



CROATIAN NATIONAL BANK

Standard presentation format

1st quarter 2012

Agenda

- Central bank's objectives and structure
- Real sector
- Monetary policy
- **External sector**
 - **Exchange rate**
 - **Foreign trade**
 - **Current account**
 - **External debt**
 - **FDI**
- Banking sector

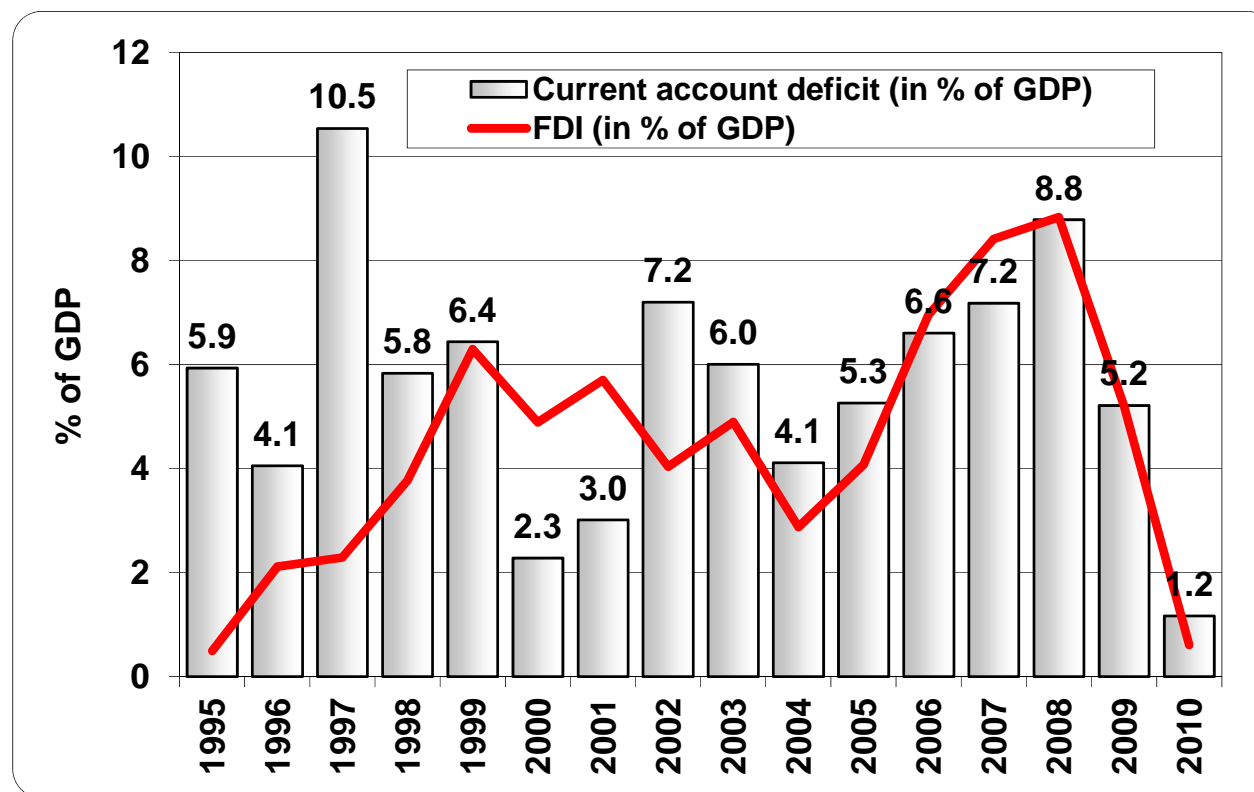
Exchange rate policy

- ❑ Managed floating
- ❑ Exchange rate is market determined and based on supply and demand
- ❑ Central bank intervenes on the forex market through the forex auctions, but it DOES NOT defend any predetermined rate or band

Foreign exchange market

- ❑ Kuna is fully convertible
- ❑ No restrictions on repatriation of profits and liquidation of investment
- ❑ Banks freely determine the exchange rate, engage in the foreign exchange operations and conduct international payment transactions

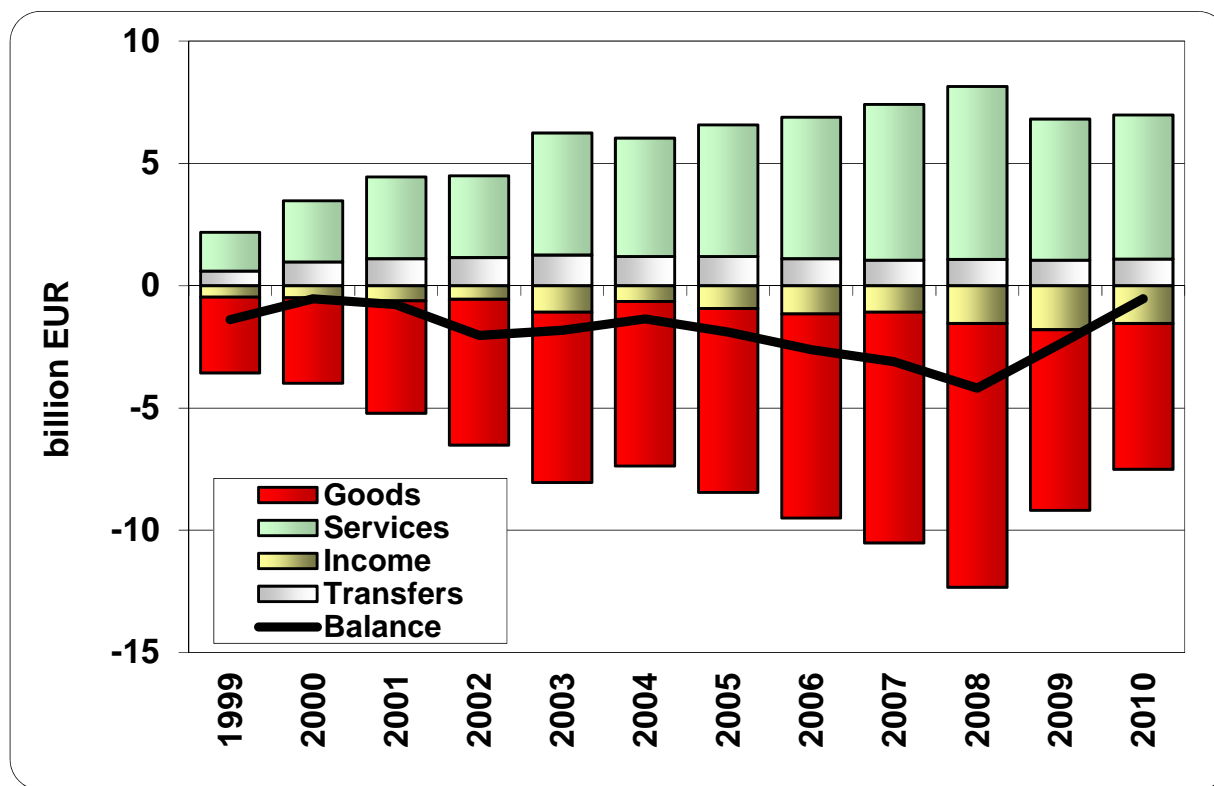
Current account deficit and FDI inflows in Croatia



Note: FDI inflows to Croatia and current account balance exclude Pliva's transfer of patent rights to the affiliated company abroad in 2003.

