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Zagreb, October 2012

General information on Croatia

Economic indicators

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Area (square km)	56,538	56,538	56,538	56,538	56,538	56,538	56,538	56,538	56,538	56,538	56,538
Population (million)	4.440	4.440	4.440	4.439	4.442	4.440	4.436	4.434	4.429	4.418	4.402
GDP (million HRK, current prices) ^a	192,289	208,796	228,932	247,428	266,652	291,044	318,308	343,412	328,672	326,980*	333,956*
GDP (million EUR, current prices)	25,738	28,189	30,265	33,009	36,034	39,745	43,390	47,543	44,781	44,876*	44,922*
GDP per capita (in EUR)	5,797	6,349	6,816	7,436	8,112	8,951	9,781	10,722	10,111	10,158*	10,205*
GDP – real year-on-year rate of growth (in %)	3.7	4.9	5.4	4.1	4.3	4.9	5.1	2.1	-6.9	-1.4*	0.0
Average year-on-year inflation rate ^b	3.8	1.7	1.8	2.1	3.3	3.2	2.9	6.1	2.4	1.1	2.3
Current account balance (million EUR)	-785	-2,032	-1,821	-1,361	-1,899	-2,653	-3,151	-4,258	-2,293	-482.1	-431.1*
Current account balance (as % of GDP)	-3.0	-7.2	-6.0	-4.1	-5.3	-6.6	-7.2	-8.8	-5.2	-1.0	-1.0
Exports of goods and services (as % of GDP)	42.0	39.5	43.4	43.1	42.4	42.7	42.1	41.7	36.4	38.6	40.9
Imports of goods and services (as % of GDP)	46.8	48.8	50.0	48.9	48.3	49.2	49.3	49.7	39.8	38.6	40.9
External debt (million EUR, end of year) ^c	13,609	15,144	19,884	22,933	25,990	29,725	33,721	40,590	45,244	46,483	45,734
External debt (as % of GDP)	52.9	53.7	65.7	69.5	72.1	74.8	77.7	85.4	101.0	101.2	99.6
External debt (as % of exports of goods and services)	126.0	136.1	151.4	161.1	170.2	175.3	184.6	204.6	277.3	262.4	243.3
External debt service (as % of exports of goods and services) ^{c,d}	27.5	27.5	21.3	22.5	25.0	37.3	35.1	29.6	47.2	41.9	36.9
Gross international reserves (million EUR, end of year)	5,334	5,651	6,554	6,436	7,438	8,725	9,307	9,121	10,376	10,660	11,195
Gross international reserves (in terms of months of imports of goods and services, end of year)	5.3	4.9	5.2	4.8	5.1	5.4	5.2	4.6	7.0	7.2	7.2
National currency: Croatian kuna (HRK)											
Exchange rate on 31 December (HRK : 1 EUR)	7.3700	7.4423	7.6469	7.6712	7.3756	7.3451	7.3251	7.3244	7.3062	7.3852	7.5304
Exchange rate on 31 December (HRK : 1 USD)	8.3560	7.1457	6.1185	5.6369	6.2336	5.5784	4.9855	5.1555	5.0893	5.5683	5.8199
Average exchange rate (HRK : 1 EUR)	7.4710	7.4070	7.5642	7.4957	7.4000	7.3228	7.3360	7.2232	7.3396	7.2862	7.4342
Average exchange rate (HRK : 1 USD)	8.3392	7.8725	6.7044	6.0312	5.9500	5.8392	5.3660	4.9344	5.2804	5.5000	5.3435
Consolidated general government overall fiscal balance (as % of GDP) ^e	-5.9	-4.3	-5.4	-4.2	-3.5	-3.4	-3.0	-2.1	-4.6	-5.3	-5.3
Public debt (as % of GDP) ^f	35.2	34.8	35.4	37.6	38.2	35.4	32.9	29.3	35.8	41.3	45.7
Unemployment rate (ILO, persons above 15 years of age)	15.8	14.8	14.3	13.8	12.7	11.2	9.6	8.4	9.1	11.8	13.5
Employment rate (ILO, persons above 15 years of age)	41.8	43.3	43.1	43.5	43.3	43.6	44.2	44.5	43.3	41.1	39.5

^a GDP data for 2010 and 2011 are preliminary.

^b CPI inflation rate.

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

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

^e The overall fiscal balance (GFS 2001) in the 1999–2001 period is shown on a cash basis and from 2002 on a modified accrual basis. CM, CR, CPF and DAB are included from 2001, but CM has been excluded since 2008. Repayments of debt to pensioners are included in the calculation of the balance (for more details on the methodology of the balance calculation, see Box 4 in CNB Bulletin No. 165).

^f Public debt is the debt of the general government. From 2008 on, it excludes the debt of CM.

Sources: CBS, MoF and CNB.

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Information on economic trends

1 Summary

GDP stabilised in the second quarter 2012 due to the strong performance of the tourism industry and an increase in government consumption. Exports of goods, household consumption and investments continued to fall.

The most positive trend in the second quarter trend was an increase in exports of services. Unfavourable labour market developments continued.

Inflation has been decreasing after being pushed up by increases in the VAT rate and household energy prices.

The current account deficit turned out to have contracted slightly more in the second quarter than had been expected in June. Financing conditions for domestic sectors improved in the late second and early third quarters from the beginning of 2012. Foreign capital inflows continued to decline, reflecting current economic trends and international financial market conditions.

The CNB intervened in the foreign exchange market, alleviating appreciation pressures on the kuna/euro exchange rate. The liquidity in the system shrank temporarily from the first half of the year, with the result that money market interest rates climbed.

Despite a drop in economic activity, budgetary revenues increased significantly in the first half of the year. However, the targets of the Fiscal Responsibility Act will not be met unless additional austerity measures are implemented.

With the tourist season off to a good start and government consumption up slightly, seasonally adjusted GDP stabilised in the second quarter of 2012, after having sharply contracted in the first quarter. Exports of goods, household consumption and investments continued to decrease.

Consumer and producer confidence indices deteriorated in industry while holding steady at very low negative levels in construction.

This year's economic downturn could be somewhat sharper than estimated by the CNB in June with slightly worse than expected developments in the environment and a delayed start of public sector investments.

Total exports made a positive contribution to GDP in the second quarter due to an increase in tourism industry activity. Exports of goods dropped in the same period as a result of a slump in ship exports.

Following a temporary decrease in unemployment and an increase in employment in the second quarter, predominantly in the public sector, unfavourable labour market developments resumed in July and August. The administrative unemployment rate was a high 18.7% in the first eight months.

Monthly inflation rates, seasonally adjusted, have come down in the last three months, after the significant shock of increases in the VAT rate and household energy prices in the March to May period. As a result of this price shock, and due to low inflation in the same period a year ago, the annual inflation rate went up from 2.6% in April to 4.0% in August. The annual core inflation rate came down in the same period on account of weak personal consumption, adverse labour market conditions and reduced unit labour costs.

The current account deficit almost halved from the second quarter 2011, chiefly due to an unexpected decline in the factor income account deficit and service revenue growth. The trade in goods deficit widened slightly as a result of a fall in exports to crisis-hit neighbouring trading partners.

Indicators of external funding costs improved significantly, with the result that interest rates on T-bills and short-time loans decreased. Total corporate financing declined and household deleveraging continued at a moderate pace on the back of still high long-term interest rates and weak loan demand.

Foreign equity investments, mainly including small projects in the tourism industry, trade and food and beverage manufacture, were only EUR 0.1bn in the second quarter.

Central government generated the bulk of debt capital inflows in the same period, with the rest accounted for by private enterprises, whereas other sectors mostly deleveraged. As a result, and because of additional seasonal deleveraging of banks, external debt fell to EUR 46.0bn in July. However, relative external debt indicators deteriorated due to nominal GDP dropping in the same period.

The kuna/euro exchange rate was relatively stable. Appreciation pressures in August and September stemmed from seasonal foreign exchange inflows, a drop in kuna liquidity and expectations of foreign borrowing by private and government enterprises. The central bank intervened in the foreign exchange market in September, purchasing foreign exchange from banks.

The average kuna liquidity surplus in bank settlement accounts decreased from HRK 4.9bn in the second quarter to HRK 1.7bn in the third quarter. The decrease in liquidity, resulting from a seasonal rise in demand for currency over the summer months and an increase in the average balance of central government deposits with the CNB, led to an increase in money market interest rates.

Despite continuing negative economic trends, consolidated central government revenues increased by 3.6% in the first seven months due to changes in tax legislation and improved tax and contribution collection.

Although budgeted to decrease significantly, consolidated central government expenditures grew slightly in the first seven months of 2012.

Such trends lead to the conclusion that without additional austerity measures in the remaining part of the year it will be impossible to implement the provisions of the Fiscal Responsibility Act.

As a result of the relatively strong growth of revenues and slight increase in total expenditures and outlays, the overall fiscal deficit decreased by HRK 1.7bn annually, standing at HRK 8.6bn in the first seven months.

However, public debt grew much faster than in the first seven months in 2011 on account of the shipyards' loan liabilities being assumed as public debt. Hence, central government debt reached HRK 174.7bn (52.4% of GDP) at end-July 2012.

The expected GDP growth for 2012 could be slightly lower than estimated by the CNB

in June (a decrease of 1.6%) and the recovery projected for 2013 slower (the 2013 growth rate projected in June was 1.3%). This is a consequence of continued negative developments in household consumption and investments, as also suggested by the indicators of consumer confidence and producer expectations. The recent forecasts for the major trading partners are also slightly downgraded.

Under conditions of low real activity, the current account deficit could remain relatively low and expected foreign capital inflows should be sufficient to finance it. The kuna/euro exchange rate is expected to remain relatively stable.

Inflation pressures will intensify in the second half of the year with increases in food raw material prices producing a delayed spillover effect on the domestic market.

On the other hand, the budget deficit for 2012 could be lower than projected by the CNB in June due to improved revenue collection. However, additional expenditure cuts should be made in order for the goals set forth in the Fiscal Responsibility Act to be met in 2012 and 2013.

2 Global developments

The global recovery, weak and uneven as it already was, slowed down significantly in the second quarter of 2012. As suggested by monthly indicators, the world economy stabilised at mid-year, while a strengthening of economic activity could be expected no sooner than in the last quarter. The reasons for this include the absence of any recovery in the eurozone and the slowdown in world trade, which led to a slowdown in emerging market and developing countries, especially China and India. In contrast, economic developments in some countries, such as Germany and Japan, were better than expected at the beginning of the year.

With the debt crisis in the peripheral eurozone countries weighing heavily on the eurozone economy, the expected economic recovery has failed to materialise. Real GDP stagnated in the first three months of 2012, before decreasing by 0.2% in the second quarter from the first quarter. A slight increase in net exports and government consumption proved insufficient to offset the negative impact of changes in inventories and other domestic demand components. The available short-term economic indicators suggest that economic activity could remain weak in the second half of the year and that quarterly GDP could decrease further.

The economies of the US and Japan grew in the first half of the year, with a slowdown in real activity, especially marked in Japan, recorded in the second quarter. The economic growth in the US continued from 2011 to the first half 2012. Economic activity slowed down slightly in the second quarter from the previous three months, primarily due to a downturn in the growth of personal consumption and investment spending, whereas budgetary spending continued to fall because of legal restrictions. Having stagnated in the last quarter of 2011, the Japanese economy gained considerable momentum in the first quarter of 2012 on the back of strong personal consumption growth, partly stemming from a new eco-car subsidy programme and a step-up in public sector investments. Economic activity slowed down in the second quarter because personal consumption stagnated once these subsidies were used up, and also due to subdued foreign demand.

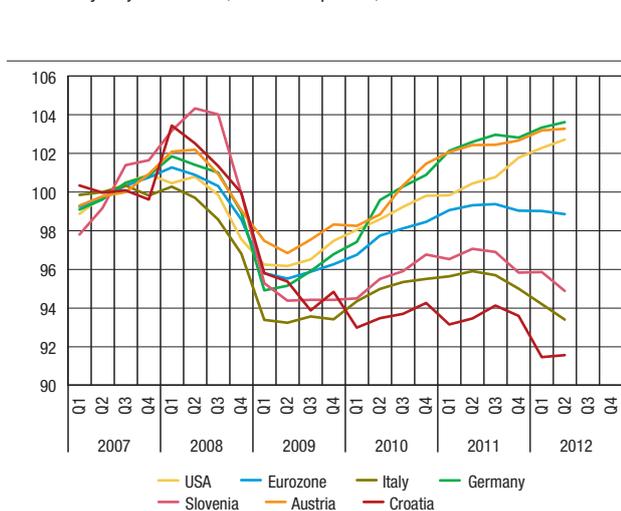
China's economy slowed down for the sixth consecutive quarter and India's growth rate dropped. In the first half of 2012, China's annual growth slowed to one of its lowest rates since the outbreak of the global financial crisis. Part of the slowdown was due to a deceleration in foreign demand in the eurozone and US and part resulted from the country's measures to curb inflation and a surge in real estate prices. Pursuing an expansionary monetary policy, the Chinese government reduced key interest rates and the reserve requirement rate twice in the first six months. India was also hit by the global slowdown in the first six months of 2012, with a decrease in annual growth rates coupled with a relatively high inflation rate and depreciation of the domestic currency. The deceleration in growth was due to weak foreign demand and a slowdown in personal consumption and investments.

Croatia's main trading partners

The marked decline in the economies of most of Croatia's main trading partners in the second quarter of 2012 adversely affected the country's real economic developments. Croatia's exports to Italy and Slovenia slumped because these countries are experiencing severe economic downturns. Developments were positive, although slowed down, only in segments of trade relations with Austria (goods exports) and Germany (an increase in tourist arrivals).

Italy's economic downturn in the first quarter of 2012 was mainly driven by declines in personal and investment consumption arising from unemployment growth and wage cuts. The

Figure 1 Gross domestic product of selected economies
seasonally adjusted data, constant prices, 2007 = 100



Note: Data for the eurozone refer to EA17.

Source: Eurostat.

debt crisis and surging interest rates are still considered the main reasons preventing the growth of consumer and producer confidence and a recovery in real economic activity. Structural reforms and fiscal consolidation are expected to produce stabilising effects no sooner than in 2013.

Slovenia's GDP fell again in the second quarter as a result of negative labour market developments and investment contraction. Weak labour market conditions, coupled with decreases in employment and nominal wages, led to a sharp drop in personal consumption. Investment consumption contracted sharply in the same period after a credit rating downgrade had pushed interest rates higher. The only positive contribution came from exports of goods and services, which rose from the first quarter, although insufficiently to offset the fall in other demand components.

Positive developments in the German economy resulted from good export performance and strong domestic demand. Despite a slight deceleration in the second quarter, the growth dynamics was in line with the potential growth of the German economy. Exports to non-eurozone countries remained strong, as in the first quarter, whereas exports to eurozone countries stagnated. In addition, wage increases brought about by favourable labour market trends positively impacted household disposable income and improved household confidence, with the result that personal consumption increased. In contrast, investment spending, primarily investments in production facilities and acquisition of capital equipment, slowed down sharply for the third consecutive quarter due to uncertainties prevailing in European markets.

With the stable economic growth continuing in early 2012, Austria's unemployment rate remained the lowest in the eurozone. The favourable developments resulted from a recovery in government consumption and investment growth, with a positive impact also coming from net foreign demand due to relatively strong export performance. However, economic growth started to decelerate in the second quarter of 2012 as foreign demand made a negative contribution because imports were rising at a slightly increased rate. In addition, personal consumption growth halted, despite an increase in disposable income and record high employment. Although it edged up from 2011, Austria's unemployment rate remained the lowest in the eurozone.

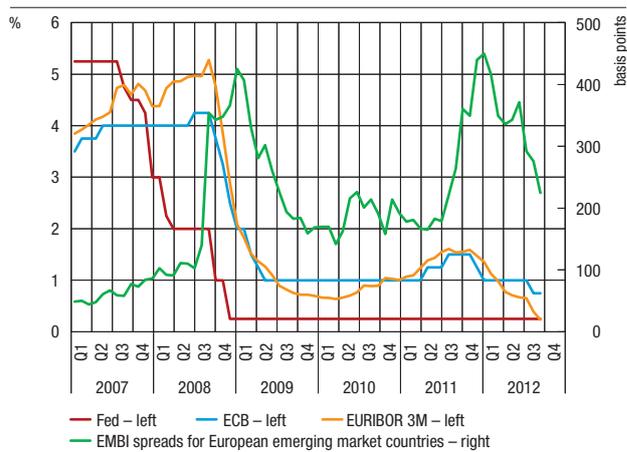
Serbia's real economy fell at a decelerated annual rate in the second quarter of 2012. The adverse trends were mitigated because a downward trend in industrial production stabilised gradually, having accelerated sharply in the first three months of 2012, whereas household consumption contracted further. The inflation rate remained among the highest in the neighbouring countries, primarily as a result of a food price increase in the second quarter and also due to the depreciation of the domestic currency.

According to trends in production and foreign trade, there was a contraction in economic activity in Bosnia and Herzegovina in the first two quarters of 2012. The contraction eased somewhat in the second quarter on account of improved export performance. Personal consumption fell sharply, pushing down imports of goods, which held steady in the first quarter.

Benchmark interest rate trends

In response to high uncertainty in financial markets, the ECB reduced its key interest rate in early July and announced the use of non-standard monetary policy instruments in early August. Having injected ample liquidity into the eurozone banking system through its long-term lending facility at the turn of 2011/2012, the ECB cut its interest rates by 0.25 percentage points in early July. The key lending interest rate thus fell to a very low 0.75% and the interest rate on overnight deposits with

Figure 2 Benchmark interest rates and the average yield spread on bonds of European emerging market countries end of period



Note: Data up to 20 September 2012.

Source: Bloomberg.

the ECB dropped to 0%. The new non-standard measures involve unlimited secondary market purchases of government bonds of the member states that, having a limited access to capital markets, use funding from official sources provided through the macroeconomic adjustment programme. As a consequence of these measures, eurozone market interest rates headed lower, dropping very low in late September.

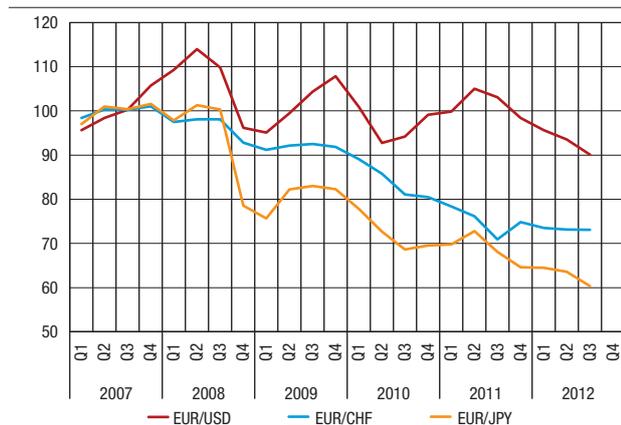
Yields on European emerging market countries' eurobonds fell as financial market uncertainty eased. Having increased temporarily in May due to rising uncertainty in financial markets, these yields started to fall already in June on the back of expectations of a cut in the ECB's benchmark interest rate. The fall continued during the third quarter as a result of the ECB announcement of the purchase of member states' government bonds in the secondary market. Already showing the positive effect of these developments, yields and CDS spreads on Croatian bonds tightened further early in September, when Fitch Ratings revised Croatia's outlook from negative to stable.

Exchange rates and price developments

The US dollar/euro exchange rate strengthened in 2012 over its previous year's average, whereas the Swiss franc/euro exchange rate held steady. Exposed to depreciation pressures, the US dollar ranged from USD/EUR 1.27 to USD/EUR 1.34 in the first two months of 2012. The exchange rate was relatively stable in the following two months, before starting to appreciate in early May, reflecting mounting investor concerns over the eurozone debt crisis. Having reached USD/EUR 1.21 at end-July, the US dollar started to depreciate again due to an increase in optimism related to financial aid to crisis-stricken eurozone members and expectations that the Fed could begin a new cycle of monetary easing. The end-September exchange rate of the US dollar versus the euro stood at USD/EUR 1.29. The Swiss franc/euro exchange rate was stable in the first eight months of 2012, hovering around the administratively set floor of CHF/EUR 1.20.

World crude oil prices rose in the third quarter due to political tensions and a decline in supply. Although ranging around USD 114 per barrel in early September, the price of Brent crude was still 10% below that at mid-March. Crude oil prices increased during the summer months amid renewed tensions with Iran and a drop in supply by OPEC member countries, especially to Iran and Angola. In addition, output in non-OPEC members

Figure 3 Exchange rates of individual currencies
2007 = 100



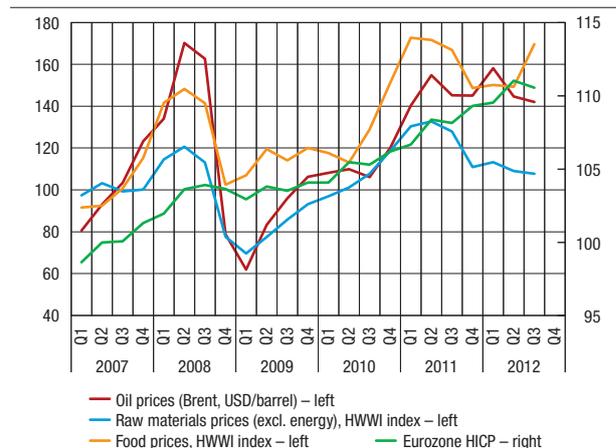
Note: Data up to 31 August 2012. A growth in the index denotes an appreciation of the euro.

Source: Eurostat.

declined on account of drought, adverse weather conditions and the planned maintenance of oil production plants.

The drought pushed up food raw material prices, while industrial raw material prices decreased further in the third quarter. The HWWI index of raw material prices (excluding energy, in USD) reached the May level in August, although still standing below the August 2011 level of 17.2%. The highest increase

Figure 4 Prices
2007 = 100



Note: Data for the third quarter of 2012 refer to July and August only.

Sources: Eurostat, Bloomberg and HWWI.

in non-energy raw material prices was witnessed in food prices, especially the prices of cereals and oil and oil seeds, which were driven up by the drought in the US. These developments will lead to a rise in domestic food product prices with a time lag.¹ In contrast, industrial raw material prices (textiles, metal, iron ores) continued to decline.

3 Aggregate demand and supply

GDP held steady at the low first-quarter level in the second quarter. Foreign demand for tourist services was strong, government consumption increased slightly, while other aggregate demand components continued to decline. Due to these reasons and because of negative trends in GDP in the January to March period, economic activity was considerably lower in the first half of 2012 than at the end of 2011. This year's economic downturn

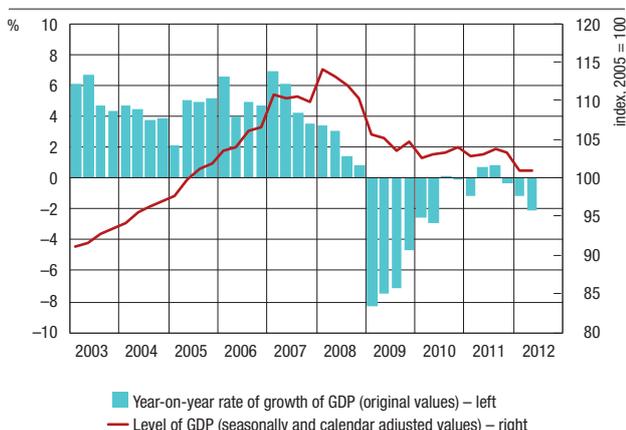
could be somewhat sharper than estimated by the CNB in June, seeing that the improved performance of exports of tourist services will not suffice to compensate for a drop in personal consumption and the fact that public sector investments were off to a late start.

Aggregate demand

Exports of goods and services recovered slightly in the second quarter, primarily due to strong performance of the tourism industry. Exports of goods declined, with exports of other transport equipment down the most. July and August saw a better performance as nominal exports of goods and the number of tourist nights increased.

Household consumption contracted further due to a decline in disposable income and continued deleveraging by households. Increases in the general VAT rate and household electricity and gas prices also produced a negative impact on consumption in this period. As shown by a consumer confidence survey, consumer optimism waned in the same period, thus probably influencing the propensity to consume from disposable income. Household demand for loans remained subdued due to uncertainty about future economic developments and the possible improvement of the labour market situation. The decrease in personal consumption in 2012 could be much sharper than estimated in June.

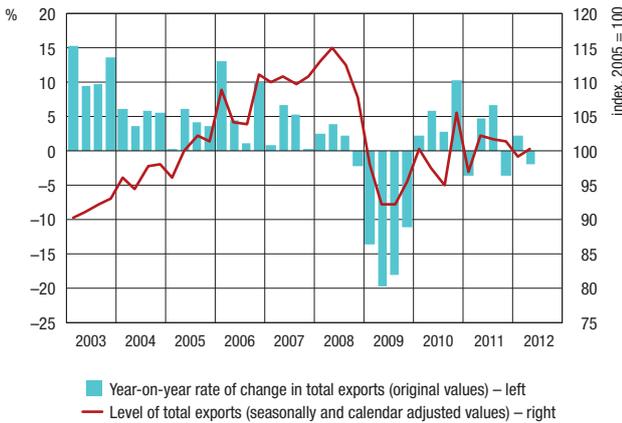
Figure 5 Gross domestic product
real values



Source: CBS data seasonally adjusted by the CNB.

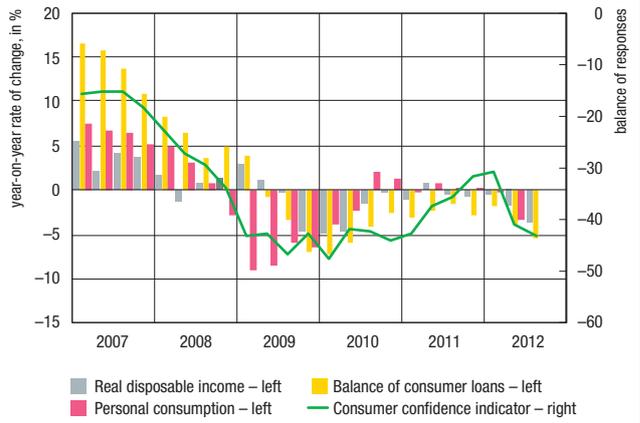
¹ For more information on the spillover effect of world prices of food raw materials and products on domestic food price developments see Box 2 in CNB Bulletin No. 171, 2011: Projection of the food consumer price index in Croatia.

Figure 6 Exports of goods and services
real values



Source: CBS data seasonally adjusted by the CNB.

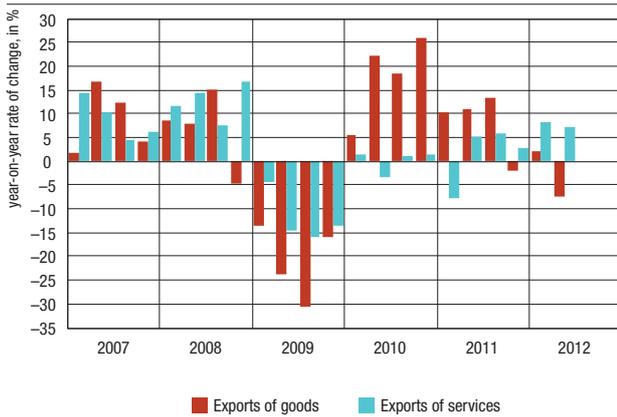
Figure 9 Determinants of personal consumption



Note: The values of the consumer confidence indicator in a month are calculated as three-member moving averages of monthly data.

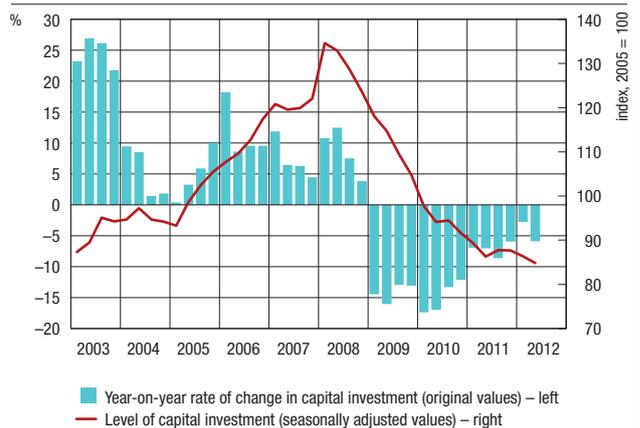
Sources: CBS, Ipsos Puls and CNB.

Figure 7 Exports of goods and services
in EUR, nominal values taken from the balance of payments



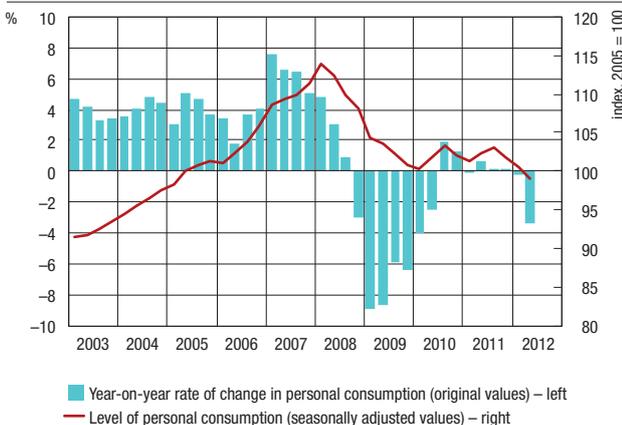
Source: CNB.

Figure 10 Gross fixed capital formation
real values



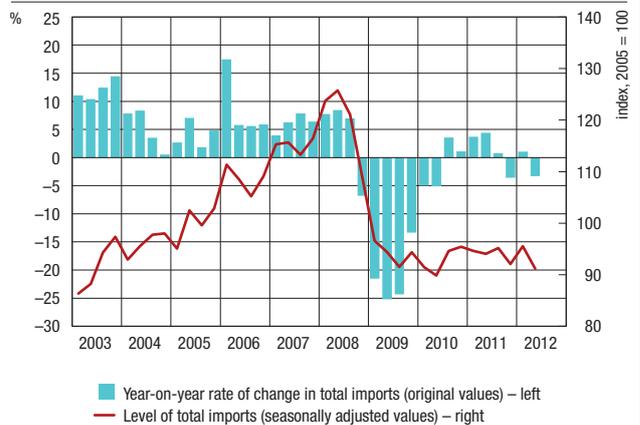
Source: CBS data seasonally adjusted by the CNB.

Figure 8 Personal consumption
real values



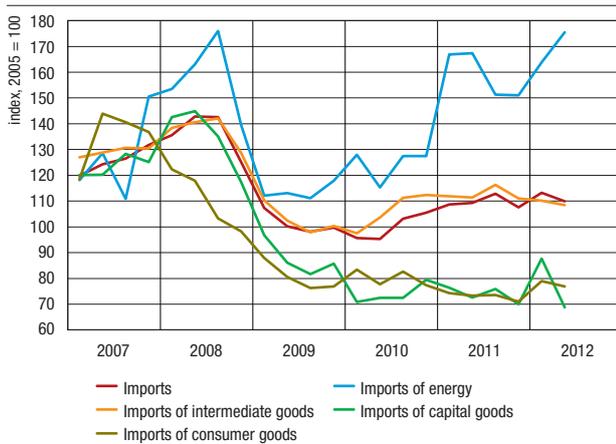
Source: CBS data seasonally adjusted by the CNB.

Figure 11 Imports of goods and services
real values



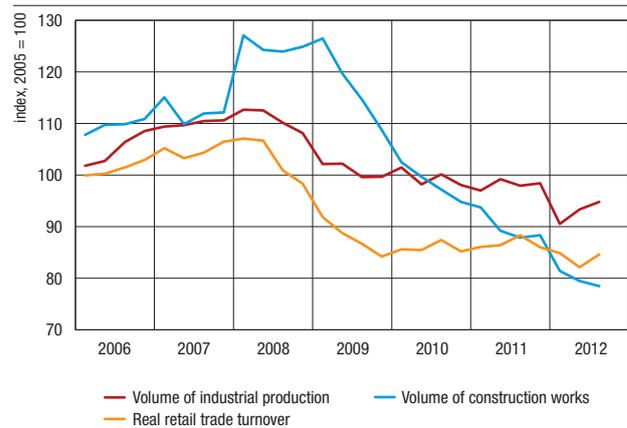
Source: CBS data seasonally adjusted by the CNB.

Figure 12 Nominal goods imports by category
seasonally adjusted



Source: CBS data seasonally adjusted by the CNB.

Figure 13 Short-term economic indicators
seasonally and calendar adjusted



Note: Quarterly data are calculated as a simple average of monthly data.

Source: CBS data seasonally adjusted by the CNB.

Capital investments continued to contract in the second quarter mainly on account of negative developments in the construction sector and low aggregate demand. Following its slightly more favourable performance in the second half of 2011, gross fixed capital formation contracted again during the first half of 2012. Although the budgetary ceiling on expenditures has a limiting effect on government investment activity, capital investments at the consolidated general government level increased slightly in the second quarter, as suggested by fiscal cash data. Public enterprise investments fell far behind the schedule announced early in the year. Private sector investments also continued to decline as the crisis in the construction sector persisted. Moreover, low aggregate demand and uncertain economic prospects discourage any substantial investment in production facilities, which is reflected in export dynamics and, to some extent, in capital goods production.

Government consumption increased from the beginning of the year, when it was restricted under regulations. This was mostly due to an increase in consumption of goods and services, probably as a result of the provisional budget financing that was in effect in the first quarter of 2012. In contrast, employment growth in civil and government services was negligible.

Most domestic demand components contracted, which led to a decrease in imports of goods and services. This was primarily due to a decline in imports of goods (capital and intermediate goods), while imports of services rose slightly.

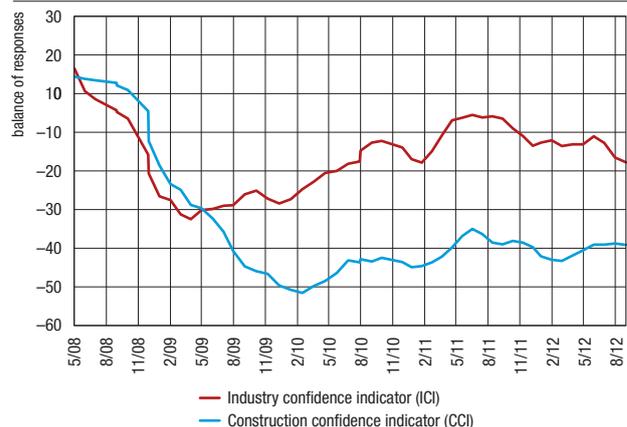
Aggregate supply

Stagnant trends in GVA for most activities resulted in a stagnation of current aggregate supply. A relatively favourable effect from foreign demand for services could be observed in a slight increase in quarterly GVA of trade, transport and storage, accommodation and food service activities, which occurred despite

4 Labour market

After a slight improvement in the second quarter, the employment figure resumed its negative trend as early as July and August. Its second quarter growth was due to favourable

Figure 14 Business confidence indicators



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

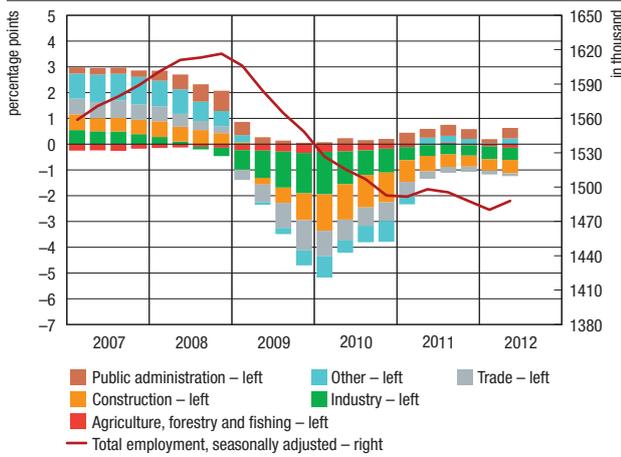
Sources: Ipsos Puls and CNB.

unfavourable retail trade trends in the second quarter. GVA of industry surged, but mainly because it had stood at a very low level in the first quarter. These trends were also suggested by business confidence surveys carried out in the second quarter.

The available data on economic developments in the second quarter of 2012 are insufficiently informative. Real retail trade turnover and industrial production volume went up in July and August from the previous quarter's average and the number of tourist nights increased annually. However, it is premature to talk about a recovery in the third quarter, considering the fall in business confidence and a high degree of global uncertainty.

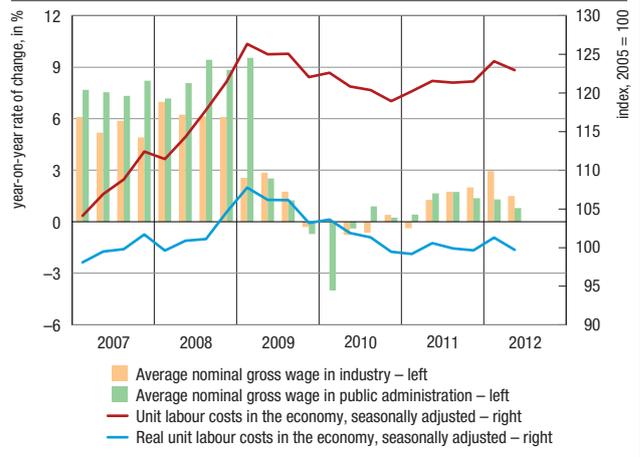
tourist pre-season results and continued hiring in the public sector. By contrast, employment steadily decreased in other activities, in line with negative economic trends. Employment is

Figure 15 Total employment and contribution to employment growth by sector



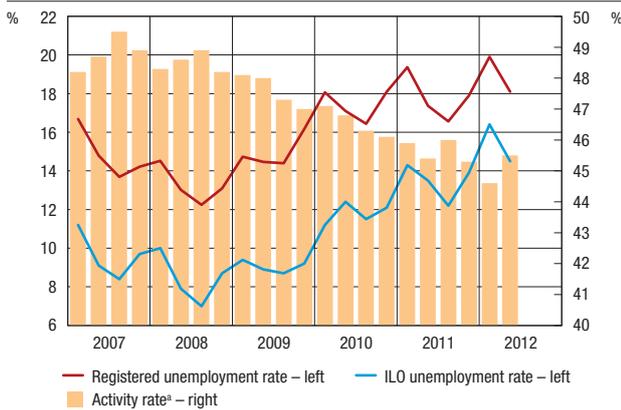
Source: CPIA data seasonally adjusted by the CNB.

Figure 17 Gross wages and unit labour costs



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

Figure 16 Unemployment and activity rates



^a The labour force as a percentage of working age population (15+).
 Note: The Labour Force Survey has been published quarterly since the beginning of 2007.
 Sources: CBS and CES.

expected to decrease in the second half of the year, but the annual fall should be less pronounced than projected in the CNB

5 Inflation

Monthly inflation rates (seasonally adjusted and annualised) have come down in the last three months, after the shock of increases in the VAT rate and household energy prices in the March-May period. Annual CPI inflation accelerated from 2.6% in April to 3.9% in May, boosted by administrative increases in electricity and natural gas prices. After having decelerated for two months, the overall annual rate of inflation went up to 4.0% in August, primarily due to a supply-side shock, involving a price increase in unprocessed food products (fruit and vegetables), caused by a drought-induced reduction in the harvest of some crops. In addition, refined petroleum products and telecommunication services considerably increased their contributions

forecast from June.

Unemployment dropped in the second quarter of 2012 but picked up again early in the third quarter (seasonally adjusted CES data). The seasonally adjusted average unemployment rate went down to 18.3% in the second quarter of 2012, but edged up to 18.9% in July and August. The Labour Force Survey results for the second quarter also point to a slight decline in the number of unemployed persons, with the seasonally adjusted unemployment rate at 14.1%. Unemployment trends have been in line with the June forecast; both the Labour Force Survey and registered unemployment rates are expected to remain high through to the end of 2012.

Nominal net and gross wages decreased marginally in July and August. The nominal decline in wages was seen in almost all public and private sector activities, with the sharpest decrease being recorded in financial sector and real estate activities. Real wages continued to fall in July and August relative to the previous quarter, albeit at a slightly slower pace.

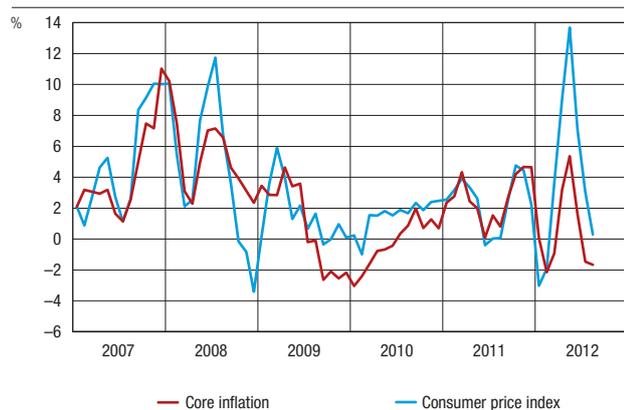
The nominal unit labour costs were cut in the second quarter as labour costs decreased more than productivity. As the price level increased in the same period, the real unit labour costs continued to fall, easing the cost pressures on inflation. The nominal unit labour costs in industry fell sharply in the second quarter.

to annual inflation in August, the former due to an increase in world crude oil prices and the latter on account of an unfavourable base effect, stemming from a fall in these services' prices in the same period in the previous year.

