



Annual Report

2025



CONTENTS

INTRODUCTION	1
1 Hanfa in figures	6
2 Trends in the financial services sector	11
2.1 Macroeconomic developments and capital market	11
2.2 Investment services	15
2.3 Pension system	20
2.4 Insurance	26
2.5 Non-bank financing	28
3 Supervisory activities	32
3.1 Microprudential supervision	32
3.2 Macroprudential supervision	58
4 Normative activities	61
4.1 Capital market and investment services	61
4.2 Investment funds	64
4.3 Pension system	68
4.4 Insurance	71
4.5 Crypto-asset market	73
4.6 Other normative activities	74
5 Licensing and training	78
5.1 Licensing	78
5.2 Examinations and professional training	82
6 Consumer protection and improvement of financial literacy	85
6.1 Consumer protection	85
6.2 Educational activities	91
7 Communication activities	101
7.1 Communication activities in 2025	101
8 International cooperation	105
8.1 Participation in the work of supervisory authorities and organisations	105

8.2 Technical international cooperation, bilateral international cooperation and exchange of information	116
9 Judicial proceedings.....	119
9.1 Misdemeanour proceedings	119
9.2 Administrative disputes.....	121
9.3 Criminal charges	122
9.4 Debt recovery actions.....	123
10 Hanfa's business operations	125
10.1 Internal organisational structure and human resources	125
10.2 Internal audit	128
10.3 Information security at Hanfa	128
10.4 Hanfa's information systems.....	129
10.5 Hanfa's financial operations	129
11 Statistical overview of industries	136
11.1 Investment funds	136
11.2 Pension funds.....	138
11.3 Insurance companies	140
11.4 Leasing companies.....	141
11.5 Factoring companies.....	141
12 Appendices	143
Appendix 1 List of ordinances adopted in 2025.....	143
Appendix 2 Hanfa's financial operations	147

Croatian Financial Services Supervisory Agency

Address: Franje Račkoga 6, 10000 Zagreb

Telephone: +385 1 6173 200

Fax: +385 1 4811 406

WEB: www.hanfa.hr

ISSN: 1846-6362

Those using data from this publication are requested to cite the source.

INTRODUCTION

The year behind us was marked by heightened geopolitical uncertainty, which was one of the key factors behind economic and financial developments. After several years marked by the pandemic, the energy crisis and high inflation, market participants continued to operate in a challenging environment shaped by geopolitical events, trade tensions and security challenges.

The war in Ukraine has remained one of the main sources of uncertainty in Europe, while conflicts in the Middle East have further exacerbated the instability of the international environment. The renewed strengthening of trade protectionism has created new sources of systemic risks related to trade flows, supply chains and investment decisions. Such developments have once again demonstrated the speed and the strength of the impact of political decisions on economic and market developments.

In 2025, Europe also faced new security challenges. Increased defence spending and adaptation to the new security environment have become a central part of the public policies of the Member States of the European Union and NATO, including Croatia. Such changes create new opportunities for investment and industrial capacity build-up, but also the need for responsible management of public finances and long-term budgetary priorities.

In such circumstances, it is particularly important to have stable and well-supervised financial systems. Over the past years, Hanfa has continuously invested in its supervisory, analytical and regulatory capacities to be able to monitor the increasingly complex risks faced by the financial sector. This approach, which takes account of the fact that supervision is not only about monitoring compliance, but also about early risk identification, open dialogue with the market and strengthening system resilience, is one of the key contributions to maintaining stability and confidence in the financial sector.

Despite the challenging environment, the Croatian financial services sector demonstrated resilience, adjustment capacity and development potential in 2025. Pension funds remained one of the most important institutional investors and stabilising factors in the domestic financial market. The fund industry continued to attract investor interest, while investment funds reinforced their role in channelling savings towards the capital market. The insurance sector continued to grow steadily, especially in the non-life insurance segment, demonstrating its importance for the financial security of citizens and enterprises. Leasing companies and other financial services providers continued to support economic activity in the past year by financing investments and consumption. As a result, the financial services sector as a whole (with EUR 46.7bn worth of assets under management at end-2025) continued to strongly underpin the economy,

investments and long-term savings of individuals. Thus, 2025 proved that the stability of the financial system is not about the non-existence of risks but that it instead stems from the ability to identify risks in a timely manner and manage them in a responsible way.

One of the most important developments last year was the adoption of the Strategic Framework for Capital Market Development in the Republic of Croatia from 2025 to 2030 and the corresponding Action Plan, laying the groundwork for a safer, more liquid and more competitive capital market. Hanfa actively participated in their preparation as we believe that a more developed capital market can play a much greater role in financing domestic enterprises, stimulating investments and creating new opportunities for investors.

The development of the capital market goes beyond the financial industry and supports the overall economy. It enables businesses to access additional funding sources, stimulates investment and innovation and contributes to the long-term resilience of the economy. Against this background, the domestic capital market showed signs of renewed momentum in 2025. This was also confirmed by three initial public offerings during the year. The listing of ING-GRAD, Žito and Tokić is an important step forward for the domestic capital market. These offerings have also shown that the domestic market can attract the interest of issuers, as well as of institutional and retail investors and that the capital market can be a real alternative to more traditional forms of financing.

Hanfa finds these developments of a particular importance, as greater investor interest also requires a high level of investor protection, high-quality information, transparent processes and efficient functioning of the market infrastructure. Only when these necessary prerequisites have been met can we ensure that market development is accompanied by high standards of investor protection and confidence. Confidence is not built only through regulation, but also through the day-to-day behaviour of all market participants. In 2025, Hanfa continued to act not only as a supervisory authority, but also as a market partner fostering dialogue, education and knowledge exchange. Regular consultations between Hanfa, the Ministry of Finance and financial industry representatives have contributed to a better understanding of the challenges faced by the sector and to finding solutions in a timelier manner.

A considerable portion of Hanfa's activities in 2025 also related to the implementation of new European regulatory frameworks. In particular, this concerns DORA Regulation, which further strengthens the digital operational resilience of financial institutions. In an environment where financial services are increasingly dependent on digital technologies, digital resilience is becoming one of the key factors in supervision and risk management. At the same time, the entry into application of the European framework under MiCA Regulation marked a new phase in the development of the crypto-asset market. It provides clearer rules for doing business, increases user protection and allows for more effective supervision of the area that has rapidly evolved over the past decade outside the regulatory

framework. Throughout the year, at the operational level Hanfa continued to develop the necessary knowledge and supervisory capacity to be ready to respond to the challenges posed by new financial technologies.

Business sustainability was also a key focus. New reporting rules confirmed that sustainability was no longer separate from, but rather an integral part of risk management, business decision-making and communication with investors. The long-term resilience of financial institutions is increasingly linked to their ability to identify and manage sustainable risks.

Protection of financial services users remained one of Hanfa's core areas of activity. We ensure protection through supervisory activities, handling of complaints, timely information to the public and educational initiatives. With financial products becoming increasingly complex, and information being available faster than ever before, financial literacy has become an essential prerequisite for responsible financial decision-making. We are particularly pleased that citizens' interest in financial topics and investment has been steadily growing. We continue to invest in education, especially of young people, to make financial topics more understandable and accessible to the general public. We believe that informed users can make good decisions more easily and contribute to a sounder development of the financial market.

Looking at the year as a whole, we can conclude that the Croatian financial services sector has once again demonstrated resilience and the capacity to adapt to challenging global developments. The growth of individual market segments, the revival of capital market activities, the implementation of new regulatory frameworks and continued investment in system resilience have confirmed that the financial sector has solid foundations for further development.

For Hanfa, this also confirms the importance of its role and gives impetus for further work. We will continue to supervise the legality of operations, monitor risks, protect financial services users and contribute to the development of a stable, transparent and competitive financial market. To this end, we rely on the expertise of our employees, cooperation with domestic and European institutions and an open dialogue with market participants.

We face new challenges, but also new opportunities. Geopolitical uncertainties, digital risks, climate change and the development of new financial products will continue to shape our regulatory and supervisory priorities. However, the experience in 2025 shows that such challenges can be addressed responsibly and in a timely manner, with a focus on sustainable development. In times when uncertainty has become more a rule than an exception, confidence, expertise and responsible management are a foundation for the stability of the financial system. Thus, Hanfa will continue to act in this direction in the forthcoming period, safeguarding the public interest, strengthening confidence in the financial system and contributing to the development of the Croatian financial services market.

Members of Hanfa Board



Ante Žigman (Board President)



Anamarija Staničić (Deputy Board President)



Jurica Jednačak
(Board Member)



Martina Verić
(Board Member)

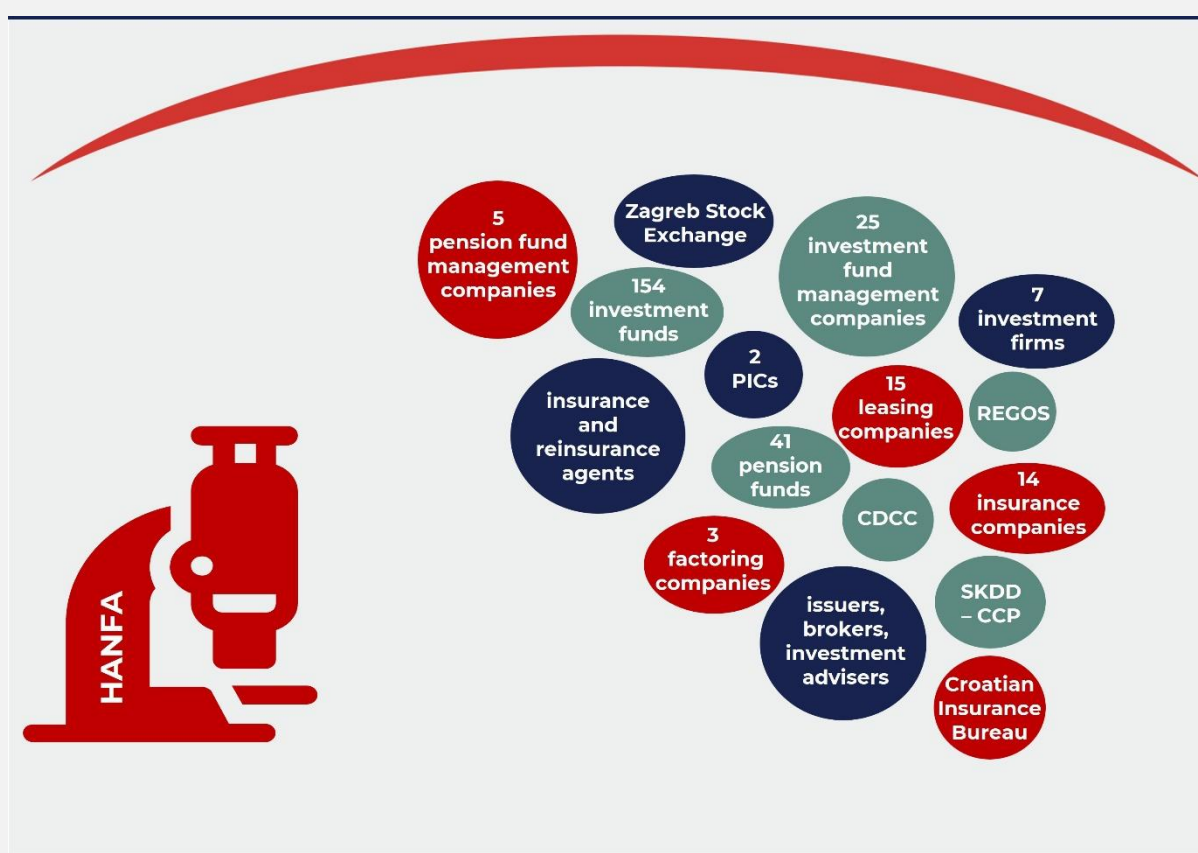


Antun Palarić
(Board Member)

HANFA IN FIGURES

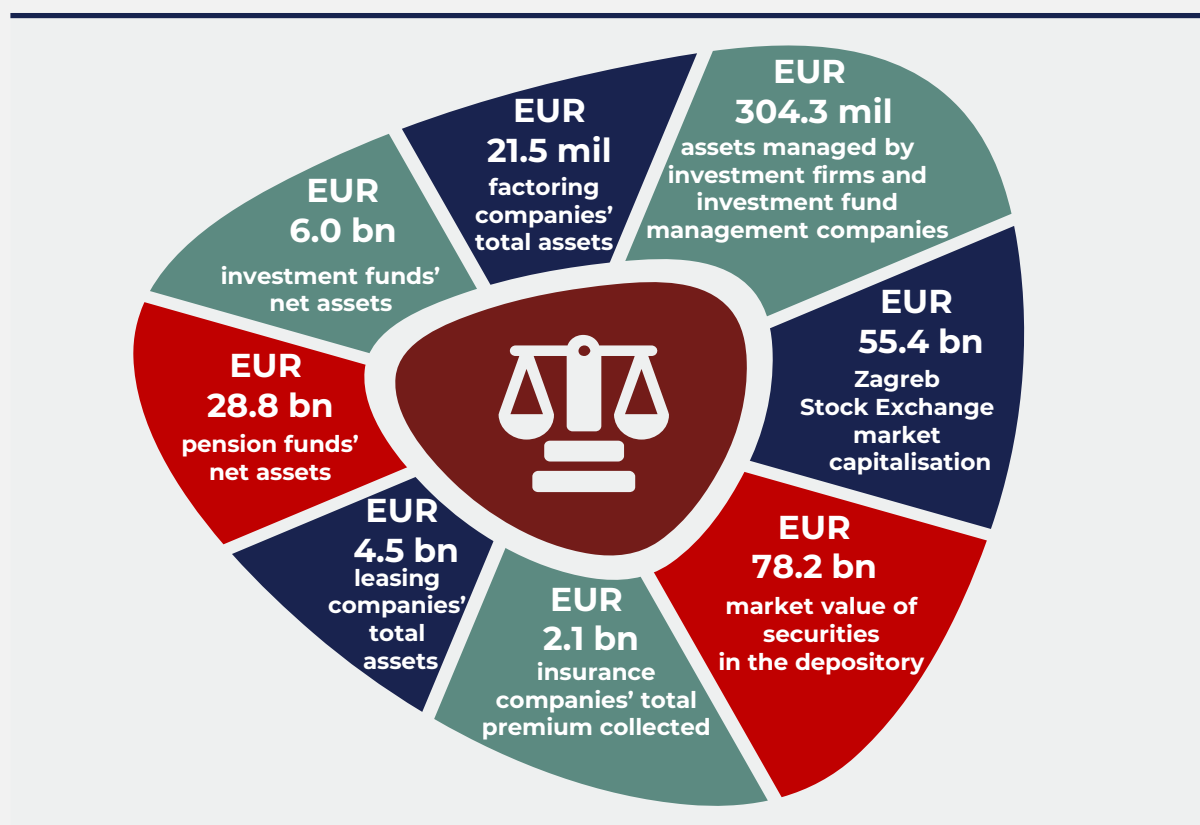
1 HANFA IN FIGURES

Figure 1 Supervised entities



Source: Hanfa

Figure 2 Financial overview



Source: Hanfa

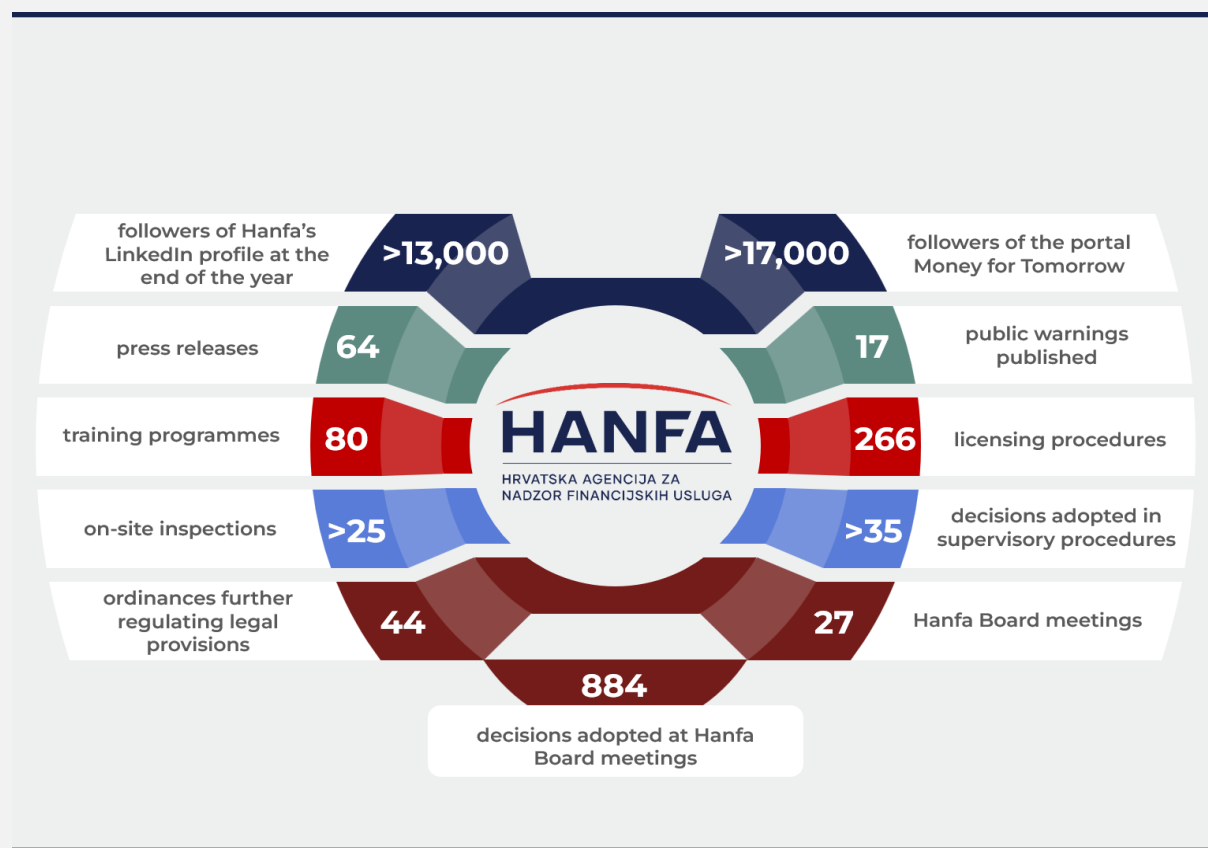
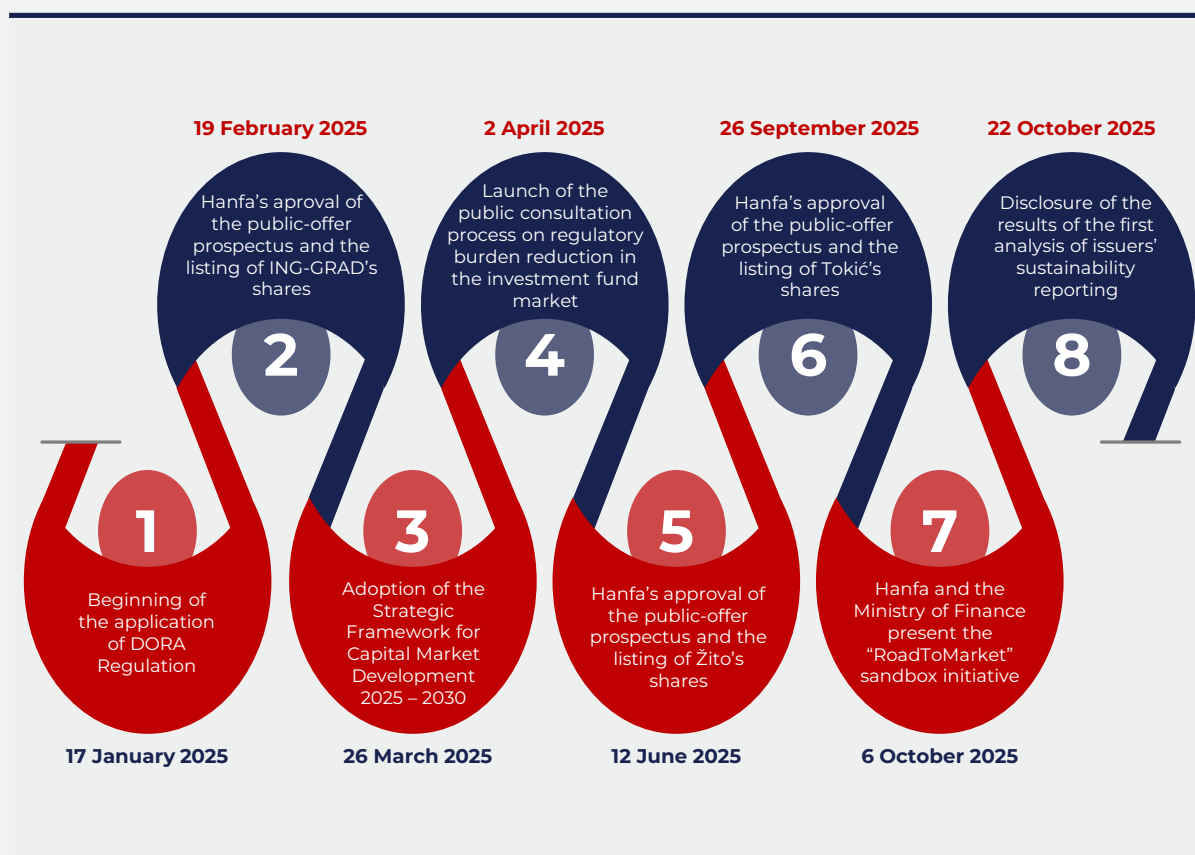
Figure 3 Hanfa's activities**Source:** Hanfa

Figure 4 Important dates**Source:** Hanfa

TRENDS IN THE FINANCIAL SERVICES SECTOR

2 TRENDS IN THE FINANCIAL SERVICES SECTOR

The Croatian economy has continued to grow steadily, while inflationary pressures have been receding, despite the unfavourable global environment marked by geopolitical tensions and uncertainty. The main drivers of economic activity were stronger personal consumption, driven by favourable labour market developments, and the rise in gross investments. Such macroeconomic conditions have had a positive impact on the public debt level, which shows a downward trend relative to previous periods. The positive dynamics in international financial markets spilled over to the domestic capital market, with a strong annual growth of 21% in CROBEX, which continued its previous positive trend. Against this backdrop, institutional investors more exposed to stock markets, such as pension and investment funds, recorded an increase in both returns and total assets. As a result, the assets of the financial services sector rose by 15% and stood at EUR 46.7bn at the end of the year.

2.1 Macroeconomic developments and capital market

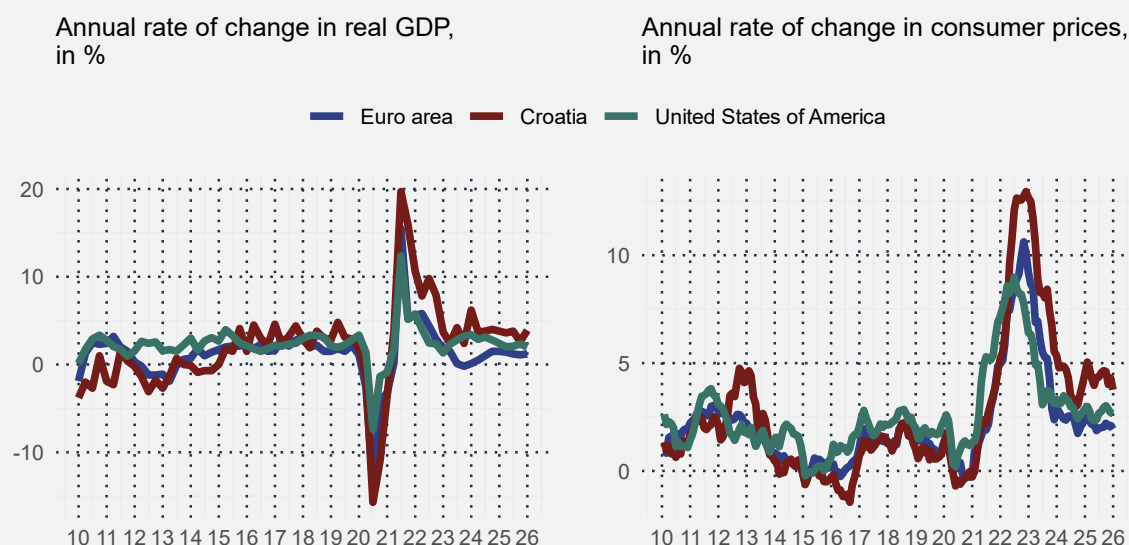
The Croatian economy grew by 3.4% in 2025, down by 0.4 p.p. from the previous year. During the year, inflation continued its downward trend and reached 3% on an annual level (Figure 2.1). The low unemployment rate of 5% at the end of the year and real net wage growth of 6.3% stimulated the growth in personal consumption, which was the main driver of economic growth in 2025 along with gross investments. Net exports made a negative contribution due to weaker foreign demand and stronger imports. Nevertheless, the Croatian economy remained among the fastest growing economies in Europe in 2025. At the same time, the euro area economy grew moderately, by 1.4%, up by 0.5 p.p. from 2024. Such trends suggest a modest recovery of the European economy amid heightened geopolitical tensions and weakened foreign demand.

Fiscal stability of the general government was preserved in 2025 owing to robust economic activity and higher budget revenues. The surge in expenditures, of 12%, was partly offset by the strong rise in revenues, of 10.6%, which resulted in a budget deficit of EUR 2.8bn (3.0% of GDP) at end-2025. In absolute terms, the consolidated general government debt increased by 6.3% in 2025. However, its share in GDP went down by 1 p.p. and stood at 56.3% at year-end, remaining below the Maastricht criterion of 60% of GDP (Figure 2.2).

Financing conditions remained favourable owing to a combination of a stable fiscal position and favourable macroeconomic developments, so that long-term government bond yields remained almost unchanged at 3.1% throughout 2025. The stability of financing costs amid a challenging international environment was also

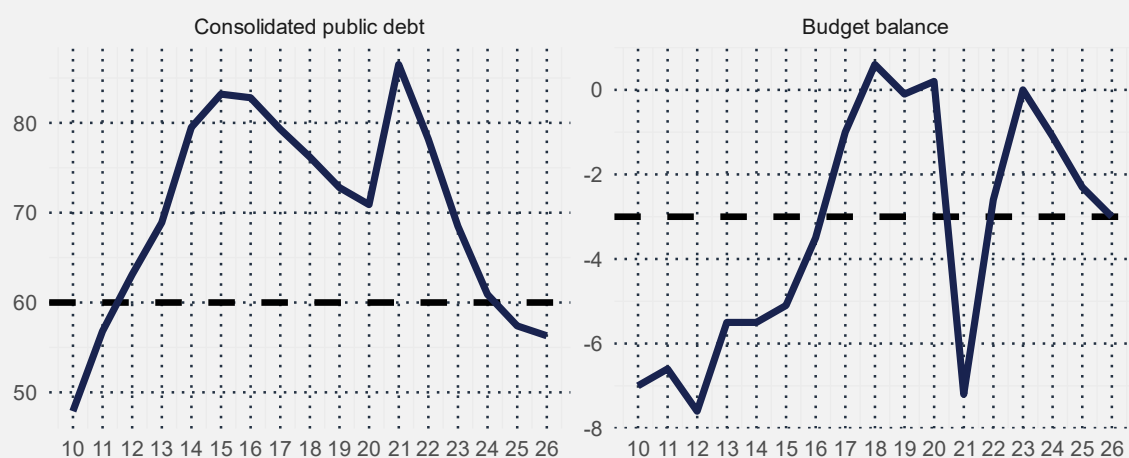
brought about by a stable credit rating, which was in 2025 kept at the current level by all leading credit rating agencies¹.

Figure 2.1 Annual rates of change in real GDP and inflation



Sources: Eurostat, St. Louis Fed

Figure 2.2 Indicators of general government debt and finance situation
In % of nominal GDP



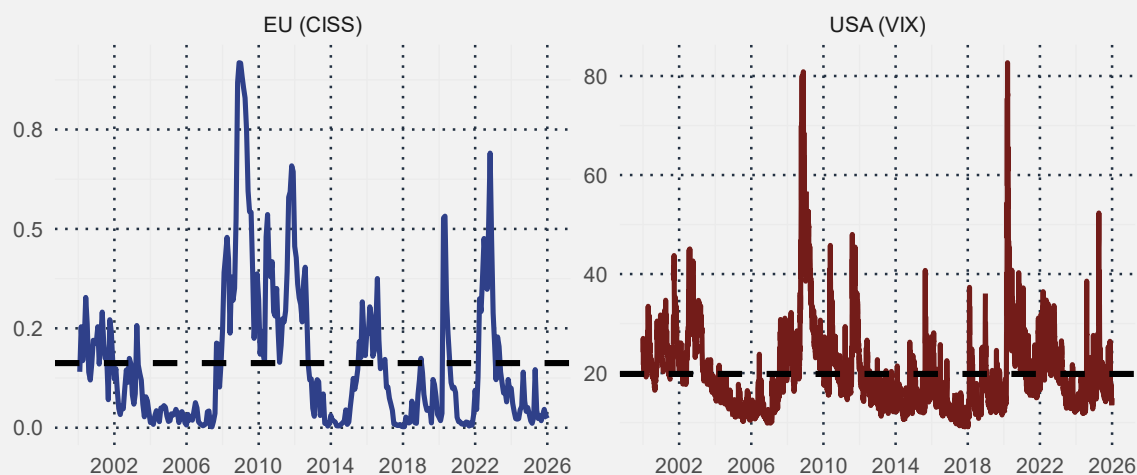
Note: The highlighted lines indicate public debt and budget balance levels defined in the convergence criteria under the Maastricht Treaty.
Source: Eurostat

In 2025, central banks continued to ease their monetary policies by lowering benchmark rates and reducing assets. Despite increased volatility in the first half of the year, largely related to the US administration's customs policy and its culmination in April, investor optimism remained high in 2025 (Figure 2.3). This was mostly due to interest rate cuts, the avoidance of recession despite global geopolitical hotspots and the enthusiasm surrounding the development of artificial intelligence and leading

¹ S&P's credit rating is A- with a positive outlook, Fitch's rating is A- with a stable outlook, while Moody's rating stands at A3 with a stable outlook.

global technology companies, which also brought about positive valuations in financial markets. Most classes of financial assets performed positively, with gold and stocks in the financial and energy sectors recording the highest returns, while the returns of riskier asset classes, such as cryptocurrencies, were considerably lower.

Figure 2.3 EU and US financial market volatility indices



Note: Horizontal dotted lines denote the average of the values shown.
Sources: ECB, St. Louis Fed

Favourable developments continued in the domestic capital market, boosted by positive trends in international markets and growing investor interest. CROBEX continued its upward trend for the third consecutive year and hit a record-high level of 21% in 2025 (Figure 2.4). Since end-2022, CROBEX has risen by 95% in cumulative terms and approached 4000 points for the first time since the 2008 financial crisis. The bond market slowed down and the CROBIS bond index fell by 0.9%, as a reflection of growing investor concern over increased defence costs and increasingly pronounced geopolitical and trade uncertainties.

The increased interest of investors and issuers on the Zagreb Stock Exchange (ZSE) was also brought about by three initial public offerings of shares² (hereinafter: IPO), which took place in 2025, resulting in a significant increase in activity on the capital market.

CROBEX

The main stock index of the Zagreb Stock Exchange which follows the trends in the prices of the most liquid domestic stocks.

² They concern the following companies: ING-GRAD d.d., ŽITO d.d. and TOKIĆ d.d.

In 2025, the total regular ZSE turnover increased to EUR 865.8m, up by 88.5% from 2024 (Figure 2.5). Trading in stocks accounted for the largest share in turnover, reaching EUR 765.3m, almost twice as much as in the year before. Regular bond turnover declined by 5.7% (to EUR 39.7m), while exchange-traded funds (ETFs) continued their years-long upward trend and saw a strong growth in turnover, of 84.6% (EUR 47.9m), with a stable share in total turnover of 5.5%.

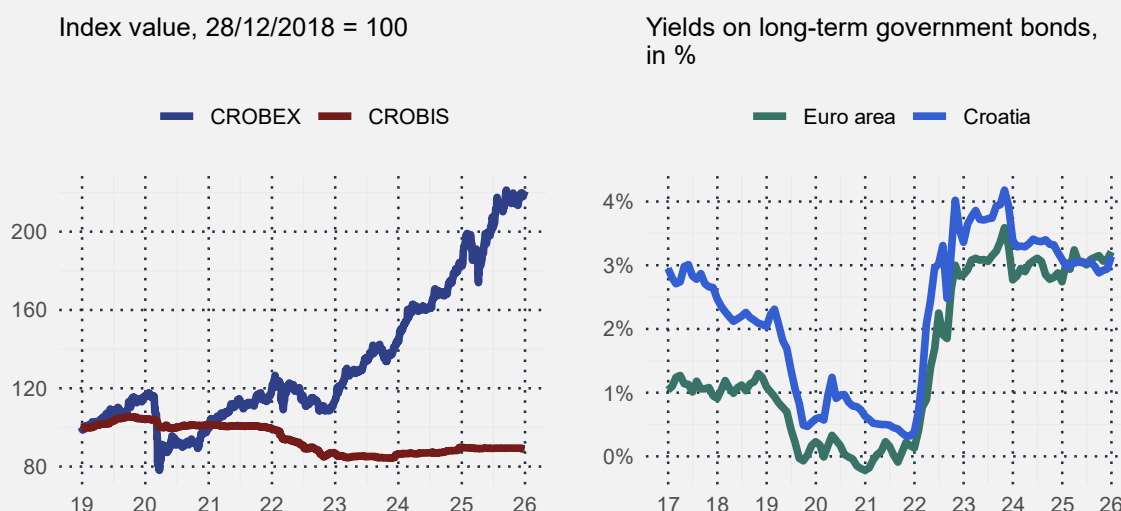
IPO

Initial public offering of shares
The initial public offering of shares by which a company enters the capital market and becomes a public joint stock company.

At the end of 2025, there were 77 stocks listed on the ZSE, one stock less than in the year before, which points to a slowdown in the

years-long downward trend in listed issues. Owing to increased activity driven by the three IPOs, the market capitalisation of stocks rose by 11% and stood at EUR 32.1bn at end-2025.

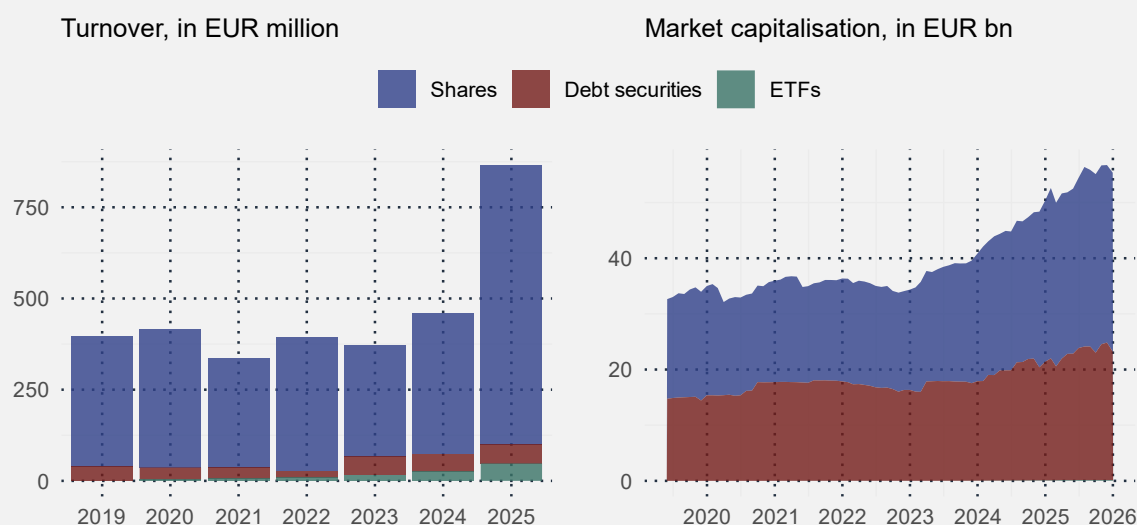
Figure 2.4 Movements in the ZSE stock and bond index and in yields on long-term government bonds



Sources: Eurostat, Zagreb Stock Exchange

A total of 36 issues were admitted for trading in the debt securities market in 2025, one more than in the previous year. Their market capitalisation was EUR 23.1bn (annual growth of 8.3%). A total of seven new bond issues were admitted for trading during 2025, of which four were corporate bonds and three were government bonds, including an issue of the “national” bond worth EUR 1.75bn in nominal terms. The national bond was also partly intended for retail investors. More than 18,500 citizens invested a total of EUR 590.5m in the bond. During the year, the Ministry of Finance issued seven T-bills, with a share of funds raised from retail investors standing at EUR 6.9bn. The ETF segment expanded further in 2025, with a total of five ETFs, unchanged from the previous year. The market capitalisation of ETFs grew by 69.4%, which indicates the continued strong development of this market segment.

Figure 2.5 Turnover and market capitalisation on the ZSE



Note: Debt securities include bonds and money market instruments.
Source: Zagreb Stock Exchange

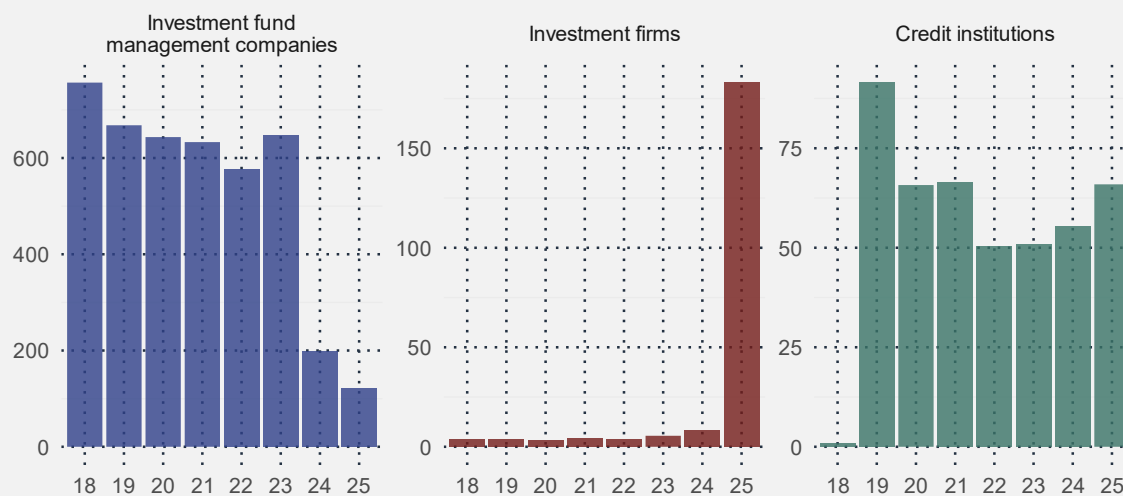
2.2 Investment services

2.2.1 Investment services providers

At the end of 2025, investment services were provided by 21 financial institutions, of which there were three investment fund management companies, seven investment firms and 11 credit institutions. The number of providers remained unchanged from the previous year, with one investment fund management company being reclassified as an investment firm. The total value of investment services providers' assets under management went up by 41.5% and stood at EUR 370.2m at the end of 2025 (Figure 2.6). At year-end, investment fund management companies, credit institutions and investment firms managed assets worth EUR 121.2m, EUR 65.9m and EUR 183.1m, respectively, which is a result of the previously mentioned regulatory transformation.

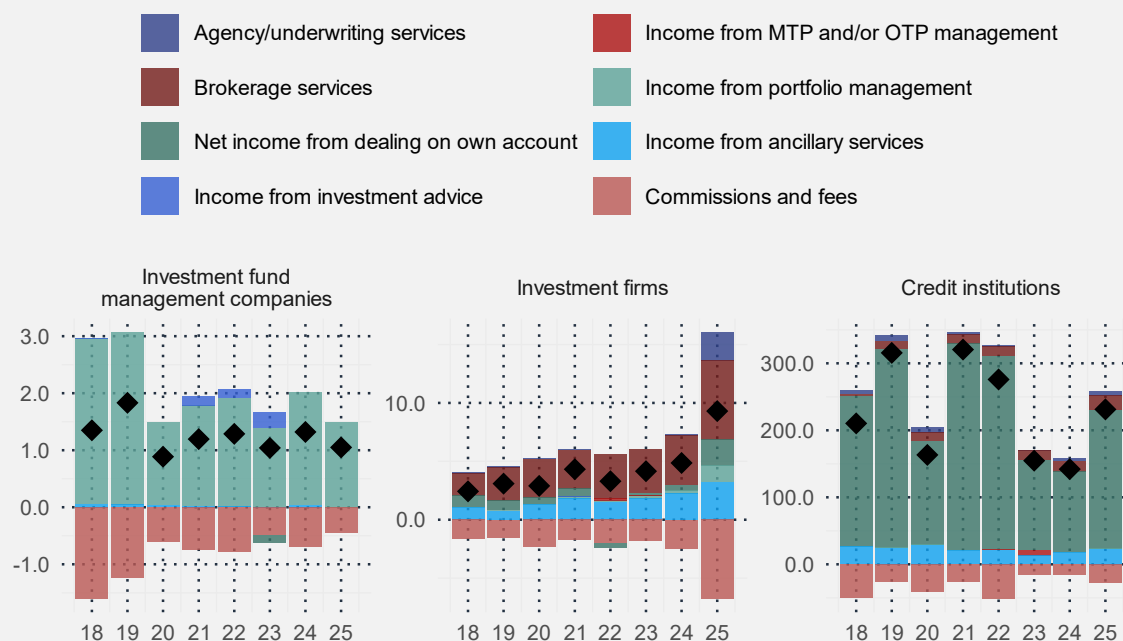
In 2025, investment services providers generated a total of EUR 241.5m in net income, a 63.0% increase from the previous year. The bulk of income came from credit institutions (95.7% or EUR 231.2m), while investment firms and investment fund management companies accounted for 3.9% and 0.4%, respectively, of total net income (Figure 2.7). The largest part of income of credit institutions in 2025 came from dealing on own account (92.9% of total income), while the predominant source of income of other investment services providers was also income from dealing on own account (49.6% of total income). Net income of credit institutions from dealing on own account increased by 72.1%, to EUR 207.4m, while income from brokerage services of investment firms went up by 60.4% from the year before and reached EUR 6.8m.

Figure 2.6 Value of investment services providers' assets under management
In EUR million



Source: Hanfa

Figure 2.7 Investment services providers' income and expenditure by type of service
In EUR million



Note: The highlighted dots indicate investment services providers' net income in the year observed.
Source: Hanfa

2.2.2 Investment funds

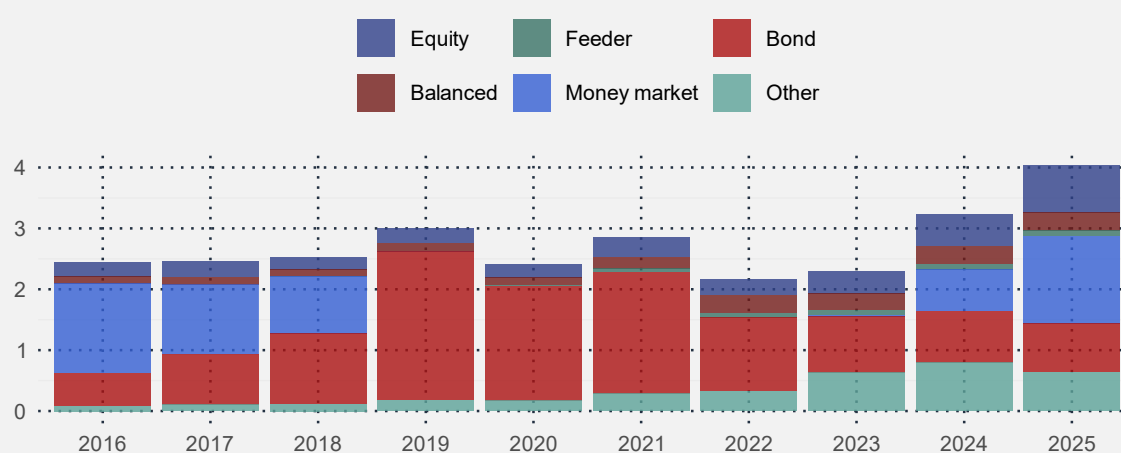
Open-ended investment funds with public offering

At the end of 2025, there were 110 open-ended investment funds with public offering (hereinafter: UCITS) operating on the domestic market, seven funds less than at the

end of the previous year. Despite the decrease in the number of funds, the value of their net assets increased by 25.2% and stood at EUR 4.0bn at end-2025, the highest level since end-2007 (Figure 2.8), which can be attributed to increased inflow of funds, particularly into money market funds, but also to the growth in the market value of assets. Over the observed period, the assets of money market funds rose the most, by 112.3% (to EUR 1.4bn at end-2025), reaching 35.4% of total net assets of UCITS. Net assets of equity funds rose by 49.6% and stood at EUR 0.8bn at end-2025. Balanced funds grew moderately, by 3.2%, while feeder funds and bond funds declined by 3.6% and 5.7%, respectively. Other funds witnessed the largest fall in assets, of 19.9%, which was partially related to target-date funds reaching their maturity.

