



**HRVATSKA POŠTANSKA BANKA d.d.**

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<i>LEI</i>	529900D5G4V6THXC5P79
<i>Home Member State of Issuer</i>	Republic of Croatia
<i>ISIN</i>	HRHPB0RA0002
<i>Stock Exchange Identifier</i>	HPB-R-A
<i>Regulated Market/ Segment</i>	Zagreb Stock Exchange Inc. Official Market

Zagreb, April 30, 2025

No: F21-4/2025-TB

**Zagreb Stock Exchange Inc.**

**Croatian Financial Services Supervisory Agency ("HANFA")**

**Croatian News Agency OTS HINA**

**Subject: HRVATSKA POŠTANSKA BANKA, p.l.c.**  
**- Other non-regulated information**

Hrvatska poštanska banka, p.l.c. announces Investor's materials for the period ended March 31, 2025.

**Hrvatska poštanska banka, p.l.c.**



HRVATSKA POŠTANSKA BANKA

# Investor information

April 2025

**3M 2025**

# Limitation of liability

- ☑ The information and data contained in this presentation are intended as general background information on Hrvatska poštanska banka p.l.c. (hereinafter referred to as the Bank or HPB) and its activities. They are provided in summary form and therefore do not necessarily represent complete information. Certain statements contained herein may be statements of future expectations and other forward-looking statements about HPB, which are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. In addition to statements which are forward-looking by reason of context, words such as "may," "will," "should," "expects," "plans," "contemplates," "intends," "anticipates," "estimates," "potential" or "continues" and similar expressions typically identify forward-looking statements. By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. As such, forward-looking statements cannot be guaranteed. Accordingly, we cannot guarantee the realization of such forward-looking statements, nor should full reliance be placed on such forward-looking statements. Many factors may affect our results of operations, financial conditions, liquidity, and developments in the industry in which we operate, and these may differ materially from those expressed or implied by the forward-looking statements contained herein.
- ☑ This presentation contains financial and non-financial information and statistical data related to HPB. Such information and data are presented for illustrative purposes only. This presentation may include information and data derived from publicly available sources that have not been independently verified, and therefore HPB hereby expressly makes no representation of warranty of any kind including, but not limited to the accuracy, completeness or reliability of the information and data provided. This presentation is for information purposes only and does not contain a recommendation to buy or sell or an offer to sell or subscribe for shares, nor does it constitute an invitation to make an offer to sell shares.
- ☑ This presentation has been prepared and the information in it has been checked with the greatest possible care. Nevertheless, rounding and transmission cannot be excluded. When adding up rounded amounts and percentages, differences may appear.

# Statement of the President of the Management Board



On the occasion of releasing the three-month financial results for 2025, **Marko Badurina, President of the Management Board of Hrvatska poštanska banka**, stated:

*„After years of continuous and record-breaking growth in balance sheet volume, operating income and profit, HPB's operations in the first quarter of 2025 have been characterized by a challenging economic environment and a significant shift in monetary policy and reference interest rates.*

*The impact of business conditions on operating income and net profit was partially neutralized by cost cutting, as well as by proactively consolidating and repositioning the balance sheet by making investments in fixed-income bonds in order to mitigate the expected reduction in reference rates.*

*Credit activity has also expanded significantly, especially in the retail segment, where HPB was first in Croatia to enter the market with HPB - SUPER HOUSING LOAN, while simultaneously continuing to support entrepreneurship.*

*The HPB team continues to demonstrate resilience, adaptability and, most importantly, the ability to deal with the challenges that the times in which we operate bring.*

*In 2025, HPB will maintain its focus on innovation, digital transformation and sustainable growth in order to continue to strengthen its position among the market leaders in Croatia. “*



