# CROATIAN NATIONAL BANK

# FINANCIAL STATEMENTS

## For the year ended 31 December 2025

This version of the financial statements and Auditors' report is a translation from the original, which was prepared in the Croatian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of the financial statements and Auditors' report takes precedence over translation.

**CONTENTS**

INDEPENDENT AUDITORS' REPORT ..... 1

BALANCE SHEET ..... 3

PROFIT AND LOSS ACCOUNT ..... 5

NOTES TO THE FINANCIAL STATEMENTS ..... 6

NOTE 1 – GENERAL INFORMATION AND ACCOUNTING POLICIES ..... 6

NOTE 2 – ASSET ITEMS ..... 24

NOTE 3 – LIABILITY ITEMS ..... 39

NOTE 4 – OFF-BALANCE SHEET ACCOUNTS ..... 48

NOTE 5 – NOTES TO THE PROFIT AND LOSS ACCOUNT ..... 50

NOTE 7 – RISK MANAGEMENT ..... 58

Shape the future
with confidence

Ernst & Young d.o.o.
Radnička cesta 50, 10 000 Zagreb
Hrvatska / Croatia
MBS: 080435407
OIB: 58960122779
PDV br. / VAT no.: HR58960122779

Tel: +385 1 5800 800
Fax: +385 1 5800 888
www.ey.com/hr

Banka / Bank:
Erste & Steiermärkische Bank d.d.
Jadranski trg 3A, 51000 Rijeka
Hrvatska / Croatia
IBAN: HR3324020061100280716
SWIFT: ESBCHR22

## INDEPENDENT AUDITOR'S REPORT

To the Council of Croatian national bank

### Opinion

We have audited the financial statements of Croatian national bank, which comprise the statement of financial position as at 31 December 2025, income statement for the year then ended, and notes to the financial statements, including material accounting policy.
In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Croatian national bank as at 31 December 2025 and of its financial performance for the year then ended in accordance with Article 60 of the Act on the Croatian National Bank and Guideline (EU) 2024/2941 of the European Central Bank of 14 November 2024 on the legal framework for accounting and financial reporting in the European System of Central Banks (ECB/2024/31).

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.
We are independent of the Croatian national bank in accordance with the International Ethics Standards Board of Accountants' (IESBA) International Code of Ethics for Professional Accountants, including International Independence Standards (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Republic of Croatia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other matter

Financial statements of the Croatian national bank for the year ended 31 December 2024 were audited by another auditor who expressed an unmodified opinion on those statements on 21 February 2025.

### Responsibilities of Council of Croatian national bank for the financial statements

Council of Croatian national bank is responsible for the preparation and fair presentation of the financial statements in accordance with Article 60 of the Act on the Croatian National Bank and Guideline (EU) 2024/2941 of the European Central Bank of 14 November 2024 on the legal framework for accounting and financial reporting in the European System of Central Banks (ECB/2024/31), 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.
In preparing the financial statements, Council of Croatian national bank is responsible for assessing the Croatian national bank 's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
Council of Croatian national bank is responsible for overseeing the Croatian national bank's financial reporting process.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Shape the future
with confidence

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Croatian national bank's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Croatian national bank 's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Croatian national bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Council of Croatian national bank regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

ERNST & YOUNG
d.o.o.
Zagreb, Radnička cesta 50

Zvonimir Madunić
Member of the Management Board and Certified auditor

23 February 2026

Ernst & Young d.o.o.
Radnička cesta 50
10000 Zagreb
Republic of Croatia



A member firm of Ernst & Young Global Limited
Mjerodavan sud: Trgovački sud u Zagrebu; Temeljni kapital: 2.640,00 eura uplaćen u cijelosti;
Članovi Uprave: Berislav Horvat, Zvonimir Madunić, Ivana Krajinović, Filip Hitrec
Applicable court: Commercial court in Zagreb; Registered share capital is 2.640,00 euro, fully paid;
Members of the Board: Berislav Horvat, Zvonimir Madunić, Ivana Krajinović, Filip Hitrec

# BALANCE SHEET

*(All amounts are expressed in thousands of euro)*

| Assets | 31/12/2025 | 31/12/2024 |
|---|---|---|
| **1 Gold and gold receivables** | **1,652** | **1,131** |
| **2 Claims on non-euro area residents denominated in foreign currency** | **3,576,830** | **3,198,263** |
| 2.1 Receivables from the International Monetary Fund (IMF) | 1,248,287 | 1,299,419 |
| 2.2 Balances with banks and security investments, external loans and other external assets | 2,328,543 | 1,898,844 |
| **3 Claims on euro area residents denominated in foreign currency** | **641,355** | **575,651** |
| **4 Claims on non-euro area residents denominated in euro** | **723,411** | **758,749** |
| 4.1 Balances with banks, security investments and loans | 723,411 | 758,749 |
| 4.2 Claims arising from the credit facility under ERM II | – | – |
| **5 Lending to euro area credit institutions related to monetary policy operations denominated in euro** | **30,000** | **43,000** |
| 5.1 Main refinancing operations | 30,000 | 43,000 |
| 5.2 Longer-term refinancing operations | – | – |
| 5.3 Fine-tuning reverse operations | – | – |
| 5.4 Structural reverse operations | – | – |
| 5.5 Marginal lending facility | – | – |
| 5.6 Credits related to margin calls | – | – |
| **6 Other claims on euro area credit institutions denominated in euro** | **477,394** | **425,149** |
| **7 Securities of euro area residents denominated in euro** | **10,454,627** | **11,328,824** |
| 7.1 Securities held for monetary policy purposes | – | – |
| 7.2 Other securities | 10,454,627 | 11,328,824 |
| **8 General government debt denominated in euro** | – | – |
| **9 Intra-Eurosystem claims** | **20,980,326** | **22,485,769** |
| 9.1 Participating interest in the ECB | 417,637 | 417,637 |
| 9.2 Claims equivalent to the transfer of foreign reserves | 313,957 | 313,957 |
| 9.3 Claims related to TARGET | – | 4,730,043 |
| 9.4 Net claims related to the allocation of euro banknotes within the Eurosystem | 20,248,732 | 17,024,132 |
| 9.5 Other claims within the Eurosystem (net) | – | – |
| **10 Items in course of settlement** | **20** | – |
| **11 Other assets** | **792,231** | **364,660** |
| 11.1 Coins of euro area | – | – |
| 11.2 Tangible and intangible fixed assets | 117,931 | 113,237 |
| 11.3 Other financial assets | 495,805 | 20,166 |
| 11.4 Off-balance-sheet instruments revaluation differences | 19,949 | 9,642 |
| 11.5 Accruals and prepaid expenses | 153,205 | 216,945 |
| 11.6 Sundry | 5,341 | 4,670 |
| **Total assets** | **37,677,846** | **39,181,196** |



The notes on pages 6 to 61 form an integral part of these financial statements.

*(All amounts are expressed in thousands of euro)*

| Liabilities | 31/12/2025 | 31/12/2024 |
|---|---|---|
| **1 Banknotes in circulation** | **11,531,089** | **11,309,009** |
| **2 Liabilities to euro area credit institutions related to monetary policy operations denominated in euro** | **12,900,229** | **16,065,651** |
| 2.1 Current accounts (covering the minimum reserve system) | 1,020,491 | 953,326 |
| 2.2 Deposit facility | 11,879,738 | 15,112,325 |
| 2.3 Fixed-term deposits | – | – |
| 2.4 Fine-tuning reverse operations | – | – |
| 2.5 Deposits related to margin calls | – | – |
| **3 Other liabilities to euro area credit institutions denominated in euro** | **575,462** | **3,716,240** |
| **4 Debt certificates issued** | – | – |
| **5 Liabilities to other euro area residents denominated in euro** | **4,239,093** | **3,663,374** |
| 5.1 General government | 2,744,742 | 3,179,363 |
| 5.2 Other liabilities | 1,494,351 | 484,011 |
| **6 Liabilities to non-euro area residents denominated in euro** | **194,119** | **200,910** |
| **7 Liabilities to euro area residents denominated in foreign currency** | **186,623** | **202,192** |
| **8 Liabilities to non-euro area residents denominated in foreign currency** | – | – |
| 8.1 Deposits, balances and other liabilities | – | – |
| 8.2 Liabilities arising from the credit facility under ERM II | – | – |
| **9 Counterpart of special drawing rights allocated by the IMF** | **1,206,324** | **1,298,226** |
| **10 Intra-Eurosystem liabilities** | **4,666,876** | **190,161** |
| 10.1 Liabilities equivalent to the transfer of foreign reserves | – | – |
| 10.2 Liabilities related to TARGET | 4,588,242 | – |
| 10.3 Net liabilities related to the allocation of euro banknotes within the Eurosystem | – | – |
| 10.4 Other liabilities within the Eurosystem (net) | 78,634 | 190,161 |
| **11 Items in course of settlement** | – | – |
| **12 Other liabilities** | **469,537** | **588,367** |
| 12.1 Off-balance-sheet instruments revaluation differences | 6,288 | 2 |
| 12.2 Accruals and income collected in advance | 16,857 | 16,527 |
| 12.3 Sundry | 446,392 | 571,838 |
| **13 Provisions** | **592,777** | **496,010** |
| 13.1 Risk provisions | 586,074 | 491,074 |
| 13.2 Other provisions | 6,703 | 4,936 |
| **14 Revaluation accounts** | **614,544** | **955,810** |
| **15 Capital and reserves** | **487,620** | **484,699** |
| 15.1 Capital | 331,807 | 331,807 |
| 15.2 Reserves | 155,813 | 152,892 |
| **16 Accumulated losses carried forward** | – | – |
| **17 Profit/(loss) for the year** | **13,553** | **10,547** |
| **Total liabilities** | **37,677,846** | **39,181,196** |



The notes on pages 6 to 61 form an integral part of these financial statements.

# PROFIT AND LOSS ACCOUNT

*(All amounts are expressed in thousands of euro)*

| | 2025 | 2024 |
|---|---|---|
| **1 Net interest income/(expense)** | **112,314** | **46,380** |
| 1.1 Interest income | 669,617 | 1,263,563 |
| 1.2 Interest expense | (557,303) | (1,217,183) |
| **2 Net result of financial operations and write-downs** | **18,211** | **5,188** |
| 2.1 Realised gains/(losses) arising from financial operations | 18,211 | 5,188 |
| 2.2 Write-downs on financial assets and positions | – | – |
| **3 Net result of pooling monetary income** | **(78,634)** | **(189,816)** |
| **4 Net income/(expense) from fees and commissions** | **13,728** | **12,036** |
| **5 Income from equity instruments and participating interests** | **1,083** | **11,988** |
| **6 Other income** | **155,076** | **234,770** |
| ***Total net income*** | ***221,778*** | ***120,546*** |
| **7 Staff costs** | **(50,226)** | **(42,363)** |
| **8 Administrative expenses** | **(30,819)** | **(28,623)** |
| **9 Depreciation of tangible and intangible fixed assets** | **(12,826)** | **(11,239)** |
| **10 Costs of production of banknotes and coins** | **(18,862)** | **(27,640)** |
| **11 Other costs** | **(492)** | **(134)** |
| ***Total operating expenses*** | ***(113,225)*** | ***(109,999)*** |
| **Profit/(loss) before the transfer (to)/from risk provisions** | **108,553** | **10,547** |
| **12 Transfer (to)/from risk provisions** | **(95,000)** | **–** |
| **13 PROFIT/(LOSS) FOR THE YEAR** | **13,553** | **10,547** |

The financial statements set out on pages 3 to 61 were approved on 23 February 2026:

Director of the Finance and Accounting Department:
Mario Varović

Governor:
Boris Vujčić



The notes on pages 6 to 61 form an integral part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1 – General information and accounting policies

#### 1.1 General information

The Croatian National Bank is the central bank of the Republic of Croatia with headquarters in Zagreb, Trg hrvatskih velikana 3. Its status has been defined by the Act on the Croatian National Bank (Official Gazette 75/2008, 54/2013 and 47/2020). The Croatian National Bank forms part of the European System of Central Banks (ESCB) and the Eurosystem. The Eurosystem comprises the European Central Bank (ECB) and the national central banks of those states that have adopted the euro. The euro area consists of EU states that have introduced the euro as their currency.

The Croatian National Bank is owned by the Republic of Croatia. The Croatian National Bank is autonomous and independent in fulfilling its objective and carrying out its tasks. The primary objective of the Croatian National Bank is maintaining price stability.

In accordance with the Treaty on the Functioning of the European Union and the Statute of the ESCB and of the ECB, the Croatian National Bank carries out the following tasks:
1) participates in the definition and implementation of monetary policy of the European Union;
2) conducts foreign exchange operations (transactions) as set out in Article 219 of the Treaty on the Functioning of the European Union; and
3) ensures the smooth operation of payment systems.

Without prejudice either to its tasks referred to in Article 88 of the Act on the Croatian National Bank or to its independence, the Croatian National Bank, acting in accordance with the relevant legal acts of the European Union, its institutions and bodies, carries out the following tasks:
1) manages the foreign reserves of the Republic of Croatia that have not been transferred to the ECB, as well as other assets of the Republic of Croatia recorded in the Croatian National Bank balance sheet as at the date of the introduction of the euro as the official currency of the Republic of Croatia;
2) issues and withdraws or revokes authorisations and approvals and adopts other decisions in accordance with the laws governing the operation of credit institutions and the operation of credit unions, payment service providers, electronic money issuers and payment systems, payment operations, the issuance of electronic money, foreign exchange operations and the operation of authorised foreign exchange offices;

3) exercises supervision and oversight in accordance with the laws governing the operation of credit institutions and the operation of credit unions, payment service providers, electronic money issuers and payment systems, payment operations and the issuance of electronic money;
4) opens credit institutions' accounts and accepts deposits from credit institutions, executes payment transactions across these accounts and grants loans to credit institutions;
5) collects and processes statistical data;
6) regulates and improves payment operations and ensures their smooth operation;
7) acts as fiscal agent for the Republic of Croatia and performs other operations on behalf of the Republic of Croatia, as provided by law;
8) adopts subordinate legislation on the operations within its competence;
9) implements macroprudential policy for the purpose of contributing to maintaining the stability of the financial system as a whole within its competence;
10) performs other operations as provided by other regulations.

The bodies of the Croatian National Bank are the Council of the Croatian National Bank and the Governor of the Croatian National Bank. The Council of the Croatian National Bank comprises eight members: Governor, Deputy Governor and six Vicegovernors of the Croatian National Bank. The Council of the Croatian National Bank is competent and responsible for the achievement of the objective and for the carrying out of the tasks of the Croatian National Bank and defines policies with respect to the activities of the Croatian National Bank.

Members of the Council of the Croatian National Bank:

- Prof. D. Sc. Boris Vujčić, Governor,
- D. Sc. Sandra Švaljek, Deputy Governor,
- D. Sc. Michael Faulend, Vicegovernor,
- Bojan Fras, Vicegovernor,
- M. Sc. Ivana Jakir-Bajo, Vicegovernor,
- D. Sc. Tomislav Ćorić, Vicegovernor, (until 28 January 2026) and
- D. Sc. Maroje Lang, Vicegovernor.

