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General information on Croatia

Economic indicators

	2005	2006	2007	2008	2009	2010	2011	2012	2013
Area (square km)	56.594	56.594	56.594	56.594	56.594	56.594	56.594	56.594	56.594
Population (million)	4,442	4,440	4,436	4,434	4,429	4,418	4,280*	4,268	4,268
GDP (million HRK, current prices) ^a	266.652	291.044	318.308	343.412	328.672	323.807	328.737	327.021*	326.849*
GDP (million EUR, current prices)	36.034	39.745	43.390	47.543	44.781	44.441	44.220	43.502*	43.157*
GDP per capita (in EUR)	8.112	8.951	9.781	10.722	10.111	10.060	10.332*	10.193*	10.112*
GDP – real year-on-year rate of growth (in %)	4,3	4,9	5,1	2,1	-6,9	-2,3	-0,2	-2,2*	-0,9*
Average year-on-year inflation rate ^b	3,3	3,2	2,9	6,1	2,4	1,1	2,3	3,4	2,2
Current account balance (million EUR)	-1.899	-2.627	-3.151	-4.255*	-2.293*	-500,9*	-389,4*	-57,5*	381,6*
Current account balance (as % of GDP)	-5,3	-6,6	-7,3	-8,9*	-5,1*	-1,1*	-0,9*	-0,1*	0,9*
Exports of goods and services (as % of GDP)	42,4	42,7	42,1	41,7*	36,4*	39,9*	42,4*	43,8*	44,7*
Imports of goods and services (as % of GDP)	48,3	49,2	49,3	49,7*	39,8*	39,8*	42,3*	43,0*	43,8*
External debt (million EUR, end of year) ^c	25.990	29.725	33.721	40.590	45.269	46.527	45.901	44.861	45.631
External debt (as % of GDP)	72,1	74,8	77,7	85,4	101,1	104,7	103,8	103,1*	105,7*
External debt (as % of exports of goods and services)	170,2	175,3	184,6	204,6*	277,5*	262,6*	244,7*	235,4*	236,5*
External debt service (as % of exports of goods and services) ^{c, d}	25,0	37,3	35,1	29,7*	46,7*	41,9*	35,2*	37,5*	38,1*
Gross international reserves (million EUR, end of year)	7.438	8.725	9.307	9.121	10.376	10.660	11.195	11.236	12.908
Gross international reserves (in terms of months of imports of goods and services, end of year)	5,1	5,4	5,2	4,6*	7,0*	7,2*	7,2*	7,2*	8,2*
National currency: Croatian kuna (HRK)									
Exchange rate on 31 December (HRK : 1 EUR)	7,3756	7,3451	7,3251	7,3244	7,3062	7,3852	7,5304	7,5456	7,6376
Exchange rate on 31 December (HRK : 1 USD)	6,2336	5,5784	4,9855	5,1555	5,0893	5,5683	5,8199	5,7268	5,5490
Average exchange rate (HRK : 1 EUR)	7,4000	7,3228	7,3360	7,2232	7,3396	7,2862	7,4342	7,5173	7,5735
Average exchange rate (HRK : 1 USD)	5,9500	5,8392	5,3660	4,9344	5,2804	5,5000	5,3435	5,8509	5,7059
Net lending (+)/borrowing (-) of the consolidated general government (million HRK) ^e	....	....	....	....	-17.380,7	-20.563,7	-25.759,3	-16.287,6	-16.171,5
Net lending (+)/borrowing (-) of the consolidated general government (as % of GDP)	....	....	....	....	-5,3	-6,4	-7,8	-5,0*	-4,9*
Public debt (as % of GDP) ^f	38,5	35,7	33,3	30,0	36,8	45,0	52,0	56,2*	67,4*
Unemployment rate (ILO, persons above 15 years of age)	12,7	11,2	9,6	8,4	9,1	11,8	13,5	15,8	17,1
Employment rate (ILO, persons above 15 years of age)	43,3	43,6	44,2	44,5	43,3	41,1	39,5	38,1	36,4

^a GDP data for 2012 and 2013 are preliminary.

^b CPI inflation rate.

^c In accordance with the obligations assumed during the pre-accession negotiations with the European Commission, the new legislative provisions governing the monitoring of foreign borrowing entered into force early in 2008. The external debt balance at end-2007 is reported in accordance with the old system. In order to provide for the comparability of annual data, the external debt is also calculated in accordance with the new system which shows an upward adjustment in the end-2007 balance, increasing it by EUR 365m or to EUR 34,086m. The advanced data processing system is in use since early 2009. For comparability reasons, the external debt balance at end-2008 is also calculated in accordance with the advanced system which shows an upward adjustment in the end-2008 balance, increasing it by EUR 366m or to EUR 40,956m.

^d Includes principal payments on bonds, long-term trade credits and long-term loans (excluding liabilities to affiliated enterprises), as well as total interest payments net of interest payments on direct investment.

^e The consolidated general government balance calculated under ESA 95 is shown in the Report on the Excessive Budget Deficit.

^f Public debt is the debt of the general government. From 2008 on, it excludes the debt of CM. Data are harmonised with the ESA 95 methodology and Eurostat's Manual on Government Deficit and Debt.

Sources: CBS, MoF and CNB.

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Information on economic trends and forecasts

1 Summary

Economic activity is expected to stagnate in conditions of fiscal consolidation in 2014.

Economic activity will pick up slightly in 2015 on the back of continued growth of goods and services exports and domestic demand will hold steady.

Adverse labour market developments are expected to continue in 2014, although at a slightly lower intensity than in the previous year.

Inflation will slow down considerably in 2014, under the conditions of a stable kuna/euro exchange rate, the absence of domestic demand-pull and cost-push inflationary pressures and a drop in import prices of food raw materials.

Expectations are that the current and capital account balance will continue to improve in 2014, standing at 2.1% of GDP, primarily due to the international trade in goods and services.

Domestic sectors' financing costs improved slightly from the previous year. However, there is no confirmation of a recovery in corporate and household lending, which is expected no sooner than in the medium term.

The still expansionary monetary policy provides for comfortable primary liquidity levels, retaining the stability of the exchange rate and stimulating the recovery of corporate placements.

Real GDP could stagnate in 2014 (at a rate of change of -0.2%). A positive contribution to GDP growth might come only from goods and services exports, boosted by the strengthening of foreign demand, while domestic demand might decline due to the adverse short-term effects of fiscal consolidation on economic activity. The fiscal adjustment measures adopted are primarily aimed at further increasing government revenues, while most of the structural measures to strengthen the business and investment climate have not yet been implemented.

Economic activity could pick up slightly in 2015 (a 0.4% GDP growth rate). Exports are expected to continue strong growth and domestic demand to stagnate, subdued due to fiscal consolidation. Personal consumption could decline at a higher rate and gross fixed capital formation could increase slightly. The risks prevailing over the projection horizon are tilted to the downside and relate to the effective impact of fiscal policy measures on economic activity. The main positive risks are related to investment developments. Tax reliefs and a stronger pace of outflows from EU structural and investment funds could boost investment growth. Public investment growth could be strengthened by infrastructural projects.

Labour market developments stabilised in the first five months of 2014 after having deteriorated significantly at the end of 2013. Unemployment edged down in the first five months and employment held at the levels reached at the end of 2013. With no economic recovery in sight in 2014, employment could drop further and unemployment could increase. Similar trends are expected to continue in 2015, albeit at a lower intensity. As regards the price of labour, nominal gross and net wages will probably stagnate in 2014, thus keeping real wages at the previous year's levels due to the expected price stagnation. Nominal, gross and net wages could edge up in 2015, in contrast with real wages, which are expected to drop due to a sharp increase in the level of prices.

Consumer price inflation continued to decline in 2014, with its annual rate of change down from 0.3% in December 2013 to -0.2% in May 2014, primarily because of a drop in food prices. Some prices were administratively increased, primarily those of tobacco products, water supply and refined petroleum. Inflation is expected to grow slightly towards the end of the year due to the impact of administrative measures resulting in an increase of the price of mobile network services and the disappearance of a positive shock effect on the supply side. The average annual inflation rate is estimated to slow down from 2.2% in 2013 to 0.1% in 2014. Although it is expected to accelerate to 1.6% , inflation will remain low in 2015.

The current and capital account surplus could improve further in 2014, mostly as a result of a continued growth in net exports of goods and services. Exports are expected to grow because of the assumed increase in import demand by Croatia's main trading partners, while growth in imports is subdued due to the lack of any significant recovery in domestic demand and continued adverse conditions in the labour market. In addition, the factor income account could, as it did last year, make a positive impact on the current account balance, with expenditures from direct equity investment expected to decline further as a result of a projected drop in the profits of enterprises and banks in foreign ownership. In contrast, a decrease in net inflows from transfers primarily reflects the estimated annual dynamics of the spending of EU funds. In 2015, the positive net effect of foreign trade is expected to weaken, income account deficit to grow and the use of EU funds to increase. Relative external debt indicators could improve in 2014 and 2015, still remaining at high levels of slightly above 100% of GDP.

Due to strong levels of liquidity in international financial markets, external government borrowing conditions improved considerably, as proved by a government bond issue in May, while T-bill interest rates declined as a result of CNB's expansionary monetary policy. Domestic enterprises' financing costs were at their lowest levels since the beginning of the crisis, whereas interest rates on long term household loans, excluding home loans, decreased slightly. Given the tightened lending conditions and subdued demand, the overall private sector financing remained weak. Over the projection horizon, the existing financing conditions are expected to remain unchanged and lending is expected to recover somewhat. Corporate borrowing is expected to increase and household deleveraging to decelerate.

The central bank will continue to maintain high liquidity in the monetary system created in the previous years, without jeopardising the stability of the domestic currency exchange rate. In addition, the redemption of compulsory CNB bills encourages the growth of corporate placements. However, risks to any significant recovery of lending are still tilted to the downside and depend on numerous factors outside the reach of

In the forthcoming period, government finances will be strongly marked by the implementation of the Excessive Deficit Procedure for Croatia and the resulting strong fiscal adjustment.

Macroeconomic outlook

monetary policy.

Consolidated general government net borrowing (GFS 2001) stood at HRK 6.8bn in the first three months, which is an increase of HRK 1bn from the previous year or about 50% of the annual deficit planned for 2014. Due to the fiscal consolidation measures adopted, general government net borrowing (ESA 95) should decrease significantly at the annual level in 2014 compared with the previous year, and fiscal consolidation is expected to continue in 2015.

The table below shows the central estimates/projections of major macroeconomic measures for Croatia for 2014 and 2015.

Table 1.1 Summary table of projected macroeconomic measures

	2007	2008	2009	2010	2011	2012	2013	2014	2015
National accounts (real rate of change, in %)									
GDP	5.1	2.1	-6.9	-2.3	-0.2	-2.2	-0.9	-0.2	0.4
Personal consumption	6.3	1.3	-7.6	-1.3	0.3	-3.0	-1.3	-0.6	-0.1
Government consumption	5.5	0.1	0.4	-2.1	-1.4	-0.8	0.5	-0.6	-1.5
Gross fixed capital formation	7.1	8.7	-14.2	-15.0	-3.4	-3.1	-1.3	-2.7	1.1
Exports of goods and services	3.7	1.7	-16.2	4.8	1.7	0.3	-1.2	3.2	2.9
Imports of goods and services	6.1	4.0	-21.4	-2.8	2.1	-2.4	-2.0	1.1	2.2
Labour market									
Number of employed persons (average rate of change, in %)	2.7	2.3	-2.1	-4.2	-1.1	-1.2	-1.5	-1.3	-0.4
Registered unemployment rate	14.8	13.2	14.9	17.4	17.8	19.0	20.2	20.7	20.9
ILO unemployment rate	9.6	8.3	9.1	11.8	13.5	15.8	17.1	17.5	17.3
Prices									
Consumer price index (average rate of change, in %)	2.9	6.1	2.4	1.1	2.3	3.4	2.2	0.1	1.6
External sector									
Current account balance (as % of GDP)	-7.3	-8.9	-5.1	-1.1	-0.9	-0.1	0.9	1.9	1.8
Goods	-21.8	-22.4	-16.1	-12.9	-13.9	-13.9	-14.7	-14.4	-14.1
Services	14.7	14.4	12.7	13.0	14.0	14.7	15.7	16.3	16.3
Factor income	-2.5	-3.3	-4.0	-3.6	-3.6	-3.7	-2.5	-2.1	-2.6
Current transfers	2.4	2.3	2.2	2.4	2.6	2.7	2.5	2.1	2.2
Current and capital account balance (as % of GDP)	-7.2	-8.9	-5.0	-1.0	-0.8	0.0	1.0	2.1	2.2
Gross external debt (as % of GDP)	77.7	85.4	101.1	104.7	103.8	103.1	105.7	105.0	102.7
Monetary developments (rate of change, in %)									
Total liquid assets – M4	18.5	4.7	0.1	3.0	1.6	3.2	2.9	2.4	2.9
Total liquid assets – M4 ^a	19.2	4.4	0.4	1.8	0.3	3.1	2.4	2.1	2.8
Credit institution placements to the private sector	15.3	13.4	0.0	6.1	4.9	-3.9	-0.7	-0.5	1.0
Credit institution placements to the private sector ^{a, b}	16.2	11.4	0.3	2.8	3.1	-4.1	-1.4	-0.6	1.1

^a Exchange rate effects excluded.

^b In addition to exchange rate effects, if we exclude one-off effects of the assumption of loans to the shipyards by the Ministry of Finance, the reduction of partly recoverable and fully irrecoverable placements of one credit institution which transferred a portion of its claims to a company indirectly owned by a parent bank, the bankruptcy of Centar Banka d.d. and methodological changes in the recording of fees, the growth rate of placements in 2012 stands at 0.4% and in 2013 0.1%. If we exclude the one-off repayment of CBRD loan at the beginning of 2014 due to the discontinuation of the Programme for the Development of the Economy, the projected growth rate of placements in 2014 stands at 0.1%

Note: Projections for 2014 and 2015 were derived from data available until June 2014.

Sources: CBS, MoF and CNB.

2 Global developments

Global economic growth, standing at 3.0% in 2013, could rise to 3.6% in 2014. Global economic activity accelerated sharply in the second half of 2013, primarily due to a strong economic upturn in the US. Despite a decline in the first quarter of 2014, caused mainly by adverse weather conditions, the US economy could renew its positive impact on global activity given the expected continued strong growth of domestic demand driven by the dynamic recovery of the labour market, favourable financing conditions and the alleviated negative impacts of fiscal consolidation. The moderate growth of eurozone real GDP, started in the second quarter of 2013, is expected to continue in 2014. However, weak lending activity and regulatory diversity in the eurozone's financial system hamper the transfer of expansionary monetary policy to the economy and prevent a more dynamic economic recovery. The inflation rate in the eurozone, as in most developed countries, is very low due to a drop in raw material prices in the world market and weakened cost-push pressures resulting from high unemployment. Strengthening demand in developed countries has made a positive impact on the export dynamics of emerging market economies. However, an improved economic outlook and the announced tightening of monetary policy in developed countries have generated

expectations of higher benchmark interest rates in developed countries, diminishing investor preference for emerging market countries. Geopolitical risks related to conflicts in East Europe have as yet made no significant impact on global economic activity. However, the escalation of conflicts in that region could boost risk aversion in international financial markets and cause regional disturbances in the output of energy products, with possible significant negative effects on global economic trends.

Global growth could accelerate slightly in 2015, with the global economy's growth rate reaching 3.9%. Developed countries, especially the US, could again be key drivers of economic activity. The eurozone growth is expected to strengthen gradually because a decrease in sovereign risk premiums could make a positive impact on the cost of private sector financing. In contrast, Japan's economic growth is projected to slow down due to new fiscal consolidation measures to combat high and still growing fiscal imbalances. Growth can be expected to accelerate gradually both in developing countries and in emerging market countries, on condition that they implement prudent economic policies and structural reforms to alleviate macroeconomic imbalances and, in turn, their vulnerability to frequent fluctuations in global financial markets.

Table 2.1 Global economic developments

	2011	2012	2013	2014			2015
				Current projection	Previous projection	Δ Previous projection	Current projection
GDP (real rate of change, in %)							
World	3.9	3.2	3.0	3.6	3.6	0.0	3.9
Eurozone	1.5	-0.7	-0.5	1.2	1.0	0.2	1.5
USA	1.8	2.8	1.9	2.8	2.6	0.2	3.0
Developing countries and emerging market countries	6.2	5.0	4.7	4.9	5.1	-0.2	5.3
Central and Eastern Europe	5.4	1.4	2.8	2.4	2.7	-0.3	2.9
China	9.3	7.7	7.7	7.5	7.3	0.3	7.3
Main trading partners of the Republic of Croatia (GEE)	1.9	0.2	0.5	1.6	1.6	2.3	2.4
Main trading partners of the Republic of Croatia	1.9	0.1	0.5	1.5	1.4	0.2	1.8
Italy	0.4	-2.4	-1.9	0.6	0.7	-0.1	1.1
Germany	3.4	0.9	0.5	1.7	1.4	0.3	1.6
Slovenia	0.7	-2.5	-1.1	0.3	-1.4	1.8	0.9
Austria	2.8	0.9	0.4	1.7	1.6	0.1	1.7
Bosnia and Herzegovina	1.0	-1.2	1.2	2.0	2.0	0.0	3.2
Serbia	1.6	-1.5	2.5	1.0	2.0	-1.0	1.5
Other	2.3	1.9	1.8	2.2	2.2	0.0	2.3
Real imports of trading partners ^a	5.2	-0.5	1.3	3.8	4.0	-0.2	4.8
Prices							
Eurozone HICP	2.7	2.5	1.4	0.9	1.5	-0.6	1.2
Oil prices (USD/barrel) ^b	111.1	112.0	108.8	108.1	106.0	2.2	103.7
Oil prices (year-on-year rate of change)	39.7	0.8	-2.8	-0.7	-2.3	1.7	-4.1
Raw materials prices (excl. energy) (year-on-year rate of change)	17.9	-10.0	-1.2	-3.5	-4.2	0.7	-3.9
EURIBOR 3M (end of year) ^c	1.36	0.19	0.29		0.3	-0.3	
EUR/USD exchange rate (average) ^d	1.39	1.28	1.33	1.36	1.30	0.1	1.31
EUR/CHF exchange rate (average) ^d	1.23	1.21	1.23	1.23	1.25	0.0	1.25

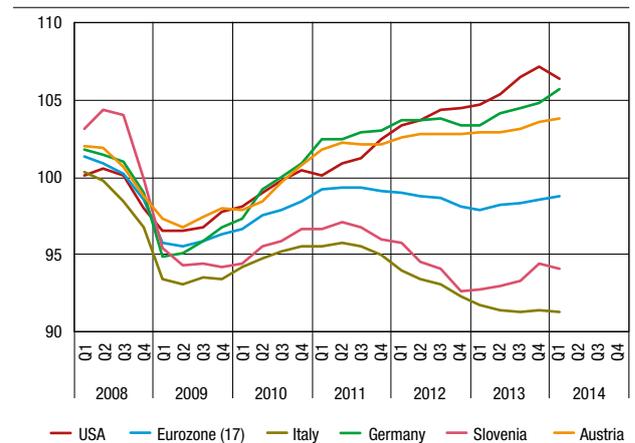
^a IMF (GEE), March 2014. ^b Bloomberg, *Brent crude oil futures*. ^c Bloomberg, *Foreign Exchange Consensus Forecasts*, June 2014. ^d Source: IMF (WEO), April 2014.

The eurozone economic growth could amount to 1.2% in 2014 and reach 1.5% in the following year. Eurozone real GDP grew at a quarterly rate of 0.2% in the first quarter of 2014, the same as at the end of the previous year. Germany has remained at the forefront of the eurozone's recovery, with a sharp acceleration in economic activity resulting from the strong growth of domestic demand. The slow recovery in peripheral eurozone countries has been based on an increase in net exports, caused by the strengthening of demand in core eurozone countries and improvements in price and cost competitiveness in the last few years. Government eurobond yields of peripheral eurozone countries narrowed steadily in the first half of 2014 as a result of mounting capital inflows from emerging market countries and peripheral countries' improved macroeconomic indicators. However, in most of these countries the narrowing of risk premiums had no positive effect on the access to private sector financing. The factors impairing the transfer of improved financing conditions to the private sector include the restructuring of bank balance sheets, low levels of confidence in the financial system and continued high levels of credit risk in the economy. The asset quality review to be completed by the end of this year could increase transparency and confidence, thereby alleviating regulatory imbalances in the eurozone's financial system. It is expected that, over the projection horizon, growth will be stronger in core eurozone countries than in the periphery where it will continue to be subdued by high levels of domestic sectors' debts, labour market difficulties and weak lending activity. The expected slowdown in fiscal consolidation could spur growth in most of these countries. Germany should continue to provide the largest positive contribution to economic activity in the eurozone. With the strengthening of domestic demand being the key driver of growth in this country, some positive effects could also be observed in Germany's trading partners.

The already strong economic growth in the US could continue to accelerate, with the growth rates projected for 2014 standing at 2.8% (compared with 1.9% in 2013) and that for 2015 amounting to 3.0%. Economic activity unexpectedly contracted in the first quarter of 2014, following a strong expansion late in the previous year; this could be a temporary effect produced by extremely adverse weather conditions at the beginning of the year. Economic activity could accelerate slightly towards the end of 2014 and in 2015 due to the steady growth of domestic demand resulting from an increase in confidence of economic entities, continued improvement in labour market indicators and gradually weakening negative effects of fiscal policy. In December 2013, a political agreement was reached on the short-term federal budget and the risk of a sudden fiscal contraction was completely removed. It is anticipated that the monetary environment will continue to support economic activity, although the Fed is planning to revoke some unconventional monetary policy measures in 2014.

Given the anticipated economic acceleration in developing and emerging market countries, the real growth rate could amount to 4.9% in 2014 (compared with 4.7% in 2013) before edging up in 2015. The growth of economic activity in developing and emerging market countries accelerated only slightly in the second half of 2013. The uptick in economic activity in developed countries has a twofold effect on these economies. On the one hand, a partial capital outflow generated by expectations of increases in yields in developed countries causes financing costs to grow, which has an indirect negative effect on the private sector's investment activity in developing and emerging market countries. On the other hand, the currency depreciation induced by capital outflows and the growth of demand in developed economies positively affect their export performance.

Figure 2.1 Gross domestic product of selected economies
seasonally adjusted data, constant prices, 2007 = 100



Source: Eurostat.

These countries' high sensitivity to recent fluctuations in global financial markets derives from their external debt generated by strong capital inflows in the period after the world financial crisis. This group of countries should focus on the implementation of prudent macroeconomic policies aimed at the correction of macroeconomic imbalances in order to converge towards high but sustainable medium term growth rates. The deterioration in these countries' financing conditions is also a consequence of restrictive monetary policy aimed at limiting capital outflows and alleviating depreciation pressures. In pursuing such a policy, central banks take into account possible effects of currency depreciation on inflation and potential risks for financial stability arising from the growing burden of repayment of foreign liabilities. In the first half of 2014, the pressures were especially high for the countries experiencing significant economic difficulties and political turmoil, such as Ukraine, Argentina, Turkey and the South African Republic.

China's growth rate could stand at 7.5% in 2014, compared with 7.7% in 2013. The growth of the Chinese economy continues to be generated by an increase in investments backed by marked credit expansion. Strong lending and heavy borrowing by local government units were among the key factors supporting the economic upturn in China following the outbreak of the global financial crisis. This growth structure has led to internal imbalances and the accumulation of risk exposures in the balance sheets of financial institutions. Chinese authorities have responded by attempts to curb lending growth and implement structural reforms in an effort to achieve a sustainable and balanced economic growth. The Chinese economy is expected to decelerate slightly to 7.3% in 2015. In the medium term, it could converge to considerably lower growth rates than were those recorded in the previous decade, when real GDP rose at an average annual rate of 10%.

Croatia's main trading partners

As concerns Croatia's main trading partners from the eurozone, growth projections are very favourable for the economies of Germany and Austria, which could accelerate on account of external and domestic factors. Domestic demand in these two countries is driven by strong employment growth, favourable financing conditions and a steady increase in the confidence of business entities, whereas export growth derives from increases in demand in developed economies. Projections are slightly less

favourable for Italy and Slovenia as domestic sector deleveraging is underway in both countries. Both in Italy and Slovenia GDP could rise slightly in 2014 on the back of strengthening domestic demand, while domestic factors will continue to hold back economic activity. The growth projection for the Slovene economy for 2014 is considerably more favourable than that from December 2013, indicating a sharp drop in real GDP in this year. The upward revision of the real GDP rate of change was based on the favourable outcomes in the last quarter of 2013 and the first quarter of 2014 related to marked increases in personal consumption and public sector investments.

The Italian economy is expected to pick up at a rate of 0.6% in 2014 following a large recession in 2013 (-1.9%). Having edged up late in the previous year, real GDP went down slightly at a quarterly level in the first quarter of 2014. The real GDP fall resulted from the contraction of domestic demand caused, among other things, by very low lending activity and growth in unemployment. Despite continued adverse macroeconomic developments, government bond yields narrowed in the first five months of 2014. Economic growth could accelerate gradually in 2015 if there were a rise in lending, because the restructuring of banks' balance sheets and narrowing sovereign risk premiums could make a positive impact on the availability and cost of credit to the private sector.

The German economy's growth rate could accelerate markedly to 1.7% in 2014 and decrease slightly in the following year. Quarterly real GDP grew significantly in the first quarter of 2014 (0.8%) as a result of unusually favourable weather conditions early in the year. Domestic demand is projected to remain a key driver of the German economy in 2015. Favourable financing conditions and positive demand expectations could boost corporate investments, and good availability of loans should support the growth of personal consumption and residential investments. The growth of demand in the German economy is also expected to have a positive impact on the economies of trading partners from the environment.

Austrian economic activity could pick up by 1.7% in real terms in 2014 from 0.4% in 2013. Real GDP increased by 0.2% in the first quarter of 2014 relative to the previous three quarters. Gross fixed capital formation increased markedly, after having dropped for several consecutive quarters, government consumption continued to rise and personal consumption rose at a subdued rate. The external sector, that is, a continuing uplift in foreign demand, also positively affected economic activity. Growth could accelerate towards the end of 2014 and in 2015 on the back of strengthening personal consumption and investments. Personal consumption is boosted by a steady growth in employment, as well as by low inflation that facilitates an increase in real disposable income. Net exports could also contribute to economic growth due to the strengthening of foreign demand, although this contribution could be weaker than that of domestic demand because of the expected upturn in imports.

Slovenia could experience slight economic growth (0.3%) in 2014, which could accelerate to 0.9% in the following year. Slovenia recorded positive quarterly growth rates since the first quarter of 2013. However, real GDP dropped at an annual rate of 1.1% in that year due to the transmission of negative effects from the last quarter of 2012. Net exports and investment had a favourable effect on the real GDP growth rate, and personal consumption weakened, with the exception of a sharp increase in the last quarter caused by the recovery of consumer optimism. Private sector demand is expected to weigh down on growth due to continued deleveraging amid high levels of debt of domestic sectors and subdued lending. The weak credit growth is directly related to disturbances in the banking system

that caused the authorities to inject new capital into several large domestic banks. The recapitalisation costs exceeded 10% of GDP, with the result that the general government deficit reached a high of 14.7% of GDP in 2013.

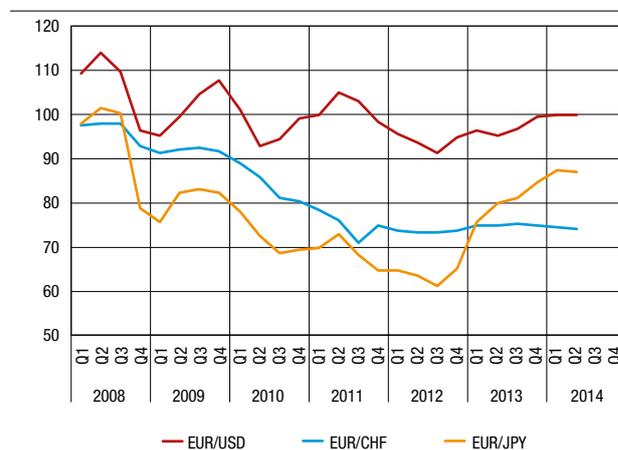
Regarding the key trading partners outside the eurozone, projections are that economic growth will continue in Bosnia and Herzegovina and Serbia in 2014 and 2015. Bosnia and Herzegovina's 1.2% growth rate recorded in 2013 was driven by export growth while domestic demand dynamics was negative. Serbia's economic growth could slow down to 1.0% in 2014, following a strong expansion in 2013. The sharp acceleration of growth in 2013 resulted solely from a marked increase in goods exports as declines were recorded by all other domestic demand components, with gross fixed capital formation down at an especially high rate of -7.7%. Exports should remain the main driver of growth over the projection period, given the expected continued recovery of demand in the key trading partners, while domestic demand could continue making a negative contribution due to strong fiscal consolidation and continuing negative developments in the labour market. The announced cuts in employment in public enterprises undergoing restructuring will probably add to unemployment growth.

Exchange rates and price movements

The US dollar/euro exchange rate could appreciate gradually towards the end of 2014 and in 2015 as a result of a continued slowdown in monetary expansion in the US and a stimulatory monetary policy in the eurozone. The US dollar exchange rate weakened against the euro in the period from early February to late April 2014, which can be attributed to signs of further recovery in the economy of the eurozone and the release of relatively unfavourable economic indicators in the US early in the year. The Fed's announced intention to continue pursuing a low interest rate policy in the following few quarters also contributed to the dollar's depreciation. However, the US dollar appreciated versus the euro in May, amid strong signals that the ECB would adopt another set of monetary expansion measures in June as a response to mounting deflation pressures in the eurozone.

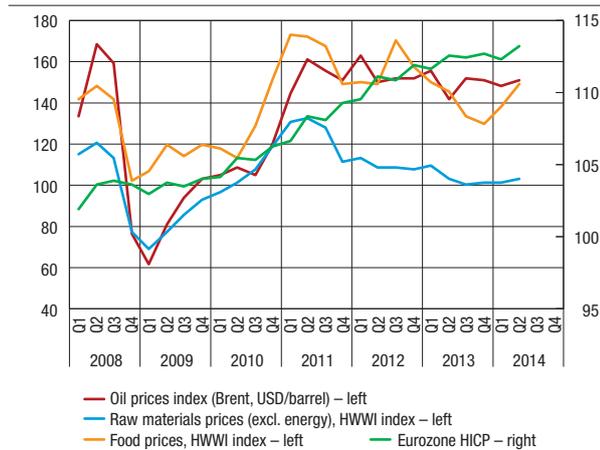
The Swiss franc/euro exchange rate has remained at a low level, very close to the administratively set floor of EUR/CHF 1.20. The substantial strengthening of the Swiss franc has stemmed from mounting foreign exchange inflows, generated as a result of turmoil in some emerging market countries and the

Figure 2.2 Exchange rates of individual currencies against the euro
2007 = 100



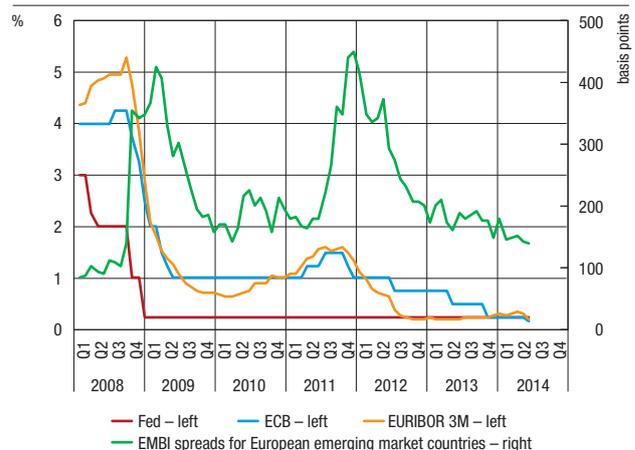
Note: A growth in the index denotes a depreciation of a currency against the euro.
Source: Eurostat.

Figure 2.3 Prices
2007 = 100



Note: Data on HICP in the second quarter of 2014 refer to April and May.
Sources: Eurostat, Bloomberg and HWWI.

Figure 2.4 Benchmark interest rates and the average yield spread on bonds of European emerging market countries



Source: Bloomberg, 4 July 2014.

consequent outflows of capital from these countries to safe havens, such as Switzerland. The Swiss franc/euro exchange rate is projected to decline gradually in the remaining part of 2014 and in 2015 as capital inflows to Switzerland are expected to slow down.

World crude oil prices were relatively stable in the first five months of 2014 despite the escalation of geopolitical tensions, with the price of Brent crude ranging between USD 105 and 111 per barrel. The factors contributing to price stability include plentiful oil reserves that make the US economy less sensitive to fluctuations in the supply of this energy product in the world market. Oil prices went up in mid-May as the imposition of sanctions against Russia, related to the Ukraine conflict, became more probable. However, upward pressures on prices have been alleviated by other large oil producers, OPEC members, which have announced their intention to increase the oil output in the case of a significant drop in supply from Russia.

As to developments in other raw material prices, the dynamics of food prices in the world market reversed in early 2014. Specifically, cereal prices dropped steadily from the beginning of August 2012, before starting to rise in February 2014. The prices of oil and oil seeds also grew in that period. Concurrently, industrial raw materials prices decreased slightly, mainly as a result of a sharp decrease in iron ore prices, due to market expectations that the global demand for this raw material will weaken as a result of China's economic slowdown.

Interest rate trends

In response to a significant inflation slowdown, the ECB, at a meeting on 5 June, decided to cut the interest rate on main refinancing operations by 10 basis points, bringing it down from 0.25% to 0.15%, and to reduce by the same amount the

deposit interest rate, which became negative as a result, for the first time in the Eurosystem's history (-0.10%). The eurozone's expansionary monetary policy could remain in effect even after the gradual monetary tightening starts in the US, it being implemented in response to a fragile economic recovery, subdued lending and the increasingly serious issue of low inflation. Inflation has decelerated rapidly in all eurozone members since mid-2013, with the annual HCPI inflation rate down to a low of 0.5% in May 2014. Inflation deceleration was especially marked in peripheral eurozone countries where the economic conditions are the worst, including Greece, Bulgaria, Portugal and Cyprus, which recorded a negative annual inflation rate in May 2014. The inflation rate drop was driven by a decrease in raw material prices in the world market, but also by domestic factors, primarily subdued cost-push pressures resulting from high unemployment. The US unemployment rate decreased to 6.3%, falling below the 6.5% benchmark rate, defined by the Fed as the target rate to start considering increasing short-term interest rates. Nevertheless, the Fed announced that the key interest rates would be kept unchanged in the following few quarters. The Fed's quantitative easing programme was further tapered in April, with the monthly transaction volume currently amounting to USD 45bn, and it will probably be revoked by the end of 2014.

External financing conditions for Central and Eastern European countries improved in the second quarter of 2014 in line with a continued decrease in risk aversion. This had a positive effect on the cost of borrowing for Croatia so that the spread on government bonds narrowed by more than 50 basis points from the end of March to the middle of June. The spread rose rapidly in late June, but remained at lower levels than early in the year. According to this indicator, Croatia still considerably lags behind all other Central and Eastern European Countries.

3 Aggregate demand and supply

Real GDP could stagnate in 2014 (an annual rate of change of -0.2%), having decreased by 0.9% in the previous year. Real exports of goods and services, supported by the recovery of

foreign demand, could be the only category to provide a positive contribution to GDP growth. Economic activity could recover slightly (a 0.4% GDP growth rate) in 2015.

Aggregate demand

Real exports of goods and services grew by 1.4% in the first quarter from the previous three quarters due to a surge in exports of goods, while real exports of services declined. The dynamics of exports of goods and services should be interpreted with caution as data on trade in goods were considerably revised on 8 July and have yet to be included in the national accounts. However, the available data suggest growth in exports of goods at market prices (1.6%), resulting from a sharp increase in the value of exports of non-durable consumer goods (16.5%), durable consumer goods (6.6%) and intermediate goods (4.3%), and a decrease in energy and capital goods exports. The decline in services exports was to some extent due to a base effect connected with the movable Easter holidays, which caused the number of foreign tourist nights to drop by 11.4% in the first quarter and to surge by 20.6% in April from the same period in the previous year.

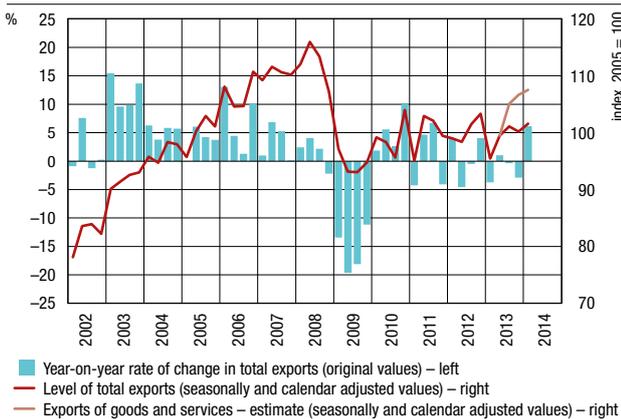
Real exports of goods and services could increase at an annual rate of 3.9% in 2014 due to the expected growth of demand from Croatia's main trading partners. Foreign demand should be the main driver of economic growth in 2015, given the expected

recovery in the environment.

Domestic demand rose in the first quarter of 2014 amid growing personal consumption, whereas other domestic demand components declined.

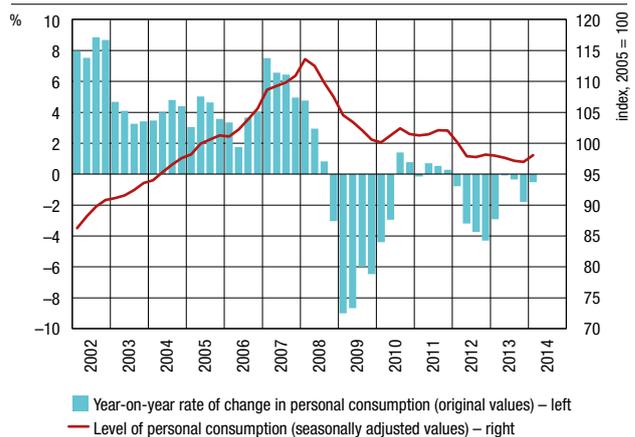
Personal consumption increased by 1.1% in the first quarter of 2014 from the previous three months as a consequence of a stabilisation in the labour market, which recorded a slight growth in employment and a decrease in unemployment. The growth of nominal net wages, coupled with the stagnation of consumer prices, led to an increase in the purchasing power of households. Consumer optimism was also higher in the first quarter of 2014 than in the previous quarter. Household deleveraging decelerated. However, personal consumption is expected to drop annually (-0.6%) in view of the strong fiscal consolidation implemented since the middle of the second quarter. The repeal of a 4%, 8%, and 10% loyalty bonus for civil servants and government employees will have the direct effect of a decrease in disposable income, which could counteract the slight wage growth in the private sector. The recovery in personal consumption will also be held back by the slow pace of improvements in the labour market.

Figure 3.1 Exports of goods and services
real values



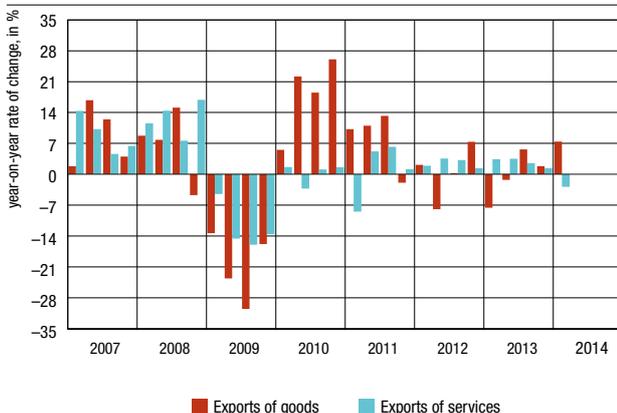
Note: Exports of goods and services in the third and the fourth quarter of 2013 and the first quarter of 2014 are estimated on the basis of the revised CBS data on the trade in goods which has not yet been calculated on the basis of national accounts data.
Source: CBS data seasonally and calendar adjusted by the CNB.

Figure 3.3 Personal consumption
real values



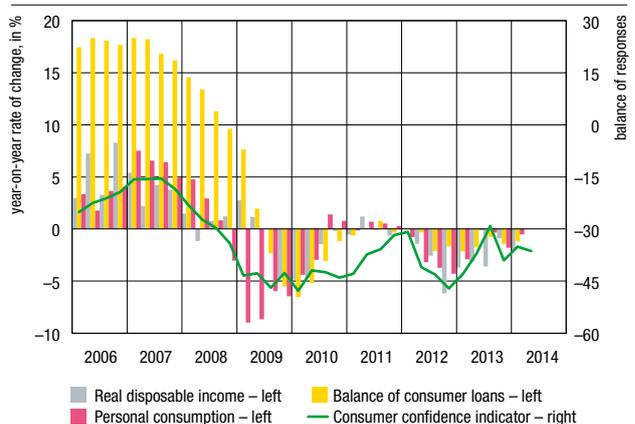
Source: CBS data seasonally adjusted by the CNB.

Figure 3.2 Exports of goods and services
in EUR, nominal values taken from the balance of payments



Source: CNB.

Figure 3.4 Determinants of personal consumption

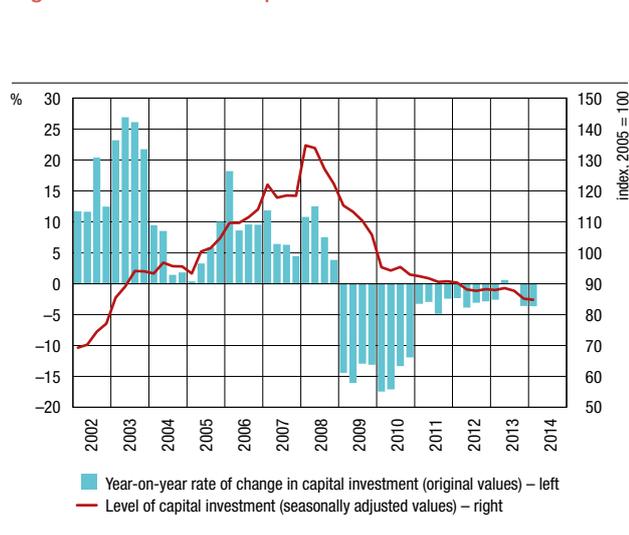


Note: The values of the consumer confidence indicator in a month are calculated as three-member averages of monthly data.
Sources: CBS, Ipsos Puls and CNB.

Gross fixed capital formation decreased by 0.5% in the first quarter from the previous quarter in 2014. Public sector investments contracted, while private sector investments grew. The contraction in public sector investment activity is evidenced by government investment expenditures and statistics on civil engineering works. In contrast, the strengthening of investments by the private sector is suggested by an increase of 1.4% in the imports of capital goods, according to the SITC classification, and a rise of 6.8% in construction works on buildings from the previous quarter. Investments could decline at an annual rate of 2.7% in 2014 before recovering slightly in 2015. A business optimism survey has revealed that the investments of manufacturing enterprises are expected to slow down in 2014. In addition, given the structure of fiscal adjustment under the Excessive Deficit Procedure, the increase in the rate of health insurance contributions from 13% to 15% could boost operating expenses and negatively affect the investment activity of employers. Furthermore, a decision on the withdrawal of a part of profits from public enterprises will lead to a decrease in their investment assets and 2016 will see the introduction of new types of taxes. The expected positive effect of the Act on Strategic Investment Projects of the Republic of Croatia, adopted in 2013, could be undermined in 2014 by an increase in the tax burden and uncertainty regarding the future business environment stemming from the frequent changes of some types of taxes. The realisation of investment projects will depend on the pace of and capacity for withdrawals from EU's structural and investment funds.

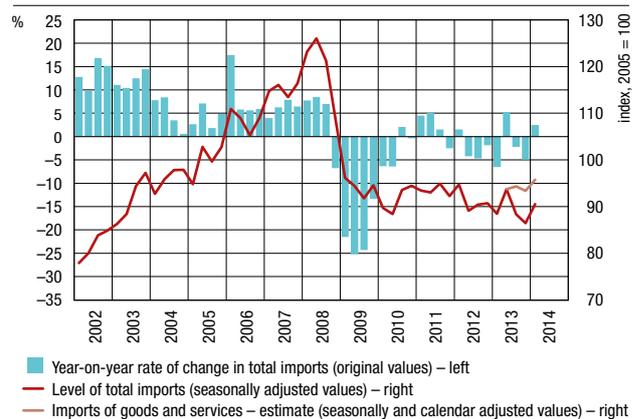
Government consumption decreased by 0.8% in the first quarter of 2014. The decrease primarily resulted from a drop in the compensation of employees, while the use of goods and services edged up from the same period in the previous year. With the bulk of the planned consolidation measures beginning to take effect as of the second quarter of 2014, government consumption could decrease at an annual rate of 0.6%, in line with the budget revision from February 2014. Expenditures for the use of goods and services could remain at the previous year's level, whereas real expenditures for the compensation of employees could edge down as a result of the repeal of loyalty bonuses for civil servants and government employees and continued decrease in employment in the public sector. Fiscal consolidation is expected to make the strongest impact on government consumption in the national accounts in 2015, with the unification

Figure 3.5 Gross fixed capital formation



Source: CBS data seasonally adjusted by the CNB.

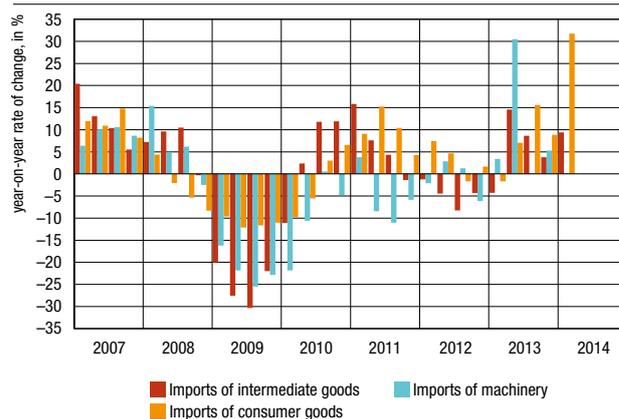
Figure 3.6 Imports of goods and services
real values



Note: Imports of goods and services in the third and the fourth quarter of 2013 and the first quarter of 2014 are estimated on the basis of the revised CBS data on the trade in goods which has not yet been calculated on the basis of national accounts data.

Source: CBS data seasonally adjusted by the CNB.

Figure 3.7 Goods imports by category
in EUR, nominal values



Source: CBS.

of public procurement and integration of auxiliary services in the public sector planned for that year and the resulting considerable savings, as specified in the Convergence Programme of the Republic of Croatia.

Real imports of goods and services went up 4.8% in the first quarter of 2014 due to the growth of personal consumption and exports of goods. As shown by trade in goods data, imports of non-durable consumer goods increased sharply by 25.9%, imports of intermediate goods rose by 5.4%, and imports of capital goods and durable consumer goods grew by 5.3% and 0.6% respectively, whereas imports of energy declined significantly, by 35.4% from the previous quarter. Imports of goods and services could go up by 2.0% mainly due to a recovery in exports of goods and services. Growth could accelerate in 2015 in view of accelerating exports and slowly recovering demand.

Aggregate supply

Gross value added of the total economy grew by 0.4% in the first quarter of 2014. The slight growth was uneven across activities. The growth of foreign demand was reflected in a 2% upturn in manufacturing, with public sector-related services, real

estate trading, information and communications as well as financial and insurance activities growing at considerably slower rates. GVA in construction recorded the sharpest fall (3.7%) as the downward trend in this activity continued from late 2008. GVA in trade, transport, accommodation and food service activities also declined (0.5%).

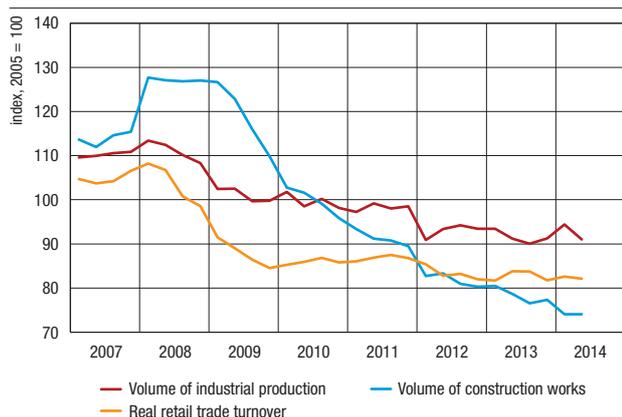
The available monthly indicators point to a stagnation of economic activity in the second quarter of 2014. The industrial production volume index went down by 3.6% in April and May from the previous quarter's average. Most of the main industrial groupings recorded a contraction in production, that of intermediate and capital goods went down by 4.1% respectively and of non-durable consumer goods by 4.0%. Real retail trade turnover declined (0.6%), which could be attributed to decreases in employment and real net wages in the same period. Data on the number of hours worked at building sites indicate that construction activity declined further by 1.7% in April. In contrast, revised trade in goods data for April point to an increase of 0.7% and 6.2% in goods exports and goods imports respectively from the previous quarter average. Data on tourist arrivals and nights released by the Croatian National Tourist Board suggest that

foreign demand made a positive contribution to GDP growth. Specifically, a very good tourism industry performance in June led to a sharp annual increase in tourist arrivals (6.7%) and tourist nights (4.6%) in the second quarter of 2014. Business optimism figures for June mainly point to positive expectations in industry and a slight improvement in business optimism in construction, while consumer confidence is also slowly on the rise.

Most of the NCEA sections will probably fail to record a significant recovery until the end of 2014. This especially refers to construction and trade, while manufacturing could accelerate to some extent as most of its turnover is generated in foreign markets, where economic activity is expected to recover.

In line with the projected movements in the aggregate demand components, the rate of change in GDP is expected to be -0.2% in 2014. Economic activity is expected to recover somewhat, growing at an annual rate of 0.4%, amid the positive effects of foreign demand growth and a slight investment recovery on real GDP growth and negative short-term effects of considerable fiscal consolidation. Under such conditions, personal consumption could edge down.

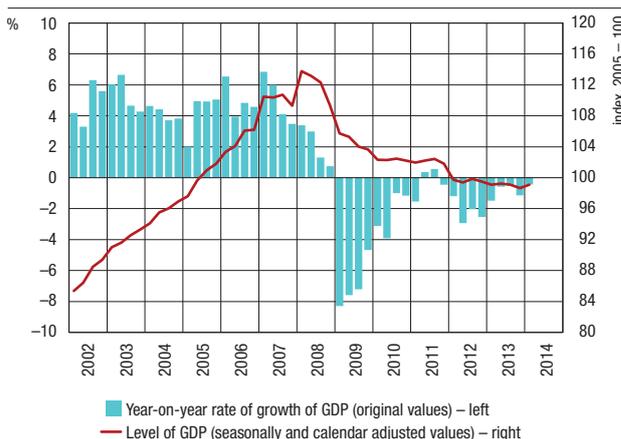
Figure 3.8 Short-term economic indicators
seasonally and calendar adjusted



Note: Quarterly data are calculated as a simple average of monthly data. Data for the second quarter of 2014 refer to April and May, except for data on the construction works volume index which refer to April.

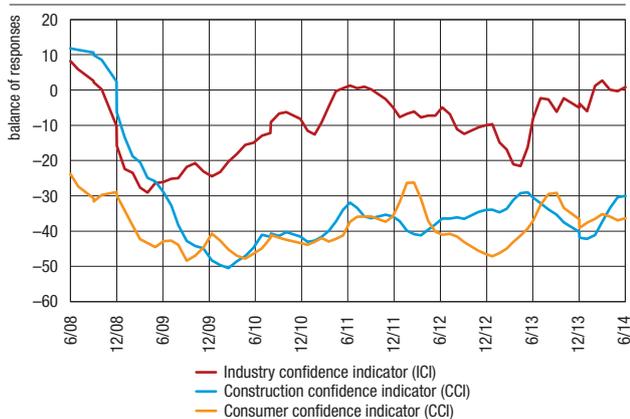
Source: CBS data seasonally and calendar adjusted by the CNB.

Figure 3.10 Gross domestic product
real values



Source: CBS data seasonally and calendar adjusted by the CNB.

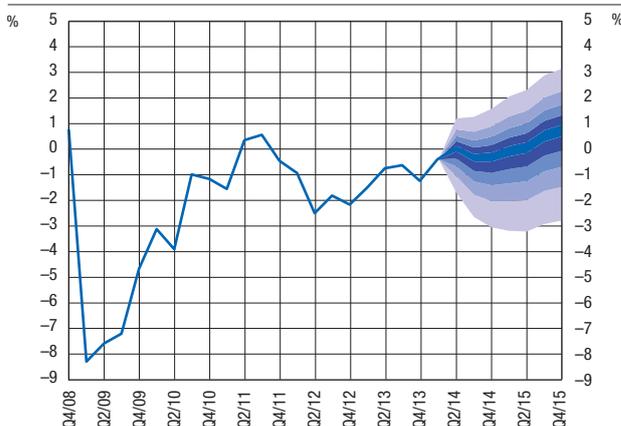
Figure 3.9 Business confidence indicators



Note: The presented values are three-member moving averages of monthly data. The Business Confidence Survey has been carried out since May 2008. The last data available refers to May 2014.

Sources: Ipsos Puls and CNB.

Figure 3.11 Projection of real GDP dynamics
year-on-year rate of growth



Sources: CBS and CNB.

Risks

Risks related to the realisation of the central projection are asymmetrical, with downside risks prevailing (Figure 3.11)¹. The main downside risks, basically unchanged from the previous projection, relate to uncertainties concerning the effect of measures implemented under the Excessive Deficit Procedure on economic activity. Should the adopted fiscal adjustment measures fail to result in the expected savings, the Government could consider adopting additional measures. Furthermore, the European Commission's assessment of the fiscal effort for Croatia requires that additional structural measures be implemented to realise the

Excessive Deficit Procedure in 2015, which will have an additional adverse effect on economic activity. In addition, economic developments will in 2015 depend on the structure and dynamics of investment in fixed assets. A considerable growth in private investment might be prompted by tax reliefs prescribed by the Investment Promotion Act, by more rapid launching of investment projects pursuant to the Strategic Investments Act and an increase in the pace of withdrawals from the EU's structural and investment funds. Growth in public investment could be accelerated by infrastructure projects.

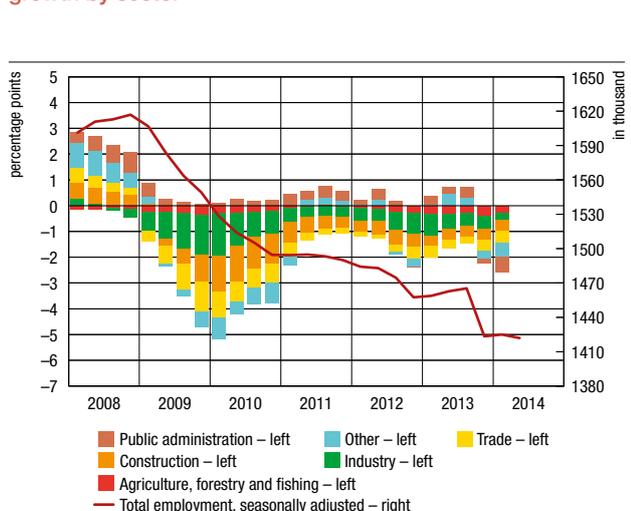
4 Labour market

Labour market developments stabilised in the first five months of 2014 after having deteriorated significantly at the end of 2013. Employment increased by 0.1% in the first quarter of 2014 from the previous quarter. Employment continued the upward trend in April (an increase of 0.1%) before dropping by 0.3% in May from the previous quarter. The number of employed persons was almost 42 000 lower at the end of May than in the same month in the previous year, which is an indication of continued unfavourable conditions in the labour market. Given the absence of economic growth and the start of fiscal adjustment, with numerous measures that could adversely affect the labour market in the second half of 2014, including the increase in the health insurance contribution rate from 13% to 15% and the planned cuts in the number of civil servants and government employees, to be implemented by hiring one person for every two employees retiring, employment is likely to continue dropping in the second half of 2014 at an annual rate of 1.3%. The expectations are that 2015 will see similar developments, but with a more moderate decrease in the number of employed persons (-0.4%).

The number of unemployed persons fell in the first quarter of 2014 primarily due to decreased inflows into the CES register directly from employment, coupled with an increase in employment from the register. This trend was discontinued in May, when inflows into the CES register directly from employment declined and employment from the register dropped, but it continued in June as a result of the growth of outflows from unemployment due to new hirings. Unemployment could edge up towards the end of 2014 and similar trends are expected to continue in 2015.

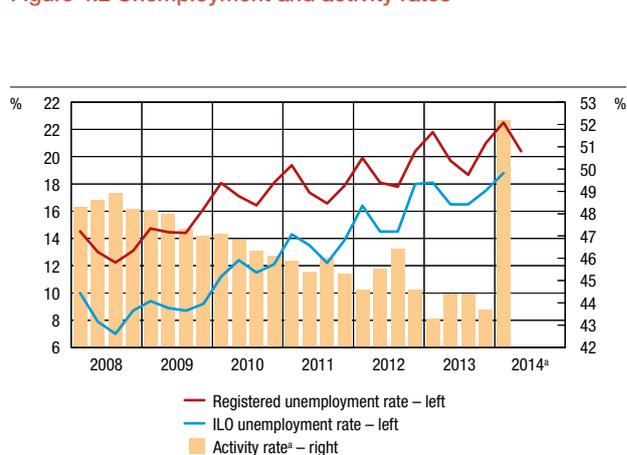
Despite a stabilisation in the labour market, the administrative unemployment rate remained at a high of 21.6% in the first five months of 2014, a slight increase from 21.2% in the same period in the previous year. In view of the expected developments in employment and unemployment, the unemployment rate could remain at high levels throughout the projection period. The administrative unemployment rate is expected to exceed 20% in 2014 (20.7%) and in 2015 (20.9%). Survey labour market data for the first quarter of 2014 were released according to a changed methodology² and are not comparable with

Figure 4.1 Total employment and contribution to employment growth by sector



Note: Data on the number of employed persons in the second quarter refer to April and May.
Source: CPIA data seasonally adjusted by the CNB.

Figure 4.2 Unemployment and activity rates



^a Data for the first three months of the current year are harmonised with the results of the Census of Population, Households and Dwellings from 2011, while data published so far were calculated on the basis of the Census from 2001. ^b The labour force as a percentage of working age population (15+).

Note: Registered unemployment rate for the second quarter refers to April and May.
Sources: CBS and CES.

- The lower and upper limits of a 90% confidence interval were determined on the basis of historical variances of projection errors for a particular quarter. The said variances were further adjusted by correction factors whose value reflects the CNB's perception about changes in potential realisation risks of central projections.
- Data for the first three months in the current year have been harmonised with the Census of Population, Households and Dwellings 2011, while the previously released data were calculated based on the Census from 2001.

the previously released data. Their dynamics is therefore not discussed below. As a result of the methodological change, the working age population increased by 250 000, while employment and unemployment grew by 137 000 and 59 000 respectively. This change also led to increases in the activity rate (from 43.7% in the fourth quarter of 2013 to 52.2% in the first quarter of 2014) and the employment rate (from 36.1% to 42.4%) as well as to a slightly more moderate increase in the unemployment rate (from 17.5% to 18.8%).

Nominal gross and net wages went up slightly in the first quarter from the previous quarter, whereas the real wage growth was somewhat stronger due to a consumer price drop in the same period. If analysed according to the NCEA, most activities recorded nominal gross wage growth, the strongest being that in trade and services. The wage growth from the first quarter of 2014 halted in April and resumed in May. The annual growth of nominal gross and net wages could stagnate in 2014. Private sector wages are expected to grow slightly, but this growth could be offset by a decrease in public sector wages brought about by the repeal of a 4%, 8% and 10% loyalty bonus for civil servants and government employees as of April 2014. Given the expected wage stagnation, real wages should also remain at the 2013 level in 2014. Gross and net nominal wages could grow slightly (0.5%) in 2015.

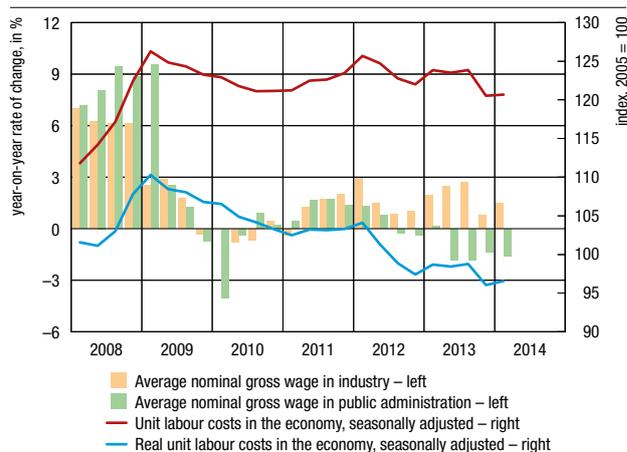
The unit labour cost went up moderately in the first quarter of 2014 as the compensation of employees grew faster than labour productivity. The unit labour cost could edge down in

5 Inflation

Croatia's annual CPI inflation rate decreased considerably in 2013, moving into negative figures from February to May³ and standing at an average of -0.4% compared with the same period in the previous year. Inflation was low due to weak domestic demand and the absence of domestic cost pressures. The slowdown in inflation was also caused by a decrease in world raw material prices and favourable weather conditions. Inflation is expected to increase mildly towards the end of the year as a result of administrative decision adopted for the purpose of fiscal consolidation and the disappearance of a positive supply side shock effect on trends in the annual rate of change in food prices. The average annual CPI inflation rate is projected to decelerate from 2.2% in 2013 to 0.1% in 2014, primarily as a result of a decrease in the rates of change in food and energy prices. The average annual inflation rate is expected to accelerate to 1.6% in 2015, but inflation will remain low, standing below the long-term average.

CPI inflation decreased from 0.3% in December 2013 to -0.2% in May 2014, with the contribution of food prices dropping the most (down by 1.0 percentage point). The decrease derived from three product groups: vegetables (-0.5 percentage points), milk, cheese and eggs (-0.3 percentage points) and bread and cereals (-0.2 percentage points). The drop in vegetable prices was to a large extent due to the milder winter this year, whereas trends in other food product prices mainly reflected a decrease in food raw material prices in the world market. In contrast, the price growth in the first five months of 2014 was due to administrative decisions, including an increase in the

Figure 4.3 Gross wages and unit labour costs

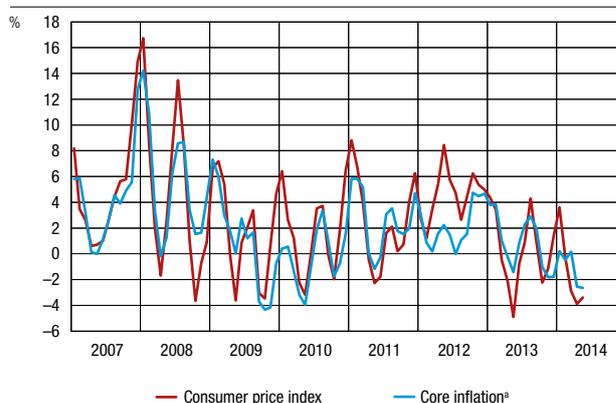


Sources: CBS and CPIA data seasonally adjusted by the CNB.

the remaining part of the current year in view of the expected continuing decrease in employment and the absence of a significant wage growth. The unit labour cost is expected to decrease slightly in 2015.

previously reduced VAT rate from 10% to 13%, as well as increases in excises on tobacco, refined petroleum products and the water management and protection charge). The slowdown in the annual decrease in prices, from -0.5% in April to -0.2% in May was to a large extent due to the annual growth rate of prices of fuels and lubricants, which rose from 1.1% in April to 8.1% in May, caused by the mentioned increase in excises on refined petroleum products, the increase in world crude oil prices and unfavourable base effect. In addition, the annual rate of change

Figure 5.1 Consumer price index and core inflation annualised month-on-month rate of change



³ Core inflation does not include agricultural product prices and administrative prices. Note: The month-on-month rate of change is calculated from the quarterly moving average of seasonally adjusted consumer price indices.

Sources: CBS and CNB calculations.

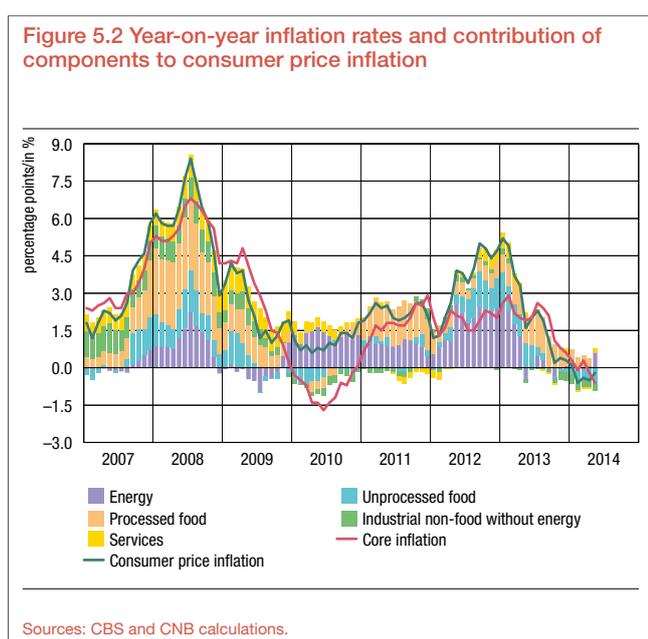
³ See Box 1 for the deflation risk in Croatia.

Table 5.1 Price indicators

year-on-year rate of change

	2010	2011	2012	2013	9/2013	12/2013	3/2014	4/2014	5/2014
Consumer price index and its components									
Total index	1.1	2.3	3.4	2.2	1.1	0.3	-0.4	-0.5	-0.2
Energy	9.5	6.2	10.5	3.1	-0.3	0.4	-0.6	0.4	3.2
Unprocessed food	-2.2	1.2	5.8	3.8	-0.2	-1.5	-3.0	-3.8	-5.1
Processed food (incl. alcoholic drinks and tobacco)	-0.1	5.8	2.6	4.9	6.1	3.0	2.3	1.4	0.4
Industrial non-food without energy	-0.7	-0.3	0.4	-0.4	-0.4	-1.4	-1.2	-1.2	-1.2
Services	1.5	-0.4	0.5	0.8	-0.3	0.4	-0.3	-0.3	0.4
Other price indicators									
Core inflation	-0.8	1.8	1.9	1.9	2.1	0.6	0.3	-0.2	-0.6
Index of industrial producer prices on the domestic market	4.3	6.4	7.0	0.5	-1.6	-2.6	-3.1	-3.0	-2.4

Source: CBS.



in service prices grew in May, with the largest contribution coming from communications and package holidays.

Inflationary pressures also continued to abate in other member states. The EU's annual inflation rate measured by the Harmonised Consumer Price Index⁴ fell from 1.0% in December 2013 to 0.6% in May 2014, largely as a result of a decrease in food prices, especially unprocessed food products, caused by the fact that winter was milder this year than in the previous year. The decrease in inflationary pressures also reflected the effect of measures related to indirect taxes, as in a large number of member states the effect of fiscal consolidation measures adopted in the previous years disappeared. In addition, the carry-over of recent increases in indirect taxes to inflation was smaller than it used to be because of weak demand. One should add to this the alleviating effect of imported inflation on prices in eurozone members arising from the earlier strengthening of the euro in the world foreign exchange market. In addition to adverse labour

market conditions, this also contributed to a mild slowdown in the annual growth of core inflation. The annual rate of change in the EU HCPI excluding energy, food, beverages and tobacco declined from 0.9% in December 2013 to 0.8% in May 2014.

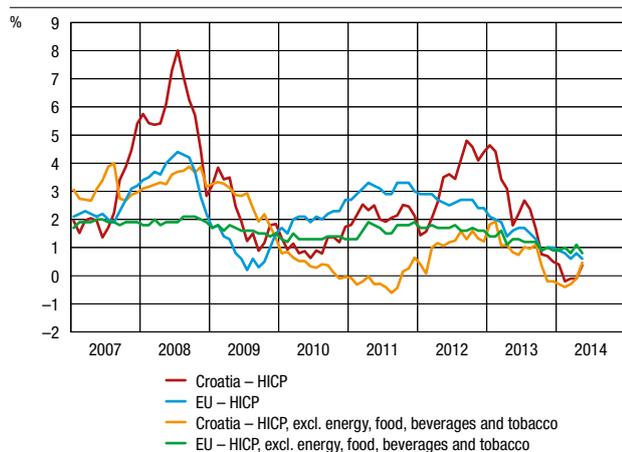
The overall reduction of inflationary pressures was milder in Croatia than in the EU in the first five months of the year. The annual inflation rate based on the Harmonised Consumer Price Index decreased by a mere 0.1 percentage point, from 0.5% in December 2013 to 0.4% in May 2014. As in the EU, the inflation slowdown was mainly due to food products. However, the annual rate of change in energy prices (especially fuels and lubricants) and service prices increased sharply in Croatia in the first five months, which was not the case in the EU.

Domestic consumer price inflation is expected to grow slightly in the remaining part of 2014, to some extent due to fiscal consolidation measures, with the annual inflation rate estimated to reach 1.0% at the end of the year. Telecommunication services' prices are expected to increase at a high rate of about 10% in July. Also, the effect of a positive supply side shock on trends in the annual rate of change in food prices is expected to disappear at midyear and some upward pressures on prices will come from the increase in the health insurance contribution rate.

The average annual CPI inflation rate is projected to decelerate from 2.2% in 2013 to 0.1% in 2014, primarily as a result of a decrease in the rates of change in food and energy prices. The average annual rate of change in food prices is projected to decrease considerably due to the spillover of a price drop in food raw materials onto domestic food prices in the first half of the year. The annual rate of change in food prices is expected to increase in the last quarter of 2014 due to an unfavourable base effect. It is also estimated that the average annual rate of change in energy prices will decrease as a result of a drop in the Brent crude oil price in the world market and stable domestic prices of electricity, gas and heating. The average annual growth rate of the CPI excluding food and energy could decelerate in 2014, reflecting weak personal demand, a slight drop in the unit labour cost and low imported inflation. An important factor putting inflationary pressures on prices is a decrease in personal consumption, which resulted from a drop in real disposable

4 The HCPI and CPI are calculated on the basis of the same representative basket of goods and services. The main difference between the two indices is in the coverage of households and the sources used for the weight structure. The HCPI incorporates the overall consumption of institutional households and non-residents in the economic territory, while the national consumer price index is based on the weight structure that includes only the consumption of residents. The main source of data for the calculation of the HCPI weight structure at higher aggregation levels are the national accounts and at lower aggregation levels household consumption surveys, whereas the CPI is calculated based solely on household consumption surveys. An analysis of the shares of the 12 components according to the COICOP shows that the shares of food products, non-alcoholic beverages and dwelling are considerably lower in the HCPI, and that the shares of hotels and restaurants, recreation and culture, alcoholic beverages and tobacco are considerably higher.

Figure 5.3 Overall and core inflation measured by the movements in the HICP in Croatia and European Union year-on-year rate of change

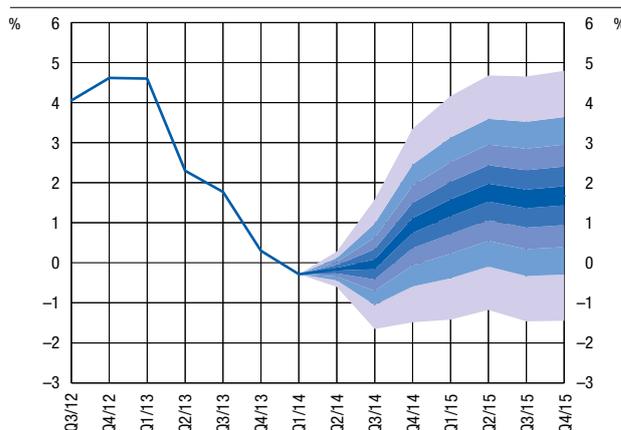


Sources: CBS and Eurostat.

household income primarily caused by the downturn in employment, the absence of any increase in the average net wage in the economy, household deleveraging and stagnation in transfers to households. Furthermore, consumption growth has been curbed by low consumer optimism and a rise in expenditures on the use of goods and services, the prices of which increased due to the implementation of fiscal consolidation.