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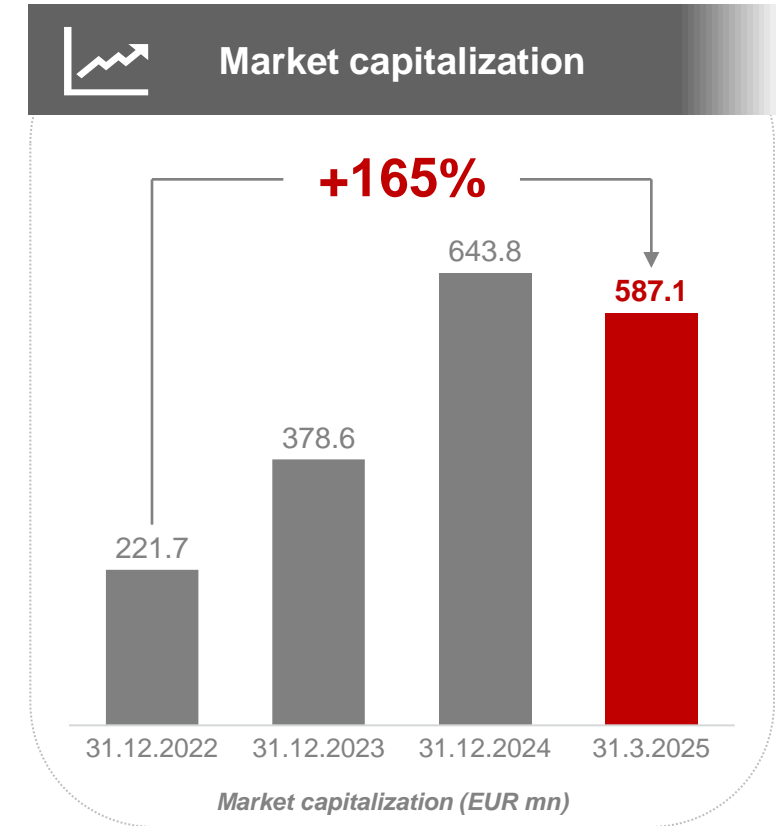
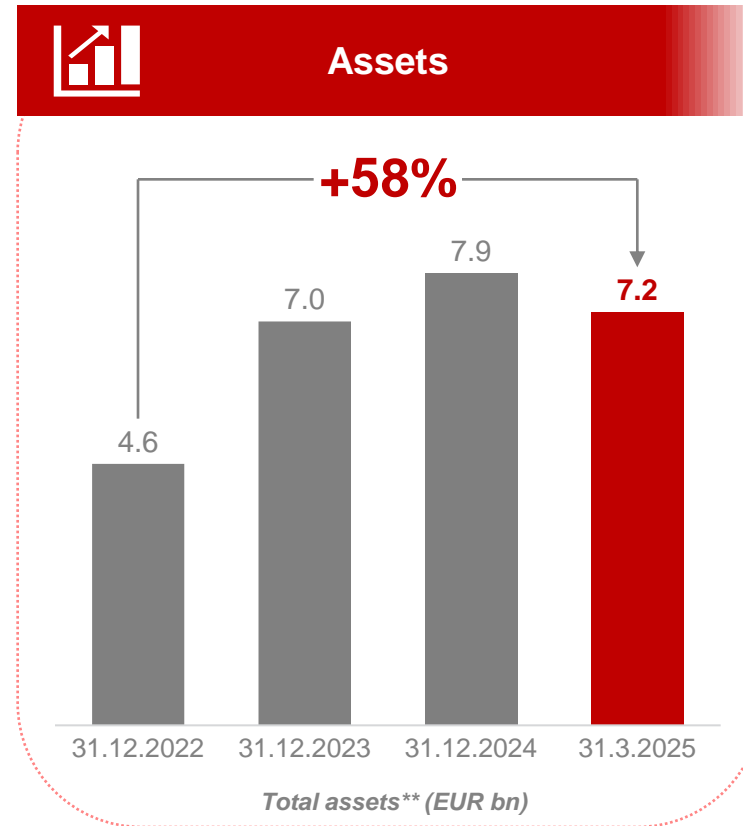
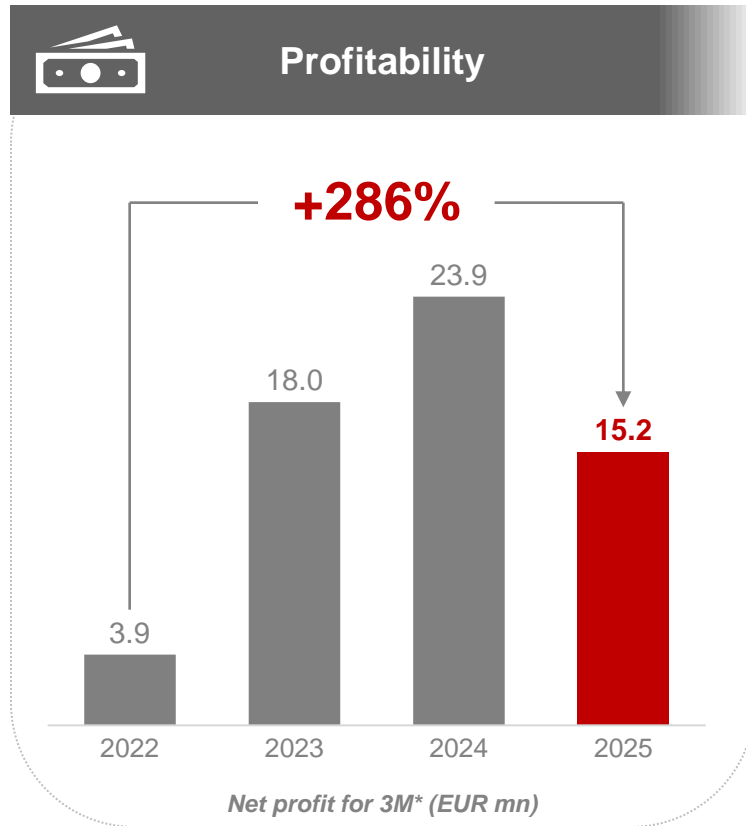
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# Balance sheet transformation in a declining interest rate environment