Figure 2.8 Net assets of UCITS

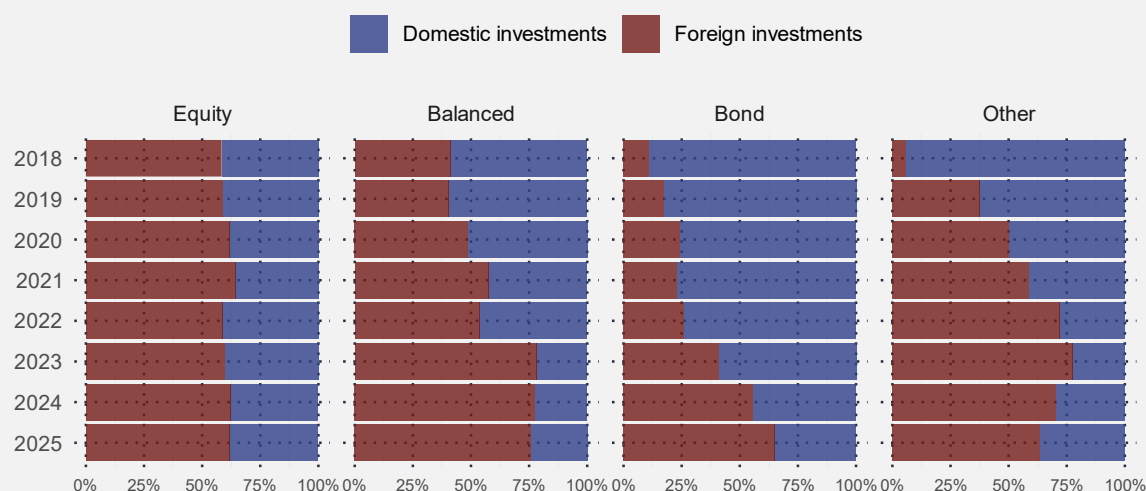
In EUR bn



Note: Due to the entry into force of the Money Market Funds Regulation, the majority of money market funds reregistered in early 2019 and continued operating as short-term bond funds.
Source: Hanfa

Figure 2.9 Asset structure of UCITS by domicile

In %

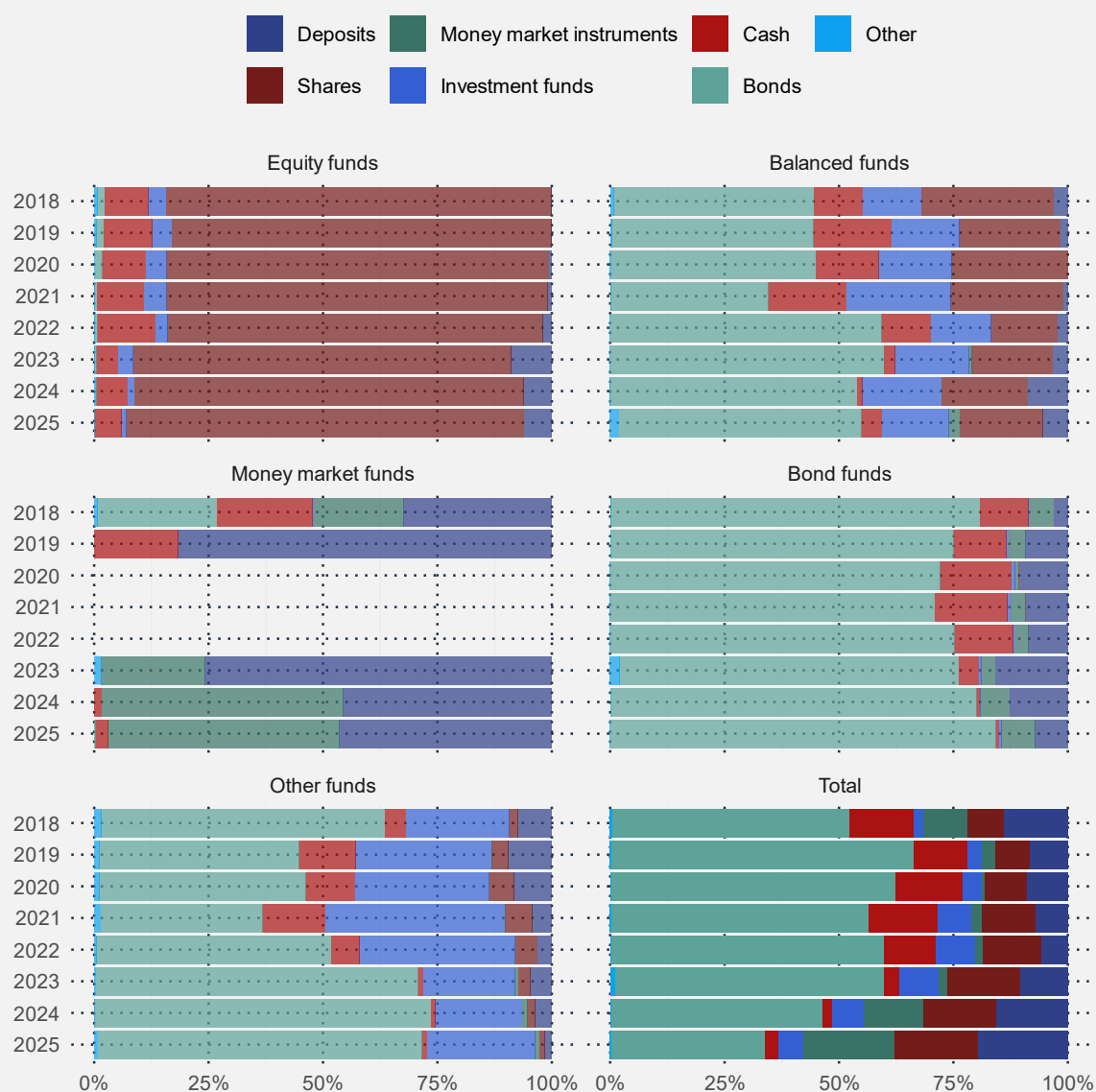


Source: Hanfa

As regards equity and balanced funds, the investment structure of UCITS by domicile remained broadly unchanged in 2025, while it changed significantly for bond funds and other funds (Figure 2.9). Bond funds increased their foreign investments by 9.2 p.p., continuing the several-year upward trend in international exposure, while foreign investments of other funds declined by 6.8 p.p. On the level of the sector as a whole, foreign investments of funds, which accounted for only 14.0% in 2018, reached 64.4% of total investments by the end of 2025. Greater diversification boosts the sector's stability in generating competitive returns and reduces the risk of excessive concentration stemming from the considerable share of government bonds.

Figure 2.10 Asset structure of UCITS by investment type

In % of total assets

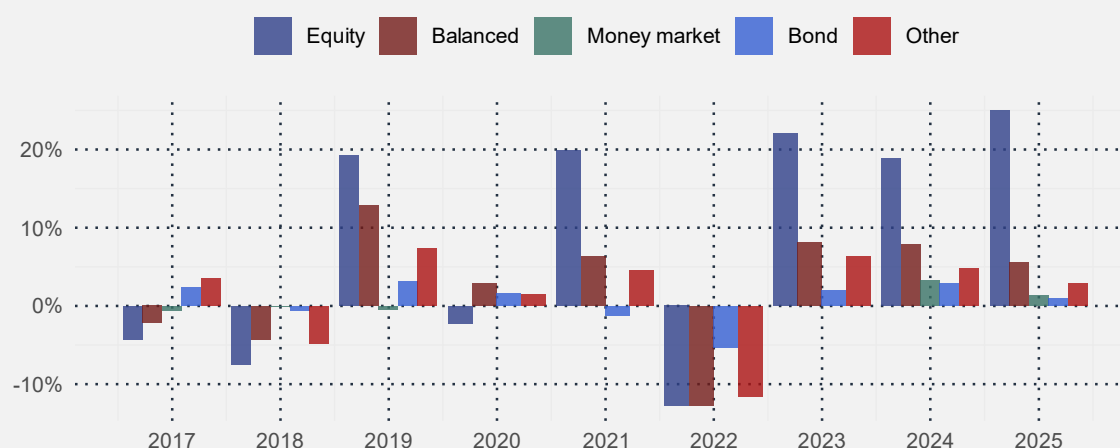


Note: Following the entry into force of the Money Market Funds Regulation, in 2020, all of the 21 money market funds operating in the Republic of Croatia operated as short-term bond funds or were classified into the "other" category.
Source: Hanfa

The investment structure of UCITS changed considerably in 2025. These changes were predominantly driven by changes in the sector structure, primarily a strong growth of

money market funds, leading to a strong rise in the share of short-term instruments such as T-bills and deposits (Figure 2.10). Bonds again accounted for the largest share of investments, of 33.5%, followed by cash and deposits (22.5%), money market instruments (19.8%) and stocks (18.3%). Holdings in investment funds and other investments accounted for 5.6% and 0.3%, respectively, of total investments at the end of 2025. Relative to the year before, the share of stocks increased by 2.4 p.p., while the share of bonds dropped by 12.7 p.p. The share of money market instruments grew by 6.8 p.p., while the share of cash and deposits went up by 4.7%.

Figure 2.11 Average annual returns by fund type
In %



Note: The figures show the average returns weighted by the share in net assets of an individual fund in total net assets of the observed category.
Source: Hanfa

Favourable market developments in 2025, primarily in the domestic capital market, had a positive impact on returns of investment funds (Figure 2.11). Equity funds generated the largest average return, of 25.0%, followed by balanced funds (5.5%) and other funds (2.9%). Returns of money market funds and bond funds stood at 1.4% and 0.9%, respectively. Favourable results point to the continuation of the trend observed in the previous two years. Coupled with a high increase in net payments, they contributed to the growth of total sector assets in 2025.

Alternative investment funds

At the end of 2025, there were 47 active alternative investment funds (hereinafter: AIFs), of which 44 AIFs with private and three AIFs with public offering. Total net assets of AIFs grew by 40.6%, to EUR 1.9bn. AIFs with private offering accounted for 98.3% of total net assets of AIFs (their assets grew by 41.1% on an annual basis), while the remaining 1.7% of net assets was accounted for by AIFs with public offering (their assets increased by 14.9% on an annual basis).

Table 2.1 Assets of AIFs by type

In EUR thousand

Alternative investment funds	2024	Share	2025	Share	Absolute change	Relative change
Public offering	27,904	2.10%	32,071	1.70%	4,167	14.90%
Open-ended	3,098	0.20%	2,485	0.10%	-613	-19.80%
Closed-ended	24,806	1.80%	29,586	1.60%	4,780	19.30%
Basic (non-real estate)	24,806	1.80%	29,586	1.60%	4,780	19.30%
Private offering	1,325,744	97.90%	1,870,991	98.30%	545,247	41.10%
Open-ended	827,156	61.10%	1,131,668	59.50%	304,512	36.80%
Basic	67,851	5.00%	93,034	4.90%	25,183	37.10%
Special	759,305	56.10%	1,038,634	54.60%	279,329	36.80%
<i>Hedge fund</i>	232,700	17.20%	359,850	18.90%	127,150	54.60%
<i>Multi asset</i>	478,313	35.30%	494,216	26.00%	15,903	3.30%
Venture capital	19,098	1.40%	34,795	1.80%	15,697	82.20%
Risk capital	0	0.00%	0	0.00%	0	0.00%
Specialised AIF	500	0.00%	401	0.00%	-99	-19.80%
For real estate investments	2,371	0.20%	54,942	2.90%	52,571	2217.30%
For sovereign debt investments	5,270	0.40%	0	0.00%	-5,270	-100.00%
For equity investments	21,052	1.60%	94,430	5.00%	73,378	348.60%
Closed-ended	498,588	36.80%	739,323	38.80%	240,735	48.30%
Basic	444,593	32.80%	641,098	33.70%	196,505	44.20%
Special (venture capital)	53,995	4.00%	98,225	5.20%	44,230	81.90%
Total	1,353,648	100.00%	1,903,062	100.00%	549,414	40.60%

Source: Hanfa

Fund established under special act

Net assets of the Fund for Croatian Homeland War Veterans and Members of their Families amounted to EUR 222.9m at end-2025, up by 2.5% relative to 2024. The price of its units went up by 4.3% year-on-year, amounting to EUR 129.9 at end-2025.

Investment fund management companies

At end-2025, there were 25 licensed investment fund management companies managing 158 investment funds. Five of these companies managed UCITS only, 17 companies managed AIFs only, while three companies managed both AIFs and UCITS. Total assets of investment fund management companies stood at EUR 74.1m at the end of 2025, up by 58.7% from the year before. Their net profit amounted to EUR 21.9m, up by 37.1% from the previous year.

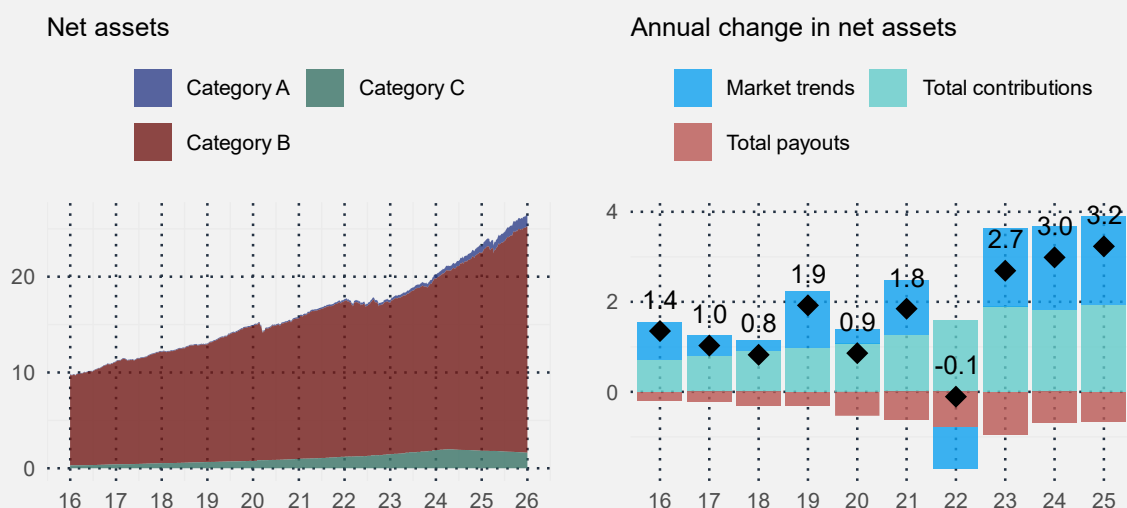
2.3 Pension system

2.3.1 Mandatory pension funds

At the end of 2025, there were 12 mandatory pension funds (hereinafter: MPFs) operating in the Republic of Croatia, with their net assets standing at EUR 26.4bn (28.5% of GDP), 13.9% more than the year before (Figure 2.12). The growth in pension fund assets is the result of favourable market developments and increased contributions by members, which reached EUR 1.8bn in 2025 (up by 15.7% from 2024). At the level of individual categories, category A funds recorded the largest increase in

net assets (+65.4%), which stood at EUR 1.2bn at end-2025. Category B, which accounted for 89.3% of total net assets of MPFs at the end of 2025, saw a growth in net assets of 14.3% and reached EUR 23.6bn. Net assets of category C funds declined by 11.2%, to EUR 1.6bn. The fall was due to reduced contributions by members associated with legislative amendments from April 2024 abolishing the automatic transfer of fund members to a category C fund five years prior to retirement³.

Figure 2.12 Net assets, total contributions, payouts and market trends recorded by MP
In EUR bn



Source: Hanfa

The structure of MPFs investments remained largely concentrated in bond investments (54.8% of total assets) in 2025, even though their share declined by 6 p.p. from the previous year. During the year, MPFs increased their exposure to government debt of other EU Member States by 4.5 p.p., which accounted for 14.5% of total investments at the end of 2025. The share of investments in stocks stood at 23.8%, the share of units in investment funds amounted to 10.4%, the share of deposits, cash and money market instruments accounted for 7.8% and the share of other investments accounted for 3.2% of total assets.

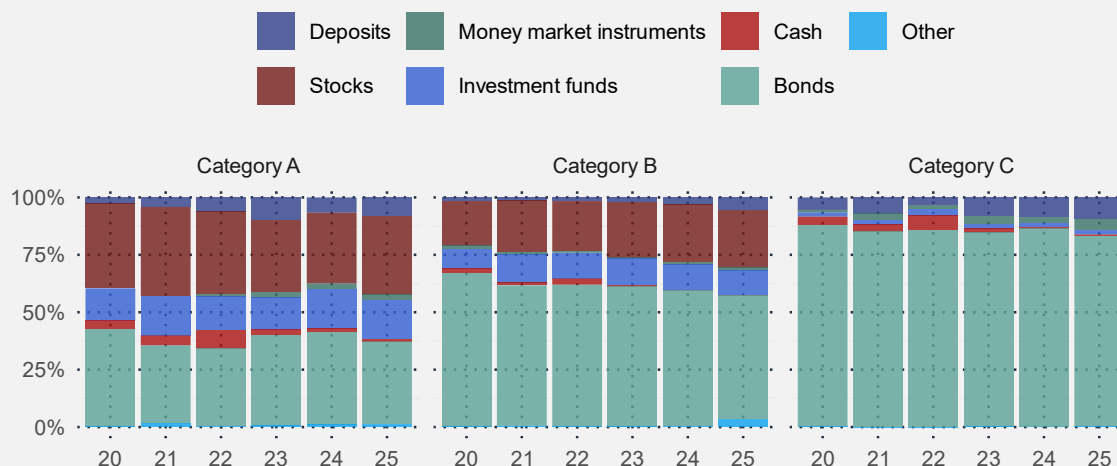
The number of MPF members rose by 66.2 thousand in 2025 and reached 2.4 million at the end of 2025. The number of members in category A funds rose by 92.4 thousand (21.5%), while the number of category B members fell by 12.9 thousand (0.7%). The strong growth in the number of category A fund members is largely due to automated allocations of new members given that, pursuant to the Mandatory Pension Funds Act⁴, new members are automatically allocated to one of the category A funds if they fail to choose a pension fund themselves within one month after the start of their first employment. The number of category C members dropped by 13.3 thousand (14%), which is directly related to the mentioned abolishment of the automatic transfer of

³ **Official Gazette, No 156/23** – Act Amending the Mandatory Pension Funds Act, applicable as of 1 April 2024 (abolishment of automatic transfer to a category C fund).

⁴ Legislative changes provide for the procedure according to which any new members who fail to select their pension fund on their own within 30 days following their employment are allocated automatically to one of the four category A funds (**Official Gazette, No 115/18**).

fund members to a category C fund five years prior to retirement, as well as a slowdown in the inflow of new members.

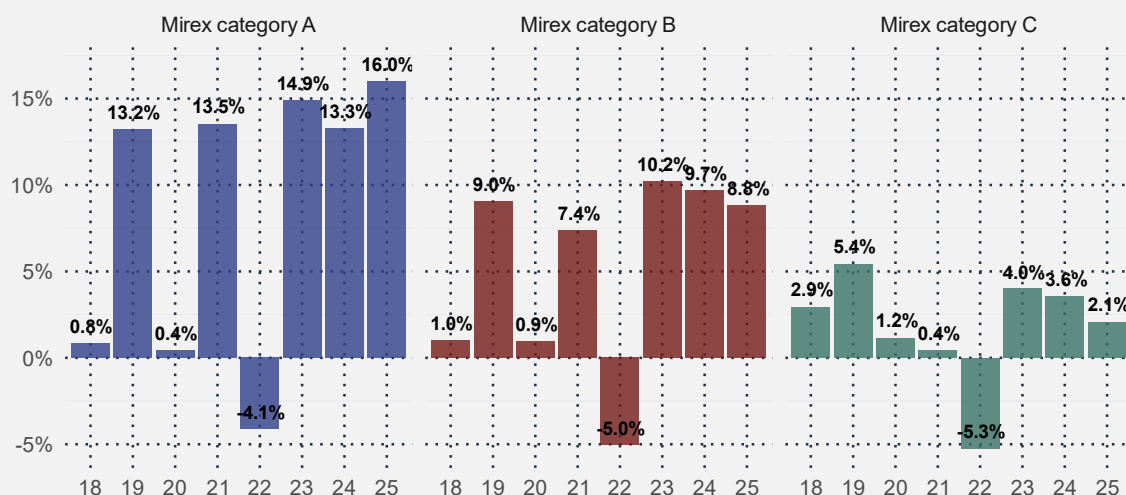
Figure 2.13 Mandatory pension funds' asset structure by investment type
In % of total assets



Note: Item 'Other' comprises derivatives, receivables, real estate, shares in limited liability companies and other assets.
Source: Hanfa

In 2025, MPFs generated relatively high returns owing to favourable developments in financial markets (Figure 2.14). Category A funds generated very high returns of 16.0%, reflecting exceptional results in domestic and foreign stock markets. Category B funds made a more moderate return of 8.8%, while category C funds recorded a return of 2.1%, which is a slight slowdown compared to the last year's performance.

Figure 2.14 Mandatory pension funds' annual rates of return
In %



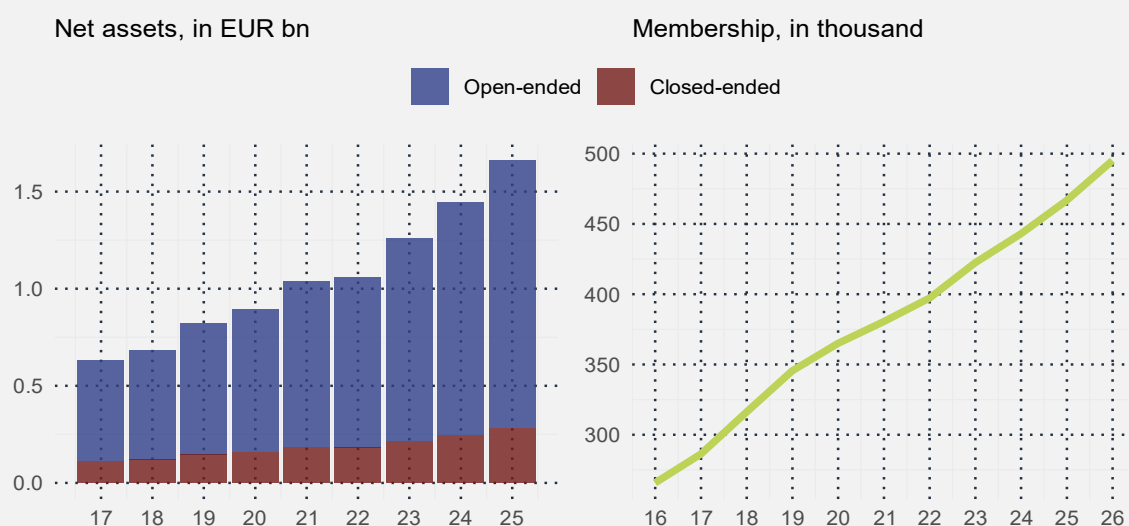
Source: Hanfa

2.3.2 Voluntary pension funds

The number of voluntary pension funds (hereinafter: VPFs) remained unchanged in 2025. At the end of 2025, there were 29 VPFs operating in the Republic of Croatia, of which eight were of an open-ended type (hereinafter: OVPFs) and 21 were of a closed-ended type (hereinafter: CVPFs).

Favourable market trends and positive net contributions in 2025 impacted the assets of VPFs, which reached EUR 1.7bn at the end of the year, an increase of 14.8% from 2024. Of this amount, OVPFs accounted for EUR 1.4bn, while CVPFs accounted for EUR 280.8m (Figure 2.15). The number of VPF members continued to grow, reaching 495.1 thousand at the end of 2025, up by 28.3 thousand (6.1%) from 2024. The number of OVPF and CVPF members rose by 27.0 thousand (6.5%) and 1,390 (2.8%), respectively.

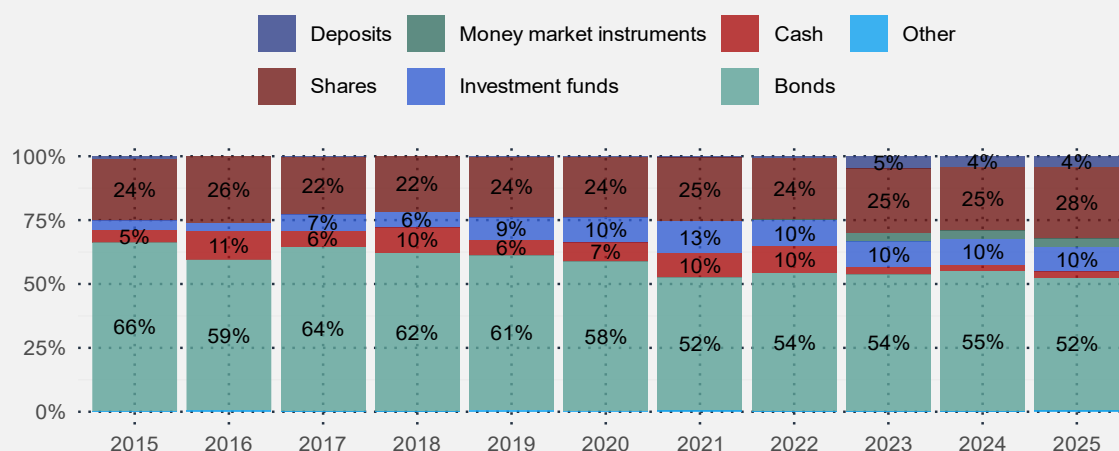
Figure 2.15 Voluntary pension funds' net assets and membership



Source: Hanfa

Figure 2.16 Voluntary pension funds' investment structure

In % of total assets



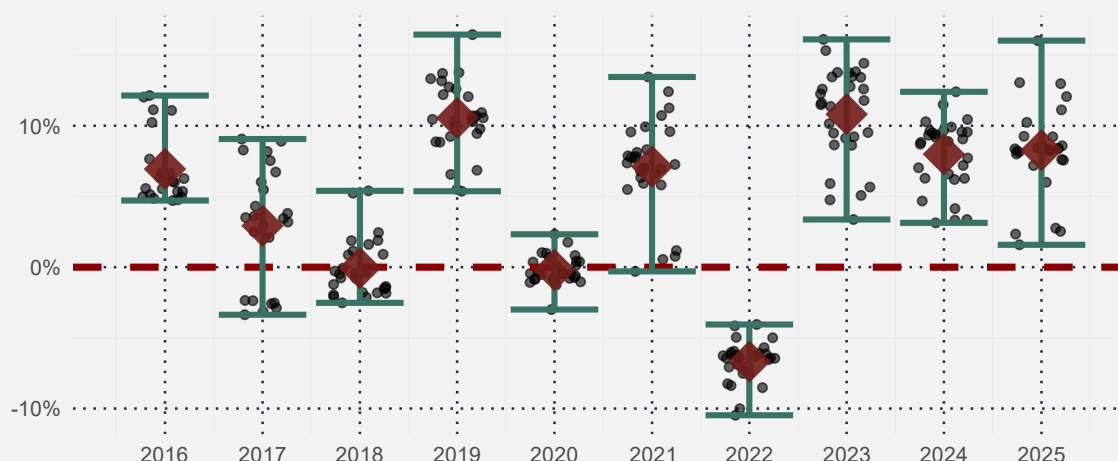
Note: Item 'Other' comprises derivatives, receivables, real estate, shares in limited liability companies and other assets.

Source: Hanfa

At end-2025, VPFs allocated the bulk of their assets to bonds (52.0%), followed by stocks (28.1%) and investment funds (9.6%) (Figure 2.16). Relative to the year before, exposure to stocks rose considerably (by 3.3 p.p.), while exposure to bonds declined proportionally (by 3.1 p.p.). Other asset classes remained relatively unchanged. For the third consecutive year, all VPFs generated positive returns in 2025, ranging between 1.6% and 16.0%, with an average return of 8.3% (Figure 2.17).

Figure 2.17 Voluntary pension funds' annual rates of return

In %



Note: The chart shows average annual rates of return and the range of rates of return of voluntary pension funds in the year observed. The dots indicate annual rates of return of individual voluntary pension funds.

Source: Hanfa

2.3.3 Pension companies

In 2025, the assets of 12 mandatory and 29 voluntary pension funds were managed by five pension companies. One of them managed only mandatory pension funds, another managed only voluntary pension funds, while three of them managed both mandatory and voluntary pension funds.

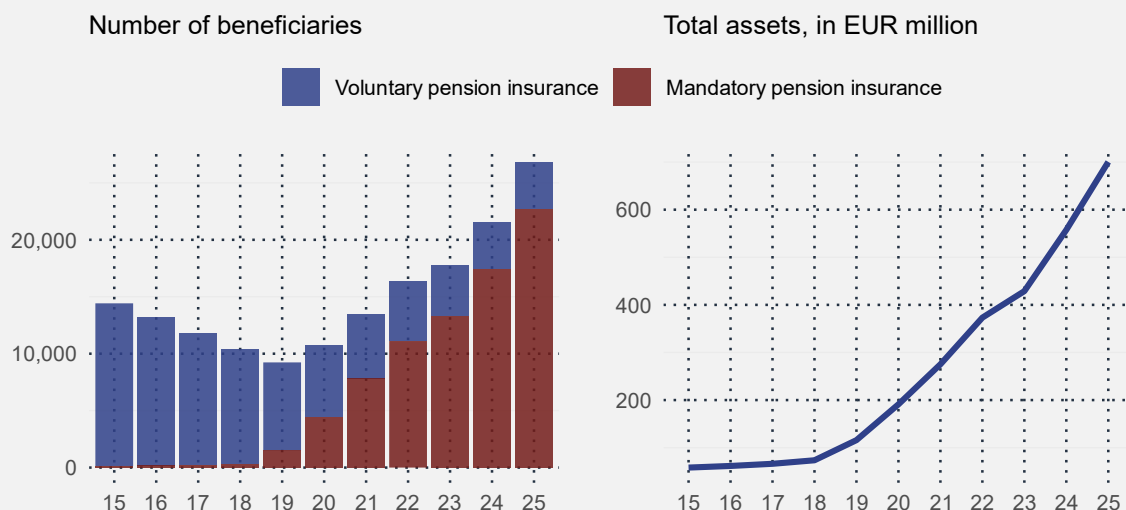
Income from pension fund management increased by 11.7%, while expenditure went up by 13.5%. The net result stood at EUR 45.5m, an increase of 10.4% from the previous year. Net profit amounted to EUR 23.1m, up by 5.9% from 2024.

2.3.4 Pension insurance companies (PICs)

In 2025, there were two pension insurance companies in Croatia (hereinafter: PICs). Their total assets rose by 25.6% on an annual level and stood at EUR 700.3m at the end of 2025. The rise in assets was due to the increase in the number of PIC beneficiaries (of 24.7% from 2024), with their number reaching 26.8 thousand at the end of 2025 (Figure 2.18). The number of mandatory pension insurance beneficiaries increased by 30.5% (to 22.7 thousand), while the number of voluntary pension insurance beneficiaries stood at 4.1 thousand, almost the same as the year before. The upward trend in the number of mandatory pension insurance beneficiaries and the stagnation in the segment of voluntary pension insurance can partly be attributed to legislative

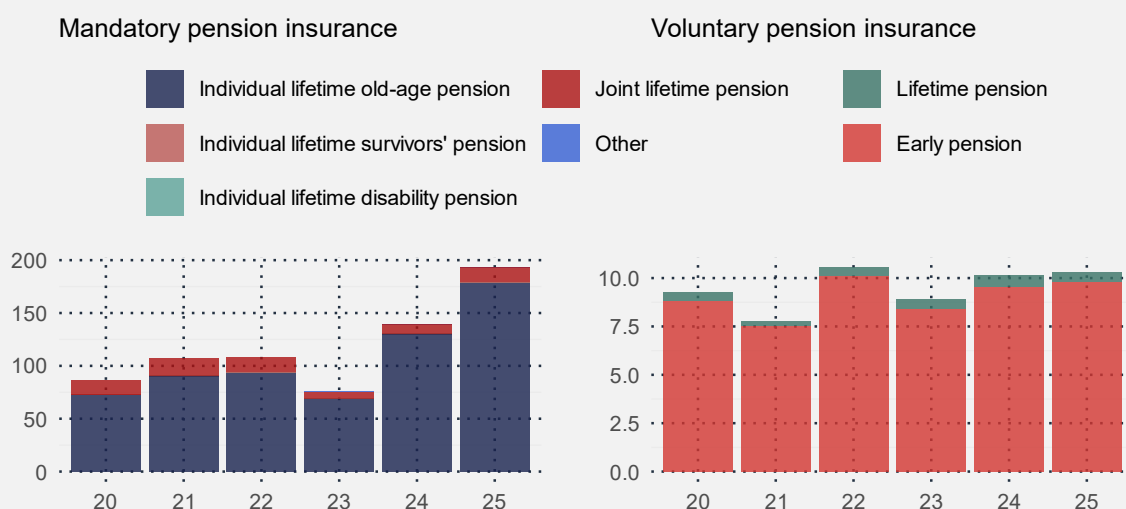
changes made in 2019, which allowed more flexible models for voluntary pension savings payouts via pension funds, life insurance companies or combinations thereof.

Figure 2.18 Number of pension insurance beneficiaries and pension insurance companies' assets



Source: Hanfa

Figure 2.19 Payments to pension insurance companies by type of pension scheme
In EUR million



Source: Hanfa

Payments to PICs reached EUR 203.3m in 2025, up by 35.8% from 2024. The bulk of total payments (87.9%) was accounted for by individual lifetime old-age pension, followed by payments to temporary pension schemes (4.8%) and payments to joint lifetime pension schemes (6.6%), while payments to other types of pension schemes accounted for less than 1% of total payments. Payments for individual lifetime disability pension, lifetime pension and individual lifetime survivors' pension accounted for 0.4%, 0.2% and 0.1%, respectively, of total payments (Figure 2.19).

Total PICs investments stood at EUR 648.4m at end-2025, accounting for 92.6% of total assets and rising by 28.7% from the year before. In 2025, PICs reported a net profit of EUR 1.3m, with their capital position remaining well above regulatory requirements.

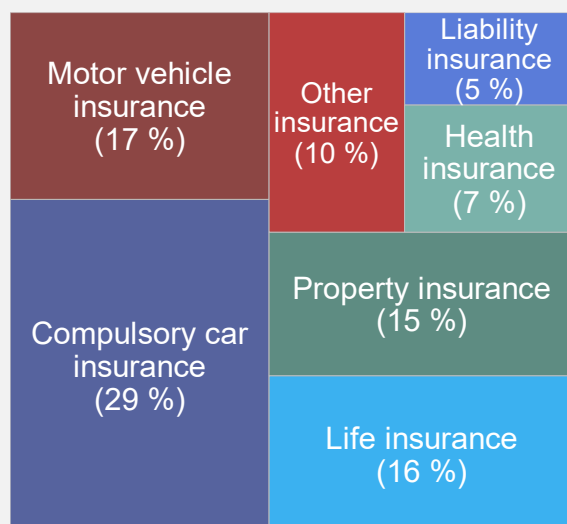
2.4 Insurance

The number of insurance companies remained unchanged. There were 14 insurance companies operating in Croatia at end-2025: two companies dealing with life insurance only, four companies dealing with non-life insurance only and eight composite insurance companies.

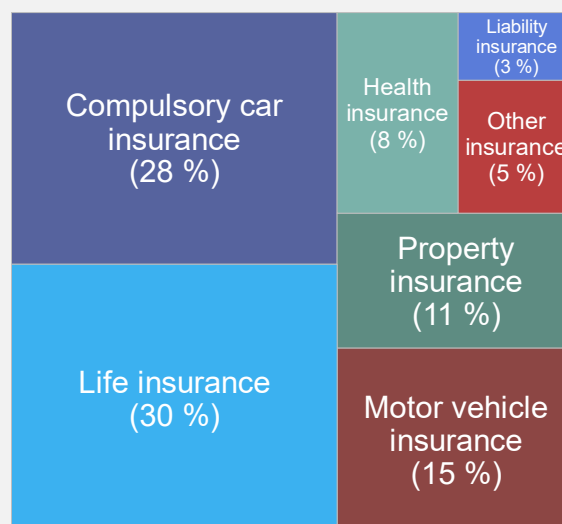
Insurance companies' total premium collected stood at EUR 2.1bn, up by 7.5% on an annual level (Figure 2.20). Non-life insurance premium made the largest contribution, rising by 9.1% year-on-year and reaching EUR 1.7bn at the end of the year. The rise in non-life insurance premium largely came from motor vehicle liability insurance, motor vehicle insurance and property insurance⁵, which accounted for 72.7% of total non-life insurance premium in 2025. The collected life insurance premium remained largely unchanged (growing by 0.2%) and amounted to EUR 335.9m. Standard life insurance accounted for 68.4% of the total life insurance premium, while the share of unit-linked insurance stood at 25.7%.

Figure 2.20 Structure of premium collected and claims settled in 2025

Collected premium



Claims settled



Source: Hanfa

Claims settled amounted to EUR 1.2bn in 2025, down by 3% on an annual basis. In the non-life insurance segment, claims settled stood at EUR 856.9m (an increase of 4.3%), which primarily came from motor vehicle liability insurance, motor vehicle insurance

⁵ The collected motor vehicle liability insurance premium stood at EUR 608.7m, while motor vehicle insurance and property insurance premiums stood at EUR 341.7m and EUR 309.1m, respectively.

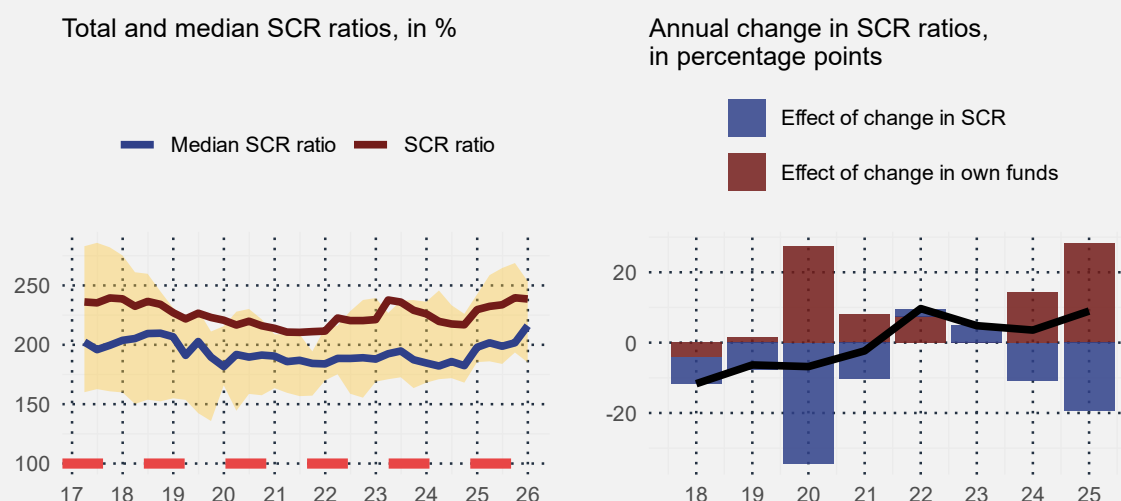
and property insurance, which together accounted for 76.8% of total claims settled⁶. In the life insurance segment, claims amounted to EUR 364.3m, which is a decrease of 16.8% from 2024. Developments in the life insurance segment suggest that preferences are still changing towards other forms of savings amid higher interest rates.

Insurance companies' profit before tax stood at EUR 165.2m in 2025, up by 1.3% from the year before. Profit in the non-life insurance segment went up by 7.6% owing to a considerable growth in income from insurance contracts and net investment results. At the same time, profit in the life insurance segment dropped by 11.0% despite a slight fall in net financial expenses on insurance contracts and (passive) reinsurance and owing to the rise in other operating expenses and other expenses from insurance services.

Total assets of insurance companies amounted to EUR 6.4bn at end-2025, up by 6.1% year-on-year. The positive developments in financial markets during the year resulted in a 5% increase in the value of investments, which accounted for 84.3% of total assets. The structure of liabilities was largely accounted for by liabilities under insurance contracts and capital and reserves, with a share of 59.8% and 31.6%, respectively (an increase of 2.8% and 9.9%, respectively, relative to 2024).

The capitalisation of insurance companies measured by the solvency ratio (hereinafter: SCR ratio) rose further in 2025 and remained well above the regulatory minimum (Figure 2.21). The aggregate SCR ratio ended the year at 238.6% (an increase of 9.0 p.p. from the year before), while the median SCR ratio stood at 216.1%, up by 18.2 p.p. on an annual level.

Figure 2.21 Solvency of insurance companies



Note: The highlighted area in the left-hand chart denotes the interquartile range of the SCR ratio by companies. The highlighted line in the right-hand chart denotes a percentage change in the SCR ratio.
Source: Hanfa

⁶ Claims settled in the segment of motor vehicle liability insurance stood at EUR 342.2m, while claims settled in the segment of motor vehicle insurance and property insurance stood at EUR 182.5m and EUR 133.6m, respectively.

Croatian Insurance Bureau

At end-2025, consolidated total assets of the Croatian Insurance Bureau (hereinafter: Bureau) stood at EUR 2.2m, with its liabilities amounting to EUR 1.8m and its sources of financing standing at EUR 380.8 thousand. The Bureau's income totalled EUR 1.7m, up by 3.4% from the previous year, and was primarily made up of income from its members from operating expenses. The Bureau's total expenditure amounted to EUR 2.2m, up by 39.3% on an annual level, and was dominated by functional expenditures, which rose by 66.9% and stood at EUR 1.0m in 2025. At end-2025, total assets of the Guarantee Fund amounted to EUR 3.7m, rising by a mere 0.2% from the previous year.

Croatian Nuclear Insurance and Reinsurance Pool, EIG

In 2025, the founding members and members of the Croatian Nuclear Insurance and Reinsurance Pool, EIG (hereinafter: Croatian Nuclear POOL) included Allianz Hrvatska d.d., Croatia osiguranje d.d., Generali osiguranje d.d. and Triglav osiguranje d.d. At end-2025, funds available to the Croatian Nuclear POOL totalled EUR 9.9m. The investment structure changed, with the share of deposits rising further, from around 94% in 2024 to close to 100% in 2025, as a result of a full withdrawal from bond investments. Total technical provisions ended the year at EUR 9.8m, edging down by 0.8% from the year before. Gross profit stood at EUR 5.2 thousand in 2025.

2.5 Non-bank financing

2.5.1 Leasing companies

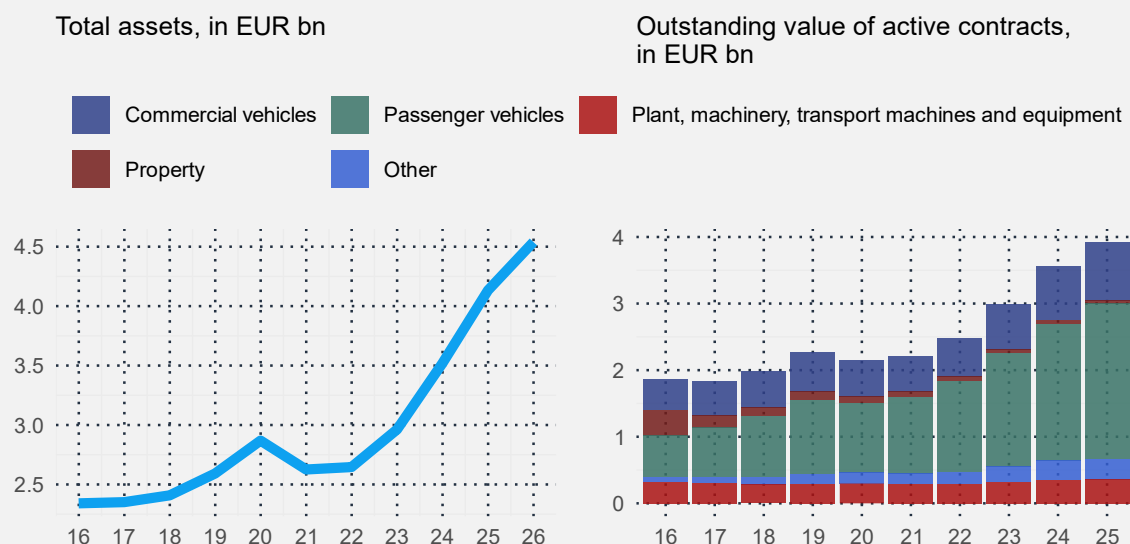
The number of leasing companies remained unchanged. Thus, at end-2025 there were still 15 leasing companies operating in Croatia. Favourable economic trends in 2025 had a positive impact on leasing companies' operations, so that their total assets rose by 9.8% on an annual level and reached EUR 4.5bn (Figure 2.22). Finance lease receivables stood at EUR 3.5bn at end-2025, up by 11.7% from end-2024. The dominant source of financing of leasing companies were loans and credits from foreign institutions, which amounted to EUR 3.4bn at the end of the year (an annual growth of 10.9%), while their total liabilities amounted to EUR 4.0bn.

The profitability of leasing companies, that is, return on their average assets, decreased to 1.5%, while total profit stood at EUR 68.0m (a decline of 3.21%). The value of newly concluded contracts continued to trend upwards (by 4.4% on an annual level) and stood at EUR 2.1bn. This growth was largely due to the rise in finance lease (6.5%), while operating lease fell by 6.8%. The increase in the value of newly concluded contracts was aided by the rise in vehicle prices, as well as the growth of demand for lease, which led to an increase in the number of newly concluded contracts of 5.1% from the year before.

The value and the number of active contracts also continued to trend up. At end-2025, the value of active contracts reached EUR 3.9bn, growing annually by 10.4%. The number of contracts amounted to 196.4 thousand, an increase of 7.6% on an annual level. The structure of contracts in terms of leased assets was dominated by passenger

cars and commercial vehicles, which accounted for 81.7% of the total value of active contracts at end-2025. The largest lease users were non-financial corporations active in the tourism sector, which accounted for 28.0% of the value of active contracts at end-2025.

Figure 2.22 Leasing companies' assets and value of their active contracts

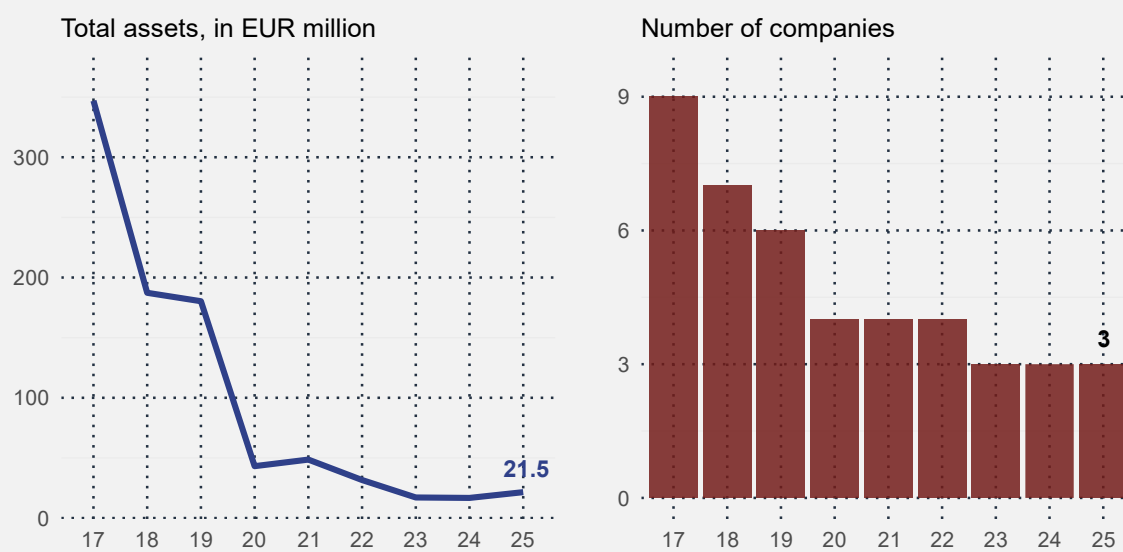


Source: Hanfa

2.5.2 Factoring companies

In 2025, there were three factoring companies operating in the domestic market. Their total assets rose by 30.6% year-on-year and stood at EUR 21.9m at the end of 2025. The volume of transactions went up by 53.0% and reached EUR 126.7m. The largest share of transactions was accounted for by regular factoring (82.3%), while the remaining 17.7% was accounted for by reverse factoring. Factoring companies' receivables stood at EUR 17.5m at the end of the year (an annual increase of 43.1%), with regular factoring accounting for 78.4%, and reverse factoring for the remaining 21.6%. Factoring companies reported a net profit of EUR 665.3 thousand at end-2025, up by 76.4% from the previous year.

