WEEKLY ANALYSIS

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Interest rate decline for corporate and cash loans

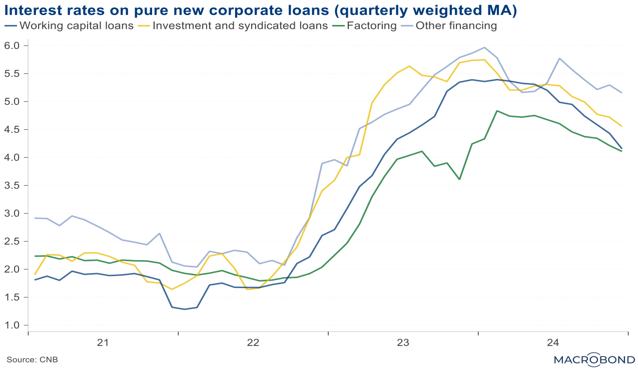
- Per recently published central bank data, it is evident that the last year's Q4 brought a continuation of the decline in interest rates on pure new corporate loans (quarterly weighted MA) that reached 0.5-0.6 p.p. q-o-q, which follows the decline of 3M and 6M of Euribor in that period. At the end of the year, average rates ranged from 5.3% on loans to micro enterprises to 4.8% on loans to small enterprises, to 4.5% on loans to medium-sized enterprises and 3.8% on loans to large enterprises. Observed by purpose, working capital loans, investment loans and syndicated loans recorded an interest rate decline varying from 0.4 to 0.6 p.p., while factoring and other types of financing recorded a mild decline at the level of 0.2-0.3 p.p. Decline on loan interest rates was followed by a reduction of rates on pure new time deposits by 0.4 p.p. q-o-q to 2.7%, and the total rate was pulled down by short-term deposits, considering that long-term ones (which are extremely volatile) recorded increase.

Interest rate decline for corporate loans continued

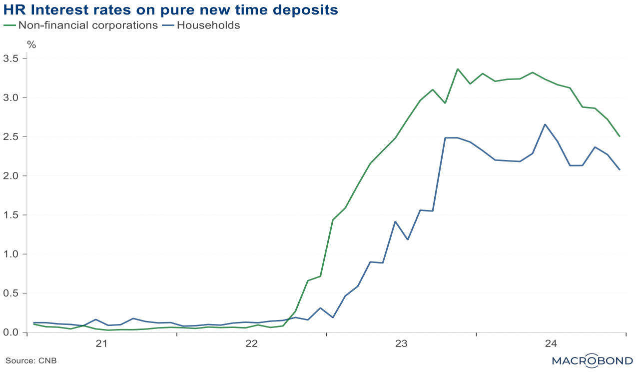
- Interest rate trends for pure new loans to households noted a somewhat different dynamic. After growth in the previous quarter, the last three months of 2024 brought a cut in the average rate on cash loans by 0.2 p.p. q-o-q to 6.0%. Simultaneously, other loans recorded a decline of somewhat milder 0.1 p.p. to 5.1%, and housing loans continued to stagnate at 3.8%, caused by a significant share of placements with (higher) fixed interest rate. Trends in interest rates on household savings again deviates from the trend recorded for enterprises, so the average interest rate for pure new time deposits stagnated at 2.2% in Q4.

Cash loans more favourable in Q4

Interest rates on pure new corporate loans (quarterly weighted MA)



HR Interest rates on pure new time deposits



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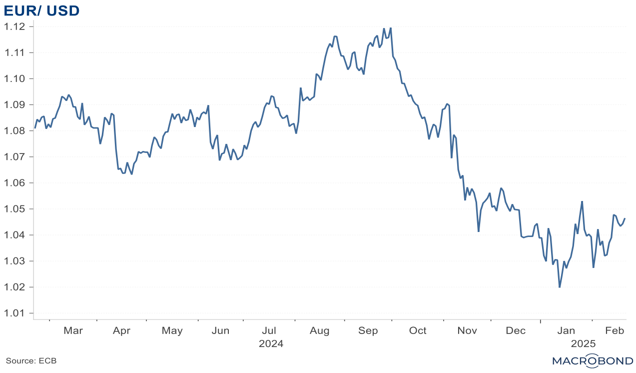
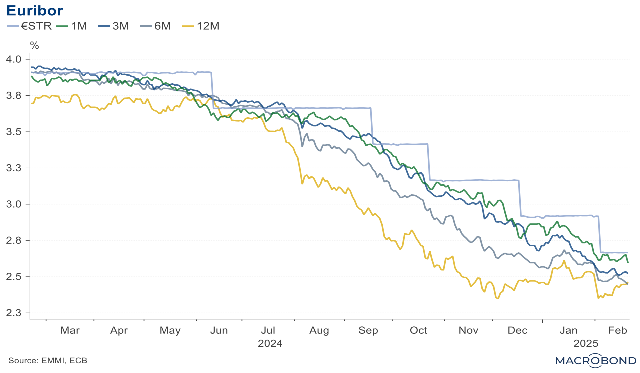
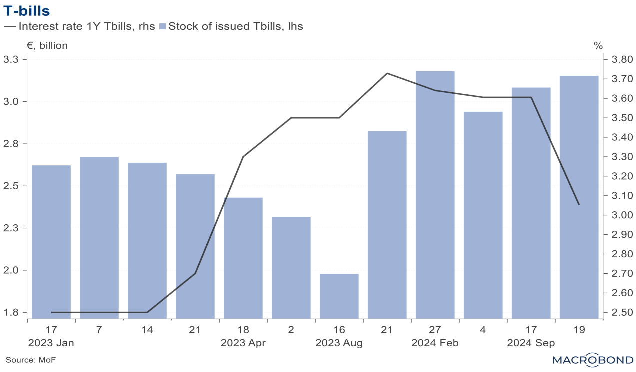
- Uncertainty regarding tariffs limited the dollar's movements, finishing the week at 1.0465 dollars to the euro, down by a mild 0.1 w-o-w.
- Euribor recorded minor shifts w-o-w, except 6M that declined by almost 10 bps so on Friday 3M and 6M were 2.5%, i.e., 2.4%. Second round of subscription of 1Y T-bills for institutional investors is taking place this week.
- Crobex recorded a slightly upward trend w-o-w (+0.3% to 3,471 points) in spite of a mostly negative performance of sectoral indices (CROBEXindustry stagnating at 2,438, CROBEXnutris -0.6% to 864, CROBEXtourist -1,2% to 4,491). Crobis was slightly reduced (-0.1% to 99,3 points).







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ECONOMIC RESEARCH

Ivana Jović

Ana Lokin

TRANSLATION

Ana Biloš

Jelena Marinović

www.pbz.hr