

# Annual Report

# 2014

Zagreb, May 2015







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**ANNUAL REPORT 2014**

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CROATIAN NATIONAL BANK

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## Summary

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Economic activity in the Republic of Croatia mostly held steady in 2014, having remained at a low level since the end of 2013, the result being that real activity shrank by 0.4% at the level of the whole of 2014. A positive contribution to economic developments came from a growth in exports. By contrast, domestic demand continued to contract, due to the renewed slump in investment, household deleveraging and a negative economic outlook. The fall in the prices of raw materials on the global market spilled over onto domestic consumer prices and, coupled with subdued domestic upward pressures on prices, resulted in lower inflation. In such conditions, key fiscal indicators deteriorated further despite the consolidation efforts taken, while the public debt reached a high level. By pursuing an expansive monetary policy, the central bank strove to improve financing conditions and encourage lending in the domestic market, while simultaneously maintaining the stable nominal kuna/euro exchange rate as the main precondition for preserving financial stability. Notwithstanding the rise in government debt, such a policy on the part of the CNB provided more favourable conditions for government borrowing in the domestic financial market but failed to induce an increase in lending to the economy. To reverse trends and ensure faster real growth, in which Croatia lags significantly behind other new EU member states, it is necessary to continue and step up structural reform efforts in order to improve the business climate, enhance the competitiveness of the domestic economy and boost foreign direct investment as well as exports. Monetary policy will support such efforts by maintaining the stability of the domestic currency and adequate liquidity in the financial system. The banking sector was also adversely affected by unfavourable macroeconomic developments. Indicators of bank returns in 2014 were much below the levels considered to be good, though they improved slightly from 2013. Profitability was undermined by losses in banks' loan portfolios. However, as their capital adequacy was high, banks remained resilient to potential macroeconomic disturbances.

When the pace of economic activity over the year is considered, real GDP mostly stagnated at the low level of the end of 2013, which may indicate that economic activity bottomed out. However, the gross domestic product in the Republic of Croatia dropped by 0.4% in real terms in 2014, due to the strong contraction in late 2013. As a result, the cumulative fall in economic activity from the beginning of the crisis was 12.4%. Broken down by components, domestic demand declined further in 2014, due mostly to the sharp downturn in investments, while exports alone provided a boost to economic activity, thanks to the stronger foreign demand of Croatia's main trading partners. Gross value added followed the real decline in GDP in 2014. GVA decreased in most activities, above all in construction and agriculture, forestry and fishing. By contrast, gross value added in industry increased as a result of the recovery in manufacturing.

Labour market trends in 2014 were characterised by stagnation in the number of employed persons at the low level of the end of 2013. By contrast, the number of unemployed persons registered with the CES decreased sharply, largely as a result of increased removal of unemployed persons from the CES register due to their failure to meet legal requirements. The average registered unemployment rate fell to 19.7% in 2014 (from 20.3% in 2013), while the internationally comparable ILO unemployment rate remained at the average of 17.3%. Labour cost data show that nominal wages held steady (0.2%), while real wages edged up (0.4%) due to the fall in consumer prices.

The average annual consumer price inflation rate dropped from 2.2% in 2013 to -0.2% in 2014. Inflation developments were largely driven by a decrease in raw material prices in the world market, in particular the prices of food. This effect wore off in the last quarter of 2014, but the effect of the fall in prices

of refined petroleum products strengthened following the drop in crude oil prices in the world market. Weak foreign and domestic economic activity and low core inflation in the euro area also contributed, though to a lesser extent, to the decline in domestic inflation in 2014. The absence of domestic cost pressures, which is evident in stagnant unit labour costs, further supported low inflation.

The current account surplus edged down in 2014 (0.7% of GDP, compared with 0.8% of GDP in 2013). Developments in foreign trade in goods and services improved from 2013, thanks mainly to larger exports of services, which were in turn fuelled by the rise in revenues from tourism and the growth in goods exports that outpaced the rise in goods imports. However, the deficit in the primary income account widened, largely as a result of higher profits of banks and enterprises in foreign ownership, while interest expenses on foreign liabilities also grew. In addition, the surplus in the secondary income account decreased from the previous year because the funds received from the EU funds allocated to final users was lower than government payments to the EU budget. However, it is important to keep in mind that the current and capital accounts only show the funds paid out to end beneficiaries, while the funds received, but not yet allocated, are only recorded on the financial account. Taking into account non-allocated funds as well, the overall balance in transactions with the EU was positive in 2014.

Foreign capital flows in 2014 were mostly influenced by an improvement in the net debt position of banks, which reduced their foreign liabilities and increased their foreign assets at the same time. By contrast, government debt increased, albeit much less than in the previous year, as the government covered some of its financial needs in advance in late 2013. Net foreign direct



recovery in economic and lending activity further diminished the quality of total placements. As the share of partly recoverable and fully irrecoverable placements in the total stood at 16.9% at the end of 2014, having grown from 15.7% at the end of 2013, the costs of credit risk remained at an elevated level. Following three consecutive years of decline, banks increased their off-balance sheet liabilities in 2014, by HRK 2.7bn, largely as a result of the rise in liabilities to corporates. Credit lines and commitments to the financing of public enterprises accounted for most of the increase within the structure of off-balance sheet liabilities, while banks increased their off-balance sheet exposure to other corporates mostly on account of guarantees issued.

The total capital (own funds) ratio of banks stood at 21.4% at the end of 2014, edging up from 21.0% at the end of 2013. Business risks remained adequately covered after the introduction of the new capital regime (CRR/CRD IV) in 2014, which was supported by the high level and quality of capital items and the adoption of measures on capital buffers. Own funds and total risk exposure decreased at the same time, but the reduction in overall risk exposure was more pronounced due to the decrease

in credit risk exposure. The capital adequacy ratio of housing savings banks grew noticeably, from 20.5% at end-2013 to 23.5% at end-2014, largely owing to the reduction in credit risk exposure, similar to that in the banks.

General government deficit (ESA 2010) stood at HRK 18.8bn (5.7% of GDP) in 2014, up HRK 1.2bn or 0.4 GDP percentage points from 2013. This was largely due to the rise in interest expenditures, payments to the EU budget, the fall in tax revenues, in particular revenues from profit tax and indirect taxes. The increase in the deficit was cushioned to a large extent by significant savings in almost all expenditure categories and the rise in the health insurance contribution rate of two percentage points, which reflects consolidation efforts of fiscal authorities within the excessive deficit procedure. General government debt (ESA 2010) continued to grow in 2014, standing at HRK 279.6bn or 85.0% of GDP at the end of the year. Public debt grew much slower in 2014 than in 2013, due in part to the fact that a large portion of the required funds had been secured by borrowing at the end of 2013 as well as to the decreased needs for borrowing.



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# Macroeconomic developments



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## 1.1 International environment

The global real GDP growth rate stood at 3.4% in 2014<sup>1</sup>, similar to that of the previous year. The main pillars of global growth were the US and developing and emerging market economies. After having declined for two years, the euro area economy saw mild growth. The global economic recovery took place against the backdrop of the global fall in raw material and energy prices, in particular crude oil prices in the last quarter of 2014. Favourable financing conditions, supported by the Fed's and ECB's expansionary monetary policy, added to the recovery of domestic demand in developed economies. The faster recovery of the US economy than the euro area economy and the announced divergence between Fed and ECB monetary policy in the future resulted in the strengthening of the US dollar against the euro.

### European Union and the euro area

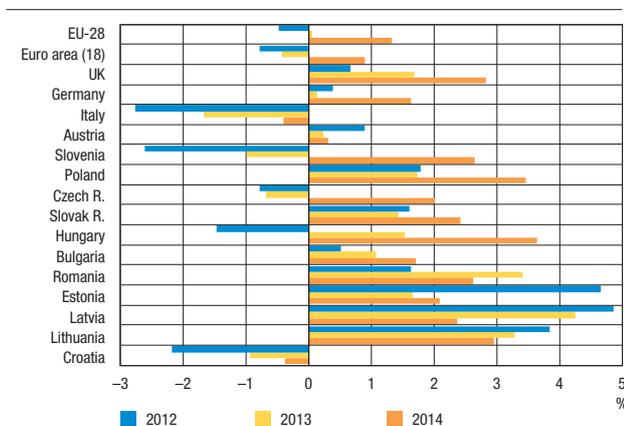
The European Union recorded GDP growth of 1.3%, while euro area countries recorded a slightly lower growth rate (0.9%) in 2014. The largest contribution to the recovery of real economic activity in the euro area came from exports of goods and services and, to a lesser extent, personal consumption. The euro area economy held steady in the second and third quarter, but it grew by 0.3% in the last three months of the year, largely owing to increased dynamics of domestic demand in the German economy. The fall in prices of raw materials, in particular oil late in the year, and the weakening of the euro underpinned growth in the euro area countries. However, in the context of very low key interest rates, the slowdown in inflation raised real interest rates and exacerbated the debt repayment burden. Also, the trade war between the EU and Russia as well as heightened geopolitical instability related to the conflicts in Ukraine

additionally restrained growth.

The European Central Bank continued to pursue an extremely expansive monetary policy in 2014 in efforts to revive the euro area economy and alleviate deflationary pressures. Thus, the ECB cut the interest rate on main refinancing operations by 10 basis points, from 0.25% to 0.15% in early June and to a record low of 0.05% in September. Deposit interest rates of the ECB were also reduced, to a negative level (-0.1% in June and -0.2% in September). Furthermore, the ECB launched its asset-backed securities purchase programme in mid-October which should, coupled with the targeted longer-term refinancing operations (TLTROs), encourage lending to non-financial corporations. These measures are aimed at enhancing the functioning of the monetary transmission mechanism, which has so far proved to be insufficiently effective in reviving economic growth. Notwithstanding these efforts, there was no significant acceleration of growth in 2014, while the annual inflation rate, which was positive on average throughout the year, dipped to -0.2% in December. The ECB announced further monetary policy easing at the beginning of 2015, based on the purchase of government and corporate bonds.

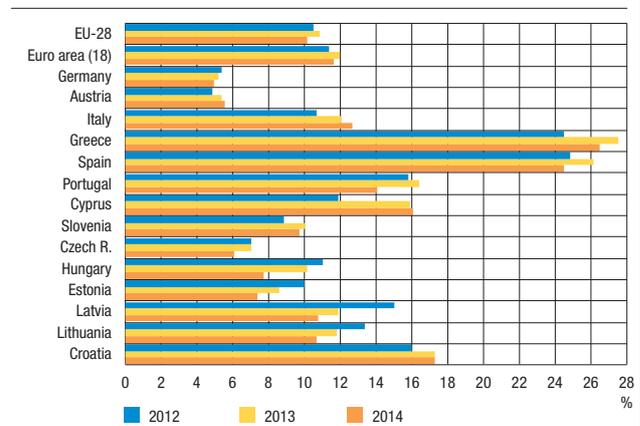
Real economic growth in 2014 was recorded in almost all EU member states, with the exception of Italy (within the euro area) and Croatia (outside the euro area). The highest growth rates were seen in Central and Eastern European countries, in particular Hungary, Poland and the Baltic countries, which recovered rapidly and grew at much higher rates than the euro area average. The growth in the United Kingdom, which amounted to 2.8% in 2014 and was the highest since the crisis onset in 2008, was underpinned by more dynamic domestic demand and the recovery of household consumption, spurred also by

1.1 Real GDP growth in selected EU countries



Sources: Eurostat and national statistical institutes.

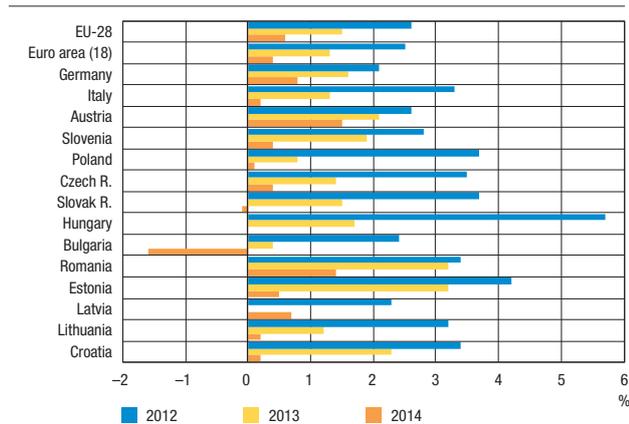
1.2 Unemployment rate in selected EU countries



Source: Eurostat.

1 Estimate, IMF, *WEO Update*, April 2015.

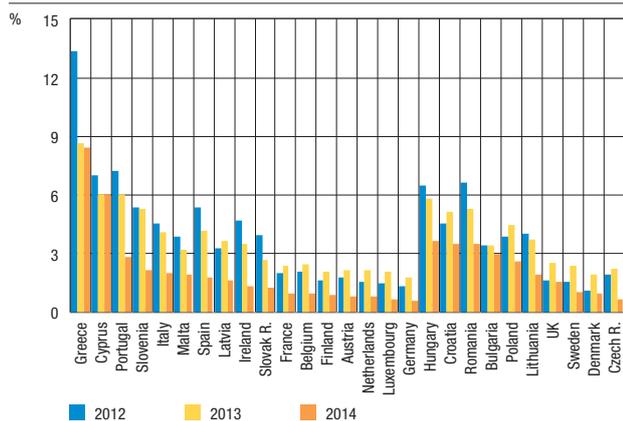
### 1.3 HICP annual average rate of change in selected EU countries



Source: Eurostat.

### Figure 1.4 Interest rates on long-term government bonds in domestic currency

according to the Maastricht convergence criteria, the average value in December



Source: Eurostat.

favourable financing conditions.

Having grown for six consecutive years, the euro area unemployment rate edged down from 12.0% in 2013 to 11.6% in 2014. The annual unemployment rate dropped in most euro area countries, with Hungary, Portugal and the Baltic countries recording the sharpest improvement in this indicator. By contrast, unemployment increased the most in Italy (by 0.6 percentage points) due to considerable internal imbalances and the slow implementation of structural reforms. Though lower on an annual level, unemployment rates in Greece and Spain remained extremely unfavourable, while a particular reason for concern was the high unemployment rate of young people (over 50%). Germany and Austria had the lowest unemployment rate among all the observed countries.

The annual rate of inflation in the euro area stood at 0.4% in 2014 (it was 1.3% in 2013), far below the ECB's target of below, but close to, 2%. The downward trend began in 2012 and was further reinforced by the falling prices of crude oil and

other raw materials in 2014. The decline in consumer price inflation was also due to the weaker than expected recovery in the euro area. Similar developments were seen in other EU countries, those outside the euro area, mainly under the influence of external factors and subdued foreign demand.

The yield spread on bonds of EU member states was relatively stable in 2014 and remained below the average level in 2013. Such trends were supported by the policy of low interest rates and the continuance of the ECB's extremely expansive monetary policy orientation, as well as the progress in fiscal adjustment in several peripheral member states. Financing conditions were also influenced favourably by the results of the detailed assessment of the resilience of EU banks, which the ECB disclosed in October and carried out in cooperation with the EBA, the ESRB and national supervisory authorities. Financial markets reacted favourably to test results, which enhanced confidence in the banking system and reduced bank funding risks and risk premiums on government bonds. Favourable developments in the yield spread were reflected positively in Croatia as well, as evident in the slight fall in yield spreads on Croatian government bonds over the year.

### United States of America

The growth rate of real economic activity in the US was 2.4% in 2014, up from 2.2% in 2013. Personal consumption and investment coupled with a somewhat lower trade deficit provided a positive contribution to growth in 2014. The narrowing of the trade deficit may be attributed to the slump in demand for foreign products intended for final consumption and a drop in the imports of oil due to the growth in domestic oil production. In accordance with earlier announcements and the good results of the American economy, the Fed's third quantitative easing stimulus programme ended in October. The possible raising of key interest rates will depend on developments in labour market indicators and inflation rates. The unemployment rate fell to 5.6% in December 2014, thus returning to the pre-crisis level of June 2008, while inflation measured by the personal consumption expenditure deflator slowed down to 0.8%.

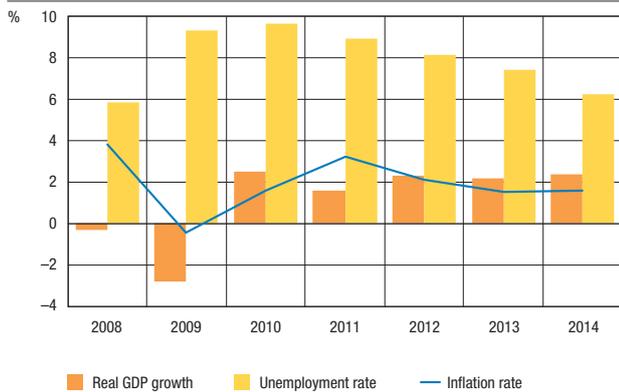
### Japan

Real economic activity held steady in Japan in 2014, after having grown by 1.6% in 2013. The Japanese economic slowdown was largely a result of the fiscal measures taken in April, when the VAT rate was raised from 5% to 8%. This led to a sharp economic contraction in the second and third quarter and a noticeable slump in personal consumption. As a result of the increase in value added tax, the rate of inflation also recorded a one-off increase in 2014. The monetary stimulus of the Japanese central bank and larger infrastructure spending partly offset negative effects of fiscal measures, while the drop in prices of crude oil and the weakening of the Japanese yen against major global currencies provided a boost to economic recovery.

### Developing and emerging market countries

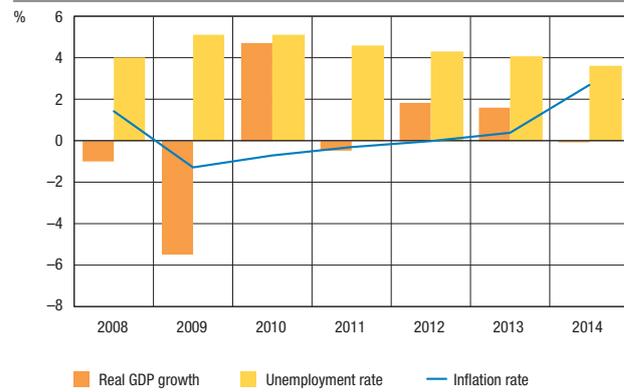
Developing and emerging market countries recorded

Figure 1.5 Real GDP growth, unemployment and inflation rates in the USA



Sources: Bureau of Economic Analysis and U. S. Department of Labor.

Figure 1.6 Real GDP growth, unemployment and inflation rates in Japan



Sources: Eurostat and Statistics Bureau of Japan.

economic growth of 4.6% in 2014, the fourth consecutive year in which economic growth slowed down, to the lowest level since the onset of the crisis. China and India were at the forefront of the growth in developing and emerging market countries, although their growth rates were lower than the average in the last decade. The Russian economy teetered on the brink of recession, partly due to the negative impact of trade sanctions imposed and the fall in crude oil prices in the global market, and partly due to structural problems in the economy.

Economic growth in China slowed from 7.8% in 2013 to 7.4% in 2014. The slowest annual growth in the past 24 years indicates a cooling off period in the Chinese economy, which was for a very long time based on credit expansion and heavy borrowing by local government units. Results of goods exports and investment activity fell short of expectations. Adverse trends in the real estate market, whose sharp increase in the previous years contributed to the overall growth in China, also had a negative influence on real activity. Despite a slowdown in exports, foreign trade remained the main generator of growth of China's economy, with personal consumption noticeably increasing its share in total GDP.

India recorded real GDP growth of 7.2% in 2014, up from the previous year's 6.9%. The unexpectedly sharp year-on-year growth of 7.5% in the last quarter of 2014 can partly be attributed to changes in GDP calculation methodology. Notwithstanding weaker foreign demand, the improvement in trade conditions, which was caused by the fall in oil prices, and the acceleration in industrial activity fuelled more rapid growth in the second half of the year. High inflation (6.0% in 2014) remains one of the key problems of India's economy.

Real economic activity in Russia slowed from 1.3% in 2013 to 0.6% in 2014. The noticeable slowdown was due in part to the escalation of the conflict in Ukraine and tensions over trade between Russia and the EU countries, when Russia responded with administrative measures banning food imports from the US and the EU countries that had imposed sanctions on Russia. Real economic activity in Russia was also adversely affected

by the sharp fall in crude oil prices on the global market which, given that Russian exports are based on oil and gas exports, caused loss of confidence in the Russian national currency and consequently its depreciation, despite large foreign exchange interventions and a significant increase in the key interest rate of the Russian central bank late in the year. The annual rate of inflation went up, to 11.4% in late December.

Lower growth than in the previous year was also recorded in Latin American countries, with real GDP increasing by 1.3% in 2014 (2.9% in 2013). Such developments were largely due to the deterioration in trade conditions caused by the fall in prices of oil and other raw materials, in particular food, as well as slower global growth. In addition to external factors, the 2014 growth was unfavourably affected by growing uncertainty, which was also reflected in the slump in household consumption. Supported by expansive monetary policy, financing conditions were favourable and underpinned economic growth in Latin American countries. Notwithstanding the drop in interest rates, lending was reduced, particularly in Brazil.

### Southeast European countries

Most Southeast European countries recorded economic recovery in 2014. However, it was still slow and influenced by structural deficiencies that are reflected in high unemployment and substantial budget deficits. In this group of countries, Croatia has the strongest trade relations with Serbia and Bosnia and Herzegovina, both of which experienced a much slower pace of economic activity.

Serbia recorded a 1.8% fall in economic activity in 2014, after growing by 2.6% in 2013. This reversal was largely due to the effects of severe floods in May, which dampened industrial production and put additional pressures on budget expenditures associated with alleviation of damage. Due to the unfavourable public finance situation, Serbia agreed a three-year precautionary arrangement with the IMF in mid-November, worth around EUR 1 billion. The Serbian government committed itself to implement fiscal measures, including the restructuring of public

enterprises, a decrease in public sector employment, improved collection of taxes and a continued fight against the grey economy, and announced a linear reduction of the public sector wage bill and a progressive reduction of pensions exceeding a certain amount.

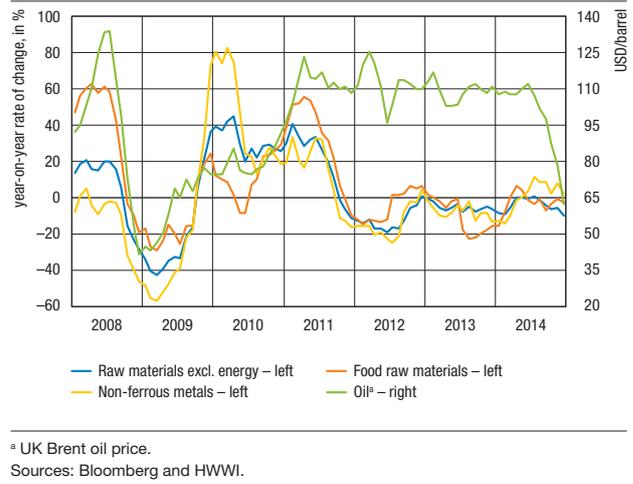
Real economic activity in Bosnia and Herzegovina increased by 1.3% in 2014 (in the previous year it had grown by 2.7%). Economic growth in Bosnia and Herzegovina was restrained by extremely harsh weather conditions in mid-year and a fall in industrial production in the second half of the year. High unemployment, an unfavourable balance of trade in goods and a budget deficit further hindered any faster recovery of the economy. Exports of goods increased on an annual level in 2014, but imports grew even more, in particular from the CEFTA countries.

### Trends in the prices of raw materials and foreign exchange rate

Crude oil prices remained stable at a relatively high level in the first half of 2014, with the price of Brent crude oil ranging between USD 104 and 115 per barrel. However, crude oil prices plummeted in the second half of the year, mostly due to increased shale oil production in the US and stable production in the Middle East, despite the present geopolitical risks. A slower than expected global economic recovery and somewhat lower demand from China and Europe contributed further to the global surplus of oil supply over demand and the drop in oil prices to below USD 60 per barrel in late 2014.

Other raw material prices as measured by the HWWI index (excluding energy products, in US dollars) steadily decreased in 2014. They dropped at an annual rate of 4.3% in 2014, continuing the downward trend from the previous year, but at a slower pace. The fall in raw material prices was largely due to the global decrease in prices of iron ore and coal, as well as food raw materials, in particular cereals, oil and oil seeds. The decline in iron ore prices was influenced by the slower growth in developing and emerging market economies. After being on a downward

Figure 1.7 Raw material prices in the world market



trajectory for a long time, food prices increased briefly in the first four months of 2014, but returned to the January level later on in the year thanks to favourable weather conditions and the continued strengthening of the US dollar.

The US dollar strengthened noticeably against the euro in 2014. The US dollar/euro exchange rate stood at EUR 1.22/USD at end-2014, down 11.7% from end-2013. The strengthening of the US dollar against the euro was particularly evident in the second half of the year, due to the accelerated growth of the US economy, stagnation of the euro area economy and expected divergence between Fed and ECB monetary policies. It was also attributable to pronounced structural weaknesses of the European economy, more dynamic indicators in the US labour market and, to a lesser extent, events in Greece. The exchange rate of the Swiss franc versus the euro fluctuated within a narrow band around the average level of EUR/CHF 1.21, only slightly above EUR/CHF 1.20, the floor set by the Swiss central bank.

## 1.2 Economic activity

Observing the developments in the seasonally adjusted real GDP by quarter, economic activity mostly held steady in 2014 at the level reached in late 2013. However, the gross domestic product in the Republic of Croatia dropped by 0.4% in real terms in 2014, due to the base effect, i.e. the strong contraction in late 2013. This was the sixth consecutive year of economic contraction. Real GDP and domestic demand decreased cumulatively by 12.4% and 19.7% respectively in the period of recession.

### 1.2.1 Demand

The contraction in aggregate demand in 2014 was a result of the slump in net domestic demand, which was more severe than in 2013. This was due to a sharp decline in gross fixed capital formation, which also picked up pace from the year before, and, to a lesser extent, the reduction in government and household consumption. By contrast, the growth in foreign demand accelerated due to stronger economic activity of the main trading partners, but was insufficient to offset the sharp decline in domestic demand. As in 2013, imports of goods and services increased in 2014, which may be attributed to the import component of exports.

Real household consumption shrank by 0.7% in 2014. Personal consumption recorded a brief period of growth in the first from the previous quarter, which may be largely attributed to the base effect. Personal consumption decreased slightly but steadily in the remainder of 2014 against the backdrop of the lack of recovery in the labour market, unfavourable expectations regarding future economic developments and continued deleveraging.

Government consumption was reduced in 2014 (by 1.9%) in line with the efforts to meet the requirements of the excessive

deficit procedure. Seasonally adjusted data show that the bulk of the decrease in government consumption occurred in the first half of the year, while consumption edged up in the remainder of the year. The drop on an annual level was due equally to collective and to individual government consumption.

Gross fixed capital formation decreased sharply (4.0%) in 2014. This was the sixth consecutive year of a decline in this component of GDP, which contributed the most to the contraction of economic activity during the recession. The decrease in gross fixed capital formation was mostly reflected in the sizeable fall in gross value added in construction. Civil engineering works decreased markedly in 2014, which may be related to public sector investments. The contraction in public sector investment activity is probably to some extent due to the withdrawal of profits from public enterprises with a view to making savings under the excessive deficit procedure. Construction works on buildings, which are mostly connected to private sector investments, also decreased. General economic activity was also adversely affected by frequent legal and tax changes (which fuel uncertainty) and the increase in the health care contribution rate in April 2014, which raised employers' costs.

The growth in real exports of goods and services picked up in 2014. Total real exports went up for the most part of the year, except in the second quarter, when they came to a brief halt. Acceleration in the growth of exports was largely due to the strong increase in exports of goods. Data on goods trade in current prices suggest that the increase was widespread, with the sharpest growth being recorded in consumer goods. Real exports of services also increased, boosted by a surge in tourism revenues, as reflected in volume indicators of overnight stays and foreign tourist arrivals. Imports of goods and services expanded despite the fall in domestic demand, which may be explained by the positive export results of the Croatian economy.

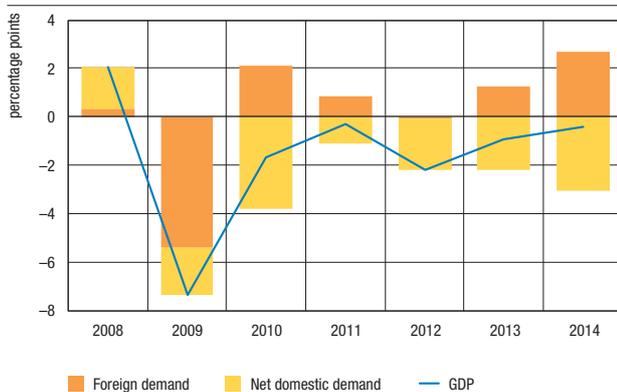
### 1.2.2 Supply

Gross value added (GVA) of the total economy was 0.3% lower in 2014 than in 2013. GVA decreased in most activities, falling the most in construction and agriculture, forestry and fishing. Manufacturing alone recorded a strong recovery in gross value added.

#### Industry and construction

Gross value added in industry increased by 1% in 2014, thus recording growth on an annual level for the first time since the onset of the crisis. The rise in gross value added in industry was mostly due to the recovery of manufacturing in the context of rising foreign demand. Detailed data on NCA divisions for manufacturing indicate that the production of rubber and plastic products, leather, wearing apparel and pharmaceutical products grew more in 2014 than in the preceding year. A fall was recorded in only a few activities, in particular the

Figure 1.8 Contributions of domestic and foreign demand to the real change in GDP



Source: CBS.

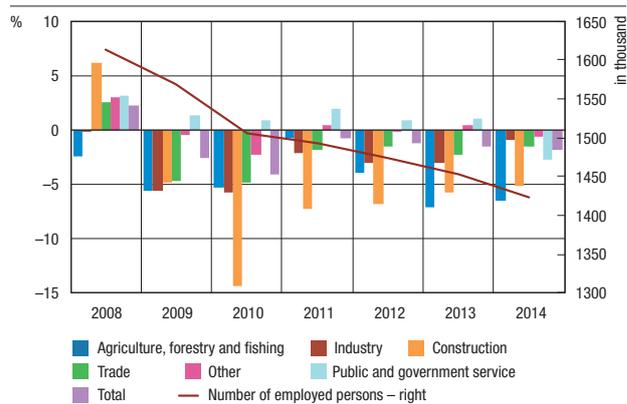


### Employment and unemployment according to administrative sources<sup>3</sup>

In 2014, the number of employed persons remained at its end-2013 level. Compared with the end of 2013, developments in the number of employed persons by NCA suggest differing dynamics in individual activities. A small increase was reported in the number of persons employed in accommodation and food service activities and real estate activities while a somewhat stronger increase in the number of employed persons was seen in financial intermediation and insurance activities. In contrast, the number of persons employed in construction continued to decline noticeably, accompanied by a small decrease in the number of persons employed in public administration and defence, education and healthcare and social work activities. Concurrently, the number of persons employed in industry and trade held steady, halting the trend of the continued decline present from the beginning of the crisis, which was in line with more favourable economic developments in these activities in 2014. The average annual rates of change in employment show the annual fall in the number of persons employed in all NCA activities, most notably in agriculture, forestry and fishing and construction.

The number of unemployed persons fell substantially in 2014 (by 4.9% year-on-year), which was the first reported annual decrease in the number of unemployed persons since the outbreak of the crisis. The number of unemployed persons was 46,000 lower at the end of 2014 than in December 2013 mainly on account of clearings from the CES register for other reasons (an increase of 18.4%), primarily for failure to comply with the legal provisions. In addition, inflows into the register from inactivity decreased in 2014 (–12.3%). At the same time, favourable developments were observed in net outflows from

Figure 1.12 Total employment and employment by sectors year-on-year rate of change



Note: Public and government services refer to O, P and Q activities according to NCA 2007.  
Source: CPIA.

the CES register for employment and other business activities. The number of outflows from the CES register for employment and other business activities exceeded the number of inflows into the CES register by approximately 14,000 persons, largely as a result of the increase in net outflows from the CES register for other business activities (on-the-job training without employment contracts) by about 13,000. Seasonally adjusted data show that the decline in the number of unemployed persons was most pronounced during the second and third quarters and that the fall continued, at a slower pace, in the last quarter of 2014.

The fall in the number of unemployed persons resulted in a mild decrease in the unemployment rate, so the average registered unemployment rate reached 19.7% in 2014 (as compared

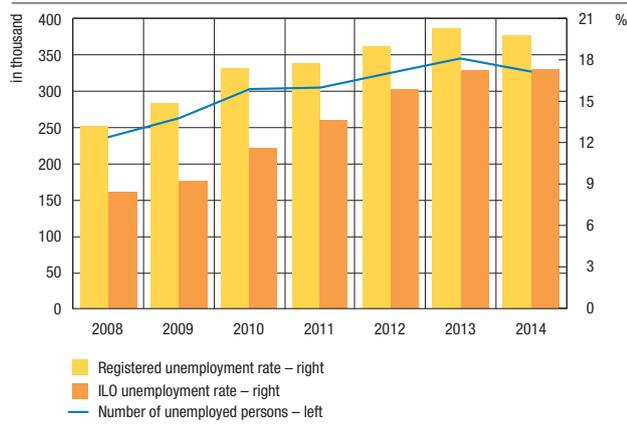
Table 1.1 Inflows into and outflows from the CES register year-on-year rate of change, in %

	2013/ 2012	1–6/2014 1–6/2013	7–12/2014 7–12/2013	2014/ 2013	Share in total flow		
					1–6/2014	7–12/2014	2014
<b>1 Newly registered</b>							
<b>1.1 By type of inflow</b>	<b>–0.1</b>	<b>–3.0</b>	<b>–9.1</b>	<b>–6.6</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
– Directly from employment	–0.7	–4.5	–8.0	–6.5	62.1	65.6	64.1
– From private agriculture or any other similar work	–0.1	175.6	55.1	105.3	3.9	2.3	3.0
– Directly from school	8.1	14.3	–12.0	–7.5	4.7	13.2	9.6
– From inactivity	–1.4	–9.9	–15.0	–12.3	29.3	18.9	26.4
<b>1.2 By previous work experience</b>	<b>–0.1</b>	<b>–3.0</b>	<b>–9.1</b>	<b>–6.6</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
– First-time job seekers	4.1	2.7	–11.2	–6.5	16.9	21.3	19.4
– Previously employed	–1.0	–4.0	–8.5	–6.6	83.1	78.7	80.6
<b>2 Outflow from the CES register</b>	<b>12.6</b>	<b>7.9</b>	<b>10.0</b>	<b>8.9</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
– Employed based on work contract	10.2	5.9	4.4	5.3	63.0	48.3	56.2
– Employed based on other business activities	122.8	–33.5	19.1	–8.1	4.2	8.0	6.0
– Deleted from the register for other reasons	5.8	22.4	15.2	18.4	32.8	43.6	37.8

Source: CES.

<sup>3</sup> Administrative sources of data are CPIA for employment and CES for unemployment. The CPIA data on the number of insured persons are considered to be more reliable short-term indicator of employment in the economy than CBS data, given the fact that CBS data are revised.

Figure 1.13 Registered and ILO unemployment rates and the number of unemployed persons registered with the CES



Sources: CES and CBS.

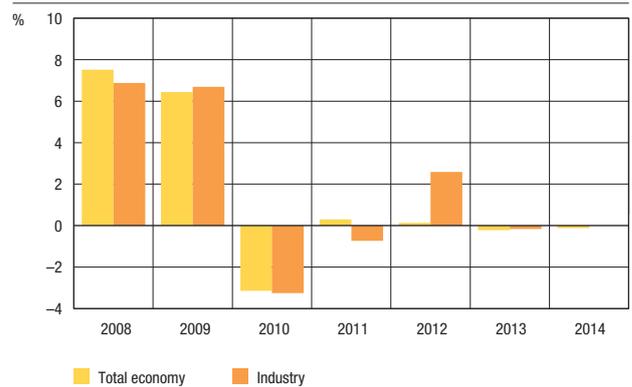
to 20.3% in 2013). However, the continued decline in the unemployment rate in the second, third and fourth quarters resulted in a slightly stronger decrease in the unemployment rate at the end of the year, with the seasonally adjusted unemployment rate amounting to 18.8% in the last quarter of 2014.

### Employment and unemployment according to the Labour Force Survey data

In contrast to administrative sources of data, the CBS Survey data<sup>4</sup> suggest favourable developments in the number of employed persons in 2014. According to the Labour Force Survey data, the number of employed persons grew by 2.7% or 42,000 in 2014. The number of unemployed persons also trended up in the same period (2.9%). Against such a background, the average unemployment rate stood at 17.3% in 2014, which was the same as in 2013.

These results should be interpreted with caution since they

Figure 1.14 Unit labour costs year-on-year rate of change



Note: Data refer to wages calculated in the current year.  
Source: The calculation is based on CBS and CPIA data.

are currently not in line with developments in administrative labour market indicators and developments in economic activity during the same period and having in mind earlier substantial revisions in survey data.

### Wages and labour costs

Nominal gross and net wages were only slightly higher in 2014 than in 2013 (0.2%), with a deceleration in their growth being recorded for the third consecutive year. Moreover, a mild increase in private sector wages (0.4%) was largely offset by an equal decline in wages in public and government services. Real gross and net wages edged up in 2014 (0.4%) owing to a small fall in consumer prices. After four years, the trend for the purchasing power of the average wage to decline was brought to a halt by a rise in real net wages.

The nominal unit labour costs held steady in 2014 (-0.1%). Labour productivity increased because the annual decrease in

Table 1.2 Wages, productivity and unit labour costs

year-on-year rate of change

	2008	2009	2010	2011	2012	2013	2014
<b>Average gross wage</b>							
Nominal	6.8	3.0	-0.5	1.5	1.1	0.7	0.2
Real	0.7	0.6	-1.6	-0.8	-2.2	-1.5	0.4
<b>Average gross wage in the private sector<sup>a</sup></b>							
Nominal	6.6	2.3	-0.3	1.4	1.3	1.5	0.4
Real	0.5	-0.1	-1.3	-0.9	-2.0	-0.7	0.6
<b>Average gross wage in public and government services<sup>b</sup></b>							
Nominal	8.3	4.1	-1.2	1.3	0.4	-1.2	-0.6
Real	2.2	1.7	-2.2	-1.0	-2.9	-3.4	-0.3
Productivity (total economy)	-0.4	-4.4	2.8	1.2	-0.2	0.4	1.9
Nominal unit labour cost	7.5	6.4	-3.1	0.3	0.1	-0.2	-0.1

<sup>a</sup> Wages in the private sector include all NCA 2007 activities except O, P and Q activities.

<sup>b</sup> Wages in public and government services are approximated by the change in wages in NCA 2007 activities O, P and Q.

Note: Data refer to wages paid in the current year. Data on nominal net wages include the impact of the special tax on salaries, pensions and other income.

Sources: CBS and CPIA.

<sup>4</sup> Due to methodological differences, the employment and unemployment data obtained through the Labour Force Survey differ from the data based on administrative sources. Since the Survey is carried out by the uniform international methodology, survey data are directly comparable to other countries' data.

the number of employed persons was stronger than the fall in economic activity, while the rise in employee compensations, largely attributable to the increase in the health insurance contribution rate from 13% to 15% as of April 2014, had the opposite effect.

### 1.2.4 Prices and the exchange rate

#### Prices

The average annual consumer price inflation rate slowed down from 2.2% in 2013 to -0.2% in 2014. Such developments primarily reflected the spillover of the drop in global raw material prices on domestic consumer prices. Particularly prominent was the decline in the prices of food raw materials, which were on average 20%<sup>5</sup> lower in 2014 than in mid-2013. Therefore, prices of food products, which account for a significant share of 26.7% in the CPI basket, were particularly responsible for the decrease in the overall annual inflation. This effect wore off in the last quarter of 2014, while the effect of the fall in the prices of refined petroleum products gained momentum due to the strength of the drop in crude oil prices in the world market. Weak foreign and domestic economic activity and low core inflation in the euro area also contributed to the decline in inflation in 2014, although to a somewhat smaller extent. The absence of domestic cost pressures additionally supported low inflation.

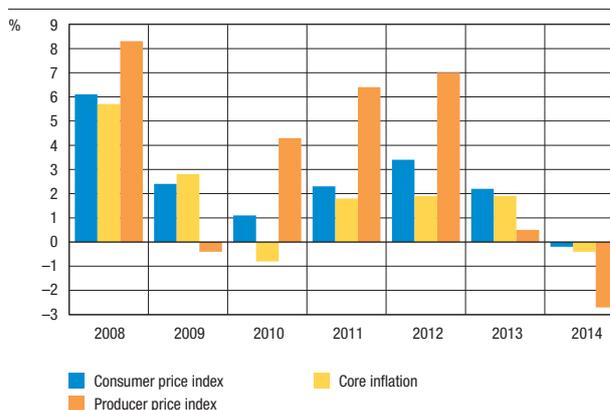
#### Consumer prices

Taking into account the values recorded at the end of the period, annual consumer price inflation fell from 0.3% in December 2013 to -0.5% in December 2014. Consumer prices decreased due to the fall in the prices of food products (including alcohol and tobacco) and energy, while the contribution of prices of services and industrial goods (excluding food and energy) increased. The core CPI which, among others, excludes prices of energy and agricultural products, but includes processed food products, recorded a lower annual fall in December 2014 (-0.4%) than the total index.

The greatest contribution to the 2014 decrease in inflation came from prices of processed food products. The drop in the annual rate of change in processed food prices (including alcohol and tobacco) was the result of several factors, above all the fall in prices of food raw materials on the global market, coupled

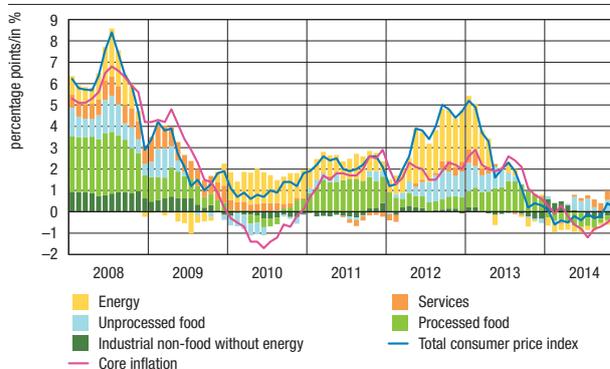
with increased competition following Croatia's accession to the EU, subdued domestic demand and the attenuation of the effect of the increase in excises of July 2013 on the rise in tobacco prices. The additional stimulus came from favourable weather conditions in the country in the first half of the year, contributing to an annual fall in fruit and vegetable prices. However, the

Figure 1.15 Consumer price index, core inflation and industrial producer price index on the domestic market average year-on-year rate of change



Source: CBS.

Figure 1.16 Year-on-year inflation rates and contribution<sup>a</sup> of components to consumer price inflation



<sup>a</sup> The contribution is defined as the relative importance of a CPI component for total inflation. The sum of contributions of all components expressed in percentage points in a relevant month is the amount of the annual consumer price inflation rate (some divergences are possible due to the rounding of data). Sources: CBS and CNB calculations.

Table 1.3 Consumer price index, the five main categories of products year-on-year rate of change

	Weight 2014	12/2013	3/2014	6/2014	9/2014	12/2014
Total	100.0	0.3	-0.4	-0.4	-0.2	-0.5
Energy	19.3	0.4	-0.6	2.6	0.1	-2.2
Unprocessed food	12.9	-1.5	-3.0	-5.2	-1.6	-1.8
Processed food (incl. alcoholic drinks and tobacco)	21.5	3.0	2.3	-0.2	-1.5	-0.5
Industrial non-food without energy	23.2	-1.4	-1.2	-1.1	-0.4	-0.8
Services	23.1	0.4	-0.3	0.6	1.7	1.8

Source: CBS.

5 Measured by the HWWI food raw material price index (excluding beverages and sugar) in euro terms.



Table 1.4 Croatian residential real estate price index

year-on-year rate of change

	Weight	2008	2009	2010	2011	2012	2013	2014	2013		2014			
									Q3	Q4	Q1	Q2	Q3	Q4
Croatia	100.0	3.5	-3.8	-8.1	-3.7	1.0	-16.5	-2.4	-16.8	-14.4	-9.7	-2.9	2.5	1.2
Zagreb	68.0	2.7	-5.4	-8.7	-5.1	2.2	-15.0	-2.9	-16.5	-14.7	-8.0	-2.9	-0.3	0.0
Adriatic Coast	32.0	6.2	1.5	-6.4	-0.5	-1.6	-19.9	-0.9	-17.5	-13.7	-13.2	-2.5	8.8	3.7

Note: The methodology used for compiling the hedonic real estate price index in Croatia is such that each calculation of the new value of the index (at the end of a quarterly period) involves a reassessment of all the parameters of real estate prices achieved by the given equations, which, in turn, results in a revision of the real estate price index for the previous quarterly periods (i.e. years). Therefore, the indices from the previous years are altered with each update, but are also more precisely measured, being calculated by a larger number of data.

Sources: *Burza nekretnina* and CNB calculations.

the end-of-2004 level. Any revival in real estate demand is constrained by the persistent decline in real household disposable income, adverse labour market developments (high unemployment rate and risk of job loss) and low consumer optimism. In such adverse conditions, households continue to be reluctant to raise long-term loans for the purchase or construction of residential real estate.

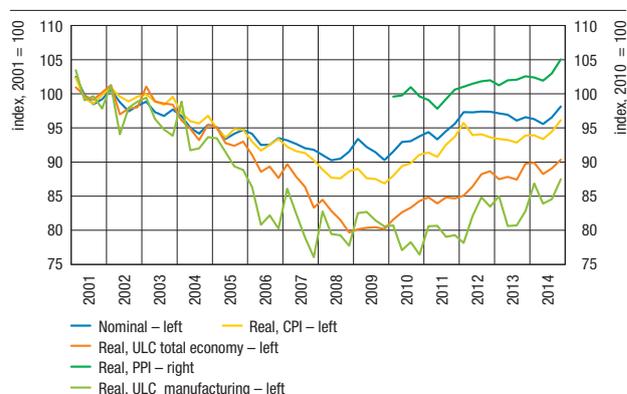
### Exchange rate

The nominal kuna/euro exchange rate was relatively stable in 2014 and its occasional fluctuations were weaker than in 2013. The daily kuna/euro exchange rate moved within a rather narrow range from -0.9% to 0.6% around an average annual exchange rate of EUR/HRK 7.63, depreciating by 0.7% from 2013. When the depreciation pressures emerged early in the year, the CNB intervened in the foreign exchange market on 31 January by selling EUR 240.2m to banks in an effort to curb the weakening of the domestic currency. The kuna exchange rate stabilised thereafter and there were no other foreign exchange rate interventions of the central bank. Developments in 2014 show that the nominal kuna/euro exchange rate appreciated slightly in the first half of the year and mostly depreciated in the second half of the year. The exchange rate stood at EUR/HRK 7.66 at the end of the year, which is a depreciation of only 0.3% from the end of 2013.

In 2014, the CNB sold a total of EUR 211.8bn net through foreign exchange market transactions, thus withdrawing HRK 1.6bn. This net sale of foreign exchange resulted from transactions with banks and the European Commission, while the kuna liquidity was generated from net foreign exchange purchased from the central government.

As regards other currencies, the kuna depreciated sharply against the US dollar and the yuan renminbi in 2014, which was a result of the weakening of the euro against these two currencies in the global foreign exchange market, especially in the second half of the year. The euro slumped heavily against the US dollar because economic recovery was slower in the euro area than in the US. In addition, the Fed was expected to tighten and the ECB to continue to relax monetary policy. The kuna/US dollar exchange rate depreciated by 13.6% from the end of 2013 to the end of 2014. The Swiss franc to euro exchange rate in the global foreign exchange market was stable throughout 2014, fluctuating within a narrow band around the average level of

Figure 1.19 Indices of the nominal and real effective exchange rates of the kuna deflated by consumer prices, producer prices and unit labour costs



Note: Real effective exchange rate of the kuna deflated by producer prices includes the Croatian index of industrial producer prices on the non-domestic market, which is available from January 2010. A fall in the index denotes an effective appreciation of the kuna. Source: CNB.

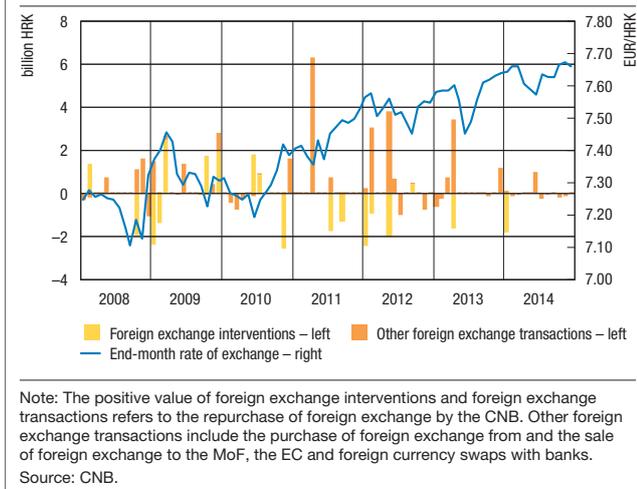
EUR/CHF 1.21. Due to changes in the bilateral exchange rates of the kuna against the currencies of the main trading partners, the nominal effective exchange rate of the kuna depreciated at an annual rate of 2.2% from end-2013 to end-2014.

The indicators of the price and cost competitiveness of Croatian exports improved in 2014 compared with the average in 2013. Against the backdrop of the stagnant average annual nominal effective exchange rate of the kuna, this was exclusively due to more favourable price and cost developments than in most of the main trading partners. The real effective kuna exchange rates deflated by consumer and producer prices depreciated on average by 1.2% and 1.1% respectively in 2014, while the real effective exchange rates of the kuna deflated by unit labour costs in the total economy and manufacturing depreciated by 1.4% and 4.1% respectively.

### 1.2.5 Monetary policy and monetary developments

The Croatian National Bank continued to pursue an expansionary monetary policy in 2014, while simultaneously maintaining the stable kuna/euro exchange rate, which is the main precondition for preserving financial stability. The expansive orientation of monetary policy, which was reflected in the

Figure 1.20 Foreign exchange transactions of the Croatian National Bank and midpoint EUR/HRK rate of exchange



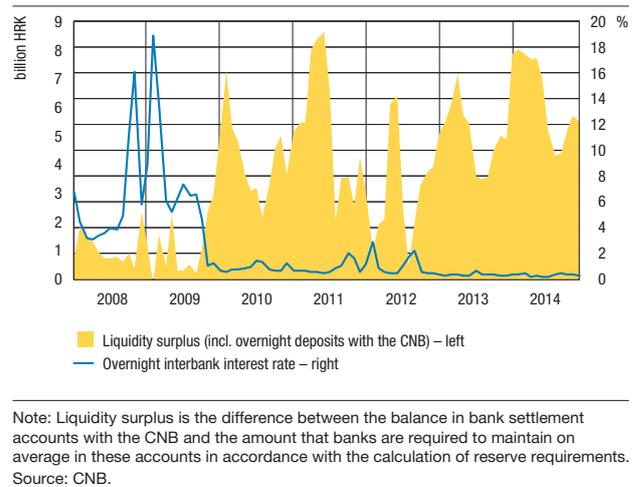
maintenance of high levels of liquidity in the monetary system, was part of central bank efforts to improve financing conditions in the domestic market. As a result, interest rates in the inter-bank money market remained extremely low, interest rates on T-bills continued to slide from already low levels, and interest rates on household and corporate loans steadily decreased in 2014. In addition, the CNB encouraged the growth of placements to the economy by redeeming compulsory CNB bills in 2014. However, these efforts failed to induce more dynamic domestic lending in 2014 as investment demand was subdued in an environment characterised by excessive indebtedness of many non-financial corporations, insufficient collateral amidst declining real estate prices, continued deleveraging of households, low levels of business and consumer optimism and a large ratio of non-performing loans and high risk aversion of banks and business entities.

### Monetary policy and flows of creating and withdrawing reserve money

Foreign exchange transactions of the central bank were the main monetary policy instrument in 2014. In total foreign exchange transactions with the government, credit institutions and the European Commission, the CNB sold a net of EUR 211.8m in 2014, thus withdrawing HRK 1.6bn. The frequency and volume of foreign exchange transactions were mostly linked to the government's needs to convert funds associated with foreign borrowing, as well as payments to the EU budget and developments in the exchange rate of the kuna against the euro. With regard to other monetary policy instruments, there was no need for reverse repo operations and no bank demand for Lombard loans in 2014 due to the high system liquidity. The reserve requirement rate and the minimum required rate of foreign currency claims remained unchanged in 2014.

In foreign exchange transactions with the central

Figure 1.21 Bank liquidity and overnight interbank interest rate



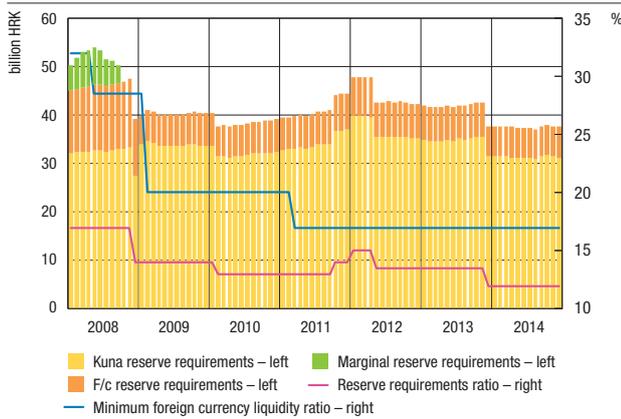
government the CNB purchased EUR 420.6m net, thus creating HRK 3.2bn in 2014. The largest purchase of foreign exchange followed the issue of EUR 1.25bn worth of eurobonds in the international market in May, while there were no significant foreign exchange transactions with the government in the remainder of the year. The government deposited a portion of the foreign exchange funds originating from external borrowings in an account with the CNB to be used for bond payments in early 2015.

By contrast, the CNB sold foreign exchange to credit institutions and the European Commission, which decreased kuna liquidity in the monetary system. The CNB intervened once in 2014, selling EUR 240.2m to banks in late January, thus withdrawing HRK 1.8bn. The central bank intervened in an effort to dampen depreciation pressures that had mounted at the beginning of the year, while no foreign exchange interventions were needed in the rest of the year. Foreign currency sales to the European Commission represented the conversion of the kuna funds, which are allocated monthly to the EC's account with the central bank as government's payments to the EU budget. This resulted in a sale of EUR 392m and, in turn, the withdrawal of HRK 3.0bn of reserve money in 2014.

The kuna liquidity of the monetary system improved further in 2014 despite withdrawals of kuna funds by means of foreign exchange transactions. Surplus liquidity in credit institutions' settlement accounts averaged HRK 6.4bn in 2014, HRK 1.4bn more than in 2013. The growth in liquid assets was driven by the return of HRK 1.6bn in unused CBRD funds to the banks in early 2014 due to the completion of the Economic Development Programme. The increase in liquidity was also due to the repurchase of compulsory CNB bills, by which the central bank encourages lending to the corporate sector<sup>6</sup>. From the introduction of that measure in December 2013 to the end of 2014, the central bank repurchased compulsory CNB bills

<sup>6</sup> In December 2013, the CNB cut the reserve requirement rate from 13.5% to 12% and banks had to place the funds released in three-year compulsory CNB bills. If banks record growth in corporate loans, the CNB redeems those bills before their maturity in the amount of 50% of the monthly increase in placements.

Figure 1.22 Reserve requirements and minimum foreign currency liquidity



Source: CNB.

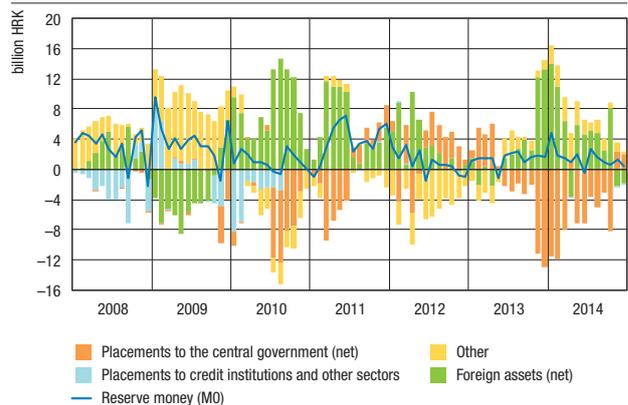
worth HRK 0.8bn net from banks, which is 19% of the amount originally purchased by banks. However, it should be noted that the repurchase of CNB bills related only to those banks whose placements had grown relative to the initial balance, although credit institutions' corporate placements decreased on an aggregate level in 2014.

As a result of high liquidity in the market, which is supported by the expansionary monetary policy of the central bank, interest rates in the money market remained at a very low level. The weighted interest rate on overnight interbank loans averaged 0.34% in 2014. Government financing costs in the domestic market steadily decreased for the third consecutive year. By the end of 2014, the interest rate on one-year euro T-bills and kuna T-bills dipped to only 0.48% and 1.50% respectively.

The reserve requirement rate was cut to 12% in late 2013 and remained unchanged in 2014. The only change in this monetary policy instrument was made in November 2014, when the CNB cut the foreign currency reserve requirement allocation rate on funds received from non-residents and connected clients from 100% to 60%. The share of the foreign currency reserve set aside was thus made equal for all foreign currency sources, while banks' foreign currency liquidity was increased by EUR 80m. The total calculated reserve requirements remained almost unchanged from end-2013 to end-2014, standing at HRK 37.5bn; the kuna and foreign currency components were HRK 31.3bn and HRK 6.2bn respectively.

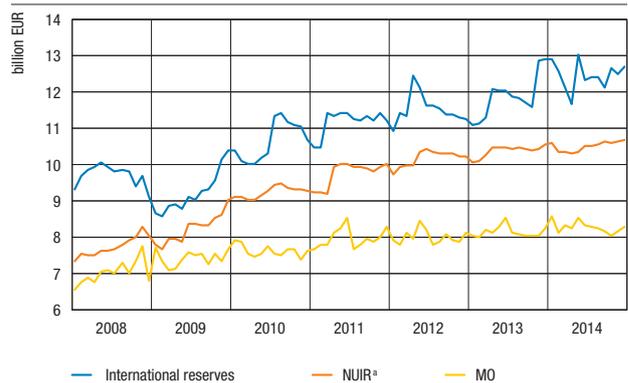
The coverage of foreign currency liabilities by liquid foreign currency claims of credit institutions was on average 4.4 percentage points above the 17% legally prescribed minimum in 2014. At the end of 2014, credit institutions had a total of EUR 6.2bn of liquid foreign currency claims at their disposal and their foreign currency liquidity surpluses came to EUR 1.5bn, which is twice as large as in 2013. The CNB continued to recognise MoF foreign currency T-bills (EUR 700m) issued in August 2013 and subscribed by banks as liquid foreign currency claims. In addition, 50% of the amount of loans granted to corporates under the Economic Development Programme

Figure 1.23 Flows of reserve money (M0) creation



Note: The reported values denote the absolute annual changes.  
Source: CNB.

Figure 1.24 International reserves of the CNB



\* NUIR = international reserves – foreign liabilities in f/c – reserve requirements in f/c – government foreign currency deposits.  
Source: CNB.

(EUR 75.1m at the year-end) was also recognised by the CNB as liquid foreign currency claims, averaging 13.3% of total liquid claims.

**Reserve money and international reserves**

The narrowest monetary aggregate, reserve money (M0), edged up in 2014 (by HRK 0.4bn or 0.4%), to HRK 63.4bn. Looking at the structure of reserve money, currency outside credit institutions increased, while deposits of credit institutions and other financial corporations with the central bank decreased moderately. Reserve money was very volatile during the year, due to inflows and outflows of funds to the central government kuna account with the CNB. As regards government foreign currency deposits with the CNB, they also moved within a wide range as a consequence of foreign currency inflows based on borrowing and repayments of government foreign currency liabilities falling due.

International reserves of the CNB stood at EUR 12.7bn at



the weakening of the kuna against the US dollar and the euro. More precisely, though foreign currency deposits grew by HRK 2.3bn or 1.4% in nominal terms, they held steady if the exchange rate effect is excluded, which means that their two-year growth came to an end. In the same period, kuna deposits grew by HRK 0.8bn or 2.3%. In line with such developments, the banking system euroisation, measured as the share of foreign currency deposits in total savings and time deposits, held steady and was at the level of around 83% at the end of the year.

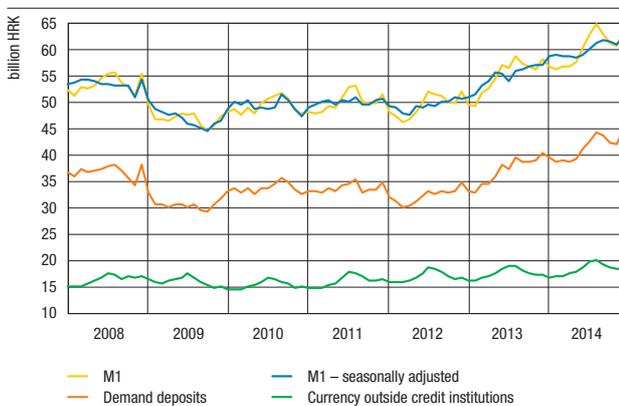
Lending to other domestic sectors shrank in 2014. Credit institutions' placements to domestic sectors (excluding the central government) decreased by 2.6% in nominal terms in 2014. Excluding exchange rate changes, placements shrank by 3.0%, recording the sharpest annual decline since the onset

of the crisis<sup>8</sup>.

Credit institutions' placements to the central government grew by HRK 4.5bn or 5.3% in 2014, thus sustaining the upward trend in government borrowing from banks. As a result, the exposure of domestic credit institutions to the government (measured as the share of placements to that sector in total placements) increased by 1.5 additional percentage points, reaching 27.2% at the end of 2014. In the entire crisis period, the share of placements to the government went up by 13.8 percentage points from the beginning of 2008.

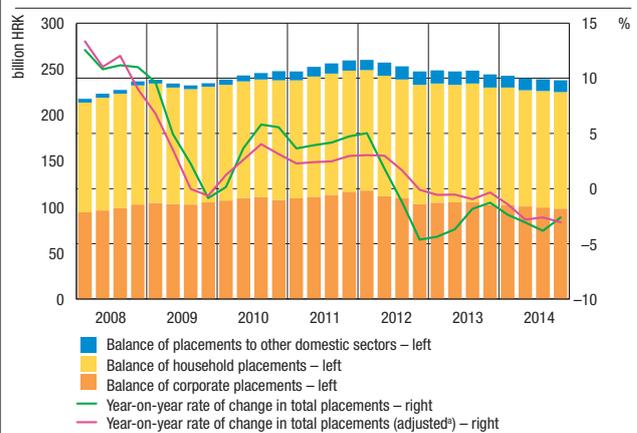
Total debt of the corporate sector (including domestic loans, financing from the CBRD and leasing companies and external debt) expanded by 0.9% in 2014. In the structure of total corporate debt, domestic placements decreased by 4.3% (excluding

Figure 1.27 Money (M1)



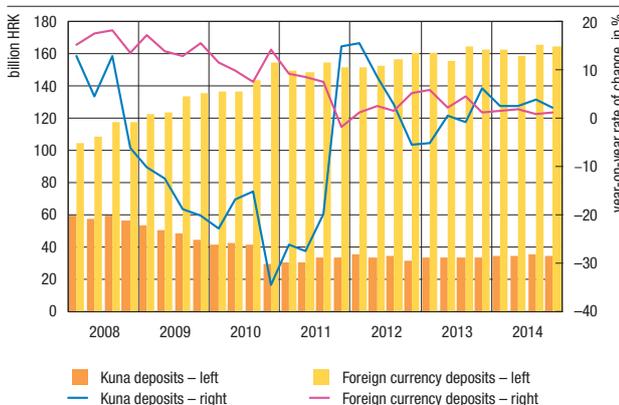
Source: CNB.

Figure 1.29 Placements of other monetary financial institutions to the non-banking sector



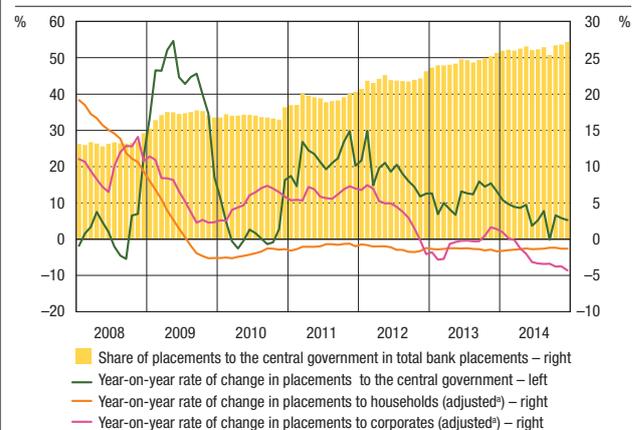
<sup>a</sup> Excluding exchange rate and one-off effects described in footnote 8. Source: CNB.

Figure 1.28 Kuna and foreign currency deposits



Source: CNB.

Figure 1.30 Credit institution placements

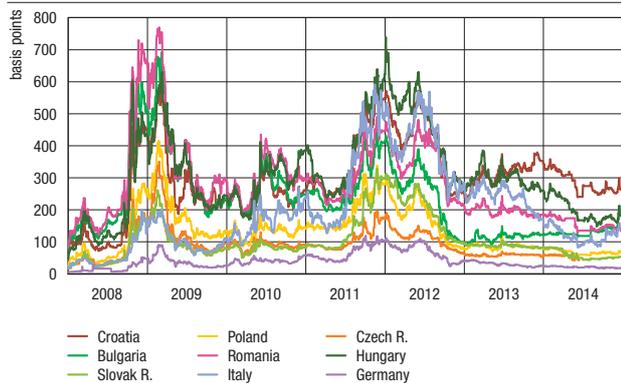


<sup>a</sup> Excluding exchange rate and one-off effects described in footnote 8. Source: CNB.

8 Compared with the annual rates of changes in placements excluding the exchange rate effects and one-off effects that strongly decreased the nominal balance of placements in the previous years. One-off effects in 2012 relate to the assumption of shipyards' loans by the Ministry of Finance and the transaction of one bank which, aiming to reduce its partly recoverable and irrecoverable placements, transferred a portion of its claims to a company indirectly owned by the parent bank. One-off effects in 2013 relate to the bankruptcy of Centar banka, methodological changes in the recording of fees and another transfer of one bank's recoverable and irrecoverable placements to an affiliated enterprise.

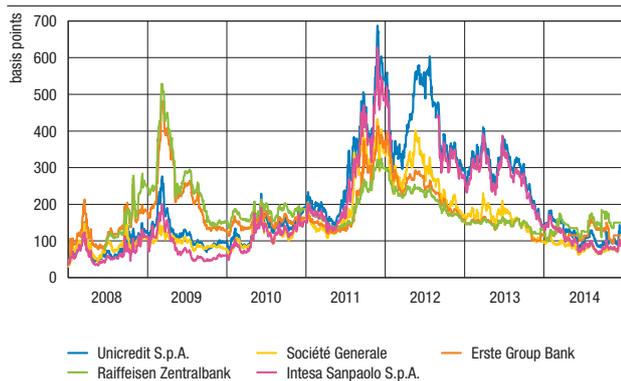


Figure 1.34 CDS spreads for 5-year government bonds of selected countries



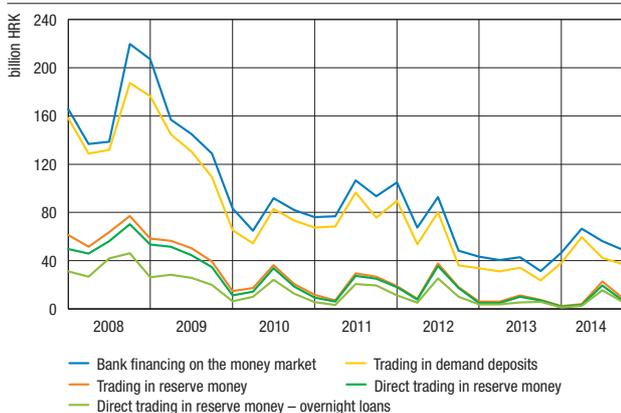
Note: Credit default swaps (CDS) spread is an annual premium that a CDS buyer pays for protection against credit risk associated with an issuer of an instrument. Source: Bloomberg.

Figure 1.35 CDS spreads for 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 1.36 Money market turnover



Source: CNB.

ranged between  $-0.10\%$  and  $0.69\%$ , standing at  $0.14\%$  at the end of 2014. Risk aversion of investors diminished mildly from 2013 to 2014. The EMBI yield spread for European emerging market countries was 30 basis points lower on average than in 2013, but it was 4 basis points higher at the end of 2014 than at the end of 2013, standing at 153.5 basis points.

The CDS premium for most of the observed countries in the region decreased, with the sharpest decline being recorded in Hungary (by 80 b.p.) and Croatia (by 79 b.p.). Notwithstanding this decline, Croatia's risk premium at the end of 2014 was the highest among the observed countries and stood at 264 b.p., followed by Hungary with 180 b.p.

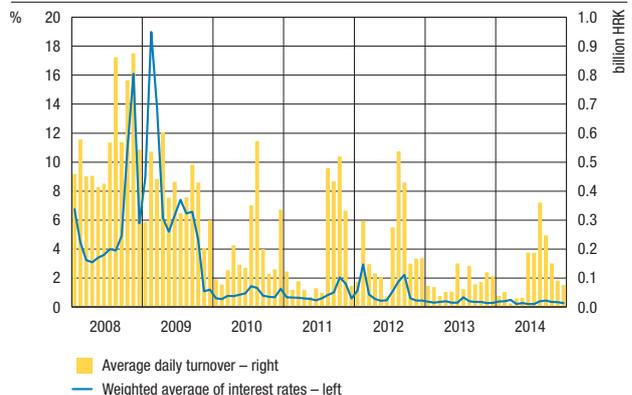
Financing conditions in the international market in 2014 improved for the parent banks of domestic banks and their average risk premium decreased by 88 b.p. from 2013; however, at the end of 2014, it was 11 b.p. below that at the end of 2013. The largest fall was recorded in Italian banks, whose premiums decreased by 36 b.p. on average under the influence of a decline in the risk perception in Italy.

### Money market interest rates

Needs of the banks for money market financing remained relatively low in conditions of exceptionally good primary liquidity in the financial system in 2014. In 2014, banks met their primary liquidity needs by means of secondary sources of liquidity in the money market in the average daily amount of HRK 0.9bn (HRK 218.3bn on the annual level), which represents an increase of 37.9% from the year before. As in the previous years, loans in demand deposit trading accounted for the bulk (HRK 176.9bn) of bank financing on the money market, and their share grew further in 2014, to 81.1% of the total money market turnover. At the same time, bank financing through repo agreements decreased slightly and their share stood at around 17.7% in 2014. The remaining funding needs (around 1.2%) were met through securities trading.

Demand deposit trading with other legal persons accounted for 37.8% and, following the increase from the previous year,

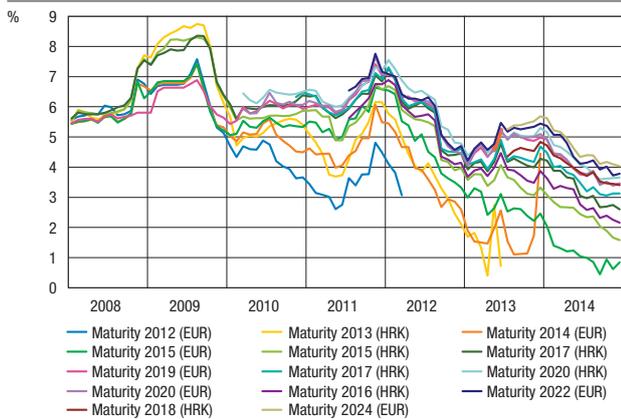
Figure 1.37 Direct interbank trading in overnight loans monthly averages



Source: CNB.

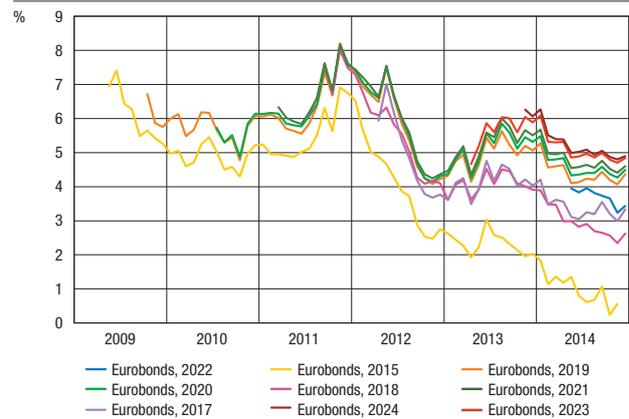


Figure 1.40 Trends in yields to maturity of government bonds on the domestic market



Source: Bloomberg.

Figure 1.41 Trends in yields to maturity of government bonds on the international market



Source: Bloomberg.

end of 2014 (by 1.6 percentage points on average), the drop being more pronounced in the first half of the year (1.2 percentage points). As a result, regardless of maturity, yields on all bonds listed in the domestic market dipped in the fourth quarter of 2014 to their lowest levels since mid-2007.

At the end of 2014, there were nine government bonds in international capital markets, as there were at end-2013; three of these bonds were denominated in the euro and the remaining six were denominated in the US dollar.<sup>10</sup> At the end of 2014, the total nominal value of all nine issues of Croatian bonds in foreign markets stood at HRK 77.8bn, which was HRK 12.6bn more than at the end of the previous year (the increase was partly due to exchange rate differences). In mid-April 2014, a ten-year international government bond nominally valued at EUR 0.5bn fell due. Late in the following month (May 2014), the government issued a new international bond nominally valued at EUR 1.25bn with a yield at issue of 3.88%, much below that on the issues in the previous years, as a result of globally low

risk premiums and extremely low benchmark rates.

Despite the fact that the risk perception of Croatia deteriorated, which is reflected in the slower decline in the yield spread compared with regional peers, Croatia still benefited from the general downward trend in risk aversion. Yields on all Croatian bonds in the foreign market were lower in the first half of 2014 than at the end of 2013 (by 1 percentage point on average), with the decrease being independent of the remaining maturity. However, yields on eurobonds with (mostly) longer maturities edged up (by 0.2 percentage points on average), whereas the required yields on eurobonds with shorter maturities edged down further (by 0.1 percentage point on average) in the second half of the year. Yields on bonds with the shortest and longest maturities hit historic lows in the second half of the year.

**Bank interest rates**

Ample liquidity in the domestic financial system supported by the sustained expansionary monetary policy of the CNB

Table 1.5 Bond issues in the domestic market

Series	Issuer	Issue date	Maturity	Currency	Issue nominal value	Nominal interest rate	Last price <sup>a</sup>	Current yield 31/12/2014
RHMF-O-19BA	Republic of Croatia	29/11/2004	29/11/2019	EUR	1,000,000,000	5.375%	108.80	4.940%
RHMF-O-157A	Republic of Croatia	14/7/2005	14/7/2015	EUR	350,000,000	4.250%	104.00	4.087%
RHMF-O-15CA	Republic of Croatia	15/12/2005	15/12/2015	HRK	5,500,000,000	5.250%	103.20	5.087%
RHMF-O-172A	Republic of Croatia	8/2/2007	8/2/2017	HRK	5,500,000,000	4.750%	102.20	4.648%
RHMF-O-203A	Republic of Croatia	5/3/2010	5/3/2020	HRK	5,000,000,000	6.750%	116.00	5.819%
RHMF-O-203E	Republic of Croatia	5/3/2010	5/3/2020	EUR	1,000,000,000	6.500%	113.80	5.712%
RHMF-O-17BA	Republic of Croatia	25/11/2010	25/11/2017	HRK	4,000,000,000	6.250%	108.00	5.787%
RHMF-O-167A	Republic of Croatia	22/7/2011	22/7/2016	HRK	3,500,000,000	5.750%	105.60	5.445%
RHMF-O-227E	Republic of Croatia	22/7/2011	22/7/2022	EUR	1,000,000,000	6.500%	117.40	5.537%
RHMF-O-187A	Republic of Croatia	10/7/2013	10/7/2018	HRK	6,000,000,000	5.250%	106.15	4.946%
RHMF-O-247E	Republic of Croatia	10/7/2013	10/7/2024	EUR	1,400,000,000	5.750%	113.65	5.059%

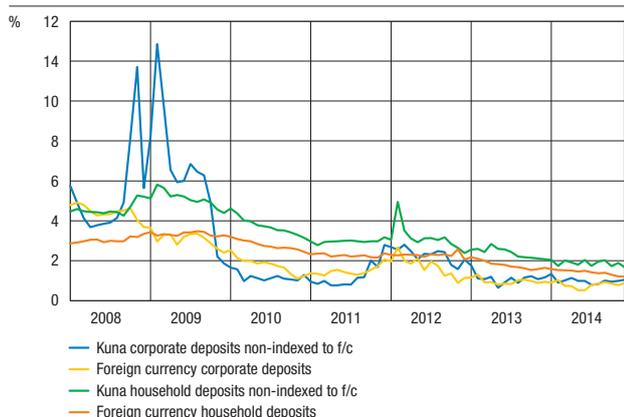
<sup>a</sup> Regularly traded.

Source: ZSE, annual report for 2014.

10 Protection against exchange rate changes between the US dollar and the euro is embedded in five of the total of six issues.

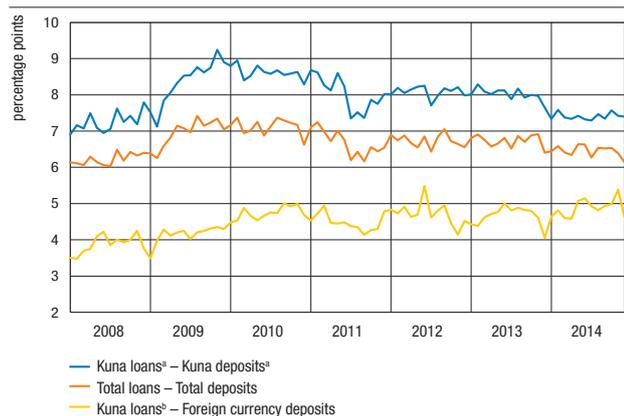


Figure 1.44 Average bank interest rates<sup>a</sup> on time deposits maturing in three months



<sup>a</sup> The average weighted interest rate on newly received deposits in the reporting period. Source: CNB.

Figure 1.45 Spread between average bank interest rates on loans (excl. revolving loans) and deposits



<sup>a</sup> Non-indexed to f/c. <sup>b</sup> Indexed to f/c. Source: CNB.

in late 2014 (1.17% in late 2013) and interest rates on foreign currency deposits stood at 0.90% (0.95% in late 2013). Furthermore, interest rates on household foreign currency deposits, maturing in up to 3 months, went down from 1.65% in December 2013 to 1.20% in December 2014. Similar movements, though with somewhat larger volatility, were recorded in interest rates on household time deposits without a currency clause, maturing in up to 3 months, which went down from 2.08% to 1.66%.

As a result of such developments in lending and deposit rates, the total interest rate spread remained almost unchanged from the end of 2013, being on average 0.28 percentage points lower on an annual basis. The interest rate spread on so-called pure kuna loans and deposits (without a currency clause) increased, while the interest rate spread on foreign-currency

indexed kuna loans and foreign currency deposits decreased.

### 1.2.7 Financial sector

The assets of the Croatian financial sector continued to grow slowly in 2014, by 1.6%, despite a marginal decrease in the assets of the dominant intermediaries (credit institutions). In addition to credit institutions, whose share dropped to 72.9% by the end of 2014, the shares of leasing companies and factoring corporations also decreased, albeit only marginally. The share of mandatory and voluntary pension funds continued to trend up, reaching 12.6% at the end of 2014, while a slightly weaker growth was recorded in insurance and reinsurance corporations. The structure of the financial market thus continued to change following the pattern started in 2011, characterised by the fall in the assets of credit institutions and leasing companies and the parallel increase in the assets of mandatory pension funds and insurance and reinsurance corporations.

#### Credit institutions

Bank assets continued to decrease in 2014, by 0.5%, falling to HRK 395.9bn, while the share of banks in total financial sector assets dropped to 71.5% by the end of the year. In addition to the sluggish economic activity, the (net) decrease in bank assets was due to the exit of one bank from the market, the steady deterioration in the quality of bank assets and the sale of irrecoverable claims by several banks. There is still only one savings bank in the market; its assets edged up in 2014, to HRK 17m at the end of the year.

The assets of housing savings banks continued to recover slowly after the decrease in 2012. However, the increase of 2.7% or HRK 206m in 2014 sufficed only to maintain the existing share of these intermediaries in the financial market.

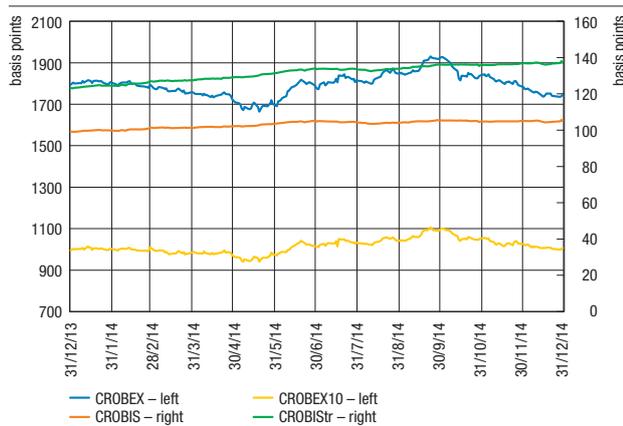
#### Insurance corporations and pension funds

Total assets of insurance and reinsurance corporations increased by HRK 2.1bn or 6.0% in 2014, which is an acceleration compared with the 1.4% growth observed in the previous year. As gross written premium shrank by 5.7% in 2014, above all in the segment of non-life insurance, the increase in assets of these intermediaries was due to the rise in the value of their investment, as in the previous several years.

Assets of mandatory pension funds continued to grow rapidly in 2014, reaching HRK 66.3bn or 12.0% of financial sector assets, which makes them the fastest growing financial intermediaries from the beginning of the financial crisis. Compared with the rise in assets of mandatory pension funds (13.8%), faster growth was recorded only by voluntary pension funds (20.2%), which account for 0.6% of financial sector assets. The rise in assets of mandatory pension funds was spurred mostly by the increase in the market value of their net assets, of 10.5% in 2014.<sup>11</sup> The largest portion of mandatory pension fund assets

<sup>11</sup> As of 20 August 2014, no uniform MIREX index is released for the net value of total mandatory pension fund assets. For the purpose of this publication, the change in the value of mandatory pension fund assets for the transitional year of 2014 was calculated by using the MIREX for the end of 2013 and the weighted MIREX for the end of 2014. The weights of individual funds and their portfolios by risk degree (A, B, C), and trends in their values were taken into account in the calculation of the weighted MIREX.

Figure 1.46 Trends in ZSE share and bond indices in 2014



Source: ZSE.

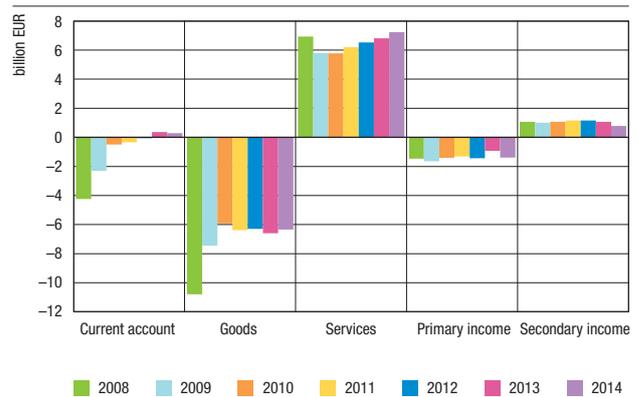
was again invested in the domestic market (around 87%), government bonds prevailing in the structure with 70.8%.

In 2014, the bond index, CROBIS, grew by 5.8% and, taking into account accrued interest (measured by the new index CROBIS10), yield on bonds in the Croatian market was 11.4%. Concurrently, CROBEX dropped by 2.7% in 2014, the recovery of domestic stock indices, which lags far behind the dynamics of regional and global indices, thus being interrupted again.

### Other financial intermediaries

Having grown by 2.3% in 2013, assets of open-ended

Figure 1.47 Current account balance



Source: CNB.

investment funds almost held steady in 2014, reflecting divergent movements in bond and share prices on the domestic capital market. Assets of bond funds leaped by 137%, while those of equity funds dropped by 9%. At the same time, in the period of low yields in the money market, money market funds, which are dominant in terms of size, recorded a decrease of 6%.

Assets of the Fund for Croatian Homeland War Veterans and Members of their Families steadily decreased, to HRK 750m at the end of 2014, down by HRK 222m or 23% from the end of 2013. In addition to negative returns (the unit value fell by 18.6% in 2014), the fall in this fund's assets was caused

Table 1.7 Assets and relative shares of financial intermediaries

in million HRK and %

	12/2011			12/2012			12/2013			12/2014		
	Amount	Share	Number									
<b>Credit institutions</b>												
1 Banks <sup>a</sup>	406,903	75.7	31	399,892	73.9	30	397,847	72,8	29	395,881	71.5	27
2 Savings banks	35	0.0	1	27	0	1	16	0,0	1	17	0.0	1
3 Housing savings banks <sup>a</sup>	7,847	1.5	5	7,456	1.4	5	7,565	1,4	5	7,771	1.4	5
<b>Insurance corporations and pension funds</b>												
4 Insurance and reinsurance corporations	31,923	5.9	28	34,050	6.3	28	34,511	6,5	27	36,592	6.6	26
5 Compulsory pension funds	41,067	7.6	4	51,134	9.4	4	58,238	10,6	4	66,282	12.0	12
6 Voluntary pension funds	1,969	0.4	21	2,429	0.4	23	2,703	0,5	22	3,248	0.6	22
<b>Other financial intermediaries</b>												
7 Open-end funds	11,929	2.2	121	12,962	2.4	114	13,257	2,4	101	13,252	2.4	100
8 Fund for Croatian Homeland War Veterans and Members of their Families <sup>b</sup>	1,446	0.3	1	1,134	0.2	1	972	0,2	1	750	0.1	1
9 Closed-end funds and venture capital funds	1,985	0.4	14	2,140	0.4	14	1,869	0,3	11	2,205	0.4	11
10 Leasing companies	25,886	4.8	25	22,237	4.1	25	19,732	3,6	23	19,145	3.5	23
11 Factoring corporations	5,801	1.1	17	7,212	1.3	16	7,987	1,5	14	7,971	1.4	17
12 Credit unions	569	0.1	22	602	0.1	26	660	0,1	26	709	0.1	26
<b>Total (1+2+3+4+5+6+7+8+9+10+11+12)</b>	<b>537,359</b>	<b>100.0</b>		<b>541,276</b>	<b>100.0</b>		<b>545,356</b>	<b>100,0</b>		<b>553,822</b>	<b>100.0</b>	

<sup>a</sup> Supervisory data (they may differ from monetary statistical data due to the consolidation). Data for 2014 refers to the unaudited report.

<sup>b</sup> From 14 April 2008 on, members of this fund may sell their shares. Up to this date, the fund was closed for payments.

Sources: CNB and HANFA.

by a further sale of units. Assets of closed-ended investment funds and venture capital funds grew by 18.0% or HRK 336m in 2014, returning to end-2010 levels.

Due to the sluggish economic activity, assets of leasing companies remained in 2014 on the downward trend that started in 2009. However, the fall in assets of these intermediaries was much slower in 2014 than in the previous four years, of only 3% (it was over 10% a year in the period from 2010 to 2013).

Having peaked in late 2013, total assets of factoring corporations dipped slightly in 2014, to HRK 8.0bn at end-2014 (0.2% less than at end-2013). The years-long growth in bills of exchange discounting transactions continued in 2014 (an increase of 56.4%), but was offset by the drop in domestic factoring claims (a decrease of 58%).

Credit unions continued to be financial intermediaries with only a marginal share in the assets of the financial sector as a whole, although their assets increased by 7.3% or HRK 48.5m in 2014. The number of these intermediaries held steady at 26 in the last three years.

### 1.2.8 Balance of payments

The current account surplus<sup>12</sup> edged down to 0.7% of GDP in 2014 from 0.8% of GDP in 2013 as positive results in the foreign trade in goods and services failed to offset unfavourable trends in the accounts of primary and secondary income. The primary income deficit trended up due to increased profits of banks and enterprises in foreign ownership and the secondary income surplus trended down due to withdrawals from EU funds being smaller than the country's payments into the EU budget. It is important to keep in mind that the current and capital accounts only show the funds paid out to end beneficiaries, while the funds received, but not yet allocated are recorded only in the financial account. The overall balance of transactions with the EU was positive in 2014. On a combined level, the surplus in the current and capital account totalled 0.8% of GDP in 2014 (0.9% of GDP in 2013).

In 2014, foreign capital flows were largely determined by a significant improvement in the net debt position of credit institutions which intensified deleveraging efforts relative to 2013 and increased their foreign assets. Government foreign liabilities grew significantly less in 2014 than in 2013 as the government had ensured a part of its financial needs in advance. The net FDI liabilities grew in 2014 relative to 2013 due mainly to the rise in reinvested earnings spurred by the growth in the profit of domestic banks in foreign ownership. In contrast, if we exclude the impact of a round-tripping investment, equity investment liabilities grew less in 2014 than 2013.

#### Current and capital account

The decrease in the current account surplus in 2014 was above all the result of unfavourable trends in the primary income account, notably income from direct equity investment.

Table 1.8 Structure of the current and capital account balance as % of GDP

	2008	2009	2010	2011	2012	2013	2014 <sup>a</sup>
Current account balance	-8.8	-5.1	-1.1	-0.8	-0.1	0.8	0.7
Goods	-22.4	-16.5	-13.2	-14.3	-14.3	-15.1	-14.7
Services	14.4	12.9	12.8	13.9	14.8	15.6	16.8
o/w: Tourism revenues	15.5	14.1	13.8	14.8	15.6	16.5	17.2
Primary income	-3.0	-3.7	-3.1	-2.9	-3.3	-2.1	-3.2
Secondary income	2.2	2.2	2.4	2.6	2.6	2.5	1.8
Capital account balance	0.0	0.1	0.1	0.1	0.1	0.1	0.2
Current and capital account balance	-8.8	-5.0	-0.9	-0.7	0.0	0.9	0.8

<sup>a</sup> Preliminary data.

Source: CNB.

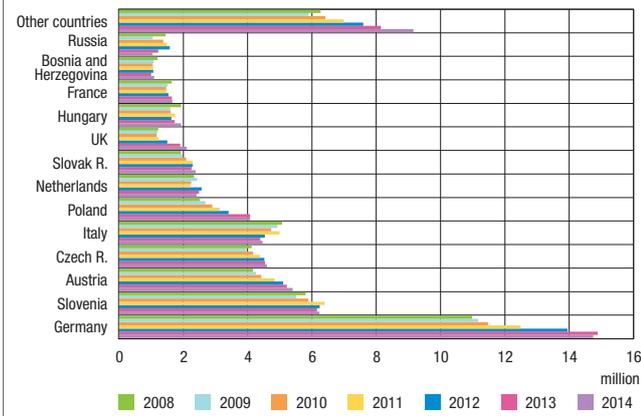
In addition, weaker results in the secondary income account show that the reallocation of funds from EU funds to end beneficiaries was outweighed by the country's payments into the EU budget. In contrast, the growth in net exports of goods and services had a positive effect on the current account trends.

Net exports of services increased by 6.2% in 2014 relative to 2013 on account of the rise in net revenues from tourism services and, in part, on account of the decrease in net imports of other services. Tourism was again the key factor behind positive developments in the foreign trade in services in 2014, with improved volume indicators being accompanied by further rise in financial results. The trade deficit in other services trended down due to the rise in revenues and the decrease in expenditures. Particularly important in this regard was a significant rise in exports of IT services and the decrease in imports of financial services, most notably financial intermediation services indirectly measured (FISIM). In contrast, unfavourable developments in the foreign trade in other services were the result of the deteriorating balance of trade in architectural, engineering and other technical services. Concurrently, a rise was seen in net revenues from manufacturing services on physical inputs owned by others and net revenues from transportation services due mostly to positive results in the air transport industry.

Tourism revenues went up by 2.8% in 2014 from 2013 due to improved volume indicators and the rise in the average spending per traveller. According to CBS data, arrivals of foreign tourists staying in commercial accommodation facilities increased by 6.1%, while overnight stays rose by 2.7%. The breakdown of guests by outbound markets shows that the rise in the total number of arrivals was mostly accounted for by guests from Germany, the most important outbound market, with an increase also being observed in the number of arrivals by guests from Austria and Italy. At the same time, the largest decrease in the number of arrivals was accounted for by guests from Russia, as a result of geopolitical tensions and the alignment of

<sup>12</sup> The balance of payments is based on the 6th edition of the Balance of Payments and International Investment Position Manual (BPM6) and the sector classification of institutional units set out in ESA 2010.

Figure 1.48 Foreign tourist nights in commercial accommodation facilities by country of residence



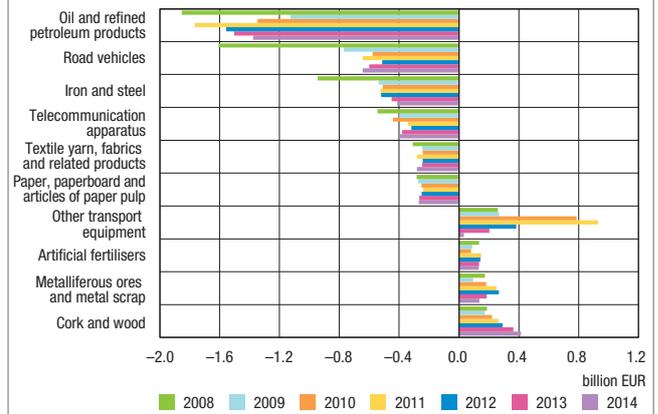
Source: CBS.

the visa regime with that of the EU. The rise in nights stayed was particularly pronounced in nights stayed by tourists from Hungary, the UK, Austria and Slovakia. In addition, after unfavourable trends seen in 2013, the number of nights stayed by tourists from Bosnia and Herzegovina, Slovenia and Italy started to show signs of improvement. In contrast, the largest fall was for the second year in a row seen in nights stayed by Russian tourists.

The primary income account deficit widened by 49.6% in 2014 compared to 2013, due to the increase in expenditures on direct equity investment spurred by a marked growth in the profit of banks in foreign ownership. The profit of other enterprises in foreign ownership also increased, notably that of enterprises in the construction and telecommunications sectors, while losses generated by hotels and restaurants decreased substantially. Among other things, the loss in the activity of production of refined petroleum products was the result of the effects of the value adjustment of foreign assets<sup>13</sup>. Moreover, interest expenditures on foreign liabilities increased on account of the rise in interest expenditures of the government sector and, to a somewhat smaller extent, of non-financial corporations. In contrast, net revenues from compensations to residents working abroad and net revenues from international reserves investment grew slightly.

The surplus in the secondary income account decreased by more than a fourth in 2014 from 2013 as a result of the reallocation of funds from EU funds to end beneficiaries being smaller than the country's payments to the EU budget. However, as regards the use of EU funds, it is important to keep in mind that the current and capital account only show the funds paid out to end beneficiaries, while the funds received, but not yet allocated, are recorded only in the financial account. If we take into account the funds received, but not yet allocated, the overall balance of transactions with the EU was positive in 2014.

Figure 1.49 Foreign trade balance by selected SITC divisions



Source: CBS.

An unfavourable contribution to developments in the secondary income account also came from the fall in net revenues from personal transfers of other domestic sectors.

### Trade in goods

Foreign trade developments in 2014 were marked by a stronger increase in exports than in imports, which, in line with the CBS data, resulted in the deficit contracting by EUR 6.7bn or 2.7% from 2013. This was mostly due to the decrease in net imports of energy products, accounted for by the fall in crude oil prices in the world market and the decrease in the trade deficit in oil and refined petroleum products as well as in natural and industrial gas and electricity. In addition, an improvement was seen in the balance of trade in individual capital goods (notably general industrial products) and in metal industry products and cork and wood. In contrast, a noticeable fall in net exports of other transport equipment (mostly ships) continued for the third consecutive year, from a maximum of 2.1% of GDP in 2011 to only 0.1% of GDP in 2014. The balance of trade in wearing apparel also deteriorated noticeably.

Total exports of goods, after a modest fall in 2013, grew by 7.9% year-on-year in 2014, standing at EUR 10.3bn. Exports showed diverse trends over the year. After a strong growth in the first half of 2014 (12.3%), the growth of exports slowed down considerably in the second half of the year (4.2%), due, among other things, to the increase in the level of exports after the accession to the EU. However, it should be kept in mind that due to the changes in the statistics of the foreign trade in goods, data for the period before 1 July 2013 are not entirely comparable with data after 1 July 2013. According to individual SITC categories, exports of ships decreased by more than one third in 2014, accounting for only 1.9% of total exports of goods (11.4% on average in the 2005-2011 period). In addition, notwithstanding a mild increase in exported quantities, exports of

<sup>13</sup> These effects, also seen in 2013, reflect not only on the profit of domestic enterprises in foreign ownership but also on the profit of foreign enterprises in domestic ownership and, consequently, on reinvested earnings within FDIs in the financial account of the balance of payments.

oil and refined petroleum products trended down due to the decrease in prices. Unfavourable trends in exports of ships and oil were offset by positive results in exports of other goods. Hence, exports of goods (excluding ships and oil and refined petroleum products) grew by 11.4% due mostly to the growth in exports of

wearing apparel, electricity and cork and wood. Concurrently, the growth in exports of food products was for the most part the consequence of the rise in exports of coffee, tea, cocoa and spices as well as feeding stuff for animals. By contrast, exports of capital goods held steady due to the fact that the growth in

**Table 1.9 Import and export of goods by selected SITC divisions**  
in million EUR

Exports					SITC divisions	Imports				
2010	2011	2012	2013	2014 <sup>a</sup>		2010	2011	2012	2013	2014 <sup>a</sup>
865	952	1,053	940	875	Oil and refined petroleum products	2,212	2,719	2,609	2,442	2,250
1,144	1,108	720	331	201	Other transport equipment	357	178	337	128	168
6,896	7,522	7,856	8,319	9,269	Other	12,568	13,384	13,268	13,957	14,677
732	692	675	731	641	Electrical machinery, apparatus and appliances	709	682	645	794	721
368	415	402	390	600	Wearing apparel	435	504	479	470	787
277	318	335	408	492	Cork and wood	57	54	43	44	78
328	376	426	410	414	Medical and pharmaceutical products	579	623	641	637	677
269	320	333	365	408	Manufactures of metals, n. e. c.	511	536	485	519	525
206	256	286	330	384	General industrial machinery and equipment, n. e. c.	614	633	610	651	630
307	323	330	355	370	Non-metallic mineral manufactures	283	282	249	246	264
235	242	259	319	366	Miscellaneous manufactured articles, n. e. c.	527	570	556	545	578
34	38	71	178	337	Electric current	284	414	501	470	522
236	252	250	280	326	Furniture and parts thereof	232	244	233	219	236
160	158	158	161	253	Road vehicles	738	801	671	761	896
214	165	196	222	175	Gas, natural and manufactured	245	296	563	572	330
92	125	56	102	138	Iron and steel	602	650	576	552	551
36	34	113	72	108	Telecommunication, recording and reproducing apparatus	477	374	432	451	509

<sup>a</sup> Preliminary data.

Source: CBS.

**Table 1.10 Exports and imports by economic classification of countries**  
in %

Exports					Economic classification of countries	Imports				
2010	2011	2012 <sup>a</sup>	2013 <sup>a</sup>	2014 <sup>b</sup>		2010	2011	2012 <sup>a</sup>	2013 <sup>a</sup>	2014 <sup>b</sup>
61.1	59.9	58.2	61.8	63.8	EU	60.2	61.8	72.6	73.9	76.4
18.6	15.8	15.3	14.5	13.9	Italy	15.2	16.4	14.0	13.1	14.3
10.4	10.1	10.2	11.8	11.2	Germany	12.5	12.6	13.3	14.0	15.1
7.8	8.3	8.6	10.4	11.3	Slovenia	5.9	6.2	9.5	11.5	10.8
5.3	5.7	6.5	6.3	6.1	Austria	4.8	4.5	9.8	9.0	8.7
1.1	2.4	1.3	1.7	1.7	EFTA	2.0	2.0	2.7	1.5	1.2
18.7	19.2	21.0	19.6	20.2	CEFTA	5.4	5.9	6.4	5.9	5.3
11.6	12.2	12.8	12.2	11.8	Bosnia and Herzegovina	3.1	3.3	3.6	3.5	2.7
3.9	3.9	4.3	4.0	4.9	Serbia	1.5	1.8	1.9	1.8	2.1
0.9	0.9	1.5	1.1	1.2	Montenegro	0.0	0.0	0.3	0.0	0.0
19.1	18.5	19.6	16.9	14.3	Other	32.4	30.2	18.4	18.6	17.2
2.0	2.4	3.4	2.9	2.7	Russia	9.0	7.3	7.0	4.5	5.0
2.5	2.7	2.9	2.6	2.1	USA	2.2	2.3	0.8	1.0	0.9
1.0	1.8	1.2	1.4	0.8	Turkey	2.9	1.5	3.1	1.4	1.1
0.4	0.6	0.5	0.5	0.3	Japan	1.2	1.0	0.1	0.1	0.1
0.3	0.4	0.4	0.6	0.5	China	7.2	7.1	2.5	3.5	2.6

<sup>a</sup> Data on goods exports are shown by the countries of destination. A new methodological criterion for recording the imports of goods by countries has been applied since 1 July 2013. In Extrastat, data on the imports are shown by the countries of origin of the goods, while in Intrastat data on the arrivals of goods are presented by the countries of dispatch. For comparability reasons, data on the imports in 2012 and the first six months of 2013 are calculated in line with the new methodological criterion. As a result, data on imports by countries in the period from January 2012 to the end of 2014 are not comparable with earlier data.

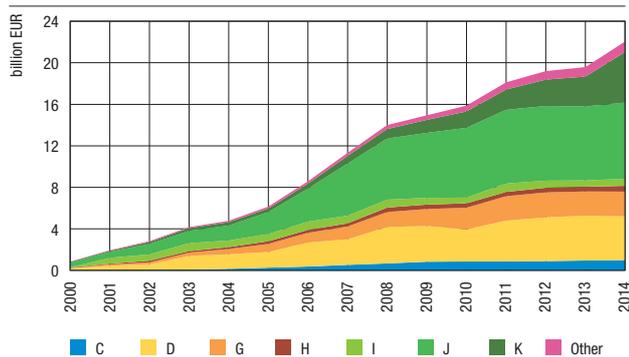
<sup>b</sup> Preliminary data.

Source: CBS.



Figure 1.52 Structure of direct equity investment and reinvested earnings by NCA

cumulative data from 2000 to 2014



Note: NCA (2002) C – Mining and quarrying, D – Manufacturing, G – Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods, H – Hotels and restaurants, I – Transportation, storage and communication, J – Financialintermediation, K – Real estate, renting and business activities  
Source: CNB.

smaller imports of oil and refined petroleum products from Kazakhstan and Ukraine and electrical machinery, apparatus and appliances from China.

### Financial account

In 2014, the financial account (excluding the change in reserves) was marked by a net growth in assets, i.e. a net capital outflow of EUR 0.3bn. In contrast, 2013 saw a net growth in liabilities, i.e. net capital inflow of EUR 2.3bn. These developments were mostly due to a noticeable improvement in the net debt position of other monetary financial institutions, i.e. credit institutions, which simultaneously decreased their foreign liabilities and increased their foreign assets. Net government liabilities increased by a much smaller amount in 2014 than in 2013 as the government had ensured a part of its financial needs in advance in 2013. A larger net inflow from foreign direct investment was above all accounted for by reinvested earnings, while equity investments were largely influenced by round-tripping transactions. Over the same period, gross international reserves fell by EUR 0.5bn.<sup>15</sup>

Foreign capital flows in 2014 were markedly influenced by a significant growth in assets, after the fall in 2013 which was mainly brought about by the decrease in foreign assets of credit institutions. Direct equity investment yielded a significant growth in assets in 2014 which was the result of the round-tripping investment in the second quarter of the year, increasing FDI assets and FDI liabilities by the same amount (EUR 1.5bn).

Total (equity and debt) liabilities of domestic sectors grew more in 2014 than in 2013, which was largely due to the effect of the aforementioned round-tripping investment. This effect excluded, the growth in liabilities was less pronounced than in 2013 against the background of a stable positive balance in the current account, weak domestic economic activity and stronger deleveraging of credit institutions.

As regards FDIs, net liabilities, i.e. net inflows, grew more in 2014 (EUR 1.2bn) than in 2013 (EUR 0.9bn). The main contributor to this was reinvested earnings, notably on the side of liabilities. Specifically, after a strong fall in the profit of enterprises and banks in foreign ownership in 2013, the profit more than doubled in 2014, which also had an effect on reinvested earnings within direct investment. The negative reinvested earnings in 2013 were mainly the result of the developments in the financial intermediation activity which, on the other hand, was the key factor behind strong improvement in reinvested earnings in 2014. In addition, reinvested earnings improved more strongly in the telecommunications sector. As regards equity investment, the growth in liabilities was weaker in 2014 than in 2013, if we exclude the effect of the round-tripping investment. Other factors included the withdrawal of investment in individual activities, such as financial intermediation (payments of reinvested earnings from previous year) and the manufacture of chemicals and chemical products. New equity investment activities were the largest in other business activities, real estate activities and hotels and restaurants.

### External debt

Net external debt (gross external debt net of domestic sector claims) declined by EUR 0.5bn in 2014, contributing to the continuation of the net deleveraging trend that started in 2011.

Table 1.11 Net external debt by domestic sectors

end of period, in million EUR and year-on-year rate of change

	2008	2009	2010	2011	2012	2013	2014	2014						
								2008	2009	2010	2011	2012	2013	2014
1 Government	7,208	8,285	9,124	9,623	10,937	12,710	13,653	5.2	14.9	10.1	5.5	13.7	16.2	7.4
2 Croatian National Bank <sup>a</sup>	-9,119	-10,044	-10,303	-10,835	-10,885	-12,486	-12,243	-2.0	10.1	2.6	5.2	0.5	14.7	-1.9
3 Credit institutions	3,451	4,257	4,797	6,966	4,757	4,415	2,500	30.7	23.3	12.7	45.2	-31.7	-7.2	-43.4
4 Other sectors	17,111	18,595	18,393	17,307	16,643	16,036	15,749	27.7	8.7	-1.1	-5.9	-3.8	-3.6	-1.8
5 Direct investment	3,622	5,246	5,459	4,325	4,759	5,092	5,569	33.8	44.8	4.1	-20.8	10.0	7.0	9.4
<b>Total (1+2+3+4+5)</b>	<b>22,274</b>	<b>26,338</b>	<b>27,471</b>	<b>27,386</b>	<b>26,212</b>	<b>25,767</b>	<b>25,228</b>	<b>36.6</b>	<b>18.2</b>	<b>4.3</b>	<b>-0.3</b>	<b>-4.3</b>	<b>-1.7</b>	<b>-2.1</b>

<sup>a</sup> Negative values of net external debt indicate that the value of claims is higher than the value of liabilities.

Source: CNB.

<sup>15</sup> The difference between gross international reserves (cross-currency changes included) at the end of 2013 and the end of 2014 stood at EUR 0.2bn, with the difference in relation to the changes reported in the balance of payments being the result of non-inclusion of cross-currency changes in the balance of payments statistics.



creditors, net debt arising from direct investment trended up.

The net external debt of general government reached EUR 13.7bn at the end of 2014, an increase of EUR 0.9bn from the end of 2013. However, if we exclude the effect of cross-currency changes<sup>16</sup>, the reported increase was much smaller: EUR 0.2bn. The rise in the government external debt in 2014 was the consequence of the borrowing on the basis of long-term debt securities and loans, carried out in conditions of very high liquidity and low interest rates on the international financial markets. The government borrowed long-term by issuing EUR 1.25bn worth of bonds in May, having repaid EUR 0.5bn worth of foreign bonds that matured in April. Moreover, the government borrowed an additional EUR 0.5bn in the form of a long-term foreign loan in September.

The relative indicator of gross external debt (expressed as a percentage of GDP) deteriorated for the second year in a row due to the rise in gross external debt and a further contraction of GDP, reaching 108.4% at the end of 2014 or increasing by 2.9 percentage points from 2013. On the other hand, thanks to the further growth in exports of goods and services, the ratio of gross external debt to exports decreased for the fifth consecutive year. This ratio stood at 234.3% in 2014, down by 10.7 percentage points from 2013. In addition, an improvement was observed in net external debt indicators: the ratio of net external debt to GDP trended down mildly, to 58.5% (from 59.1% in 2013), while the ratio of net external debt to exports of goods and services decreased to 126.5% (from 137.3% in 2013).

