

**Croatian National Bank**  
**Payment Operations Area**  
**Payment Operations Supervision Department**

## **PAYMENT STATISTICS**

# **REPORT ON CASHLESS PAYMENT TRANSACTIONS IN THE REPUBLIC OF CROATIA FOR 2018**

September 2019

## OVERVIEW OF BASIC DEFINITIONS

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

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

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

'**International payment transaction**' means a payment transaction the execution of which involves two payment service providers of which one payment service provider operates in the Republic of Croatia, and the other payment service provider operates in another Member State or a third country.

'**National payment transaction**' means a payment transaction the execution of which involves a payer's payment service provider and a payee's payment service provider, or only one payment service provider, which operate in the Republic of Croatia.

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

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

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

## Introduction

Cashless payment transactions recorded a significant increase in almost all EU member states over the past few years. In the Republic of Croatia (hereinafter referred to as 'RC'), the increase particularly referred to the number of national card-based payment transactions which, according to Croatian National Bank data, almost doubled in the period from 2006 to 2018. An average Croatian citizen has at least two payment cards in his/her wallet, which places the RC on the very top of the European Union. At the same time, almost 32% of consumers and 55% of business entities in the RC have contracted internet banking service, the service that allows its users the initiation of electronic payment orders 24 hours a day at lower fees relative to the fees for the initiation of paper-based payment orders. The increase in the total number of national cashless payment transactions is also attributable to the services such as mobile banking, which is seeing a steady rise in the number of users<sup>1</sup>. Clearly, the expectations regarding mobile banking in the future are high, as evidenced by the fact that in 2018 the number of transactions initiated by consumers in the RC using mobile banking services exceeded the number of payment transactions initiated by consumers using internet banking.<sup>2</sup>

If the structure of the number of national cashless payment transactions in the RC is analysed at the level of 2018, it can be concluded that credit transfer transactions account for the largest share (38%) of the total number of national cashless payment transactions. They are followed by card-based transactions, with a share of 36% and transactions of debits from the accounts by simple book entry, with a share of 20%. Bill-paying service transactions and direct debit services account for shares of approximately 3%.

At the same time, payment card-based transactions accounted for 88%, or the largest share, of the number of international cashless payment transactions, followed by transactions executed using the credit transfer service with a total share of 12%.

By contrast, transactions executed using the credit transfer service account for a very dominant share of the total value of cashless payment transactions. In 2018, they accounted for approximately 95% of the total value of all executed national and international cashless payment transactions.

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

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<sup>1</sup> As at 31 December 2018, 26% of consumers and 15% of business entities in the RC enrolled in mobile banking services. Compared to the number of mobile banking users as at 31 December 2017, the number of consumers and business entities enrolled in this service rose by 28% and 38%, respectively, in 2018.

<sup>2</sup> In 2018, consumers in the RC initiated 33.1m transactions using the internet banking service, totalling HRK 30.8bn and 43.8 million transactions using the mobile banking, totalling HRK 31.9bn.

larger-value transactions. Thus, credit transfers are commonly used for the execution of payments between corporations, corporations and banks, payments between natural persons, the payment of wages, salaries and pensions, etc. This is also evident from the average value of individual credit transfer transactions<sup>3</sup>, which is much higher than, for example, the average value of card transactions<sup>4</sup>, which is primarily used for the purchase of goods and services in retail.

Table 1 shows the total number and value of executed cashless payment transactions in the RC in 2018 in all currencies calculated in kuna. The data shown in the Report have been collected based on the Decision on the obligation to submit data on the payment system and electronic money (hereinafter referred to as 'Decision'). The Decision prescribes the obligation of reporting to the Croatian National Bank (hereinafter referred to as 'CNB') on data with regard to the payment system and electronic money, as well as the content, manner and deadlines of the reporting.

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

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

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

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<sup>3</sup> The average value of national credit transfers stood at HRK 6,329 (excluding standing orders).

<sup>4</sup> The average value of national transactions using payment cards issued in the RC stood at HRK 192.

**Table 1 Report on cashless payment transactions in the Republic of Croatia in 2018**

Executed payment transactions(1)	Number of transactions	%	Value of transactions in kuna	%
<b>A) NATIONAL PAYMENT TRANSACTIONS</b>				
<b>1 Sent credit transfers (2)</b>	<b>325.843.510</b>	<b>38.07</b>	<b>1.977.561.046.315</b>	<b>95.72</b>
1.1 Credit transfers	303.058.642	93.01	1.918.046.876.783	96.99
1.2 Standing orders	22.784.868	6.99	59.514.169.532	3.01
<b>2 Bill-paying service</b>	<b>23.137.485</b>	<b>2.70</b>	<b>5.415.783.828</b>	<b>0.26</b>
<b>3 Direct debits</b>	<b>27.486.333</b>	<b>3.21</b>	<b>20.329.358.957</b>	<b>0.98</b>
<b>4 Debits from the accounts by simple book entry (3)</b>	<b>170.281.408</b>	<b>19.89</b>	<b>3.267.605.365</b>	<b>0.16</b>
<b>5 Transactions using payment cards issued in the RC (4)</b>	<b>309.317.844</b>	<b>36.13</b>	<b>59.470.497.584</b>	<b>2.88</b>
5.1. Debit payment cards	221.419.359	71.58	37.221.697.426	62.59
5.2. Credit payment cards	87.898.485	28.42	22.248.800.158	37.41
<b>TOTAL NATIONAL PAYMENT TRANSACTIONS (1 – 5)</b>	<b>856.066.580</b>	<b>100.00</b>	<b>2.066.044.292.049</b>	<b>100.00</b>
<b>B) INTERNATIONAL PAYMENT TRANSACTIONS</b>				
<b>6 Sent credit transfers (5)</b>	<b>3.833.309</b>	<b>4.52</b>	<b>247.167.149.939</b>	<b>47.21</b>
<b>7 Received credit transfers (6)</b>	<b>6.484.021</b>	<b>7.65</b>	<b>247.250.441.295</b>	<b>47.23</b>
<b>8 Transactions using payment cards issued in the RC (7)</b>	<b>29.397.235</b>	<b>34.67</b>	<b>9.786.638.817</b>	<b>1.87</b>
<b>9 Transactions of acquiring payment cards issued outside the RC (8)</b>	<b>45.083.847</b>	<b>53.16</b>	<b>19.307.443.080</b>	<b>3.69</b>
<b>TOTAL INTERNATIONAL PAYMENT TRANSACTIONS (6 – 9)</b>	<b>84.798.412</b>	<b>100.00</b>	<b>523.511.673.131</b>	<b>100.00</b>
<b>TOTAL (A+B)</b>	<b>940.864.992</b>		<b>2.589.555.965.180</b>	

Source: CNB.

