



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

Q2 2022

August 2022

Q2 2022 saw a continued upward trend in the number of users of e- and m-banking. Y-o-y, the total number of m- and e-banking users (both natural and legal persons and entrepreneurs) increased by 26.17% and 9.55%, 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 2022 went up. As for m-banking, the number of users increased by 23.76% (from 2,503,819 natural persons at end-Q2 2021 to 3,098,655 at end-Q2 2022), while for e-banking this increase measured 9.67% (from 3,003,002 natural persons at end-Q2 2021 to 3,293,531 at end-Q2 2022).

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 141.60% (from 52,292 legal persons and entrepreneurs at end-Q2 2021 to 126,338 at end-Q2 2022), and e-banking of 8.30% (from 305,614 legal persons and entrepreneurs at end-Q2 2021 to 330,994 at end-Q2 2022).

Chart I.1.1 Number of users - natural persons

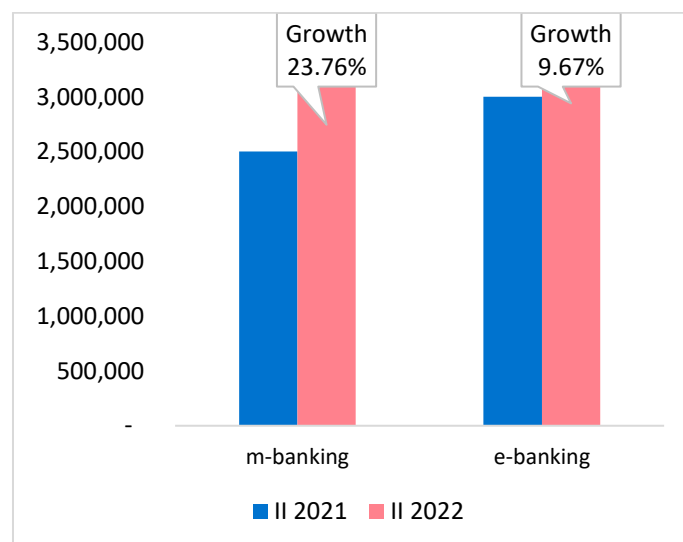
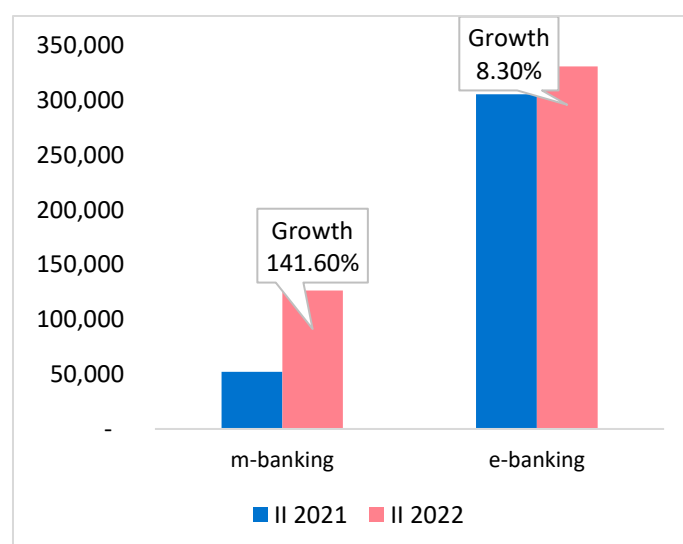


Chart I.1.2 Number of users - legal persons and entrepreneurs



Q2 2022 saw a further rise in m-banking transactions. The total y-o-y increase in executed transactions (of natural and legal persons and entrepreneurs) via m-banking was 29.38%, while e-banking transactions recorded a 2.94% fall.

Looking at natural persons, the number of m-banking transactions executed in Q2 2022 rose by 28.84% relative to Q2 2021 (13,985,344 vs. 10,855,100), while e-banking transactions posted a 5.99% rise in the same period (6,457,326 vs. 6,092,555).