The consolidated financial statements are not prepared and the financial statements of the Croatian National Bank do not comprise the financial statements of the subsidiary Croatian Mint because they are not material for the financial statements of the Croatian National Bank.

## 1.2 Accounting policies

### 1.2.1 Basis of preparation

The financial statements of the Croatian National Bank for 2025 have been prepared in accordance with Guideline (EU) 2024/2941 of the European Central Bank of 14 November 2024 on the legal framework for accounting and financial reporting in the European System of Central Banks (ECB/2024/31) (hereinafter: ECB Guideline; as previously governed by Guideline (EU) 2016/2249 of the European Central Bank of 3 November 2016 on the legal framework for accounting and financial reporting in the European System of Central Banks (ECB/2016/34), as amended). Article 60 of the Act on the Croatian National Bank states that the Croatian National Bank prepares the financial statements in accordance with the ECB Guideline and reports on transactions that are not regulated by the ECB Guideline applying, providing that there is no contrary decision of the Council of the Croatian National Bank, valuation principles in accordance with the International Financial Reporting Standards as adopted in the European Union that are material for the operations and reports of the Croatian National Bank. In the reporting period there were no decisions of the Council of the Croatian National Bank under Article 60 of the Act on the Croatian National Bank.

The financial statements of the Croatian National Bank are presented in thousands of euro.

### 1.2.2 Changes to accounting policies

In 2025 there were no changes to accounting policies applied by the Croatian National Bank.

### 1.2.3 Other changes

On 13 March 2024, the Governing Council decided on changes to the operational framework for implementing monetary policy[1]. In the same context, the Governing Council also decided that from 1 January 2025 the interest rate applied to the deposit facility offered by the Eurosystem will become the reference rate that is used in the context of the allocation of monetary income[2], as well as the basis for the remuneration of (i) claims/liabilities related to the allocation of euro banknotes within the Eurosystem; (ii) TARGET balances; and (iii) claims equivalent to the transfer of foreign reserves. Until the end of 2024, the interest rate used by the

[1] See the press release of 13 March 2024 of the Governing Council's decisions.
[2] Decision (EU) 2016/2248 of the European Central Bank of 3 November 2016 on the allocation of monetary income of the national central banks of Member States whose currency is the euro (ECB/2016/36) (OJ L 347, 20.12.2016, p. 26), as amended. Also available is the unofficial consolidated text with the list of amendments.

Eurosystem in its tenders for main refinancing operations was the basis for remuneration.

### 1.2.4 Qualitative characteristics and accounting assumptions

In the preparation of the financial statements, the following quantitative characteristics and accounting assumptions are applied: economic reality and transparency, prudence, significance, consistency and comparability, going concern basis, accrual basis and post-balance sheet events.

### 1.2.5 Basis of measurement

The financial statements have been prepared under the accrual basis of accounting and using the historical cost convention, except for marketable securities (other than those held to maturity and debt securities for monetary policy purposes), gold and other precious metals and assets under management with international institutions, which are measured at their market value and land and buildings measured at revalued amount, which is their fair value at the revaluation date less subsequent accumulated depreciation of buildings and subsequent accumulated impairment losses, if any.

### 1.2.6 Recording of transactions

The economic approach is used as the basis for recording foreign exchange transactions, financial instruments denominated in foreign currency and related accruals, which is implemented using the regular approach.

Securities transactions including equity instruments denominated in foreign currency are recorded according to the cash/settlement approach. The related accrued interest, including premiums or discounts, are recorded on a daily basis from the spot settlement date.

All specific euro-denominated transactions, financial instruments and related accruals are recorded according to the cash/settlement approach.

### 1.2.7 Recognition of assets and liabilities

A financial or other asset or liability is recognised in the balance sheet of the Croatian National Bank only if all of the following conditions are met:

- it is probable that any future economic benefit associated with the asset or liability item will flow to or from the Croatian National Bank;

- substantially all of the risks and rewards associated with the asset or liability are transferred to the Croatian National Bank;
- the cost or value of the asset to the Croatian National Bank or the amount of the obligation can be measured reliably.

**1.2.8 Balance sheet valuation rules**

The revaluation of gold, foreign currency instruments, securities (other than securities classified as held-to-maturity, non-marketable securities, and securities held for monetary policy purposes that are accounted for at amortised cost), as well as financial instruments, both on-balance-sheet and off-balance-sheet, is performed at mid-market rates and prices at the reporting date.

No distinction is made between price and currency revaluation differences for gold, but a single gold revaluation difference is accounted for, based on the euro price per defined unit of weight of gold at the reporting date.

For foreign exchange, including on-balance-sheet and off-balance-sheet transactions, revaluation takes place on a currency-by-currency basis. Holdings of special drawing rights, including designated individual foreign exchange holdings underlying the XDR basket, are treated as one holding.

The exchange rates of major foreign currencies during the reporting period were as follows:

| Currency | 31/12/2025 (1 euro) | 31/12/2024 (1 euro) | Change % |
|---|---|---|---|
| USD | 1.17500 | 1.03890 | 13.10 |
| XDR | 0.85793 | 0.79719 | 7.62 |

For securities, revaluation takes place on a code-by-code basis, i.e. same International Securities Identification Number/type, while any embedded options will not be separated for valuation purposes. Securities held for monetary policy purposes or included in the items "Other financial assets" or "Sundry" are treated as separate holdings.

Held-to-maturity securities are securities with fixed or determinable payments and a fixed maturity, which the Croatian National Bank intends to hold until maturity. Securities classified as held-to-maturity are treated as separate holdings and valued at amortised cost (subject to impairment). The same treatment applies to non-marketable securities. Securities classified as held-to-maturity may be sold before their maturity when any of the following occurs:

(a) if the quantity sold is considered not significant in comparison with the total amount of the held-

to-maturity securities portfolio;

(b) if the securities are sold during one month before maturity date;

(c) under exceptional circumstances, such as a significant deterioration of the issuer's creditworthiness.

**1.2.9 Recognition and valuation of financial assets**

Financial asset is any asset that is:

(a) cash;

(b) a contractual right to receive cash or another financial instrument from another undertaking;

(c) a contractual right to exchange financial instruments with another undertaking under conditions that are potentially favourable; or

(d) another undertaking's equity instrument.

Gold is valued at market value.

Debt securities currently held for monetary policy purposes are valued at amortised cost subject to impairment.

Marketable securities (other than debt securities currently held for monetary policy purposes and those classified as held-to-maturity) and similar assets are valued either at mid-market prices or on the basis of the relevant yield curve prevailing on the balance sheet date, on a security-by-security basis. Options embedded in securities are not separated for valuation purposes. For the year ending 31 December 2025, mid-market prices on 31 December 2025 were used.

Marketable debt securities classified as held-to-maturity and non-marketable securities are valued at amortised cost, which is subject to impairment. Illiquid equity shares and any other equity instruments held as permanent investments are valued at cost subject to impairment.

Receivables, balances with banks and loans are valued at nominal value, and foreign currencies are translated at market rate.

Investments in subsidiaries or significant interests are valued under the net asset value principle. Net value of these assets is calculated and recorded in the accounts once a year, at the end of a business year, based on the data available at the time.

Assets under management with international financial institutions are valued at the market price and market rate. The revaluation is performed on a net basis, and not on the underlying assets.

*Market price*

Market price is the price that is quoted for a gold, foreign exchange or securities instrument usually excluding accrued or rebate interest either on an organised market, e.g. a stock exchange, or a non-organised market, e.g. an over-the-counter market.

*Impairment of financial assets*

Financial assets are reviewed at the balance sheet date to determine whether there is objective evidence of impairment. Impairment is a decline of the recoverable amount below the carrying amount.

**1.2.10 Repo 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 given price.

A reverse transaction conducted under a reverse repo agreement is recorded as a collateralised outward loan on the assets side of the balance sheet for the amount of the loan. Securities acquired under reverse repo agreements are not revalued and no profit or loss arising thereon is taken to the profit and loss account by the Croatian National Bank.

A reverse transaction conducted under a repo agreement is recorded as a collateralised inward deposit on the liabilities side of the balance sheet, while the item that has been provided as collateral remains on the assets side of the balance sheet. Securities sold which are to be repurchased under repo agreements are treated by the Croatian National Bank as if the assets in question were still part of the portfolio from which they were sold.

**1.2.11 Recognition and valuation of liabilities**

Liability is a present obligation of the Croatian National Bank arising from past events, the settlement of which is expected to result in an outflow from the Croatian National Bank of resources embodying economic benefits, while the amount of such settlement can be measured reliably.

Financial liability is any liability that is a legal obligation to deliver cash or another financial instrument to another undertaking or to exchange financial instruments with another undertaking under conditions that are potentially unfavourable.

Banknotes and coins in circulation, liabilities on deposits received, current account liabilities, liabilities to suppliers, liabilities on salaries and other employee liabilities as well as other liabilities are recorded in the business books and reported in the financial statements at the nominal value of a transaction based on a contract or another authentic document confirming the occurrence of a liability.

The costs of production of euro banknotes and coins are reported in the profit and loss account when they are invoiced or occur in any other way.

### 1.2.12 Banknotes in circulation

The ECB and the euro area national central banks (NCBs), which together comprise the Eurosystem, issue euro banknotes[3]. The total value of euro banknotes in circulation is allocated to the Eurosystem central banks on the last working day of each month in accordance with the banknote allocation key[4]. The ECB has been allocated an 8% share of the total value of euro banknotes in circulation, whereas the remaining 92% has been allocated to national central banks according to their weightings in the capital key of the ECB. The share of banknotes allocated to each national central bank is disclosed in the balance sheet under liability item "Banknotes in circulation".

The difference between the value of the euro banknotes allocated to each national central bank in accordance with the banknote allocation key and the value of the euro banknotes that it actually puts into circulation also gives rise to remunerated[5] intra-Eurosystem balances. These claims (or liabilities) are disclosed under the item "Net claims (liabilities) related to the allocation of euro banknotes within the Eurosystem" (see "Intra-ESCB balances/intra-Eurosystem balances" in the notes on accounting policies).

---

[3] Decision of the ECB of 13 December 2010 on the issue of euro banknotes (ECB/2010/29) (2011/67/EU) (OJ L 35, 9.2.2011, p. 26), as amended. The unofficial consolidated text with the list of amendments can be found here.

[4] "Banknote allocation key" means the percentages that result from taking into account the ECB's share in the total euro banknote issue and applying the subscribed capital key to the national central banks' share in that total.

[5] Decision (EU) 2016/2248 of the ECB of 3 November 2016 on the allocation of monetary income of the national central banks of Member States whose currency is the euro (ECB/2016/36), OJ L 347, 20.12.2016, p. 26, as amended. The unofficial consolidated text with the list of amendments can be found here.

From the euro cash changeover year[6] until five years following the euro cash changeover year the intra-Eurosystem balances arising from the allocation of euro banknotes are adjusted in order to avoid significant changes in national central banks' relative income positions as compared to previous years. The adjustments are affected by taking into account the differences between the average value of banknotes in circulation of each national central bank in the reference period[7] and the average value of banknotes that would have been allocated to them during that period under the ECB capital key. The adjustments will be reduced in annual stages until the first day of the sixth year after the euro cash changeover year when income on banknotes will be allocated fully in proportion to the national central banks' paid-up shares in the ECB's capital. In the year under review the adjustments resulted from the accession of the Croatian National Bank (in 2023) and will terminate at the end of 2028.

The interest income and expense on these balances is cleared through the accounts of the ECB and is disclosed under item "Net interest income/(expense)" in the profit and loss account.

In the euro cash changeover year, kuna banknotes in circulation are presented in the balance sheet position L1 "Banknotes in circulation", and after the euro cash changeover year, they are presented in the position L12 "Other liabilities" on the liabilities side of the balance sheet. The estimated amount of kuna banknotes that will not be returned to the Croatian National Bank is recognised as income in the profit and loss account pursuant to the decision of the Council of the Croatian National Bank.

For the purpose of adopting a Decision on the recognition of income from kuna banknotes not being returned from circulation, the expert service shall prepare an Expert opinion and submit it to the Council of the Croatian National Bank. The Expert opinion shall be prepared in accordance with the Decision on the methodology for the preparation of the opinion by the expert service on the assessment of the nominal value of kuna banknotes not being returned from circulation. The methodology for estimating the remaining kuna banknotes in circulation uses the method of calculating the return trend of kuna banknotes based on the data on the return of kuna banknotes, using a linear and exponential trend, and the method of calculating the return of kuna banknotes using the data on the return of national currencies in the three euro area countries that last introduced the euro before the Republic of Croatia joined the euro area. The amount of kuna banknotes not being returned to the Croatian National Bank shall be assessed at the end of every year.

---

[6] Euro cash changeover year refers to the year in which the euro banknotes are introduced as legal tender in the respective Member State.

[7] The reference period refers to the 24 months which start 30 months before the day on which euro banknotes become legal tender in the respective Member State, for the Croatian National Bank this is the period from July 2020 to June 2022.

### 1.2.13 Intra-ESCB balances/intra-Eurosystem balances

Intra-Eurosystem balances result primarily from cross-border payments in the European Union (EU) that are settled in central bank money in euro. These transactions are for the most part initiated by private entities (i.e. credit institutions, corporations and individuals). They are settled in TARGET – the Trans-European Automated Real-time Gross settlement Express Transfer system – and give rise to bilateral balances in the TARGET accounts of EU central banks. Payments conducted by the ECB and the NCBs also affect these accounts. All settlements are automatically aggregated and adjusted to form part of a single position of each NCB vis-à-vis the ECB. The movements in TARGET accounts are reflected in the accounting records of the ECB and the NCBs on a daily basis. Intra-Eurosystem balances of the Croatian National Bank vis-à-vis the ECB arising from TARGET, are presented on the balance sheet of the Croatian National Bank as an asset or a liability position under "Claims related to TARGET" or "Liabilities related to TARGET". Intra-ESCB balances versus non-euro area NCBs not arising from TARGET are disclosed either under "Claims on non-euro area residents denominated in euro" or "Liabilities to non-euro area residents denominated in euro".

Intra-Eurosystem claims arising from the Croatian National Bank's participating interest in the ECB are reported under "Participating interest in the ECB". In particular, this balance sheet item includes: (a) the NCBs' paid-up share in the ECB's subscribed capital, (b) any net amount paid by the NCBs due to the increase in their shares in the ECB's[8] equity value resulting from all previous ECB capital key adjustments, and (c) contributions in accordance with Article 48.2 of the Statute of the ESCB with respect to central banks of Member States whose derogations have been abrogated.

Intra-Eurosystem balances arising from the allocation of euro banknotes within the Eurosystem are included as a single net asset/liability under "Net claims related to the allocation of euro banknotes within the Eurosystem" or "Net liabilities related to the allocation of euro banknotes within the Eurosystem" (see "Banknotes in circulation" in the notes on accounting policies).

Intra-Eurosystem claims arising from the transfer of foreign reserve assets to the ECB by the Croatian National Bank at the time of joining the Eurosystem are denominated in euro and reported under "Claims equivalent to the transfer of foreign reserves".