The indicator of external debt servicing (the ratio of external debt principal and interest payments to exports of goods and services) increased to 43.2% in 2014, up by 3.2 percentage points from 2013. The growth in exports of goods and services was more than counterbalanced by the unfavourable impact of the growth in principal and interest payments. By contrast, the indicator of international reserves adequacy, measured by short-term external debt (by remaining maturity) coverage, improved at the end of 2014 due to the fall in short-term debt, despite the decrease in international reserves, reaching 92.2%, up by 7.0 percentage points from the end of 2013.

At the end of 2014, the share of short-term debt by original maturity in total gross external debt stood at 6.5%, down by 1.1 percentage points from the end of 2013. The decrease in the short-term debt was for the most part the result of deleveraging of credit institutions, accompanied by the fall in the short-term debt of general government, while other domestic sectors increased their short-term foreign liabilities.

The currency structure of gross external debt shows that euro-denominated liabilities continued to account for the largest share, amounting to 70.6% at the end of 2014, up by 0.7 percentage points from the end of 2013. As regards other currencies, the dollar-denominated share continued to grow due to the bonds issued in the US market and the unfavourable impact of cross-currency changes. As a result, the dollar-denominated

share grew to 17.3%, an increase of 1.2 percentage points from the end of 2013. If we exclude the dollar-denominated issues covered by the dollar-euro swaps, the dollar-denominated share in the total external debt structure decreases to 5.6% and the euro-denominated share increases by 11.8 percentage points (to a total of 82.4%). In the same period, the Swiss franc-denominated share continued to trend down owing to further deleveraging of credit institutions and, to a somewhat smaller extent, of other domestic sectors. However, the major portion of bank deleveraging activities was accounted for by the domestic currency, contributing to the additional decrease in the kuna-denominated share.

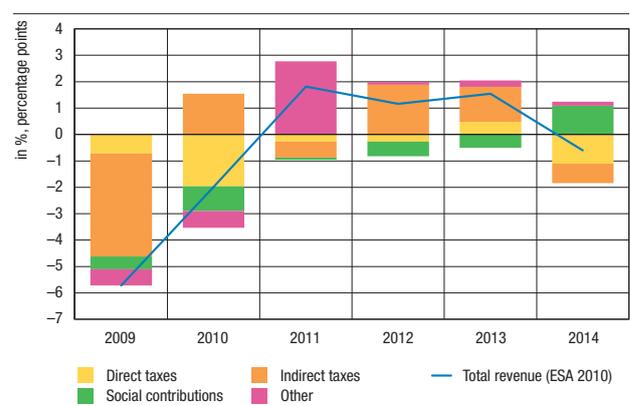
## 1.2.9 Government finance

### Fiscal policy features in 2014

Public finances in 2014 were strongly marked by the implementation of the excessive deficit procedure (EDP) for Croatia. Soon after the initiation of the EDP in early 2014, the first Amendments to the State Budget and Financial Plans of Extrabudgetary Funds were adopted, sharply reducing the central government deficit target. In April, the Croatian government adopted additional consolidation measures to comply with the fiscal requirements of the EU Council. The consolidated central government deficit according to the national methodology stood at HRK 13.2bn (4.0% of GDP)<sup>17</sup> in 2014, which is HRK 3.1bn less than the amount planned in the second revision of the central government budget from November 2014 (largely due to slower execution of expenditures).

Nevertheless, the general government deficit under ESA 2010, of HRK 18,8bn (5.7% of GDP) was much larger in 2014 than that reported under the national methodology, largely on account of methodological differences in recording budgetary

Figure 1.57 Consolidated general government revenue  
year-on-year rate of change and contributions



Note: Structural columns show the contributions of individual revenue categories to the change in total revenue.  
Sources: CBS and Eurostat.

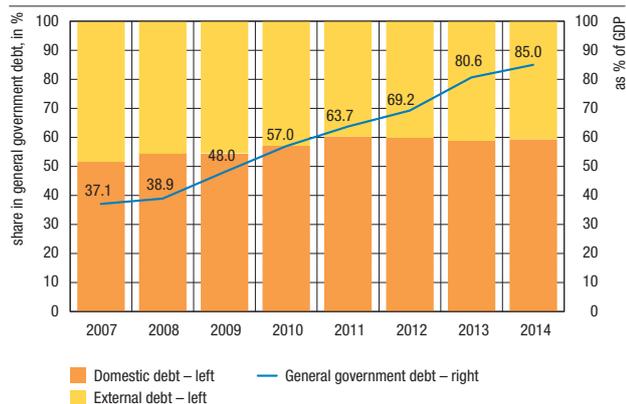
16 Bonds issued in the US market were subject to the considerable strengthening of the US dollar against the euro in the world foreign exchange market. It should be noted that the hedge against the exchange rate risk embedded in five of the total of six issues of bonds in the US market (as well as in one of the total of three cooperative bonds), in terms of statistics, is shown separately on the position of Financial derivatives within the international investment position statistics.

17 Data on local government were not available at the time of writing the annual report on public finances.



Figure 1.60 General government debt

end of period



Note: From 2008 on, CM debt has been excluded from general government debt.  
Source: CNB.

would also be larger. The increase in other capital transfers was attributable to the assumption of HŽ-Cargo's debt on the basis of the 'third call of guarantee' rule. By contrast, employee compensation shrank noticeably, which can be partly attributed to the repeal of the loyalty bonus and the fall in expenditures on subsidies.

General government investment activities also decreased, partly due to reduced investments in road infrastructure. The drop in investment was also associated with the intensified sale of non-financial assets as investment expenditures are recorded on a net basis under ESA 2010.

### Balance of the consolidated general government

Net borrowing of general government, according to the ESA 2010 methodology, was HRK 18.8bn or 5.7% of GDP in 2014. The entire deficit was made at the central government level, while social security funds and local government recorded a slight surplus. By contrast, net borrowing of the consolidated central government according to the national methodology, which is applied by the MoF and which serves as the basis for the central government budget, decreased by HRK 4.8bn in 2014 and stood at HRK 13.2bn or 4.0% of GDP.

This was much less than the deficit under ESA 2010, mostly because the transfer of assets from the second to the first pension pillar is not recorded as revenue to the budget under this methodology, but as a simultaneous increase in financial

assets and liabilities, and therefore does not impact the budget balance. Furthermore, the difference between the two deficits is also attributable to the fact that some outlays, which are registered as transactions in financial assets under the national methodology, are recorded as budget expenditure under ESA 2010. In addition, the ESA 2010 rule provides that in the third year of government's payments under activated guarantees, the outstanding debt covered by government guarantees is treated as capital transfer (expenditure). In 2014, this significantly increased expenditures under ESA 2010 due to the assumption of HŽ-Cargo's debt. Differences are also due to the different scope of general government and the fact that according to ESA 2010 fiscal transactions are recorded on an accrual basis, while under the national methodology they are mostly recorded on a cash basis. As a result of all this, in 2014, revenues were somewhat lower and expenditures were higher under ESA 2010 than under the methodology used by the MoF.

### General government debt

General government debt (ESA 2010) stood at HRK 279.6bn (85.0% of GDP) at the end of 2014, up HRK 13.4bn or 4.4 percentage points of GDP from the end of 2013. In addition to borrowings needed to finance the budget deficit, the statistical increase in public debt was due to the depreciation of the kuna against the euro and the US dollar<sup>19</sup>, the currencies in which the bulk of the debt is denominated. Furthermore, general government debt also increased due to the assumption of HŽ-Cargo's debt.

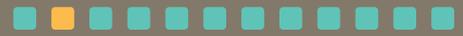
The budget deficit was mainly financed by the issuance of long-term government bonds. Liabilities arising from short-term debt securities, i.e. T-bills, grew mildly, whereas the debt arising from loans edged down. The share of domestic debt in total general government debt increased marginally, due, among other things, to domestic market borrowing as well as to the fact that some of the debt in the form of bonds issued in the foreign capital market was bought by domestic creditors.

Domestic bonds worth EUR 1150m were issued early in 2014 to refinance EUR 650m worth of due bonds, while another HRK 3.25m worth of domestic bonds was issued late in the year. In late May, the government issued EUR 1250m worth of bonds on the international capital market. Foreign bonds worth EUR 500m fell due in 2014 and were refinanced by the funds deposited by the government with the CNB, which had been raised by the bond issue in the US capital market in late 2013.

<sup>19</sup> The majority of liabilities on the basis of the bonds issued in the US equity market were converted into EUR under currency swaps. The movement of the US dollar against the kuna affects only that part of general government debt that arises from the first issue of government bonds (USD 1.5bn issued in 2009).



HNB



# **Monetary policy instruments and international reserves management**



HNB

## 2.1 Monetary policy instruments in 2014

In 2014, the Croatian National Bank continued to implement the expansive monetary policy, supporting high liquidity in the banking system and stimulating the corporate lending through the redemption of compulsory CNB bills from banks. At the same time, it maintained the stability of the domestic currency against the euro, which, due to high euroisation, is the main precondition of the financial stability in the country.

Late in January 2014, the CNB intervened in the domestic foreign exchange market by selling EUR 240.2m worth of foreign exchange to banks. The direction of a portion of foreign exchange inflows from government foreign borrowing to the market helped to meet seasonally increased demand for foreign exchange.

Although CNB foreign exchange transactions in 2014 resulted in the net sale of EUR 211.8m and the withdrawal of HRK 1.6bn of reserve money, this had no effect on the high kuna liquidity level in the monetary system which increased additionally in 2014.

The liquidity increased in part due to the redemption of compulsory CNB from banks aimed at stimulating the growth of corporate placements and in part due to the repayment of unutilised funds to banks by the CBRD at the beginning of the year, amounting to HRK 1.6bn, following the closure of the Economic Development Programme.

Surplus liquidity in credit institutions' settlement accounts with the CNB amounted to an average of HRK 6.4bn in 2014, an increase of HRK 1.4bn over the average for 2013.

The nominal kuna-euro exchange rate mildly weakened in the first quarter but began to appreciate as soon as the beginning of April. The exchange rate slightly depreciated again in the July-December period, being marked by occasional and moderate fluctuation. The average kuna-euro exchange rate stood at EUR/HRK 7.63 in 2014.

The provision regulating the allocation of the foreign currency component of reserve requirements in the amount of 100%, calculated on the basis of non-residents' foreign currency funds and foreign currency funds received from legal persons in a special relationship with a bank, was repealed in November 2014. As a result, the share of the foreign currency component of reserve requirements allocated in the account with the CNB was equalised for all foreign currency sources. Consequently, foreign currency reserve requirements of banks allocated in the account with the CNB went down by about EUR 80m and foreign currency reserve requirements maintained by banks in accounts held abroad increased by the same amount.

In the conditions of favourable liquidity, the overnight interest rate in the interbank market and interest rates at T-bill auctions remained at low levels.

### 2.1.1 Open market operations

Open market operations refer to the purchase or sale of assets (securities, foreign exchange, etc.) on the financial market.

The central bank conducts open market operations at its own initiative, following a previously published schedule or at any moment it deems suitable, with the voluntary participation of credit institutions. By open market operations, the central bank affects the liquidity of the banking system and interest rate trends on the money market, thus controlling the price and/or the supply of reserve money (money in the banks' accounts with the central bank). By purchasing assets from banks, the central bank increases the liquidity in the system and prompts a decrease of interest rates on the market, while by selling assets to the banks, it achieves the opposite effect.

Open market operations may be performed as:

1. Reverse operations, meaning that the transaction of asset purchase (sale) at the current date and the transaction of resale (repurchase) of same assets at a prearranged future date are arranged simultaneously. In that case, the difference between the purchase price and the sale price constitutes the price of the use of funds during the period of operation duration, which is mostly expressed in the form of the nominal interest rate and which affects the trends in other interest rates on the market.
2. Outright operations, meaning that a transaction of purchase (sale) of assets is arranged without the obligation of resale (repurchase), i.e. the transaction is final after the initial settlement. In that case, no interest rate is defined, but it is affected by the amount of purchased (sold) assets.

Due to a high liquidity level, the Croatian National Bank conducted one outright operation in 2014 (by selling EUR 240.2m at the end of January). Other operations, either reverse or outright operations, were not carried out in 2014 in order to increase or decrease liquidity.

Notwithstanding the frequency of open market operations, the supply of reserves determined by autonomous factors increased on average by HRK 1.2bn or to about HRK 41.1bn, providing support to high liquidity in the system. On the other hand, the demand for reserves determined by reserve requirements and surplus liquidity also increased, with the largest increase in the structure of demand being attributed to the rise in surplus liquidity.

In 2014, the average daily surplus liquidity amounted to HRK 6.4bn, an increase of HRK 1.4bn over the average for 2013. The average daily surplus liquidity bottomed out at HRK 4.1bn in the maintenance period that began in August 2014 and peaked at HRK 8.3bn in the maintenance period beginning in January 2014.

The rise in liquidity was the result of the growth in the supply of reserves determined by autonomous factors, attributed to the repayment of HRK 1.6bn worth loan to banks by the CBRD at the beginning of 2014 following the closure of the Economic Development Programme. In addition, liquidity also rose due to the redemption of compulsory CNB bill from banks, used by the central bank to stimulate the growth of corporate placements.



The interest rate paid by the CNB on the deposit facility is the floor of the money market interest rate corridor. This rate was 0.0% annually in 2014. The deposit facility is an overnight deposit that is repayable to banks at the beginning of the next business day. Funds deposited by banks in the form of overnight deposits with the CNB are not included in the reserve requirement maintenance. The CNB may at its discretion deny a bank, either temporarily or permanently, the use of the deposit facility.

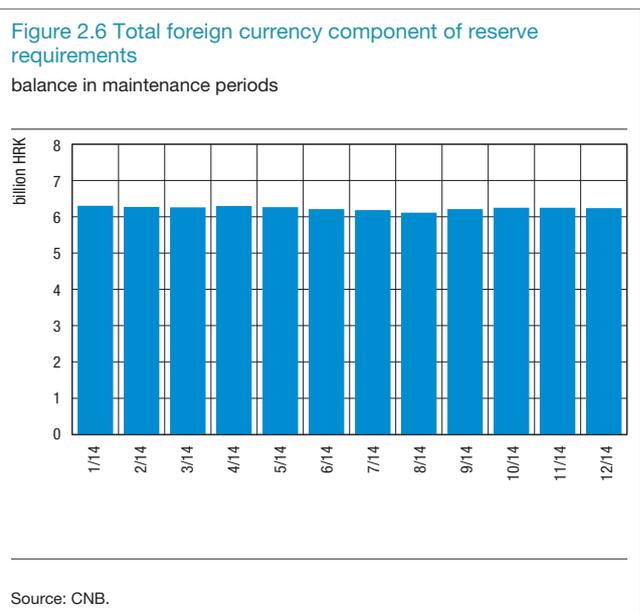
The Lombard rate provides a ceiling to the interest rate corridor on the money market. In 2014, it was set at 5.0% annually. A Lombard loan is used on a bank's request or is granted automatically in the event of default on an intraday loan at the end of a business day. It is repayable on the next business day. The CNB may at its discretion deny a bank, either temporarily or permanently, the use of the Lombard facility.

### 2.1.3 Reserve requirements

The provision regulating the allocation of the foreign currency component of reserve requirements in the amount of 100%, calculated on the basis of non-residents' foreign currency funds and foreign currency funds received from legal persons in a special relationship with a bank, was repealed in November 2014.

The compulsory allocation rate was cut by the CNB from 100% to 60% of the foreign currency component of reserve requirements calculated on the basis of non-residents' foreign currency funds and foreign currency funds received from legal persons in a special relationship with a bank. Hence, the share of the foreign currency component of reserve requirements allocated in the account with the CNB was equalised for all foreign currency sources.

Consequently, foreign currency reserve requirements of banks allocated in the account with the CNB went down by about HRK 600m and foreign currency reserve requirements maintained by banks in accounts held abroad increased by the same amount.



### Kuna and foreign currency components of reserve requirements

The base for the reserve requirement calculation consists of the kuna and foreign currency components. Of the calculated foreign currency component of reserve requirements, 75% is included in the calculated kuna component and is executed in kuna. A part of the reserve requirement is put aside in a special account with the CNB and the remaining part may be maintained by average daily balances in the accounts of liquid claims.

The kuna component of the reserve requirement base consists mainly of received kuna deposits and foreign currency-indexed kuna deposits. The lowest level of HRK 102.4bn in 2014 was recorded in March. In September, it reached its 2014 peak of HRK 107.7bn. The kuna component of the base increased by 0.6% annually.

The foreign currency component of the reserve requirement base, consisting mainly of received foreign currency deposits, decreased by 0.7% in 2014. It bottomed out at HRK 203.8bn in July and peaked at HRK 209.9bn in March.

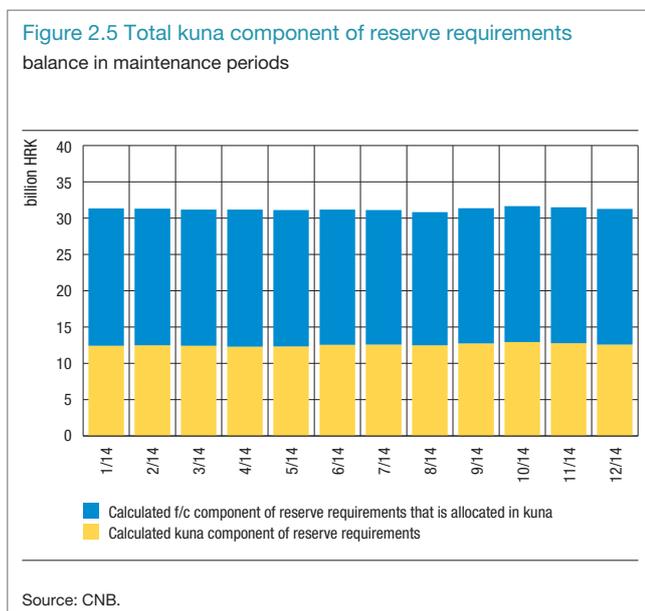
The kuna component of reserve requirements peaked at HRK 31.7bn in October and bottomed out at HRK 30.8bn in August. It fell by 0.1% from January to December 2014.

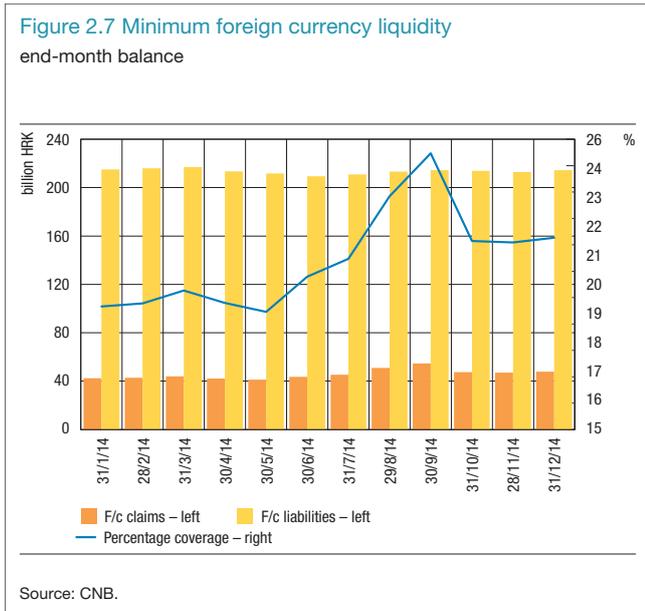
The foreign currency component of the base was HRK 6.3bn in January, which was its highest level in 2014. It bottomed out at HRK 6.1bn in August. In line with the trends in the foreign currency component of the base, the foreign currency component of reserve requirements declined in the January-December period by 1.0%.

### 2.1.4 Other instruments

#### Minimum required foreign currency claims

One instrument used to maintain the foreign currency liquidity of banks is the minimum required amount of foreign currency claims. In 2014, the minimum required amount of foreign currency claims was set at 17% of foreign currency liabilities.





The banks are obliged to maintain the prescribed percentage on a daily basis, with liquid foreign currency claims being those (with the exception of claims on loans) with a remaining maturity of less than three months. In the period from 16 August 2013 to 12 February 2015, foreign currency claims comprised T-bills of the Ministry of Finance issued in August 2013.

The coverage of foreign currency liabilities by foreign currency claims in 2014 ranged between 19.46% on 30 May and 25.47% on 30 September. This ratio stood at 22.27% at the end of the year.

**Intraday loans**

In 2014, the intraday loan facility was used for a total of fifteen days in an average amount of HRK 320.9m.

Intraday loans are payment system instruments serving to improve the flow of payment transactions during business hours. Banks may use intraday loans on a daily basis in the form of a settlement account limit, with the limit being the permissible negative settlement account balance. The loan is collateralised by the same collateral which is used to grant a Lombard loan and is granted in the amount equal to the value of the financial collateral net of the haircut.

Any unpaid intraday loan at the end of a business day is automatically considered an application for a Lombard loan to the amount of any negative balance in a bank’s settlement account. Denial of such loans, or any restriction on the amounts of Lombard loans granted, automatically implies identical restrictions on the use of intraday loans. The CNB charges no interest on intraday loans.

**Compulsory CNB bills**

In December 2013, credit institutions purchased three-year compulsory CNB bills in the amount of kuna funds released by cutting the reserve requirement rate from 13.5% to 12% (HRK 3.9bn).

On the last working day of each month, the Croatian National Bank will redeem prior to maturity part of the purchased

compulsory CNB bills in the amount of 50% of the increase in bank placements to domestic non-financial corporations. The increase in placements is determined as a positive difference between the balance of placements to domestic non-financial corporations as at the last day of the month preceding the month of redemption and the balance on the last day of the month preceding it.

Where the difference between the balances referred to in the previous paragraph is negative, a bank must, on the date of the redemption of compulsory CNB bills prior to maturity, repurchase the previously redeemed compulsory CNB bills in the amount of 50% of the negative difference between the placements, which may not exceed the net cumulative amount of the previously redeemed compulsory CNB bills. The net cumulative amount of the previously redeemed compulsory CNB bills is deemed to be the difference between the total of the redeemed and the total of the repurchased compulsory CNB bills on the date of the redemption of compulsory CNB bills prior to maturity.

The CNB charges no interest on the purchased compulsory CNB bills.

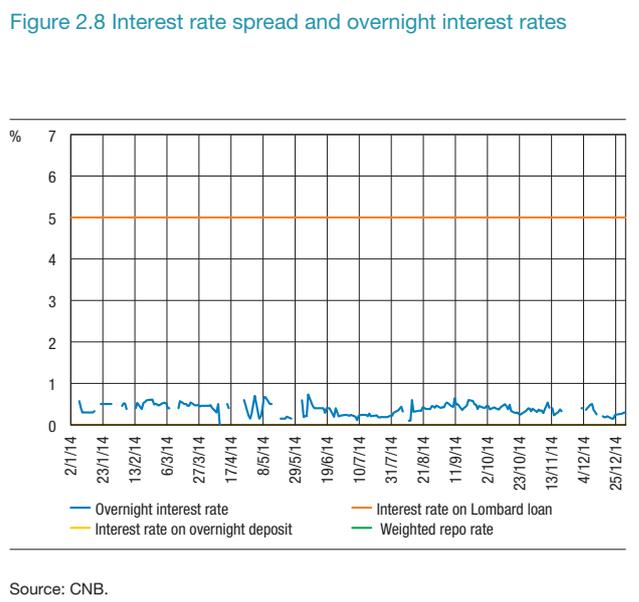
In 2014, compulsory CNB bills were redeemed in the net amount of HRK 0.4bn, and stood at HRK 3.2bn at the end of the year.

**2.1.5 Liquidity of last resort**

Banks did not use short-term liquidity loans in 2014.

Short-term liquidity loans are granted against financial collateral and take the form of repo transactions (repo loans) or collateralised loans. Loans may be used for a period of up to twelve months. The interest rate on this type of loan is equal to the rate charged on a Lombard loan increased by 0.5 percentage points if the loan is used for a period of up to three months, or increased by 1 percentage point if the loan is used for a period of over three months.

The CNB, pursuant to a special decision of the Governor,



is permitted to grant approval to a bank experiencing liquidity problems, at its written request, to reduce maintained and/or allocated reserve requirements, applying an interest rate that equals:

- the interest rate charged on a Lombard loan increased by 1 percentage point if the special conditions last up to three months, or
- the interest rate charged on a Lombard loan increased by 2 percentage points if the special conditions last longer than three months.

### 2.1.6 Croatian National Bank interest rates and remuneration

Interest rates on standing facilities form the corridor that should limit the range of fluctuations in overnight money market rates. The ceiling of the corridor is the interest rate on Lombard loans, which was 5.0%. The corridor floor is the interest rate on an overnight deposit with the CNB, which stood at 0.0% annually. The CNB pays no remuneration on the allocated reserve requirements.

## 2.2 International reserves management

The Croatian National Bank manages the international reserves of the Republic of Croatia; under the Act on the Croatian National Bank, these reserves constitute a part of the balance sheet of the central bank. The manner in which the international reserves are managed is consistent with the established monetary and foreign exchange policies; in managing the international reserves, the CNB is governed primarily by the principles of liquidity and safety. The international reserves of the Republic of Croatia comprise all claims and all banknotes in a convertible foreign currency as well as special drawing rights.

### 2.2.1 Institutional and organisational framework of international reserves management

The Council of the CNB formulates the strategy and policy of international reserves management and approves the risk management strategic framework. The International Reserves Commission is the body responsible for the development of international reserves investment strategies in accordance with the objectives and criteria set by the Council of the CNB and for the adoption of tactical decisions on international reserves management, while taking into account market conditions. The International Reserves and Foreign Exchange Liquidity Department is responsible for investment and maintaining the liquidity of international reserves on a daily basis, for risk management and the preparation of reports for the Commission and the Council.

#### Principles of and risks in international reserves management

In managing the international reserves of the Republic of Croatia, the central bank is guided by the principles of liquidity and safety of investment (Article 19 of the Act on the Croatian National Bank). In this context, it maintains the reserves at a high liquidity level and appropriate risk exposure and, within the given restrictions, attempts to ensure favourable rates of return on its investments.

Risks present in international reserves management are primarily financial risks such as credit, interest rate and currency risks, though other risks such as liquidity and operational

risks also play a role. The CNB limits exposure to credit risk by investing in highly rated government bonds, collateralised deposits and non-collateralised deposits with financial institutions with the highest credit rating and by setting limits for the maximum exposure per investment category. Interest rate risk, or the risk of a fall in the value of the international reserves portfolio due to a potential increase in interest rates, can be controlled by means of benchmark portfolios and by investing a part of international reserves in the held-to-maturity portfolio. Currency risk arises from currency fluctuations between the kuna and the euro and the kuna and the US dollar. Liquidity risk is controlled by investing reserves in readily marketable bonds and partly in deposit instruments with short maturities. Operational risk can be controlled by strict separation of functions and responsibilities, precisely defined methodologies and procedures, and regular internal and external audits.

#### Manner of international reserves management

As provided by the Decision on international reserves management, the Croatian National Bank manages international reserves in two ways: in line with its own guidelines and in accordance with the assumed foreign currency liabilities, depending on the way in which international reserves are formed.

The CNB manages international reserves acquired through outright purchases from banks and the MoF, through its membership in the IMF as well as income derived from the investment of international reserves and of other CNB assets in line with its own guidelines.

The other component of the reserves, formed on the basis of MoF deposits, repo agreements with banks, swaps interventions in the domestic market, IMF membership and other assets owned by other legal persons, is managed by the CNB according to the liabilities assumed, the aim being to ensure protection against currency and interest rate risks.

The CNB manages the funds allocated on the basis of the foreign currency reserve requirement in line with the currency structure of assumed liabilities, while the maturity of investments may differ from the maturity of assumed liabilities.

The component of international reserves managed by the CNB in line with its own guidelines can be kept in

Table 2.1 Monthly changes in CNB international reserves

end of period, in million EUR

Month	Total reserves	Net reserves
December 2013	12,907.34	10,537.89
January 2014	12,892.87	10,588.61
February 2014	12,569.59	10,330.01
March 2014	12,099.86	10,321.10
April 2014	11,680.23	10,312.95
May 2014	13,016.35	10,359.42
June 2014	12,334.55	10,498.47
July 2014	12,387.54	10,495.95
August 2014	12,418.84	10,529.17
September 2014	12,115.64	10,617.00
October 2014	12,640.57	10,607.95
November 2014	12,473.82	10,620.93
December 2014	12,687.44	10,678.99
Change Dec. 2014 – Dec. 2013	-219.89	141.11

Source: CNB.

held-for-trading and held-to-maturity portfolios. Held-for-trading portfolios, comprising held-for-trading financial instruments, are important for maintaining the daily liquidity of international reserves. The minimum daily liquidity and held-for-trading instruments used for daily liquidity maintenance are prescribed by a Governor's decision. Held-for-trading portfolios are carried at market (fair) value through profit and loss. Held-to-maturity portfolios comprise fixed income and fixed maturity securities that the CNB holds until maturity, carried at amortised cost.

The terminology of reporting on CNB international reserves includes the terms gross and net reserves. Gross reserves imply total international reserves. Net reserves imply that component of the reserves managed by the CNB in line with its own guidelines.

## 2.2.2 International reserves in 2014

The year 2014 saw a global decline in yields on government bonds, a marked fall in oil prices at year's end, followed by a decrease in inflationary expectations, and the discordance between US and European monetary policies. In an effort to stimulate economic growth and the growth of the euro area inflation rate, the ECB took its deposit rate into negative territory, which together with the expectations of an even more expansionary

monetary policy pushed interest rates on euro-denominated deposits and yields on euro-denominated government bonds below zero.

Total international reserves of the CNB stood at EUR 12,687.44m on 31 December 2014, a decrease of EUR 219.89m (1.7%) from EUR 12,907.34m on 31 December 2013.

The main drivers of changes in total international reserves in 2014 were foreign currency purchases from the Ministry of Finance, foreign currency sales to the European Commission, foreign currency sales to banks through interventions, the rise in the US dollar exchange rate and gains on reserve management.

Net international reserves, which exclude foreign currency reserve requirements, IMF special drawing rights, European Commission funds and MoF funds, grew by EUR 141.11m (1.3%) in 2014, up from EUR 10,537.89m to EUR 10,678.99m.

## Total CNB turnover in the foreign exchange market in 2014

In 2014, the Croatian National Bank purchased foreign currency from the MoF and sold foreign currency to the banks in the Republic of Croatia, the European Commission and the MoF in the domestic foreign exchange market. The CNB purchased a total of EUR 420.64m and sold a total of EUR 632.43m, which resulted in a net sale of EUR 211.79m. Consequently, the sum of HRK 1,648.11m was withdrawn from circulation.

A total of EUR 240.20m worth of foreign currency was sold to banks (in an auction held in February) and no foreign currency was purchased from banks.

In addition, a total of EUR 392.22m was sold to the European Commission.

The CNB purchased EUR 420.64m from the MoF in 2014, selling to it EUR 0.01m in the same period.

## Structure of international reserves investment

The CNB invests in funds of financial institutions and countries with the highest credit rating. The evaluation of credit worthiness is based on ratings issued by internationally recognised rating agencies (Moody's, Standard & Poor's and Fitch Ratings) and an internally-developed model for creditworthiness evaluation.

There are restrictions on investments in individual financial institutions and countries, which serves to diversify credit risk.

Table 2.2 Total CNB turnover in the foreign exchange market, 1 January – 31 December 2014

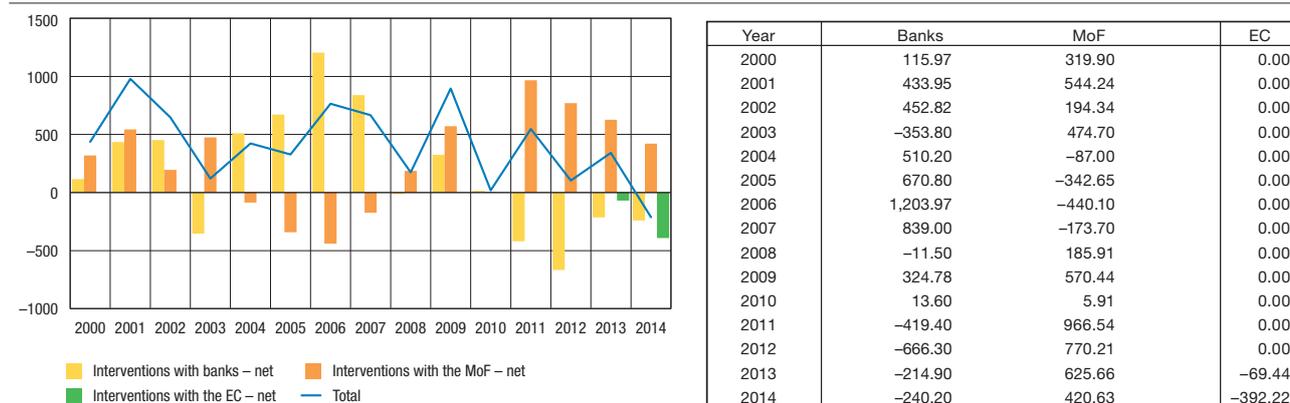
at the exchange rate applicable on the value date, in million

	Purchase (1)		Sale (2)		Net (1 – 2)	
	EUR	HRK	EUR	HRK	EUR	HRK
Domestic banks	0.00	0.00	240.20	1.836.27	-240.20	-1.836.27
European Commission	0.00	0.00	392.22	2.995.50	-392.22	-2.995.50
Ministry of Finance	420.64	3.183.73	0.01	0.06	420.63	3.183.67
Total	420.64	3.183.73	632.43	4.831.84	-211.79	-1.648.11

Source: CNB.

Figure 2.9 Foreign exchange interventions of the CNB with the banks, the EC and the MoF, in net amounts, from 2000 to 2014

in million EUR



Source: CNB.

The lion's share of CNB foreign currency portfolios is invested in government securities of selected countries, deposits with foreign commercial banks and instruments of international financial institutions.

The amounts invested in government securities, deposits with banks and deposits with international financial institutions increased from the end of December 2013, while a concurrent decrease was seen in the amounts invested in reverse repo agreements, deposits with central banks and securities of international financial institutions. The change in the structure of investment was brought about by the calming of the crisis in the European market and lower interest rates of the ECB. Specifically, lower ECB rates resulted in negative interest rates on deposits with individual central banks and in the fall of interest

rates on reverse repo agreements to a level close to or below zero.

On 31 December 2014, almost 60% of total international reserves of the CNB were invested within the two highest credit rating categories, held in the CNB vault in the form of foreign currency cash or invested in the BIS and the IMF.

### Currency structure of international reserves

The euro share in total international reserves was 79.83% on 31 December 2014, down from 81.34% at the end of 2013. The lower euro share at the end of 2014 was the result of the tactical increase in the US dollar share in net international reserves as well as of smaller amounts of the euro in the MoF account with the CNB.

The US dollar share increased from 16.02% at the end of 2013 to 17.29% on 31 December 2014 due to larger investment in this currency in net international reserves at the time of its growth, conducted in line with the allowed range of divergence

Table 2.3 Structure of international reserves investment as at 31 December 2014

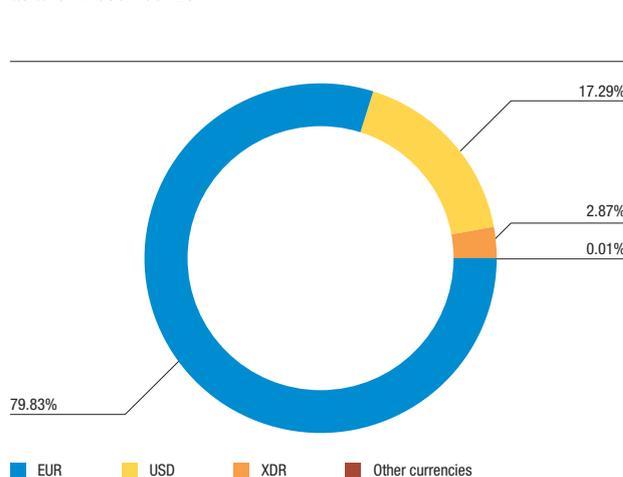
in %

Investment	31/12/2014		31/12/2013	
	Net reserves	Total reserves	Net reserves	Total reserves
<b>1 Countries</b>				
Government bonds	73.38	61.76	66.66	54.42
Reverse repo agreements	0.00	4.54	3.82	14.42
Central banks	4.04	3.56	5.48	7.96
Covered bonds	1.21	1.02	1.95	1.60
<b>2 International financial institutions</b>				
Deposits	0.31	3.13	0.28	3.02
Securities	6.57	5.53	9.30	7.59
Reverse repo agreements	1.03	0.93	4.74	4.65
<b>3 Banks</b>				
Deposits	11.50	17.49	1.71	1.40
Securities <sup>a</sup>	1.97	2.04	6.06	4.95
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

<sup>a</sup> Refers to securities guaranteed by German federal states.

Source: CNB.

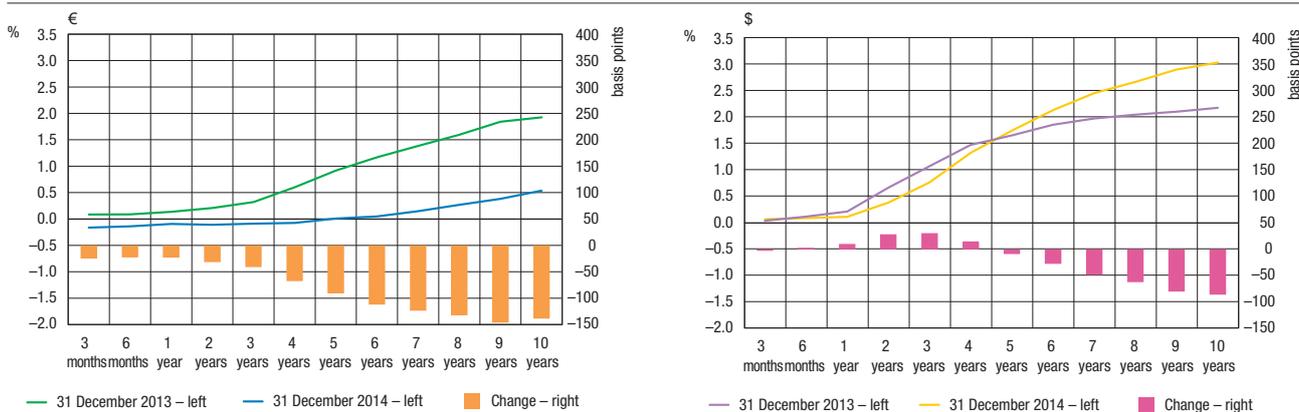
2.10 Currency structure of total international reserves as at 31 December 2014



Source: CNB.



Figure 2.13 German and American yield curves as at 31 December 2013 and 31 December 2014



Source: Bloomberg.

its main refinancing operations rate by 10 basis points in June and September respectively, i.e. to 0.05%, while the deposit facility rate paid by the ECB on the funds deposited with the ECB was decreased cumulatively by 20 basis points, i.e. to -0.20%. Both rates are at their historical lows. The ECB additional loosened the monetary policy of the euro area in the second half of 2014 by introducing the targeted longer-term refinancing operations (TLTROs), the asset-backed securities purchase programme (ABSPP) and the covered bonds purchase programme (CBPP).

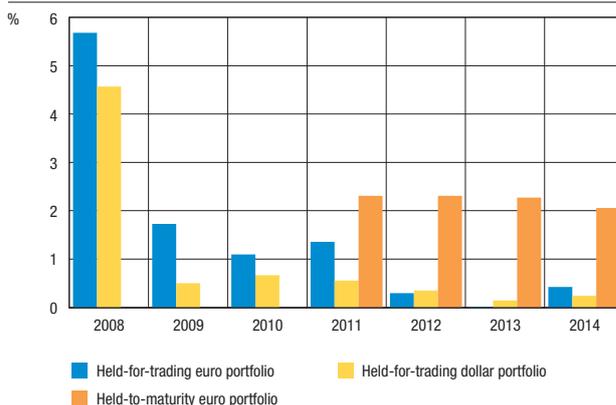
In 2014, the German yield curve moved downward (Figure 2.13), this fall being more pronounced in bonds with longer maturities. Almost all issues of German government bonds with maturities up to five years had negative yields at the end of 2014.

The yield curve of American government bonds with maturities up to five years did not change significantly, while yields on American bonds with longer maturities trended down, due primarily to mounting geopolitical tensions and the expansionary monetary policies of some leading central banks, notably the European Central Bank.

Net international reserves of the CNB comprise the euro- and dollar-denominated held-for-trading portfolios and the euro-denominated held-to-maturity portfolio.

In 2014, the annual rate of return on the CNB dollar-denominated held-for-trading portfolio was 0.24%, and that on the euro-denominated held-for-trading portfolio 0.42%. Better portfolio performance in relation to the same period last year was the result of the fall in yields and the rise in prices of

Figure 2.14 Annual rates of return on the CNB held-for-trading euro and dollar portfolios and held-to-maturity euro portfolio from 2008 to 2014



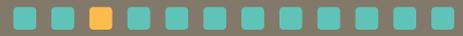
Source: CNB.

German and American bonds, as well as the rise in prices of other eurobonds in which foreign exchange reserves are invested. The euro-denominated held-to-maturity portfolio, in which funds are invested in longer-term bonds that carry a higher yield, had a return of 2.06% in 2014.

The net euro- and dollar-denominated held-for-trading portfolios generated EUR 17.31m and USD 6.33m respectively in 2014, while the euro-denominated held-to-maturity portfolio generated EUR 83.16m in the same period.



HNB



# **Business operations of credit institutions**



HNB

Bank assets continued their slow decrease for the third consecutive year, while indicators of return remained low compared with the previous years, despite their recovery relative to 2013. This is a consequence of unfavourable economic trends extending over a number of years, causing credit risk to materialise and asset value adjustments to increase, and the level of caution, both of banks and their clients, to remain high. Lending activity weakened and the ageing of the non-performing loan portfolio motivated increased activities aimed at the resolution of such loans, such as their sale and write-off. Business optimisation processes, such as the sale of parts of operations and stringent control of general operating expenses, continued. However, some banks failed to address changed business conditions successfully, causing the number of banks to drop slowly for the fifth consecutive year. The aforementioned trends resulted in the decrease of 0.5% in bank assets in 2014 (1.1% effectively).

The deleveraging vis-à-vis foreign owners continued at a significantly faster pace than in the preceding year, but liquidity reserves remained high. As was the case in 2013, some foreign were partially replaced by domestic sources, primarily by household and corporate deposits, with investments in securities and other liquid forms of assets significantly on the rise. Nevertheless, the growth in domestic sources slowed down. In the corporate sector, this can be partly attributed to a high base, i.e. the increase in such deposits in 2013 encouraged by intensified measures of fiscal discipline. In the household sector, the effect of the reduced funding capacity of the sector prevailed and was coupled with the effect brought about by the introduction of tax on savings interest in 2015. The sector continued to deleverage vis-à-vis banks for the sixth consecutive year, particularly with regard to home loans, with only general-purpose cash loans in kuna exhibiting a perceptible upward trend. A substantial drop in loans to the corporate sector was observed, in spite of the CNB's new model of stimulating corporate sector lending that began in late 2013<sup>1</sup>.

Loans granted by banks shrank by a total of 2.4% in 2014 (2.9% effectively).

The drop in lending activity contributed to the persistently high level of B and C category loans, in spite of a noticeable slowdown in their growth. At the end of 2014 the aforementioned groups constituted 16.9% of total bank loans, compared with 15.7% at end-2013. In construction, which has the highest level of B and C category corporate loans, the growth in B and C risk category loans was marginal, but the growth in value adjustments contributed to the increase in total value adjustments the most. The coverage of B and C category loans by value adjustments grew from end-2013 by almost five percentage points, reaching 51.0%. Portfolio ageing caused the

amount of losses to climb, additionally driven by the regulatory requirement for gradual value adjustment increase (depending on the time which has elapsed since the debtor's delinquency in repayment). In addition, the level of provisions was significantly affected by the recording of additional value adjustments, primarily based on AQR<sup>2</sup> and additional assessments related to AQR in line with the EU Council recommendations. However, provisioning expenses were lower than in 2013, when they were strongly influenced by the preparations of foreign parent banks for AQR and the changes in the rules on the classification of placements in effect since October 2013 (rules related to collateral had a particularly strong one-off effect<sup>3</sup>).

Substantially lower provisioning expenses, down by almost a fifth, had the strongest effect on the recovery of earnings in 2014. ROAA rose to 0.6%, ROAE to 3.6%. Operating profitability (profitability before provision expenses) increased after a two-year drop, primarily as a result of interest rate decrease and lower expenses of financing sources. The decrease in expenses related to household time deposits was particularly prominent. However, the main source of income – interest income – continued to be less productive. In addition to the slow lending activity and the growth in non-performing claims, new consumer credit regulations restricting the level of interest rates on loans had a strong effect on the fall in interest income. Interest income in the household sector shrank significantly, particularly that from household home loans indexed to the Swiss franc, the interest rates of which were fixed at 3.23% at the beginning of 2014. This measure probably also caused the stagnation in Swiss franc-indexed home loans classified into B and C risk categories. However, due to the accelerated ageing of that portfolio, their share grew and was considerably higher than the share of B and C category loans in euro-indexed home loans. The fixing of interest rates on home loans indexed to the Swiss franc caused the exposure of banks to interest rate risk to grow considerably in the non-trading book. Nevertheless, it remained significantly lower than the legally prescribed limit.

Operational risks remained adequately covered by capital in the new framework for determining capital and capital ratios of credit institutions (CRR/CRD IV) in effect since the beginning of 2014. The conservative approach applied in the previous years ensured a high level and quality of capital, and measures concerning capital buffers were adopted as well. At end-2014 all capital ratios were considerably higher than the required minimum. Total capital ratio increased slightly, reaching 21.4%, primarily due to the weakened lending activity of banks. The decrease in the average weight for credit risk, brought about by the changes in the rules of weighting, notably the easing in the category of exposure to households, also had an impact.

1 The reserve requirement was reduced from 13.5% to 12%, while banks were obliged to purchase compulsory CNB bills in the total amount of the released reserve requirements in kuna with a maturity of three years. At the end of each month, banks may offer bills for redemption by the CNB in the amount of 50% of the increase in placements to domestic non-financial corporations in the preceding month. The model was introduced to replace the expired Economic Development Programme.

2 Asset quality review (AQR) is described in more detail in section 3.3.2.3.

3 The introduction of minimum impairment factors of the market price and minimum collection periods.

## 3.1 Business operations of banks

There were 33 credit institutions or 27 banks, one savings bank and five housing savings banks operating in the Republic of Croatia at the end of 2014 (Table 3.1). Two institutions fewer were in business than at the end of 2013. In early December 2014, one of these banks went into bankruptcy, while the other was merged with another bank.<sup>4</sup> Thus for the fifth successive year the number of credit institutions continued its slow decrease.

According to preliminary unaudited data for the end of 2014, banks' assets (including those of the savings bank) dropped slightly from the end of 2013, by 0.5%, standing at HRK 395.9bn. On the other hand, the assets of housing savings banks rose by 2.7%, reaching EUR 7.8bn. Due to the small significance of housing savings banks, their share in the total assets of credit institutions did not change, standing at 1.9%, while the assets of banks constituted the remaining 98.1%.

System concentration, measured by the share of assets of the largest five banks in the total assets of banks, decreased slightly, dropping to 73.8%, but remained rather high nevertheless. The domination of banks in majority foreign ownership continued. In spite of one bank's merger with another bank, the number remained the same, since one bank switched from

Table 3.1 Number of credit institutions

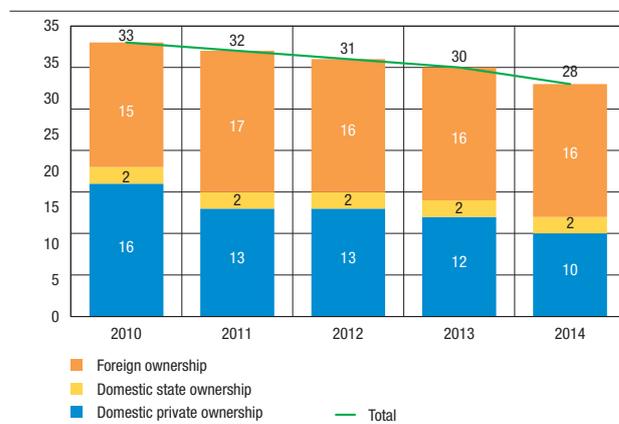
end of period

	2012	2013	2014
<b>Banks</b>			
Number of banks at the beginning of the year	31	30	29
Banks that merged with other banks	1	–	1
Authorised banks	–	–	–
Banks whose authorisation has been withdrawn	–	1	1
Number of banks at the end of the year	30	29	27
<b>Savings banks</b>			
Number of savings banks at the beginning of the year	1	1	1
Authorised savings banks	–	–	–
Savings banks whose authorisation has been withdrawn	–	–	–
Number of savings banks at the end of the year	1	1	1
<b>Housing savings banks</b>			
Number of housing savings banks at the beginning of the year	5	5	5
Authorised housing savings banks	–	–	–
Housing savings banks whose authorisation has been withdrawn	–	–	–
Number of housing savings banks at the end of the year	5	5	5

Source: CNB.

Figure 3.1 Number of banks by ownership residence and form of ownership

end of period



Source: CNB.

domestic to foreign ownership<sup>5</sup> (Figure 3.1). Although the assets of foreign-owned banks stagnated, their share in the total assets of banks climbed to 90.1% (Table 3.2) due to a noticeable drop in the assets of banks in domestic ownership. The number of banks in domestic ownership decreased by two and the assets of that group of banks dropped considerably, as did its share in the total assets of banks.

As at the end of 2013, the largest number of banks, six of them, were owned by shareholders from Austria. The share of these banks' assets in total bank assets stood at 59.2% at the end of 2014 (Figure 3.2), which was lower than at the end of 2013, when it stood at 60.5%. The decrease was brought about by three banks from the group which noticeably reduced their assets in 2014 in the range of from 4.0% to 5.6%. Assets of banks in the majority ownership of Italian shareholders followed,

Table 3.2 Bank assets by ownership residence and form of ownership

in %

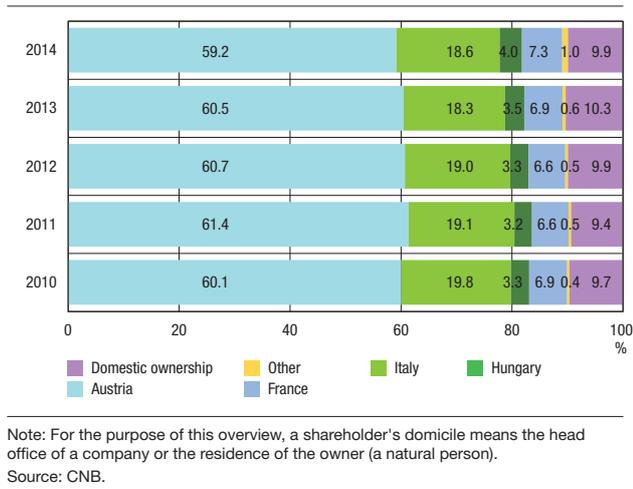
Banks by ownership residence and form of ownership	Share of bank peer group assets in total bank assets		
	2012	2013	2014
Banks in majority ownership of domestic shareholders	5.2	5.1	4.8
Banks in majority state ownership	4.8	5.3	5.2
Banks in majority ownership of foreign shareholders	90.1	89.7	90.1
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: CNB.

<sup>4</sup> On 1 December 2014, bankruptcy proceedings were instituted against Nava banka d.d., while Banco Popolare Croatia d.d. was merged with OTP banka Hrvatska d.d.

<sup>5</sup> At the session of the CNB Council of 9 June 2014, J&T banka a.s., Prague, was granted approval to acquire a qualifying holding constituting more than 50% of the initial capital of Vaba d.d. banka, Varaždin.

Figure 3.2 Bank assets by shareholder domicile  
end of period



accounting for 18.6% of total bank assets, which is an increase of 0.3 percentage points compared with the end of 2013. The increase was achieved in spite of the reduction of the number of banks (from four to three), caused by the merger of a bank in Italian ownership with a bank majority-owned by shareholders from Hungary. The reason for the increase in the share of assets of banks majority-owned by Italian shareholders is the noticeable increase in the assets of one bank from the group (5.0%). Shareholders from Hungary, France, San Marino, Switzerland, Serbia and Turkey continued to have one bank each in their ownership, and for the first time, the Czech Republic joined the list in June 2014, when shareholders from that country became majority owners of a bank which had previously been in private domestic ownership<sup>6</sup>.

### 3.1.1 Bank balance sheet and off-balance sheet items

#### Assets

At the end of 2014, total bank assets amounted to HRK 395.9bn, which is almost HRK 2.0bn or 0.5% less than the end of 2013 (Table 3.3). Excluding the effects of changes in the exchange rate of the kuna against the three most represented currencies (the euro, Swiss franc and US dollar), the rate of decline in bank assets stood at 1.1%.

The third consecutive year of the decrease in the total assets of banks was characterised by the absence of new lending activity and the drop in net loans to all domestic sectors. Funds raised from the domestic public (households and corporates) were directed at highly liquid forms of assets, securities and deposits, while some were used for further deleveraging, particularly in

relation to majority foreign owners. The banks' risk aversion was motivated by the continued materialisation of previously assumed credit risks, which particularly affected the business performance of one bank, but also prompted most banks to resolve parts of problematic portfolios by selling them. The merger processes which took place in late 2014 and the decrease in the number of banks in the system had a smaller negative effect on the aggregate assets of banks.

All of the above had the most substantial impact on net loans, which decreased by a total of HRK 10.4bn or 3.9% (4.4%). Lending activity subsided in all domestic sectors, particularly towards corporates. In that sector, the intensity of the decline in loans to public enterprises (7.4%) was somewhat more pronounced than the decline in loans to other corporates (6.4%). In terms of nominal decrease, loans to the household sector followed as the sector continued to deleverage for the sixth consecutive year. A fall was noticed in all types of loans (particularly home loans), with the exception of general-purpose cash loans, which grew by slightly over HRK 1.8bn, or 5.3%, and thus mitigated the drop in total loans to the household sector, which declined by 1.5%. The largest relative decrease was recorded in loans to financial institutions (by HRK 2.6bn or 28.7%) as a result of the repayment of an unused part of the CBRD's syndicated loan under the Economic Development Programme. The only increase in net loans at the annual level was recorded in loans to non-residents, with the majority of changes occurring in September, when reverse repo loans granted to majority foreign owners grew noticeably. Even though a slight drop was observed in reverse repo loans by the end of the year, the increase in their share at the level of the entire year was strong, surging by HRK 490.5m or 201.1%. The fall in loan quality had an additional negative impact on the amount of net loans and total assets, while the increase in loan value adjustments was somewhat less pronounced than in 2013, standing at HRK 3.5bn (15.0%). The level of loan value adjustments in 2013 and 2014 was largely influenced by asset quality review (AQR)<sup>7</sup>, as well as by the additional requirements imposed as a part of the EU Council's recommendations<sup>8</sup>.

The most substantial nominal increase at the annual level was recorded by banks' investments in securities – HRK 5.9bn (13.5%). Their share in the total assets (12.5%) thus drew nearer to the highest value of that indicator recorded at end-2005 (12.8%). The banks' investment in bonds (both foreign and domestic) saw a particularly strong increase, rising by HRK 6.7bn (33.8%). Consequently, this individually most significant instrument additionally increased its share to 54.3% of all debt securities. The bonds of the Republic of Croatia continued to dominate in the bond structure, accounting for 56.1% of all bonds and 30.5% of total debt securities. Since banks increased their investments in MoF T-bills as well (11.2%),

6 At the session of the CNB Council of 9 June 2014, J&T banka a.s., Prague, was granted approval to acquire a qualifying holding constituting more than 50% of the initial capital of Vaba d.d. banka, Varaždin.

7 AQR is the asset quality review of European banks as at 31 December 2013 conducted in 2014 by the European Central Bank (ECB) and the European Banking Authority (EBA) in cooperation with national supervisors.

8 The requirements were included in the 8th Council Recommendation of 8 July 2014 on the National Reform Programme 2014 for Croatia, requiring additional asset quality review and stress tests to those conducted by the European Central Bank in 2014 as well as an additional comprehensive portfolio screening exercise, with a focus on significant portfolios of key medium-sized and small banks not covered by the exercise performed by the Central European Bank.

Table 3.3 Structure of bank assets

end of period, in million HRK and %

	2012		2013			2014		
	Amount	Share	Amount	Share	Change	Amount	Share	Change
Money assets and deposits with the CNB	51,169.4	12.8	51,284.0	12.9	0.2	50,252.6	12.7	-2.0
Money assets	6,438.9	1.6	6,369.7	1.6	-1.1	6,462.7	1.6	1.5
Deposits with the CNB	44,730.5	11.2	44,914.3	11.3	0.4	43,789.9	11.1	-2.5
Deposits with financial institutions	23,847.3	6.0	21,464.2	5.4	-10.0	26,370.1	6.7	22.9
MoF treasury bills and CNB bills	10,701.6	2.7	13,634.0	3.4	27.4	15,162.2	3.8	11.2
Securities	32,095.1	8.0	30,033.7	7.5	-6.4	34,419.9	8.7	14.6
Derivative financial assets	910.6	0.2	1,583.6	0.4	73.9	1,357.0	0.3	-14.3
Loans to financial institutions <sup>a</sup>	10,130.1	2.5	8,912.2	2.2	-12.0	6,355.2	1.6	-28.7
Loans to other clients <sup>a</sup>	257,835.1	64.5	254,910.2	64.1	-1.1	247,068.0	62.4	-3.1
Investments in subsidiaries, associates and joint ventures	3,120.0	0.8	3,185.7	0.8	2.1	2,739.6	0.7	-14.0
Foreclosed and repossessed assets	1,268.5	0.3	1,541.2	0.4	21.5	1,614.2	0.4	4.7
Tangible assets (net of depreciation)	4,320.1	1.1	4,253.5	1.1	-1.5	4,324.7	1.1	1.7
Interest, fees and other assets	7,411.0	1.9	7,061.5	1.8	-4.7	6,234.5	1.6	-11.7
Net of: Collectively assessed impairment provisions <sup>b</sup>	2,888.9	0.7	0.0	0.0	-100.0	0.0	0.0	0.0
<b>Total assets</b>	<b>399,919.8</b>	<b>100.0</b>	<b>397,863.7</b>	<b>100.0</b>	<b>-0.5</b>	<b>395,897.8</b>	<b>100.0</b>	<b>-0.5</b>

<sup>a</sup> As of October 2013, loan amount is reduced by the amount of collected fees (formerly recorded as deferred income in liabilities).

<sup>b</sup> As of October 2013, the amounts of financial instruments are reduced by the amount of the corresponding collectively assessed impairment provisions (for category A).

Source: CNB.

domestic securities continued to constitute almost three quarters of all securities. Investments in foreign securities grew by 13.7%, notably due to foreign government and foreign financial institution bonds, while investments in money market instruments of foreign financial institutions declined. Consequently, total investments in debt securities grew by 13.76% in 2014, thus additionally strengthening their dominant share of almost 99% of total securities. In contrast, the banks' investments in equity securities abated somewhat (by 3.5%), continuing the downward trend which has been observed since 2007, with the exception of 2013.

Apart from the upward trends mentioned above, deposits with financial institutions were the only other category to record an increase from the end of 2013, rising by HRK 4.9bn (22.9%), whereby their share in the total assets reached 6.7%. The rise in deposits made was entirely due to deposits made with foreign financial institutions, with two thirds of the increase comprising deposits with other foreign financial institutions, and deposits with majority foreign owners constituting only the remaining smaller share. At the same time, banks recorded a drop in deposits with domestic financial institutions and the CNB, of 25.2% and 2.5% respectively. The latter was more significant in nominal terms (HRK 1.1bn) and may primarily be attributed to the reduction of allocated reserve requirements, and, to a smaller extent, to the reduction of other deposits with the CNB and compulsory CNB bills. At end-2014, compulsory CNB bills stood at HRK 3.2bn, which is only slightly less than their initially purchased amount

(HRK 3.6bn). In order to stimulate corporate sector lending, the CNB reduced the reserve requirement rate in mid-December 2013, while banks purchased compulsory CNB bills in the amount of released funds from the kuna component of the reserve requirement<sup>9</sup>. Compulsory CNB bills bear no interest and are non-transferable. They may be redeemed by the CNB in the amount of 50% of the monthly increase in placements to domestic non-financial corporations.

As usual, banks distributed the bulk of the total rise in securities investment in 2014 in the portfolio of instruments available for sale, which increased by 18.6% from the end of 2013. The portfolio of instruments available for sale thus continued to account for two thirds, or the largest share, of the total securities portfolio. The marking to market of the securities in the available-for-sale portfolio resulted in an unrealised gain of HRK 614.1m at the end of 2014, up by 38.3% from the end of 2013. The trend from 2013, when the value of unrealised gain was around one third higher than in 2012, thus continued. Unrealised gain increases revaluation reserves, thereby increasing the total bank capital. In addition to the increase of securities in the available-for-sale portfolio, the only other portfolio which saw a rise in 2014 was the portfolio of instruments that are not actively traded and are carried at fair value. The trend was due to an increase in T-bills. The share of this portfolio in total securities thereby grew by 1.6 percentage points, reaching 13.7%. The share of securities allocated to the loans and receivables portfolio remained virtually unchanged relative to the end of the preceding year, while the remaining two portfolios shrank

<sup>9</sup> Decision on amendments to the Decision on reserve requirements (OG 142/2013) and the Decision on the purchase of compulsory CNB bills (OG 142/2013).

somewhat, primarily due to the effect of a decline in bills of exchange (in the held-to-maturity securities portfolio) and bonds and T-bills (in the held-for-trading securities portfolio).

Changes in other, less significant, asset structure items included the drop in interest, fees and other assets (of HRK 827.0m or 11.7%) and investments in subsidiaries, associates and joint ventures (of HRK 446.1m or 14%). The fall in investments was observed in investments in the capital of non-financial corporations, resulting from the sale of two corporations in which banks owned a majority share. In contrast, investments in the capital of financial institutions increased as a result of the acquisition of a sister institution from the parent group, although to a significantly smaller extent. The amount of acquired assets continued to grow, reaching HRK 1.6bn, although its rise was relatively moderate (4.7%) compared with the several preceding years when banks recorded double-digit increase rates. Changes in 2014 were mostly based on an increase in investments in land, followed by investments in residential buildings and flats, while tangible assets held for sale decreased. Portfolio ageing, evident in the strong rise of 43.7% in assets acquired more than two years before (included in the legislative limits on holdings of tangible assets), coupled with the simultaneous reduction of shorter terms of acquisition, was more significant than the changes in the total acquired assets. Banks increased investments in tangible assets by 1.7%, primarily by increasing investments in construction projects and land. The ratio of total investments in tangible assets to own funds rose to 10.4% (compared with 9.7% in 2013), which was still considerably lower than the permitted 40%.

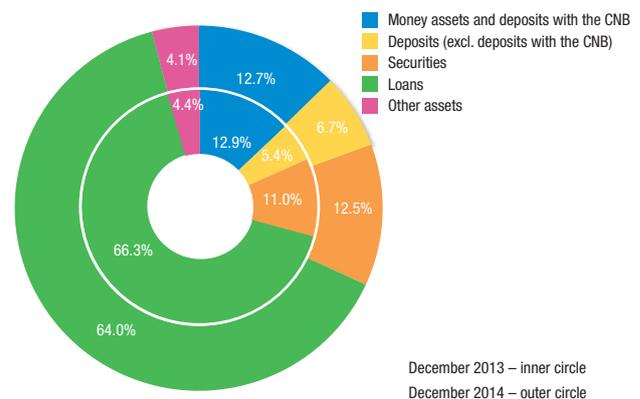
The drop in the derivative financial assets of banks (of 14.3%) was mostly attributable to the decline in concluded cross-currency interest rate swaps with government units and state enterprises. The decline was mitigated by the increase in swaps concluded with majority foreign owners. This item still has a negligible effect on the developments and structure of total assets owing to its low share in the total assets of banks of only 0.3%.

### Liabilities and capital

At the end of 2014, total liabilities of banks stood at HRK 339.9bn, down by HRK 2.4bn (0.7%) from the end of 2013. (Table 3.4). If exchange rate effects are excluded, the annual rate of decrease was twice as high, standing at 1.5%.

The decline in banks' liabilities reflects the continued deleveraging of banks towards majority foreign owners by a total of HRK 9.7bn or 18.8%. The increased intensity of deleveraging relative to 2013 (7.6%) was observed in almost all types of instruments from that source, primarily in loans (by HRK 6.0bn or 30.0%), followed by deposits (by HRK 3.8bn or 13.3%) and, finally, issued hybrid instruments (by HRK 0.5bn or 21.8%). The only rise in the shares of these sources was seen in subordinated instruments, the share of which increased by HRK 627.6m (92.8%) as a result of a rise in loans with the characteristics of equity. Following these changes, the share of sources received from majority foreign owners in total sources dropped to 12.8%, the lowest value of that indicator since September

Figure 3.3 Structure of bank assets  
end of period



Source: CNB.

2008 (12.3%).

In contrast to the negative trends in the sources received from majority foreign owners described above, in 2014 banks increased their funding (through deposits and loans) from other non-residents, primarily other foreign financial institutions, by a total of HRK 2.4bn (13.3%). The continuous decrease in sources received from majority foreign owners (for the third consecutive year) additionally strengthened the significance of domestic sources, which accounted for the major share (81%) of all sources of financing of banks at the end of 2014. Their increase of HRK 5.5bn (2.1%), although noticeably slower than in 2013, sufficed to meet the system's modest demands and to enable continued deleveraging vis-à-vis majority foreign owners. The rise in domestic sources was almost exclusively brought about by an increase in deposits (of all sectors apart from credit institutions), and, to a much smaller extent, by an increase in subordinated instruments, while financing through loans and hybrid instruments dropped as well.

Total deposits stood at HRK 286.1bn at the end of 2014, up by HRK 3.3bn or 1.2% (only 0.3% if the exchange rate effect is excluded). Since 2008, the increase in deposits has been considerably slower at the annual level. The deposit growth rate in 2014 was the lowest in the last 17 years (with the exception of 2012, when a drop in deposits of 2.0% was recorded at the annual level for the first time after 1999). As stated previously, the trends in total deposits in the last three years were significantly affected by the deleveraging processes of banks vis-à-vis their foreign parents, but the growth in domestic deposits, particularly household deposits, slowed down considerably as well. Although the household sector remained a stable and safe source of financing for banks over the entire period of crisis in the last six years, its growth rate decelerated. In 2014, it grew by only HRK 3.3bn or 1.9% (0.6% effectively), accounting for the lowest growth rate in household deposits in the last twelve years. The slow increase in household deposits in 2014 reflects the absence of growth in its dominant share – household time deposits. At the same time, strong opposite trends were observed

in household transaction accounts (which grew by HRK 7.5bn or 41.5%) and savings accounts (which declined by HRK 4.3bn or 24.8%), which may primarily be attributed to the changes in the reporting of instruments<sup>10</sup>.

Corporate deposits grew by HRK 1.9bn (4.3%) at the annual level as a result of a substantial rise in the third quarter of 2014 that compensated for their decline recorded in the rest of the year. The increase in the third quarter was particularly prominent in activities normally associated with inflows related to the tourist season. Opposite developments were observed in the deposits of the remaining domestic sectors: deposits of credit institutions saw a significant decrease of HRK 2.0bn or 26.1%, mostly due to the drop in time deposits of open-end investment funds. On the other hand, government unit deposits rose by 12.5%, with the bulk of the increase arising from transaction account deposits, while time deposits shrank. Deposits

of non-profit institutions continued to record high growth rates (8.3%). This, however, had little effect on total deposits on account of their small base.

Loans received declined by a total of HRK 5.0bn or 12% in 2014, remaining at the level of decrease recorded in 2013. The share of loans received in total sources of bank financing thus fell further, from 10.4% to 9.2%, whereas in total liabilities it dropped to 10.7%. As in the preceding two years, loans received from majority foreign owners, which declined even more (by HRK 6.0bn or 30%), had a crucial effect on the slide in loans received in 2014. The fall was partially mitigated by the increase in loans received from other foreign financial institutions (up by HRK 1.2bn or 20.8%). At the same time, banks slightly reduced their debt to domestic sectors as well (by 1.2%) owing to the repayment of loans to other financial intermediaries and credit institutions.

**Table 3.4 Structure of bank liabilities and capital**

end of period, in million HRK and %

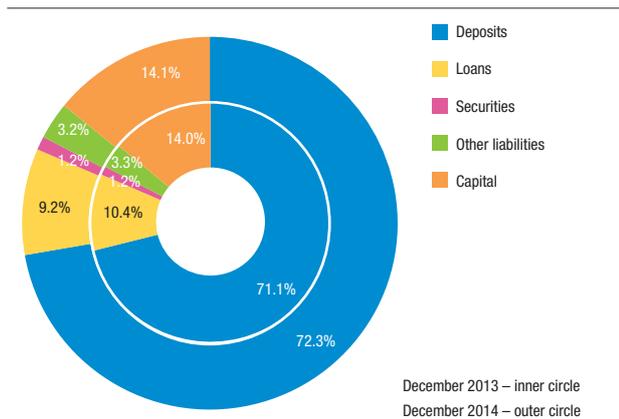
	2012		2013			2014		
	Amount	Share	Amount	Share	Change	Amount	Share	Change
Loans from financial institutions	16,802.9	4.2	15,146.0	3.8	-9.9	14,553.8	3.7	-3.9
Short-term loans	3,273.9	0.8	2,124.8	0.5	-35.1	2,363.9	0.6	11.3
Long-term loans	13,529.0	3.4	13,021.2	3.3	-3.8	12,189.9	3.1	-6.4
Deposits	275,844.0	69.0	282,805.6	71.1	2.5	286,075.7	72.3	1.2
Transaction account deposits	47,466.3	11.9	54,245.1	13.6	14.3	67,549.2	17.1	24.5
Savings deposits	21,229.8	5.3	21,785.7	5.5	2.6	18,052.4	4.6	-17.1
Time deposits	207,147.9	51.8	206,774.8	52.0	-0.2	200,474.1	50.6	-3.0
Other loans	30,599.2	7.7	26,337.2	6.6	-13.9	21,944.3	5.5	-16.7
Short-term loans	4,669.1	1.2	4,531.3	1.1	-3.0	3,806.9	1.0	-16.0
Long-term loans	25,930.1	6.5	21,805.9	5.5	-15.9	18,137.4	4.6	-16.8
Derivative financial liabilities and other financial liabilities held for trading	1,752.3	0.4	1,878.1	0.5	7.2	1,180.5	0.3	-37.1
Debt securities issued	300.0	0.1	299.9	0.1	0.0	299.9	0.1	0.0
Short-term debt securities issued	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term debt securities issued	300.0	0.1	299.9	0.1	0.0	299.9	0.1	0.0
Subordinated instruments issued	1,391.0	0.3	1,453.5	0.4	4.5	2,050.0	0.5	41.0
Hybrid instruments issued	3,243.0	0.8	3,005.9	0.8	-7.3	2,319.4	0.6	-22.8
Interest, fees and other liabilities <sup>a</sup>	12,611.7	3.2	11,445.8	2.9	-9.2	11,501.5	2.9	0.5
<b>Total liabilities</b>	<b>342,544.1</b>	<b>85.7</b>	<b>342,371.9</b>	<b>86.1</b>	<b>-0.1</b>	<b>339,925.1</b>	<b>85.9</b>	<b>-0.7</b>
Share capital	34,231.0	8.6	33,964.7	8.5	-0.8	33,757.2	8.5	-0.6
Current year profit (loss)	2,687.6	0.7	477.6	0.1	-82.2	1,982.4	0.5	315.1
Retained earnings (loss)	15,706.9	3.9	16,315.3	4.1	3.9	15,941.6	4.0	-2.3
Legal reserves	1,081.1	0.3	1,108.6	0.3	2.5	1,046.0	0.3	-5.7
Reserves provided for by the articles of association and other capital reserves	3,292.4	0.8	3,035.4	0.8	-7.8	2,598.3	0.7	-14.4
Revaluation reserves	427.0	0.1	610.4	0.2	42.9	734.9	0.2	20.4
Previous year profit (loss)	-50.1	0.0	-20.2	0.0	-59.8	-87.7	0.0	335.2
<b>Total capital</b>	<b>57,375.7</b>	<b>14.3</b>	<b>55,491.8</b>	<b>13.9</b>	<b>-3.3</b>	<b>55,972.7</b>	<b>14.1</b>	<b>0.9</b>
<b>Total liabilities and capital</b>	<b>399,919.8</b>	<b>100.0</b>	<b>397,863.7</b>	<b>100.0</b>	<b>-0.5</b>	<b>395,897.8</b>	<b>100.0</b>	<b>-0.5</b>

<sup>a</sup> As of October 2013, the amount of granted loans in assets is reduced by the amount of fees collected on loans (formerly recorded as deferred income in liabilities).

Source: CNB.

<sup>10</sup> Household foreign currency current accounts and giro accounts had previously been classified to the savings deposits position. Following the amendment of the Foreign Exchange Act and the Payment System Act, these accounts acquired the functionality of transaction accounts, whereby requirements were met for the accounts to be reported under the "transaction accounts" instrument. The CNB requested banks to report such accounts under the transaction account position as of the reporting date of 31 December 2014.

Figure 3.4 Structure of bank liabilities and capital end of period

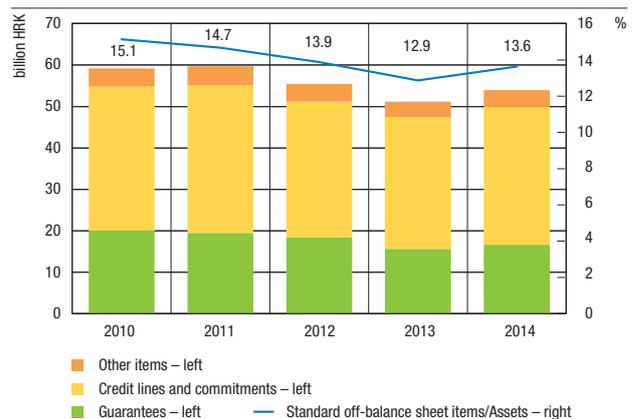


Source: CNB.

Trends recorded in 2013 also continued in debt instruments with the characteristics of equity (subordinated and hybrid instruments). Their amount decreased somewhat (2.0%), as did their share in total sources (which dropped to 1.3%). Issued debt securities held steady. The debt security in question is the single kuna-denominated long-term corporate bond, issued as early as at the end of 2012, which, due to its small share at the aggregate level (smaller than 0.1%), does not contribute to the diversification of the banks' sources of financing.

Total balance sheet capital of banks stood at almost HRK 56.0bn at the end of 2014, growing by HRK 480.9m or 0.9% from the end of the previous year. The departure of one bank from the system did not have a significant effect on the aggregate level of the banks' capital due to its small share. Opposite trends seen in the total balance sheet and capital slightly increased the share of capital in bank liabilities to 14.1%. The increase in capital items was generally a consequence of current year profit being four times as high as in 2013. At the same time, all other capital items saw a decline (except revaluation reserves<sup>11</sup>), most notably retained earnings and reserves stipulated by articles of association and other capital reserves (down by 2.3% and 14.4% respectively). Banks used these so-called capital surpluses primarily to pay out dividends, but also to increase share capital and, finally, to cover operating losses. Only four banks paid out dividends to their shareholders in 2014. Dividend payments totalled slightly below HRK 1.8bn, and almost all were paid out from retained earnings from the previous years and from capital reserves. In 2014, nine banks increased their share capital, the majority (six of them) through payments in cash in the total amount of HRK 341.7m. However, the increase in the share capital from retained earnings was more significant in terms of amount in the previous years (HRK 0.5bn). In order to boost capital, almost HRK 100m worth of hybrid

Figure 3.5 Bank standard off-balance sheet items end of period



Source: CNB.

instruments was additionally transformed into capital. Nevertheless, negative effects of the simplified reduction of share capital, aimed at covering losses from 2013 and the earlier years, exceeded all the positive trends mentioned, causing a fall of HRK 207.4m (0.6%) in share capital.

### Standard off-balance sheet items

At the end of 2014, total standard off-balance sheet items stood at almost HRK 54.0bn, which is an increase of HRK 2.7bn or 5.3% from the end of 2013. All items (except revolving loans) contributed to the reversal of the downward trend in standard off-balance sheet items, which had persisted, with brief interruptions, since 2007. The standard off-balance sheet items to assets ratio thereby increased from 12.9% to 13.6%. Credit lines and commitments rose by HRK 1.9bn or 8.1%, primarily owing to transactions concluded with public enterprises and the government, thus providing the most substantial positive contribution to the amount of standard off-balance sheet items. In terms of the level of nominal change, issued guarantees followed with an increase of HRK 0.9bn or 6.0% due to the rise in guarantees issued to domestic corporates. Other risky items and uncovered letters of credit grew at a somewhat slower pace (by 7.5% and 3.7% respectively). The only decrease in 2014 was seen in revolving loans, which dropped by HRK 341.1m or 4.0%.

The aforementioned developments allowed credit lines and commitments to further increase their already dominant share to 46.7% (Figure 3.5). According to share size, guarantees came next (30.8%), remaining almost entirely stagnant from the end of 2013 (30.6%). Negative developments caused the share of revolving loans to slide by 1.5 percentage points, dropping to 15.0%. These three types of off-balance sheet items accounted for the majority of all standard off-balance sheet items, while the shares of remaining items were not significant.

<sup>11</sup> As stated earlier, revaluation reserves increased based on unrealised gains from value adjustments of financial assets available for sale.

### Derivative financial instruments

In 2014, the notional value of assets and liabilities items of derivative financial instruments dropped by a total of HRK 32.8bn (17.6%) to HRK 153.8bn. The decrease affected the fall in the notional value of derivative financial instruments to bank assets ratio from 46.9% in 2013 to 38.8% at end-2014. The changes in derivative financial instruments in 2014 were brought about by the decline in the notional value of two instruments that dominated their structure. The decrease in swaps was larger in nominal terms, dropping by HRK 18.9bn or 12.7%, while the decrease in the amount of forwards was larger in relative terms, dropping by HRK 14.3bn or 37.9%. The noticeable changes in the structure of total derivative financial instruments led to an increase in the share of swaps to 84.1% and a decrease in the share of forwards to 15.3%. Other types of derivative financial instruments accounted for the remaining 0.6%. The increase in their amount in 2014 did not affect total developments.

The bulk of the decrease in the total notional value of derivative financial instruments is attributable to the HRK 27.0bn or 26.9% decline in the notional amount of instruments with the exchange rate as the underlying variable. This resulted in a decrease of their share in the total instruments from 53.7% at the end of 2013 to 47.6% at the end of 2014. Instruments with interest rate as the underlying variable decreased by HRK 7.5bn (21.7%), causing the share of these instruments in the structure observed by the type of underlying variable to drop to 17.5%. The significance of instruments with both the exchange rate and interest rate as underlying variables, i.e. cross-currency interest rate swaps, continues to increase, growing by 3.1% and reaching 34.9% of total derivative financial instruments.

At the end of 2014, almost all derivative financial instruments were distributed to the held-for-trading portfolio (97.0%), with the decline in derivative instruments involving only the instruments from that portfolio. Banks allocated the remaining share of derivative financial instruments to the portfolios of instruments for fair value and cash flow hedging. The

fact that a very small share of instruments was allocated to portfolios used for hedging is related to the complexity of the hedge accounting rules to be applied in such a case.

In addition to using derivative financial instruments to hedge their positions, banks arrange these instruments for the account of clients, closing them primarily with foreign financial institutions (carrying out transactions with opposite effect). At end-2014, most of the derivative financial instruments were arranged with foreign financial institutions (66.0%), primarily with majority foreign owners and other financial institutions from parent banking groups. Instruments concluded with government units constituted the second largest share (12.1%), followed by those concluded with domestic financial institutions (11.8%). The decline of HRK 21.3bn (17.3%) in the amount of derivative financial instruments arranged with foreign financial institutions was nominally the largest relative to 2013. The drop in the amount of derivative financial instruments arranged with domestic financial institutions (HRK 10.1bn or 35.6%) and corporates (HRK 2.6bn or 14.8%) also affected the total change.

Derivative financial instruments are normally found in the operations of banks with large market shares, while banks with a smaller scope of operation use such instruments less frequently, if at all.

### 3.1.2 Earnings

#### Income statement

Following a sharp drop in 2013, the banks' earnings recovered in 2014. However, they still remained low compared with the previous years due to high expenses related to loss provisions. Although such expenses decreased considerably in 2014, thus contributing the most to the increase in profit, they were still a considerable burden to the banks' business performance. Resolution of non-performing loans was slow and portfolio ageing caused the amount of losses to climb, additionally driven by the regulatory requirement for gradual value adjustment increase (depending on the time which has elapsed since the debtor's delinquency in repayment). Furthermore, the recording of additional provisions also had a significant effect, primarily based on AQR and the additional assessments related to AQR in line with the EU Council recommendations.

In addition to lower provisioning expenses, higher operating profit (profit before loss provisions), mainly brought about by the drop in deposit interest rates and by lower expenses associated with financing sources, also contributed to the recovery of earnings, as did further efforts related to operation optimisation. Income generated from the sale of parts of their operations also grew, general operating expenses continued their downward trend, and income based on fees and commissions, particularly those related to card operations, rose substantially, especially during the summer months. However, the main source of earnings, interest income, continued to decrease. The drop was brought about not only by slow lending activity and the growing number of non-performing claims, but also substantially by the new consumer credit regulations, particularly

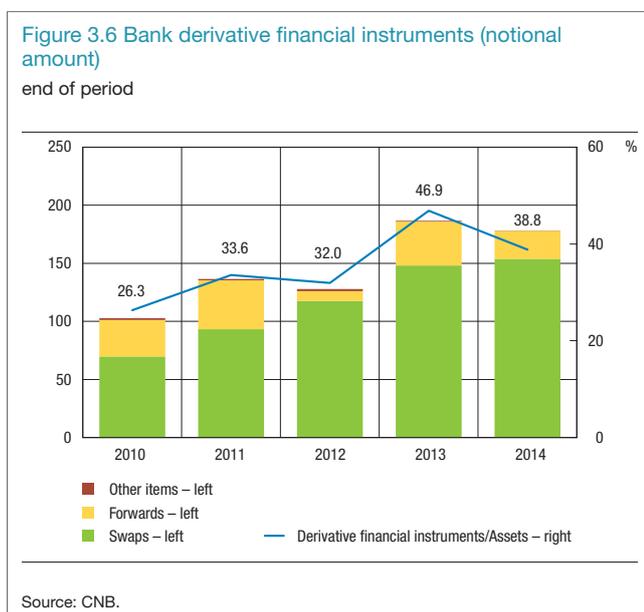
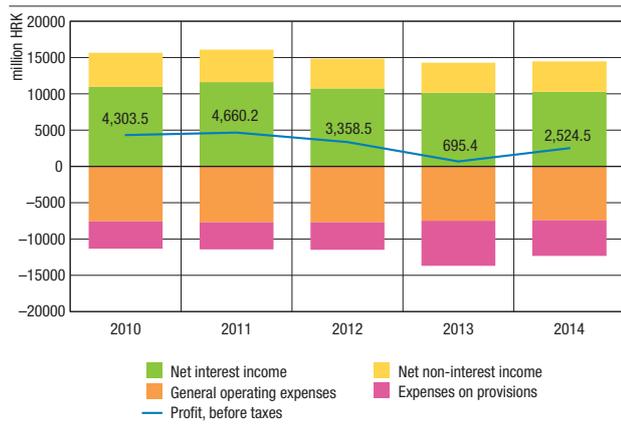


Figure 3.7 Bank profit (loss), before taxes  
end of period



Source: CNB.

those restricting the level of interest rates on home loans indexed to the Swiss franc.

Net operating income (before loss provisions) increased slightly, by HRK 150.8m or 2.2%, primarily on account of lower expenses associated with sources of financing, while expenses on value adjustments and provisions, lower by one fifth, significantly improved the final results, causing a surge in profits. According to preliminary unaudited data for 2014, banks generated HRK 2.5bn in profit from continuing operations (before tax), accounting for an increase of HRK 1.8bn or 263.0% (Figure 3.7) from 2013, when they generated a profit of HRK 695.4m.

Generally, business performance improved, as better results were observed in almost all banks, with changes in two banks affecting the overall performance the most. One of them increased its profit significantly owing to lower provisioning expenses and the sale of a subsidiary, while the other reported a profit in 2014, as opposed to the loss reported in 2013. In 2014, losses amounting to a total of HRK 806.0m were reported by nine banks with a share in total bank assets of 6.6%. Reported losses were considerably lower than in 2013, when one half of all banks (15 banks), accounting for 14.0% of total bank assets, operated at a loss.

Total provisioning expenses stood at HRK 4.9bn in 2014, dropping by HRK 1.3bn or 20.8% relative to 2013 (Table 3.5). In 2014, provisioning expenses took 69.7% of net operating income (before loss provisions), while in 2013, the same indicator stood at 89.9%. All components of provisioning expenses decreased except expenses pertaining to value adjustments and provisions for collectively assessed impairment provisions (for

risk category A). In 2014, banks reported provisioning expenses on that basis (in 2013, income was generated from abolished provisions). The decline in total provisioning expenses was mostly brought about by lower expenses on placement value adjustments and provisions for identified losses arising from off-balance sheet liabilities (for risk categories B and C), particularly the lower expenses on loan value adjustments (HRK 911.6m or 16.8%).

In 2013, the level of provisioning expenses was extremely high as a result of the tightening of regulations on the classification of placements<sup>12</sup> and the preparations of foreign parent banks for AQR. In the period from March to June 2014, AQR was carried out in four domestic banks<sup>13</sup>, and, following the recommendations of the EU Council<sup>14</sup>, the exercise was extended to additional portfolios and banks. The supervision conducted led to a considerable growth in provisioning expenses. Furthermore, the ageing of the non-performing portfolio and exposure migrations to riskier categories caused the amount of losses to rise, with regulatory requirements imposing 5% value adjustments every six months adding to the increase. In spite of pre-bankruptcy settlements and the intensified efforts of an increasing number of banks devoted to the sale of non-performing claims, the recovery of B and C category loans remained slow.

In addition to lower provisioning expenses, the level of profit was also significantly affected by the item of other gains (losses), i.e. gains from non-current assets or held-for-sale disposal groups not qualified as discontinued operations. Banks reported HRK 386.5m of profit under this item. This was primarily due to the sale of a tourist industry subsidiary of one of the banks, which generated an income of HRK 428.1m. By making adjustments in their operations, such as selling parts of operations or imposing stringent controls over expenses, banks sought to mitigate the effects of the unfavourable recessionary environment. Weak loan demand and high liquidity reserves enabled the banks to continue to deleverage, particularly vis-à-vis majority foreign owners. Furthermore, the level of interest expenses was also significantly affected by favourable trends in deposit interest rates.

In 2014, interest expenses went down by HRK 1.1bn or 11.1%, with the decrease in expenses on time deposits (of HRK 1.2bn or 17.3%) contributing the most to the downward trend, particularly the decrease in the expenses on household time deposits (of HRK 673.3m or 14.6%). Household time deposits grew, but their average cost<sup>15</sup> dropped by almost 16%, from 3.4% to 2.9%. The sector of non-residents followed the household sector in terms of decrease in time deposit interest expenses (HRK 423.8m or 39.2%), with the bulk of the decrease involving foreign financial institutions. The trend was primarily affected by the changes in one large bank which probably

12 New regulations have been in effect since October 2013 with the aim of stimulating a more active assessment of the collateral value (by introducing minimum impairment factors of the market price and collection period) and a gradual increase in value adjustments, depending on the time that has passed since the debtor's delinquency in repayment. In 2013, it was precisely the new regulations pertaining to collateral that had a strong one-off effect on provisioning expenses.

13 Based on an agreement with the consolidating supervisors from Italy and Austria, the CNB was involved in the AQR of domestic banks. Details are available in the CNB's press release of 26 October 2014, [www.hnb.hr](http://www.hnb.hr).

14 See item 8 of the Council Recommendation of 8 July 2014.

15 The average cost is calculated as the ratio of household deposit expenses to the average deposit balance of the sector. The average deposit balance is calculated as the deposit amount arithmetic mean at the end of 2014 and 2013.

Table 3.5 Bank income statement

in million HRK and %

	Amount		Change
	Jan. – Dec. 2013	Jan. – Dec. 2014	
<b>CONTINUING OPERATIONS</b>			
Interest income	19,798.0	18,851.6	-4.8
Interest expenses	9,642.5	8,575.2	-11.1
Net interest income	10,155.5	10,276.4	1.2
Income from fees and commissions	4,274.9	4,378.7	2.4
Expenses on fees and commissions	1,321.4	1,283.1	-2.9
Net income from fees and commissions	2,953.5	3,095.6	4.8
Income from equity investments	362.1	215.6	-40.5
Gains (losses)	1,230.0	1,262.4	2.6
Other operating income	422.6	417.3	-1.3
Other operating expenses	731.9	791.2	8.1
Net other non-interest income	1,282.7	1,104.1	-13.9
Total operating income	14,391.7	14,476.1	0.6
General administrative expenses and depreciation	7,489.6	7,423.1	-0.9
Net operating income before loss provisions	6,902.2	7,053.0	2.2
Expenses on value adjustments and provisions	6,206.8	4,915.0	-20.8
Other gains (losses)	0.0	773.1	-
<b>Profit (loss) from continuing operations, before taxes</b>	<b>695.4</b>	<b>2,524.5</b>	<b>263.0</b>
Income tax on continuing operations	221.2	700.2	216.5
Profit (loss) from continuing operations, after taxes	474.2	1,824.3	284.7
<b>DISCONTINUED OPERATIONS</b>			
Profit (loss) from discontinued operations, after taxes	3.4	158.0	4,498.0
<b>Current year profit (loss)</b>	<b>477.6</b>	<b>1,982.4</b>	<b>315.1</b>
Memo item:			
Number of banks operating with losses, before tax	15	9	-40.0

Source: CNB.

occurred as a result of favourable refinancing through the parent bank in 2014 and the trends in expenses related to kuna sources (linked to ZIBOR<sup>16</sup>), which in that bank constitute a significant share of total sources from the parent bank. The high rate of decrease was also seen in the expenses related to foreign household time deposits, which were lower by HRK 111.3m or 37.5%. Time deposit expenses were reduced with regard to foreign households owing to the decline in interest rates as well. Foreign household deposits grew by 3.2% in 2014, primarily as a result of the growth in deposits of clients from Russia and Bosnia and Herzegovina.

Bank interest income was HRK 946.4m or 4.8% lower in 2014, mostly due to the decrease in the interest income from assets in the loans and receivables portfolio, particularly in the interest income from loans. Interest income from debt instruments was also mostly lower than in the preceding year as a result of the drop in the income from domestic bonds and T-bills. Within the category of debt instruments, only the income from bills of exchange increased. The marked rise in these investments, which primarily involve discounted bills of exchange of several clients, helped the banks to increase their income

considerably (by HRK 46.7m or 13.7%). It is also important to note that the interest income from held-for-trading derivatives, i.e. the interest income from swaps, also increased; however, these instruments at the same time resulted in an increase in interest expenses as well. The net result, calculated by setting interest income from assets off against expenses on interest liabilities in the held-for-trading portfolio, was positive, but noticeably lower than in 2013 (down by HRK 107.7m or 36.7%).

Interest income from loans dropped by HRK 1.0bn or 6.3%, continuing the trend from the previous two years. In 2014, the drop in interest income from household loans had the most significant effect, while in the previous two years, the changes in the corporate sector played the key role. In spite of the decrease, interest income from loans granted to the household sector still accounted for the largest share of total interest income from loans – 53.2%. Two types of loans particularly stood out: general-purpose cash loans and home loans, with shares of 41.4% and 32.9%, respectively, in the total interest income from household loans, i.e. with a joint share of almost three quarters.

Interest income from household loans shrank by HRK 884.7m or 9.7% in 2014. The sharpest fall of HRK 505.9m

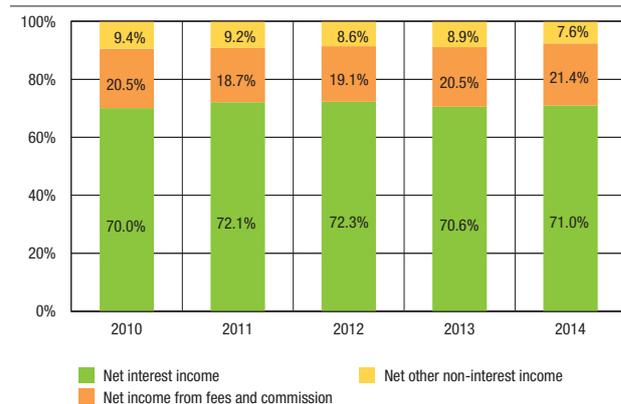
16 ZIBOR (Zagreb Interbank Offered Rates) is the reference interest rate on the Croatian interbank market.

or 15.7% was seen in interest income from home loans, followed by interest income from overdraft facilities and car loans, which decreased by almost equal amounts. The drop in the income from general-purpose cash loans, the only significant type of household loan which recorded an upward trend in 2014, was marginal (0.9%). The decrease in the number of car loans made was the primary cause of the marked decline in the income arising from that type of loan (32.6%), while the effect of new consumer credit regulations, restricting the level of interest rates, had a significant effect on other types of loans in 2014, as did the rise in non-interest bearing loans (B and C risk category loans). Restrictions (maximum allowed interest rates, contingent upon average weighted interest rates on respective loan balances) were introduced for home loans and all other (consumer) loans, with an additional restriction imposed for home loans with a foreign currency clause in case the currency to which they are indexed appreciates substantially. The restriction limited the interest rates on home loans indexed to the Swiss franc to 3.23%<sup>17</sup> at the beginning of 2014. This was the main reason for the decrease of HRK 440.6m or 40.1% in the interest income from home loans indexed to the Swiss franc in 2014. To compare, the decrease stood at 7.9% in 2013. On the other hand, the decline in interest income from home loans indexed to the euro was significantly less noticeable than that of loans indexed to the Swiss franc, standing at HRK 48.3m or 2.6%. In terms of the level of decrease in interest income from loans, the corporate sector followed the household sector, although the drop was considerably smaller than in 2013. It amounted to HRK 286.1m or 5.7%, with the lion's share of the decrease caused by the drop in interest income from loans for working capital. Only a few types of corporate loans saw a rise in interest income, most notably the shares in syndicated loans, which recorded an increase of HRK 22.4m or 3.9%. The income from syndicated loans mostly increased in the subsector of public enterprises, which also saw a slight rise (of 2.6%) in the total interest income from loans. On the other hand, interest income in the subsector of other corporates decreased noticeably, by 7.8%. In contrast to other sectors, interest income from loans granted to government units and non-residents grew as a result of somewhat intensified lending activity. Interest income from loans to government units grew by HRK 147.0m or 7.3%, while loans granted to non-residents increased by a significantly smaller amount (HRK 8.4m), at an only slightly higher rate (8.6%). The largest share of the rise in interest income from loans granted to non-residents originated from foreign corporates, particularly those from Bosnia and Herzegovina and Slovenia.

Savings generated on the side of interest expenses exceeded the effects of the decrease in interest income, resulting in a slight recovery of the most significant and most stable source of

Figure 3.8 Structure of bank operating income

end of period



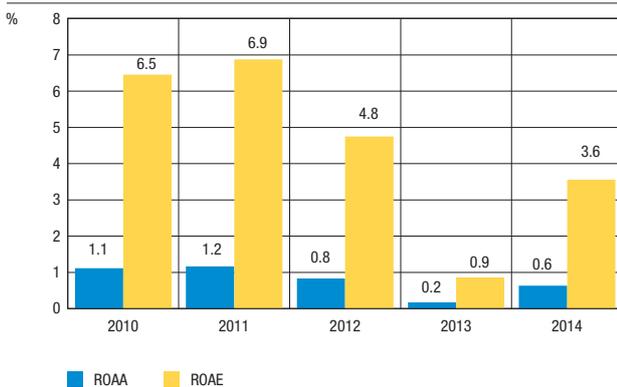
Source: CNB.

bank income – net interest income. It stood at HRK 10.3bn, up by HRK 120.8m or 1.2% from 2013. Its share reached 71.0% of the banks' operating income (Figure 3.8). The amount and the share of the remaining part of operating income, net non-interest income, dropped, income from fees and commissions growing and other net non-interest income falling by a noticeable 13.9%. This was primarily a result of lower income from equity investment, in contrast to the last year's exceptional income that one of the banks generated by the sale of an investment firm (for HRK 133.5m). In addition, the level of operating expenses was affected by the introduction of a supervisory fee payable to the CNB, for which the banks set aside slightly more than HRK 40m in 2014. Net income from fees and commissions recorded a noticeable increase (4.8%) as a result of a rise in income and a decrease in expenses on that basis. The rise in income was due to an increase in almost all items, particularly in income associated with credit cards, which recorded the most significant increase, followed by fees and commissions related to contracts with insurance companies and fees and commissions associated with asset management. Fees and commissions pertaining to credit cards saw the most substantial increase in the subsector of foreign financial institutions, due to the higher turnover generated at the points of sale of domestic banks through credit cards issued by foreign banks. The major share of the income was generated in the third quarter, probably as a result of the tourist season. Lower expenses on fees and commissions were a consequence of lower payment operations costs.

Further savings were achieved in general administrative expenses and depreciation, although the decrease in these expenses was marginal in 2014 (HRK 66.5m or 0.9%). The drop was by and large brought about by lower depreciation expenses, but

<sup>17</sup> New regulations stipulate that, when the exchange rate of the currency to which the loan is indexed appreciates by more than 20% against the kuna, the interest rate on home loans must not exceed the average weighted interest rate at which the loans were initially granted, reduced by 30%. In Official Gazette 149/2013, the CNB announced that the average weighted interest rate at which Croatian credit institutions granted home loans in Swiss francs and in kuna indexed to the Swiss franc amounted to 4.62%. Reduced by 30%, the interest rate stands at 3.23%. Most home loans indexed to the Swiss franc are subject to the aforementioned restriction which is to remain in force until the exchange rate of the Swiss franc depreciates to a level below the mentioned appreciation of 20% and remains at that level for a continuous period of 30 days.

Figure 3.9 Bank return on average assets (ROAA) and return on average equity (ROAE)  
end of period



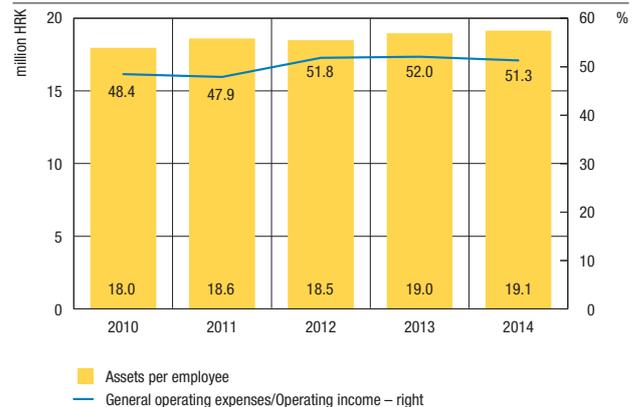
Source: CNB.

also by the decline in all other items apart from employee expenses. Given that the number of employees in banks dropped by 306 (1.5%)<sup>18</sup> to 20,676 in 2014 (the lowest figure since 2007), the increase in employee expenses may be attributed to the rise in the health insurance contribution rate (which began with the payment of the wages for April 2014). However, a part of the increase may be associated with special payments to employees at the end of the business year (Christmas and other bonuses, etc.), since employee expenses rose more noticeably precisely in the last quarter.

### Returns indicators

The rise in net interest margin<sup>19</sup>, achieved primarily because of favourable trends in deposit interest rates, contributed to the slight improvement of the banks' operating profitability (profitability before loss provisions). However, provisioning expenses had the most significant effect on returns indicators. Expressed as a share in average assets, they stood at 1.2%, noticeably lower than the 1.6% at the end of 2013. Return on average

Figure 3.10 Bank cost efficiency  
end of period



Source: CNB.

assets (ROAA) grew to 0.6%, and the return on average equity (ROAE) to 3.6% (Figure 3.9).

In contrast to 2013, banks managed to improve their cost efficiency in 2014. Their cost-to-income ratio dropped from 52.0% to 51.3% (Figure 3.10). However, a quite large number of banks were heavily burdened by general operating expenses, especially the smaller institutions. Five banks were not able to cover general administrative expenses and depreciation with operating income, and all operated with at a loss. In addition, four more banks reported losses after loss provision expenses.

Although provisioning expenses decreased in 2014, they were perceptibly higher than the average 1.0% in the period between 2009 and 2012 and substantially higher than the average 0.3% for the period between 2005 and 2008. Provisioning expenses were thus the primary cause of significantly lower profitability than in previous years. Excluding 2013, when the effect of new classification rules and preparations for AQR was particularly strong, returns indicators were at their lowest levels since 1998.

Table 3.6 Classification of bank placements and assumed off-balance sheet liabilities by risk categories

end of period, in million HRK and %

Risk category	2012			2013			2014		
	Placements and assumed off-balance sheet liabilities	Value adjustments and provisions	Coverage	Placements and assumed off-balance sheet liabilities	Value adjustments and provisions	Coverage	Placements and assumed off-balance sheet liabilities	Value adjustments and provisions	Coverage
A	378,979.1	3,418.2	0.9	369,289.2	3,326.4	0.9	366,160.1	3,366.3	0.9
B-1	18,812.4	2,608.7	13.9	19,330.6	3,055.0	15.8	15,718.7	2,305.7	14.7
B-2	13,703.7	6,346.6	46.3	15,913.8	7,500.3	47.1	19,615.6	9,689.8	49.4
B-3	2,839.8	2,290.3	80.6	4,339.3	3,547.4	81.8	5,405.8	4,471.9	82.7
C	7,630.9	7,629.7	100.0	8,991.4	8,972.1	99.8	10,009.5	10,007.5	100.0
Total	421,965.9	22,293.4	5.3	417,864.4	26,401.2	6.3	416,909.8	29,841.2	7.2

Source: CNB.

<sup>18</sup> The bank that went into bankruptcy had 27 employees.

<sup>19</sup> The net interest income-to-average assets ratio.

### 3.1.3 Credit risk

#### Placements and assumed off-balance sheet liabilities

Total placements and assumed off-balance sheet liabilities that are exposed to credit risk<sup>20</sup> and are subject to classification into risk categories in accordance with classification rules, stood at HRK 416.9bn at the end of 2014 (Table 3.6). Total placements and assumed off-balance sheet liabilities decreased by HRK 1.0bn (0.2%) from the end of 2013, primarily due to the decline in the amount of loans granted. The decrease in investments in securities allocated to the portfolio of financial assets held to maturity and the fall in receivables based on income also affected the total developments to a smaller extent. The concurrent growth in deposits and off-balance sheet liabilities was partially mitigated by the effect of the aforementioned developments on the change in total placements and assumed off-balance sheet liabilities. The drop in the quality of total placements and assumed off-balance liabilities continued, while the further accumulation of losses in the banks' loan portfolios, coupled with weak lending activity which led to a decline in loan portfolios, had a key impact on the deterioration of quality. The share of partly recoverable and fully irrecoverable placements and off-balance sheet liabilities in total placements and off-balance sheet liabilities grew from 11.6% at end- 2013 to 12.2% at end-2014.

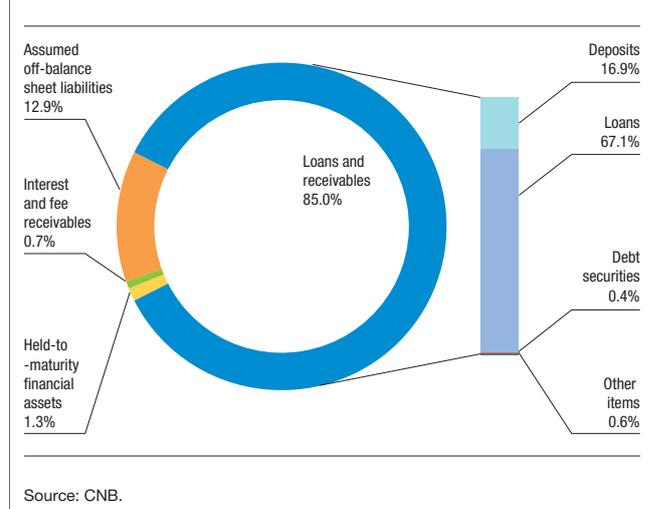
In 2014, all domestic sectors deleveraged, resulting in a decrease in the total amount of loans granted of HRK 6.9bn (2.4%). Corporates played a dominant role in the deleveraging process, but the decline in loans granted to financial institutions also had a significant impact on total developments. Burdened by recession, the household sector continued to deleverage for the sixth consecutive year, particularly on the basis of long-term borrowing for the purchase of real estate or movable assets. General-purpose cash loans were the only form of household borrowing that continued to increase. In contrast to 2013, loans to government units declined in 2014, while the non-resident sector was the only sector which recorded a rise in gross loans. Due to the small share of non-residents in the sectoral structure of loans granted, the increase had little impact on the level of total loans.

The portfolio of held-to-maturity financial assets dropped by 5.6% in 2014, largely due to a decline in investments in bills of exchange. The banks' receivables based on income dropped as well (7.8%). However, as these types of placements account for a very small share in the structure of total placements and off-balance sheet liabilities, the change did not have a significant effect on total developments.

Banks were less apprehensive of risk when assuming off-balance sheet liabilities to clients than they were regarding placements, as evident from the increase in their off-balance sheet liabilities of HRK 2.7bn (5.3%) recorded in 2014 after three consecutive years of decrease. By observing the sectoral

Figure 3.11 Structure of bank placements and assumed off-balance sheet liabilities

as at 31 December 2014



structure of off-balance sheet liabilities, it is apparent that total developments were primarily affected by the increase in these liabilities to corporates (HRK 2.4bn or 8.4%), particularly to public enterprises, to which the banks assumed HRK 1.8bn (50.5%) more off-balance sheet liabilities than at the end of 2013. They comprised an increase in credit lines and assumed commitments to finance public enterprises, while the banks' off-balance sheet exposure to other corporates increased mostly as a result of issued guarantees. Banks increased their off-balance sheet liabilities to the household sector by a total of HRK 0.6bn (2.9%), mainly on the basis of revolving loans and credit lines. Changes in the amounts of assumed liabilities to other sectors were minor and did not significantly affect the total developments in off-balance sheet liabilities.

The greater propensity of banks for less risky placements is evident in the increase in the amount of deposits made, which grew by HRK 3.7bn or 5.6% from the end of 2013. The total increase in deposits involved deposits with foreign financial institutions, primarily with foreign banks other than parent banks, while the deposits with the CNB and domestic credit institutions decreased. Owing to the increase in deposits abroad, banks maintained a good coverage of foreign currency liabilities by foreign currency claims (22.4%) at the end of 2014.

The aforementioned developments in certain types of placements and assumed off-balance sheet liabilities effected slight changes in their structures. The most significant change was related to the share of loans, which dropped by 1.5 percentage points within the observed one-year period. In spite of the decrease in amount and significance, granted loans continued to be dominant in the total placements and off-balance sheet liabilities of banks (67.1%). Deposits made remained the second major source of credit risk for banks, with the share of 16.9% in total placements and assumed off-balance sheet

<sup>20</sup> Total exposure to credit risk comprises placements (balance sheet items) and assumed off-balance sheet liabilities. The placements are divided into a loan and receivables portfolio and a portfolio of held-to-maturity financial assets, with the receivables on interest and fees being shown under a separate item (receivables based on income). The portfolios of financial assets comprise various instruments such as loans, deposits, bonds and T-bills, and assumed off-balance sheet liabilities comprise guarantees, credit lines, etc.



