



NATIONAL BANK OF SERBIA

**PAYMENT SYSTEM DEPARTMENT
DIVISION FOR OPERATIONAL ACTIVITIES AND MANAGEMENT OF PAYMENT SYSTEM
RISKS**

**OVERVIEW OF DATA ON THE PROVISION OF
PAYMENT SERVICES AND E-MONEY ISSUING**

Q2 2021

August 2021

Q2 2021 saw continued upward trend in the number of e- and m-banking users. Y-o-y, the total number of m- and e-banking users (both natural and legal persons and entrepreneurs) increased by 33.04% and 12.80%, respectively.

According to the data submitted by payment service providers, the number of users – natural persons who contracted the m- and e-banking service in Q2 2021 went up. As for m-banking, the number of users increased by 33.12% (from 1,880,854 natural persons at end-Q2 2020 to 2,503,819 at end-Q2 2021), while for e-banking this increase measured 13.26% (from 2,651,509 natural persons at end-Q2 2020 to 3,003,002 at end-Q2 2021).

A similar upward trend was recorded for new users of e- and m-banking among legal persons and entrepreneurs. M-banking posted a rise of 29.14% (from 40,493 legal persons and entrepreneurs at end-Q2 2020 to 52,292 at end-Q2 2021), and e-banking of 8.48% (from 281,718 legal persons and entrepreneurs at end-Q2 2020 to 305,614 at end-Q2 2021).

Chart I.1.1 Number of users - natural persons

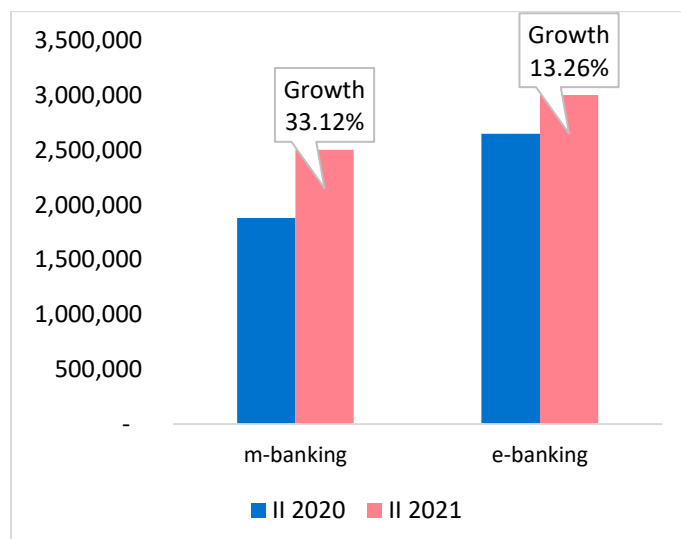
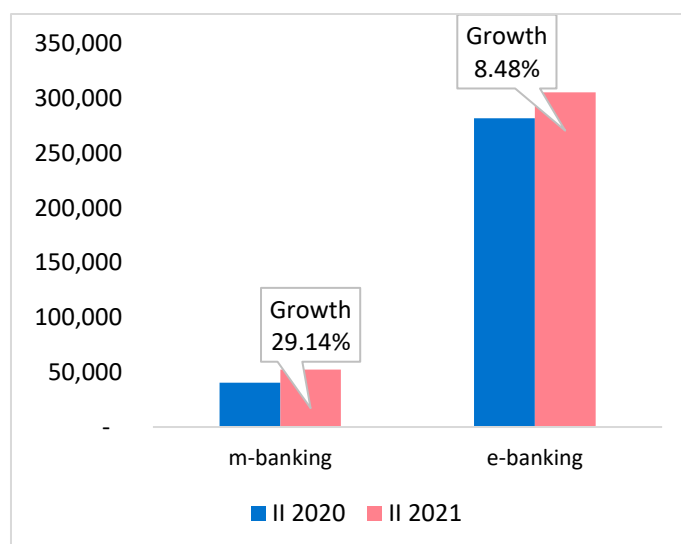


Chart I.1.2 Number of users - legal persons and entrepreneurs



Q2 2021 saw a further rise in m- and e-banking transactions. The total y-o-y increase in executed transactions (of natural and legal persons and entrepreneurs) via m-banking was 39.13% and via e-banking – 22.83%.

Looking at natural persons, the number of m-banking transactions executed in Q2 2021 rose by 32.37% relative to Q2 2020 (10,855,100 vs. 8,200,356), while e-banking transactions posted a 1.57% fall in the same period (6,092,555 vs. 6,189,897 transfers).