Figure 2.23 Number of factoring companies and their assets



Source: Hanfa

SUPERVISORY ACTIVITIES

3 SUPERVISORY ACTIVITIES

Hanfa is responsible for supervising the non-bank financial sector, which includes entities active in the capital market, insurance market, leasing and factoring areas and in the system of pension and investment funds. Supervision is carried out through the combination of ongoing monitoring of operations, analysis of financial and non-financial indicators and exposure assessment via off-site and on-site supervisory activities. Special attention is paid to the timely identification of irregularities and risks that might affect the stability of operations of supervised entities, the protection of financial services users and the orderly functioning of the entire financial market. Depending on the nature and significance of the established circumstances, Hanfa takes preventive activities, issues recommendations and warnings and imposes measures aimed at eliminating irregularities and improving the risk management system. Such a supervisory approach is based on the principles of legality, proportionality, objectivity, professionalism and transparency. Through its implementation, Hanfa contributes to strengthening confidence in the financial system, preserving market integrity and the stability of the non-bank financial sector in the Republic of Croatia.

3.1 Microprudential supervision

3.1.1 Capital market

Supervision of capital market infrastructure

Pursuant to the Capital Market Act⁷ (hereinafter: CMA), Hanfa is authorised to conduct supervision of the market infrastructure comprising Central Depository & Clearing Company Inc. (hereinafter: CDCC) as the central securities depository, SKDD-CCP Smart Clear d.d. (hereinafter: SKDD-CCP) as the central counterparty and the Zagreb Stock Exchange (hereinafter: ZSE) as the operator of the regulated market and the multilateral trading platform in the Republic of Croatia. The market infrastructure system also comprises the Investor Protection Fund operated by the CDCC.

Zagreb Stock Exchange

The ZSE is the only regulated market operator in the Republic of Croatia. In addition to managing the regulated market, the ZSE also operates the Progress Market, a multilateral trading platform intended for small and medium-sized enterprises. In 2025, a total of nine financial instruments were listed on the Progress Market, comprising ordinary and preference shares, as well as corporate bonds. One of the main features of the Progress Market are lower transparency requirements for the issuers compared to the regulated market, tailored to the needs of small and medium-

⁷ Official Gazette, No [65/18](#), [17/20](#), [83/21](#), [151/22](#) and [85/24](#)

sized enterprises to facilitate their access to the capital market. Pursuant to the provisions of the CMA, Hanfa is authorised to supervise the ZSE. In 2025, in addition to ongoing off-site inspections, Hanfa also carried out an on-site inspection of the ZSE, which concerned measures to achieve a high level of cyber security and cyber incident reporting obligations.

In December 2025, Hanfa approved amendments to the Exchange Rules, abolishing the advisory committees of the ZSE, that is, the Conflict of Interest Committee and the Committee for Market Protection Measures, the functions of which were fully integrated in the existing ZSE corporate governance and supervision system through internal policies and guidelines ensuring transparency and a uniform treatment of all market participants. Within the scope of off-site supervision in 2025, the ZSE amended the provisions of the Trading Manual. Accordingly, the minimum size of block transactions in stocks was increased to EUR 300,000.00, and a provision was introduced laying down that when a ZSE member makes an aggregated order, each order has to meet the minimum block transaction size requirement. Also, Hanfa inspected the compliance with the criteria for the exemption from supervision of approved publication arrangements (APA) for 2024, and it was established that the ZSE continued to be subject to supervision by Hanfa in carrying out this service.

In another amendment to the Rules in September 2025, the ZSE implemented a new trading phase called Trade at Close. This means a trade at the closing auction price, which is a functionality of the Xetra trading system used by the ZSE. In 2025, Hanfa also carried out an off-site inspection of the ZSE trading stop system. The ZSE was recommended to develop, by the end of the year, a single written methodology for the established trading stop system, which was done by the ZSE in October 2025.

Pursuant to the Market Abuse Regulation, Hanfa is the competent authority responsible for the market abuse supervision aimed at safeguarding the integrity of the capital market, and it carries out ongoing supervision of trading in financial instruments listed on the ZSE (stocks, bonds, ETFs). In addition, Hanfa also receives suspicious transaction and order reports (STORs), submitted by market operators, investment firms and credit institutions as entities obligated to submit STORs to Hanfa. In 2025, Hanfa carried out 13 off-site inspections, of which ten were based on received STORs. Two STORs were submitted due to suspicions of insider dealing, and the remaining eight concerned suspicions of market manipulation. No irregularities were found in seven cases, while supervisory measures were imposed in three cases.

In 2025, Hanfa regularly reported to the European Securities and Markets Authority (hereinafter: ESMA) about temporary suspensions of trading and/or removal from trading of equity financial instruments admitted to the regulated market and the supervisory activities carried out, and submitted information on net short positions and the duration-adjusted amount of issued sovereign debt instruments.

CDCC, SKDD-CCP and the Investor Protection Fund

The CDCC group comprises the parent company and SKDD-CCP. The CDCC and SKDD-CCP carry out their operations in accordance with the CMA. The CDCC operates as the register of book-entry securities that keeps electronic records of issuers,

securities, securities accounts and holders of securities, as well as other data laid down by law.

SKDD-CCP operates as a central counterparty in accordance with the provisions of EMIR⁸. It has been providing central counterparty services in the Republic of Croatia since 3 January 2022.

Hanfa carries out off-site and on-site supervision of the CDCC. In 2025, Hanfa carried out off-site supervision by analysing financial statements and supervisory reports that must be submitted to Hanfa by the CDCC. Hanfa also continuously monitors the CDCC's preparations for ensuring compliance of its operations and monitors operations through reports and other sources. Also, Hanfa carries out ongoing off-site supervision of the CDCC by analysing monthly and annual reports on settlement fails that must be submitted in accordance with Delegated Regulation 2018/1229⁹ and by carrying out a comprehensive analysis of the operations of the Investor Protection Fund operated by the CDCC.

The Investor Protection Fund is a special entity that has been established to protect the claims of investors that are clients of the Fund's members, where a member of the Fund (e.g., an investment firm or a credit institution) is unable to pay or reimburse cash or financial instruments to its clients. Membership in the Fund is mandatory for certain investment firms, credit institutions and investment fund management companies. According to Article 264 of the CMA, the Fund Operator is required to prepare semi-annual and annual financial statements for the Fund in accordance with the regulations governing accounting of enterprises and the application of financial reporting standards. Within the scope of supervising the operation of the CDCC as the operator of the Investor Protection Fund, in 2025 Hanfa carried out an off-site inspection regarding the responsibility of the Fund Operator to prepare and approve annual financial statements for the reporting period from 1 January 2025 to 31 December 2025, an analysis of reports on the number of members and the total value of the Fund's assets and the number of active clients of Fund members, as well as an analysis of the amounts of protected and secured claims and anonymised lists of clients broken down by Fund members.

The off-site inspection of the Fund Operator revealed no irregularities or deficiencies in the CDCC's operations, and no insured event occurred in the observed period that would trigger the payment of secured claims to clients.

In addition, within the scope of ongoing off-site inspections, Hanfa monitors participants' reports on internalised settlements¹⁰ (volumes, values, rates of failed

⁸ **Regulation (EU) 648/2012** of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories, OJ L 201 (hereinafter: EMIR)

⁹ **Commission Delegated Regulation (EU) 2018/1229** of 25 May 2018 supplementing **Regulation (EU) No 909/2014** of the European Parliament and of the Council with regard to regulatory technical standards on settlement discipline, OJ L 230

¹⁰ Pursuant to the definition set out in Article 2(1)(11) of **Regulation 909/2014** on improving securities settlement in the European Union and on central securities depositories and amending Directives **98/26/EC** and **2014/65/EU** and **Regulation (EU) No 236/2012**, OJ L 257 (hereinafter: CSDR), "settlement internaliser" means any institution, including one authorised in accordance with **Directive 2013/36/EU** of the European Parliament and of the Council of 26 June 2013 on access to the

internalised settlements, types of financial instruments and types of transactions settled outside the settlement system operated by the central depository), assesses risks associated with internalised settlements and provides ESMA with quarterly reports on detected risks related to internalised settlements.

Pursuant to Article 21 of EMIR and other related regulations, Hanfa carried out a review procedure and assessed the risks and the compliance of SKDD-CCP in 2024. As a result of this procedure, SKDD-CCP was issued several recommendations with a view to further improving internal organisational mechanisms, protocols and rules. Within the scope of the procedure, Hanfa also evaluated the risks for SKDD-CCP, broken down by risk categories (business risk, operational risk, governance risk, liquidity risk, investment risk, deep dive of the structure of members of SKDD-CCP and prudential requirements).

In December 2025, Hanfa started a new procedure, that is, a new cycle of review and evaluation of SKDD-CCP for 2025. Additionally, in November 2025 Hanfa initiated an *ex-officio* regular on-site inspection of SKDD-CCP. The inspection focused on the operation of SKDD-CCP and the activities referred to in Article 535 of the CMA, with reference to the clearing system referred to in Article 536 of the CMA, in accordance with the provisions of EMIR, for the period from 1 January 2025 to the date of inspection completion.

With the entry into application of Regulation 2021/23¹¹ (hereinafter: CCP RRR), as of 12 February 2022, SKDD-CCP became obliged to draw up a recovery plan. In accordance with the above regulations, central counterparties review, test and, where necessary, update their recovery plans at least annually and in any event after any change to their legal or organisational structure or their business or financial situation, which could materially affect those plans or otherwise necessitate changes to the plans. Competent authorities may require central counterparties to update their recovery plans more frequently.

Following the procedure implemented in accordance with the CCP RRR and EMIR, Hanfa issued a decision in October 2025, whereby SKDD-CCP, in accordance with a joint decision by the college of supervisors, was issued certain recommendations and expectations regarding the content of the recovery plan with a view to its improving and upgrading, and SKDD-CCP was expected to implement the mentioned recommendations and expectations in the recovery plan at the next regular annual update, in accordance with Article 9(9) of the CCP RRR, that is, when submitting the updated/revised version of the recovery plan that SKDD-CCP is obliged to submit to Hanfa in June 2026.

activity of credit institutions and the prudential supervision of credit institutions and investment firms or [**Directive 2014/65/EU**](#) of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, which executes transfer orders on behalf of clients or on its own account other than through a securities settlement system. Pursuant to Article 9 of the [**CSDR**](#), settlement internalisers report to Hanfa, as the competent authority of their place of establishment, on a quarterly basis the aggregated volume and value of all securities transactions that they settle outside the securities settlement system, while Hanfa is obligated to inform ESMA thereof.

¹¹ [**Regulation \(EU\) 2021/23**](#) of the European Parliament and of the Council of 16 December 2020 on a framework for the recovery and resolution of central counterparties, OJ L 22

In the course of 2025, Hanfa continuously supervised the implementation of recommendations contained in the Decision on the licensing of SKDD-CCP issued in 2021, with regard to the modifications of the models and parameters of SKDD-CCP related to risk management and the calculation of fees, contributions to the default fund and collateral requirements. In 2025, following the completion of the procedure for obtaining approval, that is, validation of the modifications introduced in the risk management model/parameters, Hanfa regularly monitored the compliance with the recommendations issued by ESMA and Hanfa in the process of approving material model changes.

In 2025, Hanfa carried out an inspection of the proposed amendments to the rules of operation of SKDD-CCP within the scope of the Clearing Rules of SKDD-CCP, including the Rules on Collateral and Procedures in Case of Breach of Clearing Rules and the Exclusion of a Member.

In 2025, Hanfa prepared and organised a meeting of the college of supervisors of SKDD-CCP, with representatives from the Croatian National Bank (CNB), ESMA and the European Central Bank as members. During the meeting of the college of supervisors, the participants analysed the report on Hanfa's supervisory activities, including the annual review procedure and the assessment of risks and compliance of SKDD-CCP, as well as the report on Hanfa's planned activities by the end of 2025.

Hanfa was designated as the resolution authority of SKDD-CCP, which led to the establishment of a dedicated organisational unit in Hanfa – the Resolution Office¹², which is, among other things, in charge of establishing, managing and chairing the resolution college of SKDD-CCP, while the representatives of the Capital Market Supervision Division, an organisational unit at Hanfa in charge of supervising the central counterparty and the members of its clearing system, participate in the work of the resolution college of SKDD-CCP as members representing Hanfa's supervisory function.

Within the scope of the supervision of the market infrastructure operations, Hanfa continuously monitors changes to the price lists of the CDCC and SKDD-CCP and the ZSE and approves the annual cost of the operator of the Investor Protection Fund.

3.1.2 Supervision of issuers

In addition to supervising market infrastructure, Hanfa is the capital market supervisory authority and conducts supervision of issuers with regard to handling of regulated information, including the supervision of financial and sustainability

¹² The Act Implementing [**Regulation \(EU\) 2021/23**](#) on a framework for the recovery and resolution of central counterparties ([**Official Gazette, No 119/22**](#)), designated Hanfa as the resolution authority of SKDD-CCP. Hanfa has a dedicated organisational unit, the Resolution Office, in charge of the activities of the resolution authority of SKDD-CCP in accordance with the CCP RRR. In 2023, the resolution authority of SKDD-CCP drew up a list of members of the resolution college established pursuant to the CCP RRR. Steps were taken to conclude a written agreement on the establishment of the resolution college of SKDD-CCP. The CCP RRR requires that when a resolution authority designated under the national law of a Member State is entrusted with other functions, it is incumbent on such a resolution authority to put in place adequate structural arrangements to separate resolution functions from other functions in order to avoid conflicts of interest between the functions entrusted to the resolution authority under the CCP RRR and any other functions entrusted to that authority.

information. The timeliness of disclosures of regulated information and their scope, content and compliance with the applicable legal framework makes it possible to establish an effective process for managing regulated information, which enhances issuer transparency towards investors and enables them to make informed decisions on investing in securities.

In 2025, as part of its supervisory activities related to issuers, Hanfa continuously supervised the publication of regulated information of issuers on the ZSE, both in the Officially appointed mechanism for the central storage of regulated information (OAM) and on other public platforms in terms of their completeness and timely disclosure, as well as appropriate marking and signing of the regulated information¹³. Hanfa carried out 166 off-site inspections of issuers regarding the handling of regulated information in 2025. Of that number, 82 were focused on the disclosure of regulated information, 34 were related to notifications about the acquisition and/or disposal of issuers' shares by persons with managerial responsibilities in accordance with the Market Abuse Regulation, 25 were related to notifications about the acquisition and/or disposal of own shares of issuers, and 25 to notifications about changes in voting rights. As a result of the inspections, Hanfa issued two decisions regarding managers' transactions during the lock-up period in accordance with the Market Abuse Regulation, and one decision regarding the handling of regulated information in accordance with the CMA.

In addition, four off-site inspection procedures were initiated due to irregularities identified within the scope of ongoing inspections of handling of regulated information, which were not completed in 2025.

In line with its mandate, in 2025 Hanfa issued a total of nine decisions on the approval of prospectuses, of which two decisions concerned the approval of a prospectus for the admission of shares to the regulated market, three decisions concerned the approval of a prospectus for the issuance and admission of shares to the regulated market, and four decisions concerned the approval of a prospectus for the issuance and admission of bonds to the regulated market.

The CMA sets out special cases where legal entities proposing to offer securities to the public or admit them to trading on the regulated market are not obliged to publish a prospectus. In this regard, 93 notifications were received in 2025 about the use of exemption from the obligation to publish a prospectus for the issuance and/or admission of shares or bonds to the regulated market. The exemptions were most often used in the cases of share issues addressed to fewer than 150 natural persons per Member State, other than qualified investors.

Hanfa continuously examined the preparation and publication of financial information of issuers, including quarterly, semi-annual and annual financial statements. Two full-scope inspections of issuers' financial information were started and finalised in 2025.

¹³ Pursuant to the Ordinance on the contents, form and manner of submitting regulated information to the Croatian Financial Services Supervisory Agency and the Official Appointed Mechanism for the central storage of regulated information ([**Official Gazette, No 12/23**](#))

By implementing the Corporate Sustainability Reporting Directive (hereinafter: **CSRD**¹⁴), the first sustainability reporting obligation in 2025 was introduced in the CMA regarding sustainability in the business year of 2024.

During 2025, Hanfa aligned with the Guidelines on Enforcement of Sustainability Information (hereinafter: GLESI Guidelines¹⁵). In inspecting whether sustainability information was prepared in accordance with the relevant sustainability framework, Hanfa followed the GLESI Guidelines, the European Common Enforcement Priorities (hereinafter: ECEP Priorities¹⁶) and ESMA's public statement regarding supervision in light of the "Omnibus" amendments¹⁷, which focused on ensuring that sustainability information complied with the relevant sustainability framework in the context of uncertainties arising from the Omnibus proposal (proposal by the European Commission with the aim of reducing legislative burden from February 2025, proposing postponement of the application of corporate sustainability reporting and reduction of the number of entities required to comply).

Hanfa paid particular attention to the orderly delivery of sustainability reports, the application of the double materiality principle and the involvement of stakeholders in the reporting process. Activities included trainings for issuers on regulatory expectations in the first years of application of new requirements, as well as the compliance analysis of submitted reports with regard to good reporting practices.

A full analysis of the sustainability reporting for 2024 of all 40 issuers obliged to produce and publish sustainability reports was published on Hanfa's website.

Hanfa is authorised to collect, process and publicly disclose issuers' data relating to corporate governance, that is, the application of the Corporate Governance Code adopted in 2019 by Hanfa and the ZSE (hereinafter: Code), the compliance with the Code and the progress made in ensuring compliance with the Code. A new amended Code was published in December 2024, applicable as of 1 January 2025. In line with the amendments, new questionnaires were prepared for monitoring the application of the Code, to be used by the issuers when reporting in 2025. Over the observed period from 2019 to 2024, there was a steady increase in issuers' overall compliance with the Code – from an initial 52% in 2019 to 72% in 2024, confirming the continued positive trend in the application of good corporate governance practices. Hanfa prepared the Annual Report on Corporate Governance (hereinafter: ARCG) for 2024 and organised a conference where awards for best practices in corporate governance were awarded. The results of issuer reporting based on new questionnaires will be included in the next ARCG.

In 2025, Hanfa approved two applications for the approval to publish a bid for the takeover of joint-stock companies. In accordance with the provisions of the Act on the

¹⁴ **Directive (EU) 2022/2464** of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting, OJ L 322

¹⁵ **Guidelines** on Enforcement of Sustainability Information

¹⁶ **ESMA**: European common enforcement priorities for 2025 corporate reporting

¹⁷ **ESMA**: Public Statement – Navigating change together: ESRS supervision in the Omnibus environment

Takeover of Joint-Stock Companies¹⁸ laying down exemptions from the obligation to announce a takeover bid, eight notifications of exemption were received.

Hanfa regularly conducts educational activities in the form of presentations and direct communication with issuers. A virtual training session was held in May 2025, presenting the key regulatory and supervisory areas related to the issuers' obligations, management of regulated information, financial reporting, the alleviation of regulatory burden, sustainability and responsible operations, with additional presentation of recommendations to issuers stemming from supervisory practices. In cooperation with the ZSE and CDCC, in June 2025 Hanfa held a training course for issuers, presenting key information about the new Code and emphasizing the objectives of improving transparency and accountability in operations of joint-stock companies. In November 2025, Hanfa held the second independent training in person, with a special focus on new corporate governance questionnaires, possible regulatory and administrative relief, conclusions from supervisory practice, supervisory priorities, the application of the international financial reporting standard IFRS 18 and the results of the ARCG for 2024.

3.1.3 Investment services

On-site supervision of management companies' operations

In 2025, Hanfa initiated an on-site inspection of one management company. The inspection focused on the adequacy of the internal acts governing the company's investment process related to the investment of funds' assets and the company's compliance with good practices and due diligence. Hanfa also inspected whether control functions carried out all of their business activities efficiently, and whether these activities were organised in a way that ensured autonomy and independence, the integration of sustainability risks into decision-making processes and organisational requirements, as well as compliance with Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector¹⁹ (hereinafter: SFDR).

The inspection revealed some illegalities and deficiencies in the risk management function, which led Hanfa to conclude that there was room for improvement and that corrective measures were to be taken to ensure that the company's risk management system was fully adequate, comprehensive and effective. The illegalities and deficiencies in this segment related to insufficiently clear procedures, tools and risk measurement methods, as well as insufficient documentation of risk scores.

In addition, illegalities, irregularities and deficiencies were found in the compliance function. In this regard, Hanfa ordered the company to carry out additional controls and to improve the documentation of the function's activities, proving that the function is established in a permanent, independent and efficient manner.

With regard to inspecting the integration of sustainability risks into decision-making processes and organisational requirements, Hanfa established that the company was

¹⁸ Official Gazette, **No 109/07, 36/09, 108/12, 90/13, 99/13, 148/13, 151/25**

¹⁹ **Regulation (EU) 2019/2088** of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, OJ L 317

partially compliant with the relevant requirements set out in the Ordinance on organisational requirements for UCITS management companies²⁰, in relation to the legislative framework of the SFDR. The irregularities identified in this part related to the need for more comprehensive documentation of the investment process, the need to put in place a systematic approach to identifying and managing ESG risks that may affect invested assets, as well as the lack of documented overviews of ESG topics.

Off-site inspection – control of the rules of AIFs with private offering

In 2025, Hanfa completed an off-site inspection started in 2024, concerning the control of the compliance of AIFs rules with the provisions of the Alternative Investment Funds Act²¹ (hereinafter: AIFA), with regard to the prescribed content of the rules, the publication of the rules, their submission and control of the prescribed conditions for charging fees from AIFs assets. The inspection was carried out on a sample of nine AIFs, the rules of which had not been approved by Hanfa (they were licensed before the entry into force of the amended AIFA²²).

Active and passive breach of investment limitations

An active breach of investment limitations constitutes a prohibited activity when a management company knowingly and intentionally, by way of purchasing or selling financial instruments, exceeds the investment limitations laid down by the law or the fund's prospectus. A passive breach of investment limitations occurs when the prescribed investment limitations are unintentionally breached, most frequently due to events that are usually beyond the control of the management company.

The inspection found irregularities and deficiencies in the rules of the AIFs relating to the failure to state persons permitted to invest in the fund, failure to describe the duties of the depositaries, auditors and other service providers, failure to describe the safe-keeping activities delegated to a third party, failure to state the date of establishment of the fund and persons permitted to invest in the AIF with a private offering. In addition, some AIFs failed to include in their rules the obligation to notify investors about the establishment or acquisition of an SPV, the obligation to notify investors about the operations of that SPV and the frequency of delivering this information to investors.

Upon receipt of the inspection findings, the companies made corrections to the AIF rules.

²⁰ Official Gazette, No [41/17](#), [87/22](#) and [155/25](#)

²¹ Official Gazette, No [21/18](#), [126/19](#), [110/21](#), [83/23](#), [152/24](#)

²² Official Gazette, No [110/21](#)

Off-site inspection – control of compliance with investment limitations for UCITS set out in laws, subordinate legislation and prospectuses

The off-site inspection involved examining whether management companies, when investing for the account of managed UCITS, comply with the investment limitations set out in the Act on Open-Ended Investment Funds with Public Offering²³, the Ordinance on permitted investments and investment limitations relating to UCITS²⁴ and UCITS prospectuses.

The inspection covered a total of eight management companies and found irregularities in three of them concerning discrepancies between Hanfa's records and records of the management companies, the erroneous classification of investment limitation breaches as active instead of passive and inaccurate amounts exceeding the investment limitations.

Upon receipt of the inspection findings, the companies remedied the irregularities.

Off-site inspection – maintaining the minimum amount of AIFM's own funds

In 2025, Hanfa completed an off-site inspection of an AIFM started in 2024. Hanfa inspected whether the AIFM maintained the minimum amount of own funds in accordance with the AIFA, while the inspection also covered the timeliness and content of the report on own funds calculation, the submission of the audited annual financial statement for 2023 and the AIFM's responsibility for delegated bookkeeping and accounting activities. The off-site inspection found that on the reporting dates 31 December 2023 and 30 June 2024 the AIFM's own funds were below the minimum required amount, that is, that the AIFM failed to maintain the minimum amount of own funds as laid down in the AIFA.

Based on the findings of the inspection, the AIFM was imposed a special supervisory measure, ordering the AIFM to increase own funds, set out and implement appropriate internal policy and procedures to ensure that, when delegating tasks to third parties, using external services and performing other activities of relevance for the AIFM and the AIFs it manages, the AIFM acts professionally, with due diligence and in the best interests of the investors and the AIFs it manages.

The AIFM remedied the illegalities within the time limit set out in the decision imposing special supervisory measures.

Off-site inspection of PRIIP KIDs of UCITS

SPV

Special Purpose Vehicle is, in the context of AIF management, a special purpose entity, that is, a separate legal entity set up by an AIF manager to achieve specific investment objectives. It enables easier management of individual projects within the AIF portfolio, in particular in international investments, making it possible to structure investments in accordance with fiscal and regulatory requirements.

²³ Official Gazette, No [44/16](#), [126/19](#), [110/21](#), [76/22](#), [152/24](#) and 13/26

²⁴ Official Gazette, No [110/16](#)

In 2025, Hanfa conducted an off-site inspection of PRIIP KIDs of UCITS with the aim of verifying whether management companies had, in due time, revised and published PRIIP KIDs that comply with the relevant regulations and in order to check whether improvements have been made since the inspection of PRIIP KIDs in 2023. Hanfa inspected whether the content of PRIIP KIDs was aligned with Regulation (EU) No 1286/2014²⁵ and the accompanying Commission Delegated Regulation (EU) 2017/653²⁶ and any amendments thereof.

PRIIPS KID of UCITS

Packaged Retail and Insurance-based Investment Products – Key Information Document is a standardised document that provides a prospective investor in UCITS with summary information about the management company, the depositary of the fund, the competent regulatory authority, past returns, costs of investing in the fund, basic investment risks, and other relevant information on the UCITS.

This inspection covered 21 UCITS according to the following criteria: the size of the management company, the fund type and the size of UCITS (the largest amount of net assets under management in the corresponding category of the company managing the fund).

The inspection also found that improvements have been made since 2023, but that there were still some deficiencies in some management companies to be addressed.

Off-site inspection of advertising of UCITS and AIFs

In 2025, Hanfa carried out an off-site inspection of advertising by the funds concerned, covering compliance of marketing communication with the ESMA Guidelines on marketing communications under the Regulation on cross-border distribution of funds²⁷ (hereinafter: Guidelines), compliance with Article 4 of Regulation (EU) 2019/1156²⁸, as well as the relevant provisions of the Act on Open-Ended Investment Funds with Public Offering and the AIFA.

The inspection focused on marketing communications addressed to investors or prospective investors for all UCITS and AIFMs, with the purpose of identifying marketing communications as such and verifying that all information from marketing communications were impartial, clear and not misleading.

The overall situation following the inspection of the marketing activities of UCITS and AIFMs was assessed as satisfactory. Nevertheless, certain deficiencies in advertising

²⁵ **Regulation (EU) No 1286/2014** of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs), OJ L 352

²⁶ **Commission Delegated Regulation (EU) 2017/653** of 8 March 2017 supplementing Regulation (EU) No 1286/2014 of the European Parliament and of the Council on key information documents for packaged retail and insurance-based investment products (PRIIPs) by laying down regulatory technical standards with regard to the presentation, content, review and revision of key information documents and the conditions for fulfilling the requirement to provide such documents, and its subsequent amendments (2018/997, 2019/1866, 2021/2268, 2022/957, 2022/1666)

²⁷ Guidelines are available on the following [link](#).

²⁸ **Regulation (EU) 2019/1156** of the European Parliament and of the Council of 20 June 2019 on facilitating cross-border distribution of collective investment undertakings and amending Regulations (EU) No 345/ 2013, (EU) No 346/ 2013 and (EU) No 1286/2014, OJ L 188

were observed, mostly relating to unclear and insufficiently unbiased highlighting of relevant investment risks. The disclosures made by some companies were found to be potentially misleading for investors.

Warning letters were sent to companies with deficiencies in their market communications. In addition, Hanfa also sent a letter to the Association of Investment and Pension Funds of the Croatian Chamber of Economy, informing the supervised entities of the results of this off-site inspection and the supervisory expectations in that regard, that is, bringing attention to the provisions of the Guidelines and the need for more attention in future marketing activities.

Off-site inspection of keeping records of orders and transactions

In early 2025, Hanfa completed an off-site inspection of an investment firm, checking whether the firm kept records of orders and transactions as prescribed in the CMA, Regulation (EU) No 2017/565²⁹ and Hanfa's ordinance. In order to conduct a more detailed inspection of the execution of orders with a focus on the execution of block transactions of the firm's clients, Hanfa inspected the General Terms and Conditions and the Order Execution Policy.

The inspection found that the company did not keep records in accordance with the relevant legal provisions when executing block transactions and that it failed to comply with its Order Execution Policy and the General Terms and Conditions. The company's internal acts were also non-compliant in terms of the manner of initiating orders with a specific instruction for a block transaction. The company addressed the illegalities and irregularities in the course of the inspection and amended and improved the internal acts.

Off-site inspection of inducements

The off-site inspection of an investment firm focused on receiving inducements in the context of the provision of a portfolio management investment service and covered the period from 1 January 2019 onwards. According to the CMA, investment firms providing investment advice may not accept or keep any inducements in relation to that service and, should an investment firm receive inducement, it must transfer it to the client in its entirety.

The inspection found that in providing portfolio management services, the investment firm failed to transfer inducements received from third parties to clients. In addition, it was found that the Inducements Policy did not fully comply with the applicable legal requirements. As a result of these findings, the firm was ordered to take corrective measures, including the obligation to notify its clients about the failure to transfer inducements and the obligation to harmonise the internal acts and comply with the applicable regulations in accordance with the measures imposed in the decision.

²⁹ **Commission Delegated Regulation (EU) 2017/565** of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive, OJ L 87

Off-site inspection of capital adequacy of an investment firm

In 2025, Hanfa carried out an off-site inspection of an investment firm regarding the maintenance of the minimum amount of own funds. Upon receipt of the firm's capital adequacy report for the second quarter of 2025, it was established that the investment firm had not correctly completed the report.

After the submission of the corrected report, it was found that at the reporting date, the firm's own funds were below the amount prescribed in the Regulation on the prudential requirements of investment firms³⁰ (hereinafter: IFR). Before Hanfa issued a decision on supervisory measures, the company took the necessary measures to remedy the illegality found. In other words, it made additional payments into own funds and thus became compliant with the own funds requirements. It also defined the specific measures it planned to implement to prevent the reoccurrence of such illegalities. Hanfa issued a warning to the firm and terminated the inspection.

Off-site inspection of bond trading

An off-site inspection of a credit institution was completed in 2025, concerning intermediation in corporate bond trading, initiated in response to a complaint made by a client.

The inspection found that the credit institution, through its trading platform, allowed retail investors to trade in a financial instrument not intended to be offered or sold to retail investors, thereby failing to act in the client's best interest. Furthermore, the inspection also found a lack of adequate internal controls regarding the availability of such instruments to retail investors.

The illegalities had been remedied before Hanfa issued supervisory measures. The credit institution concerned had put in place measures to prevent trading in financial instruments not intended for sale/distribution to retail investors. Considering the illegalities found, their severity and impact on clients, Hanfa issued a warning to the credit institution.

On-site inspection of operations of an investment firm

In 2025, Hanfa carried out a regular on-site inspection of an investment firm, with supervisory activities focusing on the execution of orders for the account of clients, the functioning of risk management and compliance functions and capital adequacy. The inspection covered the period from 1 January 2023 to the date of inspection completion.

Several illegalities and irregularities were identified during the inspection. Among other things, they concerned the establishment and the functioning of the compliance function, the publication of the firm's information as prescribed in the IFR and the management of personal transactions by the firm's employees. During the inspection, the firm remedied all the illegalities and irregularities found.

³⁰ **Regulation (EU) 2019/2033** of the European Parliament and of the Council of 27 November 2019 on the prudential requirements of investment firms and amending Regulations (EU) No 1093/ 2010, (EU) No 575/ 2013, (EU) No 600/ 2014 and (EU) No 806/2014, OJ L 314

Cooperation with foreign regulatory authorities

In 2025, Hanfa cooperated with foreign capital market regulators within the scope of the control of a foreign investment firm providing cross-border investment services in the territory of the Republic of Croatia without physical presence.

The cooperation was initiated as a follow-up to supervisory activities in which certain irregularities were observed in the compliance with CFD initial margin requirements. Hanfa also received additional information pointing to potential inappropriate treatment of clients, illegal provision of investment advice and a potential conflict of interest.

Based on the available information, Hanfa contacted the competent foreign authorities with the aim of exchanging information.

Common supervisory action (CSA) on the functioning of compliance and internal audit functions

The second half of 2025 witnessed the launching of the Common Supervisory Action on Compliance and Internal Audit Functions of UCITS Management Companies (hereinafter: CSA), agreed at the level of the Investment Management Standing Committee (IMSC) at ESMA, carried out by all competent authorities of Member States.

The objective of this supervisory action was to assess the extent to which management companies have put in place effective compliance and internal audit functions, with an adequate number of staff, powers, knowledge and expertise necessary to perform their duties in accordance with the applicable legislative framework. This supervisory action is conducted in line with the Single Supervisory Framework, which defines the scope, methodology, supervisory expectations and timeline for the uniform implementation of this comprehensive action.

The main findings of the supervisory action point to the need to further enhance the compliance function. Particular emphasis was placed on the need for a better methodology for assessing the risk of non-compliance, better linking of the annual plan with key business processes and new regulations and a clearer assessment of the impact of regulations on operations. There was also a need to make improvements to reporting, documenting of controls and activities carried out and internal acts governing the operation of the compliance function.

With regard to the internal audit function, the main findings related to a too wide scope of some audits, the inadequate application of the proportionality principle, especially in terms of size, complexity and significance of the company in the local market, late and insufficient identification of illegalities, irregularities and deficiencies found during Hanfa's inspections and insufficient efficiency in issuing and following up on recommendations.

Hanfa addressed the conclusions of this supervisory action to ESMA by filling in the dedicated template on an anonymous basis. The upcoming period will see the submission of the CSA Impact Report, with the aim of measuring the impact of ESMA's activities regarding supervisory convergence.

The second phase of the common supervisory action, focused on integrating sustainability in the suitability assessment and product governance under MiFID II³¹, continued in 2025. The EU-wide action coordinated by ESMA covered six credit institutions in Croatia engaged in investment product distribution, selected according to ESMA's criteria. The aim was to assess the compliance of their internal policies, processes and procedures with the regulatory requirements in this area.

The initial phase included the collection of data via standardised forms and the analysis of internal acts governing suitability assessment and product management process, with a particular focus on the integration of sustainability. In the second phase of the action, Hanfa assessed compliance in terms of the integration of sustainability in the suitability assessment and product governance process of the selected entities in the sample, based on the analysis of the collected data and the examination of samples of clients and distributed investment products. Some inconsistencies were found during the supervision, mainly concerning the collection of data from clients for the purpose of suitability assessment and the definition of the target market for investment products in the area of sustainability. A report was prepared with findings of the supervision action and was submitted to ESMA, while the findings of the common supervisory action will be communicated to each of the supervised entities in the sample.

Off-site inspection of the transparency of adverse sustainability impacts at entity level

In 2025, Hanfa carried out an analysis of the transparency of adverse sustainability impacts at entity level in accordance with the SFDR and Commission Delegated Regulation (EU) 2019/2088³² (hereinafter: Delegated SFDR). In short, the European regulatory authorities requested national authorities, Hanfa included, to rate all Principal Adverse Impact (PAI) statements in a scale from 1 to 5.

The inspection revealed that some entities still needed to improve the visibility and accessibility of disclosures and refine their websites in accordance with the Delegated SFDR. All entities were requested to recheck and, as needed, revise their disclosures to ensure compliance with the applicable regulatory framework, and to put in place clear internal processes to ensure consistent, complete and harmonised disclosure of PAI information.

Off-site inspections of unauthorised provision of investment services

In the course of the year, Hanfa initiated an off-site inspection of an AIFM regarding potential unauthorised distribution of units of a third-country AIF in the Republic of Croatia and suspected unauthorised provision of the investment service consisting of

³¹ **Directive 2014/65/EU** of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, OJ L 173

³² **Commission Delegated Regulation (EU) 2022/1288** of 6 April 2022 supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council with regard to regulatory technical standards specifying the details of the content and presentation of the information in relation to the principle of "do no significant harm", specifying the content, methodologies and presentation of the information in relation to sustainability indicators and adverse sustainability impacts, and the content and presentation of the information in relation to the promotion of environmental or social characteristics and sustainable investment objectives in pre-contractual documents, on websites and in periodic reports, OJ L 196

the reception and the transmission of orders in relation to one or more financial instruments, that is, units in investment funds.

After the completion of the off-site inspection, Hanfa issued a decision asking the AIFM to cease such activity and prohibiting the AIFM from engaging in any further unauthorised provision of the investment service consisting of the reception and the transmission of orders in relation to one or more financial instruments, as well as unauthorised holding of client funds in the entity's regular business account for that purpose. In addition, the entity was also ordered to immediately reimburse funds which it held in its accounts at the time of receipt of the decision and which were paid with the aim of investing into a third-country AIF managed by a third-country AIFM to payers and/or repurpose them for a different legal purpose agreed with the payers. The supervised entity complied with the supervisory measures and the inspection was terminated.

Off-site inspection of unauthorised trading in units of a third-country AIF

As a result of the above, in 2025 Hanfa initiated another off-site inspection of the previously mentioned third-country AIFM regarding suspected unauthorised trading in and distribution of units of the AIF it managed in the territory of the Republic of Croatia, as well as of the third-country AIF itself. Based on the off-site inspection and the facts established in the inspection report, Hanfa issued a decision to the third-country AIFM ordering the cessation and prohibition of any further trading in units of the third-country AIF and prohibiting notification of the intention to distribute the AIF in question in the territory of the Republic of Croatia for a period of 12 months from the date of Hanfa's decision for professional investors and on a permanent basis for retail and qualified investors. In addition, Hanfa ordered the third-country AIFM to inform the legal entity referred to in the previous paragraph, through which certain investors paid funds for the purpose of investing in the AIF, and to also inform the investors themselves, directly and through a public notification, no later than within 30 days from the date of receipt of Hanfa's decision, about the cessation and prohibition of further unauthorised trading in units of that third-country AIF (including distribution and marketing activities) in the territory of the Republic of Croatia, and to also inform them about all the repercussions and rights in connection therewith (including the right to be paid these funds in a legal manner).

3.1.4 Pension savings

On-site inspections of a pension company, the central authority keeping registry of affiliates and administering mandatory pension insurance and a credit institution

In the last quarter of 2025, Hanfa initiated three regular on-site inspections. One on-site inspection concerned a pension company and pension funds under its management. The inspection covered decision-making processes and continuous monitoring of investments of pension funds where exposure of an individual pension fund or all pension funds managed by the pension company exceeded 10% of transferable equity securities of a single issuer. The inspection also included the practices of the pension company in the area of corporate governance, the exercise of

voting rights and the relationship with issuers of financial instruments in which the pension funds' assets were invested.

The second on-site inspection concerned the Central Registry of Affiliates (hereinafter: REGOS). The inspection focused on procedures relating to personal accounts of pension fund members, including the recording of paid contributions, the transfer of funds to another pension fund and the transfer of funds when closing a personal account. Hanfa inspected the measures aimed at protecting the information system and the electronic data processing system, the measures aimed at preserving security, integrity and confidentiality of information, as well as policies and procedures to ensure business continuity.

The third on-site inspection concerned a credit institution and was related to the performance of the depositary function for mandatory pension funds. The inspection focused on safekeeping and recording of assets, monitoring cash flows, obligations of the depositary relating to the control of the calculation of net asset value, control of asset valuation, payments to pension fund members' personal accounts and payouts based on the pension entitlement, execution of orders of the pension company relating to transactions in financial instruments and other assets in the portfolio of mandatory pension funds, control of investments of mandatory pension funds in accordance with the proclaimed objectives and the statutes of mandatory pension funds and actions taken by the depositary in cases where irregularities in the operations of the pension company are detected.

The on-site inspections are expected to be completed in 2026.

Off-site inspection of pension companies' reports on activities aimed at increasing the level of financial literacy in 2024

Pursuant to the provisions of Article 59, paragraph (1), item (22) of the Mandatory Pension Funds Act³³ and Article 68, paragraph (1), item 21 of the Voluntary Pension Funds Act³⁴, pension companies are required to invest a portion of their income each year in enhancing the financial literacy of Croatian citizens in the area of individual capitalised savings. In order to enhance the operations of pension companies and introduce improvements with regard to informing pension fund members, Hanfa adopted Guidelines for pension companies and pension insurance companies on increasing the level of financial literacy of Croatian citizens (hereinafter: Guidelines). According to the Guidelines, pension companies must submit reports on the activities taken with the aim of increasing the level of financial literacy by 15 March every year for the previous reporting period. The Guidelines also lay down the content of this report, which must include information on the strategy, a detailed list of educational activities carried out and related costs, the total invested amount and the share (in percentages) of this amount in the pension company's total income generated in the previous calendar year. In the Guidelines, Hanfa instructed pension companies to prepare a

³³ Official Gazette, No [19/14](#), [93/15](#), [64/18](#), [115/18](#), [58/20](#), [156/23](#)

³⁴ Official Gazette, No [19/14](#), [29/18](#), [115/18](#), [156/23](#), [52/25](#)

financial literacy strategy for a minimum period of three years, as well as to evaluate the strategy of activities related to enhancing financial literacy once a year for activities carried out in the previous year.

By reviewing the submitted reports, Hanfa analysed the actions of pension companies relating to activities aimed at enhancing the financial literacy of citizens in 2024. Having analysed these reports, Hanfa found some deficiencies in reporting and made recommendations and requested additional information from two pension companies. The companies acted on Hanfa's requests and submitted the explanations and revised documentation.

Off-site inspection of pension companies' reports on complaints in 2024

In 2025, Hanfa carried out an off-site inspection of reports on complaints by pension fund members received by pension companies in 2024.

In accordance with the Ordinance on organisational requirements for pension companies managing mandatory pension funds³⁵ (hereinafter: MPF Ordinance) and the Ordinance on organisational requirements for pension companies managing voluntary pension funds³⁶ (hereinafter: VPF Ordinance), pension companies must submit to Hanfa a report on the handling of complaints by pension fund members, at the latest by 31 March each year for the previous calendar year. Pursuant to the MPF Ordinance and the VPF Ordinance, the report must contain the number of complaints received from members in the previous year, reasons for complaints and measures taken in response.

Having analysed these complaint reports, Hanfa requested one pension company to provide additional information in the report in order to gain a more detailed insight into reasons for complaints and the measures taken, following which there was no need for further action. In another pension company, Hanfa found that some complaints were related to the conduct of a sales agent. In order to prevent mistrust of members in pension savings, Hanfa recommended that the pension company improve internal processes and internal acts, that is, envisage sanctions that would be imposed in cases where, following corrective measures such as educational activities, some complaints still related to the same sales agent. Hanfa will follow-up on this recommendation within the scope of an off-site inspection of the pension company's complaints report in the following period.

Off-site inspection of investment limitations for mandatory and voluntary pension funds

In 2025, Hanfa started an off-site inspection of investment limitations for mandatory and voluntary pension funds. The inspection was aimed at identifying whether in managing these funds in the period from 31 December 2024 to 31 October 2025, mandatory and voluntary pension fund management companies complied with investment limitations set out in the Mandatory Pension Funds Act and the Voluntary

³⁵ Official Gazette, No **152/24**

³⁶ Official Gazette, No **2/20, 70/24**

Pension Funds Act. The collected data are still being analysed and the inspection is expected to be completed in 2026.

Off-site inspection of costs and charges of voluntary pension funds

In 2025, Hanfa initiated an off-site inspection of costs and charges of voluntary pension funds paid by voluntary pension fund management companies from the assets of open-ended and closed-ended voluntary pension funds in accordance with the Voluntary Pension Funds Act and the Ordinance on costs to be covered by the assets of voluntary pension funds and on the manner and contents of the calculation of voluntary pension funds' total cost indicator³⁷ (hereinafter: Ordinance on costs). In this regard, Hanfa also took account of the Opinion by the European Insurance and Occupational Pensions Authority (EIOPA) on the supervisory reporting of costs and charges of IORPs³⁸, in order to ensure transparent regular reporting and a comprehensive insight into costs and charges that can be paid from the assets of voluntary pension funds. The off-site inspection focused on checking whether costs paid by pension funds complied with the Voluntary Pension Funds Act and the Ordinance on costs, while Hanfa also prepared a comparative analysis of the level of costs across different management companies in order to assess cost efficiency.

Other ongoing off-site inspections

The amendments to the Mandatory Pension Funds Act of 2023 allowed for investing mandatory pension fund assets in real estate.

The amended Mandatory Pension Funds Act sets out conditions to be met for investing in real estate and limitations on such investments depending on net asset value and the category of mandatory pension funds, with category C mandatory pension funds not being allowed to invest in this type of assets. As part of its ongoing off-site inspections in 2025, Hanfa monitored and analysed the first investments made in real estate by mandatory pension funds.

Other ongoing off-site inspections of the operations of pension companies and pension funds in 2025 included analyses of pension fund investments in transferable securities not admitted for trading on the regulated market, reviews of reports on alternative investments of mandatory pension funds, a review of the Mandatory Pension Funds Report for the Croatian Parliament, a review of the report prepared by the Central Registry of Affiliates for the Government of the Republic of Croatia and reviews of the audited annual financial statements of pension companies and reports on the calculation of own funds for 2024.

No illegalities were found during these ongoing off-site inspections, so there was no need for further action.

3.1.5 Insurance

In 2025, Hanfa carried out a total of six inspections of the operations of insurance companies, that is, two on-site inspections and four off-site inspections. In addition, in

³⁷ **Official Gazette, No 105/24**

³⁸ The Opinion is available at the following [link](#).

2025 Hanfa monitored follow-ups to supervisory measures imposed in the previous years.

On-site inspections in 2025 covered the following areas:

- risk management system in the area of investment and management of assets and liabilities under mandatory pension insurance;
- reporting process in accordance with Solvency II requirements.

Off-site inspections in 2025 covered the following areas:

- handling of claims and submitted claims under comprehensive car insurance policies;
- review of justifications for profit and dividend payouts in the context of the Insurance Act³⁹.

Following the inspections carried out in 2025 and the supervisory activities carried out in previous years, in 2025 Hanfa issued eight decisions. Four decisions concerned the completion of inspections, three decisions related to the imposition of supervisory measures, while one decision concerned a ban on dividend payments.

Other supervisory activities

In 2025, Hanfa also carried out a horizontal analysis of the handling of claims under motor vehicle insurance (comprehensive insurance) in all insurers providing this type of insurance. The analysis involved verifying the procedures and mechanisms in place for handling claims with a focus on meeting the time limits defined in the applicable regulations.

With a view to raising awareness about the importance of sustainable finance and monitoring compliance of insurance companies and pension insurance companies with the regulatory requirements in the area of sustainability, in 2025 Hanfa continued to carry out supervisory activities focused on sustainability-related disclosures on supervised entities' websites. Hanfa also carried out an ongoing analysis of annual PAI statements.

Having regard of the fact that the sustainable finance regulatory framework, including the SFDR, is still under development and that the SFDR is currently under review at EU level, in 2025 Hanfa continued to provide expert support and additional guidance to supervised entities. This was made through regular communication with insurance companies and by regularly answering queries received, with a view to ensuring consistent application of regulations and increasing the quality of sustainability-related disclosures.