Chart I.1.3 Number of transactions by natural persons

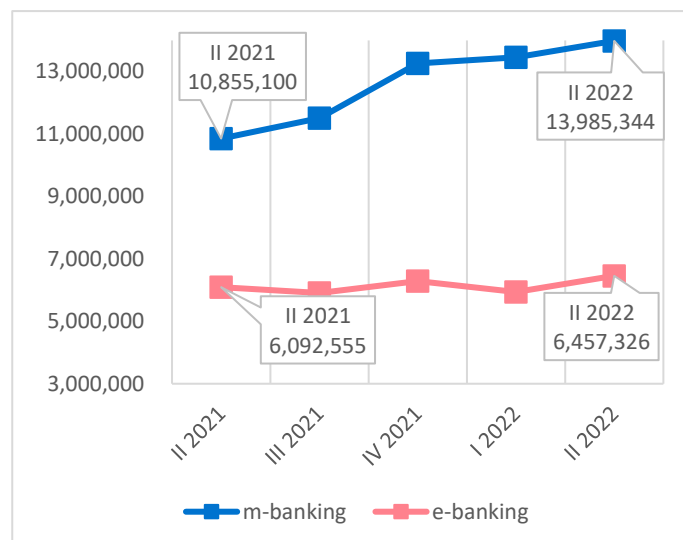
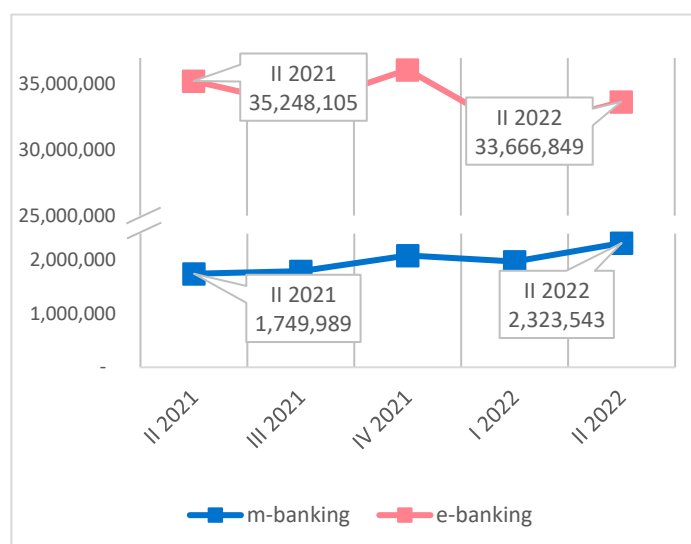


Chart I.1.4 Number of transactions by legal persons and entrepreneurs



Looking at legal persons and entrepreneurs, in the period from Q2 2021 until Q2 2022, m-banking transactions went up by 32.77% (2,323,543 vs. 1,749,989 transactions), and e-banking transactions fell by 4.49% (33,666,849 vs. 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 stable growth in y-o-y terms. Thus, Q2 2022 saw 9,819,456 transactions of online purchases of goods and services by payment cards and e-money, in all currencies, or 28.96% more than a year ago. At the same time, the number of dinar payments for purchases through domestic websites rose by 26.13% relative to Q2 2021, as confirmed by the y-o-y trend in the number 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 purchase of goods and services - card and e-money transactions (number of transactions)

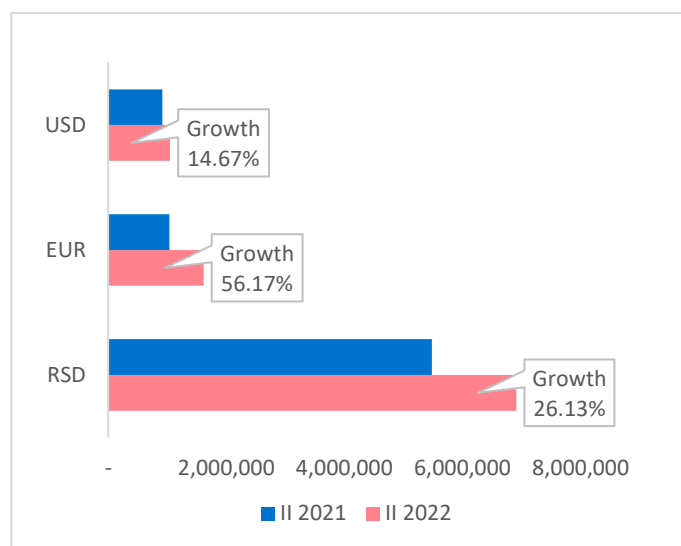


Table I.1.1. Number and value of card and e-money transactions - online purchase of goods and services

Number and value	2021 II	2022 II	Change (%)
RSD:			
number	5,480,973	6,913,138	26.13%
value	13,164,322,020	18,438,783,469	40.07%
EUR:			
number	1,035,947	1,617,868	56.17%
value	51,055,831	95,084,985	86.24%
USD:			
number	916,002	1,050,349	14.67%
value	28,379,201	33,773,454	19.01%

Acquiring network expanded in Q2 2022 and included a total of 117,315 POS terminals, up by 6.86% or 7,528 terminals more y-o-y. The number of virtual points-of-sale increased by 18.62%, and of ATMs by 0.70%.

