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General information on Croatia

Economic indicators

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Area (square km)	56,594	56,594	56,594	56,594	56,594	56,594	56,594	56,594	56,594	56,594
Population (million)	4.442	4.440	4.436	4.434	4.429	4.418	4.280	4.268	4.256	4.238
GDP (million HRK, current prices) ^a	270,191	294,437	322,310	347,685	330,966	328,041	332,587	330,456	329,571	328,431
GDP (million EUR, current prices)	36,512	40,208	43,935	48,135	45,093	45,022	44,737	43,959	43,516	43,045
GDP per capita (in EUR)	8,220	9,056	9,904	10,856	10,181	10,191	10,453	10,300	10,225	10,157
GDP – real year-on-year rate of growth (in %)	4.2	4.8	5.2	2.1	-7.4	-1.7	-0.3	-2.2	-1.1	-0.4
Average year-on-year CPI inflation rate	3.3	3.2	2.9	6.1	2.4	1.1	2.3	3.4	2.2	-0.2
Current account balance (million EUR) ^b	-1,892*	-2,615*	-3,139*	-4,228*	-2,300*	-488.3*	-315.6*	-21.3*	442.5*	364.3*
Current account balance (as % of GDP)	-5.2*	-6.5*	-7.1*	-8.8*	-5.1*	-1.1*	-0.7*	0.0*	1.0*	0.8*
Exports of goods and services (as % of GDP)	39.4*	39.7*	39.0*	38.5*	34.5*	37.8*	40.5*	41.7*	43.1*	46.5*
Imports of goods and services (as % of GDP)	45.5*	46.5*	46.3*	46.5*	38.2*	38.1*	40.9*	41.2*	42.7*	44.5*
External debt (million EUR, end of year) ^b	25,990	29,725	33,721	40,590	45,600	46,908	46,397	45,297	45,958	46,664
External debt (as % of GDP)	71.2	73.9	76.8	84.3	101.1	104.2	103.7	103.0	105.6	108.4
External debt (as % of exports of goods and services)	180.6*	186.1*	196.6*	219.1*	292.7*	275.8*	256.2*	247.3*	244.9*	233.0*
External debt service (as % of exports of goods and services) ^c	27.5*	41.3*	39.5*	33.2*	52.0*	48.5*	39.5*	42.6*	39.9*	43.1*
Gross international reserves (million EUR, end of year)	7,438	8,725	9,307	9,121	10,376	10,660	11,195	11,236	12,908	12,688
Gross international reserves (in terms of months of imports of goods and services, end of year)	5.4*	5.6*	5.5*	4.9*	7.2*	7.5*	7.3*	7.5*	8.3*	8.0*
National currency: kuna (HRK)										
Exchange rate on 31 December (HRK : 1 EUR)	7.3756	7.3451	7.3251	7.3244	7.3062	7.3852	7.5304	7.5456	7.6376	7.6615
Exchange rate on 31 December (HRK : 1 USD)	6.2336	5.5784	4.9855	5.1555	5.0893	5.5683	5.8199	5.7268	5.5490	6.3021
Average exchange rate (HRK : 1 EUR)	7.4000	7.3228	7.3360	7.2232	7.3396	7.2862	7.4342	7.5173	7.5735	7.6300
Average exchange rate (HRK : 1 USD)	5.9500	5.8392	5.3660	4.9344	5.2804	5.5000	5.3435	5.8509	5.7059	5.7493
Consolidated general government net lending (+)/borrowing (-) (million HRK) ^d	-9,878.2	-9,514.7	-7,732.7	-9,467.7	-19,102.8	-19,412.9	-25,869.3	-17,658.2	-17,651.0	-18,394.8
Consolidated general government net lending (+)/borrowing (-) (as % of GDP)	-3.7	-3.2	-2.4	-2.7	-5.8	-5.9	-7.8	-5.3	-5.4	-5.6
General government debt (as % of GDP) ^d	40.7	38.3	37.1	38.9	48.0	57.0	63.7	69.2	80.8	85.1
Unemployment rate (ILO, persons above 15 years of age) ^e	12.7	11.2	9.9	8.5	9.2	11.6	13.7	15.9	17.3	17.3
Employment rate (ILO, persons above 15 years of age) ^e	43.3	43.6	47.6	48.6	48.2	46.5	44.8	43.2	42.1	43.3

^a The GDP data are presented according to the ESA 2010 methodology, while 2014 values are preliminary and were obtained on the basis of the preliminary annual accounts.

^b Balance of payments and external debt data are compiled in accordance with the methodology prescribed by the sixth edition of the Balance of Payments and International Investment Position Manual (BPM6) and the new sector classification of institutional units in line with ESA 2010. Balance of payments and external debt data are based on the most recent available balance of payments data up to the third quarter of 2015 and data on the gross external debt position as at the end of September 2015.

^c 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.

^d Fiscal data is shown according to the ESA 2010 methodology.

^e Data for the 2007–2013 period are revised and therefore no longer comparable to data for the 2000–2006 period.

Sources: CBS, MoF and CNB.

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Information on economic trends and forecasts

1 Summary

Shoots of economic recovery that became visible in 2014 bloomed in 2015.

The annual growth of real GDP in 2016 could come in at 1.8%.

Favourable developments in economic activity were also reflected in the labour market.

The average annual consumer price inflation in 2015 could come in at -0.4%, while in 2016 it is expected to accelerate to 0.9%.

After the marked improvement in 2015, the surplus in the current and capital account is expected to decrease in 2016, exclusively as a consequence of the disappearance of the effect of the conversion of loans in Swiss francs.

Economic recovery continued to pick up speed in 2015, the real GDP growing by 1.3% in the third quarter from the previous quarter. Accordingly, growth reached a relatively high 2.8% on an annual level, mostly driven by the increase in foreign demand. At the 2015 level, real economic activity is expected to grow 1.7% from 2014, reflecting high rates of growth in the exports of goods and services, recovery of personal consumption and strengthening of investment activity in both the public and the private sector. Although it was expected to decrease amid the need for fiscal consolidation, based on the developments in the first nine months of 2015 government consumption is also expected to rise mildly. The projected GDP growth rate substantially exceeds that from the July projection because of better-than-expected developments in all aggregate demand components.

The annual growth of real GDP in 2016 is expected to reach 1.8%. It could be the greatest extent generated by the exports of goods and services, while personal consumption is expected to intensify as well. This reflects continued recovery in the labour market, slowdown in deleveraging and growth in consumer optimism. Gross fixed capital formation is also expected to grow at a stronger pace than in 2015 due to a greater than expected utilisation of EU funds, especially in the public sector, while government consumption could still remain subdued. It has been assessed that the prevalence of downside risks in connection with the central projection for 2016 primarily has to do with the growth slowdown in individual emerging market countries, the possible adoption of additional fiscal consolidation measures and uncertainties surrounding the refugee crisis, the potential escalation of which could have negative consequences for the domestic economy. On the other hand, the adoption and more intensive implementation of structural reforms in the medium-term would be beneficial for the real dynamics of economic activity.

The number of employed persons increased in the first ten months of 2015 from the same period last year, reflecting favourable developments in the first half of the year, while in the third and early in the fourth quarter employment stagnated. Registered unemployment continued to decrease in the second half of the year, the latest Labour Force Survey results also indicating favourable developments in the labour market. In the third quarter, the internationally comparable ILO unemployment rate thus totalled 15.4%, vis-à-vis the 16.1% seen in the second quarter. At the 2015 level, the number of the employed could thus increase slightly, while the number of the unemployed could decrease substantially. According to the developments in the first ten months of 2015, nominal and real wages are expected to grow on an annual level, the growth of net wages leading the way under the influence of legislative changes in income tax. The rise in employment will gain some momentum in 2016 in line with the recovery of economic activity, while unemployment is expected to continue decreasing.

In the remaining part of 2015, the annual inflation is expected to remain near zero, primarily due to the effect of the base period (strong fall in the prices of petroleum products in the same period last year). The average annual consumer price inflation in 2015 could reach -0.4%, the only negative contribution coming from energy, while the upward pressure mostly stems from the growth in food prices. In 2016, the average annual consumer price inflation could accelerate to 0.9%, primarily due to the increase in the annual rate of change in energy prices. Imported inflationary pressures could mount as a result of the expected growth of inflation in the euro area, while the impact of the kuna depreciating against the US dollar on domestic inflation could be much less prominent. Domestic inflationary pressures are expected to increase slightly in 2016, spurred by accelerated growth of domestic demand. Cost pressures are not expected to mount. Amid these conditions in the global and domestic market the average annual growth rate of consumer prices excluding food and energy is forecast to edge up in 2016. The annual rate of change in the prices of food is also expected to rise.

Although the sharp growth of the estimated surplus in the current and capital account to 5.2% of GDP in 2015, from 1.0% of GDP in 2014, is for the most part a consequence of the effect of conversion of loans in Swiss francs on the decrease in the deficit on the primary income account, positive developments are supported by the very successful tourist season and strong growth in goods exports, utilisation of EU funds and the decline in the value of the imports of oil due to declining prices. Favourable developments are expected to be seen again in 2016 due to expected greater use of EU funds thus pushing the surplus in foreign trade in goods and services slightly up. Foreign capital flows in 2015 and 2016 could be marked by net outflow of capital, primarily as a result of the improvement in the net external position of credit institutions. In the

High liquidity contributed to the improvement in domestic financing conditions. The risk premium of Croatia in international markets remains high, while households and corporates are deleveraging.

Maintaining the stability of the kuna exchange rate against the euro, the CNB additionally boosted liquidity in the monetary system. The direction of the monetary policy will remain unchanged in 2016.

General government deficit could narrow significantly in 2015, insufficiently, however, to halt further growth of general government debt.

Macroeconomic outlook

same period, relative gross external debt indicators are expected to gradually improve, aided especially by the positive impact of the nominal GDP growth.

Nominal interest rates on most corporate and household loans have also been falling gradually in the second half of 2015 and the government's domestic borrowing costs remained low. The trend of deleveraging by households continued, the overall debt of enterprises decreasing as well. The estimated cost of government foreign borrowing increased, and so did the risk premium of Croatia, which is noticeably higher than the premiums of peer countries. Placements of credit institutions are expected to stagnate in 2016 with risks being predominantly tilted to the downside.

By a series of connected measures late in the third quarter and in the fourth quarter 2015, the central bank boosted liquidity in the monetary system thus alleviating pressures in the foreign exchange and money markets caused by regulatory amendments governing the conversion of loans indexed to the Swiss franc. The CNB reactivated its regular weekly reverse repo operations, expanding the scope of eligible collateral and lowering the repo rate from the initial 0.8% to 0.5%, while the revoking of the compulsory purchase of CNB bills released HRK 3.4bn. The CNB's monetary policy will remain expansive in 2016 with an aim of producing a favourable effect on domestic financing costs and spurring a recovery of domestic lending.

General government deficit could narrow to 5.0% of GDP in 2015 from the 5.6% it totalled in 2014. Such developments reflect consolidation measures on both the revenue and the expenditure side of the budget, more favourable economic trends that contributed to the growth of tax revenues but also a positive base effect on VAT revenues in the first half of the year. The expected deficit in 2015 is in line with the target under the most recent Convergence Programme of the Republic of Croatia. However, fiscal adjustment relies more on the revenue side of the budget than originally planned. Despite favourable developments as regards the fiscal deficit, its uninterrupted high level resulted in further growth of the general government debt, which could end 2015 at some 86.5% of GDP.

The table below shows the central estimates/projections for major macroeconomic measures for Croatia for 2015 and 2016.

Table 1.1 Summary table of projected macroeconomic measures

	2008	2009	2010	2011	2012	2013	2014	2015	2016
National accounts (real rate of change, in %)									
GDP	2.1	-7.4	-1.7	-0.3	-2.2	-1.1	-0.4	1.7	1.8
Personal consumption	1.2	-7.5	-1.5	0.3	-3.0	-1.9	-0.7	1.0	1.5
Government consumption	-0.7	2.1	-1.6	-0.3	-1.0	0.3	-1.9	0.5	0.2
Gross fixed capital formation	9.2	-14.4	-15.2	-2.7	-3.3	1.4	-3.6	1.5	2.4
Exports of goods and services	0.8	-14.1	6.2	2.2	-0.1	3.1	7.3	8.5	4.8
Imports of goods and services	4.0	-20.4	-2.5	2.5	-3.0	3.1	4.3	6.9	4.4
Labour market									
Number of employed persons (average rate of change, in %)	2.3	-2.1	-4.2	-1.1	-1.2	-1.5	-2.0	0.6	0.7
Prices									
Consumer price index (average rate of change, in %)	6.1	2.4	1.1	2.3	3.4	2.2	-0.2	-0.4	0.9
Consumer price index (rate of change, end of period, in %)	2.9	1.9	1.8	2.1	4.7	0.3	-0.5	-0.1	1.8
External sector									
Current account balance (as % of GDP)	-8.8	-5.1	-1.1	-0.7	0.0	1.0	0.8	4.8	2.7
Goods	-22.4	-16.5	-13.2	-14.3	-14.3	-15.1	-14.8	-14.8	-14.6
Services	14.4	12.8	12.8	13.8	14.8	15.6	16.8	18.0	17.9
Primary income	-3.0	-3.6	-3.1	-2.9	-3.3	-2.0	-3.3	-0.8	-3.1
Secondary income	2.2	2.2	2.4	2.7	2.8	2.6	2.1	2.5	2.6
Current and capital account balance (as % of GDP)	-8.7	-5.0	-1.0	-0.6	0.1	1.2	1.0	5.2	3.5
Gross external debt (as % of GDP)	84.3	101.1	104.2	103.7	103.0	105.6	108.4	104.8	102.8
Monetary developments (rate of change, in %)									
Total liquid assets – M4	4.1	-1.0	1.9	5.6	3.6	4.0	3.2	6.1	3.3
Total liquid assets – M4 ^a	3.8	-0.8	0.7	4.2	3.5	3.4	2.4	5.1	3.4
Credit institution placements to the private sector	10.7	-0.6	4.7	4.8	-5.9	-0.5	-1.6	-3.7	-0.2
Credit institution placements to the private sector ^{a,b}	8.7	-0.3	2.3	3.0	-6.1	-1.2	-2.0	-5.1	0.0

^a Exchange rate effects excluded

^b Should one exclude, in addition to the exchange rate effect, one-off effects related to the assumption of loan obligations of shipyards by the MoF, a decrease in partly recoverable and fully irrecoverable placements of one credit institutions, which transferred part of its claims to a company indirectly owned by the parent bank, the bankruptcy of Centar banka d.d. and methodological changes in the book-entry system for fees, the placement growth rate stands at -1.4% in 2012 and at 0.4% in 2013. If we exclude the exchange rate effect and the effect of the write off of a part of the principal of CHF loans due to their conversion to euro in 2015, the placement annual growth rate stands at -2.8% in the respective year.

Note: Estimate for 2015 and projection for 2016 are derived from the data available until early December 2015.

Sources: CBS, MoF and CNB.

2 Global developments

After a slight slowdown in 2015, the growth of the global economy could accelerate in 2016. The main reason why global economic activity slowed down to 3.1% in 2015, after having grown to 3.4% in the preceding year, was the growth slowdown in developing and emerging market economies. The much lower prices of oil and other raw materials contributed to economic growth and spurred domestic demand in the majority of advanced economies but caused recession and noticeable depreciation pressures on domestic currencies in raw-materials exporting countries. The slowdown in China contributed in particular to the fall in global demand. Global economic growth is expected to accelerate to 3.6% in 2016, mostly reflecting continued acceleration of economic activity in developed countries and a recovery in countries hit by recession in 2015. In addition to rising geopolitical tensions, the main risks to global growth come from potential negative effects of the announced increase in the Fed's rates, which might substantially affect global capital flows and worsen external financing conditions for developing and emerging market countries.

The euro area could grow at a real rate of 1.5% in 2015, while only a mild acceleration of growth to 1.6% is expected in

2016. In the third quarter of this year, real GDP of the euro area increased by 0.3% from the previous quarter, indicating that the pace of economic growth slowed down (economic activity went up 0.4% in the second and 0.5% in the first quarter). Personal consumption continued to be the main driver of economic recovery in the euro area thanks to the growing disposable income and lower oil prices. The growth of disposable income is mostly a result of gradual but continued positive developments in the labour market, while the increased spending power of households arises from years-long deleveraging of households in some countries. Euro area growth is limited by weak investment activity in 2015 and slower exports growth in the last quarter arising from weaker growth of developing countries and, in particular, the slowdown in the growth of the Chinese economy. After holding at an expectedly low level in 2015 (0.3%), inflation in the euro area might pick up speed in 2016 (1.0%) as a consequence of the expected economic recovery and effects of the depreciation of the euro on import prices. The weakening of foreign demand will pose a negative risk to growth in the coming periods.

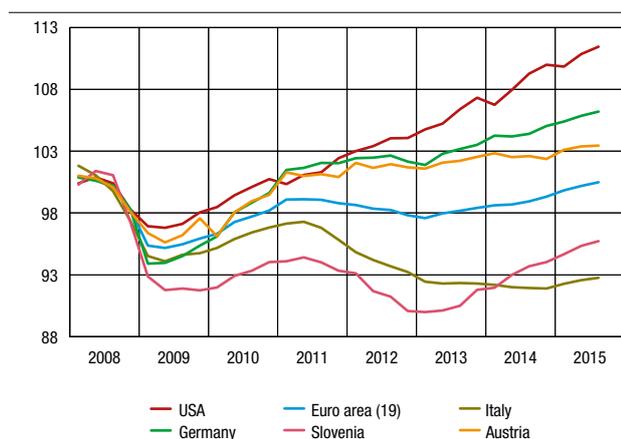
The real GDP growth in the US economy could stand at 2.6% in 2015, accelerating to 2.8% in 2016. The growth of economic

Table 2.1 Global economic developments

	2014	2015			2016		
		Current projection	Previous projection	Δ Previous projection	Current projection	Previous projection	Δ Previous projection
GDP (real rate of change, in %)							
World	3.4	3.1	3.5	-0.3	3.6	3.8	-0.2
Euro area	0.9	1.5	1.5	0.0	1.6	1.7	0.0
USA	2.4	2.6	3.1	-0.6	2.8	3.1	-0.2
Developing countries and emerging market countries	4.6	4.0	4.3	-0.3	4.5	4.7	-0.2
Central and Eastern Europe	2.8	3.0	2.9	0.1	3.0	3.2	-0.2
China	7.3	6.8	6.8	0.1	6.3	6.3	0.0
Main trading partners of the Republic of Croatia (GEE) ^a	1.4	1.6	1.6	0.0	2.1	2.2	-0.1
Main trading partners of the Republic of Croatia	1.4	1.6	1.6	0.0	2.0	2.0	0.0
Italy	-0.4	0.8	0.5	0.3	1.3	1.1	0.2
Germany	1.6	1.5	1.6	-0.1	1.6	1.7	-0.1
Slovenia	3.0	2.3	2.1	0.2	1.8	1.9	-0.1
Austria	0.4	0.8	0.9	-0.1	1.6	1.6	0.0
Bosnia and Herzegovina	1.1	2.1	2.3	-0.3	3.0	3.1	-0.1
Serbia	-1.8	0.5	-0.5	1.0	1.5	1.5	0.0
Other	2.1	1.9	2.1	-0.2	2.1	2.3	-0.1
Real imports of trading partners ^a	3.8	3.0	2.8	0.3	4.5	4.4	0.1
Prices							
Euro area HICP	0.4	0.2	0.1	0.1	1.0	1.0	0.0
Oil prices (USD/barrel) ^b	98.9	53.1	62.2	-9.2	50.1	69.5	-19.4
Oil prices (year-on-year rate of change)	-9.1	-46.4	-37.1	-9.3	-5.5	11.7	-17.2
Raw materials prices (excl. energy) (year-on-year rate of change)	-4.0	-16.9	-15.6	-1.2	-5.1	-0.7	-4.4
EURIBOR 3M (end of year) ^c	0.08	-0.07	0.01	-0.08	-0.06	-	-
EUR/USD exchange rate (average) ^d	1.33	1.11	1.12	-0.01	1.07	1.12	-0.05
EUR/CHF exchange rate (average) ^d	1.21	1.07	1.05	0.02	1.09	1.05	0.04

^a IMF (*Global Economic Environment*, GEE), November 2015. ^b Bloomberg, *Brent crude oil futures*. ^c Bloomberg. ^d *Foreign Exchange Consensus Forecast* (November 2015). Source: IMF (*World Economic Outlook*, WEO), October 2015.

Figure 2.1 Gross domestic product of selected economies
seasonally adjusted data, constant prices, 2008 = 100



Sources: Eurostat and BEA.

activity slowed down in the third quarter (0.5% from the previous quarter) after the US economy rose sharply in the second quarter of the year (1.0% from the previous quarter). The greatest contribution came from personal consumption, whose growth was spurred by the growth in disposable income, lower expenses on debt servicing, low interest rates and dwindling oil prices. Positive developments were also seen in government consumption, investments and exports, despite the strengthening of the US dollar. It was only the 'changes in inventories' category that made a negative contribution to the overall GDP growth.

According to forecasts, economic activity in developing and emerging market countries is about to pick up speed after having slowed down significantly in 2015. The slowdown of economic growth to 4.0% in 2015 from 4.6% in 2014 is the fifth consecutive year of slowdown in these countries, reflecting China's economic slowdown, adjustments after the investment and credit expansion and geopolitical tensions amid political crisis in some countries. In addition, the decline in the prices of oil and other raw materials created divergent trends among these countries, stimulating growth in countries importing the said raw materials and limiting growth in exporting countries, some of which, like Russia and Brazil, have fallen deep into recession. Growth in developing and emerging market countries is expected to accelerate to 4.5% in 2016, under the impact of stronger economic growth in developed economies, recovery in recession-stricken economies and relaxation of sanctions against Iran. The negative risks for growth in these countries encompass further depreciation pressures on domestic currencies in some of the countries, not to mention the deterioration of foreign financing conditions amid the redirection of capital flows caused by the expected increase in Fed's interest rates.

The growth of the Chinese economy could slow down to 6.8% in 2015, with a further slowdown to 6.3% forecast for 2016. There is a noticeable downward trend in the growth of investments and exports have also gone down in the period under review, amid the restructuring of the Chinese economy whose growth relies decreasingly on exports and investments and increasingly on the rise in personal consumption and the service industry. On the other hand, a strong contraction on the Chinese equity market and strong outflow of capital abroad had only a limited impact on growth that totalled 1.8% in the third quarter on the previous quarter, the same as observed in the second quarter.

Croatia's main trading partners

In 2015, the German economy could grow at a rate of 1.5%, while only a slightly higher growth rate is forecast for 2016. Growth expectations have been revised slightly downwards in accordance with current economic developments. Thus, the German economy grew 0.3% in the third quarter, a little slower than in the previous quarter. GDP growth was most affected by personal and government consumption, while the contraction of investments produced the opposite effect. Personal consumption accelerated significantly from the previous period on the wings of the increase in employment and higher disposable income, and lower prices of energy products. Much weaker exports indicate that the slowdown in developing countries could represent a limiting factor for the growth of the German economy over the periods to come.

Italy's economy has gradually recovered so after years of recession it might boast a positive growth rate in 2015 (0.8%), which is expected to increase in 2016. However, recovery slowed down in the third quarter, resulting in a 0.2% rate of economic growth compared with the previous quarter, which was in contrast with the first half of the year when this rate was more prominent, totalling 0.4% in the first and 0.3% in the second quarter. In the period under review, personal consumption made a positive contribution to economic growth, which the Italian government wishes to additionally stimulate by introducing new tax reliefs. Exports and investments, whose fall picked up some speed from the previous period, contributed negatively to GDP growth in the third quarter.

In this year and the next, the Austrian economy could continue registering somewhat higher growth rates than in 2014. The growth rate could be 0.8% in 2015, and is likely to accelerate to 1.6% in 2016. A review of current developments indicates that Austria's economy held steady, after growing for two consecutive quarters. A positive contribution to growth in the period under review came from exports, investments and government consumption, while personal consumption stagnated.

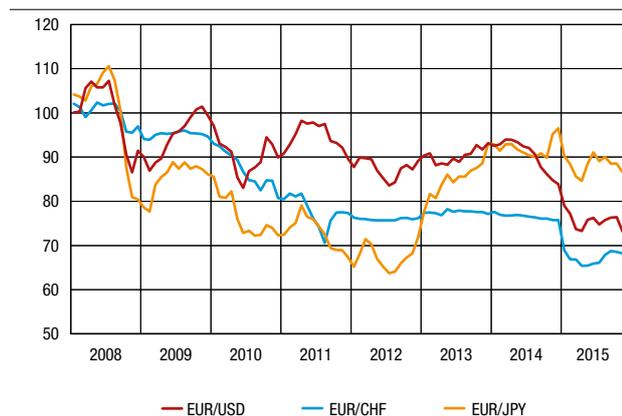
In 2015 and 2016, Slovenia's economy might continue to boast above-average growth rates for the euro area. The strong growth rates in 2014 (3.0%) are projected to slow down a little in 2015 (2.3%) and 2016 (1.8%). In the third quarter of this year, Slovenia boasted a growth rate of 0.4% on the previous quarter, which was a little weaker than over the previous periods. The most significant contribution to this growth was made by exports, while investments went down in this period.

As for Croatia's important trading partners outside the euro area, Bosnia and Herzegovina and Serbia are to see more favourable economic trends in the projection period than over the previous year. GDP growth in Bosnia and Herzegovina could accelerate to 2.1% in 2015, with rates exceeding 3.0% expected in the coming periods. Serbia's economy contracted in the third quarter from the second quarter (-0.4%) amid a decline in personal consumption. However, recessionary trends might be interrupted on an annual level in 2015, pushing Serbia towards a slight growth of 0.5%, with recovery about to accelerate in 2016.

Exchange rates and price movements

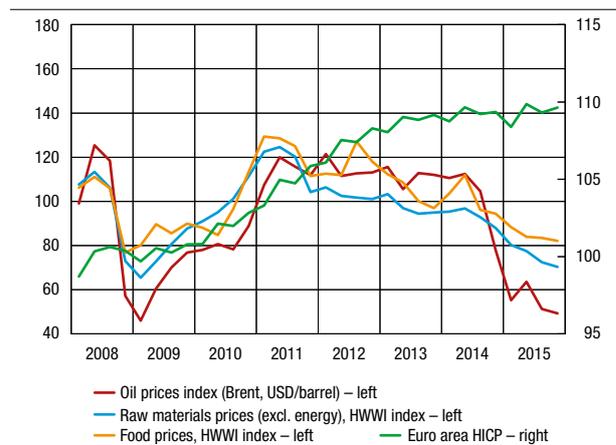
The US dollar is expected to strengthen mildly against the euro until the end of 2015 and in 2016. After strengthening quite a bit early in 2015, the exchange rate of the US dollar weakened in the middle of the year, especially after the easing of the Greek debt crisis and the devaluation of the yuan renminbi in mid-August. The exchange rate of the US dollar started strengthening again at the end of October following the Fed's announcement that it could start raising its interest rates at the meeting in December. Such developments were also boosted in November by

Figure 2.2 Exchange rates of individual currencies against the euro
2008 = 100



Note: A growth in the index denotes a depreciation of a currency against the euro.
Data for the fourth quarter of 2015 refers to October and November (up to 25 November).
Source: Eurostat.

Figure 2.3 Prices
2008 = 100



Note: Data for the fourth quarter of 2015 refers to October.
Sources: Eurostat, Bloomberg and HWWI.

the announcement of the ECB president that he is ready to expand the quantitative easing programme with a view to attain the targeted inflation rate more quickly. The US dollar thus appreciated by 5.7% versus the euro in only two months, standing at EUR/USD 1.06 at end-November. Until the end of this year and in the next year the US dollar is expected to continue appreciating against the euro, primarily reflecting the expectations of market participants as regards the raising of the US key interest rates and consequently the divergent trends in the Fed's and the ECB's monetary policies. In addition, the strengthening of the US dollar has been boosted by expectations regarding the economic growth in the US and information from the US labour market, while the economy of the euro area might continue to be plagued by sluggish recovery and low inflation. The exchange rate of the Swiss franc against the euro, after weakening in the third quarter, held steady and throughout the remainder of the year oscillated within a narrow band around EUR/CHF 1.09. The exchange rate of the Swiss franc is not expected to change much until the end of the year. Its gradual weakening against the euro is expected in 2016.

The price of Brent crude oil is expected to go up slightly in 2016 from its low level of the end-2015 (the current price is lower than one half of the price average in the period between 2011 and 2014). After being almost one fifth lower in the third quarter than the average of the previous quarter, the price of Brent oil averaged some USD 48 per barrel in October and early November. A slowdown in the production of crude oil with the use of new technologies in the US, resulting from regular annual refinery maintenance and cuts in the numbers of oil fields, contributed to price stabilisation. Nevertheless, as soon as the International Energy Agency announced in the middle of November that global supply had grown to 97 million barrels per day in October, the price of crude oil went down again to end the month at USD 43 per barrel. The prices of crude oil in the upcoming period might be influenced by the meeting of OPEC members scheduled early in December, where the further policy of maintaining OPEC's market share will be decided, and the rise of supply from Iran in early 2016 (when sanctions are expected to be lifted), as well as the slowdown in emerging markets, especially China. Market expectations incorporated in spot contracts indicate a slightly upward trend in crude oil prices until the end of the year, while in 2016 the average price might stand at USD 50, which is only slightly above the current level.

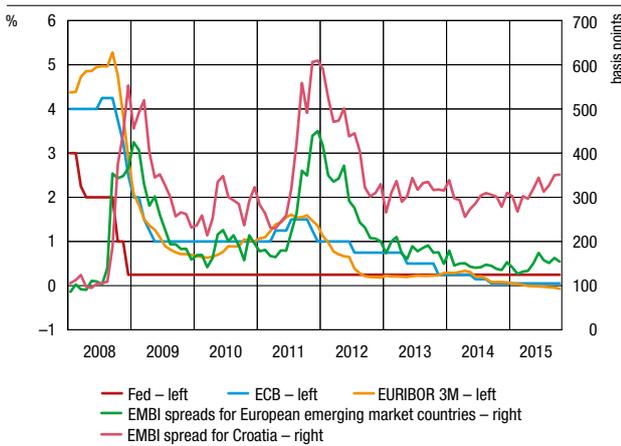
The prices of raw materials could continue falling in the upcoming period. The prices of raw materials, excluding energy, measured by the HWWI index (in US dollars), after having decreased in the third quarter 2015, fell additionally in October, which was to the greatest extent a consequence of the ongoing reduction in the prices of industrial products. The slowdown in the Chinese economy and the consequent decline in demand contributed to the sharp fall in the prices of iron ore of almost as much as 10% on monthly level, while the prices of agricultural raw materials and non-ferrous metals went down slightly. On the other hand, food prices rose amid adverse weather conditions in some producing regions. Prices of sugar, tea and coffee went up the most. In the period to come, the prices of raw materials will depend on the growth of global production of major industrial raw materials, the slowdown in demand in emerging markets, primarily China, and the weather conditions in most important producing regions. The current market expectations point towards further decline in the prices of raw materials in 2016, to the greatest extent due to the decrease in the prices of metals, while food prices might increase slightly.

Interest rate trends

The ECB is continuing with the implementation of its expansionary and unconventional monetary policy measures and is considering augmenting them, while the Fed might increase the target interest rate at the turn of the next year. The ECB's monetary policy continues to include maintaining a zero key interest rate throughout the entire projection period and a bond repurchase programme in the secondary market, worth at least EUR 60bn per month, which has been extended until the end of March 2017. In response to negative risks surrounding the prolonged period of very low inflation, the ECB announced the possibility of extending the scope of its repurchase programme, broadened the scope of eligible securities and additionally cut bank deposit interest rates which have thus entered negative territory. The Fed kept its target interest rate at 0.25%. However, the likelihood of a gradual rise in the interest rate that could start at the end of the current year has increased. However, it is assumed that the pace of growth of the target interest rate and LIBOR in connection with the US dollar will be slower than initially expected.

The conditions of foreign financing for Central and Eastern European countries did not change significantly during the third

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



Note: Data for the fourth quarter of 2015 refer to October.
Source: Bloomberg, 17 November 2015.

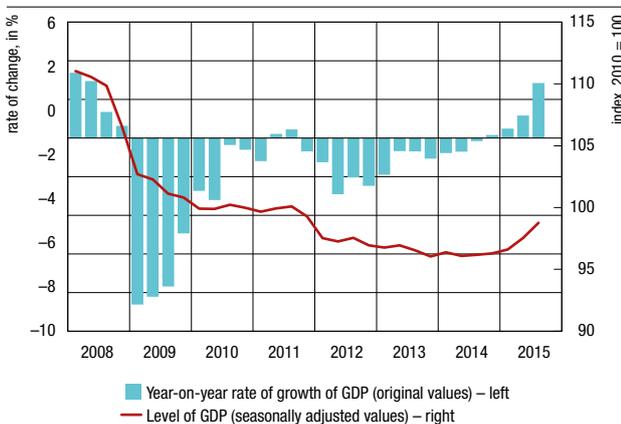
quarter of 2015 from the previous quarter. The yield spread for Croatia thus increased by almost 10 basis points, which is above the average of the aforementioned group of countries. The yield spread for Croatia continued to depart significantly from that of comparable countries, exceeding the yield spreads of European emerging markets by three times at the end of October.

3 Aggregate demand and supply

Economic recovery that became visible in the second half of the previous year continued to pick up speed in 2015, the real GDP growing by 1.3% in the third quarter from the previous quarter. As a result, growth on an annual level reached a relatively high 2.8%. Although the noticeable growth in foreign demand contributed the most to this growth, all other components of domestic demand, excluding the ‘changes in inventories’ category, had a positive impact on the current economic activity. At the 2015 level, high rates of growth in the exports of goods and services, recovery of personal consumption and strengthening of investment activity of both the public and the private sector could result in a real GDP growth of 1.7% from the previous year. Similar developments could also continue in 2016, growth for the most part being generated by the exports of goods and services and personal consumption.

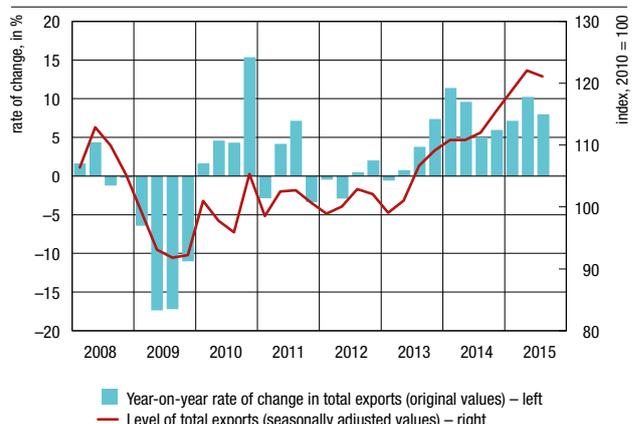
Analysed according to individual aggregate demand components, real exports of goods and services went down on a quarterly level in the third quarter of 2015. However, since they had grown uninterruptedly up to that point the annual growth rate in the third quarter continued to hold at a high 8.0%. The above mentioned quarterly contraction reflected the decline in real exports of goods, while the exports of services continued growing. As suggested by nominal CBS data on foreign trade in goods for July and August, the decrease in goods exports was registered in connection with capital and intermediate goods and energy. On the other hand, exports of durable and non durable consumer goods continued to grow. Favourable developments in the exports of services are a result of the good outturn of the tourist season, as confirmed by volume indicators of demand for services in tourism.

Figure 3.1 Gross domestic product real values



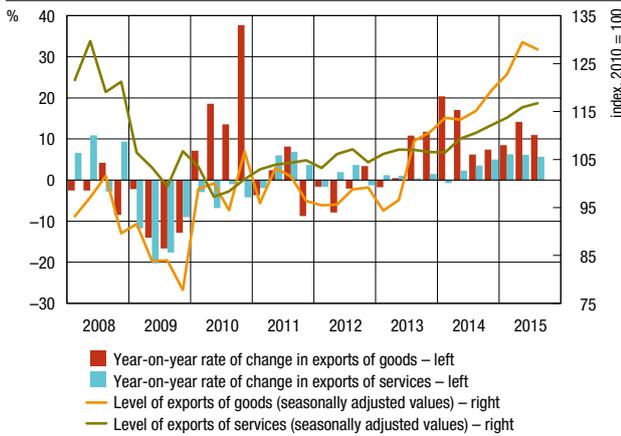
Note: For series subject to calendar effects, seasonal adjustment includes both seasonal and calendar adjustments.
Source: CBS data seasonally adjusted by the CNB.

Figure 3.2 Exports of goods and services real values



Note: For series subject to calendar effects, seasonal adjustment includes both seasonal and calendar adjustments.
Source: CBS data seasonally adjusted by the CNB.

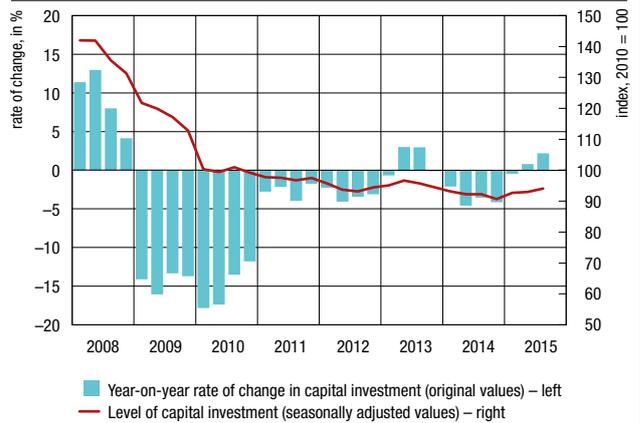
Figure 3.3 Real exports of goods and services



Note: For series subject to calendar effects, seasonal adjustment includes both seasonal and calendar adjustments.

Source: CBS data seasonally adjusted by the CNB.

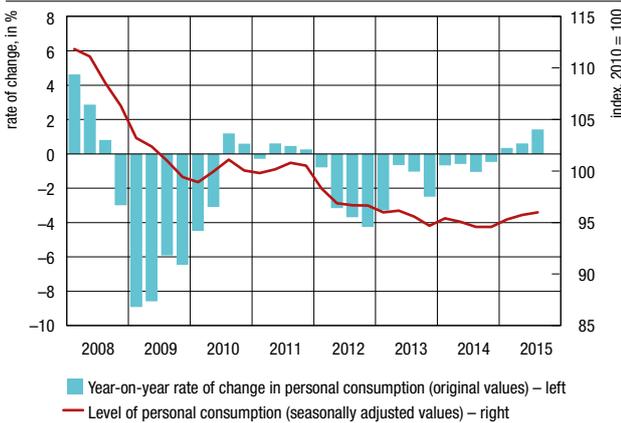
Figure 3.6 Gross fixed capital formation



Note: For series subject to calendar effects, seasonal adjustment includes both seasonal and calendar adjustments.

Source: CBS data seasonally adjusted by the CNB.

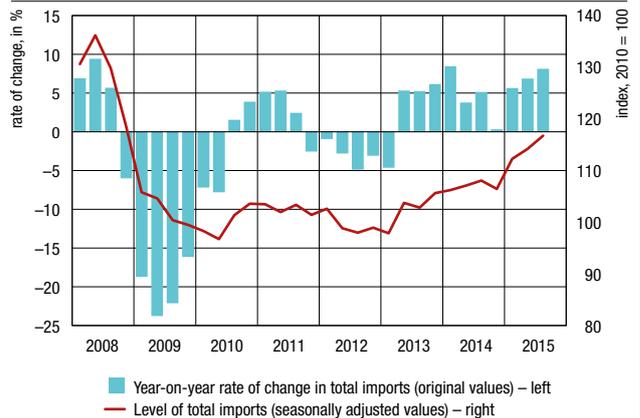
Figure 3.4 Personal consumption real values



Note: For series subject to calendar effects, seasonal adjustment includes both seasonal and calendar adjustments.

Source: CBS data seasonally adjusted by the CNB.

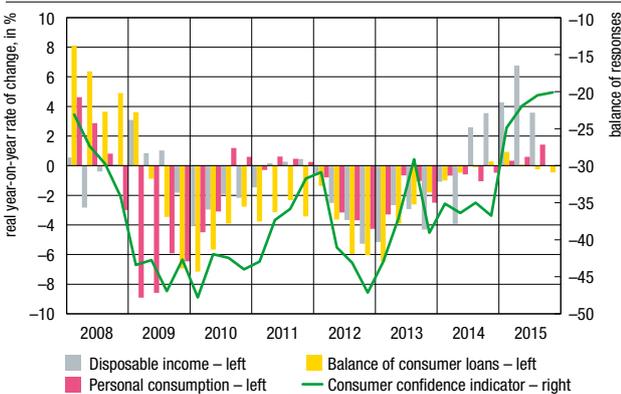
Figure 3.7 Imports of goods and services real values



Note: For series subject to calendar effects, seasonal adjustment includes both seasonal and calendar adjustments.

Source: CBS data seasonally adjusted by the CNB.

Figure 3.5 Determinants of personal consumption



Note: The values of the consumer confidence indicator in a month are calculated as three-member averages of monthly data. The value of the consumer confidence indicator in the fourth quarter of 2015 is calculated on the basis of data for October and November, and the balance of consumer loans is calculated on the basis of data for October.

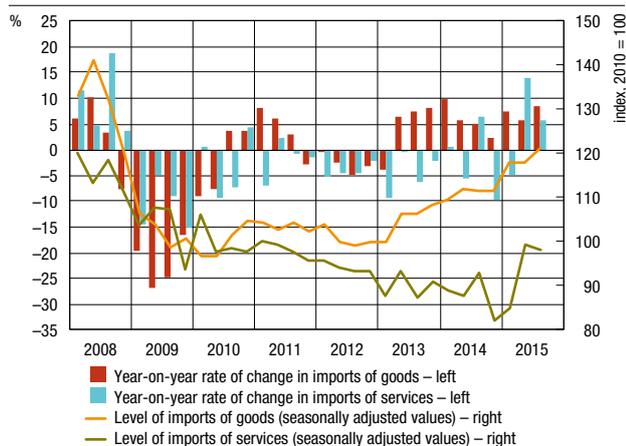
Sources: CBS, Ipsos and CNB.

Despite having fallen in the third quarter from the previous quarter, total exports might grow strongly in 2015, spurred by positive developments in tourism and high growth rates of exports of goods on an annual level. Foreign demand is likely to remain a strong driver of economic growth in Croatia in 2016 as well. Strong growth of exports of goods is expected to continue, while the growth of exports of services could slow down. The trends in the international environment resulted in an exceptionally steep growth of real exports of services in 2015.

A positive contribution to economic growth in the third quarter came from domestic demand. The growth of investments intensified from the previous quarter and government consumption went up, while personal consumption growth went down.

Although personal consumption rose by 1.4% on an annual level, its growth slowed down in the third quarter on the previous quarter. This can probably be attributed to the gradual disappearance of the effects of amendments to the income tax on disposable income, as well as to the slightly less favourable developments in the labour market. In addition, households continued deleveraging and consumer optimism grew at a slightly slower pace than in the first half of the year. Persistent stagnation is

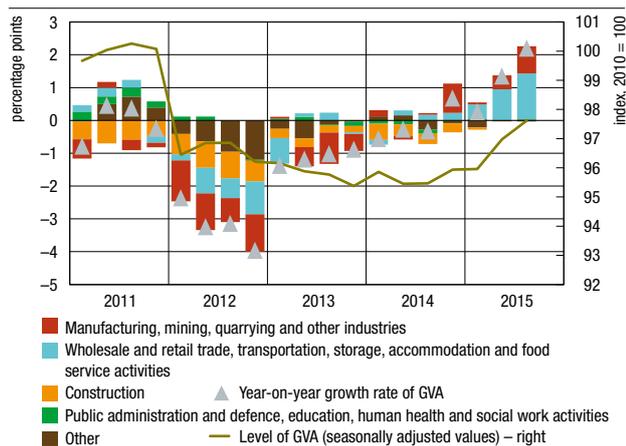
Figure 3.8 Real imports of goods and services



Note: For series subject to calendar effects, seasonal adjustment includes both seasonal and calendar adjustments.

Source: CBS data seasonally adjusted by the CNB.

Figure 3.9 Change in GVA contribution by components



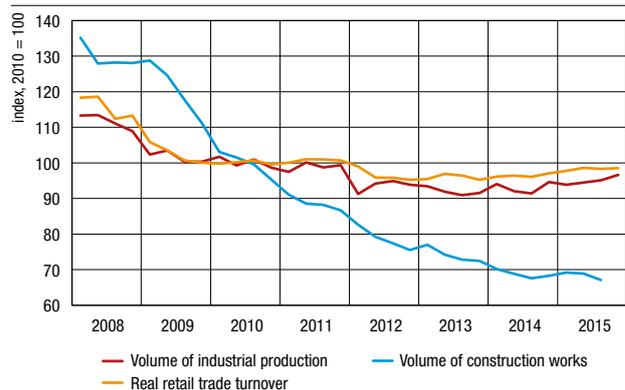
Note: For series subject to calendar effects, seasonal adjustment includes both seasonal and calendar adjustments.

Source: CBS data seasonally adjusted by the CNB.

expected until the end of 2015 so after having fallen for several years personal consumption could grow on annual level. This growth might intensify additionally in 2016 as a result of further recovery in the labour market and expected decrease in the household savings rate.

The annual growth rate of gross fixed capital formation strongly increased in the third quarter (to 2.2% from 0.8% in the previous quarter). Available data indicate that such developments are to a great extent a reflection of activities undertaken by the public sector, although there are signs of recovery in private sector investments. This includes mainly investments in machinery and equipment, thus reflecting a rise in production and imports of capital goods. On the other hand however, the fall in construction works on buildings picked up speed again. Investment recovery might continue until the year end, so after six years of almost uninterrupted contraction, capital investments could increase slightly in 2015. Investment activity might intensify in 2016, largely due to public sector activities related to the utilisation of EU funds. However, it is expected that the recovery of investments by the private sector will recover, as indicated by the recovery in the profitability of the non-financial enterprises

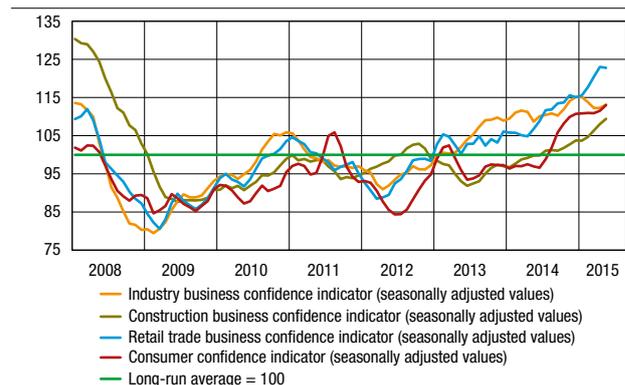
Figure 3.10 Short-term economic indicators seasonally and calendar adjusted



Note: Quarterly data are calculated as a simple average of monthly data. For series subject to calendar effects, seasonal adjustment includes both seasonal and calendar adjustments. Data on industry and trade in the fourth quarter of 2015 refer to October.

Source: CBS data seasonally adjusted by the CNB.

Figure 3.11 Business and consumer confidence indicators standardised values, three-member moving averages



Note: For series subject to calendar effects, seasonal adjustment includes both seasonal and calendar adjustments. New weights have been applied to the series of business confidence indicators; as of July 2014, the weights are based on total income instead of the number of employees. The Business Confidence Survey has been carried out since May 2008. The last data available refers to November 2015.

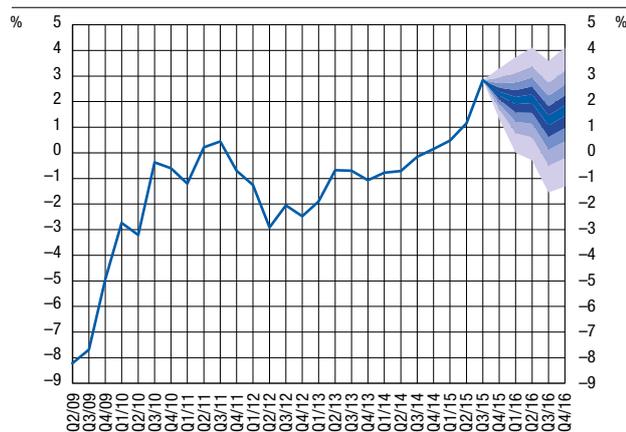
Sources: Eurostat, Ipsos and CNB.

sector, the decline in interest rates as well as the results of a business confidence survey.

After levelling off in the first half of 2015, government consumption went up slightly in the third quarter, both on the quarterly and on the annual level. Fiscal data, as well as the labour market data indicate that such developments may be explained by the edging up of the number of the employed and the growth in expenditures for intermediary consumption. Similar developments are expected to be seen at the 2015 level so, contrary to initial expectations, government consumption might positively contribute to GDP growth. However, it is to be expected that the excessive deficit procedure will intensify consolidation efforts in 2016, causing government consumption to stagnate.

The exports of goods and services continued growing as a result of the rise in domestic demand and exports so the annual rate reached 8.1% in the third quarter 2015. The quarterly dynamics is thus a reflection of the growth in goods imports, while at the same time the imports of services shrank. The nominal CBS data on foreign trade in goods suggest that, broken down by main industrial groupings, the imports of capital and non-durable goods went up in the beginning of the second half of the

Figure 3.12 Projection of real GDP dynamics
year-on-year rate of growth



Sources: CBS and CNB.

year, while the imports in other groupings went down from the second quarter. In line with the overall economic developments, imports too could come in slightly weaker at the end of the year, which would nevertheless not impact its strong growth at the 2015 level. Total imports are expected to grow in 2016, largely due to the growth in the imports of goods amid more intensive growth of domestic demand but also due to the heavy dependence of exports on imports.

The GDP by production approach shows that the growth in the third quarter primarily reflects favourable developments in the manufacturing industry and trade, transport and tourism, as confirmed by the available monthly indicators. However, the GDP nowcasting model according to the currently available date points to a stagnation of economic activity in the fourth quarter on a quarterly level. The volume of industrial production continued growing in October, primarily due to the increase in the production of energy and intermediate goods. The results of the business optimism survey (seasonally adjusted data) for the fourth quarter point to an improvement in business optimism in

construction and indicate that the fall in the business optimism in industry has been halted. On the other hand, real retail trade turnover levelled off in October from the average in the previous quarter, while expectations relating to trade deteriorated a bit after having been uninterruptedly improving since the beginning of this year. Consumer confidence went up in the same period, primarily due to the favourable perception of the current financial situation in households but also to positive expectations regarding developments in Croatia's economy in the next 12 months as compared to the current situation.

Risks

Risks to real GDP growth in 2016 are asymmetrical, with downside risks prevailing. Continued slowdown in the growth of some emerging market countries might cause a slower growth in Croatia's foreign trade partners and subdue demand for imports. In addition, the recovery in personal consumption might be lower if households direct the bulk of the increase in their disposable income arising from lower loan instalments that have resulted from the decline in interest rates and the conversion of loans in CHF into loans in EUR towards savings. In taking into consideration the high level of the projected budget deficit, additional consolidation measures may be adopted in the projected period with uncertain contents that might have a negative impact on economic activity in the short run. Finally, the uncertainty surrounding the refugee crisis is still there, which could, should it escalate, have negative consequences on the domestic economy. The integration of refugees into the Croatian labour force is unlikely, as distinct from some other Western countries, so the exacerbation of the refugee crisis might result primarily in higher costs for the country, impairments to trade and reduced income from tourism.

An upside risk to the central projection of real growth is the adoption and more intensive implementation of structural reforms for the purpose of improving the business environment. Although they would have a slight effect on economic activity growth in the short run, their positive impact on the real dynamics of economic activity would be visible in the medium term. If efforts to press ahead with reforms were to be accompanied by a credible consolidation of public finances, this could push down the costs of government and private sector borrowing and boost investments.

4 Labour market

Employment stagnated in the third quarter 2015, after having grown considerably in the first half of the year¹. If analysed by NCA activities, the number of employed persons went up noticeably in public administration and defence and education, slightly fell in construction and other service activities, while in industry it levelled off. Data for October indicate that employment figure held steady in the fourth quarter so the employment growth rate in 2015 might come in at 0.6%. In the years to come, growth is expected to intensify slightly, given that employment figures are expected to follow economic recovery. However, the expected growth will only partially make up for the decrease in the number of employed persons in the last six years.

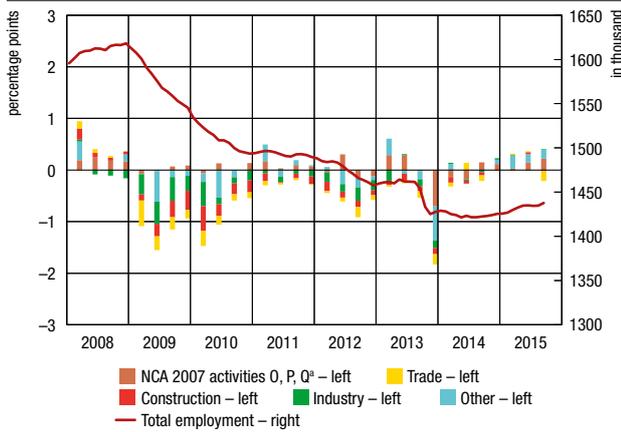
The number of unemployed persons went down by 1.1% in

the third quarter 2015 from the previous quarter amid favourable net inflows from employment and other business activities, which continued in October. In the last quarter of the year the number of unemployed persons is expected to continue going down pushing the annual rate of decline to a high 13%, which is to the greatest extent a result of the base effect removals from the register on account of non-compliance with legal provisions in the second half of 2014. Unemployment is forecast to continue falling in 2016 but at much slower pace (2.6%).

The Labour Force Survey results also indicate more favourable labour market developments. In the third quarter, the internationally comparable ILO unemployment rate thus totalled 15.4% (it was 16.1% in the second quarter). The decline in the

¹ The conclusions made by the CNB on developments in employment are based on data on the number of persons insured with the CPIA. Other administrative sources (monthly survey by the CBS on employment and salaries and annual audit with the final calculation) indicate similar developments in the third quarter and opposite in the first half of the year.

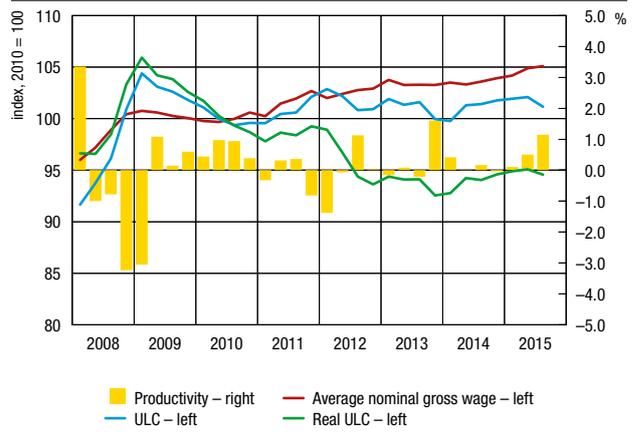
Figure 4.1 Total employment and contribution to the quarterly change in employment by sector
seasonally adjusted series



^a Public administration and defence; compulsory social security, Education and Human health and social work activities.

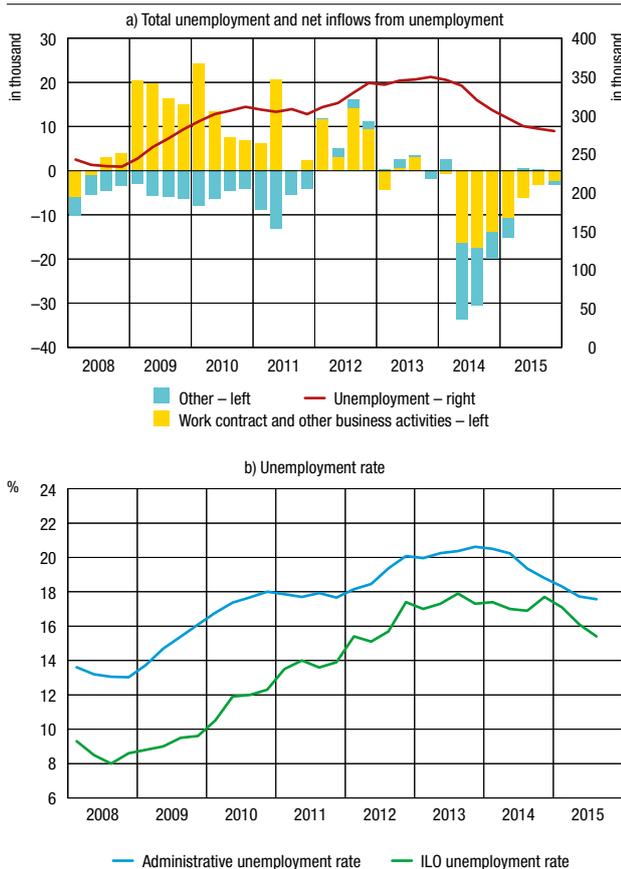
Source: CPIA data seasonally adjusted by the CNB.

Figure 4.3 Gross wages, productivity and unit labour costs
seasonally adjusted series, levels and quarterly rates of change



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

Figure 4.2 Unemployment indicators



Note: Series in the figure are seasonally adjusted.

Sources: Eurostat and CES data seasonally adjusted by the CNB.

number of unemployed persons and stagnation in the number of employed persons over the third quarter resulted in the further reduction of the administrative unemployment rate (to 17.6% from 17.7%), while the latest available data for October indicate a further slight reduction (17.4%). The expected survey unemployment rate in 2015 is 16.5%, while the projections for 2016 stand at 16.2%.

The nominal unit labour cost fell in the third quarter following a strong productivity growth and a slight increase in compensations. It is expected to continue falling in the fourth quarter. On an annual level, its growth should amount to 0.4% under the influence of developments from the first half of the year, while in 2016 the nominal unit labour cost is not expected to change much. Nominal gross wages grew in the third quarter at the same pace as in the previous quarter, a strong growth being recorded in state and public administration (activities O, P and Q under the NCA 2007), while in industry and trade they held steady. On an annual level, gross wages might go up by 0.9%, while in 2016 they are forecast to boast a stronger growth, to the greatest extent as a result of the expected rise in private sector wages stemming from the increase in productivity and to a smaller extent due to the negotiated growth of wages in the health care sector. Net wages grew at a strong pace in 2015 amid legislative changes to income tax (in the first ten months of the year this growth reached 3.3% on the same period of the previous year). In real terms, wages grew at an even stronger pace due to the decline in consumer prices. Despite legislative changes, the progressive nature of Croatia's taxation of labour continues to be noticeably stronger than in peer countries (the influence of tax amendments on the tax wedge and income tax progressivity in Croatia are discussed in Box 2).

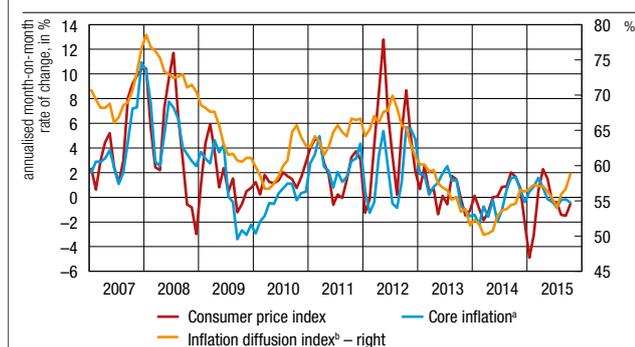
5 Inflation

The indicators of current developments in overall and core inflation (Figure 5.1) were negative in October and approximately at the same level as in June. The additional indicator of inflationary pressure trends – the inflation diffusion index², shows that the share of products whose prices rose in a given month increased in the total number of products from mid-2014, signalling a mild growth of inflationary pressures. The number of products whose prices increased at a monthly level (measured by a 6-month moving average of the inflation diffusion index) increased to 58.8% in October 2015, which was an increase of 3.4 percentage points relative to June 2015, but the share was still slightly below the long-term average.

In the second half of 2015, the annual rate of change in consumer prices decreased from 0% in June to –0.9% in October, which temporarily halted the acceleration recorded during the first six months (Figure 5.2). These trends were mostly due to the accelerated annual decline in energy prices because of the fall in the prices of crude oil in the third quarter, which resulted in falling refined petroleum product prices in the domestic

market. The annual decline in energy prices increased from –3.0% in June to –7.3% in October. In addition, in the period from July to October, the annual rate of change in the prices of services decreased significantly (mostly because of a negative base effect on the trends of recreational and sporting services and because of the fall in their prices in October). The increase in the prices of industrial non-food products had an opposite effect on the increase in consumer price inflation, so that their contribution to the annual inflation increased to 0.2 percentage points. Among the mentioned products, the contributions of the prices of sewerage services and of clothing increased the most. The annual core inflation rate decreased from 0.6% in June to 0% in October 2015. This was mainly due to the decrease in market-based service prices (the above mentioned recreational and sporting services) and, to a lesser extent, in the prices of communication activities and milk, whose prices decreased after the suspension of quotas for the production of milk in the EU countries, as well as the suspension of the refund on returned milk packaging. The trend present in the first half of the year of

Figure 5.1 Indicators of current developments in overall and core inflation and the inflation diffusion index



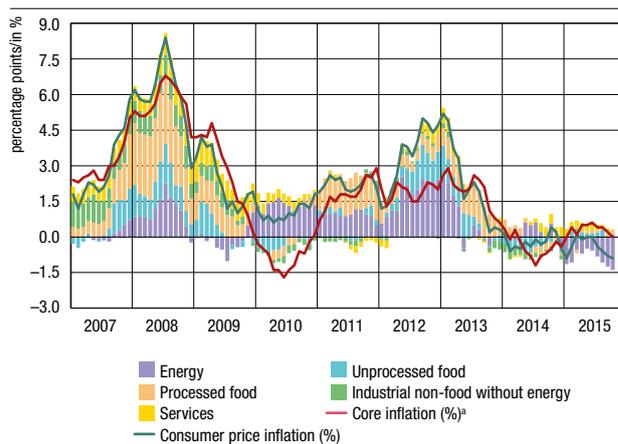
^a Core inflation does not include agricultural product prices and administrative prices.

^b The inflation diffusion index shows the share of the number of products whose prices increased in a given month in the total number of products and is based on the monthly rates of change derived from the seasonally adjusted components of the HICP.

Note: The month-on-month rate of change in the CPI and core inflation is calculated from the quarterly moving average of seasonally adjusted consumer price indices.

Sources: CBS, Eurostat and CNB.

Figure 5.2 Year-on-year inflation rates and contribution of components to consumer price inflation



^a Core inflation does not include agricultural product prices and administrative prices.

Sources: CBS and CNB calculations.

Table 5.1 Price indicators

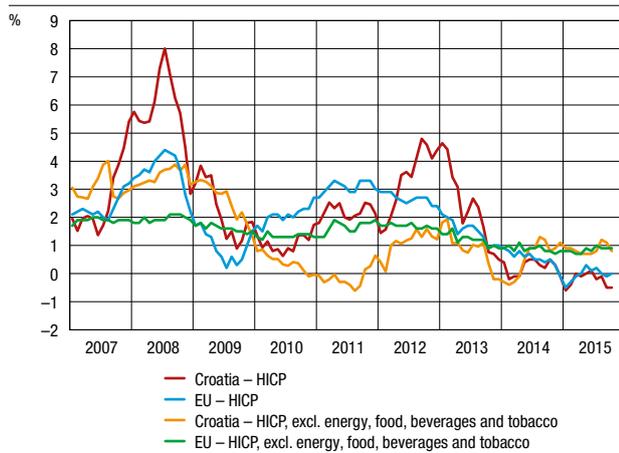
year-on-year rate of change

	2011	2012	2013	2014	12/2014	3/2015	6/2015	9/2015	10/2015
Consumer price index and its components									
Total index	2.3	3.4	2.2	-0.2	-0.5	0.1	0.0	-0.8	-0.9
Energy	6.2	10.5	3.1	0.9	-2.2	-2.8	-3.0	-6.6	-7.3
Unprocessed food	1.2	5.8	3.8	-2.8	-1.8	2.7	1.3	0.0	0.8
Processed food (incl. alcoholic drinks and tobacco)	5.8	2.6	4.9	0.2	-0.5	-0.7	0.8	0.6	0.9
Industrial non-food without energy	-0.3	0.4	-0.4	-1.0	-0.8	0.2	0.0	0.4	0.8
Services	-0.4	0.5	0.8	0.8	1.8	1.5	1.0	1.0	0.1
Other price indicators									
Core inflation	1.8	1.9	1.9	-0.4	-0.4	0.1	0.6	0.2	0.0
Index of industrial producer prices on the domestic market	6.4	7.0	0.5	-2.7	-3.4	-2.7	-2.7	-4.7	-4.6

Source: CBS.

2 For more details on the characteristics of the inflation diffusion index see Box 1 Trends in the inflation diffusion index in Croatia and countries in the environment in CNB Bulletin No. 216.

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



Sources: CBS and Eurostat.

the marked acceleration in the annual growth rate of the prices of processed food products was discontinued.

The annual inflation rate in the European Union measured by the harmonised index of consumer prices (HICP) fell slightly from 0.1% in June 2015 to 0.0% in October (Figure 5.3). The largest contribution to the inflation slowdown was made by the accelerated annual decline in energy prices triggered by the fall in crude oil prices in the world market. It is worth noting that a strong depreciation of the euro relative to the previous year's level still contributed to the rising prices, but its effects were mostly mitigated by the mentioned decrease in crude oil prices. The annual growth of the prices of unprocessed food products, in particular of vegetables, accelerated moderately in the last four months in the European Union. The annual rate of change in the HICP, excluding energy, food, beverages and tobacco increased slightly (from 0.8% in June to 0.9% in October 2015) because of the accelerated annual growth of the prices of industrial products excluding food and energy (because of a rise in the prices of clothing).

In October, the annual rate of change in the HICP in Croatia was negative and stood at -0.5% , or 0.5 percentage points lower than in the European Union. In contrast to EU countries, where the inflation of consumer prices decreased only slightly from June to October, in Croatia, price inflation declined sharply. This was mostly attributed to a higher annual fall in energy prices because the prices of petroleum products in the domestic market decreased more than in EU countries. Moreover, the growth in service prices also slowed down in the same period in Croatia, which was not the case in other EU countries. On the other hand, the annual growth of industrial producer prices, excluding food and energy, was more evident in Croatia. The annual rate of change in the HICP, excluding energy, food, beverages and tobacco, increased by only 0.1 percentage points in Croatia and stood at 0.8% in October (deviating negligibly from that in the EU). Since mid-2014, the above core inflation indicator in Croatia followed the trend of the developments of this indicator in EU countries, fluctuating around the average level of 0.9%.

In the rest of 2015, annual consumer price inflation rate is expected to accelerate, but its average will remain negative throughout 2015. The expected annual inflation rate might grow from -0.9% in October to -0.1% in December, primarily because of the base effect (a sharp fall in the prices of refined petroleum products in the same period of the previous year). The

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



Sources: CBS and CNB calculations.

average annual consumer price inflation rate could be slightly negative in 2015 and stand at -0.4% . This is mostly due to the crude oil prices in the global market being much lower than in the previous year. In 2015, energy was the only component of the projection of inflation with a negative contribution to average annual inflation, which might stand at about -0.9 percentage points. In contrast, upward pressures on prices in 2015 are predominantly attributed to the growth of the prices of food. In addition, the recovery of domestic demand impacts a mild increase in the annual rate of growth of the index of prices, excluding food and energy.

In 2016, the average annual consumer price inflation might accelerate to 0.9% because of the increase in the annual rate of change in energy prices. The movements in the spot market suggest an increase in the price of Brent crude oil during the whole year, so that the oil price per barrel expressed in kuna in the fourth quarter of 2016 might be up by 17% from the same period of the previous year. The contribution of energy to inflation should be positive only after the third quarter of 2016. Imported inflationary pressures might also increase because of the expected growth of inflation in the euro area. The effects of the depreciation of the exchange rate of the kuna against the US dollar on the domestic inflation movements in 2016 would be much less noticeable because a mild depreciation of about 3% is expected, after the depreciation of 19% in 2015. Domestic inflationary pressures are expected to increase moderately in 2016 driven by the acceleration in the growth of domestic demand. At the same time, the increase in employee compensations should accompany the labour productivity growth so that cost pressures on inflation from this source are not foreseen to strengthen in 2016. Under such circumstances in the global and domestic markets, a slight increase in the average annual growth rate of the CPI, excluding food and energy, is projected in 2016. In addition, a growth in the average annual rate of change in food prices is also forecast.

It is estimated that the risks of lower than projected or higher than projected inflation are balanced. There are several factors that could lead to higher than forecast inflation, among them the possibility of a growth of administratively regulated prices, unfavourable weather conditions that might result in a considerable increase in the prices of agricultural products, a potential stronger rise in the prices of crude oil due to geopolitical tensions and a stronger than expected depreciation of the euro versus the US

dollar. Lower than projected inflation might be due to a weaker growth of domestic demand, lower than expected prices of crude oil and other raw materials in the world market and subdued inflation in the euro area. A weaker growth of demand in

emerging market countries, particularly in China, might result in a weaker global demand and a decline in the prices of raw materials, and it might spill over to the inflation slowdown in the euro area and in Croatia.

6 Foreign trade and competitiveness

The several-year upward trend in the current account balance, which came to a halt briefly in the previous year, continued in the first three quarters of 2015. Taking into account the cumulative value over the past year, the current account surplus in the third quarter of 2015 increased to 4.7% of GDP, from 0.8% in the last quarter of 2014. This was mostly attributed to high bank losses in the third quarter caused by the conversion of loans in Swiss francs (about 2% of GDP), as well as to the continued rise in the service trade surplus.

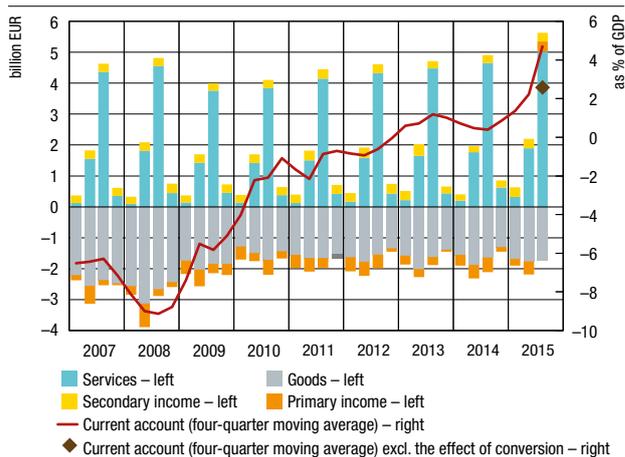
In line with the previous results, the current account surplus might stand at 4.8% of estimated GDP for the whole of 2015, while overall current and capital account balance might reach 5.2% of GDP in 2015. In 2016, a further strengthening of EU funds absorption capacity and the steady increase in net exports of goods and services, albeit at a slower pace, might contribute to a further improvement of the current and capital account balances. However, it should decrease (to 3.5% of GDP) as a consequence of the disappearance of the effect of the conversion of loans in Swiss francs.

Primary and secondary account balances improved substantially in the first nine months of 2015 and, for the first time in over fifteen years, a surplus was recorded in the primary income account in the third quarter. The aforementioned bank losses resulted in a marked decrease in expenditures on direct equity investment in the first three quarters of 2015, although at the same time better business results were observed in hotel business, the manufacture of food products and beverages, wholesale trade and the manufacture of chemicals.³ Higher revenues from compensations to residents working abroad made a positive contribution to the developments in the primary income account, although to a lesser extent, while the growth in interest expenses, primarily of the general government, had the opposite effect. In line with the developments in the first three quarters, and at the level of the whole of 2015, the deficit in the primary income account is expected to decline. It might worsen in 2016 because of the increase in expenditures on direct equity investment. In secondary income, the increase in net inflows in 2015 primarily reflects the growth of revenues of other sectors, mostly based on current transfers from the EU funds and personal transfers. The gradual strengthening of EU funds absorption capacity and the better utilisation of available funds, with the expected noticeable growth of capital inflows, should have a positive effect on the movement of current and capital account balances in 2016.

The deficit in the trade of goods (according to CBS data) remained at almost the same level in the first nine months of 2015 as in the same period of the previous year. Although exports and imports grew at similar rates in absolute amounts, exports (11.3%) grew faster than imports (6.5%) in relative amounts. The growth in goods exports and imports was particularly evident in the first half of the year, while in the third quarter, according to seasonally adjusted data, their level was

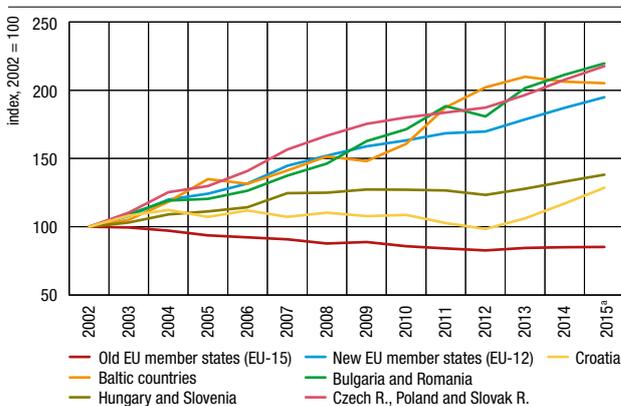
down from the previous quarter. Detailed data available for the first nine months show that the products that contributed most to the growth in exports are often among the products that made the largest contribution to the growth in imports, which can be explained by the liberalisation of the market (e.g. of electricity) and an easier flow of goods following Croatia's accession to the EU. The annual growth in exports was mostly due to the growth in the narrow aggregate (excluding ships and oil), i.e. primarily as a result of the growth in the exports of medical and pharmaceutical products (mostly to the Netherlands), road vehicles

Figure 6.1 Current account balance



Source: CNB.

Figure 6.2 EU market share of exports of goods



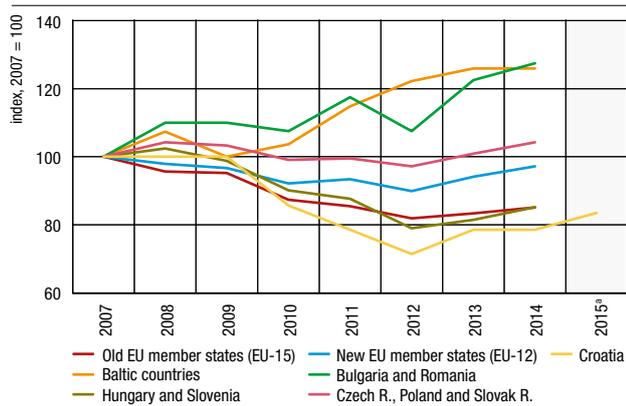
^a Data refer to the first eight months of 2015.

Note: The Baltic countries include Estonia, Latvia and Lithuania. EU market share of exports of goods is calculated as a ratio between exports of one country dispatched to EU countries (Intrastat) and total exports of the EU (Intrastat and Extrastat).

Source: Eurostat.

³ Moreover, expenditures on direct investments had a negative value in the third quarter because of bank losses.

Figure 6.3 Global market share of exports of goods and services

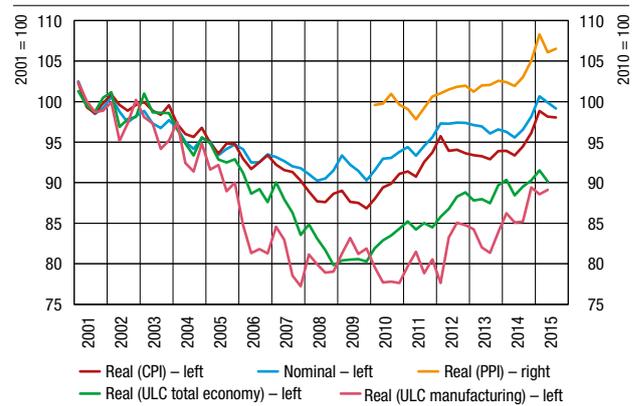


* The estimate of Croatia's market share is based on the IMF projection on global trade developments in 2015 and the estimate by the CNB on the growth in Croatian exports of goods and services.

Note: The Baltic countries include Estonia, Latvia and Lithuania.

Sources: Eurostat, IMF and CNB.

Figure 6.4 Nominal and real effective exchange rates of the kuna



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

Source: CNB.

(particularly to Belgium and Germany), cereals and cereal preparations (mostly to Italy), manufactures of metal (particularly to Poland), leather and leather manufactures (particularly to Austria) and electricity (particularly to Hungary). In the first nine months of 2015, the increase in the exports of other transport equipment (notably of ships) also contributed to favourable developments in exports, exceeding the value achieved in 2014 and ending a four-year-long decline in the exports of ships. In contrast, the value of exports of natural and manufactured gas and oil and refined petroleum products decreased because of the decline in crude oil prices in the world market. The growth of total goods imports was also under the impact of the growth in imports of the narrow aggregate (excluding ships and oil), primarily because of the increase in the imports of electricity (mostly from Hungary, Bosnia and Herzegovina and Serbia), road vehicles (particularly from Slovenia and Germany), medical and pharmaceutical products (mostly from Hungary and the United States) and leather and leather manufactures (particularly from Austria). At the same time, the value of oil and refined petroleum products imports decreased considerably as a result of the decline in crude oil prices.

At the level of the whole of 2015, the foreign trade deficit might deepen moderately, despite the faster growth of goods exports than imports. Goods exports are also expected to rise in 2016, although perhaps somewhat more slowly. Further improvements in price and cost competitiveness, as well as the continuation of positive effects of the integration into the EU Single Market might have a favourable impact on the exports dynamics. Due to the dependency of the domestic economy on imports and the recovery in personal consumption, imports are expected to grow in 2016, still under the limiting effect of the modest recovery of the labour market. On the other hand, lower crude oil prices in the global market relative to the average of the preceding year and, consequently, a lower value of the net imports of oil and refined petroleum products might have a favourable effect on the foreign trade balance in 2016.

Net exports of services rose in the first three quarters of 2015, relative to the same period in the previous year, primarily thanks to the rise in the revenues from travel services and, to a lesser extent, owing to the improvement of the balance of trade in other services. Revenues from tourist services thus increased by 7.7%, which was mostly due to the increase in arrivals of 9.6% and the increase in nights stayed by foreign visitors of 7.6%, particularly

of those from Germany, Austria and Slovenia. In addition, the trade in other services generated a surplus, although these services usually recorded a moderate deficit. The growth in the net exports of computer services and repairs of goods made the largest contribution to the movements in the account of other services. At the level of the whole of 2015, the growth in tourism revenues is expected to accelerate considerably relative to the previous years. The services account balance will probably continue to improve in 2016, but at a slower pace than in 2015 because of a slower growth in revenues from tourism. However, the analysis of the exports of services in the past ten years or so (see Box 4 Trade in services between Croatia and the rest of the world) points to the structural limitations to a continued growth in the market share of the exports of services in the global market, after its potential temporary increase in 2015.

A considerable increase in the Croatian exports of goods in the two years after the accession to the EU, in which the growth in exports to the EU member states' market was stronger than the growth in exports to other markets, resulted in a noticeable improvement in the market share of the Croatian goods exports in the European market⁴. The integration of Croatia into the EU Single Market was one of the main factors of the recovery. The majority of Central and Eastern European countries also improved their relative position in the EU market, particularly Poland, Bulgaria and Romania, while the shares of Latvia and Estonia deteriorated. In line with recent favourable developments, Croatian goods exports and export competitiveness in the European market now lag less than before behind peer countries.