In 2025, Hanfa also continued with activities aimed at improving the own risk and solvency assessment process (hereinafter: ORSA) and ORSA reports by insurance companies in accordance with the revised Solvency II regulatory framework.

³⁹ Official Gazette, No [30/15](#), [112/18](#), [63/20](#), [133/20](#), [151/22](#), [152/24](#), [151/25](#)

Solvency II regulatory framework review

The Solvency II regulatory framework review focuses on the adjustment of prudential requirements for insurance and reinsurance companies against the backdrop of new market circumstances and emerging risks. The focus is on applying the principle of proportionality, especially for small and less complex companies. At the same time, long-term investments in real economy are encouraged, while preserving an adequate level of protection of insured persons and financial stability.

The review introduced changes to the Solvency II quantitative framework. Key changes include amendments to the risk margin calculation methodology, with the capital cost ratio being reduced from 6% to 4.75%. A time factor is also introduced to reduce the sensitivity of solvency indicators to interest rate changes. The methodology for extrapolating the risk-free interest rate has also been changed, with a slowdown in the convergence to the ultimate forward rate (UFR) and the application in stages until 2032.

Measures for long-term guarantees are also amended. The application of the volatility adjustment is subject to approval from the supervisory authority, while its application ratio has been increased from 65% to 85%. A macro-adjustment of volatility has also been introduced for euro area countries. The standard formula for the calculation of the solvency capital requirement (SCR) now features extended criteria for a more favourable regulatory treatment of long-term equity investments, thereby supporting the long-term financing of the economy.

In the area of reporting and supervision, the application of the principle of proportionality is strengthened. The amendments also include more streamlined reporting requirements for small and less complex companies, including the reduction in the frequency of individual supervisory reports. In parallel, the framework of cross-border supervision has been improved by strengthening cooperation between supervisory authorities and more efficient exchange of information.

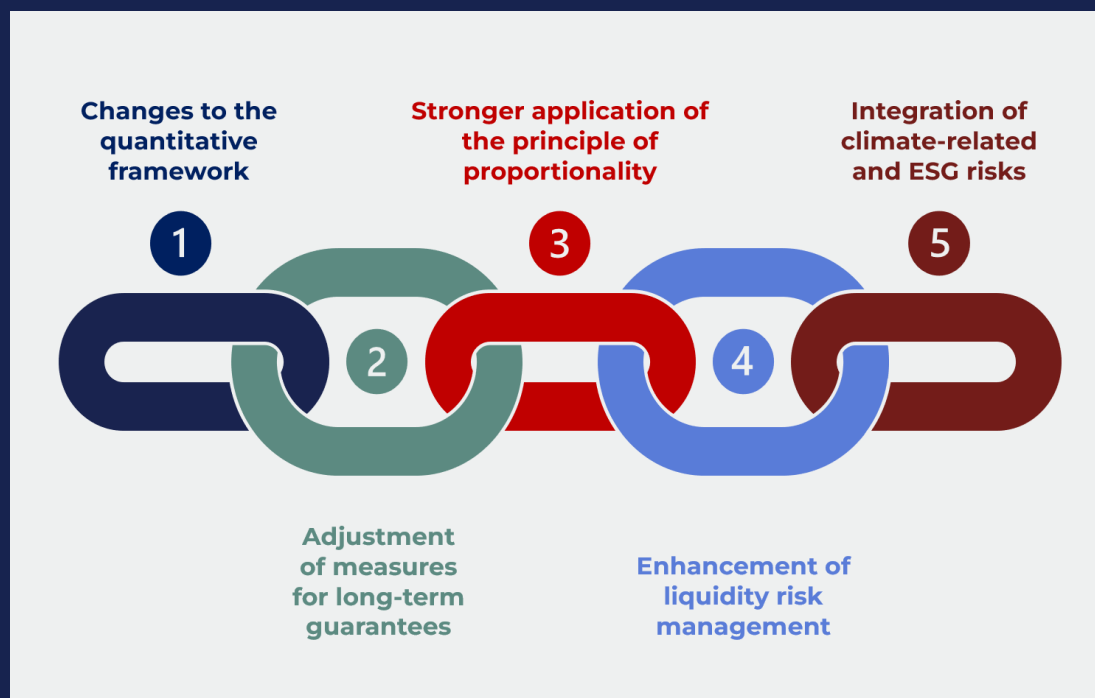
The liquidity risk management framework has also been enhanced. An obligation to prepare liquidity management plans has been introduced. The supervisory authority is allowed to take interim measures with the aim of safeguarding financial stability.

Particular attention is paid to integrating climate-related and ESG risks into the governance system. Requirements have been introduced for climate scenario analysis, including consideration of at least two global warming scenarios. This also includes the requirement to prepare sustainability risk management plans in the short, medium and long term. These risks are included in the own risk and solvency assessment process and in the disclosures in the Solvency and Financial Condition Report (SFCR).

In conclusion, the review of the Solvency II regulatory framework represents a further strengthening of the prudential framework in the area of insurance and reinsurance. The aim is to increase the resilience of the insurance sector, reduce

volatility of solvency indicators and ensure the stable and orderly functioning of the insurance market.

Figure 3.1 The most important amendments to the Solvency II regulatory framework



Source: Hanfa

Supervisory activities in cooperation with EIOPA and other national supervisory authorities

In 2025, Hanfa's employees participated in the colleges of supervisors of eight groups (affiliated insurance and reinsurance companies and insurance or mixed financial holdings) to which insurance companies with registered offices in the Republic of Croatia belong. They participated in ten regular meetings of colleges of supervisors of groups organised by the competent supervisory authorities of Member States, with the aim of exchanging information and data on insurance companies belonging to an insurance group and pursuing insurance business in other Member States.

In 2025, Hanfa again participated in the review of data and of the draft light review of EIOPA's Nat Cat dashboard, showing the level of insurance protection and vulnerability of European countries to natural catastrophes (dashboard on insurance protection gap for natural catastrophes). Every year, EIOPA conducts a light review covering simple updates, while every five years it conducts a thorough review and update of scores. Greece, Italy and Romania have the largest insurance protection gap for natural catastrophes in Europe, while Croatia ranks fourth (in 2024, Croatia was in the third place). Wildfires, floods and earthquake are the most significant risks of natural catastrophes in Croatia, with an emphasis on the fact that Croatia was in 2025 classified as a country showing a significant insurance vulnerability with regard to earthquake insurance.

Hanfa also took part in the EIOPA Generative AI Survey. The survey was aimed at collecting information on how companies use generative AI tools. Insurance companies were invited to complete a questionnaire on the use of generative AI in their operations.

The aim of the questionnaire was to collect information on the extent to which insurance companies have implemented or plan to implement generative AI solutions, whether they differ from traditional AI systems and how, and what risk system management measures are taken to ensure that such technology is used responsibly.

EIOPA aggregated the responses to give a clear view to all participants on the evolution of generative AI tools in the insurance sector, with the aim of maintaining a stable consumer protection framework and fostering adequate and safe adoption of new technologies in business operations. It should be noted that the use of these tools in the Croatian market has only begun, with many insurance companies gradually adopting AI tools.

In order to improve and harmonise the practice of companies in the field of providing information to and enhancing financial literacy of insurers, insured persons, insurance beneficiaries and the general public, in 2025, Hanfa issued Guidelines for insurance and reinsurance companies for increasing the level of financial literacy of Croatian citizens. The aim of the Guidelines is to increase the public profile of companies and concepts in the area of insurance, as well as boost citizens' overall financial literacy more effectively. The guidelines encourage clear, understandable and comprehensive communication with insurance companies, while financial literacy activities are considered not only as a way of complying with regulatory obligations, but also as a contribution to fostering confidence in the insurance sector.

3.1.6 Non-bank financing

Leasing

In 2025, Hanfa carried out horizontal off-site inspections of all leasing companies with regard to financial reporting, concentration risk and the calculation of leasing instalments to lessees.

The inspection of financial reporting involved checking whether all the required financial statements and additional reports to be submitted by leasing companies have been properly completed and submitted to Hanfa in a timely manner. Hanfa found inconsistencies in some reports of nine leasing companies. These reports included the financial position report, the statement of comprehensive income and the portfolio quality report. As the companies corrected the reports in the course of the inspection, Hanfa did not instigate administrative proceedings or impose supervisory measures.

The purpose of the inspection pertaining to concentration risk involved verifying whether leasing companies complied with the maximum permitted exposures to a single entity or a group of affiliated entities. The inspection found that one leasing company exceeded the maximum permitted exposure. Hanfa prepared a report on

these findings and issued a decision ordering the elimination of the established illegalities and irregularities.

The inspection of the calculation of leasing instalments to lessees focused on lease contracts with a variable interest rate, that is, on aligning contractual interest rates with the trends in benchmark interest rates. Irregularities were found in six leasing companies that failed to adjust variable interest rates in accordance with contractual provisions. As the companies remedied the irregularities found, there was no need to impose supervisory measures.

In 2025, Hanfa completed on-site inspections of two leasing companies focusing on credit risk management, which started in the previous period. In addition, in one leasing company Hanfa inspected the contracting of lease contracts for the financing of second-hand vehicles. The inspection found illegalities and irregularities and Hanfa issued a decision instructing the company to remedy them.

Throughout the year, Hanfa also carried out ongoing inspections of received financial statements, and additional and other reports that leasing companies are required to regularly submit to Hanfa.

Factoring

In 2025, Hanfa prepared a total of three reports and issued two decisions aimed at eliminating the illegalities and irregularities found in the operations of factoring companies.

The supervisory activities were focused on carrying out factoring activities, risk management and financial reporting, the granting of loans, the calculation of user fees and other factoring activities. As in previous years, inspections also focused on checking the operations of digital platforms for buying and selling receivables. The ongoing supervisory activities included checking financial statements and additional and other reports that factoring companies are required to submit to Hanfa.

3.1.7 Prevention of money laundering and terrorist financing

Anti-money laundering and terrorist financing (hereinafter: AMLTF) is one of the priorities of the financial supervision in the Republic of Croatia as well as a global challenge. This trend continued into 2025. With the establishment and development of the Anti-Money Laundering Authority (AMLA) as a specialised EU institution for the prevention of money laundering and terrorism financing, this area has been furthered improved and developed, by broadening the categories of obliged entities and by harmonising supervisory practices and standards of conduct. In 2025, AMLA opened its offices in Frankfurt and started its operations, with the aim of comprehensively monitoring the flow of money across different industries, thus making an important contribution to protecting the financial system from money laundering associated with various predicate offences. Hanfa actively participated in and monitored the overall process of establishing AMLA and its further development for the purpose of protecting the financial system of the Republic of Croatia, as well as raising the awareness of supervised entities about the importance of this area. In this regard, Hanfa educated and informed its supervised entities about AMLA, its competences

and expectations, in order to facilitate their adaptation to new processes. In 2025, Hanfa held a dedicated training for all supervised entities about new trends and risks associated with the financing of terrorism, taking into account the growing importance of this topic in the context of global geopolitical challenges. All these activities made a significant contribution to developing understanding and raising awareness about the importance of international cooperation in this area.

In the Republic of Croatia, this area is governed by the Anti-Money Laundering and Terrorist Financing Act⁴⁰ (hereinafter: AMLTFA). Hanfa oversees its implementation in entities falling within its competence. From the establishment of the Anti-Money Laundering and Counter-Terrorist Financing Office (2020), Hanfa took a risk-based approach in its supervisory activities as early as in 2021, which allows for a more efficient management of supervisory resources, while ensuring a greater focus on riskier entities and activities that pose a higher risk of money laundering and terrorist financing.

The inspections that found irregularities and illegalities also contributed to entities' better understanding of the prevention of money laundering and terrorist financing, and provided a clearer roadmap for improving their own control systems.

Hanfa continued to improve the risk-based supervision. In 2025, it widened the scope of data it collected from entities, which facilitated supervisory activities and contributed to better exchange of information among international institutions about AMLTF. In 2025, Hanfa began actively cooperating with AMLA.

Through its off-site and on-site inspections, Hanfa played an important role in bringing the importance of the prevention of money laundering and terrorist financing closer to market stakeholders. All on-site inspections carried out and measures adopted by Hanfa were aimed at improving both organisational conditions in the segment of AMLTF and the manner of carrying out due diligence, linking of transactions, reporting of suspicious transactions and other control mechanisms. All supervised entities complied with the imposed measures without delay. On-site inspections covered various types of entities, including fund management companies, insurance companies, investment firms, as well as the increasingly important segment of virtual asset service providers.

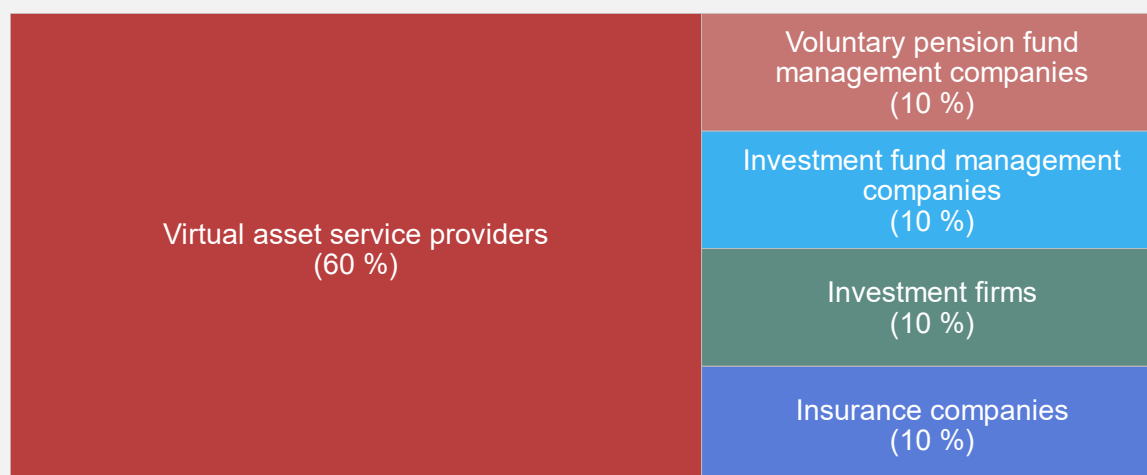
In 2025, Hanfa carried out a total of ten on-site and 82 off-site inspections in the area of AMLTF. There were 17 registered virtual asset service providers operating in the course of the year, and some of them started the licensing procedure in accordance with the MiCA Regulation⁴¹, which is an important step forward in protecting investors and mitigating money laundering and terrorist financing risk.

⁴⁰ Official Gazette, No [75/09](#), [112/12](#), [143/13](#), [147/13](#), [9/15](#), [78/15](#), [102/15](#), [52/16](#), [128/22](#), [156/23](#)

⁴¹ [Regulation \(EU\) 2023/1114](#) of the European Parliament and of the Council of 31 May 2023 on markets in crypto-assets, and amending Regulations (EU) No 1093/2010 and (EU) No 1095/2010 and Directives 2013/36/EU and (EU) 2019/1937, OJ L 150

Figure 3.2 On-site inspections by the Anti-Money Laundering and Counter-Terrorist Financing Office in 2025

In %



Source: Hanfa

At international level, Hanfa continued to actively participate in the work of supervisory colleges and expert groups at EU level in 2025. This cooperation is an important part of building regulatory resilience, enabling the exchange of knowledge and experience with colleagues from other supervisory authorities, the alignment of practices and joint work to address the challenges that are increasingly common in the cross-border context.

To further protect citizens, Hanfa published several warnings to the public during 2025, calling for caution when dealing with unregistered companies. This year, a considerable number of warnings were related to companies providing virtual asset services without authorisation, exposing individuals to higher risk of fraud, loss of funds and legal uncertainty. Hanfa also actively cooperated with other interinstitutional bodies such as the Ministry of the Interior, the State Inspectorate and other bodies in order to prevent activities that may be potentially harmful to market participants.

Recognising the growing importance of a good risk management in all segments of the prevention of money laundering and terrorist financing, Hanfa continuously educated its employees and transferred the acquired knowledge to supervised entities, but also continued to raise awareness of the interested public about the importance of prevention and active monitoring of this area. In 2025, Hanfa held a training for all supervised entities about new trends and risks in terrorism financing, especially having regard to growing global geopolitical challenges. All the described activities contributed to a better understanding and to enhancing awareness about the importance of international cooperation, and good implementation of measures aimed at preventing money laundering and terrorist financing.

3.2 Macroprudential supervision

During 2025, Hanfa continued to regularly monitor, analyse and publish systemic risk assessments in its regular publications, that is, the Macroprudential Risk Scanner and Financial Stability. In the course of 2025, special attention was paid to the development of analytical tools for the monitoring of climate risks⁴², given that climate shocks are becoming an increasingly relevant source of systemic risks for the financial sector. Climate shocks, such as extreme weather events or sudden changes in climate policy, can amplify existing vulnerabilities in the financial system and threaten its stability through various transmission channels and secondary mechanisms of impact enhancement. Climate-related shocks can have more severe and more unpredictable consequences than other types of shocks due to uncertainty about their timing and intensity, possible non-linearities (breakpoints), as well as indirect spill-over effects of subsequent shocks. Thus, Hanfa has built on the existing systemic risk matrix, adapting it to best practices and available data. In addition to contributing to stronger resilience of the financial system, the matrix also aims to encourage entities to proactively manage climate risks and integrate sustainability into their business models. The results of the climate risk matrix for the financial services sector suggest that domestic institutional investors were moderately exposed to climate risks in 2025, with a downward trend in exposures to transition risks and a more prominent presence of physical risks. In view of their changing nature and intensity, Hanfa will continuously monitor these risks and build upon the existing indicators depending on the availability of more precise and detailed data.

In addition to climate risks, in 2025 macroprudential policy focused on geopolitical risks and their potential effects on financial stability. The need for their continuous and systematic monitoring was also particularly highlighted in the Global Risk Report 2025⁴³ by the World Economic Forum, in which armed and economic conflicts were identified by the world leaders as the most relevant global risks. Hanfa also thoroughly analysed the impact of geopolitical shocks on the domestic financial services sector⁴⁴. Geopolitical disruptions in 2025 were found to have affected developments in the domestic financial market, albeit to a relatively limited and short-lived extent. At the same time, the analysis showed that the intensity of the impact of geopolitical risks on the financial system increased considerably after the outbreak of the Russia-Ukraine conflict in 2022.

In addition to the analyses of new topics and existing risks covered by expert publications, in the course of the year Hanfa also carried out regular activities related to macroprudential supervision and monitoring of financial system stability. Pursuant to Article 25 of Directive 2011/61/EU and the accompanying guidelines on the application of that Article, in 2025 Hanfa carried out an analysis of risks associated with the possible excessive use of leverage by alternative investment funds. Based on end-2024 data, it was established that in the Republic of Croatia there were no alternative

⁴² See Box 1 Risk matrix: monitoring climate risks in Financial Stability No 4, which is available at the following [link](#).

⁴³ The Report is available at the following [link](#).

⁴⁴ See Box 1 Geopolitical shocks and resilience of the Croatian financial system in Macroprudential Risk Scanner, No 12, available at the following [link](#).

investment funds or groups of funds using leverage in such a way that might contribute to increasing systemic risk in the financial system, risk of market disturbances or risk to long-term economic growth. Therefore, no leverage limits were imposed and the results of the analysis were also reported to ESMA.

At the end of 2025, Hanfa carried out a regular assessment of systemically important institutions in the financial services sector, covering insurance companies, leasing companies, investment fund management companies and investment firms. The results of the assessment were broadly comparable with those of previous analyses and were consistent with those of the inspection teams, which use them as one of the bases for risk-based supervisory activities.

Cooperation with domestic and European institutions competent for the implementation of macroprudential policy continued in 2025. Hanfa is a member of the Financial Stability Council, along with the representatives of the CNB, the Ministry of Finance of the Republic of Croatia and the Croatian Deposit Insurance Agency. The May and December meetings addressed the key risks to financial stability, particularly those related to developments in the international environment, as well as domestic vulnerabilities, such as the surge in residential real estate prices. Hanfa's representatives also participated in the work of committees and working groups of the European Systemic Risk Board (ESRB), which analysed systemic risks and challenges to financial stability in the European Economic Area at EU level.

NORMATIVE ACTIVITIES

4 NORMATIVE ACTIVITIES

In 2025, Hanfa actively participated in several working groups on the drafting of legislative proposals in the area of capital markets, investment and pension funds, insurance and pension insurance companies. Over the year, Hanfa Board adopted 44 ordinances, one decision, two guidelines and two official positions with the aim of further clarifying the legal provisions and achieving a better understanding of the application of the relevant regulations. All of the by-laws were preceded by a professional and public consultation process through the e-Consultation portal.

4.1 Capital market and investment services

4.1.1 Legislative activities

The Act Amending the Capital Market Act⁴⁵ entered into force at the end of October 2025. The Act is primarily aligned with the provisions of Regulation (EU) 2023/606⁴⁶ and Regulation (EU) 2024/791⁴⁷, concerning procedures for approval of prospectuses, obligations to publish information and new rules on the offer of securities. This simplifies and digitalises issuance procedures, making the capital market more attractive and accessible for issuers. The most significant novelties relate to the transposition of Directive (EU) 2023/2864⁴⁸ and the application of Regulation (EU) 2023/2859⁴⁹, setting up a European single access point (hereinafter: ESAP) – a digital base that will provide centralised, free and easy access to information relevant to financial services, capital markets and sustainability. ESAP aims to increase the transparency and accessibility of data and make the European capital market more attractive to investors and issuers. The Act also transposes the provisions of Directive

⁴⁵ **Official Gazette, No 126/25**

⁴⁶ **Regulation (EU) 2023/606** of the European Parliament and of the Council of 15 March 2023 amending Regulation (EU) 2015/760 as regards the requirements pertaining to the investment policies and operating conditions of European long-term investment funds and the scope of eligible investment assets, the portfolio composition and diversification requirements and the borrowing of cash and other fund rules, OJ L 80

⁴⁷ **Regulation (EU) 2024/791** of the European Parliament and of the Council of 28 February 2024 amending Regulation (EU) No 600/2014 as regards enhancing data transparency, removing obstacles to the emergence of consolidated tapes, optimising the trading obligations and prohibiting receiving payment for order flow, OJ L

⁴⁸ **Directive (EU) 2023/2864** of the European Parliament and of the Council of 13 December 2023 amending certain Directives as regards the establishment and functioning of the European single access point, OJ L

⁴⁹ **Regulation (EU) 2023/2859** of the European Parliament and of the Council of 13 December 2023 establishing a European single access point providing centralised access to publicly available information of relevance to financial services, capital markets and sustainability, OJ L

(EU) 2024/790⁵⁰, which brings about significant changes to trading in financial instruments, including:

- prohibition of receiving payment for order flow (PFOF);
- extension of the exemption from the requirement to be authorised as an investment firm; and
- abolishing the requirement to publish annual reports on the quality of order execution in order to reduce the administrative burden.

The Act on Amendments to the Act on the Takeover of Joint Stock Companies⁵¹ was adopted at the end of the year. In addition to the amendments related to ESAP, the Act amends the Article governing the exclusion of voting rights and, for the purpose of shareholder protection, clarifies that the concepts of money, monetary compensation and funds within the meaning of that Act do not imply crypto-assets. Also, in order to comply with the case law, paragraphs are added specifying that a commercial court is competent to resolve disputes between offerors and persons acting in concert and minority shareholders.

4.1.2 By-laws

With a view to alignment with Regulation (EU) 2024/1623⁵² and the Ordinance amending the Ordinance on periodic, statistical and capital reporting by the central securities depository and reporting by the central securities depository of another Member State⁵³, the following have been emended:

- forms for calculating own funds requirements for credit risk (T 03.01-E and T 03.01 nn-E); and
- forms for calculating own funds requirements for operational risk (T 02.00-E),

while the Ordinance amending the Ordinance on supervisory reports of the central counterparty⁵⁴ amends the following:

- forms for calculating own funds requirements for credit risk (CCP-CR_SA for total credit risk and related forms CCP-CR_SA_exposure_type for each credit risk exposure class); and
- forms for calculating own funds requirements for operational risk (CCP-OPR).

The Ordinance amending the Ordinance on the structure, content and manner of and time limits for the submission of annual financial statements, audit reports and interim financial reports, and on the application of the chart of accounts for central securities depositories⁵⁵ aligns the terminology of the Ordinance with the Accounting Act⁵⁶ as regards the structure and contents of annual financial statements, while the

⁵⁰ [Directive \(EU\) 2024/790](#) of the European Parliament and of the Council of 28 February 2024 amending Directive 2014/65/EU on markets in financial instruments, OJ L

⁵¹ [Official Gazette, No 151/25](#)

⁵² [Regulation \(EU\) 2024/1623](#) of the European Parliament and of the Council of 31 May 2024 amending Regulation (EU) No 575/2013 as regards requirements for credit risk, credit valuation adjustment risk, operational risk, market risk and the output floor, OJ L

⁵³ [Official Gazette, No 117/25](#)

⁵⁴ [Official Gazette, No 95/25](#)

⁵⁵ [Official Gazette, No 30/25](#)

⁵⁶ [Official Gazette, No 85/24](#)

Ordinance amending the Ordinance on issuing approval for management board members and for the acquisition of a qualifying holding / controlling interest and criteria for suitability assessment of supervisory board members, key function holders and senior management⁵⁷ aligns with the amendments to the Capital Market Act.

The Ordinance amending the Ordinance on the contents and structure of issuers' annual report and on the form and manner of its submission to the Croatian Financial Services Supervisory Agency⁵⁸ adjusts the format for the submission of annual reports in accordance with the requirements of RTS ESEF and provides that reports may be submitted both in ZIP format and in the iXBRL format. The Ordinance amending the Ordinance on the contents and structure of issuers' interim reports and on the form and manner of their submission to the Croatian Financial Services Supervisory Agency⁵⁹ introduces the obligation for issuers to prepare semi-annual and quarterly financial statements in accordance with the relevant provisions of International Financial Reporting Standards and to adjust the structure and contents of the reports to the annual statements prescribed under the Accounting Act.

Under the Ordinance amending the Ordinance on supervisory reports for legal persons authorised to provide investment and ancillary services and perform investment activities, market intermediaries, and branches of investment firms from a Member State or a third country⁶⁰, Form US – Report on the management of client funds has been replaced by a new one.

In view of the amendments to the Act on the Resolution of Credit Institutions and Investment Firms⁶¹, Hanfa adopted a new Ordinance on investment firms' recovery plans⁶² and the Ordinance on amending the Ordinance on the resolution of investment firms⁶³.

The Guidelines for issuers carrying out buy-back programmes of own shares⁶⁴ were adopted in response to increased buy-backs by issuers with shares listed on the regulated market operated by the Zagreb Stock Exchange, which were seen in 2024 and continued into 2025, as well as several queries from issuers and investment firms buying back their own shares regarding the interpretation of the provisions on the safe harbour regime under Article 5 of Regulation (EU) No 596/2014⁶⁵ and the related Commission Delegated Regulation (EU) 2016/1052⁶⁶. The Guidelines explain and

⁵⁷ [Official Gazette, No 155/25](#)

⁵⁸ [Official Gazette, No 144/25](#)

⁵⁹ [Official Gazette, No 144/25](#)

⁶⁰ [Official Gazette, No 157/25](#)

⁶¹ [Official Gazette, No 145/24](#)

⁶² [Official Gazette, No 155/25](#)

⁶³ [Official Gazette, No 153/25](#)

⁶⁴ Guidelines for issuers carrying out buy-back programmes of own shares ([CLASS: 995-03/25-05/04, File No: 326-01-60-61-25-2 of 9 October 2025](#))

⁶⁵ [Regulation \(EU\) No 596/2014](#) of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC, OJ L 173

⁶⁶ [Commission Delegated Regulation \(EU\) 2016/1052](#) of 8 March 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the conditions applicable to buy-back programmes and stabilisation measures, OJ L 173

interpret in detail the requirements, criteria and conditions prescribed in the above regulations, which have to be met by issuers wishing to benefit from the safe harbour regime when buying back their own shares on a regulated market. In addition, since issuers buying back own shares on the regulated market operated by the ZSE have not, as a rule, used the safe harbour regime under Article 5 of the Regulation, the Guidelines further refer to the set of measures, arrangements, procedures and protocols that issuers may put in place to avoid the possibility that a buyback of own shares on a regulated market is characterised as market abuse through insider dealing and/or manipulation or that issuers can demonstrate the legitimacy of their conduct in the course of supervision exercised by Hanfa with respect to any purchase order/transaction involving own shares in accordance with Article 9, paragraph (1) of the said Regulation. The above list of measures, arrangements, procedures and protocols is not exclusive, instead Hanfa gives it as an example for issuers: any issuer may also implement any other measure, arrangement or procedure that pursues the same and/or similar purpose, namely that the issuer is able to substantiate and demonstrate to Hanfa in the supervisory process that in the purchase of own shares it has not misused the capital market or undermined market integrity.

The Ordinance on the submission of key information documents for PRIIPs to the Croatian Financial Services Supervisory Agency⁶⁷ lays down the procedure for the provision of the PRIIP KID by defining the content of the form (information on the offer, the KID and the declaration that the KID was drawn up in accordance with the PRIIPs Regulation) as well as the deadline for its submission.

In 2025, Hanfa also adopted one official position on the application of the Act Implementing Regulation (EU) No 1286/2014 on key information documents for packaged retail and insurance-based investment products with respect to specific types of bonds⁶⁸.

4.2 Investment funds

4.2.1 Legislative activities

The Act Amending the Alternative Investment Funds Act⁶⁹ entered into force in early 2025. The most significant amendments relate to:

- changes related to ICT risk management, which require the application of DORA requirements⁷⁰ to a large AIFM in part of organisational requirements and ICT risk management;
- changes to the national regime for the distribution of third-country AIFs, which enable AIFMs from the Republic of Croatia and other Member States to

⁶⁷ [Official Gazette, No 129/25](#)

⁶⁸ [Official position](#) on the implementation of the Act Implementing Regulation (EU) No 1286/2014 on key information documents for packaged retail and insurance-based investment products with respect to specific types of bonds (CLASS: 008-02/21-03/01, File No: 326-01-70-72-25-17, 29 August 2025)

⁶⁹ [Official Gazette, No 152/24](#)

⁷⁰ [Regulation \(EU\) 2022/2554](#) of the European Parliament and of the Council of 14 December 2022 on digital operational resilience for the financial sector and amending Regulations (EC) No 1060/2009, (EU) No 648/2012, (EU) No 600/2014, (EU) No 909/2014 and (EU) 2016/1011, OJ L 333

- distribute to professional investors in the Republic of Croatia the units of third-country AIFs they manage, in compliance with the conditions laid down by law;
- changes to the national regime for the performance of the business of third-country AIFMs in the Republic of Croatia, specifying the conditions for establishing a branch and the documentation and information to be provided to Hanfa with the application for authorisation of a branch, the reasons for refusing the application for authorisation of a branch, as well as the grounds for revocation of the authorisation of a branch of the third-country AIFM, and the conditions to be met by the person who will be responsible for the management of the branch of the third-country AIFM;
 - operation of an AIFM depository: in order to achieve an adequate level of protection for the investors of AIFs marketed to retail investors, provisions are laid down governing the authorisation of an investment firm to perform the depository functions, the application for such authorisation, the content of the application and the treatment of that application.

The Act Amending the Act on Open-Ended Investment Funds with Public Offering⁷¹ entered into force in January 2025. The most significant amendments relate to:

- changes related to ICT risk management, which require the application of DORA requirements to management companies in the part of the network and information systems they manage to achieve digital operational resilience;
- operation of a UCITS depository: the Act provides that investment firms established in the Republic of Croatia or another Member State having branches in the Republic of Croatia may also act as UCITS depositories. In order to ensure the protection of UCITS investors, which are mainly retail investors, the Act lays down new provisions governing the authorisation of an investment firm to perform the depository functions, the submission of applications for such authorisation, the content of the application and the treatment of the application, as well as the power of Hanfa to further specify those provisions by means of a by-law. The Act introduces specific supervisory measures that Hanfa may impose on the depository, which are necessary to fill a legal vacuum in part of the specific supervisory measures that may be imposed on the depository, in order to ensure the efficient achievement of the purpose of oversight of the depository and an adequate level of investor protection.

In the period from 2 April to 2 May 2025, Hanfa conducted a public consultation on the document “Eliminating gold plating from the legislative framework for alternative investment funds and UCITS in the Republic of Croatia” in order to collect views and proposals from market participants on the application and possible improvement of the legal framework governing the operation of investment funds and their managers, including ordinances adopted under these acts. The document identified potential areas for reducing the regulatory burden, particularly where the Alternative Investment Funds Act and the Act on Open-Ended Investment Funds with Public Offering lay down requirements beyond EU regulations. The document contains possible options to alleviate the burden, supported by explanations, analyses, references to EU rules and legal provisions, and a comparison with the practices of

⁷¹ [Official Gazette, No 152/24](#)

other Member States to ensure a comprehensive view. It also identifies several additional areas where there is room for burden relief, which are currently less relevant to the market, including the ordinances adopted by Hanfa under the two above acts. The main objectives of the consultation were:

- identification of opportunities for regulatory burden reduction in accordance with EU regulations;
- collecting feedback on gold-plating beyond the EU minimum;
- increasing financial market competitiveness in Croatia;
- improving the legal framework of the two acts with a view to strengthening investment opportunities.

In order to be able to make sound and informed proposals for changes to the legislative framework, it was necessary to identify areas for regulatory burden reduction and to gather market feedback provided that such solutions do not undermine investor protection and financial stability. In this context, particular consideration was given to the fact that UCITS, unlike AIFs, are a product intended for retail investors, which further highlights the need for a balanced approach to regulatory amendments. During the consultation, Hanfa gathered comments from representatives of alternative investment fund managers (AIFMs), UCITS management companies, professional associations and natural persons. The feedback provided an important basis for drafting recommendations for the Ministry of Finance (as proponent of legislative amendments), as well as for future revisions of the ordinances within Hanfa's competence. The resulting report provided an overview of received comments, the views of Hanfa after considering proposals and a comparison with the practices of supervisory authorities of other Member States. Based on a comprehensive analysis of market participants' comments, regulatory practices and own supervisory experiences, Hanfa prepared a set of recommendations aimed at simplifying the legislative framework for alternative investment funds and UCITS in Croatia. According to the Hanfa's assessment, the implementation of these recommendations could contribute to enhancing the competitiveness of the industry while preserving a high level of investor protection. Key recommendations relate to:

- introduction of a registered AIFM regime and notification (instead of approval) of AIFs that are managed by them and offered to qualified and professional investors;
- additional burden relief for medium-sized AIFMs;
- relaxation of formal conditions for management and supervisory board members of AIFM and UCITS management companies;
- liberalisation of cross-border operations of medium-sized AIFMs;
- abolishment or reduction of the frequency of AIFM and AIF reports;
- liberalisation and facilitation of AIF depositary functions;
- delegation, valuation, issuance, repurchase and redemption of UCITS units in line with the best practices of EU Member States.

4.2.2 By-laws

The Ordinance amending the Ordinance on determination of the net asset value and the unit price of UCITS⁷² and the Ordinance amending the Ordinance on fees and costs charged by management companies⁷³ delete the provision stipulating that the management fee is not to be calculated for UCITS assets invested in UCITS units and shares of alternative investment funds where the UCITS being charged a fee and the UCITS units and AIF shares in which investment is being made are managed by the same management company. The deletion of this provision makes it possible to calculate the management fee on UCITS assets invested in units of UCITS and shares of AIFs managed by the same management company, but the management company must be able to explain that it does not charge undue costs to investors.

The Ordinance on the content and manner of the delivery of notifications on trading in units of third-country AIFs in the Republic of Croatia without a European passport⁷⁴ and the Ordinance on the content and manner of the delivery of notifications on trading in units of AIFs managed by a third-country AIFM in the Republic of Croatia without a European passport⁷⁵ lay down the content and method of notification referred to in Article 125a of the AIFA on trading in units of third-country AIFs in Croatia without an EU passport and Article 139b of the AIFA on trading in units of AIFs managed by a third-country AIFM in Croatia without an EU passport, as well as the forms on which notifications are submitted to Hanfa.

The Ordinance amending the Ordinance on organisational requirements for UCITS management companies⁷⁶ deletes Article 31, which regulated the management company's information system management due to the direct application of the DORA Regulation, which governs this area.

The Ordinance amending the Ordinance on carrying out tasks of the UCITS depositary⁷⁷ lays down the organisational and technical requirements for investment firms intending to perform depositary functions, as well as the documentation to be enclosed by an investment firm with the application for authorisation to perform the depositary functions, and the additional content of the depositary's programme, while the Ordinance amending the Ordinance on carrying out tasks of the AIF depositary⁷⁸ also lays down the documentation to be enclosed by the investment firm with the application for authorisation to perform the depositary functions, and the additional content of the depositary's programme.

The Ordinance on the conditions of establishment, operation of and reporting by a branch of an AIFM from a third country in the Republic of Croatia⁷⁹ lays down:

⁷² [Official Gazette, No 133/25](#)

⁷³ [Official Gazette, No 133/25](#)

⁷⁴ [Official Gazette, No 133/25](#)

⁷⁵ [Official Gazette, No 133/25](#)

⁷⁶ [Official Gazette, No 155/25](#)

⁷⁷ [Official Gazette, No 155/25](#)

⁷⁸ [Official Gazette, No 155/25](#)

⁷⁹ [Official Gazette, No 155/25](#)

- requirements for third-country AIFMs performing the tasks of managing AIFs in the Republic of Croatia;
- the structure, content, method of and time limits for the submission of reports to be prepared by the branch for the purposes of the Croatian Financial Services Supervisory Agency;
- documentation accompanying the application for authorisation of a branch of a third-country AIFM;
- the content of the branch's business plan.

4.3 Pension system

4.3.1 Legislative activities

Directive (EU) 2022/2556⁸⁰ introduces a number of amendments necessary to ensure legal clarity and consistency in relation to digital operational resilience requirements. The provision of its Article 8 amended Article 21(5) of the IORP II Directive⁸¹, which imposes an obligation on Member States to apply the DORA Regulation to institutions for occupational retirement provision when setting up network and information systems. The amendments to the Voluntary Pension Funds Act⁸² and the Act on Pension Insurance Companies⁸³ implement Directive 2022/2556 in view of the importance of ICT risk management in the business of pension companies and pension insurance companies and extend the obligation to apply the DORA Regulation to their entire business.

Regulation on criteria for classifying an issuer as a dedicated issuer for financing or securitisation of infrastructure projects in the territory of the Republic of Croatia⁸⁴, adopted in June 2025, lays down the above criteria, procedure and content of the application for classification and the procedure for assessing and issuing the classification.

4.3.2 By-laws

As a result of amendments to the Voluntary Pension Funds Act, which allow pension companies from a Member State of the Organisation for Economic Co-operation and Development (hereinafter: OECD) to establish and manage pension funds in the territory of the Republic of Croatia, Hanfa adopted the Ordinance on the conditions of establishment and operation of and reporting by a branch of a pension company from an OECD member country in the Republic of Croatia⁸⁵.

⁸⁰ **Directive (EU) 2022/2556** of the European Parliament and of the Council of 14 December 2022 amending Directives 2009/65/EC, 2009/138/EC, 2011/61/EU, 2013/36/EU, 2014/59/EU, 2014/65/EU, (EU) 2015/2366 and (EU) 2016/2341 as regards digital operational resilience for the financial sector, OJ L 333

⁸¹ **Directive (EU) 2016/2341** of the European Parliament and of the Council of 14 December 2016 on the activities and supervision of institutions for occupational retirement provision (IORPs), OJ L 354

⁸² **Official Gazette, No 52/25**

⁸³ **Official Gazette, No 52/25**

⁸⁴ **Official Gazette, No 93/25**

⁸⁵ **Official Gazette, No 153/25**

The Ordinance on emergency reserves of the pension insurance company⁸⁶ has been adopted to ensure compliance with the amendments to the Act on Pension Insurance Companies that provide for the transfer of previously paid funds to cover or prevent the build-up of a shortfall in assets to cover technical provisions for mandatory pension insurance. The Ordinance adds a provision on the formation of emergency reserves from previously paid funds to the account of technical provisions for mandatory pension insurance to cover the shortfall. Emergency reserves are a kind of buffer, with their purpose and use being strictly ring-fenced.

The Ordinance amending the Ordinance on the requirements for membership of management and supervisory boards of pension insurance companies⁸⁷

- introduces an obligation that the employers' confirmation of the relevant work experience of candidates for management board members of a PIC who, at the time of the application, do not perform the function of a management board member, must also include the number of their subordinates;
- introduces an obligation for candidates for supervisory board members to submit a statement that their associates have (not) been convicted by a judgement with final force and effect;
- introduces a new Annex 4 Statement by the candidate that their associates have (not) been convicted by a judgement with final force and effect defined in Article 3, item (35) of the Act on Pension Insurance Companies of criminal offences referred to in Article 24, paragraph (1), item (7) of the Act;
- the questionnaire for candidates for management or supervisory board members (Annex 2) introduces a question about the completion of the qualification test for the management of PICs.

In the Ordinance amending the Ordinance on the requirements for performing a key function in a pension insurance company⁸⁸, the individual mention of criminal offences has been deleted as they are set out in the provision of the Act referred to in the Ordinance. In the Ordinance amending the Ordinance on the requirements for issuing authorisation and approval for the acquisition of a qualifying holding in a pension insurance company⁸⁹, the data and documentation for candidates for members of the PIC's supervisory board have been deleted as an annex to the application for authorisation, given that a separate application for appointment of supervisory board members must be submitted to Hanfa. In addition, the application for outsourcing of tasks or functions to the service provider has been deleted as an annex to the application for authorisation and replaced by a plan for outsourcing of tasks or functions to the service provider.

The Ordinance amending the Ordinance on audit in pension insurance companies⁹⁰ adds a Report on the performance of key function tasks to the audit report for the purposes of Hanfa, whereas the Report on the balance and structure of assets covering technical provisions is complemented by auditor's recommendations indicating the

⁸⁶ [Official Gazette, No 117/25](#)

⁸⁷ [Official Gazette, No 153/25](#)

⁸⁸ [Official Gazette, No 153/25](#)

⁸⁹ [Official Gazette, No 153/25](#)

⁹⁰ [Official Gazette, No 139/25](#)

identified weaknesses and risks. The statements on the balance and structure of assets covering technical provisions must be made with particular reference to investments in derivative financial instruments referred to in Article 92, paragraph (1), point (15) of the Act on Pension Insurance Companies and alternative investments referred to in Article 93, paragraph (3) of the Act, where applicable.

The Ordinance amending the Ordinance on the structure and contents of financial statements and additional reports of pension insurance companies⁹¹ amends the form MOD-BKU *Report on the number of pension beneficiaries and the number of contracts* and introduces new forms:

- Overview of mandatory pension insurance contracts / new contracts by the type, form and method of pension adjustment (MOD-U(NU)-OMO form);
- Overview of remittance payments and receipts by the type and form of pension and method of adjustment from mandatory pension insurance (MOD-VOM-OMO form).

The Ordinance amending the Ordinance on the minimum content of the notification on informative pension calculation⁹² extends the time limit for the Central Registry of Affiliates for drawing up a notification on informative pension calculation from six to nine months following the entry into force of the Ordinance. Annexes 1 and 2 to the Ordinance, Section III *Important information on the method of pension adjustment* provide that the entire amount of pension must be adjusted twice a year according to the rate of change in the average consumer price index and the average gross wage of all employed persons in the Republic of Croatia, in accordance with the applicable regulations for the adjustment of pensions from the first pillar, with no alternative option available to pension beneficiaries.

In the Ordinance on the professional training and examinations taken by candidates for certified pension fund managers and in order to acquire qualifications to manage pension insurance companies⁹³, the passage threshold for the special part of the examination has been raised from 60% to 75% as this examination has a specific difficulty and its passing allows a person to manage mandatory and voluntary pension funds and pension insurance companies. It also stipulates that the examination is generally taken at Hanfa premises, with a discretionary possibility of an online examination.

Pursuant to the obligation under Article 35, paragraph (6) of the Act Implementing Regulation (EU) 2019/1238 on a pan-European Personal Pension Product (PEPP)⁹⁴, Hanfa adopted the Decision on the manner of delivery of the depositary notification on the identified irregularities and/or illegalities in the operations of a PEPP provider⁹⁵, prescribing the manner of submission of notifications and documentation to Hanfa in situations where the depositary finds irregularities and/or illegalities in the operation of the PEPP provider.

⁹¹ [Official Gazette, No 155/25](#)

⁹² [Official Gazette, No 95/25](#)

⁹³ [Official Gazette, No 56/25](#)

⁹⁴ [Official Gazette, No 151/22](#)

⁹⁵ [Official Gazette, No 30/25](#)

4.4 Insurance

4.4.1 Legislative activities

Hanfa participated in the drafting of the Act Amending the Insurance Act⁹⁶ for the purpose of implementing Directive (EU) 2023/2864, in the part amending the Solvency II Directive⁹⁷ and Directive (EU) 2016/97⁹⁸. Directive (EU) 2023/2864 and Regulation (EU) 2023/2859 are part of a legislative package of high relevance for the European Union's financial market and for the further development of sustainable financing and digital finance. These acts aim to further integrate EU financial services and capital markets by providing easy centralised access to public information on entities and their products by establishing a European single access point (ESAP). In order to make ESAP a reality, it was necessary to make legislative amendments to a number of regulations to enable data to be collected and submitted in a uniform format and to designate a body for collecting information at Member State level, to be responsible for the collection of information and their transmission to ESAP. As a result, amendments to the Insurance Act transpose the key standards on which data delivery is based, i.e. define the so-called metadata that must be delivered in a specific format or be machine readable. This ensures uniform delivery and comparability of data. In addition, in disclosing specific information, insurance companies are required to submit them also to Hanfa, so as to make them available in ESAP.

4.4.2 By-laws

A new Ordinance on the conditions for performing the functions of a member of the management board, a member of the supervisory board and a procurator of an insurance company or reinsurance company, and of an authorized representative of a branch of an insurance company or reinsurance company⁹⁹ follows the provisions of the Insurance Act and is divided into units that specifically address the following:

- management board members;
- procurators;
- supervisory board members;
- authorised representatives of the company's branch; and
- policies for selecting and assessing the conditions for performing the functions of management board members, procurators and supervisory board members of the company.

The Ordinance sets out more clearly the conditions relating to the suitability and experience of the authorised representative of the insurance company's branch and the documentation proving that the required conditions are met.

⁹⁶ [Official Gazette, No 152/24](#)

⁹⁷ [Directive 2009/138/EC](#) of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II), OJ L 335

⁹⁸ [Directive \(EU\) 2016/97 of the European Parliament and of the Council](#) of 20 January 2016 on insurance distribution, OJ L 26

⁹⁹ [Official Gazette, No 157/25](#)

The Ordinance on the form and contents of periodic statistical reports by third-county distributors¹⁰⁰ prescribes in more detail the form and contents of periodic statistical reports on the provision of insurance distribution services and reinsurance distribution services in the territory of the Republic of Croatia, while the Ordinance on the qualitative investment requirements for insurance companies and reinsurance companies¹⁰¹ further regulates the qualitative requirements to be met by insurance and reinsurance companies, under the prudence principle, when investing assets in accordance with Title IX, Chapter VI *Investments* of the Insurance Act.

