

## Financial Stability Council holds its 10th session

The Financial Stability Council held its 10th meeting on 22 May 2018 in the Croatian National Bank, chaired by the Governor of the Croatian National Bank, Boris Vujčić, and attended by the Minister of Finance, Zdravko Marić, President of the Board of the Croatian Financial Services Supervisory Agency, Ante Žigman, Chief Executive Officer of the State Agency for Deposit Insurance and Bank Rehabilitation, Marija Hrebac and their associates.

The Members of the Council were informed about the main financial system stability indicators. It was assessed that favourable developments both internationally and domestically have contributed to preserving financial stability. A possible deterioration in the financing conditions in the international markets was underlined as a one of the more significant risks to financial stability, while the influence of the Agrokor crisis was assessed to be limited. Attention was drawn to the rise in the residential real estate prices in 2017 in Croatia. However, this rise has not yet created the imbalances that have occurred in the markets of some EU Member States. The Members of the Council were also informed about the results of the recent stress testing of credit institutions and recent macroprudential activities of the CNB. The situation and trends in the non-banking financial market, especially the inherent risks, were also presented to the Council. The opportunity was used to inform the Council about the results of the stress testing of pension funds, as well as about the trends in the capital, insurance, leasing and factoring market.

The Annual Report on the Council's activity in 2017 was adopted at this session.