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

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

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

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

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

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

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

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

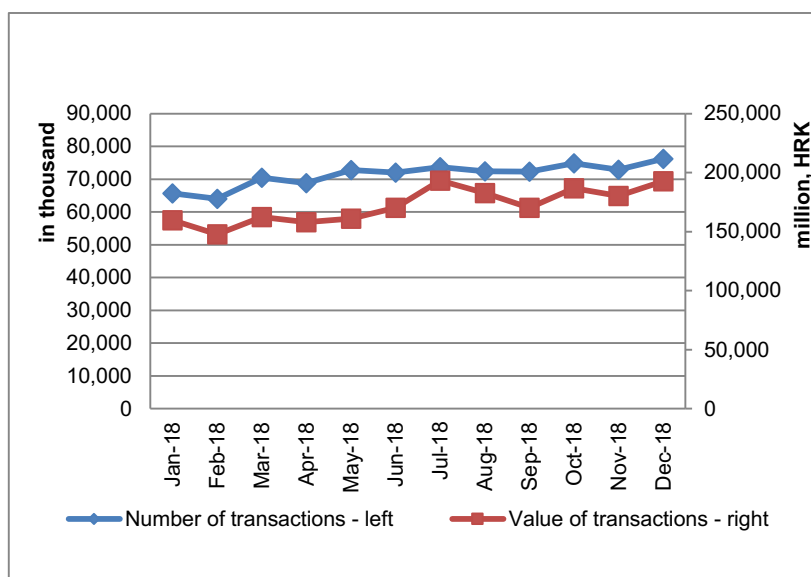
## A) NATIONAL CASHLESS PAYMENT TRANSACTIONS

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

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

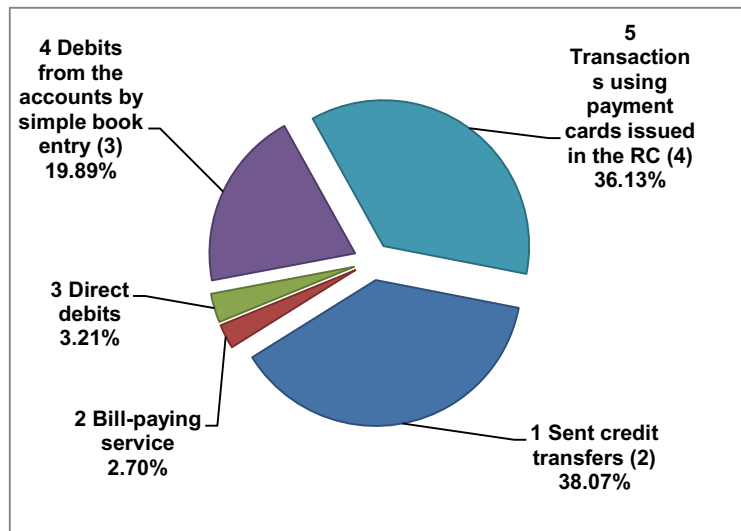
According to data submitted by reporting entities, a total of 856.1 million of national cashless payment transactions were executed in 2018, worth a total of HRK 2,066,044.5m. If compared with the total number and value of national cashless payment transactions in 2017, the total number of transactions rose by 7.2% and the total value of transactions by 7.44%. On average, 71.33 million national cashless payment transactions were executed monthly, with the average monthly value of HRK 172.170.4m (Figure 1). The average value of national cashless payment transactions in 2018 stood at HRK 2,413.

**Figure 1 Number and value of national cashless payment transactions**



Source: CNB.

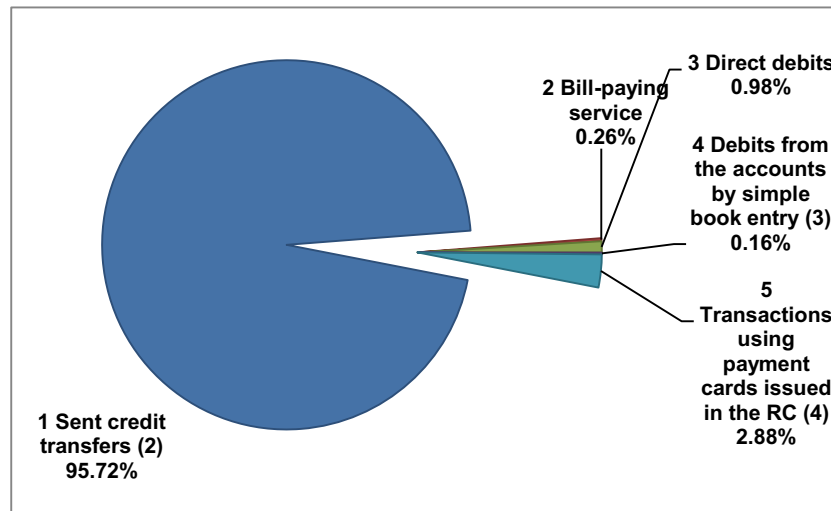
**Figure 2 Structure of national cashless payment transactions by the number of executed payment transactions**



Source: CNB.

Based on the structure of national cashless payment transactions by the number of payment transactions executed in 2018 it was established that the largest share (38.07%) referred to the transactions of sent credit transfers. They were followed by transactions using payment cards issued in the RC, with a share of 36.13% and transactions of debits from the accounts by simple book entry, with a share of 19.89%. Transactions executed using the bill-paying service and direct debit service accounted for 2.70% and 3.21% of the total, respectively (Figure 2).

**Figure 3 Structure of national cashless payment transactions by the value of executed payment transactions**

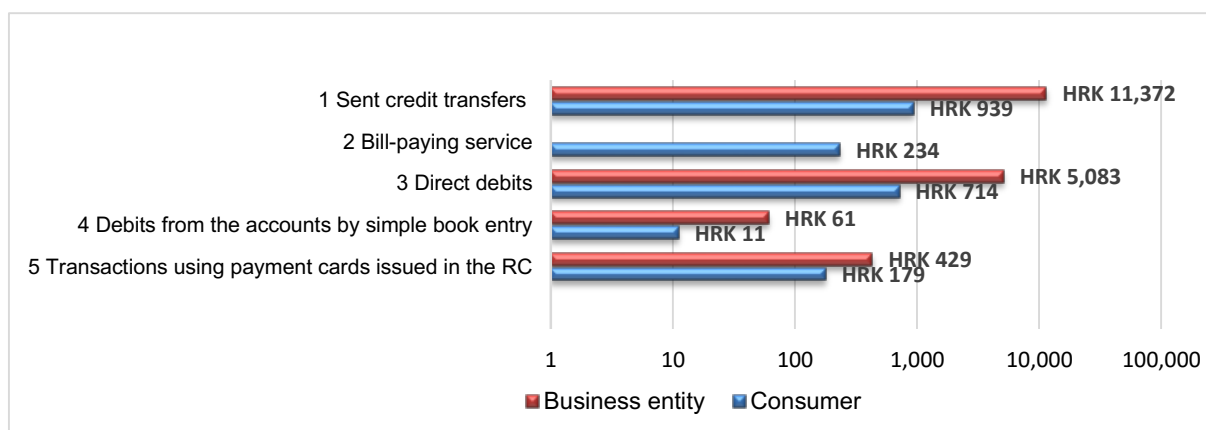


Source: CNB.

Sent credit transfers account for a very dominant share of national cashless payment transactions in terms of value of executed payment transactions in 2018. They account for over 95% of the total value of all the executed national cashless payment transactions (Figure 3). The high share of credit transfers in the total value of national cashless payment transactions is the result of the fact that it is precisely credit transfers that are most frequently used in larger-value transactions. Thus, credit transfers are the usual manner for the execution of payments between corporations, corporations and banks, natural persons, the payment of wages, salaries and pensions, etc. This is also evident from the average value of the national credit transfer transactions, which is much higher than, for example, the average value of card transactions, which is primarily used for the purchase of goods and services in retail. The amount of the average value for each of the categories of national cashless payment transactions is shown separately for the consumer and the business entity in Figure 4.



**Figure 4 Average value of national cashless payment transactions**



Source: CNB.

Note: Transactions using the bill-paying service in the RC in 2018 could be initiated by consumers only.