Under the Ordinance amending the Ordinance on the structure and contents of financial statements and additional reports of insurance companies and reinsurance companies¹⁰², IDIS form *Report on collected insurance premium and invoiced commissions for insurance distributors by category of distributor* also includes other distributors' receipts based on (re)insurance distribution activities.

The Ordinance on the form and contents of financial statements and statistical reports of persons having a licence to pursue insurance distribution business and/or reinsurance distribution business¹⁰³ specifies the following:

- the form and contents of semi-annual and annual financial statements that insurance agencies or insurance and/or reinsurance brokerage companies submit to Hanfa and other external users about their financial position and financial performance;
- the form and contents of semi-annual and annual statistical reports that insurance agencies, insurance and/or reinsurance brokerage companies, ancillary insurance intermediaries, insurance representation crafts, insurance and/or reinsurance brokers, credit institutions, Financial Agency, HP – Hrvatska pošta d.d., leasing companies and investment firms submit to Hanfa; and
- the method of and time limits for reporting to Hanfa.

In May 2025, Hanfa adopted an official position on the application of the consumer protection regulatory framework to life insurance policy loans¹⁰⁴.

¹⁰⁰ [Official Gazette, No 92/25](#)

¹⁰¹ [Official Gazette, No 157/25](#)

¹⁰² [Official Gazette, No 153/25](#)

¹⁰³ [Official Gazette, No 153/25](#)

¹⁰⁴ [Official position](#) on the application of the consumer protection regulatory framework to life insurance policy loans (CLASS: 008-02/21-03/01, File No: 326-01-70-72-25-16, 8 May 2025)

4.5 Crypto-asset market

4.5.1 By-laws

The Ordinance on issuing authorisations to crypto-asset service providers, assessment of qualifying holding acquisition and issuing approval for management board members¹⁰⁵ prescribes in more detail:

- licensing procedure for crypto-asset service providers (application, procedure, documentation);
- procedure for issuing approvals for management board members of crypto-asset service providers;
- assessment of suitability of acquirers of qualifying holdings in crypto-asset service providers.

The Ordinance on mystery shopping activities targeting crypto-asset service providers¹⁰⁶ has been adopted under the Act Implementing Regulation (EU) 2023/1114 on Markets in Crypto-Assets¹⁰⁷ (hereinafter: Act Implementing the MiCA Regulation), which lays down the procedure for mystery shopping. For the purpose of protecting potential and existing clients, the stability of the financial system and market confidence, mystery shopping activities aim at verifying the compliance of entities supervised by Hanfa. This verification covers pre-contractual and contractual information (documentation, veracity, clarity, suitability test, complaints, conflicts of interest, fair treatment), advertising and sale of services/crypto-assets, staff expertise and professionalism, behaviour before, during and after conclusion of the contract, and other practices covered by mystery shopping activities.

The Ordinance on filing complaints against issuers or persons seeking admission to trading of crypto-assets other than asset-referenced tokens and e-money tokens, as well as against crypto-asset service providers, and on complaints-handling procedures of the Croatian Financial Services Supervisory Agency¹⁰⁸ regulates the procedure for submitting complaints to Hanfa in respect of offerors, persons seeking admission to trading (except for trading of asset-referenced tokens (ARTs) and e-money tokens (EMTs)) and crypto-asset service providers (CASPs). In addition to the forms and manner of submitting complaints to Hanfa, the Ordinance lays down the content of the complaint, the complaints-handling procedures of Hanfa, as well as the time limits, the content of the final reply and the manner in which it is submitted to the claimant.

The Ordinance on the structure and contents of financial statements of crypto-asset service providers¹⁰⁹ lays down the chart of accounts and financial statements of CASPs authorised by Hanfa and the application of International Accounting Standards. The Ordinance on the prudential requirements for crypto-asset service providers referred to in Article 67 of Regulation (EU) 2023/1114¹¹⁰ lays down the reporting and audit of

¹⁰⁵ [Official Gazette, No 95/25](#)

¹⁰⁶ [Official Gazette, No 129/25](#)

¹⁰⁷ [Official Gazette, No 85/24](#)

¹⁰⁸ [Official Gazette, No 129/25](#)

¹⁰⁹ [Official Gazette, No 153/25](#)

¹¹⁰ [Official Gazette, No 153/25](#)

reports on prudential requirements for CASPs authorised by Hanfa, while the Ordinance on supervisory reports for legal persons authorised to provide crypto-asset services¹¹¹ lays down the content, form, method of and time limits for the preparation and delivery of supervisory reports for all crypto-asset service providers (CASPs, investment firms, credit institutions).

The Ordinance on the audit of crypto-asset service providers¹¹² regulates the content and scope of audits of CASPs, including the audit of annual financial statements, the audit of reports on prudential requirements and the reasons for the refusal or dismissal of annual financial statements, while the Ordinance on the protection of assets of crypto-asset service providers' clients¹¹³ regulates the obligations of CASPs in relation to the protection of client assets, including:

- asset segregation requirements;
- method of keeping records of client assets;
- rules on the storage and use of clients' crypto-assets and funds; and
- obligations of reporting to Hanfa.

Hanfa has also adopted the Guidelines on crypto-asset service providers' organisational requirements¹¹⁴, which elaborate on the requirements of the MiCA Regulation and the Act Implementing the MiCA Regulation in the part related to the organisational requirements for CASPs, in particular with regard to:

- establishment of internal control systems (risk management, compliance and internal audit functions);
- risk management framework and compliance function;
- rules and limitations regarding outsourcing of services and the use of staff outside the country.

4.6 Other normative activities

4.6.1 Legislative activities

The Act on the Accessibility Requirements for Products and Services¹¹⁵ entered into force in June 2025. Its purpose is to remove barriers and ensure that persons with disabilities or functional limitations can use products and services on an equal footing. The Act aligns with Directive EU 2019/882¹¹⁶ (European Accessibility Act) and contributes to the harmonisation of rules across the EU Member States. This creates a single framework that facilitates and improves accessibility while reducing legal uncertainty.

¹¹¹ [Official Gazette, No 153/25](#)

¹¹² [Official Gazette, No 157/25](#)

¹¹³ [Official Gazette, No 157/25](#)

¹¹⁴ [Guidelines](#) on crypto-asset service providers' organisational requirements (CLASS: 011-01/25-08/01, File No: 326-01-70-72-25-9, 23 December 2025)

¹¹⁵ [Official Gazette, No 89/25](#)

¹¹⁶ [Directive \(EU\) 2019/882](#) of the European Parliament and of the Council of 17 April 2019 on the accessibility requirements for products and services, OJ L 151

The novelties introduced by the Act on Amendments to the Financial Conglomerates Act¹¹⁷, adopted in December 2025, are primarily linked to the further alignment of the Croatian regulatory framework with the *acquis communautaire*, i.e. the mentioned Directive (EU) 2023/2864.

4.6.2 By-laws

The Ordinance amending the Ordinance on supervisory reports and information on matters relevant for the exercise of supervision or for monitoring compliance of obliged entities within the meaning of the law on the prevention of money laundering and terrorist financing¹¹⁸ replaces the form *Questionnaire for risk assessment – Questions for Obligated Entities* with a new one.

The Ordinance on the calculation, amount and charging of fees paid to the Croatian Financial Services Supervisory Agency for the year 2026¹¹⁹ governs the calculation and amount of supervisory fees and the method and execution of collection of supervisory fees charged by Hanfa for 2026, while the Ordinance on the type and amount of fees paid to the Croatian Financial Services Supervisory Agency¹²⁰ specifies the entities subject to fees, the method of payment, the types and the amount of fees charged by Hanfa based on the powers laid down in the laws within its competence.

4.6.3 Resolution

In the second half of 2025, Hanfa, in cooperation with the resolution college for the central counterparty SKDD-CCP, continued with a step-by-step approach in developing the institution's resolution plan, focusing on the resolvability assessment process. In addition, it started drafting the first resolution plan for the central depository SKDD d.d.

Amendments to the Ordinance on the resolution of investment firms¹²¹ have also been adopted. Pursuant to Article 21 of the Act on Amendments to the Act on the Resolution of Credit Institutions and Investment Firms¹²², amendments had to be made to align the Ordinance with regard to the more detailed prescribing of obligations to calculate the level of the minimum requirement for own funds and eligible liabilities of an investment firm. More specifically, Article 3, paragraph (1), item (117a) of the Act on the Resolution of Credit Institutions and Investment Firms¹²³ (hereinafter: Resolution Act) introduces the concept of a liquidation entity as a legal person having its registered office in the European Union, whose resolution plan provides that the entity is to be wound up under normal insolvency proceedings. Therefore, Article 26, paragraph (6) provides that for such entities Hanfa does not impose a requirement to calculate the level of the investment firm's minimum requirement, while paragraph (7) of the same Article provides Hanfa with the possibility to assess whether it is justified to determine

¹¹⁷ [Official Gazette, No 151/25](#)

¹¹⁸ [Official Gazette, No 153/25](#)

¹¹⁹ [Official Gazette, No 157/25](#)

¹²⁰ [Official Gazette, No 157/25](#)

¹²¹ [Official Gazette, No 153/25](#)

¹²² [Official Gazette, No 145/24](#)

¹²³ Official Gazette, No [146/20](#), [21/22](#), [27/24](#) and [145/24](#)

the calculation of the requirement in question for the liquidation entity. Also, Article 39 of the Resolution Act prescribes the obligation to maintain the minimum requirement for an investment firm that is a resolution entity, as well as an obligation of (non-)reporting and public disclosure of information for an investment firm that is a resolution entity or a liquidation entity. In addition, the obligation to calculate the minimum requirement has been deleted from the list of minimum items of the resolution plan for an investment firm that has been identified as a liquidation entity pursuant to the provision of Article 25 of the Resolution Act (simplified obligations).

At European level, Hanfa is actively involved in the work of the ESMA CCP Resolution Committee and the EIOPA IRRD Project Group, in which Hanfa's representative operates an internal sub-group for legal matters, which is working on the development of regulatory technical standards and guidelines under the IRRD.

LICENSING AND TRAINING

5 LICENSING AND TRAINING

Within its legal competence, in the procedures of establishing entities under its supervision, Hanfa verifies their compliance with the relevant regulatory, organisational and other prescribed conditions. When licensing members of the management and supervisory boards of supervised entities, an assessment of the suitability of the candidate is carried out, which includes a check of candidates' good repute and integrity, their expertise and required work experience and compliance with other requirements laid down in applicable laws and subordinate legislation.

In the case of changes to the ownership structure of supervised entities, including the acquisition or increase of qualifying holdings, Hanfa assesses the acquirers, that is, their good repute, financial soundness and the transparent and legal origin of the funds used to finance the proposed acquisition, as well as the impact of such changes on the stable and legal operations of the supervised entity.

As part of its public authority, Hanfa also takes care of the adequate licensing and professional competence of persons participating in the financial market by holding examinations for authorisation for insurance distribution and issuing certificates of passing the examination in the field of capital markets, pension funds and pension insurance companies.

5.1 Licensing

In 2025, Hanfa carried out 266 licensing procedures, which involved the issuance of approvals to acquire a qualifying holding, authorisations, approvals to perform the function of a management board member or a supervisory board member, approvals to perform activities of a certified actuary and authorisations to pursue insurance and reinsurance distribution business, as well as procedures determining the termination of previously issued licences.

As in the previous years, the largest number of licensing applications related to applications for authorisations to pursue insurance and/or reinsurance distribution business (84), of which the majority of authorisations were issued to insurance representation crafts (52).

Qualifying holding

A direct or indirect holding in the capital or voting rights of the supervised entity or a holding that allows for significant influence over the supervised entity's management.

5.1.1 Capital market

In 2025, Hanfa issued four approvals to perform the function of a member of the management board of an investment firm. One approval was also granted to a new

investment firm to carry out portfolio management and investment advice activities and an ancillary service of safekeeping and administration of financial instruments for the account of clients; including custody and custody-related services. In the context of that procedure, three approvals were issued for the acquisition of a qualifying holding in the investment firm, one of which related to a direct and two to an indirect acquisition.

Hanfa also granted the approval to directly acquire a qualifying holding in the amount of between 50% and 100% of the initial capital and voting rights of the Zagreb Stock Exchange.

5.1.2 Investments

In 2025, approval was granted for a change in status related to a division of an investment fund management company, which involved the establishment of a new UCITS management company, a new AIFM and a new investment firm. In 2025, Hanfa also issued an authorisation to a UCITS management company, four AIFM authorisations, specifically, to one AIFM in the medium-sized AIFM category, one in the small-sized AIFM category and one in the large AIFM category, with the latter being issued to an existing AIFM that had already possessed authorisation in the medium-sized AIFM category.

Three authorisations for merger were issued, including authorisation to an investment fund management company for merger with another investment fund management company, authorisation to an investment fund management company to merge another investment fund management company, and authorisation to an investment fund management company for merger with another investment fund management company from another Member State.

In the past year, Hanfa issued eight approvals to acquire qualifying holdings in investment fund management companies, three of which related to a direct and five to an indirect acquisition. Following the notifications submitted by an AIFM, Hanfa verified the fulfilment of the conditions for the intended direct and indirect acquisition of a qualifying holding in the three medium-sized AIFMs and in one small AIFM and did not set any restrictions on the implementation of those changes, i.e. acquisitions of qualifying holdings.

In the course of 2025, Hanfa issued 14 approvals to perform the function of a member of the management board of an investment fund's management company, seven of which were issued with respect to the performance of the function of a member of the UCITS management company's management board, six with respect to the performance of the function of a member of the AIFM's management board and one with respect to the performance of the function of a member of the UCITS and AIF management company's management board.

Three approvals were also issued to investment fund management companies for delegating tasks to a third party, one for the delegation of compliance function tasks, one for the delegation of internal audit tasks and one for the delegation of internal ICT audit tasks.

5.1.3 Pension system

In 2025, Hanfa issued ten approvals to perform the function of a management board member of a pension insurance company. Also issued were 18 approvals to perform the function of a member of the pension company's supervisory board, four of which related to supervisory board members who are independent experts appointed based on a public call. Those independent experts were appointed as representatives of pension fund members with a view to representing the interests of members of mandatory pension funds.

Three approvals were issued in 2025 to perform the function of a member of the pension insurance company's management board, as well as four approvals to perform the function of a member of the pension insurance company's supervisory board.

5.1.4 Insurance

During the year, 15 approvals were issued to members of insurance companies' management boards, 16 approvals to members of insurance companies' supervisory boards and two approvals to perform the activities of a certified actuary. One approval was granted to a domestic insurance company for the performance of reinsurance activities in the segment of non-life insurance and one approval to a credit institution from the Republic of Italy for the indirect acquisition of a qualifying holding in a domestic insurance company in the amount of 10% to 19.99% of the initial capital and voting rights. The largest number of authorisations (84) related to the segment of insurance and/or reinsurance distribution, of which the majority went to insurance representation crafts (52). Hanfa also issued 54 decisions on the termination of authorisation to pursue insurance and/or reinsurance distribution business.

5.1.5 Non-bank financing

Leasing and factoring companies

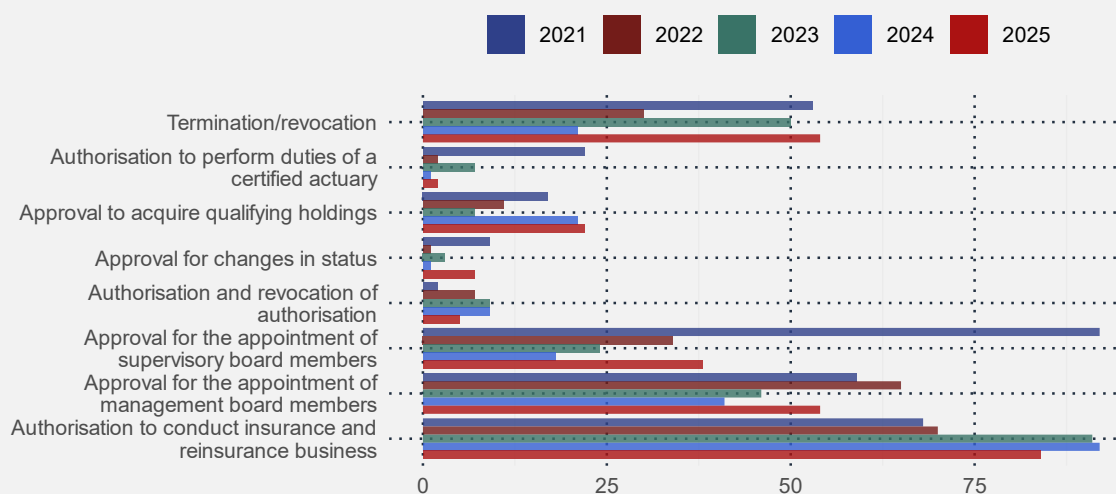
In 2025, Hanfa adopted seven decisions on issuing approvals to perform the function of a member of the management board for five different leasing companies. A company from the Federal Republic of Germany was granted approval for the indirect acquisition of a qualifying holding in two domestic leasing companies, ranging from 30% to 49.99% and 20% to 29.99% of the voting rights, respectively. Furthermore, a company from the Republic of France was authorised to directly acquire a qualifying holding in a domestic leasing company, in the amount of 100% of the company's initial capital. A decision was also adopted to revoke the approval to a company having its registered office in Luxembourg for the indirect acquisition of a qualifying holding in a domestic leasing company on the ground that the proposed acquisition had not been carried out within six months of the date on which the initial decision became enforceable.

Two decisions on issuing approvals to perform the function of management board members of two different factoring companies were adopted during the year. Hanfa also issued approvals to two companies from the Republic of Ireland for successive

direct acquisition of a qualifying holding in the capital and voting rights of a domestic factoring company in the amount of 99.9% and 99.0%, respectively, as well as related approvals to four natural persons for the indirect acquisition of a holding in the initial capital and voting rights of the same factoring company.

Figure 5.1 Licensing procedures by type of procedure

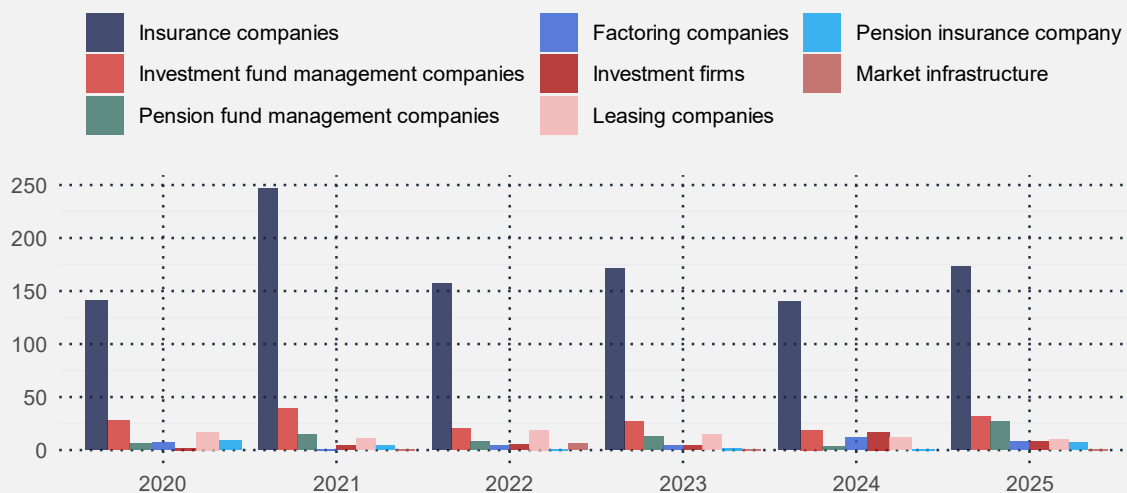
Number of procedures



Source: Hanfa

Figure 5.2 Licensing procedures by industry

Number of procedures



Source: Hanfa

5.2 Examinations and professional training

5.2.1 Examinations in the area of capital market, pension funds and pension insurance companies

In 2025, Hanfa organised eight examination cycles related to the examination of knowledge and acquisition of qualifications needed to provide information on investment products and services, carry out brokerage activities and provide investment advice services, perform the function of a certified pension fund manager and manage pension insurance companies. The examinations were carried out in a digital format on a two-month basis and they were taken by 62 applicants, of whom 28 (45%) passed.

5.2.2 Examinations of professional knowledge required in order to pursue insurance and/or reinsurance distribution activities and ongoing professional training for distributors

In 2025, examinations of professional knowledge required in order to pursue insurance and/or reinsurance distribution activities were taken by a total of 1,393 candidates. Examinations are held online on a weekly basis and involve the examination of knowledge with respect to the selected insurance group, category of insurance intermediaries and ancillary intermediaries, and insurance or reinsurance products the intermediary intends to distribute.

As insurance and/or reinsurance distributors' expertise, in addition to passing the examination, also entails maintaining the required level of knowledge and competence of distributors throughout the entire period of pursuing insurance and/or reinsurance business, Hanfa continued in 2025 to regularly monitor the compliance with the distributor's obligations related to ongoing professional training, which is required to retain a licence.

Figure 5.3 Examination results by type of examination



Source: Hanfa

CONSUMER PROTECTION AND IMPROVEMENT OF FINANCIAL LITERACY

6 CONSUMER PROTECTION AND IMPROVEMENT OF FINANCIAL LITERACY

Through its actions, Hanfa contributes to the maintenance of the stability of the financial system, the smooth functioning of markets and the legality of supervised entities' operations. In addition to carrying out supervisory activities, building trust among financial market participants, financial services users and the general public constitutes an important part of this work. Among other things, trust is developed through timely, clear and transparent communication. To this end, Hanfa pays special attention to informing the public about the rights and obligations of financial services users, risks associated with financial products and services and events that may threaten the interests of consumers.

Consumer protection is achieved primarily through supervisory activities and the handling of complaints by financial services users, but also by means of preventive action. It includes the publication of educational materials, warnings and recommendations, as well as organisation of educational activities. In this way, Hanfa aims to enhance the financial literacy of individuals and enable them to make informed financial decisions.

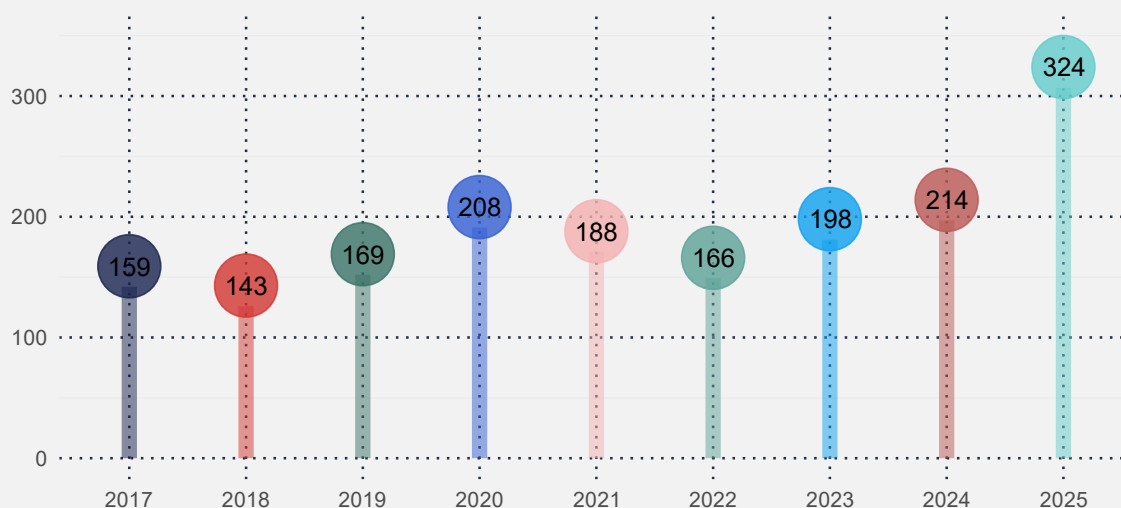
6.1 Consumer protection

One of the important instruments used by Hanfa for consumer protection purposes is the receipt of complaints and other queries by consumers and other users of financial services, as well as their processing and analysis. Hanfa receives complaints from financial services users and other interested persons within all areas of its competence, processes them and responds in writing to each of them within 30 days of receipt. It is important to note that Hanfa does not have the power to arbitrate in individual property law relationships and to resolve individual disputes of consumers/claimants as they fall within the competence of the relevant judicial authorities (competent courts) empowered to take decisions on the parties' rights and obligations under individual mandatory legal relationships. When dealing with complaints, Hanfa verifies the compliance of supervised entities with the regulations within its scope and competence. Allegations made in a complaint may sometimes point to the existence of specific systemic problems, illegalities or deficiencies in the business processes of a supervised entity, so that the obtained findings may be useful to Hanfa in detecting room for improvement in its work. The analysis of this data may lead to guidelines for future supervisory and other activities and educational materials. In this way, Hanfa takes preventive action to improve the quality of supervised entities' operations and raises the level of user protection.

6.1.1 Analysis of received complaints

A total of 324 complaints were received in 2025, the highest number in the last decade. This is an increase of 51.4% from the preceding year.

Figure 6.1 Number of complaints received during the year
Number of complaints



Source: Hanfa

In addition to complaints, communication with consumers and other users of financial services also takes place through informal channels, such as consumer hotline and e-mails (potrosaci@hanfa.hr). They comprise inquiries for information purposes, which do not require formal action, to which Hanfa responds promptly. Like the number of complaints, the number of such queries also increased significantly in 2025, with 977 inquiries recorded at year level via the e-mail address for consumers (405 were received in 2024). This significant increase in the number of complaints and queries is the result of the continued growth of Hanfa's role in consumer protection, primarily due to increased visibility. Numerous consumer educational activities and active communication through the media, digital channels and public appearances encouraged financial services users to turn more frequently to Hanfa for information on the mechanisms protecting their rights. Despite better information, there was still a large number of queries outside Hanfa's competence, which points to the need for further educational activities, i.e. continued consumer education about Hanfa's powers.

The records of complaints received in 2025 show that the largest number of complaints again related to insurance, 49.7% (161 complaints), which continued the trend from previous years, though falling slightly from 2024 (55.6%). Of the total number of complaints in the insurance segment, 153 concerned the conduct of insurance companies, while eight concerned other insurance market operators (e.g. insurance distributors). The high share of complaints concerning the insurance sector is expected

due to the very nature of insurance business, the steady increase in the number of claims, as well as the mandatory character of some insurance types.

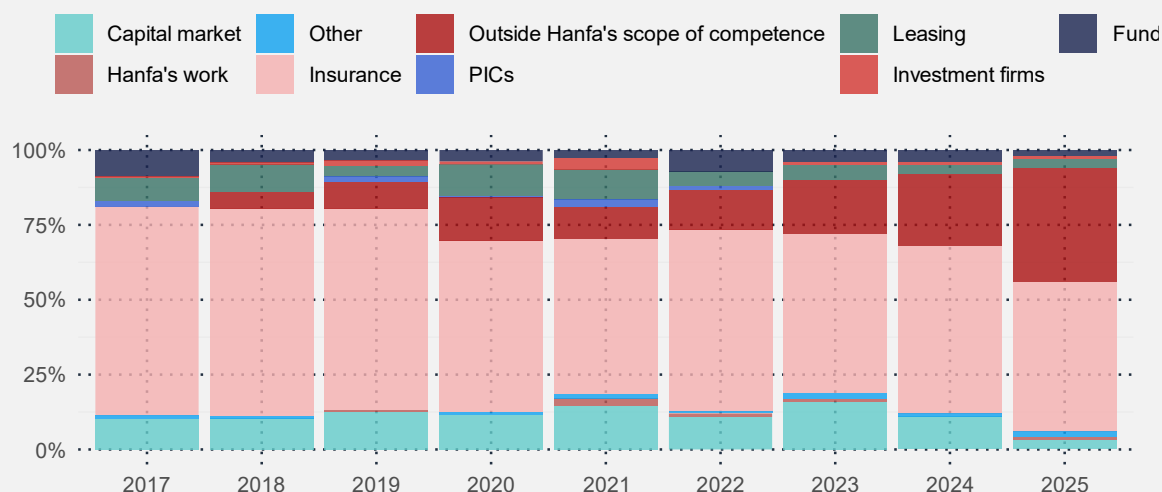
In 2025, the number and share of complaints concerning entities that do not fall within Hanfa's competence also increased. While 51 such complaints were received in 2024 (23.8%), their number rose to 123 in 2025, representing 38.0% of the total complaints received. They mostly referred to the conduct of banks, debt collection agencies, telecommunication companies and other entities not supervised by Hanfa. Also, as in 2024, there was an increase in complaints related to online fraud, especially those related to fake investment services.

As complaints from the segment of insurance and outside Hanfa's competence account for a high 88.7%, the number/share of complaints from other segments of the financial sector is significantly lower. Most of them relate to the capital and leasing market segment, where 10 complaints were received, accounting for 3.1%.

The remaining complaints concerned the work of investment funds (six or 1.9%), pension funds (one or 0.3%), investment firms (five or 1.5%) and pension insurance companies (one or 0.3%).

Three complaints received in 2025 concerned Hanfa's work (0.9%), but no irregularities were identified.

Figure 6.2 Structure of financial services users' complaints submitted to Hanfa
In % of the total number of complaints received



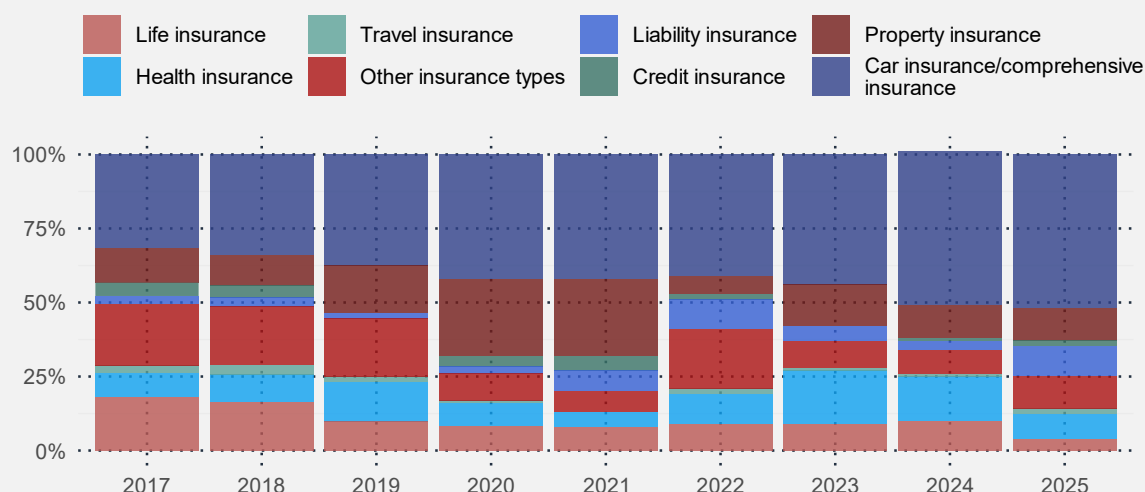
Source: Hanfa

Insurance-related complaints against insurance companies (153) are dominated by those concerning vehicle insurance, 52.3% (80) of the total, which is a significant increase from 2024 (59 complaints). Within this segment, 56 complaints (70.0%) related to compulsory motor vehicle liability insurance, and 24 (30%) related to comprehensive insurance. Most of the cases related to the merits of claims, the amount of compensation and the conduct while handling claims (pursuant to Article 12 of the Act

on Compulsory Traffic Insurance¹²⁴). The remaining complaints included 17 complaints related to property insurance (11.1%) and 13 complaints (8.5%) related to voluntary health insurance. Six complaints were received in the life insurance segment (3.9%), a slight decrease from 2024. Relative to 2024, the largest increase in the share of complaints was seen in the field of liability insurance, for which 15 complaints were received (9.8%), while only four such complaints were received in 2024.

Figure 6.3 Structure of insurance-related complaints by type of insurance

In % of the total number of complaints received



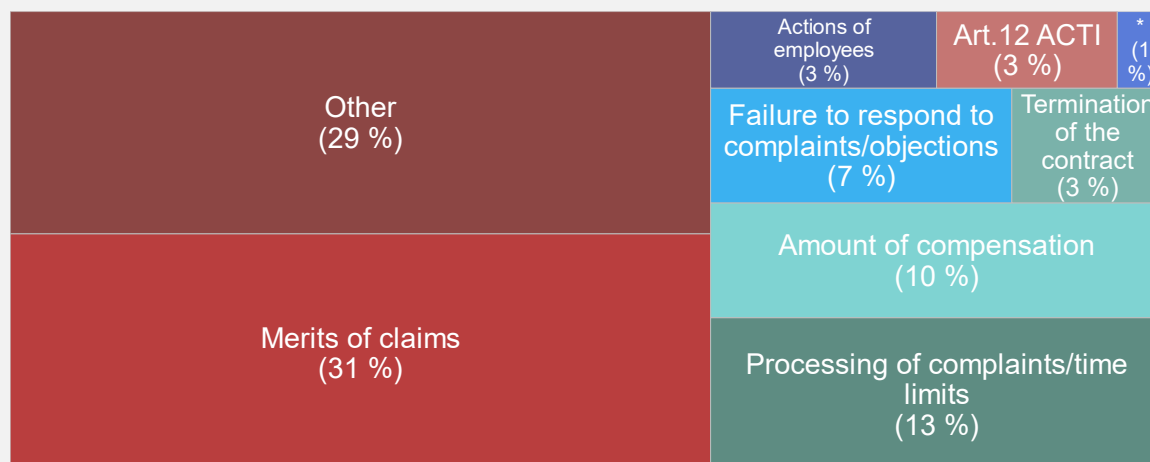
Source: Hanfa

In 2025, almost a third (31.3%) of all complaints concerned dissatisfaction with the insurance company's decision on the merits of claims (48 complaints), while 9.8% concerned dissatisfaction with the amount of compensation (15 complaints). As in the previous year, the second most common reason for complaining was related to the processing of claims and the speed at which they were processed (20 complaints or 13.1%). Four complaints (2.6%) were received as regards the application of Article 12 of the Act on Compulsory Traffic Insurance, significantly less than in 2024. The number and share of complaints about companies' failure to respond to complaints/objections decreased slightly (10 complaints or 6.6%). The remaining 29.4% (45) of complaints in 2025 covered various issues, such as keeping of documentation, delivery of payment slips, invalid company e-mail address, incorrect data on the website, enforcement procedures, court disputes, misreporting of data in injurer records, incorrect payments and non-existent debts.

¹²⁴ Official Gazette, No [151/05](#), [36/09](#), [75/09](#), [76/13](#), [152/14](#), [155/23](#)

Figure 6.4 Structure of insurance-related complaints by subject and reason

In % of the total number of insurance-related complaints received in 2025



Note: *Pre-contractual information. Article 12 of the Act on Compulsory Traffic Insurance (ACTI) provides, among other things, that an insurer shall, within 60 days of receipt of a claim, determine the merits of the claim and amount of compensation and deliver a written and reasoned decision on the claim to the injured party.

Source: Hanfa

All complaints under Hanfa's competence were processed and a reply to submitters was provided. For cases outside its competence, Hanfa replied to submitters that the subject of complaint was not within its area of competence, the exception being anonymous complaints, where no answer could be made.

Hanfa keeps and analyses records of identified deficiencies, including legal irregularities and operational deficiencies in the conduct of supervised entities observed during the processing of complaints. These records provide, among other things, the basis for the planning of some supervisory activities and for preventive action through recommendations and training.

Deficiencies in actions were identified in almost one in four complaints received in the insurance segment, so that such complaints were recorded in the deficiency register. This share is lower than in 2024, when deficiencies were identified in one in three complaints received on insurance companies. The share of failures by insurance companies largely corresponds to their share in the total number of complaints. As in the previous year, most deficiencies related to actions contrary to the provisions of the Civil Obligations Act¹²⁵ (8), inadequate communication in relation to the processing of claims (7), the processing of claims under the Act on Compulsory Traffic Insurance (6) and failure to respond to complaints/objections from interested parties (4).

6.1.2 Hanfa's activities based on complaints

The inspections of two insurance companies that started in the previous year in relation to out-of-court dispute settlement procedures and the handling of complaints and objections were completed in 2025. Both inspections were completed by the

¹²⁵ Official Gazette, No [35/2005](#), [41/2008](#), [125/2011](#), [78/2015](#), [29/2018](#), [126/2021](#), [114/2022](#), [156/2022](#), [155/2023](#)

adoption of a decision imposing a warning on the companies due to established illegalities and irregularities which could not be eliminated due to their nature and the passage of time, with an order to eliminate any illegalities and irregularities that could be eliminated. After the companies complied with Hanfa's orders, decisions were adopted on the completion of the supervisory procedure. In the course of supervision, the companies amended and adjusted their internal acts or decision forms relating to the complaints and objections procedure.

Supervisory activities were initiated in the course of the year with respect to two insurance companies and one insurance distributor in relation to the remote conclusion of supplementary health insurance contracts and the possibility of their termination in accordance with the provisions of the Consumer Protection Act¹²⁶. These inspections were ongoing at the end of the year.

On the basis of a complaint addressed to Hanfa at the end of 2025 regarding the treatment of crop insurance and special drought insurance, Hanfa carried out activities to determine the conduct of a branch of an insurance company from another EU Member State and initiated a monitoring procedure, which was still ongoing at the end of the year. The focus of the inspection was the branch's conduct relating to pre-contractual and contractual information to policyholders, the content of insurance conditions and its compliance with the Insurance Act.

On the basis of the complaint concerning the insurance company's conduct in relation to the misreporting of data to the Bureau in the injurers' records and the procedure for their correction, Hanfa asked the company and the Bureau to comment on this procedure and the possibility of improving it.

Following an anonymous complaint in 2024 concerning one company's treatment of insurance distribution, working conditions, product formation and the use of the company's in-house applications when offering or distributing insurance products, Hanfa carried out an examination of the allegations in the complaint, an examination of the company's internal acts related to the distribution of insurance and employee remuneration in the distribution network, and the way in which the company's internal application is used. The allegations from the complaint were not corroborated by the available documentation and information, but a recommendation was made to the company in 2025 regarding the use of its internal application and related internal acts. The company informed Hanfa that it had complied with the recommendation.

Based on complaints, enquiries and other statements of individuals by e-mails or phones, Hanfa monitors the market and reacts by issuing warnings about the operation of unauthorised foreign companies, pointing to suspicious activities and the risk of losing money in investment fraud. On its website, Hanfa regularly updates the list of entities in which elements of possible fraudulent behaviour appear. The list includes entities not included in the registers of investment firms authorised by Hanfa or registers of notified

Investment fraud

Deceiving investors to obtain money or personal data, most often by false promises of high returns.

¹²⁶ Official Gazette, No 19/22, 59/23

companies from other EU Member States. As such entities do not have authorisation for the provision of investment services within the territory of the Republic of Croatia, Hanfa recommends caution. In this regard, Hanfa repeatedly called on the general public to be vigilant when online trading is offered by phone and listed the signs of potential fraud and desirable behaviour, as well as the names of several alleged investment firms and platforms associated with suspected fraud. In 2025, it also issued warnings on its website related to fake e-mails in which persons alleged to be Hanfa's employees and tried to deceive people. In addition, a warning was issued to the public on investment fraud in which falsified letters from Hanfa, the European Central Bank and the Financial Agency with fake memos and logos of those institutions, as well as fake signatures of the actual members of Hanfa Board were used in order to make the entire communication as convincing as possible.

Hanfa also warned the public about the increasing emergence of social media ads offering the possibility of investing in financial instruments, particularly in shares of issuers present on the regulated market in the Republic of Croatia. In such posts, it is often not possible to identify with certainty the people behind them. A review of their content may reveal that such investments are not made through authorised investment firms.

6.2 Educational activities

The digital transformation of the financial system is changing the way people access financial services and make decisions about their finances. The increasing speed and ease of using digital channels bring many advantages, but at the same time they increase exposure to risks, especially in the context of the growing number and sophistication of financial fraud cases. In such circumstances, the focus is increasingly shifting from a basic understanding of financial concepts towards the development of responsible and safe financial behaviour. Financial literacy nowadays also implies the ability to identify potential threats, critically evaluate information and make decisions in a constantly changing digital environment. Preventive action and timely information for individuals are becoming key elements of their financial security. In line with these challenges, Hanfa has continued to systematically develop and implement educational activities.

Recognising the changing environment and the increasingly complex needs of users of financial services, in 2025, Hanfa directed some of its resources towards implementing more demanding and comprehensive educational projects with the aim of achieving a long-term impact and wider reach. Special emphasis was placed on the organisation of conferences for teachers and individuals and on the national distribution of the educational board game "Desitudo" to all primary schools, further expanding the reach of financial education among young people.

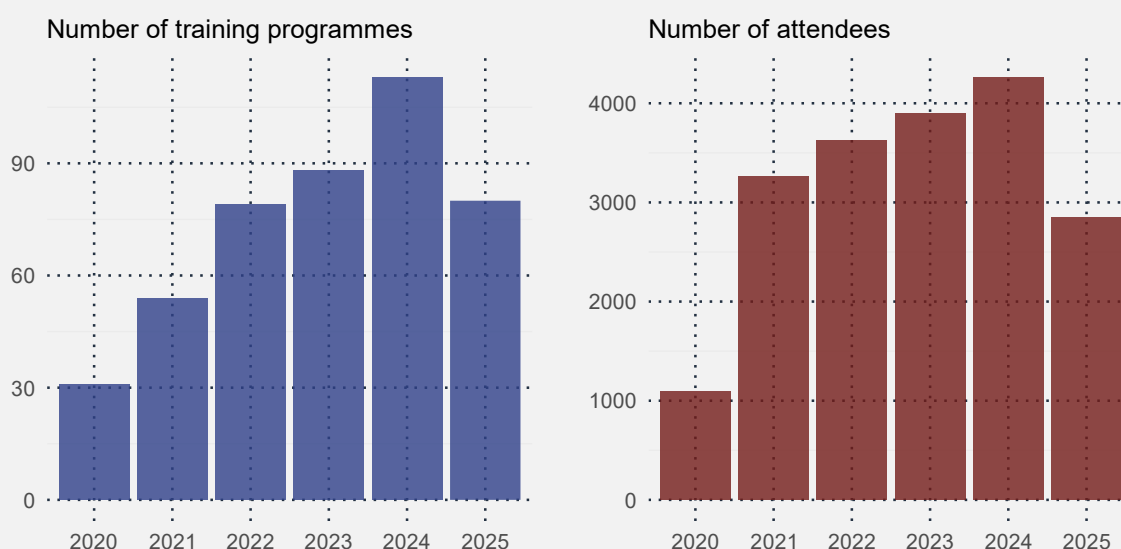
In this context, a total of 80 educational activities were organised and/or supported in 2025, directly involving more than 2,800 participants. Though this is a decrease from 2024, when 113 activities with more than 4,200 participants were organised, it actually reflects a strategic focus towards higher quality, better targeted and sustainable initiatives in the long term. Such an approach has made Hanfa's educational activities

more visible and impactful, strengthening their relevance amid the increasingly complex financial environment and the need to develop responsible financial behaviour.

In 2025, international initiatives and partnerships provided an important framework for the implementation of financial education activities. They relied heavily on globally recognised events, such as the Global and European Money Week, which allow for a wider reach and greater visibility of financial literacy topics. At the same time, a public call for participation in educational activities further strengthened cooperation with educational institutions and associations, continuously expanding the network of stakeholders involved in such activities. At the national level, the contribution to the coordinated approach to financial education continued by Hanfa's participation in the work of the Operational Working Group for the Implementation of the Action Plan for the Improvement of Financial Literacy, with a special emphasis on coordinated action by relevant institutions and efficient transfer of knowledge to individuals. Hanfa was also actively involved in the work of the National Consumer Protection Council, further confirming its role as an important stakeholder not only in enhancing the financial literacy of individuals, but also in the general context of consumer protection.

The implementation of the project "Improving the use of financial services through enhanced digital financial literacy in Croatia" in 2025 further directed educational activities towards the current challenges of the digital environment. The focus was on understanding the use of digital financial services and on developing financial behavioural patterns that play a crucial role in making responsible decisions. In this context, particular attention was paid to strengthening individual's ability to identify and avoid financial fraud cases, which increasingly emerge on digital channels.

Figure 6.5 Training programmes held by Hanfa and number of attendees



Source: Hanfa

The results of relevant research continued to point to the need to strengthen financial literacy among young people, which is why Hanfa continued to carry out a significant

part of its educational activities through the education system in 2025. Participants' structure shows that primary and secondary school pupils accounted for the majority of those involved, with an overall share of almost 60%, with secondary schools still accounting for the largest single segment, reflecting a continued strategic focus on younger age groups. Such an approach strengthens the importance of acquiring financial knowledge and fostering responsible financial behaviour from a very young age. A major contribution to this came from a board game "Desitudo", developed with the aim of learning through game and interactive experience.

In addition, there is a gradual expansion of reach to other groups, including students, pupils, teachers and participants in online education, indicating a more comprehensive and balanced approach to the education of different target groups.

Building on the need to further highlight the importance of financial literacy, Hanfa directed part of its educational activities towards more innovative and creative content with the aim of bringing the topic closer to pupils in a comprehensible and engaging way. A competition titled "Financial Literacy in Verse" was organised for primary school pupils, which aimed to show how financial literacy can also find its place in the field of artistic expression. The competition, in which pupils were asked to create a song about financial literacy, attracted 24 schools. The produced works were characterised by a high level of creativity, ranging from Slavonian *bećarac* and rap songs to choir performances. The winning work of pupils from the Ogulin's First Primary School was published on Hanfa's official YouTube channel.

A competition titled "Financial Literacy – a Key to a Safe Future" was launched for secondary schools, where pupils produced video content on a given topic. A total of 42 works were received, which confirmed the great interest and engagement of pupils. The winning video made by the pupils of the Novska Secondary School was also published on Hanfa's YouTube channel. So far, the winning works have been viewed more than 1,000 times, which further confirmed their reach and relevance.