The average annual consumer price inflation rate is projected to accelerate to 1.6% in 2015. Inflation will remain low, below its long-term average, amid the absence of demand-pull inflationary pressures and negative supply shocks⁵. Inflation might grow to some extent as a result of an increase in the rate of change of the CPI excluding food and energy, which corresponds with the expected growth of import prices of finished goods, indicated by the forecast increase in the annual producer price growth in the main trading partners⁶. In addition, the average annual rate of change in food prices is projected to grow more in 2015 than in 2014, as a result of a marked slowdown in the annual decrease in food raw material prices in the world market (in kuna terms).

Figure 5.4 Projection of consumer price inflation year-on-year rate of change



Sources: CBS and CNB calculations.

The average annual rate of change of energy prices should drop in 2015 given the expected decrease in global prices for Brent crude.

Figure 5.4 shows a projection of consumer price inflation by means of a fan chart covering the period from the second quarter of 2014 to the fourth quarter of 2015. It is estimated that risks of lower than projected and higher than projected inflation are balanced, as suggested by the symmetrical shape of the fan, with the range of projected inflation equal below and above the central inflation projection. One of the main risks for a lower than projected inflation rate stems from the possibility that domestic demand will be weaker than expected. On the other hand, there are several risks that could lead to higher than forecast inflation, including the possibility of a stronger growth of administrative prices arising from fiscal consolidation and a faster growth of world raw material prices, especially of crude oil and gas due to geopolitical tensions in Iraq and Ukraine. Also, possible weather adversities could boost agricultural product prices.

Box 1 Recent trends in the consumer price index and the risk of a deflationary spiral in Croatia

Inflation decreased considerably in Croatia in 2013, and the annual rate assumed negative values in February 2014, mainly as a result of a drop in world raw material prices. An analysis of deflationary risks in Croatia in 2014 shows that the share of components of the consumer price index excluding food and energy that recorded negative annual rates of change increased compared with their average share in the previous four years. In the first five months of 2014, consumers refrained from purchasing durable household goods. The share of consumers who believed that purchases should be postponed is not significantly higher than the average in the last five years, which suggests that spending was not postponed to a larger extent and that consumers considered the existing price shocks to be temporary. A

survey by professional forecasters (Eastern Europe Consensus Forecasts) shows that deflation in Croatia is not expected either in the short-term or in the long-term.

The global economic and financial crisis led to a drop in the prices of raw materials in the world market and weakened demand, with the result that inflation fell in a large number of countries. The annual rate of change in the Harmonised Consumer Price Index (HCPI) was below the ECB's target of 2% in member states in 2009 and in early 2010, with similar trends recurring during the last year. Inflation in the EU was at a low rate of 0.6% in May 2014. Negative annual rates of change were recorded in Greece (-2.1%), Bulgaria (-1.8%), Portugal (-0.3%) and Cyprus (-0.1%)⁷. The inflation drop resulted from trends in the external

⁵ Estimates are that 2015 could see a slight increase of 0.3% in the unit labour cost and a decline in world raw material prices (a -0.4% drop in crude oil prices and a -1.9% decrease in food raw material prices compared with the previous year, in kuna terms).

⁶ Analysts whose estimates are published in the Consensus Forecasts expect the average annual rate of change of eurozone producer prices to grow from -0.5% in 2014 to 1.3% in 2015, that is, from -0.1% to 1.7% in Germany and from -0.7% to 1.3% in Italy).

⁷ The annual rate on change in the national CPI in Croatia was -0.2% in May and that in the HCPI amounted to 0.4%.

environment (especially raw materials prices) and the appreciation of the euro exchange rate. Excluding volatile components, food and energy, HCPI inflation also decelerated due to weak economic activity. These developments have once again given rise to conjectures about the possibility of deflation, especially in the countries whose economies are burdened with structural problems and high debt levels.

Deflation is narrowly defined as a decrease in the general price level, where the annual rate of change in prices is negative for a period of one quarter. When defining deflation, it is important to take into account whether it is caused by temporary shocks (e.g. on the side of supply of raw materials) or by demand side shocks, as well as to consider the economic context and inflationary expectations. The European Central Bank therefore specifies the following criteria⁸ which distinguish between outright deflation from subdued price developments that are less detrimental for the economy:

- a negative annual rate of consumer price inflation over a prolonged period;
- a negative rate of change in the prices of a broad set of items in the CPI basket of goods and services;
- longer-term inflation expectations becoming unanchored and falling clearly below levels consistent with the central bank's definition of price stability;
- persistently very low or negative GDP growth rates and/or high and rising unemployment rates.

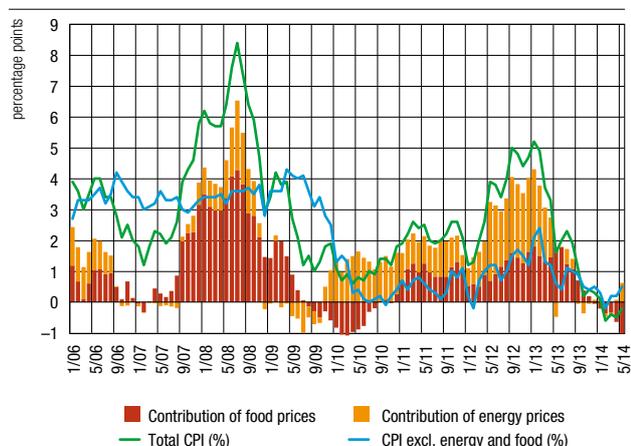
Should deflation persist and affect most of the sectors in the economy, it can result in a deflationary spiral, with falling consumer and producer prices leading to a drop in income and profits of companies. Companies are then forced to cut their expenses, which, as a rule, results in layoffs. The growing unemployment reduces household demand for goods and services, putting further downward pressures on prices. A further contribution to the deflationary spiral could come from the attendant increase in the real value of money. Under such conditions, consumers will in the future be able to buy more goods for the same amount of money, which can reduce the amount of current purchases and accelerate the deflation spiral. If companies and consumers are faced with deflation throughout

a long period of time, their inflationary expectations could significantly change and support deflation.

Croatia's annual consumer price inflation rate (CPI rate) declined significantly in 2013 and has had negative values since February 2014. The inflation slowdown is to a large extent due to the prices of energy and food being strongly influenced by declining world raw material prices, favourable weather conditions in the country and the lifting of the remaining protective tariffs after Croatia joined the EU. In addition to these short-term factors, inflation has also been kept low by weak domestic demand and the absence of domestic cost pressures that has marked the whole period since the beginning of recession. Therefore, under current economic conditions it is important to make a more detailed analysis of developments in the consumer price index excluding energy and food⁹. This index is less volatile and reflects changes in the prices of industrial products and services, which, in addition to trends in the external environment, also to a large extent depend on domestic economic trends, including those in personal consumption, profit margins and unit labour costs. In the last four years (from 2010 to 2013) the annual rate of growth in consumer prices excluding food and energy stood at about 0.8% (considerably below a long-term average of 3.2% in the pre-recessionary period) decelerating slightly to 0.2% in the first five months of 2014. In contrast, the share of the components of the CPI excluding food and energy with negative annual rates of change increased, averaging 27.6% in the first five months of 2014. This share only slightly exceeds the one recorded during the previous inflation slowdown in 2010.

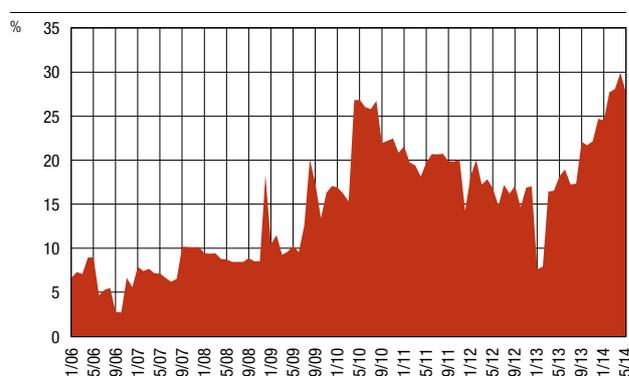
An analysis of price developments at a lower level of aggregation will offer a more detailed insight into the sources of deceleration of consumer price inflation. Figure 5.7 shows the distribution of annual rates of change of CPI components for May 2014 and 2010 (also marked by very low inflation rates). On the left side of the distribution, showing an annual drop in prices in May 2014, are food products, clothing and footwear, motor cars, telecommunication services, household appliances, furniture and non-durable household goods. An annual decrease in prices was also recorded for data processing

Figure 5.5 Contribution of food and energy prices to year-on-year rate of change in CPI in Croatia



Source: CBS.

Figure 5.6 Share of products (excluding food products and energy) with negative year-on-year rate of change in total CPI

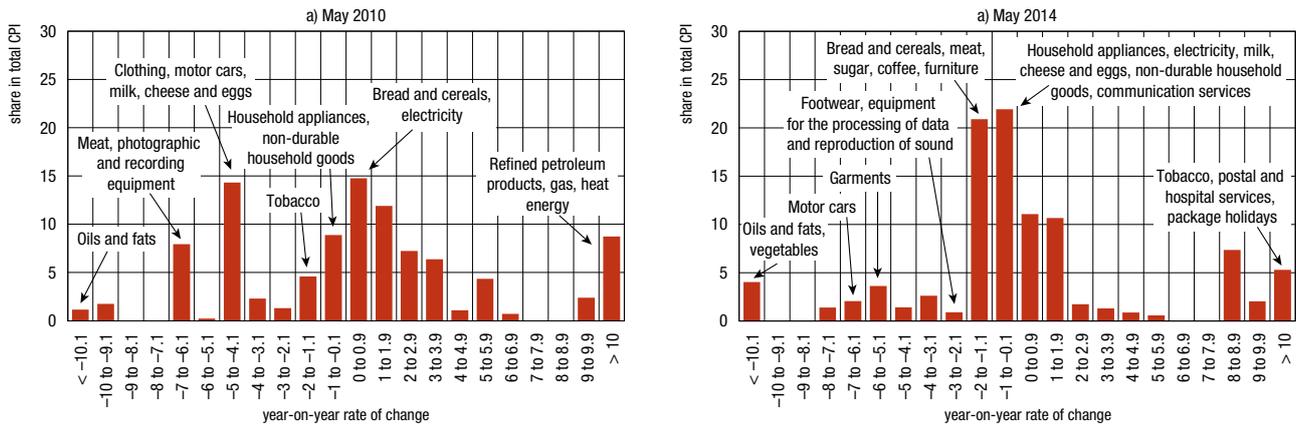


Sources: CBS and CNB calculations.

⁸ ECB Monthly Bulletin, June 2014, p. 66.

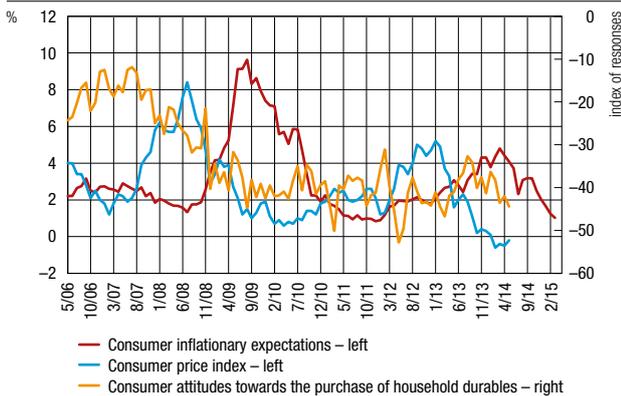
⁹ Accounting for about 54% of the overall CPI.

Figure 5.7 Distribution of year-on-year rate of change in prices of CPI components by their share in the CPI basket



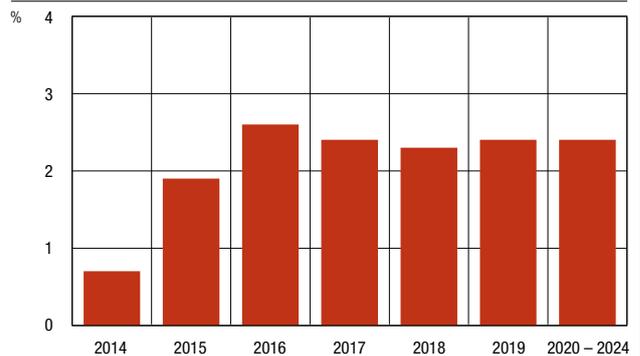
Note: The figure shows the distribution of year-on-year rates of change in 91 CPI components by their share in the CPI basket. Each column represents the share of CPI components whose year-on-year rate of change is within an appropriate range.
Sources: CBS and CNB calculations.

Figure 5.8 Actual year-on-year rate of change in CPI, consumer inflationary expectations and attitudes towards the purchase of household durables



Note: Quantification of respondents' qualitative responses on inflationary expectations from the Consumer Confidence Survey in the exact numerical indicator was carried out by applying the Carlson-Parkin method (scaled by the model calculation of perceived inflation from the Survey, question 5).
Sources: CBS, Ipsos Puls and CNB calculations.

Figure 5.9 Short-term and long-term expectations of consumer price inflation in Croatia (professional forecasts) average year-on-year rate of change



Source: Eastern Europe Consensus Forecasts, March and June 2014.

equipment, personal computers and other electronic equipment, due in a large measure to strong competition and technological advancements. However, these prices have made a small contribution to the decrease in overall consumer price inflation as they have a relatively small weight in the CPI basket.

On the right side of the distribution, showing a sharp annual increase in prices in May 2014, are products with administratively set prices (e.g. tobacco, hospital and postal services). This year is specific in relation to the previous similar episode in that energy prices rose at a very moderate annual rate of 3.2% in May 2014, having jumped at an annual rate of 11.9% in May 2010 (refined petroleum products, gas, and heat energy).

Assessment of deflationary risk necessitates an analysis of the impact of inflationary expectations on consumption. Figure 5.8 shows that consumer inflationary expectations are to a large extent adaptive, as the time series of expectations is markedly similar to inflation with a gap of twelve months. In the first five months of 2014, consumers refrained from purchasing durable household goods. The share of consumers who believed that purchases should be postponed was not significantly higher than the average in the last five years, which

suggests that spending was probably not further postponed. This leads to the conclusion that consumers considered the existing price shocks temporary.

Short-term shocks should to some extent affect long-term inflationary expectations so that they primarily reflect the credibility of central bank policy related to maintaining price stability and the return of the annual growth in food and energy prices to historical averages. The average annual rate of change in food prices is estimated at -1.5% in 2014 (4.2 percentage points below the long-term average) and that in energy prices at 1.1% (4.8 percentage points below the long-term average). A survey by professional forecasters (mostly employees of economic institutes, banks and other financial institutions) published by the Eastern Europe Consensus Forecasts, shows that deflation is not to be expected in Croatia even in the short-term (Figure 5.9). Long-term expectations are for inflation to remain low and stable, ranging between 2.3% and 2.4%. The CNB expects inflation to edge up towards the end of 2014 due to some extent to administrative measures related to telecommunication services prices. Also, the effect of a positive supply side shock on trends in the annual rate of

change in food prices is expected to disappear in the second half of the year. Some upward pressures on prices might at midyear come from an increase in the health insurance

contribution rate. Finally, domestic demand is expected to start recovering in early 2016 and considerably reduce the risk of deflation.

6 Foreign trade and competitiveness

The trend of improvement in the current account balance that has lasted for several years moderated in the first quarter of 2014¹⁰. This was to a large extent due to a decrease in net inflows from transfers, resulting from government expenditures related to payments to the EU budget, which were not coupled with an equal use of EU funds. In addition, the factor income deficit grew slightly and net exports of services declined from the same period in the previous year. The adverse developments were mitigated by the narrowing of the deficit in foreign trade in goods, caused by acceleration in export growth. The current and capital account balances are expected to improve on an annual basis, rising from 1.0% of GDP in 2013 to 2.1% of GDP in 2014, mainly as a result of an increase in net exports of goods and services.

The latest available data on trends in foreign trade in goods in early 2014¹¹ suggest that the deficit in foreign trade in goods narrowed on an annual basis, but that, following a contraction in the second half of 2013, it widened by 8.1% on a quarterly basis in the first quarter of 2014 from the last quarter of 2013. This was the outcome of an increase of 1.2% in imports of goods, coupled with a small drop in exports (0.3%). The largest contribution to imports growth was made by imports of other goods (excluding ships, oil, refined petroleum products and miscellaneous finished products) rising by 10.6%, primarily relating to capital goods, road vehicles and clothing. Ship imports also went up, whereas imports of oil, refined petroleum products and gas declined. Exports of goods edged down in the first three months of 2014, mainly under the influence of a decrease in exports of other transport equipment (mostly ships) and of oil and refined petroleum products. However, exports of other goods, a

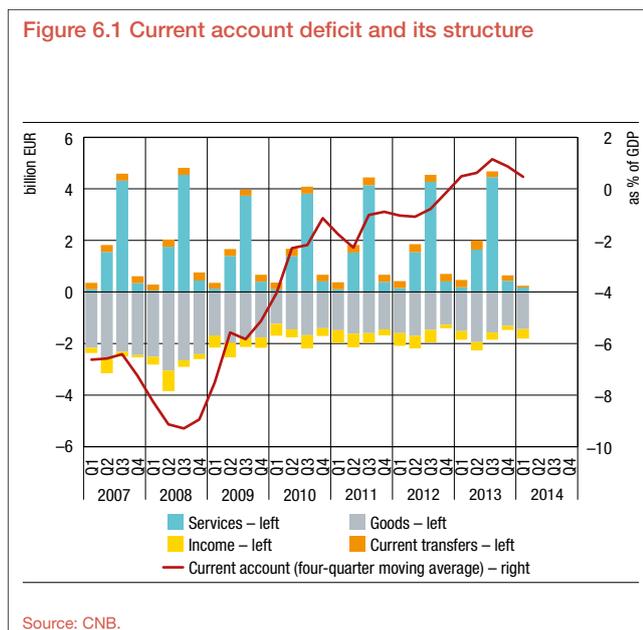
narrow aggregate that excludes ships and oil, grew by 4.6%. Increases were recorded in exports of electricity, sugars and sugar products, capital goods (especially electrical machinery, apparatus and appliances) and clothing. The deficit in foreign trade in goods widened further in April 2014 due to imports of goods growing at a higher rate (up 5.6% from the previous quarter) than exports (2.0%). However, if other transport equipment, oil and refined petroleum products are excluded, both exports and imports recorded negative rates of change in April 2014.

Croatia's goods exports to "new" member states continued to grow at high annual rates in early 2014. Exports to these countries grew by 28.3% in the first three months of 2014 from the same period in the previous year, with the bulk of the growth accounted for by exports to Slovenia and Hungary. Exports to CEFTA member countries also increased (up at an annual rate of 15.4%), the increase being the consequence of a rise in exports to Croatia's largest CEFTA markets, Bosnia and Herzegovina and Serbia. Nevertheless, exports to CEFTA markets remained lower than in the years before the crisis. At the same time, exports to non-EU and non-regional markets, which fell at the lowest rates immediately following the breakout of the crisis and remained relatively favourable until the beginning of 2013, continued to drop in the first quarter of 2014.

The balance of foreign trade is expected to improve in 2014 due to the expected faster growth in goods exports than in goods imports. The growth of exports is primarily based on the projected increase in import demand by Croatia's main trading partners. In addition, considering weak domestic demand, companies will probably turn increasingly to foreign markets with better economic fundamentals. The export performance could benefit from an improvement in the price and cost competitiveness of Croatian exports and better adjustment of Croatian exporters to new trade conditions following the accession to the EU. Imports, on the other hand, have been constrained by the lack of any significant recovery in domestic demand and continued adverse trends in the labour market. In 2015, exports of goods could continue to accelerate on the back of further strengthening of foreign demand. The strengthening of the recovery in the domestic economy will probably lead to further acceleration in imports, that is, to the weakening of the positive net effect of foreign trade.

Net exports of services declined in the first quarter of 2014 from the same period in the previous year. The increase in net revenues from transportation services was offset by adverse trends in travel service and, especially, other services. Tourism revenues, accounting for a very small share in total annual results, decreased in the first quarter, among other things due to a negative base period effect related to the moving Easter holidays. Tourism revenues are expected to increase annually in 2014 and in the following year.

Trends in the factor income account were in the first quarter of 2014 marked by an annual increase in the negative balance



10 The latest available balance of payments data incorporate the final data on foreign trade in goods for 2013.

11 According to the latest CBS data incorporating the value of trade below the threshold of inclusion in the sample of business entities trading with member states.

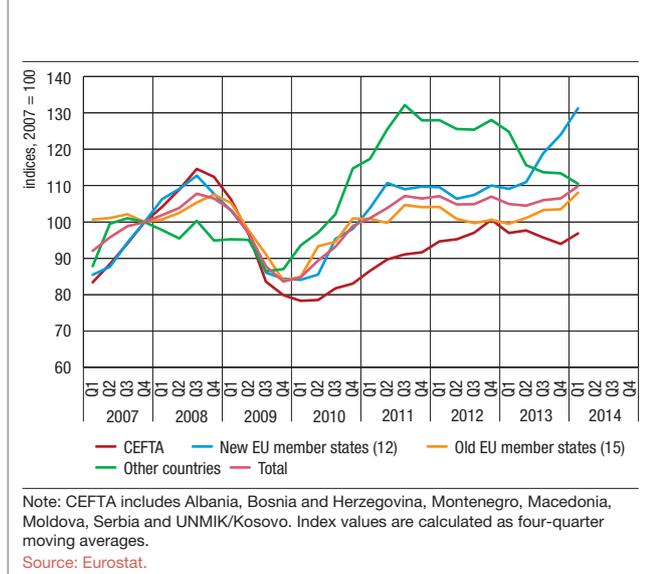
Table 6.1 Current and capital account and its components

as % of GDP

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Current account balance	-7.3	-8.9	-5.1	-1.1	-0.9	-0.1	0.9	1.9	1.8
Goods	-21.8	-22.4	-16.1	-12.9	-13.9	-13.9	-14.7	-14.4	-14.1
Services	14.7	14.4	12.7	13.0	14.0	14.7	15.7	16.3	16.3
Income	-2.5	-3.3	-4.0	-3.6	-3.6	-3.7	-2.5	-2.1	-2.6
Current transfers	2.4	2.3	2.2	2.4	2.6	2.7	2.5	2.1	2.2
Current and capital account balance	-7.2	-8.9	-5.0	-1.0	-0.8	-0.0	1.0	2.1	2.2

Source: CNB.

Slika 6.2. Croatia's exports of goods by economic classification of countries



generated by a decrease in the compensation of employees and growing interest expenses of domestic sectors, especially of the government sector, on foreign liabilities. The profits of corporates (enterprises and banks) in foreign ownership edged down, with a sharper deterioration in operating results to be expected towards the end of the year. Net expenditures on direct equity investments are therefore expected to decline from the previous year, with the result that the total factor income balance could make a positive impact on changes in the current account balance, as in 2013. As economic activity gradually recovers and inflows of foreign direct investments increase, the deficit in the factor income account will probably widen again.

Net inflows from current and capital transfers could decrease further towards the end of 2014, producing a negative impact on the current and capital account balances. This was because payments to the EU budget have not been coupled with an equal use of EU funds. Specifically, notwithstanding an increase in total receipts from EU funds, the funds that the MoF receives from the European Commission are not reported in the balance of payments as current or capital transfers before the MoF actually allocates them for the intended purpose, that is, transfers these funds to end users. EU funds absorption capacity is expected to increase gradually in the medium term and make a positive contribution to the current and capital account balances.

The improving trend in the current and capital account balances, lasting for five years, could thus continue in 2014, due to an expected increase in net exports of goods and services and a decrease in the factor income account deficit. In 2015, the balances will be adversely affected by a widening income account deficit, while, on the other hand, the positive foreign trade

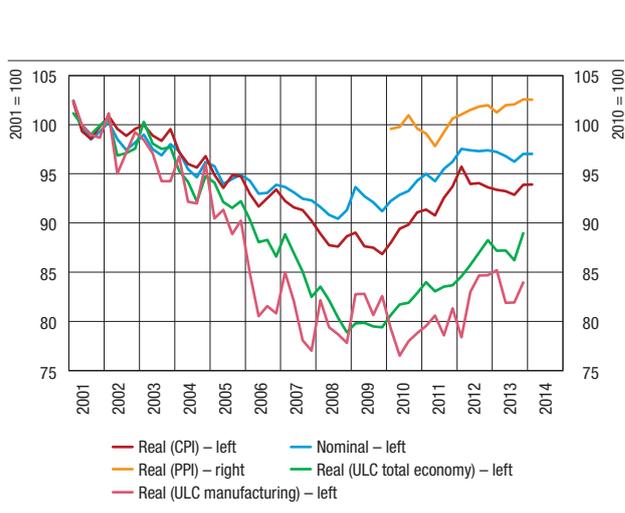
balance could increase slightly, as well as the use of EU funds.

The indicators of price competitiveness of Croatian exports stagnated in early 2014. The real effective kuna exchange rates deflated by consumer and producer prices remained almost at the same level in the first quarter of 2014 as in the previous quarter. However, these indicators continued to improve on an annual level as trends in domestic prices were more favourable than those in most of the twenty main trading partner countries, whose currencies are included in the currency basket for the calculation of effective exchange rates of the kuna (for the expansion of the basket from sixteen to twenty countries and the application of the new weight calculation method see Box 2).

Croatia's export price competitiveness, measured in terms of the real effective exchange rate deflated by consumer prices could improve in 2014, after having deteriorated in the previous year. These trends have resulted from expectations that domestic prices will grow at lower rates than prices in the main trading partners. The real effective kuna exchange rate deflated by consumer prices is not expected to change significantly in 2015.

As shown by developments in unit labour costs, their adjustment was stronger in Croatia than in the main trading partners in the fourth quarter of 2013, both at the level of the whole economy and at the manufacturing level. A decrease in unit labour costs resulted from a fall in employment that was slightly more pronounced at the level of the whole economy. As a result, the real effective kuna exchange rate deflated by unit labour costs depreciated from the third quarter in 2013. As shown by the results for the whole previous year, the several-year improving trends in these indicators continued, although at a considerably slower pace than in 2012.

Figure 6.3 Nominal and real effective exchange rates of the kuna



Note: A fall in the index denotes an effective appreciation of the kuna.

Source: CNB.

Box 2 Revision of the effective exchange rates of the kuna

Short-term indicators of competitiveness are regularly improved and revised in order for them to reflect changes in the structure of international trade and to enhance the compliance of their calculation with the practice of other international institutions and central banks. This year, the Croatian National Bank revised the effective exchange rates of the kuna by extending the basket of the main trading partner countries and applying time-varying weights. The revision of the effective exchange rates has not resulted in significant changes from previous indicators, but the scope of trading partners and methodological compliance with indicators calculated by other international institutions have increased.

This box shows the results of the revision of the nominal and real effective exchange rates of the kuna, which includes extending the basket of the main trading partner countries and applying time-varying weights. The new indices of the nominal and real exchange rates of the kuna differ from the previously released indices by the number of the main trading partner countries and the method of determining the relative weights of specific currencies/countries included in their calculation. The previous calculation included 16 trading partner countries. Their share in Croatia's total foreign trade in manufactured goods fell from 90% in 1996 to 68% in 2012. This period saw an increase in the weights of countries that were not included in the previous calculation, especially in the weight of China, which grew from 0.7% in 1996 to 11% in 2012, almost solely due to export growth. The main reasons for the revision of the basket are changes in the geographical structure of international trade¹² and data availability. Four new countries were included: China, Turkey, Serbia and Bosnia and Herzegovina¹³ (see Table 6.2).

For the sake of simplicity and practicality, the previous calculations used fixed weights that reflected the average structure of foreign trade for the 2007 to 2009 period. However, the International Monetary Fund, the European Commission, the Bank for International Settlements, the European Central Bank and many other central banks use time varying weights, which are now also applied by the Croatian National Bank. Specifically, in order to take into account changes in the structure of foreign trade, the new indices of the effective exchange rate of the kuna are calculated using time-varying weights that are based on the average structure of foreign trade over three consecutive years. These weights have been calculated for six reference periods (Table 6.3).

China's total trade weight has grown markedly compared with those of other trading partners, due to an increase in imports from China and its import weight, and to the growth of China's weight in third markets, i.e., its double-weighted import weight (for more details on the weight calculation method see Box 2, CNB Bulletin No. 165, December 2010).

CNB publications contain analyses of trends in several indices of the real effective exchange rate of the kuna based on

various deflators, including the consumer price index (CPI), the producer price index (PPI) and unit labour costs (ULC) for the whole economy.

None of these indicators could be considered as an ideal measure of price or cost competitiveness because each of them has its advantages and disadvantages, so that a common practice is to analyse several indicators simultaneously. While producer prices and unit labour costs could be considered as more adequate deflators for monitoring competitiveness, very often these data are neither internationally harmonised nor available for a large number of countries, or they are available with a significant time gap. In contrast, consumer price indices are very practical to use as their calculation methodology is largely harmonised among countries and data are relatively quickly available for a large number of countries. However, consumer prices are influenced by indirect taxes, subsidies and certain controls, and they also comprise products (services) that are not internationally traded.

The availability of data has made an impact on the scope of the real effective exchange rate deflated by unit labour costs in industry, which used to be calculated until the third quarter of 2011, as data required for its calculation were available until that period. This publication includes a new index of the real effective exchange rate of the kuna deflated by unit labour costs in manufacturing. However, with unit labour costs not being available for all countries of interest, the basket of countries for their calculation has been contracted.¹⁴

In spite of some changes in the structure of foreign trade, the nominal and real effective exchange rates of the kuna calculated with the previous basket of trading partner countries and fixed weights do not significantly depart from those calculated using the extended basket of countries and time-varying weights (see Figures 6.4 and 6.5). Still, new indices of the real effective exchange rate of the kuna deflated by consumer prices point to a marked real effective depreciation of the kuna in the past five years, which is a consequence of a growth of consumer prices faster in Serbia, Turkey and China than in Croatia.

A comparison of real effective exchange rates of the kuna deflated by consumer prices that are calculated in other international institutions shows that their trends are quite similar (Figure 6.6). The existing differences derive from the differences in the scope of trading partners and the calculation methodology¹⁵.

The revision of the effective exchange rates of the kuna increased the accuracy of these indicators as short-term measures of the competitiveness of Croatian exports. The extended basket increased the coverage of countries against which competitiveness is measured, while time-varying weights account for changes in the structure of foreign trade. In addition, these indicators' calculation methods have become more similar to those used by other international institutions.

12 There are two main criteria for the selection of the countries included in the basket: that the share of a partner country in Croatia's total foreign trade in manufactured goods exceeds 1.0% and the availability of data on exchange rates, prices, costs and the geographical structure of trade in manufactured goods.

13 Bosnia and Herzegovina was included into the calculation of the effective exchange rates of the kuna in 2005 because data on consumer prices for the previous periods are not available.

14 The basket for the calculation of the real effective exchange rate of the kuna deflated by unit labour costs for the whole economy includes 15 countries – all included trading partner countries (20 of them) without Switzerland, Turkey, China, Bosnia and Herzegovina and Serbia. The basket for the calculation of the real effective exchange rate of the kuna deflated by unit labour costs in manufacturing includes 13 countries – the countries included in the calculation the exchange rate for the whole economy without Belgium and Japan.

15 For a comparative presentation of the calculation methodologies for the effective exchange rates in various international institutions see Schmitz, M., M. De Clercq, M. Fidora, B. Lauro, and C. Pinheiro (2012): *Revisiting the effective exchange rates of the euro*, ECB Occasional Paper, No 134.

Table 6.2 Manufactured goods trade of the Republic of Croatia

shares of countries, in %

	1996 – 1997	1998 – 2000	2001 – 2003	2004 – 2006	2007 – 2009	2010 – 2012	1996 – 2012
Germany	23.5	21.0	19.6	18.4	17.2	16.4	19.3
Italy	21.6	19.3	20.2	19.3	18.2	15.6	19.0
Slovenia	10.6	9.3	8.5	7.5	6.4	5.9	8.0
Austria	8.8	7.8	7.4	6.8	5.8	5.4	7.0
France	3.5	6.4	6.1	5.2	4.3	3.8	4.9
USA	3.6	3.9	3.5	2.5	2.6	2.9	3.2
Czech R.	2.9	2.5	2.9	2.7	2.5	2.3	2.6
United Kingdom	2.4	2.6	2.4	2.4	2.2	2.1	2.4
Japan	2.0	2.3	2.1	2.1	2.1	1.6	2.0
Hungary	1.4	1.6	2.0	2.2	2.2	2.4	1.9
Switzerland	2.7	2.3	1.5	1.2	1.4	1.5	1.8
Netherlands	1.4	1.5	1.8	1.7	1.6	1.6	1.6
Sweden	2.1	1.8	1.6	1.6	1.3	1.3	1.6
Poland	0.6	0.9	1.4	1.8	2.1	2.2	1.5
Spain	0.8	1.2	1.7	1.7	1.7	1.7	1.5
Belgium	1.3	1.7	1.6	1.3	1.4	1.4	1.4
China	0.7	1.0	2.9	6.2	8.7	10.8	5.1
Bosnia and Herzegovina	0.8	0.7	0.9	1.5	1.9	2.1	1.3
Turkey	0.3	0.3	0.8	1.3	1.9	2.1	1.1
Serbia	0.0	0.2	0.4	0.9	1.3	1.6	0.7
Total (16 countries)	89.3	86.1	84.2	78.3	72.9	68.0	79.8
Total (20 countries)	91.2	88.2	89.2	88.1	86.6	84.6	88.0

Sources: UNCTAD and CNB calculations.

Table 6.3 Total trade weights for the calculation of the effective exchange rates of the kuna

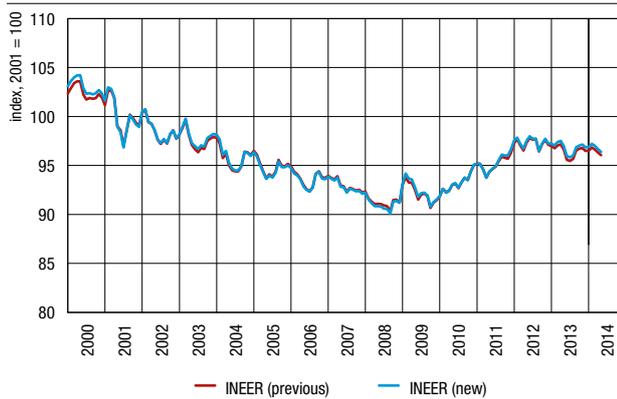
in %

	1996 – 1997	1998 – 2000	2001 – 2003	2004 – 2006	2007 – 2009	2010 – 2012	Average	Change 2010 – 2012 from 1996 – 1997	2007 – 2009
Germany	24.7	22.4	20.8	19.7	18.7	18.4	20.8	-6.3	22.5
Italy	21.4	19.6	21.0	19.6	18.4	16.1	19.3	-5.3	21.4
USA	6.3	7.7	6.2	5.4	5.2	5.9	6.1	-0.4	7.6
Austria	7.8	7.5	7.4	7.0	6.1	5.8	6.9	-2.0	6.9
Slovenia	9.0	8.1	7.4	6.8	6.0	5.4	7.1	-3.6	6.5
France	4.9	7.1	7.0	6.0	5.2	4.9	5.8	0.0	6.4
Japan	3.2	3.7	3.0	2.9	2.8	2.7	3.1	-0.5	4.0
United Kingdom	3.5	3.7	3.3	3.2	3.0	2.8	3.2	-0.7	3.9
Netherlands	2.3	2.3	2.4	2.5	2.5	2.7	2.4	0.4	3.2
Czech R.	2.5	2.2	2.6	2.5	2.5	2.5	2.5	0.0	2.8
Belgium	1.9	2.2	2.3	2.1	2.2	2.2	2.2	0.3	2.8
Poland	0.7	1.0	1.4	1.9	2.3	2.5	1.6	1.8	2.8
Spain	1.3	1.7	2.2	2.1	2.2	2.2	1.9	0.9	2.6
Hungary	1.3	1.6	1.9	2.1	2.3	2.3	1.9	1.1	2.6
Switzerland	2.7	2.4	1.9	1.7	1.8	2.0	2.1	-0.7	2.2
Sweden	2.0	1.8	1.6	1.8	1.5	1.5	1.7	-0.5	1.9
Turkey	0.5	0.6	0.9	1.4	2.0	2.3	1.3	1.9	-
Bosnia and Herzegovina	2.5	2.4	2.8	3.0	3.3	3.0	2.8	0.5	-
China	1.3	1.7	3.2	6.5	9.4	12.7	5.8	11.4	-
Serbia	0.4	0.4	0.9	1.6	2.3	2.2	1.3	1.8	-
Total	100.0		100.0	100.0	100.0	100.0	100.0	100.0		100.0

Note: The first reference period includes two consecutive years due to the lack of data for earlier period. The shading denotes fixed weights used in the calculation of effective exchange rates so far.

Source: CNB calculations.

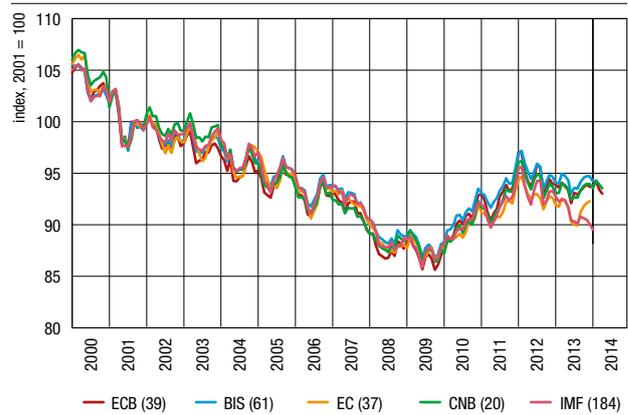
Figure 6.4 Index of the nominal effective exchange rate of the kuna



Note: INEER refers to the index of the nominal effective exchange rate. The index calculated according to the previous methodology is referred to as "previous" and that calculated according to the new methodology is referred to as "new". A fall in the index denotes a nominal effective appreciation of the kuna.

Source: CNB calculations.

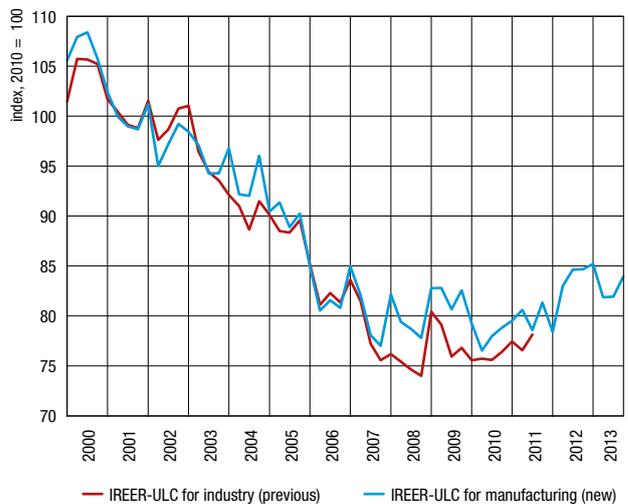
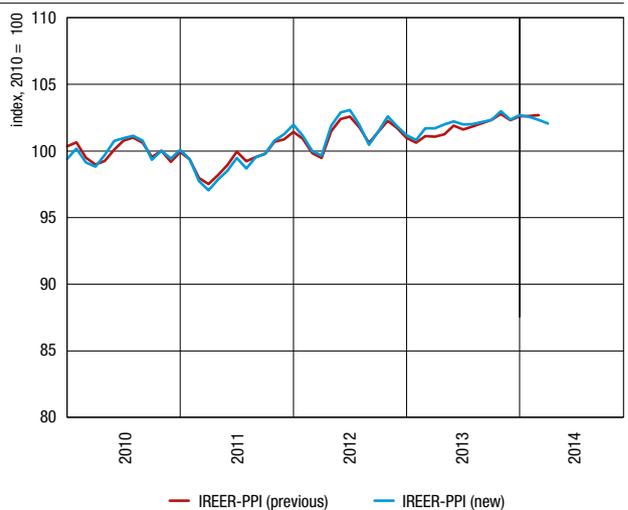
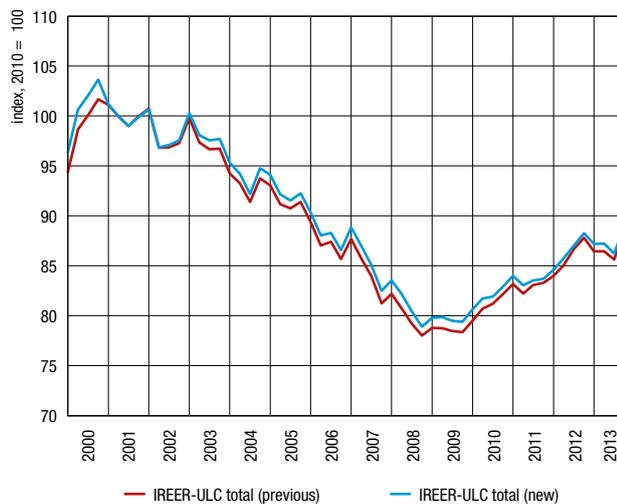
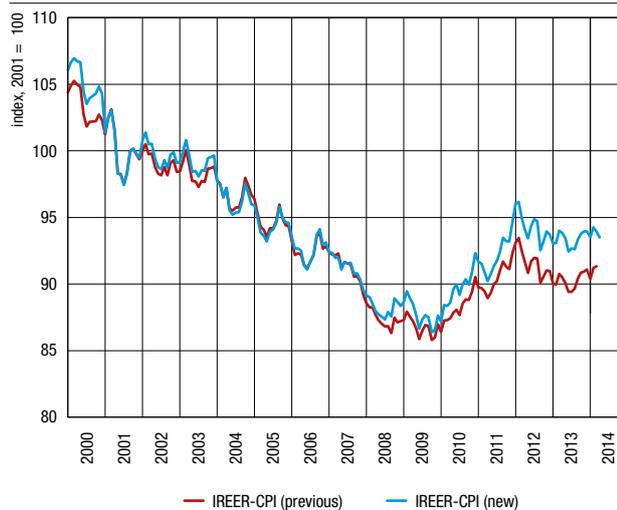
Figure 6.6 Real effective exchange rate of the kuna deflated by consumer prices by international institutions



Note: Numbers in brackets represent the number of trading partners which are included in the basket for the calculation of the real effective exchange rate of the kuna. A fall in the index denotes a real effective appreciation of the kuna.

Sources: CNB, ECB, BIS, EC and IMF.

Figure 6.5 Indices of the real effective exchange rate of the kuna



Note: IREER-CPI refers to the index of the real effective exchange rate deflated by consumer prices, IREER-PPI to the index of the real effective exchange rate deflated by producer prices (including the Croatian index of industrial producer prices on the non-domestic market which is available since January 2010), IREER-ULC for industry (manufacturing) to the index of the real effective exchange rate deflated by unit labour costs in industry (manufacturing) and IREER-ULC total to the index of the real effective exchange rate deflated by unit labour costs in total economy. Indices calculated according to the previous methodology are referred to as "previous" and those calculated according to the new methodology are referred to as "new". A fall in the index denotes a real effective appreciation of the kuna.

Source: CNB calculations.

7 Financing conditions and capital flows

Financing conditions

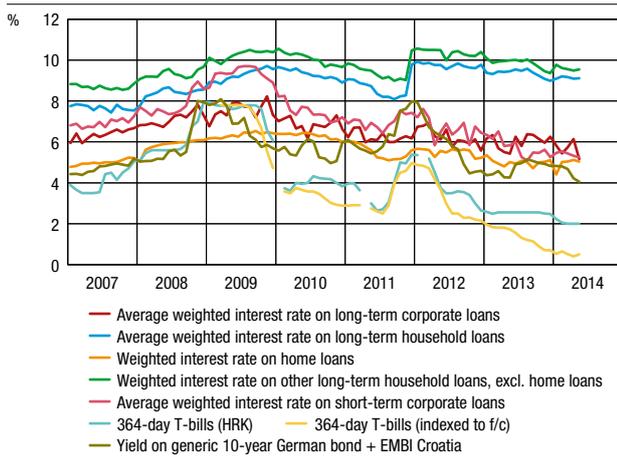
Financing conditions for domestic sectors were on average slightly more favourable in the first five months of 2014 than in the previous year. The government's external borrowing conditions improved due to strong levels of liquidity in international financial markets, and improvements were also seen in domestic short-term borrowing as a result of CNB's expansionary monetary policy. As regards other sectors, domestic enterprises' short-term financing costs remained at their lowest levels since the beginning of the crisis and long-term financing costs, highly volatile, decreased further. The household sector did not record any significant changes, with the exception of a slight uptick in the interest rate level compared with the previous years.

The government's external financing conditions, estimated in terms of the yield on the German government bond and the EMBI yield spread for Croatia, continued to trend down moderately in the first quarter of 2014 before decreasing sharply in April and

May. External borrowing conditions were thus considerably more favourable in late May than for previous international bond issues. EUR 1.25bn worth of eight-year government bonds was issued in the European market, with a required yield of 4.02%, compared with a ten-year bond issue in September 2013 with a yield of 6.2%. As with external financing conditions, interest rates on one year kuna T-bills also improved on the back of CNB's continued high liquidity policy, standing at approximately 2.0% in late May 2014, down by about a half of a percentage point from the 2013 average. The weighted average interest rate on one-year T-bills with a currency clause fell even more, dropping to 0.5% at the end of May, compared with 1.74% in 2013.

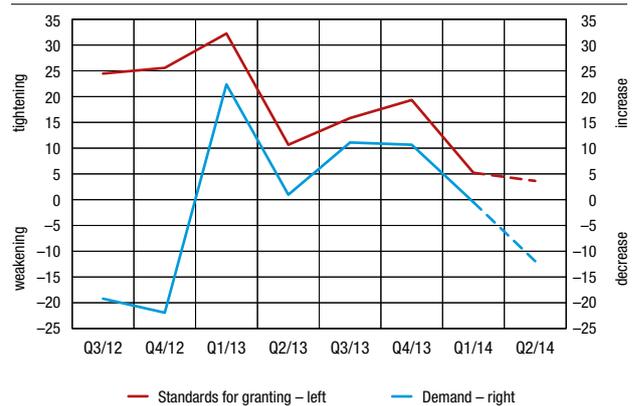
Credit default swaps on bonds issued by parent banks of the five largest domestic banks narrowed somewhat in the first five months of 2014. Credit default swaps for Italian banks converged on those of other banks. The credit default swap for Croatia also narrowed in the first five months of 2014, remaining,

Figure 7.1 Costs of domestic and foreign financing



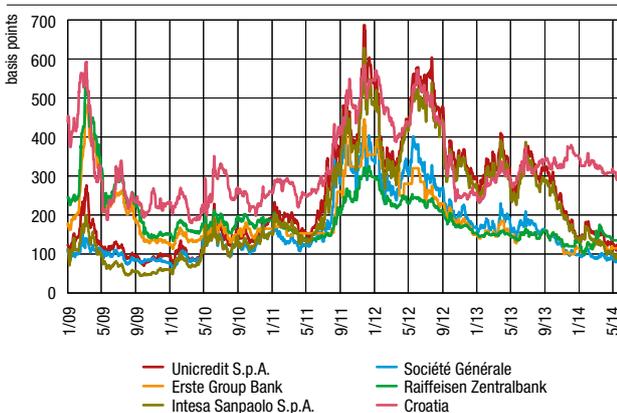
Sources: MoF, Bloomberg and CNB.

Figure 7.3 Standards for granting loans and corporate demand for loans



Note: Data represent the net percentage of banks weighted by the share in total loans to corporates. Broken lines represent expectations for the second quarter of 2014.
Source: CNB.

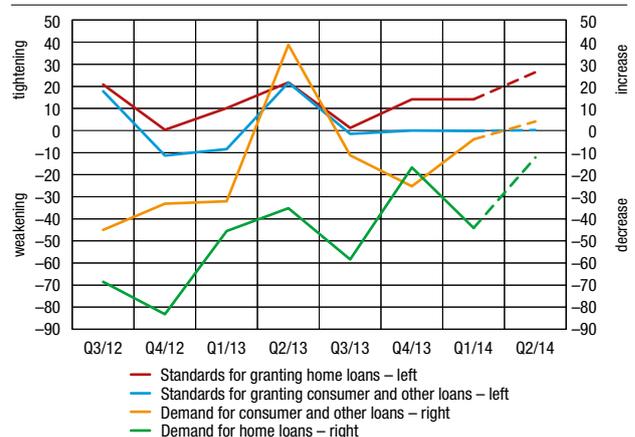
Figure 7.2 CDS spreads for Croatia and selected parent banks of domestic banks



Note: Credit default swaps (CDS) spread is an annual premium that a CDS buyer pays for protection against credit risk associated with an issuer of an instrument.

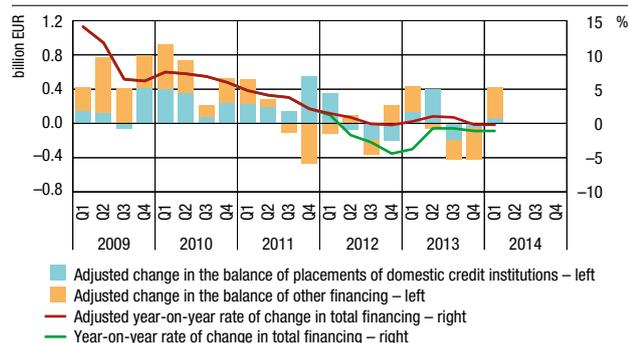
Source: Bloomberg.

Figure 7.4 Standards for granting loans and household demand for loans



Note: Data represent the net percentage of banks weighted by the share in total loans to households. Broken lines represent expectations for the second quarter of 2014.
Source: CNB.

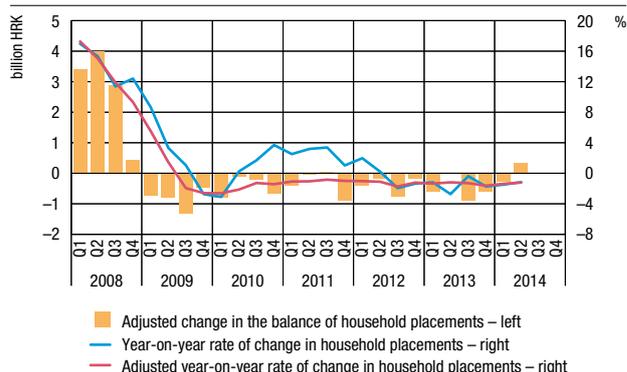
Figure 7.5 Corporate financing by sources



Note: Other financing includes corporate borrowing from domestic leasing companies and direct borrowing from the CBRD, as well as borrowing from foreign banks and affiliated enterprises abroad. The adjusted changes exclude the effects of the assumption of loans to the shipyards by the Ministry of Finance, the sale of partly recoverable and fully irrecoverable placements of one bank, the bankruptcy of Centar banka d.d., methodological changes in the recording of fees and the exchange rate changes.

Sources: HANFA, CNB and CNB calculations.

Figure 7.6 Household placements



Note: The adjusted changes are calculated on the basis of data which do not include the effects of the sale of partly recoverable and fully irrecoverable placements of one bank, the bankruptcy of Centar banka d.d., methodological changes in the recording of fees and the exchange rate changes. Change in the balance for the second quarter of 2014 refers to April and May, while the annual changes refer to the end of May.

Source: CNB.

however, relatively high, both compared with the observed parent banks and Central and Eastern European countries.

Developments in interest rates on loans to non-financial enterprises were slightly more favourable in the first five months of 2014 than in the second half of 2013. Interest rates on long-term corporate loans decreased sharply in the first quarter of 2014, rebounded in April and decreased again towards the end of May, standing approximately 1 percentage point below their level at the end of 2013. Short-term corporate financing costs remained lower than in the previous year. Interest rates on household loans did not change significantly, except for interest rates on long-term loans, excluding home loans, which fell slightly.

A bank lending survey points to tightened corporate lending conditions in the domestic market (Figure 7.3). The determining factors emphasised by banks include general economic expectations, the outlook for industry and specific enterprises as well as expenses related to banks' capital positions. As shown by the last survey results, corporate demand for loans is weaker than in the previous year and debt rescheduling is the key driver of loan demand.

As concerns households, a bank lending survey for the first quarter of 2014 points to continued moderate tightening of lending standards for home loans and unchanged consumer loan standards (Figure 7.4). The most important factors contributing to these trends are the cost of funding sources and balance sheet restrictions. Demand for home loans was much smaller than that shown by the previous survey. The decrease in household loan demand is primarily determined by consumer confidence, residential market prospects and the consumption of durable consumer goods.

Total corporate financing dropped by EUR 0.4bn in the fourth quarter of 2013 before rising almost by the same amount in the following quarter. Domestic and foreign financing changed in the same direction in these quarters, with a greater impact on total corporate financing trends coming from changes in foreign financing. Total corporate debt fell at an annual rate of 0.2% at the end of the first quarter of 2014¹⁶, confirming

low deleveraging by the corporate sector. Box 3 shows a detailed breakdown of corporate financing by enterprise ownership structure and size.¹⁷

The household sector continued to deleverage in the first quarter of 2014 but at the beginning of the second quarter there were more favourable trends. The quarterly rate of change was -0.2% at the end of March 2014, while the annual rate was more pronounced, standing at -1.4%. Household lending increased slightly by 0.3% in the first two months of the second quarter in 2014. However, this increase is insufficient to confirm that the several-year-long process of household deleveraging has halted and that lending to this sector has recovered. Lending to the private sector has continued to be limited by unchanged financing conditions, coupled with subdued demand resulting from unfavourable labour market trends and an uncertain economic outlook.

Existing financing conditions are projected to remain unchanged in 2014 and 2015, while lending is projected to start recovering at a moderate pace in the following year. Strong levels of liquidity in international financial markets, supported by the further loosening of the European Central Bank's monetary policy in early June, have had a favourable effect on financing conditions that is likely to be felt over a long period of time. In addition to this external effect, domestic sectors' financing conditions could also improve on account of domestic factors, principally the CNB's policy of maintaining high monetary system liquidity. Government financing costs will also be determined by the credible implementation of fiscal consolidation. However, lending growth recovery remains exposed to negative risks, including tightened lending standards, subdued demand, extremely adverse developments in the labour market, a rise in the non-performing loans ratio, high total debt and a negative economic outlook. Credit institution's placements are therefore projected to decrease slightly by about -0.5% in 2014 and increase moderately by 1% in 2015. Placement growth could be driven by an increase in corporate lending, while household deleveraging could decelerate.

16 Excluding the bankruptcy of Centar banka, a change in the book-entry system for fees and the transfer of a bank's irrecoverable and partly irrecoverable placements to a company indirectly owned by the parent bank.

17 There is a difference in the scope of data that should be pointed out. Specifically, total corporate financing amounted to 93% at the end of 2013, while Box 3 shows the structure of and trends in corporate debt amounting to 77% of GDP.

Foreign capital flows

Foreign capital flows were quite low in early 2014. The capital and financial account, excluding change in international reserves, saw a net capital inflow of EUR 0.5bn, which is a considerable decrease from the EUR 1.1bn in the same period in the previous year, resulting from markedly slower growth in net debt liabilities of domestic sectors.

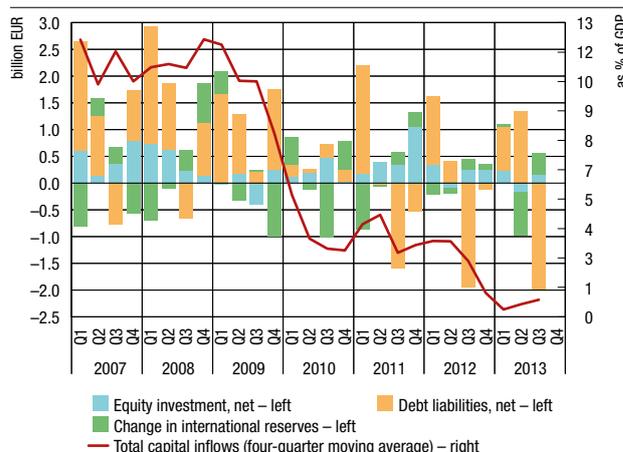
The FDI in Croatia in the first quarter of 2014 (EUR 0.2bn) was almost completely accounted for by retained earnings, primarily in financial intermediation, but also in the manufacture of chemicals and chemical products and construction. Equity investments declined (EUR –8.9m), due to the payment of retained earnings from the previous years in the activity of financial intermediation. These investments mainly comprised investments in real estate and additional and ancillary transport activities.

Debt capital accounted for slightly less than a half of total net capital inflows in the first half of 2014. Liabilities of private non-financial enterprises rose at especially high rates, to a large extent due to Agrokor d.d. borrowing in March, despite this company’s early repayment of a bond due in 2016 in April 2014. The CBRD’s external debt also grew. Credit institutions also recorded an increase in external debt, but in their case it was coupled by an equal increase in foreign assets, in contrast with the same period in the previous year, when their net debt capital inflows halved due to considerable amounts of foreign assets withdrawn despite deleveraging. The weakening of capital inflows in late 2014 was also due to a decline in government foreign liabilities, caused by the repayment of a short-term loan used late in the previous year and transactions in the secondary government bond market.

Foreign capital flows were in the second quarter 2014 strongly influenced by a EUR 1.25bn government bond issue in May (following the repayment of EUR 500m of ten-year old foreign bonds) and the takeover of Mercator by Agrokor d.d. External government debt is expected to grow at significantly lower rates in 2014. Foreign liabilities of credit institutions are expected to increase in the first quarter of 2014, before deleveraging, although at a more moderate rate, towards the end of the year. Given the absence of a marked economic recovery, other domestic sectors’ foreign financing needs were also lower. Accordingly, the relative indicator of external debt is expected to improve from 105.7% of GDP at the end of 2013 to 105.0% of GDP at the end of 2014. Gross external debt could drop to 102.7% of GDP by the end of 2015.

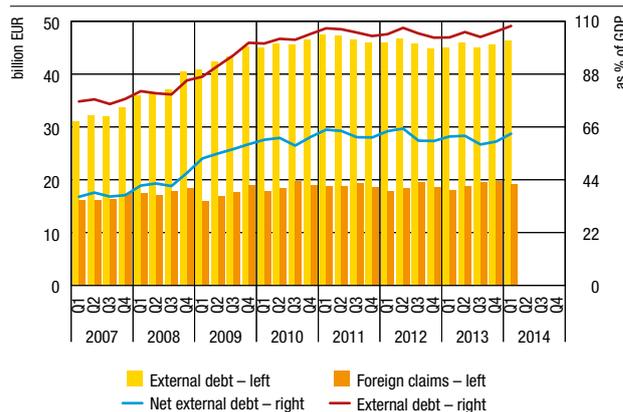
Notwithstanding the projected growth, FDI in Croatia could remain modest and considerably lower than in the pre-crisis period (in the 2000 to 2008 period the FDI averaged 5.6% of GDP). The factors expected to bring about a gradual recovery

Figure 7.7 Foreign capital flows



Note: A negative change in international reserves denotes their growth.
Source: CNB.

Figure 7.8 Gross and net external debt



Note: Foreign claims include international reserves and foreign assets of banks and other domestic sectors based on debt instruments. Net external debt is calculated as the difference between external debt and foreign claims.
Source: CNB.

in the medium term include improvements in the business and investment climate in the country, positive effects of the investment promotion act, as well as a favourable impact of Croatia’s full accession to the EU on its perception among foreign investors.

Box 3 An overview and structure of the debt of non-financial corporations in 2013

One third of the total number of corporations (96,962) included in the overview have liabilities to domestic credit institutions (mainly small private enterprises), while only about one thousand corporations solely have external debts (mainly foreign-controlled enterprises). A large number of enterprises (two thirds) have neither domestic nor external debt. Most of them are small privately owned enterprises. Corporate debt totalled HRK 252.4bn (77% of GDP) at the end of 2013. Two fifths of the total amount was accounted for by large and small enterprises respectively and

one fifth by medium sized enterprises. Total corporate debt grew by HRK 2.5bn (1%) in 2013. As regards the growth structure, loans granted by domestic banks increased and external debt edged down, while the substitution of domestic for foreign financing was the most marked in large public enterprises.

A more detailed insight in the borrowing of non-financial enterprises in the RC is provided by the merging of microdata from the CNB’s monetary statistics database, external debt statistics¹⁸ and data from FINA’s database. Some enterprises borrow

18 Microdata from the sample are included. External debt statistics of non-financial corporations is based on the sample covering about 80% of the population.

only from domestic credit institutions, some borrow only from abroad, some have both domestic and foreign financing sources and some enterprises do not borrow at all. These groups of enterprises are broken down by size to small, medium-sized and large enterprises¹⁹ and by ownership to public, private and foreign-controlled enterprises²⁰. Only microdata on the end-2013 debt stock and its changes in that year have been merged so far.

The largest group, approximately two thirds of the total number of enterprises, consists of enterprises that have neither any loan liabilities to domestic credit institutions nor external debt (Table 7.1). There were 66,145 such enterprises in Croatia at the end of 2013, almost all of them small privately-owned enterprises (65,324 or almost 99% of enterprises without any loans or external debt).

The second largest group, a total of 30,015 enterprises, which is approximately one third of the total number of enterprises, consists of enterprises that have loan liabilities to domestic credit institutions. According to the ownership and size criteria, the largest share in their structure is accounted for by small privately-owned enterprises (25,780 enterprises or 86% of those that have loans).

Enterprises that have only external debt make up a very small group (1,183 enterprises). Most of these enterprises are

foreign-controlled and small enterprises. The smallest group (381 enterprises) is made up of enterprises that have loan liabilities to domestic credit institutions and external debt liabilities. The bulk of this subgroup consists of foreign-controlled enterprises (the last section of Table 7.1).

The total debt of all enterprises included in this analysis was HRK 252.4bn at the end of 2013 (Table 7.2)²¹. Approximately two fifths of this amount is accounted for by debt of large and small enterprises, while the remaining one fifth of the debt has been incurred by medium-sized enterprises. According to the ownership criterion, the bulk of the total debt is accounted for by private enterprises (44.7%), followed by foreign-controlled enterprises (33.1%) and government-owned enterprises (22.3%).

Loan liabilities of small and private enterprises account for the largest share in the enterprises' domestic loan balance (36.3%). The share of debt of large enterprises is also considerable (18.6%), while the smallest share in total loans granted by domestic credit institutions in Croatia goes to foreign-controlled enterprises (11.2%).

The bulk of the stock of enterprises' external debt, almost one half of it, is owed by foreign-controlled enterprises. The other half of the external debt stock is equally distributed between public and private enterprises. According to the size criterion,

Table 7.1 Overview of the number of enterprises in the Republic of Croatia by debt, size and sector

Sector	Small enterprises	Medium enterprises	Large enterprises	Unclassified	Total by sector
Total number of enterprises analysed, by size and sector					
Public enterprises	831	174	70	122	1,197
Private enterprises	91,213	931	198	1,008	93,350
Foreign-controlled enterprises	1,936	247	85	147	2,415
Total by size	93,980	1,352	353	1,277	96,962
Number of enterprises that have no loans with domestic credit institutions and no external debt, by size and sector					
Public enterprises	521	57	20		598
Private enterprises	65,324	187	30		65,541
Foreign-controlled enterprises	6	0	0		6
Total by size	65,851	244	50		66,145
Number of enterprises that have loans with domestic credit institutions, by size and sector					
Public enterprises	309	115	51	119	594
Private enterprises	25,780	736	166	980	27,662
Foreign-controlled enterprises	1,417	192	66	84	1,759
Total by size	27,506	1,043	283	1,183	30,015
Number of enterprises that have external debt, by size and sector					
Public enterprises	2	4	14	6	26
Private enterprises	168	51	44	28	291
Foreign-controlled enterprises	607	139	57	63	866
Total by size	777	194	115	97	1,183
Number of enterprises that have loans with domestic credit institutions as well as external debt, by size and sector					
Public enterprises	1	2	15	3	21
Private enterprises	59	43	42	0	144
Foreign-controlled enterprises	94	84	38	0	216
Total by size	154	129	95	3	381

Sources: FINA and CNB.

19 The breakdown by size of enterprises is based on the Accounting Act (OG 109/2007). Small enterprises are those that fulfil at least two of the following conditions: up to HRK 32.5m in assets, up to HRK 65.5m in revenues and no more than 50 employees. Medium-sized enterprises are those that fulfil at least two of the following conditions: assets exceeding HRK 32.5m, revenues from HRK 65.5m to HRK 260,0m and 50 to 250 employees. The rest of the enterprises are large enterprises.

20 The sector classification of enterprises is made in accordance with the Decision on the statistical classification of institutional sectors (OG 146/2011) and it is based on the majority share (over 50%). Due to incomplete sources of data, there is a number of enterprises for which complete information is unavailable, these enterprises are designated as *Unclassified* and shown separately in specific tables and figures.

21 Total debt is the sum of debt arising from loan liabilities to domestic credit institutions and external debt of enterprises.

enterprises' external debt is largely owed by large enterprises (almost 50%).

Enterprises with liabilities to domestic credit institutions have relatively smaller amounts of debt than enterprises with external debts (Figure 7.9). The largest number of enterprises with domestic loans (approximately 23, 000 of them or more than two thirds) have a debt stock of less than one million kuna. In contrast, the number of enterprises with the same amount of external debt is very small (fewer than one hundred). In the case of enterprises with external debts, the amount of their liabilities lies most frequently between ten million and one hundred million kuna; debts of this order have been incurred by 60% of such enterprises.

The medians of enterprises' external debt stocks are significantly higher than the medians of enterprises' domestic loan

balances (Table 7.3). The difference is the largest for small enterprises. In the case of domestic loans, the highest median is recorded by large private enterprises, while in the case of external debt, the highest levels of liabilities measured by this indicator are observed in large public enterprises.

Total debt of the corporate sector grew by HRK 2.5bn or 1.0% in 2013 (Table 7.4 and Figure 7.10).²² The highest increase was in the debt of foreign-controlled enterprises (2.4%) and privately-owned enterprises (1.4%), while public enterprises deleveraged at the annual level (-1.8%). When the size of enterprises is taken into consideration, it can be seen that the debts of small enterprises rose the most (Figure 7.11). However, due to lack of data, as much as HRK 1.5bn of total debt remained unclassified according to the size criterion, which could significantly skew the results.

Table 7.2 Stock of corporate debt to domestic credit institutions and abroad, by size and sector
in million HRK

Sector	Small enterprises	Medium enterprises	Large enterprises	Unclassified	Total by sector
Stock of total corporate debt, by size and sector					
Public enterprises	1,192	1,709	50,914	2,357	56,172
Private enterprises	50,234	24,179	35,634	2,717	112,763
Foreign controlled enterprises	40,872	21,315	19,271	1,972	83,429
Total by size	92,298	47,203	105,818	7,045	252,364
Stock of debt of enterprises that have loans with domestic credit institutions, by size and sector					
Public enterprises	1,142	1,652	20,666	147	23,608
Private enterprises	40,257	15,725	18,282	718	74,981
Foreign controlled enterprises	5,935	3,025	3,445	45	12,450
Total by size	47,335	20,402	42,394	909	111,040
Stock of debt of enterprises that have external debt, by size and sector					
Public enterprises	50	57	30,247	2,210	32,564
Private enterprises	9,977	8,454	17,351	1,999	37,782
Foreign controlled enterprises	34,936	18,290	15,825	1,927	70,978
Total by size	44,963	26,801	63,424	6,136	141,324

Sources: FINA and CNB.

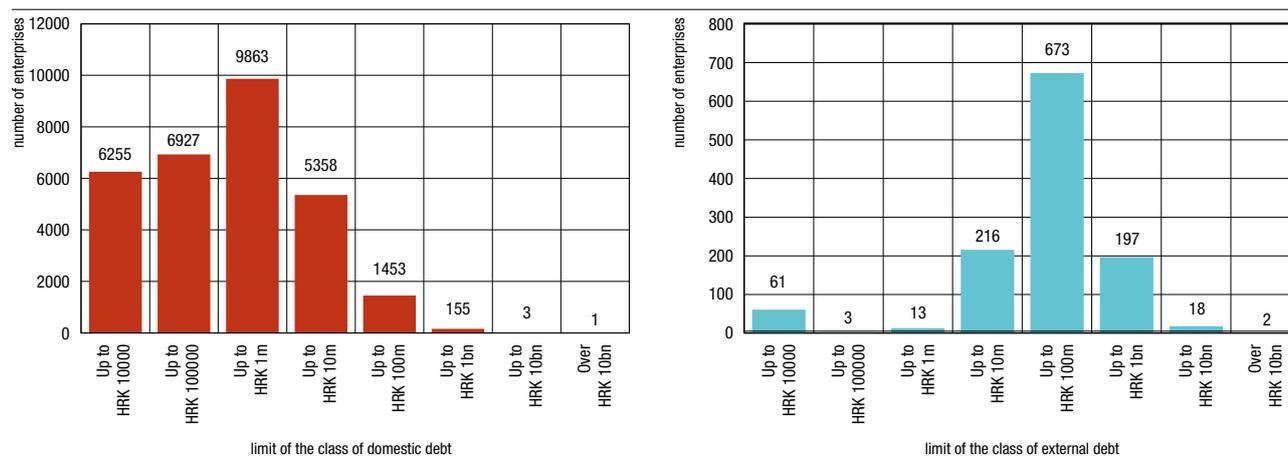
Table 7.3 Medians of the stock of corporate debt to domestic credit institutions and abroad, by size and sector
in million HRK

Sector	Small enterprises	Medium enterprises	Large enterprises	Unclassified	Total by sector
Median of the stock of debt of enterprises that have loans with domestic credit institutions, by size and sector					
Public enterprises	0.56	5.10	47.13	0.13	0.78
Private enterprises	0.14	11.71	60.73	0.04	0.15
Foreign controlled enterprises	0.19	6.66	24.76	0.00	0.24
Total by size	0.14	10.16	46.08	0.04	0.15
Median of the stock of debt of enterprises that have external debt, by size and sector					
Public enterprises	24.9	8.2	278.3	281.4	157.1
Private enterprises	33.9	27.5	21.1	31.8	31.4
Foreign controlled enterprises	20.9	38.1	93.9	13.4	23.7
Total by size	24.3	34.3	76.4	17.6	26.7

Sources: FINA and CNB.

²² The change in debt excludes adjustments that in 2013 had a one-off effect on the decrease in debt stock of non-financial corporations. The one-off effects include: the bankruptcy of Centar banka d.d., which as of October 2013 is no longer a reporting institution for monetary statistics, with the result that the balance of loans to enterprises recorded a one-time reduction of HRK 1.0bn; a new CNB's decision on the manner of reporting deferred revenues from fees, also enacted in October 2013, which led to a one-time drop of HRK 0.4bn in the balance of loans to enterprises; a decrease in partly recoverable and fully irrecoverable placements transferred by one bank to a company indirectly owned by the parent bank in December 2013, which resulted in a one-time decrease of HRK 1.4bn in the balance of loans to enterprises. In addition, external debt statistics of enterprises has been adjusted for debt to equity swaps, with the result that external debt of enterprises fell by HRK 1.6bn in nominal terms in 2013 (changes in total domestic and external debt, adjusted for all the listed effects, are shown in Tables 7.3, 7.4 and 7.5 and in Figures 7.9 to 7.14).

Figure 7.9 Number of enterprises by classes of the stock of debt to domestic credit institution and abroad at the end of 2013



Sources: FINA and CNB.

