



CENTRAL BANK OF CYPRUS
EUROSYSTEM

STATISTICAL RELEASE

Payment Statistics: second half of 2023

Executive Summary

The main remarks of the Statistical release for the second half of 2023 in Cyprus are summarized below:

- Card payments in Cyprus are used more frequently (73%) compared to the euro area (56%) and stand out as the most popular method of non-cash payment transactions in Cyprus. In value terms, credit transfers is the most popular method of non-cash payment transactions, representing 83% of the total value of non-cash payments for Cyprus, while cheques is ranked second with 8% confirming once again its important presence in the national market.
- Cypriots used credit transfers (average value: €4,659) and cheques (average value: €3,351) for higher-value payments, whereas card payments (average value: €63) were mostly used for lower-value payments.
- In Cyprus, there was a relative preference for high-value card payments initiated remotely (i.e. online) rather than at physical POSs (i.e. at the store). It is noteworthy that the average value per card transaction initiated online for CY cards (€122) was one of the highest in the euro area.
- Card payments are mostly used for payments taken for financial institutions, accounting for 10% of the total card payments, while card payments in groceries/ supermarkets are ranked second in order of preference representing 9% of the total of goods/ services acquired by CY cards. It is noteworthy, that betting was ranked 8th in terms of values per type of goods/services.
- Cyprus strongly supports the contactless technology, since more than 74% of the total CY ATMs accepted contactless transactions, as opposed to 29% in the euro area.

INTRODUCTION

The current release of the Statistics Department of the Central Bank of Cyprus (CBC) gives an overview of the main developments in the volume (number) and values of non-cash payments in Cyprus. Information¹ is collected from all Cyprus resident payment service providers (PSPs) i.e. Credit Institutions, E-Money Institutions and Payment Institutions. Non-cash payments are broken down by payment service in the following categories: (a) credit transfers, (b) direct debits, (c) card payments, (d) e-money payments, (e) cheques, and

(f) money remittances (refer to [Appendix](#) for further information) and analysed by geographical area of the counterpart PSP², whereas card payments are further broken down by the initiation method and the type of goods/services acquired. The release also provides useful information on the usage of payment cards and terminals by the public.

1. ANALYSIS OF NON-CASH PAYMENTS

In the second half of 2023, the total volume of non-cash payments increased by 15% to 152 million

¹ The published data are collected in accordance with [Regulation ECB/2020/59 amending Regulation](#)

[ECB/2013/43 on payments statistics](#), which came into effect on 1 January 2022.

² The location of the payee's PSP.

transactions compared with the second half of 2022, while the total value rose by 12% to €129 billion for the same period. The total non-cash payment transactions in Cyprus increased at a higher pace than in the euro area as a whole, in both volume and value terms. Indicatively, the total number of non-cash payments in the euro area in the second half of 2023 increased by 7% to 71 billion compared with the second half of 2022, while total value declined by 7% to €111 trillion.

1.1. Volume of non-cash payments by payment service

According to **Chart 1**, card payments are used almost 5 times more often than credit transfers which are placed second in terms of volume of transactions. For the second half of 2023, the relevant shares were 73% for card payments and 15% for credit transfers.

Accordingly, in the euro area, card payments accounted for 56% of the total number of non-cash payments in the second half of 2023 and credit transfers accounted for 21%.