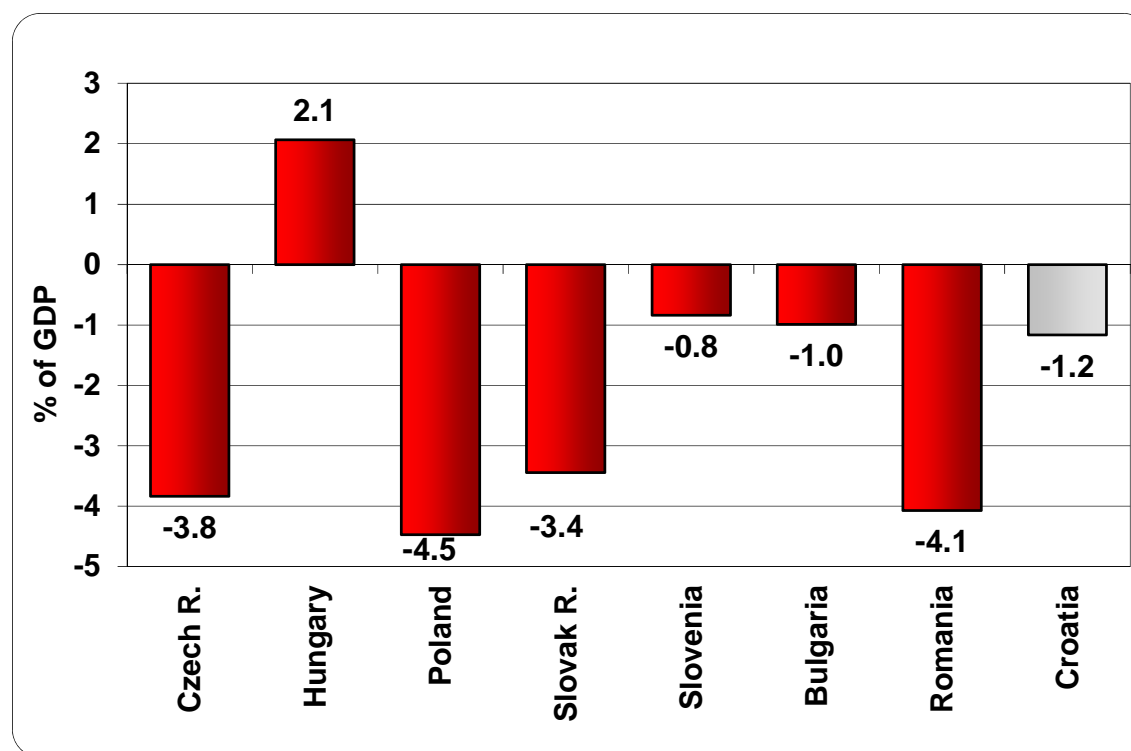
Source: CNB

Structure of the current account balance



Source: CNB

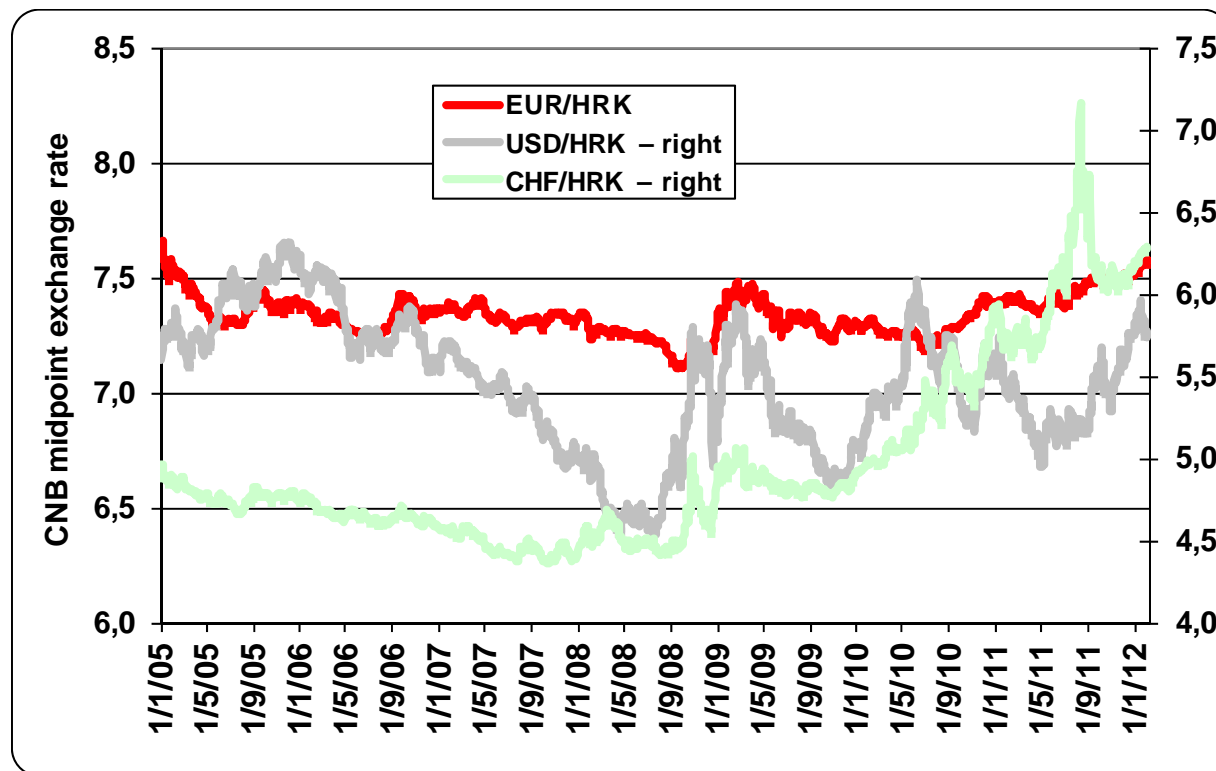
Current account balance by countries, 2010