Inflationary pressures were mitigated by domestic factors, above all by weak personal consumption, unfavourable labour market conditions and a decrease in unit labour costs.² This can be observed in developments in the annual core inflation rate (which excludes agricultural products and administrative

² Recorded in the second quarter compared with the previous quarter and triggered by a reduction in health insurance contributions.

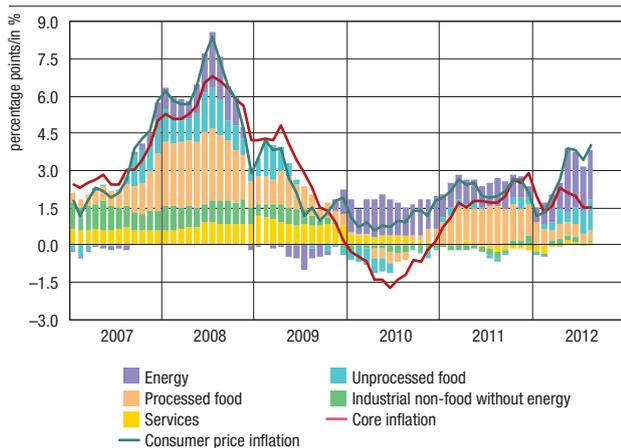
Figure 18 Consumer price index and core inflation
annualised month-on-month rate of change



Note: The month-on-month rate of change is calculated from the quarterly moving average of seasonally adjusted price indices.

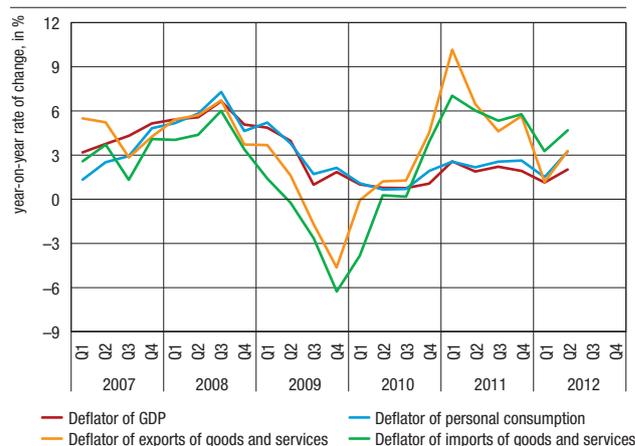
Sources: CBS and CNB calculations.

Figure 19 Year-on-year inflation rates and contribution of components to consumer price inflation



Sources: CBS and CNB calculations.

Figure 20 Deflator of GDP and its individual components



Source: CBS.

prices)³, for it dropped from 2.3% in April to 1.5% in July, holding steady at this level in August, primarily on account of a decrease in the annual rate of change in the prices of industrial products (clothing) and processed food products. The annualised monthly rate of change in core inflation assumed negative values in July and August, thus confirming that domestic inflationary pressures had subsided. In general, the overall inflation rate was in line with expectations in August, as a slightly higher annual increase in agricultural product prices was offset by a lower annual increase in core inflation indicators. Inflationary pressures will intensify in the second half of the year with increases in food raw material prices producing a delayed spillover effect on the domestic market.

The implicit deflator for imports of goods and services accelerated annually in the second quarter of 2012, suggesting a strengthening of imported inflationary pressures. A relatively slower annual growth in the deflator for goods and services exports led to somewhat more unfavourable annual foreign trade trends in the second quarter. The annual rates of change in the deflator for personal consumption and the GDP deflator rose in the same period.

6 Foreign trade and competitiveness

Current account balance improved in the second quarter as a result of a reduction in the income account deficit and a growth in service revenues. The recorded deficit of EUR 0.2bn nearly halved relative to the same period of the previous year, its contraction reflecting an unexpected decrease in factor income account deficit and a rise in tourism revenues. Goods trade deficit increased slightly due to a weakening of exports to the foreign trade partners that were hit by the crisis, especially Italy, Slovenia and Hungary.

As a consequence of weaker performance of several enterprises and banks in foreign ownership, deficit in the factor income account decreased in the second quarter. Direct investment expenditures were reduced annually by EUR 0.2bn, weaker business results of enterprises owned by non-residents mainly relating to the production of refined petroleum products and

chemical products and financial intermediation. The results in other activities largely surpassed last year's performance, implying that the fall in expenditures in the second quarter could be compensated for by the end of the year should similar movements continue. The central government contributed most to a growth in interest expenses, by borrowing abroad more heavily, whereas a growth in costs of foreign financing decreased or slowed down in other sectors. Apart from decelerated debt growth, slightly more favourable financing on foreign markets

³ A core inflation indicator facilitates an analysis of consumer price developments in that it enables a clearer distinction to be made between the contributions to the overall consumer price growth of the components whose trends are largely outside the control of monetary authorities (agricultural products, administrative prices, including energy product prices) from the contributions to the growth of prices considered to stem mainly from supply-side pressures.

also made a contribution to this. The service trade surplus continued to grow, primarily owing to a rise in tourism revenues of 9.1%, on account of a larger number of nights stayed by German tourists in particular. In addition, a positive balance in the current transfers account also increased due to a rise in private sector revenues.

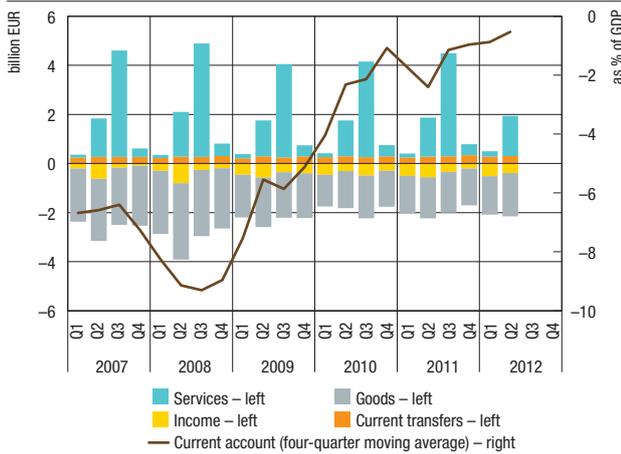
Weakening of foreign demand had a negative effect on domestic exports. In the second quarter of 2012, exports dropped by 1.8% at the quarterly level, according to seasonally adjusted data, continuing thus their downward trend, which started in mid-2011. This can also largely be accounted for by unexpectedly low exports of ships, while exports of the narrow aggregate (ships and oil excluded) recovered mildly, growing by 3.1%. However, it decreased again in July and August (-1.9% compared to the second quarter average). Nevertheless, as a result of an increase in exports of ships and refined petroleum products, total exports went up by 3.7% in July and August. As for individual divisions, favourable movements in the April-August period were noticeable in exports of some capital goods, cereals and cereal preparations and plastics in primary forms, while unfavourable movements were recorded in exports of ships, sugar

and medical and pharmaceutical products.

Weakening of domestic economic activity resulted in a fall of goods imports (-1.0% on a quarterly basis, according to seasonally adjusted data). In July and August, imports strengthened again (2.9% relative to the second quarter average), mainly on account of ships finished abroad and returned to domestic shipyards (thus imported) and higher imports of oil and refined petroleum products. Growth in imports of other goods was thus more moderate (imports excluding oil and ships rose by 1.3% on a quarterly basis). As for individual types of goods, imports of telecommunication and sound recording and reproduction apparatus, power generating machinery and equipment and fruit and vegetables strengthened most in the April-July period compared to the first quarter. In contrast, the intense growth in imports of electricity and gas at the beginning of the year slightly slowed down, whereas imports of road vehicles slumped again, following a stagnation in the first quarter.

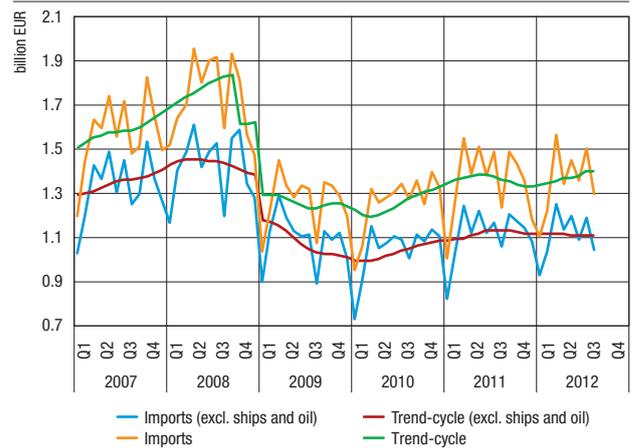
The indicators of Croatian export price competitiveness showed diverse trends in the third quarter. The real effective exchange rate of the kuna deflated by consumer prices depreciated mildly at the beginning of the third quarter as a result of

Figure 21 Current account balance and its structure



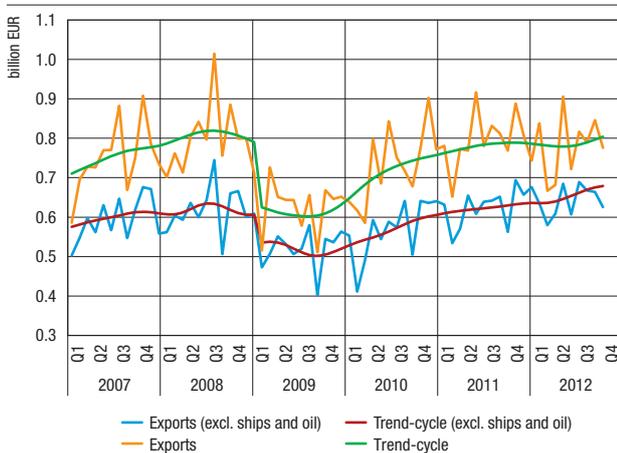
Source: CNB.

Figure 23 Goods imports (c.i.f.) and trend-cycle



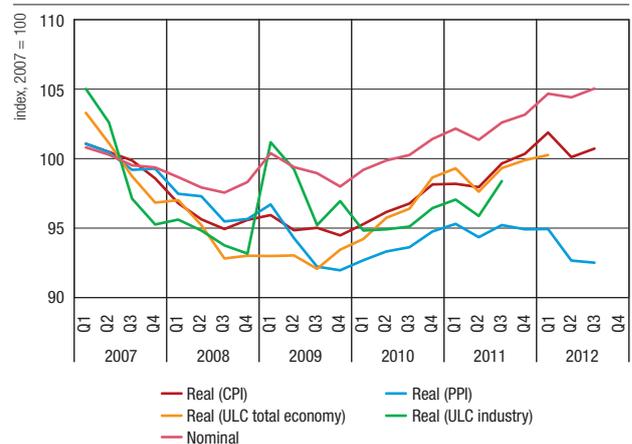
Note: Data for the third quarter of 2012 refer to July and August only.
Source: CBS data seasonally adjusted by the CNB.

Figure 22 Goods exports (f.o.b.) and trend-cycle



Source: CBS data seasonally adjusted by the CNB.

Figure 24 Nominal and real effective exchange rates of the kuna



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

depreciation of the nominal effective exchange rate. Its depreciation was also recorded as compared with the same period of the previous year. In contrast, the real effective exchange rate of the kuna deflated by producer prices appreciated mildly at the quarterly level, since movements in domestic prices were less

favourable than in most of the major trading partners. Kuna appreciation at the annual level accelerated at the same time. According to the latest available data for the first quarter of 2012, the real effective kuna exchange rate deflated by unit labour costs for the economy as a whole continued to depreciate.

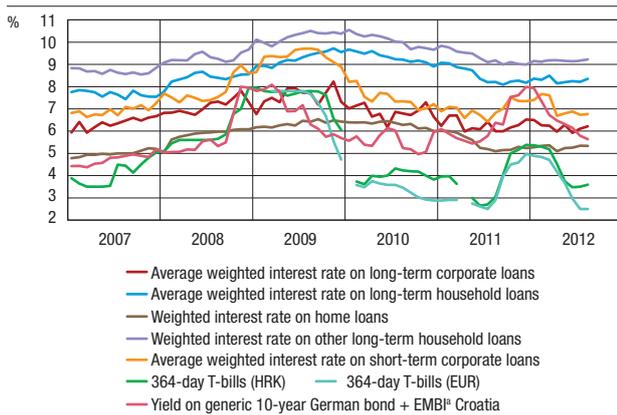
7 Financing conditions and capital flows

Financing conditions for domestic sectors at the end of the second and at the beginning of the third quarter 2012 were more favourable than early in the year. A considerable improvement was seen in foreign financing costs indicators, while domestic costs dropped only for T-bills and short-term loans.

Yield spreads on Croatian bonds and CDS spreads for Croatia have been decreasing gradually since the beginning of June this year. A sharper contraction followed in September upon the ECB's decision on the implementation of new and

unconventional monetary policy measures, which reduced uncertainties on the European financial market to a considerable extent. Accordingly, at the end of the third quarter, the level of CDS spread for Croatia was almost 200 basis points lower than at the beginning of the year, which can also be accounted for by the improved forecasts for Croatia's credit rating by Fitch rating agency. Measured by the same indicator, financing conditions became more favourable for parent banks of domestic banks as well.

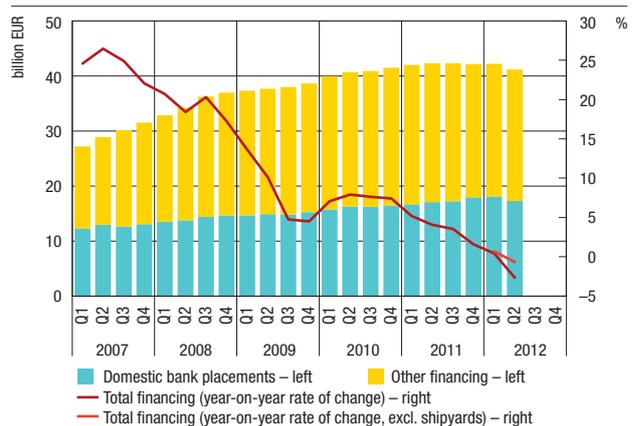
Figure 25 Costs of domestic and foreign financing



* EMBI (Emerging Market Bond Index) is the spread between yields on government securities of emerging markets, including Croatia, and risk-free securities of developed countries.

Sources: Bloomberg, MoF and CNB.

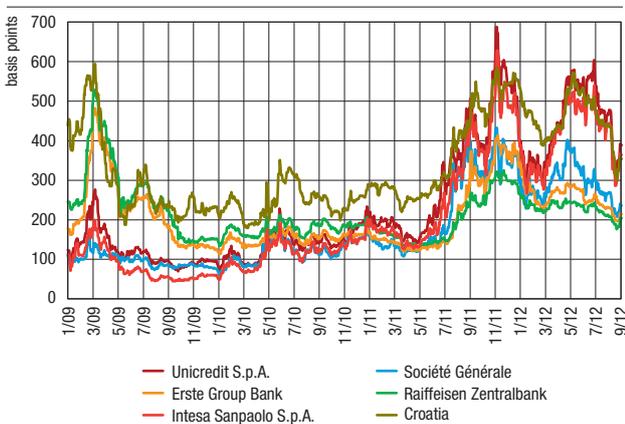
Figure 27 Corporate financing by sources



Note: Other financing includes corporate borrowing from domestic leasing companies and direct borrowing from the CBRD, as well as borrowing from foreign banks and affiliated enterprises abroad.

Sources: HANFA (CNB calculations) and CNB.

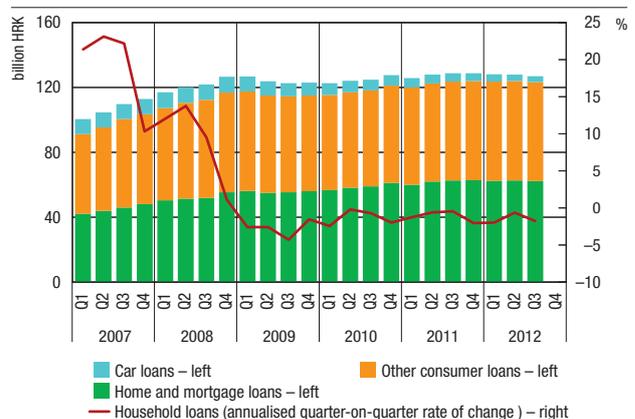
Figure 26 CDS spreads for Croatia and selected parent banks of domestic banks



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

Source: Bloomberg

Figure 28 Household loans by purpose



Note: Quarter-on-quarter rates of change in loans are calculated from values excluding the exchange rate effect. The most recent data available refer to August 2012.

Source: CNB.

More favourable developments in the international environment were also reflected in the movements of short-term interest rates on the domestic market. Government financing costs at T-bill auctions and interest rates on short-term corporate loans were more favourable at the beginning of the third quarter than early in the year. However, interest rates on long-term loans remained almost unchanged. In the second quarter, a moderate correction was recorded only in interest rates on household home loans, but such movements were temporary and reflected the influence of loans granted under the special programme of the Government of the Republic of Croatia.

The absence of any fall in long-term interest rates in conditions of poor demand for loans and unfavourable real developments resulted in a moderate deleveraging of the corporate sector in the second and the beginning of the third quarter. That sector also recorded a decline in debt to domestic banks and a fall in total debt in other domestic and foreign financing. At the end of June, the annual change of total corporate sector debt thus became negative, even if the effect of assumption of the shipyard's loan liabilities by the Ministry of Finance is excluded, as a result of which the stock of domestic corporate loans decreased considerably in 2012.

Household loans continued to decrease gradually at the beginning of the second and the third quarter. Such movements were in line with the expectations, since unfavourable economic conditions, especially on the labour market, reduce demand for loans. Household deleveraging and a noticeable slowing down of corporate lending could eventually lead to a fall in total lending to the non-banking sector at the level of 2012, in contrast to the June estimates that a mild growth in bank placements would be recorded in the current year.

Foreign capital flows

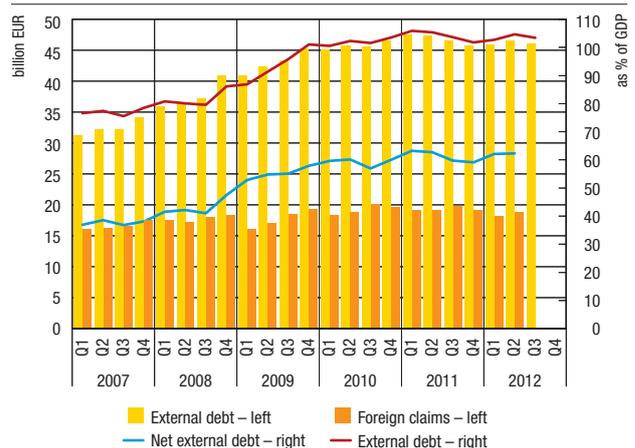
A reduction in capital inflows continued into the second quarter, reflecting adverse domestic real developments and uncertainties prevailing among international investors. Foreign equity investments were thus still extremely modest (EUR 0.1bn), mainly relating to minor projects in tourism, trade and manufacture of food and beverages. In the second quarter, debt capital inflows were mainly generated by the central government and somewhat less by enterprises in private ownership, in contrast to the deleveraging of most of other sectors. The unexpected intensity of banks' deleveraging allowed for an increased growth in domestic

sources of financing in the conditions of poor credit activity.

In the second quarter, a deterioration of the net foreign positions of the government and private enterprises was recorded, while the banks' position improved. Net inflow of debt capital amounted to EUR 0.4bn in the second quarter of 2012. Deterioration of the net foreign position of the government and private enterprises followed as a result of an increase in their foreign liabilities. At the same time, banks improved their net foreign position by reducing their foreign liabilities and by increasing foreign assets. International reserves grew by EUR 0.1bn in the second quarter 2012, mostly on account of a purchase of foreign exchange from the central government. They stood at EUR 11.6bn at the end of June and were sufficient to cover 7.4 months of goods and services imports.

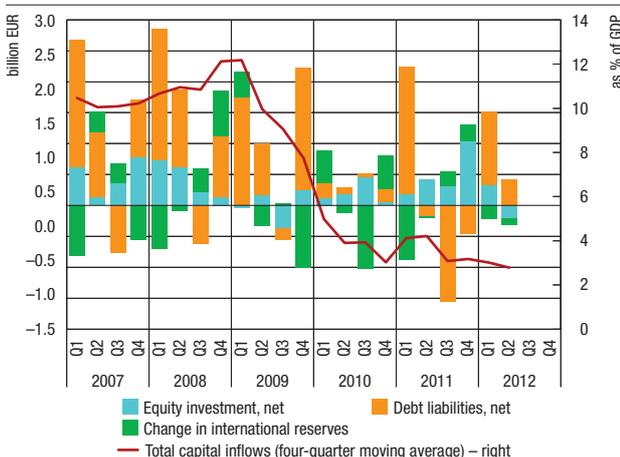
The largest contribution to external debt growth in the second quarter was made by the issue of the government and Agrokor d.d. bonds, while a smaller portion of the increase in debt reflected cross-currency changes. The gross external debt rose by EUR 0.6bn in the second quarter of 2012, and apart from net transactions, amounting to EUR 0.5bn, its growth was adversely affected by a weakening of the euro against the US dollar. Debt

Figure 30 Gross and net external debt



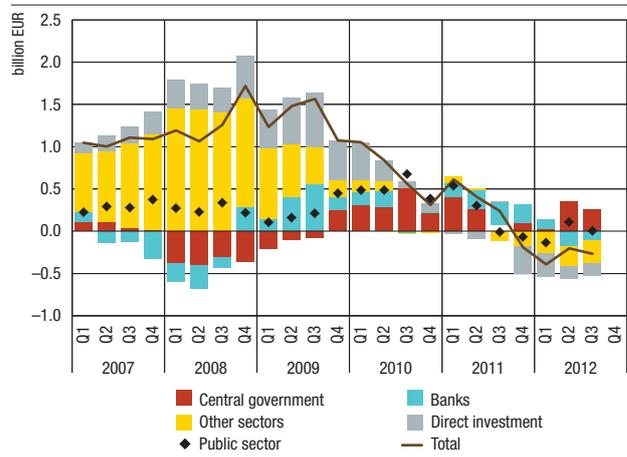
Note: Data for the third quarter of 2012 refer to July.
Source: CNB.

Figure 29 Current account deficit financing



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

Figure 31 Domestic sectors' contributions to the quarterly changes in external debt four-quarter moving average



Note: Data for the third quarter of 2012 refer to July.
Source: CNB.

growth was mainly a consequence of the issue of a government bond on the US market (USD 1.5bn). An increase in foreign liabilities of private enterprises, relative to the first three months, was primarily a result of the issue of the Agrokor d.d. foreign bond (worth EUR 0.3bn). Public enterprises continued to delevage, while that long-term trend was halted for a while for non-banking financial institutions. At the same time, following a mild borrowing in the first three months, banks noticeably decreased their foreign borrowing in the second quarter (EUR 0.5bn).

July saw further strong deleveraging of banks and a slight deleveraging of private enterprises and non-banking financial

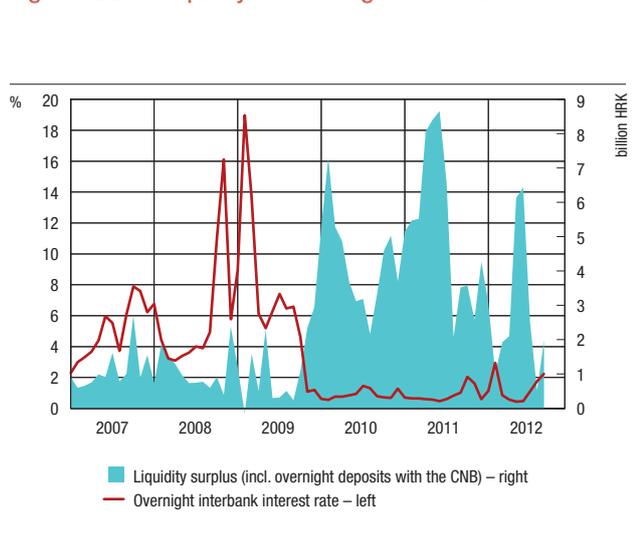
institutions. Owing to a strong seasonal inflow of foreign exchange from tourism in July, the trend for banks to delevage became more vigorous, the debt falling additionally by EUR 0.5bn. Furthermore, foreign liabilities of private enterprises were reduced mildly in July and non-banking financial institutions delevaged again to a smaller extent. As a result of the previously outlined transactions, gross external debt stood at EUR 46.0bn at the end of July, which is a EUR 0.6bn fall relative to the end of June. Following an improvement during the whole of 2011, relative indicators of external debt deteriorated again in 2012 (the external debt to GDP ratio rose to 103.4% by the end of July).

8 Monetary policy

In the third quarter, the monetary environment was marked by a decline in kuna liquidity and appreciation pressures on the exchange rate. Commercial banks entered the third quarter with

considerably reduced liquidity surpluses; they used the reserve requirement funds released earlier to grant a syndicated loan to the CBRD under a new lending programme to spur economic

Figure 32 Bank liquidity and overnight interbank interest rate



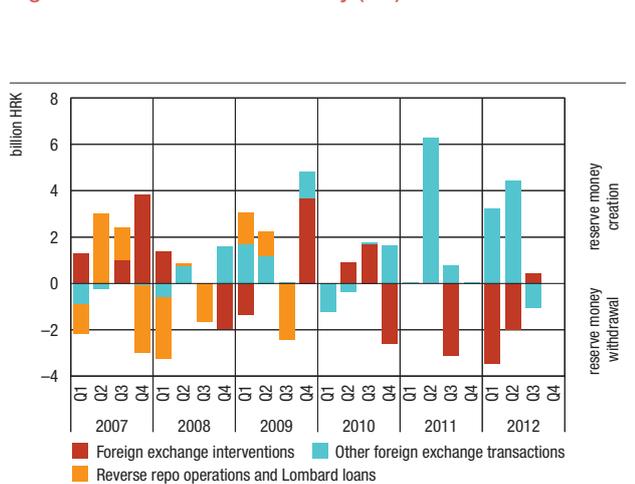
Source: CNB.

Figure 34 Nominal exchange rates EUR/HRK, USD/HRK and CHF/HRK



Source: CNB.

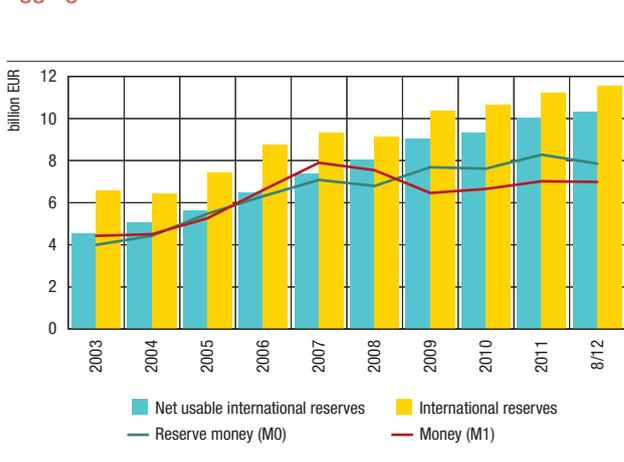
Figure 33 Flows of reserve money (M0) creation



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

Source: CNB.

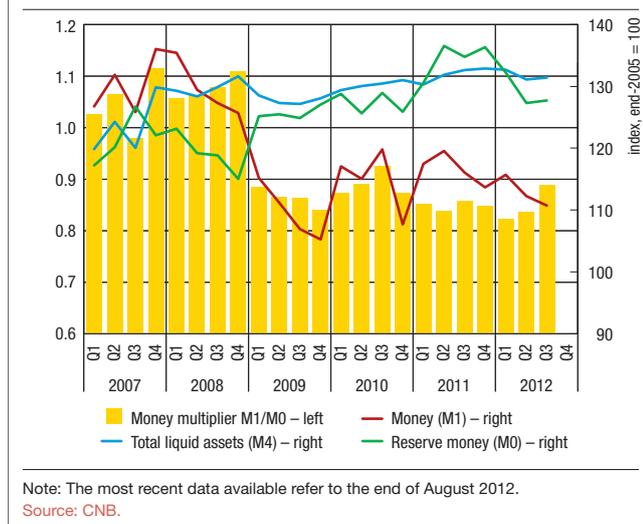
Figure 35 International reserves of the CNB and monetary aggregates



Note: Net usable international reserves are defined as international reserves net of foreign liabilities, reserve requirements in f/c, general and special SDR allocations in 2009, government foreign currency deposits and off-balance sheet liabilities (swaps). The most recent data available for M1 refer to the end of August 2012.

Source: CNB.

Figure 36 Monetary aggregates and money multiplier
index of developments in seasonally adjusted values, deflated by
the consumer price index



development (HRK 3.4bn). The funds were deposited in a special account with the central bank. Liquidity was also reduced owing to the seasonal stronger demand for currency over the summer months, the rise in the average balance of central government deposits with the CNB and the government bond issue in the domestic market. Thus, the average surplus of kuna funds in the banks' settlement accounts went down from HRK 4.9bn in the second quarter to HRK 1.7bn in the third quarter. Accordingly, interest rates on overnight loans in the money market grew moderately from the second quarter.

Foreign exchange transactions of the central bank in the third quarter resulted in a net sale of foreign currency. In its transactions with the central government, the CNB sold a net EUR 139.4m, while in its foreign exchange intervention, after almost

two years of sales, the CNB purchased EUR 58.1m to alleviate appreciation pressures on the kuna in September. In its third quarter transactions, the central bank withdrew from the system a total of HRK 0.6bn. However, when the first nine months of 2012 are observed, foreign exchange purchases exceeded sales, so that the CNB created HRK 1.6bn of reserve money.

The kuna strengthened against the euro by 0.8% in the third quarter. The domestic currency usually appreciates over the summer months in response to seasonal foreign currency inflows. Still, appreciation pressures in September were partly driven by expectations of foreign borrowings by some public and private enterprises. The appreciation of the kuna against the US dollar and the Swiss franc in the third quarter reflects the euro strengthening against these two currencies in the global foreign exchange market.

Gross international reserves dropped by EUR 0.2bn in the third quarter, standing at EUR 11.4bn at end-September. The decline is the result of the net sale of foreign currency in transactions with the government and banks and a marginal fall in government foreign currency deposits with the CNB. Like gross reserves, net usable reserves decreased in the third quarter, by EUR 0.1bn. However, both gross and net usable reserves grew from the end of 2011, by 1.8% and 3.0% respectively. Their levels continued to exceed by a large margin the amount of both money (M1) and reserve money (M0) in Croatia at the end of the third quarter.

Developments in the real seasonally adjusted value of monetary aggregates reflect unfavourable trends in real activity as well as a moderate pick-up in inflation. The value of money decreased, while that of total liquid assets held steady in July and August. Still, developments in nominal monetary aggregates in that period were slightly more favourable than expected thanks to a noticeable upturn in corporate and household deposits over the summer months. Viewed from a longer-run perspective, monetary aggregate M1 is still much below its pre-crisis level, while the real seasonally adjusted value of M4 is slightly higher.

9 Public finance

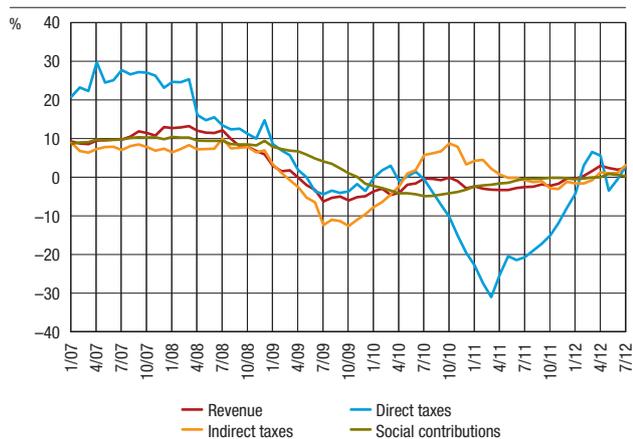
Despite less favourable economic trends and announcements of reduction in the tax burden made at the time of the adoption of the budget, tax law amendments and improved collection of taxes and contributions in the first seven months of 2012 led to an annual increase in consolidated central government revenues. The increase was 3.6%, which implies that revenues could exceed projections on a whole year basis. The favourable dynamics of revenues in the period from January to July may be largely attributed to a 2 percentage point increase in the basic VAT rate late in the first quarter of 2012. Only excise revenues made a strong negative contribution to revenues. This was largely due to the drop in revenues from excises on refined petroleum products, which reflected dwindling demand in response to rising prices of refined petroleum products. The estimated impact of tax law amendments in 2012 and developments in relevant macroeconomic variables cannot explain entirely the revenue dynamics in the period under review, for measures leading to improved revenue collection also had an effect. This is particularly noticeable in revenues from social contributions; notwithstanding the cut in the rate of health insurance contributions from 15% to 13% in early May, these revenues grew marginally as the government stipulated that employers may not pay out employee

wages without first paying contributions to the government.

Consolidated central government expenditures edged up, although the budget envisaged their significant reduction. This suggests that the provisions of the Fiscal Responsibility Act will not be met without additional austerity measures in the remainder of 2012. A considerable difference between the actual and planned expenditure dynamics for 2012 is evident in expenses for employees and social benefits. Instead of falling sharply on an annual basis as planned, they grew slightly in the period under review. The increase in social benefits was largely due to the rise in health care expenditures, while expenses for employees grew on account of the rise in the number of civil servants and government employees, as well as their average wages. Owing to the public debt increase in 2011, the largest positive contribution to expenditure trends came from interest expenses. All these increases were somewhat alleviated by the cuts in expenditures for subsidies, particularly those to farmers, as well as savings in material expenses and other expenditures (above all, lower transfers to Croatian Railways).

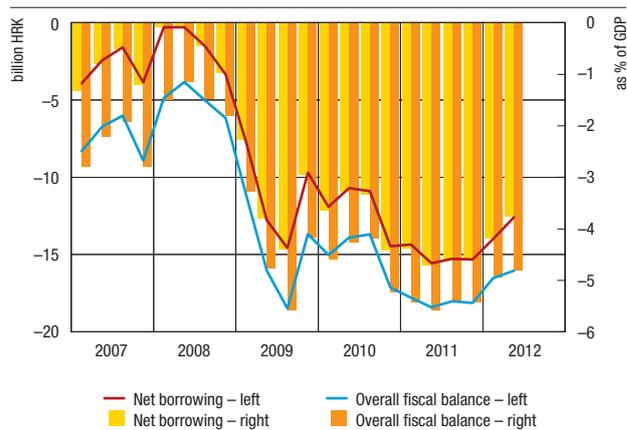
The acquisition of non-financial assets was reduced noticeably, probably due to efforts of the fiscal authorities to compensate for the unplanned increase in some current expenditures.

Figure 37 Consolidated central government revenue
year-on-year rate of change of twelve-month moving sums



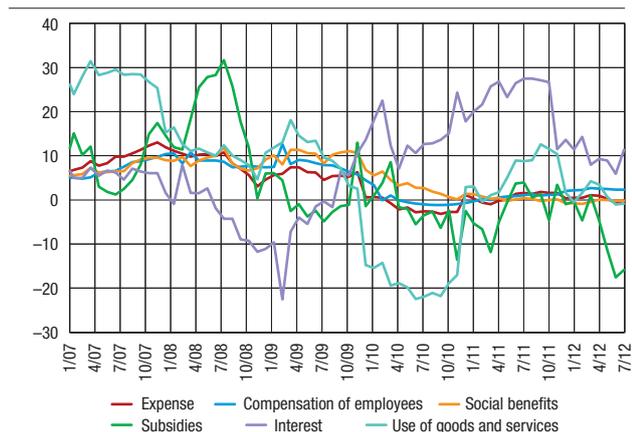
Note: From January 2008 on, CM is excluded from consolidated central government.
Source: MoF (CNB calculations).

Figure 39 Consolidated central government balance
four-quarter moving sums



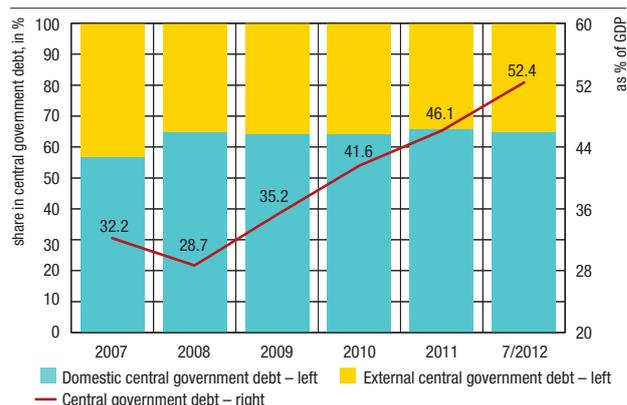
Note: From January 2008 on, CM is excluded from consolidated central government.
Source: MoF (CNB calculations).

Figure 38 Consolidated central government expense
year-on-year rate of change of twelve-month moving sums



Note: From January 2008 on, CM is excluded from consolidated central government.
Expense includes expenditures for the acquisition of non-financial assets.
Source: MoF (CNB calculations).

Figure 40 Central government debt
end-period stock



Note: From January 2008 on, CM is excluded from consolidated central government.
The sum of quarterly GDP values in the last four quarters has been used to calculate the ratio of central government debt to GDP at the end of July 2012.
Source: CNB.

Outlays for net loans granted increased, partly due to larger payments arising from activated guarantees. Outlays for loans show that the government has already spent planned guarantee reserves.

General government deficit in 2012 could be lower than the CNB projected in June. Higher revenues and slightly larger total expenditures and outlays reduced the overall fiscal deficit by HRK 1.7bn on an annual basis, to HRK 8.6bn in the first seven months of 2012. Such trends are expected to continue in the

remainder of the year.

Public debt growth picked up considerably due to the assumption of liabilities of shipyards. Public debt grew much more in the first seven months of 2012 than in the same period in 2011 (HRK 20.8bn vs HRK 15.3bn) as the government assumed some HRK 8.5bn of credit liabilities of the shipyards into the public debt in the period under review. Central government debt stood at HRK 174.7bn or 52.4% of GDP at end-July 2012.

10 Comparison between Croatia and selected Central and Eastern European countries

Divergent movements characterised overall economic activity in Central and Eastern European countries in the first half of 2012. Economic activity in most of them was higher than in late 2011, but growth ran out of steam. By contrast, real GDP in

Hungary, the Czech Republic, Slovenia and Croatia contracted in the same period. According to the seasonally adjusted data, unfavourable trends in the latter countries were due to a drop in household consumption (the Czech Republic, Slovenia and

Table 1 Gross domestic product

	2010	2011	Q3/ 2011	Q4/ 2011	Q1/ 2012	Q2/ 2012
	Year-on-year rate of change, original data		Quarterly rate of change, seasonally adjusted data			
Bulgaria	0.4	1.7	0.1	0.1	0.0	0.3
Czech R.	2.7	1.7	0.0	-0.2	-0.6	-0.2
Estonia	3.3	8.3	1.4	0.7	0.2	0.5
Croatia	-1.4	0.0	0.7	-0.5	-2.3	0.1
Latvia	-0.9	5.5	1.4	0.8	1.1	1.2
Lithuania	1.4	5.9	1.2	0.8	0.3	0.5
Hungary	1.3	1.6	0.0	0.1	-1.0	-0.2
Poland	3.9	4.3	0.7	0.8	0.6	0.4
Romania	-1.7	2.5	1.1	-0.1	0.1	0.5
Slovak R.	4.2	3.3	0.7	0.8	0.7	0.7
Slovenia	1.2	0.6	-0.2	-1.1	0.0	-1.0
EU-27	2.1	1.5	0.2	-0.3	0.0	-0.1

Sources: Eurostat, CBS, EC and CNB.

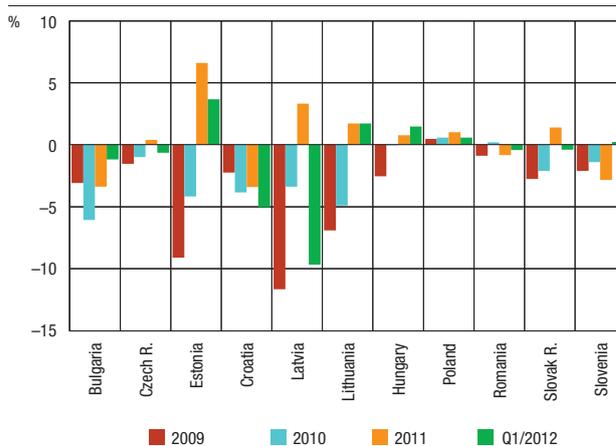
Croatia) and investment.