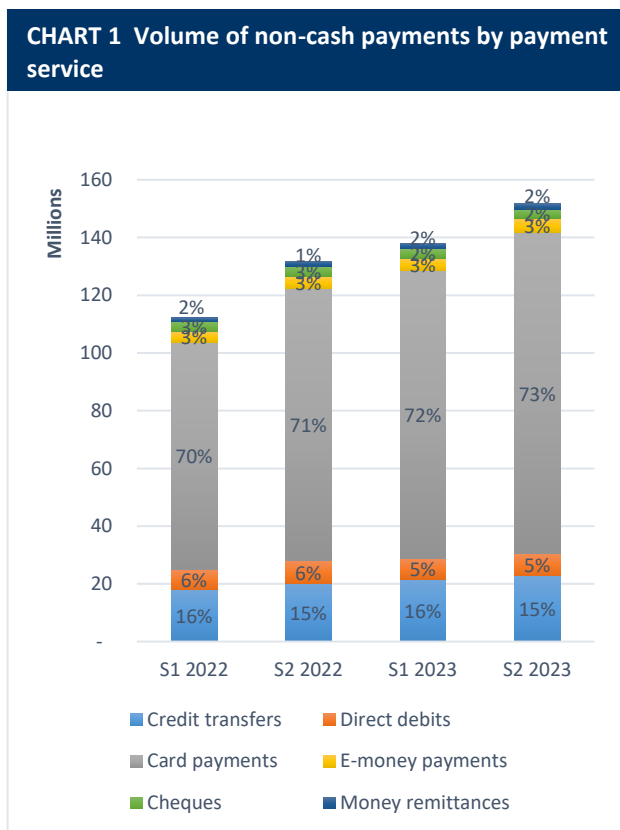
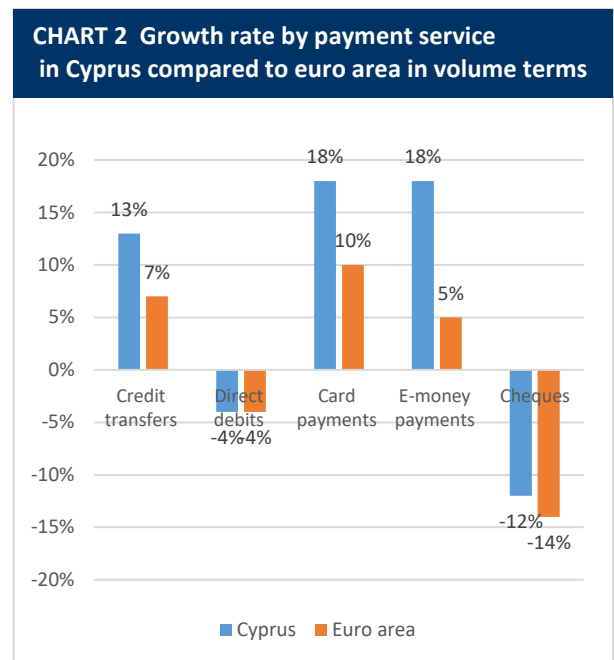


Chart 2 shows that in volume terms, credit transfers, card payments and e-money payments expanded at a faster rate in Cyprus than that of the euro area.

In Cyprus, the number of credit transfers increased by 13% to 23 million in the second half of 2023, while the number of direct debits declined by 4% to 8 million compared with the second half of 2022. The number of card payments and e-money payments rose by 18% to 111 million and 5 million, respectively, compared with the second half of 2022. The number of cheques decreased by 12% to 3 million, while money remittances increased by 19% to 2 million for the same period.



1.2. Value of non-cash payments by payment service

According to **Chart 3**, higher-value payments were usually made by credit transfers, representing 83% of the total non-cash payments in Cyprus for the second half of 2023. Cheques were ranked second with 8% confirming their important presence in the national market.

In the euro area, credit transfers accounted for 93% of the total value of non-cash payments in the second half of 2023, and direct debits for 5%. It is

important to note that the share of cheques in the euro area was negligible (less than 1%) for the same period³.

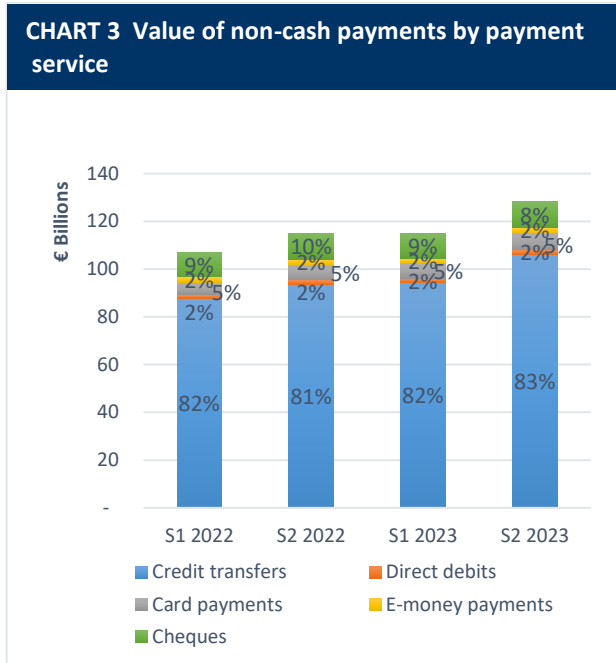
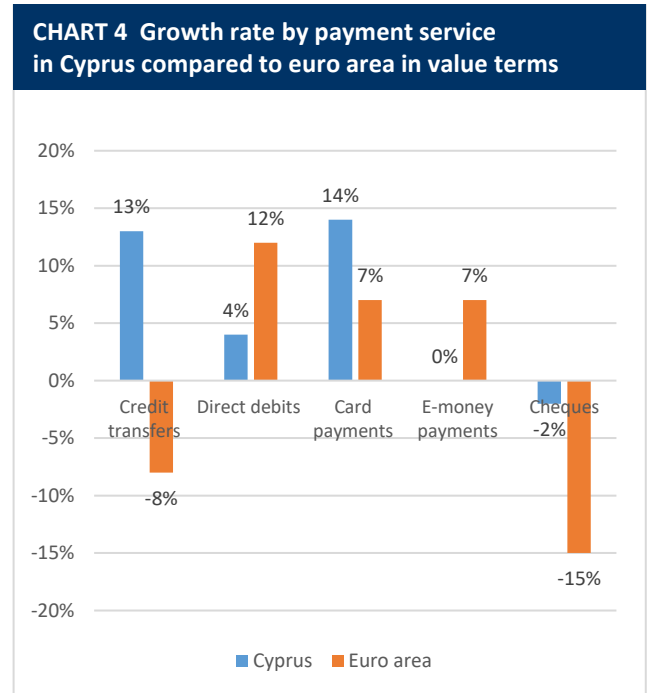