Sources: Eurostat, CNB

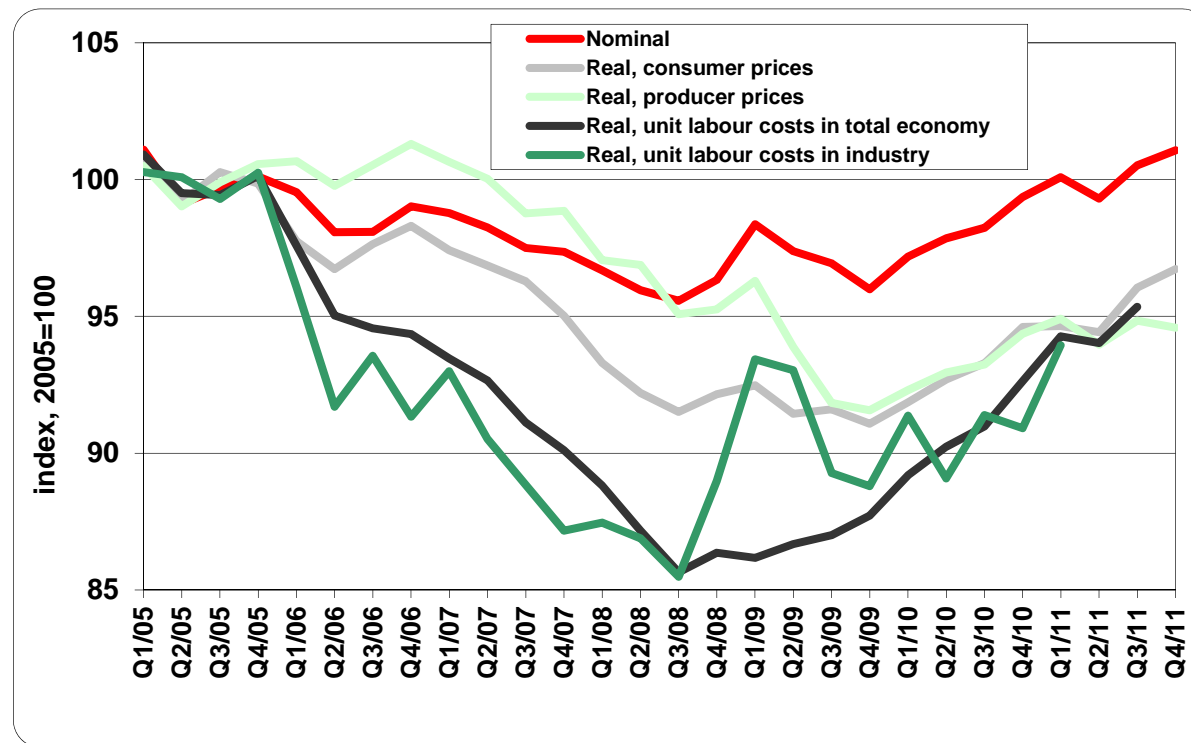
Daily nominal exchange rates

HRK vs. EUR, USD and CHF



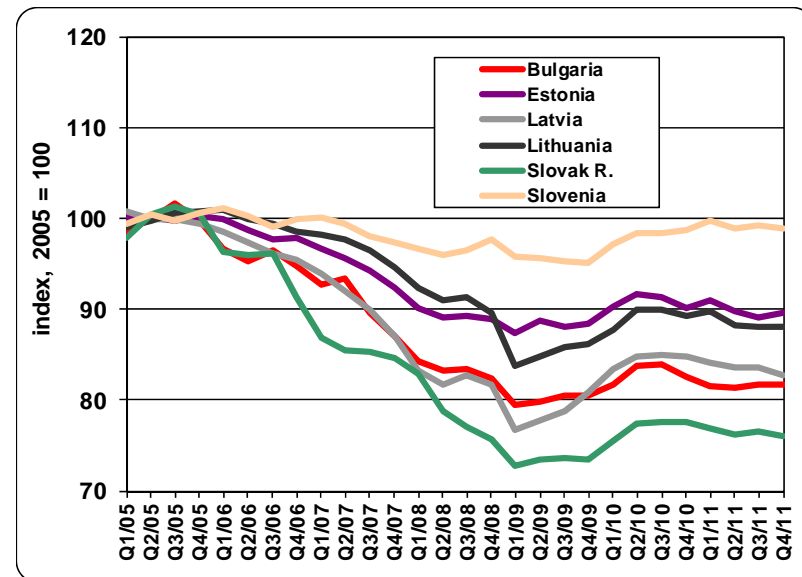
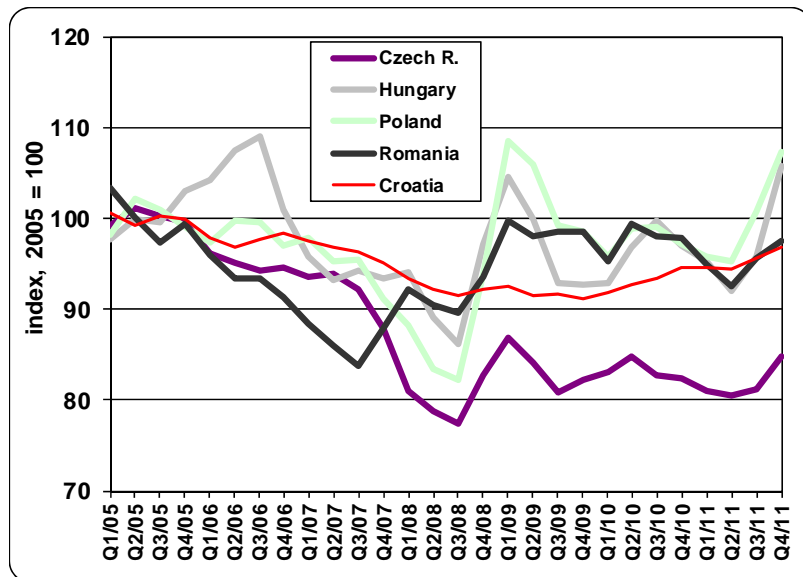
Source: CNB

Index of nominal and real effective kuna exchange rate



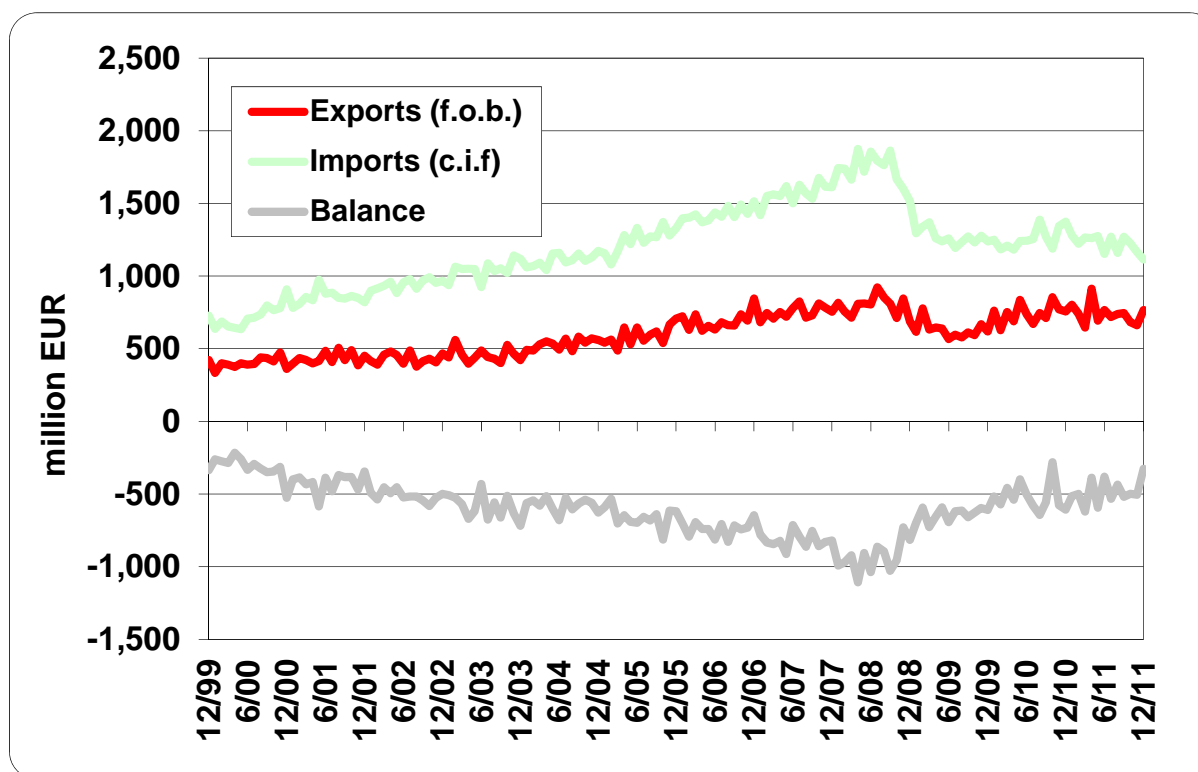
The fall of index denotes appreciation of the kuna.
Source: CNB