Foreign demand for goods of the observed countries lost momentum, reflecting predominantly unfavourable economic movements in the main trading partners. The volatility of quarterly rates of change indicates general economic instability in most European countries as well as worldwide.

Most of the countries under review witnessed a slight annual drop in employment in the first quarter of 2012, with the sharpest fall being recorded in Croatia. Employment grew, marginally, only in Estonia and Lithuania. The Labour Force Survey unemployment rate was the highest in Croatia. Unemployment was also high in the Baltic countries, but it has been steadily falling over the past three years. This is in contrast with Croatia, where the high unemployment rate is the result of a several-year upward trend.

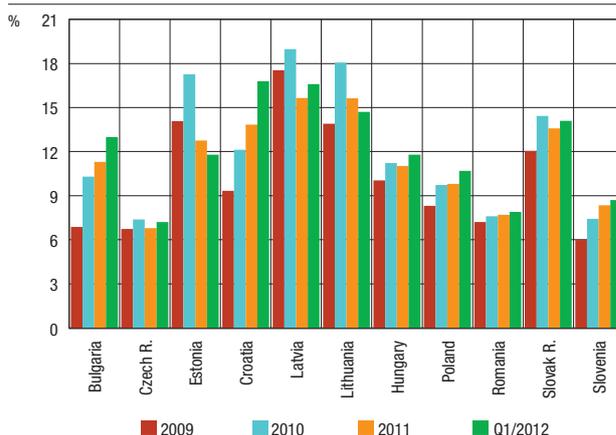
Though the average current account deficit of peer countries remained almost unchanged in the first quarter, there were noticeable differences among the countries observed. The current

Figure 42 Employment year-on-year rate of change



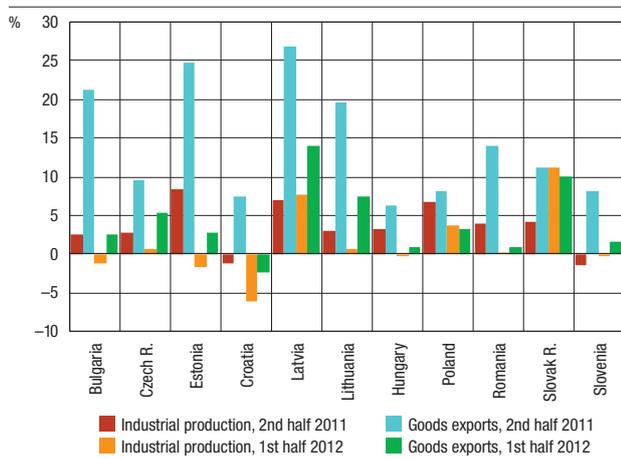
Source: Eurostat.

Figure 43 Labour Force Survey unemployment rate seasonally adjusted data



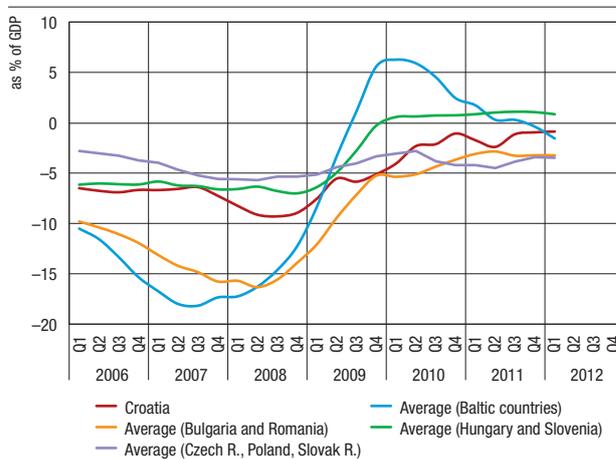
Source: Eurostat.

Figure 41 Industrial production and goods exports original data (in euros), year-on-year rate of change



Sources: Eurostat and CBS.

Figure 44 Current account balance four-quarter moving average



Sources: Eurostat and CNB.

account deficit in Lithuania went up by nearly 2 percentage points of GDP, with a considerable deterioration also recorded in Bulgaria and Latvia. By contrast, with its improved current account balance, Slovakia stands apart; its years-long deficit turned into a surplus, largely thanks to positive trends in exports of goods. Imbalances in the goods account of the Czech Republic have also been decreasing, while those in other countries were aggravated due to a strong recovery in imports.

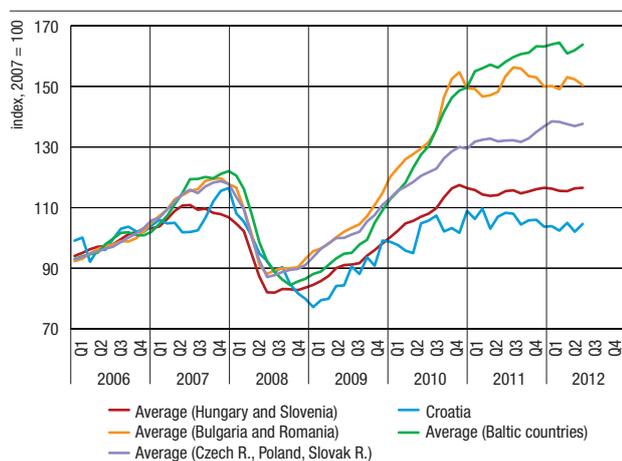
The lagging of Croatian goods exports behind those of peer countries became more pronounced in the first half of 2012. Seasonally adjusted data show that total exports of the countries under review grew by 2.5% in the first quarter (relative to the average for the previous quarter), while, apart from Croatia, exports dropped only in Romania and Slovenia. In the second quarter, exports of most peer countries slowed down or contracted on a quarterly basis in response to the further slowdown in global activity and weaker foreign demand. Croatia stands apart with its extremely negative trend in exports of goods, which has continued for four consecutive quarters. The value of Croatian exports remained below its level of before the eruption of the global financial crisis. After poor performance in the second quarter, July saw the beginning of a recovery in the exports of most countries, particularly the Baltic countries.

The indicators of export price competitiveness of the observed countries still suggest an improvement. The real effective exchange rate deflated by consumer prices depreciated between the second and third quarter of 2012 in most CEE countries (except Hungary, Poland and Bulgaria), largely due to a depreciation of the nominal effective exchange rates. On an annual level, all countries again witnessed a depreciation of the real effective exchange rate. It was most pronounced in Romania (8.6%) and the Czech Republic (6.1%), due to a depreciation of the nominal effective exchange rates.

Most of the observed countries recorded a decline in nominal unit labour costs. These costs grew marginally in Slovakia and Estonia and dropped in all other peer countries in the second quarter. This indicates a reversal of the trend from 2011 and the first quarter of 2012, when nominal unit labour costs increased in most of these countries.

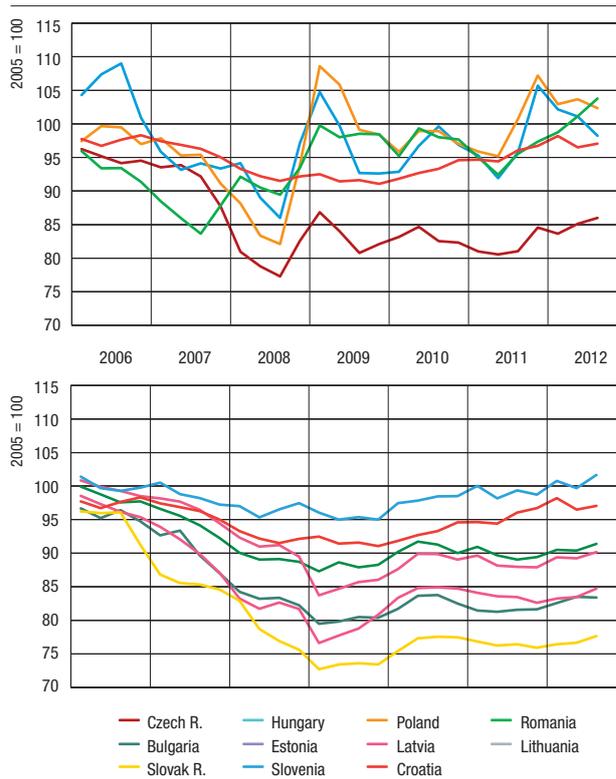
Consumer price inflation picked up in most countries under review in the third quarter, largely due to the rise in the annual rate of change in unprocessed food prices, which was triggered by unfavourable weather conditions (drought). At the same

Figure 45 Goods exports of selected countries
quarterly moving average, seasonally adjusted data



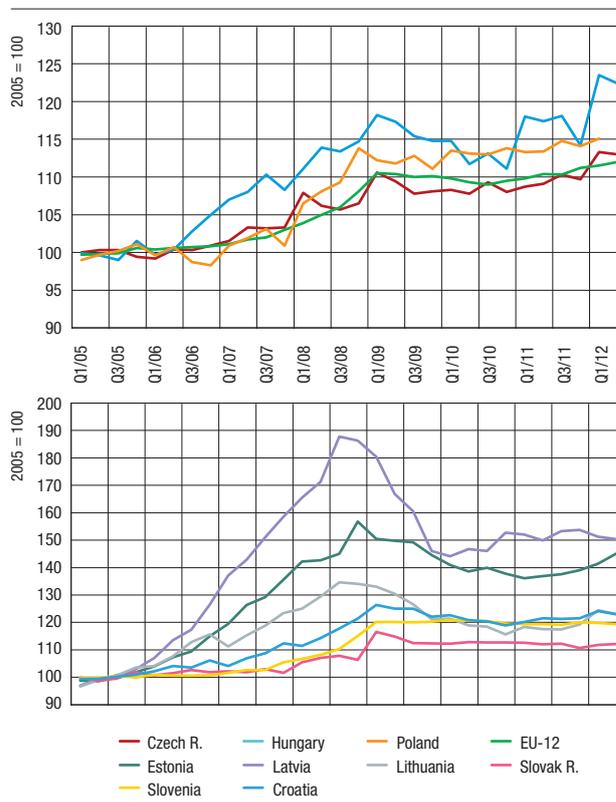
Sources: Eurostat and CNB.

Figure 46 Real effective exchange rate (deflated by consumer prices) in selected countries



Note: A fall in the index denotes a real effective appreciation.
Sources: BIS and CNB.

Figure 47 Nominal unit labour costs



Sources: Eurostat and CBS (CNB calculations).

time, most countries saw a slowdown in the annual increase in core inflation indicators, which are largely influenced by domestic factors, such as personal consumption, profit margins and indirect taxes.

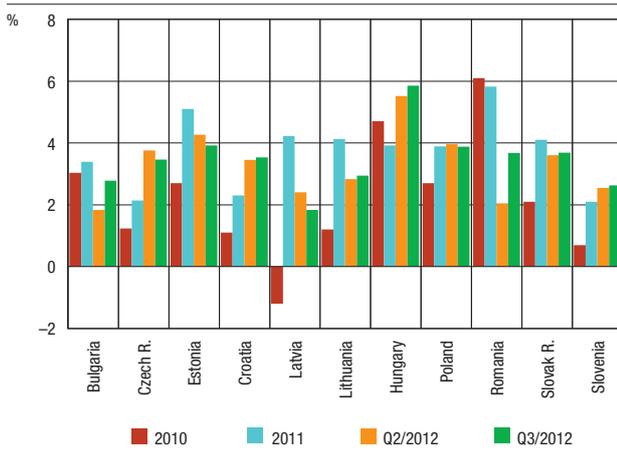
Foreign capital inflows to CEE countries remained relatively low (around 4% of GDP, excluding the change in reserves), after falling further in the first three months of 2012. This reflects reduced inflows of debt capital, while direct investment remained relatively stable. Foreign investors were still more inclined to invest directly in Bulgaria and the Baltic countries, while Hungary stands apart with its particularly small share of net direct investments in GDP.

Strong outflows from the account recording changes in loans and deposits, which began in mid-2011, continued into the first quarter of 2012. This was due to increased deleveraging by banks, while the corporate sector refinanced most of its liabilities to foreign banks. Private enterprises borrowed more heavily from affiliated enterprises abroad. Inflows of debt capital based on portfolio investments also strengthened, except in Slovenia, largely on account of public sector borrowing. Portfolio investments recovered in early 2012 after a setback in the last quarter

of 2011 brought on by growing uncertainties over the outcome of the eurozone debt crisis. The deterioration of relative indicators of external debt in the first quarter of 2012, triggered by the rise in external debt, was mitigated by stronger GDP growth in some countries (particularly, the Baltic countries).

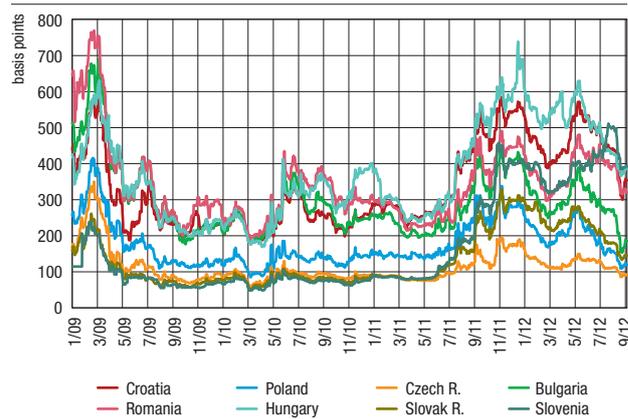
CDS spreads for the analysed countries started to fall in June. As a result of high uncertainties in the government debt market of peripheral eurozone countries early in the second quarter of 2012, CDS spreads on government bonds of all the observed countries rose until the end of May. However, as early as June, the easing of the political situation in Greece and expectations of the ECB decision to cut the benchmark rate pushed down the global risk premium, which was further aided by announcements of the new and unconventional measures of the ECB. Broken down by country, Croatia and Hungary saw the sharpest decrease in risk perception, in terms of CDS spreads, in the period from June to September. Other countries recorded similar developments, with the exception of Slovenia, whose financing conditions in international markets deteriorated in July and August. This was due to the downgrading of Slovenia's credit rating, which was triggered by the impaired quality of bank

Figure 48 Consumer price inflation
average year-on-year rate of change



Source: Eurostat.

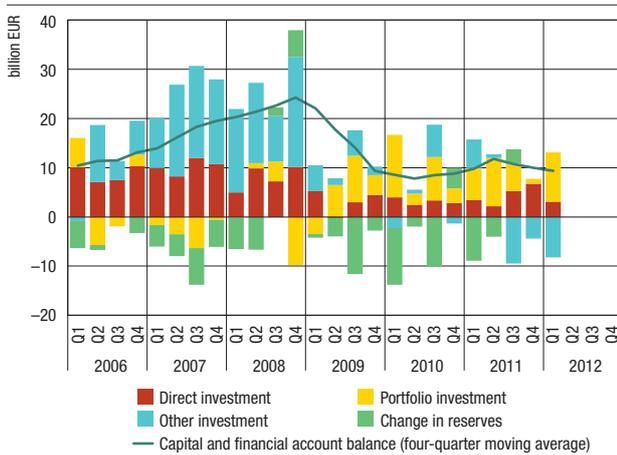
Figure 50 CDS spreads for 5-year government bonds
selected countries



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

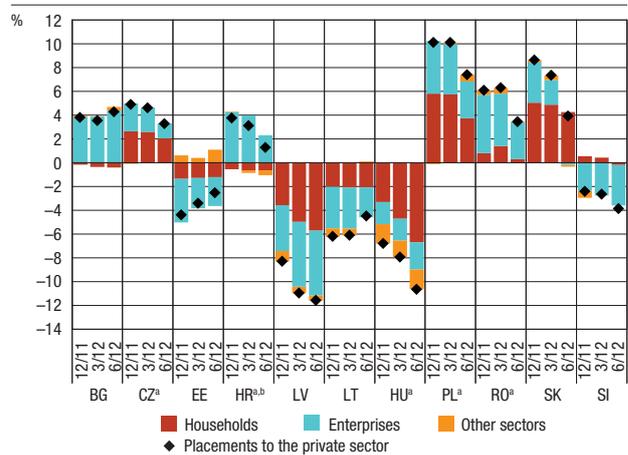
Source: Bloomberg.

Figure 49 Total capital inflows in Central and Eastern European countries



Source: Eurostat.

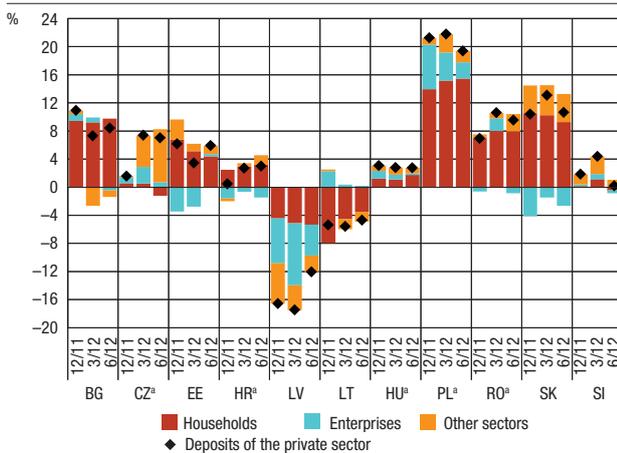
Figure 51 Bank placements to the private sector
contribution to the year-on-year rate of change



^a Excluding the exchange rate effect. ^b Excluding the effect of shipyards.

Source: National central banks.

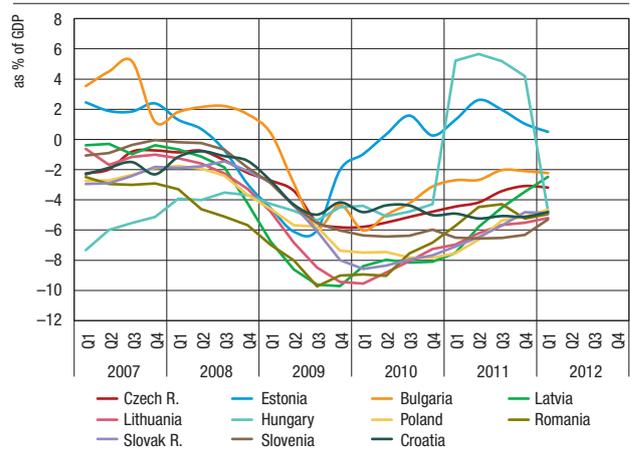
Figure 52 Deposits of the private sector
contribution to the year-on-year rate of change



^a Excluding the exchange rate effect.

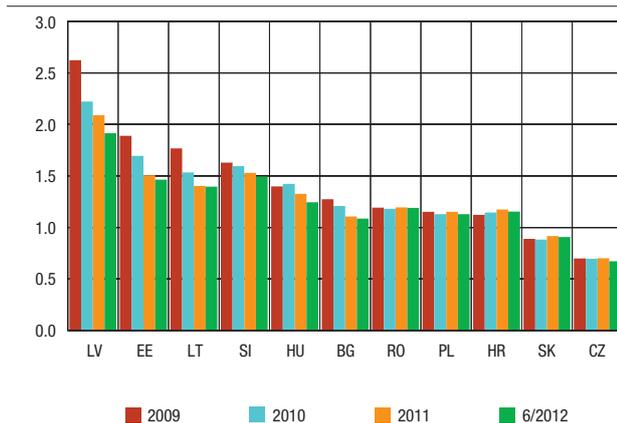
Source: National central banks.

Figure 54 Consolidated general government balance
four-quarter moving sums



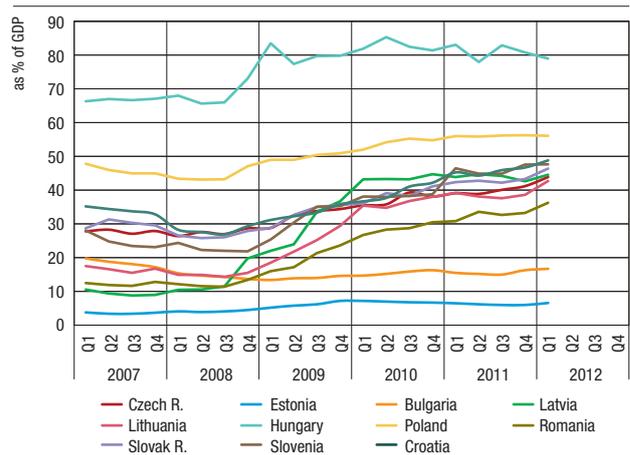
Sources: Eurostat and CNB.

Figure 53 Placement to deposit ratio of the private sector



Source: National central banks.

Figure 55 Public debt
end-quarter stock



Sources: Eurostat and CNB.

assets and the political risk associated with the implementation of measures for domestic economic recovery.

The pace and structure of domestic financing for the private sector differed considerably across the countries observed in the second quarter. A sharp drop in bank lending to the private sector was evident in Slovenia and Hungary. By contrast, the Baltic countries recorded a halt in negative trends, i.e. stagnation in lending, while bank placements to the private sector increased in the other countries in the second quarter of 2012. As recent developments largely determine trends at an annual level, the fall in placements gained additional momentum in Slovenia and Hungary in the second quarter. The sharp contraction in lending continued in Estonia and Lithuania, while other peer countries recorded annual growth in placements to the private sector. Croatia also belongs to the latter group, though its credit growth lags behind that in, for example, Poland, Bulgaria and Slovakia, due to household deleveraging.

In most of the observed countries, private sector deposits either held steady or decreased marginally in the second quarter of 2012. The exception was Bulgaria, where deposits grew steeply, and Slovenia, which recorded a sharp drop in deposits. On an

annual basis, developments in private sector deposits in most countries were in line with changes in placements. Deposits increased most strongly in Poland, their growth slowed down the most in Slovenia, while Latvia and Lithuania recorded the largest annual decrease in deposits. As a result of developments in placements and deposits of the private sector, their ratio continued to fall in all the countries observed. This ratio fell the most in Latvia. Still, in all the countries (except Slovakia and the Czech Republic), it remained above one, which indicates that banks continued to rely on foreign sources for private sector financing.

The fiscal consolidation process in most of the countries under review began in 2010 and continued into 2011, with the exception of Slovenia and Croatia, whose deficits increased on an annual level. Observing the revenue and expenditure developments in terms of GDP percentage, fiscal consolidation was mostly determined by cuts on the expenditure side, largely as a result of lower expenditures for social benefits and employee compensations. Hungary recorded a noticeable budget surplus in 2011. Most of its citizens decided to transfer their assets from the second pension pillar (based on individual capitalised savings) to the first pension pillar, which led to a one-time sharp

increase in budget revenues. In line with developments in the deficit, public debt growth was most pronounced in Croatia and Slovenia, while Hungary, Latvia and Estonia managed to reduce their public debt levels in 2011. It should be noted that only Poland and Hungary had higher public debt levels than Croatia at the end of 2011.

In early 2012, the budget deficit of most of the countries observed continued to decline or remained the same as in 2011,

with the exception of Hungary, where it returned to the level before the transfer of assets from the second pension pillar. The most recent available projections of the European Commission suggest that fiscal consolidation should continue in most of the countries under review throughout 2012. This implies that public debt could grow steadily in all these countries except Poland and Hungary.



Statistical survey

Classification and presentation of data on claims and liabilities

Data on financial institutions' claims and liabilities are classified according to institutional sectors and financial instruments. Institutional sectors are: financial institutions, central government and funds, other domestic sectors and foreign sector.

The financial institutions sector includes the following subsectors: monetary authorities (the central bank), banks, other banking institutions and non-banking financial institutions. The central bank is the Croatian National Bank (CNB). Banks are institutions to which the Croatian National Bank has issued a license to perform banking business services in accordance with the Banking Act, including savings banks during a transition period. Data on banks do not include claims and liabilities of banks undergoing bankruptcy proceedings, nor former branches of banks headquartered outside the Republic of Croatia. Other banking institutions comprise housing savings banks, savings and loan cooperatives and investment funds. Non-banking financial institutions are financial institutions not classified as banks or other banking institutions (e.g. insurance companies, pension funds).

The central government and funds consists of two subsectors, the Republic of Croatia and central government funds. Until December 2003, the subsector Republic of Croatia included government authorities, comprising the Croatian Roads, the Croatian Motorways and the State Agency for Deposit Insurance and

Bank Rehabilitation. The subsector central government funds includes the Croatian Institute for Health Insurance, the Croatian Pension Insurance Administration, the Croatian Employment Service, the Croatian Privatisation Fund, the Croatian Waters and the Croatian Bank for Reconstruction and Development.

Since January 2004, the Croatian Roads, the Croatian Motorways, and the State Agency for Deposit Insurance and Bank Rehabilitation have been reclassified, from the subsector Republic of Croatia to the subsector central government funds.

Other domestic sectors include local government authorities, public and other enterprises and households, including craftsmen and non-profit institutions providing services to households. The subsector other enterprises also comprises banks undergoing bankruptcy proceedings. In some tables other domestic sectors are divided into the following subsectors: local government (which comprises units of local and regional self-government), public and other enterprises, and households (including craftsmen and non-profit institutions).

Foreign sector includes foreign legal and natural persons.

All data on claims and liabilities refer to balances at the end of the reporting period. Foreign currency items are reported in their kuna equivalent at the CNB's midpoint exchange rate at the end of the reporting period.

A Monetary and credit aggregates

Table A1 Monetary and credit aggregates

end of period, in million HRK and %

Year	Month	Reserve money	Money M1	Money M1a	Broadest money M4	Net domestic assets	Domestic credit	Monthly rates of growth					
								Reserve money	Money M1	Money M1a	Broadest money M4	Net domestic assets	Domestic credit
1998	December	9,954.2	13,531.4	13,615.2	57,340.3	44,626.8	59,792.0	7.24	6.92	6.59	2.51	3.73	0.25
1999	December ^a	10,310.0	13,858.9	13,965.7	56,659.3	40,003.8	55,875.8	4.53	5.46	5.48	2.28	0.35	-4.58
2000	December	11,717.3	18,030.3	18,256.4	73,061.1	44,043.9	60,883.8	7.32	10.04	9.89	3.66	10.46	2.66
2001	December	17,803.2	23,703.5	23,936.5	106,071.4	57,410.0	74,964.5	8.01	13.00	11.96	11.65	3.40	1.16
2002	December	23,027.9	30,869.8	31,876.7	116,141.8	83,324.4	97,463.7	10.72	6.11	6.79	1.65	7.92	2.15
2003	December	30,586.2	33,888.7	34,630.9	128,893.1	96,121.7	111,661.4	8.90	1.78	1.93	0.14	3.11	0.66
2004	December	33,924.4	34,562.1	35,186.5	139,947.7	108,205.1	127,308.6	8.69	2.86	2.68	0.23	2.15	1.99
2005	December	40,390.8	38,817.1	39,855.4	154,647.0	131,343.2	149,168.3	9.38	4.34	3.87	-0.02	1.84	1.94
2006	December	46,331.2	48,521.0	49,141.7	182,458.6	154,844.1	183,379.5	3.17	4.75	4.07	1.57	3.38	2.99
2007	December	51,923.9	57,878.3	58,663.4	215,822.1	166,375.5	210,828.4	3.73	6.71	6.62	3.95	3.54	2.65
2008	December	49,743.0	55,222.3	56,044.6	225,018.5	183,279.1	232,982.1	-9.89	8.17	8.49	3.17	5.68	1.96
2009	December	56,141.9	47,181.7	47,760.5	223,094.6	178,083.2	231,661.9	4.55	3.13	3.25	-0.23	-0.91	0.10
2010	December	56,249.1	49,151.7	49,748.5	232,869.6	188,845.0	247,520.2	2.81	1.67	1.18	0.17	3.24	0.52
2011	September	59,603.2	51,154.7	52,088.1	241,200.3	199,260.9	257,122.8	2.62	-5.29	-5.33	-0.07	0.23	-0.10
	October	58,962.5	50,998.6	51,899.1	241,353.8	201,077.8	257,229.1	-1.08	-0.31	-0.36	0.06	0.91	0.04
	November	60,091.7	50,946.2	51,922.2	241,661.5	203,421.2	258,893.3	1.92	-0.10	0.04	0.13	1.17	0.65
	December	62,379.5	52,850.9	53,767.9	241,056.9	207,581.7	261,048.8	3.81	3.74	3.55	-0.25	2.05	0.83
2012	January	59,722.8	49,172.9	49,776.7	237,677.9	208,015.2	260,565.8	-4.26	-6.96	-7.42	-1.40	0.21	-0.19
	February	59,111.2	48,422.8	49,055.9	236,231.3	209,027.2	261,701.7	-1.02	-1.53	-1.45	-0.61	0.49	0.44
	March	60,821.7	47,389.5	48,087.2	235,530.1	208,442.8	260,370.2	2.89	-2.13	-1.97	-0.30	-0.28	-0.51
	April	60,017.0	47,845.2	48,636.5	236,678.6	199,196.0	259,002.6	-1.32	0.96	1.14	0.49	-4.44	-0.53
	May	63,883.6	49,350.9	50,163.6	239,629.8	204,432.6	255,301.2	6.44	3.15	3.14	1.25	2.63	-1.43
	June	61,549.5	51,467.6	52,222.4	240,006.7	204,688.7	253,867.8	-3.65	4.29	4.10	0.16	0.13	-0.56
	July	58,518.4	53,148.6	53,916.1	244,531.4	202,633.6	254,253.1	-4.92	3.27	3.24	1.89	-1.00	0.15
	August	58,750.7	52,251.6	53,164.6	247,983.7	200,814.8	251,581.2	0.40	-1.69	-1.39	1.41	-0.90	-1.05

^a Domestic credit decreased by a one-off HRK 2,759.4m.

Table A1 Monetary and credit aggregates • The table shows data on some basic monetary and credit aggregates, including their monthly growth rates. In September 1999, all the monetary aggregates were revised. In previous publications of the CNB, data on claims and obligations of savings banks were not included in the compilation of the monetary aggregates.

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

Money (M1) is defined in the same way as the corresponding item in the Monetary survey (Table B1). It comprises currency outside banks, deposits with the CNB by other banking institutions and other domestic sectors as well as banks' demand deposits. Money (M1a) comprises currency outside banks and banks' demand deposits, increased by the demand deposits of the central government and funds with banks.

Broadest money (M4) comprises Money (M1), savings and

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

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

Domestic credit comprises banks' claims on other domestic sectors, other banking institutions and non-banking financial institutions.

In May 1999, bankruptcy proceedings have been initiated against several banks so their assets and liabilities are excluded from monetary statistics. In April 1999, those banks' share in monetary aggregate M1 amounted to HRK 259.3m and in monetary aggregate M4 amounted to HRK 4,035.8m. Data for June 1999 are comparable with data for July 1999 if Domestic credit is increased by HRK 3,513.5m.

B Monetary institutions

Table B1 Monetary survey
end of period, in million HRK

	2007 Dec.	2008 Dec.	2009 Dec.	2010 Dec.	2011 Dec.	2012			
						Mar.	Jun.	Jul.	Aug.
ASSETS									
1 Foreign assets (net)	49,446.5	41,739.4	45,011.4	44,024.6	33,475.2	27,087.3	35,318.0	41,897.7	47,168.9
2 Domestic credit	226,076.1	254,569.8	253,523.6	272,601.4	299,152.6	299,941.9	296,935.2	295,682.5	293,504.7
2.1 Claims on central government and funds (net)	15,247.7	21,587.7	21,861.7	25,081.2	38,103.8	39,571.7	43,067.4	41,429.3	41,923.5
2.2 Claims on other domestic sectors	207,398.7	231,472.7	229,870.2	244,039.2	257,620.2	257,167.5	250,734.8	250,455.9	248,237.7
2.3 Claims on other banking institutions	1,640.0	441.9	681.7	890.9	1,350.3	1,314.0	1,080.6	803.0	671.3
2.4 Claims on non-banking financial institutions	1,789.7	1,067.4	1,109.9	2,590.0	2,078.3	1,888.7	2,052.4	2,994.3	2,672.1
Total (1+2)	275,522.6	296,309.2	298,534.9	316,626.0	332,627.8	327,029.1	332,253.2	337,580.2	340,673.6
LIABILITIES									
1 Money	57,878.3	55,222.3	47,181.7	49,151.7	52,850.9	47,389.5	51,467.6	53,148.6	52,251.6
2 Savings and time deposits	53,644.9	50,070.3	39,139.4	34,823.4	40,926.9	42,312.9	41,726.0	41,926.3	43,109.4
3 Foreign currency deposits	103,090.1	117,194.8	135,410.6	147,557.1	145,166.1	144,007.4	144,791.5	147,583.9	150,440.6
4 Bonds and money market instruments	1,208.8	2,531.1	1,362.8	1,337.4	2,112.9	1,820.3	2,021.6	1,872.5	2,182.1
5 Restricted and blocked deposits	2,280.9	3,094.2	2,598.3	2,389.0	3,293.4	2,645.5	2,697.6	2,634.2	2,647.7
6 Other items (net)	57,419.6	68,196.5	72,842.0	81,367.5	88,277.4	88,853.6	89,549.0	90,414.6	90,042.1
Total (1+2+3+4+5+6)	275,522.6	296,309.2	298,534.9	316,626.0	332,627.8	327,029.1	332,253.2	337,580.2	340,673.6

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

Foreign assets (net) are the difference between total foreign assets and total foreign liabilities of the CNB and banks.

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

Money is the sum of currency outside banks, deposits by

other banking institutions with the CNB, deposits by other domestic sectors with the CNB and banks' demand deposits (item Demand deposits in Banks' accounts, Table D1).

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

Table B2 Number of reporting banks and savings banks and their classification by total assets

Year	Month	Total number of reporting banks	Reporting banks classified according to their total assets						Total number of reporting savings banks	Savings banks classified according to their total assets		
			Less than 100 million kuna	100 million kuna to less than 500 million kuna	500 million kuna to less than 1 billion kuna	1 billion kuna to less than 2 billion kuna	2 billion kuna to less than 10 billion kuna	10 billion kuna and over		Less than 10 million kuna	10 million kuna to less than 100 million kuna	100 million kuna and over
1	2	3	4	5	6	7	8	9	10	11	12	13
1998	December	60	3	26	8	11	10	2	33	4	25	4
1999	December	53	4	23	7	7	10	2	30	5	21	4
2000	December	45	3	15	9	6	10	2	29	5	19	5
2001	December	44	3	13	7	7	10	4	21	4	12	5
2002	December	46	4	13	7	9	8	5	10	3	5	2
2003	December	42	2	13	8	5	8	6	7	3	2	2
2004	December	39	1	12	9	6	5	6	6	3	3	–
2005	December	36	1	10	6	8	5	6	3	2	1	–
2006	December	35	2	6	5	10	4	8	3	2	1	–
2007	December	35	2	5	2	12	5	9	2	1	1	–
2008	December	36	2	7	1	11	6	9	2	1	1	–
2009	December	36	3	5	3	10	7	8	2	1	1	–
2010	December	36	3	5	2	9	9	8	2	1	1	–
2011	September	36	4	4	2	10	8	8	2	1	1	–
	October	36	4	4	2	10	8	8	2	1	1	–
	November	36	4	4	2	9	9	8	2	1	1	–
	December	36	4	4	1	10	9	8	2	1	1	–
2012	January	35	4	4	1	9	9	8	2	1	1	–
	February	35	4	4	1	9	9	8	2	1	1	–
	March	35	4	4	1	9	9	8	2	1	1	–
	April	35	4	4	1	10	8	8	2	1	1	–
	May	35	4	4	1	9	9	8	2	1	1	–
	June	35	4	4	1	10	8	8	2	1	1	–
	July	35	4	4	1	10	8	8	2	1	1	–
	August	35	4	4	1	10	8	8	2	1	1	–

Table B2 Number of reporting banks and savings banks and their classification by total assets • The table shows the total number of banks and savings banks during the transition period which report monthly to the CNB. Their operations are shown in the Banks' accounts. Monetary statistics includes reporting

institutions under winding-up and, until February 2005, institutions whose operating licences have been revoked, but which have not initiated winding-up proceedings.

The table also shows the classification of reporting banks and savings banks according to their total assets.

	2007	2008	2009	2010	2011	2012			
	Dec.	Dec.	Dec.	Dec.	Dec.	Mar.	Jun.	Jul.	Aug.
5.2 CNB bills in f/c	-	-	-	-	-	-	-	-	-
6 Capital accounts	6,664.5	9,562.4	11,151.3	13,090.1	15,787.9	14,715.2	15,881.1	16,419.9	15,667.4
7 Other items (net)	-665.6	-707.1	-735.9	-792.9	-844.6	-866.1	-870.3	-871.1	-868.7
Total (1+2+3+4+5+6+7)	72,425.1	66,885.8	75,828.3	78,745.2	84,696.5	85,247.1	87,397.2	87,281.2	86,264.1

^a The CDA accounts with the CNB for the gross and net settlement of purchased securities are reclassified from the central government sector to other domestic sectors from December 2002 onwards. ^b From October 2001 to May 2003, Liabilities to foreign banks include also liabilities based on CNB bills subscribed by non-residents.

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

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

Claims on central government and funds are loans, overdue claims on the budget of the Republic of Croatia and investments in short-term securities of the Republic of Croatia. In accordance with the Croatian National Bank Act that entered into force in April 2001, the Croatian National Bank may not extend credit to the Republic of Croatia. Hence, this item comprises only overdue claims on the budget of the Republic of Croatia based on the payment system operations and the liabilities to the IMF and foreign banks. Until April 2001, Claims in kuna were short-term loans granted for the purpose of overcoming timing differences between incoming revenues and execution of budgetary expenditures, long-term loans granted by special regulations by the government of the Republic of Croatia, and overdue claims on the budgetary central government, while Claims in foreign currency was a counter-entry to the liability to the IMF based on the succession of membership in that institution.

Claims on other domestic sectors are loans and overdue claims on other domestic sectors, including banks in bankruptcy proceedings.

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

Since May 1999, Claims on other domestic sectors include overdue claims on banks against which bankruptcy proceedings have been initiated. Due to the reclassification of savings banks from the subsector other banking institutions to the subsector

banks, data for Claims on banks and Claims on other banking institutions have been revised.

Reserve money consists of currency outside banks, cash in banks' vaults, banks' deposits with the CNB, other banking institutions' deposits and other domestic sectors' deposits with the CNB. Banks' deposits are: settlement account balances, statutory reserves deposited on a special account with the CNB (including, from March 2006, special reserve requirement on liabilities arising from issued securities), CNB bills on an obligatory basis and overnight deposits. Deposits by other banking institutions included, until September 2003, settlement account balances of housing savings banks. Deposits by other domestic sectors are other domestic sectors' giro account balances which are deposited with the Croatian National Bank in accordance with law or other regulation.

Restricted and blocked deposits include required foreign currency reserves and accrued interest, restricted deposits and blocked foreign currency deposits. Banks are required to set aside the reserve requirements against certain foreign currency sources of funds and the marginal reserve requirements (from August 2004 to October 2008) in special accounts at the Croatian National Bank. Restricted deposits are kuna funds set aside on the basis of a court order or regulations, kuna funds set aside in the period between May 1999 and April 2002 and deposits of banks against which bankruptcy proceedings have been initiated. Blocked foreign currency deposits are funds that were set aside in special accounts at the Croatian National Bank for repaying unpaid amounts due to foreign creditors.

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

Central government and funds' deposits are demand deposits and foreign currency deposits of the Republic of Croatia and central government funds with the CNB, and CNB bills purchased by central government institutions.

CNB bills are kuna and f/c CNB bills on a voluntary basis, excluding CNB bills voluntarily purchased by central government institutions.

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

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

Due to the reclassification of savings banks from the subsector other banking institutions to the subsector banks, data for Currency outside banks, Banks' cash in vaults, Banks' deposits and Deposits of other banking institutions were revised.