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

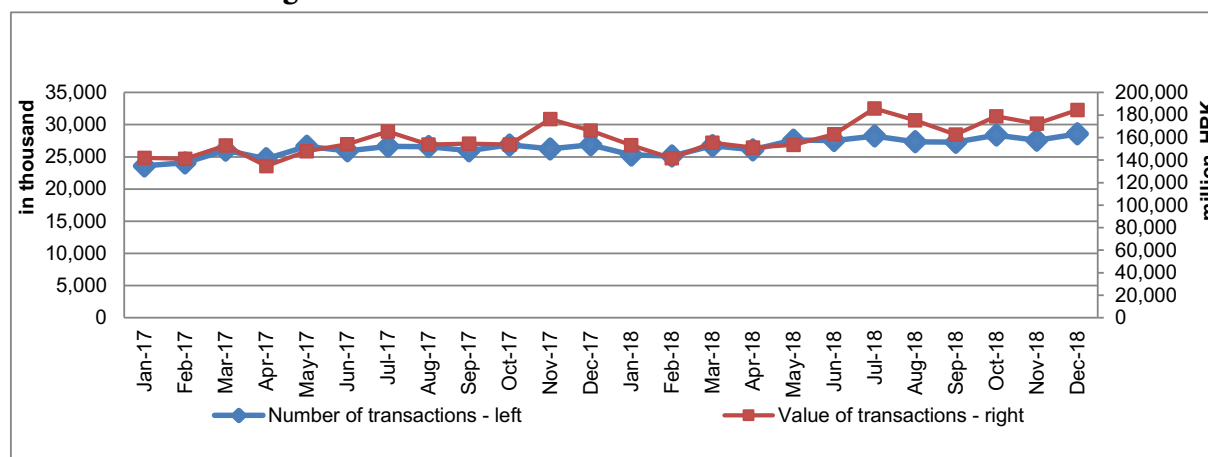
## 1 Sent credit transfers

Credit transfer means a payment service by which the payer's payment account is debited and the payee's payment account is credited on the basis of an order initiated by the payer. The transaction itself must not be identified with the term of "credit" in the sense of a loan; rather, it originates from the term "credit transfer", which implies that it is used to initiate the transfer to credit the payee's payment account at the payer's initiative. As at 31 December 2018, 25 credit institutions provided credit transfer services in the RC.

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

In 2018, in the RC, 325.8 million transactions of sent credit transfers were executed in a total value of HRK 1,977,561m. At a monthly level, on average 27.2 million sent credit transfers were executed with the average value of HRK 164,796.8m per month. The average value of sent credit transfers stood at HRK 6,069. If compared with the total number and value of sent credit transfers in 2017, the total number of transactions in 2018 rose by 5% and the total value of transactions by 7%. Figure 5 shows the movement of the total number and value of sent credit transfers in the past two years.

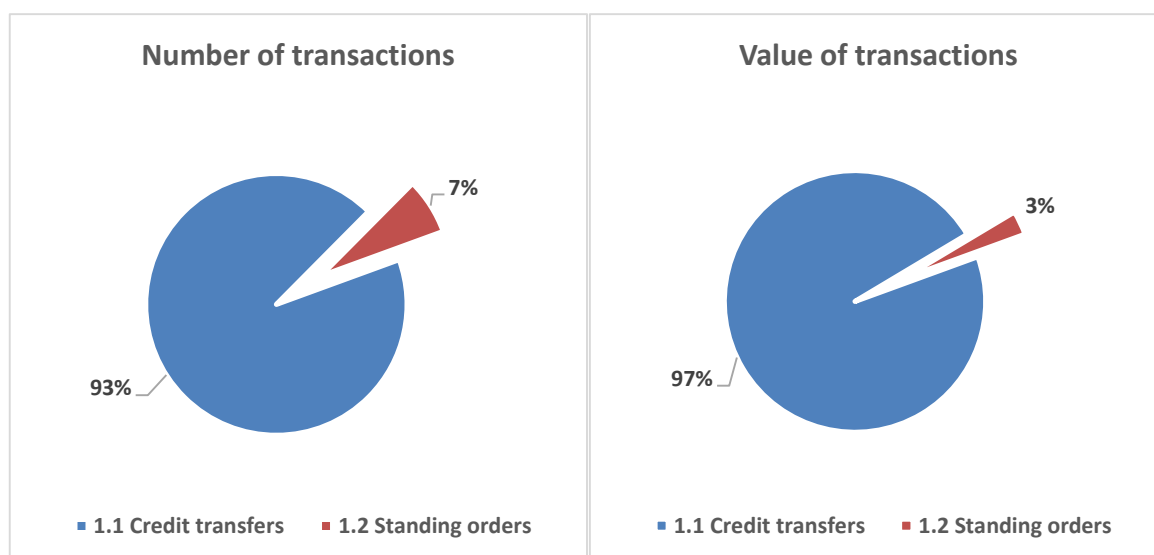
**Figure 5 Number and value of sent credit transfers**



Source: CNB.

With the intention to show standing orders, i.e. national cashless credit transfers executed at regular intervals or on dates set in advance (e.g. the payment of annuities or instalments of a credit, etc.) separately, the category of sent credit transfers in the Report is divided into two subcategories, i.e. credit transfers (Subcategory 1.1) and standing orders (Subcategory 1.2). The share of each of the subcategories in the total number and value of sent credit transfers in 2018 is shown in Figure 6.

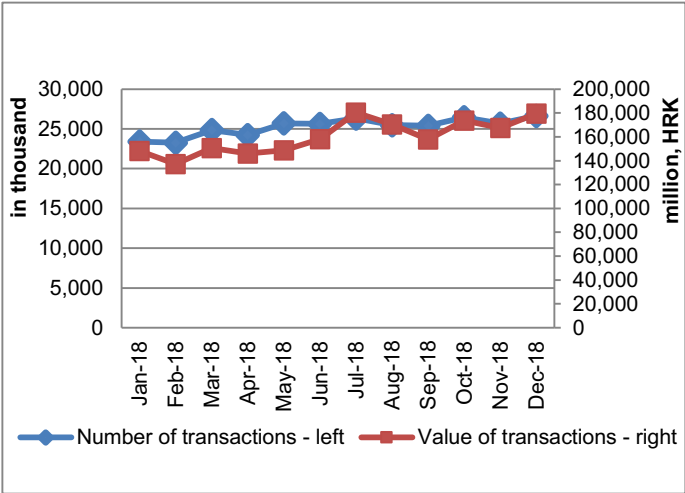
**Figure 6 Share of credit transfers and standing orders in the total number and value of sent credit transfers in 2018**



Source: CNB.

As shown in Figure 6, credit transfers (Subcategory 1.1) have a significant share relative to standing orders in the total number and value of sent credit transfers. More precisely, in 2018, their share accounted for 93% of the total number and 97% of the total value of sent credit transfer transactions. A total of 303 million transactions of national credit transfers, worth a total of HRK 1,918,046.9m, were executed in 2018. At a monthly level, 25 million national credit transfers were executed on average, with their average value of HRK 159,837.2m per month (Figure 7).

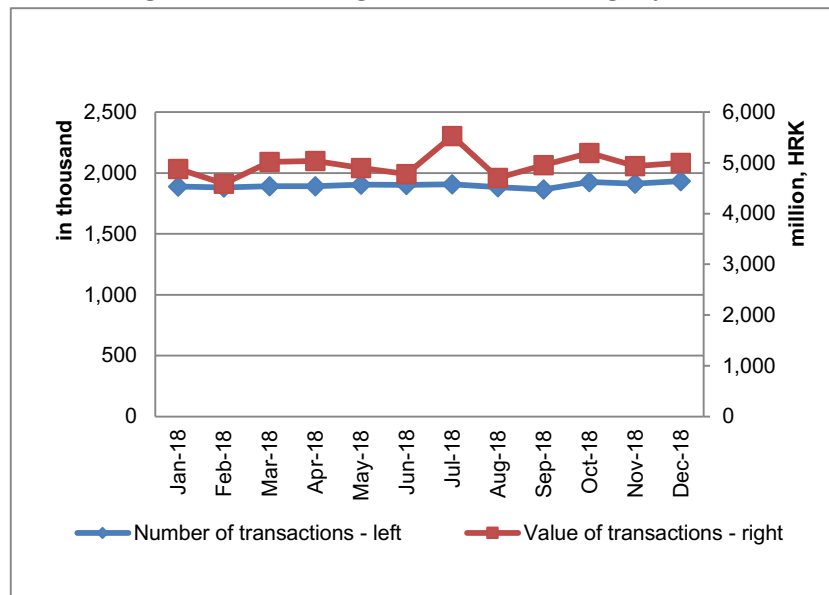
**Figure 7 Credit transfers (Subcategory 1.1)**



Source: CNB.