Chart 4 shows that in terms of values, credit transfers and card payments expanded at a faster rate in Cyprus than that of the euro area, whereas direct debits and e-money payments increased at a slower pace in Cyprus than that of the euro area. For the same period, cheques declined at a faster pace in the euro area than in Cyprus. It is important to note that the average value of cheques in Cyprus (€3,351) was 3 times larger than that of the euro area (€1,112).

In Cyprus, the value of credit transfers grew by 13% to €106 billion, while the value of direct debits exhibited a marginal increase of 4% reaching €2 billion in the second half of 2023 compared with the second half of 2022. The value of card payments recorded an increase of around 14% amounting to €7 billion, while the value of e-money payments

remained relatively stable at €3 billion for the same period. The cheques remained flat at €11 billion.



1.3. Non-cash payments by counterpart location

As shown in **Chart 5**⁴, the majority (around to 70% in both number and value terms) of the total non-cash payments are domestic (i.e. the counterpart PSP location is in Cyprus).

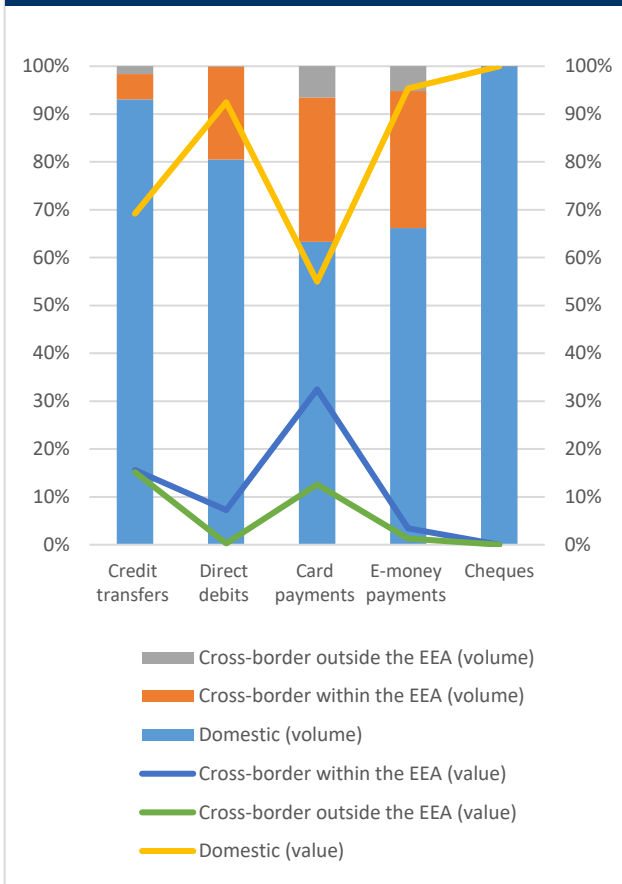
Card payments appear to be the service used mostly for cross-border payments, in relative terms, for both volume (37%) and value (45%) in the second half of 2023. Indicatively, the largest card usage was reported in Lithuania based on the counterpart (PSP) location. On the other hand, Ireland and Great Britain had the highest card usage based on the location of the merchant.

