

# Capital Market in Croatia and the prospective of Capital Market development in SEE and Balkan Region

Balkan Forum in Tirana

ZAGREBAČKA BURZA
Zagreb Stock Exchange

Ivana Gažić, CEO
Zagreb Stock Exchange
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# Key Data on Zagreb Stock Exchange

ZAGREBAČKA BURZA
Zagreb Stock Exchange

**16 Members**

**18,4 bn EUR Market Cap of Shares**

**31,4 bn EUR Total Market Cap**

**Market Velocity 1,35%**

**Turnover (2017) 358 m EUR**

**Privately Owned**

**Publicly Listed**

**Founding member SEE LINK**

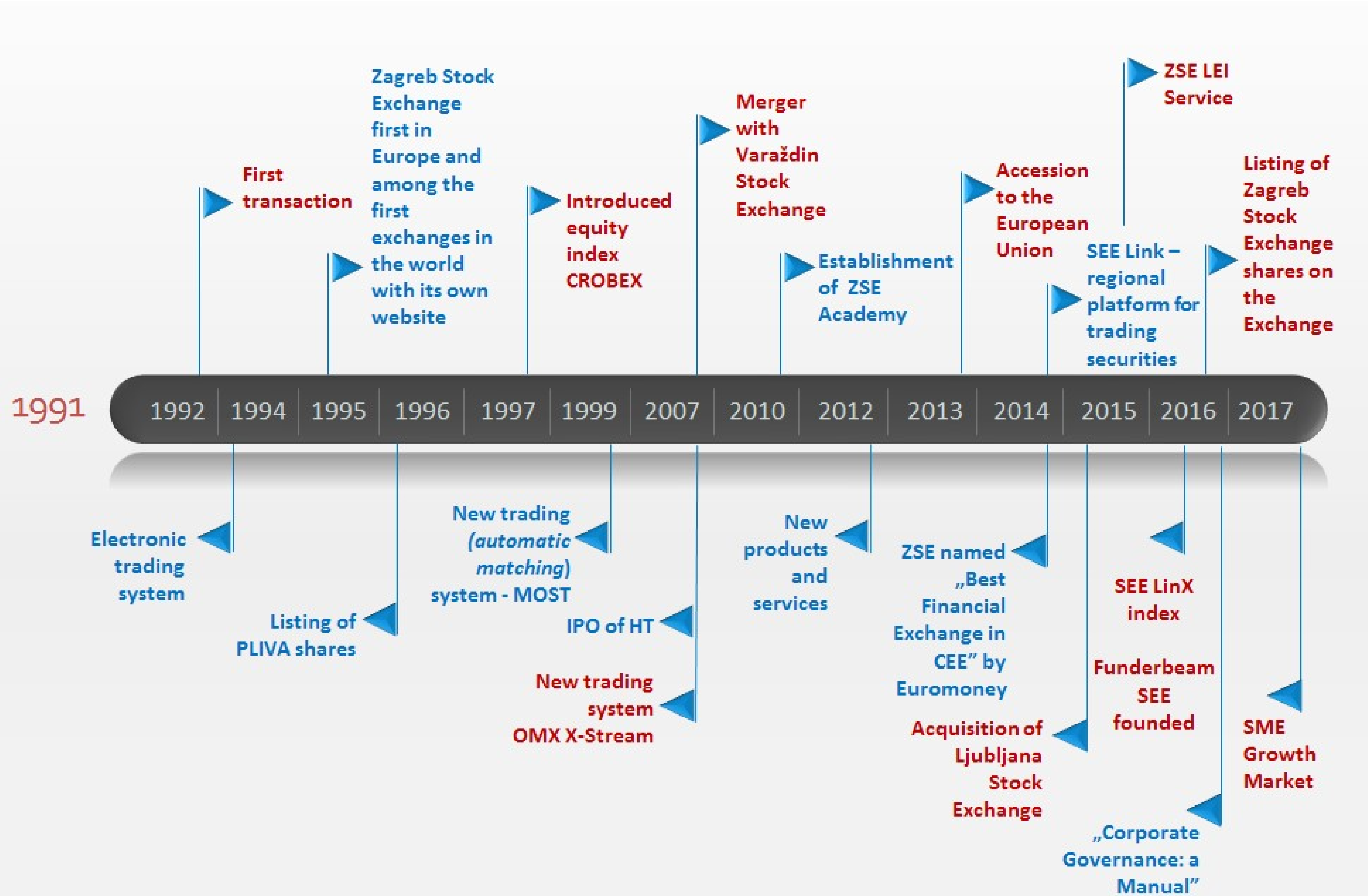
**Founding Member Funderbeam SEE**

**100% Owner of Ljubljana Stock Exchange**

| | Number of listed |
|---|---|
| **Stocks** | **149** |
| Prime Market | 0 |
| Official Market | 28 |
| Regular Market | 121 |
| **Bonds** | 40 |
| **Commercial Bills** | 0 |
| **Structured products** | 0 |
| **ETFs** | 0 |