Table 3.7 Bank loans

end of period, in million HRK and %

	2011		2012			2013		
	Amount	Share	Amount	Share	Change	Amount	Share	Change
<b>Loans</b>								
Government units	37,720.1	13.3	43,460.8	15.2	15.2	43,017.4	15.4	-1.0
Corporates	107,990.4	38.0	107,989.4	37.6	0.0	104,787.2	37.4	-3.0
Households	126,198.5	44.5	123,595.3	43.1	-2.1	122,348.4	43.7	-1.0
Home loans	59,235.9	20.9	57,629.7	20.1	-2.7	56,127.3	20.0	-2.6
Mortgage loans	3,073.7	1.1	3,007.4	1.0	-2.2	2,844.3	1.0	-5.4
Car loans	3,174.9	1.1	2,162.6	0.8	-31.9	1,439.3	0.5	-33.4
Credit card loans	3,941.2	1.4	3,834.6	1.3	-2.7	3,831.0	1.4	-0.1
Overdraft facilities	8,611.7	3.0	8,353.5	2.9	-3.0	8,157.5	2.9	-2.3
General-purpose cash loans	36,436.4	12.8	37,229.0	13.0	2.2	39,064.8	14.0	4.9
Other household loans	11,724.3	4.1	11,378.5	4.0	-3.0	10,884.2	3.9	-4.3
Other sectors	11,990.1	4.2	11,822.1	4.1	-1.4	9,785.1	3.5	-17.2
<b>Total</b>	<b>283,905.6</b>	<b>100.0</b>	<b>286,867.6</b>	<b>100.0</b>	<b>1.0</b>	<b>279,938.1</b>	<b>100.0</b>	<b>-2.4</b>
<b>Partly recoverable and fully irrecoverable loans</b>								
Government units	68.2	0.2	47.4	0.1	-30.6	47.4	0.1	0.1
Corporates	26,952.3	68.1	30,542.9	67.8	13.3	31,968.6	67.4	4.7
Households	11,977.6	30.3	13,755.2	30.5	14.8	14,680.2	30.9	6.7
Home loans	3,654.2	9.2	4,690.6	10.4	28.4	4,916.8	10.4	4.8
Mortgage loans	732.7	1.9	894.1	2.0	22.0	929.1	2.0	3.9
Car loans	157.7	0.4	121.3	0.3	-23.1	92.7	0.2	-23.5
Credit card loans	174.8	0.4	174.3	0.4	-0.3	157.7	0.3	-9.5
Overdraft facilities	1,280.5	3.2	1,241.9	2.8	-3.0	1,052.0	2.2	-15.3
General-purpose cash loans	3,297.5	8.3	3,522.3	7.8	6.8	3,775.1	8.0	7.2
Other household loans	2,680.2	6.8	3,110.8	6.9	16.1	3,756.8	7.9	20.8
Other sectors	552.3	1.4	681.9	1.5	23.5	740.1	1.6	8.5
<b>Total</b>	<b>39,550.4</b>	<b>100.0</b>	<b>45,027.3</b>	<b>100.0</b>	<b>13.8</b>	<b>47,436.3</b>	<b>100.0</b>	<b>5.4</b>
<b>Value adjustments of partly recoverable and fully irrecoverable loans</b>								
Government units	25.4	0.2	10.1	0.0	-60.2	11.7	0.0	15.4
Corporates	9,812.1	58.3	12,596.9	60.6	28.4	15,500.0	64.1	23.0
Households	6,690.5	39.7	7,790.8	37.5	16.4	8,248.6	34.1	5.9
Home loans	1,257.3	7.5	1,848.7	8.9	47.0	2,151.5	8.9	16.4
Mortgage loans	213.8	1.3	338.8	1.6	58.5	442.6	1.8	30.6
Car loans	124.9	0.7	99.2	0.5	-20.6	76.3	0.3	-23.1
Credit card loans	161.2	1.0	161.3	0.8	0.0	147.1	0.6	-8.8
Overdraft facilities	1,205.3	7.2	1,181.9	5.7	-1.9	1,001.4	4.1	-15.3
General-purpose cash loans	2,455.3	14.6	2,641.2	12.7	7.6	2,637.4	10.9	-0.1
Other household loans	1,272.7	7.6	1,519.7	7.3	19.4	1,792.3	7.4	17.9
Other sectors	305.2	1.8	390.4	1.9	27.9	434.4	1.8	11.3
<b>Total</b>	<b>16,833.1</b>	<b>100.0</b>	<b>20,788.2</b>	<b>100.0</b>	<b>23.5</b>	<b>24,194.6</b>	<b>100.0</b>	<b>16.4</b>

Note: As of 31 October 2013, loan amount is reduced by the amount of collected fees (formerly recorded as deferred income in liabilities). Loans to non-profit institutions serving households are included in household loans.

Source: CNB.

loans was at the same time influenced by the deleveraging that caused the loans from risk category A to decline by 3.9% and by the ageing and deterioration of the existing loan portfolio, which caused the loans from risk categories B and C to grow by 5.4%. The decline in risk category A loans was considerable (HRK 9.3bn) and present in all domestic sectors, with the

largest nominal decrease seen in corporates, which accounted for a half of the amount. At the same time, corporates contributed the most to the rise in total loans classified into risk categories B and C, causing these claims to rise by HRK 1.4bn (4.7%). The share of risk category B and C loans to corporates thus reached 30.5%, which is 2.2 percentage points more than



the only other loan type with a significant share (10.7%), while all other forms of corporate financing accounted for less than 10.0% of the total amount of loans granted to the sector.

The deterioration of quality in the most significant forms of corporate lending had a key impact on the increase in risk category B and C loans recorded in the sector in 2014. The greatest increase in B and C risk category loans from 2013 was seen in loans for working capital (HRK 790.8m or 6.4%), followed by other loans (HRK 645.6m or 16.1%) and investment loans (HRK 156.9m or 2.0%). Increased bank payments based on issued guarantees and other commitments for corporate liabilities, where B and C risk category loans grew by HRK 254.3m (23.7%), also contributed to the increase. Forms of corporate lending described above constituted the majority of partly recoverable or fully irrecoverable claims based on corporate loans at the end of 2014. The share of B and C risk category loans in loans for working capital stood at 33.1%; in investment loans, the share was 29.7% and in other loans 34.2%. Several less significant types of corporate loans were of lower quality than those specified above, most notably loans for the construction of residential or commercial buildings intended for sale on the market, where the share of B and C category loans stood at 77.3%. Construction loans accounted for a share smaller than 4.0% in the total distribution of the credit portfolio to the corporate sector.

Broken down by activities in the corporate sector, the largest nominal decrease in loans was observed in trade (HRK 1.5bn or 7.5%), followed by other activities included in manufacturing (HRK 1.2bn or 5.3%) and construction (HRK 498.3m or 1.9%). The decline in loans was seen in most of the other activities as well, while the only significant increase was observed in accommodation and food service activities (HRK 570.6m or 8.4%). Excluding households, the construction activity remained the major source of credit risk for banks, despite the lower amount of loans granted to corporates in that sector in the last three years. At the end of 2014, corporate loans in the construction activity accounted for 12.0% of total bank loans

or 24.9% of total loans granted to corporates. Construction continued to have the leading role in the distribution of partly recoverable and fully irrecoverable claims based on corporate loans and it accounted for more than one quarter of the total amount of B and C category loans to corporates at the end of 2014. Still, in contrast to the preceding years, when the deterioration in the quality of loans in construction had the greatest impact on total developments, in 2014 the most significant contribution to the rise in B and C category loans was made by trade and real estate activities. Non-performing claims grew at rates of 12.1% and 27.3% respectively in those activities and caused B and C category loans to reach 36.2% of total loans granted in trade and 39.5% of total loans granted in real estate activities at the end of 2014. Loan value adjustments increased in most activities, particularly in construction, manufacturing and trade, leading to a rise in the coverage of B and C category loans. Among the activities mentioned above, the largest increase in the coverage of B and C category loans was attributable to manufacturing, where the coverage grew from 34.3% at the end of 2013 to 44.3% at the end of 2014.

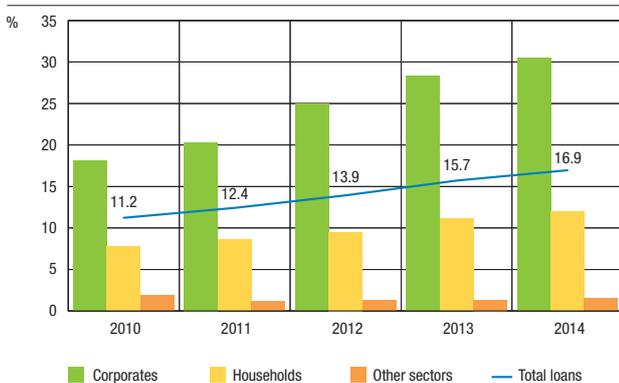
Household deleveraging continued for the sixth consecutive year; however, the intensity of deleveraging slowed down in 2014 from the year before. The decrease of HRK 1.2bn or 1.0% (1.6% if the exchange rate effect is excluded) in loans granted to the household sector was additionally brought about by the sale of some of the claims associated with difficulties in collection, the banks transferring more than HRK 810.0m in household loans to acquirers. All significant types of household loans saw a decrease from 2013, primarily as a result of a decline of more than HRK 1.5bn or 2.6% in home loans. In terms of its impact on total developments, the continued noticeable drop in car purchase loans came next, declining by HRK 0.7bn or 33.4%. Having trended downward for several years, the share of car purchase loans in the structure of household loans shrank to a mere 1.1% at the end of 2014.

In contrast to the decrease in almost all types of special purpose household loans, general-purpose cash loans continued to increase in 2014, growing by HRK 1.8bn (4.9%). The change increased the share of general-purpose cash loans in the structure of household loans to 31.9%. In spite of their decrease, home loans were still the dominant type of loans in the household sector, accounting for 45.9% of total loans to that sector. Overdraft facilities, credit card loans and other loans followed with much lower shares than the above mentioned loan types (6.7%, 3.1% and 3.1% respectively), while all other types of loans accounted for less than 10% of total household credit.

Although the quality of household loans continued to deteriorate in 2014, the intensity of the increase in partly recoverable and fully irrecoverable claims slowed down owing to the aforementioned sale of claims. The annual growth rate in B and C risk category loans was thus reduced by almost one half, standing at 6.7%, while the share of B and C risk category loans in total household loans grew from 11.1% at the end of 2013 to 12.0% at the end of 2014. The fall in the quality of total household loans was primarily affected by the deterioration in the quality of other loans, which accounted for almost

Figure 3.15 Share of bank partly recoverable and fully irrecoverable loans

end of period



Note: As of 31 October 2013, loan amount is reduced by the amount of collected fees (formerly recorded as deferred income in liabilities). Loans to non-profit institutions serving households are included in household loans.

Source: CNB.



### 3.1.4 Liquidity risk

#### Sources of financing

Total sources of bank financing<sup>25</sup> stood at HRK 327.2bn at the end of 2014, down by 0.5% from the end of 2013 (Table 3.8). The drop was almost entirely due to the changes in the exchange rate of the kuna, especially against the euro and the Swiss franc. Excluding these effects, total sources decreased by only 0.1%. As in 2013, slight changes in total sources of financing reflected the opposite trends in their components. The growth in domestic sources (of HRK 5.5bn or 2.1%) recorded in 2014 was nominally and relatively at the level of 2013, which is why the drop in the total sources of bank financing may be attributed to the noticeably intensified dynamics of decrease in foreign sources (which declined by HRK 7.3bn or 10.6%).

The decline in foreign sources is again attributable to foreign majority owners, sources from whom were lower by as much as HRK 9.7bn or 18.8%, while other non-residents increased their sources (13.3%). The share of sources received from majority foreign owners thus decreased by 2.9 percentage points and dropped to 12.8% of total bank sources. Against the backdrop of high system liquidity, moderate growth in domestic deposits and a decrease in total lending activity, banks additionally intensified the deleveraging vis-à-vis their foreign owners, rate of decrease more than doubling from the year before.

Broken down by types of instruments, the decrease in sources in 2014 is attributable to the decline of almost HRK 5.0bn (12.0%) in loans received. In contrast, deposits received continued to grow (by HRK 3.3bn or 1.2%), although, again, at an increasingly slower rate. The drop in debt instruments with the characteristics of equity continued, partly through its transformation into share capital, while issued debt instruments (bonds exclusively) remained stagnant.

The share of deposits continued to grow in the structure of sources of bank financing, reaching 87.4%, its highest level thus far. Due to the weak diversification of bank financing sources, the above mentioned increase in the share of deposits is a result of a several-year downward trend in loans received, which has persisted since 2007 (with the exception of 2009). Loans

received from majority foreign owners had a key impact on the decline in loans received in 2014, followed by loans received from domestic financial institutions. The drop in this source of financing was only partially mitigated by loans from other foreign financial institutions. The share of instruments with the characteristics of equity (hybrid and subordinated instruments) dropped slightly, accounting for 1.3% of all sources due to the opposite trends in its components. Issued debt securities retained their very small share of 0.1% of total sources.

Domestic sources stood at HRK 265.1bn at the end of 2014, whereby their share in total sources grew by 2.1 percentage points, reaching 81.0%. As stated previously, the increase primarily reflected the decline in the sources of majority foreign owners and the growth in domestic sources, primarily owing to household and corporate deposits. Among the domestic sectors, an increase in sources was observed in all other sectors except financial institutions, in which deposits and loans declined by around HRK 1.0bn or 3%. The drop in the sources of domestic financial institutions was mainly affected by open-ended investment funds which reduced their time deposits by one quarter.

At the end of the observed period, household deposits amounted to HRK 176.3bn, up by HRK 3.3bn (1.9%, or 0.6% effectively). The recorded rate of increase in household deposits fell to its lowest level since 2002. Nevertheless, due to the slow developments in other bank sources, the increase of the household deposit share continued, reaching 53.9% of total sources and 61.6% of total deposits and thus accounting for their largest share since 2001. Changes broken down by types were more significant than the total changes in household deposits. For the first time, in 2014 household time deposits stagnated, i.e. dropped by 0.5% effectively. The standstill in the growth of household savings is partly a result of the persisting crisis forcing some households to spend their savings. Furthermore, the introduced tax on savings interest<sup>24</sup> is expected to negatively affect some savers in 2015 and trigger a migration of some financial assets to other forms (voluntary pension funds, life insurance, bonds, etc.). The reporting year was characterised by a strong nominal and relative rise in transaction account deposits of HRK 7.6bn (41.5%), primarily resulting from the

Table 3.8 Structure of bank sources of financing

end of period, in million HRK and %

	2012		2013			2014		
	Amount	Share	Amount	Share	Change	Amount	Share	Change
Deposits	275,844.0	84.1	282,805.6	85.9	2.5	286,075.7	87.4	1.2
Loans	47,402.1	14.4	41,483.1	12.6	-12.5	36,498.1	11.2	-12.0
Debt securities issued	300.0	0.1	299.9	0.1	0.0	299.9	0.1	0.0
Hybrid and subordinated instruments issued	4,634.0	1.4	4,459.3	1.4	-3.8	4,369.4	1.3	-2.0
<b>Total sources of financing</b>	<b>328,180.1</b>	<b>100.0</b>	<b>329,048.0</b>	<b>100.0</b>	<b>0.3</b>	<b>327,243.2</b>	<b>100.0</b>	<b>-0.5</b>
Sources of financing from majority foreign owner	55,808.3	17.0	51,514.6	15.7	-7.7	41,849.3	12.8	-18.8

Source: CNB.

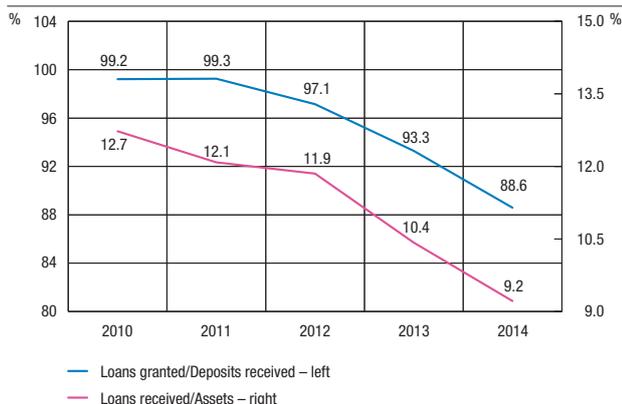
<sup>25</sup> Sources of financing are composed of received deposits, received loans, issued debt securities and issued subordinated and hybrid instruments.

<sup>24</sup> The Act on Amendments to the Income Tax Act (OG 143/2014) introduced, *inter alia*, a tax on interest on kuna and foreign currency savings deposits (sight and time savings deposits and annuity savings) at a rate of 12%. Interest on the positive balance in giro accounts, current accounts and foreign currency accounts are not subject to tax provided that the interest rate does not exceed 0.5% a year. Interest rate receipts arising from investments in bonds and receipts based on yields from life insurance premiums which constitute savings and voluntary pension insurance premiums are also exempt from tax.



Figure 3.17 Bank liquidity indicators

end of period



Source: CNB.

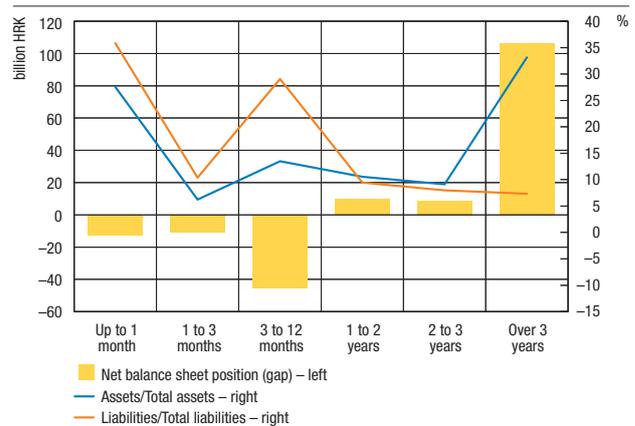
other foreign financial institutions. Consequently, the share of transaction account deposits in total deposits grew by 4.4 percentage points, standing at 23.6% at the end of 2014, while the shares of time deposits and savings deposits dropped to 70.1% and the remaining 6.3% respectively.

Funds in transaction accounts are normally mostly in kuna; however, the share of foreign currency funds rose noticeably from 17.1% in 2013 to 26.3% in 2014, causing the share of kuna funds to decrease from 82.9% to 73.7%. In most cases, this was a consequence of the change in the reporting of foreign currency transaction accounts in the household sector. At the level of total deposits, foreign currency changes were relatively moderate: kuna deposits grew from 33.1% to 33.5%, accompanied by the corresponding decline in the share of foreign currency deposits (deposits in foreign currency and kuna deposits with a foreign currency clause), which dropped to 66.5%. Euro deposits again accounted for the bulk of foreign currency deposits (86.4%), while deposits in Swiss francs and US dollars accounted for 4.9% and 7.2%, respectively. Deposits in all other currencies were still quite rare, jointly accounting for a share of only 1.3% of all foreign currency deposits. The nominal growth in foreign currency deposits of 0.6% was mostly the result of the changes in the kuna exchange rate, especially against the euro and the Swiss franc. If these effects are excluded, foreign currency deposits recorded a decrease of 0.7% in real terms.

The downward trend in the ratio of loans granted to deposits received continued, standing at 88.6% at the end of 2014 (Figure 3.17). The drop in the value of this indicator reflects the banks' slow lending activity which has persisted for several years. Among other influences, net loans were greatly affected by an entire range of factors in the last three years (regulatory and methodological changes and the implementation of AQR

Figure 3.18 Asset and liability maturity match or mismatch

as at 31 December 2014



Source: CNB.

as recommended by the EBA and the ECB), which makes it difficult to compare this indicator with its value in the previous periods. Due to simultaneous changes in balance sheet assets and liabilities, the sale of claims and the exit of certain banks from the system had a relatively mild effect on the values of this indicator. Furthermore, bank deleveraging vis-à-vis their majority foreign owners primarily involved the reduction of liabilities arising from loans received, while the decrease in the deposits from these sources was mostly offset by an increase in domestic deposits. Therefore, the decrease in the share of loans received in total assets to 9.2%, its historic low, was again relatively strong among the observed liquidity indicators.

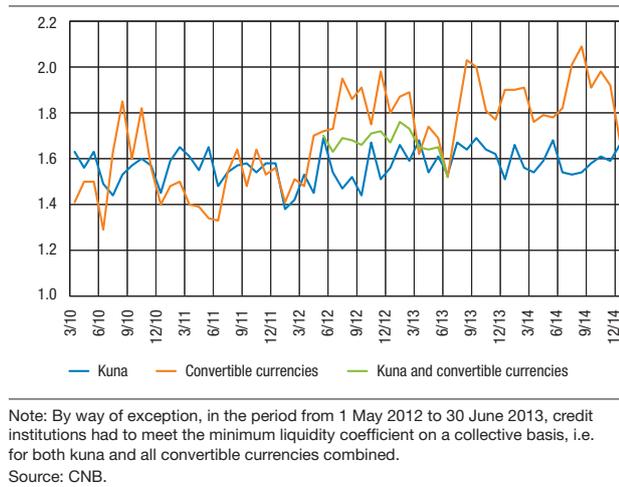
### Maturity adjustment of bank assets and liabilities

Following a noticeable increase in 2013, the mismatch between short-term assets and short-term liabilities of banks was slightly reduced in 2014. The traditionally negative short-term cumulative gap<sup>26</sup> stood at HRK -68.8bn at the end of 2014. In spite of that, a considerable widening of the gap from HRK -11.9bn to -20.3bn was still present in the shortest maturity band of *up to 15 days*. The increase of mismatches in that maturity band reflects the hike in transaction account liabilities (of 24.5%), which ultimately increased the amount of liabilities in that band by almost HRK 8bn or 7.9%. At the same time, assets within the same maturity band saw a slight decline (of 0.6%), primarily as a result of a drop in loans. All remaining short-term maturity bands recorded a decrease in mismatches, mostly as a consequence of a fall in liabilities (time deposits and loans received), which ultimately led to a slight recovery of the negative short-term cumulative gap.

A strong decrease in short-term liabilities coupled with a noticeably milder decline in short-term assets caused their ratio to increase by 1 percentage point, reaching 73.1%. The liquidity

26 The maturity match or mismatch between assets and liabilities is shown by remaining maturity, i.e. by maturity bands and on a net basis, adjusted for the estimated capacity of each debtor or an entity subject to payment to actually execute the payment in the agreed amount and within the agreed time limit. There are a total of 13 maturity bands, starting from *up to 15 days* and ending with *more than 240 months*. The gap is net cash flow excess or shortfall in each maturity band. The short-term cumulative gap is the sum of net cash flow excesses or shortfalls in all maturity bands of up to 12 months.

Figure 3.19 Minimum liquidity coefficient for period up to one month



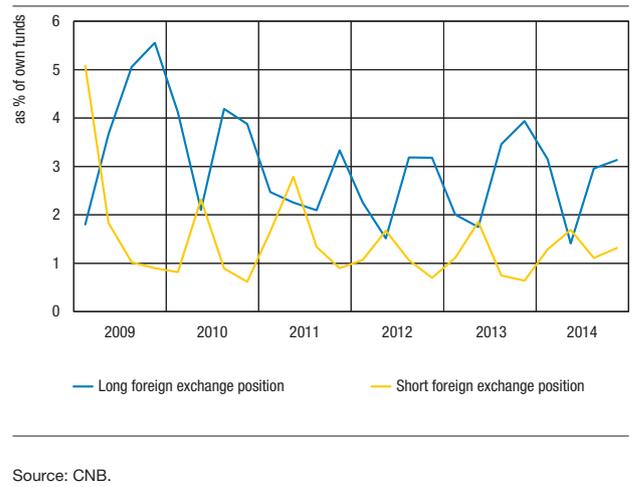
coefficient<sup>27</sup> remained at 0.9. The maturity band *more than 6 to 12 months* exhibited the greatest mismatch between assets and liabilities, of 29.6bn kuna.

### Minimum liquidity coefficient<sup>28</sup>

Observed at the aggregate level, banks maintained considerably higher values of minimum coefficients in kuna and convertible currencies throughout 2014 in both given periods<sup>29</sup>. At the end of the year, MLC in kuna stood at 2.2 for the period of up to one week and at 1.7 for the period of up to one month, while MLC in convertible currencies stood at 2.6 and 1.7. Considerable deviations from average coefficient values for convertible currencies were maintained throughout the year, with their values at a noticeably higher level than in the year before. This was primarily a consequence of reduced flows arising from derivative financial instruments and transactions with group members. Changes in coefficients for kuna were again less marked. In terms of the amount of change, the most pronounced changes were observed in claims/liabilities arising from derivative financial instruments, followed by inflows arising from loans granted to other corporates and natural persons.

Readily marketable assets (RMA)<sup>30</sup> of banks stood at HRK 68.7bn at the end of 2014, having grown by HRK 7.3bn or 11.8% from the end of the previous year. This led to a noticeable increase in the share of these assets in total bank assets from 15.4% (2013) to 17.3%. The rise in the amount of RMA reflected the increase in the banks' investments in deposits/loans

Figure 3.20 Foreign exchange positions of banks quarterly averages



with credit institutions and deposits with the CNB. Changes in the structure of readily marketable assets were not prominent. With a share of 25.4%, deposits with the CNB were still the largest RMA item, while the share of deposits/loans with credit institutions increased by 0.9 percentage points, reaching 24.3%. Banks held 42% of RMA in securities that meet the conditions for inclusion in this category of assets. In 2013, the share stood at 42.3%. Compared with the end of 2013, a noticeable rise from 16.0% to 19.0% was observed in the share of securities allocated to the available-for-sale portfolio at the expense of the share of MoF T-bills (which dropped by 2 percentage points to 18.6%) and securities allocated to the held-for-trading portfolio (which dropped by 1.7 percentage points to 1.6%). The share of money assets saw a slight decrease from 9.0% to 8.1% of RMA.

### 3.1.5 Currency adjustment of bank assets and liabilities

In 2014, shares of foreign currency assets and liabilities dropped slightly, but remained dominant. Foreign currency assets thus accounted for 61.8% of total assets, and foreign currency liabilities for 67.2% of total bank liabilities. The bulk of foreign currency assets and liabilities of banks has traditionally been accounted for by three currencies: the euro, Swiss franc and US dollar.

In 2014, the exchange rates of all foreign currencies most

27 This is the ratio of total assets with maturity up to one month to total liabilities with the same maturity.

28 Minimum liquidity coefficient (MLC) is calculated as the ratio of expected inflows (currently negotiable assets included) and expected outflows in periods of stress in the two given periods (up to 1 week and up to 1 month) and must be equal to or higher than 1. MLC is calculated for kuna, all convertible currencies combined and for each non-convertible currency separately (if it is significant). Moreover, in the said period, but no longer than for seven calendar days during the reporting month, banks are exceptionally allowed to maintain MLC only in one currency (in kuna or all convertible currencies together or non-convertible currencies separately) at a level 10% below 1 (i.e. 0.9), regardless of the time zone (up to 1 week or up to 1 month). Exceptionally, in the period from 1 May 2012 until 30 June 2013, banks were allowed to meet MLC on a collective basis, i.e. for both kuna and all convertible currencies combined.

29 For the purposes of calculating the minimum liquidity coefficient, inflows and outflows are reported according to an acute short-term stress scenario specified by the CNB, which is much more stringent than actual cash flows because of various requirements and haircuts. The purpose of the stress scenario is to determine whether a credit institution has sufficient liquid assets to meet its liquidity needs in stressed conditions within a given period.

30 Readily marketable assets (RMA) are those liquid assets which are available to the credit institution and which may be turned into cash quickly (within four working days) and easily (with no significant losses).

widely represented in the banks' balance sheets grew. The least substantial increase of 0.3% was observed in the value of the euro against the kuna. The Swiss franc strengthened by 2.2%, while the value of the US dollar grew by 13.6% relative to the kuna.

Foreign currency assets of banks (the share of total assets which comprises assets in foreign currencies and items in kuna with a currency clause) declined by 1.8% (2.8% in real terms, if the above mentioned trends related to the most represented currencies are taken into account). They stood at HRK 244.8bn at the end of 2014, which is HRK 4.4bn less than at the end of 2013. At the same time, kuna asset items amounted to HRK 151.1bn, accounting for an effective increase of HRK 2.4bn or 1.6%.

The decline in foreign currency assets primarily involved kuna assets indexed to a foreign currency, which saw a decrease of 6.5% (HRK 9.9bn) in 2014, mostly as a result of a drop in loans granted. Foreign currency assets grew by 5.8% or HRK 5.5bn, mainly due to a significant increase of 22.6% in foreign currency deposits with financial institutions.

Foreign currency liabilities of banks declined at a somewhat slower pace than foreign currency assets in the observed period, by 0.8% (or 1.9% in real terms). They amounted to HRK 228.5bn, maintaining their share in total liabilities of banks at the level recorded at the end of 2013 (67.2%). As on the foreign currency asset side, a considerably larger decline of 6.7% was recorded in kuna liabilities indexed to a foreign currency, while foreign currency liabilities fell by 0.4%. The decrease in kuna liabilities indexed to a foreign currency of HRK 848.8m was largely due to the decline in received long-term loans of HRK 0.7bn. The developments related to foreign currency liabilities were affected by the fall in savings and time deposits (by 17.9% and 2.3% respectively) in the total amount of HRK 7.1bn. At the same time, foreign currency deposits on transaction accounts increased by HRK 8.5bn, causing total foreign currency deposits to ultimately see a slight rise (of 0.7%). Furthermore, the decline of HRK 1.7bn (8.7%) in long-term loans received also had a significant effect. The kuna share of liabilities shrank primarily on account of a decline in loans received (of HRK 2.8bn or 27.9%), notably long-term loans (which dropped by HRK 2.1bn).

The average three-month open foreign exchange position of all banks was long and stood at 3.1% of average own funds<sup>31</sup>. Large banks and small banks had an average long open foreign exchange position (3.0% and 6.9% respectively), while medium-sized banks had a short position (2.2%).

Table 3.10 Interest rate risk in the non-trading book as at 31 December 2014, in million HRK and %

Currency	Interest rate type	Net position (before weighting)	Net weighted position
HRK	Administered interest rate	-36,562.9	-654.4
	Variable interest rate	51,836.3	433.0
	Fixed interest rate	7,728.3	470.9
EUR	Administered interest rate	-14,645.8	-291.3
	Variable interest rate	112,335.1	389.2
	Fixed interest rate	-89,765.4	-628.3
CHF	Administered interest rate	-636.2	-12.3
	Variable interest rate	-6,140.1	-26.8
	Fixed interest rate	10,518.1	1,868.9
USD	Administered interest rate	-1,260.1	-34.6
	Variable interest rate	1,186.4	2.4
	Fixed interest rate	-749.3	-2.3
Other	Administered interest rate	-2,812.4	-37.7
	Variable interest rate	25.0	-7.6
	Fixed interest rate	2,119.6	301.1
Change in the economic value of the non-trading book			1,770.0
Own funds			53,178.5
Change in the economic value of the non-trading book as % of own funds			3.3

Source: CNB.

### 3.1.6 Interest rate risk in the non-trading book

Regardless of the increase recorded in 2014, the exposure of banks to interest rate risk remained very low in the non-trading book, which has been a regular occurrence ever since the regulations on interest rate risk management began to apply in 2010.<sup>32</sup> Banks achieved low exposure owing to the mostly balanced relation between interest rate-sensitive assets and liabilities in particular time zones, while most unmatched interest rate-sensitive assets and liabilities were located in time zones with a low weight.

At the end of 2014, the exposure of banks to interest rate risks stood at 3.3% of own funds (Table 3.10), which is an increase from 2013, when it stood at only 0.1%. Although own funds of banks decreased slightly (by around 0.5%) in the observed period, the aforementioned rise was primarily caused by the change in the economic value of the non-trading book, which increased by HRK 1.7bn, from the extremely low HRK 0.1bn to HRK 1.8bn.

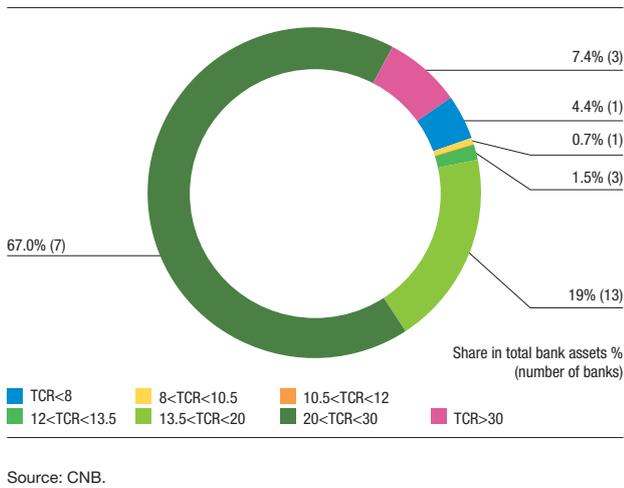
The aforementioned change was mainly affected by the regulatory change from the beginning of 2014, i.e. the adoption

<sup>31</sup> Due to the harmonisation with EU regulations, the cap on open foreign exchange position of banks, previously set at 30% of own funds, was abolished as of 30 June 2014.

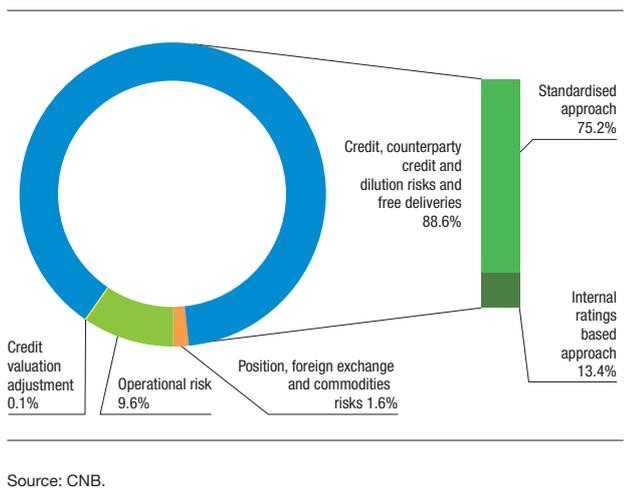
<sup>32</sup> Interest rate risk in the non-trading book is due to maturity mismatch/revaluation of interest rates of non-trading book positions. For the purposes of measuring the effect of interest rate risk in the non-trading book, credit institutions are obligated to apply the standard interest rate shock which assumes a simultaneous parallel positive or negative shift in all interest bearing positions in the non-trading book (regardless of the interest rate type and currency) on the reference yield curve of 200 basis points (2%). All interest rate-sensitive items of the non-trading book are distributed into 13 time zones and weighted by appropriate weights, calculated by multiplying the estimated modified duration for each time zone and assumed interest rate shock. The result is the estimated change in the economic value of the non-trading book, i.e. the estimated present value of all expected net cash flows, measured by the net weighted position, which may not exceed 20% of own funds.



**Figure 3.23 Distribution of the bank total capital ratio (TCR) as at 31 December 2014**



**Figure 3.24 Structure of bank total risk exposure as at 31 December 2014**



Total risk exposure dropped by HRK 6.0bn or 2.4% in 2014, mainly owing to the decrease of HRK 3.2bn or 1.5% in the exposure to credit risk, counterparty credit risk, dilution risk, and free delivery risk (hereinafter: credit risk). The exposure to market risks was lower by HRK 2.2bn or 35.2%, while the exposure to operational risk dropped by HRK 0.9bn or 3.8%. Such developments were mitigated by the introduction of the credit valuation adjustment risk (counterparty credit risk for OTC derivative financial instruments<sup>35</sup> and securities financing transactions) based on which the banks reported an exposure of HRK 354.7m (Table 3.11). However, the effect of the risk was small and accounted for only 0.1% of total risk exposure. A strong decline in exposure to market risks was primarily brought about by the decrease in exposure arising from traded debt instruments (of 34.4%), which may be attributed to

the changes in regulations linked with general position risk (in zone 1, a weight of 0.0% is applied instead of the 0.1% weight for the maturity-based approach)<sup>36</sup>.

In the distribution of total exposure broken down by risks, only the share of exposure to credit risk grew, reaching 88.6% (Figure 3.24). The lion's share of the exposure, almost 85%, was calculated by applying the standardised approach (STA approach), while the rest was calculated using the internal ratings based approach (IRB approach), still applied by one of the banks.

The drop in the exposure to credit risk (weighted amount) was affected by the decrease in the amount of weighted exposures, primarily due to the slowdown in lending activity, but also due to the marginal decline in the average weight for credit risk. The weight dropped from 54.0% at the end of 2013 to 53.9% at the end of 2014 as a result of the decrease in the average weight in the calculation of exposure under the STA approach (from 55.7% to 54.5%). The use of 75% and 35% weights rose

**Table 3.11 Own funds, risk exposure and capital ratios of banks as at 31 December 2014, in million HRK and %**

	Amount	Share
<b>OWN FUNDS</b>	<b>53,095.6</b>	<b>100.0</b>
Tier 1 capital	50,228.0	94.6
Common equity tier 1 capital	50,228.0	94.6
Capital instruments eligible as common equity tier 1 capital	33,508.8	63.1
Retained earnings	16,788.5	31.6
Other items	-69.4	-0.1
Additional tier 1 capital	0.0	0.0
Tier 2 capital	2,867.7	5.4
<b>Total risk exposure amount</b>	<b>247,747.1</b>	<b>100.0</b>
Risk weighted exposure amounts for credit, counterparty credit and dilution risks and free deliveries	219,507.4	88.6
Standardised approach	186,308.6	75.2
Central governments or central banks	2,835.6	1.1
Corporates	63,757.9	25.7
Retail	61,793.2	24.9
Exposures in default	27,107.6	10.9
Other items	30,814.4	12.4
Internal ratings based approach (IRB)	33,198.8	13.4
Position, foreign exchange and commodities risks	4,068.8	1.6
Operational risk	23,816.2	9.6
Credit valuation adjustment	354.7	0.1
Other	0.0	-
<b>Common equity tier 1 capital ratio</b>	<b>20.3</b>	<b>-</b>
<b>Tier 1 capital ratio</b>	<b>20.3</b>	<b>-</b>
<b>Total capital ratio</b>	<b>21.4</b>	<b>-</b>

Source: CNB.

<sup>35</sup> OTC (over-the-counter) derivative financial instruments are traded directly between contracting parties (instead of through regulated markets).

<sup>36</sup> Based on the Results of the quantitative impacts study of the draft Capital Requirements Regulation and Directive, July 2012, www.hnb.hr.



## 3.2 Business operations of housing savings banks

At the end of 2014, there were 5 housing savings banks operating in the Republic of Croatia. Four housing savings banks were directly or indirectly owned by foreign shareholders and one was in domestic ownership. Housing savings banks' assets increased slightly in 2014, in contrast to bank assets, which declined, but their share in the total assets of credit institutions was still low and stood at only 1.93%.

### 3.2.1 Balance sheet and off-balance sheet items

Housing savings banks' assets grew by HRK 206.0m or 2.7%, reaching HRK 7.8bn (Table 3.12) in 2014. Despite the abolition of incentives for housing savings deposited in 2014 (housing savings banks received government incentives for the previous period on two occasions during the year), the growth in assets at the annual level was mainly based on an increase in household savings (of HRK 333.9m or 5.25%), which were primarily used for an increase in loans (of HRK 346.8m or 8.60%). Compared with the end of 2013, deposits placed with financial institutions saw a decline (of HRK 88.8m or 16.98%), while investments in securities recorded a rise (of HRK 224.7m or 9.96%).

The increase in total sources of financing was principally a consequence of a rise in household time deposits of HRK 553.0m or 9.02%. In contrast to the year before, when loans received saw a substantial increase, the opposite trend was recorded in 2014, when loans received declined by HRK 78.8m or 33.52% (mostly on account of short-term loans received).

In addition to deposits received, which accounted for 86.1% of housing savings bank liabilities, the bulk of the remaining share was accounted for by capital, which rose by 19.0%, reaching HRK 718.1m. The aforementioned increase in capital was based on a rise of 96.9% in current year profit; retained earnings also saw an increase, although somewhat less strongly (31.9%).

Home loans, loans to financial institutions and securities increased on the assets side, while other items recorded a decline. The rise in the amount of securities was the result of investments in RC bonds, which increased by 10.0%, reaching HRK 2.5bn. With the share of 92.4% in total loans and 52.1% in assets, home loans were the most significant asset item, growing at the rate of 6.9% or HRK 262.7m in 2014. Due to the aforementioned changes, total home loans stood at HRK 4.0bn. The asset items that recorded the largest fall were deposits with financial institutions (17.0% or HRK 88.8m) and T-bills (19.5% or HRK 85.2m).

Housing savings banks' standard off-balance sheet items amounted to HRK 33.3m at the end of the observed period, sliding by HRK 75.0m or 69.9% from 2013. Their ratio to total assets has always been very low, standing at only 0.4%, and they comprised only credit lines and commitments, usually involving granted, but unrealised home loans.

### 3.2.2 Income statement

In 2014, housing savings banks generated HRK 71.4m in profit from continuing operations (before tax), 62.5% more

Table 3.12 Structure of housing savings bank assets  
end of period, in million HRK and %

	2012		2013			2014		
	Amount	Share	Amount	Share	Change	Amount	Share	Change
Money assets and deposits with the CNB	0.0	0.0	0.0	0.0	92.9	0.0	0.0	-48.1
Money assets	0.0	0.0	0.0	0.0	92.9	0.0	0.0	-48.1
Deposits with the CNB	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deposits with financial institutions	723.1	9.7	522.8	6.9	-27.7	434.1	5.6	-17.0
MoF treasury bills and CNB bills	594.1	8.0	435.9	5.8	-26.6	350.8	4.5	-19.5
Securities	2,056.4	27.6	2,256.5	29.8	9.7	2,481.2	31.9	10.0
Derivative financial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loans to financial institutions <sup>a</sup>	69.3	0.9	20.8	0.3	-70.0	141.6	1.8	580.6
Loans to other clients	3,698.3	49.6	4,013.8	53.1	8.5	4,239.8	54.6	5.6
Investments in subsidiaries, associates and joint ventures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Foreclosed and repossessed assets	0.2	0.0	0.2	0.0	0.0	0.2	0.0	0.0
Tangible assets (net of depreciation)	5.3	0.1	3.9	0.1	-27.1	3.0	0.0	-22.1
Interest, fees and other assets	363.5	4.9	310.8	4.1	-14.5	120.2	1.5	-61.3
Net of: Collectively assessed impairment provisions <sup>b</sup>	54.1	0.7	0.0	0.0	-100.0	0.0	0.0	0.0
<b>Total assets</b>	<b>7,456.1</b>	<b>100.0</b>	<b>7,564.7</b>	<b>100.0</b>	<b>1.5</b>	<b>7,770.8</b>	<b>100.0</b>	<b>2.7</b>

<sup>a</sup> As of October 2013, loan amount is reduced by the amount of collected fees (formerly recorded as deferred income in liabilities).

<sup>b</sup> As of October 2013, the amounts of financial instruments are reduced by the amount of the corresponding collectively assessed impairment provisions (for category A).

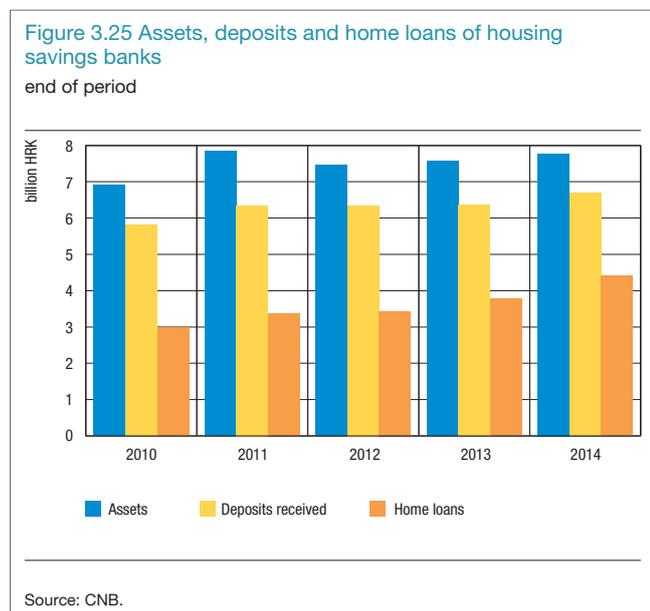
Source: CNB.

**Table 3.13 Structure of housing savings bank liabilities and capital**  
end of period, in million HRK and %

	2012		2013			2014		
	Amount	Share	Amount	Share	Change	Amount	Share	Change
Loans from financial institutions	0.0	0.0	139.6	1.8	–	60.5	0.8	–56.7
Short-term loans	0.0	0.0	139.6	1.8	–	60.5	0.8	–56.7
Long-term loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deposits	6,344.9	85.1	6,359.0	84.1	0.2	6,694.3	86.1	5.3
Transaction account deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Savings deposits	160.7	2.2	223.8	3.0	39.3	4.7	0.1	–97.9
Time deposits	6,184.2	82.9	6,135.2	81.1	–0.8	6,689.6	86.1	9.0
Other loans	94.3	1.3	95.5	1.3	1.2	95.8	1.2	0.3
Short-term loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term loans	94.3	1.3	95.5	1.3	1.2	95.8	1.2	0.3
Derivative financial liabilities and other financial liabilities held for trading	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Debt securities issued	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Short-term debt securities issued	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term debt securities issued	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subordinated instruments issued	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Hybrid instruments issued	97.8	1.3	88.4	1.2	–9.6	83.4	1.1	–5.7
Interest, fees and other liabilities <sup>a</sup>	345.4	4.6	278.9	3.7	–19.3	118.7	1.5	–57.4
<b>Total liabilities</b>	<b>6,882.4</b>	<b>92.3</b>	<b>6,961.4</b>	<b>92.0</b>	<b>1.1</b>	<b>7,052.7</b>	<b>90.8</b>	<b>1.3</b>
Share capital	487.9	6.5	487.9	6.4	0.0	487.9	6.3	0.0
Current year profit (loss)	67.5	0.9	29.9	0.4	–55.7	58.8	0.8	96.9
Retained earnings (loss)	25.1	0.3	91.1	1.2	262.6	120.1	1.5	31.9
Legal reserves	6.7	0.1	8.2	0.1	22.8	9.0	0.1	10.0
Reserves provided for by the articles of association and other capital reserves	3.6	0.0	3.5	0.0	–1.2	–8.0	–0.1	–
Revaluation reserves	–17.1	–0.2	–17.2	–0.2	0.7	50.2	0.6	–
Previous year profit (loss)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total capital</b>	<b>573.7</b>	<b>7.7</b>	<b>603.4</b>	<b>8.0</b>	<b>5.2</b>	<b>718.1</b>	<b>9.2</b>	<b>19.0</b>
<b>Total liabilities and capital</b>	<b>7,456.1</b>	<b>100.0</b>	<b>7,564.7</b>	<b>100.0</b>	<b>1.5</b>	<b>7,770.8</b>	<b>100.0</b>	<b>2.7</b>

<sup>a</sup> As of October 2013, the amount of granted loans in assets is reduced by the amount of fees collected on loans (formerly recorded as deferred income in liabilities).

Source: CNB.



than the year before (Table 3.14). The main cause of profit growth was the better performance in debt instrument trading, which included RC bonds and T-bills. All housing savings banks improved their business performance and operated at a profit, as opposed to 2013, when one housing savings bank operated at a loss.

In addition to the profit from trading in domestic securities in the amount of HRK 15.4m (as opposed to the HRK 7.3m in losses recorded in 2013), interest income, particularly interest income from home loans, had a significant positive effect on the income statement of housing savings banks. It grew by HRK 18.8m or 10.0% as a result of a noticeable rise in home loans observed in 2014 (7.0%). Housing savings banks managed to cut general administrative expenses and depreciation (5.2%) and almost halve the expenses on value adjustments and provisions (mainly for losses on a collective basis). The cost to income ratio dropped from 70.2% to 60.6% and the loss provision expenses to net operating income ratio fell from 15.9% to 5.8%.

The substantial drop of HRK 11.1m or 16.6% in income from fees and commissions had a negative effect on business performance. The effect was due to the fall in income from fees and commissions pertaining to housing savings contracts. At the same time, interest expenses increased considerably (by HRK 8.2m or 4.1%) as a result of a 5.3% growth in household deposits in 2014. The ROAA of three housing savings banks was above 1%, while four housing savings banks recorded a ROAE higher than 8%.

### 3.2.3 Credit risk

In 2014, total housing savings bank placements and off-balance sheet liabilities (items exposed to credit risk that are classified into risk categories) decreased by 4.8%, to HRK 5.9bn (Table 3.15). This was caused by a significant decrease in investments in debt securities and, partially, by a decline in standard off-balance sheet items, while loans, particularly home loans, recorded an increase. As 98.8% of home loans were classified into risk category A at the end of 2014, their quality was very good, as was the quality of total exposure owing to the dominance of

household home loans and their excellent quality. Risk categories B and C accounted for only 1.2% of total placements and off-balance sheet liabilities of housing savings banks.

At the end of 2014, housing savings banks participated in home loans at system level with HRK 4.1bn or 7.3%. In the distribution of loans according to sectors, loans to housing savings banks' savers accounted for 92.4% of gross loans, while the remaining share was distributed between the sector of financial institutions and the corporate sector. The dominance of household home loans, made at fixed interest rates, mainly in kuna indexed to euro, continued to contribute positively to the high quality of total loans granted by housing savings banks. B and C category loans comprised home loans only, with a share of 1.6% in total loans and 1.8% in home loans. The average coverage of B and C category loans by value adjustments increased slightly and stood at 23.5%.

### 3.2.4 Capital adequacy

At the end of 2014, the total capital ratio of housing savings banks was 23.5%, having increased noticeably from the end

Table 3.14 Housing savings bank income statement  
in million HRK and %

	Amount		Change
	Jan. – Dec. 2013	Jan. – Dec. 2014	
<b>CONTINUING OPERATIONS</b>			
Interest income	337.6	353.8	4.8
Interest expenses	197.8	205.9	4.1
Net interest income	139.8	147.9	5.8
Income from fees and commissions	66.9	55.8	-16.6
Expenses on fees and commissions	9.0	8.8	-1.8
Net income from fees and commissions	58.0	47.0	-18.9
Income from equity investments	0.0	0.0	0.0
Gains (losses)	-5.3	20.0	-
Other operating income	6.3	2.7	-57.1
Other operating expenses	23.7	25.3	6.8
Net other non-interest income	-22.6	-2.6	-88.6
Total operating income	175.1	192.3	9.8
General administrative expenses and depreciation	122.8	116.5	-5.2
Net operating income before loss provisions	52.3	75.8	45.0
Expenses on value adjustments and provisions	8.3	4.4	-47.2
Other gains (losses)	0.0	0.0	0.0
<b>Profit (loss) from continuing operations, before taxes</b>	<b>43.9</b>	<b>71.4</b>	<b>62.5</b>
Income tax on continuing operations	13.9	12.6	-9.7
<b>Profit (loss) from continuing operations, after taxes</b>	<b>30.0</b>	<b>58.8</b>	<b>96.0</b>
<b>DISCONTINUED OPERATIONS</b>			
Profit (loss) from discontinued operations, after taxes	-0.1	0.0	-100.0
<b>Current year profit (loss)</b>	<b>29.9</b>	<b>58.8</b>	<b>96.9</b>
Memo item:			
Number of housing savings banks operating with losses, before tax	1	0	-100.0

Source: CNB.

of 2013, when it stood at 20.5%. The ratio grew substantially as a result of both an increase in own funds and a decrease in risk exposure, with the latter, relating exclusively to a decrease in credit risk exposure, contributing significantly more to the trend. Reduced risk exposure was largely affected by the more favourable weighting in the household category under the new capital regime. Exposures to market risks and operational risk grew<sup>38</sup>, with the exposure arising from traded debt instruments standing out the most due to its substantial rate of growth (of 35.2%).

As was the case with banks, own funds of housing savings banks mostly comprised items of the highest quality, which is why the remaining two capital ratios were also high. The common equity tier 1 capital ratio stood at 21.2%, as did the tier 1 capital ratio. All housing savings banks met the prescribed minimum capital ratios. In order to meet capital buffer requirements, housing savings banks had to allocate HRK 104.7m of common equity tier 1 capital at the end of 2014, of which

HRK 75.1m served as the capital conservation buffer and HRK 29.6m as the structural systemic risk buffer.

The decline in the average weight of credit risk from 36.2% at the end of 2013 to 32.9% at the end of 2014 contributed the most to the decrease in the exposure of housing savings banks to credit risk. Housing savings banks noticeably increased the use of weights of 75% and 35% for exposures secured by real estate property, whereas the use of the 100% risk weight dropped. The 75% risk weight is the only weight envisaged for the household category under the new regime, and the share of items weighted by 75% grew climbed from 17.8% to 29.5% of total weighted exposure<sup>39</sup>. Although the share of exposure weighted by 35% also grew, from 11.3% to 17.0%, the least risky items, those carrying a 0% weight, continued to dominate, accounting for as much as 48.4% of total weighted exposure. This is the result of the large share in the balance sheets of housing savings banks accounted for by investments in central government securities.

Table 3.15 Classification of housing savings bank placements and assumed off-balance sheet liabilities by risk categories

end of period, in million HRK and %

	2012		2013			2014		
	Amount	Share	Amount	Share	Change	Amount	Share	Change
A	5,979.0	99.5	6,234.4	99.2	4.3	5,911.4	98.8	-5.2
B	29.7	0.5	48.3	0.8	62.7	67.1	1.1	38.9
C	2.7	0.0	3.8	0.1	42.7	5.4	0.1	41.1
Total	6,011.4	100.0	6,286.5	100.0	4.6	5,983.9	100.0	-4.8

Source: CNB.

Table 3.16 Coverage of housing savings bank total placements and assumed off-balance sheet liabilities by total value adjustments and provisions

end of period, in million HRK and %

	2012	2013	2014
Total value adjustments against placements and provisions for assumed off-balance sheet liabilities	61.2	66.7	69.1
Value adjustments and provisions	6.7	12.1	17.5
Collectively assessed value adjustments and provisions	54.5	54.6	51.5
Total placements and assumed off-balance sheet liabilities	6,011.4	6,286.5	5,983.9
Coverage	1.0	1.1	1.2

Source: CNB.

<sup>38</sup> Housing savings banks did not report the exposure to credit valuation adjustment risk.

<sup>39</sup> All housing savings banks calculate exposure to credit risk by applying the standardised approach.

### 3.3 Report on prudential regulation and supervision

The CNB's tasks regulated by the Act on the Croatian National Bank<sup>40</sup> include the issuance and withdrawal of authorisations and approvals in accordance with the laws governing the operation of credit institutions and credit unions, and supervision and oversight in accordance with laws governing the operation of these institutions. The main objectives of supervision exercised by the CNB are to maintain confidence in the Croatian banking system, and to promote and safeguard its safety and stability. The exercise of supervision and oversight of credit institutions and credit unions is governed by the Credit Institutions Act<sup>41</sup> and the Credit Unions Act<sup>42</sup>.

It is important to note that rules and requirements related to the operation of credit institutions are no longer limited to Croatian regulations only (the Credit Institutions Act with relevant subordinate legislation), but also encompass EU regulations (particularly Regulation (EU) No 575/2013<sup>43</sup> with the relevant technical standards, constituting regulations directly applied in EU member states).

Supervision of credit institutions consists of several coordinated activities aimed at verifying the compliance of credit institutions (banks, savings banks and housing savings banks) with risk management rules, provisions of the Credit Institutions Act and regulations adopted under that Act as well as other relevant laws and regulations governing the conduct of financial activities, their own rules, and professional standards and rules. In addition to supervision, the CNB exercises oversight of the implementation of the Act on the Croatian National Bank, regulations adopted under that act, and the implementation of other laws and regulations for which it is competent.

The CNB exercises supervision of credit institutions by:

- collecting and analysing reports and information, ongoing monitoring of credit institutions' operations;
- carrying out on-site examinations of credit institutions' operations;
- imposing supervisory measures in order to take timely actions to improve the safety and stability of credit institutions' operations and to eliminate any illegalities established, and
- issuing opinions, authorisations, approvals and assessment of credit institutions.

The CNB exercises supervision of credit unions in a similar manner.

#### 3.3.1 New normative framework in the area of operation and supervision of credit institutions

The normative adjustment to the new approach governing the operation and supervision of credit institutions, known as CRD IV/CRR, began in 2013, following the accession of the Republic of Croatia to the European Union, by the adoption of the new Credit Institutions Act<sup>44</sup> transposing Directive 2013/36/EU<sup>45</sup> (the so-called CRD IV). The Act entered into force on 1 January 2014, at the same time as Regulation (EU) No 575/2013 (the so-called CRR), directly applicable to credit institutions and investment firms. These two regulations and the Act on the Financial Stability Council<sup>46</sup> jointly constitute the new fundamental normative framework governing the entire operation and supervision of credit institutions based on which a range of subordinate pieces of legislation, decisions, standards and guidelines related to prudential requirements will be adopted at a certain pace for credit institutions and the exercise of supervision by the CNB.

By this adjustment, the approach regulating the operation and supervision of credit institutions has been changed significantly, and since the beginning of 2014, the operation of credit institutions, prudential requirements and supervision have been governed in parallel by two different legal acts, the Credit Institutions Act and Regulation (EU) No 575/2013.

The Credit Institutions Act defines the conditions for the establishment, operation and dissolution of credit institutions, their prudential supervision, the conditions under which legal persons outside the Republic of Croatia may provide banking and/or financial services in the Republic of Croatia, publication requirements for the Croatian National Bank in the field of prudential regulation and supervision of credit institutions and, in certain elements, a more detailed implementation of Regulation (EU) No 575/2013.

Pursuant to the Credit Institutions Act, the CNB adopts subordinate legislation, takes into account the convergence in respect of supervisory tools and practices in the application of the Act, makes every effort to comply with the guidelines and recommendations issued by the EBA and responds to warnings and recommendations issued by the European Systemic Risk Board.

40 OG 75/2008 and 54/2013.

41 OG 159/2013.

42 OG 141/2006, 25/2009 and 90/2011.

43 Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (OJ L 176/2013); the so-called Capital Requirements Regulation (CRR).

44 OG 159/2013.

45 Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (OJ L 176/2013); the so-called Capital Requirements Directive IV, CRD IV).

46 OG 159/2013.



Regulation (EU) No 575/2013, align them with new normative solutions, where necessary, and improve particular provisions. In the same period, one decision was amended, and two were drafted and officially issued in early 2015.

The decisions were adopted in the following chronological order:

- Decision on amendments to the Decision on large exposures of credit institutions,<sup>57</sup>
- Decision on the assessment of the suitability of the chairperson of the management board, members of the management board, members of the supervisory board and key function holders in a credit institution,<sup>58</sup>
- Decision on the internal capital adequacy assessment process for credit institutions,<sup>59</sup>
- Decision on the method of exercising supervision of credit institutions and imposing supervisory measures,<sup>60</sup>
- Decision on the management of interest rate risk in the non-trading book,<sup>61</sup>
- Decision on supervisory reports of credit institutions,<sup>62</sup>
- Decision implementing the part of Regulation (EU) No 575/2013 pertaining to credit institutions' qualifying holdings outside the financial sector and limits on credit institutions' holdings of tangible assets,<sup>63</sup>
- Decision on the classification of placements and off-balance sheet liabilities of credit institutions,<sup>64</sup>
- Decision on representative offices of third-country credit institutions,<sup>65</sup>
- Decision on employee remuneration,<sup>66</sup>
- Decision on detailed conditions for the establishment, operation, reporting and dissolution of branches of third-country credit institutions in the Republic of Croatia,<sup>67</sup>
- Decision on the sale of placements by credit institutions,<sup>68</sup>
- Decision on the internal controls system and<sup>69</sup>
- Decision on risk management.<sup>70</sup>

Prior to the adoption of the aforementioned regulations, consultations were held with credit institutions and the interested public. The practice of providing opinions, replying to queries and consulting with credit institutions continued with regard to issues in which the CNB is able, within its powers, to take a stand as the competent body.<sup>71</sup> In 2014, the CNB received a total of 137 queries containing 215 questions from credit institutions.

57 OG 160/2015.

58 OG 14/2014.

59 OG 20/2014.

60 OG 23/2014 and 55/2014.

61 OG 41A/2014 and 47/2014.

62 OG 41A/2014 and 127/2014.

63 OG 41A/2014.

64 OG 41A/2014.

65 OG 47/2014.

66 OG 73/2014.

67 OG 81/2014.

68 <sup>6</sup>OG 127/2014.

69 OG 1/2015.

70 OG 1/2015.

71 EU regulations are directly applied in member states and the CNB is not authorised to interpret regulation provisions. Credit institutions and other persons may direct related queries to the European Banking Authority.

In 2014, the Directive establishing a framework for the recovery and resolution of credit institutions and investment firms<sup>72</sup> was issued, expanding the existing normative framework by provisions regulating the conduct of credit institutions and competent authorities in resolution processes. A working group was therefore established in 20014 in order to transpose the aforementioned Directive into the Act on the Resolution of Credit Institutions and Investment Firms<sup>73</sup> and, in parallel, into the amendments of the Credit Institutions Act and the Capital Market Act. In addition to the representatives of the CNB, the working group consisted of representatives of the Croatian Financial Services Supervisory Agency (HANFA), State Agency for Deposit Insurance and Bank Resolution (DAB) and Ministry of Finance.

### 3.3.2 Supervision of credit institutions

#### 3.3.2.1 Supervision through ongoing monitoring of operation

As stated in the introduction, the CNB exercises supervision over the operation of credit institutions in two ways: firstly, by collecting and analysing reports and information and continuously monitoring their operations and secondly, by on-site examination.

The first form of supervision consists of a system of procedures and processes based on the continuous monitoring of operations and the detection of changes in the operations of credit institutions. The CNB carries out this form of supervision by collecting and analysing reports and information and by analysing additional information submitted by credit institutions at the request of the CNB. The purpose of such supervision is to establish the risk profile of a credit institution<sup>74</sup>, then to launch an on-site examination and adopt and monitor supervisory measures to ensure and maintain the stability of each credit institution and the system as a whole.

In 2014, supervisory resources were particularly focused on the continuous monitoring of credit institutions' operations through regular communication or the analysis of specific operating areas assessed to carry an increased degree of risk. In addition to regular supervisory activities, resources were directed at special supervisory activities, described in more detail in section 3.3.2.3.

Throughout 2014, the CNB carried out the supervisory cycle of credit institution assessment, which includes the assessment of the risk profile of credit institutions in relation to all the risks to which they are exposed or may be exposed in

72 Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council (OJ L 173), the so-called Bank Recovery and Resolution Directive, BRRD.

73 OG 19/2015.

74 Risk profile is the measurement or assessment of all risks to which a credit institution is or might be exposed in its operation.



rendered in cooperation with the home supervisor by which the change was authorised.

### 3.3.2.2 On-site examination

The CNB carries out on-site examinations in accordance with the adopted methodology for supervision, based on an on-site examination plan adopted at the end of each year for the following year. The on-site examination plan for 2014 was based on the established cycle for conducting regular on-site examinations of credit institutions with the necessary adjustments related to additional supervisory activities (described in more detail in section 3.3.2.3), while extraordinary activities included engagement in the operations of the trustee and special administration in a bank undergoing bankruptcy.

In 2014, the focus of on-site examinations was placed on special asset quality reviews of credit institutions in accordance with the methodologies of the European Banking Authority, European Central Bank and the European Commission, as described in more detail in section 3.3.2.2. Furthermore, significant resources were allocated to the supervision of a bank which has been undergoing bankruptcy proceedings since December 2014 and which accounted for 0.06% of total bank assets as at 30 September 2014.

A total of 17 on-site examinations were carried out in 2014, adding up to 2431 supervisory days. Examinations were carried out in 8 credit institutions the assets of which accounted for 79.22% of banking system assets according to unaudited data as at 31 December 2014 (Table 3.17). Twelve on-site examinations were carried out in the area of risk management in eight credit institutions, three on-site examinations were performed in the area of IT system supervision (with the aim of assessing the condition of the IT system and the risks arising from the use of IT and related technologies in the business operation of the credit institution) and two on-site examinations took place in the area of risk modelling supervision.

On-site examinations of credit institutions categorised as large in terms of asset size had priority in 2014. The scope of examinations mostly included asset quality with particular emphasis on credit risk management and the allocation of adequate value adjustments and provisions for partly recoverable and fully irrecoverable placements.

The analysis of asset quality and credit risk management

focused in particular on the following areas:

- on-site examination of the methodology and the process of value adjustment and provision allocation in relation to legal persons,
- credit risk exposure and adequacy of credit risk management in the categories of exposure vis-à-vis large corporates, state enterprises, small and medium enterprises and the category of construction and real estate management (as well as in exposures which are real-estate related in terms of risk),
- credit risk management in cases of extended collection deadlines or placement restructuring and the assessment of the adequacy of value adjustments and provisions and
- analysis of the valuation of foreclosed and repossessed tangible assets in line with the International Financial Reporting Standards.

In carrying out regular on-site examinations, the adequacy of placements' value adjustments is established by examining credit records and, in most cases, by the intensive testing of the credit institution's methodology according to relevant portfolio characteristics. As a rule, the tests are harmonised with the internal placement distribution system including, among other things, simulations of maximum losses for clients and placements from the segment of risky placements, as well as the placements of clients that recorded deterioration in financial reports and were not insured by high quality collateral.

As a result of all the above mentioned activities, on-site examination revealed considerable additional value adjustments in the credit portfolios of almost all credit institutions that were subjected to on-site examination. The total amount of additional value adjustments and provisions determined in the course of on-site examinations in 2014 stood at HRK 1,481,355 thousand or 30.14% of the total expenses on provisions for identified losses of the banking system in 2014. In addition, the growth in operating expenses in 2014 was also influenced by the impairment of assets in the total amount of HRK 89,026 thousand, based on the conclusions of on-site examinations.

Following the on-site examinations, and with regard to the illegalities, irregularities and weaknesses established in reports, the CNB issued recommendations for the improvement of business processes and IT systems and imposed measures for the elimination of ascertained illegalities and irregularities and the improvement of the situation. Based on issued reports,

Table 3.17 On-site examinations carried out in 2014

in thousand HRK and %

	Examined areas									Assets covered by on-site examinations as at 31 December 2014 <sup>a</sup>	The share of assets covered by on-site examinations in total assets of the group <sup>b</sup>
	Capital	Assets	Management	Earnings	Liquidity	Market risk	Measures under decisions	IT systems	Risk modelling		
Banks	2	8	1	1	1	-	-	3	2	319,786,136	80.7%
Housing savings banks	-	-	-	-	-	-	-	-	-	-	-
Credit institutions (total)	2	8	1	1	1	-	-	3	2	319,786,136	79.2%

<sup>a</sup> Preliminary unaudited data.

<sup>b</sup> The percentage refers to the total amount of credit institution assets covered by on-site examinations and examined by using a representative sample that was selected in line with the best global supervisory practices.

Source: CNB.



### 3.3.2.4 Cooperation with foreign supervisors

In 2014, the CNB continued to cooperate with foreign supervisors, particularly as regards joint assessments of the risk of business operations of banking groups and the adequacy of allocated amounts of capital for members of individual groups, as well as with regard to the supervision of IT systems.

Based on the memoranda of understanding in effect, in 2014 CNB representatives participated in fourteen colleges of supervisors relating to the supervision of banking groups that include domestic credit institutions (eleven credit institutions).

Within the framework of cooperation with foreign supervisors, the CNB is responsible for the drafting of a Supervisory Risk Report, i.e. an annual risk profile assessment of a domestic credit institution, which serves as an element for making the final joint risk assessment decision and a joint decision on the required amount of capital of a banking group. Twelve supervisory reports were prepared in 2014 for 2013. A joint decision on capital adequacy of a banking group was arrived at for eight institutions at the level of banking groups, while the remaining four are still pending.

In 2014, the CNB continued to exchange quarterly supervisory newsletters on the business operations of domestic banks majority-owned by Austrian banks with the Austrian supervisory authority. Seven such newsletters were prepared.

### 3.3.2.5 Supervision of credit unions

As at 31 December 2014, there were 26 credit unions enrolled in the register of companies of the Republic of Croatia, whose assets, according to the reports submitted to the CNB, totalled HRK 708.9m. The number of credit unions remained unchanged from the end of 2013, while assets rose by HRK 49m. As at 31 December 2014, eight credit unions were in the process of winding-up and two were undergoing bankruptcy proceedings.

In 2014, regular analyses continued to be made by the CNB of the quarterly financial and supervisory reports and monthly liquidity reports submitted by credit institutions within the prescribed deadlines. Additional data submitted by credit unions after requests by the CNB were also analysed.

Activities related to the handling of complaints of consumers using services provided by credit unions continued in 2014, as did the practice of holding meetings with the members of management and supervisory boards of credit unions.

### 3.3.2.6 Issuance of authorisations and approvals to credit institutions and credit unions

Pursuant to its statutory powers arising from the Act on the Croatian National Bank, and in accordance with the provisions of the Credit Institutions Act, the Act on Housing Savings and State Incentives for Housing Savings, and the Credit Unions Act, the CNB, within its supervisory powers, is also responsible for issuing authorisations and approvals necessary for the establishment and operation of credit institutions and credit unions.

Through the system of authorisations and approvals, the

CNB can control some of the decisions and legal transactions of a credit institution prior to their adoption, execution or realisation, and thus, as a supervisory tool, licensing can have two functions:

- to detect in advance and prevent decisions and transactions that might have an adverse effect on future operations of a credit institution and
- to make the credit institution implement the imposed supervisory measures.
- In accordance with the Credit Institutions Act, Act on Housing Savings and State Incentives for Housing Savings and the Credit Unions Act, the CNB issued a total of 238 decisions on applications for authorisation and approval to banks, housing savings banks, savings banks and credit unions and one decision revoking an authorisation for the provision of financial services in 2014.

The majority of the decisions were approvals to perform the function of a member of a credit institution's supervisory board (147 approvals and 4 refusals of applications for approval) since for the first time, all members of the supervisory boards of credit institutions were licensed under the Credit Institutions Act. Decisions on applications for prior approval to perform the function of the chairperson or member of a credit institution's management board followed in terms of number of decisions issued (with 54 approvals and 2 refusals of applications for approval). The CNB also issued six decisions on credit institutions' applications for authorisation for the provision of financial services (five authorisations and one refusal of application for authorisation), eight decisions on the approval for the acquisition of a qualifying holding in the capital of a credit institution, two decisions on the approval for a merger of a credit institution/undertaking with another credit institution, four decisions on the prior approval for the acquisition of a majority holding in other undertakings/credit institutions, four decisions on the authorisation for amendments to the general terms and conditions of housing savings banks and six decisions on the authorisation for the appointment of management board members of credit unions. One decision revoked an authorisation for the provision of a financial service which the bank in question had stopped providing, of which it notified the CNB.

### 3.3.2.7 Other activities

In 2014, the CNB continued to cooperate with the Croatian Financial Services Supervisory Agency (HANFA) by participating in the work of the joint Working Committee. At the Committee's meetings, the institutions exchange information on current topics in the banking sector and the sector supervised by the Agency, resolve open issues on the exchange of data and arrange the coordination of supervisory activities. Two regular meetings of the Committee, a number of meetings of working groups and several bilateral meetings at which specific issues were discussed were held in 2014.

In June 2014, the Working Committee for Cooperation with the State Agency for Deposit Insurance and Bank Rehabilitation was established. At the Committee meetings, the institutions exchange data and information on entities subject to



began to show increasing interest in information on particular contractual relationships as well as general interest in consumer rights, particularly in relation to credit institutions.

The CNB continued to pursue relationships and communicate with various media and other interested parties that often approached the CNB with specific topics and queries related to the consumer protection policy and the current regulatory framework.

By monitoring the practices of credit institutions in relation to consumers and by taking into account information from complaints received, the possibility of improvement of the current regulatory framework was considered and draft amendments to the existing regulations were made that specifically target the raising of consumer awareness (through the Credit Institutions Act and the Decision on the content of and the form in which consumers are provided information prior to contracting for banking services). Furthermore, Guidelines for handling complaints of clients of credit institutions, credit unions, payment system institutions and electronic money institutions were

published on the CNB website in 2014.

Because of the recognised importance of financial literacy, the CNB participated in the drafting of the National Strategic Framework of Financial Literacy for Consumers, which should provide a basis for the establishment of systematic and continuous financial education in the Republic of Croatia.

During Global Money Week, the CNB hosted around 500 secondary school students, providing them with the opportunity to improve their understanding of financial products and financial risks based on presentations and discussions with CNB employees, as well as to receive information on important factors in reaching informed decisions regarding personal finance management.

Representatives of the CNB continued to regularly participate in the work of the National Consumer Protection Council in 2014 and the CNB's organisational unit in charge of consumer protection was split off from the area in charge of credit institution supervision and established as an independent unit on 1 May 2014.



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# Payment operations



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## 4.1 Amendments to regulations in the area of payment and foreign exchange operations

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Amendments to the Decision on the rules of operation of the National Clearing System (OG 20/2014) were adopted in 2014, as well as amendments to the Decision on the rules of operation of the Croatian Large Value Payment System (OG 20/2014), by which these decisions were aligned with the Credit Institutions Act. On the date the Credit Institutions Act (OG 159/2013) came into effect, Article 267 of this Act broadened

the consequences of a request to open bankruptcy proceedings against a credit institution. For this reason, it was necessary to amend the decisions defining the operation of the Croatian Large Value Payment System (CLVPS) and the National Clearing System (NCS) in those parts that govern the procedures to be followed in an event defined by the mentioned article of the Credit Institutions Act.

## 4.2 Granting authorisation to provide payment services and to issue electronic money (licensing) and passporting

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Since 1 January 2011 and the introduction of the Payment System Act (OG 133/2009 and 136/2012) and the Electronic Money Act (OG 139/2010), the CNB has granted a total of six authorisations to electronic money institutions and one electronic money institution under exemption.

In 2014, after conducting the prescribed procedure, the CNB issued a decision to an electronic money institution to provide additional payment services (that are not linked to the issuance of electronic money), i.e. for the payment service of the execution of payment transactions through payment cards or a similar device where the funds are covered by a credit line for a payment service user.

A decision was adopted by which authorisation to an electronic money institution had expired because, in accordance with its business decision, the institution had given up on the intention to provide services of the issuance of electronic money. Also, authorisation granted to an electronic money institution under exemption expired after the competent court adopted a

decision on the winding-up of the company, and the company was removed from the current CNB register.

The provisions of the above laws prescribe that payment institutions and electronic money institutions from other member states, i.e. states signatories to the Agreement on the European Economic Area (EEA), may provide their services across the EEA (passporting), on the basis of the authorisation granted by the competent authority of the home member state.

In 2014, the CNB received from the competent authorities of other EEA states 40 notifications for payment system institutions and 13 notifications for electronic money institutions that intend to provide payment services and/or issue electronic money in the Republic of Croatia.

The list of payment system institutions and electronic money institutions from other EEA states for which the CNB received notifications of the intention to provide services in the Republic of Croatia is published on the CNB's website.

## 4.3 Complaints by payment service users and electronic money holders

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According to the provisions of the Payment System Act and Electronic Money Act, payment service users and other interested parties, including consumer associations, may file complaints with the CNB against a payment service provider when they deem that it has acted contrary to the provisions of the aforementioned legislation in that part regulating the rights and obligations of payment service users.

Information on the rights of payment service users and electronic money holders and instructions for filing complaints have been published on the Croatian National Bank's website.

In 2014, the CNB received and processed 90 inquiries on regulations in the area of payment operations and 35 complaints by payment service users regarding the treatment by payment service providers.



## 4.5 Authorised exchange offices

Pursuant to the Foreign Exchange Act, the CNB issues authorisations to conduct exchange transactions to legal persons and craftsmen (authorised exchange offices). During 2014, 82 authorisations to conduct exchange transactions were issued and 27 authorisations were withdrawn in line with the applicable legal procedures.

Authorised exchange offices have to use a protected computer programme certified by the CNB. The use of certified programmes was introduced for the purpose of strengthening fiscal and financial discipline and is directly related to the pursuit of the policy of prevention of money laundering and terrorist financing. So far, the CNB has issued 37 computer programme certificates for authorised exchange offices to legal persons and craftsmen.

According to the data on the turnover of authorised exchange offices, received and processed by the CNB, the turnover in foreign cash purchase and sale transactions with natural persons totalled HRK 29.18bn in 2014. Of that amount, HRK 21.50bn went on the purchase of foreign cash and cheques denominated in foreign currency and HRK 7.68bn to the sale. The bulk of transactions (87.18%) were in the euro.

As at 31 December 2014, 1308 exchange offices operated in the Republic of Croatia, on the basis of valid authorisations to conduct exchange transactions. As concerns their legal form, 63% of authorised exchange offices are limited liability companies, 27% are crafts and trades, 8% are joint stock companies and 2% are other legal persons.

## 4.6 Interbank payment systems

In 2014, interbank payment systems operated without any serious situations capable in any way of compromising the operational safety of interbank payment systems, the basic infrastructure of domestic payment operations.

The accessibility of the CLVPS to payment system participants was 100%, with a deviation from the schedule standing at 80 minutes.

The accessibility of the NCS to payment system participants was 100% (excluding regular technical maintenance), with a deviation from the payment execution schedule standing at 580 minutes.

Payment transactions settled through the CLVPS increased in number but decreased in value from 2013. An upward trend in the number of payment transactions and a downward trend in the value of payment transactions cleared through the NCS were observed.

### 4.6.1 Croatian Large Value Payment System

Below are the basic data on payment transactions settled through the CLVPS in 2014, and a comparison of total data with the data from the previous calendar year.

The number of payment transactions settled through the CLVPS increased by 4.82% from 2013. A total of 317,166 payment transactions were settled through the CLVPS in 2014, with the daily average of settled payment transactions standing at 1,269.

The total value of payment transactions settled through the CLVPS decreased by 29.17% from 2013, as banks ceased making overnight deposits with the CNB due to the reduction in interest rates on this facility.

The total value of payment transactions settled through the CLVPS in 2014 was HRK 2,186,512m. The average value of a payment transaction was HRK 6.89m and the daily average

value of transactions settled through the CLVPS stood at HRK 8.75bn.

The largest value of payment transactions settled through the CLVPS was recorded in September, totalling HRK 222,851m, and the largest number of 30,628 was recorded in January.

Table 4.1 CLVPS – payment transactions executed in 2014

Month	CLVPS	
	Payment transaction number	Payment transaction value (in million HRK)
January	30,628	171,492
February	28,034	184,463
March	26,470	154,665
April	24,062	153,770
May	24,009	157,453
June	25,544	179,183
July	27,730	198,741
August	22,030	188,791
September	27,501	222,851
October	27,370	197,325
November	23,985	169,102
December	29,803	208,675
<b>Total</b>	<b>317,166</b>	<b>2,186,512</b>

Source: CNB.

Table 4.2 CLVPS – overview of payment transactions settled

	2013	2014
Payment transaction number	302,574	317,166
Payment transaction value (in million HRK)	3,086,978	2,186,512
Payment transaction average value (in million HRK)	10.20	6.89

Source: CNB.



largest number of payment transactions was also recorded in December (13,925,535).

The largest value of payment transactions (36.28%) was cleared in the third clearing cycle. The largest number of

payment transactions was cleared in the first clearing cycle, 30.10% of the total of payment transactions cleared through the NCS.

## 4.7 Payment statistics reports

Pursuant to the Decision on the obligation to submit data on the payment system and electronic money (OG 147/2013) the CNB received payment statistics from reporting entities (banks and electronic money institutions) within the prescribed deadlines, processed them and made them publicly available. Below is an overview of the statistical data received from reporting entities.

Business entities and individuals (consumers) held 6,627,276 transaction accounts with banks. Business entities had 358,643 transaction accounts with banks, which accounted for 5.41% of all transaction accounts held with banks. Individuals (consumers) had 6,268,633 transaction accounts with banks, which accounted for 94.59% of all accounts held with banks.

Of the total number of business entities' transaction accounts held with banks, as many as 79.60% were multi-currency accounts, whereas only 20.40% were single-currency accounts. The share of single-currency and multi-currency accounts in the total number of transaction accounts of individuals (consumers) was almost equal, i.e. 52% of individuals' accounts were single-currency accounts, while those in multiple currencies accounted for 48% of individuals' accounts.

As at 31 December 2014, there were 1194 bank operating units in the Republic of Croatia. Of a total of 4,221 ATMs in the country, 73.11% were owned by banks and the remaining 26.89% by other legal persons. Of a total of 129,828 POS (EFTPOS) terminals, 70.69% were owned by banks and the rest by other legal persons.

As at 31 December 2014, there were 8,333,997 payment cards in circulation in the Republic of Croatia, 94.88% of which

were general payment cards (issued in the names of individuals – consumers) and 5.12% were business payment cards (issued in the names of business entities). With respect to payment card types, debit cards accounted for the largest share in the total number of cards, 77.77%.

**Table 4.6 Number of transaction accounts**  
as at 31 December 2014

<b>Business entities' accounts</b>	<b>358,643</b>
Single-currency accounts	73,175
Multi-currency accounts	285,468
<b>Accounts of individuals – consumers</b>	<b>6,268,633</b>
Single-currency accounts	3,259,689
Multi-currency accounts	3,008,944
<b>Total</b>	<b>6,627,276</b>

Source: CNB.

**Table 4.7 Number of bank operating units, ATMs and POS (EFTPOS) terminals**

as at 31 December 2014

	Total
Operating units	1,194
ATMs	4,221
ATMs owned by banks	3,086
ATMs owned by other legal persons	1,135
POS (EFTPOS) terminals	129,828
POS (EFTPOS) owned by banks	91,769
POS (EFTPOS) owned by other legal persons	38,059

Source: CNB.

**Table 4.8 Issued payment cards and payment transactions according to card types**

Type	Valid general and business payment cards			
	Number of payment cards in circulation <sup>a</sup>	Share (in %)	Total transactions	
			Number	Value (in HRK)
Credit card	196,463	2.36%	2,012,863	819,873,569
Revolving card <sup>b</sup>	405,110	4.86%	10,290,202	2,852,525,734
Deferred debit card <sup>c</sup>	438,075	5.26%	24,190,356	7,729,102,988
Charge card <sup>d</sup>	625,465	7.50%	45,688,949	14,049,503,990
Debit card	6,481,020	77.77%	223,338,159	92,453,525,131
Prepaid card	187,864	2.25%	285,619	37,481,437
<b>Total</b>	<b>8,333,997</b>	<b>100.0%</b>	<b>305,806,148</b>	<b>117,942,012,849</b>

<sup>a</sup> Reporting period as at 31 December 2014.

<sup>b</sup> Revolving card – the card user may pay total expenses in full or gradually (in instalments) in line with the agreed model of payment.

<sup>c</sup> Deferred debit card – total expenses are debited directly to the transaction account of the user in the bank following the receipt of the payment order issued by the card issuer.

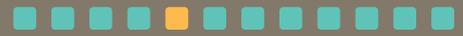
<sup>d</sup> Charge card – the card user pays total expenses in full, at the latest when total expenses made fall due.

Note: Used and unused payment cards in circulation are included. Blocked payment cards are excluded.

Source: CNB.



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# Currency department operations



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## 5.1 Currency outside banks

As at 31 December 2014, currency outside banks (currency in circulation) amounted to HRK 18.5bn, which is an increase of 6.3% from the end of 2013.

On 31 December 2014, there were 172.3m banknotes, worth HRK 22.0bn, outside the CNB vault and cash centres (CCs). Since the end of 2013, the number of banknotes outside the CNB vault and CCs rose by 5.1% in 2014, while the total value of all banknotes outside the CNB vault and CCs increased by 5.3%.

The total number of banknotes outside the CNB vault and CCs increased by 8.4m in 2014, which includes an increase in all denominations except in 5 kuna banknotes. The number of 200 kuna and 10 kuna banknotes recorded the largest individual increase, 2.6m and 2.0m respectively, which was 54.7% of the total increase in currency outside the CNB vault and CCs

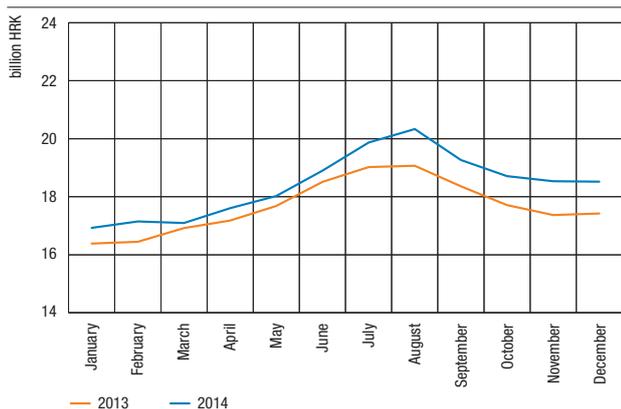
in 2014.

Of banknotes outside the CNB vault and CCs, 200 kuna banknotes, with a share of 29%, and 10 kuna banknotes, with a share of 22%, were the most numerous and accounted for HRK 10.5bn, or 47.7% of the total value of banknotes in 2014. The large share of 200 kuna banknotes in total banknotes outside the CNB vault and CCs is attributed to their widespread use in ATM withdrawals.

As at 31 December 2014, there were 2.0bn coins outside the CNB vault and CCs, worth a total of HRK 1.1bn. The number of coins outside the CNB vault and CCs rose by 5.3% at the end of 2014 relative to the end of 2013, while their total value was identical. The number of coins outside the CNB vault and CCs rose by 84.9m in 2014.

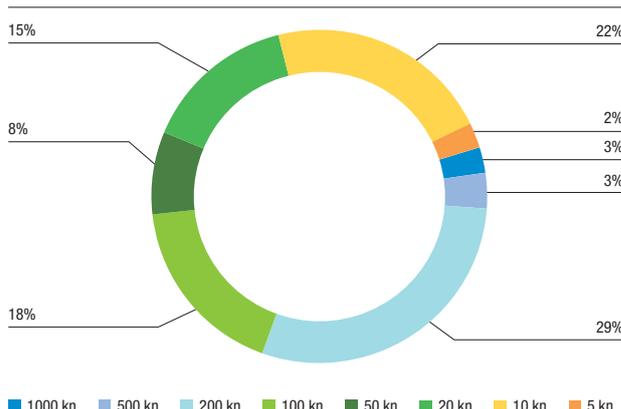
Of coins in circulation, the most numerous in 2014 were 10

Figure 5.1 Currency outside banks end of period



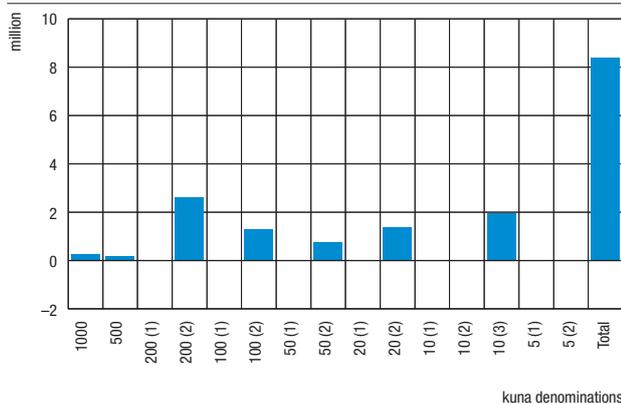
Source: CNB.

Figure 5.3 Structure of total volume of banknotes outside the CNB and CCs by denomination end-2014



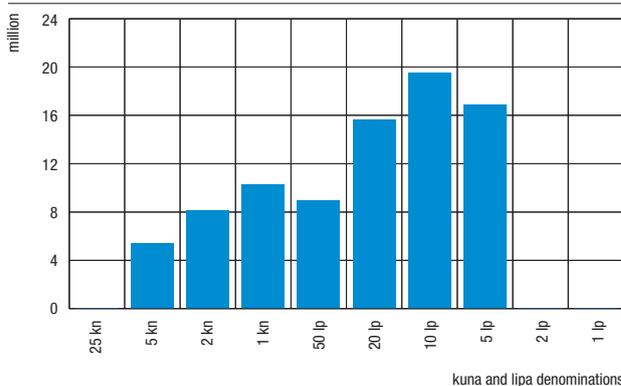
Source: CNB.

Figure 5.2 Change in the number of banknotes outside the CNB and CCs in 2014 as compared to 2013



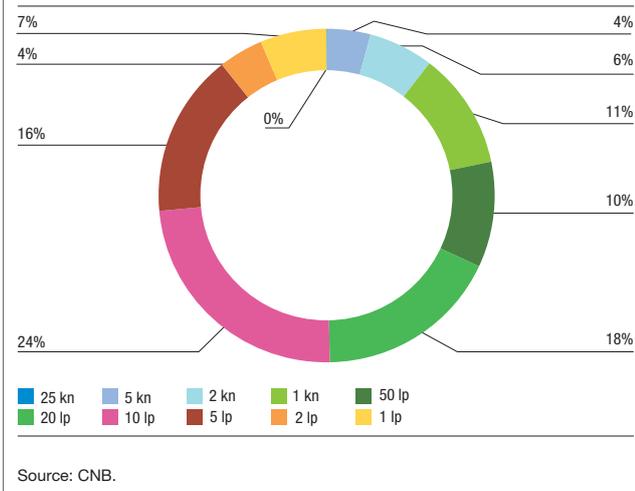
Note: 1, 2 and 3 in the brackets mark the series of issuance.  
Source: CNB.

Figure 5.4 Change in the number of coins outside the CNB and CCs in 2014 as compared to 2013



Source: CNB.

**Figure 5.5 Structure of total volume of coins outside the CNB and CCs by denomination end-2014**



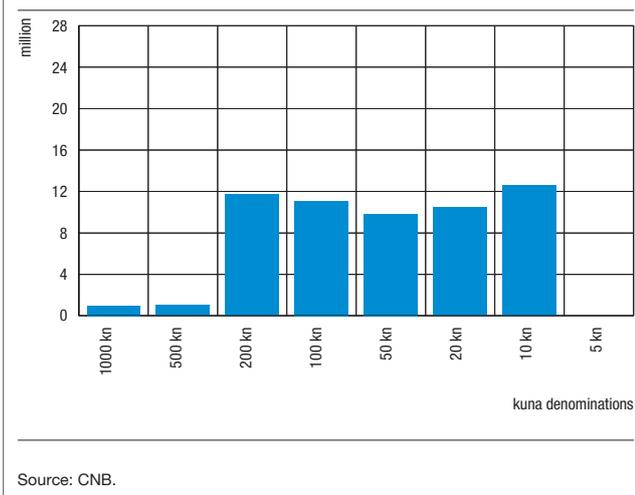
lipa coins (468.4 million pieces, or 24% of the total number of coins outside the CNB vault and CCs). In terms of value, 5 kuna coins accounted for the largest share, HRK 408.5m, or 35.8% of the total value of coins outside the CNB vault and CCs.

## 5.2 Cash supply

A total of 5.8bn worth of kuna banknotes (57.7 million pieces) and 48.5m worth of coins (80.2 million pieces) was issued from the CNB vault to CCs in 2014 to meet the needs of banks for cash based on their orders, and to maintain adequate reserves in CCs. The total value of issued banknotes decreased by HRK 0.6bn (9.4%) from 2013, and their number decreased by HRK 3.0m (4.9%). The total value of coins issued dropped by 35.6% and their number fell by 3.0%.

In 2014, there was a rise in the number of coins issued in the denominations of 50, 10 and 5 lipa, by 8.2m pieces, while the number of the denominations of 5, 2 and 1 kuna and 20 lipa issued decreased by a total of 10.7m pieces from 2013.

**Figure 5.6 Banknotes issued to CCs in 2014**

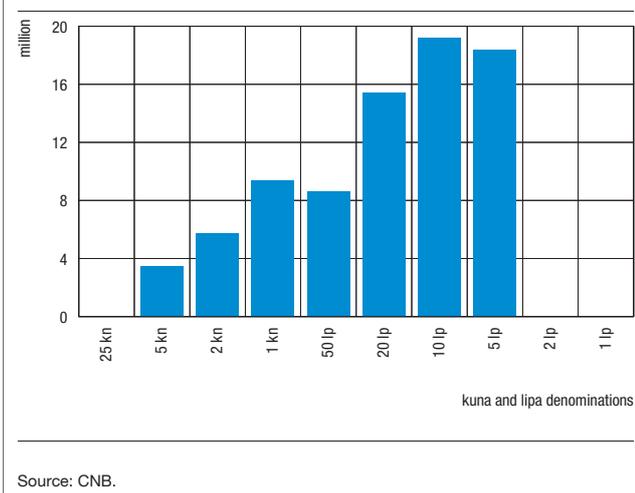


## 5.3 Withdrawal and processing of worn-out banknotes

In 2014, the CNB withdrew a total of 38.4 million banknotes from CCs, worth a total of HRK 3.9bn. The banknote processing system processed a total of 38.4 million banknotes, of which 91.2% or 35.0 million banknotes, worth HRK 3.9bn, were destroyed as the banknotes failed to meet the quality standards set for circulation banknotes.

The renewal index (destroyed banknotes/banknotes outside the CNB vault and CCs × 100) was approximately 20% in 2014, with the number of banknotes outside the CNB vault and

**Figure 5.7 Coins issued to CCs in 2014**



**Figure 5.8 Processed and destroyed banknotes by denomination**

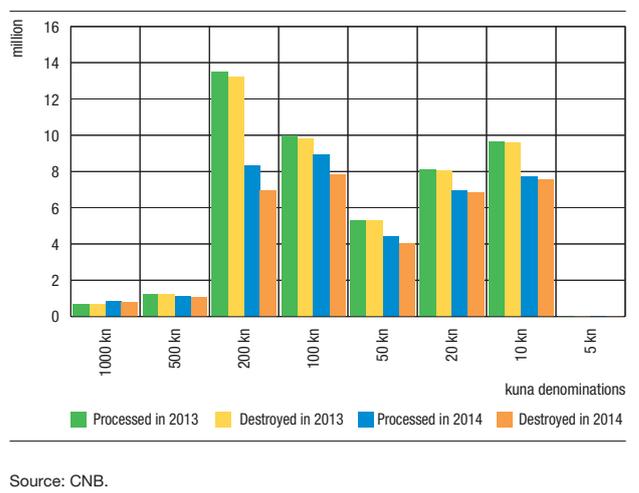
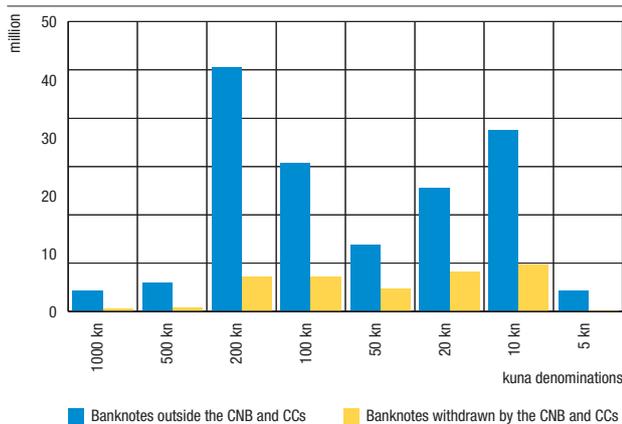


Figure 5.9 Ratio of withdrawn banknotes and banknotes outside the CNB and CCs in 2014



Source: CNB.

CCs and the number of destroyed banknotes totalling 172.3m and 35.0m respectively on 31 December 2014.

In 2014, the CNB vault received 38.4 million banknotes from CCs that they had sorted as unfit. Since 2013, the total number of unfit banknotes sorted and received dropped by 5.4m, as a result of the application of more lenient parameters for the sorting of banknotes according to quality to extend their use in circulation.

## 5.4 Banknote authentication

In 2014, the National Analysis Centre registered 330 counterfeit kuna banknotes, worth a total of HRK 97,000.00, during banknote authentication procedures. The number of registered counterfeit kuna banknotes decreased by 35.9% from 2013. As shown by these indicators, and taking into account that the number of banknotes outside the CNB vault and CCs averaged 173.7m, 1.9 counterfeits were detected per 1 million kuna circulation banknotes in 2014.

In 2014, 986 counterfeit foreign currency banknotes were registered during banknote authentication procedures. Of the total number of registered counterfeit foreign currency banknotes, the largest share (770 banknotes) was accounted for by counterfeit euro banknotes, followed by counterfeit US dollar banknotes (190 banknotes), and the remaining 26 banknotes were counterfeits of the convertible mark and pound sterling.

The number of registered euro counterfeits (770) decreased by 10.8% and the number of registered counterfeit US dollar banknotes (34) decreased by 15.2% in 2014 from 2013.

In 2014, the Coin National Analysis Centre registered 11 counterfeit 5 kuna coins and 442 counterfeit euro coins in coin authentication procedures.

Of the total number of registered counterfeit euro coins, 358 pieces were 2-euro coins (81%), 72 pieces were 1-euro coins (16%) and 12 pieces were 0.50-euro coins (3%). The

Table 5.1 Registered counterfeit banknotes in 2014

	1000	500	200	100	50	20	10	5	Total
Number	43	32	165	34	20	24	12	0	330
Share (in %)	13.0	9.7	50.0	10.3	6.1	7.3	3.6	0.0	100.0

Source: CNB.

number of registered counterfeit coins decreased by 1.9% in 2014 from 2013.

In 2014, the National Counterfeit Centre held 23 specialist courses for employees of banks and financial institutions involved in cash operations, as part of the National Training Programme on Banknote and Coin Authentication for Bank and Financial Institution Employees. In all, 513 employees of banks and financial institutions received expert training.

## 5.5 Commemorative coin issues

In 2014, the CNB issued the following commemorative coins and numismatic sets:

- the commemorative 1,000 kuna and 20 kuna gold coins and the 200 kuna silver coin, in cooperation with the Croatian Monetary Institute, with which the promotion and sale of this issue was contractually agreed, marking the 300th anniversary of the Alka Tournament of Sinj (Sinjska alka), 1715 – 2015, and
- a numismatic set of the Croatian kuna and lipa circulation coins, with the year of issue 2014.

## 5.6 Activities related to anti-money laundering and terrorist financing

In March 2007, the Committee for the Prevention of Money Laundering and Terrorist Financing (AMLTF Committee) was established. Made up of representatives of relevant CNB areas, it acts as an internal consultative body that coordinates procedures and activities of the CNB in carrying out legislative tasks within the jurisdiction of the central bank in the field of the prevention of money laundering and terrorist financing. The AMLTF Committee constantly cooperates with other competent government bodies for the purpose of monitoring and implementing the acquis in this field.

In 2014, the AMLTF Committee cooperated intensively with the Anti Money Laundering and Terrorist Financing Office, other authorities and banks in the implementation of the National Money Laundering and Terrorist Financing Risk Assessment project with regard to the sensitivity assessment of the banking sector. The project will be completed in 2015, and the report will be submitted to the Government of the Republic of Croatia for adoption.

Members of the AMLTF Committee took an active part in the plenary sessions of the special committee of the Council of





# Publicness

The Croatian National Bank considers the publicness of its work an important precondition for the credibility of its actions. For this reason, it pays special attention to providing the fullest and most complete information possible to the domestic and international public on its objectives, measures to attain them and the results of its activities.

Through various communication channels, the CNB in 2014 continued to provide the public with regular and updated information on all important aspects of its actions. Press releases on the decisions of the highest central bank body, the CNB Council, were published immediately after the sessions at which they were made.

All CNB publications, such as the annual report, financial stability report, a monthly bulletin on current economic and monetary trends, different expert working papers and surveys were also published on the Bank's website. After the adoption of especially important decisions related to the implementation of monetary policy and other central bank tasks, press conferences were organised with journalists covering the finance and banking sector in order to give them the fullest possible information on the effected changes and enable them to report them to the public in the fullest and clearest possible manner.

The CNB website, [www.hnb.hr](http://www.hnb.hr), also provided an insight into the new laws and subordinate legislation concerning the activity of the central bank and credit institutions and into the instructions and forms for the implementation of applicable regulations. Draft laws and subordinate legislation were also published on the web page, which allowed the interested public to comment on them.

The participation of the officials and other central bank employees in different thematic meetings outside the central bank's seat and in the public media contributed to the familiarisation of the expert and general public with the CNB's activity.

In June 2014, for the twentieth consecutive year, the CNB hosted the Dubrovnik Economic Conference, with the participation of eminent economists from Croatia and from abroad. The central bank, in cooperation with the Archaeological Museum, set up an exhibition of displays related to the printing and minting of the Croatian national currency, to honour the 20th anniversary of the introduction of kuna as the official currency of the Republic of Croatia. Also, the CNB organised a conference dedicated to the protection of the euro and other currencies against counterfeiting, or activities trying to reduce the risk from the occurrence and distribution of counterfeit euro banknotes and banknotes of other currencies in the countries of the region.

In 2014, the CNB received over two thousand written and oral inquiries from members of the public, companies, media representatives, government institutions, embassies and so on, sent by email, post or telephone. The requested information referred to all areas of the CNB activity. The CNB tried to respond to the above inquiries within the shortest possible period.

Educational visits to the CNB and lectures on requested topics were organised for about thirty groups of high school students from all over Croatia, domestic and foreign undergraduate and graduate students, enabling them a deeper insight into central bank's activities and into the current economic and monetary trends in the country.



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# International relations



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## 7.1 Activities connected with EU membership

### 7.1.1 Croatian National Bank in the European System of Central Banks and other EU structures

Since the accession of the Republic of Croatia to the European Union, on 1 July 2013, the CNB has been an integral part of the European System of Central Banks (ESCB), and its employees participate in the work of relevant EU institutions and bodies.

CNB representatives participated in a total of 400 meetings of EU structures in the course of 2014, about half of which were accounted for by ESCB committees and working groups. The CNB Governor participated in regular quarterly meetings of the ECB General Council, dealing with topics such as current macroeconomic, monetary, fiscal and financial developments in the EU. Together with the competent CNB Vicegovernor, the Governor also participated in regular quarterly meetings of the General Board of the European Systemic Risk Board (ESRB) at which topics related to systemic risks for the EU financial system and EU macroprudential policy were discussed. CNB representatives also took part in the work of other ESRB structures, such as the Advisory Technical Committee and its working groups. CNB employees were also involved in the work of the European Banking Authority (EBA) and the competent Vicegovernor participated in the work of the EBA Board of Supervisors.

CNB experts participate in the work of relevant working bodies of the EU Council and the European Commission, most often together with the representatives of the Ministry of Finance. Accordingly, the CNB participates in the formulation of proposals of the positions held by the Republic of Croatia on topics being discussed by the EU Council. In 2014, the Governor and Deputy Governor took part in informal meetings of finance ministers (the ECOFIN Informal Council) and designated Vicegovernors participated in meetings of the Economic and Financial Committee (EFC). In other working bodies of the EU Council (in particular, the Financial Services Working Group and EFC subcommittees) and of the European Commission (various expert working groups and committees), the CNB was represented by relevant experts. A CNB representative at the Permanent Mission of the Republic of Croatia to the European Union also took part in numerous meetings of preparatory bodies of the EU Council.

In addition to participating in the work of EU institutions and bodies, in 2014, representatives of the CNB continued to make contacts with representatives of EU member state central banks and representatives of the ECB and other EU institutions and bodies. Noteworthy are several visits to the CNB by a representative of the Directorate General for Economic and Financial Affairs of the European Commission and the ninth annual dialogue with representatives of the Austrian central bank.

Due to the regular five-year adjustment of the ECB's capital key, the CNB's share in the subscribed capital of the ECB

increased to EUR 65,199,017.58 on 1 January 2014. In line with prescribed legislation, according to which the non-euro area national central banks (NCBs) are required to pay up 3.75% of their subscribed capital, the CNB's paid up capital amounted to EUR 2,444,963.16 on 31 December 2014.

### 7.1.2 Republic of Croatia and coordination of economic policies within the European Union

In January 2014, the Council of the European Union decided to initiate the excessive deficit procedure for Croatia due to the estimate that in 2013 and in the subsequent two years its budget deficit will significantly exceed the reference value and that the public debt criterion in that period is not going to be met. The EU Council determined that Croatia must correct its excessive budget deficit by 2016, i.e. bring it down below 3% of GDP to meet the provisions of the Stability and Growth Pact. Pursuant to the EU legislation, the member state for which excessive budget procedure is established, should bring such a deficit down to the permissible levels. However, due to special circumstances in the Croatian economy, or, more precisely, due to the protracted recession, it was estimated that a sudden correction of excessive deficit would add to the economic downturn, so that for this reason a gradual correction of excessive deficit would be a much more appropriate approach. The Council of the European Union granted Croatia three years to put an end to the excessive deficit situation, with a headline government deficit target of 4.6% of GDP for 2014, 3.5% of GDP in 2015 and 2.7% of GDP in 2016, which is consistent with an annual improvement in the structural balance of 0.5% of GDP in 2014, 0.9% of GDP in 2015 and 0.7% of GDP in 2016. This consolidation dynamics should at the same time be sufficient to create conditions for a gradual reduction in public debt by 2016. Croatia prepared and submitted a package of consolidation measures that should ensure the meeting of the defined budgetary targets, and the EU Council assessed positively the measures proposed.

In 2014, Croatia participated in the European Semester, the cycle of the coordination of economic policies in the EU. The macroeconomic imbalance procedure is one of the fundamental elements of the European Semester in which the performance of member states against indicators that may help identify harmful macroeconomic imbalances is monitored in detail. As certain indicators pointed to a possibility of the existence of imbalances, Croatia, together with other 16 member states, was subject to an in-depth review of its economy to establish the extent of existing macroeconomic imbalances. On the basis of this in-depth review, the European Commission concluded that excessive macroeconomic imbalances do exist in the Croatian economy, requiring decisive policy action for their correction. Of other member states, Slovenia and Italy were also identified as having excessive macroeconomic imbalances. A high level of net foreign liabilities, unfavourable developments in export market shares, a high unemployment rate and the rapid



575/2013 and regulations governing the operation of credit institutions or with regard to the other functions it performs in compliance with the provisions of other regulations and that are subject to separate reporting lines. In accordance with the above, as of 1 January 2015, the CNB set up Credit Institutions Resolvability Assessment Department within the International Relations and Resolvability Assessment Area. The Department will be responsible for performing tasks prescribed by the Act on Resolution of Credit Institutions and Investment Firms within the CNB's activities.

Also, in relation to the part of the banking union which refers to the single rulebook, 2014 saw the adoption of the Deposit Guarantee Scheme Directive, the objective of which is to harmonise national deposit guarantee schemes, and ensure a faster payout and improved financing of schemes.

In addition, in mid-2014, negotiations were initiated at the EU Council on the Proposal for a Regulation on structural measures improving the resilience of EU credit institutions (Banking Structural Reform, BSR), which aims at enhancing

financial stability in the Union by means of structural reform of large banks, thus complementing financial regulatory reforms. Negotiations are ongoing at the EU Council with the objective of reaching agreement ("general access") by mid-2015.

In addition to the legislative proposals related to the banking union, legislative activities of the EU relating to new regulations in the payment operations area were significant in 2014. Within the EU Council and the European Parliament negotiations were concluded on the proposal for the Directive on the comparability of fees related to payment accounts, payment account switching and access to payment accounts with basic features (Payment Accounts Directive, PAD). At the end of 2014, agreement was reached at the EU Council on the proposal for a revised Directive on payment services in the internal market (Payment Services Directive II, PSD II) and a proposal for a Regulation on interchange fees for card-based payment transactions (Multilateral Interchange Fees Regulation, MIF). The final adoption of both regulations is expected in the first part of 2015.

## 7.2 International Monetary Fund (IMF)

The quota of the Republic of Croatia in the IMF remained unchanged in 2014 (SDR 365.1m) as did its voting rights (0.174% of the total voting power). The reform of quotas and IMF governance envisaged under the Resolution of the IMF Board of Governors of 2010, which was to double the total IMF quota by the time of the 2012 Annual Meeting and thus increase the quota of the Republic of Croatia to SDR 717.4m, still did not enter into force in 2014.<sup>2</sup> In expressing its regrets for the slow process, in February 2014, the IMF Board of Governors adopted a new 2010 Reforms and Fifteenth General Review of Quotas Resolution, urging the countries that have not yet accepted the 2010 reforms to do so without further delay. Hence, the deadline for the completion of the Fifteenth Review was moved from January 2014 to January 2015. At the same time, the Board of Governors requested the Chairman of the International Monetary and Financial Committee (IMFC) to consult with the membership on progress in accepting the 2010 reforms and on further steps for completing the current round of the quota reform process with the objective of completing the Fifteenth General Review. At its spring meeting, the IMFC announced that, if the 2010 Reforms were not ratified by the end of 2014, it would be necessary to develop options for the next step to improve the quota and governance reform.

The Republic of Croatia is a member of the constituency that is alternately headed by the Netherlands and Belgium. This constituency now comprises 15 countries (Armenia, Belgium, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Georgia, Israel, Luxembourg, Macedonia, Moldova, Montenegro, the Netherlands, Romania and Ukraine) and accounts for 6.57%

of the total voting power. In the current mandate, which lasts until October 2016, the constituency is headed by Menno Snel, the Dutch representative. The Republic of Croatia appoints its representative as advisor to the executive director for a two-year mandate within each four-year period.