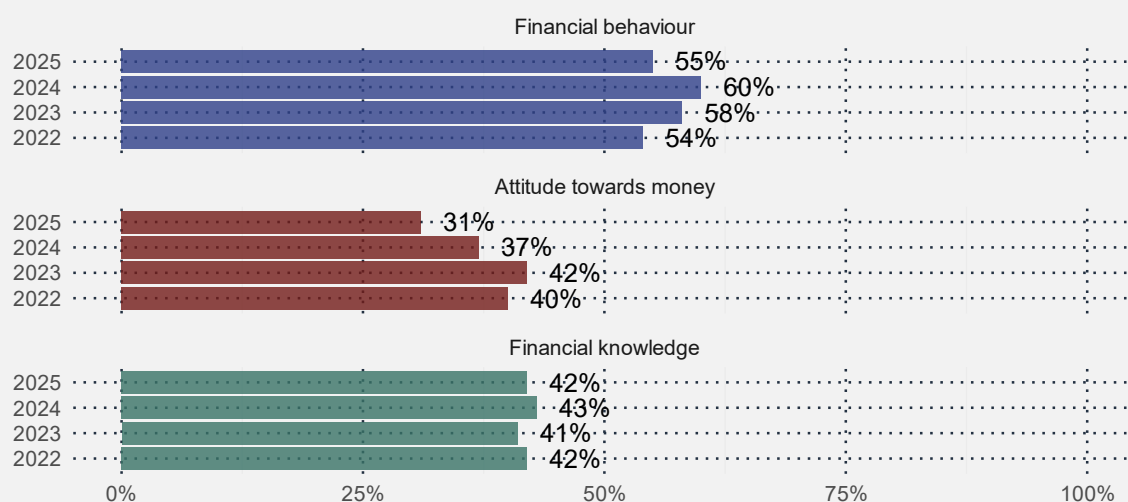
In 2025, Hanfa conducted a survey on the financial literacy of primary and secondary school pupils as well as a survey of the financial literacy of teachers. A total of 427 secondary school pupils participated in the survey, with 28% attending grammar schools, 30% in economic schools and 42% in vocational schools, which provided relevant insights into the different educational profiles of pupils. The results show a low level of financial knowledge among secondary school pupils. A comparison with the available data for the general population, where the level of financial knowledge reaches around 70%, shows that secondary school pupils attain much poorer results, i.e. almost twice as low as the population average. Although methodological differences between surveys require some caution in direct comparison, such a gap clearly points to the need for a stronger focus on financial education of young people.

The survey results further confirm the importance of a systematic and continuous approach to financial literacy and highlight the need for increased engagement of all relevant stakeholders in developing financial knowledge, skills and responsible financial behaviour of the young. A total of 321 pupils participated in a survey conducted in primary schools. The sample included 25% of respondents from grades 1 to 4, 40% from grades 5 and 6, and 25% from grades 7 and 8, covering a wide range of age groups within primary education. The results obtained do not show any significant differences in the level of financial knowledge among the youngest pupils (grades 1 to 4) and those from the upper grades (7 and 8). This finding can be partly explained by a simplified structure of questions adapted to primary school-age children, but it may also point to a lack of systematic and continuous development of financial knowledge in the education process. The results further underline the importance of early introduction of financial education and the need for its progressive upgrading at all levels of schooling.

Financial behaviour

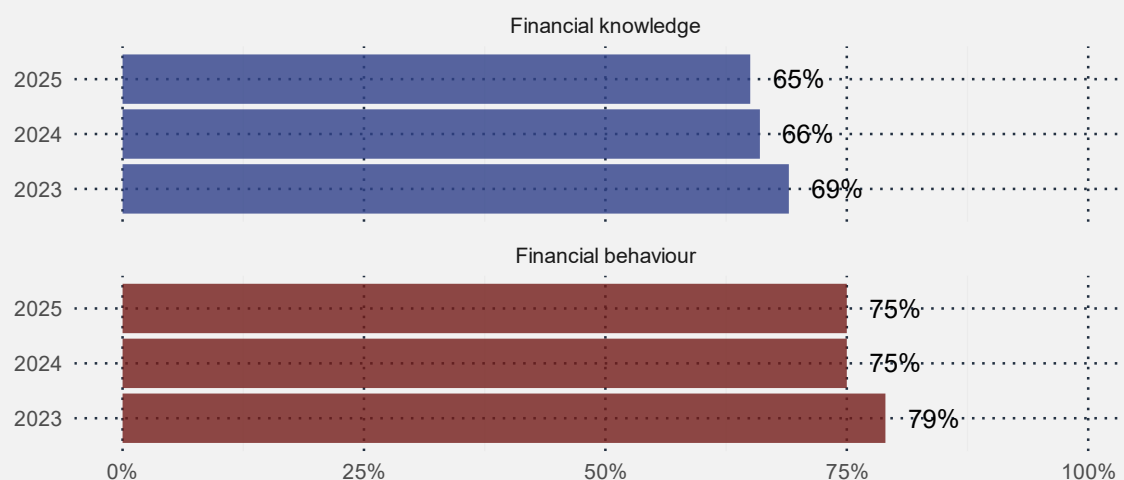
Financial behaviour refers to how individuals make decisions and manage personal finances in their daily lives. It covers patterns of use of financial products and services, attitude to risk and the ability to identify and avoid potential threats, including financial fraud. Development of responsible financial behaviour is key to making safe and informed financial decisions, particularly in the digital environment.

Figure 6.6 Assessment of financial literacy of secondary school pupils, by components



Source: Hanfa

Figure 6.7 Comparison of components of financial literacy of primary school pupils in 2023, 2024 and 2025



Note: For primary school pupils only the levels of financial knowledge and financial behaviour are measured.
Source: Hanfa

To better understand the role of the education system in developing financial literacy, a survey among teachers was also conducted, involving 112 primary school teachers and 48 secondary school teachers. The survey questionnaire included three sections: the introductory section, questions on the interest to engage in educational activities in the area of financial literacy and an assessment of financial knowledge, behaviour and attitude towards money. The results show that the majority of teachers recognise the importance of integrating financial literacy into the education system, with a significant share of respondents expressing their willingness to actively participate in such activities. At the same time, the responses point to the need for additional support through education and available teaching materials to ensure the high quality and systematic implementation of financial education in schools. Such findings confirm the importance of investing in teacher education on a continuous basis, as well as developing structured and accessible tools that would enable them to effectively transfer financial knowledge and foster responsible financial behaviour among pupils.

“Desitudo” in the classroom

The results of the financial literacy survey among pupils confirm that there is significant room for improvement in their financial knowledge and competences, especially in the context of an increasingly complex financial environment and growing risks, including digital financial fraud. Such findings clearly demonstrate the need to apply innovative, interactive and student-friendly teaching methods, which go beyond traditional approaches and enable the development of practical knowledge, skills and responsible financial behaviour.

At the same time, the results of the survey among teachers show a high level of recognition of the importance of financial literacy as an integral part of the education system. Many participants expressed their willingness to engage in educational activities in this field, while stressing the need for additional support, in particular through professional development, specific teaching materials and tools to facilitate the integration of financial topics into existing teaching content. This combination of recognised needs and willingness to act provides an important basis for further systemic strengthening of financial education.

In response to these challenges, Hanfa took concrete steps in 2025 to strengthen the education system, with a particular focus on primary education as a key phase in the development of core financial competences. In this context, the educational board game “Desitudo” was distributed to all primary schools in Croatia. It is an innovative educational tool that enables pupils to gain basic financial knowledge through play and interaction, but also to develop decision-making skills and understand the consequences of financial behaviour in everyday situations.

The distribution of the game represents an important step forward in ensuring that high-quality educational material is available to all schools, regardless of their individual capacity. This helps reduce disparities in approaches to financial education and provides teachers with a concrete tool that can be directly used to work with pupils. The specific value of the “Desitudo” game lies in its adaptability to different ages of children, as well as in its ability to integrate into different teaching and extracurricular activities.

To further support the implementation of such tools in the education process, Hanfa also organised a special conference for teachers dedicated to financial literacy and the use of innovative teaching methods. The conference presented the “Desitudo” game in detail, with practical examples of its application in school practice. Particular emphasis was placed on sharing experiences, where teachers who already give optional lessons on financial literacy shared concrete examples of good practices, the challenges they face and how they successfully motivate pupils.



In addition, other educational materials developed and continuously upgraded by Hanfa, which are available for use in schools, were also presented to the conference participants. This strengthens the capacity of teachers to implement financial education and encourages a more systematic and structured approach to this topic within the education system. The feedback from conference participants and those using the “Desitudo” game was very positive, which confirms the value of such an approach. Teachers highlighted in particular the importance of the availability of concrete and applicable tools, as well as opportunities for exchange of experience and further professional development. Such reactions confirm that the combination of high-quality educational content, interactive teaching methods and continuous support for teachers is a key element in the successful development of financial literacy among young people.

In the course of 2025, Hanfa continued its activities aimed at strengthening teachers' capacities in the field of financial literacy, recognising their key role in knowledge transfer and shaping young people's financial habits. In addition to the conference dedicated to the use of the “Desitudo” game in teaching, six additional activities aimed at educational professionals were carried out. As part of these activities, Hanfa participated in the State Professional Meeting for Educational Staff, focusing on the cross-curricular topic of entrepreneurship, as well as in inter-county expert councils. These events acquainted teachers with current trends in financial literacy, as well as concrete tools and materials that can help them integrate financial content into the

teaching process. This form of professional training enables the exchange of experiences and further empowers teachers to carry out educational activities in schools.

Education for the general public also played an important role in Hanfa's activities. A total of ten online public lectures were held during the year, attended by around 200 participants. Recordings of all lectures were published on Hanfa's YouTube channel, and were viewed more than 600 times by the end of 2025, further expanding their reach. The topics of the lectures covered a wide range of current and practical issues, including the capital market and the pension system from a youth perspective, financial behaviour and decision-making, the impact of technology and artificial intelligence on investment, as well as the recognition of modern financial fraud. Particular emphasis was placed on understanding everyday financial decisions and risks in the digital environment. The evaluation of the lectures delivered shows a high level of satisfaction among participants: 93% believed that the lectures were useful and interesting, while the same share indicated an interest in participating in future education events. These results confirm the importance of continuous educational activities for the general public and the need for further development of contents responding to the current challenges of the financial environment.

In addition to continuous cooperation with primary and secondary schools and teacher training, in 2025, Hanfa developed and carried out educational activities targeting the student population, recognising the importance of their active involvement in discussions on contemporary financial topics. An important part of these activities is Hanfa's Annual Award for students for the best scientific and expert papers, which was awarded for the fifth year in a row to boost research work and development of analytical skills among students. This project provides a significant contribution to strengthening collaboration with the academic community and encourages students to reflect more closely on current finance topics. The winning papers contribute to enhancing knowledge and understanding of complex financial issues, providing students with an opportunity to actively engage in professional and scientific discourse. By participating in student conferences and lectures in Zagreb, Split and Rijeka, students gained further training and a direct insight into current financial market developments. In order to encourage critical reflection and active participation of students, Hanfa, in cooperation with the CNB and students from the Zagreb School of Economics and Management, organised a debate titled "Cashless Society: Are We Ready for the Trend of Digital Payments?" In the structured discussion, students analysed the benefits and challenges of the increasing digitalisation of payments, including the issues of security, accessibility and trust in digital financial services. Hanfa also participated in the Financial Literacy Week at the Faculty of Economics and Business in Zagreb, which strengthened cooperation with the academic community and broadened the reach of educational activities among students of economics and related fields. Through these activities, Hanfa continues to foster the development of financial knowledge and skills among students, with a special focus on understanding contemporary trends such as digital finance and cashless payments, as well as identifying potential risks. Such activities also provide students with the opportunity to actively participate in discussions, develop critical thinking and better understand a dynamic financial environment.

In addition to the mentioned educational activities, in 2025 Hanfa continued to focus on financial literacy topics through various media and public channels to broaden the reach and raise citizens' awareness of current financial risks. Particularly noteworthy for the general public was the conference titled "Don't be Fooled! – How to Recognise Investment Fraud?", held in November as part of the International Fraud Awareness Week. At the conference, experts warned of increasingly sophisticated methods used by fraudsters, often targeting individuals' emotions and encouraging impulsive decision-making rather than rational understanding of financial products. The conference further underlined the importance of timely information, developing a critical approach and strengthening resilience against various forms of financial fraud.

Hanfa also participated in numerous television and radio shows, acquainting the general public with the topics such as financial fraud, safe use of financial services and responsible personal finance management. In addition, several educational texts were published on the portal Money for Tomorrow, continuing the provision of relevant and understandable information to the public. All these activities confirm Hanfa's comprehensive approach to financial literacy, covering different target groups, from pupils and students to teachers and the general public, combining education, awareness raising and the development of concrete tools for responsible financial decision-making.

In the coming period, Hanfa will continue to develop and improve educational activities with a special focus on strengthening the financial behaviour of individuals, enhancing digital financial literacy and identifying and preventing financial fraud. The aim is to further empower individuals to participate safely and responsibly in an increasingly complex financial environment, while continuously cooperating with all relevant stakeholders.

COMMUNICATION ACTIVITIES

7 COMMUNICATION ACTIVITIES

Given its position as a market regulator, communication and public relations have been recognised as an important component of Hanfa's activities. Communication activities cover all segments of Hanfa's operations and comprise direct communication with various groups: consumers and users of financial products and services, the financial market and supervised entities, the academic and professional community and media representatives. Although communication activities mostly focus on the provision of continuous and timely information to supervised entities, significant communication efforts were invested in informing individuals and users of financial products and services in order to provide financial education and raise the level of financial literacy. All communication activities aim to inform the financial and general public about the work, decision-making and decisions rendered by Hanfa and ultimately to raise the general level of knowledge about financial services.

7.1 Communication activities in 2025

In 2025, Hanfa continued to carry out systematic, strategic and timely activities in line with its mission of preserving the stability of the financial system, protecting consumers and promoting the sustainable development of the financial services market, further strengthening its role as a reliable source of information for financial market participants and the general public.

Hanfa reported regularly and transparently on the decisions adopted at the 27 meetings of Hanfa Board, while separate explanations and releases were published in respect of decisions of particular interest to the market, users of financial products and services or the general public.

The situation in the sector under Hanfa's competence and potential challenges were also discussed at the meetings of Hanfa Board. Financial system stability remained a key topic of these meetings. Particular emphasis was placed on topics related to the development and strengthening of the capital market, as well as concrete actions such as regulatory and administrative relief in the area of investment funds. Also discussed were global developments and risks, with particular attention to their impact on pension funds.

A particular focus in communication activities was put on the publication of warnings related to financial and investment fraud cases, as their number has been steadily increasing in recent years. In order to further protect consumers, a [subpage](#) listing suspicious entities and information on how to protect themselves against financial fraud was created on Hanfa's website. In this way, individuals can easily and quickly check suspicious entities with respect to which Hanfa has information that they are contacting Croatian citizens and are not in Hanfa's registers, that is, they are not

authorised and regulated by Hanfa or do not have an authorisation to operate in Croatia on the basis of notification.

In order to bring the sector's professional topics and challenges as close to market participants as possible and further stimulate dialogue, Hanfa organised several professional conferences over the course of the year, from different areas of activity, and brought together numerous domestic and international experts. International conference "Capital Markets in the Digital Age: Balancing Innovation & Oversight" gathered leading European regulators to discuss the challenges and opportunities of digitalisation, including AI, tokenisation, and the development of regulatory frameworks, with the participation of expert speakers from ESMA and OECD. The traditional, eighth in a row, Hanfa's conference on corporate governance focused on the dialogue on the IPO's potential for corporate growth and transparency. At the conference, awards were presented to issuers of securities listed on the regulated market for the best compliance with the Corporate Governance Code according to indicators for 2024. At the conference "Desitudo in the Classroom: Financial Literacy through Play" Hanfa brought together primary school teachers from all over Croatia to discuss the enhancement of the financial literacy of children and young people and its integration into the educational process through school activities. The Conference "Don't be Fooled! – How to Recognise Investment Fraud?" was dedicated to raising awareness and protecting individuals from financial fraud, whereas the second conference titled "DORA and Digital Resilience: Challenges of Practical Application" was aimed at strengthening the digital resilience of the financial sector. The joint initiative of Hanfa and the Ministry of Finance titled "RoadToMarket – a sandbox for simulating capital market financing" brought together many potential project partners, representatives of the banking, investment, law, audit and institutional sectors, who were invited to engage in the project and provide entrepreneurs with an objective, multidisciplinary and practical view of their business and the potential of their integration into the capital market.

Throughout the year, members of Hanfa Board and Hanfa's employees actively participated in numerous domestic and international conferences, panel discussions, university lectures and other public events, organised independently or in cooperation with other state and public institutions, universities, branch associations and international partners. In this way, they have contributed to bringing financial topics closer to the general public through direct communication and education.

Hanfa continuously published educational content covering topical issues relevant to the non-bank financial sector and the general public. It also carried out two targeted communication campaigns through digital and traditional media to bring financial concepts closer to the broader public in an accessible way. The topics of the campaigns were the pension system and pensions, and investment fraud. A series of educational articles drew attention to the decisions that all individuals must make when they retire, and, by publishing and distributing the educational brochure, Hanfa informed members of the public about the topic of investment fraud and how to protect themselves from such illegal activities. Hanfa also provided relevant information to the public through the media. It responded in a timely and transparent manner to 92 queries received from journalists (press, radio, television and web portals), while Hanfa's

representatives responded to media calls for interviews, statements and posts on the topics of interest to the professional financial and broader public.

Hanfa also communicates with the public through its digital channels. Its LinkedIn profile had more than 13,200 followers at the end of 2025. Through its educational portal Money for Tomorrow, Hanfa familiarises the general public with complex financial topics in a simple and interesting manner. The Facebook site Money for Tomorrow is followed by more than 13,000 people, while the same Instagram account has just over 4,000 followers. A wide range of educational materials have been published on Hanfa's YouTube channel, which has some 400 subscribers.

INTERNATIONAL COOPERATION

8 INTERNATIONAL COOPERATION

In addition to activities related to the domestic financial services market, Hanfa pursues its regulatory and supervisory objectives through cooperation with international institutions. By participating in the work of European supervisory authorities, such as ESMA and EIOPA, Hanfa contributes to the development of common supervisory practices and to the harmonised application of the regulatory framework at EU level. International cooperation is particularly important in the conditions of increasing interconnectedness of financial markets, when the effective exchange of information between regulators contributes to preserving the stability of the financial system, orderly market functioning and investor protection.

Parallel to participating in multilateral fora, Hanfa also develops bilateral cooperation with other supervisory institutions and participates in technical assistance programmes under the auspices of the European Commission, as both a recipient and a provider of technical assistance.

8.1 Participation in the work of supervisory authorities and organisations

8.1.1 ESMA – European Securities and Markets Authority

Throughout 2025, cooperation between ESMA and national supervisory authorities focused on further achieving the objectives of ESMA's 2023 – 2028 strategy, in particular strengthening investor protection, ensuring the smooth functioning of markets and further integration of the European Union's capital markets. The activities were carried out through a combination of regulatory, supervisory and analytical tools, with a clear focus on supervisory convergence and the effective implementation of common rules.

In the area of sustainable finance, the focus was on ensuring the credibility and transparency of disclosures and reducing the risk of greenwashing. To this end, ESMA and national supervisory authorities have mostly resorted to joint supervisory activities and coordinated checks on SFDR application, in particular under UCITS and AIFMD regimes. Activities focused on the compliance of ESG disclosures with the regulatory requirements and their comprehensibility for investors.

In addition, updated guidance and Q&A documents were developed to clarify the application of regulations, with a view to achieving a uniform interpretation of ESG requirements at EU level. Complementing its supervisory activities, ESMA published warnings aimed at increasing the transparency of sustainable investments and reducing the risk of misleading guidance.

As regards investor protection and the smooth functioning of markets, activities focused on enhancing transparency, quality of information and the application of rules concerning clients. ESMA and national supervisory authorities carried out joint supervisory activities under MiFID II, focusing on the application of requirements related to the assessment of the adequacy and distribution of financial instruments. They published warnings about investment risks, including alerts on unauthorised service providers, calls on social media to take action against unauthorised financial advertising, online fraud and risky investment products, and the use of artificial intelligence for investment decisions. They also provided clear and practical guidance on accountability and risks related to the promotion of financial products, thus contributing to increasing the awareness and protection of end-investors. Consultations were also launched in efforts to identify key regulatory and practical barriers that make it difficult for retail investors to access capital markets, with the aim of creating an investment-stimulating environment. This topic was the focus of strategic discussions by ESMA's Board of Supervisors following the European Commission's initiative on the Savings and Investments Union, highlighting the need to streamline the regulatory framework so as to make it clearer, more flexible and focused on real objectives while preserving financial stability and investor protection.

ESMA and national supervisory authorities worked intensively on clarifying the MiFID II and MiFIR provisions in the segments of trading transparency, improving the quality of market data and transaction reporting, including preparations to establish a consolidated tape provider and updating the Q&A document.

In the area of market infrastructure, activities focused on strengthening the transparency, resilience and stability of the trading system through the development of various Q&A reports and draft technical standards. As regards the post-trade infrastructure of central securities depositories (CSDs), activities focused on the uniform application of CSDR, in particular with regard to the discipline and monitoring of settlement efficiency. With regard to CCPs, the focus was on managing systemic risks through peer review procedures, credit and concentration risk stress testing, the work of supervisory colleges and regulatory activities under EMIR and EMIR 3, including the management of liquidity and collateral risks. Comprehensive work also continued on the transition to T+1 settlement, with intensive communication with market stakeholders.

As part of the implementation of the MiCA Regulation, ESMA, in cooperation with national supervisory authorities, developed the regulatory and supervisory tools needed to establish the new supervisory framework. Activities included the drafting of briefings, numerous guidelines and technical standards aimed, *inter alia*, at harmonising CASP licensing standards, organisational and governance requirements, employee qualifications, market abuse, the qualification of crypto-assets, and the development of common supervisory approaches. At the same time, warnings were issued to investors regarding the risks associated with crypto-assets, especially in the context of the transitional period before the application of new regulations. These activities aimed to ensure regulatory clarity, investor protection and orderly market development.

Joint activities in the area of digital operational resilience focused on establishing a single ICT and cyber risk management framework. ESMA, in cooperation with other European and national supervisors, has developed guidelines, technical standards and supervisory approaches based on the provisions of the DORA Regulation. Related activities included the identification of critical ICT third-party service providers and the development of a common approach to supervising critical ICT risks, which enhances the resilience of the financial system against digital and cyber threats.

In the area of investment funds, activities focused on enhancing supervisory convergence and improving the quality of supervisory data and reporting. A peer review focused on depositary functions under UCITS and AIFM directives, and CSA activities included a compliance assessment of the compliance and internal audit functions and assessments related to ESG disclosures. The use of liquidity management tools was elaborated, while at the same time, the Q&A documents and guidelines were developed and updated with a view to harmonising the application of the rules. A report was also published on a comprehensive assessment of the total costs charged to investors in UCITS and AIFs in the European Union, for the first time including a cost distribution analysis, an important information-providing document for the wider investment community.

With regard to the cross-border provision of investment services, coordination mechanisms were further enhanced, including the functioning of supervisory colleges and the systematic exchange of information among national supervisors. This contributes to the more efficient supervision of complex and cross-border business models and to the stronger integration of the European Union's capital markets.

A large part of the joint activities of ESMA and national supervisory activities through ESMA's standing committees was dedicated to the implementation of new technologies, interoperability, AI application and the production of reports on market trends and risks, feasibility analyses, conducting an annual assessment of SupTech use cases and fostering joint capacity-building initiatives through shared infrastructure and tools, given that technological developments have a significant impact on the structure of financial markets, products and supervisory approaches. The focus was also on further building the data quality framework as a basis for effective supervision.

In 2025, a particular strategic focus was placed on the Simplification and Burden Reduction (SBR) initiative, which is one of the key priorities of ESMA and national supervisory authorities. The initiative is implemented through a structured approach to identifying regulatory burdens with a view to simplifying requirements, eliminating overlaps and increasing the efficiency of the regulatory and supervisory framework. This is connected to the initiative of the European Commission to strengthen the global competitiveness of EU markets. The implementation involves all ESMA groups, its Board of Supervisors and the Management Board, which provide strategic guidance on the implementation, and the staff of national supervisory authorities and ESMA who perform the operational work in the standing committees and other ESMA groups.

Key projects focused on the areas with the highest administrative burden have been implemented under this initiative. In the area of MiFIR, work has been initiated to streamline transaction reporting, while in the area of investment funds, activities were

carried out to harmonise reporting requirements under the AIFMD and UCITS regimes with the aim of reducing data duplication and harmonising data standards. In this regard, ESMA and national supervisory authorities have been working on the preparation of an integrated reporting project for the funds, which includes the development of a data framework and the digitalisation of supervision. Such standardisation of data, introduction of structured reporting formats and the development of common analytical tools should enable ESMA and national supervisory authorities to process and exchange data more efficiently, as well as to increase the efficiency of supervision, while the “report once, use many times” approach should directly contribute to reducing the administrative burden for supervised entities. At the same time, the initiative also includes a review of the existing regulatory framework through adjustments to existing technical standards, guidelines and reporting obligations. Risk-based supervision is being developed at the same time, focusing resources on the areas that are most critical for market stability and investor protection. This allows removing or simplifying less relevant requirements while maintaining a high level of regulatory efficiency, further contributing to supervisory proportionality and burden reduction in less risky segments.

In 2025, Hanfa’s employees participated in the work of 30 sectoral and horizontal ESMA groups and subgroups. The President of Hanfa Board and one of its members actively participated and voted in eight meetings of ESMA’s Board of Supervisors and in more than 150 electronic voting procedures.

In June 2025, Mr Ante Žigman, President of Hanfa Board and a member of ESMA’s Board of Supervisors, was elected to ESMA’s Management Board and participated in three meetings. While ESMA’s Board of Supervisors is in charge of policy matters in terms of decision-making on the adoption of technical standards, guidelines, opinions and advice to EU institutions, the Management Board is in charge of operational and financial matters related to the operations of ESMA itself, such as IT investment and staff resource matters, as well as matters related to ESMA’s annual budget.

8.1.2 EIOPA – European Insurance and Occupational Pensions Authority

During 2025, EIOPA continued its work to integrate sustainability risks into supervisory practices and to improve guidance on governance requirements and the prudential treatment of sustainability risks. Efforts also focused on natural disaster risks, including proposing a calibration adjustment for the risks of floods, hails, earthquakes and hurricanes within the Solvency II standard formula. Forward-looking climate risk management has been promoted by encouraging companies to integrate climate considerations into strategic planning and capital assessment.

Efforts by EIOPA and national supervisory authorities to promote sound, efficient and consistent prudential supervision across the European Union continued in 2025. Different convergence tools, supervisory activities and supervisory powers were used to support national competent authorities to ensure high-quality and effective supervision, addressing both prudential and supervisory issues, especially in a cross-border context. The Union’s strategic supervisory priorities have been identified to ensure that key risks and cross-sector issues are addressed consistently across Member States.

In the area of supervising the operations of supervised entities, EIOPA and national supervisory authorities focused on protecting consumers and enhancing transparency, fairness and value for money in financial products. Reports were published on consumer trends and costs, and mystery shopping activities were carried out to assess the process of selling investment products.

The review of the Solvency II framework continued, through the development of new technical standards and guidelines and the provision of technical advice to the European Commission on the Solvency II Delegated Regulation. Efforts were made to reduce the number of guidelines and templates.

In cooperation with the European Commission, the Savings and Investments Union has been upgraded to maximise its potential and ensure that individuals benefit from improved pension schemes and a more stable financial system.

At international level, EIOPA, together with national supervisory authorities, continued to play an active role in the International Association of Insurance Supervisors (IAIS), contributing to global standards and systemic risk frameworks. Supervisory dialogues and bilateral meetings were held with third countries, including the United Kingdom, Switzerland, Canada, the United States and Japan.

National supervisory authorities and EIOPA continued to monitor and assess risks and vulnerabilities in the European insurance and occupational pensions sectors in order to safeguard financial stability. Work was ongoing to improve the Insurance Recovery and Resolution Directive (IRRD) and to develop technical standards and guidelines on streamlining and reducing administrative burden. Biennial financial stability reports were published, highlighting key developments and the risks in sectors and risk assessments based on Solvency II data.

As regards its contribution to EIOPA's work, in 2025 Hanfa participated in the Board of Supervisors (eight meetings), the Management Board (five meetings) and the Steering Committees (28 meetings). The President of Hanfa Board chaired a total of nine meetings throughout the year in his capacity as Chair of EIOPA's Risks and Financial Stability Steering Committee.

In 2025, Hanfa participated in 117 written procedures of the Board of Supervisors, 15 written procedures of the Management Board and 127 written procedures of the Steering Committees. At operational and professional level, Hanfa's experts participated in the work of some twenty project groups and platforms.

8.1.3 EBA – European Banking Authority

Activities related to the revision of the legislative framework for prudential requirements for investment firms continued in 2025. Following the publication of the discussion paper in 2024, the EBA and ESMA finalised the technical advice¹²⁷ following the European Commission's request. The joint report concluded that the current framework had proven fundamentally fit for purpose and proposed targeted

¹²⁷ The document is available at the following [link](#).

amendments to enhance the proportionality and effectiveness of the prudential framework.

The report covered key areas, including the categorisation of investment firms, capital requirements, K-factors, liquidity requirements and prudential consolidation, as well as implications of the EU banking package and its interaction with other regulatory frameworks, including the MiCA Regulation and UCITS and AIFM directives.

In cooperation with the CNB, Hanfa participated in the work of the Standing Committee on Regulation and Policies (SCRePOL) and the Standing Committee on Reporting, Data Analysis and Transparency (SCReDAT) and in preparing materials for their meetings. Continued involvement in discussions and the preparation of positions ensured input into the design of solutions that take into account the specificities of smaller markets. Particular emphasis was placed on preserving proportionality and on the need to avoid additional administrative burden for small investment firms.

Work on the development of regulatory technical standards related to the prudential framework for investment firms also continued throughout the year. Activities focused on adapting existing solutions to amendments to EU legislation, especially in the context of the new banking package.

By participating in the work of European supervisory authorities related to questions and answers on the application of the SFDR and the PRIIPs Regulation, Hanfa contributed to a more uniform interpretation and application of the EU regulatory framework.

In accordance with Directive (EU) 2019/2034¹²⁸, information related to prudential regulations and the supervision of investment firms continued to be disclosed in 2025. The published information contributes to the transparency and comparability of supervisory practices at EU level and enables easier access to relevant data for all interested stakeholders.

8.1.4 ESRB – European Systemic Risk Board

Over 2025, Hanfa continued its active cooperation with the ESRB. Hanfa's representatives participated in regular quarterly meetings of ESRB committees and working groups, analysing key risks and vulnerabilities relevant for financial stability. The meetings also discussed macroprudential policies and measures, as well as current macroeconomic and market developments and their possible effects on the financial sector.

In 2025, the ESRB adopted a new Recommendation on third-country multi-issuer stablecoin schemes¹²⁹. It provides a set of recommendations aimed at eliminating or mitigating the financial stability risks inherent in third-country multi-issuer stablecoin schemes. In addition to the newly issued recommendation, an assessment of compliance with the recommendations adopted in previous years was published in

¹²⁸ **Directive (EU) 2019/2034** of the European Parliament and of the Council of 27 November 2019 on the prudential supervision of investment firms and amending Directives 2002/87/EC, 2009/65/EC, 2011/61/EU, 2013/36/EU, 2014/59/EU and 2014/65/EU (Text with EEA relevance), OJ L 173

¹²⁹ **ESRB/2025/9**

early 2025. In February 2025, an assessment of compliance with Recommendation A on vulnerabilities in the commercial real estate sector in the European Economic Area was issued¹³⁰, which related to improving the monitoring of systemic risks stemming from the commercial real estate market, and an assessment of compliance with Recommendation F on closing real estate data gaps¹³¹, which required the European Commission to establish a common minimum framework for the physical commercial real estate market. Croatia was evaluated with respect to Part A of Recommendation ESRB/2022/9 and assessed as fully compliant with that recommendation.

The participation of Hanfa in the work of the ESRB during the year included a number of other activities related to the preservation of financial stability and the strengthening of the macroprudential framework at EU level. Hanfa's representatives participated in the completion of questionnaires and analyses related to the assessment of risks to financial stability, the exchange of information among competent institutions and communication through written procedures. Special attention was paid to monitoring systemic vulnerabilities, developments in financial markets and possible effects of geopolitical and macroeconomic risks on the financial sector. The President of Hanfa Board attended ESRB General Board meetings, while Hanfa's employees participated in the work of its Advisory Technical Committee and Analysis Working Group.

8.1.5 IAIS – International Association of Insurance Supervisors

The International Association of Insurance Supervisors (hereinafter: IAIS) has a total of 218 members, primarily supervisory authorities responsible for supervising more than 97% of the total global insurance market. As an international body, IAIS adopts and ensures the implementation of international standards related to the operation and supervision of insurance markets.

As its regular member, Hanfa participates in a number of IAIS committees: the Monitoring and Risk Assessment Committee, the Standards and Supervisory Practices Committee, the Implementation Assessment Committee and the Budget Committee. In 2025, Hanfa again participated in the Global Monitoring Exercise – Sector Wide Monitoring. IAIS carries out this project on an ongoing basis, providing required qualitative and quantitative information on the insurance and reinsurance market. Based on the data collected, IAIS publishes its annual insurance market report, which aims to assess global trends and detect potential systemic risks in the global insurance sector.

8.1.6 IOPS – International Organisation of Pension Supervisors

Hanfa participates in all regular activities of the International Organisation of Pension Supervisors (hereinafter: IOPS). The IOPS currently brings together 87 governing members from 81 jurisdictions, nine associate members and two observers. In addition to being a governing member of the organisation, Hanfa's representative currently serves as a member of the IOPS Executive Committee, a body made up of 15 governing

¹³⁰ [ESRB/2022/9](#)

¹³¹ [ESRB/2016/14 and ESRB/2019/3](#)

members and tasked with taking decisions regarding the work of this organisation, which adopts international standards on pension fund supervision and conducts research on good practices in the field of pension funds' regulatory and supervisory framework.

In the past year, Hanfa's representatives participated in regular meetings of the Technical and Executive Committees, as well as conferences and workshops organised by the IOPS. In the course of 2025, the IOPS worked on updating its core document "Principles of Private Pension Supervision", which sets basic standards for the organisation and conduct of supervisory authorities. The amendments aimed to address new issues and challenges, including digitalisation, sustainability and similar topics, as well as to align these principles with the OECD core principles governing the regulatory framework for pension funds, which have also been recently amended. These documents are of particular importance for the work of Hanfa as the competent authority for the supervision of the pension system in the Republic of Croatia, as they constitute the relevant international framework for the application of the best supervisory and regulatory practices. In addition, Hanfa regularly participates in the preparation of data related to the capitalised pension savings market, which includes data on the market itself, as well as on specific issues related to investment rules, tax treatment, incentives, etc. In cooperation with the OECD, these data are used in IOPS analyses and comparative overviews of pension systems on a global level.

8.1.7 IOSCO – International Organisation of Securities Commissions

The International Organisation of Securities Commissions (hereinafter: IOSCO) is a global organisation bringing together more than one hundred national competent authorities responsible for the supervision of financial markets and securities. IOSCO focuses on the development, implementation and promotion of internationally recognised standards for financial market regulation and actively cooperates with other international institutions. By providing technical assistance and education, it supports its members in strengthening investor protection, preserving market integrity and efficiency, and promoting financial stability by mitigating systemic risks.

Hanfa Board members participated in the work of IOSCO over the year, specifically the activities of the Presidents Committee, the Growth and Emerging Markets Committee and the European Regional Committee, as well as through participation in written procedures of these committees.

The Growth and Emerging Markets Committee is the largest IOSCO committee, with most ordinary members involved in its work. The Committee aims to promote the development and greater efficiency of markets in financial instruments by establishing principles and minimum standards, providing training programmes and technical assistance to members, and facilitating the exchange of information and transfer of technology and expertise. Its focus in 2025 was put on financial involvement in emerging markets' FinTech initiatives, financial innovation in capital markets and the importance of strengthening resilience against cyber threats.

The European Regional Committee is one of the four IOSCO regional committees; it focuses on issues related to the regulation of European markets in financial

instruments. In the course of 2025, the Committee paid special attention to online safety of retail investors and innovative regulatory approaches in the areas of artificial intelligence, tokenisation and crypto-assets.

Hanfa's representatives also took part in the work of the Financial Innovation Network and in the Multilateral Memorandum of Understanding (hereinafter: MMoU) Monitoring Group. The MMoU sets an international standard for cross-border cooperation and provides regulators with tools to fight fraud and irregularities that can undermine market stability and investor confidence. In line with the MMoU, Hanfa continuously exchanged information with other supervisory authorities throughout the year to assist in the conduct of supervisory activities. In total, six requests were received and three were sent.

8.1.8 OECD – Organisation for Economic Co-operation and Development

In 2025, Hanfa continued to be engaged in the accession process of the Republic of Croatia to the OECD. The activities included participation in meetings of committees and other working bodies of the OECD, where Hanfa was represented by members of its Board and employees. Activities in 2025 mainly concerned the completion of the recommendations by the Corporate Governance Committee.

Following the adoption of the Act on Amendments to the Companies Act by the Republic of Croatia in November 2024, and of the amended Corporate Governance Code by Hanfa and the Zagreb Stock Exchange in December 2024, which implemented the recommendations of the Corporate Governance Committee, in October 2025 the Republic of Croatia submitted a formal letter to the Corporate Governance Committee and the Working Party on State Ownership and Privatisation Practices outlining the activities carried out to comply with the recommendations received.

At the Corporate Governance Committee meeting in October 2025, the OECD Secretariat presented a revised accession report for the Republic of Croatia, while Croatian representatives from the Ministry of Justice, Administration and Digital Transformation, the Ministry of Finance and Hanfa, headed by the President of Hanfa Board, presented a report on the progress made by the Republic of Croatia in implementing the recommendations, and answered questions from Committee members.

Hanfa's activities in 2025 focused primarily on addressing the recommendation related to developing a strategic framework for the capital market to support access to finance through capital markets. One of the initiatives defined in the strategic framework is the optimisation of the legislative framework with the aim of reducing gold plating and continuous monitoring of the competitiveness and efficiency of the Croatian legislative framework. With regard to this initiative, Hanfa published a discussion paper in April 2025 titled "Eliminating gold plating from the legislative framework for alternative investment funds and UCITS in the Republic of Croatia" and launched a public consultation on this document. The aim of the consultation was to collect views and proposals from market participants on the application and possible improvement of the legal framework governing the operations of investment funds and their

managers, including ordinances adopted under the relevant laws. In the report on the public consultation, Hanfa made recommendations for the simplification of the regulatory framework for UCITS and AIFs in the Republic of Croatia.

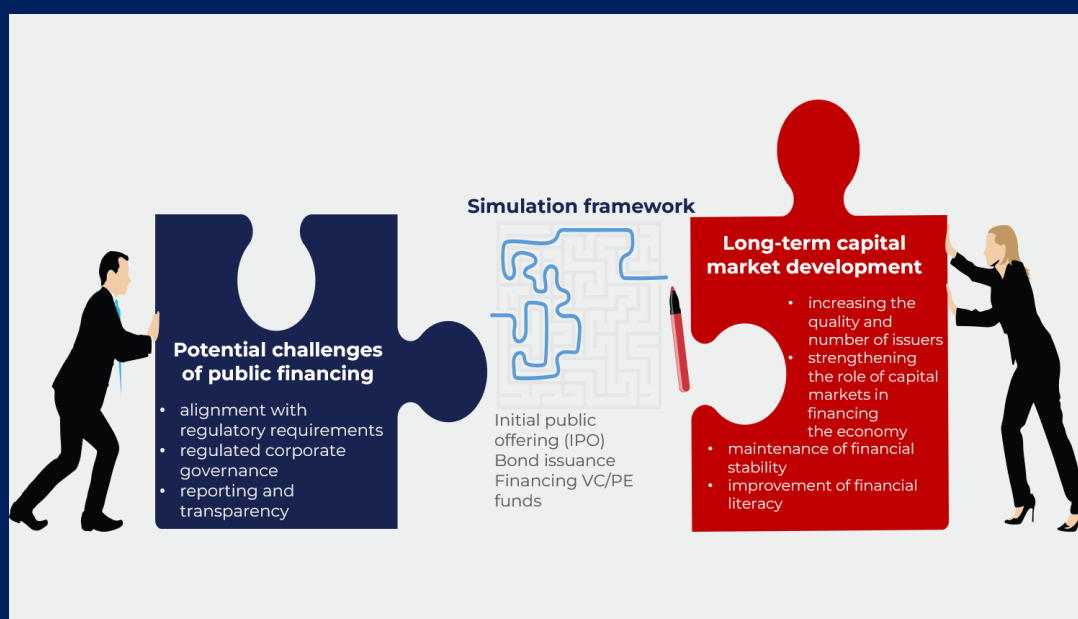
Furthermore, in October 2025, Hanfa and the Ministry of Finance presented the initiative “RoadToMarket – a sandbox for simulating capital market financing”, which allows entrepreneurs to obtain free professional assessment of their readiness to participate in capital market financing in a safe, confidential and non-binding environment.

SANDBOX RoadToMarket

In the course of 2025, Hanfa and the Ministry of Finance of the Republic of Croatia began the development of the RoadToMarket project, the first Croatian educational and simulation sandbox project aimed at preparing companies for capital market financing. The project is one of the activities carried out under the Action Plan for the Implementation of the Strategic Framework for Capital Market Development, representing a concrete step towards creating new market opportunities for Croatian entrepreneurs and strengthening confidence in the domestic capital market.

The project’s development is based on the recognised need to strengthen the role of capital markets in financing the economy and to increase the number of well-prepared issuers. In practice, many companies still perceive the capital market as a complex, regulatory-demanding and reputation-risky financing channel, which often leads to delays or total dismissal of such options.

Figure 8.1 Conceptual framework for the RoadToMarket project



Source: Hanfa

The project was therefore designed as an educational and simulation framework aimed at reducing perception and information barriers, with an

active role of regulators and partners involved. The concept is based on a controlled, confidential and non-binding environment in which participating companies can simulate certain aspects of funding through capital markets, including the initial public offering of shares (IPO), bond issuance and access to alternative sources of capital such as venture capital and private equity funds (VC/PE).

A key feature of the project is that participation in the sandbox does not produce legal or regulatory effects, it does not entail authorisation or approval by Hanfa and it does not replace formal procedures that are carried out in the event of an actual capital market entry.

As part of the project development, the General Terms of Participation were drafted, together with the accompanying documentation, detailing the purpose, principles and functioning of the sandbox. The documentation covers the criteria for participation, the rights and obligations of participants, the role of Hanfa and its partners, the simulation character of the activities and the framework for drafting diagnostic reports. Particular emphasis was placed on clearly delineating the educational and simulative nature of the project from the actual regulatory processes, in order to ensure legal certainty for all stakeholders involved.

In line with the principles of transparency and inclusiveness, the draft General Terms and the accompanying documentation were submitted for public consultation, allowing all interested stakeholders to participate in the design of the final sandbox model. The public consultation was open until 5 December 2025 and aimed to collect comments, proposals and suggestions from market participants, experts and institutions involved in the functioning of the capital market. This provided a broad basis for further improvement of the concept and methodology.

From the outset, the project was designed as a framework for cooperation between participating companies and professional and institutional partners from the financial, investment, legal and audit fields, providing expert and educational support to participants. The role of partners is envisaged as non-commercial and educational, aimed at providing objective feedback to participating companies. Such a multidisciplinary approach provides entrepreneurs with a comprehensive view of capital market requirements, as well as of the corporate governance, reporting and transparency standards entailed by market-based finance.

For Hanfa, the project's development represents an important step forward in the proactive fostering of capital market development within the framework of statutory powers. The design and implementation of the educational and simulation sandbox enhance the role of Hanfa as a supervisory authority, but also as an institution that actively contributes to financial literacy, regulatory predictability and the long-term sustainability of the financial system. At the same time, the project enables the collection of valuable insights on the challenges that entrepreneurs face at an early stage of considering market

funding, which can serve as a basis for further developing supervisory practices and educational activities.

In 2025, the project was in the phase of conceptual design and normative elaboration, laying the ground for further stages of development and operational implementation in the coming period. A framework aligned with market needs, regulatory principles and good practices, with the aim of strengthening the role of the capital market, was established through a structured process of drafting documentation and conducting a public consultation, which gathered more than a hundred comments.

The Republic of Croatia has addressed all the recommendations received from the Corporate Governance Committee related to compliance with the G20/OECD Principles of Corporate Governance and is in the final stage of addressing the recommendations related to alignment with the OECD Guidelines on Corporate Governance of State-Owned Enterprises and the Guidelines on Anti-Corruption and Integrity in State-Owned Enterprises.

In 2025, Hanfa also participated in the preparation of data within its competence related to the preparation of the Second Economic Survey for the Republic of Croatia.

In addition to activities related to the process of Croatia's accession to the OECD, members of Hanfa Board and Hanfa's employees participated regularly in the meetings of committees and other working bodies of the OECD dealing with issues falling within Hanfa's competence, that is, the Financial Markets Committee and its working groups: the Working Party on Insurance and Pensions, the Working Party on Sustainable Finance and the Working Party on Consumer Financial Protection, Education and Inclusion, the Corporate Governance Committee and other working groups within the OECD committees, such as the Advisory Task Force on the OECD Codes of Liberalisation.

8.2 Technical international cooperation, bilateral international cooperation and exchange of information

In 2025, Hanfa continued to provide technical assistance to the supervisory authorities of EU candidate countries. As a result, the implementation of the twinning project "Support to financial services regulation in Montenegro" began in September 2025, to provide technical assistance to the Central Bank of Montenegro and the Insurance Supervision Agency of Montenegro. The project is implemented by a consortium led by the Deutsche Bundesbank, the National Bank of Slovakia, the CNB and Hanfa. As part of this project, Hanfa will provide technical assistance to the Insurance Supervision Agency on issues related to the off-site supervision of insurance companies together with colleagues from the National Bank of Slovakia, as well as regulatory authorities from Romania, Germany and the Netherlands.

During the year, the implementation of the Twinning Light project titled "Strengthening Corporate Governance Provisions and Administrative Capacity of the

Capital Market Authority of Montenegro” was completed. Within the project, Hanfa alone provided technical assistance to the Capital Market Authority of Montenegro in developing a code of corporate governance and strengthening the administrative capacity to exercise supervision of issuers of securities listed on a regulated market.

A new bilateral agreement was signed with the Securities Commission of the Federation of Bosnia and Herzegovina, regulating the exchange of information necessary for licensing and supervisory procedures, as well as technical cooperation aimed at providing technical assistance in the process of adjustment to the regulatory and supervisory framework of the European Union in the field of capital markets and operations of investment and pension funds.

Throughout the year, Croatian experts also participated in several short-term technical assistance activities, implemented through TAIEX and other EU technical assistance programmes. As part of this work, technical assistance was provided to institutions in charge of the supervision of non-bank financial services in Montenegro, North Macedonia and Serbia, covering insurance markets, capital and crypto-assets markets, and pension and investment funds.

As part of the technical assistance instrument, the first stage of the EU Supervisory Digital Finance Academy (EU-SDFA) project was successfully completed in the first half of 2025. Hanfa also took part in launching the second phase of the project, which aims to ensure the transfer of knowledge to Member States' supervisory authorities on new technologies in the area of digital financial services, the development of supervisory tools and information on the development of the regulatory framework. The EU-SDFA project was organised in cooperation with ESMA, EIOPA and EBA and the Florence School of Banking, the European University Institute (FSB-EUI).