Index of real effective exchange rate deflated by CPI



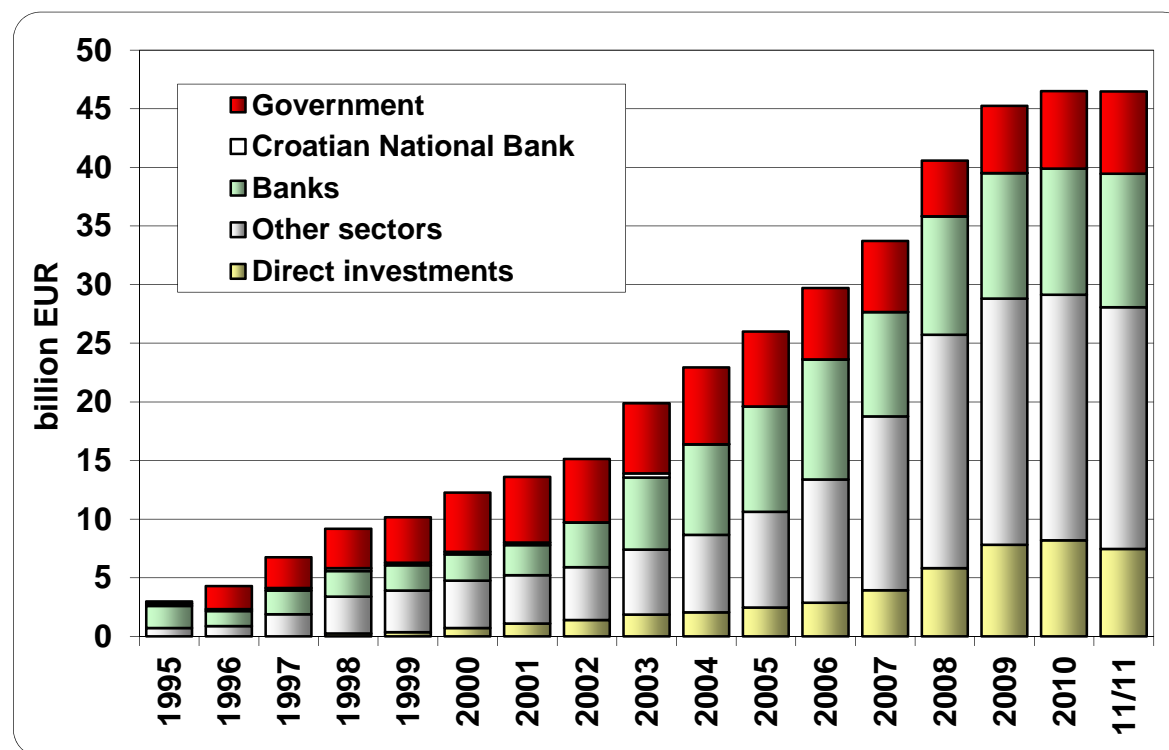
The fall of index denotes real effective appreciation.
Sources: BIS; CNB