[8] Equity value means the total of the ECB's reserves, revaluation accounts and provisions equivalent to reserves, minus any loss carried forward from previous periods. In the event of capital key adjustments taking place during the financial year, the equity value also includes the ECB's accumulated net profit or net loss until the date of the adjustment.

Other intra-Eurosystem balances denominated in euro (e.g. the ECB's interim profit distribution to NCBs, if any, correspondent accounts, and the balance due to the difference between monetary income to be pooled and redistributed), are presented as a single net asset or liability position under either "Other claims within the Eurosystem (net)" or "Other liabilities within the Eurosystem (net)".

**1.2.14 Income recognition**

The following rules apply to income recognition:

(a) realised gains and realised losses are taken to the profit and loss account;
(b) unrealised gains are not recognised as income, but recorded directly in a revaluation account;
(c) at year end, unrealised losses are taken to the profit and loss account if they exceed previous revaluation gains registered in the corresponding revaluation account;
(d) unrealised losses taken to the profit and loss account are not reversed in subsequent years against new unrealised gains;
(e) there is no netting of unrealised losses in any one security, or in any currency or in gold holdings against unrealised gains in other securities or currencies or gold;
(f) at year end, impairment losses are taken to the profit and loss account and must not be reversed in subsequent years, unless the impairment decreases and the decrease can be related to an observable event that occurred after the impairment was first recorded.

Premiums or discounts arising on issued and purchased securities are calculated and presented as part of interest income and are amortised over the remaining contractual life until the maturity of the securities according to the internal rate of return method (effective interest rate).

Accruals denominated in foreign currencies are translated at the exchange rate of the recording date and have an impact on the foreign currency position.

Currency outflows that entail a change in the holding of a given currency may give rise to realised foreign exchange gains or losses.

**1.2.15 Cost of transactions**

The average cost method is used on a daily basis for gold, foreign currency instruments and securities, to compute the acquisition cost of items sold, having regard to the effect of exchange rate and/or price

movements.

The average cost of the asset or liability is reduced or increased by unrealised losses taken to the profit and loss account at year end.

For the purpose of calculating the average purchase cost of a security, all purchases made during the day are added, at their purchase price, to the previous day's holding to produce a new weighted average cost before applying the sales for the same day.

Where a long position exists, net inflows of currencies and gold made during the day are added to the previous day's holding, at the average rate or gold price of the inflows of the day for each respective currency and gold, to produce a new weighted average cost. In the case of net outflows, the calculation of the realised gain or loss is based on the average cost of the respective currency or gold holding for the preceding day, so that the average cost remains unchanged. Differences in the average rate/gold price between inflows and outflows made during the day also result in realised gains or losses. Where a liability situation exists in respect of a foreign currency or gold position, the reverse treatment applies to the abovementioned approach.

**1.2.16 Revaluation accounts**

The Croatian National Bank establishes revaluation accounts for the purpose of revaluation of assets and liabilities. Revaluation accounts are established from unrealised gains on the revaluation of assets and liabilities. In addition to the abovementioned revaluation accounts, the Croatian National Bank also established pre-entry revaluation accounts from unrealised gains arisen before or on the date of the entry of the Croatian National Bank into the Eurosystem (Note 3, under 14 Revaluation accounts).

**1.2.17 Provisions**

Provisions are amounts set aside before arriving at the profit or loss figure in order to provide for any known or expected liability or risk, the cost of which cannot be accurately determined.

*Risk provisions*

The Croatian National Bank may establish provisions for financial risks in accordance with a decision of the Council of the Croatian National Bank.

The amount of provisions for financial risks and the further need for them is reviewed once a year on the basis of the Croatian National Bank's assessment of its own exposure to these risks (Note 3, under 13 Provisions and Note 7 Risk management). The decision to increase or decrease provisions for financial risks is made by the Council of the Croatian National Bank. Income and/or expenses from risk provisions are recorded on the reporting date in accordance with the Decision of the Council of the Croatian National Bank.

*Other provisions*

The Croatian National Bank recognises a provision if it has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits 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 have been met. Other provisions also include provisions due to the impairment of monetary policy operations.

Provisions are reviewed at the end of each reporting period and adjusted to reflect current best estimates. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed. Income or expenses arising from provisions are recognised in the profit and loss account at the end of the accounting period to which they relate.

**1.2.18 Accounting rules for off-balance sheet instruments**

Foreign exchange forward transactions, forward legs of foreign exchange swaps and other currency instruments involving an exchange of one currency for another at a future date are included in the net foreign currency positions for calculating average costs and foreign exchange gains and losses.

Gains and losses arising from off-balance-sheet instruments are recognised and treated in a similar manner to on-balance-sheet instruments.

*Foreign exchange forward transactions*

Forward purchases and sales are recognised in off-balance-sheet accounts from the trade date to the settlement date at the spot rate of the forward transaction. Realised gains and losses on sale transactions are calculated using the average cost of the foreign currency position on the trade date in accordance with the daily netting procedure for purchases and sales.

The difference between the spot and the forward rates is treated as interest payable or receivable on an accruals basis. At the settlement date the off-balance-sheet accounts are reversed. The foreign currency position is affected by forward transactions from the trade date at the spot rate.

The forward positions are valued in conjunction with the spot position of the same currency, offsetting any differences that may arise within a single foreign currency position. A net loss balance is debited to the profit and loss account when it exceeds previous revaluation gains recorded in the revaluation account. A net profit balance is credited to the revaluation account.

*Foreign exchange swaps*

Forward and spot purchases and sales are recognised in on-balance-sheet accounts at the respective settlement date.

Forward and spot purchases and sales are recognised in off-balance-sheet accounts from the trade date to the settlement date at the spot rate of the transaction.

Sale transactions are recognised at the spot rate of the transaction. Therefore no gains or losses arise.

The difference between the spot and the forward rates is treated as interest payable or receivable on an accruals basis for both purchases and sales. At the settlement date the off-balance-sheet accounts are reversed. The foreign currency position changes only as a result of accruals denominated in foreign currency.

The forward position is valued in conjunction with the related spot position.

**1.2.19 Taxation**

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

**1.2.20 Tangible and intangible fixed assets**

Tangible and intangible fixed assets are recognised in the balance sheet at cost less accumulated depreciation and impairment losses. The exceptions are land and buildings which are carried at revalued amount, representing their fair value at the revaluation date, decreased by accumulated depreciation for buildings and any impairment losses. Depreciation is provided under the straight-line method. Fair value of land and

buildings was determined based on appraisals performed by independent experts and certain significant inputs for valuation were not observable market data.

Gains on revaluation of land and buildings are included as a separate item in the Revaluation accounts. Losses on revaluation are charged to the revaluation reserve account to the extent of the revaluation surplus previously recognised in equity, and any loss in excess of the previously recognised surplus is charged to the profit and loss account for the reporting period.
The revaluation surplus is transferred as the asset is used. In such a case, the amount of the surplus transferred is the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. The revaluation surplus included in equity in respect of land and buildings is transferred directly to general reserves when the asset is derecognised. This includes transferring the whole of the surplus when the asset is retired or disposed of. Transfers from revaluation surplus to general reserves are not made through profit or loss.

Useful life of tangible and intangible fixed assets is shown in the table below:

| Asset class | Expected useful life in 2025 (number of years) | Expected useful life in 2024 (number of years) |
|---|---|---|
| Property | 20 – 50 | 20 – 50 |
| Computers and computing infrastructure | 5 – 8 | 5 – 8 |
| Furniture and equipment | 2 – 20 | 2 – 20 |
| Motor vehicles | 4 | 4 |
| Software and licences | up to 10 | up to 10 |

*Leases*

At the commencement date, the Croatian National Bank recognises a right-of-use asset and a lease liability. At the commencement date the right-of-use asset is measured at cost and lease liability is measured at the present value of the lease payments that are not paid at that date. The present value of the lease liability is calculated using the ECB's main refinancing operations rate (MRO). After the commencement date the right-of-use asset is measured applying a cost model.

The Croatian National Bank does not recognise the right-of-use assets for short-term leases and leases for which the underlying asset is of low value. The lease payments associated with short-term leases and leases for

which the underlying asset is of low value are recognised as an expense on a straight-line basis over the lease term.

Non-lease components are not separated from lease components and instead each lease component and any associated non-lease components are accounted for as a single lease component.

The right-of-use asset is depreciated under the straight-line method, from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

*Impairment of non-financial assets*

The net carrying amount of non-financial assets is assessed at the end of each reporting period to determine whether there is any indication that the assets may be impaired. If any such indication exists, the recoverable amount of those assets is estimated. For assets with indefinite useful life and intangible assets not yet available for use, the recoverable amount is estimated on every reporting date.

An impairment loss is recognised if the net carrying amount of an asset or cash-generating unit is greater than its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The cash-generating unit for the Croatian National Bank is the Croatian National Bank as a whole.
Impairment loss is recognised in profit or loss.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit. Value in use is estimated by discounting expected future cash flows with the discount rate that reflects current market assessments of time value of money and the risks specific to these assets.

An impairment loss recognised in prior periods is assessed on every reporting date to determine if there is any indication that impairment may have decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the asset's recoverable amount. The increased carrying amount of an asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

### 1.3 Use of judgements and estimates

In preparing the financial statements for 2025, the management made judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. The estimates are based on the management's best estimate of current events and operations, and actual results may differ from these estimates. The estimates are used to assess the useful life of tangible and intangible fixed assets, the exposure of the Croatian National Bank to financial risks for the purpose of establishing provisions for financial risks, the amount of other provisions, as well as to assess the amount of kuna banknotes not being returned to the Croatian National Bank, which is recognised as income in the profit and loss account. In addition, in preparing the financial statements for 2025, the amount of unprocessed deliveries of kuna coins received at the Croatian National Bank until 31 December 2025 or submitted to a postal services provider within the legally prescribed time limit for the exchange of kuna coins, received at the Croatian National Bank after 1 January 2026, which was recorded as the withdrawal of kuna coins from circulation on 31 December 2025, was also estimated.

### 1.4 Allocation of profit and coverage of losses

The allocation of profit and the coverage of losses of the Croatian National Bank are performed in accordance with Article 57 of the Act on the Croatian National Bank. The profit of the Croatian National Bank reported in the financial year is allocated to general reserves and to the State Budget in accordance with the decision of the Council of the Croatian National Bank in such a manner that 20% of the profit is allocated to general reserves and 80% of the profit constitutes revenue to the State Budget. By way of exception, if the amount of general reserves on the last day of the financial year is lower than the lower bound of general reserves established pursuant to Article 55, paragraph (2) of the Act on the Croatian National Bank, the Council of the Croatian National Bank adopts a decision stipulating that the required amount of profit is allocated to general reserves until their lower bound is reached, while the remaining profit is allocated in such a manner that 20% of the profit is allocated to general reserves and 80% of the profit constitutes revenue to the State Budget.

The loss of the Croatian National Bank is firstly covered from general reserves and if the loss of the Croatian National Bank is higher than the amount of general reserves, the loss amount exceeding the amount of general reserves is covered from the profit of the following years. The profit of the Croatian National Bank to be reported in the following years is firstly used for the coverage of loss from the previous years.

If the total capital of the Croatian National Bank decreased by the loss from the previous years is over a longer period lower than the capital of the Croatian National Bank, the required amount up to the amount of the

capital is covered from the State Budget in the following medium-term period. Within the meaning of this provision, the total capital of the Croatian National Bank is constituted of the capital, general reserves, revaluation accounts and provisions for financial risks.

## NOTE 2 – Asset items

### 1 Gold and gold receivables

| | 31/12/2025 | 31/12/2024 | Change | |
|---|---|---|---|---|
| | | | Absolute | % |
| Quantity in gold ounces | 450.25 | 450.25 | – | – |
| *Price* | | | | |
| EUR/gold ounce | 3,669.106 | 2,511.069 | 1,158.04 | 46.12 |
| **Carrying amount in thousands of euro** | **1,652** | **1,131** | **521** | **46.12** |

Gold and gold receivables changed due to the increase in the price of gold ounce.

### 2 Claims on non-euro area residents denominated in foreign currency

### 2.1 Receivables from the International Monetary Fund (IMF)

*(All amounts are expressed in thousands of euro)*

| | 31/12/2025 | 31/12/2024 | Change | |
|---|---|---|---|---|
| | | | Absolute | % |
| *Euro-denominated balances with the IMF* | | | | |
| Membership quota | 836,201 | 899,906 | (63,705) | (7.08) |
| Euro-denominated bills of exchange | (786,596) | (897,035) | 110,439 | 12.31 |
| IMF account no. 1 | (8,256) | (2,344) | (5,912) | (252.22) |
| *Reserve position with the IMF* | *41,349* | *527* | *40,822* | 7,746.11 |
| IMF account no. 2 | (248) | (32) | (216) | (675.00) |
| *Total* | *41,101* | *495* | *40,606* | 8,203.23 |
| *Balances with the IMF denominated in special drawing rights* | | | | |
| Foreign currency current account with the IMF | 1,206,581 | 1,298,273 | (91,692) | (7.06) |
| PRGT Deposit and Investment Account | 605 | 651 | (46) | (7.07) |
| *Total* | *1,207,186* | *1,298,924* | *(91,738)* | (7.06) |
| **Total** | **1,248,287** | **1,299,419** | **(51,132)** | (3.93) |

The Croatian National Bank is the fiscal agent of the Republic of Croatia for the International Monetary Fund and the International Monetary Fund's depository.

The current account and deposit as well as net cumulative allocations with the International Monetary Fund are denominated in special drawing rights (XDR) and measured at their nominal value.

The membership quota, bills of exchange and International Monetary Fund accounts number 1 and 2 are measured at cost, denominated in euro and linked to XDR (they are revalued on the reporting date at the XDR exchange rate applicable on that date).

In February 2025, the Republic of Croatia obtained the status of a creditor country in the IMF and for the first time was included in the list of countries participating in the IMF's Financial Transaction Plan (hereinafter: FTP). The FTP is a mechanism through which selected IMF member countries participate in IMF lending operations within the IMF's General Resources Account (GRA), including in financing loans granted by the IMF. FTP participants include those Fund member countries, whose external position has been assessed by the Executive Board as strong enough to participate in the FTP.

Pursuant to Article 3 of the Act on Accepting Membership of the Republic of Croatia in the International Monetary Fund and Other International Financial Organisations on the Basis of Succession (Official Gazette 89/1992) and item IV of the Decision on the manner of conducting operations and settling liabilities arising from the membership of the Republic of Croatia in the International Monetary Fund (Official Gazette 28/2024), the Croatian National Bank, when called upon by the IMF, is authorised to participate on behalf of the Republic of Croatia in the implementation of the FTP in the manners prescribed by the Articles of Agreement and other regulations governing the operation of the IMF. Creditor countries allow the IMF to use their national currency. In exchange, their reserve position at the IMF increases by the same amount. This reserve position is a liquid claim on the IMF that can be withdrawn if needed and therefore counts toward the countries' foreign exchange reserves. In 2025, within the FTP, the Croatian National Bank participated in lending transactions in the amount of XDR 34,840 thousands (EUR 41,379 thousands), which resulted in the increase in the reserve position at the IMF.