The regular annual Article IV consultations with the Republic of Croatia were concluded on 14 May 2014, after discussion at the meeting of the IMF Executive Board of Directors. In the press release, in which they mostly agreed with the report of the IMF mission that visited Croatia at the end of February and at the beginning of March 2014, Executive Directors pointed out that Croatia remained stuck in an unusually drawn out recession, with real GDP contracting for the fifth consecutive year, rising unemployment and decreased domestic demand, exports and FDIs. For 2014, a real contraction of almost 1% of GDP was then forecast, with a modest recovery set to occur in 2015, when the impact of private sector deleveraging would begin to recede and euro area growth that helps exports get stronger. Long-term growth potential was estimated at around 2%. Since traditional fiscal and monetary policy measures were assessed as unenforceable – fiscal policy has run out of space, and monetary policy was constrained by the need to keep the kuna-euro exchange rate stable, so as to prevent a revaluation of euro-indexed debts – Directors encouraged the authorities to rebuild fiscal buffers and to undertake deeper institutional and structural reforms to revive growth and reduce vulnerabilities. It was stated that the government has started tackling long-standing structural issues, such as restructuring and/or privatisation of state-owned enterprises, adoption of laws that facilitate investments, the introduction of

<sup>2</sup> The only remaining condition for the mentioned increase in IMF quotas is the entry into force of the Amendment to the Articles of Agreement on the Reform of the IMF Executive Board. As at 19 December 2014, 146 members accounting for 77.07% of the total voting power (out of the needed 85%), including the Republic of Croatia, adopted this amendment.



## 7.3 Bank for International Settlements (BIS)

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The BIS adopted its Annual Report at its regular Annual General Meeting, held on 29 June 2014, at which the CNB was represented by the Deputy Governor.

The regular meetings of central bank governors from BIS member countries, including the CNB Governor, at which topical issues in the area of international banking and finance are discussed, continue to provide a strong incentive to central bank

cooperation in this area. Committees and expert bodies operating within the BIS are also important in the context of promoting this cooperation.

A separate and important form of cooperation between the CNB and BIS was achieved in the area of international reserves management.

## 7.4 Cooperation with other international financial institutions

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Within its field of competence, the Croatian National Bank also cooperates with a number of other international multilateral financial institutions and organisations. The bulk of this cooperation entails CNB cooperation with multilateral development banks of which the Republic of Croatia is a member, such as the World Bank Group, the European Bank for Reconstruction and Development, the European Investment Bank, the Council of Europe Development Bank and the Inter-American Development Bank. The membership of the Republic of Croatia in these banks is regulated by special regulations, pursuant to which the Ministry of Finance of the Republic of Croatia is the authority responsible for cooperation with these institutions and is authorised to perform all operations and transactions in the name of the Republic of Croatia that are permissible under

these institutions' articles of association. For some of these institutions, the CNB is the depository, i.e. it keeps all deposit accounts owned by these institutions, in their name and for their account, and performs financial transactions with these organisations as the payment agent of the Republic of Croatia. The CNB is also responsible for the execution of withdrawals and repayments of funds based on structural loans granted by the International Bank for Reconstruction and Development (IBRD) to the Republic of Croatia.

In 2014, at numerous meetings with representatives of multilateral development banks CNB representatives exchanged information on the banking sector and macroeconomic situation in the Republic of Croatia and the strategy of these development banks in the Republic of Croatia in the forthcoming period.



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The Croatian National Bank performs tasks concerned with official statistics in accordance with the provisions of the Act on Official Statistics (OG 103/2003, 75/2009, 59/2012 and 12/2013 – consolidated version), Article 86 of the Act on the Croatian National Bank (OG 75/2008 and 54/2013) and special laws. Due to the increasing importance of the central bank's statistics function, in particular following the Republic of Croatia becoming a fully-fledged member of the European Union and after the integration of the Croatian National Bank into the European System of Central Banks, the CNB's statistics function was reorganised in the first half of 2014 and the Statistics Area of the CNB was set up.

In the past few years, the CNB Statistics Area put significant efforts into harmonising existing statistics with the reporting requirements of the EU. This primarily refers to the requests by the European Commission (i.e. its Statistical Office – Eurostat) and the European Central Bank, which became mandatory on the date of accession of the Republic of Croatia to the EU. The largest methodological challenges in this sense were linked to the introduction of the European System of National and Regional Accounts (ESA 2010) in the area of financial accounts and fiscal statistics. In addition to the changes mandated by the ESA 2010 methodology, in the area of balance of payments and international investment position statistics methodological adjustments were also made due to the new methodological framework prescribed by the 6th Balance of Payments and International Investment Position Manual (BPM6). Immediately

before the first disclosure of statistical data according to the new methodology, at the end of October 2014, an informative and educational workshop was held for chief economists of banks and journalists of the press and electronic media.

In the first half of 2014, the Area employees also took an active part in the preparation, verification and submission of data for the needs of preparing the ECB Convergence Report 2014, which the ECB published in June 2014.

In 2014, CNB representatives participated in the work of two Eurostat committees and three working groups and in the work of the ESCB Statistics Committee and its seven working groups and two expert groups. They also actively participated in committee and working group expert meetings at the Bank for International Settlements (BIS), the Organisation for Economic Co-operation and Development (OECD) and the International Monetary Fund (IMF). In 2014, as envisaged by the Programme of Statistical Activities of the Republic of Croatia for that year, six regular surveys were carried out. The conduct of these surveys falls within the responsibility of the CNB, as one of the institutions designated as a producer of official statistics. The results of regular statistical surveys carried out by the CNB are published in CNB publications (monthly in the CNB Bulletin and yearly in the CNB Annual Report) and in CBS publications (Statistical Yearbook, Statistical Information and Monthly Statistical Report). All the data are also available on the CNB website, and in publications and on the websites of international financial and statistical institutions.

## 8.1 Monetary and financial statistics

In 2014, the regular monthly delivery of monetary statistics to the European Central Bank was continued for the following reporting datasets: the balance sheet of monetary financial institutions (in accordance with the Regulation of the European Central Bank No 2013/33 concerning the balance sheet of the monetary financial institutions sector), interest rates of credit institutions (in accordance with the Regulation of the European Central Bank No 2013/34 concerning statistics on interest rates applied by monetary financial institutions to deposits and loans vis-à-vis households and non-financial corporations) and investment funds statistics (in accordance with the Regulation of the European Central Bank No 2013/38 concerning statistics on the assets and liabilities of investment funds).

Also continued were activities aimed at improving the quality of collected data in the reporting system on the basis of the Decision on statistical and prudential reporting and developing the output component within the data warehousing system.

In 2014, the CNB worked intensively on the implementation of the ESA 2010 methodological standard in monetary and financial statistics, so that the first reports harmonised with this standard could be published and submitted to the ECB at the end of January 2015 (which was achieved). In the monetary and financial statistics, the most important change referred to the

reclassification of two large public non-financial corporations from the public non-financial corporations sector to the central government subsector, while the reclassification of the foreign currency-indexed kuna position from the “kuna position” group item to the “foreign currency” group item also had a large quantitative effect. Other changes in monetary and financial statistics refer to the following: 1) the inclusion and consolidation of money market funds in the Other monetary financial institutions, 2) the first release of data on the transactions of other monetary financial institutions sector for the selected positions and 3) the first release of data on the balances of assets and liabilities of investment funds except money market funds.

In the area of financial accounts statistics, the main development activities in 2014 focused on the preparation of annual and quarterly financial accounts (including the reconstruction of series of historical data) in accordance with the provisions of the ESA 2010 standard, the Guideline of the ECB No 2013/24 on the statistical reporting requirements of the ECB in the field of quarterly financial accounts and the Regulation (EC) No 501/2004 on quarterly financial accounts of the general government. Financial accounts compiled in accordance with the ESA 2010 were published by the end of October 2014 on the CNB's and Eurostat's websites (annual data) and the ECB's



## 8.4 Other statistics

### Securities statistics

In 2014, in the area of securities statistics further development activities were launched, linked to the harmonisation of the existing securities statistics with the standards prescribed by Article 16 of the ECB Guideline No 2014/15 on monetary and financial statistics, the ECB Regulation No 2012/24 concerning statistics on holdings of securities and the ECB Guideline No 2013/7 concerning statistics on holdings of securities. The segment of securities statistics, which refers to the statistics of the issuance of securities of residents of the Republic of Croatia in financial markets in the Republic of Croatia and abroad, and to the statistics of investors in securities issued in the Republic of Croatia, has been put in place entirely and the preparation of the reporting statistics of the issuance of securities, which is submitted to the ECB for the needs of the annual Financial Markets Survey, has been enabled. On the basis of the Decision on collecting data for the compilation of securities statistics (OG 71/2013) the scope of data on resident investments in securities issued abroad and the structure of investors in securities issued in the Republic of Croatia is ensured, in a segment in which this structure is not available in the framework of currently available CDCC data. In 2014, the procedures for linking and receiving of data from the ESCB's Centralised Securities Database (CSDB) were put in place. In 2015, by using data from the CSDB and collected data on residents' investment in the securities on non-resident issuers, it will be possible for the first time to prepare and publish a complete statistics of investment in securities.

### General economic statistics

Pursuant to the provisions of the Official Statistics Act and the role of CNB statistics in the official statistics system of the Republic of Croatia and in accordance with the provisions of the revised Eurostat Statistical Requirements Compendium, in the area of statistical research falling within the sphere of competence of the CNB in 2014, the Annual Implementation Plan for 2015 and the Report on Statistical Activities in 2013 were made. In compliance with the requirements of the membership in the BIS Data Bank, statistical time series bases were submitted twice a month, with regular data and metadata updates. The activities related to regular dissemination of statistics in accordance with the Special Data Dissemination Standard (SDDS) of the International Monetary Fund were carried out in accordance with the dissemination calendar. Also launched were activities on several experimental statistics for the purposes of ECB reporting.

### Government finance statistics

CNB employees worked intensively during 2014 on the harmonisation of the existing government finance statistics within

its scope of activity with the provisions of the new ESA 2010 standard (and the accompanying Manual on Government Deficit and Debt) and the ECB Guideline No 2013/23 on government finance statistics. The fiscal statistics data within the sphere of competence of the CNB, which are compiled according to the ESA 2010 methodology, have been published since the end of October 2014. The most significant change in fiscal statistics because of the introduction of the new ESA 2010 methodological standard refers to the reclassification of two large public non-financial corporations from the public non-financial corporations sector to the central government subsector. Also, according to a reporting requirement of Eurostat, a Detailed report on the government debt structure for 2012 and 2013 was written and submitted for the first time in the first half of 2014.

During the year, CNB employees took an active part in the work of national structures set up on the basis of the applicable tripartite Cooperation Agreement in the Field of National Accounts of the General Government and Associated Statistics, such as the Committee for the implementation of the Cooperation Agreement, the Sub-committee for the Sector Classification of Institutional Units and the Working Group for the compilation of the Report on the excessive deficit procedure (EDP). The main objective of such cooperation was the coordination of a joint and simultaneous implementation of new methodological standards and alignment with other relevant EU regulations, and the increase in the level of mutual consistency of fiscal statistics within the sphere of competence of the CBS and the CNB. With the same objective, the CNB representatives took an active part in meetings with the Eurostat's technical assistance mission at the beginning of July 2014.

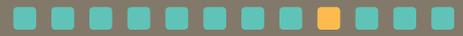
In 2014, very vigorous cooperation was established with the Croatian Bureau of Statistics, the official authority competent for the preparation of the Report on the deficit and debt, the development of new systems for the collection of data in the area of government finance statistics was initiated, and the CNB also took part in the initiative of the Ministry of Finance concerning the drafting of a new Ordinance on financial reporting in budgetary accounting. All reporting tables from the sphere of competence of CNB fiscal statistics are submitted to Eurostat and the ECB regularly and on time.

Further methodological development of all government finance statistics falling within the CNB's competence is expected in 2015, as is the beginning of work on the preparation of historical series of data for the ECB and Eurostat (for periods covered by derogations<sup>1</sup> granted to the Republic of Croatia for individual fiscal statistics from the reporting domain of Eurostat in introducing the ESA 2010 in the official statistics of the Republic of Croatia) with the objective of a full harmonisation with the reporting requirements of the ECB and Eurostat in the segment that refers to the length of the reporting period.

<sup>1</sup> Commission Implementing Decision 2014/405/EU of 26 June 2014 on granting derogations to Member States with respect to the transmission of statistics pursuant to Regulation (EU) No 549/2013 of the European Parliament and of the Council concerning the European system of national and regional accounts in the European Union.



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# **Financial statements of the Croatian National Bank**

## Independent auditor's report

### To the Governor and the Council of the Croatian National Bank

We have audited the accompanying financial statements of the Croatian National Bank ("the financial statements"), which comprise the statement of financial position as at 31 December 2014, and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information (as set out on pages 3 to 59).

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted in the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

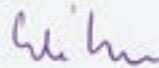
## Independent auditor's report (continued)

### Opinion

In our opinion the financial statements present fairly, in all material respects, the financial position of the Croatian National Bank as at 31 December 2014, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted in the European Union.



Zvonimir Madunić  
Certified Auditor and member of the  
Management Board  
Ernst & Young d.o.o.  
Radnička cesta 50  
Zagreb, Republic of Croatia  
27 February 2015



Gergely Szabo  
Partner  
Ernst & Young Ltd  
Váci út 20., 1132  
Budapest, Hungary  
27 February 2015

## Income statement

(All amounts are expressed in thousands of kunas)

	Notes	2014	2013
Interest and similar income	4	765,914	809,853
Interest and similar expense	5	(8,697)	(11,455)
<b>Net interest income/(expense)</b>		<b>757,217</b>	<b>798,398</b>
Fee and commission income	6	45,614	5,692
Fee and commission expenses		(8,450)	(6,499)
<b>Net fee and commission income/(expense)</b>		<b>37,164</b>	<b>(807)</b>
Dividend income		4,497	6,630
Net investment result – equity method		392	1,305
Net securities trading result	7	42,904	(120,279)
Net effect on revaluation	7	(17,232)	(3,139)
		25,672	(123,418)
Net exchange differences	8	2,218,622	327,504
Other income	9	4,780	6,352
<b>Operating income</b>		<b>3,048,344</b>	<b>1,015,964</b>
Operating expenses	10	(308,860)	(296,128)
Decrease/(increase) in provisions	11	751	15,741
<b>Net profit</b>		<b>2,740,235</b>	<b>735,577</b>
– Allocated to general reserves		(2,223,887)	(303,604)
– Allocated to the State Budget		(516,348)	(431,973)

## Statement of comprehensive income

(All amounts are expressed in thousands of kunas)

	Notes	2014	2013
<b>Net profit</b>		<b>2,740,235</b>	<b>735,577</b>
<b>Other comprehensive income</b>			
<b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</b>			
Changes in revaluation reserves of fixed assets (MRS 16)		(9,485)	–
<b>Other comprehensive income, net</b>		<b>(9,485)</b>	<b>–</b>
<b>Total comprehensive income</b>		<b>2,730,750</b>	<b>735,577</b>

## Statement of financial position

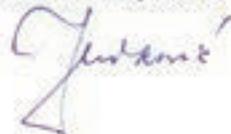
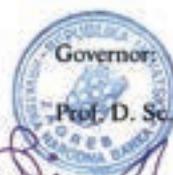
(All amounts are expressed in thousands of kunas)

	Notes	31/12/2014	31/12/2013 (restated)
<b>Assets</b>			
Cash and current accounts with other banks	12	3,879,656	7,577,949
Deposits with other banks	13	22,163,992	20,828,609
Trading securities	14	35,173,015	37,852,724
Loans	15	66	72
Held-to-maturity securities	16	33,210,002	29,731,535
Balances with the International Monetary Fund	17	6,122,613	5,710,265
Financial assets available for sale	18	60,218	59,976
Investments accounted for using the equity method	19	19,961	19,570
Accrued interest and other assets	20	355,350	316,635
Tangible and intangible assets	21	584,905	605,267
<b>TOTAL ASSETS</b>		<b>101,569,778</b>	<b>102,702,602</b>
<b>Liabilities</b>			
Banknotes and coins in circulation	22	23,155,977	21,985,330
Due to banks and other financial institutions	23	43,990,218	47,224,909
Due to the State and State institutions	24	11,609,170	13,680,678
Due to the International Monetary Fund	25	6,099,796	5,688,738
Accrued interest and other liabilities	26	1,583,424	1,206,156
<b>Total liabilities</b>		<b>86,438,585</b>	<b>89,785,811</b>
<b>Equity</b>			
Initial capital	27	2,500,000	2,500,000
Reserves	27	12,631,193	10,416,791
<b>Total equity</b>		<b>15,131,193</b>	<b>12,916,791</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>101,569,778</b>	<b>102,702,602</b>

The financial statements set out on pages 126 to 159 were approved on 27 February 2015 by:

Director of the Accounting Department:

Ivan Branimir Jurković

Governor:

Prof. D. Sc. Boris Vujčić



## Statement of changes in equity

(All amounts are expressed in thousands of kunas)

	Initial capital	General reserves	Revaluation reserves for tangible assets	Operating surplus/ (deficit)	Total equity
Balance at 1 January 2013	2,500,000	9,748,857	370,893	–	12,619,750
Net profit	–	–	–	735,577	735,577
Net profit transferred to general reserves	–	303,604	–	(303,604)	–
Net profit transferred to the State Budget	–	–	–	(431,973)	(431,973)
Depreciation of revalued tangible assets	–	6,141	(6,141)	–	–
Balance at 31 December 2013/1 January 2014 (reported)	2,500,000	10,058,602	364,752	–	12,923,354
Restatement of balance 31 December 2013/1 January 2014 <sup>a</sup>	–	(6,563)	–	–	(6,563)
Balance at 31 December 2013/1 January 2014 (restated)	2,500,000	10,052,039	364,752	–	12,916,791
Net profit	–	–	–	2,740,235	2,740,235
Net profit transferred to general reserves	–	2,223,887	–	(2,223,887)	–
Net profit transferred to the State Budget	–	–	–	(516,348)	(516,348)
Revaluation of tangible assets	–	–	(9,485)	–	(9,485)
Depreciation of revalued tangible assets	–	5,687	(5,687)	–	–
Balance at 31 December 2014	2,500,000	12,281,613	349,580	–	15,131,193

<sup>a</sup> See note 3.

## Statement of cash flows

(All amounts are expressed in thousands of kunas)

	2014	2013
<b>Cash flows from operating activities</b>		
Interest received	1,013,553	1,057,515
Interest paid	(12,104)	(14,255)
Fees and commissions received	45,350	5,707
Fees and commissions paid	(5,192)	(5,881)
Dividends received	4,497	6,630
Other receipts	37,720	38,648
Expenses paid	(263,394)	(252,667)
	<b>820,430</b>	<b>835,697</b>
<b>Changes in operating assets and liabilities</b>		
Decrease/(increase) in deposits with other banks	(466,551)	(14,543,194)
Decrease/(increase) in loans	6	7
Decrease/(increase) in trading securities	4,503,276	(2,590,346)
Decrease/(increase) in held-to-maturity securities	(3,585,981)	(1,850)
Decrease/(increase) in other assets	(62,617)	(65,346)
Increase/(decrease) in other liabilities	274,344	(308)
Increase/(decrease) in amounts due to the IMF	(20)	(17)
Increase/(decrease) of currency in circulation	1,171,030	357,523
Increase/(decrease) in amounts due to banks and other financial institutions	(1,550,934)	(2,971,666)
Increase/(decrease) in amounts due to the State	(3,895,280)	11,988,554
Increase/(decrease) in amounts due to European Commission	3,906	636,808
	<b>(3,608,821)</b>	<b>(7,189,835)</b>
<b>Net cash from operating activities</b>	<b>(2,788,391)</b>	<b>(6,354,138)</b>
<b>Cash flows from investing activities</b>		
Purchases of property and equipment	(29,270)	(21,332)
Payment of capital in ECB	(242)	(17,982)
<b>Net cash from investing activities</b>	<b>(29,512)</b>	<b>(39,314)</b>
<b>Cash flows from financing activities</b>		
Issuance of treasury bills	(424,748)	3,602,188
Payments to the State Budget	(431,973)	(380,676)
<b>Net cash from financing activities</b>	<b>(856,721)</b>	<b>3,221,512</b>
<b>Effect of changes in exchange rates – positive/(negative) exchange differences</b>	<b>163,981</b>	<b>40,406</b>
<b>Net increase/(decrease) in cash</b>	<b>(3,510,643)</b>	<b>(3,131,534)</b>
Cash at beginning of year	10,179,366	13,310,900
Cash at end of year (Note 30)	6,668,723	10,179,366





- Bojan Fras, Vice Governor
- Neven Barbaroša, Vice Governor

## 1.2 Accounting standards

The financial statements of the Croatian National Bank have been prepared in accordance with the International Financial Reporting Standards, which comprise International Accounting Standards (IAS), together with the related amendments and Interpretations, and International Financial Reporting Standards (IFRS), together with the related amendments and Interpretations, as accepted by the European Commission and published in the Official Journal of the European Union. The preparation of financial statements of the Croatian National Bank in accordance with International Financial Reporting Standards as adopted in the European Union is regulated by the Act on the Croatian National Bank and the Accounting Act.

### 1.2.1 Application of new and revised International Financial Reporting Standards and changes in accounting policies

The financial statements for current reporting period are prepared according to the same accounting policies which were applied to the financial statements for the year ended 31st December 2013, with the application of standards and interpretations that must be applied in the EU from 1st January 2014. The introduction of these standards had no significant impact on the financial statements for the year 2014.

#### 1.2.1.1 Standards and interpretations in force in the EU from 1st January 2014

The following table presents new standards or amendments to existing standards, associated with the corresponding EU legislation on adoption, which were published in 2013 and 2012, with mandatory application in the EU from 1st January 2014 or afterwards. The application of these standards has no significant impact on the financial statements of the Croatian National Bank in the current period.

Official Journal of the EU	Standard / Interpretation
OJ L 346/2013	IAS 36 Impairment of Assets (Amendments)
	IAS 39 Financial Instruments: Recognition and Measurement (Amendments)
OJ L 312/2013	IFRS 10 Consolidated Financial Statements (Amendments)
	IFRS 12 Disclosures of Interests in Other Entities (Amendments)
	IAS 27 Separate Financial Statements (Amendments)
OJ L 095/2013	IFRS 10 Consolidated Financial Statements (Amendments)
	IFRS 11 Joint Arrangements (Amendments)
	IFRS 12 Disclosures of Interests in Other Entities (Amendments)
OJ L 360/2012	IFRS 10 Consolidated Financial Statements
	IFRS 11 Joint Arrangements
	IFRS 12 Disclosures of Interests in Other Entities
	IAS 27 Separate Financial Statements (Amendments)
	IAS 28 Investments in Associates and Joint Ventures (Amendments)
	IAS 32 Financial instruments: Presentation (Amendments)

#### 1.2.1.2 Standards and interpretations in force in the EU from 1st January 2015

The following table presents a new interpretation by the International Financial Reporting Interpretations Committee (IFRIC) and amendments to existing standards with mandatory application from 1st January 2015, published in the reporting period.



using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

## 2.2 Fee and commission income and expense

Fee and commission income from services provided by the Croatian National Bank is recognised when the service is provided.

Fee and commission expense is included in the Income Statement for the period in which services are received.

## 2.3 Dividend income

Dividend income on equity investments is recognised in the Income Statement when the right to receive dividends is established.

## 2.4 Foreign exchange gains and losses

Transactions in foreign currencies are translated into Croatian kunas at the rates of exchange in effect at the dates of the transactions. At each date of the Statement of Financial Position, monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rates in effect on that date. Gains and losses on translation are included in the Income Statement in the period in which they arise using the midpoint exchange rate of the Croatian National Bank, except for Special Drawing Rights (XDR), which are translated to Croatian kunas at the XDR exchange rate provided by the International Monetary Fund.

Foreign exchange gains and losses arising from fluctuations in exchange rates are reported in the Income Statement as unrealised gains or losses in the period in which they occur. Gains and losses arising from trading in foreign currencies are included in realised income and expenses in the period in which they occur.

Non-monetary assets and liabilities denominated in foreign currencies stated at historical cost at the exchange rate valid on the date of transaction are not retranslated at the date of the Statement of Financial Position, i.e. the exchange differences are not recognised for these items.

The exchange rates of major foreign currencies at 31 December 2014 were as follows:

USD 1 = HRK 6.302107 (2013: HRK 5.549000)

EUR 1 = HRK 7.661471 (2013: HRK 7.637643)

XDR 1 = HRK 9.130556 (2013: HRK 8.515077)

## 2.5 Provision charge and reversal

Impairment provisions for identified losses are recognised in the Income Statement as expenses in the related reporting period. The provisions are reversed to the extent of the amounts recovered in excess of carrying value, and the reversal is credited to income for the period in which the amounts are recovered. Financial assets carried at fair value are not provided against.

The Croatian National Bank recognises a provision when it has a present legal or constructive obligation as a result of a past event; when it is probable that an outflow of resources will be required to settle the obligation; and when a reliable estimate can be made of the obligation. No provision is recognised unless all of these conditions are met.



evidence of impairment. If any such evidence exists, the asset's recoverable amount is estimated, and an impairment loss is recognised.

## 2.8 Repurchase and reverse repurchase agreements

The Croatian National Bank enters into securities purchase/sale agreements under which it agrees to resell/repurchase the same instrument on a specific future date at a fixed price. Securities purchased with the obligation to resell them in the future are not recognised on the Statement of Financial Position.

Payments arising from those agreements are recognised as amounts due from other banks or financial institutions, and are collateralised by securities underlying the repurchase agreement. Securities sold under repurchase agreements are not derecognised and removed from the balance sheet but are disclosed in the Statement of Financial Position. Receipts from sales of securities are recognised as amounts due to banks and other financial institutions. The difference between the sale and the repurchase price is included in interest income or expense and accrued over the period of the transaction.

## 2.9 Deposits with other banks

Amounts due from domestic and foreign banks represent balances on non-transactional accounts and are recognised at nominal value.

## 2.10 Balances with the International Monetary Fund

Balances with the International Monetary Fund (IMF) are denominated in Special Drawing Rights (XDR).

## 2.11 Gold and other precious metals

Gold and other precious metals are recognised at values prevailing at world market. Gains and losses on translation are included in the Income Statement for the period in which they arise.

## 2.12 Currency in circulation

The legal tender in the Republic of Croatia is the Croatian kuna. Banknotes and coins in circulation are carried at face value.

## 2.13 Cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash is defined as cash and current accounts with foreign banks, and balances with the International Monetary Fund.

## 2.14 Taxation

In accordance with relevant legislation the Croatian National Bank is not subject to Croatian income tax.

## 2.15 Tangible and intangible assets

Tangible and intangible assets are reported in the Statement of Financial Position at cost less accumulated depreciation, except for buildings which are carried at revalued amounts less accumulated depreciation, and land which is carried at revalued amounts. Depreciation is provided under the straight-line method.



## 2.17 Appropriation

The operating surplus is allocated to general reserves and to the state budget in accordance with Article 57 of the Act on the Croatian National Bank. The allocation of the surplus of income over expenditures to general reserves is performed in the amount determined by the Council of the Croatian National Bank. The amount of surplus of income over expenditures which is allocated to general reserves in the current financial year may neither be lower than net profit from the value adjustment of balance sheet items to changes in the exchange rate or to changes in market prices, nor higher than 20% of the realised surplus of income over expenditures. Exceptionally, if the surplus of income over expenditures is lower than net profit from the value adjustment of balance sheet items to changes in the exchange rate or to changes in market prices, the total surplus of income over expenditures shall be allocated to general reserves. The surplus of income over expenditures remaining after the allocation to general reserves constitutes extraordinary revenue to the state budget. Any shortfall between income and expenditures is covered by the Croatian National Bank from general reserves. Any shortfall between income and expenditures that cannot be covered from general reserves is covered from the state budget.

## Note 3 – Correction of errors from prior periods

The Croatian National Bank uses custodian services which include securities safekeeping and managing, account management and execution of non-cash transfers of funds in relation to securities positions, executing orders for the transfer of securities and similar services.

In the period from 2010-2013, value added tax (hereinafter: VAT) was not calculated and paid on the aforementioned services since it was considered that these services are VAT exempt. After a detailed subsequent analysis of certain types of the received services it was determined that these are taxable services for which the Croatian National Bank was obliged to calculate and pay VAT. In 2014, a correction of VAT calculation for the period 2010- 2013 was performed.

The retrospective correction of an error in a comparative prior period was impracticable as available records do not allow the reconstruction of the effect of error on the prior comparative period. The correction of prior periods' errors was performed by restating the opening balance of liabilities and equity as at 1 January 2014, as presented in the following table:

(All amounts are expressed in thousands of kunas)

FINANCIAL STATEMENT POSITION	31/12/2013 (reported)	31/12/2013 (restated)
Accrued interest and other liabilities	1,199,593	1,206,156
<b>TOTAL LIABILITIES</b>	<b>89,779,248</b>	<b>89,785,811</b>
General reserves	10,423,354	10,416,791
Total equity	12,923,354	12,916,791
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>102,702,602</b>	<b>102,702,602</b>

## Note 4 – Interest and similar income

(All amounts are expressed in thousands of kunas)

	2014	2013
Foreign currency deposits	20,710	10,967
Trading securities	110,690	134,815
Held-to-maturity securities	634,508	662,739



## Note 9 – Other income

(All amounts are expressed in thousands of kunas)

	2014	2013
Sale of numismatics	237	742
Other income	4,543	5,610
	4,780	6,352

## Note 10 – Operating expenses

(All amounts are expressed in thousands of kunas)

	2014	2013
Staff costs (Note 10.1)	165,523	158,851
Materials, services and administrative expenses	84,393	82,305
Costs of production of banknotes and coins of Croatian kunas	32,996	26,948
Depreciation and amortisation costs	25,948	28,024
	308,860	296,128

The costs of printing banknotes are initially deferred and recognised in the income statement over a period of ten years, and the cost of minting coins over a period of twelve years.

### Note 10.1 – Staff costs

(All amounts are expressed in thousands of kunas)

	2014	2013
Net salaries	71,361	70,782
Contributions from and contributions on salaries	41,899	39,904
Taxes and surtaxes	20,752	20,201
Other employee related expenses	31,511	27,964
	165,523	158,851

The average number of employees during 2014 was 627 (2013: 629).

## Note 11 – (Decrease)/increase in provisions

(All amounts are expressed in thousands of kunas)

	2014	2013
<b>a) Accrued interest and receivables</b>		
Increase in provisions	–	244
Collection	(244)	–
<b>b) Provisions for risks and charges</b>		
Increase in provisions	8,369	7,870
Reversals	(8,876)	(23,855)
	(751)	(15,741)

## Note 12 – Cash and current accounts with other banks

(All amounts are expressed in thousands of kunas)

	31/12/2014	31/12/2013
Cash on hand	1,150	1,074
Foreign currency cash in the CNB treasury vault	3,060,204	3,052,159
Current accounts with foreign banks	818,302	4,524,716



Instruments: Recognition and Measurement, the Croatian National Bank reclassified as of 31 May 2011 its financial assets out of the fair value through profit or loss category (trading assets) to financial assets held to maturity at the fair value of those assets in the amount of HRK 2,639,527 thousand (the equivalent of EUR 355,162,001.65 using the exchange rate in effect at 31 May 2011), with the fair value at the reclassification date serving as the basis for the initial measurement.

The carrying amount and fair value of the reclassified assets (including accrued interest not yet due) are presented in the table below:

(All amounts are expressed in thousands of kunas)

	31/5/2011		31/12/2014	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets at fair value through profit or loss reclassified to financial assets held to maturity	2,639,527	2,639,527	1,017,378	1,027,854

At the reclassification date, i.e. 31 May 2011, the effective interest rates on the reclassified assets ranged from 1.43 to 2.25 percent, and the expected recoverable cash flows amounted to HRK 2,866,558 thousand (equivalent to EUR 374,152,397.25 using the exchange rate in effect at 31 December 2014).

Had the assets not been reclassified, unrealised losses on the fair value of the reclassified assets (i.e. fair value excluding accrued interest not yet due) in the amount of HRK 29,121 thousand would have been included in the financial result reported in the Income Statement for the period.

Following the reclassification, the effect of the reclassified assets recognised in the Income Statement for the period amounts to HRK 24,604 thousand.

## Note 17 – Balances with the International Monetary Fund

(All amounts are expressed in thousands of kunas)

	31/12/2014	31/12/2013
Membership quota	3,333,546	3,108,848
Special Drawing Rights (XDR) and deposits	2,789,067	2,601,417
	6,122,613	5,710,265

## Note 18 – Financial assets available for sale

(All amounts are expressed in thousands of kunas)

	31/12/2014	31/12/2013
BIS shares	41,914	41,914
SWIFT shares	80	80
ECB paid-up capital	18,224	17,982
	60,218	59,976

Based on the ownership holding of 2,441 shares of the Bank for International Settlements (BIS), in the nominal value of XDR 5,000 per share, the Croatian National Bank is a member of the BIS, which enables her the option to use services which the BIS provides to central banks and other financial organisations. The shares of the BIS are recorded at historical cost. In accordance with the Statute of the BIS, 25% of the shares subscribed was paid, while the remaining 75% is payable upon call for payment. In July 2014 the Croatian National Bank received a dividend in the amount of HRK 4,497 thousands.

The Croatian National Bank is also a member of the Society for Worldwide Interbank Financial



Since the Republic of Croatia is not part of the euro area, transitional provisions of Article 47 of the ESCB's Statute are applied according to which the Croatian National Bank had an obligation to subscribe and pay in 3.75% of the capital to the ECB as a contribution to cover ECB's operating costs. The Croatian National Bank, as a national central bank outside the euro area is not entitled to receive an appropriate share of the profit distribution of the ECB, and there is no obligation to cover the loss of the ECB. Following the changes in ECB's capital keys effective since 1 January 2014, the contribution of the Croatian National Bank in paid-in capital was increased and amounts to 2,444,963.16 EUR.

Table 2: Subscribed and paid-in capital of the ECB

(All amounts are expressed in EUR)

NCB	Subscribed capital until 31 December 2013	Paid-in capital until 31 December 2013	Subscribed capital from 1 January 2014	Paid-in capital from 1 January 2014
Nationale Bank van België/Banque Nationale de Belgique	261,705,370.91	261,705,370.91	268,222,025.17	268,222,025.17
Deutsche Bundesbank	2,030,803,801.28	2,030,803,801.28	1,948,208,997.34	1,948,208,997.34
Eesti Pank	19,268,512.58	19,268,512.58	20,870,613.63	20,870,613.63
Central Bank of Ireland	120,276,653.55	120,276,653.55	125,645,857.06	125,645,857.06
Bank of Greece	210,903,612.74	210,903,612.74	220,094,043.74	220,094,043.74
Banco de España	893,420,308.48	893,420,308.48	957,028,050.02	957,028,050.02
Banque de France	1,530,028,149.23	1,530,028,149.23	1,534,899,402.41	1,534,899,402.41
Banca d'Italia	1,348,471,130.66	1,348,471,130.66	1,332,644,970.33	1,332,644,970.33
Central Bank of Cyprus	14,429,734.42	14,429,734.42	16,378,235.70	16,378,235.70
Latvijas Banka	29,682,169.38	1,113,081.35	30,537,344.94	30,537,344.94
Banque centrale du Luxembourg	18,824,687.29	18,824,687.29	21,974,764.35	21,974,764.35
Central Bank of Malta	6,873,879.49	6,873,879.49	7,014,604.58	7,014,604.58
De Nederlandsche Bank	429,352,255.40	429,352,255.40	433,379,158.03	433,379,158.03
Oesterreichische Nationalbank	209,680,386.94	209,680,386.94	212,505,713.78	212,505,713.78
Banco de Portugal	190,909,824.68	190,909,824.68	188,723,173.25	188,723,173.25
Banka Slovenije	35,397,773.12	35,397,773.12	37,400,399.43	37,400,399.43
Národná banka Slovenska	74,486,873.65	74,486,873.65	83,623,179.61	83,623,179.61
Suomen Pankki – Finlands Bank	134,836,288.06	134,836,288.06	136,005,388.82	136,005,388.82
<b>Total for NCBs in the euro area</b>	<b>7,559,351,411.86</b>	<b>7,530,782,323.83</b>	<b>7,575,155,922.19</b>	<b>7,575,155,922.19</b>
Българска народна банка (Bulgarian National Bank)	93,571,361.11	3,508,926.04	92,986,810.73	3,487,005.40
Česká národní banka	157,384,777.79	5,901,929.17	174,011,988.64	6,525,449.57
Danmarks Nationalbank	159,712,154.31	5,989,205.79	161,000,330.15	6,037,512.38
Hrvatska narodna banka	64,354,667.03	2,413,300.01	65,199,017.58	2,444,963.16
Lietuvos bankas	44,306,753.94	1,661,503.27	44,728,929.21	1,677,334.85
Magyar Nemzeti Bank	148,735,597.14	5,577,584.89	149,363,447.55	5,601,129.28
Narodowy Bank Polski	525,889,668.45	19,720,862.57	554,565,112.18	20,796,191.71
Banca Națională a României	264,660,597.84	9,924,772.42	281,709,983.98	10,564,124.40
Sveriges Riksbank	244,775,059.86	9,179,064.74	246,041,585.69	9,226,559.46
Bank of England	1,562,265,020.29	58,584,938.26	1,480,243,941.72	55,509,147.81
<b>Total for NCBs outside the euro area</b>	<b>3,265,655,657.76</b>	<b>122,462,087.16</b>	<b>3,249,851,147.43</b>	<b>121,869,418.02</b>
<b>TOTAL</b>	<b>10,825,007,069.61*</b>	<b>7,653,244,410.99</b>	<b>10,825,007,069.61*</b>	<b>7,697,025,340.21</b>

\* Due to rounding, the total does not have to equal the sums of individual amounts presented.



(All amounts are expressed in thousands of kunas)

	31/12/2014	31/12/2013
<b>Movements in impairment allowance:</b>		
Balance at 1 January	(59,138)	(58,894)
New provisions	–	(244)
Collection	244	–
<b>Balance at 31 December</b>	<b>(58,894)</b>	<b>(59,138)</b>

The major portion of prepaid expenses in the amount of HRK 290,781 thousand (2013: HRK 271,153 thousand) relates to the prepaid expenses of printing banknotes and minting coins.

## Note 21 – Tangible and intangible assets

(All amounts are expressed in thousands of kunas)

	Land and buildings	Computers	Furniture and equipment	Motor vehicles	Other assets	Assets under development	Software and licences	Total
<b>Balance at 31 December 2012</b>								
Cost or revaluation	552,023	98,015	39,232	10,225	4,524	31,624	72,217	807,860
Accumulated depreciation/ amortisation	(21,192)	(74,178)	(34,649)	(10,225)	–	–	(53,700)	(193,944)
<b>Net book value</b>	<b>530,831</b>	<b>23,837</b>	<b>4,583</b>	<b>–</b>	<b>4,524</b>	<b>31,624</b>	<b>18,517</b>	<b>613,916</b>
<b>For the year ended 31 December 2013</b>								
Opening net book amount	530,831	23,837	4,583	–	4,524	31,624	18,517	613,916
Additions	–	–	–	–	29	19,424	–	19,453
Brought into use	2,351	28,871	1,338	–	–	(38,563)	6,003	–
Net written off	–	(11)	(25)	–	(42)	–	–	(78)
Charge for the year	(9,523)	(11,725)	(2,186)	–	–	–	(4,590)	(28,024)
<b>Closing net book amount</b>	<b>523,659</b>	<b>40,972</b>	<b>3,710</b>	<b>–</b>	<b>4,511</b>	<b>12,485</b>	<b>19,930</b>	<b>605,267</b>
<b>Balance at 31 December 2013</b>								
Cost or revaluation	554,374	124,978	39,934	10,225	4,511	12,485	75,807	822,314
Accumulated depreciation/ amortisation	(30,715)	(84,006)	(36,224)	(10,225)	–	–	(55,877)	(217,047)
<b>Net book value</b>	<b>523,659</b>	<b>40,972</b>	<b>3,710</b>	<b>–</b>	<b>4,511</b>	<b>12,485</b>	<b>19,930</b>	<b>605,267</b>

(All amounts are expressed in thousands of kunas)

	Land and buildings	Computers	Furniture and equipment	Motor vehicles	Other assets	Assets under development	Software and licences	Total
<b>Balance at 31 December 2013</b>								
Cost or revaluation	554,374	124,978	39,934	10,225	4,511	12,485	75,807	822,314
Accumulated depreciation/ amortisation	(30,715)	(84,006)	(36,224)	(10,225)	–	–	(55,877)	(217,047)
<b>Net book value</b>	<b>523,659</b>	<b>40,972</b>	<b>3,710</b>	<b>–</b>	<b>4,511</b>	<b>12,485</b>	<b>19,930</b>	<b>605,267</b>
<b>For the year ended 31 December 2014</b>								
Opening net book amount	523,659	40,972	3,710	–	4,511	12,485	19,930	605,267
Additions	–	–	–	–	38	32,291	–	32,329
Brought into use	955	13,882	5,829	171	–	(24,551)	3,714	–
Revaluation	(26,732)	–	–	–	–	–	–	(26,732)
Net written off	–	–	(10)	–	(1)	–	–	(11)
Charge for the year	(8,790)	(10,927)	(1,873)	–	–	–	(4,358)	(25,948)
<b>Closing net book amount</b>	<b>489,092</b>	<b>43,927</b>	<b>7,656</b>	<b>171</b>	<b>4,548</b>	<b>20,225</b>	<b>19,286</b>	<b>584,905</b>

	Land and buildings	Computers	Furniture and equipment	Motor vehicles	Other assets	Assets under development	Software and licences	Total
Balance at 31 December 2014				–				
Cost or revaluation	493,899	138,625	38,848	10,066	4,548	20,225	79,521	785,732
Accumulated depreciation/ amortisation	(4,807)	(94,698)	(31,192)	(9,895)	–	–	(60,235)	(200,827)
Net book value	489,092	43,927	7,656	171	4,548	20,225	19,286	584,905

Revalued amounts of land and buildings were determined based on appraisals last time performed by independent experts in 2014. Valuation technique used to determine fair value was income approach. Certain significant inputs for valuation were not observable market data (Level 3 of fair value hierarchy). If the land and buildings were carried at cost less depreciation, their net book value as at 31 December 2014 would be HRK 139,511 thousand. Tangible assets of the Croatian National Bank are not pledged, either as part of mortgage agreements or as a fiduciary relationship.

## Note 22 – Banknotes and coins in circulation

(All amounts are expressed in thousands of kunas)

	2014	2013
Banknotes and coins put into circulation as of January 1	21,985,330	21,627,929
Increase/(decrease) banknotes and coins in circulation during the year	1,170,647	357,401
Banknotes and coins in circulation – total as of December 31	23,155,977	21,985,330

In HRK	Nominal value	31/12/2014		31/12/2013	
		Pieces	Value in thousands of kunas	Pieces	Value in thousands of kunas
Coins	0.01	125,723,809	1,257	125,724,297	1,257
Coins	0.02	84,077,738	1,682	84,082,319	1,682
Coins	0.05	310,108,481	15,505	293,409,205	14,670
Coins	0.10	468,323,267	46,832	448,841,373	44,884
Coins	0.20	348,491,635	69,698	332,814,219	66,563
Coins	0.50	200,959,651	100,480	191,981,038	95,991
Coins	1	221,706,179	221,706	211,413,637	211,414
Coins	2	122,825,437	245,651	114,701,199	229,402
Coins	5	81,655,950	408,280	76,276,691	381,383
Coins	25	1,161,981	29,050	1,149,641	28,741
Banknotes	5	4,140,117	20,701	4,147,692	20,738
Banknotes	10	37,419,981	374,200	35,458,935	354,589
Banknotes	20	25,478,119	509,562	24,094,037	481,881
Banknotes	50	13,773,612	688,681	13,032,454	651,623
Banknotes	100	30,601,923	3,060,192	29,309,770	2,930,977
Banknotes	200	50,566,663	10,113,333	47,973,129	9,594,626
Banknotes	500	5,910,137	2,955,068	5,699,877	2,849,939
Banknotes	1.000	4,294,099	4,294,099	4,024,970	4,024,970
<b>Total</b>			<b>23,155,977</b>		<b>21,985,330</b>

## Note 23 – Due to banks and other financial institutions

(All amounts are expressed in thousands of kunas)

	31/12/2014	31/12/2013
Kuna reserve requirements	21,899,812	22,024,590
Foreign currency reserve requirements	3,744,771	4,418,752

	31/12/2014	31/12/2013
Other deposits from domestic banks	15,146,745	15,356,003
Deposits from foreign banks and other financial institutions	72	72
Court-mandated deposits	21,378	18,815
Compulsory CNB bills in kunas	3,177,440	3,602,188
Liabilities to Croatian Bank for Reconstruction and Development	–	1,804,489
	43,990,218	47,224,909

In accordance with the Decision on the purchase of compulsory CNB bills (Official Gazette 142/2013), banks were required to purchase CNB bills carrying zero interest with final maturity until 12 December 2016, with a possibility of redemption prior to maturity of part of compulsory CNB bills in the amount of 50% of the increase in bank placements to domestic non-financial enterprises.

Liabilities to the Croatian Bank for Reconstruction and Development (HBOR) are funds on a transaction account opened on the basis of a contractual arrangement between the Croatian National Bank and the Croatian Bank for Reconstruction and Development (HBOR) and for the purpose of the Financing Models provided within the Measures for Economic Recovery and Development. In 2014, funds on this account were reduced to zero balance and accordingly, following the request of the Croatian Bank for Reconstruction and Development, the Croatian National Bank closed the transaction account of the Croatian Bank for Reconstruction and Development.

## Note 24 – Due to the state and state institutions

(All amounts are expressed in thousands of kunas)

	31/12/2014	31/12/2013
Domestic currency account balances	3,047,350	3,023,341
Foreign-currency denominated deposit account balances	8,561,820	10,657,337
	11,609,170	13,680,678

## Note 25 – Due to the International Monetary Fund

(All amounts are expressed in thousands of kunas)

	31/12/2014	31/12/2013
Kuna-denominated bills of exchange	3,323,567	3,099,721
Net cumulative allocations	2,767,809	2,581,234
Other IMF's accounts	8,420	7,783
	6,099,796	5,688,738

The bills of exchange denominated in the Croatian kuna relate to the membership of the Republic of Croatia in the International Monetary Fund.

## Note 26 – Accrued interest and other liabilities

(All amounts are expressed in thousands of kunas)

	31/12/2014	31/12/2013 (reported)	31/12/2013 (restated)
Accrued interest	642	1,031	1,031
Amounts due to employees	6,146	5,611	5,611
Taxes and contributions	6,494	5,603	10,995
Obligations to European Commission in EUR	743	418,603	418,603
Obligations to European Commission in HRK	639,648	219,155	219,155
Due to the Ministry of Finance	522,786	437,897	437,897



	Less than 12 months	More than 12 months	Total
Financial assets available for sale	–	60,218	60,218
Investments accounted for using the equity method	–	19,961	19,961
Accrued interest and other assets	93,499	261,851	355,350
Tangible and intangible assets	20,225	564,680	584,905
<b>Total assets</b>	<b>74,364,823</b>	<b>27,204,955</b>	<b>101,569,778</b>
<b>Liabilities</b>			
Banknotes and coins in circulation	23,155,977	–	23,155,977
Due to banks and other financial institutions	40,812,706	3,177,512	43,990,218
Due to the State and State institutions	11,609,170	–	11,609,170
Due to the International Monetary Fund	–	6,099,796	6,099,796
Accrued interest and other liabilities	1,544,009	39,415	1,583,424
<b>Total liabilities</b>	<b>77,121,862</b>	<b>9,316,723</b>	<b>86,438,585</b>
<b>Net position</b>	<b>(2,757,039)</b>	<b>17,888,232</b>	<b>15,131,193</b>

All amounts are expressed in thousands of kunas)

	Less than 12 months	More than 12 months	Total
<b>Balance as at 31 December 2013</b>			
<b>Assets</b>			
Cash and current accounts with other banks	7,577,949	–	7,577,949
Deposits with other banks	20,817,594	11,015	20,828,609
Trading securities	37,852,724	–	37,852,724
Loans	–	72	72
Held-to-maturity securities	7,876,996	21,854,539	29,731,535
Balances with the International Monetary Fund	2,596,996	3,113,269	5,710,265
Financial assets available for sale	–	59,976	59,976
Investments accounted for using the equity method	–	19,570	19,570
Accrued interest and other assets	35,857	280,778	316,635
Tangible and intangible assets	12,485	592,782	605,267
<b>Total assets</b>	<b>76,770,601</b>	<b>25,932,001</b>	<b>102,702,602</b>
<b>Liabilities</b>			
Banknotes and coins in circulation	21,985,330	–	21,985,330
Due to banks and other financial institutions	43,622,649	3,602,260	47,224,909
Due to the State and State institutions	13,680,678	–	13,680,678
Due to the International Monetary Fund	–	5,688,738	5,688,738
Accrued interest and other liabilities	1,166,556	39,600	1,206,156
<b>Total liabilities</b>	<b>80,455,213</b>	<b>9,330,598</b>	<b>89,785,811</b>
<b>Net position</b>	<b>(3,684,612)</b>	<b>16,601,403</b>	<b>12,916,791</b>

## Note 29 – Contingent liabilities and commitments and treasury inventory system

**Legal actions:** At 31 December 2014, there were several legal actions outstanding against the Croatian National Bank. In the opinion of the management and internal legal advisers of the Croatian National Bank, the Bank may lose certain cases. As a result, provisions for potential losses on such cases were made by the Bank in the amount of HRK 25,380 thousand (see Note 26).

**Capital commitments:** At 31 December 2014 the capital commitments of the Croatian National Bank amounted to HRK 5,077 thousand (2013: HRK 418 thousand).



Total	22,805,947	12,367,068	35,173,015
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(All amounts are expressed in thousands of kunas)

	31/12/2013		
	Level 1	Level 2	Total
Foreign securities held for trading			
Government securities	17,232,347	15,294,241	32,526,588
Securities of international financial institutions	707,660	277,415	985,075
Bank bonds with government guarantees	-	4,341,061	4,341,061
<b>Total</b>	<b>17,940,007</b>	<b>19,912,717</b>	<b>37,852,724</b>

#### b) Financial assets and liabilities not measured at fair value

Debt securities held to maturity are measured at amortized cost. The comparison of book and fair values is presented in the following table.

(All amounts are expressed in thousands of kunas)

	Debt securities	
	Book value	Fair value
31/12/2014	33,210,002	34,030,325
31/12/2013	29,731,535	30,477,206

In determining the fair value of financial assets held to maturity Level 1 of fair value hierarchy input data was used.

The fair values of remaining financial assets and liabilities of the Croatian National Bank are approximately equal to the accounting values due to the short maturities of the instruments.

## Note 33 – Risk management

The Croatian National Bank manages international reserves of the Republic of Croatia based on the principles of liquidity and safety. The Bank maintains high liquidity of international reserves and appropriate risk exposures, and seeks to achieve a favourable return on its investments within the defined limits.

Risks inherent to managing international reserves consist primarily of financial risks such as credit risk, interest rate risk and foreign exchange risk. However, attention is given also to liquidity and operating risks.

### Note 33.1 – Credit risk

Credit risk is the risk that the counterparty will not settle its liability i.e. the possibility that invested funds will not be recovered in full or within the planned schedule.

The Croatian National Bank manages its credit risk exposure by investing its international reserve funds into high-quality instruments with minimum risk, such as government bonds, government guaranteed bonds, bank bonds with government guarantee and guaranteed bonds, into instruments of international financial institutions with high credit rating and into both collateralised and non-collateralised deposits. Collateralised deposits represent deposits secured by government bonds in the amount equal to, or in excess of the value of the deposit. The total value of collateral received per reverse repo agreements as at 31 December 2014 amounts to HRK 5,021,117 thousand (31 December 2013: HRK 18,178,724 thousand). These collaterals are government bonds with rating

within the range Aaa to Baa3. The total value of the given collateral under repo agreements as at 31 December 2014 amounted to HRK 291,136 thousand.

Its assessment of counterparties' creditworthiness is based on ratings of major internationally recognized rating agencies (Moody's, Standard & Poor's, and Fitch).

International reserves placements are limited per types of issuer and per types of financial institutions which diversifies the credit risk.

The Croatian National Bank invests the international reserve funds in government bonds and government guaranteed bonds of countries rated Aaa to Baa3 (Moody's), guaranteed bonds with ratings from Aaa to Aa2, reverse repo agreements with commercial banks with ratings of Aaa to Baa3, deposits with central banks rated Aaa to Baa3, deposits with international financial institutions rated Aaa to A2, and deposits placed with commercial banks rated Aaa to A3.

### 33.1.1 Credit risk concentration by type of asset

(All amounts are expressed in thousands of kunas)

	31/12/2014	31/12/2013
<b>Foreign-currency denominated securities held for trading</b>		
Government securities	33,293,071	32,526,588
Securities of international financial institutions	429,437	985,075
Bank bonds with government guarantee	1,450,507	4,341,061
<b>Total foreign-currency denominated securities held for trading</b>	<b>35,173,015</b>	<b>37,852,724</b>
<b>Foreign-currency denominated securities held to maturity</b>		
Government securities	26,742,731	21,125,861
Guaranteed bonds (public sector collateral)	986,843	1,572,899
Securities of international financial institutions	4,944,132	6,498,335
Bank bonds with government guarantee	536,296	534,440
<b>Total foreign-currency denominated securities held to maturity</b>	<b>33,210,002</b>	<b>29,731,535</b>
<b>Total foreign-currency denominated securities</b>	<b>68,383,017</b>	<b>67,584,259</b>
<b>Foreign-currency denominated deposit account balances</b>		
Reverse repo agreements	5,563,918	19,068,181
Deposits	17,156,167	5,899,492
Deposits with international financial institutions	3,041,171	2,977,531
<b>Total foreign-currency denominated deposits</b>	<b>25,761,256</b>	<b>27,945,204</b>
<b>Total</b>	<b>94,144,273</b>	<b>95,529,463</b>

### 33.1.2 Credit risk by counterparty credit rating

(All amounts are expressed in thousands of kunas)

	31/12/2014	31/12/2013
<b>Rating (Moody's)</b>		
	<b>Government securities</b>	<b>Government securities</b>
Aaa	33,589,819	36,580,715
Aa1	5,688,778	11,601,359
Aa2	–	–
Aa3	5,499,815	3,920,984
Baa1	737,112	–
Baa2	12,964,936	–
AA	1,555,342 <sup>a</sup>	1,549,391
<b>Total</b>	<b>60,035,802</b>	<b>53,652,449</b>
	<b>Guaranteed bonds</b>	<b>Guaranteed bonds</b>
Aaa	986,843	1,572,899
<b>Total</b>	<b>986,843</b>	<b>1,572,899</b>
	<b>Securities of international financial institutions</b>	<b>Securities of international financial institutions</b>

	31/12/2014	31/12/2013
Aaa	2,338,972	4,176,695
Aa1	3,034,597	3,306,715
<b>Total</b>	<b>5,373,569</b>	<b>7,483,410</b>
	<b>Government-guaranteed bank bonds</b>	<b>Government-guaranteed bank bonds</b>
Aaa	1,378,770	4,646,419
Aa1	608,033	229,082
<b>Total</b>	<b>1,986,803</b>	<b>4,875,501</b>
<b>Total foreign-currency denominated securities</b>	<b>68,383,017</b>	<b>67,584,259</b>
	<b>Reverse repo agreements</b>	<b>Reverse repo agreements</b>
Aaa	248,933	272,456
Aa3	–	1,811,634
A1	1,992,032	1,367,363
A2	3,322,953	13,167,086
A3	–	2,449,642
<b>Total</b>	<b>5,563,918</b>	<b>19,068,181</b>
	<b>Deposits</b>	<b>Deposits</b>
Aaa	911,525	4,522,254
Aa1	44,983	30
Aa2	1,072,645	107
Aa3	987	1,376,111
A1	4,580,790	91
A2	7,309,477	465
A3	2,942,625	207
Baa1	1,802 <sup>b</sup>	8
Unrated	291,333 <sup>c</sup>	219
<b>Total</b>	<b>17,156,167</b>	<b>5,899,492</b>
	<b>Deposits of international financial institutions</b>	<b>Deposits of international financial institutions</b>
Without rating	3,041,171 <sup>d</sup>	2,977,531
<b>Total</b>	<b>3,041,171</b>	<b>2,977,531</b>
<b>Total foreign currency deposits</b>	<b>25,761,256</b>	<b>27,945,204</b>
<b>Grand total</b>	<b>94,144,273</b>	<b>95,529,463</b>

<sup>a</sup> The ratings according to Standard&Poor's

<sup>b</sup> Demand deposits with banks at which foreign-exchange payment operation accounts are opened

<sup>c</sup> Demand funds with Clearstream

<sup>d</sup> Investments in the BIS and IMF which are not rated, but are considered institutions of high-credit score

### 33.1.3 Geographical concentration of credit risk

(All amounts are expressed in thousands of kunas)

Instrument	Euro area	Other	Total
<b>Balance at 31 December 2014</b>			
Government securities	49,442,469	10,593,333	60,035,802
Guaranteed bonds	986,843	–	986,843
Securities of international financial institutions	5,373,569	–	5,373,569
Bank bonds with government guarantee	1,986,803	–	1,986,803
<b>Total foreign-currency denominated securities</b>	<b>57,789,684</b>	<b>10,593,333</b>	<b>68,383,017</b>
Reverse repo agreements	5,314,985	248,933	5,563,918
Deposits	12,803,060	4,353,107	17,156,167
Deposits with international financial institutions	–	3,041,171	3,041,171
<b>Total foreign-currency denominated deposits</b>	<b>18,118,045</b>	<b>7,643,211</b>	<b>25,761,256</b>
<b>Total at 31 December 2014</b>	<b>75,907,729</b>	<b>18,236,544</b>	<b>94,144,273</b>

(All amounts are expressed in thousands of kunas)

Instrument	Euro area	Other	Total
<b>Balance at 31 December 2013</b>			
Government securities	44,101,367	9,551,082	53,652,449
Guaranteed bonds	1,572,899	–	1,572,899
Securities of international financial institutions	7,483,410	–	7,483,410
Bank bonds with government guarantee	4,875,501	–	4,875,501
<b>Total foreign-currency denominated securities</b>	<b>58,033,177</b>	<b>9,551,082</b>	<b>67,584,259</b>
Reverse repo agreements	13,641,653	5,426,528	19,068,181
Deposits	5,894,813	4,679	5,899,492
Deposits with international financial institutions	–	2,977,531	2,977,531
<b>Total foreign-currency denominated deposits</b>	<b>19,536,466</b>	<b>8,408,738</b>	<b>27,945,204</b>
<b>Total at 31 December 2013</b>	<b>77,569,643</b>	<b>17,959,820</b>	<b>95,529,463</b>

### Note 33.2 – Foreign exchange risk

The Croatian National Bank holds most of its assets in foreign currencies, which exposes it to foreign exchange risk in terms of fluctuations in the exchange rates of the kuna against the euro and the US dollar which affect the Income Statement and, consequently, the financial performance of the Croatian National Bank.

The Croatian National Bank takes on exposure to foreign exchange risk only in respect of the net international reserves, which are the international reserve funds formed mostly out of foreign exchange funds purchased from banks on foreign exchange interventions and foreign exchange funds purchased from the Croatian Ministry of Finance.

The portion of International reserves formed out of the allocated foreign exchange reserve requirement, the Ministry of Finance funds, repo deals and funds in Special Drawing Rights (XDR) are managed passively, based on the currency structure of foreign currency obligations; hence, there is no exposure to foreign exchange risk on this basis.

#### 33.2.1 Sensitivity analysis – impact of percentage fluctuations in exchange rates on the Income Statement

##### 2014 Sensitivity analysis

(All amounts are expressed in thousands of kunas)

2014	USD	EUR
	±5%	±1%
Impact of fluctuations in exchange rates on the Income Statement	815,900/(815,900)	655,000/(655,000)

The table above shows the sensitivity of the financial result for the year of the CNB in case of an increase/decrease in the EUR/HRK exchange rate by  $\pm 1\%$  and in case of an increase/decrease in the USD/HRK exchange rate by  $\pm 5\%$ . Historically, the yearly volatility of the USD/HRK exchange rate has been five times higher than the EUR/HRK exchange rate volatility.

A positive figure denotes an increase in the result for the year where the Croatian kuna depreciates against the relevant currency by the percentages specified above, while in case of the Croatian kuna appreciation against the relevant currencies, the balances would be negative, and the result of the Croatian National Bank for the year would be lower.

In case of a 1% decrease in the EUR/HRK exchange rate as at 31 December 2014, the financial result of the CNB for the year would be lower by approximately HRK 655,000 thousand, while for

a 5% decrease in the USD/HRK exchange rate, the result would be lower by approximately HRK 815,900 thousand.

#### Calculation methodology:

The amount of the net euro and net US dollar international reserves as at balance sheet date is multiplied by the difference between the EUR/HRK exchange rate or the USD/HRK exchange rate valid at that date and those rates increased/decreased by the relevant percentages.

#### 2013 Sensitivity Analysis

(All amounts are expressed in thousands of kunas)

	2013	USD	EUR
		±5%	±1%
Impact of fluctuations in exchange rates on the Income Statement		731,900/(731,900)	658,500/(658,500)

#### 33.2.2 CNB exposure to foreign exchange risk – analysis of assets and liabilities by currency

(All amounts are expressed in thousands of kunas)

	EUR	USD	XDR	Other foreign currencies	HRK	Total
<b>Balance at 31 December 2014</b>						
<b>Assets</b>						
Cash and current accounts with other banks	3,868,710	4,139	–	6,431	376	3,879,656
Deposits with other banks	18,752,791	3,400,531	–	–	10,670	22,163,992
Trading securities	21,767,102	13,405,913	–	–	–	35,173,015
Loans	–	–	–	–	66	66
Held-to-maturity securities	33,210,002	–	–	–	–	33,210,002
Balances with the IMF	–	–	6,122,613	–	–	6,122,613
Financial assets available for sale	–	–	–	–	60,218	60,218
Investments accounted for using the equity method	–	–	–	–	19,961	19,961
Accrued interest and other assets	238	408	–	3	354,701	355,350
Tangible and intangible assets	–	–	–	–	584,905	584,905
<b>Total assets</b>	<b>77,598,843</b>	<b>16,810,991</b>	<b>6,122,613</b>	<b>6,434</b>	<b>1,030,897</b>	<b>101,569,778</b>
<b>Liabilities</b>						
Banknotes and coins in circulation	–	–	–	–	23,155,977	23,155,977
Due to banks and other financial institutions	3,258,998	485,773	–	–	40,245,447	43,990,218
Due to the State and State institutions	8,551,726	6,484	–	3,610	3,047,350	11,609,170
Due to the IMF	–	–	6,099,796	–	–	6,099,796
Accrued interest and other liabilities	293,437	372	16,377	654	1,272,584	1,583,424
<b>Total liabilities</b>	<b>12,104,161</b>	<b>492,629</b>	<b>6,116,173</b>	<b>4,264</b>	<b>67,721,358</b>	<b>86,438,585</b>
<b>Net position</b>	<b>65,494,682</b>	<b>16,318,362</b>	<b>6,440</b>	<b>2,170</b>	<b>(66,690,461)</b>	<b>15,131,193</b>
<b>Balance at 31 December 2013</b>						
<b>Assets</b>						
Cash and current accounts with other banks	7,572,119	3,582	–	2,005	243	7,577,949
Deposits with other banks	18,615,329	2,202,265	–	–	11,015	20,828,609
Trading securities	24,263,021	13,589,703	–	–	–	37,852,724
Loans	–	–	–	–	72	72
Held-to-maturity securities	29,731,535	–	–	–	–	29,731,535
Balances with the IMF	–	–	5,710,265	–	–	5,710,265
Financial assets available for sale	–	–	–	–	59,976	59,976

	EUR	USD	XDR	Other foreign currencies	HRK	Total
Investments accounted for using the equity method	–	–	–	–	19,570	19,570
Accrued interest and other assets	1,618	86	–	–	314,931	316,635
Tangible and intangible assets	–	–	–	–	605,267	605,267
<b>Total assets</b>	<b>80,183,622</b>	<b>15,795,636</b>	<b>5,710,265</b>	<b>2,005</b>	<b>1,011,074</b>	<b>102,702,602</b>
<b>Liabilities</b>						
Banknotes and coins in circulation	–	–	–	–	21,985,330	21,985,330
Due to banks and other financial institutions	3,265,803	1,152,949	–	–	42,806,157	47,224,909
Due to the State and State institutions	10,652,435	4,715	–	187	3,023,341	13,680,678
Due to the IMF	–	–	5,688,738	–	–	5,688,738
Accrued interest and other liabilities	420,203	92	15,631	549	769,681	1,206,156
<b>Total liabilities</b>	<b>14,338,441</b>	<b>1,157,756</b>	<b>5,704,369</b>	<b>736</b>	<b>68,584,509</b>	<b>89,785,811</b>
<b>Net position</b>	<b>65,845,181</b>	<b>14,637,880</b>	<b>5,896</b>	<b>1,269</b>	<b>(67,573,435)</b>	<b>12,916,791</b>

### Note 33.3 – Interest rate risk

Interest rate risk is the risk of a decline in the value of foreign currency portfolios of international reserves of the CNB due to possible changes in interest rates on the fixed-yield instrument markets. Interest rate risk of international reserves of the CNB is managed by applying precisely defined reference portfolios. Reference portfolios meet the required risk/reward ratio and reflect the long-term reserve investment strategy.

The CNB has an open interest rate position only to the portions of its trading portfolio denominated in the euro and the US dollar, while there is almost no exposure on its held-to-maturity portfolio denominated in the euro. The CNB manages funds of the Ministry of Finance and the European Commission in accordance with the maturities of liabilities, while funds collected from the allocated foreign exchange component of reserve requirements are invested for a period of three months.

The Croatian National Bank limits its exposure to the interest rate risk on its trading portfolio by setting the strategic modified average remaining term to maturity (strategic modified duration) to less than one year.

#### 33.3.1 Sensitivity analysis – exposure of the CNB's net international reserves to fluctuations in interest rates

##### 2014 Sensitivity analysis

(All amounts are expressed in thousands of kunas)

	2014	USD	EUR
Yield curve increase/decrease		+/-50 b. p.	+/-50 b. p.
Effect of a change in the level of the yield curve on the financial result		(40,800)/40,800	(85,250)/85,250

Should as at 31 December 2014 the entire USD yield curve increase by 50 basis points (0.5%), the result of the CNB reported in the Income Statement for the year would be lower by approximately HRK 40,800 thousand, while in the case of the EUR yield curve increasing by 50 basis points, the result would be lower by approximately HRK 85,250 thousand.

For a 50 b.p. decrease of the yield curve, the result reported in the Income Statement would be higher by approximately the same amounts.

### Calculation methodology:

The net amounts of the dollar and euro reserves as at 31 December 2013 were multiplied by modified duration and by 50 basis points (0.5%). Modified duration denotes by how many basis points the value of the portfolio will decrease should the interest rate curve increase by 1 percentage point.

### 2013 Sensitivity analysis

(All amounts are expressed in thousands of kunas)

	2013	USD	EUR
Yield curve increase/decrease		+/-50 b. p.	+/-50 b. p.
Effect of a change in the level of the yield curve on Income statement		(36,600)/36,600	(96,400)/96,400

### 31.3.2 Interest rate risk analysis

(All amounts are expressed in thousands of kunas)

	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Non-interest bearing	Total
<b>Balance at 31 December 2014</b>							
<b>Assets</b>							
Cash and current accounts with other banks	-	-	-	-	-	3,879,656	3,879,656
Deposits with other banks	15,444,975	6,708,347	-	-	-	10,670	22,163,992
Trading securities	35,173,015	-	-	-	-	-	35,173,015
Loans	-	-	-	-	66	-	66
Held-to-maturity securities	1,302,624	2,108,539	6,672,692	18,104,225	4,607,722	414,200	33,210,002
Balances with the IMF	2,784,326	-	-	-	-	3,338,287	6,122,613
Financial assets available for sale	-	-	-	-	-	60,218	60,218
Investments accounted for using the equity method	-	-	-	-	-	19,961	19,961
Accrued interest and other assets	-	-	-	-	-	355,350	355,350
Tangible and intangible assets	-	-	-	-	-	584,905	584,905
<b>Total assets</b>	<b>54,704,940</b>	<b>8,816,886</b>	<b>6,672,692</b>	<b>18,104,225</b>	<b>4,607,788</b>	<b>8,663,247</b>	<b>101,569,778</b>
<b>Liabilities</b>							
Banknotes and coins in circulation	-	-	-	-	-	23,155,977	23,155,977
Due to banks and other financial institutions	3,744,771	-	-	-	-	40,245,447	43,990,218
Due to the State and State institutions	2,715,029	-	-	-	-	8,894,141	11,609,170
Due to the IMF	2,767,809	-	-	-	-	3,331,987	6,099,796
Accrued interest and other liabilities	-	-	-	-	-	1,583,424	1,583,424
<b>Total liabilities</b>	<b>9,227,609</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>77,210,976</b>	<b>86,438,585</b>
<b>Net position</b>	<b>45,477,331</b>	<b>8,816,886</b>	<b>6,672,692</b>	<b>18,104,225</b>	<b>4,607,788</b>	<b>(68,547,729)</b>	<b>15,131,193</b>
<b>Balance at 31 December 2013</b>							
<b>Assets</b>							
Cash and current accounts with other banks	-	-	-	-	-	7,577,949	7,577,949
Deposits with other banks	18,782,126	2,035,468	-	-	-	11,015	20,828,609
Trading securities	37,852,724	-	-	-	-	-	37,852,724
Loans	-	-	-	72	-	-	72
Held-to-maturity securities	2,253,161	-	5,498,415	21,521,575	-	458,384	29,731,535
Balances with the IMF	2,596,996	-	-	-	-	3,113,269	5,710,265
Financial assets available for sale	-	-	-	-	-	59,976	59,976
Investments accounted for using the equity method	-	-	-	-	-	19,570	19,570
Accrued interest and other assets	-	-	-	-	-	316,635	316,635
Tangible and intangible assets	-	-	-	-	-	605,267	605,267
<b>Total assets</b>	<b>61,485,007</b>	<b>2,035,468</b>	<b>5,498,415</b>	<b>21,521,647</b>	<b>-</b>	<b>12,162,065</b>	<b>102,702,602</b>
<b>Liabilities</b>					-		

	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Non-interest bearing	Total
Banknotes and coins in circulation	–	–	–	–	–	21,985,330	21,985,330
Due to banks and other financial institutions	4,418,752	–	–	–	–	42,806,157	47,224,909
Due to the State and State institutions	2,732,536	–	–	–	–	10,948,142	13,680,678
Due to the IMF	2,581,234	–	–	–	–	3,107,504	5,688,738
Accrued interest and other liabilities	–	–	–	–	–	1,206,156	1,206,156
<b>Total liabilities</b>	<b>9,732,522</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>80,053,289</b>	<b>89,785,811</b>
<b>Net position</b>	<b>51,752,485</b>	<b>2,035,468</b>	<b>5,498,415</b>	<b>21,521,647</b>	<b>–</b>	<b>(67,891,224)</b>	<b>12,916,791</b>

### Note 33.4 – Liquidity risk

Liquidity risk is the risk of inability to settle all the liabilities and obligations arising from the operations of the Croatian National Bank as they fall due. Hence, the Croatian National Bank has to ensure, through its strategy, sufficient liquid funds on a daily basis to settle all of its liabilities and commitments.

Liquidity risk is controlled by investing the international reserve funds into highly marketable bonds and partly in deposit instruments with short maturities.

Liquid funds include all assets that are convertible into cash within a period of one to three days. The CNB invests total international reserve funds into deposits with maturities of up to three months and into securities with maturities of less than ten years, provided that those securities are readily convertible into cash at any time.

At 31 December 2014, around 40 percent of net international reserves were liquid, as well as the end of 2013.

In the following tables, the financial liabilities of the Croatian National Bank are analysed into relevant groupings by the remaining contractual maturity from the balance sheet date. The tables have been drawn up based on the undiscounted cash flows of financial liabilities on the earliest date on which payment could be required and include both interest and principal cash flows.

(All amounts are expressed in thousands of kunas)

	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total
<b>Balance at 31 December 2014</b>						
<b>Liabilities</b>						
Banknotes and coins in circulation	23,155,977	–	–	–	–	23,155,977
Due to banks and other financial institutions	40,812,706	–	–	3,177,440	72	43,990,218
Due to the State and State institutions	11,609,170	–	–	–	–	11,609,170
Due to the IMF	–	–	–	–	6,099,796	6,099,796
Accrued interest and other liabilities	673,971	825,333	44,684	38,126	1,289	1,583,403
<b>Total liabilities</b>	<b>76,251,824</b>	<b>825,333</b>	<b>44,684</b>	<b>3,215,566</b>	<b>6,101,157</b>	<b>86,438,564</b>
<b>Balance at 31 December 2013</b>						
<b>Liabilities</b>						
Banknotes and coins in circulation	21,985,330	–	–	–	–	21,985,330
Due to banks and other financial institutions	43,622,649	–	–	3,602,188	72	47,224,909
Due to the State and State institutions	13,680,678	–	–	–	–	13,680,678

	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total
Due to the IMF	–	–	–	–	5,688,738	5,688,738
Accrued interest and other liabilities	673,224	449,084	45,190	38,126	1,474	1,207,098
<b>Total liabilities</b>	<b>79,961,881</b>	<b>449,084</b>	<b>45,190</b>	<b>3,640,314</b>	<b>5,690,284</b>	<b>89,786,753</b>

### Note 34 – Related parties

While performing regular activities the Croatian National Bank enters into transactions with related parties. In accordance with IAS 24 Related Party Disclosures related parties are the state and state bodies of the Republic of Croatia, the Croatian Monetary Institute and key management of the Croatian National Bank.

#### a) Relations with the state and state bodies of the Republic of Croatia

The Croatian National Bank is in the exclusive ownership of the Republic of Croatia, but in achieving its objective and in carrying out its tasks the Croatian National Bank is independent and autonomous.

In relations with the state bodies of the Republic of Croatia, the Croatian National Bank acts as a depository institution, that is, keeps the accounts of the Republic of Croatia and executes payment transactions across these accounts.

Under market conditions, the Croatian National Bank can perform fiscal agency services for the Republic of Croatia related to:

- issuance of debt securities of the Republic of Croatia, as a registrar or as a transfer agent of the entire issuance,
- payment of the amount of principal, interest and other charges related to securities,
- other issues associated with these operations, if they are consistent with the objective of the Croatian National Bank.

#### b) Associated entities

The investment of the Croatian National Bank in the Croatian Monetary Institute represents the investment in an associate in accordance with IAS 28. The share of ownership of the Croatian National Bank in the Croatian Monetary Institute capital is 42.6%. Detailed disclosures on the investment in an associate are presented in Note 19.

#### c) Key management of the Croatian National Bank

The Council of the Croatian National Bank is responsible for the achievement of the objective and performance of tasks of Croatian National Bank. The Council of the Croatian National Bank establishes policies related to the activities of the Croatian National Bank. In line with the aforementioned, key management of the Croatian National Bank is composed of members of the Council of the Croatian National Bank.

The Council of the Croatian National Bank comprises Governor, Deputy Governor and six Vice Governors.

Short-term compensations to the key management of Croatian National Bank for 2014 amounted to HRK 9,134 thousand, of which HRK 1,312 thousands refers to the pension insurance contributions (2013: HRK 8,423 thousands, out of which HRK 1,096 thousands refers to the pension insurance contributions).



# Management and internal organisation of the Croatian National Bank

## 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

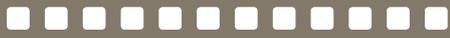
## Management of the Croatian National Bank

Governor	Boris Vujčić
Deputy Governor	Relja Martić
Vicegovernor	Vedran Šošić
Vicegovernor	Damir Odak
Vicegovernor	Neven Barbaroša
Vicegovernor	Tomislav Presečan
Vicegovernor	Bojan Fras
Vicegovernor	Michael Faulend

## Executive directors

Research Area	Ljubinko Jankov
Statistics Area	Tomislav Galac
Central Banking Operations Area	Irena Kovačec
Prudential Regulation and Supervision Area	Željko Jakuš
International Relations Area	Sanja Tomičić
Payment Operations Area	Ivan Biluš
Planning, Controlling and Accounting Area	Diana Jakelić
Information Technology Area	Mario Žgela
Support Services Area	Boris Ninić





HNB



# List of credit institutions 31 December 2014



HNB

## Authorised banks

### BANKA KOVANICA d.d.

P. Preradovića 29  
42000 Varaždin  
Phone: + 385 42 40 34 03  
Fax: + 385 42 40 34 43  
SWIFT: SKOVHR22

### BANKA SPLITSKO-DALMATINSKA d.d.

114. brigade 9  
21000 Split  
Phone: + 385 21 54 02 80  
Fax: + 385 21 36 84 48  
SWIFT: DALMHR22

### BKS BANK d.d.

Mljekarski trg 3  
51000 Rijeka  
Phone: + 385 51 35 35 55  
Fax: + 385 51 35 35 50  
SWIFT: BFKKHR22

### CROATIA BANKA d.d.

R. Frangeša Mihanovića 9  
10000 Zagreb  
Phone: + 385 1 23 91 111  
Fax: + 385 1 23 91 244  
SWIFT: CROAHR2X

### ERSTE&STEIERMÄRKISCHE BANK d.d.

Jadranski trg 3a  
51000 Rijeka  
Phone: + 385 72 37 50 00  
Fax: + 385 72 37 60 00  
SWIFT: ESBCHR22

### HRVATSKA POŠTANSKA BANKA d.d.

Jurišićeva 4  
10000 Zagreb  
Phone: + 385 1 48 04 574  
Fax: + 385 1 48 10 791  
SWIFT: HPBZHR2X

### HYPO ALPE-ADRIA-BANK d.d.

Slavonska avenija 6  
10000 Zagreb  
Phone: + 385 1 60 30 000  
Fax: + 385 1 60 07 000  
SWIFT: HAABHR22

### IMEX BANKA d.d.

Tolstojeva 6  
21000 Split  
Phone: + 385 21 40 61 00  
Fax: + 385 21 34 55 88  
SWIFT: IMXXHR22

### ISTARSKA KREDITNA BANKA UMAG d.d.

E. Miloša 1  
52470 Umag  
Phone: + 385 52 70 23 00  
Fax: + 385 52 70 23 88  
SWIFT: ISKBHR2X

### JADRANSKA BANKA d.d.

A. Starčevića 4  
22000 Šibenik  
Phone: + 385 22 24 22 42  
Fax: + 385 22 33 58 81  
SWIFT: JADRHR2X

### KARLOVAČKA BANKA d.d.

I. G. Kovačića 1  
47000 Karlovac  
Phone: + 385 47 41 75 00  
Fax: + 385 47 61 42 06  
SWIFT: KALCHR2X

### KENTBANKA d.d.

Gundulićeva 1  
10000 Zagreb  
Phone: + 385 1 49 81 900  
Fax: + 385 1 49 81 910  
SWIFT: KENBHR22

### KREDITNA BANKA ZAGREB d.d.

Ul. grada Vukovara 74  
10000 Zagreb  
Phone: + 385 1 61 67 301  
Fax: + 385 1 61 16 466  
SWIFT: KREZHR2X

### OTP BANKA HRVATSKA d.d.

Domovinskog rata 3  
23000 Zadar  
Phone: + 385 72 20 15 55  
Fax: + 385 72 20 19 50  
SWIFT: OTPVHR2X

### PARTNER BANKA d.d.

Vončinina 2  
10000 Zagreb  
Phone: + 385 1 46 02 222  
Fax: + 385 1 46 02 289  
SWIFT: PAZGHR2X

### PODRAVSKA BANKA d.d.

Opatička 3  
48300 Koprivnica  
Phone: + 385 72 65 50 00  
Fax: + 385 72 65 52 39  
SWIFT: PDKCHR2X

### PRIMORSKA BANKA d.d.

Scarpina 7  
51000 Rijeka  
Phone: + 385 51 35 57 77  
Fax: + 385 51 33 27 62  
SWIFT: SPRMHR22

### PRIVREDNA BANKA ZAGREB d.d.

Radnička cesta 50  
10000 Zagreb  
Phone: + 385 1 63 60 000  
Fax: + 385 1 63 60 063  
SWIFT: PBZGHR2X

### RAIFFEISENBANK AUSTRIA d.d.

Petrinjska 59  
10000 Zagreb  
Phone: + 385 1 45 66 466  
Fax: + 385 1 48 11 624  
SWIFT: RZBHHR2X

### SAMOBORSKA BANKA d.d.

Trg kralja Tomislava 8  
10430 Samobor  
Phone: + 385 1 33 62 530  
Fax: + 385 1 33 61 523  
SWIFT: SMBRHR22

### SBERBANK d.d.

Varšavska 9  
10000 Zagreb  
Phone: + 385 1 48 01 300  
Fax: + 385 1 48 01 365  
SWIFT: VBCRHR22

### SLATINSKA BANKA d.d.

V. Nazora 2  
33520 Slatina  
Phone: + 385 33 84 04 00  
Fax: + 358 33 55 15 66  
SWIFT: SBSLHR2X

### SOCIÉTÉ GÉNÉRALE – SPLITSKA BANKA d.d.

R. Boškovića 16  
21000 Split  
Phone: + 385 21 30 43 04  
Fax: + 385 21 30 40 34  
SWIFT: SOGEHR22

### ŠTEDBANKA d.d.

Slavonska avenija 3  
10000 Zagreb  
Phone: + 385 1 63 06 666  
Fax: + 385 1 61 87 014  
SWIFT: STEDHR22

### VABA d.d. BANKA VARAŽDIN

Aleja kralja Zvonimira 1  
42000 Varaždin  
Phone: + 385 42 65 94 00  
Fax: + 385 42 65 94 01  
SWIFT: VBZHR22

### VENETO BANKA d.d.

Draškovićeva 58  
10000 Zagreb  
Phone: + 385 1 48 02 666  
Fax: + 385 1 48 02 571  
SWIFT: CCBZHR2X

### ZAGREBAČKA BANKA d.d.

Trg bana Josipa Jelačića 10  
10000 Zagreb  
Phone: + 385 1 61 04 000  
Fax: + 385 1 61 10 533  
SWIFT: ZABAHR2X





# Statistical appendix



HNB

## Classification and presentation of data on claims and liabilities

The Croatian National Bank has begun to implement the ESA 2010 standard in its statistics, which also implies a revision of the historical data produced under the ESA 1995 standard. ESA 2010 is applied to external statistics (tables on the balance of payments, international investment position and external debt), general government debt statistics and to monetary statistics. The introduction of ESA 2010 in external relations statistics is only a part of a broad set of changes arising from the application of the methodology under the IMF's Balance of Payments and International Investment Position Manual, 6th edition (BPM6).

Among others, the implementation of ESA 2010 introduces changes in the part of the sector classification of institutional units. Thus, the sector classification of counterparties will be made in accordance with the Decision on the statistical classification of institutional sectors, which is to be published by the Croatian Bureau of Statistics (CBS), which is based on the European system of national and regional accounts in the European Union (ESA 2010). This classification by sectors is a mandatory statistical standard of the European Union, and is aligned with the basic international statistical standard – the System of National Accounts (SNA 2008).

Table 1 Overview of the sector classification under ESA 2010

Sector classification under ESA 2010	
<b>Non-financial corporations</b>	
	Public non-financial corporations
	National private non-financial corporations
	Foreign controlled non-financial corporations
<b>Financial corporations</b>	
Monetary financial institutions	
	Central bank
	Other monetary financial institutions
	Deposit-taking corporations, except the central bank (Credit institutions)
	Money market funds
Financial corporations, except monetary financial institutions and insurance corporations and pension funds (Other financial corporations)	
	Non-money market investment funds
	Other financial intermediaries, except insurance corporations and pension funds (Other financial intermediaries)
	Financial auxiliaries
	Captive financial institutions and money lenders
	Insurance corporations
	Pension funds
<b>General government</b>	
	Central government
	State government
	Local government
	Social security funds
<b>Households</b>	
<b>Non-profit institutions serving households</b>	
<b>Rest of the world</b>	

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

The **non-financial corporations** sector consists of public non-financial corporations, national private non-financial corporations and foreign controlled non-financial corporations.

This sector covers all institutional units which meet the criteria prescribed by the sector classification of institutional units for the relevant subsector. Non-financial corporations consist of institutional units which are independent legal entities and market producers, and whose principal activity is the production of goods and (or) non-financial services.

The major changes relate to the **financial corporations** sector.

The financial corporations sector is subdivided into the following subsectors: monetary financial institutions, **other financial corporations**, insurance corporations and pension funds.

Monetary financial institutions consist of the central bank and other monetary financial institutions. The central bank is the Croatian National Bank. Other monetary financial institutions consist of deposit-taking corporations except the central bank and money market funds. Deposit-taking corporations except the central bank are credit institutions (banks, savings banks and housing savings banks). Credit institutions are institutions authorised by the Croatian National Bank under the Credit Institutions Act. The credit institutions sector does not include banks undergoing liquidation or bankruptcy proceedings. Money market funds include all financial corporations and quasi-corporations, except those classified in the central bank and in the credit institutions subsector, which are principally engaged in financial intermediation. Their business is to issue investment fund shares or units and make investments primarily in short-term debt instruments, deposits and money market fund shares or units. Their investment objective is to maintain the principal of the fund and generate yield in accordance with interest rates on money market instruments.

Other financial corporations consist of non-money market investment funds, other financial intermediaries, financial auxiliaries and captive financial institutions and money lenders.

Non-money market investment funds consist of all forms of collective investment schemes, except those classified in the money market funds subsector, which are principally engaged in financial intermediation. Their business is to issue investment fund shares or units which are not close substitutes for deposits and, on their own account, to make investments primarily in long-term financial assets.

Other financial intermediaries are institutions which are principally engaged in financial intermediation by incurring liabilities in forms other than currency, deposits, and close substitutes for deposits. They include leasing companies, factoring corporations, banks undergoing liquidation or bankruptcy proceedings, credit unions, the Croatian Bank for Reconstruction and Development, etc.

Financial auxiliaries are institutions which are principally engaged in auxiliary financial activities and include, for instance, stock exchanges, exchange offices, financial regulatory authorities, insurance agents and brokers, investment firms, investment and pension fund management companies, the Central



comprise loans write-offs and price adjustments of securities. Reclassifications cover the changes in the balance sheet balances incurred because of the changes in the composition and structure of monetary financial institutions (e.g. disappearance of a reporting unit from the reporting population because of liquidation or bankruptcy), a change in the classification of financial instruments or changes in statistical definitions.

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, foreign currency items include kuna items indexed to foreign currency. All items are reported on a gross basis (i.e. before value adjustments).



## B Monetary financial institutions

Table B1 Consolidated balance sheet of monetary financial institutions<sup>a</sup>  
end of period, in million HRK

	2013												2014
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
<b>ASSETS</b>													
1 Foreign assets (net)	62,323.7	61,712.0	59,279.6	56,248.0	50,944.8	58,870.4	61,225.4	68,479.7	75,696.2	79,552.3	78,054.4	76,538.9	75,121.6
2 Domestic credit	310,860.5	310,806.4	310,853.0	315,287.7	316,643.2	310,379.0	309,115.8	311,330.4	309,003.3	305,060.0	306,568.9	309,377.0	310,255.6
2.1 Claims on central government and social security funds (net)	66,595.7	68,842.0	68,440.5	72,569.2	74,894.2	69,769.7	69,180.8	70,177.3	69,796.9	66,192.0	67,603.4	70,165.8	72,360.8
2.2 Claims on other domestic sectors	234,117.8	234,046.7	233,776.4	233,992.2	233,459.3	232,704.7	231,556.2	232,643.5	231,372.3	230,765.4	230,872.7	230,967.3	229,571.6
2.3 Claims on other banking institutions	....	....	....	....	....	....	....	....	....	....	....	....	....
2.4 Claims on non-banking financial institutions	....	....	....	....	....	....	....	....	....	....	....	....	....
2.5 Claims on non-MMF investment funds	322.7	318.8	346.3	345.5	323.0	355.1	324.7	360.3	358.5	329.5	330.8	351.7	336.2
2.6 Claims on other financial intermediaries	7,814.3	6,197.4	6,424.4	6,508.1	6,477.4	5,806.9	5,613.8	6,004.8	5,494.4	5,898.6	5,874.0	5,912.5	5,906.4
2.7 Claims on financial auxiliaries	1,247.7	1,202.9	1,299.7	1,306.8	1,308.1	1,327.5	1,318.5	1,342.5	1,316.9	1,348.2	1,380.0	1,316.1	1,335.7
2.8 Claims on insurance corporations and pension funds	762.4	198.6	565.7	565.9	181.2	415.1	1,121.7	802.0	664.4	526.2	508.1	663.5	744.9
<b>Total (1+2)</b>	<b>373,184.2</b>	<b>372,518.4</b>	<b>370,132.6</b>	<b>371,535.7</b>	<b>367,588.0</b>	<b>369,249.4</b>	<b>370,341.2</b>	<b>379,810.2</b>	<b>384,699.5</b>	<b>384,612.3</b>	<b>384,623.4</b>	<b>385,915.9</b>	<b>385,377.3</b>
<b>LIABILITIES</b>													
1 Money	58,172.9	56,738.4	56,129.3	56,661.8	56,863.8	57,518.5	60,451.5	62,703.0	64,735.2	62,871.8	61,118.5	60,671.3	63,499.3
2 Savings and time deposits	33,832.0	34,674.6	34,134.3	34,370.9	34,794.4	35,009.0	34,442.9	35,208.0	35,219.2	35,223.5	35,319.0	36,045.6	34,615.8
3 Foreign currency deposits	162,656.4	162,940.2	162,703.9	163,280.2	160,317.4	159,738.7	159,058.8	162,754.6	165,082.1	165,959.1	166,512.6	166,012.5	164,943.3
4 Bonds and money market instruments	16,214.1	16,253.9	16,353.8	16,322.0	16,055.7	16,029.5	15,811.9	15,962.6	15,737.0	15,433.4	15,531.1	15,807.9	16,137.3
5 MMFs shares/units	8,970.5	9,455.6	8,086.1	8,371.8	8,207.5	8,744.0	8,326.8	8,635.8	8,911.4	8,991.4	8,928.6	9,109.1	8,368.1
6 Restricted and blocked deposits	4,718.4	3,053.3	2,965.7	2,788.7	2,948.0	2,912.6	3,107.0	3,143.2	3,221.8	3,353.6	3,362.4	3,529.0	3,216.1
7 Other items (net)	88,619.9	89,402.6	89,759.5	89,740.4	88,401.2	89,297.1	89,142.2	91,402.9	91,792.8	92,779.4	93,851.1	94,740.5	94,597.3
<b>Total (1+2+3+4+5+6+7)</b>	<b>373,184.2</b>	<b>372,518.4</b>	<b>370,132.6</b>	<b>371,535.7</b>	<b>367,588.0</b>	<b>369,249.4</b>	<b>370,341.2</b>	<b>379,810.2</b>	<b>384,699.5</b>	<b>384,612.3</b>	<b>384,623.4</b>	<b>385,915.9</b>	<b>385,377.3</b>

<sup>a</sup> Data for the period from December 2010 onwards are harmonised with the ESA 2010 methodology. Also, up to November 2010, kuna positions also include kuna items indexed to foreign currency, and starting from December 2010, kuna items indexed to foreign currency are reclassified to foreign exchange positions. In addition, data for the period from December 2011 onwards include money market funds.

**Table B1 Consolidated balance sheet of monetary financial institutions** • The balance sheet of monetary financial institutions shows consolidated data from the Monetary authorities accounts (Table C1) and the Consolidated balance sheet of other monetary financial institutions (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. As from CNB Bulletin No. 211, all of the data have been revised, that is: **from 31 December 2010, in the part that refers to the sector classification of institutional units and the change in the methodological treatment of kuna positions indexed to foreign currency, and from 31 December 2011, in the part that refers to expanding the scope of other monetary financial institutions (to include money market funds)**. Foreign assets (net) is a difference between total foreign assets and total foreign liabilities of the CNB and other monetary financial institutions.

Domestic credit is the sum of the corresponding items in the Balance sheet of the Croatian National Bank and the

Consolidated balance sheet of other monetary financial institutions. Claims on the central government are reported on a net basis, i.e. decreased by central government deposits with the CNB and other monetary financial 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 Consolidated balance sheet of other monetary financial 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 Consolidated balance sheet of other monetary financial 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 Consolidated balance sheet of other monetary financial institutions' accounts. Issued shares/units refer to the money market funds' shares/units issued. Other items (net) are unclassified liabilities decreased by unclassified assets.

Table B2 Number of other reporting monetary financial institutions and their classification by total assets

Year	Month	Total number of other monetary financial institutions	Total number of credit institutions	Banks	Savings banks	Housing savings banks	Savings banks <sup>a</sup>	Money market funds	Other monetary financial 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 + 9	4 = 5 to 8	5	6	7	8	9	10	11	12	13	14	15
2005	December	43	43	36	0	4	3	0	4	10	8	8	7	6
2006	December	43	43	35	0	5	3	0	6	6	6	11	6	8
2007	December	42	42	35	0	5	2	0	5	5	2	16	5	9
2008	December	43	43	35	1	5	2	0	4	8	1	14	7	9
2009	December	43	43	34	2	5	2	0	5	6	3	14	7	8
2010	December	38	38	32	1	5	0	0	1	5	2	12	10	8
2011	December	59	37	31	1	5	0	22	9	15	4	12	11	8
2012	December	56	36	30	1	5	0	20	6	15	3	13	11	8
2013	December	55	35	29	1	5	0	20	6	14	4	13	10	8
2014	January	55	35	29	1	5	0	20	6	14	3	14	10	8
	February	55	35	29	1	5	0	20	6	14	3	13	10	9
	March	55	35	29	1	5	0	20	6	14	3	13	10	9
	April	55	35	29	1	5	0	20	6	14	2	14	10	9
	May	55	35	29	1	5	0	20	6	14	3	13	10	9
	June	55	35	29	1	5	0	20	6	14	3	13	10	9
	July	55	35	29	1	5	0	20	6	14	2	14	10	9
	August	55	35	29	1	5	0	20	6	14	3	13	10	9
	September	55	35	29	1	5	0	20	6	14	2	14	10	9
	October	55	35	29	1	5	0	20	6	14	2	14	10	9
	November	55	35	29	1	5	0	20	6	13	3	14	10	9
	December	53	33	27	1	5	0	20	5	13	4	13	9	9

<sup>a</sup> Savings banks operated under the Act on Banks and Savings Banks of 1993.

Table B2 Number of other reporting monetary financial institutions and their classification by total assets • The table shows the total number of credit institutions and money market funds which report monthly to the CNB. Their operations are shown in the Consolidated balance sheet of other monetary financial institutions' accounts.

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 and money market funds according to their total assets.

## C Croatian National Bank

Table C1 Balance sheet of the Croatian National Bank  
end of period, in million HRK

	2013												2014
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
<b>ASSETS</b>													
1 Foreign assets	98,583.0	98,566.2	96,262.7	92,666.8	88,820.4	98,781.8	93,390.9	94,598.3	94,728.7	92,396.7	96,860.1	95,713.7	97,206.1
1.1 Gold	-	-	-	-	-	-	-	-	-	-	-	-	-
1.2 Holdings of SDRs	2,601.4	2,633.8	2,651.6	2,632.8	2,596.8	2,625.3	2,626.7	2,665.5	2,680.4	2,724.3	2,749.4	2,757.0	2,789.1
1.3 Reserve position in the IMF	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.5	1.5	1.5	1.6	1.6
1.4 Currency and demand deposits with foreign banks	7,576.9	8,994.5	8,533.8	5,013.0	6,395.8	16,101.6	3,578.2	4,014.5	4,102.2	4,020.2	3,874.1	3,219.7	3,878.5
1.5 Time deposits with foreign banks	20,819.1	17,231.2	15,356.4	14,076.9	9,955.8	12,175.5	18,251.5	17,239.8	17,486.3	15,774.3	19,619.9	21,709.1	22,153.9
1.6 Securities in f/c	67,584.3	69,705.3	69,719.5	70,942.7	69,870.6	67,878.0	68,933.0	70,677.1	70,458.4	69,876.6	70,615.2	68,026.3	68,383.0
1.7 Non-convertible foreign exchange	-	-	-	-	-	-	-	-	-	-	-	-	-
2 Claims on central government	-	-	-	-	-	-	-	-	-	-	-	-	0.6
2.1 Claims in kuna	-	-	-	-	-	-	-	-	-	-	-	-	0.6
2.2 Claims in f/c	-	-	-	-	-	-	-	-	-	-	-	-	-
3 Claims on other domestic sectors	2.3	2.3	2.3	2.2	2.2	2.2	2.2	2.2	2.1	2.1	2.1	2.0	2.0
4 Claims on credit institutions	11.3	11.2	11.2	11.2	11.0	11.0	11.0	11.1	11.0	11.0	11.0	11.0	11.0
4.1 Loans to credit institutions	11.3	11.2	11.2	11.2	11.0	11.0	11.0	11.1	11.0	11.0	11.0	11.0	11.0
Lombard loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Short-term liquidity loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other loans	11.3	11.2	11.2	11.2	11.0	11.0	11.0	11.1	11.0	11.0	11.0	11.0	11.0
Reverse repo transactions	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Overdue claims	-	-	-	-	-	-	-	-	-	-	-	-	-
5 Claims on other financial institutions	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total (1+2+3+4+5)</b>	<b>98,596.6</b>	<b>98,579.7</b>	<b>96,276.2</b>	<b>92,680.2</b>	<b>88,833.7</b>	<b>98,795.0</b>	<b>93,404.0</b>	<b>94,611.5</b>	<b>94,741.8</b>	<b>92,409.8</b>	<b>96,873.2</b>	<b>95,726.8</b>	<b>97,219.6</b>
<b>LIABILITIES</b>													
1 Reserve money	62,968.1	65,631.3	62,312.1	63,868.4	62,541.2	64,650.8	62,971.8	63,407.1	62,841.3	62,149.3	61,707.8	62,633.5	63,380.0
1.1 Currency outside credit institutions	17,420.6	16,924.6	17,143.2	17,092.8	17,606.0	18,022.1	18,896.2	19,866.8	20,329.1	19,266.3	18,709.2	18,532.9	18,520.2
1.2 Credit institutions' cash in vaults	4,564.7	4,078.4	3,981.3	4,236.3	4,338.3	4,239.9	5,116.8	5,013.5	5,065.3	4,803.5	4,455.9	4,146.2	4,635.8
1.3 Credit institutions' deposits	40,707.7	44,449.7	40,999.6	42,126.7	40,033.5	42,321.5	38,640.4	38,219.5	37,446.1	38,067.8	38,537.5	39,952.1	40,162.0
Settlement accounts	15,080.9	18,886.2	15,539.7	16,832.0	14,903.6	17,184.7	13,401.4	12,772.9	12,490.0	12,608.7	12,828.5	14,311.5	15,084.7
Statutory reserve in kuna	22,024.6	21,929.6	21,910.4	21,834.3	21,824.9	21,789.5	21,822.9	21,785.1	21,578.8	21,967.5	22,167.2	22,059.6	21,899.8
CNB bills on obligatory basis	3,602.2	3,633.9	3,549.6	3,460.3	3,305.0	3,347.3	3,416.1	3,661.5	3,377.3	3,491.6	3,541.8	3,581.0	3,177.4
Overnight deposits	-	-	-	-	-	-	-	-	-	-	-	-	-
1.4 Deposits of other financial institutions	275.1	178.7	188.1	412.6	563.4	67.2	318.3	307.2	0.8	11.7	5.2	2.3	62.0
2 Restricted and blocked deposits	6,401.2	4,772.4	4,748.8	4,695.5	4,610.4	4,594.8	4,508.6	4,523.5	4,393.1	4,461.1	4,501.3	3,910.7	3,884.9
2.1 Statutory reserve in f/c	4,418.8	4,461.1	4,435.1	4,433.8	4,429.3	4,441.8	4,380.1	4,410.1	4,295.8	4,358.1	4,367.4	3,755.3	3,744.8
2.2 Restricted deposits	1,982.5	311.3	313.7	261.6	181.2	153.0	128.5	113.4	97.3	103.0	133.9	155.4	140.1
2.3 Blocked f/c deposits	-	-	-	-	-	-	-	-	-	-	-	-	-
3 Foreign liabilities	3,219.1	3,187.2	3,427.3	3,390.8	3,507.5	4,588.3	2,792.9	3,104.2	3,614.1	3,785.5	3,333.3	3,096.0	3,699.5
3.1 Use of IMF credit	-	-	-	-	-	-	-	-	-	-	-	-	-
3.2 Liabilities to international institutions	3,219.1	3,187.2	3,427.3	3,390.8	3,507.5	3,829.4	2,792.9	2,722.9	2,843.6	3,015.1	2,946.2	3,096.0	3,408.3
3.3 Liabilities to foreign banks	0.0	0.0	0.0	0.0	0.0	758.9	0.0	381.4	770.5	770.4	387.1	0.0	291.2
4 Deposits of central government and social security funds	13,522.6	12,176.1	12,891.6	8,314.4	6,408.7	13,022.7	11,277.8	10,783.6	10,897.6	8,383.3	13,171.1	11,609.9	11,491.0
4.1 Demand deposits	2,864.6	1,675.4	3,214.1	1,930.4	3,076.0	710.5	4,390.8	3,796.4	4,224.8	4,808.7	5,101.1	3,905.8	2,929.2
Central government demand deposits	2,864.6	1,675.4	3,214.1	1,930.4	3,076.0	710.5	4,390.8	3,796.4	4,224.8	4,808.7	5,101.1	3,905.8	2,929.2
Demand deposits of social security funds	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Central government f/c deposits	10,657.9	10,500.7	9,677.5	6,384.0	3,332.7	12,312.2	6,887.0	6,987.2	6,672.8	3,574.6	8,069.9	7,704.0	8,561.8
4.3 CNB bills	-	-	-	-	-	-	-	-	-	-	-	-	-
5 CNB bills	-	-	-	-	-	-	-	-	-	-	-	-	-
5.1 CNB bills in kuna	-	-	-	-	-	-	-	-	-	-	-	-	-
5.2 CNB bills in f/c	-	-	-	-	-	-	-	-	-	-	-	-	-
6 Capital accounts	13,407.7	13,735.9	13,858.3	13,374.3	12,723.7	12,932.8	12,799.1	13,751.8	13,953.3	14,581.5	15,089.7	15,404.7	15,699.2
7 Other items (net)	-922.0	-923.3	-962.0	-963.2	-957.8	-994.4	-946.2	-958.6	-957.6	-950.9	-930.0	-928.0	-934.9
<b>Total (1+2+3+4+5+6+7)</b>	<b>98,596.6</b>	<b>98,579.7</b>	<b>96,276.2</b>	<b>92,680.2</b>	<b>88,833.7</b>	<b>98,795.0</b>	<b>93,404.0</b>	<b>94,611.5</b>	<b>94,741.8</b>	<b>92,409.8</b>	<b>96,873.2</b>	<b>95,726.8</b>	<b>97,219.6</b>



## D Other monetary financial institutions

Table D1 Consolidated balance sheet of other monetary financial institutions<sup>a</sup>  
end-of-period balance and transactions during the period, in million HRK

	2013												2014
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
<b>ASSETS</b>													
1 Reserves with the CNB	49,707.5	53,005.5	49,433.2	50,813.7	48,814.6	51,022.1	48,154.1	47,663.0	46,826.6	47,246.8	47,374.9	47,872.9	48,560.4
1.1 In kuna	45,288.8	48,544.4	44,998.1	46,379.9	44,385.3	46,580.3	43,774.0	43,252.9	42,530.8	42,888.8	43,007.5	44,117.6	44,815.6
1.2 In f/c	4,418.8	4,461.1	4,435.1	4,433.8	4,429.3	4,441.8	4,380.1	4,410.1	4,295.8	4,358.1	4,367.4	3,755.3	3,744.8
2 Foreign assets	36,681.3	36,922.4	37,226.5	38,461.9	36,622.2	35,384.8	37,799.3	40,559.6	47,711.8	52,710.4	44,044.0	43,612.4	43,943.2
3 Claims on central government and social security funds	84,366.5	84,852.2	85,552.3	85,353.1	86,162.7	87,003.7	84,625.8	85,473.5	86,019.8	81,286.6	87,083.8	87,724.5	88,834.6
4 Claims on other domestic sectors	234,115.5	234,044.4	233,774.2	233,989.9	233,457.0	232,702.5	231,554.0	232,641.3	231,370.1	230,763.3	230,870.6	230,965.2	229,569.6
4.1 Claims on local government	4,231.8	4,165.0	4,149.3	4,112.8	4,047.7	3,997.4	4,420.8	4,550.4	4,511.1	4,556.2	4,531.3	4,549.5	4,714.0
4.2 Claims on non-financial corporations	102,452.6	102,577.7	102,330.0	102,354.2	102,390.1	101,738.5	100,603.4	100,969.7	99,985.5	99,481.0	99,408.3	99,549.0	98,401.5
4.3 Claims on households	127,431.1	127,301.7	127,294.9	127,522.9	127,019.2	126,966.6	126,529.8	127,121.2	126,873.5	126,726.1	126,931.0	126,866.6	126,454.1
5 Claims on other banking institutions	....	....	....	....	....	....	....	....	....	....	....	....	....
6 Claims on non-banking financial institutions	....	....	....	....	....	....	....	....	....	....	....	....	....
7 Claims on non-MMF investment funds	322.7	318.8	346.3	345.5	323.0	355.1	324.7	360.3	358.5	329.5	330.8	351.7	336.2
8 Claims on other financial intermediaries	7,814.3	6,197.4	6,424.4	6,508.1	6,477.4	5,806.9	5,613.8	6,004.8	5,494.4	5,898.6	5,874.0	5,912.5	5,906.4
9 Claims on financial auxiliaries	1,247.7	1,202.9	1,299.7	1,306.8	1,308.1	1,327.5	1,318.5	1,342.5	1,316.9	1,348.2	1,380.0	1,316.1	1,335.7
10 Claims on insurance corporations and pension funds	762.4	198.6	565.7	565.9	181.2	415.1	1,121.7	802.0	664.4	526.2	508.1	663.5	744.9
<b>Total (1+2+3+4+5+6+7+8+9+10)</b>	<b>415,017.8</b>	<b>416,742.2</b>	<b>414,622.2</b>	<b>417,345.1</b>	<b>413,346.3</b>	<b>414,017.8</b>	<b>410,512.0</b>	<b>414,847.0</b>	<b>419,762.4</b>	<b>420,109.7</b>	<b>417,466.2</b>	<b>418,418.9</b>	<b>419,231.0</b>
<b>LIABILITIES</b>													
1 Demand deposits	40,477.2	39,635.1	38,798.1	39,156.4	38,694.4	39,429.1	41,237.0	42,528.9	44,405.3	43,593.8	42,404.0	42,136.1	44,917.1
2 Savings and time deposits	33,832.0	34,674.6	34,134.3	34,370.9	34,794.4	35,009.0	34,442.9	35,208.0	35,219.2	35,223.5	35,319.0	36,045.6	34,615.8
3 Foreign currency deposits	162,656.4	162,940.2	162,703.9	163,280.2	160,317.4	159,738.7	159,058.8	162,754.6	165,082.1	165,959.1	166,512.6	166,012.5	164,943.3
4 Bonds and money market instruments	16,214.1	16,253.9	16,353.8	16,322.0	16,055.7	16,029.5	15,811.9	15,962.6	15,737.0	15,433.4	15,531.1	15,807.9	16,137.3
5 MMFs shares/units	8,970.5	9,455.6	8,086.1	8,371.8	8,207.5	8,744.0	8,326.8	8,635.8	8,911.4	8,991.4	8,928.6	9,109.1	8,368.1
6 Foreign liabilities	69,721.5	70,589.4	70,782.3	71,489.9	70,990.3	70,707.9	67,171.8	63,573.9	63,130.1	61,769.3	59,516.4	59,691.2	62,328.2
7 Deposits of central government and social security funds	4,248.2	3,834.1	4,220.2	4,469.4	4,859.8	4,211.3	4,167.1	4,512.6	5,325.3	6,711.3	6,309.4	5,948.8	4,983.4
8 Credit from central bank	11.3	11.2	11.2	11.2	11.0	11.0	11.0	11.1	11.0	11.0	11.0	11.0	11.0
9 Restricted and blocked deposits	2,735.9	2,741.9	2,652.0	2,527.0	2,766.8	2,759.7	2,978.5	3,029.8	3,124.6	3,250.5	3,228.5	3,373.6	3,076.0
10 Capital accounts	83,245.1	83,601.0	83,916.3	84,331.1	84,002.1	84,537.8	85,056.5	85,739.3	86,266.3	86,355.9	86,659.4	87,282.4	87,151.2
11 Other items (net)	-7,094.6	-6,994.7	-7,035.9	-6,984.9	-7,353.3	-7,160.2	-7,750.4	-7,109.8	-7,449.8	-7,189.6	-6,953.8	-6,999.3	-7,300.3
<b>Total (1+2+3+4+5+6+7+8+9+10+11)</b>	<b>415,017.8</b>	<b>416,742.2</b>	<b>414,622.2</b>	<b>417,345.1</b>	<b>413,346.3</b>	<b>414,017.8</b>	<b>410,512.0</b>	<b>414,847.0</b>	<b>419,762.4</b>	<b>420,109.7</b>	<b>417,466.2</b>	<b>418,418.9</b>	<b>419,231.0</b>
<b>TRANSACTIONS</b>													
<b>ASSETS</b>													
1 Reserves with the CNB	808.5	3,280.2	-3,575.9	1,387.2	-1,955.8	2,192.7	-2,857.8	-546.5	-849.7	376.8	99.1	482.0	713.1
1.1 In kuna	1,358.9	3,255.6	-3,546.2	1,381.8	-1,994.6	2,195.0	-2,806.3	-521.1	-722.1	358.0	118.7	1,110.1	726.1
1.2 In f/c	-550.4	24.6	-29.7	5.5	38.8	-2.3	-51.5	-25.4	-127.6	18.9	-19.6	-628.2	-13.0
2 Foreign assets	-660.3	196.4	205.0	1,275.2	-1,537.9	-1,384.9	2,472.7	2,302.8	7,035.0	4,721.0	-8,962.9	-553.5	252.5
3 Claims on central government and social security funds	1,384.5	389.1	449.8	-182.6	1,196.8	898.5	-2,314.0	342.3	608.0	-4,830.2	5,517.4	534.2	1,300.2
4 Claims on other domestic sectors	-1,548.2	-273.2	-673.5	378.3	680.5	-412.9	-652.4	-311.4	-1,281.0	-529.8	-389.1	-66.0	-649.7
4.1 Claims on local government	169.5	-69.8	-22.5	-36.0	-42.2	-43.8	430.1	98.6	-36.6	45.8	-42.4	12.6	170.4

	2013	2014											
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
4.2 Claims on non-financial corporations	-1,460.1	58.2	-368.5	80.1	525.5	-531.4	-842.3	-217.5	-922.6	-515.1	-350.9	39.9	-768.1
4.3 Claims on households	-257.6	-261.6	-282.5	334.1	197.3	162.3	-240.2	-192.6	-321.7	-60.5	4.3	-118.5	-52.0
5 Claims on other banking institutions	....	....	....	....	....	....	....	....	....	....	....	....	....
6 Claims on non-banking financial institutions	....	....	....	....	....	....	....	....	....	....	....	....	....
7 Claims on non-MMF investment funds	-6.3	-2.0	25.0	9.6	-21.7	26.9	-34.0	31.8	-5.4	-32.2	3.1	20.3	-9.6
8 Claims on other financial intermediaries	-150.2	-1,618.3	224.2	83.8	-19.1	-669.2	-188.1	377.8	-509.9	403.4	-32.8	35.0	-2.3
9 Claims on financial auxiliaries	49.4	-44.9	96.4	7.1	2.7	19.8	-8.5	22.2	-25.4	31.4	30.8	-64.2	20.3
10 Claims on insurance corporations and pension funds	352.0	-752.9	367.1	0.1	-384.5	234.1	706.9	-322.1	-137.3	-138.1	-18.2	155.4	75.8
<b>Total (1+2+3+4+5+6+7+8+9+10)</b>	<b>229.5</b>	<b>1,174.3</b>	<b>-2,882.0</b>	<b>2,958.6</b>	<b>-2,039.0</b>	<b>905.1</b>	<b>-2,875.2</b>	<b>1,896.9</b>	<b>4,834.2</b>	<b>2.2</b>	<b>-3,752.6</b>	<b>543.2</b>	<b>1,700.2</b>
<b>LIABILITIES</b>													
1 Demand deposits	1,546.3	-842.1	-837.0	358.3	-462.0	734.7	1,807.9	1,291.9	1,876.4	-811.5	-1,189.8	-268.0	2,792.7
2 Savings and time deposits	186.5	842.6	-540.3	236.6	423.5	214.5	-566.1	765.1	11.2	4.3	95.5	726.6	-1,408.4
3 Foreign currency deposits	-630.1	8.3	-523.2	610.7	-1,693.4	-513.0	-344.5	2,125.9	2,282.2	480.8	-337.2	-825.9	-973.1
4 Bonds and money market instruments	-160.3	30.5	82.2	-31.8	-197.7	-3.6	-195.1	68.6	-213.9	-302.4	55.0	265.5	372.0
5 MMFs shares/units	-78.1	493.6	-1,413.2	180.9	250.2	52.1	4.4	273.8	281.3	220.6	64.2	213.4	-1,214.7
6 Foreign liabilities	-294.7	773.3	25.8	738.0	-84.1	-191.4	-3,459.2	-4,061.8	-509.8	-1,374.3	-2,512.8	71.4	2,707.7
7 Deposits of central government and social security funds	-396.4	-415.5	383.8	249.3	404.6	-646.8	-41.3	332.7	813.1	1,382.3	-417.8	-365.2	-963.3
8 Credit from central bank	0.0	-0.1	0.0	0.0	-0.1	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.0
9 Restricted and blocked deposits	-135.2	4.4	-92.0	-124.2	248.4	-7.3	221.8	38.5	93.0	120.5	-28.8	142.3	-299.3
10 Capital accounts	-43.2	355.8	315.3	414.8	-328.9	535.7	518.7	682.8	526.9	89.6	303.5	623.1	-131.2
11 Other items (net)	234.7	-76.5	-283.4	326.1	-599.5	730.1	-821.9	379.5	-326.1	192.1	215.6	-40.0	817.8
<b>Total (1+2+3+4+5+6+7+8+9+10+11)</b>	<b>229.5</b>	<b>1,174.3</b>	<b>-2,882.0</b>	<b>2,958.6</b>	<b>-2,039.0</b>	<b>905.1</b>	<b>-2,875.2</b>	<b>1,896.9</b>	<b>4,834.2</b>	<b>2.2</b>	<b>-3,752.6</b>	<b>543.2</b>	<b>1,700.2</b>

<sup>a</sup> Data for the period from December 2010 onwards are harmonised with the ESA 2010 methodology. Also, up to November 2010, kuna positions also include kuna items indexed to foreign currency, and starting from December 2010, kuna items indexed to foreign currency are reclassified to foreign exchange positions. In addition, data for the period from December 2011 onwards include money market funds.