In 2015, following the previous year's stagnation, the market share of the Republic of Croatia in the global goods and services exports is expected to improve. This assessment is based on the accelerated growth in the exports of goods and services in the first nine months of the current year, which might stand at 8.9% at the whole of 2015. Recent favourable trends could, at least partly, offset significant losses accumulated between 2009 and 2012. The latest European Commission Alert Mechanism Report of November 2015 stresses that Croatia, with a decline in global market share of 18% in the five years up to 2014, again stood out as one of the EU countries with the most unfavourable

⁴ Such developments are also confirmed by the calculation of the market share using data on the EU imports from Croatia (instead of Croatian exports to the EU), but it shows a slightly slower growth.

trends in this respect, even though the fall was less marked than in the previous Report. The latest estimates indicate that the change in the global market share during the five-year period up until 2015 could be only slightly negative.

The indicators of Croatian export price competitiveness showed diverse trends during the first nine months of 2015. However, in general, they point to improvement relative to 2014. The nominal effective appreciation of the kuna, which mostly contributed to the strengthening of the real effective exchange rates deflated by producer prices and consumer prices in the second quarter, continued in the third quarter, albeit with a somewhat weaker intensity. On the other hand, the trends in domestic consumer and producer prices during the third quarter were noticeably more favourable relative to most of the main

trading partners, which was sufficient to offset the impact of the appreciation of the domestic currency. Thus real effective exchange rates deflated by consumer prices stagnated, while real effective exchange rates deflated by producer prices improved slightly. Data on the real effective exchange rate deflated by unit labour costs available for the second quarter point to a decline in the cost competitiveness in the total economy and a moderate growth in manufacturing, relative to the previous quarter. As measured in terms of the index of the real effective exchange rate deflated by consumer prices, the price competitiveness of Croatian exports, which has lasted since 2010, with the exception of 2013, may continue to improve in the whole of 2015. The improvement of price competitiveness of Croatian exports is expected to continue into 2016, although slightly decelerated.

7 Financing conditions and capital flows

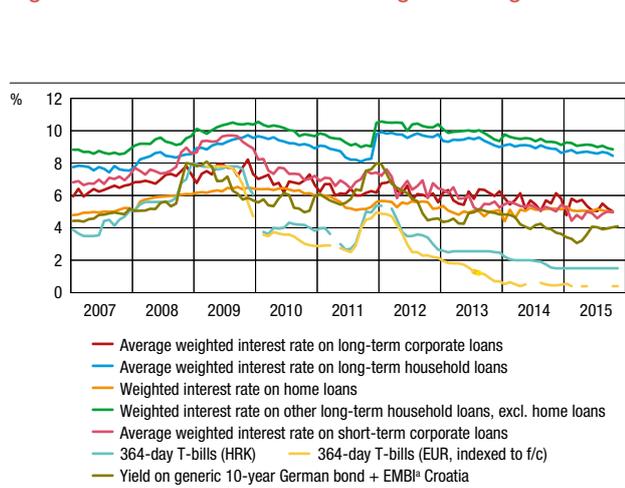
In the conditions of high liquidity of the monetary system supported by the expansionary monetary policy of the CNB, the government's domestic financing costs remained at low levels in the second half of 2015. The interest rate on one-year kuna T-bills remained unchanged at 1.50%, whereas the interest rate on one-year T-bills with a currency clause increased slightly to 0.4% in October (from 0.3% in August). On the other hand, the conditions of government financing abroad recorded less favourable trends relative to the beginning of the year (Figure 7.1). After the price of government borrowing abroad, estimated by the sum of yields on the German government bond and the EMBI index for Croatia, fell to the lowest level since the beginning of the crisis in March 2015, it increased noticeably in the second quarter under the impact of uncertainty in financial markets with regard to the resolution of the Greek debt crisis. It remained at these higher levels in the second half of 2015 under the effect of the still uncertain recovery of the Croatian economy and the risks related to the implementation of the conversion of loans in Swiss francs.

The risk premium for Croatia has remained much higher than for peer countries and for parent banks of domestic banks and the difference increased additionally in the second half of the year. After a relative stability in the first eight months, the

credit default swap (CDS) for Croatia increased significantly at the end of September, also under the impact of uncertainty as regards the effects from the conversion of loans in Swiss francs into the euro. In October and November, the premium remained at the level of about 300 basis points (Figure 7.2). On the other hand, CDS for parent banks of the largest Croatian banks, on average, decreased by one fourth in the period from July to November.

Banks' interest rates on long-term corporate loans, on average, declined moderately in the period from July to October from the first half of the year, while interests on short-term loans stagnated (Figure 7.1). In contrast, the responses of banks from the Bank Lending Survey also indicate that credit standards for loans to enterprises were tightened in the third quarter of 2015. This trend in standards was mostly the result of perception of the higher risk of collateral and growing costs related to the capital position of the particular bank. On the other hand, in the third quarter, demand recorded the strongest growth since the start of the survey, which was mostly attributed to the needs for the financing of inventories and working capital (Figure 7.3). However, banks' expectations for the fourth quarter show that this growth in corporate demand for loans could be halted.

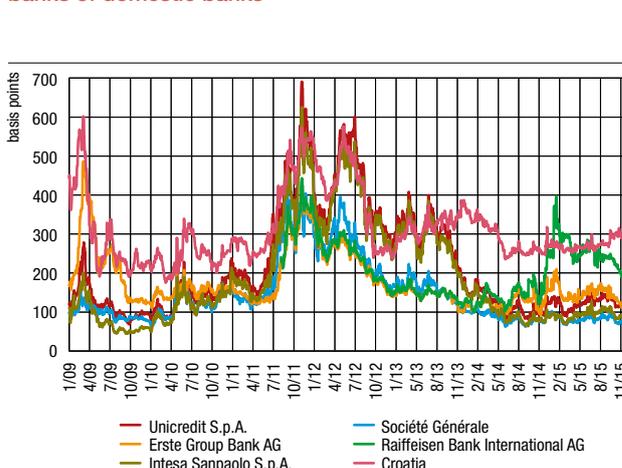
Figure 7.1 Costs of domestic and foreign financing



^a 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: MoF, Bloomberg and CNB.

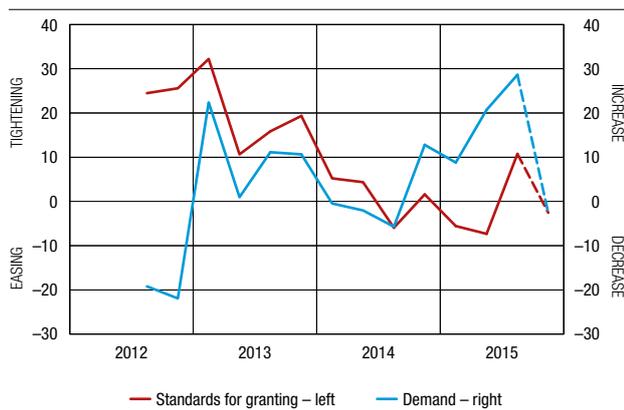
Figure 7.2 CDS spreads for Croatia and selected parent banks of domestic banks



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

Source: S&P Capital IQ.

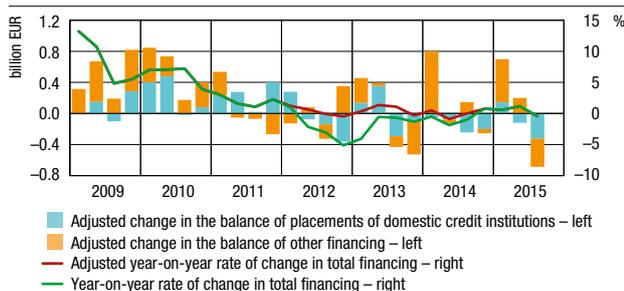
Figure 7.3 Standards for granting loans and corporate demand for loans



Note: Data represent the net percentage of banks weighted by the share in total loans to corporations. Broken lines represent expectations for the fourth quarter of 2015.

Source: CNB.

Figure 7.4 Corporate financing by sources



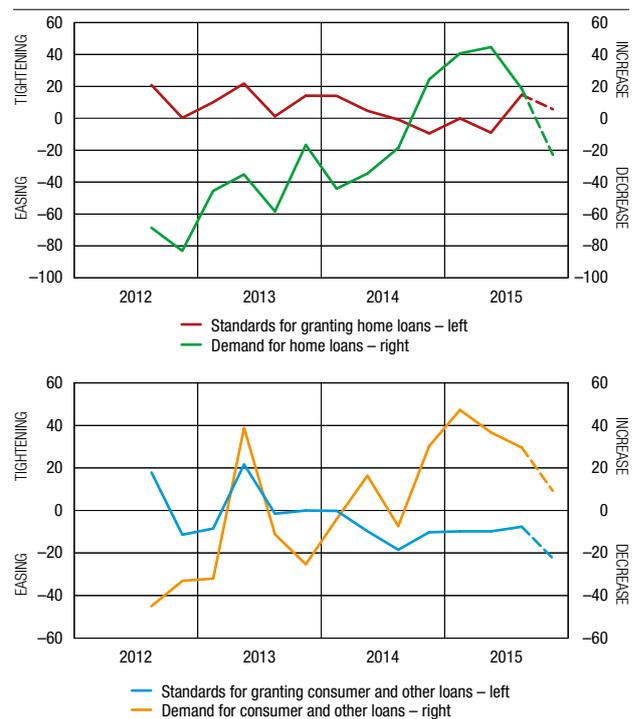
Note: Other financing includes corporate borrowing from domestic leasing companies and direct borrowing from the CBRD, as well as borrowing from foreign banks and affiliated enterprises abroad. The adjusted changes are calculated on the basis of data which in 2012 and 2013 do not include the effect of the assumption of loans to the shipyards by the Ministry of Finance, the effect of transactions of one bank which, in an effort to reduce the amount of partly recoverable and fully irrecoverable placements, transferred a portion of its claims to a company indirectly owned by a parent bank (which in turn contributed to the decrease in its external debt), the bankruptcy of Centar banka d.d., the methodological changes in the recording of fees and the effect of the exchange rate changes.

Sources: HANFA, CNB and CNB calculations.

Total debt of non-financial corporations dropped by 1.8% in the third quarter, to which falls in both domestic and foreign financing contributed (Figure 7.4). Deleveraging was recorded both by public and by private enterprises. The data on domestic lending activity in the first two months of the fourth quarter indicate a further drop in corporate placements, from which it can be seen that the growth of credit demand according to the above mentioned survey results obviously did not contribute to an increased corporate lending. A relatively strong corporate deleveraging in the third quarter impacted the decline in total corporate debt at an annual level, so that its rate of change stood at -0.4% at the end of September.

Nominal interest rates on household loans, on average, declined in the period from July to October from the first half of the year (Figure 7.1). The decrease in costs of short-term household financing was particularly noticeable, which was mainly the result of amendments to the Civil Obligations Act and the Consumer Credit Act by which the highest permissible effective interest rate on consumer credits was reduced from 11.0% to 10.14%. According to the Bank Lending Survey results, standards for granting home loans tightened in the third quarter

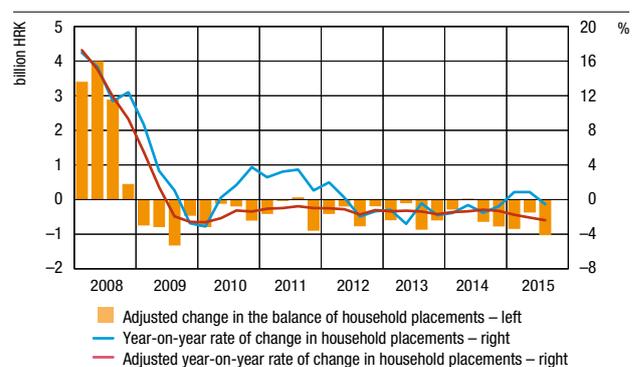
Figure 7.5 Standards for granting loans and household demand for loans



Note: Data represent the net percentage of banks weighted by the share in total loans to households. Broken lines represent expectations for the fourth quarter of 2015.

Source: CNB.

Figure 7.6 Household placements



Note: The adjusted changes are calculated on the basis of data which do not include the effect of transactions of one bank which, in an effort to reduce the amount of partly recoverable and fully irrecoverable placements, transferred a portion of its claims to a company indirectly owned by a parent bank (which in turn contributed to the decrease in its external debt), the bankruptcy of Centar banka d.d., the methodological changes in the recording of fees and the effect of the exchange rate changes.

Source: CNB.

(Figure 7.5, left), while the easing of standards for granting consumer and other loans to households continued for the seventh consecutive quarter (Figure 7.5, right). On the other hand, demand continued to grow for both groups of loans to households in the third quarter, although at a slower pace relative to the previous period.

Despite reductions in financing costs and relatively favourable developments in credit standards and credit demand, the several-year trend of household deleveraging continued into the third quarter of 2015 (Figure 7.6). Moreover, the annual rate of decrease in household placements accelerated gradually, so

that at the end of September 2015 it stood at -2.4% (excluding exchange rate effects) from -1.3% at the end of 2014. In the structure of lending to households, almost all of the main types of loans to households declined by end-September at an annual level (excluding exchange rate effects), particularly home loans, other loans and car loans, while only general-purpose cash loans increased.

After a fall in 2015, domestic placements might stagnate in 2016, so that recovery in lending should not be expected soon. Projection risks continue to be predominantly tilted to the downside and refer to the possible further tightening in credit standards because of the costs related to the conversion of loans to households in Swiss francs, a further weakening of the sovereign credit rating and the accompanying worsening of financing conditions, as well as a significant reorientation of corporations to more favourable foreign sources of financing. In addition, the recovery of loans might also be limited by a still high debt burden of the corporate sector, which generates the need for further deleveraging (the sustainability of the corporate sector debt is analysed in Box 5 Sustainability of debt of non-financial corporations). On the other hand, positive risks include the possibility of more favourable developments in the real sector of the economy and a faster than expected increase in consumer confidence. Due to the mentioned factors, any recovery in lending can be expected only in the mid-term period.

Foreign capital flows

The first nine months of 2015 saw a noticeable net capital outflow, which was more marked than in 2014. A substantial decrease of EUR 2.2bn in net foreign liabilities was observed in the financial account of the balance of payments, excluding the transactions of the central bank, almost entirely owing to an improvement in the net external position of credit institutions.

Net capital inflow from foreign direct investment fell sharply in the first three quarters of 2015 relative to the same period of 2014. The main reason for this was the effects of the conversion of loans in the Swiss franc because of which high negative reinvested earnings were recorded in activities pertaining to financial intermediation in the third quarter, so that total reinvested earnings on the liability side were negative. In contrast, an increase in reinvested earnings was observed on the asset side in the first three quarters of 2015 due to an increase in the profits of foreign enterprises in domestic ownership. At the same time, equity

investment saw a rise on the asset side, with investment in financial activity in Bosnia and Herzegovina standing out, even more so, on the liability side. The largest portion of equity investment inflows was recorded in the manufacture of tobacco products in the third quarter, while the value of remaining equity investments stayed at last year's level (excluding the effect of round-tripping transactions and debt-to-equity swaps). Investments took place mainly in the real estate sector and financial intermediation activities.

In the first nine months of 2015, net debt capital outflow was largely attributed to the sharp increase in foreign assets, but also to the decrease in foreign liabilities. Credit institutions mostly improved their net debt position, which, in addition to the growth of assets (by EUR 1.0bn), also considerably reduced their foreign liabilities (by EUR 0.9bn). However, the improvement in the net external position of credit institutions was of a weaker intensity than in the previous year because of the slower growth of assets. The drop in total net foreign liabilities was the consequence of government deleveraging. In addition, the growth of foreign claims of other domestic sectors slightly exceeded the increase in their foreign liabilities (to affiliated and other foreign creditors).

The net external position of the central bank (excluding cross-currency changes) improved slightly in the first nine months, when the growth in claims of the CNB was followed by only slightly lower growth in liabilities. The foreign liabilities of the central bank increased because of the investment of part of the international reserves in repo agreements. At the same time, the net purchase of foreign exchange from the government contributed, to a lesser extent, to the increase in the value of the reserves, in addition to the investment in repo agreements, because of the government's foreign borrowing and the issuing of foreign currency T-bills in the domestic market, while their decrease was under the impact of the sale of foreign exchange to banks and to the European Commission. Cross-currency changes also had an effect on the growth of the stock of gross international reserves due to the strengthening of the US dollar against the euro. Thus, at the end of September 2015 they reached EUR 13.4bn, sufficient to cover 99.3% of short-term debt (on a remaining maturity basis) and 8.1 months of the imports of goods and services.

In the rest of 2015, the developments in gross external debt might mostly be under the effect of a further deleveraging of banks, so that a noticeable decrease in total debt liabilities of

Figure 7.7 Financial account flows

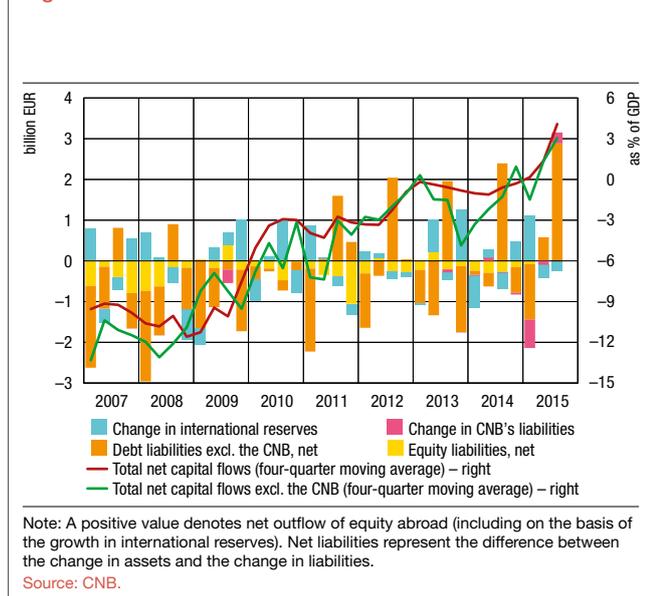
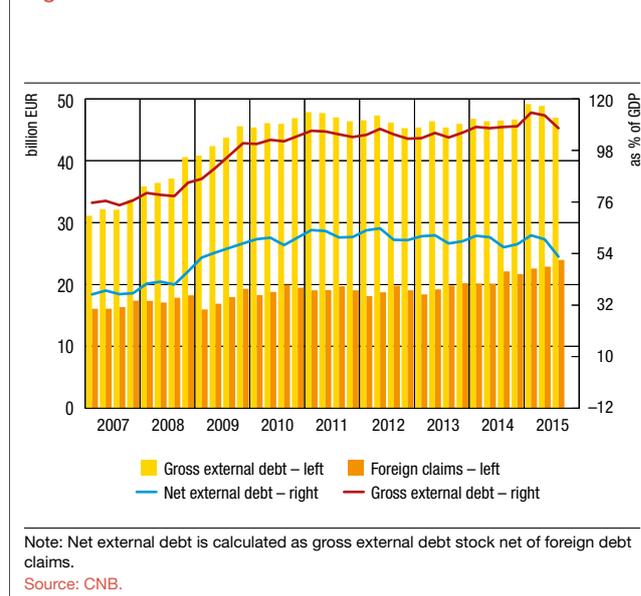


Figure 7.8 Gross and net external debt



relative indicator to 102.8% of GDP because of the favourable effect of the nominal growth of GDP. Debt dynamics are largely determined by the rise in government liabilities, which might be stronger than in the preceding year. The liabilities of other

domestic sectors (to affiliated and other foreign creditors) could also increase, while credit institutions might continue to deleverage with a simultaneous increase in foreign assets.

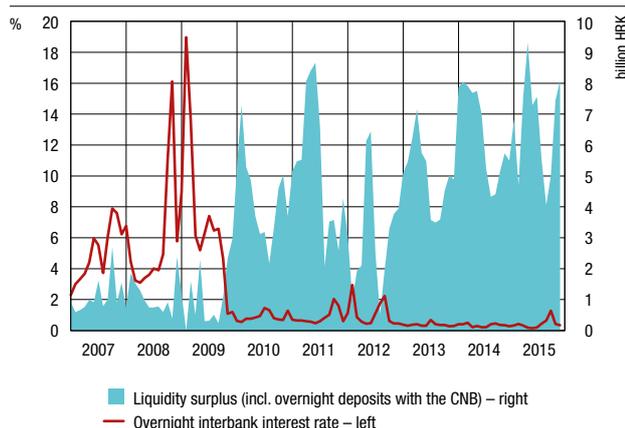
8 Monetary policy

In the second half of 2015, the CNB continued to pursue an expansive monetary policy, maintaining at the same time the stability of the exchange rate of the kuna against the euro. Using a number of connected measures, the central bank increased the liquidity of the monetary system, easing the pressures on the foreign exchange and money market which emerged in the second half of September following the adoption of legislative measures regulating the conversion and partial write-off of loans with a currency clause in the Swiss franc. By abolishing compulsory CNB bills in early October, the CNB released to the banks

268.3m, withdrawing HRK 2.0bn from the market. The purchase of foreign exchange from the government continued in the first two months of the fourth quarter and stood at EUR 153.4m while the sales of foreign exchange to the European Commission stood at EUR 25.9m. Observed from the beginning of the year, by the end of November, the CNB purchased net EUR 220.6m of foreign exchange by means of its foreign exchange transactions, thus creating HRK 1.6bn.

The nominal exchange rate of the kuna against the euro throughout the major part of the third quarter held steady,

Figure 8.1 Bank liquidity and overnight interbank interest rate

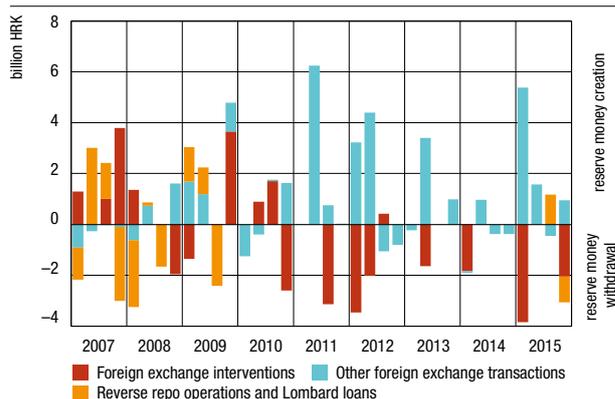


Source: CNB.

HRK 3.4bn. Since 30 September, the CNB also started to conduct regular weekly reverse repo operations. Their average daily balance in the first two months of the fourth quarter stood at HRK 0.4bn and the fixed repo rate was lowered from the initial 0.8% to 0.5% since the auction on 11 November. CNB measures, coupled with the impact of the seasonal factors led to an increase in surplus kuna liquidity from the average HRK 4.9bn in the third quarter to HRK 7.8bn in October and November. All this had a favourable impact on the lowering of the overnight interbank interest rate, which averaged 0.35% in November, after reaching almost 2.0% in mid-September.

The CNB intervened in the foreign exchange market towards end-September due to increased demand of banks for foreign exchange stemming from their need to align their foreign exchange positions, since the conversion of loans indexed to the Swiss franc into the euro will also lead to a decline in bank clients' debt. On 30 September⁵, the CNB sold to the banks EUR

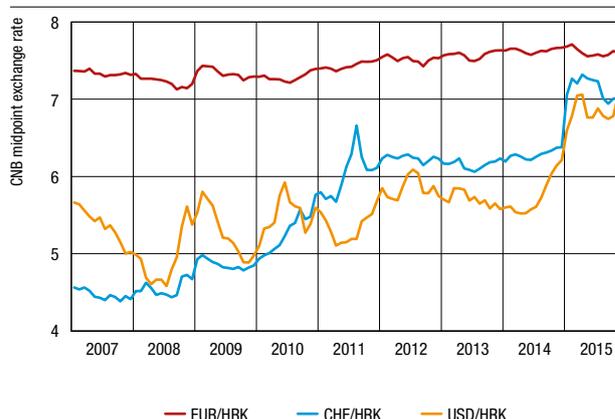
Figure 8.2 Flows of reserve money (M0) creation



Note: Other foreign exchange transactions include the purchase of foreign exchange from and the sale of foreign exchange to the MoF and the EC and foreign currency swaps with banks, where the positive values refer to the purchase of foreign exchange by the CNB. Data for the fourth quarter of 2015 refer to October and November.

Source: CNB.

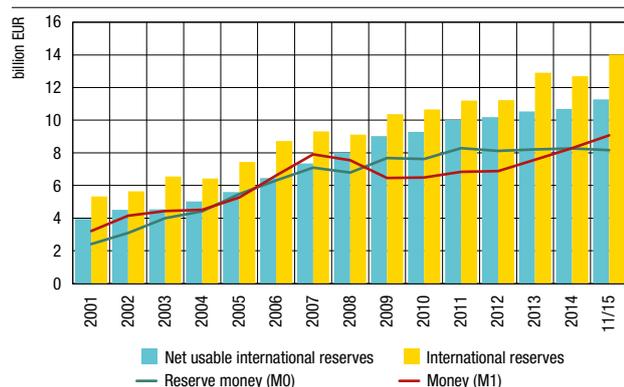
Figure 8.3 Nominal exchange rates of the kuna against selected currencies



Source: CNB.

⁵ Since foreign exchange interventions are settled two working days from the date of interventions, the intervention which took place on 30 September influenced reserve money and the liquidity level in early October as shown in Figure 8.2.

Figure 8.4 International reserves of the CNB and monetary aggregates



Note: Net usable international reserves are defined as international reserves net of foreign liabilities of the CNB, reserve requirements in f/c, government foreign currency deposits and off-balance sheet liabilities (swaps). The most recent data available for M1 refers to end-October 2015.

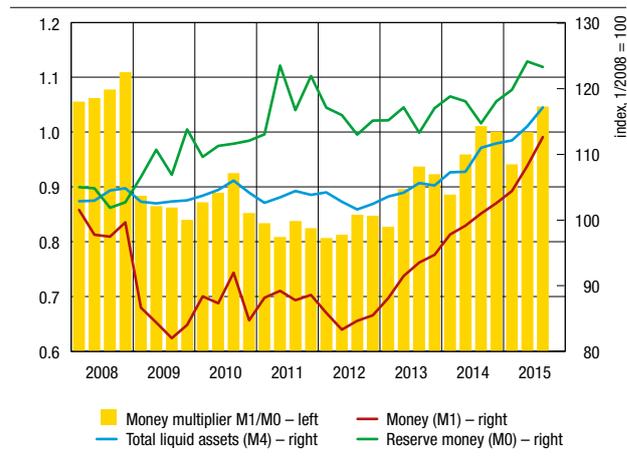
Source: CNB.

influenced by seasonal developments, at slightly lower levels than in the first half of the year. However, in the second half of September, the kuna weakened against the euro and its exchange rate during October and November, with increased fluctuations, was slightly higher than in the preceding quarter. The average exchange rate in the first eleven months of 2015 stood at EUR/HRK 7.61, a decrease of 0.3% from the 2014 average. The exchange rate of the kuna against the Swiss franc, despite a decrease in the second half of the year, persistently held at considerably higher levels than in 2014. The American dollar, after seasonal weakening, strengthened again against the kuna in the fourth quarter, reflecting the strengthening of this currency against the euro on the global foreign exchange markets due to expectations concerning monetary policy differences between the Fed and the ECB.

Gross international reserves rose by EUR 0.3bn in the second half of the year and stood at EUR 14.0bn at the end of November thus rising by EUR 1.3bn or 10.5% from the end of 2014. Their growth was mostly due to investment of a part of the international reserves in repo agreements, which resulted in a simultaneous increase in gross reserves and foreign liabilities of the CNB, and to a lesser extent, to the strengthening of the American dollar and net purchases of foreign exchange. Net usable reserves rose modestly, rising towards the end of November by EUR 0.6bn or 5.6% from the end of the previous year. Gross and net international reserves remained considerably higher than the narrowest monetary aggregates M0 and M1.

In the conditions of subdued inflation which recorded

Figure 8.5 Monetary aggregates and money multiplier index of developments in seasonally adjusted values, deflated by the consumer price index



Source: CNB.

negative values on an annual level throughout the major part of 2015, the trend of increase in the real values of money (M1) and total liquid assets (M4) continued into the third quarter. The real growth in the narrow monetary aggregate (M1) was driven by increased propensity of the domestic sectors, particularly households, to keep more liquid forms of assets due to falling deposit interest rates. The growth in the real value of the broadest monetary aggregate (M4) was also due to significant inflows from tourism and foreign investment. The real value of reserve money fell slightly in the third quarter.

To support economic recovery and improve financing conditions against the background of low inflation, in 2016 the CNB will continue to pursue an expansive monetary policy and the policy of a stable exchange rate of the kuna against the euro. However, the CNB's efforts aimed at recovery of lending through the policy of high liquidity and reduction of domestic interest rates are still restricted by numerous factors. These include poor loan demand and the absence of any significant recovery in investment activity in the conditions of the still unfavourable business environment (particularly unfavourable conditions of financing of small and medium enterprises as suggested by the results of the Survey shown in Box 6 Survey on the access to finance of SMEs – Survey findings). Lending recovery is also restricted by the high level of debt in the balance sheets of non-financial corporations and further household deleveraging, large share of non-performing placements in total placements and risk aversion of banks, especially in the context of considerable conversion costs.

9 Public finance

The general government deficit according to the ESA 2010 methodology decreased significantly in the first half of 2015 from the same period of the previous year, and the available MoF data suggest that it continued to decrease in the third quarter as well. Such developments reflect consolidation measures on the revenue and expenditure side of the budget, more favourable economic developments which led to increased tax revenues as well as a favourable base effect of VAT revenues.

The deficit is expected to stand at 5.0% of GDP throughout 2015, a fall of 0.6 percentage points from that in 2014. The expected level of deficit in 2015 is in line with the target envisaged under the last Convergence Programme of the Republic of Croatia. However, fiscal adjustment relies more on the revenue side of the budget than envisaged. The Government of the Republic of Croatia adopted in September of this year a budget revision, revising upwards the revenues largely due to better

revenue outturn than originally expected. The good results on the revenue side of the budget were not used for additional reduction in the deficit but for an increase in expenditures in the same amount.

Despite favourable developments in the fiscal deficit, its persistently high level resulted in a further growth in the general government debt which might reach almost 86.5% of GDP by the end of the year. The Fiscal Policy Committee invited the Government in June this year to step up their efforts to improve budget imbalances. In its September view, the Committee noted that the better revenue outturn should have been used for the reduction in the deficit instead of for the increase in expenditures. The Committee estimated that the temporary fiscal rule would nonetheless be observed in 2015.

As regards 2016, fiscal developments in the following year are very uncertain. Due to parliamentary elections in November 2015, the central government budget for 2016 has not been adopted yet. As a result, the financing of the provisional budget and financial plans of extrabudgetary users, adopted by the Croatian Parliament in September this year, will apply in the first quarter of 2016.⁶

Under the excessive deficit procedure Croatia was supposed to reduce the general government deficit below the threshold of 3% of GDP by 2016. Given the expected level of deficit in 2015, this would require an exceptionally strong fiscal consolidation in the following year. Therefore, the procedure under the Stability and Growth Pact for the correction of fiscal imbalances is expected to be prolonged. Whether tightening of the procedure will take place will depend on the assessment of the European Commission of whether Croatia has made the required fiscal effort.

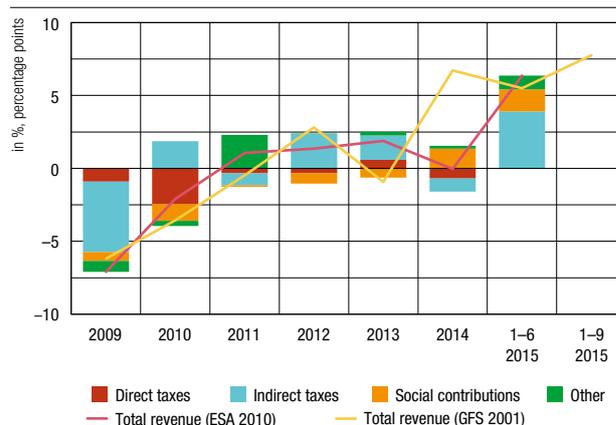
Consolidated general government revenues and expenditures

General government revenues (ESA 2010 methodology) rose sharply from January to June 2015 from the same period of the previous year and that mainly due to a low VAT revenue base. The base effect of the most significant tax revenue may partly be explained by increased VAT returns in early 2014. The rise in revenues from indirect taxes is partially due to excise revenues as a result of increase in excise duty on cigarettes and refined petroleum products in 2014 and 2015. By contrast, direct taxes held steady, reflecting the rise in revenues from profit tax and the introduction of taxation of interest payments on savings and the fall in income tax revenues as a result of changes in tax brackets and the rise in the amount of personal allowance since January this year. Revenues from social contributions made a considerable contribution to total revenue growth following the increase in the contribution for health insurance in April 2014. Revenues from the EU budget also rose, however, this should not have a direct impact on the budget deficit since they are also carried on the expenditure side of the budget.

Favourable economic developments in the third quarter of 2015 resulted in further positive trends on the revenue side of the budget. The data provided by the Ministry of Finance in accordance with the GFS 2001 methodology point to growth in most major revenue categories, particularly indirect taxes, which partly still reflects the increase in the amount of excise duties on cigarettes and refined petroleum products. Revenues are thus expected to rise considerably throughout the year (ESA 2010

⁶ According to the Budget Act (OG 15/2015), the provisional financing is made in accordance with expenditures during the same period of the previous year, up to the maximum of one quarter of the total expenditures made without outlays and the maximum period covered by this type of financing is the period of the first three months of the budget year.

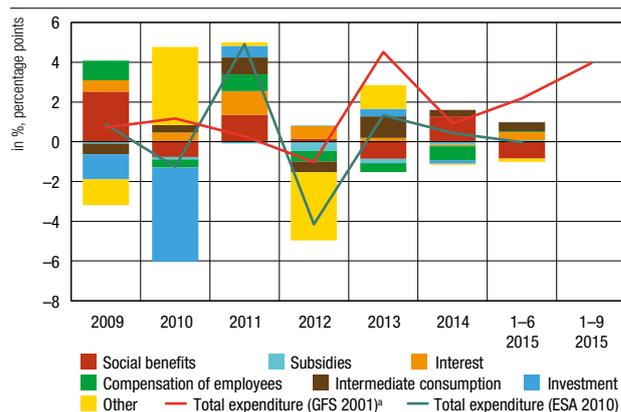
Figure 9.1 Consolidated general (ESA 2010) and central government revenue (GFS 2001) year-on-year rate of change and contributions



Note: Structural columns show the contributions of individual revenue categories to the change in total revenue presented according to the ESA 2010 methodology.

Sources: Eurostat and MoF.

Figure 9.2 Consolidated general (ESA 2010) and central government expenditure (GFS 2001) year-on-year rate of change and contributions



^a Includes net acquisition of non-financial assets.

Note: Structural columns show the contributions of individual expenditure categories to the change in total expenditure presented according to the ESA 2010 methodology.

Sources: Eurostat and MoF.

methodology), largely driven by revenue from VAT, excise duties and social contributions. Revenues from profit tax are also expected to rise sharply, driven, in accordance with the ESA 2010 methodology, by diminished possibility of the use of tax reliefs based on reinvested profit. By contrast, the conversion of loans in Swiss francs into loans in euro might have a negative impact on revenues from profit tax as early as 2015⁷.

General government expenditures according to the ESA 2010 methodology held steady from January to June 2015 at their level during the same period of the previous year. However, most of the categories rose slightly, while social benefits decreased. Despite planned savings, the expenditures for intermediary consumption made the biggest positive contribution to developments in total expenditures. Interest expenses also

⁷ Given that current year profit tax is paid in the form of advances which are usually based on profit generated in the previous year, the impact of the conversion of loans in Swiss francs into loans in euro is not expected to be seen in cash-basis data before 2016 after the final calculation of the preceding year profit tax which has to be made by end-April according to the Profit Tax Act. However, given that under the ESA 2010 methodology, cash revenues from profit tax are recorded with a four-month lag, the impact of conversion should already be visible according to ESA data in 2015.

continued to rise, reflecting a continuous rise in general government debt. The modest rise in expenditures on employees may be associated with wage adjustments in connection with years of service and the base effect of the increase in the contribution for health insurance, in contrast with developments in the base effect of a reduction in loyalty bonus. Expenditures on subsidies also rose slightly while investments held steady, with the available data pointing to investment growth on central government level and investment fall on local government level. The diminished investment activity of the local government may probably be associated with the need to contain the deficit due to a fall in revenues from income tax.

Data on the outturn of consolidated central government expenditures according to the GFS methodology in the first nine months of this year point to an annual rise in expenditures in the third quarter, but more detailed analysis is made difficult by numerous methodological changes. On a whole-year basis, general government expenditures are expected to rise (ESA 2010 methodology) but at a rate that might be two times slower than that of revenues so that their share in GDP could fall slightly. In line with the developments in the first half of the year, the rise in expenditures could be driven the most by interest expenses and intermediary consumption. The rise in expenditures on employees might be somewhat sharper than in the first half of the year owing to an increase in wages in the health sector introduced in October this year. Other expenditures should remain relatively subdued.

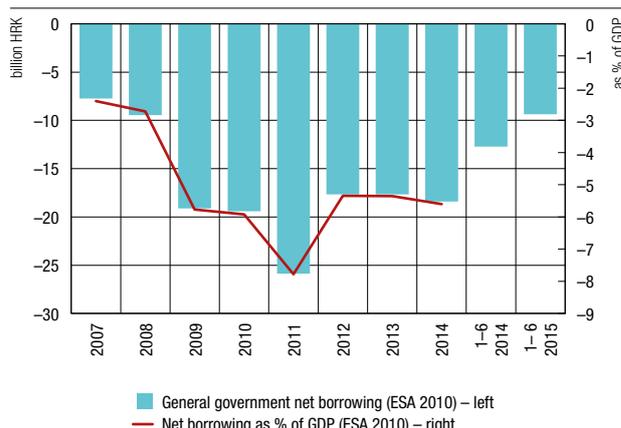
Consolidated general government deficit and debt

In line with the described developments, the consolidated general government deficit under the ESA 2010 methodology stood at HRK 9.4bn in the first half of 2015. Such a result represents a significant decline from the deficit of HRK 12.7bn in the same period of the previous year. On a whole-year basis, general government deficit is expected to stand at HRK 16.7bn (5.0% of GDP), which is a decline of HRK 1.7bn or 0.6 percentage points from that in 2014.

The needs for deficit financing were mostly met by new borrowing which led to an increase in the general government debt of HRK 6.3bn in the first nine months of 2015 from the end of the previous year, reaching HRK 285.8bn at the end of September. Still, the rise in the share of debt in GDP rose relatively slightly, owing to an increase in the nominal GDP. In the first nine months of the year, the stock of issued foreign and domestic long-term securities rose the most as a result of a placement of EUR 1.5bn worth of eighteen-month foreign bonds and euro T-bills at the beginning of the year and domestic bonds worth HRK 6.0bn in July. The domestic loan liabilities of the central government also rose in contrast, with a fall in liabilities based on short-term securities and foreign loans.

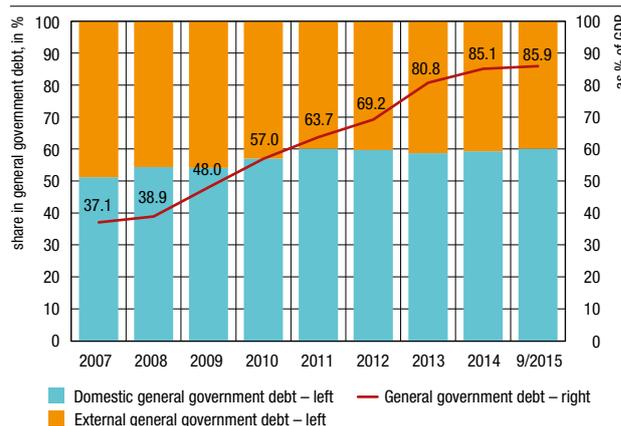
The relative indicator of general government debt is not expected to rise considerably until the end of the year, despite a high projection of the deficit in the last quarter of 2015.

Figure 9.3 Consolidated general government balance (ESA 2010)



Source: Eurostat.

Figure 9.4 General government debt end-period stock



Note: GDP calculated as the sum of the last four available quarterly data was used for the calculation of the relative indicator in 2015.

Source: CNB.

According to the amended financing plan of the state budget for 2015, in the last quarter of 2015, the government might meet most of its budget financing needs by the funds from previous years' borrowing that were deposited. The funds planned to be transferred from the second to the first pension pillar will also probably be used. And finally, the government plans to refinance a large share of liabilities falling due for payment in the last quarter of the year.

10 Deviations from the previous projection

Real GDP might rise by 1.7% in 2015, a considerable increase compared to the July projection (0.5%). The biggest correction is recorded in goods and services exports whose outturns in the second and third quarter of this year were much higher than expected, in contrast with the previous expectations of a slowdown in the rate of exports growth to the usual levels. It

is evident, therefore, that earlier expectations of a slowdown in exports growth after the base effect of entry into the EU wore out did not materialise. All components of domestic demand were also revised upwards. As a result of more favourable developments in the first nine months of this year, the contribution of personal consumption might be much bigger than initially

expected. Government consumption, which was expected to fall under the previous projection, in line with the efforts to reduce the deficit, is rising slightly under the current projection. Furthermore, gross fixed capital formation, after an unexpectedly strong recovery in the first quarter, continued to trend upwards. Taking into account the import-dependence of the domestic economy, the current projection envisages a somewhat faster growth in goods and services imports. Nevertheless, the rise in the negative contribution of imports is much smaller than the positive changes in other components of aggregate demand.

The growth in the real gross domestic product in 2016 was revised upwards. The changes compared to the previous projection relate to a noticeable revision of growth in personal consumption due to favourable outturns in the first three quarters of 2015 and the assumption of continuous growth in the following year. Faster growth is also due to much more favourable developments in the labour market, as reflected in the growth in the number of employed persons and real net wages, which is in turn reflected in a faster rise in real household disposable income. The dynamics of other components of aggregate demand held steady at approximately the same level as that under the July projection.

The average annual inflation rate might range around -0.4% in 2015, down 0.4 percentage points compared to the July

projection, mostly driven by a decrease in the average annual rate of change in energy prices as a result of much lower prices of crude oil on the global market in the third and fourth quarter than previously expected. The annual fall in the average price of Brent crude oil (in kuna) under the current projection in 2015 stands at 36.0% while that expected under the previous projection was 24.6%. In addition, the annual rate of change in food prices fell slightly compared to the previous projection, largely as a result of a fall in the prices of milk following the abolishment of milk production quotas in the countries of the European Union. The projected average annual inflation rate for 2016 is down by 0.4 percentage points from the previous projection, reflecting lower carry-over effects of inflation from 2015 in all three main CPI components, in particular energy and food. The new inflation projection is also lower because of the assumption that the annual growth of food prices in 2016 will return to its long-term average more slowly.

The estimate of the current and capital account surplus for 2015 (5.2% of GDP) is much more favourable than that under the July projection, largely as a result of a one-off effect of the conversion of loans in Swiss francs and, to a lesser extent, better tourist results. Banks' losses stemming from the conversion results in considerably lower expenditures based on direct equity investments and thus a smaller deficit in the primary income

Table 10.1 Deviations from the previous projection

	2015			2016		
	Previous projection (7/2015)	Current projection	Deviation	Previous projection (7/2015)	Current projection	Deviation
National accounts (real rate of change, in %)						
GDP	0.5	1.7	1.2	0.9	1.8	0.9
Personal consumption	0.4	1.0	0.6	0.3	1.5	1.2
Government consumption	-0.8	0.5	1.3	0.0	0.2	0.2
Gross fixed capital formation	0.5	1.5	0.9	2.6	2.4	-0.2
Exports of goods and services	5.3	8.5	3.1	4.8	4.8	0.0
Imports of goods and services	4.9	6.9	2.0	4.7	4.4	-0.3
Labour market						
Number of employed persons (average rate of change, in %)	-0.1	0.6	0.7	0.1	0.7	0.6
Prices						
Consumer price index (average rate of change, in %)	0.0	-0.4	-0.4	1.2	0.9	-0.4
External sector						
Current account balance (as % of GDP)	1.1	4.8	3.7	0.8	2.7	1.9
Goods	-14.6	-14.8	-0.2	-14.8	-14.6	0.2
Services	17.2	18.0	0.8	17.4	17.9	0.5
Primary income	-3.5	-0.8	2.7	-4.0	-3.1	0.9
Secondary income	2.0	2.5	0.5	2.3	2.6	0.3
Current and capital account balance (as % of GDP)	1.7	5.2	3.5	1.8	3.5	1.7
Gross external debt (as % of GDP)	110.2	104.8	-5.4	109.8	102.8	-7.1
Monetary developments (rate of change, in %)						
Total liquid assets – M4	3.8	6.1	2.2	2.8	3.3	0.6
Total liquid assets – M4 ^a	3.1	5.1	2.0	2.8	3.4	0.6
Credit institution placements	1.9	-3.7	-5.6	1.0	-0.2	-1.1
Credit institution placements ^a	0.0	-5.1	-5.2	1.1	0.0	-1.0

^a Exchange rate effects excluded.

Source: CNB.

account. Its more favourable estimate is due, among other things, to higher outturns in compensations to residents working abroad than previously expected. Higher net exports of services mostly reflect good tourist results, which have surpassed July forecasts and better results are also recorded in the trade of other services. A better estimate of the positive balance in the current and capital accounts for 2016, compared to the July projection is mostly reflective of the base period effect, among other things due to higher income from exports of services and compensations to residents working abroad in 2015.

In contrast with the July projection under which the relative indicator of gross external debt held steady at the level of approximately 110% of GDP, the current projection envisages its gradual improvement in 2015 and 2016. Such developments are due to faster deleveraging of monetary financial institutions than initially expected. In addition, the growth in nominal GDP should be more pronounced than initially expected, further reducing gross external debt to GDP ratio.

The projection of placements of credit institutions has been revised downwards from the previous expectations and placements are now expected to fall by 5.1% (exchange rate effects excluded), in contrast with the stagnation expected under the previous projection. This is due to the materialisation of negative risks which have thus far propelled a faster fall in placements,

particularly placements to non-financial corporations, while households continued to deleverage at the usual pace. In addition, the balance of placements at the end of 2015 will also be lower due to a write-off of a portion of household loans as a result of conversion of loans indexed to the Swiss franc into the euro (the write-off increases the fall in placements by 2.3 percentage points), which had not been envisaged under the previous projection. As a result, loan contraction is expected to come to a halt in 2016, while lending recovery is expected to take place only over a medium term.

In contrast to credit aggregates, in 2015, monetary aggregates will be higher than previously projected. The increase in total liquid assets (M4) in 2015 is now estimated to stand at 5.1%, in contrast with the initially expected 3.1%. This can be ascribed to the inflow of funds from the sale of Tvrnica duhana Rovinj to a foreign investor and to more favourable economic developments, particularly a successful tourist season, which boosted faster growth of the domestic sources of funds, particularly demand deposits. In accordance with recent developments and the expected further economic recovery, the growth in monetary aggregates in 2016 could again be a little faster than initially expected (3.4% compared to the previously expected 2.8%, exchange rate effects excluded).

11 Annex

Table 11.1 Macroeconomic projections of other institutions
change in %

	GDP		Household consumption		Gross fixed capital formation		Exports of goods and services		Imports of goods and services		Industrial production		Consumer prices	
	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
Croatian National Bank (December 2015)	1.7	1.8	1.0	1.5	1.5	2.4	8.5	4.8	6.9	4.4	-	-	-0.4	0.9
European Commission (November 2015)	1.1	1.4	0.8	1.1	0.8	2.4	8.8	4.1	7.2	4.1	-	-	-0.1	0.9
Eastern Europe Consensus Forecasts (November 2015)	1.0	1.3	0.5	0.9	0.4	1.9	-	-	-	-	2.1	2.6	-0.2	1.1
The Institute of Economics, Zagreb (November 2015)	0.9	1.4	0.7	0.7	1.9	2.0	5.7	5.2	5.4	3.6	-	-	0.1	1.1
European Bank for Reconstruction and Development (November 2015)	0.9	0.5	-	-	-	-	-	-	-	-	-	-	-	-
International Monetary Fund (October 2015)	0.8	1.0	-	-	-	-	-	-	-	-	-	-	-0.4	1.1
Raiffeisen Research (October 2015)	0.5	1.0	-	-	-	-	5.5	4.0	2.3	2.9	1.5	2.5	0.0	1.4
HAAB Economic Research (September 2015)	1.0	0.5	0.6	0.4	1.0	2.3	6.1	3.3	3.5	3.9	2.5	2.8	-0.2	1.2
World Bank (June 2015)	0.5	1.2	-	-	-	-	-	-	-	-	-	-	-	-
Ministry of Finance ^a (April 2015)	0.4	1.0	0.5	0.3	-1.3	1.8	3.7	4.6	2.8	4.0	-	-	0.1	1.1

^a Convergence Programme of the Republic of Croatia for the period 2015–2018.

Sources: Publications of the respective institutions.

12 Boxes

Box 1 Has Croatia exited the recession?

Developments in real GDP in the last few quarters indicate a recovery of economic activity in Croatia thus giving rise to discussions and headlines on Croatia exiting the years-long recession, with positive annual growth rates mistakenly being linked to an exit from the recession. Since there is no committee or institution in Croatia (such as the NBER or the CEPR committee) to determine officially the current phase of the economic cycle based on available economic indicators, attempts have been made to simulate the work of these expert committees by using formal econometric methodology to determine the phase of the business cycle in the Croatian economy on the basis of monthly economic indicators. The results of the models used indicate with great certainty that the latest round of recession in Croatia started in May or June 2008. The first signs of Croatia coming out of the recession appeared in the second half of 2014 and continued throughout 2015. However, these findings are surrounded by uncertainty. The results thus indicate that we may say with a great degree of certainty that the period of significant negative rates is behind us and that the state of recession in Croatia is becoming a less and less likely scenario. However, they also indicate that it is too early to speak of a turning point in the business cycle.

How to determine the current phase a business cycle

Real GDP developments in the past few quarters suggest a slight recovery of economic activity in Croatia, which has fuelled discussions about Croatia's possible exit from the years-long recession that started in mid-2008. An often offered argument is that annual real GDP growth rates have been positive for four consecutive months, totalling 0.2%, 0.5%, 1.2% and 2.8%, respectively, in the period since the fourth quarter of 2014 until the third quarter of 2015. The conclusion that Croatia's economy has emerged from the recession is founded on the informal rule requiring at least two consecutive positive rates. However, this way of identifying the moment a country has exited recession is wrong. Namely, the annual growth rate does not necessarily reflect the actual, current GDP growth dynamics, but rather approximates the sum of quarterly GDP growth rates in the past year. For instance, it is possible for two consecutive positive annual rates not to be accompanied by positive quarterly rates and in such a context it would be wrong to speak of an exit from recession. Therefore, when discussing the point of exit from recession based on GDP developments it is necessary to refer to quarterly growth rates of the seasonally adjusted GDP¹. Such

quarterly rates may possibly be used to apply the *ad-hoc* rule under which exit from (entry into) recession is identified after recording at least two positive (negative) rates of change.

Large and developed economies do not rely on informal rules, such as the 'rule of the two consecutive positive rates' when identifying entry into/exit from a particular phase of the business cycle. They leave it to expert bodies composed of economic experts to decide on the period when the economy in question has entered the period of recession or expansion. These committees reach their decisions based on the estimate of an entire array of available indicators, among other things, the GDP. In this context, recession is often defined as a situation when economic activity in a broader sense is in decline, as visible in common negative trends in various economic indicators, such as industrial production, trade, labour market or financial sector indicators. In the case of the US, the *National Bureau of Economic Research (NBER) Business Cycle Dating Committee* regularly identifies and publishes the exact turning point dates, that is, the moment of entry into or exit from recession. The NBER Committee does not have a formal methodology to serve as a basis for identifying the state of the business cycle. Its decision is based on the opinion of members who take into account real GDP developments but also several other key economic indicators. In order for a particular date to be considered a turning point with a sufficient degree of certainty, the NBER Committee publishes these points with a certain time lag (of between 6 to 20 months after the date). A similar procedure is also followed by the *Euro Area Business Cycle Dating Committee* operating within the framework of the *Centre for Economic Policy Research (CEPR)*, which is competent for identifying turning points in the economy of the euro area.

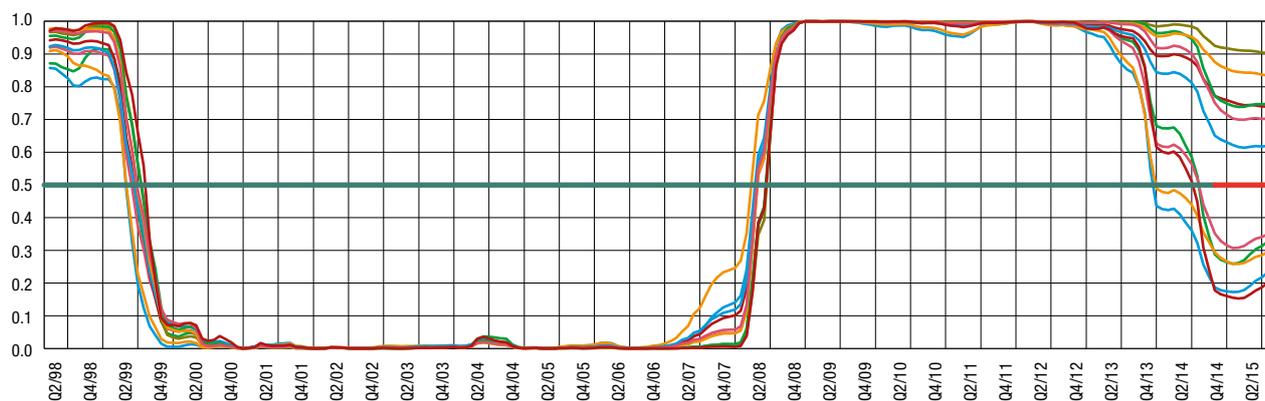
Monthly indicator of Croatia being in the state of recession Model

There is no similar committee or institution in Croatia officially to determine the phases of the business cycle based on available economic indicators. Therefore, a formal methodology is suggested here; it may be used to simulate the work of expert committees such as that of the NBER or CEPR, whereby the stage of the business cycle in Croatia is estimated on the basis of a series of monthly economic indicators. Available monthly indicators are used for this purpose, which in contrast to an analysis based solely on GDP movements enables earlier identification of turning points in the business cycle. The use of monthly indicators is important because the Croatian Bureau of Statistics publishes first estimates of GDP two months after the end of the relevant quarter, while some monthly indicators such as industrial production index, retail trade index, credit activity data and labour market indicators are available earlier in the quarter under review.

The methodology for identifying the stage of the business cycle in Croatia is based on the factor Markov-switching (MS) model (Chauvet and Hamilton 2005). The procedure for estimating the phase of the business cycle is divided into two steps. In the first step, a monthly index of real activity in the Republic of Croatia is constructed, reflecting developments in a series of relevant economic indicators such as industrial production, trade,

¹ It is noteworthy, that additional uncertainty is connected to the *seasonally adjusted* GDP series, as a normal consequence of the use of seasonal adjustment methods. The revision of the real GDP series due to seasonal adjustment thus averages some 0.3 percentage points. For example, at the moment the GDP for the first quarter is published, the seasonally adjusted quarterly rate for the period in question totalled 0%, while the estimate of that same rate at the moment third quarter data were published was positive and totalled 0.24%. The said revisions thus require a certain level of caution when interpreting GDP growth rates and determining a turning point in the business cycle, which is especially important in the current period when all the said rates are only slightly positive or slightly negative. Year-on-year rates need not be seasonally adjusted so there are no said revisions. However, as already mentioned these rates do not promptly reflect the current economic trends. On the other hand, quarterly rates have symmetrically opposite characteristics – they contain a significant revision error due to seasonal adjustment but they provide a clear interpretation of economic trends.

Figure 1 Smoothed probabilities of being in recession estimated by factor MS model for 11 sets of monthly indicators



Source: CNB calculations.

labour market and credit activity. The second step is to identify the periods of average growth and fall in the real activity index, using a simple MS model. Apart from identifying periods of favourable and unfavourable economic developments (recession and expansion) in this way, the probability of the domestic economy being in any of aforementioned states is estimated. In this context, a differentiation is made of the two types of probability of being in recession (or expansion). The real time probabilities are the probabilities determined at time t based on the data up to time t when deciding on the phase the cycle is in. On the other hand, *ex-post* probabilities are probabilities determined at time t based on all data in the sample, that is also those for time $s > t$. Real time probabilities can be quite volatile. The reason for this can be a situation in which the model from very early on, already after one or two positive (negative) signals, identifies signs of entry into a phase of expansion (recession). These signals, however, are often of a passing character so the probability of expansion (recession) is returned to the previous level. Under such a scenario, it is only later, that is, when new data are published and the sample is expanded, that it can be determined whether this was a so-called false signal. In addition, the model can sometimes be late in identifying turning points. For instance, a period of only several slightly negative (positive) growth rates is not sufficient for the probability of recession (expansion) in this period to go beyond 50%, even if it turns out that several months after the said period economic activity has significantly declined (increased). Therefore, the estimate of the probability of being in recession for a particular period will grow ever more reliable as the sample is expanded by new observations. Today we can, with a great degree of certainty, identify the point of entry into the recession in 2008, while on the other hand the point of potential exit from the recession in the recent period will be identified with a much greater degree of uncertainty. It should be noted that the said decrease in uncertainty by including new observations in the analysis is not specific for the model used. An equivalent problem is also faced by the earlier mentioned the NBER's and the CEPR's committees, which publish turning points only after a certain time lag, because their real time publication would also lead to similar problems in belated identification and false signalling. Smoothed probability is the probability that is comparable to the NBER's and the CEPR's way of identifying turning points.

Results

Figure 1 shows smoothed probabilities of being in recession for the Croatian economy for a different selection of monthly indicators used when estimating monthly activity indicators.² The analysed sample includes the period from 1998 to September 2015. According to these estimates the first period of recession ended between September and December 1999, depending on monthly indicators used³. On the other hand, the entry into recession in 2008 has been pinpointed to May or June under all models.

Based on the models used, it can be concluded with a great degree of certainty that the recession that started in 2008 went on uninterruptedly until mid-2014 at least. The analysis of the dynamics of the probability of being in recession for 2014 and 2015 was aimed at attempting to answer the question whether Croatia has undoubtedly exited the years-long period of recession. At the very end of the sample, the probabilities of being in recession gradually decrease for all models used, displaying noticeable divergent movements of the said probabilities. Approximately one half of the models suggest that the probability of being in recession is above 50%, while the other half indicates somewhat lower values, thus indicating that exit from recession happened at the turn of the year 2014 to 2015. This can lead to a conclusion that there are clear indications of exit from recession in the recent period, most likely ever since the second half of 2014. However, this conclusion continues to be linked to considerable uncertainty. Model results suggest that we may conclude with increasing certainty that the period of sizeable negative rates has gone and that being in a state of recession is ever less likely. Great dispersion of probabilities of exit from recession suggests that the models used do not lead to a clear conclusion, for the time being, about the character of the new state of the economy. For this reason it may be too soon to speak about a turning point in the business cycle and several months of new observations should go by in order for us to obtain a more reliable estimate of smoothed probabilities of being in recession at

2 Eleven models have been estimated using different combinations of the following (seasonally adjusted) monthly indicators: retail trade index, industrial production index and eight different components, exports of goods, imports of goods, total loans granted, the number of unemployed persons, the number of employed persons, the number of persons insured with the CPIA and the index of construction works.

3 The differences among models used, at least partially, are a consequence of unavailability of some indicators before 2000. Therefore they have been interpolated.

the end of 2014 and in the first half of 2015⁴.

In order to verify the robustness of the results obtained, equivalent probabilities of being in the state or recession have been estimated by using GDP as an adequate indicator of economic activity. For this purpose, a simple MS model has been estimated on a seasonally adjusted real GDP in a quarterly frequency, also assuming there are two regimes. The results obtained suggest that recession started in the second quarter 2008 and lasted at least until the second quarter 2015. It is only in the last available quarter (the third quarter of 2015) that the probability of being in recession declined to some 50%. These results, at least partially, are in line with the factor MS model on monthly data in which the probabilities of recession in the recent period are scattered around the level of some 50%. This leads to the

conclusion that there are clear signals of an exit from recession in the recent period but that it is too soon to make any conclusions on the turning point in the business cycle.

- 4 There is also the question of the extent to which the regime that the economy is about to enter is equal to the regime of expansion identified in the period between 2000 and 2008. The assumption under the model used is that there are only two regimes in the estimated factor of which for one regime the expected rate of change is negative and is called recession, while for the other it is positive and is called expansion. However, there is no reason not to assume that there is a larger number of regimes. For instance by including a third regime that could be called a stagnation or a mild expansion. We have tried to run an estimate of the model with the third mentioned regime but it was not possible to identify three meaningful regimes in the existing sample. However, the possibility should not be dismissed that in the future the model might also identify the mentioned third phase.

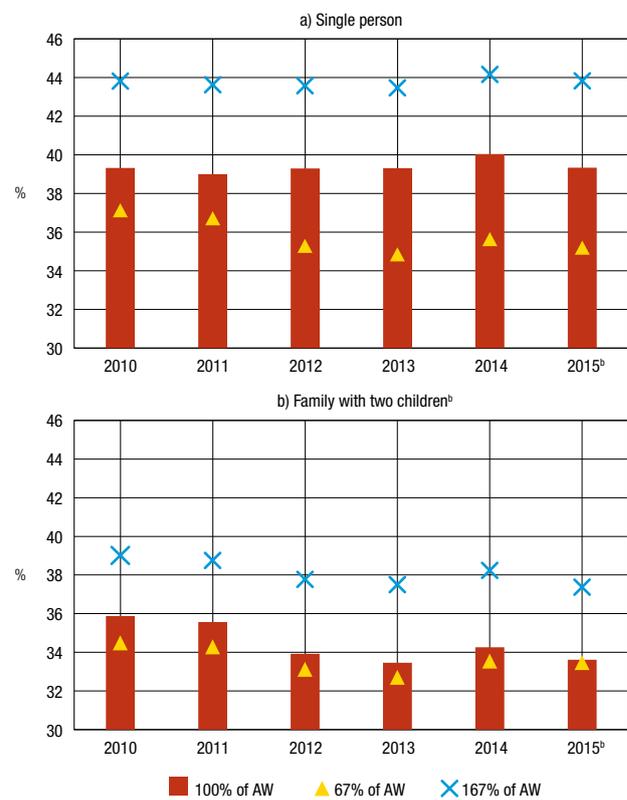
Box 2 Tax wedge and income tax progressivity in Croatia

A comparison of the tax burden on income from labour in Croatia and other selected EU Member States shows that in Croatia the burden on labour at the lower and medium income levels is relatively low. However, as regards higher income levels the tax burden is among the highest in the reviewed group of countries, thus indicating a high level of progressivity in the Croatian system of labour taxation.

Taxation of income from labour is an important source of government financing as well as an instrument of income redistribution in a country. However, taxation of income from labour affects the supply of and demand for labour. As a result of a high tax burden individuals may give up participating in the labour market or adjust the number of their working hours and thus reduce the overall supply of work in the market. On the other hand, due to a heavy tax burden, employers may rely on fewer workers and thus contribute to lower demand. Although empirical research does not provide a clear-cut answer to the elasticity labour demand and supply, for the most part it confirms the negative effect of an increase in taxation of labour on employment and unemployment, whereby the impact is much stronger in the long run and on specific groups (women, low earners).¹ Therefore, international institutions, such as the European Commission, the IMF and the OECD recommend a reduction of the overall tax burden on labour or a targeted reduction in the tax burden placed on the most vulnerable groups in the labour market and a transfer of a part of the tax burden to consumption or property², which has been additionally underlined by the circumstances of economic crisis and high unemployment.

The tax burden on income from labour is measured by the tax wedge which shows what portion of the overall cost of labour for the employer goes to the state and how much remains at the disposal of the worker. The tax wedge³ is calculated for the average worker⁴ and certain cases of representative taxpayers at

Figure 1 Tax wedge at different income levels in Croatia (2010 – 2015)



^a The tax wedge is calculated for the salary in the first eight months of 2015.

^b As regards families with two children, the income of one earner varies from 67% to 167% of AW, while the income of the other is fixed to 67% of AW.

Note: The tax wedge for 2010 does not include the special tax on salaries, pensions and other receipts given the temporary nature of this measure.

Source: CNB calculations.

1 See Engen and Skinner (1996), Nickell (2003), Bassanini and Duval (2006), Gora et al. (2006) and Rutkowski (2007).

2 European Commission (2014): *Tax Reforms in EU*.

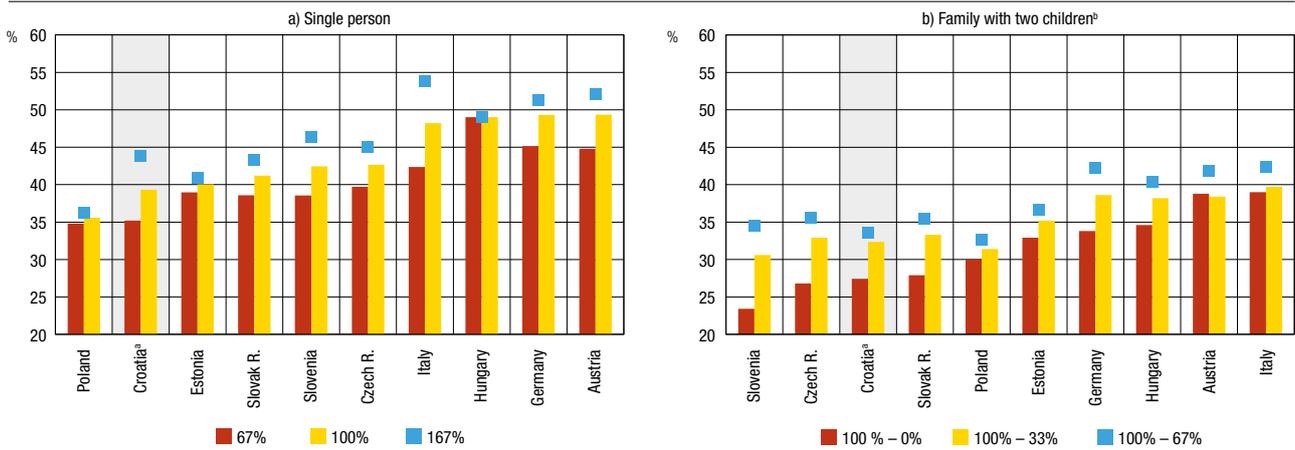
3 According to the OECD methodology, tax wedge is calculated as the share of the income tax and employee and employer contributions in the total cost of labour (gross wage increased by contributions). All additional taxes levied at central or regional government level are included, as well as allowances paid by the government to individuals or households, such as child allowance, which ultimately reduce the value of the tax wedge.

4 The average worker is an adult full-time worker engaged in production, whose wage corresponds to the average for workers. The average wage of a production worker is calculated for activities B-N according to the NCA 2007. It is assumed that such a person does not have any other sources of income, that is, that his or hers only source of income is income from labour. In addition, only wages paid out in cash are taken into consideration, while those paid in kind are excluded.

different income levels.

The change in the tax wedge in Croatia in the period from 2010 to 2015 shows how it reduced at lower income levels (by almost 2 percentage points), reflecting the attempts to alleviate the tax burden for vulnerable income groups, while at the average or higher income level it remained the same. There were noticeable variations in some years owing to changes to the taxation system. The tax wedge for a single person with no children earning 100% of the average worker's wage (AW) stood at 39.3% in

Figure 2 Tax wedge at different income levels in Croatia and selected countries in 2014

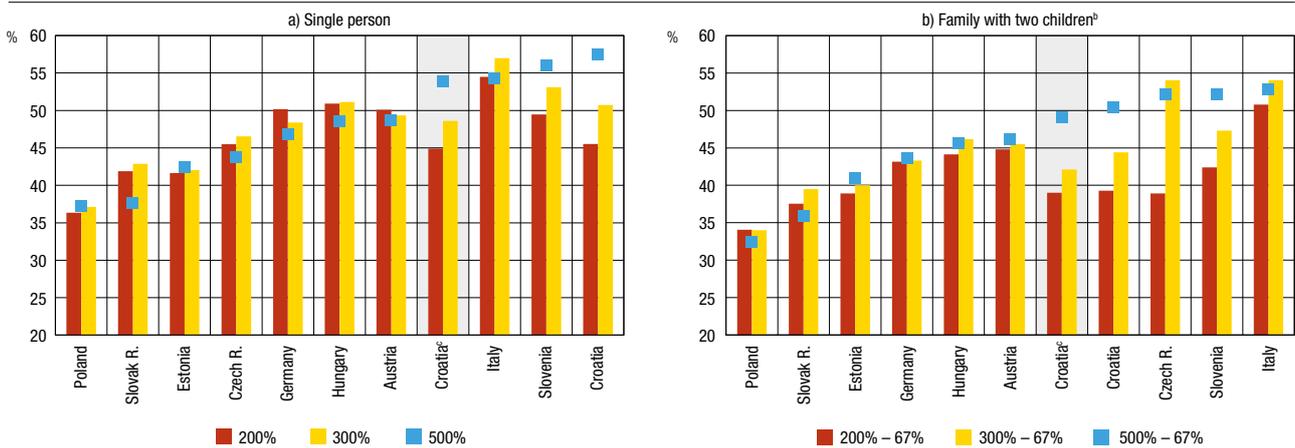


^a The value of the tax wedge in 2015 after amendments to the Income Tax Act.

^b As regards families with two children, the income of one earner varies from 0% to 167% of AW, while the income of the other is fixed to 100% of AW.

Sources: OECD Taxing Wages 2015 and CNB calculations.

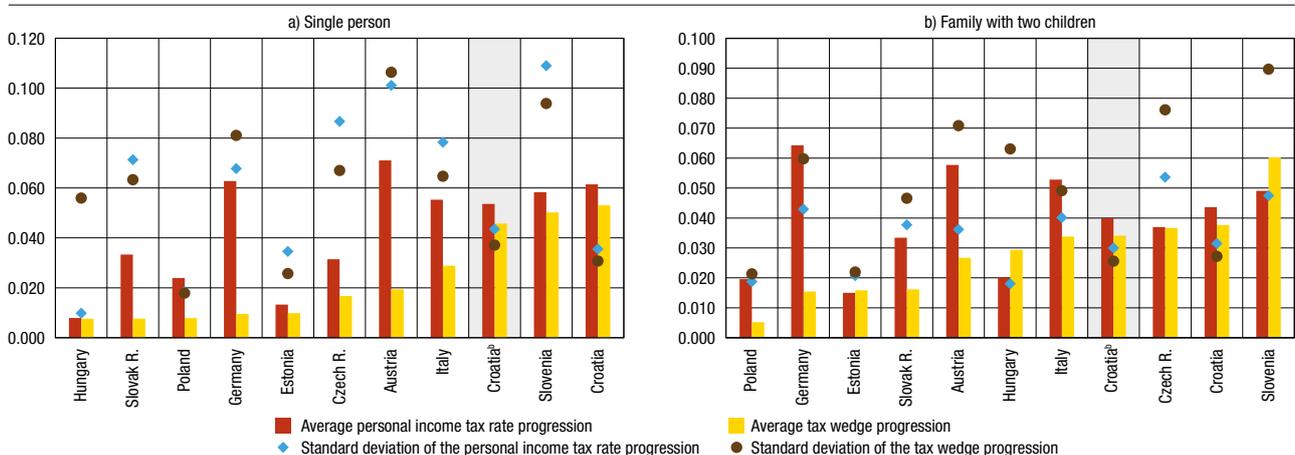
Figure 3 Tax wedge at different income levels in Croatia and selected countries in 2012^a



^a For high income levels the most recent data made available by the OECD refer to 2012. ^b As regards families with two children, the income of one earner varies from 200% to 500% of AW, while the income of the other is fixed to 67% of AW. ^c The value of the tax wedge in 2015 after amendments to the Income Tax Act.

Sources: OECD Taxing Wages 2014 and CNB calculations.

Figure 4 Total average rate progression and standard deviation^a



^a Seven income intervals ranging from 50% to 500% of AW in 2012. As regards families, the income of one earner varies, while the income of the other is fixed at 67% of AW. ^b The value of the tax wedge in 2015 after amendments to the Income Tax Act.

Sources: OECD Taxing Wages 2014 and CNB calculations.

2015 (Figure 1a). This means, that out of the overall cost for the employer for such a worker 39.3% went to the state in the form of taxes and contributions, while the remaining part is available to the individual for disposal. The tax wedge for individuals at a lower income level (67% of AW) amounted to 35.2%, while at the level of income totalling 167% of AW the tax wedge reached 43.8%, thus reflecting the usual progressivity in the taxation of income from labour. In comparison with single persons, the tax wedge for families with two children is lower at all income levels due to the increase in the personal deduction rate and consequently lower tax base (Figure 1b). In 2015, the tax wedge for families with one earner earning 100% of AW and the other earning 67% of AW was 33.6%, down by slightly over 2 percentage points on the 2010 figure, while at other income levels the reduction in the tax wedge was lower but still noticeable.

A comparison of the tax wedge in Croatia and selected EU Member States shows that at lower income levels the tax burden on labour is at a relatively low level in Croatia (Figure 2a and 2b). Thus at the level of 67% and 100% of AW, only Poland had a lower tax wedge, while at 167% of AW the tax wedge was also lower in Estonia and Slovakia. The situation in Croatia was relatively favourable for families with two children at all income levels, its tax wedge being lower than in the majority of observed countries.

However, when it comes to higher income levels the situation gets less favourable. Thus, at the income level of 200% of AW, the highest tax burden for a single person was in Italy and Hungary and the lowest in Poland and Estonia (Figure 3a). At this income level, Croatia positioned itself among the CEE average. However, at the highest income level of 500% of AW, prior to the income tax amendments implemented at the beginning of 2015, the tax burden in Croatia was the highest among all the reviewed countries. Even when the mentioned tax amendments are taken into consideration, the tax burden was higher only in Slovenia and Italy and the tax wedge in Croatia was more than 15 percentage points higher than in Poland and Slovakia and some 10 percentage points higher than in the Czech Republic and Estonia. Conclusions are similar as regards families with two children (Figure 3b).

Such tax burdens at different income levels indicate a high progressivity of labour taxation in Croatia. Progressivity in general is achieved through the taxation of income by using rising tax rates for higher levels of income and employing different reliefs and benefits for lower income groups, which disappear as income becomes higher. In addition, allowances intended for lower income groups and households with children additionally increase progressivity. On the other hand, social security contributions and taxes on wages imposed at a fixed rate reduce the progressivity of the tax system.

Income tax progressivity is measured by the indicator of the *average personal income tax rate progression*, while the summary impact of employee and employer social security contributions and of taxes on wages and allowances is covered by the indicator of the *average tax wedge progression*.⁵ These indicators calculated for the income interval of 50% to 500% of AW for a single person and for a family with two children and two earners, whereby the income of one earner is fixed at 67% of AW, while the income of the second varies from 50% to 500% of AW, are shown in Figure 4.

Prior to regulatory amendments Croatia had the highest average tax wedge progression, which went down slightly due to the latest regulatory amendments (from 0.053 to 0.046 for a single person). However, progression remained higher than in other comparable countries (it is higher only in Slovenia and the Czech Republic for families with two children). In all countries, the average tax wedge progression is lower than the average personal income tax rate progression as a result of the impact of social security contributions that are imposed at a fixed rate (except in Estonia, Hungary and Slovenia for families with children). The average personal income tax rate progression is the highest in Austria and Germany but in contrast to Croatia these countries do not have a high average tax wedge at higher income levels.

5 Used in this Box is the structural indicator of the average rate progression, which indicates by how much the average tax rate will grow (in percentage points) by the percentage growth of income within a certain income interval. In addition to the structural progression indicators there are also the so-called effective indicators that are based on certain indicators of inequality before and after taxation, usually the Gini index.

Box 3 Ease of doing business in Croatia

The latest Doing Business report ranked Croatia the 40th out of a total of 189 countries in 2015, while in 2014 it was ranked the 65th. The move in the rank was mostly the reflection of the changes in methodology, and was only to a smaller extent conditioned by the implementation of reforms. According to the comparative data for the current and preceding year, Croatia fell in the international ranking by one position. The analysis of performance shows that Croatia is lagging behind comparator economies, primarily because it is relatively expensive for doing business because of high para-fiscal and other administratively imposed fees in the economy and because of bureaucratisation and low efficiency of the central and local government.

Doing business indicator and calculation methodology

The importance of the implementation of structural reforms is often emphasised in economic discussions on the economic development of Croatia. Such reforms are directed at improving the investment and general business environment, which is considered a necessary condition for stronger economic growth. Ease of doing business is one of the best known indicators of the condition of business environment in an economy,

calculated and published by the World Bank, aimed at evaluating the regulatory framework of the private sector in a country and its comparison with other countries. The World Bank's basic assumption is that economic activity in a country requires reasonable rules that drive the starting of businesses and their growth and at the same time prevent the creation of market distortions. For this reason, the rules by which clear property rights are put in place, the costs of dispute resolutions through the courts are minimised, protection is provided to contractual parties and the predictability of economic interactions is generally increased are measured and evaluated. The latest Doing Business 2016 report contains data on business regulation for 189 countries in 11 areas.

The areas that are measured include starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts, resolving insolvency and labour market regulation. A composite indicator of the ease of doing business is obtained from the results of the score of regulation of the above areas, excluding labour market regulation, according to which the global ranking is generated

after the calculation for each country. The selection of the areas that are measured and their indicators result from the Enterprise Survey research on obstacles to business in 135 countries and comprehensive research into the role of institutions in enabling economic development. According to the above research, relevant indicators are selected for which empirical link with economic outcomes, such as international trade volumes, the amount of foreign direct investment, market capitalisation in stock exchanges and the share of private credit as a percentage of GDP are established.

Based on the defined indicators, standardised case scenarios with specific assumptions for each area are developed; they include assumptions on the features of businesses, the matter of court disputes and the descriptions of economic transactions. Two aggregate measures are used for the calculation of the individual performance of 36 indicators (and additional 36 lower-level indicators) for the ten areas: the distance to frontier (DTF) score and the ease of doing business ranking.

The DTF score shows the distance of the performance of each area from the “frontier”, i.e. from the best performance in that area observed across all economies¹ and enables the monitoring of the absolute level of regulatory performance and how it improves over time in a particular country.² The simple average of the DTF indicator for a specific area defines the DTF of that area, while the average of the DTF of all areas defines the overall DTF of the ease of doing business of a country. The ranking of countries according to their overall DTF defines the ranking of countries according to the ease of doing business, and countries are also ranked according to the individual area. Thus each country has its overall rank for ease of doing business and the change of rank shows how much the regulatory framework has changed relative to other countries.

