



Pursuant to the provisions of Article 7 of the Articles of Association of the Zagreb Stock Exchange Inc., Ivana Lučića 2a (hereinafter: Exchange), on 16 December 2022, the Exchange Management Board passed the following

**RESOLUTION**  
**on the Zagreb Stock Exchange bond index CROBISt<sup>®</sup>**

**1. General provisions**

**Article 1.**

This resolution defines the name of the bond index, criteria for inclusion of bonds in the index, index base calculation, adjustment method and index revision.

**2. Index name**

**Article 2.**

- (1) The name of the index is CROBISt.
- (2) CROBISt<sup>®</sup> is the property of the Zagreb Stock Exchange.

**3. Inclusion criteria**

**Article 3.**

(1) The index shall include government and state agency bonds listed on the Zagreb Stock Exchange which meet the following criteria:

1. minimum €75 million nominal value of the bond issue;
2. at least 18 months time to maturity;
3. bullet bonds at fixed interest rates.

**4. Initial index composition**

**Article 4.**

- (1) The initial composition of the CROBISt<sup>®</sup> index is equal to that of the CROBIS<sup>©</sup> index on base date.
- (2) The base date is 1 December 2011.
- (3) The base index value on the base date is 100.0000 base points.

(4) The index is calculated to four decimals after the close of each trading session.

## 5. Index calculation and rebalancing method

### Article 5.

(1) The index is calculated after the close of each trading session by using the average daily prices weighted by the trade volume of all the bonds included in the index.

(2) The calculation of the average daily price referred to in paragraph 1 shall take into account orderbook transactions, block trades and OTC transactions.

(3) If a bond included in the index is not traded on a particular day, the previous average daily price either in the previous or in the last session in which it was traded shall be used.

(4) The index is weighted by bond market capitalisation, with the weighting of any individual bond issue in the index limited to 35% of the capitalisation.

(5) The index calculation takes into account interest payments, that is accrued interest. In the course of regular revision, the index value shall be rebalanced by reinvesting the interest payments made between two regular revisions in the bonds index constituents, in accordance with their respective weighting. The index shall be calculated by using the following formula:

$$I_t = I_{t-R} \times \frac{\sum_{i=1}^n (P_{i,t} + A_{i,t} + C_{i,t}) \times N_{i,t-R}}{\sum_{i=1}^n (P_{i,t-R} + A_{i,t-R}) \times N_{i,t-R}}$$

$I_t$	index value on day $t$
$I_{t-R}$	index value on the last revision date $t-R$
$P_{i,t}$	clean price of bond $i$ on day $t$
$P_{i,t-R}$	clean price of bond $i$ on the last revision date $t-R$
$A_{i,t}$	accrued interest of bond $i$ on day $t$
$A_{i,t-R}$	accrued interest of bond $i$ on the last revision date $t-R$
$C_{i,t}$	interest paid on bonds $i$ on day $t$ or since the last revision date
$N_{i,t-R}$	nominal value of the issue of bond $i$ in EUR on the last revision date $t-R$
$n$	number of bonds included in the index
$R$	number of days since the last revision date

## 6. Calculation of accrued interest

### Article 6.

Accrued interest shall be calculated by using the following formula:

$$A_{i,t} = \frac{G_{i,t}}{f_i} \times \frac{S - L}{N - L}$$

$A_{i,t}$	accrued interest of bond $i$ on day $t$
$G_{i,t}$	annual interest rate payable on bond $i$
$f_i$	bond $i$ interest payment frequency
$S$	settlement date
$L$	last coupon maturity date
$N$	next coupon maturity date

## **7. Index revision**

### **Article 7.**

The index revision may be regular or extraordinary.

### **7.1. Regular index revision**

#### **Article 8.**

- (1) The index shall be revised on a quarterly basis, on the last Friday in February, May, August and November.
- (2) In the course of regular revision, new bonds which meet inclusion criteria shall be included in the index, with any index constituents whose time to maturity falls below one year in the following quarter to be dropped. Interest payments made between two revisions shall be invested in index constituents, in accordance with their respective weighting.

### **7.2. Extraordinary revision**

#### **Article 9.**

In case of extraordinary events which may affect the objectivity and credibility of the CROBIStr© index occurring between two regular revisions, the Index Committee may revise the CROBIStr© indeks calculation method by excluding constituents from or including them in the index or else by altering their weighting.

## **8. Index Committee Competence**

### **Article 10.**

- (1) The Index Committee shall consider and decide on including or excluding bonds from the index, altering the weighting of individual constituents, and shall continually monitor and propose ways to improve the index calculation methodology.
- (2) Any other issues related to the index revision and work of the Index Committee shall be regulated by an internal index revision procedure.

**9. Disclosure to the public**

**Article 11.**

(1) Changes in the composition of the CROBIStr® index shall be posted by the Exchange on its web pages.

**10. Transitional and final provisions**

**Article 12.**

(1) This Resolution shall enter into force on 1 January 2023.

(2) By entering into force, this Resolution derogates the Resolution on the Zagreb Stock Exchange bond index dated 25 November 2011.

Designation: OU/2022-129

Tomislav Gračan

Član Uprave

For delivery to:

1. All Member firms
2. Exchange web pages
3. Croatian Financial Services Supervisory Agency
4. Ledger of Management Board resolutions.