D Banks

Table D1 Banks' accounts
end of period, in million HRK

	2007	2008	2009	2010	2011	2012				
	Dec.	Dec.	Dec.	Dec.	Dec.	Mar.	Jun.	Jul.	Aug.	
ASSETS										
1 Reserves with the CNB	50,178.9	40,705.6	45,902.1	45,759.6	51,238.7	50,567.0	49,024.9	45,153.1	45,222.4	
1.1 In kuna	35,929.1	32,700.5	40,860.4	40,986.4	45,700.5	44,650.7	43,750.1	39,804.3	40,082.0	
1.2 In f/c	14,249.8	8,005.1	5,041.7	4,773.2	5,538.2	5,916.3	5,274.7	5,348.9	5,140.4	
2 Foreign assets	46,438.5	50,246.6	49,577.0	47,245.4	39,450.1	32,725.3	35,167.1	38,708.5	43,967.8	
3 Claims on central government and funds	28,971.5	37,801.1	44,249.5	50,307.6	57,869.9	63,076.8	67,831.0	68,247.1	67,336.7	
4 Claims on other domestic sectors	207,330.7	231,408.6	229,866.1	244,035.4	257,616.6	257,164.0	250,731.4	250,453.1	248,235.0	
4.1 Claims on local government	2,140.8	2,077.4	2,074.2	2,412.8	2,712.3	2,682.8	2,611.2	2,549.4	2,516.1	
4.2 Claims on enterprises	92,265.1	102,779.8	104,898.1	114,089.7	126,195.8	126,464.4	120,179.0	120,133.1	118,716.6	
4.3 Claims on households	112,924.9	126,551.4	122,893.7	127,532.9	128,708.6	128,016.8	127,941.2	127,770.5	127,002.3	
5 Claims on other banking institutions	1,640.0	441.9	681.7	890.9	1,350.3	1,314.0	1,080.6	803.0	671.3	
6 Claims on non-banking financial institutions	1,789.7	1,067.4	1,109.9	2,590.0	2,078.3	1,888.7	2,052.4	2,994.3	2,672.1	
Total (1+2+3+4+5+6)	336,349.4	361,671.2	371,386.3	390,829.0	409,604.0	406,735.8	405,887.3	406,359.1	408,105.3	
LIABILITIES										
1 Demand deposits	41,870.8	38,171.2	31,899.6	33,888.9	36,161.3	31,217.3	33,668.6	34,442.4	33,581.9	
2 Savings and time deposits	53,644.9	50,070.3	39,139.4	34,823.4	40,926.9	42,312.9	41,726.0	41,926.3	43,109.4	
3 Foreign currency deposits	103,090.1	117,194.8	135,410.6	147,557.1	145,166.1	144,007.4	144,791.5	147,583.9	150,440.6	
4 Bonds and money market instruments	1,208.8	2,531.1	1,362.8	1,337.4	2,112.9	1,820.3	2,021.6	1,872.5	2,182.1	
5 Foreign liabilities	65,152.6	75,296.1	80,365.3	81,940.4	90,276.5	90,766.9	87,230.9	84,077.3	83,048.3	
6 Central government and funds' deposits	13,525.8	16,007.5	18,219.3	19,870.3	18,244.9	18,964.8	19,323.1	19,083.1	17,958.0	
7 Credit from central bank	4,178.3	14.0	13.5	12.9	139.1	61.8	11.8	11.8	11.8	
8 Restricted and blocked deposits	2,252.3	3,038.4	2,548.4	2,328.3	3,231.5	2,578.6	2,576.1	2,503.8	2,528.8	
9 Capital accounts	53,178.9	60,317.4	66,306.4	71,826.9	76,624.4	78,372.4	78,303.7	78,845.5	79,202.0	
10 Other items (net)	-1,753.2	-969.7	-3,879.1	-2,756.6	-3,279.6	-3,366.5	-3,766.0	-3,987.5	-3,957.5	
Total (1+2+3+4+5+6+7+8+9+10)	336,349.4	361,671.2	371,386.3	390,829.0	409,604.0	406,735.8	405,887.3	406,359.1	408,105.3	

Table D1 Banks' accounts • Banks' accounts include data on banks' claims and liabilities. Banks' mutual claims and liabilities are consolidated.

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

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

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

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

The same forms of kuna and foreign currency claims are included in claims on other banking institutions and non-banking financial institutions, with one difference: Claims on other banking institutions also include deposits with those institutions.

Items Demand deposits, Savings and time deposits, Foreign currency deposits as well as Bonds and money market

instruments comprise banks' liabilities to other domestic sectors, other banking institutions and non-banking financial institutions.

Demand deposits include giro and current accounts balances and banks' obligations arising from kuna payment instruments issued, minus currency in the payment system, i.e. checks in banks' vaults and checks in collection.

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

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

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

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

Central government and funds' deposits are all forms of banks' kuna and foreign currency liabilities (except restricted and blocked deposits) to the central government and funds.

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

Restricted and blocked deposits comprise the following banks' liabilities: kuna and foreign currency restricted deposits by other domestic sectors, other banking institutions, non-banking financial institutions, central government and funds as well as foreign legal and natural persons, and households' blocked foreign currency deposits, regulated by the Act on Converting Households' Foreign Currency Deposits into the Public Debt of the Republic of Croatia.

Capital accounts are share capital, profit or loss for the

previous and current year, retained earnings (loss), legal reserves, reserves provided for by the articles of association and other capital reserves, hedging reserves, unrealised gains (losses) from financial assets classified as available-for-sale assets, value adjustments and collectively assessed impairment provisions.

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

Tables D2 – D12 • This group of tables (with the exception of Table D5) provides a detailed analysis of the relevant asset and liability items from Table D1 (Banks' accounts).

Table D2 Banks' foreign assets
end of period, in million HRK

	2007 Dec.	2008 Dec.	2009 Dec.	2010 Dec.	2011 Dec.	2012			
						Mar.	Jun.	Jul.	Aug.
1 Foreign assets in f/c	45,837.2	49,705.1	49,230.3	46,920.2	39,159.2	32,384.4	34,674.1	38,042.5	42,104.8
1.1 Claims on foreign financial institutions	37,824.9	38,038.3	34,186.6	32,069.1	29,698.4	24,319.4	26,529.6	29,940.2	33,599.1
Foreign currencies	1,245.5	1,973.2	1,772.6	1,628.4	1,944.8	1,621.0	2,290.7	2,439.4	2,496.1
Demand deposits	1,305.2	2,109.8	1,338.7	1,584.7	2,486.3	2,085.7	3,321.8	4,000.7	4,919.0
Time and notice deposits	31,726.1	31,444.5	29,254.5	26,728.1	22,302.7	17,534.0	16,499.5	18,892.1	21,170.6
Securities	3,210.4	2,307.1	1,629.0	1,896.5	2,840.4	2,817.4	4,269.0	4,482.3	4,889.2
Loans and advances	195.9	166.3	117.6	170.1	67.7	220.4	107.3	80.7	79.0
Shares and participations	141.9	37.4	74.2	61.3	56.4	41.0	41.3	45.0	45.1
1.2 Claims on foreign non-banks	8,012.3	11,666.8	15,043.7	14,851.2	9,460.8	8,065.0	8,144.4	8,102.4	8,505.6
Claims on foreign governments	6,696.1	9,976.8	13,477.2	13,047.3	7,544.3	6,110.7	6,107.9	5,979.5	6,225.5
Claims on other non-residents	1,295.2	1,613.5	1,534.5	1,785.9	1,857.5	1,891.1	2,013.8	2,099.0	2,256.8
Securities	180.9	235.1	205.4	131.0	62.8	65.6	68.1	69.0	58.8
Loans and advances	1,114.3	1,378.4	1,329.1	1,654.9	1,794.6	1,825.5	1,945.7	2,030.0	2,198.0
Shares and participations	20.9	76.5	32.0	17.9	59.0	63.2	22.7	23.9	23.3
2 Foreign assets in kuna	601.3	541.5	346.7	325.2	290.9	340.8	493.0	666.0	1,863.0
2.1 Claims on foreign financial institutions	408.1	144.1	86.3	72.4	122.9	168.8	318.4	494.4	1,693.8
2.2 Claims on foreign non-banks	193.3	397.4	260.3	252.8	168.0	172.0	174.5	171.6	169.1
o/w: Loans and advances	192.7	396.8	260.0	252.5	167.7	171.7	174.2	171.3	168.8
Total (1+2)	46,438.5	50,246.6	49,577.0	47,245.4	39,450.1	32,725.3	35,167.1	38,708.5	43,967.8

Table D2 Banks' foreign assets • This table shows banks' claims on foreign legal and natural persons.

Foreign assets of banks comprise foreign assets in kuna and foreign currency.

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

Table D3 Banks' claims on the central government and funds
end of period, in million HRK

	2007 Dec.	2008 Dec.	2009 Dec.	2010 Dec.	2011 Dec.	2012			
						Mar.	Jun.	Jul.	Aug.
1 In kuna	24,081.8	24,901.6	24,461.9	28,491.6	30,089.7	28,410.5	34,357.6	34,849.8	33,860.3
1.1 Claims on central government	19,057.3	19,899.5	19,230.6	21,461.5	22,981.1	21,497.2	24,141.2	24,714.0	23,725.3
Securities	16,099.8	16,969.0	16,305.4	17,752.1	19,749.9	17,759.1	17,141.8	17,766.2	16,838.8
o/w: Bonds (c'part to f/c savings deposits)	6.4	6.1	5.2	6.7	5.8	1.0	0.6	0.8	0.7
Loans and advances	2,957.5	2,930.4	2,925.1	3,709.4	3,231.2	3,738.1	6,999.4	6,947.8	6,886.5
1.2 Claims on central government funds	5,024.5	5,002.1	5,231.3	7,030.2	7,108.6	6,913.2	10,216.5	10,135.7	10,134.9
Securities	–	6.1	–	–	–	–	–	–	–
Loans and advances	5,024.5	4,996.1	5,231.3	7,030.2	7,108.6	6,913.2	10,216.5	10,135.7	10,134.9
2 In f/c	4,889.7	12,899.5	19,787.7	21,815.9	27,780.1	34,666.3	33,473.4	33,397.3	33,476.5
2.1 Claims on central government	4,388.6	9,843.6	14,793.1	14,901.3	18,262.6	24,447.8	22,827.1	22,828.7	23,070.7
Securities	268.4	300.7	234.7	207.7	1,281.2	6,367.9	6,832.2	6,806.2	6,815.3
Loans and advances	4,120.1	9,542.9	14,558.4	14,693.5	16,981.4	18,079.8	15,994.9	16,022.5	16,255.4
2.2 Claims on central government funds	501.2	3,055.9	4,994.6	6,914.7	9,517.6	10,218.5	10,646.3	10,568.6	10,405.8
Securities	82.1	50.9	52.0	84.7	71.3	69.7	68.9	68.8	68.4
Loans and advances	419.1	3,005.1	4,942.6	6,830.0	9,446.3	10,148.8	10,577.4	10,499.8	10,337.4
Total (1+2)	28,971.5	37,801.1	44,249.5	50,307.6	57,869.9	63,076.8	67,831.0	68,247.1	67,336.7

Table D3 Banks' claims on the central government and funds • The table shows banks' kuna and foreign currency claims on the central government and funds. The item Securities, shown under Claims in kuna on the Republic of Croatia, also

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

Table D4 Banks' claims on other domestic sectors
end of period, in million HRK

	2007 Dec.	2008 Dec.	2009 Dec.	2010 Dec.	2011 Dec.	2012			
						Mar.	Jun.	Jul.	Aug.
1 Claims in kuna	194,476.7	216,530.8	211,273.4	221,988.6	233,543.4	233,036.2	228,773.0	228,134.5	226,848.5
1.1 Money market instruments	2,147.4	2,674.5	2,040.2	1,873.2	2,258.8	2,251.6	2,678.1	2,592.4	2,341.6
1.2 Bonds	1,366.0	1,341.4	1,691.0	1,702.7	1,618.7	1,566.8	1,714.4	1,617.7	1,580.0
1.3 Loans and advances	188,462.5	210,424.0	205,279.3	215,923.2	226,136.0	225,697.5	220,854.9	220,404.5	219,410.1
1.4 Shares and participations	2,500.8	2,090.8	2,262.9	2,489.5	3,530.0	3,520.3	3,525.6	3,519.8	3,516.9
2 Claims in f/c	12,854.0	14,877.8	18,592.7	22,046.8	24,073.2	24,127.9	21,958.3	22,318.6	21,386.5
2.1 Securities	249.2	109.3	441.1	105.7	163.1	91.0	108.7	102.2	82.0
2.2 Loans and advances	12,604.9	14,768.5	18,151.7	21,941.1	23,910.1	24,036.9	21,849.6	22,216.4	21,304.5
Total (1+2)	207,330.7	231,408.6	229,866.1	244,035.4	257,616.6	257,164.0	250,731.4	250,453.1	248,235.0

Table D4 Banks' claims on other domestic sectors • The table shows banks' kuna and foreign currency claims on other domestic sectors, classified according to financial instruments:

money market instruments (including factoring and forfeiting since January 2004), loans and advances (including acceptances and purchased claims), and equities.

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

	2007 Dec.	2008 Dec.	2009 Dec.	2010 Dec.	2011 Dec.	2012			
						Mar.	Jun.	Jul.	Aug.
LOANS IN KUNA									
1 Loans to central government and funds	7,982.0	7,926.5	8,156.4	10,739.6	10,339.8	10,651.4	17,215.8	17,083.6	17,021.5
1.1 Loans to central government	2,957.5	2,930.4	2,925.1	3,709.4	3,231.2	3,738.1	6,999.4	6,947.8	6,886.5
1.2 Loans to central government funds	5,024.5	4,996.1	5,231.3	7,030.2	7,108.6	6,913.2	10,216.5	10,135.7	10,134.9
2 Loans to local government	1,867.5	1,786.9	1,795.4	2,168.1	2,528.2	2,503.1	2,438.0	2,405.7	2,372.8
3 Loans to enterprises	74,001.7	82,431.7	80,913.1	86,564.6	95,224.8	95,508.3	90,806.4	90,559.7	90,351.7
4 Loans to households	112,593.3	126,205.3	122,570.8	127,190.5	128,382.9	127,686.1	127,610.6	127,439.1	126,685.7
o/w: Housing loans	45,218.6	52,305.5	52,949.4	57,984.0	59,610.9	59,343.9	59,520.6	59,612.2	59,257.6
5 Loans to other banking institutions	213.6	36.1	236.5	293.2	532.0	263.5	140.7	330.6	143.8
6 Loans to non-banking financial institutions	947.6	741.4	689.0	2,063.0	1,480.0	1,313.1	1,632.8	2,588.0	2,240.1
A Total (1+2+3+4+5+6)	197,605.7	219,128.0	214,361.3	229,018.9	238,487.8	237,925.5	239,844.3	240,406.7	238,815.4
LOANS IN F/C									
1 Loans to central government and funds	4,539.2	12,548.0	19,501.0	21,523.5	26,427.7	28,228.7	26,572.3	26,522.3	26,592.8
1.1 Loans to central government	4,120.1	9,542.9	14,558.4	14,693.5	16,981.4	18,079.8	15,994.9	16,022.5	16,255.4
1.2 Loans to central government funds	419.1	3,005.1	4,942.6	6,830.0	9,446.3	10,148.8	10,577.4	10,499.8	10,337.4
2 Loans to local government	8.7	5.5	3.0	0.5	0.3	0.3	0.3	0.3	0.3
3 Loans to enterprises	12,264.5	14,416.8	17,825.7	21,598.3	23,584.1	23,705.9	21,518.7	21,884.8	20,987.6
4 Loans to households	331.6	346.1	323.0	342.4	325.7	330.7	330.6	331.4	316.7
5 Loans to other banking institutions	74.0	1.2	31.0	0.6	69.1	65.6	77.0	11.3	68.9
6 Loans to non-banking financial institutions	668.0	143.5	269.4	341.3	452.6	449.1	288.8	279.0	301.6
B Total (1+2+3+4+5+6)	17,886.0	27,461.1	37,953.0	43,806.5	50,859.5	52,780.4	48,787.6	49,029.0	48,267.7
TOTAL (A+B)	215,491.7	246,589.1	252,314.3	272,825.4	289,347.3	290,705.9	288,631.9	289,435.7	287,083.1

Table D5 Distribution of banks' loans by domestic institutional sectors • The table shows data on kuna and foreign currency loans granted by banks to domestic sectors, including

acceptances, financial leases, payments made on the basis of guarantees and similar instruments, purchased claims, and until December 2003 factoring and forfeiting.

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

	2007 Dec.	2008 Dec.	2009 Dec.	2010 Dec.	2011 Dec.	2012			
						Mar.	Jun.	Jul.	Aug.
1 Local government	2,689.4	2,441.1	1,377.7	1,303.3	1,616.9	989.3	1,154.4	1,107.7	1,179.5
2 Enterprises	19,599.3	16,896.1	14,893.1	15,860.4	17,127.7	13,203.4	15,054.3	15,386.5	14,921.5
3 Households	17,896.7	17,620.1	14,218.6	15,581.9	16,156.0	15,814.9	15,738.0	16,484.0	16,661.6
4 Other banking institutions	481.1	293.6	517.1	347.5	397.9	459.7	609.6	441.6	166.6
5 Non-banking financial institutions	1,205.2	921.1	893.4	796.0	862.9	750.1	1,112.3	1,022.6	652.7
6 Less: Checks of other banks and checks in collection	-0.9	-0.7	-0.3	-0.2	-0.1	0.0	0.0	0.0	0.0
Total (1+2+3+4+5+6)	41,870.8	38,171.2	31,899.6	33,888.9	36,161.3	31,217.3	33,668.6	34,442.4	33,581.9

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

Demand deposits are the sum of other domestic sectors', other banking institutions' and non-banking financial

institutions' giro and current accounts balances, minus currency in the payment system (i.e. checks in banks' vaults and checks in collection). Banks' obligations arising from kuna payment instruments issued are included in the household sector.

Table D7 Time and savings deposits with banks
end of period, in million HRK

	2007 Dec.	2008 Dec.	2009 Dec.	2010 Dec.	2011 Dec.	2012			
						Mar.	Jun.	Jul.	Aug.
1 Savings deposits	3,086.1	2,770.3	2,523.1	2,503.2	2,506.4	2,334.6	2,338.0	2,464.0	2,471.2
1.1 Local government	2.5	0.0	0.0	0.1	21.2	2.6	1.9	1.5	1.4
1.2 Enterprises	154.7	108.8	203.7	318.9	440.5	359.5	388.0	473.9	471.2
1.3 Households	2,929.0	2,657.7	2,268.9	2,167.4	2,016.9	1,955.2	1,891.8	1,899.3	1,894.9
1.4 Other banking institutions	–	–	5.0	–	4.3	1.4	1.7	1.7	1.7
1.5 Non-banking financial institutions	–	3.7	45.5	16.9	23.4	16.0	54.6	87.5	102.1
2 Time and notice deposits	50,558.8	47,300.1	36,616.3	32,320.2	38,420.6	39,978.2	39,388.0	39,462.3	40,638.2
2.1 Local government	549.5	726.0	498.8	355.2	314.6	619.9	657.8	647.1	664.7
2.2 Enterprises	18,414.8	16,268.0	11,559.0	8,933.3	11,249.5	11,566.0	9,318.2	10,455.4	11,118.4
2.3 Households	20,479.1	22,721.6	16,910.7	17,188.1	19,129.1	20,039.6	19,909.9	20,024.0	20,203.4
2.4 Other banking institutions	6,386.5	2,563.4	3,039.8	2,448.8	4,041.8	4,438.1	5,901.7	5,175.0	5,336.4
2.5 Non-banking financial institutions	4,728.9	5,021.1	4,608.1	3,394.8	3,685.5	3,314.6	3,600.3	3,160.8	3,315.2
Total (1+2)	53,644.9	50,070.3	39,139.4	34,823.4	40,926.9	42,312.9	41,726.0	41,926.3	43,109.4

Table D7 Time and savings deposits with banks • The table shows kuna savings and time deposits by other domestic sectors, other banking institutions and non-banking financial institutions with banks.

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

	2007 Dec.	2008 Dec.	2009 Dec.	2010 Dec.	2011 Dec.	2012			
						Mar.	Jun.	Jul.	Aug.
1 Savings deposits	22,845.0	21,262.2	20,781.0	22,906.1	22,833.9	21,318.9	21,368.6	22,798.6	24,656.0
1.1 Local government	27.5	22.1	25.5	15.8	8.9	16.1	13.5	13.4	17.3
1.2 Enterprises	5,543.6	5,132.0	5,053.6	5,738.5	5,552.0	4,517.2	4,534.0	5,090.0	6,113.4
1.3 Households	16,720.8	15,682.8	15,148.7	16,313.0	16,821.4	16,266.3	16,334.9	16,731.1	17,149.3
1.4 Other banking institutions	251.7	121.4	150.4	268.5	66.6	111.3	90.3	85.0	153.3
1.5 Non-banking financial institutions	301.5	303.9	402.9	570.2	385.0	408.0	395.9	879.3	1,222.8
2 Time deposits	80,245.1	95,932.6	114,629.6	124,651.0	122,332.2	122,688.5	123,423.0	124,785.3	125,784.6
2.1 Local government	2.1	2.3	2.5	2.3	11.2	6.2	4.9	4.6	4.5
2.2 Enterprises	10,391.9	11,215.5	13,516.9	15,097.8	10,372.5	9,580.8	9,222.2	9,344.6	9,996.2
2.3 Households	66,465.7	80,419.6	95,598.0	104,621.4	109,304.8	109,917.9	110,868.7	111,926.9	111,918.5
2.4 Other banking institutions	1,038.6	808.2	663.0	1,384.1	682.5	659.2	774.5	762.1	875.3
2.5 Non-banking financial institutions	2,346.8	3,487.0	4,849.1	3,545.4	1,961.2	2,524.4	2,552.8	2,747.2	2,990.1
Total (1+2)	103,090.1	117,194.8	135,410.6	147,557.1	145,166.1	144,007.4	144,791.5	147,583.9	150,440.6

Table D8 Foreign currency deposits with banks • The table shows foreign currency savings and time deposits by other domestic sectors, other banking institutions and non-banking financial institutions with banks. Foreign currency savings deposits are all foreign currency sight deposits and foreign currency payment instruments issued, while foreign currency time deposits also include foreign currency notice deposits.

Table D9 Bonds and money market instruments

end of period, in million HRK

	2007 Dec.	2008 Dec.	2009 Dec.	2010 Dec.	2011 Dec.	2012			
						Mar.	Jun.	Jul.	Aug.
1 Money market instruments (net)	0.8	0.8	0.8	-	-	-	-	-	-
2 Bonds (net)	632.0	609.5	765.3	1,016.7	1,769.1	1,726.8	1,689.1	1,490.4	1,485.8
3 Other domestic borrowing	576.0	1,920.8	596.7	320.7	343.8	93.5	332.6	382.1	696.3
3.1 Local government	-	-	-	-	-	-	-	-	-
3.2 Enterprises	152.9	3.5	4.6	2.4	1.6	2.4	237.5	237.4	482.8
3.3 Other banking institutions	266.4	1,719.2	551.8	318.1	205.1	72.1	57.5	101.8	174.5
3.4 Non-banking financial institutions	156.6	198.0	40.4	0.1	137.0	19.0	37.6	42.9	39.0
Total (1+2+3)	1,208.8	2,531.1	1,362.8	1,337.4	2,112.9	1,820.3	2,021.6	1,872.5	2,182.1

Table D9 Bonds and money market instruments • The table shows banks' liabilities for securities issued (net) and loans received from other domestic sectors, other banking institutions and non-banking financial institutions.

Money market instruments (net) comprise banks' net liabilities for CNB bills, bills of exchange (issued and accepted) and other securities issued.

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

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

Table D10 Banks' foreign liabilities

end of period, in million HRK

	2007 Dec.	2008 Dec.	2009 Dec.	2010 Dec.	2011 Dec.	2012			
						Mar.	Jun.	Jul.	Aug.
1 Foreign liabilities in f/c	48,461.3	54,726.8	60,046.7	58,715.8	67,938.6	68,460.5	66,048.3	63,518.8	62,610.3
1.1 Liabilities to foreign financial institutions	41,483.1	47,878.5	51,702.3	48,789.0	58,001.2	58,415.5	55,809.6	53,275.6	52,263.7
Demand deposits	258.8	176.6	221.0	208.3	184.4	133.5	155.5	167.2	233.7
Time and notice deposits	10,562.9	14,016.4	21,945.8	20,188.9	27,444.5	26,846.9	25,822.7	23,481.3	22,099.6
Loans and advances	27,373.0	30,408.3	29,535.4	28,391.9	30,372.2	31,435.1	29,831.4	29,627.2	29,930.4
o/w: Subordinated and hybrid instruments	405.9	1,585.1	2,000.7	2,079.8	2,268.1	2,212.4	2,214.6	2,217.3	2,205.7
Bonds	3,288.4	3,277.1	-	-	-	-	-	-	-
1.2 Liabilities to foreign non-banks	6,978.2	6,848.4	8,344.4	9,926.7	9,937.5	10,045.0	10,238.7	10,243.3	10,346.6
Savings and time deposits	6,729.9	6,719.0	8,336.3	9,909.3	9,921.2	10,029.4	10,225.1	10,229.6	10,333.1
Sight deposits	1,537.2	1,374.5	1,267.8	1,434.3	1,434.3	1,479.2	1,550.4	1,559.3	1,558.2
Time and notice deposits	5,192.7	5,344.6	7,068.6	8,475.0	8,486.9	8,550.1	8,674.7	8,670.3	8,774.9
Loans and advances	248.3	129.3	8.0	17.5	16.2	15.6	13.6	13.7	13.6
o/w: Subordinated and hybrid instruments	-	-	-	11.1	11.3	11.3	9.3	9.3	9.2
2 Foreign liabilities in kuna	16,691.3	20,569.2	20,318.6	23,224.6	22,337.9	22,306.4	21,182.6	20,558.5	20,438.0
2.1 Liabilities to foreign financial institutions	16,093.8	20,061.0	19,943.0	22,817.7	21,806.5	21,755.7	20,673.2	20,042.9	19,896.8
Demand deposits	519.0	898.1	359.1	696.3	655.0	607.8	1,059.7	701.4	708.1
Time and notice deposits	11,423.7	15,014.2	14,654.3	15,963.5	16,449.5	18,080.7	16,590.9	16,342.7	16,198.7
Loans and advances	4,151.2	4,148.8	4,929.6	6,158.0	4,702.1	3,067.1	3,022.6	2,998.8	2,990.0
o/w: Subordinated and hybrid instruments	0.4	-	749.2	899.0	964.6	963.2	954.1	955.7	949.7
2.2 Liabilities to foreign non-banks	597.5	508.2	375.7	406.8	531.4	550.7	509.5	515.6	541.2
Demand deposits	253.2	257.0	222.8	250.3	355.0	339.7	326.1	332.8	347.3
Time and notice deposits	340.6	245.7	144.4	148.0	162.7	197.4	169.7	169.1	180.3
Loans and advances	3.7	5.5	8.5	8.5	13.7	13.6	13.6	13.6	13.6
o/w: Subordinated and hybrid instruments	3.7	5.5	8.5	8.5	13.7	13.6	13.6	13.6	13.6
Total (1+2)	65,152.6	75,296.1	80,365.3	81,940.4	90,276.5	90,766.9	87,230.9	84,077.3	83,048.3

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

Banks' foreign liabilities comprise foreign currency liabilities and foreign kuna liabilities.

Within foreign kuna and foreign currency liabilities, liabilities to foreign banks are reported separately from liabilities to foreign non-banks (total and by financial instruments). Loans and advances also include issued subordinated and hybrid instruments purchased by foreign investors.

Table D11 Central government and funds' deposits with banks
end of period, in million HRK

	2007 Dec.	2008 Dec.	2009 Dec.	2010 Dec.	2011 Dec.	2012			
						Mar.	Jun.	Jul.	Aug.
1 In kuna	11,535.0	14,185.1	15,124.1	16,089.9	15,857.4	15,863.0	16,508.3	16,771.6	16,166.2
1.1 Central government deposits	666.4	429.5	356.6	806.8	664.2	648.4	750.4	1,522.4	851.9
Demand deposits	454.9	176.7	189.3	306.0	424.6	447.2	515.4	553.9	657.8
Savings deposits	1.2	1.1	0.6	0.5	0.5	0.5	0.5	0.5	0.4
Time and notice deposits	209.3	251.6	166.7	485.3	230.9	200.8	234.5	968.0	193.7
Loans and advances	1.0	–	–	15.0	8.3	–	–	–	–
1.2 Central government funds' deposits	10,868.6	13,755.5	14,767.5	15,283.1	15,193.2	15,214.6	15,757.9	15,249.2	15,314.2
Demand deposits	330.1	645.6	389.5	290.9	493.0	251.0	240.1	213.5	255.3
Savings deposits	2.4	0.0	0.3	0.0	–	–	–	–	–
Time and notice deposits	413.6	385.8	410.8	329.0	87.6	565.7	637.3	503.2	612.9
Loans and advances	10,122.4	12,724.1	13,966.9	14,663.3	14,612.6	14,397.9	14,880.5	14,532.5	14,446.0
2 In f/c	1,990.8	1,822.5	3,095.2	3,780.4	2,387.5	3,101.8	2,814.8	2,311.4	1,791.8
2.1 Central government deposits	759.4	1,122.5	1,088.3	1,656.1	1,467.8	1,520.7	1,245.2	1,221.1	1,198.3
Savings deposits	527.4	666.8	716.8	993.9	620.3	431.6	749.0	639.3	611.1
Time and notice deposits	49.7	330.0	309.4	662.0	847.2	1,088.9	496.1	581.8	587.2
Refinanced loans and advances	182.3	125.7	62.2	0.2	0.2	0.2	–	–	–
2.2 Central government funds' deposits	1,231.4	699.9	2,006.9	2,124.3	919.7	1,581.1	1,569.6	1,090.3	593.5
Savings deposits	85.7	107.1	106.6	90.2	94.4	179.5	818.6	161.8	208.3
Time and notice deposits	153.8	519.6	256.4	601.3	381.8	765.7	112.7	439.8	385.2
Loans and advances	991.8	73.2	1,643.9	1,432.7	443.5	635.8	638.4	488.7	–
Total (1+2)	13,525.8	16,007.5	18,219.3	19,870.3	18,244.9	18,964.8	19,323.1	19,083.1	17,958.0

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

Kuna and foreign currency deposits by the Republic of

Croatia and central government funds are shown separately. Kuna deposits comprise demand deposits, savings deposits, time and notice deposits, and loans received from the central government and funds. Foreign currency deposits comprise savings deposits, time and notice deposits, and refinanced loans and advances.

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

	2007 Dec.	2008 Dec.	2009 Dec.	2010 Dec.	2011 Dec.	2012			
						Mar.	Jun.	Jul.	Aug.
1 Restricted deposits	2,252.3	3,038.4	2,548.4	2,328.3	3,231.5	2,578.6	2,576.1	2,503.8	2,528.8
1.1 In kuna	1,322.8	1,478.8	1,366.0	1,428.9	1,751.7	1,593.9	1,567.4	1,546.6	1,545.4
1.2 In f/c	929.5	1,559.6	1,182.5	899.4	1,479.8	984.7	1,008.7	957.3	983.3
2 Blocked f/c deposits of households	–	–	–	–	–	–	–	–	–
Total (1+2)	2,252.3	3,038.4	2,548.4	2,328.3	3,231.5	2,578.6	2,576.1	2,503.8	2,528.8

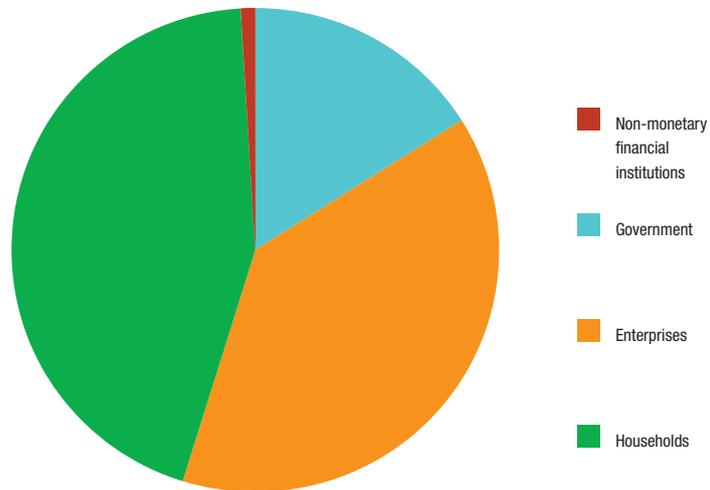
Table D12 Restricted and blocked deposits with banks • The table shows households' restricted (kuna and foreign currency) deposits and blocked deposits.

Blocked foreign currency deposits include households'

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

Figure D1

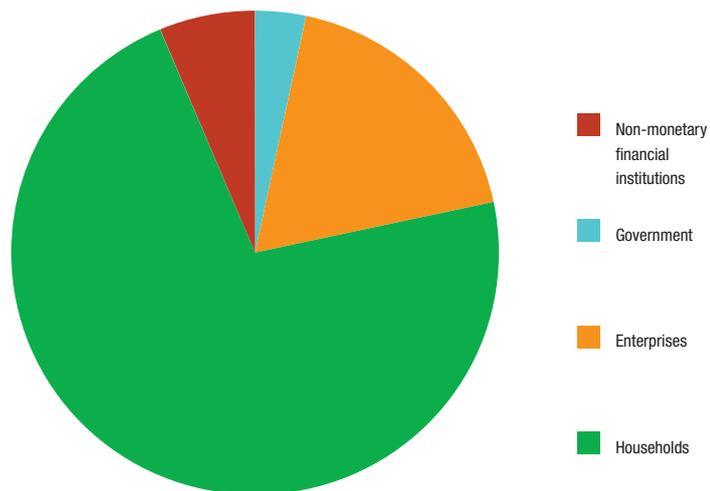
Distribution of banks' loans by domestic institutional sectors



August 2012

Figure D2

Distribution of banks' deposits by domestic institutional sectors



August 2012

Note:
Sector "Non-monetary financial institutions" includes other banking institutions and non-banking financial institutions.
Sector "Government" includes the central government and funds and local government.

E Housing savings banks

Table E1 Housing savings banks' accounts
end of period, in million HRK

	2007 Dec.	2008 Dec.	2009 Dec.	2010 Dec.	2011 Dec.	2012			
						Mar.	Jun.	Jul.	Aug.
ASSETS									
1 Reserves with the CNB	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2 Claims on central government and funds	4,036.5	3,395.5	3,137.9	3,315.9	3,367.6	3,420.3	2,966.2	2,984.6	2,974.3
3 Claims on other domestic sectors	2,220.4	2,857.9	2,979.1	2,987.3	3,387.0	3,357.8	3,382.7	3,396.4	3,378.2
o/w: Claims on households	2,220.4	2,857.9	2,979.1	2,987.3	3,387.0	3,357.8	3,382.7	3,396.4	3,378.2
4 Claims on banks	133.6	533.7	294.8	258.5	760.6	462.3	752.1	521.5	543.0
5 Claims on other banking institutions	-	-	-	-	-	-	-	-	-
Total (1+2+3+4+5)	6,390.5	6,787.1	6,411.7	6,561.8	7,515.2	7,240.5	7,101.1	6,902.6	6,895.6
LIABILITIES									
1 Time deposits	6,037.9	6,297.6	5,711.8	5,791.5	6,115.0	6,078.4	6,065.9	6,072.7	6,049.1
2 Bonds and money market instruments	40.1	91.5	230.8	279.7	650.9	367.1	191.6	200.8	192.2
3 Capital accounts	303.0	390.6	478.1	512.1	544.0	568.3	590.8	597.4	604.4
4 Other items (net)	9.6	7.4	-8.9	-21.5	205.2	226.7	252.7	31.7	49.9
Total (1+2+3+4)	6,390.5	6,787.1	6,411.7	6,561.8	7,515.2	7,240.5	7,101.1	6,902.6	6,895.6

Table E1 Housing savings banks' accounts • Housing savings banks' accounts include data on claims and liabilities of the Croatian housing savings banks. All housing savings banks' claims and liabilities refer exclusively to domestic sectors.

Housing savings banks' required reserves held at the central bank include funds in vaults. Until September 2003, they also included kuna funds held in accounts at the central bank.

Claims on central government and funds are claims in kuna on the Republic of Croatia and central government funds.

Claims on other domestic sectors include kuna loans to local government and households.

Claims on banks include loans to banks, as well as deposits with banks, including, from October 2003 on, accounts for regular operations with banks.

Claims on other banking institutions include investments in investment funds.

Item Time deposits includes local government and households' time deposits.

Bonds and money market instruments are housing savings banks' liabilities for securities issued (net) and loans received.

Capital accounts are share capital, profit or loss for the previous and current year, retained earnings (loss), legal reserves, reserves provided for by the articles of association and other capital reserves, hedging reserves, unrealised gains (losses) from financial assets classified as available-for-sale assets, value adjustments and collectively assessed impairment provisions. Other items (net) are unclassified liabilities decreased by unclassified assets.

F Monetary policy instruments and liquidity

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

Year	Month	CNB discount rate	CNB repo rate ^a	Credit rates					
				On Lombard credits ^b	On intervention credits	On intra-day refinance facility ^b	On short-term liquidity credits	On inaccurately calculated statutory reserves ^b	On arrears ^c
1	2	3	4	5	6	7	8	9	10
1998	December	5.90	–	12.00	19.00	7.00	14.00	19.00	18.00
1999	December	7.90	–	13.00	19.00	–	14.00	19.00	18.00
2000	December	5.90	–	12.00	18.00	–	13.00	18.00	18.00
2001	December	5.90	–	10.00	–	–	11.00	15.00	18.00
2002	December	4.50	–	9.50	–	–	10.50	15.00	15.00
2003	December	4.50	–	9.50	–	–	10.50	15.00	15.00
2004	December	4.50	–	9.50	–	–	10.50	15.00	15.00
2005	December	4.50	3.50	7.50 ^c	–	–	8.50 ^c	15.00	15.00
2006	December	4.50	3.50	7.50	–	–	8.50	15.00	15.00
2007	December	9.00 ^d	4.06	7.50	–	–	8.50	15.00	15.00
2008	December	9.00	6.00	9.00	–	–	10.00	15.00	14.00
2009	December	9.00	–	9.00	–	–	10.00	15.00	14.00
2010	December	9.00	–	9.00	–	–	10.00	15.00	14.00
2011	September	7.00	–	9.00	–	–	10.00	15.00	12.00
	October	7.00	–	9.00	–	–	10.00	15.00	12.00
	November	7.00	–	6.25 ^e	–	–	7.25 ^e	15.00	12.00
	December	7.00	–	6.25	–	–	7.25	15.00	12.00
2012	January	7.00	–	6.25	–	–	7.25	15.00	12.00
	February	7.00	–	6.25	–	–	7.25	15.00	12.00
	March	7.00	–	6.25	–	–	7.25	15.00	12.00
	April	7.00	–	6.25	–	–	7.25	15.00	12.00
	May	7.00	–	6.25	–	–	7.25	15.00	12.00
	June	7.00	–	6.25	–	–	7.25	14.50 ^f	12.00
	July	7.00	–	6.25	–	–	7.25	14.50	12.00
	August	7.00	–	6.25	–	–	7.25	14.50	12.00

^a Weighted averages of weighted repo rates achieved at regular reverse repo auctions of the CNB in the reporting month. ^b Breaks in the series of data are explained in notes on methodology. ^c Since 14 December 2005. ^d Since 31 December 2007. ^e Since 28 November 2011. ^f Since 20 June 2012.

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

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

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

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

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

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

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

Table F2 Deposit rates of the Croatian National Bank

in percentage, on annual basis

Year	Month	Interest rates on statutory reserves dep. with the CNB	Interest rates on CNB bills on an obligatory basis	Interest rates on CNB bills on a voluntary basis ^a				Interest rates on f/c CNB bills on a voluntary basis					Interest rates on overnight deposits
				Due in 7 days	Due in 35 days	Due in 70 days	Due in 105 days	Due in 35 days	Due in 63 days	Due in 91 days	Due in 182 days	Due in 364 days	
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1998	December	5.90	–	–	9.50	10.50	11.00	–	4.60	3.12	3.08	–	–
1999	December	5.90	–	–	10.50	11.55	12.50	–	4.83	3.56	–	–	–
2000	December	4.50	–	–	6.65	7.00	7.70	–	5.51	4.83	–	–	–
2001	December	2.00	–	–	3.36	4.26	4.85	–	2.62	3.06	–	–	–
2002	December	1.75	–	–	2.08	–	–	2.30	2.68	–	–	–	–
2003	December	1.25	0.50	–	–	–	–	1.75	1.48	–	–	–	–
2004	December	1.25	–	–	–	–	–	–	–	–	–	–	–
2005	December	0.75	–	–	–	–	–	–	–	–	–	–	0.50
2006	December	0.75	–	–	–	–	–	–	–	–	–	–	0.50
2007	December	0.75	0.75	–	–	–	–	–	–	–	–	–	0.50
2008	December	0.75	0.25	–	–	–	–	–	–	–	–	–	0.50
2009	December	0.75	0.25	–	–	–	–	–	–	–	–	–	0.50
2010	December	0.75	–	–	–	–	–	–	–	–	–	–	0.50
2011	September	–	–	–	–	–	–	–	–	–	–	–	0.25
	October	–	–	–	–	–	–	–	–	–	–	–	0.25
	November	–	–	–	–	–	–	–	–	–	–	–	0.25
	December	–	–	–	–	–	–	–	–	–	–	–	0.25
2012	January	–	–	–	–	–	–	–	–	–	–	–	0.25
	February	–	–	–	–	–	–	–	–	–	–	–	0.25
	March	–	–	–	–	–	–	–	–	–	–	–	0.25
	April	–	–	–	–	–	–	–	–	–	–	–	0.25
	May	–	–	–	–	–	–	–	–	–	–	–	0.25
	June	–	–	–	–	–	–	–	–	–	–	–	0.25
	July	–	–	–	–	–	–	–	–	–	–	–	0.25
	August	–	–	–	–	–	–	–	–	–	–	–	0.25

^a Breaks in the series of data are explained in notes on methodology.

