Reporting according point 28 of the Communication from the Commission to the Member States on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to Short-Term Export-Credit Insurance (2021/C 497/02)

Report for 2025 (reporting date: 6th July 2026)

1.Regulation

- **Act on the Croatian Bank for Reconstruction and Development (OG 138/06, OG 25/13, OG 55/2026)**
- **Regulation on Export Credit Insurance (OG 53/20)**

Croatian Bank for Reconstruction and Development ("HBOR") has carried out export - credit insurance against non-marketable risks on behalf and for the account of the Republic of Croatia since 1999 according to the Croatian Bank for Reconstruction and Development Act and Regulation on Export Credit Insurance.

Due to lack of insurance and reinsurance capacity on the Croatian market, European Commission in December 2024 has extended the

- **"Exception clause" (State Aid SA.116082 – Croatia, Continuation of the exception clause for HBOR's short-term export credit insurance and reinsurance scheme, 18.12.2024.) allowing HBOR a state intervention (until the end of December 2030) for export-credit insurance and reinsurance for temporarily non-marketable risks for which there is no capacity on the private market. This is in accordance with "Communication from the Commission to the Member States on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to short-term export-credit insurance, 2021/C 497/02 "**

With the „Exception clause" HBOR, as state ECA, is allowed to provide short-term export-credit insurance to exporters established in Croatia who are facing unavailability of cover in the private market for the risks specified in the point 19 (b), (c) and (d) of the Communication, namely coverage for:

- **short-term risks incurred by small and medium-sized enterprises with a total annual export turnover not exceeding EUR 2,5 million,**
- **single-risks with a risk period (manufacturing period plus credit period) of at least 181 days and less than two years, and**
- **temporarily non-marketable risks due to shortage of export-credit insurance.**

2. Basic information on Programs

2.1. The insurance of short-term export receivables

By the Program it is possible to insure export receivables with a risk period of up to two years against temporarily non-marketable commercial and political risks.
In each insured risk, HBOR can participate with the maximum cover of 90%, depending on the risk assessment. For risks taken, HBOR shall charge the exporters the insurance premium that is usually paid monthly, by applying the premium rate to the amount of exported and invoiced value of goods and services. In case of insurance based on an individual export transaction, HBOR shall charge the insurance premium in advance.
HBOR's minimum premium rates are higher than those prescribed by European Commission in point 24 of the Communication.

HBOR's premium rates for temporary non-marketable risks:

Credit rating of foreign buyer	Premium rate (%)	
	Lowest	Highest
Excellent	0,20	0,50

Good	0,41	0,69
Satisfactory	0,91	1,17
Weak	2,31	2,61

HBOR under existing insurance program charges a fee for processing the application for insurance, in accordance with the valid decision on compensation for services performed by HBOR, and the exporter as an applicant for insurance, additionally pays cost for Credit report.

Credit analysis and classification of the buyer are based on the buyer's country, business climate in the country, payment experience of the buyer, and financial information of the buyer. HBOR will apply its standard risk assessment and underwriting procedure, when assessing each transaction or turnover to be covered.

2.2. The insurance of short-term export receivables for SME exporters with annual export turnover up to EUR 2,5 million

HBOR provides Program for the insurance of short-term export receivables for SME exporters with annual export turnover up to EUR 2,5 million as an additional measure of export promotion intended for small exporters and entrepreneurs starting the sale of their products and services in the foreign market with agreed maximum payment terms of up to 180 days. The Program is an additional measure of HBOR for micro and small business entities engaged in export business that should enable them to offer competitive payment terms and conditions to their foreign buyers and protect them from the risk of non-payment.

In each insured risk, HBOR can participate with the maximum share cover of 95%, depending on the risk assessment. For risks taken, HBOR shall charge the exporters the insurance premium. HBOR's minimum premium rates are higher than those prescribed by European Commission in point 24 of the Communication. The sum insured may not exceed EUR 150,000.00. The duration of insurance may be arranged for a period of 3, 6 or 12 months.