Chart I.1.3 Number of transactions by natural persons

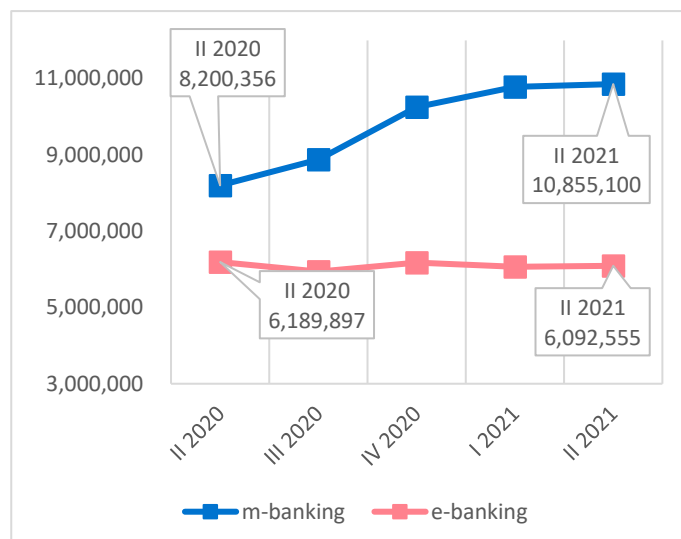
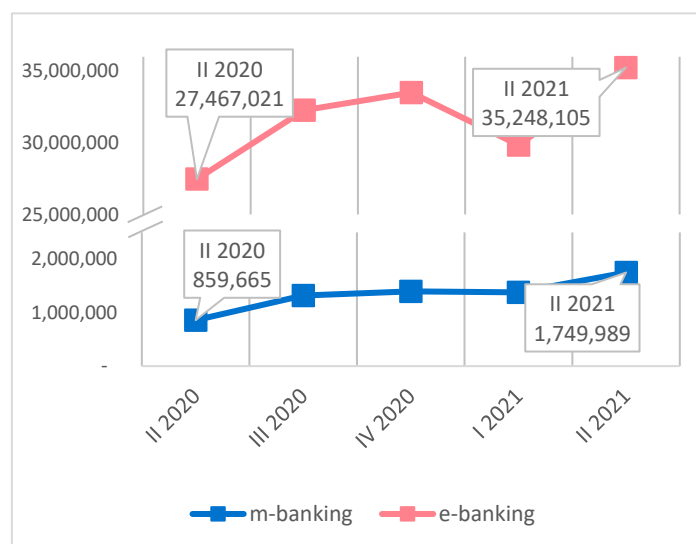


Chart I.1.4 Number of transactions by legal persons and entrepreneurs



Looking at legal persons and entrepreneurs, in the period from Q2 2020 until Q2 2021, m-banking transactions went up by 103.57% (from 859,665 to 1,749,989 transactions), and e-banking transactions by 28.33% (from 27,467,021 to 35,248,105 transactions).

The number of card-based and e-money payment transactions used for online purchases of goods and services continued to post high growth. Thus, Q2 2021 saw 7,614,078 transactions of online purchases of goods and services by payment cards and e-money, in all currencies, or 55.39% more than a year ago. At the same time, the number of dinar payments for purchases through domestic websites rose by more than 70% relative to Q2 2020, confirming the quarterly growth trend of dinar transactions. Table I.1.1 shows the three most important currencies in terms of the number and value of online purchases of goods and services by payment cards and e-money.

Chart I.1.5 Online purchases of goods and services by payment cards and e-money (number of transactions)

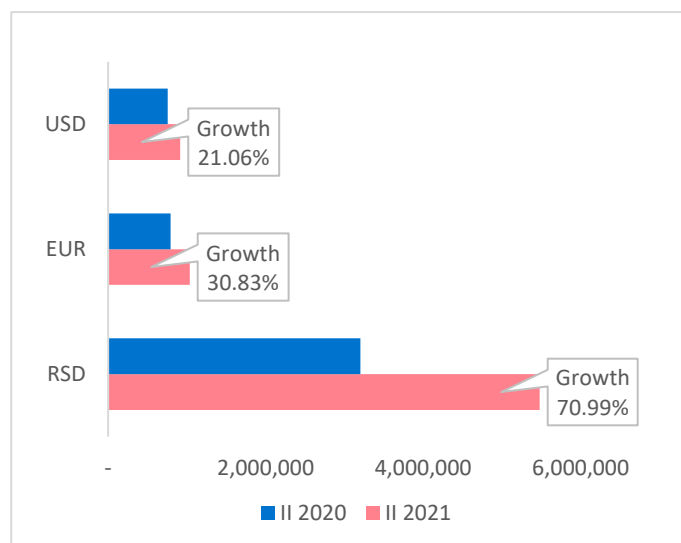


Table I.1.1 Number and value of card-based and e-money transactions of online purchases of goods and services

Number and value	II 2020	II 2021	Change in %
RSD:			
number	3,205,385	5,480,973	70.99%
value	7,300,490,184	13,164,322,020	80.32%
EUR:			
number	791,847	1,035,947	30.83%
value	24,607,256	51,055,831	107.48%
USD:			
number	756,664	916,002	21.06%
value	12,620,783	28,379,201	124.86%

In Q2 2021 the acceptance network included a total of 109,787 POS terminals, up by 14,617 new terminals or 15.36% y-o-y. The number of ATMs increased by 5.69%, and the number of virtual points-of-sale by 77.37%.