Table 7.4 Change in total corporate debt in 2013, by size and sector

Sector	Small enterprises		Medium enterprises		Large enterprises		Unclassified		Total by sector	
	million HRK	%	million HRK	%	million HRK	%	million HRK	%	million HRK	%
Public enterprises	200	20.2	38	2.3	-1,509	-2.9	234	11.2	-1,037	-1.8
Private enterprises	525	1.1	-765	-3.1	820	2.4	1,002	59.2	1,582	1.4
Foreign-controlled enterprises	837	2.1	226	1.1	689	3.7	220	12.7	1,973	2.4
Total by size	1,563	1.7	-500	-1.1	-1	0.0	1,456	26.4	2,518	1.0

Sources: FINA and CNB.

Table 7.5 Change in credit institutions' loans to enterprises in 2013, by size and sector

Sector	Small enterprises		Medium enterprises		Large enterprises		Unclassified		Total by sector	
	million HRK	%	million HRK	%	million HRK	%	million HRK	%	million HRK	%
Public enterprises	168	17.2	57	3.5	1,648	8.7	-4	-2.4	1,869	8.6
Private enterprises	146	0.4	-664	-4.1	347	1.9	478	199.6	307	0.4
Foreign-controlled enterprises	611	11.5	-55	-1.8	5	0.1	33	297.3	593	5.0
Total by size	925	2.0	-663	-3.1	2,000	5.0	508	126.6	2,770	2.6

Sources: FINA and CNB.

Table 7.6 Change in external corporate debt in 2013, by size and sector

Sector	Small enterprises		Medium enterprises		Large enterprises		Unclassified		Total by sector	
	million HRK	%	million HRK	%	million HRK	%	million HRK	%	million HRK	%
Public enterprises	33	198.2	-18	-24.3	-3,157	-9.6	237	12.2	-2,905	-8.3
Private enterprises	379	4.0	-101	-1.2	473	2.8	524	36.1	1,275	3.5
Foreign-controlled enterprises	227	0.7	282	1.6	684	4.6	187	10.9	1,379	2.0
Total by size	638	1.5	163	0.6	-2,001	-3.1	949	18.5	-251	-0.2

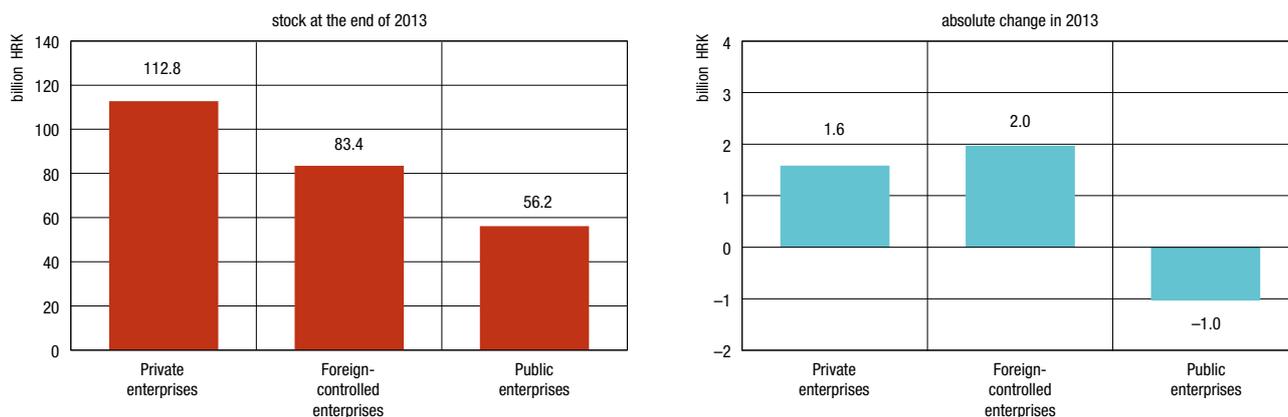
Sources: FINA and CNB.

In 2013, enterprises' loan liabilities to domestic credit institutions increased by HRK 2.8bn, or 2.6%, and their external debt fell moderately by HRK 0.3bn, or 0.2% (Tables 7.5 and 7.6). As shown by these trends, the whole sector's foreign financing was partly substituted by domestic borrowing in 2013. The substitution was especially marked in public enterprises (particularly large ones). These enterprises' domestic loan liabilities went up HRK 1.9bn, or 8.6%, in 2013, while their external debt fell by HRK 2.9bn, or 8.3%, in the same period (Figures 7.12 and 7.14).

Domestic private and foreign-controlled enterprises recorded increases in both domestic and external debt in 2013.

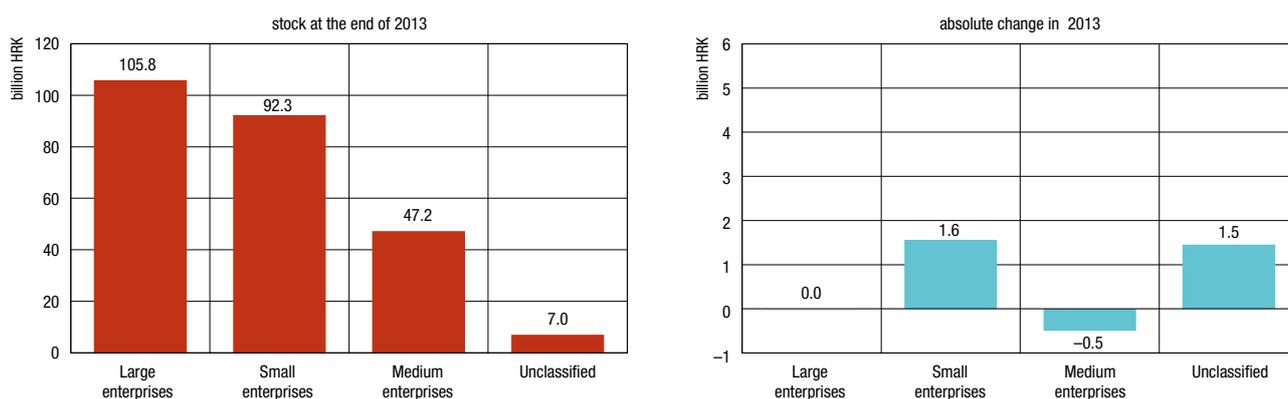
As regards the change in enterprises' debt according to the size criterion, small enterprises' debt to domestic credit institutions increased, but so did their external debt (Figures 7.13 and 7.15). Domestic loans of medium-sized enterprises fell and foreign liabilities increased slightly, while in large enterprises the substitution of domestic for external debt was the most significant.

Figure 7.10 Total corporate debt by ownership of enterprise



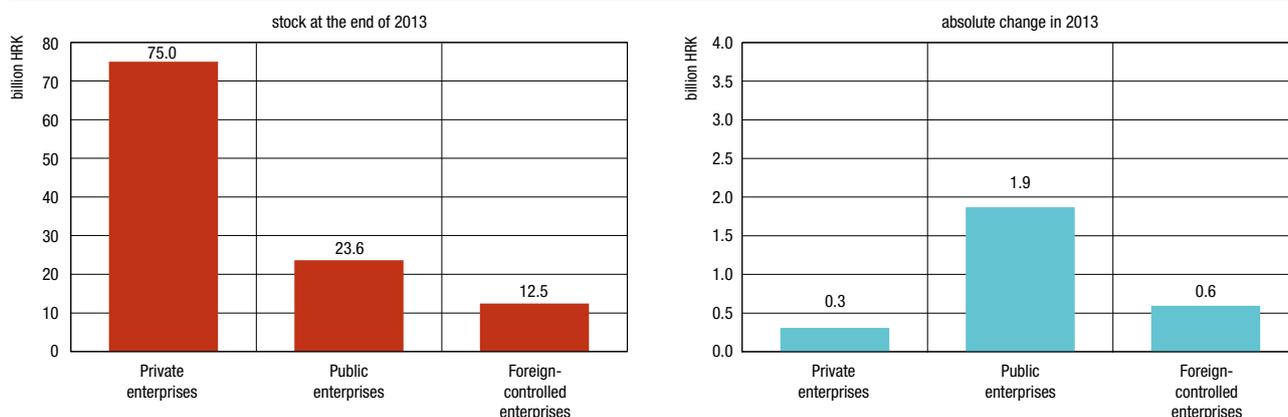
Sources: FINA and CNB.

Figure 7.11 Total corporate debt by size of enterprise



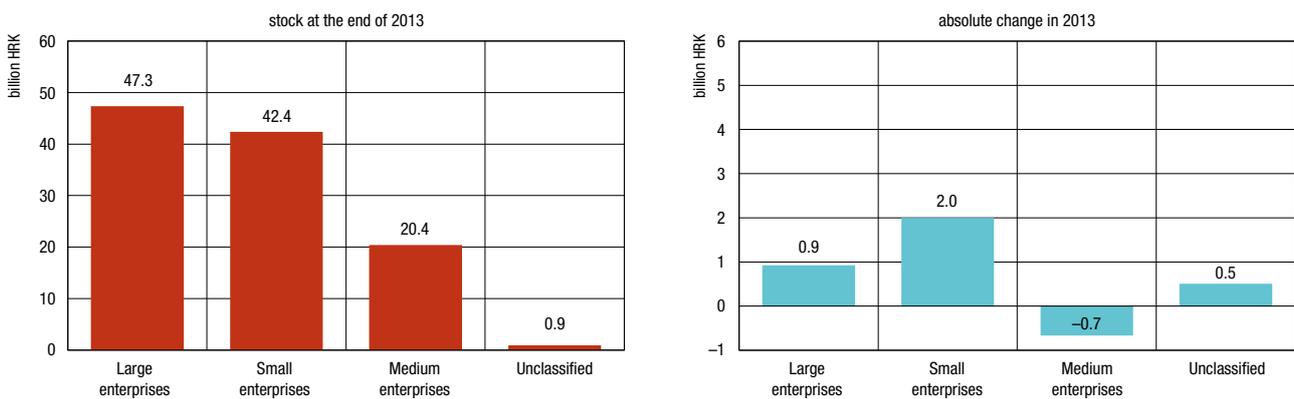
Sources: FINA and CNB.

Figure 7.12 Domestic credit institutions' loans to enterprises by ownership of enterprise



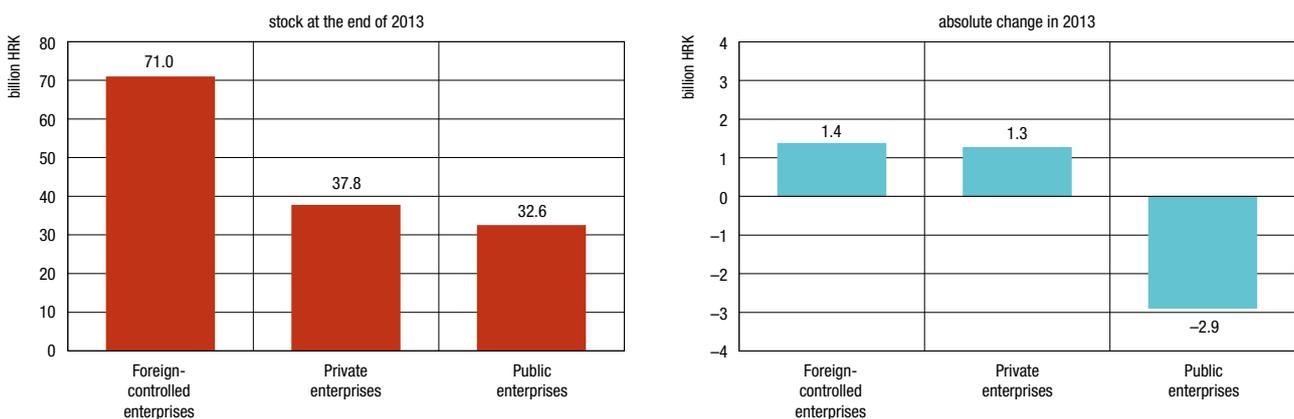
Sources: FINA and CNB.

Figure 7.13 Domestic credit institutions' loans to enterprises by size of enterprise



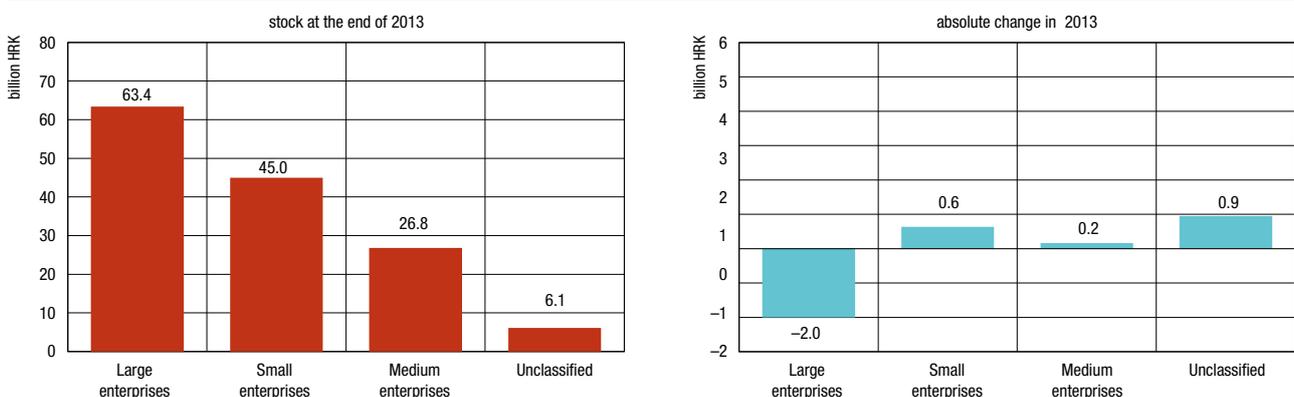
Sources: FINA and CNB.

Figure 7.14 External corporate debt by ownership of enterprise



Sources: FINA and CNB.

Figure 7.15 External corporate debt by size of enterprise



Sources: FINA and CNB.

8 Monetary policy

The CNB continued to pursue an expansionary monetary policy in the first half of 2014. The central bank maintained the high primary liquidity in the monetary system created in the previous years, keeping the domestic currency exchange rate stable. In addition, the redemption of compulsory CNB bills continued to encourage the growth of corporate placements. However, risks to any significant recovery of lending are still tilted to the downside and depend on numerous factors outside the reach of monetary policy.

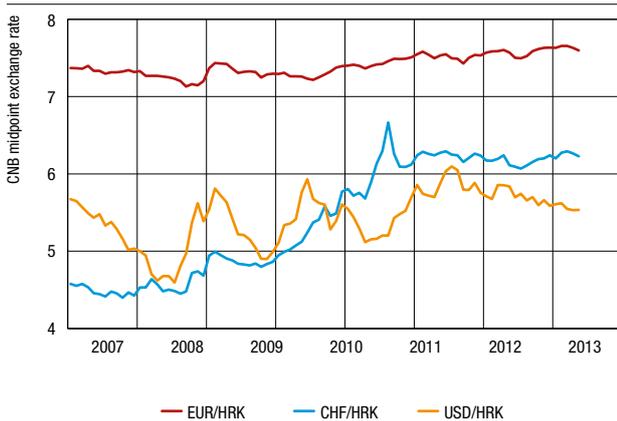
The nominal kuna/euro exchange rate was relatively stable in the first six months of 2014, exhibiting slight fluctuations that were in line with expectations. The average exchange rate stood at EUR/HRK 7.62 in that period, unchanged from the last quarter in the previous year and only 0.6% above the 2013 average. The kuna/euro exchange rate is expected to remain stable, with seasonal fluctuations, towards the end of 2014 and in 2015. As regards the exchange rate of the kuna against other major

currencies, it weakened very slightly against the Swiss franc and strengthened moderately against the US dollar. These developments reflected changes in the Swiss franc and US dollar exchange rates versus the euro in the global financial market.

The CNB's foreign exchange transactions resulted in a net sale of foreign currency in the first quarter of the year, while the second quarter saw a net purchase, due to government foreign borrowing. Total foreign exchange transactions conducted in the first half of the year resulted in a net sale of foreign currency of EUR 115.8m and, in turn, the withdrawal of HRK 0.9bn in reserve money.

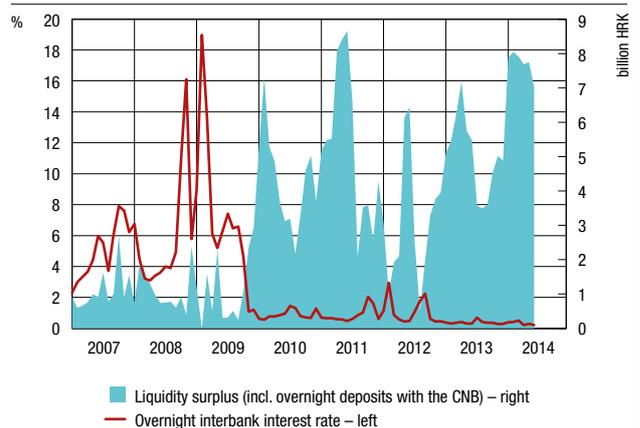
Foreign currency sales are recorded with the European Commission (EUR 292.7m) and represent the conversion of the kuna funds, allocated monthly to the EC's account with the central bank as payments to the EU budget. Part of the sales was generated by a foreign exchange intervention in late January (EUR 240.2m), while transactions with the Ministry of Finance

Figure 8.1 Nominal exchange rates of the kuna against selected currencies



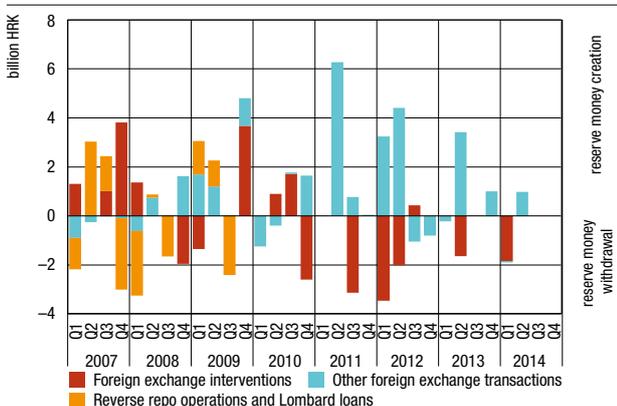
Source: CNB.

Figure 8.3 Bank liquidity and overnight interbank interest rate



Source: CNB.

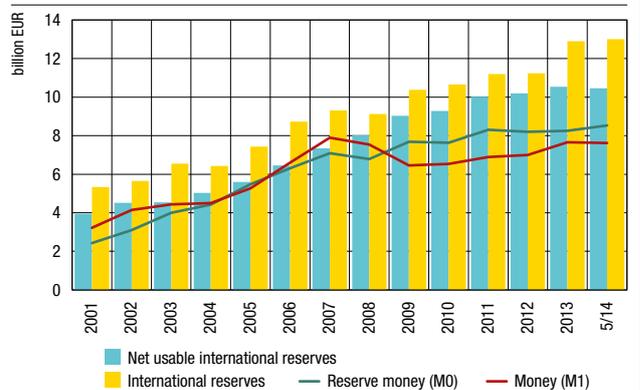
Figure 8.2 Flows of reserve money (M0) creation



Note: Other foreign exchange transactions include the purchase of foreign exchange from and the sale of foreign exchange to the MoF and the EC and foreign currency swaps with banks, where the positive values refer to the purchase of foreign exchange by the CNB.

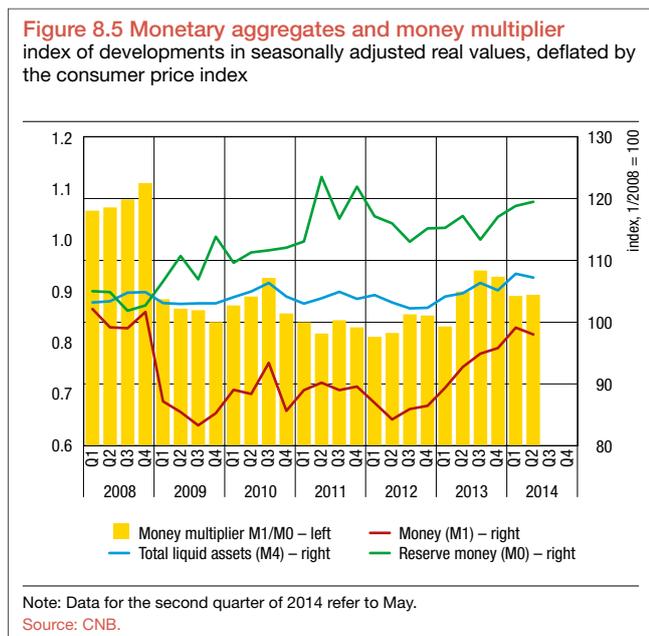
Source: CNB.

Figure 8.4 International reserves of the CNB and monetary aggregates



Note: Net usable international reserves are defined as international reserves net of foreign liabilities of the CNB, reserve requirements in f/c, general and special SDR allocations in 2009, government foreign currency deposits and off-balance sheet liabilities (swaps).

Source: CNB.



involved only foreign currency purchases (EUR 417.1m).

Favourable kuna liquidity in the monetary system remained unaffected by CNB's foreign exchange operations and rose further in the first six months of 2014. Surplus liquidity in credit institutions' transaction accounts averaged HRK 7.7bn, an increase of HRK 2.7bn from the 2013 average. The bulk of the increase was accounted for by the balance of the government kuna deposit with the CNB and the repayment of CBRD loans to banks early in the year (HRK 1.6bn). In addition, liquidity was further boosted by the repurchase of compulsory CNB bills, (a net of HRK 0.5bn in the period from December 2013 to late June 2014) used by the central bank to encourage corporate placement growth. Due to high liquidity levels, overnight

interbank interest rates and interest rates at MoF T-bill auctions were very low.

CNB's international reserves were EUR 13.0bn at the end of May 2014, an increase of EUR 0.1bn or 0.8% from the end of 2013. International reserves were on the downward trend in the first four months, primarily due to withdrawals from the foreign currency deposit transferred by the government from the previous year, before leaping again after a government bond issue in the international market in May. The increase from the beginning of the year in the government foreign exchange deposit generated by foreign borrowing and receipts from EU funds, which are also deposited with the central bank, was larger than the decrease in reserves resulting from net sales of foreign currency. Net usable reserves edged down by EUR 79m (0.8%) in the first five months of 2014 and stood at EUR 10.5bn at the end of the month. Gross and net international reserves remained considerably higher than the narrowest monetary aggregates M0 and M1.

Having increased in the first quarter of 2014, real seasonally adjusted values of money M1 and total liquid assets M4 decreased in the following two months. Against a background of an annual decrease in consumer price indices, these trends were caused by a decline in their seasonally adjusted values. In contrast with wider monetary aggregates, reserve money (M0) continued slight growth.

The CNB's monetary policy will in 2014 and 2015 continue to be based on supporting the stability of the kuna/euro exchange rate and maintaining high liquidity levels in the monetary system. The CNB will also continue to encourage lending to the economy by repurchasing CNB bills from banks. Monetary and credit aggregates can be expected to increase at higher rates only provided that the overall economic activity grows at a faster pace, so that lending is projected to grow at a low rate of 1% in 2015 and accelerate gradually no sooner than in the medium-term.

9 Public finance

In the forthcoming period, government finance will be strongly marked by the implementation of the Excessive Deficit Procedure for Croatia and the resulting fiscal adjustment. The EU Council required that the overall deficit be reduced below the reference value of 3% of GDP by 2016. The consolidated general government deficit (ESA 95) is required to be reduced to 4.6% of GDP in 2014, 3.5% of GDP in 2015 and 2.7% of GDP in 2016, which corresponds with an annual structural deficit adjustment of 0.5%, 0.9% and 0.7% of GDP respectively. The European Commission assessed that the required structural consolidation measures should amount to 2.3% of GDP in 2014 and to 1% of GDP in 2015 and 2016 respectively.

Soon after the implementation of the Excessive Deficit Procedure for Croatia, the Croatian Parliament adopted a revised central government budget for 2014, with structural consolidation measures amounting to 1.9% of GDP for that year, and

additional consolidation measures in the amount of 0.4% of GDP were approved in April to comply with the requirements of the EU council. Furthermore, in late April, the Government approved the Convergence Programme, a document which, pursuant to the Stability and Growth Pact, requires non-euro area member states to report to the EC on expected medium-term fiscal trends. The Programme contains additional structural measures to correct the excessive deficit for the 2015 to 2016 period, in line with the recommendations of the EU Council.²³

In early June, the European Commission delivered its opinion on the Convergence Programme and assessment of Croatia's fiscal effort under the Excessive Deficit Procedure. Croatia received a positive rating for its fiscal effort for 2014 and 2015 as the EC assessed that the nominal deficit target would be achieved in 2014 (even when excluding the effects of the planned transfer of assets from the second to the first pension

²³ Measures on the revenue side for 2014 include an increase in the rate of health insurance contributions from 13% to 15%, the withdrawal of revenues from profits of government-owned companies, the introduction of telecommunication service fees, increases in concession fees, excises on refined petroleum products and taxes on lottery winnings, as well as the transfer of funds of workers covered by an accelerated pension plan from the first to the second pension pillar. The levying of taxes on interest rates on savings deposits is planned to start as of January 2015 and the non-taxation of reinvested earnings is planned to be restricted. In 2016, additional measures on the revenue side would include the introduction of the property tax. Measures on the expenditure side of the budget include savings for all major categories, with the sharpest cuts planned for expenditures on subsidies and the use of goods and services.

pillar that is not going to be included into budget revenues according to the ESA 2010 methodology, the application of which will start in September 2014) and that the amount of the implemented structural measures in 2014 and 2015 was in line with recommendations. It was therefore proposed that the procedure be held in abeyance. However, the EC stated that, as the nominal deficit for 2015 could be slightly higher than that given in the requirements of the EU Council (0.25 percentage points of GDP) it expected that additional structural adjustment be included into the 2015 budget in order for the set targets to be met.

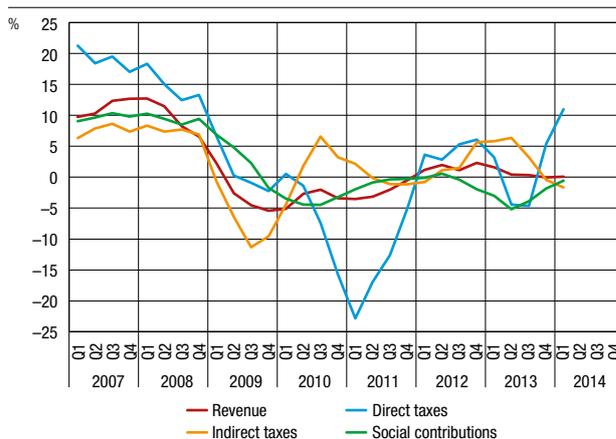
The responsible implementation of fiscal policy in this and the following years should be monitored not only by the EC but also by the newly established Fiscal Policy Commission, which started work late in the first quarter this year. The main task of the Commission is to monitor whether fiscal policy is implemented in accordance with the amended Fiscal Responsibility Act, adopted by the Croatian Parliament in early 2014. The main rule of the new Act is that the structural balance expressed as share in GDP must be maintained according to the adjustment plan in order for the medium-term budget target to be achieved. As the Government has not yet set the medium-term budget target, the temporary fiscal rule is in effect²⁴, requiring that the inter-annual general budget expenditures' growth rate must not exceed the inter-annual growth rate of the projected/estimated nominal GDP, where total expenditures exclude interest expenditure, expenditures for the implementation of EU programmes without national co-financing and annual changes in expenditures as a consequence of changes in the institutional scope of the general budget. The Commission assessed that the 2014 temporary fiscal rule would be met should the budget be realised in compliance with the revision for 2014.

Revenues, expenditures and transactions in the non-financial assets of consolidated general government

Consolidated general government revenues (GFS 2001) increased by 0.4% in the first quarter from the same period in 2013. The increase was primarily due to the growth of excise revenue generated by an increase in excises on tobacco products and refined petroleum products in late 2012 and in 2013. A strong contribution to the growth was also made by profit tax revenues, notwithstanding the economic downturn in 2013, which could be attributed to a mitigated impact of non-taxation of reinvested earnings on budget revenues compared with the same period in the previous year. Despite adverse trends in the labour market, income tax and social contributions revenues moved in the same direction. Such trends presumably resulted from a decrease in tax evasion due to the implementation of fiscal registers, while favourable income tax trends might have also resulted from a decrease in annual tax returns. In contrast, VAT revenues plummeted at an annual rate of 7.6%, despite a favourable base effect deriving from the introduction of fiscal registers and an increase in the VAT reduced rate from 10% to 13% as of January this year. Although detailed data are not available, the sharp decrease in VAT revenues could partly be attributed to VAT returns to entrepreneurs from the EU on expenses realised in Croatia, their entitlement since Croatia's accession to the EU, and to a decline in personal consumption from the same period in the previous year.

Total consolidated general government revenues could record more favourable trends towards the end of 2014 as a result of

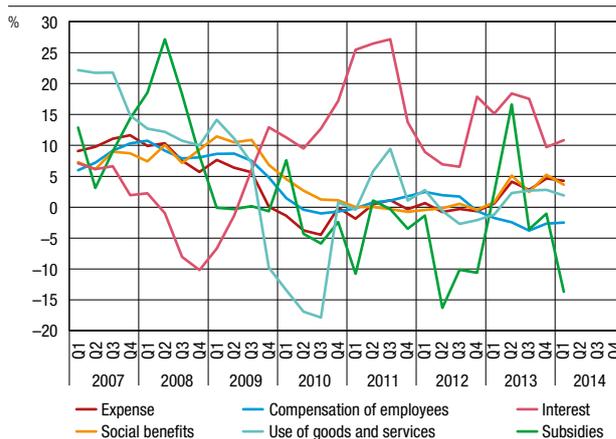
Figure 9.1 Consolidated general government revenue
year-on-year rate of change of four-quarter moving sums



Note: Revenues include proceeds from the disposal of non-financial assets. From 2008 on, CM is excluded from consolidated general government.

Sources: MoF and CNB calculations.

Figure 9.2 Consolidated general government expense
year-on-year rate of change of four-quarter moving sums



Note: Expense includes expenditures for the acquisition of non-financial assets. From 2008 on, CM is excluded from consolidated general government.

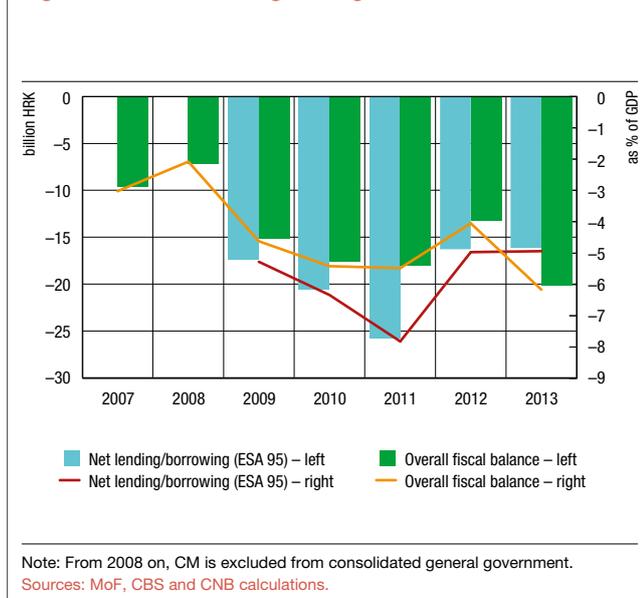
Sources: MoF and CNB calculations.

the implementation of fiscal consolidation measures. Revenues from social contributions could increase at the highest rate as a result of the transfer of assets from the first to the second pension pillar and regular payments of employees covered by an accelerated pension plan, as well as of an increase in the health insurance contribution rate from 13% to 15%. Excise revenues could surge from 2013. On the other hand, profit tax revenues are expected to drop annually, notwithstanding their growth in the first three months of 2014. Revenues are expected to continue growth in 2015, albeit at a slower pace than in 2014. All main revenue categories are projected to increase, with the exception of income tax revenues, which could hold steady in line with projections for labour market trends.

Consolidated general government expenditures, including the acquisition of non-financial assets (GFS 2001) grew at an annual rate of 3.4% in the January to March period. Total expenditure growth was mainly generated by expenditures that are

²⁴ The inter-annual decrease in the structural balance must be at least 0.5% of GDP, and the growth of general budget expenditures must not exceed the reference potential GDP growth rate, increased by the expected price growth.

Figure 9.3 Consolidated general government deficit



not at the discretion of fiscal authorities in the current year, including interest expenditures and payments to the EU budget. What are called other expenditures rose, because there were larger outlays for the modernisation of Croatian railways, while most of the other expenditures were reduced. Expenditures for employee compensation dropped by 1.3%, mainly due to a base effect related to a 3% decrease in the wages of civil servants and government employees in March 2013. Expenditures for subsidies moved in the same direction, largely due to a decrease in the payments of subsidies to farmers and the Croatian Railways, as well as expenditures on social benefits, dropping due to a decrease in health outlays. The acquisition of non-financial assets grew slightly as a result of the growth of investments at the government budget level.

Consolidated general government expenditures, including the acquisition of non-financial assets, could grow at a slightly lower annual rate in 2014 than in the first three months in the year. The annual increase in total expenditures is expected to be derived from the growth of interest expenditures and payments to the EU budget. Expenditures for employee compensation could drop due to a base effect deriving from wage cuts, the repeal of the loyalty bonus and a small decrease in the number of civil servants and government employees. Expenditures for the use of goods and services and subsidies could also decrease under the budget revision.

Total expenditures could edge down, the main reason being that expenditures on social benefits are expected to drop due to the absence of further debt repayments in the health care sector, estimated at HRK 3.2bn in 2014. Under the Convergence Programme, the decrease in expenditures on social benefits could be achieved by introducing a one-stop monetary centre for social benefits and by reforming the social service network and the contracting and financing of social services. Additional savings are envisaged in the use of goods and services and subsidies.

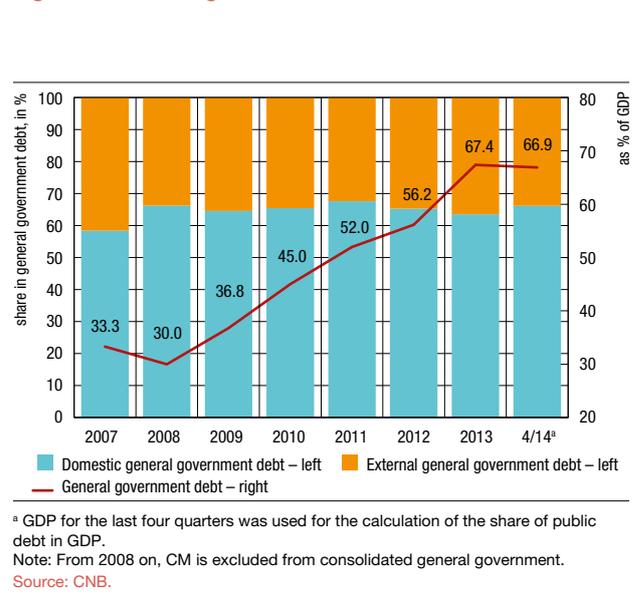
An opposite effect on budget expenditures has been made by increase in interest expenditures, the acquisition of non-financial assets and other expenditures, which can be attributed to the expected use of EU funds.

Consolidated general government deficit and debt

In line with the described developments, net borrowing of the consolidated general government (GFS 2001) stood at HRK 6.8bn in the first three months, an increase of HRK 1bn from the previous year or about 50% of the annual deficit planned for 2014. The estimated overall fiscal deficit (GFS 2001) was HRK 0.8bn higher than net borrowing, standing at HRK 7.6bn, primarily because it includes outlays for net loans granted, shares and other securities.

Public debt was HRK 2.0bn lower at the end of April than in the previous year. The fall in debt was HRK 218.2bn when it is taken into account that the deficit was financed and part of the liabilities refinanced by means of the deposit funds raised by borrowing late in the previous year. As regards new borrowings in the observed period, one should mention a EUR 650m domestic bond issue with a currency clause, used for the refinancing of bonds due of the same nominal amount. The government also made a bond issue of EUR 500m with a currency clause. In May this year, the government issued a eurobond worth EUR 1.25bn in the foreign capital market under relatively favourable conditions that can primarily be attributed to the expansionary monetary policy of the European Central Bank. In accordance with a plan of deficit financing and refinancing government budget liabilities, the government is expected to raise the required funds mainly by borrowing in the domestic capital market, although a new foreign bond might be issued if the borrowing conditions remain favourable. The funds raised this way would probably be used for the repayment of EUR 750m worth bonds falling due in January 2015.

Figure 9.4 General government debt



Box 4 An assessment of direct fiscal effects of EU accession on public finances in Croatia

The need to reduce general government deficit requires an inquiry into whether and to what extent the fiscal changes resulting from Croatia's accession to the EU have made public finance consolidation more difficult. Full Croatian membership has brought about changes in the public finance system and influenced the volume and structure of revenues and expenditures. Croatia has been enabled to use the funds from the EU budget, with, on the other hand, the prescribed amount of general government revenues being transferred to the EU budget. The application of the *acquis* has led to a series of tax legislation changes, most notably in the fields of VAT, excise duties and customs duties.

Negative fiscal pressures on the general government budget caused by EU accession have been estimated at slightly over one percent of GDP in the period from 2013 to 2016. This quantification includes only direct effects of the accession, including payments to the EU budget, withdrawals from the EU budget, a possibility to substitute national financing by funds from EU funds, project co-financing and the harmonisation of the tax system with the *acquis*²⁵. Fiscal authorities therefore have to find additional revenues and/or make additional savings to offset the negative effects of the accession. Concurrently, sufficient room should be left for the use of and co-financing of EU funds while absorption capacities should be strengthened in order to produce a favourable effect on economic activity and, in turn, on public finances.

The strongest direct pressure on public finances arising from Croatia's accession to the EU comes from mandatory payments to the EU budget. Of the HRK 1.8bn (0.6% of GDP) worth of payments made in 2013, 0.4% of GDP was accounted for by GNI-based payments and 0.1% by VAT-based payments. The annual payments to the EU budget in 2014 are expected to total about 1.1% of GDP and remain at that level in the following two years. Transfers to the EU budget are made based on clearly defined criteria and mainly arise from VAT payments and gross national income (GNI) of member states, with the remainder accounted for by EU's traditional own resources (customs duties and, in a small extent, sugar levies) and miscellaneous rebates (the United Kingdom rebate being the largest).

On the other hand, the amount of grants from the EU budget to be used by a member state depends on its absorption capacity. Absorption capacity is determined by the three main factors²⁶: (1) the financial capacity to co-finance the projects supported by the EU budget (2) the administrative (institutional) capacity to implement operational programmes and (3) the macroeconomic capacity of the government to ensure sufficient productive investment opportunities for an efficient use of EU funds. Absorption capacity is primarily determined by institutional factors, that is, by the ability of central and local government authorities to prepare consistent multi-annual plans for the use of EU funds, to cope with the substantial amount of administrative work related to the withdrawal of EU funds and coordinate and supervise their use. The experience of other member states shows that the government's absorption capacity increases gradually, as some time is required to prepare the projects and learn all the procedures for the withdrawal and use of EU funds.

Table 9.1 Total direct fiscal effect on general government budget

as % of GDP

Positive effect on budget (+) / negative effect on budget (-)	2013	2014	2015	2016
Payments in the EU budget	-0.6	-1.1	-1.1	-1.1
Budget savings arising from the replacement of existing expenditures with EU funds ^a	0.2	0.6	0.7	0.8
Co-financing	-0.04	-0.3	-0.4	-0.6
Effects of transactions with the EU budget on general government deficit	-0.4	-0.8	-0.8	-0.8
Harmonisation of customs system	-0.2	-0.4	-0.4	-0.4
Harmonisation of excise system	0.1	0.2	0.2	0.2
Effects of the harmonisation of VAT system on the deficit	0.03	-0.1	-0.1	-0.1
Effects of the harmonisation of VAT system on budget liquidity	-0.5	0.0	0.0	0.0
Payments in other EU institutions	-0.1	-0.1	-0.1	-0.1
Total effects of the accession to the EU on general government budget	-1.0	-1.2	-1.2	-1.3

^a Compensation funds included.

Sources: MoF and CNB calculations.

As regards EU budget withdrawals, a distinction should be made between the amount of allocations from the EU budget and the amount of used funds. The allocations comprise EU advance payments to the government account with the CNB that are recorded at the government financing account. The used funds are the funds paid by the government to end beneficiaries, which are at the moment of their payment to end beneficiaries recorded simultaneously as budgetary revenues and expenditures. This method of reporting ensures that the allocated funds do not affect the reported fiscal balance.

As the used funds simultaneously appear on the revenue and expenditure side of the budget, their impact on the budget balance will depend on the amount which is to be used as substitution for the national financing of existing expenditures. It should be noted that funds from structural funds are subject to the so-called additivity principle, according to which these funds cannot replace domestic financing sources but are used to supplement them. In addition, substitution capacity will largely depend on the extent to which the projects to be financed from EU funds are adjusted with those financed from national resources. The use of EU funds requires a certain amount of co-financing by a member state, which adds to the costs. The co-financing rates vary depending on the project or fund that provides project financing. For most of the EU funds, the minimum share in co-financing by a member state is 25%.

The used funds from the EU budget were HRK 1.8bn (0.5% of GDP) in 2013, inclusive of HRK 0.8bn from pre-accession funds. Most of the used funds are accounted for by compensation payments, which enable a member state not to be a net payer to the EU budget, most often in the first two years of membership,

²⁵ According to some research, the costs of strengthening and building administrative capacities for EU-related operations and the application of EU environmental protection legislation have also produced considerable direct effects on the budget. Indirect effects, generated, for example, by the economy's adjustment to new market conditions and the favourable impact of the use of EU funds on economic activity and, in turn, public finances, are not included in this research.

²⁶ Osterloh, S. (2009): *The Fiscal Consequences of EU Cohesion Policy after 2013*, available at http://www.ief.es/documentos/recursos/publicaciones/revistas/presu_gasto_publico/57_04.pdf. (2013)

until advance payments from structural funds and the Cohesion fund have been withdrawn and used. The allocations from the EU budget were somewhat larger as they included the allocations for activities related to the establishment of border crossings pursuant to the Schengen legal framework, but these funds were not used and as such not recorded within revenues and expenditures.

The estimate of the used funds, i.e. the funds to be paid to end beneficiaries, in the 2014 to 2016 period, is based on the amounts specified in the documents related to the 2014 budget revision and the Convergence Programme. The projection of the structure of use of EU funds and the amounts of substitution of domestic financing with funds from the EU budget has been made based on the data from the draft Partnership Agreement submitted by Croatia to the European Commission. Under the Partnership Agreement, slightly over a half of the total amount of the envisaged funds from structural and investment funds could be withdrawn from structural funds – the European Regional Development Fund and the European Social Fund. Around one fourth of the funds are from the Cohesion Fund, the beneficiary of which is primarily general government because it is aimed at improving transport infrastructure and financing environment protection activities. The remaining funds primarily come from the European Agricultural Fund for Rural Development, including direct payments to agriculture.

It is assumed that all transfers from the EU budget, except for the assessed transfers from structural funds and allocations for the establishment of border crossings pursuant to the Schengen legal framework (as these are new expenditures) could be used as substitutes for current outlays. The rate of co-financing of projects financed from EU funds could stand at 30% as the minimum allowed co-financing amount is not always granted. Compensation payments represent savings for the budget. However, the new Multi-annual Financial Framework envisages compensation payments only for 2014.

A considerable impact on public finances has also been made by the harmonisation of the tax system with the *acquis*, primarily regarding changes in VAT, excises on tobacco products and customs duties. Other taxes were either in line with EU regulations or their changes have had no significant effect on the budget balance.

Until the beginning of last year, Croatia had a zero VAT rate on a certain group of products²⁷, which was not in compliance with the *acquis*. The zero VAT rate was revoked on 1 January 2013 and a new 5% rate was introduced for the same group of products, with the result that government budget revenues grew at an annual rate of about 0.15%. According to MoF estimates, further harmonisation of the VAT system (adopted in June 2013)

could result in a loss of VAT revenues in an approximate amount of 0.3% of GDP, which is probably to the largest extent related to VAT returns to entrepreneurs from the EU on expenses realised in Croatia. In addition, the change in the calculation of VAT on EU imports has also strongly influenced government budget liquidity. Specifically, VAT on EU imports was until July 2013 paid when goods were imported, and since the accession it has been paid to the government budget after the goods have been sold. As a result, early in the second half of 2013, VAT payments to the government budget were postponed, which led to a temporary decrease in revenues of about 0.5% of GDP.

Before the accession, excises on tobacco products were significantly lower than the minimum prescribed level in the EU. Croatia was granted a transition period for the alignment with the *acquis*.²⁸ The effect of the alignment of excises on budget revenues in 2013 and in the following three-year period was estimated at 0.1% of GDP and 0.2% of GDP respectively.

As regards customs duty revenues, the implementation of the EU customs system has considerably reduced government budget revenues generated by foreign trade. Given a drop in customs duty revenues in the second half of 2013, following Croatia's accession to the EU, and trends in goods exports, the revenue loss caused by the adjustment of the customs system is estimated to amount annually to about 0.4% of GDP.

An additional burden on the budget of a member state has been imposed by the costs of financing EU institutions, estimated to amount annually to about 0.1% of GDP. It needs to be emphasised that these costs do not influence the budget deficit as they are recorded within financial assets, but they increase borrowing requirements.²⁹

In the short-term, EU accession has created considerable pressures on the general government budget (see Table 9.1). Negative fiscal pressures on the general government budget caused by EU accession have been estimated at slightly over one percent of GDP on an annual basis in the 2013 to 2016 period. A strong one-off negative effect on the budget was in 2013 caused by the adjustment of the VAT system, but it was offset by compensation payments. In the 2014 to 2016 period, the pressure on public finances could increase slightly under both scenarios, primarily on account of annual payments to the EU budget, outlays for the co-financing of EU fund-financed projects and the loss of customs duty revenues. In the long term, the accession should make a positive impact on public finances due to the impact of the use of EU funds on economic activity. Direct pressures on public finances will depend on the dynamics of the use of these funds, which leads to increased needs for the co-financing of projects and the possibility of substitution of the national financing with funds from the EU budget.

27 All kinds of bread and milk; medicine; scientific magazines, books with scholarly, scientific, artistic, cultural and educational contents; textbooks for education, for elementary, secondary and tertiary education, products that are surgically implanted into the human body, other medical products used to make up or substitute for some physical impairment; the public screening of films and some daily and periodical newspapers and magazines.

28 Until 1 July 2013, excises had to be increased by at least 57% of the average weighted retail price of cigarettes released for sale and EUR 64 per 1 000 cigarettes, while as of January 2014 it had to amount to at least EUR 77 per 1 000 cigarettes. Excises have to be further increased to 60% of the average weighted retail price of cigarettes and EUR 90 per 1 000 cigarettes.

29 Croatia's contribution to the capital and reserves of the European Investment Bank (EIB) will amount to almost EUR 208m. The contribution is divided into eight equal annual instalments; the first was paid in late November 2013, while the last instalment is expected in late May 2018. A certain amount of funds will have to be paid to the European Development Fund within a new, eleventh, programme period lasting from 2014 to 2020. The first payment of approximately EUR 11.0m is planned to be made in 2015, with the total amount of outlays reaching almost EUR 70.0m. A certain amount of funds will have to be paid to the Fund for Coal and Steel, but this amount is relatively small as this sector is not significant in Croatia.

10 Deviations from the previous projection

The expected rate of change in real GDP in 2014 is -0.2% , which means that it was significantly corrected compared with the previous projection for the economic growth rate of 0.7% . The correction resulted from several factors and reflects worse-than-expected effects of fiscal consolidation on growth and a lower-than-expected corporate investment activity. The previous projection forecast that the public finance adjustment, required under the Excessive Deficit Procedure, would be primarily related to the expenditure side of the budget. However, the budget revision measures indicate that a considerable amount of the adjustment will also be related to the revenue side, due, among other things, to an increase in the rate of health insurance contributions from 13% to 15% (which will boost corporate operational expenses), the withdrawal of part of profits from public enterprises and a cut in subsidies, which might lead to an

additional drop in investments.

An analysis of aggregate demand components shows a sharp negative correction in gross fixed capital formation trends, given the worse-than-expected results and the already described structure of fiscal adjustment. A correction was also made in personal consumption, which was downgraded due to the absence of economic recovery and continued unfavourable labour market trends. In contrast, as the main part of fiscal consolidation is planned to be achieved by revenue increase, which is contrary to expectations in the previous official projection, the expected rate of decrease in government consumption in 2014 was considerably downgraded. The value of goods and services grew, as the performance of goods exports in early 2014 was better than expected.

Expected labour market trends are less favourable than in the

Table 10.1 Deviations from the previous projection

	2013			2014			2015		
	Previous projection (12/2013)	Outturn	Deviation	Previous projection (12/2013)	Current projection	Deviation	Previous projection (12/2013)	Current projection	Deviation
National accounts (real rate of change, in %)									
GDP	-0.8	-0.9	-0.1	0.7	-0.2	-0.9	0.9	0.4	-0.6
Personal consumption	-0.8	-1.3	-0.5	-0.1	-0.6	-0.5	0.6	-0.1	-0.6
Government consumption	0.3	0.5	0.2	-1.6	-0.6	1.0	-1.1	-1.5	-0.3
Gross fixed capital formation	-0.7	-1.3	-0.7	3.5	-2.7	-6.2	4.4	1.1	-3.3
Exports of goods and services	-1.5	-1.2	0.3	2.3	3.9	1.7	2.8	3.1	0.2
Imports of goods and services	-0.7	-2.0	-1.3	1.6	2.0	0.5	2.6	2.4	-0.3
Labour market									
Number of employed persons (average rate of change, in %)	-1.3	-1.5	-0.2	0.2	-1.3	-1.5	0.6	-0.4	-1.1
Registered unemployment rate	20.4	20.2	-0.2	20.2	20.7	0.5	19.6	20.9	1.2
ILO unemployment rate	17.2	17.1	0.0	17.0	17.5	0.5	16.5	17.3	0.8
Prices									
Consumer price index (average rate of change, in %)	2.3	2.2	-0.1	1.3	0.1	-1.2	1.8	1.6	-0.2
External sector									
Current account balance (as % of GDP)	0.9	0.9	-0.1	1.5	1.9	0.3	1.2	1.8	0.6
Goods	-14.5	-14.7	-0.2	-14.4	-14.4	0.0	-14.4	-14.1	0.3
Services	15.3	15.7	0.4	15.7	16.3	0.6	15.9	16.3	0.4
Factor income	-2.4	-2.5	-0.2	-2.4	-2.1	0.3	-2.8	-2.6	0.2
Current transfers	2.5	2.5	0.0	2.6	2.1	-0.5	2.5	2.2	-0.3
Current and capital account balance (as % of GDP)	1.0	1.0	0.0	1.8	2.1	0.2	1.7	2.2	0.5
Gross external debt (as % of GDP)	104.2	105.7	1.6	103.3	105.0	1.7	100.7	102.7	2.0
Monetary developments (rate of change, in %)									
Total liquid assets – M4	3.5	2.9	-0.6	3.0	2.4	-0.6	3.4	2.9	-0.5
Total liquid assets – M4 ^a	3.0	2.4	-0.6	2.9	2.1	-0.7	3.3	2.8	-0.5
Credit institution placements	-0.3	-0.7	-0.4	-0.1	-0.5	-0.5	1.6	1.0	-0.6
Credit institution placements ^{a, b}	-0.8	-1.4	-0.6	0.1	-0.6	-0.7	1.6	1.1	-0.5

^a Exchange rate effects excluded.

^b In addition to exchange rate effects, if we exclude one-off effects of the reduction of partly recoverable and fully irrecoverable placements of one credit institution which transferred a portion of its claims to a company indirectly owned by a parent bank, the bankruptcy of Centar Banka d.d. and methodological changes in the recording of fees, the growth rate of placements in 2013 stands at 0.1% . If we exclude the one-off repayment of CBRD loan at the beginning of 2014 due to the discontinuation of the Programme for the Development of the Economy, the projected growth rate of placements in 2014 stands at 0.1%

Sources: CBS, MoF and CNB.

previous projection. The total decrease in the number of employed was upgraded by 1.5 percentage points from the projection made in December 2013. This primarily resulted from the negative corrections of the expected GDP growth rate and an adverse impact of some fiscal adjustment measures on the labour market. Expected administrative and survey unemployment rates were upgraded by 0.5 percentage points in 2014.

The average annual inflation rate in 2014 is estimated at 0.1%, which is a decrease of 1.2 percentage points from the previous projection. The decrease resulted from a lower-than-expected carry-over of inflation from 2013, recorded in food prices, and a slower-than-expected growth of prices in the first five months of 2014, which partly resulted from the milder winter and, consequently, a lower-than-expected price growth rate. In addition, the current projection for 2014 envisages a lower annual rate of change in prices of food and energy due to more unfavourable personal consumption trends than in the previous projection. However, energy prices are expected to grow at slightly higher annual rates, as a result of a slightly faster-than-projected growth of refined petroleum prices in the first five months of 2014, partly caused by an increase in excises in April.

The estimate of the current and capital account surplus in 2014 (2.1% of GDP) was upgraded from the previous projection. The increase in the surplus should be driven by improved developments in foreign trade in goods and services, as exports strengthened and imports weakened amid considerably deteriorated expectations regarding domestic economic activity. The income account deficit is also expected to narrow due to lower profits of enterprises and banks owned by non-residents. In contrast, the expected net inflow of (current and capital) transfers is considerably lower as the use of EU funds is not expected to be significant. The estimate of the current and capital account surplus in 2015 was also revised upwards, primarily due to changes in expectation related to foreign trade in goods and services.

Furthermore, net expenditures in the income account could be lower because of a weakened outlook for operating results of economic entities, whereas total transfers could be lower than expected despite projected growth.

Gross external debt was at the end of 2013 lower than expected because of a stronger pace of deleveraging of other domestic sectors (including deleveraging against affiliated enterprises), but a sharp contraction of GDP resulted in a deterioration of a relative indicator of external debt (by 1.6 percentage points). Despite the expected recovery, relative indicators of external debt could be higher in 2014 and 2015 than in the previous projection.

Risks to the recovery of lending activity proved to be well-founded: placements are expected to drop -0.5% in 2014, while in the previous period they were expected to stagnate (-0.1%). In addition to the delayed recovery in the real sector, the deviations (decreases) from the previous projection were also caused by continued subdued demand and uncertainties regarding trends in the financing conditions of the domestic private sector. While household lending was slightly better than expected in the first five months of this year, expectations for the whole year are in line with the previous ones: households could continue a moderate deleveraging trend and enterprises could record a small lending growth.

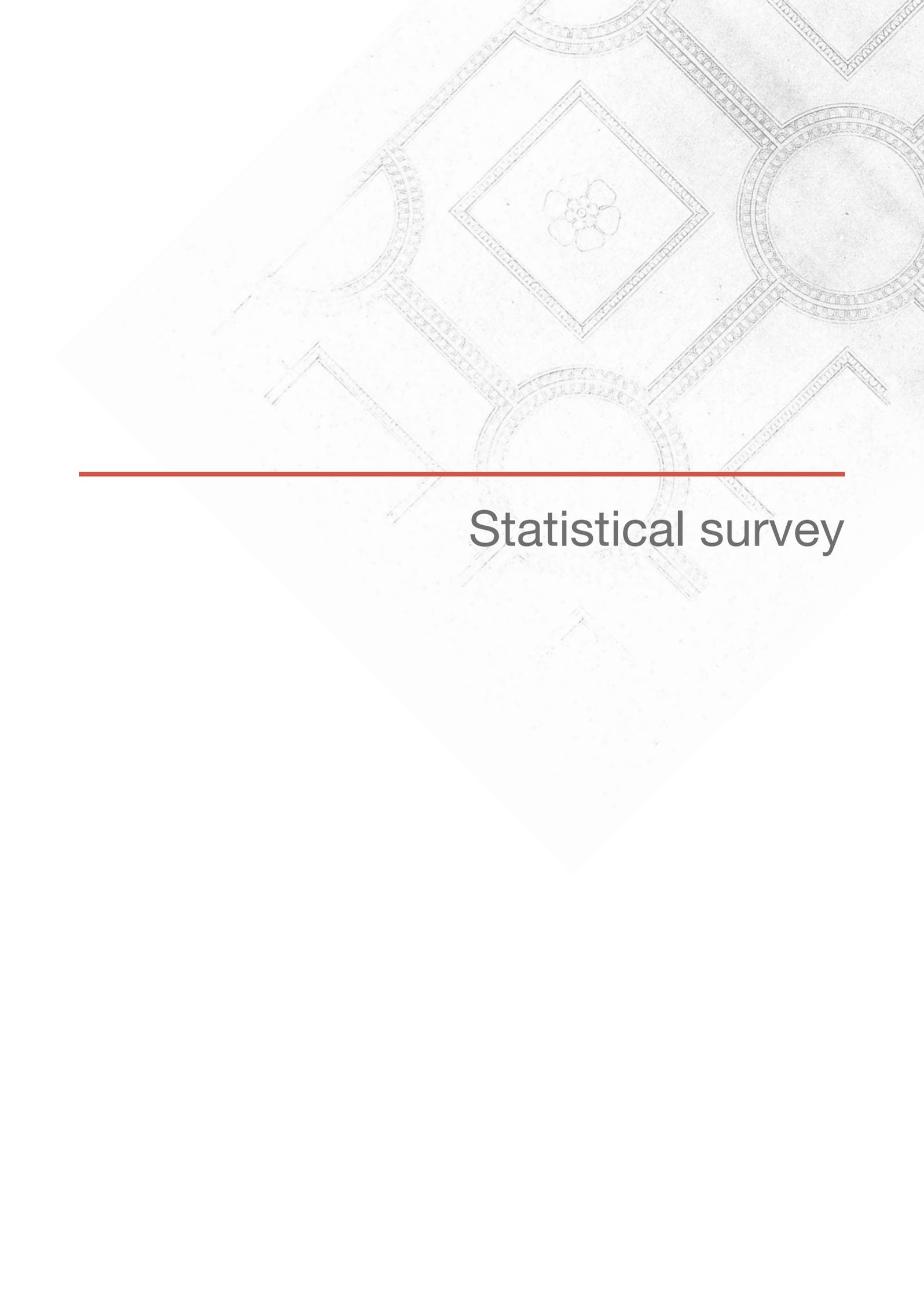
M4 is projected to grow 2.4% in 2014, whereas the previous expectations were for a growth of 3.0%. This correction resulted from an expected stagnation in economic activity and a slight weakening of lending activity in 2014, as well as from a drop in M4 in the first five months of the current year, especially a decrease in quasi-money. In addition, money should grow at slower rates in 2014 than in 2013, when the rate of growth was unusually high, which also influences expectations for a slower growth in M4.

11 Annex

Table 11.1 Macroeconomic projections of other institutions
change in %

	GDP		Household consumption		Gross fixed capital formation		Exports of goods and services		Imports of goods and services		Industrial production		Consumer prices	
	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
<i>Eastern Europe Consensus Forecasts (June 2014)</i>														
Privredna banka Zagreb	-0.5	0.8	-1.0	0.2	0.0	2.0	-	-	-	-	1.0	2.0	0.4	2.1
GKI Econ Research	0.2	1.4	0.2	1.3	0.5	2.8	-	-	-	-	1.7	2.8	0.8	2.3
IHS Economics	-0.1	1.0	-0.2	0.5	-0.1	2.6	-	-	-	-	1.4	2.7	0.7	2.1
Econ Intelligence Unit	-0.4	1.1	-0.5	1.3	2.5	4.5	-	-	-	-	1.2	3.7	0.6	1.5
Dun & Bradstreet	-0.1	0.9	1.5	2.5	0.5	2.5	-	-	-	-	....	....	2.0	2.3
Feri	-0.3	1.0	-0.2	1.4	-0.7	1.2	-	-	-	-	2.1	2.5	0.5	1.9
Kopint-Tarki	0.3	0.9	0.0	1.4	-1.5	2.5	-	-	-	-	1.4	2.8	0.7	2.0
UniCredit Group	-1.0	0.5	-0.8	0.0	-0.5	3.0	-	-	-	-	0.0	4.0	0.5	2.1
Vienna Institute - WIIW	-0.5	0.7	-0.6	0.5	-1.5	2.0	-	-	-	-	1.0	2.0	0.4	2.1
Hypo Alpe-Adria-Bank	-0.7	0.8	-1.2	0.2	0.7	3.6	-	-	-	-	1.6	1.8	0.5	2.6
Eastern Europe Consensus Forecast (average)	-0.3	0.8	-0.3	0.8	0.0	2.6	-	-	-	-	1.3	2.7	0.7	1.9
Ministry of Finance (Convergence Programme of the Republic of Croatia for the period 2014-2017)	0.0	1.2	-0.8	0.4	1.9	5.7	2.0	2.7	1.3	2.3	-	-	0.6	1.7
European Commission (May 2014)	-0.6	0.7	-1.3	0.0	0.0	3.0	2.6	3.7	1.3	2.3	-	-	0.8	1.2
International Monetary Fund (May 2014)	-0.8	0.5	-	-	-	-	-	-	-	-	-	-	0.5	1.1
European Bank for Reconstruction and Development (May 2014)	-0.5	0.5	-	-	-	-	-	-	-	-	-	-	0.5	-
World Bank (July 2014)	-0.5	1.2	-	-	-	-	-	-	-	-	-	-	-	-

Sources: Eastern Europe Consensus Forecasts, June 2014 and publications of the respective institutions.



Statistical survey

Classification and presentation of data on claims and liabilities

Data on financial institutions' claims and liabilities are classified according to institutional sectors and financial instruments.

Up to November 2010, the sector classification of institutional units was based on the sector classification under the Decision on the Chart of Accounts for Banks, and data were based on the reporting system in accordance with the Decision relating to the bank statistical report.

From December 2010 on, the sector classification of counterparties is made in accordance with the Decision on the statistical classification of institutional sectors published by the Central Bureau of Statistics (CBS). This classification by sectors is based on the European System of Accounts 1995 (ESA 1995), a mandatory statistical standard of the European Union, and is aligned with the basic international statistical standard – the System of National Accounts 1993 (SNA 1993). The data are based on the reporting system in accordance with the Decision on statistical and prudential reporting.

Table 1 provides a comparative overview of the two sector classifications.

Table 1 Comparative overview of the two sector classifications

Sector classification under the Decision on the Chart of Accounts for Banks	ESA 95 sector classification
Enterprises	Non-financial corporations
Public enterprises	Public non-financial corporations
Other enterprises	National private non-financial corporations
	Foreign controlled non-financial corporations
Financial institutions	Financial institutions
Croatian National Bank	Central bank
Banks	Other monetary financial institutions
Other banking institutions	Other financial intermediaries, except insurance corporations and pension funds
CBRD	
Non-banking financial institutions	Financial auxiliaries
Banks undergoing bankruptcy proceedings	Insurance corporations and pension funds
Government units	General government
Republic of Croatia (central government)	Central government
Central government funds	State government
Local government	Local government
	Social security funds
Households	Households
Non-profit institutions serving households	Non-profit institutions serving households
Non-residents	Rest of the world

For the purposes of the CNB Bulletin, institutional sectors in tables A to D12 are as follows: financial institutions, central government, other domestic sectors and rest of the world.

Financial institutions

Up to November 2010, the financial institutions sector included the following subsectors: monetary authorities (the central bank), banks, other banking institutions and non-banking financial institutions. The central bank is the Croatian National Bank. Banks are institutions to which the Croatian National Bank has issued a license to perform banking business services in accordance with the Banking Act. Data on banks do not include claims and liabilities of banks undergoing bankruptcy proceedings, nor former branches of banks headquartered outside the Republic of Croatia. Other banking institutions comprise housing savings banks, savings and loan cooperatives and

investment funds. Non-banking financial institutions are financial institutions not classified as banks or other banking institutions (e.g. insurance corporations, pension funds).

Data in tables A to D12 have been revised due to the reclassification of the Croatian Bank for Reconstruction and Development from the subsector social security funds to the subsector other banking institutions as of July 1999.

From December 2010 on, the financial institutions sector comprises the following subsectors: monetary authorities (the central bank), other monetary financial institutions, other financial intermediaries except insurance corporations and pension funds, financial auxiliaries, and insurance corporations and pension funds. The central bank is the Croatian National Bank. Other monetary financial institutions are credit institutions (banks, savings banks and housing savings banks). In line with European Central Bank regulations, the scope of the other monetary financial institutions is to be expanded to include money market funds. Credit institutions are institutions authorised by the Croatian National Bank under the Credit Institutions Act. Data on

Table 2 Sector classification of financial institutions up to November 2010

	Central bank
	Banks
	Banks and savings banks
	Housing savings banks
	Other banking institutions
	Savings and loan cooperatives/Credit unions
	Investment funds etc.
Financial institutions	CBRD
	Insurance corporations
	Pension funds
	Non-banking financial institutions
	Other financial intermediaries (e.g. leasing companies)
	Financial auxiliaries (stock exchanges, exchange offices, investment firms, investment and pension fund management companies, etc.)

Table 3 Sector classification of financial institutions from December 2010

	Central bank
	Banks
	Credit institutions
	Savings banks
	Housing savings banks
	Open-end money market funds
	Other monetary financial institutions
	Investment funds
	Leasing companies
	Factoring companies
	Banks undergoing bankruptcy/winding-up proceedings
Financial institutions	CBRD
	Credit unions, etc.
	Stock exchanges
	Exchange offices
	Financial regulatory authorities
Financial auxiliaries	Insurance intermediaries and agents
	Investment firms
	Investment/pension fund management companies, etc.
Insurance corporations and pension funds	Insurance corporations
	Pension funds

credit institutions do not include banks undergoing winding-up or bankruptcy proceedings. The subsector other financial intermediaries except insurance corporations and pension funds consists of institutions which are principally engaged in financial intermediation by incurring liabilities in forms other than currency, deposits and/or close substitutes for deposits. It includes, for example, investment funds, leasing companies, factoring companies, banks undergoing winding-up or bankruptcy proceedings, credit unions, the Croatian Bank for Reconstruction and Development, etc. Financial auxiliaries are institutions which are principally engaged in providing auxiliary financial services and comprise, in particular, stock exchanges, exchange offices, financial regulatory authorities, insurance intermediaries and agents, investment firms, investment and pension fund management companies, the CDCC, HANFA, FINA, DAB, etc. Insurance corporations and pension funds are institutions which are principally engaged in financial intermediation as the consequence of the pooling of risks.

Tables 2 and 3 provide a comparative overview of the structure of differences among financial institutions.

Central government

Up to November 2010, the central government and social security funds sector consisted of the central government subsector (up to CNB Bulletin No. 190, reported under Republic of Croatia) and the social security funds subsector (up to CNB Bulletin No. 190, reported under central government funds).

Up to December 2003, the central government subsector included government authorities, comprising the Croatian Roads, the Croatian Motorways and the State Agency for Deposit Insurance and Bank Rehabilitation. The subsector social security funds included the Croatian Institute for Health Insurance, the Croatian Pension Insurance Administration, the Croatian Employment Service, the Croatian Privatisation Fund and the Croatian Waters. As from January 2004, the Croatian Roads, the State Agency for Deposit Insurance and Bank Rehabilitation and the Croatian Motorways have been reclassified from the central government subsector to the social security funds subsector. In addition, as from January 2008, the Croatian Motorways have been reclassified from the social security funds subsector to the subsector of public non-financial corporations.

From December 2010 on, the central government includes government authorities, comprising the Croatian Roads, the Croatian Waters and the Agency for Management of the Public Property. The social security funds subsector comprises the Croatian Pension Insurance Administration, the Croatian Institute for Health Insurance and the Croatian Employment Service.

The central government sector also includes institutional units established and controlled by the central government (e.g. engaged in education, health, science, culture, etc.), which have been reclassified from the subsector national private non-financial corporations and foreign controlled non-financial corporations (up to CNB Bulletin No. 190, reported under other enterprises).

Other domestic sectors

Other domestic sectors comprise local government, public non-financial corporations, national private non-financial corporations, foreign controlled non-financial corporations and households, including craftsmen and non-profit institutions serving households.

In some tables other domestic sectors are divided into the following subsectors: local government, non-financial corporations (up to CNB Bulletin No. 190, reported under enterprises) and households.

Local government comprises units of local and regional

self-government. The local government sector also includes institutional units established and controlled by local government units (e.g. engaged in education, health, science, culture, etc.), which have been reclassified from the subsector national private non-financial corporations and foreign controlled non-financial corporations (up to CNB Bulletin No. 190, reported under other enterprises).

Non-financial corporations include public non-financial corporations, national private non-financial corporations and foreign controlled non-financial corporations.

Up to November 2010, public non-financial corporations (up to CNB Bulletin No. 190, reported under public enterprises) comprised public non-financial corporations included in the list provided in the Instructions for the implementation of the Chart of Accounts for Banks.

National private non-financial corporations and foreign controlled non-financial corporations (up to CNB Bulletin No. 190, reported under other enterprises) include, among others, institutional units established and controlled by the central government (e.g. engaged in education, health, science, culture, etc.). This comprises, in particular, faculties, hospitals, kindergartens, health centres, etc., whereby reporting institutions have to classify e.g. higher education institutions into this subsector regardless of ownership and control (and regardless of whether they are established by the Republic of Croatia or whether they are private institutions). This subsector also includes banks undergoing bankruptcy proceedings.

Data in tables A to D12 have been revised due to the reclassification of the Croatian Motorways from the subsector social security funds to the subsector of public non-financial corporations as of January 2008.

From December 2010 on, public non-financial corporations (up to CNB Bulletin No. 190, reported under public enterprises) include all institutional units meeting the criteria for this subsector in accordance with the sector classification of institutional units.

All privately established institutions remained within national private non-financial corporations and foreign controlled non-financial corporations (up to CNB Bulletin No. 190, reported under other enterprises), while institutional units established and controlled by the government (e.g. engaged in education, health, science, culture, etc.) are classified into the corresponding subsector (central or local government) of the general government sector, depending on their founder. This subsector does not include banks undergoing bankruptcy proceedings.

Households also include craftsmen and non-profit institutions serving households.

Rest of the world includes foreign natural and legal persons.

All data on claims and liabilities in tables A to D12 refer to balances at the end of the reporting period. Foreign currency items are reported in their kuna equivalent at the CNB's midpoint exchange rate at the end of the reporting period. In tables where there is a breakdown into kuna and foreign currency items, kuna items include kuna items not indexed to foreign currency and kuna items indexed to foreign currency. All items are reported on a gross basis (i.e. before value adjustments).

The change in the sector classification and reporting system caused a break in the series of data in tables A to D12 (CNB Bulletin No. 190) and in tables H (CNB Bulletin No. 194) as of December 2010.

Furthermore, data in tables A to D12 have been revised starting from July 1999 to include data on housing savings banks in addition to data on banks and savings banks.

