities have a contracted overdraft.

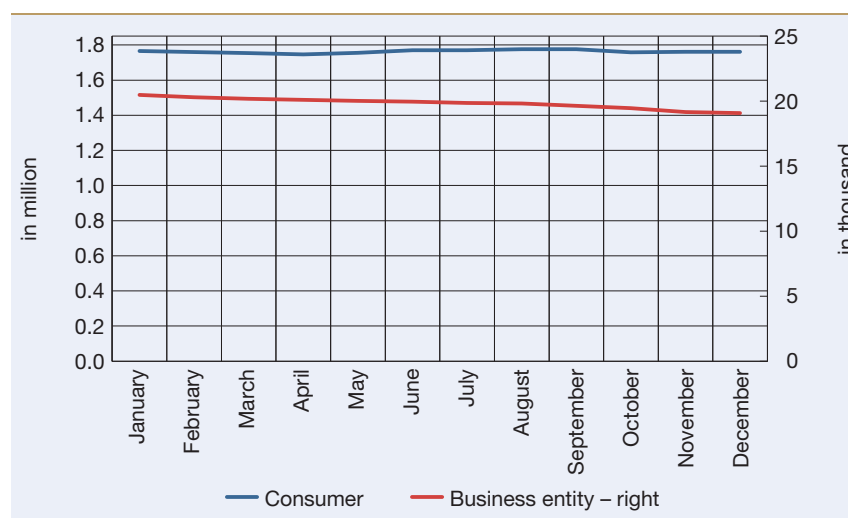
If the number of transaction accounts with authorised overdrafts is analysed, depending on whether they are single-currency or multi-currency accounts, single-currency accounts (kuna, as a rule) account for 68% of consumer accounts, while multi-currency accounts account

for 32% of all accounts with authorised overdrafts. In business entities, the shares are different, and there are 6% single-currency accounts as against 94% multi-currency accounts that have authorised overdraft facilities.

Of the total of 1,760,534 transaction accounts of consumers that on 31 December 2021 had authorised overdraft facilities, 45% of them, or 789,959 accounts were actually overdrawn on 31 December 2021. Among business entities, the percentage of transaction accounts with authorised overdrafts that were actually overdrawn on 31 December 2021 stood at 49%, or in all 9,317 transaction accounts were overdrawn of the total recorded 19,079, which had overdraft facilities.

Figure 49 presents the number of transaction accounts of consumers and business entities with authorised overdrafts by month for 2021.

Figure 49 Number of transaction accounts of consumers and business entities with an authorised overdraft



Notes: Not including blocked accounts. Data refer to 2021.
Source: CNB.

8.4.3 Blocked payment accounts

On 31 December 2021, a total of 1,298,984 payment accounts of consumers and 20,848 payment accounts of business entities were blocked, i.e. the disposal of funds was disabled.

Table 8 Number of blocked payment accounts on 31 December 2021

Type of account	Consumer	Business entity
Transaction account	1,220,576	19,153
Another payment account	81,732	666
Total	1,302,308	19,819

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

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

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

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

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

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

‘Non-consumer’ means a legal or natural person other than the consumer (i.e., a 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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