In 2025, Hanfa continued to participate in the implementation of two other projects approved under the Technical Support Instrument: the joint project of the Ministry of Finance, the CNB and Hanfa titled “Enhancing the use of digital financial services through increased digital financial literacy”, and a multinational project “Enhancing the capacity for licensing, supervision, recovery and resolution of central counterparties – CCPs”. The latter project is being implemented jointly with the national supervisory authorities of Greece, Poland, Portugal and Romania, which contributes to the cooperation and exchange of experience and the best practices among the national supervisory authorities of all five participating Member States.

In addition, Hanfa, in cooperation with the Ministry of Finance, will also participate in the implementation of the approved multinational project “Addressing fragmentation of capital markets on regional level and enhancing regional interconnectedness of capital markets”, which was applied for to the European Commission within the TSI 2025 cycle. The project should be launched in early 2026.

JUDICIAL PROCEEDINGS

9 JUDICIAL PROCEEDINGS

Within its mandate, Hanfa has a dual role: it participates in misdemeanour proceedings as an authorised prosecutor and as a defendant in administrative disputes upon lawsuits filed against its administrative acts. Hanfa, as an authorised prosecutor, brings indictments to the Zagreb Municipal Misdemeanour Court (the competent court) or to the Financial Inspectorate of the Ministry of Finance of the Republic of Croatia. Hanfa's employees participate directly at all stages of the proceedings, including drafting statements, preparing relevant documentation, and participating in hearings. Such a systematic and consistent approach contributes to strengthening the confidence of the competent courts in the legality and regularity of Hanfa's conduct, which has in the recent period resulted in a significant fall in the number of cases closed due to a limitation period.

In addition to legal proceedings, Hanfa has also increasingly used alternative dispute resolution institutes such as the negotiation on guilt and sanctions agreements, contributing significantly to the efficiency and cost-effectiveness of procedures.

Furthermore, along with misdemeanour proceedings and administrative disputes, Hanfa is obliged to file criminal charges to the competent State Attorney's Office in cases where there is reasonable suspicion of criminal offences prosecuted *ex officio*.

9.1 Misdemeanour proceedings

During 2025, Hanfa initiated two misdemeanour proceedings. In accordance with the rules on jurisdiction, one procedure was initiated before the Zagreb Municipal Misdemeanour Court, while the other was initiated before the Financial Inspectorate of the Ministry of Finance of the Republic of Croatia. The initiation of these misdemeanour proceedings was the result of Hanfa's preceding supervisory activities, in which illegalities were identified in the areas of the capital market and the prevention of money laundering and terrorist financing. The submission of indictments was a follow-up to Hanfa's actions within its legal powers, aimed at ensuring the lawful and coordinated functioning of supervised entities.

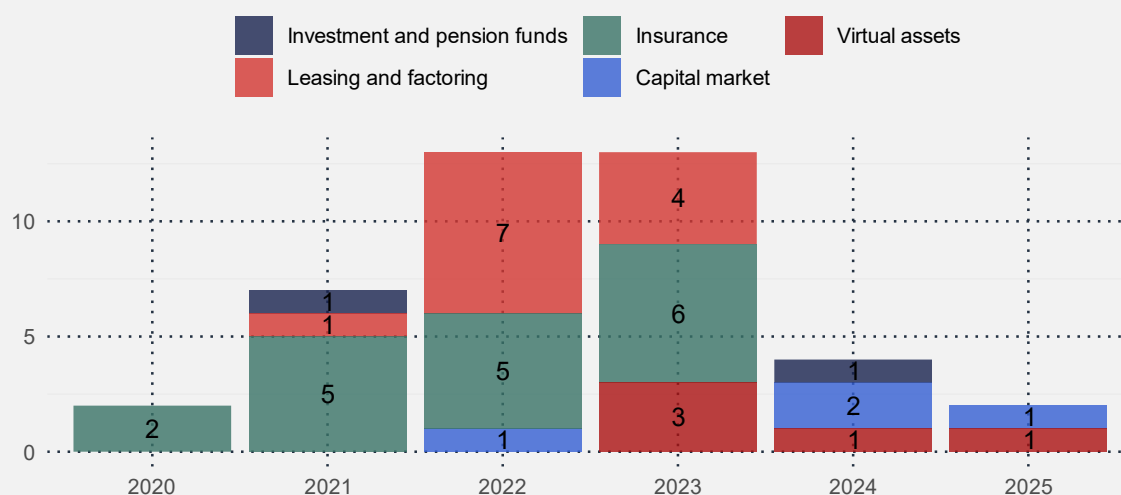
Since its establishment on 1 January 2006 until 31 December 2025, Hanfa filed a total of 535 indictments serving as a basis for initiating misdemeanour proceedings.

The review of procedural efficiency indicates a significant change in the manner in which misdemeanour proceedings are terminated. In the period up to 2018, a significant share of proceedings, i.e. as much as 54% of the total number, were suspended due to limitation periods. By contrast, the period between 2018 and the end of 2025 shows a downward trend in such outcomes. The reduction in the number of

proceedings concluded with limitation periods is a direct consequence of continuous improvements in institutional capacity and quality of Hanfa's work, but also the confidence of the authorities.

Figure 9.1 Overview of misdemeanour proceedings by sectors from 2020 to 2025

Number of misdemeanour proceedings by sectors

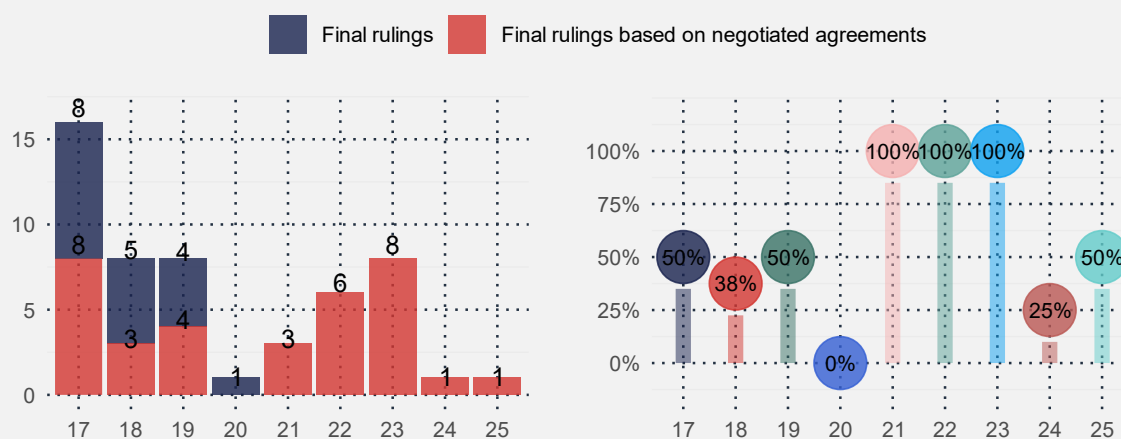


Source: Hanfa

Figure 9.2 Final rulings and indictments in the period from 2017 to end-2025

Number of final rulings based on negotiated agreements

Share of final rulings based on negotiated agreements, in % of the total number of indictments



Source: Hanfa

An increasing use of alternative dispute resolution mechanisms was a key factor in reversing this trend. In accordance with the provisions of the Misdemeanour Act¹³², this mechanism provides that Hanfa, as an authorised prosecutor, and the accused person

¹³² Official Gazette, No [107/07](#), [39/13](#), [157/13](#), [110/15](#), [70/17](#), [118/18](#), [114/22](#)

may negotiate in order to reach an agreement on the recognition of guilt and on the type and amount of the sanction. Its application reflects the principles of economy and procedural efficiency, as well as general trends promoting alternative forms of dispute resolution.

The application of this institute resulted in a gradual and steady increase in the number of cases resolved amicably, with a total of 26 final convictions being passed between 2015 and end-2025 on the basis of an agreement.

9.1.1 Capital market

In 2025, Hanfa initiated misdemeanour proceedings before the Zagreb Municipal Misdemeanour Court on suspicion of unauthorised provision of investment services. In the proceedings, a legal person and its responsible natural person were accused of unauthorised receipt and transmission of orders to invest in a foreign hedge fund without carrying out mandatory fitness checks for retail investors, in breach of the provisions of the Capital Market Act¹³³. Moreover, it was found that this investment model was publicly promoted through social channels, which was regarded as acting in breach of the public interest and financial market protection.

9.1.2 Prevention of money laundering and terrorist financing

Hanfa filed an indictment before the Financial Inspectorate of the Ministry of Finance of the Republic of Croatia against a legal person engaged in the provision of services of exchange of virtual and fiat currencies and its responsible person for breaches of the provisions of the Anti-Money Laundering and Terrorist Financing Act¹³⁴. This procedure concerns the failure to report suspicious transactions to the Anti-Money Laundering Office, as well as the failure to implement customer due diligence measures when carrying out related transactions that exceeded the legally set thresholds.

Those failures were identified in the course of Hanfa's supervisory activities, and the accused persons were convicted with final force and effect and fined under the judgement based on an agreement negotiated between the parties.

9.2 Administrative disputes

Five administrative disputes were initiated in 2025, three of which related to insurance, one related to leasing and one to the capital market.

Two administrative disputes in the field of insurance concern the assessment of the legality of Hanfa's decisions adopted in the context of supervising the processing and settlement of claims arising from comprehensive insurance policies. Both proceedings gave rise to judgements of first instance rejecting the actions for annulment of Hanfa's decisions. The applicants lodged appeals on the decisions at issue and proceedings are pending before the High Administrative Court of the Republic of Croatia.

¹³³ Official Gazette, No [65/18](#), [17/20](#), [83/21](#), [151/22](#), [85/24](#)

¹³⁴ Official Gazette, No [108/17](#), [39/19](#), [151/22](#)

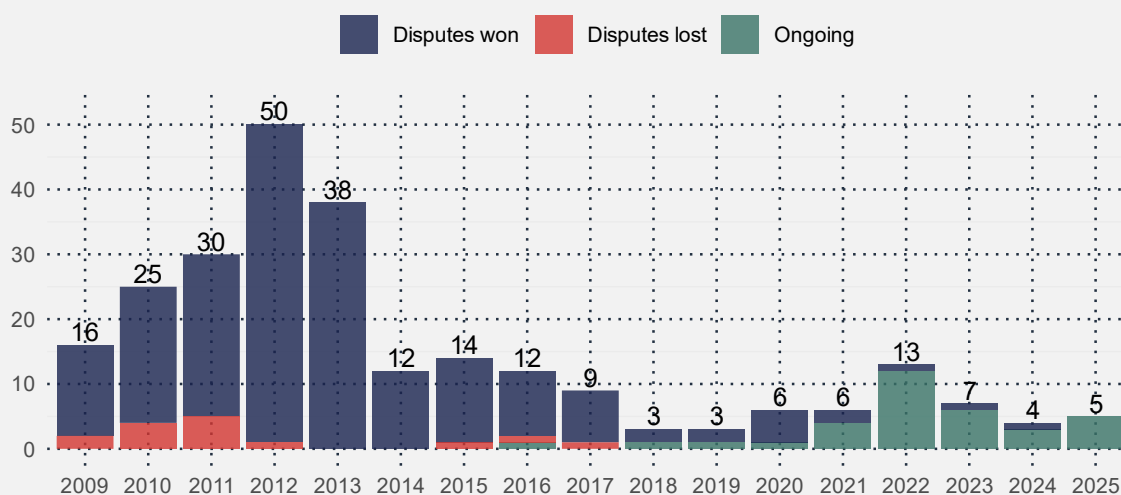
The third case in the field of insurance concerning the imposition of a supervisory measure prohibiting the payment of profits or dividends is also pending before the Administrative Court in Zagreb after a serious breach of risk management rules has been found in the course of Hanfa's supervisory activities. The administrative dispute is also pending against Hanfa's decision imposing a supervisory measure on the supervised entity requiring the establishment of a comprehensive and effective risk management system and amendments to the internal acts regulating the process of approving leasing transactions.

The administrative dispute in the area of the capital market is linked to the unauthorised provision of investment services and the distribution of a foreign venture capital fund's holdings to retail clients without required approvals.

In all the proceedings at issue, Hanfa, acting in accordance with the provisions of the Administrative Disputes Act¹³⁵, submitted detailed replies to the actions in a timely manner and provided the competent courts with all relevant documentation and case files. Hanfa's ongoing procedural activity involves regular preparation of statements and active participation of its employees in hearings before the courts.

Figure 9.3 Outcomes of administrative disputes

Number of disputes by type of outcome



Source: Hanfa

9.3 Criminal charges

In accordance with its legal powers to preserve the stability of the financial system and protect the public interest, Hanfa has a legal obligation to notify without delay the competent State Attorney's Office upon establishing facts indicating that there are reasonable grounds to suspect that a criminal offence that is prosecuted *ex officio* has

¹³⁵ Official Gazette, No [20/10](#), [143/12](#), [152/14](#), [94/16](#), [29/17](#), [110/21](#)

been committed. In this way, Hanfa helps to ensure that the most serious violations in the financial market are sanctioned in a timely and effective manner.

Hanfa's cooperation with other judicial and government authorities is also achieved through a continuous exchange of information to effectively combat illegalities in the financial market. This cooperation also includes activities within the European System of Financial Supervision, the aim of which is to harmonise supervisory practices and preserve the stability of the financial system.

Since its establishment on 1 January 2006 until 31 December 2025, Hanfa filed 52 criminal charges with the competent State Attorney.

9.4 Debt recovery actions

On the basis of its legal powers to determine and collect supervisory fees, in the Ordinance on the calculation, amount and charging of fees paid to the Croatian Financial Services Supervisory Agency for the year 2022¹³⁶, 2023¹³⁷ and 2024¹³⁸, Hanfa specified the entities subject to fees and the amounts to be paid by supervised entities for the purpose of financing supervisory activities. In order to collect fee arrears, Hanfa initiated enforcement proceedings against one supervised entity in the course of 2023. This resulted in the opening of bankruptcy proceedings against the entity before the Commercial Court of Osijek, where Hanfa filed its claim against the bankruptcy estate. The proceedings are still pending.

¹³⁶ Official Gazette, No [144/21](#)

¹³⁷ Official Gazette, No [155/22](#)

¹³⁸ Official Gazette, No [152/24](#)

HANFA'S BUSINESS OPERATIONS

10 HANFA'S BUSINESS OPERATIONS

The work of Hanfa is managed by the Board, which is competent for nine offices and five divisions focused on professional tasks, and the Office of the Secretary General, which is responsible for organising the work in accordance with the general acts, as well as for Hanfa's operations in the fields of finance and accounting, human resources, information technology and general, administrative and technical services. Three departments and one division under the Office of the Secretary General play a key role in Hanfa's operations and directly contribute to its stability and efficiency, enabling the smooth performance of the tasks of all other organisational units and the implementation of the Board's decisions.

10.1 Internal organisational structure and human resources

In 2025, the work of Hanfa was steered by the Board consisting of Ante Žigman (President), Tomislav Ridzak (Deputy President), Jurica Jednačak, Anamarija Staničić and Antun Palarić. In July 2025, Tomislav Ridzak was released from duty at his own request and Martina Verić was appointed member of the Board pursuant to a decision of the Croatian Parliament of the Republic of Croatia (of 15 July 2025, Class: 021-04/25-07/59). Anamarija Staničić was elected Deputy President of the Board for a term of 18 months.

In the course of 2025, Hanfa Board held 27 meetings and adopted 884 decisions.

Hanfa's Council is an advisory body that has met regularly since 2009 to discuss various topics related to the non-bank financial sector for the purpose of adopting opinions and providing expert and scientific advice aimed at developing and improving supervisory practices. It consists of nine members: the President of Hanfa Board, who is a member by virtue of his office, five members appointed by representatives of supervised entities' associations at the Croatian Chamber of Economy, and three members appointed by the Government of the Republic of Croatia. Members are appointed for a term of office of four years, with the possibility of re-election.

Four meetings were held in 2025, three of which were held by the members of the Council's fourth term on 14 April, 7 July and 20 October. Together with the President of Hanfa Board Ante Žigman, Council members of the fourth term in 2025 were Kristijan Buk (President of the Council), Ivana Gažić, Josip Glavaš, Klaudija Karabuva Vidas, Ivana Ravlić Ivanović, Davor Tomašković, Ivana Žepić and Amalija Jurin Nonković.

The first constitutive meeting of the Council's fifth term took place on 4 December 2025. In addition to the President of Hanfa Board Ante Žigman, Kristijan Buk (President of the Council), Ivana Žepić, Ivana Ravlić Ivanović, Amalija Jurin Nonković, Davor

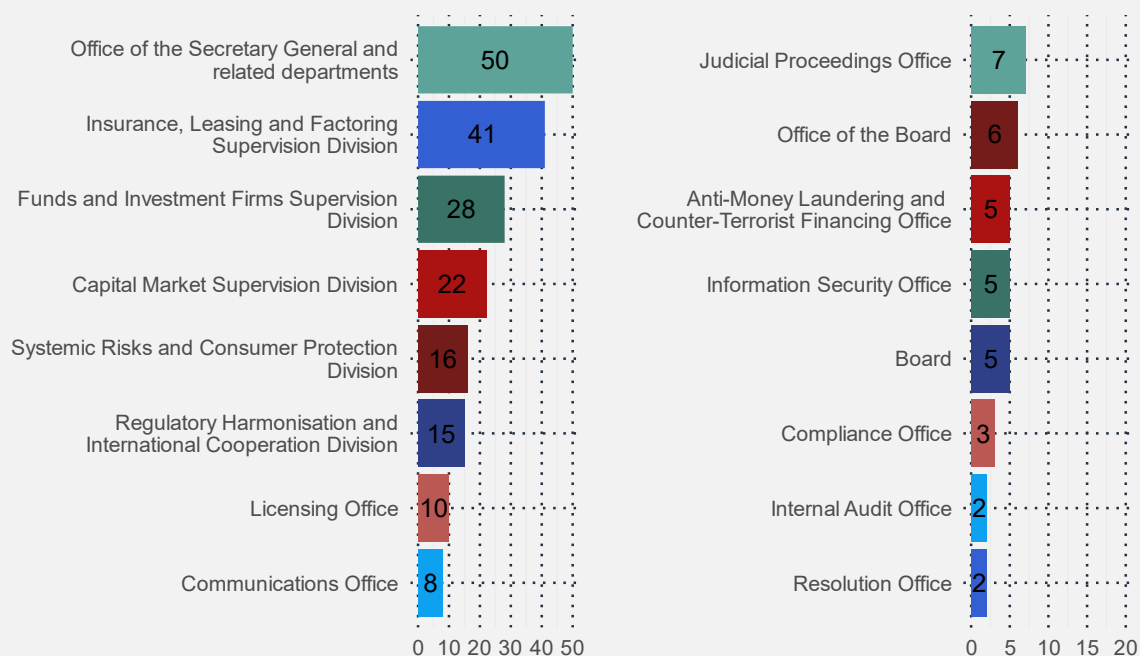
Tomašković, Klaudija Karabuva Vidas, Maja Bešević Vlajo and Ivan Tadin were appointed members of the Council.

The number of Hanfa's employees rose by 9% from the previous year and stood at 225 at the end of the year. Of that number, 97% of employees were in permanent employment, while 3% of employees had fixed-term contracts.

The tasks falling within Hanfa's core functions were performed by 170 employees in the fields of supervisory, normative, analytical, legal and international activities, while 50 employees were engaged in professional operational tasks in the fields of general, technical and administrative services, finance and accounting, human resources management and information technology.

Figure 10.1 Distribution of employees by organisational units

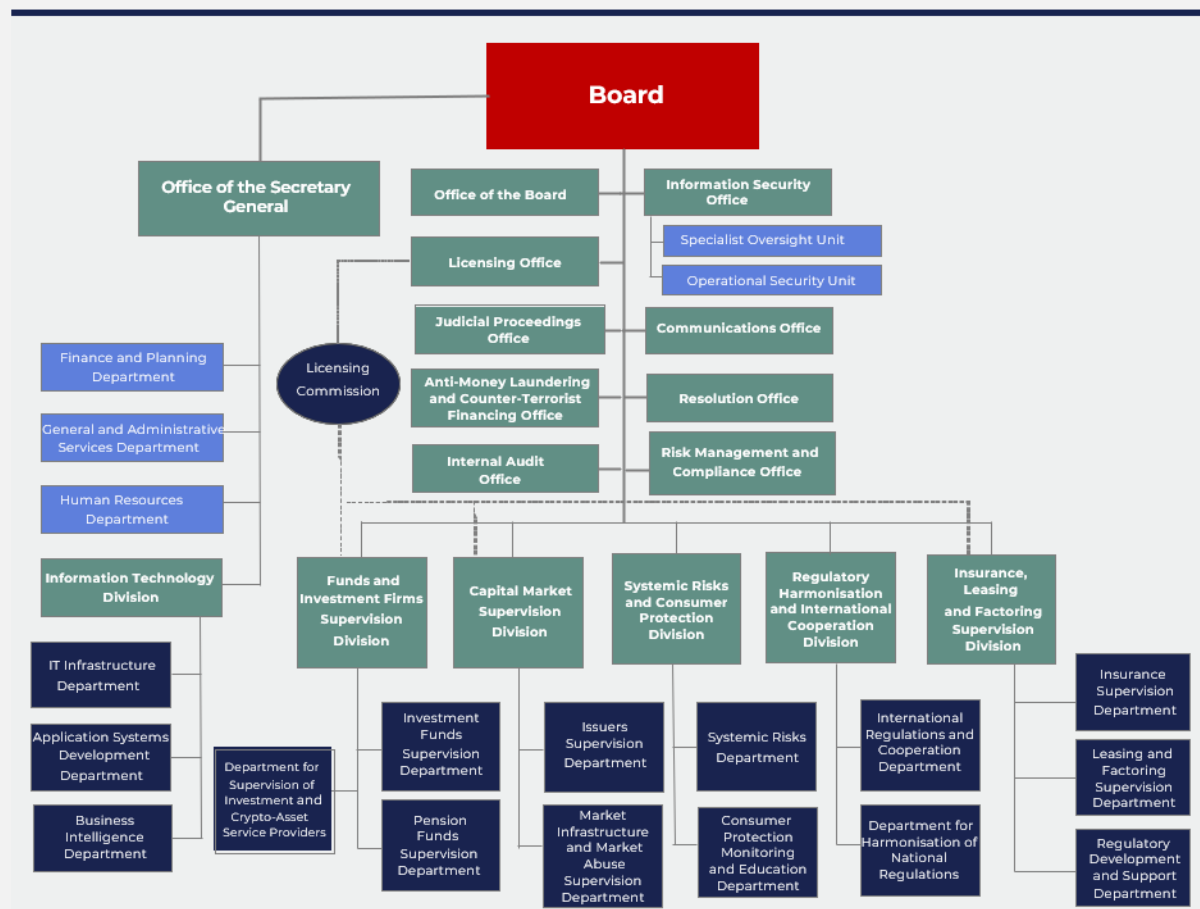
In %



Source: Hanfa

The average age of employees was 45.3 years, a slight increase from the previous year. Within the total number of employees, 66% were female and 34% were male. The proportion of male employees increased by 4%.

Of the total, 83% of employees have a university degree, 7% have a non-university college degree and 10% have secondary school education. Among those with a university degree, the largest shares are accounted for by employees with a degree in economics (48%), law (28%) and mathematics (28%). Continuous investments were made in the professional development and training of employees. Some types of trainings are of particular importance to Hanfa's work, so that 34 of its employees have passed a bar exam, 52 have passed a state exam, 21 employees are certified internal auditors and 5 are certified actuaries.

Figure 10.2 Hanfa's organisational structure as at 31 December 2025

Source: Hanfa

In order to improve internal organisation and job classification, a new Ordinance on internal organisation form and job classification in Hanfa was adopted, which improved the organisation of the Insurance, Leasing and Factoring Supervision Division. The following organisational units were abolished: the Insurance Oversight Unit and the Insurance Compliance Monitoring Unit, operating within the Insurance Supervision Department; the Insurance Reports Analysis Unit and the Actuarial Analysis Unit within the Insurance Analysis Department; and the Leasing and Factoring Oversight Unit and the Leasing and Factoring Reports Analysis Unit within the Leasing and Factoring Supervision Department. The existing departments were reorganised and the Regulatory Development and Support Department, the Insurance Supervision Department and the Leasing and Factoring Supervision Department were established to improve business processes within the above-mentioned division.

A competition for student scholarships, starting in the academic year 2025-2026, was launched for students in economics, law, mathematics and IT technologies. The six awarded scholarships ensure financial assistance to selected students until they finish their studies and provide opportunities for traineeships and jobs, according to needs.

In the period from July to September 2025, student internships were organised during the summer months on the basis of a previous competition, and two students in

economics and three students in mathematics had the opportunity to learn about Hanfa's powers and scope of work under the mentoring guidance of experts in these fields.

A process of analysing relevant procedures and internal acts has been initiated to align with Directive (EU) 2023/970¹³⁹ regarding the application of the principle of equal pay for equal work or work of equal value between men and women. Hanfa further strengthened its status as a stable and desirable employer, as shown in particular by the low employee turnover rate of 5.3% in 2025.

10.2 Internal audit

The internal audit is carried out according to a plan that takes into account the requirements of the system of financial management and control and the requirements of Hanfa's operations, in line with the importance, risks and other relevant parameters of business processes. In 2025, internal audits were carried out in the areas of business processes of off-site and on-site inspections of leasing and factoring companies, off-site and on-site inspections of insurance companies and off-site and on-site inspections regarding the prevention of money laundering and terrorist financing, as well as audits in the area of public and simple procurement procedures. In the course of 2025, the Internal Audit Office participated in the project to introduce integrated risk management in Hanfa's operations.

10.3 Information security at Hanfa

In the course of 2025, Hanfa carried out off-site inspections that assessed the level of entities' compliance with the requirements of the DORA Regulation. This covered the requirements of the DORA Regulation and the relevant regulatory technical standards in force at the time. In addition, on-site inspections of the IT systems of individual supervised entities were carried out to verify compliance with cyber security regulations and standards.

As part of the implementation of the DORA Regulation, the Oversight Forum was also set up as a European mechanism to coordinate the oversight of critical ICT third-party service providers in the financial sector. Pursuant to the cooperation agreement between Hanfa and the CNB, Hanfa delegates the Croatian member to the Oversight Forum, while the CNB participates in its work as an observer, which ensures a coordinated approach to monitoring ICT risks relevant to the overall financial system of the Republic of Croatia. As a result of the joint work of the Oversight Forum in 2025, oversight arrangements were defined and a list of designated critical ICT third-party service providers was established.

¹³⁹ [Directive \(EU\) 2023/970](#) of the European Parliament and of the Council of 10 May 2023 to strengthen the application of the principle of equal pay for equal work or work of equal value between men and women through pay transparency and enforcement mechanisms, OJ L 132

Hanfa also carried out a digital resilience test in 2025, involving 46 supervised entities and assessing the level of preparedness against individual phases of cyber attacks, in line with the scenario and questionnaire prepared.

10.4 Hanfa's information systems

In 2025, Hanfa continued to further develop and improve its information system, aimed at supporting the achievement of strategic objectives, and at operating effectively in an increasingly challenging regulatory, technological and cyber environment.

Extensive activities were launched during the year to meet the legal obligations arising from the Cyber Security Act. These activities include the upgrading of processes and the implementation of appropriate technical solutions and measures, further strengthening the level of security and coherence of the system.

The first part of the work on the migration of the IT infrastructure to a more modern and scalable platform was also carried out with the aim of ensuring greater flexibility, resilience and long-term sustainability of the information system.

Significant progress was also made in the area of data analytics, with the Business Intelligence Department further strengthening Hanfa's analytical capacities, improving data management and providing better support to supervisory and business processes.

In 2025, key organisational and legal preconditions were also put in place for the deployment of modern AI-based solutions. Initial activities for process automation and the gradual introduction of such solutions in support of employees' daily work were initiated, further improving its efficiency and quality.

10.5 Hanfa's financial operations

In 2025, Hanfa kept business books in accordance with the regulations governing financial operations and accounting of non-profit organisations. These regulations include the Act on Financial Operations and Accounting of Non-Profit Organisations¹⁴⁰, the Ordinance on non-profit accounting and the accounting plan¹⁴¹, the Ordinance on reporting in non-profit accounting and the Register of non-profit organisations¹⁴² and the Ordinance on the financial management and control system, and the preparation and execution of financial plans of non-profit organisations¹⁴³.

As at 31 December 2025, Hanfa's total assets amounted to EUR 6.2m, growing by 35.2% from the end of 2024. The increase was largely due to the rise in financial assets, of 36.2%, while the amount of non-financial assets grew by 31.2% from the previous year. The structure of liabilities changed from the previous year, with own sources and

¹⁴⁰ Official Gazette, No [121/14](#) and [114/22](#)

¹⁴¹ Official Gazette, No [1/15](#), [25/17](#), [96/18](#), [103/18](#) and [134/22](#)

¹⁴² Official Gazette, No [31/15](#), [67/17](#), [115/18](#) and [21/21](#)

¹⁴³ Official Gazette, No [119/15](#) and [134/22](#)

liabilities increasing by 25.8% and 51.3%, respectively. As a result, the own sources-to-liabilities ratio stood at 41/59 in favour of own sources in 2025.

Table 10.1 Hanfa's balance sheet as at 31 December 2025

In EUR thousand

Assets	Amount	Share in assets
Non-financial assets	1,219.90	19.70%
Financial assets	4,983.50	80.30%
Total assets	6,203.40	
Liabilities	Amount	Share in liabilities
Liabilities	2,557.80	41.20%
Own sources	3,645.60	58.80%
Total liabilities	6,203.40	

Note: Hanfa's detailed balance sheet is provided on its website.

Source: Hanfa

Cash at bank and in hand and guarantee deposits accounted for the largest shares in Hanfa's financial assets, 92.5% and 2.2%, respectively. The rest of the financial assets concerned receivables from employees and receivables for prepaid taxes and contributions, receivables for refundable benefits, receivables for advance payments and prepayments, which amounted to 5.3% of financial assets in 2025. The structure of non-financial assets comprised 53.3% of intangible assets, which included licenses and other rights. The remaining part of non-financial assets consisted of buildings, equipment and furniture. Investments in other rights increased by 37.9% from 2024.

Liabilities for expenditures accounted for 95.2% of total liabilities in 2025. Liabilities for employees and liabilities for material expenses and other liabilities stood at 71.2% and 24%, respectively, of total liabilities. The remaining liabilities related to accrued expenses and deferred income, which accounted for 4.8%. Own sources comprised operating sources and surplus income over expenditure, which amounted to EUR 1.1m in 2025 and was transferred into the state budget of the Republic of Croatia.

10.5.1 Income

Hanfa's total income amounted to EUR 18.1m in 2025, an increase of 29.9% from the year before. The most significant source of income was income received under special regulations, comprising income received from fees from assets and income of supervised entities, fees charged for the provision of services within Hanfa's competence and other income received under special regulations. This income amounted to EUR 18.0m or 99.7% of Hanfa's total income. The remaining EUR 54 thousand consisted of income from assets and other income.

The largest share of income received under special regulations in 2025, 96.5%, was accounted for by income made on the basis of the Ordinance on the calculation,

amount and charging of fees paid to the Croatian Financial Services Supervisory Agency for the year 2025¹⁴⁴, which grew by 32.2% from 2024. This increase is a result of the growth in the fees paid to Hanfa under the aforementioned Ordinance, caused by the increase in the fee calculation base, as evident in the increase in the assets and income of supervised entities. The most important item in that category was income from pension fund management companies, which amounted to EUR 9.1m.

Income generated under the Ordinance on the type and amount of fees paid to the Croatian Financial Services Supervisory Agency¹⁴⁵ amounted to EUR 559.5 thousand, a decrease of 10.0% from 2024. This was mainly due to a decrease in the share of income generated under the Act on the Takeover of Joint-Stock Companies, which stood at EUR 28.4 thousand in 2025, accounting for 5.0% of all income under the said Ordinance. A significant part of income in that category was income realised pursuant to the Insurance Act and arising from the examination of professional knowledge and issuance of authorisations and licences to pursue insurance and reinsurance distribution business. This income amounted to EUR 297.8 thousand in 2025, which was 53.2% of the total income generated under the Ordinance.

¹⁴⁴ Official Gazette, No 152/24

¹⁴⁵ Official Gazette, No 26/19

Table 10.2 Income from fees generated in 2025

In EUR thousand

Income received under the Ordinance on the calculation, amount and charging of fees paid to Hanfa in 2025	Amount	Share in total income
Income from pension fund management companies	9,180.5	52.6%
Income from insurance companies and reinsurance companies	1,857.3	10.6%
Income from investment fund management companies	2,213.3	12.7%
Income from investment firms	1,833.4	10.5%
Income from leasing companies	1,088.7	6.2%
Income from issuers	592.7	3.4%
Income from the Central Depository and Clearing Company	247.4	1.4%
Income from insurance distributors and reinsurance distributors	122.8	0.7%
Income from pension insurance companies	157.6	0.9%
Income from the Zagreb Stock Exchange	93.8	0.5%
Income from companies managing funds established under special regulations	62.7	0.4%
Income from the central counterparty	12.8	0.1%
Income from factoring companies	4.2	0.0%
Total	17,467.2	100.0%

Income generated under the Ordinance on the type and amount of fees paid to Hanfa	Amount	Share in total income
Income generated under the Act on the Takeover of Joint-Stock Companies	28.4	5.0%
Income generated under the Insurance Act	297.8	53.2%
Income generated under the Act on Open-Ended Investment Funds with Public Offering	65.2	11.7%
Income generated under the Alternative Investment Funds Act	25.1	4.5%
Income generated under the Capital Market Act	62.8	11.2%
Income from the maintenance of the Register of Leased Assets	0.0	0.0%
Income generated under the Mandatory Pension Funds Act	21.8	3.9%
Income generated under the Leasing Act	33.7	6.0%
Income generated under the Act on Hanfa (issuance of opinions and copies)	11.7	2.1%
Income from fees charged for the training organised for brokers, investment advisers, certified pension fund managers, certified pension insurance company managers	0.0	0.0%
Income generated under the Voluntary Pension Funds Act	1.0	0.2%
Income generated under the Factoring Act	4.2	0.8%
Income generated under the Act on Pension Insurance Companies	3.8	0.7%
Income generated under the MiCA Regulation	4.0	0.7%
Total	559.5	100.0%

Source: Hanfa

In comparison with Hanfa's 2025 Financial Plan, the amount of realised income exceeded the planned amount by 14.5% or EUR 2.3m. The higher-than-planned income is mostly a result of the increase in the fees paid to Hanfa under the aforementioned ordinances, caused by the increase in the fee calculation base due to the rise in the assets and income of supervised entities.

Table 10.3 Overview of the adopted 2025 Income Plan and its implementation

In EUR thousand

Income item	Adopted Plan	Plan implementation	Share in total (in %)
Income received under special regulations	15,789.1	18,048.0	99.7%
Income received under the Ordinance on the calculation, amount and charging of fees paid to Hanfa in 2025	571.3	559.5	3.1%
Income generated under the Ordinance on the type and amount of fees paid to Hanfa	15,186.2	17,467.2	96.5%
Other income received under special regulations	31.6	21.3	0.1%
Income from assets	12.2	32.8	0.2%
Income from donations	0.0	0.1	0.0%
Other income	2.0	21.3	0.1%
Total income	15,803.3	18,102.2	100.0%

Source: Hanfa

10.5.2 Expenditure

Hanfa's expenditure is recognised on the basis of the accrual principle, that is, in the reporting period when it was incurred, regardless of the time of its payment.

Hanfa's total expenditure amounted to EUR 17.0m in 2025, an increase of 25.1% from 2024. Employee expenses accounted for the largest share of total expenditure (64.5%) in 2025, growing by 28.1% from the previous year.

Material expenditure amounted to EUR 5.5m, up by 21.0% from 2024. The largest share of material expenditure related to expenditure on services, 18.2% of total expenditure, including costs of renting business premises, current and investment maintenance services, telephone, postal and transport services, utilities, promotion and information services, intellectual services and other services. In 2025, expenditure on computer services amounted to 8.1% of expenditure on services. A significant share of material expenditure was accounted for by other material expenditure, of EUR 1.5m, which included membership fees to European and international bodies (ESMA, EIOPA, IAIS, IOSCO, IOPS, ISACA, etc.), representation expenses and insurance premiums.

Depreciation expenditure was 5.2% higher in 2025 than in the previous year due to acquisitions of new assets and investments in computer and information systems, accounting for 1.8% of total expenditure. Donations amounted to EUR 20.4 thousand, increasing by 30.4% from 2024, and included donations to institutions and natural persons, as well as scholarships paid to students. The increase in donations from the previous year was due to a higher number of scholarships and an increase in their monthly amount. In 2025, following a competition for secondary school pupils titled "Financial Literacy – a Key to a Safe Future", the High School of Electrotechnics and Economics in Nova Gradiška was awarded an interactive screen. Hanfa also launched

a competition for primary schools titled “Financial Literacy in Verse”, where the Ogulin’s First Primary School was awarded an interactive screen.

Other expenses, accounting for 1.0% of total expenditure in 2025, grew by 15.8% from the preceding year. They included fines for failure to meet the employment quota for persons with disabilities, net book value and other expenses for fixed assets, tax on road motor vehicles, fee refunds from previous years, voluntary pension insurance premiums and other unspecified expenses.

In comparison with Hanfa’s 2025 Financial Plan, the amount of realised expenditure exceeded the planned amount by 8.0% or EUR 1.3m. Relative to the adopted Plan, employee expenses were 17.4% higher due to the adjustment of the wage calculation base and the payment of other material rights of employees. Material expenditure was 5.0% lower than planned due to rationalisation, in particular a 13.3% reduction in the costs of compensation and energy and a reduction in costs for employees and costs for external staff. The remaining expenditure includes depreciation expenditure, financial expenditure, donations and other expenses, which were 12.3% less than planned.

Table 10.4 Overview of the adopted 2025 Expenditure Plan and its implementation

In EUR thousand

Expenditure item	Adopted Plan	Plan implementation	Share in total (in %)
Employee expenses	9,359.4	10,988.7	64.5%
Material expenditure	5,821.2	5,528.1	32.5%
Costs for employees	669.4	582.4	3.4%
Costs for external staff	51.4	46.6	0.3%
Expenditure on services	3,304.9	3,095.4	18.2%
Expenditures on materials and energy	339.4	294.2	1.7%
Other material expenditure	1,456.1	1,509.5	8.9%
Depreciation expenditure	327.9	301.2	1.8%
Financial expenditure	9.9	12.8	0.1%
Donations	54.0	20.4	0.1%
Other expenses	199.5	184.1	1.1%
Total expenses	15,771.8	17,035.3	100.0%

Source: Hanfa

In accordance with the Act on Financial Operations and Accounting of Non-Profit Organisations, an external audit of Hanfa's 2025 financial statements was carried out, and the Independent Auditor's Report was published on Hanfa's website.

STATISTICAL OVERVIEW OF INDUSTRIES

11 STATISTICAL OVERVIEW OF INDUSTRIES

11.1 Investment funds

Open-ended investment funds with public offering – UCITS

Investment funds – UCITS

	2020	2021	2022	2023	2024	2025
Number of funds	96	93	100	108	117	110
Net assets, in EUR thousand	2,417,699	2,855,179	2,165,751	2,288,781	3,227,926	4,042,334

Issuance and redemption of units in UCITS

In EUR thousand

	2020	2021	2022	2023	2024	2025
Issuance of units	1,171,994	1,387,582	1,019,540	1,629,813	1,762,164	2,357,793
Redemption of units	1,823,878	989,611	1,475,401	1,640,999	964,501	1,503,066

Asset structure of equity UCITS per asset type

In EUR thousand

	2020	2021	2022	2023	2024	2025
Cash	21,237	33,073	33,365	16,950	28,463	44,582
Shares	186,193	269,944	215,771	300,822	445,995	681,910
Bonds	3,658	1,843	1,819	1,726	1,008	1,031
Investment funds	10,002	16,165	6,852	12,110	14,453	8,896
Money market instruments	0	0	133	145	0	0
Deposits	1,327	2,920	5,023	32,476	32,485	47,249

Asset structure of balanced UCITS per asset type

In EUR thousand

	2020	2021	2022	2023	2024	2025
Cash	17,639	33,721	18,692	6,401	3,543	13,726
Shares	32,711	48,669	32,797	47,653	55,559	55,057
Bonds	57,394	68,073	52,444	160,312	158,874	160,801
Investment funds	20,542	45,038	31,177	43,364	50,890	44,027
Money market instruments	0	0	0	1,768	0	7,519
Deposits	0	1,925	6,582	8,729	25,834	16,741

Asset structure of bond UCITS per asset type

In EUR thousand

	2020	2021	2022	2023	2024	2025
Cash	304,237	322,504	170,590	41,427	6,502	5,572
Shares	1,742	3,391	10,221	0	0	0
Bonds	1,406,927	1,440,558	1,039,305	697,692	683,602	680,850
Investment funds	15,116	15,941	13,658	4,839	1,062	3,877
Money market instruments	15,810	64,313	35,233	29,595	54,045	59,458
Deposits	208,327	186,150	104,966	148,996	109,057	57,989

Asset structure of money market UCITS per asset type

In EUR thousand

	2020	2021	2022	2023	2024	2025
Cash	0	0	0	1	11,287	39,751
Shares	0	0	0	0	0	0
Bonds	0	0	0	0	0	3,597
Investment funds	0	0	0	0	0	0
Money market instruments	0	0	0	5,521	356,210	729,283
Deposits	0	0	0	18,462	307,600	668,380

Asset structure of other UCITS per asset type

In EUR thousand

	2020	2021	2022	2023	2024	2025
Cash	21,178	46,486	22,607	6,192	6,794	7,093
Shares	10,804	20,829	19,349	18,244	15,237	8,625
Bonds	90,375	141,329	225,457	519,715	669,992	521,604
Investment funds	44,035	82,412	65,802	63,866	76,184	81,921
Money market instruments	27	40	465	5,398	9,393	6,841
Deposits	16,504	15,101	12,548	33,583	32,976	11,568

Asset structure of feeder UCITS per asset type

In EUR thousand

	2020	2021	2022	2023	2024	2025
Cash	497	2,022	2,022	1,859	1,590	1,155
Shares	0	0	0	0	0	0
Bonds	0	0	0	0	0	0
Investment funds	14,740	55,341	70,900	79,153	93,115	90,119
Money market instruments	0	0	0	0	0	0
Deposits	0	0	0	0	0	0

Alternative investment funds – AIFs**Investment funds – AIFs**

	2020	2021	2022	2023	2024	2025
Number of funds	38	34	39	41	44	47
Net assets, in EUR thousand	625,407	693,196	686,309	1,074,482	1,353,648	1,903,062

Investment firms**Investment firms**

	2020	2021	2022	2023	2024	2025
Number of firms	6	6	5	5	6	7
Portfolio management, in EUR thousand	3,492	4,388	3,959	5,531	8,458	183,119
Custody of financial instruments, in EUR thousand	241,898	581,120	659,670	977,785	1,090,632	1,714,696

11.2 Pension funds

Mandatory pension funds

Mandatory pension funds

	2020	2021	2022	2023	2024	2025
Number of funds	12	12	12	12	12	12
Number of fund members	2,057,391	2,111,192	2,179,051	2,248,825	2,333,992	2,400,180
Category A	83,448	150,266	233,445	320,273	430,000	522,356
Category B	1,925,328	1,899,623	1,865,378	1,827,332	1,809,206	1,796,293
Category C	48,615	61,303	80,228	101,220	94,786	81,531
Net assets, in EUR thousand	15,803,047	17,650,040	17,542,566	20,233,301	23,220,445	26,452,658
Total contributions, in EUR thousand	11,509,131	12,498,732	13,592,485	14,848,092	16,364,031	18,115,132
Total payments, in EUR thousand	1,431,943	1,678,874	1,960,854	2,260,060	2,658,427	3,161,180

Mirex values

	2020	2021	2022	2023	2024	2025
Mirex A	153.0	173.7	166.5	191.3	216.7	251.3
Mirex B	267.7	287.4	272.9	300.7	329.9	359.0
Mirex C	137.5	138.1	130.9	136.1	140.9	143.9

Asset structure of category A MPFs by investment type

In EUR thousand

	2021	2022	2023	2024	2024	2025
Cash	8,409	20,835	9,580	11,534	11,534	13,982
Shares	74,935	91,761	130,146	228,072	228,072	415,917
Bonds	65,632	86,895	164,928	298,277	298,277	439,365
Investment funds	33,177	37,368	58,384	127,393	127,393	205,595
Money market instruments	0	3,101	10,851	17,850	17,850	29,047
Deposits	8,017	15,662	41,755	49,137	49,137	100,721

Asset structure of category B MPFs by investment type

In EUR thousand

	2020	2021	2022	2023	2024	2025
Cash	269,507	199,866	431,359	95,729	62,108	62,714
Shares	2,873,173	3,661,505	3,451,850	4,370,703	5,140,301	6,041,402
Bonds	9,871,192	9,990,630	9,808,964	10,994,737	12,227,322	13,082,463
Investment funds	1,268,108	2,001,896	1,777,452	2,071,720	2,279,357	2,587,067
Money market instruments	234,221	143,334	120,492	79,457	253,348	323,705
Deposits	215,349	234,396	250,779	337,318	659,295	1,350,254

Asset structure of category C MPFs by investment type

In EUR thousand

	2020	2021	2022	2023	2024	2025
Cash	35,157	36,485	93,064	35,671	15,586	10,882
Shares	0	0	0	0	0	0
Bonds	848,645	1,013,341	1,232,780	1,577,580	1,586,465	1,353,132
Investment funds	17,842	24,558	43,148	34,808	31,241	31,559
Money market instruments	10,612	31,853	20,004	62,328	44,556	79,508
Deposits	52,692	85,143	50,107	153,983	157,635	152,567

Open-ended voluntary pension funds**Open-ended voluntary pension funds**

	2020	2021	2022	2023	2024	2025
Number of funds	8	8	8	8	8	8
Number of fund members	335,327	351,266	374,760	394,363	417,183	444,132
Net assets of funds, in EUR thousand	735,652	852,153	875,608	1,045,123	1,199,456	1,379,137
Total contributions during the year, in EUR thousand	95,386	105,030	112,566	122,893	135,556	151,617
Total payments during the year, in EUR thousand	32,851	34,194	37,432	40,342	47,522	52,799

Annual returns of OVPFs

	2020	2021	2022	2023	2024	2025
AZ Benefit ODMF	-0.44%	0.55%	-6.53%	5.07%	4.14%	2.34%
AZ Profit ODMF	-1.26%	7.03%	-6.33%	12.59%	8.89%	8.45%
Croatia osiguranje ODMF	0.39%	5.92%	-7.55%	10.14%	11.50%	10.24%
Croatia osiguranje 1000 A ODMF	0.82%	7.69%	-10.47%	12.60%	3.13%	2.53%
Croatia osiguranje 1000 C ODMF	1.76%	0.76%	-4.05%	3.37%	7.72%	7.19%
Erste Plavi Expert ODMF	-3.00%	11.26%	-4.16%	13.42%	10.44%	11.12%
Erste Plavi Protect ODMF	0.42%	-0.30%	-6.44%	4.75%	3.32%	1.58%
Raiffeisen ODMF	-1.04%	8.12%	-4.99%	8.62%	3.36%	6.00%

Asset structure of OVPFs by investment type

In EUR thousand

	2020	2021	2022	2023	2024	2025
Cash	56,249	81,140	94,189	28,661	28,894	32,156
Shares	175,064	212,246	210,396	259,761	294,121	383,129
Bonds	442,152	456,875	479,572	568,904	672,363	732,518
Investment funds	62,655	98,649	83,519	102,286	118,511	128,021
Money market instruments	0	0	3,951	29,478	32,009	39,244
Deposits	1,858	4,645	5,638	57,731	56,160	62,214

Closed-ended voluntary pension funds**Closed-ended voluntary pension funds**

	2020	2021	2022	2023	2024	2025
Number of funds	20	20	21	21	21	21
Number of fund members	45,228	46,001	47,718	48,683	49,609	50,999
Net assets, in EUR thousand	159,012	183,712	181,597	215,102	247,009	280,820
Total contributions during the year, in EUR thousand	17,558	18,927	17,895	18,509	21,436	22,458
Total payments during the year, in EUR thousand	5,246	6,524	7,571	7,123	8,945	10,309

Asset structure of CVPFs by investment type

In EUR thousand

	2020	2021	2022	2023	2024	2025
Cash	10,916	18,691	15,970	6,300	4,962	8,112
Shares	39,673	47,621	46,212	56,946	66,149	84,994
Bonds	85,197	85,597	95,578	109,937	126,971	134,579
Investment funds	26,538	31,731	24,069	23,310	28,819	32,207
Money market instruments	0	0	0	14,759	14,613	15,562
Deposits	0	0	0	4,064	5,569	5,888

11.3 Insurance companies**Insurance**

	2020	2021	2022	2023	2024	2025
Number of insurance and reinsurance companies	15	15	15	14	14	14
*Gross written premium, in EUR thousand	1,391,144	1,558,675	1,633,669	1,749,382	1,922,938	2,067,386
Claims settled, gross amounts, in EUR thousand	869,171	972,868	1,024,107	1,163,501	1,259,193	1,221,495

* The amounts for 2020 – 2021 relate to the gross written premium, while the amounts for 2022 – 2025 relate to the premium collected.