Pursuant to the Agreement between the IMF and the Croatian National Bank, the Croatian National Bank's deposit to the PRG-HIPC Trust in the amount of XDR 519 thousands that fell due on 30 September 2024 was deposited to the Deposit and Investment Account (DIA) of the Poverty Reduction and Growth Trust (PRGT) run by the IMF.

## 2.2 Balances with banks and security investments, external loans and other external assets

*(All amounts are expressed in thousands of euro)*

| | 31/12/2025 | 31/12/2024 | Change | |
|---|---|---|---|---|
| | | | Absolute | % |
| Securities | 2,123,497 | 1,659,048 | 464,449 | 27.99 |
| Balances with banks, external loans and other external assets | 205,046 | 239,796 | (34,750) | (14.49) |
| **Total** | **2,328,543** | **1,898,844** | **429,699** | **22.63** |

### 2.2.1 Securities

The table below shows investments in securities outside the euro area denominated in foreign currency.

*(All amounts are expressed in thousands of euro)*

| | 31/12/2025 | 31/12/2024 | Change | |
|---|---|---|---|---|
| | | | Absolute | % |
| Marketable debt securities other than held-to-maturity | 530,441 | 533,597 | (3,156) | (0.59) |
| Marketable held-to-maturity debt securities | 1,593,056 | 1,125,451 | 467,605 | 41.55 |
| **Total** | **2,123,497** | **1,659,048** | **464,449** | **27.99** |

Investments in held-to-maturity debt securities increased significantly in 2025, with a part of the increase coming from redirecting investments from other investment instruments.

Investments in securities by currency

*(All amounts are expressed in thousands of euro)*

| | 31/12/2025 | 31/12/2024 | Change | |
|---|---|---|---|---|
| | | | Absolute | % |
| USD | 1,591,094 | 1,529,066 | 62,028 | 4.06 |
| JPY | 532,403 | 129,982 | 402,421 | 309.60 |
| **Total** | **2,123,497** | **1,659,048** | **464,449** | **27.99** |

### 2.2.2 Balances with banks, external loans and other external assets

*(All amounts are expressed in thousands of euro)*

| | 31/12/2025 | 31/12/2024 | Change | |
|---|---|---|---|---|
| | | | Absolute | % |
| Cash and current accounts | 1,021 | 1,537 | (516) | (33.57) |
| Deposits with other banks | 17,021 | 19,251 | (2,230) | (11.58) |
| Reverse repo agreements | 8,340 | 26,182 | (17,842) | (68.15) |
| Assets under management with international financial institutions | 178,664 | 192,826 | (14,162) | (7.34) |
| **Total** | **205,046** | **239,796** | **(34,750)** | **(14.49)** |

Investments in reverse repo agreements in USD decreased in 2025 in favour of other investment instruments.

Balances with banks, external loans and other external assets

by currency

*(All amounts are expressed in thousands of euro)*

| | 31/12/2025 | 31/12/2024 | Change | |
|---|---|---|---|---|
| | | | Absolute | % |
| USD | 204,318 | 238,669 | (34,351) | (14.39) |
| Other currencies | 728 | 1,127 | (399) | (35.40) |
| **Total** | **205,046** | **239,796** | **(34,750)** | **(14.49)** |

## 3 Claims on euro area residents denominated in foreign currency

*(All amounts are expressed in thousands of euro)*

| | 31/12/2025 | 31/12/2024 | Change | |
|---|---|---|---|---|
| | | | Absolute | % |
| Marketable debt securities other than held-to-maturity | 73,458 | 48,436 | 25,022 | 51.66 |
| Marketable held-to-maturity debt securities | 382,257 | 329,120 | 53,137 | 16.15 |
| Balances with banks, loans and other assets | 185,640 | 198,095 | (12,455) | (6.29) |
| **Total** | **641,355** | **575,651** | **65,704** | **11.41** |

All investments in this item are in US dollars. Within the Balances with banks, loans and other assets the largest share is held by investments in reverse repo agreements in the amount of EUR 185,636 thousands (31 December 2024: EUR 198,090 thousands).

## 4 Claims on non-euro area residents denominated in euro

### 4.1 Balances with banks, security investments and loans

*(All amounts are expressed in thousands of euro)*

| | 31/12/2025 | 31/12/2024 | Change | |
|---|---|---|---|---|
| | | | Absolute | % |
| Marketable held-to-maturity debt securities | 723,411 | 758,749 | (35,338) | (4.66) |
| **Total** | **723,411** | **758,749** | **(35,338)** | **(4.66)** |

The value of marketable held-to-maturity securities decreased due to certain securities maturing in 2025.

## 5 Lending to euro area credit institutions related to monetary policy operations denominated in euro

In accordance with Article 32.4 of the Statute of the ESCB and of the ECB, losses from monetary policy operations, if they were to materialise, are shared, by decision of the Governing Council, in full by the Eurosystem NCBs, in proportion to the prevailing ECB capital key shares (Note 3, under 13 Provisions). Losses can only materialise if both the counterparty fails and the recovery of funds received from the resolution of the collateral provided by the counterparty is not sufficient. For specific collateral which can be accepted by NCBs at their own discretion, risk sharing has been excluded by the Governing Council of the ECB.

*(All amounts are expressed in thousands of euro)*

| | 31/12/2025 | 31/12/2024 | Change | |
|---|---|---|---|---|
| | | | Absolute | % |
| Main refinancing operations | 30,000 | 43,000 | (13,000) | (30.23) |
| **Total** | **30,000** | **43,000** | **(13,000)** | **(30.23)** |

### 5.1 Main refinancing operations

Main refinancing operations are executed through liquidity providing reverse transactions with a frequency and a maturity of normally one week, on the basis of standard tenders. Since October 2008, these operations were conducted as fixed rate tender procedures. These operations play a key role in achieving the aims of steering interest rate, managing market liquidity and signalling the monetary policy stance.

### 5.2 Longer-term refinancing operations

These operations aim to provide counterparties with additional longer-term refinancing. These operations were conducted at fixed rate with allotment of the total amount bid.

### 5.3 Fine-tuning reverse operations

Fine-tuning reverse operations aim to regulate the market liquidity situation and steer interest rates, particularly to smooth the effects on interest rates caused by unexpected market fluctuations. Owing to their nature, they are executed on an ad-hoc basis.

### 5.4 Structural reverse operations

These are reverse open-market transactions through standard tenders to enable the Eurosystem to adjust its structural liquidity position vis-à-vis the financial sector.

### 5.5 Marginal lending facility

Marginal lending facilities may be used by counterparties to obtain overnight liquidity from national central banks at a pre-specified interest rate against eligible assets.

### 5.6 Credits related to margin calls

This item refers to cash paid to counterparties in those instances where the market value of the collateral exceeds an established trigger point implying an excess of collateral with respect to outstanding monetary policy operations.

## 6 Other claims on euro area credit institutions denominated in euro

*(All amounts are expressed in thousands of euro)*

| | 31/12/2025 | 31/12/2024 | Change | |
|---|---|---|---|---|
| | | | Absolute | % |
| Current accounts and deposits | 3 | 6 | (3) | (50.00) |
| Reverse repo agreements | 477,327 | 50,000 | 427,327 | 854.65 |
| Monetary operations before the entry into the Eurosystem | – | 366,315 | (366,315) | (100.00) |
| Deposits related to margin calls (for repo agreements) | 64 | 8,828 | (8,764) | (99.28) |
| **Total** | **477,394** | **425,149** | **52,245** | **12.29** |

All collateralised credits associated with monetary policy before the entry into the Eurosystem matured in 2025.

## 7 Securities of euro area residents denominated in euro

### 7.1 Securities held for monetary policy purposes

The Croatian National Bank held no securities reported under asset item 7.1 on the NCB's balance sheet.

The table below provides an overview of the programmes under which the Eurosystem purchased assets.

| | Start date | End date[9] | Decision | Universe of eligible securities[10] |
|---|---|---|---|---|
| **Securities Markets Programme (SMP)** | | | | |
| **SMP** | May 2010 | September 2012 | ECB/2010/5 | Public and private debt securities issued in the euro area[11] |
| **Asset purchase programme (APP)** | | | | |
| **CBPP3** | October 2014 | June 2023 | ECB/2020/8, as amended | Covered bonds of euro area residents |
| **ABSPP** | November 2014 | June 2023 | ECB/2014/45, as amended | Senior and guaranteed mezzanine tranches of asset-backed securities of euro area residents |
| **PSPP** | March 2015 | June 2023 | ECB/2020/9 | Bonds issued by euro-area central, regional or local governments or recognised agencies as well as by international organisations and multilateral development banks located in the euro area |
| **CSPP** | June 2016 | June 2023 | ECB/2016/16, as amended | Bonds and commercial paper issued by non-bank corporations established in the euro area |
| **Pandemic emergency purchase programme (PEPP)** | | | | |
| **PEPP** | March 2020 | December 2024 | ECB/2020/17, as amended | All asset categories eligible under the APP |

In 2025 the asset purchase programme (APP)[12] and PEPP[13] portfolios continued to decline at a measured and predictable pace, as the Eurosystem no longer reinvested the principal payments from maturing securities.

The securities purchased under these programmes are valued at amortised cost subject to impairment.

The Governing Council assesses on a regular basis the financial risks associated with the securities held under these programmes. In this context, impairment tests are conducted on an annual basis, using data as at the year-end and are approved by the Governing Council. In these tests, impairment indicators are assessed separately for each programme. In cases where impairment indicators are observed, further analysis is performed to confirm that the cash flows of the underlying securities have not been affected by an impairment event.

In accordance with the decision of the Governing Council taken under Article 32.4 of the Statute of the ESCB and of the ECB, losses from holdings of securities, if they were to materialise, are shared in full by the

[9] For SMP, "End date" refers to the termination date of the programme, while for APP and PEPP it denotes the final date of purchases.
[10] Further eligibility criteria for the individual programmes can be found in the relevant Governing Council decisions.
[11] Only public debt securities issued by five euro area treasuries were purchased under the SMP.
[12] Further details on the APP can be found on the ECB's website.
[13] Further details on the pandemic emergency purchase programme can be found on the ECB's website.

Eurosystem NCBs, in proportion to the prevailing ECB capital key shares, excluding government securities under the PSPP and PEPP programmes.

Based on the results of this year's impairment tests, no losses have been recorded by the CNB for the securities held in its monetary policy portfolios in 2025.

### 7.2 Other securities

*(All amounts are expressed in thousands of euro)*

| | 31/12/2025 | 31/12/2024 | Change | |
|---|---|---|---|---|
| | | | Absolute | % |
| Held-to-maturity debt securities | 8,935,283 | 9,465,881 | (530,598) | (5.61) |
| Securities held for monetary policy purposes before the entry into the Eurosystem | 1,519,344 | 1,862,943 | (343,599) | (18.44) |
| **Total** | **10,454,627** | **11,328,824** | **(874,197)** | **(7.72)** |

This line item shows also securities purchased for monetary policy purposes before the entry into the Eurosystem, that is bonds of the Republic of Croatia purchased by the Croatian National Bank in an effort to maintain liquidity and stability of the financial system due to the coronavirus pandemic (COVID-19). These securities are held to maturity and are valued at amortised cost subject to impairment.

In 2025, the Croatian National Bank sold EUR 56,000 thousands (nominal value) of securities from its held-to-maturity portfolio, due to adjustments related to a limited framework.

## 9 Intra-Eurosystem claims

*(All amounts are expressed in thousands of euro)*

| | 31/12/2025 | 31/12/2024 | Change | |
|---|---|---|---|---|
| | | | Absolute | % |
| Participating interest in the ECB | 417,637 | 417,637 | – | – |
| Claims equivalent to the transfer of foreign reserves | 313,957 | 313,957 | – | – |
| Claims related to TARGET | – | 4,730,043 | (4,730,043) | (100.00) |
| Net claims related to the allocation of euro banknotes within the Eurosystem | 20,248,732 | 17,024,132 | 3,224,600 | 18.94 |
| **Total** | **20,980,326** | **22,485,769** | **(1,505,443)** | **(6.70)** |

### 9.1 Participating interest in the ECB

For the Croatian National Bank this balance sheet item includes the paid-up share in the ECB's subscribed capital in the amount of EUR 68,511 thousands (31/12/2024: EUR 68,511 thousands) and contributions in accordance with Article 48.2 of the Statute of the ESCB in the amount of EUR 349,126 thousands

(31/12/2024: EUR 349,126 thousands).

Pursuant to Article 28 of the Statute of the ESCB and of the ECB, the ESCB national central banks are the sole subscribers to the capital of the ECB. Pursuant to Article 29 of the Statute of the ESCB and of the ECB, the weightings assigned to the NCBs in the key for subscription of the ECB's capital are determined according to the shares of the respective Member States in the total population and gross domestic product of the EU, in equal measure. These weights are adjusted every five years and whenever there is a change in the number of NCBs of EU Member States, that contribute to the ECB's capital.

The capital key is applied to ECB's subscribed capital of EUR 10,825,007 thousands to determine the share of subscribed capital for each NCB.

The euro area NCBs have fully paid up their share of subscribed capital, while the non-euro area NCBs have paid up 3.75% of their subscribed capital as a contribution to the operational costs of the ECB.

The following table shows the capital key, subscribed capital and paid-up capital:

| | Since 1/1/2024 | | |
|---|---|---|---|
| | Capital subscription key % | Subscribed capital in thousands of euro | Paid-up capital in thousands of euro |
| Nationale Bank van België/ Banque Nationale de Belgique | 3.0005 | 324,804 | 324,804 |
| Deutsche Bundesbank | 21.7749 | 2,357,134 | 2,357,134 |
| Eesti Pank | 0.2437 | 26,381 | 26,381 |
| Central Bank of Ireland | 1.7811 | 192,804 | 192,804 |
| Bank of Greece | 1.8474 | 199,981 | 199,981 |
| Banco de España | 9.6690 | 1,046,670 | 1,046,670 |
| Banque de France | 16.3575 | 1,770,701 | 1,770,701 |
| Hrvatska narodna banka | 0.6329 | 68,511 | 68,511 |
| Banca d'Italia | 13.0993 | 1,418,000 | 1,418,000 |
| Central Bank of Cyprus | 0.1802 | 19,507 | 19,507 |
| Latvijas Banka | 0.3169 | 34,304 | 34,304 |
| Lietuvos bankas | 0.4826 | 52,241 | 52,241 |
| Banque centrale du Luxembourg | 0.2976 | 32,215 | 32,215 |
| Central Bank of Malta | 0.1053 | 11,399 | 11,399 |
| De Nederlandsche Bank | 4.8306 | 522,913 | 522,913 |
| Oesterreichische Nationalbank | 2.4175 | 261,695 | 261,695 |
| Banco de Portugal | 1.9014 | 205,827 | 205,827 |
| Banka Slovenije | 0.4041 | 43,744 | 43,744 |
| Národná banka Slovenska | 0.9403 | 101,788 | 101,788 |
| Suomen Pankki – Finlands Bank | 1.4853 | 160,784 | 160,784 |
| ***Subtotal for euro area NCBs*** | ***81.7681*** | ***8,851,403*** | ***8,851,403*** |

| | Since 1/1/2024 | | |
|---|---|---|---|
| | Capital subscription key % | Subscribed capital in thousands of euro | Paid-up capital in thousands of euro |
| Българска народна банка (Bulgarian National Bank) | 0.9783 | 105,901 | 3,971 |
| Česká národní banka | 1.9623 | 212,419 | 7,966 |
| Danmarks Nationalbank | 1.7797 | 192,653 | 7,224 |
| Magyar Nemzeti Bank | 1.5819 | 171,241 | 6,422 |
| Narodowy Bank Polski | 6.0968 | 659,979 | 24,749 |
| Banca Națională a României | 2.8888 | 312,713 | 11,727 |
| Sveriges Riksbank | 2.9441 | 318,699 | 11,951 |
| ***Subtotal for non-euro area NCBs*** | ***18.2319*** | ***1,973,604*** | ***74,010*** |
| **Total** | **100.00** | **10,825,007** | **8,925,413** |

### 9.2 Claims equivalent to the transfer of foreign reserves

The amount of EUR 313,957 thousands represents the Croatian National Bank's claims arising from the transfer of foreign reserve assets to the ECB, when the Croatian National Bank joined the Eurosystem. In line with Article 30.2 of the Statute of the ESCB and of the ECB, these contributions are fixed in proportion to NCBs' share in the subscribed capital of the ECB.