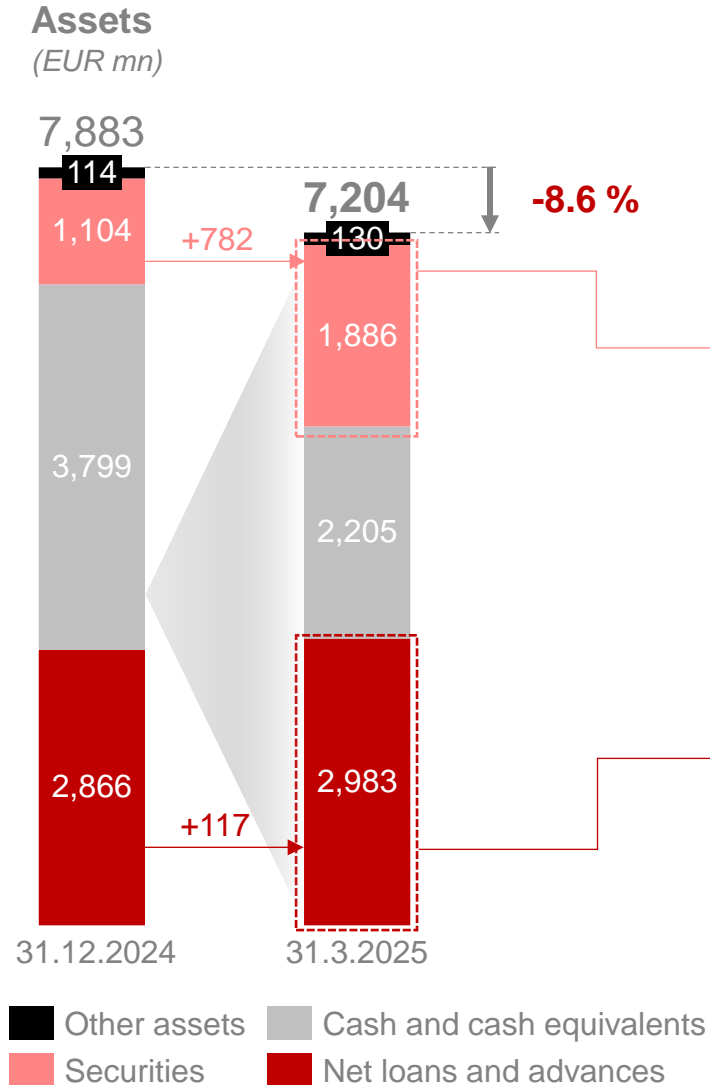
Focus on clients and the community



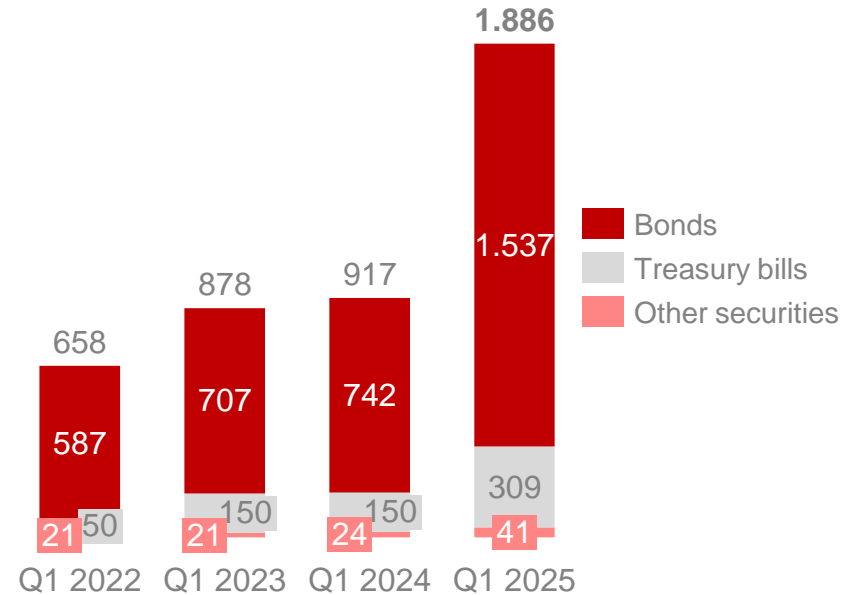
\* Profit and loss account positions in this presentation for the year 2022 are presented on stand alone basis, while for 2023 include the result of HPB on a stand-alone basis including the result of Nova hrvatska banka for the period from integration till reporting date (3.7.2023 – 31.12.2023) and for 2024 and 2025 includes the result of integrated Bank (HPB + Nova hrvatska banka) in accordance with the integration of Nova hrvatska banka in July 2023

\*\* The balance sheet positions in this presentation on 31.12.2022 show the result of HPB on a stand-alone basis, while the reporting dates 31.12.2023 – 31.3.2025 include results of an integrated Bank (HPB + Nova hrvatska banka) in accordance with the integration of Nova hrvatska banka in July 2023

# Strong positioning in 2024 enabled agile reaction in response to expected market trends

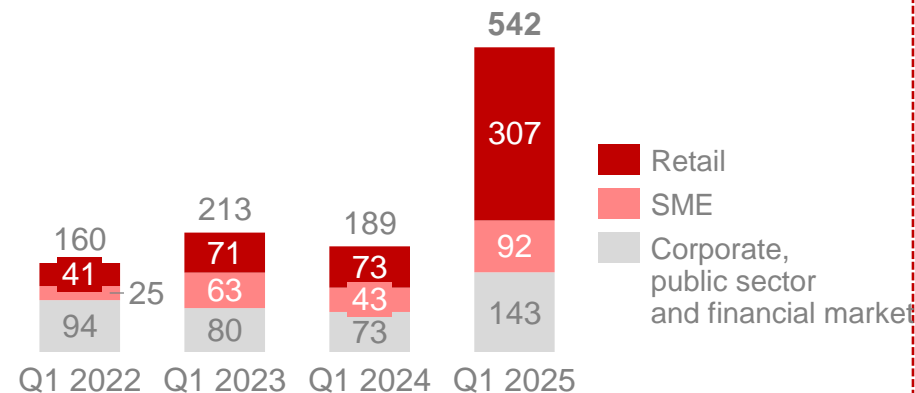


## Investment in securities



To neutralize the effects of the reduction in the European Central Bank's reference rate, the **balance sheet was transformed by investing EUR 700 mn in Croatian bonds**, which will result in an average yield of 2.9%.

## New lending



The initiation of the HPB Super Stambeni kredit resulted in an **increase in new lending by almost 2x** with growth in all segments.

# We continue our mission of creating conditions for a better life in Croatia

First on the market to introduce significantly more favorable conditions



from  
January, 15 2025

As the first on the market,  
HPB's new housing loan  
promotes affordable living  
and enhances client  
quality of life.



HPB **SUPER** STAMBENI KREDIT



**2.89%**  
EIR 3.01%

For major financial  
decisions, it is important to  
have a bank that cares  
about its clients' quality of  
life, their plans and their  
expenses.