A Monetary and credit aggregates

Table A1 Monetary and credit aggregates
end of period, in million HRK and %

Year	Month	Reserve money	Money M1	Broadest money M4	Net domestic assets	Domestic credit	Monthly rates of growth				
							Reserve money	Money M1	Broadest money M4	Net domestic assets	Domestic credit
2000	December	11,717.8	18,023.2	76,005.6	46,988.4	60,949.6	7.20	9.93	3.68	10.06	2.67
2001	December	17,864.6	23,749.5	109,951.7	61,290.3	75,103.2	8.21	13.11	11.47	3.61	1.19
2002	December	23,066.6	30,889.4	120,915.3	88,097.9	97,841.8	10.83	6.18	1.88	7.91	2.32
2003	December	30,637.9	33,940.4	135,200.4	102,429.0	112,075.1	9.08	1.93	0.46	3.37	0.60
2004	December	33,925.5	34,563.2	148,819.7	117,087.8	127,929.0	8.46	2.66	0.70	2.62	2.02
2005	December	40,441.9	38,868.2	166,161.3	142,867.8	150,245.3	9.51	4.46	0.55	2.37	2.01
2006	December	46,338.0	48,527.8	196,724.2	169,171.5	184,879.1	3.18	4.76	1.86	3.57	3.06
2007	December	51,932.2	57,886.6	233,080.1	183,673.5	213,200.1	3.75	6.73	3.95	3.56	2.67
2008	December	49,752.8	55,237.9	244,134.1	202,476.0	241,827.1	-9.89	8.16	3.30	5.61	2.76
2009	December	56,153.9	47,195.7	244,445.9	199,520.7	241,862.6	4.57	3.16	0.67	0.25	0.01
2010	December	56,353.8	48,301.4	251,738.5	207,240.1	256,504.6	3.00	-0.12	-0.79	1.44	-1.02
2011	December	62,559.6	51,934.5	255,730.6	221,732.4	269,114.2	3.76	3.27	0.15	2.40	1.08
2012	December ^a	61,856.3	52,780.4	263,788.3	213,562.9	258,492.0	3.55	4.49	0.26	0.62	-1.74
2013	June	63,520.8	57,124.6	263,936.2	215,915.1	259,236.5	1.23	4.28	0.14	1.46	-0.51
	July	60,808.4	56,746.0	265,771.9	214,277.0	259,912.0	-4.27	-0.66	0.70	-0.76	0.26
	August	61,414.6	59,145.1	273,021.1	212,315.3	259,843.2	1.00	4.23	2.73	-0.92	-0.03
	September	61,495.7	57,836.8	274,523.0	213,530.7	260,439.8	0.13	-2.21	0.55	0.57	0.23
	October	61,329.7	57,000.5	273,210.9	213,364.1	257,958.7	-0.27	-1.45	-0.48	-0.08	-0.95
	November	61,623.6	56,798.7	270,889.6	205,579.6	258,229.3	0.48	-0.35	-0.85	-3.65	0.10
	December	63,043.9	58,532.7	271,516.1	206,232.5	256,560.3	2.30	3.05	0.23	0.32	-0.65
2014	January	65,728.1	57,082.5	271,169.0	206,464.6	254,254.2	4.26	-2.48	-0.13	0.11	-0.90
	February	62,524.9	56,524.5	269,989.4	207,698.5	254,723.8	-4.87	-0.98	-0.44	0.60	0.18
	March	64,079.6	57,099.0	271,780.9	212,552.4	255,798.5	2.49	1.02	0.66	2.34	0.42
	April*	62,903.9	57,412.7	269,156.4	215,286.6	254,740.1	-2.88	-0.75	0.24	4.22	0.47
	May	64,768.2	57,875.4	268,765.3	206,938.9	253,553.0	2.96	0.81	-0.15	-3.88	-0.47

^a Within Domestic credit, claims on other domestic sectors fell by HRK 5.6bn in December 2012. This fall was fully attributable to a transaction of one credit institution which, in an effort to reduce the amount of partly recoverable and fully irrecoverable placements, transferred a total of HRK 5.6bn in its claims to a company indirectly owned by a parent bank.

Table A1 Monetary and credit aggregates • The table shows data on some basic monetary and credit aggregates, including their monthly growth rates.

As from CNB Bulletin No. 190, data on all the monetary aggregates have been revised from July 1999 onward to include housing savings banks in addition to the Croatian National Bank, banks and savings banks.

Reserve money is taken over in its entirety from the Monetary authorities accounts (Table C1).

Money (M1) is defined in the same way as the corresponding item in the Monetary survey (Table B1). It comprises currency outside credit institutions, deposits with the CNB by other financial institutions as well as demand deposits with credit institutions.

Broadest money (M4) comprises money (M1), savings and time deposits, foreign currency deposits as well as bonds and money market instruments (all components are taken over from the Monetary survey, Table B1).

Net domestic assets are defined as a difference between total liquid assets and foreign assets (net).

Up to November 2010, Domestic credit comprised banks' and housing savings banks' claims on other domestic sectors, other banking institutions and non-banking financial institutions.

From December 2010 on, Domestic credit comprises credit institutions' claims on other domestic sectors, other financial intermediaries, financial auxiliaries as well as insurance corporations and pension funds.

B Monetary institutions

Table B1 Monetary survey
end of period, in million HRK

	2008 Dec.	2009 Dec.	2010 Dec.	2011 Dec.	2012 Dec. ^a	2013 Dec.	2014		
							Mar.	Apr.*	May
ASSETS									
1 Foreign assets (net)	41,658.1	44,925.2	44,498.4	33,998.2	50,225.4	65,283.6	59,228.5	53,869.8	61,826.4
2 Domestic credit	274,165.9	275,430.1	295,198.1	317,322.1	315,273.2	307,282.3	312,125.7	313,212.7	306,192.3
2.1 Claims on central government and social security funds (net)	32,338.7	33,567.5	38,693.6	48,208.0	56,781.3	50,722.1	56,327.3	58,472.6	52,639.3
2.2 Claims on other domestic sectors	239,449.4	240,118.1	250,294.2	261,982.9	247,816.4	246,630.2	247,298.4	246,676.1	245,878.4
2.3 Claims on other banking institutions	1,249.9	633.9	....	....	....	....	....	....	....
2.4 Claims on non-banking financial institutions	1,127.8	1,110.6	....	....	....	....	....	....	....
2.5 Claims on other financial intermediaries	....	....	4,588.1	5,975.8	9,366.9	7,899.3	6,626.1	6,571.8	5,929.5
2.6 Claims on financial auxiliaries	....	....	967.9	1,022.8	1,065.5	1,276.3	1,308.1	1,310.9	1,330.0
2.7 Claims on insurance corporations and pension funds	....	....	654.3	132.6	243.1	754.5	565.9	181.2	415.1
Total (1+2)	315,824.0	320,355.3	339,696.6	351,320.4	365,498.7	372,565.9	371,354.3	367,082.5	368,018.7
LIABILITIES									
1 Money	55,237.9	47,195.7	48,301.4	51,934.5	52,780.4	58,532.7	57,099.0	57,412.7	57,875.4
2 Savings and time deposits	56,240.7	44,874.3	38,885.2	42,558.9	40,590.0	41,846.5	42,394.2	42,697.1	42,838.5
3 Foreign currency deposits	117,590.8	135,509.1	147,320.5	144,486.8	152,649.2	154,921.2	155,961.8	152,983.9	152,014.9
4 Bonds and money market instruments	15,064.7	16,866.7	17,231.3	16,750.4	17,768.7	16,215.6	16,326.0	16,062.7	16,036.4
5 Restricted and blocked deposits	3,094.2	2,598.3	3,580.9	3,399.7	5,274.1	4,718.4	2,788.7	2,948.0	2,912.6
6 Other items (net)	68,595.7	73,311.1	84,377.1	92,190.1	96,436.2	96,331.5	96,784.7	94,978.1	96,340.8
Total (1+2+3+4+5+6)	315,824.0	320,355.3	339,696.6	351,320.4	365,498.7	372,565.9	371,354.3	367,082.5	368,018.7

^a Claims on other domestic sectors fell by HRK 5.6bn in December 2012. This fall was fully attributable to a transaction of one credit institution which, in an effort to reduce the amount of partly recoverable and fully irrecoverable placements, transferred a total of HRK 5.6bn in its claims to a company indirectly owned by a parent bank.

Table B1 Monetary survey • The monetary survey shows consolidated data from the Monetary authorities accounts (Table C1) and Credit institutions' accounts (Table D1).

As from CNB Bulletin No. 190, data on all the items have been revised from July 1999 onward to include housing savings banks in addition to the Croatian National Bank, banks and savings banks.

Foreign assets (net) is a difference between total foreign assets and total foreign liabilities of the CNB and credit institutions.

Domestic credit is the sum of the corresponding items in the Monetary authorities accounts and the Credit institutions' accounts. Claims on the central government are reported on a net basis, i.e. decreased by central government deposits with the CNB

and credit institutions.

Money is the sum of currency outside credit institutions, deposits by other financial institutions with the CNB and demand deposits with credit institutions (item Demand deposits in the Credit institutions' accounts, Table D1).

Items Savings and time deposits, Foreign currency deposits as well as Bonds and money market instruments are entirely taken over from the Credit institutions' accounts, while item Restricted and blocked deposits represents the sum of the corresponding items in the Monetary authorities accounts (excluding credit institutions' blocked deposits with the CNB) and the Credit institutions' accounts. Other items (net) are unclassified liabilities decreased by unclassified assets.

Table B2 Number of credit institutions and their classification by total assets

Year	Month	Total number of credit institutions	Banks	Savings banks	Housing savings banks	Savings banks ^a	Credit institutions classified according to their total assets					
							Less than 100 million kuna	100 million kuna to less than 500 million kuna	500 million kuna to less than 1 billion kuna	1 billion kuna to less than 2 billion kuna	2 billion kuna to less than 10 billion kuna	10 billion kuna and over
1	2	3 = 4 to 7	4	5	6	7	8	9	10	11	12	13
2000	December	78	45	0	4	29	28	23	9	6	10	2
2001	December	69	44	0	4	21	20	20	8	7	10	4
2002	December	59	46	0	3	10	12	16	9	9	8	5
2003	December	53	42	0	4	7	7	16	9	7	8	6
2004	December	49	39	0	4	6	7	13	10	8	5	6
2005	December	43	36	0	4	3	4	10	8	8	7	6
2006	December	43	35	0	5	3	6	6	6	11	6	8
2007	December	42	35	0	5	2	5	5	2	16	5	9
2008	December	43	35	1	5	2	4	8	1	14	7	9
2009	December	43	34	2	5	2	5	6	3	14	7	8
2010	December	38	32	1	5	0	1	5	2	12	10	8
2011	December	37	31	1	5	0	1	5	1	12	10	8
2012	December	36	30	1	5	0	1	5	1	11	10	8
2013	June	36	30	1	5	0	1	5	1	12	9	8
	July	36	30	1	5	0	1	5	1	11	10	8
	August	36	30	1	5	0	1	5	1	11	10	8
	September	36	30	1	5	0	1	5	1	12	9	8
	October	35	29	1	5	0	1	4	2	11	9	8
	November	35	29	1	5	0	1	4	2	11	9	8
	December	35	29	1	5	0	1	4	2	11	9	8
2014	January	35	29	1	5	0	1	4	1	12	9	8
	February	35	29	1	5	0	1	4	1	11	9	9
	March	35	29	1	5	0	1	4	1	11	9	9
	April	35	29	1	5	0	1	4	1	11	9	9
	May	35	29	1	5	0	1	4	1	11	9	9

^a Savings banks operated under the Act on Banks and Savings Banks of 1993.

Table B2 Number of reporting credit institutions and their classification by total assets • The table shows the total number of credit institutions which report monthly to the CNB. Their operations are shown in the Credit institutions' accounts. In line with European Central Bank regulations, the scope of the other monetary financial institutions is to be expanded to include money market funds.

Up to February 2005, monetary statistics included institutions whose authorisations have been withdrawn, but which have not initiated winding-up proceedings. Up to November 2010, monetary statistics included institutions undergoing winding-up proceedings.

The table also shows the classification of reporting credit institutions according to their total assets.

C Monetary authorities

Table C1 Monetary authorities accounts
end of period, in million HRK

	2008	2009	2010	2011	2012	2013	2014		
	Dec.	Dec.	Dec.	Dec.	Dec.	Dec.	Mar.	Apr.	May
ASSETS									
1 Foreign assets	66,805.5	75,807.8	78,728.2	84,302.0	84,782.1	98,583.0	92,666.8	88,820.4	98,781.8
1.1 Gold	-	-	-	-	-	-	-	-	-
1.2 Holdings of SDRs	5.3	2,423.7	2,634.5	2,716.3	2,662.3	2,601.4	2,632.8	2,596.8	2,625.3
1.3 Reserve position in the IMF	1.3	1.3	1.4	1.4	1.4	1.4	1.4	1.4	1.4
1.4 Currency and demand deposits with foreign banks	1,472.7	1,763.8	1,483.0	1,887.2	10,647.4	7,576.9	5,013.0	6,395.8	16,101.6
1.5 Time deposits with foreign banks	13,189.3	17,534.5	22,702.9	18,676.4	6,298.8	20,819.1	14,076.9	9,955.8	12,175.5
1.6 Securities in f/c	52,136.9	54,084.5	51,906.5	61,020.7	65,172.2	67,584.3	70,942.7	69,870.6	67,878.0
1.7 Non-convertible foreign exchange	0.0	0.0	0.0	0.0	0.0	-	-	-	-
2 Claims on central government	2.2	2.9	0.3	251.8	-	-	-	-	-
2.1 Claims in kuna	2.2	2.9	0.3	251.8	-	-	-	-	-
2.2 Claims in f/c	-	-	-	-	-	-	-	-	-
3 Claims on other domestic sectors	3.7	3.5	3.1	2.8	2.5	2.3	2.2	2.2	2.2
4 Claims on credit institutions	13.9	13.5	12.9	139.2	11.8	11.3	11.2	11.0	11.0
4.1 Loans to credit institutions	13.9	13.5	12.9	139.2	11.8	11.3	11.2	11.0	11.0
Lombard loans	-	-	-	-	-	-	-	-	-
Short-term liquidity loans	-	-	-	126.8	-	-	-	-	-
Other loans	13.9	13.5	12.9	12.4	11.8	11.3	11.2	11.0	11.0
Reverse repo transactions	-	-	-	-	-	-	-	-	-
4.2 Overdue claims	-	-	-	-	-	-	-	-	-
5 Claims on other financial institutions	60.5	0.7	0.7	0.7	-	-	-	-	-
Total (1+2+3+4+5)	66,885.8	75,828.3	78,745.2	84,696.5	84,796.4	98,596.6	92,680.2	88,833.7	98,795.0
LIABILITIES									
1 Reserve money	49,752.8	56,153.9	56,353.8	62,559.6	61,856.3	63,043.9	64,079.6	62,903.9	64,768.2
1.1 Currency outside credit institutions	17,051.0	15,282.1	15,262.7	16,689.1	16,947.0	17,420.6	17,092.8	17,606.0	18,022.1
1.2 Credit institutions' cash in vaults	3,428.3	3,659.6	4,048.7	4,253.9	4,681.0	4,564.7	4,236.3	4,338.3	4,239.9
1.3 Credit institutions' deposits	29,263.7	37,200.1	36,937.6	41,436.0	39,636.7	40,707.7	42,126.7	40,033.5	42,321.5
Settlement accounts	9,520.3	12,024.6	10,246.1	12,705.0	11,509.2	15,080.9	16,832.0	14,903.6	17,184.7
Statutory reserve in kuna	19,222.7	23,600.6	22,705.1	25,755.0	24,555.7	22,024.6	21,834.3	21,824.9	21,789.5
CNB bills on obligatory basis	460.6	-	-	-	-	3,602.2	3,460.3	3,305.0	3,347.3
Overnight deposits	60.0	1,575.0	3,986.4	2,976.0	3,571.9	-	-	-	-
1.4 Deposits of other financial institutions	9.9	12.0	104.8	180.6	591.6	350.8	623.8	926.1	184.6
2 Restricted and blocked deposits	8,064.1	5,091.6	5,979.3	5,754.0	7,954.8	6,401.2	4,695.5	4,610.4	4,594.8
2.1 Statutory reserve in f/c	8,008.3	5,041.7	4,773.2	5,538.3	5,094.5	4,418.8	4,433.8	4,429.3	4,441.8
2.2 Restricted deposits	55.8	49.9	1,206.0	215.8	2,860.2	1,982.5	261.6	181.2	153.0
2.3 Blocked f/c deposits	-	-	-	-	-	-	-	-	-
3 Foreign liabilities	16.6	8.1	8.7	0.4	0.1	637.9	778.3	930.7	1,983.1
3.1 Use of IMF credit	-	-	-	-	-	-	-	-	-
3.2 Liabilities to international institutions	16.6	8.1	8.7	0.4	0.1	637.8	778.3	930.7	1,224.3
3.3 Liabilities to foreign banks	-	-	-	0.0	0.0	0.0	0.0	0.0	758.9
4 Deposits of central government and social security funds	197.1	4,159.4	4,106.2	1,439.2	146.6	13,446.8	8,103.3	6,046.0	12,905.3
4.1 Demand deposits	161.3	1,827.1	1,379.8	849.7	68.1	2,788.9	1,719.3	2,713.3	593.1
Central government demand deposits	43.0	1,772.9	1,379.8	849.7	68.1	2,788.9	1,719.3	2,713.3	593.1
Demand deposits of social security funds	118.3	54.2	-	-	-	-	-	-	-
4.2 Central government f/c deposits	35.8	2,332.2	2,726.4	589.5	78.5	10,657.9	6,384.0	3,332.7	12,312.2
4.3 CNB bills	-	-	-	-	-	-	-	-	-
5 CNB bills	-	-	-	-	-	-	-	-	-
5.1 CNB bills in kuna	-	-	-	-	-	-	-	-	-
5.2 CNB bills in f/c	-	-	-	-	-	-	-	-	-
6 Capital accounts	9,562.4	11,151.3	13,090.1	15,787.9	15,716.8	15,988.9	15,986.7	15,300.5	15,538.0
7 Other items (net)	-707.1	-735.9	-792.9	-844.6	-878.1	-922.0	-963.2	-957.8	-994.4
Total (1+2+3+4+5+6+7)	66,885.8	75,828.3	78,745.2	84,696.5	84,796.4	98,596.6	92,680.2	88,833.7	98,795.0

Table C1 Monetary authorities accounts • The table reports data on claims and liabilities of the monetary authorities.

Foreign assets include the following forms of foreign currency and kuna claims on foreign legal and natural persons: monetary gold, holdings of special drawing rights, foreign cash in vault, reserve position in the International Monetary Fund, current account balances with foreign banks, time deposits with foreign banks and accrued interest, foreign currency security investments and other claims.

Claims on central government are loans, overdue claims on the budget of the Republic of Croatia and investments in short-term securities of the Republic of Croatia. In accordance with the Croatian National Bank Act that entered into force in July 2008, the Croatian National Bank may not extend credit to the Republic of Croatia. Hence, this item comprises only overdue claims on the budget of the Republic of Croatia based on the payment system operations and the liabilities to the IMF and foreign banks.

Claims on other domestic sectors are loans and overdue claims on other domestic sectors (up to CNB Bulletin No. 190, this item included claims on banks undergoing bankruptcy proceedings).

From May 1999 on, Claims on other financial institutions (up to CNB Bulletin No. 190, reported under Claims on other banking institutions) include overdue claims on credit institutions against which bankruptcy proceedings have been initiated.

Claims on credit institutions are loans to credit institutions and overdue claims on credit institutions. Loans to credit institutions comprise Lombard loans, short-term liquidity loans, other loans and reverse repo transactions. Item Lombard loans comprises loans to credit institutions for regular maintaining of the day-to-day liquidity, which were replaced by Lombard loans in December 1994. Short-term liquidity loans, which have been granted since the beginning of 1999, also serve to bridge liquidity problems. Other loans include intervention loans, special loans for bridging liquidity problems granted in the past (initial loans, prerehabilitation loans), due but unpaid loans and deposits of the CNB with credit institutions. From April 2005 on, reverse repo transactions are conducted on a weekly basis. Overdue claims on credit institutions comprise settlement account overdrafts (until mid-1994) and credit institutions' failure to correctly and promptly allocate and maintain statutory reserve requirements.

Reserve money consists of currency outside credit institutions,

cash in credit institutions' vaults, credit institutions' deposits with the CNB and deposits of other financial institutions with the CNB.

Credit institutions' deposits are: settlement account balances, statutory reserves deposited on a special account with the CNB (including, from March 2006, the special reserve requirement on liabilities arising from issued securities), CNB bills on an obligatory basis and overnight deposits.

Deposits by other financial institutions are settlement account balances of the CBRD, CDCC deposits for securities trading and DAB deposits.

Restricted and blocked deposits include required foreign currency reserves and accrued interest, restricted deposits and blocked foreign currency deposits. Credit institutions are required to set aside the reserve requirements against certain foreign currency sources of funds and the marginal reserve requirements (from August 2004 to October 2008) in special accounts at the Croatian National Bank. Restricted deposits are kuna funds set aside on the basis of a court order or regulations, kuna funds set aside in the period between May 1999 and April 2002 and deposits of banks undergoing bankruptcy proceedings. From March 2010 on, this item includes CBRD funds related to the accounts of the programme for the development of the economy. Blocked foreign currency deposits are funds that were set aside in special accounts at the Croatian National Bank for repaying unpaid amounts due to foreign creditors.

Foreign liabilities include use of IMF credits, liabilities to international financial institutions and foreign banks and accrued interest.

Deposits of central government and social security funds are demand deposits and foreign currency deposits of the central government and social security funds with the CNB, and CNB bills purchased by institutions in the central government and social security funds' sector.

CNB bills are kuna and f/c CNB bills on a voluntary basis, excluding CNB bills voluntarily purchased by institutions in the central government and social security funds' sector.

Capital accounts include reserves, provisions and the income and cost accounts.

Other items (net) are unclassified liabilities decreased by unclassified assets of the Monetary authorities accounts.

D Credit institutions

Table D1 Credit institutions' accounts
end of period, in million HRK

	2008	2009	2010	2011	2012	2013	2014		
	Dec.	Dec.	Dec.	Dec.	Dec. ^a	Dec.	Mar.	Apr.*	May
ASSETS									
1 Reserves with the CNB	40,705.6	45,902.1	45,745.5	51,114.0	49,411.3	49,707.5	50,813.7	48,814.6	51,022.1
1.1 In kuna	32,700.5	40,860.4	40,169.1	45,590.6	44,316.8	45,288.8	46,379.9	44,385.3	46,580.3
1.2 In f/c	8,005.1	5,041.7	5,576.4	5,523.5	5,094.5	4,418.8	4,433.8	4,429.3	4,441.8
2 Foreign assets	50,246.6	49,577.0	47,878.2	40,044.9	39,118.6	36,681.3	38,446.1	36,606.5	35,369.2
3 Claims on central government and social security funds	35,209.4	40,031.2	46,162.1	53,474.4	60,838.0	67,853.7	67,969.1	68,604.2	69,304.5
4 Claims on other domestic sectors	239,445.7	240,114.6	250,291.1	261,980.1	247,813.8	246,627.9	247,296.2	246,673.9	245,876.2
4.1 Claims on local government	2,077.4	2,074.2	3,348.1	3,563.3	3,500.1	4,231.8	4,112.8	4,047.7	3,997.4
4.2 Claims on non-financial corporations	107,959.0	112,167.5	116,802.9	126,938.8	114,622.2	114,963.8	115,659.5	115,606.1	114,911.2
4.3 Claims on households	129,409.4	125,872.8	130,140.1	131,478.0	129,691.5	127,432.3	127,523.9	127,020.1	126,967.5
5 Claims on other banking institutions	1,249.9	633.9	....	....	....	....	....	....	....
6 Claims on non-banking financial institutions	1,067.4	1,109.9	....	....	....	....	....	....	....
7 Claims on other financial intermediaries	....	....	4,587.5	5,975.1	9,366.9	7,899.3	6,626.1	6,571.8	5,929.5
8 Claims on financial auxiliaries	....	....	967.9	1,022.8	1,065.5	1,276.3	1,308.1	1,310.9	1,330.0
9 Claims on insurance corporations and pension funds	....	....	654.3	132.6	243.1	754.5	565.9	181.2	415.1
Total (1+2+3+4+5+6+7+8+9)	367,924.6	377,368.7	396,286.6	413,744.0	407,857.2	410,800.5	413,025.2	408,763.2	409,246.6
LIABILITIES									
1 Demand deposits	38,177.0	31,901.5	32,933.9	35,064.8	35,241.9	40,761.3	39,382.4	38,880.7	39,668.7
2 Savings and time deposits	56,240.7	44,874.3	38,885.2	42,558.9	40,590.0	41,846.5	42,394.2	42,697.1	42,838.5
3 Foreign currency deposits	117,590.8	135,509.1	147,320.5	144,486.8	152,649.2	154,921.2	155,961.8	152,983.9	152,014.9
4 Bonds and money market instruments	15,064.7	16,866.7	17,231.3	16,750.4	17,768.7	16,215.6	16,326.0	16,062.7	16,036.4
5 Foreign liabilities	75,377.4	80,451.5	82,099.3	90,348.3	73,675.1	69,342.9	71,106.0	70,626.4	70,341.5
6 Deposits of central government and social security funds	2,675.8	2,307.2	3,362.6	4,079.1	3,910.1	3,684.8	3,538.6	4,085.7	3,759.9
7 Credit from central bank	14.0	13.5	12.9	139.1	11.8	11.3	11.2	11.0	11.0
8 Restricted and blocked deposits	3,038.4	2,548.4	2,374.9	3,183.9	2,413.9	2,735.9	2,527.0	2,766.8	2,759.7
9 Capital accounts	60,708.0	66,784.4	72,555.2	77,208.3	80,700.6	83,245.1	84,335.3	84,006.3	84,542.0
10 Other items (net)	-962.2	-3,888.0	-489.3	-75.6	896.0	-1,964.3	-2,557.3	-3,357.3	-2,726.0
Total (1+2+3+4+5+6+7+8+9+10)	367,924.6	377,368.7	396,286.6	413,744.0	407,857.2	410,800.5	413,025.2	408,763.2	409,246.6

^a Claims on other domestic sectors fell by HRK 5.6bn in December 2012. This fall was fully attributable to a transaction of one credit institution which, in an effort to reduce the amount of partly recoverable and fully irrecoverable placements, transferred a total of HRK 5.6bn in its claims to a company indirectly owned by a parent bank.

Table D1 Credit institutions' accounts • Credit institutions' accounts include data on claims and liabilities of credit institutions.

As from CNB Bulletin No. 190, data on all the items have been revised from July 1999 onward to include housing savings banks in addition to the Croatian National Bank, banks and savings banks. Mutual claims and liabilities between banks, savings banks and housing savings banks are consolidated.

Required reserves held at the central bank include kuna and foreign currency reserves. Kuna reserves include vault cash and kuna funds held in accounts at the central bank. Foreign currency reserves include foreign currency held in the CNB's foreign currency accounts.

Foreign assets are the following forms of kuna and foreign currency claims on foreign legal and natural persons: foreign cash in vaults, current account balances with foreign banks and time deposits with foreign banks (including loro letters of credit and other forms of collateral), securities, loans and equities.

Claims on central government and social security funds are the following forms of claims in kuna and foreign currency: securities and loans.

Claims on other domestic sectors include the following claims in kuna and foreign currency: money market instruments, bonds, loans (including acceptances), and equities.

Up to November 2010, the same forms of kuna and foreign currency claims were included in claims on other banking institutions and non-banking financial institutions, with one difference: Claims on other banking institutions also included deposits with those institutions. From December 2010 on, the same forms of kuna and foreign currency claims are included in claims on other financial intermediaries (including claims on the CBRD), financial auxiliaries as well as insurance corporations and pension funds.

Up to November 2010, items Demand deposits, Savings and time deposits, Foreign currency deposits as well as Bonds and money market instruments comprised credit institutions' liabilities to other domestic sectors, other banking institutions and non-banking financial institutions. From December 2010 on, these items comprise credit institutions' liabilities to other domestic sectors, other financial intermediaries, financial auxiliaries as well as insurance corporations and pension funds.

Demand deposits include transaction accounts balances and credit institutions' obligations arising from kuna payment

instruments issued, minus currency in the payment system, i.e. checks in credit institutions' vaults and checks in collection.

Savings and time deposits are kuna sight deposits as well as kuna time and notice deposits.

Foreign currency deposits are foreign currency sight deposits as well as foreign currency time and notice deposits.

Bonds and money market instruments are credit institutions' liabilities for securities issued (net) and loans received. Issued subordinated and hybrid instruments, purchased by foreign investors, are excluded from this item.

Foreign liabilities comprise the following forms of kuna and foreign currency liabilities to foreign legal and natural persons: transaction accounts, savings deposits (including loro letters of credit and other forms of collateral), time deposits, loans received and liabilities due. Issued subordinated and hybrid instruments, purchased by foreign investors, are also included in loans received.

Deposits of central government and social security funds are all forms of credit institutions' kuna and foreign currency liabilities (except restricted and blocked deposits) to the central government and social security funds.

Credit from central bank comprises loans received from the CNB and deposits by the CNB with credit institutions. Repurchase of securities is also considered and treated as loans.

Up to November 2010, Restricted and blocked deposits comprised the following banks' liabilities: kuna and foreign currency restricted deposits by other domestic sectors, other banking institutions, non-banking financial institutions, central government as well as foreign legal and natural persons, and households' blocked

foreign currency deposits, regulated by the Act on Converting Households' Foreign Currency Deposits into the Public Debt of the Republic of Croatia.

From December 2010 on, Restricted and blocked deposits comprise the following credit institutions' liabilities: kuna and foreign currency restricted deposits by other domestic sectors, other financial intermediaries, financial auxiliaries, insurance corporations and pension funds, central government as well as foreign legal and natural persons, and households' blocked foreign currency deposits, regulated by the Act on Converting Households' Foreign Currency Deposits into the Public Debt of the Republic of Croatia.

Capital accounts are share capital, retained earnings (loss), profit (loss) for the previous year, profit (loss) for the current year, legal reserves, reserves provided for by the articles of association and other capital reserves, reserves for general banking risks, deferred tax in equity, dividends paid in the current year, revaluation reserves, collectively and individually assessed impairment provisions for off-balance sheet items, value adjustments and collectively assessed impairment provisions.

Other items (net) are unclassified liabilities decreased by unclassified assets, including the fair value of derivative financial instruments.

Tables D2 – D12 • This group of tables (with the exception of tables D5, D5a, D5b, D5c and D5d) provides a detailed analysis of the relevant asset and liability items in Table D1 (Credit institutions' accounts).

Table D2 Foreign assets of credit institutions
end of period, in million HRK

	2008 Dec.	2009 Dec.	2010 Dec.	2011 Dec.	2012 Dec.	2013 Dec.	2014		
							Mar.	Apr.	May
1 Foreign assets in f/c	49,705.1	49,230.3	46,906.2	39,109.0	37,343.7	35,392.2	37,464.8	35,498.5	34,139.9
1.1 Claims on foreign financial institutions	38,038.3	34,186.6	32,056.3	29,655.0	28,730.5	26,954.4	28,511.9	27,373.1	25,868.6
Foreign currencies	1,973.2	1,772.6	1,623.1	1,940.5	1,758.0	1,804.9	1,617.4	1,768.7	1,792.0
Demand deposits	2,109.8	1,338.7	1,175.2	2,377.1	5,457.7	4,414.0	3,967.5	2,911.7	2,896.1
Time and notice deposits	31,444.5	29,254.5	27,129.2	22,372.8	15,915.9	15,751.5	18,154.5	17,966.2	16,520.6
Securities	2,307.1	1,629.0	1,896.5	2,847.4	5,360.6	4,821.8	4,540.9	4,497.8	4,488.8
Loans and advances	166.3	117.6	170.1	8.7	187.7	53.2	119.3	117.7	108.2
Shares and participations	37.4	74.2	62.1	108.5	50.6	109.0	112.3	111.1	63.0
1.2 Claims on foreign non-financial institutions	11,666.8	15,043.7	14,849.9	9,454.0	8,613.2	8,437.8	8,953.0	8,125.3	8,271.4
Claims on foreign governments	9,976.8	13,477.2	12,906.2	7,544.3	6,944.0	6,333.0	6,794.4	6,021.2	6,150.7
Claims on other non-residents	1,613.5	1,534.5	1,926.6	1,902.7	1,643.2	2,068.3	2,124.2	2,071.6	2,039.3
Securities	235.1	205.4	271.7	55.1	0.1	14.4	14.3	19.2	20.1
Loans and advances	1,378.4	1,329.1	1,654.9	1,847.7	1,643.1	2,053.8	2,109.9	2,052.4	2,019.2
Shares and participations	76.5	32.0	17.1	6.9	26.0	36.6	34.3	32.5	81.3
2 Foreign assets in kuna	541.5	346.7	972.1	935.9	1,774.9	1,289.1	981.2	1,108.1	1,229.3
2.1 Claims on foreign financial institutions	144.1	86.3	713.7	764.4	1,583.4	1,105.3	798.8	933.9	995.0
2.2 Claims on foreign non-banks	397.4	260.3	258.3	171.5	191.5	183.8	182.5	174.2	234.3
o/w: Loans and advances	396.8	260.0	258.0	171.2	191.2	183.5	182.1	173.8	234.0
Total (1+2)	50,246.6	49,577.0	47,878.2	40,044.9	39,118.6	36,681.3	38,446.1	36,606.5	35,369.2

Table D2 Foreign assets of credit institutions • This table shows credit institutions' claims on foreign legal and natural persons.

Foreign assets of credit institutions comprise foreign assets in

kuna and in foreign currency. Claims on foreign financial institutions and Claims on foreign non-financial institutions (total and by financial instruments) are shown separately within both foreign assets in kuna and in foreign currency.

Table D3 Credit institutions' claims on the central government and social security funds
end of period, in million HRK

	2008 Dec.	2009 Dec.	2010 Dec.	2011 Dec.	2012 Dec.	2013 Dec.	2014		
							Mar.	Apr.	May
1 In kuna	24.192,6	23.306,6	27.968,6	31.215,7	32.801,9	39,062.5	39,714.8	40,398.9	40,362.6
1.1 Claims on central government	22.361,4	21.517,8	27.967,6	31.213,5	32.800,3	39,061.6	39,713.9	40,398.0	40,361.6
Securities	19.431,0	18.592,7	21.932,2	22.831,0	19.556,8	23,186.1	24,135.8	24,188.9	24,135.8
o/w: Bonds (c'part to f/c savings deposits)	6,1	5,2	17,1	16,3	15,6	15.6	15.7	15.6	15.5
Loans and advances	2.930,4	2.925,1	6.035,4	8.382,5	13.243,5	15,875.5	15,578.1	16,209.1	16,225.8
1.2 Claims on social security funds	1.831,2	1.788,8	1,0	2,2	1,6	0.9	0.9	0.9	0.9
Securities	6,1	-	-	-	-	-	-	-	-
Loans and advances	1.825,2	1.788,8	1,0	2,2	1,6	0.9	0.9	0.9	0.9
2 In f/c	11.016,8	16.724,6	18.193,4	22.258,7	28.036,1	28,791.2	28,254.3	28,205.4	28,941.9
2.1 Claims on central government	9.843,6	14.793,1	18.193,4	22.258,7	28.036,1	28,791.2	28,254.3	28,205.4	28,941.9
Securities	300,7	234,7	207,7	1.281,2	6.907,5	5,328.5	5,611.4	5,373.6	6,156.7
Loans and advances	9.542,9	14.558,4	17.985,7	20.977,5	21.128,6	23,462.7	22,642.9	22,831.8	22,785.2
2.2 Claims on social security funds	1.173,2	1.931,6	-	-	-	-	-	-	-
Securities	-	-	-	-	-	-	-	-	-
Loans and advances	1.173,2	1.931,6	-	-	-	-	-	-	-
Total (1+2)	35.209,4	40.031,2	46.162,1	53.474,4	60.838,0	67,853.7	67,969.1	68,604.2	69,304.5

Table D3 Credit institutions' claims on the central government and social security funds • The table shows credit institutions' kuna and foreign currency claims on the central government and social security funds. Item Securities, shown under kuna claims

on the central government, also comprises bonds arising from blocked foreign currency savings deposits issued in accordance with the Act on Converting Households' Foreign Currency Deposits into the Public Debt of the Republic of Croatia.

Table D3a Credit institutions' kuna claims on the central government and social security funds
end of period, in million HRK

	2010 Dec.	2011 Dec.	2012 Dec.	2013 Dec.	2014		
					Mar.	Apr.	May
1 Kuna claims not indexed to foreign currency	16,278.6	18,224.7	18,072.2	22,623.8	24,680.0	24,782.6	25,026.7
1.1 Claims on central government	16,277.6	18,222.4	18,070.6	22,622.8	24,679.1	24,781.7	25,025.8
Securities	12,633.4	14,070.4	12,650.7	15,897.2	18,135.5	18,285.0	18,538.8
Loans and advances	3,644.2	4,152.0	5,419.9	6,725.6	6,543.6	6,496.6	6,487.0
1.2 Claims on social security funds	1.0	2.2	1.6	0.9	0.9	0.9	0.9
Securities	-	-	-	-	-	-	-
Loans and advances	1.0	2.2	1.6	0.9	0.9	0.9	0.9
2 Kuna claims indexed to foreign currency	11,690.0	12,991.1	14,729.7	16,438.8	15,034.8	15,616.3	15,335.8
2.1 Claims on central government	11,690.0	12,991.1	14,729.7	16,438.8	15,034.8	15,616.3	15,335.8
Securities	9,298.8	8,760.6	6,906.1	7,288.8	6,000.2	5,903.8	5,596.9
o/w: Bonds (c'part to f/c savings deposits)	17.0	16.3	15.6	15.6	15.7	15.6	15.5
Loans and advances	2,391.2	4,230.5	7,823.6	9,149.9	9,034.5	9,712.5	9,738.9
2.2 Claims on social security funds	-	-	-	-	-	-	-
Securities	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-
Total (1+2)	27,968.6	31,215.7	32,801.9	39,062.5	39,714.8	40,398.9	40,362.6

Table D3a Credit institutions' kuna claims on the central government and social security funds • The table provides a detailed analysis of the claims in kuna item in Table D3, showing

separately claims not indexed to foreign currency and claims indexed to foreign currency.

Table D4 Credit institutions' claims on other domestic sectors

end of period, in million HRK

	2008 Dec.	2009 Dec.	2010 Dec.	2011 Dec.	2012 Dec. ^a	2013 Dec.	2014		
							Mar.	Apr.	May
1 Claims in kuna	223,493.1	218,545.6	224,689.7	232,466.6	223,356.3	219,349.1	219,415.3	218,955.1	218,424.2
1.1 Money market instruments	2,674.5	2,040.2	1,906.0	2,165.9	3,786.7	4,325.0	4,576.9	4,690.1	4,722.7
1.2 Bonds	1,341.4	1,691.0	1,714.7	1,734.5	1,553.1	1,110.9	1,153.4	1,145.7	1,145.2
1.3 Loans and advances	217,386.3	212,551.5	219,978.2	227,495.7	216,980.4	212,710.4	212,470.1	211,910.4	211,362.4
1.4 Shares and participations	2,090.8	2,262.9	1,090.7	1,070.6	1,036.1	1,202.7	1,214.9	1,209.0	1,193.9
2 Claims in f/c	15,952.6	21,569.1	25,601.4	29,513.5	24,457.5	27,278.8	27,880.9	27,718.7	27,452.0
2.1 Securities	109.3	441.1	106.0	163.0	143.5	217.7	147.5	149.4	194.1
2.2 Loans and advances	15,843.3	21,128.0	25,495.4	29,350.4	24,314.0	27,061.1	27,733.4	27,569.3	27,257.9
Total (1+2)	239,445.7	240,114.6	250,291.1	261,980.1	247,813.8	246,627.9	247,296.2	246,673.9	245,876.2

^a Claims on other domestic sectors fell by HRK 5.6bn in December 2012. This fall was fully attributable to a transaction of one credit institution which, in an effort to reduce the amount of partly recoverable and fully irrecoverable placements, transferred a total of HRK 5.6bn in its claims to a company indirectly owned by a parent bank.

Table D4 Credit institutions' claims on other domestic sectors • The table shows credit institutions' kuna and foreign currency claims on other domestic sectors, classified according to financial instruments: money market instruments (including factoring and forfeiting since January 2004), bonds, loans and advances, and equities.

From January 2004 to November 2010, factoring and

forfeiting were in their entirety included in money market instruments. From December 2010 on, factoring and forfeiting which credit institutions report within the loan portfolio are included in loans and advances. Factoring and forfeiting in all other portfolios are reported within money market instruments (with original maturity of up to and including one year) or bonds (with original maturity of over one year).

Table D4a Credit institutions' kuna claims on other domestic sectors

end of period, in million HRK

	2010 Dec.	2011 Dec.	2012 Dec.	2013 Dec.	2014		
					Mar.	Apr.	May
1 Kuna claims not indexed to foreign currency	66,440.4	66,228.5	64,761.5	66,973.4	68,936.9	70,183.0	70,275.8
1.1 Money market instruments	1,720.7	2,030.7	3,176.5	3,692.2	3,895.4	4,034.9	4,041.8
1.2 Bonds	1,381.8	1,024.9	1,047.4	878.2	928.5	922.7	926.3
1.3 Loans and advances	62,247.2	62,102.3	59,501.5	61,200.3	62,898.1	64,016.4	64,113.8
1.4 Shares and participations	1,090.7	1,070.6	1,036.1	1,202.7	1,214.9	1,209.0	1,193.9
2 Kuna claims indexed to foreign currency	158,249.3	166,238.1	158,594.8	152,375.7	150,478.4	148,772.1	148,148.4
2.1 Securities	518.2	844.7	1,115.8	865.5	906.4	878.1	899.8
2.2 Loans and advances	157,731.1	165,393.4	157,479.0	151,510.2	149,572.0	147,894.0	147,248.7
Total (1+2)	224,689.7	232,466.6	223,356.3	219,349.1	219,415.3	218,955.1	218,424.2

Table D4a Credit institutions' kuna claims on other domestic sectors • The table provides a detailed analysis of the Claims in

kuna item in Table D4, showing separately claims not indexed to foreign currency and claims indexed to foreign currency.

Table D5 Distribution of credit institutions' loans by domestic institutional sectors
end of period, in million HRK

	2008 Dec.	2009 Dec.	2010 Dec.	2011 Dec.	2012 Dec.	2013 Dec.	2014		
							Mar.	Apr.	May
LOANS IN KUNA									
1 Loans to central government and social security funds	4,755.6	4,713.9	6,036.4	8,384.7	13,245.1	15,876.5	15,579.0	16,210.0	16,226.8
1.1 Loans to central government	2,930.4	2,925.1	6,035.4	8,382.5	13,243.5	15,875.5	15,578.1	16,209.1	16,225.8
1.2 Loans to social security funds	1,825.2	1,788.8	1.0	2.2	1.6	0.9	0.9	0.9	0.9
2 Loans to local government	1,786.9	1,795.4	3,096.8	3,360.1	3,346.3	4,113.1	4,002.5	3,938.6	3,890.8
3 Loans to non-financial corporations	86,536.1	85,206.2	87,099.3	93,018.7	84,260.3	81,425.7	81,231.2	81,214.3	80,771.1
4 Loans to households	129,063.3	125,549.8	129,782.2	131,117.0	129,373.9	127,171.6	127,236.4	126,757.4	126,700.5
o/w: Housing loans	55,162.0	55,927.1	60,955.4	63,016.7	62,662.3	61,450.0	61,276.7	60,729.0	60,469.8
5 Loans to other banking institutions	36.1	102.0	....	....	....	....	....	....	....
6 Loans to non-banking financial institutions	741.4	689.0	....	....	....	....	....	....	....
7 Loans to other financial intermediaries	....	....	3,555.4	3,789.8	7,435.1	5,552.7	4,087.8	4,051.7	3,478.7
8 Loans to financial auxiliaries	....	....	604.6	608.9	661.3	797.9	844.3	842.5	840.4
9 Loans to insurance corporations and pension funds	....	....	487.1	23.2	134.1	474.6	392.2	7.7	15.7
A Total (1+2+3+4+5+6+7+8+9)	222,919.4	218,056.4	230,661.8	240,302.3	238,455.9	235,412.0	233,373.4	233,022.3	231,924.0
LOANS IN F/C									
1 Loans to central government and social security funds	10,716.1	16,489.9	17,985.7	20,977.5	21,128.6	23,462.7	22,642.9	22,831.8	22,785.2
1.1 Loans to central government	9,542.9	14,558.4	17,985.7	20,977.5	21,128.6	23,462.7	22,642.9	22,831.8	22,785.2
1.2 Loans to social security funds	1,173.2	1,931.6	-	-	-	0.0	-	-	-
2 Loans to local government	5.5	3.0	0.5	0.3	0.2	8.6	8.2	8.1	8.1
3 Loans to non-financial corporations	15,491.7	20,802.0	25,149.9	29,022.2	24,051.5	26,798.4	27,444.4	27,305.7	26,990.2
4 Loans to households	346.1	323.0	345.0	327.9	262.3	254.1	280.8	255.5	259.7
5 Loans to other banking institutions	758.3	65.7	....	....	....	....	....	....	....
6 Loans to non-banking financial institutions	143.5	269.4	....	....	....	....	....	....	....
7 Loans to other financial intermediaries	....	....	367.5	446.0	293.5	624.7	758.7	755.6	670.8
8 Loans to financial auxiliaries	....	....	17.5	48.8	37.9	42.0	33.8	38.2	59.6
9 Loans to insurance corporations and pension funds	....	....	0.0	0.0	-	106.9	-	-	227.7
B Total (1+2+3+4+5+6+7+8+9)	27,461.1	37,953.0	43,866.1	50,822.7	45,774.1	51,297.5	51,168.9	51,194.9	51,001.2
TOTAL (A+B)	250,380.5	256,009.4	274,527.9	291,125.0	284,230.0	286,709.5	284,542.3	284,217.2	282,925.2

Table D5 Distribution of credit institutions' loans by domestic institutional sectors • The table shows data on kuna and foreign currency loans granted by credit institutions to domestic sectors, including acceptances, financial leases, payments made on the basis of guarantees and similar instruments, purchased claims, and until December 2003 factoring and forfeiting. From December 2010 on, loans include the following types of loans: overnight loans, loans for payments made on the basis of guarantees and similar instruments, reverse repo loans, shares in syndicated loans, financial leases, consumer loans, education

loans, housing loans, mortgage loans, car loans, credit card loans, overdrafts on transaction accounts, margin loans, Lombard loans, working capital loans, construction loans, agricultural loans, tourism loans, investment loans, export finance loans, any-purpose cash loans, factoring and forfeiting in the portfolio of loans and claims and other loans.

Tables D5a – D5d • This group of tables provides a detailed analysis of the corresponding items in Table D5 Distribution of credit institutions' loans by domestic institutional sectors.

Table D5a Distribution of credit institutions' kuna loans by domestic institutional sectors
end of period, in million HRK

	2010 Dec.	2011 Dec.	2012 Dec.	2013 Dec.	2014		
					Mar.	Apr.	May
KUNA LOANS NOT INDEXED TO FOREIGN CURRENCY							
1 Loans to central government and social security funds	3,645.2	4,154.2	5,421.5	6,726.5	6,544.5	6,497.5	6,487.9
1.1 Loans to central government	3,644.2	4,152.0	5,419.9	6,725.6	6,543.6	6,496.6	6,487.0
1.2 Loans to social security funds	1.0	2.2	1.6	0.9	0.9	0.9	0.9
2 Loans to local government	896.4	953.9	974.7	796.4	848.8	825.9	795.5
3 Loans to non-financial corporations	28,612.9	30,226.7	27,943.5	28,533.9	29,188.6	29,757.7	29,321.4
4 Loans to households	32,737.8	30,921.8	30,583.2	31,869.9	32,860.6	33,432.9	33,996.9
5 Loans to other financial intermediaries	2,739.2	2,928.2	6,650.0	4,931.2	3,417.8	3,410.2	2,845.1
6 Loans to financial auxiliaries	445.7	356.1	473.3	665.4	695.0	690.5	685.1
7 Loans to insurance corporations and pension funds	483.7	20.0	131.1	470.7	389.4	5.0	13.0
A Total (1+2+3+4+5+6+7)	69,560.9	69,560.9	72,177.3	73,994.1	73,944.8	74,619.6	74,144.8
KUNA LOANS INDEXED TO FOREIGN CURRENCY							
1 Loans to central government and social security funds	2,391.2	4,230.5	7,823.6	9,149.9	9,034.5	9,712.5	9,738.9
1.1 Loans to central government	2,391.2	4,230.5	7,823.6	9,149.9	9,034.5	9,712.5	9,738.9
1.2 Loans to social security funds	–	–	–	–	–	–	–
2 Loans to local government	2,200.4	2,406.2	2,371.5	3,316.7	3,153.7	3,112.8	3,095.4
3 Loans to non-financial corporations	58,486.3	62,792.0	56,316.8	52,891.8	52,042.6	51,456.7	51,449.6
4 Loans to households	97,044.4	100,195.2	98,790.6	95,301.7	94,375.7	93,324.6	92,703.6
5 Loans to other financial intermediaries	816.2	861.6	785.1	621.5	669.9	641.5	633.6
6 Loans to financial auxiliaries	159.0	252.8	188.0	132.5	149.3	151.9	155.4
7 Loans to insurance corporations and pension funds	3.4	3.2	3.0	3.8	2.8	2.7	2.7
B Total (1+2+3+4+5+6+7)	161,100.9	170,741.4	166,278.7	161,418.0	159,428.6	158,402.6	157,779.2
TOTAL (A+B)	230,661.8	240,302.3	238,455.9	235,412.0	233,373.4	233,022.3	231,924.0

Table D5a Distribution of credit institutions' kuna loans by domestic institutional sectors • The table provides a detailed analysis of the Loans in kuna item in Table D5, showing

separately loans not indexed to foreign currency and loans indexed to foreign currency.

Table D5b Distribution of credit institutions' loans by domestic institutional sectors and original maturity
end of period, in million HRK

	2010 Dec.	2011 Dec.	2012 Dec.	2013 Dec.	2014		
					Mar.	Apr.	May
1 Loans to central government and social security funds	24,022.1	29,362.2	34,373.6	39,339.1	38,222.0	39,041.8	39,011.9
1.1 Loans to central government	24,021.1	29,360.0	34,372.1	39,338.2	38,221.0	39,040.9	39,011.0
Up to 1 year	1,647.9	1,358.9	2,938.6	898.8	2,081.6	2,451.2	2,432.8
Over 1 and up to 5 years	5,763.5	8,952.7	10,243.2	17,461.6	18,277.3	18,096.0	18,083.0
Over 5 years	16,609.7	19,048.5	21,190.2	20,977.8	17,862.1	18,493.7	18,495.2
1.2 Loans to social security funds	1.0	2.2	1.6	0.9	0.9	0.9	0.9
Up to 1 year	1.0	2.2	1.6	0.9	0.9	0.9	0.9
Over 1 and up to 5 years	-	-	-	-	-	-	-
Over 5 years	0.0	0.0	0.0	0.0	-	-	-
2 Loans to local government	3,097.2	3,360.4	3,346.5	4,121.7	4,010.7	3,946.7	3,898.9
Up to 1 year	195.4	323.0	261.1	150.4	212.5	205.5	174.3
Over 1 and up to 5 years	554.2	470.8	793.9	714.6	480.8	474.1	478.8
Over 5 years	2,347.6	2,566.6	2,291.5	3,256.7	3,317.4	3,267.1	3,245.8
3 Loans to non-financial corporations	112,249.2	122,040.9	108,311.9	108,224.1	108,675.5	108,520.1	107,761.2
Up to 1 year	27,053.9	28,517.1	23,389.1	22,812.8	23,485.0	23,408.4	22,992.6
Over 1 and up to 5 years	36,481.4	35,766.2	28,075.3	26,188.5	26,735.5	26,798.2	26,523.6
Over 5 years	48,713.9	57,757.5	56,847.5	59,222.8	58,455.0	58,313.4	58,245.0
4 Loans to households	130,127.2	131,444.9	129,636.2	127,425.8	127,517.2	127,012.9	126,960.2
Up to 1 year	12,092.7	12,138.1	12,483.0	12,007.9	12,187.5	12,281.3	12,393.8
Over 1 and up to 5 years	10,977.9	10,274.8	9,471.9	9,599.8	9,804.6	9,842.0	9,881.0
Over 5 years	107,056.7	109,032.0	107,681.3	105,818.1	105,525.2	104,889.6	104,685.4
5 Loans to other financial intermediaries	3,922.9	4,235.8	7,728.6	6,177.5	4,846.5	4,807.3	4,149.5
Up to 1 year	1,190.7	1,456.3	1,477.0	1,602.3	1,832.0	1,815.1	1,743.6
Over 1 and up to 5 years	2,220.8	2,265.2	5,293.6	3,751.7	2,215.1	2,197.9	1,546.6
Over 5 years	511.4	514.2	958.0	823.5	799.3	794.3	859.3
6 Loans to financial auxiliaries	622.2	657.7	699.2	839.9	878.1	880.7	900.1
Up to 1 year	474.9	456.2	526.3	724.8	759.5	745.5	759.9
Over 1 and up to 5 years	123.2	111.2	98.4	48.4	45.9	44.5	47.1
Over 5 years	24.1	90.3	74.5	66.7	72.7	90.7	93.0
7 Loans to insurance corporations and pension funds	487.1	23.2	134.1	581.5	392.2	7.7	243.4
Up to 1 year	483.7	20.0	131.1	577.7	389.4	5.0	240.7
Over 1 and up to 5 years	0.0	0.0	0.0	-	0.1	0.1	0.1
Over 5 years	3.4	3.2	3.0	3.8	2.7	2.6	2.6
Total (1+2+3+4+5+6+7)	274,527.9	291,125.0	284,230.0	286,709.5	284,542.3	284,217.2	282,925.2
Up to 1 year	43,140.3	44,271.9	41,207.7	38,775.6	40,948.6	40,912.9	40,738.6
Over 1 and up to 5 years	56,120.9	57,841.0	53,976.2	57,764.5	57,559.3	57,452.8	56,560.3
Over 5 years	175,266.7	189,012.2	189,046.1	190,169.4	186,034.4	185,851.4	185,626.3

Table D5b Distribution of credit institutions' loans by domestic institutional sectors and original maturity • The table provides a detailed analysis of the Loans in kuna and Loans in f/c items in Table D5, showing separately loans by domestic

institutional sectors and original maturity, with the latter divided into maturity of up to one year, over one and up to five years and over five years.

Table D5c Distribution of credit institutions' loans to households by purpose and currency composition
end of period, in million HRK

	2010 Dec.	2011 Dec.	2012 Dec.	2013 Dec.	2014		
					Mar.	Apr.	May
1 Consumer loans	159.9	121.3	102.3	74.2	63.9	62.9	61.9
1.1 Kuna loans not indexed to f/c	128.2	101.3	91.3	68.5	59.0	58.2	57.5
1.2 Kuna loans indexed to f/c	31.7	20.0	11.0	5.7	4.9	4.7	4.5
o/w: Indexed to EUR	28.5	18.7	10.6	5.5	4.7	4.5	4.3
o/w: Indexed to CHF	3.1	1.3	0.3	0.2	0.2	0.2	0.2
1.3 Foreign currency loans	–	–	–	–	–	–	–
2 Housing loans	60,968.5	63,029.2	62,673.6	61,460.1	61,286.7	60,738.8	60,480.0
2.1 Kuna loans not indexed to f/c	4,747.7	4,607.0	4,544.4	4,415.9	4,449.0	4,466.0	4,491.8
2.2 Kuna loans indexed to f/c	56,207.7	58,409.7	58,117.9	57,034.1	56,827.7	56,263.0	55,978.0
o/w: Indexed to EUR	30,730.6	33,763.7	34,989.3	35,536.5	35,543.4	35,274.6	35,176.0
o/w: Indexed to CHF	25,441.7	24,604.9	23,086.0	21,459.8	21,246.5	20,951.1	20,763.7
2.3 Foreign currency loans	13.2	12.5	11.3	10.1	10.0	9.8	10.3
3 Mortgage loans	3,513.0	3,261.3	3,073.7	3,007.4	2,960.9	2,928.6	2,906.3
3.1 Kuna loans not indexed to f/c	234.8	131.3	117.3	179.9	186.4	185.3	184.7
3.2 Kuna loans indexed to f/c	3,263.0	3,129.0	2,953.8	2,821.7	2,768.7	2,737.6	2,716.1
o/w: Indexed to EUR	2,649.0	2,524.9	2,422.3	2,340.1	2,307.1	2,283.0	2,265.9
3.3 Foreign currency loans	15.2	1.1	2.5	5.8	5.7	5.6	5.6
4 Car loans	6,236.8	4,539.5	3,175.0	2,162.6	1,953.3	1,881.1	1,815.5
4.1 Kuna loans not indexed to f/c	1,458.6	1,385.0	1,200.7	982.8	941.0	925.5	910.6
4.2 Kuna loans indexed to f/c	4,772.2	3,150.7	1,972.5	1,179.1	1,011.5	954.8	904.2
o/w: Indexed to EUR	1,600.2	1,402.3	1,169.6	897.3	808.9	776.5	747.7
o/w: Indexed to CHF	3,171.7	1,748.3	802.8	281.7	202.6	178.3	156.5
4.3 Foreign currency loans	6.1	3.7	1.8	0.7	0.8	0.7	0.7
5 Credit card loans	4,386.8	4,109.3	3,941.2	3,834.6	3,773.5	3,795.3	3,810.1
5.1 Kuna loans not indexed to f/c	4,382.9	4,105.4	3,937.8	3,832.3	3,770.9	3,793.1	3,807.9
5.2 Kuna loans indexed to f/c	1.8	1.7	1.4	0.5	0.4	0.4	0.4
o/w: Indexed to EUR	1.8	1.7	1.4	0.5	0.4	0.4	0.4
5.3 Foreign currency loans	2.2	2.3	2.0	1.8	2.1	1.8	1.8
6 Overdrafts on transaction accounts	8,069.1	8,196.0	8,612.0	8,353.5	8,467.3	8,518.1	8,518.2
6.1 Kuna loans not indexed to f/c	8,068.8	8,195.6	8,611.5	8,353.0	8,466.7	8,517.6	8,517.7
6.2 Kuna loans indexed to f/c	–	0.0	–	–	–	–	–
o/w: Indexed to EUR	–	0.0	–	–	–	–	–
6.3 Foreign currency loans	0.3	0.4	0.4	0.5	0.6	0.5	0.5
7 Any-purpose cash loans	33,686.1	36,284.5	36,436.3	37,229.2	37,622.1	37,636.7	37,827.7
7.1 Kuna loans not indexed to f/c	10,485.2	10,350.8	9,931.9	11,674.6	12,527.1	12,947.0	13,403.8
7.2 Kuna loans indexed to f/c	23,133.2	25,930.9	26,504.4	25,553.7	25,094.2	24,688.9	24,423.3
o/w: Indexed to EUR	22,371.5	25,408.7	26,148.2	25,304.8	24,842.8	24,443.4	24,181.1
7.3 Foreign currency loans	67.7	2.7	–	0.9	0.8	0.8	0.7
8 Other loans	13,107.0	11,903.7	11,622.0	11,304.3	11,389.5	11,451.5	11,540.3
8.1 Kuna loans not indexed to f/c	3,231.7	2,045.4	2,148.2	2,363.0	2,460.3	2,540.0	2,623.0
8.2 Kuna loans indexed to f/c	9,634.9	9,553.2	9,229.6	8,707.0	8,668.3	8,675.2	8,677.2
o/w: Indexed to EUR	8,833.0	8,756.8	8,465.9	8,047.3	8,039.5	8,054.5	8,058.1
8.3 Foreign currency loans	240.4	305.2	244.2	234.3	260.9	236.2	240.1
Total (1+2+3+4+5+6+7+8)	130,127.2	131,444.9	129,636.2	127,425.8	127,517.2	127,012.9	126,960.2

Table D5c Distribution of credit institutions' loans to households by purpose and currency composition • The table provides a detailed analysis of kuna and f/c loans to households in Table D5 by purpose, showing separately loans not indexed to f/c,

loans indexed to f/c and foreign currency loans. Within loans indexed to f/c, loans indexed to the euro and loans indexed to the Swiss franc are reported separately under the "o/w" items.

Table D5d Distribution of credit institutions' working capital and investment loans to non-financial corporations by currency composition end of period, in million HRK

	2010 Dec.	2011 Dec.	2012 Dec.	2013 Dec.	2014		
					Mar.	Apr.	May
1 Working capital loans	39,298.6	45,654.3	39,729.0	39,635.3	40,751.4	40,729.2	40,237.1
1.1 Kuna loans not indexed to f/c	13,278.0	15,502.6	14,789.8	15,389.0	15,888.1	16,464.5	16,058.9
1.2 Kuna loans indexed to f/c	18,857.8	21,240.8	18,166.1	17,020.8	16,873.3	16,452.6	16,485.6
o/w: Indexed to EUR	18,246.4	20,739.0	17,868.5	16,739.3	16,593.0	16,159.0	16,192.1
o/w: Indexed to CHF	509.5	383.8	270.6	263.2	262.6	260.1	259.2
1.3 Foreign currency loans	7,162.8	8,910.9	6,773.1	7,225.5	7,990.1	7,812.1	7,692.6
o/w: In EUR	6,035.8	7,485.4	6,241.3	6,699.7	7,480.7	7,137.4	7,186.8
o/w: In USD	1,010.0	1,266.9	415.1	409.6	423.3	589.4	420.9
2 Investment loans	38,043.2	41,071.4	36,659.8	34,856.3	34,685.4	34,588.7	34,628.3
2.1 Kuna loans not indexed to f/c	6,576.7	6,282.1	5,593.1	5,974.9	6,096.7	6,085.1	6,141.8
2.2 Kuna loans indexed to f/c	26,267.6	28,566.9	26,405.3	24,381.9	24,020.4	23,943.6	23,958.6
o/w: Indexed to EUR	23,841.5	26,734.8	24,997.5	23,266.4	22,885.5	22,831.8	22,864.5
o/w: Indexed to CHF	2,378.2	1,788.9	1,372.7	1,089.7	1,111.5	1,089.6	1,071.9
2.3 Foreign currency loans	5,199.0	6,222.5	4,661.4	4,499.5	4,568.2	4,559.9	4,527.9
o/w: In EUR	4,807.0	5,447.6	4,430.2	4,369.3	4,439.9	4,434.7	4,398.6
o/w: In USD	31.3	406.2	14.8	11.9	12.6	12.6	18.9
Total (1+2)	77,341.8	86,725.7	76,388.8	74,491.6	75,436.8	75,317.9	74,865.4

Table D5d Distribution of credit institutions' working capital and investment loans to non-financial corporations by currency composition • The table provides a detailed analysis of kuna and f/c loans to non-financial corporations in Table D5 by purpose,

showing separately loans not indexed to f/c, loans indexed to f/c and foreign currency loans. Within loans indexed to f/c, loans indexed to the euro and loans indexed to the Swiss franc are reported separately under the "o/w" items.

Table D6 Demand deposits with credit institutions end of period, in million HRK

	2008 Dec.	2009 Dec.	2010 Dec.	2011 Dec.	2012 Dec.	2013 Dec.	2014		
							Mar.	Apr.*	May
1 Local government	2,441.1	1,377.7	2,231.1	2,179.4	2,210.4	2,324.3	1,906.2	2,051.3	2,132.2
2 Non-financial corporations	16,901.8	14,895.0	14,154.3	15,757.6	15,328.2	18,737.5	17,194.6	16,959.4	17,588.8
3 Households	17,620.1	14,218.6	15,289.1	15,874.2	15,994.3	17,685.3	17,830.5	17,757.7	17,844.2
4 Other banking institutions	293.6	517.1	....	....	....	....	....	....	....
5 Non-banking financial institutions	921.1	893.4	....	....	....	....	....	....	....
6 Other financial intermediaries	....	....	670.3	652.5	834.1	740.6	1,033.2	946.4	789.6
7 Financial auxiliaries	....	....	399.5	283.8	512.2	480.5	406.5	331.3	387.7
8 Insurance corporations and pension funds	....	....	189.6	317.3	362.7	793.0	1,011.4	834.5	926.2
9 Less: Checks of other banks and checks in collection	-0.7	-0.3	-0.1	0.0	0.0	0.0	0.0	0.0	0.0
Total (1+2+3+4+5+6+7+8+9)	38,177.0	31,901.5	32,933.9	35,064.8	35,241.9	40,761.3	39,382.4	38,880.7	39,668.7

Table D6 Demand deposits with credit institutions • The table shows demand deposits with credit institutions, classified by domestic institutional sectors.

Up to November 2010, demand deposits were the sum of balances in transaction accounts of other domestic sectors, other banking institutions and non-banking financial institutions, minus currency in the payment system (i.e. checks in credit institutions' vaults and checks in collection). From December 2010

on, demand deposits are the sum of balances in transaction accounts of other domestic sectors, other financial intermediaries, financial auxiliaries as well as insurance corporations and pension funds, minus currency in the payment system (i.e. checks in credit institutions' vaults and checks in collection). Credit institutions' obligations arising from kuna payment instruments issued are included in the household sector.

Table D7 Kuna deposits with credit institutions
end of period, in million HRK

	2008 Dec.	2009 Dec.	2010 Dec.	2011 Dec.	2012 Dec.	2013 Dec.	2014		
							Mar.	Apr.*	May
1 Savings deposits	2,770.3	2,523.1	2,665.0	2,651.7	2,535.6	2,812.2	2,384.6	2,299.4	2,361.2
1.1 Local government	0.0	0.0	0.2	21.2	18.9	2.4	1.3	1.3	1.3
1.2 Non-financial corporations	108.8	203.7	303.1	427.3	417.7	684.8	399.4	348.8	438.8
1.3 Households	2,657.8	2,268.9	2,329.0	2,162.4	2,055.1	2,076.3	1,952.7	1,918.4	1,887.4
1.4 Other banking institutions	0.0	5.0	....	....	....	....	....	....	....
1.5 Non-banking financial institutions	3.7	45.5	....	....	....	....	....	....	....
1.6 Other financial intermediaries	....	....	9.7	30.0	30.1	38.6	29.3	29.0	32.7
1.7 Financial auxiliaries	....	....	12.4	7.8	8.3	1.3	1.8	2.0	0.9
1.8 Insurance corporations and pension funds	....	....	10.6	3.1	5.4	8.8	-	-	-
2 Time and notice deposits	53,470.4	42,351.2	36,220.3	39,907.2	38,054.4	39,034.3	40,009.6	40,397.7	40,477.4
2.1 Local government	726.0	498.8	435.1	384.9	331.8	259.8	678.1	747.2	753.6
o/w: Indexed to f/c	346.6	244.9	152.0	96.4	84.0	62.3	60.0	60.6	60.5
2.2 Non-financial corporations	16,291.1	11,615.9	8,781.5	10,648.7	7,072.3	6,395.4	6,698.5	6,831.4	6,761.1
o/w: Indexed to f/c	....	....	1,032.9	897.2	815.1	556.3	511.0	471.2	473.8
2.3 Households	29,019.2	22,622.4	22,666.8	24,916.3	26,956.1	28,758.3	29,606.5	29,521.7	29,445.5
o/w: Indexed to f/c	9,574.3	7,442.5	7,006.7	7,035.4	6,993.7	6,799.1	6,944.7	6,865.1	6,831.3
2.4 Other banking institutions	2,413.1	3,006.0	....	....	....	....	....	....	....
o/w: Indexed to f/c	7.3	36.8	....	....	....	....	....	....	....
2.5 Non-banking financial institutions	5,021.1	4,608.1	....	....	....	....	....	....	....
o/w: Indexed to f/c	669.7	670.1	....	....	....	....	....	....	....
2.6 Other financial intermediaries	....	....	972.0	741.6	898.6	1,162.0	758.8	834.2	944.5
o/w: Indexed to f/c	....	....	179.0	161.7	144.2	163.0	165.9	169.7	171.9
2.7 Financial auxiliaries	....	....	1,015.2	779.4	563.6	730.9	507.1	534.9	590.0
o/w: Indexed to f/c	....	....	9.5	0.3	5.3	10.9	6.7	6.1	7.0
2.8 Insurance corporations and pension funds	....	....	2,349.7	2,436.3	2,231.9	1,727.9	1,760.5	1,928.2	1,982.7
o/w: Indexed to f/c	....	....	395.4	239.4	270.1	128.4	124.0	123.1	116.2
Total (1+2)	56,240.7	44,874.3	38,885.2	42,558.9	40,590.0	41,846.5	42,394.2	42,697.1	42,838.5

Table D7 Kuna deposits with credit institutions • Up to November 2010, the table shows kuna savings and time deposits by other domestic sectors, other banking institutions and non-banking financial institutions. From December 2010 on, the table shows kuna savings and time deposits by other domestic

sectors, other financial intermediaries, financial auxiliaries as well as insurance corporations and pension funds.

Within time and notice deposits, deposits indexed to f/c are reported separately for each sector under the “o/w” item.