Since 1 January 2025 the remuneration of these claims is calculated on a daily basis at the latest available interest rate applied to the deposit facility (DFR) [14] offered by the Eurosystem, adjusted to reflect a zero return on the gold component. Until that date, such remuneration was calculated daily at the latest available (marginal) interest rate used by the Eurosystem in its tenders for main refinancing operations (MRO), also adjusted to reflect a zero return on the gold component.

### 9.3 Claims related to TARGET

The Croatian National Bank had a claim vis-à-vis the ECB at the end of 2024 but a liability at the end of 2025 (Note 3, under 10.2 Liabilities related to TARGET).

### 9.4 Net claims related to the allocation of euro banknotes within the Eurosystem

This item consists of the claims of the Croatian National Bank vis-à-vis the Eurosystem relating to the allocation of euro banknotes within the Eurosystem (see "Banknotes in circulation" and "Intra-ESCB balances/intra-

[14] Further details on the ECB's interest rates can be found here.

Eurosystem balances" in the notes on accounting policies). The increase in comparison with 31 December 2024 was due to the decrease in the amount of euro banknotes put into circulation by the Croatian National Bank in 2025 as well as the rise in banknotes in circulation in the Eurosystem as a whole (Note 3, under 1 Banknotes in circulation).

Since 1 January 2025 the remuneration of these claims is calculated on a daily basis at the latest available interest rate applied to the deposit facility (DFR) offered by the Eurosystem. Until that date, such remuneration was calculated at the latest available (marginal) interest rate used by the Eurosystem in its tenders for main refinancing operations.

**11 Other assets**

*(All amounts are expressed in thousands of euro)*

| | 31/12/2025 | 31/12/2024 | Change | |
|---|---|---|---|---|
| | | | Absolute | % |
| Tangible and intangible fixed assets | 117,931 | 113,237 | 4,694 | 4.15 |
| Other financial assets | 495,805 | 20,166 | 475,639 | 2,358.62 |
| Off-balance-sheet instruments revaluation differences | 19,949 | 9,642 | 10,307 | 106.90 |
| Accruals and prepaid expenses | 153,205 | 216,945 | (63,740) | (29.38) |
| Sundry | 5,341 | 4,670 | 671 | 14.37 |
| **Total** | **792,231** | **364,660** | **427,571** | **117.25** |

## 11.2 Tangible and intangible fixed assets

*(All amounts are expressed in thousands of euro)*

| | Property owned by the CNB (land and buildings) | Right-of-use buildings (office buildings) | Computers | Furniture and equipment | Motor vehicles | Assets under development – property, plant, equipment | TOTAL PROPERTY, PLANT AND EQUIPMENT | Software and licences | Assets under development – intangible assets | TOTAL INTANGIBLE ASSETS | TOTAL property, plant, equipment and intang. assets |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Balance as at 1 January 2025** | | | | | | | | | | | |
| Cost or revaluation value | 72,458 | 14,968 | 45,712 | 10,654 | 2,121 | 9,748 | 155,661 | 10,709 | 1,659 | 12,368 | 168,029 |
| Accumulated depreciation/amortisation | (1,152) | (5,879) | (31,652) | (6,665) | (1,268) | – | (46,616) | (8,176) | – | (8,176) | (54,792) |
| **Net book value** | **71,306** | **9,089** | **14,060** | **3,989** | **853** | **9,748** | **109,045** | **2,533** | **1,659** | **4,192** | **113,237** |
| **For the year ended 31 December 2025** | | | | | | | | | | | |
| Opening net book amount | 71,306 | 9,089 | 14,060 | 3,989 | 853 | 9,748 | 109,045 | 2,533 | 1,659 | 4,192 | 113,237 |
| Additions | 759 | 2,501 | 9,054 | 1,628 | – | 3,252 | 17,194 | 326 | – | 326 | 17,520 |
| Brought into use | 289 | – | 9,053 | 117 | – | (9,459) | – | 123 | (123) | – | – |
| Revaluation | – | – | – | – | – | – | – | – | – | – | – |
| Impairment | – | – | – | – | – | – | – | – | – | – | – |
| Net written off | – | – | – | – | – | – | – | – | – | – | – |
| Depreciation/amortisation (charge for the year, Note 5 under 7) | (1,169) | (2,945) | (6,674) | (1,135) | (115) | – | (12,038) | (788) | – | (788) | (12,826) |
| **Closing net book amount** | **71,185** | **8,645** | **25,493** | **4,599** | **738** | **3,541** | **114,201** | **2,194** | **1,536** | **3,730** | **117,931** |
| **Balance as at 31 December 2025** | | | | | | | | | | | |
| Cost or revaluation value | 73,505 | 16,770 | 59,394 | 12,175 | 2,031 | 3,541 | 167,416 | 11,158 | 1,536 | 12,694 | 180,110 |
| Accumulated depreciation/amortisation | (2,320) | (8,125) | (33,901) | (7,576) | (1,293) | – | (53,215) | (8,964) | – | (8,964) | (62,179) |
| **Net book value** | **71,185** | **8,645** | **25,493** | **4,599** | **738** | **3,541** | **114,201** | **2,194** | **1,536** | **3,730** | **117,931** |

## 11.2 Tangible and intangible fixed assets (continued)

*(All amounts are expressed in thousands of euro)*

| | Property owned by the CNB (land and buildings) | Right-of-use buildings (office buildings) | Computers | Furniture and equipment | Motor vehicles | Assets under development – property, plant, equipment | TOTAL PROPERTY, PLANT AND EQUIPMENT | Software and licences | Assets under development – intangible assets | TOTAL INTANGIBLE ASSETS | TOTAL property, plant, equipment and intang. assets |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Balance as at 1 January 2024** | | | | | | | | | | | |
| Cost or revaluation value | 72,010 | 10,844 | 43,067 | 9,380 | 1,209 | 5,125 | 141,635 | 10,359 | 2,021 | 12,380 | 154,015 |
| Accumulated depreciation/amortisation | – | (3,565) | (25,869) | (5,993) | (1,174) | – | (36,601) | (7,369) | – | (7,369) | (43,970) |
| **Net book value** | **72,010** | **7,279** | **17,198** | **3,387** | **35** | **5,125** | **105,034** | **2,990** | **2,021** | **5,011** | **110,045** |
| **For the year ended 31 December 2024** | | | | | | | | | | | |
| Opening net book amount | 72,010 | 7,279 | 17,198 | 3,387 | 35 | 5,125 | 105,034 | 2,990 | 2,021 | 5,011 | 110,045 |
| Additions | – | 4,124 | 1,158 | 917 | 114 | 8,191 | 14,504 | – | – | – | 14,504 |
| Brought into use | 521 | – | 1,592 | 657 | 798 | (3,568) | – | 362 | (362) | – | – |
| Revaluation | – | – | – | – | – | – | – | – | – | – | – |
| Impairment | – | – | – | – | – | – | – | – | – | – | – |
| Net written off | (73) | – | – | – | – | – | (73) | – | – | – | (73) |
| Depreciation/amortisation (charge for the year, Note 5 under 7) | (1,152) | (2,314) | (5,888) | (972) | (94) | – | (10,420) | (819) | – | (819) | (11,239) |
| **Closing net book amount** | **71,306** | **9,089** | **14,060** | **3,989** | **853** | **9,748** | **109,045** | **2,533** | **1,659** | **4,192** | **113,237** |
| **Balance as at 31 December 2024** | | | | | | | | | | | |
| Cost or revaluation value | 72,458 | 14,968 | 45,712 | 10,654 | 2,121 | 9,748 | 155,661 | 10,709 | 1,659 | 12,368 | 168,029 |
| Accumulated depreciation/amortisation | (1,152) | (5,879) | (31,652) | (6,665) | (1,268) | – | (46,616) | (8,176) | – | (8,176) | (54,792) |
| **Net book value** | **71,306** | **9,089** | **14,060** | **3,989** | **853** | **9,748** | **109,045** | **2,533** | **1,659** | **4,192** | **113,237** |

### 11.3 Other financial assets

*(All amounts are expressed in thousands of euro)*

| | 31/12/2025 | 31/12/2024 | Change | |
|---|---|---|---|---|
| | | | Absolute | % |
| BIS shares | 5,563 | 5,563 | – | – |
| SWIFT shares | 189 | 189 | – | – |
| Investment in the Croatian Mint | 17,608 | 14,414 | 3,194 | 22.16 |
| CNB's clearing account in EuroNCSInst | 472,445 | – | 472,445 | – |
| **Total** | **495,805** | **20,166** | **475,639** | **2,358.62** |

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 2025, the Croatian National Bank received a dividend in the amount of EUR 1,083 thousands (2024: EUR 1,107 thousands).

The Croatian National Bank holds 29 SWIFT shares.

The Croatian Mint is a domestic company whose core operation is the production of coins and medals of gold and other precious metals, production of coins and commemorative circulation coins, manufacturing of jewellery and related products, trade in gold and other precious metals, trade in jubilee coins and in medals of gold and other precious metals. The share ownership of the Croatian National Bank in the capital of the Croatian Mint is 100%, valued under the net asset value principle. Net value of these assets is calculated and recorded in the accounts once a year, at the end of a business year, based on the data available at the time. The consolidated financial statements are not prepared as the investment in the Croatian Mint is not significant from either a qualitative or quantitative perspective.

*(All amounts are expressed in thousands of euro)*

| | |
|---|---|
| **Net asset value as at 1/1/2025** | **14,414** |
| Revaluation in 2025 | 3,194 |
| **Net asset value as at 31/12/2025** | **17,608** |

EuroNCSInst is a payment system for the execution of payment transactions in euro, between the payer and the payee, in almost real time (SEPA instant credit transfer). The Financial Agency (FINA) is the owner and operator of the EuroNCSInst payment system. Instant payment transactions in euro are executed up to the

amount of available funds in the bank's clearing account in EuroNCSInst.

### 11.4 Off-balance-sheet instruments revaluation differences

This line item shows the net results of the valuations of off-balance sheet instruments in foreign currencies from the trading date to the settlement date. The table below shows the revaluation differences of derivative instruments by instrument and currency that are recognised in the balance sheet.

*(All amounts are expressed in thousands of euro)*

| | 31/12/2025 | 31/12/2024 | Change | |
|---|---|---|---|---|
| | | | Absolute | % |
| Foreign exchange swaps (FX SWAP) in USD | – | 9,642 | (9,642) | (100.00) |
| Foreign exchange swaps (FX SWAP) in JPY | 19,949 | – | 19,949 | – |
| **Total** | **19,949** | **9,642** | **10,307** | **106.90** |

### 11.5 Accruals and prepaid expenses

*(All amounts are expressed in thousands of euro)*

| | 31/12/2025 | 31/12/2024 | Change | |
|---|---|---|---|---|
| | | | Absolute | % |
| Foreign currency deposits with other banks | 60 | 79 | (19) | (24.05) |
| Foreign currency denominated securities not held to maturity | 4,499 | 3,699 | 800 | 21.63 |
| Foreign currency denominated securities held to maturity | 15,914 | 13,056 | 2,858 | 21.89 |
| Euro-denominated securities held to maturity | 28,533 | 30,166 | (1,633) | (5.41) |
| Securities held for monetary policy purposes before the entry into the Eurosystem | 9,312 | 14,971 | (5,659) | (37.80) |
| Lending to credit institutions from RC related to monetary policy operations | 14 | 4 | 10 | 250.00 |
| Lending to credit institutions from RC related to monetary policy operations before the entry into the Eurosystem | – | 4,342 | (4,342) | (100.00) |
| Foreign currency reverse repo agreements | 385 | 359 | 26 | 7.24 |
| Reverse repo agreements in euro | 460 | 204 | 256 | 125.49 |
| Foreign exchange swaps (FX SWAP) | 3,301 | 3,967 | (666) | (16.79) |
| Remuneration for intra-Eurosystem claims | 87,664 | 41,915 | (54,251) | (38.23) |
| Prepaid expenditure | 2,414 | 4,180 | (1,766) | (42.25) |
| Other | 649 | 3 | 646 | 21,533.33 |
| **Total** | **153,205** | **216,945** | **(63,740)** | **(29.38)** |

Sub-item A 11.5 shows accrued interest on various bases, with the largest part of this item referring to accrued

remuneration for intra-Eurosystem claims, that is, EUR 81,552 thousands based on the adjustment of euro banknotes within the Eurosystem (31 December 2024: EUR 102,627 thousands), EUR 6,112 thousands for foreign reserve assets transferred to the ECB (31 December 2024: EUR 11,210 thousands), and in 2024 EUR 28,078 thousands arising from TARGET.

### 11.6 Sundry

*(All amounts are expressed in thousands of euro)*

| | 31/12/2025 | 31/12/2024 | Change | |
|---|---|---|---|---|
| | | | Absolute | % |
| Numismatics | 1,341 | 1,301 | 40 | 3.07 |
| Receivables | 1,169 | 1,307 | (138) | (10.56) |
| Advances given | 35 | 231 | (196) | (84.85) |
| Other tangible assets | 2,480 | 1,495 | 985 | 65.89 |
| Other | 316 | 336 | (20) | (5.95) |
| **Total** | **5,341** | **4,670** | **671** | **14.37** |

## NOTE 3 – Liability items

### 1 Banknotes in circulation

The item banknotes in circulation consists of the Croatian National Bank's share of the total euro banknotes in circulation (see Note Banknotes in circulation in the notes on accounting policies).