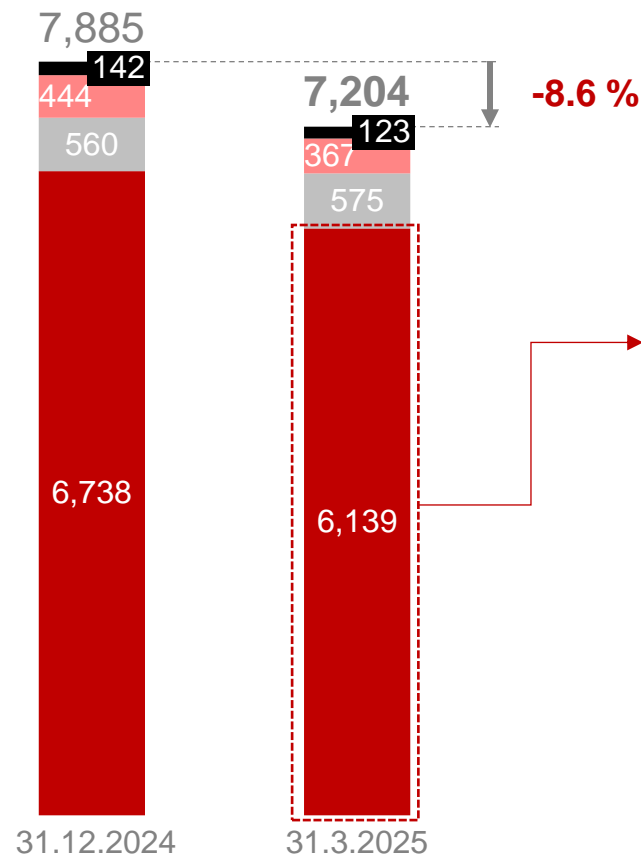




# Stable deposit structure confirms client trust

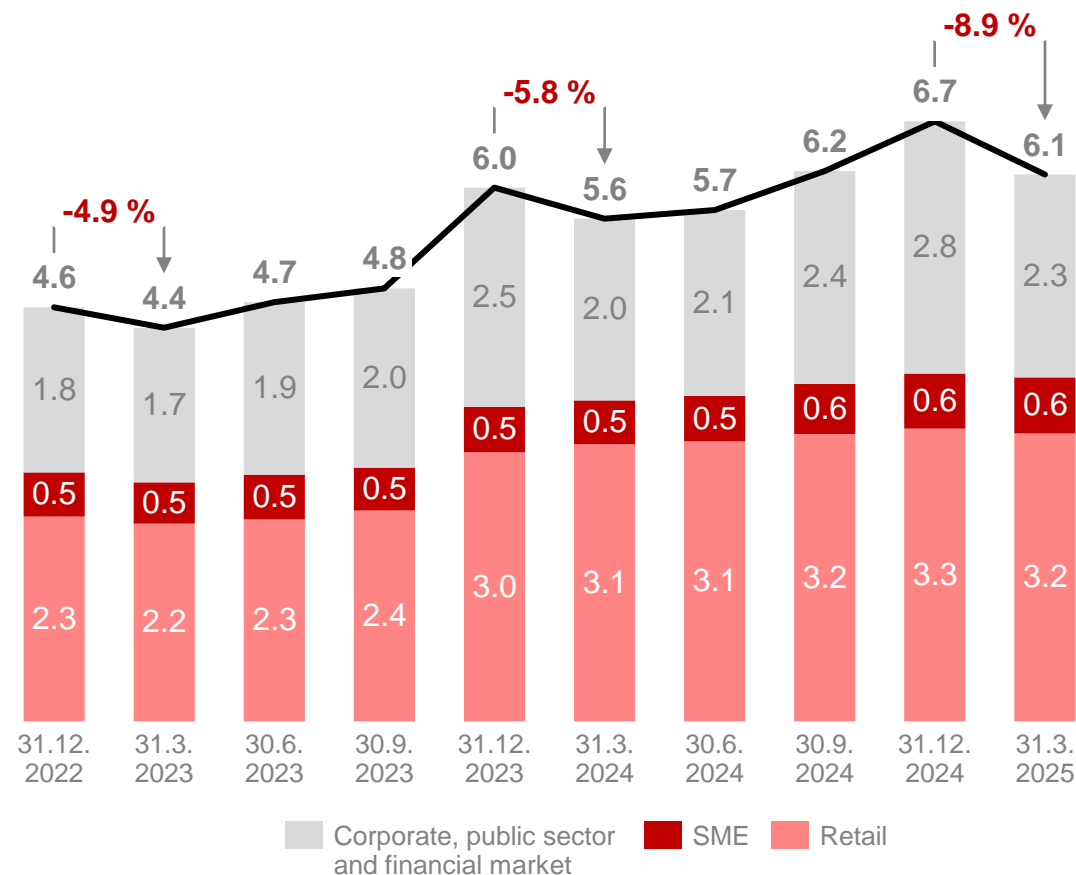
## Agile management of interest expenses on the deposit side

### Liabilities and equity (EUR mn)



Other liabilities    Equity and reserves  
Loan liabilities    Deposits

### Seasonal movement of the deposit base



The return of excess liquid funds to corporate clients and typical seasonal trends resulted in a decrease in deposits by 8.9% and in the balance sheet by 8.6%, while simultaneously ensuring agile management of interest expenses on the deposit side.