Of the total number of executed national credit transfer transactions, 48.5% were executed debiting the payment account of consumers, 47.5% debiting the payment account of business entities and 4% debiting the payment account of credit institutions in the RC. At the same time, of the total value of executed national credit transfer transactions, as many as 84% were executed debiting the payment account of business entities, 8% were executed debiting the payment account of consumers and 9% were executed debiting the payment account of credit institutions in the RC. The average value of executed credit transfers debiting the payment account of consumers, business entities and credit institutions stood at HRK 986, HRK 11,111, and HRK 14,363, respectively. In 2018, 22.8 million standing orders (Subcategory 1.2) totalling HRK 59,514.2m were executed by debiting the payment accounts of consumers and business entities. The above amounts account for 7% of the total number and 3% of the total value of sent credit transfers (Figure 6). At a monthly level, 1.9 million standing orders were executed on average, totalling on average HRK 4,959.5m per month (Figure 8).

**Figure 8 Standing orders (Subcategory 1.2)**



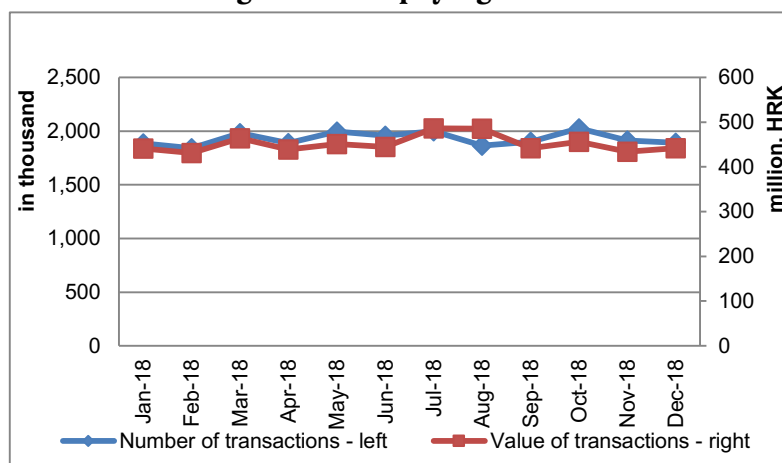
Source: CNB.

Of the total number of executed standing order transactions, 97% were executed by debiting the payment account of consumers and 3% by debiting the payment account of business entities. However, if the total value of executed standing order transactions is analysed, 23% were executed by debiting the payment account of consumers and 77% were executed by debiting the payment account of business entities. The average value of standing orders executed by debiting the payment account of consumers stood at HRK 629 while the average value of standing orders executed by debiting the payment account of business entities stood at HRK 64,054.

## **2 Bill-paying service**

The bill-paying service includes all payment transactions in which a credit institution, on the basis of a contract with the payee, collects funds from the payer, and makes the collected amount available to the payee within time cycles determined by a contract (e.g. electricity, water, gas and other bills). The credit institution receives payment orders on its own or through third parties (FINA, Hrvatska pošta, retail chains). In the RC, the bill-paying service is provided by 14 credit institutions. The total number of payment transactions executed by the bill-paying service in 2018 stood at 23.1 million with a total value of HRK 5,415.8m.

**Figure 9 Bill-paying service**



Source: CNB.

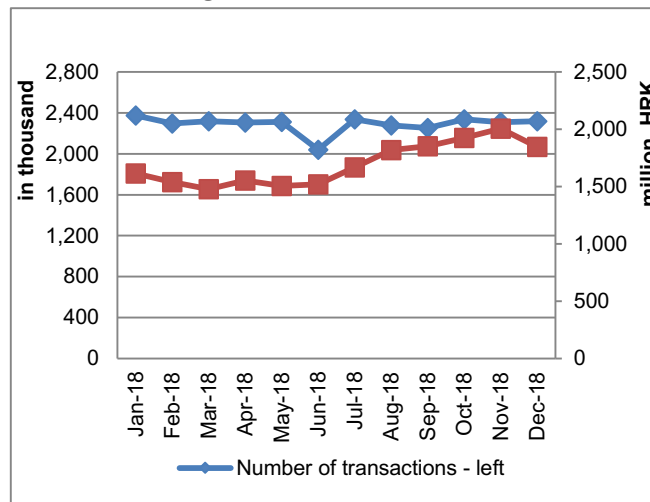
As shown in Figure 9, on average 1.9 million transactions were executed monthly using the bill-paying service with the average value standing at HRK 451.3m per month. The average value of transactions executed using the bill-paying service stood at HRK 234.

### **3 Direct debits**

Direct debit means a payment service for debiting a payer's payment account, where a payment transaction is initiated by a payee on the basis of the payer's consent given to the payer's own payment service provider, to the payee, or to the payee's payment service provider. Transactions in the Report include all direct debits on the basis of which the payment accounts of payers in the territory of the RC were debited in 2018 (e.g. the payment of liabilities for utility services, collection of expenses on the card with a delayed debit function, etc.).

In 2018, the direct debit service in the RC was provided by 23 credit institutions and a total of 27.5 million transactions of direct debits debiting the payment accounts of payers in the total value of HRK 20,329.4m were executed. Of the total number of direct debit transactions, as many as 99.4% were executed by debiting the payment accounts of consumers worth a total of HRK 19,504.7m (95.9% of the total value of transactions).

**Figure 10 Direct debits**



Source: CNB.

The movement of the total monthly number and value of direct debit transactions in 2018 is shown in Figure 10. The average monthly number of direct debits based on which payment accounts of payers in the territory of the RC were debited in 2018 stood at 2.3 million transactions with the average value of HRK 1,694.1m per month. The average value of direct debit transactions executed by debiting the payment account of consumers stood at HRK 714 while the average value of direct debit transactions executed by debiting the payment account of business entities stood at HRK 5,083.

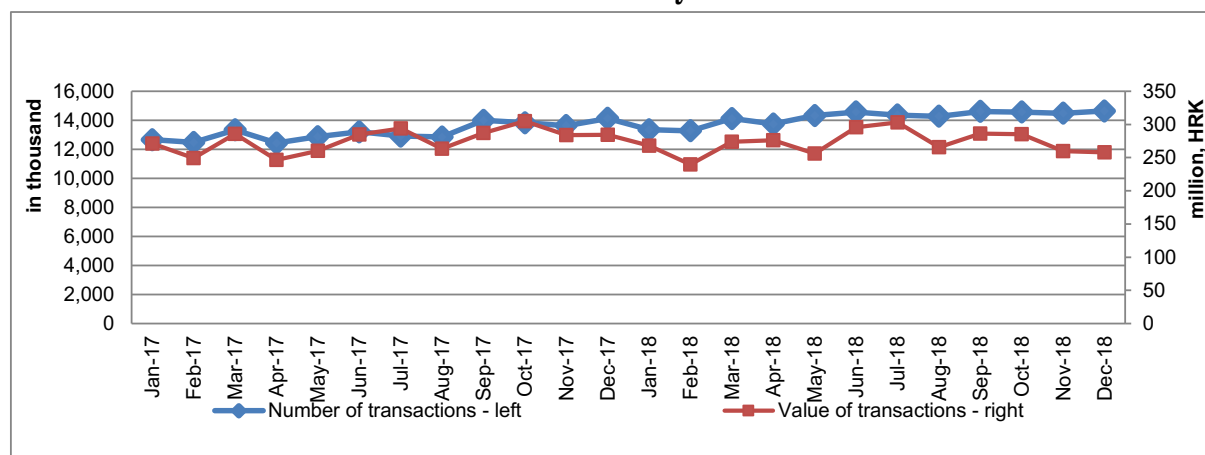
#### **4 Debits from the accounts by simple book entry**

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

In line with the above, 170.3 million transactions of debits from the accounts by simple book entry worth a total of HRK 3,267.6m on interests and fees were executed in the RC in 2018. The total number of transactions of debits from the accounts by simple book entry increased by 7.6% and their total value decreased by 1.4% from 2017. The

movement of the total monthly number and value of debits from the accounts by simple book entry transactions in the past two years is shown in Figure 11.