**Table D1 Consolidated balance sheet of other monetary financial institutions** • The consolidated balance sheet of other monetary financial institutions' accounts include data on claims and liabilities of other monetary financial institutions (credit institutions and money market funds).

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. As from CNB Bulletin No. 211, all of the data have been revised, that is: **from 31 December 2010, in the part that refers to the sector classification of institutional units and the change in the methodological treatment of kuna positions indexed to foreign currency, and from 31 December 2011, in the part that refers to expanding the scope of other monetary financial institutions (to include money market funds).**

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, non-MMF investment funds, other financial intermediaries, financial auxiliaries as well as insurance corporations and pension funds.

Demand deposits include transaction accounts balances and credit institutions' liabilities 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.

The issued money market fund shares/units are the remaining claims on the assets of institutional units that have issued the shares or units.

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 of the Consolidated balance sheet of other monetary financial institutions' accounts (Table D1).

**Table D2 Foreign assets of other monetary financial institutions<sup>a</sup>**  
end of period, in million HRK

	2013	2014											
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
1 Foreign assets in f/c	35,544.1	35,909.7	36,357.7	37,631.3	35,656.3	34,357.9	36,849.1	39,119.8	45,068.6	50,160.6	42,272.5	41,860.0	42,387.1
1.1 Claims on foreign financial institutions	26,954.4	27,339.9	27,473.5	28,511.9	27,373.1	25,868.6	28,062.8	29,950.8	34,842.2	39,421.5	31,768.1	31,382.9	31,191.6
Foreign currencies	1,804.9	1,501.0	1,503.4	1,617.4	1,768.7	1,792.0	2,270.2	2,337.5	2,245.1	1,733.0	1,568.7	1,566.8	1,826.9
Demand deposits	4,414.0	3,207.7	2,580.4	3,967.5	2,911.7	2,896.1	4,829.3	5,281.1	7,724.4	11,080.0	6,406.3	5,577.1	7,246.4
Time and notice deposits	15,751.5	17,532.4	18,270.0	18,154.5	17,966.2	16,520.6	16,172.6	17,392.5	20,149.6	21,830.1	19,066.1	19,744.6	17,815.8
Securities	4,821.8	4,940.7	4,884.9	4,540.9	4,497.8	4,488.8	4,582.5	4,163.7	3,806.7	3,855.1	3,868.8	3,668.9	3,758.7
Loans and advances	53.2	51.9	123.1	119.3	117.7	108.2	103.6	718.8	859.5	865.0	797.6	715.2	448.9
Shares and participations	109.0	106.2	111.7	112.3	111.1	63.0	104.6	57.1	56.7	58.3	60.6	110.3	94.9
1.2 Claims on foreign non-financial institutions	8,589.8	8,569.8	8,884.2	9,119.4	8,283.2	8,489.3	8,786.3	9,169.0	10,226.4	10,739.1	10,504.4	10,477.1	11,195.5
Claims on foreign governments	6,333.0	6,309.7	6,616.2	6,810.2	6,036.9	6,166.3	6,541.6	6,934.4	7,965.9	8,584.3	8,338.0	8,352.5	8,924.8
Claims on other non-residents	2,220.2	2,224.2	2,231.5	2,274.9	2,213.8	2,241.7	2,212.9	2,152.1	2,177.4	2,071.5	2,080.0	2,082.9	2,227.8
Securities	14.4	14.5	14.6	14.3	19.2	20.1	21.3	26.4	44.1	41.5	41.7	44.7	32.1
Loans and advances	2,205.7	2,209.7	2,216.9	2,260.6	2,194.6	2,221.6	2,191.5	2,125.6	2,133.3	2,029.9	2,038.2	2,038.2	2,195.7
Shares and participations	36.6	35.9	36.5	34.3	32.5	81.3	31.9	82.5	83.1	83.4	86.5	41.7	43.0
2 Foreign assets in kuna	1,137.2	1,012.7	868.8	830.6	965.9	1,027.0	950.2	1,439.7	2,643.2	2,549.7	1,771.5	1,752.3	1,556.2
2.1 Claims on foreign financial institutions	1,105.3	981.1	837.1	798.8	933.9	995.0	918.0	1,407.3	2,610.8	2,517.4	1,733.7	1,710.4	1,509.1
2.2 Claims on foreign non-banks	31.9	31.7	31.7	31.8	32.0	32.0	32.2	32.4	32.4	32.4	37.8	41.9	47.0
o/w: Loans and advances	31.6	31.3	31.4	31.5	31.6	31.7	31.9	32.1	32.1	32.1	37.5	41.6	46.7
<b>Total (1+2)</b>	<b>36,681.3</b>	<b>36,922.4</b>	<b>37,226.5</b>	<b>38,461.9</b>	<b>36,622.2</b>	<b>35,384.8</b>	<b>37,799.3</b>	<b>40,559.6</b>	<b>47,711.8</b>	<b>52,710.4</b>	<b>44,044.0</b>	<b>43,612.4</b>	<b>43,943.2</b>

<sup>a</sup> Data for the period from December 2010 onwards are harmonised with the ESA 2010 methodology. Also, up to November 2010, kuna positions also include kuna items indexed to foreign currency, and starting from December 2010, kuna items indexed to foreign currency are reclassified to foreign exchange positions. In addition, data for the period from December 2011 onwards include money market funds.

**Table D2 Foreign assets of other monetary financial institutions** • This table shows other monetary financial 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 Other monetary financial institutions' claims on the central government and social security funds**  
end of period, in million HRK

	2013 Dec.	2014											
		Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
1 In kuna	26,223.1	27,412.1	28,173.4	28,591.6	29,063.7	29,502.8	29,379.7	29,732.2	29,758.4	29,896.7	29,981.3	30,214.0	29,919.8
1.1 Claims on central government	26,222.1	27,411.2	28,172.5	28,590.7	29,062.8	29,501.9	29,379.1	29,731.7	29,757.9	29,896.3	29,977.9	30,210.7	29,916.6
Securities	19,428.9	20,686.4	21,456.6	21,963.6	22,491.9	22,943.2	23,241.3	23,650.0	23,557.5	24,023.0	24,126.6	24,376.4	24,987.5
o/w: Bonds (c'part to f/c savings deposits)	15.6	15.6	15.7	15.7	15.6	15.5	-	-	-	-	-	-	-
Loans and advances	6,793.2	6,724.8	6,715.9	6,627.1	6,571.0	6,558.7	6,137.8	6,081.8	6,200.5	5,873.2	5,851.4	5,834.3	4,929.1
1.2 Claims on social security funds	0.9	0.9	0.9	0.9	0.9	0.9	0.6	0.5	0.5	0.5	3.4	3.3	3.2
Securities	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances	0.9	0.9	0.9	0.9	0.9	0.9	0.6	0.5	0.5	0.5	3.4	3.3	3.2
2 In f/c	58,143.5	57,440.1	57,378.9	56,761.5	57,098.9	57,500.9	55,246.0	55,741.3	56,261.4	51,389.9	57,102.4	57,510.5	58,914.9
2.1 Claims on central government	58,143.5	57,440.1	57,378.9	56,761.5	57,098.9	57,500.9	55,246.0	55,741.3	56,261.4	51,389.9	57,102.4	57,510.5	58,914.9
Securities	13,135.0	12,583.2	12,050.0	11,937.2	11,521.4	11,985.0	11,683.0	12,190.0	12,240.8	11,733.9	12,539.1	12,371.2	12,695.0
Loans and advances	45,008.5	44,856.9	45,328.8	44,824.4	45,577.6	45,515.9	43,563.0	43,551.3	44,020.6	39,655.9	44,563.4	45,139.4	46,219.9
2.2 Claims on social security funds	-	-	-	-	-	-	-	-	-	-	-	-	-
Securities	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total (1+2)</b>	<b>84,366.5</b>	<b>84,852.2</b>	<b>85,552.3</b>	<b>85,353.1</b>	<b>86,162.7</b>	<b>87,003.7</b>	<b>84,625.8</b>	<b>85,473.5</b>	<b>86,019.8</b>	<b>81,286.6</b>	<b>87,083.8</b>	<b>87,724.5</b>	<b>88,834.6</b>

<sup>a</sup> Data for the period from December 2010 onwards are harmonised with the ESA 2010 methodology. Also, up to November 2010, kuna positions also include kuna items indexed to foreign currency, and starting from December 2010, kuna items indexed to foreign currency are reclassified to foreign exchange positions. In addition, data for the period from December 2011 onwards include money market funds.market funds.

**Table D3 Other monetary financial institutions' claims on the central government and social security funds** • The table shows other monetary financial 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 Other monetary financial institutions' foreign currency claims and kuna claims indexed to foreign currency on the central government and social security funds<sup>a</sup>**

end of period, in million HRK

	2013	2014											
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
1 In f/c	38,580.9	38,594.4	39,069.6	38,875.9	38,754.3	39,470.5	37,439.9	37,982.6	38,463.7	33,609.1	39,060.1	39,552.3	40,366.0
1.1 Claims on central government	38,580.9	38,594.4	39,069.6	38,875.9	38,754.3	39,470.5	37,439.9	37,982.6	38,463.7	33,609.1	39,060.1	39,552.3	40,366.0
Securities	5,328.5	5,421.4	5,442.9	5,611.4	5,373.6	6,156.7	5,964.1	6,469.4	6,521.0	6,197.2	6,696.7	6,613.6	6,821.5
Loans and advances	33,252.4	33,173.0	33,626.7	33,264.5	33,380.7	33,313.8	31,475.7	31,513.2	31,942.7	27,411.9	32,363.4	32,938.7	33,544.5
1.2 Claims on social security funds	–	–	–	–	–	–	–	–	–	–	–	–	–
Securities	–	–	–	–	–	–	–	–	–	–	–	–	–
Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–
2 Kuna claims indexed to foreign currency	19,045.0	18,428.7	17,949.2	17,560.1	18,100.7	17,799.1	17,561.7	17,472.9	17,417.0	17,387.7	17,609.6	17,526.3	18,079.4
2.1 Claims on central government	19,045.0	18,428.7	17,949.2	17,560.1	18,100.7	17,799.1	17,561.7	17,472.9	17,417.0	17,387.7	17,609.6	17,526.3	18,079.4
Securities	7,288.8	6,744.8	6,247.1	6,000.2	5,903.8	5,596.9	5,474.4	5,434.8	5,339.1	5,143.7	5,409.7	5,325.7	5,404.0
o/w: Bonds (c' part to f/c savings deposits)	15.6	15.6	15.7	15.7	15.6	15.5	–	–	–	–	–	–	–
Loans and advances	11,756.1	11,683.9	11,702.1	11,559.9	12,196.9	12,202.1	12,087.3	12,038.1	12,077.9	12,244.0	12,199.9	12,200.7	12,675.4
2.2 Claims on social security funds	–	–	–	–	–	–	–	–	–	–	–	–	–
Securities	–	–	–	–	–	–	–	–	–	–	–	–	–
Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total (1+2)</b>	<b>57,625.8</b>	<b>57,023.1</b>	<b>57,018.9</b>	<b>56,436.0</b>	<b>56,855.0</b>	<b>57,269.6</b>	<b>55,001.6</b>	<b>55,455.5</b>	<b>55,880.8</b>	<b>50,996.8</b>	<b>56,669.7</b>	<b>57,078.6</b>	<b>58,445.4</b>

<sup>a</sup> Data for the period from December 2010 onwards are harmonised with the ESA 2010 methodology. Also, up to November 2010, kuna positions also include kuna items indexed to foreign currency, and starting from December 2010, kuna items indexed to foreign currency are reclassified to foreign exchange positions. In addition, data for the period from December 2011 onwards include money market funds.

**Table D3a Other monetary financial institutions' foreign currency claims and kuna claims indexed to foreign currency on the central government and social security funds** • The

table provides a detailed analysis of the Foreign currency claims in Table D3, showing separately foreign currency claims and claims indexed to foreign currency.

**Table D4 Other monetary financial institutions' claims on other domestic sectors<sup>a</sup>**

end of period, in million HRK

	2013	2014											
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
1 Claims in kuna	67,002.6	67,815.1	67,921.0	68,919.6	70,156.2	70,247.4	70,006.8	70,643.6	70,684.3	71,005.6	71,347.0	71,329.4	70,885.7
1.1 Money market instruments	3,708.3	3,797.3	3,845.0	3,911.8	4,035.9	4,042.8	3,874.5	3,720.3	3,624.5	3,937.2	3,945.0	4,071.6	3,987.6
1.2 Bonds	979.2	976.7	999.2	1,024.6	1,017.2	1,020.8	964.7	986.4	992.6	999.6	989.5	993.8	962.7
1.3 Loans and advances	61,113.9	61,844.1	61,884.1	62,769.5	63,895.0	63,990.9	63,928.2	64,695.9	64,825.3	64,809.1	65,152.4	65,710.2	65,384.1
1.4 Shares and participations	1,201.2	1,197.0	1,192.7	1,213.7	1,208.1	1,192.9	1,239.4	1,241.0	1,241.8	1,259.6	1,260.1	553.8	551.4
2 Claims in f/c	167,112.9	166,229.4	165,853.2	165,070.3	163,300.9	162,455.1	161,547.2	161,997.7	160,685.8	159,757.7	159,523.5	159,635.8	158,683.9
2.1 Securities	1,103.5	1,151.4	1,187.2	1,074.0	1,032.2	1,098.5	1,022.3	982.6	992.8	962.1	1,029.0	1,093.2	955.3
2.2 Loans and advances	166,009.4	165,077.9	164,666.0	163,996.4	162,268.7	161,356.5	160,525.0	161,015.2	159,693.0	158,795.6	158,494.6	158,542.6	157,728.6
<b>Total (1+2)</b>	<b>234,115.5</b>	<b>234,044.4</b>	<b>233,774.2</b>	<b>233,989.9</b>	<b>233,457.0</b>	<b>232,702.5</b>	<b>231,554.0</b>	<b>232,641.3</b>	<b>231,370.1</b>	<b>230,763.3</b>	<b>230,870.6</b>	<b>230,965.2</b>	<b>229,569.6</b>

<sup>a</sup> Data for the period from December 2010 onwards are harmonised with the ESA 2010 methodology. Also, up to November 2010, kuna positions also include kuna items indexed to foreign currency, and starting from December 2010, kuna items indexed to foreign currency are reclassified to foreign exchange positions. In addition, data for the period from December 2011 onwards include money market funds.

**Table D4 Other monetary financial institutions' claims on other domestic sectors** • The table shows other monetary financial 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 loans and receivables 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 Other monetary financial institutions' foreign currency claims and kuna claims indexed to foreign currency on other domestic sectors<sup>a</sup>**

end of period, in million HRK

	2013 Dec.	2014											
		Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
1 Kuna claims not indexed to foreign currency	17,479.6	17,204.5	17,124.2	17,250.5	17,161.4	16,915.0	17,306.6	17,284.9	16,491.9	16,439.3	16,341.5	16,709.8	16,278.9
1.1 Money market instruments	1.0	1.2	1.0	1.2	1.3	4.9	4.7	4.1	3.5	10.3	22.7	22.2	39.4
1.2 Bonds	210.4	201.7	216.5	140.1	142.0	183.0	177.7	181.7	190.9	222.7	243.1	248.1	236.4
1.3 Loans and advances	17,261.9	16,995.4	16,900.4	17,103.0	17,011.9	16,720.9	17,118.0	17,092.7	16,291.0	16,206.4	16,075.8	16,439.4	16,003.2
1.4 Shares and participations	6.2	6.3	6.3	6.2	6.1	6.2	6.2	6.4	6.5	-	-	-	-
2 Kuna claims indexed to foreign currency	149,608.5	148,999.9	148,704.4	147,795.2	146,130.4	145,530.9	144,231.5	144,703.6	144,184.8	143,309.2	143,171.2	142,910.8	142,361.0
2.1 Securities	865.5	921.9	943.4	906.4	878.1	899.8	828.9	785.7	787.2	724.4	756.9	812.2	640.0
2.2 Loans and advances	148,743.0	148,078.1	147,761.0	146,888.9	145,252.3	144,631.1	143,402.6	143,918.0	143,397.6	142,584.8	142,414.3	142,098.5	141,721.0
<b>Total (1+2)</b>	<b>167,088.1</b>	<b>166,204.5</b>	<b>165,828.6</b>	<b>165,045.8</b>	<b>163,291.7</b>	<b>162,445.9</b>	<b>161,538.1</b>	<b>161,988.6</b>	<b>160,676.6</b>	<b>159,748.5</b>	<b>159,512.7</b>	<b>159,620.6</b>	<b>158,639.9</b>

<sup>a</sup> Data for the period from December 2010 onwards are harmonised with the ESA 2010 methodology. Also, up to November 2010, kuna positions also include kuna items indexed to foreign currency, and starting from December 2010, kuna items indexed to foreign currency are reclassified to foreign exchange positions. In addition, data for the period from December 2011 onwards include money market funds.

**Table D4a Other monetary financial institutions' foreign currency claims and kuna claims indexed to foreign currency on other domestic sectors** • The table provides a detailed analysis

of the Claims in foreign currency item in Table D4, showing separately foreign currency claims and claims indexed to foreign currency.

**Table D5 Distribution of other monetary financial institutions' loans by domestic institutional sectors<sup>a</sup>**

end-of-period balance and transactions during the period, in million HRK

	2013 Dec.	2014											
		Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
<b>LOANS IN KUNA</b>													
1 Loans to central government and social security funds	6,794.1	6,725.7	6,716.8	6,628.0	6,571.9	6,559.6	6,138.5	6,082.3	6,201.0	5,873.7	5,854.8	5,837.6	4,932.3
1.1 Loans to central government	6,793.2	6,724.8	6,715.9	6,627.1	6,571.0	6,558.7	6,137.8	6,081.8	6,200.5	5,873.2	5,851.4	5,834.3	4,929.1
1.2 Loans to social security funds	0.9	0.9	0.9	0.9	0.9	0.9	0.6	0.5	0.5	0.5	3.4	3.3	3.2
2 Loans to local government	796.4	856.0	848.9	848.8	825.9	795.5	801.4	793.6	766.8	863.4	858.0	854.6	856.3
3 Loans to non-financial corporations	28,447.7	28,973.2	28,862.3	29,060.0	29,636.3	29,198.6	28,956.2	29,545.9	29,590.6	29,145.4	29,300.6	29,693.5	29,219.4
4 Loans to households	31,869.7	32,015.0	32,172.9	32,860.6	33,432.8	33,996.8	34,170.7	34,356.4	34,467.9	34,800.3	34,993.8	35,162.1	35,308.5
o/w: Housing loans	....	....	....	....	....	....	....	....	....	....	....	....	....
5 Loans to other banking institutions	....	....	....	....	....	....	....	....	....	....	....	....	....
6 Loans to non-banking financial institutions	....	....	....	....	....	....	....	....	....	....	....	....	....
7 Loans to non-MMF investment funds	23.6	22.3	37.1	31.5	31.0	29.4	27.7	33.2	31.5	32.3	33.8	36.8	34.6
8 Loans to other financial intermediaries	4,958.7	3,346.1	3,385.7	3,435.2	3,430.0	2,870.5	2,796.0	3,029.8	2,519.4	2,503.0	2,508.7	2,455.9	2,424.6
9 Loans to financial auxiliaries	636.3	602.1	649.5	690.5	686.1	680.6	670.6	697.7	697.0	698.6	718.2	692.3	684.0
10 Loans to insurance corporations and pension funds	470.5	14.1	380.2	389.4	5.0	13.0	668.0	364.2	494.6	347.7	329.6	485.0	560.9
<b>A Total (1+2+3+4+5+6+7+8+9+10)</b>	<b>73,997.0</b>	<b>72,554.5</b>	<b>73,053.4</b>	<b>73,944.0</b>	<b>74,618.9</b>	<b>74,144.1</b>	<b>74,229.0</b>	<b>74,903.1</b>	<b>74,768.8</b>	<b>74,264.4</b>	<b>74,597.5</b>	<b>75,217.8</b>	<b>74,020.4</b>
<b>LOANS IN F/C</b>													
1 Loans to central government and social security funds	45,008.5	44,856.9	45,328.8	44,824.4	45,577.6	45,515.9	43,563.0	43,551.3	44,020.6	39,655.9	44,563.4	45,139.4	46,219.9
1.1 Loans to central government	45,008.5	44,856.9	45,328.8	44,824.4	45,577.6	45,515.9	43,563.0	43,551.3	44,020.6	39,655.9	44,563.4	45,139.4	46,219.9
1.2 Loans to social security funds	-	-	-	-	-	-	-	-	-	-	-	-	-
2 Loans to local government	3,325.3	3,210.7	3,198.7	3,161.8	3,120.8	3,103.4	3,519.3	3,666.5	3,655.3	3,602.2	3,589.2	3,612.4	3,777.9
3 Loans to non-financial corporations	67,129.3	66,588.9	66,352.3	66,178.8	65,568.6	65,290.7	64,651.0	64,588.5	63,636.8	63,271.9	62,973.4	63,231.4	62,810.7
4 Loans to households	95,554.9	95,278.3	95,115.1	94,655.7	93,579.2	92,962.4	92,354.7	92,760.2	92,400.9	91,921.5	91,932.0	91,698.8	91,140.1

	2013 Dec.	2014											Dec.
		Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	
o/w: Housing loans	....	....	....	....	....	....	....	....	....	....	....	....	....
5 Loans to other banking institutions	....	....	....	....	....	....	....	....	....	....	....	....	....
6 Loans to non-banking financial institutions	....	....	....	....	....	....	....	....	....	....	....	....	....
7 Loans to non-MMF investment funds	21.2	18.4	28.8	46.3	20.2	48.4	13.6	41.2	38.0	5.1	6.7	13.4	6.1
8 Loans to other financial intermediaries	1,401.9	1,408.7	1,512.6	1,558.8	1,552.4	1,431.3	1,315.5	1,471.4	1,470.1	1,903.4	1,893.1	1,894.7	1,942.6
9 Loans to financial auxiliaries	179.7	169.2	218.3	186.3	192.1	217.0	218.0	214.8	189.9	219.7	231.9	193.3	192.6
10 Loans to insurance corporations and pension funds	118.9	12.0	12.0	2.8	2.7	230.4	286.6	270.7	2.7	2.7	2.7	2.7	2.6
<b>B Total (1+2+3+4+5+6+7+8+9+10)</b>	<b>212,739.6</b>	<b>211,543.1</b>	<b>211,766.5</b>	<b>210,614.8</b>	<b>209,613.7</b>	<b>208,799.6</b>	<b>205,921.7</b>	<b>206,564.7</b>	<b>205,414.3</b>	<b>200,582.3</b>	<b>205,192.4</b>	<b>205,786.1</b>	<b>206,092.4</b>
<b>TOTAL (A+B)</b>	<b>286,736.6</b>	<b>284,097.6</b>	<b>284,819.9</b>	<b>284,558.8</b>	<b>284,232.6</b>	<b>282,943.6</b>	<b>280,150.7</b>	<b>281,467.8</b>	<b>280,183.1</b>	<b>274,846.8</b>	<b>279,789.8</b>	<b>281,003.8</b>	<b>280,112.8</b>
<b>TRANSACTIONS</b>													
<b>LOANS IN KUNA</b>													
1 Loans to central government and social security funds	-119.4	-68.5	-8.9	-88.8	-56.1	-12.3	-421.2	-56.2	118.7	-327.3	-18.9	-17.2	-905.3
1.1 Loans to central government	-119.2	-68.5	-8.9	-88.8	-56.1	-12.3	-420.9	-56.1	118.7	-327.3	-21.9	-17.1	-905.2
1.2 Loans to social security funds	-0.2	0.0	0.0	0.0	0.0	0.0	-0.3	-0.1	0.0	0.0	3.0	-0.1	-0.1
2 Loans to local government	3.7	59.6	-7.1	0.0	-23.0	-30.4	5.9	-7.8	-26.8	96.6	-5.4	-3.4	1.7
3 Loans to non-financial corporations	280.0	526.0	-109.0	197.9	578.4	-437.3	-240.0	589.8	45.3	-435.3	165.5	395.0	-378.1
4 Loans to households	141.0	155.1	166.8	708.5	586.3	580.3	200.6	200.3	114.4	355.8	407.0	245.1	257.6
5 Loans to other banking institutions	....	....	....	....	....	....	....	....	....	....	....	....	....
6 Loans to non-banking financial institutions	....	....	....	....	....	....	....	....	....	....	....	....	....
7 Loans to non-MMF investment funds	0.1	-1.2	14.8	-5.6	-0.5	-1.6	-1.7	5.4	-1.7	0.8	1.5	3.0	-2.2
8 Loans to other financial intermediaries	27.7	-1,612.6	39.6	49.5	-5.2	-559.5	-74.5	233.8	-510.4	-16.5	5.7	-52.7	-31.4
9 Loans to financial auxiliaries	75.4	-34.1	47.4	41.0	-4.4	-5.5	-10.0	27.2	-0.7	1.6	19.6	-25.9	-7.9
10 Loans to insurance corporations and pension funds	264.7	-456.4	366.1	9.2	-384.4	8.0	655.0	-303.8	130.3	-146.8	-18.1	155.4	75.9
<b>A Total (1+2+3+4+5+6+7+8+9+10)</b>	<b>673.2</b>	<b>-1,432.1</b>	<b>509.7</b>	<b>911.6</b>	<b>691.0</b>	<b>-458.0</b>	<b>114.1</b>	<b>688.8</b>	<b>-130.9</b>	<b>-471.1</b>	<b>556.9</b>	<b>699.2</b>	<b>-989.5</b>
<b>LOANS IN F/C</b>													
1 Loans to central government and social security funds	809.0	-204.2	396.5	-500.0	1,081.2	15.3	-1,848.2	-396.9	509.5	-4,386.3	4,705.1	505.4	1,130.5
1.1 Loans to central government	809.0	-204.2	396.5	-500.0	1,081.2	15.3	-1,848.2	-396.9	509.5	-4,386.3	4,705.1	505.4	1,130.5
1.2 Loans to social security funds	-	-	-	-	-	-	-	-	-	-	0.0	0.0	0.0
2 Loans to local government	160.8	-118.0	-18.9	-36.3	-18.5	-11.1	422.5	116.2	-8.5	-52.3	-30.5	17.6	171.3
3 Loans to non-financial corporations	-1,936.9	-606.9	-358.1	-120.5	-133.4	-160.9	-350.9	-627.5	-888.0	-375.0	-609.8	158.9	-137.4
4 Loans to households	-397.9	-418.7	-447.7	-374.1	-389.5	-418.2	-437.9	-393.2	-436.2	-416.0	-403.6	-364.2	-309.4
5 Loans to other banking institutions	....	....	....	....	....	....	....	....	....	....	....	....	....
6 Loans to non-banking financial institutions	....	....	....	....	....	....	....	....	....	....	....	....	....
7 Loans to non-MMF investment funds	-6.2	-2.9	10.3	17.5	-25.5	28.1	-34.7	27.3	-3.5	-33.5	1.6	6.7	-7.3
8 Loans to other financial intermediaries	-67.7	5.3	101.4	46.2	4.8	-118.2	-112.6	143.8	0.3	432.7	-19.4	-1.1	50.6
9 Loans to financial auxiliaries	-16.3	-10.7	48.8	-32.0	7.1	25.3	1.5	-5.0	-24.7	29.8	11.2	-38.8	-0.5
10 Loans to insurance corporations and pension funds	106.8	-106.7	-0.1	-9.2	0.0	227.8	56.8	-18.3	-267.6	0.0	0.0	0.0	0.0
<b>B Total (1+2+3+4+5+6+7+8+9+10)</b>	<b>-1,348.2</b>	<b>-1,462.9</b>	<b>-267.9</b>	<b>-1,008.5</b>	<b>526.1</b>	<b>-411.9</b>	<b>-2,303.5</b>	<b>-1,153.5</b>	<b>-1,118.8</b>	<b>-4,800.6</b>	<b>3,654.6</b>	<b>284.5</b>	<b>897.8</b>
<b>TOTAL (A+B)</b>	<b>-675.0</b>	<b>-2,895.0</b>	<b>241.8</b>	<b>-96.9</b>	<b>1,217.1</b>	<b>-870.0</b>	<b>-2,189.4</b>	<b>-464.7</b>	<b>-1,249.6</b>	<b>-5,271.7</b>	<b>4,211.5</b>	<b>983.7</b>	<b>-91.7</b>

<sup>a</sup> Data for the period from December 2010 onwards are harmonised with the ESA 2010 methodology. Also, up to November 2010, kuna positions also include kuna items indexed to foreign currency, and starting from December 2010, kuna items indexed to foreign currency are reclassified to foreign exchange positions. In addition, data for the period from December 2011 onwards include money market funds.

**Table D5 Distribution of other monetary financial 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 other monetary financial institutions' loans by domestic institutional sectors.

**Table D5a Distribution of other monetary financial institutions' foreign currency and kuna loans indexed to foreign currency by domestic institutional sectors<sup>a</sup>**

end of period, in million HRK

	2013												2014
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
<b>LOANS IN FOREIGN CURRENCY</b>													
1 Loans to central government and social security funds	33,252.4	33,173.0	33,626.7	33,264.5	33,380.7	33,313.8	31,475.7	31,513.2	31,942.7	27,411.9	32,363.4	32,938.7	33,544.5
1.1 Loans to central government	33,252.4	33,173.0	33,626.7	33,264.5	33,380.7	33,313.8	31,475.7	31,513.2	31,942.7	27,411.9	32,363.4	32,938.7	33,544.5
1.2 Loans to social security funds	–	–	–	–	–	–	–	–	–	–	–	–	–
2 Loans to local government	8.6	8.6	8.6	8.2	8.1	8.1	7.6	7.6	7.6	7.2	7.2	7.3	6.8
3 Loans to non-financial corporations	16,999.2	16,719.8	16,619.0	16,814.0	16,748.4	16,453.2	16,855.6	16,815.1	16,013.3	15,925.0	15,797.3	16,159.0	15,737.9
4 Loans to households	254.1	267.0	272.8	280.8	255.5	259.7	254.8	269.9	270.0	274.1	271.3	273.2	258.4
5 Loans to non-MMF investment funds	14.9	12.1	22.5	40.0	13.9	42.1	7.4	35.3	32.4	–	1.6	8.3	–
6 Loans to other financial intermediaries	619.3	608.5	703.3	727.6	750.1	637.1	531.3	550.0	543.3	536.8	531.6	523.8	579.5
7 Loans to financial auxiliaries	42.0	35.5	64.4	33.8	38.2	59.6	61.0	60.8	42.1	74.5	83.9	44.8	42.4
8 Loans to insurance corporations and pension funds	106.9	–	–	0.0	–	227.7	283.9	268.0	–	–	–	–	–
<b>A Total (1+2+3+4+5+6+7+8)</b>	<b>51,297.5</b>	<b>50,824.4</b>	<b>51,317.2</b>	<b>51,168.9</b>	<b>51,194.9</b>	<b>51,001.2</b>	<b>49,477.3</b>	<b>49,520.0</b>	<b>48,851.4</b>	<b>44,229.5</b>	<b>49,056.4</b>	<b>49,955.0</b>	<b>50,169.6</b>
<b>KUNA LOANS INDEXED TO FOREIGN CURRENCY</b>													
1 Loans to central government and social security funds	11,756.1	11,683.9	11,702.1	11,559.9	12,196.9	12,202.1	12,087.3	12,038.1	12,077.9	12,244.0	12,199.9	12,200.7	12,675.4
1.1 Loans to central government	11,756.1	11,683.9	11,702.1	11,559.9	12,196.9	12,202.1	12,087.3	12,038.1	12,077.9	12,244.0	12,199.9	12,200.7	12,675.4
1.2 Loans to social security funds	–	–	–	–	–	–	–	–	–	–	–	–	–
2 Loans to local government	3,316.7	3,202.2	3,190.1	3,153.7	3,112.8	3,095.4	3,511.7	3,658.8	3,647.7	3,595.0	3,581.9	3,605.1	3,771.0
3 Loans to non-financial corporations	50,125.6	49,864.6	49,728.6	49,360.3	48,815.8	48,833.0	47,790.9	47,768.9	47,619.0	47,342.4	47,171.6	47,067.8	47,068.2
4 Loans to households	95,300.7	95,011.3	94,842.3	94,374.8	93,323.7	92,702.8	92,099.9	92,490.2	92,130.9	91,647.4	91,660.8	91,425.6	90,881.7
5 Loans to non-MMF investment funds	–	–	–	–	–	–	–	–	–	–	–	–	–
6 Loans to other financial intermediaries	782.6	800.2	809.3	831.2	802.3	794.3	784.2	921.4	926.8	1,366.6	1,361.5	1,370.9	1,363.1
7 Loans to financial auxiliaries	133.6	130.6	150.7	149.3	151.9	155.4	155.0	152.1	145.8	143.2	145.9	147.5	150.1
8 Loans to insurance corporations and pension funds	2.7	2.8	2.8	2.8	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.6
<b>B Total (1+2+3+4+5+6+7+8)</b>	<b>161,418.0</b>	<b>160,695.6</b>	<b>160,426.0</b>	<b>159,432.0</b>	<b>158,406.0</b>	<b>157,785.5</b>	<b>156,431.7</b>	<b>157,032.2</b>	<b>156,550.8</b>	<b>156,341.3</b>	<b>156,124.3</b>	<b>155,820.4</b>	<b>155,912.2</b>
<b>TOTAL (A+B)</b>	<b>212,715.4</b>	<b>211,520.0</b>	<b>211,743.2</b>	<b>210,600.9</b>	<b>209,601.0</b>	<b>208,786.7</b>	<b>205,908.9</b>	<b>206,552.2</b>	<b>205,402.2</b>	<b>200,570.8</b>	<b>205,180.7</b>	<b>205,775.4</b>	<b>206,081.8</b>

<sup>a</sup> Data for the period from December 2010 onwards are harmonised with the ESA 2010 methodology. Also, up to November 2010, kuna positions also include kuna items indexed to foreign currency, and starting from December 2010, kuna items indexed to foreign currency are reclassified to foreign exchange positions. In addition, data for the period from December 2011 onwards include money market funds.

**Table D5a Distribution of other monetary financial institutions' foreign currency and kuna loans indexed to foreign currency by domestic institutional sectors** • The table provides a

detailed analysis of the Loans in foreign currency item in Table D5, showing separately loans in foreign currency and loans indexed to foreign currency.

**Table D5b Distribution of other monetary financial institutions' loans by domestic institutional sectors and original maturity<sup>a</sup>**  
end of period, in million HRK

	2013 Dec.	2014											
		Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
1 Loans to central government and social security funds	51,802.6	51,582.6	52,045.6	51,452.4	52,149.4	52,075.5	49,701.5	49,633.6	50,221.5	45,529.6	50,418.2	50,976.9	51,152.2
1.1 Loans to central government	51,801.7	51,581.6	52,044.7	51,451.4	52,148.5	52,074.6	49,700.8	49,633.1	50,221.1	45,529.2	50,414.7	50,973.6	51,149.0
Up to 1 year	904.2	2,086.8	1,923.7	2,102.9	2,463.3	2,442.3	2,448.7	2,467.1	2,596.9	2,064.7	1,249.6	1,739.6	923.1
Over 1 and up to 5 years	18,722.1	17,491.1	17,645.0	20,455.7	20,259.7	20,242.9	19,117.0	19,101.1	19,055.3	16,313.2	21,376.6	22,197.8	23,291.6
Over 5 years	32,175.4	32,003.8	32,476.0	28,892.8	29,425.5	29,389.4	28,135.2	28,064.8	28,568.8	27,151.2	27,788.5	27,036.2	26,934.2
1.2 Loans to social security funds	0.9	0.9	0.9	0.9	0.9	0.9	0.6	0.5	0.5	0.5	3.4	3.3	3.2
Up to 1 year	0.9	0.9	0.9	0.9	0.9	0.9	0.6	0.5	0.5	0.5	0.4	0.4	0.4
Over 1 and up to 5 years	–	–	–	–	–	–	–	–	–	–	3.0	2.9	2.8
Over 5 years	0.0	0.0	0.0	–	–	–	–	–	–	–	–	–	–
2 Loans to local government	4,121.7	4,066.7	4,047.6	4,010.7	3,946.7	3,898.9	4,320.7	4,460.0	4,422.1	4,465.6	4,447.2	4,466.9	4,634.1
Up to 1 year	150.4	221.5	212.7	212.5	205.5	174.3	179.8	180.9	154.3	249.1	225.1	214.8	197.8
Over 1 and up to 5 years	714.6	632.9	633.1	480.8	474.1	478.8	477.5	404.2	402.5	397.7	407.0	408.6	591.9
Over 5 years	3,256.7	3,212.3	3,201.7	3,317.4	3,267.1	3,245.8	3,663.3	3,874.9	3,865.4	3,818.8	3,815.1	3,843.5	3,844.5
3 Loans to non-financial corporations	95,572.5	95,557.6	95,210.0	95,234.4	95,200.5	94,484.7	93,602.7	94,130.0	93,222.9	92,412.8	92,269.5	92,920.4	92,025.5
Up to 1 year	22,779.1	22,813.0	22,657.3	23,418.5	23,300.3	22,889.2	22,139.8	22,088.5	22,826.6	22,545.8	22,605.9	22,623.7	22,418.2
Over 1 and up to 5 years	24,862.6	25,113.8	24,772.5	24,486.0	24,613.0	24,339.2	23,563.9	23,963.3	22,240.1	21,818.6	21,789.1	21,898.6	21,631.5
Over 5 years	47,930.8	47,630.9	47,780.2	47,329.8	47,287.2	47,256.2	47,899.0	48,078.1	48,156.1	48,048.4	47,874.5	48,398.1	47,975.8
4 Loans to households	127,424.6	127,293.2	127,287.9	127,516.2	127,012.0	126,959.3	126,525.4	127,116.6	126,868.9	126,721.8	126,925.8	126,860.8	126,448.6
Up to 1 year	12,007.9	12,058.6	11,975.3	12,187.0	12,271.8	12,384.2	12,301.8	12,200.2	12,243.8	12,351.4	12,324.5	12,173.6	12,144.2
Over 1 and up to 5 years	9,599.3	9,565.0	9,555.1	9,804.7	9,851.3	9,890.3	9,853.9	9,917.4	9,804.6	9,820.0	9,832.7	9,899.8	9,859.3
Over 5 years	105,817.4	105,669.6	105,757.6	105,524.5	104,889.0	104,684.8	104,369.7	104,999.0	104,820.4	104,550.4	104,768.7	104,787.5	104,445.1
5 Loans to non-MMF investment funds	38.4	34.4	59.6	71.4	44.9	71.6	35.1	68.5	63.8	32.3	35.4	45.1	34.6
Up to 1 year	38.4	34.4	59.6	71.4	44.9	71.6	35.1	68.5	63.8	32.3	35.4	45.1	34.6
Over 1 and up to 5 years	–	–	–	–	–	–	–	–	–	–	–	–	–
Over 5 years	–	–	–	–	–	–	–	–	–	–	–	–	–
6 Loans to other financial intermediaries	6,360.6	4,754.8	4,898.3	4,993.9	4,982.4	4,301.8	4,111.5	4,501.3	3,989.5	4,406.4	4,401.8	4,350.6	4,366.2
Up to 1 year	1,624.4	1,643.5	1,803.7	1,818.2	1,829.4	1,735.2	1,590.2	1,807.3	1,796.7	1,764.7	1,788.5	1,752.5	1,714.6
Over 1 and up to 5 years	3,817.6	2,201.5	2,192.4	2,281.2	2,263.5	1,612.1	1,578.3	1,755.8	1,264.1	1,722.9	1,704.1	1,696.4	1,761.2
Over 5 years	918.6	909.8	902.2	894.5	889.4	954.5	942.9	938.2	928.8	918.8	909.3	901.7	890.3
7 Loans to financial auxiliaries	808.9	765.3	861.7	870.7	873.2	892.6	883.6	907.6	881.9	913.3	945.1	881.6	873.6
Up to 1 year	692.7	652.5	743.6	752.1	738.1	752.5	744.1	768.5	749.1	783.8	804.6	739.9	732.8
Over 1 and up to 5 years	48.4	43.5	47.3	45.9	44.5	47.1	46.6	45.4	39.2	37.5	41.3	41.1	39.7
Over 5 years	67.8	69.2	70.7	72.7	90.7	93.0	93.0	93.8	93.6	92.0	99.2	100.7	101.1
8 Loans to insurance corporations and pension funds	580.2	16.9	383.0	392.2	7.7	243.4	954.6	634.9	497.3	350.4	332.3	487.7	563.5
Up to 1 year	577.5	14.1	380.2	389.4	5.0	240.7	952.0	632.3	494.6	347.7	329.6	485.0	560.9
Over 1 and up to 5 years	–	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Over 5 years	2.7	2.7	2.7	2.7	2.6	2.6	2.6	2.6	2.7	2.6	2.6	2.6	2.6
<b>Total (1+2+3+4+5+6+7+8)</b>	<b>286,709.5</b>	<b>284,071.5</b>	<b>284,793.7</b>	<b>284,541.9</b>	<b>284,216.9</b>	<b>282,927.8</b>	<b>280,135.0</b>	<b>281,452.4</b>	<b>280,168.0</b>	<b>274,832.3</b>	<b>279,775.2</b>	<b>280,990.1</b>	<b>280,098.3</b>
Up to 1 year	38,775.6	39,525.4	39,757.1	40,953.1	40,859.3	40,691.0	40,392.0	40,213.8	40,926.3	40,140.1	39,363.6	39,774.7	38,726.7
Over 1 and up to 5 years	57,764.5	55,047.9	54,845.5	57,554.4	57,506.2	56,610.5	54,637.2	55,187.2	52,805.8	50,110.0	55,153.8	56,145.1	57,178.1
Over 5 years	190,169.4	189,498.3	190,191.0	186,034.4	185,851.4	185,626.3	185,105.8	186,051.4	186,435.8	184,582.2	185,257.8	185,070.3	184,193.5

<sup>a</sup> Data for the period from December 2010 onwards are harmonised with the ESA 2010 methodology. Also, up to November 2010, kuna positions also include kuna items indexed to foreign currency, and starting from December 2010, kuna items indexed to foreign currency are reclassified to foreign exchange positions. In addition, data for the period from December 2011 onwards include money market funds.

**Table D5b Distribution of other monetary financial 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 other monetary financial institutions' loans to households by purpose and currency composition<sup>a</sup>**  
 end of period, in million HRK

	2013	2014											
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
1 Consumer loans	74.2	68.4	66.0	63.9	62.9	61.9	60.9	60.2	58.6	57.6	55.6	50.2	44.3
1.1 Kuna loans not indexed to f/c	68.5	63.0	60.9	59.0	58.2	57.5	56.7	56.0	54.8	54.0	52.3	47.2	41.4
1.2 Kuna loans indexed to f/c	5.7	5.4	5.1	4.9	4.7	4.5	4.2	4.1	3.8	3.6	3.2	3.0	2.9
o/w: Indexed to EUR	5.5	5.2	4.9	4.7	4.5	4.3	4.0	3.9	3.6	3.4	3.2	3.0	2.9
o/w: Indexed to CHF	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.0	0.0	0.0
1.3 Foreign currency loans	-	-	-	-	-	-	-	-	-	-	-	-	-
2 Housing loans	61,460.1	61,391.4	61,440.4	61,286.7	60,738.8	60,480.0	60,285.0	60,634.7	60,590.9	60,357.4	60,481.9	60,466.2	60,227.5
2.1 Kuna loans not indexed to f/c	4,415.9	4,431.0	4,441.8	4,449.0	4,466.0	4,491.8	4,492.9	4,514.1	4,531.4	4,532.9	4,535.0	4,541.4	4,551.7
2.2 Kuna loans indexed to f/c	57,034.1	56,950.3	56,988.6	56,827.7	56,263.0	55,978.0	55,781.9	56,110.3	56,049.8	55,815.0	55,937.4	55,915.3	55,666.4
o/w: Indexed to EUR	35,536.5	35,514.6	35,528.2	35,543.4	35,274.6	35,176.0	35,087.6	35,379.7	35,307.6	35,254.3	35,400.4	35,427.6	35,378.6
o/w: Indexed to CHF	21,459.8	21,397.8	21,422.1	21,246.5	20,951.1	20,763.7	20,656.3	20,691.0	20,702.5	20,519.7	20,495.7	20,446.2	20,244.8
2.3 Foreign currency loans	10.1	10.0	10.0	10.0	9.8	10.3	10.2	10.2	9.7	9.5	9.5	9.4	9.3
3 Mortgage loans	3,007.4	2,993.4	2,975.5	2,960.9	2,928.6	2,906.3	2,889.4	2,892.3	2,882.9	2,852.6	2,853.1	2,828.8	2,844.3
3.1 Kuna loans not indexed to f/c	179.9	182.9	187.6	186.4	185.3	184.7	182.8	180.7	180.5	178.5	177.2	176.3	178.0
3.2 Kuna loans indexed to f/c	2,821.7	2,804.7	2,782.1	2,768.7	2,737.6	2,716.1	2,701.1	2,706.0	2,696.9	2,668.5	2,670.4	2,649.6	2,663.8
o/w: Indexed to EUR	2,340.1	2,324.4	2,315.6	2,307.1	2,283.0	2,265.9	2,254.7	2,259.5	2,248.3	2,225.5	2,230.0	2,211.0	2,231.6
3.3 Foreign currency loans	5.8	5.8	5.8	5.7	5.6	5.6	5.5	5.5	5.5	5.5	5.5	2.9	2.5
4 Car loans	2,162.6	2,093.9	2,026.0	1,953.3	1,881.1	1,815.5	1,749.8	1,702.2	1,645.8	1,588.3	1,545.4	1,490.0	1,439.3
4.1 Kuna loans not indexed to f/c	982.8	968.6	954.0	941.0	925.5	910.6	894.8	884.4	866.6	850.4	839.6	820.0	803.7
4.2 Kuna loans indexed to f/c	1,179.1	1,124.5	1,071.2	1,011.5	954.8	904.2	854.3	817.1	778.5	737.2	705.1	669.5	635.1
o/w: Indexed to EUR	897.3	869.2	841.5	808.9	776.5	747.7	717.1	697.2	672.3	645.4	623.8	597.5	571.4
o/w: Indexed to CHF	281.7	255.3	229.7	202.6	178.3	156.5	137.2	119.9	106.3	91.8	81.3	72.1	63.7
4.3 Foreign currency loans	0.7	0.9	0.8	0.8	0.7	0.7	0.7	0.7	0.6	0.6	0.6	0.5	0.5
5 Credit card loans	3,834.6	3,799.9	3,741.8	3,773.5	3,795.3	3,810.1	3,801.7	3,790.4	3,756.7	3,765.2	3,765.1	3,804.7	3,831.0
5.1 Kuna loans not indexed to f/c	3,832.3	3,797.6	3,739.7	3,770.9	3,793.1	3,807.9	3,799.4	3,788.2	3,754.6	3,763.2	3,762.8	3,802.9	3,829.3
5.2 Kuna loans indexed to f/c	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.1	0.1
o/w: Indexed to EUR	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.1	0.1
5.3 Foreign currency loans	1.8	1.8	1.7	2.1	1.8	1.8	1.9	1.7	1.7	1.6	1.9	1.7	1.6
6 Overdrafts on transaction accounts	8,353.5	8,402.7	8,341.7	8,467.2	8,518.1	8,518.2	8,429.4	8,326.1	8,308.5	8,388.4	8,337.4	8,247.0	8,157.4
6.1 Kuna loans not indexed to f/c	8,352.9	8,402.2	8,341.1	8,466.7	8,517.6	8,517.6	8,428.8	8,325.5	8,307.9	8,387.8	8,336.8	8,246.5	8,156.9
6.2 Kuna loans indexed to f/c	-	-	-	-	-	-	-	-	-	-	-	-	-
o/w: Indexed to EUR	-	-	-	-	-	-	-	-	-	-	-	-	-
6.3 Foreign currency loans	0.5	0.5	0.6	0.6	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.5	0.5
7 Any-purpose cash loans	37,229.2	37,234.9	37,379.1	37,622.1	37,636.7	37,827.7	37,811.1	38,160.3	38,125.5	38,225.5	38,150.7	38,236.4	39,064.8
7.1 Kuna loans not indexed to f/c	11,674.6	11,811.0	12,058.0	12,527.1	12,947.0	13,403.8	13,693.8	13,993.8	14,169.3	14,443.3	14,460.4	14,680.5	14,976.4
7.2 Kuna loans indexed to f/c	25,553.7	25,423.1	25,320.3	25,094.2	24,688.9	24,423.3	24,116.5	24,165.8	23,955.5	23,781.6	23,689.8	23,555.4	24,087.9
o/w: Indexed to EUR	25,304.8	25,177.1	25,060.9	24,842.8	24,443.4	24,181.1	23,880.2	23,929.3	23,719.9	23,549.6	23,471.9	23,337.4	23,875.0
7.3 Foreign currency loans	0.9	0.9	0.8	0.8	0.8	0.7	0.8	0.8	0.7	0.6	0.6	0.6	0.5
8 Other loans	11,303.2	11,308.6	11,317.4	11,388.6	11,450.6	11,539.4	11,498.1	11,550.6	11,500.0	11,486.8	11,736.7	11,737.6	10,839.9
8.1 Kuna loans not indexed to f/c	2,362.8	2,358.5	2,389.7	2,460.3	2,540.0	2,623.0	2,621.4	2,613.6	2,602.7	2,590.0	2,829.7	2,847.4	2,771.0
8.2 Kuna loans indexed to f/c	8,706.1	8,703.0	8,674.6	8,667.4	8,674.4	8,676.3	8,641.5	8,686.5	8,646.0	8,641.0	8,654.4	8,632.6	7,825.4
o/w: Indexed to EUR	8,046.3	8,047.7	8,039.0	8,038.6	8,053.7	8,057.2	8,022.7	8,063.3	8,001.4	7,995.4	8,006.5	7,984.6	7,185.5
8.3 Foreign currency loans	234.3	247.1	253.0	260.9	236.2	240.1	235.1	250.5	251.3	255.7	252.6	257.5	243.5
<b>Total (1+2+3+4+5+6+7+8)</b>	<b>127,424.6</b>	<b>127,293.2</b>	<b>127,287.9</b>	<b>127,516.2</b>	<b>127,012.0</b>	<b>126,959.3</b>	<b>126,525.4</b>	<b>127,116.6</b>	<b>126,868.9</b>	<b>126,721.8</b>	<b>126,925.8</b>	<b>126,860.8</b>	<b>126,448.6</b>

<sup>a</sup> Data for the period from December 2010 onwards are harmonised with the ESA 2010 methodology. Also, up to November 2010, kuna positions also include kuna items indexed to foreign currency, and starting from December 2010, kuna items indexed to foreign currency are reclassified to foreign exchange positions. In addition, data for the period from December 2011 onwards include money market funds.

**Table D5c Distribution of other monetary financial 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 other monetary financial institutions' working capital and investment loans to non-financial corporations by currency composition<sup>a</sup>

end of period, in million HRK

	2013	2014											
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
1 Working capital loans	39,483.2	39,706.3	39,405.6	39,669.5	39,669.8	39,182.5	38,331.1	39,131.2	38,543.7	37,970.1	37,927.5	38,031.9	37,400.0
1.1 Kuna loans not indexed to f/c	15,327.0	15,892.3	15,656.2	15,806.8	16,398.5	15,992.9	15,549.9	16,094.9	15,979.2	15,534.5	15,770.3	15,891.5	15,411.1
1.2 Kuna loans indexed to f/c	16,955.6	16,958.3	16,913.6	16,811.3	16,391.1	16,427.1	16,212.8	16,250.4	16,184.9	16,049.6	15,840.3	15,790.7	16,085.2
o/w: Indexed to EUR	16,674.1	16,676.9	16,631.6	16,531.1	16,097.4	16,133.6	15,918.3	15,958.3	15,893.3	15,758.4	15,554.7	15,504.5	15,801.4
o/w: Indexed to CHF	263.2	263.4	264.2	262.6	260.1	259.2	257.7	252.5	250.3	249.3	242.5	242.9	241.2
1.3 Foreign currency loans	7,200.6	6,855.8	6,835.7	7,051.4	6,880.2	6,762.5	6,568.4	6,785.9	6,379.6	6,385.9	6,316.9	6,349.7	5,903.7
o/w: In EUR	6,677.0	6,363.1	6,325.0	6,543.7	6,206.8	6,257.8	6,080.7	6,289.3	5,814.7	5,891.8	5,819.3	5,845.7	5,395.5
o/w: In USD	407.2	406.6	424.4	421.7	588.0	419.8	402.6	410.9	482.2	411.6	414.5	420.5	426.5
2 Investment loans	34,781.9	34,679.1	34,815.9	34,610.7	34,514.5	34,554.3	34,434.8	34,568.9	34,510.8	34,250.6	34,245.6	34,098.5	33,746.9
2.1 Kuna loans not indexed to f/c	5,974.9	6,032.5	6,144.6	6,096.7	6,085.1	6,141.8	6,279.3	6,439.1	6,475.5	6,430.4	6,432.6	6,500.3	6,474.3
2.2 Kuna loans indexed to f/c	24,382.2	24,258.8	24,168.5	24,020.6	23,943.8	23,958.8	23,707.4	23,652.5	23,581.3	23,390.9	23,411.3	23,321.6	22,988.2
o/w: Indexed to EUR	23,266.6	23,106.9	23,021.7	22,885.8	22,832.0	22,864.7	22,628.8	22,589.0	22,542.0	22,367.6	22,383.2	22,302.6	22,006.3
o/w: Indexed to CHF	1,089.7	1,127.5	1,122.9	1,111.5	1,089.6	1,071.9	1,056.6	1,042.3	1,018.4	1,002.2	996.9	988.1	955.1
2.3 Foreign currency loans	4,424.8	4,387.8	4,502.7	4,493.3	4,485.6	4,453.6	4,448.1	4,477.2	4,453.9	4,429.3	4,401.6	4,276.6	4,284.5
o/w: In EUR	4,294.6	4,258.4	4,373.3	4,365.0	4,360.4	4,324.3	4,286.1	4,315.1	4,291.4	4,268.8	4,242.5	4,118.0	4,129.6
o/w: In USD	11.9	12.0	12.5	12.6	12.6	18.9	54.0	55.1	55.8	56.1	56.5	57.0	56.3
<b>Total (1+2)</b>	<b>74,265.2</b>	<b>74,385.4</b>	<b>74,221.5</b>	<b>74,280.3</b>	<b>74,184.3</b>	<b>73,736.8</b>	<b>72,765.8</b>	<b>73,700.1</b>	<b>73,054.4</b>	<b>72,220.7</b>	<b>72,173.1</b>	<b>72,130.4</b>	<b>71,146.9</b>

<sup>a</sup> Data for the period from December 2010 onwards are harmonised with the ESA 2010 methodology. Also, up to November 2010, kuna positions also include kuna items indexed to foreign currency, and starting from December 2010, kuna items indexed to foreign currency are reclassified to foreign exchange positions. In addition, data for the period from December 2011 onwards include money market funds.

Table D5d Distribution of other monetary financial 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 other monetary financial institutions<sup>a</sup>**  
end of period, in million HRK

	2013	2014											
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
1 Local government	2,326.2	1,938.3	1,897.8	1,906.5	2,051.5	2,132.4	2,055.6	2,102.4	2,315.3	2,423.2	2,431.5	2,612.8	2,951.5
2 Non-financial corporations	18,471.8	17,746.3	16,724.0	17,005.4	16,764.9	17,330.9	18,590.6	19,198.2	19,787.0	19,358.3	18,373.6	17,904.0	20,206.7
3 Households	17,681.9	17,615.7	17,879.8	17,828.0	17,755.9	17,846.3	18,637.7	19,064.8	19,939.5	19,584.8	19,166.9	19,121.1	19,520.8
4 Other banking institutions	....	....	....	....	....	....	....	....	....	....	....	....	....
5 Non-banking financial institutions	....	....	....	....	....	....	....	....	....	....	....	....	....
6 Non-MMF investment funds	130.0	194.7	159.9	135.3	134.0	100.0	198.0	202.8	174.6	172.1	142.1	277.3	109.6
7 Other financial intermediaries	646.8	709.1	842.3	912.7	844.5	728.4	838.2	703.0	723.7	657.9	738.1	728.1	762.0
8 Financial auxiliaries	427.6	430.7	431.7	357.1	309.1	364.9	366.0	383.1	547.4	381.6	442.9	1,224.0	1,106.8
9 Insurance corporations and pension funds	792.9	1,000.4	862.5	1,011.4	834.5	926.2	551.0	874.6	917.8	1,016.1	1,108.8	268.7	259.7
10 Less: Checks of other banks and checks in collection	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
<b>Total (1+2+3+4+5+6+7+8+9+10)</b>	<b>40,477.2</b>	<b>39,635.1</b>	<b>38,798.1</b>	<b>39,156.4</b>	<b>38,694.4</b>	<b>39,429.1</b>	<b>41,237.0</b>	<b>42,528.9</b>	<b>44,405.3</b>	<b>43,593.8</b>	<b>42,404.0</b>	<b>42,136.1</b>	<b>44,917.1</b>

<sup>a</sup> Data for the period from December 2010 onwards are harmonised with the ESA 2010 methodology. Also, up to November 2010, kuna positions also include kuna items indexed to foreign currency, and starting from December 2010, kuna items indexed to foreign currency are reclassified to foreign exchange positions. In addition, data for the period from December 2011 onwards include money market funds.

**Table D6 Demand deposits with other monetary financial 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, non-MMF investment funds, 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' liabilities arising from kuna payment instruments issued are included in the household sector.

**Table D7 Kuna deposits with other monetary financial institutions<sup>a</sup>**  
end of period, in million HRK

	2013												2014
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
1 Savings deposits	2,559.5	2,595.5	2,427.9	2,206.1	2,122.9	2,196.1	2,121.4	2,282.1	2,286.9	2,246.9	2,289.8	2,318.9	2,253.0
1.1 Local government	2.4	17.8	1.3	1.3	1.3	1.3	1.1	1.1	1.1	1.1	1.1	1.2	0.1
1.2 Non-financial corporations	655.9	684.9	537.1	372.0	320.7	410.9	355.5	498.4	479.6	453.9	509.0	544.8	455.9
1.3 Households	1,852.5	1,852.0	1,852.5	1,801.6	1,770.0	1,750.3	1,739.3	1,748.7	1,763.8	1,754.2	1,745.2	1,734.1	1,756.3
1.4 Other banking institutions	....	....	....	....	....	....	....	....	....	....	....	....	....
1.5 Non-banking financial institutions	....	....	....	....	....	....	....	....	....	....	....	....	....
1.6 Non-MMF investment funds	-	-	-	-	-	-	-	-	-	-	-	-	-
1.7 Other financial intermediaries	38.6	33.8	35.4	29.3	29.0	32.7	24.5	32.9	41.4	36.6	33.4	37.8	39.7
1.8 Financial auxiliaries	1.3	1.8	1.7	1.8	2.0	0.9	0.9	0.9	0.9	0.9	1.0	1.0	1.0
1.9 Insurance corporations and pension funds	8.8	5.3	-	-	-	-	-	-	-	-	-	-	-
2 Time and notice deposits	31,272.5	32,079.1	31,706.4	32,164.8	32,671.5	32,812.9	32,321.5	32,925.9	32,932.3	32,976.7	33,029.3	33,726.7	32,362.8
2.1 Local government	197.5	366.6	553.1	618.1	686.6	693.1	710.6	703.6	692.3	736.9	677.1	667.4	217.8
2.2 Non-financial corporations	5,804.4	5,801.6	5,876.9	6,131.0	6,302.9	6,230.8	6,095.4	6,530.3	6,425.9	6,378.6	6,489.4	6,649.1	6,139.4
2.3 Households	21,959.2	22,441.9	22,572.4	22,661.8	22,659.6	22,644.8	22,453.1	22,731.0	22,765.5	22,589.0	22,623.3	22,557.8	22,386.7
2.4 Other banking institutions	....	....	....	....	....	....	....	....	....	....	....	....	....
2.5 Non-banking financial institutions	....	....	....	....	....	....	....	....	....	....	....	....	....
2.6 Other Non-MMF investment funds	51.1	58.0	51.6	54.7	52.6	55.6	26.5	23.9	24.1	31.0	35.4	56.3	37.5
2.7 Other financial intermediaries	950.8	772.1	738.6	572.3	646.0	749.1	1,020.5	796.1	780.2	831.4	811.4	709.9	614.4
2.8 Financial auxiliaries	710.0	696.2	602.4	490.4	518.7	573.0	489.4	497.5	528.0	514.4	437.7	590.4	519.7
2.9 Insurance corporations and pension funds	1,599.5	1,942.7	1,311.5	1,636.5	1,805.1	1,866.4	1,526.0	1,643.5	1,716.3	1,895.3	1,954.9	2,495.8	2,447.3
<b>Total (1+2)</b>	<b>33,832.0</b>	<b>34,674.6</b>	<b>34,134.3</b>	<b>34,370.9</b>	<b>34,794.4</b>	<b>35,009.0</b>	<b>34,442.9</b>	<b>35,208.0</b>	<b>35,219.2</b>	<b>35,223.5</b>	<b>35,319.0</b>	<b>36,045.6</b>	<b>34,615.8</b>

<sup>a</sup> Data for the period from December 2010 onwards are harmonised with the ESA 2010 methodology. Also, up to November 2010, kuna positions also include kuna items indexed to foreign currency, and starting from December 2010, kuna items indexed to foreign currency are reclassified to foreign exchange positions. In addition, data for the period from December 2011 onwards include money market funds.

**Table D7 Kuna deposits with other monetary financial 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, non-MMF investment funds, other financial intermediaries, financial auxiliaries as well as insurance corporations and pension funds.

**Table D8 Foreign currency deposits with other monetary financial institutions<sup>a</sup>**  
 end of period, in million HRK

	2013 Dec.	2014											
		Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
1 Savings deposits	25,284.1	25,391.1	25,524.7	25,721.8	25,284.4	25,021.1	25,414.3	26,770.4	28,160.7	28,553.3	28,740.5	28,537.7	28,967.9
1.1 Local government	30.6	28.7	30.7	28.5	30.8	32.5	30.3	32.1	55.9	39.6	39.3	37.1	29.2
1.2 Non-financial corporations	6,780.6	6,626.4	6,776.0	6,879.8	6,637.3	6,687.9	7,013.3	7,006.0	7,510.6	8,060.1	8,401.3	7,875.3	8,002.4
1.3 Households	17,787.2	17,648.9	17,724.2	17,750.5	17,481.9	17,419.9	17,690.9	18,278.8	19,062.4	19,030.8	18,978.9	19,099.1	19,370.5
1.4 Other banking institutions	....	....	....	....	....	....	....	....	....	....	....	....	....
1.5 Non-banking financial institutions	....	....	....	....	....	....	....	....	....	....	....	....	....
1.6. Non-MMF investment funds	184.4	199.3	150.0	188.2	170.1	157.2	174.5	136.7	225.3	274.8	238.9	175.1	266.5
1.7 Other financial intermediaries	269.5	256.1	517.4	281.4	299.4	350.1	197.4	603.4	642.7	479.6	315.3	520.6	616.6
1.8 Financial auxiliaries	71.7	121.3	89.0	108.4	134.1	76.0	106.5	121.5	88.6	133.6	130.0	497.8	469.3
1.9 Insurance corporations and pension funds	160.1	510.4	237.5	485.0	530.8	297.5	201.4	591.8	575.1	534.8	636.8	332.8	213.4
2 Time deposits	137,372.3	137,549.0	137,179.2	137,558.4	135,033.1	134,717.6	133,644.5	135,984.3	136,921.4	137,405.7	137,772.0	137,474.8	135,975.4
2.1 Local government	69.7	70.4	68.0	67.0	67.2	67.1	66.5	67.9	67.3	66.2	65.7	63.6	59.8
o/w: Indexed to f/c	62.3	61.4	60.6	60.0	60.6	60.5	60.4	61.7	61.1	59.9	59.6	58.3	55.5
2.2 Non-financial corporations	10,707.0	10,174.8	10,039.1	10,769.2	9,726.0	9,640.8	8,786.0	9,697.5	10,546.7	9,722.9	9,830.3	9,957.6	8,954.8
o/w: Indexed to f/c	556.3	501.4	493.5	511.0	471.2	473.8	477.5	474.7	460.3	427.3	426.8	440.8	523.4
2.3 Households	123,242.8	123,838.9	123,661.5	123,478.6	122,184.1	121,972.3	121,573.6	123,085.6	123,227.8	123,815.7	124,231.4	123,897.2	123,393.1
o/w: Indexed to f/c	6,799.1	6,839.7	6,867.0	6,944.7	6,865.3	6,835.5	6,805.4	6,859.3	6,859.8	6,841.1	6,983.4	6,938.1	7,145.9
2.4 Other banking institutions	....	....	....	....	....	....	....	....	....	....	....	....	....
o/w: Indexed to f/c	....	....	....	....	....	....	....	....	....	....	....	....	....
2.5 Non-banking financial institutions	....	....	....	....	....	....	....	....	....	....	....	....	....
o/w: Indexed to f/c	....	....	....	....	....	....	....	....	....	....	....	....	....
2.6. Non-MMF investment funds	73.8	52.6	65.2	60.7	75.0	49.9	61.2	70.8	73.7	91.8	107.0	94.8	61.8
o/w: Indexed to f/c	-	-	-	-	-	-	-	-	-	-	-	-	-
2.7 Other financial intermediaries	1,942.7	2,096.9	2,226.3	2,095.6	1,710.4	1,762.9	2,091.7	2,053.8	2,014.0	2,030.9	1,885.0	1,787.9	1,786.0
o/w: Indexed to f/c	163.0	169.2	169.5	165.9	169.7	171.9	171.5	186.1	189.8	192.8	202.2	194.4	199.9
2.8 Financial auxiliaries	251.1	240.0	229.1	228.9	189.9	362.2	175.1	179.3	187.6	185.5	189.1	121.5	106.3
o/w: Indexed to f/c	10.7	9.2	9.2	6.5	6.0	6.8	5.9	5.9	6.3	5.4	5.8	5.4	4.4
2.9 Insurance corporations and pension funds	1,085.3	1,075.4	889.9	858.3	1,080.6	862.6	890.5	829.4	804.3	1,492.7	1,463.6	1,552.1	1,613.6
o/w: Indexed to f/c	128.4	138.3	123.9	124.0	123.1	116.2	118.7	106.7	92.5	89.4	80.7	77.8	80.0
<b>Total (1+2)</b>	<b>162,656.4</b>	<b>162,940.2</b>	<b>162,703.9</b>	<b>163,280.2</b>	<b>160,317.4</b>	<b>159,738.7</b>	<b>159,058.8</b>	<b>162,754.6</b>	<b>165,082.1</b>	<b>165,959.1</b>	<b>166,512.6</b>	<b>166,012.5</b>	<b>164,943.3</b>

<sup>a</sup> Data for the period from December 2010 onwards are harmonised with the ESA 2010 methodology. Also, up to November 2010, kuna positions also include kuna items indexed to foreign currency, and starting from December 2010, kuna items indexed to foreign currency are reclassified to foreign exchange positions. In addition, data for the period from December 2011 onwards include money market funds.

**Table D8 Foreign currency deposits with other monetary financial 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, non-MMF investment funds, 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<sup>a</sup>

end of period, in million HRK

	2013	2014											
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
1 Kuna deposits not indexed to foreign currency	27,763.6	28,243.6	28,449.2	28,792.8	28,962.5	28,875.6	28,548.5	29,261.3	29,191.4	28,967.7	29,112.7	29,206.9	28,526.1
1.1 Deposits of households	21,959.2	22,441.9	22,572.4	22,661.8	22,659.6	22,644.8	22,453.1	22,731.0	22,765.5	22,589.0	22,623.3	22,557.8	22,386.7
1.2 Deposits of non-financial corporations	5,804.4	5,801.6	5,876.9	6,131.0	6,302.9	6,230.8	6,095.4	6,530.3	6,425.9	6,378.6	6,489.4	6,649.1	6,139.4
2 Kuna deposits indexed to foreign currency	7,355.3	7,341.0	7,360.5	7,455.6	7,336.5	7,309.3	7,282.9	7,334.0	7,320.1	7,268.4	7,410.2	7,378.9	7,669.3
2.1 Deposits of households	6,799.1	6,839.7	6,867.0	6,944.7	6,865.3	6,835.5	6,805.4	6,859.3	6,859.8	6,841.1	6,983.4	6,938.1	7,145.9
2.1.1 Indexed to EUR	6,654.1	6,694.6	6,723.1	6,796.4	6,732.1	6,695.3	6,674.8	6,718.1	6,718.1	6,694.0	6,838.0	6,792.5	7,002.2
2.1.2 Indexed to USD	42.7	43.1	42.0	47.3	33.4	41.6	32.5	43.1	43.5	49.8	47.9	48.0	47.0
2.1.3 Indexed to other currencies	102.3	102.0	101.9	101.1	99.7	98.6	98.2	98.1	98.1	97.3	97.6	97.6	96.6
2.2 Deposits of non-financial corporations	556.3	501.4	493.5	511.0	471.2	473.8	477.5	474.7	460.3	427.3	426.8	440.8	523.4
2.2.1 Indexed to EUR	555.0	500.2	492.3	509.8	468.8	471.4	475.1	472.3	457.9	424.7	424.2	438.2	520.7
2.2.2 Indexed to USD	0.7	0.7	0.7	0.7	1.9	2.0	2.0	2.0	2.1	2.1	2.2	2.2	2.3
2.2.3 Indexed to other currencies	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
3 Foreign currency deposits	126,594.5	126,672.7	126,340.1	126,792.2	124,573.6	124,303.8	123,076.6	125,449.1	126,454.4	126,270.2	126,651.4	126,475.9	124,678.5
3.1 Deposits of households	116,443.8	116,999.3	116,794.5	116,533.9	115,318.8	115,136.8	114,768.1	116,226.4	116,368.1	116,974.6	117,248.0	116,959.1	116,247.2
3.1.1 In EUR	105,813.6	106,274.9	106,095.2	105,860.7	104,811.4	104,507.5	104,194.1	105,398.6	105,474.8	105,850.6	106,097.4	105,765.1	105,015.8
3.1.2 In USD	6,943.6	7,046.8	7,015.2	6,991.8	6,869.0	6,986.6	6,963.4	7,199.1	7,255.5	7,544.2	7,573.6	7,627.8	7,728.7
3.1.3 In other currencies	3,686.5	3,677.6	3,684.1	3,681.4	3,638.4	3,642.7	3,610.6	3,628.6	3,637.7	3,579.9	3,576.9	3,566.1	3,502.7
3.2 Deposits of non-financial corporations	10,150.7	9,673.5	9,545.6	10,258.3	9,254.8	9,167.0	8,308.5	9,222.7	10,086.4	9,295.6	9,403.5	9,516.8	8,431.3
3.2.1 In EUR	9,116.7	8,622.5	8,510.2	9,187.2	8,227.3	8,074.9	7,288.4	8,249.5	9,123.7	8,409.2	8,373.2	8,544.7	7,417.8
3.2.2 In USD	962.5	954.7	920.3	963.7	887.3	944.1	884.9	880.1	828.6	751.5	881.4	833.9	879.3
3.2.3 In other currencies	71.5	96.3	115.1	107.3	140.1	148.0	135.2	93.1	134.1	134.9	148.8	138.2	134.2
<b>Total (1+2+3)</b>	<b>161,713.4</b>	<b>162,257.3</b>	<b>162,149.8</b>	<b>163,040.6</b>	<b>160,872.5</b>	<b>160,488.7</b>	<b>158,908.0</b>	<b>162,044.4</b>	<b>162,965.9</b>	<b>162,506.2</b>	<b>163,174.3</b>	<b>163,061.7</b>	<b>160,873.9</b>

<sup>a</sup> Data for the period from December 2010 onwards are harmonised with the ESA 2010 methodology. Also, up to November 2010, kuna positions also include kuna items indexed to foreign currency, and starting from December 2010, kuna items indexed to foreign currency are reclassified to foreign exchange positions. In addition, data for the period from December 2011 onwards include money market funds.

**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<sup>a</sup>**  
end of period, in million HRK

	2013	2014											
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
1 Local government	267.2	437.0	621.1	685.1	753.7	760.2	777.0	771.5	759.6	803.1	742.8	731.0	277.6
Up to 1 year	190.4	359.1	543.8	607.8	676.9	682.9	700.0	692.1	680.9	723.8	658.0	627.6	178.0
Over 1 and up to 2 years	12.9	14.8	14.8	15.3	14.7	15.7	16.4	16.4	16.4	16.3	21.4	38.6	36.8
Over 2 years	63.9	63.2	62.5	62.1	62.1	61.6	60.6	63.0	62.3	63.0	63.4	64.9	62.8
2 Non-financial corporations	16,511.3	15,976.5	15,916.0	16,900.2	16,028.9	15,871.6	14,881.4	16,227.7	16,972.6	16,101.5	16,319.7	16,606.7	15,094.1
Up to 1 year	13,242.0	12,843.6	12,783.1	13,693.3	12,279.0	11,869.9	11,111.4	12,214.0	12,267.4	12,269.8	12,713.9	12,904.2	11,075.3
Over 1 and up to 2 years	1,989.8	1,793.4	1,798.6	1,810.2	2,307.5	2,466.5	2,178.6	2,459.5	3,143.0	2,156.8	1,853.9	1,844.8	1,987.2
Over 2 years	1,279.6	1,339.4	1,334.3	1,396.7	1,442.4	1,535.1	1,591.4	1,554.2	1,562.2	1,674.9	1,751.8	1,857.8	2,031.6
3 Households	145,202.1	146,280.9	146,233.8	146,140.4	144,843.7	144,617.1	144,026.7	145,816.6	145,993.3	146,404.7	146,854.7	146,455.0	145,779.8
Up to 1 year	73,552.9	72,831.1	72,241.7	71,454.4	70,065.1	69,413.1	68,451.4	68,592.7	68,213.3	67,871.4	67,416.9	66,669.4	65,616.2
Over 1 and up to 2 years	36,602.4	37,592.1	37,600.2	37,667.3	37,485.3	37,561.9	37,706.3	38,612.6	38,811.4	39,119.3	39,454.3	39,595.0	39,749.4
Over 2 years	35,046.8	35,857.8	36,392.0	37,018.7	37,293.3	37,642.1	37,869.0	38,611.3	38,968.7	39,414.0	39,983.4	40,190.6	40,414.2
4 Non-MMF investment funds	124.9	110.6	116.8	115.4	127.6	105.5	87.8	94.7	97.8	122.7	142.4	151.2	99.3
Up to 1 year	118.0	95.7	115.4	110.0	102.9	76.4	61.9	71.4	74.3	95.4	109.6	110.0	69.3
Over 1 and up to 2 years	0.8	0.8	0.8	–	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0
Over 2 years	6.1	14.0	0.6	5.4	4.7	9.1	5.9	3.3	3.4	7.4	12.8	21.1	9.9
5 Other financial intermediaries	2,893.5	2,868.9	2,964.9	2,667.9	2,356.4	2,512.0	3,112.2	2,850.0	2,794.2	2,862.3	2,696.4	2,497.8	2,400.4
Up to 1 year	2,519.5	2,103.8	2,203.7	1,914.0	1,981.9	2,112.5	2,709.7	2,440.4	2,377.1	2,442.2	2,271.3	2,070.7	1,996.5
Over 1 and up to 2 years	374.0	765.1	761.2	753.8	374.4	399.4	402.5	409.5	417.0	419.9	424.9	427.0	402.8
Over 2 years	–	–	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	1.1
6 Financial auxiliaries	961.1	936.2	831.6	719.4	708.6	935.2	664.5	676.8	715.7	699.9	626.8	711.9	626.1
Up to 1 year	704.6	697.8	592.9	480.1	505.2	735.0	465.3	476.5	527.6	512.0	438.4	591.5	505.8
Over 1 and up to 2 years	145.3	127.1	127.2	127.2	91.6	88.6	87.7	87.7	75.7	75.5	75.7	7.5	7.5
Over 2 years	111.3	111.3	111.5	112.1	111.8	111.6	111.5	112.5	112.4	112.4	112.7	112.8	112.7
7 Insurance corporations and pension funds	2,684.8	3,018.1	2,201.4	2,494.8	2,885.8	2,729.0	2,416.5	2,472.9	2,520.6	3,388.0	3,418.6	4,047.9	4,060.8
Up to 1 year	1,423.3	1,740.3	936.8	1,197.3	1,589.5	1,477.1	1,153.1	1,111.3	1,277.2	1,630.5	1,573.4	2,171.9	2,105.1
Over 1 and up to 2 years	717.0	665.0	619.8	640.1	638.5	578.9	559.7	554.8	512.0	936.9	955.6	956.9	966.7
Over 2 years	544.4	612.7	644.7	657.5	657.8	673.0	703.7	806.8	731.4	820.6	889.5	919.1	989.0
<b>Total time deposits (1+2+3+4+5+6+7)</b>	<b>168,644.9</b>	<b>169,628.1</b>	<b>168,885.6</b>	<b>169,723.2</b>	<b>167,704.6</b>	<b>167,530.5</b>	<b>165,966.0</b>	<b>168,910.2</b>	<b>169,853.8</b>	<b>170,382.4</b>	<b>170,801.3</b>	<b>171,201.5</b>	<b>168,338.2</b>
Up to 1 year	91,750.7	90,671.4	89,417.4	89,456.8	87,200.5	86,366.9	84,652.7	85,598.5	85,418.0	85,545.2	85,181.7	85,145.3	81,546.2
Over 1 and up to 2 years	39,842.2	40,958.3	40,922.5	41,013.9	40,932.0	41,131.0	40,971.1	42,160.5	42,995.4	42,744.7	42,805.8	42,889.9	43,170.5
Over 2 years	37,052.0	37,998.5	38,545.7	39,252.5	39,572.1	40,032.6	40,342.2	41,151.2	41,440.4	42,092.5	42,813.8	43,166.4	43,621.5

<sup>a</sup> Data for the period from December 2010 onwards are harmonised with the ESA 2010 methodology. Also, up to November 2010, kuna positions also include kuna items indexed to foreign currency, and starting from December 2010, kuna items indexed to foreign currency are reclassified to foreign exchange positions. In addition, data for the period from December 2011 onwards include money market funds.

#### Table D8b Maturity composition of time deposits by sectors

• The table provides a detailed analysis of the Time deposits item in tables D7 and D8, showing separately time deposits by

sectors, with the division according to original maturity of up to one year, over one and up to two years and over two years.

Table D9 Bonds and money market instruments<sup>a</sup>

end of period, in million HRK

	2013												2014
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
1 Money market instruments (net)	-	-	-	-	-	-	-	-	-	-	-	-	-
2 Bonds (net)	1,597.7	1,594.1	1,598.2	1,611.3	1,608.9	1,613.3	1,582.7	1,403.0	1,399.2	1,397.7	1,387.6	1,379.5	1,402.2
3 Other domestic borrowing	14,616.4	14,659.8	14,755.6	14,710.7	14,446.8	14,416.2	14,229.2	14,559.6	14,337.7	14,035.7	14,143.5	14,428.4	14,735.2
3.1 Local government	-	-	-	-	-	-	-	-	-	-	-	-	-
3.2 Non-financial corporations	317.0	149.0	81.5	81.5	86.5	5.0	5.0	300.8	381.3	381.3	641.8	879.8	723.1
3.3 Other banking institutions	....	....	....	....	....	....	....	....	....	....	....	....	....
3.4 Non-banking financial institutions	....	....	....	....	....	....	....	....	....	....	....	....	....
3.5 Non-MMF investment funds	-	-	-	-	-	-	-	-	-	-	-	-	-
3.6 Other financial intermediaries	14,220.5	14,435.6	14,608.5	14,558.2	14,293.0	14,366.0	14,182.4	14,217.0	13,914.6	13,615.6	13,462.9	13,513.7	13,977.2
3.7 Financial auxiliaries	78.9	75.1	65.6	71.0	64.3	42.2	38.8	38.8	38.8	38.8	38.8	34.9	34.9
3.8 Insurance corporations and pension funds	-	-	-	-	3.0	3.0	3.0	3.0	3.0	-	-	0.0	0.0
<b>Total (1+2+3)</b>	<b>16,214.1</b>	<b>16,253.9</b>	<b>16,353.8</b>	<b>16,322.0</b>	<b>16,055.7</b>	<b>16,029.5</b>	<b>15,811.9</b>	<b>15,962.6</b>	<b>15,737.0</b>	<b>15,433.4</b>	<b>15,531.1</b>	<b>15,807.9</b>	<b>16,137.3</b>

<sup>a</sup> Data for the period from December 2010 onwards are harmonised with the ESA 2010 methodology. Also, up to November 2010, kuna positions also include kuna items indexed to foreign currency, and starting from December 2010, kuna items indexed to foreign currency are reclassified to foreign exchange positions. In addition, data for the period from December 2011 onwards include money market funds.

**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 other monetary financial institutions<sup>a</sup>**  
end of period, in million HRK

	2013												2014
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
<b>1 Foreign liabilities in f/c</b>	54,685.8	54,912.5	55,742.3	55,975.7	55,061.7	54,277.7	52,836.7	50,392.8	49,646.7	48,392.8	47,976.5	47,964.7	51,825.9
1.1 Liabilities to foreign financial institutions	44,540.4	44,663.7	45,359.2	45,153.4	44,339.6	43,535.3	42,372.7	40,105.0	39,388.6	38,041.0	37,585.5	37,853.9	41,706.3
o/w: Indexed to f/c	1,104.1	1,108.5	1,112.6	1,105.6	1,094.4	1,089.7	1,088.3	1,096.9	1,103.7	1,102.3	1,109.1	1,113.2	1,110.6
Subordinated and hybrid instruments	3,045.0	3,052.3	3,080.8	2,747.4	2,724.6	2,716.7	2,499.5	3,138.8	3,143.1	3,141.4	3,157.9	3,125.7	3,119.9
Demand deposits	276.2	236.7	227.7	236.2	221.7	207.5	268.5	219.5	232.5	271.8	376.3	524.7	457.6
Time and notice deposits	18,771.8	19,281.4	19,823.4	19,671.1	19,274.3	19,030.2	18,239.6	16,129.4	15,881.6	15,245.6	14,667.4	14,555.7	16,925.3
Loans and advances	22,447.4	22,093.3	22,227.4	22,498.7	22,118.9	21,580.9	21,365.1	20,617.2	20,131.3	19,382.2	19,384.0	19,647.8	21,203.5
Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-
1.2 Liabilities to foreign non-financial institutions	10,145.3	10,248.8	10,383.0	10,822.3	10,722.1	10,742.4	10,464.0	10,287.9	10,258.1	10,351.7	10,391.0	10,110.8	10,119.5
o/w: Indexed to f/c	21.4	21.5	21.9	22.1	21.9	22.0	22.1	22.7	22.4	21.4	21.5	22.3	22.3
Subordinated and hybrid instruments	10.4	10.5	10.5	10.5	10.4	10.4	10.4	10.9	10.8	10.8	5.7	5.8	5.7
Savings and time deposits	9,829.4	9,932.6	10,066.2	10,505.5	10,407.5	10,428.4	10,150.7	9,971.6	9,942.2	10,035.8	10,078.8	10,105.1	10,113.8
Savings deposits	1,725.8	1,800.2	1,786.2	1,922.8	1,946.2	2,021.5	2,080.1	2,044.5	1,978.9	2,048.1	1,988.1	2,068.8	2,072.4
Time and notice deposits	8,103.6	8,132.4	8,280.0	8,582.7	8,461.3	8,406.9	8,070.5	7,927.1	7,963.3	7,987.8	8,090.6	8,036.3	8,041.4
Loans and advances	305.5	305.8	306.3	306.3	304.2	303.6	302.9	305.5	305.1	305.1	306.5	-	-
Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>2 Foreign liabilities in kuna</b>	15,035.8	15,676.9	15,040.1	15,514.2	15,928.6	16,430.2	14,335.1	13,181.1	13,483.5	13,376.6	11,539.9	11,726.5	10,502.3
2.1 Liabilities to foreign financial institutions	14,476.6	15,072.0	14,421.3	14,914.1	15,288.4	15,794.9	13,614.0	12,511.5	12,825.4	12,684.3	10,798.6	10,956.4	9,814.3
Subordinated and hybrid instruments	36.3	36.3	36.3	36.3	36.3	36.3	36.3	-	-	-	-	-	-
Demand deposits	924.6	1,691.5	1,203.3	2,207.6	2,569.8	3,152.7	1,799.1	858.5	879.0	778.2	904.0	1,045.7	1,650.3
Time and notice deposits	9,806.1	9,650.0	9,520.5	9,680.5	9,715.5	9,655.5	8,805.5	8,640.5	8,900.9	8,906.6	8,920.2	8,935.7	7,728.7
Loans and advances	3,362.7	3,346.4	3,312.7	2,640.9	2,643.2	2,626.7	2,642.5	2,680.4	2,713.4	2,673.7	646.9	646.9	113.5
Bonds	0.0	0.0	0.0	0.0	0.0	0.0	7.0	6.5	6.5	0.0	0.0	0.0	0.0
MMFs shares/units	346.9	347.8	348.4	348.8	323.6	323.7	323.6	325.6	325.5	325.8	327.5	328.0	321.8
2.2 Liabilities to foreign non-financial institutions	559.2	604.9	618.8	600.1	640.2	635.3	721.1	669.6	658.0	692.3	741.3	770.1	688.0
Subordinated and hybrid instruments	10.3	10.3	10.3	10.3	10.3	10.3	10.3	10.3	10.3	10.3	10.3	10.3	10.3
Demand deposits	326.1	366.4	383.7	355.9	393.9	384.0	469.4	417.8	404.8	437.2	484.4	505.8	437.8
Time and notice deposits	191.1	197.1	193.1	198.8	199.6	203.0	202.2	199.4	202.8	206.6	205.8	211.9	203.5
Loans and advances	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
Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-
MMFs shares/units	31.8	31.2	31.7	35.1	36.4	38.1	39.2	42.1	40.1	38.1	40.8	42.1	36.5
<b>Total (1+2)</b>	<b>69,721.5</b>	<b>70,589.4</b>	<b>70,782.3</b>	<b>71,489.9</b>	<b>70,990.3</b>	<b>70,707.9</b>	<b>67,171.8</b>	<b>63,573.9</b>	<b>63,130.1</b>	<b>61,769.3</b>	<b>59,516.4</b>	<b>59,691.2</b>	<b>62,328.2</b>

<sup>a</sup> Data for the period from December 2010 onwards are harmonised with the ESA 2010 methodology. Also, up to November 2010, kuna positions also include kuna items indexed to foreign currency, and starting from December 2010, kuna items indexed to foreign currency are reclassified to foreign exchange positions. In addition, data for the period from December 2011 onwards include money market funds.

**Table D10 Foreign liabilities of other monetary financial institutions** • The table shows other monetary financial 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 other monetary financial 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 other monetary financial institutions<sup>a</sup>**  
end of period, in million HRK

	2013 Dec.												2014	
		Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	
1 In kuna	2,844.1	2,603.9	2,688.5	2,537.6	3,003.7	2,947.5	2,899.8	3,028.1	3,222.5	3,361.7	3,354.2	3,175.9	3,013.6	
1.1 Central government deposits	2,807.2	2,603.8	2,677.9	2,537.5	3,003.6	2,947.5	2,899.8	3,028.1	3,222.5	3,361.7	3,352.9	3,174.7	3,012.4	
Demand deposits	2,258.0	1,950.4	1,769.4	1,634.7	2,107.8	2,063.2	2,032.4	2,137.9	2,342.8	2,371.4	2,400.8	2,228.3	2,385.2	
Savings deposits	31.6	36.9	45.6	31.5	40.9	37.9	38.3	5.4	47.7	63.3	54.2	52.1	30.9	
Time and notice deposits	517.7	616.5	862.9	871.2	854.9	846.4	829.1	884.7	832.1	926.9	898.0	894.3	596.4	
Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	
1.2 Deposits of social security funds	36.9	0.1	10.7	0.1	0.1	0.1	0.0	0.1	0.0	0.0	1.2	1.1	1.1	
Demand deposits	36.9	0.1	10.7	0.1	0.1	0.1	0.0	0.1	0.0	0.0	1.2	1.1	1.1	
Savings deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	
Time and notice deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	
Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	
2 In f/c	1,404.1	1,230.2	1,531.6	1,931.9	1,856.2	1,263.7	1,267.3	1,484.5	2,102.8	3,349.6	2,955.2	2,772.9	1,969.8	
2.1 Central government deposits	1,370.5	1,196.6	1,495.9	1,892.6	1,812.8	1,219.2	1,198.0	1,411.0	2,026.3	3,272.8	2,913.6	2,730.0	1,955.4	
Savings deposits	864.6	783.1	1,032.0	1,118.5	845.8	674.6	845.2	983.6	1,520.3	2,664.6	1,511.7	969.7	1,258.6	
Time and notice deposits	505.9	413.5	463.9	774.1	967.0	544.7	352.7	427.4	506.0	608.2	1,401.9	1,760.3	696.8	
Refinanced loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.2 Deposits of social security funds	33.6	33.6	35.7	39.2	43.4	44.5	69.3	73.5	76.5	76.7	41.6	42.9	14.4	
Savings deposits	23.8	23.7	25.9	30.2	34.4	35.5	60.3	64.3	67.3	67.6	32.4	33.7	5.2	
Time and notice deposits	9.9	9.9	9.9	9.1	9.0	9.0	9.0	9.2	9.2	9.2	9.2	9.2	9.2	
Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total (1+2)</b>	<b>4,248.2</b>	<b>3,834.1</b>	<b>4,220.2</b>	<b>4,469.4</b>	<b>4,859.8</b>	<b>4,211.3</b>	<b>4,167.1</b>	<b>4,512.6</b>	<b>5,325.3</b>	<b>6,711.3</b>	<b>6,309.4</b>	<b>5,948.8</b>	<b>4,983.4</b>	

<sup>a</sup> Data for the period from December 2010 onwards are harmonised with the ESA 2010 methodology. Also, up to November 2010, kuna positions also include kuna items indexed to foreign currency, and starting from December 2010, kuna items indexed to foreign currency are reclassified to foreign exchange positions. In addition, data for the period from December 2011 onwards include money market funds.

**Table D11 Deposits of the central government and social security funds with other monetary financial 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 other monetary financial institutions<sup>a</sup>**  
end of period, in million HRK

	2013 Dec.												2014	
		Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	
1 Restricted deposits	2,735.9	2,741.9	2,652.0	2,527.0	2,766.8	2,759.7	2,978.5	3,029.8	3,124.6	3,250.5	3,228.5	3,373.6	3,076.0	
1.1 In kuna	1,707.1	1,670.3	1,607.9	1,578.2	1,591.0	1,604.8	1,757.5	1,855.2	1,852.9	1,943.5	2,008.2	2,254.7	2,032.1	
1.2 In f/c	1,028.9	1,071.6	1,044.1	948.8	1,175.8	1,154.8	1,221.1	1,174.6	1,271.7	1,307.0	1,220.4	1,118.9	1,043.9	
2 Blocked f/c deposits of households	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total (1+2)</b>	<b>2,735.9</b>	<b>2,741.9</b>	<b>2,652.0</b>	<b>2,527.0</b>	<b>2,766.8</b>	<b>2,759.7</b>	<b>2,978.5</b>	<b>3,029.8</b>	<b>3,124.6</b>	<b>3,250.5</b>	<b>3,228.5</b>	<b>3,373.6</b>	<b>3,076.0</b>	

<sup>a</sup> Data for the period from December 2010 onwards are harmonised with the ESA 2010 methodology. Also, up to November 2010, kuna positions also include kuna items indexed to foreign currency, and starting from December 2010, kuna items indexed to foreign currency are reclassified to foreign exchange positions. In addition, data for the period from December 2011 onwards include money market funds.

**Table D12 Restricted and blocked deposits with other monetary financial 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.

## E Non-MMF investment funds

Table E1 Aggregated balance sheet of investment funds  
end-of-period balance and transactions during the period, in million HRK

	2013												2014.
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
<b>ASSETS</b>													
1 Deposits and loans given	486.9	538.4	469.5	480.2	458.8	390.7	420.9	465.4	523.8	602.8	573.2	704.9	745.0
1.1 Domestic sectors	485.2	538.2	468.4	477.2	456.7	389.9	420.5	465.0	523.4	602.3	572.8	704.5	744.6
o/w: MMFs	460.4	512.5	436.7	444.4	424.0	357.2	384.5	428.9	485.8	565.6	521.0	657.9	552.8
1.2 Rest of the world	1.7	0.2	1.1	3.1	2.1	0.8	0.4	0.4	0.4	0.5	0.4	0.4	0.4
2 Investment in debt securities	841.1	867.2	874.4	887.1	930.2	1,010.9	1,043.8	1,070.7	1,013.4	1,101.5	1,267.0	1,367.7	1,511.2
2.1 Domestic sectors	635.9	642.7	674.7	683.9	714.2	863.0	843.1	858.5	878.9	940.0	1,077.5	1,194.2	1,321.2
o/w: Non-financial corporations	141.9	142.3	142.0	120.7	92.5	95.6	90.7	88.1	108.1	119.2	120.4	121.9	123.6
o/w: Financial corporations	47.2	47.5	47.8	43.6	51.4	49.8	50.4	64.6	65.0	65.3	66.8	114.6	117.0
o/w: General government	446.7	452.9	484.8	519.5	570.3	717.5	702.0	705.8	705.8	755.5	890.4	957.7	1,080.7
2 Rest of the world	205.3	224.5	199.8	203.3	216.0	148.0	200.7	212.2	134.5	161.5	189.5	173.5	190.0
o/w: Non-financial corporations	127.0	114.1	92.3	79.7	76.6	39.9	54.0	26.4	26.5	28.0	64.1	63.6	62.0
o/w: Financial corporations	32.0	30.7	26.2	25.6	22.6	10.1	10.2	3.7	4.0	4.1	4.2	4.7	5.3
o/w: General government	46.3	79.7	81.3	98.0	116.8	98.0	136.6	182.1	104.0	129.4	121.3	105.2	122.7
3 Investment in equities and other share capital	4,028.9	4,128.5	4,148.7	4,043.4	4,098.0	4,205.6	4,341.0	4,422.9	4,490.7	4,547.2	4,494.6	4,392.3	4,385.5
3.1 Domestic sectors	2,285.1	2,429.1	2,386.4	2,352.4	2,371.1	2,422.3	2,559.4	2,600.4	2,648.7	2,745.1	2,697.1	2,612.7	2,734.5
o/w: Non-financial corporations	2,005.8	2,133.7	2,109.1	2,065.3	2,071.5	2,112.0	2,255.5	2,308.9	2,362.2	2,486.8	2,429.7	2,380.3	2,491.5
o/w: Financial corporations	279.3	295.4	277.3	287.2	299.6	310.2	303.8	291.5	286.4	258.4	267.4	232.4	242.9
3.2 Rest of the world	1,743.8	1,699.4	1,762.3	1,691.0	1,726.9	1,783.3	1,781.6	1,822.6	1,842.0	1,802.0	1,797.5	1,779.6	1,651.1
o/w: Non-financial corporations	1,342.4	1,289.8	1,330.0	1,306.2	1,280.1	1,288.1	1,287.2	1,333.6	1,368.1	1,376.6	1,373.0	1,358.9	1,250.5
o/w: Financial corporations	401.4	409.6	432.2	384.7	446.8	495.2	494.4	489.0	474.0	425.4	424.5	420.7	400.6
4 Non-financial assets	121.3	121.3	121.3	121.3	122.2	122.2	122.1	122.2	122.3	122.2	122.3	122.2	115.0
5 Other assets (including financial derivatives)	128.3	195.0	192.2	198.3	236.3	180.7	172.8	150.2	200.2	156.3	132.7	172.4	131.2
<b>Total (1+2+3+4+5)</b>	<b>5,606.5</b>	<b>5,850.4</b>	<b>5,806.1</b>	<b>5,730.4</b>	<b>5,845.3</b>	<b>5,910.1</b>	<b>6,100.6</b>	<b>6,231.4</b>	<b>6,350.4</b>	<b>6,530.0</b>	<b>6,589.8</b>	<b>6,759.5</b>	<b>6,887.8</b>
<b>LIABILITIES</b>													
1 Deposits and liabilities received	44.7	40.7	65.9	77.8	51.7	78.9	42.1	76.8	70.7	37.3	40.5	50.5	182.2
2 Investment funds' shares/units issued	5,321.9	5,412.3	5,440.3	5,397.7	5,445.4	5,532.8	5,756.0	5,911.7	6,000.3	6,206.5	6,242.1	6,396.6	6,433.6
2.1 Domestic sectors	5,132.9	5,228.1	5,263.9	5,222.4	5,263.8	5,347.2	5,571.4	5,713.8	5,798.2	6,006.3	6,050.7	6,205.7	6,245.1
o/w: Non-financial corporations	319.0	321.0	351.7	353.3	358.5	375.7	419.0	425.2	429.1	445.0	443.5	493.7	492.4
o/w: Financial corporations	1,490.8	1,551.3	1,598.8	1,586.6	1,611.3	1,628.5	1,672.8	1,685.5	1,703.1	1,734.8	1,749.0	1,849.8	1,826.3
o/w: Households	2,176.3	2,162.1	2,140.5	2,125.0	2,141.3	2,181.3	2,290.5	2,409.2	2,430.3	2,538.6	2,597.9	2,632.0	2,699.3
2.2 Rest of the world	189.0	184.2	176.4	175.3	181.7	185.6	184.6	198.0	202.1	200.2	191.4	190.9	188.5
o/w: Non-financial corporations	7.1	7.2	7.1	7.2	7.6	7.8	7.9	8.1	8.2	8.9	8.4	8.3	8.2
o/w: Financial corporations	110.9	107.2	98.5	98.3	100.3	101.5	98.9	103.0	104.1	97.7	89.0	87.1	89.3
o/w: Households	67.3	66.2	67.3	66.1	70.3	72.8	74.4	83.4	86.3	90.2	90.5	90.7	90.9
3 Other liabilities (including financial derivatives)	239.9	397.4	299.9	254.8	348.2	298.4	302.5	242.9	279.4	286.2	307.2	312.4	272.1
<b>Total (1+ 2+ 3)</b>	<b>5,606.5</b>	<b>5,850.4</b>	<b>5,806.1</b>	<b>5,730.4</b>	<b>5,845.3</b>	<b>5,910.1</b>	<b>6,100.6</b>	<b>6,231.4</b>	<b>6,350.4</b>	<b>6,530.0</b>	<b>6,589.8</b>	<b>6,759.5</b>	<b>6,887.8</b>
<b>TRANSACTIONS</b>													
<b>ASSETS</b>													
1 Deposits and loans given	75.4	50.5	-69.3	11.0	-19.2	-68.3	30.9	41.7	57.9	78.1	-31.6	131.1	40.0
1.1 Domestic sectors	74.0	51.9	-70.2	8.9	-18.2	-67.0	31.2	41.7	57.9	78.0	-31.5	131.1	40.0
o/w: MMFs	71.9	50.9	-76.3	7.8	-18.2	-67.0	27.8	41.6	56.3	78.8	-46.7	136.3	-105.5
1.2 Rest of the world	1.4	-1.4	0.9	2.0	-1.0	-1.3	-0.4	0.0	0.0	0.1	-0.1	0.0	0.0
2 Investment in debt securities	-56.9	23.7	-20.5	16.5	47.6	69.0	28.2	20.3	-61.4	73.9	159.3	92.9	143.2
2.1 Domestic sectors	-22.8	4.3	4.6	9.9	32.7	142.6	-24.2	11.0	18.2	47.9	133.5	110.7	126.1
o/w: Non-financial corporations	-28.0	-0.1	-16.2	-20.3	-27.8	2.7	-4.7	-3.2	19.6	7.7	0.9	1.1	1.6
o/w: Financial corporations	0.2	0.2	0.2	-4.7	8.4	-1.7	0.1	13.5	0.3	0.3	1.3	48.6	3.1
o/w: General government	4.9	4.2	20.6	34.9	52.1	141.5	-19.6	0.7	-1.7	39.9	131.3	61.0	121.4
2 Rest of the world	-34.1	19.4	-25.1	6.6	14.9	-73.6	52.4	9.3	-79.5	26.0	25.8	-17.7	17.1
o/w: Non-financial corporations	-8.8	-12.8	-22.1	-8.7	-1.2	-39.6	13.5	-27.7	0.2	1.4	35.3	0.3	0.1
o/w: Financial corporations	-5.3	-0.1	-3.6	-0.6	-2.5	-12.8	0.0	-6.6	0.3	0.1	0.0	0.5	0.6



**Table E2 Investment funds' shares/units issued by type of investment and type of fund**  
 end-of-period balance and transactions during the period, in million HRK

	2013												2014.
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
<b>Investment funds shares/units issued by type of investment</b>													
1 Bonds	394.0	394.9	408.7	429.7	458.4	529.0	567.7	613.4	636.2	687.6	807.6	873.2	911.1
2 Equities	3,274.5	3,304.5	3,244.4	3,201.4	3,204.7	3,216.4	3,314.5	3,354.1	3,407.2	3,535.7	3,445.7	3,373.8	3,209.4
3 Mixed	866.9	861.3	856.9	846.4	833.6	835.9	846.3	834.7	840.8	863.9	840.5	872.2	931.6
4 Real estate	128.1	128.0	127.9	127.7	127.5	127.3	127.1	127.0	126.9	126.6	126.6	126.3	118.8
5 Others	658.4	723.6	802.4	792.4	821.3	824.3	900.4	982.7	989.2	992.6	1,021.8	1,151.2	1,262.7
<b>Total (1+2+3+4+5)</b>	<b>5,321.9</b>	<b>5,412.3</b>	<b>5,440.3</b>	<b>5,397.7</b>	<b>5,445.4</b>	<b>5,532.8</b>	<b>5,756.0</b>	<b>5,911.7</b>	<b>6,000.3</b>	<b>6,206.5</b>	<b>6,242.1</b>	<b>6,396.6</b>	<b>6,433.6</b>
<b>Investment funds' shares/units issued by type of fund</b>													
1 Open-ended	3,939.0	3,982.5	4,035.3	4,005.6	4,047.2	4,118.4	4,310.0	4,459.8	4,505.9	4,638.5	4,733.9	4,922.7	4,971.4
2 Closed-ended	1,382.9	1,429.8	1,405.0	1,392.2	1,398.2	1,414.4	1,446.0	1,451.9	1,494.4	1,568.0	1,508.3	1,473.9	1,462.2
<b>Total (1+2)</b>	<b>5,321.9</b>	<b>5,412.3</b>	<b>5,440.3</b>	<b>5,397.7</b>	<b>5,445.4</b>	<b>5,532.8</b>	<b>5,756.0</b>	<b>5,911.7</b>	<b>6,000.3</b>	<b>6,206.5</b>	<b>6,242.1</b>	<b>6,396.6</b>	<b>6,433.6</b>
<b>TRANSACTIONS</b>													
<b>Investment funds' shares/units issued by type of investment</b>													
1 Bonds	-18.5	-0.4	5.2	21.4	30.0	66.6	38.5	42.5	20.9	46.6	115.9	59.5	35.5
2 Equities	-31.1	1.0	-60.2	-12.7	4.5	-45.1	45.6	6.8	-51.5	-9.5	-8.6	-25.5	5.7
3 Mixed	-9.0	-11.5	-27.4	-12.0	-9.1	-5.5	5.3	-18.4	-1.3	13.5	-26.2	23.1	63.5
4 Real estate	-3.2	-0.1	-0.1	-0.2	-0.3	-0.2	-0.2	-0.1	-0.1	-0.2	-0.1	-0.3	-0.2
5 Others	105.0	66.2	76.9	-9.3	28.8	1.1	74.6	81.3	3.6	3.8	28.4	128.2	-2.0
<b>Total (1+2+3+4+5)</b>	<b>43.2</b>	<b>55.2</b>	<b>-5.6</b>	<b>-12.8</b>	<b>54.0</b>	<b>16.9</b>	<b>163.7</b>	<b>112.2</b>	<b>-28.5</b>	<b>54.1</b>	<b>109.4</b>	<b>185.0</b>	<b>102.5</b>
<b>Investment funds' shares/units issued by type of fund</b>													
1 Open-ended	42.3	52.9	-7.9	-15.3	55.6	22.6	155.2	120.5	-16.7	70.8	99.2	176.6	97.6
2 Closed-ended	0.8	2.3	2.3	2.5	-1.6	-5.8	8.4	-8.3	-11.8	-16.7	10.3	8.4	4.9
<b>Total (1+2)</b>	<b>43.2</b>	<b>55.2</b>	<b>-5.6</b>	<b>-12.8</b>	<b>54.0</b>	<b>16.9</b>	<b>163.7</b>	<b>112.2</b>	<b>-28.5</b>	<b>54.1</b>	<b>109.4</b>	<b>185.0</b>	<b>102.5</b>

**Table E2: Investment funds' shares/units issued by type of investment and type of fund** • The table reports a detailed structure of the investment funds' shares/units issued (except MMFs which are aggregated in the credit institutions' balance sheet) by the type of investment and the type of fund.