The major advantage of using the above methodology is certainly the comparability of data across the world’s economies and transparency. Also, because of the concentration on regulations and procedures, policymakers are enabled by legislative changes and improvement to implementation to affect precisely determined indicators and areas in which there are major shortfalls, which hinder the proper functioning of the domestic economy. On the other hand, certain shortcomings of this methodological approach are emphasised. Specific features of the individual economy are not taken into account, which could be crucial in the adoption of reforms and insufficient representativeness of data for the entire economy (because of the focus on only one city in most of the countries). With regard to the computation of the overall DTF, from which the ease of doing business ranking of a country is generated, the question is raised as to the justification of paying equal attention to each area and the underlying indicators.³ It is worth mentioning that one shortcoming is that many aspects important for the quality of the business environment and competitiveness of a country are not captured by the analysis, such as macroeconomic stability, market size, security, the state of the financial system, the availability of a qualified labour force and the prevalence of bribery

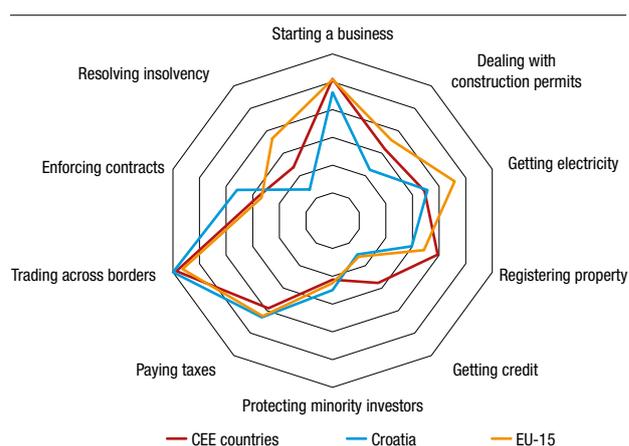
and corruption. Therefore, even with the assumption that such an indicator of the ease of doing business measures the business environment in a country well, improvement in the indicator is certainly not a sufficient but often a necessary condition for stronger economic growth.

The Doing Business 2016 report has introduced substantive changes in methodology. New indicators have been introduced into the individual areas, i.e. the indices measuring the quality of regulations, in addition to the already existing ones that mostly focus on regulatory efficiency (such as the time, cost and number of procedures). In addition, the trading across borders indicators have been changed considerably. Changes in methodology have also been applied to the data for the 2015 report, so that only the previous year is comparable with the latest data.

Ease of doing business in Croatia and comparison with other countries

According to the current Doing Business report, Croatia stands at 40 in the ranking of a total of 189 countries, while it stood at the 65th position in the previous year. However, it is worth mentioning that due to the above described changes in

Figure 1 Comparison of Croatia with EU-15 and CEE countries by area



Note: The performance of individual areas are shown in the DTF. Higher number represents better performance.

Source: *Doing Business*.

methodology, the overall ranking in 2016 is not comparable with the previous years. The improvement in ranking is therefore mostly due to the fact that Croatia had a relatively better performance in the new indicators measuring regulatory quality, relative to other countries, and it is much less due to the implementation of reforms. Also, in the recent report Croatia is mentioned as the country that has improved its position in trading across borders⁴ the most, which improves its overall ranking by almost 15 positions, but it is also the result of changes in the approach applied. According to comparable data for the current and preceding year, Croatia fell at the global ranking by one position, from the 39th to the 40th position, while in absolute terms, according to the DTF value, it stagnated. If the areas are observed, Croatia’s performance is the weakest in dealing with construction permits (129), starting a business (83), getting credit (70), getting electricity (66), registering property (60) and resolving insolvency (59), which in a large number of cases reflects relatively high costs of operation connected with these areas. It is ranked

1 The frontier for each indicator is updated once every five years.

2 The DTF normalises the performance of the individual indicator to a common unit, to range from 0 to 100, with 0 being the worst, and with 100 representing the frontier, i.e. the best performance at a global level. The DTF is normalised so that the linear transformation is applied to the performance of each of the 36 indicators $\frac{x_g - y}{x_g - x_n}$, where x_g is the worst performance, and x_n the frontier represents the best performance.

3 The averaging of the performance of indicators for an area and the averaging of the performance of an area for the overall ranking implies assigning equal weights to each indicator and to each area, which do not have to be equally important in individual economies.

4 From the 86th position according to the old methodology to the 1st position according to the new methodology.

Table 1 Reforms in Croatia required for reaching the average of CEE countries or the best performer by individual areas

	Starting a business	Protecting minority investors	Dealing with construction permits	Enforcing contracts	Getting electricity
Reforms required to reach the average performance of the areas of CEE countries	Reduce the number of procedures to start a business from 7 to 5. Reduce the number of days to start a business from 12 to 11. Eliminate the paid-in minimum capital requirement.	–	Reduce the number of procedures from 19 to 15. Reduce the costs for obtaining permits by almost 4.5 times.	–	Reduce the costs for obtaining a connection by 42%. Introduce mechanisms for the control of power supply cuts and the return of the service. Financially discourage power supply cuts.
Croatia's rank after the implementation of reforms (current rank)	63 (83)	29 (29)	41 (129)	10 (10)	63 (76)
Reforms required to reach the performance of the best ranking CEE country by the area	Reduce the number of procedures to start a business from 7 to 2. Reduce the number of days to start a business from 12 to 3.5. Cut the costs of starting a business from 3.3% to 0.6% of GDP per capita. Eliminate the paid-in minimum capital requirement.	Increase the regulation of disclosure of business secrets, the level of responsibility of managerial staff. Facilitate shareholders suits.	Reduce the number of procedures from 19 to 10. Reduce the number of days to obtain permits from 128 to 102. Reduce the costs for obtaining permits by almost 98%.	Reduce the number of days from bringing a suit from 572 to 300.	Reduce the costs for obtaining a connection by 50%. Introduce mechanisms for the control of power supply cuts and the return of the service. Financially discourage power supply cuts.
Croatia's rank after the implementation of reforms (current rank)	8 (83)	7 (29)	9 (129)	3 (10)	22 (76)
	Registering property	Getting credit	Paying taxes	Trading across borders	Resolving insolvency
Reforms required to reach the average performance of the areas of CEE countries	Reduce the number of days to register property from 62 to 25. Reduce the costs for registering property by 56%.	Expand lien, modernise lien registry. Amend bankruptcy proceedings.	Reduce the number of tax payments from 19 to 10.	–	Shorten the average time of collection by creditors from 3 to 2.5 years. Reduce claim costs to 12% from 14.5% of property value. Increase the potential of financing businesses in bankruptcy to continue with operation.
Croatia's rank after the implementation of reforms (current rank)	31 (60)	42 (70)	23 (38)	1 (1)	42 (59)
Reforms required to reach the performance of the best ranking CEE country by the area	Reduce the number of procedures for registering from 5 to 3 and the number of days for registering property from 62 to 2.5. Reduce the costs for registering property by 94%. Increase the transparency of information and reliability of infrastructure.	Expand lien, modernise lien registry. Amend bankruptcy proceedings.	Reduce the number of tax payments from 19 to 7. Reduce the number of hours required for tax payment from 206 to 193.	–	Reduce the average time of collection by creditors from 3 years to 9.5 months. Reduce claim costs from 14.5% to 4% of property value. Increase the potential of financing businesses in bankruptcy to continue with operation.
Croatia's rank after the implementation of reforms (current rank)	2 (60)	15 (70)	16 (38)	1 (1)	7 (59)

Note: All of the above reforms refer to the World Bank's standardised case scenarios, which include specific assumptions and features of businesses.

Sources: *Doing Business* and CNB calculations.

slightly higher in paying taxes (38) and protecting minority investors (29), while it records the highest relative performance in enforcing contracts (10) and trade across borders (1).

When compared with the EU-15 average⁵ (see Figure 1), according to areas, Croatia mostly lags behind in resolving insolvency, followed by considerable deviations in dealing with construction permits and getting electricity and slightly less in starting a business, registering property and getting credit. It significantly outperforms the euro area average in enforcing

contracts because of the relatively high index of the court dispute quality. The quality of judicial processes index measures whether regulations have been adopted that regulate the court structure and proceedings, case management, court automation and the possibility of alternative dispute resolution, but it does not measure court dispute resolution efficiency. Croatia also records above-average performance in protecting minority investors, while in paying taxes the country is almost at the average of the EU-15.

In the group of comparator economies of Central and Eastern Europe (CEE), the Baltic countries (in the following order: Estonia, Lithuania and Latvia) are ranked the highest, followed by Poland and then by Slovenia and Slovakia, with the same

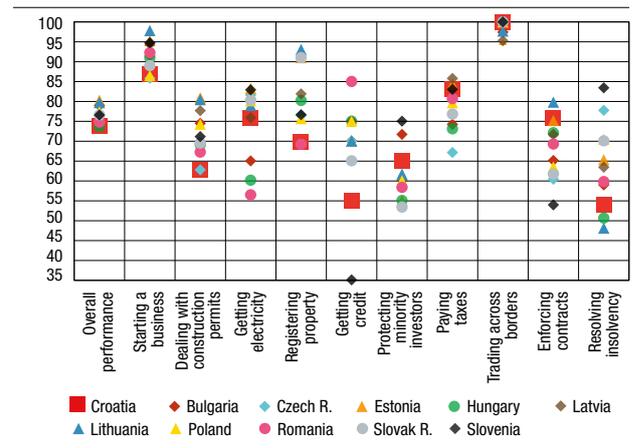
5 The EU-15 comprises Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Spain, Sweden, Portugal and United Kingdom.

number of points, while Croatia and Hungary are ranked the last in this group.⁶ The analysis of individual areas in Croatia and in the mentioned countries gives a detailed insight into the relative strengths and weaknesses of the business environment in Croatia (see Figure 2).

Croatia records below-average performance in five out of the ten measured areas, average performance in one area, and above-average performance in four areas, relative to comparator economies. Thus in starting a business, Croatia records performance below the average of the CEE countries, and indicators that deviate from the average are the number of procedures and days to start a business, as well as the required paid-in minimum capital.⁷ In dealing with construction permits, Croatia is far below the average of the selected countries, the reason being the bigger number of procedures and noticeably higher costs of issuing construction permits than the average of the countries. With regard to registering property, the number of days required for registering is relatively high and the registration costs that are twice as high rank Croatia the last but one in the selected group of countries. In getting credit, which measures the coverage, scope and accessibility of data on credits and collateral and bankruptcy laws protecting the rights of borrowers and lenders, Croatia again deviates unfavourably from the average of the selected countries. A better performance in the above area would require the development of a modern registry of liens on movable property and also the expansion and harmonisation of the lien on movable property, which, according to the report, would enable a more transparent system of checking for liens on property and easier lending.⁸ The areas in which Croatia was evaluated above the average of comparator economies include protecting minority investors, paying taxes, enforcing of contracts and trading across borders, in which Croatia shares the first position with most of the CEE countries at the global rating. Croatia's position in resolving insolvency is also relatively low, which is the consequence of the lowest recovery rate for the estate used to secure the credit in the event of debtor's default.

Based on the analysis of disaggregated data for Croatia at the level of indicators and indices of the lowest level and their comparison with the selected countries, it is possible to identify the reforms that would give Croatia average performance in the selected group of countries according to individual areas (see Table 1). Also, the comparison of Croatia with the best performing country in the group by areas and the accompanying indicators points to the reforms necessary for Croatia to achieve the best performance in the group of countries in the individual area. The analysis shows that Croatia has relatively high costs relative to the average of the selected countries in most of the areas, such as the costs of dealing with construction permits, the costs of getting electricity and registering property and the costs of a claim in collection by creditors through courts. In addition to reducing the costs necessary for achieving a higher ranking in the ease of doing business index, Croatia should simplify the administration in individual areas with regard to the reduction of the number of procedures and speeding up the implementation (minimise the number of days required to start a business, to deal with construction permits and register

Figure 2 Comparison of Croatia with individual CEE countries by area



Note: The performance of individual areas are shown in the DTF. Higher number represents better performance.
Source: Doing Business.

property, as well as minimise the average time of collection by creditors through courts). Using the Doing Business distance to frontier calculator⁹, by implementing the above reforms by which the average performance of the CEE countries would be reached, Croatia would move up 17 positions and occupy the 23rd position in the ease of doing business global ranking¹⁰.

The implementation of these reforms would undoubtedly improve Croatia's position in the ease of doing business ranking, but the question as to how the mentioned reforms themselves are sufficient to achieve a stronger economic growth still remains open. It is pointed out in the economic literature that the implementation of reforms should not be brought down to a simple optimisation of indicators by specific legislative changes¹¹, but that specific features of the individual economy as well as of its parts not covered by indicators should be taken into account. This does not diminish the message of the analysis that Croatia is an expensive country in which to do business relative to comparator economies because of high para-fiscal fees and other administratively imposed fees in the economy and it lags behind also because of bureaucratisation and low efficiency of the central and local government (as well as certain public institutions and enterprises). Therefore, the ease of doing business indicator can have a valuable role for Croatia in depicting regulatory differences and institutional practices relative to other countries and in revealing individual areas in which there is potentially room for reform.

6 In addition to the mentioned countries, Central and Eastern Europe comprises Czech Republic, Bulgaria and Romania.

7 The possibility of establishing a simple LLC that does not have the required paid-in capital does not meet the required features of the company entering the standardised scenario of starting a business.

8 For more on required reforms for better performance in getting credit see: Croatia – Doing Business Reform Memorandum: <http://documents.worldbank.org/curated/en/2015/09/24850523/croatia-doing-business-reform-memorandum>.

9 <http://www.doingbusiness.org/data/dtf-calculator>.

10 With the assumption that the other countries do not implement new reforms.

11 *Doing Business 2016 report*, Kraay, Tawara (2013).

Box 4 Trade in services between Croatia and the rest of the world

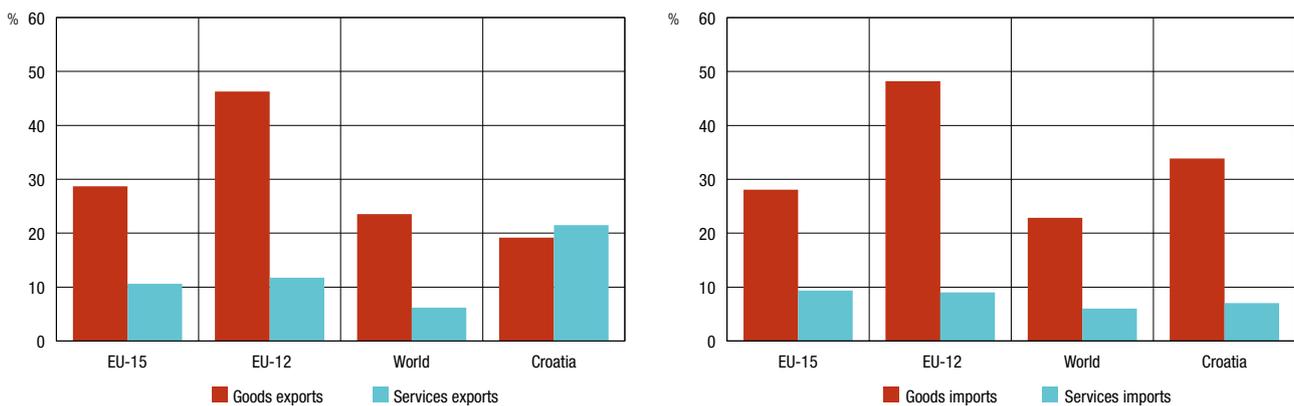
The importance of services for the Croatian economy is reflected in a large share of the exports of services in gross domestic product relative to the European and world average. The analysis of comparative advantages of the exports of services shows that Croatia has a high degree of specialisation in travel services, the manufacturing and repair of goods, and if other services are observed separately, also in construction and personal services. As a consequence of such a specialisation and slower growth of the exports of services relative to the world average, the market share of the Croatian exports of services in the world market shrank constantly in the period from 2004 to 2012, and stagnated in the subsequent two years.

Services are a very important and dynamic sector in the global economy. Over the past fifteen years, about two thirds of the world gross value added was generated in service activities¹, and the indicator increased moderately through time, reaching 70% in 2014. Similar trends were also observed in the EU economy, where, as in other developed countries, services were

the “new” members (59%). With regard to Croatia, the share of services in total value added was only slightly below the world average (69% in 2014), while the share in employment was considerably above the world average, but lower than in the developed countries (63% in 2014).

Despite the importance of services in the world economy, in international trade they are less represented than goods. The average value of total trade (the sum of exports and imports) in services lags behind that in goods considerably, and from 2005 to 2014 accounted for slightly above one tenth of total world gross domestic product (GDP), while in goods that share stood at almost 50%. The above indicators have increased moderately and continually through time, with the exception of a brief reversal of the trend during the world financial and economic crisis, which had a much milder impact on trade in services than on trends in trade in goods². If EU countries are observed, trade in services, on average, stands at about 20% of GDP, while in Croatia this share reaches 30%. An even higher dependence on trade in

Figure 1 Share of exports and imports of goods and services in gross domestic product



Note: The average value is calculated for the period from 2009 to 2014. EU-15 comprise "old" member states: Austria, Belgium, Denmark, Finland, France, Greece, Ireland, Italy, Luxembourg, Netherlands, Germany, Portugal, Spain, Sweden and United Kingdom. EU-12 comprise "new" member states: Bulgaria, Cyprus, Czech Republic, Estonia, Latvia, Lithuania, Hungary, Malta, Poland, Romania, Slovakia and Slovenia.

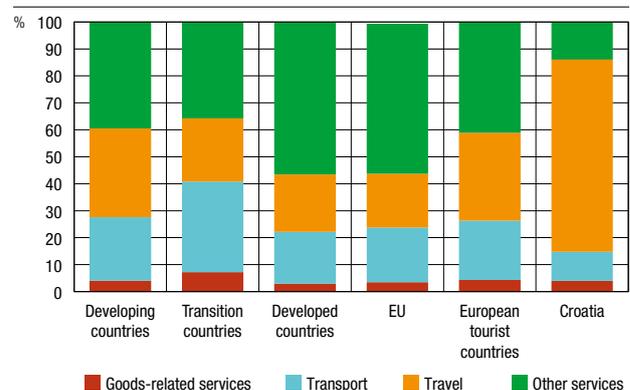
Sources: Eurostat, UNCTAD and CNB.

slightly more represented in the generation of value added than the world average, their share increasing to 75% in 2014. The average share was somewhat higher in the “old” member states relative to the “new” member states. The relative importance of services in employment is slightly weaker than in the generation of value added, slightly less than a half of the total number of employed persons being employed in service activities worldwide. In EU countries, this indicator was far above the world average, particularly in the “old” member states (70%), but also in

1 The source of data is the World Bank's database World Development Indicators. The services are defined using the International Standard Industrial Classification of All Economic Activities (ISIC), Rev. 3 and correspond to the areas from 50 to 99.

2 In 2009, trade in services fell by approximately 10% at an annual level, while trade in goods was twice as hit. In the European Central Bank's paper *Why trade in services did not suffer during the 2008–2009 collapse*, as possible reasons for higher resilience of the exports of services to the crisis relative to the exports of goods, the following are cited: stable and less sensitive to short-term shocks demand, less sensitivity to credit crunches, shorter production chains, more easily verifiable trade partners and the selection of fewer most productive exporters of services because of high initial fixed costs.

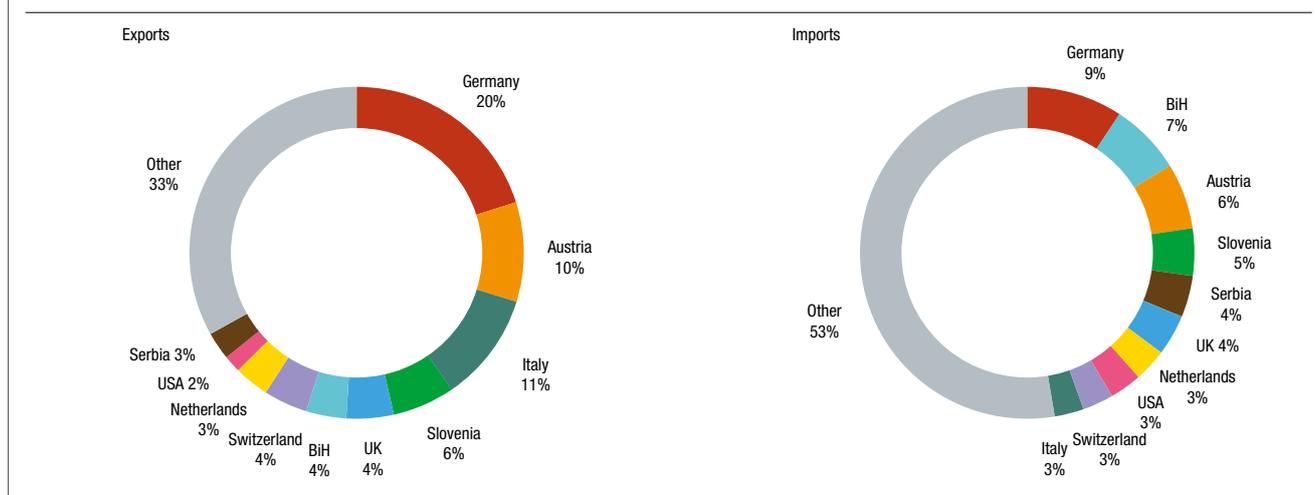
Figure 2 The structure of the exports of services in Croatia and in the selected economic groups of countries



Note: Data are calculated as the average value in the period from 2005 to 2014, and for European tourist countries in the period from 2010 to 2014. European tourist countries are Croatian direct competitors in tourism: Bulgaria, Cyprus, France, Greece, Italy, Portugal and Turkey.

Sources: UNCTAD and CNB.

Figure 3 Geographical structure of the Croatian exports and imports of services in 2014



Source: CNB.

services is also evident in other small European countries, such as Montenegro, Malta, Luxembourg, Cyprus and Ireland, specialised in travel, financial or telecommunications, computer and information services.

If trends in trade on the side of exports and imports are observed separately, it is evident that Croatia stands out in international comparison notably by the higher share of the exports of services in GDP, while on the side of the imports of services there are no larger deviations. In contrast to the usual trends in the majority of other countries, Croatian exports of services exceed goods exports (the share of trade in goods in GDP in Croatia is considerably lower than in the “new” EU members).

Moreover, the structure of the Croatian exports of services by types is significantly different from that of the majority of other countries, with the share of travel services of over two thirds (comparative advantages in the exports of services are analysed in more detail in the next section). In developing countries and countries in transition, as well as in direct competitors in travel services, a higher share of transport services and goods-related services³ is evident, and a slightly lower share of travel services than in Croatia. On the other hand, in developed countries, which include the European Union, the exports of other services with a share above one half prevail, travel and transport services account for approximately one fifth, while goods-related services participate only slightly in the total exports of services. If we compare the Croatian share of the exports of the mentioned sub-categories of services in GDP with the European average, a higher relevance of travel services is evident, followed by a somewhat weaker share of transport and other services, while there is no significant deviation in goods-related services.

In the structure of trade by types of services, it is evident that travel services have a dominant role in Croatia. Trade in these services generates slightly over 70% of total exports and 20% of the imports of services. At the same time, net income from travel services determines almost the entire surplus in international trade in services, which in the past 15 years accounted

for 14% of GDP. The second position in the structure of international trade in services is held by other services, accounting for a half of the imports and 15% of the exports of services. Trade in them generates a moderate deficit, falling below 0.5% of GDP over the past few years. Although services are a very heterogeneous category, different business services account for about a half, particularly architectural and engineering activities, market research and advertising activities and professional and management services. In addition, telecommunications, computer and information services are also significant, their exports following developments in tourism. It is also worth mentioning that the exports of computer services grew noticeably in the previous year. With regard to transport services, they accounted for approximately 10% on the exports side, and 20% on the imports side, and a moderate surplus was generated in their trade, on average about 0.9% of GDP, which, however, decreased markedly after the outbreak of the crisis. In contrast, the surplus in goods-related services had an upward tendency and in 2014 it reached 0.7% of GDP, although their share in the total structure of services was very small.

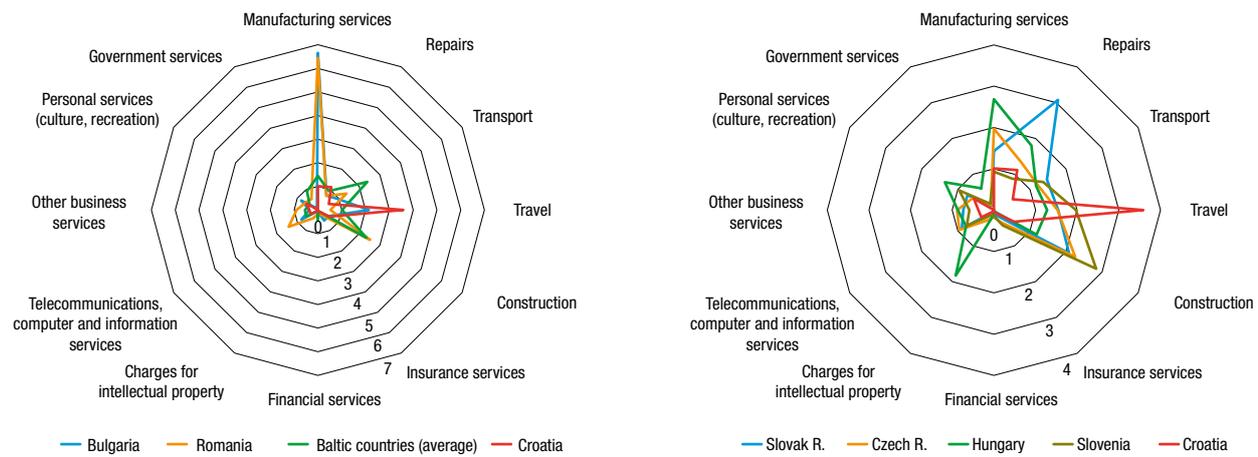
The data on the geographical structure of trade in services, available in full coverage for 2014, show a much higher concentration on the side of exports, while services are imported from a larger number of countries. The EU member states account for the largest share (over 70%) in exports, which mostly reflects the structure of travel services. Germany, Italy, Slovenia and Austria are the main outbound markets and revenues generated from travel services provided to visitors from these four countries, on average, accounted for a half of the total income from travel services in the past four years. In the exports of other services, in addition to EU member states, considerable exports of insurance services to Switzerland and Cyprus, financial services to the United States and construction and telecommunications, computer and information services to Bosnia and Herzegovina and Serbia were observed. Goods-related services were mostly exported to Germany and Italy, while the exports of transport services to Belgium was significant. On the other hand, the geographical structure of the imports of services was more diverse and EU member states accounted for 40% in this structure in 2014.

Comparative advantages in the exports of services

The relative specialisation of Croatia in the exports of individual services relative to the world or European average is

³ Goods-related services comprise manufacturing services on physical inputs owned by others and maintenance and repair services. Manufacturing services include, for example, oil refining, liquefaction of natural gas, assembly of clothing and electronics and processing activities in shipbuilding. Examples of repair and maintenance services are the following: repair and maintenance of ships, aircraft and other transport equipment and repairs of computers.

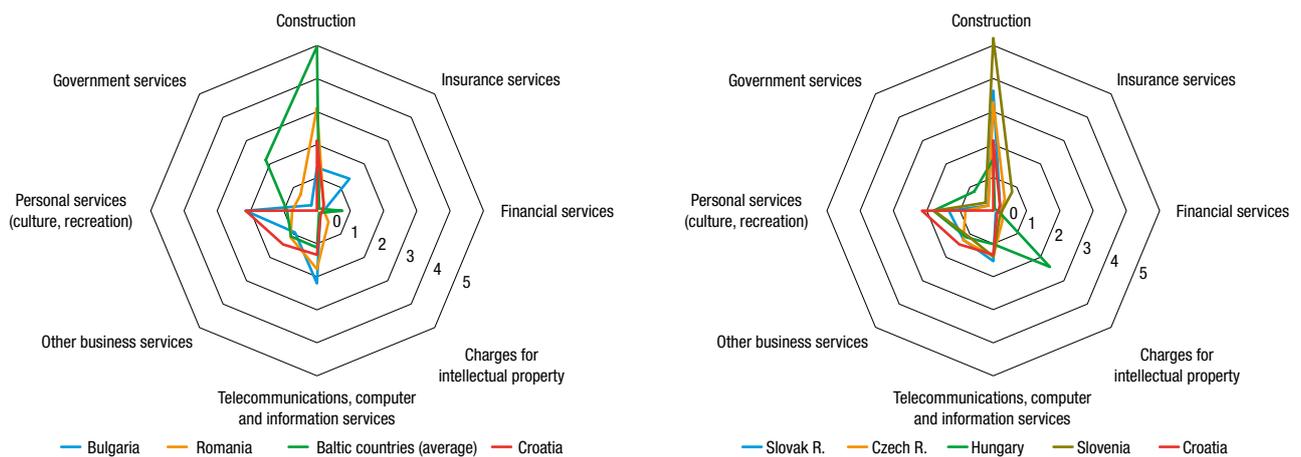
Figure 4 Relative specialisation of Croatia and peer countries in the exports of services relative to the average specialisation at European level (Balassa revealed comparative advantage index)



Note: The index is the average for the data in the period from 2010 to 2014.

Sources: Eurostat and CNB.

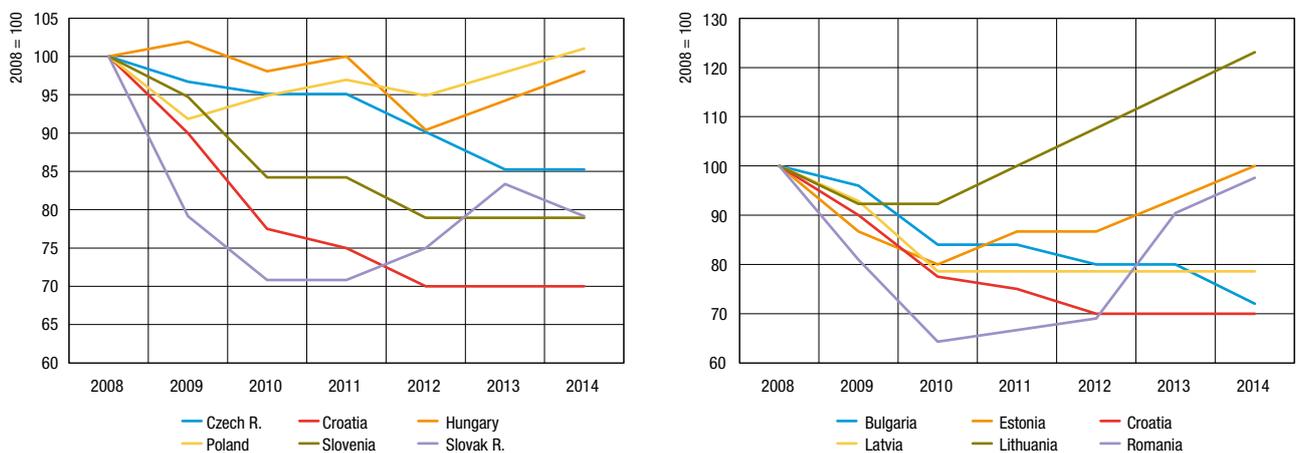
Figure 5 Relative specialisation of Croatia and peer countries in the exports of other services relative to the average specialisation at the European level (Balassa revealed comparative advantage index)



Note: The index is the average for the data in the period from 2010 to 2014. On the right figure, construction services index for Slovenia stands at 5.2.

Sources: Eurostat and CNB.

Figure 6 The market share of the exports of services of Croatia and the selected CEE countries in the world market



Source: Eurostat.

analysed in more detail using the revealed comparative advantages index⁴. If the index value is greater than 1, it indicates that a country has a relative specialisation and a comparative advantage in the given sector. Conversely, an index value of less than 1 indicates a comparative weakness of a country in the given sector. The above index shows that Croatia has a relative export specialisation in the exports of travel services, where the achieved degree of specialisation is almost three times above the world average. Also, the calculated index is greater than the unit one in goods-related services. The comparison of the structure of Croatian exports with the average of the EU countries leads to similar conclusions. Thus the revealed comparative advantage index at the European level (Figure 4) shows that the Croatian degree of specialisation in travel services is almost four times higher than the European average. Also, specialisation is slightly larger in goods-related services (processing services and repair services) than the average of EU countries, but still weaker than in the new EU members. In contrast, it has been established that Croatia has a relative comparative weakness in all other services.

The analysis of the revealed comparative advantage index for other EU countries reveals that there is a difference in the types of services in which the “old” and “new” member states have specialised. Although on average the “old” member states have mostly specialised in transport services (Denmark, Greece), travel (Portugal, Italy, Greece, Austria) and construction services (Denmark, Belgium, Portugal), in individual countries services that are strongly sub-represented in the Central and Eastern European countries are most noteworthy. In particular, they are financial services (Luxembourg, United Kingdom, as well as Malta), insurance services (Ireland, United Kingdom) and charges for the use of intellectual property (Netherlands and Sweden). Among Central and Eastern European countries, almost all countries exhibit a strong specialisation in goods-related services (except Slovenia), Bulgaria and Romania being most prominent in the exports of processing services, while Slovakia stands out for its specialisation in repair services. In addition, a large number of countries have a comparative advantage in construction services (Estonia, Slovenia, Poland, Romania and Czech Republic), and the Baltic countries also in transport services.

For further analysis and to exclude the impact of a great representation of travel services on the results of the evaluation for Croatia, the evaluation of the relative specialisation of the exports of other services is given below. This narrower scope of the index (Figure 5) shows that Croatia has achieved a noticeable degree of specialisation in the exports of construction services and personal services, cultural and recreational services. A moderate degree of relative comparative advantage is also recorded in the exports of other business services and telecommunications, computer and information services. By comparing the average specialisation in the exports of other services of the “new” EU member states, the specialisation in the exports of construction services is still most emphasised. In addition, a higher degree of the comparative advantage was recorded in the exports of telecommunications, computer and information

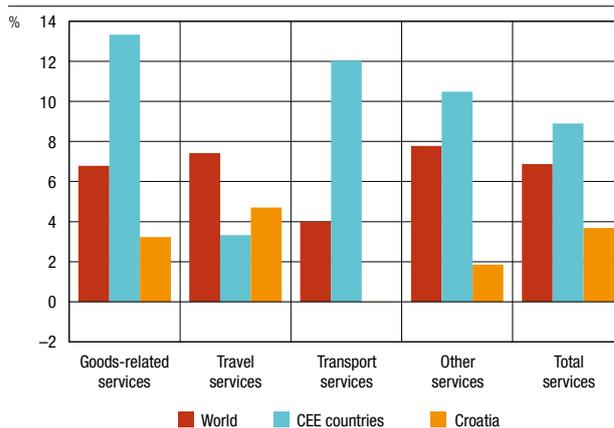
services and other business services, in individual countries also personal services, cultural and recreational services, and in Hungary the charges for the use of intellectual property.

The position of the Croatian exports of services in the world market

Since services account for more than a half of Croatian exports, their movement also to a large extent defines the total evaluation of Croatian competitiveness. The movement of the share of the exports of goods and services in the world market is often observed as the indicator of competitiveness in economic analyses. The European Commission also uses this indicator as one of the benchmarks of macroeconomic imbalances.

In the past fifteen years, the competitiveness of Croatian exporters in the world market intensified sharply only in the brief initial period, and then it started weakening after 2003. The representation of the Croatian exports of services in total exports of services at the global level peaked in 2003, with the market share of 0.47%. After that, it continued to deteriorate and in 2012 it dropped to 0.28%, where it remained over the past three years. The weakening of the Croatian market share is the

Figure 7 The average annual increase in the exports of services in the period from 2010 to 2014



Note: The average annual increase in the exports of transport services in Croatia stands at -0.006%.

Sources: UNCTAD, Eurostat and CNB.

consequence of a growth in exports of services weaker than the world average, which continued even in the past years, when the decline in the Croatian market share was halted. If observed by the main types of services, it is evident that the Croatian exports of services are not more dynamic than the world average in any of the segments. With regard to the trends in the Central and Eastern European countries, all countries suffered a decrease in the market share in the world market to some extent after the outbreak of the crisis. Over the past years, some of them started recovering, and Lithuania even considerably surpassed the pre-crisis values, mostly thanks to the accelerated growth of transport services and various business services.

4 The revealed comparative advantage index (RCA), which was first proposed by B. Balassa (1965), is calculated using the formula

$$RCA_{k,i} = \frac{\sum_{k=1}^n X_{k,i}}{\sum_{k=1}^n X_{k,world}}, \text{ in which the numerator indicates the share of}$$

exports from sector k in total exports of country i , and the denominator indicates the share of exports of sector k over total exports of the reference market.

Box 5 Sustainability of debt of non-financial corporations

The assessment of the sustainability of debt of the sector of non-financial corporations in Croatia indicates that almost a third (32%) of corporate sector debt is excessive. In the event of the materialisation of the shock of an economic activity downturn and a rise in interest rates, the needs of the corporate sector for deleveraging would increase by over one fourth because of which 40% of the existing debt might become unsustainable. Excessive debt is concentrated in a smaller number of large enterprises, while small and medium-sized enterprises (SMEs) are considerably less indebted and have better debt sustainability indicators. In addition, enterprises that operate in the domestic market exclusively are more indebted and burdened with excessive debt than exporters. Among individual activities, enterprises in construction activity and enterprises that provide services to the construction sector have the highest needs for deleveraging, followed by enterprises in electricity supply and accommodation and food service activities.

The high debt of the sector of non-financial corporations, and the accompanying need for deleveraging have a series of negative consequences for economic activity and financial stability. Excessive debt and deleveraging create pressures on the profitability of enterprises and make the recovery of the investment cycle more difficult because over-indebted enterprises cannot take advantage of potentially good investment opportunities. Moreover, excessive corporate debt hinders the reallocation of economic resources from enterprises with low productivity to lending to more productive and promising enterprises. Finally, excessive debt is also a risk for financial stability because of the difficulty of loan collection as well as increased corporate vulnerability to the shock of an increase in interest rates.

The high debt of Croatian enterprises, mostly accumulated during the expansive period of the business cycle, has become a heavy burden for the operation of Croatian enterprises. Moreover, in contrast to most of the Central and Eastern European countries that carry a similar debt burden, only in Croatia there has been no deleveraging since the beginning of the crisis; instead, debt has even increased relative to 2008. Thus total debt of non-financial corporations in Croatia now exceeds 100% of GDP, which means that the Croatian corporate sector is among the most indebted in Central and Eastern Europe (Figure 1). It

is precisely the high indebtedness of the private sector and the related necessity for deleveraging that are frequently cited as the key limitations to a faster and stronger economic recovery. For this reason, the question is raised if and to what extent the existing corporate debt in Croatia is unsustainable and how much more deleveraging can be expected in the medium term.

There is no uniform approach to the assessment of corporate debt sustainability in the literature, but most frequently comparative methods based on relative indicators of debt and the debt servicing burden are used, in which the selected indicators are compared with other countries or with arbitrarily selected threshold values. The most frequent indicators of over-indebtedness include the share of corporate debt in GDP, total assets or equity.¹ These indicators, however, only point to the relative debt amount, but do not reveal whether debt is a too heavy burden for the future operations of enterprises, i.e. whether enterprises can repay that debt easily.

For the assessment of debt sustainability in this Box, the IMF² method is used, in which it is estimated what share of debt an enterprise can finance from its current operations. The method is based on the calculation of net free cash flow (NFCF) at the level of individual enterprises. NFCF is operating cash flow (before interest expense) minus interest expense, capital expenditures and dividends, and it is calculated as follows:

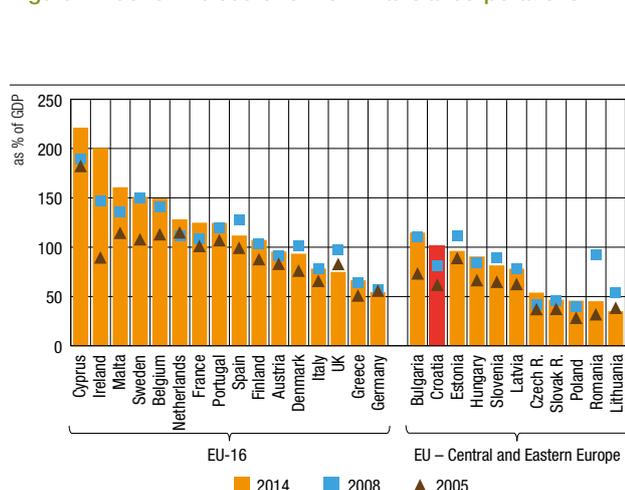
$$NFCF = \frac{\text{Net free cash flow}}{\text{Assets}} = \frac{\text{Operating cash flow before interest}}{\text{Assets}} - \left(\frac{\text{Interest expense}}{\text{Debt}} \times \frac{\text{Debt}}{\text{Assets}} + \frac{\text{Capital expenditures}}{\text{Assets}} + \frac{\text{Dividends}}{\text{Assets}} \right) \quad (1)$$

A positive NFCF value indicates that corporate debt is sustainable, i.e. that the enterprise can finance the cost of debt from its current operations. In contrast, if NFCF is negative, it means that the enterprise is unable to generate sufficient cash flow to finance the existing debt level (while retaining the existing level of capital investment and payment of dividends), i.e. that the company is over-indebted.

Corporate debt sustainability is assessed based on the projection of NFCF in the medium term (up until 2017). This is done so that operating cash flow before interest and interest expense are projected (the first two elements on the right side of the equation 1), while the other NFCF elements are kept unchanged at the levels of the latest available performance (for 2014). Keeping capital expenditures and dividends at the 2014 levels is considered suitable for the assessment of debt sustainability because it can be assumed that enterprises have reduced this type of expenditure significantly during several years of recession and that they have no more room for adjustment to improve the sustainability of their debt.

Operating cash flow is projected according to the estimation of the link between operating cash flow and real GDP movements for the period from 2005 to 2014 in the panel by enterprises. Rates of change in real GDP in years t and $t-1$, in addition to the inclusion of time fixed effects by enterprise are used in the regression for explanatory variables. Then, using the coefficients

Figure 1 Debt of the sector of non-financial corporations

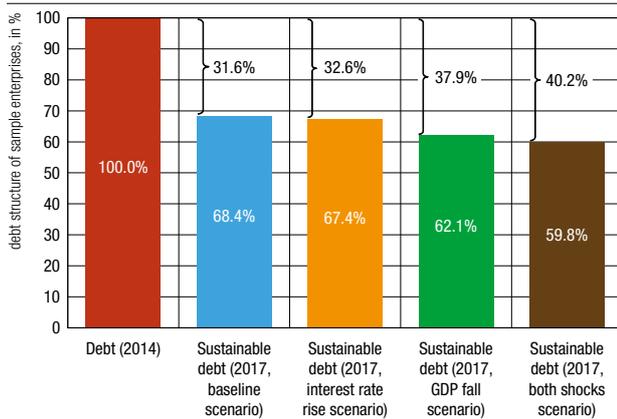


Note: Debt includes loans and debt securities from non-consolidated financial accounts. Luxembourg (in which corporate debt stood at 346% of GDP in 2014) is not shown in the figure.

Source: Eurostat.

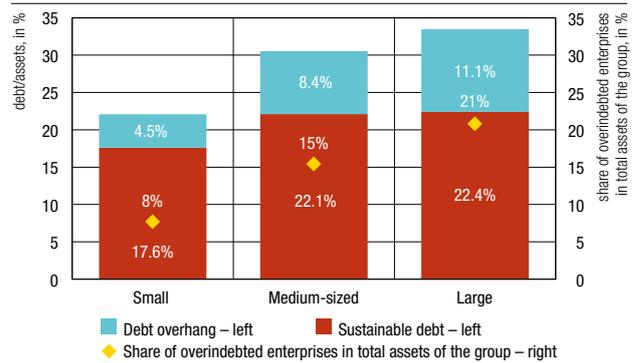
- 1 For a detailed overview of the methods and indicators of indebtedness see Bruggeman, A. and Ch. Van Nieuwenhuyze (2013): *Size and Dynamics of Debt Positions in Belgium and in the Euro Area*, NBB Economic Review, June.
- 2 IMF (2013): *Corporate Debt Sustainability in Europe*, World Economic Outlook, Washington, D.C., April.

Figure 2 Corporate sector debt sustainability and needs for deleveraging



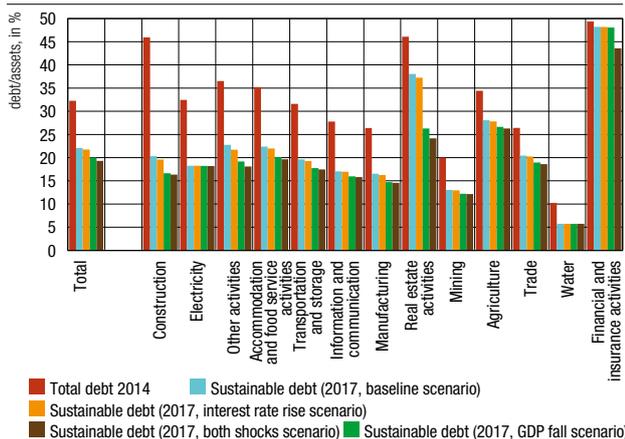
Note: The data next to the brackets show the needs for deleveraging, expressed as % of the debt of sample enterprises.
 Sources: Amadeus and FINA.

Figure 4 Debt sustainability by the size of the enterprise



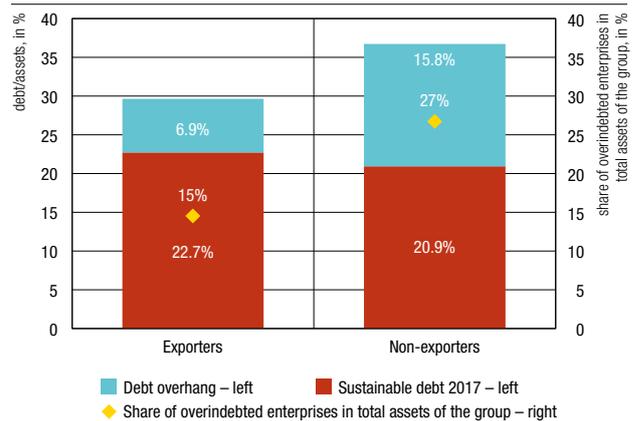
Note: The categorisation of enterprises by size was obtained from the Amadeus database. Large enterprises meet at least one of the following criteria: (a) operating income ≥ EUR 10m, (b) total assets ≥ EUR 20m, (c) number of employees ≥ 150. Medium-sized enterprises are those that meet at least one of the following criteria: (a) operating income ≥ EUR 1m, (b) total assets ≥ EUR 2m, (c) number of employees ≥ 15, and are not large. Small enterprises are those that are not included in the two other categories.
 Sources: Amadeus and FINA.

Figure 3 Corporate debt sustainability by activities



Note: Activities are ordered by the amount of the share of debt overhang in assets (under the baseline scenario).
 Sources: Amadeus and FINA.

Figure 5 Corporate debt sustainability depending on participation in exports



Note: Data on exports by enterprises are obtained from the database of FINA for 2014.
 Sources: Amadeus and FINA.

estimated in this way, the movement of operating cash flow by enterprise up to 2017³ is projected. Interest expenses are projected with the assumption that interest rates will remain at a very low level until 2017, i.e. approximately at the level of the average of the first nine months of 2015 and with the assumption of retaining the corporate debt structure by sources of financing and by maturities at the 2014 levels⁴.

The analysis is focused on those enterprises that initially have high debt, i.e. debt exceeding 30% of total corporate assets⁵. It

can be expected that highly indebted enterprises become more exposed to the risk of default. For this reason, enterprises with the debt-to-assets ratio above 30% and a negatively projected value of net free cash flow ($NFCF_{2017} < 0$) are considered over-indebted. For over-indebted enterprises specified in this way, the sustainable level of their debt (i.e. the level at which $NFCF_{2017} = 0$) and the share of their debt that is excessive are estimated. The difference between the existing debt level and the sustainable debt level of over-indebted enterprises is the debt overhang. The debt overhang is the amount of the necessary deleveraging in the medium term.

The analysis is based on the data from the balance sheets and profit and loss accounts of enterprises obtained from the Amadeus database⁶. The sample comprises 31,656 enterprises, accounting for about 62% of total corporate sector assets and

3 The projected real GDP growth rates of 1.2% in 2015, 1.5% in 2016 and 1.8% in 2017 are used for this purpose.

4 The assumption is that enterprises have 41% of debt from domestic sources (predominantly loans) and 59% of debt from abroad (36% accounted for by loans of non-affiliated creditors, 18% by debt to affiliated enterprises and 5% are debt securities).

5 In its analysis of corporate debt sustainability in Europe, the IMF (2013) defined the corporate debt-to-assets threshold at 30% based on the then current levels of debt of the core EU countries and the pre-crisis levels of debt of EU peripheral countries. This level may also be considered a suitable threshold value for Croatia. The share of debt in corporate sector assets of 30% corresponds to the share of this debt in GDP of about 90% (calculated on the data from 2013); according to the assessment by Cecchetti et al. (2011), the threshold value of corporate debt above which it becomes detrimental for the economy, stands at about 90% of GDP.

6 The Amadeus database is compiled by Bureau van Dijk. It contains data from financial reports of enterprises for all European countries. Interest expenses and data on exports that were not available in the Amadeus database were obtained from the annual databases of financial reports created by FINA.

63% of total corporate debt⁷. The sample was obtained by excluding enterprises with fewer than two employees, enterprises with negative assets or assets equalling zero and enterprises with extreme indicator values, included in equation 1⁸, from the total population of non-financial corporations. In the sample, 6,726 enterprises have high debt (debt-to-assets ratio above 30%), which is 21% of the total number of the enterprises in the sample, but they hold as much as 50% of total assets of the whole sample.

The assessment of debt sustainability shows that 2,132 enterprises have debt overhang, i.e. negative $NFCF_{2017}$, accounting for 7% of the total number of enterprises in the sample (or 19% of the total assets of the sample). Of the total debt of the enterprises in the sample, approximately one third of the debt (31.6%) is excessive (Figure 2). The 100 enterprises with the highest debt overhang hold as much as three quarters of the entire debt overhang of the sample. The results indicate that in the medium term corporate sector debt – under the assumption that enterprises with debt overhang reduce their debt, and other enterprises do not increase their debt-to-assets ratio – should decrease from 102% of GDP to about 70% of GDP to become sustainable.

In addition to the medium-term baseline scenario, an analysis of sensitivity of corporate debt sustainability to different macroeconomic shocks was performed. The following effects were analysed: (a) the shock from the rise of interest rates by one percentage point annually, (b) the shock of decline in annual economic growth by 2.1 percentage points⁹ relative to the baseline scenario and (c) the combination of both shocks. The sensitivity analysis shows that the shock of a rise in interest rates would increase the needs for deleveraging from 10.2% to 10.5% of the total assets of enterprises. A relatively moderate effect of the rise in interest rates on debt sustainability partially reflects the assumption that only that part of debt that is refinanced is subject to interest rate changes (the assumption is that about two thirds of domestic debt and one third of external debt¹⁰ mature each year), which means that the effect might be even larger if the large share of the debt with variable interest rates is taken into account. On the other hand, the shock of the decline in real GDP would have a stronger effect on corporate debt sustainability. In the event of materialisation of the scenario of economic activity downturn, 37.9% of total corporate debt would become excessive (relative to 31.6% in the baseline scenario). Finally, if both unfavourable shocks materialised (both the shock of the rise in interest rates and the shock of the decline in GDP), the sensitivity analysis shows that 40.2% of total corporate debt would become excessive, and the needs for deleveraging would increase to 13% of total corporate assets.

The analysis of debt sustainability by activities shows that the most severe pressures on deleveraging are still present in the construction sector (Figure 3). Despite several years of deleveraging¹¹, this sector still has a very high debt level (over 45%

of assets), and its profitability has been distorted because of a continued decline in prices driven by weak demand for real estate and the surplus supply of real estate, which is then reflected in the high share of non-performing loans in total loans of domestic banks (33% at end-2014). In addition to construction, high needs for deleveraging are also observed in the sectors of electricity supply, accommodation and food service activities and other activities¹² (particularly enterprises from the sector of professional, scientific and technical activities, especially those that provide services to the construction sector). On the other hand, the financial services sector is to the largest extent able to service high debt thanks to a slightly higher profitability than in other sectors¹³.

SMEs are considerably less indebted than other corporates and have a noticeably lower need for deleveraging than the rest of the sector (Figure 4). The share of debt in the assets of SMEs ranges around 22%, while in large enterprises debt exceeds 33% of their assets. These results indicate that smaller enterprises, despite their growth potential and a relatively low current level of debt, have a limited access to new financing because a large part of creditors' lending potential is tied up in large over-indebted enterprises.

The grouping of enterprises according to the criterion of participation in exports shows that exporters have a noticeably lower level of debt than non-exporters and that their debt overhang is significantly smaller (Figure 5). The average share of debt in assets in the group of exporters is below 30%, while it is 37% in the group of enterprises that do not export. In addition, there are significantly fewer over-indebted enterprises among exporters – over-indebted enterprises account for only 15% of total exporters' assets, while in the group of non-exporters the share of over-indebted enterprises is almost double (27%). With regard to the need for deleveraging, less than one fourth of debt in exporters has been assessed as excessive, while in non-exporters as much as 43% of debt is excessive. Larger debt sustainability in exporters may be linked to the fact that exporters are on average more profitable than non-exporters, so that they may easily finance a higher debt level from their current operations.

The results of this analysis confirm that the corporate sector will probably continue to be under the pressure of the need for deleveraging in the medium term, particularly those segments of the corporate sector that are most burdened by debt overhang. This points to the need for a proactive and coordinated action of economic policies with the objective of facilitating the process of deleveraging. Accordingly, the desired amendments to the regulatory and institutional framework should go in two directions – on one hand, to stimulating debt restructuring for promising enterprises, and on the other hand, to simplifying the liquidation process for those enterprises that would not be sustainable in the long term even with the debt restructuring.

7 Corporate sector debt from non-consolidated financial accounts compiled by the CNB.

8 Extreme values are those values outside the range from the 2nd to 99th percentile and outside the range of "median \pm 10 * interquartile range". Finally, non-financial corporations were excluded, which according to the sector classification under ESA 2010 were classified under the government sector.

9 In line with the assumptions from the stress test (Financial Stability, No. 15, CNB, July 2015).

10 For domestic debt, it is the share of loans that mature within the next 12 months in the total banks' corporate lending, and for external debt, it is the share of short-term debt and long-term debt maturing within the next 12 months in total corporate debt (according to the data from end-2015).

11 Loans of domestic banks to the construction sector decreased in the 2011 – 2014 period by about 15%.

12 Other activities, according to the NCA 2007 classification, include the following: professional, scientific and technical activities, administrative and auxiliary service activities, public administration, defence and compulsory social security, education, human health and social work activities, arts, entertainment and recreation and other service activities.

13 Financial services activity includes enterprises performing the activities of holding companies for affiliated non-financial corporations, i.e. having the role of their financial service provider.

Box 6 Survey on the access to finance of SMEs – Survey findings

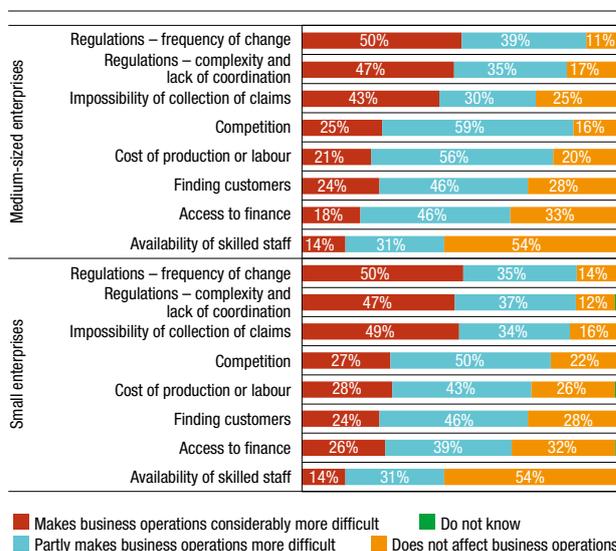
Small and medium-sized enterprises in Croatia are unanimous in their view that the institutional and business environment is the greatest hindrance to doing business in Croatia. Two thirds of enterprises also claim that lack of access to finance impedes their business to a lesser or greater extent. The financing of small and medium-sized enterprises is based primarily on own sources and only partly on loans which the enterprises find to be restricted by unacceptable collateral requirements, which in turn leads to small investment capacity and slow growth of enterprises. Despite responses that tell of the increased costs and unfavourable business conditions of small and medium-sized enterprises, most of these enterprises report an increase in employment, investment and income, in line with the trend of slight recovery of this corporate segment in the 28 EU member states. Enterprises voiced their need for better support in the use of EU funds and for more diverse sources of funding, including venture capital funds.

The significance of small and medium-sized enterprises in Croatia is seen in their share in creating value added of almost 60% and in employing over two thirds of employees in the non-financial corporations sector, which is in line with European average (European Commission, 2015)¹. It is exactly these enterprises that are most commonly faced with great challenges in obtaining finance, particularly during crises when finance is less available (Ferrando, 2012)². Since access to finance is one of the factors of business operations of enterprises which affect their opportunities for investment, increased employment and creation of value added, in early 2015 the Croatian National Bank conducted a survey on the access to finance of SMEs, mostly based on the Survey on the access to finance of enterprises in the euro area³ jointly conducted by the European Central Bank and the European Commission, with some adjustments to the specific Croatian conditions.

The Survey included a sample consisting of 3,601 Croatian enterprises, randomly selected from a pool of samples of 14,674 small and medium-sized enterprises from industry, construction, trade and services and from the Adriatic region, the inland region excluding the City of Zagreb and from the City of Zagreb. A total income of a minimum of 100 thousand kuna was used as an additional criterion for the definition of the sample framework, which excluded non-active enterprises, regardless of their formal status (winding-up, bankruptcy or active enterprise). The response rate was 20.35%, i.e. 733 enterprises responded and the number of employees in the enterprises was used to weight the responses⁴. The enterprises assessed three business areas: current conditions and situation, financing of the enterprise and business plans and projections of growth.

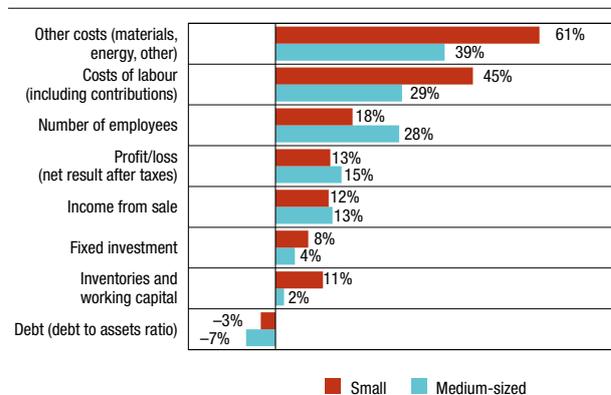
When asked about obstacles to their business operations, the enterprises were unanimous in their view that the institutional environment was the greatest obstacle to their business operations (Figure 1). The first three problems mentioned, the frequency of changes in regulations, their complexity and lack

Figure 1 How do the listed problems affect your business operations?



Sources: Survey on the access to finance of SMEs, CNB and Ipsos (2015).

Figure 2 Indicate changes in the following indicators of business operations of enterprises in 2014 compared to 2013



Note: The figure shows enterprises that have reported a change in indicators of business operations. The percentages were calculated as the percentage of the enterprises that replied "They/it rose" less the percentage of the enterprises that replied "They/it fell". The enterprises that replied "Remained unchanged" are not shown.
Sources: Survey on the access to finance of SMEs, CNB and Ipsos (2015).

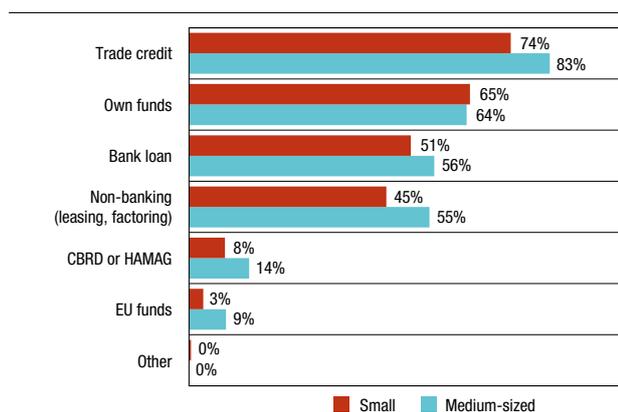
of mutual coordination and the impossibility of the collection of claims are stated as being a direct result of inadequate policies and institutions. In addition, the frequency of changes in regulations, or more specifically, the instability of the business environment can potentially be more deleterious than inadequate and ill-matched but stable regulations. The financing was not singled out from other market challenges such as competition and finding customers. Nevertheless, two thirds of enterprises reported that access to finance made their business operations more difficult (46% of medium-sized and 39% of small enterprises) or much more difficult (33% of medium-sized and 32% of small enterprises). Small and medium-sized enterprises equally rated their difficulties, with the exception of "availability of skilled staff or experienced managers" which was found to be more of a challenge for medium-sized enterprises.

1 European Commission (2015): *European SMEs*, infographic according to Annual Report on EU SMEs 2014 – 2015.
2 Ferrando, A. (2012): *Access to Finance in the Euro Area: What Are SMEs Telling Us about the Crisis?*, in Calcagnini, G., and I. Favaretto (eds.): *Small Businesses in the Aftermath of the Crisis: International Analyses and Policies*, pp. 173-188, Springer.
3 European Central Bank (2015): *Survey on the access to finance of enterprises in the euro area – October 2014 to March 2015*.
4 In accordance with the methodology of the European Central Bank, Trial weighting of the results by means of total income does not change the key conclusion of the research.

As regards the business conditions, the enterprises reported changes in a number of financial indicators in 2014 compared to 2013. Enterprises, particularly small enterprises, generally estimated operating expenses to be higher in 2014 than in 2013 (Figure 2). Such an estimate is in contrast with the developments in the industrial producer price index, which, in the segment of intermediate goods and energy, fell slightly in 2013 and 2014 and more sharply in 2015, even though the operating expenses estimated by the enterprises included a broader range of expenses. Employment, investments, income and other operating indicators, except expenses, remained unchanged for most enterprises. Nevertheless, of those enterprises that reported a change, a larger number of enterprises reported a rise in these indicators. Such signs of reversal, however fragile, are in line with developments in the sector of small and medium-sized enterprises in the European Union (European Commission: SMEs Start Hiring Again, 2015)⁵. The enterprises also reported a decrease in debt (measured by debt to assets ratio) and the process of deleveraging, present for some time, impedes more assertive investments, places a burden on the cash flow of enterprises (used by most enterprises to finance their operations) and subdues demand for new loans.

Trade credit⁶ and own funds are the most important sources of financing of small and medium-sized enterprises (Figure 3). Bank and non-bank financing are also a significant source of funds for one half of the enterprises. A broader spectrum of financing options available on the markets, through European funds, programmes of the European Investment Bank or venture capital and private equity funds, are either not recognised by small and medium-sized enterprises or are not available to them under favourable conditions. The structure of financing of small and medium-sized enterprises based on own sources of financing and only partly on loans leads to low investment capacity and slow growth of enterprises in general, which is at odds with the propulsive, fast-growing, competitive and export-oriented character of this sector.

Figure 3 Which of the listed sources did you use to finance your business operations?

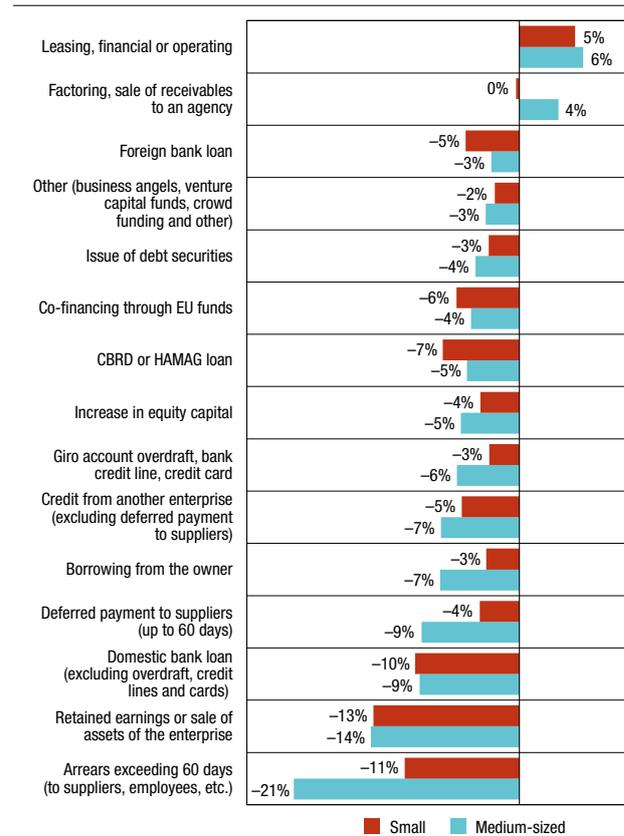


Note: The figure shows the percentage of enterprises that replied "Used in 2014" and "Did not use in 2014 but have experience with the use of this source". Other possibilities such as "This source of financing has never been used and is irrelevant for business operations" and "Do not know/Not applicable" are not shown in the graph.

Sources: Survey on the access to finance of SMEs, CNB and Ipsos (2015).

When asked about changes in financial conditions, most enterprises reported that all sources of financing were harder to obtain in 2014 than in 2013 (Figure 4), even though market

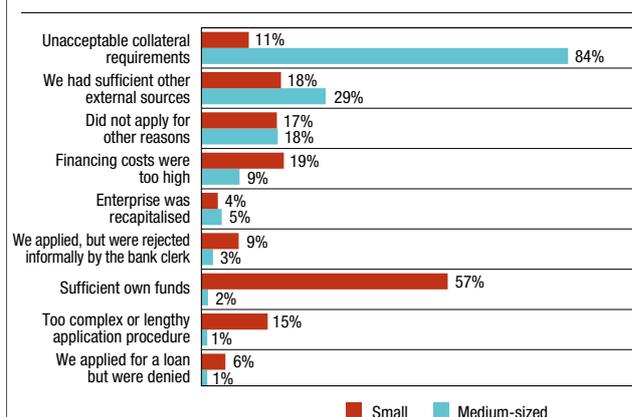
Figure 4 Which of the listed sources were more difficult, easier or equally difficult to obtain in 2014 than in 2013?



Notes: The figure shows only those enterprises that have reported changes in financing conditions. Shown here is the net percentage of enterprises, or the number of enterprises which replied "Easier" less the number of enterprises which replied "More difficult". The negative value means that more enterprises replied that "the listed source was more difficult to obtain in 2014 than in 2013".

Sources: Survey on the access to finance of SMEs, CNB and Ipsos (2015).

Figure 5 What are your main reasons for not using a domestic bank loan in the previous year?



Note: The figure shows the share of enterprises that stated the reason for not using loans. The respondents included only those enterprises that did not use loans in 2014.

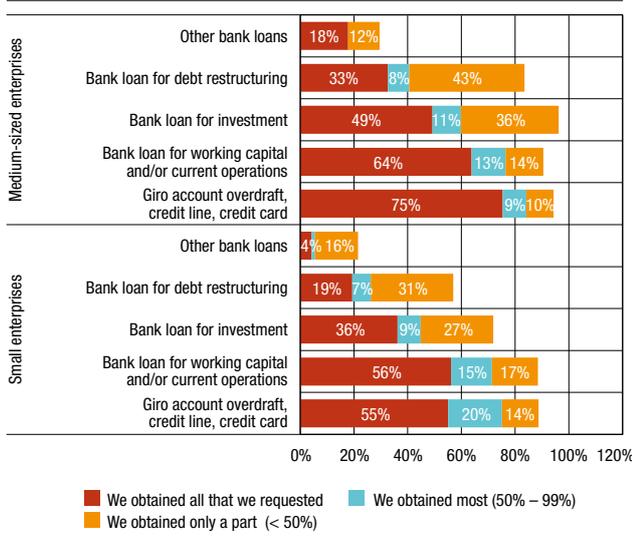
Sources: Survey on the access to finance of SMEs, CNB and Ipsos (2015).

indicators of conditions of financing do not support this view. Actually, the nominal interest rates on loans to enterprises fell slightly and the banks reported on the gradual easing of the standards for granting loans to small and medium-sized enterprises. In addition, data obtained from the Business Confidence Survey of the European Commission do not indicate that in 2014

5 European Commission (2015): *Annual Report on European SMEs 2014/2015*, SMEs Start Hiring Again, 2015).

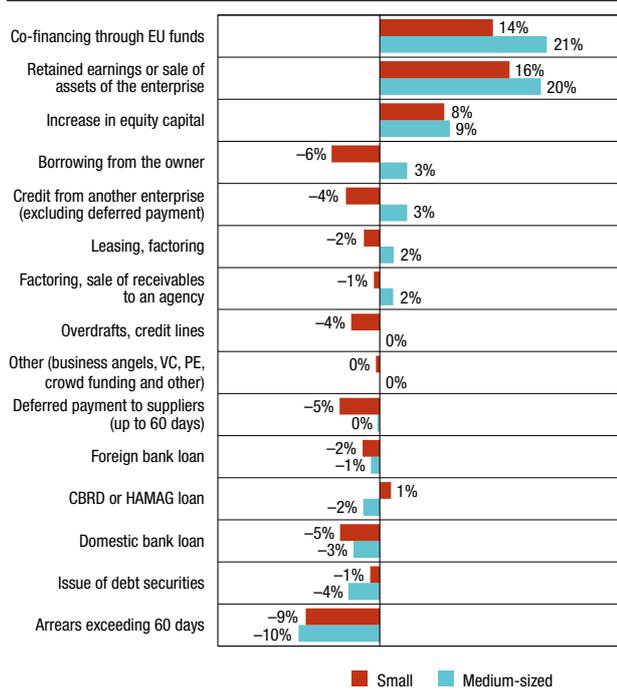
6 Deferred payments up to 60 days and arrears exceeding 60 days.

Figure 6 As you stated, you used a domestic bank loan in the previous year. Can you provide an estimate for each of the loan type listed, of the amount of funds you actually obtained?



Note: The figure shows enterprises which reported having used a bank loan in 2014.
Sources: Survey on the access to finance of SMEs, CNB and Ipsos (2015).

Figure 7 The share of enterprises (net) expecting an increase in the sources of financing



Note: The figure shows enterprises expecting a change in the use of some source of financing, i.e. enterprises which replied "Increase" less the enterprises which replied "Decrease". The positive value means that more enterprises replied that they were expecting increased use in 2015 than in 2014.
Sources: Survey on the access to finance of SMEs, CNB and Ipsos (2015).

a greater number of enterprises were faced with financial restrictions than in the preceding year. One should bear in mind the fact that external financing availability also depends on the business indicators and outlooks of individual enterprises and on the economic environment, business cycle phase, the supply of loans and other external sources.

Two thirds of enterprises did not use bank loans in 2014. Medium-sized enterprises reported difficulties in obtaining

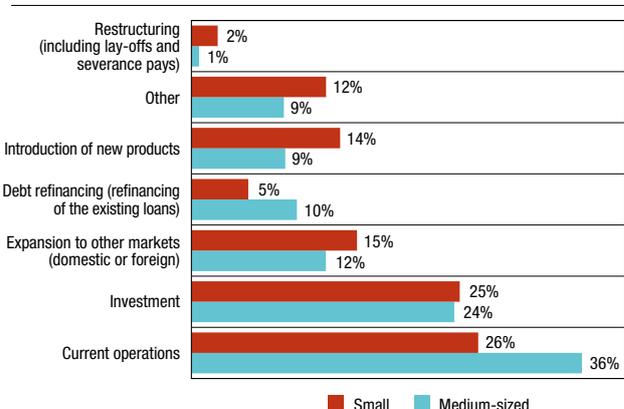
sufficient collateral as the main reason for not using loans and high financing costs as another, less prominent, reason for not using them. A negligible share of medium-sized enterprises also reported reliance on own sources of financing⁷ (Figure 5). By contrast, small enterprises primarily reported reliance on own sources of financing. Only a small number of these enterprises reported at the same time that they found loans too expensive or inadequate, while most enterprises which replied that they had enough own sources simply did not reply to other questions regarding the conditions of financing. In total, every fifth small enterprise reported very high financing costs as the reason for not using loans.

Enterprises that did use loans were often denied the whole amount applied for, with the gap between the amount applied for and that obtained being higher in the case of small enterprises and longer-term and more complex credit lines (Figure 6). Longer-maturity investment loans generally required more complex documentation and collateral than overdrafts, the most expensive form of loan financing. Such results show that there is demand that has not been fully met, i.e. that there are "bottlenecks" on the side of loan supply and that stronger support in the form of guarantee schemes could facilitate access to loans for the enterprises showing demand for loans. Namely, a relatively limited number of enterprises used guarantees or co-financing and the impact of such programmes, according to enterprises' own estimates, was reflected mainly in lower interest rates.

When asked about their business expectations and financing plans, the largest number of enterprises, or approximately one fifth of them, hope to increase their financing through EU funds (Figure 7), sending an important message to the banks and institutions to improve access to this segment of finance. The next three rated sources of financing are increased use of all forms of own funds. By contrast, arrears exceeding 60 days stand out at the opposite end of the range as the source of financing which most enterprises wish to reduce.

Despite unfavourable business conditions, according to enterprises' estimates, every fourth enterprise plans the need for investment financing, while every third enterprise expects that this year it will need financing for current operations (Figure 8). A negligible number of enterprises reported having restructuring plans

Figure 8 Which of the listed reasons best describes your need for external financing in 2015?



Note: Respondents included enterprises which reported that they expected an increase in the use of one or more sources of financing. The share of enterprises which stated a specific business reason for increased financing is shown.
Sources: Survey on the access to finance of SMEs, CNB and Ipsos (2015).

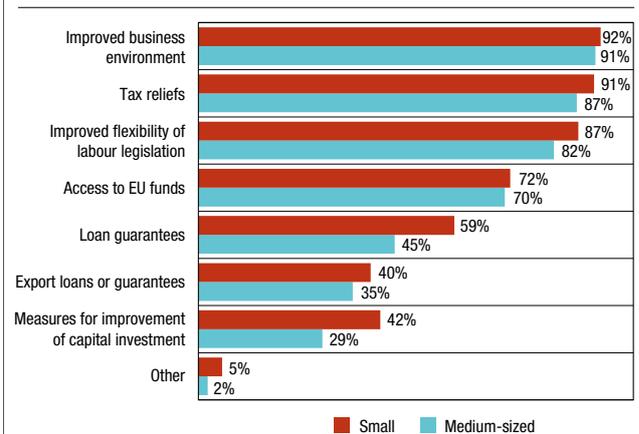
⁷ "Own sources" represent the sum of the items: increase in equity, borrowing from owner and retained earnings or sale of assets.

involving layoffs (with or without severance payments) in 2015.

When asked about the measures that could be beneficial to them in the future (Figure 9), the enterprises were unanimous in their view and stressed improved business and institutional environment as well as further labour legislation reforms. The responses provided show that the enterprises are still inadequately informed and lack support in the use of European funds and guarantees for loans. Even though the measures for capital investments were rated lower, there is a visible gap between the negligible number of enterprises currently using this form of financing (1%) and those estimating this source as important for future business operations (30% – 40%).

Improvement in the institutional and financial environment is a broader and more complex process than the giving of grants to individual enterprises, which is the policy currently used to stimulate small and medium-sized enterprises. Quite many enterprises have expressed the intention of obtaining financing from sources other than “borrowing from the owner” and at least a general interest in increased diversity of the sources of financing, which is especially important in the present conditions of gradual recovery after several years of unfavourable economic developments.

Figure 9 What do you find important for your enterprise in the future?



Note: The respondents included all enterprises. The graph shows the share of enterprises which replied "Important".

Sources: Survey on the access to finance of SMEs, CNB and Ipsos (2015).

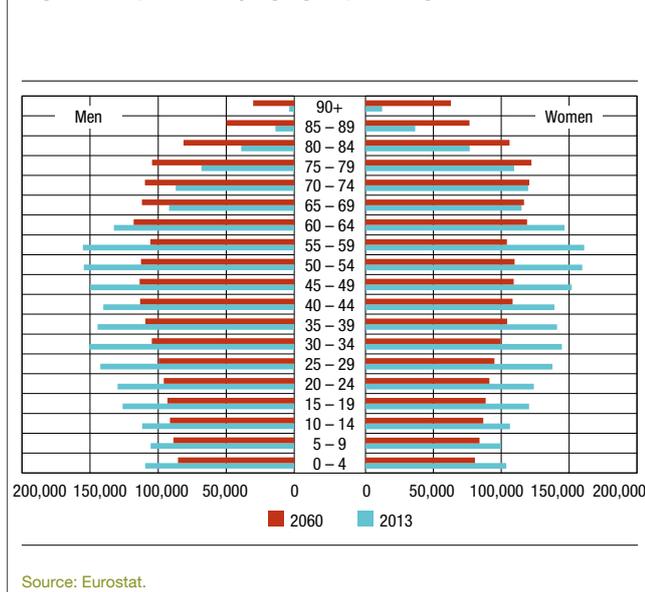
Box 7 Fiscal impacts of population ageing in Croatia

According to Eurostat projections, Croatia might see a considerable decline in the size of the population in the forthcoming decades. At the same time the share of the old population is expected to rise, reflecting low fertility rates and increased life expectancy. The results of the 2015 Ageing Report, which included Croatia for the first time, indicate that such demographic developments would have an unfavourable impact on economic growth and lead to increased pressures on public finances. Nevertheless, the so called “age-related expenditures” are expected to fall, largely due to a fall in the average pension from the first pillar in relation to the average wage, in accordance with the existing mixed pension system. There is a question of the social sustainability of the present system in the light of the already low replacement rate which could fall even lower over the next 40 years and be one of the lowest in the EU.

Every three years the Working Group on Ageing Populations

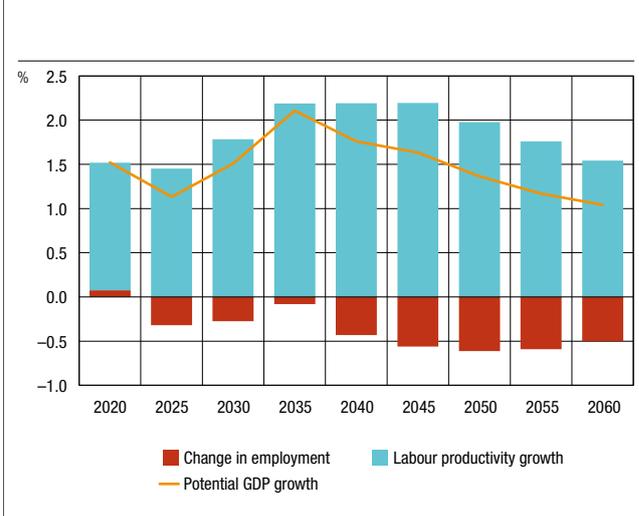
of the Economic Policy Committee of the European Commission prepares an Ageing Report, showing potential economic and fiscal impacts of demographic changes in the EU member states. To underline not only the financial but also the social risks, the European Commission, in cooperation with the Social Protection Committee also publishes a three-year Pension Adequacy Report. The results of these reports for 2015 are analysed below and attention is drawn to the key risks associated with long-term sustainability of public finances in Croatia. It should be noted that such long-term projections of macroeconomic and fiscal variables (projection horizon of almost 50 years) imply a high level of uncertainty. In the mentioned reports they depend on a number of assumptions based on economic theory, historical developments up to now and the current legislative framework (without assumptions of future legislative changes) and serve primarily as an indicator of potential challenges for economic policymakers.

Figure 1 Population by age groups and gender



Source: Eurostat.