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

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

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

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

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

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

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

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

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

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

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

Table F3 Banks' reserve requirements

daily averages and percentages, in million HRK and %

Year	Month	Weighted average res. requirement in % on res. base	Reserve requirement (RR)			Other obligatory deposits with the CNB	Statutory reserves deposited with the CNB		Weighted avg. remuneration rate on immobilised funds in kuna	Weighted avg. remuneration rate on allocated funds in f/c
			Total	In kuna	In f/c		In kuna	In f/c		
1	2	3	4=5+6	5	6	7	8	9	10	11
1998	December	29.57	13,112.7	3,967.2	9,145.4	57.4	3,469.8	1,467.6	5.28	....
1999	December	30.50	13,579.0	4,210.1	9,368.9	37.3	3,695.1	4,606.5	5.62	....
2000	December	23.22	16,245.8	4,646.8	11,599.0	5.0	4,191.6	5,544.6	4.05	....
2001	December	19.67	21,187.1	8,691.5	12,495.5	-	6,287.8	5,950.0	1.97	2.73
2002	December	19.00	25,985.1	11,447.1	14,538.0	-	8,156.7	7,139.9	1.72	2.16
2003	December	19.00	31,009.4	18,023.8	12,985.6	109.4	12,459.8	6,850.2	1.17	1.47
2004	December	18.00	33,615.7	20,040.9	13,574.8	430.1	14,664.1	10,171.3	1.22	1.36
2005	December	18.00	37,424.5	24,997.9	12,426.6	3,940.2	17,497.7	9,271.4	0.52	0.92
2006	December	17.00	40,736.4	28,966.1	11,770.4	7,332.5	20,257.0	8,780.9	0.52	1.06
2007	December	17.00	44,465.9	31,809.1	12,656.8	6,641.1	22,266.4	9,203.5	0.53	1.29
2008	December	14.87	41,474.4	29,179.7	12,294.7	461.9	20,425.8	8,807.0	0.52	0.81
2009	December	14.00	40,423.5	33,693.7	6,729.8	30.9	23,585.6	4,898.0	0.52	-
2010	December	13.00	38,990.6	32,374.8	6,615.8	-	22,662.4	4,736.7	0.52	-
2011	September	13.00	40,848.2	33,997.1	6,851.0	-	23,798.0	4,979.0	-	-
	October	13.65	42,957.3	35,740.0	7,217.4	-	25,018.0	5,217.5	-	-
	November	14.00	44,220.4	36,763.1	7,457.3	-	25,565.5	5,392.2	-	-
	December	14.00	44,443.2	36,936.6	7,506.7	-	25,654.6	5,437.9	-	-
2012	January	14.68	46,753.8	38,844.2	7,909.6	-	27,522.0	5,857.4	-	-
	February	15.00	47,881.9	39,758.3	8,123.6	-	27,814.7	5,968.2	-	-
	March	15.00	47,927.4	39,761.5	8,165.9	-	27,637.8	5,973.4	-	-
	April	15.00	47,755.8	39,611.9	8,143.9	-	27,584.6	5,957.1	-	-
	May	13.89	43,907.0	36,445.9	7,461.1	-	25,420.1	5,462.9	-	-
	June	13.50	42,651.5	35,413.9	7,237.6	-	24,737.7	5,307.3	-	-
	July	13.50	42,815.5	35,563.0	7,252.5	-	24,874.6	5,315.9	-	-
	August	13.50	42,602.1	35,437.9	7,164.2	-	24,803.4	5,216.8	-	-

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

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

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

reserves until July 1995, special reserve requirement on liabilities arising from issued securities from March 2006 to February 2009, statutory reserves on f/c deposits, f/c credits from foreign banks and guarantees for such credits and marginal reserve requirement (from August 2004 to October 2008).

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

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

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

Table F4 Banks' liquidity indicators

daily averages and percentages, in million HRK and %

Year	Month	Free reserves		Primary liquidity ratio	Secondary liquidity sources	Kuna CNB bills	F/c CNB bills	Kuna MoF treasury bills
		In kuna	In f/c					
1	2	3	4	5	6	7	8	9
1998	December	221.9	....	1.65	445.5	850.4	1,377.4	141.3
1999	December	179.6	....	1.30	1,183.6	1,311.1	1,507.6	373.9
2000	December	638.8	10,721.4	3.32	80.1	2,485.3	1,692.7	2,006.5
2001	December	794.4	17,247.4	3.23	2.6	2,656.2	2,630.8	3,360.9
2002	December	1,225.0	10,398.0	3.53	0.6	4,965.5	1,273.9	4,279.5
2003	December	451.6	20,561.4	0.98	501.6	–	4,316.0	3,073.2
2004	December	1,495.5	26,126.1	2.64	0.0	–	–	4,581.7
2005	December	672.5	20,493.4	0.96	0.2	–	–	4,163.3
2006	December	840.8	20,239.1	0.83	–	–	–	5,993.7
2007	December	1,161.5	30,412.6	1.03	330.4	–	–	4,449.4
2008	December	1,168.7	28,101.4	1.03	289.1	–	–	6,171.2
2009	December	880.0	24,885.6	0.91	–	–	–	4,776.6
2010	December	407.1	30,511.9	0.42	–	–	–	5,705.9
2011	September	521.2	22,902.5	0.50	–	–	–	7,160.3
	October	490.5	21,069.3	0.48	–	–	–	7,099.3
	November	280.1	17,789.9	0.27	10.4	–	–	7,132.9
	December	333.0	15,693.8	0.32	97.3	–	–	8,157.7
2012	January	291.7	12,783.1	0.28	52.6	–	–	8,262.2
	February	102.7	9,103.8	0.10	58.3	–	–	7,888.2
	March	439.4	7,692.1	0.43	47.8	–	–	7,360.3
	April	287.6	7,809.4	0.28	22.7	–	–	7,834.5
	May	360.6	8,573.5	0.36	–	–	–	7,792.2
	June	414.2	7,736.4	0.41	–	–	–	8,207.9
	July	334.0	6,392.5	0.33	–	–	–	8,757.5
	August	363.6	7,834.5	0.35	–	–	–	8,534.1

Column 11 shows the weighted average remuneration rate on allocated funds in foreign currency, including the marginal reserve requirement funds (from August 2004 to October 2008). From November 2009 on, the CNB does not pay remuneration on the allocated foreign currency component of reserve requirements.

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

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

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

by the minimal required balance of these funds in the same period.

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

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

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

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

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

G Financial markets

Table G1 Banks' interest rates on kuna credits not indexed to foreign currency
weighted averages of monthly interest rates, in % on annual basis

Year	Month	Interest rates on interbank demand deposit trading		Interest rates on kuna credits not indexed to foreign currency									
		On overnight credits	On other credits	Total average	On short-term credits						On long-term credits		
					Total average	Enterprises	Households			Total average	Enterprises	Households	
							Total average	Credit lines	Other				
1	2	3	4	5	6	7	8	9	10	11	12	13	
1998	December	10.00	15.91	16.06	16.22	14.89	20.77	20.80	19.92	11.73	11.48	13.16	
1999	December	9.92	12.78	13.54	13.52	10.55	20.83	20.84	20.39	15.14	15.31	14.16	
2000	December	2.39	4.45	10.45	10.45	6.81	20.30	20.33	19.05	9.90	9.64	12.97	
2001	December	2.49	2.18	9.51	9.49	5.43	18.81	18.85	14.88	11.42	10.06	13.14	
2002	December	1.03	1.59	10.91	11.24	7.44	15.16	15.28	9.84	7.32	6.48	7.88	
2003	December	6.54	6.36	11.45	11.80	8.02	14.89	15.01	12.38	8.51	6.14	10.69	
2004	December	4.87	4.74	11.44	11.71	8.33	14.19	14.27	12.29	9.31	6.90	11.16	
2005	December	3.08	3.91	9.91	9.99	7.71	11.26	13.18	5.35	8.75	6.48	10.35	
2006	December	3.14	2.52	9.07	9.37	6.75	11.84	13.21	4.67	7.53	5.86	9.44	
2007	December	6.23	7.33	9.32	9.74	7.39	12.34	13.19	4.95	7.50	6.66	8.01	
2008	December	5.77	6.77	10.71	10.89	8.98	12.33	12.97	4.96	9.05	8.10	10.35	
2009	December	1.20	1.50	11.12	11.22	9.29	12.68	13.24	4.89	9.77	8.27	11.33	
2010	December	1.28	1.70	9.90	10.05	6.98	12.64	13.17	4.66	8.38	6.45	11.29	
2011	September	1.02	1.91	9.17	9.36	6.89	11.23	11.61	3.84	7.58	5.72	9.51	
	October	2.05	2.58	9.77	9.92	7.60	11.22	11.61	3.90	8.40	6.35	9.53	
	November	1.61	2.71	9.68	9.82	7.67	11.22	11.59	3.91	8.33	6.47	9.39	
	December	0.61	1.73	9.36	9.49	7.48	11.18	11.58	4.21	8.15	6.76	9.21	
2012	January	1.14	2.14	9.67	9.73	7.72	11.08	11.43	3.83	8.70	6.61	9.80	
	February	2.94	3.03	9.88	10.00	8.18	11.22	11.58	4.12	8.46	6.76	9.78	
	March	0.86	1.78	9.65	9.73	7.80	11.18	11.57	4.29	8.56	6.98	10.01	
	April	0.57	1.06	9.40	9.49	7.13	11.19	11.55	4.04	8.14	5.87	10.19	
	May	0.44	0.74	9.48	9.60	7.07	11.17	11.54	4.08	8.03	5.91	10.10	
	June	0.47	1.58	9.32	9.44	7.17	11.17	11.53	4.12	7.63	5.01	9.95	
	July	1.10	1.49	9.23	9.35	6.92	11.15	11.52	3.94	7.95	5.98	9.84	
	August	1.76	2.32	9.57	9.80	7.10	11.18	11.53	3.96	7.71	6.08	9.81	
Relative significance ^a		-	-	76.91	68.51	23.25	45.26	43.18	2.08	8.40	4.71	3.69	

^a Relative significance is calculated as a percentage of corresponding credit category in total credits disbursed in the reporting month (according to data for the last period included in the table).

Note: A break in the time series occurred due to changes in the methodology used in interest rate statistics as of 1 January 2001. This especially refers to interest rates shown in columns 5, 6 and 7. Interbank credits, which bear relatively low interest rates, were, among others, excluded from short-term credits to enterprises. The increase in interest rates was also caused by the weighting method: all categories are weighted by the amounts of newly-granted credits, except credit lines whose relative share grew in the new coverage, which are weighted by book balances.

Table G1 Banks' interest rates on kuna credits not indexed to foreign currency • The table contains the weighted averages of banks' monthly interest rates on kuna credits not indexed to f/c, reported on a yearly basis.

Up to December 2001, data refer to the weighted averages of banks' monthly interest rates on kuna credits not indexed to f/c granted to legal persons (which included enterprises, the public sector, financial institutions, non-profit institutions and non-residents) and households, reported on a yearly basis. Savings banks are not covered.

From January 2002 on, data refer to the weighted averages of banks' monthly interest rates on kuna credits not indexed to f/c granted only to enterprises (public and other) and households, reported on a yearly basis.

Up to February 1996, columns 3 and 4 show interest rates

on the interbank money market, according to information published by the Zagreb Money Market (ZMM). From March 1996 to August 2002, interest rates on the money market were calculated as the weighted monthly averages of the weighted daily interest rates and shown separately for trading in overnight credits and trading in other credits on the ZMM. In the period between May 1998 and January 2001, the repayment of credits granted on the interbank overnight market was guaranteed by banks' required reserves with the CNB.

As from Bulletin No. 157 columns 3 and 4 contain the revised data for the period from September 2002 onward. From September 2002 on, interest rates on overnight credits and other credits are calculated as the weighted monthly averages of the weighted daily interest rates on interbank demand deposit trading.

Table G2 Banks' interest rates on kuna credits indexed to foreign currency and on credits in euros
weighted averages of monthly interest rates, in % on annual basis

Year	Month	Interest rates on kuna credits indexed to foreign currency									Interest rates on credits in euros		
		Total average	On short-term credits			On long-term credits					Total average	On short-term credits	On long-term credits
			Total average	Enterprises	Households	Total average	Enterprises	Households					
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1998	December	13.04	14.28	14.25	13.64	11.15	10.55	12.12	....	....	6.95	8.37	5.71
1999	December	12.53	13.66	13.54	17.21	10.81	10.46	11.65	....	....	6.75	7.43	6.07
2000	December	10.74	11.17	11.10	13.59	10.52	9.41	11.64	....	....	7.70	7.49	8.05
2001	December	9.29	9.45	9.45	11.30	9.20	7.52	10.79	....	....	5.94	5.70	7.27
2002	December	8.25	9.34	8.72	11.37	7.98	6.37	9.50	7.42	10.11	5.91	6.66	5.44
2003	December	7.07	7.21	7.00	8.66	7.03	5.76	8.04	6.02	9.70	5.62	6.22	5.18
2004	December	6.89	7.25	7.09	8.47	6.77	5.55	7.73	5.71	8.79	5.34	5.92	4.83
2005	December	6.18	6.52	6.34	7.91	6.07	5.18	6.98	4.95	8.10	5.29	5.28	5.30
2006	December	6.30	6.56	6.29	8.33	6.22	6.21	6.22	4.75	7.57	5.65	6.19	5.34
2007	December	6.73	6.86	6.86	6.84	6.66	6.51	6.80	5.12	8.24	6.79	6.59	7.10
2008	December	7.73	8.20	8.18	8.65	7.43	6.92	7.89	6.08	9.02	7.08	7.17	6.83
2009	December	8.28	8.48	8.41	10.23	8.11	7.31	9.02	6.45	9.96	6.98	7.35	6.49
2010	December	7.78	7.95	7.91	8.86	7.67	7.19	8.16	6.02	8.94	6.38	7.12	6.06
2011	September	7.04	8.17	8.20	7.84	6.70	5.93	7.42	5.15	8.60	6.65	6.81	6.41
	October	7.13	7.70	7.69	7.86	6.91	6.41	7.47	5.15	8.61	6.07	6.71	5.32
	November	7.16	7.20	7.17	7.84	7.13	6.59	7.62	5.32	8.54	6.10	6.63	5.76
	December	7.15	7.60	7.56	8.49	6.82	6.37	7.53	5.26	8.48	6.49	6.27	6.87
2012	January	7.16	7.31	7.29	7.56	7.06	6.45	7.59	5.26	8.44	5.60	5.68	5.42
	February	7.14	7.17	7.15	7.69	7.13	6.54	7.64	5.37	8.55	5.85	6.37	5.10
	March	7.20	7.46	7.44	7.98	7.06	6.06	7.96	5.38	8.70	6.27	6.42	6.04
	April	6.98	7.12	7.06	7.89	6.92	6.05	7.49	5.08	8.69	4.78	4.55	5.88
	May	7.15	7.06	7.01	7.92	7.20	6.48	7.64	5.22	8.72	5.47	5.34	6.22
	June	7.04	7.32	7.26	8.35	6.92	6.12	7.60	5.25	8.65	5.53	5.05	6.38
	July	7.02	6.90	6.85	7.64	7.09	6.40	7.52	5.34	8.68	6.05	6.19	5.66
	August	7.14	7.08	7.05	7.77	7.17	6.41	7.60	5.33	8.74	5.81	5.75	6.06
Relative significance^a		17.48	6.39	6.13	0.26	11.09	4.00	7.08	2.37	4.71	5.61	4.43	1.18

^a Relative significance is calculated as a percentage of corresponding credit category in total credits disbursed in the reporting month (according to data for the last period included in the table).

Columns 5 through 13 show the weighted averages of banks' monthly interest rates classified by maturity and sectors. Interest rates on short-term credits to enterprises also include interest rates on callable loans.

Data on banks' interest rates on kuna credits not indexed to f/c are based on banks' periodic reports. The basis for the calculation of the weighted averages are amounts of credits bearing corresponding interest rates, which were disbursed during the reporting month, with the exception of interest rates on giro and current account credit lines, for which the weighted averages were calculated based on the balance of these loans at the end of the reporting month.

Table G2 Banks' interest rates on kuna credits indexed to foreign currency and on credits in euros • The table contains the weighted averages of banks' monthly interest rates on kuna credits indexed to f/c and on credits in euros, reported on a yearly basis.

Up to December 2001, data refer to the weighted averages of banks' monthly interest rates on kuna credits indexed to f/c and on credits in euros (or German marks) granted to legal persons (which included enterprises, the public sector, financial

institutions, non-profit institutions and non-residents) and households, reported on a yearly basis. Savings banks are not covered.

From January 2002 on, data refer to the weighted averages of banks' monthly interest rates on kuna credits indexed to f/c and on credits in euros granted only to enterprises (public and other) and households, reported on a yearly basis.

Data on banks' interest rates on kuna credits indexed to f/c and on credits in euros are based on banks' periodic reports. The basis for the calculation of the weighted averages are amounts of credits bearing corresponding interest rates, which were disbursed during the reporting month.

Columns 3 through 11 show the weighted averages of banks' monthly interest rates classified by maturity and sectors. Interest rates on short-term credits to enterprises also include interest rates on callable loans.

Up to December 2001, interest rates on credits in euros (columns 12, 13 and 14) refer to credits released in German marks in the reporting month, and starting from January 2002, they refer to credits released in euros, while the weighted averages are calculated based on their kuna equivalent using the current exchange rate. Credits released in other currencies are not included in this table.

Table G3 Banks' interest rates on kuna deposits not indexed to foreign currency
weighted averages of monthly interest rates, in % on annual basis

Year	Month	Interest rates on kuna deposits not indexed to foreign currency								
		Total average	In giro and current accounts	On time deposits						
				Total average	On short-term deposits			On long-term deposits		
					Total average	Households	Enterprises	Total average	Households	Enterprises
1	2	3	4	5	6	7	8	9	10	11
1998	December	4.11	2.31	7.73	7.63	9.47	7.15	10.19	10.72	9.56
1999	December	4.27	2.24	8.87	8.79	9.62	8.38	10.96	11.56	10.18
2000	December	3.40	1.64	7.20	7.13	7.44	7.03	8.89	9.19	8.63
2001	December	2.76	1.40	5.68	5.60	6.35	5.38	7.35	7.93	6.70
2002	December	1.55	0.94	3.64	3.53	4.39	2.86	6.05	7.24	3.23
2003	December	1.66	0.75	4.46	4.46	3.62	4.69	4.58	4.90	2.82
2004	December	1.83	0.74	4.11	4.11	3.93	4.13	4.10	4.65	3.30
2005	December	1.58	0.61	3.36	3.34	3.89	3.23	4.12	5.04	3.49
2006	December	1.91	0.56	2.98	2.94	4.10	2.69	4.32	4.98	3.11
2007	December	2.67	0.49	5.42	5.34	4.47	5.48	6.28	5.45	6.45
2008	December	2.92	0.43	5.65	5.60	5.34	5.64	6.58	5.88	6.85
2009	December	2.22	0.43	2.52	2.49	4.89	2.04	2.76	6.12	2.07
2010	December	1.61	0.34	1.93	1.85	3.66	1.41	4.26	4.76	3.03
2011	September	1.81	0.36	2.20	1.83	3.50	1.40	3.69	4.58	3.61
	October	1.91	0.35	2.82	2.42	3.41	2.17	4.43	4.32	4.44
	November	1.93	0.34	2.50	2.14	3.46	1.82	3.97	4.59	3.90
	December	1.88	0.36	2.46	2.33	3.55	1.88	2.98	4.58	2.78
2012	January	2.03	0.36	3.10	2.57	3.57	2.14	4.89	4.42	4.95
	February	2.07	0.33	3.23	3.15	3.48	3.07	3.62	4.63	3.48
	March	1.98	0.33	2.56	2.69	3.45	2.33	2.13	4.64	1.75
	April	1.86	0.33	2.09	2.30	3.38	1.84	1.39	4.53	0.98
	May	1.83	0.34	1.80	1.93	3.42	1.47	1.28	4.41	0.97
	June	1.80	0.34	1.85	1.97	3.43	1.45	1.35	4.58	0.98
	July	1.85	0.35	2.12	1.95	3.48	1.42	2.70	4.71	2.43
	August	1.92	0.33	2.31	2.10	3.51	1.79	3.25	4.75	3.05
Relative significance ^a		55.08	34.36	18.04	14.74	2.65	12.10	3.29	0.40	2.90

^a Relative significance is calculated as a percentage of corresponding deposit category in total deposits received in the reporting month (according to data for the last period included in the table).

Table G3 Banks' interest rates on kuna deposits not indexed to foreign currency • The table contains the weighted averages of banks' monthly interest rates on kuna deposits not indexed to f/c, reported on a yearly basis.

Up to December 2001, data refer to the weighted averages of banks' monthly interest rates on kuna deposits not indexed to f/c received from legal persons (which included enterprises, the public sector, financial institutions, non-profit institutions and non-residents) and households, reported on a yearly basis. Savings banks are not covered.

From January 2002 on, data refer to the weighted averages of banks' monthly interest rates on kuna deposits not indexed to f/c received from enterprises (public and other) and households, reported on a yearly basis.

Data on banks' interest rates on kuna deposits not indexed to f/c are based on banks' periodic reports.

Column 3 reports the weighted averages of monthly interest rates on total kuna deposits (giro and current accounts, household savings deposits and time deposits) not indexed to f/c.

Column 4 shows the weighted averages of monthly interest rates on deposits in giro and current accounts not indexed to f/c received from enterprises (until December 2001, all legal persons) and households, and column 5 shows the weighted averages of monthly interest rates on total time deposits not indexed to f/c.

The basis for the calculation of the weighted averages for kuna time deposits not indexed to f/c are the amounts of those deposits received during the reporting month. The basis for the calculation of the weighted averages for deposits in giro and current accounts are the end-of-month book balances of those deposits. The averages of interest rates on total kuna deposits not indexed to f/c (column 3) are weighted by the end-of-month balances of all categories included in the calculation.

Kuna and foreign currency deposits used as collateral for credit are included, while restricted deposits (deposits used for payment of imports and other restricted deposits) are not included into the calculation of the weighted averages.

Table G4a Banks' interest rates on kuna deposits indexed to foreign currency and on foreign currency deposits weighted averages of monthly interest rates, in % on annual basis

Year	Month	Interest rates on savings and time deposits indexed to f/c			Interest rates on foreign currency deposits					
		Total average	On short-term deposits	On long-term deposits	Total average	Savings deposits				
						Total average	Households		Enterprises	
							EUR	USD	EUR	USD
1	2	3	4	5	6	7	8	9	10	11
1998	December	7.47	7.67	5.58	3.98	2.09	2.38	2.40	0.72	0.74
1999	December	6.62	6.91	1.10	4.23	1.80	1.95	2.04	0.78	1.30
2000	December	5.54	5.94	2.16	3.47	1.03	0.99	1.23	0.65	1.29
2001	December	4.58	4.92	2.56	2.60	0.71	0.71	0.81	0.82	0.40
2002	December	2.92	3.45	1.48	2.55	0.50	0.52	0.41	0.52	0.38
2003	December	3.48	3.74	5.55	2.22	0.31	0.35	0.23	0.23	0.15
2004	December	4.17	3.61	5.19	2.65	0.31	0.34	0.22	0.22	0.21
2005	December	3.99	3.63	4.77	2.61	0.27	0.27	0.17	0.27	0.76
2006	December	3.67	3.30	4.07	2.94	0.25	0.23	0.17	0.32	0.44
2007	December	3.98	3.76	4.35	3.44	0.25	0.22	0.15	0.36	0.43
2008	December	4.09	4.05	4.42	3.97	0.21	0.20	0.15	0.26	0.13
2009	December	3.01	3.12	3.31	3.98	0.18	0.22	0.16	0.10	0.07
2010	December	2.91	2.75	3.46	3.09	0.19	0.21	0.14	0.18	0.07
2011	September	3.20	3.25	3.77	2.90	0.19	0.21	0.14	0.14	0.06
	October	3.08	2.52	5.59	2.86	0.19	0.21	0.14	0.15	0.07
	November	3.10	2.76	3.07	2.86	0.19	0.21	0.14	0.15	0.06
	December	2.86	2.75	3.62	2.90	0.19	0.21	0.14	0.13	0.08
2012	January	3.09	3.16	2.78	2.89	0.18	0.22	0.14	0.11	0.06
	February	2.77	3.21	2.71	2.96	0.19	0.22	0.12	0.12	0.07
	March	2.50	2.97	3.76	2.92	0.18	0.22	0.12	0.08	0.05
	April	2.65	3.16	2.76	2.95	0.18	0.22	0.12	0.09	0.04
	May	2.66	2.92	2.77	2.90	0.19	0.21	0.12	0.13	0.04
	June	2.31	3.02	3.17	2.88	0.19	0.21	0.11	0.14	0.04
	July	3.05	3.24	2.99	2.91	0.18	0.21	0.11	0.13	0.06
	August	2.97 ^b	3.01	2.92	2.91	0.17	0.21	0.11	0.06	0.04
Relative significance ^a		0.22	0.17	0.05	44.70	23.71	15.35	2.26	5.42	0.68

^a Relative significance is calculated as a percentage of corresponding deposit category in total deposits received in the reporting month (according to data for the last period included in the table). ^b Of the total amount of deposits to which this interest rate refers, 48.76% refers to enterprises.

Tables G4a – G4b Banks' interest rates on kuna deposits indexed to foreign currency and on foreign currency deposits • The table contains the weighted averages of banks' monthly interest rates on kuna deposits indexed to f/c and on foreign currency deposits, reported on a yearly basis.

Up to December 2001, data refer to the weighted averages of banks' monthly interest rates on kuna deposits indexed to f/c and on foreign currency deposits received from legal persons (which included enterprises, the public sector, financial institutions, non-profit institutions and non-residents) and households, reported on a yearly basis. Savings banks are not covered.

From January 2002 on, data refer to the weighted averages of banks' monthly interest rates on kuna deposits indexed to f/c and on foreign currency deposits received from enterprises (public and other) and households, reported on a yearly basis.

Data on banks' interest rates on kuna deposits indexed to f/c and on foreign currency deposits are based on banks' periodic reports.

Column 3 reports the weighted averages of monthly interest rates on total kuna savings and time deposits indexed to f/c received from enterprises (until December 2001, all legal persons) and households, whereas the weighted averages of monthly

interest rates on time deposits are shown in column 4 (short-term deposits) and column 5 (long-term deposits) respectively.

Up to December 2001, interest rates on foreign currency deposits refer to deposits received in German marks or US dollars, and starting from January 2002, they refer to deposits received in euros and US dollars, while the weighted averages are calculated based on their kuna equivalent using the current exchange rate. Deposits received in other currencies are not included in this table.

The basis for the calculation of the weighted averages for kuna time deposits indexed to f/c and foreign currency time deposits are the amounts of those deposits received during the reporting month. The basis for the calculation of the weighted averages for savings deposits indexed to f/c are the end-of-month book balances of those deposits. From January 2002 on, the averages of interest rates on total kuna deposits indexed to f/c (column 3) are weighted by the end-of-month balances of all categories included in the calculation.

The average interest rate on total foreign currency deposits (column 6) refers to the weighted average of monthly interest rates on savings and foreign currency time deposits, which are weighted by the end-of-month balances of all categories included in the calculation.

Table G4b Banks' interest rates on kuna deposits indexed to foreign currency and on foreign currency deposits
weighted averages of monthly interest rates, in % on annual basis

Year	Month	Interest rates on foreign currency deposits										
		On time deposits										Total average
		On short-term deposits					On long-term deposits					
		Total average	Households		Enterprises		Total average	Households		Enterprises		
EUR	USD		EUR	USD	EUR	USD		EUR	USD			
1	2	12	13	14	15	16	17	18	19	20	21	22
1998	December	4.89	4.49	5.42	6.16	2.84	5.37	7.29	7.68	8.59	4.93	6.92
1999	December	5.43	5.17	4.93	6.39	3.97	6.00	6.59	6.64	8.09	3.66	6.77
2000	December	4.57	4.36	3.65	5.15	4.59	6.62	5.56	5.17	6.61	5.97	8.53
2001	December	3.54	3.35	3.42	3.23	3.60	2.44	4.59	4.72	4.42	4.58	0.23
2002	December	3.13	2.96	3.27	2.21	2.89	1.43	4.59	4.69	3.84	3.46	2.30
2003	December	2.64	2.46	2.83	1.65	2.29	1.08	3.69	4.71	3.13	2.85	1.64
2004	December	2.85	2.65	3.01	1.69	2.46	2.28	4.20	4.85	3.13	3.61	2.65
2005	December	3.07	2.94	2.99	1.76	2.63	4.34	3.69	4.25	0.48	4.39	-
2006	December	3.82	3.76	3.16	2.05	4.24	5.84	4.25	4.47	2.26	4.79	4.61
2007	December	4.32	4.25	3.47	2.60	5.10	5.33	4.80	4.83	3.84	5.13	2.19
2008	December	4.15	3.95	4.33	2.69	4.13	1.84	5.51	5.57	3.58	5.52	2.38
2009	December	3.58	3.40	4.33	2.73	2.64	1.77	5.13	5.43	3.86	2.85	0.13
2010	December	2.69	2.15	3.13	2.45	1.63	0.76	5.36	4.28	3.20	6.91	3.80
2011	September	2.49	2.26	2.96	2.40	1.63	0.84	3.97	4.00	3.30	4.17	3.80
	October	2.54	2.36	2.87	2.35	1.78	1.27	3.83	3.85	3.38	3.31	0.72
	November	2.59	2.36	2.83	2.36	2.06	0.85	3.87	3.92	3.30	3.33	2.39
	December	2.76	2.56	2.87	2.45	2.37	0.86	3.84	3.92	3.27	3.54	1.70
2012	January	2.58	2.37	2.84	2.42	2.11	0.69	3.77	3.82	3.45	3.50	1.11
	February	2.54	2.26	2.83	2.34	1.76	0.83	3.88	3.94	3.29	3.33	0.43
	March	2.45	2.22	2.82	2.32	1.79	0.77	3.91	3.93	3.11	4.58	3.50
	April	2.68	2.50	2.82	2.25	2.16	1.32	3.75	3.85	3.22	2.96	3.80
	May	2.71	2.51	2.81	2.28	2.31	0.82	3.79	3.77	2.31	5.16	2.87
	June	2.72	2.55	2.79	2.31	2.55	0.99	3.79	3.79	3.53	4.23	3.80
	July	2.80	2.62	2.90	2.35	2.43	1.33	3.79	3.81	3.43	3.92	3.78
	August	2.68	2.46	2.98	2.35	1.79	1.09	3.86	3.87	3.72	4.41	0.81
Relative significance ^a		21.00	17.62	10.36	0.83	4.99	1.44	3.38	3.03	0.32	0.03	0.00

^a Relative significance is calculated as a percentage of corresponding deposit category in total deposits received in the reporting month (according to data for the last period included in the table).

The basis for the calculation of the weighted averages of monthly interest rates on total foreign currency savings deposits (column 7) are the end-of-month balances of those deposits.

The basis for the calculation of the weighted averages of monthly interest rates on total foreign currency time deposits

(column 12) are the amounts of those deposits received during the reporting month. The same basis is applied in calculating the weighted averages of monthly interest rates on total short-term foreign currency deposits (column 13) and on total long-term foreign currency deposits (column 18).

Table G5 Banks' trade with foreign exchange
in million EUR, current exchange rate

	2007	2008	2009	2010	2011	2012				
						Mar.*	Jun.	Jul.	Aug.	
A Purchase of foreign exchange										
1 Legal persons	26,365.0	33,058.3	19,939.9	21,453.6	20,628.9	1,421.0	1,411.9	1,867.6	1,713.4	
2 Natural persons	6,151.3	4,755.3	4,920.3	4,878.0	5,264.9	355.8	418.5	579.1	622.7	
2.1 Residents	3,184.0	4,252.9	4,389.6	4,251.3	4,867.9	347.5	370.9	478.0	496.0	
2.2 Non-residents	326.3	502.4	530.7	626.7	397.0	8.3	47.6	101.1	126.7	
3 Domestic banks	20,141.3	20,017.6	10,964.5	11,171.3	10,406.6	775.5	761.7	893.8	1,003.4	
4 Foreign banks	5,194.1	7,342.5	5,681.9	5,548.6	5,226.3	556.1	381.5	475.3	498.4	
5 Croatian National Bank	0.0	420.6	1,899.4	350.1	596.7	–	–	–	–	
Total (1+2+3+4)	57,851.7	65,594.2	43,405.9	43,401.6	42,123.5	3,108.4	2,973.6	3,815.8	3,837.9	
B Sale of foreign exchange										
1 Legal persons	28,564.1	35,448.8	21,707.2	21,930.5	20,809.2	1,575.8	1,612.5	1,772.9	1,976.3	
2 Natural persons	3,712.5	4,366.4	3,205.5	1,815.9	1,760.2	105.7	94.3	144.0	159.8	
2.1 Residents	2,071.3	4,335.2	3,186.0	1,800.5	1,743.3	105.4	93.2	141.8	156.8	
2.2 Non-residents	40.0	31.2	19.5	15.4	16.9	0.2	1.1	2.2	3.0	
3 Domestic banks	20,141.3	20,017.6	10,964.5	11,171.3	10,406.6	775.5	761.7	893.8	1,003.4	
4 Foreign banks	4,072.6	6,615.7	5,281.5	5,455.0	5,730.2	547.7	421.6	583.7	602.5	
5 Croatian National Bank	839.0	409.1	2,224.2	363.7	–	–	–	–	–	
Total (1+2+3+4)	57,329.5	66,857.5	43,382.7	40,736.5	38,706.2	3,004.6	2,890.1	3,394.5	3,742.0	
C Net purchase (A-B)										
1 Legal persons	–2,199.1	–2,390.5	–1,767.3	–476.9	–180.3	–154.8	–200.6	94.7	–262.9	
2 Natural persons	2,438.9	388.9	1,714.8	3,062.1	3,504.7	250.2	324.2	435.1	462.9	
2.1 Residents	1,112.7	–82.2	1,203.6	2,450.8	3,124.6	242.0	277.7	336.1	339.2	
2.2 Non-residents	286.3	471.1	511.2	611.2	380.1	8.1	46.5	98.9	123.7	
3 Foreign banks	1,121.4	726.8	400.4	93.6	–503.9	8.4	–40.1	–108.4	–104.1	
4 Croatian National Bank	–839.0	11.5	–324.8	–13.6	596.7	–	–	–	–	
Total (1+2+3)	522.2	–1,263.3	23.2	2,665.2	3,417.2	103.7	83.4	421.4	95.9	
Memo items: Other Croatian National Bank transactions										
Purchase of foreign exchange	5.1	265.4	664.6	238.5	968.2	0.3	85.4	0.2	0.2	
Sale of foreign exchange	176.7	83.7	98.3	233.1	0.0	–	–	140.0	–	

Table G5 Banks' trade with foreign exchange • Data on trade with foreign exchange between banks comprise the spot purchase and sale of foreign exchange in domestic foreign exchange market. Spot transactions are contracted obligations to buy/sell foreign currency within maximally 48 hours.

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

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

Other Croatian National Bank transactions include foreign exchange sales and purchases on behalf of the Ministry of Finance.

H International economic relations

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

	2007	2008	2009	2010	2011 ^c	2011				2012	
						Q1 ^c	Q2 ^c	Q3 ^c	Q4 ^c	Q1 ^e	Q2 ^d
A CURRENT ACCOUNT (1+6)	-3,150.6	-4,258.1	-2,292.5	-482.1	-431.1	-1,630.8	-366.2	2,485.1	-919.2	-1,593.0	-210.0
1 Goods, services, and income (2+5)	-4,193.6	-5,328.5	-3,328.8	-1,570.1	-1,584.9	-1,880.0	-648.2	2,198.5	-1,255.1	-1,869.7	-510.4
1.1 Credit	19,614.5	21,237.2	17,114.1	18,608.5	19,740.4	3,200.9	5,040.7	7,651.5	3,847.3	3,336.0	5,024.7
1.2 Debit	-23,808.0	-26,565.7	-20,442.9	-20,178.5	-21,325.2	-5,080.9	-5,688.9	-5,453.0	-5,102.5	-5,205.7	-5,535.2
2 Goods and services (3+4)	-3,103.3	-3,780.6	-1,529.9	-4.0	16.2	-1,380.7	-90.7	2,542.3	-1,054.6	-1,349.0	-117.7
2.1 Credit	18,271.3	19,843.3	16,314.7	17,713.0	18,776.6	2,995.5	4,780.8	7,391.9	3,608.4	3,110.2	4,747.7
2.2 Debit	-21,374.6	-23,623.8	-17,844.6	-17,717.0	-18,760.4	-4,376.2	-4,871.6	-4,849.6	-4,663.0	-4,459.2	-4,865.4
3 Goods	-9,469.9	-10,855.2	-7,415.5	-5,990.7	-6,372.6	-1,537.5	-1,674.8	-1,654.5	-1,505.8	-1,565.4	-1,755.5
3.1 Credit	9,156.6	9,752.7	7,674.5	9,063.6	9,774.0	2,237.6	2,572.5	2,518.6	2,445.2	2,289.3	2,378.8
3.2 Debit	-18,626.5	-20,607.8	-15,090.1	-15,054.3	-16,146.6	-3,775.1	-4,247.4	-4,173.1	-3,951.0	-3,854.7	-4,134.3
4 Services	6,366.6	7,074.6	5,885.7	5,986.7	6,388.8	156.8	1,584.1	4,196.8	451.2	216.4	1,637.8
4.1 Credit	9,114.7	10,090.6	8,640.2	8,649.4	9,002.7	757.9	2,208.3	4,873.3	1,163.2	820.9	2,368.8
4.2 Debit	-2,748.1	-3,016.0	-2,754.5	-2,662.7	-2,613.8	-601.1	-624.2	-676.5	-712.0	-604.5	-731.0
5 Income	-1,090.2	-1,548.0	-1,798.9	-1,566.1	-1,601.1	-499.3	-557.5	-343.8	-200.6	-520.7	-392.7
5.1 Credit	1,343.2	1,393.9	799.4	895.5	963.8	205.4	259.8	259.6	238.9	225.8	277.1
5.2 Debit	-2,433.5	-2,941.9	-2,598.3	-2,461.5	-2,564.9	-704.7	-817.3	-603.4	-439.5	-746.5	-669.8
6 Current transfers	1,043.0	1,070.5	1,036.3	1,088.0	1,153.8	249.2	282.0	286.6	336.0	276.7	300.4
6.1 Credit	1,576.1	1,684.4	1,607.8	1,684.6	1,677.0	382.4	402.5	407.9	484.3	413.5	420.8
6.2 Debit	-533.1	-613.9	-571.5	-596.6	-523.3	-133.2	-120.5	-121.4	-148.3	-136.8	-120.4
B CAPITAL AND FINANCIAL ACCOUNT	4,437.8	5,765.1	3,468.3	1,358.4	1,425.8	1,372.4	213.5	-1,005.7	845.6	1,292.7	102.7
B1 Capital account	28.5	14.9	43.1	34.5	-8.4	-1.6	-4.5	-1.8	-0.5	-3.5	-4.3
B2 Financial account, excl. reserves	5,130.9	5,419.8	4,321.7	1,407.7	1,834.8	2,242.8	249.6	-1,238.0	580.4	1,518.9	215.7
1 Direct investment	3,435.2	3,248.4	1,526.9	410.7	1,043.0	46.0	282.1	549.1	165.8	228.5	130.6
1.1 Abroad	-216.1	-970.2	-888.1	113.2	-31.8	-295.9	25.3	244.2	-5.4	218.2	-13.5
1.2 In Croatia	3,651.3	4,218.6	2,415.0	297.5	1,074.8	341.8	256.8	304.9	171.2	10.2	144.1
2 Portfolio investment	335.9	-810.1	420.9	477.0	645.6	413.8	-584.2	626.4	189.6	400.2	814.5
2.1 Assets	-421.6	-380.8	-558.1	-368.3	508.5	79.9	-153.1	345.8	235.9	252.2	-248.6
2.2 Liabilities	757.5	-429.2	979.1	845.4	137.2	333.9	-431.1	280.6	-46.2	148.0	1,063.1
3 Financial derivatives	0.0	0.0	0.0	-252.7	-59.7	-6.9	-45.8	-84.4	77.4	-11.0	36.8
4 Other investment	1,359.8	2,981.4	2,373.8	772.7	205.9	1,790.0	597.5	-2,329.1	147.5	901.2	-766.2
4.1 Assets	-1,662.6	-1,620.7	748.5	694.2	358.8	664.3	93.4	-891.2	492.3	636.8	-121.2
4.2 Liabilities	3,022.5	4,602.1	1,625.3	78.5	-152.9	1,125.7	504.0	-1,437.8	-344.8	264.4	-645.0
B3 Reserve assets	-721.6	330.4	-896.4	-83.8	-400.6	-868.8	-31.7	234.1	265.7	-222.6	-108.8
C NET ERRORS AND OMISSIONS	-1,287.2	-1,507.0	-1,175.8	-876.3	-994.7	258.4	152.8	-1,479.4	73.5	300.3	107.4

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

^c Revised data. ^d Preliminary data.