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



Source: CNB.

In 2018, at a monthly level, an average of 14.2 million transactions of debits from the accounts by simple book entry were executed with the average value of HRK 272.3m per month. The average value of transactions of debit from the accounts by simple book entry executed by the transfer from payment accounts of consumers stood at HRK 11 and that executed by the transfer from payment accounts of business entities stood at HRK 61.

## 5 Transactions using payment cards issued in the RC

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

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

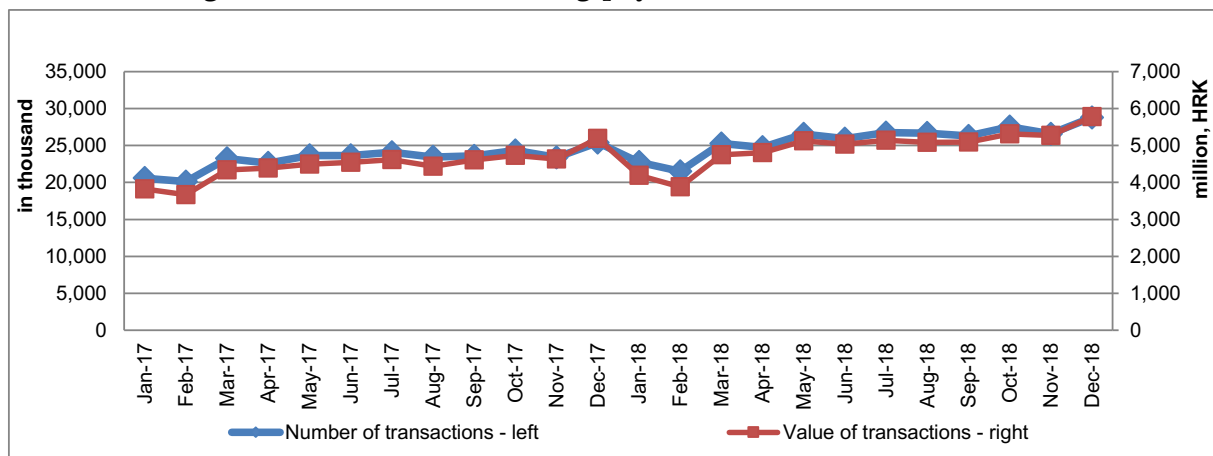
<sup>5</sup> Payment cards issued in the RC, which were used to execute national card transactions in 2018, were issued by 25 credit institutions and two electronic money institutions.

For the purposes of this Report, national card transactions<sup>6</sup> include exclusively the following:

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

A total of 309.3 million of such national card-based transactions using payment cards issued in the RC worth a total of HRK 59,470.5m were executed in 2018. If these data are compared with the data from 2017, the total number of national transactions using payment cards issued in the RC and their total value rose by 11%. The movement of the total number and value of national transactions using payment cards issued in the RC in the last three years is shown in Figure 12.

**Figure 12 Transactions using payment cards issued in the RC**



Source: CNB.

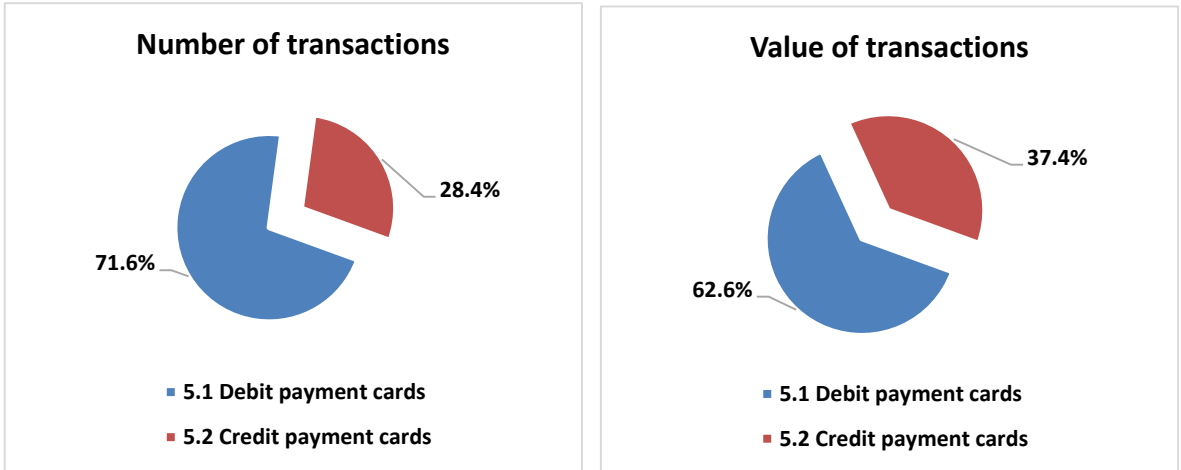
In the Report, national transactions using payment cards issued in the RC are divided into two subcategories: 5.1 Debit payment cards and 5.2 Credit payment cards. Debit payment cards include debit cards exclusively, while credit payment cards include credit, charge, revolving, delayed debit and membership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

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



As at 31 December 2018, of the total number<sup>7</sup> of payment cards issued in the RC, 6,704,952 (78%) were debit payment cards and 1,852,631 (22%) were credit payment cards. Debit cards were used to execute 221.4 million transactions (71.6%), worth a total of HRK 37,221.7m (62.6%). The rest of the total number of national transactions using payment cards issued in the RC was executed using credit cards (87.9 million transactions or 28.4%, worth a total of HRK 22,248.8m or 37.4%). The shares of debit and credit payment cards in the total number and value of transactions executed using payment cards issued in the RC are shown in Figure 13.

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



Source: CNB.

The average value of national transactions executed using a debit card issued in the RC in 2018 stood at HRK 168, and of national transactions executed using a credit card issued in the RC stood at HRK 253.

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<sup>7</sup> As at 31 December 2018, in all 8,557,583 issued payment cards were recorded in the RC. Of the total number of issued payment cards, 95% were issued to consumers and 5% to business entities.