Figure 2 Decomposition of potential GDP growth baseline scenario



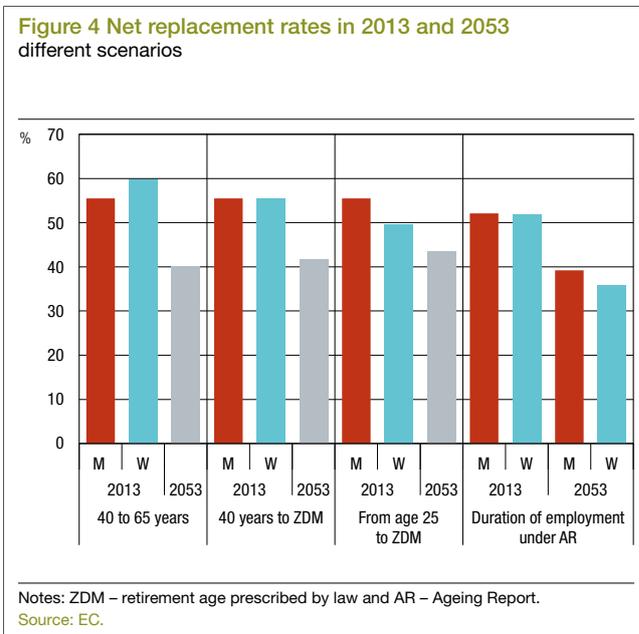
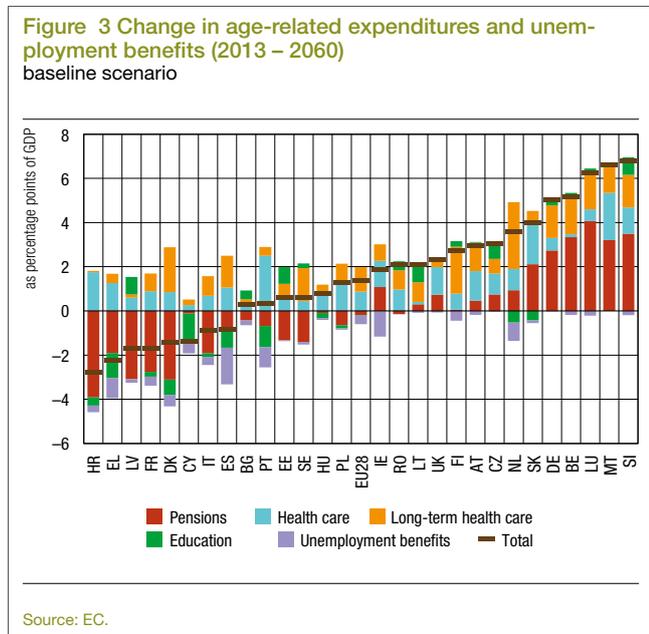
Source: EC.

Table 1 Contributions of individual factors to the change in the share of pension expenditures in GDP from 2013 to 2060

	Level 2013	Population dependency ratio	Coverage ratio	Benefit ratio	Labour market impact				Residual ^a	Level 2060
					Total	Employment rate	Labour intensity	Extension of working years beyond age 65		
Pension expenditures	10.8	6.4	-3.3	-5.0	-1.7	-1.4	0	-0.3	-0.4	6.9

^a A part which cannot be explained by the stated factors.

Source: EC.



Eurostat’s demographic projections for Croatia (EU-ROPOP2013) show that between 2013 and 2060 the population might fall from 4.3m to 3.7m. At the same time, the share of population above 65 years of age (65+) in the total population might rise sharply, from 18% to 30% and the share of population above 80 years of age might rise from 4% to 11%, becoming almost equal to the share of younger population (0 – 14) at the end of the projection horizon. The ageing will result in a fall in the share of the working age population (15 – 64) and all these developments might eventually lead to a sharp rise in the demographic dependency ratio of the older population¹, from 27.3% to a high 52.3%. This would mean that to each person above 65 years of age there would be only two working age persons. In 2013 this ratio was approximately one to four. In the EU, Croatia is no exception in terms of such trends. In 2060, the EU is expected to have a slightly higher population than in 2013, but this population will be characterised by ageing. In addition, one half of the member states are expected to see a fall in population while all the member states might see a decline in the working age population and an increase in the share of the older population.

The fall in the working age population will limit potential GDP growth in the forthcoming period. The European Commission expects that the average potential GDP growth in Croatia in the period from 2013 to 2060 might stand at 1.4%, equal to the average level of the EU member states but somewhat lower than in the majority of Central and Eastern European countries. The growth rate might rise and reach 2.1% by 2035, and then start falling gradually to only 1.0% by 2060. The potential GDP growth is fully the result of the expected growth in labour productivity, while the contribution of the factor of labour to GDP growth will be negative. The impacts of unfavourable demographic changes

will partly be mitigated by the expected higher employment rate. This partly reflects the growth in the participation rate, which might increase for the age group 15 – 64 by 1.5 percentage points, to 65.2%, but still remain one of the lowest in the EU. The growth in the participation rate is mostly the result of the rate of growth of the participation of the older working age population, particularly women, which is partly associated with the effect of an increase in the retirement age prescribed by law. In addition, employment rate growth also reflects the assumption of a gradual fall in the unemployment rate by 2014 after which it is expected to hold steady at the level of 7.5%.

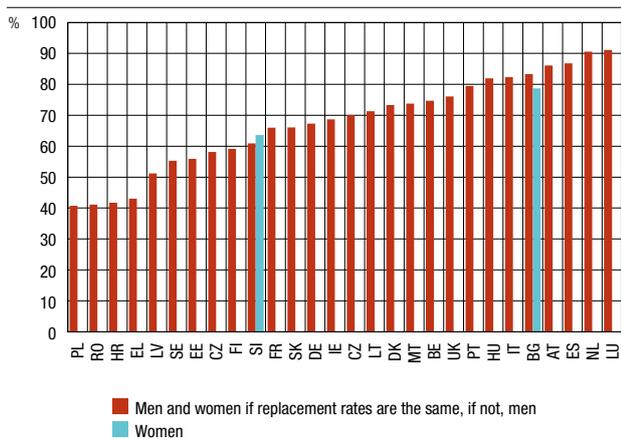
In general, the ageing of the population puts great pressure on public finances as a result of increased pension and health care costs. However, due to the pension system currently in force, the total, so called age-related expenditures, as a share in GDP should fall in Croatia. To estimate the impact of the ageing of population on public finances, the Working Group on Ageing Populations of the Economic Policy Committee of the European Commission analyses expenses for pensions, health care, long-term health care and education as the four key categories of public expenditures directly influenced by demographic changes and unemployment benefits². The analyses show that Croatia might see a considerable rise in health care expenditures (expressed in percentages of GDP) as a result of the fact that the elderly are bigger users of health care services.³ By contrast,

1 The ratio of population above 65 and working age population.

2 The projection of unemployment expenditures is not directly associated with demographic changes but is associated with them indirectly, through projections of developments in labour force and unemployment rate.

3 Health care expenditures depend on a number of factors which affect the supply and demand for health services and the EC usually conducts several alternative scenarios in addition to the baseline scenario. All suggest that health care expenditures should grow visibly in Croatia in the future.

Figure 5 Net replacement rates in the EU in 2053 – scenario of 40 years to the retirement age prescribed by law



Source: EC.

pension expenditures might fall by almost 4% of GDP to 6.9% of GDP, despite unfavourable demographic developments. And finally, the expected reduction in unemployment and a fall in the share of younger population will reduce expenditures for unemployment and education.

To analyse in more detail what influences the fall in pension expenditures in Croatia, the key identity which determines the amount of pension outlays (pension expenditures = the number of retired persons × average pension), can be broken down to the following factors: dependency ratio of the population (shows the impacts of changes in population structure, i.e. population ageing, and is calculated as the ratio of the number of persons above 65 years of age and the population between 20 and 64 years of age), the coverage ratio (shows the share of persons receiving a pension in the population above 65 years of age), the impact of the labour market (shows the impact of developments in the labour market on pension expenditures and consists of three subcomponents (i) employment rate, (ii) labour intensity – hours worked of working age population, and (iii) extension of working years beyond age 65 – the ratio of hours worked of the population aged 20 – 64 and 20 – 74) and the impact of the relative amount of pension or the so called “benefit ratio” (reflects developments in average pension to average wage ratio).

The individual contributions of the listed factors to changes in pension expenditures in percentages of GDP are shown in Table 1. It can be noted that population ageing seen in increased dependency ratio might push pension expenditures upwards over the period of approximately fifty years by 6.4 percentage points. The impact of the coverage ratio should be negative, which may be associated with an increase in the retirement age for men and women and also due to an expected smaller number of disability pensions. The impact of the labour market is also expected to reduce retirement expenditures as a share of GDP through the positive impact on GDP resulting from the expected higher employment rates and an increase in working age above 65 years. However, the developments in the relative level of pensions paid from the first pillar (i.e. the state budget) might have the biggest impact on the fall in public expenditures for pensions, as a result of the mixed pension system currently in force.

In most EU member states age-related expenditures are expected to increase (Figure 3). In this respect, Croatia stands out as the country in which these expenditures are expected to fall the most. The differences between Croatia and most other EU

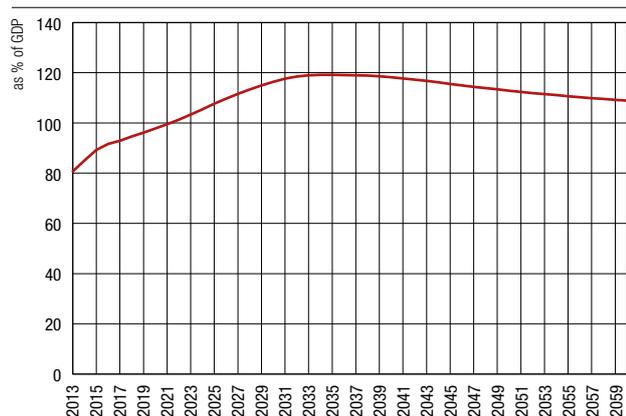
member states arise primarily from the projected developments in public expenditures for pensions, reflecting differences in pension systems and adopted reforms. However, it should be noted that despite a decrease in public expenditures for pensions, the first pension pillar will continue to be financially unbalanced given the expectation that payments in the budget based on social contributions for pension insurance might stand at 5.6% of GDP. Particularly worrying is a further expected deterioration in the already very unfavourable ratio of pensioners and employed persons and it is expected that in 2060 there could be only one employed person to each pensioner, which could possibly be one of the lowest ratios in the EU.

In addition, Croatia might face serious problems associated with pension adequacy (sufficiency), even when potential income from the second pillar is taken into account. As stated in the latest Pension Adequacy Report, in addition to financial sustainability, the pension system should provide adequate future pensions, or income that will enable an adequate living standard for pensioners and protect them from the risk of poverty. One of the main indicators of pension adequacy is the so called replacement rate which generally measures the ratio between the first pension and the last wage and shows the extent to which the pension will replace previous earnings and as such serves as an approximation of the impact of retirement on the living standard of an individual. The average gross replacement rate (taxes and contributions included) might fall considerably in Croatia by 2060 from the already low level. In 2013, the replacement rate stood at 27.9% and by 2060 it might fall to 20.7%. The fall is the result of the fall in the replacement rate in the first pillar, which should only partially be offset by income from the second pillar of the pension insurance. The Pension Adequacy Report shows theoretical replacement rates for four key hypothetical types of workers and the results point to similar conclusions. Calculations were thus made for a hypothetical worker who: (i) has worked full time in continuing employment for 40 years and enters the labour market at 25 and exits this market at 65, (ii) has worked in continuing employment for 40 years up to the retirement age prescribed by law, (iii) has worked since the age of 25 up to the retirement age prescribed by law⁴, and (iv) has worked for a period of time in accordance with the estimates on the average age of entry into and exit from the labour market under the Ageing Report. The workers’ assumed wage throughout the working period was the average wage paid in the country. Figure 4 shows the calculations of net replacement rates (excluding taxes and contributions) in the four cases and it should be noted that their level is more favourable than the gross replacement rate which may be associated with differences in the taxation of wages and pensions. All the four scenarios show a considerable fall in the net theoretical replacement rate in Croatia over the future period of some forty years, suggesting that it in 2053 it could become one of the lowest in the EU.

The developments in the total age-related expenditures might eventually lead to a reversal in the trend of public debt growth and its gradual decrease towards the end of the projection horizon. However, over the next 20 years, in the absence of additional savings, the debt might continue to grow due to the unfavourable impact of the interest rate on public debt and the economic growth rate. Figure 6 shows the estimated developments in general government debt for Croatia until 2060 using the approach of the EC under the Fiscal Sustainability Report 2012 and the projections of the mentioned Ageing Report

4 The rise in retirement age prescribed by law for women will rise gradually until 2038 when it will be 67. The rise in retirement age prescribed by law for men will rise over the period 2030 – 2038 from 65 to 67 years.

Figure 6 Developments in general government debt



Sources: EC and CNB calculations.

and the European Economic Forecast Autumn 2015 of the EC. As regards long term revenue and expenditure forecasts, which are not under the direct influence of demographic changes, it is assumed that their share in GDP will remain constant after the last year for which detailed fiscal projections were made.⁵ As regards inflation and real interest rate, they are assumed to be constant over a long term and to stand at 2% and 3%,

respectively. The EC thus expects an almost balanced primary structural balance in 2017 and general government debt of approximately 92.9% of GDP at the end of the same year. An almost balanced primary structural balance might be maintained until 2030 since the reduction in expenditures for pensions, education and unemployment might cancel out the rise in health care expenditures, after which the primary structural balance should turn into a surplus, gradually rising until the end of the projection horizon. However, general government debt might begin to fall only after 2035 when it is expected to reach 120% of GDP, as a result of expectations of a significantly slower economic growth than the growth in the interest rate on public debt.

The mentioned analyses suggest that economic policymakers might be faced with great challenges in terms of achieving fiscal and social sustainability of public finances. One of the greatest challenges for economic policymakers in the context of fiscal impacts of population ageing will be to achieve a balance between pension system sustainability and pension adequacy. Measures such as incentives to extend working years were taken in the past few years to achieve this balance. However, the projections of the mentioned reports of the European Commission suggest that additional efforts will be required. In addition, the projected developments in the number of retired persons and employed persons point to a great risk that the pension system will not be able to ensure high replacement rates, prompting measures to raise awareness of citizens about the need for additional private savings to ensure some additional income after retirement.

⁵ Income from assets and income from pension taxation are exceptions. They are assumed to remain constant under this analysis. By contrast, account has been taken of the expected decrease in revenues from social contributions for pension insurance due to a falling number of insured persons under the old pension system and a rise in the number of those paying 15% of their gross wages which will result in a fall in the total amount of social contributions in the state budget.



Statistical survey

Classification and presentation of data on claims and liabilities

The Croatian National Bank has begun to implement the ESA 2010 standard in its statistics, which also implies a revision of the historical data produced under the ESA 1995 standard. ESA 2010 is applied to external statistics (tables on the balance of payments, international investment position and external debt), general government debt statistics and to monetary statistics. The introduction of ESA 2010 in external relations statistics is only a part of a broad set of changes arising from the application of the methodology under the IMF's Balance of Payments and International Investment Position Manual, 6th edition (BPM6).

Among others, the implementation of ESA 2010 introduces changes in the part of the sector classification of institutional units. Thus, the sector classification of counterparties will be made in accordance with the Decision on the statistical classification of institutional sectors, which is published by the Central Bureau of Statistics (CBS). This classification by sectors is based on the European System of Accounts (ESA 2010), a mandatory statistical standard of the European Union, and is aligned with the basic international statistical standard – the System of National Accounts (SNA 2008).

Table 1 Overview of the sector classification under ESA 2010

Sector classification under ESA 2010	
Non-financial corporations	
	Public non-financial corporations
	National private non-financial corporations
	Foreign controlled non-financial corporations
Financial corporations	
	Monetary financial institutions
	Central bank
	Other monetary financial institutions
	Deposit-taking corporations, except the central bank (Credit institutions)
	Money market funds
	Financial corporations, except monetary financial institutions and insurance corporations and pension funds (Other financial corporations)
	Non-money market investment funds
	Other financial intermediaries, except insurance corporations and pension funds (Other financial intermediaries)
	Financial auxiliaries
	Captive financial institutions and money lenders
	Insurance corporations
	Pension funds
General government	
	Central government
	State government
	Local government
	Social security funds
Households	
Non-profit institutions serving households	
Rest of the world	

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

The **non-financial corporations** sector consists of public non-financial corporations, national private non-financial corporations and foreign controlled non-financial corporations. This sector covers all institutional units which meet the criteria prescribed by the sector classification of institutional units for the relevant subsector. Non-financial corporations consist of institutional units which are independent legal entities and market producers, and whose principal activity is the production of goods and (or) non-financial services.

The major changes relate to the **financial corporations** sector.

The financial corporations sector is subdivided into the following subsectors: monetary financial institutions, other financial corporations, insurance corporations and pension funds.

Monetary financial institutions consist of the central bank and other monetary financial institutions. The central bank is the Croatian National Bank. Other monetary financial institutions consist of deposit-taking corporations except the central bank and money market funds. Deposit-taking corporations except the central bank are credit institutions (banks, savings banks and housing savings banks). Credit institutions are institutions authorised by the Croatian National Bank under the Credit Institutions Act. The credit institutions sector does not include banks undergoing liquidation or bankruptcy proceedings. Money market funds include all financial corporations and quasi-corporations, except those classified in the central bank and in the credit institutions subsector, which are principally engaged in financial intermediation. Their business is to issue investment fund shares or units and make investments primarily in short-term debt instruments, deposits and money market fund shares or units. Their investment objective is to maintain the principal of the fund and generate yield in accordance with interest rates on money market instruments.

Other financial corporations consist of investment funds other than money market funds, other financial intermediaries, financial auxiliaries and captive financial institutions and money lenders.

Non-money market investment funds consist of all forms of collective investment schemes, except those classified in the money market funds subsector, which are principally engaged in financial intermediation. Their business is to issue investment fund shares or units which are not close substitutes for deposits and, on their own account, to make investments primarily in long-term financial assets.

Other financial intermediaries are institutions which are principally engaged in financial intermediation by incurring liabilities in forms other than currency, deposits, and close substitutes for deposits. They include leasing companies, factoring corporations, banks undergoing liquidation or bankruptcy proceedings, credit unions, etc.

Financial auxiliaries are institutions which are principally engaged in auxiliary financial activities and include, for instance, stock exchanges, exchange offices, financial regulatory authorities, insurance agents and brokers, investment firms, investment and pension fund management companies, the Central Depository and Clearing Company (CDCC), the Croatian Financial Services Supervisory Agency (HANFA), the Financial Agency (FINA), etc.

Captive financial institutions and money lenders include all financial corporations and quasi-corporations which are neither engaged in financial intermediation nor in providing financial auxiliary services and where most of their assets or their liabilities are not transacted on open markets. They include in particular: (a) units as legal entities such as trusts, estates, agencies accounts or "brass plate" companies; (b) holding companies that hold controlling levels of equity of a group of subsidiary corporations and whose principal activity is owning the group without administering or managing the group and providing any other service to the businesses in the group; (c) special purpose entities that qualify as institutional units and raise funds in open markets to be used by their parent corporations; (d) units which

provide financial services exclusively with own funds, or funds provided by a sponsor and incur the financial risk of the debtor defaulting. Examples are money lenders, corporations engaged in lending to students or for foreign trade from funds received from a sponsor such as a government unit or a non-profit institution, and pawnshops that predominantly engage in lending; (e) special purpose government funds, usually called sovereign wealth funds, if classified as financial corporations.

Insurance corporations consist of all financial corporations and quasi-corporations which are principally engaged in financial intermediation as a consequence of the pooling of risks mainly in the form of direct insurance or reinsurance.

Pension funds consist of all financial corporations and quasi-corporations which are principally engaged in financial intermediation as a consequence of the pooling of social risks and needs of the insured persons (social insurance). Pension funds as social insurance schemes provide income in retirement, and often benefits for death and disability.

The **general government** sector consists of institutional units which are non-market producers whose output is intended for individual and collective consumption, and are financed by compulsory payments made by units belonging to other sectors, and institutional units principally engaged in the redistribution of national income and wealth.

It consists of the following subsectors: central government, state government, local government and social security funds. The central government consists of state administration bodies (ministries, offices of the Government of the Republic of Croatia, state administration organisations and state administration offices in counties) and Croatian Motorways (from January 2008), Rijeka – Zagreb Motorway, Croatian Roads, Croatian Waters, Croatian Radiotelevision, Croatian Railways Infrastructure, Croatian Energy Market Operator (HROTE), Croatian Agency for SMEs, Innovations and Investments (HAMAG Bicro), Croatian Energy Regulatory Agency (HERA), the State Agency for Deposit Insurance and Bank Resolution (DAB) and the Croatian Bank for Reconstruction and Development.

Social security funds include the Croatian Pension Insurance Administration, the Croatian Institute for Health Insurance and the Croatian Employment Service. Local government includes units of local and regional self-government and institutional units established and controlled by the local government. There is no state government subsector in the Republic of Croatia.

The **households** sector primarily consists of individual consumers but also of individual consumers and entrepreneurs (market producers). This sector also includes individuals or groups of individuals as producers of goods and non-financial services for exclusively own final use.

The **non-profit institutions serving households** sector consists of non-profit institutions which are separate legal entities, which serve households and which are private non-market producers. Their principal resources are voluntary contributions in cash or in kind from households in their capacity as consumers, from payments made by government and from property income.

The **rest of the world** sector is a grouping of units without

any characteristic functions and resources; it consists of non-resident units insofar as they are engaged in transactions with resident institutional units, or have other economic links with resident units. Its accounts provide an overall view of the economic relationships linking the national economy with the rest of the world. The institutions of the EU and international organisations are included. The rest of the world sector includes all foreign natural and legal persons.

Due to changes in the sector classification, all statistical series shown in the group of tables H International economic relations and Table I3 General government debt have been revised. All statistical series have been revised in tables A to G of the Statistical survey, that is: from 31 December 2010, in the part that refers to the sector classification of institutional units, from 30 June 2006, in the part that refers to the change in the methodological treatment of kuna positions indexed to foreign currency, and from 31 December 2011, in the part that refers to expanding the scope of other monetary financial institutions (to include money market funds). Data begin to be published in the group of tables E.

Up to November 2010, the sector classification in tables of the A – G group was based on the sector classification under the Decision on the Chart of Accounts for Banks, and data were based on the reporting system in accordance with the Decision relating to the bank statistical report. From December 2010 on, the sector classification of counterparties is made in accordance with the Decision on the statistical classification of institutional sectors published by the Central Bureau of Statistics (CBS). This classification by sectors is based on the European System of Accounts (ESA 2010). The data are based on the reporting system in accordance with the Decision on statistical and prudential reporting.

All data on claims and liabilities in tables A1 to D12 refer to balances at the end of the reporting period, and in tables D1 and D5, also to monthly net transactions. The value of transactions during the reporting period is calculated as the difference between the balance of financial positions at the end of the period (current and previous month) adjusted by the movement in the exchange rate, revaluation and reclassification. Revaluations comprise loans write-offs and price adjustments of securities. Reclassifications cover the changes in the balance sheet balances incurred because of the changes in the composition and structure of monetary financial institutions (e.g. disappearance of a reporting unit from the reporting population because of liquidation or bankruptcy), a change in the classification of financial instruments or changes in statistical definitions.

Foreign currency items are reported in their kuna equivalent at the CNB's midpoint exchange rate at the end of the reporting period. In tables where there is a breakdown into kuna and foreign currency items, foreign currency items include kuna items indexed to foreign currency. All items are reported on a gross basis (i.e. before value adjustments).

A Monetary and credit aggregates

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

Year	Month	Reserve money	Money M1	Broadest money M4	Monetary aggregates according to the ECB's definition			Net domestic assets	Domestic credit	Monthly rates of growth						
					M1	M2	M3			Reserve money	Money M1	Broadest money M4	Monetary aggregates according to the ECB's definition			Net domestic assets	Domestic credit
												M1	M2	M3		
2001	December	17,603.2	23,688.1	107,189.5	...	...	...	58,528.2	74,976.2	8.01	12.97	11.75	...	...	3.71	1.17
2002	December	23,027.9	30,850.7	118,098.3	...	...	...	85,280.9	97,557.1	10.72	6.10	1.87	...	...	8.11	2.16
2003	December	30,586.2	33,888.7	131,921.9	...	...	...	99,150.5	111,849.0	8.90	1.78	0.29	...	...	3.24	0.66
2004	December	33,924.4	34,562.1	143,851.7	...	...	...	112,119.8	127,681.7	8.69	2.86	0.33	...	...	2.22	2.00
2005	December	40,390.8	38,817.1	159,167.3	...	...	...	135,873.9	149,743.8	9.38	4.34	0.04	...	...	1.85	1.86
2006	December	46,331.2	48,521.0	188,080.9	...	...	...	160,528.1	184,675.5	3.17	4.75	1.61	...	...	3.36	3.01
2007	December	51,923.9	57,878.3	221,726.6	...	...	...	172,320.0	213,048.8	3.73	6.71	3.93	...	...	3.51	2.67
2008	December	49,743.0	55,222.3	230,792.5	...	...	...	189,134.4	235,840.0	-9.89	8.17	3.17	...	...	5.61	2.06
2009	December	56,141.9	47,181.7	228,521.7	...	...	...	186,016.1	234,506.4	4.55	3.13	-0.19	...	...	-0.81	0.11
2010	December	56,249.1	47,974.1	232,802.6	74,800.4	204,448.4	204,469.4	190,934.0	245,564.3	2.81	-0.76	-2.12	-	-	-0.02	-1.39
2011	December	62,379.2	51,489.3	245,955.3	78,088.6	207,753.7	214,659.6	214,784.1	257,362.6	3.81	3.48	2.81	1.47	-0.10	5.77	1.02
2012	December ^b	61,264.7	51,938.5	254,741.5	79,047.1	212,108.1	221,041.9	207,290.5	242,086.5	3.19	4.10	0.11	3.52	-0.32	0.40	-2.17
2013	December	62,693.1	57,897.8	264,927.0	87,040.7	218,213.6	227,576.3	202,603.4	240,772.8	2.31	2.85	0.30	1.04	0.02	0.38	-0.68
2014	November	62,631.3	60,669.0	273,976.1	92,929.2	220,809.4	230,833.2	197,437.2	238,298.2	1.51	-0.73	0.10	-0.73	-0.25	0.91	0.07
2014	December	63,318.0	63,437.3	273,305.2	95,985.9	220,482.2	229,608.3	198,183.5	237,004.6	1.10	4.56	-0.24	3.29	-0.15	0.38	-0.54
2015	January	62,113.7	60,878.1	272,704.4	93,403.5	219,078.2	228,616.5	206,276.1	240,446.7	-1.90	-4.03	-0.22	-2.69	-0.64	4.08	1.45
2015	February	60,618.5	61,429.4	274,243.2	95,477.9	220,214.5	229,544.2	205,967.5	239,648.4	-2.41	0.91	0.56	2.22	0.52	-0.15	-0.33
2015	March	64,682.5	60,912.8	271,191.7	93,826.7	217,274.9	226,370.2	195,577.2	239,294.4	6.70	-0.84	-1.11	-1.73	-1.33	-5.04	-0.15
2015	April	63,689.1	61,323.0	268,953.6	94,526.2	216,041.1	224,659.1	196,057.7	238,175.9	-1.54	0.67	-0.83	0.75	-0.57	0.25	-0.47
2015	May	64,177.4	63,194.6	270,793.8	96,403.2	217,226.8	226,336.3	198,609.5	238,232.1	0.77	3.05	0.68	1.99	0.55	1.30	0.02
2015	June	67,054.9	67,108.9	275,553.7	101,468.6	221,265.5	231,146.3	200,488.5	236,609.7	4.48	6.19	1.76	5.25	1.86	0.95	-0.68
2015	July	64,426.2	68,410.2	277,728.7	103,345.7	222,864.5	232,747.8	196,449.2	236,163.2	-3.92	1.94	0.79	1.85	0.72	-2.01	-0.19
2015	August	62,967.2	69,922.4	280,959.2	106,551.4	226,301.8	236,143.5	193,101.4	233,636.4	-2.26	2.21	1.16	3.10	1.54	-1.70	-1.07
2015	September	66,236.2	69,378.6	287,380.7	111,187.3	232,825.1	241,817.8	194,805.2	233,733.2	5.19	-0.78	2.29	4.35	2.88	0.88	0.04
2015	October	63,762.0	68,934.1	287,782.1	107,576.7	232,736.4	241,834.9	192,756.9	231,656.6	-3.74	-0.64	0.14	-3.25	-0.04	-1.05	-0.89

^a From December 2010 onwards, data are harmonised with the ESA 2010 methodology. As from July 1999, the CBPD is reclassified from the sector other financial intermediaries to the sector central government. Up to May 2006, kuna positions also include kuna items indexed to foreign currency, and starting from June 2006, kuna items indexed to foreign currency are reclassified to foreign exchange positions. From December 2011 onwards, data also include money market funds. ^b Within Domestic credit, claims on other domestic sectors fell by HRK 5.6bn in December 2012. This fall was fully attributable to a transaction of one credit institution which, in an effort to reduce the amount of partly recoverable and fully irrecoverable placements, transferred a total of HRK 5.6bn in its claims to a company indirectly owned by a parent bank.

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

In February 2015, data on all the monetary aggregates have been revised, that is: from 31 December 2010, in the part that refers to the sector classification of institutional units and the change in the methodological treatment of kuna positions indexed to foreign currency, and from 31 December 2011, in the part that refers to expanding the scope of other monetary financial institutions (to include money market funds).

Reserve money is taken over in its entirety from the Balance sheet of the Croatian National Bank (Table C1).

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

Broadest money (M4) comprises money (M1), savings and time deposits, foreign currency deposits as well as bonds and money market instruments and money market funds' shares/units (all components are taken over from the Consolidated balance sheet of monetary financial institutions, Table B1).

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

Up to November 2010, Domestic credit comprised banks' and housing savings banks' claims on other domestic sectors,

other banking institutions and non-banking financial institutions.

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

From November 2015 on, the Croatian National Bank presents the monetary aggregates as defined by the European Central Bank.

Monetary aggregates comprise monetary liabilities of monetary financial institutions to non-MFI Croatian residents excluding central government.

Monetary aggregate M1 (a "narrow" monetary aggregate) comprises currency in circulation and overnight deposits in kuna and foreign currency. Overnight deposits comprise transaction accounts (including restricted deposits), savings deposits and overnight loans.

Monetary aggregate M2 (an "intermediate" monetary aggregate) comprises monetary aggregate M1, time deposits in kuna and foreign currency with original maturity of up to and including two years (including loans received, except overnight loans and repurchase agreements) and deposits redeemable at a period of notice of up to and including three months.

Monetary aggregate M3 (a "broad" monetary aggregate) comprises monetary aggregate M2, repurchase agreements, money market fund shares and units as well as debt securities with original maturity of up to and including two years.

B Monetary financial institutions

Table B1 Consolidated balance sheet of monetary financial institutions^a
end of period, in million HRK

	2010 Dec.	2011 Dec.	2012 Dec. ^b	2013 Dec.	2014 Dec.	2015			
						Mar.	Jun.	Sep.	Oct.
ASSETS									
1 Foreign assets (net)	41,868.6	31,171.3	47,451.0	62,323.7	75,121.6	75,614.5	75,065.2	92,575.5	95,025.2
2 Domestic credit	276,273.5	303,669.9	300,540.9	295,940.9	295,996.1	297,031.1	299,502.4	296,241.4	294,774.0
2.1 Claims on central government and social security funds (net)	30,709.2	46,307.3	58,454.3	55,168.1	58,991.5	57,736.7	62,892.7	62,508.2	63,117.4
2.2 Claims on other domestic sectors	241,270.0	251,964.1	236,414.5	234,117.8	229,571.6	232,499.9	229,554.3	226,069.8	224,825.7
2.3 Claims on other banking institutions	....	....	....	....	....	....	....	....	....
2.4 Claims on non-banking financial institutions	....	....	....	....	....	....	....	....	....
2.5 Claims on non-MMF investment funds	384.2	358.1	324.5	322.7	336.2	407.5	416.8	418.3	409.2
2.6 Claims on other financial intermediaries	2,292.0	3,869.5	4,017.4	4,322.3	5,016.2	4,868.3	5,190.2	4,954.6	4,911.0
2.7 Claims on financial auxiliaries	963.7	1,033.1	1,068.4	1,247.7	1,335.7	1,241.4	1,219.7	1,224.9	1,150.0
2.8 Claims on insurance corporations and pension funds	654.3	137.8	261.8	762.4	744.9	277.3	228.6	1,065.7	360.7
Total (1+2)	318,142.1	334,841.2	347,991.9	358,264.5	371,117.7	372,645.6	374,567.6	388,816.9	389,799.2
LIABILITIES									
1 Money	47,974.1	51,489.3	51,938.5	57,897.8	63,437.3	60,912.8	67,108.9	69,378.6	68,934.1
2 Savings and time deposits	29,142.0	33,676.8	31,689.8	33,407.1	34,471.8	35,033.7	34,618.6	35,989.6	35,819.3
3 Foreign currency deposits	154,697.9	152,197.1	160,443.7	162,656.3	164,866.6	164,752.2	162,740.5	171,767.8	172,692.3
4 Bonds and money market instruments	988.6	1,728.7	2,412.0	1,995.3	2,161.3	2,266.0	1,582.0	2,063.6	2,046.8
5 MMFs shares/units	....	6,863.4	8,257.6	8,970.5	8,368.1	8,227.0	9,503.7	8,181.1	8,289.7
6 Restricted and blocked deposits	3,580.9	3,399.7	5,274.1	4,718.4	3,216.1	3,533.2	3,794.5	4,258.6	3,969.6
7 Other items (net)	81,758.6	85,486.2	87,976.2	88,619.1	94,596.5	97,920.7	95,219.4	97,177.5	98,047.5
Total (1+2+3+4+5+6+7)	318,142.1	334,841.2	347,991.9	358,264.5	371,117.7	372,645.6	374,567.6	388,816.9	389,799.2

^a From December 2010 onwards, data are harmonised with the ESA 2010 methodology. As from July 1999, the CBRD is reclassified from the sector other financial intermediaries to the sector central government. Up to May 2006, kuna positions also include kuna items indexed to foreign currency, and starting from June 2006, kuna items indexed to foreign currency are reclassified to foreign exchange positions. From December 2011 onwards, data also include money market funds. ^b Claims on other domestic sectors fell by HRK 5.6bn in December 2012. This fall was fully attributable to a transaction of one credit institution which, in an effort to reduce the amount of partly recoverable and fully irrecoverable placements, transferred a total of HRK 5.6bn in its claims to a company indirectly owned by a parent bank.

Table B1 Consolidated balance sheet of monetary financial institutions • The Consolidated balance sheet of monetary financial institutions shows consolidated data from the Balance sheet of the Croatian National Bank (Table C1) and the Consolidated balance sheet of other monetary financial institutions (Table D1).

In March 2013, data on all the items have been revised from July 1999 onward to include housing savings banks in addition to the Croatian National Bank, banks and savings banks. In February 2015, all of the data have been revised, that is: from 31 December 2010, in the part that refers to the sector classification of institutional units and the change in the methodological treatment of kuna positions indexed to foreign currency, and from 31 December 2011, in the part that refers to expanding the scope of other monetary financial institutions (to include money market funds). In June 2015, all of the data have been revised, that is: from 30 June 2006, in the part that refers to the change in the methodological treatment of kuna positions indexed to foreign currency.

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

Domestic credit is the sum of the corresponding items in the Balance sheet of the Croatian National Bank and the Consolidated balance sheet of other monetary financial institutions. Claims on the central government are reported on a net basis, i.e. decreased by central government deposits with the CNB and other monetary financial institutions.

Money is the sum of currency outside credit institutions, deposits by other financial institutions with the CNB and demand deposits with credit institutions (item Demand deposits in the Consolidated balance sheet of other monetary financial institutions, Table D1).

Items Savings and time deposits, Foreign currency deposits as well as Bonds and money market instruments are entirely taken over from the Consolidated balance sheet of other monetary financial institutions, while item Restricted and blocked deposits represents the sum of the corresponding items in the Balance sheet of the Croatian National Bank (excluding credit institutions' blocked deposits with the CNB) and the Consolidated balance sheet of other monetary financial institutions. Issued shares/units refer to the money market funds' issued shares/units. Other items (net) are unclassified liabilities decreased by unclassified assets.

Table B2 Number of other reporting monetary financial institutions and their classification by total assets

Year	Month	Total number of other monetary financial institutions	Total number of credit institutions	Banks	Savings banks	Housing savings banks	Savings banks ^a	Money market funds	Other monetary financial institutions classified according to their total assets					
									Less than 100 million kuna	100 million kuna to less than 500 million kuna	500 million kuna to less than 1 billion kuna	1 billion kuna to less than 2 billion kuna	2 billion kuna to less than 10 billion kuna	10 billion kuna and over
1	2	3 = 4 + 9	4 = 5 to 8	5	6	7	8	9	10	11	12	13	14	15
2001	December	69	69	44	0	4	21	0	20	20	8	7	10	4
2002	December	59	59	46	0	3	10	0	12	16	9	9	8	5
2003	December	53	53	42	0	4	7	0	7	16	9	7	8	6
2004	December	49	49	39	0	4	6	0	7	13	10	8	5	6
2005	December	43	43	36	0	4	3	0	4	10	8	8	7	6
2006	December	43	43	35	0	5	3	0	6	6	6	11	6	8
2007	December	42	42	35	0	5	2	0	5	5	2	16	5	9
2008	December	43	43	35	1	5	2	0	4	8	1	14	7	9
2009	December	43	43	34	2	5	2	0	5	6	3	14	7	8
2010	December	38	38	32	1	5	0	0	1	5	2	12	10	8
2011	December	59	37	31	1	5	0	22	9	15	4	12	11	8
2012	December	56	36	30	1	5	0	20	6	15	3	13	11	8
2013	December	55	35	29	1	5	0	20	6	14	4	13	10	8
2014	November	55	35	29	1	5	0	20	6	13	3	14	10	9
	December	53	33	27	1	5	0	20	5	13	4	13	9	9
2015	January	53	33	27	1	5	0	20	5	12	5	12	10	9
	February	53	33	27	1	5	0	20	5	13	4	12	10	9
	March	53	33	27	1	5	0	20	5	13	4	13	9	9
	April	53	33	27	1	5	0	20	5	12	5	13	9	9
	May	53	33	27	1	5	0	20	5	12	5	13	9	9
	June	53	33	27	1	5	0	20	4	13	5	13	9	9
	July	52	33	27	1	5	0	19	4	12	5	13	9	9
	August	52	33	27	1	5	0	19	4	12	4	14	9	9
	September	52	33	27	1	5	0	19	4	12	5	14	8	9
	October	52	33	27	1	5	0	19	4	12	5	14	8	9

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

Table B2 Number of other reporting monetary financial institutions and their classification by total assets • The table shows the total number of credit institutions and money market funds which report monthly to the CNB. Their operations are shown in the Consolidated balance sheet of other monetary financial institutions.

Up to February 2005, monetary statistics included institutions

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

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

C Croatian National Bank

Table C1 Balance sheet of the Croatian National Bank^a
end of period, in million HRK

	2010	2011	2012	2013	2014	2015			
	Dec.	Dec.	Dec.	Dec.	Dec.	Mar.	Jun.	Sep.	Oct.
ASSETS									
1 Foreign assets	78,728.2	84,302.0	84,782.1	98,583.0	97,206.1	108,230.3	104,109.7	102,548.9	108,158.8
1.1 Gold	-	-	-	-	-	-	-	-	-
1.2 Holdings of SDRs	2,634.5	2,716.3	2,662.3	2,601.4	2,789.1	2,970.8	2,933.8	2,912.6	2,961.4
1.3 Reserve position in the IMF	1.4	1.4	1.4	1.4	1.6	1.7	1.8	1.8	1.8
1.4 Currency and demand deposits with foreign banks	1,483.0	1,887.2	10,647.4	7,576.9	3,878.5	3,458.5	3,493.3	3,492.5	3,500.0
1.5 Time deposits with foreign banks	22,702.9	18,676.4	6,298.8	20,819.1	22,153.9	35,187.1	28,229.0	25,417.7	35,027.5
1.6 Securities in f/c	51,906.5	61,020.7	65,172.2	67,584.3	68,383.0	66,612.1	69,451.9	70,724.3	66,668.1
1.7 Non-convertible foreign exchange	0.0	0.0	0.0	-	-	-	-	-	-
2 Claims on central government	0.3	251.8	-	-	0.6	-	-	-	-
2.1 Claims in kuna	0.3	251.8	-	-	0.6	-	-	-	-
2.2 Claims in f/c	-	-	-	-	-	-	-	-	-
3 Claims on other domestic sectors	3.1	2.8	2.5	2.3	2.0	2.0	1.9	1.8	1.8
4 Claims on credit institutions	12.9	139.2	11.8	11.3	11.0	10.7	10.6	1,199.1	326.1
4.1 Loans to credit institutions	12.9	139.2	11.8	11.3	11.0	10.7	10.6	1,199.1	326.1
Lombard loans	-	-	-	-	-	-	-	-	4.5
Short-term liquidity loans	-	126.8	-	-	-	-	-	-	-
Other loans	12.9	12.4	11.8	11.3	11.0	10.7	10.6	10.6	10.5
Reverse repo transactions	-	-	-	-	-	-	-	1,188.5	311.1
4.2 Overdue claims	-	-	-	-	-	-	-	-	-
5 Claims on other financial institutions	0.7	0.7	-	-	-	-	-	-	-
Total (1+2+3+4+5)	78,745.2	84,696.5	84,796.4	98,596.6	97,219.6	108,243.0	104,122.1	103,749.8	108,486.8
LIABILITIES									
1 Reserve money	56,249.1	62,379.2	61,264.7	62,693.1	63,318.0	64,682.5	67,054.9	66,236.2	63,762.0
1.1 Currency outside credit institutions	15,262.7	16,689.1	16,947.0	17,420.6	18,520.2	18,385.6	20,244.9	20,780.4	20,284.2
1.2 Credit institutions' cash in vaults	4,048.7	4,253.9	4,681.0	4,564.7	4,635.8	4,419.7	5,379.8	5,017.9	4,802.9
1.3 Credit institutions' deposits	36,937.6	41,436.0	39,636.7	40,707.7	40,162.0	41,877.2	41,430.1	40,147.3	38,674.9
Settlement accounts	10,246.1	12,705.0	11,509.2	15,080.9	15,084.7	17,247.6	16,898.2	14,710.8	16,456.6
Statutory reserve in kuna	22,705.1	25,755.0	24,555.7	22,024.6	21,899.8	21,879.0	21,589.4	22,017.7	22,218.3
CNB bills on obligatory basis	-	-	-	3,602.2	3,177.4	2,750.6	2,942.5	3,418.8	-
Overnight deposits	3,986.4	2,976.0	3,571.9	-	-	-	-	-	-
1.4 Deposits of other financial institutions	-	0.2	-	-	0.0	0.0	-	290.6	-
2 Restricted and blocked deposits	5,979.3	5,754.0	7,954.8	6,401.2	3,884.9	3,922.5	3,840.8	3,880.9	3,863.9
2.1 Statutory reserve in f/c	4,773.2	5,538.3	5,094.5	4,418.8	3,744.8	3,806.2	3,717.9	3,746.2	3,726.5
2.2 Restricted deposits	1,206.0	215.8	2,860.2	1,982.5	140.1	116.3	122.9	134.7	137.3
2.3 Blocked f/c deposits	-	-	-	-	-	-	-	-	-
3 Foreign liabilities	2,638.5	2,711.5	2,648.4	3,219.1	3,699.5	9,169.5	9,674.8	7,582.4	16,308.3
3.1 Use of IMF credit	-	-	-	-	-	-	-	-	-
3.2 Liabilities to international institutions	2,638.5	2,711.5	2,648.4	3,219.1	3,408.3	4,015.8	3,304.6	3,246.5	3,423.6
3.3 Liabilities to foreign banks	-	0.0	0.0	0.0	291.2	5,153.7	6,370.2	4,335.8	12,884.7
4 Deposits of central government and social security funds	4,211.0	1,619.6	738.1	13,797.6	11,553.0	14,348.4	8,501.7	10,486.4	8,955.0
4.1 Demand deposits	1,484.5	1,030.1	659.7	3,139.7	2,991.2	3,381.3	3,298.8	4,893.4	4,245.8
Central government demand deposits	1,484.5	1,030.1	659.7	3,139.7	2,991.2	2,700.3	3,283.6	4,778.7	3,968.3
Demand deposits of social security funds	-	-	-	-	-	681.0	15.2	114.7	277.6
4.2 Central government f/c deposits	2,726.4	589.5	78.5	10,657.9	8,561.8	10,967.1	5,202.9	5,593.0	4,709.1
4.3 CNB bills	-	-	-	-	-	-	-	-	-
5 CNB bills	-	-	-	-	-	-	-	-	-
5.1 CNB bills in kuna	-	-	-	-	-	-	-	-	-
5.2 CNB bills in f/c	-	-	-	-	-	-	-	-	-
6 Capital accounts	10,460.3	13,076.9	13,068.5	13,407.7	15,699.2	17,076.6	16,006.3	16,596.1	16,651.5
7 Other items (net)	-792.9	-844.6	-878.1	-922.0	-934.9	-956.4	-956.3	-1,032.1	-1,053.8
Total (1+2+3+4+5+6+7)	78,745.2	84,696.5	84,796.4	98,596.6	97,219.6	108,243.0	104,122.1	103,749.8	108,486.8

^a From December 2010 onwards, data are harmonised with the ESA 2010 methodology. As from July 1999, the CBRD is reclassified from the sector other financial institutions to the sector central government.

Table C1 Balance sheet of the Croatian National Bank • The table reports data on claims and liabilities of the Croatian National Bank (central bank).

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

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

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

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

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

Reserve money consists of currency outside credit institutions, cash in credit institutions' vaults, credit institutions' deposits with the CNB and deposits of other financial institutions with the CNB.

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

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

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

Foreign liabilities include use of IMF credits, liabilities to international financial institutions and foreign banks and accrued interest, as well as the allocation of special drawing rights that was shown under the Capital accounts until 2008.

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

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

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

Other items (net) are unclassified liabilities decreased by unclassified assets of the Balance sheet of the Croatian National Bank.

D Other monetary financial institutions

Table D1 Consolidated balance sheet of other monetary financial institutions^a
end-of-period balance and transactions during the period, in million HRK

	2010 Dec.	2011 Dec.	2012 Dec. ^b	2013 Dec.	2014 Dec.	2015				
						Mar.	Jun.	Sep.	Oct.	
ASSETS										
1 Reserves with the CNB	45,745.5	51,114.0	49,411.3	49,707.5	48,560.4	50,116.2	50,540.9	48,920.0	47,213.8	
1.1 In kuna	40,169.1	45,590.6	44,316.8	45,288.8	44,815.6	46,310.0	46,823.0	45,173.8	43,487.3	
1.2 In f/c	5,576.4	5,523.5	5,094.5	4,418.8	3,744.8	3,806.2	3,717.9	3,746.2	3,726.5	
2 Foreign assets	47,878.2	40,069.6	39,144.3	36,681.3	43,943.2	39,100.5	42,200.6	54,054.3	55,777.9	
3 Claims on central government and social security funds	57,113.6	68,207.5	79,807.2	87,857.7	89,724.0	90,770.6	89,982.8	91,803.9	90,098.9	
4 Claims on other domestic sectors	241,266.9	251,961.3	236,412.0	234,115.5	229,569.6	232,497.9	229,552.5	226,068.0	224,823.9	
4.1 Claims on local government	3,375.2	3,559.1	3,485.2	4,231.8	4,714.0	4,589.9	4,378.6	4,312.2	4,258.5	
4.2 Claims on non-financial corporations	107,687.2	116,840.4	103,157.0	102,452.6	98,401.5	99,273.7	97,536.8	95,719.0	94,925.5	
4.3 Claims on households	130,204.4	131,561.8	129,769.8	127,431.1	126,454.1	128,634.3	127,637.1	126,036.8	125,639.8	
5 Claims on other banking institutions	....	....	....	....	....	....	....	....	....
6 Claims on non-banking financial institutions	....	....	....	....	....	....	....	....	....
7 Claims on non-MMF investment funds	384.2	358.1	324.5	322.7	336.2	407.5	416.8	418.3	409.2	
8 Claims on other financial intermediaries	2,291.4	3,868.8	4,017.4	4,322.3	5,016.2	4,868.3	5,190.2	4,954.6	4,911.0	
9 Claims on financial auxiliaries	963.7	1,033.1	1,068.4	1,247.7	1,335.7	1,241.4	1,219.7	1,224.9	1,150.0	
10 Claims on insurance corporations and pension funds	654.3	137.8	261.8	762.4	744.9	277.3	228.6	1,065.7	360.7	
Total (1+2+3+4+5+6+7+8+9+10)	396,297.8	416,750.2	410,446.9	415,017.1	419,230.2	419,279.8	419,332.2	428,509.6	424,745.4	
LIABILITIES										
1 Demand deposits	32,711.3	34,800.0	34,991.5	40,477.2	44,917.1	42,527.2	46,863.9	48,307.6	48,649.9	
2 Savings and time deposits	29,142.0	33,676.8	31,689.8	33,407.1	34,471.8	35,033.7	34,618.6	35,989.6	35,819.3	
3 Foreign currency deposits	154,697.9	152,197.1	160,443.7	162,656.3	164,866.6	164,752.2	162,740.5	171,767.8	172,692.3	
4 Bonds and money market instruments	988.6	1,728.7	2,412.0	1,995.3	2,161.3	2,266.0	1,582.0	2,063.6	2,046.8	
5 MMFs shares/units	....	6,863.4	8,257.6	8,970.5	8,368.1	8,227.0	9,503.7	8,181.1	8,289.7
6 Foreign liabilities	82,099.3	90,488.9	73,827.0	69,721.5	62,328.2	62,546.8	61,570.4	56,445.4	52,603.2	
7 Deposits of central government and social security funds	22,193.7	20,532.4	20,614.7	18,892.0	19,180.1	18,685.5	18,588.4	18,809.4	18,026.5	
8 Credit from central bank	12.9	139.1	11.8	11.3	11.0	10.7	10.6	1,199.1	326.1	
9 Restricted and blocked deposits	2,374.9	3,183.9	2,413.9	2,735.9	3,076.0	3,416.9	3,671.6	4,123.9	3,832.3	
10 Capital accounts	72,555.2	77,208.3	80,700.6	83,245.1	87,151.2	87,773.3	87,307.8	84,295.8	83,191.7	
11 Other items (net)	-478.1	-4,068.4	-4,915.7	-7,095.4	-7,301.1	-5,959.6	-7,125.4	-2,673.7	-732.4	
Total (1+2+3+4+5+6+7+8+9+10+11)	396,297.8	416,750.2	410,446.9	415,017.1	419,230.2	419,279.8	419,332.2	428,509.6	424,745.4	
TRANSACTIONS										
ASSETS										
1 Reserves with the CNB	....	1,926.7	1,307.3	808.5	713.1	4,150.4	1,931.1	3,637.6	-1,690.6
1.1 In kuna	....	2,010.1	1,275.9	1,358.9	726.1	4,106.4	1,953.4	3,650.0	-1,686.5
1.2 In f/c	....	-83.4	31.4	-550.4	-13.0	44.0	-22.3	-12.5	-4.1
2 Foreign assets	....	-1,669.7	-1,734.4	-660.3	252.5	-3,619.5	3,767.3	6,188.3	1,614.0
3 Claims on central government and social security funds	....	-1,064.1	2,641.7	1,384.5	1,278.6	-2,393.1	-1,049.4	-1,485.8	-1,478.0
4 Claims on other domestic sectors	....	1,163.0	-4,177.8	-1,548.2	-649.7	230.3	-1,111.3	-958.5	-669.1
4.1 Claims on local government	....	143.3	154.4	169.5	170.4	-43.1	-13.4	-61.6	-40.5
4.2 Claims on non-financial corporations	....	1,436.2	-3,889.0	-1,460.1	-768.1	65.5	-850.0	-775.1	-486.7
4.3 Claims on households	....	-416.5	-443.1	-257.6	-52.0	207.9	-248.0	-121.9	-142.0
5 Claims on other banking institutions	....	....	....	....	....	....	....	....	....
6 Claims on non-banking financial institutions	....	....	....	....	....	....	....	....	....
7 Claims on non-MMF investment funds	....	33.2	-9.0	-6.3	-9.6	63.6	9.8	-33.0	-17.8
8 Claims on other financial intermediaries	....	191.1	343.0	-119.5	19.3	-158.4	103.3	-152.4	-36.2
9 Claims on financial auxiliaries	....	13.4	69.8	49.4	20.3	55.2	25.4	-5.0	-74.4
10 Claims on insurance corporations and pension funds	....	-286.8	97.6	352.0	75.8	-54.0	-111.3	-57.1	-705.0
Total (1+2+3+4+5+6+7+8+9+10)	....	306.8	-1,461.9	260.2	1,700.2	-1,725.6	3,564.9	7,134.1	-3,057.3
LIABILITIES										
1 Demand deposits	....	1,442.5	1,825.6	1,546.3	2,792.7	-473.7	2,990.4	-162.9	342.3
2 Savings and time deposits	....	-582.6	43.1	-24.1	-1,396.9	337.4	152.5	1,455.6	-170.3

	2010 Dec.	2011 Dec.	2012 Dec. ^a	2013 Dec.	2014 Dec.	2015			
						Mar.	Jun.	Sep.	Oct.
3 Foreign currency deposits	-2,507.6	-1,715.8	-630.1	-1,049.8	-2,270.0	311.7	4,377.3	1,258.4
4 Bonds and money market instruments	90.3	195.6	-241.7	-113.4	10.8	-125.1	21.5	-14.7
5 MMFs shares/units	28.8	-78.1	-1,214.7	-562.2	168.8	-822.3	849.7
6 Foreign liabilities	1,706.3	-1,754.3	-294.7	2,707.7	133.9	-1,664.7	-666.0	-3,729.6
7 Deposits of central government and social security funds	274.3	535.3	-104.4	-412.7	227.6	261.7	495.9	-747.6
8 Credit from central bank	25.0	0.0	0.0	0.0	-0.1	0.0	1,188.5	-872.9
9 Restricted and blocked deposits	403.7	-55.6	-135.2	-299.3	61.1	107.9	253.4	-286.7
10 Capital accounts	-152.6	-1,357.4	-43.2	-131.2	-270.4	270.7	-3,424.1	-1,104.1
11 Other items (net)	-392.6	792.9	265.4	817.8	1,080.0	1,090.9	4,417.3	1,418.0
Total (1+2+3+4+5+6+7+8+9+10+11)	306.8	-1,461.9	260.2	1,700.2	-1,725.6	3,564.9	7,134.1	-3,057.3

^a From December 2010 onwards, data are harmonised with the ESA 2010 methodology. As from July 1999, the CBRD is reclassified from the sector other financial intermediaries to the sector central government. Up to May 2006, kuna positions also include kuna items indexed to foreign currency, and starting from June 2006, kuna items indexed to foreign currency are reclassified to foreign exchange positions. From December 2011 onwards, data also include money market funds. ^b Claims on other domestic sectors fell by HRK 5.6bn in December 2012. This fall was fully attributable to a transaction of one credit institution which, in an effort to reduce the amount of partly recoverable and fully irrecoverable placements, transferred a total of HRK 5.6bn in its claims to a company indirectly owned by a parent bank.

Table D1 Consolidated balance sheet of other monetary financial institutions • The Consolidated balance sheet of other monetary financial institutions include data on claims and liabilities of other monetary financial institutions (credit institutions and money market funds).

In March 2013, data on all the items have been revised from July 1999 onward to include housing savings banks in addition to the Croatian National Bank, banks and savings banks. In February 2015, all of the data have been revised, that is: from 31 December 2010, in the part that refers to the sector classification of institutional units and the change in the methodological treatment of kuna positions indexed to foreign currency, and from 31 December 2011, in the part that refers to expanding the scope of other monetary financial institutions (to include money market funds). In June 2015, all of the data have been revised, that is: from 30 June 2006, in the part that refers to the change in the methodological treatment of kuna positions indexed to foreign currency.

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

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

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

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

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

Up to November 2010, items Demand deposits, Savings and time deposits, Foreign currency deposits as well as Bonds and money market instruments comprised credit institutions'

liabilities to other domestic sectors, other banking institutions and non-banking financial institutions. From December 2010 on, these items comprise credit institutions' liabilities to other domestic sectors, non-MMF investment funds, other financial intermediaries, financial auxiliaries as well as insurance corporations and pension funds.

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

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

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

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

The issued money market fund shares/units are the remaining claims on the assets of institutional units that have issued the shares or units.

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

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

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

Up to November 2010, Restricted and blocked deposits comprised the following banks' liabilities: kuna and foreign currency restricted deposits by other domestic sectors, other banking institutions, non-banking financial institutions, central government as well as foreign legal and natural persons, and households' blocked foreign currency deposits, regulated by the Act on Converting Households' Foreign Currency Deposits into the Public Debt of the Republic of Croatia.

From December 2010 on, Restricted and blocked deposits comprise the following credit institutions' liabilities: kuna and foreign currency restricted deposits by other domestic sectors,

other financial intermediaries, financial auxiliaries, insurance corporations and pension funds, central government as well as foreign legal and natural persons, and households' blocked foreign currency deposits, regulated by the Act on Converting Households' Foreign Currency Deposits into the Public Debt of the Republic of Croatia.

Capital accounts are share capital, retained earnings (loss), profit (loss) for the previous year, profit (loss) for the current year, legal reserves, reserves provided for by the articles of

association and other capital reserves, reserves for general banking risks, deferred tax in equity, dividends paid in the current year, revaluation reserves, collectively and individually assessed impairment provisions for off-balance sheet items, value adjustments and collectively assessed impairment provisions.

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

Table D2 Foreign assets of other monetary financial institutions^a
end of period, in million HRK

	2010 Dec.	2011 Dec.	2012 Dec.	2013 Dec.	2014 Dec.	2015			
						Mar.	Jun.	Sep.	Oct.
1 Foreign assets in f/c	47,120.0	39,267.7	37,526.2	35,544.1	42,387.1	37,940.1	40,414.6	50,507.4	52,130.3
1.1 Claims on foreign financial institutions	32,056.3	29,655.0	28,730.5	26,954.4	31,191.6	27,376.7	30,382.5	41,035.3	42,102.1
Foreign currencies	1,623.1	1,940.5	1,758.0	1,804.9	1,826.9	1,821.1	2,469.3	2,086.9	1,977.8
Demand deposits	1,175.2	2,377.1	5,457.7	4,414.0	7,246.4	4,964.7	7,313.0	16,574.1	11,824.5
Time and notice deposits	27,129.2	22,372.8	15,915.9	15,751.5	17,815.8	16,017.6	16,062.7	16,786.2	18,982.0
Securities	1,896.5	2,847.4	5,360.6	4,821.8	3,758.7	3,991.5	4,143.2	4,349.1	4,182.8
Loans and advances	170.1	8.7	187.7	53.2	448.9	482.4	300.4	402.9	4,278.4
Shares and participations	62.1	108.5	50.6	109.0	94.9	99.5	93.9	836.1	856.7
1.2 Claims on foreign non-financial institutions	15,063.7	9,612.6	8,795.7	8,589.8	11,195.5	10,563.4	10,032.1	9,472.2	10,028.2
Claims on foreign governments	12,906.2	7,569.0	6,969.8	6,333.0	8,924.8	8,232.9	7,537.5	6,848.0	7,411.6
Claims on other non-residents	2,140.4	2,036.7	1,799.9	2,220.2	2,227.8	2,310.1	2,447.3	2,577.4	2,563.3
Securities	271.7	55.1	0.1	14.4	32.1	50.5	67.1	63.7	38.1
Loans and advances	1,868.7	1,981.6	1,799.9	2,205.7	2,195.7	2,259.6	2,380.3	2,513.7	2,525.1
Shares and participations	17.1	6.9	26.0	36.6	43.0	20.5	47.2	46.8	53.4
2 Foreign assets in kuna	758.3	802.0	1,618.1	1,137.2	1,556.2	1,160.4	1,786.0	3,546.9	3,647.6
2.1 Claims on foreign financial institutions	713.7	764.4	1,583.4	1,105.3	1,509.1	1,111.0	1,665.1	3,438.4	3,548.7
2.2 Claims on foreign non-banks	44.5	37.6	34.8	31.9	47.0	49.4	120.9	108.5	98.9
o/w: Loans and advances	44.2	37.2	34.5	31.6	46.7	49.1	120.6	108.2	98.6
Total (1+2)	47,878.2	40,069.6	39,144.3	36,681.3	43,943.2	39,100.5	42,200.6	54,054.3	55,777.9

^a From December 2010 onwards, data are harmonised with the ESA 2010 methodology. As from July 1999, the CBRD is reclassified from the sector other financial intermediaries to the sector central government. Up to May 2006, kuna positions also include kuna items indexed to foreign currency, and starting from June 2006, kuna items indexed to foreign currency are reclassified to foreign exchange positions. From December 2011 onwards, data also include money market funds.

Tables D2 – D12 • This group of tables (with the exception of tables D5, D5a, D5b, D5c and D5d) provides a detailed analysis of the relevant asset and liability items of the Consolidated balance sheet of other monetary financial institutions (Table D1).

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

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

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

	2010 Dec.	2011 Dec.	2012 Dec.	2013 Dec.	2014 Dec.	2015			
						Mar.	Jun.	Sep.	Oct.
1 In kuna	18,538.8	21,967.5	25,125.3	29,638.7	30,666.8	29,501.0	29,686.1	29,068.6	27,779.1
1.1 Claims on central government	18,537.8	21,965.2	25,123.8	29,637.8	30,663.6	29,498.5	29,683.8	29,066.6	27,777.3
Securities	12,633.4	15,926.5	14,474.8	19,428.9	24,987.5	23,273.5	23,923.3	22,988.8	21,692.4
o/w: Bonds (c'part to f/c savings deposits)	17.1	16.3	15.6	15.6	-	-	-	-	-
Loans and advances	5,904.4	6,038.7	10,649.0	10,208.8	5,676.1	6,224.9	5,760.5	6,077.8	6,084.8
1.2 Claims on social security funds	1.0	2.2	1.6	0.9	3.2	2.5	2.2	2.0	1.9
Securities	-	-	-	-	-	-	-	-	-
Loans and advances	1.0	2.2	1.6	0.9	3.2	2.5	2.2	2.0	1.9
2 In f/c	38,574.8	46,240.0	54,681.9	58,219.0	59,057.2	61,269.6	60,296.7	62,735.4	62,319.8
2.1 Claims on central government	38,574.8	46,240.0	54,681.9	58,219.0	59,057.2	61,269.6	60,296.7	62,735.4	62,319.8
Securities	9,591.2	10,858.6	14,208.1	13,210.5	12,837.4	15,272.2	15,453.6	15,235.5	15,438.8
Loans and advances	28,983.5	35,381.4	40,473.8	45,008.5	46,219.9	45,997.4	44,843.1	47,499.9	46,880.9
2.2 Claims on social security funds	-	-	-	-	-	-	-	-	-
Securities	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-
Total (1+2)	57,113.6	68,207.5	79,807.2	87,857.7	89,724.0	90,770.6	89,982.8	91,803.9	90,098.9

^a From December 2010 onwards, data are harmonised with the ESA 2010 methodology. As from July 1999, the CBRD is reclassified from the sector other financial intermediaries to the sector central government. Up to May 2006, kuna positions also include kuna items indexed to foreign currency, and starting from June 2006, kuna items indexed to foreign currency are reclassified to foreign exchange positions. From December 2011 onwards, data also include money market funds.

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

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

Table D3a Other monetary financial institutions' foreign currency claims and kuna claims indexed to foreign currency on the central government and social security funds^a

end of period, in million HRK

	2010 Dec.	2011 Dec.	2012 Dec.	2013 Dec.	2014 Dec.	2015			
						Mar.	Jun.	Sep.	Oct.
1 In f/c	23,275.0	29,208.8	36,639.0	38,823.6	40,830.1	43,436.0	42,665.7	45,597.6	45,198.9
1.1 Claims on central government	23,275.0	29,208.8	36,639.0	38,823.6	40,830.1	43,436.0	42,665.7	45,597.6	45,198.9
Securities	292.4	1,367.1	6,934.9	5,571.3	7,285.6	10,006.5	10,184.5	10,555.5	10,680.6
Loans and advances	22,982.6	27,841.7	29,704.1	33,252.4	33,544.5	33,429.5	32,481.2	35,042.1	34,518.3
1.2 Claims on social security funds	-	-	-	-	-	-	-	-	-
Securities	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-
2 Kuna claims indexed to foreign currency	15,299.8	17,031.2	18,042.9	19,395.4	18,227.1	17,833.6	17,631.0	17,137.8	17,120.9
2.1 Claims on central government	15,299.8	17,031.2	18,042.9	19,395.4	18,227.1	17,833.6	17,631.0	17,137.8	17,120.9
Securities	9,298.8	9,491.5	7,273.1	7,639.3	5,551.7	5,265.7	5,269.1	4,680.0	4,758.2
o/w: Bonds (c'part to f/c savings deposits)	17.0	16.3	15.6	15.6	-	-	-	-	-
Loans and advances	6,001.0	7,539.7	10,769.7	11,756.1	12,675.4	12,567.9	12,361.9	12,457.8	12,362.7
2.2 Claims on social security funds	-	-	-	-	-	-	-	-	-
Securities	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-
Total (1+2)	38,574.8	46,240.0	54,681.9	58,219.0	59,057.2	61,269.6	60,296.7	62,735.4	62,319.8

^a From December 2010 onwards, data are harmonised with the ESA 2010 methodology. As from July 1999, the CBRD is reclassified from the sector other financial intermediaries to the sector central government. Up to May 2006, kuna positions also include kuna items indexed to foreign currency, and starting from June 2006, kuna items indexed to foreign currency are reclassified to foreign exchange positions. From December 2011 onwards, data also include money market funds.

Table D3a Other monetary financial institutions' foreign currency claims and kuna claims indexed to foreign currency on the central government and social security funds • The table

provides a detailed analysis of the claims in foreign currency item in Table D3, showing separately foreign currency claims and claims indexed to foreign currency.

Table D4 Other monetary financial institutions' claims on other domestic sectors^a
end of period, in million HRK

	2010 Dec.	2011 Dec.	2012 Dec. ^b	2013 Dec.	2014 Dec.	2015			
						Mar.	Jun.	Sep.	Oct.
1 Claims in kuna	66,135.9	66,472.7	65,057.6	67,002.6	70,885.7	72,469.0	72,923.2	73,626.2	74,096.9
1.1 Money market instruments	1,720.7	2,031.5	3,203.5	3,708.3	3,987.6	4,025.2	4,327.7	3,857.6	3,856.4
1.2 Bonds	1,381.8	1,228.9	1,270.1	979.2	962.7	905.1	768.2	752.4	736.2
1.3 Loans and advances	61,952.5	62,147.3	59,552.3	61,113.9	65,384.1	67,003.1	67,289.8	68,476.0	68,916.4
1.4 Shares and participations	1,080.9	1,065.0	1,031.7	1,201.2	551.4	535.6	537.6	540.3	587.9
2 Claims in f/c	175,131.0	185,488.6	171,354.4	167,112.9	158,683.9	160,028.9	156,629.2	152,441.8	150,726.9
2.1 Securities	624.2	1,108.9	1,279.1	1,103.5	955.3	828.8	823.9	915.4	829.5
2.2 Loans and advances	174,506.7	184,379.7	170,075.3	166,009.4	157,728.6	159,200.1	155,805.3	151,526.4	149,897.4
Total (1+2)	241,266.9	251,961.3	236,412.0	234,115.5	229,569.6	232,497.9	229,552.5	226,068.0	224,823.9

^a From December 2010 onwards, data are harmonised with the ESA 2010 methodology. As from July 1999, the CBRD is reclassified from the sector other financial intermediaries to the sector central government. Up to May 2006, kuna positions also include kuna items indexed to foreign currency, and starting from June 2006, kuna items indexed to foreign currency are reclassified to foreign exchange positions. From December 2011 onwards, data also include money market funds. ^b Claims on other domestic sectors fell by HRK 5.6bn in December 2012. This fall was fully attributable to a transaction of one credit institution which, in an effort to reduce the amount of partly recoverable and fully irrecoverable placements, transferred a total of HRK 5.6bn in its claims to a company indirectly owned by a parent bank.

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

From January 2004 to November 2010, factoring and

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

Table D4a Other monetary financial institutions' foreign currency claims and kuna claims indexed to foreign currency on other domestic sectors^a

end of period, in million HRK

	2010 Dec.	2011 Dec.	2012 Dec.	2013 Dec.	2014 Dec.	2015			
						Mar.	Jun.	Sep.	Oct.
1 Kuna claims not indexed to foreign currency	20,584.0	22,565.5	15,834.4	17,496.0	16,314.6	17,044.0	16,364.6	15,786.5	15,258.4
1.1 Money market instruments	46.0	41.7	7.5	1.0	68.4	41.5	67.0	66.3	66.5
1.2 Bonds	35.0	112.5	143.4	226.9	243.0	304.3	303.4	336.6	210.5
1.3 Loans and advances	20,478.0	22,387.2	15,676.2	17,261.9	16,003.2	16,698.1	15,994.1	15,383.7	14,981.4
1.4 Shares and participations	25.0	24.1	7.3	6.2	-	-	-	-	-
2 Kuna claims indexed to foreign currency	154,547.0	162,923.1	155,520.0	149,616.8	142,369.3	142,984.9	140,264.7	136,655.3	135,468.5
2.1 Securities	518.2	930.6	1,120.9	869.4	643.9	483.0	453.5	512.6	552.5
2.2 Loans and advances	154,028.8	161,992.5	154,399.1	148,747.5	141,725.5	142,501.9	139,811.2	136,142.7	134,916.0
Total (1+2)	175,131.0	185,488.6	171,354.4	167,112.9	158,683.9	160,028.9	156,629.2	152,441.8	150,726.9

^a From December 2010 onwards, data are harmonised with the ESA 2010 methodology. As from July 1999, the CBRD is reclassified from the sector other financial intermediaries to the sector central government. Up to May 2006, kuna positions also include kuna items indexed to foreign currency, and starting from June 2006, kuna items indexed to foreign currency are reclassified to foreign exchange positions. From December 2011 onwards, data also include money market funds.

Table D4a Other monetary financial institutions' foreign currency claims and kuna claims indexed to foreign currency on other domestic sectors • The table provides a detailed analysis

of the Claims in foreign currency item in Table D4, showing separately foreign currency claims and claims indexed to foreign currency.

Table D5 Distribution of other monetary financial institutions' loans by domestic institutional sectors^a
end-of-period balance and transactions during the period, in million HRK

	2010	2011	2012	2013	2014	2015			
	Dec.	Dec.	Dec.	Dec.	Dec.	Mar.	Jun.	Sep.	Oct.
LOANS IN KUNA									
1 Loans to central government and social security funds	5,905.4	6,041.0	10,650.5	10,209.8	5,679.3	6,227.5	5,762.8	6,079.8	6,086.7
1.1 Loans to central government	5,904.4	6,038.7	10,649.0	10,208.8	5,676.1	6,224.9	5,760.5	6,077.8	6,084.8
1.2 Loans to social security funds	1.0	2.2	1.6	0.9	3.2	2.5	2.2	2.0	1.9
2 Loans to local government	884.7	916.3	933.3	796.4	856.3	879.4	759.7	861.6	854.3
3 Loans to non-financial corporations	28,249.8	30,211.6	27,945.2	28,447.7	29,219.4	30,090.9	29,300.2	29,580.1	29,467.9
4 Loans to households	32,818.0	31,019.4	30,673.9	31,869.7	35,308.5	36,032.7	37,229.9	38,034.2	38,594.2
o/w: Housing loans	4,747.7	4,607.0	4,544.4	4,415.9	4,551.7	4,601.1	4,809.2	5,166.2	5,298.7
5 Loans to other banking institutions	....	....	....	....	....	....	....	....	....
6 Loans to non-banking financial institutions	....	....	....	....	....	....	....	....	....
7 Loans to non-MMF investment funds	16.0	16.3	7.8	23.6	34.6	77.4	70.7	84.9	87.2
8 Loans to other financial intermediaries	758.3	981.6	1,392.2	1,543.1	1,677.6	1,648.7	1,503.4	1,445.7	1,584.4
9 Loans to financial auxiliaries	445.1	367.6	478.9	636.3	684.0	500.7	504.9	503.6	453.7
10 Loans to insurance corporations and pension funds	483.7	22.0	130.7	470.5	560.9	42.3	37.4	627.0	101.3
A Total (1+2+3+4+5+6+7+8+9+10)	69,560.9	69,575.8	72,212.5	73,997.0	74,020.4	75,499.6	75,168.9	77,216.9	77,229.7
LOANS IN F/C									
1 Loans to central government and social security funds	28,983.5	35,381.4	40,473.8	45,008.5	46,219.9	45,997.4	44,843.1	47,499.9	46,880.9
1.1 Loans to central government	28,983.5	35,381.4	40,473.8	45,008.5	46,219.9	45,997.4	44,843.1	47,499.9	46,880.9
1.2 Loans to social security funds	-	-	-	-	-	-	-	-	-
2 Loans to local government	2,239.6	2,439.8	2,398.2	3,325.3	3,777.9	3,634.6	3,542.3	3,385.2	3,345.1
3 Loans to non-financial corporations	74,893.5	81,430.8	68,636.5	67,129.3	62,810.7	62,969.5	61,859.4	60,141.3	59,509.0
4 Loans to households	97,373.6	100,509.1	99,040.5	95,554.9	91,140.1	92,595.9	90,403.7	88,000.0	87,043.3
o/w: Housing loans	56,220.9	58,422.2	58,129.2	57,044.2	55,675.8	57,788.6	56,799.2	55,191.4	54,763.0
5 Loans to other banking institutions	....	....	....	....	....	....	....	....	....
6 Loans to non-banking financial institutions	....	....	....	....	....	....	....	....	....
7 Loans to non-MMF investment funds	-	12.0	9.5	21.2	6.1	29.9	46.3	37.8	23.9
8 Loans to other financial intermediaries	1,296.8	1,507.2	1,285.8	1,401.9	1,942.6	1,823.7	2,027.6	1,854.5	1,672.3
9 Loans to financial auxiliaries	176.5	302.6	227.9	179.7	192.6	281.6	267.1	273.9	248.9
10 Loans to insurance corporations and pension funds	3.4	6.3	22.0	118.9	2.6	53.7	10.0	257.7	78.3
B Total (1+2+3+4+5+6+7+8+9+10)	204,967.0	221,589.3	212,094.4	212,739.6	206,092.4	207,386.4	202,999.5	201,450.2	198,801.8
TOTAL (A+B)	274,527.9	291,165.1	284,306.8	286,736.6	280,112.8	282,886.0	278,168.4	278,667.2	276,031.5
TRANSACTIONS									
LOANS IN KUNA									
1 Loans to central government and social security funds	....	77.8	509.5	-119.4	-905.3	-2,396.8	-438.7	511.1	6.9
1.1 Loans to central government	....	77.7	509.2	-119.2	-905.2	-2,396.3	-438.6	511.2	7.0
1.2 Loans to social security funds	....	0.1	0.3	-0.2	-0.1	-0.5	-0.1	-0.1	-0.1
2 Loans to local government	....	-5.8	12.2	3.7	1.7	2.1	2.2	-2.0	-7.3
3 Loans to non-financial corporations	....	-33.6	-1,288.9	280.0	-378.1	4.1	-521.8	146.7	-61.4
4 Loans to households	....	-12.6	-50.1	141.0	257.6	566.8	277.6	424.2	573.1
5 Loans to other banking institutions	....	....	....	....	....	....	....	....	....
6 Loans to non-banking financial institutions	....	....	....	....	....	....	....	....	....
7 Loans to non-MMF investment funds	....	-7.5	-13.8	0.1	-2.2	39.5	5.5	-51.0	2.4
8 Loans to other financial intermediaries	....	142.8	351.2	27.7	-31.4	-100.4	72.9	-35.4	138.8
9 Loans to financial auxiliaries	....	15.8	119.4	75.4	-7.9	7.2	52.0	-9.8	-50.0
10 Loans to insurance corporations and pension funds	....	-268.8	98.4	264.7	75.9	-105.2	-108.4	37.6	-525.6
A Total (1+2+3+4+5+6+7+8+9+10)	....	-91.9	-262.1	673.2	-989.5	-1,982.6	-658.8	1,021.5	76.8

	2010 Dec.	2011 Dec.	2012 Dec.	2013 Dec.	2014 Dec.	2015			
						Mar.	Jun.	Sep.	Oct.
LOANS IN F/C									
1 Loans to central government and social security funds	-735.0	2,093.7	809.0	1,130.5	-40.1	-1,312.1	-1,219.8	-434.2
1.1 Loans to central government	-735.0	2,093.7	809.0	1,130.5	-40.1	-1,312.1	-1,219.8	-434.2
1.2 Loans to social security funds	-	-	-	-	-	-	-	-
2 Loans to local government	155.9	144.0	160.8	171.3	-44.7	-19.2	-56.9	-27.0
3 Loans to non-financial corporations	1,296.3	-3,653.9	-1,936.9	-137.4	-19.6	-603.7	-670.6	-372.4
4 Loans to households	-424.3	-416.7	-397.9	-309.4	-359.4	-522.7	-546.0	-714.8
5 Loans to other banking institutions
6 Loans to non-banking financial institutions
7 Loans to non-MMF investment funds	-6.7	0.0	-6.2	-7.3	23.8	4.2	14.0	-14.2
8 Loans to other financial intermediaries	47.2	-9.2	-67.7	50.6	-58.0	30.4	-112.3	-175.0
9 Loans to financial auxiliaries	-2.5	-49.6	-16.3	-0.5	47.8	-14.9	5.3	-24.5
10 Loans to insurance corporations and pension funds	0.0	0.0	106.8	0.0	51.2	-2.8	-94.7	-179.4
B Total (1+2+3+4+5+6+7+8+9+10)	331.0	-1,891.8	-1,348.2	897.8	-399.0	-2,440.8	-2,680.9	-1,941.5
TOTAL (A+B)	239.1	-2,153.9	-675.0	-91.7	-2,381.6	-3,099.6	-1,659.4	-1,864.7

^a From December 2010 onwards, data are harmonised with the ESA 2010 methodology. As from July 1999, the CBRD is reclassified from the sector other financial intermediaries to the sector central government. Up to May 2006, kuna positions also include kuna items indexed to foreign currency, and starting from June 2006, kuna items indexed to foreign currency are reclassified to foreign exchange positions. From December 2011 onwards, data also include money market funds.