*(All amounts are expressed in thousands of euro)*

| | 31/12/2025 | 31/12/2024 | Change | |
|---|---|---|---|---|
| | | | Absolute | % |
| Total value of euro banknotes put into circulation by the Croatian National Bank | (8,717,643) | (5,715,123) | (3,002,520) | (52.54) |
| Liability resulting from the ECB's share of euro banknotes in circulation | (1,002,839) | (983,526) | (19,313) | (1.96) |
| Claim according to the Croatian National Bank's weighting in the ECB capital key | 21,251,571 | 18,007,658 | 3,243,913 | 18.01 |
| **Total euro banknotes in circulation** | **11,531,089** | **11,309,009** | **222,080** | **1.96** |

During 2025, the total value of banknotes in circulation within the Eurosystem increased by 1.96%. According to the allocation key, the Croatian National Bank had euro banknotes in circulation worth EUR 11,531,089 thousands at the end of the year, compared with EUR 11,309,009 thousands at the end of

2024. The value of the euro banknotes actually issued by the Croatian National Bank in 2025 decreased. As this was less than the allocated amount, the difference of EUR 20,248,732 thousands (compared to EUR 17,024,132 thousands as at 31 December 2024) is shown under asset item 9.4 "Net claims related to the allocation of euro banknotes within the Eurosystem".

## 2 Liabilities to euro area credit institutions related to monetary policy operations denominated in euro

*(All amounts are expressed in thousands of euro)*

| | 31/12/2025 | 31/12/2024 | Change Absolute | % |
|---|---|---|---|---|
| Current accounts (covering the minimum reserve system) | 1,020,491 | 953,326 | 67,165 | 7.05 |
| Deposit facility | 11,879,738 | 15,112,325 | (3,232,587) | (21.39) |
| **Total** | **12,900,229** | **16,065,651** | **(3,165,422)** | **(19.70)** |

### 2.1 Current accounts (covering the minimum reserve system)

Current accounts contain the credit balances on the transaction accounts of credit institutions that are required to hold minimum reserves, excluding funds of credit institutions that are not freely disposable and accounts of credit institutions exempt from minimum reserve requirements, which are disclosed separately under Liability item 3 "Other liabilities to euro area credit institutions denominated in euro".

Banks' minimum reserve balances were remunerated at the latest available (marginal) interest rate used by the Eurosystem in its tenders for main refinancing operations until 20 December 2022, and at the Eurosystem's deposit facility (overnight deposit) rate between 21 December 2022 and 19 September 2023. Following a Governing Council decision on 27 July 2023 these balances are remunerated at zero percent, starting from 20 September 2023.

### 2.2 Deposit facility

The deposit facility refers to overnight deposits placed by Croatian banks that access the Eurosystem's liquidity absorbing standing facility at the pre-specified rate.

### 2.3 Fixed-term deposits

Fixed-term deposits are fine-tuning liquidity absorbing operations that take the form of deposits.

### 2.4 Fine-tuning reverse operations

Fine-tuning reverse operations are used to offset high liquidity imbalances.

### 2.5 Deposits related to margin calls

This item refers to deposits made by counterparties in those instances where the market value of the collateral pledged falls short of an established trigger point.

## 3 Other liabilities to euro area credit institutions denominated in euro

*(All amounts are expressed in thousands of euro)*

| | 31/12/2025 | 31/12/2024 | Change | |
|---|---|---|---|---|
| | | | Absolute | % |
| Repo deposits of banks | 567,383 | 3,706,629 | (3,139,246) | (84.69) |
| Court-mandated deposits | 4,560 | 5,622 | (1,062) | (18.89) |
| Deposits related to margin calls (foreign exchange swaps) | 3,519 | – | 3,519 | – |
| Deposits related to margin calls (for repo agreements) | – | 3,989 | (3,989) | (100.00) |
| **Total** | **575,462** | **3,716,240** | **(3,140,778)** | **(84.51)** |

The item Other liabilities to euro area credit institutions denominated in euro includes funds of credit institutions that are not freely disposable. Court-mandated deposits are assets foreclosed pursuant to the Act on the Execution of Enforcement over Monetary Assets.

## 5 Liabilities to other euro area residents denominated in euro

*(All amounts are expressed in thousands of euro)*

| | 31/12/2025 | 31/12/2024 | Change | |
|---|---|---|---|---|
| | | | Absolute | % |
| General government | 2,744,742 | 3,179,363 | (434,621) | (13.67) |
| Deposits of mandatory pension funds | 620,000 | 171,000 | 449,000 | 262.57 |
| Other liabilities | 874,351 | 313,011 | 561,340 | 179.34 |
| **Total** | **4,239,093** | **3,663,374** | **575,719** | **15.72** |

The item General government includes funds in government accounts.

The Act on Amendments to the Mandatory Pension Funds Act (Official Gazette 156/2023) has broadened the universe of permitted investments of mandatory pension funds (MPFs) to include deposits with the Croatian National Bank and the European Central Bank. The conditions for putting MPF funds in fixed-term deposits are governed by the Decision on interest rates on cash balances with the Croatian National Bank not related to monetary policy operations. MPF deposits with the CNB are placed as fixed-term deposits by mandatory pension fund management companies.

Other liabilities includes deposits of financial institutions not subject to minimum reserve requirements and the balance on the TIPS AS technical account of FINA. For the purpose of clearing and settlement of SEPA instant credit transfers among EuroNCSInst participants, the CNB has opened and manages a TIPS AS technical account of the Financial Agency (FINA). FINA uses the TIPS AS technical account to collect the necessary liquidity set aside by EuroNCSInst participants to cover the clearing and settlement of SEPA instant credit transfers in EuroNCSInst.

**6 Liabilities to non-euro area residents denominated in euro**

*(All amounts are expressed in thousands of euro)*

| | 31/12/2025 | 31/12/2024 | Change | |
|---|---|---|---|---|
| | | | Absolute | % |
| Due to European Commission | 125,681 | 129,532 | (3,851) | (2.97) |
| Other liabilities | 68,438 | 71,378 | (2,940) | (4.12) |
| **Total** | **194,119** | **200,910** | **(6,791)** | **(3.38)** |

Liabilities to the European Commission include euro transaction accounts: Own Resources Account and the European Development Fund Account.

In accordance with ECB Guideline (EU) 2021/564 of 17 March 2021 (replaced by Guideline (EU) 2024/1211) on the Eurosystem's provision of reserve management services in euro to central banks and countries located outside the euro area and to international organisations, the Croatian National Bank has concluded an arrangement with a central bank outside the Eurosystem on the Eurosystem's provision of reserve management services (ERMS). Funds received and a fixed-term deposit from a central bank outside the Eurosystem in the amount of EUR 68,428 thousands (31 December 2024: EUR 71,368 thousands) are reported under Other liabilities.

## 7 Liabilities to euro area residents denominated in foreign currency

*(All amounts are expressed in thousands of euro)*

| | 31/12/2025 | 31/12/2024 | Change | |
|---|---|---|---|---|
| | | | Absolute | % |
| Liabilities to financial sector counterparties | 185,636 | 198,090 | (12,454) | (6.29) |
| General government | 987 | 4,102 | (3,115) | (75.94) |
| **Total** | **186,623** | **202,192** | **(15,569)** | **(7.70)** |

Liabilities to financial sector counterparties refer to repo deposits of euro area financial institutions denominated in foreign currency.

## 9 Counterpart of special drawing rights allocated by the IMF

*(All amounts are expressed in thousands of euro)*

| | 31/12/2025 | 31/12/2024 | Change | |
|---|---|---|---|---|
| | | | Absolute | % |
| Net cumulative allocations | 1,206,324 | 1,298,226 | (91,902) | (7.08) |
| **Total** | **1,206,324** | **1,298,226** | **(91,902)** | **(7.08)** |

This balance sheet line item is the euro equivalent of XDR 1,034,938 thousands (31 December 2024: XDR 1,034,938 thousands).

## 10 Intra-Eurosystem liabilities

*(All amounts are expressed in thousands of euro)*

| | 31/12/2025 | 31/12/2024 | Change | |
|---|---|---|---|---|
| | | | Absolute | % |
| Liabilities related to TARGET | 4,588,242 | – | 4,588,242 | – |
| Other liabilities within the Eurosystem (net) | 78,634 | 190,161 | (111,527) | (58.65) |
| **Total** | **4,666,876** | **190,161** | **4,476,715** | **2,354.17** |

### 10.2 Liabilities related to TARGET

This item consists of the TARGET balance of the Croatian National Bank vis-à-vis the ECB (see "Intra-ESCB balances/intra-Eurosystem balances" in the notes on accounting policies).

Since 1 January 2025 the remuneration of these claims/liabilities (with the exception of balances arising from back-to-back swap transactions in connection with US dollar liquidity-providing operations) is calculated on a daily basis at the latest available interest rate applied to the deposit facility (DFR) offered by the Eurosystem.

Until that date, such remuneration was calculated at the latest available (marginal) interest rate used by the Eurosystem in its tenders for main refinancing operations.

### 10.4 Other liabilities within the Eurosystem (net)

In other liabilities within the Eurosystem, and regarding the position vis-à-vis the ECB in respect of the annual pooling and allocation of monetary income within the Eurosystem national central banks, the Croatian National Bank had a debit balance of EUR 78,634 thousands at year-end (Note 5, under 3 Net result of pooling monetary income).

## 12 Other liabilities

*(All amounts are expressed in thousands of euro)*

| | 31/12/2025 | 31/12/2024 | Change | |
|---|---|---|---|---|
| | | | Absolute | % |
| Off-balance-sheet instruments revaluation differences | 6,288 | 2 | 6,286 | 314,300.00 |
| Accruals and income collected in advance | 16,857 | 16,527 | 330 | 2.00 |
| Sundry | 446,392 | 571,838 | (125,446) | (21.94) |
| **Total** | **469,537** | **588,367** | **(118,830)** | **(20.20)** |

### 12.1 Off-balance-sheet instruments revaluation differences

This line item shows the net results of the valuations of off-balance sheet instruments in foreign currencies from the trading date to the settlement date. The table below shows the revaluation differences of derivative instruments by instrument and currency that are recognised in the balance sheet.

*(All amounts are expressed in thousands of euro)*

| | 31/12/2025 | 31/12/2024 | Change | |
|---|---|---|---|---|
| | | | Absolute | % |
| Foreign exchange swaps (FX SWAP) in USD | 6,288 | – | 6,288 | – |
| Foreign exchange swaps (FX SWAP) in JPY | – | 2 | (2) | (100.00) |
| **Total** | **6,288** | **2** | **6,286** | **314,300.00** |

### 12.2 Accruals and income collected in advance

*(All amounts are expressed in thousands of euro)*

| | 31/12/2025 | 31/12/2024 | Change | |
|---|---|---|---|---|
| | | | Absolute | % |
| Deposits of RC | 3,546 | 9,419 | (5,873) | (62.35) |
| Repo agreements | 651 | 5,514 | (4,863) | (88.19) |
| Deposits of other customers | 457 | 512 | (55) | (10.74) |
| Remuneration of liabilities within the Eurosystem (TARGET) | 9,855 | – | 9,855 | – |
| Foreign exchange swaps (FX SWAP) | 525 | 705 | (180) | (25.53) |
| Other | 1,823 | 377 | 1,446 | 383.55 |
| **Total** | **16,857** | **16,527** | **330** | **2.00** |

The item Other comprises accrued remuneration on the TIPS AS technical account of FINA in the amount of EUR 1,500 thousands (31 December 2024: EUR 72 thousands).

### 12.3 Sundry

*(All amounts are expressed in thousands of euro)*

| | 31/12/2025 | 31/12/2024 | Change | |
|---|---|---|---|---|
| | | | Absolute | % |
| Euro coins | 209,029 | 170,728 | 38,301 | 22.43 |
| Kuna banknotes | 177,371 | 189,337 | (11,966) | (6.32) |
| Kuna coins | – | 155,234 | (155,234) | (100.00) |
| Amounts due to employees | 3,989 | 3,362 | 627 | 18.65 |
| Taxes and contributions | 2,634 | 1,983 | 651 | 32.83 |
| Trade payables | 6,423 | 8,394 | (1,971) | (23.48) |
| Bank cash accounts | 40,385 | 35,764 | 4,621 | 12.92 |
| Other | 6,561 | 7,036 | (475) | (6.75) |
| **Total** | **446,392** | **571,838** | **(125,446)** | **(21.94)** |

From the year after the cash changeover year, this position also shows kuna banknotes in circulation. Kuna banknotes are exchanged without a time limit, and kuna coins until the expiry of three years from the date of the introduction of the euro, i.e. until 31 December 2025. The remaining amount of unreturned kuna coins, reduced by the estimated amount to be returned after 31 December 2025, is recognised as income in the profit and loss account for 2025 (Note 5, under 6 Other income).

The bank's cash account is the bank's dedicated account opened with the Croatian National Bank for the purpose of supplying banks with cash through cash supply centres that is not a transaction account in the sense

of the regulation governing payment operations. The transfers of funds for the purpose of supplying banks with euro cash are made through the TARGET system.

The item Other comprises the present value of the lease liability in the amount of EUR 5,772 thousands (31 December 2024: EUR 6,480 thousands).

**13 Provisions**

*(All amounts are expressed in thousands of euro)*

| | 31/12/2025 | 31/12/2024 | Change Absolute | % |
|---|---|---|---|---|
| *Risk provisions* | | | | |
| Provisions for financial risks | 586,074 | 491,074 | 95,000 | 19.35 |
| *Other provisions* | | | | |
| Provisions for employee benefits | 5,471 | 4,936 | 535 | 10.84 |
| Provisions for kuna coins | 1,232 | – | 1,232 | – |
| *Total other provisions* | *6,703* | *4,936* | *1,767* | *35.80* |
| **Total** | **592,777** | **496,010** | **96,767** | **19.51** |

Pursuant to the decision of the Council of the Croatian National Bank, provisions for financial risks as at 31 December 2025 increased by the amount of EUR 95,000 thousands and now stand at EUR 586,074 thousands (31 December 2024: EUR 491,074 thousands).

The amount of provisions for financial risks and the further need for them is reviewed once a year on the basis of the Croatian National Bank's assessment of its own exposure to financial risks. The amount of provisions for financial risks of the Croatian National Bank is assessed taking into account risk assessment models, the expectations of changes in risk exposure due to new investments or the reduction of existing investments as well as expectations of interest rate trends, currency exchange rates and other market factors, and other expert assessments. The exposure of the Croatian National Bank to financial risks is described in more detail in Note 7 – Risk management.

In 2025 the Croatian National Bank established provisions for kuna coins in the amount equal to the amount of estimated liabilities for exchanging kuna coins for euro cash, taking into account unprocessed deliveries of kuna coins received at the Croatian National Bank until 31 December 2025 or submitted to a postal services provider within the legally prescribed time limit for the exchange of kuna coins, received at the Croatian National Bank after 1 January 2026.

## 14 Revaluation accounts

The table below shows revaluation account balances.