The type of investment implies the fund's investment policy given in the prospectus, predominantly in bonds, equities, a combination of bonds and equities (mixed funds), real estate and other types of investment (hedge funds), venture capital

funds, and others).

By the type of fund, we distinguish between open-ended and closed-ended funds. The shares/units in an open-ended investment fund are purchased, directly or indirectly, at the request of the holder of the share/unit from the investment fund's assets. The shares/units in a closed-ended fund, established in the form of a stock company or a limited liability company, cannot be purchased from the closed-ended fund's assets at holder's request.



**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 <sup>a</sup>				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
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	0.00	–	–	–	–	–	–	–	–	–	–	0.25
2012	December	0.00	–	–	–	–	–	–	–	–	–	–	0.25
2013	December	0.00	–	–	–	–	–	–	–	–	–	–	0.00
2014	January	0.00	–	–	–	–	–	–	–	–	–	–	0.00
	February	0.00	–	–	–	–	–	–	–	–	–	–	0.00
	March	0.00	–	–	–	–	–	–	–	–	–	–	0.00
	April	0.00	–	–	–	–	–	–	–	–	–	–	0.00
	May	0.00	–	–	–	–	–	–	–	–	–	–	0.00
	June	0.00	–	–	–	–	–	–	–	–	–	–	0.00
	July	0.00	–	–	–	–	–	–	–	–	–	–	0.00
	August	0.00	–	–	–	–	–	–	–	–	–	–	0.00
	September	0.00	–	–	–	–	–	–	–	–	–	–	0.00
	October	0.00	–	–	–	–	–	–	–	–	–	–	0.00
	November	0.00	–	–	–	–	–	–	–	–	–	–	0.00
	December	0.00	–	–	–	–	–	–	–	–	–	–	0.00

<sup>a</sup> Breaks in the series of data are explained in notes on methodology.

**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 deposited 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 total 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, reserve requirements in kuna and in foreign currency were unified, i.e. reserve requirements rate, periods for calculating,

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
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	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	-	-
	June	12.00	37,388.1	31,159.7	6,228.4	3,349.6	21,811.8	4,397.9	-	-
	July	12.00	37,324.0	31,135.6	6,188.4	3,424.0	21,794.9	4,367.1	-	-
	August	12.00	37,080.6	30,940.2	6,140.4	3,634.0	21,658.7	4,316.3	-	-
	September	12.00	37,393.9	31,214.2	6,179.8	3,381.1	21,850.9	4,321.3	-	-
	October	12.00	37,828.2	31,592.2	6,236.0	3,493.2	22,115.7	4,346.2	-	-
	November	12.00	37,816.0	31,568.6	6,247.3	3,545.7	22,098.4	3,969.3	-	-
	December	12.00	37,589.8	31,351.3	6,238.5	3,568.0	21,945.9	3,743.1	-	-

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 three 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 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

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
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	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
	June	6,748.9	5,742.6	6.49	–	–	–	14,214.4
	July	5,333.0	6,931.0	5.09	–	–	–	14,492.4
	August	4,419.8	8,174.2	4.24	–	–	–	14,618.7
	September	4,553.9	8,891.0	4.31	–	–	–	14,519.7
	October	5,074.8	9,183.0	4.73	–	–	–	14,541.9
	November	5,643.8	8,460.8	5.28	–	–	–	14,724.5
	December	5,970.3	7,473.8	5.67	–	–	–	14,588.2

**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

	2013												2014.
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
<b>Interest rate</b>													
<b>1 Households</b>													
1.1 Overnight deposits	0.22	0.22	0.22	0.21	0.23	0.22	0.21	0.21	0.21	0.21	0.21	0.20	0.20
o/w: Transaction accounts	0.16	0.16	0.16	0.14	0.15	0.14	0.14	0.14	0.14	0.14	0.13	0.13	0.13
o/w: Savings deposits	0.87	0.88	0.89	0.92	0.96	0.95	0.93	0.94	0.96	0.98	1.00	1.00	1.03
1.2 Time deposits	2.89	2.93	2.66	2.72	2.66	2.59	2.68	2.59	2.60	2.50	2.47	2.55	2.43
1.2.1 Up to 3 months	2.12	2.05	1.84	2.03	1.92	1.81	2.04	1.75	1.96	2.03	1.73	1.89	1.66
1.2.2 Over 3 and up to 6 months	2.84	2.83	2.72	2.66	2.65	2.43	2.66	2.52	2.47	2.14	2.38	2.51	2.43
1.2.3 Over 6 months and up to 1 year	3.25	3.21	3.03	2.96	2.93	2.98	2.96	2.84	2.87	2.78	2.79	2.74	2.68
1.2.4 Over 1 and up to 2 years	3.64	3.58	3.44	3.37	3.53	3.35	3.35	3.45	3.38	3.37	3.24	3.15	3.13
1.2.5 Over 2 years	3.82	3.84	3.84	3.70	3.53	3.58	3.55	3.46	3.37	2.86	3.24	3.27	3.14
1.3 Deposits redeemable at notice	-	-	-	-	-	-	-	-	-	-	-	-	-
1.3.1 Up to 3 months	-	-	-	-	-	-	-	-	-	-	-	-	-
1.3.2 Over 3 months	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>2 Non-financial corporations</b>													
2.1 Overnight deposits	0.43	0.41	0.41	0.41	0.40	0.37	0.37	0.40	0.39	0.38	0.37	0.35	0.32
o/w: Transaction accounts	0.39	0.39	0.38	0.39	0.38	0.34	0.35	0.37	0.35	0.35	0.33	0.32	0.31
o/w: Savings deposits	1.40	0.97	1.39	1.47	1.46	1.46	1.53	1.59	1.72	1.69	1.60	1.40	1.00
2.2 Time deposits	1.77	1.84	1.33	1.74	1.64	1.81	1.26	1.31	1.15	1.46	1.50	1.28	1.84
2.2.1 Up to 3 months	1.17	1.34	0.90	0.98	1.13	0.99	0.99	0.80	0.84	1.01	0.96	1.00	1.08
2.2.2 Over 3 and up to 6 months	2.37	2.40	1.92	2.20	2.24	2.31	1.86	2.34	1.92	1.92	2.11	1.84	1.73
2.2.3 Over 6 months and up to 1 year	3.20	2.87	2.41	2.51	2.69	2.65	1.99	2.12	2.36	2.24	2.15	1.89	2.25
2.2.4 Over 1 and up to 2 years	3.26	2.21	2.86	3.39	2.13	2.73	2.46	3.01	2.94	2.72	3.30	2.27	3.05
2.2.5 Over 2 years	2.13	1.26	3.22	2.57	1.32	2.69	1.00	2.46	2.28	2.34	2.52	1.87	2.70
3 Repos	-	-	0.25	-	2.50	-	-	0.55	0.40	-	0.67	0.20	0.13
<b>Volume</b>													
<b>1 Households</b>													
1.1 Overnight deposits	19,742.2	19,675.8	19,929.5	19,835.3	19,730.4	19,797.6	20,573.9	21,023.1	21,905.6	21,567.9	21,140.8	21,084.4	21,503.0
o/w: Transaction accounts	17,879.8	17,814.3	18,067.7	18,024.0	17,946.3	18,033.2	18,822.7	19,261.6	20,127.6	19,798.8	19,380.7	19,335.1	19,730.8
o/w: Savings deposits	1,852.5	1,852.0	1,852.5	1,801.6	1,772.8	1,753.0	1,739.3	1,748.7	1,763.8	1,754.2	1,745.2	1,734.1	1,756.3
1.2 Time deposits	2,464.2	2,740.7	2,272.6	2,350.8	2,195.1	2,239.1	1,879.8	2,426.0	2,053.0	2,513.2	2,368.6	2,027.7	2,471.8
1.2.1 Up to 3 months	791.3	741.8	783.0	724.9	721.0	665.0	604.8	759.9	665.8	737.3	721.5	553.6	707.2
1.2.2 Over 3 and up to 6 months	437.1	475.3	388.0	420.2	408.0	469.3	377.4	425.9	372.3	565.2	446.5	428.0	462.8
1.2.3 Over 6 months and up to 1 year	825.6	900.3	698.3	721.5	663.1	730.8	561.3	675.8	609.4	710.7	753.4	658.6	813.3
1.2.4 Over 1 and up to 2 years	296.1	458.5	268.8	349.2	328.6	275.9	246.3	466.1	313.7	350.0	339.6	277.4	372.3
1.2.5 Over 2 years	114.1	164.9	134.3	135.0	74.5	98.0	90.0	98.2	91.8	150.0	107.5	110.1	116.2
1.3 Deposits redeemable at notice	-	-	-	-	-	-	-	-	-	-	-	-	-
1.3.1 Up to 3 months	-	-	-	-	-	-	-	-	-	-	-	-	-
1.3.2 Over 3 months	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>2 Non-financial corporations</b>													
2.1 Overnight deposits	19,457.6	18,739.4	17,487.9	17,615.9	17,338.6	18,039.7	19,241.6	20,030.1	20,667.8	20,231.0	19,324.2	18,573.0	20,764.0
o/w: Transaction accounts	18,801.5	18,054.4	16,950.7	17,243.8	17,017.8	17,628.8	18,886.1	19,531.6	20,188.1	19,777.0	18,815.1	18,028.1	20,307.9
o/w: Savings deposits	655.9	684.9	537.1	372.0	320.7	410.9	355.5	498.4	479.6	453.9	509.0	544.8	455.9
2.2 Time deposits	1,809.8	1,448.3	1,243.5	1,345.8	1,301.4	1,515.1	1,051.6	1,543.8	1,265.6	1,800.5	1,348.5	1,811.8	1,942.4
2.2.1 Up to 3 months	1,182.3	834.4	843.7	645.7	761.2	721.3	756.6	1,032.3	972.7	1,068.8	881.0	1,259.7	949.1
2.2.2 Over 3 and up to 6 months	209.6	377.7	202.3	268.7	158.0	294.9	142.8	182.9	160.6	319.0	144.3	322.2	161.8
2.2.3 Over 6 months and up to 1 year	190.7	176.9	149.8	364.6	202.9	147.1	128.0	239.3	84.1	369.3	148.1	110.3	312.6

	2013 Dec.	2014.											
		Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
2.2.4 Over 1 and up to 2 years	208.9	56.0	31.7	42.2	162.4	82.7	18.0	69.6	40.3	30.2	148.4	90.9	464.2
2.2.5 Over 2 years	18.3	3.4	15.9	24.7	16.9	269.1	6.3	19.7	8.0	13.3	26.9	28.8	54.7
3 Repos	-	-	81.5	-	5.0	-	-	226.8	80.5	-	483.9	550.0	234.7

**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 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 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

	2013												2014.
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
<b>Interest rate</b>													
<b>1 Households</b>													
1.1 Overnight deposits	3.21	3.22	3.23	3.23	3.23	3.23	3.24	3.24	3.24	3.23	2.90	3.37	3.36
o/w: Transaction accounts	3.96	4.01	4.69	4.74	4.74	4.74	4.74	4.74	4.74	1.86	1.74	3.17	2.84
o/w: Savings deposits	3.21	3.22	3.22	3.22	3.22	3.22	3.23	3.23	3.23	3.23	2.93	3.37	3.36
1.2 Time deposits	3.48	3.03	3.24	3.26	3.15	2.85	3.71	3.12	2.63	2.74	2.69	2.80	2.52
1.2.1 Up to 3 months	1.34	1.35	1.12	1.20	1.52	1.09	3.49	1.10	1.13	1.24	1.12	1.00	0.92
1.2.2 Over 3 and up to 6 months	1.74	1.78	1.53	1.39	2.37	1.43	3.13	1.47	1.85	1.74	1.59	1.53	1.84
1.2.3 Over 6 months and up to 1 year	4.81	4.56	2.88	2.99	4.33	3.55	2.36	1.94	2.14	1.76	2.21	2.45	1.68
1.2.4 Over 1 and up to 2 years	4.03	2.86	2.73	2.90	2.70	2.91	2.70	2.59	2.47	3.47	2.49	2.96	2.58
1.2.5 Over 2 years	3.55	3.47	3.59	3.64	3.23	3.26	4.30	3.85	3.15	3.35	3.23	3.07	2.99
o/w: EUR	3.61	3.26	3.40	3.38	3.15	3.11	3.71	3.29	2.65	2.99	2.96	2.87	2.69
Short-term	3.72	2.28	1.54	2.06	3.49	2.24	3.40	1.82	1.96	1.77	1.96	2.20	1.66
Long-term	3.59	3.45	3.51	3.47	3.07	3.20	4.07	3.77	3.00	3.37	3.17	3.07	2.97
o/w: USD	1.10	1.10	1.10	1.10	-	1.10	-	1.16	1.09	1.21	1.13	1.32	0.79
Short-term	1.10	1.10	1.10	1.10	-	1.10	-	1.16	1.10	1.21	1.13	1.32	0.79
Long-term	-	-	0.00	0.00	-	-	-	-	0.00	-	-	-	-
1.3 Deposits redeemable at notice	-	-	-	-	-	-	-	-	-	-	-	-	-
1.3.1 Up to 3 months	-	-	-	-	-	-	-	-	-	-	-	-	-
1.3.2 Over 3 months	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>2 Non-financial corporations</b>													
2.1 Overnight deposits	1.05	1.18	1.26	1.29	1.17	1.09	1.02	0.89	0.99	1.00	0.88	0.84	0.98
o/w: Transaction accounts	-	-	-	-	-	-	-	-	-	-	-	-	-
o/w: Savings deposits	1.05	1.18	1.26	1.29	1.17	1.09	1.02	0.89	0.99	1.00	0.88	0.84	0.98
2.2 Time deposits	3.23	2.03	2.23	2.17	2.19	1.51	3.00	2.04	2.56	1.97	5.06	0.43	3.65
2.2.1 Up to 3 months	2.01	2.04	1.81	2.09	2.07	-	-	1.00	0.50	0.50	-	0.11	1.09
2.2.2 Over 3 and up to 6 months	1.34	-	1.82	2.27	1.64	2.21	0.00	2.53	2.83	0.06	1.47	3.76	1.94
2.2.3 Over 6 months and up to 1 year	3.36	1.33	2.37	3.28	2.25	1.09	3.27	1.27	2.98	3.73	1.77	4.35	1.80
2.2.4 Over 1 and up to 2 years	2.79	0.87	2.79	2.20	2.88	3.03	2.43	2.10	3.00	1.84	3.30	0.86	1.95
2.2.5 Over 2 years	1.37	2.48	0.83	1.12	1.00	0.56	0.84	1.83	0.09	1.20	6.70	0.57	4.12
o/w: EUR	3.23	2.03	2.23	2.17	2.25	1.51	3.01	2.04	2.56	2.00	5.06	0.43	3.65
Short-term	3.26	1.95	2.01	2.20	2.08	1.30	3.27	2.26	2.57	3.93	1.67	0.42	1.85
Long-term	2.53	2.10	2.72	1.96	2.81	2.17	2.40	1.95	2.15	1.58	6.70	0.67	4.11
o/w: USD	3.80	-	-	-	1.00	-	0.40	-	-	1.00	-	-	3.00
Short-term	3.80	-	-	-	-	-	-	-	-	1.00	-	-	3.00
Long-term	-	-	-	-	1.00	-	0.40	-	-	-	-	-	-
<b>3 Repos</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Volume</b>													
<b>1 Households</b>													
1.1 Overnight deposits	224.6	187.9	164.1	151.7	150.7	145.4	142.7	139.1	136.9	141.7	3.3	4.3	4.7
o/w: Transaction accounts	0.8	0.8	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.1	0.1	0.0	0.0
o/w: Savings deposits	223.8	187.2	163.5	151.1	150.2	144.9	142.1	138.5	136.4	141.6	3.2	4.3	4.7
1.2 Time deposits	151.4	79.0	123.4	182.2	78.4	63.9	133.7	128.9	79.5	106.3	87.0	91.3	136.7
1.2.1 Up to 3 months	13.1	14.5	10.7	13.4	4.4	11.1	63.4	11.1	4.3	15.2	14.8	5.0	15.8
1.2.2 Over 3 and up to 6 months	1.9	3.2	3.4	2.4	0.2	0.1	3.8	4.0	3.9	7.0	1.7	2.4	2.7
1.2.3 Over 6 months and up to 1 year	13.4	2.2	0.7	4.3	10.5	2.5	4.6	24.4	19.3	14.7	9.4	16.6	20.5
1.2.4 Over 1 and up to 2 years	10.5	1.9	10.0	37.2	19.4	7.9	9.1	6.1	11.6	13.2	5.3	4.7	5.2
1.2.5 Over 2 years	112.5	57.1	98.5	125.0	43.8	42.2	52.8	83.2	40.3	56.2	55.8	62.7	92.5
o/w: EUR	143.6	70.4	115.3	172.6	78.4	55.4	133.6	118.9	78.8	91.1	74.1	87.3	124.2

	2013 Dec.	2014.											
		Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
Short-term	20.6	11.4	6.8	10.7	15.2	5.3	71.8	29.6	26.8	21.7	13.0	20.0	26.5
Long-term	123.0	59.0	108.5	162.0	63.2	50.1	61.8	89.3	51.9	69.4	61.0	67.2	97.7
o/w: USD	7.8	8.5	8.1	9.5	–	8.5	–	9.8	0.7	15.2	12.8	3.8	12.3
Short-term	7.8	8.5	8.1	9.5	–	8.5	–	9.8	0.7	15.2	12.8	3.8	12.3
Long-term	–	–	0.0	0.0	–	–	–	–	0.0	–	–	–	–
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	28.9	29.9	29.2	27.4	28.0	27.9	26.6	20.1	17.9	18.3	19.0	19.4	26.0
o/w: Transaction accounts	–	–	–	–	–	–	–	–	–	–	–	–	–
o/w: Savings deposits	28.9	29.9	29.2	27.4	28.0	27.9	26.6	20.1	17.9	18.3	19.0	19.4	26.0
2.2 Time deposits	58.2	40.2	8.8	27.3	25.8	3.7	39.7	14.3	22.0	2.6	15.1	22.4	146.4
2.2.1 Up to 3 months	3.0	17.5	0.1	20.2	11.8	–	–	0.1	2.5	0.0	–	19.9	1.0
2.2.2 Over 3 and up to 6 months	0.9	–	4.0	1.7	1.8	0.5	0.0	3.4	17.5	0.0	1.8	1.6	16.1
2.2.3 Over 6 months and up to 1 year	52.1	2.4	2.1	1.9	5.3	2.3	27.9	0.9	1.5	0.5	3.2	0.2	12.7
2.2.4 Over 1 and up to 2 years	1.7	4.8	2.6	2.8	5.4	0.6	11.4	4.4	0.3	1.2	0.0	0.3	0.2
2.2.5 Over 2 years	0.4	15.5	0.1	0.8	1.5	0.3	0.3	5.5	0.1	0.8	10.2	0.5	116.4
o/w: EUR	58.2	40.2	8.8	27.3	24.5	3.7	39.6	14.3	22.0	2.5	15.1	22.4	146.4
Short-term	56.0	19.9	6.1	23.8	18.9	2.8	27.9	4.4	21.5	0.4	4.9	21.7	29.8
Long-term	2.1	20.3	2.7	3.6	5.6	0.9	11.7	9.9	0.4	2.0	10.2	0.7	116.7
o/w: USD	0.0	–	–	–	1.2	–	0.1	–	–	0.1	–	–	0.0
Short-term	0.0	–	–	–	–	–	–	–	–	0.1	–	–	0.0
Long-term	–	–	–	–	1.2	–	0.1	–	–	–	–	–	–
3 Repos	–	–	–	–	–	–	–	–	–	–	–	–	–

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

	2013													2014.
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	
<b>Interest rate</b>														
<b>1 Households</b>														
1.1 Overnight deposits	0.18	0.18	0.18	0.18	0.18	0.18	0.17	0.17	0.17	0.17	0.17	0.17	0.16	
o/w: Transaction accounts	0.23	0.21	0.20	0.20	0.20	0.20	0.19	0.18	0.16	0.15	0.13	0.15	0.14	
o/w: Savings deposits	0.18	0.18	0.18	0.18	0.18	0.18	0.17	0.17	0.17	0.17	0.17	0.17	0.18	
1.2 Time deposits	2.52	2.48	2.48	2.47	2.43	2.37	2.35	2.31	2.25	2.25	2.16	2.07	2.10	
1.2.1 Up to 3 months	1.62	1.54	1.52	1.50	1.51	1.46	1.50	1.43	1.38	1.40	1.30	1.21	1.20	
1.2.2 Over 3 and up to 6 months	2.14	1.99	1.96	2.00	1.95	1.95	1.85	1.80	1.73	1.73	1.70	1.64	1.63	
1.2.3 Over 6 months and up to 1 year	2.52	2.45	2.44	2.37	2.33	2.29	2.28	2.24	2.26	2.21	2.12	2.03	2.00	
1.2.4 Over 1 and up to 2 years	2.99	2.91	2.95	2.87	2.93	2.87	2.87	2.83	2.72	2.73	2.66	2.55	2.61	
1.2.5 Over 2 years	3.24	3.26	3.25	3.30	3.13	3.14	3.01	2.93	2.89	2.87	2.74	2.75	2.63	
o/w: EUR	2.58	2.53	2.52	2.50	2.47	2.41	2.39	2.34	2.29	2.28	2.18	2.09	2.13	
Short-term	2.31	2.23	2.21	2.13	2.10	2.07	2.05	2.01	2.02	1.98	1.88	1.78	1.78	
Long-term	3.11	3.05	3.07	3.06	3.01	2.98	2.94	2.88	2.80	2.80	2.69	2.64	2.65	
o/w: USD	2.29	2.16	2.25	2.31	2.21	2.27	2.14	2.20	2.11	2.04	2.13	2.10	1.94	
Short-term	2.02	2.00	1.93	1.95	1.94	2.02	1.94	1.92	1.83	1.80	1.94	1.87	1.73	
Long-term	2.93	2.62	2.91	3.07	2.92	2.79	2.62	2.71	2.62	2.54	2.62	2.50	2.39	
1.3 Deposits redeemable at notice	-	-	-	-	-	-	-	-	-	-	-	-	-	
1.3.1 Up to 3 months	-	-	-	-	-	-	-	-	-	-	-	-	-	
1.3.2 Over 3 months	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>2 Non-financial corporations</b>														
2.1 Overnight deposits	0.25	0.22	0.19	0.16	0.16	0.17	0.13	0.16	0.14	0.19	0.20	0.10	0.08	
o/w: Transaction accounts	0.23	0.22	0.19	0.15	0.16	0.16	0.12	0.16	0.14	0.19	0.20	0.11	0.09	
o/w: Savings deposits	0.33	0.26	0.21	0.21	0.18	0.19	0.17	0.17	0.15	0.16	0.17	0.05	0.06	
2.2 Time deposits	1.41	1.35	1.57	1.08	1.92	0.84	1.08	1.87	2.17	1.37	1.11	1.09	1.39	
2.2.1 Up to 3 months	0.86	0.84	1.03	0.67	0.70	0.53	0.52	0.73	0.81	0.91	0.91	0.77	0.76	
2.2.2 Over 3 and up to 6 months	2.21	2.42	2.30	2.50	4.65	2.28	1.90	2.19	1.85	2.10	1.60	1.73	1.74	
2.2.3 Over 6 months and up to 1 year	2.91	3.00	2.60	2.83	2.62	2.50	2.65	2.35	2.27	2.21	1.94	2.05	1.76	
2.2.4 Over 1 and up to 2 years	3.39	2.26	4.03	4.70	4.66	2.72	4.89	5.19	5.57	4.66	2.71	4.08	2.84	
2.2.5 Over 2 years	3.04	1.22	1.16	0.33	0.51	0.70	1.55	2.11	1.56	0.84	2.03	2.99	1.70	
o/w: EUR	1.55	1.53	1.60	1.10	2.29	0.98	1.36	2.43	2.55	1.42	1.20	1.05	1.44	
Short-term	1.51	1.47	1.41	0.99	1.85	0.91	1.04	1.63	1.34	1.28	1.17	0.95	1.24	
Long-term	3.72	2.26	4.80	3.55	4.65	2.83	4.88	5.16	5.74	2.64	2.62	3.97	2.80	
o/w: USD	0.65	0.50	1.33	0.66	0.27	0.32	0.23	0.23	0.60	0.44	0.59	1.46	0.56	
Short-term	0.58	0.40	1.37	0.66	0.27	0.28	0.19	0.23	0.48	0.43	0.59	1.46	0.56	
Long-term	2.39	1.22	1.00	1.45	-	1.08	1.45	2.90	2.28	2.37	-	1.29	-	
<b>3 Repos</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Volume</b>														
<b>1 Households</b>														
1.1 Overnight deposits	17,700.6	17,589.7	17,692.8	17,734.0	17,479.6	17,433.9	17,714.5	18,308.0	19,075.5	19,031.4	19,116.0	19,181.3	19,522.4	
o/w: Transaction accounts	2,172.8	2,133.6	2,156.0	2,109.3	2,096.2	2,111.3	2,233.5	2,315.7	2,373.6	2,345.0	2,398.3	2,457.0	8,172.6	
o/w: Savings deposits	15,527.9	15,456.1	15,536.8	15,624.7	15,383.4	15,322.5	15,481.0	15,992.4	16,701.8	16,686.4	16,717.7	16,724.3	11,349.8	
1.2 Time deposits	9,056.8	9,411.1	8,468.8	8,836.6	8,191.1	7,936.2	7,197.1	8,174.0	7,874.8	8,779.7	8,325.5	7,752.1	9,525.0	
1.2.1 Up to 3 months	1,344.0	1,212.0	1,117.8	1,250.1	1,193.8	1,073.5	994.2	1,088.4	1,053.3	1,164.2	1,106.3	1,123.3	1,192.1	
1.2.2 Over 3 and up to 6 months	1,065.2	1,050.4	916.1	969.3	932.9	1,045.1	943.3	1,007.1	926.4	991.6	981.4	1,032.8	1,167.4	
1.2.3 Over 6 months and up to 1 year	3,645.4	3,792.5	3,435.4	3,194.6	2,825.9	2,938.6	2,609.3	3,049.3	3,196.7	3,433.1	3,266.6	2,802.4	3,420.9	
1.2.4 Over 1 and up to 2 years	2,006.1	2,292.8	2,002.2	2,009.2	2,252.4	1,964.6	1,907.7	2,179.9	1,934.2	2,332.4	2,051.6	1,964.2	2,873.5	
1.2.5 Over 2 years	996.1	1,063.5	997.3	1,413.4	986.1	914.3	742.6	849.3	764.1	858.5	919.7	829.5	871.0	
o/w: EUR	8,109.8	8,556.5	7,753.1	8,098.6	7,480.9	7,213.9	6,519.5	7,415.2	7,191.3	8,047.6	7,604.4	6,945.0	8,590.0	

	2013	2014.											
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
Short-term	5,355.0	5,402.7	4,940.2	4,886.2	4,417.2	4,538.6	4,040.9	4,610.3	4,696.8	5,077.9	4,814.0	4,391.6	5,123.8
Long-term	2,754.8	3,153.8	2,812.9	3,212.4	3,063.7	2,675.3	2,478.6	2,804.9	2,494.4	2,969.7	2,790.4	2,553.4	3,466.3
o/w: USD	574.5	554.4	462.9	524.3	471.3	521.5	457.4	508.5	427.8	481.3	509.6	531.6	625.9
Short-term	404.9	418.1	313.1	355.8	340.2	351.4	325.8	330.2	275.9	323.1	369.0	335.3	426.2
Long-term	169.6	136.3	149.8	168.5	131.1	170.0	131.5	178.3	151.9	158.2	140.5	196.3	199.7
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	7,454.7	7,373.8	7,471.1	7,472.9	7,438.6	7,424.0	7,777.2	7,790.4	8,349.5	8,894.6	9,210.6	8,528.0	8,659.1
o/w: Transaction accounts	6,076.7	6,076.4	6,165.4	6,109.5	6,163.3	6,230.7	6,465.7	6,355.6	6,680.5	7,237.9	7,475.0	6,797.4	7,139.3
o/w: Savings deposits	1,377.9	1,297.4	1,305.7	1,363.4	1,275.3	1,193.3	1,311.5	1,434.8	1,668.9	1,656.7	1,735.6	1,730.5	1,519.8
2.2 Time deposits	3,650.7	3,189.4	2,439.2	3,637.5	4,269.0	4,132.6	3,407.8	3,617.2	2,970.2	2,532.0	2,547.2	2,556.2	3,007.0
2.2.1 Up to 3 months	2,456.2	2,200.7	1,686.9	2,975.4	2,855.0	3,446.7	2,568.3	2,077.6	1,668.2	1,687.6	1,991.8	1,979.8	1,473.9
2.2.2 Over 3 and up to 6 months	697.1	420.1	203.6	206.4	688.8	230.1	416.7	432.4	335.9	361.2	273.6	261.2	587.7
2.2.3 Over 6 months and up to 1 year	408.0	320.4	392.8	300.2	182.3	307.8	187.7	504.3	268.2	244.2	232.4	232.4	593.0
2.2.4 Over 1 and up to 2 years	76.3	187.2	150.2	114.1	541.1	121.7	205.3	597.9	694.0	112.9	42.3	74.0	339.0
2.2.5 Over 2 years	13.1	61.0	5.6	41.4	1.7	26.3	29.8	5.2	4.0	126.1	7.0	8.8	13.5
o/w: EUR	3,031.1	2,635.2	2,130.1	3,378.5	3,435.9	3,101.3	2,473.6	2,657.3	2,384.5	2,386.8	2,074.8	2,370.3	2,810.7
Short-term	2,965.9	2,447.7	2,010.0	3,224.0	2,893.2	2,992.6	2,266.9	2,054.6	1,724.4	2,148.3	2,025.6	2,287.7	2,459.3
Long-term	65.2	187.5	120.0	154.4	542.8	108.7	206.7	602.7	660.0	238.6	49.2	82.6	351.5
o/w: USD	577.7	546.3	282.1	248.5	760.1	941.5	869.5	939.5	563.4	114.0	450.2	178.8	150.3
Short-term	554.6	485.5	246.3	247.4	760.1	903.0	843.6	939.4	525.5	113.6	450.2	178.6	150.3
Long-term	23.2	60.8	35.8	1.1	-	38.5	25.8	0.1	38.0	0.4	-	0.2	-
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

	2013	2014.											
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
<b>Interest rate</b>													
1 Revolving loans, overdrafts and credit card credit	10.20	9.72	9.70	9.67	9.64	9.61	9.60	9.57	9.60	9.55	9.54	9.55	9.49
o/w: Revolving loans	10.46	10.45	10.44	10.64	10.66	10.73	10.41	10.25	10.26	10.33	10.30	10.18	9.98
o/w: Overdrafts	11.36	10.67	10.58	10.61	10.58	10.57	10.57	10.56	10.56	10.55	10.55	10.54	10.53
o/w: Credit card credit	9.67	9.32	9.35	9.26	9.23	9.19	9.18	9.16	9.17	9.12	9.06	9.09	9.08
o/w: Sole proprietors	10.32	10.23	10.25	10.21	10.16	10.11	10.08	10.04	10.09	10.08	10.04	10.06	9.95
2 Consumer loans	6.26	6.76	6.63	6.72	6.55	6.75	6.56	6.63	6.61	6.36	6.64	7.06	7.11
2.1 Short-term	3.17	3.28	3.38	3.08	3.93	3.67	3.39	4.02	3.18	3.06	3.47	5.96	6.97
2.1.1 Floating rate and up to 1 year initial rate fixation	3.17	3.28	3.38	3.08	3.93	3.67	3.39	4.02	3.18	3.06	3.47	5.96	6.97
2.2 Long-term	7.14	7.46	7.28	7.36	7.22	7.43	7.30	7.28	7.57	7.35	7.26	7.14	7.12
2.2.1 Floating rate and up to 1 year initial rate fixation	6.07	6.80	6.98	7.09	7.19	6.91	6.91	7.00	7.19	7.16	7.09	7.31	7.19
2.2.2 Floating rate and over 1 year initial rate fixation	7.70	7.79	7.39	7.45	7.24	7.63	7.43	7.37	7.69	7.45	7.35	7.07	7.09
3 Loans for house purchases	5.81	5.73	5.59	5.73	5.63	5.56	5.48	5.45	5.35	5.37	5.31	5.31	5.27
3.1 Floating rate and up to 1 year initial rate fixation	5.83	5.58	5.60	5.63	5.56	5.56	5.46	5.38	5.34	5.39	5.27	5.28	5.30
3.2 Over 1 and up to 5 years initial rate fixation	5.42	6.90	4.22	6.08	4.27	5.85	5.50	5.20	5.99	5.50	0.00	4.99	5.50
3.3 Over 5 and up to 10 years initial rate fixation	5.27	5.94	6.11	6.25	5.92	5.37	4.99	5.23	5.38	4.95	5.62	4.87	5.28
3.4 Over 10 years initial rate fixation	5.86	5.92	5.53	6.04	5.90	5.75	5.76	5.80	5.57	5.37	5.83	5.53	5.12
4 For other purposes	9.00	8.97	8.91	9.07	9.00	8.91	9.07	8.79	8.93	8.76	8.92	8.61	8.64
4.1 Short-term	7.98	7.84	7.92	8.79	8.59	7.28	9.24	8.56	8.95	8.81	8.65	7.13	7.99
4.1.1 Floating rate and up to 1 year initial rate fixation	7.98	7.84	7.92	8.79	8.59	7.28	9.24	8.56	8.95	8.81	8.65	7.13	7.99
4.2 Long-term	9.11	9.07	8.99	9.11	9.06	9.16	9.04	8.81	8.93	8.76	8.95	8.89	8.75
4.2.1 Floating rate and up to 1 year initial rate fixation	8.85	8.83	8.74	8.78	8.84	8.87	8.99	8.68	8.73	8.72	8.87	8.78	8.40
4.2.2 Floating rate and over 1 year initial rate fixation	9.35	9.26	9.15	9.27	9.15	9.28	9.08	8.93	9.07	8.78	9.02	8.97	9.06
o/w: Sole proprietors	7.64	8.63	7.46	7.62	7.46	7.46	7.46	6.58	6.79	6.38	7.30	7.40	6.92
<b>Volume</b>													
1 Revolving loans, overdrafts and credit card credit	11,466.7	11,425.5	11,279.5	11,467.3	11,555.4	11,587.3	11,493.2	11,373.1	11,298.2	11,421.6	11,508.6	11,473.3	11,478.0
o/w: Revolving loans	43.5	43.4	43.0	41.7	41.7	39.9	38.0	35.8	33.8	32.2	30.8	31.2	33.5
o/w: Overdrafts	7,110.9	7,157.7	7,105.1	7,224.6	7,287.3	7,290.2	7,208.4	7,102.7	7,084.6	7,166.0	7,248.2	7,189.6	7,104.9
o/w: Credit card credit	3,658.5	3,622.5	3,563.6	3,595.0	3,617.8	3,632.4	3,624.5	3,613.4	3,580.2	3,589.5	3,591.3	3,635.7	3,671.7
o/w: Sole proprietors	286.7	292.9	298.9	304.2	310.6	306.8	292.3	277.2	267.9	270.9	273.6	282.9	279.8
2 Consumer loans	26.6	28.5	25.8	28.9	26.1	26.4	27.7	31.0	19.7	24.1	30.8	20.3	19.8
2.1 Short-term	5.9	4.8	4.3	4.3	5.3	4.8	5.3	6.2	4.3	5.6	5.0	1.5	1.3
2.1.1 Floating rate and up to 1 year initial rate fixation	5.9	4.8	4.3	4.3	5.3	4.8	5.3	6.2	4.3	5.6	5.0	1.5	1.3
2.2 Long-term	20.7	23.8	21.5	24.5	20.8	21.6	22.4	24.9	15.4	18.6	25.7	18.8	18.5
2.2.1 Floating rate and up to 1 year initial rate fixation	7.1	8.1	6.0	6.1	5.7	6.0	5.6	6.3	3.7	6.2	8.4	6.0	6.0
2.2.2 Floating rate and over 1 year initial rate fixation	13.6	15.7	15.5	18.5	15.1	15.6	16.8	18.6	11.7	12.4	17.3	12.8	12.5
3 Loans for house purchases	26.0	40.1	39.3	43.2	46.3	48.5	45.3	43.7	22.8	31.1	40.7	38.1	61.4
3.1 Floating rate and up to 1 year initial rate fixation	17.4	30.6	28.2	33.3	36.6	32.9	40.3	34.7	21.7	26.4	37.6	29.0	51.4
3.2 Over 1 and up to 5 years initial rate fixation	0.5	2.7	0.1	0.3	0.1	0.1	0.0	0.1	0.0	0.0	0.0	0.3	0.1
3.3 Over 5 and up to 10 years initial rate fixation	0.9	1.2	0.9	0.8	0.4	8.2	0.6	1.3	0.5	0.8	0.2	1.6	1.1
3.4 Over 10 years initial rate fixation	7.2	5.6	10.1	8.8	9.2	7.4	4.3	7.6	0.6	3.8	2.9	7.1	8.8
4 For other purposes	512.4	474.4	701.6	886.9	823.2	892.0	649.0	737.3	529.1	704.2	782.0	714.7	703.3
4.1 Short-term	47.7	37.5	53.0	86.8	100.8	122.5	76.7	72.9	48.1	67.1	77.5	115.1	103.0

	2013	2014.											
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
4.1.1 Floating rate and up to 1 year initial rate fixation	47.7	37.5	53.0	86.8	100.8	122.5	76.7	72.9	48.1	67.1	77.5	115.1	103.0
4.2 Long-term	464.7	436.9	648.6	800.1	722.4	769.6	572.4	664.3	481.0	637.1	704.5	599.5	600.3
4.2.1 Floating rate and up to 1 year initial rate fixation	226.7	197.7	257.4	274.6	225.2	212.3	226.7	305.3	207.1	277.5	312.4	242.1	285.7
4.2.2 Floating rate and over 1 year initial rate fixation	238.1	239.2	391.2	525.5	497.2	557.3	345.6	359.1	273.9	359.5	392.1	357.4	314.6
o/w: Sole proprietors	48.4	23.3	49.0	59.9	68.5	46.3	42.8	57.6	34.7	60.5	52.7	45.5	61.1

**Tables G2 •** 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. 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 "o/w" 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 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 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 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

	2013	2014.											
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
<b>Interest rate</b>													
1 Revolving loans, overdrafts and credit card credit	8.30	8.04	8.29	7.74	7.58	7.93	7.70	8.23	7.69	7.45	7.19	7.44	7.48
o/w: Revolving loans	8.30	8.04	8.29	7.74	7.58	7.93	7.70	8.23	7.69	7.45	7.19	7.44	7.48
o/w: Overdrafts	-	-	-	-	-	-	-	-	-	-	-	-	-
o/w: EUR	-	-	-	-	-	-	-	-	-	-	-	-	-
Short-term	-	-	-	-	-	-	-	-	-	-	-	-	-
Long-term	-	-	-	-	-	-	-	-	-	-	-	-	-
o/w: Credit card credit	-	-	-	-	-	-	-	-	-	-	-	-	-
o/w: EUR	-	-	-	-	-	-	-	-	-	-	-	-	-
Short-term	-	-	-	-	-	-	-	-	-	-	-	-	-
Long-term	-	-	-	-	-	-	-	-	-	-	-	-	-
o/w: Sole proprietors	8.31	8.04	8.29	7.73	7.57	7.92	7.69	8.23	7.67	7.43	7.17	7.34	7.38
2 Consumer loans	7.03	7.24	7.25	6.51	7.34	7.58	7.72	7.26	7.35	7.48	7.43	7.74	7.90
2.1 Short-term	7.01	9.30	10.13	8.40	10.18	10.24	7.22	10.26	8.66	10.27	10.10	6.86	10.29
2.1.1 Floating rate and up to 1 year initial rate fixation	7.01	9.30	10.13	8.40	10.18	10.24	7.22	10.26	8.66	10.27	10.10	6.86	10.29
2.2 Long-term	7.03	7.23	7.24	6.49	7.34	7.56	7.76	7.24	7.33	7.46	7.41	7.79	7.80
2.2.1 Floating rate and up to 1 year initial rate fixation	6.94	7.08	7.21	5.82	7.15	7.30	7.64	6.92	6.97	7.16	7.10	7.27	7.25
2.2.2 Floating rate and over 1 year initial rate fixation	7.08	7.41	7.27	7.98	7.76	8.25	7.84	7.68	7.96	8.13	7.85	8.47	8.25
o/w: EUR	7.06	7.28	7.30	6.48	7.45	7.59	7.83	7.28	7.36	7.48	7.42	7.74	7.90
Short-term	7.01	9.30	10.13	8.40	10.18	10.24	7.22	10.26	10.24	10.27	10.10	6.86	10.29
Long-term	7.06	7.27	7.29	6.46	7.44	7.57	7.88	7.26	7.33	7.46	7.41	7.79	7.80
o/w: CHF	6.75	6.75	6.92	7.02	5.23	6.80	6.88	7.03	5.75	-	7.55	-	-
Short-term	-	-	-	-	-	-	-	-	5.75	-	-	-	-
Long-term	6.75	6.75	6.92	7.02	5.23	6.80	6.88	7.03	-	-	7.55	-	-
3 Loans for house purchases	5.12	4.42	5.15	4.63	5.13	5.05	5.27	5.12	5.14	5.17	5.19	5.21	5.13
3.1 Floating rate and up to 1 year initial rate fixation	5.16	4.98	5.28	4.48	5.19	5.08	5.33	5.16	5.22	5.32	5.28	5.36	5.27
3.2 Over 1 and up to 5 years initial rate fixation	5.37	4.91	5.43	5.54	5.51	5.48	5.35	5.38	5.34	5.36	5.48	5.30	5.16
3.3 Over 5 and up to 10 years initial rate fixation	4.40	3.84	4.30	4.65	4.32	4.25	4.80	4.94	4.72	4.08	4.43	4.34	4.74
3.4 Over 10 years initial rate fixation	5.10	3.87	4.80	4.89	4.79	4.87	4.77	4.80	4.93	4.67	4.72	4.82	4.80
o/w: EUR	5.32	4.50	5.30	4.76	5.34	5.24	5.35	5.24	5.22	5.27	5.27	5.26	5.22
Short-term	5.54	5.43	5.55	5.61	5.48	5.55	5.57	5.43	5.40	5.28	5.30	5.35	5.36
Long-term	5.29	4.40	5.26	4.67	5.32	5.19	5.33	5.21	5.19	5.27	5.27	5.24	5.20
o/w: CHF	2.30	1.33	2.41	2.08	1.74	2.12	2.06	2.06	2.47	3.24	3.14	3.69	3.60
Short-term	-	3.28	3.23	-	-	-	-	-	-	-	-	0.00	-
Long-term	2.30	1.32	2.40	2.08	1.74	2.12	2.06	2.06	2.47	3.24	3.14	3.69	3.60
4 For other purposes	6.86	8.06	7.83	7.68	7.99	8.09	8.01	8.04	7.91	7.89	7.96	7.98	7.53
4.1 Short-term	6.42	6.80	6.62	6.58	7.03	7.62	7.38	6.67	5.70	6.54	6.68	6.46	6.44
4.1.1 Floating rate and up to 1 year initial rate fixation	6.42	6.80	6.62	6.58	7.03	7.62	7.38	6.67	5.70	6.54	6.67	6.46	6.44
4.2 Long-term	6.90	8.23	7.98	7.80	8.06	8.14	8.07	8.11	8.15	8.02	8.06	8.08	7.65
4.2.1 Floating rate and up to 1 year initial rate fixation	8.04	8.17	8.01	7.90	8.31	8.31	8.23	8.28	8.22	8.19	8.32	8.32	7.94
4.2.2 Floating rate and over 1 year initial rate fixation	6.21	8.32	7.94	7.64	7.43	7.59	7.59	7.71	7.98	7.66	7.55	7.58	7.12
o/w: EUR	6.88	8.10	7.86	7.72	8.00	8.12	8.03	8.07	7.93	7.93	7.98	8.00	7.54
Short-term	6.47	6.81	6.63	6.58	7.03	7.64	7.41	6.67	5.71	6.55	6.76	6.49	6.45
Long-term	6.92	8.27	8.01	7.84	8.08	8.16	8.09	8.14	8.16	8.05	8.08	8.10	7.67
o/w: Sole proprietors	6.58	7.03	7.15	6.63	6.70	6.46	6.33	6.13	6.30	6.18	6.56	6.40	5.98

	2013 Dec.	2014.											
		Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
<b>Volume</b>													
1 Revolving loans, overdrafts and credit card credit	22.6	22.2	23.3	23.7	25.0	24.9	24.9	26.7	23.4	24.5	25.4	25.9	25.6
o/w: Revolving loans	22.6	22.2	23.3	23.7	25.0	24.9	24.9	26.7	23.4	24.5	25.4	25.9	25.6
o/w: Overdrafts	-	-	-	-	-	-	-	-	-	-	-	-	-
o/w: EUR	-	-	-	-	-	-	-	-	-	-	-	-	-
Short-term	-	-	-	-	-	-	-	-	-	-	-	-	-
Long-term	-	-	-	-	-	-	-	-	-	-	-	-	-
o/w: Credit card credit	-	-	-	-	-	-	-	-	-	-	-	-	-
o/w: EUR	-	-	-	-	-	-	-	-	-	-	-	-	-
Short-term	-	-	-	-	-	-	-	-	-	-	-	-	-
Long-term	-	-	-	-	-	-	-	-	-	-	-	-	-
o/w: Sole proprietors	22.2	21.8	22.9	23.3	24.6	24.5	24.5	26.1	22.8	23.9	24.8	25.2	24.9
2 Consumer loans	2.9	4.9	3.7	3.8	2.6	2.1	1.2	2.6	1.4	2.3	2.5	1.3	0.6
2.1 Short-term	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.0
2.1.1 Floating rate and up to 1 year initial rate fixation	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.0
2.2 Long-term	2.9	4.8	3.7	3.8	2.6	2.1	1.2	2.6	1.4	2.3	2.5	1.3	0.6
2.2.1 Floating rate and up to 1 year initial rate fixation	1.1	2.6	1.7	2.6	1.8	1.6	0.5	1.5	0.9	1.6	1.4	0.7	0.3
2.2.2 Floating rate and over 1 year initial rate fixation	1.8	2.3	2.0	1.2	0.8	0.6	0.6	1.1	0.5	0.7	1.0	0.5	0.3
o/w: EUR	2.6	4.5	3.2	3.6	2.5	2.1	1.1	2.4	1.4	2.3	2.4	1.3	0.6
Short-term	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.0
Long-term	2.6	4.5	3.2	3.6	2.5	2.1	1.0	2.4	1.4	2.3	2.4	1.3	0.6
o/w: CHF	0.3	0.3	0.5	0.2	0.1	0.0	0.1	0.2	0.0	-	0.0	-	-
Short-term	-	-	-	-	-	-	-	-	0.0	-	-	-	-
Long-term	0.3	0.3	0.5	0.2	0.1	0.0	0.1	0.2	-	-	0.0	-	-
3 Loans for house purchases	296.1	388.7	336.0	355.4	314.4	322.1	339.8	351.2	288.0	285.9	348.9	332.3	382.1
3.1 Floating rate and up to 1 year initial rate fixation	215.4	174.1	242.4	263.8	229.7	240.5	277.1	266.8	189.0	207.9	263.0	232.0	257.3
3.2 Over 1 and up to 5 years initial rate fixation	13.3	21.4	18.2	28.2	28.2	23.1	23.2	28.8	19.0	19.9	27.3	23.7	24.5
3.3 Over 5 and up to 10 years initial rate fixation	14.7	27.0	19.1	12.4	8.7	12.0	9.2	10.0	12.3	10.9	14.9	15.9	16.6
3.4 Over 10 years initial rate fixation	52.7	166.1	56.4	51.0	47.7	46.5	30.2	45.6	67.6	47.2	43.7	60.8	83.6
o/w: EUR	276.2	379.0	317.7	338.0	295.7	302.0	330.7	337.8	279.3	271.6	336.1	320.7	362.5
Short-term	39.2	36.2	43.1	34.3	39.9	35.2	35.6	37.8	41.3	29.4	44.5	44.7	32.1
Long-term	237.0	342.8	274.5	303.6	255.8	266.8	295.1	300.1	238.0	242.1	291.6	276.0	330.4
o/w: CHF	19.8	9.7	17.8	17.4	18.3	19.4	9.1	12.3	8.7	14.3	12.9	11.5	18.6
Short-term	-	0.0	0.0	-	-	-	-	-	-	-	-	0.0	-
Long-term	19.8	9.6	17.7	17.4	18.3	19.4	9.1	12.3	8.7	14.3	12.9	11.5	18.6
4 For other purposes	796.1	557.8	575.9	555.3	672.9	598.0	575.3	723.8	515.7	655.4	679.9	721.3	698.9
4.1 Short-term	74.5	65.8	62.9	54.8	49.2	51.0	52.6	36.8	48.9	58.0	51.9	46.8	71.0
4.1.1 Floating rate and up to 1 year initial rate fixation	74.5	65.8	62.9	54.7	49.2	51.0	52.5	36.7	48.8	57.9	51.7	46.8	71.0
4.2 Long-term	721.6	492.0	513.0	500.6	623.7	547.0	522.7	687.0	466.8	597.5	628.0	674.5	627.9
4.2.1 Floating rate and up to 1 year initial rate fixation	272.0	298.4	288.9	323.0	445.7	415.0	389.9	482.1	319.1	409.3	416.5	458.6	406.9
4.2.2 Floating rate and over 1 year initial rate fixation	449.6	193.6	224.1	177.6	178.0	132.0	132.9	204.9	147.7	188.2	211.6	215.9	221.1
o/w: EUR	787.8	552.0	569.8	549.7	669.3	592.8	570.2	718.1	513.4	647.1	673.1	717.2	693.6
Short-term	73.4	65.6	62.5	54.6	49.1	50.7	52.0	36.7	48.6	54.0	47.6	46.1	70.3
Long-term	714.4	486.4	507.3	495.1	620.2	542.1	518.3	681.4	464.8	593.1	625.5	671.1	623.3
o/w: Sole proprietors	80.6	47.5	76.6	86.2	96.1	66.8	56.9	66.6	38.6	48.0	52.3	80.7	90.5

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

	2013												2014.
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
<b>Interest rate</b>													
1 Revolving loans, overdrafts and credit card credit	0.55	0.50	0.65	0.56	0.55	0.58	0.50	0.57	0.61	0.55	0.49	0.62	0.49
o/w: Revolving loans	7.68	7.74	7.75	7.75	7.77	7.77	7.72	7.61	7.61	7.61	7.47	9.82	7.47
o/w: Overdrafts	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
o/w: Credit card credit	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
o/w: Sole proprietors	5.35	5.46	5.77	5.48	5.87	5.53	5.52	5.62	5.48	5.19	5.06	6.76	5.14
2 Consumer loans	-	7.75	-	-	-	-	-	-	-	-	-	-	-
2.1 Short-term	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1.1 Floating rate and up to 1 year initial rate fixation	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Long-term	-	7.75	-	-	-	-	-	-	-	-	-	-	-
2.2.1 Floating rate and up to 1 year initial rate fixation	-	7.75	-	-	-	-	-	-	-	-	-	-	-
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	6.64	6.49	6.22	6.36	5.08	6.64	6.56	6.45	6.24	-	6.69	6.06	5.42
4.1 Short-term	6.59	6.52	6.49	6.47	-	6.50	6.50	6.49	6.39	-	6.52	6.49	6.27
4.1.1 Floating rate and up to 1 year initial rate fixation	6.59	6.52	6.49	6.47	-	6.50	6.50	6.49	6.39	-	6.52	6.49	6.27
4.2 Long-term	6.69	6.32	4.60	4.81	5.08	7.61	7.52	5.88	5.81	-	6.96	5.50	5.24
4.2.1 Floating rate and up to 1 year initial rate fixation	7.43	5.98	4.60	6.40	5.08	7.61	7.52	5.88	5.81	-	6.96	5.50	5.24
4.2.2 Floating rate and over 1 year initial rate fixation	5.22	8.00	-	4.50	-	-	-	-	-	-	-	-	-
o/w: Sole proprietors	6.81	6.36	4.95	4.70	5.01	8.46	6.71	6.88	5.81	-	6.87	5.34	5.81
<b>Volume</b>													
1 Revolving loans, overdrafts and credit card credit	37.8	43.4	32.3	37.6	36.9	35.4	36.5	32.5	30.7	34.0	38.1	34.5	36.1
o/w: Revolving loans	1.9	1.9	1.8	1.8	1.8	1.8	1.5	1.6	1.6	1.6	1.6	1.6	1.6
o/w: Overdrafts	0.5	0.5	0.6	0.6	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.5	0.5
o/w: Credit card credit	1.8	1.8	1.7	2.1	1.8	1.7	1.9	1.7	1.7	1.6	1.9	1.7	1.6
o/w: Sole proprietors	2.7	2.7	2.5	2.6	2.4	2.6	2.2	2.1	2.2	2.3	2.3	2.3	2.3
2 Consumer loans	-	0.2	-	-	-	-	-	-	-	-	-	-	-
2.1 Short-term	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1.1 Floating rate and up to 1 year initial rate fixation	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Long-term	-	0.2	-	-	-	-	-	-	-	-	-	-	-
2.2.1 Floating rate and up to 1 year initial rate fixation	-	0.2	-	-	-	-	-	-	-	-	-	-	-
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	8.8	17.1	9.2	23.7	2.9	6.1	17.5	30.3	7.4	-	2.3	14.1	21.5
4.1 Short-term	4.2	14.9	7.9	22.2	-	5.4	16.5	28.3	5.6	-	1.4	8.1	3.9

	2013 Dec.	2014.											
		Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
4.1.1 Floating rate and up to 1 year initial rate fixation	4.2	14.9	7.9	22.2	–	5.4	16.5	28.3	5.6	–	1.4	8.1	3.9
4.2 Long-term	4.6	2.2	1.3	1.6	2.9	0.8	1.0	2.0	1.9	–	0.9	6.0	17.6
4.2.1 Floating rate and up to 1 year initial rate fixation	3.0	1.8	1.3	0.2	2.9	0.8	1.0	2.0	1.9	–	0.9	6.0	17.6
4.2.2 Floating rate and over 1 year initial rate fixation	1.5	0.4	–	1.3	–	–	–	–	–	–	–	–	–
o/w: Sole proprietors	4.9	2.2	1.5	1.5	2.8	0.2	1.7	3.0	1.9	–	1.3	5.7	2.3

**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

	2013												2014.
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
<b>Interest rate</b>													
1 Revolving loans, overdrafts and credit card credit	6.82	6.71	6.88	6.89	7.05	7.40	7.15	7.09	7.01	7.08	7.08	7.03	6.96
o/w: Revolving loans and overdrafts	6.78	6.65	6.83	6.86	7.03	7.42	7.19	7.19	7.12	7.07	7.08	7.01	6.93
o/w: Credit card credit	10.95	10.89	11.03	10.93	10.99	10.92	10.88	10.57	10.79	10.78	10.67	10.79	10.82
2 Loans up to an amount of HRK 2 million	6.40	6.12	6.36	6.73	6.62	6.76	6.70	6.56	6.68	6.18	6.43	5.77	6.27
2.1 Floating rate and up to 3 months initial rate fixation	6.27	6.11	6.37	6.80	6.77	6.83	6.79	6.61	6.77	6.18	6.52	5.76	6.29
2.2 Over 3 months and up to 1 year initial rate fixation	7.02	6.50	6.36	6.02	5.69	5.72	5.95	6.11	6.07	6.11	5.64	5.72	6.25
2.3 Over 1 and up to 3 years initial rate fixation	6.98	7.03	7.26	6.52	6.20	7.52	7.33	7.56	8.16	7.87	6.75	6.89	6.97
2.4 Over 3 and up to 5 years initial rate fixation	7.84	10.47	9.92	4.00	5.60	4.00	5.19	5.64	–	3.67	3.04	–	5.55
2.5 Over 5 and up to 10 years initial rate fixation	5.64	4.31	2.02	4.63	4.05	–	6.50	5.64	3.25	4.55	4.58	5.97	2.00
2.6 Over 10 years initial rate fixation	–	4.07	2.02	–	–	5.64	3.04	–	–	–	6.03	4.77	6.00
3 Loans from HRK 2 million to HRK 7.5 million	4.68	4.24	4.09	4.51	4.62	3.75	4.56	3.93	3.88	3.96	3.62	3.69	3.96
3.1 Floating rate and up to 3 months initial rate fixation	4.58	4.16	3.82	4.48	4.54	3.68	4.45	3.71	3.79	3.90	3.57	3.61	3.78
3.2 Over 3 months and up to 1 year initial rate fixation	6.47	6.40	6.47	5.00	6.07	6.15	5.71	5.98	4.85	4.66	3.92	5.65	5.89
3.3 Over 1 and up to 3 years initial rate fixation	–	–	5.67	5.32	7.00	4.06	4.54	4.07	–	4.47	–	5.85	–
3.4 Over 3 and up to 5 years initial rate fixation	4.07	4.07	–	–	3.47	–	–	4.00	4.80	4.06	–	–	4.90
3.5 Over 5 and up to 10 years initial rate fixation	3.03	–	2.02	4.00	4.00	3.66	4.88	–	2.02	–	5.93	–	4.55
3.6 Over 10 years initial rate fixation	–	–	–	–	–	–	–	2.40	–	–	4.00	–	–
4 Loans over HRK 7.5 million	4.32	3.96	3.76	4.20	4.54	3.36	3.45	4.13	2.95	3.83	3.50	3.06	4.12
4.1 Floating rate and up to 3 months initial rate fixation	4.27	3.72	3.72	4.12	4.50	3.24	3.07	4.08	2.89	3.74	3.37	2.92	3.99
4.2 Over 3 months and up to 1 year initial rate fixation	–	7.67	4.45	4.67	8.43	5.75	11.97	5.65	5.12	5.57	7.76	6.70	4.87
4.3 Over 1 and up to 3 years initial rate fixation	–	4.06	–	5.12	4.07	4.26	5.39	3.28	–	4.25	5.27	–	–
4.4 Over 3 and up to 5 years initial rate fixation	–	5.65	–	–	–	–	–	–	6.22	–	4.74	–	–
4.5 Over 5 and up to 10 years initial rate fixation	3.03	–	–	–	–	–	5.01	–	–	–	–	3.45	10.47
4.6 Over 10 years initial rate fixation	–	–	–	4.58	–	–	6.49	–	–	–	–	–	–
<b>Volume</b>													
1 Revolving loans, overdrafts and credit card credit	2,393.4	2,454.2	2,483.1	2,447.9	2,380.8	2,188.7	2,137.8	1,985.4	1,976.8	2,004.2	2,043.3	2,108.9	2,043.2
o/w: Revolving loans and overdrafts	2,292.6	2,360.5	2,388.0	2,349.4	2,281.0	2,080.5	2,022.8	1,861.7	1,851.3	1,905.9	1,940.6	2,010.0	1,944.3
o/w: Credit card credit	63.0	60.5	61.2	59.0	58.8	60.3	59.1	57.4	55.2	57.7	59.5	61.0	60.9
2 Loans up to an amount of HRK 2 million	410.6	298.0	268.1	341.9	313.5	289.4	303.6	335.7	183.5	314.7	338.8	383.1	414.0
2.1 Floating rate and up to 3 months initial rate fixation	343.0	268.9	225.6	310.8	270.1	260.7	264.9	289.7	156.1	284.2	300.5	349.2	348.9
2.2 Over 3 months and up to 1 year initial rate fixation	62.3	21.9	38.2	22.9	32.9	19.0	33.0	40.3	24.2	26.2	27.4	22.2	58.0
2.3 Over 1 and up to 3 years initial rate fixation	1.9	3.0	3.2	6.2	8.5	7.7	3.4	5.3	2.2	2.9	5.2	6.0	3.4
2.4 Over 3 and up to 5 years initial rate fixation	3.3	0.1	0.1	0.3	0.9	1.7	0.3	0.1	–	0.9	0.4	–	1.6
2.5 Over 5 and up to 10 years initial rate fixation	0.1	2.9	0.7	1.8	1.1	–	1.5	0.3	1.0	0.6	2.7	1.4	1.4
2.6 Over 10 years initial rate fixation	–	1.2	0.2	–	–	0.3	0.5	–	–	–	2.4	4.3	0.8
3 Loans from HRK 2 million to HRK 7.5 million	482.8	307.4	417.2	509.8	452.8	378.7	448.5	441.0	356.2	427.0	483.7	449.8	663.2
3.1 Floating rate and up to 3 months initial rate fixation	440.8	294.8	364.9	474.1	408.5	359.8	388.4	379.7	311.7	391.6	460.0	431.3	593.5

	2013	2014.											
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
3.2 Over 3 months and up to 1 year initial rate fixation	29.8	10.3	42.3	22.9	11.3	9.5	35.0	45.8	32.2	20.9	10.5	16.4	46.0
3.3 Over 1 and up to 3 years initial rate fixation	–	–	5.0	8.2	13.4	2.5	14.5	5.0	–	12.0	–	2.0	–
3.4 Over 3 and up to 5 years initial rate fixation	7.4	2.3	–	–	8.0	–	–	2.7	7.5	2.5	–	–	5.8
3.5 Over 5 and up to 10 years initial rate fixation	4.8	–	5.0	4.5	11.6	7.0	10.6	–	4.9	–	8.7	–	17.9
3.6 Over 10 years initial rate fixation	–	–	–	–	–	–	–	7.7	–	–	4.5	–	–
4 Loans over HRK 7.5 million	2,075.3	1,661.5	1,253.1	1,639.1	2,008.4	1,365.7	1,969.4	2,421.6	1,572.6	1,936.5	1,210.8	1,806.4	1,693.9
4.1 Floating rate and up to 3 months initial rate fixation	1,987.0	1,531.5	1,181.5	1,423.1	1,915.9	1,258.6	1,717.3	2,262.3	1,537.4	1,810.3	1,126.7	1,696.4	1,514.1
4.2 Over 3 months and up to 1 year initial rate fixation	76.8	90.0	71.7	125.7	28.0	29.5	25.0	101.3	20.0	78.7	7.5	60.0	170.9
4.3 Over 1 and up to 3 years initial rate fixation	–	15.0	–	35.3	64.5	77.6	157.1	58.0	–	47.5	38.0	–	–
4.4 Over 3 and up to 5 years initial rate fixation	–	25.0	–	–	–	–	–	–	15.1	–	38.6	–	–
4.5 Over 5 and up to 10 years initial rate fixation	11.4	–	–	–	–	–	55.0	–	–	–	–	50.0	8.9
4.6 Over 10 years initial rate fixation	–	–	–	55.0	–	–	15.0	–	–	–	–	–	–

**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 non-financial 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

	2013	2014.											
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
<b>Interest rate</b>													
1 Revolving loans, overdrafts and credit card credit	6.86	6.88	6.71	6.82	6.68	6.65	6.52	6.63	6.43	6.56	6.37	6.39	6.57
o/w: Revolving loans and overdrafts	6.86	6.88	6.71	6.82	6.68	6.65	6.52	6.63	6.43	6.56	6.37	6.39	6.57
o/w: Credit card credit	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>2 Loans up to an amount of HRK 2 million</b>	<b>6.94</b>	<b>7.46</b>	<b>7.15</b>	<b>7.05</b>	<b>6.96</b>	<b>6.91</b>	<b>6.94</b>	<b>7.08</b>	<b>6.95</b>	<b>7.07</b>	<b>6.72</b>	<b>7.17</b>	<b>6.22</b>
2.1 Floating rate and up to 3 months initial rate fixation	7.02	7.54	7.23	7.12	6.95	6.91	7.04	7.15	6.94	7.10	6.73	7.22	6.27
2.2 Over 3 months and up to 1 year initial rate fixation	6.47	5.78	6.30	6.00	6.34	6.57	6.26	6.37	6.94	7.06	7.15	4.93	5.36
2.3 Over 1 and up to 3 years initial rate fixation	5.64	7.51	5.62	9.04	9.69	6.99	-	5.40	9.05	8.72	5.67	6.96	4.61
2.4 Over 3 and up to 5 years initial rate fixation	6.30	-	6.93	5.48	9.14	-	6.39	7.23	5.38	4.88	4.51	5.51	5.61
2.5 Over 5 and up to 10 years initial rate fixation	4.82	6.77	7.74	8.64	6.55	8.77	4.65	7.87	7.01	6.23	6.85	7.23	6.02
2.6 Over 10 years initial rate fixation	-	6.14	8.00	6.37	5.95	7.12	6.39	-	7.76	-	6.15	3.86	-
o/w: EUR	6.94	7.46	7.15	7.06	6.96	6.91	6.94	7.08	6.95	7.07	6.72	7.17	6.22
Short-term	7.11	7.32	7.23	7.01	7.13	7.03	7.33	7.28	6.90	7.12	6.92	7.02	6.62
Long-term	6.74	7.65	7.07	7.11	6.82	6.78	6.60	6.89	7.01	7.04	6.57	7.28	5.93
o/w: CHF	-	3.10	-	4.20	-	-	-	-	-	-	-	-	-
Short-term	-	3.10	-	4.20	-	-	-	-	-	-	-	-	-
Long-term	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>3 Loans from HRK 2 million to HRK 7.5 million</b>	<b>6.32</b>	<b>6.77</b>	<b>6.29</b>	<b>6.48</b>	<b>5.85</b>	<b>6.46</b>	<b>6.25</b>	<b>5.88</b>	<b>6.51</b>	<b>6.36</b>	<b>5.93</b>	<b>6.42</b>	<b>6.05</b>
3.1 Floating rate and up to 3 months initial rate fixation	6.52	6.84	6.47	6.59	5.92	6.62	6.31	5.93	6.72	6.58	6.10	6.42	6.30
3.2 Over 3 months and up to 1 year initial rate fixation	5.52	5.43	6.10	5.64	5.71	6.01	5.82	5.85	5.43	4.31	4.34	5.61	5.29
3.3 Over 1 and up to 3 years initial rate fixation	-	8.50	5.46	-	-	6.47	4.40	4.03	4.06	4.34	-	-	1.71
3.4 Over 3 and up to 5 years initial rate fixation	-	-	5.46	-	5.75	6.00	4.40	-	-	4.95	-	-	-
3.5 Over 5 and up to 10 years initial rate fixation	-	5.38	-	-	-	3.03	-	-	-	4.96	-	-	3.65
3.6 Over 10 years initial rate fixation	3.82	-	3.03	-	3.03	-	-	-	-	-	3.04	-	2.50
o/w: EUR	6.32	6.77	6.31	6.48	5.85	6.46	6.28	5.88	6.51	6.41	5.93	6.42	6.05
Short-term	6.58	7.16	6.90	6.81	5.92	6.88	6.64	5.95	6.05	5.92	6.21	6.17	5.99
Long-term	6.17	6.48	5.57	6.14	5.79	6.18	6.05	5.83	6.67	6.80	5.73	6.57	6.07
o/w: CHF	-	-	-	-	-	-	5.15	-	-	4.06	-	-	-
Short-term	-	-	-	-	-	-	5.15	-	-	-	-	-	-
Long-term	-	-	-	-	-	-	-	-	-	4.06	-	-	-
<b>4 Loans over HRK 7.5 million</b>	<b>5.39</b>	<b>6.07</b>	<b>6.33</b>	<b>5.39</b>	<b>5.76</b>	<b>5.88</b>	<b>6.58</b>	<b>6.51</b>	<b>6.18</b>	<b>6.02</b>	<b>5.86</b>	<b>6.58</b>	<b>5.87</b>
4.1 Floating rate and up to 3 months initial rate fixation	5.39	6.18	6.81	5.73	5.78	5.97	6.82	6.56	6.18	5.99	5.90	6.64	6.04
4.2 Over 3 months and up to 1 year initial rate fixation	6.66	5.80	4.78	5.43	4.50	-	5.30	6.65	-	8.30	7.34	-	5.11
4.3 Over 1 and up to 3 years initial rate fixation	-	-	-	3.40	6.01	-	-	-	-	-	-	6.14	4.25
4.4 Over 3 and up to 5 years initial rate fixation	-	-	-	-	-	-	-	-	-	-	-	4.50	-
4.5 Over 5 and up to 10 years initial rate fixation	4.66	-	7.23	4.06	-	3.82	4.36	-	-	-	-	-	4.32
4.6 Over 10 years initial rate fixation	-	2.01	2.02	5.09	5.64	-	-	3.58	-	-	3.18	-	2.94
o/w: EUR	5.39	6.24	6.33	5.36	5.78	5.88	6.58	6.51	6.18	6.00	5.86	6.58	5.87
Short-term	4.98	7.42	7.17	6.75	6.79	5.70	7.66	7.65	6.49	6.86	7.20	6.70	6.02
Long-term	6.16	4.93	5.72	4.61	4.75	6.04	5.14	5.56	5.21	5.43	4.88	6.50	5.77
o/w: CHF	5.38	3.55	-	6.43	-	-	-	-	-	-	-	-	-
Short-term	-	-	-	-	-	-	-	-	-	-	-	-	-
Long-term	5.38	3.55	-	6.43	-	-	-	-	-	-	-	-	-

	2013	2014.											
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
<b>Volume</b>													
1 Revolving loans, overdrafts and credit card credit	422.7	426.1	454.6	433.6	446.8	428.4	429.3	421.4	410.3	421.2	419.2	460.2	450.9
o/w: Revolving loans and overdrafts	422.7	426.1	454.6	433.6	446.8	428.4	429.3	421.4	410.3	421.2	419.2	460.2	450.9
o/w: Credit card credit	-	-	-	-	-	-	-	-	-	-	-	-	-
2 Loans up to an amount of HRK 2 million	260.1	203.0	232.8	231.4	255.3	219.9	247.7	210.5	132.0	181.5	210.3	200.1	282.4
2.1 Floating rate and up to 3 months initial rate fixation	240.1	188.2	201.5	210.0	233.1	207.5	220.1	187.5	122.0	173.5	196.7	193.7	268.0
2.2 Over 3 months and up to 1 year initial rate fixation	11.5	8.3	22.1	16.3	8.6	8.5	24.8	13.8	6.9	4.4	8.3	2.1	11.1
2.3 Over 1 and up to 3 years initial rate fixation	2.5	3.9	1.5	2.4	2.7	1.4	-	4.6	0.8	1.0	3.9	1.4	1.5
2.4 Over 3 and up to 5 years initial rate fixation	0.0	-	2.0	1.9	2.8	-	0.2	0.2	0.5	2.5	0.8	0.8	0.9
2.5 Over 5 and up to 10 years initial rate fixation	6.1	2.2	2.3	0.6	3.5	1.0	2.1	4.4	1.5	0.1	0.5	1.2	0.9
2.6 Over 10 years initial rate fixation	-	0.5	3.5	0.1	4.7	1.4	0.5	-	0.5	-	0.2	0.9	-
o/w: EUR	259.9	202.9	232.8	230.8	254.8	219.9	247.3	210.1	131.7	181.5	209.4	200.1	282.3
Short-term	139.9	116.2	113.1	124.3	115.2	108.1	114.6	102.0	66.2	77.9	92.1	85.7	118.9
Long-term	120.1	86.7	119.7	106.5	139.6	111.9	132.7	108.1	65.4	103.6	117.3	114.4	163.4
o/w: CHF	-	0.0	-	0.1	-	-	-	-	-	-	-	-	-
Short-term	-	0.0	-	0.1	-	-	-	-	-	-	-	-	-
Long-term	-	-	-	-	-	-	-	-	-	-	-	-	-
3 Loans from HRK 2 million to HRK 7.5 million	384.7	212.7	237.0	256.1	247.0	224.1	292.3	281.2	113.8	210.9	214.6	253.1	444.7
3.1 Floating rate and up to 3 months initial rate fixation	339.2	196.0	185.4	226.2	211.4	194.0	270.4	252.7	98.3	189.0	199.2	250.8	399.9
3.2 Over 3 months and up to 1 year initial rate fixation	26.2	11.3	35.9	29.8	29.8	15.3	15.2	20.9	12.4	8.5	7.9	2.3	10.9
3.3 Over 1 and up to 3 years initial rate fixation	-	2.4	5.4	-	-	5.1	3.3	7.6	3.0	6.4	-	-	6.7
3.4 Over 3 and up to 5 years initial rate fixation	-	-	5.4	-	2.3	2.7	3.3	-	-	2.3	-	-	-
3.5 Over 5 and up to 10 years initial rate fixation	-	3.1	-	-	-	7.0	-	-	-	4.7	-	-	26.3
3.6 Over 10 years initial rate fixation	19.3	-	5.0	-	3.5	-	-	-	-	-	7.5	-	1.0
o/w: EUR	384.7	212.7	231.7	256.1	247.0	224.1	285.0	281.2	113.8	205.9	214.6	253.1	444.7
Short-term	143.1	89.2	129.2	128.7	104.3	89.7	113.4	114.5	28.7	90.9	89.4	96.6	137.3
Long-term	241.6	123.5	102.5	127.4	142.6	134.4	171.6	166.7	85.1	115.0	125.2	156.6	307.5
o/w: CHF	-	-	-	-	-	-	4.0	-	-	2.7	-	-	-
Short-term	-	-	-	-	-	-	4.0	-	-	-	-	-	-
Long-term	-	-	-	-	-	-	-	-	-	2.7	-	-	-
4 Loans over HRK 7.5 million	1,832.3	705.7	372.7	622.0	863.3	484.4	444.5	777.9	500.4	755.6	735.2	454.5	2,054.6
4.1 Floating rate and up to 3 months initial rate fixation	1,778.2	642.2	262.7	498.8	825.5	465.4	397.7	734.8	500.4	745.6	708.5	429.3	1,833.2
4.2 Over 3 months and up to 1 year initial rate fixation	20.4	49.6	53.6	13.1	15.3	-	10.0	31.0	-	10.0	9.4	-	115.0
4.3 Over 1 and up to 3 years initial rate fixation	-	-	-	72.7	14.5	-	-	-	-	-	-	15.3	19.2
4.4 Over 3 and up to 5 years initial rate fixation	-	-	-	-	-	-	-	-	-	-	-	9.9	-
4.5 Over 5 and up to 10 years initial rate fixation	33.8	-	38.3	14.5	-	19.0	36.9	-	-	-	-	-	48.0
4.6 Over 10 years initial rate fixation	-	14.0	18.1	22.8	8.0	-	-	12.1	-	-	17.2	-	39.2
o/w: EUR	1,824.3	659.3	372.7	606.9	838.4	484.4	444.5	777.9	500.4	745.6	735.2	454.5	2,054.6
Short-term	1,189.7	347.7	156.4	213.6	424.6	225.4	253.9	356.6	378.8	299.1	309.8	168.7	814.2
Long-term	634.7	311.6	216.3	393.4	413.8	259.0	190.6	421.3	121.6	446.5	425.4	285.8	1,240.4
o/w: CHF	8.0	46.5	-	15.1	-	-	-	-	-	-	-	-	-
Short-term	-	-	-	-	-	-	-	-	-	-	-	-	-
Long-term	8.0	46.5	-	15.1	-	-	-	-	-	-	-	-	-



	2013	2014.											
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
<b>Volume</b>													
1 Revolving loans, overdrafts and credit card credit	278.8	233.6	229.3	260.4	255.9	260.1	260.3	246.4	233.0	228.0	213.7	213.5	175.5
o/w: Revolving loans and overdrafts	273.5	227.7	224.0	254.2	250.4	254.1	254.9	241.5	228.8	222.3	207.0	207.9	170.0
o/w: Credit card credit	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.0	0.1	0.1	0.1	0.1
2 Loans up to an amount of HRK 2 million	77.2	52.6	55.3	55.1	67.2	47.3	42.8	51.7	42.0	53.5	42.0	43.9	68.5
2.1 Floating rate and up to 3 months initial rate fixation	72.6	50.2	54.0	53.3	66.7	46.2	39.5	50.7	36.8	51.6	41.3	43.4	62.4
2.2 Over 3 months and up to 1 year initial rate fixation	3.0	2.4	1.3	1.9	0.5	1.1	3.3	0.6	5.2	1.7	0.7	0.5	2.4
2.3 Over 1 and up to 3 years initial rate fixation	0.1	-	-	-	-	-	-	0.4	-	0.2	-	-	2.4
2.4 Over 3 and up to 5 years initial rate fixation	1.0	-	-	-	-	-	-	-	-	-	-	-	1.3
2.5 Over 5 and up to 10 years initial rate fixation	0.5	-	-	-	-	-	-	-	-	-	-	-	-
2.6 Over 10 years initial rate fixation	-	-	-	-	-	-	-	-	-	-	-	-	-
o/w: EUR	73.5	50.7	51.2	54.0	65.1	45.4	39.1	48.0	37.3	48.7	41.0	42.7	66.6
Short-term	53.8	38.8	40.5	40.8	50.3	37.3	34.5	38.9	29.4	41.7	36.7	35.4	41.9
Long-term	19.7	11.9	10.7	13.2	14.7	8.1	4.6	9.0	7.8	7.0	4.3	7.3	24.6
o/w: USD	1.3	1.8	4.1	1.2	2.1	2.0	3.6	3.7	4.8	4.8	1.0	1.2	1.9
Short-term	1.1	1.8	2.9	0.8	1.3	0.6	3.3	3.7	4.8	3.8	1.0	1.2	1.8
Long-term	0.2	-	1.2	0.4	0.8	1.4	0.3	-	-	1.0	-	-	0.1
3 Loans from HRK 2 million to HRK 7.5 million	160.9	127.9	131.0	191.2	158.5	110.9	95.0	141.1	30.1	135.3	131.2	72.9	104.1
3.1 Floating rate and up to 3 months initial rate fixation	160.9	127.9	131.0	191.2	155.6	100.3	89.3	124.5	25.7	127.7	131.2	72.9	104.1
3.2 Over 3 months and up to 1 year initial rate fixation	-	-	-	-	2.9	10.6	5.7	2.3	-	7.6	-	-	-
3.3 Over 1 and up to 3 years initial rate fixation	-	-	-	-	-	-	-	8.2	-	-	-	-	-
3.4 Over 3 and up to 5 years initial rate fixation	-	-	-	-	-	-	-	6.1	4.4	-	-	-	-
3.5 Over 5 and up to 10 years initial rate fixation	-	-	-	-	-	-	-	-	-	-	-	-	-
3.6 Over 10 years initial rate fixation	-	-	-	-	-	-	-	-	-	-	-	-	-
o/w: EUR	135.2	86.7	94.4	160.7	123.8	93.5	73.1	113.1	24.7	125.9	108.4	53.6	87.7
Short-term	85.8	75.1	89.2	132.0	109.5	86.5	52.4	65.8	14.9	98.9	82.4	28.2	35.0
Long-term	49.4	11.6	5.3	28.8	14.2	7.0	20.7	47.3	9.8	27.0	26.1	25.4	52.7
o/w: USD	13.1	24.3	19.1	13.1	21.7	-	-	4.3	5.4	9.4	22.8	19.3	16.4
Short-term	13.1	24.3	19.1	13.1	15.6	-	-	4.3	5.4	9.4	22.8	13.1	16.4
Long-term	-	-	-	-	6.1	-	-	-	-	-	-	6.1	-
4 Loans over HRK 7.5 million	728.2	532.5	495.4	625.2	584.3	716.2	256.7	1,004.5	489.2	370.8	1,143.4	816.7	777.9
4.1 Floating rate and up to 3 months initial rate fixation	728.2	532.5	474.6	625.2	552.4	636.8	241.5	1,004.5	412.9	370.8	921.6	433.5	754.9
4.2 Over 3 months and up to 1 year initial rate fixation	-	-	20.8	-	31.9	-	15.1	-	76.3	-	221.9	-	15.3
4.3 Over 1 and up to 3 years initial rate fixation	-	-	-	-	-	-	-	-	-	-	-	-	7.7
4.4 Over 3 and up to 5 years initial rate fixation	-	-	-	-	-	-	-	-	-	-	-	-	-
4.5 Over 5 and up to 10 years initial rate fixation	-	-	-	-	-	79.4	-	-	-	-	-	383.2	-
4.6 Over 10 years initial rate fixation	-	-	-	-	-	-	-	-	-	-	-	-	-
o/w: EUR	706.0	375.8	475.7	625.2	410.9	716.2	210.9	1,004.5	431.9	340.5	922.3	816.7	499.6
Short-term	448.6	282.7	248.2	511.1	282.1	420.2	75.3	890.5	48.5	154.6	570.9	119.7	422.2
Long-term	257.4	93.1	227.5	114.1	128.8	296.0	135.6	114.0	383.4	185.9	351.4	697.0	77.4
o/w: USD	22.2	156.7	19.6	-	173.4	-	45.8	-	57.2	-	221.1	-	195.7
Short-term	22.2	156.7	19.6	-	173.4	-	10.7	-	57.2	-	221.1	-	118.0
Long-term	-	-	-	-	-	-	35.1	-	-	-	-	-	77.7

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

	2013 Dec.	2014.											
		Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
<b>Interest rate</b>													
<b>1 Households</b>													
1.1 Kuna loans													
1.1.1 Consumer loans	8.17	8.65	8.41	8.53	8.19	8.34	8.26	8.33	8.12	7.83	8.26	8.97	8.95
1.1.2 Loans for house purchases	6.11	6.11	5.88	6.07	5.94	5.82	5.79	5.78	5.72	5.74	5.65	5.64	5.58
1.2 Loans indexed to f/c													
1.2.1 Consumer loans	8.88	8.89	8.59	7.71	8.84	9.14	9.13	8.38	9.31	9.10	8.68	9.52	8.71
o/w: EUR	9.05	9.01	8.78	7.74	8.93	9.16	9.37	8.43	9.27	9.10	8.69	9.52	8.71
Short-term	9.22	10.59	10.78	11.17	10.80	10.87	8.89	10.88	10.85	10.89	10.78	9.69	10.90
Long-term	9.05	9.01	8.78	7.69	8.93	9.15	9.40	8.41	9.25	9.09	8.68	9.51	8.61
o/w: CHF	7.18	7.16	7.25	7.25	7.09	7.59	7.27	7.73	16.03	-	8.53	-	-
Short-term	-	-	-	-	-	-	-	-	16.03	-	-	-	-
Long-term	7.18	7.16	7.25	7.25	7.09	7.59	7.27	7.73	-	-	8.53	-	-
1.2.2 Loans for house purchases	5.73	4.77	5.57	5.05	5.58	5.54	5.77	5.56	5.43	5.47	5.49	5.57	5.53
o/w: EUR	5.77	4.80	5.63	5.12	5.70	5.63	5.83	5.63	5.47	5.56	5.54	5.60	5.59
Short-term	5.85	5.66	5.76	5.84	5.78	5.79	5.83	5.66	5.63	5.52	5.50	5.58	5.55
Long-term	5.76	4.71	5.61	5.04	5.69	5.60	5.83	5.63	5.44	5.56	5.54	5.60	5.60
o/w: CHF	5.16	3.64	4.38	3.82	3.63	4.15	3.71	3.72	4.24	3.85	4.21	4.74	4.34
Short-term	-	6.46	3.46	-	-	-	-	-	-	-	-	0.00	-
Long-term	5.16	3.63	4.38	3.82	3.63	4.15	3.71	3.72	4.24	3.85	4.21	4.74	4.34
1.3 F/c loans													
1.3.1 Consumer loans	-	7.75	-	-	-	-	-	-	-	-	-	-	-
1.3.2 Loans for house purchases	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>2 Loans to non-financial corporations</b>													
2.1 Kuna loans													
2.1.1 Loans up to an amount of HRK 7.5 million	6.24	5.88	5.58	6.24	6.27	5.77	6.14	5.84	5.43	5.62	5.61	5.40	5.56
2.1.2 Loans over HRK 7.5 million	4.56	4.38	4.21	4.66	5.01	3.65	3.70	4.78	3.21	4.07	3.69	3.34	4.45
2.2 Loans indexed to f/c													
2.2.1 Loans up to an amount of HRK 7.5 million	7.24	7.96	7.44	7.62	7.08	7.48	7.26	7.03	7.36	7.48	7.15	7.50	6.92
2.2.2 Loans over HRK 7.5 million	7.93	6.92	6.81	6.03	6.18	6.79	7.53	7.23	6.88	6.89	6.69	6.90	7.35
2.3 F/c loans													
2.3.1 Loans up to an amount of HRK 7.5 million	5.99	5.16	4.77	5.51	4.95	5.74	7.09	6.10	5.74	4.70	5.55	5.18	6.69
2.3.2 Loans over HRK 7.5 million	4.41	4.05	3.36	3.87	3.11	2.96	5.48	4.36	4.10	3.99	3.81	5.67	4.65
<b>Volume</b>													
<b>1 Households</b>													
1.1 Kuna loans													
1.1.1 Consumer loans	26.6	28.5	25.8	28.9	26.1	26.4	27.7	31.0	19.7	24.1	30.8	20.3	19.8
1.1.2 Loans for house purchases	26.0	40.1	39.3	43.2	46.3	48.5	45.3	43.7	22.8	31.1	40.7	38.1	61.4
1.2 Loans indexed to f/c													
1.2.1 Consumer loans	2.9	4.9	3.7	3.8	2.6	2.1	1.2	2.6	1.4	2.3	2.5	1.3	0.6
o/w: EUR	2.6	4.5	3.2	3.6	2.5	2.1	1.1	2.4	1.4	2.3	2.4	1.3	0.6
Short-term	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.0
Long-term	2.6	4.5	3.2	3.6	2.5	2.1	1.0	2.4	1.4	2.3	2.4	1.3	0.6
o/w: CHF	0.3	0.3	0.5	0.2	0.1	0.0	0.1	0.2	0.0	-	0.0	-	-
Short-term	-	-	-	-	-	-	-	-	0.0	-	-	-	-
Long-term	0.3	0.3	0.5	0.2	0.1	0.0	0.1	0.2	-	-	0.0	-	-
1.2.2 Loans for house purchases	296.1	388.7	336.0	355.4	314.4	322.1	339.8	351.2	288.0	285.9	348.9	332.3	382.1
o/w: EUR	276.2	379.0	317.7	338.0	295.7	302.0	330.7	337.8	279.3	271.6	336.1	320.7	362.5
Short-term	39.2	36.2	43.1	34.3	39.9	35.2	35.6	37.8	41.3	29.4	44.5	44.7	32.1

	2013	2014.											
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
Long-term	237.0	342.8	274.5	303.6	255.8	266.8	295.1	300.1	238.0	242.1	291.6	276.0	330.4
o/w: CHF	19.8	9.7	17.8	17.4	18.3	19.4	9.1	12.3	8.7	14.3	12.9	11.5	18.6
Short-term	–	0.0	0.0	–	–	–	–	–	–	–	–	0.0	–
Long-term	19.8	9.6	17.7	17.4	18.3	19.4	9.1	12.3	8.7	14.3	12.9	11.5	18.6
1.3 F/c loans													
1.3.1 Consumer loans	–	0.2	–	–	–	–	–	–	–	–	–	–	–
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	893.3	605.3	685.3	851.7	766.3	668.1	752.1	776.7	539.8	741.7	822.5	832.9	1,077.2
2.1.2 Loans over HRK 7.5 million	2,075.3	1,661.5	1,253.1	1,639.1	2,008.4	1,365.7	1,969.4	2,421.6	1,572.6	1,936.5	1,210.8	1,806.4	1,693.9
2.2 Loans indexed to f/c													
2.2.1 Loans up to an amount of HRK 7.5 million	644.8	415.7	464.5	487.5	502.3	444.0	536.7	491.7	245.8	390.1	424.9	453.2	727.2
2.2.2 Loans over HRK 7.5 million	1,832.3	705.7	372.7	622.0	863.3	484.4	444.5	777.9	500.4	755.6	735.2	454.5	2,054.6
2.3 F/c loans													
2.3.1 Loans up to an amount of HRK 7.5 million	238.2	180.5	186.2	246.3	225.7	158.2	137.8	186.6	72.2	188.9	173.2	116.7	172.6
2.3.2 Loans over HRK 7.5 million	728.2	532.5	495.4	625.2	584.3	716.2	256.7	1,004.5	489.2	370.8	1,143.4	816.7	777.9

**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

	2013	2014.											
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
<b>Interest rate</b>													
1 Deposits	3.21	3.20	3.14	3.09	3.04	3.02	3.01	2.92	2.90	2.86	2.78	2.71	2.70
1.1 Households	3.44	3.38	3.32	3.26	3.22	3.19	3.18	3.12	3.10	3.05	3.02	2.98	2.95
1.1.1 Time deposits	3.44	3.38	3.32	3.26	3.22	3.19	3.18	3.12	3.10	3.05	3.02	2.98	2.95
1.1.1.1 Short-term	3.24	3.18	3.11	3.05	3.01	2.97	2.96	2.89	2.87	2.81	2.77	2.74	2.70
1.1.1.1.1 Up to 3 months	2.40	2.33	2.24	2.19	2.16	2.17	2.24	2.09	2.13	2.06	2.03	1.99	1.95
1.1.1.1.2 Over 3 and up to 6 months	2.95	2.91	2.89	2.82	2.79	2.72	2.70	2.66	2.62	2.58	2.55	2.51	2.47
1.1.1.1.3 Over 6 months and up to 1 year	3.54	3.47	3.41	3.34	3.29	3.25	3.21	3.16	3.13	3.06	3.03	2.99	2.94
1.1.1.2 Long-term	3.81	3.76	3.71	3.64	3.60	3.57	3.54	3.50	3.48	3.43	3.41	3.37	3.33
1.1.1.2.1 Over 1 and up to 2 years	3.93	3.86	3.79	3.70	3.65	3.60	3.56	3.53	3.50	3.46	3.43	3.39	3.34
1.1.1.2.2 Over 2 years	3.65	3.61	3.59	3.57	3.54	3.52	3.50	3.46	3.44	3.40	3.39	3.34	3.31
1.2 Non-financial corporations	2.53	2.59	2.51	2.51	2.41	2.40	2.41	2.31	2.33	2.30	2.17	2.09	2.08
1.2.1 Time deposits	2.53	2.59	2.51	2.51	2.41	2.40	2.41	2.31	2.33	2.30	2.17	2.09	2.08
1.2.1.1 Short-term	2.37	2.46	2.36	2.37	2.29	2.31	2.33	2.18	2.18	2.14	1.99	1.95	1.97
1.2.1.1.1 Up to 3 months	1.53	1.72	1.66	1.79	1.67	1.78	1.78	1.63	1.68	1.68	1.32	1.39	1.34
1.2.1.1.2 Over 3 and up to 6 months	2.44	2.43	2.36	2.29	2.30	2.30	2.32	2.24	2.18	2.14	2.14	2.08	2.01
1.2.1.1.3 Over 6 months and up to 1 year	3.19	3.13	2.94	2.84	2.77	2.71	2.69	2.61	2.57	2.50	2.48	2.39	2.38
1.2.1.2 Long-term	2.99	2.98	2.98	2.94	2.73	2.62	2.58	2.65	2.72	2.70	2.60	2.41	2.28
1.2.1.2.1 Over 1 and up to 2 years	3.22	3.18	3.10	3.09	2.82	2.80	2.82	2.83	2.82	2.80	2.75	2.68	2.82
1.2.1.2.2 Over 2 years	2.69	2.73	2.82	2.75	2.61	2.35	2.25	2.39	2.55	2.54	2.41	2.09	1.80
1.3 Repos	0.61	0.30	0.25	0.25	0.38	2.50	2.50	0.55	0.51	0.51	0.62	0.46	0.54
2 Loans	7.78	7.56	7.58	7.59	7.59	7.63	7.63	7.56	7.53	7.53	7.56	7.48	7.49
2.1 Households	9.23	8.98	8.96	8.94	8.92	8.90	8.88	8.81	8.79	8.77	8.76	8.76	8.72
2.1.1 Loans for house purchases	6.46	6.35	6.35	6.34	6.31	6.29	6.27	6.11	5.99	5.99	5.98	5.96	5.95
2.1.1.1 Short-term	-	9.41	9.44	9.91	9.38	9.38	10.09	10.08	10.76	12.16	12.86	-	-
2.1.1.2 Long-term	6.46	6.35	6.35	6.34	6.31	6.29	6.27	6.11	5.99	5.99	5.98	5.96	5.95
2.1.1.2.1 Over 1 and up to 5 years	6.20	6.09	6.07	6.04	5.97	5.94	5.89	5.75	5.70	5.70	5.68	5.64	5.63
2.1.1.2.2 Over 5 years	6.46	6.35	6.35	6.34	6.31	6.29	6.27	6.11	5.99	5.99	5.98	5.96	5.95
2.1.2 Consumer loans and other loans	9.68	9.41	9.38	9.35	9.33	9.29	9.28	9.21	9.21	9.19	9.17	9.17	9.13
2.1.2.1 Short-term	10.10	9.55	9.54	9.52	9.51	9.45	9.45	9.44	9.47	9.43	9.43	9.45	9.38
2.1.2.2 Long-term	9.38	9.31	9.28	9.24	9.21	9.19	9.17	9.07	9.05	9.04	9.02	9.00	8.97
2.1.2.2.1 Over 1 and up to 5 years	9.35	9.27	9.22	9.34	9.30	9.25	9.22	9.15	9.12	9.12	9.09	9.06	9.04
2.1.2.2.2 Over 5 years	9.38	9.32	9.29	9.21	9.17	9.16	9.15	9.05	9.02	9.02	8.99	8.98	8.95
o/w: Sole proprietors	7.77	7.75	7.76	7.78	7.79	7.77	7.66	7.62	7.53	7.53	7.48	7.46	7.38
2.2 Non-financial corporations	5.69	5.57	5.62	5.63	5.66	5.73	5.70	5.70	5.65	5.57	5.67	5.48	5.49
2.2.1 Loans	5.69	5.57	5.62	5.63	5.66	5.73	5.70	5.70	5.65	5.57	5.67	5.48	5.49
2.2.1.1 Short-term	6.21	6.04	6.15	6.18	6.23	6.48	6.47	6.48	6.43	6.26	6.44	6.16	6.03
2.2.1.2 Long-term	5.18	5.09	5.10	5.10	5.10	5.05	5.04	5.03	4.99	5.02	5.06	4.95	5.06
2.2.1.2.1 Over 1 and up to 5 years	5.90	5.76	5.86	5.85	5.89	5.76	5.70	5.68	5.59	5.64	5.79	5.60	5.80
2.2.1.2.2 Over 5 years	4.67	4.60	4.56	4.55	4.52	4.51	4.55	4.54	4.57	4.58	4.55	4.50	4.55
<b>Volume</b>													
1 Deposits	28,161.5	28,473.2	28,611.7	28,957.7	29,132.4	28,967.5	28,632.9	29,631.9	29,637.3	29,415.2	29,815.8	30,102.2	29,286.0
1.1 Households	21,971.7	22,454.4	22,585.2	22,677.1	22,674.9	22,666.5	22,467.3	22,735.9	22,770.4	22,593.9	22,628.2	22,544.6	22,391.6
1.1.1 Time deposits	21,971.7	22,454.4	22,585.2	22,677.1	22,674.9	22,666.5	22,467.3	22,735.9	22,770.4	22,593.9	22,628.2	22,544.6	22,391.6
1.1.1.1 Short-term	14,402.4	14,566.6	14,661.2	14,617.9	14,516.5	14,408.8	14,139.8	14,201.7	14,113.2	13,949.8	13,874.8	13,742.6	13,559.7
1.1.1.1.1 Up to 3 months	2,053.6	2,085.2	2,235.3	2,266.4	2,221.8	2,102.9	1,948.6	2,092.5	2,124.1	2,081.0	2,054.1	2,017.6	1,901.5
1.1.1.1.2 Over 3 and up to 6 months	3,352.3	3,431.5	3,358.1	3,280.0	3,244.3	3,255.2	3,201.9	3,147.8	3,130.3	3,101.7	3,092.4	3,039.2	3,034.4
1.1.1.1.3 Over 6 months and up to 1 year	8,996.6	9,049.9	9,067.8	9,071.5	9,050.3	9,050.7	8,989.3	8,961.4	8,858.8	8,767.1	8,728.4	8,685.9	8,623.9
1.1.1.2 Long-term	7,569.3	7,887.8	7,924.0	8,059.2	8,158.4	8,257.7	8,327.5	8,534.2	8,657.2	8,644.1	8,753.4	8,802.0	8,831.9
1.1.1.2.1 Over 1 and up to 2 years	4,429.3	4,619.7	4,614.2	4,679.2	4,736.5	4,789.3	4,840.6	5,035.3	5,097.5	4,987.1	5,055.9	5,051.9	5,071.3

	2013 Dec.	2014.											
		Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
1.1.1.2.2 Over 2 years	3,140.0	3,268.1	3,309.8	3,380.0	3,421.8	3,468.5	3,486.9	3,498.9	3,559.7	3,657.0	3,697.5	3,750.1	3,760.6
1.2 Non-financial corporations	5,872.8	5,869.8	5,945.0	6,199.1	6,371.0	6,295.9	6,160.6	6,669.2	6,559.6	6,514.0	6,545.8	6,677.8	6,171.4
1.2.1 Time deposits	5,872.8	5,869.8	5,945.0	6,199.1	6,371.0	6,295.9	6,160.6	6,669.2	6,559.6	6,514.0	6,545.8	6,677.8	6,171.4
1.2.1.1 Short-term	4,355.5	4,399.5	4,501.9	4,690.0	4,613.0	4,393.9	4,215.7	4,739.2	4,682.4	4,641.9	4,701.5	4,728.9	3,987.4
1.2.1.1.1 Up to 3 months	1,730.6	1,510.3	1,484.0	1,483.3	1,495.2	1,415.1	1,269.7	1,706.3	1,600.7	1,592.3	1,673.9	1,744.9	1,221.7
1.2.1.1.2 Over 3 and up to 6 months	957.4	1,159.6	1,228.4	1,221.3	1,177.1	1,089.4	1,025.4	1,043.0	1,108.9	1,041.6	1,007.8	1,088.5	971.8
1.2.1.1.3 Over 6 months and up to 1 year	1,667.4	1,729.6	1,789.5	1,985.5	1,940.7	1,889.4	1,920.5	1,989.9	1,972.8	2,008.1	2,019.7	1,895.4	1,793.9
1.2.1.2 Long-term	1,517.4	1,470.3	1,443.1	1,509.1	1,758.0	1,902.1	1,944.9	1,930.0	1,877.2	1,872.1	1,844.3	1,949.0	2,183.9
1.2.1.2.1 Over 1 and up to 2 years	851.6	811.7	798.4	844.3	1,056.6	1,131.9	1,143.7	1,138.8	1,165.3	1,155.7	1,065.4	1,071.2	1,027.9
1.2.1.2.2 Over 2 years	665.8	658.5	644.7	664.8	701.4	770.2	801.2	791.2	711.9	716.3	778.9	877.8	1,156.1
1.3 Repos	317.0	149.0	81.5	81.5	86.5	5.0	5.0	226.8	307.3	307.3	641.8	879.7	723.0
2 Loans	47,638.1	48,267.8	48,273.8	49,050.6	50,098.1	50,141.9	50,096.8	50,704.3	50,797.1	50,469.0	51,087.4	51,561.8	51,169.6
2.1 Households	28,131.5	28,192.1	28,355.5	29,032.2	29,585.7	30,091.8	30,289.5	30,417.2	30,497.2	30,823.3	31,227.3	31,437.2	31,632.6
2.1.1 Loans for house purchases	3,935.3	3,938.9	3,953.3	3,956.8	3,963.0	3,972.4	3,977.7	3,990.3	4,009.8	4,010.9	4,011.4	4,023.3	4,032.7
2.1.1.1 Short-term	-	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	-	-
2.1.1.2 Long-term	3,935.3	3,938.7	3,953.0	3,956.6	3,962.9	3,972.2	3,977.5	3,990.2	4,009.7	4,010.8	4,011.3	4,023.3	4,032.7
2.1.1.2.1 Over 1 and up to 5 years	9.3	10.0	10.2	10.4	10.9	10.6	10.9	11.1	11.4	11.8	12.6	12.6	13.1
2.1.1.2.2 Over 5 years	3,925.9	3,928.7	3,942.8	3,946.2	3,952.0	3,961.6	3,966.6	3,979.1	3,998.2	3,999.0	3,998.7	4,010.7	4,019.6
2.1.2 Consumer loans and other loans	24,196.2	24,253.2	24,402.2	25,075.4	25,622.7	26,119.4	26,311.8	26,426.8	26,487.4	26,812.4	27,215.9	27,413.9	27,599.9
2.1.2.1 Short-term	10,025.5	10,004.8	9,885.6	10,115.0	10,245.6	10,359.5	10,283.7	10,159.6	10,106.9	10,226.6	10,338.9	10,300.7	10,341.2
2.1.2.2 Long-term	14,170.7	14,248.4	14,516.6	14,960.4	15,377.1	15,759.9	16,028.2	16,267.3	16,380.6	16,585.8	16,877.0	17,113.2	17,258.7
2.1.2.2.1 Over 1 and up to 5 years	3,349.7	3,345.7	3,379.0	3,725.2	3,858.3	3,984.4	4,056.9	4,130.0	4,157.7	4,200.3	4,275.5	4,358.7	4,404.4
2.1.2.2.2 Over 5 years	10,820.9	10,902.7	11,137.5	11,235.1	11,518.8	11,775.5	11,971.3	12,137.3	12,222.8	12,385.5	12,601.5	12,754.5	12,854.3
o/w: Sole proprietors	932.5	933.1	964.2	1,000.8	1,037.8	1,054.3	1,037.4	997.9	995.8	964.7	977.3	1,009.6	1,009.9
2.2 Non-financial corporations	19,506.7	20,075.7	19,918.3	20,018.3	20,512.4	20,050.1	19,807.2	20,287.2	20,299.9	19,645.7	19,860.1	20,124.6	19,537.0
2.2.1 Loans	19,506.7	20,075.7	19,918.3	20,018.3	20,512.4	20,050.1	19,807.2	20,287.2	20,299.9	19,645.7	19,860.1	20,124.6	19,537.0
2.2.1.1 Short-term	9,663.4	10,090.8	9,789.8	9,838.6	10,199.4	9,516.2	9,190.8	9,371.5	9,247.7	8,747.5	8,693.0	8,856.3	8,653.6
2.2.1.2 Long-term	9,843.3	9,984.9	10,128.6	10,179.7	10,313.0	10,533.9	10,616.4	10,915.7	11,052.2	10,898.1	11,167.1	11,268.3	10,883.3
2.2.1.2.1 Over 1 and up to 5 years	4,052.4	4,178.8	4,211.9	4,253.5	4,392.8	4,550.4	4,535.2	4,749.1	4,616.3	4,506.8	4,609.8	4,596.9	4,437.1
2.2.1.2.2 Over 5 years	5,791.0	5,806.1	5,916.7	5,926.3	5,920.2	5,983.6	6,081.2	6,166.6	6,435.9	6,391.3	6,557.3	6,671.4	6,446.2

**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 "o/w" 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

	2013												2014.
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
<b>Interest rate</b>													
<b>1 Deposits</b>	3.09	3.09	3.10	3.11	3.11	3.10	3.08	3.07	3.06	3.06	3.05	3.03	3.04
1.1 Households	3.09	3.09	3.10	3.11	3.12	3.11	3.09	3.09	3.08	3.07	3.06	3.04	3.04
1.1.1 Time deposits	3.09	3.09	3.10	3.11	3.12	3.11	3.09	3.09	3.08	3.07	3.06	3.04	3.04
1.1.1.1 Short-term	2.98	2.96	2.94	3.00	3.03	2.91	3.01	2.86	2.77	2.58	2.36	2.17	1.98
1.1.1.1.1 Up to 3 months	1.50	1.45	1.29	1.39	1.48	1.36	2.78	1.33	1.32	1.30	1.30	1.27	1.11
1.1.1.1.2 Over 3 and up to 6 months	1.85	1.83	1.63	1.80	1.74	1.69	1.79	1.77	1.81	1.82	1.81	1.62	1.61
1.1.1.1.3 Over 6 months and up to 1 year	3.40	3.37	3.40	3.42	3.39	3.32	3.27	3.23	3.14	2.93	2.65	2.45	2.22
o/w: EUR	3.11	3.10	3.09	3.15	3.13	3.06	3.09	3.01	2.92	2.75	2.50	2.30	2.11
o/w: USD	1.55	1.52	1.33	1.46	1.62	1.44	1.57	1.40	1.37	1.34	1.33	1.35	1.12
1.1.1.2 Long-term	3.10	3.10	3.11	3.12	3.12	3.12	3.09	3.10	3.09	3.09	3.08	3.07	3.07
1.1.1.2.1 Over 1 and up to 2 years	3.00	2.98	2.93	2.90	2.87	2.80	2.77	2.76	2.73	2.70	2.67	2.67	2.69
1.1.1.2.2 Over 2 years	3.10	3.10	3.12	3.13	3.13	3.13	3.11	3.11	3.11	3.11	3.10	3.09	3.09
o/w: EUR	3.14	3.15	3.16	3.17	3.17	3.16	3.14	3.14	3.14	3.14	3.13	3.12	3.12
o/w: USD	2.48	2.46	2.43	2.42	2.33	2.29	2.27	2.23	2.21	2.18	2.17	2.15	2.02
1.2 Non-financial corporations	3.05	3.07	3.07	3.04	3.05	3.03	2.91	2.88	2.85	2.89	2.97	2.90	3.04
1.2.1 Time deposits	3.05	3.07	3.07	3.04	3.05	3.03	2.91	2.88	2.85	2.89	2.97	2.90	3.04
1.2.1.1 Short-term	3.51	3.51	3.47	3.34	3.47	3.45	3.25	3.23	3.16	3.33	3.34	3.06	2.69
1.2.1.1.1 Up to 3 months	2.47	2.26	1.93	2.12	2.07	2.09	2.09	1.66	0.93	0.98	0.95	0.10	0.10
1.2.1.1.2 Over 3 and up to 6 months	3.86	2.42	2.39	2.16	2.07	2.23	2.30	2.14	2.64	2.11	2.13	3.17	1.94
1.2.1.1.3 Over 6 months and up to 1 year	3.62	3.86	3.86	3.84	3.83	3.79	3.51	3.50	3.57	3.59	3.57	3.58	3.41
o/w: EUR	3.51	3.51	3.47	3.34	3.47	3.45	3.25	3.23	3.16	3.33	3.34	3.06	2.69
o/w: USD	3.06	3.06	3.06	3.06	3.05	3.05	3.43	3.43	3.43	3.43	3.43	3.43	2.74
1.2.1.2 Long-term	2.77	2.84	2.87	2.87	2.83	2.82	2.72	2.69	2.70	2.70	2.82	2.82	3.16
1.2.1.2.1 Over 1 and up to 2 years	1.92	2.04	2.21	1.94	1.50	1.49	2.05	1.99	2.04	1.99	1.88	1.87	1.86
1.2.1.2.2 Over 2 years	2.99	3.00	3.00	3.09	3.08	3.07	2.84	2.82	2.82	2.82	2.96	2.97	3.31
o/w: EUR	2.77	2.84	2.87	2.87	2.84	2.83	2.73	2.70	2.71	2.71	2.83	2.83	3.17
o/w: USD	-	-	-	-	1.00	1.00	0.96	0.96	0.96	0.96	0.96	0.96	0.96
1.3 Repos	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>2 Loans</b>	6.61	6.31	6.29	6.28	6.28	6.26	6.25	6.18	6.14	6.13	6.11	6.10	6.08
2.1 Households	6.96	6.53	6.51	6.50	6.49	6.47	6.46	6.39	6.36	6.35	6.33	6.33	6.30
2.1.1 Loans for house purchases	5.60	4.94	4.94	4.94	4.95	4.95	4.94	4.90	4.89	4.88	4.88	4.89	4.88
2.1.1.1 Short-term	5.78	3.50	3.41	3.44	3.45	4.93	5.32	5.35	5.86	5.86	6.19	6.40	6.53
o/w: EUR	4.76	3.67	3.66	3.67	3.70	6.02	5.70	6.21	6.28	6.23	6.39	6.42	6.54
o/w: CHF	5.81	3.46	3.35	3.39	3.39	3.59	3.52	3.67	3.88	4.10	4.47	5.98	0.00
2.1.1.2 Long-term	5.60	4.94	4.94	4.94	4.95	4.95	4.94	4.90	4.89	4.88	4.88	4.89	4.88
2.1.1.2.1 Over 1 and up to 5 years	5.86	5.15	5.15	5.15	5.15	5.09	5.10	5.07	5.02	5.00	4.93	5.02	5.00
2.1.1.2.2 Over 5 years	5.60	4.94	4.94	4.94	4.95	4.94	4.94	4.89	4.89	4.88	4.88	4.89	4.88
o/w: EUR	5.92	5.87	5.87	5.87	5.86	5.86	5.85	5.77	5.76	5.75	5.75	5.75	5.73
o/w: CHF	5.02	3.27	3.26	3.25	3.25	3.26	3.26	3.25	3.26	3.26	3.26	3.26	3.26
2.1.2 Consumer loans and other loans	9.12	9.06	9.05	9.03	9.02	8.99	8.97	8.90	8.86	8.84	8.81	8.82	8.78
2.1.2.1 Short-term	7.10	7.02	7.12	6.84	6.75	6.84	7.04	6.89	6.76	6.65	6.89	6.99	6.91
o/w: EUR	7.26	7.15	7.26	6.97	6.88	6.96	7.19	7.03	6.89	6.77	6.93	7.05	6.94
o/w: CHF	4.06	4.50	4.50	-	-	3.50	3.50	3.50	3.50	3.45	7.07	6.78	8.24
2.1.2.2 Long-term	9.13	9.08	9.07	9.05	9.04	9.01	8.99	8.91	8.88	8.86	8.83	8.84	8.80
2.1.2.2.1 Over 1 and up to 5 years	8.94	8.88	8.84	8.79	8.75	8.70	8.66	8.57	8.50	8.44	8.38	8.33	8.27