# Zagreb Stock Exchange Development Path

ZAGREBAČKA BURZA
Zagreb Stock Exchange

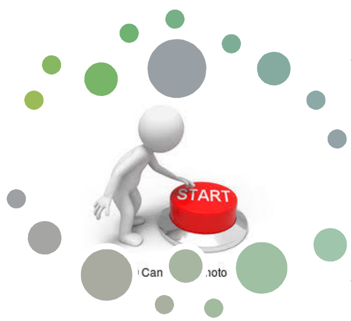


# Zagreb Stock Exchange Strategy: Development platform for companies of all sizes

EXCHANGES

: as a “financial hub” for the funding of companies in all phases of their growth

: focused on all phases of company growth, can be a major economic growth driver.




funderbeam SEE

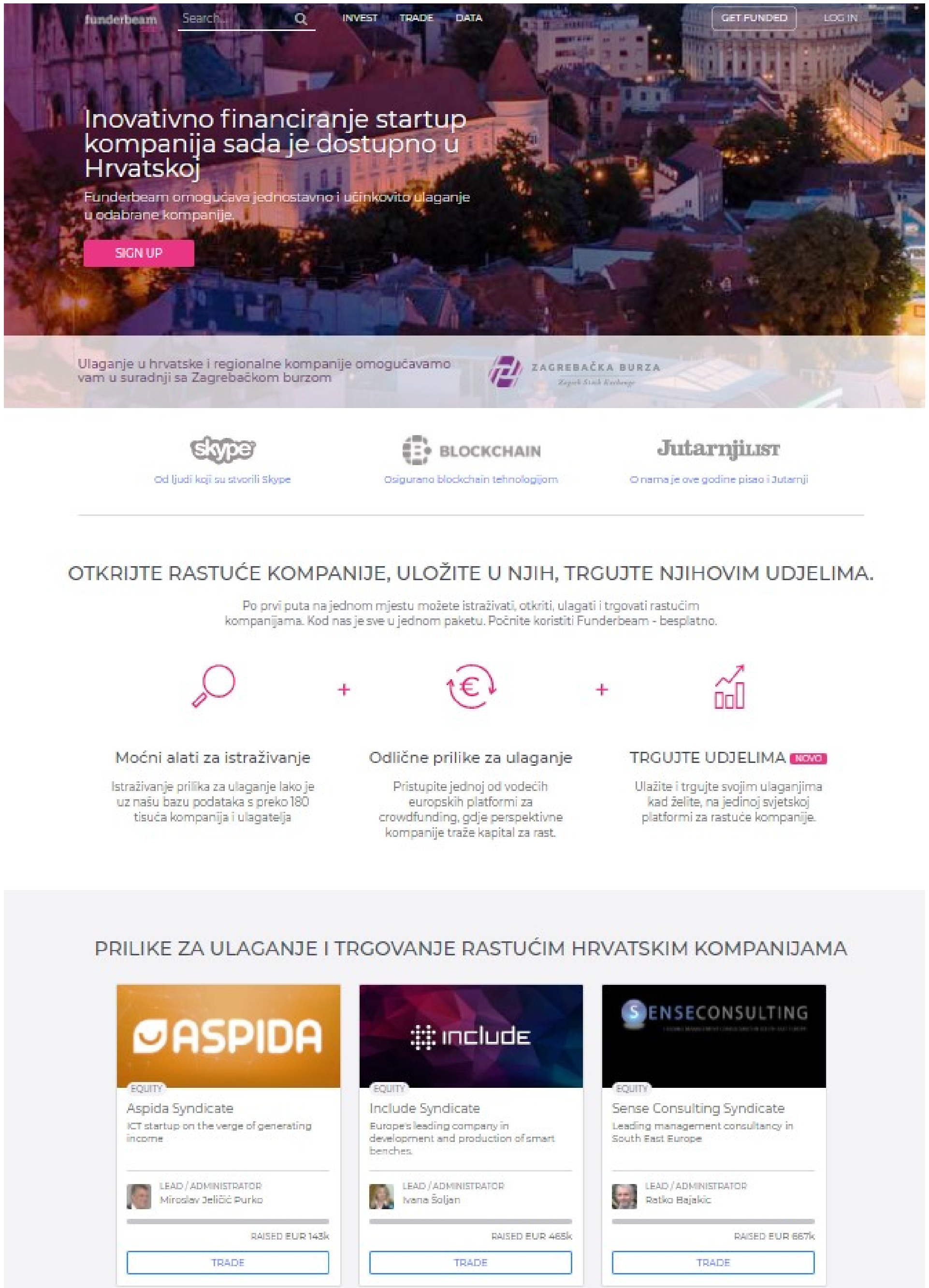
progress

ZAGREBAČKA BURZA
Zagreb Stock Exchange

Crowdfunding

SME Growth Market

Regulated market

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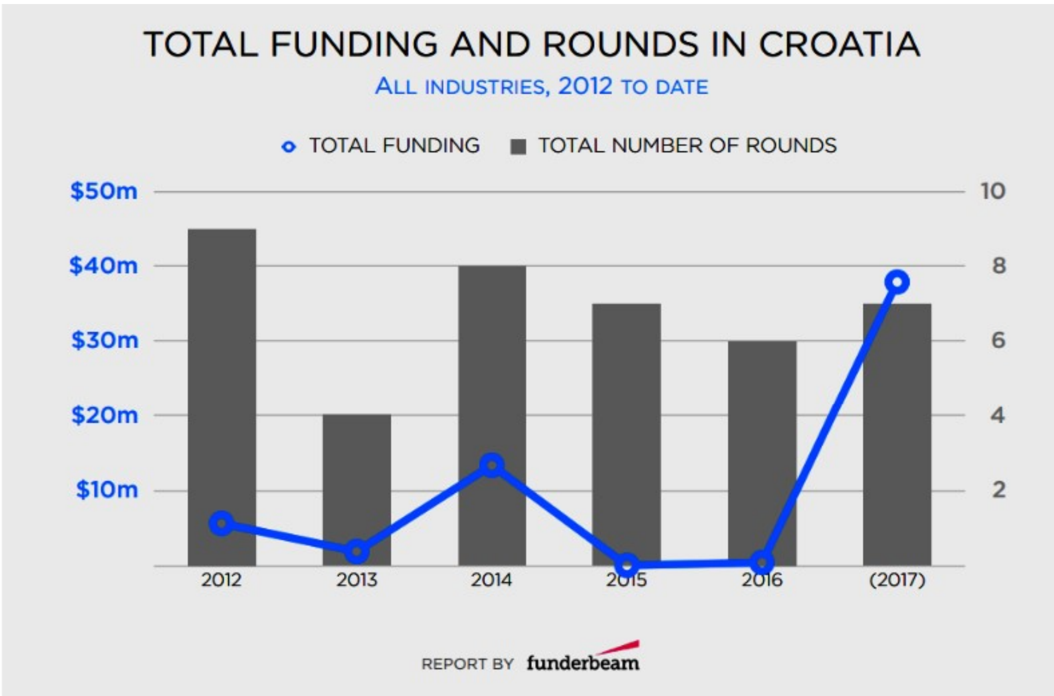
## Local crowdfunding site devoted to South East Europe

## 2017: Four campaigns:

## 2.1 mil EUR raised for different businesses

## Regional expansion planned for 2018

# Crowdfunding until 2017 was done via foreign platforms




READING THE CHART

The amount of **total funding** of Croatian startups yearly is represented by the blue line.

The grey bars show the **total number of funding rounds** in Croatia since 2012.

KEY TAKE-AWAY

The total funding in Croatia reached **an all-time high in 2017** due to the $36m, out of the total $38m, raised by Rimac Automobili.