Merchandise trade



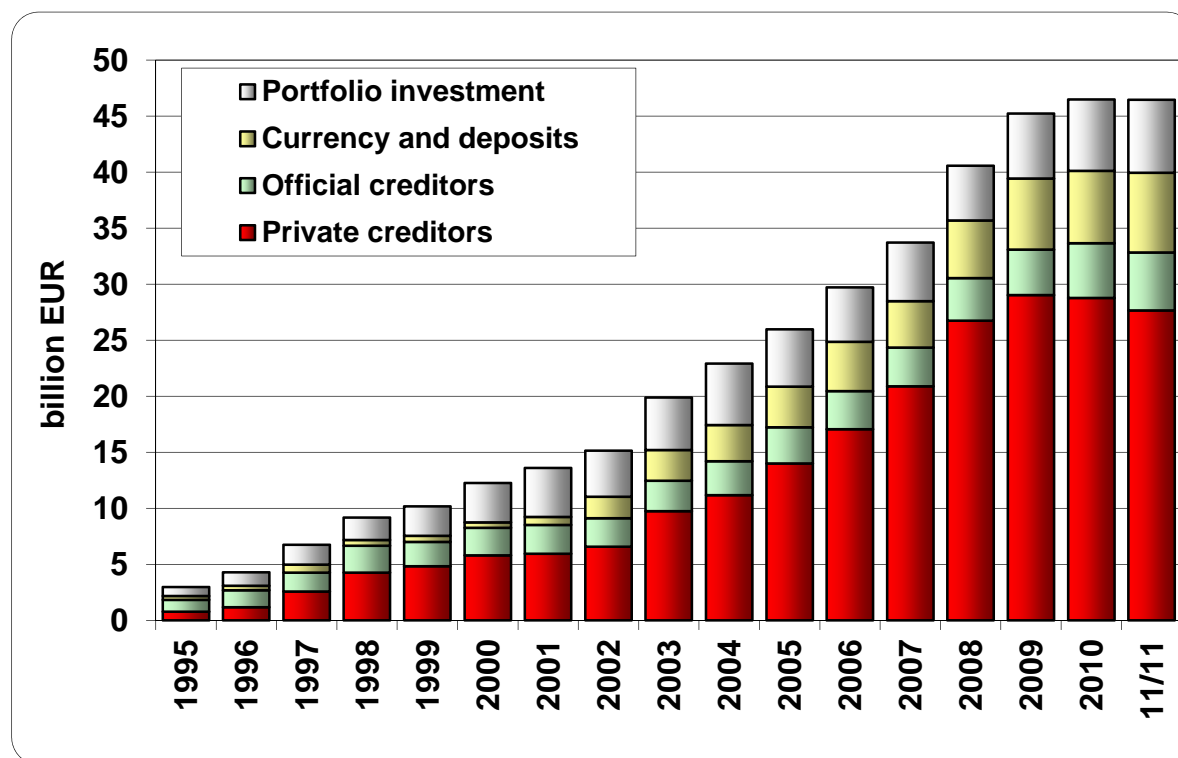
Seasonally adjusted data.
Source: CBS

External debt by debtors



Source: CNB

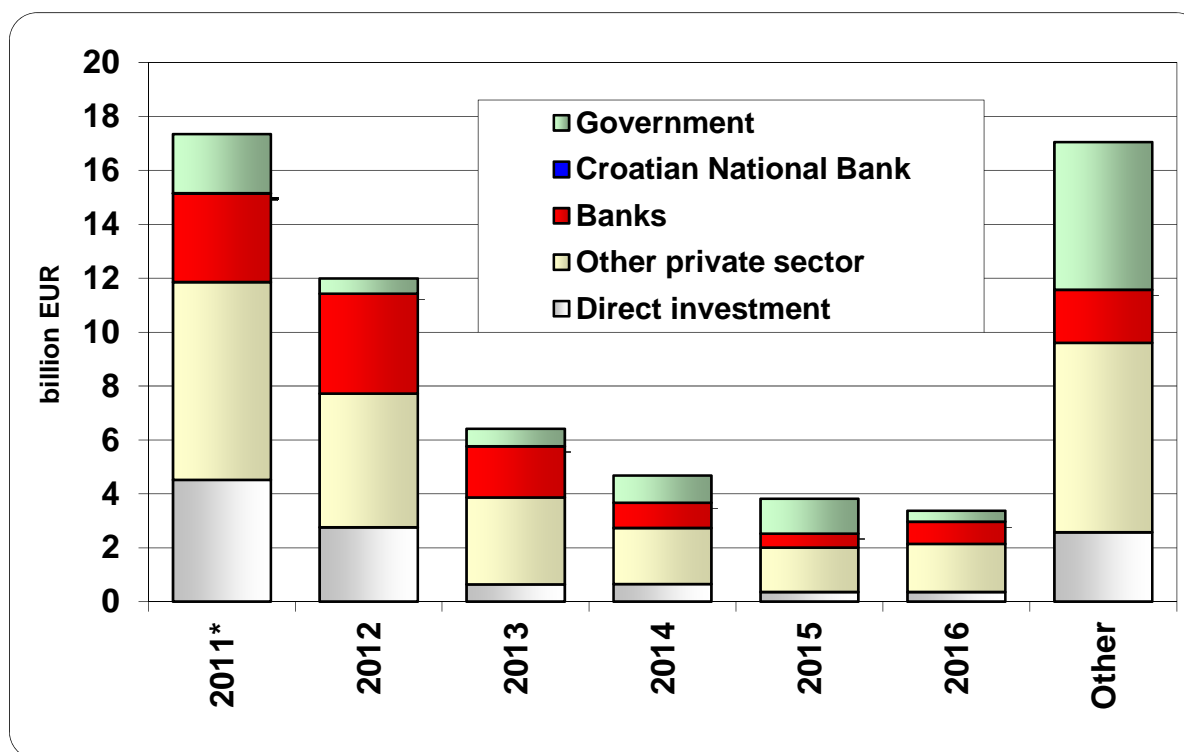
External debt by creditors



Source: CNB

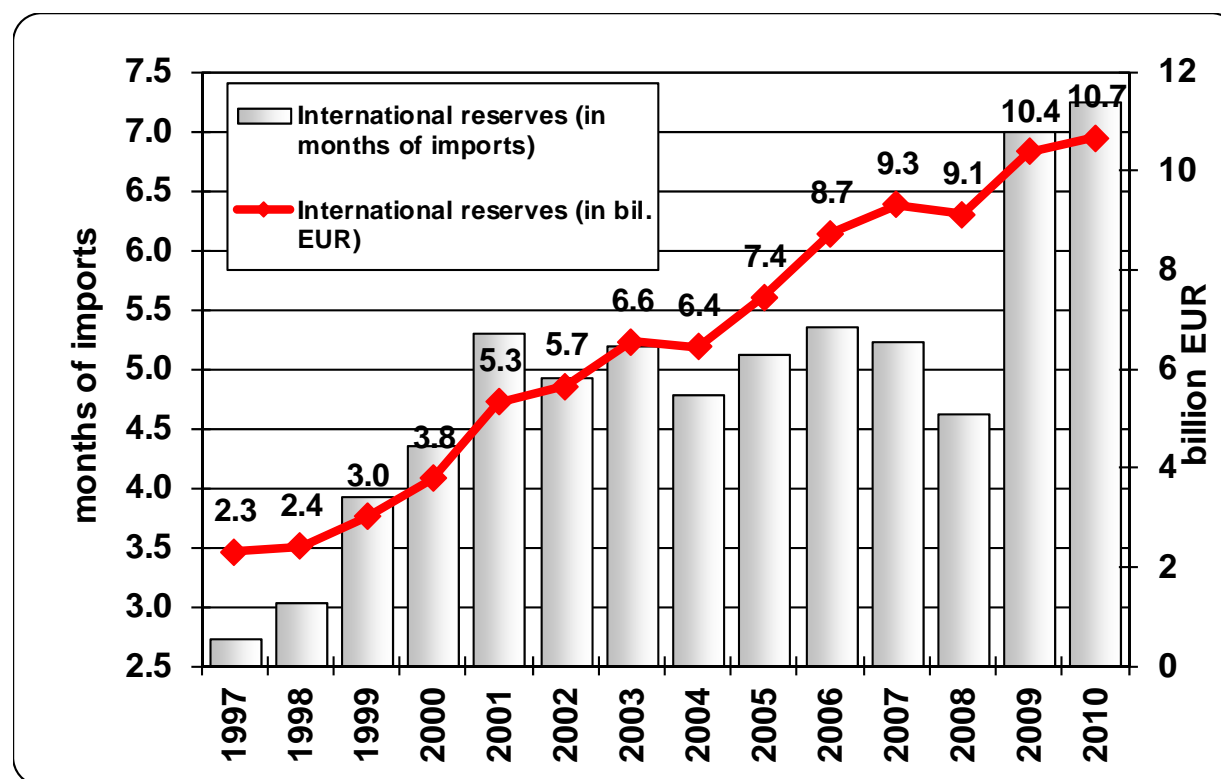
Estimated future principal and interest payments

by debtors



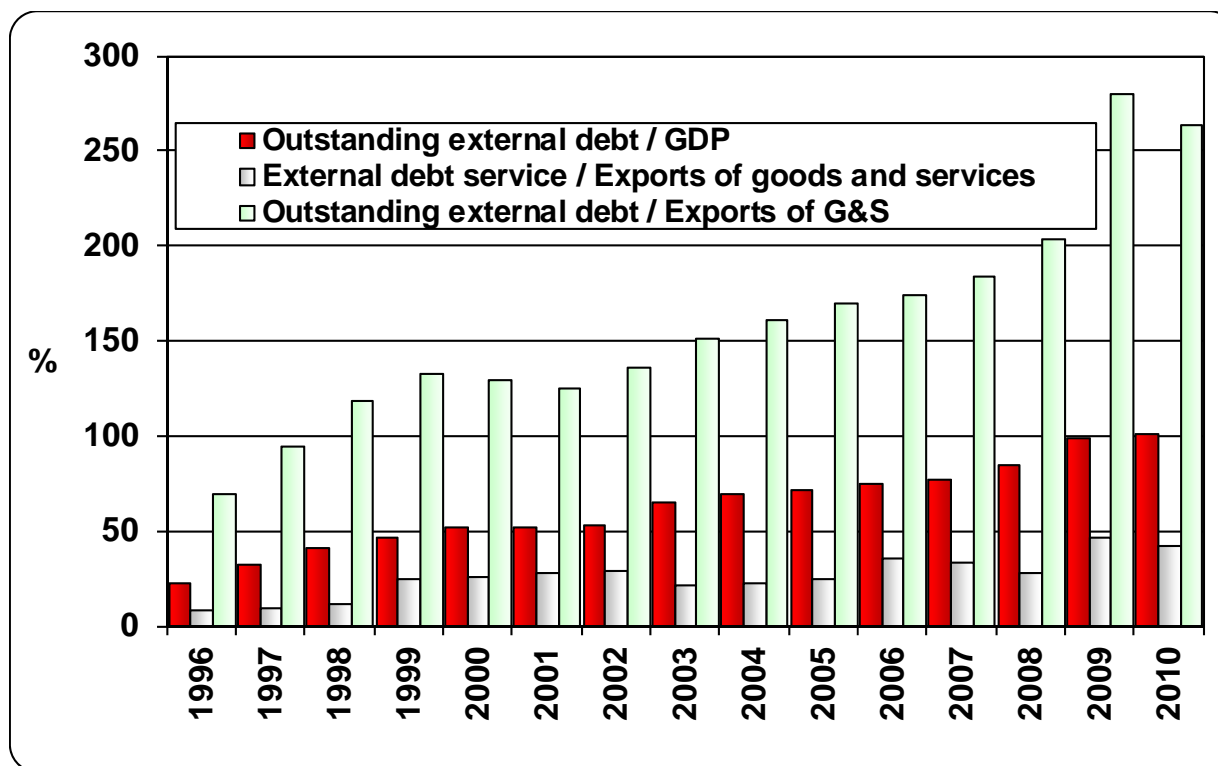
* Repayments made until end-November 2011 and projected repayments for December.
Source: CNB