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

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

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

Table D5a Distribution of other monetary financial institutions' foreign currency and kuna loans indexed to foreign currency by domestic institutional sectors^a

end of period, in million HRK

	2010 Dec.	2011 Dec.	2012 Dec.	2013 Dec.	2014 Dec.	2015				
						Mar.	Jun.	Sep.	Oct.	
LOANS IN FOREIGN CURRENCY										
1 Loans to central government and social security funds	22,982.6	27,841.7	29,704.1	33,252.4	33,544.5	33,429.5	32,481.2	35,042.1	34,518.3	
1.1 Loans to central government	22,982.6	27,841.7	29,704.1	33,252.4	33,544.5	33,429.5	32,481.2	35,042.1	34,518.3	
1.2 Loans to social security funds	–	–	–	–	–	–	–	–	–	
2 Loans to local government	13.6	12.4	10.3	8.6	6.8	6.4	5.9	5.5	5.5	
3 Loans to non-financial corporations	20,132.5	22,059.0	15,413.7	16,999.2	15,737.9	16,447.7	15,750.5	15,128.9	14,756.2	
4 Loans to households	331.9	315.8	252.2	254.1	258.4	244.0	237.8	249.3	219.7	
5 Loans to other banking institutions	....	....	....	....	....	....	....	....	....
6 Loans to non-banking financial institutions	....	....	....	....	....	....	....	....	....
7 Loans to non-MMF investment funds	–	1.0	–	14.9	–	19.7	36.7	33.7	19.8	
8 Loans to other financial intermediaries	388.0	544.0	355.8	619.3	579.5	593.8	692.3	621.1	595.7	
9 Loans to financial auxiliaries	17.5	48.8	39.0	42.0	42.4	131.8	147.8	143.7	125.6	
10 Loans to insurance corporations and pension funds	0.0	0.0	17.5	106.9	–	51.2	7.6	255.3	76.0	
A Total (1+2+3+4+5+6+7+8+9+10)	43,866.1	50,822.7	45,792.6	51,297.5	50,169.6	50,924.0	49,359.7	51,479.6	50,316.8	
KUNA LOANS INDEXED TO FOREIGN CURRENCY										
1 Loans to central government and social security funds	6,001.0	7,539.7	10,769.7	11,756.1	12,675.4	12,567.9	12,361.9	12,457.8	12,362.7	
1.1 Loans to central government	6,001.0	7,539.7	10,769.7	11,756.1	12,675.4	12,567.9	12,361.9	12,457.8	12,362.7	
1.2 Loans to social security funds	–	–	–	–	–	–	–	–	–	
2 Loans to local government	2,226.0	2,427.4	2,387.9	3,316.7	3,771.0	3,628.2	3,536.4	3,379.7	3,339.6	
3 Loans to non-financial corporations	54,761.0	59,371.8	53,222.8	50,130.1	47,072.8	46,521.8	46,108.9	45,012.4	44,752.9	
4 Loans to households	97,041.7	100,193.3	98,788.3	95,300.7	90,881.7	92,351.9	90,165.9	87,750.7	86,823.6	
5 Loans to other banking institutions	....	....	....	....	....	....	....	....	....
6 Loans to non-banking financial institutions	....	....	....	....	....	....	....	....	....
7 Loans to non-MMF investment funds	–	11.0	9.5	6.3	6.1	10.2	9.6	4.1	4.1	
8 Loans to other financial intermediaries	908.8	963.2	930.0	782.6	1,363.1	1,230.0	1,335.3	1,233.4	1,076.6	
9 Loans to financial auxiliaries	159.0	253.8	189.0	137.7	150.1	149.9	119.4	130.2	123.3	
10 Loans to insurance corporations and pension funds	3.4	6.3	4.5	11.9	2.6	2.5	2.4	2.4	2.3	
B Total (1+2+3+4+5+6+7+8+9+10)	161,100.9	170,766.6	166,301.8	161,442.1	155,922.8	156,462.4	153,639.8	149,970.6	148,485.0	
TOTAL (A+B)	204,967.0	221,589.3	212,094.4	212,739.6	206,092.4	207,386.4	202,999.5	201,450.2	198,801.8	

^a From December 2010 onwards, data are harmonised with the ESA 2010 methodology. As from July 1999, the CBRD is reclassified from the sector other financial intermediaries to the sector central government. Up to May 2006, kuna positions also include kuna items indexed to foreign currency, and starting from June 2006, kuna items indexed to foreign currency are reclassified to foreign exchange positions. From December 2011 onwards, data also include money market funds.

Table D5a Distribution of other monetary financial institutions' foreign currency and kuna loans indexed to foreign currency by domestic institutional sectors • The table provides a

detailed analysis of the Loans in foreign currency item in Table D5, showing separately loans in foreign currency and loans indexed to foreign currency.

Table D5b Distribution of other monetary financial institutions' loans by domestic institutional sectors and original maturity^a
end of period, in million HRK

	2010 Dec.	2011 Dec.	2012 Dec.	2013 Dec.	2014 Dec.	2015			
						Mar.	Jun.	Sep.	Oct.
1 Loans to central government and social security funds	34,889.0	41,422.4	51,124.3	55,218.3	51,899.1	52,224.8	50,605.9	53,579.7	52,967.6
1.1 Loans to central government	34,887.9	41,420.1	51,122.8	55,217.3	51,895.9	52,222.3	50,603.6	53,577.7	52,965.8
Up to 1 year	1,884.5	1,368.3	2,932.7	904.2	923.1	914.9	701.6	306.9	320.9
Over 1 and up to 5 years	10,305.2	11,398.2	16,379.1	22,137.7	24,038.6	24,232.1	23,102.8	26,046.1	25,757.6
Over 5 years	22,698.3	28,653.7	31,811.0	32,175.4	26,934.2	27,075.4	26,799.2	27,224.8	26,887.3
1.2 Loans to social security funds	1.0	2.2	1.6	0.9	3.2	2.5	2.2	2.0	1.9
Up to 1 year	1.0	2.2	1.6	0.9	0.4	0.0	0.0	0.0	0.0
Over 1 and up to 5 years	-	-	-	-	2.8	2.5	2.2	2.0	1.9
Over 5 years	0.0	0.0	0.0	0.0	-	-	-	-	-
2 Loans to local government	3,124.3	3,356.1	3,331.5	4,121.7	4,634.1	4,514.1	4,302.0	4,246.8	4,199.4
Up to 1 year	195.0	322.0	258.0	150.4	197.8	229.8	136.9	238.3	232.2
Over 1 and up to 5 years	543.3	459.3	781.6	714.6	591.9	526.3	630.7	545.6	541.8
Over 5 years	2,386.0	2,574.9	2,291.8	3,256.7	3,844.5	3,758.0	3,534.4	3,462.9	3,425.4
3 Loans to non-financial corporations	103,143.3	111,642.4	96,581.7	95,577.0	92,030.0	93,060.5	91,159.5	89,721.4	88,977.0
Up to 1 year	26,920.1	28,492.4	23,379.8	22,783.6	22,422.8	23,596.0	22,836.1	21,836.2	21,807.3
Over 1 and up to 5 years	33,807.6	35,173.9	26,647.0	24,862.6	21,631.5	21,496.9	20,186.8	19,631.3	19,413.0
Over 5 years	42,415.6	47,976.1	46,554.9	47,930.8	47,975.8	47,967.5	48,136.6	48,253.8	47,756.7
4 Loans to households	130,191.6	131,528.5	129,714.4	127,424.6	126,448.6	128,628.7	127,633.6	126,034.2	125,637.5
Up to 1 year	12,092.6	12,138.1	12,484.0	12,007.9	12,144.2	12,167.5	11,957.2	11,875.6	11,763.5
Over 1 and up to 5 years	10,979.3	10,276.4	9,471.9	9,599.3	9,859.3	9,875.8	9,714.8	9,632.9	9,686.2
Over 5 years	107,119.7	109,114.0	107,758.5	105,817.4	104,445.1	106,585.3	105,961.6	104,525.7	104,187.8
5 Loans to non-MMF investment funds	16.0	28.3	17.3	44.7	40.7	107.3	117.0	122.7	111.2
Up to 1 year	16.0	28.3	17.3	44.7	40.7	107.3	117.0	122.7	111.2
Over 1 and up to 5 years	-	-	-	-	-	-	-	-	-
Over 5 years	-	-	-	-	-	-	-	-	-
6 Loans to other financial intermediaries	2,055.1	2,488.8	2,678.0	2,945.0	3,620.2	3,472.4	3,531.1	3,300.2	3,256.7
Up to 1 year	1,073.0	1,466.8	1,527.5	1,624.4	1,715.6	1,546.3	1,592.9	1,328.0	1,463.6
Over 1 and up to 5 years	362.4	422.0	598.1	402.0	1,014.3	1,069.7	1,175.6	1,235.5	1,067.0
Over 5 years	619.8	600.0	552.3	918.6	890.3	856.4	762.6	736.7	726.1
7 Loans to financial auxiliaries	621.6	670.2	706.8	816.0	876.5	782.3	772.0	777.6	702.5
Up to 1 year	474.3	468.7	533.9	699.8	735.8	645.4	611.7	647.6	578.4
Over 1 and up to 5 years	123.2	111.2	98.4	48.4	39.7	36.3	57.4	29.9	27.6
Over 5 years	24.1	90.3	74.5	67.8	101.1	100.6	103.0	100.1	96.5
8 Loans to insurance corporations and pension funds	487.1	28.3	152.7	589.4	563.5	96.0	47.4	884.6	179.7
Up to 1 year	483.7	24.1	149.2	586.6	560.9	93.5	44.9	882.3	177.4
Over 1 and up to 5 years	0.0	0.0	0.0	-	0.1	0.1	0.1	0.1	0.1
Over 5 years	3.4	4.2	3.5	2.7	2.6	2.5	2.4	2.2	2.2
Total (1+2+3+4+5+6+7+8)	274,527.9	291,165.1	284,306.8	286,736.6	280,112.8	282,886.0	278,168.4	278,667.2	276,031.5
Up to 1 year	43,140.3	44,310.9	41,284.0	38,802.6	38,741.3	39,300.7	37,998.2	37,237.6	36,454.3
Over 1 and up to 5 years	56,120.9	57,841.0	53,976.2	57,764.5	57,178.1	57,239.6	54,870.4	57,123.3	56,495.2
Over 5 years	175,266.7	189,013.2	189,046.6	190,169.4	184,193.5	186,345.7	185,299.8	184,306.3	183,082.0

^a From December 2010 onwards, data are harmonised with the ESA 2010 methodology. As from July 1999, the CBRD is reclassified from the sector other financial intermediaries to the sector central government. Up to May 2006, kuna positions also include kuna items indexed to foreign currency, and starting from June 2006, kuna items indexed to foreign currency are reclassified to foreign exchange positions. From December 2011 onwards, data also include money market funds.

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

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

Table D5c Distribution of other monetary financial institutions' loans to households by purpose and currency composition^a
end of period, in million HRK

	2010 Dec.	2011 Dec.	2012 Dec.	2013 Dec.	2014 Dec.	2015			
						Mar.	Jun.	Sep.	Oct.
1 Consumer loans	159.9	121.3	102.3	74.2	44.3	32.8	26.9	22.9	22.2
1.1 Kuna loans not indexed to f/c	128.2	101.3	91.3	68.5	41.4	30.3	24.5	20.6	19.9
1.2 Kuna loans indexed to f/c	31.7	20.0	11.0	5.7	2.9	2.5	2.4	2.3	2.3
o/w: Indexed to EUR	28.5	18.7	10.6	5.5	2.9	2.5	2.4	2.3	2.3
o/w: Indexed to CHF	3.1	1.3	0.3	0.2	0.0	0.0	0.0	0.0	0.0
1.3 Foreign currency loans	-	-	-	-	-	-	-	-	-
2 Housing loans	60,968.5	63,029.2	62,673.6	61,460.1	60,227.5	62,389.8	61,608.4	60,357.6	60,061.7
2.1 Kuna loans not indexed to f/c	4,747.7	4,607.0	4,544.4	4,415.9	4,551.7	4,601.1	4,809.2	5,166.2	5,298.7
2.2 Kuna loans indexed to f/c	56,207.7	58,409.7	58,117.9	57,034.1	55,666.4	57,778.4	56,789.3	55,182.2	54,753.8
o/w: Indexed to EUR	30,730.6	33,763.7	34,989.3	35,536.5	35,378.6	35,110.8	34,567.5	34,299.1	33,952.3
o/w: Indexed to CHF	25,441.7	24,604.9	23,086.0	21,459.8	20,244.8	22,620.0	22,175.9	20,837.0	20,754.5
2.3 Foreign currency loans	13.2	12.5	11.3	10.1	9.3	10.2	9.9	9.2	9.2
3 Mortgage loans	3,513.0	3,261.3	3,073.7	3,007.4	2,844.3	2,863.5	2,785.7	2,665.1	2,641.5
3.1 Kuna loans not indexed to f/c	234.8	131.3	117.3	179.9	178.0	183.7	184.5	181.1	180.1
3.2 Kuna loans indexed to f/c	3,263.0	3,129.0	2,953.8	2,821.7	2,663.8	2,677.2	2,598.7	2,480.9	2,458.4
o/w: Indexed to EUR	2,649.0	2,524.9	2,422.3	2,340.1	2,231.6	2,193.6	2,129.2	2,083.9	2,063.5
3.3 Foreign currency loans	15.2	1.1	2.5	5.8	2.5	2.6	2.5	3.1	3.0
4 Car loans	6,236.8	4,539.5	3,175.0	2,162.6	1,439.3	1,314.4	1,202.8	1,118.7	1,092.9
4.1 Kuna loans not indexed to f/c	1,458.6	1,385.0	1,200.7	982.8	803.7	767.3	748.1	737.8	735.2
4.2 Kuna loans indexed to f/c	4,772.2	3,150.7	1,972.5	1,179.1	635.1	546.6	454.6	380.8	357.6
o/w: Indexed to EUR	1,600.2	1,402.3	1,169.6	897.3	571.4	498.8	424.1	359.9	338.5
o/w: Indexed to CHF	3,171.7	1,748.3	802.8	281.7	63.7	47.8	30.4	20.9	19.1
4.3 Foreign currency loans	6.1	3.7	1.8	0.7	0.5	0.5	0.1	0.1	0.1
5 Credit card loans	4,386.8	4,109.3	3,941.2	3,834.6	3,831.0	3,789.5	3,780.1	3,712.3	3,738.0
5.1 Kuna loans not indexed to f/c	4,382.9	4,105.4	3,937.8	3,832.3	3,829.3	3,787.6	3,778.6	3,710.9	3,736.5
5.2 Kuna loans indexed to f/c	1.8	1.7	1.4	0.5	0.1	0.1	0.0	0.0	0.0
o/w: Indexed to EUR	1.8	1.7	1.4	0.5	0.1	0.1	0.0	0.0	0.0
5.3 Foreign currency loans	2.2	2.3	2.0	1.8	1.6	1.8	1.5	1.4	1.5
6 Overdrafts on transaction accounts	8,069.0	8,196.0	8,613.1	8,353.5	8,157.4	8,149.4	8,148.1	7,997.6	8,036.5
6.1 Kuna loans not indexed to f/c	8,068.8	8,195.5	8,612.6	8,352.9	8,156.9	8,149.1	8,147.0	7,996.5	8,035.5
6.2 Kuna loans indexed to f/c	-	0.0	-	-	-	-	0.8	0.7	0.7
o/w: Indexed to EUR	-	0.0	-	-	-	-	0.8	0.7	0.7
6.3 Foreign currency loans	0.3	0.4	0.4	0.5	0.5	0.3	0.3	0.3	0.3
7 Any-purpose cash loans	33,686.1	36,284.5	36,436.3	37,229.2	39,064.8	39,162.2	39,378.7	39,596.4	39,680.6
7.1 Kuna loans not indexed to f/c	10,485.2	10,350.8	9,931.9	11,674.6	14,976.4	15,713.9	16,797.9	17,556.1	17,941.8
7.2 Kuna loans indexed to f/c	23,133.2	25,930.9	26,504.4	25,553.7	24,087.9	23,447.9	22,580.6	22,040.1	21,738.5
o/w: Indexed to EUR	22,371.5	25,408.7	26,148.2	25,304.8	23,875.0	23,219.8	22,373.0	21,853.8	21,553.7
7.3 Foreign currency loans	67.7	2.7	-	0.9	0.5	0.4	0.3	0.2	0.2
8 Other loans	13,171.3	11,987.4	11,699.2	11,303.2	10,839.9	10,927.2	10,702.8	10,563.7	10,364.0
8.1 Kuna loans not indexed to f/c	3,311.9	2,143.0	2,237.8	2,362.8	2,771.0	2,799.8	2,740.2	2,665.1	2,646.4
8.2 Kuna loans indexed to f/c	9,632.2	9,551.4	9,227.3	8,706.1	7,825.4	7,899.2	7,739.5	7,663.6	7,512.2
o/w: Indexed to EUR	8,830.4	8,755.0	8,463.5	8,046.3	7,185.5	7,204.5	7,055.5	7,022.2	6,978.7
8.3 Foreign currency loans	227.2	293.1	234.1	234.3	243.5	228.2	223.1	234.9	205.4
Total (1+2+3+4+5+6+7+8)	130,191.6	131,528.5	129,714.4	127,424.6	126,448.6	128,628.7	127,633.6	126,034.2	125,637.5

^a From December 2010 onwards, data are harmonised with the ESA 2010 methodology. As from July 1999, the CBRD is reclassified from the sector other financial intermediaries to the sector central government. Up to May 2006, kuna positions also include kuna items indexed to foreign currency, and starting from June 2006, kuna items indexed to foreign currency are reclassified to foreign exchange positions. From December 2011 onwards, data also include money market funds.

Table D5c Distribution of other monetary financial institutions' loans to households by purpose and currency composition
• The table provides a detailed analysis of kuna and f/c loans to households in Table D5 by purpose, showing separately loans

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

Table D5d Distribution of other monetary financial institutions' working capital and investment loans to non-financial corporations by currency composition^a

end of period, in million HRK

	2010 Dec.	2011 Dec.	2012 Dec.	2013 Dec.	2014 Dec.	2015			
						Mar.	Jun.	Sep.	Oct.
1 Working capital loans	39,267.6	45,557.6	39,633.8	39,483.2	37,400.0	38,274.3	37,274.9	35,936.5	35,516.5
1.1 Kuna loans not indexed to f/c	13,279.2	15,504.5	14,790.7	15,327.0	15,411.1	16,164.3	15,663.9	15,636.3	15,536.9
1.2 Kuna loans indexed to f/c	18,858.1	21,233.8	18,117.8	16,955.6	16,085.2	16,076.0	15,874.0	14,840.6	14,728.0
o/w: Indexed to EUR	18,246.7	20,739.3	17,820.2	16,674.1	15,801.4	15,766.1	15,569.7	14,555.9	14,443.3
o/w: Indexed to CHF	509.5	383.8	270.6	263.2	241.2	262.5	259.1	242.9	242.5
1.3 Foreign currency loans	7,130.3	8,819.2	6,725.3	7,200.6	5,903.7	6,034.0	5,737.0	5,459.5	5,251.6
o/w: In EUR	6,035.8	7,485.4	6,243.2	6,677.0	5,395.5	5,420.7	5,243.7	4,891.5	4,764.5
o/w: In USD	986.4	1,175.3	365.4	407.2	426.5	553.8	433.8	514.9	433.8
2 Investment loans	38,026.1	41,013.5	36,578.9	34,781.9	33,746.9	33,285.7	33,149.3	33,073.9	32,949.8
2.1 Kuna loans not indexed to f/c	6,581.0	6,287.2	5,604.2	5,974.9	6,474.3	6,446.7	6,470.7	6,604.3	6,656.9
2.2 Kuna loans indexed to f/c	26,246.2	28,548.5	26,391.1	24,382.2	22,988.2	22,607.5	22,550.8	22,339.2	22,252.9
o/w: Indexed to EUR	23,819.7	26,716.2	24,983.1	23,266.6	22,006.3	21,651.4	21,661.1	21,516.0	21,437.2
o/w: Indexed to CHF	2,378.6	1,789.2	1,372.9	1,089.7	955.1	927.9	863.0	798.3	790.5
2.3 Foreign currency loans	5,199.0	6,177.8	4,583.6	4,424.8	4,284.5	4,231.5	4,127.8	4,130.4	4,040.0
o/w: In EUR	4,807.0	5,402.9	4,354.7	4,294.6	4,129.6	4,063.1	3,970.4	3,986.1	3,897.8
o/w: In USD	31.3	406.2	12.4	11.9	56.3	60.1	55.5	50.7	51.4
Total (1+2)	77,293.7	86,571.1	76,212.7	74,265.2	71,146.9	71,560.1	70,424.2	69,010.4	68,466.3

^a From December 2010 onwards, data are harmonised with the ESA 2010 methodology. As from July 1999, the CBRD is reclassified from the sector other financial intermediaries to the sector central government. Up to May 2006, kuna positions also include kuna items indexed to foreign currency, and starting from June 2006, kuna items indexed to foreign currency are reclassified to foreign exchange positions. From December 2011 onwards, data also include money market funds.

Table D5d Distribution of other monetary financial institutions' working capital and investment loans to non-financial corporations by currency composition • The table provides a detailed analysis of kuna and f/c loans to non-financial corporations in Table D5 by purpose, showing separately loans not

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

Table D6 Demand deposits with other monetary financial institutions^a

end of period, in million HRK

	2010 Dec.	2011 Dec.	2012 Dec.	2013 Dec.	2014 Dec.	2015			
						Mar.	Jun.	Sep.	Oct.
1 Local government	2,210.7	2,152.1	2,202.0	2,326.2	2,951.5	2,293.6	2,527.1	2,748.2	2,845.3
2 Non-financial corporations	14,026.4	15,562.3	15,117.7	18,471.8	20,206.7	18,346.1	20,164.5	21,378.6	21,619.1
3 Households	15,285.2	15,874.4	15,994.5	17,681.9	19,520.8	19,814.1	21,247.8	22,435.3	22,387.4
4 Other banking institutions	....	....	....	....	....	....	....	....	....
5 Non-banking financial institutions	....	....	....	....	....	....	....	....	....
6 Non-MMF investment funds	127.7	136.5	121.4	130.0	109.6	115.8	128.6	78.1	53.8
7 Other financial intermediaries	521.4	495.5	713.1	646.8	762.0	610.6	635.7	761.4	793.0
8 Financial auxiliaries	350.3	262.0	480.1	427.6	1,106.8	1,014.3	1,448.0	631.7	602.8
9 Insurance corporations and pension funds	189.6	317.2	362.7	792.9	259.7	332.9	712.3	274.2	348.5
10 Less: Checks of other banks and checks in collection	-0.1	0.0	0.0	0.0	0.0	-	-	-	-
Total (1+2+3+4+5+6+7+8+9+10)	32,711.3	34,800.0	34,991.5	40,477.2	44,917.1	42,527.2	46,863.9	48,307.6	48,649.9

^a From December 2010 onwards, data are harmonised with the ESA 2010 methodology. As from July 1999, the CBRD is reclassified from the sector other financial intermediaries to the sector central government. Up to May 2006, kuna positions also include kuna items indexed to foreign currency, and starting from June 2006, kuna items indexed to foreign currency are reclassified to foreign exchange positions. From December 2011 onwards, data also include money market funds.

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

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

2010 on, demand deposits are the sum of balances in transaction accounts of other domestic sectors, non-MMF investment funds, other financial intermediaries, financial auxiliaries as well as insurance corporations and pension funds, minus currency in the payment system (i.e. checks in credit institutions' vaults and checks in collection). Credit institutions' obligations arising from kuna payment instruments issued are included in the household sector.

Table D7 Kuna deposits with other monetary financial institutions^a
end of period, in million HRK

	2010	2011	2012	2013	2014	2015			
	Dec.	Dec.	Dec.	Dec.	Dec.	Mar.	Jun.	Sep.	Oct.
1 Savings deposits	2,461.5	2,466.4	2,322.3	2,559.5	2,253.0	2,071.0	2,167.6	2,341.9	2,370.7
1.1 Local government	0.1	21.2	18.8	2.4	0.1	14.0	17.1	14.2	14.2
1.2 Non-financial corporations	272.6	396.6	365.4	655.9	455.9	273.4	350.9	500.4	505.2
1.3 Households	2,156.1	2,007.8	1,894.2	1,852.5	1,756.3	1,741.0	1,737.5	1,761.9	1,792.2
1.4 Other banking institutions	....	....	....	....	....	....	....	....	....
1.5 Non-banking financial institutions	....	....	....	....	....	....	....	....	....
1.6 Non-MMF investment funds	-	-	-	-	-	-	-	-	-
1.7 Other financial intermediaries	9.7	30.0	30.1	38.6	39.7	41.4	61.8	65.2	58.2
1.8 Financial auxiliaries	12.3	7.7	8.3	1.3	1.0	1.1	0.4	0.3	0.3
1.9 Insurance corporations and pension funds	10.6	3.1	5.4	8.8	-	-	-	-	0.6
2 Time and notice deposits	26,680.5	31,210.5	29,367.5	30,847.6	32,218.8	32,962.7	32,451.0	33,647.7	33,448.6
2.1 Local government	264.9	268.6	228.2	197.5	217.8	658.0	707.4	755.4	761.5
2.2 Non-financial corporations	7,387.8	9,626.2	6,152.8	5,804.4	6,139.4	6,418.4	6,063.6	6,740.9	6,786.9
2.3 Households	15,657.1	17,881.0	19,962.5	21,959.2	22,386.7	22,233.2	21,895.9	22,155.4	22,378.3
2.4 Other banking institutions	....	....	....	....	....	....	....	....	....
2.5 Non-banking financial institutions	....	....	....	....	....	....	....	....	....
2.6 Non-MMF investment funds	172.2	69.6	62.2	51.1	37.5	53.7	59.6	29.0	9.9
2.7 Other financial intermediaries	250.5	400.0	455.7	525.9	470.4	604.6	590.8	627.3	627.4
2.8 Financial auxiliaries	993.8	768.1	544.4	710.0	519.7	606.9	622.6	521.5	550.7
2.9 Insurance corporations and pension funds	1,954.3	2,197.0	1,961.8	1,599.5	2,447.3	2,387.9	2,511.2	2,818.2	2,334.0
Total (1+2)	29,142.0	33,676.8	31,689.8	33,407.1	34,471.8	35,033.7	34,618.6	35,989.6	35,819.3

^a From December 2010 onwards, data are harmonised with the ESA 2010 methodology. As from July 1999, the CBRD is reclassified from the sector other financial intermediaries to the sector central government. Up to May 2006, kuna positions also include kuna items indexed to foreign currency, and starting from June 2006, kuna items indexed to foreign currency are reclassified to foreign exchange positions. From December 2011 onwards, data also include money market funds.

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

2010 on, the table shows kuna savings and time deposits by other domestic sectors, non-MMF investment funds, other financial intermediaries, financial auxiliaries as well as insurance corporations and pension funds.

Table D8 Foreign currency deposits with other monetary financial institutions^a
end of period, in million HRK

	2010 Dec.	2011 Dec.	2012 Dec.	2013 Dec.	2014 Dec.	2015			
						Mar.	Jun.	Sep.	Oct.
1 Savings deposits	22,869.5	22,828.2	23,652.9	25,284.0	28,967.8	29,374.7	30,726.7	37,681.8	34,517.8
1.1 Local government	20.6	11.0	22.4	30.6	29.2	29.2	34.3	30.4	34.1
1.2 Non-financial corporations	5,640.5	5,399.1	5,962.7	6,780.6	8,002.4	8,111.0	8,505.6	13,437.4	9,910.9
1.3 Households	16,480.3	16,949.9	16,574.0	17,787.2	19,370.5	20,011.2	20,637.4	22,811.5	22,841.9
1.4 Other banking institutions	....	....	....	....	....	....	....	....	....
1.5 Non-banking financial institutions	....	....	....	....	....	....	....	....	....
1.6 Non-MMF investment funds	132.1	77.6	161.9	184.4	266.5	222.7	163.6	189.6	196.4
1.7 Other financial intermediaries	382.1	159.9	402.4	269.4	616.5	557.5	427.7	520.8	561.4
1.8 Financial auxiliaries	176.4	23.7	34.4	71.7	469.3	347.4	809.7	424.5	276.5
1.9 Insurance corporations and pension funds	37.5	207.1	495.1	160.1	213.4	95.7	148.2	267.5	696.6
2 Time deposits	131,828.4	129,368.9	136,790.9	137,372.3	135,898.8	135,377.5	132,013.8	134,086.0	138,174.5
2.1 Local government	163.7	106.4	92.7	69.7	59.8	57.0	57.3	56.2	54.7
o/w: Indexed to f/c	152.0	96.3	84.0	62.3	55.5	50.8	51.1	49.9	48.4
2.2 Non-financial corporations	14,582.7	10,159.5	11,134.9	10,707.0	8,954.8	9,085.9	8,560.1	9,894.7	14,583.8
o/w: Indexed to f/c	1,030.9	895.1	815.1	556.3	523.4	480.1	503.1	514.9	520.2
2.3 Households	111,484.7	115,711.4	121,241.8	123,242.8	123,393.1	123,441.2	120,920.2	120,994.2	120,597.5
o/w: Indexed to f/c	7,007.3	7,037.1	6,995.4	6,799.1	7,145.9	6,946.9	6,758.5	6,793.0	6,768.8
2.4 Other banking institutions	....	....	....	....	....	....	....	....	....
o/w: Indexed to f/c	....	....	....	....	....	....	....	....	....
2.5 Non-banking financial institutions	....	....	....	....	....	....	....	....	....
o/w: Indexed to f/c	....	....	....	....	....	....	....	....	....
2.6 Non-MMF investment funds	380.5	222.4	72.5	73.8	61.8	64.7	109.5	163.8	169.4
o/w: Indexed to f/c	24.0	-	0.2	-	-	-	-	-	-
2.7 Other financial intermediaries	3,183.2	1,988.9	1,650.7	1,942.7	1,709.4	1,344.0	1,075.6	1,372.7	1,224.2
o/w: Indexed to f/c	131.0	163.9	144.0	163.0	199.9	193.9	184.2	160.6	162.9
2.8 Financial auxiliaries	396.3	40.6	482.6	251.1	106.3	88.0	105.3	115.2	118.0
o/w: Indexed to f/c	8.9	-	5.0	10.7	4.4	2.3	2.2	0.0	0.1
2.9 Insurance corporations and pension funds	1,637.3	1,139.6	2,115.6	1,085.3	1,613.6	1,296.9	1,185.6	1,489.2	1,426.7
o/w: Indexed to f/c	395.4	239.4	270.1	128.4	80.0	76.7	71.1	61.0	63.2
Total (1+2)	154,697.9	152,197.1	160,443.7	162,656.3	164,866.6	164,752.2	162,740.5	171,767.8	172,692.3

^a From December 2010 onwards, data are harmonised with the ESA 2010 methodology. As from July 1999, the CBRD is reclassified from the sector other financial intermediaries to the sector central government. Up to May 2006, kuna positions also include kuna items indexed to foreign currency, and starting from June 2006, kuna items indexed to foreign currency are reclassified to foreign exchange positions. From December 2011 onwards, data also include money market funds.

Table D8 Foreign currency deposits with other monetary financial institutions • Up to November 2010, the table shows foreign currency savings and time deposits by other domestic sectors, other banking institutions and non-banking financial institutions. From December 2010 on, the table shows foreign currency savings and time deposits by other domestic sectors, non-MMF investment funds, other financial intermediaries,

financial auxiliaries as well as insurance corporations and pension funds.

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

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

	2010 Dec.	2011 Dec.	2012 Dec.	2013 Dec.	2014 Dec.	2015			
						Mar.	Jun.	Sep.	Oct.
1 Kuna deposits not indexed to foreign currency	23,045.0	27,507.2	26,115.3	27,763.6	28,526.1	28,651.6	27,959.5	28,896.3	29,165.1
1.1 Deposits of households	15,657.1	17,881.0	19,962.5	21,959.2	22,386.7	22,233.2	21,895.9	22,155.4	22,378.3
1.2 Deposits of non-financial corporations	7,387.8	9,626.2	6,152.8	5,804.4	6,139.4	6,418.4	6,063.6	6,740.9	6,786.9
2 Kuna deposits indexed to foreign currency	8,038.2	7,932.1	7,810.5	7,355.3	7,669.3	7,427.0	7,261.6	7,308.0	7,289.1
2.1 Deposits of households	7,007.3	7,037.1	6,995.4	6,799.1	7,145.9	6,946.9	6,758.5	6,793.0	6,768.8
2.1.1 Indexed to EUR	6,807.8	6,852.9	6,829.8	6,654.1	7,002.2	6,794.3	6,619.7	6,660.8	6,636.1
2.1.2 Indexed to USD	64.4	61.3	55.4	42.7	47.0	44.8	32.9	32.1	32.5
2.1.3 Indexed to other currencies	135.1	122.9	110.1	102.3	96.6	107.8	105.9	100.1	100.2
2.2 Deposits of non-financial corporations	1,030.9	895.1	815.1	556.3	523.4	480.1	503.1	514.9	520.2
2.2.1 Indexed to EUR	1,020.2	888.2	812.7	555.0	520.7	477.2	500.3	512.1	517.4
2.2.2 Indexed to USD	9.9	6.2	1.8	0.7	2.3	2.5	2.5	2.4	2.5
2.2.3 Indexed to other currencies	0.8	0.7	0.6	0.5	0.4	0.4	0.4	0.4	0.4
3 Foreign currency deposits	118,029.2	117,938.7	124,566.3	126,594.5	124,678.5	125,100.0	122,218.8	123,581.0	127,892.3
3.1 Deposits of households	104,477.4	108,674.3	114,246.5	116,443.8	116,247.2	116,494.2	114,161.8	114,201.2	113,828.7
3.1.1 In EUR	97,163.6	98,753.6	103,102.6	105,813.6	105,015.8	103,814.6	101,988.7	102,223.3	101,667.7
3.1.2 In USD	5,316.9	6,447.6	6,967.3	6,943.6	7,728.7	8,941.3	8,526.2	8,490.0	8,645.6
3.1.3 In other currencies	1,996.9	3,473.1	4,176.6	3,686.5	3,502.7	3,738.4	3,647.0	3,487.9	3,515.4
3.2 Deposits of non-financial corporations	13,551.8	9,264.4	10,319.8	10,150.7	8,431.3	8,605.7	8,057.0	9,379.8	14,063.6
3.2.1 In EUR	12,528.8	8,065.1	9,063.1	9,116.7	7,417.8	7,612.3	7,036.1	8,237.1	12,904.0
3.2.2 In USD	901.8	1,042.3	1,071.2	962.5	879.3	908.2	930.2	1,107.2	1,129.6
3.2.3 In other currencies	121.3	157.0	185.5	71.5	134.2	85.2	90.7	35.4	30.0
Total (1+2+3)	149,112.4	153,378.0	158,492.0	161,713.4	160,873.9	161,178.6	157,439.8	159,785.3	164,346.5

^a From December 2010 onwards, data are harmonised with the ESA 2010 methodology. As from July 1999, the CBRD is reclassified from the sector other financial intermediaries to the sector central government. Up to May 2006, kuna positions also include kuna items indexed to foreign currency, and starting from June 2006, kuna items indexed to foreign currency are reclassified to foreign exchange positions. From December 2011 onwards, data also include money market funds.

Table D8a Currency composition of time deposits of households and non-financial corporations • The table provides a detailed analysis of the time deposits of households and non-financial corporations items in tables D7 and D8, showing separately kuna deposits not indexed to foreign currency, kuna

deposits indexed to foreign currency and foreign currency deposits. Within deposits indexed to foreign currency and foreign currency deposits, separately reported are deposits indexed to/denominated in the euro, the US dollar and other currencies.

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

	2010 Dec.	2011 Dec.	2012 Dec.	2013 Dec.	2014 Dec.	2015			
						Mar.	Jun.	Sep.	Oct.
1 Local government	428.6	375.1	320.9	267.2	277.6	715.0	764.7	811.6	816.2
Up to 1 year	276.5	237.8	226.6	190.4	178.0	618.6	667.6	707.1	722.4
Over 1 and up to 2 years	28.9	35.3	16.5	12.9	36.8	37.2	37.5	45.2	36.0
Over 2 years	123.2	101.9	77.9	63.9	62.8	59.1	59.6	59.3	57.9
2 Non-financial corporations	21,970.6	19,785.6	17,287.7	16,511.3	15,094.1	15,504.3	14,623.7	16,635.6	21,370.7
Up to 1 year	17,158.1	14,265.1	12,657.2	13,242.0	11,075.3	11,175.2	10,415.9	12,395.0	17,284.1
Over 1 and up to 2 years	3,460.7	3,991.6	3,280.7	1,989.8	1,987.2	2,342.9	2,546.6	2,732.1	2,575.3
Over 2 years	1,351.8	1,528.9	1,349.8	1,279.6	2,031.6	1,986.3	1,661.2	1,508.5	1,511.2
3 Households	127,141.8	133,592.4	141,204.3	145,202.1	145,779.8	145,674.3	142,816.1	143,149.7	142,975.8
Up to 1 year	77,919.0	77,231.8	81,914.7	73,552.9	65,616.2	64,304.7	62,310.9	61,444.8	61,195.3
Over 1 and up to 2 years	23,228.2	27,752.7	28,108.2	36,602.4	39,749.4	39,812.9	38,766.5	38,472.5	38,252.0
Over 2 years	25,994.6	28,607.9	31,181.4	35,046.8	40,414.2	41,556.6	41,738.8	43,232.3	43,528.5
4 Non-MMF investment funds	552.7	292.0	134.6	124.9	99.3	118.4	169.1	192.8	179.4
Up to 1 year	552.7	276.6	131.1	118.0	69.3	83.1	132.1	172.2	179.4
Over 1 and up to 2 years	–	–	0.8	0.8	20.0	20.0	20.6	20.6	–
Over 2 years	–	15.4	2.7	6.1	9.9	15.3	16.4	0.0	0.0
5 Other financial intermediaries	3,433.7	2,389.0	2,106.4	2,468.6	2,179.8	1,948.6	1,666.4	2,000.0	1,851.6
Up to 1 year	2,571.2	2,243.1	1,964.0	2,094.6	1,775.9	1,526.7	1,197.8	1,459.8	1,272.7
Over 1 and up to 2 years	853.2	139.4	142.3	374.0	402.8	421.0	467.6	539.3	578.0
Over 2 years	9.3	6.5	0.0	–	1.1	0.9	0.9	0.9	0.9
6 Financial auxiliaries	1,390.0	808.7	1,027.0	961.1	626.1	694.8	727.9	636.7	668.7
Up to 1 year	1,341.7	759.0	830.7	704.6	505.8	524.8	554.9	465.6	496.9
Over 1 and up to 2 years	3.6	5.5	152.2	145.3	7.5	58.0	61.7	59.7	60.7
Over 2 years	44.7	44.1	44.1	111.3	112.7	112.1	111.3	111.5	111.1
7 Insurance corporations and pension funds	3,591.6	3,336.6	4,077.4	2,684.8	4,060.8	3,684.8	3,696.8	4,307.3	3,760.7
Up to 1 year	2,189.8	2,082.3	2,840.9	1,423.3	2,105.1	1,922.5	1,591.3	2,062.3	1,436.0
Over 1 and up to 2 years	676.1	528.0	644.2	717.0	966.7	600.4	1,004.8	1,005.9	1,015.2
Over 2 years	725.7	726.4	592.4	544.4	989.0	1,161.9	1,100.7	1,239.2	1,309.6
Total time deposits (1+2+3+4+5+6+7)	158,509.0	160,579.3	166,158.4	168,220.0	168,117.6	168,340.3	164,464.8	167,733.7	171,623.1
Up to 1 year	102,009.0	97,095.7	100,565.2	91,325.8	81,325.5	80,155.6	76,870.6	78,706.7	82,586.7
Over 1 and up to 2 years	28,250.6	32,452.5	32,344.9	39,842.2	43,170.5	43,292.4	42,905.3	42,875.3	42,517.2
Over 2 years	28,249.3	31,031.1	33,248.3	37,052.0	43,621.5	44,892.3	44,688.9	46,151.6	46,519.2

^a From December 2010 onwards, data are harmonised with the ESA 2010 methodology. As from July 1999, the CBRD is reclassified from the sector other financial intermediaries to the sector central government. Up to May 2006, kuna positions also include kuna items indexed to foreign currency, and starting from June 2006, kuna items indexed to foreign currency are reclassified to foreign exchange positions. From December 2011 onwards, data also include money market funds.

Table D8b Maturity composition of time deposits by sectors • The table provides a detailed analysis of the Time deposits item in tables D7 and D8, showing separately time deposits by sectors, with the division according to original maturity of up to one year, over one and up to two years and over two years.

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

	2010 Dec.	2011 Dec.	2012 Dec.	2013 Dec.	2014 Dec.	2015			
						Mar.	Jun.	Sep.	Oct.
1 Money market instruments (net)	–	–	–	–	–	5.0	5.7	0.8	0.8
2 Bonds (net)	940.1	1,684.5	1,584.2	1,597.7	1,402.2	1,396.6	1,182.6	1,195.5	1,181.3
3 Other domestic borrowing	48.5	44.2	827.8	397.6	759.2	864.4	393.6	867.3	864.7
3.1 Local government	–	–	–	–	–	–	–	–	–
3.2 Non-financial corporations	0.0	0.0	786.5	317.0	723.1	828.1	329.6	778.5	780.5
3.3 Other banking institutions	....	....	....	....	....	....	....	....	....
3.4 Non-banking financial institutions	....	....	....	....	....	....	....	....	....
3.5 Non-MMF investment funds	–	–	–	–	–	–	2.8	2.8	2.8
3.6 Other financial intermediaries	48.5	1.6	2.1	1.7	1.2	1.0	0.9	0.9	0.8
3.7 Financial auxiliaries	–	16.4	39.2	78.9	34.9	35.3	60.3	85.1	80.5
3.8 Insurance corporations and pension funds	–	26.1	–	–	–	–	–	–	–
Total (1+2+3)	988.6	1,728.7	2,412.0	1,995.3	2,161.3	2,266.0	1,582.0	2,063.6	2,046.8

^a From December 2010 onwards, data are harmonised with the ESA 2010 methodology. As from July 1999, the CBRD is reclassified from the sector other financial intermediaries to the sector central government. Up to May 2006, kuna positions also include kuna items indexed to foreign currency, and starting from June 2006, kuna items indexed to foreign currency are reclassified to foreign exchange positions. From December 2011 onwards, data also include money market funds.

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

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

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

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

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

Table D10 Foreign liabilities of other monetary financial institutions^a
end of period, in million HRK

	2010 Dec.	2011 Dec.	2012 Dec.	2013 Dec.	2014 Dec.	2015			
						Mar.	Jun.	Sep.	Oct.
1 Foreign liabilities in f/c	61,020.4	69,975.1	58,942.6	54,860.9	52,084.3	51,957.2	51,539.6	47,864.4	46,126.6
1.1 Liabilities to foreign financial institutions	51,070.5	60,081.6	48,548.7	44,696.0	41,942.7	41,517.4	40,846.4	37,143.6	35,474.3
o/w: Indexed to f/c	2,234.8	2,069.6	1,097.3	1,259.7	1,346.9	1,448.9	1,444.4	1,479.2	1,473.3
Subordinated and hybrid instruments	3,029.2	3,271.9	3,239.8	3,045.0	3,119.9	3,525.4	3,891.7	3,862.8	3,846.5
Demand deposits	203.4	180.4	179.1	276.2	457.6	903.0	924.6	679.5	784.0
Time and notice deposits	21,525.3	28,430.5	17,377.5	18,771.8	16,925.3	17,656.7	17,674.2	15,631.6	15,601.3
Loans and advances	26,312.6	28,198.8	27,752.2	22,447.4	21,203.5	19,274.5	18,199.3	16,731.3	15,005.1
Bonds	-	-	-	-	-	-	-	-	-
MMFs shares/units	....	-	-	155.6	236.3	157.8	156.7	238.3	237.5
1.2 Liabilities to foreign non-financial institutions	9,949.9	9,893.6	10,393.9	10,164.8	10,141.6	10,439.8	10,693.1	10,720.8	10,652.3
o/w: Indexed to f/c	29.8	33.8	39.2	40.8	44.4	43.0	48.2	63.1	69.4
Subordinated and hybrid instruments	11.1	14.8	13.9	10.4	5.7	6.7	9.7	9.7	9.6
Savings and time deposits	9,934.8	9,866.5	10,211.8	9,829.4	10,113.8	10,413.5	10,658.0	10,673.9	10,598.6
Savings deposits	1,421.3	1,398.5	1,606.5	1,725.8	2,072.4	2,338.6	2,530.3	2,680.2	2,684.9
Time and notice deposits	8,513.5	8,468.0	8,605.3	8,103.6	8,041.4	8,074.9	8,127.7	7,993.7	7,913.7
Loans and advances	4.1	2.5	152.1	305.5	-	-	-	-	-
Bonds	-	-	-	-	-	-	-	-	-
MMFs shares/units	....	9.8	16.1	19.5	22.1	19.6	25.5	37.3	44.0
2 Foreign liabilities in kuna	21,078.9	20,513.8	14,884.5	14,860.7	10,243.9	10,589.6	10,030.8	8,581.0	6,476.6
2.1 Liabilities to foreign financial institutions	20,731.1	20,024.2	14,317.8	14,320.9	9,577.9	9,907.2	9,258.7	7,707.9	5,616.8
Subordinated and hybrid instruments	36.3	48.5	41.3	36.3	-	-	5.0	5.0	5.0
Demand deposits	696.5	655.3	724.4	924.6	1,650.3	1,321.4	1,218.7	849.6	870.8
Time and notice deposits	14,664.0	15,463.5	11,398.4	9,806.1	7,728.7	8,339.7	7,766.2	6,681.7	4,569.3
Loans and advances	5,257.8	3,736.6	1,996.7	3,362.7	113.5	82.7	105.0	87.3	87.3
Bonds	76.5	-	30.9	0.0	0.0	-	-	11.9	11.9
MMFs shares/units	....	120.3	126.1	191.3	85.4	163.4	163.9	72.5	72.5
2.2 Liabilities to foreign non-financial institutions	347.8	489.6	566.7	539.8	666.0	682.4	772.0	873.1	859.8
Subordinated and hybrid instruments	8.5	10.2	10.3	10.3	10.3	10.3	10.3	10.3	10.3
Demand deposits	221.7	327.7	364.8	326.1	437.8	445.4	471.4	558.1	536.5
Time and notice deposits	117.2	141.2	181.9	191.1	203.5	213.6	277.3	293.2	300.9
Loans and advances	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bonds	-	-	-	-	-	-	-	-	-
MMFs shares/units	....	10.5	9.8	12.3	14.4	13.1	13.1	11.5	12.1
Total (1+2)	82,099.3	90,488.9	73,827.0	69,721.5	62,328.2	62,546.8	61,570.4	56,445.4	52,603.2

^a From December 2010 onwards, data are harmonised with the ESA 2010 methodology. As from July 1999, the CBRD is reclassified from the sector other financial intermediaries to the sector central government. Up to May 2006, kuna positions also include kuna items indexed to foreign currency, and starting from June 2006, kuna items indexed to foreign currency are reclassified to foreign exchange positions. From December 2011 onwards, data also include money market funds. Due to the reclassification of the position of MMFs shares/units from foreign liabilities in kuna to foreign liabilities in f/c, data have been revised as from December 2011.

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

Foreign liabilities of other monetary financial institutions comprise foreign currency liabilities and foreign kuna liabilities.

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

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

In March 2013, data on item Loans have been revised to exclude data related to subordinated and hybrid instruments. Item "o/w: Subordinated and hybrid instruments", which was up to March 2013 reported under Loans and advances, has been reclassified accordingly. It is now reported as a separate item and includes all instruments on the liability side having the features of a subordinated or hybrid instrument.

Table D11 Deposits of the central government and social security funds with other monetary financial institutions^a

end of period, in million HRK

	2010 Dec.	2011 Dec.	2012 Dec.	2013 Dec.	2014 Dec.	2015			
						Mar.	Jun.	Sep.	Oct.
1 In kuna	8,329.8	8,095.5	9,128.0	8,759.0	9,003.5	9,168.5	9,125.9	9,845.8	9,351.6
1.1 Central government deposits	8,329.5	8,094.9	9,128.0	8,722.1	9,002.3	9,167.2	9,124.3	9,844.1	9,351.0
Demand deposits	1,592.5	1,997.0	2,040.7	2,258.0	2,385.2	2,630.1	2,818.6	2,786.4	2,667.5
Savings deposits	0.1	0.1	19.8	31.6	30.9	56.9	42.3	74.5	102.5
Time and notice deposits	1,228.2	984.0	833.5	942.6	740.4	863.0	942.6	1,935.8	1,170.4
Loans and advances	5,508.8	5,113.8	6,233.9	5,490.0	5,845.9	5,617.2	5,320.8	5,047.5	5,410.6
1.2 Deposits of social security funds	0.3	0.6	0.0	36.9	1.1	1.3	1.6	1.6	0.6
Demand deposits	0.3	0.6	0.0	36.9	1.1	1.3	1.6	1.6	0.6
Savings deposits	-	-	-	-	-	-	-	-	-
Time and notice deposits	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-
2 In f/c	13,863.9	12,436.9	11,486.7	10,133.1	10,176.6	9,517.1	9,462.5	8,963.6	8,674.9
2.1 Central government deposits	13,828.3	12,394.0	11,442.0	10,099.4	10,162.2	9,494.1	9,444.2	8,944.6	8,665.6
Savings deposits	1,169.6	811.0	1,826.2	864.6	1,258.6	1,141.1	1,415.4	1,384.3	857.8
Time and notice deposits	1,909.6	1,671.6	495.0	505.9	773.5	514.8	544.4	237.4	503.1
Refinanced loans and advances	10,749.2	9,911.4	9,120.7	8,728.8	8,130.1	7,838.2	7,484.4	7,322.8	7,304.7
2.2 Deposits of social security funds	35.6	42.9	44.7	33.6	14.4	23.0	18.3	19.1	9.3
Savings deposits	24.3	31.3	33.0	23.8	5.2	14.3	9.8	10.3	0.6
Time and notice deposits	11.2	11.6	11.8	9.9	9.2	8.6	8.5	8.7	8.7
Loans and advances	-	-	-	-	-	-	-	-	-
Total (1+2)	22,193.7	20,532.4	20,614.7	18,892.0	19,180.1	18,685.5	18,588.4	18,809.4	18,026.5

^a From December 2010 onwards, data are harmonised with the ESA 2010 methodology. As from July 1999, the CBRD is reclassified from the sector other financial intermediaries to the sector central government. Up to May 2006, kuna positions also include kuna items indexed to foreign currency, and starting from June 2006, kuna items indexed to foreign currency are reclassified to foreign exchange positions. From December 2011 onwards, data also include money market funds.

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

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

Table D12 Restricted and blocked deposits with other monetary financial institutions^a

end of period, in million HRK

	2010 Dec.	2011 Dec.	2012 Dec.	2013 Dec.	2014 Dec.	2015			
						Mar.	Jun.	Sep.	Oct.
1 Restricted deposits	2,374.9	3,183.9	2,413.9	2,735.9	3,076.0	3,416.9	3,671.6	4,123.9	3,832.3
1.1 In kuna	1,257.5	1,571.4	1,428.7	1,707.1	2,032.1	2,046.6	2,347.6	2,418.6	2,345.3
1.2 In f/c	1,117.4	1,612.5	985.2	1,028.9	1,043.9	1,370.3	1,324.0	1,705.3	1,487.0
2 Blocked f/c deposits of households	-	-	-	-	-	-	-	-	-
Total (1+2)	2,374.9	3,183.9	2,413.9	2,735.9	3,076.0	3,416.9	3,671.6	4,123.9	3,832.3

^a From December 2010 onwards, data are harmonised with the ESA 2010 methodology. As from July 1999, the CBRD is reclassified from the sector other financial intermediaries to the sector central government. Up to May 2006, kuna positions also include kuna items indexed to foreign currency, and starting from June 2006, kuna items indexed to foreign currency are reclassified to foreign exchange positions. From December 2011 onwards, data also include money market funds.

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

Blocked foreign currency deposits include households'

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

E Non-MMF investment funds

Table E1 Aggregated balance sheet of investment funds
end-of-period balance and transactions during the period, in million HRK

	2011	2012	2013	2014	2015				
	Dec.	Dec.	Dec.	Dec.	Mar.	Jun.	Jul.	Aug.	Sep.
ASSETS									
1 Deposits and loans given	552.3	478.3	486.9	742.8	661.6	655.9	680.0	671.7	644.8
1.1 Domestic sectors	551.5	478.0	485.2	742.4	661.3	653.1	674.4	665.4	639.2
o/w: MMFs	522.8	448.4	460.4	552.8	545.8	530.7	519.6	499.5	515.6
1.2 Rest of the world	0.8	0.3	1.7	0.4	0.3	2.9	5.7	6.4	5.6
2 Investment in debt securities	1,526.4	979.4	841.1	1,511.2	1,987.4	2,041.6	2,174.6	2,152.6	2,176.4
2.1 Domestic sectors	970.0	574.1	635.9	1,321.2	1,737.3	1,848.7	1,984.3	1,953.7	1,933.0
o/w: Non-financial corporations	564.7	267.8	141.9	123.6	181.3	173.1	174.8	172.6	175.6
o/w: Financial corporations	27.3	16.1	4.6	6.2	4.4	5.5	7.8	10.9	8.1
o/w: General government	378.1	290.2	489.3	1,191.4	1,551.6	1,670.1	1,801.8	1,770.2	1,749.4
2 Rest of the world	556.4	405.3	205.3	190.0	250.1	192.9	190.3	199.0	243.4
o/w: Non-financial corporations	88.0	110.2	127.0	62.0	72.2	63.8	61.0	59.9	60.9
o/w: Financial corporations	19.5	56.4	32.0	5.3	6.3	6.0	6.1	7.0	7.0
o/w: General government	448.9	238.6	46.3	122.7	171.6	123.1	123.2	132.0	175.5
3 Investment in equities and other share capital	4,357.4	4,208.7	4,028.9	4,347.8	4,662.5	4,813.3	4,838.8	4,659.6	4,560.4
3.1 Domestic sectors	2,260.9	2,388.4	2,285.1	2,696.7	2,712.3	2,952.5	2,985.4	2,932.5	2,917.7
o/w: Non-financial corporations	1,898.2	2,079.8	2,005.8	2,450.7	2,460.0	2,676.9	2,738.7	2,690.5	2,671.9
o/w: Financial corporations	362.7	308.7	279.3	246.0	252.3	275.6	246.7	242.0	245.8
3.2 Rest of the world	2,096.5	1,820.2	1,743.8	1,651.1	1,950.2	1,860.9	1,853.4	1,727.1	1,642.6
o/w: Non-financial corporations	1,548.4	1,332.2	1,342.4	1,250.5	1,372.3	1,321.3	1,336.1	1,215.2	1,190.0
o/w: Financial corporations	548.1	488.0	401.4	400.6	578.0	539.5	517.3	512.0	452.6
4 Non-financial assets	289.0	206.0	121.3	115.0	105.6	105.6	105.6	105.5	81.4
5 Other assets (including financial derivatives)	160.2	205.1	128.3	131.9	224.2	304.2	275.3	241.6	437.4
Total (1+2+3+4+5)	6,885.2	6,077.5	5,606.5	6,848.7	7,641.3	7,920.6	8,074.2	7,831.1	7,900.3
LIABILITIES									
1 Deposits and liabilities received	36.4	22.3	44.7	182.2	164.9	162.3	255.2	243.5	169.6
2 Investment funds' shares/units issued	6,708.6	5,943.2	5,321.9	6,392.8	7,074.5	7,341.3	7,409.3	7,193.9	7,250.9
2.1 Domestic sectors	6,498.9	5,721.8	5,132.9	6,204.1	6,886.0	7,064.5	7,127.2	6,915.5	6,968.2
o/w: Non-financial corporations	425.7	381.7	319.0	492.5	534.5	520.2	541.5	544.1	531.1
o/w: Financial corporations	2,000.2	1,608.4	1,311.9	1,407.4	1,467.2	1,474.6	1,452.0	1,410.6	1,414.0
o/w: Households	2,901.1	2,424.2	2,176.3	2,699.3	3,247.5	3,331.5	3,394.8	3,263.6	3,270.8
2.2 Rest of the world	209.7	221.4	189.0	188.7	188.5	276.7	282.1	278.4	282.7
o/w: Non-financial corporations	47.8	37.2	7.1	8.2	1.9	1.8	1.9	1.8	6.9
o/w: Financial corporations	80.6	117.2	110.9	89.6	89.5	169.6	172.5	169.6	170.5
o/w: Households	77.1	66.9	67.3	90.9	97.2	105.3	107.8	107.0	105.3
3 Other liabilities (including financial derivatives)	140.2	112.0	239.9	273.6	401.9	417.1	409.7	393.6	479.9
Total (1+ 2+ 3)	6,885.2	6,077.5	5,606.5	6,848.7	7,641.3	7,920.6	8,074.2	7,831.1	7,900.3
TRANSACTIONS									
ASSETS									
1 Deposits and loans given	-	62.2	75.4	37.9	-79.0	-30.9	23.0	-5.2	-31.9
1.1 Domestic sectors	-	62.1	74.0	37.9	-78.9	-31.5	20.2	-5.9	-31.0
o/w: MMFs	-	55.1	71.9	-105.5	-24.0	33.1	-12.3	-17.1	11.4
1.2 Rest of the world	-	0.1	1.4	0.0	-0.1	0.6	2.8	0.7	-0.8
2 Investment in debt securities	-	-82.6	-56.9	143.2	290.1	-40.7	109.8	1.9	11.8
2.1 Domestic sectors	-	-115.1	-22.8	126.1	223.7	1.0	116.8	-9.7	-28.9
o/w: Non-financial corporations	-	-52.9	-28.0	1.6	7.1	-6.4	0.3	3.2	0.2
o/w: Financial corporations	-	-4.7	0.0	0.0	-0.3	0.0	2.3	3.1	-2.6
o/w: General government	-	-57.5	5.2	124.4	216.9	7.4	114.1	-16.0	-26.5

	2011 Dec.	2012 Dec.	2013 Dec.	2014 Dec.	2015				
					Mar.	Jun.	Jul.	Aug.	Sep.
2 Rest of the world	-	32.5	-34.1	17.1	66.4	-41.7	-7.0	11.6	40.7
o/w: Non-financial corporations	-	11.0	-8.8	0.1	-1.4	-0.5	-3.1	0.2	0.2
o/w: Financial corporations	-	-5.0	-5.3	0.6	0.0	0.0	0.1	1.1	-0.1
o/w: General government	-	26.6	-20.0	16.4	67.8	-41.2	-4.0	10.2	40.6
3 Investment in equities and other share capital	-	-69.9	6.7	14.8	60.6	105.9	-60.7	15.7	-49.5
3.1 Domestic sectors	-	-13.4	56.1	101.0	-18.6	149.0	-19.5	-12.2	-1.5
o/w: Non-financial corporations	-	5.8	68.0	82.0	-7.9	139.9	10.2	-10.4	-7.4
o/w: Financial corporations	-	-19.1	-12.0	19.1	-10.7	9.1	-29.6	-1.8	5.9
3.2 Rest of the world	-	-56.6	-49.4	-86.2	79.2	-43.1	-41.3	27.9	-48.0
o/w: Non-financial corporations	-	-49.1	-26.2	-71.8	21.8	3.2	-8.1	-5.9	2.1
o/w: Financial corporations	-	-7.5	-23.2	-14.5	57.4	-46.3	-33.2	33.8	-50.1
4 Non-financial assets	-	-8.5	0.0	0.0	-0.1	0.0	0.1	-0.1	-24.1
5 Other assets (including financial derivatives)	-	-53.1	-22.4	-38.2	-21.3	39.8	-33.1	-43.6	201.6
Total (1+2+3+4+5)	-	-151.9	2.8	157.6	250.3	74.1	39.0	-31.4	108.0
LIABILITIES									
1 Deposits and loans received	-	-31.2	-6.0	131.8	-26.1	-53.3	92.8	-11.5	-74.2
2 Investment funds' shares/units issued	-	-74.6	43.2	65.7	278.8	94.5	-48.5	0.2	86.7
2.1 Domestic sectors	-	-69.8	52.1	64.5	283.9	50.8	-49.9	-3.3	79.8
o/w: Non-financial corporations	-	0.0	21.4	3.8	17.0	-4.1	13.7	10.1	-11.9
o/w: Financial corporations	-	-18.5	-2.8	-20.9	-11.1	-30.7	-45.5	-2.1	19.4
o/w: General government	-	-47.4	-14.0	98.7	266.6	0.4	6.2	-24.0	20.6
2.2 Rest of the world	-	-4.8	-8.9	1.2	-5.1	43.8	1.4	3.5	6.9
o/w: Non-financial corporations	-	-3.0	-2.0	-0.1	-6.5	0.0	0.0	0.0	5.1
o/w: Financial corporations	-	-0.9	-5.2	-0.9	0.7	43.7	1.0	-0.2	2.2
o/w: Households	-	-0.9	-1.7	2.1	0.7	0.1	0.4	3.6	-0.4
3 Other liabilities (including financial derivatives)	-	-46.2	-34.4	-39.8	-2.5	32.9	-5.3	-20.1	95.5
Total (1+ 2+ 3)	-	-151.9	2.8	157.6	250.3	74.1	39.0	-31.4	108.0

Table E1: Aggregated balance sheet of investment funds

• The table shows data on claims and liabilities of investment funds (except money market funds which are aggregated in the credit institutions' balance sheet) and monthly net transactions for each asset and liability position. Data are reported on an aggregate basis, which means that investment funds' assets

also include the funds' investments in other investment funds' shares/units.

The balances and net transactions of financially significant positions of assets and liabilities are shown separately for resident and non-resident counterparties and according to the counterparty's classification into a specific economic sector.

Table E2 Investment funds' shares/units issued by type of investment and type of fund
end-of-period balance and transactions during the period, in million HRK

	2011 Dec.	2012 Dec.	2013 Dec.	2014 Dec.	2015				
					Mar.	Jun.	Jul.	Aug.	Sep.
Investment funds' shares/units issued by type of investment									
1 Bonds	814.4	542.3	394.0	911.1	1,207.0	1,299.4	1,309.4	1,308.1	1,355.4
2 Equities	3,634.2	3,406.3	3,274.5	3,209.4	3,284.6	3,284.4	3,277.5	3,119.2	3,083.6
3 Mixed	1,454.2	1,170.7	866.9	931.6	1,152.7	1,160.5	1,219.5	1,172.8	1,157.9
4 Real estate	404.0	295.7	128.1	118.8	115.5	114.9	114.8	114.5	90.3
5 Others	401.8	528.2	658.4	1,222.0	1,314.9	1,482.1	1,488.1	1,479.3	1,563.8
Total (1+2+3+4+5)	6,708.6	5,943.2	5,321.9	6,392.8	7,074.5	7,341.3	7,409.3	7,193.9	7,250.9
Investment funds' shares/units issued by type of fund									
1 Open-ended	5,090.8	4,365.9	3,939.0	4,930.6	5,589.0	5,843.4	5,884.4	5,713.2	5,790.5
2 Closed-ended	1,617.9	1,577.3	1,382.9	1,462.2	1,485.5	1,497.9	1,525.0	1,480.7	1,460.4
Total (1+2)	6,708.6	5,943.2	5,321.9	6,392.8	7,074.5	7,341.3	7,409.3	7,193.9	7,250.9
Transactions									
Investment funds' shares/units issued by type of investment									
1 Bonds	-	-10.8	-18.5	35.7	118.0	-33.4	-7.7	5.9	37.8
2 Equities	-	-18.6	-31.1	5.7	25.7	12.0	-75.0	0.7	8.3
3 Mixed	-	-36.0	-9.0	63.5	80.4	-16.1	34.2	-7.7	-19.3
4 Real estate	-	-9.9	-3.2	-0.2	-0.2	-0.2	-0.1	-0.3	-24.3
5 Others	-	0.8	105.0	-39.0	54.9	132.3	0.1	1.5	84.1
Total (1+2+3+4+5)	-	-74.6	43.2	65.7	278.8	94.5	-48.5	0.2	86.7
Investment funds' shares/units issued by type of fund									
1 Open-ended	-	-60.3	42.3	60.8	277.2	93.8	-47.4	-9.6	105.1
2 Closed-ended	-	-14.3	0.8	4.9	1.6	0.7	-1.1	9.8	-18.4
Total (1+2)	-	-74.6	43.2	65.7	278.8	94.5	-48.5	0.2	86.7

Table E2: Investment funds' shares/units issued by type of investment and type of fund • The table reports a detailed structure of the investment funds' shares/units issued (except MMFs which are aggregated in the credit institutions' balance sheet) by the type of investment and the type of fund.

The type of investment implies the fund's investment policy given in the prospectus, predominantly in bonds, equities, a combination of bonds and equities (mixed funds), real estate and other types of investment (hedge funds), venture capital

funds, and others). By the type of fund, we distinguish between open-ended and closed-ended funds. The shares/units in an open-ended investment fund are purchased, directly or indirectly, at the request of the holder of the share/unit from the investment fund's assets. The shares/units in a closed-ended fund, established in the form of a stock company or a limited liability company, cannot be purchased from the closed-ended fund's assets at holder's request.

F Monetary policy instruments and liquidity

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

Year	Month	CNB discount rate	CNB repo rate ^a	Credit rates					
				On Lombard credits ^b	On intervention credits	On intra-day refinance facility ^b	On short-term liquidity credits	On inaccurately calculated statutory reserves ^b	On arrears
1	2	3	4	5	6	7	8	9	10
2001	December	5.90	–	10.00	–	–	11.00	15.00	18.00
2002	December	4.50	–	9.50	–	–	10.50	15.00	15.00
2003	December	4.50	–	9.50	–	–	10.50	15.00	15.00
2004	December	4.50	–	9.50	–	–	10.50	15.00	15.00
2005	December	4.50	3.50	7.50 ^c	–	–	8.50 ^c	15.00	15.00
2006	December	4.50	3.50	7.50	–	–	8.50	15.00	15.00
2007	December	9.00 ^d	4.06	7.50	–	–	8.50	15.00	15.00
2008	December	9.00	6.00	9.00	–	–	10.00	15.00	14.00
2009	December	9.00	–	9.00	–	–	10.00	15.00	14.00
2010	December	9.00	–	9.00	–	–	10.00	15.00	14.00
2011	December	7.00	–	6.25	–	–	7.25	15.00	12.00
2012	December	7.00	–	6.25	–	–	7.25	14.50	12.00
2013	December	7.00	–	5.00 ^e	–	–	6.00 ^e	12.00 ^e	12.00
2014	November	7.00	–	5.00	–	–	6.00	12.00	12.00
	December	7.00	–	5.00	–	–	6.00	12.00	12.00
2015	January	7.00	–	5.00	–	–	6.00	12.00	12.00
	February	7.00	–	5.00	–	–	6.00	12.00	12.00
	March	7.00	–	5.00	–	–	6.00	12.00	12.00
	April	7.00	–	5.00	–	–	6.00	12.00	12.00
	May	7.00	–	5.00	–	–	6.00	12.00	12.00
	June	7.00	–	5.00	–	–	6.00	12.00	12.00
	July	7.00	–	5.00	–	–	6.00	12.00	12.00
	August	7.00	–	5.00	–	–	6.00	12.00	10.14 ^f
	September	7.00	0.80	5.00	–	–	6.00	12.00	10.14
	October	3.00 ^g	0.80	2.50 ^g	–	–	4.00 ^g	8.00 ^g	10.14

^a Weighted averages of weighted repo rates achieved at regular reverse repo auctions of the CNB in the reporting month. ^b Breaks in the series of data are explained in notes on methodology. ^c Since 14 December 2005. ^d Since 31 December 2007. ^e Since 7 December 2013. ^f Since 1 August 2015. ^g Since 31 October 2015.

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
2001	December	2.00	–	–	3.36	4.26	4.85	–	2.62	3.06	–	–	–
2002	December	1.75	–	–	2.08	–	–	2.30	2.68	–	–	–	–
2003	December	1.25	0.50	–	–	–	–	1.75	1.48	–	–	–	–
2004	December	1.25	–	–	–	–	–	–	–	–	–	–	–
2005	December	0.75	–	–	–	–	–	–	–	–	–	–	0.50
2006	December	0.75	–	–	–	–	–	–	–	–	–	–	0.50
2007	December	0.75	0.75	–	–	–	–	–	–	–	–	–	0.50
2008	December	0.75	0.25	–	–	–	–	–	–	–	–	–	0.50
2009	December	0.75	0.25	–	–	–	–	–	–	–	–	–	0.50
2010	December	0.75	–	–	–	–	–	–	–	–	–	–	0.50
2011	December	0.00	–	–	–	–	–	–	–	–	–	–	0.25
2012	December	0.00	–	–	–	–	–	–	–	–	–	–	0.25
2013	December	0.00	–	–	–	–	–	–	–	–	–	–	0.00
2014	November	0.00	–	–	–	–	–	–	–	–	–	–	0.00
	December	0.00	–	–	–	–	–	–	–	–	–	–	0.00
2015	January	0.00	–	–	–	–	–	–	–	–	–	–	0.00
	February	0.00	–	–	–	–	–	–	–	–	–	–	0.00
	March	0.00	–	–	–	–	–	–	–	–	–	–	0.00
	April	0.00	–	–	–	–	–	–	–	–	–	–	0.00
	May	0.00	–	–	–	–	–	–	–	–	–	–	0.00
	June	0.00	–	–	–	–	–	–	–	–	–	–	0.00
	July	0.00	–	–	–	–	–	–	–	–	–	–	0.00
	August	0.00	–	–	–	–	–	–	–	–	–	–	0.00
	September	0.00	–	–	–	–	–	–	–	–	–	–	0.00
	October	0.00	–	–	–	–	–	–	–	–	–	–	0.00

^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
2001	December	19.67	21,187.1	8,691.5	12,495.5	–	6,287.8	5,950.0	1.97	2.73
2002	December	19.00	25,985.1	11,447.1	14,538.0	–	8,156.7	7,139.9	1.72	2.16
2003	December	19.00	31,009.4	18,023.8	12,985.6	109.4	12,459.8	6,850.2	1.17	1.47
2004	December	18.00	33,615.7	20,040.9	13,574.8	430.1	14,664.1	10,171.3	1.22	1.36
2005	December	18.00	37,424.5	24,997.9	12,426.6	3,940.2	17,497.7	9,271.4	0.52	0.92
2006	December	17.00	40,736.4	28,966.1	11,770.4	7,332.5	20,257.0	8,780.9	0.52	1.06
2007	December	17.00	44,465.9	31,809.1	12,656.8	6,641.1	22,266.4	9,203.5	0.53	1.29
2008	December	14.87	41,474.4	29,179.7	12,294.7	461.9	20,425.8	8,807.0	0.52	0.81
2009	December	14.00	40,423.5	33,693.7	6,729.8	30.9	23,585.6	4,898.0	0.52	–
2010	December	13.00	38,990.6	32,374.8	6,615.8	–	22,662.4	4,736.7	0.52	–
2011	December	14.00	44,443.2	36,936.6	7,506.7	–	25,654.6	5,437.9	–	–
2012	December	13.50	42,272.1	35,107.8	7,164.3	–	24,575.4	5,120.7	–	–
2013	December	12.48	39,283.2	32,733.2	6,550.0	2,655.2	22,913.3	4,605.3	–	–
2014	November	12.00	37,816.0	31,568.6	6,247.3	3,545.7	22,098.4	3,969.3	–	–
	December	12.00	37,589.8	31,351.3	6,238.5	3,568.0	21,945.9	3,743.1	–	–
2015	January	12.00	37,488.3	31,259.6	6,228.6	3,164.1	21,881.7	3,737.2	–	–
	February	12.00	37,514.0	31,246.7	6,267.2	2,960.5	21,872.7	3,760.3	–	–
	March	12.00	37,578.0	31,253.8	6,324.1	2,815.7	21,877.7	3,794.5	–	–
	April	12.00	37,455.7	31,177.4	6,278.3	2,762.4	21,824.2	3,767.0	–	–
	May	12.00	37,307.2	31,089.6	6,217.6	3,100.8	21,762.7	3,730.6	–	–
	June	12.00	37,064.8	30,904.2	6,160.7	3,063.6	21,632.9	3,696.4	–	–
	July	12.00	37,342.0	31,161.1	6,180.9	2,947.2	21,812.8	3,708.5	–	–
	August	12.00	37,496.2	31,306.2	6,190.0	3,090.6	21,914.3	3,714.0	–	–
	September	12.00	37,607.6	31,422.1	6,185.6	3,203.0	21,995.5	3,711.3	–	–
	October	12.00	37,829.1	31,620.3	6,208.8	661.7	22,134.2	3,725.3	–	–

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
2001	December	794.4	17,247.4	3.23	2.6	2,656.2	2,630.8	3,360.9
2002	December	1,225.0	10,398.0	3.53	0.6	4,965.5	1,273.9	4,279.5
2003	December	451.6	20,561.4	0.98	501.6	–	4,316.0	3,073.2
2004	December	1,495.5	26,126.1	2.64	0.0	–	–	4,581.7
2005	December	672.5	20,493.4	0.96	0.2	–	–	4,163.3
2006	December	840.8	20,239.1	0.83	–	–	–	5,993.7
2007	December	1,161.5	30,412.6	1.03	330.4	–	–	4,449.4
2008	December	1,168.7	28,101.4	1.03	289.1	–	–	6,171.2
2009	December	880.0	24,885.6	0.91	–	–	–	4,776.6
2010	December	407.1	30,511.9	0.42	–	–	–	5,705.9
2011	December	333.0	15,693.8	0.32	97.3	–	–	8,157.7
2012	December	612.4	5,113.4	0.61	–	–	–	8,010.0
2013	December	5,390.9	4,944.6	5.14	2.3	–	–	12,495.7
2014	November	5,643.8	8,460.8	5.28	–	–	–	14,724.5
	December	5,970.3	7,473.8	5.67	–	–	–	14,588.2
2015	January	6,143.9	7,220.2	5.86	–	–	–	14,382.8
	February	5,157.4	6,951.6	4.97	–	–	–	13,794.1
	March	7,451.8	6,586.9	7.28	–	–	–	13,129.3
	April	8,643.9	6,085.0	8.40	–	–	–	13,109.4
	May	7,601.3	5,713.6	7.33	–	–	–	13,279.8
	June	7,815.4	5,984.5	7.55	–	–	–	13,169.8
	July	5,295.3	7,076.4	5.04	–	–	–	13,001.9
	August	3,975.5	8,273.6	3.75	–	–	–	12,763.2
	September	5,541.2	8,593.9	5.17	–	–	–	11,780.1
	October	7,074.5	8,919.1	6.53	0.3	–	–	11,075.1

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

	2011 Dec.	2012 Dec.	2013 Dec.	2014 Dec.	2015			2015 Oct.	
					Mar.	Jun.	Sep.*		
	Interest rate							Interest rate	Volume
1 Households									
1.1 Overnight deposits	0.25	0.24	0.22	0.20	0.20	0.20	0.18	0.18	24,431.2
o/w: Transaction accounts	0.20	0.19	0.16	0.13	0.12	0.12	0.11	0.11	22,619.3
o/w: Savings deposits	0.68	0.70	0.87	1.03	1.07	1.11	1.07	1.06	1,792.2
1.2 Time deposits	3.75	3.43	2.89	2.43	2.37	2.30	2.29	2.23	2,380.5
1.2.1 Up to 3 months	3.17	2.39	2.12	1.66	1.69	1.75	1.60	1.55	617.6
1.2.2 Over 3 and up to 6 months	3.76	3.53	2.84	2.43	2.30	2.12	2.12	2.08	411.0
1.2.3 Over 6 months and up to 1 year	4.06	3.91	3.25	2.68	2.63	2.59	2.57	2.48	834.2
1.2.4 Over 1 and up to 2 years	4.42	4.43	3.64	3.13	3.01	2.85	2.83	2.77	401.3
1.2.5 Over 2 years	4.78	4.32	3.82	3.14	3.00	2.89	2.72	2.78	116.3
1.3 Deposits redeemable at notice	2.86	-	-	-	-	-	-	-	-
1.3.1 Up to 3 months	2.86	-	-	-	-	-	-	-	-
1.3.2 Over 3 months	-	-	-	-	-	-	-	-	-
2 Non-financial corporations									
2.1 Overnight deposits	0.64	0.60	0.43	0.32	0.28	0.25	0.24	0.26	22,276.7
o/w: Transaction accounts	0.59	0.56	0.39	0.31	0.27	0.24	0.22	0.23	21,771.5
o/w: Savings deposits	2.46	2.21	1.40	1.00	1.25	0.96	1.35	1.35	505.2
2.2 Time deposits	3.03	2.68	1.77	1.84	1.37	1.21	1.12	1.29	2,307.9
2.2.1 Up to 3 months	2.79	2.05	1.17	1.08	0.98	0.85	0.95	1.09	1,686.1
2.2.2 Over 3 and up to 6 months	4.91	3.63	2.37	1.73	1.75	1.76	1.50	1.64	411.2
2.2.3 Over 6 months and up to 1 year	4.98	3.95	3.20	2.25	2.04	1.78	1.97	2.21	157.9
2.2.4 Over 1 and up to 2 years	2.92	3.89	3.26	3.05	2.22	2.48	2.35	2.34	49.2
2.2.5 Over 2 years	3.96	4.87	2.13	2.70	2.61	0.93	3.22	1.57	3.4
3 Repos	-	0.43	-	0.13	0.12	0.30	1.09	0.65	177.0

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

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

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

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

terms and conditions of the contract by the reporting institution are not considered new business.

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

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

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

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

Table G1b Credit institutions' interest rates on kuna deposits indexed to foreign currency (new business)

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

	2011 Dec.	2012 Dec.	2013 Dec.	2014 Dec.	2015			2015 Oct.	
					Mar.	Jun.	Sep.	Interest rate	Volume
1 Households									
1.1 Overnight deposits	3.22	3.20	3.21	3.36	2.14	2.01	0.39	0.38	0.5
o/w: Transaction accounts	1.80	2.02	3.96	2.84	2.84	2.50	0.51	0.69	0.0
o/w: Savings deposits	3.22	3.21	3.21	3.36	2.13	2.01	0.37	0.34	0.5
1.2 Time deposits	3.19	2.87	3.48	2.52	2.71	2.53	2.35	2.65	63.0
1.2.1 Up to 3 months	2.18	1.75	1.34	0.92	1.49	1.54	1.28	0.99	2.5
1.2.2 Over 3 and up to 6 months	3.01	1.90	1.74	1.84	1.45	1.41	1.40	0.70	0.1
1.2.3 Over 6 months and up to 1 year	4.27	4.85	4.81	1.68	2.32	1.94	1.40	2.04	2.8
1.2.4 Over 1 and up to 2 years	4.43	3.74	4.03	2.58	2.56	2.60	2.88	2.38	4.1
1.2.5 Over 2 years	3.18	3.08	3.55	2.99	2.91	2.73	2.76	2.78	53.6
o/w: EUR	3.27	3.03	3.61	2.69	2.71	2.53	2.35	2.65	63.0
Short-term	2.94	2.57	3.72	1.66	1.60	1.69	1.37	1.53	5.3
Long-term	3.31	3.14	3.59	2.97	2.88	2.73	2.77	2.75	57.6
o/w: USD	1.88	1.51	1.10	0.79	-	-	-	-	-
Short-term	1.88	1.51	1.10	0.79	-	-	-	-	-
Long-term	0.00	-	-	-	-	-	-	-	-
1.3 Deposits redeemable at notice	-	-	-	-	-	-	-	-	-
1.3.1 Up to 3 months	-	-	-	-	-	-	-	-	-
1.3.2 Over 3 months	-	-	-	-	-	-	-	-	-
2 Non-financial corporations									
2.1 Overnight deposits	0.47	0.80	1.05	0.98	0.86	0.53	0.41	0.41	39.3
o/w: Transaction accounts	1.00	-	-	-	-	-	-	-	-
o/w: Savings deposits	0.47	0.80	1.05	0.98	0.86	0.53	0.41	0.41	39.3
2.2 Time deposits	3.54	4.76	3.23	3.65	2.06	0.63	2.90	0.63	18.3
2.2.1 Up to 3 months	2.79	3.64	2.01	1.09	-	-	0.00	0.12	9.3
2.2.2 Over 3 and up to 6 months	1.46	5.96	1.34	1.94	0.75	1.21	0.50	0.60	0.2
2.2.3 Over 6 months and up to 1 year	4.94	3.48	3.36	1.80	1.90	5.02	0.84	0.85	4.4
2.2.4 Over 1 and up to 2 years	2.41	4.73	2.79	1.95	2.31	2.35	1.13	1.58	0.9
2.2.5 Over 2 years	4.24	2.40	1.37	4.12	0.10	0.11	3.01	1.44	3.5
o/w: EUR	3.55	4.76	3.23	3.65	2.06	0.63	2.91	0.63	18.3
Short-term	3.18	4.79	3.26	1.85	1.59	2.07	0.50	0.36	13.9
Long-term	3.72	4.64	2.53	4.11	2.14	0.42	3.00	1.47	4.4
o/w: USD	1.15	4.00	3.80	3.00	-	-	0.85	-	-
Short-term	1.15	4.00	3.80	3.00	-	-	0.85	-	-
Long-term	-	-	-	-	-	-	-	-	-
3 Repos	-	-	-	-	-	-	-	-	-

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

Deposits redeemable at notice are savings deposits and time

deposits for which a request for the disposal of funds has been submitted.