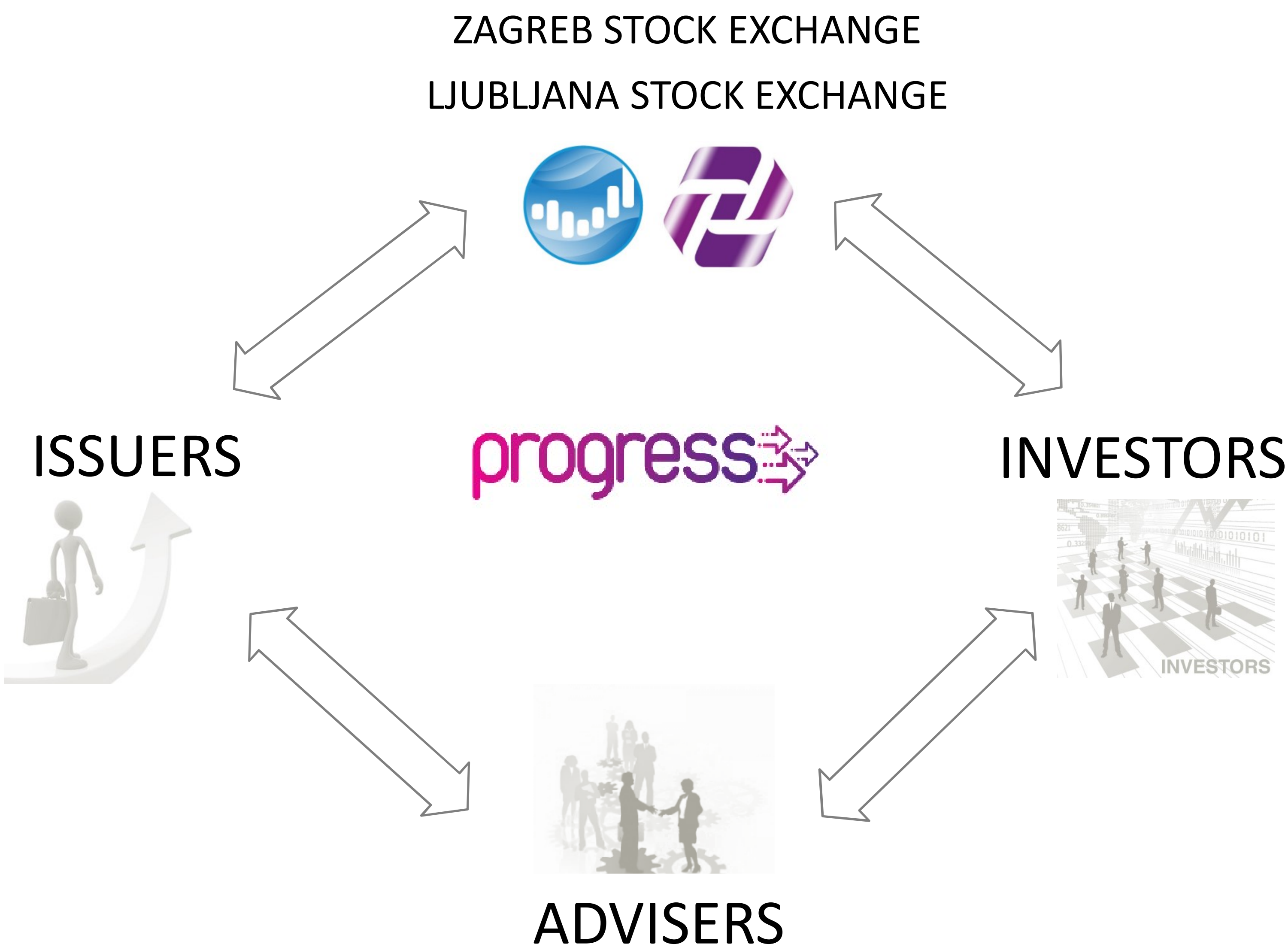
In-between the years 2014 and 2017, the funding plummeted to an **all time low.** In 2015, only $136k was invested in Croatian startups.

**Number of rounds** is relatively low and remained relatively steady in past few years.

CROATIA COUNTRY REPORT 2017 funderbe.am/croatia-2017 2

**Out of ten biggest crowdfunding campaigns ever, are all four finished on Funderbeam SEE.**

# Designated SME Growth Market: Progress



# SME's in Croatia

**SME classification**

< 250 employees

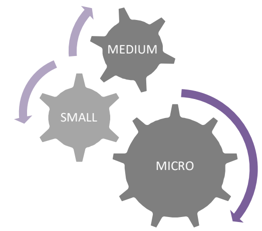
market capitalisation < HRK 1,600,000,000 kn (EUR 200 MIL.)

balance-sheet total < EUR 43 000 000

net annual income < EUR 50 000 000

**99.70 %** accounted for by the SME sector

⇒ 2016 growth **2.08 %**




**71.1 %** of employees

⇒2016 growth **3.7 %**

**59.2 %** of value added

⇒ 2016 growth **5.5 %**


| | |
|---|---|
| **+40 % growth** | Knowledge-based services (marketing, high-tech services) |
| **-17 % decline** | Manufacturing acvitivies (pharmaceuticals and technology) |
| **-10 % decline** | Service activities |