HBOR under existing insurance program charges a fee for processing the application for insurance, in accordance with the valid decision on compensation for services performed by HBOR, and the exporter as an applicant for insurance, additionally pays cost for Credit Report.

Credit analysis and classification of the buyer are based on the buyer's country, business climate in the country, payment experience of the buyer, and financial information of the buyer. HBOR will apply its standard risk assessment and underwriting procedure, when assessing each transaction or turnover to be covered.

2.3. The reinsurance of short-term export receivables

By the Program it is possible to reinsure (on the quota share treaty basis) short-term export receivables of private insurers with a risk period of up to two years against temporarily non-marketable commercial and political risks i.e. short-term export receivables of countries for which is not possible to get coverage on the private reinsurance market (risks declared as temporarily non-marketable by the European Commission). For risks taken, HBOR shall charge the insurers percentage of accrued insurance premium in accordance with the established level of reinsurer's cover. Premium charged by HBOR is 30% higher than the premium for the (original) cover provided by a private credit insurer (as per the conditions prescribed by European Commission in point 25 of the Communication). In each insured risk, HBOR can participate with the maximum cover of 90%, depending on the quota share defined in insurance agreement.

2.4. Supplier credit insurance programme

By the Program it is possible to insure export receivables with a risk period of up to two years against temporarily non-marketable commercial and political risks. The most frequent users of this Program are

exporters of capital goods and services (exporters who conclude higher value contracts) which cannot insure their export receivables with private insurers.
In each insured risk, HBOR can participate with the maximum cover of 90%, depending on the risk assessment. For risks taken, HBOR usually charge the exporters the insurance premium which is calculated and charged one-off in advance by applying the premium rate on the amount of the sum insured. HBOR's minimum premium rates are higher than those prescribed by European Commission in point 24 of the Communication.

Credit rating of foreign buyer	**Premium rate (%)**	
	Lowest	**Highest**
Excellent	0,20	0,50
Good	0,41	0,69
Satisfactory	0,91	1,17
Weak	2,31	2,61

HBOR under existing insurance program charges a fee for processing the application for insurance, in accordance with the valid decision on compensation for services performed by HBOR, and the exporter as an applicant for insurance, additionally pays cost for Credit report.

Credit analysis and classification of the buyer are based on the buyer's country, business climate in the country, payment experience of the buyer, and financial information of the buyer. HBOR will apply its standard risk assessment and underwriting procedure, when assessing each transaction to be covered.

3. Data - coverage of temporarily non-marketable risks in 2025.

SHORT – TERM EXPORT CREDIT INSURANCE (temporarily non – marketable risks)	In EUR
Insured business	21.437.822
Insured turnover	44.877.069
Claims paid	45.261
Recoveries	0
Charged premium	243.817
Administrative costs	Application processing fee – charged by HBOR; Fees for Credit report of foreign buyer - charged by rating agency

SHORT-TERM EXPORT CREDIT INSURANCE FOR SME EXPORTERS WITH ANNUAL EXPORT TURNOVER UP TO EUR 2,5 MILLION (temporarily non – marketable risks)	In EUR
Insured business	924.011
Insured turnover	924.011
Claims paid	0
Recoveries	0
Charged premium	13.409
Administrative costs	Application processing fee – charged by HBOR; Fees for Credit report of foreign buyer - charged by rating agency

SHORT – TERM EXPORT CREDIT REINSURANCE (temporarily non – marketable risks)	In EUR
Reinsured turnover	6.959.091
Claims paid	0
Recoveries	0
Charged premium	10.876
Administrative costs	-

SUPPLIER CREDIT INSURANCE PROGRAMME(temporarily non – marketable risks)	In EUR
Insured business	11.325.226
Insured turnover	19.200.243
Claims paid	0
Recoveries	195.346
Charged premium	67.868
Administrative costs	Application processing fee – charged by HBOR; Fees for Credit report of foreign buyer - charged by rating agency