Table D8 Foreign currency deposits with credit institutions
end of period, in million HRK

	2008 Dec.	2009 Dec.	2010 Dec.	2011 Dec.	2012 Dec.	2013 Dec.	2014		
							Mar.	Apr.*	May
1 Savings deposits	21,293.5	20,787.5	22,708.2	22,712.9	24,072.7	25,077.2	25,805.3	25,218.1	24,864.0
1.1 Local government	22.1	25.5	20.8	21.5	52.9	30.6	28.4	30.7	32.4
1.2 Non-financial corporations	5,163.1	5,059.4	5,634.6	5,417.3	6,498.4	6,778.9	7,089.9	6,705.5	6,695.6
1.3 Households	15,682.8	15,148.7	16,305.6	16,794.8	16,417.9	17,569.6	17,607.0	17,330.7	17,238.2
1.4 Other banking institutions	121.6	151.1	....	....	....	....	....	....	....
1.5 Non-banking financial institutions	303.9	402.9	....	....	....	....	....	....	....
1.6 Other financial intermediaries	....	....	508.1	232.5	556.5	447.0	467.4	467.4	505.5
1.7 Financial auxiliaries	....	....	201.6	39.7	52.0	91.0	127.6	153.0	94.8
1.8 Insurance corporations and pension funds	....	....	37.5	207.1	495.1	160.1	485.0	530.8	297.5
2 Time deposits	96,297.3	114,721.6	124,612.3	121,773.9	128,576.5	129,844.0	130,156.6	127,765.8	127,150.9
2.1 Local government	2.3	2.5	3.3	2.5	5.7	7.4	7.0	6.5	6.6
2.2 Non-financial corporations	11,448.4	13,542.5	15,085.1	10,108.2	10,451.0	10,356.9	10,675.7	9,694.3	9,288.4
2.3 Households	80,419.6	95,598.0	104,477.4	108,674.3	114,246.5	116,443.8	116,533.9	115,315.1	115,120.6
2.4 Other banking institutions	940.0	729.5	....	....	....	....	....	....	....
2.5 Non-banking financial institutions	3,487.0	4,849.1	....	....	....	....	....	....	....
2.6 Other financial intermediaries	....	....	3,408.0	2,047.5	1,534.0	1,833.7	1,978.1	1,603.4	1,628.7
2.7 Financial auxiliaries	....	....	396.7	41.1	493.9	245.4	227.5	188.9	360.4
2.8 Insurance corporations and pension funds	....	....	1,241.8	900.2	1,845.5	956.9	734.4	957.5	746.3
Total (1+2)	117,590.8	135,509.1	147,320.5	144,486.8	152,649.2	154,921.2	155,961.8	152,983.9	152,014.9

Table D8a Currency composition of time deposits of households and non-financial corporations
end of period, in million HRK

	2010 Dec.	2011 Dec.	2012 Dec.	2013 Dec.	2014		
					Mar.	Apr.*	May
1 Kuna deposits not indexed to foreign currency	23,408.6	27,632.4	26,219.7	27,798.4	28,849.4	29,016.8	28,901.4
1.1 Deposits of households	15,660.1	17,880.9	19,962.5	21,959.2	22,661.8	22,656.6	22,614.1
1.2 Deposits of non-financial corporations	7,748.5	9,751.6	6,257.2	5,839.1	6,187.6	6,360.2	6,287.3
2 Kuna deposits indexed to foreign currency	8,039.6	7,932.5	7,808.8	7,355.3	7,455.6	7,336.4	7,305.2
2.1 Deposits of households	7,006.7	7,035.4	6,993.7	6,799.1	6,944.7	6,865.2	6,831.4
2.1.1 Indexed to EUR	6,807.2	6,851.2	6,828.1	6,654.1	6,796.4	6,732.0	6,691.8
2.1.2 Indexed to USD	64.4	61.3	55.4	42.7	47.3	33.4	41.4
2.1.3 Indexed to other currencies	135.1	122.9	110.1	102.3	101.1	99.7	98.2
2.2 Deposits of non-financial corporations	1,032.9	897.2	815.1	556.3	511.0	471.2	473.8
2.2.1 Indexed to EUR	1,022.2	890.2	812.6	555.0	509.8	468.8	471.4
2.2.2 Indexed to USD	9.9	6.2	1.8	0.7	0.7	1.9	2.0
2.2.3 Indexed to other currencies	0.8	0.7	0.6	0.5	0.4	0.4	0.4
3 Foreign currency deposits	119,562.5	118,782.5	124,697.4	126,800.7	127,209.6	125,009.4	124,409.0
3.1 Deposits of households	104,477.4	108,674.3	114,246.5	116,443.8	116,533.9	115,315.1	115,120.6
3.1.1 In EUR	97,163.6	98,753.6	103,102.6	105,813.6	105,860.7	104,808.2	104,494.8
3.1.2 In USD	5,316.9	6,447.6	6,967.3	6,943.6	6,991.8	6,868.8	6,983.7
3.1.3 In other currencies	1,996.9	3,473.1	4,176.6	3,686.5	3,681.4	3,638.0	3,642.2
3.2 Deposits of non-financial corporations	15,085.1	10,108.2	10,451.0	10,356.9	10,675.7	9,694.3	9,288.4
3.2.1 In EUR	13,534.8	8,618.0	9,182.9	9,322.9	9,604.6	8,666.9	8,196.3
3.2.2 In USD	1,429.0	1,333.3	1,082.6	962.5	963.7	887.3	944.1
3.2.3 In other currencies	121.3	157.0	185.5	71.5	107.3	140.1	148.0
Total (1+2+3)	151,010.7	154,347.5	158,725.9	161,954.4	163,514.7	161,362.6	160,615.6

Table D8b Maturity composition of time deposits by sectors
end of period, in million HRK

	2010	2011	2012	2013	2014		
	Dec.	Dec.	Dec.	Dec.	Mar.	Apr.*	May
1 Local government	438.4	387.4	337.5	267.2	685.1	753.7	760.2
Up to 1 year	286.2	249.8	242.8	190.4	607.8	676.9	682.9
Over 1 and up to 2 years	28.9	35.3	16.5	12.9	15.3	14.7	15.7
Over 2 years	123.3	102.3	78.3	63.9	62.1	62.1	61.6
2 Non-financial corporations	23,866.5	20,756.9	17,523.3	16,752.3	17,374.2	16,525.8	16,049.5
Up to 1 year	19,044.0	15,229.5	12,805.4	13,472.8	14,157.9	12,767.2	12,035.7
Over 1 and up to 2 years	3,467.1	3,993.7	3,327.6	1,993.1	1,813.0	2,310.3	2,469.3
Over 2 years	1,355.5	1,533.7	1,390.4	1,286.4	1,403.3	1,448.3	1,544.4
3 Households	127,144.1	133,590.6	141,202.6	145,202.1	146,140.4	144,836.8	144,566.1
Up to 1 year	77,921.3	77,230.0	81,913.0	73,552.9	71,454.4	70,061.1	69,389.6
Over 1 and up to 2 years	23,228.2	27,752.7	28,108.2	36,602.4	37,667.3	37,484.0	37,548.6
Over 2 years	25,994.6	28,607.9	31,181.4	35,046.8	37,018.7	37,291.6	37,627.9
4 Other financial intermediaries	4,380.0	2,789.1	2,432.6	2,995.6	2,736.9	2,437.7	2,573.2
Up to 1 year	3,518.0	2,630.4	2,298.6	2,619.8	1,982.2	2,043.1	2,149.2
Over 1 and up to 2 years	852.7	136.8	131.3	369.7	749.2	389.8	414.9
Over 2 years	9.3	21.9	2.7	6.1	5.4	4.8	9.2
5 Financial auxiliaries	1,412.0	820.5	1,057.5	976.3	734.6	723.8	950.3
Up to 1 year	1,361.8	759.1	850.2	704.6	480.1	505.2	735.0
Over 1 and up to 2 years	3.7	15.7	162.2	159.8	141.8	106.2	103.1
Over 2 years	46.5	45.6	45.0	111.9	112.7	112.4	112.3
6 Insurance corporations and pension funds	3,591.6	3,336.6	4,077.4	2,684.8	2,494.8	2,885.8	2,729.0
Up to 1 year	2,189.8	2,082.3	2,840.9	1,423.3	1,197.3	1,589.5	1,477.1
Over 1 and up to 2 years	676.1	528.0	644.2	717.0	640.1	638.5	578.9
Over 2 years	725.7	726.4	592.4	544.4	657.5	657.8	673.0
Total time deposits (1+2+3+4+5+6)	160,832.6	161,681.1	166,630.9	168,878.3	170,166.1	168,163.5	167,628.3
Up to 1 year	104,321.1	98,181.1	100,950.9	91,963.8	89,879.7	87,643.0	86,469.5
Over 1 and up to 2 years	28,256.7	32,462.2	32,389.9	39,855.0	41,026.7	40,943.5	41,130.5
Over 2 years	28,254.9	31,037.8	33,290.1	37,059.5	39,259.8	39,577.0	40,028.3

Table D8 Foreign currency deposits with credit institutions • Up to November 2010, the table shows foreign currency savings and time deposits by other domestic sectors, other banking institutions and non-banking financial institutions. From December 2010 on, the table shows foreign currency savings and time deposits by other domestic sectors, other financial intermediaries, financial auxiliaries as well as insurance corporations and pension funds.

Foreign currency savings deposits are all foreign currency sight deposits and foreign currency payment instruments issued, while foreign currency time deposits also include foreign currency notice deposits.

Table D8a Currency composition of time deposits of households and non-financial corporations • The table provides a detailed analysis of the time deposits of households and non-financial corporations items in tables D7 and D8, showing separately kuna deposits not indexed to foreign currency, kuna deposits indexed to foreign currency and foreign currency deposits. Within deposits indexed to foreign currency and foreign currency deposits, separately reported are deposits indexed to/denominated in the euro, the US dollar and other currencies.

Table D8b Maturity composition of time deposits by sectors • The table provides a detailed analysis of the Time deposits item in Table D8, showing separately time deposits by sectors, with the division according to original maturity of up to one year, over one and up to five years and over five years.

Table D9 Bonds and money market instruments
end of period, in million HRK

	2008 Dec.	2009 Dec.	2010 Dec.	2011 Dec.	2012 Dec.	2013 Dec.	2014		
							Mar.	Apr.	May
1 Money market instruments (net)	0.8	0.8	-	-	-	-	-	-	-
2 Bonds (net)	619.5	775.3	940.1	1,692.7	1,592.3	1,616.7	1,632.8	1,630.3	1,634.7
3 Other domestic borrowing	14,444.4	16,090.6	16,291.2	15,057.7	16,176.4	14,598.9	14,693.2	14,432.3	14,401.7
3.1 Local government	-	-	-	-	-	-	-	-	-
3.2 Non-financial corporations	3.5	4.6	0.0	0.0	786.5	317.0	81.5	86.5	5.0
3.3 Other banking institutions	14,242.7	16,045.5	....	....	....	....	....	....	....
3.4 Non-banking financial institutions	198.1	40.5	....	....	....	....	....	....	....
3.5 Other financial intermediaries	....	....	16,291.2	15,018.4	15,350.7	14,220.5	14,558.2	14,293.0	14,366.0
3.6 Financial auxiliaries	....	....	-	13.2	39.2	61.4	53.5	49.8	27.7
3.7 Insurance corporations and pension funds	....	....	-	26.1	-	-	-	3.0	3.0
Total (1+2+3)	15,064.7	16,866.7	17,231.3	16,750.4	17,768.7	16,215.6	16,326.0	16,062.7	16,036.4

Table D9 Bonds and money market instruments • The table shows credit institutions' liabilities for securities issued (net) and loans received from other domestic sectors and, up to November 2010, other banking institutions and non-banking financial institutions and, from December 2010, other financial intermediaries, financial auxiliaries as well as insurance corporations and pension funds.

Up to November 2010, money market instruments (net) comprised credit institutions' net liabilities for CNB bills, bills of exchange (issued and accepted) and other securities issued.

From December 2010 on, money market instruments (net) comprise net liabilities for issued commercial bills and non-transferable instruments (debt securities).

Bonds (net) comprise credit institutions' net liabilities for kuna and foreign currency bonds issued, as well as issued subordinated and hybrid instruments, excluding those purchased by foreign investors.

Other domestic borrowing comprises loans received, which are reported in the total amount and classified by institutional sectors.

Table D10 Foreign liabilities of credit institutions
end of period, in million HRK

	2008 Dec.	2009 Dec.	2010 Dec.	2011 Dec.	2012 Dec.	2013 Dec.	2014		
							Mar.	Apr.	May
1 Foreign liabilities in f/c	54,741.5	60,061.3	58,755.8	67,871.8	57,806.1	53,560.3	54,848.0	53,941.6	53,161.3
1.1 Liabilities to foreign financial institutions	47,893.1	51,716.9	48,835.7	58,012.0	47,451.4	43,436.3	44,047.8	43,244.5	42,444.8
Subordinated and hybrid instruments	1,599.8	2,015.3	2,094.6	2,283.2	2,237.7	2,037.2	1,738.3	1,726.0	1,722.6
Demand deposits	176.6	221.0	203.4	180.4	179.1	276.2	236.2	221.0	206.7
Time and notice deposits	14,016.4	21,945.8	20,225.8	27,444.5	17,377.5	18,771.8	19,671.1	19,274.3	19,030.2
Loans and advances	28,823.2	27,534.7	26,311.8	28,103.9	27,657.1	22,351.2	22,402.2	22,023.1	21,485.3
Bonds	3,277.1	–	–	–	–	–	–	–	–
1.2 Liabilities to foreign non-financial institutions	6,848.4	8,344.4	9,920.1	9,859.8	10,354.7	10,124.0	10,800.2	10,697.2	10,716.5
Subordinated and hybrid instruments	–	–	11.1	11.3	9.3	5.1	5.1	5.1	5.1
Savings and time deposits	6,719.0	8,336.3	9,905.0	9,846.0	10,193.3	9,813.4	10,488.7	10,387.9	10,407.8
Savings deposits	1,374.5	1,267.8	1,421.3	1,398.5	1,606.5	1,725.8	1,922.8	1,944.7	2,020.0
Time and notice deposits	5,344.6	7,068.6	8,483.6	8,447.5	8,586.8	8,087.6	8,565.9	8,443.1	8,387.9
Loans and advances	129.3	8.0	4.1	2.5	152.1	305.5	306.3	304.2	303.6
Bonds	....	....	–	–	–	–	–	–	–
2 Foreign liabilities in kuna	20,635.9	20,390.2	23,343.5	22,476.5	15,869.0	15,782.5	16,258.0	16,684.8	17,180.2
2.1 Liabilities to foreign financial institutions	20,127.7	20,014.5	22,965.9	21,973.5	15,289.0	15,233.7	15,670.9	16,059.2	16,561.0
o/w: Indexed to f/c	....	....	2,234.8	2,069.6	1,097.3	1,104.1	1,105.6	1,094.4	1,089.7
Subordinated and hybrid instruments	66.6	820.7	970.9	1,037.2	1,043.4	1,044.1	1,045.4	1,034.8	1,030.4
Demand deposits	898.1	359.1	696.5	655.3	724.4	924.6	2,207.6	2,569.8	3,152.7
Time and notice deposits	15,014.2	14,654.3	15,963.5	16,449.5	11,398.4	9,806.1	9,680.5	9,715.5	9,655.5
Loans and advances	4,148.8	4,180.4	5,258.6	3,831.5	2,091.7	3,458.9	2,737.4	2,739.0	2,722.4
Bonds	....	....	76.5	–	30.9	0.0	0.0	0.0	0.0
2.2 Liabilities to foreign non-financial institutions	508.2	375.7	377.6	503.0	580.0	548.8	587.1	625.6	619.2
o/w: Indexed to f/c	....	....	29.8	23.9	23.1	21.4	22.1	21.9	21.8
Subordinated and hybrid instruments	5.5	8.5	8.5	13.7	14.9	15.6	15.6	15.6	15.6
Demand deposits	257.0	222.8	221.7	327.7	364.8	326.1	355.9	393.8	383.9
Time and notice deposits	245.7	144.4	147.0	161.6	200.4	207.1	215.6	216.2	219.6
Loans and advances	–	–	0.4	0.0	0.0	0.0	0.0	0.0	0.0
Bonds	....	....	–	–	–	–	–	–	–
Total (1+2)	75,377.4	80,451.5	82,099.3	90,348.3	73,675.1	69,342.9	71,106.0	70,626.4	70,341.5

Table D10 Foreign liabilities of credit institutions • The table shows credit institutions' total foreign currency and kuna liabilities to foreign legal and natural persons, with the exception of restricted kuna and foreign currency deposits by foreign legal and natural persons.

Foreign liabilities of credit institutions comprise foreign currency liabilities and foreign kuna liabilities.

Within foreign kuna and foreign currency liabilities, liabilities to foreign financial institutions are reported separately from liabilities to foreign non-financial institutions (total and by

financial instruments). Items Demand deposits and Savings deposits comprise transaction accounts and savings deposits.

As from CNB Bulletin No. 190, data on item Loans have been revised to exclude data related to subordinated and hybrid instruments. Item "o/w: Subordinated and hybrid instruments", which was up to CNB Bulletin No. 190 reported under Loans and advances, has been reclassified accordingly. It is now reported as a separate item and includes all instruments on the liability side having the features of a subordinated or hybrid instrument.

Table D11 Deposits of the central government and social security funds with credit institutions
end of period, in million HRK

	2008 Dec.	2009 Dec.	2010 Dec.	2011 Dec.	2012 Dec.	2013 Dec.	2014		
							Mar.	Apr.	May
1 In kuna	1,322.7	954.4	1,898.6	2,485.5	2,459.1	2,535.3	2,295.5	2,797.9	2,681.7
1.1 Central government deposits	429.5	356.6	1,887.1	2,473.3	2,447.3	2,488.6	2,286.3	2,788.8	2,672.6
Demand deposits	176.7	189.3	1,369.9	1,732.2	1,790.4	1,973.9	1,408.7	1,920.3	1,818.4
Savings deposits	1.1	0.6	0.4	0.4	20.3	31.9	32.0	41.3	38.3
Time and notice deposits	251.6	166.7	501.8	732.4	630.6	482.8	845.6	827.2	815.9
Loans and advances	–	–	15.0	8.3	6.0	–	–	–	0.0
1.2 Deposits of social security funds	893.1	597.8	11.5	12.2	11.8	46.7	9.2	9.1	9.1
Demand deposits	639.8	387.5	0.3	0.6	0.0	36.9	0.1	0.1	0.1
Savings deposits	0.0	0.3	–	–	–	–	–	–	–
Time and notice deposits	253.3	210.0	11.2	11.6	11.8	9.9	9.1	9.0	9.0
Loans and advances	–	–	–	–	–	–	–	–	–
2 In f/c	1,353.2	1,352.8	1,464.0	1,593.6	1,451.0	1,149.5	1,243.1	1,287.8	1,078.2
2.1 Central government deposits	1,122.5	1,088.3	1,439.6	1,562.3	1,418.0	1,125.7	1,212.9	1,253.4	1,042.7
Savings deposits	666.8	716.8	1,127.1	740.6	1,192.7	818.2	856.1	725.8	617.6
Time and notice deposits	330.0	309.4	312.3	821.5	225.4	307.5	356.8	527.6	425.1
Refinanced loans and advances	125.7	62.2	0.2	0.2	–	–	–	–	–
2.2 Deposits of social security funds	230.7	264.5	24.3	31.3	33.0	23.8	30.2	34.4	35.5
Savings deposits	75.8	100.2	24.3	31.3	33.0	23.8	30.2	34.4	35.5
Time and notice deposits	154.9	164.3	–	–	–	–	–	–	–
Loans and advances	–	–	–	–	–	–	–	–	–
Total (1+2)	2,675.8	2,307.2	3,362.6	4,079.1	3,910.1	3,684.8	3,538.6	4,085.7	3,759.9

Table D11 Deposits of the central government and social security funds with credit institutions • The table reports total credit institutions' kuna and foreign currency liabilities to the central government and social security funds, with the exception of restricted (kuna and foreign currency) deposits by the central government and social security funds with credit institutions.

Kuna and foreign currency deposits by the central government and social security funds are shown separately. Kuna deposits comprise demand deposits, savings deposits, time and notice deposits, and loans received from the central government and social security funds. Foreign currency deposits comprise savings deposits, time deposits and notice deposits.

Table D12 Restricted and blocked deposits with credit institutions
end of period, in million HRK

	2008 Dec.	2009 Dec.	2010 Dec.	2011 Dec.	2012 Dec.	2013 Dec.	2014		
							Mar.	Apr.	May
1 Restricted deposits	3,038.4	2,548.4	2,374.9	3,183.9	2,413.9	2,735.9	2,527.0	2,766.8	2,759.7
1.1 In kuna	1,478.8	1,366.0	1,262.6	1,576.8	1,429.0	1,707.9	1,578.9	1,591.7	1,605.5
1.2 In f/c	1,559.6	1,182.5	1,112.4	1,607.1	984.9	1,028.1	948.1	1,175.1	1,154.2
2 Blocked f/c deposits of households	–	–	–	–	–	–	–	–	–
Total (1+2)	3,038.4	2,548.4	2,374.9	3,183.9	2,413.9	2,735.9	2,527.0	2,766.8	2,759.7

Table D12 Restricted and blocked deposits with credit institutions • The table shows households' restricted (kuna and foreign currency) deposits and blocked deposits.

Blocked foreign currency deposits include households'

foreign currency deposits, regulated by the Act on Converting Households' Foreign Currency Deposits into the Public Debt of the Republic of Croatia.

F Monetary policy instruments and liquidity

Table F1 Credit rates of the Croatian National Bank
in percentage, on annual basis

Year	Month	CNB discount rate	CNB repo rate ^a	Credit rates					
				On Lombard credits ^b	On intervention credits	On intra-day refinance facility ^b	On short-term liquidity credits	On inaccurately calculated statutory reserves ^b	On arrears
1	2	3	4	5	6	7	8	9	10
2000	December	5.90	–	12.00	18.00	–	13.00	18.00	18.00
2001	December	5.90	–	10.00	–	–	11.00	15.00	18.00
2002	December	4.50	–	9.50	–	–	10.50	15.00	15.00
2003	December	4.50	–	9.50	–	–	10.50	15.00	15.00
2004	December	4.50	–	9.50	–	–	10.50	15.00	15.00
2005	December	4.50	3.50	7.50 ^c	–	–	8.50 ^c	15.00	15.00
2006	December	4.50	3.50	7.50	–	–	8.50	15.00	15.00
2007	December	9.00 ^d	4.06	7.50	–	–	8.50	15.00	15.00
2008	December	9.00	6.00	9.00	–	–	10.00	15.00	14.00
2009	December	9.00	–	9.00	–	–	10.00	15.00	14.00
2010	December	9.00	–	9.00	–	–	10.00	15.00	14.00
2011	December	7.00	–	6.25	–	–	7.25	15.00	12.00
2012	December	7.00	–	6.25	–	–	7.25	14.50	12.00
2013	June	7.00	–	6.25	–	–	7.25	14.50	12.00
	July	7.00	–	6.25	–	–	7.25	14.50	12.00
	August	7.00	–	6.25	–	–	7.25	14.50	12.00
	September	7.00	–	6.25	–	–	7.25	14.50	12.00
	October	7.00	–	6.25	–	–	7.25	14.50	12.00
	November	7.00	–	6.25	–	–	7.25	14.50	12.00
	December	7.00	–	5.00 ^e	–	–	6.00 ^e	12.00 ^e	12.00
	2014	January	7.00	–	5.00	–	–	6.00	12.00
February		7.00	–	5.00	–	–	6.00	12.00	12.00
March		7.00	–	5.00	–	–	6.00	12.00	12.00
April		7.00	–	5.00	–	–	6.00	12.00	12.00
May		7.00	–	5.00	–	–	6.00	12.00	12.00

^a Weighted averages of weighted repo rates achieved at regular reverse repo auctions of the CNB in the reporting month. ^b Breaks in the series of data are explained in notes on methodology. ^c Since 14 December 2005. ^d Since 31 December 2007. ^e Since 7 December 2013.

Table F1 Credit rates of the Croatian National Bank • The table shows interest rates used by the CNB to calculate and charge interest on credits from the primary issue and on all other claims.

Credit rates of the CNB are set by decisions of the Council of the Croatian National Bank, on a yearly basis. Exceptionally, from June 1995 interest rate charged by the CNB on Lombard credits was 1.5 percentage points higher than the weighted average interest rate on CNB bills on a voluntary basis (which serve as collateral for Lombard credits) in cases when the weighted average interest rate was higher than 16.5%. Congruently, from June 1995 to August 1996 the table reports the weighted average interest rate on Lombard credits.

Time series presented in the table contain certain breaks, due to changes in the CNB's monetary policy instruments.

Data shown in column 4 refer to the weighted averages of the weighted repo rates achieved at regular reverse repo auctions of the CNB in the reporting month.

Data shown in column 7 refer, until September 1994, to interest rates on special credits for savings deposits' payments and

for payments from households' current accounts, and from October 1994 until September 1997 to interest rates on daily credits for savings deposits and households' current accounts in kuna. Daily credits, as opposed to special credits, are paid back on the same day. In October 1997, this instrument was replaced by daily credits for overcoming short-term liquidity problems that are collateralised by CNB bills. From December 1998 to April 1999, this credit is incorporated in Lombard credit, applying different interest rate for its usage within one day.

Data shown in column 8 refer, until December 1994, to interest rate on initial credits, and since 18 March 1998, to credits for overcoming liquidity problems of banks under evaluation for entry into rehabilitation and restructuring procedures and since February 1999, to interest rates on short-term liquidity credits. From December 1999 on, data show interest rates on short-term liquidity credit with a maturity over 3 months which is 1 percentage point higher than interest rate on Lombard credits. Interest rate on short-term liquidity credit up to 3 months is 0.5 percentage point higher than interest rate on Lombard credits.

Table F2 Deposit rates of the Croatian National Bank
in percentage, on annual basis

Year	Month	Interest rates on statutory reserves dep. with the CNB	Interest rates on CNB bills on an obligatory basis	Interest rates on CNB bills on a voluntary basis ^a				Interest rates on f/c CNB bills on a voluntary basis					Interest rates on overnight deposits
				Due in 7 days	Due in 35 days	Due in 70 days	Due in 105 days	Due in 35 days	Due in 63 days	Due in 91 days	Due in 182 days	Due in 364 days	
1	2	3	4	5	6	7	8	9	10	11	12	13	14
2000	December	4.50	-	-	6.65	7.00	7.70	-	5.51	4.83	-	-	-
2001	December	2.00	-	-	3.36	4.26	4.85	-	2.62	3.06	-	-	-
2002	December	1.75	-	-	2.08	-	-	2.30	2.68	-	-	-	-
2003	December	1.25	0.50	-	-	-	-	1.75	1.48	-	-	-	-
2004	December	1.25	-	-	-	-	-	-	-	-	-	-	-
2005	December	0.75	-	-	-	-	-	-	-	-	-	-	0.50
2006	December	0.75	-	-	-	-	-	-	-	-	-	-	0.50
2007	December	0.75	0.75	-	-	-	-	-	-	-	-	-	0.50
2008	December	0.75	0.25	-	-	-	-	-	-	-	-	-	0.50
2009	December	0.75	0.25	-	-	-	-	-	-	-	-	-	0.50
2010	December	0.75	-	-	-	-	-	-	-	-	-	-	0.50
2011	December	-	-	-	-	-	-	-	-	-	-	-	0.25
2012	December	-	-	-	-	-	-	-	-	-	-	-	0.25
2013	June	-	-	-	-	-	-	-	-	-	-	-	0.00
	July	-	-	-	-	-	-	-	-	-	-	-	0.00
	August	-	-	-	-	-	-	-	-	-	-	-	0.00
	September	-	-	-	-	-	-	-	-	-	-	-	0.00
	October	-	-	-	-	-	-	-	-	-	-	-	0.00
	November	-	-	-	-	-	-	-	-	-	-	-	0.00
	December	-	-	-	-	-	-	-	-	-	-	-	0.00
2014	January	-	-	-	-	-	-	-	-	-	-	-	0.00
	February	-	-	-	-	-	-	-	-	-	-	-	0.00
	March	-	-	-	-	-	-	-	-	-	-	-	0.00
	April	-	-	-	-	-	-	-	-	-	-	-	0.00
	May	-	-	-	-	-	-	-	-	-	-	-	0.00

^a Breaks in the series of data are explained in notes on methodology. ^b Since 24 April 2013.

Table F2 Deposit rates of the Croatian National Bank • The table shows interest rates used by the CNB to calculate and pay interest on funds deposited with the CNB and on issued securities.

Interest rates paid by the CNB for appropriated statutory reserve funds are set by a decision of the Council of the Croatian National Bank. Until April 2005, the appropriated statutory reserve funds included the calculated statutory reserve funds that were deposit in a special statutory reserve account with the CNB, or maintained (in average) in banks' settlement accounts, or deposited in a special account with the CNB for the settlement of net positions in the National Clearing System (NCS). From April 2005, they include the calculated statutory reserve funds allocated to a special statutory reserve account with the CNB. From March 2011 on, the CNB pays no remuneration on the reserve requirement funds (column 3).

Interest rates on CNB bills on an obligatory basis are set by a decision of the Council of the Croatian National Bank.

Interest rates on CNB bills on a voluntary basis are set at CNB bills' auction sales. Congruently, columns 5, 6 and 7 report the weighted average interest rates attained at auctions of CNB bills. From November 1994 through January 2001, columns 7 and 8 report interest rates on CNB bills on a voluntary basis due in 91 and 182 days respectively.

From April 1998 on, columns 9 through 13 report the weighted average interest rates on CNB bills on a voluntary basis in EUR and USD (until December 1998, in DEM and USD)

attained at CNB bills' auctions as a weighted average of subscribed amounts in those two currencies.

Column 14 reports the interest rate on overnight deposits with the CNB.

Table F3 Banks' reserve requirements • This table shows data on monthly averages of day-to-day balances of banks' kuna and foreign currency reserve requirements with the CNB. Savings banks are included beginning in July 1999.

Column 3 shows the weighted average reserve requirement ratio as a percentage of the kuna and foreign currency reserve requirements (column 4) in the reserve base.

Reserve requirement (column 4) represents the prescribed amount of funds banks are required to deposit in a special statutory reserve account with the CNB, or to maintain (in average) in their settlement accounts and in vaults, or in accounts of liquid foreign currency claims (which include foreign cash and checks in foreign currency, liquid foreign currency claims maintained in the accounts with the high-grade foreign banks and foreign currency CNB bills).

Column 5 shows the amount of kuna reserve requirements. Between January 1995 and December 2000, this amount corresponded with the statutory reserve requirement instrument, while until December 1994 it comprised two instruments: statutory reserves and liquid assets requirement – LAR (except for the part in which banks were conforming to this requirement by registering CNB bills on a voluntary basis). In December 2000,

Table F3 Banks' reserve requirements

daily averages and percentages, in million HRK and %

Year	Month	Weighted average res. requirement in % on res. base	Reserve requirement (RR)			Other obligatory deposits with the CNB	Statutory reserves deposited with the CNB		Weighted avg. remuneration rate on immobilised funds in kuna	Weighted avg. remuneration rate on allocated funds in f/c
			Total	In kuna	In f/c		In kuna	In f/c		
1	2	3	4=5+6	5	6	7	8	9	10	11
2000	December	23.22	16,245.8	4,646.8	11,599.0	5.0	4,191.6	5,544.6	4.05	....
2001	December	19.67	21,187.1	8,691.5	12,495.5	-	6,287.8	5,950.0	1.97	2.73
2002	December	19.00	25,985.1	11,447.1	14,538.0	-	8,156.7	7,139.9	1.72	2.16
2003	December	19.00	31,009.4	18,023.8	12,985.6	109.4	12,459.8	6,850.2	1.17	1.47
2004	December	18.00	33,615.7	20,040.9	13,574.8	430.1	14,664.1	10,171.3	1.22	1.36
2005	December	18.00	37,424.5	24,997.9	12,426.6	3,940.2	17,497.7	9,271.4	0.52	0.92
2006	December	17.00	40,736.4	28,966.1	11,770.4	7,332.5	20,257.0	8,780.9	0.52	1.06
2007	December	17.00	44,465.9	31,809.1	12,656.8	6,641.1	22,266.4	9,203.5	0.53	1.29
2008	December	14.87	41,474.4	29,179.7	12,294.7	461.9	20,425.8	8,807.0	0.52	0.81
2009	December	14.00	40,423.5	33,693.7	6,729.8	30.9	23,585.6	4,898.0	0.52	-
2010	December	13.00	38,990.6	32,374.8	6,615.8	-	22,662.4	4,736.7	0.52	-
2011	December	14.00	44,443.2	36,936.6	7,506.7	-	25,654.6	5,437.9	-	-
2012	December	13.50	42,272.1	35,107.8	7,164.3	-	24,575.4	5,120.7	-	-
2013	June	13.50	41,729.4	34,685.1	7,044.3	-	24,279.6	5,013.6	-	-
	July	13.50	41,931.4	34,926.7	7,004.7	-	24,448.7	4,989.1	-	-
	August	13.50	41,975.6	34,978.8	6,996.8	-	24,485.2	4,985.2	-	-
	September	13.50	42,169.6	35,133.8	7,035.9	-	24,593.6	4,996.6	-	-
	October	13.50	42,566.6	35,462.1	7,104.4	-	24,823.5	5,021.3	-	-
	November	13.50	42,562.2	35,456.5	7,105.7	-	24,819.5	5,006.3	-	-
	December	12.48	39,283.2	32,733.2	6,550.0	2,655.2	22,913.3	4,605.3	-	-
2014	January	12.00	37,655.5	31,358.6	6,296.9	3,603.2	21,951.0	4,440.7	-	-
	February	12.00	37,592.1	31,311.3	6,280.8	3,630.8	21,917.9	4,434.8	-	-
	March	12.00	37,493.5	31,230.5	6,263.0	3,546.7	21,861.3	4,423.5	-	-
	April	12.00	37,469.2	31,182.0	6,287.2	3,455.2	21,827.4	4,446.2	-	-
	May	12.00	37,427.2	31,149.1	6,278.2	3,306.4	21,804.3	4,436.2	-	-

reserve requirements in kuna and in foreign currency were unified, i.e. reserve requirements rate, periods for calculating, allocating and maintaining reserve requirements were unified, as well as a minimum percentage of the total reserve requirements deposited with the Croatian National Bank. From September 2001 on, column 5 includes also the f/c component of reserve requirements that is set aside/maintained in kuna.

Column 6 shows the amount of foreign currency reserve requirements, i.e. the prescribed amount of funds banks are required to deposit in the CNB's foreign currency accounts, or to maintain (in average) in accounts of liquid claims. Until November 2000, the calculation base consisted of the average daily balances of household foreign currency savings deposits with a remaining maturity of up to 3 months, while starting from December 2000 the base consists of foreign currency sources of funds, including: ordinary foreign currency accounts, special foreign currency accounts, foreign currency accounts and foreign currency sight deposits, received foreign currency deposits and received foreign currency loans, as well as obligations arising from securities issued in foreign currency (excluding banks' equity securities). From November 2001 on, the base includes also hybrid and subordinated instruments.

Column 7 shows the total amount of other obligatory deposits with the CNB, including CNB bills on an obligatory basis, those CNB bills on a voluntary basis used by banks to maintain the prescribed minimal liquidity (LAR), special statutory reserves until July 1995, special reserve requirement on liabilities

arising from issued securities from March 2006 to February 2009, statutory reserves on f/c deposits, f/c credits from foreign banks and guarantees for such credits and marginal reserve requirement (from August 2004 to October 2008).

Column 8 shows the portion of the kuna reserve requirement which banks deposit in a statutory reserve account with the CNB (until December 1994, this amount corresponded with the statutory reserve instrument, while since January 1995 a minimum percentage of the total reserve requirement banks are required to deposit in a special statutory reserve account with the CNB has been prescribed). In April 2005, this percentage was set at 70%.

Column 9 shows the portion of the foreign currency reserve requirement which banks deposit in the CNB's foreign currency accounts. The percentage for allocating the foreign currency component of reserve requirements calculated on the basis of foreign currency funds of non-residents and foreign currency funds received from legal persons in a special relationship with a bank amounts to 100%, while the percentage for allocating the remaining portion of the foreign currency component of reserve requirements amounts to 60%.

Column 10 shows the weighted average remuneration rate on all forms of immobilised kuna funds which include reserve requirements and other obligatory deposits with the CNB. From March 2011 on, the CNB pays no remuneration on the reserve requirement funds.

Column 11 shows the weighted average remuneration rate on allocated funds in foreign currency, including the marginal reserve

Table F4 Banks' liquidity indicators
daily averages and percentages, in million HRK and %

Year	Month	Free reserves		Primary liquidity ratio	Secondary liquidity sources	Kuna CNB bills	F/c CNB bills	Kuna MoF treasury bills
		In kuna	In f/c					
1	2	3	4	5	6	7	8	9
2000	December	638.8	10,721.4	3.32	80.1	2,485.3	1,692.7	2,006.5
2001	December	794.4	17,247.4	3.23	2.6	2,656.2	2,630.8	3,360.9
2002	December	1,225.0	10,398.0	3.53	0.6	4,965.5	1,273.9	4,279.5
2003	December	451.6	20,561.4	0.98	501.6	–	4,316.0	3,073.2
2004	December	1,495.5	26,126.1	2.64	0.0	–	–	4,581.7
2005	December	672.5	20,493.4	0.96	0.2	–	–	4,163.3
2006	December	840.8	20,239.1	0.83	–	–	–	5,993.7
2007	December	1,161.5	30,412.6	1.03	330.4	–	–	4,449.4
2008	December	1,168.7	28,101.4	1.03	289.1	–	–	6,171.2
2009	December	880.0	24,885.6	0.91	–	–	–	4,776.6
2010	December	407.1	30,511.9	0.42	–	–	–	5,705.9
2011	December	333.0	15,693.8	0.32	97.3	–	–	8,157.7
2012	December	612.4	5,113.4	0.61	–	–	–	8,010.0
2013	June	5,613.8	3,986.0	5.59	11.8	–	–	11,037.6
	July	3,613.4	4,422.3	3.51	6.0	–	–	11,584.8
	August	3,068.5	5,274.3	2.96	5.5	–	–	10,554.0
	September	3,716.7	6,425.8	3.58	19.5	–	–	11,623.2
	October	4,415.3	6,298.6	4.21	27.4	–	–	12,058.7
	November	4,765.0	5,263.2	4.55	13.7	–	–	12,571.0
	December	5,390.9	4,944.6	5.14	2.3	–	–	12,495.7
2014	January	7,684.4	4,515.3	7.40	–	–	–	12,688.6
	February	7,799.6	4,209.9	7.51	–	–	–	13,842.3
	March	7,909.0	4,172.1	7.63	–	–	–	14,174.9
	April	7,795.3	4,901.4	7.59	–	–	–	14,320.5
	May	7,588.6	5,134.4	7.39	–	–	–	13,954.2

requirement funds (from August 2004 to October 2008). From November 2009 on, the CNB does not pay remuneration on the allocated foreign currency component of reserve requirements.

Table F4 Banks' liquidity indicators • The table reports monthly averages of day-to-day balances of some indicators of banks' liquidity. Savings banks are included beginning in July 1999.

Column 3 shows free reserves in kuna, defined as a difference between the average balance in the settlement account and the average balance in the vault (until October 2008). From November 2008 on, they are defined as a difference between the average balance in the settlement account in the kuna reserve requirement maintenance period and the minimal average settlement account balance prescribed by the kuna reserve requirement calculation methodology.

Column 4 shows free reserves in foreign currency, defined as funds for the maintenance of foreign currency reserve requirements (foreign cash and checks in foreign currency, liquid foreign currency claims maintained in the accounts with the high-grade foreign banks and foreign currency CNB bills) decreased by the minimal required balance of these funds in the same period.

Column 5 shows the primary liquidity ratio as a percentage of monthly day-to-day kuna free reserves averages (column 3) in monthly day-to-day averages of deposits which constitute the reserve base.

Column 6 shows the monthly average of day-to-day balances of secondary liquidity sources used. Secondary liquidity sources comprise: Lombard credits (since December 1994), short-term liquidity credits (since February 1999) and overdue liabilities to the CNB.

Column 7 reports the monthly average of day-to-day balances of kuna CNB bills on a voluntary basis (until December 1994, this amount is decreased by the portion of voluntarily registered CNB bills used by banks to maintain the prescribed minimal liquidity).

Column 8 reports the monthly average of day-to-day balances of foreign currency CNB bills on a voluntary basis (in EUR and USD).

Column 9 reports the monthly average of day-to-day balances of kuna MoF treasury bills. Until September 2002, it shows the discounted value of treasury bills, while starting from October 2002, it shows their nominal value.

G Financial markets

Table G1a Credit institutions' interest rates on kuna deposits not indexed to foreign currency (new business)
weighted monthly averages of interest rates, in % on annual basis and volumes of new business in million HRK

	2011 Dec.	2012 Dec.	2013 Dec.	2014		2014 May	
				Mar.	Apr.	Interest rate	Volume
				Interest rate			
1 Households							
1.1 Overnight deposits	0.25	0.24	0.22	0.21	0.22	0.21	19,730.5
o/w: Transaction accounts	0.20	0.19	0.16	0.14	0.15	0.14	17,990.3
o/w: Savings deposits	0.68	0.70	0.87	0.92	0.94	0.94	1,728.8
1.2 Time deposits	3.75	3.43	2.89	2.72	2.66	2.59	2,239.1
1.2.1 Up to 3 months	3.17	2.39	2.12	2.03	1.92	1.81	665.0
1.2.2 Over 3 and up to 6 months	3.76	3.53	2.84	2.66	2.65	2.43	469.3
1.2.3 Over 6 months and up to 1 year	4.06	3.91	3.25	2.96	2.93	2.98	730.8
1.2.4 Over 1 and up to 2 years	4.42	4.43	3.64	3.37	3.53	3.35	275.9
1.2.5 Over 2 years	4.78	4.32	3.82	3.70	3.53	3.58	98.0
1.3 Deposits redeemable at notice	2.86	–	–	–	–	–	–
1.3.1 Up to 3 months	2.86	–	–	–	–	–	–
1.3.2 Over 3 months	–	–	–	–	–	–	–
2 Non-financial corporations							
2.1 Overnight deposits	0.64	0.60	0.43	0.41	0.40	0.37	18,095.9
o/w: Transaction accounts	0.59	0.56	0.39	0.39	0.38	0.34	17,685.0
o/w: Savings deposits	2.46	2.21	1.40	1.47	1.46	1.46	410.9
2.2 Time deposits	3.03	2.68	1.77	1.74	1.64	1.81	1,515.9
2.2.1 Up to 3 months	2.79	2.05	1.17	1.02	1.14	0.99	722.1
2.2.2 Over 3 and up to 6 months	4.91	3.63	2.37	2.20	2.24	2.31	294.9
2.2.3 Over 6 months and up to 1 year	4.98	3.95	3.20	2.51	2.69	2.65	147.1
2.2.4 Over 1 and up to 2 years	2.92	3.88	3.26	3.39	2.13	2.73	82.7
2.2.5 Over 2 years	3.96	4.87	2.13	2.57	1.32	2.69	269.1
3 Repos	–	0.43	–	–	2.50	–	–

Tables G1 • The tables contain the weighted monthly averages of credit institutions' interest rates and total volumes of new deposit business of credit institutions in the reporting month, in particular for kuna deposits not indexed to f/c, for kuna deposits indexed to f/c and for foreign currency deposits. Deposits in tables G1a through G1c are further broken down to deposits placed by households and non-financial corporations, by instrument, the classification by maturity and by the currency of indexation or by the currency, depending on the presentation format in the individual table.

In principle, the basis for the calculation of the weighted averages for deposits includes the amounts received during the reporting month (new business), while for overnight deposits the basis for the calculation of the weighted averages includes the end-of-month book balances.

New business includes newly received deposits during the reporting month, defined as any new agreement between the customer and the reporting institution. This means that they cover all financial contracts that specify for the first time the interest rate of the deposit, and all renegotiations of the terms and conditions of the existing deposit contracts.

When the terms and conditions of the existing contracts are being renegotiated, the active involvement of the customer in the renegotiations is essential, while any automatic changes to the terms and conditions of the contract by the reporting institution

are not considered new business.

Kuna and foreign currency deposits, which serve as a deposit for the granting of loans, are covered by the data in the table.

Short-term deposits are deposits with original maturity of up to and including one year, while long-term deposits are deposits with original maturity exceeding one year.

Overnight deposits are broken down to transaction accounts and savings deposits. Transaction account is the account through which an account holder in the reporting institution settles his payables and through which he collects his receivables.

The reporting institution uses this instrument only for the presentation of cash funds in accounts with the credit balance. Transaction account is the account opened with a reporting institution on the basis of a contract on the opening of such an account. This item includes restricted deposits, or different temporary (restricted) deposits which, for a specific purpose, can be transferred from current and giro accounts (e.g. funds set aside pursuant to a court's order, funds for international payments, funds for the purchase of foreign currency and purchase of securities, brokerage and custodial-based deposits, coverage for letters of credit, etc.). Savings deposits are deposits without a predetermined date of maturity or period of notice, which the depositor cannot debit by issuing a cashless payment order. Such accounts are primarily intended for savings.

Time deposits are deposits the use of which the depositor

Table G1b Credit institutions' interest rates on kuna deposits indexed to foreign currency (new business)
 weighted monthly averages of interest rates, in % on annual basis and volumes of new business in million HRK

	2011 Dec.	2012 Dec.	2013 Dec.	2014		2014 May	
				Mar.	Apr.		
				Interest rate			Interest rate	Volume
1 Households							
1.1 Overnight deposits	3.22	3.20	3.21	3.23	3.23	3.23	145.4
o/w: Transaction accounts	1.80	2.02	3.96	4.74	4.74	4.74	0.6
o/w: Savings deposits	3.22	3.21	3.21	3.22	3.22	3.22	144.9
1.2 Time deposits	3.19	2.87	3.48	3.26	3.15	2.85	63.9
1.2.1 Up to 3 months	2.18	1.75	1.34	1.20	1.52	1.09	11.1
1.2.2 Over 3 and up to 6 months	3.01	1.90	1.74	1.39	2.37	1.43	0.1
1.2.3 Over 6 months and up to 1 year	4.27	4.85	4.81	2.99	4.33	3.55	2.5
1.2.4 Over 1 and up to 2 years	4.43	3.74	4.03	2.90	2.70	2.91	7.9
1.2.5 Over 2 years	3.18	3.08	3.55	3.64	3.23	3.26	42.2
o/w: EUR	3.27	3.03	3.61	3.38	3.15	3.11	55.4
Short-term	2.94	2.57	3.72	2.06	3.49	2.24	5.3
Long-term	3.31	3.14	3.59	3.47	3.07	3.20	50.1
o/w: USD	1.88	1.51	1.10	1.10	–	1.10	8.5
Short-term	1.88	1.51	1.10	1.10	–	1.10	8.5
Long-term	0.00	–	–	0.00	–	–	–
1.3 Deposits redeemable at notice	–	–	–	–	–	–	–
1.3.1 Up to 3 months	–	–	–	–	–	–	–
1.3.2 Over 3 months	–	–	–	–	–	–	–
2 Non-financial corporations							
2.1 Overnight deposits	0.47	0.80	1.05	1.29	1.17	1.09	27.9
o/w: Transaction accounts	1.00	–	–	–	–	–	–
o/w: Savings deposits	0.47	0.80	1.05	1.29	1.17	1.09	27.9
2.2 Time deposits	3.54	4.76	3.23	2.17	2.19	1.51	3.7
2.2.1 Up to 3 months	2.79	3.64	2.01	2.09	2.07	–	–
2.2.2 Over 3 and up to 6 months	1.46	5.96	1.34	2.27	1.64	2.21	0.5
2.2.3 Over 6 months and up to 1 year	4.94	3.48	3.36	3.28	2.25	1.09	2.3
2.2.4 Over 1 and up to 2 years	2.41	4.73	2.79	2.20	2.88	3.03	0.6
2.2.5 Over 2 years	4.24	2.40	1.37	1.12	1.00	0.56	0.3
o/w: EUR	3.55	4.76	3.23	2.17	2.25	1.51	3.7
Short-term	3.18	4.79	3.26	2.20	2.08	1.30	2.8
Long-term	3.72	4.64	2.53	1.96	2.81	2.17	0.9
o/w: USD	1.15	4.00	3.80	–	1.00	–	–
Short-term	1.15	4.00	3.80	–	–	–	–
Long-term	–	–	–	–	1.00	–	–
3 Repos	–	–	–	–	–	–	–

renounces for a specific agreed time. Time deposit funds cannot be used for payments. These deposits also include time deposits with agreed notice period in which case the request for the disposal of funds has not been submitted yet.

Deposits redeemable at notice are savings deposits and time deposits for which a request for the disposal of funds has been

submitted.

Repos are a counterpart of cash received in exchange for securities sold by reporting institutions at a given price under a firm commitment to repurchase the same (or similar) securities at a fixed price on a specified future date.

Table G1c Credit institutions' interest rates on foreign currency deposits (new business)

weighted monthly averages of interest rates, in % on annual basis and volumes of new business in million HRK

	2011 Dec.	2012 Dec.	2013 Dec.	2014		2014 May	Volume
				Mar.	Apr.		
	Interest rate			Interest rate	Volume		
1 Households							
1.1 Overnight deposits	0.20	0.19	0.18	0.18	0.18	0.18	17,217.8
o/w: Transaction accounts	0.31	0.27	0.23	0.20	0.20	0.20	2,110.6
o/w: Savings deposits	0.19	0.18	0.18	0.18	0.18	0.17	15,107.1
1.2 Time deposits	3.25	3.16	2.52	2.47	2.43	2.37	7,936.2
1.2.1 Up to 3 months	2.37	2.07	1.62	1.50	1.51	1.46	1,073.5
1.2.2 Over 3 and up to 6 months	2.84	2.72	2.14	2.00	1.95	1.95	1,045.1
1.2.3 Over 6 months and up to 1 year	3.39	3.30	2.52	2.37	2.33	2.29	2,938.6
1.2.4 Over 1 and up to 2 years	3.95	3.80	2.99	2.87	2.93	2.87	1,964.6
1.2.5 Over 2 years	4.01	4.18	3.24	3.30	3.13	3.14	914.3
o/w: EUR	3.32	3.21	2.58	2.50	2.47	2.41	7,213.9
Short-term	3.12	3.01	2.31	2.13	2.10	2.07	4,538.6
Long-term	4.07	3.98	3.11	3.06	3.01	2.98	2,675.3
o/w: USD	2.95	2.70	2.29	2.31	2.21	2.27	521.5
Short-term	2.75	2.52	2.02	1.95	1.94	2.02	351.4
Long-term	3.56	3.47	2.93	3.07	2.92	2.79	170.0
1.3 Deposits redeemable at notice	2.92	-	-	-	-	-	-
1.3.1 Up to 3 months	2.92	-	-	-	-	-	-
1.3.2 Over 3 months	-	-	-	-	-	-	-
2 Non-financial corporations							
2.1 Overnight deposits	0.38	0.34	0.25	0.16	0.16	0.16	7,459.5
o/w: Transaction accounts	0.42	0.31	0.23	0.15	0.16	0.16	6,257.1
o/w: Savings deposits	0.27	0.44	0.33	0.19	0.18	0.19	1,202.4
2.2 Time deposits	2.42	1.76	1.44	1.15	1.91	0.84	4,132.6
2.2.1 Up to 3 months	2.07	1.14	0.95	0.75	0.74	0.53	3,446.7
2.2.2 Over 3 and up to 6 months	3.74	3.09	2.21	2.50	4.65	2.28	230.1
2.2.3 Over 6 months and up to 1 year	4.18	3.66	2.91	2.25	2.62	2.50	307.8
2.2.4 Over 1 and up to 2 years	4.56	3.52	3.39	4.70	4.66	2.72	121.7
2.2.5 Over 2 years	3.19	4.41	3.04	0.33	0.51	0.70	26.3
o/w: EUR	2.66	2.10	1.59	1.17	2.26	0.98	3,101.3
Short-term	2.60	1.96	1.54	1.07	1.83	0.91	2,992.6
Long-term	4.53	4.70	3.72	3.55	4.65	2.83	108.7
o/w: USD	1.37	0.77	0.65	0.66	0.27	0.32	941.5
Short-term	1.37	0.60	0.58	0.66	0.27	0.28	903.0
Long-term	2.82	2.51	2.39	1.45	-	1.08	38.5
3 Repos							
	-	-	-	-	-	-	-

Table G2a Credit institutions' interest rates on kuna loans to households not indexed to foreign currency (new business)
weighted monthly averages of interest rates, in % on annual basis and volumes of new business in million HRK

	2011 Dec.	2012 Dec.	2013 Dec.	2014		2014 May	
				Mar.	Apr.	Interest rate	Volume
					Interest rate		Volume
1 Revolving loans, overdrafts and credit card credit	10.71	10.63	10.20	9.67	9.64	9.61	11,587.3
o/w: Revolving loans	9.51	10.55	10.46	10.64	10.66	10.73	39.9
o/w: Overdrafts	11.51	11.44	11.36	10.61	10.58	10.57	7,290.2
o/w: Credit card credit	10.42	10.08	9.67	9.26	9.23	9.19	3,632.4
o/w: Sole proprietors	10.23	10.43	10.32	10.21	10.16	10.11	306.8
2 Consumer loans	6.22	5.90	6.26	6.72	6.55	6.75	26.4
2.1 Short-term	5.08	3.08	3.17	3.08	3.93	3.67	4.8
2.1.1 Floating rate and up to 1 year initial rate fixation	5.08	3.08	3.17	3.08	3.93	3.67	4.8
2.2 Long-term	6.43	6.92	7.14	7.36	7.22	7.43	21.6
2.2.1 Floating rate and up to 1 year initial rate fixation	6.49	6.90	6.07	7.09	7.19	6.91	6.0
2.2.2 Floating rate and over 1 year initial rate fixation	6.00	7.39	7.70	7.45	7.24	7.63	15.6
3 Loans for house purchases	5.34	5.74	5.81	5.73	5.63	5.56	48.5
3.1 Floating rate and up to 1 year initial rate fixation	5.25	5.70	5.83	5.63	5.56	5.56	32.9
3.2 Over 1 and up to 5 years initial rate fixation	6.43	7.99	5.42	6.08	4.27	5.85	0.1
3.3 Over 5 and up to 10 years initial rate fixation	6.82	7.13	5.27	6.25	5.92	5.37	8.2
3.4 Over 10 years initial rate fixation	5.90	5.64	5.86	6.04	5.90	5.75	7.4
4 For other purposes	7.91	9.01	9.00	9.07	9.00	8.91	892.0
4.1 Short-term	6.28	7.34	7.98	8.79	8.59	7.28	122.5
4.1.1 Floating rate and up to 1 year initial rate fixation	6.28	7.34	7.98	8.79	8.59	7.28	122.5
4.2 Long-term	8.40	9.15	9.11	9.11	9.06	9.16	769.6
4.2.1 Floating rate and up to 1 year initial rate fixation	8.42	9.15	8.85	8.78	8.84	8.87	212.3
4.2.2 Floating rate and over 1 year initial rate fixation	7.80	9.07	9.35	9.27	9.15	9.28	557.3
o/w: Sole proprietors	6.43	7.69	7.64	7.62	7.46	7.46	46.3

Tables G2 • The tables contain the weighted monthly averages of interest rates and total volumes of new lending business of credit institutions with households in the reporting month, in particular for kuna loans not indexed to f/c, for kuna loans indexed to f/c and for foreign currency loans. Loans to households in tables G2a through G2c are further broken down to loans to households by type of instruments, by original maturity, by the period of initial rate fixation and by the currency of indexation (EUR and CHF), or by the currency (EUR and CHF), depending on the presentation format in the individual table.

The "of which" position under the loans to households is shown in the tables for loans granted to sole proprietors.

In principle, the basis for the calculation of the weighted averages for loans are the amounts of loans granted during the reporting month (new business), while for revolving loans, overdrafts and credit card credit, the end-of-month book balances are the basis for the calculation of the weighted averages. Only loans classified as risk group A are covered.

New loans granted during the reporting month are considered new business, defined as any new agreement between the customer and the reporting institution. This means that they cover all financial contracts that specify for the first time the interest rate of the loan, and all renegotiations of the terms and conditions of the existing loan contracts. When the terms and conditions of the existing contracts are being renegotiated, the active involvement of the customer in the renegotiations is essential, while any automatic changes to the terms and conditions of the contract by the reporting institution are not considered new business.

The initial period of fixation of the interest rate is the period defined as a predetermined period of time at the start of a contract during which the value of the interest rate cannot change.

Short-term loans are loans with original maturity of up to and including one year, while long-term loans are loans with original maturity over one year.

Revolving loans include loans that meet the following conditions: there is no obligation of regular repayment of funds, the customer may use or withdraw funds to a pre-approved credit limit without giving prior notice to the reporting institution, the amount of available loan can increase or decrease as funds are borrowed and repaid, the loan may be used repeatedly. This item excludes revolving loans provided through credit cards and overdrafts.

Overdrafts refer to receivables on used overdrafts of counterparties.

In addition to the above, the table in particular shows credit card credits with the collection of interest, which include credit card credits with the card company guarantee.

Receivables on deferred card payments are not shown as a separate item, but are shown under items Revolving loans, overdrafts and credit card credit.

The convenience credit card is a card in the case of which the customer is due, without the payment of interest, to settle his liabilities after he receives a notice about it from the reporting institution, usually once a month. Consumer loans are loans granted to households for the purpose of personal use in the consumption of goods and services.

Loans for house purchases include all mortgage and other

Table G2b Credit institutions' interest rates on kuna loans to households indexed to foreign currency (new business)
 weighted monthly averages of interest rates, in % on annual basis and volumes of new business in million HRK

	2011 Dec.	2012 Dec.	2013 Dec.	2014		2014 May	
				Mar.	Apr.	Interest rate	Volume
				Interest rate			
1 Revolving loans, overdrafts and credit card credit	10.91	9.39	8.30	7.74	7.58	7.93	24.9
o/w: Revolving loans	10.91	9.39	8.30	7.74	7.58	7.93	24.9
o/w: Overdrafts	11.26	-	-	-	-	-	-
o/w: EUR	11.26	-	-	-	-	-	-
Short-term	11.26	-	-	-	-	-	-
Long-term	-	-	-	-	-	-	-
o/w: Credit card credit	12.68	-	-	-	-	-	-
o/w: EUR	12.68	-	-	-	-	-	-
Short-term	-	-	-	-	-	-	-
Long-term	12.68	-	-	-	-	-	-
o/w: Sole proprietors	10.95	9.39	8.31	7.73	7.57	7.92	24.5
2 Consumer loans	7.06	7.07	7.03	6.51	7.34	7.58	2.1
2.1 Short-term	10.99	6.19	7.01	8.40	10.18	10.24	0.0
2.1.1 Floating rate and up to 1 year initial rate fixation	10.99	6.19	7.01	8.40	10.18	10.24	0.0
2.2 Long-term	7.06	7.09	7.03	6.49	7.34	7.56	2.1
2.2.1 Floating rate and up to 1 year initial rate fixation	7.08	6.93	6.94	5.82	7.15	7.30	1.6
2.2.2 Floating rate and over 1 year initial rate fixation	7.01	9.13	7.08	7.98	7.76	8.25	0.6
o/w: EUR	7.18	7.08	7.06	6.48	7.45	7.59	2.1
Short-term	10.99	6.19	7.01	8.40	10.18	10.24	0.0
Long-term	7.17	7.10	7.06	6.46	7.44	7.57	2.1
o/w: CHF	6.83	6.89	6.75	7.02	5.23	6.80	0.0
Short-term	-	-	-	-	-	-	-
Long-term	6.83	6.89	6.75	7.02	5.23	6.80	0.0
3 Loans for house purchases	5.63	5.22	5.12	4.63	5.13	5.05	322.1
3.1 Floating rate and up to 1 year initial rate fixation	5.80	5.16	5.16	4.48	5.19	5.08	240.5
3.2 Over 1 and up to 5 years initial rate fixation	5.49	5.28	5.37	5.54	5.51	5.48	23.1
3.3 Over 5 and up to 10 years initial rate fixation	4.78	4.58	4.40	4.65	4.32	4.25	12.0
3.4 Over 10 years initial rate fixation	5.12	5.74	5.10	4.89	4.79	4.87	46.5
o/w: EUR	5.66	5.42	5.32	4.76	5.34	5.24	302.0
Short-term	5.50	5.39	5.54	5.61	5.48	5.55	35.2
Long-term	5.68	5.43	5.29	4.67	5.32	5.19	266.8
o/w: CHF	5.53	3.50	2.30	2.08	1.74	2.12	19.4
Short-term	-	-	-	-	-	-	-
Long-term	5.53	3.50	2.30	2.08	1.74	2.12	19.4
4 For other purposes	8.65	8.40	6.86	7.68	7.99	8.09	598.0
4.1 Short-term	8.50	8.03	6.42	6.58	7.03	7.62	51.0
4.1.1 Floating rate and up to 1 year initial rate fixation	8.50	8.03	6.42	6.58	7.03	7.62	51.0
4.2 Long-term	8.67	8.45	6.90	7.80	8.06	8.14	547.0
4.2.1 Floating rate and up to 1 year initial rate fixation	8.66	8.44	8.04	7.90	8.31	8.31	415.0
4.2.2 Floating rate and over 1 year initial rate fixation	8.72	8.49	6.21	7.64	7.43	7.59	132.0
o/w: EUR	8.68	8.41	6.88	7.72	8.00	8.12	592.8
Short-term	8.55	8.07	6.47	6.58	7.03	7.64	50.7
Long-term	8.69	8.46	6.92	7.84	8.08	8.16	542.1
o/w: Sole proprietors	7.32	7.36	6.58	6.63	6.70	6.46	66.8

loans extended for the purchase, construction and completion of a flat, for the purchase, construction and completion of buildings which have a maximum of four flats or for the improvement

of a flat, residential facilities or residential buildings (regardless of whether they are granted to an individual borrower or jointly to all tenants of a residential building). Lending for house

Table G2c Credit institutions' interest rates on foreign currency loans to households (new business)

weighted monthly averages of interest rates, in % on annual basis and volumes of new business in million HRK

	2011 Dec.	2012 Dec.	2013 Dec.	2014		2014 May	
				Mar.	Apr.	Interest rate	Volume
				Interest rate			
1 Revolving loans, overdrafts and credit card credit	0.29	0.53	0.55	0.56	0.55	0.58	35.4
o/w: Revolving loans	8.78	7.35	7.68	7.75	7.77	7.77	1.8
o/w: Overdrafts	12.00	12.00	12.00	12.00	12.00	12.00	0.5
o/w: Credit card credit	0.00	0.00	0.00	0.00	0.00	0.00	1.7
o/w: Sole proprietors	3.83	5.40	5.35	5.48	5.87	5.53	2.6
2 Consumer loans	7.98	-	-	-	-	-	-
2.1 Short-term	-	-	-	-	-	-	-
2.1.1 Floating rate and up to 1 year initial rate fixation	-	-	-	-	-	-	-
2.2 Long-term	7.98	-	-	-	-	-	-
2.2.1 Floating rate and up to 1 year initial rate fixation	7.98	-	-	-	-	-	-
2.2.2 Floating rate and over 1 year initial rate fixation	-	-	-	-	-	-	-
3 Loans for house purchases	-	-	-	-	-	-	-
3.1 Floating rate and up to 1 year initial rate fixation	-	-	-	-	-	-	-
3.2 Over 1 and up to 5 years initial rate fixation	-	-	-	-	-	-	-
3.3 Over 5 and up to 10 years initial rate fixation	-	-	-	-	-	-	-
3.4 Over 10 years initial rate fixation	-	-	-	-	-	-	-
4 For other purposes	6.82	-	6.64	6.36	5.08	6.64	6.1
4.1 Short-term	5.85	-	6.59	6.47	-	6.50	5.4
4.1.1 Floating rate and up to 1 year initial rate fixation	5.85	-	6.59	6.47	-	6.50	5.4
4.2 Long-term	9.95	-	6.69	4.81	5.08	7.61	0.8
4.2.1 Floating rate and up to 1 year initial rate fixation	-	-	7.43	6.40	5.08	7.61	0.8
4.2.2 Floating rate and over 1 year initial rate fixation	9.95	-	5.22	4.50	-	-	-
o/w: Sole proprietors	6.82	-	6.81	4.70	5.01	8.46	0.2

purchases comprises loans secured on residential property that are used for the purpose of house purchase and, where identifiable, other loans for house purchases made on a personal basis or secured against other forms of assets.

Loans for other purposes cover the following types of loans: overnight loans, loans for payments made based on guarantees and other warranties, reverse repos, shares in syndicated loans,

financial lease, loans granted for the purpose of education, mortgage loans, car purchase loans, margin loans, Lombard loans, loans for working capital, construction loans, loans to agriculture, loans to tourism, investments loans, loans for export financing, cash general-purpose loans, factoring and forfeiting and other loans.

Table G3a Credit institutions' interest rates on kuna loans to non-financial corporations not indexed to foreign currency (new business)
 weighted monthly averages of interest rates, in % on annual basis and volumes of new business in million HRK

	2011 Dec.	2012 Dec.	2013 Dec.	2014		2014 May	
				Mar.	Apr.	Interest rate	Volume
					Interest rate		Volume
1 Revolving loans, overdrafts and credit card credit	7.40	7.49	6.82	6.90	7.05	7.40	2,205.6
o/w: Revolving loans and overdrafts	7.39	7.47	6.78	6.87	7.03	7.42	2,097.4
o/w: Credit card credit	11.26	11.31	10.95	10.93	10.99	10.92	60.3
2 Loans up to an amount of HRK 2 million	7.82	6.95	6.40	6.70	6.60	6.74	292.0
2.1 Floating rate and up to 3 months initial rate fixation	7.94	7.04	6.27	6.77	6.74	6.81	263.3
2.2 Over 3 months and up to 1 year initial rate fixation	7.16	6.77	7.02	6.02	5.69	5.72	19.0
2.3 Over 1 and up to 3 years initial rate fixation	8.02	3.50	6.98	6.52	6.20	7.52	7.7
2.4 Over 3 and up to 5 years initial rate fixation	–	5.10	7.84	4.00	5.60	4.00	1.7
2.5 Over 5 and up to 10 years initial rate fixation	5.99	5.08	5.64	4.63	4.05	–	–
2.6 Over 10 years initial rate fixation	–	4.00	–	–	–	5.64	0.3
3 Loans from HRK 2 million to HRK 7.5 million	7.07	4.50	4.69	4.42	4.51	3.60	397.4
3.1 Floating rate and up to 3 months initial rate fixation	6.92	4.50	4.60	4.38	4.43	3.54	378.5
3.2 Over 3 months and up to 1 year initial rate fixation	8.07	5.53	6.47	5.00	6.07	6.15	9.5
3.3 Over 1 and up to 3 years initial rate fixation	3.03	3.03	–	5.32	7.00	4.06	2.5
3.4 Over 3 and up to 5 years initial rate fixation	–	–	4.07	–	3.47	–	–
3.5 Over 5 and up to 10 years initial rate fixation	6.00	1.00	3.03	4.00	4.00	3.66	7.0
3.6 Over 10 years initial rate fixation	–	–	–	–	–	–	–
4 Loans over HRK 7.5 million	7.55	5.68	4.32	4.09	4.47	3.28	1,406.8
4.1 Floating rate and up to 3 months initial rate fixation	7.74	5.68	4.27	4.00	4.43	3.17	1,299.7
4.2 Over 3 months and up to 1 year initial rate fixation	6.35	–	5.77	4.67	8.43	5.75	29.5
4.3 Over 1 and up to 3 years initial rate fixation	7.47	–	–	5.12	4.07	4.26	77.6
4.4 Over 3 and up to 5 years initial rate fixation	–	–	–	–	–	–	–
4.5 Over 5 and up to 10 years initial rate fixation	5.06	–	3.03	–	–	–	–
4.6 Over 10 years initial rate fixation	–	–	–	4.58	–	–	–

Tables G3 • The tables contain the weighted monthly averages of interest rates and total volumes of new lending business of credit institutions with non-financial corporations in the reporting month, in particular for kuna loans not indexed to f/c, for kuna loans indexed to f/c and for foreign currency loans. Loans to non-financial corporations in tables G3a through G3c are broken down to revolving loans, overdrafts and credit card credit as well as by the amount of granted loans: loans up to an amount of HRK 2 million, loans over HRK 2 million to HRK 7.5 million and loans over HRK 7.5 million.

The amount refers to the single loan transaction, and not to

all business between the corporations and the reporting agents. The reason for this is the separation of loans to large and small corporations. Without this division, loans to large corporations would dominate the weighted average interest rate. A further breakdown refers to original maturity and the currency (EUR and CHF) or the currency of indexation (EUR and CHF), depending on the presentation format in the individual table. The types of loans, the basis for the calculation of the weighted averages, the definition of new business and the initial period of fixation of the interest rate are explained in notes on methodology under G2 tables.

Table G3b Credit institutions' interest rates on kuna loans to non-financial corporations indexed to foreign currency (new business)
 weighted monthly averages of interest rates, in % on annual basis and volumes of new business in million HRK

	2011 Dec.	2012 Dec.	2013 Dec.	2014		2014 May	
				Mar.	Apr.		
				Interest rate			Interest rate	Volume
1 Revolving loans, overdrafts and credit card credit	8.96	8.30	6.86	6.82	6.68	6.65	428.4
o/w: Revolving loans and overdrafts	8.96	8.30	6.86	6.82	6.68	6.65	428.4
o/w: Credit card credit	-	-	-	-	-	-	-
2 Loans up to an amount of HRK 2 million	8.19	7.52	6.94	7.05	6.96	6.90	218.0
2.1 Floating rate and up to 3 months initial rate fixation	8.19	7.56	7.02	7.12	6.95	6.90	205.6
2.2 Over 3 months and up to 1 year initial rate fixation	7.51	5.96	6.47	6.00	6.34	6.57	8.5
2.3 Over 1 and up to 3 years initial rate fixation	8.70	9.20	5.64	9.04	9.69	6.99	1.4
2.4 Over 3 and up to 5 years initial rate fixation	9.71	-	6.30	5.48	9.14	-	-
2.5 Over 5 and up to 10 years initial rate fixation	8.69	7.40	4.82	8.64	6.55	8.77	1.0
2.6 Over 10 years initial rate fixation	7.23	-	-	6.37	5.95	7.12	1.4
o/w: EUR	8.21	7.53	6.94	7.06	6.96	6.90	218.0
Short-term	8.37	7.66	7.11	7.01	7.13	7.03	108.1
Long-term	8.00	7.39	6.74	7.11	6.81	6.76	110.0
o/w: CHF	5.84	-	-	4.20	-	-	-
Short-term	-	-	-	4.20	-	-	-
Long-term	5.84	-	-	-	-	-	-
3 Loans from HRK 2 million to HRK 7.5 million	7.34	6.90	6.32	6.49	5.85	6.46	222.1
3.1 Floating rate and up to 3 months initial rate fixation	7.37	6.96	6.52	6.60	5.92	6.62	192.0
3.2 Over 3 months and up to 1 year initial rate fixation	6.44	5.63	5.52	5.64	5.71	6.01	15.3
3.3 Over 1 and up to 3 years initial rate fixation	-	-	-	-	-	6.47	5.1
3.4 Over 3 and up to 5 years initial rate fixation	-	-	-	-	5.75	6.00	2.7
3.5 Over 5 and up to 10 years initial rate fixation	-	-	-	-	-	3.03	7.0
3.6 Over 10 years initial rate fixation	-	-	3.82	-	3.03	-	-
o/w: EUR	7.36	6.90	6.32	6.49	5.85	6.46	222.1
Short-term	7.37	7.05	6.58	6.81	5.92	6.88	89.7
Long-term	7.35	6.79	6.17	6.15	5.79	6.17	132.4
o/w: CHF	6.27	-	-	-	-	-	-
Short-term	-	-	-	-	-	-	-
Long-term	6.27	-	-	-	-	-	-
4 Loans over HRK 7.5 million	6.98	6.46	5.39	5.39	5.76	5.88	484.4
4.1 Floating rate and up to 3 months initial rate fixation	7.00	6.46	5.39	5.73	5.78	5.97	465.4
4.2 Over 3 months and up to 1 year initial rate fixation	5.59	-	6.66	5.43	4.50	-	-
4.3 Over 1 and up to 3 years initial rate fixation	-	-	-	3.40	6.01	-	-
4.4 Over 3 and up to 5 years initial rate fixation	9.92	-	-	-	-	-	-
4.5 Over 5 and up to 10 years initial rate fixation	-	-	4.66	4.06	-	3.82	19.0
4.6 Over 10 years initial rate fixation	4.90	-	-	5.09	5.64	-	-
o/w: EUR	7.00	6.46	5.39	5.36	5.78	5.88	484.4
Short-term	8.04	6.90	4.98	6.75	6.79	5.70	225.4
Long-term	5.99	6.03	6.16	4.61	4.75	6.04	259.0
o/w: CHF	5.14	-	5.38	6.43	-	-	-
Short-term	-	-	-	-	-	-	-
Long-term	5.14	-	5.38	6.43	-	-	-

Table G3c Credit institutions' interest rates on foreign currency loans to non-financial corporations (new business)
 vweighted monthly averages of interest rates, in % on annual basis and volumes of new business in million HRK

	2011 Dec.	2012 Dec.	2013 Dec.	2014		2014 May	
				Mar.	Apr.		
				Interest rate			Interest rate	Volume
1 Revolving loans, overdrafts and credit card credit	6.41	6.73	5.83	6.19	5.91	5.86	267.3
o/w: Revolving loans and overdrafts	6.45	6.85	5.94	6.34	6.03	5.99	261.3
o/w: Credit card credit	0.00	0.00	0.00	0.00	0.00	0.00	0.1
2 Loans up to an amount of HRK 2 million	6.75	6.32	6.23	6.31	5.91	6.04	47.3
2.1 Floating rate and up to 3 months initial rate fixation	6.77	6.44	6.20	6.33	5.92	6.07	46.2
2.2 Over 3 months and up to 1 year initial rate fixation	5.56	5.11	6.44	5.75	5.68	5.02	1.1
2.3 Over 1 and up to 3 years initial rate fixation	-	-	5.90	-	-	-	-
2.4 Over 3 and up to 5 years initial rate fixation	-	-	8.00	-	-	-	-
2.5 Over 5 and up to 10 years initial rate fixation	-	-	5.90	-	-	-	-
2.6 Over 10 years initial rate fixation	-	-	-	-	-	-	-
o/w: EUR	6.76	6.32	6.21	6.30	5.92	6.07	45.4
Short-term	6.65	6.18	6.08	6.13	5.85	5.98	37.3
Long-term	7.22	6.85	6.59	6.83	6.16	6.46	8.1
o/w: USD	6.67	5.84	7.03	6.94	5.70	5.54	2.0
Short-term	6.67	7.61	6.86	6.41	5.41	5.15	0.6
Long-term	-	5.43	7.91	7.96	6.20	5.70	1.4
3 Loans from HRK 2 million to HRK 7.5 million	6.18	6.00	5.20	4.64	4.07	4.80	110.9
3.1 Floating rate and up to 3 months initial rate fixation	6.22	6.02	5.20	4.64	4.06	4.77	100.3
3.2 Over 3 months and up to 1 year initial rate fixation	5.22	5.38	-	-	5.05	5.01	10.6
3.3 Over 1 and up to 3 years initial rate fixation	-	-	-	-	-	-	-
3.4 Over 3 and up to 5 years initial rate fixation	-	-	-	-	-	-	-
3.5 Over 5 and up to 10 years initial rate fixation	-	-	-	-	-	-	-
3.6 Over 10 years initial rate fixation	-	-	-	-	-	-	-
o/w: EUR	6.18	5.97	5.19	4.57	3.87	4.27	93.5
Short-term	5.59	5.86	4.47	4.28	3.61	4.26	86.5
Long-term	7.26	6.12	6.42	5.92	5.84	4.40	7.0
o/w: USD	-	7.04	2.13	0.94	2.82	-	-
Short-term	-	7.04	2.13	0.94	1.53	-	-
Long-term	-	-	-	-	6.17	-	-
4 Loans over HRK 7.5 million	5.37	4.26	4.49	4.89	2.95	2.86	716.2
4.1 Floating rate and up to 3 months initial rate fixation	6.61	4.68	4.49	4.89	2.81	3.21	636.8
4.2 Over 3 months and up to 1 year initial rate fixation	-	-	-	-	5.48	-	-
4.3 Over 1 and up to 3 years initial rate fixation	-	-	-	-	-	-	-
4.4 Over 3 and up to 5 years initial rate fixation	-	0.00	-	-	-	-	-
4.5 Over 5 and up to 10 years initial rate fixation	0.00	6.66	-	-	-	0.00	79.4
4.6 Over 10 years initial rate fixation	-	-	-	-	-	-	-
o/w: EUR	5.36	4.18	4.53	4.89	2.97	2.86	716.2
Short-term	6.92	2.70	3.02	3.09	3.11	3.34	420.2
Long-term	4.40	4.57	6.19	5.78	2.67	2.17	296.0
o/w: USD	6.00	6.20	2.89	-	2.91	-	-
Short-term	6.00	-	2.89	-	2.91	-	-
Long-term	-	6.20	-	-	-	-	-

Table G4 Credit institutions' effective interest rates on selected loans (new business)

weighted monthly averages of interest rates, in % on annual basis and volumes of new business in million HRK

	2011 Dec.	2012 Dec.	2013 Dec.	2014		2014 May	
				Mar.	Apr.		
				Interest rate			Interest rate	Volume
1 Households							
1.1 Kuna loans							
1.1.1 Consumer loans	8.34	7.67	8.17	8.53	8.19	8.34	26.4
1.1.2 Loans for house purchases	5.49	6.27	6.11	6.07	5.94	5.82	48.5
1.2 Loans indexed to f/c							
1.2.1 Consumer loans	8.37	9.93	8.88	7.71	8.84	9.14	2.1
o/w: EUR	9.01	10.00	9.05	7.74	8.93	9.16	2.1
Short-term	19.28	9.33	9.22	11.17	10.80	10.87	0.0
Long-term	9.00	10.02	9.05	7.69	8.93	9.15	2.1
o/w: CHF	7.03	7.16	7.18	7.25	7.09	7.59	0.0
Short-term	–	–	–	–	–	–	–
Long-term	7.03	7.16	7.18	7.25	7.09	7.59	0.0
1.2.2 Loans for house purchases	6.13	6.00	5.73	5.05	5.58	5.54	322.1
o/w: EUR	6.25	6.04	5.77	5.12	5.70	5.63	302.0
Short-term	6.26	6.11	5.85	5.84	5.78	5.79	35.2
Long-term	6.25	6.03	5.76	5.04	5.69	5.60	266.8
o/w: CHF	5.69	5.60	5.16	3.82	3.63	4.15	19.4
Short-term	–	–	–	–	–	–	–
Long-term	5.69	5.60	5.16	3.82	3.63	4.15	19.4
1.3 F/c loans							
1.3.1 Consumer loans	7.97	–	–	–	–	–	–
1.3.2 Loans for house purchases	–	–	–	–	–	–	–
2 Loans to non-financial corporations							
2.1 Kuna loans							
2.1.1 Loans up to an amount of HRK 7.5 million	8.28	6.44	6.24	6.12	6.15	5.63	689.4
2.1.2 Loans over HRK 7.5 million	8.64	6.34	4.56	4.54	4.93	3.57	1,406.8
2.2 Loans indexed to f/c							
2.2.1 Loans up to an amount of HRK 7.5 million	8.50	7.98	7.24	7.61	7.08	7.47	440.1
2.2.2 Loans over HRK 7.5 million	7.91	7.42	7.93	6.03	6.18	6.79	484.4
2.3 F/c loans							
2.3.1 Loans up to an amount of HRK 7.5 million	6.78	6.52	5.99	5.51	4.95	5.74	158.2
2.3.2 Loans over HRK 7.5 million	6.03	4.51	4.60	5.22	3.11	2.96	716.2

Table G4 Credit institutions' effective interest rates for selected loans (new business) • The table contains the weighted monthly averages of credit institutions' effective interest rates and total volumes of new lending business in the reporting month, in particular for kuna loans, for kuna loans indexed to f/c and for f/c loans and separately for loans to households and for loans to non-financial corporations.