Source: KPMG, European Commission

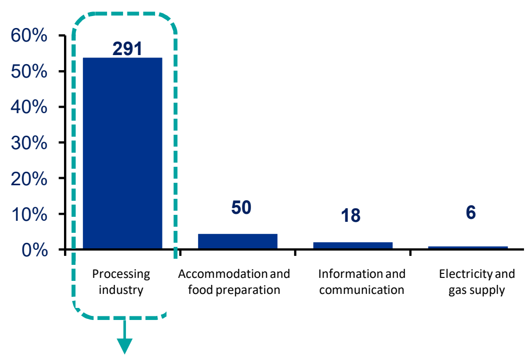
# Region: SME Capital & Sectors

progress

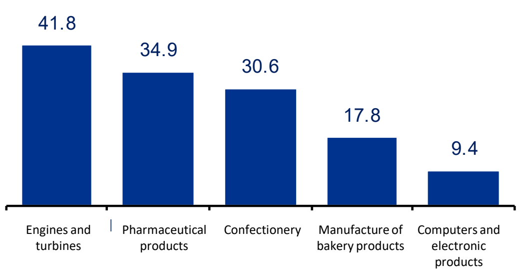
## Croatia

A total of **13,440** companies in Croatia may be classified as SMEs.

Of those, **1,332** SMEs have a capital of EUR 2-20 million



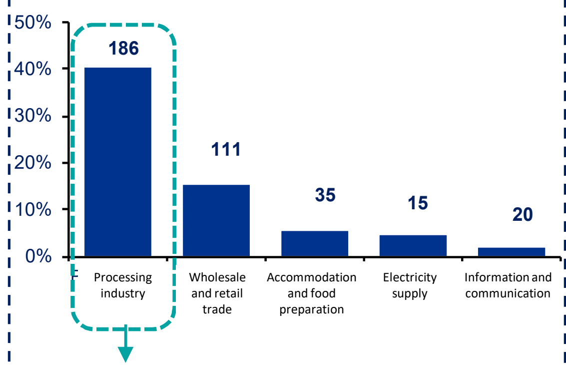

### Average capital, EUR m



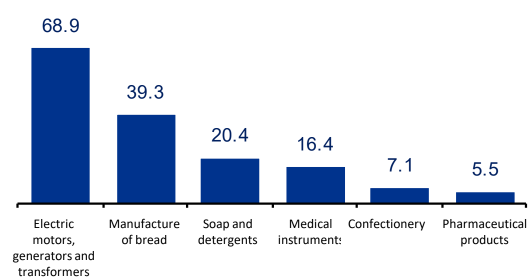

## Slovenia

A total of **9,715** companies in Slovenia may be classified as SMEs.

Of those, **691** SMEs have a capital of EUR 2-20 million



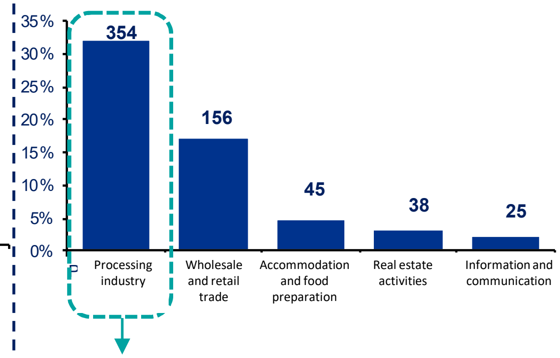

### Average capital, EUR m



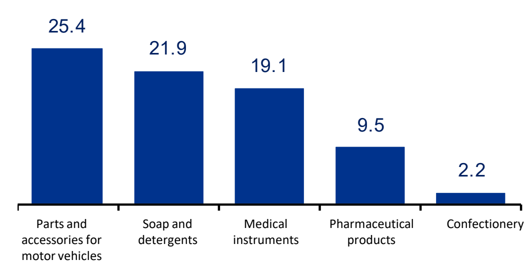

## Serbia

A total of **12,277** companies in Serbia may be classified as SMEs.

Of those, **1,057** SMEs have a capital of EUR 2-20 million




### Average capital, EUR m




Source: KPMG

# Municipal Bond Issuance

ZAGREBAČKA BURZA
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## 26 bonds currently listed on ZSE

- 10 corporate, 16 state bonds
- Gains popularity due to low interest rate environment
- Was more popular in the past in Municipal area
- One recent very prominent issuance

ZAGREBAČKI HOLDING

Details:

| | |
|---|---|
| Market | Official market |
| Security type | Bond |
| Issuance | 2.300.000.000 (aprox. 300 mil EUR) |
| Nominal value | 1,00 HRK |
| Date of issue | 15.7.2016 |
| Maturity date | 15.7.2023 |
| Interest | 3,8750 % |
| Payout period | Annually |

Heavily invested by financial institutions, trading sporadic only