In Q2 2021 a total of 89,710,736 card-based transactions were executed in merchant facilities throughout Serbia, up by 28.36% from Q2 2020. This data refers to the cards issued by banks operating in the domestic market, while in the same period the number of payments using cards issued by banks other than those operating in the Republic of Serbia increased by 112.21%, indicating the recovery in the consumption of foreign tourists, which was reduced in Q2 2020 due to movement restrictions amid the global Covid-19 pandemic.

At end-Q2 2021, the number of payment cards issued amounted to 9,920,270, which is an increase of 8.80% y-o-y.

As for the number of distance contracts on financial services concluded electronically, according to the data submitted by payment service providers, in Q2 2021 a total of 23,303 distance contracts were concluded, 3,689 of which using customer video identification.

Table I.1.2 **Number of terminals and virtual points-of-sale accepting payment instruments**

Card payments		II 2020	II 2021	Change %
Acceptance network:	POS terminals	95,170	109,787	15.36%
	virtual points-of-sale	1,405	2,492	77.37%
	ATMs	2,954	3,122	5.69%
Transactions at merchant POS terminals using cards issued by payment service providers from Serbia		69,887,676	89,710,736	28.36%
Transactions at merchant POS terminals using cards other than those issued by payment service providers from Serbia		2,355,639	4,998,789	112.21%
Issued payment cards		9,118,000	9,920,270	8.80%

In Q2 2021 the daily record of the number of payments executed in the NBS IPS system was again broken. The maximum was recorded on 15 April when 205,525 payments were executed*.

The increasing use of instant payments is confirmed by the rise in the number and value of executed transactions – 75.56% (from 6,102,737 to 10,714,207 transactions) and 84.20% (from RSD 49.7 bn to RSD 91.5 bn), respectively in Q2 2021 relative to Q2 2020.

In Q2, the public enterprise “Pošta Srbije”, together with Banka Poštanska štedionica a.d. Beograd, enabled instant payment of fees, taxes and other expenses to the accounts of public administration bodies at 4,000 counters across the country. This service aims to fully digitise the services in our country, reduce the use of paper payment orders in daily payments to public administration, as well as to remove the obligation to issue paper payment orders as a proof of paid service.

In order to bring instant payments closer to the citizens and present all the advantages of their use, on 27 July 2021, the NBS launched a new website - IPS (Instant Payments Serbia), at <https://ips.nbs.rs/en>. The new website is a guide to all the details of instant payments, including information on their basic features and related services provided by participants, an overview of participants in the NBS IPS system and an overview of merchants' PoS and EPoS where it is possible to pay in this way. Special units are dedicated to useful guidelines for merchants who want to implement this service, statistics since the start of the NBS IPS system on 22 October 2018, and current events related to the development of the instant payment service.

Table I.1.3 Daily record of the number of payments executed in the NBS IPS system

No	Date	Number of payments
1.	15.04.2021.	205,525

Chart I.1.6 Number and value of transactions executed in the NBS IPS system

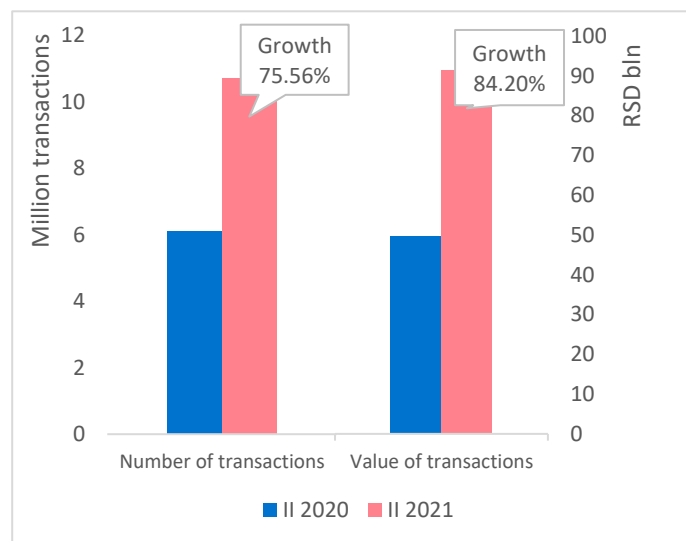


Table I.1.4 NBS IPS system performance indicators

NBS IPS system	II 2020	II 2021
Number of transactions	6,102,737	10,714,207
Value of transactions	49,688,556,077.28	91,524,332,382.63
Average transaction value	8,142.01	8,542.33
Average daily number of transactions	67,063	117,739
Average daily value of transactions	546,028,088.76	1,005,761,894.31

*This record was broken already in mid-Q3 (16 August) by around two thousand of executed payments, which can be found in press releases on the NBS website, on the following link: <https://www.nbs.rs/en/scripts/showcontent/index.html?id=17262>