*(All amounts are expressed in thousands of euro)*

| | 31/12/2025 | 31/12/2024 | Change | |
|---|---|---|---|---|
| | | | Absolute | % |
| Securities | 5,119 | 1,102 | 4,017 | 364.52 |
| Foreign currency positions | 2 | 170,048 | (170,046) | (100.00) |
| Assets under management with international financial institutions | 9,072 | 1,017 | 8,055 | 792.04 |
| IMF | – | 15 | (15) | (100.00) |
| Gold | 884 | 363 | 521 | 143.53 |
| Silver | 1,238 | 196 | 1,042 | 531.63 |
| Significant interests | 8,697 | 5,503 | 3,194 | 58.04 |
| Revaluation reserves for fixed assets | 53,272 | 54,083 | (811) | (1.50) |
| Pre-entry revaluation accounts | 536,260 | 723,483 | (187,223) | (25.88) |
| **Total** | **614,544** | **955,810** | **(341,266)** | **(35.70)** |

The table below shows pre-entry revaluation account balances:

*(All amounts are expressed in thousands of euro)*

| | 31/12/2025 | 31/12/2024 | Change | |
|---|---|---|---|---|
| | | | Absolute | % |
| USD/HRK pre-entry revaluation account | – | 158,161 | (158,161) | (100.00) |
| Pre-entry revaluation account for the coverage of losses | 536,260 | 565,322 | (29,062) | (5.14) |
| **Total** | **536,260** | **723,483** | **(187,223)** | **(25.88)** |

A portion of unrealised gains from the USD/HRK pre-entry revaluation account is recognised in the profit and loss account at the time of sale of US dollars and a portion was used to cover year-end unrealised foreign exchange losses arising from USD revaluation. Unrealised gains from the pre-entry revaluation account for the coverage of losses were used for the coverage of unrealised foreign exchange losses and for the coverage of losses from the change in the prices of securities not held to maturity (see Note 5, under 2 Net result of financial operations and write-downs).

## 15 Capital and reserves

*(All amounts are expressed in thousands of euro)*

| | 31/12/2025 | 31/12/2024 | Change | |
|---|---|---|---|---|
| | | | Absolute | % |
| Initial capital | 331,807 | 331,807 | – | – |
| General reserves | 155,813 | 152,892 | 2,921 | 1.91 |
| **Total** | **487,620** | **484,699** | **2,921** | **0.60** |

The initial capital in the amount of EUR 331,807 thousands may not be transferred or pledged. General reserves are established to cover general business risks of the Croatian National Bank. The lower bound of general reserves was determined by the Decision on the determination of the lower bound of the general reserves of the Croatian National Bank, adopted by the Council of the Croatian National Bank, in the amount of EUR 66,361 thousands.

The increase in general reserves was due to the allocation of profit for 2024 in the amount of EUR 2,110 thousands and the transfer of revaluation reserves for fixed assets (buildings) to general reserves, that is, realisation of the revaluation reserve due to depreciation in the amount of EUR 811 thousands (31 December 2024: EUR 811 thousands).

**NOTE 4 – Off-balance sheet accounts**

**Foreign exchange swaps (FX SWAP)**

In 2025, the Croatian National Bank concluded foreign exchange swaps, and the amounts of claims and liabilities arising from these transactions as at 31 December 2025 and 31 December 2024 are shown in the tables below.

*(All amounts are expressed in thousands of euro)*

| **Foreign exchange swaps** | | | **31/12/2025** | |
|---|---|---|---|---|
| | **USD** | **JPY** | **EUR** | **Total** |
| Claims | 231,095 | – | 314,478 | **545,573** |
| Liabilities | – | (531,911) | – | **(531,911)** |
| **Total** | **231,095** | **(531,911)** | **314,478** | **13,662** |

*(All amounts are expressed in thousands of euro)*

| **Foreign exchange swaps** | | | **31/12/2024** | |
|---|---|---|---|---|
| | **USD** | **JPY** | **EUR** | **Total** |
| Claims | 789,581 | – | – | **789,581** |
| Liabilities | – | (129,941) | (650,000) | **(779,941)** |
| **Total** | **789,581** | **(129,941)** | **(650,000)** | **9,640** |

**Collateral**

Total market value of collateral obtained for monetary policy operations of the Eurosystem as at 31 December 2025 amounted to EUR 49,599 thousands (31 December 2024: EUR 47,037 thousands).

Total market value of collateral obtained by foreign currency reverse repo agreements (sovereign bonds and bonds of state institutions rated AAA to AA–) as at 31 December 2025 amounts to EUR 610,693 thousands (31 December 2024: EUR 196,539 thousands).

Total market value of collateral given in foreign currency repo agreements as at 31 December 2025 amounts to EUR 755,069 thousands (31 December 2024: EUR 4,176,066 thousands).

**Contingent assets**

In the previous civil proceedings terminated by a final judgement, in which the claimant was the Croatian National Bank, the Supreme Court of the Republic of Croatia issued a decision annulling the final judgement and the case was referred back to the first instance court for retrial. In the renewed proceedings the first instance court dismissed the claim of the Croatian National Bank, and the second instance court dismissed the appeal of the Croatian National Bank rendering the decision of the first instance court the final judgement. However, since as part of the same proceedings, the Croatian National Bank submitted to the Supreme Court of the Republic of Croatia an application for leave to review the judgment as an extraordinary legal remedy in civil proceedings, contingent assets remain recorded in off-balance sheet records in the amount of EUR 22,667 thousands (31 December 2024: EUR 22,667 thousands) and will remain so until the Supreme Court of the Republic of Croatia renders a decision in connection to the said application.

**Contingent liabilities and commitments**

**Legal actions:** As at 31 December 2025, the Croatian National Bank had no provisions for court cases (see Note 3, under 13 Provisions).
**Capital commitments:** As at 31 December 2025, the capital commitments of the Croatian National Bank amounted to EUR 1,482 thousands (31 December 2024: EUR 2,734 thousands).

## NOTE 5 – Notes to the Profit and Loss Account

### 1 Net interest income/(expense)

*(All amounts are expressed in thousands of euro)*

| | 2025 | 2024 | Change Absolute | Change % |
|---|---|---|---|---|
| **Foreign currency interest income:** | | | | |
| Foreign currency deposits | 1,299 | 2,709 | (1,410) | (52.05) |
| Foreign currency reverse repo agreements | 6,824 | 11,378 | (4,554) | (40.02) |
| Foreign currency denominated securities not held to maturity | 26,341 | 28,938 | (2,597) | (8.97) |
| Foreign currency denominated securities held to maturity | 57,630 | 26,778 | 30,852 | 115.21 |
| Foreign exchange swaps | 14,126 | 52,527 | (38,401) | (73.11) |
| Balances with the IMF | 38,268 | 14,084 | 24,184 | 171.71 |
| Other | 1 | – | 1 | – |
| **Total** | **144,489** | **136,414** | **8,075** | **5.92** |
| **Domestic currency interest income:** | | | | |
| Monetary policy operations | 148 | 54 | 94 | 174.07 |
| Intra-Eurosystem claims for: | | | | |
| TARGET | 9,210 | 510,556 | (501,346) | (98.20) |
| Allocation of euro banknotes within the Eurosystem | 323,686 | 404,240 | (80,554) | (19.93) |
| Transfer of foreign reserve assets to the ECB | 6,112 | 11,210 | (5,098) | (45.48) |
| Held-to-maturity securities | 127,049 | 140,691 | (13,642) | (9.70) |
| Reverse repo agreements | 4,474 | 1,249 | 3,225 | 258.21 |
| Foreign exchange swap (FX SWAP) | 929 | – | 929 | – |
| Securities held for monetary policy purposes before the entry into the Eurosystem | 51,844 | 58,076 | (6,232) | (10.73) |
| Monetary policy operations before the entry into the Eurosystem | 301 | 931 | (630) | (67.67) |
| CNB's clearing account in EuroNCSInst | 1,332 | – | 1,332 | – |
| Other | 43 | 142 | (99) | (69.72) |
| **Total** | **525,128** | **1,127,149** | **(602,021)** | **(53.41)** |
| **Total interest income** | **669,617** | **1,263,563** | **(593,946)** | **(47.01)** |
| **Foreign currency interest expense:** | | | | |
| Foreign currency repo agreements | (6,674) | (11,150) | (4,476) | (40.14) |
| Amortised premium on securities not held to maturity | (146) | (123) | 23 | 18.70 |
| Amortised premium on held-to-maturity securities | (1,404) | (1,527) | (123) | (8.06) |
| Foreign exchange swaps (FX SWAP) | (972) | (43) | 929 | 2,160.47 |
| Net cumulative allocations with the IMF | (38,047) | (14,083) | 23,964 | 170.16 |
| **Total** | **(47,243)** | **(26,926)** | **20,317** | **75.45** |
| **Domestic currency interest expense:** | | | | |
| Ministry of Finance deposits | (44,381) | (115,748) | (71,367) | (61.66) |
| Other government deposits | (9,922) | (28,409) | (18,487) | (65.07) |
| Repo agreements | (27,326) | (394,487) | (367,161) | (93.07) |
| Deposits of mandatory pension funds | (8,994) | (9,512) | (518) | (5.45) |
| Other deposits | (1,885) | (2,988) | (1,103) | (36.91) |
| Overnight deposits of banks | (290,056) | (532,226) | (242,170) | (45.50) |
| Amortised premium on held-to-maturity securities | (18,909) | (29,004) | (10,095) | (34.81) |

| | 2025 | 2024 | Change Absolute | Change % |
|---|---|---|---|---|
| Liabilities within the Eurosystem (TARGET) | (63,655) | – | 63,655 | – |
| Foreign exchange swaps (FX SWAP) | (3,294) | (34,647) | (31,353) | (90.49) |
| Amortisation premium on securities held for monetary policy purposes before the entry into the Eurosystem | (36,874) | (41,321) | (4,447) | (10.76) |
| TIPS AS technical account of FINA | (3,975) | (883) | 3,092 | 350.17 |
| Leases | (167) | (178) | (11) | (6.18) |
| Other | (622) | (854) | (232) | (27.17) |
| **Total** | **(510,060)** | **(1,190,257)** | **(680,197)** | **(57.15)** |
| **Total interest expense** | **(557,303)** | **(1,217,183)** | **(659,880)** | **(54.21)** |
| **Total net interest income/(expense)** | **112,314** | **46,380** | **65,934** | **142.16** |

## 2 Net result of financial operations and write-downs

*(All amounts are expressed in thousands of euro)*

| | 2025 | 2024 | Change Absolute | Change % |
|---|---|---|---|---|
| **Realised gains/(losses) arising from financial operations:** | | | | |
| Foreign exchange differences | (7,145) | 66 | (7,211) | (10,925.76) |
| Securities | 1,213 | (92) | 1,305 | 1,418.48 |
| Assets under management with international financial institutions | – | 9,348 | (9,348) | (100.00) |
| Losses from sales of held-to-maturity securities | (454) | (4,134) | 3,680 | 89.02 |
| ***Other gains:*** | | | | |
| Income from the release of the USD/HRK pre-entry revaluation account | 24,597 | – | 24,597 | – |
| **Total** | **18,211** | **5,188** | **13,023** | **251.02** |
| **Write-downs on financial assets and positions:** | | | | |
| *Foreign exchange:* | | | | |
| Foreign exchange differences | (162,588) | (1) | (162,587) | (16,258,700.00) |
| Income from the release of the USD/HRK pre-entry revaluation account and the pre-entry revaluation account for the coverage of losses | 162,588 | 1 | 162,587 | 16,258,700.00 |
| ***Total foreign exchange differences:*** | – | – | – | – |
| *Change in prices:* | | | | |
| Securities | (38) | (1,710) | 1,672 | 97.78 |
| Income from the release of the pre-entry revaluation account for the coverage of losses | 38 | 1,710 | (1,672) | (97.78) |
| ***Total change in prices:*** | – | – | – | – |
| **Total** | – | – | – | – |
| **Total net result of financial operations and write-downs** | **18,211** | **5,188** | **13,023** | **251.02** |

The item Realised gains/(losses) arising from financial operations also includes realised losses arising from the sale of securities in the held-to-maturity portfolio, due to adjustments related to a limited framework.

Foreign exchange losses for 2025 were covered completely from the USD/HRK pre-entry revaluation account (EUR 133,564 thousands) and the pre-entry revaluation account for the coverage of losses (EUR 29,024 thousands), and losses from changes in the prices of securities (EUR 38 thousands) were covered completely from the pre-entry revaluation account for the coverage of losses.

**3 Net result of pooling monetary income**

*(All amounts are expressed in thousands of euro)*

| | 2025 | 2024 | Change Absolute | % |
|---|---|---|---|---|
| Net monetary income pooled by the Croatian National Bank | (269,693) | (538,609) | 268,916 | 49.93 |
| Net monetary income allocated to the Croatian National Bank | 191,059 | 348,576 | (157,517) | (45.19) |
| *Monetary income reallocation for the year* | *(78,634)* | *(190,033)* | *111,399* | *58.62* |
| Corrections to monetary income reallocation of the previous year | – | (128) | 128 | 100.00 |
| Share of provisions against risks | – | 345 | (345) | (100.00) |
| **Total** | **(78,634)** | **(189,816)** | **111,182** | **58.57** |

This item contains the net result of pooling of monetary income for 2025, amounting to an expense of EUR 78,634 thousands in comparison with an expense of EUR 189,816 thousands in the previous year.

The amount of each Eurosystem NCB's monetary income is determined by measuring the annual income that derives from the earmarkable assets held against its liability base. The liability base consists mainly of the following items: banknotes in circulation; liabilities to euro area credit institutions related to monetary policy operations denominated in euro; net intra-Eurosystem liabilities resulting from TARGET transactions; net intra-Eurosystem liabilities related to the allocation of euro banknotes within the Eurosystem, accrued interest recorded at quarter-end by each NCB on monetary policy liabilities the maturity of which is one year or longer; liabilities vis-à-vis the ECB backing the claim in relation to swap agreements that earn net income for the Eurosystem; deposit liabilities to defaulted Eurosystem counterparties which have been reclassified from liability item 2.1 Current accounts (covering the minimum reserve system). Any interest paid on liabilities

included within the liability base is to be deducted from the monetary income to be pooled.

The earmarkable assets consist mainly of the following items: lending to euro area credit institutions related to monetary policy operations denominated in euro; debt securities held for monetary policy purposes; intra-Eurosystem claims equivalent to the transfer of foreign reserve assets to the ECB; net intra-Eurosystem claims resulting from TARGET transactions; net intra-Eurosystem claims related to the allocation of euro banknotes within the Eurosystem; claims on euro area counterparties related to swap agreements between the ECB and non-Eurosystem central banks that earn net income for the Eurosystem; accrued interest recorded at quarter-end by each NCB on monetary policy assets the maturity of which is one year or longer; a limited amount of each NCB's gold holdings in proportion to each NCB's capital key share.

