

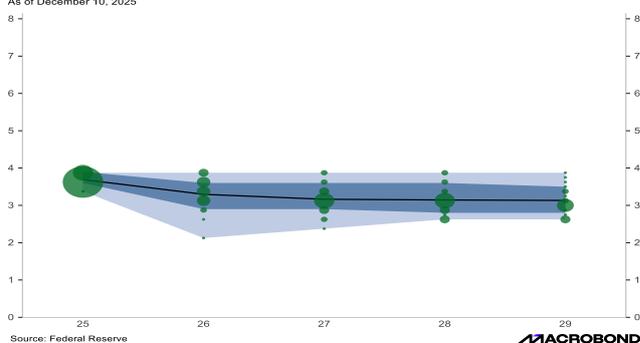
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Survey unemployment rate 4.2%

- It is estimated that in the third quarter of 2025, there were 1,719 thousand employed persons in Croatia, which is an increase of 28 thousand, or 1.6% compared to the third quarter of 2024. In the same observed period, the number of unemployed persons amounted to 75 thousand, down by 13 thousand, or 15.3% compared to the third quarter of 2024. In the third quarter of 2025, the employment rate for persons aged 15 to 64 was 69.4%, up by 0.9 percentage points compared to the same period last year. The survey unemployment rate for people aged 15 to 64 was 4.2%, down by 0.8 percentage points year-on-year. In the first two quarters of the current year, the unemployment rate was 5.6%, and 4.9%, respectively, which leads to an average unemployment rate of 4.9% over the first three quarters of the current year, compared to 5.1% last year, and 6.3% a year earlier.

- At last week's meeting, for the third time in a row, the divided Fed lowered the fed funds interest rate by 25 bps with nine votes for, two against and one for a stronger cut, so now the target range is 3.50-3.75%. The Fed estimates that economic activity continued to grow at a

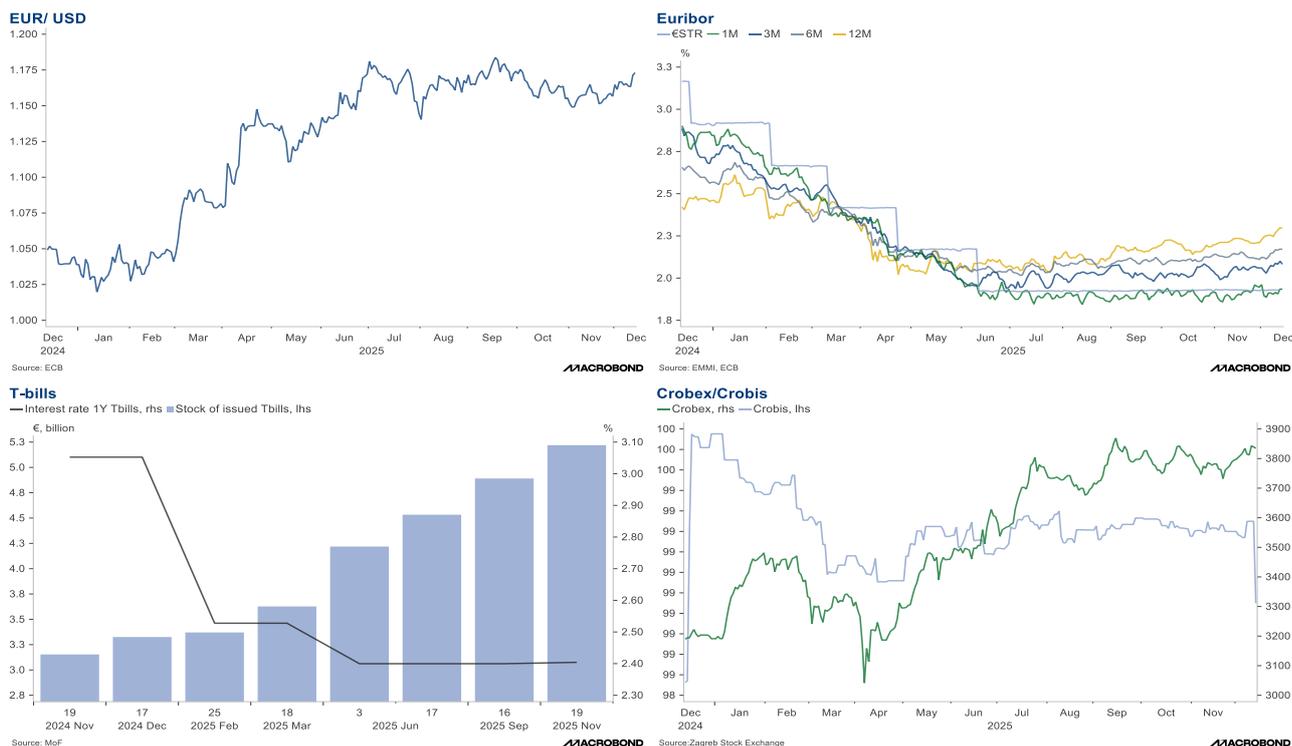
Fed policy dot plot
As of December 10, 2025



Fed lowered the interest rate by 25 bps

moderate pace, with employment growth weakening somewhat and inflation remaining elevated. In the December scenario, the Fed improved the US GDP growth outlook in 2026 to 2.3% (from 1.8% in September), maintaining the unemployment rate estimate at 4.4% and lowering the PCE inflation forecast to 2.4% (from 2.6% in September). In addition, the dot plot showing which levels of the fed funds rate FOMC members see as adequate indicates only one cut in 2026. At a press conference, Fed Chairman Powell said that in the short term, the risks of inflation being higher and unemployment being lower than expected prevail, and therefore there is no risk free way for the Fed to sail between both goals of its dual mandate. In such an environment, the dollar weakened 0.7% week-on-week against the euro, to 1.1731 at the end of the week.

- Euribor posted a week-on-week shift of 4 bps. At the end of the week, 3M stood at 2.08%, and 6M at 2.17%. The first round of the subscription of three-month T-bills will end this week, and the second one will be held with a target amount of the issue of EUR 1.6 billion.
- Crobex stagnated week-on-week at 3,835 points, while the performance of sectoral indices was varied (CROBEXindustry -1.2% to 3,322, CROBEXnutris -0.6% to 792, CROBEXtourist +1.2% to 4,993). Crobis dropped by 0.3% to 98.8 points.



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