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

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

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

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

Table H2 Balance of payments – goods and services

in million EUR

	2007	2008	2009	2010	2011 ^a	2011				2012	
						Q1 ^a	Q2 ^a	Q3 ^a	Q4 ^a	Q1 ^a	Q2 ^b
Goods	-9,469.9	-10,855.2	-7,415.5	-5,990.7	-6,372.6	-1,537.5	-1,674.8	-1,654.5	-1,505.8	-1,565.4	-1,755.5
1 Credit	9,156.6	9,752.7	7,674.5	9,063.6	9,774.0	2,237.6	2,572.5	2,518.6	2,445.2	2,289.3	2,378.8
1.1 Exports (f.o.b.) in trade statistics	9,001.6	9,585.1	7,529.4	8,905.2	9,582.2	2,193.7	2,529.4	2,469.0	2,390.0	2,253.7	2,331.5
1.2 Adjustments for coverage	155.0	167.5	145.1	158.3	191.8	43.9	43.1	49.6	55.2	35.6	47.4
2 Debit	-18,626.5	-20,607.8	-15,090.1	-15,054.3	-16,146.6	-3,775.1	-4,247.4	-4,173.1	-3,951.0	-3,854.7	-4,134.3
2.1 Imports (c.i.f.) in trade statistics	-18,826.6	-20,817.1	-15,220.1	-15,137.0	-16,281.1	-3,812.5	-4,285.4	-4,211.2	-3,972.1	-3,890.5	-4,160.4
2.2 Adjustments for coverage	-370.4	-421.4	-331.1	-376.0	-358.7	-78.1	-91.8	-89.5	-99.2	-82.1	-100.0
2.3 Adjustments for classification	570.4	630.8	461.2	458.7	493.3	115.5	129.8	127.6	120.4	117.9	126.1
Services	6,366.6	7,074.6	5,885.7	5,986.7	6,388.8	156.8	1,584.1	4,196.8	451.2	216.4	1,637.8
1 Transportation	641.3	625.3	482.9	512.3	480.9	82.8	128.1	166.7	103.2	84.1	117.6
1.1 Credit	1,165.4	1,209.4	938.2	973.0	962.4	192.2	258.9	292.1	219.2	186.8	237.5
1.2 Debit	-524.0	-584.1	-455.3	-460.7	-481.5	-109.3	-130.8	-125.3	-116.1	-102.7	-119.9
2 Travel	6,035.2	6,694.0	5,655.8	5,600.8	5,984.5	143.3	1,460.9	4,004.0	376.3	172.1	1,557.4
2.1 Credit	6,752.6	7,459.4	6,379.7	6,230.0	6,616.9	274.5	1,614.8	4,182.9	544.7	321.7	1,761.5
2.1.1 Business	389.2	386.4	255.7	236.3	210.1	29.7	78.2	54.2	47.9	31.1	88.7
2.1.2 Personal	6,363.4	7,073.1	6,124.0	5,993.6	6,406.9	244.8	1,536.6	4,128.6	496.8	290.7	1,672.9
2.2 Debit	-717.3	-765.5	-724.0	-629.2	-632.4	-131.3	-153.9	-178.8	-168.4	-149.6	-204.1
2.2.1 Business	-266.9	-261.3	-240.8	-180.6	-184.3	-45.9	-42.2	-41.9	-54.4	-42.6	-69.9
2.2.2 Personal	-450.4	-504.2	-483.1	-448.6	-448.1	-85.4	-111.7	-137.0	-114.0	-107.0	-134.1
3 Other services	-310.0	-244.6	-253.0	-126.4	-76.6	-69.3	-4.9	26.0	-28.3	-39.9	-37.3
3.1 Credit	1,196.8	1,421.8	1,322.2	1,446.4	1,423.3	291.2	334.6	398.3	399.3	312.4	369.8
3.2 Debit	-1,506.7	-1,666.4	-1,575.2	-1,572.8	-1,499.9	-360.5	-339.5	-372.3	-427.5	-352.2	-407.1

^a Revised data. ^b Preliminary data.

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

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

1996, the value of imports was modified by estimates of imports in duty free zones, which have been included in the merchandise trade statistics since 1997. From 1996 on, goods exports and imports are modified by the data on repairs on goods and goods procured in ports by carriers. In addition, since 1999, based on the Survey on Consumption of Foreign Travellers in Croatia and Domestic Travellers Abroad, the item of goods exports has been modified by the estimated value of goods sold to foreign travellers and tourists and taken out of the Republic of Croatia. The item of goods imports is adjusted for the estimated value of goods imported personally by the Croatian citizens from the neighbouring countries (shopping expenditures).

Transportation, travel and other services are reported separately under service account. Revenues and expenditures on the basis of transportation, in the 1993-1998 period, were adopted from the ITRS. From 1999 on, revenues and expenditures arising from transportation of goods and passengers, as well as the value of accompanying services, which together constitute the total value of these services, are compiled on the basis of the results of the Research on transactions related to international transportation services, carried out by the CNB. Owing to an exceptionally large population of road carriers, revenues and expenditures on the basis of road freight transportation are not adopted from that research. They are compiled by using ITRS data. Starting from January 2011, as the ITRS was abolished, the position of revenues from road freight transportation is compiled on the basis of the econometric model having the volume of trade in goods as a dependent variable. Expenditures on the basis of road freight transportation equal transportation and insurance costs related to imports of goods which belong to non-residents and which are estimated by adjusting the value of imports at c.i.f. parity to the value of imports f.o.b.

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

	2007	2008	2009	2010	2011	2011				2012	
						Q1	Q2	Q3	Q4	Q1 ^a	Q2 ^b
Income	-1,090.2	-1,548.0	-1,798.9	-1,566.1	-1,601.1	-499.3	-557.5	-343.8	-200.6	-520.7	-392.7
1 Compensation of employees	494.2	564.1	586.5	620.8	656.9	153.5	169.1	166.4	168.0	179.9	189.2
1.1 Credit	527.8	599.7	624.2	657.1	695.5	162.6	178.3	176.3	178.4	187.3	197.5
1.2 Debit	-33.6	-35.5	-37.6	-36.3	-38.5	-9.2	-9.2	-9.8	-10.4	-7.4	-8.3
2 Direct investment income	-920.6	-1,137.1	-1,172.9	-1,100.0	-1,034.8	-359.2	-414.7	-214.3	-46.7	-377.6	-258.5
2.1 Credit	174.5	194.6	-62.6	87.6	63.2	8.4	34.1	21.5	-0.9	-15.2	25.5
o/w: Reinvested earnings	123.3	118.6	-114.9	8.5	-5.2	-9.2	1.5	15.3	-12.7	-23.9	4.0
2.2 Debit	-1,095.1	-1,331.7	-1,110.3	-1,187.6	-1,098.0	-367.6	-448.8	-235.8	-45.8	-362.4	-284.0
o/w: Reinvested earnings	-483.3	-508.5	-314.1	-495.2	-300.7	-208.5	17.5	-128.5	18.8	-203.1	218.1
3 Portfolio investment income	-176.5	-158.0	-173.4	-304.1	-339.5	-79.2	-88.0	-81.2	-91.1	-92.4	-106.3
3.1 Credit	89.9	82.3	73.5	41.0	48.7	11.1	14.5	13.3	9.8	7.6	10.7
3.2 Debit	-266.4	-240.3	-246.9	-345.1	-388.2	-90.2	-102.4	-94.6	-101.0	-100.1	-117.0
4 Other investment income	-487.3	-817.0	-1,039.2	-782.7	-883.8	-214.4	-223.9	-214.7	-230.7	-230.5	-217.1
4.1 Credit	551.0	517.4	164.3	109.7	156.3	23.3	33.0	48.4	51.6	46.1	43.3
4.2 Debit	-1,038.4	-1,334.3	-1,203.5	-892.5	-1,040.1	-237.7	-256.9	-263.1	-282.4	-276.6	-260.5
Current transfers	1,043.0	1,070.5	1,036.3	1,088.0	1,153.8	249.2	282.0	286.6	336.0	276.7	300.4
1 General government	-16.7	-20.0	-30.0	-39.8	-59.7	-25.1	-29.8	-18.4	13.6	-14.5	-33.3
1.1 Credit	260.2	342.6	309.0	304.6	246.2	47.3	43.6	55.0	100.3	57.7	38.0
1.2 Debit	-276.8	-362.7	-339.0	-344.4	-305.9	-72.4	-73.4	-73.4	-86.7	-72.2	-71.3
2 Other sectors	1,059.6	1,090.5	1,066.3	1,127.8	1,213.4	274.3	311.8	305.0	322.3	291.2	333.7
2.1 Credit	1,316.0	1,341.7	1,298.8	1,379.9	1,430.8	335.0	358.9	352.9	384.0	355.8	382.7
2.2 Debit	-256.3	-251.2	-232.5	-252.2	-217.4	-60.7	-47.1	-47.9	-61.6	-64.6	-49.1

^a Revised data. ^b Preliminary data.

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

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

Transactions in the income account are classified into four

main groups. Compensation of employees item was compiled on the basis of the ITRS until the end of 2010, when it was abolished. As of 2011, this position on the revenues side is estimated by a model based on the aggregate data of banks on inflows of resident natural persons from non-residents. On the expenditures side, the existing surveys on services are used, containing a part which relates to compensation of employees paid to non-residents. Income from direct investment, portfolio investment and other investment are reported separately. Data on reinvested earnings are reported separately, under direct investment income, calculated on the basis of the CNB Research on direct and other equity investment. In contrast to data on dividends, these data are not available for the 1993-1996 period, since at that time they were not reported separately. From the first quarter of 2009 on, international standards are applied in the statistical monitoring of reinvested earnings, meaning that reinvested earnings are reported on a quarterly basis, i.e. in the period in which the profit is actually earned. Previously, reinvested earnings were reported in the month in which the decision on the distribution of the previous year's profit was adopted, meaning that they were based on the profit earned in the preceding year. On the basis of statistical data on external debt relations, starting from 1997, income from direct investment includes data on interest arising from credit relations between residents and non-residents directly related through ownership. Income from equity portfolio investment is compiled on the basis of the same survey, whereas data on debt portfolio investment income have been compiled since 1999, based on statistics on foreign credit relations, which also encompasses income related to debt securities owned by non-residents. Income from other investments includes the calculation of interest in accordance with the foreign credit relations statistics. The

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

in million EUR

	2007	2008	2009	2010	2011	2011				2012	
						Q1	Q2	Q3	Q4	Q1 ^c	Q2 ^d
Direct investment	3,435.2	3,248.4	1,526.9	410.7	1,043.0	46.0	282.1	549.1	165.8	228.5	130.6
1 Abroad	-216.1	-970.2	-888.1	113.2	-31.8	-295.9	25.3	244.2	-5.4	218.2	-13.5
1.1 Equity capital and reinvested earnings	-270.2	-1,075.9	-894.4	254.0	-192.8	-85.0	-53.0	-34.7	-20.1	14.7	-51.2
1.1.1 Claims	-273.3	-1,075.9	-1,009.3	237.7	-214.8	-94.2	-53.0	-34.7	-32.9	-12.4	-51.2
1.1.2 Liabilities	3.1	0.0	114.9	16.3	22.0	9.2	0.0	0.0	12.7	27.0	0.0
1.2 Other capital	54.1	105.7	6.3	-140.9	161.0	-210.9	78.3	278.8	14.7	203.6	37.7
1.1.1 Claims	20.3	106.8	-30.0	-371.5	347.2	-26.4	78.3	280.0	15.4	193.0	40.7
1.2.2 Liabilities	33.9	-1.1	36.3	230.6	-186.2	-184.5	0.0	-1.1	-0.6	10.6	-3.0
2 In Croatia	3,651.3	4,218.6	2,415.0	297.5	1,074.8	341.8	256.8	304.9	171.2	10.2	144.1
2.1 Equity capital and reinvested earnings	2,688.1	2,708.0	984.2	879.6	2,264.5	309.9	591.9	343.2	1,019.6	245.5	-95.1
2.1.1 Claims	0.0	-6.9	-106.8	-70.0	-36.3	0.0	-17.5	0.0	-18.9	0.0	-218.1
2.1.2 Liabilities	2,688.1	2,714.9	1,091.1	949.6	2,300.9	309.9	609.4	343.2	1,038.5	245.5	123.0
2.2 Other capital	963.2	1,510.6	1,430.8	-582.1	-1,189.8	32.0	-335.1	-38.3	-848.4	-235.3	239.2
2.2.1 Claims	-4.5	-26.4	-29.1	-21.5	14.0	25.1	-3.5	-5.0	-2.7	0.8	-1.9
2.2.2 Liabilities	967.7	1,537.0	1,459.9	-560.6	-1,203.7	6.9	-331.6	-33.3	-845.7	-236.1	241.2
Portfolio investment	335.9	-810.1	420.9	477.0	645.6	413.8	-584.2	626.4	189.6	400.2	814.5
1 Assets	-421.6	-380.8	-558.1	-368.3	508.5	79.9	-153.1	345.8	235.9	252.2	-248.6
1.1 Equity securities	-842.6	148.9	-111.4	-474.3	-116.0	-176.5	-41.1	26.8	74.7	65.4	-70.5
1.1.1 General government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.1.1 Banks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.1.2 Other sectors	-842.6	148.9	-111.4	-474.3	-116.0	-176.5	-41.1	26.8	74.7	65.4	-70.5
1.2 Debt securities	421.0	-529.7	-446.7	105.9	624.4	256.3	-112.0	319.0	161.1	186.8	-178.0
1.2.1 Bonds	315.6	-431.4	-86.2	263.9	350.4	11.8	-80.5	416.6	2.5	175.9	-242.8
1.2.1.1 General government	0.1	0.0	0.0	-1.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.2.1.2 Banks	267.8	-226.5	-52.5	167.3	348.8	20.3	-55.1	373.7	9.9	188.8	-222.6
1.2.1.3 Other sectors	47.7	-204.9	-33.7	98.1	1.6	-8.5	-25.4	42.8	-7.4	-12.9	-20.2
1.2.2 Money market instruments	105.4	-98.3	-360.5	-157.9	274.0	244.5	-31.5	-97.6	158.6	10.9	64.8
1.2.2.1 General government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.2.2.2 Banks	109.7	-100.9	-341.4	-124.3	310.7	265.0	-26.0	-76.7	148.4	11.7	27.8
1.2.2.3 Other sectors	-4.3	2.5	-19.0	-33.6	-36.7	-20.5	-5.5	-20.9	10.2	-0.8	37.0
2 Liabilities	757.5	-429.2	979.1	845.4	137.2	333.9	-431.1	280.6	-46.2	148.0	1,063.1
2.1 Equity securities	315.9	-85.1	16.4	168.0	17.7	140.6	-76.5	-15.1	-31.2	3.6	5.8
2.1.1 Banks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.1.2 Other sectors	315.9	-85.1	16.4	168.0	17.7	140.6	-76.5	-15.1	-31.2	3.6	5.8
2.2 Debt securities	441.6	-344.2	962.7	677.3	119.5	193.3	-354.6	295.7	-15.0	144.4	1,057.3
2.2.1 Bonds	519.1	-329.9	817.3	380.8	431.4	113.4	-128.3	447.5	-1.1	27.6	1,066.0
2.2.1.1 General government	83.0	-245.0	862.9	389.1	638.0	277.7	-108.9	467.4	1.8	-3.8	818.1
2.2.1.2 Banks	0.1	-4.7	-447.2	-0.2	-7.0	-8.9	0.0	2.7	-0.8	-0.9	0.0
2.2.1.3 Other sectors	436.0	-80.1	401.7	-8.1	-199.5	-155.4	-19.4	-22.6	-2.1	32.3	248.0
2.2.2 Money market instruments	-77.5	-14.3	145.3	296.5	-312.0	79.9	-226.2	-151.8	-13.9	116.8	-8.7
2.2.2.1 General government	-77.5	-14.4	145.4	296.5	-312.1	79.9	-226.2	-151.8	-14.1	116.9	-8.8
2.2.2.2 Banks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.2.2.3 Other sectors	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1	-0.1	0.0

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

methodology for compiling the statistics on debt investment income was changed in 2007 to include the reporting of income on an accrual basis. This basically means that income from debt investment and interest are reported at the point in time when they accrue and not at the point in time when they mature or when they are paid. As a result, the historical data for the

1999–2006 period have been revised.

Current transfers are reported separately for the general government sector and other sectors. The ITRS was used as the main data source on current transfers for both sectors until the end of 2010, when it was abolished. As of 2011, transfers of the general government sector are recorded on the basis of the

Table H5 Balance of payments – other investment^a

in million EUR

	2007	2008	2009	2010	2011 ^b	2011				2012	
						Q1	Q2	Q3 ^b	Q4 ^b	Q1 ^b	Q2 ^c
Other investment (net)	1,359.8	2,981.4	2,373.8	772.7	205.9	1,790.0	597.5	-2,329.1	147.5	901.2	-766.2
1 Assets	-1,662.6	-1,620.7	748.5	694.2	358.8	664.3	93.4	-891.2	492.3	636.8	-121.2
1.1 Trade credits	-107.4	-125.0	145.0	213.8	-22.2	-170.9	51.0	14.6	83.1	-6.3	-48.8
1.1.1 General government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.1.1.1 Long-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.1.1.2 Short-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.1.2 Other sectors	-107.4	-125.0	145.0	213.8	-22.2	-170.9	51.0	14.6	83.1	-6.3	-48.8
1.1.2.1 Long-term	-63.5	26.7	58.0	22.2	2.9	-2.6	1.8	-0.4	4.2	1.2	0.9
1.1.2.2 Short-term	-43.9	-151.7	87.0	191.6	-25.2	-168.3	49.2	15.1	78.9	-7.5	-49.7
1.2 Loans	-4.5	-107.5	41.5	-85.1	-11.4	-1.2	-63.4	42.3	10.9	-32.9	-6.6
1.2.1 General government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.2.1.1 Long-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.2.1.2 Short-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.2.2 Banks	-32.6	-66.7	20.5	-65.4	-2.8	-20.2	-74.7	58.7	33.5	-23.2	-6.8
1.2.2.1 Long-term	-25.4	-26.8	-28.7	-46.9	-22.4	-28.2	-62.7	36.9	31.5	-3.7	8.1
1.2.2.2 Short-term	-7.3	-39.9	49.2	-18.5	19.7	8.0	-12.0	21.7	1.9	-19.5	-14.9
1.2.3 Other sectors	28.1	-40.8	21.0	-19.7	-8.7	19.0	11.3	-16.4	-22.6	-9.6	0.2
1.2.3.1 Long-term	28.1	-37.6	20.9	17.4	-34.7	4.7	11.5	-26.1	-24.8	-1.5	-1.6
1.2.3.2 Short-term	0.0	-3.2	0.1	-37.1	26.0	14.3	-0.2	9.7	2.2	-8.1	1.8
1.3 Currency and deposits	-1,550.8	-1,388.2	562.0	565.4	392.5	836.4	105.8	-948.1	398.4	676.0	-65.7
1.3.1 General government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.6
1.3.2 Banks	-1,317.1	-136.4	423.7	417.0	523.9	925.8	77.1	-828.5	349.6	694.2	-65.1
1.3.3 Other sectors	-233.6	-1,251.8	138.2	148.5	-131.4	-89.4	28.7	-119.6	48.8	-18.3	0.0
1.4 Other assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2 Liabilities	3,022.5	4,602.1	1,625.3	78.5	-152.9	1,125.7	504.0	-1,437.8	-344.8	264.4	-645.0
2.1 Trade credits	323.1	21.3	-142.1	60.2	-581.7	-254.6	19.5	-115.3	-231.2	78.8	77.2
2.1.1 General government	-0.6	-0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.1.1.1 Long-term	-0.6	-0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.1.1.2 Short-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.1.2 Other sectors	323.7	21.8	-142.1	60.2	-581.7	-254.6	19.5	-115.3	-231.2	78.8	77.2
2.1.2.1 Long-term	165.0	34.9	-58.0	-25.4	-147.6	3.1	-42.2	-55.0	-53.5	-13.6	-17.8
2.1.2.2 Short-term	158.7	-13.1	-84.1	85.6	-434.0	-257.7	61.6	-60.3	-177.7	92.5	95.0
2.2 Loans	2,890.3	3,703.9	590.5	36.3	-501.6	861.4	73.0	-947.7	-488.3	18.6	-453.4
2.2.1 Croatian National Bank	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.2.1.1 o/w: IMF	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.2.1.1.1 Drawings	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.2.1.1.2 Repayments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.2.1.2 Short-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.2.2 General government	161.0	96.7	-7.4	134.4	90.7	162.8	157.5	-182.6	-47.0	-4.4	-49.6
2.2.2.1 Long-term	161.0	65.0	24.3	134.4	90.7	-12.2	157.5	-7.6	-47.0	-4.4	-49.4
2.2.2.1.1 Drawings	523.5	330.1	306.0	368.9	347.2	22.9	235.7	51.1	37.4	27.5	26.9
2.2.2.1.2 Repayments	-362.5	-265.2	-281.7	-234.5	-256.5	-35.1	-78.2	-58.8	-84.4	-32.0	-76.2
2.2.2.2 Short-term	0.0	31.7	-31.7	0.0	0.0	175.0	0.0	-175.0	0.0	0.0	-0.2
2.2.3 Banks	-1,065.0	115.2	-166.5	-192.7	-44.9	116.0	148.9	-407.6	97.8	-62.0	-225.7
2.2.3.1 Long-term	-630.8	-276.1	158.1	-322.9	375.1	304.4	15.6	13.0	42.1	-55.8	-143.2
2.2.3.1.1 Drawings	1,216.2	609.4	1,219.2	849.3	1,108.3	360.9	306.1	101.7	339.6	308.8	42.7
2.2.3.1.2 Repayments	-1,847.0	-885.4	-1,061.1	-1,172.2	-733.2	-56.5	-290.5	-88.7	-297.5	-364.6	-185.9
2.2.3.2 Short-term	-434.2	391.3	-324.6	130.2	-420.0	-188.4	133.3	-420.6	55.7	-6.3	-82.5
2.2.4 Other sectors	3,794.4	3,492.0	764.4	94.5	-547.4	582.6	-233.4	-357.5	-539.1	85.1	-178.1
2.2.4.1 Long-term	3,184.9	3,175.7	488.1	-96.7	-922.3	155.1	-89.8	-320.3	-667.4	-71.6	-309.9
2.2.4.1.1 Drawings	5,960.8	6,700.9	4,403.7	4,336.5	2,935.3	845.5	807.6	581.9	700.4	837.7	883.9
2.2.4.1.2 Repayments	-2,775.9	-3,525.2	-3,915.5	-4,433.2	-3,857.6	-690.3	-897.3	-902.2	-1,367.7	-909.4	-1,193.7
2.2.4.2 Short-term	609.5	316.2	276.2	191.2	374.9	427.5	-143.6	-37.2	128.3	156.7	131.8

	2007	2008	2009	2010	2011 ^b	2011				2012	
						Q1	Q2	Q3 ^b	Q4 ^b	Q1 ^b	Q2 ^c
2.3 Currency and deposits	-193.6	875.7	1,175.0	-19.0	929.7	518.8	411.3	-374.9	374.6	167.0	-269.0
2.3.1 General government	-0.1	-0.1	-1.2	0.0	-1.0	0.5	-1.6	0.0	0.0	0.0	0.0
2.3.2 Banks	-193.6	867.1	1,197.2	-19.0	930.8	518.2	412.9	-374.9	374.6	167.1	-269.0
2.3.3 Other sectors	0.1	8.7	-21.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.4 Other liabilities	2.7	1.3	2.0	1.1	0.6	0.1	0.2	0.2	0.1	-0.1	0.2

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

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

Until the end of 2010, capital account in the part relating to capital transfers was compiled on the basis of the ITRS. As of the beginning of 2011, data of the Ministry of Finance and data from the survey on trade in international services, containing a special part for possible transfers from and to foreign countries, are used for compiling the capital transfers account. Data on possible debt forgiveness also constitute a part of the capital account.

Foreign direct investments include equity capital, reinvested earnings and debt relations between ownership-related residents and non-residents. Direct investments are investments whereby a foreign owner acquires a minimum of 10% interest in equity capital of a company, regardless of whether a resident invests abroad or a non-resident invests in Croatian residents. The CNB Research on foreign direct investments started in 1997 when companies included in the survey also delivered data on direct investments for the 1993-1996 period. For the same period, no data are available on reinvested earnings and other capital under direct investment position, where all debt relations between related residents and non-residents are classified (excluding the banking sector). Such data actually became available only after the stated research had been launched. Since 1999, data on debt relations within direct investments have been collected on the basis of external debt relations statistics. From 2007 on, the CNB Statistics Department conducts the

research on the purchase and sale of the real estate by non-residents on the territory of the Republic of Croatia. Persons obliged to submit reports are the public notaries who learn about these transactions in the course of their business. Data on the purchase and sale of the real estate by Croatian residents abroad were compiled on the basis of the ITRS until the end of 2010, whereas in 2011, monitoring through the obligatory reporting to the CNB's Statistics Department was introduced. These purchase and sale transactions are also a constituent part of direct investments.

Data on equity portfolio investments are collected from the same data source as the data on direct equity investments. Debt portfolio investments include all investments in short-term and long-term debt securities that cannot be classified under direct investments. In the 1997-1998 period, these data were collected through the CNB Research on direct and portfolio investments, and since 1999 data on external debt relations and monetary statistics data for bank investment have been used. Starting from 2002 and 2004, this position has also been compiled for investment funds and pension funds, respectively. Since 2009, these positions have been modified by the statistics on trade in equity and debt securities submitted by the Central Depository and Clearing Company and commercial banks providing securities custody services. Portfolio investments are modified by these data in the parts not fully covered by the existing research. Data for the 2006-2009 period have also been revised. As a result, from 2006 on, the balance of payments includes data on debt securities issued by domestic issuers and traded by non-residents in the domestic market (portfolio investment, debt securities on the liabilities side).

Other investment encompasses all other debt investments that have not been mentioned, apart from investment constituting reserve assets. Other investments are classified by instruments, maturity and sectors. Trade credits, in the 1996-2002 period, included the CNB estimates of advance payment and deferred payments, made on the basis of the sample of the largest and large importers and exporters. Data on advance payments have been estimated since 1996, while data on short-term deferred payments (first up to 90 days, then up to 150 days, and today from 8 days to 1 year) have been collected since 1999. In 2003, this research was replaced by a new one, where the selected companies, regardless of their size (stratified sample), are obliged to submit data. Data on deferred payments with the original maturity of more than one year are adopted from the CNB foreign credit relations statistics. Credits granted by residents to non-residents, i.e. foreign loans utilised by residents and granted by non-residents, which cannot be classified into direct investments or trade credits, are classified by the institutional sector and maturity under the corresponding positions of other investment. The CNB foreign credit relations statistics represent the data source for these positions. Currency and deposit position shows residents' claims on foreign countries for foreign cash

Table H6 Balance of payments – summary^a

in million HRK

	2007	2008	2009 ^b	2010	2011 ^b	2011				2012	
						Q1 ^b	Q2 ^b	Q3 ^b	Q4 ^b	Q1 ^b	Q2 ^c
A CURRENT ACCOUNT (1+6)	-23,248.4	-30,857.9	-16,938.5	-3,716.9	-3,001.3	-12,061.2	-2,703.0	18,593.9	-6,831.0	-12,031.2	-1,559.3
1 Goods, services, and income (2+5)	-30,899.4	-38,586.7	-24,543.3	-11,616.0	-11,652.5	-13,905.4	-4,779.9	16,432.3	-9,399.5	-14,137.9	-3,814.8
1.1 Credit	143,744.4	153,279.5	125,527.6	135,367.6	146,774.7	23,687.7	37,252.5	57,050.0	28,784.4	25,132.8	37,770.4
1.2 Debit	-174,643.8	-191,866.2	-150,070.9	-146,983.6	-158,427.2	-37,593.2	-42,032.3	-40,617.7	-38,183.9	-39,270.7	-41,585.2
2 Goods and services (3+4)	-22,878.0	-27,370.8	-11,320.8	-206.6	227.8	-10,211.3	-659.9	18,995.5	-7,896.5	-10,203.0	-863.0
2.1 Credit	133,893.3	143,213.9	119,656.7	128,853.2	139,609.6	22,167.6	35,332.5	55,114.9	26,994.6	23,429.1	35,688.3
2.2 Debit	-156,771.3	-170,584.7	-130,977.5	-129,059.8	-139,381.8	-32,378.9	-35,992.4	-36,119.4	-34,891.1	-33,632.1	-36,551.3
3 Goods	-69,481.9	-78,426.2	-54,458.0	-43,648.2	-47,378.1	-11,378.9	-12,382.5	-12,329.6	-11,287.1	-11,833.1	-13,208.4
3.1 Credit	67,161.6	70,414.9	56,336.3	66,044.6	72,655.3	16,560.6	19,004.0	18,775.0	18,315.7	17,290.4	17,895.9
3.2 Debit	-136,643.4	-148,841.1	-110,794.2	-109,692.7	-120,033.4	-27,939.5	-31,386.5	-31,104.6	-29,602.8	-29,123.6	-31,104.3
4 Services	46,603.9	51,055.4	43,137.1	43,441.6	47,605.9	1,167.6	11,722.5	31,325.1	3,390.6	1,630.2	12,345.4
4.1 Credit	66,731.8	72,798.9	63,320.4	62,808.7	66,954.3	5,607.0	16,328.5	36,339.9	8,678.9	6,138.7	17,792.3
4.2 Debit	-20,127.8	-21,743.5	-20,183.3	-19,367.1	-19,348.4	-4,439.4	-4,605.9	-5,014.8	-5,288.3	-4,508.5	-5,447.0
5 Income	-8,021.4	-11,215.9	-13,222.5	-11,409.4	-11,880.3	-3,694.1	-4,120.0	-2,563.2	-1,503.0	-3,934.9	-2,951.8
5.1 Credit	9,851.0	10,065.6	5,870.9	6,514.4	7,165.0	1,520.1	1,920.0	1,935.1	1,789.8	1,703.7	2,082.2
5.2 Debit	-17,872.5	-21,281.5	-19,093.4	-17,923.8	-19,045.3	-5,214.2	-6,039.9	-4,498.4	-3,292.8	-5,638.6	-5,033.9
6 Current transfers	7,650.9	7,728.8	7,604.9	7,899.1	8,651.2	1,844.2	2,076.9	2,161.6	2,568.6	2,106.7	2,255.5
6.1 Credit	11,562.1	12,159.5	11,797.8	12,254.8	12,543.0	2,829.6	2,967.2	3,066.3	3,679.9	3,140.2	3,161.1
6.2 Debit	-3,911.1	-4,430.6	-4,192.9	-4,355.7	-3,891.8	-985.4	-890.3	-904.8	-1,111.3	-1,033.5	-905.6
B CAPITAL AND FINANCIAL ACCOUNT	32,479.2	41,346.5	25,564.6	10,010.4	10,557.8	10,150.6	1,555.3	-7,485.8	6,337.6	9,691.1	706.5
B1 Capital account	209.1	108.2	314.1	252.6	-62.4	-11.8	-33.2	-13.6	-3.7	-26.8	-32.5
B2 Financial account, excl. reserves	37,585.0	38,930.0	31,761.7	10,219.7	13,542.8	16,586.4	1,822.7	-9,211.5	4,345.3	11,417.0	1,511.9
1 Direct investment	25,241.5	23,055.9	11,262.4	2,964.5	7,750.0	340.0	2,077.8	4,089.9	1,242.3	1,713.1	950.0
1.1 Abroad	-1,588.3	-6,981.4	-6,504.9	880.2	-224.3	-2,188.2	185.8	1,818.2	-40.1	1,642.8	-118.6
1.2 In Croatia	26,829.8	30,037.3	17,767.3	2,084.3	7,974.4	2,528.2	1,892.0	2,271.7	1,282.5	70.4	1,068.6
2 Portfolio investment	2,495.2	-5,711.7	2,991.6	3,356.3	4,798.8	3,057.5	-4,319.8	4,642.5	1,418.6	2,984.6	6,083.0
2.1 Assets	-3,107.9	-2,678.2	-4,042.4	-2,700.4	3,804.5	591.8	-1,128.7	2,574.2	1,767.3	1,865.4	-1,862.4
2.2 Liabilities	5,603.1	-3,033.5	7,034.0	6,056.7	994.3	2,465.7	-3,191.1	2,068.3	-348.6	1,119.1	7,945.4
3 Financial derivatives	0.0	0.0	0.0	-1,838.9	-438.9	-51.3	-338.5	-629.3	580.2	-83.0	277.0
4 Other investment	9,848.4	21,585.8	17,507.6	5,737.9	1,432.9	13,240.1	4,403.2	-17,314.6	1,104.1	6,802.3	-5,798.0
4.1 Assets	-12,147.1	-11,587.3	5,594.1	5,108.0	2,650.4	4,911.1	681.0	-6,632.4	3,690.7	4,807.3	-934.2
4.2 Liabilities	21,995.5	33,173.1	11,913.6	629.9	-1,217.5	8,329.0	3,722.2	-10,682.2	-2,586.6	1,995.0	-4,863.8
B3 Reserve assets (CNB)	-5,315.0	2,308.3	-6,511.2	-462.0	-2,922.6	-6,423.9	-234.1	1,739.4	1,996.0	-1,699.1	-773.0
C NET ERRORS AND OMISSIONS	-9,230.7	-10,488.6	-8,626.1	-6,293.5	-7,556.5	1,910.5	1,147.7	-11,108.1	493.4	2,340.1	852.8

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

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

and deposits with foreign banks, as well as obligations of the Croatian banks for deposits owned by non-residents. Monetary statistics represent a data source for the general government sector and banks sector. Data on balance and currency structure of foreign assets and liabilities, contained in monetary statistics, are used to assess transactions from which the exchange rate effect was eliminated. In the 1993-1998 period, data on other sectors' claims under this position were compiled on the basis of the CNB estimate of a portion of net foreign currency inflows of the household sector which is not classified under current transfers. Since 1999, this position has included only the data based on the Bank for International Settlement quarterly data, while

data in the fourth quarter of 2001 and in the first two quarters of 2002 also relate to the effect of the EMU countries' currencies changeover to the euro. Data for the fourth quarter of 2008 were modified by estimates of currency and deposit withdrawals from the financial system driven by fears of the effects of the global financial crisis.

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

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

Year	Month	International reserves of the Croatian National Bank							Banks' foreign currency reserves
		Total	Special drawing rights	Reserve position in the Fund	Gold	Foreign currency			
						Total	Currency and deposits	Bonds and notes	
1998	December	2,400.2	197.1	0.1	–	2,203.0	1,642.6	560.4	1,607.0
1999	December	3,012.7	188.7	0.2	–	2,823.7	2,449.8	373.9	1,344.7
2000	December	3,783.2	158.5	0.2	–	3,624.5	2,763.0	861.5	2,310.7
2001	December	5,333.6	122.9	0.2	–	5,210.5	3,469.7	1,740.7	4,056.0
2002	December	5,651.3	2.3	0.2	–	5,648.8	3,787.8	1,861.0	2,581.6
2003	December	6,554.1	0.7	0.2	–	6,553.2	3,346.0	3,207.2	3,927.1
2004	December	6,436.2	0.6	0.2	–	6,435.4	3,173.3	3,262.0	4,220.1
2005	December	7,438.4	0.9	0.2	–	7,437.3	3,834.5	3,602.8	2,938.4
2006	December	8,725.3	0.7	0.2	–	8,724.4	4,526.9	4,197.5	3,315.0
2007	December	9,307.4	0.8	0.2	–	9,306.5	4,533.9	4,772.5	4,388.9
2008	December	9,120.9	0.7	0.2	–	9,120.0	2,001.8	7,118.2	4,644.5
2009	December	10,375.8	331.7	0.2	–	10,043.9	2,641.4	7,402.6	4,293.9
2010	December	10,660.3	356.7	0.2	–	10,303.4	3,274.9	7,028.5	3,828.9
2011	October	11,220.5	340.0	0.2	–	10,880.3	2,833.1	8,047.3	3,446.1
	November	11,420.4	351.2	0.2	–	11,069.0	2,922.6	8,146.4	3,545.3
	December	11,194.9	360.7	0.2	–	10,834.0	2,730.7	8,103.2	3,463.7
2012	January	10,916.7	359.0	0.2	–	10,557.5	2,683.0	7,874.5	3,399.4
	February	11,410.8	351.4	0.2	–	11,059.2	3,057.2	8,002.0	2,711.2
	March	11,340.1	354.1	0.2	–	10,985.7	2,504.7	8,481.0	2,705.6
	April	12,461.9	356.1	0.2	–	12,105.6	3,315.1	8,790.5	2,672.6
	May	12,106.1	368.4	0.2	–	11,737.5	2,758.5	8,979.0	2,673.1
	June	11,635.3	371.3	0.2	–	11,263.7	1,850.3	9,413.4	2,767.9
	July	11,607.2	373.1	0.2	–	11,233.9	1,588.5	9,645.4	3,264.7
	August	11,532.4	368.2	0.2	–	11,164.0	1,846.3	9,317.7	3,704.8
	September ^b	11,383.9	363.5	0.2	–	11,020.3	2,192.7	8,827.6	3,631.7

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

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

drawing rights, reserve position in the Fund, gold, foreign currency and deposits with foreign banks, as well as bonds and debt instruments.

The foreign currency reserves of banks include foreign currency and deposits of domestic banks with foreign banks. These foreign currency reserves represent an additional source of liquidity for bridging imbalances in international payments.