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

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

	2011 Dec.	2012 Dec.	2013 Dec.	2014 Dec.	2015			2015 Oct.	
					Mar.	Jun.	Sep.		
					Interest rate				Interest rate	Volume
1 Revolving loans, overdrafts and credit card credit	10.71	10.63	10.20	9.49	9.53	9.50	8.81	8.77	11,337.2
o/w: Revolving loans	9.51	10.55	10.46	9.98	10.00	8.97	8.09	8.17	33.3
o/w: Overdrafts	11.51	11.44	11.36	10.53	10.57	10.56	9.76	9.74	7,063.8
o/w: Credit card credit	10.42	10.08	9.67	9.08	9.08	9.04	8.46	8.39	3,591.1
o/w: Sole proprietors	10.23	10.43	10.32	9.95	9.91	9.70	9.51	9.54	259.4
2 Consumer loans	6.22	5.90	6.26	7.11	6.77	6.37	6.40	6.63	23.2
2.1 Short-term	5.08	3.08	3.17	6.97	6.83	6.80	6.66	6.78	1.2
2.1.1 Floating rate and up to 1 year initial rate fixation	5.08	3.08	3.17	6.97	6.83	6.80	6.66	6.78	1.2
2.2 Long-term	6.43	6.92	7.14	7.12	6.76	6.33	6.38	6.63	22.0
2.2.1 Floating rate and up to 1 year initial rate fixation	6.49	6.90	6.07	7.19	7.11	7.03	6.97	6.96	4.2
2.2.2 Floating rate and over 1 year initial rate fixation	6.00	7.39	7.70	7.09	6.68	6.15	6.25	6.55	17.8
3 Loans for house purchases	5.34	5.74	5.81	5.27	5.18	5.14	5.18	5.19	201.3
3.1 Floating rate and up to 1 year initial rate fixation	5.25	5.70	5.83	5.30	5.15	5.13	5.15	5.17	132.6
3.2 Over 1 and up to 5 years initial rate fixation	6.43	7.99	5.42	5.50	4.59	5.35	5.23	5.24	8.6
3.3 Over 5 and up to 10 years initial rate fixation	6.82	7.13	5.27	5.28	5.02	5.51	5.24	5.22	18.2
3.4 Over 10 years initial rate fixation	5.90	5.64	5.86	5.12	5.44	5.11	5.21	5.25	41.9
4 For other purposes	7.91	9.01	9.00	8.64	8.76	8.72	8.18	8.32	897.1
4.1 Short-term	6.28	7.34	7.98	7.99	8.08	8.55	5.96	7.68	65.6
4.1.1 Floating rate and up to 1 year initial rate fixation	6.28	7.34	7.98	7.99	8.08	8.55	5.96	7.68	65.6
4.2 Long-term	8.40	9.15	9.11	8.75	8.83	8.74	8.46	8.37	831.5
4.2.1 Floating rate and up to 1 year initial rate fixation	8.42	9.15	8.85	8.40	8.47	8.59	7.90	8.15	226.3
4.2.2 Floating rate and over 1 year initial rate fixation	7.80	9.07	9.35	9.06	9.01	8.81	8.68	8.46	605.2
o/w: Sole proprietors	6.43	7.69	7.64	6.92	6.97	6.68	5.79	6.97	48.3

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

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

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

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

The initial period of fixation of the interest rate is the period

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

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

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

Overdrafts refer to receivables on used overdrafts of counterparties.

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

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

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

Loans for house purchases include all mortgage and other loans extended for the purchase, construction and completion of a flat, for the purchase, construction and completion

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

	2011 Dec.	2012 Dec.	2013 Dec.	2014 Dec.	2015			2015 Oct.	
					Mar.	Jun.	Sep.*		
					Interest rate				Interest rate	Volume
1 Revolving loans, overdrafts and credit card credit	10.91	9.39	8.30	7.48	7.36	7.37	7.13	7.35	22.3
o/w: Revolving loans	10.91	9.39	8.30	7.48	7.36	7.29	7.05	7.29	21.6
o/w: Overdrafts	11.26	-	-	-	-	9.66	9.31	9.31	0.7
o/w: EUR	11.26	-	-	-	-	9.66	9.31	9.31	0.7
Short-term	11.26	-	-	-	-	-	-	-	-
Long-term	-	-	-	-	-	9.66	9.31	9.31	0.7
o/w: Credit card credit	12.68	-	-	-	-	-	-	-	-
o/w: EUR	12.68	-	-	-	-	-	-	-	-
Short-term	-	-	-	-	-	-	-	-	-
Long-term	12.68	-	-	-	-	-	-	-	-
o/w: Sole proprietors	10.95	9.39	8.31	7.38	7.36	7.38	7.12	7.35	21.6
2 Consumer loans	7.06	7.07	7.03	7.90	7.42	8.53	6.92	6.80	0.7
2.1 Short-term	10.99	6.19	7.01	10.29	6.51	9.07	8.67	6.56	0.0
2.1.1 Floating rate and up to 1 year initial rate fixation	10.99	6.19	7.01	10.29	6.51	9.07	8.67	6.56	0.0
2.2 Long-term	7.06	7.09	7.03	7.80	7.42	8.52	6.91	6.80	0.7
2.2.1 Floating rate and up to 1 year initial rate fixation	7.08	6.93	6.94	7.25	7.05	6.65	6.42	5.49	0.4
2.2.2 Floating rate and over 1 year initial rate fixation	7.01	9.13	7.08	8.25	8.71	8.94	9.19	8.37	0.3
o/w: EUR	7.18	7.08	7.06	7.90	7.42	8.53	6.92	6.80	0.7
Short-term	10.99	6.19	7.01	10.29	6.51	9.07	8.67	6.56	0.0
Long-term	7.17	7.10	7.06	7.80	7.42	8.52	6.91	6.80	0.7
o/w: CHF	6.83	6.89	6.75	-	-	-	-	-	-
Short-term	-	-	-	-	-	-	-	-	-
Long-term	6.83	6.89	6.75	-	-	-	-	-	-
3 Loans for house purchases	5.63	5.22	5.12	5.13	5.01	4.97	4.88	4.82	194.9
3.1 Floating rate and up to 1 year initial rate fixation	5.80	5.16	5.16	5.27	5.04	5.05	4.92	4.90	148.8
3.2 Over 1 and up to 5 years initial rate fixation	5.49	5.28	5.37	5.16	5.15	4.13	4.84	4.81	10.1
3.3 Over 5 and up to 10 years initial rate fixation	4.78	4.58	4.40	4.74	4.59	4.75	4.43	4.53	7.2
3.4 Over 10 years initial rate fixation	5.12	5.74	5.10	4.80	4.79	4.75	4.79	4.47	28.9
o/w: EUR	5.66	5.42	5.32	5.22	5.09	5.07	5.04	4.91	183.9
Short-term	5.50	5.39	5.54	5.36	4.97	4.93	4.72	4.95	15.8
Long-term	5.68	5.43	5.29	5.20	5.11	5.09	5.07	4.91	168.1
o/w: CHF	5.53	3.50	2.30	3.60	2.93	2.90	2.15	3.21	10.1
Short-term	-	-	-	-	-	-	-	-	-
Long-term	5.53	3.50	2.30	3.60	2.93	2.90	2.15	3.21	10.1
4 For other purposes	8.65	8.40	6.86	7.53	7.64	7.53	8.47	7.66	529.8
4.1 Short-term	8.50	8.03	6.42	6.44	6.51	6.23	6.29	6.31	42.7
4.1.1 Floating rate and up to 1 year initial rate fixation	8.50	8.03	6.42	6.44	6.51	6.23	6.28	6.31	42.7
4.2 Long-term	8.67	8.45	6.90	7.65	7.71	7.62	8.54	7.78	487.1
4.2.1 Floating rate and up to 1 year initial rate fixation	8.66	8.44	8.04	7.94	8.04	8.00	8.70	8.03	335.0
4.2.2 Floating rate and over 1 year initial rate fixation	8.72	8.49	6.21	7.12	7.07	6.88	7.24	7.22	152.1
o/w: EUR	8.68	8.41	6.88	7.54	7.65	7.56	8.48	7.71	520.4
Short-term	8.55	8.07	6.47	6.45	6.51	6.28	6.23	6.52	36.4
Long-term	8.69	8.46	6.92	7.67	7.72	7.64	8.54	7.80	484.0
o/w: Sole proprietors	7.32	7.36	6.58	5.98	6.02	5.69	6.42	6.55	45.7

of buildings which have a maximum of four flats or for the improvement of a flat, residential facilities or residential buildings (regardless of whether they are granted to an individual borrower or jointly to all tenants of a residential building). Lending for

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

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

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

	2011 Dec.	2012 Dec.	2013 Dec.	2014 Dec.	2015			2015 Oct.	
					Mar.	Jun.	Sep.	Interest rate	Volume
					Interest rate				
1 Revolving loans, overdrafts and credit card credit	0.29	0.53	0.55	0.49	0.40	0.50	0.40	0.38	39.3
o/w: Revolving loans	8.78	7.35	7.68	7.47	7.47	9.75	7.37	8.19	1.5
o/w: Overdrafts	12.00	12.00	12.00	12.00	12.00	12.00	8.04	8.04	0.3
o/w: Credit card credit	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.5
o/w: Sole proprietors	3.83	5.40	5.35	5.14	4.98	6.55	4.84	5.08	2.5
2 Consumer loans	7.98	-	-	-	-	-	-	-	-
2.1 Short-term	-	-	-	-	-	-	-	-	-
2.1.1 Floating rate and up to 1 year initial rate fixation	-	-	-	-	-	-	-	-	-
2.2 Long-term	7.98	-	-	-	-	-	-	-	-
2.2.1 Floating rate and up to 1 year initial rate fixation	7.98	-	-	-	-	-	-	-	-
2.2.2 Floating rate and over 1 year initial rate fixation	-	-	-	-	-	-	-	-	-
3 Loans for house purchases	-	-	-	-	-	5.50	-	-	-
3.1 Floating rate and up to 1 year initial rate fixation	-	-	-	-	-	5.50	-	-	-
3.2 Over 1 and up to 5 years initial rate fixation	-	-	-	-	-	-	-	-	-
3.3 Over 5 and up to 10 years initial rate fixation	-	-	-	-	-	-	-	-	-
3.4 Over 10 years initial rate fixation	-	-	-	-	-	-	-	-	-
4 For other purposes	6.82	-	6.64	5.42	6.22	6.59	8.62	3.43	1.5
4.1 Short-term	5.85	-	6.59	6.27	6.26	6.44	-	7.00	0.2
4.1.1 Floating rate and up to 1 year initial rate fixation	5.85	-	6.59	6.27	6.26	6.44	-	7.00	0.2
4.2 Long-term	9.95	-	6.69	5.24	5.92	7.48	8.62	3.02	1.3
4.2.1 Floating rate and up to 1 year initial rate fixation	-	-	7.43	5.24	6.03	7.48	8.62	2.90	1.3
4.2.2 Floating rate and over 1 year initial rate fixation	9.95	-	5.22	-	5.02	-	-	8.30	0.0
o/w: Sole proprietors	6.82	-	6.81	5.81	6.03	9.15	8.62	3.43	1.5

Loans for other purposes cover the following types of loans: overnight loans, loans for payments made based on guarantees and other warranties, reverse repos, shares in syndicated loans, financial lease, loans granted for the purpose of education, mortgage loans, car purchase loans, margin loans, Lombard

loans, loans for working capital, construction loans, loans to agriculture, loans to tourism, investments loans, loans for export financing, cash general-purpose loans, factoring and forfeiting and other loans.

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

	2011 Dec.	2012 Dec.	2013 Dec.	2014 Dec.	2015			2015 Oct.	
					Mar.	Jun.	Sep.*	Interest rate	Volume
					Interest rate				
1 Revolving loans, overdrafts and credit card credit	7.40	7.49	6.82	6.96	7.04	7.02	6.52	6.81	2,065.2
o/w: Revolving loans and overdrafts	7.39	7.47	6.78	6.93	6.99	7.06	6.52	6.80	1,966.1
o/w: Credit card credit	11.26	11.31	10.95	10.82	10.64	10.72	10.31	10.38	60.2
2 Loans up to an amount of HRK 2 million	7.83	6.95	6.40	6.27	6.31	6.01	6.11	5.58	447.8
2.1 Floating rate and up to 3 months initial rate fixation	7.94	7.04	6.27	6.29	6.36	6.10	6.17	5.70	346.1
2.2 Over 3 months and up to 1 year initial rate fixation	7.18	6.77	7.02	6.25	5.44	5.67	5.73	5.24	60.0
2.3 Over 1 and up to 3 years initial rate fixation	8.02	3.50	6.98	6.97	7.81	6.48	6.72	6.22	15.8
2.4 Over 3 and up to 5 years initial rate fixation	–	5.10	7.84	5.55	5.02	4.62	5.51	4.50	14.8
2.5 Over 5 and up to 10 years initial rate fixation	5.99	5.08	5.64	2.00	4.07	5.16	4.37	4.19	9.5
2.6 Over 10 years initial rate fixation	–	4.00	–	6.00	5.64	–	5.64	4.07	1.5
3 Loans from HRK 2 million to HRK 7.5 million	7.07	4.52	4.68	3.96	4.12	4.11	3.80	3.51	513.6
3.1 Floating rate and up to 3 months initial rate fixation	6.92	4.52	4.58	3.78	3.87	3.93	3.66	3.35	451.8
3.2 Over 3 months and up to 1 year initial rate fixation	8.07	5.53	6.47	5.89	5.47	5.80	4.90	4.61	40.7
3.3 Over 1 and up to 3 years initial rate fixation	3.03	3.03	–	–	7.03	5.00	4.96	4.55	8.0
3.4 Over 3 and up to 5 years initial rate fixation	–	–	4.07	4.90	–	–	5.54	5.67	6.3
3.5 Over 5 and up to 10 years initial rate fixation	6.00	1.00	3.03	4.55	4.86	4.00	3.64	4.45	6.8
3.6 Over 10 years initial rate fixation	–	–	–	–	–	4.07	–	–	–
4 Loans over HRK 7.5 million	7.55	5.68	4.32	4.12	3.20	3.88	4.29	3.33	1,274.8
4.1 Floating rate and up to 3 months initial rate fixation	7.74	5.68	4.27	3.99	3.17	3.62	4.33	3.18	1,164.2
4.2 Over 3 months and up to 1 year initial rate fixation	6.35	–	–	4.87	3.87	5.10	3.61	6.35	49.0
4.3 Over 1 and up to 3 years initial rate fixation	7.47	–	–	–	3.86	4.80	4.32	6.17	10.0
4.4 Over 3 and up to 5 years initial rate fixation	–	–	–	–	–	–	4.07	4.30	21.6
4.5 Over 5 and up to 10 years initial rate fixation	5.06	–	3.03	10.47	3.00	3.36	–	2.78	30.0
4.6 Over 10 years initial rate fixation	–	–	–	–	–	4.06	–	–	–

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

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

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

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

	2011 Dec.	2012 Dec.	2013 Dec.	2014 Dec.	2015			2015 Oct.	
					Mar.	Jun.	Sep.	Interest rate	Volume
					Interest rate				
1 Revolving loans, overdrafts and credit card credit	8.96	8.30	6.86	6.57	6.60	6.08	5.89	5.98	469.5
o/w: Revolving loans and overdrafts	8.96	8.30	6.86	6.57	6.60	6.08	5.89	5.98	469.5
o/w: Credit card credit	-	-	-	-	-	-	-	-	-
2 Loans up to an amount of HRK 2 million	8.19	7.52	6.94	6.22	6.34	6.53	6.15	6.15	205.5
2.1 Floating rate and up to 3 months initial rate fixation	8.19	7.56	7.02	6.27	6.69	6.67	6.41	6.26	174.6
2.2 Over 3 months and up to 1 year initial rate fixation	7.51	5.96	6.47	5.36	3.75	5.47	4.47	4.92	8.8
2.3 Over 1 and up to 3 years initial rate fixation	8.70	9.20	5.64	4.61	2.74	5.01	6.73	5.92	11.9
2.4 Over 3 and up to 5 years initial rate fixation	9.71	-	6.30	5.61	2.98	5.93	3.78	6.33	3.7
2.5 Over 5 and up to 10 years initial rate fixation	8.69	7.40	4.82	6.02	5.66	5.14	4.21	5.53	4.5
2.6 Over 10 years initial rate fixation	7.23	-	-	-	-	5.26	6.05	5.07	2.0
o/w: EUR	8.21	7.53	6.94	6.22	6.32	6.55	6.15	6.15	205.5
Short-term	8.37	7.66	7.11	6.62	6.27	6.65	6.22	6.39	78.2
Long-term	8.00	7.39	6.74	5.93	6.38	6.47	6.10	6.01	127.4
o/w: CHF	5.84	-	-	-	7.42	3.75	-	-	-
Short-term	-	-	-	-	-	-	-	-	-
Long-term	5.84	-	-	-	7.42	3.75	-	-	-
3 Loans from HRK 2 million to HRK 7.5 million	7.34	6.90	6.32	6.06	6.11	5.72	5.74	6.23	225.0
3.1 Floating rate and up to 3 months initial rate fixation	7.37	6.96	6.52	6.32	6.12	5.94	5.78	6.45	197.5
3.2 Over 3 months and up to 1 year initial rate fixation	6.44	5.63	5.52	5.29	6.43	5.30	4.83	4.74	15.1
3.3 Over 1 and up to 3 years initial rate fixation	-	-	-	1.71	-	-	-	-	-
3.4 Over 3 and up to 5 years initial rate fixation	-	-	-	-	-	-	4.00	5.50	5.6
3.5 Over 5 and up to 10 years initial rate fixation	-	-	-	3.65	5.65	4.49	10.27	5.26	4.2
3.6 Over 10 years initial rate fixation	-	-	3.82	2.50	-	1.52	3.04	1.08	2.6
o/w: EUR	7.36	6.90	6.32	6.06	6.11	5.72	5.74	6.23	225.0
Short-term	7.37	7.05	6.58	5.99	6.18	5.86	5.87	6.35	134.9
Long-term	7.35	6.79	6.17	6.09	6.08	5.65	5.68	6.05	90.2
o/w: CHF	6.27	-	-	-	-	-	-	-	-
Short-term	-	-	-	-	-	-	-	-	-
Long-term	6.27	-	-	-	-	-	-	-	-
4 Loans over HRK 7.5 million	6.98	6.46	5.39	5.87	5.23	5.34	4.73	4.77	596.4
4.1 Floating rate and up to 3 months initial rate fixation	7.00	6.46	5.39	6.04	5.29	5.34	5.05	4.87	503.0
4.2 Over 3 months and up to 1 year initial rate fixation	5.59	-	6.66	5.11	-	7.34	4.06	5.03	32.6
4.3 Over 1 and up to 3 years initial rate fixation	-	-	-	4.25	-	3.95	-	4.60	30.5
4.4 Over 3 and up to 5 years initial rate fixation	9.92	-	-	-	-	-	4.55	4.80	11.4
4.5 Over 5 and up to 10 years initial rate fixation	-	-	4.66	4.32	4.94	-	-	2.02	18.9
4.6 Over 10 years initial rate fixation	4.90	-	-	2.94	3.49	-	0.92	-	-
o/w: EUR	7.00	6.46	5.39	5.87	5.23	5.34	4.73	4.77	596.4
Short-term	8.04	6.90	4.98	6.02	5.61	6.23	4.64	4.61	286.3
Long-term	5.99	6.03	6.16	5.77	4.99	4.98	4.78	4.91	310.1
o/w: CHF	5.14	-	5.38	-	-	-	4.59	-	-
Short-term	-	-	-	-	-	-	-	-	-
Long-term	5.14	-	5.38	-	-	-	4.59	-	-

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

	2011 Dec.	2012 Dec.	2013 Dec.	2014 Dec.	2015			2015 Oct.	
					Mar.	Jun.	Sep.	Interest rate	Volume
					Interest rate				
1 Revolving loans, overdrafts and credit card credit	6.43	6.72	5.79	5.74	5.60	5.35	5.38	5.21	196.3
o/w: Revolving loans and overdrafts	6.47	6.85	5.90	5.93	5.79	5.48	5.57	5.42	189.0
o/w: Credit card credit	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.1
2 Loans up to an amount of HRK 2 million	6.75	6.32	6.23	5.82	5.19	5.51	5.78	5.16	40.9
2.1 Floating rate and up to 3 months initial rate fixation	6.77	6.44	6.20	5.84	5.15	5.57	5.81	5.19	34.5
2.2 Over 3 months and up to 1 year initial rate fixation	5.56	5.11	6.44	5.77	4.75	-	4.46	5.56	3.2
2.3 Over 1 and up to 3 years initial rate fixation	-	-	5.90	5.87	9.38	3.92	-	4.97	0.8
2.4 Over 3 and up to 5 years initial rate fixation	-	-	8.00	4.49	-	4.65	4.45	4.21	2.4
2.5 Over 5 and up to 10 years initial rate fixation	-	-	5.90	-	4.78	-	-	-	-
2.6 Over 10 years initial rate fixation	-	-	-	-	-	3.04	-	-	-
o/w: EUR	6.76	6.32	6.21	5.84	5.32	5.51	5.78	5.39	38.3
Short-term	6.65	6.18	6.08	5.83	5.09	5.58	5.88	5.54	33.8
Long-term	7.22	6.85	6.59	5.86	5.93	5.30	4.80	4.27	4.5
o/w: USD	6.67	5.84	7.03	4.86	2.54	6.25	1.77	1.70	2.7
Short-term	6.67	7.61	6.86	4.54	2.54	6.25	1.77	1.70	2.7
Long-term	-	5.43	7.91	10.24	-	-	-	-	-
3 Loans from HRK 2 million to HRK 7.5 million	6.18	6.00	5.20	5.67	3.57	3.00	5.28	3.73	56.3
3.1 Floating rate and up to 3 months initial rate fixation	6.22	6.02	5.20	5.67	3.57	2.69	5.35	3.54	43.9
3.2 Over 3 months and up to 1 year initial rate fixation	5.22	5.38	-	-	-	4.85	3.15	4.71	6.4
3.3 Over 1 and up to 3 years initial rate fixation	-	-	-	-	-	-	-	-	-
3.4 Over 3 and up to 5 years initial rate fixation	-	-	-	-	-	-	-	-	-
3.5 Over 5 and up to 10 years initial rate fixation	-	-	-	-	-	6.17	-	4.07	6.0
3.6 Over 10 years initial rate fixation	-	-	-	-	-	-	-	-	-
o/w: EUR	6.18	5.97	5.19	6.38	3.79	3.61	5.61	4.71	42.9
Short-term	5.59	5.86	4.47	5.98	3.73	2.85	5.39	4.87	28.5
Long-term	7.26	6.12	6.42	6.64	5.50	5.05	6.75	4.39	14.4
o/w: USD	-	7.04	2.13	1.92	0.83	0.87	0.30	0.56	13.3
Short-term	-	7.04	2.13	1.92	0.83	0.87	0.30	0.56	13.3
Long-term	-	-	-	-	-	-	-	-	-
4 Loans over HRK 7.5 million	6.75	4.61	4.34	4.39	2.96	2.67	2.92	2.69	527.1
4.1 Floating rate and up to 3 months initial rate fixation	6.75	4.49	4.34	4.39	2.88	2.41	2.92	2.58	506.5
4.2 Over 3 months and up to 1 year initial rate fixation	-	-	-	4.05	5.43	3.22	-	5.33	20.6
4.3 Over 1 and up to 3 years initial rate fixation	-	-	-	5.12	-	-	-	-	-
4.4 Over 3 and up to 5 years initial rate fixation	-	-	-	-	-	-	-	-	-
4.5 Over 5 and up to 10 years initial rate fixation	-	6.66	-	-	-	-	-	-	-
4.6 Over 10 years initial rate fixation	-	-	-	-	-	-	-	-	-
o/w: EUR	6.95	4.47	4.38	4.60	3.22	2.71	3.88	3.12	437.0
Short-term	6.92	2.70	3.02	4.41	2.55	2.41	1.23	3.08	338.3
Long-term	7.00	5.89	6.76	5.64	5.42	3.74	5.21	3.26	98.7
o/w: USD	6.00	6.20	2.89	3.95	1.89	2.51	1.69	0.58	90.1
Short-term	6.00	-	2.89	3.31	1.89	1.15	1.69	0.58	90.1
Long-term	-	6.20	-	4.91	-	4.80	-	-	-

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

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

	2011 Dec.	2012 Dec.	2013 Dec.	2014 Dec.	2015			2015 Oct.	
					Mar.	Jun.	Sep.*		
					Interest rate				Interest rate	Volume
1 Households									
1.1 Kuna loans									
1.1.1 Consumer loans	8.34	7.67	8.17	8.95	8.89	8.40	8.36	8.60	23.2
1.1.2 Loans for house purchases	5.49	6.27	6.11	5.58	5.60	5.50	5.48	5.49	201.3
1.2 Loans indexed to f/c									
1.2.1 Consumer loans	8.37	9.93	8.88	8.71	8.84	9.93	7.73	7.87	0.7
o/w: EUR	9.01	10.00	9.05	8.71	8.84	9.93	7.73	7.87	0.7
Short-term	19.28	9.33	9.22	10.90	8.59	9.58	9.48	6.83	0.0
Long-term	9.00	10.02	9.05	8.61	8.84	9.93	7.72	7.88	0.7
o/w: CHF	7.03	7.16	7.18	-	-	-	-	-	-
Short-term	-	-	-	-	-	-	-	-	-
Long-term	7.03	7.16	7.18	-	-	-	-	-	-
1.2.2 Loans for house purchases	6.13	6.00	5.73	5.53	5.39	5.36	5.26	5.15	194.9
o/w: EUR	6.25	6.04	5.77	5.59	5.47	5.46	5.37	5.23	183.9
Short-term	6.26	6.11	5.85	5.55	5.15	5.06	4.86	5.13	15.8
Long-term	6.25	6.03	5.76	5.60	5.50	5.50	5.41	5.24	168.1
o/w: CHF	5.69	5.60	5.16	4.34	3.56	3.44	3.46	3.72	10.1
Short-term	-	-	-	-	-	-	-	-	-
Long-term	5.69	5.60	5.16	4.34	3.56	3.44	3.46	3.72	10.1
1.3 F/c loans									
1.3.1 Consumer loans	7.97	-	-	-	-	-	-	-	-
1.3.2 Loans for house purchases	-	-	-	-	-	7.68	-	-	-
2 Loans to non-financial corporations									
2.1 Kuna loans									
2.1.1 Loans up to an amount of HRK 7.5 million	8.28	6.46	6.24	5.56	5.92	5.67	5.41	5.83	961.4
2.1.2 Loans over HRK 7.5 million	8.64	6.34	4.56	4.45	3.65	4.23	4.55	3.59	1,274.8
2.2 Loans indexed to f/c									
2.2.1 Loans up to an amount of HRK 7.5 million	8.50	7.99	7.24	6.92	7.00	6.80	6.54	6.99	430.6
2.2.2 Loans over HRK 7.5 million	7.91	7.42	7.93	7.35	5.79	5.80	4.97	5.21	596.4
2.3 F/c loans									
2.3.1 Loans up to an amount of HRK 7.5 million	6.78	6.52	5.99	6.69	4.16	3.88	6.08	5.04	97.2
2.3.2 Loans over HRK 7.5 million	7.75	5.10	4.41	4.65	3.35	2.76	3.06	2.81	527.1

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

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

with consumers.

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

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

	2011 Dec.	2012 Dec.	2013 Dec.	2014 Dec.	2015			2015 Oct.	
					Mar.	Jun.	Sep.*		
					Interest rate				Interest rate	Volume
1 Deposits	3.82	3.79	3.21	2.70	2.59	2.59	2.47	2.45	30,040.7
1.1 Households	4.03	4.04	3.44	2.95	2.86	2.83	2.73	2.69	22,416.4
1.1.1 Time deposits	4.03	4.04	3.44	2.95	2.86	2.83	2.73	2.69	22,416.4
1.1.1.1 Short-term	3.90	3.87	3.24	2.70	2.61	2.59	2.50	2.47	13,053.9
1.1.1.1.1 Up to 3 months	3.25	2.88	2.40	1.95	1.92	2.01	1.88	1.81	1,740.8
1.1.1.1.2 Over 3 and up to 6 months	3.81	3.76	2.95	2.47	2.41	2.36	2.27	2.25	2,683.4
1.1.1.1.3 Over 6 months and up to 1 year	4.15	4.18	3.54	2.94	2.82	2.79	2.70	2.68	8,629.8
1.1.1.2 Long-term	4.35	4.41	3.81	3.33	3.24	3.16	3.05	3.00	9,362.4
1.1.1.2.1 Over 1 and up to 2 years	4.52	4.56	3.93	3.34	3.23	3.13	3.00	2.95	5,206.9
1.1.1.2.2 Over 2 years	4.17	4.26	3.65	3.31	3.25	3.20	3.11	3.07	4,155.5
1.2 Non-financial corporations	3.43	3.33	2.53	2.08	1.92	1.87	1.84	1.84	6,843.9
1.2.1 Time deposits	3.43	3.33	2.53	2.08	1.92	1.87	1.84	1.84	6,843.9
1.2.1.1 Short-term	3.68	3.34	2.37	1.97	1.76	1.71	1.64	1.65	4,869.0
1.2.1.1.1 Up to 3 months	3.33	2.39	1.53	1.34	1.19	1.19	1.26	1.28	1,941.8
1.2.1.1.2 Over 3 and up to 6 months	4.17	3.78	2.44	2.01	1.82	1.71	1.75	1.70	1,123.9
1.2.1.1.3 Over 6 months and up to 1 year	4.03	4.29	3.19	2.38	2.24	2.13	2.06	2.02	1,803.2
1.2.1.2 Long-term	3.02	3.29	2.99	2.28	2.24	2.20	2.34	2.31	1,974.9
1.2.1.2.1 Over 1 and up to 2 years	3.07	4.03	3.22	2.82	2.75	2.66	2.57	2.53	1,285.0
1.2.1.2.2 Over 2 years	2.78	2.85	2.69	1.80	1.78	1.40	1.90	1.89	689.9
1.3 Repos	-	0.52	0.61	0.54	0.42	0.26	0.66	0.72	780.5
2 Loans	8.60	8.17	7.78	7.49	7.41	7.48	7.20	7.17	54,545.1
2.1 Households	9.53	9.44	9.23	8.72	8.67	8.63	8.29	8.26	34,960.9
2.1.1 Loans for house purchases	6.49	6.45	6.46	5.95	5.79	5.73	5.54	5.52	4,794.3
2.1.1.1 Short-term	-	5.37	-	-	-	5.21	-	-	-
2.1.1.2 Long-term	6.49	6.45	6.46	5.95	5.79	5.73	5.54	5.52	4,794.3
2.1.1.2.1 Over 1 and up to 5 years	6.41	6.45	6.20	5.63	5.44	5.41	5.32	5.33	21.6
2.1.1.2.2 Over 5 years	6.49	6.45	6.46	5.95	5.79	5.73	5.54	5.52	4,772.6
2.1.2 Consumer loans and other loans	10.10	9.98	9.68	9.13	9.09	9.06	8.73	8.69	30,166.6
2.1.2.1 Short-term	10.47	10.46	10.10	9.38	9.44	9.43	8.67	8.64	10,183.5
2.1.2.2 Long-term	9.82	9.58	9.38	8.97	8.89	8.86	8.75	8.72	19,983.1
2.1.2.2.1 Over 1 and up to 5 years	10.07	9.70	9.35	9.04	8.97	8.81	8.69	8.64	4,778.7
2.1.2.2.2 Over 5 years	9.75	9.55	9.38	8.95	8.87	8.87	8.77	8.74	15,204.3
o/w: Sole proprietors	9.13	8.35	7.77	7.38	7.32	7.18	6.95	6.92	1,041.6
2.2 Non-financial corporations	7.42	6.48	5.69	5.49	5.38	5.49	5.29	5.22	19,584.2
2.2.1 Loans	7.42	6.48	5.69	5.49	5.38	5.49	5.29	5.22	19,584.2
2.2.1.1 Short-term	7.67	7.08	6.21	6.03	5.85	5.93	5.82	5.74	8,604.2
2.2.1.2 Long-term	7.19	5.90	5.18	5.06	4.96	5.11	4.85	4.82	10,980.0
2.2.1.2.1 Over 1 and up to 5 years	7.61	6.42	5.90	5.80	5.67	6.00	5.43	5.37	4,163.2
2.2.1.2.2 Over 5 years	6.62	5.41	4.67	4.55	4.49	4.53	4.50	4.48	6,816.8

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

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

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

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

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

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

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

	2011 Dec.	2012 Dec.	2013 Dec.	2014 Dec.	2015			2015 Oct.	
					Mar.	Jun.	Sep.*	Interest rate	Volume
					Interest rate				
1 Deposits	3.13	3.09	3.09	3.04	3.02	2.95	2.92	2.91	7,308.4
1.1 Households	3.12	3.06	3.09	3.04	3.03	2.98	2.96	2.96	6,777.6
1.1.1 Time deposits	3.12	3.06	3.09	3.04	3.03	2.98	2.96	2.96	6,777.6
1.1.1.1 Short-term	3.32	2.78	2.98	1.98	1.98	1.70	1.39	1.33	183.2
1.1.1.1.1 Up to 3 months	2.25	1.77	1.50	1.11	1.32	1.30	1.22	1.18	14.4
1.1.1.1.2 Over 3 and up to 6 months	2.66	2.09	1.85	1.61	1.41	0.95	0.77	0.76	36.0
1.1.1.1.3 Over 6 months and up to 1 year	3.78	3.32	3.40	2.22	2.18	1.91	1.58	1.50	132.8
o/w: EUR	3.46	2.90	3.11	2.11	2.05	1.78	1.47	1.42	168.0
o/w: USD	2.01	1.82	1.55	1.12	1.22	0.80	0.47	0.33	14.6
1.1.1.2 Long-term	3.11	3.08	3.10	3.07	3.06	3.02	3.01	3.00	6,594.4
1.1.1.2.1 Over 1 and up to 2 years	3.46	3.19	3.00	2.69	2.59	2.60	2.50	2.46	279.4
1.1.1.2.2 Over 2 years	3.09	3.07	3.10	3.09	3.08	3.03	3.03	3.03	6,315.1
o/w: EUR	3.17	3.13	3.14	3.12	3.11	3.07	3.06	3.05	6,476.9
o/w: USD	2.88	2.74	2.48	2.02	1.96	1.63	1.10	1.03	17.9
1.2 Non-financial corporations	3.16	3.30	3.05	3.04	2.92	2.66	2.32	2.27	530.8
1.2.1 Time deposits	3.16	3.30	3.05	3.04	2.92	2.66	2.32	2.27	530.8
1.2.1.1 Short-term	3.50	3.81	3.51	2.69	2.75	2.79	3.03	2.77	120.4
1.2.1.1.1 Up to 3 months	3.44	3.37	2.47	0.10	0.73	0.72	0.65	0.23	11.2
1.2.1.1.2 Over 3 and up to 6 months	2.87	4.41	3.86	1.94	1.25	1.09	1.33	1.38	10.6
1.2.1.1.3 Over 6 months and up to 1 year	3.95	3.51	3.62	3.41	4.11	4.06	3.34	3.21	98.7
o/w: EUR	3.51	3.81	3.51	2.69	2.75	2.79	3.03	2.77	119.6
o/w: USD	2.42	2.52	3.06	2.74	2.74	2.74	2.72	2.72	0.8
1.2.1.2 Long-term	3.05	2.79	2.77	3.16	2.99	2.63	2.13	2.12	410.4
1.2.1.2.1 Over 1 and up to 2 years	2.91	2.65	1.92	1.86	2.17	2.31	2.01	1.99	31.8
1.2.1.2.2 Over 2 years	3.15	2.83	2.99	3.31	3.06	2.66	2.14	2.13	378.6
o/w: EUR	3.06	2.79	2.77	3.17	3.00	2.64	2.14	2.13	408.3
o/w: USD	2.17	0.28	-	0.96	0.96	0.96	0.96	0.96	1.7
1.3 Repos	-	-	-	-	-	-	-	-	-
2 Loans	7.02	6.76	6.61	6.09	5.91	5.87	5.75	5.73	104,838.8
2.1 Households	7.20	7.10	6.96	6.30	6.09	6.03	5.94	5.92	76,409.7
2.1.1 Loans for house purchases	5.78	5.73	5.60	4.88	4.72	4.70	4.65	4.64	49,916.0
2.1.1.1 Short-term	7.04	4.89	5.78	6.53	4.56	3.34	3.67	3.97	0.2
o/w: EUR	7.55	4.89	4.76	6.54	4.60	4.41	6.27	5.74	0.1
o/w: CHF	5.05	-	5.81	0.00	3.24	3.28	3.28	3.28	0.1
2.1.1.2 Long-term	5.78	5.73	5.60	4.88	4.72	4.70	4.65	4.64	49,915.8
2.1.1.2.1 Over 1 and up to 5 years	6.27	6.09	5.86	5.00	4.90	4.90	4.81	4.79	130.3
2.1.1.2.2 Over 5 years	5.77	5.73	5.60	4.88	4.72	4.70	4.65	4.64	49,785.4
o/w: EUR	6.09	5.97	5.92	5.73	5.59	5.56	5.43	5.42	32,105.3
o/w: CHF	5.32	5.33	5.02	3.26	3.26	3.24	3.23	3.24	17,765.1
2.1.2 Consumer loans and other loans	9.32	9.19	9.12	8.78	8.61	8.52	8.35	8.33	26,493.8
2.1.2.1 Short-term	8.50	8.20	7.10	6.91	6.70	6.41	6.36	6.43	205.5
o/w: EUR	8.62	8.36	7.26	6.94	6.74	6.41	6.37	6.46	193.0
o/w: CHF	9.75	7.04	4.06	8.24	8.98	0.00	0.00	0.00	0.1
2.1.2.2 Long-term	9.33	9.20	9.13	8.80	8.63	8.54	8.36	8.34	26,288.2
2.1.2.2.1 Over 1 and up to 5 years	9.49	9.18	8.94	8.27	8.07	7.90	7.71	7.66	2,544.8
2.1.2.2.2 Over 5 years	9.30	9.20	9.16	8.86	8.69	8.61	8.43	8.41	23,743.4
o/w: EUR	9.50	9.31	9.22	8.84	8.67	8.58	8.40	8.38	25,742.8
o/w: CHF	7.54	7.30	7.09	7.21	7.26	6.98	6.44	6.43	478.1

	2011 Dec.	2012 Dec.	2013 Dec.	2014 Dec.	2015			2015 Oct.	
					Mar.	Jun.	Sep.*	Interest rate	Volume
					Interest rate				
o/w: Sole proprietors	6.81	6.41	6.25	6.12	6.07	5.98	5.87	5.85	2,155.2
2.2 Non-financial corporations	6.64	5.94	5.74	5.53	5.44	5.43	5.25	5.22	28,429.1
2.2.1 Loans	6.64	5.94	5.74	5.53	5.44	5.43	5.25	5.22	28,429.1
2.2.1.1 Short-term	7.90	7.45	7.09	6.83	6.73	6.76	6.29	6.22	3,448.8
o/w: EUR	7.90	7.46	7.10	6.84	6.73	6.76	6.29	6.22	3,447.7
o/w: CHF	8.31	4.64	4.59	4.95	–	3.44	4.26	3.92	0.1
2.2.1.2 Long-term	6.38	5.70	5.58	5.34	5.26	5.24	5.10	5.08	24,980.3
2.2.1.2.1 Over 1 and up to 5 years	7.68	7.08	6.69	6.32	6.18	6.24	6.04	5.98	4,418.1
2.2.1.2.2 Over 5 years	5.84	5.28	5.28	5.10	5.04	5.01	4.90	4.88	20,562.2
o/w: EUR	6.44	5.73	5.60	5.35	5.27	5.25	5.12	5.09	24,609.7
o/w: CHF	4.88	4.81	4.65	4.41	4.33	4.00	3.91	3.89	317.2

Table G5c Credit institutions' interest rates on foreign currency deposits and loans (outstanding amounts)
 weighted monthly averages of interest rates, in % on annual basis and volumes in million HRK

	2011 Dec.	2012 Dec.	2013 Dec.	2014 Dec.	2015			2015 Oct.	
					Mar.	Jun.	Sep.*	Interest rate	Volume
					Interest rate				
1 Deposits	3.57	3.58	2.97	2.51	2.40	2.30	2.16	2.02	127,959.0
1.1 Households	3.60	3.57	2.98	2.56	2.45	2.35	2.21	2.16	113,885.9
1.1.1 Time deposits	3.60	3.57	2.98	2.56	2.45	2.35	2.21	2.16	113,885.9
1.1.1.1 Short-term	3.31	3.30	2.60	2.09	1.96	1.87	1.70	1.65	47,957.9
1.1.1.1.1 Up to 3 months	2.31	2.20	1.58	1.20	1.11	1.03	0.87	0.78	3,608.7
1.1.1.1.2 Over 3 and up to 6 months	2.91	2.84	2.05	1.63	1.49	1.37	1.24	1.19	6,805.5
1.1.1.1.3 Over 6 months and up to 1 year	3.52	3.51	2.82	2.27	2.13	2.04	1.87	1.82	37,543.7
o/w: EUR	3.38	3.36	2.66	2.13	1.99	1.91	1.74	1.69	42,034.2
o/w: USD	2.79	2.70	2.25	1.92	1.83	1.71	1.61	1.54	4,082.2
1.1.1.2 Long-term	4.02	3.98	3.36	2.94	2.83	2.72	2.58	2.53	65,928.0
1.1.1.2.1 Over 1 and up to 2 years	3.93	3.94	3.24	2.75	2.63	2.51	2.34	2.28	32,765.5
1.1.1.2.2 Over 2 years	4.14	4.02	3.51	3.15	3.04	2.94	2.82	2.77	33,162.5
o/w: EUR	4.09	4.05	3.41	2.98	2.87	2.77	2.62	2.57	59,690.7
o/w: USD	3.35	3.42	2.98	2.59	2.50	2.38	2.27	2.24	4,563.4
1.2 Non-financial corporations	3.18	3.65	2.91	1.86	1.79	1.62	1.51	0.95	14,073.1
1.2.1 Time deposits	3.18	3.65	2.91	1.86	1.79	1.62	1.51	0.95	14,073.1
1.2.1.1 Short-term	3.13	2.69	2.94	1.80	1.63	1.50	1.39	0.81	12,294.5
1.2.1.1.1 Up to 3 months	2.66	1.77	1.38	0.99	0.79	0.82	0.90	0.22	7,020.1
1.2.1.1.2 Over 3 and up to 6 months	3.42	3.07	2.32	1.86	1.65	1.45	1.33	1.26	1,986.0
1.2.1.1.3 Over 6 months and up to 1 year	3.85	3.85	4.28	2.33	2.16	2.03	1.86	1.79	3,288.4
o/w: EUR	3.22	2.79	3.07	1.81	1.64	1.52	1.42	0.78	11,418.0
o/w: USD	2.45	2.02	1.39	1.72	1.58	1.39	1.15	1.13	851.7
1.2.1.2 Long-term	3.53	5.83	2.78	2.19	2.39	2.03	1.94	1.93	1,778.6
1.2.1.2.1 Over 1 and up to 2 years	3.74	6.32	3.08	2.58	2.85	2.32	2.14	2.13	1,258.7
1.2.1.2.2 Over 2 years	3.33	2.31	2.02	1.56	1.39	1.43	1.40	1.43	519.8
o/w: EUR	3.76	6.09	3.04	2.34	2.48	2.05	1.95	1.94	1,495.5
o/w: USD	2.13	2.57	1.88	1.44	1.93	1.88	1.87	1.86	277.9
1.3 Repos	-	-	-	-	-	-	-	-	-
2 Loans	6.30	5.30	5.13	5.10	4.95	4.90	4.83	4.83	9,531.1
2.1 Households	6.21	5.34	5.19	5.07	4.89	4.84	4.91	4.60	189.4
2.1.1 Loans for house purchases	6.02	5.97	5.95	3.55	3.53	3.48	3.48	3.47	8.3
2.1.1.1 Short-term	-	-	-	-	-	-	-	-	-
o/w: EUR	-	-	-	-	-	-	-	-	-
o/w: CHF	-	-	-	-	-	-	-	-	-
2.1.1.2 Long-term	6.02	5.97	5.95	3.55	3.53	3.48	3.48	3.47	8.3
2.1.1.2.1 Over 1 and up to 5 years	6.16	-	-	-	-	-	-	-	-
2.1.1.2.2 Over 5 years	6.02	5.97	5.95	3.55	3.53	3.48	3.48	3.47	8.3
o/w: EUR	7.35	7.77	8.04	7.80	7.80	7.05	7.06	7.06	0.4
o/w: CHF	5.84	5.77	5.80	3.30	3.30	3.31	3.30	3.30	7.9
2.1.2 Consumer loans and other loans	6.22	5.31	5.16	5.13	4.95	4.90	4.96	4.65	181.1
2.1.2.1 Short-term	1.27	1.78	1.92	4.30	3.73	3.74	4.24	3.37	81.5
o/w: EUR	1.24	1.77	1.93	4.29	3.72	3.74	4.24	3.37	81.5
o/w: CHF	12.00	12.00	12.00	12.00	12.00	12.00	8.14	8.14	0.0
2.1.2.2 Long-term	7.27	6.27	6.21	5.88	5.86	5.81	5.69	5.70	99.5
2.1.2.2.1 Over 1 and up to 5 years	7.43	7.24	6.96	5.94	6.10	5.84	5.77	5.68	9.4
2.1.2.2.2 Over 5 years	7.19	6.15	6.02	5.87	5.84	5.80	5.69	5.70	90.1
o/w: EUR	7.41	6.20	6.21	5.83	5.82	5.77	5.67	5.67	93.1
o/w: CHF	6.26	6.87	6.16	6.52	6.40	6.34	6.04	6.04	6.4

	2011 Dec.	2012 Dec.	2013 Dec.	2014 Dec.	2015			2015 Oct.	
					Mar.	Jun.	Sep.*	Interest rate	Volume
					Interest rate				
o/w: Sole proprietors	7.27	6.79	6.68	6.40	6.26	6.20	6.08	6.09	60.6
2.2 Non-financial corporations	6.30	5.30	5.13	5.10	4.95	4.90	4.83	4.84	9,341.7
2.2.1 Loans	6.30	5.30	5.13	5.10	4.95	4.90	4.83	4.84	9,341.7
2.2.1.1 Short-term	6.87	5.78	5.08	5.82	5.48	5.41	4.88	5.13	1,379.1
o/w: EUR	7.29	5.74	5.00	5.81	5.61	5.57	5.27	5.34	1,256.1
o/w: USD	5.16	6.10	5.90	5.02	4.52	2.27	1.93	2.07	100.6
2.2.1.2 Long-term	6.18	5.19	5.15	4.96	4.82	4.79	4.82	4.79	7,962.6
2.2.1.2.1 Over 1 and up to 5 years	6.59	5.94	6.03	5.67	5.18	5.17	5.30	5.16	1,334.5
2.2.1.2.2 Over 5 years	5.87	4.82	4.83	4.81	4.74	4.70	4.72	4.71	6,628.1
o/w: EUR	6.27	5.19	5.16	4.92	4.82	4.78	4.82	4.78	7,740.6
o/w: USD	5.86	5.22	5.68	5.32	4.92	4.96	5.03	5.05	165.0

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

	2011 Dec.	2012 Dec.	2013 Dec.	2014 Dec.	2015			2015 Oct.	
					Mar.	Jun.	Sep.*	Interest rate	Volume
					Interest rate				
1 Deposits	3.23	2.89	2.42	2.07	1.88	1.81	1.56	1.73	4,865.4
1.1 Households	3.75	3.43	2.89	2.43	2.37	2.30	2.29	2.23	2,380.5
1.1.1 Time deposits	3.75	3.43	2.89	2.43	2.37	2.30	2.29	2.23	2,380.5
1.1.1.1 Short-term	3.65	3.27	2.73	2.26	2.21	2.18	2.12	2.08	1,862.8
1.1.1.1.1 Up to 3 months	3.17	2.39	2.12	1.66	1.69	1.75	1.60	1.55	617.6
1.1.1.1.2 Over 3 and up to 6 months	3.76	3.53	2.84	2.43	2.30	2.12	2.12	2.08	411.0
1.1.1.1.3 Over 6 months and up to 1 year	4.06	3.91	3.25	2.68	2.63	2.59	2.57	2.48	834.2
1.1.1.2 Long-term	4.55	4.41	3.69	3.13	3.01	2.86	2.80	2.77	517.6
1.1.1.2.1 Over 1 and up to 2 years	4.42	4.43	3.64	3.13	3.01	2.85	2.83	2.77	401.3
1.1.1.2.2 Over 2 years	4.78	4.32	3.82	3.14	3.00	2.89	2.72	2.78	116.3
1.2 Non-financial corporations	3.03	2.68	1.77	1.84	1.37	1.21	1.12	1.29	2,307.9
1.2.1 Time deposits	3.03	2.68	1.77	1.84	1.37	1.21	1.12	1.29	2,307.9
1.2.1.1 Short-term	3.11	2.59	1.57	1.41	1.28	1.16	1.04	1.27	2,255.3
1.2.1.1.1 Up to 3 months	2.79	2.05	1.17	1.08	0.98	0.85	0.95	1.09	1,686.1
1.2.1.1.2 Over 3 and up to 6 months	4.91	3.63	2.37	1.73	1.75	1.76	1.50	1.64	411.2
1.2.1.1.3 Over 6 months and up to 1 year	4.98	3.95	3.20	2.25	2.04	1.78	1.97	2.21	157.9
1.2.1.2 Long-term	2.94	4.20	3.16	3.01	2.32	2.26	2.68	2.29	52.6
1.2.1.2.1 Over 1 and up to 2 years	2.92	3.89	3.26	3.05	2.22	2.48	2.35	2.34	49.2
1.2.1.2.2 Over 2 years	3.96	4.87	2.13	2.70	2.61	0.93	3.22	1.57	3.4
1.3 Repos	-	0.43	-	0.13	0.12	0.30	1.09	0.65	177.0
2 Loans	9.74	9.50	8.83	8.38	8.30	8.29	7.92	7.88	16,141.0
2.1 Households	10.58	10.56	10.13	9.41	9.45	9.39	8.71	8.67	12,425.6
2.1.1 Loans for house purchases	5.34	5.74	5.81	5.27	5.18	5.14	5.18	5.19	201.3
2.1.1.1 Short-term	-	5.31	5.86	5.36	5.12	5.09	5.15	5.18	46.3
2.1.1.2 Long-term	5.34	5.90	5.78	5.25	5.21	5.16	5.18	5.20	155.0
2.1.1.2.1 Over 1 and up to 5 years	5.91	6.28	5.44	5.36	4.86	5.29	5.33	5.38	2.9
2.1.1.2.2 Over 5 years	5.33	5.89	5.79	5.25	5.22	5.16	5.18	5.19	152.2
2.1.2 Consumer loans and other loans	10.61	10.56	10.14	9.43	9.47	9.45	8.76	8.73	12,224.3
2.1.2.1 Short-term	10.49	10.50	10.13	9.40	9.48	9.45	8.66	8.65	9,881.3
2.1.2.2 Long-term	11.16	10.86	10.20	9.57	9.44	9.44	9.17	9.08	2,343.0
2.1.2.2.1 Over 1 and up to 5 years	11.18	10.68	9.93	9.51	9.37	9.04	8.82	8.72	1,426.3
2.1.2.2.2 Over 5 years	11.10	11.18	10.70	9.72	9.59	10.09	9.72	9.65	916.8
o/w: Sole proprietors	9.72	10.13	9.87	9.36	9.19	9.32	8.91	9.26	278.9
2.2 Non-financial corporations	7.51	6.50	5.61	5.48	5.15	5.28	5.42	5.22	3,715.4
Loans	7.51	6.50	5.61	5.48	5.15	5.28	5.42	5.22	3,715.4
2.2.1 Short-term	7.51	6.62	5.50	5.42	5.08	5.31	5.43	5.25	3,223.8
2.2.1.2 Long-term	7.46	5.69	6.35	6.02	5.84	5.06	5.35	5.00	491.6
2.2.1.2.1 Over 1 and up to 5 years	7.83	6.57	6.62	6.18	6.22	5.15	5.55	5.21	272.8
2.2.1.2.2 Over 5 years	5.95	4.39	5.99	5.79	4.92	4.93	4.99	4.74	218.8

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

Tables G6a through G6c do not include overnight deposits and revolving loans. The tables report the weighted monthly averages of credit institutions' interest rates for the selected aggregated categories of new deposit business (only for time deposits) and new lending business (for loans other than overdrafts and claims and credit card credit) and total volumes of new business

for these categories of deposits and loans. Overdrafts and claims and credit card credit are shown as book balances.

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

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

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

	2011 Dec.	2012 Dec.	2013 Dec.	2014 Dec.	2015			2015 Oct.	
					Mar.	Jun.	Sep.*		
					Interest rate				Interest rate	Volume
1 Deposits	3.37	3.69	3.41	3.11	2.68	1.68	2.53	2.19	81.3
1.1 Households	3.19	2.87	3.48	2.52	2.71	2.53	2.35	2.65	63.0
1.1.1 Time deposits	3.19	2.87	3.48	2.52	2.71	2.53	2.35	2.65	63.0
1.1.1.1 Short-term	2.61	2.17	3.00	1.38	1.60	1.69	1.37	1.53	5.3
1.1.1.1.1 Up to 3 months	2.18	1.75	1.34	0.92	1.49	1.54	1.28	0.99	2.5
1.1.1.1.2 Over 3 and up to 6 months	3.01	1.90	1.74	1.84	1.45	1.41	1.40	0.70	0.1
1.1.1.1.3 Over 6 months and up to 1 year	4.27	4.85	4.81	1.68	2.32	1.94	1.40	2.04	2.8
o/w: EUR	2.94	2.57	3.72	1.66	1.60	1.69	1.37	1.53	5.3
o/w: USD	1.88	1.51	1.10	0.79	-	-	-	-	-
1.1.1.2 Long-term	3.31	3.14	3.59	2.97	2.88	2.73	2.77	2.75	57.6
1.1.1.2.1 Over 1 and up to 2 years	4.43	3.74	4.03	2.58	2.56	2.60	2.88	2.38	4.1
1.1.1.2.2 Over 2 years	3.18	3.08	3.55	2.99	2.91	2.73	2.76	2.78	53.6
o/w: EUR	3.31	3.14	3.59	2.97	2.88	2.73	2.77	2.75	57.6
o/w: USD	0.00	-	-	-	-	-	-	-	-
1.2 Non-financial corporations	3.54	4.76	3.23	3.65	2.06	0.63	2.90	0.63	18.3
1.2.1 Time deposits	3.54	4.76	3.23	3.65	2.06	0.63	2.90	0.63	18.3
1.2.1.1 Short-term	3.14	4.79	3.26	1.85	1.59	2.07	0.53	0.36	13.9
1.2.1.1.1 Up to 3 months	2.79	3.64	2.01	1.09	-	-	0.00	0.12	9.3
1.2.1.1.2 Over 3 and up to 6 months	1.46	5.96	1.34	1.94	0.75	1.21	0.50	0.60	0.2
1.2.1.1.3 Over 6 months and up to 1 year	4.94	3.48	3.36	1.80	1.90	5.02	0.84	0.85	4.4
o/w: EUR	3.18	4.79	3.26	1.85	1.59	2.07	0.50	0.36	13.9
o/w: USD	1.15	4.00	3.80	3.00	-	-	0.85	-	-
1.2.1.2 Long-term	3.72	4.64	2.53	4.11	2.14	0.42	3.00	1.47	4.4
1.2.1.2.1 Over 1 and up to 2 years	2.41	4.73	2.79	1.95	2.31	2.35	1.13	1.58	0.9
1.2.1.2.2 Over 2 years	4.24	2.40	1.37	4.12	0.10	0.11	3.01	1.44	3.5
o/w: EUR	3.72	4.64	2.53	4.11	2.14	0.42	3.00	1.47	4.4
o/w: USD	-	-	-	-	-	-	-	-	-
1.3 Repos	-	-	-	-	-	-	-	-	-
2 Loans	7.27	6.80	5.91	6.14	6.15	6.13	6.77	6.00	1,753.1
2.1 Households	7.60	7.05	6.39	6.68	6.75	6.74	8.06	6.90	726.1
2.1.1 Loans for house purchases	5.63	5.22	5.12	5.13	5.01	4.97	4.88	4.82	194.9
2.1.1.1 Short-term	5.50	5.39	5.54	5.36	4.97	4.93	4.72	4.95	15.8
o/w: EUR	5.50	5.39	5.54	5.36	4.97	4.93	4.72	4.95	15.8
o/w: CHF	-	-	-	-	-	-	-	-	-
2.1.1.2 Long-term	5.64	5.20	5.06	5.11	5.01	4.98	4.89	4.81	179.1
2.1.1.2.1 Over 1 and up to 5 years	5.85	5.11	5.39	5.10	4.83	4.62	4.83	4.64	4.4
2.1.1.2.2 Over 5 years	5.64	5.20	5.05	5.11	5.01	4.98	4.90	4.81	174.7
o/w: EUR	5.68	5.43	5.29	5.20	5.11	5.09	5.07	4.91	168.1
o/w: CHF	5.53	3.50	2.30	3.60	2.93	2.90	2.15	3.21	10.1
2.1.2 Consumer loans and other loans	8.63	8.38	6.86	7.53	7.64	7.54	8.47	7.66	531.2
2.1.2.1 Short-term	8.50	8.03	6.42	6.44	6.51	6.23	6.29	6.31	42.7
o/w: EUR	8.55	8.06	6.47	6.46	6.51	6.28	6.23	6.52	36.4
o/w: CHF	6.77	5.35	-	-	-	-	-	-	-
2.1.2.2 Long-term	8.65	8.43	6.90	7.65	7.71	7.63	8.54	7.78	488.5
2.1.2.2.1 Over 1 and up to 5 years	8.66	8.00	5.97	7.17	6.94	7.00	7.86	6.99	100.5
2.1.2.2.2 Over 5 years	8.64	8.57	7.43	7.78	7.96	7.79	8.66	7.98	388.0
o/w: EUR	8.68	8.44	6.92	7.67	7.72	7.65	8.54	7.80	485.4
o/w: CHF	6.87	6.72	5.52	7.24	7.22	8.67	6.06	-	-

	2011 Dec.	2012 Dec.	2013 Dec.	2014 Dec.	2015			2015 Oct.	
					Mar.	Jun.	Sep.*	Interest rate	Volume
						Interest rate			Interest rate	Volume
o/w: Sole proprietors	7.32	7.36	6.58	5.98	6.02	5.73	6.48	6.59	46.4
2.2 Non-financial corporations	7.16	6.70	5.70	5.94	5.67	5.69	5.12	5.37	1,027.0
2.2.1 Loans	7.16	6.70	5.70	5.94	5.67	5.69	5.12	5.37	1,027.0
2.2.1.1 Short-term	8.02	7.05	5.33	6.08	5.90	6.24	5.13	5.36	499.4
o/w: EUR	8.01	7.05	5.33	6.08	5.90	6.24	5.13	5.36	499.4
o/w: CHF	–	–	–	–	–	–	–	–	–
2.2.1.2 Long-term	6.36	6.37	6.22	5.84	5.52	5.41	5.12	5.37	527.6
2.2.1.2.1 Over 1 and up to 5 years	6.91	6.95	6.13	6.06	5.50	5.78	6.11	5.51	281.3
2.2.1.2.2 Over 5 years	5.88	5.89	6.26	5.52	5.54	5.20	4.66	5.22	246.3
o/w: EUR	6.39	6.37	6.23	5.84	5.51	5.41	5.12	5.37	527.6
o/w: CHF	5.28	–	5.38	–	7.42	3.75	4.59	–	–

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

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

	2011 Dec.	2012 Dec.	2013 Dec.	2014 Dec.	2015			2015 Oct.	
					Mar.	Jun.	Sep.	Interest rate	Volume
					Interest rate				
1 Deposits	2.90	2.67	2.20	1.93	1.72	1.58	1.52	0.96	15,603.0
1.1 Households	3.25	3.16	2.52	2.10	1.90	1.78	1.71	1.55	8,106.8
1.1.1 Time deposits	3.25	3.16	2.52	2.10	1.90	1.78	1.71	1.55	8,106.8
1.1.1.1 Short-term	3.06	2.97	2.25	1.76	1.65	1.51	1.41	1.30	5,080.1
1.1.1.1.1 Up to 3 months	2.37	2.07	1.62	1.20	1.09	0.97	0.84	0.77	1,070.8
1.1.1.1.2 Over 3 and up to 6 months	2.84	2.72	2.14	1.63	1.55	1.30	1.18	1.15	1,005.7
1.1.1.1.3 Over 6 months and up to 1 year	3.39	3.30	2.52	2.00	1.87	1.81	1.67	1.55	3,003.7
o/w: EUR	3.12	3.01	2.31	1.78	1.65	1.55	1.45	1.34	4,439.1
o/w: USD	2.75	2.52	2.02	1.73	1.81	1.44	1.15	1.13	466.7
1.1.1.2 Long-term	3.96	3.90	3.07	2.61	2.36	2.29	2.13	1.96	3,026.7
1.1.1.2.1 Over 1 and up to 2 years	3.95	3.80	2.99	2.61	2.30	2.09	2.07	1.84	2,024.8
1.1.1.2.2 Over 2 years	4.01	4.18	3.24	2.63	2.48	2.71	2.29	2.20	1,001.9
o/w: EUR	4.07	3.98	3.11	2.65	2.40	2.25	2.16	1.99	2,825.8
o/w: USD	3.56	3.47	2.93	2.39	2.08	2.23	1.82	1.72	155.9
1.2 Non-financial corporations	2.32	1.74	1.41	1.39	1.04	0.94	0.95	0.33	7,496.2
1.2.1 Time deposits	2.32	1.74	1.41	1.39	1.04	0.94	0.95	0.33	7,496.2
1.2.1.1 Short-term	2.27	1.60	1.36	1.20	0.97	0.71	0.90	0.33	7,446.2
1.2.1.1.1 Up to 3 months	2.07	1.09	0.86	0.76	0.67	0.55	0.55	0.13	6,359.6
1.2.1.1.2 Over 3 and up to 6 months	3.50	3.09	2.21	1.74	1.67	1.33	1.23	1.24	378.3
1.2.1.1.3 Over 6 months and up to 1 year	4.18	3.66	2.91	1.76	1.99	1.73	1.94	1.59	708.3
o/w: EUR	2.50	1.95	1.51	1.24	0.97	0.70	0.89	0.32	7,297.1
o/w: USD	1.37	0.60	0.58	0.56	0.87	0.63	0.95	0.40	138.1
1.2.1.2 Long-term	4.47	3.71	3.34	2.80	2.95	2.60	1.88	1.55	50.0
1.2.1.2.1 Over 1 and up to 2 years	4.56	3.52	3.39	2.84	3.35	2.45	1.91	1.78	29.6
1.2.1.2.2 Over 2 years	3.19	4.41	3.04	1.70	1.29	3.12	0.80	1.21	20.5
o/w: EUR	4.53	4.70	3.72	2.80	2.96	2.64	1.87	1.55	41.9
o/w: USD	2.82	2.51	2.39	-	1.80	1.34	2.18	1.52	8.1
1.3 Repos	-	-	-	-	-	-	-	-	-
2 Loans	6.41	4.74	4.48	4.49	3.27	2.81	3.30	2.80	689.1
2.1 Households	0.41	0.16	1.45	2.19	3.23	0.96	0.27	0.19	39.2
2.1.1 Loans for house purchases	-	-	-	-	-	5.50	-	-	-
2.1.1.1 Short-term	-	-	-	-	-	-	-	-	-
o/w: EUR	-	-	-	-	-	-	-	-	-
o/w: CHF	-	-	-	-	-	-	-	-	-
2.1.1.2 Long-term	-	-	-	-	-	5.50	-	-	-
2.1.1.2.1 Over 1 and up to 5 years	-	-	-	-	-	-	-	-	-
2.1.1.2.2 Over 5 years	-	-	-	-	-	5.50	-	-	-
o/w: EUR	-	-	-	-	-	5.50	-	-	-
o/w: CHF	-	-	-	-	-	-	-	-	-
2.1.2 Consumer loans and other loans	0.41	0.16	1.45	2.19	3.23	0.95	0.27	0.19	39.2
2.1.2.1 Short-term	0.32	0.16	0.86	0.79	3.05	0.82	0.07	0.09	37.9
o/w: EUR	0.31	0.16	0.85	0.78	3.05	0.81	0.07	0.09	37.8
o/w: CHF	12.00	12.00	12.00	12.00	12.00	12.00	8.14	8.14	0.0
2.1.2.2 Long-term	9.81	-	6.69	5.24	5.92	7.48	8.62	3.02	1.3
2.1.2.2.1 Over 1 and up to 5 years	-	-	5.43	4.80	5.30	7.48	8.62	3.02	1.3
2.1.2.2.2 Over 5 years	9.81	-	7.75	5.28	6.17	-	-	-	-
o/w: EUR	9.95	-	6.69	5.24	5.30	8.80	8.62	3.02	1.3
o/w: CHF	7.98	-	-	-	6.17	7.23	-	-	-

	2011 Dec.	2012 Dec.	2013 Dec.	2014 Dec.	2015			2015 Oct.	
					Mar.	Jun.	Sep.	Interest rate	Volume
	Interest rate								Interest rate	Volume
o/w: Sole proprietors	4.43	0.00	5.85	4.42	5.19	2.75	4.21	2.09	2.4
2.2 Non-financial corporations	6.59	4.88	4.60	4.62	3.27	2.88	3.41	2.96	649.9
2.2.1 Loans	6.59	4.88	4.60	4.62	3.27	2.88	3.41	2.96	649.9
2.2.1.1 Short-term	6.38	3.79	3.69	4.32	2.91	2.43	2.51	2.85	532.3
o/w: EUR	6.54	3.77	3.64	4.61	3.15	2.74	3.44	3.41	426.3
o/w: USD	6.03	7.06	2.73	3.16	1.78	1.10	1.66	0.61	106.1
2.2.1.2 Long-term	7.05	5.99	6.70	5.27	5.47	4.27	5.32	3.43	117.6
2.2.1.2.1 Over 1 and up to 5 years	7.12	5.42	6.39	5.40	5.98	4.85	5.42	5.56	25.5
2.2.1.2.2 Over 5 years	7.03	6.58	6.76	5.18	5.32	3.56	5.31	2.85	92.0
o/w: EUR	7.05	5.96	6.69	6.02	5.47	4.07	5.32	3.43	117.6
o/w: USD	-	6.19	7.91	4.92	-	4.80	-	-	-

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

Year	Month	O/N	T/N	S/N	Call money	2 – 6 days	1 week	2 weeks	1 month	3 months
1	2	3	4	5	6	7	8	9	10	11
2003		3.12	3.35	2.80	3.39	3.42	3.58	3.76	4.14	4.91
2004		4.98	4.94	4.67	5.66	4.85	5.37	5.82	5.88	6.35
2005		2.97	4.45	4.91	4.27	3.52	3.69	4.20	4.57	5.33
2006		2.36	2.37	2.30	2.82	2.31	2.77	2.68	3.36	3.81
2007		4.97	5.30	4.91	4.00	5.45	5.51	5.59	5.87	5.86
2008		5.86	5.64	4.79	–	5.22	6.59	6.50	6.88	7.38
2009		7.22	6.97	6.30	6.50	7.76	7.79	8.53	8.98	9.31
2010		0.89	1.23	1.25	–	1.16	1.23	1.82	1.74	2.92
2011		0.86	0.98	1.92	–	0.89	1.22	1.46	2.25	3.31
2012		1.09	1.67	1.37	–	1.09	1.38	2.20	1.75	3.79
2013		0.37	0.33	1.00	–	0.73	1.01	0.63	1.02	2.36
2014		0.34	0.36	0.83	–	0.48	0.54	0.57	0.79	0.95
2014	December	0.28	–	–	–	0.27	0.54	0.70	0.40	1.33
2015	January	0.33	–	–	–	0.26	0.36	0.60	–	–
	February	0.43	–	–	–	0.27	0.45	0.53	0.57	0.99
	March	0.33	–	–	–	0.20	0.56	–	0.30	1.13
	April	0.18	–	–	–	0.14	0.42	0.73	–	0.85
	May	0.15	–	–	–	0.15	0.59	0.75	–	0.90
	June	0.20	–	–	–	0.13	0.50	0.80	0.70	0.83
	July	0.43	0.55	–	–	0.93	0.65	1.10	0.76	–
	August	0.65	–	–	–	0.68	1.00	1.25	0.90	1.49
	September	1.28	2.53	–	–	1.52	1.87	2.28	1.80	1.80
	October	0.42	–	–	–	0.49	0.75	0.50	0.87	–
	November	0.35	–	–	–	0.35	0.45	0.51	0.60	1.40

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

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

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

Year	Month	O/N	T/N	S/N	1 week	2 weeks	1 month	3 months	6 months	9 months	12 months
1	2	3	4	5	6	7	8	9	10	11	12
2003		3.55	3.59	3.63	3.94	4.11	5.03	5.37	5.77	-	-
2004		5.31	5.42	5.56	5.79	6.04	10.11	7.33	7.61	-	-
2005		3.62	3.74	3.79	4.30	4.59	5.98	6.21	6.45	-	-
2006		2.90	2.96	3.00	3.28	3.52	4.24	4.49	4.67	4.66	4.82
2007		5.18	5.28	5.27	5.50	5.61	5.73	5.66	5.58	5.55	5.59
2008		5.96	6.15	6.23	6.72	6.80	6.88	7.17	7.19	7.18	7.20
2009		7.16	7.49	7.72	8.33	8.63	9.15	8.96	8.68	8.48	8.41
2010		1.04	1.05	1.05	1.17	1.31	1.57	2.44	3.32	3.74	4.12
2011		1.03	1.06	1.09	1.27	1.53	2.11	3.15	3.84	4.12	4.39
2012		1.23	1.21	1.20	1.37	1.58	2.12	3.42	4.14	4.37	4.58
2013		0.59	0.60	0.60	0.67	0.75	0.94	1.50	2.10	2.40	2.66
2014		0.47	0.47	0.47	0.58	0.63	0.75	0.97	1.32	1.57	1.81
2014	December	0.45	0.45	0.45	0.66	0.75	0.88	1.09	1.32	1.56	1.78
2015	January	0.47	0.47	0.47	0.66	0.76	0.88	1.08	1.30	1.55	1.78
	February	0.50	0.51	0.51	0.73	0.82	0.96	1.12	1.30	1.56	1.81
	March	0.46	0.46	0.46	0.67	0.78	0.95	1.12	1.29	1.57	1.82
	April	0.36	0.35	0.35	0.51	0.62	0.80	1.01	1.25	1.52	1.77
	May	0.35	0.37	0.35	0.50	0.59	0.74	0.96	1.23	1.50	1.75
	June	0.50	0.50	0.50	0.52	0.53	0.62	0.87	1.32	1.57	1.80
	July	0.78	0.79	0.78	0.90	0.94	1.02	1.09	1.24	1.47	1.71
	August	0.95	0.97	0.88	1.02	1.03	1.09	1.16	1.31	1.51	1.73
	September ^a	1.73	1.63	1.36	1.70	1.77	1.80	1.87	1.89	1.99	2.09
	October	1.02			1.10	1.21	1.49	1.75	1.89	2.04	2.28
	November	0.77			0.83	0.90	1.14	1.41	1.70	1.94	2.15

^a From 21 September 2015 onwards, data are not calculated and published for T/N ("TOM/NEXT") and S/N ("SPOT/NEXT").

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

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

Table G8a Interest rates on MoF treasury bills

Year	Month	Denominated in HRK			Indexed to EUR	
		3 months	6 months	12 months	3 months	12 months
2000		9.97	9.43	–	–	–
2001		6.18	7.01	–	–	–
2002		2.66	3.45	3.77	–	–
2003		3.41	4.31	4.80	–	–
2004		4.64	5.74	6.38	–	–
2005		3.96	4.65	4.99	–	–
2006		3.07	3.37	3.87	–	–
2007		3.29	3.49	4.08	–	–
2008		4.39	5.24	5.98	–	7.95
2009		6.95	7.25	7.52	–	7.09
2010		2.19	3.28	4.01	–	3.37
2011		2.60	3.53	3.91	3.76	3.46
2012		2.74	3.59	3.93	2.71	3.26
2013		0.97	1.70	2.54	0.64	1.38
2014		0.49	0.99	1.86	0.38	0.51
2014	December	0.28	0.63	1.50	0.30	0.48
2015	January	–	0.54	1.50	0.30	0.55
	February	–	0.50	1.50	–	0.40
	March	0.28	0.50	1.50	–	–
	April	–	0.50	1.50	–	0.38
	May	–	–	1.50	–	0.40
	June	–	0.49	1.50	–	–
	July	–	–	–	–	–
	August	–	0.40	1.50	0.20	0.30
	September	–	–	1.50	–	–
	October	–	–	1.50	–	0.40
	November	–	0.55	1.50	0.20	0.40

Table G8a Interest rates on MoF treasury bills • Table G8a shows the weighted monthly averages of daily interest rates achieved at auctions of treasury bills of the Ministry of Finance of the Republic of Croatia. Daily interest rates correspond to the single yield at issue attained at auctions of MoF treasury bills.

Annual averages are a simple average of the weighted

monthly averages.

The weighted monthly averages of daily interest rates are calculated separately for treasury bills denominated in kuna and for treasury bills indexed to euro, and separately for each original contractual maturity (91, 182 or 364 days).

Table G8b Yields to maturity on the bonds of the Republic of Croatia, for selected currencies and maturities

Year	Month	USD				EUR		Indexed to EUR				HRK			
		6 years	7 years	9 years	10 years	4 years	8 years	5 years	6 years	8 years	10 years	2 years	3 years	4 years	6 years
2001		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2002		-	-	5.32	-	5.77	5.80	-	5.69	-	6.42	-	-	-	-
2003		-	4.19	-	-	-	4.93	4.39	4.70	5.19	-	-	-	6.01	-
2004		4.48	4.23	-	-	3.66	-	4.54	-	5.02	-	-	5.82	6.19	-
2005		4.70	-	-	-	3.19	3.66	-	3.73	-	-	4.07	5.17	4.24	-
2006		-	-	-	-	4.04	4.19	4.42	4.36	-	-	4.06	4.60	4.15	-
2007		-	-	-	-	4.62	-	4.83	-	-	-	4.71	4.24	-	4.98
2008		-	-	-	-	-	-	-	-	-	-	5.50	-	-	5.32
2009		-	-	-	5.83	4.51	-	-	-	-	6.44	-	-	8.14	7.95
2010		-	-	5.66	5.69	4.30	-	-	-	-	6.05	-	5.28	5.97	5.81
2011		-	-	6.51	6.24	5.04	-	-	-	6.47	-	4.75	5.30	5.66	6.27
2012		-	5.45	6.68	-	-	-	-	-	6.60	5.86	6.36	4.63	5.54	6.63
2013		5.17	5.08	5.90	5.71	-	-	-	4.59	-	4.16	3.35	3.74	4.17	4.99
2014		4.68	4.95	5.20	5.47	3.08	3.83	3.64	4.19	4.29	4.64	2.87	3.67	3.91	4.23
2014	December	4.64	-	5.03	-	2.65	-	3.48	-	3.76	4.05	2.48	3.39	3.45	-
2015	January	4.49	-	4.76	-	2.72	-	3.23	-	3.55	3.99	2.18	2.93	3.30	-
	February	4.47	-	4.70	-	-	-	3.13	-	-	-	2.13	2.75	-	-
	March	4.38	-	4.58	-	-	-	2.90	-	-	-	2.24	2.62	-	-
	April	4.33	-	4.57	-	-	-	2.83	-	-	-	2.03	2.43	-	-
	May	4.45	-	4.82	-	-	-	2.73	-	-	-	1.86	2.32	-	-
	June	4.72	-	5.11	-	-	-	3.07	-	-	-	2.28	2.65	-	-
	July	4.78	-	5.21	-	-	-	3.31	-	-	-	2.4	2.78	-	-
	August	4.79	-	-	-	-	-	3.09	-	-	-	2.34	2.62	-	-
	September	4.69	-	-	-	-	-	2.94	-	-	-	2.79	2.85	2.91	-
	October	-	4.93	-	-	-	-	-	-	-	-	2.7	3.07	2.93	-
	November	-	5.09	-	-	-	-	-	-	-	-	2.64	2.89	3.26	-

Table G8b Yields to maturity on the bonds of the Republic of Croatia, for selected currencies • Table G8b shows the average monthly and annual yields to maturity on the bonds of the Republic of Croatia, for selected currencies and maturities.

The average monthly yields to maturity are a simple average of daily yields to maturity.

The average annual yields are a simple average of monthly averages.

Daily yields are calculated for each remaining maturity (rounded to the whole number of years) in such a way that bonds are first grouped according to the remaining maturity, and then a simple average is calculated for each group. The remaining maturity of a bond on a certain day is calculated as a rounded number (interval $t-0.5$ to $t+0.5$), assuming a year of 365 days.

The applied methodology differs somewhat depending on the market in which bonds are issued, i.e. the Republic of Croatia or

foreign capital markets, and depending on the availability of data for the calculation of yields to maturity.

a) Bonds issued in the domestic capital market

Daily yields to maturity are calculated on the basis of the weighted average of the average trading price attained in all trading segments of the Zagreb Stock Exchange.

Daily yields are also calculated for days when there are no trading transactions, assuming that the most recent average price remains unchanged.

Daily yields are not calculated for days which are public holidays in the Republic of Croatia.

b) Bonds issued in foreign capital markets

Daily yields to maturity are taken from the Bloomberg financial service, and are calculated on the basis of daily data on the most recent quoted bid price.

The calculation of the average monthly yield does not account for days for which data on daily yields are not available.