Reporting institutions submit effective interest rates in accordance with the Decision on the effective interest rate of credit institutions and credit unions and on service contracts with

consumers.

Loans to households are broken down to kuna loans, loans indexed to f/c and f/c loans. The loans indexed to f/c are broken down by type, the currency of indexation (EUR and CHF) and original maturity. Loans to non-financial corporations are broken down by currency and by the amount of granted loans: loans up to an amount of HRK 7.5 million and loans over HRK 7.5 million. The types of loans, the basis for the calculation of the weighted averages and the definition of new business are explained in notes on methodology under G2 tables.

Table G5a Credit institutions' interest rates on kuna deposits and loans not indexed to foreign currency (outstanding amounts)
weighted monthly averages of interest rates, in % on annual basis and volumes in million HRK

	2011 Dec.	2012 Dec.	2013 Dec.	2014		2014 May	
				Mar.	Apr.		
		Interest rate		Interest rate	Volume		
1 Deposits	3.82	3.78	3.21	3.09	3.04	3.01	28,973.6
1.1 Households	4.03	4.04	3.44	3.26	3.22	3.19	22,626.1
1.1.1 Time deposits	4.03	4.04	3.44	3.26	3.22	3.19	22,626.1
1.1.1.1 Short-term	3.90	3.87	3.24	3.05	3.01	2.97	14,388.0
1.1.1.1.1 Up to 3 months	3.25	2.88	2.40	2.19	2.16	2.17	2,095.9
1.1.1.1.2 Over 3 and up to 6 months	3.81	3.76	2.95	2.82	2.79	2.73	3,245.2
1.1.1.1.3 Over 6 months and up to 1 year	4.15	4.18	3.54	3.34	3.29	3.25	9,047.0
1.1.1.2 Long-term	4.35	4.41	3.81	3.64	3.60	3.57	8,238.1
1.1.1.2.1 Over 1 and up to 2 years	4.52	4.56	3.93	3.70	3.65	3.60	4,781.0
1.1.1.2.2 Over 2 years	4.17	4.26	3.65	3.57	3.54	3.52	3,457.1
1.2 Non-financial corporations	3.43	3.32	2.53	2.50	2.41	2.40	6,342.5
1.2.1 Time deposits	3.43	3.32	2.53	2.50	2.41	2.40	6,342.5
1.2.1.1 Short-term	3.68	3.34	2.37	2.36	2.29	2.31	4,431.2
1.2.1.1.1 Up to 3 months	3.33	2.39	1.54	1.79	1.68	1.78	1,451.3
1.2.1.1.2 Over 3 and up to 6 months	4.17	3.78	2.44	2.30	2.30	2.30	1,090.0
1.2.1.1.3 Over 6 months and up to 1 year	4.03	4.29	3.19	2.84	2.76	2.71	1,889.9
1.2.1.2 Long-term	3.02	3.23	2.98	2.93	2.73	2.61	1,911.3
1.2.1.2.1 Over 1 and up to 2 years	3.07	4.03	3.22	3.09	2.82	2.80	1,131.9
1.2.1.2.2 Over 2 years	2.77	2.77	2.67	2.72	2.59	2.33	779.5
1.3 Repos	–	0.52	0.61	0.25	0.38	2.50	5.0
2 Loans	8.59	8.17	7.78	7.59	7.58	7.62	50,272.3
2.1 Households	9.53	9.44	9.23	8.94	8.92	8.90	30,095.0
2.1.1 Loans for house purchases	6.49	6.45	6.46	6.34	6.31	6.29	3,972.4
2.1.1.1 Short-term	–	5.37	–	9.91	9.38	9.38	0.2
2.1.1.2 Long-term	6.49	6.45	6.46	6.34	6.31	6.29	3,972.2
2.1.1.2.1 Over 1 and up to 5 years	6.41	6.45	6.20	6.04	5.97	5.94	10.6
2.1.1.2.2 Over 5 years	6.49	6.45	6.46	6.34	6.31	6.29	3,961.6
2.1.2 Consumer loans and other loans	10.10	9.98	9.68	9.36	9.33	9.29	26,122.6
2.1.2.1 Short-term	10.47	10.46	10.10	9.52	9.51	9.45	10,359.9
2.1.2.2 Long-term	9.82	9.58	9.38	9.24	9.21	9.19	15,762.7
2.1.2.2.1 Over 1 and up to 5 years	10.07	9.70	9.35	9.34	9.31	9.25	3,987.2
2.1.2.2.2 Over 5 years	9.75	9.55	9.38	9.21	9.17	9.16	11,775.5
o/w: Sole proprietors	9.13	8.35	7.77	7.78	7.79	7.77	1,054.3
2.2 Non-financial corporations	7.42	6.48	5.69	5.63	5.66	5.73	20,177.3
2.2.1 Loans	7.42	6.48	5.69	5.63	5.66	5.73	20,177.3
2.2.1.1 Short-term	7.67	7.07	6.21	6.18	6.22	6.46	9,578.5
2.2.1.2 Long-term	7.19	5.90	5.19	5.10	5.11	5.06	10,598.8
2.2.1.2.1 Over 1 and up to 5 years	7.61	6.42	5.91	5.85	5.90	5.77	4,615.2
2.2.1.2.2 Over 5 years	6.62	5.41	4.67	4.55	4.52	4.51	5,983.6

Tables G5 • The tables contain the weighted monthly averages of credit institutions' interest rates for outstanding amounts of selected deposits and loans and total amounts of book balances of such deposits and loans, by reporting months.

Deposits and loans to households and non-financial corporations are broken down to deposits and loans not indexed to f/c, deposits and loans indexed to f/c and foreign currency deposits and loans.

Deposits and loans to households in tables G5a through G5c are further broken down by instrument, by original maturity and

by the currency of indexation (EUR and CHF) or by the currency (EUR and CHF), depending on the presentation format in the individual table. The "of which" position under the loans to households is shown in the tables for loans granted to sole proprietors.

The end-of-month book balances of deposits and loans are the basis for the calculation of the weighted averages for deposits and loans.

The descriptions of instruments are explained in notes on methodology under G1 and G2 tables.

Table G5b Credit institutions' interest rates on kuna deposits and loans indexed to foreign currency (outstanding amounts)
 weighted monthly averages of interest rates, in % on annual basis and volumes in million HRK

	2011 Dec.	2012 Dec.	2013 Dec.	2014		2014 May
				Mar.	Apr.	
	Interest rate				Interest rate	Volume
1 Deposits	3.13	3.09	3.09	3.11	3.11	7,429.5
1.1 Households	3.12	3.06	3.09	3.11	3.12	6,922.7
1.1.1 Time deposits	3.12	3.06	3.09	3.11	3.12	6,922.7
1.1.1.1 Short-term	3.32	2.78	2.98	3.00	3.03	284.7
1.1.1.1.1 Up to 3 months	2.25	1.77	1.50	1.39	1.48	29.0
1.1.1.1.2 Over 3 and up to 6 months	2.66	2.09	1.85	1.80	1.74	36.1
1.1.1.1.3 Over 6 months and up to 1 year	3.78	3.32	3.40	3.42	3.39	219.6
o/w: EUR	3.46	2.90	3.11	3.15	3.13	260.0
o/w: USD	2.01	1.82	1.55	1.46	1.62	23.9
1.1.1.2 Long-term	3.11	3.08	3.10	3.12	3.12	6,637.9
1.1.1.2.1 Over 1 and up to 2 years	3.46	3.19	3.00	2.90	2.87	262.8
1.1.1.2.2 Over 2 years	3.09	3.07	3.10	3.13	3.13	6,375.1
o/w: EUR	3.17	3.13	3.14	3.17	3.17	6,523.0
o/w: USD	2.88	2.74	2.48	2.42	2.33	17.5
1.2 Non-financial corporations	3.15	3.30	3.05	3.04	3.05	506.8
1.2.1 Time deposits	3.15	3.30	3.05	3.04	3.05	506.8
1.2.1.1 Short-term	3.50	3.81	3.51	3.34	3.47	171.8
1.2.1.1.1 Up to 3 months	3.44	3.37	2.47	2.12	2.07	23.1
1.2.1.1.2 Over 3 and up to 6 months	2.87	4.41	3.86	2.16	2.07	12.1
1.2.1.1.3 Over 6 months and up to 1 year	3.95	3.51	3.62	3.84	3.83	136.6
o/w: EUR	3.51	3.81	3.51	3.34	3.47	171.0
o/w: USD	2.42	2.52	3.06	3.06	3.05	0.7
1.2.1.2 Long-term	3.05	2.79	2.77	2.87	2.83	335.1
1.2.1.2.1 Over 1 and up to 2 years	2.90	2.65	1.92	1.94	1.50	52.5
1.2.1.2.2 Over 2 years	3.15	2.83	2.99	3.09	3.08	282.6
o/w: EUR	3.06	2.79	2.77	2.87	2.84	333.4
o/w: USD	2.17	0.28	-	-	1.00	1.3
1.3 Repos	-	-	-	-	-	-
2 Loans	6.93	6.66	6.52	6.20	6.20	117,944.2
2.1 Households	7.20	7.10	6.96	6.50	6.49	82,953.3
2.1.1 Loans for house purchases	5.78	5.73	5.60	4.94	4.95	51,617.6
2.1.1.1 Short-term	7.04	4.89	5.78	3.44	3.45	1.1
o/w: EUR	7.55	4.89	4.76	3.67	3.70	0.6
o/w: CHF	5.05	-	5.81	3.39	3.39	0.5
2.1.1.2 Long-term	5.78	5.73	5.60	4.94	4.95	51,616.6
2.1.1.2.1 Over 1 and up to 5 years	6.27	6.09	5.86	5.15	5.15	157.2
2.1.1.2.2 Over 5 years	5.77	5.73	5.60	4.94	4.95	51,459.3
o/w: EUR	6.09	5.97	5.92	5.87	5.86	33,485.9
o/w: CHF	5.32	5.33	5.02	3.25	3.25	18,092.3
2.1.2 Consumer loans and other loans	9.32	9.19	9.12	9.03	9.02	31,335.7
2.1.2.1 Short-term	8.50	8.20	7.10	6.91	6.82	276.5
o/w: EUR	8.62	8.36	7.26	7.04	6.95	258.7
o/w: CHF	9.75	7.04	4.06	-	-	0.1
2.1.2.2 Long-term	9.33	9.20	9.13	9.05	9.04	31,059.2
2.1.2.2.1 Over 1 and up to 5 years	9.49	9.18	8.94	8.79	8.75	3,496.0
2.1.2.2.2 Over 5 years	9.30	9.20	9.16	9.08	9.07	27,563.2
o/w: EUR	9.50	9.31	9.22	9.12	9.11	30,049.6
o/w: CHF	7.54	7.30	7.09	6.90	6.87	940.0

	2011 Dec.	2012 Dec.	2013 Dec.	2014		2014 May	
				Mar.	Apr.	Interest rate	Volume
					Interest rate		Volume
o/w: Sole proprietors	6.81	6.41	6.25	6.29	6.32	6.28	2,450.0
2.2 Non-financial corporations	6.42	5.68	5.51	5.49	5.50	5.47	34,990.9
2.2.1 Loans	6.42	5.68	5.51	5.49	5.50	5.47	34,990.9
2.2.1.1 Short-term	7.90	7.45	7.09	7.14	7.22	7.22	3,819.6
o/w: EUR	7.90	7.46	7.10	7.15	7.23	7.22	3,799.2
o/w: CHF	8.31	4.64	4.59	4.58	4.58	6.87	18.6
2.2.1.2 Long-term	6.15	5.43	5.33	5.29	5.29	5.26	31,171.3
2.2.1.2.1 Over 1 and up to 5 years	7.68	7.08	6.69	6.62	6.66	6.57	5,676.6
2.2.1.2.2 Over 5 years	5.58	4.98	5.00	4.99	4.99	4.97	25,494.7
o/w: EUR	6.19	5.44	5.34	5.30	5.31	5.27	30,480.7
o/w: CHF	4.88	4.81	4.65	4.53	4.57	4.55	636.6

Table G5c Credit institutions' interest rates on foreign currency deposits and loans (outstanding amounts)

weighted monthly averages of interest rates, in % on annual basis and volumes in million HRK

	2011 Dec.	2012 Dec.	2013 Dec.	2014		2014 May	
				Mar.	Apr.		
					Interest rate	Interest rate	Volume
1 Deposits	3.57	3.58	2.97	2.85	2.82	2.79	124,453.4
1.1 Households	3.60	3.57	2.98	2.87	2.83	2.80	115,165.0
1.1.1 Time deposits	3.60	3.57	2.98	2.87	2.83	2.80	115,165.0
1.1.1.1 Short-term	3.31	3.30	2.60	2.45	2.40	2.37	54,684.7
1.1.1.1.1 Up to 3 months	2.31	2.20	1.58	1.51	1.46	1.43	4,158.0
1.1.1.1.2 Over 3 and up to 6 months	2.91	2.84	2.05	1.98	1.94	1.91	8,258.1
1.1.1.1.3 Over 6 months and up to 1 year	3.52	3.51	2.82	2.63	2.59	2.55	42,268.6
o/w: EUR	3.38	3.36	2.66	2.50	2.45	2.42	49,182.5
o/w: USD	2.79	2.70	2.25	2.14	2.12	2.10	3,529.7
1.1.1.2 Long-term	4.02	3.98	3.36	3.26	3.23	3.19	60,480.3
1.1.1.2.1 Over 1 and up to 2 years	3.93	3.94	3.24	3.12	3.06	3.02	32,502.2
1.1.1.2.2 Over 2 years	4.14	4.02	3.51	3.44	3.42	3.39	27,978.1
o/w: EUR	4.09	4.05	3.41	3.31	3.27	3.24	55,362.1
o/w: USD	3.35	3.42	2.98	2.91	2.88	2.85	3,450.4
1.2 Non-financial corporations	3.21	3.64	2.90	2.70	2.62	2.66	9,288.4
1.2.1 Time deposits	3.21	3.64	2.90	2.70	2.62	2.66	9,288.4
1.2.1.1 Short-term	3.17	2.69	2.92	2.73	2.51	2.59	7,432.8
1.2.1.1.1 Up to 3 months	2.66	1.79	1.43	1.17	1.39	1.38	2,308.9
1.2.1.1.2 Over 3 and up to 6 months	3.50	3.07	2.32	2.27	3.08	3.13	1,977.1
1.2.1.1.3 Over 6 months and up to 1 year	3.85	3.86	4.28	3.95	3.05	3.13	3,146.8
o/w: EUR	3.25	2.78	3.05	2.84	2.59	2.69	6,682.9
o/w: USD	2.45	2.02	1.39	1.63	1.69	1.63	651.0
1.2.1.2 Long-term	3.53	5.81	2.78	2.50	3.16	2.96	1,855.6
1.2.1.2.1 Over 1 and up to 2 years	3.74	6.30	3.08	2.87	3.73	3.45	1,285.0
1.2.1.2.2 Over 2 years	3.33	2.31	2.02	1.89	1.90	1.84	570.6
o/w: EUR	3.76	6.09	3.04	2.77	3.50	3.30	1,513.3
o/w: USD	2.13	2.45	1.88	1.46	1.46	1.41	293.1
1.3 Repos	-	-	-	-	-	-	-
2 Loans	6.34	5.48	5.31	5.41	5.37	5.40	21,339.4
2.1 Households	6.21	5.34	5.19	5.31	5.17	5.24	227.6
2.1.1 Loans for house purchases	6.02	5.97	5.95	3.60	3.63	3.63	9.2
2.1.1.1 Short-term	-	-	-	-	-	-	-
o/w: EUR	-	-	-	-	-	-	-
o/w: CHF	-	-	-	-	-	-	-
2.1.1.2 Long-term	6.02	5.97	5.95	3.60	3.63	3.63	9.2
2.1.1.2.1 Over 1 and up to 5 years	6.16	-	-	-	-	-	-
2.1.1.2.2 Over 5 years	6.02	5.97	5.95	3.60	3.63	3.63	9.2
o/w: EUR	7.35	7.77	8.04	8.04	8.03	6.03	1.1
o/w: CHF	5.84	5.77	5.80	3.28	3.30	3.29	8.0
2.1.2 Consumer loans and other loans	6.22	5.31	5.16	5.38	5.23	5.31	218.4
2.1.2.1 Short-term	1.27	1.78	1.92	4.06	3.36	3.66	75.2
o/w: EUR	1.24	1.77	1.93	4.06	3.36	3.65	75.1
o/w: CHF	12.00	12.00	12.00	12.00	12.00	12.00	0.0
2.1.2.2 Long-term	7.27	6.27	6.21	6.23	6.16	6.18	143.2
2.1.2.2.1 Over 1 and up to 5 years	7.43	7.24	6.96	6.71	6.45	6.56	26.9
2.1.2.2.2 Over 5 years	7.19	6.15	6.02	6.13	6.09	6.09	116.3
o/w: EUR	7.41	6.20	6.21	6.20	6.15	6.18	132.1
o/w: CHF	6.26	6.87	6.16	6.59	6.18	6.18	11.1

	2011 Dec.	2012 Dec.	2013 Dec.	2014		2014 May	
				Mar.	Apr.	Interest rate	Volume
					Interest rate		Volume
o/w: Sole proprietors	7.27	6.79	6.68	6.65	6.53	6.59	78.0
2.2 Non-financial corporations	6.34	5.48	5.31	5.42	5.37	5.40	21,111.8
2.2.1 Loans	6.34	5.48	5.31	5.42	5.37	5.40	21,111.8
2.2.1.1 Short-term	6.87	5.78	5.09	5.64	5.83	5.49	2,187.5
o/w: EUR	7.29	5.74	5.00	5.41	6.14	5.47	2,052.7
o/w: USD	5.17	6.13	5.98	7.85	4.03	5.70	128.4
2.2.1.2 Long-term	6.27	5.44	5.34	5.39	5.33	5.39	18,924.3
2.2.1.2.1 Over 1 and up to 5 years	6.51	5.69	5.75	5.75	5.42	5.53	3,977.6
2.2.1.2.2 Over 5 years	6.15	5.36	5.24	5.29	5.30	5.36	14,946.7
o/w: EUR	6.33	5.45	5.35	5.40	5.34	5.40	18,762.0
o/w: USD	5.89	5.23	5.68	5.65	5.65	5.90	47.5

Table G6a Credit institutions' interest rates on kuna deposits and loans not indexed to foreign currency (new business)
weighted monthly averages of interest rates, in % on annual basis and volumes of new business in million HRK

	2011 Dec.	2012 Dec.	2013 Dec.	2014		2014 May	
				Mar.	Apr.		
				Interest rate			Interest rate	Volume
1 Deposits	3.23	2.89	2.42	2.36	2.28	2.27	3,755.0
1.1 Households	3.75	3.43	2.89	2.72	2.66	2.59	2,239.1
1.1.1 Time deposits	3.75	3.43	2.89	2.72	2.66	2.59	2,239.1
1.1.1.1 Short-term	3.65	3.27	2.73	2.53	2.46	2.43	1,865.1
1.1.1.1.1 Up to 3 months	3.17	2.39	2.12	2.03	1.92	1.81	665.0
1.1.1.1.2 Over 3 and up to 6 months	3.76	3.53	2.84	2.66	2.65	2.43	469.3
1.1.1.1.3 Over 6 months and up to 1 year	4.06	3.91	3.25	2.96	2.93	2.98	730.8
1.1.1.2 Long-term	4.55	4.41	3.69	3.46	3.53	3.41	373.9
1.1.1.2.1 Over 1 and up to 2 years	4.42	4.43	3.64	3.37	3.53	3.35	275.9
1.1.1.2.2 Over 2 years	4.78	4.32	3.82	3.70	3.53	3.58	98.0
1.2 Non-financial corporations	3.03	2.68	1.77	1.74	1.64	1.81	1,515.9
1.2.1 Time deposits	3.03	2.68	1.77	1.74	1.64	1.81	1,515.9
1.2.1.1 Short-term	3.11	2.59	1.57	1.67	1.57	1.54	1,164.0
1.2.1.1.1 Up to 3 months	2.79	2.05	1.17	1.02	1.14	0.99	722.1
1.2.1.1.2 Over 3 and up to 6 months	4.91	3.63	2.37	2.20	2.24	2.31	294.9
1.2.1.1.3 Over 6 months and up to 1 year	4.98	3.95	3.20	2.51	2.69	2.65	147.1
1.2.1.2 Long-term	2.94	4.20	3.16	3.09	2.05	2.70	351.9
1.2.1.2.1 Over 1 and up to 2 years	2.92	3.88	3.26	3.39	2.13	2.73	82.7
1.2.1.2.2 Over 2 years	3.96	4.87	2.13	2.57	1.32	2.69	269.1
1.3 Repos	–	0.43	–	–	2.50	–	–
2 Loans	9.74	9.50	8.83	8.56	8.51	8.57	16,370.2
2.1 Households	10.58	10.56	10.13	9.60	9.57	9.53	12,514.3
2.1.1 Loans for house purchases	5.34	5.74	5.81	5.73	5.63	5.56	48.5
2.1.1.1 Short-term	–	5.31	5.86	5.75	5.65	5.64	15.9
2.1.1.2 Long-term	5.34	5.90	5.78	5.71	5.60	5.52	32.6
2.1.1.2.1 Over 1 and up to 5 years	5.91	6.28	5.44	5.77	4.72	5.85	0.1
2.1.1.2.2 Over 5 years	5.33	5.89	5.79	5.71	5.61	5.52	32.5
2.1.2 Consumer loans and other loans	10.61	10.56	10.14	9.61	9.59	9.55	12,465.8
2.1.2.1 Short-term	10.49	10.50	10.13	9.54	9.52	9.47	10,014.0
2.1.2.2 Long-term	11.16	10.86	10.20	9.90	9.87	9.86	2,451.8
2.1.2.2.1 Over 1 and up to 5 years	11.18	10.68	9.93	9.96	9.90	9.85	1,710.2
2.1.2.2.2 Over 5 years	11.10	11.18	10.70	9.77	9.82	9.86	741.6
o/w: Sole proprietors	9.72	10.13	9.87	9.69	9.57	9.66	320.0
2.2 Non-financial corporations	7.50	6.50	5.61	5.67	5.72	5.43	3,855.9
Loans	7.50	6.50	5.61	5.67	5.72	5.43	3,855.9
2.2.1 Short-term	7.51	6.62	5.51	5.62	5.41	5.36	3,484.0
2.2.1.2 Long-term	7.46	5.69	6.35	6.08	7.68	6.09	371.8
2.2.1.2.1 Over 1 and up to 5 years	7.83	6.57	6.62	6.87	7.90	5.82	261.2
2.2.1.2.2 Over 5 years	5.95	4.39	5.99	5.18	6.31	6.73	110.6

Tables G6 • Data on interest rates and volumes of new business for the sub-categories of loans and deposits included in tables G6a through G6c are presented in more detail in tables G1 through G3.

Tables G6a through G6c contain the weighted monthly averages of credit institutions' interest rates for the selected aggregated categories of new deposit business (only for time deposits) and new lending business (for loans other than revolving loans, overdrafts and credit card credit) and total volumes

of new business for these categories of deposits and loans. Deposits and loans to households and non-financial corporations are broken down to deposits and loans not indexed to f/c (Table G6a), deposits and loans indexed to f/c (Table G6b) and foreign currency deposits and loans (Table G6c).

The descriptions of division by instrument, counterparty sector, maturity and currency are explained in notes on methodology under tables G1 through G3.

Table G6b Credit institutions' interest rates on kuna deposits and loans indexed to foreign currency (new business)
 weighted monthly averages of interest rates, in % on annual basis and volumes of new business in million HRK

	2011 Dec.	2012 Dec.	2013 Dec.	2014		2014 May	
				Mar.	Apr.	Interest rate	Volume
				Interest rate			
1 Deposits	3.37	3.69	3.41	3.12	2.91	2.77	67.6
1.1 Households	3.19	2.87	3.48	3.26	3.15	2.85	63.9
1.1.1 Time deposits	3.19	2.87	3.48	3.26	3.15	2.85	63.9
1.1.1.1 Short-term	2.61	2.17	3.00	1.61	3.49	1.53	13.7
1.1.1.1.1 Up to 3 months	2.18	1.75	1.34	1.20	1.52	1.09	11.1
1.1.1.1.2 Over 3 and up to 6 months	3.01	1.90	1.74	1.39	2.37	1.43	0.1
1.1.1.1.3 Over 6 months and up to 1 year	4.27	4.85	4.81	2.99	4.33	3.55	2.5
o/w: EUR	2.94	2.57	3.72	2.06	3.49	2.24	5.3
o/w: USD	1.88	1.51	1.10	1.10	-	1.10	8.5
1.1.1.2 Long-term	3.31	3.14	3.59	3.47	3.07	3.20	50.1
1.1.1.2.1 Over 1 and up to 2 years	4.43	3.74	4.03	2.90	2.70	2.91	7.9
1.1.1.2.2 Over 2 years	3.18	3.08	3.55	3.64	3.23	3.26	42.2
o/w: EUR	3.31	3.14	3.59	3.47	3.07	3.20	50.1
o/w: USD	0.00	-	-	0.00	-	-	-
1.2 Non-financial corporations	3.54	4.76	3.23	2.17	2.19	1.51	3.7
1.2.1 Time deposits	3.54	4.76	3.23	2.17	2.19	1.51	3.7
1.2.1.1 Short-term	3.14	4.79	3.26	2.20	2.08	1.30	2.8
1.2.1.1.1 Up to 3 months	2.79	3.64	2.01	2.09	2.07	-	-
1.2.1.1.2 Over 3 and up to 6 months	1.46	5.96	1.34	2.27	1.64	2.21	0.5
1.2.1.1.3 Over 6 months and up to 1 year	4.94	3.48	3.36	3.28	2.25	1.09	2.3
o/w: EUR	3.18	4.79	3.26	2.20	2.08	1.30	2.8
o/w: USD	1.15	4.00	3.80	-	-	-	-
1.2.1.2 Long-term	3.72	4.64	2.53	1.96	2.48	2.17	0.9
1.2.1.2.1 Over 1 and up to 2 years	2.41	4.73	2.79	2.20	2.88	3.03	0.6
1.2.1.2.2 Over 2 years	4.24	2.40	1.37	1.12	1.00	0.56	0.3
o/w: EUR	3.72	4.64	2.53	1.96	2.81	2.17	0.9
o/w: USD	-	-	-	-	1.00	-	-
1.3 Repos	-	-	-	-	-	-	-
2 Loans	7.27	6.80	5.91	6.22	6.45	6.64	1,846.8
2.1 Households	7.60	7.05	6.39	6.49	7.08	7.03	922.3
2.1.1 Loans for house purchases	5.63	5.22	5.12	4.63	5.13	5.05	322.1
2.1.1.1 Short-term	5.50	5.39	5.54	5.61	5.48	5.55	35.2
o/w: EUR	5.50	5.39	5.54	5.61	5.48	5.55	35.2
o/w: CHF	-	-	-	-	-	-	-
2.1.1.2 Long-term	5.64	5.20	5.06	4.53	5.08	4.99	286.9
2.1.1.2.1 Over 1 and up to 5 years	5.85	5.11	5.39	3.40	4.52	5.19	5.1
2.1.1.2.2 Over 5 years	5.64	5.20	5.05	4.54	5.09	4.98	281.8
o/w: EUR	5.68	5.43	5.29	4.67	5.32	5.19	266.8
o/w: CHF	5.53	3.50	2.30	2.08	1.74	2.12	19.4
2.1.2 Consumer loans and other loans	8.63	8.38	6.86	7.67	7.98	8.09	600.1
2.1.2.1 Short-term	8.50	8.03	6.42	6.58	7.03	7.62	51.0
o/w: EUR	8.55	8.06	6.47	6.58	7.03	7.64	50.7
o/w: CHF	6.77	5.35	-	-	-	3.50	0.1
2.1.2.2 Long-term	8.65	8.43	6.90	7.79	8.06	8.14	549.1
2.1.2.2.1 Over 1 and up to 5 years	8.66	8.00	5.97	7.23	7.30	7.57	113.4
2.1.2.2.2 Over 5 years	8.64	8.57	7.43	7.97	8.32	8.28	435.7
o/w: EUR	8.68	8.44	6.92	7.83	8.08	8.16	544.2
o/w: CHF	6.87	6.72	5.52	2.46	5.05	5.37	1.1

	2011 Dec.	2012 Dec.	2013 Dec.	2014		2014 May	
				Mar.	Apr.	Interest rate	Volume
				Interest rate			
o/w: Sole proprietors	7.32	7.36	6.58	6.63	6.70	6.46	66.9
2.2 Non-financial corporations	7.16	6.70	5.70	5.99	6.00	6.26	924.5
2.2.1 Loans	7.16	6.70	5.70	5.99	6.00	6.26	924.5
2.2.1.1 Short-term	8.02	7.05	5.33	6.84	6.71	6.29	423.1
o/w: EUR	8.01	7.05	5.33	6.84	6.71	6.29	423.1
o/w: CHF	–	–	–	4.20	–	–	–
2.2.1.2 Long-term	6.36	6.37	6.22	5.37	5.36	6.23	501.3
2.2.1.2.1 Over 1 and up to 5 years	6.91	6.95	6.13	4.86	6.36	6.36	243.8
2.2.1.2.2 Over 5 years	5.88	5.89	6.26	5.82	4.84	6.11	257.5
o/w: EUR	6.39	6.37	6.23	5.34	5.38	6.23	501.3
o/w: CHF	5.28	–	5.38	6.43	–	–	–

Table G6c Credit institutions' interest rates on foreign currency deposits and loans (new business)

weighted monthly averages of interest rates, in % on annual basis and volumes of new business in million HRK

	2011 Dec.	2012 Dec.	2013 Dec.	2014		2014 May	Volume
				Mar.	Apr.		
				Interest rate			
1 Deposits	2.92	2.66	2.20	2.05	2.25	1.85	12,068.8
1.1 Households	3.25	3.16	2.52	2.47	2.43	2.37	7,936.2
1.1.1 Time deposits	3.25	3.16	2.52	2.47	2.43	2.37	7,936.2
1.1.1.1 Short-term	3.06	2.97	2.25	2.10	2.06	2.04	5,057.2
1.1.1.1.1 Up to 3 months	2.37	2.07	1.62	1.50	1.51	1.46	1,073.5
1.1.1.1.2 Over 3 and up to 6 months	2.84	2.72	2.14	2.00	1.95	1.95	1,045.1
1.1.1.1.3 Over 6 months and up to 1 year	3.39	3.30	2.52	2.37	2.33	2.29	2,938.6
o/w: EUR	3.12	3.01	2.31	2.13	2.10	2.07	4,538.6
o/w: USD	2.75	2.52	2.02	1.95	1.94	2.02	351.4
1.1.1.2 Long-term	3.96	3.90	3.07	3.05	2.99	2.96	2,879.0
1.1.1.2.1 Over 1 and up to 2 years	3.95	3.80	2.99	2.87	2.93	2.87	1,964.6
1.1.1.2.2 Over 2 years	4.01	4.18	3.24	3.30	3.13	3.14	914.3
o/w: EUR	4.07	3.98	3.11	3.06	3.01	2.98	2,675.3
o/w: USD	3.56	3.47	2.93	3.07	2.92	2.79	170.0
1.2 Non-financial corporations	2.42	1.76	1.44	1.15	1.91	0.84	4,132.6
1.2.1 Time deposits	2.42	1.76	1.44	1.15	1.91	0.84	4,132.6
1.2.1.1 Short-term	2.37	1.62	1.40	1.05	1.52	0.78	3,984.6
1.2.1.1.1 Up to 3 months	2.07	1.14	0.95	0.75	0.74	0.53	3,446.7
1.2.1.1.2 Over 3 and up to 6 months	3.74	3.09	2.21	2.50	4.65	2.28	230.1
1.2.1.1.3 Over 6 months and up to 1 year	4.18	3.66	2.91	2.25	2.62	2.50	307.8
o/w: EUR	2.60	1.96	1.54	1.07	1.83	0.91	2,992.6
o/w: USD	1.37	0.60	0.58	0.66	0.27	0.28	903.0
1.2.1.2 Long-term	4.47	3.71	3.34	3.54	4.65	2.36	148.0
1.2.1.2.1 Over 1 and up to 2 years	4.56	3.52	3.39	4.70	4.66	2.72	121.7
1.2.1.2.2 Over 2 years	3.19	4.41	3.04	0.33	0.51	0.70	26.3
o/w: EUR	4.53	4.70	3.72	3.55	4.65	2.83	108.7
o/w: USD	2.82	2.51	2.39	1.45	-	1.08	38.5
1.3 Repos	-	-	-	-	-	-	-
2 Loans	5.40	4.41	4.58	4.85	3.42	3.32	1,002.3
2.1 Households	0.41	0.16	1.45	2.65	0.56	1.19	39.7
2.1.1 Loans for house purchases	-	-	-	-	-	-	-
2.1.1.1 Short-term	-	-	-	-	-	-	-
o/w: EUR	-	-	-	-	-	-	-
o/w: CHF	-	-	-	-	-	-	-
2.1.1.2 Long-term	-	-	-	-	-	-	-
2.1.1.2.1 Over 1 and up to 5 years	-	-	-	-	-	-	-
2.1.1.2.2 Over 5 years	-	-	-	-	-	-	-
o/w: EUR	-	-	-	-	-	-	-
o/w: CHF	-	-	-	-	-	-	-
2.1.2 Consumer loans and other loans	0.41	0.16	1.45	2.65	0.56	1.19	39.7
2.1.2.1 Short-term	0.32	0.16	0.86	2.59	0.18	1.06	38.9
o/w: EUR	0.31	0.16	0.85	2.59	0.17	1.05	38.9
o/w: CHF	12.00	12.00	12.00	12.00	12.00	12.00	0.0
2.1.2.2 Long-term	9.81	-	6.69	4.81	5.08	7.61	0.8
2.1.2.2.1 Over 1 and up to 5 years	-	-	5.43	4.81	4.59	7.24	0.6
2.1.2.2.2 Over 5 years	9.81	-	7.75	-	7.42	8.67	0.2
o/w: EUR	9.95	-	6.69	4.81	5.08	7.61	0.8
o/w: CHF	7.98	-	-	-	-	-	-

	2011 Dec.	2012 Dec.	2013 Dec.	2014		2014 May	
				Mar.	Apr.	Interest rate	Volume
	Interest rate						
o/w: Sole proprietors	4.43	0.00	5.85	3.12	4.14	2.10	1.0
2.2 Non-financial corporations	5.51	4.48	4.69	4.92	3.54	3.41	962.6
2.2.1 Loans	5.51	4.48	4.69	4.92	3.54	3.41	962.6
2.2.1.1 Short-term	6.38	3.85	3.72	3.74	3.58	3.92	650.1
o/w: EUR	6.54	3.77	3.64	3.66	3.69	3.78	624.8
o/w: USD	6.06	6.87	3.46	3.26	2.97	7.00	7.8
2.2.1.2 Long-term	4.64	4.74	6.23	5.80	3.40	2.35	312.5
2.2.1.2.1 Over 1 and up to 5 years	7.12	4.30	5.53	5.80	5.69	7.22	22.2
2.2.1.2.2 Over 5 years	4.40	6.58	6.48	5.82	2.70	1.98	290.3
o/w: EUR	4.64	4.67	6.23	5.80	3.28	2.33	311.1
o/w: USD	–	6.19	7.91	7.96	6.17	5.70	1.4

Table G7a Interest rates on interbank demand deposit trading
weighted monthly averages of interest rates, in % on annual basis

Year	Month	O/N	T/N	S/N	Call money	2 – 6 days	1 week	2 weeks	1 month	3 months
1	2	3	4	5	6	7	8	9	10	11
2003		3.12	3.35	2.80	3.39	3.42	3.58	3.76	4.14	4.91
2004		4.98	4.94	4.67	5.66	4.85	5.37	5.82	5.88	6.35
2005		2.97	4.45	4.91	4.27	3.52	3.69	4.20	4.57	5.33
2006		2.36	2.37	2.30	2.82	2.31	2.77	2.68	3.36	3.81
2007		4.97	5.30	4.91	4.00	5.45	5.51	5.59	5.87	5.86
2008		5.86	5.64	4.79	–	5.22	6.59	6.50	6.88	7.38
2009		7.22	6.97	6.30	6.50	7.76	7.79	8.53	8.98	9.31
2010		0.89	1.23	1.25	–	1.16	1.23	1.82	1.74	2.92
2011		0.86	0.98	1.92	–	0.89	1.22	1.46	2.25	3.31
2012		1.09	1.67	1.37	–	1.09	1.38	2.20	1.75	3.79
2013		0.37	0.33	1.00	–	0.73	1.01	0.63	1.02	2.36
2013	June	0.32	–	–	–	0.39	1.74	1.02	1.30	1.25
	July	0.68	–	1.00	–	1.19	1.44	1.05	2.10	1.70
	August	0.40	0.46	–	–	0.53	0.63	0.46	1.13	–
	September	0.37	–	–	–	0.50	0.43	0.38	–	–
	October	0.36	–	–	–	0.00	0.86	0.40	–	1.09
	November	0.28	0.20	–	–	0.31	0.56	–	–	–
	December	0.30	–	–	–	0.56	0.48	0.70	–	–
2014	January	0.40	–	–	–	0.51	0.61	–	–	–
	February	0.40	–	–	–	0.50	0.53	–	–	0.78
	March	0.51	–	–	–	0.48	0.62	0.60	–	0.79
	April	0.22	–	–	–	0.72	0.49	0.01	0.90	–
	May	0.29	–	–	–	0.51	0.60	–	1.49	–

Table G7a Interest rates on interbank demand deposit trading • Table G7a contains weighted monthly averages of credit institutions' interest rates from direct interbank trading in demand deposits in the reporting month and they do not include direct and repo trading in securities or transactions with other legal and natural persons. The annual averages are calculated as simple averages of the weighted monthly averages. Interest rates are further subdivided according to the maturity period: column 3 O/N (overnight maturity): funds are granted on the same day when the transaction is concluded, while funds are returned on

the next working day; column 4 T/N ("TOM/NEXT"): funds are granted on the first working day following the day when the transaction is concluded, while funds are returned on the next working day; column 5 S/N ("SPOT/NEXT"): funds are granted on the second working day following the day when the transaction is concluded, while funds are returned on the next working day; column 6: call money; column 7: maturity of 2 to 6 days, and columns 8 to 11: maturity of 1 week, 2 weeks, 1 month and 3 months.

Table G7b Interest rates quoted on the interbank market (ZIBOR)
simple monthly averages of simple daily averages of banks' quotations

Year	Month	O/N	T/N	S/N	1 week	2 weeks	1 month	3 months	6 months	9 months	12 months
1	2	3	4	5	6	7	8	9	10	11	12
2003		3.55	3.59	3.63	3.94	4.11	5.03	5.37	5.77	–	–
2004		5.31	5.42	5.56	5.79	6.04	10.11	7.33	7.61	–	–
2005		3.62	3.74	3.79	4.30	4.59	5.98	6.21	6.45	–	–
2006		2.90	2.96	3.00	3.28	3.52	4.24	4.49	4.67	4.66	4.82
2007		5.18	5.28	5.27	5.50	5.61	5.73	5.66	5.58	5.55	5.59
2008		5.96	6.15	6.23	6.72	6.80	6.88	7.17	7.19	7.18	7.20
2009		7.16	7.49	7.72	8.33	8.63	9.15	8.96	8.68	8.48	8.41
2010		1.04	1.05	1.05	1.17	1.31	1.57	2.44	3.32	3.74	4.12
2011		1.03	1.06	1.09	1.27	1.53	2.11	3.15	3.84	4.12	4.39
2012		1.23	1.21	1.20	1.37	1.58	2.12	3.42	4.14	4.37	4.58
2013		0.59	0.60	0.60	0.67	0.75	0.94	1.50	2.10	2.40	2.66
2013	June	0.54	0.54	0.54	0.58	0.71	1.17	1.71	2.25	2.50	2.78
	July	0.73	0.79	0.84	1.13	1.28	1.64	2.22	2.53	2.68	2.91
	August	0.68	0.68	0.68	0.80	0.92	1.18	1.91	2.32	2.51	2.76
	September	0.64	0.64	0.64	0.73	0.84	1.16	1.90	2.31	2.49	2.76
	October	0.57	0.57	0.57	0.64	0.71	0.94	1.72	2.17	2.43	2.65
	November	0.52	0.52	0.52	0.57	0.63	0.76	1.36	1.82	2.17	2.39
	December	0.50	0.50	0.50	0.53	0.58	0.67	1.01	1.46	1.73	1.97
2014	January	0.50	0.50	0.50	0.52	0.57	0.65	0.95	1.32	1.60	1.86
	February	0.50	0.50	0.50	0.51	0.54	0.62	0.88	1.25	1.48	1.75
	March	0.50	0.50	0.50	0.51	0.53	0.61	0.86	1.24	1.49	1.75
	April	0.50	0.50	0.50	0.52	0.53	0.61	0.83	1.24	1.48	1.74
	May	0.50	0.50	0.50	0.52	0.53	0.62	0.87	1.32	1.57	1.80

Table G7b Interest rates quoted on the interbank market (ZIBOR) • Table G7b contains simple monthly averages of daily values of the ZIBOR interest rate index, while annual averages are the simple averages of simple monthly averages. ZIBOR (Zagreb Interbank Offered Rates) indices are the single benchmark interest rates on the Croatian interbank market. The official calculation of ZIBOR by maturity is based on the calculation of the average values of interest rates provided by eight largest Croatian banks published daily on Reuters system at 11 a.m. every working day. Interest rates are further subdivided by the maturity period: column 3 O/N (overnight maturity): funds

are granted on the same day when the transaction is concluded, while funds are returned on the next working day; column 4 T/N (“TOM/NEXT”): funds are granted on the first working day following the day when the transaction is concluded, while funds are returned on the next working day; column 5 S/N (“SPOT/NEXT”): funds are granted on the second working day following the day when the transaction is concluded, while funds are returned on the next working day; column 6: maturity of 1 week and columns 7 to 12: maturity of 2 weeks, 1 month, 3 months, 6 months, 9 months and 12 months.

Table G10a Midpoint exchange rates of the Croatian National Bank (period average)

Year	Month	EUR/HRK	ATS/HRK	FRF/HRK	100 ITL/HRK	CHF/HRK	GBP/HRK	USD/HRK	DEM/HRK
2000		7.633852	0.554774	1.163773	0.394256	4.903244	12.530514	8.287369	3.903127
2001		7.471006	0.542939	1.138947	0.385845	4.946810	12.010936	8.339153	3.819865
2002		7.406976				5.049125	11.793108	7.872490	
2003		7.564248				4.978864	10.943126	6.704449	
2004		7.495680				4.854986	11.048755	6.031216	
2005		7.400047				4.780586	10.821781	5.949959	
2006		7.322849				4.656710	10.740292	5.839170	
2007		7.336019				4.468302	10.731537	5.365993	
2008		7.223178				4.553618	9.101622	4.934417	
2009		7.339554				4.861337	8.233112	5.280370	
2010		7.286230				5.285859	8.494572	5.500015	
2011		7.434204				6.035029	8.566138	5.343508	
2012		7.517340				6.237942	9.269634	5.850861	
2013		7.573548				6.154290	8.922067	5.705883	
2013	July	7.494112				6.061138	8.704896	5.733695	
	August	7.521353				6.100104	8.744931	5.647567	
	September	7.587204				6.148251	9.005257	5.690963	
	October	7.614419				6.185285	8.996090	5.585714	
	November	7.627680				6.191761	9.095568	5.651523	
	December	7.633202				6.232143	9.129392	5.575408	
2014	January	7.629820				6.194254	9.224638	5.597005	
	February	7.654972				6.266420	9.279100	5.609337	
	March	7.654440				6.287034	9.207279	5.538285	
	April	7.627459				6.257350	9.241817	5.522142	
	May	7.593665				6.222286	9.309870	5.524160	
	June	7.573554				6.216021	9.411660	5.574760	

Table G10a Midpoint exchange rates of the Croatian National Bank (period average) • The annual averages of CNB midpoint exchange rates are calculated based on the midpoint exchange rates effective on the working days in a year, using CNB exchange rate lists whose application dates pertain to the calculation period.

The monthly averages of CNB midpoint exchange rates are calculated based on the midpoint exchange rates effective on the working days in a month, using CNB exchange rate lists whose application dates pertain to the calculation period.

The data show the annual and monthly averages of CNB midpoint exchange rates for selected currencies from 1992 to date, in kuna terms. The averages related to the calculation periods from the beginning of 1992, when the legal tender in the Republic of Croatia was the Croatian dinar, until the introduction of the kuna on 30 May 1994, are shown in kuna equivalent, and are denominated by dividing their values by one thousand (1,000).

The annual and monthly averages of midpoint exchange rates for the euro from 1992 until end 1998 are the averages of midpoint exchange rates applied for the ECU.

Table G10b Midpoint exchange rates of the Croatian National Bank (end of period)

Year	Month	EUR/HRK	ATS/HRK	FRF/HRK	100 ITL/HRK	CHF/HRK	GBP/HRK	USD/HRK	DEM/HRK
2000		7.598334	0.552192	1.158359	0.392421	4.989712	12.176817	8.155344	3.884966
2001		7.370030	0.535601	1.123554	0.380630	4.977396	12.101856	8.356043	3.768237
2002		7.442292				5.120256	11.451442	7.145744	
2003		7.646909				4.901551	10.860544	6.118506	
2004		7.671234				4.971314	10.824374	5.636883	
2005		7.375626				4.744388	10.753209	6.233626	
2006		7.345081				4.571248	10.943208	5.578401	
2007		7.325131				4.412464	9.963453	4.985456	
2008		7.324425				4.911107	7.484595	5.155504	
2009		7.306199				4.909420	8.074040	5.089300	
2010		7.385173				5.929961	8.608431	5.568252	
2010		7.530420				6.194817	8.986181	5.819940	
2012		7.545624				6.245343	9.219971	5.726794	
2013		7.637643				6.231758	9.143593	5.549000	
2013	July	7.490071				6.071718	8.639067	5.645215	
	August	7.553891				6.129912	8.838061	5.707942	
	September	7.611593				6.210503	9.074384	5.642397	
	October	7.619859				6.168927	8.898586	5.538091	
	November	7.630815				6.198371	9.157344	5.608007	
	December	7.637643				6.231758	9.143593	5.549000	
2014	January	7.644916				6.252487	9.250866	5.619196	
	February	7.658268				6.296364	9.327976	5.609220	
	March	7.658394				6.282006	9.264933	5.575824	
	April	7.604192				6.233455	9.221674	5.485243	
	May	7.588935				6.217890	9.332188	5.574770	
	June	7.571371				6.224921	9.468948	5.562277	

Table G10b Midpoint exchange rates of the Croatian National Bank (end of period) • The table shows CNB midpoint exchange rates applied on the last day of the observed period.

The data show CNB midpoint exchange rates for selected currencies from 1992 to date, in kuna terms. The end of period midpoint exchange rates related to the periods from the

beginning of the time series in 1992 until the introduction of the kuna on 30 May 1994 are shown in kuna equivalent and are denominated by dividing their values by one thousand (1,000).

The midpoint exchange rates for the euro applied on the last days of the observed periods from 1992 until end 1998 are the end of period midpoint exchange rates applied for the ECU.

Table G11 Banks' trade with foreign exchange
in million EUR, current exchange rate

	2008	2009	2010	2011	2012	2013	2014		
							Mar.	Apr.	May
A. Purchase of foreign exchange									
1. Legal persons	33,058.3	19,939.9	21,453.6	20,628.9	19,837.3	15,625.9	1,553.2	1,587.7	1,217.3
2. Natural persons	4,755.3	4,920.3	4,878.0	5,264.9	5,060.8	5,083.6	384.9	438.5	476.8
2.1. Residents	4,252.9	4,389.6	4,251.3	4,867.9	4,647.1	4,733.2	383.5	417.6	446.4
2.2. Non-residents	502.4	530.7	626.7	397.0	413.7	350.5	1.3	20.9	30.4
3. Domestic banks	20,017.6	10,964.5	11,171.3	10,406.6	10,237.5	11,351.5	707.3	879.8	1,000.5
4. Foreign banks	7,342.5	5,681.9	5,548.6	5,226.3	6,023.2	6,063.8	497.0	599.2	603.3
5. Croatian National Bank	420.6	1,899.4	350.1	596.7	724.4	214.9	–	–	–
Total (1+2+3+4)	65,594.2	43,405.9	43,401.6	42,123.5	41,883.2	38,339.8	3,142.4	3,505.2	3,297.9
B. Sale of foreign exchange									
1. Legal persons	35,448.8	21,707.2	21,930.5	20,809.2	20,355.7	20,189.4	1,870.5	2,085.4	1,668.2
2. Natural persons	4,366.4	3,205.5	1,815.9	1,760.2	1,461.3	1,443.8	85.5	90.9	128.6
2.1. Residents	4,335.2	3,186.0	1,800.5	1,743.3	1,450.8	1,436.1	85.1	90.6	128.2
2.2. Non-residents	31.2	19.5	15.4	16.9	10.5	7.7	0.5	0.3	0.3
3. Domestic banks	20,017.6	10,964.5	11,171.3	10,406.6	10,237.5	11,351.5	707.3	879.8	1,000.5
4. Foreign banks	6,615.7	5,281.5	5,455.0	5,730.2	7,159.4	7,082.2	477.3	679.3	518.9
5. Croatian National Bank	409.1	2,224.2	363.7	–	58.1	–	–	–	–
Total (1+2+3+4)	66,857.5	43,382.7	40,736.5	38,706.2	39,272.0	40,066.9	3,140.7	3,735.4	3,316.2
C. Net purchase (A-B)									
1. Legal persons	–2,390.5	–1,767.3	–476.9	–180.3	–518.4	–4,563.4	–317.3	–497.7	–450.9
2. Natural persons	388.9	1,714.8	3,062.1	3,504.7	3,599.5	3,639.8	299.3	347.6	348.3
2.1. Residents	–82.2	1,203.6	2,450.8	3,124.6	3,196.3	3,297.1	298.5	327.0	318.2
2.2. Non-residents	471.1	511.2	611.2	380.1	403.2	342.7	0.8	20.7	30.0
3. Foreign banks	726.8	400.4	93.6	–503.9	–1,136.2	–1,018.4	19.7	–80.1	84.4
4. Croatian National Bank	11.5	–324.8	–13.6	596.7	666.3	214.9	–	–	–
Total (1+2+3)	–1,263.3	23.2	2,665.2	3,417.2	2,611.2	–1,727.1	1.7	–230.1	–18.2
Memo items: Other Croatian National Bank transactions									
Purchase of foreign exchange	265.4	664.6	238.5	968.2	1,016.3	784.6	0.3	0.4	0.4
o/w: MoF	265.4	664.6	238.5	968.2	1,016.3	784.6	0.3	0.4	0.4
Sale of foreign exchange	83.7	98.3	233.1	0.0	246.1	228.4	5.2	–	–
o/w: MoF	83.7	98.3	233.1	0.0	246.1	159.0	–	–	–

Table G11 Banks' trade with foreign exchange • Data on trade with foreign exchange between banks comprise the spot purchase and sale of foreign exchange in domestic foreign exchange market. Spot transactions are contracted obligations to buy/sell foreign currency within maximally 48 hours.

The transactions are classified by category of participants (legal and natural persons, domestic and foreign banks and the

CNB). Sources of data are banks' reports on trading with foreign exchange, including data on exchange transactions with natural persons conducted by authorised currency exchange offices.

Other Croatian National Bank transactions include foreign exchange sales and purchases on behalf of others.

H International economic relations

Table H1 Balance of payments – summary^{a,b}

in million EUR

	2008	2009	2010	2011	2012	2013 ^c	2013				2014
							Q1 ^e	Q2 ^e	Q3 ^e	Q4 ^e	Q1 ^d
A CURRENT ACCOUNT (1+6)	-4,254.7	-2,292.7	-500.9	-389.4	-57.5	381.6	-1,384.2	-254.4	2,838.9	-818.7	-1,560.9
1 Goods, services, and income (2+5)	-5,325.2	-3,297.1	-1,563.3	-1,535.1	-1,219.7	-681.2	-1,661.0	-607.8	2,611.3	-1,023.7	-1,633.3
1.1 Credit	21,237.1	17,111.7	18,608.6	19,707.6	20,027.5	20,186.7	3,178.3	4,991.1	8,164.6	3,852.8	3,286.7
1.2 Debit	-26,562.2	-20,408.7	-20,171.9	-21,242.6	-21,247.2	-20,867.8	-4,839.3	-5,598.9	-5,553.3	-4,876.4	-4,920.1
2 Goods and services (3+4)	-3,778.8	-1,516.7	30.0	53.5	374.0	411.4	-1,326.2	-290.7	2,902.0	-873.7	-1,260.4
2.1 Credit	19,843.3	16,314.7	17,714.8	18,761.6	19,058.6	19,293.9	2,905.5	4,704.1	7,831.1	3,853.2	3,039.8
2.2 Debit	-23,622.0	-17,831.4	-17,684.8	-18,708.1	-18,684.6	-18,882.5	-4,231.7	-4,994.8	-4,929.1	-4,726.9	-4,300.2
3 Goods	-10,632.4	-7,207.0	-5,745.5	-6,148.8	-6,034.2	-6,347.6	-1,519.9	-1,946.2	-1,565.5	-1,316.1	-1,437.8
3.1 Credit	9,752.7	7,674.5	9,063.6	9,773.0	9,803.0	9,789.8	2,112.3	2,337.9	2,665.8	2,673.9	2,269.2
3.2 Debit	-20,385.1	-14,881.5	-14,809.1	-15,921.8	-15,837.1	-16,137.4	-3,632.1	-4,284.0	-4,231.3	-3,990.0	-3,707.0
4 Services	6,853.7	5,690.3	5,775.5	6,202.3	6,408.2	6,759.0	193.7	1,655.5	4,467.4	442.4	177.4
4.1 Credit	10,090.6	8,640.2	8,651.2	8,988.6	9,255.6	9,504.1	793.2	2,366.3	5,165.3	1,179.3	770.6
4.2 Debit	-3,236.9	-2,949.9	-2,875.7	-2,786.3	-2,847.5	-2,745.1	-599.5	-710.8	-697.8	-736.9	-593.3
5 Income	-1,546.4	-1,780.4	-1,593.3	-1,588.6	-1,593.8	-1,092.6	-334.9	-317.1	-290.6	-150.0	-372.9
5.1 Credit	1,393.8	796.9	893.8	946.0	968.8	892.7	272.8	286.9	333.5	-0.5	246.9
5.2 Debit	-2,940.2	-2,577.3	-2,487.1	-2,534.5	-2,562.6	-1,985.3	-607.6	-604.0	-624.1	-149.5	-619.8
6 Current transfers	1,070.5	1,004.4	1,062.4	1,145.7	1,162.3	1,062.8	276.8	353.4	227.6	205.0	72.4
6.1 Credit	1,684.4	1,575.9	1,659.0	1,669.1	1,718.9	1,808.6	412.3	481.9	454.9	459.5	382.4
6.2 Debit	-613.9	-571.5	-596.6	-523.3	-556.6	-745.8	-135.5	-128.5	-227.3	-254.6	-310.0
B CAPITAL AND FINANCIAL ACCOUNT	5,702.1	3,478.5	1,384.6	1,402.1	466.0	493.3	1,088.9	304.3	-1,434.6	534.7	1,285.0
B1 Capital account	21.7	61.4	59.6	37.6	48.7	58.5	-0.2	20.6	12.6	25.5	3.8
B2 Financial account, excl. reserves	5,350.0	4,313.5	1,408.8	1,765.1	463.1	2,279.2	1,050.4	1,088.0	-1,632.4	1,773.1	479.6
1 Direct investment	3,106.2	1,524.2	495.5	1,034.7	1,102.6	675.5	578.6	-48.4	-46.2	191.5	207.9
1.1 Abroad	-956.6	-909.6	118.7	-37.5	34.7	125.4	23.3	-66.6	-94.3	263.1	3.6
1.2 In Croatia	4,062.8	2,433.8	376.9	1,072.2	1,067.9	550.1	555.3	18.2	48.2	-71.6	204.3
2 Portfolio investment	-796.5	454.4	407.8	585.0	1,737.4	1,857.0	-42.8	958.4	-493.0	1,434.4	-1.6
2.1 Assets	-363.4	-521.0	-408.0	491.9	-309.9	108.4	76.2	293.9	-527.5	265.8	5.5
2.2 Liabilities	-433.1	975.4	815.8	93.1	2,047.3	1,748.6	-119.1	664.6	34.5	1,168.6	-7.1
3 Financial derivatives	0.0	0.0	-252.7	-61.2	89.8	-8.7	-2.9	-10.8	29.1	-24.0	4.5
4 Other investment	3,040.4	2,335.0	758.2	206.6	-2,466.8	-244.7	517.6	188.8	-1,122.3	171.2	268.8
4.1 Assets	-1,637.7	695.7	689.2	245.1	661.9	120.8	453.0	-152.8	-518.7	339.3	-416.2
4.2 Liabilities	4,678.1	1,639.3	69.0	-38.5	-3,128.6	-365.4	64.6	341.6	-603.5	-168.1	685.0
B3 Reserve assets	330.4	-896.4	-83.8	-400.6	-45.8	-1,844.3	38.6	-804.2	185.2	-1,263.9	801.5
C NET ERRORS AND OMISSIONS	-1,447.5	-1,185.8	-883.7	-1,012.7	-408.5	-875.0	295.3	-50.0	-1,404.3	284.0	276.0

^a As from Bulletin No. 146 the CBRD is reclassified from the subsector central government funds to the subsector non-banking financial institutions. The reclassification covers the entire statistical series (from January 1999 onwards). Moreover, as from the same number of the Bulletin, CM is reclassified from the subsector central government funds to the subsector public enterprises. The reclassification covers the statistical series from January 2008 onwards. ^b Data also include the round tripping which increases direct investment in Croatia and direct investment abroad by the same amount. This type of direct investment was recorded in December 2008 (EUR 825.7m) and August 2009 (EUR 666.5m).

^c Revised data. ^d Preliminary data.

Note: The item net errors and omissions also comprises the counter-entry of a part of revenues from travel services which relates to such revenues not stated in the banks' records.

Tables H1 – H6 Balance of payments • The balance of payments of the Republic of Croatia represents a systematic overview of the value of economic transactions performed by the Croatian residents with foreign countries within a particular period. It is compiled in accordance with the recommendations of the International Monetary Fund (Balance of Payments Manual, Fifth Edition, 1993). Data sources include: 1) reports of the government institutions (Central Bureau of Statistics and Croatian Institute for Health Insurance), 2) special reports of the Croatian National Bank (International Transaction Reporting System (ITRS), external debt relations, monetary statistics and

reserve assets) and 3) estimates and statistical research carried out by the Croatian National Bank.

Balance of payments of the Republic of Croatia data are reported in three currencies: in euros (EUR), US dollars (USD) and domestic currency (HRK). In all cases, the same data sources are used and the same principles regarding the scope of transactions and the procedures for compiling particular items are applied. Since the original data are reported in different currencies, the transaction values are converted from the original currency into the reporting currency by applying the exchange rate from the CNB exchange rate list in one of the following manners:

Table H2 Balance of payments – goods and services
in million EUR

	2008	2009	2010	2011	2012	2013 ^a	2013				2014
							Q1 ^a	Q2 ^a	Q3 ^a	Q4 ^a	Q1 ^b
Goods	-10,632.4	-7,207.0	-5,745.5	-6,148.8	-6,034.2	-6,347.6	-1,519.9	-1,946.2	-1,565.5	-1,316.1	-1,437.8
1 Credit	9,752.7	7,674.5	9,063.6	9,773.0	9,803.0	9,789.8	2,112.3	2,337.9	2,665.8	2,673.9	2,269.2
1.1 Exports (f.o.b.) in trade statistics	9,585.1	7,529.4	8,905.2	9,582.2	9,628.5	9,589.4	2,075.7	2,284.4	2,606.3	2,623.0	2,233.9
1.2 Adjustments for coverage	167.5	145.1	158.3	190.8	174.5	200.4	36.6	53.5	59.5	50.8	35.3
2 Debit	-20,385.1	-14,881.5	-14,809.1	-15,921.8	-15,837.1	-16,137.4	-3,632.1	-4,284.0	-4,231.3	-3,990.0	-3,707.0
2.1 Imports (c.i.f.) in trade statistics	-20,817.1	-15,220.1	-15,137.0	-16,281.1	-16,215.9	-16,527.9	-3,727.2	-4,386.2	-4,328.7	-4,085.8	-3,796.3
2.2 Adjustments for coverage	-421.4	-331.1	-376.0	-358.7	-354.2	-356.6	-73.4	-96.1	-98.2	-88.8	-82.3
2.3 Adjustments for classification	853.5	669.7	703.9	718.0	733.0	747.1	168.5	198.3	195.7	184.7	171.6
Services	6,853.7	5,690.3	5,775.5	6,202.3	6,408.2	6,759.0	193.7	1,655.5	4,467.4	442.4	177.4
1 Transportation	404.3	287.6	299.3	282.2	272.5	235.4	11.4	63.3	105.5	55.2	35.2
1.1 Credit	1,209.4	938.2	973.0	971.0	959.8	909.6	170.7	241.5	281.0	216.3	185.9
1.2 Debit	-805.1	-650.7	-673.7	-688.8	-687.3	-674.1	-159.3	-178.2	-175.5	-161.2	-150.7
2 Travel	6,694.0	5,655.8	5,600.8	5,984.5	6,136.7	6,523.0	168.7	1,587.4	4,345.5	421.4	161.5
2.1 Credit	7,459.4	6,379.7	6,230.0	6,616.9	6,858.7	7,202.8	307.6	1,772.5	4,526.0	596.7	302.9
2.1.1 Business	386.4	255.7	236.3	210.1	233.2	225.5	39.5	91.3	51.5	43.1	28.8
2.1.2 Personal	7,073.1	6,124.0	5,993.6	6,406.9	6,625.5	6,977.4	268.1	1,681.2	4,474.5	553.6	274.1
2.2 Debit	-765.5	-724.0	-629.2	-632.4	-722.0	-679.8	-139.0	-185.1	-180.5	-175.3	-141.4
2.2.1 Business	-261.3	-240.8	-180.6	-184.3	-224.6	-211.7	-42.8	-59.1	-48.8	-61.0	-43.2
2.2.2 Personal	-504.2	-483.1	-448.6	-448.1	-497.4	-468.2	-96.1	-126.0	-131.7	-114.3	-98.2
3 Other services	-244.6	-253.0	-124.6	-64.4	-1.0	0.6	13.6	4.7	16.4	-34.2	-19.4
3.1 Credit	1,421.8	1,322.2	1,448.3	1,400.7	1,437.2	1,391.7	314.9	352.2	358.3	366.3	281.8
3.2 Debit	-1,666.4	-1,575.2	-1,572.8	-1,465.1	-1,438.1	-1,391.1	-301.3	-347.5	-341.9	-400.5	-301.2

^a Revised data. ^b Preliminary data.

- by applying the midpoint exchange rate on the date of the transaction;
- by applying the average monthly or quarterly midpoint exchange rate in the case the transaction date is not available;
- by applying the end-of-period exchange rate for the calculation of a change in the transaction value between the two periods; the end-of-period balances reported in the original currency serve as a basis for calculating the change in the original currency value, which is converted, by applying the average midpoint exchange rate in the observed period, into the value of change in the reporting currency.

The Report of the Central Bureau of Statistics on foreign trade in goods of the Republic of Croatia represents the basic data source for the balance of payments items related to exports and imports. These data are adjusted, in accordance with the recommended compilation method, for coverage and classification. Accordingly, goods exports and imports in the balance of payments are reported at f.o.b. parity. The value of exports at this parity is already contained in the previously mentioned CBS Report, whereas the value of imports f.o.b. is estimated on the basis of research studies of the CNB on the stratified sample of importers. The resulting value serves as a basis for the estimate of the share of transportation and insurance services by which the original value of imports c.i.f., stated in the CBS Report, is reduced. In the 1993-2001 period, this share stood at 7.10% (estimated only on the basis of the largest and large importers), while from 2002 on it has amounted to 3.73%. The same research study, conducted by the CNB at the end of 2006 (comprising the imports in the previous year), showed that the share of transportation and insurance costs, after continuing to decrease, has reached 3.03%. This share was first applied in the calculation for the first quarter of 2007. For the sake of greater

reliability, the c.i.f./f.o.b. coefficient as of 2011 started to be estimated based on the available CBS data on goods imports. The shares of transportation and insurance services have been calculated separately for each year, starting with 2008, based on the goods imported at f.o.b. parity and similar parities. The estimated coefficient amounted to 4.1% for 2008, 4.4% for 2009 and 4.7% for 2010. The figure is estimated again in the same manner for each following year. In the period from 1993 to 1996, the value of imports was modified by estimates of imports in duty free zones, which have been included in the merchandise trade statistics since 1997. From 1996 on, goods exports and imports are modified by the data on repairs on goods and goods procured in ports by carriers. In addition, since 1999, based on the Survey on Consumption of Foreign Travellers in Croatia and Domestic Travellers Abroad, the item of goods exports has been modified by the estimated value of goods sold to foreign travellers and tourists and taken out of the Republic of Croatia. The item of goods imports is adjusted for the estimated value of goods imported personally by the Croatian citizens from the neighbouring countries (shopping expenditures).