International reserves in EUR and in months of imports of goods and services



Source: CNB

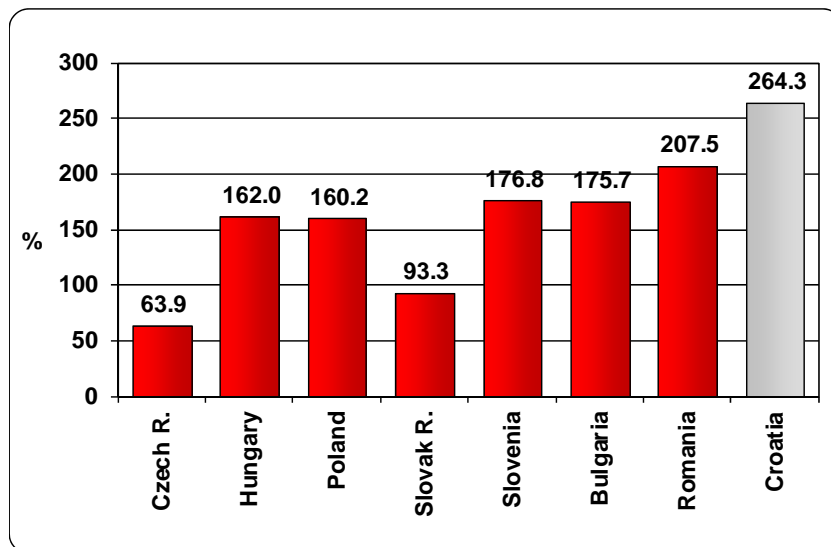
External debt ratios



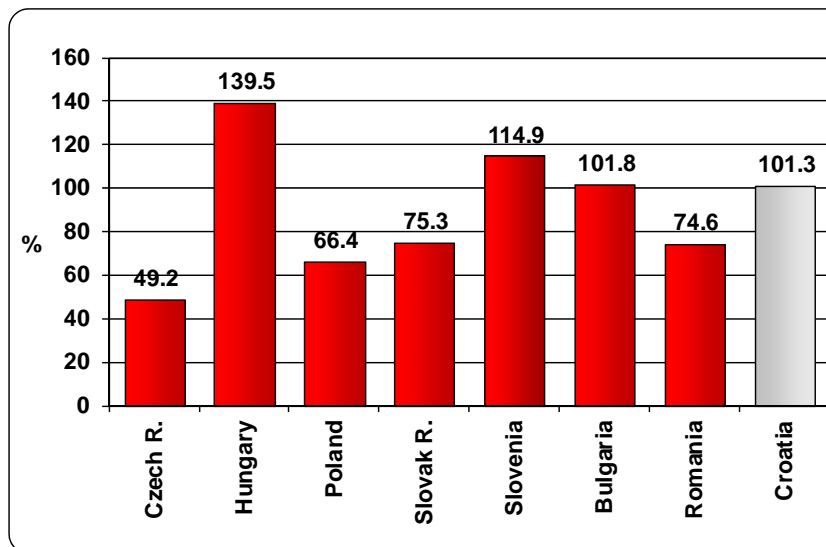
Source: CNB

External debt ratios by countries, 2010

Outstanding external debt/Exports of G&S



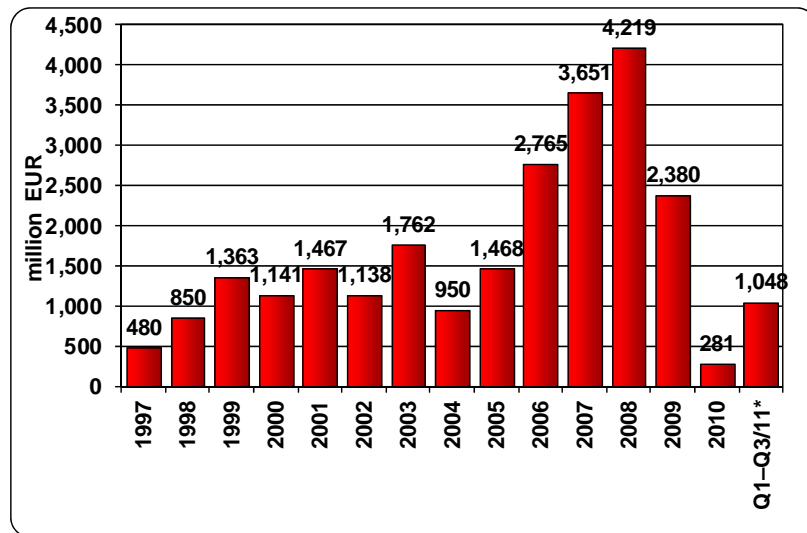
Outstanding external debt/GDP



Sources: Eurostat, CNB and central banks' websites

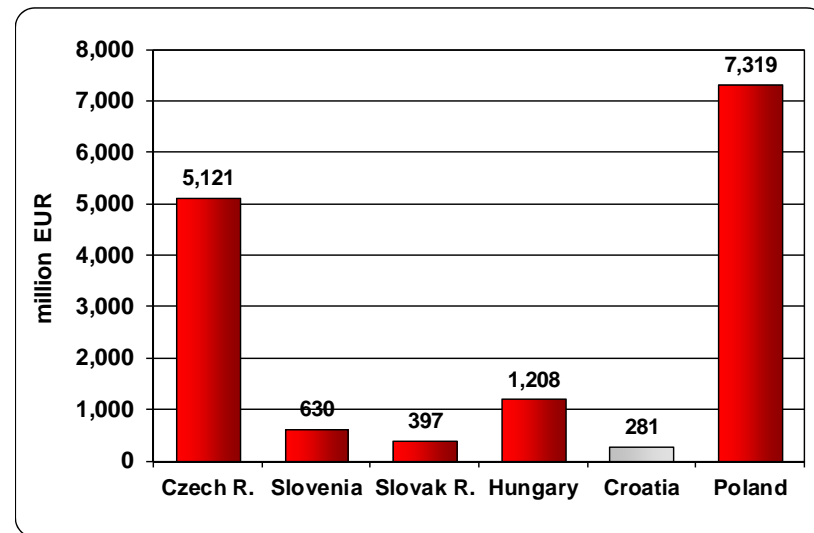