	2007 Dec.	2008 Dec.	2009 Dec.	2010 Dec.	2011 Dec.	2012				
						Mar.	Jun.	Jul.	Aug.	
Interest	-	-	-	-	-	-	-	-	-	
More than 3 months and up to 1 year										
Principal	-	-	-	-	-	-	-	-	-	
Interest	-	-	-	-	-	-	-	-	-	
4 Total predetermined short-term net drains on f/c assets (1+2+3)	-521.1	-1,084.1	-989.3	-1,234.9	-679.5	-814.7	-824.8	-912.4	-875.5	
III Contingent short-term net drains on f/c assets (nominal value)										
1 Contingent liabilities in foreign currency	-2,607.4	-1,896.1	-1,351.6	-1,734.2	-1,741.7	-1,852.7	-1,608.5	-1,639.9	-1,613.6	
(a) Collateral guarantees on debt falling due within 1 year	-662.1	-803.2	-661.5	-1,087.9	-1,005.2	-1,062.8	-906.1	-928.4	-926.3	
– Croatian National Bank	-	-	-	-	-	-	-	-	-	
– Central government (excl. central government funds)	-662.1	-803.2	-661.5	-1,087.9	-1,005.2	-1,062.8	-906.1	-928.4	-926.3	
Up to 1 month	-54.3	-91.8	-30.3	-0.2	-8.0	-28.6	-46.7	-6.5	-283.9	
More than 1 and up to 3 months	-42.4	-58.4	-101.3	-438.5	-111.2	-215.3	-333.4	-359.7	-142.7	
More than 3 months and up to 1 year	-565.3	-652.9	-529.8	-649.2	-885.9	-818.9	-526.1	-562.2	-499.6	
(b) Other contingent liabilities	-1,945.3	-1,092.9	-690.1	-646.3	-736.5	-789.9	-702.4	-711.5	-687.4	
– Croatian National Bank	-1,945.3	-1,092.9	-690.1	-646.3	-736.5	-789.9	-702.4	-711.5	-687.4	
Up to 1 month	-	-	-	-	-	-	-	-	-	
More than 1 and up to 3 months	-1,945.3	-1,092.9	-690.1	-646.3	-736.5	-789.9	-702.4	-711.5	-687.4	
More than 3 months and up to 1 year	-	-	-	-	-	-	-	-	-	
– Central government (excl. central government funds)	-	-	-	-	-	-	-	-	-	
2 Foreign currency securities issued with embedded options (puttable bonds)	-	-	-	-	-	-	-	-	-	
3 Undrawn, unconditional credit lines provided by:	-	-	-	-	-	-	-	-	-	
– BIS (+)	-	-	-	-	-	-	-	-	-	
– IMF (+)	-	-	-	-	-	-	-	-	-	
4 Aggregate short and long positions of options in f/c vis-a-vis the domestic currency	-	-	-	-	-	-	-	-	-	
5 Total contingent short-term net drains on f/c assets (1+2+3+4)	-2,607.4	-1,896.1	-1,351.6	-1,734.2	-1,741.7	-1,852.7	-1,608.5	-1,639.9	-1,613.6	
IV Memo items										
(a) Short-term domestic currency debt indexed to the exchange rate	-	-	-	-	-	-	-	-	-	
o/w: Central government (excl. central government funds)	-	-	-	-	-	-	-	-	-	
(b) Financial instruments denominated in foreign currency and settled by other means (e.g., in domestic currency)	-	-	-	-	-	-	-	-	-	
(c) Pledged assets	-	-	-	-	-	-	-	-	-	
(d) Securities lent and on repo	-	-	-	-	-	-	-	-	-	
– Lent or repoed and included in Section I	-	-6.1	-	-	-0.4	-	-2.5	-11.4	-	
– Lent or repoed but not included in Section I	-	-	-	-	-	-	-	-	-	
– Borrowed or acquired and included in Section I	-	-	-	-	-	-	-	-	-	
– Borrowed or acquired but not included in Section I	389.7	478.6	766.5	1,458.5	136.9	1,402.5	1,231.9	313.7	24.4	
(e) Financial derivative assets (net, marked to market)	-	-	-	-	-	-	-	-	-	
(f) Currency composition of official reserves assets										
– Currencies in SDR basket	9,307.1	9,120.8	10,375.7	10,660.0	11,194.7	11,339.9	11,635.1	11,607.1	11,532.3	
– Currencies not in SDR basket	0.3	0.1	0.1	0.3	0.1	0.1	0.1	0.1	0.1	
– By individual currencies										
USD	1,357.2	2,064.6	2,461.8	2,451.0	2,333.0	2,219.5	2,249.6	2,299.2	2,207.7	
EUR	7,944.2	7,054.9	7,581.5	7,851.8	8,500.6	8,765.9	9,013.8	8,934.4	8,956.0	
Other	6.0	1.5	332.5	357.5	361.2	354.7	371.8	373.7	368.7	

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

The first part of the Template shows total assets of the Croatian National Bank in convertible foreign currency. Official

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

Table H9 Midpoint exchange rates of the Croatian National Bank (period average)

Year	Month	EUR/HRK	ATS/HRK	FRF/HRK	100 ITL/HRK	CHF/HRK	GBP/HRK	USD/HRK	DEM/HRK
1998		7.139159	0.514631	1.080018	0.366853	4.396452	10.537622	6.362284	3.620795
1999		7.581823	0.550993	1.155840	0.391568	4.739965	11.514804	7.122027	3.876528
2000		7.633852	0.554774	1.163773	0.394256	4.903244	12.530514	8.287369	3.903127
2001		7.471006	0.542939	1.138947	0.385845	4.946810	12.010936	8.339153	3.819865
2002		7.406976				5.049125	11.793108	7.872490	
2003		7.564248				4.978864	10.943126	6.704449	
2004		7.495680				4.854986	11.048755	6.031216	
2005		7.400047				4.780586	10.821781	5.949959	
2006		7.322849				4.656710	10.740292	5.839170	
2007		7.336019				4.468302	10.731537	5.365993	
2008		7.223178				4.553618	9.101622	4.934417	
2009		7.339554				4.861337	8.233112	5.280370	
2010		7.286230				5.285859	8.494572	5.500015	
2011		7.434204				6.035029	8.566138	5.343508	
2011	October	7.483324				6.085039	8.602293	5.467645	
	November	7.487735				6.082743	8.721751	5.512767	
	December	7.507179				6.112429	8.883743	5.688661	
2012	January	7.546707				6.231979	9.062576	5.846617	
	February	7.579384				6.279834	9.056639	5.733239	
	March	7.539590				6.251841	9.029432	5.709035	
	April	7.494357				6.234184	9.102995	5.691287	
	May	7.528940				6.268465	9.359736	5.870676	
	June	7.546585				6.284864	9.365869	6.026710	
	July	7.494496				6.241017	9.489191	6.089386	
	August	7.486777				6.234162	9.489612	6.042111	
	September	7.426569				6.145893	9.310771	5.787501	

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

The third part of the Template shows predetermined contingent foreign currency net liabilities of the Croatian National Bank and the central government (excluding central government funds), which fall due in the following 12 months. Contingent liabilities in foreign currency (III1) include future principal and interest payments on foreign loans guaranteed by the central government, and banks' foreign currency reserve requirements with the CNB. (The inclusion of reserve requirements in foreign currency is based on the assumption that there will be no changes in ratios or in the base of foreign currency reserve requirements, which comprises foreign currency sources of funds, including ordinary foreign currency accounts, special foreign currency accounts, foreign currency accounts and foreign currency sight deposits, received foreign currency deposits

and received foreign currency loans, as well as obligations arising from securities issued in foreign currency (excluding banks' equity securities) and hybrid and subordinated instruments). Undrawn credit lines show potential inflows (+) or outflows (-) which would arise from drawdowns under these credits.

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

Table H9 Midpoint exchange rates of the Croatian National Bank (period average) • The annual averages of CNB midpoint exchange rates are calculated based on the midpoint exchange rates effective on the working days in a year, using CNB exchange rate lists whose application dates pertain to the calculation period.

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

The data show the annual and monthly averages of CNB midpoint exchange rates for selected currencies from 1992 to date, in kuna terms. The averages related to the calculation periods from the beginning of 1992, when the legal tender in the

Table H10 Midpoint exchange rates of the Croatian National Bank (end of period)

Year	Month	EUR/HRK	ATS/HRK	FRF/HRK	100 ITL/HRK	CHF/HRK	GBP/HRK	USD/HRK	DEM/HRK
1998		7.329100	0.531546	1.114954	0.377700	4.567584	10.451000	6.247500	3.739700
1999		7.679009	0.558055	1.170657	0.396588	4.784268	12.340257	7.647654	3.926215
2000		7.598334	0.552192	1.158359	0.392421	4.989712	12.176817	8.155344	3.884966
2001		7.370030	0.535601	1.123554	0.380630	4.977396	12.101856	8.356043	3.768237
2002		7.442292				5.120256	11.451442	7.145744	
2003		7.646909				4.901551	10.860544	6.118506	
2004		7.671234				4.971314	10.824374	5.636883	
2005		7.375626				4.744388	10.753209	6.233626	
2006		7.345081				4.571248	10.943208	5.578401	
2007		7.325131				4.412464	9.963453	4.985456	
2008		7.324425				4.911107	7.484595	5.155504	
2009		7.306199				4.909420	8.074040	5.089300	
2010		7.385173				5.929961	8.608431	5.568252	
2011		7.530420				6.194817	8.986181	5.819940	
2011	October	7.485329				6.116464	8.509924	5.282519	
	November	7.498586				6.101372	8.740629	5.588869	
	December	7.530420				6.194817	8.986181	5.819940	
2012	January	7.564800				6.276280	9.037993	5.764975	
	February	7.576699				6.287195	8.931627	5.633652	
	March	7.506917				6.230841	9.005419	5.623580	
	April	7.531440				6.268886	9.237630	5.695712	
	May	7.559568				6.294919	9.456552	6.072430	
	June	7.510100				6.251124	9.307349	5.972247	
	July	7.518303				6.262643	9.614198	6.124391	
	August	7.478883				6.229807	9.433505	5.958320	
	September	7.449746				6.158851	9.339032	5.757145	

Republic of Croatia was the Croatian dinar, until the introduction of the kuna on 30 May 1994, are shown in kuna equivalent, and are denominated by dividing their values by one thousand (1,000).

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

Table H10 Midpoint exchange rates of the Croatian National Bank (end of period) • The table shows CNB midpoint

exchange rates applied on the last day of the observed period.

The data show CNB midpoint exchange rates for selected currencies from 1992 to date, in kuna terms. The end of period midpoint exchange rates related to the periods from the beginning of the time series in 1992 until the introduction of the kuna on 30 May 1994 are shown in kuna equivalent and are denominated by dividing their values by one thousand (1,000).

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

Table H11 Indices of the effective exchange rate of the kuna
indices 2005 = 100

Year	Month	Nominal effective exchange rate of the kuna	Real effective exchange rate of the kuna; deflator		Real effective exchange rate of the kuna ^a ; deflator	
			Consumer price index	Producer price index	Unit labour costs in industry	Unit labour costs in the total economy
1998	December	100.05	104.33	106.13		
1999	December	107.42	110.58	110.48		
2000	December	107.39	108.02	104.02	118.09	110.71
2001	December	104.41	104.92	103.58	110.82	108.76
2002	December	102.98	103.92	101.39	113.03	106.00
2003	December	103.17	104.36	101.93	104.87	105.73
2004	December	101.23	102.11	99.69	102.38	102.57
2005	December	100.26	99.62	100.99	100.65	100.27
2006	December	98.76	98.03	101.09	91.16	94.21
2007	December	97.20	94.18	98.64	84.89	89.59
2008	December	96.12	92.10	94.82	83.03	86.05
2009	December	96.36	91.83	92.00	86.39	86.46
2010	December	100.14	95.58	95.13	85.94	91.26
2011	October	100.91	96.43	94.54		
	November	100.83	96.23	94.20		
	December	101.50	97.54	94.83		92.41
2012	January	102.50	98.31	95.42		
	February	102.92	98.67	94.46		
	March	102.24	97.65	93.72		92.77 ^b
	April	101.71	96.78	92.78		
	May	102.54	95.93	91.80		
	June	103.04	96.83	92.21		
	July	102.86	97.10	92.10		
	August	102.97	97.06 ^b	91.43 ^b		
	September	101.59				

^a The values shown are quarterly data. ^b Preliminary data.
Note: Historical data may be revised when the series are updated.

Table H11 Indices of the effective exchange rate of the kuna • The index of the nominal effective exchange rate of the kuna is a weighted geometric average of the index of bilateral nominal exchange rates of the kuna against the selected currencies of the main trading partners. The currencies of the main trading partners and their weights are determined based on the structure of imports and exports of manufactured goods, where the weights used reflect direct import competition, direct export competition and export competition in third markets (see Box 2 in CNB Bulletin No. 165, 2011). The group of countries included in the formation of the index of the effective exchange rate of the kuna comprises the following 16 partner countries: a) eight eurozone countries: Austria (a 6.9% weight), Belgium (2.8%), France (6.4%), Germany (22.5%), Italy (21.4%), the Netherlands (3.2%), Slovenia (6.5%) and Spain (2.6%); b) five EU countries outside the eurozone: the Czech Republic (2.8%), Hungary (2.6%), Poland (2.8%), Sweden (1.9%) and the United Kingdom (3.9%); and c) three non-EU countries: the United States (7.6%), Japan (4.0%) and Switzerland (2.2%). The reference period for the calculation of the weights is the average for the 2007-2009 period. The time series of basic indices were recalculated on the basis of 2005.

The index of the nominal effective exchange rate is an aggregate indicator of the average value of the domestic currency

against a basket of currencies. An increase in the index of the nominal effective exchange rate of the kuna in a certain period indicates that the kuna has depreciated against the basket of currencies and vice versa. The index of the real effective exchange rate is a weighted geometric average of the index of bilateral exchange rates of the kuna adjusted for the corresponding indices of relative prices or costs (the ratio of price indices or costs in partner countries to domestic prices). Producer price indices, consumer price indices and the harmonised consumer price indices for EU member states, unit labour costs in the total economy and in industry are used as deflators. The time series for consumer prices in Croatia is constructed in the following manner: retail price indices are used for the period until and including December 1997 and consumer price indices for the period as of January 1998. Unit labour costs in Croatia are calculated as the ratio of compensation per employee at current prices to labour productivity at constant prices (for more details on the calculation of unit labour costs, see Box 1 in CNB Bulletin No. 141, 2008). Data on the real effective exchange rate for the last month are preliminary. The historical data may be corrected for the subsequent changes in the data on deflators used in the calculation of the index of the real effective exchange rate of the kuna.

	2007 Dec. ^b	2008 Dec. ^{c,d}	2009 Dec. ^e	2010 Dec.	2011 Dec.	2012				
						Mar.*	Apr.*	May*	Jun.*	Jul.
Long-term	13,350.1	18,975.7	19,647.1	19,315.7	18,696.5	18,667.7	18,588.9	18,596.3	18,480.5	18,222.9
Bonds	1,293.4	1,251.6	1,665.8	1,590.1	1,386.2	1,422.1	1,729.9	1,743.7	1,667.9	1,626.8
Credits	11,766.9	17,391.3	17,688.7	17,437.1	17,178.8	17,127.6	16,731.0	16,724.3	16,684.0	16,469.7
Currency and deposits	0.0	10.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trade credits	289.8	322.2	292.6	288.4	131.4	118.0	128.0	128.4	128.7	126.4
Other debt liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5 Direct investment	3,932.8	5,835.9	7,821.2	8,197.8	6,927.7	6,751.9	6,856.4	6,878.4	6,885.9	6,896.1
Short-term	540.4	1,415.7	446.8	923.8	1,324.2	1,160.4	1,266.4	1,296.4	1,266.7	1,251.3
Money market instruments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Credits	216.8	1,314.0	343.2	765.2	1,068.3	928.9	1,033.2	1,057.4	1,027.8	1,010.2
Trade credits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other debt liabilities	323.6	101.6	103.6	158.6	255.9	231.5	233.2	238.9	238.9	241.1
Principal arrears	293.9	85.8	73.5	124.5	207.5	183.6	184.7	189.5	188.7	190.5
Interest arrears	29.7	15.8	30.1	34.2	48.4	47.8	48.5	49.4	50.1	50.6
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term	3,392.5	4,420.2	7,374.4	7,274.0	5,603.6	5,591.5	5,589.9	5,582.0	5,619.1	5,644.8
Bonds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Credits	3,374.5	4,414.7	7,373.4	7,271.0	5,600.0	5,588.0	5,586.4	5,578.6	5,616.3	5,642.0
Trade credits	18.0	5.5	1.0	3.0	3.6	3.5	3.5	3.5	2.8	2.8
Other debt liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total (1+2+3+4+5)	33,720.8	40,590.0	45,244.3	46,483.4	45,733.7	45,917.5	47,445.3	47,473.3	46,523.3	45,969.2
o/w: Round tripping ^a	-	825.6	1,499.0	-	-	-	-	-	-	-

^a The rise in the external debt of the Republic of Croatia is attributed to the direct investment-related debt which comprises round-tripping transactions. A significant transaction, contributing to the removal of a round tripping component of direct investment, was recorded in December 2010. Nevertheless, the debt is presented in this table under heading 5 Direct investment. ^b The relevant comparable data as at 31 December 2007, reported in the Statistical Survey at the CNB website, should be used for the calculation of the external debt growth rate in 2008. ^c From January 2008 on, the data of non-financial enterprises are estimated on the basis of the data collected from the sample, and the comparable balance as at 31 December 2007 has been calculated by applying the same methodology. ^d The relevant comparable data as at 31 December 2008, reported in the Statistical Survey at the CNB website, should be used for the calculation of the external debt growth rate in 2009. ^e From January 2009 on, the data of non-banking financial institutions and non-financial enterprises are processed with the help of the new reporting system (INOK) which uses market interest rates to calculate the balance and the schedule of interest payments. The comparable balance as at 31 December 2008 has been calculated by applying the same methodology.

Table H12 Gross external debt by domestic sectors • External debt is defined as the external debt liabilities of residents on the basis of debt securities issued in the foreign markets (at nominal value), credits (repo agreements included) regardless of their contractual maturity, deposits of non-residents, and trade credits granted by non-residents with contractual maturity of more than 180 days (90 days up to 11 July 2001 and 150 days up to 31 December 2002) and, from December 2005 on, non-resident investment in debt securities issued in the domestic market.

External debt by domestic sectors is shown in the same manner as in the capital and financial account of the BOP. Item Government shows the external debt of the general government, comprising the Republic of Croatia, central government funds (including the State Agency for Deposit Insurance and Bank Rehabilitation, the Croatian Roads and, until 31 December 2007, the Croatian Motorways; from this date on, the Croatian Motorways is shown within the subsector public enterprises under item Other sectors), and local government. Item Croatian National Bank shows the debt of the central bank. Item Banks shows the debt of banks. Item Other sectors shows the debt of other banking institutions, non-banking financial institutions (including the Croatian Bank for Reconstruction and Development), enterprises, non-profit institutions and households, including craftsmen. Item Direct investment shows borrower – lender transactions of other sectors that are interrelated by ownership (borrower or lender owns more than 10% of the other).

Each sector data are further shown by contractual (short-term or long-term) maturity and by debt instrument. From the beginning of 2004, instruments included in item Currency and deposits (3 Banks) are reported in accordance with their

maturity. Data for the previous periods are reported only on a long-term basis.

Outstanding gross external debt includes principal and interest arrears, as well as accrued interest and future principal payments.

Outstanding debt data are shown at the CNB's midpoint exchange rate at the end of the period.

Data are considered preliminary until after publication of the final BOP data for the reporting quarter.

Table H13 Public sector gross external debt, and publicly guaranteed and non-publicly guaranteed private sector gross external debt • The gross external debt position presented in this table highlights the role of the public sector.

Public sector includes the general government (comprising the Republic of Croatia, central government funds and local government), the central bank, public enterprises, mixed enterprises and the CBRD. Public enterprises are defined as enterprises in 100% ownership of business entities from the public sector. Mixed enterprises are defined as enterprises in which business entities from the public sector have a share larger than 50%.

Publicly guaranteed private sector gross external debt is defined as the external debt liabilities of business entities not covered by the definition of the public sector, the servicing of which is guaranteed by a business entity from the public sector.

Non-publicly guaranteed private sector gross external debt is defined as the external debt liabilities of business entities not covered by the definition of the public sector, the servicing of which is not guaranteed by the public sector.

Items are valued in the same manner as in Table H12.

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

	2007	2008	2009	2010	2011	2012				
	Dec. ^b	Dec. ^{c,d}	Dec. ^e	Dec.	Dec.	Mar.*	Apr.*	May*	Jun.*	Jul.
1 Public sector	9,986.7	10,852.7	12,820.6	14,364.3	14,076.2	14,135.9	15,222.0	15,153.3	14,728.1	14,702.4
Short-term	116.2	209.2	429.9	651.1	337.3	502.6	597.1	534.1	391.0	417.0
Money market instruments	43.7	24.6	170.3	468.3	157.9	274.8	336.6	322.1	266.0	241.1
Credits	35.4	164.1	215.6	108.6	103.7	164.7	197.1	147.3	83.0	133.4
Currency and deposits	2.3	2.3	1.1	1.2	0.1	0.0	0.0	0.0	0.0	0.0
Trade credits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other debt liabilities	34.7	18.2	42.9	73.1	75.7	63.2	63.4	64.7	42.0	42.6
Principal arrears	29.9	17.1	39.4	69.3	71.6	60.7	60.8	62.1	39.4	40.0
Interest arrears	4.8	1.1	3.6	3.8	4.1	2.5	2.5	2.6	2.6	2.6
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term	9,868.8	10,641.8	12,207.3	13,346.4	13,522.1	13,556.5	14,548.6	14,605.6	14,322.0	14,270.3
Bonds	4,543.3	4,294.8	5,326.8	5,579.9	5,882.0	5,845.8	6,997.4	6,986.8	6,724.7	6,698.4
Credits	5,120.3	6,068.5	6,608.2	7,495.1	7,525.3	7,612.7	7,445.4	7,512.6	7,487.4	7,464.2
Currency and deposits	0.0	10.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trade credits	205.2	267.9	272.3	271.4	114.8	98.0	105.8	106.3	109.9	107.7
Other debt liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Direct investment	1.8	1.7	183.4	366.8	216.7	76.7	76.3	13.6	15.1	15.1
2 Publicly guaranteed private sector	139.9	80.3	9.2	5.4	2.7	4.8	4.8	4.8	4.8	4.7
Short-term	11.3	7.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Money market instruments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Credits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Currency and deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trade credits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other debt liabilities	11.3	7.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Principal arrears	9.4	7.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest arrears	1.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term	128.6	73.2	9.2	5.4	2.7	4.8	4.8	4.8	4.8	4.7
Bonds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Credits	128.6	73.2	9.2	5.4	2.7	1.5	1.5	1.5	1.5	1.4
Currency and deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trade credits	0.0	0.0	0.0	0.0	0.0	3.3	3.3	3.3	3.3	3.2
Other debt liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Direct investment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3 Non-publicly guaranteed private sector	23,594.3	29,657.1	32,414.6	32,113.7	31,654.8	31,776.9	32,218.6	32,315.2	31,790.4	31,262.1
Short-term	3,763.3	4,564.9	4,180.2	4,436.3	4,878.1	4,867.5	4,966.2	5,005.1	4,615.2	4,584.1
Money market instruments	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Credits	1,356.4	1,641.6	1,268.9	1,340.6	823.1	833.3	932.0	920.1	906.2	991.6
Currency and deposits	1,648.8	2,670.3	2,283.9	2,073.0	3,060.6	2,938.1	2,914.9	2,966.3	2,621.7	2,472.8
Trade credits	31.1	39.5	28.2	30.9	34.2	48.3	50.7	49.5	49.6	50.3
Other debt liabilities	727.0	213.5	599.2	991.8	960.0	1,047.8	1,068.6	1,069.1	1,037.7	1,069.4
Principal arrears	645.4	150.2	484.4	824.3	790.3	871.6	889.2	891.6	865.4	896.0
Interest arrears	81.7	63.3	114.9	167.5	169.8	176.2	179.4	177.5	172.3	173.4
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term	15,899.9	19,258.0	20,596.6	19,846.4	20,065.7	20,234.2	20,472.3	20,445.3	20,304.4	19,797.0
Bonds	628.8	585.5	324.4	332.2	432.6	459.8	762.8	771.9	719.0	726.1
Credits	12,691.4	16,162.4	16,209.2	15,104.9	15,272.1	15,114.2	15,083.5	14,966.6	14,861.8	14,613.1
Currency and deposits	2,493.9	2,455.0	4,042.7	4,384.9	4,314.4	4,614.9	4,578.5	4,659.2	4,681.1	4,415.2
Trade credits	85.8	55.0	20.3	24.3	46.6	45.3	47.6	47.6	42.6	42.6

	Gross external debt 31/7/2012	Imme-diate	Projected future principal payments												
			Q3/12		Q4/12	Q1/13	Q2/13	2012	2013	2014	2015	2016	2017	2018	Other
			Total ^a	o/w: Accrued interest ^a											
Long-term	7,913.5	0.0	569.4	46.7	402.3	173.0	312.3	971.7	1,815.8	1,627.4	528.0	684.1	1,169.6	170.9	946.0
Bonds	0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Credits	3,497.4	0.0	104.8	15.8	180.7	35.5	174.8	285.5	821.3	648.6	376.4	351.0	912.5	30.7	71.4
Currency and deposits	4,415.2	0.0	464.5	30.9	221.6	137.5	137.5	686.1	994.5	978.8	151.6	333.1	256.2	140.2	874.6
Other debt liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4 Other sectors	20,069.4	1,111.1	1,502.1	432.1	1,724.8	689.8	1,077.5	3,227.0	3,101.5	2,658.5	1,622.2	1,625.8	1,631.7	884.8	4,206.9
Short-term	1,846.5	1,111.1	108.6	6.6	337.6	160.8	111.1	446.2	289.3	0.0	0.0	0.0	0.0	0.0	0.0
Money market instruments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Credits	685.1	0.0	108.6	6.6	337.6	110.4	111.1	446.2	238.9	0.0	0.0	0.0	0.0	0.0	0.0
Currency and deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trade credits	50.3	0.0	0.0	0.0	0.0	50.3	0.0	0.0	50.3	0.0	0.0	0.0	0.0	0.0	0.0
Other debt liabilities	1,111.1	1,111.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Principal arrears	935.3	935.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest arrears	175.8	175.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term	18,222.9	0.0	1,393.6	425.5	1,387.2	529.0	966.4	2,780.8	2,812.3	2,658.5	1,622.2	1,625.8	1,631.7	884.8	4,206.9
Bonds	1,626.8	0.0	270.8	29.4	15.7	0.0	0.5	286.5	38.5	26.3	26.9	480.7	508.6	0.0	259.4
Credits	16,469.7	0.0	1,117.4	395.5	1,322.0	495.4	965.7	2,439.5	2,707.2	2,631.9	1,594.1	1,143.9	1,121.9	883.8	3,947.5
Currency and deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trade credits	126.4	0.0	5.3	0.5	49.5	33.6	0.2	54.9	66.5	0.3	1.2	1.2	1.2	1.0	0.0
Other debt liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5 Direct investment	6,896.1	241.1	655.8	272.0	1,253.9	294.1	657.8	1,909.7	1,439.5	744.3	329.9	370.1	242.8	126.4	1,492.4
Short-term	1,251.3	241.1	76.5	7.8	576.7	85.4	270.5	653.2	357.0	0.0	0.0	0.0	0.0	0.0	0.0
Money market instruments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Credits	1,010.2	0.0	76.5	7.8	576.7	85.4	270.5	653.2	357.0	0.0	0.0	0.0	0.0	0.0	0.0
Trade credits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other debt liabilities	241.1	241.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Principal arrears	190.5	190.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest arrears	50.6	50.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term	5,644.8	0.0	579.3	264.3	677.2	208.7	387.3	1,256.5	1,082.4	744.3	329.9	370.1	242.8	126.4	1,492.4
Bonds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Credits	5,642.0	0.0	579.1	264.1	675.8	208.6	387.2	1,254.8	1,081.6	743.9	329.9	370.1	242.8	126.4	1,492.4
Trade credits	2.8	0.0	0.2	0.1	1.5	0.1	0.1	1.7	0.8	0.3	0.0	0.0	0.0	0.0	0.0
Other debt liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total (1+2+3+4+5)	45,969.2	1,353.1	4,511.5	868.7	3,895.4	1,644.8	2,540.2	8,406.9	7,688.4	5,747.4	3,528.3	2,889.8	4,340.8	1,563.1	10,451.4
Supplement: Projected interest payments			101.2		293.9	263.0	338.5	395.1	1,184.9	1,032.9	874.8	768.2	615.0	476.7	2,034.0

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

Table H14 Gross external debt by domestic sectors and projected future payments • The table shows outstanding gross external debt, projected principal payments and estimated interest payments according to the CNB's midpoint exchange rate at the end of the period. Projected principal payments and estimated interest payments on currency and deposits of non-residents under item Banks are reported in accordance with the available monetary statistics data on original and remaining maturity.

Estimated interest payments do not include interest on repo transactions and hybrid and subordinated instruments, as well as late interest on these instruments (up to March 2010, estimated

interest payments did not also include interest on currency and deposits). Future interest payments of banks are estimated on the basis of contractual interest rates and do not reflect changes of variable interest rates. Future interest payments of other sectors are estimated on the basis of the benchmark interest rate applicable on the reporting date. Projected payments of accrued interest, which are an integral part of the gross external debt, increase the projected principal payments in the first quarter period and, consequently, decrease the interest payments estimated for the same period.

Table H15 Gross external debt by other sectors

in million EUR

	2007 Dec. ^a	2008 Dec. ^{b,c}	2009 Dec. ^d	2010 Dec.	2011 Dec.	2012				
						Mar.*	Apr.*	May*	Jun.*	Jul.
1 Other sectors	14,828.3	19,901.0	20,993.8	20,929.2	20,182.0	20,319.7	20,297.5	20,336.1	20,170.4	20,069.4
Short-term	1,478.2	925.3	1,346.7	1,613.5	1,485.5	1,652.0	1,708.7	1,739.8	1,689.9	1,846.5
Money market instruments	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Credits	681.0	652.9	677.7	519.1	415.7	492.9	526.2	556.5	561.6	685.1
Currency and deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trade credits	31.1	39.5	28.2	30.9	34.2	48.3	50.7	49.5	49.6	50.3
Other debt liabilities	766.0	232.9	640.9	1,063.5	1,035.5	1,110.8	1,131.8	1,133.7	1,078.7	1,111.1
Principal arrears	683.4	170.4	523.6	892.8	861.8	932.2	950.0	953.7	904.0	935.3
Interest arrears	82.6	62.5	117.2	170.7	173.7	178.6	181.8	179.9	174.7	175.8
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term	13,350.1	18,975.7	19,647.1	19,315.7	18,696.5	18,667.7	18,588.9	18,596.3	18,480.5	18,222.9
Bonds	1,293.4	1,251.6	1,665.8	1,590.1	1,386.2	1,422.1	1,729.9	1,743.7	1,667.9	1,626.8
Credits	11,766.9	17,401.9	17,688.7	17,437.1	17,178.8	17,127.6	16,731.0	16,724.3	16,684.0	16,469.7
Currency and deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trade credits	289.8	322.2	292.6	288.4	131.4	118.0	128.0	128.4	128.7	126.4
Other debt liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.1 Other banking institutions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Short-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Money market instruments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Credits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Currency and deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other debt liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Principal arrears	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest arrears	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bonds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Credits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Currency and deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other debt liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.2 Non-banking financial institutions	3,922.0	4,949.7	5,396.1	4,633.0	4,068.1	4,045.2	4,073.2	4,148.7	4,083.1	4,037.2
Short-term	201.6	155.4	436.3	109.1	217.3	231.0	231.6	243.6	327.8	344.3
Money market instruments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Credits	184.5	144.5	431.8	94.1	209.8	224.1	224.7	236.6	323.3	339.9
Currency and deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trade credits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other debt liabilities	17.1	10.9	4.5	15.0	7.5	6.9	6.9	7.0	4.5	4.5
Principal arrears	2.9	4.2	1.3	11.6	3.4	2.9	2.9	3.0	1.2	1.2
Interest arrears	14.2	6.7	3.2	3.4	4.1	4.0	4.0	4.1	3.3	3.3
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term	3,720.4	4,794.3	4,959.8	4,523.9	3,850.8	3,814.2	3,841.6	3,905.1	3,755.3	3,692.8
Bonds	806.7	791.5	1,014.7	936.4	636.8	640.5	643.8	647.4	623.6	589.7
Credits	2,913.7	3,992.3	3,945.1	3,587.5	3,213.9	3,173.7	3,197.8	3,257.7	3,131.7	3,103.2
Currency and deposits	0.0	10.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trade credits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other debt liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.3 Public enterprises	2,031.6	3,985.5	5,214.0	5,778.2	5,400.3	5,439.9	5,055.7	5,027.2	4,945.7	4,965.1
Short-term	48.3	145.1	77.7	180.8	179.4	227.9	255.3	206.8	119.0	174.4
Money market instruments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Credits	35.4	132.4	34.8	108.6	103.7	164.7	191.9	142.1	77.8	132.6
Trade credits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other debt liabilities	12.9	12.7	42.8	72.2	75.7	63.2	63.4	64.7	41.2	41.8

	2007 Dec. ^a	2008 Dec. ^{b,c}	2009 Dec. ^d	2010 Dec.	2011 Dec.	2012				
						Mar.*	Apr.*	May*	Jun.*	Jul.
Principal arrears	12.5	11.8	39.3	68.6	71.6	60.7	60.8	62.1	38.7	39.3
Interest arrears	0.5	0.9	3.6	3.7	4.1	2.5	2.5	2.6	2.5	2.6
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term	1,983.3	3,840.5	5,136.4	5,597.4	5,220.9	5,212.1	4,800.4	4,820.4	4,826.7	4,790.7
Bonds	330.4	341.3	335.6	330.4	318.7	322.9	324.3	325.4	326.3	312.0
Credits	1,470.2	3,254.7	4,528.5	4,995.6	4,787.4	4,791.2	4,370.3	4,388.8	4,390.5	4,371.0
Trade credits	182.7	244.5	272.3	271.4	114.8	98.0	105.8	106.3	109.9	107.7
Other debt liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.4 Mixed enterprises	594.9	741.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Short-term	16.5	1.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Money market instruments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Credits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trade credits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other debt liabilities	16.5	1.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Principal arrears	16.4	1.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest arrears	0.1	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term	578.4	740.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bonds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Credits	557.1	717.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trade credits	21.3	22.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other debt liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.5 Other enterprises	8,113.0	9,958.6	10,103.8	10,303.5	10,495.9	10,619.4	10,953.7	10,944.7	10,927.0	10,845.5
Short-term	1,174.3	619.2	800.4	1,316.7	1,082.9	1,187.1	1,215.7	1,283.3	1,236.6	1,320.9
Money market instruments	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Credits	451.2	373.8	178.7	309.4	96.2	98.1	103.5	171.8	154.1	205.8
Trade credits	31.1	39.5	28.2	30.9	34.2	48.3	50.7	49.5	49.6	50.3
Other debt liabilities	692.0	205.9	593.5	976.4	952.3	1,040.7	1,061.5	1,062.0	1,032.9	1,064.8
Principal arrears	630.2	151.2	483.0	812.7	786.8	868.6	886.2	888.6	864.1	894.9
Interest arrears	61.8	54.7	110.5	163.7	165.5	172.1	175.3	173.3	168.8	169.9
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term	6,938.8	9,339.3	9,303.5	8,986.8	9,413.0	9,432.3	9,738.0	9,661.4	9,690.4	9,524.6
Bonds	156.3	118.9	315.5	323.4	430.7	458.8	761.7	770.9	718.0	725.1
Credits	6,701.7	9,168.7	8,968.0	8,646.5	8,965.7	8,953.5	8,954.0	8,868.4	8,953.6	8,780.8
Trade credits	80.8	51.7	20.0	16.9	16.6	20.0	22.2	22.2	18.8	18.7
Other debt liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.6 Non-profit institutions	5.4	3.8	3.6	2.6	4.8	7.2	7.3	7.8	8.0	8.4
1.7 Craftsmen and sole traders	24.1	17.1	11.5	7.2	5.2	4.9	4.8	4.8	4.6	11.1
1.8 Households	137.2	244.7	264.8	204.7	207.9	203.1	202.8	202.9	202.0	202.2

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

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

in million EUR

	2007	2008	2009	2010	2011 ^c	2011				2012	
						Q1 ^c	Q2 ^c	Q3 ^c	Q4 ^c	Q1 ^c	Q2 ^d
1 International investment position (net)	-40,178.9	-34,975.4	-39,032.3	-41,971.2	-40,245.1	-44,077.1	-43,830.1	-41,586.6	-40,245.1	-41,376.9	-40,433.8
2 Assets	21,644.2	22,508.4	24,444.5	23,416.3	23,230.1	23,600.2	23,509.6	23,828.6	23,230.1	22,354.8	23,032.8
2.1 Direct investment abroad	2,580.3	3,750.4	4,556.3	3,283.5	3,517.7	3,658.2	3,556.6	3,430.3	3,517.7	3,283.2	3,272.9
2.2 Portfolio investment	3,250.9	2,646.0	3,219.2	3,562.3	2,894.4	3,552.3	3,655.1	3,089.1	2,894.4	2,822.8	2,984.5
2.2.1 Equity securities	1,745.5	656.7	804.9	1,255.5	1,213.5	1,501.6	1,492.7	1,245.8	1,213.5	1,324.6	1,309.8
2.2.2 Debt securities	1,505.4	1,989.3	2,414.3	2,306.8	1,680.9	2,050.6	2,162.3	1,843.4	1,680.9	1,498.2	1,674.7
Bonds	1,225.0	1,606.9	1,685.6	1,420.2	1,068.4	1,408.6	1,488.7	1,072.2	1,068.4	896.6	1,138.1
Money market instruments	280.4	382.4	728.7	886.6	612.5	642.1	673.6	771.2	612.5	601.6	536.6
2.3 Financial derivatives	0.0	0.0	24.1	16.5	16.2	38.5	26.3	106.2	16.2	85.9	127.5
2.4 Other investment	6,505.6	6,991.2	6,269.1	5,893.7	5,607.0	4,927.3	4,849.3	5,879.1	5,607.0	4,822.9	5,012.8
2.4.1 Trade credits	248.9	224.7	123.6	80.5	85.7	86.9	85.2	85.5	85.7	84.5	86.2
2.4.2 Loans	296.4	435.9	384.5	480.0	490.0	475.0	539.3	501.3	490.0	471.4	487.0
2.4.3 Currency and deposits	5,960.3	6,330.5	5,760.9	5,333.1	5,031.3	4,365.4	4,224.9	5,292.3	5,031.3	4,267.0	4,439.6
2.4.4 Other assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.5 Reserve assets (CNB)	9,307.4	9,120.9	10,375.8	10,660.2	11,194.8	11,423.9	11,422.3	11,323.8	11,194.8	11,340.0	11,635.2
3 Liabilities	61,823.1	57,483.8	63,476.8	65,387.5	63,475.2	67,677.4	67,339.7	65,415.2	63,475.2	63,731.8	63,466.7
3.1 Direct investment in Croatia	30,611.5	22,190.9	25,344.0	26,166.3	23,879.9	27,121.1	26,521.7	25,719.5	23,879.9	23,798.2	23,110.7
3.2 Portfolio investment	6,639.5	5,443.7	6,479.1	7,118.5	7,068.3	7,289.8	6,793.4	7,095.9	7,068.3	7,172.2	8,284.1
3.2.1 Equity securities	1,522.3	613.8	657.6	738.0	595.7	836.4	740.9	669.7	595.7	591.8	574.3
3.2.2 Debt securities	5,117.1	4,829.9	5,821.5	6,380.5	6,472.7	6,453.4	6,052.4	6,426.1	6,472.7	6,580.4	7,709.8
Bonds	5,073.5	4,805.3	5,651.2	5,912.1	6,314.6	5,905.5	5,731.0	6,254.5	6,314.6	6,305.6	7,443.7
Money market instruments	43.7	24.6	170.3	468.3	158.1	547.9	321.4	171.7	158.1	274.8	266.1
3.3 Financial derivatives	-	-	-	197.5	193.6	98.2	202.3	171.3	193.6	181.4	149.5
3.4 Other investment	24,572.1	29,849.2	31,601.6	31,905.2	32,333.3	33,168.3	33,822.3	32,428.6	32,333.3	32,579.9	31,922.4
3.4.1 Trade credits	337.8	367.5	344.4	370.2	217.0	373.4	328.7	274.2	217.0	217.0	205.6
3.4.2 Loans	20,088.8	24,343.4	24,929.1	25,075.4	24,741.0	25,873.1	26,080.9	25,162.3	24,741.0	24,809.8	24,413.9
3.4.3 Currency and deposits	4,145.5	5,138.3	6,328.1	6,459.5	7,375.3	6,921.8	7,412.7	6,992.1	7,375.3	7,553.2	7,303.0
3.4.4 Other assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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

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

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

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

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

funds at book value method).

Portfolio debt investment and other investment are classified according to the following institutional sectors: the Croatian National Bank, government, banks and other sectors. The government sector comprises the central government and funds and local government authorities. The banking sector comprises banks.

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

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

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

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

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

Item Other investment – Currency and deposits – Liabilities shows the total foreign currency and kuna liabilities of the said sectors abroad arising from current accounts, time and notice deposits, sight deposits and demand deposits. The sources of data for this item are reports from banks.