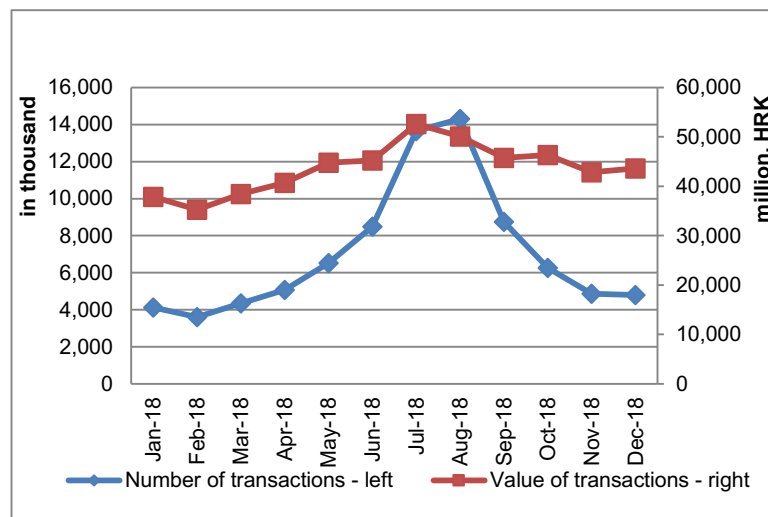
## B) INTERNATIONAL CASHLESS PAYMENT TRANSACTIONS

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

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

A total of 84.8 million international cashless payment transactions worth a total of HRK 523,511.7m were executed in the RC in 2018. If compared with 2017, the total number of these transactions rose by 20.4% and their total value by 7.3%. The average value of international cashless payment transactions in 2018 stood at HRK 6,174. The movement of the total monthly number and value of international cashless payment transactions in 2018 is shown in Figure 14.

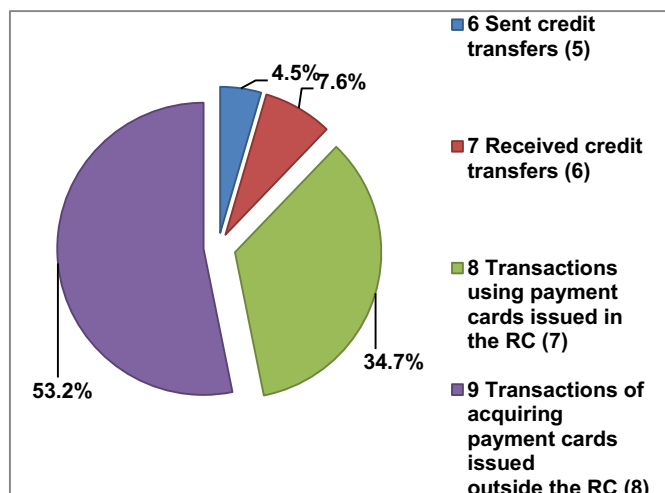
**Figure 14 Number and value of international cashless payment transactions**



Source: CNB.

In 2018, on average 7.1 million international cashless payment transactions were executed monthly, worth on average HRK 43,626m per month. The exponential growth in the number of international cashless payment transactions in the period from May to September 2018 is explained in the part related to the transactions of acquiring payment cards issued outside the RC.

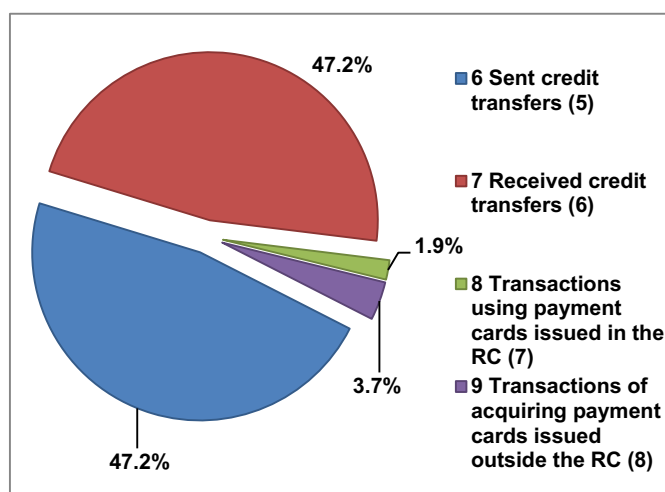
**Figure 15 Structure of international cashless payment transactions by the number of executed payment transactions**



Source: CNB.

The transactions of acquiring payment cards issued outside the RC and international transactions using payment cards issued in the RC accounted for the largest shares of the total number of international cashless payment transactions in 2018, with a 53.2% and 34.7% share respectively (Figure 16). They were followed by international credit transfer transactions crediting payment accounts in the RC with a share of 7.6%, while sent credit transfers ranked the last with a 4.5% share.

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



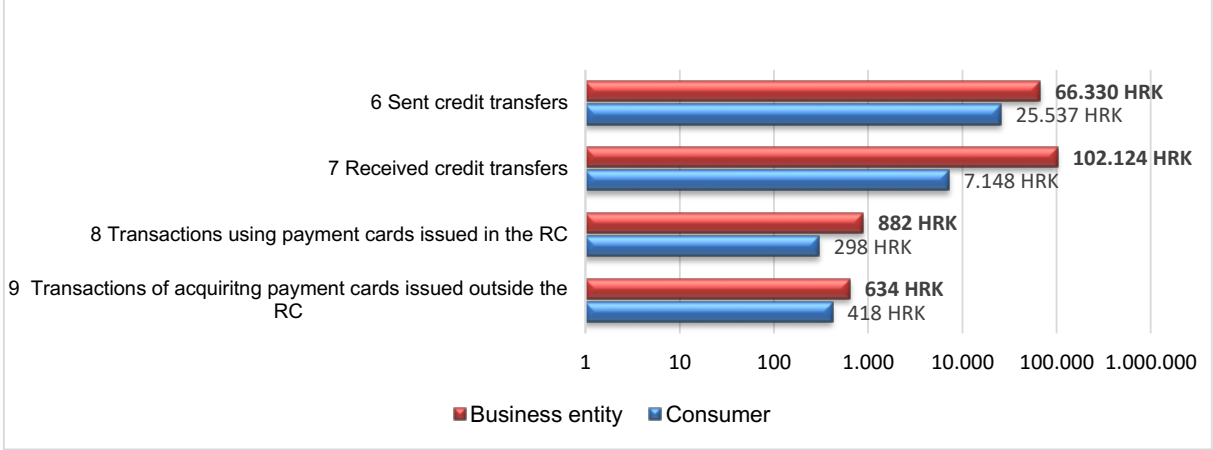
Source: CNB.

As shown by the structure of the value of international cashless payment transactions (Figure 16), the share of international credit transfers accounts for 95% of the total value of transactions. Of the total value of international cashless payment transactions, 47.2%

refers both to international credit transfers executed by debiting payment accounts in the RC and to international credit transfers executed by crediting payment accounts in the RC. The transactions of acquiring payment cards issued outside the RC and international transactions using payment cards issued in the RC account for 3.7% and 1.9%, respectively, of the total value of international cashless payment transactions.

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

**Figure 17 Average value of international cashless payment transactions**



Source: CNB.

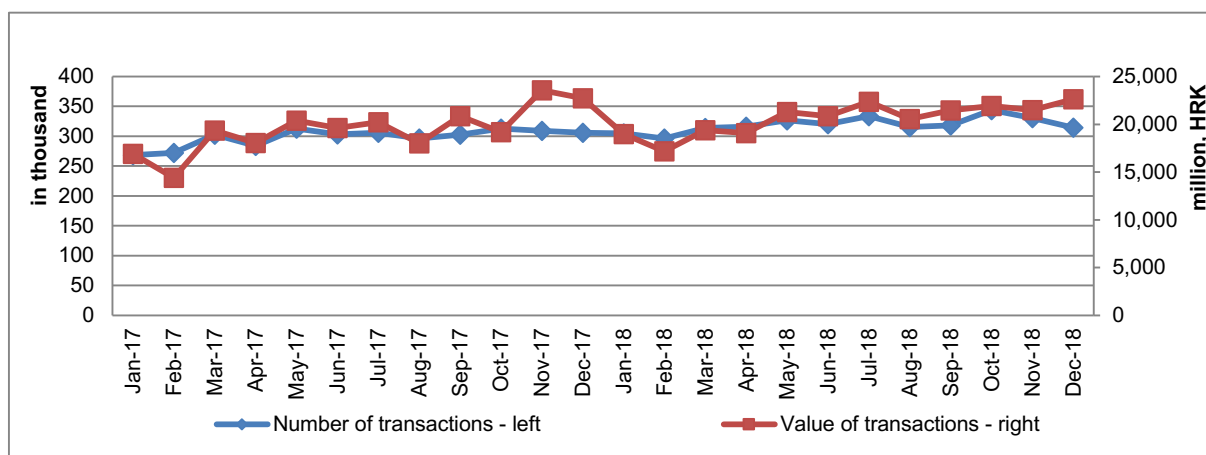
The analysis of each of the categories of international cashless payment transactions is given below.