# Launched digital transformation program



## Finacle Payments

The Bank's existing payment transaction solution - includes migration to a newer version and consolidation/migration of all payment schemes (SWIFT, SEPA Inst, SCT, SDD, Target) to the solution.



## Finacle Core

Existing central banking system solution – includes migration to a newer version in order to improve system performance.



## Digital Engagement Hub

A solution that connects sales channels with back-end systems, unifying data and processes across multiple platforms and applications.

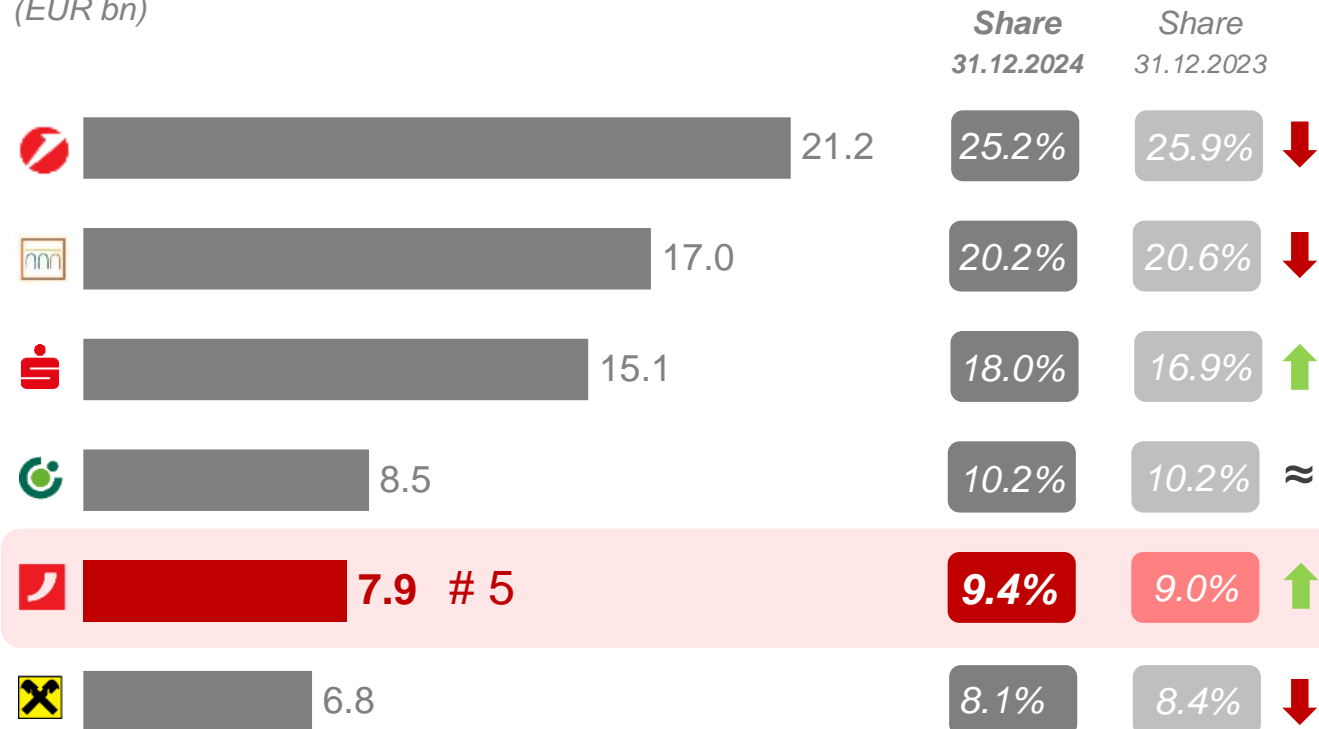


## Liquidity Management Solution

A solution for managing and optimizing liquidity across locations, currencies and systems, with tools for business clients to monitor liquidity and prepare real-time cash flow projections.