The amount of each Eurosystem NCB's monetary income shall be determined by measuring the actual income that derives from the earmarkable assets recorded in its books. As an exception to this, gold is considered to generate no income and the following are considered to generate income at the latest available interest rate applied to the deposit facility offered by the Eurosystem: (i) securities held for monetary policy purposes under Decision ECB/2009/16 of 2 July 2009 on the implementation of the covered bonds purchase programme, (ii) securities held for monetary policy purposes under Decision ECB/2011/17 of 3 November 2011 on the implementation of the second covered bond purchase programme and (iii) debt instruments issued by central, regional and local governments and recognised agencies and substitute debt instruments issued by public non-financial corporations under Decision ECB/2020/9 of 3 February 2020 on the implementation of a secondary markets public sector asset purchase programme or Decision ECB/2020/17 of 24 March 2020 on a temporary pandemic emergency purchase programme. Where the value of an NCB's earmarkable assets exceeds or falls short of the value of its liability base, the difference shall be offset by applying the latest available interest rate applied to the deposit facility offered by the Eurosystem to the value of the difference.

The monetary income pooled by the Eurosystem is allocated among NCBs according to the subscribed ECB capital key. The pooling and reallocation of monetary income to NCBs leads to certain net reallocation effects. One reason is that the yields earned on certain earmarkable assets and the interest expense paid on certain liability base items may differ to a varying degree among the Eurosystem NCBs. In addition, usually each Eurosystem NCB's share of earmarkable assets and in the liability base deviates from its share in the subscribed capital of the ECB. The difference between the monetary income pooled by the Croatian National Bank

amounting to EUR 269,693 thousands and reallocated to the Croatian National Bank amounting to EUR 191,059 thousands is the net result arising from the calculation of monetary income.

The breakdown of the net result of monetary income pooling into its various components is shown in the following table:

*(All amounts are expressed in thousands of euro)*

| | **Net MI pooled CNB** | **Net MI Total NCBs** | **MI redistribution according to the Eurosystem key** | **Net result of the pooling MI 2025** | **Net result of the pooling MI 2024** |
|---|---|---|---|---|---|
| | a | | b | b-a | |
| Lending to euro area credit institutions | 148 | 586,498 | 4,540 | 4,392 | 51,879 |
| Securities held for monetary policy purposes subject to risk sharing | – | 8,081,103 | 62,549 | 62,549 | 63,486 |
| Securities held for monetary policy purposes not subject to risk sharing | – | 63,405,916 | 490,774 | 490,774 | 1,008,396 |
| Intra-Eurosystem claims equivalent to the transfer of foreign reserves to the ECB | 6,112 | 789,634 | 6,112 | – | – |
| Net claims (liabilities) related to the allocation of euro banknotes | 323,686 | (2,900,096) | (22,447) | (346,133) | (444,735) |
| Net claims (liabilities) related to TARGET transactions | (54,445) | 7,687,574 | 59,503 | 113,948 | (389,746) |
| GAP (difference between earmarkable assets and liability base)* | 284,248 | 9,092,969 | 70,381 | (213,867) | (76,162) |
| Liabilities to euro area credit institutions | (290,056) | (62,059,636) | (480,353) | (190,297) | (403,151) |
| **TOTAL** | **269,693** | **24,683,962** | **191,059** | **(78,634)** | **(190,033)** |

* For presentational purposes residual income related to claims arising from liquidity providing arrangements to non-Eurosystem central banks and amounting to EUR 2,349 thousands is included in this line item.

## 4 Net income/(expense) from fees and commissions

*(All amounts are expressed in thousands of euro)*

| | 2025 | 2024 | Change Absolute | % |
|---|---|---|---|---|
| **Fees and commissions income** | | | | |
| Fees for the supervision of credit institutions | 19,908 | 17,076 | 2,832 | 16.58 |
| Cash supply services for banks | 1,683 | 1,917 | (234) | (12.21) |
| Other | 68 | 161 | (93) | (57.76) |
| **Total** | **21,659** | **19,154** | **2,505** | **13.08** |
| **Fees and commissions expense** | | | | |
| Securities deposit and custody costs | (1,276) | (233) | 1,043 | 447.64 |
| Obligatory contribution to EBA budget | (759) | (739) | 20 | 2.71 |
| Cash supply services for banks | (5,369) | (5,622) | (253) | (4.50) |
| Other | (527) | (524) | 3 | 0.57 |
| **Total** | **(7,931)** | **(7,118)** | **813** | **11.42** |
| **Net income/(expense) from fees and commissions** | **13,728** | **12,036** | **1,692** | **14.06** |

The Croatian National Bank charges a fee for the supervision of credit institutions pursuant to the Credit Institutions Act. Entities subject to supervision fees are credit institutions with registered offices in the Republic of Croatia and branches of credit institutions with registered offices outside the Republic of Croatia. The level, base, calculation method and payment method for the supervision fee is determined by the Decision on supervision fees for credit institutions, issued by the Governor of the Croatian National Bank.

For the services provided under the Decision on supplying banks with euro cash, banks are charged a fee in accordance with the Fees Tariff for supplying banks with euro cash, which is issued by the Governor of the Croatian National Bank. The supplying of banks with euro cash for the Croatian National Bank is carried out by FINA gotovinski servisi d.o.o., for which the Croatian National Bank pays an agreed fee.

Regulation (EU) No 1093/2010 establishing a European Banking Authority (EBA) defines that competent authorities form part of the European System of Financial Supervision (ESFS), which also comprises the European Banking Authority (EBA). In accordance with the above Regulation, the Croatian National Bank, as the authority competent for the supervision of credit institutions, forms part of the European System of Financial Supervision (ESFS) and a representative of the Croatian National Bank participates as a member in the Board of Supervisors (BoS), the EBA's managing authority. Every year, the Board of Supervisors, in the manner prescribed by Article 63 of the said Regulation, adopts the EBA's budget. The revenues of the EBA

funding the budget consist, among other things, of obligatory contributions from the national competent authorities, which are made in accordance with a formula based on the weighting of votes.

## 5 Income from equity instruments and participating interests

*(All amounts are expressed in thousands of euro)*

| | 2025 | 2024 | Change Absolute | Change % |
|---|---|---|---|---|
| BIS dividend income | 1,083 | 1,107 | (24) | (2.17) |
| Income from participating interests in the ECB | – | 10,881 | (10,881) | (100.00) |
| **Total** | **1,083** | **11,988** | **(10,905)** | **(90.97)** |

## 6 Other income

*(All amounts are expressed in thousands of euro)*

| | 2025 | 2024 | Change Absolute | Change % |
|---|---|---|---|---|
| Sale of numismatics and investment gold | 93 | 175 | (82) | (46.86) |
| Other income | 154,983 | 234,595 | (79,612) | (33.94) |
| **Total** | **155,076** | **234,770** | **(79,694)** | **(33.95)** |

The item Other income shows income of EUR 152,781 thousands recognised in the profit and loss account pursuant to the Decision of the Council of the Croatian National Bank on the recognition of income from kuna coins not being returned to the Croatian National Bank after the expiry of the time limit (31 December 2025) for exchanging kuna coins for euro cash.

## 7 Total operating expenses/Staff costs

### Total operating expenses

*(All amounts are expressed in thousands of euro)*

| | 2025 | 2024 | Change Absolute | Change % |
|---|---|---|---|---|
| Staff costs | (50,226) | (42,363) | 7,863 | 18.56 |
| Administrative expenses | (30,819) | (28,623) | 2,196 | 7.67 |
| Depreciation of tangible and intangible fixed assets | (12,826) | (11,239) | 1,587 | 14.12 |
| Costs of production of banknotes and coins | (18,862) | (27,640) | (8,778) | (31.76) |
| Other costs | (492) | (134) | 358 | 267.16 |
| **Total** | **(113,225)** | **(109,999)** | **3,226** | **2.93** |

Administrative expenses include the costs of maintenance of office buildings and other fixed assets, overheads,

network programmes maintenance costs, office supplies costs, small inventory costs, professional development costs, provisions for court cases and other current costs. Depreciation costs for the right-of-use assets amounted to EUR 2,946 thousands in 2025 (2024: EUR 2,314 thousands) and are reported under Depreciation and amortisation costs.

**Staff costs**

*(All amounts are expressed in thousands of euro)*

| | 2025 | 2024 | Change Absolute | % |
|---|---|---|---|---|
| Net salaries | (22,644) | (20,159) | 2,485 | 12.33 |
| Contributions from and contributions on salaries | (11,993) | (10,635) | 1,358 | 12.77 |
| Taxes and surtaxes | (4,411) | (3,997) | 414 | 10.36 |
| Other employee related expenses | (10,642) | (7,056) | 3,586 | 50.82 |
| Provisions for employee benefits | (536) | (516) | 20 | 3.88 |
| **Total** | **(50,226)** | **(42,363)** | **7,863** | **18.56** |

The average number of employees during 2025 was 785 (2024: 767).

**13 Profit/(loss) for the year**

The Croatian National Bank realised a profit for 2025 in the amount of EUR 13,553 thousands. The allocation of profit will be performed in the next financial year in compliance with the decision of the Council of the Croatian National Bank on the financial statements and the allocation of profit of the Croatian National Bank for 2025.

The Croatian National Bank realised a profit for 2024 in the amount of EUR 10,547 thousands, which was, in accordance with the decision of the Council of the Croatian National Bank on the financial statements and the allocation of profit of the Croatian National Bank for 2024, allocated to general reserves in the amount of EUR 2,110 thousands and to the State Budget in the amount of EUR 8,437 thousands.

**NOTE 6 – Post-balance sheet events**

Bulgaria's accession to the euro area

Pursuant to Council Decision (EU) 2025/1407 of 8 July 2025, taken in accordance with Article 140(2) of the

Treaty on the Functioning of the European Union, Bulgaria adopted the single currency on 1 January 2026. In accordance with Article 48.1 of the Statute of the ESCB and of the ECB and the legal acts adopted by the Governing Council on 31 December 2025, the Bulgarian National Bank paid up the remainder of its capital subscription to the ECB. In accordance with Article 48.1, in conjunction with Article 30.1 of the Statute of the ESCB and of the ECB, the Bulgarian National Bank transferred foreign reserve assets to the ECB in an amount corresponding to its subscribed capital share. As a result of the change in the capital key following the Bulgarian National Bank's entry in to the Eurosystem, the Croatian National Bank's share in the ECB's paid up capital (Eurosystem key) declined from 0.7740% to 0.7649%. The Croatian National Bank's share in the ECB's subscribed capital is 0.6329%.

After 31 December 2025 there were no other significant events that would have an impact on the financial statements of the Croatian National Bank.

**NOTE 7 – Risk management**

The Croatian National Bank manages non-monetary financial assets (own funds in euro and investments in foreign currency), where the level of risk is also significantly influenced by monetary policy implementation which is reflected in the monetary part of the balance sheet of the Croatian National Bank.

The Croatian National Bank manages non-monetary financial assets based on the principles of liquidity and safety, which means that it maintains high liquidity of financial assets and appropriate risk exposures and seeks to achieve favourable return on its investments within the defined limits.

Risks inherent to managing non-monetary financial assets consist primarily of financial risks such as credit risk, liquidity risk and market risk. However, considerable attention is given also to operating risk.

Operating risk is the risk of loss due to inappropriate or inefficient internal processes, employees or systems or due to events external to the Bank. Operating risk is managed by strict segregation of duties and responsibilities, formalised methodologies and procedures and by conducting regular internal and external audits.

The revaluation accounts and provisions for financial risks are risk buffers, with the revaluation accounts used as the first level of protection against the risk of a fall in prices and exchange rates, while provisions for financial

risks and the pre-entry revaluation account for the coverage of losses can be used to cover the negative impacts on the profit and loss account arising from all financial risks.

## 7.1 – 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 financial assets into high-quality instruments with minimum risk, such as government bonds, government guaranteed bonds, bank bonds with government guarantees 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. Uncollateralised deposits are invested only with central banks and international financial institutions. Financial assets investments are limited per types of issuer and per types of financial institutions, which diversifies credit risk.

Its assessment of financial institutions' creditworthiness is based on the ratings of major internationally recognised rating agencies (Moody's, Standard & Poor's, and Fitch).

The Croatian National Bank invests financial assets 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 and instruments with international financial institutions rated Aaa to Baa3.

## 7.2 – LIQUIDITY RISK

Liquidity risk is the risk of inability to settle all the liabilities and obligations in foreign currency 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 financial assets into demand deposits, 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 Croatian National Bank invests total financial assets into deposits with maturities of up to three months and into securities. At 31 December 2025, approximately 45% of financial assets were liquid and at 31 December 2024 approximately 42% of financial assets were liquid.

### 7.3 – MARKET RISK

Market risk is the risk of fluctuations in the fair value or future cash flows of a financial instrument due to changes in market prices. Market risk includes foreign exchange risk, interest rate risk and other price risks.

Foreign exchange risk (risk of changes in value of one currency against another) is the risk of fluctuations in the fair value or future cash flows of a financial instrument due to changes in foreign exchange rates.

Interest rate risk is the risk of fluctuations in the fair value or future cash flows of a financial instrument due to changes in market interest rates.

Other price risks include the risk of fluctuations in the fair value or future cash flows of financial instruments due to changes in market prices that do not arise from interest rate or foreign exchange risk.

#### 7.3.1 – Foreign exchange risk

The Croatian National Bank holds a portion of its assets in foreign currencies, which exposes it to foreign exchange risk in terms of fluctuations in the exchange rates of the euro against the US dollar. These cross-currency changes affect the balances of revaluation accounts in the balance sheet and the profit and loss account result.

The Croatian National Bank takes on exposure to foreign exchange risk only in respect of financial assets it manages in accordance with its own guidelines (excluding the Ministry of Finance funds, XDR holdings with the IMF, investments in repo agreements, and investments under the ERMS). In addition, the CNB takes on

exposure to risk in respect of the funds provided under the Financial Transactions Plan (FTP) of the International Monetary Fund.

The portion of financial assets formed out of the Ministry of Finance funds, repo deals, funds in special drawing rights (XDR) and funds received under the ERMS is managed passively by the central bank, based on the currency structure of foreign currency obligations; hence, there is no exposure to foreign exchange risk on this basis.
Currency VaR for a period of one year with a confidence level of 95% is EUR 278 million.

**7.3.2 – Interest rate risk**

Interest rate risk is the risk of a decline in the value of the Croatian National Bank's portfolio of financial assets due to possible changes in interest rates on the fixed-yield instrument markets.

Financial assets, which are managed in accordance with the CNB's own guidelines, are invested in trading and investment portfolios. An investment portfolio of securities may be formed as a not held to maturity portfolio and as a held to maturity portfolio. Both of such portfolios serve as long-term sources of stable income and are of long average maturity.

The Croatian National Bank has, through the profit and loss account, an open exposure to interest rate risk with the trading portfolios and liquid investment portfolios, while with the held-to-maturity investment portfolios it almost has no exposure to interest rate risk.

The part of the financial assets that consists of the Ministry of Finance funds, funds based on repo agreements with banks, the membership in the IMF and other property owned by other legal entities, is operated by the Croatian National Bank in accordance with commitments, in order to protect it against interest rate risk.

**7.3.3 – Other price risks**

The Croatian National Bank is exposed to other price risks on funds entrusted to the management of international financial institutions and precious metals since price risks affect the change in value of these financial instruments.