**6 Sent credit transfers**

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

A total of 3.8 million transactions of sent international credit transfers worth a total of HRK 247,167.1m were executed in 2018. The above data show that the total number of sent international credit transfers rose by 7% and their total value by 6% from 2017. At a monthly level, on average 319 thousand sent international credit transfers worth on average HRK 20,597.3m a month were executed in 2018. The movement of the total number and value of sent international credit transfers in 2017 and 2018 is shown in Figure 18.

**Figure 18 Sent international credit transfers**



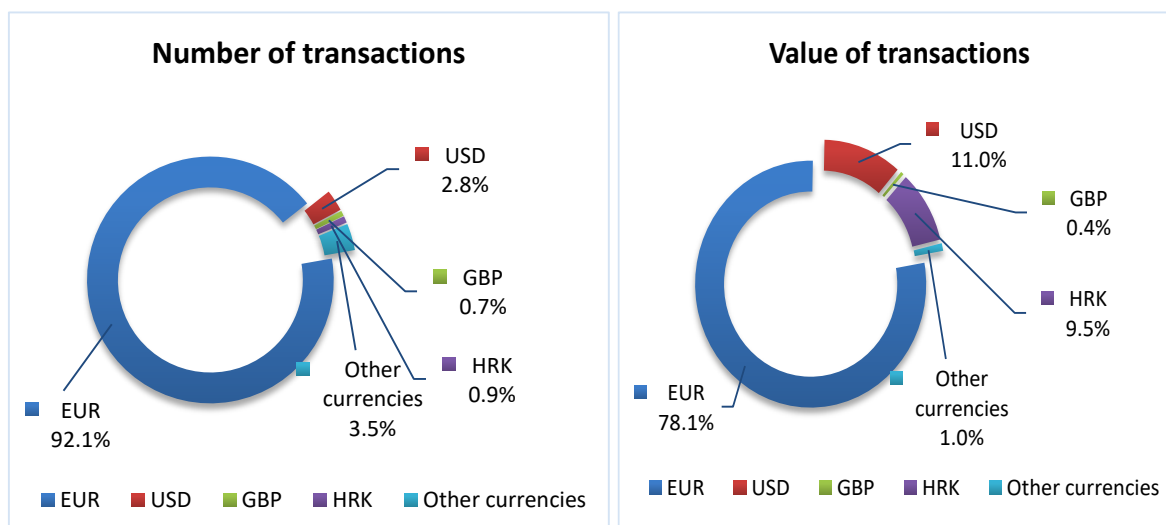
Source: CNB.

Of the total number of sent international credit transfers in 2018, 92.3%, worth a total of HRK 234,801m, were executed by debiting the payment accounts of business entities in the RC. Of the total number of sent international credit transfers, worth a total of HRK 7,324.3, 7.5% were executed by debiting the payment accounts of consumers in the RC. The remaining 0.2% of the share referred to the share in the number of sent international credit transfers executed by debiting the payment accounts of credit institutions in the RC, worth a total of HRK 5,042m.

The average value of international credit transfers debiting the payment account of a business entity in the RC stood at HRK 66,330, that debiting the payment account of a consumer in the RC stood at HRK 25,537, and that debiting the payment account of a credit institution in the RC stood at HRK 764,858.

It can be concluded from the analysis of the structure of sent international credit transfers by currency that in 2018 the largest number (92.1%) and the largest value (78.1%) of sent international credit transfers were executed in euro. The shares of the most significant currencies in the structure of sent international credit transfers by currency is shown in Figure 19.

**Figure 19 Structure of sent international credit transfers by currency**



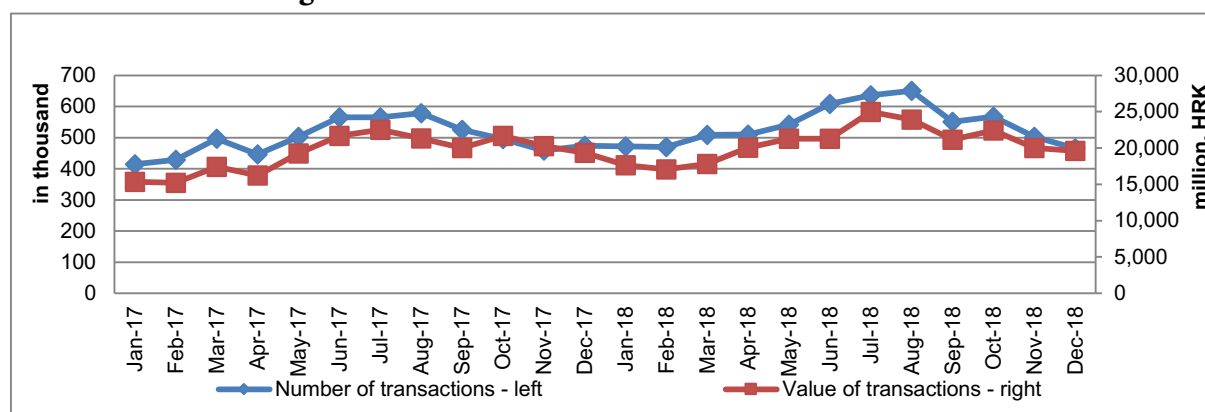
Source: CNB.

## 7 Received credit transfers

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

According to data submitted by credit institutions, a total of 6.5 million transactions of received international credit transfers worth a total of HRK 247,250.4m were executed in 2018. If the same data are compared with 2017, the total number of received international credit transfers increased by 8.9% and the total value of transactions by 7.4%. At a monthly level, on average 540 thousand received international credit transfers worth on average HRK 20,604.2m a month were executed in 2018 (Figure 20).

**Figure 20 Received international credit transfers**



Source: CNB.

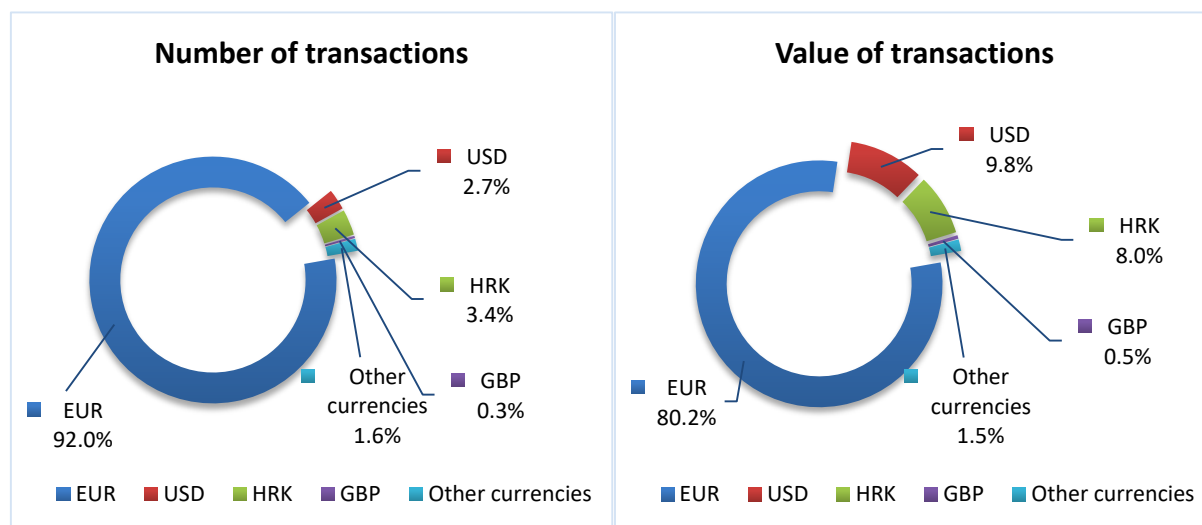
Of the total number of received international credit transfers in 2018, 69.1%, worth a total of HRK 32,004.1m were executed by crediting the payment accounts of consumers in the RC. Of the total number of received international credit transfers, 30.4%, worth a total of HRK 201,577.8m were executed by crediting the payment accounts of business entities in the RC. The remaining 0.5% worth a total of HRK 13,668.6m referred to the share in the number of received international credit transfers executed by crediting the payment accounts of credit institutions in the RC.