Gross written premium by insurance classes

In EUR thousand

Code	Insurance class	2024	Share	2025	Share	Change
01	Personal accident insurance	77,432	4.03%	85,577	4.14%	10.52%
02	Health insurance	131,315	6.83%	151,451	7.33%	15.33%
03	Insurance of land motor vehicles	296,758	15.43%	341,677	16.53%	15.14%
04	Insurance of railway rolling stock	900	0.05%	752	0.04%	-16.45%
05	Insurance of aircraft	1,694	0.09%	2,503	0.12%	47.78%
06	Insurance of vessels	30,865	1.61%	32,582	1.58%	5.56%
07	Insurance of goods in transit	6,367	0.33%	6,682	0.32%	4.95%
08	Insurance against fire and natural disasters	146,111	7.60%	160,970	7.79%	10.17%
09	Other property insurance lines	148,174	7.71%	148,140	7.17%	-0.02%
10	Motor vehicle liability insurance	572,941	29.80%	608,718	29.44%	6.24%
11	Aircraft liability insurance	929	0.05%	1,100	0.05%	18.32%
12	Insurance against liability arising out of the use of vessels	6,319	0.33%	6,517	0.32%	3.14%
13	Other liability insurance lines	92,065	4.79%	102,664	4.97%	11.51%
14	Credit insurance	19,399	1.01%	21,083	1.02%	8.68%
15	Suretyship insurance	1,607	0.08%	1,602	0.08%	-0.30%
16	Insurance against miscellaneous financial losses	28,035	1.46%	28,800	1.39%	2.73%
17	Legal expenses insurance	435	0.02%	373	0.02%	-14.26%
18	Travel insurance	26,491	1.38%	30,322	1.47%	14.46%
19	Life insurance	246,480	12.82%	229,904	11.12%	-6.73%
20	Annuity insurance	965	0.05%	867	0.04%	-10.14%
21	Supplementary insurance linked with life insurance	17,091	0.89%	18,464	0.89%	8.03%
22	Marriage and birth insurance	322	0.02%	275	0.01%	-14.70%
23	Life or annuity insurance where the investment risk is borne by the policyholder	70,244	3.65%	86,364	4.18%	22.95%
24	Tontines	0	0.00%	0	0.00%	0.00%
25	Insurance with paid-up sum assured	0	0.00%	0	0.00%	0.00%
Total non-life insurance (classes 01 – 18)		1,587,836	82.57%	1,731,512	83.75%	9.05%
Total life insurance (classes 19 – 25)		335,102	17.43%	335,874	16.25%	0.23%
Total (classes 01 – 25)		1,922,938	100.00%	2,067,386	100.00%	7.51%

11.4 Leasing companies

Leasing companies

	2020	2021	2022	2023	2024	2025
Number of leasing companies	15	15	15	15	15	15
Leasing companies' assets, in EUR thousand	2,615,199	2,651,731	2,961,890	3,517,710	4,123,927	4,539,088
Number of newly concluded contracts (from 1 January to 31 December)						
Operating lease	10,392	10,983	11,530	16,815	15,524	15,375
Finance lease	30,033	39,130	42,438	46,000	52,960	56,615
Total	40,425	50,113	53,968	62,815	68,484	71,990
Value of newly concluded contracts , in EUR thousand (from 1 January to 31 December)						
Operating lease	165,466	171,163	189,359	294,560	303,995	283,310
Finance lease	708,240	908,552	1,207,343	1,477,281	1,709,164	1,807,987
Total	873,706	1,079,715	1,396,703	1,771,841	2,013,159	2,091,296
Number of active contracts						
Operating lease	39,582	38,409	36,585	38,304	38,173	40,618
Finance lease	106,679	113,893	121,622	131,356	144,342	156,161
Loans	24	17	6	7	3	3
Total	146,285	152,319	158,213	169,667	182,518	196,782
Value of active contracts , in EUR thousand						
Operating lease	322,681	315,284	320,297	412,595	481,947	489,384
Finance lease	1,834,678	1,895,173	2,156,922	2,579,746	3,074,514	3,434,972
Loans	44	0	0	0	0	0
Total	2,157,404	2,210,457	2,477,219	2,992,341	3,556,461	3,924,357

11.5 Factoring companies

Factoring companies

	2020	2021	2022	2023	2024	2025
Number of factoring companies	4	4	4	3	3	3
Factoring companies' assets, in EUR thousand	42,997	48,143	31,632	17,112	16,750	21,879
Transaction volume , in EUR thousand (from 1 January to 31 December)						
Factoring	104,005	98,239	67,958	82,578	72,468	104,251
Factoring including discounting of bills of exchange	11,335	11,081	2,392	2,500	0	0
Reverse factoring	16,547	14,598	6,359	10,223	10,345	22,428
Total	131,887	123,918	76,710	95,301	82,813	126,679
Receivables , in EUR thousand						
Factoring	15,394	19,134	7,690	8,153	10,401	13,733
Factoring including discounting of bills of exchange	3,242	1,875	737	0	0	0
Reverse factoring	5,488	4,890	932	1,921	1,838	3,779
Total	24,123	25,899	9,359	10,074	12,239	17,512

APPENDICES

12 APPENDICES

Appendix 1 List of ordinances adopted in 2025

Ordinances adopted under the Capital Market Act

- Ordinance amending the Ordinance on periodic, statistical and capital reporting by the central securities depository and reporting by the central securities depository of another Member State ([Official Gazette, No 117/2025](#))
- Ordinance amending the Ordinance on supervisory reports of the central counterparty ([Official Gazette, No 95/2025](#))
- Ordinance amending the Ordinance on the structure, content and manner of and time limits for the submission of annual financial statements, audit reports and interim financial reports, and on the application of the chart of accounts for central securities depositories ([Official Gazette, No 30/2025](#))
- Ordinance amending the Ordinance on issuing approval for management board members and for the acquisition of a qualifying holding / controlling interest and criteria for suitability assessment of supervisory board members, key function holders and senior management ([Official Gazette, No 155/2025](#))
- Ordinance amending the Ordinance on the contents and structure of issuers' annual report and on the form and manner of its submission to the Croatian Financial Services Supervisory Agency ([Official Gazette, No 144/2025](#))
- Ordinance amending the Ordinance on the contents and structure of issuers' interim reports and on the form and manner of their submission to the Croatian Financial Services Supervisory Agency ([Official Gazette, No 144/2025](#))
- Ordinance amending the Ordinance on supervisory reports for legal persons authorised to provide investment and ancillary services and perform investment activities, market intermediaries, and branches of investment firms from a Member State or a third country ([Official Gazette, No 157/2025](#))
- Ordinance on investment firms' recovery plans ([Official Gazette, No 155/2025](#))

Ordinances adopted under the Act on Amendments to the Act on the Resolution of Credit Institutions and Investment Firms

- Ordinance amending the Ordinance on the resolution of investment firms ([Official Gazette, No 153/2025](#))

Ordinances adopted under the Act on the Implementation of EU Regulation (EU) No 1286/2014 on key information documents for packaged retail and insurance-based investment products

- Ordinance on the submission of key information documents for PRIIPs to the Croatian Financial Services Supervisory Agency ([**Official Gazette, No 129/2025**](#))

Ordinances adopted under the Act on Open-Ended Investment Funds with Public Offering

- Ordinance amending the Ordinance on determining the net asset value of UCITS and the price of UCITS units ([**Official Gazette, No 133/2025**](#))
- Ordinance amending the Ordinance on fees and costs charged by management companies ([**Official Gazette, No 133/2025**](#))
- Ordinance amending the Ordinance on organisational requirements for UCITS management companies ([**Official Gazette, No 155/2025**](#))
- Ordinance amending the Ordinance on carrying out tasks of the UCITS depositary ([**Official Gazette, No 155/2025**](#))

Ordinances adopted under the Alternative Investment Funds Act

- Ordinance on the content and manner of the delivery of notifications on trading in units of third-country AIFs in the Republic of Croatia without a European passport ([**Official Gazette, No 133/2025**](#))
- Ordinance on the content and manner of the delivery of notifications on trading in units of AIFs managed by a third-country AIFM in the Republic of Croatia without a European passport ([**Official Gazette, No 133/2025**](#))
- Ordinance amending the Ordinance on carrying out tasks of the AIF depositary ([**Official Gazette, No 155/2025**](#))
- Ordinance on the conditions of establishment, operation of and reporting by a branch of an AIFM from a third country in the Republic of Croatia ([**Official Gazette, No 155/2025**](#))

Ordinances adopted under the Mandatory Pension Funds Act

- Ordinance amending the Ordinance on the minimum content of the notification on informative pension calculation ([**Official Gazette, No 95/2025**](#))

Ordinances adopted under the Voluntary Pension Funds Act

- Ordinance on the conditions of establishment and operation of and reporting by a branch of a pension company from an OECD member country in the Republic of Croatia ([**Official Gazette, No 153/2025**](#))

Ordinances adopted under the Act on Pension Insurance Companies

- Ordinance on emergency reserves of the pension insurance company ([**Official Gazette, No 117/2025**](#))
- Ordinance amending the Ordinance on the requirements for membership of management and supervisory boards of pension insurance companies ([**Official Gazette, No 153/25**](#))

- Ordinance amending the Ordinance on the requirements for performing a key function in a pension insurance company ([Official Gazette, No 153/25](#))
- Ordinance amending the Ordinance on the requirements for issuing authorisation and approval for the acquisition of a qualifying holding in a pension insurance company ([Official Gazette, No 153/2025](#))
- Ordinance amending the Ordinance on audit in pension insurance companies ([Official Gazette, No 139/2025](#))
- Ordinance on the professional training and examinations taken by candidates for certified pension fund managers and in order to acquire qualifications to manage pension insurance companies ([Official Gazette, No 56/2025](#))
- Ordinance amending the Ordinance on the structure and contents of financial statements and additional reports of pension insurance companies ([Official Gazette, No 155/2025](#))

Ordinances adopted under the Act Implementing Regulation (EU) 2019/1238 on a pan-European Personal Pension Product (PEPP)

- Decision on the manner of delivery of the depositary notification on the identified irregularities and/or illegalities in the operations of a PEPP provider ([Official Gazette, No 30/2025](#))

Ordinances adopted under the Insurance Act

- Ordinance on the conditions for performing the functions of a member of the management board, a member of the supervisory board and a procurator of an insurance company or reinsurance company, and of an authorized representative of a branch of an insurance company or reinsurance company ([Official Gazette, No 157/2025](#))
- Ordinance on the form and contents of periodic statistical reports by third-county distributors ([Official Gazette, No 92/2025](#))
- Ordinance on the qualitative investment requirements for insurance companies and reinsurance companies ([Official Gazette, No 157/2025](#))
- Ordinance amending the Ordinance on the structure and contents of financial statements and additional reports of insurance companies and reinsurance companies ([Official Gazette, No 153/2025](#))
- Ordinance on the form and contents of financial statements and statistical reports of persons having a licence to pursue insurance distribution business and/or reinsurance distribution business ([Official Gazette, No 153/2025](#))

Ordinances adopted under the Act Implementing Regulation (EU) 2023/1114 on Markets in Crypto-Assets

- Ordinance on issuing authorisations to crypto-asset service providers, assessment of qualifying holding acquisition and issuing approval for management board members ([Official Gazette, No 95/2025](#))
- Ordinance on mystery shopping activities targeting crypto-asset service providers ([Official Gazette, No 129/2025](#))

- Ordinance on filing complaints against issuers or persons seeking admission to trading of crypto-assets other than asset-referenced tokens and e-money tokens, as well as against crypto-asset service providers, and on complaints-handling procedures of the Croatian Financial Services Supervisory Agency ([**Official Gazette, No 129/2025**](#))
- Ordinance on the structure and contents of financial statements of crypto-asset service providers ([**Official Gazette, No 153/2025**](#))
- Ordinance on the prudential requirements for crypto-asset service providers referred to in Article 67 of Regulation (EU) 2023/1114 ([**Official Gazette, No 153/2025**](#))
- Ordinance on supervisory reports for legal persons authorised to provide crypto-asset services ([**Official Gazette, No 153/2025**](#))
- Ordinance on the audit of crypto-asset service providers ([**Official Gazette, No 157/2025**](#))
- Ordinance on the protection of assets of crypto-asset service providers' clients ([**Official Gazette, No 157/2025**](#))

Ordinances adopted under the Leasing Act

- Ordinance amending the Ordinance on the capital of leasing companies ([**Official Gazette, No 139/2025**](#))

Ordinances adopted under the Anti-Money Laundering and Terrorist Financing Act

- Ordinance amending the Ordinance on supervisory reports and information on matters relevant for the exercise of supervision or for monitoring compliance of obliged entities within the meaning of the law on the prevention of money laundering and terrorist financing ([**Official Gazette, No 153/2025**](#))

Ordinances adopted under the Act on the Croatian Financial Services Supervisory Agency

- Ordinance on the calculation, amount and charging of fees paid to the Croatian Financial Services Supervisory Agency for the year 2026 ([**Official Gazette, No 157/2025**](#))
- Ordinance on the type and amount of fees paid to the Croatian Financial Services Supervisory Agency ([**Official Gazette, No 157/2025**](#))

Appendix 2 Hanfa's financial operations

Hanfa's balance sheet as at 31 December 2025

In EUR thousand

Account from the Chart of Accounts	ITEM	AD P	As at 1 January	As at 31 December	Index (5/4)
1	2	3	4	5	6
ASSETS					
	ASSETS (ADP 002+074)	1	4,588.1	6,203.3	135.2
0	Non-financial assets (ADP 003+018+047+051+055+064)	2	929.8	1,219.9	131.2
01	Non-produced fixed assets (ADP 004+008-017)	3	2.6	157.9	5,994.7
011	Tangible assets - natural resources (ADP 005 to 007)	4	0.0	0.0	-
0111	Land	5	0.0	0.0	-
0112	Mineral resources	6	0.0	0.0	-
0113	Other tangible assets (natural resources)	7	0.0	0.0	-
012	Intangible assets (ADP 009 to 016)	8	591.5	649.9	109.9
0121	Patents	9	0.0	0.0	-
0122	Concessions	10	0.0	0.0	-
0123	Licences	11	417.5	410.0	98.2
0124	Other rights	12	174.0	239.9	137.9
0125	Goodwill	13	0.0	0.0	-
0126	Formation expenses	14	0.0	0.0	-
0127	Research and development	15	0.0	0.0	-
0128	Other intangible assets	16	0.0	0.0	-
019	Value adjustment for non-produced fixed	17	588.9	492.0	83.5
02	Produced fixed assets (ADP 019+023+031+034+039+042-046)	18	922.6	1,056.3	114.5
021	Buildings (ADP 020 to 022)	19	473.1	473.1	100.0
0211	Houses	20	0.0	0.0	-
0212	Commercial buildings	21	458.0	458.0	100.0
0213	Other buildings	22	15.1	15.1	100.0
022	Plant and equipment	23	1,984.8	2,270.1	114.4
0221	Office equipment and furniture	24	1,811.8	2,027.9	111.9
0222	Telecommunications equipment	25	97.0	119.6	123.2
0223	Maintenance and security equipment	26	49.3	57.7	117.0
0224	Medical and laboratory equipment	27	0.0	0.0	-
0225	Instruments and machines	28	8.7	19.8	227.7
0226	Sports and musical equipment	29	0.0	0.0	-
0227	Machines and equipment for other purposes	30	18.0	45.1	250.8
023	Means of transportation (ADP 032+033)	31	36.3	21.3	58.7
0231	Means of road transportation	32	36.3	21.3	58.7
0232	Other means of transportation	33	0.0	0.0	-
024	Books, artwork and other exhibits (ADP 035 to 038)	34	20.3	20.3	100.0
0241	Library books	35	0.0	0.0	-
0242	Works of art (in galleries, museums etc.)	36	20.3	20.3	100.0
0243	Museum exhibits and objects of natural rarities	37	0.0	0.0	-
0244	Other exhibits	38	0.0	0.0	-

025	Growing crops and live stock (ADP 040+041)	39	0.0	0.0	-
0251	Growing crops	40	0.0	0.0	-
0252	Live stock	41	0.0	0.0	-
026	Intangible produced assets (ADP 043 to 045)	42	1,044.5	1,056.3	101.1
0261	Software investments	43	1,044.5	1,056.3	101.1
0262	Works of art, literary and scientific works	44	0.0	0.0	-
0263	Other intangible produced assets	45	0.0	0.0	-
029	Value adjustment for produced fixed	46	2,636.5	2,784.8	105.6
03	Precious metals and other valuables (ADP 048)	47	0.0	0.0	-
031	Precious metals and other valuables (ADP 049+050)	48	0.0	0.0	-
0311	Precious metals and precious stones	49	0.0	0.0	-
0312	Archived books, works of art and similar	50	0.0	0.0	-
04	Small inventory (ADP 052+053-054)	51	0.0	0.0	-
041	Small inventory on stock	52	0.0	0.0	-
042	Small inventory in use	53	128.6	123.8	96.2
049	Value adjustment for small inventory	54	128.6	123.8	96.2
05	Non-financial assets - work in progress (ADP 056 to 059+062+063)	55	0.0	0.0	-
051	Buildings - work in progress	56	0.0	0.0	-
052	Plant and equipment - work in progress	57	0.0	0.0	-
053	Means of transportation - work in progress	58	0.0	0.0	-
054	Growing crops and livestock - work in progress (ADP 060+061)	59	0.0	0.0	-
0541	Growing crops - work in progress	60	0.0	0.0	-
0542	Live stock - work in progress	61	0.0	0.0	-
055	Other intangible produced assets - work in progress	62	0.0	0.0	-
056	Other intangible assets - work in progress	63	0.0	0.0	-
06	Produced current assets (ADP 065+070+073)	64	4.6	5.7	123.4
061	Inventories for the pursuit of activities (ADP 066 to 069)	65	4.6	5.7	123.4
0611	Inventories for redistribution	66	0.0	0.0	-
0612	Materials inventory for regular needs	67	4.6	5.7	123.4
0613	Spare parts inventory	68	0.0	0.0	-
0614	Materials inventory for special needs	69	0.0	0.0	-
062	Production and products	70	0.0	0.0	-
0621	Production in progress	71	0.0	0.0	-
0622	Finished goods	72	0.0	0.0	-
063	Goods for resale	73	0.0	0.0	-
1	Financial assets (ADP 075 +083+100+105+125+133+142)	74	3,658.3	4,983.5	136.2
11	Cash at bank and in hand	75	2,158.2	4,607.2	213.5
111	Cash at bank (ADP 077 to 079)	76	2,157.6	4,606.7	213.5
1111	Cash in the account with domestic commercial banks	77	2,157.6	4,606.7	213.5
1112	Cash in the account with foreign commercial banks	78	0.0	0.0	-
1113	Interim account	79	0.0	0.0	-
112	Cash reserved	80	0.0	0.0	-
113	Cash in hand	81	0.6	0.5	90.6
114	Securities in hand	82	0.0	0.0	-
12	Deposits, guarantee deposits, employee receivables and receivables for prepaid taxes, and other (ADP 084+087+088+089+095)	83	1,287.4	110.8	8.6

121	Deposits with banks and other financial institutions (ADP 085+086)	84	1,200.0	0.0	0.0
1211	Deposits with domestic banks and other financial institutions	85	1,200.0	0.0	0.0
1212	Deposits with foreign banks and other financial institutions	86	0.0	0.0	-
122	Guarantee deposits	87	80.1	80.1	100.0
123	Employee receivables	88	1.3	1.6	125.7
124	Receivables for prepaid taxes and contributions (ADP 090 to 094)	89	0.0	0.5	-
1241	Receivables for prepaid taxes	90	0.0	0.5	-
1242	Value-added tax receivables	91	0.0	0.0	-
1243	Receivables for prepaid duties and customs duties	92	0.0	0.0	-
1244	Receivables for prepaid other taxes	93	0.0	0.0	-
1245	Receivables for prepaid contributions	94	0.0	0.0	-
129	Other receivables (ADP 096 to 099)	95	6.0	28.6	474.0
1291	Receivables for refundable benefits	96	3.2	6.4	202.9
1292	Receivables for damages	97	0.0	0.0	-
1293	Receivables for advance payments	98	2.0	22.2	1,113.6
1294	Other receivables	99	0.9	0.0	0.0
13	Loans (ADP101+102+103-104)	100	0.0	0.0	-
131	Loans to citizens and households	101	0.0	0.0	-
132	Loans to legal entities engaged in entrepreneurial activity	102	0.0	0.0	-
133	Loans to other entities	103	0.0	0.0	-
139	Impairment of loan receivables	104	0.0	0.0	-
14	Securities (ADP 106 +109+112+115+118+121-124)	105	0.0	0.0	-
141	Cheques (ADP 107+108)	106	0.0	0.0	-
1411	Cheques – domestic	107	0.0	0.0	-
1412	Cheques – foreign	108	0.0	0.0	-
142	Commercial papers and treasury bills (ADP 110+111)	109	0.0	0.0	-
1421	Commercial papers and treasury bills – domestic	110	0.0	0.0	-
1422	Commercial papers and treasury bills – foreign	111	0.0	0.0	-
143	Bills of exchange (ADP 113+114)	112	0.0	0.0	-
1431	Bills of exchange – domestic	113	0.0	0.0	-
1432	Bills of exchange – foreign	114	0.0	0.0	-
144	Bonds (ADP 116+117)	115	0.0	0.0	-
1441	Bonds – domestic	116	0.0	0.0	-
1442	Bonds – foreign	117	0.0	0.0	-
145	Options and other financial derivatives (ADP 119+120)	118	0.0	0.0	-
1451	Options and other financial derivatives – domestic	119	0.0	0.0	-
1452	Options and other financial derivatives – foreign	120	0.0	0.0	-
146	Other securities (ADP 122+123)	121	0.0	0.0	-
1461	Other domestic securities	122	0.0	0.0	-
1462	Other foreign securities	123	0.0	0.0	-
149	Value adjustment for securities	124	0.0	0.0	-
15	Shares and participations in equity (ADP 126+129-132)	125	0.0	0.0	-
151	Shares and participations in equity of banks and other financial institutions (ADP 127+128)	126	0.0	0.0	-
1511	Shares and participations in equity of domestic banks and other financial institutions	127	0.0	0.0	-
1512	Shares and participations in equity of foreign banks and other financial institutions	128	0.0	0.0	-

152	Shares and participations in equity of companies (ADP 130+131)	129	0.0	0.0	-
1521	Shares and participations in equity of domestic companies	130	0.0	0.0	-
1522	Shares and participations in equity of foreign companies	131	0.0	0.0	-
159	Value adjustment for shares and participations in equity	132	0.0	0.0	-
16	Income receivables (ADP 134 to 137+140-	133	0.0	0.0	-
161	Customer receivables	134	0.0	0.0	-
162	Receivables for membership fees and membership contributions	135	0.0	0.0	-
163	Receivables for income under special regulations	136	0.0	0.0	-
164	Receivables for income from assets (ADP 138+139)	137	0.0	0.0	-
1641	Receivables for income from financial	138	0.0	0.0	-
1642	Receivables for income from non-financial assets	139	0.0	0.0	-
165	Other receivables	140	0.0	0.0	-
169	Value adjustment for receivables	141	0.0	0.0	-
19	Prepayments and accrued income (ADP 143+144)	142	212.7	265.4	124.8
191	Prepayments	143	212.7	265.4	124.8
192	Accrued income	144	0.0	0.0	-
LIABILITIES AND OWN SOURCES					
	Liabilities and own sources (ADP 146+195)	145	4,588.1	6,203.3	135.2
2	Liabilities (ADP 147+174+182+190)	146	1,690.4	2,557.8	151.3
24	Liabilities for expenditures (ADP 148+156+164+168+169+170)	147	1,614.3	2,435.1	150.8
241	Liabilities for employees (ADP 149 to 155)	148	1,252.5	1,821.3	145.4
2411	Liabilities for salaries – net	149	348.8	442.9	127.0
2412	Liabilities for salary compensations – net	150	49.8	42.1	84.5
2413	Liabilities for salaries in kind – net	151	0.0	0.0	-
2414	Liabilities for tax and surtax on salaries	152	71.6	96.2	134.4
2415	Liabilities for contributions from salaries	153	117.5	150.0	127.7
2416	Liabilities for contributions on salaries	154	89.2	118.8	133.2
2417	Other liabilities for employees	155	575.6	971.2	168.7
242	Liabilities for material expenses (ADP 157 to 163)	156	320.0	522.2	163.2
2421	Costs for employees	157	8.0	9.8	123.5
2422	Remuneration for members of representative and executive bodies, committees etc.	158	0.0	0.0	-
2423	Remuneration for volunteers	159	0.0	0.0	-
2424	Costs for external staff	160	0.0	0.0	-
2425	Liabilities towards domestic suppliers	161	251.8	430.6	171.0
2426	Liabilities towards foreign suppliers	162	55.7	80.4	144.4
2429	Other liabilities for financing operating expenses	163	4.6	1.3	28.6
244	Liabilities for financial expenses (ADP 165 to 167)	164	0.0	0.0	-
2441	Liabilities for interest on issued securities	165	0.0	0.0	-
2442	Liabilities for interest on credits and loans received	166	0.0	0.0	-
2443	Liabilities for other financial expenses	167	0.0	0.0	-
245	Liabilities for financial aid funds collected	168	0.0	0.0	-
246	Liabilities for penalties and damages	169	0.0	0.0	-
249	Other liabilities (ADP 171 to 173)	170	41.8	91.6	219.5
2491	Liabilities for taxes	171	0.0	0.0	-
2492	Liabilities for value-added tax	172	1.3	0.9	71.6

2493	Liabilities for prepayments, deposits, caution money received and other	173	40.5	90.7	224.1
25	Liabilities for securities (ADP 175+178-181)	174	0.0	0.0	-
251	Liabilities for cheques (ADP 176+177)	175	0.0	0.0	-
2511	Liabilities for cheques – domestic	176	0.0	0.0	-
2512	Liabilities for cheques – foreign	177	0.0	0.0	-
252	Liabilities for bills of exchange (ADP	178	0.0	0.0	-
2521	Liabilities for bills of exchange – domestic	179	0.0	0.0	-
2522	Liabilities for bills of exchange – foreign	180	0.0	0.0	-
259	Value adjustment for securities liabilities	181	0.0	0.0	-
26	Liabilities for credits and loans (ADP 183+186-189)	182	0.0	0.0	-
261	Liabilities for bank credits and credits from other creditors (ADP 184+185)	183	0.0	0.0	-
2611	Liabilities for domestic credits	184	0.0	0.0	-
2612	Liabilities for foreign credits	185	0.0	0.0	-
262	Liabilities for commodity and other loans (ADP 187+188)	186	0.0	0.0	-
2621	Liabilities for domestic loans	187	0.0	0.0	-
2622	Liabilities for foreign loans	188	0.0	0.0	-
269	Value adjustment for liabilities for credits and loans	189	0.0	0.0	-
29	Accrued expenses and deferred income	190	76.1	122.7	161.3
291	Accrued expenses	191	76.0	122.7	161.4
292	Deferred income (ADP 193+194)	192	0.1	0.0	0.0
2921	Accrued income	193	0.0	0.0	-
2922	Deferred income	194	0.1	0.0	0.0
5	Own sources (ADP 196+199-200)	195	2,897.8	3,645.6	125.8
51	Own sources (ADP 197+198)	196	275.4	269.7	97.9
511	Own sources	197	275.4	269.7	97.9
512	Revaluation reserves	198	0.0	0.0	-
5221	Excess of income	199	2,622.4	3,375.9	128.7
5222	Income deficit	200	0.0	0.0	-
OFF-BALANCE SHEET ITEMS					
61	Off-balance sheet items – assets	201	162.7	180.0	110.6
62	Off-balance sheet items – liabilities	202	162.7	180.0	110.6

Statement of Hanfa's income and expenditure for the period from 1 January 2025 to 31 December 2025

In EUR thousand

Account from the Chart of	ITEM	ADP	Realised in the previous year	Realised in the reporting period	Index (5/4)
1	2	3	4	5	6
INCOME					
3	INCOME (ADP 002 +005+008+011+024+040+049)	1	13,930.8	18,102.2	129.9
31	Income from the sale of goods and provision of services	2	0.0	0.0	-
3111	Income from the sale of goods	3	0.0	0.0	-
3112	Income from the provision of services	4	0.0	0.0	-
32	Income from membership fees and membership contributions	5	0.0	0.0	-
3211	Membership fees	6	0.0	0.0	-
3212	Membership contributions	7	0.0	0.0	-
33	Income under special regulations (ADP 009+010)	8	13,872.0	18,048.0	130.1
3311	Income under special regulations from the state budget	9	0.0	0.0	-
3312	Income under special regulations from other sources	10	13,872.0	18,048.0	130.1
34	Income from assets (ADP 012+021)	11	37.3	32.8	87.9
341	Income from financial assets (ADP 013 to 020)	12	37.3	32.8	87.9
3411	Interest income from loans granted	13	0.0	0.0	-
3412	Income from interest on securities	14	0.0	0.0	-
3413	Interest on time deposits and demand deposits	15	35.8	32.6	90.9
3414	Income from default interest	16	0.0	0.0	-
3415	Income from positive exchange rate differences	17	1.5	0.2	13.5
3416	Dividend income	18	0.0	0.0	-
3417	Income from profits of companies, banks and other financial institutions under special regulations	19	0.0	0.0	-
3418	Other income from financial assets	20	0.0	0.0	-
342	Income from non-financial assets (ADP 022+023)	21	0.0	0.0	-
3421	Income from leases and rents	22	0.0	0.0	-
3422	Other income from non-financial assets	23	0.0	0.0	-
35	Income from donations (ADP 025+030+033+036+037)	24	0.1	0.1	100.0
351	Income from donations from the budget (ADP 026 to 029)	25	0.0	0.0	-
3511	Income from donations from the state budget	26	0.0	0.0	-
3512	Income from donations from bodies of local and regional self-government	27	0.0	0.0	-
3513	Income from donations from the state budget for EU projects	28	0.0	0.0	-
3514	Income from donations from bodies of local and regional self-government for EU projects	29	0.0	0.0	-
352	Income from foreign governments and international organisations (ADP 031+032)	30	0.0	0.0	-
3521	Income from foreign governments and international organisations	31	0.0	0.0	-
3522	Income from EU institutions and bodies	32	0.0	0.0	-
353	Income from companies and other legal persons (ADP 034+035)	33	0.1	0.1	100.0
3531	Income from companies and other legal persons	34	0.1	0.1	100.0
3532	Income from companies and other legal persons for EU projects	35	0.0	0.0	-
354	Income from citizens and households	36	0.0	0.0	-
355	Other income from donations (ADP 038+039)	37	0.0	0.0	-
3551	Other income from donations	38	0.0	0.0	-

3552	Other income from donations for EU projects	39	0.0	0.0	-
36	Other income (ADP 041+044+045)	40	21.4	21.3	99.5
361	Income from damages and refunds (ADP 042+043)	41	17.8	10.8	60.7
3611	Income from damages	42	0.0	0.0	-
3612	Income from refunds	43	17.8	10.8	60.7
362	Income from the sale of fixed assets	44	2.6	10.2	396.8
363	Other income (ADP 046 to 048)	45	1.1	0.3	31.7
3631	Liability write-off	46	0.0	0.3	>>100
3632	Receivables written off	47	0.0	0.0	-
3633	Other income	48	1.1	0.0	0.0
37	Income from related non-profit organisations (ADP 050 to 053)	49	0.0	0.0	-
3711	Current income from related non-profit organisations	50	0.0	0.0	-
3712	Capital income from related non-profit organisations	51	0.0	0.0	-
3713	Current income from related non-profit organisations for EU projects	52	0.0	0.0	-
3714	Capital income from related non-profit organisations for EU projects	53	0.0	0.0	-
EXPENDITURE					
4	EXPENSES (ADP 055 +067+108+109+120+128+139)	54	13,617.4	17,035.3	125.1
41	Employee expenses (ADP 056+061+062)	55	8,576.7	10,988.7	128.1
411	Salaries (ADP 057 to 060)	56	6,512.3	7,983.5	122.6
4111	Salaries for regular work	57	6,387.1	7,847.1	122.9
4112	Salaries in kind	58	73.8	94.1	127.5
4113	Salaries for overtime work	59	51.4	42.4	82.4
4114	Salaries for extraordinary working conditions	60	0.0	0.0	-
412	Other employee expenses	61	1,086.5	1,752.5	161.3
413	Contributions on salaries (ADP 063 to 066)	62	977.9	1,252.7	128.1
4131	Contributions for health insurance	63	977.9	1,252.7	128.1
4132	Employment contributions	64	0.0	0.0	-
4133	Pension insurance contributions paid by the employer	65	0.0	0.0	-
4134	Special contributions for stimulating employment of people with disabilities	66	0.0	0.0	-
42	Material expenses (ADP 068+072+077+082+087+097+102)	67	4,567.2	5,528.1	121.0
421	Employees' costs (ADP 069 to 071)	68	489.1	582.4	119.1
4211	Business trips	69	292.6	350.0	119.6
4212	Travel, field and separate maintenance allowance	70	120.2	116.7	97.0
4213	Employees' professional training	71	76.3	115.7	151.6
422	Remuneration for members of representative and executive bodies, committees etc. (ADP 073 to 076)	72	6.6	8.0	120.8
4221	Remuneration for regular activities	73	6.6	8.0	120.8
4222	Business travel costs	74	0.0	0.0	-
4223	Other costs	75	0.0	0.0	-
4224	Other remuneration	76	0.0	0.0	-
423	Remuneration to volunteers (ADP 078 to 081)	77	0.0	0.0	-
4231	Remuneration for regular operations	78	0.0	0.0	-
4232	Business travel costs	79	0.0	0.0	-
4233	Other costs	80	0.0	0.0	-
4234	Other remuneration	81	0.0	0.0	-
424	Remuneration to external staff (ADP 083 to 086)	82	35.1	38.6	110.0
4241	Remuneration for regular activities	83	33.5	37.0	110.4
4242	Business travel costs	84	1.6	1.6	101.3
4243	Other costs	85	0.0	0.0	-
4244	Other remuneration	86	0.0	0.0	-
425	Expenses for services (ADP 088 to 096)	87	2,500.2	3,095.4	123.8
4251	Telephone, postal and transport services	88	106.3	117.2	110.2
4252	Daily and investment maintenance services	89	414.3	586.9	141.7
4253	Promotional and information services	90	95.5	121.6	127.4
4254	Public utility services	91	159.1	194.0	122.0
4255	Leases and rents	92	760.9	844.6	111.0
4256	Health care and veterinary services	93	15.9	63.6	399.0
4257	Intellectual and personal services	94	168.3	411.0	244.1
4258	IT services	95	392.0	250.6	63.9
4259	Other services	96	387.9	506.0	130.4

426	Rashodi za materijal i energiju (AOP 098 do 101)	97	231,8	294,2	126,9
4261	Uredski materijal i ostali materijalni rashodi	98	105,7	149,2	141,2
4262	Materijal i sirovine	99	0,0	0,0	-
4263	Energija	100	119,9	134,9	112,6
4264	Sitan inventar i auto gume	101	6,2	10,0	162,2
429	Ostali nespomenuti materijalni rashodi (AOP 103 do 107)	102	1.304,4	1.509,5	115,7
4291	Premije osiguranja	103	16,3	17,6	108,2
4292	Reprezentacija	104	65,3	131,1	200,7
4293	Članarine	105	1.221,3	1.360,0	111,4
4294	Kotizacije	106	1,5	0,8	53,7
4295	Ostali nespomenuti materijalni rashodi	107	0,0	0,0	-
43	Rashodi amortizacije	108	286,2	301,2	105,2
44	Financijski rashodi (AOP 110+111+115)	109	12,7	12,8	101,1
441	Kamate za izdane vrijednosne papire	110	0,0	0,0	-
442	Kamate za primljene kredite i zajmove (AOP 112 do 114)	111	0,0	0,0	-
4421	Kamate za primljene kredite banaka i ostalih kreditora	112	0,0	0,0	-
4422	Kamate za primljene robne i ostale zajmove	113	0,0	0,0	-
4423	Kamate za odobrene, a nerealizirane kredite i zajmove	114	0,0	0,0	-
443	Ostali financijski rashodi (AOP 116 do 119)	115	12,7	12,8	101,1
4431	Bankarske usluge i usluge platnog prometa	116	7,7	8,9	116,3
4432	Negativne tečajne razlike i valutna klauzula	117	5,0	3,8	77,5
4433	Zatezne kamate	118	0,0	0,0	8,2
4434	Ostali nespomenuti financijski rashodi	119	0,0	0,0	-
45	Donacije (AOP 121+125)	120	15,6	20,4	130,4
451	Tekuće donacije (AOP 122 do 124)	121	15,6	20,4	130,4
4511	Tekuće donacije	122	3,8	3,8	99,9
4512	Stipendije	123	11,8	16,6	140,2
4513	Tekuće donacije iz EU sredstava	124	0,0	0,0	-
452	Kapitalne donacije (AOP 126+127)	125	0,0	0,0	-
4521	Kapitalne donacije	126	0,0	0,0	-
4522	Kapitalne donacije iz EU sredstava	127	0,0	0,0	-
46	Ostali rashodi (AOP 129+134)	128	159,0	184,1	115,8
461	Kazne, penali i naknade štete (AOP 130 do 133)	129	0,0	0,0	-
4611	Naknade šteta pravnim i fizičkim osobama	130	0,0	0,0	-
4612	Penali, ležarine i drugo	131	0,0	0,0	-
4613	Naknade šteta radnicima	132	0,0	0,0	-
4614	Ugovorene kazne i ostale naknade šteta	133	0,0	0,0	-
462	Ostali nespomenuti rashodi (AOP 135 do 138)	134	159,0	184,1	115,8
4621	Neotpisana vrijednost i drugi rashodi otuđene i rashodovane dugotrajne imovine	135	1,0	4,1	428,4
4622	Otpisana potraživanja	136	0,0	0,0	-
4623	Rashodi za ostala porezna davanja	137	0,8	0,8	101,0
4624	Ostali nespomenuti rashodi	138	157,3	179,3	114,0
47	Rashodi vezani uz financiranje povezanih neprofitnih organizacija (AOP 140 do 143)	139	0,0	0,0	-
4711	Tekući rashodi vezani uz financiranje povezanih neprofitnih organizacija	140	0,0	0,0	-
4712	Kapitalni rashodi vezani uz financiranje povezanih neprofitnih organizacija	141	0,0	0,0	-
4713	Tekući rashodi vezani uz financiranje povezanih neprofitnih organizacija za EU projekte	142	0,0	0,0	-
4714	Kapitalni rashodi vezani uz financiranje povezanih neprofitnih organizacija za EU projekte	143	0,0	0,0	-
	Stanje zaliha proizvodnje i gotovih proizvoda na početku razdoblja	144	0,0	0,0	-
	Stanje zaliha proizvodnje i gotovih proizvoda na kraju razdoblja	145	0,0	0,0	-
	Povećanje zaliha proizvodnje i gotovih proizvoda (AOP 145-144)	146	0,0	0,0	-
	Smanjenje zaliha proizvodnje i gotovih proizvoda (AOP 144-145)	147	0,0	0,0	-
	UKUPNI RASHODI (AOP 054-146 ili 054+147)	148	13.617,4	17.035,3	125,1
	VIŠAK PRIHODA (AOP 001-148)	149	313,4	1.066,9	340,4

426	Expenses for material and energy (ADP 098 to 101)	97	231.8	294.2	126.9
4261	Stationery and other material expenses	98	105.7	149.2	141.2
4262	Raw materials and consumables	99	0.0	0.0	-
4263	Energy	100	119.9	134.9	112.6
4264	Small inventory and car tires	101	6.2	10.0	162.2
429	Other material expenses (ADP 103 to 107)	102	1,304.4	1,509.5	115.7
4291	Insurance premiums	103	16.3	17.6	108.2
4292	Representation	104	65.3	131.1	200.7
4293	Membership fees	105	1,221.3	1,360.0	111.4
4294	Participation fees	106	1.5	0.8	53.7
4295	Other material expenditure	107	0.0	0.0	-
43	Depreciation expenditure	108	286.2	301.2	105.2
44	Financial expenses (ADP 110+111+115)	109	12.7	12.8	101.1
441	Interest on securities issued	110	0.0	0.0	-
442	Interest on credits and loans received (ADP 112 to 114)	111	0.0	0.0	-
4421	Interest on credits received from banks and other creditors	112	0.0	0.0	-
4422	Interest on received commodity and other loans	113	0.0	0.0	-
4423	Interest on approved, unconsumed credits and loans	114	0.0	0.0	-
443	Other financial expenses (ADP 116 to 119)	115	12.7	12.8	101.1
4431	Banking and payment system services	116	7.7	8.9	116.3
4432	Negative exchange rate differences and currency clause	117	5.0	3.8	77.5
4433	Default interest	118	0.0	0.0	8.2
4434	Other material expenditure	119	0.0	0.0	-
45	Donations (ADP 121+125)	120	15.6	20.4	130.4
451	Current donations (ADP 122 to 124)	121	15.6	20.4	130.4
4511	Current donations	122	3.8	3.8	99.9
4512	Scholarships	123	11.8	16.6	140.2
4513	Current donations from EU funds	124	0.0	0.0	-
452	Capital donations (ADP 126+127)	125	0.0	0.0	-
4521	Capital donations	126	0.0	0.0	-
4522	Capital donations from EU funds	127	0.0	0.0	-
46	Other expenses (ADP 129+134)	128	159.0	184.1	115.8
461	Fines, penalties and indemnities (ADP 130 to 133)	129	0.0	0.0	-
4611	Compensation for financial losses given to legal and natural persons	130	0.0	0.0	-
4612	Penalties, storage charges and other	131	0.0	0.0	-
4613	Indemnities for employees	132	0.0	0.0	-
4614	Agreed fines and other compensations for damage	133	0.0	0.0	-
462	Other financial expenses (ADP 135 to 138)	134	159.0	184.1	115.8
4621	Net book value and other expenses for retired and disposed fixed assets	135	1.0	4.1	428.4
4622	Receivables written off	136	0.0	0.0	-
4623	Expenses for other tax levies	137	0.8	0.8	101.0
4624	Other expenses	138	157.3	179.3	114.0
47	Expenses for the funding of related non-profit organisations (ADP 140 to 143)	139	0.0	0.0	-
4711	Current expenses for the funding of related non-profit organisations	140	0.0	0.0	-
4712	Capital expenses for the funding of related non-profit organisations	141	0.0	0.0	-
4713	Current expenses for the funding of related non-profit organisations for EU projects	142	0.0	0.0	-
4714	Capital expenses for the funding of related non-profit organisations for EU projects	143	0.0	0.0	-
	Production and finished goods inventory at the beginning of the period	144	0.0	0.0	-
	Production and finished goods inventory at the end of the period	145	0.0	0.0	-
	Increase in production and finished goods inventory (ADP 145-144)	146	0.0	0.0	-
	Decrease in production and finished goods inventory (ADP 144-145)	147	0.0	0.0	-
	TOTAL EXPENSES (ADP 054-146 or 054+147)	148	13,617.4	17,035.3	125.1
	EXCESS OF INCOME (ADP 001-148)	149	313.4	1,066.9	340.4

	DEFICIENCY OF INCOME (ADP 148-001)	150	0.0	0.0	-
5221	Excess of income – transferred	151	2,308.9	2,308.9	100.0
5222	Income deficit – transferred	152	0.0	0.0	-
	Income tax liabilities	153	0.0	0.0	-
	Surplus income available in the following period (ADP 149+151-150-152-153)	154	2,622.4	3,375.9	128.7
	Deficit of income for the coverage in the following period (AOP 150+152-149-151+153)	155	0.0	0.0	-
Additional data					
11	Cash at the beginning of the year	156	2,078.4	2,158.2	103.8
11-payables	Total inflows of cash at bank and in hand	157	16,630.3	23,464.9	141.1
11-receivables	Total outflows of cash at bank and in hand	158	16,550.6	21,015.9	127.0
11	Cash at the end of the period (ADP 156+157-158)	159	2,158.2	4,607.2	213.5
	Average number of employees at the end of the reporting period (whole number)	160	198.0	219.0	110.6
	Average number of employees' working hours	161	186.0	203.0	109.1
	Number of volunteers	162	0.0	0.0	-
	Number of volunteered hours	163	0.0	0.0	-
Value of realised investments in fixed assets					
051	Buildings - work in progress	164	0.0	0.0	-
052	Plant and equipment - work in progress	165	320.9	366.1	114.1
053	Means of transportation - work in progress	166	0.0	0.0	-
054	Growing crops and livestock - work in progress	167	0.0	0.0	-
055	Other intangible produced assets - work in progress	168	105.8	46.3	43.8
056	Other intangible assets - work in progress	169	6.2	10.0	162.2
Item description					
	Inventories	170	4.6	5.7	123.4
	Control sum (ADP 160 to 170)	171	437.9	428.5	97.9