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

Table H17 International investment position – direct investment^a
in million EUR

	2007	2008	2009	2010	2011 ^b	2011				2012	
						Q1 ^b	Q2 ^b	Q3 ^b	Q4 ^b	Q1 ^b	Q2 ^c
Direct investment (net)	-28,031.2	-18,440.6	-20,787.7	-22,882.8	-20,362.2	-23,462.9	-22,965.1	-22,289.1	-20,362.2	-20,515.0	-19,837.8
1 Abroad	2,580.3	3,750.4	4,556.3	3,283.5	3,517.7	3,658.2	3,556.6	3,430.3	3,517.7	3,283.2	3,272.9
1.1 Equity capital and reinvested earnings	2,479.3	3,560.6	4,463.1	3,042.4	3,051.7	3,161.6	3,031.9	2,964.3	3,051.7	3,030.6	3,034.4
1.1.1 Claims	2,479.3	3,560.6	4,463.1	3,042.4	3,051.7	3,161.6	3,031.9	2,964.3	3,051.7	3,030.6	3,034.4
1.1.2 Liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.2 Other capital	101.0	189.7	93.2	241.1	466.0	496.6	524.6	466.0	466.0	252.6	238.5
1.1.1 Claims	175.4	220.2	217.0	608.7	641.5	669.4	698.9	638.7	641.5	441.5	425.7
1.2.2 Liabilities	74.4	30.5	123.8	367.6	175.5	172.8	174.3	172.7	175.5	188.9	187.2
1.3 Financial derivatives (net)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2 In Croatia	30,611.5	22,190.9	25,344.0	26,166.3	23,879.9	27,121.1	26,521.7	25,719.5	23,879.9	23,798.2	23,110.7
2.1 Equity capital and reinvested earnings	26,777.2	16,409.8	17,699.5	18,404.5	17,178.4	19,471.1	19,284.5	18,238.0	17,178.4	17,286.5	16,467.5
2.1.1 Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.1.2 Liabilities	26,777.2	16,409.8	17,699.5	18,404.5	17,178.4	19,471.1	19,284.5	18,238.0	17,178.4	17,286.5	16,467.5
2.2 Other capital	3,834.3	5,781.1	7,644.5	7,761.9	6,701.6	7,650.0	7,237.2	7,481.5	6,701.6	6,511.7	6,643.2
2.2.1 Claims	24.2	24.3	52.9	68.3	50.7	41.1	44.6	51.2	50.7	49.2	51.8
2.2.2 Liabilities	3,858.5	5,805.4	7,697.4	7,830.2	6,752.3	7,691.2	7,281.7	7,532.7	6,752.3	6,560.9	6,695.0
2.3 Financial derivatives (net)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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

Table H18 International investment position – portfolio investment^a
in million EUR

	2007	2008	2009	2010	2011 ^b	2011				2011	
						Q1 ^b	Q2 ^b	Q3 ^b	Q4 ^b	Q1 ^b	Q2 ^c
Portfolio investment (net)	-3,388.6	-2,797.7	-3,259.9	-3,556.1	-4,173.9	-3,737.6	-3,138.3	-4,006.7	-4,173.9	-4,349.4	-5,299.6
1 Assets	3,250.9	2,646.0	3,219.2	3,562.3	2,894.4	3,552.3	3,655.1	3,089.1	2,894.4	2,822.8	2,984.5
1.1 Equity securities	1,745.5	656.7	804.9	1,255.5	1,213.5	1,501.6	1,492.7	1,245.8	1,213.5	1,324.6	1,309.8
1.1.1 Banks	8.3	11.6	13.7	11.1	15.6	14.7	15.3	15.8	15.6	16.8	11.3
1.1.2 Other sectors	1,737.2	645.1	791.2	1,244.5	1,197.9	1,486.9	1,477.5	1,230.0	1,197.9	1,307.8	1,298.5
1.2 Debt securities	1,505.4	1,989.3	2,414.3	2,306.8	1,680.9	2,050.6	2,162.3	1,843.4	1,680.9	1,498.2	1,674.7
2 Liabilities	6,639.5	5,443.7	6,479.1	7,118.5	7,068.3	7,289.8	6,793.4	7,095.9	7,068.3	7,172.2	8,284.1
2.1 Equity securities	1,522.3	613.8	657.6	738.0	595.7	836.4	740.9	669.7	595.7	591.8	574.3
2.1.1 Banks	164.7	66.5	62.4	56.8	45.3	57.8	61.4	55.7	45.3	48.5	41.3
2.1.2 Other sectors	1,357.6	547.3	595.2	681.2	550.3	778.6	679.6	614.0	550.3	543.3	533.1
2.2 Debt securities	5,117.1	4,829.9	5,821.5	6,380.5	6,472.7	6,453.4	6,052.4	6,426.1	6,472.7	6,580.4	7,709.8
2.2.1 Bonds	5,073.5	4,805.3	5,651.2	5,912.1	6,314.6	5,905.5	5,731.0	6,254.5	6,314.6	6,305.6	7,443.7
2.2.1.1 General government	3,406.2	3,162.1	3,976.4	4,313.1	4,926.5	4,467.9	4,318.0	4,859.8	4,926.5	4,882.5	5,774.8
2.2.1.2 Banks	459.0	456.8	9.0	8.9	1.9	0.0	0.0	2.7	1.9	1.0	1.0
2.2.1.3 Other sectors	1,208.3	1,186.4	1,665.8	1,590.1	1,386.2	1,437.5	1,413.0	1,392.0	1,386.2	1,422.1	1,667.9
2.2.2 Money market instruments	43.7	24.6	170.3	468.3	158.1	547.9	321.4	171.7	158.1	274.8	266.1
2.2.2.1 General government	43.7	24.6	170.3	468.3	157.9	547.9	321.4	171.7	157.9	274.8	266.0
2.2.2.2 Other sectors	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.0

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

Table H19 International investment position – other investment^a

in million EUR

	2007	2008	2009	2010	2011 ^b	2011				2012	
						Q1 ^b	Q2 ^b	Q3 ^b	Q4 ^b	Q1 ^b	Q2 ^c
Other investment (net)	-18,066.5	-22,858.0	-25,332.5	-26,011.5	-26,726.3	-28,240.9	-28,973.0	-26,549.4	-26,726.3	-27,757.0	-26,909.6
1 Assets	6,505.6	6,991.2	6,269.1	5,893.7	5,607.0	4,927.3	4,849.3	5,879.1	5,607.0	4,822.9	5,012.8
1.1 Trade credits	248.9	224.7	123.6	80.5	85.7	86.9	85.2	85.5	85.7	84.5	86.2
1.1.1 General government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.1.2 Other sectors	248.9	224.7	123.6	80.5	85.7	86.9	85.2	85.5	85.7	84.5	86.2
Long-term	228.8	202.6	96.3	61.4	58.3	62.9	60.7	61.9	58.3	56.6	56.5
Short-term	20.1	22.1	27.3	19.2	27.4	24.0	24.4	23.6	27.4	27.9	29.7
1.2 Loans	296.4	435.9	384.5	480.0	490.0	475.0	539.3	501.3	490.0	471.4	487.0
1.2.1 Croatian National Bank	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Long-term	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
1.2.2 General government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.2.3 Banks	214.8	285.3	270.1	340.4	344.7	356.9	433.3	377.0	344.7	315.7	326.0
Long-term	160.0	193.6	233.7	286.3	310.1	311.2	375.8	340.9	310.1	271.9	266.8
Short-term	54.8	91.7	36.5	54.2	34.6	45.7	57.5	36.1	34.6	43.7	59.2
1.2.4 Other sectors	81.1	150.0	113.8	139.0	144.6	117.6	105.4	123.7	144.6	155.1	160.3
Long-term	81.0	146.8	113.6	101.3	140.0	96.4	84.3	112.1	140.0	138.1	150.0
Short-term	0.1	3.3	0.2	37.7	4.6	21.2	21.2	11.6	4.6	17.0	10.3
1.3 Currency and deposits	5,960.3	6,330.5	5,760.9	5,333.1	5,031.3	4,365.4	4,224.9	5,292.3	5,031.3	4,267.0	4,439.6
1.3.1 General government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.3.2 Banks	4,715.1	4,863.6	4,442.9	4,060.1	3,565.6	3,081.9	2,993.3	3,870.3	3,565.6	2,845.6	2,955.7
1.3.3 Other sectors	1,245.2	1,466.9	1,318.0	1,273.0	1,465.7	1,283.5	1,231.6	1,422.1	1,465.7	1,421.5	1,483.9
1.4 Other assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2 Liabilities	24,572.1	29,849.2	31,601.6	31,905.2	32,333.3	33,168.3	33,822.3	32,428.6	32,333.3	32,579.9	31,922.4
2.1 Trade credits	337.8	367.5	344.4	370.2	217.0	373.4	328.7	274.2	217.0	217.0	205.6
2.1.1 General government	1.2	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term	1.2	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Short-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.1.2 Other sectors	336.6	366.7	344.4	370.2	217.0	373.4	328.7	274.2	217.0	217.0	205.6
Long-term	305.5	327.2	316.2	339.3	182.8	340.1	297.1	243.8	182.8	168.7	155.0
Short-term	31.1	39.5	28.2	30.9	34.2	33.3	31.6	30.4	34.2	48.3	50.6
2.2 Loans	20,088.8	24,343.4	24,929.1	25,075.4	24,741.0	25,873.1	26,080.9	25,162.3	24,741.0	24,809.8	24,413.9
2.2.1 Croatian National Bank	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
o/w: IMF	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.2.2 General government	2,613.7	1,574.6	1,592.7	1,820.8	1,911.6	1,973.2	2,128.2	1,952.2	1,911.6	1,939.0	2,147.6
Long-term	2,613.7	1,542.9	1,592.7	1,820.8	1,911.6	1,798.2	1,953.2	1,952.2	1,911.6	1,939.0	2,142.4
Short-term	0.0	31.7	0.0	0.0	0.0	175.0	175.0	0.0	0.0	0.0	5.2
2.2.3 Banks	4,276.8	4,496.7	4,352.8	4,285.8	4,250.8	4,368.4	4,583.7	4,161.1	4,250.8	4,195.6	3,975.3
Long-term	3,565.2	3,374.7	3,545.3	3,355.7	3,739.7	3,628.0	3,705.8	3,693.6	3,739.7	3,690.5	3,552.9
Short-term	711.7	1,122.0	807.5	930.1	511.1	740.4	877.9	467.5	511.1	505.1	422.4
2.2.4 Other sectors	13,198.2	18,272.0	18,983.6	18,968.9	18,578.6	19,531.5	19,369.1	19,049.0	18,578.6	18,675.2	18,291.0
Long-term	12,371.2	17,589.5	18,244.9	18,360.2	18,064.1	18,584.1	18,628.3	18,369.5	18,064.1	18,068.8	17,607.8
Short-term	827.1	682.5	738.7	608.6	514.5	947.4	740.8	679.5	514.5	606.4	683.2
2.3 Currency and deposits	4,145.5	5,138.3	6,328.1	6,459.5	7,375.3	6,921.8	7,412.7	6,992.1	7,375.3	7,553.2	7,303.0
2.3.1 Croatian National Bank	2.3	2.3	1.1	1.2	0.1	0.4	0.1	0.1	0.1	0.0	0.0
2.3.2 Banks	4,143.2	5,125.5	6,327.0	6,458.4	7,375.3	6,921.4	7,412.6	6,992.0	7,375.3	7,553.2	7,303.0
2.3.3 Other sectors	0.0	10.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.4 Other liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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

	2007	2008	2009	2010	2011	2012				
						Mar.	Apr.	May	Jun.	Jul.
3.3 CHANGE IN NET INCURRENCE OF LIABILITIES	560.6	5,654.1	17,432.0	17,248.4	15,040.2	308.1	8,610.5	-5,061.7	-3,094.6	4,217.2
3.3.1 Domestic	2,017.1	6,795.7	10,130.2	12,892.5	6,448.4	315.3	124.3	-4,992.5	-2,911.3	4,254.4
A) Budgetary central government	1,477.6	5,656.6	9,576.6	11,835.1	4,793.1	303.2	148.2	-4,990.6	-3,070.1	4,354.1
B) Extrabudgetary users	539.5	1,139.1	553.6	1,057.4	1,655.3	12.2	-23.9	-1.9	158.7	-99.7
3.3.2 Foreign	-1,456.5	-1,141.7	7,301.8	4,355.9	8,591.8	-7.2	8,486.1	-69.1	-183.2	-37.2
A) Budgetary central government	-2,980.2	-1,445.8	6,878.4	4,277.0	8,597.2	4.8	8,496.0	-68.9	-146.1	-31.4
B) Extrabudgetary users	1,523.7	304.1	423.4	79.0	-5.4	-12.1	-9.8	-0.3	-37.1	-5.7

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

^b The Croatian Privatisation Fund (CPF) ceased to operate on 31 March 2011. The Agency for Management of the Public Property (AUDIO) started to operate on 1 April 2011 and is composed of the CPF and the Central State Administrative Office for State Property Management (the former budget user). The Notes on Methodology can be found in the Ministry of Finance Monthly Statistical Review. Note: On a cash basis.

Source: MoF.

Table I2 Budgetary central government operations^a
in million HRK

	2007	2008	2009	2010	2011	2012				
						Mar.	Apr.	May	Jun.	Jul.
1 REVENUE	108,320.6	115,772.7	110,257.9	107,466.4	107,069.7	8,703.8	10,200.9	8,898.9	8,576.2	10,024.1
1.1 Taxes	64,234.5	69,572.7	63,678.9	62,856.6	61,422.2	4,593.9	6,562.2	4,883.6	4,942.9	6,242.2
1.2 Social contributions	37,203.5	40,703.5	39,994.7	38,712.4	38,605.1	3,144.5	3,185.1	3,511.7	3,123.4	3,215.8
1.3 Grants	428.0	468.6	616.3	637.1	869.0	56.9	63.8	74.4	73.7	91.6
1.4 Other revenue	6,454.5	5,027.8	5,968.0	5,260.3	6,173.4	908.6	389.8	429.2	436.2	474.5
2 EXPENSE	108,007.6	115,292.4	117,924.0	120,323.3	119,939.5	11,188.4	10,031.3	9,836.1	9,341.2	11,340.3
2.1 Compensation of employees	27,545.1	29,948.5	31,289.3	31,096.5	31,737.4	2,602.6	2,601.4	2,621.7	2,608.8	2,893.8
2.2 Use of goods and services	7,162.4	8,113.7	7,363.8	7,655.7	7,943.6	710.9	588.1	522.4	579.8	704.9
2.3 Consumption of fixed capital	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.4 Interest	4,535.0	4,683.2	5,225.2	6,236.5	7,097.6	1,291.0	244.9	776.8	343.3	993.7
2.5 Subsidies	6,492.0	6,859.5	6,710.0	6,582.2	6,555.3	790.2	728.1	402.9	318.7	1,046.6
2.6 Grants	8,363.2	5,783.1	5,559.6	5,778.6	5,083.7	484.3	381.5	435.5	336.6	473.1
2.7 Social benefits	48,176.0	52,593.2	56,148.5	56,906.6	56,483.0	4,798.1	4,994.8	4,704.2	4,729.7	4,783.2
2.8 Other expense	5,733.9	7,311.2	5,627.6	6,067.3	5,039.1	511.2	492.6	372.5	424.2	445.0
3 CHANGE IN NET WORTH: TRANSACTIONS	313.0	480.2	-7,666.0	-12,857.0	-12,869.8	-2,484.5	169.6	-937.2	-765.0	-1,316.3
3.1 Change in net acquisition of non-financial assets	2,545.2	2,988.1	1,963.4	1,232.4	1,139.0	18.2	8.3	53.4	46.8	93.9
3.1.1 Fixed assets	2,625.7	2,719.5	1,839.7	1,200.4	1,118.7	18.6	9.6	52.5	38.6	80.8
3.1.2 Inventories	-161.4	79.4	35.4	11.0	2.5	0.0	0.2	-0.3	3.4	5.8
3.1.3 Valuables	9.6	10.1	8.9	6.1	3.7	0.0	0.0	0.0	1.3	0.3
3.1.4 Non-produced assets	71.3	179.1	79.3	14.9	14.0	-0.4	-1.5	1.2	3.5	7.0
3.2 Change in net acquisition of financial assets	-3,734.8	1,702.9	6,825.5	2,022.7	-618.4	-2,194.8	8,805.5	-6,050.0	-4,028.0	2,912.5
3.2.1 Domestic	-3,752.8	1,690.5	6,823.2	2,022.3	-623.8	-2,195.7	8,805.5	-6,050.0	-4,028.0	2,912.5
3.2.2 Foreign	18.0	12.4	2.3	0.4	5.3	1.0	0.0	0.0	0.0	0.0
3.2.3 Monetary gold and SDRs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3.3 Change in net incurrence of liabilities	-1,502.6	4,210.8	16,455.0	16,112.0	13,390.4	308.0	8,644.2	-5,059.5	-3,216.2	4,322.7
3.3.1 Domestic	1,477.6	5,656.6	9,576.6	11,835.1	4,793.1	303.2	148.2	-4,990.6	-3,070.1	4,354.1
3.3.2 Foreign	-2,980.2	-1,445.8	6,878.4	4,277.0	8,597.2	4.8	8,496.0	-68.9	-146.1	-31.4

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

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

Source: MoF.

Table I3 Central government debt^a
end of period, in million HRK

	2007 Dec.*	2008 Dec.	2009 Dec.	2010 Dec.	2011 Dec.	2012				
						Mar.*	Apr.*	May*	Jun.*	Jul.
1 Domestic debt of central government	58,281.8	64,041.1	74,241.4	87,556.8	101,512.3	108,018.3	109,817.2	109,666.2	108,879.3	113,426.9
1.1 Domestic debt of the Republic of Croatia	51,924.0	61,006.1	70,447.0	82,952.1	95,720.8	102,217.1	103,984.2	103,749.0	102,943.9	107,607.0
Treasury bills	11,420.6	14,260.3	17,558.3	16,886.5	18,990.4	18,079.3	17,888.0	17,981.5	18,218.9	18,201.9
Money market instruments	–	10.7	19.3	20.5	20.6	326.2	291.4	289.2	288.7	290.2
Bonds	34,634.4	35,531.3	36,586.8	48,862.5	56,191.2	61,722.2	62,191.1	59,074.6	60,935.8	65,656.3
Credits from the CNB	1.0	2.2	2.9	0.3	0.8	–	–	–	–	–
Credits from banks	5,867.9	11,201.5	16,279.8	17,182.3	20,517.7	22,089.4	23,613.7	26,403.6	23,500.6	23,458.6
1.2 Domestic debt of central government funds	6,357.8	3,035.0	3,794.4	4,604.7	5,791.5	5,801.2	5,833.0	5,917.2	5,935.4	5,820.0
Money market instruments	–	–	–	–	–	–	–	–	–	–
Bonds	–	–	–	–	–	–	–	–	–	–
Credits from banks	6,357.8	3,035.0	3,794.4	4,604.7	5,791.5	5,801.2	5,833.0	5,917.2	5,935.4	5,820.0
2 External debt of central government	44,092.3	34,445.5	41,527.8	48,433.6	52,457.4	53,073.2	64,110.3	64,099.2	61,298.1	61,314.4
2.1 External debt of the Republic of Croatia	34,091.6	32,619.4	39,812.5	46,445.4	50,365.2	50,923.6	61,966.9	61,953.1	59,197.8	59,205.9
Money market instruments	320.0	180.3	1,244.3	3,458.6	1,189.2	2,062.7	2,535.0	2,435.1	1,997.9	1,812.5
Bonds	24,844.4	22,991.6	28,884.2	31,684.5	36,962.4	36,517.9	45,273.7	45,328.3	43,234.6	43,448.5
Credits	8,927.3	9,447.4	9,684.1	11,302.3	12,213.6	12,342.9	14,158.1	14,189.8	13,965.3	13,944.9
2.2 External debt of central government funds	10,000.7	1,826.1	1,715.3	1,988.2	2,092.2	2,149.6	2,143.4	2,146.1	2,100.3	2,108.6
Money market instruments	–	–	–	–	–	–	–	–	–	–
Bonds	–	–	–	–	–	–	–	–	–	–
Credits	10,000.7	1,826.1	1,715.3	1,988.2	2,092.2	2,149.6	2,143.4	2,146.1	2,100.3	2,108.6
3 Total (1+2)	102,374.2	98,486.6	115,769.2	135,990.4	153,969.6	161,091.5	173,927.5	173,765.4	170,177.4	174,741.4
Supplement: Central government guaranteed debt										
– guarantees for domestic debt	8,110.6	13,299.2	15,692.5	20,052.8	22,149.3	22,031.0	20,594.9	16,985.5	20,097.0	20,038.3
– guarantees for external debt	18,925.2	31,371.9	35,275.2	39,333.9	37,720.6	37,838.1	36,405.9	36,851.8	36,492.1	36,204.6

^a As from Bulletin No. 146 the CBRD is reclassified from the subsector central government funds to the subsector non-banking financial institutions and CM is reclassified from the subsector central government funds to the subsector public enterprises. The debt of the CBRD, presented in this table under headings 2 External debt of central government and 1 Domestic debt of central government, is reclassified from December 1998 and June 1999 onwards respectively, and the debt of CM is reclassified from January 2008 onwards.

Table I3 Central government debt • As from Bulletin No. 154 the table contains the revised data.

The central government debt comprises the domestic and external debt.

The domestic debt of the central government is compiled from the MoF data on T-bills and bonds and the CNB data on money market instruments, credits from banks and credits from the CNB.

The stock of T-bills includes MoF T-bills denominated in kuna, eurobills and T-bills indexed to the euro with a maturity of up to one year. The stock of eurobills includes accrued interest. The difference between the nominal value and the issue value of T-bills denominated in kuna and of T-bills indexed to the euro is the accrued interest which is distributed over the life of instruments using the simple interest calculation method (i.e. in a linear manner) and the method of calculating the number of days where the actual number of days is divided by 360.

The stock of bonds includes central government bonds issued in the domestic market, MoF T-bills with a maturity of over one year and a share of total central government bonds issued in the foreign market which is held by resident institutional units at the end of the reporting period. From December 2005 on, central government bonds and MoF T-bills issued in the domestic market and held by non-resident institutional units have

been included in the external debt of the central government. The difference between the nominal value and the issue value of T-bills with a maturity of over one year is the accrued interest which is distributed over the life of instruments using the compound interest calculation method. The stock of central government bonds includes accrued interest.

From January 2004 onwards, the stock of credits from banks includes both outstanding principal and accrued interest.

The external debt statistics compiled by the CNB is the source of data on the central government external debt.

The supplement contains the data on the central government guaranteed debt. Bank statistical reports and statistical reports of other financial institutions are the source of data on domestic debt guarantees, while the external debt statistics compiled by the CNB is the source of data on external debt guarantees.

Irrespective of the notes under the heading “Classification and presentation of data on claims and liabilities”, the debt of the Croatian Roads, the Croatian Motorways and the State Agency for Deposit Insurance and Bank Rehabilitation, presented in this table under headings 2 External debt of central government and 1 Domestic debt of central government, has been reclassified from the subsector Republic of Croatia to the subsector central government funds from December 1998 and December 2002 onwards respectively.

J Non-financial statistics – selected data

Table J1 Consumer price and producer price indices

Year	Month	Basic indices, 2005 = 100			Chain indices				Monthly year-on-year indices			
		Consumer price indices			Consumer price indices ^a			Producer prices	Consumer price indices ^b			Producer prices
		Total	Goods	Services	Total	Goods	Services		Total	Goods	Services	
1998	December	82.1	84.6	73.7	100.3	100.4	100.0	100.0	105.4	104.3	109.2	97.9
1999	December	85.3	87.2	78.5	100.6	100.8	100.0	100.3	103.9	103.1	106.5	105.9
2000	December	90.0	92.0	82.8	100.4	100.4	100.1	100.2	105.5	105.5	105.5	111.2
2001	December	92.1	93.2	88.5	100.4	100.4	100.5	99.0	102.4	101.3	106.8	96.9
2002	December	93.8	94.2	92.6	100.4	100.6	99.6	99.9	101.8	101.1	104.6	102.3
2003	December	95.4	95.7	94.6	100.3	100.2	100.5	100.0	101.7	101.6	102.2	101.0
2004	December	98.0	98.0	98.0	100.7	100.9	100.2	99.3	102.7	102.5	103.6	104.8
2005	December	101.6	101.4	102.0	100.5	100.5	100.5	99.7	103.6	103.5	104.1	102.7
2006	December	103.7	102.8	106.4	100.0	100.0	100.2	100.0	102.0	101.4	104.2	101.9
2007	December	109.7	109.5	110.0	101.2	101.2	101.3	100.4	105.8	106.6	103.4	105.9
2008	December	112.8	112.2	114.7	99.4	99.1	100.5	98.7	102.9	102.4	104.3	104.3
2009	December	114.9	114.5	117.3	99.4	99.3	100.2	100.0	101.9	101.3	103.9	101.6
2010	December	117.1	117.1	117.6	100.0	100.1	99.9	101.0	101.8	102.2	100.3	105.7
2011	October	119.8	120.7	117.0	100.6	100.8	99.7	100.6	102.6	103.6	99.2	106.3
	November	120.0	121.1	116.9	100.2	100.3	99.9	100.5	102.6	103.5	99.3	107.0
	December	119.5	120.6	116.4	99.6	99.6	99.6	99.8	102.1	103.0	98.9	105.8
2012	January	119.1	120.0	116.3	99.6	99.5	99.9	100.9	101.2	101.8	98.7	105.9
	February	119.8	120.9	116.4	100.6	100.7	100.1	102.0	101.3	102.0	98.6	106.3
	March	121.6	122.8	117.8	101.5	101.6	101.2	100.6	102.0	102.6	99.9	106.2
	April	122.6	124.0	118.0	100.8	101.0	100.2	100.6	102.6	103.3	99.9	106.2
	May	124.6	126.5	118.7	101.7	102.0	100.6	101.5	103.9	104.9	100.7	107.2
	June	123.9	125.3	119.4	99.4	99.1	100.6	99.6	103.8	104.7	100.5	107.0
	July	122.7	123.6	119.8	99.0	98.7	100.3	100.1	103.4	104.2	100.0	106.9
	August	123.3	124.4	119.9	100.5	100.6	100.1	101.5	104.0	104.9	100.5	107.8
	September	125.0	126.8	119.2	101.4	101.9	99.4	101.0	105.0	105.9	101.6	108.9

^a Data from January 1992 to December 1997 relate to the retail price index. ^b Data from January 1992 to December 1998 relate to the retail price index.

Source: CBS.

Table J1 Consumer price and producer price indices • The Central Bureau of Statistics (CBS) introduced the consumer price index (CPI) in early 2004. This indicator of price movements was compiled in accordance with the methodological principles laid down by the ILO and Eurostat. In its First Release, issued on 17 February 2004, the CBS published the data on movements in the CPI in January 2004 and the time series for the CPI as of January 2001. The CBS subsequently constructed the time series for the consumer price index encompassing the period from January 1998 to December 2000. As expected following the introduction of the new index, the CBS ceased to publish the retail price index (RPI) and the cost of living index, whose calculation methodologies have not been adequately harmonised with internationally accepted standards. The main features of the CPI are

described in the CNB Bulletin No. 91 (see Box 1). The data on the average year-on-year consumer price inflation rate are shown in the Bulletin table on Economic indicators.

Table J2 Core consumer price indices • The core consumer price index is calculated by the Central Bureau of Statistics (CBS) in the manner that agricultural products prices and administrative prices (which among others include the prices of electricity and refined petroleum products) are excluded from the basket of goods and services used in the calculation of the total index. These two groups of products account for a total of 29.3% in the basket in 2011 (agricultural products 6.1 percentage points, and administrative products 23.2 percentage points) and are assigned a zero weight.

Table J2 Core consumer price indices

Year	Month	Basic indices, 2005 = 100			Chain indices			Year-on-year indices		
		Total	Goods	Services	Total	Goods	Services	Total	Goods	Services
1998	December	87.3	88.6	80.0	99.9	99.9	100.0	....	....	....
1999	December	89.8	91.1	82.3	100.1	100.1	100.1	102.9	102.9	103.0
2000	December	92.8	93.9	86.5	100.4	100.4	100.2	103.3	103.0	105.0
2001	December	93.9	94.6	89.8	99.8	99.7	100.3	101.2	100.8	103.8
2002	December	95.0	95.6	91.9	100.0	100.1	99.4	101.2	101.0	102.4
2003	December	96.2	96.4	94.7	100.2	100.1	101.0	101.2	100.9	103.0
2004	December	98.4	98.5	97.4	100.1	100.1	100.4	102.3	102.2	102.9
2005	December	101.3	101.4	101.0	100.1	100.0	100.5	103.0	102.9	103.7
2006	December	103.6	103.6	103.6	99.8	99.7	100.3	102.3	102.2	102.5
2007	December	108.8	109.1	107.2	100.8	100.8	100.4	105.0	105.3	103.5
2008	December	113.3	113.5	112.5	99.4	99.3	100.2	104.2	104.0	105.0
2009	December	113.6	113.3	115.2	98.8	98.6	100.2	100.2	99.8	102.4
2010	December	113.7	113.4	114.9	99.1	99.0	99.7	100.1	100.1	99.8
2011	October	117.3	117.5	116.2	100.8	101.1	99.4	102.6	103.0	100.7
	November	117.6	117.9	116.1	100.3	100.4	99.9	102.5	102.9	100.7
	December	117.0	117.2	116.1	99.5	99.4	100.1	102.9	103.3	101.1
2012	January	115.9	115.8	116.2	99.1	98.8	100.1	102.0	102.2	100.9
	February	115.6	115.4	116.4	99.7	99.7	100.2	101.3	101.4	100.8
	March	116.9	116.8	117.2	101.1	101.2	100.7	101.6	101.6	101.6
	April	118.0	118.1	117.6	101.0	101.1	100.3	102.3	102.4	101.8
	May	118.7	118.7	118.7	100.6	100.5	100.9	102.1	102.1	102.0
	June	118.5	118.2	119.5	99.8	99.6	100.7	102.0	102.0	101.5
	July	117.5	116.9	120.3	99.2	98.8	100.7	101.5	101.6	100.4
	August	117.3	116.6	120.6	99.8	99.8	100.2	101.5	101.6	100.4
	September	118.6	118.3	119.6	101.0	101.5	99.2	101.9	101.8	102.2

Source: CBS.

Table J3 Average monthly net wages
in current prices, in kuna

Year	Month	Nominal amount in kuna	Chain indices	Monthly year-on-year indices	Cumulative year-on-year indices
1998	December	2,935.0	104.6	115.4	112.8
1999	December	3,262.0	100.9	111.2	114.0
2000	December	3,499.0	99.9	107.3	108.9
2001	December	3,582.0	96.6	102.4	106.5
2002	December	3,839.0	98.0	107.2	105.0
2003	December	4,045.0	99.8	105.4	105.9
2004	December	4,312.0	99.1	106.6	105.9
2005	December	4,473.0	97.3	103.7	104.9
2006	December	4,735.0	97.0	105.9	105.2
2007	December	4,958.0	96.6	104.7	105.2
2008	December	5,410.0	100.3	109.1	107.0
2009	December	5,362.0	99.6	99.1	102.6
2010	December	5,450.0	97.6	101.7	100.6
2011	November	5,729.0	106.0	102.6	101.9
	December	5,493.0	95.9	100.8	101.8
2012	January	5,463.0	99.5	102.3	102.3
	February	5,363.0	98.2	102.3	102.3
	March	5,499.0	102.5	100.3	101.6
	April	5,403.0	98.3	100.1	101.3
	May	5,529.0	102.3	101.9	101.4
	June	5,492.0	99.3	99.9	101.1
	July	5,424.0	98.8	101.1	101.1

Source: CBS.

Table J4 Consumer confidence index, consumer expectations index and consumer sentiment index
index points, original data

Year	Month	Composite indices			Response indices (I)						
		Consumer confidence index	Consumer expectations index	Consumer sentiment index	I1	I2	I3	I4	I7	I8	I11
1999	October	-33.7	-14.9	-46.3	-38.4	-12.1	-49.9	-17.6	35.5	-50.7	-69.7
2000	October	-20.9	3.5	-32.2	-26.2	1.2	-22.0	5.7	26.9	-48.3	-63.6
2001	October	-27.0	-11.4	-35.6	-29.6	-10.0	-35.9	-12.7	22.9	-41.3	-62.3
2002	October	-25.2	-8.3	-29.3	-22.6	-5.1	-31.2	-11.5	20.1	-34.1	-64.0
2003	October	-22.2	-4.5	-25.0	-21.5	-2.6	-26.5	-6.4	14.7	-27.1	-65.2
2004	October	-23.9	-7.9	-22.0	-19.1	-4.1	-30.5	-11.6	22.5	-16.5	-57.3
2005	December	-26.4	-13.7	-25.6	-16.4	-5.9	-34.4	-21.5	27.6	-25.9	-50.6
2006	December	-18.9	-4.7	-15.4	-10.9	1.1	-22.4	-10.5	16.9	-12.9	-49.4
2007	December	-24.7	-15.5	-24.5	-16.8	-9.8	-31.8	-21.2	12.8	-25.0	-54.8
2008	December	-42.0	-33.3	-40.9	-30.7	-25.9	-51.8	-40.6	43.4	-40.3	-57.9
2009	December	-46.8	-32.7	-47.6	-35.7	-22.6	-64.5	-42.8	63.9	-42.5	-58.0
2010	December	-42.9	-30.6	-48.7	-40.7	-21.7	-65.9	-39.4	55.7	-39.4	-54.8
2011	October	-38.1	-23.8	-45.6	-32.7	-16.6	-59.9	-30.9	46.2	-44.2	-58.7
	November	-33.5	-19.2	-43.9	-30.8	-12.7	-59.2	-25.7	38.4	-41.7	-57.3
	December	-23.6	-8.9	-43.1	-31.6	-5.5	-56.5	-12.3	25.0	-41.2	-51.4
2012	January	-21.8	-5.9	-39.1	-26.8	-2.8	-54.7	-9.0	25.0	-35.7	-50.2
	February	-33.2	-15.3	-39.3	-30.4	-11.2	-56.5	-19.3	47.1	-31.1	-55.3
	March	-37.6	-23.5	-43.9	-33.6	-16.3	-58.1	-30.7	47.4	-39.9	-56.1
	April	-40.6	-26.5	-48.9	-38.2	-18.3	-63.4	-34.7	49.2	-45.2	-60.2
	May	-42.2	-29.8	-53.6	-42.2	-21.4	-65.9	-38.2	46.8	-52.8	-62.4
	June	-40.3	-26.3	-51.3	-39.2	-18.5	-64.9	-34.0	47.6	-49.7	-61.0
	July	-39.7	-25.5	-46.3	-35.7	-16.2	-62.0	-34.8	47.8	-41.2	-60.0
	August	-44.5	-31.5	-47.0	-40.1	-23.4	-63.3	-39.5	55.3	-37.7	-59.7
	September	-45.1	-32.1	-48.8	-41.4	-23.6	-64.1	-40.6	59.0	-40.8	-57.1

Sources: Ipsos Puls and CNB.

Table J4 Consumer confidence index, consumer expectations index and consumer sentiment index • The Consumer Confidence Survey has been carried out regularly since April 1999 in accordance with the methodology of the European Commission, the Joint Harmonised EU Programme of Business and Consumer Surveys. Until April 2005, the survey was conducted once a quarter (in January, April, July and October). As of May 2005, the survey is carried out in monthly frequency in cooperation with the European Commission, using its technical and financial assistance.

The questionnaire contains 23 questions, examining consumer perception of the changes as regards every-day economic issues. The value of the response index is determined in line with the set methodology, based on the responses to the questions from the Consumer Confidence Survey. The movements of three composite indices, consumer confidence index (CCI), consumer sentiment index (CSI) and consumer expectations index (CEI), are calculated and monitored based on the value of the response indices. Each of the said composite indices is calculated as the arithmetic average of the response indices (I), i.e. as the average of previously quantified responses to individual questions from the survey:

$$I_i = \sum_z^k r_i \cdot w_i$$

where: r is the value of the response, w is the share of respondents opting for a particular response (weight), i question from

the questionnaire, z is the offered/chosen response, k is the number of offered responses to a particular question.

The value of the said indices ranges $-100 < I_i < 100$. Higher index values than those recorded over the previous period point to an increase in expectations (optimism) as regards the specific segment covered by the particular question.

The table shows the values of chosen response indices for the following questions:

I1: How has the financial situation of your household changed over the last 12 months?

I2: How do you expect the financial position of your household to change over the next 12 months?

I3: How do you think the general economic situation in Croatia has changed over the past 12 months?

I4: How do you expect the general economic situation in Croatia to develop over the next 12 months?

I7: How do you expect the number of people unemployed in Croatia to change over the next 12 months?

I8: In view of the general economic situation, do you think now is the right moment for people to make major purchases such as furniture, electrical/electronic devices, etc.?

I11: Over the next 12 months, how likely is it that you will save any money?

The components of composite indices are as follows:

CCI: I2, I4, I7 × (-1), I11

CEI: I2, I4

CSI: I1, I3, I8.

List of banks and savings banks

1 October 2012

Authorised banks

- 1 Banco Popolare Croatia d.d., Zagreb
- 2 Banka Kovanica d.d., Varaždin
- 3 Banka splitsko-dalmatinska d.d., Split
- 4 BKS Bank d.d., Rijeka
- 5 Centar banka d.d., Zagreb
- 6 Croatia banka d.d., Zagreb
- 7 Erste & Steiermärkische Bank d.d., Rijeka
- 8 Hrvatska poštanska banka d.d., Zagreb
- 9 Hypo Alpe-Adria-Bank d.d., Zagreb
- 10 Imex banka d.d., Split
- 11 Istarska kreditna banka Umag d.d., Umag
- 12 Jadranska banka d.d., Šibenik
- 13 Karlovačka banka d.d., Karlovac
- 14 KentBank d.d., Zagreb
- 15 Kreditna banka Zagreb d.d., Zagreb
- 16 Međimurska banka d.d., Čakovec
- 17 Nava banka d.d., Zagreb
- 18 OTP banka Hrvatska d.d., Zadar
- 19 Partner banka d.d., Zagreb
- 20 Podravska banka d.d., Koprivnica
- 21 Primorska banka d.d., Rijeka
- 22 Privredna banka Zagreb d.d., Zagreb
- 23 Raiffeisenbank Austria d.d., Zagreb
- 24 Samoborska banka d.d., Samobor
- 25 Slatinska banka d.d., Slatina
- 26 Sociétés Générales – Splitska banka d.d., Split
- 27 Štedbanka d.d., Zagreb
- 28 Vaba d.d. banka Varaždin, Varaždin
- 29 Veneto banka d.d., Zagreb
- 30 Volksbank d.d., Zagreb
- 31 Zagrebačka banka d.d., Zagreb

Authorised savings banks

- 1 Tesla štedna banka d.d., Zagreb

Authorised housing savings banks

- 1 HPB – Stambena štedionica d.d., Zagreb
- 2 PBZ stambena štedionica d.d., Zagreb
- 3 Prva stambena štedionica d.d., Zagreb
- 4 Raiffeisen stambena štedionica d.d., Zagreb
- 5 Wüstenrot stambena štedionica d.d., Zagreb

Other institutions

- 1 Hrvatska banka za obnovu i razvitak, Zagreb, operates in accordance with the Act on the Croatian Bank for Reconstruction and Development (OG 158/2006)

Representative offices of foreign banks

- 1 BKS Bank AG, Zagreb
- 2 Commerzbank Aktiengesellschaft, Zagreb
- 3 Deutsche Bank AG, Zagreb
- 4 LHB Internationale Handelsbank AG, Zagreb

Banks and savings banks undergoing bankruptcy proceedings

Name of bank/savings bank	Date of bankruptcy proceedings opening
1 Agroobrtnička banka d.d., Zagreb	14/6/2000
2 Alpe Jadran banka d.d., Split	15/5/2002
3 Cibalae banka d.d., Vinkovci	20/10/2000
4 Credo banka d.d., Split	16/1/2012
5 Glumina banka d.d., Zagreb	30/4/1999
6 Gradska banka d.d., Osijek	3/5/1999
7 Hrvatska gospodarska banka d.d., Zagreb	19/4/2000
8 Ilirija banka d.d., Zagreb	6/4/1999
9 Komercijalna banka d.d., Zagreb	30/4/1999
10 Međimurska štedionica d.d., Čakovec	17/3/2004
11 Trgovačko-turistička banka d.d., Split	8.9/2000
12 Županjska banka d.d., Županja	3/5/1999

Banks and savings banks undergoing winding-up proceedings

Name of bank/savings bank	Date of winding-up proceedings initiation
1 Investicijsko-komercijalna štedionica d.d., Zagreb	31/5/2000
2 Križevačka banka d.d., Križevci	3/1/2005
3 Obrtnička štedna banka d.d., Zagreb	22/12/2010
4 Primus banka d.d., Zagreb	23/12/2004
5 Štedionica Dora d.d., Zagreb	1/1/2002
6 Štedionica Zlatni vrutak d.d., Zagreb	28/12/2001

Banks and savings banks whose authorisation was withdrawn, but have not initiated winding-up proceedings

Name of bank/savings bank	Date of withdrawal of authorisation
1 Hibis štedionica d.d., Zagreb	7/3/2001
2 Marvil štedionica d.d., Zagreb	8/6/2001
3 Zagrebačka štedionica d.d., Zagreb	22/3/2000

Management of the Croatian National Bank

1 October 2012

Members of the Council of the Croatian National Bank

Chairman of the Council	Boris Vujčić
Members of the Council	Boris Cota
	Vlado Leko
	Branimir Lokin
	Željko Lovrinčević
	Relja Martić
	Adolf Matejka
	Damir Odak
	Silvije Orsag
	Tomislav Presečan
	Jure Šimović
	Vedran Šošić
	Sandra Švaljek
	Mladen Vedriš

Management of the CNB

Governor	Boris Vujčić
Deputy Governor	Relja Martić
Vicegovernor	Vedran Šošić
Vicegovernor	Damir Odak
Vicegovernor	Adolf Matejka
Vicegovernor	Tomislav Presečan

Executive directors

Research and Statistics Area	Ljubinko Jankov
Central Banking Operations Area	Irena Kovačec
Foreign Exchange Operations Area	
Prudential Regulation and Bank Supervision Area	Željko Jakuš
Planning, Controlling and Accounting Area	Diana Jakelić
Payment Operations Area	Neven Barbaroša
Information Technology Area	Mario Žgela
Support Services Area	Boris Ninić
International Relations Area	Michael Faulend



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