	2013	2014.											
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
2.1.2.2.2 Over 5 years	9.16	9.10	9.10	9.08	9.07	9.05	9.03	8.96	8.92	8.91	8.88	8.90	8.86
o/w: EUR	9.22	9.16	9.15	9.12	9.11	9.08	9.06	8.98	8.95	8.93	8.90	8.88	8.84
o/w: CHF	7.09	6.94	6.92	6.90	6.87	6.82	6.79	6.72	6.71	6.67	6.62	7.23	7.21
o/w: Sole proprietors	6.25	6.27	6.29	6.29	6.32	6.28	6.32	6.24	6.20	6.20	6.14	6.13	6.12
2.2 Non-financial corporations	5.74	5.77	5.73	5.72	5.73	5.70	5.70	5.63	5.57	5.56	5.53	5.49	5.51
2.2.1 Loans	5.74	5.77	5.73	5.72	5.73	5.70	5.70	5.63	5.57	5.56	5.53	5.49	5.51
2.2.1.1 Short-term	7.09	7.14	7.17	7.13	7.20	7.20	7.47	7.43	7.12	6.94	6.88	6.82	6.83
o/w: EUR	7.10	7.15	7.19	7.14	7.21	7.20	7.49	7.43	7.15	6.96	6.90	6.83	6.84
o/w: CHF	4.59	4.58	4.58	4.58	4.58	6.87	4.58	8.14	4.27	4.58	5.04	5.04	4.95
2.2.1.2 Long-term	5.58	5.60	5.55	5.54	5.54	5.50	5.49	5.41	5.36	5.37	5.34	5.30	5.32
2.2.1.2.1 Over 1 and up to 5 years	6.69	6.70	6.59	6.62	6.66	6.57	6.50	6.42	6.34	6.37	6.43	6.39	6.31
2.2.1.2.2 Over 5 years	5.28	5.31	5.28	5.27	5.26	5.24	5.25	5.17	5.14	5.15	5.09	5.05	5.08
o/w: EUR	5.60	5.62	5.57	5.56	5.56	5.52	5.51	5.43	5.37	5.38	5.36	5.32	5.33
o/w: CHF	4.65	4.54	4.54	4.53	4.57	4.55	4.53	4.48	4.49	4.51	4.45	4.45	4.41
<b>Volume</b>													
1 Deposits	7,487.0	7,472.8	7,492.5	7,586.7	7,466.6	7,433.7	7,392.0	7,434.3	7,420.3	7,368.6	7,496.3	7,448.9	7,786.1
1.1 Households	6,897.5	6,938.1	6,965.6	7,042.4	6,962.3	6,926.9	6,893.9	6,938.8	6,939.2	6,920.5	7,040.3	6,979.8	7,202.8
1.1.1 Time deposits	6,897.5	6,938.1	6,965.6	7,042.4	6,962.3	6,926.9	6,893.9	6,938.8	6,939.2	6,920.5	7,040.3	6,979.8	7,202.8
1.1.1.1 Short-term	300.6	295.7	295.1	294.7	281.9	285.9	304.9	284.2	284.1	281.7	260.5	238.6	228.6
1.1.1.1.1 Up to 3 months	31.2	30.0	28.8	30.3	20.9	29.2	48.8	26.5	28.5	30.4	29.9	28.0	28.9
1.1.1.1.2 Over 3 and up to 6 months	43.7	42.2	41.6	38.4	37.3	36.4	38.3	38.8	39.2	43.3	41.4	39.3	37.8
1.1.1.1.3 Over 6 months and up to 1 year	225.7	223.5	224.6	226.0	223.7	220.4	217.8	218.9	216.4	208.0	189.2	171.3	162.0
o/w: EUR	274.9	269.8	270.2	268.5	265.0	261.0	288.9	257.9	257.5	249.7	230.4	208.5	199.9
o/w: USD	24.7	24.9	23.9	25.3	16.0	23.9	15.1	25.3	25.6	31.1	29.1	28.9	27.6
1.1.1.2 Long-term	6,596.9	6,642.4	6,670.6	6,747.7	6,680.4	6,641.0	6,588.9	6,654.6	6,655.1	6,638.7	6,779.8	6,741.2	6,974.2
1.1.1.2.1 Over 1 and up to 2 years	221.9	222.2	224.6	257.3	267.4	265.2	266.2	270.7	272.8	272.5	272.0	274.3	274.6
1.1.1.2.2 Over 2 years	6,375.0	6,420.3	6,446.0	6,490.4	6,412.9	6,375.7	6,322.7	6,383.9	6,382.3	6,366.3	6,507.8	6,466.9	6,699.6
o/w: EUR	6,477.5	6,523.2	6,551.5	6,625.6	6,564.2	6,525.7	6,474.3	6,539.7	6,540.0	6,523.7	6,664.5	6,625.7	6,859.3
o/w: USD	18.0	18.2	18.1	22.0	17.4	17.7	17.4	17.8	18.0	18.7	18.8	19.0	19.4
1.2 Non-financial corporations	589.5	534.7	526.8	544.3	504.3	506.8	498.1	495.6	481.1	448.1	456.0	469.1	583.2
1.2.1 Time deposits	589.5	534.7	526.8	544.3	504.3	506.8	498.1	495.6	481.1	448.1	456.0	469.1	583.2
1.2.1.1 Short-term	226.4	181.1	177.7	197.2	170.7	171.8	179.4	171.4	159.1	132.4	132.2	155.8	148.4
1.2.1.1.1 Up to 3 months	28.3	27.0	25.7	43.9	23.5	23.1	23.0	13.6	14.3	6.0	5.1	20.8	20.8
1.2.1.1.2 Over 3 and up to 6 months	31.0	14.0	13.0	14.3	11.6	12.1	10.9	15.4	29.1	13.3	11.6	18.8	26.2
1.2.1.1.3 Over 6 months and up to 1 year	167.1	140.1	139.0	139.0	135.6	136.6	145.4	142.4	115.7	113.2	115.4	116.2	101.4
o/w: EUR	225.7	180.3	177.0	196.4	169.9	171.0	178.7	170.7	158.5	131.8	131.5	155.1	147.6
o/w: USD	0.7	0.7	0.7	0.7	0.7	0.7	0.6	0.6	0.7	0.7	0.7	0.7	0.7
1.2.1.2 Long-term	363.1	353.6	349.1	347.1	333.7	335.1	318.7	324.2	322.0	315.7	323.8	313.3	434.9
1.2.1.2.1 Over 1 and up to 2 years	74.3	58.6	57.3	64.8	51.6	52.5	48.7	52.8	50.8	44.5	44.3	43.8	44.5
1.2.1.2.2 Over 2 years	288.8	295.0	291.8	282.3	282.0	282.6	270.1	271.3	271.2	271.2	279.5	269.5	390.4
o/w: EUR	362.6	353.2	348.7	346.7	332.0	333.4	317.0	322.4	320.2	313.8	321.9	311.4	432.9
o/w: USD	-	-	-	-	1.2	1.3	1.3	1.4	1.4	1.5	1.5	1.5	1.5
1.3 Repos	-	-	-	-	-	-	-	-	-	-	-	-	-
2 Loans	120,380.8	119,730.7	119,425.3	118,035.7	116,363.2	115,443.9	114,016.3	114,004.5	113,450.9	112,500.4	112,273.9	111,579.7	111,075.1
2.1 Households	85,964.1	85,552.2	85,452.8	84,808.4	83,748.4	82,938.0	82,336.5	82,384.9	82,035.3	81,578.3	81,542.6	81,179.4	80,535.4
2.1.1 Loans for house purchases	52,772.2	52,645.5	52,737.5	52,509.0	51,968.8	51,613.9	51,427.4	51,574.2	51,569.0	51,393.3	51,509.5	51,490.7	51,198.0

	2013 Dec.	2014.											
		Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
2.1.1.1 Short-term	1.3	1.3	1.1	0.9	0.7	1.1	2.1	0.8	1.1	0.6	0.6	0.5	0.5
o/w: EUR	0.0	0.2	0.2	0.2	0.1	0.6	1.7	0.5	0.9	0.5	0.5	0.5	0.5
o/w: CHF	1.3	1.1	0.9	0.8	0.6	0.5	0.4	0.3	0.2	0.1	0.1	0.0	0.0
2.1.1.2 Long-term	52,770.9	52,644.1	52,736.4	52,508.1	51,968.1	51,612.8	51,425.3	51,573.4	51,567.8	51,392.6	51,509.0	51,490.2	51,197.5
2.1.1.2.1 Over 1 and up to 5 years	171.3	174.6	172.2	167.7	161.9	157.2	154.4	154.2	148.6	149.2	153.7	152.3	146.5
2.1.1.2.2 Over 5 years	52,599.6	52,469.5	52,564.2	52,340.4	51,806.2	51,455.6	51,270.9	51,419.1	51,419.2	51,243.5	51,355.2	51,337.9	51,051.0
o/w: EUR	33,927.6	33,876.7	33,925.8	33,906.5	33,645.2	33,482.2	33,383.8	33,589.4	33,517.1	33,479.3	33,615.0	33,630.7	33,550.3
o/w: CHF	18,805.5	18,729.5	18,772.3	18,563.8	18,285.7	18,092.3	18,003.6	17,944.3	18,011.0	17,872.3	17,853.3	17,818.1	17,604.2
2.1.2 Consumer loans and other loans	33,191.9	32,906.8	32,715.2	32,299.4	31,779.5	31,324.2	30,909.1	30,810.7	30,466.4	30,185.0	30,033.1	29,688.7	29,337.4
2.1.2.1 Short-term	284.0	301.8	292.7	280.2	276.0	272.6	261.3	252.1	274.9	283.3	259.6	253.8	245.6
o/w: EUR	264.0	282.8	273.7	262.3	258.5	254.8	243.1	233.7	256.4	260.7	247.6	241.9	236.3
o/w: CHF	0.2	0.0	0.0	–	–	0.1	0.1	0.1	0.1	0.2	0.5	0.5	0.3
2.1.2.2 Long-term	32,907.8	32,605.0	32,422.5	32,019.2	31,503.5	31,051.5	30,647.8	30,558.6	30,191.4	29,901.7	29,773.5	29,434.9	29,091.8
2.1.2.2.1 Over 1 and up to 5 years	3,891.7	3,829.8	3,779.9	3,679.8	3,589.2	3,495.7	3,401.1	3,366.9	3,271.9	3,227.9	3,196.7	3,172.9	3,113.1
2.1.2.2.2 Over 5 years	29,016.1	28,775.2	28,642.6	28,339.4	27,914.3	27,555.8	27,246.8	27,191.7	26,919.5	26,673.8	26,576.9	26,261.9	25,978.7
o/w: EUR	31,673.6	31,405.8	31,271.9	30,921.5	30,454.6	30,042.0	29,666.9	29,606.2	29,257.4	28,991.6	28,881.5	28,732.5	28,411.5
o/w: CHF	1,166.9	1,129.2	1,081.6	1,027.5	981.9	940.0	910.8	880.9	861.4	835.4	817.8	627.8	606.3
o/w: Sole proprietors	2,501.4	2,475.8	2,496.2	2,463.0	2,458.6	2,444.9	2,413.1	2,391.3	2,369.9	2,337.9	2,303.4	2,293.6	2,259.0
2.2 Non-financial corporations	34,416.7	34,178.5	33,972.6	33,227.2	32,614.8	32,505.9	31,679.8	31,619.6	31,415.5	30,922.2	30,731.2	30,400.2	30,539.7
2.2.1 Loans	34,416.7	34,178.5	33,972.6	33,227.2	32,614.8	32,505.9	31,679.8	31,619.6	31,415.5	30,922.2	30,731.2	30,400.2	30,539.7
2.2.1.1 Short-term	3,764.1	3,801.6	3,840.5	3,814.5	3,746.0	3,800.2	3,430.8	3,388.3	3,757.9	3,788.4	3,774.5	3,673.0	3,937.5
o/w: EUR	3,744.3	3,781.6	3,820.6	3,794.6	3,725.6	3,779.8	3,409.9	3,374.8	3,728.4	3,755.1	3,748.2	3,646.7	3,913.4
o/w: CHF	18.5	18.6	18.7	18.8	18.7	18.6	18.6	12.1	28.0	32.0	24.2	24.3	22.2
2.2.1.2 Long-term	30,652.6	30,376.9	30,132.0	29,412.7	28,868.8	28,705.7	28,249.0	28,231.3	27,657.6	27,133.7	26,956.7	26,727.2	26,602.2
2.2.1.2.1 Over 1 and up to 5 years	6,497.7	6,417.4	6,247.8	5,901.1	5,766.3	5,675.8	5,497.5	5,467.2	5,028.1	4,893.1	4,994.4	5,018.3	5,130.8
2.2.1.2.2 Over 5 years	24,155.0	23,959.5	23,884.2	23,511.6	23,102.5	23,029.8	22,751.5	22,764.1	22,629.5	22,240.6	21,962.3	21,708.9	21,471.4
o/w: EUR	29,945.0	29,644.6	29,407.6	28,705.2	28,167.8	28,015.1	27,582.8	27,583.4	27,040.5	26,536.6	26,359.7	26,138.3	26,032.6
o/w: CHF	665.5	692.2	684.9	668.6	648.0	636.6	617.4	597.0	567.2	545.7	535.2	530.5	511.2

**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

	2013												2014
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
<b>Interest rate</b>													
<b>1 Deposits</b>	2.97	2.96	2.91	2.86	2.82	2.79	2.75	2.73	2.70	2.63	2.59	2.55	2.51
1.1 Households	2.98	2.96	2.91	2.87	2.83	2.80	2.77	2.74	2.70	2.66	2.63	2.60	2.56
1.1.1 Time deposits	2.98	2.96	2.91	2.87	2.83	2.80	2.77	2.74	2.70	2.66	2.63	2.60	2.56
1.1.1.1 Short-term	2.60	2.54	2.49	2.45	2.40	2.37	2.34	2.30	2.26	2.21	2.17	2.14	2.09
1.1.1.1.1 Up to 3 months	1.58	1.57	1.52	1.51	1.46	1.43	1.41	1.38	1.36	1.33	1.30	1.26	1.20
1.1.1.1.2 Over 3 and up to 6 months	2.05	2.03	1.99	1.98	1.94	1.91	1.87	1.84	1.80	1.77	1.73	1.69	1.63
1.1.1.1.3 Over 6 months and up to 1 year	2.82	2.75	2.69	2.63	2.59	2.55	2.52	2.48	2.44	2.39	2.35	2.32	2.27
o/w: EUR	2.66	2.60	2.54	2.50	2.45	2.42	2.39	2.34	2.30	2.25	2.22	2.18	2.13
o/w: USD	2.25	2.20	2.15	2.14	2.12	2.10	2.07	2.05	2.02	2.00	1.97	1.95	1.92
1.1.1.2 Long-term	3.36	3.37	3.32	3.26	3.23	3.19	3.16	3.12	3.08	3.05	3.02	2.98	2.94
1.1.1.2.1 Over 1 and up to 2 years	3.24	3.27	3.19	3.12	3.06	3.02	2.99	2.95	2.90	2.86	2.83	2.80	2.75
1.1.1.2.2 Over 2 years	3.51	3.51	3.48	3.44	3.42	3.39	3.36	3.32	3.30	3.26	3.23	3.19	3.15
o/w: EUR	3.41	3.42	3.37	3.31	3.27	3.24	3.20	3.16	3.13	3.09	3.06	3.02	2.98
o/w: USD	2.98	2.96	2.93	2.91	2.88	2.85	2.80	2.79	2.75	2.72	2.69	2.65	2.59
1.2 Non-financial corporations	2.91	2.90	2.89	2.74	2.67	2.67	2.44	2.59	2.62	2.15	2.02	1.94	1.86
1.2.1 Time deposits	2.91	2.90	2.89	2.74	2.67	2.67	2.44	2.59	2.62	2.15	2.02	1.94	1.86
1.2.1.1 Short-term	2.94	3.00	2.98	2.78	2.56	2.60	2.43	2.42	2.20	2.08	2.00	1.90	1.80
1.2.1.1.1 Up to 3 months	1.38	1.39	1.25	1.11	1.36	1.37	1.20	1.24	1.27	1.18	1.18	1.05	0.99
1.2.1.1.2 Over 3 and up to 6 months	2.32	2.34	2.29	2.27	3.08	3.13	2.92	3.00	2.15	2.08	1.98	1.95	1.86
1.2.1.1.3 Over 6 months and up to 1 year	4.28	4.19	4.11	4.08	3.17	3.16	2.91	2.81	2.77	2.65	2.60	2.56	2.33
o/w: EUR	3.07	3.12	3.09	2.89	2.65	2.70	2.51	2.50	2.23	2.09	2.01	1.90	1.81
o/w: USD	1.39	1.47	1.76	1.63	1.69	1.63	1.63	1.63	1.90	2.01	1.90	1.83	1.72
1.2.1.2 Long-term	2.78	2.26	2.38	2.50	3.16	2.96	2.48	3.26	3.83	2.47	2.13	2.16	2.19
1.2.1.2.1 Over 1 and up to 2 years	3.08	2.43	2.62	2.87	3.73	3.45	2.82	3.83	4.47	3.07	2.57	2.64	2.58
1.2.1.2.2 Over 2 years	2.02	1.93	1.91	1.89	1.90	1.84	1.93	1.98	1.95	1.71	1.70	1.70	1.56
o/w: EUR	3.04	2.50	2.68	2.77	3.50	3.30	2.77	3.55	4.16	2.70	2.29	2.30	2.34
o/w: USD	1.88	1.77	1.50	1.46	1.46	1.41	1.32	1.31	1.35	1.36	1.38	1.44	1.44
1.3 Repos	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>2 Loans</b>	5.13	5.19	5.32	5.27	5.18	5.15	5.44	4.95	5.25	5.23	5.31	5.39	5.10
2.1 Households	5.19	5.13	5.39	5.31	5.17	5.24	5.14	5.23	5.31	5.24	5.10	5.25	5.07
2.1.1 Loans for house purchases	5.95	3.61	3.61	3.60	3.63	3.63	3.63	3.63	3.61	3.58	3.57	3.56	3.55
2.1.1.1 Short-term	-	-	-	-	-	-	-	-	-	-	-	-	-
o/w: EUR	-	-	-	-	-	-	-	-	-	-	-	-	-
o/w: CHF	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1.1.2 Long-term	5.95	3.61	3.61	3.60	3.63	3.63	3.63	3.63	3.61	3.58	3.57	3.56	3.55
2.1.1.2.1 Over 1 and up to 5 years	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1.1.2.2 Over 5 years	5.95	3.61	3.61	3.60	3.63	3.63	3.63	3.63	3.61	3.58	3.57	3.56	3.55
o/w: EUR	8.04	8.04	8.04	8.04	8.03	6.03	6.02	6.02	8.03	8.02	8.02	7.80	7.80
o/w: CHF	5.80	3.29	3.29	3.28	3.30	3.29	3.30	3.30	3.30	3.31	3.30	3.30	3.30
2.1.2 Consumer loans and other loans	5.16	5.19	5.46	5.38	5.23	5.31	5.21	5.29	5.38	5.31	5.16	5.31	5.13
2.1.2.1 Short-term	1.92	2.76	3.62	4.06	3.36	3.66	3.38	4.10	4.66	4.57	4.29	4.66	4.30
o/w: EUR	1.93	2.75	3.61	4.06	3.36	3.65	3.42	4.15	4.65	4.56	4.28	4.65	4.29
o/w: CHF	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
2.1.2.2 Long-term	6.21	6.29	6.27	6.23	6.16	6.18	6.16	6.03	5.96	5.95	5.95	5.94	5.88
2.1.2.2.1 Over 1 and up to 5 years	6.96	6.96	6.96	6.71	6.45	6.56	6.48	6.35	6.08	6.07	6.10	6.25	5.94

	2013	2014.											
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
2.1.2.2.2 Over 5 years	6.02	6.11	6.09	6.13	6.09	6.09	6.09	5.96	5.95	5.94	5.93	5.92	5.87
o/w: EUR	6.21	6.30	6.29	6.20	6.15	6.18	6.16	6.02	5.93	5.93	5.93	5.90	5.83
o/w: CHF	6.16	6.14	6.11	6.59	6.18	6.18	6.16	6.17	6.25	6.21	6.16	6.64	6.52
o/w: Sole proprietors	6.68	6.75	6.72	6.65	6.53	6.59	6.55	6.48	6.49	6.50	6.42	6.48	6.40
2.2 Non-financial corporations	5.13	5.19	5.32	5.27	5.18	5.15	5.45	4.94	5.25	5.23	5.32	5.39	5.10
2.2.1 Loans	5.13	5.19	5.32	5.27	5.18	5.15	5.45	4.94	5.25	5.23	5.32	5.39	5.10
2.2.1.1 Short-term	5.08	5.48	5.99	5.63	5.82	5.49	7.01	4.71	6.58	6.41	7.29	7.60	5.82
o/w: EUR	5.00	5.40	5.76	5.41	6.14	5.47	7.04	4.64	6.74	6.46	7.36	7.53	5.81
o/w: USD	5.90	5.22	7.80	7.91	3.94	5.61	6.36	6.03	4.74	5.20	5.56	8.91	5.02
2.2.1.2 Long-term	5.15	5.12	5.16	5.18	5.03	5.06	5.04	4.99	4.91	4.95	4.84	4.90	4.96
2.2.1.2.1 Over 1 and up to 5 years	6.03	5.87	5.98	6.06	5.40	5.63	5.57	5.54	5.42	5.69	5.29	5.31	5.67
2.2.1.2.2 Over 5 years	4.83	4.86	4.90	4.90	4.91	4.90	4.87	4.82	4.80	4.79	4.75	4.82	4.81
o/w: EUR	5.16	5.14	5.18	5.19	5.05	5.08	5.05	5.00	4.93	4.97	4.86	4.92	4.92
o/w: USD	5.68	5.31	5.29	5.65	5.65	5.90	5.17	5.35	5.07	5.07	4.92	5.04	5.32
<b>Volume</b>													
1 Deposits	126,647.7	126,725.5	126,393.0	126,860.3	124,646.4	124,376.5	123,148.7	125,502.7	126,508.0	126,323.8	126,704.6	126,498.1	124,734.5
1.1 Households	116,497.0	117,052.1	116,847.4	116,602.0	115,391.7	115,209.5	114,840.2	116,280.0	116,421.6	117,028.2	117,301.1	116,981.2	116,303.2
1.1.1 Time deposits	116,497.0	117,052.1	116,847.4	116,602.0	115,391.7	115,209.5	114,840.2	116,280.0	116,421.6	117,028.2	117,301.1	116,981.2	116,303.2
1.1.1.1 Short-term	58,849.9	57,968.7	57,285.4	56,541.8	55,266.7	54,718.4	54,006.6	54,106.9	53,816.0	53,639.8	53,281.0	52,638.9	51,827.9
1.1.1.1.1 Up to 3 months	4,490.5	4,449.1	4,356.2	4,332.3	4,232.4	4,165.1	4,030.4	4,103.6	4,138.0	4,256.3	4,266.8	4,180.8	3,956.3
1.1.1.1.2 Over 3 and up to 6 months	9,182.1	9,070.3	8,901.1	8,673.3	8,407.7	8,267.6	8,175.7	8,198.0	8,171.7	8,121.8	8,025.9	7,883.6	7,710.1
1.1.1.1.3 Over 6 months and up to 1 year	45,177.2	44,449.3	44,028.2	43,536.2	42,626.6	42,285.8	41,800.5	41,805.2	41,506.3	41,261.7	40,988.3	40,574.5	40,161.5
o/w: EUR	53,133.2	52,283.7	51,658.9	50,963.1	49,789.9	49,210.1	48,562.8	48,579.2	48,286.0	48,028.0	47,684.8	47,055.8	46,257.6
o/w: USD	3,639.8	3,646.6	3,604.9	3,568.0	3,499.7	3,534.3	3,506.8	3,582.7	3,570.7	3,686.8	3,684.7	3,673.9	3,714.1
1.1.1.2 Long-term	57,647.2	59,083.3	59,561.9	60,060.2	60,125.0	60,491.1	60,833.6	62,173.1	62,605.6	63,388.3	64,020.1	64,342.3	64,475.3
1.1.1.2.1 Over 1 and up to 2 years	31,951.2	32,750.1	32,761.3	32,730.9	32,481.3	32,507.4	32,599.4	33,306.5	33,441.1	33,859.7	34,126.4	34,262.6	34,403.4
1.1.1.2.2 Over 2 years	25,696.0	26,333.2	26,800.6	27,329.3	27,643.7	27,983.7	28,234.2	28,866.6	29,164.5	29,528.6	29,893.7	30,079.7	30,071.9
o/w: EUR	52,733.7	54,043.9	54,489.2	54,965.8	55,094.4	55,370.2	55,703.4	56,873.1	57,242.4	57,876.2	58,466.4	58,733.0	58,814.1
o/w: USD	3,303.8	3,400.3	3,410.3	3,423.8	3,369.2	3,452.2	3,456.6	3,616.4	3,684.9	3,857.4	3,888.9	3,953.3	4,014.6
1.2 Non-financial corporations	10,150.7	9,673.5	9,545.6	10,258.3	9,254.8	9,167.0	8,308.5	9,222.7	10,086.4	9,295.6	9,403.5	9,516.8	8,431.3
1.2.1 Time deposits	10,150.7	9,673.5	9,545.6	10,258.3	9,254.8	9,167.0	8,308.5	9,222.7	10,086.4	9,295.6	9,403.5	9,516.8	8,431.3
1.2.1.1 Short-term	8,670.6	8,273.2	8,113.6	8,816.2	7,505.5	7,311.4	6,723.5	7,384.4	7,504.5	7,574.2	7,885.0	8,015.4	6,939.5
1.2.1.1.1 Up to 3 months	2,522.6	2,181.5	2,002.2	2,868.8	2,435.6	2,271.0	1,897.9	2,067.7	2,097.4	2,202.4	2,481.4	2,693.6	2,156.9
1.2.1.1.2 Over 3 and up to 6 months	2,200.6	2,004.5	1,872.5	1,647.1	2,038.4	1,977.1	1,911.2	2,037.0	1,825.3	1,876.8	1,987.4	2,021.0	1,733.4
1.2.1.1.3 Over 6 months and up to 1 year	3,947.3	4,087.2	4,239.0	4,300.3	3,031.5	3,063.3	2,914.3	3,279.7	3,581.8	3,495.1	3,416.2	3,300.8	3,049.2
o/w: EUR	7,966.8	7,662.9	7,446.2	8,050.9	6,778.7	6,561.6	6,029.5	6,651.7	6,851.0	6,990.4	7,139.5	7,301.8	6,187.8
o/w: USD	635.3	562.5	600.9	706.2	633.9	651.0	610.6	646.1	572.3	500.7	649.5	624.8	668.8
1.2.1.2 Long-term	1,480.1	1,400.2	1,432.0	1,442.0	1,749.2	1,855.6	1,585.0	1,838.4	2,581.8	1,721.4	1,518.4	1,501.4	1,491.8
1.2.1.2.1 Over 1 and up to 2 years	1,066.7	925.9	945.7	903.9	1,202.0	1,285.0	989.1	1,270.7	1,929.7	961.5	744.2	729.8	914.9
1.2.1.2.2 Over 2 years	413.5	474.3	486.3	538.1	547.2	570.6	596.0	567.7	652.2	759.9	774.3	771.7	576.9
o/w: EUR	1,149.9	959.6	1,064.0	1,136.3	1,448.6	1,513.3	1,258.9	1,597.8	2,272.7	1,418.8	1,233.7	1,243.0	1,230.0
o/w: USD	327.3	392.2	319.3	257.6	253.4	293.1	274.3	233.9	256.3	250.8	232.0	209.1	210.5
1.3 Repos	-	-	-	-	-	-	-	-	-	-	-	-	-
2 Loans	11,711.8	11,337.8	11,171.6	11,372.9	11,111.1	10,802.4	11,060.9	10,967.1	10,149.3	10,152.1	10,013.7	10,568.0	10,339.0
2.1 Households	216.3	234.6	229.3	249.3	224.3	227.6	224.6	235.6	234.4	239.3	239.8	239.1	227.0
2.1.1 Loans for house purchases	9.0	8.9	8.9	8.6	8.5	9.2	9.4	9.4	8.8	8.7	8.5	8.5	8.4

	2013	2014.											
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
2.1.1.1 Short-term	-	-	-	-	-	-	-	-	-	-	-	-	-
o/w: EUR	-	-	-	-	-	-	-	-	-	-	-	-	-
o/w: CHF	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1.1.2 Long-term	9.0	8.9	8.9	8.6	8.5	9.2	9.4	9.4	8.8	8.7	8.5	8.5	8.4
2.1.1.2.1 Over 1 and up to 5 years	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1.1.2.2 Over 5 years	9.0	8.9	8.9	8.6	8.5	9.2	9.4	9.4	8.8	8.7	8.5	8.5	8.4
o/w: EUR	0.6	0.6	0.6	0.6	0.6	1.1	1.1	1.1	0.6	0.5	0.5	0.5	0.5
o/w: CHF	8.4	8.3	8.3	8.0	7.9	8.0	8.3	8.3	8.3	8.2	8.0	8.0	7.9
2.1.2 Consumer loans and other loans	207.3	225.7	220.4	240.6	215.8	218.4	215.2	226.2	225.5	230.6	231.3	230.7	218.6
2.1.2.1 Short-term	50.9	70.5	67.2	94.9	71.6	75.2	73.8	86.4	100.4	107.4	109.9	114.4	103.7
o/w: EUR	50.3	70.5	67.1	94.9	71.6	75.1	72.5	85.1	100.3	107.3	109.8	114.3	103.6
o/w: CHF	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
2.1.2.2 Long-term	156.4	155.2	153.2	145.7	144.3	143.2	141.4	139.8	125.1	123.2	121.4	116.3	114.9
2.1.2.2.1 Over 1 and up to 5 years	31.9	32.4	32.0	25.6	26.8	26.9	26.1	26.0	11.3	10.8	11.1	9.9	9.4
2.1.2.2.2 Over 5 years	124.5	122.8	121.3	120.1	117.5	116.3	115.3	113.8	113.8	112.4	110.3	106.4	105.5
o/w: EUR	143.4	142.8	141.1	133.4	133.3	132.1	130.7	128.8	114.5	113.0	110.4	109.2	107.8
o/w: CHF	13.0	12.4	12.1	12.4	11.0	11.1	10.8	11.0	10.6	10.2	11.0	7.0	7.0
o/w: Sole proprietors	89.5	88.5	86.6	79.7	78.6	78.0	77.8	75.4	72.5	70.7	69.8	67.9	67.0
2.2 Non-financial corporations	11,495.5	11,103.1	10,942.3	11,123.7	10,886.7	10,574.8	10,836.3	10,731.4	9,915.0	9,912.8	9,773.9	10,328.8	10,112.1
2.2.1 Loans	11,495.5	11,103.1	10,942.3	11,123.7	10,886.7	10,574.8	10,836.3	10,731.4	9,915.0	9,912.8	9,773.9	10,328.8	10,112.1
2.2.1.1 Short-term	2,359.4	2,074.1	2,039.6	2,254.8	2,023.3	2,179.1	2,275.8	2,014.8	2,030.1	1,911.7	1,891.5	1,883.7	1,694.9
o/w: EUR	2,210.9	1,922.0	1,867.1	2,100.8	1,720.3	2,052.7	2,171.3	1,915.0	1,860.0	1,819.3	1,793.3	1,767.8	1,590.0
o/w: USD	114.9	130.5	150.6	132.1	296.7	120.1	98.1	97.8	168.1	85.4	81.3	88.4	75.2
2.2.1.2 Long-term	9,136.1	9,029.1	8,902.7	8,868.9	8,863.4	8,395.7	8,560.5	8,716.6	7,884.8	8,001.1	7,882.4	8,445.1	8,417.2
2.2.1.2.1 Over 1 and up to 5 years	2,433.1	2,340.6	2,195.3	2,147.1	2,255.5	1,879.9	1,980.6	2,139.1	1,415.0	1,449.8	1,419.0	1,435.9	1,459.0
2.2.1.2.2 Over 5 years	6,703.0	6,688.5	6,707.4	6,721.8	6,607.9	6,515.8	6,579.8	6,577.5	6,469.8	6,551.2	6,463.4	7,009.3	6,958.2
o/w: EUR	8,961.7	8,840.6	8,714.7	8,700.0	8,699.6	8,233.4	8,360.0	8,513.4	7,687.7	7,803.1	7,683.0	8,249.6	8,158.3
o/w: USD	46.3	63.2	63.4	47.1	46.6	47.5	101.1	103.1	100.2	102.5	105.8	102.1	166.5

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

	2013												2014.
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
<b>Interest rate</b>													
1 Deposits	2.42	2.55	2.15	2.37	2.28	2.27	2.17	2.01	2.01	2.07	1.95	1.73	2.07
1.1 Households	2.89	2.93	2.66	2.72	2.66	2.59	2.68	2.59	2.60	2.50	2.47	2.55	2.43
1.1.1 Time deposits	2.89	2.93	2.66	2.72	2.66	2.59	2.68	2.59	2.60	2.50	2.47	2.55	2.43
1.1.1.1 Short-term	2.73	2.72	2.47	2.53	2.46	2.43	2.53	2.32	2.41	2.33	2.30	2.39	2.26
1.1.1.1.1 Up to 3 months	2.12	2.05	1.84	2.03	1.92	1.81	2.04	1.75	1.96	2.03	1.73	1.89	1.66
1.1.1.1.2 Over 3 and up to 6 months	2.84	2.83	2.72	2.66	2.65	2.43	2.66	2.52	2.47	2.14	2.38	2.51	2.43
1.1.1.1.3 Over 6 months and up to 1 year	3.25	3.21	3.03	2.96	2.93	2.98	2.96	2.84	2.87	2.78	2.79	2.74	2.68
1.1.1.2 Long-term	3.69	3.65	3.57	3.46	3.53	3.41	3.40	3.45	3.38	3.22	3.24	3.18	3.13
1.1.1.2.1 Over 1 and up to 2 years	3.64	3.58	3.44	3.37	3.53	3.35	3.35	3.45	3.38	3.37	3.24	3.15	3.13
1.1.1.2.2 Over 2 years	3.82	3.84	3.84	3.70	3.53	3.58	3.55	3.46	3.37	2.86	3.24	3.27	3.14
1.2 Non-financial corporations	1.77	1.84	1.33	1.74	1.64	1.81	1.26	1.31	1.15	1.46	1.50	1.28	1.84
1.2.1 Time deposits	1.77	1.84	1.33	1.74	1.64	1.81	1.26	1.31	1.15	1.46	1.50	1.28	1.84
1.2.1.1 Short-term	1.57	1.82	1.26	1.67	1.57	1.54	1.24	1.21	1.09	1.43	1.25	1.22	1.41
1.2.1.1.1 Up to 3 months	1.17	1.34	0.90	0.98	1.13	0.99	0.99	0.80	0.84	1.01	0.96	1.00	1.08
1.2.1.1.2 Over 3 and up to 6 months	2.37	2.40	1.92	2.20	2.24	2.31	1.86	2.34	1.92	1.92	2.11	1.84	1.73
1.2.1.1.3 Over 6 months and up to 1 year	3.20	2.87	2.41	2.51	2.69	2.65	1.99	2.12	2.36	2.24	2.15	1.89	2.25
1.2.1.2 Long-term	3.16	2.16	2.98	3.09	2.05	2.70	2.08	2.89	2.83	2.61	3.18	2.18	3.01
1.2.1.2.1 Over 1 and up to 2 years	3.26	2.21	2.86	3.39	2.13	2.73	2.46	3.01	2.94	2.72	3.30	2.27	3.05
1.2.1.2.2 Over 2 years	2.13	1.26	3.22	2.57	1.32	2.69	1.00	2.46	2.28	2.34	2.52	1.87	2.70
1.3 Repos	-	-	0.25	-	2.50	-	-	0.55	0.40	-	0.67	0.20	0.13
2 Loans	8.83	8.59	8.69	8.60	8.53	8.60	8.41	8.34	8.50	8.42	8.58	8.33	8.38
2.1 Households	10.13	9.66	9.63	9.60	9.57	9.53	9.54	9.50	9.55	9.49	9.48	9.48	9.41
2.1.1 Loans for house purchases	5.81	5.73	5.59	5.73	5.63	5.56	5.48	5.45	5.35	5.37	5.31	5.31	5.27
2.1.1.1 Short-term	5.86	5.58	5.71	5.75	5.65	5.64	5.57	5.36	5.29	5.37	5.19	5.34	5.36
2.1.1.2 Long-term	5.78	5.85	5.52	5.71	5.60	5.52	5.37	5.50	5.38	5.37	5.35	5.30	5.25
2.1.1.2.1 Over 1 and up to 5 years	5.44	6.06	5.32	5.77	4.72	5.85	5.08	5.27	5.20	5.33	5.45	5.16	5.36
2.1.1.2.2 Over 5 years	5.79	5.84	5.53	5.71	5.61	5.52	5.37	5.50	5.39	5.37	5.34	5.30	5.25
2.1.2 Consumer loans and other loans	10.14	9.68	9.64	9.61	9.59	9.55	9.56	9.52	9.56	9.50	9.49	9.49	9.43
2.1.2.1 Short-term	10.13	9.58	9.56	9.54	9.52	9.47	9.50	9.47	9.51	9.46	9.46	9.46	9.40
2.1.2.2 Long-term	10.20	10.14	9.99	9.90	9.87	9.86	9.84	9.71	9.80	9.66	9.65	9.64	9.57
2.1.2.2.1 Over 1 and up to 5 years	9.93	9.84	9.72	9.96	9.90	9.85	9.81	9.73	9.74	9.66	9.61	9.57	9.51
2.1.2.2.2 Over 5 years	10.70	10.69	10.39	9.77	9.82	9.86	9.92	9.65	9.97	9.66	9.75	9.84	9.72
o/w: Sole proprietors	9.87	10.07	9.79	9.69	9.57	9.66	9.68	9.36	9.65	9.32	9.54	9.65	9.36
2.2 Non-financial corporations	5.61	5.53	5.73	5.74	5.77	5.50	5.28	5.34	5.07	5.35	5.53	5.04	5.48
Loans	5.61	5.53	5.73	5.74	5.77	5.50	5.28	5.34	5.07	5.35	5.53	5.04	5.48
2.2.1.1 Short-term	5.50	5.47	5.72	5.70	5.46	5.44	5.19	5.31	4.96	5.28	5.53	5.00	5.42
2.2.1.2 Long-term	6.35	6.14	5.78	6.08	7.68	6.09	5.78	5.55	5.61	6.41	5.51	5.52	6.02
2.2.1.2.1 Over 1 and up to 5 years	6.62	5.85	6.95	6.87	7.90	5.82	6.04	5.65	6.66	6.43	5.78	6.69	6.18
2.2.1.2.2 Over 5 years	5.99	7.00	4.81	5.18	6.31	6.73	5.39	5.27	5.25	6.35	5.28	4.69	5.79
<b>Volume</b>													
1 Deposits	4,274.0	4,189.0	3,597.6	3,696.6	3,501.5	3,754.2	2,931.4	4,196.6	3,399.1	4,313.8	4,201.0	4,389.6	4,648.9
1.1 Households	2,464.2	2,740.7	2,272.6	2,350.8	2,195.1	2,239.1	1,879.8	2,426.0	2,053.0	2,513.2	2,368.6	2,027.7	2,471.8
1.1.1 Time deposits	2,464.2	2,740.7	2,272.6	2,350.8	2,195.1	2,239.1	1,879.8	2,426.0	2,053.0	2,513.2	2,368.6	2,027.7	2,471.8
1.1.1.1 Short-term	2,053.9	2,117.3	1,869.4	1,866.6	1,792.1	1,865.1	1,543.5	1,861.6	1,647.5	2,013.2	1,921.4	1,640.2	1,983.3
1.1.1.1.1 Up to 3 months	791.3	741.8	783.0	724.9	721.0	665.0	604.8	759.9	665.8	737.3	721.5	553.6	707.2
1.1.1.1.2 Over 3 and up to 6 months	437.1	475.3	388.0	420.2	408.0	469.3	377.4	425.9	372.3	565.2	446.5	428.0	462.8

	2013	2014.											
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
1.1.1.1.3 Over 6 months and up to 1 year	825.6	900.3	698.3	721.5	663.1	730.8	561.3	675.8	609.4	710.7	753.4	658.6	813.3
1.1.1.2 Long-term	410.2	623.3	403.2	484.2	403.0	373.9	336.3	564.4	405.5	500.0	447.2	387.5	488.5
1.1.1.2.1 Over 1 and up to 2 years	296.1	458.5	268.8	349.2	328.6	275.9	246.3	466.1	313.7	350.0	339.6	277.4	372.3
1.1.1.2.2 Over 2 years	114.1	164.9	134.3	135.0	74.5	98.0	90.0	98.2	91.8	150.0	107.5	110.1	116.2
1.2 Non-financial corporations	1,809.8	1,448.3	1,243.5	1,345.8	1,301.4	1,515.1	1,051.6	1,543.8	1,265.6	1,800.5	1,348.5	1,811.8	1,942.4
1.2.1 Time deposits	1,809.8	1,448.3	1,243.5	1,345.8	1,301.4	1,515.1	1,051.6	1,543.8	1,265.6	1,800.5	1,348.5	1,811.8	1,942.4
1.2.1.1 Short-term	1,582.6	1,389.0	1,195.8	1,278.9	1,122.1	1,163.2	1,027.3	1,454.5	1,217.3	1,757.0	1,173.3	1,692.1	1,423.5
1.2.1.1.1 Up to 3 months	1,182.3	834.4	843.7	645.7	761.2	721.3	756.6	1,032.3	972.7	1,068.8	881.0	1,259.7	949.1
1.2.1.1.2 Over 3 and up to 6 months	209.6	377.7	202.3	268.7	158.0	294.9	142.8	182.9	160.6	319.0	144.3	322.2	161.8
1.2.1.1.3 Over 6 months and up to 1 year	190.7	176.9	149.8	364.6	202.9	147.1	128.0	239.3	84.1	369.3	148.1	110.3	312.6
1.2.1.2 Long-term	227.2	59.3	47.7	66.9	179.3	351.9	24.2	89.3	48.3	43.5	175.2	119.7	518.9
1.2.1.2.1 Over 1 and up to 2 years	208.9	56.0	31.7	42.2	162.4	82.7	18.0	69.6	40.3	30.2	148.4	90.9	464.2
1.2.1.2.2 Over 2 years	18.3	3.4	15.9	24.7	16.9	269.1	6.3	19.7	8.0	13.3	26.9	28.8	54.7
1.3 Repos	–	–	81.5	–	5.0	–	–	226.8	80.5	–	483.9	550.0	234.7
<b>2 Loans</b>	<b>16,816.6</b>	<b>16,091.2</b>	<b>15,789.4</b>	<b>16,733.2</b>	<b>17,076.5</b>	<b>16,290.9</b>	<b>16,569.4</b>	<b>16,877.7</b>	<b>15,452.3</b>	<b>16,383.3</b>	<b>15,986.5</b>	<b>16,499.0</b>	<b>16,562.8</b>
2.1 Households	11,988.2	11,925.1	12,003.3	12,384.6	12,409.3	12,514.3	12,177.2	12,149.3	11,836.1	12,148.9	12,331.3	12,215.1	12,229.0
2.1.1 Loans for house purchases	26.0	40.1	39.3	43.2	46.3	48.5	45.3	43.7	22.8	31.1	40.7	38.1	61.4
2.1.1.1 Short-term	9.6	18.2	15.2	17.9	20.6	15.9	26.0	16.1	8.2	8.2	9.2	9.3	12.6
2.1.1.2 Long-term	16.4	22.0	24.1	25.3	25.7	32.6	19.3	27.6	14.7	23.0	31.5	28.8	48.8
2.1.1.2.1 Over 1 and up to 5 years	0.5	0.7	0.4	0.8	0.2	0.1	0.6	0.1	0.2	0.2	0.8	0.4	0.9
2.1.1.2.2 Over 5 years	15.9	21.2	23.7	24.5	25.5	32.5	18.7	27.4	14.4	22.8	30.7	28.3	47.8
2.1.2 Consumer loans and other loans	11,962.2	11,885.0	11,963.9	12,341.4	12,363.0	12,465.8	12,132.0	12,105.6	11,813.3	12,117.8	12,290.6	12,177.0	12,167.6
2.1.2.1 Short-term	9,818.0	9,786.5	9,679.0	9,878.8	9,964.3	10,013.9	9,871.7	9,756.3	9,673.0	9,828.1	9,943.2	9,928.0	9,938.5
2.1.2.2 Long-term	2,144.2	2,098.5	2,284.9	2,462.6	2,398.8	2,451.8	2,260.3	2,349.3	2,140.3	2,289.7	2,347.4	2,249.0	2,229.2
2.1.2.2.1 Over 1 and up to 5 years	1,384.9	1,360.0	1,383.3	1,683.2	1,695.1	1,710.2	1,657.3	1,677.9	1,614.6	1,650.0	1,654.1	1,630.6	1,623.1
2.1.2.2.2 Over 5 years	759.3	738.5	901.6	779.3	703.7	741.6	603.0	671.4	525.7	639.7	693.3	618.4	606.0
o/w: Sole proprietors	299.7	280.8	312.5	329.7	344.5	320.0	303.6	305.2	274.7	304.9	300.9	302.4	312.6
2.2 Non-financial corporations	4,828.4	4,166.1	3,786.2	4,348.6	4,667.1	3,776.6	4,392.2	4,728.4	3,616.2	4,234.4	3,655.2	4,283.9	4,333.8
Loans	4,828.4	4,166.1	3,786.2	4,348.6	4,667.1	3,776.6	4,392.2	4,728.4	3,616.2	4,234.4	3,655.2	4,283.9	4,333.8
2.2.1.1 Short-term	4,220.4	3,777.3	3,357.6	3,860.5	4,010.0	3,404.8	3,723.6	4,265.1	3,009.8	3,991.2	3,069.2	3,958.1	3,902.8
2.2.1.2 Long-term	608.1	388.8	428.6	488.0	657.1	371.8	668.5	463.3	606.4	243.1	586.0	325.8	431.0
2.2.1.2.1 Over 1 and up to 5 years	348.7	292.4	194.0	260.6	565.8	261.2	400.7	347.5	158.3	163.3	266.7	135.1	258.1
2.2.1.2.2 Over 5 years	259.4	96.4	234.6	227.4	91.3	110.6	267.8	115.8	448.2	79.8	319.3	190.7	172.9

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

Tables G6a through G6c do not include overnight deposits and revolving loans. The tables report 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 overdrafts and claims and credit card credit) and total volumes of new

business for these categories of deposits and loans. Overdrafts and claims and credit card credit are shown as book balances. 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

	2013												2014.
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
<b>Interest rate</b>													
<b>1 Deposits</b>	3.41	2.69	3.18	3.12	2.91	2.77	3.55	3.01	2.62	2.72	3.04	2.33	3.11
1.1 Households	3.48	3.03	3.24	3.26	3.15	2.85	3.71	3.12	2.63	2.74	2.69	2.80	2.52
1.1.1 Time deposits	3.48	3.03	3.24	3.26	3.15	2.85	3.71	3.12	2.63	2.74	2.69	2.80	2.52
1.1.1.1 Short-term	3.00	1.77	1.30	1.61	3.49	1.53	3.40	1.66	1.94	1.54	1.55	2.05	1.38
1.1.1.1.1 Up to 3 months	1.34	1.35	1.12	1.20	1.52	1.09	3.49	1.10	1.13	1.24	1.12	1.00	0.92
1.1.1.1.2 Over 3 and up to 6 months	1.74	1.78	1.53	1.39	2.37	1.43	3.13	1.47	1.85	1.74	1.59	1.53	1.84
1.1.1.1.3 Over 6 months and up to 1 year	4.81	4.56	2.88	2.99	4.33	3.55	2.36	1.94	2.14	1.76	2.21	2.45	1.68
o/w: EUR	3.72	2.28	1.54	2.06	3.49	2.24	3.40	1.82	1.96	1.77	1.96	2.20	1.66
o/w: USD	1.10	1.10	1.10	1.10	-	1.10	-	1.16	1.10	1.21	1.13	1.32	0.79
1.1.1.2 Long-term	3.59	3.45	3.51	3.47	3.07	3.20	4.07	3.77	3.00	3.37	3.17	3.06	2.97
1.1.1.2.1 Over 1 and up to 2 years	4.03	2.86	2.73	2.90	2.70	2.91	2.70	2.59	2.47	3.47	2.49	2.96	2.58
1.1.1.2.2 Over 2 years	3.55	3.47	3.59	3.64	3.23	3.26	4.30	3.85	3.15	3.35	3.23	3.07	2.99
o/w: EUR	3.59	3.45	3.51	3.47	3.07	3.20	4.07	3.77	3.00	3.37	3.17	3.07	2.97
o/w: USD	-	-	0.00	0.00	-	-	-	-	0.00	-	-	-	-
1.2 Non-financial corporations	3.23	2.03	2.23	2.17	2.19	1.51	3.00	2.04	2.56	1.97	5.06	0.43	3.65
1.2.1 Time deposits	3.23	2.03	2.23	2.17	2.19	1.51	3.00	2.04	2.56	1.97	5.06	0.43	3.65
1.2.1.1 Short-term	3.26	1.95	2.01	2.20	2.08	1.30	3.27	2.26	2.57	3.44	1.67	0.42	1.85
1.2.1.1.1 Up to 3 months	2.01	2.04	1.81	2.09	2.07	-	-	1.00	0.50	0.50	-	0.11	1.09
1.2.1.1.2 Over 3 and up to 6 months	1.34	-	1.82	2.27	1.64	2.21	0.00	2.53	2.83	0.06	1.47	3.76	1.94
1.2.1.1.3 Over 6 months and up to 1 year	3.36	1.33	2.37	3.28	2.25	1.09	3.27	1.27	2.98	3.73	1.77	4.35	1.80
o/w: EUR	3.26	1.95	2.01	2.20	2.08	1.30	3.27	2.26	2.57	3.93	1.67	0.42	1.85
o/w: USD	3.80	-	-	-	-	-	-	-	-	1.00	-	-	3.00
1.2.1.2 Long-term	2.53	2.10	2.72	1.96	2.48	2.17	2.38	1.95	2.15	1.58	6.70	0.67	4.11
1.2.1.2.1 Over 1 and up to 2 years	2.79	0.87	2.79	2.20	2.88	3.03	2.43	2.10	3.00	1.84	3.30	0.86	1.95
1.2.1.2.2 Over 2 years	1.37	2.48	0.83	1.12	1.00	0.56	0.84	1.83	0.09	1.20	6.70	0.57	4.12
o/w: EUR	2.53	2.10	2.72	1.96	2.81	2.17	2.40	1.95	2.15	1.58	6.70	0.67	4.11
o/w: USD	-	-	-	-	1.00	-	0.40	-	-	-	-	-	-
1.3 Repos	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>2 Loans</b>	5.91	6.51	6.71	6.22	6.45	6.65	6.78	6.75	6.65	6.62	6.49	6.90	6.14
2.1 Households	6.39	6.57	6.85	6.49	7.08	7.03	6.99	7.09	6.92	7.07	7.02	7.11	6.68
2.1.1 Loans for house purchases	5.12	4.42	5.15	4.63	5.13	5.05	5.27	5.12	5.14	5.17	5.19	5.21	5.13
2.1.1.1 Short-term	5.54	5.42	5.55	5.61	5.48	5.55	5.57	5.43	5.40	5.28	5.30	5.35	5.36
o/w: EUR	5.54	5.43	5.55	5.61	5.48	5.55	5.57	5.43	5.40	5.28	5.30	5.35	5.36
o/w: CHF	-	3.28	3.23	-	-	-	-	-	-	-	-	0.00	-
2.1.1.2 Long-term	5.06	4.32	5.09	4.53	5.08	4.99	5.23	5.09	5.09	5.15	5.18	5.18	5.11
2.1.1.2.1 Over 1 and up to 5 years	5.39	3.99	5.21	3.40	4.52	5.19	4.94	4.78	6.29	5.42	5.20	5.17	5.10
2.1.1.2.2 Over 5 years	5.05	4.33	5.09	4.54	5.09	4.98	5.23	5.09	5.08	5.15	5.18	5.18	5.11
o/w: EUR	5.29	4.40	5.26	4.67	5.32	5.19	5.33	5.21	5.19	5.27	5.27	5.24	5.20
o/w: CHF	2.30	1.32	2.40	2.08	1.74	2.12	2.06	2.06	2.47	3.24	3.14	3.69	3.60
2.1.2 Consumer loans and other loans	6.86	8.06	7.83	7.67	7.98	8.09	8.01	8.04	7.91	7.89	7.96	7.98	7.53
2.1.2.1 Short-term	6.42	6.80	6.62	6.58	7.03	7.62	7.38	6.67	5.70	6.54	6.68	6.46	6.44
o/w: EUR	6.47	6.81	6.63	6.58	7.03	7.64	7.41	6.68	5.71	6.56	6.76	6.49	6.46
o/w: CHF	-	-	-	-	-	3.50	-	-	5.75	3.04	-	3.10	-
2.1.2.2 Long-term	6.90	8.22	7.98	7.79	8.06	8.14	8.07	8.11	8.14	8.02	8.06	8.08	7.65
2.1.2.2.1 Over 1 and up to 5 years	5.97	7.81	7.55	7.23	7.30	7.57	7.52	7.53	7.68	7.18	7.44	7.58	7.17
2.1.2.2.2 Over 5 years	7.43	8.34	8.13	7.97	8.32	8.28	8.21	8.26	8.27	8.29	8.23	8.22	7.78
o/w: EUR	6.92	8.26	8.01	7.83	8.08	8.16	8.09	8.14	8.16	8.05	8.08	8.10	7.67
o/w: CHF	5.52	4.42	3.35	2.46	5.05	5.37	6.37	4.36	3.60	3.95	3.81	7.02	7.24
o/w: Sole proprietors	6.58	7.03	7.15	6.63	6.70	6.46	6.33	6.14	6.30	6.18	6.56	6.40	5.98

	2013	2014.											
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
2.2 Non-financial corporations	5.70	6.45	6.55	5.99	6.00	6.26	6.58	6.47	6.37	6.25	6.03	6.66	5.93
2.2.1 Loans	5.70	6.45	6.55	5.99	6.00	6.26	6.58	6.47	6.37	6.25	6.03	6.66	5.93
2.2.1.1 Short-term	5.33	7.36	7.10	6.84	6.71	6.29	7.32	7.24	6.52	6.72	6.96	6.63	6.08
o/w: EUR	5.33	7.36	7.10	6.84	6.71	6.29	7.34	7.24	6.52	6.72	6.97	6.63	6.08
o/w: CHF	–	3.10	–	4.20	–	–	5.15	–	–	–	–	–	–
2.2.1.2 Long-term	6.22	5.57	6.05	5.37	5.37	6.24	5.85	5.83	6.10	5.93	5.34	6.68	5.84
2.2.1.2.1 Over 1 and up to 5 years	6.13	5.64	6.37	4.87	6.36	6.38	6.18	7.08	6.08	6.19	5.88	6.46	6.05
2.2.1.2.2 Over 5 years	6.26	5.48	5.75	5.82	4.84	6.11	5.63	5.26	6.14	5.79	4.96	6.83	5.52
o/w: EUR	6.23	5.75	6.05	5.34	5.38	6.24	5.85	5.83	6.10	5.92	5.34	6.68	5.84
o/w: CHF	5.38	3.55	–	6.43	–	–	–	–	–	4.06	–	–	–
<b>Volume</b>													
1 Deposits	209.6	119.2	132.2	209.5	104.2	67.6	173.3	143.2	101.5	108.9	102.1	113.7	283.1
1.1 Households	151.4	79.0	123.4	182.2	78.4	63.9	133.7	128.9	79.5	106.3	87.0	91.3	136.7
1.1.1 Time deposits	151.4	79.0	123.4	182.2	78.4	63.9	133.7	128.9	79.5	106.3	87.0	91.3	136.7
1.1.1.1 Short-term	28.4	19.9	14.9	20.1	15.2	13.7	71.8	39.5	27.5	36.9	25.9	23.9	38.9
1.1.1.1.1 Up to 3 months	13.1	14.5	10.7	13.4	4.4	11.1	63.4	11.1	4.3	15.2	14.8	5.0	15.8
1.1.1.1.2 Over 3 and up to 6 months	1.9	3.2	3.4	2.4	0.2	0.1	3.8	4.0	3.9	7.0	1.7	2.4	2.7
1.1.1.1.3 Over 6 months and up to 1 year	13.4	2.2	0.7	4.3	10.5	2.5	4.6	24.4	19.3	14.7	9.4	16.6	20.5
o/w: EUR	20.6	11.4	6.8	10.7	15.2	5.3	71.8	29.6	26.8	21.7	13.0	20.0	26.5
o/w: USD	7.8	8.5	8.1	9.5	–	8.5	–	9.8	0.7	15.2	12.8	3.8	12.3
1.1.1.2 Long-term	123.0	59.0	108.5	162.1	63.2	50.1	61.9	89.4	52.0	69.4	61.0	67.4	97.8
1.1.1.2.1 Over 1 and up to 2 years	10.5	1.9	10.0	37.2	19.4	7.9	9.1	6.1	11.6	13.2	5.3	4.7	5.2
1.1.1.2.2 Over 2 years	112.5	57.1	98.5	125.0	43.8	42.2	52.8	83.2	40.3	56.2	55.8	62.7	92.5
o/w: EUR	123.0	59.0	108.5	162.0	63.2	50.1	61.8	89.3	51.9	69.4	61.0	67.2	97.7
o/w: USD	–	–	0.0	0.0	–	–	–	–	0.0	–	–	–	–
1.2 Non-financial corporations	58.2	40.2	8.8	27.3	25.8	3.7	39.7	14.3	22.0	2.6	15.1	22.4	146.4
1.2.1 Time deposits	58.2	40.2	8.8	27.3	25.8	3.7	39.7	14.3	22.0	2.6	15.1	22.4	146.4
1.2.1.1 Short-term	56.1	19.9	6.1	23.8	18.9	2.8	27.9	4.4	21.5	0.5	4.9	21.7	29.8
1.2.1.1.1 Up to 3 months	3.0	17.5	0.1	20.2	11.8	–	–	0.1	2.5	0.0	–	19.9	1.0
1.2.1.1.2 Over 3 and up to 6 months	0.9	–	4.0	1.7	1.8	0.5	0.0	3.4	17.5	0.0	1.8	1.6	16.1
1.2.1.1.3 Over 6 months and up to 1 year	52.1	2.4	2.1	1.9	5.3	2.3	27.9	0.9	1.5	0.5	3.2	0.2	12.7
o/w: EUR	56.0	19.9	6.1	23.8	18.9	2.8	27.9	4.4	21.5	0.4	4.9	21.7	29.8
o/w: USD	0.0	–	–	–	–	–	–	–	–	0.1	–	–	0.0
1.2.1.2 Long-term	2.1	20.3	2.7	3.6	6.9	0.9	11.8	9.9	0.4	2.0	10.2	0.7	116.7
1.2.1.2.1 Over 1 and up to 2 years	1.7	4.8	2.6	2.8	5.4	0.6	11.4	4.4	0.3	1.2	0.0	0.3	0.2
1.2.1.2.2 Over 2 years	0.4	15.5	0.1	0.8	1.5	0.3	0.3	5.5	0.1	0.8	10.2	0.5	116.4
o/w: EUR	2.1	20.3	2.7	3.6	5.6	0.9	11.7	9.9	0.4	2.0	10.2	0.7	116.7
o/w: USD	–	–	–	–	1.2	–	0.1	–	–	–	–	–	–
1.3 Repos	–	–	–	–	–	–	–	–	–	–	–	–	–
2 Loans	3,572.2	2,072.8	1,752.8	2,024.1	2,355.5	1,850.7	1,897.5	2,347.1	1,551.3	2,089.3	2,191.4	1,962.7	3,863.4
2.1 Households	1,095.0	951.4	915.6	914.6	989.9	922.3	916.3	1,077.6	805.1	943.6	1,031.3	1,054.9	1,081.6
2.1.1 Loans for house purchases	296.1	388.7	336.0	355.4	314.4	322.1	339.8	351.2	288.0	285.9	348.9	332.3	382.1
2.1.1.1 Short-term	39.2	36.2	43.2	34.3	39.9	35.2	35.6	37.8	41.3	29.4	44.5	44.7	32.1
o/w: EUR	39.2	36.2	43.1	34.3	39.9	35.2	35.6	37.8	41.3	29.4	44.5	44.7	32.1
o/w: CHF	–	0.0	0.0	–	–	–	–	–	–	–	–	0.0	–
2.1.1.2 Long-term	256.8	352.4	292.9	321.1	274.5	286.9	304.2	313.5	246.7	256.4	304.4	287.5	350.0
2.1.1.2.1 Over 1 and up to 5 years	5.8	9.5	3.2	4.2	2.2	5.1	4.4	5.7	3.2	3.1	9.3	3.8	2.6
2.1.1.2.2 Over 5 years	251.0	342.9	289.7	316.8	272.3	281.8	299.8	307.8	243.5	253.3	295.1	283.7	347.4
o/w: EUR	237.0	342.8	274.5	303.6	255.8	266.8	295.1	300.1	238.0	242.1	291.6	276.0	330.4



**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

	2013	2014.											
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
<b>Interest rate</b>													
<b>1 Deposits</b>	2.20	2.20	2.28	2.06	2.26	1.85	1.94	2.17	2.23	2.06	1.92	1.83	1.93
1.1 Households	2.52	2.48	2.48	2.47	2.43	2.37	2.35	2.31	2.25	2.25	2.16	2.07	2.10
1.1.1 Time deposits	2.52	2.48	2.48	2.47	2.43	2.37	2.35	2.31	2.25	2.25	2.16	2.07	2.10
1.1.1.1 Short-term	2.25	2.19	2.17	2.10	2.06	2.04	2.02	1.98	1.98	1.96	1.87	1.76	1.76
1.1.1.1.1 Up to 3 months	1.62	1.54	1.52	1.50	1.51	1.46	1.50	1.43	1.38	1.40	1.30	1.21	1.20
1.1.1.1.2 Over 3 and up to 6 months	2.14	1.99	1.96	2.00	1.95	1.95	1.85	1.80	1.73	1.73	1.70	1.64	1.63
1.1.1.1.3 Over 6 months and up to 1 year	2.52	2.45	2.44	2.37	2.33	2.29	2.28	2.24	2.26	2.21	2.12	2.03	2.00
o/w: EUR	2.31	2.23	2.21	2.13	2.10	2.07	2.05	2.01	2.02	1.98	1.88	1.78	1.78
o/w: USD	2.02	2.00	1.93	1.95	1.94	2.02	1.94	1.92	1.83	1.80	1.94	1.87	1.73
1.1.1.2 Long-term	3.07	3.02	3.05	3.05	2.99	2.96	2.91	2.86	2.77	2.77	2.68	2.61	2.61
1.1.1.2.1 Over 1 and up to 2 years	2.99	2.91	2.95	2.87	2.93	2.87	2.87	2.83	2.72	2.73	2.66	2.55	2.61
1.1.1.2.2 Over 2 years	3.24	3.26	3.25	3.30	3.13	3.14	3.01	2.93	2.89	2.87	2.74	2.75	2.63
o/w: EUR	3.11	3.05	3.07	3.06	3.01	2.98	2.94	2.88	2.80	2.80	2.69	2.64	2.65
o/w: USD	2.93	2.62	2.91	3.07	2.92	2.79	2.62	2.71	2.62	2.54	2.62	2.50	2.39
1.2 Non-financial corporations	1.41	1.35	1.57	1.08	1.92	0.84	1.08	1.87	2.17	1.37	1.11	1.09	1.39
1.2.1 Time deposits	1.41	1.35	1.57	1.08	1.92	0.84	1.08	1.87	2.17	1.37	1.11	1.09	1.39
1.2.1.1 Short-term	1.36	1.30	1.41	0.97	1.53	0.78	0.83	1.21	1.13	1.24	1.08	0.99	1.20
1.2.1.1.1 Up to 3 months	0.86	0.84	1.03	0.67	0.70	0.53	0.52	0.73	0.81	0.91	0.91	0.77	0.76
1.2.1.1.2 Over 3 and up to 6 months	2.21	2.42	2.30	2.50	4.65	2.28	1.90	2.19	1.85	2.10	1.60	1.73	1.74
1.2.1.1.3 Over 6 months and up to 1 year	2.91	3.00	2.60	2.83	2.62	2.50	2.65	2.35	2.27	2.21	1.94	2.05	1.76
o/w: EUR	1.51	1.47	1.41	0.99	1.85	0.91	1.04	1.63	1.34	1.28	1.17	0.95	1.24
o/w: USD	0.58	0.40	1.37	0.66	0.27	0.28	0.19	0.23	0.48	0.43	0.59	1.46	0.56
1.2.1.2 Long-term	3.34	2.00	3.93	3.54	4.65	2.36	4.47	5.16	5.55	2.64	2.61	3.96	2.80
1.2.1.2.1 Over 1 and up to 2 years	3.39	2.26	4.03	4.70	4.66	2.72	4.89	5.19	5.57	4.66	2.71	4.08	2.84
1.2.1.2.2 Over 2 years	3.04	1.22	1.16	0.33	0.51	0.70	1.55	2.11	1.56	0.84	2.03	2.99	1.70
o/w: EUR	3.72	2.26	4.80	3.55	4.65	2.83	4.88	5.16	5.74	2.64	2.62	3.97	2.80
o/w: USD	2.39	1.22	1.00	1.45	-	1.08	1.45	2.90	2.28	2.37	-	1.29	-
1.3 Repos	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>2 Loans</b>	4.48	3.95	3.53	3.99	3.39	3.29	4.80	3.93	3.41	3.74	3.78	5.08	4.49
2.1 Households	1.45	2.03	1.61	2.65	0.56	1.19	2.31	3.30	1.45	0.21	0.58	1.95	2.19
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	1.45	2.03	1.61	2.65	0.56	1.19	2.31	3.30	1.45	0.21	0.58	1.95	2.19
2.1.2.1 Short-term	0.86	1.84	1.51	2.59	0.18	1.06	2.21	3.22	1.22	0.21	0.43	1.43	0.79
o/w: EUR	0.85	1.84	1.50	2.59	0.17	1.05	2.20	3.21	1.21	0.20	0.42	1.42	0.78
o/w: CHF	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
2.1.2.2 Long-term	6.69	6.46	4.60	4.81	5.08	7.61	7.52	5.88	5.81	-	6.96	5.50	5.24
2.1.2.2.1 Over 1 and up to 5 years	5.43	6.18	4.60	4.81	4.59	7.24	7.58	5.88	-	-	-	6.19	4.80
2.1.2.2.2 Over 5 years	7.75	8.00	-	-	7.42	8.67	7.50	-	5.81	-	6.96	5.47	5.28
o/w: EUR	6.69	6.46	4.60	4.81	5.08	7.61	7.56	5.88	5.81	-	6.96	5.50	5.24
o/w: CHF	-	-	-	-	-	-	7.50	-	-	-	-	-	-
o/w: Sole proprietors	5.85	4.89	3.49	3.12	4.14	2.10	4.91	5.80	4.38	0.00	4.32	4.76	4.42

	2013 Dec.	2014.											
		Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
2.2 Non-financial corporations	4.60	4.10	3.64	4.07	3.52	3.38	5.08	3.96	3.53	3.92	3.87	5.23	4.62
2.2.1 Loans	4.60	4.10	3.64	4.07	3.52	3.38	5.08	3.96	3.53	3.92	3.87	5.23	4.62
2.2.1.1 Short-term	3.69	3.76	3.57	3.71	3.54	3.88	5.12	4.03	3.63	3.77	3.12	2.87	4.32
o/w: EUR	3.64	4.02	3.38	3.66	3.69	3.78	4.85	3.96	4.07	3.44	3.33	2.98	4.61
o/w: USD	2.73	2.70	3.88	1.24	2.82	5.15	6.11	6.41	2.69	2.40	2.47	1.24	3.16
2.2.1.2 Long-term	6.70	6.00	3.76	5.93	3.40	2.35	5.02	3.49	3.47	4.19	5.82	6.01	5.27
2.2.1.2.1 Over 1 and up to 5 years	6.39	5.54	6.34	6.72	5.69	7.22	4.75	5.22	4.09	6.20	6.16	6.58	5.40
2.2.1.2.2 Over 5 years	6.76	6.29	3.51	5.82	2.70	1.98	5.18	3.01	3.06	3.88	5.76	5.96	5.18
o/w: EUR	6.69	6.00	3.75	5.92	3.28	2.33	4.83	3.49	3.47	4.18	5.82	6.01	6.02
o/w: USD	7.91	-	5.00	7.96	6.17	5.70	5.88	-	-	6.83	-	5.37	4.92
<b>Volume</b>													
1 Deposits	12,707.5	12,600.5	10,908.0	12,474.1	12,460.0	12,068.8	10,604.8	11,791.2	10,845.0	11,311.8	10,872.7	10,308.3	12,532.1
1.1 Households	9,056.8	9,411.1	8,468.8	8,836.6	8,191.1	7,936.2	7,197.1	8,174.0	7,874.8	8,779.7	8,325.5	7,752.1	9,525.0
1.1.1 Time deposits	9,056.8	9,411.1	8,468.8	8,836.6	8,191.1	7,936.2	7,197.1	8,174.0	7,874.8	8,779.7	8,325.5	7,752.1	9,525.0
1.1.1.1 Short-term	6,054.6	6,054.8	5,469.3	5,414.0	4,952.6	5,057.2	4,546.7	5,144.8	5,176.4	5,588.9	5,354.2	4,958.4	5,780.5
1.1.1.1.1 Up to 3 months	1,344.0	1,212.0	1,117.8	1,250.1	1,193.8	1,073.5	994.2	1,088.4	1,053.3	1,164.2	1,106.3	1,123.3	1,192.1
1.1.1.1.2 Over 3 and up to 6 months	1,065.2	1,050.4	916.1	969.3	932.9	1,045.1	943.3	1,007.1	926.4	991.6	981.4	1,032.8	1,167.4
1.1.1.1.3 Over 6 months and up to 1 year	3,645.4	3,792.5	3,435.4	3,194.6	2,825.9	2,938.6	2,609.3	3,049.3	3,196.7	3,433.1	3,266.6	2,802.4	3,420.9
o/w: EUR	5,355.0	5,402.7	4,940.2	4,886.2	4,417.2	4,538.6	4,040.9	4,610.3	4,696.8	5,077.9	4,814.0	4,391.6	5,123.8
o/w: USD	404.9	418.1	313.1	355.8	340.2	351.4	325.8	330.2	275.9	323.1	369.0	335.3	426.2
1.1.1.2 Long-term	3,002.2	3,356.3	2,999.5	3,422.6	3,238.5	2,879.0	2,650.3	3,029.2	2,698.4	3,190.8	2,971.3	2,793.7	3,744.5
1.1.1.2.1 Over 1 and up to 2 years	2,006.1	2,292.8	2,002.2	2,009.2	2,252.4	1,964.6	1,907.7	2,179.9	1,934.2	2,332.4	2,051.6	1,964.2	2,873.5
1.1.1.2.2 Over 2 years	996.1	1,063.5	997.3	1,413.4	986.1	914.3	742.6	849.3	764.1	858.5	919.7	829.5	871.0
o/w: EUR	2,754.8	3,153.8	2,812.9	3,212.4	3,063.7	2,675.3	2,478.6	2,804.9	2,494.4	2,969.7	2,790.4	2,553.4	3,466.3
o/w: USD	169.6	136.3	149.8	168.5	131.1	170.0	131.5	178.3	151.9	158.2	140.5	196.3	199.7
1.2 Non-financial corporations	3,650.7	3,189.4	2,439.2	3,637.5	4,269.0	4,132.6	3,407.8	3,617.2	2,970.2	2,532.0	2,547.2	2,556.2	3,007.0
1.2.1 Time deposits	3,650.7	3,189.4	2,439.2	3,637.5	4,269.0	4,132.6	3,407.8	3,617.2	2,970.2	2,532.0	2,547.2	2,556.2	3,007.0
1.2.1.1 Short-term	3,561.3	2,941.2	2,283.3	3,482.0	3,726.2	3,984.6	3,172.7	3,014.2	2,272.3	2,293.1	2,497.8	2,473.4	2,654.5
1.2.1.1.1 Up to 3 months	2,456.2	2,200.7	1,686.9	2,975.4	2,855.0	3,446.7	2,568.3	2,077.6	1,668.2	1,687.6	1,991.8	1,979.8	1,473.9
1.2.1.1.2 Over 3 and up to 6 months	697.1	420.1	203.6	206.4	688.8	230.1	416.7	432.4	335.9	361.2	273.6	261.2	587.7
1.2.1.1.3 Over 6 months and up to 1 year	408.0	320.4	392.8	300.2	182.3	307.8	187.7	504.3	268.2	244.2	232.4	232.4	593.0
o/w: EUR	2,965.9	2,447.7	2,010.0	3,224.0	2,893.2	2,992.6	2,266.9	2,054.6	1,724.4	2,148.3	2,025.6	2,287.7	2,459.3
o/w: USD	554.6	485.5	246.3	247.4	760.1	903.0	843.6	939.4	525.5	113.6	450.2	178.6	150.3
1.2.1.2 Long-term	89.4	248.2	155.9	155.5	542.8	148.0	235.1	603.0	698.0	239.0	49.4	82.8	352.5
1.2.1.2.1 Over 1 and up to 2 years	76.3	187.2	150.2	114.1	541.1	121.7	205.3	597.9	694.0	112.9	42.3	74.0	339.0
1.2.1.2.2 Over 2 years	13.1	61.0	5.6	41.4	1.7	26.3	29.8	5.2	4.0	126.1	7.0	8.8	13.5
o/w: EUR	65.2	187.5	120.0	154.4	542.8	108.7	206.7	602.7	660.0	238.6	49.2	82.6	351.5
o/w: USD	23.2	60.8	35.8	1.1	-	38.5	25.8	0.1	38.0	0.4	-	0.2	-
1.3 Repos	-	-	-	-	-	-	-	-	-	-	-	-	-
2 Loans	1,122.7	837.7	782.0	1,015.5	921.5	995.1	514.2	1,318.0	649.6	644.9	1,405.6	1,025.0	1,059.4
2.1 Households	44.7	58.8	39.6	59.5	38.0	39.7	52.5	61.2	36.5	32.5	38.8	47.0	56.0
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	-	-	-	-	-	-	-	-	-	-	-	-	-

	2013												2014.
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
o/w: CHF	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1.2 Consumer loans and other loans	44.7	58.8	39.6	59.5	38.0	39.7	52.5	61.2	36.5	32.5	38.8	47.0	56.0
2.1.2.1 Short-term	40.2	56.4	38.3	58.0	35.1	38.9	51.5	59.2	34.7	32.5	37.9	41.0	38.4
o/w: EUR	40.1	56.4	38.3	57.9	35.0	38.9	51.4	59.2	34.6	32.5	37.9	41.0	38.4
o/w: CHF	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
2.1.2.2 Long-term	4.6	2.4	1.3	1.6	2.9	0.8	1.0	2.0	1.9	-	0.9	6.0	17.6
2.1.2.2.1 Over 1 and up to 5 years	2.1	2.0	1.3	1.6	2.4	0.6	0.3	2.0	-	-	-	0.2	1.5
2.1.2.2.2 Over 5 years	2.5	0.4	-	-	0.5	0.2	0.7	-	1.9	-	0.9	5.8	16.1
o/w: EUR	4.6	2.4	1.3	1.6	2.9	0.8	0.4	2.0	1.9	-	0.9	6.0	17.6
o/w: CHF	-	-	-	-	-	-	0.6	-	-	-	-	-	-
o/w: Sole proprietors	5.7	3.3	2.1	2.3	3.4	1.0	2.3	3.5	2.5	0.7	2.0	6.5	3.0
2.2 Non-financial corporations	1,077.9	778.9	742.4	956.0	883.5	955.4	461.7	1,256.8	613.1	612.5	1,366.7	978.0	1,003.4
2.2.1 Loans	1,077.9	778.9	742.4	956.0	883.5	955.4	461.7	1,256.8	613.1	612.5	1,366.7	978.0	1,003.4
2.2.1.1 Short-term	750.3	662.2	497.8	799.6	718.8	642.9	265.4	1,086.4	212.1	391.5	984.9	242.2	688.3
o/w: EUR	699.8	462.5	438.7	768.4	515.4	624.8	229.5	1,060.9	144.7	348.0	740.0	227.8	552.1
o/w: USD	36.4	182.7	41.7	13.9	190.3	0.6	14.0	8.0	67.4	13.2	244.9	14.3	136.2
2.2.1.2 Long-term	327.6	116.8	244.7	156.4	164.6	312.5	196.3	170.3	401.0	220.9	381.8	735.8	315.1
2.2.1.2.1 Over 1 and up to 5 years	50.8	45.3	21.9	19.1	38.6	22.2	74.0	36.9	160.1	29.5	58.7	62.7	131.7
2.2.1.2.2 Over 5 years	276.8	71.4	222.8	137.3	126.0	290.3	122.3	133.5	240.9	191.5	323.1	673.1	183.4
o/w: EUR	326.5	116.6	243.5	156.0	157.8	311.1	160.8	170.3	401.0	219.9	381.8	729.7	154.7
o/w: USD	0.2	-	1.2	0.4	6.9	1.4	35.5	-	-	1.0	-	6.1	77.8



**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
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
2014		0.47	0.47	0.47	0.58	0.63	0.75	0.97	1.32	1.57	1.81
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
	June	0.50	0.50	0.50	0.53	0.56	0.63	0.89	1.35	1.62	1.84
	July	0.32	0.32	0.32	0.42	0.51	0.64	0.87	1.34	1.58	1.81
	August	0.41	0.41	0.41	0.56	0.65	0.81	1.01	1.38	1.63	1.85
	September	0.57	0.57	0.57	0.76	0.84	0.98	1.16	1.44	1.66	1.87
	October	0.45	0.46	0.46	0.69	0.78	0.98	1.14	1.35	1.61	1.82
	November	0.46	0.47	0.47	0.71	0.77	0.93	1.10	1.32	1.56	1.79
	December	0.45	0.45	0.45	0.66	0.75	0.88	1.09	1.32	1.56	1.78

**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 G8b Yields to maturity on the bonds of the Republic of Croatia, for selected currencies and maturities

Year	Month	USD				EUR		Indexed to EUR				HRK			
		6 years	7 years	9 years	10 years	4 years	8 years	5 years	6 years	8 years	10 years	2 years	3 years	4 years	6 years
2005		4.70	–	–	–	3.19	3.66	–	3.73	–	–	4.07	5.17	4.24	–
2006		–	–	–	–	4.04	4.19	4.42	4.36	–	–	4.06	4.60	4.15	–
2007		–	–	–	–	4.62	–	4.83	–	–	–	4.71	4.24	–	4.98
2008		–	–	–	–	–	–	–	–	–	–	5.50	–	–	5.32
2009		–	–	–	5.83	4.51	–	–	–	–	6.44	–	–	8.14	7.95
2010		–	–	5.66	5.69	4.30	–	–	–	–	6.05	–	5.28	5.97	5.81
2011		–	–	6.51	6.24	5.04	–	–	–	6.47	–	4.75	5.30	5.66	6.27
2012		–	5.45	6.68	–	–	–	–	–	6.60	5.86	6.36	4.63	5.54	6.63
2013		5.17	5.08	5.90	5.71	–	–	–	4.59	–	4.16	3.35	3.74	4.17	4.99
2014		4.68	4.95	5.20	5.47	3.08	3.83	3.64	4.19	4.29	4.64	2.87	3.67	3.91	4.23
2014	January	5.05	5.36	5.79	5.97	3.80	–	–	4.98	5.10	5.50	3.28	3.93	4.61	5.11
	February	5.06	5.37	5.73	5.91	3.76	–	–	4.71	5.02	5.40	3.20	4.00	4.39	4.78
	March	4.86	5.13	5.46	5.60	3.66	–	–	4.45	4.74	5.17	3.11	4.00	4.12	4.51
	April	4.82	5.07	5.38	5.47	3.29	–	–	4.33	4.73	5.02	3.04	4.13	4.10	4.41
	May	4.59	4.78	5.08	5.19	3.07	3.97	–	4.24	4.46	4.78	3.00	3.93	3.94	4.31
	June	4.40	4.57	4.89	5.01	2.88	3.82	3.80	3.94	4.07	4.40	2.88	3.47	3.90	3.94
	July	4.45	4.70	5.00	5.12	2.94	3.93	3.73	3.72	4.00	4.37	2.63	3.10	3.78	3.72
	August	4.63	4.84	5.14	–	3.02	4.10	3.87	3.68	4.20	4.45	2.87	3.17	3.75	3.68
	September	4.56	4.69	4.99	–	2.71	3.77	3.65	3.62	3.91	4.23	2.70	3.18	3.74	3.62
	October	4.64	–	5.02	–	2.63	3.76	3.47	–	3.72	4.13	2.62	2.98	3.65	–
	November	4.46	–	4.89	–	2.53	3.49	3.48	–	3.81	4.14	2.64	4.77	3.51	–
	December	4.64	–	5.03	–	2.65	–	3.48	–	3.76	4.05	2.48	3.39	3.45	–

Table Yields to maturity on the bonds of the Republic of Croatia, for selected currencies and maturities • Table G8b shows the average monthly and annual yields to maturity on the bonds of the Republic of Croatia, for selected currencies and maturities.

The average monthly yields to maturity are a simple average of daily yields to maturity.

The average annual yields are a simple average of monthly averages.

Daily yields are calculated for each remaining maturity (rounded to the whole number of years) in such a way that bonds are first grouped according to the remaining maturity, and then a simple average is calculated for each group. The remaining maturity of a bond on a certain day is calculated as a rounded number (interval  $t-0.5$  to  $t+0.5$ ), assuming a year of 365 days.

The applied methodology differs somewhat depending on the market in which bonds are issued, i.e. the Republic of Croatia

or foreign capital markets, and depending on the availability of data for the calculation of yields to maturity.

Bonds issued in the domestic capital market

Daily yields to maturity are calculated on the basis of the weighted average of the average trading price attained in all trading segments of the Zagreb Stock Exchange.

Daily yields are also calculated for days when there are no trading transactions, assuming that the most recent average price remains unchanged.

Daily yields are not calculated for days which are public holidays in the Republic of Croatia.

Bonds issued in foreign capital markets

Daily yields to maturity are taken from the Bloomberg financial service, and are calculated on the basis of daily data on the most recent quoted bid price.

The calculation of the average monthly yield does not account for days for which data on daily yields are not available.



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

Year	Month	EUR/HRK	CHF/HRK	GBP/HRK	USD/HRK
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
2014		7.661471	6.368108	9.784765	6.302107
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
	July	7.636504	6.280020	9.651800	5.698033
	August	7.627133	6.326421	9.603542	5.786899
	September	7.626267	6.316795	9.760997	6.015355
	October	7.662622	6.356912	9.748883	6.088211
	November	7.673128	6.384165	9.669979	6.163650
	December	7.661471	6.368108	9.784765	6.302107

**Table G10b Midpoint exchange rates of the Croatian National Bank (end of period)** • The table shows CNB midpoint ex-change 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

	2013												2014
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
<b>A. Purchase of foreign exchange</b>													
1 Legal persons	1,617.9	1,528.7	1,451.9	1,553.2	1,587.7	1,217.3	1,432.8	1,637.9	1,506.7	1,834.0	1,481.5	1,408.6	1,678.0
2 Natural persons	387.0	325.2	359.3	384.9	438.5	476.8	484.4	650.7	659.3	504.4	457.9	349.0	428.9
2.1 Residents	377.6	318.5	353.2	383.5	417.6	446.4	419.4	540.1	515.2	449.8	441.1	340.4	411.6
2.2 Non-residents	9.4	6.7	6.1	1.3	20.9	30.4	65.0	110.6	144.1	54.6	16.8	8.6	17.3
3 Domestic banks	892.3	752.2	890.9	707.3	879.8	1,000.5	1,101.2	867.5	927.9	1,130.0	729.7	353.2	791.9
4 Foreign banks	548.6	566.7	510.1	497.0	599.2	603.3	609.3	756.5	642.6	765.5	491.6	236.8	458.1
5 Croatian National Bank	-	-	240.2	-	-	-	-	-	-	-	-	-	-
<b>Total (1+2+3+4)</b>	<b>3,445.8</b>	<b>3,172.8</b>	<b>3,452.5</b>	<b>3,142.4</b>	<b>3,505.2</b>	<b>3,297.9</b>	<b>3,627.8</b>	<b>3,912.6</b>	<b>3,736.4</b>	<b>4,234.0</b>	<b>3,160.7</b>	<b>2,347.6</b>	<b>3,357.0</b>
<b>B. Sale of foreign exchange</b>													
1 Legal persons	1,912.2	1,912.6	1,644.1	1,870.5	2,085.4	1,668.2	1,851.4	2,458.3	2,093.0	2,535.6	1,932.1	1,629.5	1,898.5
2 Natural persons	118.4	110.1	86.2	85.5	90.9	128.6	130.4	145.9	156.4	165.5	113.9	96.3	135.1
2.1 Residents	118.1	109.9	86.0	85.1	90.6	128.2	129.5	144.4	154.5	164.3	113.5	96.0	133.6
2.2 Non-residents	0.2	0.2	0.2	0.5	0.3	0.3	0.9	1.5	1.9	1.2	0.4	0.3	1.6
3 Domestic banks	892.3	752.2	890.9	707.3	879.8	1,000.5	1,101.2	867.5	927.9	1,130.0	729.7	353.2	791.9
4 Foreign banks	788.5	528.6	520.9	477.3	679.3	518.9	598.4	643.6	756.2	819.4	475.8	378.3	738.8
5 Croatian National Bank	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total (1+2+3+4)</b>	<b>3,711.4</b>	<b>3,303.5</b>	<b>3,142.1</b>	<b>3,140.7</b>	<b>3,735.4</b>	<b>3,316.2</b>	<b>3,681.4</b>	<b>4,115.3</b>	<b>3,933.4</b>	<b>4,650.5</b>	<b>3,251.4</b>	<b>2,457.3</b>	<b>3,564.4</b>
<b>C. Net purchase (A-B)</b>													
1 Legal persons	-294.3	-383.9	-192.2	-317.3	-497.7	-450.9	-418.6	-820.4	-586.3	-701.5	-450.6	-220.9	-220.5
2 Natural persons	268.7	215.2	273.2	299.3	347.6	348.3	354.0	504.8	502.9	338.9	344.0	252.6	293.8
2.1 Residents	259.5	208.6	267.3	298.5	327.0	318.2	290.0	395.7	360.7	285.5	327.5	244.3	278.0
2.2 Non-residents	9.2	6.5	5.9	0.8	20.7	30.0	64.1	109.1	142.2	53.5	16.5	8.3	15.8
3 Foreign banks	-239.9	38.0	-10.8	19.7	-80.1	84.4	10.9	112.9	-113.6	-53.9	15.8	-141.5	-280.7
4 Croatian National Bank	0.0	0.0	240.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total (1+2+3)</b>	<b>-265.6</b>	<b>-130.7</b>	<b>310.4</b>	<b>1.7</b>	<b>-230.1</b>	<b>-18.2</b>	<b>-53.6</b>	<b>-202.7</b>	<b>-197.0</b>	<b>-416.5</b>	<b>-90.8</b>	<b>-109.7</b>	<b>-207.4</b>
Memo items: Other Croatian National Bank transactions													
Purchase of foreign exchange	200.3	15.3	100.5	0.3	0.4	0.4	300.5	0.4	0.3	0.8	0.5	0.5	0.6
o/w: MoF	200.3	15.3	100.5	0.3	0.4	0.4	300.5	0.4	0.3	0.8	0.5	0.5	0.6
Sale of foreign exchange	49.8	0.0	117.8	5.2	-	-	169.7	39.8	9.8	0.0	32.0	17.9	-
o/w: MoF	0.0	-	-	-	-	-	-	-	0.0	0.0	0.0	-	-

**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<sup>a,b</sup>  
in million EUR

	2010	2011	2012	2013	2014 <sup>c</sup>	2014			
						Q1	Q2	Q3	Q4 <sup>e</sup>
<b>A CURRENT ACCOUNT (1+6)</b>	<b>-487.3</b>	<b>-349.1</b>	<b>-57.5</b>	<b>358.9</b>	<b>286.4</b>	<b>-1,513.8</b>	<b>-376.7</b>	<b>2,778.5</b>	<b>-601.5</b>
1 Goods, services, and primary income (2+5)	-1,549.7	-1,499.4	-1,219.0	-711.5	-495.8	-1,690.6	-544.2	2,544.8	-805.9
1.1 Credit	17,919.2	19,064.4	19,285.0	19,626.2	20,847.0	3,301.0	5,171.6	8,287.5	4,087.0
1.2 Debit	19,468.9	20,563.7	20,504.0	20,337.6	21,342.7	4,991.5	5,715.7	5,742.7	4,892.9
2 Goods and services (3+4)	-146.2	-181.5	222.7	221.8	900.3	-1,341.1	-93.9	3,007.8	-672.4
2.1 Credit	17,006.9	18,111.3	18,316.0	18,762.1	19,937.6	3,063.2	4,899.0	8,028.3	3,947.1
2.2 Debit	17,153.1	18,292.9	18,093.2	18,540.3	19,037.3	4,404.4	4,992.9	5,020.5	4,619.5
3 Goods	-5,922.2	-6,382.0	-6,297.5	-6,588.7	-6,333.8	-1,544.9	-1,858.7	-1,636.7	-1,293.5
3.1 Credit	8,058.1	8,742.4	8,672.8	8,923.1	9,754.0	2,205.8	2,392.3	2,572.6	2,583.3
3.2 Debit	13,980.3	15,124.4	14,970.3	15,511.8	16,087.8	3,750.7	4,250.9	4,209.3	3,876.9
4 Services	5,776.0	6,200.5	6,520.3	6,810.5	7,234.1	203.8	1,764.8	4,644.4	621.1
4.1 Credit	8,948.8	9,369.0	9,643.2	9,839.0	10,183.6	857.5	2,506.8	5,455.6	1,363.8
4.2 Debit	3,172.8	3,168.5	3,122.9	3,028.5	2,949.5	653.7	742.0	811.2	742.6
5 Primary income	-1,403.5	-1,317.9	-1,441.7	-933.3	-1,396.1	-349.4	-450.3	-462.9	-133.5
5.1 Credit	912.3	953.0	969.1	864.0	909.3	237.7	272.6	259.2	139.9
5.2 Debit	2,315.7	2,270.9	2,410.8	1,797.3	2,305.5	587.1	722.8	722.2	273.4
6 Secondary income	1,062.4	1,150.3	1,161.5	1,070.3	782.2	176.7	167.4	233.7	204.4
6.1 Credit	1,629.7	1,671.4	1,720.0	1,817.5	1,777.7	488.2	415.4	432.3	441.8
6.2 Debit	567.3	521.1	558.5	747.1	995.5	311.5	248.0	198.6	237.4
<b>B CAPITAL ACCOUNT</b>	<b>59.6</b>	<b>37.6</b>	<b>47.8</b>	<b>51.4</b>	<b>71.7</b>	<b>2.3</b>	<b>18.0</b>	<b>8.2</b>	<b>43.2</b>
<b>C FINANCIAL ACCOUNT</b>	<b>-1,326.1</b>	<b>-1,409.0</b>	<b>-391.6</b>	<b>-434.9</b>	<b>-227.9</b>	<b>-1,218.9</b>	<b>-350.3</b>	<b>1,766.7</b>	<b>-425.4</b>
1 Direct investment	-923.9	-1,179.5	-1,172.8	-854.7	-1,179.9	-268.1	-357.3	-296.4	-258.0
1.1 Assets	125.3	-169.3	-63.5	-119.8	1,696.2	11.0	1,771.5	87.3	-173.5
1.2 Liabilities	1,049.2	1,010.2	1,109.2	735.0	2,876.1	279.1	2,128.8	383.7	84.4
2 Portfolio investment	-401.1	-583.1	-1,746.1	-1,890.6	706.3	-6.3	80.8	503.9	127.9
2.1 Assets	408.0	-491.9	311.5	-92.7	404.0	-10.1	45.6	217.7	150.7
2.2 Liabilities	809.2	91.2	2,057.5	1,797.9	-302.3	-3.7	-35.2	-286.2	22.9
3 Financial derivatives	252.7	75.2	-56.8	19.8	15.4	3.7	-1.5	-2.0	15.1
4 Other investment	-337.6	-122.2	2,538.2	446.2	760.1	-146.8	-281.1	1,968.9	-780.8
4.1 Assets	-689.2	-244.6	-605.6	-155.5	595.4	552.9	-486.8	1,836.8	-1,307.5
4.2 Liabilities	-351.6	-122.4	-3,143.8	-601.8	-164.7	699.8	-205.6	-132.1	-526.8
5 Reserve assets	83.8	400.6	45.8	1,844.4	-529.9	-801.3	208.7	-407.7	470.4
<b>D NET ERRORS AND OMISSIONS</b>	<b>-898.4</b>	<b>-1,097.5</b>	<b>-381.9</b>	<b>-845.1</b>	<b>-586.0</b>	<b>292.6</b>	<b>8.4</b>	<b>-1,020.0</b>	<b>132.9</b>

<sup>a</sup> Data have been compiled in accordance with the new methodology prescribed by the sixth edition of the Balance of Payments and International Investment Position Manual (BPM6) and the new sector classification of institutional units in line with ESA 2010. <sup>b</sup> 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), December 2010 (EUR -618.6m) and June 2014 (EUR 1,485.8m). <sup>c</sup> 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 credit institutions' 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. From 1993 until the end of 2013, the balance of payments was compiled in accordance with the methodology recommended by the International Monetary Fund in the fifth edition of its Balance of Payments Manual (BPM5), while starting from 2014, the balance of payments is compiled according to the sixth edition of that manual (BPM6). Also, with the beginning of the implementation of BPM6, the balance of payments historical data for 2000-2013 have been revised in line with the new methodology.

Data sources include: 1) estimates and statistical research carried out by the Croatian National Bank; 2) special reports of the Croatian National Bank (International Transaction Reporting System (ITRS), monetary statistics, securities statistics and reserve assets); and 3) reports of the government institutions (Croatian Bureau of Statistics, Ministry of Finance, Croatian Health Insurance Fund and Croatian Pension Insurance Institute).

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

Table H2 Balance of payments – goods and services<sup>a</sup>

in million EUR

	2010	2011	2012	2013	2014 <sup>b</sup>	2014			
						Q1	Q2	Q3	Q4 <sup>b</sup>
<b>Goods</b>	<b>-5,922.2</b>	<b>-6,382.0</b>	<b>-6,297.5</b>	<b>-6,588.7</b>	<b>-6,333.8</b>	<b>-1,544.9</b>	<b>-1,858.7</b>	<b>-1,636.7</b>	<b>-1,293.5</b>
1 Credit	8,058.1	8,742.4	8,672.8	8,923.1	9,754.0	2,205.8	2,392.3	2,572.6	2,583.3
1.1 Exports (f.o.b.) in trade statistics	8,898.6	9,533.7	9,448.7	9,510.7	10,242.6	2,325.3	2,517.4	2,680.4	2,719.5
1.2 Adjustments for coverage	-873.5	-865.0	-968.2	-678.5	-608.5	-151.9	-153.6	-138.4	-164.7
1.3 Net exports of goods under merchandising	26.4	25.2	12.6	12.2	17.0	4.2	2.5	5.9	4.3
1.4 Non-monetary gold	6.6	48.4	179.7	78.7	102.9	28.1	25.9	24.8	24.1
2 Debit	13,980.3	15,124.4	14,970.3	15,511.8	16,087.8	3,750.7	4,250.9	4,209.3	3,876.9
2.1 Imports (c.i.f.) in trade statistics	15,132.9	16,280.9	16,215.2	16,527.0	17,071.3	3,975.4	4,494.3	4,499.8	4,101.8
2.2 Adjustments for coverage	-452.8	-438.8	-512.6	-269.0	-234.7	-49.4	-47.9	-93.6	-43.9
2.3 Adjustments for classification	-703.9	-718.0	-733.0	-747.1	-772.7	-179.9	-203.5	-203.7	-185.6
2.4 Non-monetary gold	4.1	0.3	0.7	0.9	23.8	4.6	8.0	6.8	4.5
<b>Services</b>	<b>5,776.0</b>	<b>6,200.5</b>	<b>6,520.3</b>	<b>6,810.5</b>	<b>7,234.1</b>	<b>203.8</b>	<b>1,764.8</b>	<b>4,644.4</b>	<b>621.1</b>
1 Manufacturing services on physical inputs owned by others	158.8	192.0	192.3	188.5	224.0	49.9	56.5	55.9	61.7
1.1 Credit	243.4	252.4	271.7	220.7	236.7	52.3	59.6	59.4	65.4
1.2 Debit	84.5	60.4	79.4	32.2	12.7	2.4	3.1	3.6	3.7
2 Transport	316.5	277.7	267.7	252.4	295.3	31.8	66.0	126.9	70.7
2.1 Credit	999.1	977.8	966.6	933.7	995.5	189.3	246.4	317.5	242.3
2.2 Debit	682.6	700.1	698.8	681.4	700.2	157.6	180.4	190.6	171.6
3 Travel	5,600.8	5,984.5	6,136.7	6,523.0	6,767.6	157.1	1,649.4	4,468.1	493.1
3.1 Credit	6,230.0	6,616.9	6,858.7	7,202.8	7,402.3	298.5	1,820.8	4,660.2	622.8
3.1.1 Business	236.3	210.1	233.2	225.5	194.0	28.3	73.9	49.7	42.1
3.1.2 Personal	5,993.6	6,406.9	6,625.5	6,977.4	7,208.3	270.1	1,746.9	4,610.5	580.7
3.2 Debit	629.2	632.4	722.0	679.8	634.6	141.4	171.4	192.1	129.7
3.2.1 Business	180.6	184.3	224.6	211.7	180.4	43.2	50.8	41.8	44.5
3.2.2 Personal	448.6	448.1	497.4	468.2	454.2	98.2	120.5	150.3	85.2
4 Other services	-300.2	-253.7	-76.4	-153.4	-52.8	-35.0	-7.1	-6.3	-4.4
4.1 Credit	1,476.3	1,521.8	1,546.2	1,481.7	1,549.1	317.3	380.0	418.5	433.2
4.2 Debit	1,776.5	1,775.5	1,622.6	1,635.1	1,601.9	352.3	387.1	424.9	437.6
o/w: FISIM	-191.6	-258.2	-127.6	-175.1	-118.4	-22.4	-30.6	-33.6	-31.8
Credit	-20.4	-8.5	-4.1	-4.0	9.1	4.0	1.8	3.0	0.3
Debit	171.2	249.7	123.5	171.2	127.5	26.4	32.4	36.6	32.1

<sup>a</sup> Data have been compiled in accordance with the new methodology prescribed by the sixth edition of the Balance of Payments and International Investment Position Manual (BPM6) and the new sector classification of institutional units in line with ESA 2010. <sup>b</sup> Preliminary data.

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:

- 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 Croatian 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. With the accession of the Republic of Croatia to the European Union on 1 July 2013, data on the foreign trade in goods of the Republic of Croatia are obtained from two different sources: Intrastat forms for collecting statistics on the trade in goods between EU member states (Intrastat) and the Single Administration Document for collecting statistics on the trade in goods with non-EU member states (Extrastat). These data are adjusted, in accordance with the recommended compilation method, for coverage and classification. In line with the methodology, 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. was until 2007 estimated on the basis of research studies of the CNB on the stratified sample of importers. The resulting value served 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, was reduced. In the 1993-2001 period, this share stood

Table H3 Balance of payments – primary and secondary income<sup>a</sup>

in million EUR

	2010	2011	2012	2013	2014 <sup>b</sup>	2014			
						Q1	Q2	Q3	Q4 <sup>b</sup>
<b>Primary income</b>	<b>-1,403.5</b>	<b>-1,317.9</b>	<b>-1,441.7</b>	<b>-933.3</b>	<b>-1,396.1</b>	<b>-349.4</b>	<b>-450.3</b>	<b>-462.9</b>	<b>-133.5</b>
1 Compensation of employees	620.8	634.9	714.8	711.2	738.7	158.7	180.5	184.7	214.8
1.1 Credit	657.1	673.5	753.4	756.2	770.1	166.2	190.3	191.9	221.8
1.2 Debit	36.3	38.5	38.6	45.0	31.5	7.5	9.8	7.2	7.0
2 Direct investment income	-1,089.1	-952.4	-988.4	-601.7	-977.8	-221.2	-320.9	-357.0	-78.8
2.1 Credit	84.5	60.1	-19.4	-110.9	-77.1	21.3	35.5	6.5	-140.4
2.1.1 Dividends and withdrawals from income of quasi-corporations	66.1	44.4	31.5	29.2	27.7	9.1	11.4	4.6	2.6
2.1.2 Reinvested earnings	7.3	-7.4	-70.8	-163.8	-132.7	5.7	17.5	-5.5	-150.3
2.1.3 Income on debt (interest)	11.1	23.2	19.8	23.7	27.8	6.6	6.5	7.3	7.3
2.2 Debit	1,173.6	1,012.4	969.0	490.8	900.7	242.6	356.3	363.5	-61.7
2.2.1 Dividends and withdrawals from income of quasi-corporations	427.1	520.0	542.0	598.1	326.5	20.9	272.8	22.2	10.6
2.2.2 Reinvested earnings	531.0	276.8	237.6	-281.4	411.6	181.0	42.4	300.9	-112.8
2.2.3 Income on debt (interest)	215.5	215.6	189.4	174.1	162.6	40.7	41.1	40.3	40.5
3 Portfolio investment income	-304.7	-352.1	-495.3	-611.2	-691.1	-165.2	-184.5	-178.3	-163.1
3.1 Credit	40.6	49.5	35.7	43.1	46.1	6.9	8.6	14.8	15.7
3.2 Debit	345.2	401.6	531.0	654.3	737.2	172.2	193.1	193.1	178.8
4 Other investment income	-693.4	-760.1	-821.7	-563.9	-600.5	-157.3	-156.4	-146.3	-140.4
4.1 Credit	67.3	58.2	50.4	43.3	35.7	7.6	7.1	12.1	8.9
4.2 Debit	760.6	818.3	872.1	607.2	636.1	164.9	163.6	158.3	149.3
5 Reserve assets income	62.8	111.8	148.9	132.4	134.6	35.6	31.1	34.0	33.9
5.1 Credit	62.8	111.8	148.9	132.4	134.6	35.6	31.1	34.0	33.9
5.2 Debit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Secondary income</b>	<b>1,062.4</b>	<b>1,150.3</b>	<b>1,161.5</b>	<b>1,070.3</b>	<b>782.2</b>	<b>176.7</b>	<b>167.4</b>	<b>233.7</b>	<b>204.4</b>
1 General government	-65.4	-77.9	-99.8	-276.6	-587.5	-216.9	-152.7	-94.4	-123.6
1.1 Credit	279.1	224.6	211.5	243.1	145.7	30.2	34.4	42.5	38.7
1.2 Debit	344.4	302.5	311.3	519.7	733.2	247.0	187.1	136.8	162.3
2 Other sectors	1,127.8	1,228.2	1,261.3	1,347.0	1,369.7	393.6	320.1	328.0	328.0
2.1 Credit	1,350.6	1,446.8	1,508.6	1,574.4	1,632.0	458.1	381.0	389.8	403.1
2.2 Debit	222.8	218.6	247.2	227.4	262.3	64.5	60.9	61.8	75.1

<sup>a</sup> Data have been compiled in accordance with the new methodology prescribed by the sixth edition of the Balance of Payments and International Investment Position Manual (BPM6) and the new sector classification of institutional units in line with ESA 2010. <sup>b</sup> Preliminary data.

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, 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. It should be noted that with the implementation of BPM6, repairs of goods are no longer included in goods imports and exports, but become part of the services account. Data series from 2000 onwards have also been revised accordingly. The treatment of fuel and other goods

included in the supply of foreign transport equipment in Croatia or of domestic transport equipment abroad remains unchanged, i.e. within goods exports and imports.

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). This treatment is also in compliance with BPM6.