Transportation, travel and other services are reported separately under service account. Revenues and expenditures on the basis of transportation, in the 1993-1998 period, were adopted from the ITRS. From 1999 on, revenues and expenditures arising from transportation of goods and passengers, as well as the value of accompanying services, which together constitute the total value of these services, are compiled on the basis of the results of the Research on transactions related to international transportation services, carried out by the CNB. Owing to an exceptionally large population of road carriers, revenues and expenditures on the basis of road freight transportation are not adopted from that research. They are compiled by using ITRS

Table H3 Balance of payments – income and current transfers
in million EUR

	2008	2009	2010	2011	2012	2013 ^a	2013				2014
							Q1 ^a	Q2 ^a	Q3 ^a	Q4 ^a	Q1 ^b
Income	-1,546.4	-1,780.4	-1,593.3	-1,588.6	-1,593.8	-1,092.6	-334.9	-317.1	-290.6	-150.0	-372.9
1 Compensation of employees	564.1	586.5	620.8	634.9	716.6	740.0	183.0	203.6	170.2	183.2	165.9
1.1 Credit	599.7	624.2	657.1	673.5	753.4	784.9	192.0	213.2	183.6	196.2	173.4
1.2 Debit	-35.5	-37.6	-36.3	-38.5	-36.8	-45.0	-9.0	-9.6	-13.4	-13.0	-7.4
2 Direct investment income	-1,135.5	-1,153.0	-1,125.8	-995.8	-1,012.7	-648.8	-236.6	-231.2	-152.1	-28.8	-237.4
2.1 Credit	194.5	-64.5	86.4	61.6	-15.5	-106.9	28.7	16.1	94.2	-245.9	19.9
o/w: Reinvested earnings	118.5	-117.1	7.3	-7.4	-68.0	-160.7	21.1	-2.9	75.7	-254.5	4.4
2.2 Debit	-1,330.0	-1,088.5	-1,212.3	-1,057.4	-997.2	-541.9	-265.4	-247.3	-246.3	217.1	-257.3
o/w: Reinvested earnings	-508.5	-293.9	-530.1	-275.6	-226.2	256.2	-93.2	167.5	-185.7	367.6	-191.8
3 Portfolio investment income	-158.0	-173.8	-304.6	-351.3	-494.5	-611.1	-137.8	-149.2	-161.9	-162.2	-168.0
3.1 Credit	82.3	73.0	40.5	49.4	35.7	43.0	8.3	14.7	12.5	7.5	7.8
3.2 Debit	-240.3	-246.9	-345.1	-400.7	-530.1	-654.2	-146.1	-163.9	-174.4	-169.7	-175.8
4 Other investment income	-817.0	-1,040.1	-783.7	-876.4	-803.2	-572.6	-143.4	-140.2	-146.8	-142.1	-133.4
4.1 Credit	517.4	164.3	109.7	161.5	195.3	171.6	43.7	43.0	43.2	41.7	45.8
4.2 Debit	-1,334.3	-1,204.3	-893.4	-1,037.9	-998.5	-744.2	-187.1	-183.2	-190.0	-183.9	-179.3
Current transfers	1,070.5	1,004.4	1,062.4	1,145.7	1,162.3	1,062.8	276.8	353.4	227.6	205.0	72.4
1 General government	-20.0	-61.9	-65.4	-81.5	-99.8	-279.5	-34.4	-9.5	-101.8	-133.8	-221.7
1.1 Credit	342.6	277.1	279.1	224.6	211.5	242.0	45.4	69.9	72.3	54.4	25.3
1.2 Debit	-362.7	-339.0	-344.4	-306.0	-311.3	-521.5	-79.8	-79.4	-174.1	-188.2	-247.0
2 Other sectors	1,090.5	1,066.3	1,127.8	1,227.2	1,262.1	1,342.3	311.2	362.9	329.3	338.7	294.2
2.1 Credit	1,341.7	1,298.8	1,379.9	1,444.5	1,507.4	1,566.6	366.9	412.0	382.6	405.1	357.1
2.2 Debit	-251.2	-232.5	-252.2	-217.3	-245.3	-224.4	-55.7	-49.1	-53.2	-66.4	-63.0

^a Revised data. ^b Preliminary data.

data. As of January 2011, due to the abolishment of the ITRS, this item has been compiled on the basis of data from export customs declarations of the CBS and estimates of the Road Freight Transporters Association. Expenditures on the basis of road freight transportation equal transportation and insurance costs related to imports of goods which belong to non-residents and which are estimated by adjusting the value of imports at c.i.f. parity to the value of imports f.o.b.

Revenues from services rendered to foreign travellers and tourists, as well as expenditures incurred by domestic travellers and tourists abroad are shown under the position Travel. In the 1993-1998 period, this position was assessed by using various data sources which did not provide for a full coverage in accordance with the recommended methodology. Accordingly, in the second half of 1998, the Croatian National Bank started to carry out the Survey on Consumption of Foreign Travellers in Croatia and Domestic Travellers Abroad and use its results for compiling the Travel position. Since early 1999, the results of this Survey, based on carrying out a survey of travellers (stratified sample) at border crossings, have been combined with the Ministry of the Interior and Central Bureau of Statistics data on the number of foreign and domestic travellers, along with the data on distribution of foreign travellers by countries contained in the CBS Report on tourism, in order to assess the corresponding balance of payment items. Starting from the first quarter of 2012, the balance of payments data on revenues from services rendered to foreign travellers and tourists are not computed using the standard methodological combination of volume indicators and estimated average consumption from the Survey on Consumption of Foreign Travellers, but are based on a combination of the estimated level of tourism consumption in 2011 and an economically computed indicator – the first principal component of

a group of variables that are assumed to follow the dynamics of tourism revenue (foreign tourist arrivals and nights, the number of foreign travellers at border crossings, total tourist consumption according to the CNB survey, the number of the employed in accommodation and food service activities, the revenues of hotels and restaurants, the price index of hotel and restaurants services, the real retail trade turnover index, currency outside banks, the value of foreign credit card transactions, the banks' turnover in transactions with natural persons in the foreign exchange market and the industrial production EU-27).

Other services position is compiled by using different data sources: apart from revenues and expenditures related to insurance services and communication and construction services, which have been determined by the CNB special statistical research since 2001, the values of all other services were adopted from the ITRS until the end of 2010, when the reporting by transaction types was abolished. As of 2011, the uniform statistical survey is used for estimating the position of Other services, which encompasses 30 different types of services, the classification of which is prescribed by the IMF's Balance of Payments Manual, 6th edition. That survey also includes communication services, as a result of which a special survey on communication services was abolished, while insurance and construction services continued to be monitored through separate surveys.

Transactions in the income account are classified into four main groups. Compensation of employees item was compiled on the basis of the ITRS until the end of 2010, when the reporting by transaction types was abolished. As of 2011, this position on the revenues side is estimated by a model based on the aggregate data of banks on inflows of resident natural persons from non-residents. On the expenditures side, the existing surveys on services are used, containing a part which relates to compensation

Table H4 Balance of payments – direct and portfolio investments^{a,b}

in million EUR

	2008	2009	2010	2011	2012	2013 ^c	2013				2014
							Q1 ^c	Q2 ^c	Q3 ^c	Q4 ^c	
Direct investment	3,106.2	1,524.2	495.5	1,034.7	1,102.6	675.5	578.6	-48.4	-46.2	191.5	207.9
1 Abroad	-956.6	-909.6	118.7	-37.5	34.7	125.4	23.3	-66.6	-94.3	263.1	3.6
1.1 Equity capital and reinvested earnings	-1,062.3	-913.1	257.1	-176.2	-79.9	65.0	-24.0	-53.6	-105.7	248.3	-3.1
1.1.1 Claims	-1,062.4	-1,030.2	240.0	-199.4	-183.2	-192.4	-24.0	-56.6	-105.7	-6.2	-3.1
1.1.2 Liabilities	0.1	117.1	17.0	23.2	103.3	257.4	0.0	2.9	0.0	254.5	0.0
1.2 Other capital	105.7	3.5	-138.4	138.7	114.6	60.4	47.2	-13.0	11.3	14.8	6.7
1.1.1 Claims	106.8	-35.2	-369.2	323.9	132.7	77.8	40.1	-15.5	15.7	37.5	-4.8
1.2.2 Liabilities	-1.1	38.7	230.9	-185.2	-18.1	-17.4	7.1	2.5	-4.4	-22.7	11.6
2 In Croatia	4,062.8	2,433.8	376.9	1,072.2	1,067.9	550.1	555.3	18.2	48.2	-71.6	204.3
2.1 Equity capital and reinvested earnings	2,740.3	967.5	932.5	2,259.2	1,078.3	411.4	289.8	-147.7	334.5	-65.2	182.9
2.1.1 Claims	-6.9	-92.6	-63.9	-62.1	-231.3	-535.1	0.0	-167.5	0.0	-367.6	0.0
2.1.2 Liabilities	2,747.1	1,060.0	996.3	2,321.3	1,309.6	946.5	289.8	19.7	334.5	302.4	182.9
2.2 Other capital	1,322.5	1,466.3	-555.6	-1,187.0	-10.4	138.8	265.5	166.0	-286.4	-6.4	21.4
2.2.1 Claims	-24.5	-22.1	-14.6	19.9	6.5	-37.8	4.7	-13.0	1.1	-30.6	-4.5
2.2.2 Liabilities	1,347.0	1,488.4	-541.0	-1,206.8	-16.8	176.5	260.8	178.9	-287.4	24.2	25.9
Portfolio investment	-796.5	454.4	407.8	585.0	1,737.4	1,857.0	-42.8	958.4	-493.0	1,434.4	-1.6
1 Assets	-363.4	-521.0	-408.0	491.9	-309.9	108.4	76.2	293.9	-527.5	265.8	5.5
1.1 Equity securities	166.3	-74.3	-514.0	-117.0	-121.8	-0.8	-45.2	100.6	-30.6	-25.5	68.3
1.1.1 General government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.1.1 Credit institutions	6.8	8.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.1.2 Other sectors	159.5	-82.8	-514.0	-117.0	-121.8	-0.8	-45.2	100.6	-30.6	-25.5	68.3
1.2 Debt securities	-529.7	-446.7	105.9	608.9	-188.1	109.2	121.4	193.3	-496.9	291.3	-62.8
1.2.1 Bonds	-431.4	-86.2	263.9	345.2	-293.0	198.0	49.6	97.8	-48.8	99.4	-35.2
1.2.1.1 General government	0.0	0.0	-1.5	0.0	-0.7	0.0	0.0	0.0	0.0	0.0	0.0
1.2.1.2 Credit institutions	-226.5	-52.5	167.3	343.0	-267.8	260.6	17.6	144.4	-21.2	119.8	-3.7
1.2.1.3 Other sectors	-204.9	-33.7	98.1	2.1	-24.4	-62.5	32.1	-46.6	-27.6	-20.4	-31.5
1.2.2 Money market instruments	-98.3	-360.5	-157.9	263.8	104.9	-88.8	71.8	95.5	-448.1	191.9	-27.7
1.2.2.1 General government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.2.2.2 Credit institutions	-100.9	-341.4	-124.3	300.3	22.3	-82.7	101.6	95.6	-438.0	158.2	-21.3
1.2.2.3 Other sectors	2.5	-19.0	-33.6	-36.6	82.6	-6.2	-29.7	0.0	-10.1	33.7	-6.3
2 Liabilities	-433.1	975.4	815.8	93.1	2,047.3	1,748.6	-119.1	664.6	34.5	1,168.6	-7.1
2.1 Equity securities	-58.4	12.7	138.5	16.8	-123.8	-76.0	8.1	-97.6	7.7	5.7	11.3
2.1.1 Credit institutions	26.7	-3.7	0.5	-1.0	-1.9	0.0	0.0	-0.4	-0.6	0.9	-0.8
2.1.2 Other sectors	-85.1	16.4	138.0	17.9	-121.9	-76.0	8.0	-97.1	8.3	4.8	12.2
2.2 Debt securities	-374.7	962.7	677.3	76.3	2,171.1	1,824.6	-127.1	762.1	26.8	1,162.9	-18.5
2.2.1 Bonds	-360.4	817.3	380.8	388.2	2,211.9	1,872.6	-178.5	790.8	66.8	1,193.4	-123.7
2.2.1.1 General government	-275.5	862.9	389.1	625.6	1,270.0	1,911.4	-189.6	858.0	21.5	1,221.5	-184.4
2.2.1.2 Credit institutions	-4.7	-447.2	-0.2	-7.0	7.0	-5.2	-6.5	4.1	-2.3	-0.5	0.0
2.2.1.3 Other sectors	-80.1	401.7	-8.1	-230.3	934.8	-33.6	17.6	-71.3	47.6	-27.6	60.7
2.2.2 Money market instruments	-14.3	145.3	296.5	-312.0	-40.7	-48.0	51.4	-28.7	-40.1	-30.5	105.2
2.2.2.1 General government	-14.4	145.4	296.5	-312.1	-40.7	-47.8	51.4	-28.8	-40.0	-30.5	105.2
2.2.2.2 Credit institutions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.2.2.3 Other sectors	0.0	0.0	0.0	0.1	0.0	-0.1	0.0	0.0	-0.1	0.0	0.0

^a As from Bulletin No. 146 the CBRD is reclassified from the subsector central government funds to the subsector non-banking financial institutions. The reclassification covers the entire statistical series (from January 1999 onwards). Moreover, as from the same number of the Bulletin, CM is reclassified from the subsector central government funds to the subsector public enterprises. The reclassification covers the statistical series from January 2008 onwards. ^b Data also include the round tripping which increases direct investment in Croatia and direct investment abroad by the same amount. This type of direct investment was recorded in December 2008 (EUR 825.7m), August 2009 (EUR 666.5m) and December 2010 (EUR 618.6m, investment withdrawal). ^c Revised data. ^d Preliminary data.

of employees paid to non-residents. Income from direct investment, portfolio investment and other investment are reported separately. Data on reinvested earnings are reported separately, under direct investment income, calculated on the basis of the CNB Research on direct and other equity investment. In contrast to data on dividends, these data are not available for

the 1993-1996 period, since at that time they were not reported separately. From the first quarter of 2009 on, international standards are applied in the statistical monitoring of reinvested earnings, meaning that reinvested earnings are reported on a quarterly basis, i.e. in the period in which the profit is actually earned. Previously, reinvested earnings were reported in the

Table H5 Balance of payments – other investment^a

in million EUR

	2008	2009	2010	2011	2012	2013 ^b	2013				2014
							Q1 ^b	Q2 ^b	Q3 ^b	Q4 ^b	Q1 ^c
Other investment (net)	3,040.4	2,335.0	758.2	206.6	-2,466.8	-244.7	517.6	188.8	-1,122.3	171.2	268.8
1 Assets	-1,637.7	695.7	689.2	245.1	661.9	120.8	453.0	-152.8	-518.7	339.3	-416.2
1.1 Trade credits	-124.5	130.8	289.0	-124.3	392.7	-107.3	-100.6	99.3	13.8	-119.8	-238.6
1.1.1 General government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.1.1.1 Long-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.1.1.2 Short-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.1.2 Other sectors	-124.5	130.8	289.0	-124.3	392.7	-107.3	-100.6	99.3	13.8	-119.8	-238.6
1.1.2.1 Long-term	26.7	58.0	22.2	2.9	0.2	2.6	0.8	0.7	0.6	0.5	-0.9
1.1.2.2 Short-term	-151.1	72.8	266.8	-127.3	392.5	-109.9	-101.3	98.6	13.1	-120.3	-237.8
1.2 Loans	-107.5	41.5	-105.2	42.6	-66.8	-84.4	51.9	-60.2	-54.8	-21.3	38.3
1.2.1 General government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.2.1.1 Long-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.2.1.2 Short-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.2.2 Credit institutions	-66.7	20.5	-85.5	51.0	-36.8	-2.9	100.3	-48.5	-53.4	-1.3	30.4
1.2.2.1 Long-term	-26.8	-28.7	-63.3	10.4	52.9	-57.2	4.0	-42.3	-26.5	7.6	2.9
1.2.2.2 Short-term	-39.9	49.2	-22.2	40.6	-89.7	54.3	96.3	-6.3	-26.9	-8.9	27.5
1.2.3 Other sectors	-40.8	21.0	-19.7	-8.4	-29.9	-81.6	-48.4	-11.7	-1.4	-20.0	7.9
1.2.3.1 Long-term	-37.6	20.9	17.4	-34.6	-9.9	-71.4	-49.6	-8.1	-2.4	-11.4	-0.6
1.2.3.2 Short-term	-3.2	0.1	-37.1	26.1	-20.1	-10.2	1.1	-3.7	1.0	-8.6	8.6
1.3 Currency and deposits	-1,405.7	523.4	505.4	326.8	336.5	341.7	501.9	-191.9	-475.3	507.0	-215.9
1.3.1 General government	0.0	0.0	0.0	0.0	-2.1	-2.5	-0.6	-0.5	-0.7	-0.7	-0.5
1.3.2 Credit institutions	-136.4	423.7	417.0	522.0	421.0	129.0	477.5	-331.5	-557.7	540.7	-215.4
1.3.3 Other sectors	-1,269.3	99.7	88.5	-195.1	-82.3	215.1	25.0	140.1	83.1	-33.1	0.0
1.4 Other assets	0.0	0.0	0.0	0.0	-0.6	-29.2	-0.1	0.0	-2.4	-26.6	0.0
2 Liabilities	4,678.1	1,639.3	69.0	-38.5	-3,128.6	-365.4	64.6	341.6	-603.5	-168.1	685.0
2.1 Trade credits	35.0	-149.2	58.7	-428.9	279.9	201.4	18.4	24.8	-62.5	220.7	-126.9
2.1.1 General government	-0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.1.1.1 Long-term	-0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.1.1.2 Short-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.1.2 Other sectors	35.6	-149.2	58.7	-428.9	279.9	201.4	18.4	24.8	-62.5	220.7	-126.9
2.1.2.1 Long-term	34.9	-58.0	-25.4	-147.6	-53.8	-17.9	-9.7	-26.6	13.6	4.9	9.5
2.1.2.2 Short-term	0.7	-91.2	84.0	-281.3	333.7	219.3	28.1	51.5	-76.1	215.7	-136.4
2.2 Loans	3,703.9	593.0	33.9	-511.3	-1,410.4	-655.2	61.2	-192.1	-181.6	-342.8	358.8
2.2.1 Croatian National Bank	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.2.1.1 o/w: IMF	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.2.1.1.1 Drawings	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.2.1.1.2 Repayments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.2.1.2 Short-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.2.2 General government	96.7	-21.3	127.3	77.3	-73.3	303.5	204.6	-71.4	-30.6	200.9	-212.7
2.2.2.1 Long-term	65.0	10.4	127.3	77.3	-68.7	104.4	204.6	-71.6	-29.5	0.9	-12.7
2.2.2.1.1 Drawings	330.1	309.3	370.1	352.4	181.8	368.2	233.6	20.9	32.1	81.6	23.6
2.2.2.1.2 Repayments	-265.2	-298.9	-242.9	-275.0	-250.5	-263.8	-29.1	-92.6	-61.6	-80.6	-36.3
2.2.2.2 Short-term	31.7	-31.7	0.0	0.0	-4.6	199.1	0.0	0.3	-1.2	200.0	-200.0
2.2.3 Credit institutions	115.2	-162.2	-192.7	-50.5	-290.1	-522.1	-183.9	39.7	-227.8	-150.1	-100.1
2.2.3.1 Long-term	-276.1	162.4	-322.9	369.9	-281.2	-568.0	-165.1	-105.2	-139.0	-158.8	-16.9
2.2.3.1.1 Drawings	609.4	1,219.2	849.3	1,090.4	730.2	409.2	80.6	98.5	25.4	204.5	159.2
2.2.3.1.2 Repayments	-885.4	-1,056.8	-1,172.2	-720.5	-1,011.4	-977.2	-245.7	-203.7	-164.4	-363.3	-176.1
2.2.3.2 Short-term	391.3	-324.6	130.2	-420.4	-9.0	46.0	-18.8	144.9	-88.8	8.6	-83.2
2.2.4 Other sectors	3,492.0	776.6	99.3	-538.2	-1,047.0	-436.7	40.5	-160.4	76.8	-393.6	671.6
2.2.4.1 Long-term	3,175.7	500.3	-91.9	-913.1	-1,486.8	-524.6	-51.6	-196.8	114.8	-391.1	524.4
2.2.4.1.1 Drawings	6,700.9	4,401.2	4,336.2	2,867.3	3,311.3	4,445.8	824.2	1,527.6	1,092.7	1,001.4	1,532.1
2.2.4.1.2 Repayments	-3,525.2	-3,900.9	-4,428.2	-3,780.4	-4,798.1	-4,970.5	-875.7	-1,724.3	-977.9	-1,392.5	-1,007.7
2.2.4.2 Short-term	316.2	276.2	191.2	374.9	439.9	88.0	92.1	36.4	-38.0	-2.5	147.2

	2008	2009	2010	2011	2012	2013 ^b	2013				2014
							Q1 ^b	Q2 ^b	Q3 ^b	Q4 ^b	Q1 ^c
2.3 Currency and deposits	875.7	1,185.5	-19.0	910.5	-1,967.4	30.0	-12.7	494.8	-415.8	-36.3	369.3
2.3.1 General government	-0.1	-1.2	0.0	-1.0	0.0	83.8	0.0	0.0	73.9	9.9	28.9
2.3.2 Credit institutions	867.1	1,197.2	-19.0	911.5	-1,967.3	-53.8	-12.7	494.8	-489.8	-46.2	340.4
2.3.3 Other sectors	8.7	-10.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.4 Other liabilities	63.5	9.9	-4.5	-8.7	-30.6	58.4	-2.4	14.1	56.4	-9.7	83.8

^a As from Bulletin No. 146 the CBRD is reclassified from the subsector central government funds to the subsector non-banking financial institutions. The reclassification covers the entire statistical series (from January 1999 onwards). Moreover, as from the same number of the Bulletin, CM is reclassified from the subsector central government funds to the subsector public enterprises. The reclassification covers the statistical series from January 2008 onwards. ^b Revised data. ^c Preliminary data.

month in which the decision on the distribution of the previous year's profit was adopted, meaning that they were based on the profit earned in the preceding year. On the basis of statistical data on external debt relations, starting from 1997, income from direct investment includes data on interest arising from credit relations between residents and non-residents directly related through ownership. Income from equity portfolio investment is compiled on the basis of the same survey, whereas data on debt portfolio investment income have been compiled since 1999, based on statistics on foreign credit relations, which also encompasses income related to debt securities owned by non-residents. Income from other investments includes the calculation of interest in accordance with the foreign credit relations statistics. The methodology for compiling the statistics on debt investment income was changed in 2007 to include the reporting of income on an accrual basis. This basically means that income from debt investment and interest are reported at the point in time when they accrue and not at the point in time when they mature or when they are paid. As a result, the historical data for the 1999–2006 period have been revised.

Current transfers are reported separately for the government sector and other sectors. The ITRS was used as the main data source on current transfers for both sectors until the end of 2010, when the reporting by transaction types was abolished. As of 2011, transfers of the government sector are recorded on the basis of the data of the Ministry of Finance and the Croatian Pension Insurance Administration in the case of pensions paid out to non-residents. In addition to taxes and excise duties, pensions, gifts and donations, which are included in current transfers of both sectors, the government sector also encompasses data on multilateral cooperation, whereas other sectors include data on workers' remittances. As of 2011, the position of workers' remittances and gifts and donations for other sectors is estimated through a model based on aggregate data of banks on inflows of resident natural persons from abroad and outflows of resident natural persons abroad. Pensions from abroad are estimated on the basis of the available data of the Croatian Pension Insurance Administration. Furthermore, other sector transfers are supplemented by the data from the survey on trade in international services, containing a special part for possible transfers from and to foreign countries. Current transfers of the government sector also include data on exports and imports of goods without a payment obligation, provided by the CBS. In the 1993–1998 period, current transfers of other sectors also encompassed an estimate of unregistered foreign currency remittances, which accounted for 15% of the positive difference between unclassified inflows and outflows of the household sector. From 1993 to the second quarter of 1996, the CNB also assessed a portion of the outflow based on current transfers. From 2002 on, inflows and outflows based on current transfers of other sectors are supplemented by the data of the CNB special statistical research on international transactions related to

insurance services. Funds received from EU funds are reported in the current account or in the capital account in line with the type of transaction and on the basis of the data of the Ministry of Finance.

Until the end of 2010, capital transfers in the capita account were based on the ITRS. From the beginning of 2011 onwards, the account of capital transfers is compiled on the basis of the data of the Ministry of Finance and the survey data on services trade and special transactions with foreign countries. Data on the potential debt forgiveness are also a constituent part of the capital account.

Foreign direct investments include equity capital, reinvested earnings and debt relations between ownership-related residents and non-residents. Direct investments are investments whereby a foreign owner acquires a minimum of 10% interest in equity capital of a company, regardless of whether a resident invests abroad or a non-resident invests in Croatian residents. The CNB Research on foreign direct investments started in 1997 when companies included in the survey also delivered data on direct investments for the 1993–1996 period. For the same period, no data are available on reinvested earnings and other capital under direct investment position, where all debt relations between related residents and non-residents are classified (excluding the banking sector). Such data actually became available only after the stated research had been launched. Since 1999, data on debt relations within direct investments have been collected on the basis of external debt relations statistics. From 2007 on, the CNB Statistics Department conducts the research on the purchase and sale of the real estate by non-residents on the territory of the Republic of Croatia. Persons obliged to submit reports are the public notaries who learn about these transactions in the course of their business. Data on the purchase and sale of the real estate by Croatian residents abroad are compiled on the basis of the ITRS. These purchase and sale transactions are also a constituent part of direct investments. Data on the purchase and sale of the real estate by Croatian non-residents abroad are compiled on the basis of the Report on the real estate trade abroad. These purchase and sale transactions are also a constituent part of direct investments.

Data on equity portfolio investments are collected from the same data source as the data on direct equity investments. Debt portfolio investments include all investments in short-term and long-term debt securities that cannot be classified under direct investments. In the 1997–1998 period, these data were collected through the CNB Research on direct and portfolio investments, and since 1999 data on external debt relations and monetary statistics data for bank investment have been used. Starting from 2002 and 2004, this position has also been compiled for investment funds and pension funds, respectively. Since 2009, these positions have been modified by the statistics on trade in equity and debt securities submitted by the Central Depository and Clearing Company and commercial banks providing securities

Table H6 Balance of payments – summary^a

in million HRK

	2008	2009	2010	2011	2012	2013 ^b	2013				2014
							Q1 ^b	Q2 ^b	Q3 ^b	Q4 ^b	Q1 ^c
A CURRENT ACCOUNT (1+6)	-30,874.6	-16,970.3	-3,886.6	-2,970.9	-808.0	2,525.9	-10,570.2	-1,977.8	21,335.0	-6,261.2	-11,966.5
1 Goods, services, and income (2+5)	-38,603.4	-24,342.9	-11,597.5	-11,488.1	-9,546.0	-5,511.9	-12,668.0	-4,648.6	19,628.8	-7,824.1	-12,520.4
1.1 Credit	153,278.8	125,509.8	135,368.6	146,420.1	150,313.2	152,499.5	24,069.5	37,667.9	61,435.0	29,327.2	25,105.1
1.2 Debit	-191,882.3	-149,852.7	-146,966.1	-157,908.2	-159,859.2	-158,011.4	-36,737.4	-42,316.5	-41,806.1	-37,151.4	-37,625.6
2 Goods and services (3+4)	-27,399.1	-11,254.7	11.4	381.4	2,522.3	2,828.1	-10,108.2	-2,242.4	21,836.4	-6,657.8	-9,648.3
2.1 Credit	143,213.9	119,656.7	128,866.6	139,467.7	143,123.1	145,836.4	22,023.5	35,519.3	58,940.2	29,353.3	23,237.6
2.2 Debit	-170,612.9	-130,911.3	-128,855.3	-139,086.3	-140,600.7	-143,008.3	-32,131.7	-37,761.7	-37,103.8	-36,011.1	-32,886.0
3 Goods	-76,817.4	-52,927.0	-41,861.3	-45,712.0	-45,500.8	-48,126.5	-11,576.5	-14,729.4	-11,772.3	-10,048.3	-10,991.8
3.1 Credit	70,414.9	56,336.3	66,044.6	72,653.1	73,692.2	74,111.3	16,011.4	17,662.4	20,075.6	20,361.9	17,344.7
3.2 Debit	-147,232.3	-109,263.3	-107,905.9	-118,365.1	-119,193.1	-122,237.8	-27,587.9	-32,391.8	-31,847.9	-30,410.2	-28,336.4
4 Services	49,418.3	41,672.3	41,872.7	46,093.4	48,023.2	50,954.5	1,468.3	12,487.0	33,608.7	3,390.5	1,343.4
4.1 Credit	72,798.9	63,320.4	62,822.1	66,814.6	69,430.8	71,725.0	6,012.1	17,857.0	38,864.6	8,991.4	5,893.0
4.2 Debit	-23,380.6	-21,648.1	-20,949.4	-20,721.1	-21,407.7	-20,770.5	-4,543.8	-5,369.9	-5,255.8	-5,600.9	-4,549.6
5 Income	-11,204.4	-13,088.2	-11,608.9	-11,869.5	-12,068.4	-8,340.0	-2,559.8	-2,406.3	-2,207.6	-1,166.3	-2,872.1
5.1 Credit	10,065.0	5,853.2	6,502.0	6,952.5	7,190.1	6,663.2	2,046.0	2,148.5	2,494.8	-26.1	1,867.5
5.2 Debit	-21,269.3	-18,941.4	-18,110.8	-18,821.9	-19,258.5	-15,003.1	-4,605.7	-4,554.8	-4,702.4	-1,140.2	-4,739.6
6 Current transfers	7,728.8	7,372.6	7,710.9	8,517.2	8,738.0	8,037.8	2,097.8	2,670.9	1,706.2	1,562.9	553.9
6.1 Credit	12,159.5	11,565.5	12,066.6	12,409.6	12,921.1	13,749.9	3,124.8	3,641.5	3,479.5	3,504.1	2,924.0
6.2 Debit	-4,430.6	-4,192.9	-4,355.7	-3,892.4	-4,183.0	-5,712.1	-1,027.0	-970.6	-1,773.3	-1,941.2	-2,370.1
B CAPITAL AND FINANCIAL ACCOUNT	41,055.4	25,438.8	9,445.3	10,416.6	3,590.8	4,100.0	8,243.9	2,343.2	-10,764.6	4,277.4	9,840.2
B1 Capital account	106.8	309.6	258.3	281.1	366.7	441.9	-1.4	154.3	94.7	194.3	19.8
B2 Financial account, excl. reserves	38,640.3	31,640.4	9,649.0	13,058.1	3,557.6	17,684.9	7,952.6	8,266.2	-12,254.4	13,720.5	3,691.7
1 Direct investment	22,029.0	11,243.4	3,583.6	7,698.2	8,284.8	5,145.6	4,384.9	-361.0	-342.6	1,464.3	1,589.6
1.1 Abroad	-6,884.2	-6,661.3	920.7	-266.4	278.4	967.4	175.7	-504.0	-713.0	2,008.8	27.5
1.2 In Croatia	28,913.2	17,904.7	2,663.0	7,964.6	8,006.4	4,178.2	4,209.2	143.0	370.4	-544.5	1,562.0
2 Portfolio investment	-5,393.7	3,236.9	2,846.2	4,342.5	13,040.6	14,176.4	-320.9	7,262.5	-3,705.0	10,939.8	-11.4
2.1 Assets	-2,552.0	-3,769.9	-2,991.9	3,674.5	-2,304.3	846.7	582.0	2,201.4	-3,962.9	2,026.2	43.0
2.2 Liabilities	-2,841.7	7,006.8	5,838.1	667.9	15,344.9	13,329.7	-902.9	5,061.1	257.9	8,913.6	-54.4
3 Financial derivatives	0.0	0.0	-1,838.9	-450.0	673.1	-68.0	-22.1	-81.7	219.1	-183.3	34.3
4 Other investment	22,005.1	17,160.1	5,058.1	1,467.4	-18,440.9	-1,569.1	3,910.8	1,446.5	-8,425.9	1,499.6	2,079.3
4.1 Assets	-11,711.9	5,222.9	4,496.6	2,554.3	5,038.4	1,170.0	3,417.4	-1,136.3	-3,887.7	2,776.6	-3,193.6
4.2 Liabilities	33,717.0	11,937.2	561.5	-1,086.9	-23,479.3	-2,739.1	493.4	2,582.8	-4,538.2	-1,277.0	5,272.9
B3 Reserve assets (CNB)	2,308.3	-6,511.2	-462.0	-2,922.6	-333.5	-14,026.7	292.7	-6,077.3	1,395.2	-9,637.3	6,128.7
C NET ERRORS AND OMISSIONS	-10,180.8	-8,468.5	-5,558.7	-7,445.6	-2,782.9	-6,625.9	2,326.3	-365.5	-10,570.5	1,983.8	2,126.3

^a As from Bulletin No. 146 the CBRD is reclassified from the subsector central government funds to the subsector non-banking financial institutions. The reclassification covers the entire statistical series (from January 1999 onwards). Moreover, as from the same number of the Bulletin, CM is reclassified from the subsector central government funds to the subsector public enterprises. The reclassification covers the statistical series from January 2008 onwards. ^b Revised data. ^c Preliminary data.

Note: The item net errors and omissions also comprises the counter-entry of a part of revenues from travel services which relates to such revenues not stated in the banks' records.

custody services. Portfolio investments are modified by these data in the parts not fully covered by the existing research. Data for the 2006–2009 period have also been revised. As a result, from 2006 on, the balance of payments includes data on debt securities issued by domestic issuers and traded by non-residents in the domestic market (portfolio investment, debt securities on the liabilities side). Since these are debt securities of domestic issuers traded by non-residents, the balance of this portfolio on a specific day reflects an increase in the external debt, notwithstanding the fact that securities are issued in the domestic market. It should be noted that this approach is already applied in relation to securities issued by our residents abroad and that the amount of debt generated in this manner is reduced by the amount repurchased by residents.

From the first quarter of 2010, the balance of payments includes the transactions arising from the concluded contracts which have features of financial derivatives. Reporting

institutions are commercial banks and other financial institutions. In addition, the reporting population has been extended as of the fourth quarter of 2012 to include non-financial institutions which enter into these transactions mainly to hedge against changing market conditions.

Other investment encompasses all other debt investments that have not been mentioned, apart from investment constituting reserve assets. Other investments are classified by instruments, maturity and sectors. Trade credits, in the 1996–2002 period, included the CNB estimates of advance payment and deferred payments, made on the basis of the sample of the largest and large importers and exporters. Data on advance payments have been estimated since 1996, while data on short-term deferred payments (first up to 90 days, then up to 150 days, and today from 8 days to 1 year) have been collected since 1999. In 2005, this research was replaced by a new one, where the selected companies, regardless of their size (stratified sample),

Table H7 International reserves and banks' foreign currency reserves^a
end of period, in million EUR

Year	Month	International reserves of the Croatian National Bank							Banks' foreign currency reserves
		Total	Special drawing rights	Reserve position in the Fund	Gold	Foreign currency			
						Total	Currency and deposits	Bonds and notes	
2000	December	3,783.2	158.5	0.2	–	3,624.5	2,763.0	861.5	2,310.7
2001	December	5,333.6	122.9	0.2	–	5,210.5	3,469.7	1,740.7	4,056.0
2002	December	5,651.3	2.3	0.2	–	5,648.8	3,787.8	1,861.0	2,581.6
2003	December	6,554.1	0.7	0.2	–	6,553.2	3,346.0	3,207.2	3,927.1
2004	December	6,436.2	0.6	0.2	–	6,435.4	3,173.3	3,262.0	4,220.1
2005	December	7,438.4	0.9	0.2	–	7,437.3	3,834.5	3,602.8	2,938.4
2006	December	8,725.3	0.7	0.2	–	8,724.4	4,526.9	4,197.5	3,315.0
2007	December	9,307.4	0.8	0.2	–	9,306.5	4,533.9	4,772.5	4,388.9
2008	December	9,120.9	0.7	0.2	–	9,120.0	2,001.8	7,118.2	4,644.5
2009	December	10,375.8	331.7	0.2	–	10,043.9	2,641.4	7,402.6	4,293.9
2010	December	10,660.3	356.7	0.2	–	10,303.4	3,274.9	7,028.5	3,828.9
2011	December	11,194.9	360.7	0.2	–	10,834.0	2,730.7	8,103.2	3,463.7
2012	December	11,235.9	352.8	0.2	–	10,882.9	2,245.8	8,637.1	2,895.3
2013	July	11,887.2	347.5	0.2	–	11,539.4	2,829.7	8,709.7	2,691.6
	August	11,841.3	348.1	0.2	–	11,493.0	2,435.4	9,057.6	3,311.7
	September	11,719.5	346.5	0.2	–	11,372.8	2,270.7	9,102.1	3,317.9
	October	11,596.2	343.6	0.2	–	11,252.4	1,978.4	9,274.1	3,156.5
	November	12,867.6	346.6	0.2	–	12,520.8	3,376.6	9,144.3	2,829.6
	December	12,907.5	340.6	0.2	–	12,566.7	3,717.9	8,848.8	2,756.6
2014	January	12,893.0	344.5	0.2	–	12,548.3	3,430.5	9,117.9	2,737.5
	February	12,569.8	346.2	0.2	–	12,223.4	3,119.5	9,103.8	2,752.7
	March	12,100.0	343.8	0.2	–	11,756.1	2,492.7	9,263.4	2,900.0
	April	11,680.5	341.5	0.2	–	11,338.8	2,150.3	9,188.4	2,831.5
	May	13,016.6	345.9	0.2	–	12,670.4	3,726.1	8,944.3	2,671.5
	June	12,334.7	346.9	0.2	–	11,987.6	2,883.2	9,104.4	2,894.2

^a International reserves of the Republic of Croatia consist only of the Croatian National Bank's foreign currency reserves. ^b Preliminary data.

are obliged to submit data. Data on deferred payments with the original maturity of more than one year are adopted from the CNB foreign credit relations statistics. Credits granted by residents to non-residents, i.e. foreign loans utilised by residents and granted by non-residents, which cannot be classified into direct investments or trade credits, are classified by the institutional sector and maturity under the corresponding positions of other investment. The CNB foreign credit relations statistics represent the data source for these positions. Currency and deposit position shows residents' claims on foreign countries for foreign cash and deposits with foreign banks, as well as obligations of the Croatian banks for deposits owned by non-residents. Monetary statistics represent a data source for the government sector and banks sector. Data on balance and currency structure of foreign assets and liabilities, contained in monetary statistics, are used to assess transactions from which the exchange rate effect was eliminated. In the 1993-1998 period, data on other sectors' claims under this position were compiled on the basis of the CNB estimate of a portion of net foreign currency inflows of the household sector which is not classified under current transfers. Since 1999, this position has included only the data based on the Bank for International Settlement quarterly data, while data in the fourth quarter of 2001 and in the first two quarters of 2002 also relate to the effect of the EMU countries' currencies changeover to the euro. Data for the fourth quarter of 2008 were modified by estimates of currency and deposit withdrawals from the financial system driven by fears of the effects of the

global financial crisis.

The sector classification of the portfolio and other investment involves the sector classification of residents and is fully harmonised with the sector classification of the gross external debt by domestic sectors and the international investment position. As a result, the government sector includes the general government, which up to December 2010 comprised the Republic of Croatia, central government funds (including the State Agency for Deposit Insurance and Bank Rehabilitation, the Agency for Management of the Public Property, the Croatian Waters, the Croatian Roads and, up to 31 December 2007, the Croatian Motorways; from this date on, the Croatian Motorways is shown within the subsector public enterprises under item Other sectors), and local government. From December 2010 on, the government sector includes central government, social security funds and local government. The sector of the central bank includes the Croatian National Bank. The sector of credit institutions comprises credit institutions. Other domestic sectors comprise all financial institutions and intermediaries except credit institutions and the central bank (including the Croatian Bank for Reconstruction and Development), private and public corporations, non-profit institutions and households, including craftsmen.

In the period from 1993 to 1998, the estimate of reserve assets transactions was made by converting the changes in the original currencies into the US dollars by applying the average monthly exchange rate of the currencies contained in the reserves. Since 1999, the changes in reserve assets balance have

Table H8 International reserves and foreign currency liquidity

end of period, in million EUR

	2008	2009	2010	2011	2012	2013	2014		
	Dec.	Dec.	Dec.	Dec.	Dec.	Dec.	Mar.	Apr.	May
I Official reserve assets and other f/c assets (approximate market value)									
A Official reserve assets	9,120.9	10,375.8	10,660.3	11,194.9	11,235.9	12,907.5	12,100.0	11,680.5	13,016.6
(1) Foreign currency reserves (in convertible f/c)	8,625.0	9,243.3	8,794.8	10,694.0	10,445.8	10,105.8	10,185.1	10,323.9	11,357.4
(a) Securities	7,118.2	7,402.6	7,028.5	8,103.2	8,637.1	8,848.8	9,263.4	9,188.4	8,944.3
o/w: Issuer headquartered in reporting country but located abroad	-	-	-	-	-	-	-	-	-
(b) Total currency and deposits with:	1,506.7	1,840.8	1,766.3	2,590.7	1,808.7	1,257.0	921.7	1,135.5	2,413.1
(i) Other national central banks, BIS and IMF	1,397.3	1,698.9	1,576.4	2,468.7	1,808.1	1,076.6	735.5	923.5	2,099.2
(ii) Banks headquartered in the reporting country	-	-	-	-	-	-	-	-	-
o/w: Located abroad	-	-	-	-	-	-	-	-	-
(iii) Banks headquartered outside the reporting country	109.5	141.8	189.9	122.1	0.6	180.3	186.2	212.0	313.9
o/w: Located in the reporting country	-	-	-	-	-	-	-	-	-
(2) IMF reserve position	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
(3) SDRs	0.7	331.7	356.7	360.7	352.8	340.6	343.8	341.5	345.9
(4) Gold	-	-	-	-	-	-	-	-	-
(5) Other reserve assets	495.0	800.6	1,508.6	140.0	437.1	2,460.9	1,571.0	1,014.8	1,313.0
– Reverse repo	495.0	800.6	1,508.6	140.0	437.1	2,460.9	1,571.0	1,014.8	1,313.0
B Other foreign currency assets (specify)	-	-	-	-	-	-	-	-	-
– Time deposits	-	-	-	-	-	-	-	-	-
C Total (A+B)	9,120.9	10,375.8	10,660.3	11,194.9	11,235.9	12,907.5	12,100.0	11,680.5	13,016.6
II Predetermined short-term net drains on f/c assets (nominal value)									
1 F/c loans, securities, and deposits (total net drains up to one year)	-1,084.1	-989.3	-1,234.9	-679.5	-801.8	-1,557.8	-2,299.5	-1,726.6	-1,763.8
(a) Croatian National Bank	-0.9	-	-	-	-	-	-	-	-
Up to 1 month									
Principal	-	-	-	-	-	-	-	-	-
Interest	-0.9	-	-	-	-	-	-	-	-
More than 1 and up to 3 months									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
More than 3 months and up to 1 year									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
(b) Central government (excl. central government funds)	-1,083.2	-989.3	-1,234.9	-679.5	-801.8	-1,557.8	-2,299.5	-1,726.6	-1,763.8
Up to 1 month									
Principal	-50.8	-39.9	-16.4	-140.2	-170.5	-172.8	-174.3	-141.2	-155.1
Interest	-	-	-8.1	-6.5	-6.5	-4.2	-1.6	-7.4	-1.8
More than 1 and up to 3 months									
Principal	-616.8	-625.3	-882.2	-112.5	-50.1	-284.2	-779.1	-37.1	-13.7
Interest	-	-	-15.1	-20.5	-22.7	-24.0	-48.8	-40.6	-27.0
More than 3 months and up to 1 year									
Principal	-348.3	-207.1	-170.5	-208.7	-311.6	-758.3	-936.3	-1,145.7	-1,141.7
Interest	-67.4	-117.0	-142.5	-191.2	-240.3	-314.4	-359.4	-354.7	-424.4
2 Aggregate short and long positions in forwards and futures in f/c vis-a-vis the domestic currency (including the forward leg of currency swaps)	-	-	-	-	-	-	-	-	-
(a) Short positions (-)	-	-	-	-	-	-	-	-	-
Up to 1 month	-	-	-	-	-	-	-	-	-
More than 1 and up to 3 months	-	-	-	-	-	-	-	-	-
More than 3 months and up to 1 year	-	-	-	-	-	-	-	-	-
(b) Long positions (+)	-	-	-	-	-	-	-	-	-
Up to 1 month	-	-	-	-	-	-	-	-	-
More than 1 and up to 3 months	-	-	-	-	-	-	-	-	-
More than 3 months and up to 1 year	-	-	-	-	-	-	-	-	-
3 Other	-	-	-	-	-	-	-	-	-
– Outflows related to repos (-)	-	-	-	-	-	-	-	-	-
Up to 1 month									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
More than 1 and up to 3 months									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
More than 3 months and up to 1 year									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
4 Total predetermined short-term net drains on f/c assets (1+2+3)	-1,084.1	-989.3	-1,234.9	-679.5	-801.8	-1,557.8	-2,299.5	-1,726.6	-1,763.8

	2008	2009	2010	2011	2012	2013	2014		
	Dec.	Dec.	Dec.	Dec.	Dec.	Dec.	Mar.	Apr.	May
III Contingent short-term net drains on f/c assets (nominal value)									
1 Contingent liabilities in foreign currency	-1,896.1	-1,351.6	-1,734.2	-1,741.7	-1,311.6	-1,334.0	-1,334.5	-1,359.9	-1,366.1
(a) Collateral guarantees on debt falling due within 1 year	-803.2	-661.5	-1,087.9	-1,005.2	-636.4	-755.4	-755.5	-777.4	-780.8
– Croatian National Bank	-	-	-	-	-	-	-	-	-
– Central government (excl. central government funds)	-803.2	-661.5	-1,087.9	-1,005.2	-636.4	-755.4	-755.5	-777.4	-780.8
Up to 1 month	-91.8	-30.3	-0.2	-8.0	-26.6	-23.0	-17.5	-48.8	-183.3
More than 1 and up to 3 months	-58.4	-101.3	-438.5	-111.2	-70.3	-74.7	-94.1	-302.5	-110.2
More than 3 months and up to 1 year	-652.9	-529.8	-649.2	-885.9	-539.5	-657.6	-643.9	-426.2	-487.3
(b) Other contingent liabilities	-1,092.9	-690.1	-646.3	-736.5	-675.2	-578.6	-579.0	-582.5	-585.3
– Croatian National Bank	-1,092.9	-690.1	-646.3	-736.5	-675.2	-578.6	-579.0	-582.5	-585.3
Up to 1 month	-	-	-	-	-	-	-	-	-
More than 1 and up to 3 months	-1,092.9	-690.1	-646.3	-736.5	-675.2	-578.6	-579.0	-582.5	-585.3
More than 3 months and up to 1 year	-	-	-	-	-	-	-	-	-
– Central government (excl. central government funds)	-	-	-	-	-	-	-	-	-
2 Foreign currency securities issued with embedded options (puttable bonds)	-	-	-	-	-	-	-	-	-
3 Undrawn, unconditional credit lines provided by:	-	-	-	-	-	-	-	-	-
– BIS (+)	-	-	-	-	-	-	-	-	-
– IMF (+)	-	-	-	-	-	-	-	-	-
4 Aggregate short and long positions of options in f/c vis-a-vis the domestic currency	-	-	-	-	-	-	-	-	-
5 Total contingent short-term net drains on f/c assets (1+2+3+4)	-1,896.1	-1,351.6	-1,734.2	-1,741.7	-1,311.6	-1,334.0	-1,334.5	-1,359.9	-1,366.1
IV Memo items									
(a) Short-term domestic currency debt indexed to the exchange rate	-	-	-	-	-	-	-	-	-
o/w: Central government (excl. central government funds)	-	-	-	-	-	-	-	-	-
(b) Financial instruments denominated in foreign currency and settled by other means (e.g., in domestic currency)	-	-	-	-	-	-	-	-	-
(c) Pledged assets	-	-	-	-	-	-	-	-	-
(d) Securities lent and on repo	-	-	-	-	-	-	-	-	-
– Lent or repoed and included in Section I	-6.1	-	-	-0.4	-	0.0	-1.4	-1.9	-2.7
– Lent or repoed but not included in Section I	-	-	-	-	-	-	-	-	-
– Borrowed or acquired and included in Section I	-	-	-	-	-	-	-	-	-
– Borrowed or acquired but not included in Section I	478.6	766.5	1,458.5	136.9	551.3	2,380.1	1,481.8	970.9	1,251.5
(e) Financial derivative assets (net, marked to market)	-	-	-	-	-	-	-	-	-
(f) Currency composition of official reserves assets	-	-	-	-	-	-	-	-	-
– Currencies in SDR basket	9,120.8	10,375.7	10,660.0	11,194.7	11,235.7	12,907.4	12,099.5	11,679.9	13,016.0
– Currencies not in SDR basket	0.1	0.1	0.3	0.1	0.2	0.1	0.5	0.6	0.6
– By individual currencies									
USD	2,064.6	2,461.8	2,451.0	2,333.0	2,140.4	2,068.1	2,073.0	2,099.6	2,095.3
EUR	7,054.9	7,581.5	7,851.8	8,500.6	8,742.1	10,498.4	9,682.0	9,238.2	10,574.2
Other	1.5	332.5	357.5	361.2	353.4	341.0	345.0	342.7	347.0

been calculated on the basis of the CNB accounting data.

From the first quarter of 2013, data on transactions carried out by the International Reserves and Foreign Exchange Liquidity Department of the Croatian National Bank represent the data source for this position.

Table H7 International reserves and banks' foreign currency reserves • Data on the international reserves of the Croatian National Bank are compiled in accordance with the methodology set out in the Balance of Payments Manual (International Monetary Fund, 1993), and include those foreign claims of the Croatian National Bank that can be used to bridge imbalances in international payments. International reserves include special drawing rights, reserve position in the Fund, gold, foreign currency and deposits with foreign banks, as well as bonds and debt instruments.

The foreign currency reserves of banks include foreign currency and deposits of domestic banks with foreign banks. These foreign currency reserves represent an additional source of

liquidity for bridging imbalances in international payments.

Table H8 International reserves and foreign currency liquidity • International reserves and foreign currency liquidity are shown in accordance with a Template on international reserves and foreign currency liquidity, drawn up by the IMF. A detailed explanation of the Template is given in "International Reserves and Foreign Currency Liquidity – Guidelines for a Data Template, 2001".

The first part of the Template shows total assets of the Croatian National Bank in convertible foreign currency. Official reserve assets (IA) show those types of assets that are readily available to the CNB at any moment for bridging imbalances in international payments. Official international reserves include: short-term foreign negotiable debt securities, foreign cash, foreign currency sight deposits, foreign currency time deposits which can be withdrawn before maturity, foreign currency time deposits with a remaining maturity of up to 1 year, reserve position with the IMF, special drawing rights, gold, and reverse

repos with foreign negotiable debt securities.

The second part of the Template shows fixed predetermined foreign currency net liabilities of the Croatian National Bank and the central government (excluding central government funds) that fall due in the next 12 months. Foreign currency loans, securities and deposits (II1) include future interest payments on banks' foreign currency reserve requirements with the CNB (only interest payments for the next month are included), payments of future maturities of foreign currency CNB bills, future principal and interest payments on loans from the IMF, and future principal and interest payments on the central government's foreign currency debts (excluding central government funds). Aggregate short and long positions in forwards and futures in foreign currencies (II2) include future collections (+) or payments (-) arising from currency swaps between the CNB and domestic banks (temporary sale or purchase of foreign currency). Item Other (II3) includes future payments arising from repo transactions with foreign negotiable debt securities.

The third part of the Template shows predetermined contingent foreign currency net liabilities of the Croatian National Bank and the central government (excluding central government funds), which fall due in the following 12 months. Contingent liabilities in foreign currency (III1) include future principal and interest payments on foreign loans guaranteed by the central government, and banks' foreign currency reserve requirements with the CNB. (The inclusion of reserve requirements in foreign currency is based on the assumption that there will be no changes in ratios or in the base of foreign currency reserve requirements, which comprises foreign currency sources of funds, including ordinary foreign currency accounts, special foreign currency accounts, foreign currency accounts and foreign currency sight deposits, received foreign currency deposits and received foreign currency loans, as well as obligations arising from securities issued in foreign currency (excluding banks' equity securities) and hybrid and subordinated instruments). Undrawn credit lines show potential inflows (+) or outflows (-) which would arise from drawdowns under these credits.

The fourth part of the Template lists memo items. Short-term, domestic currency debt indexed to foreign currency (IV(a)) shows obligations arising from the Act on Converting Households' Foreign Currency Deposits into the Public Debt of the Republic of Croatia, which fall due in the next 12 months. Pledged assets (IV(c)) show time deposits in foreign currency with a maturity over 3 months listed in item IB which are also used as collateral. Repo transactions with securities show the value of collateral that is subject to repo and reverse repo transactions with securities as well as how these transactions are registered in the Template.

Table H11 Indices of the effective exchange rate of the kuna • The index of the nominal effective exchange rate of the kuna is a weighted geometric average of the index of bilateral nominal exchange rates of the kuna against the selected currencies of the main trading partners. The currencies of the main

trading partners and their weights are determined based on the structure of imports and exports of manufactured goods, where the weights used reflect direct import competition, direct export competition and export competition in third markets (see Box 2 in CNB Bulletin No. 165, 2011). The group of countries included in the formation of the index of the effective exchange rates of the kuna comprises the following 20 partner countries: eight eurozone countries (Austria, Belgium, France, Germany, Italy, the Netherlands, Slovenia and Spain), five EU countries outside the eurozone (the Czech Republic, Hungary, Poland, Sweden and the United Kingdom) and seven non-EU countries (Bosnia and Herzegovina, Japan, China, the United States, Serbia, Switzerland and Turkey). The weights assigned to specific countries in the calculation of the effective exchange rates of the kuna are time varying weights, calculated to reflect the average structure of RC's foreign trade over three consecutive years (for more details see Box 3 in CNB Bulletin No. 205, 2014). The last reference period for the calculation of the weights is the period from 2010 to 2012. The time series for base indices are calculated based on 2010.

The index of the nominal effective exchange rate is an aggregate indicator of the average value of the domestic currency against a basket of currencies. An increase in the index of the nominal effective exchange rate of the kuna in a certain period indicates that the kuna has depreciated against the basket of currencies and vice versa. The index of the real effective exchange rate is a weighted geometric average of the index of bilateral exchange rates of the kuna adjusted for the corresponding indices of relative prices or costs (the ratio of price indices or costs in partner countries to domestic prices). Industrial producer price indices, consumer price indices (harmonised consumer price indices for EU member states) and unit labour cost indices in the total economy and manufacturing are used as deflators. The time series for the index of industrial producer prices on the non-domestic market for Croatia is available from January 2010. The time series for consumer prices in Croatia is constructed in the following manner: retail price indices are used for the period until and including December 1997 and consumer price indices for the period as of January 1998. As data on unit labour costs are not available for all the countries, the basket of countries for the calculation of the real effective exchange rate of the kuna deflated by unit labour costs in the total economy and manufacturing was narrowed to 15, that is, 13 countries trading partners – all countries trading partners (20 of them) excluding Switzerland, Turkey, China, Bosnia and Herzegovina and Serbia, that is, excluding these five countries and Belgium and Japan. Unit labour costs in Croatia are calculated as the ratio of compensation per employee at current prices to labour productivity at constant prices (for more details on the calculation of unit labour costs, see Box 1 in CNB Bulletin No. 141, 2008). Data on the real effective exchange rate for the last month are preliminary. The historical data may be corrected for the subsequent changes in the data on deflators used in the calculation of the index of the real effective exchange rate of the kuna..

Table H11 Indices of the effective exchange rate of the kuna
indices 2010 = 100

Year	Month	Nominal effective exchange rate of the kuna	Real effective exchange rate of the kuna; deflator		Real effective exchange rate of the kuna ^b ; deflator	
			Consumer price index	Industrial producer price index ^a	Unit labour costs in manufacturing	Unit labour costs in the total economy
2000	December	109.83	116.41		135.30	126.67
2001	December	106.17	111.03		126.26	122.11
2002	December	104.88	110.61		126.96	119.22
2003	December	105.41	111.22		120.60	119.39
2004	December	102.98	107.12		122.89	115.82
2005	December	101.96	105.56		115.49	112.74
2006	December	100.44	103.92		103.44	105.85
2007	December	98.85	99.95		98.59	100.84
2008	December	97.85	98.60		99.61	96.48
2009	December	98.22	97.79		105.69	97.11
2010	December	102.03	103.03	99.44	100.87	101.42
2011	December	103.73	105.71	101.25	104.06	102.40
2012	December	104.36	104.57	101.85	108.40	107.69
2013	July	102.84	103.42	101.99		
	August	103.05	103.36	102.03		
	September	103.95	104.14	102.17	104.79	105.25
	October	104.14	104.64	102.33		
	November	104.23	104.85	102.98		
	December	103.94	104.85	102.36	107.33 ^c	108.62 ^c
2014	January	103.94	104.38	102.71		
	February	104.32	105.20	102.56		
	March	104.11	104.82	102.31		
	April	103.75	104.36	102.04		
	May	103.44	103.86 ^c	101.56 ^c		
	June	103.33				

^a The index of industrial producer price on the non-domestic market for Croatia is available from January 2010. As a result, the real effective exchange rate is calculated on the 2010 basis. ^b The values shown are quarterly data. ^c Preliminary data.
Note: Historical data may be revised when the series are updated.

	2008	2009	2010	2011	2012	2013	2014			
	Dec. ^{b,c}	Dec. ^d	Dec.	Dec.	Dec.	Dec.	Jan.*	Feb.*	Mar.*	Apr.
Long-term	18,890.6	19,591.3	19,299.8	18,644.5	17,681.9	16,686.8	16,722.3	16,795.1	17,208.0	16,795.3
Debt securities	1,251.6	1,665.8	1,581.6	1,382.8	2,299.6	2,290.5	2,290.6	2,304.2	2,350.8	1,838.5
Credits	17,306.2	17,632.9	17,429.8	17,130.3	15,269.4	14,306.6	14,334.7	14,393.9	14,757.9	14,858.2
Currency and deposits	10.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trade credits	322.2	292.6	288.4	131.4	113.0	89.7	97.0	97.0	99.2	98.6
Other debt liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5 Direct investment	5,835.9	7,846.2	8,222.8	6,952.7	7,250.3	7,640.4	7,637.5	7,687.8	7,655.0	7,671.3
Short-term	1,415.7	446.8	923.8	1,324.2	863.4	567.9	574.3	601.5	619.7	759.0
Debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Credits	1,314.0	343.2	765.2	1,068.3	575.4	198.3	208.8	236.0	253.6	395.4
Trade credits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other debt liabilities	101.6	103.6	158.6	255.9	288.1	369.6	365.5	365.5	366.1	363.6
Principal arrears	85.8	73.5	124.5	207.5	235.7	298.2	298.9	306.4	305.2	303.1
Interest arrears	15.8	30.1	34.2	48.4	52.4	71.4	66.6	59.2	60.9	60.6
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term	4,420.2	7,399.4	7,299.0	5,628.6	6,386.8	7,072.5	7,063.2	7,086.3	7,035.3	6,912.3
Debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Credits	4,414.7	7,398.4	7,296.0	5,625.0	6,378.2	7,064.2	7,055.0	7,078.1	7,027.2	6,904.1
Trade credits	5.5	1.0	3.0	3.6	8.7	8.2	8.2	8.2	8.1	8.2
Other debt liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total (1+2+3+4+5)	40,590.0	45,269.3	46,526.7	45,900.5	44,860.7	45,631.4	45,858.7	46,085.5	46,428.0	45,398.3
o/w: Round tripping ^a	825.6	1,499.0	-	-	-	-	-	-	-	-

^a The rise in the external debt of the Republic of Croatia is attributed to the direct investment-related debt which comprises round-tripping transactions. A significant transaction, contributing to the removal of a round tripping component of direct investment, was recorded in December 2010. Nevertheless, the debt is presented in this table under heading 5 Direct investment. ^b The relevant comparable data as at 31 December 2007, reported in the Statistical Survey at the CNB website, should be used for the calculation of the external debt growth rate in 2008. ^c From January 2008 on, the data of non-financial enterprises are estimated on the basis of the data collected from the sample, and the comparable balance as at 31 December 2007 has been calculated by applying the same methodology. ^d The relevant comparable data as at 31 December 2008, reported in the Statistical Survey at the CNB website, should be used for the calculation of the external debt growth rate in 2009. ^e From January 2009 on, the data of non-banking financial institutions and non-financial enterprises are processed with the help of the new reporting system (INOK) which uses market interest rates to calculate the balance and the schedule of interest payments. The comparable balance as at 31 December 2008 has been calculated by applying the same methodology. Note: As from CNB Bulletin No. 194, the entire data series on gross external debt has been revised in order to comply with the sectoral classification of institutional units from ESA 1995, and from December 2010 it also includes the change in the data source for credit institutions and the change in the method of valuation of debt securities upon which financial derivatives are based.

Table H12 Gross external debt by domestic sectors • Gross external debt is defined as the external debt liabilities of residents on the basis of debt securities issued in the foreign markets (at nominal value), credits (repo agreements included) regardless of their contractual maturity, deposits of non-residents, and trade credits granted by non-residents with contractual maturity of more than 180 days (90 days up to 11 July 2001 and 150 days up to 31 December 2002) and, from December 2005 on, non-resident investment in debt securities issued in the domestic market. External debt is shown by domestic sectors, i.e. by debtor sectors. Item Government shows the external debt of the general government, which up to December 2010 comprised the Republic of Croatia, central government funds (including the State Agency for Deposit Insurance and Bank Rehabilitation, the Agency for Management of the Public Property, the Croatian Waters, the Croatian Roads and, up to 31 December 2007, the Croatian Motorways; from this date on, the Croatian Motorways is shown within the subsector public non-financial corporations under item Other sectors), and local government. From December 2010 on, item General government includes central government, social security

funds and local government. Item Croatian National Bank shows the debt of the central bank. Item credit institutions shows the debt of credit institutions. Item Other sectors shows the debt of all financial institutions and intermediaries except credit institutions and the central bank (including the Croatian Bank for Reconstruction and Development), private and public non-financial corporations, non-profit institutions serving households, including employers and self-employed persons. Item Direct investment shows borrower – lender transactions of other sectors that are interrelated by ownership. Each sector data are further shown by contractual (short-term or long-term) maturity and by debt instrument. From the beginning of 2004, instruments included in item Currency and deposits (3 Credit institutions) are reported in accordance with their maturity. Data for the previous periods are reported only on a long-term basis. Outstanding gross external debt includes future principal payments, accrued interest and principal and interest arrears. Outstanding debt data are shown at the CNB's midpoint exchange rate at the end of the period. Data are considered preliminary until after publication of the final BOP data for the reporting quarter.

Table H13 Public sector gross external debt, and publicly guaranteed and non-publicly guaranteed private sector gross external debt^a
in million EUR

	2008	2009	2010	2011	2012	2013	2014			
	Dec. ^{b,c}	Dec. ^d	Dec.	Dec.	Dec.	Dec.	Jan.*	Feb.*	Mar.*	Apr.
1 Public sector	10,852.7	12,820.6	14,368.1	14,218.2	14,773.8	16,323.2	16,560.9	16,679.2	16,227.0	15,585.3
Short-term	209.2	429.9	651.1	337.3	159.0	353.9	445.6	549.1	413.3	392.3
Debt securities	24.6	170.3	468.3	157.9	117.2	69.6	121.7	128.7	175.1	181.2
Credits	164.1	215.6	108.6	103.7	0.9	200.0	248.0	315.6	135.6	87.9
Currency and deposits	2.3	1.1	1.2	0.1	0.0	83.5	75.1	104.0	101.6	122.4
Trade credits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other debt liabilities	18.2	42.9	73.1	75.7	40.9	0.9	0.9	0.9	0.9	0.9
Principal arrears	17.1	39.4	69.3	71.6	38.3	0.7	0.7	0.7	0.7	0.7
Interest arrears	1.1	3.6	3.8	4.1	2.6	0.1	0.1	0.1	0.1	0.1
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term	10,641.8	12,207.3	13,350.1	13,664.2	14,612.0	15,966.5	16,112.5	16,127.4	15,811.0	15,190.2
Debt securities	4,294.8	5,326.8	5,579.7	6,022.0	7,253.5	8,914.9	8,942.4	8,934.2	8,758.7	8,199.6
Credits	6,068.5	6,608.2	7,499.0	7,527.4	7,261.1	6,998.4	7,117.7	7,140.8	6,999.8	6,938.3
Currency and deposits	10.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trade credits	267.9	272.3	271.4	114.8	97.4	53.3	52.5	52.5	52.5	52.3
Other debt liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Direct investment	1.7	183.4	366.8	216.7	2.8	2.7	2.7	2.7	2.7	2.7
2 Publicly guaranteed private sector	80.3	9.2	0.5	0.0	2.9	22.6	22.9	22.8	22.7	22.2
Short-term	7.1	0.0	0.0	0.0	0.0	22.6	22.9	22.8	22.7	22.2
Debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Credits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Currency and deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trade credits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other debt liabilities	7.1	0.0	0.0	0.0	0.0	22.6	22.9	22.8	22.7	22.2
Principal arrears	7.1	0.0	0.0	0.0	0.0	22.6	22.9	22.8	22.7	22.2
Interest arrears	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term	73.2	9.2	0.5	0.0	2.9	0.0	0.0	0.0	0.0	0.0
Debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Credits	73.2	9.2	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Currency and deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trade credits	0.0	0.0	0.0	0.0	2.9	0.0	0.0	0.0	0.0	0.0
Other debt liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Direct investment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3 Non-publicly guaranteed private sector	29,657.1	32,439.6	32,158.1	31,682.3	30,083.9	29,285.5	29,274.9	29,383.5	30,178.4	29,790.8
Short-term	4,564.9	4,180.2	4,592.7	5,134.2	3,922.6	4,286.2	4,386.4	4,410.6	4,605.1	4,676.9
Debt securities	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0
Credits	1,641.6	1,268.9	1,357.4	837.0	1,014.3	932.7	946.4	1,014.2	856.6	875.2
Currency and deposits	2,670.3	2,283.9	2,200.9	3,291.3	1,470.0	1,735.1	1,881.8	1,836.6	2,024.0	2,093.3
Trade credits	39.5	28.2	30.9	34.2	178.1	115.2	97.2	97.2	115.2	115.2
Other debt liabilities	213.5	599.2	1,003.5	971.6	1,260.0	1,503.1	1,461.1	1,462.5	1,609.2	1,593.2
Principal arrears	150.2	484.4	831.7	797.4	1,067.9	1,284.1	1,246.1	1,247.5	1,387.9	1,371.9
Interest arrears	63.3	114.9	171.8	174.2	192.1	218.9	215.0	215.0	221.3	221.3
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term	19,258.0	20,596.6	19,709.4	19,812.1	18,913.8	17,361.8	17,253.7	17,287.9	17,921.1	17,445.3
Debt securities	585.5	324.4	332.2	432.5	1,302.0	1,287.5	1,277.2	1,288.3	1,331.0	818.8
Credits	16,162.4	16,209.2	15,096.1	15,263.6	13,668.7	12,486.7	12,377.3	12,351.9	12,939.3	13,017.9
Currency and deposits	2,455.0	4,042.7	4,256.9	4,069.4	3,930.5	3,551.1	3,554.7	3,603.2	3,604.1	3,562.4
Trade credits	55.0	20.3	24.3	46.6	12.6	36.5	44.6	44.6	46.8	46.3
Other debt liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Direct investment	5,834.2	7,662.8	7,856.0	6,736.0	7,247.5	7,637.6	7,634.7	7,685.0	7,652.3	7,668.6
Total (1+2+3)	40,590.0	45,269.3	46,526.7	45,900.5	44,860.7	45,631.4	45,858.7	46,085.5	46,428.0	45,398.3
o/w: Round tripping ^a	825.6	1,499.0	-	-	-	-	-	-	-	-

^a The rise in the external debt of the Republic of Croatia is attributed to the direct investment-related debt which comprises round-tripping transactions. A significant transaction, contributing to the removal of a round tripping component of direct investment, was recorded in December 2010. Nevertheless, the debt is presented in this table under heading Direct investment. ^b From January 2008 on, the data of non-financial enterprises are estimated on the basis of the data collected from the sample, and the comparable balance as at 31 December 2007 has been calculated by applying the same methodology. ^c The relevant comparable data as at 31 December 2008, reported in the Statistical Survey at the CNB website, should be used for the calculation of the external debt growth rate in 2009. ^d From January 2009 on, the data of non-banking financial institutions and non-financial enterprises are processed with the help of the new reporting system (INOK) which uses market interest rates to calculate the balance and the schedule of interest payments. The comparable balance as at 31 December 2008 has been calculated by applying the same methodology.

Note: As from CNB Bulletin No. 194, the entire data series on gross external debt has been revised in order to comply with the sectoral classification of institutional units from ESA 1995, and from December 2010 it also includes the change in the data source for credit institutions and the change in the method of valuation of debt securities upon which financial derivatives are based.

Table H13 Public sector gross external debt, and publicly guaranteed and non-publicly guaranteed private sector gross external debt • The gross external debt position presented in this table highlights the role of the public sector. Public sector includes the general government (which up to December 2010 comprised the Republic of Croatia, central government funds and local government and which from December 2010 on includes central government, social security funds and local government), the central bank, public non-financial corporations,

financial corporations and the CBRD. Publicly guaranteed private sector gross external debt is defined as the external debt liabilities of business entities not covered by the definition of the public sector, the servicing of which is guaranteed by a business entity from the public sector. Non-publicly guaranteed private sector gross external debt is defined as the external debt liabilities of business entities not covered by the definition of the public sector, the servicing of which is not guaranteed by the public sector. Items are valued in the same manner as in Table H12.

Table H14 Gross external debt by domestic sectors and projected future payments in million EUR

	Gross external debt 30/4/2014	Immediate	Projected future principal payments												
			Q2/14		Q3/14	Q4/14	Q1/15	2014	2015	2016	2017	2018	2019	2020	Other
			Total ^a	o/w: Accrued interest ^a											
1 General government	9,595.3	0.8	172.0	119.7	48.2	117.4	886.2	337.6	1,291.1	422.4	1,259.3	505.6	1,159.1	956.6	3,662.7
Short-term	181.9	0.8	18.6	1.4	6.5	46.6	96.5	71.8	109.4	0.0	0.0	0.0	0.0	0.0	0.0
Debt securities	181.2	0.0	18.6	1.4	6.5	46.6	96.5	71.8	109.4	0.0	0.0	0.0	0.0	0.0	0.0
Credits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trade credits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other debt liabilities	0.8	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Principal arrears	0.7	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest arrears	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term	9,413.3	0.0	153.4	118.3	41.7	70.8	789.7	265.8	1,181.8	422.4	1,259.3	505.6	1,159.1	956.6	3,662.7
Debt securities	7,176.6	0.0	110.4	110.4	0.4	4.1	776.9	114.9	826.0	15.0	1,082.5	404.2	1,066.7	873.2	2,794.1
Credits	2,236.8	0.0	42.9	7.9	41.3	66.7	12.8	151.0	355.8	407.4	176.8	101.4	92.5	83.4	868.6
Trade credits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other debt liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2 Croatian National Bank	122.4	0.0	122.4	0.0	0.0	0.0	0.0	122.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Short-term	122.4	0.0	122.4	0.0	0.0	0.0	0.0	122.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Credits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Currency and deposits	122.4	0.0	122.4	0.0	0.0	0.0	0.0	122.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other debt liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Principal arrears	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest arrears	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Credits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Currency and deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other debt liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3 Credit institutions	8,974.3	10.8	1,986.2	44.9	898.9	662.6	550.7	3,547.7	1,371.8	764.4	1,002.8	1,074.9	305.0	151.0	745.9
Short-term	2,547.4	10.8	1,682.1	10.8	469.9	196.2	141.5	2,348.2	188.4	0.0	0.0	0.0	0.0	0.0	0.0
Debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Credits	443.3	0.0	198.1	3.7	142.0	40.7	46.9	380.8	62.5	0.0	0.0	0.0	0.0	0.0	0.0
Currency and deposits	2,093.3	0.0	1,484.0	7.1	327.9	155.5	94.7	1,967.4	125.9	0.0	0.0	0.0	0.0	0.0	0.0
Other debt liabilities	10.8	10.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Principal arrears	6.7	6.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest arrears	4.1	4.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term	6,426.9	0.0	304.1	34.0	429.0	466.4	409.2	1,199.5	1,183.4	764.4	1,002.8	1,074.9	305.0	151.0	745.9
Debt securities	3.3	0.0	0.1	0.1	0.0	0.0	0.0	0.1	0.0	0.0	3.2	0.0	0.0	0.0	0.0
Credits	2,861.2	0.0	219.8	10.9	244.5	251.0	203.5	715.3	409.2	452.7	485.0	484.1	108.6	33.5	173.0

	Gross external debt 30/4/2014	Imme- diate	Projected future principal payments												
			Q2/14		Q3/14	Q4/14	Q1/15	2014	2015	2016	2017	2018	2019	2020	Other
			Total ^a	o/w: Accrued interest ^a											
Currency and deposits	3,562.4	0.0	84.1	23.0	184.6	215.4	205.7	484.1	774.3	311.8	514.6	590.8	196.4	117.5	572.9
Other debt liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4 Other sectors	19,035.1	1,604.7	1,319.4	415.5	824.8	1,825.1	844.0	3,969.2	2,446.8	1,746.2	2,256.9	1,157.4	1,163.4	1,762.7	2,927.7
Short-term	2,239.7	1,604.7	183.4	1.9	49.0	271.8	130.5	504.2	130.8	0.0	0.0	0.0	0.0	0.0	0.0
Debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Credits	519.8	0.0	183.4	1.9	49.0	156.6	130.5	389.0	130.8	0.0	0.0	0.0	0.0	0.0	0.0
Currency and deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trade credits	115.2	0.0	0.0	0.0	0.0	115.2	0.0	115.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other debt liabilities	1,604.7	1,604.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Principal arrears	1,387.5	1,387.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest arrears	217.3	217.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term	16,795.3	0.0	1,136.0	413.6	775.7	1,553.3	713.5	3,465.0	2,316.0	1,746.2	2,256.9	1,157.4	1,163.4	1,762.7	2,927.7
Debt securities	1,838.5	0.0	52.3	48.7	23.6	0.6	0.0	76.6	25.9	28.9	842.8	0.1	265.9	595.3	3.1
Credits	14,858.2	0.0	1,072.2	364.6	735.0	1,520.3	691.6	3,327.5	2,255.8	1,716.0	1,412.7	1,156.7	897.5	1,167.4	2,924.5
Currency and deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trade credits	98.6	0.0	11.5	0.3	17.1	32.3	21.9	61.0	34.4	1.3	1.4	0.6	0.0	0.0	0.0
Other debt liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5 Direct investment	7,671.3	363.6	949.3	353.7	619.3	882.6	353.4	2,451.2	1,355.1	869.4	609.7	399.9	289.6	260.6	1,072.1
Short-term	759.0	363.6	91.9	5.0	105.0	48.2	27.5	245.1	150.3	0.0	0.0	0.0	0.0	0.0	0.0
Debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Credits	395.4	0.0	91.9	5.0	105.0	48.2	27.5	245.1	150.3	0.0	0.0	0.0	0.0	0.0	0.0
Trade credits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other debt liabilities	363.6	363.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Principal arrears	303.1	303.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest arrears	60.6	60.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term	6,912.3	0.0	857.4	348.6	514.3	834.4	325.9	2,206.1	1,204.8	869.4	609.7	399.9	289.6	260.6	1,072.1
Debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Credits	6,904.1	0.0	857.1	348.4	514.2	833.6	325.9	2,204.9	1,204.7	869.3	603.8	399.8	289.5	260.5	1,071.6
Trade credits	8.2	0.0	0.3	0.2	0.1	0.8	0.0	1.1	0.1	0.1	5.9	0.1	0.2	0.2	0.4
Other debt liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total (1+2+3+4+5)	45,398.3	1,979.9	4,549.3	933.7	2,391.2	3,487.7	2,634.3	10,428.1	6,464.9	3,802.5	5,128.7	3,137.7	2,917.2	3,131.0	8,408.3
Supplement: Projected interest payments			88.5		192.9	322.8	274.4	604.2	1,129.7	979.5	838.3	691.1	578.3	495.1	1,403.1

^a Projected payments of accrued interest, which are an integral part of the gross external debt, increase the projected principal payments in the first quarter period and, consequently, decrease the interest payments estimated for the same period.