FDI inflows to Croatia

Croatia



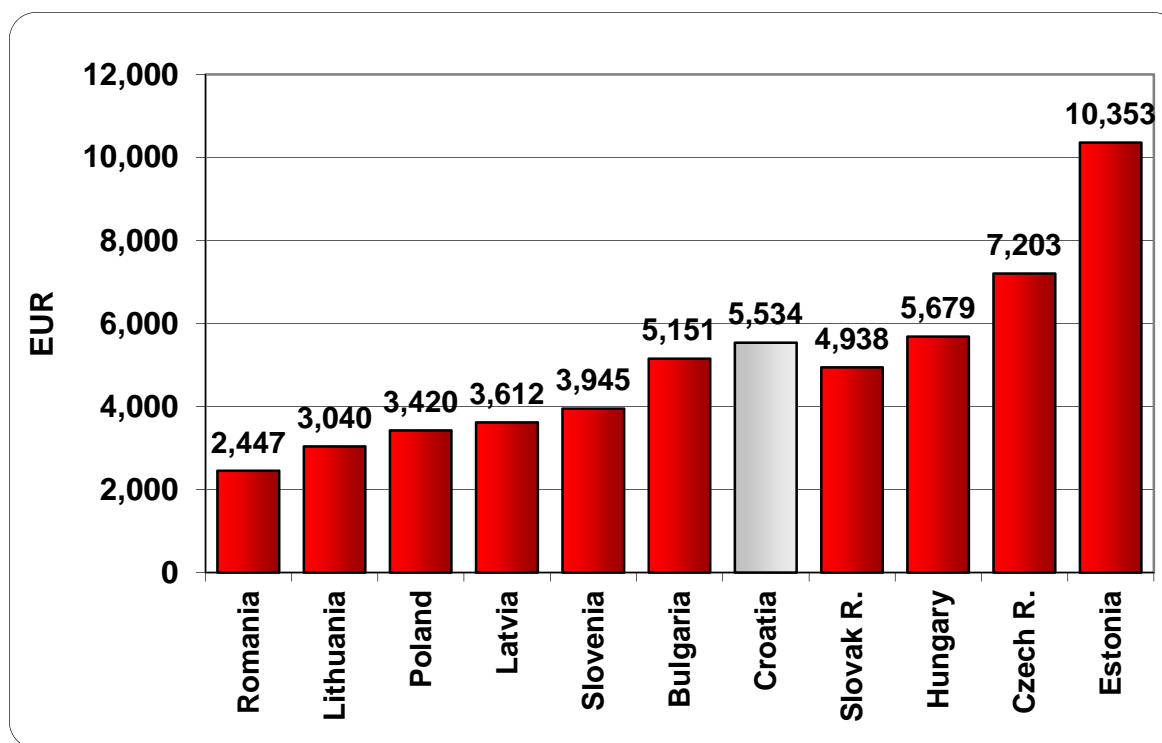
* Preliminary data
Source: CNB

Peer countries, 2010



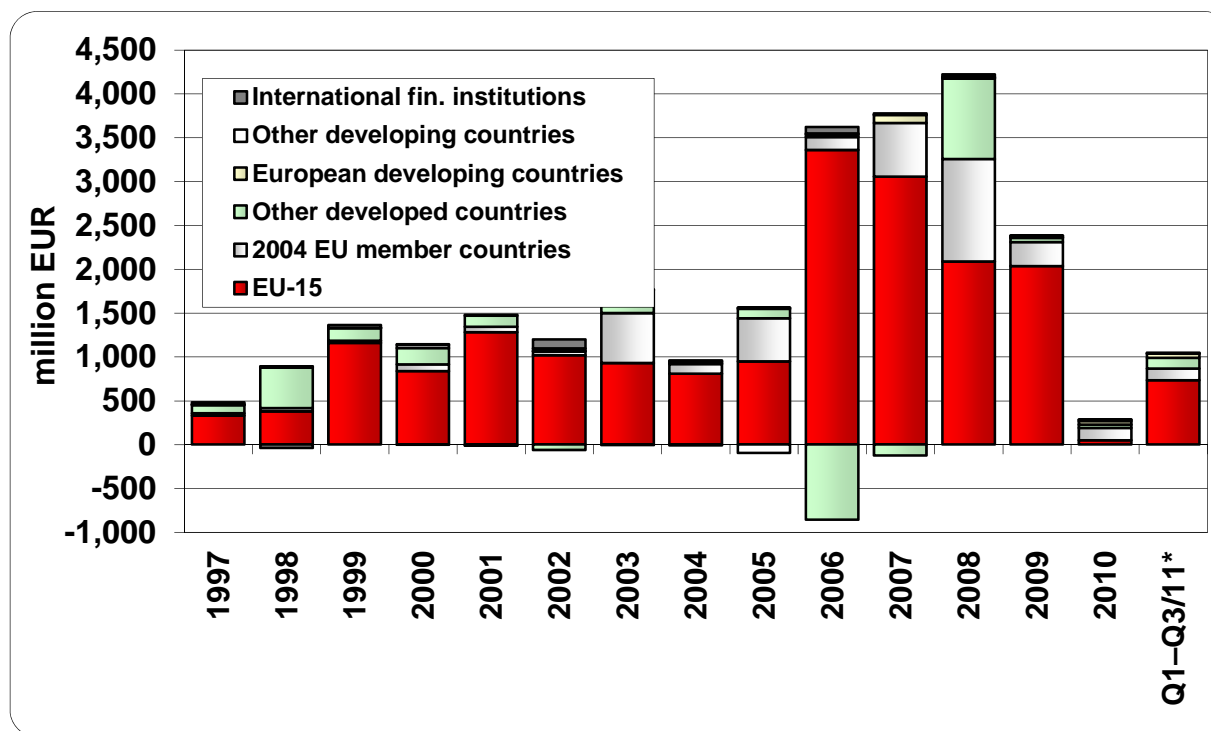
Source: WIIW

FDI per capita in selected transition economies, 1993 – 2010



Source: WIIW

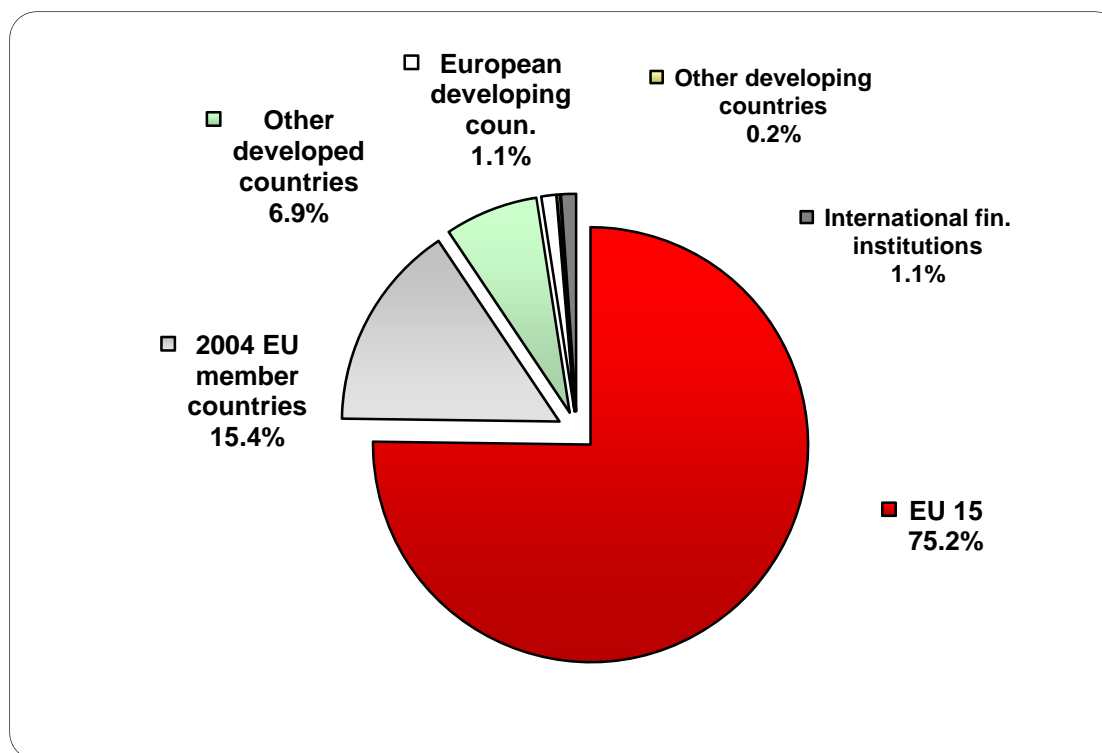
Foreign direct investment in Croatia



* Preliminary data
Source: CNB

FDI in Croatia

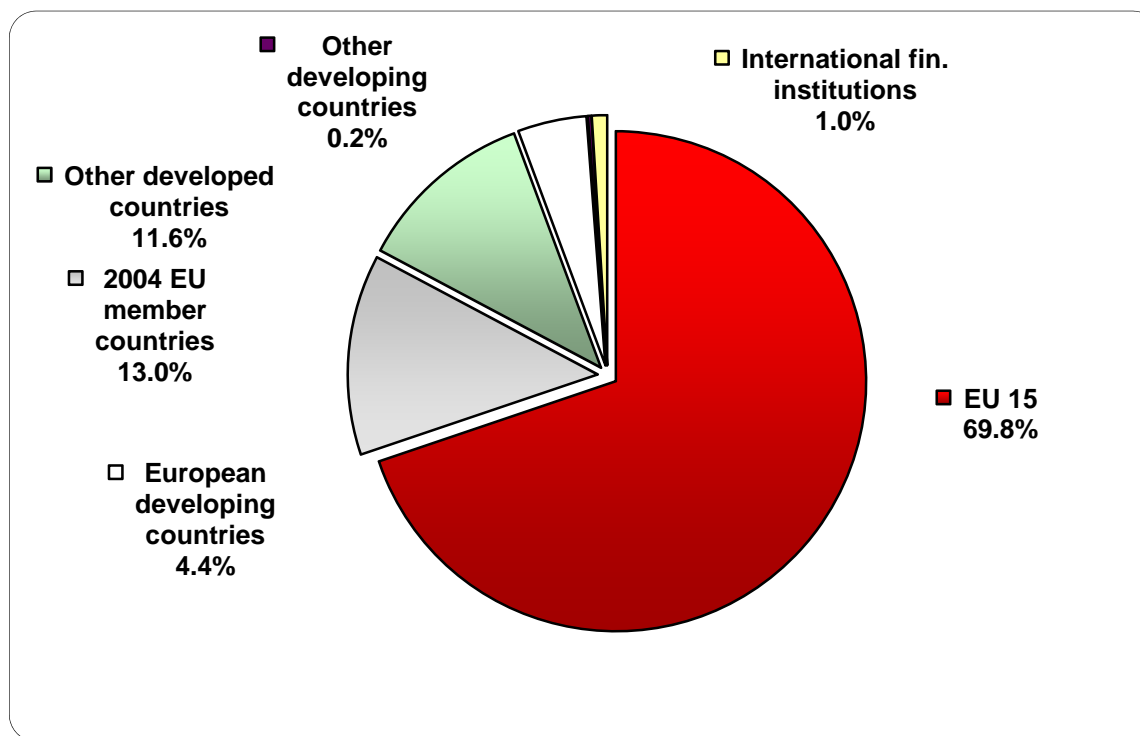