It should be said that, contrary to BPM5, data series from 2000 onwards, which follows the methodology of BPM6, covers only goods involving a change in ownership between residents and non-residents. In other words, goods imported and exported for the purpose of finishing, treatment or processing are no longer included in the trade in goods data. Starting from 2014, imports and exports of goods for cross-border processing are monitored by the CNB under a special statistical research since,

Table H4 Balance of payments – direct and portfolio investments<sup>a,b</sup>

in million EUR

	2010	2011	2012	2013	2014 <sup>c</sup>	2014			
						Q1	Q2	Q3	Q4 <sup>c</sup>
<b>Direct investment</b>	<b>-923.9</b>	<b>-1,179.5</b>	<b>-1,172.8</b>	<b>-854.7</b>	<b>-1,179.9</b>	<b>-268.1</b>	<b>-357.3</b>	<b>-296.4</b>	<b>-258.0</b>
1 Net acquisition of financial assets	125.3	-169.3	-63.5	-119.8	1,696.2	11.0	1,771.5	87.3	-173.5
1.1 Equity	-264.0	183.6	149.5	96.8	1,608.6	-1.8	1,487.8	105.3	17.4
1.1.1 In direct investment enterprises	-264.0	183.6	149.5	96.8	1,608.6	-1.8	1,487.8	105.3	17.4
1.1.2 In direct investor (reverse investment)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.1.3 Between fellow enterprises	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.2 Reinvested earnings	7.3	-7.4	-70.8	-163.8	-132.7	5.7	17.5	-5.5	-150.3
1.3 Debt instruments	382.0	-345.5	-142.3	-52.8	220.3	7.1	266.2	-12.5	-40.6
1.3.1 In direct investment enterprises	368.9	-325.6	-135.7	-83.3	23.9	0.1	29.3	2.4	-7.9
1.3.2 In direct investor (reverse investment)	13.1	-19.9	-6.5	30.5	178.6	1.6	221.3	0.6	-44.9
1.3.3 Between fellow enterprises	0.0	0.0	0.0	0.0	17.7	5.5	15.5	-15.5	12.2
2 Net incurrence of liabilities	1,049.2	1,010.2	1,109.2	735.0	2,876.1	279.1	2,128.8	383.7	84.4
2.1 Equity	402.0	1,967.7	841.1	672.9	2,046.2	-17.4	1,900.9	58.3	104.4
2.1.1 In direct investment enterprises	402.0	1,967.7	841.1	672.9	2,046.2	-17.4	1,900.9	58.3	104.4
2.1.2 In direct investor (reverse investment)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.1.3 Between fellow enterprises	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.2 Reinvested earnings	531.0	276.8	237.6	-281.4	411.6	181.0	42.4	300.9	-112.8
2.3 Debt instruments	116.2	-1,234.3	30.5	343.5	418.3	115.5	185.5	24.5	92.8
2.3.1 In direct investment enterprises	-318.3	-1,041.4	-296.2	82.0	282.1	124.4	127.1	14.9	15.8
2.3.2 In direct investor (reverse investment)	180.8	-179.9	-13.5	-14.9	96.1	19.2	66.6	-13.8	24.2
2.3.3 Between fellow enterprises	253.8	-13.0	340.2	276.4	40.0	-28.0	-8.2	23.3	52.9
<b>Portfolio investment</b>	<b>-401.1</b>	<b>-583.1</b>	<b>-1,746.1</b>	<b>-1,890.6</b>	<b>706.3</b>	<b>-6.3</b>	<b>80.8</b>	<b>503.9</b>	<b>127.9</b>
1 Net acquisition of financial assets	408.0	-491.9	311.5	-92.7	404.0	-10.1	45.6	217.7	150.7
1.1 Equity securities	514.0	117.0	123.4	16.5	104.8	-67.6	99.1	42.2	31.1
1.1.1 General government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.1.2 Other monetary financial institutions	15.5	20.3	-4.6	4.0	7.7	-0.1	-0.7	9.8	-1.3
1.1.3 Other sectors	498.5	96.7	128.0	12.4	97.0	-67.5	99.8	32.3	32.4
1.2 Debt securities	-105.9	-608.9	188.1	-109.2	299.3	57.6	-53.5	175.6	119.7
1.2.1 Long-term	-263.9	-345.2	293.0	-198.0	578.8	28.0	-48.5	419.9	179.4
1.2.1.1 General government	1.5	0.0	0.7	0.0	0.0	0.0	0.0	-0.1	0.0
1.2.1.2 Other monetary financial institutions	-167.3	-343.0	267.8	-260.6	458.0	1.1	-32.1	400.6	88.4
1.2.1.3 Other sectors	-98.1	-2.1	24.4	62.5	120.9	26.9	-16.4	19.4	91.0
1.2.2 Short-term	157.9	-263.8	-104.9	88.8	-279.5	29.6	-5.0	-244.3	-59.8
1.2.2.1 General government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.2.2.2 Other monetary financial institutions	124.3	-300.3	-22.3	82.7	-278.9	23.2	2.1	-244.3	-60.0
1.2.2.3 Other sectors	33.6	36.6	-82.6	6.2	-0.6	6.3	-7.2	0.0	0.2
2 Net incurrence of liabilities	809.2	91.2	2,057.5	1,797.9	-302.3	-3.7	-35.2	-286.2	22.9
2.1 Equity securities	138.0	18.1	-115.3	-75.8	-16.2	11.7	-41.0	21.1	-8.0
2.1.1 Other monetary financial institutions	0.5	-0.8	-2.3	0.0	11.7	-0.8	9.5	0.3	2.7
2.1.2 Other sectors	137.5	18.9	-113.0	-75.8	-27.9	12.6	-50.5	20.8	-10.7
2.2 Debt securities	671.2	73.1	2,172.8	1,873.6	-286.1	-15.5	5.8	-307.3	30.9
2.2.1 Long-term	374.7	385.1	2,213.6	1,921.6	-324.4	-120.7	16.6	-168.3	-52.0
2.2.1.1 General government	389.1	625.6	1,270.0	1,911.4	175.7	-180.1	518.4	-125.1	-37.5
2.2.1.2 Other monetary financial institutions	-0.2	-7.0	7.0	-5.2	-1.3	-0.2	0.0	-1.1	-0.1
2.2.1.3 Other sectors	-14.2	-233.5	936.6	15.4	-498.8	59.5	-501.7	-42.2	-14.4
2.2.2 Short-term	296.5	-312.0	-40.7	-48.0	38.4	105.2	-10.9	-139.0	82.9
2.2.2.1 General government	296.5	-312.1	-40.7	-47.8	13.9	105.2	-10.9	-139.0	58.5
2.2.2.2 Other monetary financial institutions	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	0.1	0.0	-0.1	24.5	0.0	0.0	0.0	24.5

<sup>a</sup> Data have been compiled in accordance with the new methodology prescribed by the sixth edition of the Balance of Payments and International Investment Position Manual (BPM6) and the new sector classification of institutional units in line with ESA 2010. <sup>b</sup> 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), December 2010 (EUR -618.6m) and June 2014 (EUR 1,485.8m). <sup>c</sup> Preliminary data.

Table H5 Balance of payments – other investment<sup>a</sup>

in million EUR

	2010	2011	2012	2013	2014 <sup>b</sup>	2014			
						Q1	Q2	Q3	Q4 <sup>b</sup>
<b>Other investment (net)</b>	<b>-337.6</b>	<b>-122.2</b>	<b>2,538.2</b>	<b>446.2</b>	<b>760.1</b>	<b>-146.8</b>	<b>-281.1</b>	<b>1,968.9</b>	<b>-780.8</b>
<b>1 Assets</b>	<b>-689.2</b>	<b>-244.6</b>	<b>-605.6</b>	<b>-155.5</b>	<b>595.4</b>	<b>552.9</b>	<b>-486.8</b>	<b>1,836.8</b>	<b>-1,307.5</b>
1.1 Other equity	0.0	0.7	0.7	29.2	26.9	0.1	0.0	0.0	26.8
1.2 Currency and deposits	-505.4	-326.8	-336.5	-334.9	874.4	729.1	-524.1	1,804.6	-1,135.1
1.2.1 Central bank	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	2.1	2.5	0.0	0.0	0.0	0.0	0.0
1.2.3 Other monetary financial institutions	-417.0	-522.0	-421.0	-129.0	532.3	209.4	-26.1	1,484.2	-1,135.1
1.2.4 Other sectors	-88.5	195.1	82.3	-208.4	342.1	519.7	-498.0	320.4	0.0
1.3 Loans	105.2	-42.6	66.8	84.4	44.6	-25.6	-13.6	191.6	-107.7
1.3.1 General government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.3.1.1 Long-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.3.1.2 Short-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.3.2 Other monetary financial institutions	85.5	-51.0	36.8	2.9	61.8	-17.2	-10.4	192.4	-102.9
1.3.2.1 Long-term	63.3	-10.4	-52.9	57.2	-21.3	2.4	-10.8	-19.9	7.0
1.3.2.2 Short-term	22.2	-40.6	89.7	-54.3	83.1	-19.7	0.3	212.3	-109.8
1.3.3 Other sectors	19.7	8.4	29.9	81.6	-17.2	-8.4	-3.2	-0.8	-4.8
1.3.3.1 Long-term	-17.4	34.6	9.9	71.4	-10.9	0.2	-6.2	-1.3	-3.6
1.3.3.2 Short-term	37.1	-26.1	20.1	10.2	-6.3	-8.6	3.0	0.5	-1.3
1.4 Trade credit and advances	-289.0	124.3	-352.3	67.3	-363.4	-140.6	21.4	-152.6	-91.5
1.4.1 General government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.4.1.1 Long-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.4.1.2 Short-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.4.2 Other sectors	-289.0	124.3	-352.3	67.3	-363.4	-140.6	21.4	-152.6	-91.5
1.4.2.1 Long-term	-22.2	-2.9	-0.2	-2.6	0.5	0.9	-0.1	-0.3	0.0
1.4.2.2 Short-term	-266.8	127.3	-352.1	69.8	-363.9	-141.5	21.5	-152.3	-91.5
1.5 Other assets	0.0	-0.2	15.8	-1.5	12.9	-10.0	29.6	-6.8	0.0
<b>2 Liabilities</b>	<b>-351.6</b>	<b>-122.4</b>	<b>-3,143.8</b>	<b>-601.8</b>	<b>-164.7</b>	<b>699.8</b>	<b>-205.6</b>	<b>-132.1</b>	<b>-526.8</b>
2.1 Other equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.2 Currency and deposits	-9.3	915.2	-1,973.8	1.7	-460.7	317.4	-452.5	-555.9	230.3
2.2.1 Central bank	0.0	-1.0	0.0	83.8	-0.7	18.4	-78.3	16.4	42.9
2.2.2 General government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.2.3 Other monetary financial institutions	-9.3	916.2	-1,973.8	-82.1	-460.0	299.0	-374.2	-572.3	187.5
2.2.4 Other sectors	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.3 Loans	-412.1	-664.0	-1,398.4	-788.4	171.5	402.0	-198.7	416.6	-448.3
2.3.1 Central bank	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.3.1.1 Long-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.3.1.1.1 Drawings	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.3.1.1.2 Repayments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.3.1.2 Short-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.3.2 General government	144.6	14.6	-166.7	223.8	-7.5	-220.5	-309.4	703.8	-181.4
2.3.2.1 Long-term	144.6	14.6	-162.1	24.7	192.4	-20.5	-309.4	703.8	-181.6
2.3.2.1.1 Drawings	540.2	629.2	357.1	597.1	999.2	54.7	53.8	794.5	96.2
2.3.2.1.2 Repayments	395.6	614.6	519.2	572.4	806.9	75.3	363.1	90.7	277.8
2.3.2.2 Short-term	0.0	0.0	-4.6	199.1	-199.8	-200.0	0.0	0.0	0.2
2.3.3 Other monetary financial institutions	-161.0	-34.7	-291.6	-522.9	-585.2	-98.6	-116.3	-208.0	-162.3
2.3.3.1 Long-term	-292.9	385.7	-282.6	-568.8	-436.9	-15.4	-85.0	-106.1	-230.5
2.3.3.1.1 Drawings	879.8	1,108.0	729.1	408.4	709.1	213.6	61.0	122.1	312.5
2.3.3.1.2 Repayments	1,172.8	722.2	1,011.7	977.2	1,146.0	229.0	146.0	228.1	543.0
2.3.3.2 Short-term	132.0	-420.4	-9.0	46.0	-148.3	-83.2	-31.4	-102.0	68.2
2.3.4 Other sectors	-395.7	-644.0	-940.2	-489.4	764.2	721.1	226.9	-79.2	-104.7
2.3.4.1 Long-term	-801.2	-1,136.6	-1,458.4	-548.0	417.1	569.8	60.8	-232.6	19.0
2.3.4.1.1 Drawings	4,474.0	2,810.1	3,595.0	4,465.7	4,950.2	1,610.2	1,445.9	983.4	910.6
2.3.4.1.2 Repayments	5,275.2	3,946.8	5,053.4	5,013.7	4,533.1	1,040.4	1,385.1	1,215.9	891.6
2.3.4.2 Short-term	405.5	492.7	518.2	58.6	347.1	151.3	166.1	153.3	-123.7
2.4 Trade credit and advances	58.7	-473.2	339.8	161.9	-195.8	-9.1	161.7	33.7	-382.0

	2010	2011	2012	2013	2014 <sup>a</sup>	2014			
						Q1	Q2	Q3	Q4 <sup>b</sup>
2.4.1 General government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.4.1.1 Long-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.4.1.2 Short-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.4.2 Other sectors	58.7	-473.2	339.8	161.9	-195.8	-9.1	161.7	33.7	-382.0
2.4.2.1 Long-term	-25.3	-147.5	-32.5	-0.9	-18.8	9.6	3.2	-3.9	-27.7
2.4.2.2 Short-term	84.0	-325.8	372.3	162.9	-177.0	-18.7	158.5	37.6	-354.3
2.5 Other liabilities	11.0	99.6	-111.4	23.1	320.2	-10.5	283.9	-26.5	73.2
2.6 SDRs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

<sup>a</sup> Data have been compiled in accordance with the new methodology prescribed by the sixth edition of the Balance of Payments and International Investment Position Manual (BPM6) and the new sector classification of institutional units in line with ESA 2010. <sup>b</sup> Preliminary data.

for the balance of payments purposes, the goods which do not involve a change in ownership are excluded from the CBS data on the foreign trade in goods of the Republic of Croatia. The results of this statistical research are compared and supplemented by CBS data on imports and exports of goods which do not involve a change in ownership.

BPM6 changes the treatment of personal property carried by persons who change residence. Such transfers of goods are not included in the BOP statistics under BPM6 in line with the criteria that the ownership of goods remains unchanged. Under BPM5, this was recorded under imports/exports of goods and capital transfers.

Under BPM5, goods under merchanting were recorded in the balance of payments on a net basis within Other business services. Under BPM6 they are recorded on a gross basis as a separate item in the Goods account. Merchanting includes the value of the goods that are traded without crossing the customs border of the merchant and are instead bought and then sold abroad. The acquisition of goods by merchants is shown as a negative export of the economy of the merchant, while the sale of goods is shown as a positive export of the economy of the merchant. It is possible that net exports of goods under merchanting are negative in a certain period. Merchanting is recorded at transaction prices, rather than f.o.b. values and only in the economy of the merchant. Starting from 1 January 2011, data on the net value and commissions and other income from merchanting are collected through a statistical research on revenue and expenditure on foreign trade in services. As BPM6 recommends reporting on a gross basis, the survey questionnaire used in the research has been adjusted to a gross basis starting from 2014.

Under BPM6 non-monetary gold is shown separately from other goods because of its special role in financial markets.

Transportation, travel and other services are reported separately under the services 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 Statistical research on 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 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 Croatian 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 payments 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 econometrically 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

Table H6 Balance of payments – summary<sup>a,b</sup>

in million HRK

	2010	2011	2012	2013	2014 <sup>c</sup>	2014 <sup>c</sup>			
						Q1	Q2	Q3	Q4 <sup>c</sup>
<b>A CURRENT ACCOUNT (1+6)</b>	<b>-3,783.6</b>	<b>-2,728.0</b>	<b>-965.0</b>	<b>2,751.5</b>	<b>1,860.6</b>	<b>-11,621.1</b>	<b>-3,015.3</b>	<b>21,117.9</b>	<b>-4,620.9</b>
1 Goods, services, and primary income (2+5)	-11,494.5	-11,279.5	-9,697.3	-5,350.7	-4,130.4	-12,973.2	-4,287.2	19,338.9	-6,208.9
1.1 Credit	130,357.0	141,680.3	144,739.2	148,256.5	158,923.4	25,234.7	39,334.9	63,073.6	31,280.3
1.2 Debit	141,851.5	152,959.8	154,436.5	153,607.2	163,053.8	38,207.9	43,622.1	43,734.7	37,489.2
2 Goods and services (3+4)	-1,276.0	-1,339.6	1,532.2	1,526.3	6,700.0	-10,266.6	-783.8	22,900.5	-5,150.1
2.1 Credit	123,705.9	134,664.8	137,537.9	141,813.6	151,985.1	23,417.1	37,264.3	61,096.3	30,207.3
2.2 Debit	124,981.9	136,004.5	136,005.7	140,287.3	145,285.1	33,683.7	38,048.1	38,195.9	35,357.4
3 Goods	-43,147.4	-47,447.6	-47,339.9	-49,798.6	-48,312.6	-11,811.4	-14,157.3	-12,449.4	-9,894.6
3.1 Credit	58,715.9	64,996.9	65,193.8	67,554.0	74,407.3	16,860.2	18,229.3	19,556.4	19,761.5
3.2 Debit	101,863.3	112,444.5	112,533.6	117,352.6	122,719.9	28,671.5	32,386.6	32,005.7	29,656.1
4 Services	41,871.4	46,108.0	48,872.0	51,324.9	55,012.6	1,544.8	13,373.5	35,349.8	4,744.4
4.1 Credit	64,990.0	69,667.9	72,344.1	74,259.6	77,577.8	6,557.0	19,035.0	41,540.0	10,445.8
4.2 Debit	23,118.6	23,559.9	23,472.1	22,934.7	22,565.2	5,012.2	5,661.5	6,190.1	5,701.4
5 Primary income	-10,218.5	-9,939.8	-11,229.5	-6,877.0	-10,830.4	-2,706.6	-3,503.4	-3,561.6	-1,058.7
5.1 Credit	6,651.1	7,015.5	7,201.3	6,442.9	6,938.3	1,817.5	2,070.6	1,977.2	1,073.0
5.2 Debit	16,869.5	16,955.3	18,430.8	13,319.9	17,768.8	4,524.2	5,574.0	5,538.8	2,131.8
6 Secondary income	7,710.9	8,551.5	8,732.3	8,102.2	5,991.0	1,352.1	1,271.9	1,779.1	1,588.0
6.1 Credit	11,817.8	12,427.0	12,929.9	13,763.7	13,588.5	3,733.9	3,156.5	3,291.7	3,406.4
6.2 Debit	4,106.9	3,875.5	4,197.7	5,661.5	7,597.5	2,381.8	1,884.6	1,512.6	1,818.5
<b>B CAPITAL ACCOUNT</b>	<b>423.8</b>	<b>281.1</b>	<b>359.9</b>	<b>423.1</b>	<b>714.7</b>	<b>11.2</b>	<b>178.8</b>	<b>62.4</b>	<b>462.3</b>
<b>C FINANCIAL ACCOUNT</b>	<b>-9,728.8</b>	<b>-10,452.2</b>	<b>-3,075.6</b>	<b>-3,375.9</b>	<b>-1,787.8</b>	<b>-9,320.1</b>	<b>-2,661.9</b>	<b>13,453.2</b>	<b>-3,259.1</b>
1 Direct investment	-6,714.1	-8,780.7	-8,818.3	-6,492.1	-8,998.9	-2,050.2	-2,715.1	-2,257.4	-1,976.2
1.1 Assets	887.1	-1,266.0	-487.2	-925.5	12,879.2	84.0	13,459.9	664.5	-1,329.3
1.2 Liabilities	7,601.2	7,514.7	8,331.0	5,566.6	21,878.0	2,134.2	16,175.0	2,921.9	646.9
2 Portfolio investment	-2,850.9	-4,372.8	-13,161.1	-14,394.5	5,382.7	-48.5	614.3	3,837.4	979.4
2.1 Assets	2,987.0	-3,682.2	2,323.8	-732.2	3,082.5	-77.0	346.7	1,658.0	1,154.8
2.2 Liabilities	5,837.9	690.6	15,485.0	13,662.3	-2,300.1	-28.4	-267.6	-2,179.5	175.3
3 Financial derivatives	1,838.9	554.2	-425.2	151.6	118.0	28.6	-11.1	-15.1	115.5
4 Other investment	-2,528.3	-780.2	18,967.2	3,331.2	5,752.6	-1,122.7	-2,136.1	14,992.5	-5,981.1
4.1 Assets	-5,069.4	-1,800.9	-4,620.8	-1,222.8	4,499.8	4,228.0	-3,698.7	13,986.8	-10,016.3
4.2 Liabilities	-2,541.2	-1,020.7	-23,588.0	-4,554.0	-1,252.9	5,350.7	-1,562.6	-1,005.8	-4,035.2
5 Reserve assets	525.5	2,927.2	361.8	14,027.9	-4,042.3	-6,127.3	1,586.0	-3,104.3	3,603.3
<b>D NET ERRORS AND OMISSIONS</b>	<b>-6,369.1</b>	<b>-8,005.3</b>	<b>-2,470.4</b>	<b>-6,550.5</b>	<b>-4,363.1</b>	<b>2,289.8</b>	<b>174.6</b>	<b>-7,727.1</b>	<b>899.6</b>

<sup>a</sup> Data have been compiled in accordance with the new methodology prescribed by the sixth edition of the Balance of Payments and International Investment Position Manual (BPM6) and the new sector classification of institutional units in line with ESA 2010. The implementation of the new methodology has no effect on the balances in the current and financial accounts of the balance of payments so that changes in these positions from previously published data are a result of the data revision for the purpose of quality and coverage control. <sup>b</sup> 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), December 2010 (EUR -618.6m) and June 2014 (EUR 1,485.8m). <sup>c</sup> 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 credit institutions' records.

in transactions with natural persons in the foreign exchange market and the industrial production EU-28).

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.

With the transition to BPM6, the services account includes also manufacturing services on goods owned by others, the most important part of which is processing of goods. In addition, it also covers assembly, labelling, packing and similar services undertaken by entities that do not own the goods concerned. Under BPM6, the balance of payments includes only the net value of the service, including a fee related to finishing, and not the value of the goods themselves. Such services are monitored in the Survey on foreign trade in services (US-PB) starting from 2011. As of 2014, a separate statistical research was introduced to monitor imports and exports of goods for finishing and processing and the related services. CBS data on imports and exports of goods are used to identify enterprises that receive/provide processing services.



Secondary income (Current transfers under BPM5) is reported separately for the general 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 general 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 general 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 Institute. 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 general 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. BPM6 does not bring novelties in terms of content to this part of the balance of payments. In terms of presentation, workers' remittances are not compiled as a separate item, but become a part of personal transfers together with other personal transfers. Until the end of 2010, capital transfers in the capital 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. Under BPM6, the results of research and development, such as patents and copyrights, are no longer treated as non-produced assets and their sale is no longer shown in the capital account, but as research and development services in the current account. Also, cross border movements of assets and liabilities of persons who change residence are no longer shown as transfers by migrants within capital transfers and are no longer balance of payments transactions. If assets involved are financial assets they are made under the "other adjustments".

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. A research on the purchase and sale of the real estate by non-residents on the territory of the Republic of Croatia has been carried out since 2007. 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 were compiled on the basis of the ITRS until its abolishment in late 2010. From 2011 on, 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.

The most important change introduced by BPM6 relates to the method of presentation – direct investment is no longer classified according to the directional principle to direct investment in the reporting country and direct investment abroad with additional classification to "claims" and "liabilities". Instead, under BPM6, the assets/liabilities principle is applied, the same principle that has been used for years for other functional categories in the financial account (portfolio, other investment and financial derivatives).

In addition, under BPM6, direct investment is further divided into:

- direct investment in direct investment enterprises,
- investment in direct investor (reverse investment), and
- investment between horizontally linked enterprises (fellow enterprises).

Reverse investment arises when a direct investment enterprise acquires equity in its investor, provided it does not own equity comprising 10% or more of the voting power in that direct investor, otherwise a new direct investment would arise. It also includes debt investment in the reverse direction. Investments between fellow enterprises are equity investments between enterprises which are linked by indirect ownership, also up to 10%, or debt investments between such enterprises. It should be noted for fellow enterprises that this type of investment has been reported within the external debt statistics since 2009. From 2014 on, it is possible to identify such investment also within the Research on direct and other equity investment.

According to BPM6 all debt relations between two affiliated financial intermediaries are treated in the same manner



data. Data on deferred payments with the original maturity of more than one year are adopted from the CNB foreign credit relations statistics.

Item Other investment – Other claims and liabilities includes other claims and liabilities not included in trade credits and other financial instruments, among others, prepayments of premiums and reserves for outstanding claims for non-life insurance, entitlements of beneficiaries under life insurance policies and pension schemes and provisions for calls under standardised guarantees. This position is compiled on the basis of data submitted by insurance companies and includes changes in life insurance mathematical reserves.

A novelty in BPM6 is the treatment of SDRs. The allocation of SDRs to IMF members is shown as the incurrence of a liability by the recipient and included in other investment (SDR position) with a corresponding increase of SDRs in reserve assets. Other acquisitions and disposals of SDRs are shown as transactions in reserve assets.

The sector classification of the portfolio and other investment involves the sector classification of residents according to ESA 2010 and SNA 2008 and is fully harmonised with the sector classification of the gross external debt by domestic sectors and the international investment position. The general 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 other monetary financial institutions comprises credit institutions and money market funds. Other domestic sectors comprise all financial institutions and intermediaries except the central bank and other monetary financial institutions (including the Croatian Bank for Reconstruction and Development), private and public non-financial 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 been calculated on the basis of the CNB accounting data.

A novelty in BPM6 is the treatment of SDRs. The allocation of SDRs to IMF members is shown as the incurrence of a liability by the recipient and included in other investment (SDR position) with a corresponding increase of SDRs in reserve assets.

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<sup>a</sup>**  
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	
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	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
	July	12,387.6	349.0	0.2	–	12,038.4	2,783.3	9,255.2	3,168.3
	August	12,420.0	351.4	0.2	–	12,068.3	2,830.5	9,237.9	3,779.2
	September	12,115.6	357.2	0.2	–	11,758.2	2,595.6	9,162.6	4,377.4
	October	12,640.6	358.8	0.2	–	12,281.6	3,066.1	9,215.5	3,364.2
	November	12,473.9	359.3	0.2	–	12,114.4	3,248.8	8,865.5	3,341.8
	December	12,687.6	364.0	0.2	–	12,323.4	3,397.8	8,925.6	3,305.5

<sup>a</sup> International reserves of the Republic of Croatia consist only of the Croatian National Bank's foreign currency reserves.

**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

end of period, in million EUR

	2013	2014											
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
<b>I Official reserve assets and other f/c assets (approximate market value)</b>													
A Official reserve assets	12,907.5	12,893.0	12,569.8	12,100.0	11,680.5	13,016.6	12,334.7	12,387.6	12,420.0	12,115.6	12,640.6	12,473.9	12,687.6
(1) Foreign currency reserves (in convertible f/c)	10,105.8	10,539.2	10,519.9	10,185.1	10,323.9	11,357.4	10,632.3	10,841.5	10,741.9	11,448.2	11,343.8	11,365.3	11,629.7
(a) Securities	8,848.8	9,117.9	9,103.8	9,263.4	9,188.4	8,944.3	9,104.4	9,255.2	9,237.9	9,162.6	9,215.5	8,865.5	8,925.6
o/w: Issuer headquartered in reporting country but located abroad	-	-	-	-	-	-	-	-	-	-	-	-	-
(b) Total currency and deposits with:	1,257.0	1,421.4	1,416.1	921.7	1,135.5	2,413.1	1,527.9	1,586.3	1,504.0	2,285.6	2,128.2	2,499.8	2,704.1
(i) Other national central banks, BIS and IMF	1,076.6	1,255.4	1,190.2	735.5	923.5	2,099.2	864.2	507.9	471.8	470.0	490.9	486.1	485.2
(ii) Banks headquartered in the reporting country	-	-	-	-	-	-	-	-	-	-	-	-	-
o/w: Located abroad	-	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Banks headquartered outside the reporting country	180.3	166.0	225.9	186.2	212.0	313.9	663.7	1,078.5	1,032.2	1,815.6	1,637.4	2,013.7	2,218.9
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	0.2	0.2	0.2	0.2
(3) SDRs	340.6	344.5	346.2	343.8	341.5	345.9	346.9	349.0	351.4	357.2	358.8	359.3	364.0
(4) Gold	-	-	-	-	-	-	-	-	-	-	-	-	-
(5) Other reserve assets	2,460.9	2,009.1	1,703.4	1,571.0	1,014.8	1,313.0	1,355.3	1,196.9	1,326.5	310.0	937.8	749.1	693.7
- Reverse repo	2,460.9	2,009.1	1,703.4	1,571.0	1,014.8	1,313.0	1,355.3	1,196.9	1,326.5	310.0	937.8	749.1	693.7
B Other foreign currency assets (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-
- Time deposits	-	-	-	-	-	-	-	-	-	-	-	-	-
C Total (A+B)	12,907.5	12,893.0	12,569.8	12,100.0	11,680.5	13,016.6	12,334.7	12,387.6	12,420.0	12,115.6	12,640.6	12,473.9	12,687.6
<b>II Predetermined short-term net drains on f/c assets (nominal value)</b>													
1 F/c loans, securities, and deposits (total net drains up to one year)	-1,557.8	-2,299.5	-2,375.9	-2,299.5	-1,726.6	-1,763.8	-1,735.2	-1,710.6	-1,558.1	-1,957.2	-2,297.5	-2,193.3	-2,128.6
(a) Croatian National Bank	-	-	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-	-
(b) Central government	-1,557.8	-2,299.5	-2,375.9	-2,299.5	-1,726.6	-1,763.8	-1,735.2	-1,710.6	-1,558.1	-1,957.2	-2,297.5	-2,193.3	-2,128.6
Up to 1 month	Principal	-172.8	-174.3	-387.8	-174.3	-141.2	-155.1	-171.6	-122.8	-188.6	-49.6	-91.3	-188.1
	Interest	-4.2	-1.6	-7.7	-1.6	-7.4	-1.8	-14.0	-0.6	-7.0	-10.9	-8.0	-3.5
More than 1 and up to 3 months	Principal	-284.2	-779.1	-576.2	-779.1	-37.1	-13.7	-44.2	-75.3	-44.2	-210.7	-929.7	-828.4
	Interest	-24.0	-48.8	-47.3	-48.8	-40.6	-27.0	-22.4	-44.3	-41.5	-25.3	-51.0	-33.2
More than 3 months and up to 1 year	Principal	-758.3	-936.3	-1,034.5	-936.3	-1,145.7	-1,141.7	-1,111.2	-1,068.2	-922.0	-1,234.2	-807.5	-709.7
	Interest	-314.4	-359.4	-322.5	-359.4	-354.7	-424.4	-371.8	-399.3	-354.8	-426.5	-431.8	-385.4
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	-	-	-	-	-	-	-	-	-	-	-	-

		2013 Dec.	2014												
			Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	
	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)		-1,557.8	-2,299.5	-2,375.9	-2,299.5	-1,726.6	-1,763.8	-1,735.2	-1,710.6	-1,558.1	-1,957.2	-2,297.5	-2,193.3	-2,128.6	
<b>III Contingent short-term net drains on f/c assets (nominal value)</b>															
1 Contingent liabilities in foreign currency		-1,334.0	-1,339.1	-1,373.3	-1,334.5	-1,359.9	-1,366.1	-1,329.2	-1,242.2	-1,232.5	-1,266.0	-816.6	-800.1	-760.8	
(a) Collateral guarantees on debt falling due within 1 year		-755.4	-755.5	-794.1	-755.5	-777.4	-780.8	-750.7	-664.6	-669.3	-694.4	-246.5	-310.8	-271.9	
- Croatian National Bank		-	-	-	-	-	-	-	-	-	-	-	-	-	
- Central government		-755.4	-755.5	-794.1	-755.5	-777.4	-780.8	-750.7	-664.6	-669.3	-694.4	-246.5	-310.8	-271.9	
Up to 1 month		-23.0	-17.5	-25.8	-17.5	-48.8	-183.3	-177.0	-8.5	-47.5	-35.5	-11.3	-112.1	-8.1	
More than 1 and up to 3 months		-74.7	-94.1	-134.0	-94.1	-302.5	-110.2	-88.4	-108.6	-105.9	-272.2	-54.0	-21.5	-27.2	
More than 3 months and up to 1 year		-657.6	-643.9	-634.3	-643.9	-426.2	-487.3	-485.3	-547.6	-516.0	-386.6	-181.2	-177.2	-236.6	
(b) Other contingent liabilities		-578.6	-583.6	-579.2	-579.0	-582.5	-585.3	-578.5	-577.5	-563.1	-571.6	-570.0	-489.3	-488.9	
- Croatian National Bank		-578.6	-583.6	-579.2	-579.0	-582.5	-585.3	-578.5	-577.5	-563.1	-571.6	-570.0	-489.3	-488.9	
Up to 1 month		-	-	-	-	-	-	-	-	-	-	-	-	-	
More than 1 and up to 3 months		-578.6	-583.6	-579.2	-579.0	-582.5	-585.3	-578.5	-577.5	-563.1	-571.6	-570.0	-489.3	-488.9	
More than 3 months and up to 1 year		-	-	-	-	-	-	-	-	-	-	-	-	-	
- Central government		-	-	-	-	-	-	-	-	-	-	-	-	-	
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)		-1,334.0	-1,339.1	-1,373.3	-1,334.5	-1,359.9	-1,366.1	-1,329.2	-1,242.2	-1,232.5	-1,266.0	-816.6	-800.1	-760.8	
<b>IV Memo items</b>															
(a) Short-term domestic currency debt indexed to the exchange rate		-	-	-	-	-	-	-	-	-	-	-	-	-	
o/w: Central government		-	-	-	-	-	-	-	-	-	-	-	-	-	
(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		0.0	-8.5	-3.4	-1.4	-1.9	-2.7	-3.6	-2.1	-7.3	-0.7	-0.6	-0.8	0.0	
- 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		2,380.1	1,894.5	1,595.5	1,481.8	970.9	1,251.5	1,302.6	1,130.8	1,215.4	283.9	852.4	690.6	655.4	
(e) Financial derivative assets (net, marked to market)		-	-	-	-	-	-	-	-	-	-	-	-	-	
(f) Currency composition of official reserves assets															
- Currencies in SDR basket		12,907.4	12,892.9	12,569.6	12,099.5	11,679.9	13,016.0	12,334.1	12,386.2	12,418.5	12,114.4	12,639.8	12,473.1	12,687.2	
- Currencies not in SDR basket		0.1	0.1	0.2	0.5	0.6	0.6	0.6	1.4	1.5	1.2	0.8	0.8	0.5	
- By individual currencies															
	USD	2,068.1	2,094.2	2,084.0	2,073.0	2,099.6	2,095.3	2,090.2	2,121.5	2,150.5	2,232.8	2,245.2	2,174.4	2,194.2	
	EUR	10,498.4	10,453.3	10,138.6	9,682.0	9,238.2	10,574.2	9,896.5	9,915.2	9,916.1	9,523.8	10,035.2	9,938.8	10,128.4	
	Other	341.0	345.5	347.2	345.0	342.7	347.0	348.0	350.9	353.3	359.1	360.2	360.7	365.1	

### 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 one 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 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. 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, 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**  
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 <sup>b</sup> ; deflator	
			Consumer price index	Industrial producer price index <sup>a</sup>	Unit labour costs in manufacturing	Unit labour costs in the total economy
2005	December	102.16	105.56		113.72	112.54
2006	December	100.37	103.92		102.72	106.08
2007	December	98.70	99.95		97.36	101.06
2008	December	98.13	98.60		99.51	96.65
2009	December	97.63	97.79		103.12	97.24
2010	December	102.04	103.03	99.44	97.83	102.27
2011	December	103.63	105.71	101.25	101.49	102.60
2012	December	104.61	104.57	101.85	106.82	107.60
2013	December	103.76	104.85	102.36	105.99	109.01
2014	January	103.72	104.38	102.73		
	February	103.95	105.20	102.56		
	March	103.40	104.82	102.31	111.18	109.13
	April	103.07	104.36	102.01		
	May	102.83	103.85	101.54		
	June	102.86	104.37	102.22	107.38	107.10
	July	103.34	104.78	102.37		
	August	104.00	105.58	103.07		
	September	104.55	105.86	103.54	108.22	108.12
	October	105.46	106.70	104.34		
	November	105.83	107.20	105.08		
	December	105.80	107.96	105.72	111.98 <sup>c</sup>	109.71 <sup>c</sup>

<sup>a</sup> 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. <sup>b</sup> The values shown are quarterly data. <sup>c</sup> Preliminary data.  
Note: Historical data may be revised when the series are updated.

#### 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 euro area countries (Austria, Belgium, France, Germany, Italy, the Netherlands, Slovenia and Spain), five non-euro area countries (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,

Table H12 Gross external debt by domestic sectors<sup>a</sup>

in million EUR

	2013	2014											
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
<b>1 General government</b>	12,711.9	12,764.0	12,774.6	12,426.3	11,770.5	12,972.3	12,675.5	12,820.0	12,851.6	13,549.9	13,609.6	13,695.4	13,654.4
Short-term	269.6	322.1	329.5	175.1	181.2	179.5	162.3	154.0	19.6	24.6	114.3	115.1	83.8
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
Debt securities	69.6	121.7	128.7	175.1	181.2	179.5	162.3	154.0	19.6	24.6	114.3	115.1	83.6
Loans	200.0	200.4	200.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2
Trade credit and advances	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
Long-term	12,442.3	12,441.9	12,445.1	12,251.1	11,589.3	12,792.8	12,513.3	12,666.0	12,832.0	13,525.3	13,495.3	13,580.3	13,570.6
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
Debt securities	7,846.8	7,864.4	7,854.6	7,678.1	7,120.8	8,374.7	8,248.6	8,223.4	8,375.2	8,547.9	8,515.8	8,642.7	8,770.0
Loans	4,595.5	4,577.5	4,590.5	4,573.0	4,468.5	4,418.2	4,264.7	4,442.6	4,456.8	4,977.4	4,979.6	4,937.6	4,800.6
Trade credit and advances	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
<b>2 Central bank</b>	421.5	416.9	447.5	442.8	461.3	504.6	368.9	356.6	372.8	395.4	384.5	403.5	444.9
Short-term	83.5	75.1	104.0	101.6	122.4	161.3	24.6	10.2	24.1	40.9	28.4	46.9	83.6
Currency and deposits	83.5	75.1	104.0	101.6	122.4	161.3	24.6	10.2	24.1	40.9	28.4	46.9	83.6
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
Loans	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 credit and advances	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
Long-term	338.0	341.8	343.6	341.1	338.9	343.3	344.3	346.4	348.7	354.5	356.1	356.6	361.3
Special drawing rights (allocations)	338.0	341.8	343.6	341.1	338.9	343.3	344.3	346.4	348.7	354.5	356.1	356.6	361.3
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
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
Loans	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 credit and advances	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
<b>3 Deposit-taking corporations, except the central bank</b>	9,156.8	9,254.5	9,272.9	9,361.4	9,369.8	9,365.7	8,910.8	8,354.4	8,320.4	8,133.5	7,799.7	7,812.8	8,160.1
Short-term	2,317.1	2,456.7	2,480.8	2,521.6	2,564.1	2,594.1	2,200.2	1,660.2	1,612.6	1,633.0	1,605.7	1,731.1	1,950.9
Currency and deposits	1,735.3	1,881.9	1,836.7	2,023.3	2,093.7	2,132.4	1,722.6	1,264.1	1,229.7	1,263.0	1,255.9	1,279.9	1,513.3
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
Loans	557.3	554.1	621.9	474.2	444.3	429.4	444.0	371.6	352.7	342.3	320.0	426.4	410.7
Trade credit and advances	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	24.5	20.7	22.2	24.1	26.1	32.2	33.6	24.5	30.2	27.6	29.8	24.8	26.9
Long-term	6,839.7	6,797.8	6,792.1	6,839.7	6,805.7	6,771.6	6,710.6	6,694.2	6,707.7	6,500.5	6,194.0	6,081.7	6,209.1
Currency and deposits	3,849.6	3,854.8	3,905.3	3,862.7	3,822.5	3,837.8	3,813.3	3,769.8	3,816.8	3,707.4	3,655.0	3,662.4	3,645.9
Debt securities	3.8	3.6	3.6	3.7	3.3	3.0	3.6	3.4	3.4	2.6	2.6	2.5	2.5
Loans	2,984.0	2,937.4	2,881.2	2,971.4	2,977.9	2,928.7	2,890.9	2,918.3	2,884.8	2,787.8	2,533.8	2,414.2	2,558.7
Trade credit and advances	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	2.4	1.9	1.9	2.0	2.0	2.0	2.7	2.7	2.8	2.7	2.8	2.6	2.0
<b>4 Other sectors</b>	17,969.7	17,992.6	18,136.6	18,706.7	18,282.2	18,265.4	18,420.7	18,446.8	18,365.7	18,392.3	18,364.4	18,180.8	18,070.2
Short-term	626.4	677.8	752.8	776.9	892.4	900.6	805.9	866.7	874.3	856.8	795.6	728.6	717.4
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
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	24.5
Loans	511.1	580.6	655.6	661.8	777.5	796.1	697.0	763.1	773.4	755.6	699.6	645.6	615.2
Trade credit and advances	115.2	97.2	97.2	115.2	115.0	104.6	108.9	103.6	100.9	101.2	96.0	83.0	77.7
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
Long-term	17,343.3	17,314.8	17,383.8	17,929.7	17,389.7	17,364.8	17,614.7	17,580.1	17,491.4	17,535.5	17,568.8	17,452.2	17,352.8
Currency and deposits	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6
Debt securities	2,282.0	2,280.9	2,294.8	2,341.4	1,835.0	1,833.6	1,844.7	1,790.1	1,809.8	1,844.6	1,844.1	1,832.8	1,856.4
Loans	14,880.4	14,864.9	14,920.1	15,417.3	15,373.1	15,358.5	15,595.8	15,618.1	15,506.9	15,519.3	15,545.3	15,439.7	15,351.4
Trade credit and advances	179.3	167.3	167.2	169.3	179.9	171.1	172.6	170.2	173.1	169.9	177.7	178.0	143.3
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



**Table H13 Public sector gross external debt and publicly guaranteed and non-publicly guaranteed private sector gross external debt<sup>a</sup>**  
 in million EUR

	2013	2014											
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
<b>1 Public sector external debt</b>	16,642.0	16,852.6	16,976.5	16,660.8	16,018.6	17,254.4	16,764.3	16,981.1	16,905.2	17,697.1	17,722.5	17,808.6	17,807.3
Other investment	16,640.9	16,851.5	16,975.4	16,659.7	16,017.5	17,253.3	16,763.2	16,980.0	16,904.1	17,695.9	17,721.4	17,807.5	17,806.2
Short-term	377.5	469.2	573.0	436.1	415.7	452.9	254.2	298.3	197.2	161.0	193.9	305.3	193.1
Currency and deposits	107.9	99.4	128.7	125.2	146.5	185.3	48.0	33.9	49.6	66.3	54.2	72.7	109.3
Debt securities	69.6	121.7	128.7	175.1	181.2	179.5	162.3	154.0	19.6	24.6	114.3	115.1	83.6
Loans	200.0	248.0	315.6	135.6	87.9	88.0	43.4	110.3	128.0	70.0	25.4	117.5	0.2
Trade credit and advances	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	0.1	0.1	0.1	0.1	0.1	0.1	0.6	0.1	0.1	0.1	0.0	0.0	0.1
Long-term	16,263.4	16,382.3	16,402.3	16,223.6	15,601.8	16,800.4	16,509.0	16,681.7	16,706.9	17,534.9	17,527.5	17,502.1	17,613.1
Special drawing rights (allocations)	338.0	341.8	343.6	341.1	338.9	343.3	344.3	346.4	348.7	354.5	356.1	356.6	361.3
Currency and deposits	10.3	11.0	11.9	12.6	12.8	13.5	14.3	15.1	14.7	15.4	16.7	17.2	16.1
Debt securities	8,851.2	8,877.6	8,870.4	8,698.0	8,140.4	9,387.9	9,262.2	9,196.9	9,357.3	9,550.7	9,526.3	9,632.8	9,770.4
Loans	7,025.6	7,120.2	7,144.8	7,140.3	7,078.2	7,024.4	6,857.0	7,094.6	6,957.5	7,589.3	7,603.2	7,472.9	7,444.9
Trade credit and advances	38.3	31.6	31.6	31.6	31.4	31.3	31.3	28.7	28.7	25.0	25.2	22.6	20.4
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
Direct investment: intercompany lending	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Short-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
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
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
Loans	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 credit and advances	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
Long-term	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
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
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
Loans	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Trade credit and advances	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
<b>2 Publicly guaranteed private sector external debt</b>	84.3	91.2	91.1	90.9	90.4	76.8	76.8	76.7	76.7	76.7	76.7	76.7	43.7
Other investment	84.3	91.2	91.1	90.9	90.4	76.8	76.8	76.7	76.7	76.7	76.7	76.7	43.7
Short-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
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
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
Loans	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 credit and advances	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
Long-term	84.3	91.2	91.1	90.9	90.4	76.8	76.8	76.7	76.7	76.7	76.7	76.7	43.7
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
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
Loans	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 credit and advances	84.3	91.2	91.1	90.9	90.4	76.8	76.8	76.7	76.7	76.7	76.7	76.7	43.7
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
Direct investment: intercompany lending	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
Short-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
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
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
Loans	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 credit and advances	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
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
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
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
Loans	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 credit and advances	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

	2013	2014											
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
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
<b>3 Non-publicly guaranteed private sector external debt</b>	<b>29,232.1</b>	<b>29,281.1</b>	<b>29,385.0</b>	<b>30,039.5</b>	<b>29,679.9</b>	<b>29,695.0</b>	<b>29,549.1</b>	<b>28,944.3</b>	<b>28,967.2</b>	<b>28,738.0</b>	<b>28,399.5</b>	<b>28,597.9</b>	<b>28,858.5</b>
Other investment	23,534.7	23,485.4	23,565.3	24,186.4	23,775.8	23,777.9	23,535.9	22,921.1	22,929.7	22,698.5	22,360.2	22,208.3	22,479.6
Short-term	2,919.0	3,062.5	3,094.1	3,139.2	3,344.4	3,382.6	2,938.9	2,392.9	2,333.4	2,394.2	2,350.1	2,316.4	2,642.6
Currency and deposits	1,710.9	1,857.6	1,812.0	1,999.8	2,069.6	2,108.4	1,699.2	1,240.4	1,204.3	1,237.6	1,230.1	1,254.1	1,487.6
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	24.5
Loans	1,068.4	1,087.1	1,162.8	1,000.3	1,133.8	1,137.5	1,097.7	1,024.4	998.2	1,028.0	994.2	954.5	1,025.9
Trade credit and advances	115.2	97.2	97.2	115.2	115.0	104.6	108.9	103.6	100.9	101.2	96.0	83.0	77.7
Other debt liabilities	24.4	20.6	22.1	23.9	26.0	32.2	33.0	24.4	30.1	27.6	29.8	24.8	26.9
Long-term	20,615.7	20,422.9	20,471.2	21,047.2	20,431.4	20,395.3	20,597.0	20,528.2	20,596.3	20,304.2	20,010.2	19,892.0	19,837.0
Currency and deposits	3,840.9	3,845.5	3,895.0	3,851.8	3,811.3	3,826.0	3,800.6	3,756.3	3,803.8	3,693.6	3,639.9	3,646.8	3,631.4
Debt securities	1,281.4	1,271.2	1,282.6	1,325.2	818.8	823.3	834.7	820.0	831.2	844.4	836.2	845.1	858.5
Loans	15,433.1	15,259.7	15,247.1	15,821.5	15,741.3	15,680.9	15,894.4	15,884.4	15,890.9	15,695.3	15,455.5	15,318.6	15,265.8
Trade credit and advances	57.9	44.6	44.6	46.8	58.1	63.1	64.6	64.8	67.6	68.2	75.8	78.7	79.2
Other debt liabilities	2.4	1.9	1.9	2.0	2.0	2.0	2.7	2.7	2.8	2.7	2.7	2.6	2.0
Direct investment: intercompany lending	5,697.4	5,795.7	5,819.7	5,853.1	5,904.1	5,917.1	6,013.2	6,023.2	6,037.5	6,039.5	6,039.3	6,389.5	6,379.0
Short-term	174.3	144.0	161.3	190.5	212.1	258.8	272.9	280.2	227.9	223.7	201.0	234.2	191.7
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
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
Loans	174.3	144.0	161.3	190.5	212.1	258.8	272.9	280.2	227.9	223.7	201.0	234.2	191.7
Trade credit and advances	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
Long-term	5,523.1	5,651.7	5,658.4	5,662.6	5,692.0	5,658.3	5,740.3	5,743.0	5,809.6	5,815.8	5,838.3	6,155.3	6,187.3
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
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
Loans	5,504.7	5,642.3	5,649.1	5,653.3	5,682.6	5,649.0	5,731.0	5,733.7	5,800.4	5,806.6	5,829.2	6,146.2	6,178.3
Trade credit and advances	18.4	9.4	9.4	9.3	9.3	9.3	9.3	9.2	9.2	9.2	9.2	9.1	9.0
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
<b>Gross external debt position</b>	<b>45,958.4</b>	<b>46,224.8</b>	<b>46,452.5</b>	<b>46,791.3</b>	<b>45,788.9</b>	<b>47,026.2</b>	<b>46,390.2</b>	<b>46,002.1</b>	<b>45,949.2</b>	<b>46,511.7</b>	<b>46,198.7</b>	<b>46,483.1</b>	<b>46,709.5</b>
Memo items:													
Principal and interest arrears	1,903.3	1,836.2	1,837.9	1,976.5	1,957.4	1,944.4	1,966.5	1,963.8	1,975.0	1,981.9	1,972.8	1,982.4	2,038.1
Public sector external debt	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Publicly guaranteed private sector external debt	25.2	25.4	25.3	25.2	24.7	2.8	2.7	2.7	2.7	2.7	2.6	2.6	7.2
Non-publicly guaranteed private sector external debt	1,877.3	1,809.9	1,811.7	1,950.5	1,931.8	1,940.8	1,962.8	1,960.3	1,971.4	1,978.4	1,969.3	1,978.9	2,030.0

<sup>a</sup> Data on gross external debt have been compiled in accordance with the new methodology prescribed by the sixth edition of the Balance of Payments and International Investment Position Manual (BPM6) and the new sector classification of institutional units in line with ESA 2010.

**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, the central bank, public financial corporations, and public non-financial corporations. Publicly guaranteed private sector gross external debt is defined

as the external debt liabilities of entities not covered by the definition of the public sector, the servicing of which is guaranteed by an entity from the public sector. Non-publicly guaranteed private sector gross external debt is defined as the external debt liabilities of 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<sup>a,b</sup>

in million EUR

	Gross external debt 31/12/2014	Immediate/ar-rears	Projected future principal payments												
			Q1/15	Q2/15	Q3/15	Q3/154	2015	2016	2017	2018	2019	2020	2021	Other	
<b>1 General government</b>	13,654.4	0.8	926.5	306.9	242.1	224.7	1,700.1	745.8	1,727.0	736.5	1,836.2	1,221.9	1,349.2	4,336.7	
Short-term	83.8	0.0	67.1	15.7	0.5	0.4	83.8	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	
Debt securities	83.6	0.0	67.0	15.7	0.5	0.4	83.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Loans	0.2	0.0	0.2	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Trade credit and advances	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	
Long-term	13,570.6	0.8	859.4	291.1	241.6	224.2	1,616.4	745.8	1,727.0	736.5	1,836.2	1,221.9	1,349.2	4,336.7	
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	
Debt securities	8,770.0	0.0	797.6	50.9	42.0	43.4	933.9	59.5	1,184.2	432.3	1,158.4	972.5	1,118.7	2,910.5	
Loans	4,800.6	0.8	61.8	240.2	199.6	180.9	682.5	686.3	542.9	304.1	677.8	249.5	230.5	1,426.2	
Trade credit and advances	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	
<b>2 Central bank</b>	444.9	0.0	83.6	0.0	0.0	0.0	83.6	0.0	0.0	0.0	0.0	0.0	0.0	361.3	
Short-term	83.6	0.0	83.6	0.0	0.0	0.0	83.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Currency and deposits	83.6	0.0	83.6	0.0	0.0	0.0	83.6	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	
Loans	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 credit and advances	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	
Long-term	361.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	361.3	
Special drawing rights (allocations)	361.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	361.3	
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	
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	
Loans	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 credit and advances	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	
<b>3 Deposit-taking corporations, except the central bank</b>	8,160.1	17.4	1,736.7	479.3	471.6	471.5	3,159.1	1,283.1	2,060.2	361.3	361.3	178.0	178.0	561.5	
Short-term	1,950.9	17.0	1,310.5	347.6	138.0	138.0	1,933.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Currency and deposits	1,513.3	1.4	1,019.7	252.3	120.0	120.0	1,511.9	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	
Loans	410.7	10.1	269.5	95.2	17.9	17.9	400.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Trade credit and advances	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	26.9	5.5	21.3	0.1	0.1	0.1	21.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Long-term	6,209.1	0.4	426.2	131.8	333.6	333.6	1,225.2	1,283.1	2,060.2	361.3	361.3	178.0	178.0	561.5	
Currency and deposits	3,645.9	0.3	65.4	98.9	260.0	260.0	684.4	812.3	1,001.9	284.6	284.6	113.6	113.6	350.5	
Debt securities	2.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.5	0.0	0.0	0.0	0.0	0.0	
Loans	2,558.7	0.1	358.9	32.8	73.6	73.6	538.8	470.7	1,055.8	76.8	76.8	64.4	64.4	211.0	
Trade credit and advances	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	2.0	0.0	2.0	0.0	0.0	0.0	2.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	
<b>4 Other sectors</b>	18,070.2	1,656.4	1,096.8	1,031.9	738.0	1,595.6	4,462.3	2,333.7	2,375.0	1,191.3	1,480.2	1,816.0	495.0	2,260.3	
Short-term	717.4	96.7	174.7	253.5	146.4	46.1	620.7	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	
Debt securities	24.5	0.0	0.0	0.0	0.0	24.5	24.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Loans	615.2	96.7	174.7	253.5	68.7	21.6	518.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Trade credit and advances	77.7	0.0	0.0	0.0	77.7	0.0	77.7	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	
Long-term	17,352.8	1,559.7	922.1	778.4	591.6	1,549.5	3,841.6	2,333.7	2,375.0	1,191.3	1,480.2	1,816.0	495.0	2,260.3	
Currency and deposits	1.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.6	



Table H15 Gross external debt by other sectors<sup>a</sup>

in million EUR

	2013	2014											
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
<b>4.1 Other public financial corporations except monetary financial institutions</b>	1,513.5	1,615.1	1,662.3	1,653.4	1,652.3	1,646.9	1,633.2	1,640.3	1,639.9	1,636.5	1,639.1	1,652.9	1,741.7
Short-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
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
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
Loans	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 credit and advances	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
Long-term	1,513.5	1,615.1	1,662.3	1,653.4	1,652.3	1,646.9	1,633.2	1,640.3	1,639.9	1,636.5	1,639.1	1,652.9	1,741.7
Currency and deposits	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6
Debt securities	358.4	359.3	361.6	361.7	361.8	356.0	353.9	321.2	322.9	329.7	332.3	316.4	319.0
Loans	1,153.4	1,254.2	1,299.1	1,290.1	1,288.8	1,289.3	1,277.6	1,317.4	1,315.4	1,305.1	1,305.2	1,334.8	1,421.0
Trade credit and advances	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
<b>4.2 Other private financial corporations except monetary financial institutions</b>	3,441.8	3,412.0	3,454.3	3,440.5	3,458.2	3,490.5	3,489.0	3,433.2	3,408.7	3,312.2	3,274.3	3,272.2	3,143.5
Short-term	318.0	325.7	333.5	328.1	458.9	481.1	510.9	494.9	480.9	470.6	462.5	444.9	424.0
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
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
Loans	318.0	325.7	333.5	328.1	458.9	481.1	510.9	494.9	480.9	470.6	462.5	444.9	424.0
Trade credit and advances	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
Long-term	3,123.8	3,086.4	3,120.8	3,112.3	2,999.3	3,009.4	2,978.1	2,938.3	2,927.7	2,841.6	2,811.8	2,827.2	2,719.5
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
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
Loans	3,123.8	3,086.4	3,120.8	3,112.3	2,999.3	3,009.4	2,978.1	2,938.3	2,927.7	2,841.6	2,811.8	2,827.2	2,719.5
Trade credit and advances	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
<b>4.3 Public non-financial corporations</b>	1,958.0	2,018.7	2,052.7	1,962.2	1,957.3	1,952.4	1,920.3	1,996.9	1,871.9	1,957.9	1,930.0	1,896.8	1,819.7
Short-term	0.0	47.6	114.7	135.6	87.9	88.0	43.4	110.3	128.0	70.0	25.4	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
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
Loans	0.0	47.6	114.7	135.6	87.9	88.0	43.4	110.3	128.0	70.0	25.4	0.0	0.0
Trade credit and advances	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
Long-term	1,958.0	1,971.1	1,938.0	1,826.5	1,869.4	1,864.4	1,876.9	1,886.6	1,743.9	1,887.9	1,904.6	1,896.8	1,819.7
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
Debt securities	646.0	654.0	654.3	658.3	657.7	657.3	659.7	652.3	659.1	673.1	678.2	673.8	681.3
Loans	1,274.9	1,285.5	1,252.1	1,136.7	1,180.2	1,175.9	1,186.0	1,205.6	1,056.1	1,189.8	1,201.2	1,200.5	1,118.0
Trade credit and advances	37.1	31.6	31.6	31.6	31.4	31.3	31.3	28.7	28.7	25.0	25.2	22.6	20.4
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
<b>4.4 Private non-financial corporations</b>	10,875.1	10,767.9	10,789.8	11,474.0	11,033.9	10,994.5	11,193.2	11,193.6	11,259.9	11,301.0	11,341.4	11,179.7	11,183.4
Short-term	308.1	304.5	304.5	313.1	345.6	331.5	251.7	261.6	265.4	316.2	307.8	283.7	293.4
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
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	24.5
Loans	192.9	207.3	207.3	197.9	230.6	227.0	142.8	157.9	164.5	215.0	211.8	200.7	191.3
Trade credit and advances	115.2	97.2	97.2	115.2	115.0	104.6	108.9	103.6	100.9	101.2	96.0	83.0	77.7
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
Long-term	10,567.0	10,463.4	10,485.3	11,160.9	10,688.4	10,663.0	10,941.5	10,932.0	10,994.5	10,984.9	11,033.7	10,896.0	10,890.0
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
Debt securities	1,277.6	1,267.6	1,279.0	1,321.5	815.4	820.3	831.1	816.6	827.8	841.8	833.6	842.7	856.0
Loans	9,153.1	9,060.0	9,070.6	9,701.7	9,724.4	9,702.8	9,969.1	9,973.9	10,022.3	9,998.2	10,047.6	9,898.0	9,911.0
Trade credit and advances	136.4	135.8	135.6	137.7	148.5	139.9	141.3	141.5	144.4	144.9	152.5	155.4	122.9
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
<b>4.5 Households</b>	176.0	174.7	173.2	172.3	171.2	171.8	170.8	168.6	171.1	170.3	165.3	164.8	162.4

	2013	2014											
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
Short-term	0.1	0.1	0.1	0.1	0.1	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
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
Loans	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trade credit and advances	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
Long-term	175.9	174.6	173.1	172.3	171.1	171.8	170.8	168.6	171.1	170.3	165.3	164.8	162.4
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
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
Loans	170.1	174.6	173.1	172.3	171.1	171.8	170.8	168.6	171.1	170.3	165.3	164.8	162.4
Trade credit and advances	5.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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
4.6 Non-profit institutions serving households	5.3	4.2	4.2	4.2	9.2	9.2	14.3	14.3	14.3	14.4	14.4	14.4	19.4
Short-term	0.2	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
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
Loans	0.2	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 credit and advances	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
Long-term	5.2	4.2	4.2	4.2	9.2	9.2	14.3	14.3	14.3	14.4	14.4	14.4	19.4
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
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
Loans	5.2	4.2	4.2	4.2	9.2	9.2	14.3	14.3	14.3	14.4	14.4	14.4	19.4
Trade credit and advances	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
<b>Gross external debt of other sectors</b>	<b>17,969.7</b>	<b>17,992.6</b>	<b>18,136.6</b>	<b>18,706.7</b>	<b>18,282.2</b>	<b>18,265.4</b>	<b>18,420.7</b>	<b>18,446.8</b>	<b>18,365.7</b>	<b>18,392.3</b>	<b>18,364.4</b>	<b>18,180.8</b>	<b>18,070.2</b>
Memo items:													
1 Principal and interest arrears by sector	1,517.9	1,478.3	1,482.1	1,613.1	1,594.1	1,570.1	1,582.0	1,581.2	1,584.0	1,596.7	1,586.9	1,603.4	1,656.4
Other public financial corporations except monetary financial institutions	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 private financial corporations except monetary financial institutions	33.4	36.6	38.8	35.8	33.3	33.5	34.9	34.7	34.4	35.4	35.3	35.0	35.6
Public non-financial corporations	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Private non-financial corporations	1,484.4	1,441.7	1,443.2	1,577.2	1,560.8	1,536.5	1,547.0	1,546.4	1,549.6	1,561.2	1,551.5	1,568.3	1,620.7
Households	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
Non-profit institutions serving households	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 Quasi-direct investment – included in item 4.2 Other private financial corporations except monetary financial institutions <sup>a</sup>	1,490.8	1,476.2	1,494.6	1,497.4	1,465.2	1,479.4	1,527.1	1,611.3	1,600.9	1,531.3	1,532.3	1,533.3	1,534.3

<sup>a</sup> Data on gross external debt have been compiled in accordance with the new methodology prescribed by the sixth edition of the Balance of Payments and International Investment Position Manual (BPM6) and the new sector classification of institutional units in line with ESA 2010. <sup>b</sup> Quasi-direct investment: Debt of residents in the other financial intermediaries sector to non-residents in the same sector with which they have a direct ownership relationship, but their debt relations under the current methodology are not part of the debt within direct investment but within other sectors.

**Table H15 Gross external debt by other sectors** • Gross external debt of other sectors shows the external debt of all financial corporations except monetary financial institutions (including the Croatian Bank for Reconstruction and Development), public non-financial corporations, 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 – summary<sup>a,b</sup>**

in million EUR

	2010	2011	2012	2013	2014 <sup>c</sup>	2014			
						Q1	Q2	Q3	Q4 <sup>e</sup>
1 International investment position (net)	-42,466.5	-40,723.0	-39,601.0	-38,476.4	-38,064.1	-39,562.2	-40,100.5	-37,998.5	-38,064.1
2 Assets	23,826.0	23,577.5	23,580.1	24,635.1	28,025.7	24,248.1	25,940.5	28,540.7	28,025.7
2.1 Direct investment	3,663.9	3,680.0	3,511.1	3,283.9	4,842.7	3,128.2	4,900.6	5,048.7	4,842.7
2.2 Portfolio investment	3,659.1	2,988.1	3,367.2	3,477.7	3,885.2	3,353.2	3,499.3	3,735.6	3,885.2
2.2.1 Equity and investment fund shares	1,351.9	1,307.2	1,503.2	1,724.1	1,832.2	1,545.5	1,737.0	1,798.1	1,832.2
2.2.2 Debt securities	2,307.2	1,680.9	1,864.1	1,753.7	2,053.0	1,807.7	1,762.3	1,937.5	2,053.0
2.2.2.1 Long-term	1,431.0	1,074.3	1,365.7	1,185.1	1,771.7	1,215.5	1,170.1	1,595.2	1,771.7
2.2.2.2 Short-term	876.2	606.6	498.3	568.6	281.3	592.2	592.2	342.2	281.3
2.3 Financial derivatives	14.2	204.5	145.8	16.7	474.5	12.4	37.1	370.2	474.5
2.4 Other investment	5,828.6	5,510.0	5,320.1	4,949.3	6,135.6	5,654.2	5,168.7	7,270.6	6,135.6
2.4.1 Other equity	1.8	2.4	3.1	32.2	58.9	32.2	32.6	32.4	58.9
2.4.2 Currency and deposits	5,304.5	4,989.5	4,616.4	4,182.0	5,291.8	4,927.8	4,426.1	6,317.9	5,291.8
2.4.3 Loans	430.8	420.8	531.3	626.1	688.5	594.8	582.6	787.6	688.5
2.4.4 Trade credit and advances	80.5	85.7	142.0	80.8	74.5	84.6	82.9	76.4	74.5
2.4.5 Other accounts receivable	11.0	11.5	27.3	28.2	21.8	14.8	44.5	56.4	21.8
2.5 Reserve assets	10,660.2	11,194.8	11,235.9	12,907.4	12,687.7	12,100.0	12,334.7	12,115.6	12,687.7
3 Liabilities	66,292.5	64,300.5	63,181.1	63,111.5	66,089.8	63,810.3	66,040.9	66,539.2	66,089.8
3.1 Direct investment	24,587.9	22,173.8	22,451.5	21,917.4	24,871.5	21,867.8	24,590.1	25,105.4	24,871.5
3.2 Portfolio investment	7,144.2	7,237.1	9,151.6	10,681.4	11,374.3	10,687.0	10,860.2	11,080.4	11,374.3
3.2.1 Equity and investment fund shares	738.0	595.7	461.7	479.2	637.2	488.6	601.0	660.7	637.2
3.2.2 Debt securities	6,406.1	6,641.4	8,689.9	10,202.2	10,737.0	10,198.3	10,259.2	10,419.7	10,737.0
3.2.2.1 Long-term	5,937.8	6,483.4	8,572.5	10,132.6	10,628.9	10,023.2	10,096.9	10,395.1	10,628.9
3.2.2.2 Short-term	468.3	158.1	117.3	69.6	108.1	175.1	162.3	24.6	108.1
3.3 Financial derivatives	194.6	151.3	356.9	455.0	251.6	516.8	473.9	301.9	251.6
3.4 Other investment	34,365.8	34,738.3	31,221.1	30,057.7	29,592.4	30,738.7	30,116.7	30,051.4	29,592.4
3.4.1 Other equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3.4.2 Currency and deposits	6,796.9	7,700.7	5,732.9	5,670.0	5,244.4	5,989.3	5,562.2	5,012.9	5,244.4
3.4.3 Loans	26,863.4	26,370.9	24,765.0	23,728.3	23,736.8	24,097.8	23,892.5	24,382.5	23,736.8
3.4.4 Trade credit and advances	323.8	170.1	312.2	294.5	221.0	284.5	281.5	271.1	221.0
3.4.5 Other accounts payable	25.6	136.6	60.0	26.9	29.0	26.0	36.3	30.4	29.0
3.4.6 Special drawing rights	356.1	360.0	351.0	338.0	361.3	341.1	344.3	354.5	361.3

<sup>a</sup> Data have been compiled in accordance with the new methodology prescribed by the sixth edition of the Balance of Payments and International Investment Position Manual (BPM6) and the new sector classification of institutional units in line with ESA 2010. <sup>b</sup> 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), December 2010 (EUR -618.6m) and June 2014 (EUR 1,485.8m). <sup>c</sup> Preliminary data.

**Table H16 International investment position** • The table is made in accordance with the methodology recommended by the International Monetary Fund and its Balance of Payments Manual. From 1993 until the end of 2013, the international investment position was compiled in accordance with the methodology recommended by the International Monetary Fund in the fifth edition of its Balance of Payments Manual (BPM5), while starting from 2014, the international investment position is compiled according to the sixth edition of that manual (BPM6). Also, with the beginning of the implementation of BPM6, the historical data for 1999-2013 have been revised in line with the new methodology.

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). The

conversion of values from the original currencies into the reporting currencies is performed 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 agents 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).

The sector classification of the portfolio and other investment involves the sector classification of residents according



**Table H17 International investment position – direct investment<sup>a,b</sup>**

in million EUR

	2010	2011	2012	2013	2014 <sup>c</sup>	2014			
						Q1	Q2	Q3	Q4 <sup>e</sup>
<b>Direct investment (net)</b>	<b>-20,924.0</b>	<b>-18,493.8</b>	<b>-18,940.4</b>	<b>-18,633.5</b>	<b>-20,028.8</b>	<b>-18,739.6</b>	<b>-19,689.5</b>	<b>-20,056.7</b>	<b>-20,028.8</b>
<b>1 Assets</b>	<b>3,663.9</b>	<b>3,680.0</b>	<b>3,511.1</b>	<b>3,283.9</b>	<b>4,842.7</b>	<b>3,128.2</b>	<b>4,900.6</b>	<b>5,048.7</b>	<b>4,842.7</b>
1.1 Equity and investment fund shares	2,986.9	2,987.8	2,884.0	2,692.8	4,031.6	2,523.8	4,045.6	4,179.4	4,031.6
1.1.1 In direct investment enterprises	2,986.9	2,987.8	2,884.0	2,692.8	4,031.6	2,523.8	4,045.6	4,179.4	4,031.6
1.1.2 In direct investor (reverse investment)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.1.3 Between fellow enterprises	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.2 Debt instruments	677.0	692.2	627.1	591.1	811.1	604.4	855.0	869.4	811.1
1.2.1 In direct investment enterprises	608.7	641.5	572.1	521.8	560.2	398.0	604.5	621.1	560.2
1.2.2 In direct investor (reverse investment)	68.3	50.7	55.0	69.3	108.5	76.0	103.6	117.5	108.5
1.2.3 Between fellow enterprises	0.0	0.0	0.0	0.0	142.5	130.4	146.9	130.7	142.5
<b>2 Liabilities</b>	<b>24,587.9</b>	<b>22,173.8</b>	<b>22,451.5</b>	<b>21,917.4</b>	<b>24,871.5</b>	<b>21,867.8</b>	<b>24,590.1</b>	<b>25,105.4</b>	<b>24,871.5</b>
2.1 Equity and investment fund shares	18,451.5	17,156.4	17,065.2	16,218.9	18,491.4	16,013.6	18,575.8	19,064.8	18,491.4
2.1.1 In direct investment enterprises	18,451.5	17,156.4	17,065.2	16,218.9	18,491.4	16,013.6	18,575.8	19,064.8	18,491.4
2.1.2 In direct investor (reverse investment)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.1.3 Between fellow enterprises	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.2 Debt instruments	6,136.5	5,017.4	5,386.2	5,698.5	6,380.1	5,854.2	6,014.3	6,040.6	6,380.1
2.2.1 In direct investment enterprises	4,131.0	4,143.1	4,082.4	3,521.6	3,781.1	3,640.1	3,742.1	3,765.1	3,781.1
2.2.2 In direct investor (reverse investment)	366.7	175.5	164.5	159.5	250.5	178.8	239.1	226.0	250.5
2.2.3 Between fellow enterprises	1,638.7	698.9	1,139.4	2,017.4	2,348.4	2,035.3	2,033.1	2,049.6	2,348.4

<sup>a</sup> Data have been compiled in accordance with the new methodology prescribed by the sixth edition of the Balance of Payments and International Investment Position Manual (BPM6) and the new sector classification of institutional units in line with ESA 2010. <sup>b</sup> 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), December 2010 (EUR -618.6m) and June 2014 (EUR 1,485.8m). <sup>c</sup> Preliminary data.

**Table H18 International investment position – portfolio investment<sup>a</sup>**

in million EUR

	2010	2011	2012	2013	2014 <sup>b</sup>	2014			
						Q1	Q2	Q3	Q4 <sup>b</sup>
<b>Portfolio investment (net)</b>	<b>-3,485.1</b>	<b>-4,249.0</b>	<b>-5,784.3</b>	<b>-7,203.7</b>	<b>-7,489.0</b>	<b>-7,333.7</b>	<b>-7,360.8</b>	<b>-7,344.8</b>	<b>-7,489.0</b>
<b>1 Assets</b>	<b>3,659.1</b>	<b>2,988.1</b>	<b>3,367.2</b>	<b>3,477.7</b>	<b>3,885.2</b>	<b>3,353.2</b>	<b>3,499.3</b>	<b>3,735.6</b>	<b>3,885.2</b>
1.1 Equity and investment fund shares	1,351.9	1,307.2	1,503.2	1,724.1	1,832.2	1,545.5	1,737.0	1,798.1	1,832.2
1.1.1 Other monetary financial institutions	9.2	13.7	10.6	19.2	8.9	9.8	9.1	9.6	8.9
1.1.2 Other sectors	1,342.6	1,293.5	1,492.6	1,704.9	1,823.3	1,535.8	1,727.9	1,788.6	1,823.3
1.2 Debt securities	2,307.2	1,680.9	1,864.1	1,753.7	2,053.0	1,807.7	1,762.3	1,937.5	2,053.0
<b>2 Liabilities</b>	<b>7,144.2</b>	<b>7,237.1</b>	<b>9,151.6</b>	<b>10,681.4</b>	<b>11,374.3</b>	<b>10,687.0</b>	<b>10,860.2</b>	<b>11,080.4</b>	<b>11,374.3</b>
2.1 Equity and investment fund shares	738.0	595.7	461.7	479.2	637.2	488.6	601.0	660.7	637.2
2.1.1 Other monetary financial institutions	175.9	166.7	154.2	141.3	163.6	141.6	141.8	151.3	163.6
2.1.2 Other sectors	562.1	428.9	307.5	337.9	473.7	347.0	459.2	509.4	473.7
2.2 Debt securities	6,406.1	6,641.4	8,689.9	10,202.2	10,737.0	10,198.3	10,259.2	10,419.7	10,737.0
2.2.1 Long-term	5,937.8	6,483.4	8,572.5	10,132.6	10,628.9	10,023.2	10,096.9	10,395.1	10,628.9
2.2.1.1 General government	4,321.4	5,069.8	6,247.1	7,846.8	8,770.0	7,678.1	8,248.6	8,547.9	8,770.0
2.2.1.2 Other monetary financial institutions	8.9	1.9	8.9	3.8	2.5	3.7	3.6	2.6	2.5
2.2.1.3 Other sectors	1,607.5	1,411.6	2,316.6	2,282.0	1,856.4	2,341.4	1,844.7	1,844.6	1,856.4
2.2.2 Short-term	468.3	158.1	117.3	69.6	108.1	175.1	162.3	24.6	108.1
2.2.2.1 General government	468.3	157.9	117.2	69.6	83.6	175.1	162.3	24.6	83.6
2.2.2.2 Other sectors	0.0	0.1	0.1	0.0	24.5	0.0	0.0	0.0	24.5

<sup>a</sup> Data have been compiled in accordance with the new methodology prescribed by the sixth edition of the Balance of Payments and International Investment Position Manual (BPM6) and the new sector classification of institutional units in line with ESA 2010. <sup>b</sup> Preliminary data.

Table H19 International investment position – other investment<sup>a</sup>

in million EUR

	2010	2011	2012	2013	2014 <sup>b</sup>	2014			
						Q1	Q2	Q3	Q4 <sup>b</sup>
<b>Other investment (net)</b>	<b>-28,537.2</b>	<b>-29,228.3</b>	<b>-25,901.0</b>	<b>-25,108.4</b>	<b>-23,456.9</b>	<b>-25,084.5</b>	<b>-24,948.0</b>	<b>-22,780.8</b>	<b>-23,456.9</b>
<b>1 Assets</b>	<b>5,828.6</b>	<b>5,510.0</b>	<b>5,320.1</b>	<b>4,949.3</b>	<b>6,135.6</b>	<b>5,654.2</b>	<b>5,168.7</b>	<b>7,270.6</b>	<b>6,135.6</b>
1.1 Other equity	1.8	2.4	3.1	32.2	58.9	32.2	32.6	32.4	58.9
1.2 Currency and deposits	5,304.5	4,989.5	4,616.4	4,182.0	5,291.8	4,927.8	4,426.1	6,317.9	5,291.8
1.2.1 General government	0.0	0.0	0.0	0.0	0.3	0.3	0.3	0.3	0.3
1.2.2 Other monetary financial institutions	4,058.2	3,559.7	3,108.4	2,888.7	3,563.3	3,108.1	3,101.2	4,660.4	3,563.3
1.2.3 Other sectors	1,246.3	1,429.8	1,508.0	1,293.2	1,728.2	1,819.4	1,324.6	1,657.2	1,728.2
1.3 Loans	430.8	420.8	531.3	626.1	688.5	594.8	582.6	787.6	688.5
1.3.1 Croatian National Bank	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.3.1.1 Long-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.3.2 General government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.3.2.1 Long-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.3.3 Other monetary financial institutions	291.8	276.2	355.8	369.0	432.7	348.3	338.3	533.5	432.7
1.3.3.1 Long-term	257.2	266.6	238.9	299.5	280.8	298.5	288.2	271.7	280.8
1.3.3.2 Short-term	34.6	9.6	117.0	69.5	151.9	49.8	50.1	261.8	151.9
1.3.4 Other sectors	139.0	144.6	175.5	257.1	255.8	246.5	244.4	254.1	255.8
1.3.4.1 Long-term	101.3	140.0	154.5	237.9	244.9	237.7	232.6	241.9	244.9
1.3.4.2 Short-term	37.7	4.6	21.0	19.2	10.9	8.8	11.7	12.2	10.9
1.4 Trade credit and advances	80.5	85.7	142.0	80.8	74.5	84.6	82.9	76.4	74.5
1.4.1 General government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.4.1.1 Long-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.4.2 Other sectors	80.5	85.7	142.0	80.8	74.5	84.6	82.9	76.4	74.5
1.4.2.1 Long-term	61.4	58.3	57.6	53.2	52.0	54.1	54.1	52.5	52.0
1.4.2.2 Short-term	19.2	27.4	84.3	27.6	22.6	30.5	28.8	23.9	22.6
1.5 Other accounts receivable	11.0	11.5	27.3	28.2	21.8	14.8	44.5	56.4	21.8
<b>2 Liabilities</b>	<b>34,365.8</b>	<b>34,738.3</b>	<b>31,221.1</b>	<b>30,057.7</b>	<b>29,592.4</b>	<b>30,738.7</b>	<b>30,116.7</b>	<b>30,051.4</b>	<b>29,592.4</b>
2.1 Other equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.2 Currency and deposits	6,796.9	7,700.7	5,732.9	5,670.0	5,244.4	5,989.3	5,562.2	5,012.9	5,244.4
2.2.1 Croatian National Bank	1.2	0.1	0.0	83.5	83.6	101.6	24.6	40.9	83.6
2.2.2 Other monetary financial institutions	6,794.1	7,699.0	5,731.3	5,584.9	5,159.2	5,886.0	5,535.9	4,970.4	5,159.2
2.2.3 Other sectors	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6
2.3 Loans	26,863.4	26,370.9	24,765.0	23,728.3	23,736.8	24,097.8	23,892.5	24,382.5	23,736.8
2.3.1 Croatian National Bank	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.3.1.1 Long-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.3.2 General government	4,336.3	4,397.1	4,574.6	4,795.5	4,800.7	4,573.0	4,264.7	4,977.4	4,800.7
2.3.2.1 Long-term	4,336.3	4,397.1	4,573.7	4,595.5	4,800.6	4,573.0	4,264.7	4,977.4	4,800.6
2.3.2.2 Short-term	0.0	0.0	0.9	200.0	0.2	0.0	0.0	0.0	0.2
2.3.3 Other monetary financial institutions	4,383.8	4,370.4	4,085.5	3,541.3	2,969.4	3,445.6	3,335.0	3,130.2	2,969.4
2.3.3.1 Long-term	3,436.0	3,844.4	3,568.8	2,984.0	2,558.7	2,971.4	2,890.9	2,787.8	2,558.7
2.3.3.2 Short-term	947.8	526.0	516.8	557.3	410.7	474.2	444.0	342.3	410.7
2.3.4 Other sectors	18,143.3	17,603.4	16,104.8	15,391.6	15,966.6	16,079.1	16,292.8	16,275.0	15,966.6
2.3.4.1 Long-term	17,261.7	16,721.9	15,152.8	14,880.4	15,351.4	15,417.3	15,595.8	15,519.3	15,351.4
2.3.4.2 Short-term	881.7	881.4	952.0	511.1	615.2	661.8	697.0	755.6	615.2
2.4 Trade credit and advances	323.8	170.1	312.2	294.5	221.0	284.5	281.5	271.1	221.0
2.4.1 General government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.4.1.1 Long-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.4.1.2 Short-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.4.2 Other sectors	323.8	170.1	312.2	294.5	221.0	284.5	281.5	271.1	221.0
2.4.2.1 Long-term	293.0	135.9	134.1	179.3	143.3	169.3	172.6	169.9	143.3
2.4.2.2 Short-term	30.9	34.2	178.1	115.2	77.7	115.2	108.9	101.2	77.7
2.5 Other accounts payable	25.6	136.6	60.0	26.9	29.0	26.0	36.3	30.4	29.0
2.6 Special drawing rights	356.1	360.0	351.0	338.0	361.3	341.1	344.3	354.5	361.3

<sup>a</sup> Data have been compiled in accordance with the new methodology prescribed by the sixth edition of the Balance of Payments and International Investment Position Manual (BPM6) and the new sector classification of institutional units in line with ESA 2010. <sup>b</sup> Preliminary data.

## I Government finance – selected data

Table I1 Consolidated central government according to the government level<sup>a</sup>  
in million HRK

	2013												2014
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
<b>1 REVENUE (A+B)</b>	<b>10,569.2</b>	<b>9,291.2</b>	<b>8,026.1</b>	<b>8,453.0</b>	<b>10,279.0</b>	<b>8,525.6</b>	<b>12,795.2</b>	<b>10,515.6</b>	<b>9,762.5</b>	<b>10,854.3</b>	<b>10,216.0</b>	<b>9,041.5</b>	<b>9,832.0</b>
A) Budgetary central government	10,286.0	8,982.9	7,787.6	8,220.3	9,858.6	8,279.5	12,482.7	10,091.0	9,377.3	10,521.6	9,754.8	8,756.3	9,426.6
B) Extrabudgetary users	283.2	308.3	238.5	232.7	420.5	246.1	312.5	424.7	385.2	332.7	461.2	285.1	405.4
1 Croatian Pension Insurance Administration	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 Institute for Health Insurance	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 Croatian Employment Service	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 Croatian Waters	183.7	98.9	116.1	142.2	153.4	123.7	163.7	197.7	198.4	212.4	212.6	172.2	202.3
5 Fund for Environmental Protection and Energy Efficiency	75.1	65.9	97.1	77.6	61.1	104.3	123.4	83.0	144.0	89.7	106.3	96.5	119.8
6 Croatian Motorways Ltd.	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
7 Croatian Roads Ltd.	11.4	4.5	6.1	4.8	3.8	3.4	3.7	6.6	3.1	4.3	4.7	3.3	5.8
8 State Agency for Deposit Insurance and Bank Resolution	6.8	133.1	15.4	3.0	199.5	10.9	12.8	133.1	37.2	10.7	136.6	12.7	44.2
9 Centre for Restructuring and Sale <sup>b</sup>	6.2	5.8	3.7	5.1	2.6	3.9	8.8	4.4	2.5	15.7	1.0	0.5	33.3
<b>2 EXPENSE (A+B)</b>	<b>11,530.2</b>	<b>11,082.3</b>	<b>10,645.0</b>	<b>10,493.4</b>	<b>10,163.3</b>	<b>10,845.7</b>	<b>10,716.3</b>	<b>11,134.5</b>	<b>9,367.3</b>	<b>9,894.6</b>	<b>10,494.4</b>	<b>10,175.1</b>	<b>12,569.1</b>
A) Budgetary central government	11,064.8	10,894.8	10,396.0	10,191.7	9,848.8	10,568.8	10,391.0	10,764.1	8,594.5	9,719.6	10,039.6	9,798.5	12,154.0
B) Extrabudgetary users	465.4	187.5	249.0	301.8	314.5	276.9	325.2	370.4	772.8	175.0	454.8	376.6	415.1
1 Croatian Pension Insurance Administration	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 Institute for Health Insurance	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 Croatian Employment Service	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 Croatian Waters	130.0	18.2	78.8	115.0	114.7	129.9	154.7	125.5	111.2	154.8	174.1	134.3	214.8
5 Fund for Environmental Protection and Energy Efficiency	124.9	61.7	78.8	68.6	69.7	65.2	90.9	102.6	85.3	129.5	117.2	103.4	155.9
6 Croatian Motorways Ltd.	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
7 Croatian Roads Ltd.	193.7	101.6	83.2	113.3	120.1	71.4	73.0	120.2	171.1	133.2	160.1	130.2	24.5
8 State Agency for Deposit Insurance and Bank Resolution	0.6	0.5	2.8	2.1	2.8	3.4	0.8	1.4	157.1	1.7	0.6	0.7	0.8
9 Centre for Restructuring and Sale <sup>b</sup>	16.2	5.4	5.3	2.9	7.2	6.9	5.8	20.7	248.1	-244.0	2.8	8.1	19.1
<b>NET/GROSS OPERATING BALANCE (1-2)</b>	<b>-961.0</b>	<b>-1,791.2</b>	<b>-2,618.9</b>	<b>-2,040.4</b>	<b>115.7</b>	<b>-2,320.0</b>	<b>2,078.9</b>	<b>-618.8</b>	<b>395.3</b>	<b>959.7</b>	<b>-278.4</b>	<b>-1,133.6</b>	<b>-2,737.1</b>
<b>3 CHANGE IN NET WORTH: TRANSACTIONS (3.1+3.2-3.3)</b>	<b>-961.0</b>	<b>-1,791.2</b>	<b>-2,618.9</b>	<b>-2,040.4</b>	<b>115.7</b>	<b>-2,320.0</b>	<b>2,078.9</b>	<b>-618.8</b>	<b>395.3</b>	<b>959.7</b>	<b>-278.4</b>	<b>-1,133.6</b>	<b>-2,737.1</b>
<b>3.1 CHANGE IN NET ACQUISITION OF NON-FINANCIAL ASSETS</b>	<b>482.8</b>	<b>222.9</b>	<b>144.9</b>	<b>278.9</b>	<b>149.9</b>	<b>154.7</b>	<b>183.0</b>	<b>228.6</b>	<b>266.2</b>	<b>223.6</b>	<b>201.1</b>	<b>350.6</b>	<b>820.0</b>
Acquisition	512.4	298.3	167.4	308.1	179.0	261.2	226.2	260.4	299.7	266.3	275.5	377.2	998.7
A) Budgetary central government	332.3	145.0	98.0	171.9	87.3	135.3	67.8	87.5	111.3	92.7	108.4	197.0	535.3
B) Extrabudgetary users	180.1	153.3	69.4	136.2	91.7	125.8	158.3	172.9	188.4	173.7	167.0	180.2	463.4
Disposals	29.6	75.4	22.5	29.2	29.1	106.4	43.2	31.7	33.5	42.7	74.4	26.6	178.6
A) Budgetary central government	28.2	75.4	22.4	27.6	29.1	106.3	42.7	31.7	33.4	42.6	73.6	26.4	178.5
B) Extrabudgetary users	1.4	0.0	0.1	1.6	0.1	0.1	0.5	0.1	0.1	0.1	0.8	0.1	0.1
<b>NET LENDING/BORROWING (1-2-3.1)</b>	<b>-1,443.8</b>	<b>-2,014.1</b>	<b>-2,763.8</b>	<b>-2,319.3</b>	<b>-34.1</b>	<b>-2,474.8</b>	<b>1,895.9</b>	<b>-847.5</b>	<b>129.1</b>	<b>736.1</b>	<b>-479.5</b>	<b>-1,484.2</b>	<b>-3,557.1</b>
<b>TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES (FINANCING) (3.3-3.2)</b>	<b>1,443.8</b>	<b>2,014.1</b>	<b>2,763.8</b>	<b>2,319.3</b>	<b>34.1</b>	<b>2,474.8</b>	<b>-1,895.9</b>	<b>847.5</b>	<b>-129.1</b>	<b>-736.1</b>	<b>479.5</b>	<b>1,484.2</b>	<b>3,557.1</b>
<b>3.2 CHANGE IN NET ACQUISITION OF FINANCIAL ASSETS</b>	<b>733.5</b>	<b>-1,601.3</b>	<b>1,157.1</b>	<b>-4,827.4</b>	<b>-3,987.7</b>	<b>7,078.4</b>	<b>-15.5</b>	<b>369.3</b>	<b>864.0</b>	<b>-4,861.6</b>	<b>4,699.3</b>	<b>-877.9</b>	<b>-866.4</b>
<b>3.2.1 Domestic</b>	<b>733.5</b>	<b>-1,601.3</b>	<b>1,157.1</b>	<b>-4,828.3</b>	<b>-3,987.7</b>	<b>7,078.4</b>	<b>-15.5</b>	<b>369.3</b>	<b>864.0</b>	<b>-4,861.6</b>	<b>4,699.3</b>	<b>-1,082.9</b>	<b>-866.4</b>
A) Budgetary central government	509.2	-1,698.9	693.2	-4,565.7	-4,136.8	7,068.6	58.3	92.3	506.1	-4,899.8	4,803.3	-1,283.2	-782.4
B) Extrabudgetary users	224.4	97.6	463.9	-262.6	149.1	9.8	-73.7	277.0	358.0	38.2	-103.9	200.3	-84.0
<b>3.2.2 Foreign</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>205.1</b>	<b>0.0</b>
A) Budgetary central government	0.0	0.0	0.0	0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	205.1	0.0
B) Extrabudgetary users	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
<b>3.2.3 Monetary gold and SDRs</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>							
<b>3.3 CHANGE IN NET INCURRENCE OF LIABILITIES</b>	<b>2,177.2</b>	<b>412.7</b>	<b>3,920.9</b>	<b>-2,508.1</b>	<b>-3,953.6</b>	<b>9,553.2</b>	<b>-1,911.4</b>	<b>1,216.8</b>	<b>735.0</b>	<b>-5,597.7</b>	<b>5,178.8</b>	<b>606.4</b>	<b>2,690.8</b>
<b>3.3.1 Domestic</b>	<b>606.8</b>	<b>442.3</b>	<b>3,975.8</b>	<b>-946.6</b>	<b>436.9</b>	<b>250.0</b>	<b>-1,861.5</b>	<b>-213.9</b>	<b>750.4</b>	<b>-5,549.2</b>	<b>5,069.0</b>	<b>656.4</b>	<b>2,858.5</b>
A) Budgetary central government	32.1	554.1	3,543.1	-765.9	479.8	152.4	-1,745.2	-102.8	-44.5	-5,377.9	5,183.6	299.4	2,646.0
B) Extrabudgetary users	574.6	-111.8	432.7	-180.7	-42.9	97.6	-116.3	-111.2	795.0	-171.3	-114.6	357.1	212.5

	2013 Dec.	2014											
		Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
3.3.2 Foreign	1,570.5	-29.6	-54.9	-1,561.5	-4,390.5	9,303.2	-49.8	1,430.7	-15.5	-48.5	109.8	-50.1	-167.8
A) Budgetary central government	1,580.8	-26.9	-54.5	-1,555.2	-4,454.0	9,390.2	-95.2	1,433.3	-15.2	-42.2	123.1	-38.1	-141.2
B) Extrabudgetary users	-10.4	-2.7	-0.3	-6.3	63.5	-87.0	45.3	-2.7	-0.3	-6.3	-13.3	-12.0	-26.6

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

<sup>b</sup> 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<sup>a</sup>

in million HRK

	2013 Dec.	2014											
		Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
<b>1 REVENUE</b>	<b>10,289.1</b>	<b>8,982.9</b>	<b>7,787.6</b>	<b>8,220.5</b>	<b>9,858.6</b>	<b>8,280.9</b>	<b>12,483.0</b>	<b>10,092.1</b>	<b>9,383.1</b>	<b>10,524.1</b>	<b>9,759.0</b>	<b>8,758.5</b>	<b>9,437.9</b>
1.1 Taxes	5,742.3	5,409.7	4,310.8	4,337.4	5,509.1	4,565.0	5,462.3	5,803.9	5,415.1	6,470.9	5,778.0	4,812.6	5,475.0
1.2 Social contributions	3,202.6	3,041.2	3,011.4	2,980.1	3,064.5	3,239.5	6,379.4	3,391.2	3,381.9	3,310.9	3,281.6	3,245.0	3,368.8
1.3 Grants	232.5	54.4	57.1	68.3	813.3	132.7	128.4	202.1	76.2	85.7	145.7	152.0	148.6
1.4 Other revenue	1,111.7	477.5	408.3	834.6	471.6	343.6	512.9	695.0	510.0	656.5	553.7	549.0	445.5
<b>2 EXPENSE</b>	<b>11,140.5</b>	<b>11,139.4</b>	<b>10,498.7</b>	<b>10,304.8</b>	<b>9,948.3</b>	<b>10,725.9</b>	<b>10,547.3</b>	<b>10,959.8</b>	<b>8,770.8</b>	<b>9,936.1</b>	<b>10,236.7</b>	<b>9,942.6</b>	<b>12,368.4</b>
2.1 Compensation of employees	2,558.0	2,574.4	2,514.7	2,458.2	2,485.7	2,501.1	2,501.5	2,538.7	2,462.8	2,513.0	2,469.6	2,466.9	2,545.9
2.2 Use of goods and services	1,376.6	443.0	533.3	532.8	529.1	627.2	533.4	634.2	459.0	490.9	561.7	391.8	1,435.0
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	0.0	0.0	0.0
2.4 Interest	436.9	1,359.7	443.7	1,219.0	887.3	663.1	389.6	1,787.1	163.1	1,226.7	635.3	510.6	625.9
2.5 Subsidies	469.6	551.0	993.0	366.2	247.2	175.4	1,383.2	297.1	153.5	254.4	167.2	118.8	467.5
2.6 Grants	677.4	947.9	1,032.6	666.7	632.0	719.6	643.0	643.8	522.6	557.8	519.9	625.4	1,025.0
2.7 Social benefits	5,012.2	4,610.6	4,618.8	4,726.8	4,618.5	5,719.7	4,664.9	4,536.7	4,634.3	4,569.4	5,500.9	5,479.0	5,416.9
2.8 Other expense	609.8	652.7	362.6	335.1	548.5	319.7	431.6	522.3	375.5	324.0	382.1	350.1	852.1
<b>3 CHANGE IN NET WORTH: TRANSACTIONS</b>	<b>-851.4</b>	<b>-2,156.5</b>	<b>-2,711.2</b>	<b>-2,084.4</b>	<b>-89.7</b>	<b>-2,445.0</b>	<b>1,935.7</b>	<b>-867.7</b>	<b>612.3</b>	<b>588.0</b>	<b>-477.7</b>	<b>-1,184.1</b>	<b>-2,930.5</b>
3.1 Change in net acquisition of non-financial assets	304.1	69.6	75.6	144.3	58.2	29.0	25.1	55.8	77.9	50.0	34.8	170.6	356.8
3.1.1 Fixed assets	288.5	28.3	60.7	62.8	45.5	99.7	42.7	52.2	75.7	54.8	45.5	85.3	396.8
3.1.2 Inventories	1.3	11.5	14.1	78.9	0.0	-84.6	-19.7	0.7	-13.5	-12.1	-16.2	84.8	-44.1
3.1.3 Valuables	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.9
3.1.4 Non-produced assets	13.9	29.8	0.9	2.6	12.8	13.9	2.2	2.9	15.7	7.4	5.5	0.5	3.2
3.2 Change in net acquisition of financial assets	457.4	-1,698.9	701.8	-4,549.8	-4,122.2	7,068.6	70.2	407.1	474.7	-4,882.2	4,794.1	-1,093.4	-782.4
3.2.1 Domestic	457.5	-1,698.9	701.8	-4,550.7	-4,122.2	7,068.6	70.2	407.1	474.7	-4,882.2	4,794.1	-1,298.4	-782.4
3.2.2 Foreign	0.0	0.0	0.0	0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	205.1	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	0.0	0.0	0.0
3.3 Change in net incurrence of liabilities	1,613.0	527.2	3,488.6	-2,321.1	-3,974.2	9,542.6	-1,840.3	1,330.6	-59.7	-5,420.1	5,306.7	261.3	2,504.8
3.3.1 Domestic	32.1	554.1	3,543.1	-765.9	479.8	152.4	-1,745.2	-102.8	-44.5	-5,377.9	5,183.6	299.4	2,646.0
3.3.2 Foreign	1,580.8	-26.9	-54.5	-1,555.2	-4,454.0	9,390.2	-95.2	1,433.3	-15.2	-42.2	123.1	-38.1	-141.2

<sup>a</sup> 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

	2013	2014										
	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.
<b>1 Domestic debt of general government</b>	<b>152,532.0</b>	<b>152,146.8</b>	<b>156,231.7</b>	<b>156,818.2</b>	<b>156,808.0</b>	<b>157,620.5</b>	<b>157,097.8</b>	<b>158,165.8</b>	<b>159,613.3</b>	<b>154,897.6</b>	<b>160,066.1</b>	<b>160,635.8</b>
1.1 Domestic debt of central government	147,769.9	147,460.7	151,563.3	152,191.8	152,245.6	153,111.2	152,171.1	153,115.7	154,600.9	149,846.0	155,035.8	155,587.9
Short-term debt securities	22,838.9	22,252.3	23,045.7	23,146.8	23,283.2	23,434.0	23,735.7	23,842.7	24,890.5	24,327.6	23,994.5	24,284.5
Long-term debt securities	71,821.7	71,996.6	74,920.9	76,081.7	75,480.0	76,094.7	77,287.3	78,233.5	78,085.8	78,609.1	79,257.2	78,960.0
Loans	53,109.3	53,211.9	53,596.7	52,963.3	53,482.4	53,582.5	51,148.2	51,039.5	51,624.6	46,909.4	51,784.0	52,343.4
1.2 Domestic debt of social security funds	0.9	0.9	0.9	0.9	0.9	0.9	0.6	0.5	0.5	0.5	3.7	3.6
Short-term 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
Long-term 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
Loans	0.9	0.9	0.9	0.9	0.9	0.9	0.6	0.5	0.5	0.5	3.7	3.6
1.3 Domestic debt of local government	4,761.2	4,685.2	4,667.5	4,625.5	4,561.5	4,508.4	4,926.0	5,049.6	5,011.9	5,051.1	5,026.6	5,044.3
Short-term 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
Long-term debt securities	151.7	134.4	134.5	134.5	130.7	130.6	130.4	113.7	113.6	113.6	105.5	105.9
Loans	4,609.5	4,550.8	4,533.0	4,491.0	4,430.8	4,377.8	4,795.6	4,935.9	4,898.3	4,937.4	4,921.1	4,938.4
<b>2 External debt of general government</b>	<b>98,013.5</b>	<b>98,250.3</b>	<b>98,277.3</b>	<b>95,773.2</b>	<b>90,802.1</b>	<b>99,156.4</b>	<b>96,313.4</b>	<b>98,068.7</b>	<b>97,199.2</b>	<b>101,016.6</b>	<b>101,420.1</b>	<b>101,744.9</b>
2.1 External debt of central government	97,530.0	97,767.8	97,794.0	95,290.6	90,322.9	98,678.4	95,836.5	97,589.0	96,720.1	100,537.6	101,287.4	101,643.4
Short-term debt securities	539.8	944.4	1,000.4	1,361.6	1,397.4	1,379.5	1,243.1	1,187.2	150.4	188.6	880.5	886.6
Long-term debt securities	60,016.0	60,002.4	59,864.1	58,654.8	54,610.0	63,423.8	61,969.8	62,187.4	62,338.8	62,146.2	62,043.2	62,665.9
Loans	36,974.2	36,821.0	36,929.4	35,274.2	34,315.6	33,875.1	32,623.6	34,214.5	34,231.0	38,202.8	38,363.7	38,090.9
2.2 External debt of social security funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Short-term 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
Long-term 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
Loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.3 External debt of local government	483.4	482.5	483.4	482.6	479.2	478.0	476.9	479.6	479.1	479.0	132.6	101.6
Short-term 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
Long-term debt securities	132.7	131.5	131.7	131.7	130.8	130.5	130.2	130.0	129.8	129.8	130.4	99.5
Loans	350.7	351.0	351.6	350.9	348.4	347.5	346.7	349.7	349.3	349.2	2.2	2.0
<b>3 Total (1+2)</b>	<b>250,545.5</b>	<b>250,397.1</b>	<b>254,509.0</b>	<b>252,591.4</b>	<b>247,610.1</b>	<b>256,776.9</b>	<b>253,411.2</b>	<b>256,234.5</b>	<b>256,812.5</b>	<b>255,914.2</b>	<b>261,486.2</b>	<b>262,380.7</b>
Supplement: Central government guarantees												
Domestic debt	7,933.9	5,610.4	5,632.6	5,642.0	6,479.0	5,979.0	6,150.9	6,191.9	5,824.6	5,894.1	5,901.1	5,791.1
o/w: Guarantees to CBRD	4,309.7	2,724.6	2,726.5	2,739.1	2,748.6	2,265.8	2,198.4	2,188.5	1,707.2	1,718.5	1,681.1	723.4
o/w: Guarantees for CBRD loans	825.1	830.6	831.7	829.6	1,651.0	1,648.7	1,869.0	1,902.7	1,908.8	1,919.1	1,949.3	1,945.4
External debt	15,940.3	16,752.4	17,144.8	17,071.1	16,950.6	16,826.2	16,516.7	16,762.9	16,744.6	16,808.3	16,936.0	17,016.7
o/w: Guarantees to CBRD	11,546.9	12,334.5	12,718.0	12,650.1	12,551.6	12,485.8	12,352.9	12,513.5	12,495.3	12,468.0	12,547.5	12,670.1

<sup>a</sup> Data on domestic loans and guarantees have been revised in the whole period beginning with December 2010, and data on external loans have been revised beginning with July 2012 data, to achieve further alignment with ESA 2010 methodology.

**Table I3: General government debt** • Up to CNB Bulletin No. 206, Table I3 showed general government debt in accordance with the European System of National and Regional Accounts 1995 (ESA 1995). With the beginning of the implementation of the new methodology at the EU level in accordance with the European System of National and Regional Accounts 2010 (ESA 2010) and in line with the accordingly revised Eurostat Manual on Government Deficit and Debt, starting from CNB Bulletin 207, the methodology has been aligned and data from the beginning of the series have been revised.

AAs 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 ESA 2010 methodology which divides the general government into the following subsectors: central government, social security funds and local government.<sup>1</sup> Up to November 2010, the sector classification of institutional units was based on the prescribed Decision on the Chart of Accounts for Banks by the Croatian National Bank.

The source of primary data for domestic and external debt are general government units (the Ministry of Finance of the

<sup>1</sup> 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 Resolution, 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 <sup>a</sup>				Chain indices				Monthly year-on-year indices			
		Consumer price indices			Industrial producer prices <sup>b</sup>	Consumer price indices			Industrial producer prices <sup>b</sup>	Consumer price indices			Industrial producer prices <sup>b</sup>
		Total	Goods	Services		Total	Goods	Services		Total	Goods	Services	
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	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	112.1	99.7	99.6	99.9	99.7	99.4	99.3	99.8	97.1
	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
	July	107.6	109.2	102.0	111.7	99.6	99.4	100.4	100.3	99.9	99.7	100.7	97.6
	August	107.5	108.8	102.6	111.0	99.9	99.7	100.6	99.3	99.7	99.1	101.6	96.8
	September	108.3	109.8	102.6	111.1	100.7	100.9	100.0	100.1	99.8	99.2	101.7	96.8
	October	108.4	110.0	102.6	110.8	100.1	100.2	100.0	99.8	100.4	99.9	101.8	97.9
	November	108.1	109.6	102.5	109.9	99.7	99.7	99.9	99.2	100.2	99.7	101.8	97.8
	December	107.2	108.4	102.5	108.6	99.1	98.9	100.0	98.8	99.5	98.8	101.8	96.6

<sup>a</sup> 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). <sup>b</sup> On the domestic market.

Source: CBS.

**Table J1 Consumer price and producer price indices** • The Croatian 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. Accordingly, 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 Box 1 in the CNB Bulletin No. 91 (2004). 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
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	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
	July	104.7	104.7	104.4	99.4	99.2	100.6	98.8	98.6	100.0
	August	104.8	104.5	105.6	100.0	99.8	101.1	99.2	98.6	101.7
	September	105.7	105.5	105.7	100.9	101.0	100.1	99.3	98.6	102.0
	October	106.1	106.2	105.3	100.4	100.6	99.6	99.5	99.0	101.7
	November	106.2	106.4	105.1	100.1	100.2	99.8	99.8	99.3	101.7
	December	105.1	105.0	105.1	99.0	98.7	100.1	99.6	99.2	101.7

Source: CBS.

**Table J2 Core consumer price indices** • The core consumer price index is calculated by the Croatian 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

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
2005		82.8	85.5	74.8	11.2	9.7	16.8	....	....	....
2006		97.5	101.7	85.1	17.7	18.9	13.8	....	....	....
2007		109.2	112.7	99.1	12.0	10.8	16.4	....	....	....
2008		113.0	115.7	105.2	3.5	2.7	6.2	....	....	....
2009		108.8	109.5	106.8	-3.8	-5.4	1.5	....	....	....
2010		100.0	100.0	100.0	-8.1	-8.7	-6.4	....	....	....
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	-15.0	-19.9	....	....	....
2014		79.3	80.1	77.7	-2.4	-2.9	-0.9	....	....	....
2012	Q1	101.1	100.7	102.1	5.1	5.5	4.2	4.3	4.7	3.2
	Q2	99.5	97.7	103.2	3.4	5.1	-0.5	-1.7	-2.9	1.0
	Q3	95.6	96.3	94.0	-0.2	1.3	-3.3	-3.9	-1.4	-8.9
	Q4	92.9	93.2	92.3	-4.2	-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	-5.3	-13.6
	Q2	80.1	81.7	76.6	-19.4	-16.4	-25.7	-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	79.5	79.6	-14.4	-14.7	-13.7	0.0	-1.1	2.7
2014	Q1	77.4	81.2	69.3	-9.7	-8.0	-13.2	-2.7	2.1	-13.0
	Q2	77.8	79.3	74.7	-2.9	-2.9	-2.5	0.6	-2.3	7.9
	Q3	81.5	80.2	84.4	2.5	-0.3	8.8	4.7	1.1	13.0
	Q4	80.5	79.6	82.5	1.2	0.0	3.6	-1.3	-0.8	-2.2

**Table J3 Hedonic real estate price index** • The Croatian National Bank started methodological work on developing a hedonic real estate price index (HREPI)<sup>2</sup> in 2008. By using data on realised transactions and estimates of realised transactions from the database of Hrvatska 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 Eurostat's Handbook on Residential Property Prices Indices<sup>3</sup>. 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](http://epp.eurostat.ec.europa.eu/portal/page/portal/hicp/methodology/hps/rppi_handbook)



**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	
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	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	
	July	-36.4	-22.9	-46.2	-32.2	-13.1	-60.1	-32.7	39.8	-42.8	-59.8	
	August	-33.8	-22.0	-40.3	-28.3	-12.9	-58.3	-31.2	37.6	-34.2	-53.5	
	September	-34.8	-22.5	-42.1	-30.1	-13.2	-57.6	-31.8	39.0	-38.6	-55.0	
	October	-37.6	-25.1	-41.3	-27.3	-14.2	-55.1	-36.0	42.2	-41.7	-57.9	
	November	-37.0	-24.0	-43.9	-31.3	-13.7	-60.4	-34.2	43.6	-40.0	-56.4	
	December	-35.6	-24.3	-42.4	-31.4	-16.7	-57.0	-31.9	39.3	-38.7	-54.5	

Sources: Ipsos Puls and CNB.

**Table J5 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:

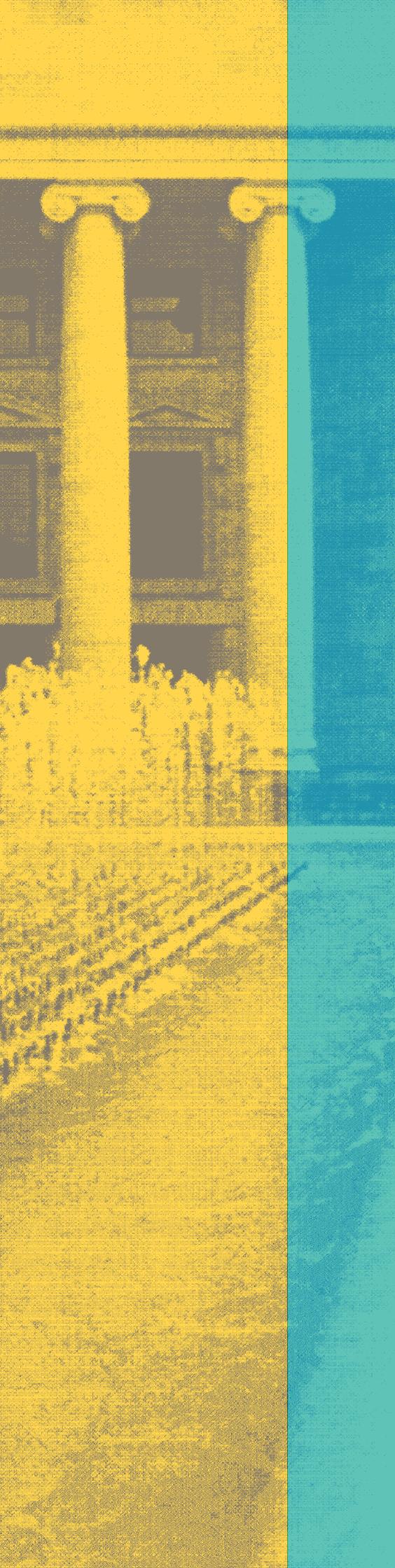
CCI: I2, I4, I7×(-1), I11

CEI: I2, I4

CSI: I1, I3, I8.







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