³ Money remittances accounted for less than 1% of the total value of non-cash payments, and therefore they are not presented in Chart 3 and 4.

⁴ It is noted that the European Economic Area, abbreviated as EEA in Chart 5, consists of the Member

States of the European Union (EU) and three countries of the European Free Trade Association (EFTA) (Iceland, Liechtenstein and Norway).

CHART 5 Use of the main payment services per counterpart location (volume and value in %)



1.4. Card payments per type of initiation

As presented in **Chart 6**, card payments were mostly initiated at a physical POS (i.e. at the store) in terms of volumes. For the second half of 2023, the split between card payments initiated at a physical POS and card payments initiated remotely (i.e. online) was 72% and 28% in terms of volumes, while the split in terms of value was 46% and 54%, respectively.

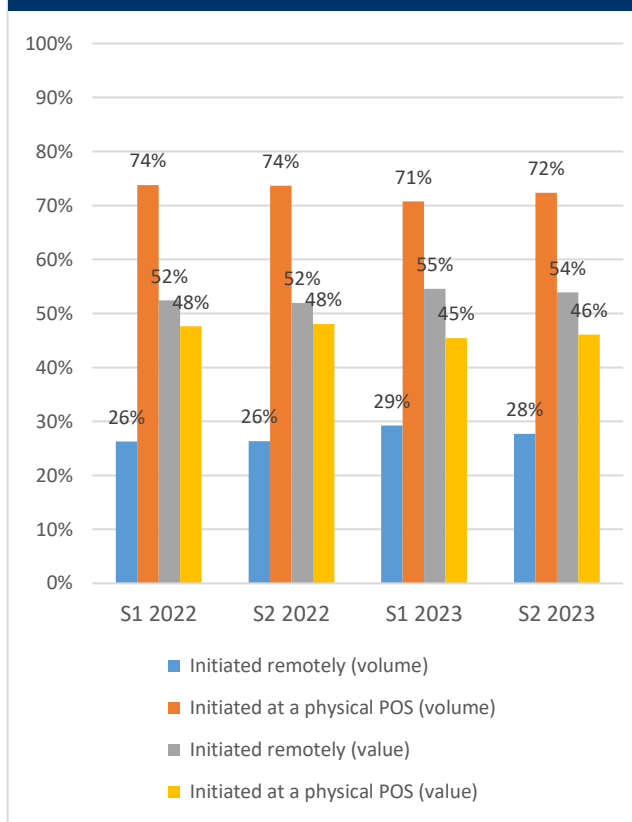
In the euro area, the split between the number of card payments initiated at a physical POS and card payments initiated remotely was 83% to 17%, while the split in terms of value was 74% to 26%, respectively.

For Cyprus, the average value per transaction initiated at a physical POS for the second half of 2023 was approximately €40, whereas the average value per transaction initiated online amounted to

€122, indicating a relative preference for high-value card payments initiated remotely (i.e. online) rather than at physical POSs. It is notable that the average value per transaction initiated online was one of the highest in the euro area.

In the euro area, the average value per transaction initiated at a physical POS for the second half of 2023 was approximately €36, whereas the average value per transaction initiated online amounted to €59.

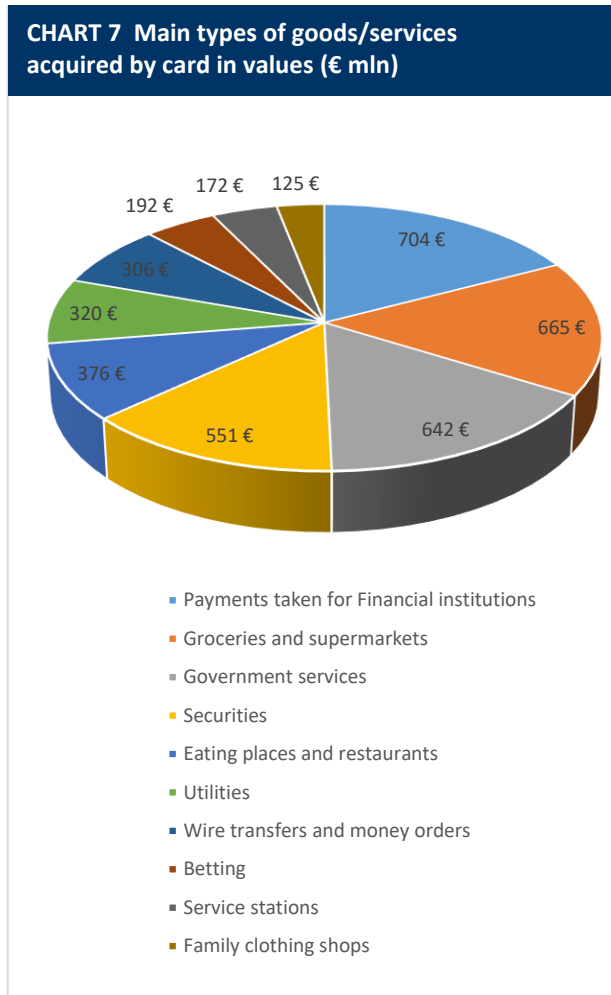
CHART 6 Card payments per type of initiation (volume and value in %)