1993 – Q3/2011* (25,617.5 million EUR)



* Preliminary data
Source: CNB

FDI in Croatia

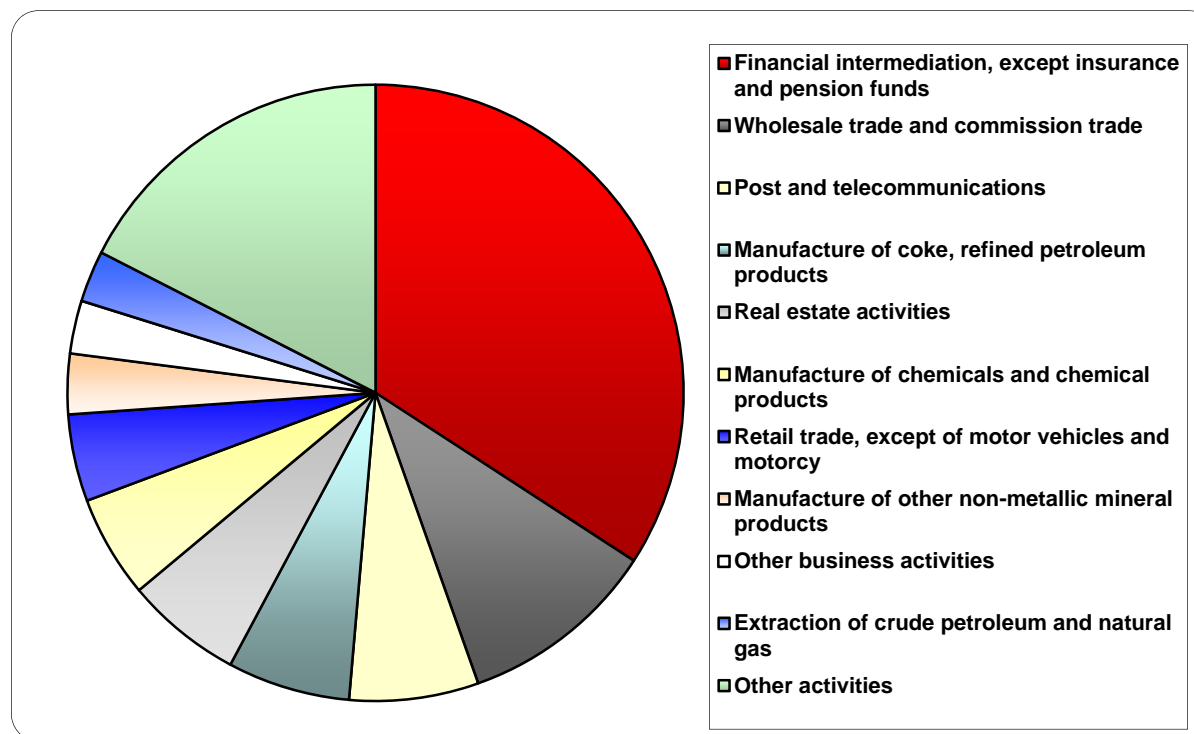
Q1 – Q3/2011* (1,048.5 million EUR)



* Preliminary data
Source: CNB

Foreign direct investments in Croatia

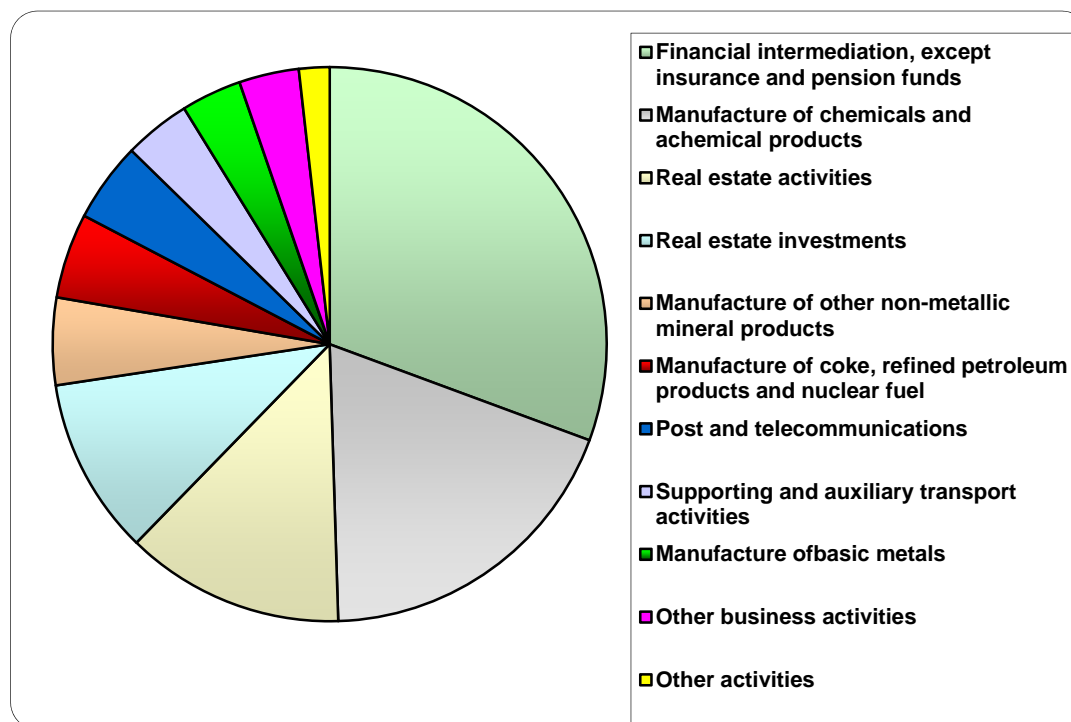
1993 – Q3/2011* (25,617.5 million EUR)



* Preliminary data
Source: CNB

Foreign direct investments in Croatia

Q1 – Q3/2011* (1,048.5 million EUR)



* Preliminary data
Source: CNB