Table H14 Gross external debt by domestic sectors and projected future payments • The table shows outstanding gross external debt, projected principal payments and estimated interest payments according to the CNB's midpoint exchange rate at the end of the period. The structure of sectors, original maturity and instruments shown in this table follows the structure presented in Table 12. Future interest payments of credit institutions are estimated on the basis of the available monetary statistics data

on the schedule of interest payments. Future interest payments of other sectors are estimated on the basis of the submitted schedule of payments and the benchmark interest rate applicable on the reporting date. Projected payments of accrued interest, which are an integral part of the gross external debt, increase the projected principal payments in the first quarter period and, consequently, decrease the interest payments estimated for the same period.

Table H15 Gross external debt by other sectors

in million EUR

	2008 Dec. ^{a,b}	2009 Dec. ^c	2010 Dec.	2011 Dec.	2012 Dec.	2013 Dec.	2014			
							Jan.*	Feb.*	Mar.*	Apr.
1 Other sectors	19,815.9	20,938.0	20,913.4	20,130.0	19,647.2	18,693.4	18,733.5	18,874.8	19,463.3	19,035.1
Short-term	925.3	1,346.7	1,613.5	1,485.5	1,965.3	2,006.6	2,011.1	2,079.7	2,255.3	2,239.7
Debt securities	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0
Credits	652.9	677.7	519.1	415.7	498.6	376.4	440.8	508.0	519.0	519.8
Currency and deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trade credits	39.5	28.2	30.9	34.2	178.1	115.2	97.2	97.2	115.2	115.2
Other debt liabilities	232.9	640.9	1,063.5	1,035.5	1,288.5	1,514.9	1,473.1	1,474.5	1,621.2	1,604.7
Principal arrears	170.4	523.6	892.8	861.8	1,098.4	1,300.1	1,262.2	1,263.6	1,403.9	1,387.5
Interest arrears	62.5	117.2	170.7	173.7	190.1	214.8	210.9	210.9	217.3	217.3
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term	18,890.6	19,591.3	19,299.8	18,644.5	17,681.9	16,686.8	16,722.3	16,795.1	17,208.0	16,795.3
Debt securities	1,251.6	1,665.8	1,581.6	1,382.8	2,299.6	2,290.5	2,290.6	2,304.2	2,350.8	1,838.5
Credits	17,306.1	17,632.9	17,429.8	17,130.3	15,269.4	14,306.6	14,334.7	14,393.9	14,757.9	14,858.2
Currency and deposits	10.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trade credits	322.2	292.6	288.4	131.4	113.0	89.7	97.0	97.0	99.2	98.6
Other debt liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.1 Financial institutions (excl. credit institutions and central banks)	4,949.7	5,396.1	4,628.5	4,066.9	3,784.6	3,444.1	3,532.8	3,603.8	3,578.3	3,627.0
Short-term	155.4	436.3	109.1	217.3	305.3	306.7	313.3	313.2	312.8	325.2
Debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Credits	144.5	431.8	94.1	209.8	274.5	275.5	282.1	282.1	281.6	294.0
Currency and deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trade credits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other debt liabilities	10.9	4.5	15.0	7.5	30.9	31.2	31.2	31.1	31.2	31.2
Principal arrears	4.2	1.3	11.6	3.4	26.6	26.5	26.5	26.3	26.5	26.4
Interest arrears	6.7	3.2	3.4	4.1	4.3	4.7	4.8	4.8	4.7	4.7
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term	4,794.3	4,959.8	4,519.4	3,849.5	3,479.3	3,137.4	3,219.5	3,290.5	3,265.5	3,301.8
Debt securities	791.5	1,014.7	928.0	633.6	321.5	360.1	362.4	364.5	364.6	364.7
Credits	3,992.3	3,945.1	3,591.4	3,216.0	3,157.7	2,777.3	2,857.1	2,926.0	2,900.9	2,937.2
Currency and deposits	10.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trade credits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other debt liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.2 Public non-financial corporations	4,642.0	5,158.2	5,766.8	5,349.5	4,784.2	4,236.0	4,279.4	4,328.7	4,229.9	4,210.5
Short-term	146.3	77.7	180.8	179.4	40.1	0.1	47.7	114.8	135.7	88.0
Debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Credits	132.4	34.8	108.6	103.7	0.0	0.0	47.6	114.7	135.6	87.9
Trade credits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other debt liabilities	13.9	42.8	72.2	75.7	40.1	0.1	0.1	0.1	0.1	0.1
Principal arrears	12.9	39.3	68.6	71.6	37.6	0.0	0.0	0.0	0.0	0.0
Interest arrears	1.1	3.6	3.7	4.1	2.5	0.1	0.1	0.1	0.1	0.1
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term	4,495.7	5,080.6	5,586.1	5,170.2	4,744.1	4,235.9	4,231.7	4,213.9	4,094.2	4,122.5
Debt securities	341.3	335.6	330.3	318.6	685.0	646.7	654.6	655.0	658.9	658.4
Credits	3,887.3	4,472.7	4,984.4	4,736.8	3,961.7	3,536.0	3,524.6	3,506.5	3,382.8	3,411.8
Trade credits	267.2	272.3	271.4	114.8	97.4	53.3	52.5	52.5	52.5	52.3
Other debt liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.3 Private non-financial corporations	9,958.6	10,103.8	10,303.5	10,495.8	10,862.4	10,819.6	10,742.4	10,764.9	11,478.5	11,022.0
Short-term	619.2	800.4	1,316.7	1,082.9	1,614.4	1,695.6	1,650.1	1,651.6	1,806.8	1,826.5
Debt securities	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0
Credits	373.8	178.7	309.4	96.2	218.7	96.7	111.1	111.1	101.7	137.8
Trade credits	39.5	28.2	30.9	34.2	178.1	115.2	97.2	97.2	115.2	115.2
Other debt liabilities	205.9	593.5	976.4	952.3	1,217.5	1,483.7	1,441.8	1,443.3	1,589.9	1,573.5

	2008	2009	2010	2011	2012	2013	2014			
	Dec. ^{a,b}	Dec. ^c	Dec.	Dec.	Dec.	Dec.	Jan.*	Feb.*	Mar.*	Apr.
Principal arrears	151.2	483.0	812.7	786.8	1,034.3	1,273.6	1,235.8	1,237.3	1,377.4	1,361.0
Interest arrears	54.7	110.5	163.7	165.5	183.3	210.1	206.0	206.0	212.5	212.5
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term	9,339.3	9,303.5	8,986.8	9,412.9	9,247.9	9,124.0	9,092.3	9,113.3	9,671.7	9,195.6
Debt securities	118.9	315.5	323.4	430.7	1,293.1	1,283.6	1,273.6	1,284.7	1,327.3	815.4
Credits	9,168.7	8,968.0	8,646.5	8,965.7	7,939.3	7,803.9	7,774.1	7,784.0	8,297.6	8,333.8
Trade credits	51.7	20.0	16.9	16.6	15.5	36.5	44.6	44.6	46.8	46.3
Other debt liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.4 Non-profit institutions serving households	3.8	3.6	2.6	4.8	9.4	5.3	4.2	4.2	4.2	4.2
1.5 Households (employers and self-employed persons)	17.1	11.5	7.2	5.2	10.6	9.0	8.6	8.8	8.7	8.7
1.6 Households (other)	244.7	264.8	204.7	207.9	196.0	179.4	166.1	164.5	163.6	162.6

^a From January 2008 on, the data of non-financial enterprises are estimated on the basis of the data collected from the sample, and the comparable balance as at 31 December 2007 has been calculated by applying the same methodology. ^b The relevant comparable data as at 31 December 2008, reported in the Statistical Survey at the CNB website, should be used for the calculation of the external debt growth rate in 2009. ^c From January 2009 on, the data of non-banking financial institutions and non-financial enterprises are processed with the help of the new reporting system (INOK) which uses market interest rates to calculate the balance and the schedule of interest payments. The comparable balance as at 31 December 2008 has been calculated by applying the same methodology.

Note: As from CNB Bulletin No. 194, the entire data series on gross external debt has been revised in order to comply with the sectoral classification of institutional units from ESA 1995, and it also includes the change in the method of valuation of debt securities upon which financial derivatives are based.

Table H15 Gross external debt by other sectors • Gross external debt of other sectors shows the external debt of all financial institutions and intermediaries except credit institutions and the central bank (including the Croatian Bank for Reconstruction and Development), public non-financial corporations (which from January 2008 on include the Croatian Motorways), private non-financial corporations, non-profit institutions serving households and households, including employers and self-employed persons. Each sector data are further shown by contractual (short-term or long-term) maturity and by debt instrument.

Table H16 International investment position • This table is made in accordance with the recommendations of the IMF (Balance of Payments Manual, Fifth Edition, 1993). Data sources include: reports from banks, enterprises, the Croatian National Bank, and the Zagreb Stock Exchange (ZSE).

Data on international investments of the Republic of Croatia and international investments into the Republic of Croatia are recorded in euros (EUR) and US dollars (USD). Depending on the sources of data available, the conversion of values from the original currencies into the reporting currencies is performed:

- by applying the current rate of exchange or the average monthly midpoint exchange rate of the Croatian National Bank to transactions;
- by applying the midpoint exchange rate of the Croatian National Bank on the reporting date to balances.

Data on foreign direct and portfolio equity investment are compiled on the basis of market prices, whenever available. Market prices on the last day of the reporting period taken from the Zagreb Stock Exchange are used in the part related to investment in the Republic of Croatia, while in the part related to investment abroad, the reporting units participating in the research on direct and portfolio equity investments are obliged to state the value at market prices of their equity investment abroad. When this is not possible, the book value of total equity held by direct or portfolio investors is used, regardless of whether investments are made in the Republic of Croatia or abroad (the own funds at book value method).

Portfolio debt investment and other investment are classified according to the following institutional sectors: the Croatian National Bank, government, banks and other sectors. The

government sector comprises the central government and funds and local government authorities. The banking sector comprises banks.

Item Portfolio debt investment – Assets and liabilities comprises data on investments of residents into debt securities issued by non-residents (assets) and investments of non-residents into debt securities issued by residents (liabilities). The source of data is the register of foreign credit relations kept by the Croatian National Bank and monetary statistics data.

Data on portfolio equity and debt investment are modified by the data submitted by the Central Depository and Clearing Company and commercial banks providing securities custody services, particularly in the part Assets of other sectors.

From the first quarter of 2010, the balance of payments includes the balance of positions of the concluded contracts which have features of financial derivatives. Reporting institutions are commercial banks and other financial institutions. In addition, the reporting population has been extended as of the fourth quarter of 2012 to include non-financial institutions which enter into these transactions mainly to hedge against changing market conditions.

Item Other investment – Trade credits – Assets and liabilities comprises foreign claims and foreign liabilities of the said sectors arising from trade credits. The source of data is the register of foreign credit relations kept by the Croatian National Bank.

Item Other investment – Loans – Assets and liabilities comprises data on loans granted and received between residents and non-residents classified according to institutional sectors. The source of data is the register of foreign credit relations kept by the Croatian National Bank.

Item Other investment – Currency and deposits – Assets shows the total liquid foreign currency assets of banks authorised to do business abroad reduced by the amount of foreign currency deposited by banks with the CNB in fulfilment of a part of their reserve requirements. In addition to banks' foreign claims, foreign claims of the government sector are also shown. The sources of data are reports from the government and banks. The Bank for International Settlement quarterly data are used for other sectors.

Item Other investment – Currency and deposits – Liabilities shows the total foreign currency and kuna liabilities of the said sectors abroad arising from current accounts, time and notice

Table H16 International investment position – summary^{a,b}

in million EUR

	2008	2009	2010	2011	2012	2013 ^c	2013				2014
							Q1 ^c	Q2 ^c	Q3 ^c	Q4 ^c	Q1 ^d
1 International investment position (net)	-35,284.2	-39,337.9	-42,028.0	-40,147.7	-38,959.6	-37,940.2	-39,930.4	-39,708.4	-37,722.8	-37,940.2	-39,241.6
2 Assets	22,385.6	24,408.1	23,448.8	23,408.1	23,404.6	24,462.9	23,097.9	23,847.6	24,255.0	24,462.9	23,879.5
2.1 Direct investment abroad	3,732.7	4,557.8	3,297.7	3,522.2	3,376.9	3,157.4	3,460.8	3,557.6	3,439.3	3,157.4	3,160.1
2.2 Portfolio investment	2,629.9	3,198.4	3,659.1	2,988.1	3,353.2	3,463.9	3,352.7	3,088.4	3,656.5	3,463.9	3,495.8
2.2.1 Equity securities	640.6	784.1	1,351.9	1,307.2	1,489.2	1,710.2	1,615.0	1,518.5	1,585.7	1,710.2	1,688.1
2.2.2 Debt securities	1,989.3	2,414.3	2,307.2	1,680.9	1,864.1	1,753.7	1,737.7	1,569.8	2,070.7	1,753.7	1,807.7
Bonds	1,606.9	1,685.6	1,431.0	1,074.3	1,365.7	1,185.1	1,315.0	1,231.7	1,279.8	1,185.1	1,215.7
Money market instruments	382.4	728.7	876.2	606.6	498.3	568.6	422.7	338.1	790.9	568.6	592.0
2.3 Financial derivatives	0.0	24.1	14.2	204.5	145.7	16.7	248.6	222.8	16.4	16.7	12.2
2.4 Other investment	6,902.1	6,252.0	5,817.6	5,498.5	5,292.8	4,917.5	4,759.2	4,958.3	5,423.4	4,917.5	5,111.4
2.4.1 Trade credits	224.7	123.6	80.5	85.7	142.0	80.8	131.1	130.3	88.7	80.8	84.6
2.4.2 Loans	435.9	384.5	430.8	420.8	531.3	626.1	486.2	550.6	605.7	626.1	595.4
2.4.3 Currency and deposits	6,239.7	5,742.0	5,304.5	4,989.5	4,616.4	4,178.3	4,138.7	4,274.1	4,723.4	4,178.3	4,399.2
2.4.4 Other assets	1.7	1.8	1.8	2.4	3.1	32.2	3.2	3.3	5.6	32.2	32.1
2.5 Reserve assets (CNB)	9,120.9	10,375.8	10,660.2	11,194.8	11,235.9	12,907.4	11,276.6	12,020.5	11,719.4	12,907.4	12,100.0
3 Liabilities	57,669.8	63,746.0	65,476.8	63,555.8	62,364.2	62,403.2	63,028.3	63,555.9	61,977.8	62,403.2	63,121.1
3.1 Direct investment in Croatia	22,376.9	25,613.2	26,240.4	23,861.1	24,063.9	23,571.2	24,946.7	24,692.3	23,918.1	23,571.2	23,488.8
3.2 Portfolio investment	5,443.7	6,479.1	7,118.3	7,208.3	9,134.6	10,750.9	9,200.1	9,881.3	9,719.3	10,750.9	10,753.5
3.2.1 Equity securities	613.8	657.6	738.0	595.7	461.7	479.2	513.6	481.2	473.5	479.2	488.6
3.2.2 Debt securities	4,829.9	5,821.5	6,380.3	6,612.6	8,672.9	10,271.6	8,686.5	9,400.1	9,245.8	10,271.6	10,264.8
Bonds	4,805.3	5,651.2	5,911.9	6,454.5	8,555.6	10,202.1	8,517.5	9,261.2	9,145.9	10,202.1	10,089.7
Money market instruments	24.6	170.3	468.3	158.1	117.3	69.6	169.0	139.0	99.9	69.6	175.1
3.3 Financial derivatives	-	52.1	194.6	151.3	228.2	362.0	190.8	169.2	238.7	362.0	369.0
3.4 Other investment	29,849.2	31,601.6	31,923.6	32,335.2	28,937.5	27,719.1	28,690.8	28,813.2	28,101.7	27,719.1	28,509.8
3.4.1 Trade credits	367.5	344.4	370.2	217.0	314.2	230.1	284.9	234.4	206.2	230.1	245.6
3.4.2 Loans	24,343.4	24,929.1	25,093.7	24,757.2	23,222.2	22,119.0	23,029.2	22,691.0	22,479.8	22,119.0	22,534.2
3.4.3 Currency and deposits	5,138.3	6,328.1	6,459.7	7,361.0	5,401.0	5,370.0	5,376.6	5,887.8	5,415.8	5,370.0	5,730.0
3.4.4 Other assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

^a As from Bulletin No. 146 the CBRD is reclassified from the subsector central government funds to the subsector non-banking financial institutions. The reclassification covers the entire statistical series (from December 1998 onwards). Moreover, as from the same number of the Bulletin, CM is reclassified from the subsector central government funds to the subsector public enterprises. The reclassification covers the statistical series from January 2008 onwards. ^b Data also include the round tripping which increases direct investment in Croatia and direct investment abroad by the same amount. This type of direct investment was recorded in December 2008 (EUR 825.7m) and August 2009 (EUR 666.5m). Accordingly, they impact the stock of direct investment in Croatia and direct investment abroad from these months onwards. ^c Revised data. ^d Preliminary data.

deposits, sight deposits and demand deposits. The sources of data for this item are reports from banks.

The sector classification of the portfolio and other investment involves the sector classification of residents and is fully harmonised with the sector classification of the gross external debt by domestic sectors and the balance of payments. As a result, the government sector includes the general government, which up to December 2010 comprised the Republic of Croatia, central government funds (including the State Agency for Deposit Insurance and Bank Rehabilitation, the Agency for Management of the Public Property, the Croatian Waters, the Croatian Roads and, up to 31 December 2007, the Croatian Motorways; from this date on, the Croatian Motorways is shown within the

subsector public enterprises under item Other sectors), and local government. From December 2010 on, the government sector includes central government, social security funds and local government. The sector of the central bank includes the Croatian National Bank. The sector of credit institutions comprises credit institutions. Other domestic sectors comprise all financial institutions and intermediaries except credit institutions and the central bank (including the Croatian Bank for Reconstruction and Development), private and public corporations, non-profit institutions and households, including craftsmen.

Item International reserves of the CNB is compiled on the basis of the CNB Accounting Department reports which contain data on their balances and changes.

Table H17 International investment position – direct investment^a

in million EUR

	2008	2009	2010	2011	2012	2013 ^b	2013				2014
							Q1 ^b	Q2 ^b	Q3 ^b	Q4 ^b	Q1 ^c
Direct investment (net)	-18,644.3	-21,055.4	-22,942.7	-20,338.9	-20,687.0	-20,413.8	-21,485.9	-21,134.7	-20,478.8	-20,413.8	-20,328.7
1 Abroad	3,732.7	4,557.8	3,297.7	3,522.2	3,376.9	3,157.4	3,460.8	3,557.6	3,439.3	3,157.4	3,160.1
1.1 Equity capital and reinvested earnings	3,542.9	4,464.6	3,056.6	3,056.2	2,969.3	2,778.9	3,084.6	3,176.1	3,065.8	2,778.9	2,771.2
1.1.1 Claims	3,542.9	4,464.6	3,056.6	3,056.2	2,969.3	2,778.9	3,084.6	3,176.1	3,065.8	2,778.9	2,771.2
1.1.2 Liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.2 Other capital	189.7	93.2	241.1	466.0	407.6	378.5	376.2	381.5	373.4	378.5	388.9
1.1.1 Claims	220.2	217.0	608.7	641.5	572.1	521.8	543.6	551.2	538.6	521.8	544.2
1.2.2 Liabilities	30.5	123.8	367.6	175.5	164.5	143.4	167.4	169.7	165.2	143.4	155.3
1.3 Financial derivatives (net)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2 In Croatia	22,376.9	25,613.2	26,240.4	23,861.1	24,063.9	23,571.2	24,946.7	24,692.3	23,918.1	23,571.2	23,488.8
2.1 Equity capital and reinvested earnings	16,595.8	17,943.7	18,453.5	17,134.5	17,033.1	16,143.4	17,586.8	17,176.3	16,528.5	16,143.4	16,072.8
2.1.1 Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.1.2 Liabilities	16,595.8	17,943.7	18,453.5	17,134.5	17,033.1	16,143.4	17,586.8	17,176.3	16,528.5	16,143.4	16,072.8
2.2 Other capital	5,781.1	7,669.5	7,786.9	6,726.6	7,030.8	7,427.8	7,359.8	7,516.0	7,389.6	7,427.8	7,416.0
2.2.1 Claims	24.3	52.9	68.3	50.7	55.0	69.3	50.0	56.8	55.2	69.3	75.8
2.2.2 Liabilities	5,805.4	7,722.4	7,855.2	6,777.3	7,085.8	7,497.0	7,409.8	7,572.8	7,444.8	7,497.0	7,491.9
2.3 Financial derivatives (net)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

^a Data also include the round tripping which increases direct investment in Croatia and direct investment abroad by the same amount. This type of direct investment was recorded in December 2008 (EUR 825.7m) and August 2009 (EUR 666.5m). Accordingly, they impact the stock of direct investment in Croatia and direct investment abroad from these months onwards. ^b Revised data. ^c Preliminary data.

Table H18 International investment position – portfolio investment^a

in million EUR

	2008	2009	2010	2011	2012	2013 ^b	2013				2014
							Q1 ^b	Q2 ^b	Q3 ^b	Q4 ^b	Q1 ^c
Portfolio investment (net)	-2,813.8	-3,280.7	-3,459.2	-4,220.1	-5,781.4	-7,287.0	-5,847.3	-6,792.9	-6,062.8	-7,287.0	-7,257.7
1 Assets	2,629.9	3,198.4	3,659.1	2,988.1	3,353.2	3,463.9	3,352.7	3,088.4	3,656.5	3,463.9	3,495.8
1.1 Equity securities	640.6	784.1	1,351.9	1,307.2	1,489.2	1,710.2	1,615.0	1,518.5	1,585.7	1,710.2	1,688.1
1.1.1 Banks	9.7	11.8	9.2	13.7	10.6	19.2	11.8	18.6	17.9	19.2	20.3
1.1.2 Other sectors	630.9	772.2	1,342.6	1,293.5	1,478.6	1,691.0	1,603.2	1,499.9	1,567.9	1,691.0	1,667.8
1.2 Debt securities	1,989.3	2,414.3	2,307.2	1,680.9	1,864.1	1,753.7	1,737.7	1,569.8	2,070.7	1,753.7	1,807.7
2 Liabilities	5,443.7	6,479.1	7,118.3	7,208.3	9,134.6	10,750.9	9,200.1	9,881.3	9,719.3	10,750.9	10,753.5
2.1 Equity securities	613.8	657.6	738.0	595.7	461.7	479.2	513.6	481.2	473.5	479.2	488.6
2.1.1 Banks	66.5	62.4	56.8	44.6	34.3	26.5	37.9	37.3	29.1	26.5	26.6
2.1.2 Other sectors	547.3	595.2	681.2	551.0	427.4	452.7	475.7	443.9	444.4	452.7	462.0
2.2 Debt securities	4,829.9	5,821.5	6,380.3	6,612.6	8,672.9	10,271.6	8,686.5	9,400.1	9,245.8	10,271.6	10,264.8
2.2.1 Bonds	4,805.3	5,651.2	5,911.9	6,454.5	8,555.6	10,202.1	8,517.5	9,261.2	9,145.9	10,202.1	10,089.7
2.2.1.1 General government	3,162.1	3,976.4	4,321.4	5,069.8	6,247.1	7,907.8	6,180.5	6,950.7	6,808.7	7,907.8	7,735.2
2.2.1.2 Banks	456.8	9.0	8.9	1.9	8.9	3.8	2.5	6.5	4.3	3.8	3.7
2.2.1.3 Other sectors	1,186.4	1,665.8	1,581.6	1,382.8	2,299.6	2,290.5	2,334.5	2,304.0	2,332.8	2,290.5	2,350.8
2.2.2 Money market instruments	24.6	170.3	468.3	158.1	117.3	69.6	169.0	139.0	99.9	69.6	175.1
2.2.2.1 General government	24.6	170.3	468.3	157.9	117.2	69.6	168.8	138.8	99.9	69.6	175.1
2.2.2.2 Other sectors	0.0	0.0	0.0	0.1	0.1	0.0	0.1	0.1	0.0	0.0	0.0

^a As from Bulletin No. 146 the CBRD is reclassified from the subsector central government funds to the subsector non-banking financial institutions. The reclassification covers the entire statistical series (from December 1998 onwards). Moreover, as from the same number of the Bulletin, CM is reclassified from the subsector central government funds to the subsector public enterprises. The reclassification covers the statistical series from January 2008 onwards. ^b Revised data. ^c Preliminary data.

Table H19 International investment position – other investment^a
in million EUR

	2008	2009	2010	2011	2012	2013 ^b	2013				2014
							Q1 ^b	Q2 ^b	Q3 ^b	Q4 ^b	
Other investment (net)	-22,947.1	-25,349.6	-26,106.0	-26,836.7	-23,644.6	-22,801.6	-23,931.6	-23,854.9	-22,678.3	-22,801.6	-23,398.4
1 Assets	6,902.1	6,252.0	5,817.6	5,498.5	5,292.8	4,917.5	4,759.2	4,958.3	5,423.4	4,917.5	5,111.4
1.1 Trade credits	224.7	123.6	80.5	85.7	142.0	80.8	131.1	130.3	88.7	80.8	84.6
1.1.1 General government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.1.2 Other sectors	224.7	123.6	80.5	85.7	142.0	80.8	131.1	130.3	88.7	80.8	84.6
Long-term	202.6	96.3	61.4	58.3	57.6	53.2	55.9	54.9	53.9	53.2	54.1
Short-term	22.1	27.3	19.2	27.4	84.3	27.6	75.2	75.4	34.8	27.6	30.5
1.2 Loans	435.9	384.5	430.8	420.8	531.3	626.1	486.2	550.6	605.7	626.1	595.4
1.2.1 Croatian National Bank	0.6	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term	0.6	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.2.2 General government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.2.3 Banks	285.3	270.1	291.8	276.2	355.8	369.0	258.7	310.1	368.1	369.0	348.3
Long-term	193.6	233.7	257.2	266.6	238.9	299.5	239.8	284.2	310.4	299.5	298.5
Short-term	91.7	36.5	34.6	9.6	117.0	69.5	19.0	25.9	57.7	69.5	49.8
1.2.4 Other sectors	150.0	113.8	139.0	144.6	175.5	257.1	227.5	240.5	237.6	257.1	247.2
Long-term	146.8	113.6	101.3	140.0	154.5	237.9	210.9	221.8	223.6	237.9	237.7
Short-term	3.3	0.2	37.7	4.6	21.0	19.2	16.6	18.7	14.1	19.2	9.5
1.3 Currency and deposits	6,239.7	5,742.0	5,304.5	4,989.5	4,616.4	4,178.3	4,138.7	4,274.1	4,723.4	4,178.3	4,399.2
1.3.1 General government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.3.2 Banks	4,863.6	4,442.9	4,058.2	3,559.7	3,108.4	2,888.7	2,652.5	2,936.2	3,461.0	2,888.7	3,106.9
1.3.3 Other sectors	1,376.1	1,299.1	1,246.3	1,429.8	1,508.0	1,289.6	1,486.2	1,337.9	1,262.4	1,289.6	1,292.3
1.4 Other assets	1.7	1.8	1.8	2.4	3.1	32.2	3.2	3.3	5.6	32.2	32.1
2 Liabilities	29,849.2	31,601.6	31,923.6	32,335.2	28,937.5	27,719.1	28,690.8	28,813.2	28,101.7	27,719.1	28,509.8
2.1 Trade credits	367.5	344.4	370.2	217.0	314.2	230.1	284.9	234.4	206.2	230.1	245.6
2.1.1 General government	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Short-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.1.2 Other sectors	366.7	344.4	370.2	217.0	314.2	230.1	284.9	234.4	206.2	230.1	245.6
Long-term	327.2	316.2	339.3	182.8	136.1	114.9	122.4	97.6	110.4	114.9	124.4
Short-term	39.5	28.2	30.9	34.2	178.1	115.2	162.6	136.8	95.8	115.2	121.2
2.2 Loans	24,343.4	24,929.1	25,093.7	24,757.2	23,222.2	22,119.0	23,029.2	22,691.0	22,479.8	22,119.0	22,534.2
2.2.1 Croatian National Bank	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
o/w: IMF	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.2.2 General government	1,574.6	1,648.5	1,832.1	1,962.2	2,209.2	2,509.8	2,415.8	2,342.7	2,310.1	2,509.8	2,326.9
Long-term	1,542.9	1,648.5	1,832.1	1,962.2	2,208.3	2,309.8	2,414.9	2,341.6	2,310.1	2,309.8	2,326.9
Short-term	31.7	0.0	0.0	0.0	0.9	200.0	0.9	1.2	0.0	200.0	0.0
2.2.3 Banks	4,496.7	4,352.8	4,300.1	4,264.9	3,979.7	3,436.4	3,786.1	3,819.1	3,588.4	3,436.4	3,339.0
Long-term	3,374.7	3,545.3	3,352.3	3,738.9	3,463.0	2,879.1	3,289.3	3,178.2	3,039.0	2,879.1	2,864.8
Short-term	1,122.0	807.5	947.8	526.0	516.8	557.3	496.8	640.9	549.4	557.3	474.2
2.2.4 Other sectors	18,272.0	18,927.8	18,961.5	18,530.0	17,033.3	16,172.8	16,827.3	16,529.2	16,581.3	16,172.8	16,868.3
Long-term	17,589.5	18,189.1	18,352.9	18,015.6	16,421.9	15,699.1	16,146.5	15,901.0	16,010.5	15,699.1	16,242.5
Short-term	682.5	738.7	608.6	514.5	611.4	473.7	680.8	628.2	570.8	473.7	625.8
2.3 Currency and deposits	5,138.3	6,328.1	6,459.7	7,361.0	5,401.0	5,370.0	5,376.6	5,887.8	5,415.8	5,370.0	5,730.0
2.3.1 Croatian National Bank	2.3	1.1	1.2	0.1	0.0	83.5	0.0	0.0	73.6	83.5	101.6
2.3.2 Banks	5,125.5	6,327.0	6,458.5	7,361.0	5,401.0	5,286.5	5,376.6	5,887.7	5,342.2	5,286.5	5,628.3
2.3.3 Other sectors	10.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.4 Other liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

^a As from Bulletin No. 146 the CBRD is reclassified from the subsector central government funds to the subsector non-banking financial institutions. The reclassification covers the entire statistical series (from December 1998 onwards). Moreover, as from the same number of the Bulletin, CM is reclassified from the subsector central government funds to the subsector public enterprises. The reclassification covers the statistical series from January 2008 onwards. ^b Revised data. ^c Preliminary data.

	2008	2009	2010	2011	2012	2013	2014			
							Jan.	Feb.	Mar.	Apr.
3.3 CHANGE IN NET INCURRENCE OF LIABILITIES	5,654.1	17,432.0	17,248.4	15,040.2	11,014.4	32,158.7	412.7	3,920.9	-2,508.1	-3,953.6
3.3.1 Domestic	6,795.7	10,130.2	12,892.5	6,448.4	2,958.3	10,585.8	442.3	3,975.8	-946.6	436.9
A) Budgetary central government	5,656.6	9,576.6	11,835.1	4,793.1	1,414.0	8,904.9	554.1	3,543.1	-765.9	479.8
B) Extrabudgetary users	1,139.1	553.6	1,057.4	1,655.3	1,544.3	1,680.8	-111.8	432.7	-180.7	-42.9
3.3.2 Foreign	-1,141.7	7,301.8	4,355.9	8,591.8	8,056.0	21,573.0	-29.6	-54.9	-1,561.5	-4,390.5
A) Budgetary central government	-1,445.8	6,878.4	4,277.0	8,597.2	8,125.2	21,534.8	-26.9	-54.5	-1,555.2	-4,454.0
B) Extrabudgetary users	304.1	423.4	79.0	-5.4	-69.2	38.2	-2.7	-0.3	-6.3	63.5

^a CM is reclassified from the subsector central government funds to the subsector public enterprises. The reclassification covers the statistical series from January 2008 onwards.

^b The Croatian Privatisation Fund (CPF) ceased to operate on 31 March 2011. The Agency for Management of the Public Property (AUDIO) operated from 1 April 2011 to 30 July 2013 and was composed of the CPF and the Central State Administrative Office for State Property Management (the former budget user). From 30 July 2013 onwards, the State Property Management Administration and the newly established Centre for Restructuring and Sale carry out the operations of the AUDIO.

The Notes on Methodology can be found in the Ministry of Finance Monthly Statistical Review. Note: On a cash basis.

Source: MoF.

Table I2 Budgetary central government operations^a

in million HRK

	2008	2009	2010	2011	2012	2013	2014			
							Jan.	Feb.	Mar.	Apr.
1 REVENUE	115,772.7	110,257.9	107,466.4	107,069.7	109,558.9	108,585.0	8,982.9	7,787.6	8,220.5	9,858.6
1.1 Taxes	69,572.7	63,678.9	62,856.6	61,422.2	64,693.9	63,044.9	5,409.7	4,310.8	4,337.4	5,509.1
1.2 Social contributions	40,703.5	39,994.7	38,712.4	38,605.1	37,845.9	37,149.3	3,041.2	3,011.4	2,980.1	3,064.5
1.3 Grants	468.6	616.3	637.1	869.0	968.4	1,737.8	54.4	57.1	68.3	813.3
1.4 Other revenue	5,027.8	5,968.0	5,260.3	6,173.4	6,050.8	6,653.0	477.5	408.3	834.6	471.6
2 EXPENSE	115,292.4	117,924.0	120,323.3	119,939.5	118,730.0	123,505.9	11,139.4	10,498.7	10,304.8	9,948.3
2.1 Compensation of employees	29,948.5	31,289.3	31,096.5	31,737.4	31,383.2	30,461.8	2,574.4	2,514.7	2,458.2	2,485.7
2.2 Use of goods and services	8,113.7	7,363.8	7,655.7	7,943.6	7,406.3	7,537.4	443.0	533.3	532.8	529.1
2.3 Consumption of fixed capital	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.4 Interest	4,683.2	5,225.2	6,236.5	7,097.6	8,335.7	9,259.2	1,359.7	443.7	1,219.0	887.3
2.5 Subsidies	6,859.5	6,710.0	6,582.2	6,555.3	5,762.3	5,537.8	551.0	993.0	366.2	247.2
2.6 Grants	5,783.1	5,559.6	5,778.6	5,083.7	4,843.8	6,511.7	947.9	1,032.6	666.7	632.0
2.7 Social benefits	52,593.2	56,148.5	56,906.6	56,483.0	56,169.9	58,943.4	4,610.6	4,618.8	4,726.8	4,618.5
2.8 Other expense	7,311.2	5,627.6	6,067.3	5,039.1	4,828.9	5,254.6	652.7	362.6	335.1	548.5
3 CHANGE IN NET WORTH: TRANSACTIONS	480.2	-7,666.0	-12,857.0	-12,869.8	-9,171.1	-14,920.8	-2,156.5	-2,711.2	-2,084.4	-89.7
3.1 Change in net acquisition of non-financial assets	2,988.1	1,963.4	1,232.4	1,139.0	829.6	1,304.5	69.6	75.6	144.3	58.2
3.1.1 Fixed assets	2,719.5	1,839.7	1,200.4	1,118.7	772.2	1,036.6	28.3	60.7	62.8	45.5
3.1.2 Inventories	79.4	35.4	11.0	2.5	29.3	225.5	11.5	14.1	78.9	0.0
3.1.3 Valuables	10.1	8.9	6.1	3.7	3.5	1.3	0.0	0.0	0.0	0.0
3.1.4 Non-produced assets	179.1	79.3	14.9	14.0	24.7	41.1	29.8	0.9	2.6	12.8
3.2 Change in net acquisition of financial assets	1,702.9	6,825.5	2,022.7	-618.4	-461.5	14,214.4	-1,698.9	701.8	-4,549.8	-4,122.2
3.2.1 Domestic	1,690.5	6,823.2	2,022.3	-623.8	-468.0	14,009.2	-1,698.9	701.8	-4,550.7	-4,122.2
3.2.2 Foreign	12.4	2.3	0.4	5.3	6.5	205.2	0.0	0.0	0.9	0.0
3.2.3 Monetary gold and SDRs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3.3 Change in net incurrence of liabilities	4,210.8	16,455.0	16,112.0	13,390.4	9,539.2	30,439.8	527.2	3,488.6	-2,321.1	-3,974.2
3.3.1 Domestic	5,656.6	9,576.6	11,835.1	4,793.1	1,414.0	8,904.9	554.1	3,543.1	-765.9	479.8
3.3.2 Foreign	-1,445.8	6,878.4	4,277.0	8,597.2	8,125.2	21,534.8	-26.9	-54.5	-1,555.2	-4,454.0

^a CM is reclassified from the subsector central government funds to the subsector public enterprises. The reclassification covers the statistical series from January 2008 onwards.

The Notes on Methodology can be found in the Ministry of Finance Monthly Statistical Review. Note: On a cash basis.

Source: MoF.

Table I3 General government debt
end of period, in million HRK

	2008 Dec.	2009 Dec.*	2010 Dec.*	2011 Dec.*	2012 Dec.*	2013 Dec.*	2014			
							Jan.*	Feb.*	Mar.*	Apr.
1 Domestic debt of general government	68,160.5	78,001.9	95,418.1	115,518.1	119,968.1	139,810.2	139,438.3	143,504.5	143,337.2	144,441.0
1.1 Domestic debt of central government	62,534.0	71,655.4	91,663.7	111,664.0	116,200.2	135,285.9	134,987.8	139,070.2	138,942.6	140,106.5
Securities other than shares, short-term	14,982.7	18,148.9	17,198.1	19,308.5	18,259.6	22,838.9	22,252.3	23,045.7	23,146.8	24,341.2
Securities other than shares, long-term	36,035.8	36,828.5	48,710.8	55,891.2	63,118.4	71,821.7	71,996.6	74,920.9	76,081.7	75,480.0
Loans	11,515.5	16,678.0	25,754.9	36,464.3	34,822.2	40,625.3	40,738.9	41,103.6	39,714.1	40,285.3
1.2 Domestic debt of social security funds	3,242.3	3,904.0	1.0	2.2	1.6	0.9	0.9	0.9	0.9	0.9
Securities other than shares, short-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Securities other than shares, long-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loans	3,242.3	3,904.0	1.0	2.2	1.6	0.9	0.9	0.9	0.9	0.9
1.3 Domestic debt of local government	2,384.2	2,442.5	3,753.3	3,851.9	3,766.3	4,523.4	4,449.6	4,433.4	4,393.7	4,333.6
Securities other than shares, short-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Securities other than shares, long-term	416.2	406.8	384.9	260.2	209.1	151.7	134.4	134.5	134.5	130.7
Loans	1,968.0	2,035.7	3,368.4	3,591.6	3,557.3	4,371.7	4,315.3	4,298.9	4,259.2	4,202.9
2 External debt of general government	34,731.9	42,797.9	50,304.1	55,341.6	63,708.6	80,385.9	80,980.4	80,877.1	78,463.7	73,751.5
2.1 External debt of central government	32,312.2	40,169.6	49,647.4	54,777.0	63,195.9	79,902.5	80,497.9	80,393.7	77,981.1	73,272.2
Securities other than shares, short-term	183.5	1,301.4	3,520.5	1,205.3	895.1	539.8	944.4	1,000.4	1,361.6	1,397.4
Securities other than shares, long-term	22,141.3	28,091.2	30,790.1	35,979.1	45,121.8	60,016.0	60,002.4	59,864.1	58,654.8	54,610.0
Loans	9,987.4	10,777.1	15,336.8	17,592.6	17,179.1	19,346.6	19,551.1	19,529.2	17,964.7	17,264.9
2.2 External debt of social security funds	1,998.0	1,891.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Securities other than shares, short-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Securities other than shares, long-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loans	1,998.0	1,891.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.3 External debt of local government	421.7	736.4	656.7	564.6	512.7	483.4	482.5	483.4	482.6	479.2
Securities other than shares, short-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Securities other than shares, long-term	165.8	165.3	165.8	133.6	132.5	132.7	131.5	131.7	131.7	130.8
Loans	255.9	571.1	490.9	431.0	380.2	350.6	351.0	351.7	350.9	348.4
3 Total (1+2)	102,892.4	120,799.8	145,722.2	170,859.7	183,676.7	220,196.1	220,418.7	224,381.6	221,801.0	218,192.5
Supplement: Central government guarantees										
Domestic debt	15,668.9	17,528.1	19,578.6	16,523.3	21,136.7	20,500.5	18,122.2	18,200.8	18,968.3	19,727.0
o/w: Guarantees to CBRD	807.9	41.4	2,641.3	2,256.3	5,610.6	4,309.7	2,724.6	2,726.5	2,739.1	2,748.6
o/w: Guarantees for CBRD loans	1,642.1	1,374.7	1,177.3	802.0	823.6	825.1	830.6	831.7	829.6	1,651.0
External debt	31,143.1	34,429.8	37,339.5	34,510.8	33,197.3	33,197.4	33,925.8	34,467.9	34,331.7	33,978.6
o/w: Guarantees to CBRD	9,970.3	12,305.6	11,912.8	11,021.3	10,677.3	11,572.4	12,377.0	12,759.9	12,691.7	12,592.4

Table I3: General government debt • Up to CNB Bulletin No. 195, Table I3 showed central government debt which consisted of central government debt and central government funds debt but starting with Bulletin No. 196, this Table shows general government debt, which consists of central government debt, local government debt and social security funds debt. Starting with Bulletin No. 196, the methodology used was aligned with the European system of national and regional accounts (hereinafter: ESA95) and Eurostat Manual on Government Deficit and Debt.

Table I3 shows general government sector debt stock in kuna. As from 31 December 2010, an official sector classification of institutional units in the Republic of Croatia is used, in accordance with the Decision on the statistical classification of institutional sectors issued by the Central Bureau of Statistics, which is based on ESA95 methodology which divides the general government into the following subsectors: central government, social security funds and local government.¹ Up to November 2010, the sector classification of institutional units was based on the prescribed Decision on the Chart of Accounts for Banks.

The source of primary data for domestic and external debt are general government units (the Ministry of Finance and other units of government authorities system, units of local and regional self-government, enterprises allocated to the statistical definition of general government sector, etc.) in the part that relates to treasury bills, bonds and foreign loans and the Croatian National Bank in the part relating to loans of resident banks, CBRD and the Croatian National Bank. Up to November 2010, data on resident bank loans were based on the reporting system in accordance with the Decision relating to the Bank Statistical Report and from December 2010, the data are based on the reporting system in accordance with the Decision on statistical and prudential reporting.

The structure of data by instrument categories involves their division in accordance with ESA95 to securities other than shares, short-term, securities other than shares, long-term, and

loans. Data are also divided by creditor to domestic and external debt.

The stock of the category securities other than shares, short-term, includes short-term securities with original maturity up to and including one year such as treasury bills (issued in kuna, with a currency clause or denominated in foreign currency), eurobills of the Ministry of Finance and other money market instruments.

The stock of the category securities other than shares, long-term, includes long-term debt securities with original maturity of over one year, such as bonds issued on the domestic and foreign markets and long-term T-bills of the Ministry of Finance. Bonds issued abroad in one foreign currency and swapped into another foreign currency are treated as debt denominated in the currency of the swap transaction.

Starting from February 2002, debt securities issued abroad, owned by resident institutional units at the end of the reference period, were reclassified from external into domestic debt. Starting from December 2005, debt securities issued in the domestic market, owned by non-resident institutional units at the end of the reference period, were reclassified from domestic into external debt.

Loans include loans received from resident and non-resident credit institutions and, in accordance with ESA95 methodology, assumed state-guaranteed loans given to institutional units whose guarantees were activated within a period of three years (the so-called third call criterion).

The stock of t-bills regardless of original maturity is shown at nominal value, i.e. with the entire discount included. The stock of bonds and loans include outstanding principal value, excluding accrued interest.

Below shown is data on the total stock of central government guarantees issued, reduced by guarantees given to other central government units, social security funds and the local government. The sources of data are identical to those for loans.

¹ The scope of sector classification is shown in "Classification and presentation of data on claims and liabilities". By way of exception, in this Table, the debt of Croatian Roads, Croatian Motorways and the State Agency for Deposit Insurance and Bank Rehabilitation, in part 2 External debt of general government was reclassified from the subsector central government to the subsector social security funds starting from (and including) December 1998, and in part 1 Domestic debt of general government, it was reclassified from (and including) December 2002. Up to November 2010, data on the old subsector central government funds (CR, CW, CPF/GAMA and CM up to December 2007, when CM was classified into the subsector of public non-financial enterprises) were shown under social security funds subsector. Under ESA95, social security funds include the Croatian Pension Insurance Administration, the Croatian Institute for Health Insurance and the Croatian Employment Service. Also, in accordance with ESA95 methodology, the Croatian Radiotelevision and HŽ Infrastruktura were reclassified from public non-financial enterprises subsector to the central government subsector from the beginning of the series.

J Non-financial statistics – selected data

Table J1 Consumer price and producer price indices

Year	Month	Basic indices. 2010 = 100 ^a				Chain indices				Monthly year-on-year indices			
		Consumer price indices			Industrial producer prices ^b	Consumer price indices			Industrial producer prices ^b	Consumer price indices			Industrial producer prices ^b
		Total	Goods	Services		Total	Goods	Services		Total	Goods	Services	
2000	December	77.2	79.1	70.0	79.2	100.4	100.4	100.1	100.2	105.5	105.5	105.5	111.2
2001	December	79.1	80.2	74.7	76.4	100.4	100.4	100.5	99.0	102.4	101.3	106.8	96.9
2002	December	80.5	81.1	78.2	78.1	100.4	100.6	99.6	99.9	101.8	101.1	104.6	102.3
2003	December	81.9	82.3	79.9	78.9	100.3	100.2	100.5	100.0	101.7	101.6	102.2	101.0
2004	December	84.1	84.4	82.8	82.7	100.7	100.9	100.2	99.3	102.7	102.5	103.6	104.8
2005	December	87.2	87.3	86.2	84.5	100.5	100.5	100.5	99.7	103.6	103.5	104.1	102.7
2006	December	89.0	89.0	89.0	86.1	100.0	100.0	100.2	100.0	102.0	101.4	104.2	101.9
2007	December	94.1	94.9	91.5	91.2	101.2	101.2	101.3	100.4	105.8	106.6	103.4	105.9
2008	December	96.8	97.3	95.3	95.1	99.4	99.1	100.5	98.7	102.9	102.4	104.3	104.3
2009	December	98.7	98.6	99.0	96.6	99.4	99.3	100.2	100.0	101.9	101.3	103.9	101.6
2010	December	100.5	100.8	99.3	102.1	100.0	100.1	99.9	101.0	101.8	102.2	100.3	105.7
2011	December	102.6	103.8	98.3	108.0	99.6	99.6	99.6	99.8	102.1	103.0	98.9	105.8
2012	December	107.4	109.4	100.2	115.4	99.9	99.9	99.7	100.0	104.7	105.5	102.0	106.9
2013	July	107.7	109.5	101.3	114.4	99.4	99.1	100.3	99.7	102.3	103.0	100.1	100.6
	August	107.9	109.8	101.0	114.7	100.1	100.3	99.7	100.2	101.9	102.6	99.7	99.3
	September	108.5	110.7	100.9	114.7	100.6	100.8	99.9	100.1	101.1	101.4	100.2	98.4
	October	108.0	110.1	100.8	113.2	99.6	99.4	99.9	98.7	100.2	100.4	99.8	97.0
	November	107.9	110.0	100.7	112.4	99.9	99.9	99.9	99.3	100.4	100.4	100.1	97.4
	December	107.7	109.7	100.7	112.4	99.8	99.8	100.0	100.0	100.3	100.2	100.4	97.4
2014	January	107.6	109.5	100.9	112.4	99.9	99.8	100.2	100.0	100.1	100.1	100.0	97.8
	February	107.3	109.1	100.8	112.6	99.7	99.6	99.9	100.1	99.4	99.3	99.8	97.6
	March	107.8	109.8	100.8	111.8	100.5	100.7	99.9	99.8	99.6	99.6	99.7	96.9
	April	108.1	110.2	100.9	111.7	100.3	100.3	100.1	99.9	99.5	99.5	99.7	97.0
	May	108.4	110.4	101.1	111.7	100.2	100.2	100.2	100.0	99.8	99.6	100.4	97.6
	June	108.0	109.8	101.5	111.5	99.7	99.4	100.4	99.8	99.6	99.3	100.6	97.1

^a In January 2013, the Croatian Bureau of Statistics started publishing consumer price indices on a new base (2010, while the old base was 2005). Therefore, the basic indices for the period from January 1998 to December 2012 have been recalculated to a new base (2010 = 100). ^b On the domestic market.

Source: CBS.

Table J1 Consumer price and producer price indices • The Central Bureau of Statistics (CBS) introduced the consumer price index (CPI) in early 2004. This indicator of price movements was compiled in accordance with the methodological principles laid down by the ILO and Eurostat. In its First Release, issued on 17 February 2004, the CBS published the data on movements in the CPI in January 2004 and the time series for the CPI as of January 2001. The CBS subsequently constructed the time series for the consumer price index encompassing the period

from January 1998 to December 2000. As expected following the introduction of the new index, the CBS ceased to publish the retail price index (RPI) and the cost of living index, whose calculation methodologies have not been adequately harmonised with internationally accepted standards. The main features of the CPI are described in the CNB Bulletin No. 91 (see Box 1). The data on the average year-on-year consumer price inflation rate are shown in the Bulletin table on Economic indicators.

Table J2 Core consumer price indices

Year	Month	Basic indices, 2005 = 100			Chain indices			Year-on-year indices		
		Total	Goods	Services	Total	Goods	Services	Total	Goods	Services
2000	December	81.5	82.9	74.2	100.4	100.4	100.2	103.3	103.0	105.0
2001	December	82.5	83.6	77.0	99.8	99.7	100.3	101.2	100.8	103.8
2002	December	83.5	84.4	78.9	100.0	100.1	99.4	101.2	101.0	102.4
2003	December	84.5	85.2	81.2	100.2	100.1	101.0	101.2	100.9	103.0
2004	December	86.5	87.0	83.6	100.1	100.1	100.4	102.3	102.2	102.9
2005	December	89.1	89.5	86.7	100.1	100.0	100.5	103.0	102.9	103.7
2006	December	91.1	91.5	88.9	99.8	99.7	100.3	102.3	102.2	102.5
2007	December	95.6	96.4	91.9	100.8	100.8	100.4	105.0	105.3	103.5
2008	December	99.6	100.2	96.5	99.4	99.3	100.2	104.2	104.0	105.0
2009	December	99.9	100.1	98.8	98.8	98.6	100.2	100.2	99.8	102.4
2010	December	99.9	100.2	98.6	99.1	99.0	99.7	100.1	100.1	99.8
2011	December	102.8	103.5	99.6	99.5	99.4	100.1	102.9	103.3	101.1
2012	December	104.9	105.4	102.5	99.4	99.2	100.0	102.0	101.9	102.8
2013	July	106.0	106.2	104.4	99.7	99.5	100.7	102.6	102.9	101.2
	August	105.6	105.9	103.9	99.7	99.7	99.5	102.4	102.9	100.4
	September	106.4	107.0	103.6	100.8	101.0	99.7	102.1	102.4	101.0
	October	106.7	107.3	103.6	100.2	100.3	100.0	101.1	101.3	100.3
	November	106.5	107.1	103.3	99.8	99.8	99.8	100.8	100.8	100.9
	December	105.5	105.9	103.3	99.1	98.9	100.0	100.6	100.5	100.9
2014	January	104.9	105.1	103.5	99.4	99.2	100.1	100.3	100.2	100.8
	February	104.4	104.6	103.3	99.6	99.5	99.8	99.9	99.8	100.5
	March	105.3	105.7	103.2	100.9	101.1	100.0	100.3	100.3	100.4
	April	105.5	106.0	103.2	100.2	100.2	99.9	99.8	99.7	100.0
	May	105.7	106.1	103.5	100.1	100.1	100.3	99.4	99.2	100.1
	June	105.4	105.6	103.8	99.7	99.6	100.4	99.2	98.9	100.2

Source: CBS.

Table J2 Core consumer price indices • The core consumer price index is calculated by the Central Bureau of Statistics (CBS) in the manner that agricultural products prices and administrative prices (which among others include the prices of electricity and refined petroleum products) are excluded from the basket of goods and services used in the calculation of the total index. These two groups of products account for a total of 35.23% in the basket in 2013 (agricultural products 5.53 percentage points, and administrative products 29.70 percentage points) and are assigned a zero weight.

Table J3 Hedonic real estate price index • The Croatian National Bank started methodological work on developing a hedonic real estate price index (HREPI)² in 2008. By using data on realised transactions and estimates of realised transactions from the database of *Burza nekretnina* (Croatian association of real estate agencies) as input data, an econometric model was constructed to create a hedonic real estate price index (HREPI), which is methodologically consistent with the Eurosystem's Handbook on Residential Property Prices Indices³. From the

first quarter of 1997, the HREPI is reported on a quarterly and annual basis at the level of the Republic of Croatia and two regions: the City of Zagreb and the Adriatic coast. The main idea behind the methodology used to calculate the index is that buyers determine the usefulness of a real estate based on its characteristics and therefore it is necessary to determine the prices of those characteristics (attributes), the so-called implicit prices. However, as there is no market for individual attributes of residential property, their prices are estimated by simple econometric models. After estimating prices of individual attributes, it is possible to determine a *pure price* of each real estate property, i.e. a price adjusted by the impact of individual attributes of a given real estate, such as its location, floor area, the number of rooms, etc. The movements of pure prices are directly used to calculate the HREPI. Under this methodology, such an index, in contrast with indices based on average prices or medians of a square meter of floor space, adjusts price movements for possible biases in the data caused by the fact that, for example, an unusually large number of real estate properties of above- or below-average quality have been sold in a certain period.

2 The methodology used is described in detail in Kunovac, D. et al. (2008): *Use of the Hedonic Method to Calculate an Index of Real Estate Prices in Croatia*, Working Papers, W-19, CNB.

3 http://epp.eurostat.ec.europa.eu/portal/page/portal/hicp/methodology/hps/rppi_handbook

Table J3 Hedonic real estate price index

Year	Quarter	Basic indices, 2010 = 100			Year-on-year rate of change			Rate of change from the previous quarter		
		Croatia	Zagreb	Adriatic coast	Croatia	Zagreb	Adriatic coast	Croatia	Zagreb	Adriatic coast
2000		60.4	68.0	38.0	-2.0	-1.5	-4.8	....	....	....
2001		61.5	65.4	49.8	1.8	-3.7	31.1	....	....	....
2002		64.9	67.9	56.2	5.6	3.7	12.9	....	....	....
2003		67.0	70.8	55.9	3.2	4.2	-0.6	....	....	....
2004		74.4	78.0	64.0	11.1	10.2	14.6	....	....	....
2005		82.8	85.5	74.8	11.2	9.7	16.8	....	....	....
2006		97.5	101.7	85.1	17.8	18.9	13.8	....	....	....
2007		109.2	112.7	99.1	12.0	10.8	16.5	....	....	....
2008		113.0	115.7	105.2	3.5	2.7	6.2	....	....	....
2009		108.8	109.5	106.8	-3.8	-5.3	1.5	....	....	....
2010		100.0	100.0	100.0	-8.1	-8.7	-6.3	....	....	....
2011		96.3	94.9	99.5	-3.7	-5.1	-0.5	....	....	....
2012		97.3	97.0	97.9	1.0	2.2	-1.6	....	....	....
2013		81.2	82.5	78.4	-16.5	-14.9	-20.0	....	....	....
2012	Q1	101.1	100.7	102.1	5.1	5.5	4.2	4.2	4.7	3.1
	Q2	99.6	97.8	103.3	3.4	5.2	-0.4	-1.6	-2.8	1.1
	Q3	95.6	96.4	94.0	-0.1	1.3	-3.3	-4.0	-1.5	-9.0
	Q4	92.9	93.2	92.3	-4.3	-3.1	-6.8	-2.8	-3.3	-1.8
2013	Q1	85.7	88.3	79.8	-15.3	-12.3	-21.9	-7.8	-5.2	-13.5
	Q2	80.2	81.7	76.6	-19.5	-16.4	-25.8	-6.5	-7.5	-4.0
	Q3	79.5	80.4	77.5	-16.8	-16.5	-17.5	-0.8	-1.6	1.2
	Q4	79.6	79.6	79.5	-14.4	-14.6	-13.8	0.0	-1.1	2.6
2014	Q1	77.4	81.2	69.2	-9.7	-8.0	-13.2	-2.7	2.1	-12.9
	Q2	77.8	79.4	74.6	-2.9	-2.9	-2.6	0.6	-2.3	7.7

Table J4 Average monthly net wages
in current prices, in kuna

Year	Month	Nominal amount in kuna	Chain indices	Monthly year-on-year indices	Cumulative year-on-year indices
2000	December	3,499.0	99.9	107.3	108.9
2001	December	3,582.0	96.6	102.4	106.5
2002	December	3,839.0	98.0	107.2	105.0
2003	December	4,045.0	99.8	105.4	105.9
2004	December	4,312.0	99.1	106.6	105.9
2005	December	4,473.0	97.3	103.7	104.9
2006	December	4,735.0	97.0	105.9	105.2
2007	December	4,958.0	96.6	104.7	105.2
2008	December	5,410.0	100.3	109.1	107.0
2009	December	5,362.0	99.6	99.1	102.6
2010	December	5,450.0	97.6	101.7	100.6
2011	December	5,493.0	95.9	100.8	101.8
2012	December	5,487.0	96.6	99.9	100.7
2013	July	5,504.0	100.3	101.5	101.0
	August	5,513.0	100.2	99.5	100.8
	September	5,428.0	98.5	101.2	100.8
	October	5,506.0	101.4	100.3	100.8
	November	5,634.0	102.3	99.2	100.6
	December	5,556.0	98.6	101.3	100.7
2014	January	5,553.0	99.9	100.4	100.4
	February	5,427.0	97.7	99.6	100.0
	March	5,502.0	101.4	99.7	99.9
	April	5,497.0	99.9	100.3	100.0

Source: CBS.

Table J5 Consumer confidence index, consumer expectations index and consumer sentiment index
index points, original data

Year	Month	Composite indices			Response indices (I)						
		Consumer confidence index	Consumer expectations index	Consumer sentiment index	I1	I2	I3	I4	I7	I8	I11
2000	October	-20.9	3.5	-32.2	-26.2	1.2	-22.0	5.7	26.9	-48.3	-63.6
2001	October	-27.0	-11.4	-35.6	-29.6	-10.0	-35.9	-12.7	22.9	-41.3	-62.3
2002	October	-25.2	-8.3	-29.3	-22.6	-5.1	-31.2	-11.5	20.1	-34.1	-64.0
2003	October	-22.2	-4.5	-25.0	-21.5	-2.6	-26.5	-6.4	14.7	-27.1	-65.2
2004	October	-23.9	-7.9	-22.0	-19.1	-4.1	-30.5	-11.6	22.5	-16.5	-57.3
2005	December	-26.4	-13.7	-25.6	-16.4	-5.9	-34.4	-21.5	27.6	-25.9	-50.6
2006	December	-18.9	-4.7	-15.4	-10.9	1.1	-22.4	-10.5	16.9	-12.9	-49.4
2007	December	-24.7	-15.5	-24.5	-16.8	-9.8	-31.8	-21.2	12.8	-25.0	-54.8
2008	December	-42.0	-33.3	-40.9	-30.7	-25.9	-51.8	-40.6	43.4	-40.3	-57.9
2009	December	-46.8	-32.7	-47.6	-35.7	-22.6	-64.5	-42.8	63.9	-42.5	-58.0
2010	December	-42.9	-30.6	-48.7	-40.7	-21.7	-65.9	-39.4	55.7	-39.4	-54.8
2011	December	-23.6	-8.9	-43.1	-31.6	-5.5	-56.5	-12.3	25.0	-41.2	-51.4
2012	December	-47.1	-33.5	-52.6	-42.1	-23.1	-71.4	-43.9	59.1	-44.2	-62.3
2013	July	-25.4	-13.4	-40.5	-30.6	-10.4	-54.2	-16.4	19.2	-36.6	-55.4
	August	-28.6	-15.3	-38.7	-31.1	-8.6	-52.4	-21.9	34.0	-32.7	-49.7
	September	-33.4	-20.4	-40.9	-33.1	-14.3	-55.4	-26.4	38.3	-34.1	-54.5
	October	-38.2	-26.7	-46.6	-37.2	-18.0	-62.5	-35.3	43.9	-40.1	-55.6
	November	-38.3	-26.2	-44.0	-34.7	-18.5	-59.6	-33.8	42.6	-37.6	-58.1
	December	-40.7	-26.3	-45.9	-34.5	-17.4	-61.9	-35.2	49.9	-41.3	-60.4
2014	January	-33.8	-20.1	-41.1	-30.5	-13.3	-56.5	-26.9	40.1	-36.3	-54.8
	February	-35.1	-21.1	-41.6	-28.4	-10.2	-58.3	-31.9	42.4	-38.2	-55.7
	March	-36.5	-23.9	-45.9	-33.4	-13.7	-60.7	-34.1	40.6	-43.5	-57.7
	April	-36.0	-26.0	-47.5	-34.5	-14.5	-66.1	-37.4	39.5	-42.0	-52.6
	May	-38.4	-27.1	-50.2	-38.2	-17.7	-67.9	-36.5	41.3	-44.4	-57.9
	June	-34.7	-23.7	-44.2	-30.8	-13.8	-60.5	-33.5	37.2	-41.3	-54.1

Sources: Ipsos Puls and CNB.

Table J4 Consumer confidence index, consumer expectations index and consumer sentiment index • The Consumer Confidence Survey has been carried out regularly since April 1999 in accordance with the methodology of the European Commission, the Joint Harmonised EU Programme of Business and Consumer Surveys. Until April 2005, the survey was conducted once a quarter (in January, April, July and October). As of May 2005, the survey is carried out in monthly frequency in cooperation with the European Commission, using its technical and financial assistance.

The questionnaire contains 23 questions, examining consumer perception of the changes as regards every-day economic issues. The value of the response index is determined in line with the set methodology, based on the responses to the questions from the Consumer Confidence Survey. The movements of three composite indices, consumer confidence index (CCI), consumer sentiment index (CSI) and consumer expectations index (CEI), are calculated and monitored based on the value of the response indices. Each of the said composite indices is calculated as the arithmetic average of the response indices (I), i.e. as the average of previously quantified responses to individual questions from the survey:

$$I_i = \sum_z^k r_i \cdot w_i$$

where: r is the value of the response, w is the share of respondents opting for a particular response (weight), i question from

the questionnaire, z is the offered/chosen response, k is the number of offered responses to a particular question.

The value of the said indices ranges $-100 < I_i < 100$. Higher index values than those recorded over the previous period point to an increase in expectations (optimism) as regards the specific segment covered by the particular question.

The table shows the values of chosen response indices for the following questions:

I1: How has the financial situation of your household changed over the last 12 months?

I2: How do you expect the financial position of your household to change over the next 12 months?

I3: How do you think the general economic situation in Croatia has changed over the past 12 months?

I4: How do you expect the general economic situation in Croatia to develop over the next 12 months?

I7: How do you expect the number of people unemployed in Croatia to change over the next 12 months?

I8: In view of the general economic situation, do you think now is the right moment for people to make major purchases such as furniture, electrical/electronic devices, etc.?

I11: Over the next 12 months, how likely is it that you will save any money?

The components of composite indices are as follows:

CCI: I2, I4, I7 $\times (-1)$, I11

CEI: I2, I4

CSI: I1, I3, I8.

List of banks and savings banks

1 July 2014

Authorised banks

- 1 Banco Popolare Croatia d.d., Zagreb
- 2 Banka Kovanica d.d., Varaždin
- 3 Banka splitsko-dalmatinska d.d., Split
- 4 BKS Bank d.d., Rijeka
- 5 Croatia banka d.d., Zagreb
- 6 Erste&Steiermärkische Bank d.d., Rijeka
- 7 Hrvatska poštanska banka d.d., Zagreb
- 8 Hypo Alpe-Adria-Bank d.d., Zagreb
- 9 Imex banka d.d., Split
- 10 Istarska kreditna banka Umag d.d., Umag
- 11 Jadranska banka d.d., Šibenik
- 12 Karlovačka banka d.d., Karlovac
- 13 KentBank d.d., Zagreb
- 14 Kreditna banka Zagreb d.d., Zagreb
- 15 Nava banka d.d., Zagreb
- 16 OTP banka Hrvatska d.d., Zadar
- 17 Partner banka d.d., Zagreb
- 18 Podravska banka d.d., Koprivnica
- 19 Primorska banka d.d., Rijeka
- 20 Privredna banka Zagreb d.d., Zagreb
- 21 Raiffeisenbank Austria d.d., Zagreb
- 22 Samoborska banka d.d., Samobor
- 23 Sberbank d.d., Zagreb
- 24 Slatinska banka d.d., Slatina
- 25 Soci t  G n rale – Splitska banka d.d., Split
- 26  tedbanka d.d., Zagreb
- 27 Vaba d.d. banka Varaždin, Varaždin
- 28 Veneto banka d.d., Zagreb
- 29 Zagrebačka banka d.d., Zagreb

Authorised savings banks

- 1 Tesla  tedna banka d.d., Zagreb

Authorised housing savings banks

- 1 HPB – Stambena  tedionica d.d., Zagreb
- 2 PBZ stambena  tedionica d.d., Zagreb
- 3 Prva stambena  tedionica d.d., Zagreb
- 4 Raiffeisen stambena  tedionica d.d., Zagreb
- 5 W stenrot stambena  tedionica d.d., Zagreb

Other institutions

- 1 Hrvatska banka za obnovu i razvitak, Zagreb, operates in accordance with the Act on the Croatian Bank for Reconstruction and Development (OG 138/2006 and 25/2013)

Representative offices of foreign banks

- 1 BKS Bank AG, Zagreb
- 2 Commerzbank Aktiengesellschaft, Zagreb
- 3 Deutsche Bank AG, Zagreb
- 4 LHB Internationale Handelsbank AG, Zagreb

Banks and savings banks undergoing bankruptcy proceedings

Name of bank/savings bank	Date of bankruptcy proceedings opening
1 Agroobrtnička banka d.d., Zagreb	14/6/2000
2 Alpe Jadran banka d.d., Split	15/5/2002
3 Centar banka d.d., Zagreb	30/9/2013
4 Credo banka d.d., Split	16/1/2012
5 Glumina banka d.d., Zagreb	30/4/1999
6 Gradska banka d.d., Osijek	3/5/1999
7 Hrvatska gospodarska banka d.d., Zagreb	19/4/2000
8 Ilirija banka d.d., Zagreb	6/4/1999
9 Trgovačko-turistička banka d.d., Split	8.9/2000
10 �upanjska banka d.d., �upanja	3/5/1999

Banks and savings banks undergoing winding-up proceedings

Name of bank/savings bank	Date of winding-up proceedings initiation
1 Investicijsko-komercijalna �tedionica d.d., Zagreb	31/5/2000
2 Kri�evačka banka d.d., Kri�evci	3/1/2005
3 Obrtnička �tedna banka d.d., Zagreb	22/12/2010
4 Primus banka d.d., Zagreb	23/12/2004
5 �tedionica Dora d.d., Zagreb	1/1/2002

Banks and savings banks whose authorisation was withdrawn, but have not initiated winding-up proceedings

Name of bank/savings bank	Date of withdrawal of authorisation
1 Hibis �tedionica d.d., Zagreb	7/3/2001
2 Zagrebačka �tedionica d.d., Zagreb	22/3/2000

Management of the Croatian National Bank

1 July 2014

Members of the Council of the Croatian National Bank

Chairman of the Council	Boris Vujčić
Members of the Council	Neven Barbaroša
	Bojan Fras
	Michael Faulend
	Relja Martić
	Damir Odak
	Tomislav Presečan
	Vedran Šošić

Management of the CNB

Governor	Boris Vujčić
Deputy Governor	Relja Martić
Vicegovernor	Vedran Šošić
Vicegovernor	Damir Odak
Vicegovernor	Tomislav Presečan
Vicegovernor	Bojan Fras
Vicegovernor	Michael Faulend
Vicegovernor	Neven Barbaroša

Executive directors

Research and Statistics Area	Ljubinko Jankov
Central Banking Operations Area	Irena Kovačec
Prudential Regulation and Supervision Area	Željko Jakuš
Payment Operations Area	Ivan Biluš
International Relations Area	Sanja Tomičić
Planning, Controlling and Accounting Area	Diana Jakelić
Information Technology Area	Mario Žgela
Support Services Area	Boris Ninić



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