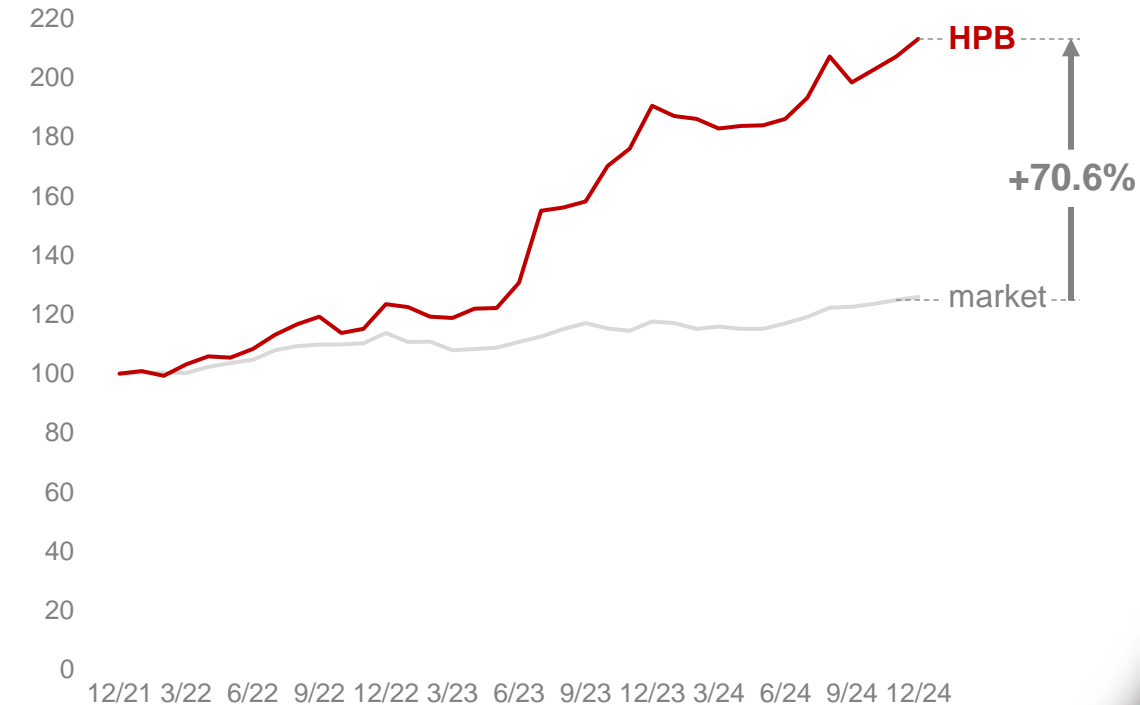
# HPB's growth significantly exceeds the growth of the overall sector

## Total assets (EUR bn)



➤ HPB in the **TOP 5** banks by total assets.