In Q2 2022 a total of 108,777,425 card-based transactions were executed in merchant facilities throughout Serbia, up by 21.25% from Q2 2021. This piece of 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 45.36%, indicating a continuation of the upward trend in foreign tourist consumption.

At end-Q2 2022, the number of payment cards issued amounted to 10,321,483, which is an increase of 4.04% 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 2022 a total of 40,294 distance contracts were concluded, of which 4,221 using customer video identification.

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

Card payments		II 2021	II 2022	Change (%)
Acceptance network:	POS terminals	109,787	117,315	6.86%
	virtual points-of-sale	2,492	2,956	18.62%
	ATMs	3,122	3,144	0.70%
Transactions at merchant POS terminals using cards issued by payment service providers from Serbia		89,710,736	108,777,425	21.25%
Transactions at merchant POS terminals using cards other than those issued by payment service providers from Serbia		4,998,789	7,266,228	45.36%
Issued payment cards		9,920,270	10,321,483	4.04%

The increasingly frequent use of instant payments is confirmed by the higher number and value of executed transactions in Q2 2022 – up by 23.19% (from 10,714,207 to 13,198,485 transactions) and 38.48% y-o-y (from RSD 91.5 bn to RSD 126.7 bn).

In addition to the extensively used service of scanning the displayed NBS IPS QR code on the bill/invoice, without manual data entry in the payment order, a further increase in instant payments is supported also by the Transfer service that allows citizens to transfer money easily and instantly by simply entering or downloading from the address book the mobile phone number of the payee registered for this service, without entering or remembering his account number. Banks allow users to register their mobile phone number for the Transfer service and use this service for money transfer via existing m-banking applications¹.

Moreover, the NBS, in cooperation with banks participating in the NBS IPS system, continued to introduce innovative solutions for executing instant payments. It has upgraded the existing method of making online payments. Since early February, in addition to scanning the merchant's IPS QR code, users can also pay online by making a click in their mobile internet browser using deep link technology. This is currently the simplest form of payment in the market. All users need to do is to choose on the merchant's website which they access with their mobile phone, the already well-known option IPS scan and then choose the bank with whose application they wish to make a payment. Then they should click the Pay button. The data from the merchant needed for payment are taken over, and the m-banking application opens. The user then carries out authentication in the usual way and the transaction is executed in a few seconds².

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

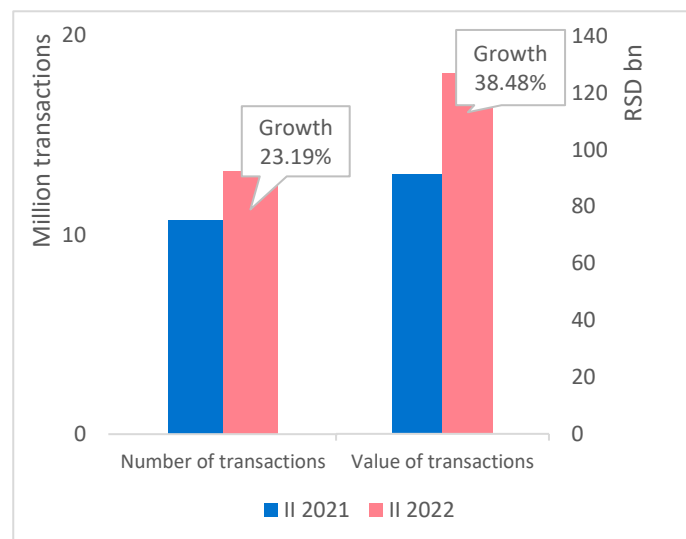


Table I.1.3 NBS IPS system performance indicators

NBS IPS system	H2 2021	H2 2022
Number of transactions	10,714,207	13,198,485
Value of transactions	91,524,332,382.63	126,743,376,685.80
Average transaction value	8,542.33	9,602.87
Average daily number of transactions	117,739	145,038
Average daily value of transactions	1,005,761,894.31	1,392,784,359.18

¹ At the time of publishing this press release, six banks provide Transfer service. Banks that provide this service can be found at <https://ips.nbs.rs/pregled-usluga>.

² In the last quarter, nine banks enabled the use of deep link technology.