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

Year	Month	EUR/HRK	ATS/HRK	FRF/HRK	100 ITL/HRK	CHF/HRK	GBP/HRK	USD/HRK	DEM/HRK
2000		7.633852	0.554774	1.163773	0.394256	4.903244	12.530514	8.287369	3.903127
2001		7.471006	0.542939	1.138947	0.385845	4.946810	12.010936	8.339153	3.819865
2002		7.406976				5.049125	11.793108	7.872490	
2003		7.564248				4.978864	10.943126	6.704449	
2004		7.495680				4.854986	11.048755	6.031216	
2005		7.400047				4.780586	10.821781	5.949959	
2006		7.322849				4.656710	10.740292	5.839170	
2007		7.336019				4.468302	10.731537	5.365993	
2008		7.223178				4.553618	9.101622	4.934417	
2009		7.339554				4.861337	8.233112	5.280370	
2010		7.286230				5.285859	8.494572	5.500015	
2011		7.434204				6.035029	8.566138	5.343508	
2012		7.517340				6.237942	9.269634	5.850861	
2013		7.573548				6.154290	8.922067	5.705883	
2014		7.630014				6.282424	9.465973	5.749322	
2014	December	7.667075				6.376859	9.721678	6.212358	
2015	January	7.679826				7.055198	10.006643	6.595428	
	February	7.709544				7.264551	10.389484	6.785967	
	March	7.648124				7.204249	10.578519	7.047619	
	April	7.594858				7.318723	10.520414	7.057815	
	May	7.553892				7.267976	10.466002	6.762653	
	June	7.565026				7.247859	10.495691	6.761819	
	July	7.579293				7.231352	10.716827	6.879663	
	August	7.554396				7.013592	10.588957	6.784488	
	September	7.574467				6.942959	10.364283	6.745421	
	October	7.622835				7.006613	10.392797	6.780515	
	November	7.598376				7.016779	10.750593	7.063317	

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

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

The data show the annual and monthly averages of CNB

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

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

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

Year	Month	EUR/HRK	ATS/HRK	FRF/HRK	100 ITL/HRK	CHF/HRK	GBP/HRK	USD/HRK	DEM/HRK
2000		7.598334	0.552192	1.158359	0.392421	4.989712	12.176817	8.155344	3.884966
2001		7.370030	0.535601	1.123554	0.380630	4.977396	12.101856	8.356043	3.768237
2002		7.442292				5.120256	11.451442	7.145744	
2003		7.646909				4.901551	10.860544	6.118506	
2004		7.671234				4.971314	10.824374	5.636883	
2005		7.375626				4.744388	10.753209	6.233626	
2006		7.345081				4.571248	10.943208	5.578401	
2007		7.325131				4.412464	9.963453	4.985456	
2008		7.324425				4.911107	7.484595	5.155504	
2009		7.306199				4.909420	8.074040	5.089300	
2010		7.385173				5.929961	8.608431	5.568252	
2010		7.530420				6.194817	8.986181	5.819940	
2012		7.545624				6.245343	9.219971	5.726794	
2013		7.637643				6.231758	9.143593	5.549000	
2014		7.661471				6.368108	9.784765	6.302107	
2014	December	7.661471				6.368108	9.784765	6.302107	
2015	January	7.694064				7.356405	10.217880	6.777717	
	February	7.687811				7.208449	10.542802	6.842124	
	March	7.644596				7.308409	10.456293	7.050259	
	April	7.590100				7.231421	10.599218	6.896956	
	May	7.581258				7.336228	10.552976	6.900836	
	June	7.580660				7.296112	10.723808	6.829423	
	July	7.591043				7.128409	10.816533	6.917298	
	August	7.544416				6.952097	10.300950	6.687126	
	September	7.632078				6.980772	10.317802	6.793127	
	October	7.599739				6.993410	10.600836	6.908226	
	November	7.626782				6.987432	10.835036	7.199832	

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

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

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

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

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

	2010	2011	2012	2013	2014	2015			
						Mar.	Jun.	Sep.	Oct.
A. Purchase of foreign exchange									
1 Legal persons	21,453.6	20,628.9	19,837.3	15,625.9	18,318.4	1,450.3	1,289.7	2,042.0	1,507.8
2 Natural persons	4,878.0	5,264.9	5,060.8	5,083.6	5,519.3	442.9	527.5	481.0	424.1
2.1 Residents	4,251.3	4,867.9	4,647.1	4,733.2	5,036.8	433.9	460.3	422.8	407.8
2.2 Non-residents	626.7	397.0	413.7	350.5	482.5	9.0	67.2	58.2	16.4
3 Domestic banks	11,171.3	10,406.6	10,237.5	11,351.5	10,132.4	878.8	1,073.3	1,514.1	1,103.4
4 Foreign banks	5,548.6	5,226.3	6,023.2	6,063.8	6,736.7	568.6	596.1	844.3	631.8
5 Croatian National Bank	350.1	596.7	724.4	214.9	240.2	-	-	-	268.3
Total (1+2+3+4)	43,401.6	42,123.5	41,883.2	38,339.8	40,947.0	3,340.5	3,486.6	4,881.4	3,935.4
B. Sale of foreign exchange									
1 Legal persons	21,930.5	20,809.2	20,355.7	20,189.4	23,579.1	1,804.2	1,640.5	2,381.7	1,720.8
2 Natural persons	1,815.9	1,760.2	1,461.3	1,443.8	1,444.7	136.6	125.6	149.7	129.9
2.1 Residents	1,800.5	1,743.3	1,450.8	1,436.1	1,435.5	136.4	125.3	148.5	129.6
2.2 Non-residents	15.4	16.9	10.5	7.7	9.2	0.2	0.4	1.2	0.4
3 Domestic banks	11,171.3	10,406.6	10,237.5	11,351.5	10,132.4	878.8	1,073.3	1,514.1	1,103.4
4 Foreign banks	5,455.0	5,730.2	7,159.4	7,082.2	7,135.4	661.5	599.4	746.7	918.9
5 Croatian National Bank	363.7	-	58.1	-	-	-	-	-	-
Total (1+2+3+4)	40,736.5	38,706.2	39,272.0	40,066.9	42,291.6	3,481.0	3,438.7	4,792.1	3,873.1
C. Net purchase (A-B)									
1 Legal persons	-476.9	-180.3	-518.4	-4,563.4	-5,260.7	-353.8	-350.7	-339.6	-213.0
2 Natural persons	3,062.1	3,504.7	3,599.5	3,639.8	4,074.7	306.2	401.8	331.3	294.2
2.1 Residents	2,450.8	3,124.6	3,196.3	3,297.1	3,601.3	297.5	335.0	274.3	278.2
2.2 Non-residents	611.2	380.1	403.2	342.7	473.4	8.7	66.8	57.0	16.0
3 Foreign banks	93.6	-503.9	-1,136.2	-1,018.4	-398.7	-92.9	-3.2	97.6	-287.2
4 Croatian National Bank	-13.6	596.7	666.3	214.9	240.2	-	-	-	268.3
Total (1+2+3)	2,665.2	3,417.2	2,611.2	-1,727.1	-1,344.6	-140.5	47.9	89.3	62.3
Memo items: Other Croatian National Bank transactions									
Purchase of foreign exchange	238.5	968.2	1,016.3	784.6	420.6	500.9	201.5	1.3	0.8
o/w: MoF	238.5	968.2	1,016.3	784.6	420.6	500.9	201.5	1.3	0.8
Sale of foreign exchange	233.1	0.0	246.1	228.4	392.2	7.2	45.8	14.9	15.9
o/w: MoF	233.1	0.0	246.1	159.0	0.0	0.0	-	0.0	0.0

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

The transactions are classified by category of participants

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

H International economic relations

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

in million EUR

	2010	2011	2012	2013	2014	2014				2015	
						Q1	Q2	Q3	Q4	Q1	Q2 ^d
A CURRENT ACCOUNT (1+6)	-489.7	-318.2	-22.0	438.1	339.7	-1,491.2	-371.8	2,800.0	-597.3	-1,283.3	3.0
1 Goods, services, and primary income (2+5)	-1,552.1	-1,505.0	-1,240.4	-690.8	-535.7	-1,689.6	-560.2	2,542.9	-828.8	-1,589.1	-303.2
1.1 Credit	17,919.1	19,062.1	19,279.5	19,622.3	20,833.7	3,308.3	5,179.1	8,302.7	4,043.6	3,676.2	5,793.4
1.2 Debit	19,471.2	20,567.2	20,520.0	20,313.1	21,369.4	4,997.9	5,739.3	5,759.7	4,872.4	5,265.3	6,096.6
2 Goods and services (3+4)	-149.1	-184.6	222.9	209.9	883.8	-1,343.9	-112.5	3,020.7	-680.4	-1,361.1	117.7
2.1 Credit	17,006.8	18,109.2	18,314.5	18,756.5	20,024.8	3,075.7	4,914.3	8,049.1	3,985.6	3,362.9	5,471.2
2.2 Debit	17,155.9	18,293.8	18,091.6	18,546.6	19,140.9	4,419.7	5,026.7	5,028.5	4,666.1	4,724.0	5,353.5
3 Goods	-5,925.1	-6,383.9	-6,296.4	-6,579.3	-6,356.2	-1,548.4	-1,875.9	-1,631.7	-1,300.1	-1,684.0	-1,755.7
3.1 Credit	8,058.0	8,742.2	8,673.5	8,918.8	9,759.6	2,205.2	2,393.4	2,573.8	2,587.2	2,337.0	2,734.3
3.2 Debit	13,983.1	15,126.1	14,969.9	15,498.1	16,115.7	3,753.6	4,269.3	4,205.5	3,887.3	4,021.0	4,490.1
4 Services	5,775.9	6,199.3	6,519.3	6,789.2	7,240.0	204.5	1,763.5	4,652.4	619.6	323.0	1,873.5
4.1 Credit	8,948.8	9,367.0	9,641.0	9,837.7	10,265.2	870.5	2,520.8	5,475.4	1,398.4	1,025.9	2,736.9
4.2 Debit	3,172.9	3,167.8	3,121.7	3,048.5	3,025.2	666.0	757.4	823.0	778.8	703.0	863.4
5 Primary income	-1,403.0	-1,320.4	-1,463.3	-900.7	-1,419.6	-345.7	-447.7	-477.7	-148.4	-228.0	-420.9
5.1 Credit	912.3	953.0	965.0	865.8	808.9	232.5	264.9	253.5	58.0	313.3	322.2
5.2 Debit	2,315.2	2,273.4	2,428.4	1,766.5	2,228.4	578.2	712.6	731.2	206.3	541.3	743.1
6 Secondary income	1,062.4	1,186.9	1,218.4	1,128.9	875.4	198.4	188.4	257.1	231.5	305.8	306.3
6.1 Credit	1,629.7	1,737.2	1,804.0	1,903.6	1,898.8	515.8	443.7	463.3	476.1	600.6	549.7
6.2 Debit	567.3	550.3	585.6	774.7	1,023.4	317.4	255.4	206.2	244.6	294.8	243.5
B CAPITAL ACCOUNT	59.6	37.6	48.5	47.4	54.3	2.0	13.2	8.3	30.8	12.0	38.3
C FINANCIAL ACCOUNT	-1,340.8	-1,413.2	-416.0	-393.6	-179.0	-1,162.1	-356.9	1,690.3	-350.4	-963.6	53.9
1 Direct investment	-938.6	-1,184.4	-1,196.9	-821.5	-1,307.2	-263.8	-363.3	-308.8	-371.5	-291.1	-70.9
1.1 Assets	125.3	-169.3	-63.5	-118.4	1,585.7	4.5	1,753.6	102.8	-275.3	102.8	33.4
1.2 Liabilities	1,063.9	1,015.1	1,133.4	703.0	2,893.0	268.3	2,116.9	411.6	96.2	393.9	104.3
2 Portfolio investment	-401.1	-582.5	-1,746.3	-1,886.1	705.7	-6.3	80.8	504.8	126.4	-387.1	-225.9
2.1 Assets	408.0	-491.9	311.5	-87.2	404.9	-10.1	45.6	218.6	150.7	68.3	-126.1
2.2 Liabilities	809.2	90.6	2,057.7	1,799.0	-300.8	-3.7	-35.2	-286.2	24.4	455.4	99.8
3 Financial derivatives	252.7	75.2	-56.8	19.8	15.4	3.7	-1.5	-2.0	15.1	59.8	10.2
4 Other investment	-337.6	-122.2	2,538.2	449.8	937.0	-94.4	-281.7	1,903.9	-590.8	-1,460.8	663.4
4.1 Assets	-689.2	-244.6	-605.6	-154.8	840.7	605.4	-487.4	1,802.3	-1,079.6	-724.5	943.0
4.2 Liabilities	-351.6	-122.4	-3,143.8	-604.6	-96.3	699.8	-205.6	-101.6	-488.8	736.2	279.6
5 Reserve assets	83.8	400.6	45.8	1,844.4	-529.9	-801.3	208.7	-407.7	470.4	1,115.5	-322.8
D NET ERRORS AND OMISSIONS	-910.7	-1,132.7	-442.4	-879.1	-573.0	327.2	1.8	-1,118.0	216.1	307.7	12.6

^a As from CNB Bulletin No. 207, data have been compiled in accordance with the new methodology prescribed by the sixth edition of the Balance of Payments and International Investment Position Manual (BPM6) and the new sector classification of institutional units in line with ESA 2010. The implementation of the new methodology has no effect on the balances in the current and financial accounts of the balance of payments so that changes in these positions from previously published data are a result of the data revision for the purpose of quality and coverage control. ^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), December 2010 (EUR -618.6m) and June 2014 (EUR 1,485.8m). ^c The Croatian Bank for Reconstruction and Development is reclassified from Other sectors to sector General government. ^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 credit institutions' records.

Other Croatian National Bank transactions include foreign exchange sales and purchases on behalf of others. Tables H1 – H6 Balance of payments • The balance of payments of the Republic of Croatia represents a systematic overview of the value of economic transactions performed by the Croatian residents with foreign countries within a particular period. From 1995 until the end of 2013, the balance of payments was compiled in accordance with the methodology recommended by the International Monetary Fund in the fifth edition of its Balance of Payments Manual (BPM5), while starting from 2014, the balance of payments is compiled according to the sixth edition of that

manual (BPM6). Also, with the beginning of the implementation of BPM6, the balance of payments historical data for 2000-2013 have been revised in line with the new methodology.

Data sources include: 1) estimates and statistical research carried out by the Croatian National Bank; 2) special reports of the Croatian National Bank (International Transaction Reporting System (ITRS), monetary statistics, securities statistics and reserve assets); and 3) reports of the government institutions (Central Bureau of Statistics, Ministry of Finance, Croatian Institute for Health Insurance and Croatian Pension Insurance Administration).

Table H2 Balance of payments – goods and services^a

in million EUR

	2010	2011	2012	2013	2014	2014				2015	
						Q1	Q2	Q3	Q4	Q1	Q2 ^b
Goods	-5,925.1	-6,383.9	-6,296.4	-6,579.3	-6,356.2	-1,548.4	-1,875.9	-1,631.7	-1,300.1	-1,684.0	-1,755.7
1 Credit	8,058.0	8,742.2	8,673.5	8,918.8	9,759.6	2,205.2	2,393.4	2,573.8	2,587.2	2,337.0	2,734.3
1.1 Exports (f.o.b.) in trade statistics	8,898.4	9,533.4	9,449.2	9,505.5	10,261.1	2,325.7	2,522.3	2,685.9	2,727.1	2,548.3	2,908.2
1.2 Adjustments for coverage	-873.7	-864.8	-968.0	-677.7	-625.3	-153.9	-158.3	-144.1	-169.0	-241.2	-199.8
1.3 Net exports of goods under merchanting	26.4	25.2	12.6	12.2	18.0	4.2	2.8	6.2	4.8	3.3	3.9
1.4 Non-monetary gold	6.9	48.4	179.7	78.7	105.8	29.1	26.7	25.7	24.3	26.6	22.0
2 Debit	13,983.1	15,126.1	14,969.9	15,498.1	16,115.7	3,753.6	4,269.3	4,205.5	3,887.3	4,021.0	4,490.1
2.1 Imports (c.i.f.) in trade statistics	15,134.1	16,282.5	16,214.5	16,513.9	17,105.0	3,977.6	4,515.7	4,498.9	4,112.9	4,271.0	4,765.6
2.2 Adjustments for coverage	-451.6	-438.6	-512.3	-270.3	-238.9	-48.5	-49.9	-96.5	-44.1	-57.7	-62.0
2.3 Adjustments for classification	-703.9	-718.1	-732.9	-746.5	-774.2	-180.0	-204.5	-203.7	-186.1	-193.1	-215.5
2.4 Non-monetary gold	4.5	0.3	0.7	0.9	23.8	4.6	8.0	6.7	4.5	0.9	2.0
Services	5,775.9	6,199.3	6,519.3	6,789.2	7,240.0	204.5	1,763.5	4,652.4	619.6	323.0	1,873.5
1 Manufacturing services on physical inputs owned by others	158.8	192.1	192.3	188.3	225.1	49.8	56.2	55.6	63.5	72.3	65.7
1.1 Credit	243.4	252.4	271.7	220.4	237.5	52.3	59.3	59.2	66.8	75.5	69.7
1.2 Debit	84.6	60.4	79.4	32.2	12.4	2.4	3.1	3.6	3.3	3.2	4.1
2 Transport	316.5	277.6	267.6	251.0	296.9	32.0	67.2	127.0	70.6	39.3	69.4
2.1 Credit	999.1	977.8	966.6	934.4	998.9	189.9	248.5	317.9	242.6	203.8	262.7
2.2 Debit	682.6	700.1	699.0	683.4	702.0	157.9	181.2	190.9	172.0	164.5	193.4
3 Travel	5,600.8	5,984.4	6,136.1	6,522.5	6,767.1	157.1	1,649.4	4,467.5	493.1	219.3	1,729.0
3.1 Credit	6,230.0	6,616.8	6,858.0	7,202.4	7,401.7	298.5	1,820.7	4,659.7	622.8	340.9	1,937.3
3.1.1 Business	236.6	225.4	233.1	225.5	194.0	28.4	73.9	49.7	42.1	32.4	78.6
3.1.2 Personal	5,993.4	6,391.4	6,624.9	6,976.9	7,207.7	270.1	1,746.9	4,610.0	580.7	308.5	1,858.7
3.2 Debit	629.2	632.4	722.0	679.8	634.6	141.4	171.4	192.1	129.7	121.6	208.3
3.2.1 Business	180.6	183.6	224.6	211.6	180.4	43.2	50.8	41.8	44.5	32.9	56.7
3.2.2 Personal	448.6	448.8	497.4	468.2	454.2	98.2	120.5	150.3	85.2	88.7	151.6
4 Other services	-300.2	-254.8	-76.7	-172.6	-49.1	-34.4	-9.4	2.2	-7.5	-7.9	9.5
4.1 Credit	1,476.3	1,520.0	1,544.7	1,480.5	1,627.1	329.9	392.3	438.7	466.3	405.8	467.1
4.2 Debit	1,776.5	1,774.8	1,621.4	1,653.1	1,676.2	364.3	401.7	436.4	473.8	413.7	457.7
o/w: FISIM	-191.6	-258.2	-127.6	-189.2	-130.5	-25.2	-33.6	-37.1	-34.6	-32.2	-31.0
Credit	-20.4	-8.5	-4.1	-4.3	8.9	4.0	1.8	3.0	0.1	1.9	0.5
Debit	171.2	249.7	123.5	184.9	139.4	29.2	35.4	40.1	34.7	34.1	31.5

^a As from CNB Bulletin No. 207, data have been compiled in accordance with the new methodology prescribed by the sixth edition of the Balance of Payments and International Investment Position Manual (BPM6) and the new sector classification of institutional units in line with ESA 2010. ^b Preliminary data.

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:

- 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. With the accession of the Republic of Croatia to the European Union on 1 July 2013, data on the foreign trade in goods of the Republic of Croatia are obtained from two different sources: Intrastat forms for collecting statistics on the trade in goods between EU member states (Intrastat) and the Single Administration Document for collecting statistics on the trade in goods with non-EU member states (Extrastat). These data are adjusted, in accordance with the recommended compilation method, for coverage and classification. Therefore, in line with the methodology, goods exports and imports in the balance of payments are reported at f.o.b. parity. The value of exports at this parity is already contained in the previously mentioned CBS Report, whereas the value of imports f.o.b. was until 2007 estimated on the basis of research studies of the CNB on the stratified sample of importers. The resulting value served as a basis for the estimate of the share of transportation and insurance

Table H3 Balance of payments – primary and secondary income^a

in million EUR

	2010	2011	2012	2013	2014	2014				2015	
						Q1	Q2	Q3	Q4	Q1	Q2 ^b
Primary income	-1,403.0	-1,320.4	-1,463.3	-900.7	-1,419.6	-345.7	-447.7	-477.7	-148.4	-228.0	-420.9
1 Compensation of employees	620.8	634.9	710.8	713.1	716.9	154.5	175.1	179.1	208.2	202.5	228.7
1.1 Credit	657.1	673.4	749.4	758.2	750.1	162.2	185.1	186.5	216.4	209.1	238.8
1.2 Debit	36.3	38.5	38.6	45.1	33.2	7.6	10.0	7.4	8.2	6.6	10.0
2 Direct investment income	-1,088.6	-954.8	-1,006.0	-585.1	-990.7	-216.0	-315.9	-369.4	-89.5	-137.5	-343.4
2.1 Credit	84.5	60.1	-19.4	-111.4	-157.2	20.3	33.1	6.3	-217.0	59.2	27.7
2.1.1 Dividends and withdrawals from income of quasi-corporations	66.1	44.4	31.5	29.2	27.7	9.1	11.4	4.6	2.6	8.2	9.4
2.1.2 Reinvested earnings	7.3	-7.4	-70.8	-164.3	-212.7	4.6	15.2	-5.7	-226.9	44.2	11.8
2.1.3 Income on debt (interest)	11.1	23.2	19.8	23.7	27.8	6.6	6.5	7.3	7.3	6.8	6.4
2.2 Debit	1,173.1	1,014.9	986.6	473.7	833.5	236.3	349.0	375.7	-127.5	196.7	371.1
2.2.1 Dividends and withdrawals from income of quasi-corporations	427.1	520.0	542.0	599.8	329.1	21.1	272.8	22.2	12.9	78.9	382.4
2.2.2 Reinvested earnings	530.5	279.2	255.2	-300.1	341.7	174.4	35.1	313.2	-181.0	73.7	-56.7
2.2.3 Income on debt (interest)	215.5	215.6	189.4	174.1	162.6	40.7	41.1	40.3	40.5	44.1	45.4
3 Portfolio investment income	-304.7	-352.1	-495.3	-611.2	-691.1	-165.2	-184.5	-178.3	-163.1	-182.8	-206.7
3.1 Credit	40.6	49.5	35.7	43.1	46.1	6.9	8.6	14.8	15.7	7.5	8.7
3.2 Debit	345.2	401.6	531.0	654.3	737.2	172.2	193.1	193.1	178.8	190.3	215.4
4 Other investment income	-693.4	-760.1	-821.7	-549.9	-589.2	-154.7	-153.5	-143.1	-137.9	-141.5	-135.6
4.1 Credit	67.3	58.2	50.4	43.6	35.3	7.4	7.0	11.9	8.9	6.3	11.0
4.2 Debit	760.6	818.3	872.1	593.4	624.5	162.2	160.5	155.0	146.8	147.8	146.5
5 Reserve assets income	62.8	111.8	148.9	132.4	134.6	35.6	31.1	34.0	33.9	31.3	36.1
5.1 Credit	62.8	111.8	148.9	132.4	134.6	35.6	31.1	34.0	33.9	31.3	36.1
5.2 Debit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Secondary income	1,062.4	1,186.9	1,218.4	1,128.9	875.4	198.4	188.4	257.1	231.5	305.8	306.3
1 General government	-65.4	-85.4	-99.9	-277.1	-579.3	-215.7	-152.3	-92.0	-119.3	-188.2	-82.2
1.1 Credit	279.1	220.7	211.5	242.4	155.8	31.3	35.5	45.5	43.4	30.2	89.2
1.2 Debit	344.4	306.0	311.3	519.5	735.1	247.0	187.8	137.6	162.7	218.4	171.4
2 Other sectors	1,127.8	1,272.2	1,318.2	1,406.0	1,454.7	414.1	340.6	349.2	350.8	494.0	388.5
2.1 Credit	1,350.6	1,516.5	1,592.5	1,661.2	1,743.0	484.5	408.2	417.7	432.6	570.4	460.6
2.2 Debit	222.8	244.3	274.2	255.2	288.3	70.4	67.6	68.6	81.8	76.4	72.1

^a As from CNB Bulletin No. 207, data have been compiled in accordance with the new methodology prescribed by the sixth edition of the Balance of Payments and International Investment Position Manual (BPM6) and the new sector classification of institutional units in line with ESA 2010. ^b Preliminary data.

services by which the original value of imports c.i.f., stated in the CBS Report, was reduced. In the 1993-2001 period, this share stood at 7.10% (estimated only on the basis of the largest and large importers), while from 2002 on it has amounted to 3.73%. The same research study, conducted by the CNB at the end of 2006 (comprising the imports in the previous year), showed that the share of transportation and insurance costs, after continuing to decrease, has reached 3.03%. This share was first applied in the calculation for the first quarter of 2007. For the sake of greater reliability, the c.i.f./f.o.b. coefficient as of 2011 started to be estimated based on the available CBS data on goods imports. The shares of transportation and insurance services have been calculated separately for each year, starting with 2008, based on the goods imported at f.o.b. parity and similar parities. The estimated coefficient amounted to 4.1% for 2008, 4.4% for 2009 and 4.7% for 2010. The figure is estimated again in the same manner for each following year. It should be noted that with the implementation of BPM6, repairs of goods are no longer included in goods imports and exports, but become part of the services account. Data series from 2000 onwards have also been revised accordingly. The treatment of fuel and other goods included in the supply of foreign transport equipment in Croatia

or of domestic transport equipment abroad remains unchanged, i.e. within goods exports and imports.

Since 1999, based on the Survey on Consumption of Foreign Travellers in Croatia and Domestic Travellers Abroad, the item of goods exports has been modified by the estimated value of goods sold to foreign travellers and tourists and taken out of the Republic of Croatia. The item of goods imports is adjusted for the estimated value of goods imported personally by the Croatian citizens from the neighbouring countries (shopping expenditures). This treatment is also in compliance with BPM6.

It should be said that, contrary to BPM5, data series from 2000 onwards, which follows the methodology of BPM6, covers only goods involving a change in ownership between residents and non-residents. In other words, goods imported and exported for the purpose of finishing, treatment or processing are no longer included in the trade in goods data. Starting from 2014, imports and exports of goods for cross-border processing are monitored by the CNB under a special statistical research since, for the balance of payments purposes, the goods which do not involve a change in ownership are excluded from the CBS data on the foreign trade in goods of the Republic of Croatia. The results of this statistical research are compared and supplemented

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

in million EUR

	2010	2011	2012	2013	2014	2014				2015	
						Q1	Q2	Q3	Q4	Q1	Q2 ^d
Direct investment	-938.6	-1,184.4	-1,196.9	-821.5	-1,307.2	-263.8	-363.3	-308.8	-371.5	-291.1	-70.9
1 Net acquisition of financial assets	125.3	-169.3	-63.5	-118.4	1,585.7	4.5	1,753.6	102.8	-275.3	102.8	33.4
1.1 Equity	-264.0	183.6	149.5	98.6	1,607.2	-1.8	1,487.8	105.6	15.7	72.9	-6.8
1.1.1 In direct investment enterprises	-264.0	183.6	149.5	98.6	1,607.2	-1.8	1,487.8	105.6	15.7	72.9	-6.8
1.1.2 In direct investor (reverse investment)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.1.3 Between fellow enterprises	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.2 Reinvested earnings	7.3	-7.4	-70.8	-164.3	-212.7	4.6	15.2	-5.7	-226.9	44.2	11.8
1.3 Debt instruments	382.0	-345.5	-142.3	-52.8	191.3	1.7	250.6	3.0	-64.0	-14.2	28.4
1.3.1 In direct investment enterprises	368.9	-325.6	-135.7	-83.3	13.2	0.1	29.3	2.4	-18.6	-17.7	2.4
1.3.2 In direct investor (reverse investment)	13.1	-19.9	-6.5	30.5	160.8	-3.9	205.8	16.0	-57.2	-4.4	18.2
1.3.3 Between fellow enterprises	0.0	0.0	0.0	0.0	17.3	5.5	15.5	-15.5	11.8	7.8	7.8
2 Net incurrence of liabilities	1,063.9	1,015.1	1,133.4	703.0	2,893.0	268.3	2,116.9	411.6	96.2	393.9	104.3
2.1 Equity	417.2	1,970.6	846.4	703.3	2,160.1	-10.4	1,901.9	81.2	187.4	137.6	51.7
2.1.1 In direct investment enterprises	417.2	1,970.6	846.4	703.3	2,160.1	-10.4	1,901.9	81.2	187.4	137.6	51.7
2.1.2 In direct investor (reverse investment)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.1.3 Between fellow enterprises	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.2 Reinvested earnings	530.5	279.2	255.2	-300.1	341.7	174.4	35.1	313.2	-181.0	73.7	-56.7
2.3 Debt instruments	116.3	-1,234.8	31.8	299.8	391.1	104.2	179.9	17.2	89.8	182.6	109.3
2.3.1 In direct investment enterprises	-318.3	-1,041.8	-294.9	38.4	254.9	113.0	121.5	7.6	12.7	107.3	184.5
2.3.2 In direct investor (reverse investment)	180.8	-179.9	-13.5	-14.9	96.1	19.2	66.6	-13.8	24.2	25.5	-90.2
2.3.3 Between fellow enterprises	253.8	-13.0	340.2	276.4	40.0	-28.0	-8.2	23.3	52.9	49.8	15.0
Portfolio investment	-401.1	-582.5	-1,746.3	-1,886.1	705.7	-6.3	80.8	504.8	126.4	-387.1	-225.9
1 Net acquisition of financial assets	408.0	-491.9	311.5	-87.2	404.9	-10.1	45.6	218.6	150.7	68.3	-126.1
1.1 Equity securities	514.0	117.0	123.4	22.0	105.6	-67.6	99.1	43.1	31.1	38.1	32.9
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
1.1.2 Other monetary financial institutions	15.5	20.3	-4.6	4.1	7.7	-0.1	-0.7	9.8	-1.3	12.4	6.6
1.1.3 Other sectors	498.5	96.7	128.0	17.9	97.9	-67.5	99.8	33.2	32.4	25.7	26.3
1.2 Debt securities	-105.9	-608.9	188.1	-109.2	299.3	57.6	-53.5	175.6	119.7	30.2	-159.0
1.2.1 Long-term	-263.9	-345.2	293.0	-198.0	578.8	28.0	-48.5	419.9	179.4	73.6	-122.2
1.2.1.1 General government	1.5	0.0	0.7	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.0
1.2.1.2 Other monetary financial institutions	-167.3	-343.0	267.8	-260.6	458.0	1.1	-32.1	400.6	88.4	-14.0	-15.1
1.2.1.3 Other sectors	-98.1	-2.1	24.4	62.5	120.9	26.9	-16.4	19.4	91.0	87.6	-107.1
1.2.2 Short-term	157.9	-263.8	-104.9	88.8	-279.5	29.6	-5.0	-244.3	-59.8	-43.4	-36.8
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 Other monetary financial institutions	124.3	-300.3	-22.3	82.7	-278.9	23.2	2.1	-244.3	-60.0	-42.0	-34.1
1.2.2.3 Other sectors	33.6	36.6	-82.6	6.2	-0.6	6.3	-7.2	0.0	0.2	-1.4	-2.7
1.2.3 Other sectors	33.6	36.6	-82.6	6.2	-0.6	6.3	-7.2	0.0	0.2	-1.4	-2.7
2 Net incurrence of liabilities	809.2	90.6	2,057.7	1,799.0	-300.8	-3.7	-35.2	-286.2	24.4	455.4	99.8
2.1 Equity securities	138.0	17.5	-115.1	-74.7	-14.9	11.7	-41.0	21.1	-6.7	10.5	7.8
2.1.1 Other monetary financial institutions	0.5	-1.3	-2.3	0.0	11.7	-0.8	9.5	0.3	2.7	-0.7	-0.1
2.1.2 Other sectors	137.5	18.7	-112.8	-74.7	-26.6	12.6	-50.5	20.8	-9.4	11.3	7.9
2.2 Debt securities	671.2	73.1	2,172.8	1,873.6	-285.9	-15.5	5.8	-307.3	31.1	444.9	92.1
2.2.1 Long-term	374.7	385.1	2,213.6	1,921.6	-324.2	-120.7	16.6	-168.3	-51.8	487.5	78.3
2.2.1.1 General government	368.0	296.7	967.3	1,949.2	137.7	-175.4	510.6	-149.3	-48.2	497.6	78.4
2.2.1.2 Other monetary financial institutions	-0.2	-7.0	7.0	-5.2	-1.3	-0.2	0.0	-1.1	-0.1	0.2	0.0
2.2.1.3 Other sectors	6.9	95.4	1,239.2	-22.4	-460.6	54.9	-494.0	-18.0	-3.6	-10.3	-0.1
2.2.2 Short-term	296.5	-312.0	-40.7	-48.0	38.4	105.2	-10.9	-139.0	82.9	-42.6	13.8
2.2.2.1 General government	296.5	-312.1	-40.7	-47.8	13.9	105.2	-10.9	-139.0	58.5	-47.0	-12.3
2.2.2.2 Other monetary financial institutions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.2.2.3 Other sectors	0.0	0.1	0.0	-0.1	24.5	0.0	0.0	0.0	24.5	4.4	26.1

^a As from CNB Bulletin No. 207, data have been compiled in accordance with the new methodology prescribed by the sixth edition of the Balance of Payments and International Investment Position Manual (BPM6) and the new sector classification of institutional units in line with ESA 2010. ^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), December 2010 (EUR -618.6m) and June 2014 (EUR 1,485.8m). ^c The Croatian Bank for Reconstruction and Development is reclassified from Other sectors to sector General government.

^d Preliminary data.

by CBS data on imports and exports of goods which do not involve a change in ownership.

BPM6 changes the treatment of personal property carried by persons who change residence. Such transfers of goods are not included in the BOP statistics under BPM6 in line with the criteria that ownership of goods remains unchanged. Under BPM5, this was recorded under imports/exports of goods and capital transfers.

Under BPM5, goods under merchanting were recorded in the balance of payments on a net basis within Other business services. Under BPM6 they are recorded on a gross basis as a separate item in the Goods account. Merchanting includes the value of the goods that are traded without crossing the customs border of the merchant and are instead bought and then sold abroad. The acquisition of goods by merchants is shown as a negative export of the economy of the merchant, while the sale of goods is shown as a positive export of the economy of the merchant. It is possible that net exports of goods under merchanting are negative in a certain period. Merchanting is recorded at transaction prices, rather than f.o.b. values and only in the economy of the merchant. Starting from 1 January 2011, data on the net value and commissions and other income from merchanting are collected through a statistical research on revenue and expenditure on foreign trade in services. As BPM6 recommends reporting on a gross basis, the survey questionnaire used in the research has been adjusted to a gross basis starting from 2014.

Under BPM6 non-monetary gold is shown separately from other goods because of its special role in financial markets.

Transportation, travel and other services are reported separately under the services account. Revenues and expenditures on the basis of transportation, in the 1993-1998 period, were adopted from the ITRS. From 1999 on, revenues and expenditures arising from transportation of goods and passengers, as well as the value of accompanying services, which together constitute the total value of these services, are compiled on the basis of the results of the Statistical research on international transportation services, carried out by the CNB. Owing to an exceptionally large population of road carriers, revenues and expenditures on the basis of road freight transportation are not adopted from that research. They are compiled by using ITRS data. As of January 2011, due to the abolishment of the ITRS, this item has been compiled on the basis of data from export customs declarations of the CBS and estimates of the Road Freight Transporters Association. Expenditures on the basis of road freight transportation equal transportation and insurance costs related to imports of goods which belong to non-residents and which are estimated by adjusting the value of imports at c.i.f. parity to the value of imports f.o.b.

Revenues from services rendered to foreign travellers and tourists, as well as expenditures incurred by domestic travellers and tourists abroad are shown under the position Travel. In the 1993-1998 period, this position was assessed by using various data sources which did not provide for a full coverage in accordance with the recommended methodology. Accordingly, in the second half of 1998, the Croatian National Bank started to carry out the Survey on Consumption of Foreign Travellers in Croatia and Domestic Travellers Abroad and use its results for compiling the Travel position. Since early 1999, the results of this survey, based on carrying out a survey of travellers (stratified sample) at border crossings, have been combined with the Ministry of the Interior and 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 payments items. Starting from the first quarter of 2012, the

balance of payments data on revenues from services rendered to foreign travellers and tourists are not computed using the standard methodological combination of volume indicators and estimated average consumption from the Survey on Consumption of Foreign Travellers, but are based on a combination of the estimated level of tourism consumption in 2011 and an econometrically computed indicator – the first principal component of a group of variables that are assumed to follow the dynamics of tourism revenue (foreign tourist arrivals and nights, the number of foreign travellers at border crossings, total tourist consumption according to the CNB survey, the number of the employed in accommodation and food service activities, the revenues of hotels and restaurants, the price index of hotel and restaurants services, the real retail trade turnover index, currency outside banks, the value of foreign credit card transactions, the banks' turnover in transactions with natural persons in the foreign exchange market and the industrial production EU-28).

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

With the transition to BPM6, the services account includes also manufacturing services on goods owned by others, the most important part of which is processing of goods. In addition, it also covers assembly, labelling, packing and similar services undertaken by entities that do not own the goods concerned. Under BPM6, the balance of payments includes only the net value of the service, including a fee related to finishing, and not the value of the goods themselves. Such services are monitored in the Survey on foreign trade in services (US-PB) starting from 2011. As of 2014, a separate statistical research was introduced to monitor imports and exports of goods for finishing and processing and the related services. CBS data on imports and exports of goods are used to identify enterprises that receive/provide processing services.

With the application of BPM6, maintenance and repair services are included in Services and are no longer a part of the goods account. Starting from 2011, these services are monitored separately in the Statistical research on revenue and expenditure on foreign trade in services.

A novelty introduced under BPM6 with regard to financial services is the inclusion of financial intermediation services indirectly measured (FISIM), which means that a part of investment income is reclassified from Primary income to Services. It involves income of financial institutions which exceeds the reference interest rate. The reference rate is the rate that contains no service element; the rate prevailing for interbank borrowing and lending is a suitable choice as a reference rate. FISIM for loans is the margin between lending rate and funding costs calculated on the basis of the reference rate. For deposits, FISIM is the margin between the interest rate calculated on the basis of the reference rate and the interest payable to depositors. BPM6 takes into account only FISIM of financial corporations and only on loans and deposits in their balance sheets (money market funds and investment funds do not produce FISIM). In our case, FISIM

Table H5 Balance of payments – other investment^{a,b}

in million EUR

	2010	2011	2012	2013	2014	2014				2015	
						Q1	Q2	Q3	Q4	Q1	Q2 ^c
Other investment (net)	-337.6	-122.2	2,538.2	449.8	937.0	-94.4	-281.7	1,903.9	-590.8	-1,460.8	663.4
1 Assets	-689.2	-244.6	-605.6	-154.8	840.7	605.4	-487.4	1,802.3	-1,079.6	-724.5	943.0
1.1 Other equity	0.0	0.7	0.7	29.2	26.9	0.1	0.0	0.0	26.8	0.2	0.0
1.2 Currency and deposits	-505.4	-326.8	-336.5	-334.2	942.5	729.1	-524.9	1,752.6	-1,014.3	-884.0	510.6
1.2.1 Central bank	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 General government	0.0	0.0	2.1	2.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.2.3 Other monetary financial institutions	-417.0	-522.0	-421.0	-129.0	532.3	209.4	-26.1	1,484.2	-1,135.1	-741.2	510.6
1.2.4 Other sectors	-88.5	195.1	82.3	-207.6	410.2	519.7	-498.7	268.4	120.8	-142.8	0.0
1.3 Loans	105.2	-42.6	66.8	84.4	109.0	-25.5	-13.5	191.7	-43.8	-18.2	102.0
1.3.1 General government	0.0	0.0	0.0	0.0	-2.9	0.1	-1.5	0.0	-1.5	-0.5	-1.5
1.3.1.1 Long-term	0.0	0.0	0.0	0.0	-2.9	0.1	-1.5	0.0	-1.5	-0.5	-1.5
1.3.1.2 Short-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.3.2 Other monetary financial institutions	85.5	-51.0	36.8	2.9	61.8	-17.2	-10.4	192.4	-102.9	-16.9	21.7
1.3.2.1 Long-term	63.3	-10.4	-52.9	57.2	-21.3	2.4	-10.8	-19.9	7.0	-2.5	18.8
1.3.2.2 Short-term	22.2	-40.6	89.7	-54.3	83.1	-19.7	0.3	212.3	-109.8	-14.3	2.9
1.3.3 Other sectors	19.7	8.4	29.9	81.6	50.0	-8.3	-1.6	-0.7	60.6	-0.8	81.7
1.3.3.1 Long-term	-17.4	34.6	9.9	71.4	56.3	0.3	-4.6	-1.2	61.8	1.9	75.5
1.3.3.2 Short-term	37.1	-26.1	20.1	10.2	-6.3	-8.6	3.0	0.5	-1.3	-2.7	6.2
1.4 Trade credit and advances	-289.0	124.3	-352.3	67.3	-233.3	-88.3	21.4	-152.6	-13.7	179.6	293.6
1.4.1 General government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.4.1.1 Long-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.4.1.2 Short-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.4.2 Other sectors	-289.0	124.3	-352.3	67.3	-233.3	-88.3	21.4	-152.6	-13.7	179.6	293.6
1.4.2.1 Long-term	-22.2	-2.9	-0.2	-2.6	0.5	0.9	-0.1	-0.3	0.0	0.0	0.0
1.4.2.2 Short-term	-266.8	127.3	-352.1	69.8	-233.8	-89.2	21.5	-152.3	-13.7	179.6	293.6
1.5 Other assets	0.0	-0.2	15.8	-1.5	-4.4	-10.0	29.6	10.6	-34.6	-2.1	36.8
2 Liabilities	-351.6	-122.4	-3,143.8	-604.6	-96.3	699.8	-205.6	-101.6	-488.8	736.2	279.6
2.1 Other equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.2 Currency and deposits	-9.3	915.2	-1,973.8	1.7	-460.7	317.4	-452.5	-555.9	230.3	162.5	-98.3
2.2.1 Central bank	0.0	-1.0	0.0	83.8	-0.7	18.4	-78.3	16.4	42.9	55.4	-89.5
2.2.2 General government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.2.3 Other monetary financial institutions	-9.3	916.2	-1,973.8	-82.1	-460.0	299.0	-374.2	-572.3	187.5	107.0	-8.8
2.2.4 Other sectors	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.3 Loans	-412.1	-664.0	-1,396.0	-784.4	168.3	402.0	-198.7	447.1	-482.0	470.2	-149.9
2.3.1 Central bank	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	641.9	183.0
2.3.1.1 Long-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.3.1.1.1 Drawings	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.3.1.1.2 Repayments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.3.1.2 Short-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	641.9	183.0
2.3.2 General government	98.5	161.7	95.5	285.4	261.4	-82.9	-321.9	731.3	-65.1	43.2	-246.7
2.3.2.1 Long-term	279.3	161.7	100.1	86.3	461.3	117.1	-321.9	731.3	-65.3	43.4	-246.7
2.3.2.1.1 Drawings	824.1	859.3	707.6	831.2	1,363.2	214.2	63.7	847.0	238.3	144.7	54.2
2.3.2.1.2 Repayments	544.9	697.5	607.5	744.9	901.9	97.1	385.6	115.7	303.6	101.3	300.9
2.3.2.2 Short-term	-180.7	0.0	-4.6	199.1	-199.8	-200.0	0.0	0.0	0.2	-0.2	0.0
2.3.3 Other monetary financial institutions	-161.0	-34.7	-291.6	-522.9	-585.2	-98.6	-116.3	-208.0	-162.3	-314.5	-72.0
2.3.3.1 Long-term	-292.9	385.7	-282.6	-568.8	-436.9	-15.4	-85.0	-106.1	-230.5	-291.5	-6.1
2.3.3.1.1 Drawings	879.8	1,108.0	729.1	408.4	709.1	213.6	61.0	122.1	312.5	340.3	67.0
2.3.3.1.2 Repayments	1,172.8	722.2	1,011.7	977.2	1,146.0	229.0	146.0	228.1	543.0	631.8	73.1
2.3.3.2 Short-term	132.0	-420.4	-9.0	46.0	-148.3	-83.2	-31.4	-102.0	68.2	-23.0	-66.0
2.3.4 Other sectors	-349.6	-791.0	-1,199.8	-547.0	492.1	583.5	239.5	-76.2	-254.6	99.5	-14.2
2.3.4.1 Long-term	-935.9	-1,283.7	-1,718.1	-605.5	145.0	432.2	73.3	-229.6	-131.0	114.8	-55.7
2.3.4.1.1 Drawings	4,190.1	2,580.1	3,244.6	4,231.6	4,616.9	1,450.8	1,436.0	961.4	768.6	1,014.6	828.6

	2010	2011	2012	2013	2014	2014				2015	
						Q1	Q2	Q3	Q4	Q1	Q2 ^c
2.3.4.1.2 Repayments	5,126.0	3,863.8	4,962.7	4,837.1	4,471.9	1,018.6	1,362.7	1,191.0	899.6	899.8	884.3
2.3.4.2 Short-term	586.2	492.7	518.2	58.6	347.1	151.3	166.1	153.3	-123.7	-15.2	41.5
2.4 Trade credit and advances	58.7	-473.2	337.3	155.1	-124.0	-9.1	161.7	33.7	-310.2	168.4	424.5
2.4.1 General government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.4.1.1 Long-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.4.1.2 Short-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.4.2 Other sectors	58.7	-473.2	337.3	155.1	-124.0	-9.1	161.7	33.7	-310.2	168.4	424.5
2.4.2.1 Long-term	-25.3	-147.5	-34.9	-7.7	-18.8	9.6	3.2	-3.9	-27.7	40.0	9.4
2.4.2.2 Short-term	84.0	-325.8	372.3	162.9	-105.2	-18.7	158.5	37.6	-282.5	128.4	415.1
2.5 Other liabilities	11.0	99.6	-111.4	23.1	320.0	-10.5	283.9	-26.5	73.0	-64.9	103.3
2.6 SDRs	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 CNB Bulletin No. 207, data have been compiled in accordance with the new methodology prescribed by the sixth edition of the Balance of Payments and International Investment Position Manual (BPM6) and the new sector classification of institutional units in line with ESA 2010. ^b The Croatian Bank for Reconstruction and Development is reclassified from Other sectors to sector General government. ^c Preliminary data.

is calculated in full conformity with international methodology.

Some other changes introduced by BPM6: postal and courier services have been reclassified from communication to transport (the valuation principle remains the same), while telecommunications services become part of telecommunications, computer and information services, also without a change in the valuation principle. In addition, merchanting services on a gross basis are moved to the Goods account.

Transactions in the income account are classified into four main groups. Under BPM6, the income account has become the primary income account.

Compensation of employees item was compiled on the basis of the ITRS until the end of 2010, when the reporting by transaction types was abolished. As of 2011, this position on the revenues side is estimated by a model based on the aggregate data of banks on inflows of resident natural persons from non-residents. On the expenditures side, the existing surveys on services are used, containing a part which relates to compensation of employees paid to non-residents and a separate survey on income paid to non-residents for institutions not included in the survey sample.

Income from direct investment, portfolio investment and other investment is reported separately. Data on reinvested earnings are reported separately, under direct investment income, calculated on the basis of the CNB Statistical research on direct and other equity investment. In contrast to data on dividends, data on reinvested earnings 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. A novelty introduced by BPM6 is that it distinguishes three types of direct investment income:

- direct investor's investment in direct investment enterprise;
- reverse investment (refers to liabilities of direct investors to their direct investment enterprises and claims of direct investment enterprises on their direct investors), and
- investments between fellow enterprises (investment income

flows between all fellow enterprises that belong to the same direct investor).

One should bear in mind that dividends, withdrawals from income of quasi-corporations, and interest can apply for any of these types of investment income. There are no reinvested earnings on reverse investments and investments between fellow enterprises because the 10% equity threshold has not been met.

BPM6 introduces a term of "superdividends". Superdividends are described as payments by corporations to their shareholders that are not a result of regular business activities over the business year for which regular dividends are paid out. By definition, superdividends are most similar to payments to shareholders based on reinvested earnings from the previous years. Such payments should be treated as withdrawals of equity, and should not be recorded in the primary income account. This principle has been applied for some time in Croatia so that the implementation of BPM6 has not led to changes in the statistical treatment of such payments.

Income from equity portfolio investment is compiled on the basis of the same survey, whereas data on debt portfolio investment income have been compiled since 1999, based on statistics on foreign credit relations, which also encompasses income related to debt securities owned by non-residents. Income from other investments includes the calculation of interest in accordance with the foreign credit relations statistics. The methodology for compiling the statistics on debt investment income was changed in 2007 to include the reporting of income on an accrual basis. This basically means that income from debt investment and interest income 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. A novelty introduced by BPM6 is reporting on investment income attributable to investment fund shareholders – dividends and reinvested earnings, with a counterpart in the financial account. This introduces the principle of acquired income in this part as well. Such income is not yet estimated due to the lack of all necessary data. Under the methodology, income on equity securities continues to include only dividends, while estimate of reinvested earnings for this type of income is not envisaged.

According to BPM6, interest is reported without FISIM, while the value of FISIM is presented within financial services. Income on reserve assets is shown separately under BPM6, while under BPM5 it was presented within income on other investment.

Table H6 Balance of payments – summary^{a,b,c}

in million HRK

	2010	2011	2012	2013	2014	2014				2015	
						Q1	Q2	Q3	Q4	Q1	Q2 ^d
A CURRENT ACCOUNT (1+6)	-4,066.9	-2,626.6	-589.9	3,108.2	2,500.9	-11,402.9	-2,844.4	21,322.0	-4,573.8	-9,855.7	67.2
1 Goods, services, and primary income (2+5)	-11,777.8	-11,449.8	-9,750.8	-5,437.6	-4,179.1	-12,920.5	-4,275.5	19,364.1	-6,347.2	-12,206.1	-2,251.8
1.1 Credit	130,360.5	141,747.4	144,789.3	148,350.5	158,837.5	25,297.1	39,340.1	63,223.8	30,976.4	28,216.0	43,925.7
1.2 Debit	142,138.3	153,197.2	154,540.1	153,788.1	163,016.5	38,217.6	43,615.7	43,859.7	37,323.6	40,422.1	46,177.5
2 Goods and services (3+4)	-1,287.4	-1,347.4	1,529.5	1,366.8	6,644.1	-10,276.9	-868.8	23,002.0	-5,212.2	-10,460.2	926.0
2.1 Credit	123,705.9	134,651.5	137,528.6	141,809.5	152,671.2	23,519.2	37,327.8	61,293.6	30,530.7	25,807.1	41,471.5
2.2 Debit	124,993.3	135,998.9	135,999.1	140,442.7	146,027.2	33,796.1	38,196.7	38,291.6	35,742.8	36,267.3	40,545.5
3 Goods	-43,158.8	-47,447.8	-47,339.8	-49,798.6	-48,480.6	-11,840.8	-14,256.3	-12,426.0	-9,957.5	-12,928.1	-13,298.4
3.1 Credit	58,715.9	64,996.9	65,193.8	67,554.0	74,465.2	16,862.2	18,185.5	19,598.5	19,819.1	17,941.4	20,708.4
3.2 Debit	101,874.7	112,444.7	112,533.6	117,352.6	122,945.9	28,703.0	32,441.8	32,024.4	29,776.7	30,869.5	34,006.7
4 Services	41,871.4	46,100.4	48,869.3	51,165.4	55,124.7	1,563.9	13,387.5	35,428.0	4,745.4	2,467.9	14,224.4
4.1 Credit	64,990.0	69,654.6	72,334.9	74,255.5	78,206.0	6,657.0	19,142.3	41,695.1	10,711.6	7,865.7	20,763.1
4.2 Debit	23,118.6	23,554.2	23,465.5	23,090.1	23,081.3	5,093.1	5,754.9	6,267.1	5,966.2	5,397.9	6,538.8
5 Primary income	-10,490.5	-10,102.4	-11,280.3	-6,804.3	-10,823.1	-2,643.6	-3,406.7	-3,637.9	-1,135.0	-1,745.8	-3,177.8
5.1 Credit	6,654.6	7,095.8	7,260.6	6,541.1	6,166.2	1,777.9	2,012.3	1,930.2	445.7	2,408.9	2,454.2
5.2 Debit	17,145.0	17,198.3	18,540.9	13,345.4	16,989.4	4,421.5	5,419.0	5,568.1	1,580.7	4,154.7	5,632.0
6 Secondary income	7,710.9	8,823.3	9,161.0	8,545.7	6,679.9	1,517.6	1,431.1	1,957.8	1,773.4	2,350.3	2,319.0
6.1 Credit	11,817.8	12,916.4	13,562.0	14,417.0	14,491.0	3,944.9	3,371.4	3,527.8	3,647.0	4,614.8	4,163.1
6.2 Debit	4,106.9	4,093.1	4,401.0	5,871.3	7,811.1	2,427.3	1,940.3	1,570.0	1,873.6	2,264.4	1,844.1
B CAPITAL ACCOUNT	423.8	281.1	365.0	357.6	405.1	5.8	100.0	63.2	236.1	92.4	290.1
C FINANCIAL ACCOUNT	-9,837.3	-10,484.3	-3,257.9	-3,063.8	-1,410.2	-8,885.6	-2,711.6	12,871.5	-2,684.5	-7,399.5	408.3
1 Direct investment	-6,822.5	-8,817.7	-8,999.1	-6,240.5	-9,973.7	-2,016.9	-2,760.2	-2,351.1	-2,845.6	-2,235.1	-536.8
1.1 Assets	887.1	-1,266.0	-487.2	-915.5	12,033.4	34.5	13,324.5	783.1	-2,108.7	789.7	252.7
1.2 Liabilities	7,709.6	7,551.7	8,511.9	5,324.9	22,007.2	2,051.4	16,084.7	3,134.2	736.9	3,024.8	789.5
2 Portfolio investment	-2,850.9	-4,367.9	-13,162.6	-14,361.0	5,377.9	-48.5	614.3	3,844.2	967.9	-2,972.7	-1,710.6
2.1 Assets	2,987.0	-3,682.2	2,323.8	-690.5	3,089.3	-77.0	346.7	1,664.7	1,154.8	524.5	-954.6
2.2 Liabilities	5,837.9	685.6	15,486.4	13,670.6	-2,288.6	-28.4	-267.6	-2,179.5	186.8	3,497.2	756.0
3 Financial derivatives	1,838.9	554.2	-425.2	151.6	118.0	28.6	-11.1	-15.1	115.5	459.5	77.3
4 Other investment	-2,528.3	-780.2	18,967.2	3,358.2	7,109.9	-721.5	-2,140.7	14,497.8	-4,525.7	-11,217.4	5,022.6
4.1 Assets	-5,069.4	-1,800.9	-4,620.8	-1,217.1	6,379.9	4,629.2	-3,703.1	13,724.3	-8,270.4	-5,563.9	7,139.8
4.2 Liabilities	-2,541.2	-1,020.7	-23,588.0	-4,575.3	-730.0	5,350.7	-1,562.4	-773.6	-3,744.7	5,653.5	2,117.3
5 Reserve assets	525.5	2,927.2	361.8	14,027.9	-4,042.3	-6,127.3	1,586.0	-3,104.3	3,603.3	8,566.2	-2,444.2
D NET ERRORS AND OMISSIONS	-6,194.1	-8,138.8	-3,033.1	-6,529.6	-4,316.2	2,511.5	32.7	-8,513.6	1,653.2	2,363.8	51.0

^a As from CNB Bulletin No. 207, data have been compiled in accordance with the new methodology prescribed by the sixth edition of the Balance of Payments and International Investment Position Manual (BPM6) and the new sector classification of institutional units in line with ESA 2010. The implementation of the new methodology has no effect on the balances in the current and financial accounts of the balance of payments so that changes in these positions from previously published data are a result of the data revision for the purpose of quality and coverage control. ^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), December 2010 (EUR -618.6m) and June 2014 (EUR 1,485.8m).

^c The Croatian Bank for Reconstruction and Development is reclassified from Other sectors to sector General government. ^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 credit institutions' records.

Secondary income (Current transfers under BPM5) is reported separately for the general government sector and other sectors.

The ITRS was used as the main data source on current transfers for both sectors until the end of 2010, when the reporting by transaction types was abolished. As of 2011, transfers of the general government sector are recorded on the basis of the data of the Ministry of Finance and the Croatian Pension Insurance Administration in the case of pensions paid out to non-residents. In addition to taxes and excise duties, pensions, gifts and donations, which are included in current transfers of both sectors, the general government sector also encompasses data on multilateral cooperation, whereas other sectors include data on workers' remittances. As of 2011, the position of workers' remittances and gifts and donations for other sectors is estimated through a

model based on aggregate data of banks on inflows of resident natural persons from abroad and outflows of resident natural persons abroad. Pensions from abroad are estimated on the basis of the available data of the Croatian Pension Insurance 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. Funds received from EU funds are reported in the current account or in the capital account in line with the type of transaction and on the basis of the data of the Ministry of Finance. BPM6 does not bring novelties in terms of content to this part of the balance of payments. In terms of presentation, workers' remittances are not compiled as a separate item, but become a part of personal transfers together with other personal transfers. Until the end of 2010, capital transfers in the capital account were based on the ITRS. From the beginning of 2011 onwards, the account of capital transfers is compiled on the basis of the data of the Ministry of Finance and the survey data on services trade and special transactions with foreign countries. Data on the potential debt forgiveness are also a constituent part of the capital account. Under BPM6, the results of research and development, such as patents and copyrights, are no longer treated as non-produced assets and their sale is no longer shown in the capital account, but as research and development services in the current account. Also, cross border movements of assets and liabilities of persons who change residence are no longer shown as transfers by migrants within capital transfers and are no longer balance of payments transactions. If assets involved are financial assets they are made under the "other adjustments."

Foreign direct investments include equity capital, reinvested earnings and debt relations between ownership-related residents and non-residents. Direct investments are investments whereby a foreign owner acquires a minimum of 10% interest in equity capital of a company, regardless of whether a resident invests abroad or a non-resident invests in Croatian residents. The CNB Research on foreign direct investments started in 1997 when companies included in the survey also delivered data on direct investments for the 1993-1996 period. For the same period, no data are available on reinvested earnings and other capital under direct investment position, where all debt relations between related residents and non-residents are classified (excluding the banking sector). Such data actually became available only after the stated research had been launched. Since 1999, data on debt relations within direct investments have been collected on the basis of external debt relations statistics. A research on the purchase and sale of the real estate by non-residents on the territory of the Republic of Croatia has been carried out since 2007. Persons obliged to submit reports are the public notaries who learn about these transactions in the course of their business. Data on the purchase and sale of the real estate by Croatian residents abroad were compiled on the basis of the ITRS until its abolishment in late 2010. From 2011 on, data on the purchase and sale of the real estate by Croatian non-residents abroad are compiled on the basis of the Report on the real estate trade abroad. These purchase and sale transactions are also a constituent part of direct investments.

The most important change introduced by BPM6 relates to the method of presentation – direct investment is no longer classified according to the directional principle to direct investment in the reporting country and direct investment abroad with additional classification to "claims" and "liabilities". Instead, under BPM6, the assets/liabilities principle is applied, the same principle that has been used for years for other functional categories in the financial account (portfolio, other investment and financial derivatives).

In addition, under BPM6, direct investment is further divided into:

- direct investment in direct investment enterprises,
- investment in direct investor (reverse investment), and
- investment between horizontally linked enterprises (fellow enterprises).

Reverse investment arises when a direct investment enterprise acquires equity in its investor, provided it does not own equity comprising 10% or more of the voting power in that direct investor, otherwise a new direct investment would arise. It also includes debt investment in the reverse direction. Investments between fellow enterprises are equity investments between enterprises which are linked by indirect ownership, also up to 10%, or debt investments between such enterprises. It should be noted for fellow enterprises that this type of investment has been reported within the external debt statistics since 2009. From 2014 on, it is possible to identify such investment also within the Research on direct and other equity investment.

According to BPM6 all debt relations between two affiliated financial intermediaries are treated in the same manner – outside direct investment, i.e. within other or portfolio investment. BPM5 classified permanent debt transactions into direct investment.

BPM6 introduces the concept of "quasi-corporations", which refers to corporations producing goods and services in a foreign economy without being a separate legal entity in that economy. Types of quasi-corporations include: branches, notional resident units, multiterritory enterprises, joint ventures, partnerships, etc. In Croatia, branches have been monitored separately within direct investment as of 2005. Because of the detected investment of Croatian residents abroad which are not effected through incorporated enterprises or branches, but based on a contract with joint venture features, this type of entities has also been monitored statistically since 2014.

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, credit institutions and investment firms 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). Since these are debt securities of domestic issuers traded by non-residents, the balance of this portfolio on a specific day reflects an increase in the external debt, notwithstanding the fact that securities are issued in the domestic market. It should be noted that this approach is already applied in relation to securities issued by our residents abroad and that the amount of debt generated in this manner is reduced by the amount repurchased by residents.

According to BPM6, equity that is not in the form of securities is not included in portfolio investment but in direct or other investment, depending on whether it involves a share that is below or above the 10% threshold. Reinvested earnings in investment funds should be reported separately within portfolio investment.

The undistributed earnings of investment funds are imputed as being payable to the owners and then as being reinvested in the fund. The financial account entry for reinvestment of earnings (Equity and investment fund shares, Other financial corporations) is the corresponding entry to the reinvested earnings of investment funds in the primary income account item. Monitoring of this type of income is still under preparation.

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

Other investment encompasses all other debt investments that have not been mentioned, apart from investment constituting reserve assets. Other investments are classified by instruments, maturity and sectors. In addition, BPM6 defines a position of Other equity investment, which implies equity investments that do not meet the criteria for direct investment, portfolio investment or international reserve assets. Other equity investment is never in the form of securities, in contrast to portfolio investment. As the ownership of many international organisations is not in the form of securities, it is classified as other equity. In most cases, equity in quasi-corporations, such as branches or notional units for ownership of real estate and other natural resources is included in direct investment, but if the share accounts for less than 10% in the equity it is classified to other equity investment.

Currency and deposit position shows residents' claims on foreign countries for foreign cash and deposits with foreign banks, as well as obligations of the Croatian banks for deposits owned by non-residents. Monetary statistics represent a data source for the general government sector and other monetary financial institutions. 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 Settlements 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.

Credits granted by residents to non-residents and 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.

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.

Item Other investment – Other claims and liabilities includes other claims and liabilities not included in trade credits and other financial instruments, among others, prepayments of premiums and reserves for outstanding claims for non-life insurance, entitlements of beneficiaries under life insurance policies and pension schemes and provisions for calls under standardised guarantees. This position is compiled on the basis of data submitted by insurance companies and includes changes in life insurance mathematical reserves.

A novelty in BPM6 is the treatment of SDRs. The allocation of SDRs to IMF members is shown as the incurrence of a liability by the recipient and included in other investment (SDR position) with a corresponding increase of SDRs in reserve assets. Other acquisitions and disposals of SDRs are shown as transactions in reserve assets.

The sector classification of the portfolio and other investment involves the sector classification of residents according to ESA 2010 and SNA 2008 and is fully harmonised with the sector classification of the gross external debt by domestic sectors and the international investment position. The general government sector includes central government, social security funds and local government. The sector of the central bank includes the Croatian National Bank. The sector of other monetary financial institutions comprises credit institutions and money market funds. Other domestic sectors comprise all financial institutions and intermediaries except the central bank and other monetary financial institutions (including the Croatian Bank for Reconstruction and Development), private and public non-financial corporations, non-profit institutions and households, including craftsmen.

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

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

Table H7 International reserves and banks' foreign currency reserves^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	
2001	December	5,333.6	122.9	0.2	–	5,210.5	3,469.7	1,740.7	4,056.0
2002	December	5,651.3	2.3	0.2	–	5,648.8	3,787.8	1,861.0	2,581.6
2003	December	6,554.1	0.7	0.2	–	6,553.2	3,346.0	3,207.2	3,927.1
2004	December	6,436.2	0.6	0.2	–	6,435.4	3,173.3	3,262.0	4,220.1
2005	December	7,438.4	0.9	0.2	–	7,437.3	3,834.5	3,602.8	2,938.4
2006	December	8,725.3	0.7	0.2	–	8,724.4	4,526.9	4,197.5	3,315.0
2007	December	9,307.4	0.8	0.2	–	9,306.5	4,533.9	4,772.5	4,388.9
2008	December	9,120.9	0.7	0.2	–	9,120.0	2,001.8	7,118.2	4,644.5
2009	December	10,375.8	331.7	0.2	–	10,043.9	2,641.4	7,402.6	4,293.9
2010	December	10,660.3	356.7	0.2	–	10,303.4	3,274.9	7,028.5	3,828.9
2011	December	11,194.9	360.7	0.2	–	10,834.0	2,730.7	8,103.2	3,463.7
2012	December	11,235.9	352.8	0.2	–	10,882.9	2,245.8	8,637.1	2,895.3
2013	December	12,907.5	340.6	0.2	–	12,566.7	3,717.9	8,848.8	2,756.6
2014	November	12,473.9	359.3	0.2	–	12,114.4	3,248.8	8,865.5	3,341.8
	December	12,687.6	364.0	0.2	–	12,323.4	3,397.8	8,925.6	3,305.5
2015	January	11,603.8	380.6	0.2	–	11,222.9	2,566.1	8,656.9	3,271.6
	February	12,866.0	378.7	0.2	–	12,487.1	3,839.1	8,648.0	3,056.4
	March	14,157.8	388.6	0.2	–	13,768.9	5,055.3	8,713.6	2,797.0
	April	14,736.9	390.4	0.2	–	14,346.3	5,712.4	8,633.9	2,662.1
	May	14,163.1	387.6	0.2	–	13,775.2	4,605.4	9,169.8	2,752.7
	June	13,733.6	387.0	0.2	–	13,346.3	4,184.6	9,161.7	3,223.8
	July	14,990.4	388.2	0.2	–	14,602.0	5,363.4	9,238.6	3,109.4
	August	14,405.1	380.1	0.2	–	14,024.8	4,754.5	9,270.2	3,485.6
	September	13,436.6	381.6	0.2	–	13,054.7	3,788.0	9,266.7	4,470.2
	October	14,231.9	389.7	0.2	–	13,842.0	5,069.6	8,772.4	4,114.8

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

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

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

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

Table H8 International reserves and foreign currency liquidity
end of period, in million EUR

	2010 Dec.	2011 Dec.	2012 Dec.	2013 Dec.	2014 Dec.	2015			
						Mar.	Jun.	Sep.	Oct.
I Official reserve assets and other f/c assets (approximate market value)									
A Official reserve assets	10,660.3	11,194.9	11,235.9	12,907.5	12,687.6	14,157.8	13,733.6	13,436.6	14,231.9
(1) Foreign currency reserves (in convertible f/c)	8,794.8	10,694.0	10,445.8	10,105.8	11,629.7	11,602.3	11,501.4	10,379.5	9,913.0
(a) Securities	7,028.5	8,103.2	8,637.1	8,848.8	8,925.6	8,713.6	9,161.7	9,266.7	8,772.4
o/w: Issuer headquartered in reporting country but located abroad	-	-	-	-	-	-	-	-	-
(b) Total currency and deposits with:	1,766.3	2,590.7	1,808.7	1,257.0	2,704.1	2,888.7	2,339.7	1,112.8	1,140.5
(i) Other national central banks, BIS and IMF	1,576.4	2,468.7	1,808.1	1,076.6	485.2	519.1	1,174.1	887.6	912.5
(ii) Banks headquartered in the reporting country	-	-	-	-	-	-	-	-	-
o/w: Located abroad	-	-	-	-	-	-	-	-	-
(iii) Banks headquartered outside the reporting country	189.9	122.1	0.6	180.3	2,218.9	2,369.6	1,165.6	225.3	228.1
o/w: Located in the reporting country	-	-	-	-	-	-	-	-	-
(2) IMF reserve position	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
(3) SDRs	356.7	360.7	352.8	340.6	364.0	388.6	387.0	381.6	389.7
(4) Gold	-	-	-	-	-	-	-	-	-
(5) Other reserve assets	1,508.6	140.0	437.1	2,460.9	693.7	2,166.6	1,845.0	2,675.2	3,929.0
- Reverse repo	1,508.6	140.0	437.1	2,460.9	693.7	2,166.6	1,845.0	2,675.2	3,929.0
B Other foreign currency assets (specify)	-	-	-	-	-	-	-	-	-
- Time deposits	-	-	-	-	-	-	-	-	-
C Total (A+B)	10,660.3	11,194.9	11,235.9	12,907.5	12,687.6	14,157.8	13,733.6	13,436.6	14,231.9
II Predetermined short-term net drains on f/c assets (nominal value)									
1 F/c loans, securities, and deposits (total net drains up to one year)	-1,234.9	-679.5	-801.8	-1,557.8	-2,128.6	-1,637.2	-1,788.9	-1,625.6	-1,646.8
(a) Croatian National Bank	-	-	-	-	-	-	-	-	-
Up to 1 month									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
More than 1 and up to 3 months									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
More than 3 months and up to 1 year									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
(b) Central government	-1,234.9	-679.5	-801.8	-1,557.8	-2,128.6	-1,637.2	-1,788.9	-1,625.6	-1,646.8
Up to 1 month									
Principal	-16.4	-140.2	-170.5	-172.8	-763.2	-195.5	-181.8	-116.8	-102.6
Interest	-8.1	-6.5	-6.5	-4.2	-17.0	-13.0	-17.5	-12.0	-8.7
More than 1 and up to 3 months									
Principal	-882.2	-112.5	-50.1	-284.2	-164.8	-202.6	-242.9	-189.9	-172.4
Interest	-15.1	-20.5	-22.7	-24.0	-33.2	-32.0	-36.3	-25.7	-43.8
More than 3 months and up to 1 year									
Principal	-170.5	-208.7	-311.6	-758.3	-765.0	-749.9	-844.5	-812.8	-844.3
Interest	-142.5	-191.2	-240.3	-314.4	-385.4	-444.3	-465.8	-468.3	-475.1
2 Aggregate short and long positions in forwards and futures in f/c vis-a-vis the domestic currency (including the forward leg of currency swaps)	-	-	-	-	-	-	-	-	-
(a) Short positions (-)	-	-	-	-	-	-	-	-	-
Up to 1 month	-	-	-	-	-	-	-	-	-
More than 1 and up to 3 months	-	-	-	-	-	-	-	-	-
More than 3 months and up to 1 year	-	-	-	-	-	-	-	-	-
(b) Long positions (+)	-	-	-	-	-	-	-	-	-
Up to 1 month	-	-	-	-	-	-	-	-	-
More than 1 and up to 3 months	-	-	-	-	-	-	-	-	-
More than 3 months and up to 1 year	-	-	-	-	-	-	-	-	-
3 Other	-	-	-	-	-	-	-	-568.1	-1,697.5
- Outflows related to repos (-)	-	-	-	-	-	-	-	-568.1	-1,697.5
Up to 1 month								-568.1	-1,697.5
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
More than 1 and up to 3 months								-	-
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
More than 3 months and up to 1 year								-	-
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
4 Total predetermined short-term net drains on f/c assets (1+2+3)	-1,234.9	-679.5	-801.8	-1,557.8	-2,128.6	-1,637.2	-1,788.9	-2,193.6	-3,344.3

	2010	2011	2012	2013	2014	2015			
	Dec.	Dec.	Dec.	Dec.	Dec.	Mar.	Jun.	Sep.	Oct.
III Contingent short-term net drains on f/c assets (nominal value)									
1 Contingent liabilities in foreign currency	-1,734.2	-1,741.7	-1,311.6	-1,334.0	-760.8	-782.3	-594.7	-596.0	-595.5
(a) Collateral guarantees on debt falling due within 1 year	-1,087.9	-1,005.2	-636.4	-755.4	-271.9	-284.2	-104.1	-105.3	-105.2
– Croatian National Bank	-	-	-	-	-	-	-	-	-
– Central government	-1,087.9	-1,005.2	-636.4	-755.4	-271.9	-284.2	-104.1	-105.3	-105.2
Up to 1 month	-0.2	-8.0	-26.6	-23.0	-8.1	-20.9	-7.1	-11.1	-9.9
More than 1 and up to 3 months	-438.5	-111.2	-70.3	-74.7	-27.2	-58.4	-2.4	-57.9	-55.9
More than 3 months and up to 1 year	-649.2	-885.9	-539.5	-657.6	-236.6	-204.9	-94.6	-36.4	-39.5
(b) Other contingent liabilities	-646.3	-736.5	-675.2	-578.6	-488.9	-498.1	-490.6	-490.8	-490.3
– Croatian National Bank	-646.3	-736.5	-675.2	-578.6	-488.9	-498.1	-490.6	-490.8	-490.3
Up to 1 month	-	-	-	-	-	-	-	-	-
More than 1 and up to 3 months	-646.3	-736.5	-675.2	-578.6	-488.9	-498.1	-490.6	-490.8	-490.3
More than 3 months and up to 1 year	-	-	-	-	-	-	-	-	-
– Central government	-	-	-	-	-	-	-	-	-
2 Foreign currency securities issued with embedded options (puttable bonds)	-	-	-	-	-	-	-	-	-
3 Undrawn, unconditional credit lines provided by:	-	-	-	-	-	-	-	-	-
– BIS (+)	-	-	-	-	-	-	-	-	-
– IMF (+)	-	-	-	-	-	-	-	-	-
4 Aggregate short and long positions of options in f/c vis-a-vis the domestic currency	-	-	-	-	-	-	-	-	-
5 Total contingent short-term net drains on f/c assets (1+2+3+4)	-1,734.2	-1,741.7	-1,311.6	-1,334.0	-760.8	-782.3	-594.7	-596.0	-595.5
IV Memo items									
(a) Short-term domestic currency debt indexed to the exchange rate	-	-	-	-	-	-	-	-	-
o/w: Central government	-	-	-	-	-	-	-	-	-
(b) Financial instruments denominated in foreign currency and settled by other means (e.g., in domestic currency)	-	-	-	-	-	-	-	-	-
(c) Pledged assets	-	-	-	-	-	-	-	-	-
(d) Securities lent and on repo	-	-	-	-	-	-	-	-	-
– Lent or repoed and included in Section I	-	-0.4	-	0.0	0.0	-674.5	-826.6	-563.6	-1,649.8
– 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	1,458.5	136.9	551.3	2,380.1	655.4	2,020.9	1,701.0	2,506.2	3,710.5
(e) Financial derivative assets (net, marked to market)	-	-	-	-	-	-	-	-	-
(f) Currency composition of official reserves assets									
– Currencies in SDR basket	10,660.0	11,194.7	11,235.7	12,907.4	12,687.2	14,157.3	13,732.1	13,435.2	14,231.0
– Currencies not in SDR basket	0.3	0.1	0.2	0.1	0.5	0.4	1.5	1.4	0.9
– By individual currencies									
USD	2,451.0	2,333.0	2,140.4	2,068.1	2,194.2	3,135.5	3,279.6	2,603.1	3,154.4
EUR	7,851.8	8,500.6	8,742.1	10,498.4	10,128.4	10,632.5	10,064.9	10,450.0	10,686.5
Other	357.5	361.2	353.4	341.0	365.1	389.7	389.1	383.5	391.0

Table H8 International reserves and foreign currency liquidity • International reserves and foreign currency liquidity are shown in accordance with a Template on international reserves and foreign currency liquidity, drawn up by the IMF. A detailed explanation of the Template is given in “International Reserves and Foreign Currency Liquidity – Guidelines for a Data Template, 2001”. The first part of the Template shows total assets of the Croatian National Bank in convertible foreign currency. Official reserve assets (IA) show those types of assets that are readily available to the CNB at any moment for bridging imbalances in international payments. Official international reserves include: short-term foreign negotiable debt securities, foreign cash, foreign currency sight deposits, foreign currency time deposits which can be withdrawn before maturity, foreign currency time deposits with a remaining maturity of up to 1 year, reserve position with the IMF, special drawing rights, gold, and reverse repos with foreign negotiable debt securities.

The second part of the Template shows fixed predetermined foreign currency net liabilities of the Croatian National Bank

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

The third part of the Template shows predetermined contingent foreign currency net liabilities of the Croatian National Bank and the central government, which fall due in the following 12 months. Contingent liabilities in foreign currency (III1) include future principal and interest payments on foreign loans

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

Year	Month	Nominal effective exchange rate of the kuna	Real effective exchange rate of the kuna; deflator		Real effective exchange rate of the kuna ^b ; deflator	
			Consumer price index	Industrial producer price index ^a	Unit labour costs in manufacturing	Unit labour costs in the total economy
2001	December	106.52	111.02		126.43	121.65
2002	December	105.28	110.60		128.17	118.77
2003	December	105.37	111.20		121.73	119.32
2004	December	102.42	107.11		121.29	115.71
2005	December	102.16	105.55		115.11	112.46
2006	December	100.37	103.91		103.93	106.04
2007	December	98.70	99.94		98.76	101.12
2008	December	98.13	98.62		101.07	96.64
2009	December	97.63	97.81		104.70	97.16
2010	December	102.04	102.98	99.44	99.26	102.09
2011	December	103.63	105.74	101.25	102.99	102.29
2012	December	104.61	104.60	101.85	108.39	107.48
2013	December	103.76	104.85	102.36	107.28	108.55
2014	December	105.80	107.96	105.70	114.34	109.30
2015	January	107.46	109.15	108.82		
	February	108.66	110.72	108.35		
	March	109.09	110.98	107.74	113.27	110.77
	April	108.66	110.64	107.85		
	May	107.11	108.86	105.53		
	June	106.89	109.03	104.87	113.96 ^c	109.13 ^c
	July	107.60	110.08	106.53		
	August	106.48	109.32	106.24		
	September	106.25	108.80	106.78 ^c		
	October	107.06	109.76 ^c			
	November	107.90				

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

guaranteed by the central government, and banks' foreign currency reserve requirements with the CNB. (The inclusion of reserve requirements in foreign currency is based on the assumption that there will be no changes in ratios or in the base of foreign currency reserve requirements, which comprises foreign currency sources of funds, including ordinary foreign currency accounts, special foreign currency accounts, foreign currency accounts and foreign currency sight deposits, received foreign currency deposits and received foreign currency loans, as well as obligations arising from securities issued in foreign currency (excluding banks' equity securities) and hybrid and subordinated instruments). Undrawn credit lines show potential inflows (+) or outflows (-) which would arise from drawdowns under these credits.