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

In 2018, the average value of international credit transfers executed by crediting the payment account of a business entity in the RC stood at HRK 102,124, that executed by crediting the payment account of consumers in the RC stood at HRK 7,148, and that by crediting the payment account of credit institutions in the RC stood at HRK 415,104.

It was established from the structure of received international credit transfers in 2018 by currency that the largest share of transactions (92% in the number and 80.2% in the value) referred to transactions in euro. They were followed by the transactions of received international credit transfers in US dollars with a share of 2.7% in the total number and 9.8% in the total value of received international credit transfers by currency. The shares of the most significant currencies in the structure of received international credit transfers by currency is shown in Figure 21.

**Figure 21 Structure of received international credit transfers by currency**



Source: CNB.

## 8 Transactions using payment cards issued in the RC

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

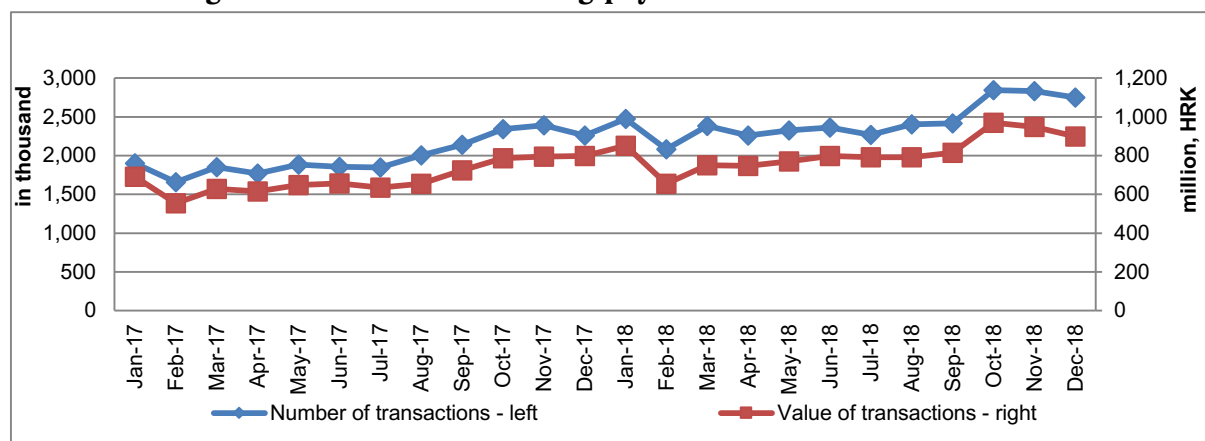
- payment transactions of the purchase of goods and services using a payment card, and
- payment transactions of cash withdrawal using a payment card.

According to the submitted data, a total of 29.4 million international transactions using payment cards issued in the RC worth a total of HRK 9,786.6m were executed in 2018. The transactions were executed in 137 different currencies and 216 different countries. The total number of executed international transactions using payment cards issued in the RC increased by 23% and their total value by 20% from 2017.

On a monthly level, in 2018, 2.4 million international transactions using payment cards issued in the RC were executed on average, worth on average HRK 815.6m monthly. The movement of the total monthly number and value of international transactions using payment cards issued in the RC in 2017 and 2018 is shown in Figure 22.



**Figure 22 Transactions using payment cards issued in the RC**



Source: CNB.

In 2018, of the total number and value of international transactions using payment cards issued in the RC, 94% of the number and 84% of the value of international payment card transactions were executed using consumer cards, while 6% of the number and 16% of the value of international payment card transactions were executed using the cards of business entities.

The average value of international transactions using a payment card issued to a consumer in the RC stood at HRK 298 and that of international transactions using a payment card issued to a business entity in the RC stood at HRK 882.

## 9 Transactions of acquiring payment cards issued outside the RC

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

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

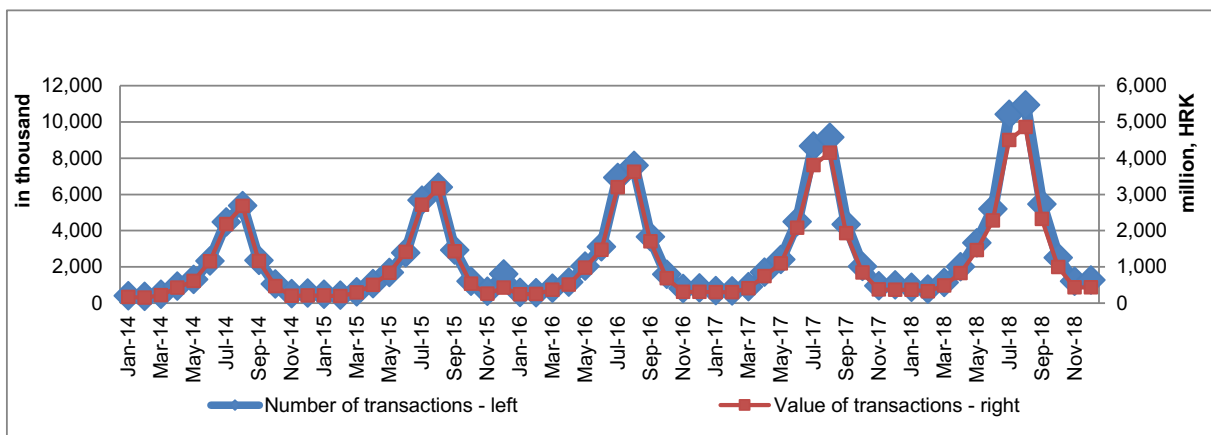
3. payment institutions that have obtained the authorisation from the CNB to provide payment services of acquiring payment transactions executed by payment instruments.

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

A total of 45 million transactions of acquiring payment cards of foreign issuers, worth a total of HRK 19,307.4m were executed in 2018. If compared with the total number and value of the acquiring transactions of payment cards of foreign issuers in 2017, the total number of transactions rose by 22% and their total value by 18%.

The movement of the total monthly number and value of transactions of acquiring payment cards issued outside the RC in the last five years is best shown in Figure 23 according to which the total number and the total value of transactions rose on average by 22% and 19%, respectively.

**Figure 23 Transactions of acquiring payment cards issued outside the RC**



Source: CNB.

The data shown in Figure 23 also suggest an upward trend in the total number and value of monthly transactions of acquiring payment cards of foreign issuers for the purchase of goods and services in the period from May to September. After September and the summer tourist season, the number and value of monthly transactions usually fell to the beginning of the year level. In 2018, the average value of transactions of acquiring payment cards issued by foreign issuers for the purchase of goods and services stood at HRK 428.