1.5. Card payments per type of good/ services

Chart 7 illustrates the 10 most popular types of goods or services acquired via card payments in terms of value for the second half of 2023. Card payments are mostly used for payments taken for

financial institutions⁵, accounting for 10% (€704 million) of the total card payments. Card payments in groceries and supermarkets are ranked second in order of preference representing 9% (€665 million) of the total of goods/ services acquired by card.



2. PAYMENT CARDS

At the end of the second half of 2023 the number of payment cards outstanding increased by 8% to 1.9 million compared with the second half of 2022, averaging two payment cards per Cypriot inhabitant.

In the euro area, the number of payment cards outstanding at the end of the second half of 2023 increased by 7% to 703.1 million compared with the

second half of 2022, averaging two payment cards per euro area inhabitant.

Debit cards are, by far, the most popular card function in Cyprus. Data from the second half of 2023 shows that consumers are 84% more likely to own a debit card rather than a credit or delayed debit card.

3. TERMINALS

The total number of automated teller machines (ATMs) across Cyprus has remained relatively stable from the end of the second half of 2022 (ATMs: 392) to the end of the second half of 2023 (ATMs: 398). It is noteworthy that more than 74% of the total ATMs accepted contactless transactions by the end of year 2023.

Similarly, the total number of ATMs in the euro area remained relatively stable from the end of the second half of 2022 (ATMs: 266,817) to the second half of 2023 (ATMs: 265,624). Of these, only 29% accepted contactless transactions.

ATMs continue to remain a valuable channel of self-service in Cyprus with €2.4 billion of withdrawals reported in the second half of 2023 recording a modest increase of 3% compared to the corresponding period of 2022.

⁵ This includes merchandise or services, and debt repayment.

APPENDIX

Methodological Notes:

1. The published data are collected in accordance with [Regulation ECB/2020/59 amending Regulation ECB/2013/43 on payments statistics](#), which came into effect on 1 January 2022. Detailed data are published by the ECB in the [Statistical Data Warehouse](#).
2. The methodology underpinning the current release entails the collection of statistical information from all Cyprus PSPs^{Error! Bookmark not defined.}.
3. Payments include payment transactions initiated by non-MFIs to any counterparty or by PSPs if the counterparty is a non-MFI.
4. Definitions of each payment service:
 - i. *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.
Mainly used for payments of salaries/ pensions and transfers of funds through Internet Banking.
 - ii. *Direct debit* means a payment service for debiting a payer's payment account, where a payment transaction is initiated by the payee on the basis of the consent given by the payer to the payee, to the payee's payment service provider or to the payer's own payment service provider.
Used mostly for recurring and one-off payments e.g. utility bills, insurance, subscriptions following an expression of consent and authorization given by the payer to the payee.
 - iii. *Card payment* means a service based on a payment card scheme's infrastructure and business rules to make a payment transaction by means of any card, telecommunication, digital or IT device or software if this results in a debit or a credit card transaction. Card-based payment transactions exclude transactions based on other kinds of payment services.
Includes payments with a debit, credit and delayed debit card.
 - iv. *E-money payment* means a payment transaction using electronic money.
Includes transfers via wallets and/or cards with an e-money function only.
 - v. *Cheque* is a written and signed order from one party, i.e. the drawer, to another, i.e. the drawee, which is in principle a credit institution, requiring the drawee to pay a specified sum unconditionally and on demand to the drawer or to a third party specified by the drawer.
 - vi. *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 PSP acting on behalf of the payee, and/or where such funds are received on behalf of and made available to the payee.
Used mainly by foreign workers in Cyprus and for students. To carry out a transaction it is necessary to present some valid identification document and a valid residence permit.