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

Table H11 Indices of the effective exchange rate of the kuna

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

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

Table H12 Gross external debt by domestic sectors^{a,b}

in million EUR

	2010 Dec.	2011 Dec.	2012 Dec.	2013 Dec.	2014 Dec.	2015			
						Mar.*	Jun.*	Jul.*	Aug.
1 General government	10,739.1	11,088.5	12,353.9	14,225.3	15,396.1	16,627.2	16,284.6	16,199.1	15,882.6
Short-term	468.3	157.9	118.1	269.6	83.8	36.6	24.1	25.1	7.7
Currency and deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Debt securities	468.3	157.9	117.2	69.6	83.6	36.6	24.1	25.1	7.7
Loans	0.0	0.0	0.9	200.0	0.2	0.0	0.0	0.0	0.0
Trade credit and advances	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other debt liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term	10,270.7	10,930.6	12,235.8	13,955.8	15,312.3	16,590.5	16,260.6	16,173.9	15,875.0
Currency and deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Debt securities	5,249.4	5,703.4	6,568.6	8,205.3	9,089.1	10,353.6	10,273.1	10,208.0	9,913.4
Loans	5,021.3	5,227.2	5,667.2	5,750.5	6,223.2	6,237.0	5,987.4	5,965.9	5,961.6
Trade credit and advances	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
2 Central bank	357.3	360.1	351.0	421.5	444.9	1,199.5	1,276.3	2,103.0	1,474.6
Short-term	1.2	0.1	0.0	83.5	83.6	813.8	892.2	1,717.7	1,097.4
Currency and deposits	1.2	0.1	0.0	83.5	83.6	139.7	51.8	38.4	49.1
Debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loans	0.0	0.0	0.0	0.0	0.0	674.2	840.3	1,679.3	1,048.3
Trade credit and advances	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
Long-term	356.1	360.0	351.0	338.0	361.3	385.7	384.1	385.3	377.2
Special drawing rights (allocations)	356.1	360.0	351.0	338.0	361.3	385.7	384.1	385.3	377.2
Currency and deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trade credit and advances	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other debt liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3 Deposit-taking corporations, except the central bank	11,212.4	12,207.9	9,885.8	9,156.8	8,160.1	8,212.6	8,151.1	7,878.1	7,545.0
Short-term	3,173.6	3,953.1	2,024.2	2,317.1	1,950.9	2,036.6	1,995.8	1,764.2	1,456.5
Currency and deposits	2,201.3	3,291.4	1,470.2	1,735.3	1,513.3	1,607.5	1,631.0	1,439.3	1,251.3
Debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loans	947.8	526.0	516.8	557.3	410.7	401.2	335.9	296.9	173.1
Trade credit and advances	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other debt liabilities	24.5	135.8	37.2	24.5	26.9	27.9	28.9	27.9	32.0
Long-term	8,038.8	8,254.7	7,861.6	6,839.7	6,209.1	6,176.0	6,155.3	6,113.9	6,088.5
Currency and deposits	4,592.8	4,407.6	4,261.1	3,849.6	3,645.9	3,820.0	3,801.1	3,684.2	3,651.0
Debt securities	8.9	1.9	8.9	3.8	2.5	2.7	2.7	5.2	6.3
Loans	3,436.0	3,844.4	3,568.8	2,984.0	2,558.7	2,351.0	2,349.2	2,422.1	2,428.8
Trade credit and advances	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other debt liabilities	1.1	0.9	22.8	2.4	2.0	2.2	2.3	2.3	2.3
4 Other sectors	18,463.2	17,723.3	17,320.3	16,456.2	16,282.7	16,470.4	16,436.6	16,500.6	16,384.1
Short-term	912.5	915.8	1,130.3	626.4	717.4	698.5	579.6	536.2	528.5
Currency and deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Debt securities	0.0	0.1	0.1	0.0	24.5	28.9	54.9	55.2	65.0
Loans	881.7	881.4	952.0	511.1	615.2	587.3	432.9	393.8	370.3
Trade credit and advances	30.9	34.2	178.1	115.2	77.7	82.3	91.8	87.2	93.2
Other debt liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term	17,550.7	16,807.6	16,190.1	15,829.8	15,565.4	15,772.0	15,857.0	15,964.4	15,855.6
Currency and deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Debt securities	679.5	778.1	1,995.0	1,923.6	1,537.4	1,603.4	1,586.8	1,566.0	1,557.1
Loans	16,578.2	15,893.6	14,061.0	13,727.0	13,884.7	13,986.0	14,084.7	14,184.5	14,087.0
Trade credit and advances	293.0	135.9	134.1	179.3	143.3	182.7	185.5	213.9	211.5

	2010	2011	2012	2013	2014	2015			
	Dec.	Dec.	Dec.	Dec.	Dec.	Mar.*	Jun.*	Jul.*	Aug.
Other debt liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5 Direct investment: intercompany lending	6,136.5	5,017.4	5,386.2	5,698.5	6,380.1	6,663.0	6,720.8	6,616.4	6,548.8
Debt liabilities of direct investment enterprises to direct investors	4,131.0	4,143.1	4,082.4	3,521.6	3,781.1	3,819.7	3,960.9	3,923.2	3,862.0
Debt liabilities of direct investors to direct investment enterprises	366.7	175.5	164.5	159.5	250.5	271.7	181.4	189.2	190.1
Debt liabilities to fellow enterprises	1,638.7	698.9	1,139.4	2,017.4	2,348.4	2,571.6	2,578.5	2,503.9	2,496.7
Gross external debt position	46,908.4	46,397.2	45,297.2	45,958.4	46,663.8	49,172.7	48,869.3	49,297.2	47,835.1
o/w: Round tripping ^c	0.0	-	-	-	-	-	-	-	-
Memo items:									
Principal and interest arrears by sector	1,235.2	1,303.2	1,589.0	1,903.3	2,037.0	2,069.1	2,111.5	2,058.6	2,057.6
General government	0.9	0.0	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Central bank	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deposit-taking corporations, except the central bank	12.2	11.8	11.6	16.6	17.4	10.0	11.2	9.8	10.5
Other sectors	1,064.8	1,037.3	1,290.7	1,517.9	1,655.3	1,766.3	1,777.2	1,761.5	1,758.7
Direct investment: intercompany lending	157.3	254.1	285.8	368.0	363.5	292.0	322.4	286.5	287.6

^a As from CNB Bulletin No. 207, the entire series of data on gross external debt has been revised so as to bring it into line with the new methodology prescribed by the sixth edition of the Balance of Payments and International Investment Position Manual (BPM6) and the new sector classification of institutional units in line with ESA 2010. ^b In the entire series of data, the CBRD is reclassified from other sectors to the sector general government. ^c 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.

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

Table H12 Gross external debt by domestic sectors • Gross external debt is defined as the external debt liabilities of residents on the basis of debt securities issued in the foreign markets (at nominal value), credits (repo agreements included) regardless of their contractual maturity, deposits of non-residents, and trade credits granted by non-residents with contractual maturity of

more than 180 days (90 days up to 11 July 2001 and 150 days up to 31 December 2002) and, from December 2005 on, non-resident investment in debt securities issued in the domestic market. External debt is shown by domestic sectors, i.e. by debtor sectors, which implies the sector classification of residents according to ESA 2010 and SNA 2008 manuals. The general government sector includes central government, social security funds and local government. The sector of the central bank shows the debt of the Croatian National Bank. The sector of other monetary financial institutions shows the debt of credit institutions and money market funds. Item Other sectors shows the debt of all financial corporations except monetary financial institutions (including the Croatian Bank for Reconstruction and Development), private and public non-financial corporations, non-profit institutions serving households and households, including employers and self-employed persons. Item Direct investment shows borrower – lender transactions of other sectors that are interrelated by ownership, according to the directional principle. Each sector data (except direct investment) 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 (other monetary institutions) are reported in accordance with their maturity. Data for the previous periods are reported only on a long-term basis. Outstanding gross external debt includes future principal payments, accrued interest and principal and interest arrears. Outstanding debt data are shown at the CNB's midpoint exchange rate at the end of the period. Data are considered preliminary until after publication of the final BOP data for the reporting quarter.

Table H13 Public sector gross external debt and publicly guaranteed and non-publicly guaranteed private sector gross external debt • The gross external debt position presented in this table highlights the role of the public sector. Public sector includes the general government, the central bank, public financial corporations, and public non-financial corporations. Publicly guaranteed private sector gross external debt is defined as the external debt liabilities of entities not covered by the definition of the public sector, the servicing of which is guaranteed by an entity from the public sector. Non-publicly guaranteed private

	2010 Dec.	2011 Dec.	2012 Dec.	2013 Dec.	2014 Dec.	2015			
						Mar.*	Jun.*	Jul.*	Aug.
Loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trade credit and advances	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other debt liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3 Non-publicly guaranteed private sector external debt	32,155.4	31,793.7	30,113.9	29,232.1	28,812.8	29,304.7	29,274.8	28,990.0	28,503.5
Other investment	26,384.1	26,984.8	24,728.8	23,534.7	22,433.9	22,667.0	22,579.8	22,375.3	21,956.2
Short-term	3,961.7	4,747.2	3,132.6	2,919.0	2,642.6	2,709.6	2,550.2	2,276.5	1,961.7
Currency and deposits	2,185.4	3,273.4	1,448.3	1,710.9	1,487.6	1,582.0	1,606.5	1,416.1	1,229.8
Debt securities	0.0	0.1	0.1	0.0	24.5	28.9	54.9	55.2	65.0
Loans	1,720.9	1,303.7	1,468.7	1,068.4	1,025.9	988.5	768.8	690.8	541.6
Trade credit and advances	30.9	34.2	178.1	115.2	77.7	82.3	91.8	87.2	93.2
Other debt liabilities	24.5	135.8	37.2	24.4	26.9	27.9	28.2	27.3	32.0
Long-term	22,422.4	22,237.6	21,596.2	20,615.7	19,791.3	19,957.4	20,029.7	20,098.8	19,994.6
Currency and deposits	4,586.9	4,396.8	4,255.9	3,840.9	3,631.4	3,804.0	3,783.7	3,665.9	3,631.2
Debt securities	332.2	432.5	1,302.0	1,281.4	858.5	884.3	887.1	875.4	876.3
Loans	17,480.6	17,386.3	16,002.9	15,433.1	15,220.1	15,137.2	15,218.8	15,397.7	15,332.1
Trade credit and advances	21.6	21.1	12.6	57.9	79.2	129.7	137.7	157.4	152.7
Other debt liabilities	1.1	0.9	22.8	2.4	2.0	2.2	2.3	2.3	2.3
Direct investment: intercompany lending	5,771.3	4,808.8	5,385.1	5,697.4	6,379.0	6,637.7	6,695.0	6,614.8	6,547.2
Short-term	645.3	659.8	251.7	174.3	191.7	177.6	317.5	298.0	286.8
Currency and deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loans	645.3	659.8	251.7	174.3	191.7	177.6	317.5	298.0	286.8
Trade credit and advances	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
Long-term	5,126.0	4,149.0	5,133.4	5,523.1	6,187.3	6,460.1	6,377.5	6,316.7	6,260.5
Currency and deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loans	5,123.0	4,145.4	5,123.5	5,504.7	6,178.3	6,451.2	6,368.5	6,305.8	6,249.5
Trade credit and advances	3.0	3.6	9.9	18.4	9.0	8.9	9.0	10.9	11.0
Other debt liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Gross external debt position	46,908.4	46,397.2	45,297.2	45,958.4	46,663.8	49,172.7	48,869.3	49,297.2	47,835.1
o/w: Round tripping ^b	0.0	-	-	-	-	-	-	-	-
Memo items:									
Principal and interest arrears	1,235.2	1,303.2	1,589.0	1,903.3	2,037.0	2,069.1	2,111.5	2,058.6	2,057.6
Public sector external debt	73.2	76.4	40.9	0.9	0.9	0.9	0.9	0.9	0.9
Publicly guaranteed private sector external debt	0.0	0.0	0.0	22.6	7.2	6.9	6.7	6.7	6.5
Non-publicly guaranteed private sector external debt	1,162.0	1,226.7	1,548.1	1,879.8	2,028.9	2,061.3	2,104.0	2,051.0	2,050.2

^a As from CNB Bulletin No. 207, the entire series of data on gross external debt has been revised so as to bring it into line with the new methodology prescribed by the sixth edition of the Balance of Payments and International Investment Position Manual (BPM6) and the new sector classification of institutional units in line with ESA 2010. ^b 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 3, within Direct investment.

sector gross external debt is defined as the external debt liabilities of entities not covered by the definition of the public sector,

the servicing of which is not guaranteed by the public sector. Items are valued in the same manner as in Table H12.

	Gross external debt 31/8/2015	Immediate/ arrears	Projected future principal payments											
			Q3/15 ^c	Q4/13	Q1/16	Q2/16	2015 ^c	2016	2017	2018	2019	2020	2021	Other
Long-term	15,855.6	1,664.7	395.5	1,782.3	627.3	867.1	2,177.8	3,335.0	2,306.0	1,092.5	1,357.2	1,693.5	351.8	1,877.0
Currency and deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Debt securities	1,557.1	0.0	8.9	16.8	4.3	0.6	25.7	11.1	675.9	1.5	271.4	571.2	0.0	0.3
Loans	14,087.0	1,659.3	382.7	1,680.5	610.3	858.3	2,063.1	3,297.1	1,541.5	1,089.6	1,085.6	1,122.4	351.8	1,876.7
Trade credit and advances	211.5	5.5	3.9	85.0	12.7	8.2	89.0	26.8	88.6	1.4	0.2	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
5 Direct investment: intercompany lending	6,548.8	287.6	305.7	1,131.2	278.5	451.3	1,437.0	1,421.5	898.0	401.2	405.4	393.5	59.3	1,245.3
Debt liabilities of direct investment enterprises to direct investors	3,862.0	226.8	190.6	778.7	82.0	364.3	969.3	1,006.7	617.6	152.9	217.9	169.7	46.5	454.7
Debt liabilities of direct investors to direct investment enterprises	190.1	18.3	3.2	69.0	10.5	4.6	72.2	25.7	14.0	46.2	3.1	3.5	1.0	6.0
Debt liabilities to fellow enterprises	2,496.7	42.4	111.9	283.5	186.0	82.5	395.5	389.2	266.4	202.1	184.5	220.3	11.8	784.6
Gross external debt position	47,835.1	2,057.6	3,130.8	3,803.4	1,889.2	2,111.8	6,934.1	7,740.8	7,574.1	3,171.4	4,218.1	3,930.3	2,123.4	10,085.2
Memo item: Projected interest payments			32.6	192.7	257.6	320.4	225.3	1,164.0	1,037.1	872.9	782.3	650.2	369.7	1,241.2

^a As from CNB Bulletin No. 207, data on gross external debt have been compiled in accordance with the new methodology prescribed by the sixth edition of the Balance of Payments and International Investment Position Manual (BPM6) and the new sector classification of institutional units in line with ESA 2010. ^b Projected payments of gross external debt include projected payments of principal and accrued interest. ^c Projected payments for this quarter and year refer to the period from the date of the gross debt position to the end of the stated quarter or year.

Table H14 Gross external debt by domestic sectors and projected future payments • The table shows outstanding gross external debt, projected gross debt payments and estimated interest payments according to the CNB's midpoint exchange rate at the end of the period. The structure of sectors, original maturity and instruments shown in this table follows the structure presented in Table H12. Future interest payments of monetary financial institutions are estimated on the basis of the available monetary

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

Table H15 Gross external debt by other sectors^{a,b}
in million EUR

	2010 Dec.	2011 Dec.	2012 Dec.	2013 Dec.	2014 Dec.	2015			
						Mar.*	Jun.*	Jul.*	Aug.
4.1 Other public financial corporations except monetary financial institutions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Short-term	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
Debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trade credit and advances	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
Long-term	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
Debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trade credit and advances	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
4.2 Other private financial corporations except monetary financial institutions	4,682.6	4,095.1	3,797.6	3,441.8	3,143.5	2,915.8	2,943.5	3,000.8	2,953.2
Short-term	367.2	576.8	615.1	318.0	424.0	388.6	187.6	159.9	149.0
Currency and deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loans	367.2	576.8	615.1	318.0	424.0	388.6	187.6	159.9	149.0
Trade credit and advances	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
Long-term	4,315.4	3,518.4	3,182.5	3,123.8	2,719.5	2,527.2	2,755.9	2,840.9	2,804.3
Currency and deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loans	4,315.4	3,518.4	3,182.5	3,123.8	2,719.5	2,527.2	2,755.9	2,840.9	2,804.3
Trade credit and advances	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
4.3 Public non-financial corporations	3,262.6	2,914.6	2,444.3	1,958.0	1,819.7	1,841.2	1,842.9	1,829.3	1,794.5
Short-term	108.6	103.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Currency and deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loans	108.6	103.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trade credit and advances	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other debt liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term	3,154.1	2,810.9	2,444.3	1,958.0	1,819.7	1,841.2	1,842.9	1,829.3	1,794.5
Currency and deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Debt securities	356.2	347.4	701.9	646.0	681.3	721.8	702.4	695.8	687.2
Loans	2,526.5	2,348.7	1,623.9	1,274.9	1,118.0	1,106.2	1,133.2	1,126.8	1,101.5
Trade credit and advances	271.4	114.8	118.5	37.1	20.4	13.3	7.3	6.6	5.8
Other debt liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.4 Private non-financial corporations	10,303.5	10,495.8	10,862.4	10,875.1	11,137.7	11,529.5	11,466.6	11,488.3	11,455.0
Short-term	429.9	229.4	509.8	308.1	293.4	307.9	390.0	374.3	377.5
Currency and deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Debt securities	0.0	0.1	0.1	0.0	24.5	28.9	54.9	55.2	65.0
Loans	399.0	195.0	331.5	192.9	191.3	196.7	243.3	231.9	219.3
Trade credit and advances	30.9	34.2	178.1	115.2	77.7	82.3	91.8	87.2	93.2
Other debt liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term	9,873.6	10,266.5	10,352.6	10,567.0	10,844.3	11,221.6	11,076.6	11,114.0	11,077.5
Currency and deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Debt securities	323.4	430.7	1,293.1	1,277.6	856.0	881.6	884.4	870.2	869.9
Loans	9,528.8	9,814.7	9,044.0	9,153.1	9,865.3	10,170.6	10,014.1	10,036.5	10,001.8
Trade credit and advances	21.5	21.1	15.5	136.4	122.9	169.4	178.2	207.3	205.7

	2010 Dec.	2011 Dec.	2012 Dec.	2013 Dec.	2014 Dec.	2015			
						Mar.*	Jun.*	Jul.*	Aug.
Other debt liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.5 Households	211.9	213.0	206.7	176.0	162.4	161.2	158.0	156.6	155.8
Short-term	7.0	6.0	5.4	0.1	0.0	2.0	2.0	2.0	2.0
Currency and deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loans	7.0	6.0	5.4	0.1	0.0	2.0	2.0	2.0	2.0
Trade credit and advances	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
Long-term	205.0	207.1	201.3	175.9	162.4	159.2	156.0	154.6	153.8
Currency and deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loans	204.8	207.1	201.3	170.1	162.4	159.2	156.0	154.6	153.8
Trade credit and advances	0.1	0.0	0.0	5.8	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
4.6 Non-profit institutions serving households	2.6	4.8	9.4	5.3	19.4	22.7	25.6	25.6	25.6
Short-term	0.0	0.0	0.0	0.2	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
Debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loans	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0
Trade credit and advances	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other debt liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term	2.6	4.8	9.4	5.2	19.4	22.7	25.6	25.6	25.6
Currency and deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loans	2.6	4.8	9.4	5.2	19.4	22.7	25.6	25.6	25.6
Trade credit and advances	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
Gross external debt of other sectors	18,463.2	17,723.3	17,320.3	16,456.2	16,282.7	16,470.4	16,436.6	16,500.6	16,384.1
Memo items:									
1 Principal and interest arrears by sector	1,064.8	1,037.3	1,290.7	1,517.9	1,655.3	1,766.3	1,777.2	1,761.5	1,758.7
Other public financial corporations except monetary financial institutions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other private financial corporations except monetary financial institutions	16.3	9.3	33.1	33.4	35.6	35.4	36.0	35.4	35.3
Public non-financial corporations	72.2	75.7	40.1	0.1	0.1	0.1	0.1	0.1	0.1
Private non-financial corporations	976.4	952.3	1,217.5	1,484.4	1,619.6	1,730.8	1,741.0	1,726.1	1,723.3
Households	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-profit institutions serving households	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2 Quasi-direct investment – included in item 4.2 Other private financial corporations except monetary financial institutions^c	1,665.5	1,487.9	1,418.7	1,490.8	1,534.3	1,555.6	1,551.5	1,540.4	1,541.4

^a As from CNB Bulletin No. 207, the entire series of data on gross external debt has been revised so as to bring it into line with the new methodology prescribed by the sixth edition of the Balance of Payments and International Investment Position Manual (BPM6) and the new sector classification of institutional units in line with ESA 2010. ^b In the entire series of data, the CBRD is reclassified from the subsector other public financial corporations except monetary financial institutions to the sector central government. ^c Quasi-direct investment: Debt of residents in the other financial intermediaries sector to non-residents in the same sector with which they have a direct ownership relationship, but their debt relations under the current methodology are not part of the debt within direct investment but within other sectors.

Table H15 Gross external debt by other sectors • Gross external debt of other sectors shows the external debt of all financial corporations except monetary financial institutions (including the Croatian Bank for Reconstruction and Development), public non-financial corporations, private non-financial

corporations, non-profit institutions serving households and households, including employers and self-employed persons. Each sector data are further shown by contractual (short-term or long-term) maturity and by debt instrument.

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

in million EUR

	2010	2011	2012	2013	2014	2014				2015	
						Q1	Q2	Q3	Q4	Q1	Q2 ^d
1 International investment position (net)	-42,466.5	-40,723.0	-39,601.0	-38,485.7	-38,097.4	-39,553.7	-40,097.0	-38,035.1	-38,097.4	-38,652.2	-39,001.1
2 Assets	23,826.0	23,577.5	23,580.1	24,632.6	27,925.9	24,257.4	25,947.7	28,496.0	27,925.9	30,446.1	30,228.8
2.1 Direct investment	3,663.9	3,680.0	3,511.1	3,283.5	4,639.7	3,123.6	4,894.4	5,042.8	4,639.7	4,807.0	4,828.4
2.2 Portfolio investment	3,659.1	2,988.1	3,367.2	3,477.7	3,906.6	3,367.1	3,512.8	3,749.7	3,906.6	4,174.4	3,986.2
2.2.1 Equity and investment fund shares	1,351.9	1,307.2	1,503.2	1,724.1	1,853.6	1,559.4	1,750.5	1,812.2	1,853.6	2,091.0	2,066.1
2.2.2 Debt securities	2,307.2	1,680.9	1,864.1	1,753.7	2,053.0	1,807.7	1,762.3	1,937.5	2,053.0	2,083.5	1,920.0
2.2.2.1 Long-term	1,431.0	1,074.3	1,365.7	1,185.1	1,771.7	1,215.5	1,170.1	1,595.2	1,771.7	1,848.5	1,722.0
2.2.2.2 Short-term	876.2	606.6	498.3	568.6	281.3	592.2	592.2	342.2	281.3	234.9	198.0
2.3 Financial derivatives	14.2	204.5	145.8	16.7	474.5	12.4	37.1	370.2	474.5	1,731.0	1,527.6
2.4 Other investment	5,828.6	5,510.0	5,320.1	4,947.3	6,217.4	5,654.2	5,168.7	7,217.8	6,217.4	5,575.9	6,153.2
2.4.1 Other equity	1.8	2.4	3.1	32.2	58.9	32.2	32.6	32.4	58.9	56.9	57.4
2.4.2 Currency and deposits	5,304.5	4,989.5	4,616.4	4,182.3	5,309.9	4,927.8	4,426.1	6,265.1	5,309.9	4,643.7	5,090.5
2.4.3 Loans	430.8	420.8	531.3	626.1	752.2	594.8	582.6	787.6	752.2	772.8	866.7
2.4.4 Trade credit and advances	80.5	85.7	142.0	80.8	74.5	84.6	82.9	76.4	74.5	82.5	81.7
2.4.5 Other accounts receivable	11.0	11.5	27.3	25.8	21.8	14.8	44.5	56.4	21.8	20.0	56.9
2.5 Reserve assets	10,660.2	11,194.8	11,235.9	12,907.4	12,687.7	12,100.0	12,334.7	12,115.6	12,687.7	14,157.7	13,733.6
3 Liabilities	66,292.5	64,300.5	63,181.1	63,118.4	66,023.3	63,811.1	66,044.7	66,531.1	66,023.3	69,098.3	69,230.0
3.1 Direct investment	24,587.9	22,173.8	22,451.5	21,924.3	24,843.0	21,868.6	24,593.9	25,097.3	24,843.0	25,603.4	26,157.2
3.2 Portfolio investment	7,144.2	7,237.1	9,151.6	10,681.4	11,374.3	10,687.0	10,860.2	11,080.4	11,374.3	12,683.0	12,594.1
3.2.1 Equity and investment fund shares	738.0	595.7	461.7	479.2	637.2	488.6	601.0	660.7	637.2	657.9	652.4
3.2.2 Debt securities	6,406.1	6,641.4	8,689.9	10,202.2	10,737.0	10,198.3	10,259.2	10,419.7	10,737.0	12,025.1	11,941.6
3.2.2.1 Long-term	5,937.8	6,483.4	8,572.5	10,132.6	10,628.9	10,023.2	10,096.9	10,395.1	10,628.9	11,959.6	11,862.6
3.2.2.2 Short-term	468.3	158.1	117.3	69.6	108.1	175.1	162.3	24.6	108.1	65.5	79.0
3.3 Financial derivatives	194.6	151.3	356.9	455.0	259.4	516.8	473.9	301.9	259.4	328.1	225.4
3.4 Other investment	34,365.8	34,738.3	31,221.1	30,057.7	29,546.7	30,738.7	30,116.7	30,051.4	29,546.7	30,483.8	30,253.3
3.4.1 Other equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3.4.2 Currency and deposits	6,795.2	7,699.0	5,731.3	5,668.4	5,242.8	5,987.7	5,560.5	5,011.3	5,242.8	5,567.2	5,483.9
3.4.3 Loans	26,865.0	26,372.5	24,766.6	23,730.0	23,692.7	24,099.4	23,894.1	24,384.1	23,692.7	24,231.0	24,071.0
3.4.4 Trade credit and advances	323.8	170.1	312.2	294.5	221.0	284.5	281.5	271.1	221.0	269.8	283.1
3.4.5 Other accounts payable	25.6	136.6	60.0	26.9	29.0	26.0	36.3	30.4	29.0	30.1	31.2
3.4.6 Special drawing rights	356.1	360.0	351.0	338.0	361.3	341.1	344.3	354.5	361.3	385.7	384.1

^a As from CNB Bulletin No. 207, data have been compiled in accordance with the new methodology prescribed by the sixth edition of the Balance of Payments and International Investment Position Manual (BPM6) and the new sector classification of institutional units in line with ESA 2010. ^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), December 2010 (EUR -618.6m) and June 2014 (EUR 1,485.8m). ^c The Croatian Bank for Reconstruction and Development is reclassified from Other sectors to sector General government. ^d Preliminary data.

Table H16 International investment position • Data sources include: reports from banks, enterprises, the Croatian National Bank, and the Zagreb Stock Exchange (ZSE).

Data on international investments of the Republic of Croatia and international investments into the Republic of Croatia are recorded in euros (EUR) and US dollars (USD). The conversion of values from the original currencies into the reporting currencies is performed by applying the midpoint exchange rate of the Croatian National Bank on the reporting date to balances.

Data on foreign direct and portfolio equity investment are compiled on the basis of market prices, whenever available. Market prices on the last day of the reporting period taken from the Zagreb Stock Exchange are used in the part related to investment in the Republic of Croatia, while in the part related to investment abroad, the reporting 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).

The sector classification of the portfolio and other investment involves the sector classification of residents according to ESA 2010 and SNA 2008 and is fully harmonised with the sector classification of the gross external debt by domestic sectors and the balance of payments. The general government sector includes central government, social security funds and local government. The sector of the central bank includes the Croatian National Bank. The sector of other monetary financial institutions comprises credit institutions and money market funds. Other domestic sectors comprise all financial institutions and intermediaries except the central bank and other monetary financial institutions (including the Croatian Bank for Reconstruction and Development), private and public non-financial corporations, non-profit institutions and households, including craftsmen.

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, credit institutions and investment firms providing securities custody services, particularly in the part Assets of other sectors.

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

Within other investment, BPM6 defines a position of Other equity investment, which implies equity investments that do not meet the criteria for direct investment, portfolio investment or international reserve assets. This position also includes shares in ownership of international organisations.

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

International Settlements 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 credit institutions.

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 – 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 – Other equity investment comprises equity investment that is not in the form of securities. It comprises equity investment in quasi-corporations, international organisations etc.

Item Other investment – Other claims and liabilities includes other claims and liabilities not included in trade credits and other financial instruments.

Position Other investment – Special drawing rights on the liability side shows the balance of allocated special drawing rights. The balance of this position was increased on the basis of the general allocation of August 2009, when the Republic of Croatia was allocated SDR 270,652,208, and a special allocation in September of the same year, when it was allocated another SDR 32,848,735.

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,b}
in million EUR

	2010	2011	2012	2013	2014	2014				2015	
						Q1	Q2	Q3	Q4	Q1	Q2 ^c
Direct investment (net)	-20,924.0	-18,493.8	-18,940.4	-18,640.8	-20,203.3	-18,744.9	-19,699.5	-20,054.6	-20,203.3	-20,796.3	-21,328.9
1 Assets	3,663.9	3,680.0	3,511.1	3,283.5	4,639.7	3,123.6	4,894.4	5,042.8	4,639.7	4,807.0	4,828.4
1.1 Equity and investment fund shares	2,986.9	2,987.8	2,884.0	2,692.4	3,833.4	2,519.3	4,039.4	4,173.4	3,833.4	4,005.0	4,003.4
1.1.1 In direct investment enterprises	2,986.9	2,987.8	2,884.0	2,692.4	3,833.4	2,519.3	4,039.4	4,173.4	3,833.4	4,005.0	4,003.4
1.1.2 In direct investor (reverse investment)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.1.3 Between fellow enterprises	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.2 Debt instruments	677.0	692.2	627.1	591.1	806.3	604.4	855.0	869.4	806.3	802.0	825.0
1.2.1 In direct investment enterprises	608.7	641.5	572.1	521.8	558.9	398.0	604.5	621.1	558.9	563.0	580.2
1.2.2 In direct investor (reverse investment)	68.3	50.7	55.0	69.3	108.7	76.0	103.6	117.5	108.7	85.8	83.0
1.2.3 Between fellow enterprises	0.0	0.0	0.0	0.0	138.7	130.4	146.9	130.7	138.7	153.2	161.8
2 Liabilities	24,587.9	22,173.8	22,451.5	21,924.3	24,843.0	21,868.6	24,593.9	25,097.3	24,843.0	25,603.4	26,157.2
2.1 Equity and investment fund shares	18,451.5	17,156.4	17,065.2	16,225.7	18,462.9	16,014.3	18,579.6	19,056.7	18,462.9	18,946.3	19,439.1
2.1.1 In direct investment enterprises	18,451.5	17,156.4	17,065.2	16,225.7	18,462.9	16,014.3	18,579.6	19,056.7	18,462.9	18,946.3	19,439.1
2.1.2 In direct investor (reverse investment)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.1.3 Between fellow enterprises	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.2 Debt instruments	6,136.5	5,017.4	5,386.2	5,698.5	6,380.1	5,854.2	6,014.3	6,040.6	6,380.1	6,657.1	6,718.1
2.2.1 In direct investment enterprises	4,131.0	4,143.1	4,082.4	3,521.6	3,781.1	3,640.1	3,742.1	3,765.1	3,781.1	3,813.3	3,958.6
2.2.2 In direct investor (reverse investment)	366.7	175.5	164.5	159.5	250.5	178.8	239.1	226.0	250.5	272.2	182.1
2.2.3 Between fellow enterprises	1,638.7	698.9	1,139.4	2,017.4	2,348.4	2,035.3	2,033.1	2,049.6	2,348.4	2,571.6	2,577.4

^a As from CNB Bulletin No. 207, data have been compiled in accordance with the new methodology prescribed by the sixth edition of the Balance of Payments and International Investment Position Manual (BPM6) and the new sector classification of institutional units in line with ESA 2010. ^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), December 2010 (EUR -618.6m) and June 2014 (EUR 1,485.8m). ^c Preliminary data.

Table H18 International investment position – portfolio investment^{a,b}
in million EUR

	2010	2011	2012	2013	2014	2014				2015	
						Q1	Q2	Q3	Q4	Q1	Q2 ^c
Portfolio investment (net)	-3,485.1	-4,249.0	-5,784.3	-7,203.7	-7,467.7	-7,319.9	-7,347.4	-7,330.8	-7,467.7	-8,508.6	-8,608.8
1 Assets	3,659.1	2,988.1	3,367.2	3,477.7	3,906.6	3,367.1	3,512.8	3,749.7	3,906.6	4,174.4	3,985.2
1.1 Equity and investment fund shares	1,351.9	1,307.2	1,503.2	1,724.1	1,853.6	1,559.4	1,750.5	1,812.2	1,853.6	2,091.0	2,065.2
1.1.1 Other monetary financial institutions	9.2	13.7	10.6	19.2	16.5	17.6	16.6	17.1	16.5	13.5	16.5
1.1.2 Other sectors	1,342.6	1,293.5	1,492.6	1,704.9	1,837.1	1,541.8	1,733.9	1,795.1	1,837.1	2,077.5	2,048.7
1.2 Debt securities	2,307.2	1,680.9	1,864.1	1,753.7	2,053.0	1,807.7	1,762.3	1,937.5	2,053.0	2,083.5	1,920.0
2 Liabilities	7,144.2	7,237.1	9,151.6	10,681.4	11,374.3	10,687.0	10,860.2	11,080.4	11,374.3	12,683.0	12,594.1
2.1 Equity and investment fund shares	738.0	595.7	461.7	479.2	637.2	488.6	601.0	660.7	637.2	657.9	652.4
2.1.1 Other monetary financial institutions	175.9	166.7	154.2	141.3	163.6	141.6	141.8	151.3	163.6	185.0	171.7
2.1.2 Other sectors	562.1	428.9	307.5	337.9	473.7	347.0	459.2	509.4	473.7	472.9	480.7
2.2 Debt securities	6,406.1	6,641.4	8,689.9	10,202.2	10,737.0	10,198.3	10,259.2	10,419.7	10,737.0	12,025.1	11,941.6
2.2.1 Long-term	5,937.8	6,483.4	8,572.5	10,132.6	10,628.9	10,023.2	10,096.9	10,395.1	10,628.9	11,959.6	11,862.6
2.2.1.1 General government	5,249.4	5,703.4	6,568.6	8,205.3	9,089.1	8,039.8	8,602.5	8,877.7	9,089.1	10,353.6	10,273.1
2.2.1.2 Other monetary financial institutions	8.9	1.9	8.9	3.8	2.5	3.7	3.6	2.6	2.5	2.7	2.7
2.2.1.3 Other sectors	679.5	778.1	1,995.0	1,923.6	1,537.4	1,979.8	1,490.8	1,514.9	1,537.4	1,603.4	1,586.8
2.2.2 Short-term	468.3	158.1	117.3	69.6	108.1	175.1	162.3	24.6	108.1	65.5	79.0
2.2.2.1 General government	468.3	157.9	117.2	69.6	83.6	175.1	162.3	24.6	83.6	36.6	24.1
2.2.2.2 Other sectors	0.0	0.1	0.1	0.0	24.5	0.0	0.0	0.0	24.5	28.9	54.9

^a As from CNB Bulletin No. 207, data have been compiled in accordance with the new methodology prescribed by the sixth edition of the Balance of Payments and International Investment Position Manual (BPM6) and the new sector classification of institutional units in line with ESA 2010. ^b The Croatian Bank for Reconstruction and Development is reclassified from Other sectors to sector General government. ^c Preliminary data.

Table H19 International investment position – other investment^{a,b}

in million EUR

	2010	2011	2012	2013	2014	2014				2015	
						Q1	Q2	Q3	Q4	Q1	Q2 ^c
Other investment (net)	-28,537.2	-29,228.3	-25,901.0	-25,110.4	-23,329.3	-25,084.5	-24,948.0	-22,833.6	-23,329.3	-24,907.9	-24,100.2
1 Assets	5,828.6	5,510.0	5,320.1	4,947.3	6,217.4	5,654.2	5,168.7	7,217.8	6,217.4	5,575.9	6,153.2
1.1 Other equity	1.8	2.4	3.1	32.2	58.9	32.2	32.6	32.4	58.9	56.9	57.4
1.2 Currency and deposits	5,304.5	4,989.5	4,616.4	4,182.3	5,309.9	4,927.8	4,426.1	6,265.1	5,309.9	4,643.7	5,090.5
1.2.1 General government	0.0	0.0	0.0	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.4
1.2.2 Other monetary financial institutions	4,058.2	3,559.7	3,108.4	2,888.7	3,563.3	3,108.1	3,101.2	4,660.4	3,563.3	2,999.1	3,483.7
1.2.3 Other sectors	1,246.3	1,429.8	1,508.0	1,293.2	1,746.3	1,819.4	1,324.6	1,604.4	1,746.3	1,644.4	1,606.3
1.3 Loans	430.8	420.8	531.3	626.1	752.2	594.8	582.6	787.6	752.2	772.8	866.7
1.3.1 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
1.3.1.1 Long-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.3.2 General government	0.0	0.0	0.0	0.0	14.8	18.2	16.6	16.5	14.8	14.3	12.9
1.3.2.1 Long-term	0.0	0.0	0.0	0.0	14.8	18.2	16.6	16.5	14.8	14.3	12.9
1.3.3 Other monetary financial institutions	291.8	276.2	355.8	369.0	432.7	348.3	338.3	533.5	432.7	428.1	448.2
1.3.3.1 Long-term	257.2	266.6	238.9	299.5	280.8	298.5	288.2	271.7	280.8	286.2	303.8
1.3.3.2 Short-term	34.6	9.6	117.0	69.5	151.9	49.8	50.1	261.8	151.9	141.9	144.5
1.3.4 Other sectors	139.0	144.6	175.5	257.1	304.7	228.3	227.8	237.6	304.7	330.4	405.6
1.3.4.1 Long-term	101.3	140.0	154.5	237.9	293.8	219.5	216.0	225.4	293.8	322.5	391.8
1.3.4.2 Short-term	37.7	4.6	21.0	19.2	10.9	8.8	11.7	12.2	10.9	7.8	13.9
1.4 Trade credit and advances	80.5	85.7	142.0	80.8	74.5	84.6	82.9	76.4	74.5	82.5	81.7
1.4.1 General government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.4.1.1 Long-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.4.2 Other sectors	80.5	85.7	142.0	80.8	74.5	84.6	82.9	76.4	74.5	82.5	81.7
1.4.2.1 Long-term	61.4	58.3	57.6	53.2	52.0	54.1	54.1	52.5	52.0	59.7	58.7
1.4.2.2 Short-term	19.2	27.4	84.3	27.6	22.6	30.5	28.8	23.9	22.6	22.8	23.0
1.5 Other accounts receivable	11.0	11.5	27.3	25.8	21.8	14.8	44.5	56.4	21.8	20.0	56.9
2 Liabilities	34,365.8	34,738.3	31,221.1	30,057.7	29,546.7	30,738.7	30,116.7	30,051.4	29,546.7	30,483.8	30,253.3
2.1 Other equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.2 Currency and deposits	6,795.2	7,699.0	5,731.3	5,668.4	5,242.8	5,987.7	5,560.5	5,011.3	5,242.8	5,567.2	5,483.9
2.2.1 Croatian National Bank	1.2	0.1	0.0	83.5	83.6	101.6	24.6	40.9	83.6	139.7	51.9
2.2.2 Other monetary financial institutions	6,794.1	7,699.0	5,731.3	5,584.9	5,159.2	5,886.0	5,535.9	4,970.4	5,159.2	5,427.6	5,432.1
2.2.3 Other sectors	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.3 Loans	26,865.0	26,372.5	24,766.6	23,730.0	23,692.7	24,099.4	23,894.1	24,384.1	23,692.7	24,231.0	24,071.0
2.3.1 Croatian National Bank	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	674.2	840.3
2.3.1.1 Long-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.3.2 General government	5,021.3	5,227.2	5,668.1	5,950.5	6,223.4	5,864.8	5,543.9	6,284.1	6,223.4	6,281.9	6,032.6
2.3.2.1 Long-term	5,021.3	5,227.2	5,667.2	5,750.5	6,223.2	5,864.8	5,543.9	6,284.1	6,223.2	6,281.9	6,032.6
2.3.2.2 Short-term	0.0	0.0	0.9	200.0	0.2	0.0	0.0	0.0	0.2	0.0	0.0
2.3.3 Other monetary financial institutions	4,383.8	4,370.4	4,085.5	3,541.3	2,969.4	3,445.6	3,335.0	3,130.2	2,969.4	2,752.2	2,685.1
2.3.3.1 Long-term	3,436.0	3,844.4	3,568.8	2,984.0	2,558.7	2,971.4	2,890.9	2,787.8	2,558.7	2,351.0	2,349.2
2.3.3.2 Short-term	947.8	526.0	516.8	557.3	410.7	474.2	444.0	342.3	410.7	401.2	335.9
2.3.4 Other sectors	17,459.9	16,775.0	15,012.9	14,238.2	14,499.9	14,789.0	15,015.2	14,969.9	14,499.9	14,522.7	14,512.9
2.3.4.1 Long-term	16,578.2	15,893.6	14,061.0	13,727.0	13,884.7	14,127.2	14,318.2	14,214.2	13,884.7	13,936.3	14,070.9
2.3.4.2 Short-term	881.7	881.4	952.0	511.1	615.2	661.8	697.0	755.6	615.2	586.4	442.0
2.4 Trade credit and advances	323.8	170.1	312.2	294.5	221.0	284.5	281.5	271.1	221.0	269.8	283.1
2.4.1 General government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.4.1.1 Long-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.4.1.2 Short-term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.4.2 Other sectors	323.8	170.1	312.2	294.5	221.0	284.5	281.5	271.1	221.0	269.8	283.1
2.4.2.1 Long-term	293.0	135.9	134.1	179.3	143.3	169.3	172.6	169.9	143.3	187.5	195.9
2.4.2.2 Short-term	30.9	34.2	178.1	115.2	77.7	115.2	108.9	101.2	77.7	82.3	87.2
2.5 Other accounts payable	25.6	136.6	60.0	26.9	29.0	26.0	36.3	30.4	29.0	30.1	31.2
2.6 Special drawing rights	356.1	360.0	351.0	338.0	361.3	341.1	344.3	354.5	361.3	385.7	384.1

^a As from CNB Bulletin No. 207, data have been compiled in accordance with the new methodology prescribed by the sixth edition of the Balance of Payments and International Investment Position Manual (BPM6) and the new sector classification of institutional units in line with ESA 2010. ^b The Croatian Bank for Reconstruction and Development is reclassified from Other sectors to sector General government. ^c Preliminary data.

I Government finance – selected data

Table I1 Consolidated central government according to the government level^a

in million HRK

	2010	2011	2012	2013	2014	2015				
						Mar.	Jun.	Jul.	Aug.	Sep.
1 REVENUE (A+B)	110,831.6	110,406.1	112,883.5	112,051.1	118,066.9	10,002.1	11,077.4	11,587.0	11,191.1	11,144.3
A) Budgetary central government	107,457.6	107,067.2	109,558.4	108,581.8	114,015.6	8,091.8	8,993.0	9,131.4	9,129.4	8,983.0
B) Extrabudgetary users	3,374.0	3,338.9	3,325.0	3,469.4	4,051.3	1,910.3	2,084.4	2,455.6	2,061.7	2,161.4
1 Croatian Pension Insurance Administration	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2 Croatian Institute for Health Insurance	0.0	0.0	0.0	0.0	0.0	1,580.1	1,681.0	1,921.6	1,686.1	1,774.0
3 Croatian Employment Service	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4 Croatian Waters	1,690.7	1,594.3	1,580.2	1,715.2	1,992.4	174.5	206.1	205.3	195.6	221.1
5 Fund for Environmental Protection and Energy Efficiency	1,040.7	1,091.3	1,056.7	1,039.1	1,168.7	138.6	122.2	157.8	157.1	129.8
6 Croatian Motorways Ltd.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
7 Croatian Roads Ltd.	86.2	57.5	55.4	51.5	54.0	4.0	3.5	3.7	7.3	7.1
8 State Agency for Deposit Insurance and Bank Resolution	529.6	552.8	576.1	597.2	749.3	11.9	59.0	138.8	12.0	12.2
9 Centre for Restructuring and Sale ^b	26.7	43.0	56.7	66.4	87.0	1.1	12.7	28.4	3.6	17.1
2 EXPENSE (A+B)	122,584.0	122,427.7	120,930.5	126,410.2	127,920.4	11,156.6	11,833.4	11,932.4	9,289.7	10,822.0
A) Budgetary central government	118,312.3	118,224.1	117,051.0	121,822.3	123,671.9	9,152.7	10,265.6	9,867.2	7,592.4	8,826.2
B) Extrabudgetary users	4,271.7	4,203.6	3,879.5	4,587.9	4,248.5	2,003.9	1,567.7	2,065.2	1,697.3	1,995.8
1 Croatian Pension Insurance Administration	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2 Croatian Institute for Health Insurance	0.0	0.0	0.0	0.0	0.0	1,696.2	1,210.8	1,687.0	1,271.4	1,606.5
3 Croatian Employment Service	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4 Croatian Waters	1,771.2	1,458.2	1,455.5	1,512.7	1,525.9	136.4	171.5	158.5	144.6	185.9
5 Fund for Environmental Protection and Energy Efficiency	1,003.6	914.8	959.7	882.8	1,129.8	82.5	117.3	121.1	133.9	139.2
6 Croatian Motorways Ltd.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
7 Croatian Roads Ltd.	1,405.9	1,320.9	1,277.0	1,478.1	1,329.6	82.0	53.0	95.2	132.9	58.3
8 State Agency for Deposit Insurance and Bank Resolution	17.0	408.9	89.5	538.3	174.7	1.1	2.6	1.7	0.6	1.5
9 Centre for Restructuring and Sale ^b	74.0	100.8	97.8	176.1	88.5	5.7	12.6	1.5	13.9	4.3
NET/GROSS OPERATING BALANCE (1–2)	-11,752.5	-12,021.6	-8,047.0	-14,359.0	-9,853.5	-1,154.5	-756.0	-345.4	1,901.3	322.3
3 CHANGE IN NET WORTH: TRANSACTIONS (3.1+3.2–3.3)	-11,752.5	-12,021.6	-8,047.0	-14,359.0	-9,853.5	-1,154.5	-756.0	-345.4	1,901.3	322.3
3.1 CHANGE IN NET ACQUISITION OF NON-FINANCIAL ASSETS	2,679.3	3,372.5	3,133.1	3,653.6	3,215.1	247.9	419.3	442.0	367.3	369.5
Acquisition	3,005.8	3,751.9	3,442.3	3,941.9	3,908.4	275.5	493.3	476.7	394.5	444.4
A) Budgetary central government	1,550.7	1,486.0	1,108.0	1,564.0	1,857.0	134.9	280.2	294.7	201.7	244.3
B) Extrabudgetary users	1,455.1	2,265.9	2,334.3	2,377.9	2,051.4	140.6	213.1	181.9	192.8	200.1
Disposals	326.5	379.4	309.2	288.3	693.4	27.7	74.0	34.7	27.3	74.9
A) Budgetary central government	318.3	347.0	278.4	259.5	689.7	27.6	73.9	34.4	26.8	74.8
B) Extrabudgetary users	8.2	32.4	30.8	28.8	3.6	0.1	0.1	0.2	0.5	0.1
NET LENDING/BORROWING (1–2–3.1)	-14,431.8	-15,394.1	-11,180.1	-18,012.6	-13,068.6	-1,402.3	-1,175.3	-787.4	1,534.1	-47.2
TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES (FINANCING) (3.3–3.2)	14,431.8	15,394.1	11,180.1	18,012.6	13,068.6	1,402.3	1,175.3	787.4	-1,534.1	47.2
3.2 CHANGE IN NET ACQUISITION OF FINANCIAL ASSETS	2,816.6	-353.9	-165.7	14,146.1	-2,724.8	6,649.8	-3,334.9	5,744.0	1,365.8	-4,422.3
3.2.1 Domestic	2,816.2	-359.2	-172.2	13,940.9	-2,930.8	6,642.6	-3,334.9	5,744.0	1,365.8	-4,422.3
A) Budgetary central government	1,942.7	-818.0	-651.4	13,792.7	-3,998.8	6,869.2	-3,666.0	5,422.3	1,450.1	-4,479.4
B) Extrabudgetary users	873.5	458.8	479.2	148.2	1,068.0	-226.5	331.1	321.7	-84.3	57.0
3.2.2 Foreign	0.0	0.0	0.0	204.3	206.0	7.2	0.0	0.0	0.0	0.0
A) Budgetary central government	0.4	5.3	6.5	205.2	206.0	1.2	0.0	0.0	0.0	0.0
B) Extrabudgetary users	0.4	5.3	6.5	1.0	0.0	6.0	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	17,248.4	15,040.2	11,014.4	32,158.7	10,343.8	8,052.2	-2,159.5	6,531.4	-168.3	-4,375.2

	2010	2011	2012	2013	2014	2015				
						Mar.	Jun.	Jul.	Aug.	Sep.
3.3.1 Domestic	12,892.5	6,448.4	2,958.3	10,585.8	5,868.2	-3,892.0	-2,113.2	6,523.3	-177.3	-3,201.4
A) Budgetary central government	11,835.1	4,793.1	1,414.0	8,904.9	4,822.2	-3,718.3	-2,501.8	6,494.9	-169.5	-3,102.1
B) Extrabudgetary users	1,057.4	1,655.3	1,544.3	1,680.8	1,046.0	-173.8	388.6	28.4	-7.8	-99.3
3.3.2 Foreign	4,355.9	8,591.8	8,056.0	21,573.0	4,475.6	11,944.2	-46.3	8.1	9.0	-1,173.8
A) Budgetary central government	4,277.0	8,597.2	8,125.2	21,534.8	4,524.1	11,950.5	-17.3	8.1	9.6	-1,167.4
B) Extrabudgetary users	79.0	-5.4	-69.2	38.2	-48.6	-6.3	-29.1	0.0	-0.7	-6.3

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

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

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

Source: MoF.

Table I2 Budgetary central government operations^a

in million HRK

	2010	2011	2012	2013	2014	2015				
						Mar.	Jun.	Jul.	Aug.	Sep.
1 REVENUE	107,466.4	107,069.7	109,558.9	108,585.0	114,044.5	8,451.8	9,683.6	9,484.6	9,587.6	9,451.2
1.1 Taxes	62,856.6	61,422.2	64,693.9	63,044.9	63,349.9	5,259.8	5,713.6	6,067.2	6,510.1	6,523.3
1.2 Social contributions	38,712.4	38,605.1	37,845.9	37,149.3	41,701.5	1,717.4	1,855.9	1,863.7	1,835.2	1,835.0
1.3 Grants	637.1	869.0	968.4	1,737.8	2,268.0	503.3	1,633.2	550.7	658.5	659.7
1.4 Other revenue	5,260.3	6,173.4	6,050.8	6,653.0	6,725.1	971.4	480.8	1,003.0	583.8	433.2
2 EXPENSE	120,323.3	119,939.5	118,730.0	123,505.9	125,689.5	9,518.2	10,682.3	10,265.4	7,782.7	9,482.5
2.1 Compensation of employees	31,096.5	31,737.4	31,383.2	30,461.8	30,032.0	2,075.3	2,083.2	2,246.7	2,073.2	2,104.0
2.2 Use of goods and services	7,655.7	7,943.6	7,406.3	7,537.4	7,186.0	779.0	1,015.5	937.2	690.9	720.0
2.3 Consumption of fixed capital	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.4 Interest	6,236.5	7,097.6	8,335.7	9,259.2	9,911.1	1,062.6	711.4	1,816.9	174.7	1,025.3
2.5 Subsidies	6,582.2	6,555.3	5,782.3	5,537.8	5,174.5	366.5	1,643.9	166.4	170.1	217.2
2.6 Grants	5,778.6	5,083.7	4,843.8	6,511.7	8,535.4	941.6	923.8	883.3	666.4	1,222.8
2.7 Social benefits	56,906.6	56,483.0	56,169.9	58,943.4	59,393.1	3,766.4	3,737.7	3,767.5	3,687.7	3,739.8
2.8 Other expense	6,067.3	5,039.1	4,828.9	5,254.6	5,457.4	526.9	566.8	447.4	319.9	453.4
3 CHANGE IN NET WORTH: TRANSACTIONS	-12,857.0	-12,869.8	-9,171.1	-14,920.8	-11,645.0	-1,066.4	-998.7	-780.9	1,804.8	-31.3
3.1 Change in net acquisition of non-financial assets	1,232.4	1,139.0	829.6	1,304.5	1,167.3	107.3	206.3	260.3	174.9	169.5
3.1.1 Fixed assets	1,200.4	1,118.7	772.2	1,036.6	1,069.4	108.7	244.0	235.1	164.5	197.4
3.1.2 Inventories	11.0	2.5	29.3	225.5	-0.4	-3.6	-36.6	5.0	4.3	-27.9
3.1.3 Valuables	6.1	3.7	3.5	1.3	0.8	0.0	-0.2	0.0	0.0	0.0
3.1.4 Non-produced assets	14.9	14.0	24.7	41.1	97.4	2.3	-0.9	20.1	6.1	0.0
3.2 Change in net acquisition of financial assets	2,022.7	-618.4	-461.5	14,214.4	-3,466.0	7,058.5	-3,724.0	5,461.8	1,470.1	-4,470.2
3.2.1 Domestic	2,022.3	-623.8	-468.0	14,009.2	-3,672.0	7,057.3	-3,724.0	5,461.8	1,470.1	-4,470.2
3.2.2 Foreign	0.4	5.3	6.5	205.2	206.0	1.2	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	16,112.0	13,390.4	9,539.2	30,439.8	9,346.3	8,232.2	-2,519.0	6,502.9	-159.9	-4,269.5
3.3.1 Domestic	11,835.1	4,793.1	1,414.0	8,904.9	4,822.2	-3,718.3	-2,501.8	6,494.9	-169.5	-3,102.1
3.3.2 Foreign	4,277.0	8,597.2	8,125.2	21,534.8	4,524.1	11,950.5	-17.3	8.1	9.6	-1,167.4

^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 General government debt^a
end of period, in million HRK

	2010 Dec.	2011 Dec.*	2012 Dec.*	2013 Dec.*	2014 Dec.*	2015			
						Mar.*	Jun.*	Jul.*	Aug.
1 Domestic debt of general government	106,546.8	127,451.1	136,590.3	156,250.0	165,714.9	167,326.8	164,033.4	170,713.4	171,145.9
1.1 Domestic debt of central government	102,973.8	123,766.9	132,982.2	151,670.6	160,735.6	162,494.7	159,426.4	166,178.1	166,566.5
Short-term debt securities	17,198.1	19,308.5	18,259.6	22,838.9	24,235.4	22,144.4	22,066.0	21,447.9	21,562.5
Long-term debt securities	49,323.8	56,256.2	63,539.7	72,884.6	83,754.5	87,128.6	85,785.3	89,586.2	90,318.5
Loans	36,451.9	48,202.2	51,182.9	55,947.2	52,745.7	53,221.7	51,575.0	55,144.1	54,685.5
1.2 Domestic debt of social security funds	1.0	2.3	1.6	0.9	3.5	2.8	2.5	2.4	2.3
Short-term debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loans	1.0	2.3	1.6	0.9	3.5	2.8	2.5	2.4	2.3
1.3 Domestic debt of local government	3,756.9	3,854.3	3,768.0	4,761.2	5,174.5	5,031.7	4,818.2	4,753.7	4,803.0
Short-term debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term debt securities	384.9	260.2	209.1	151.7	74.8	57.3	53.9	67.4	67.2
Loans	3,372.0	3,594.1	3,559.0	4,609.5	5,099.7	4,974.5	4,764.2	4,686.3	4,735.7
2 External debt of general government	80,378.5	84,446.8	92,199.5	109,883.6	113,858.9	121,150.9	118,965.7	118,392.4	116,127.7
2.1 External debt of central government	79,721.8	83,882.3	91,686.8	109,400.2	113,377.9	120,672.0	118,490.8	117,950.0	115,688.0
Short-term debt securities	3,520.5	1,205.3	895.1	539.8	642.5	281.7	183.5	191.6	58.0
Long-term debt securities	37,427.1	40,627.9	47,486.5	62,695.6	64,692.2	71,903.9	71,921.0	71,484.0	69,698.9
Loans	38,774.2	42,049.0	43,305.2	46,164.8	48,043.2	48,486.4	46,386.3	46,274.4	45,931.1
2.2 External debt of social security funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Short-term debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.3 External debt of local government	656.7	564.6	512.7	483.4	481.0	478.9	474.9	442.5	439.7
Short-term debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term debt securities	165.8	133.6	132.5	132.7	130.4	128.7	127.7	95.7	95.1
Loans	490.9	431.0	380.2	350.7	350.6	350.2	347.3	346.7	344.6
3 Total (1+2)	186,925.3	211,898.0	228,789.8	266,133.7	279,573.8	288,477.6	282,999.1	289,105.8	287,273.6
Supplement: Central government guarantees									
Domestic debt	7,945.1	2,726.5	3,873.9	3,546.4	3,466.4	2,678.0	2,805.2	2,949.8	2,895.4
o/w: Guarantees for CBRD loans	1,177.3	802.0	783.7	781.1	1,825.7	1,028.6	1,099.6	1,213.9	1,136.1
External debt	6,932.8	5,153.4	4,704.9	4,393.5	4,201.2	4,268.5	4,054.3	4,122.6	4,106.3

^a The data are revised in the whole series due to the inclusion of the CBRD into the central government subsector.

Table I3: General government debt • Up to September 2014, Table I3 showed general government debt in accordance with the European system of national and regional accounts in the European Union 1995 (ESA 1995). With the beginning of the implementation of the new methodology at the EU level in accordance with the European system of national and regional accounts in the European Union 2010 (ESA 2010) and in line with the accordingly revised Eurostat Manual on Government Deficit and Debt, starting from October 2014, the methodology has been aligned and data from the beginning of the series have been revised.

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

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

Data are divided by creditor to domestic and external debt and by instrument categories, in accordance with ESA 2010, to short-term debt securities, long-term debt securities, and loans.

The stock of the category short-term debt securities includes

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

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

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

Loans include loans received from resident and non-resident creditors and, in accordance with the ESA 2010 methodology, assumed state-guaranteed loans given to institutional units whose guarantees were activated within a period of three years (the so-called third call criterion) or loans transferred by agreement from the original debtor to the state. In addition, harmonisation was carried out in conjunction with the methodology of the treatment of public-private partnerships and concessions.

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

The stock of debt of a specific subsector of general government is consolidated within the subsector; the stock of domestic general government debt is also consolidated among the subsectors.

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

¹ The scope of sector classification is shown in "Classification and presentation of data on claims and liabilities". Under the new sector classification ESA 2010, the central government comprises, in addition to the Croatian Radiotelevision, CBRD and Croatian Railways Infrastructure, public corporations Rijeka – Zagreb Motorway and Croatian Motorways (CM). From January 2008 on, CM is classified into the central government subsector, while it was shown under social security funds subsector in the previous series. Under ESA 2010, social security funds include the Croatian Pension Insurance Administration, the Croatian Institute for Health Insurance and the Croatian Employment Service. By way of exception, in this Table, the subsector social security funds in part 2 External debt comprises the debt of Croatian Roads and the State Agency for Deposit Insurance and Bank Resolution starting from (and including) December 1998 and up to December 2010, and in part 1 Domestic debt, starting from (and including) December 2002 and up to December 2010, social security funds include also the debt of Croatian Roads, Croatian Waters, Croatian Privatisation Fund/Government Asset Management Agency.

J Non-financial statistics – selected data

Table J1 Consumer price and producer price indices

Year	Month	Basic indices, 2010 = 100 ^a				Chain indices				Monthly year-on-year indices			
		Consumer price indices			Industrial producer prices ^b	Consumer price indices			Industrial producer prices ^b	Consumer price indices			Industrial producer prices ^b
		Total	Goods	Services		Total	Goods	Services		Total	Goods	Services	
2000	December	77.2	79.1	70.0	79.2	100.4	100.4	100.1	100.2	105.5	105.5	105.5	111.2
2001	December	79.1	80.2	74.7	76.4	100.4	100.4	100.5	99.0	102.4	101.3	106.8	96.9
2002	December	80.5	81.1	78.2	78.1	100.4	100.6	99.6	99.9	101.8	101.1	104.6	102.3
2003	December	81.9	82.3	79.9	78.9	100.3	100.2	100.5	100.0	101.7	101.6	102.2	101.0
2004	December	84.1	84.4	82.8	82.7	100.7	100.9	100.2	99.3	102.7	102.5	103.6	104.8
2005	December	87.2	87.3	86.2	84.5	100.5	100.5	100.5	99.7	103.6	103.5	104.1	102.7
2006	December	89.0	89.0	89.0	86.1	100.0	100.0	100.2	100.0	102.0	101.4	104.2	101.9
2007	December	94.1	94.9	91.5	91.2	101.2	101.2	101.3	100.4	105.8	106.6	103.4	105.9
2008	December	96.8	97.3	95.3	95.1	99.4	99.1	100.5	98.7	102.9	102.4	104.3	104.3
2009	December	98.7	98.6	99.0	96.6	99.4	99.3	100.2	100.0	101.9	101.3	103.9	101.6
2010	December	100.5	100.8	99.3	102.1	100.0	100.1	99.9	101.0	101.8	102.2	100.3	105.7
2011	December	102.6	103.8	98.3	108.0	99.6	99.6	99.6	99.8	102.1	103.0	98.9	105.8
2012	December	107.4	109.4	100.2	115.4	99.9	99.9	99.7	100.0	104.7	105.5	102.0	106.9
2013	December	107.7	109.7	100.7	112.4	99.8	99.8	100.0	100.0	100.3	100.2	100.4	97.4
2014	November	108.1	109.6	102.5	109.9	99.7	99.7	99.9	99.2	100.2	99.7	101.8	97.8
	December	107.2	108.4	102.5	108.6	99.1	98.9	100.0	98.8	99.5	98.8	101.8	96.6
2015	January	106.6	107.7	102.4	106.1	99.5	99.3	99.9	97.7	99.1	98.3	101.5	94.4
	February	106.9	108.0	102.5	107.5	100.2	100.3	100.0	101.3	99.6	99.0	101.6	96.0
	March	107.9	109.4	102.3	108.8	101.0	101.3	99.8	101.2	100.1	99.6	101.5	97.3
	April	108.0	109.6	102.3	108.2	100.1	100.1	100.0	99.4	99.9	99.4	101.4	96.8
	May	108.4	110.1	102.4	108.8	100.4	100.5	100.1	100.6	100.0	99.7	101.2	97.4
	June	108.0	109.5	102.6	108.4	99.7	99.5	100.2	99.7	100.0	99.7	101.0	97.3
	July	107.2	108.3	102.9	107.9	99.2	98.9	100.4	99.5	99.6	99.2	101.0	96.5
	August	106.9	107.9	103.1	106.4	99.8	99.7	100.1	98.6	99.4	99.1	100.5	95.8
	September	107.4	108.3	103.6	105.8	100.4	100.4	100.5	99.5	99.2	98.6	101.0	95.3
	October	107.4	108.7	102.7	105.8	100.1	100.3	99.2	100.0	99.1	98.8	100.1	95.4

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

Source: CBS.

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

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

Table J2 Core consumer price indices

Year	Month	Basic indices, 2005 = 100			Chain indices			Year-on-year indices		
		Total	Goods	Services	Total	Goods	Services	Total	Goods	Services
2000	December	81.5	82.9	74.2	100.4	100.4	100.2	103.3	103.0	105.0
2001	December	82.5	83.6	77.0	99.8	99.7	100.3	101.2	100.8	103.8
2002	December	83.5	84.4	78.9	100.0	100.1	99.4	101.2	101.0	102.4
2003	December	84.5	85.2	81.2	100.2	100.1	101.0	101.2	100.9	103.0
2004	December	86.5	87.0	83.6	100.1	100.1	100.4	102.3	102.2	102.9
2005	December	89.1	89.5	86.7	100.1	100.0	100.5	103.0	102.9	103.7
2006	December	91.1	91.5	88.9	99.8	99.7	100.3	102.3	102.2	102.5
2007	December	95.6	96.4	91.9	100.8	100.8	100.4	105.0	105.3	103.5
2008	December	99.6	100.2	96.5	99.4	99.3	100.2	104.2	104.0	105.0
2009	December	99.9	100.1	98.8	98.8	98.6	100.2	100.2	99.8	102.4
2010	December	99.9	100.2	98.6	99.1	99.0	99.7	100.1	100.1	99.8
2011	December	102.8	103.5	99.6	99.5	99.4	100.1	102.9	103.3	101.1
2012	December	104.9	105.4	102.5	99.4	99.2	100.0	102.0	101.9	102.8
2013	December	105.5	105.9	103.3	99.1	98.9	100.0	100.6	100.5	100.9
2014	November	106.2	106.4	105.1	100.1	100.2	99.8	99.8	99.3	101.7
	December	105.1	105.0	105.1	99.0	98.7	100.1	99.6	99.2	101.7
2015	January	104.8	104.7	105.0	99.7	99.7	99.9	100.0	99.6	101.5
	February	104.9	104.7	105.0	100.0	100.0	100.0	100.4	100.1	101.7
	March	105.5	105.6	104.8	100.6	100.9	99.8	100.1	99.9	101.5
	April	106.0	106.3	104.8	100.5	100.7	100.0	100.5	100.3	101.6
	May	106.2	106.5	104.9	100.1	100.2	100.1	100.5	100.4	101.4
	June	106.0	106.2	105.1	99.8	99.7	100.2	100.6	100.6	101.2
	July	105.2	104.9	105.7	99.2	98.8	100.5	100.4	100.2	101.2
	August	105.1	104.9	105.7	100.0	100.0	100.0	100.4	100.4	100.1
	September	105.9	105.9	105.4	100.7	101.0	99.7	100.2	100.4	99.7
	October	106.1	106.6	104.1	100.2	100.6	98.8	100.0	100.4	98.9

Source: CBS.

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

Table J3 Hedonic real estate price index • The Croatian National Bank started methodological work on developing a hedonic real estate price index (HREPI)² in 2008. By using data on realised transactions and estimates of realised transactions from the database of *Hrvatska burza nekretnina* (Croatian association of real estate agencies) as input data, an econometric model was constructed to create a hedonic real estate price index (HREPI), which is methodologically consistent with the Eurostat's Handbook on Residential Property Prices Indices³. From the first quarter of 1997, the HREPI is reported on a quarterly and

annual basis at the level of the Republic of Croatia and two regions: the City of Zagreb and the Adriatic coast. The main idea behind the methodology used to calculate the index is that buyers determine the usefulness of a real estate based on its characteristics and therefore it is necessary to determine the prices of those characteristics (attributes), the so-called implicit prices. However, as there is no market for individual attributes of residential property, their prices are estimated by simple econometric models. After estimating prices of individual attributes, it is possible to determine a pure price of each real estate property, i.e. a price adjusted by the impact of individual attributes of a given real estate, such as its location, floor area, the number of rooms, etc. The movements of pure prices are directly used to calculate the HREPI. Under this methodology, such an index, in contrast with indices based on average prices or medians of a square meter of floor space, adjusts price movements for possible biases in the data caused by the fact that, for example, an unusually large number of real estate properties of above- or below-average quality have been sold in a certain period.

2 The methodology used is described in detail in Kunovac, D. et al. (2008): *Use of the Hedonic Method to Calculate an Index of Real Estate Prices in Croatia*, Working Papers, W-19, CNB.

3 http://epp.eurostat.ec.europa.eu/portal/page/portal/hicp/methodology/hps/rppi_handbook

Table J3 Hedonic real estate price index

Year	Quarter	Basic indices, 2010 = 100			Year-on-year rate of change			Rate of change from the previous quarter		
		Croatia	Zagreb	Adriatic coast	Croatia	Zagreb	Adriatic coast	Croatia	Zagreb	Adriatic coast
2000		60.4	68.0	38.0	-2.0	-1.5	-4.7	....	....	....
2001		61.5	65.5	49.9	1.9	-3.7	31.2	....	....	....
2002		64.9	67.9	56.2	5.6	3.7	12.7	....	....	....
2003		67.0	70.8	56.0	3.2	4.2	-0.5	....	....	....
2004		74.5	78.0	64.3	11.2	10.2	14.8	....	....	....
2005		82.9	85.5	75.0	11.2	9.7	16.7	....	....	....
2006		97.5	101.7	85.2	17.7	18.9	13.7	....	....	....
2007		109.2	112.7	99.1	12.0	10.8	16.3	....	....	....
2008		113.0	115.7	105.3	3.5	2.6	6.2	....	....	....
2009		108.8	109.5	106.9	-3.8	-5.3	1.5	....	....	....
2010		100.0	100.0	100.0	-8.1	-8.6	-6.4	....	....	....
2011		96.3	94.9	99.5	-3.7	-5.1	-0.5	....	....	....
2012		97.3	97.0	97.9	1.0	2.2	-1.6	....	....	....
2013		81.2	82.5	78.4	-16.5	-14.9	-19.9	....	....	....
2014		79.3	80.1	77.8	-2.3	-2.9	-0.8	....	....	....
2014	Q1	77.4	81.2	69.2	-9.7	-8.0	-13.2	-2.8	2.1	-13.2
	Q2	77.9	79.3	74.8	-2.8	-2.9	-2.4	0.6	-2.3	8.0
	Q3	81.6	80.2	84.5	2.6	-0.3	9.1	4.8	1.1	13.1
	Q4	80.5	79.5	82.6	1.2	0.0	3.6	-1.3	-0.8	-2.3
2015	Q1	78.3	81.3	72.5	1.2	0.1	4.7	-2.7	2.2	-12.3
	Q2	80.2	81.2	78.1	3.0	2.4	4.5	2.4	0.0	7.9

Table J4 Average monthly net wages in current prices, in kuna

Year	Month	Nominal amount in kuna	Chain indices	Monthly year-on-year indices	Cumulative year-on-year indices
2001	December	3,582.0	96.6	102.4	106.5
2002	December	3,839.0	98.0	107.2	105.0
2003	December	4,045.0	99.8	105.4	105.9
2004	December	4,312.0	99.1	106.6	105.9
2005	December	4,473.0	97.3	103.7	104.9
2006	December	4,735.0	97.0	105.9	105.2
2007	December	4,958.0	96.6	104.7	105.2
2008	December	5,410.0	100.3	109.1	107.0
2009	December	5,362.0	99.6	99.1	102.6
2010	December	5,450.0	97.6	101.7	100.6
2011	December	5,493.0	95.9	100.8	101.8
2012	December	5,487.0	96.6	99.9	100.7
2013	December	5,556.0	98.6	101.3	100.7
2014	October	5,532.0	101.7	100.5	100.1
	November	5,632.0	101.8	100.0	100.1
	December	5,716.0	101.5	102.9	100.3
2015	January	5,656.0	99.0	101.9	101.9
	February	5,565.0	98.4	102.5	102.2
	March	5,723.0	102.8	104.0	102.8
	April	5,676.0	99.2	103.3	102.9
	May	5,679.0	100.0	103.3	103.0
	June	5,810.0	102.3	104.5	103.3
	July	5,716.0	98.4	103.4	103.3
	August	5,712.0	99.9	103.6	103.3
	September	5,640.0	98.7	103.6	103.4

Source: CBS.

Table J5 Consumer confidence index, consumer expectations index and consumer sentiment index
index points, original data

Year	Month	Consumer confidence index	Composite indices			Response indices (I)						
			Consumer expectations index	Consumer sentiment index		I1	I2	I3	I4	I7	I8	I11
2000	October	-20.9	3.5	-32.2	-26.2	1.2	-22.0	5.7	26.9	-48.3	-63.6	
2001	October	-27.0	-11.4	-35.6	-29.6	-10.0	-35.9	-12.7	22.9	-41.3	-62.3	
2002	October	-25.2	-8.3	-29.3	-22.6	-5.1	-31.2	-11.5	20.1	-34.1	-64.0	
2003	October	-22.2	-4.5	-25.0	-21.5	-2.6	-26.5	-6.4	14.7	-27.1	-65.2	
2004	October	-23.9	-7.9	-22.0	-19.1	-4.1	-30.5	-11.6	22.5	-16.5	-57.3	
2005	December	-26.4	-13.7	-25.6	-16.4	-5.9	-34.4	-21.5	27.6	-25.9	-50.6	
2006	December	-18.9	-4.7	-15.4	-10.9	1.1	-22.4	-10.5	16.9	-12.9	-49.4	
2007	December	-24.7	-15.5	-24.5	-16.8	-9.8	-31.8	-21.2	12.8	-25.0	-54.8	
2008	December	-42.0	-33.3	-40.9	-30.7	-25.9	-51.8	-40.6	43.4	-40.3	-57.9	
2009	December	-46.8	-32.7	-47.6	-35.7	-22.6	-64.5	-42.8	63.9	-42.5	-58.0	
2010	December	-42.9	-30.6	-48.7	-40.7	-21.7	-65.9	-39.4	55.7	-39.4	-54.8	
2011	December	-23.6	-8.9	-43.1	-31.6	-5.5	-56.5	-12.3	25.0	-41.2	-51.4	
2012	December	-47.1	-33.5	-52.6	-42.1	-23.1	-71.4	-43.9	59.1	-44.2	-62.3	
2013	December	-40.7	-26.3	-45.9	-34.5	-17.4	-61.9	-35.2	49.9	-41.3	-60.4	
2014	November	-37.0	-24.0	-43.9	-31.3	-13.7	-60.4	-34.2	43.6	-40.0	-56.4	
	December	-35.6	-24.3	-42.4	-31.4	-16.7	-57.0	-31.9	39.3	-38.7	-54.5	
2015	January	-25.8	-13.7	-36.0	-22.1	-7.5	-51.0	-19.8	24.8	-35.0	-51.1	
	February	-25.1	-11.4	-38.5	-25.8	-5.5	-49.7	-17.3	23.9	-40.1	-53.7	
	March	-23.7	-10.2	-36.1	-24.0	-4.6	-48.9	-15.8	17.7	-35.5	-56.6	
	April	-22.0	-9.5	-32.5	-22.1	-4.2	-43.4	-14.7	16.1	-32.0	-52.9	
	May	-23.0	-11.5	-34.0	-23.7	-6.0	-42.3	-16.9	17.1	-36.0	-52.0	
	June	-20.7	-8.3	-28.7	-20.4	-3.9	-35.7	-12.6	14.7	-30.0	-51.7	
	July	-20.1	-8.0	-27.3	-18.6	-3.3	-32.3	-12.7	10.9	-31.1	-53.3	
	August	-19.9	-4.9	-26.3	-17.8	-2.4	-30.9	-7.4	18.9	-30.2	-50.8	
	September	-21.5	-7.6	-26.3	-20.4	-6.4	-25.8	-8.8	21.6	-32.8	-49.0	
	October	-21.9	-9.0	-27.9	-19.8	-6.8	-27.9	-11.2	17.1	-36.0	-52.5	

Sources: Ipsos Puls and CNB.

Table J5 Consumer confidence index, consumer expectations index and consumer sentiment index • The Consumer Confidence Survey has been carried out regularly since April 1999 in accordance with the methodology of the European Commission, the Joint Harmonised EU Programme of Business and Consumer Surveys. Until April 2005, the survey was conducted once a quarter (in January, April, July and October). As of May 2005, the survey is carried out in monthly frequency in cooperation with the European Commission, using its technical and financial assistance.

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

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

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

the questionnaire, z is the offered/chosen response, k is the number of offered responses to a particular question. The value of the said indices ranges $-100 < I_i < 100$. Higher index values than those recorded over the previous period point to an increase in expectations (optimism) as regards the specific segment covered by the particular question.

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

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

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

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

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

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

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

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

The components of composite indices are as follows:

CCI: I2, I4, I7 $\times(-1)$, I11

CEI: I2, I4

CSI: I1, I3, I8.

List of banks and savings banks

1 December 2015

Authorised banks

1. Banka Kovanica d.d., Varaždin
2. Banka splitsko-dalmatinska d.d., Split
3. BKS Bank d.d., Rijeka
4. Croatia banka d.d., Zagreb
5. Erste&Steiermärkische Bank d.d., Rijeka
6. Hrvatska poštanska banka d.d., Zagreb
7. Hypo Alpe-Adria-Bank d.d., Zagreb
8. Imex banka d.d., Split
9. Istarska kreditna banka Umag d.d., Umag
10. Jadranska banka d.d., Šibenik
11. Karlovačka banka d.d., Karlovac
12. KentBank d.d., Zagreb
13. Kreditna banka Zagreb d.d., Zagreb
14. OTP banka Hrvatska d.d., Zadar
15. Partner banka d.d., Zagreb
16. Podravska banka d.d., Koprivnica
17. Primorska banka d.d., Rijeka
18. Privredna banka Zagreb d.d., Zagreb
19. Raiffeisenbank Austria d.d., Zagreb
20. Samoborska banka d.d., Samobor
21. Sberbank d.d., Zagreb
22. Slatinska banka d.d., Slatina
23. Société Générale – Splitska banka d.d., Split
24. Štedbanka d.d., Zagreb
25. Vaba d.d. banka Varaždin, Varaždin
26. Veneto banka d.d., Zagreb
27. 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 138/2006 and 25/2013)

Representative offices of foreign banks

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

Banks and savings banks undergoing bankruptcy proceedings

Name of bank/savings bank	Date of bankruptcy proceedings opening
1. Agroobrtnička banka d.d., Zagreb	14/6/2000
2. Alpe Jadran banka d.d., Split	15/5/2002
3. Centar banka d.d., Zagreb	30/9/2013
4. Credo banka d.d., Split	16/1/2012
5. Glumina banka d.d., Zagreb	30/4/1999
6. Gradska banka d.d., Osijek	3/5/1999
7. Hrvatska gospodarska banka d.d., Zagreb	19/4/2000
8. Ilirija banka d.d., Zagreb	6/4/1999
9. Nava banka d.d., Zagreb	1/12/2014
10. Primus banka d.d., Zagreb	13/1/2015
11. Trgovačko-turistička banka d.d., Split	8/9/2000

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

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. Zagrebačka štedionica d.d., Zagreb (now MEDFIN d.o.o., Zagreb – in bankruptcy proceedings)	22/3/2000

Management of the Croatian National Bank

1 December 2015

Members of the Council of the Croatian National Bank

Chairman of the Council	Boris Vujčić
Members of the Council	Neven Barbaroša
	Bojan Fras
	Michael Faulend
	Relja Martić
	Damir Odak
	Tomislav Presečan
	Vedran Šošić

Management of the CNB

Governor	Boris Vujčić
Deputy Governor	Relja Martić
Vicegovernor	Vedran Šošić
Vicegovernor	Damir Odak
Vicegovernor	Tomislav Presečan
Vicegovernor	Bojan Fras
Vicegovernor	Michael Faulend
Vicegovernor	Neven Barbaroša

Executive directors

Research Area	Ljubinko Jankov
Statistics Area	Tomislav Galac
Central Banking Operations Area	Irena Kovačec
Prudential Regulation and Supervision Area	Željko Jakuš
Payment Operations Area	Ivan Biluš
International Relations And Resolvability Assessment Area	Sanja Tomičić
Planning, Controlling and Accounting Area	Diana Jakelić
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