## Total assets development Base index = 2021





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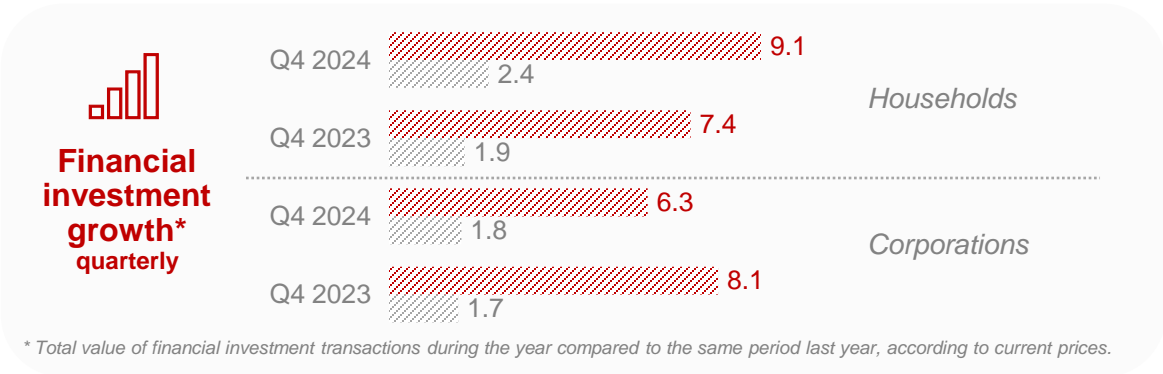
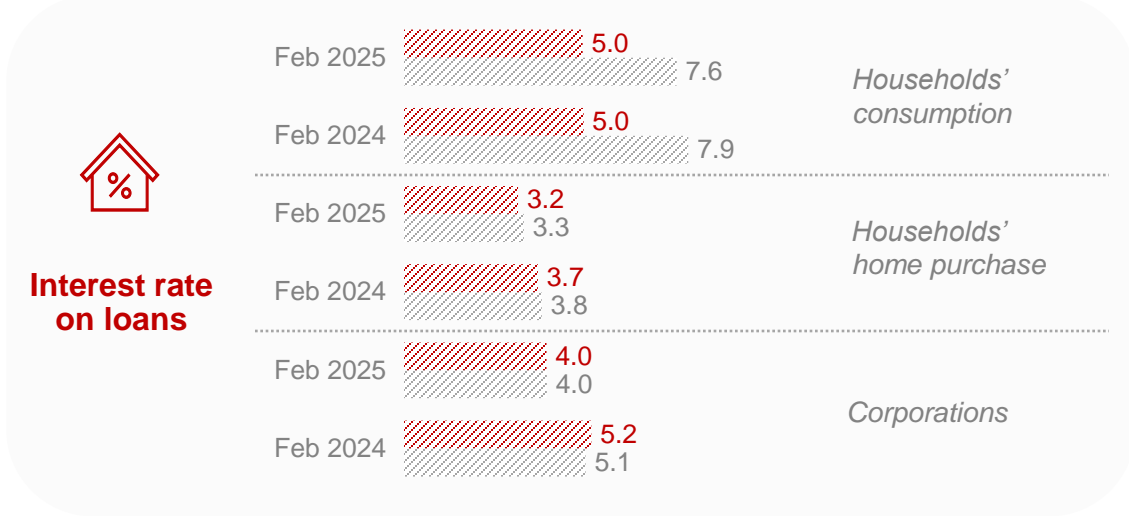
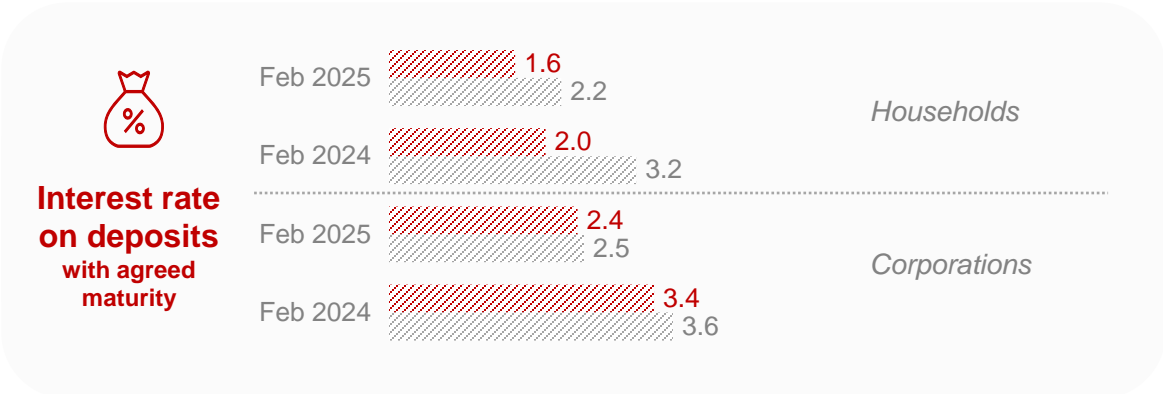
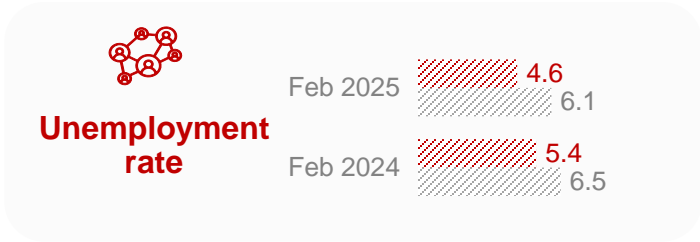
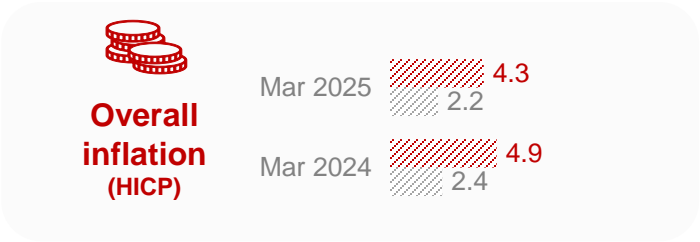
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# Macroeconomic indicators



 Croatia, %  Euro area, %



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# Adapting to the new monetary and business environment

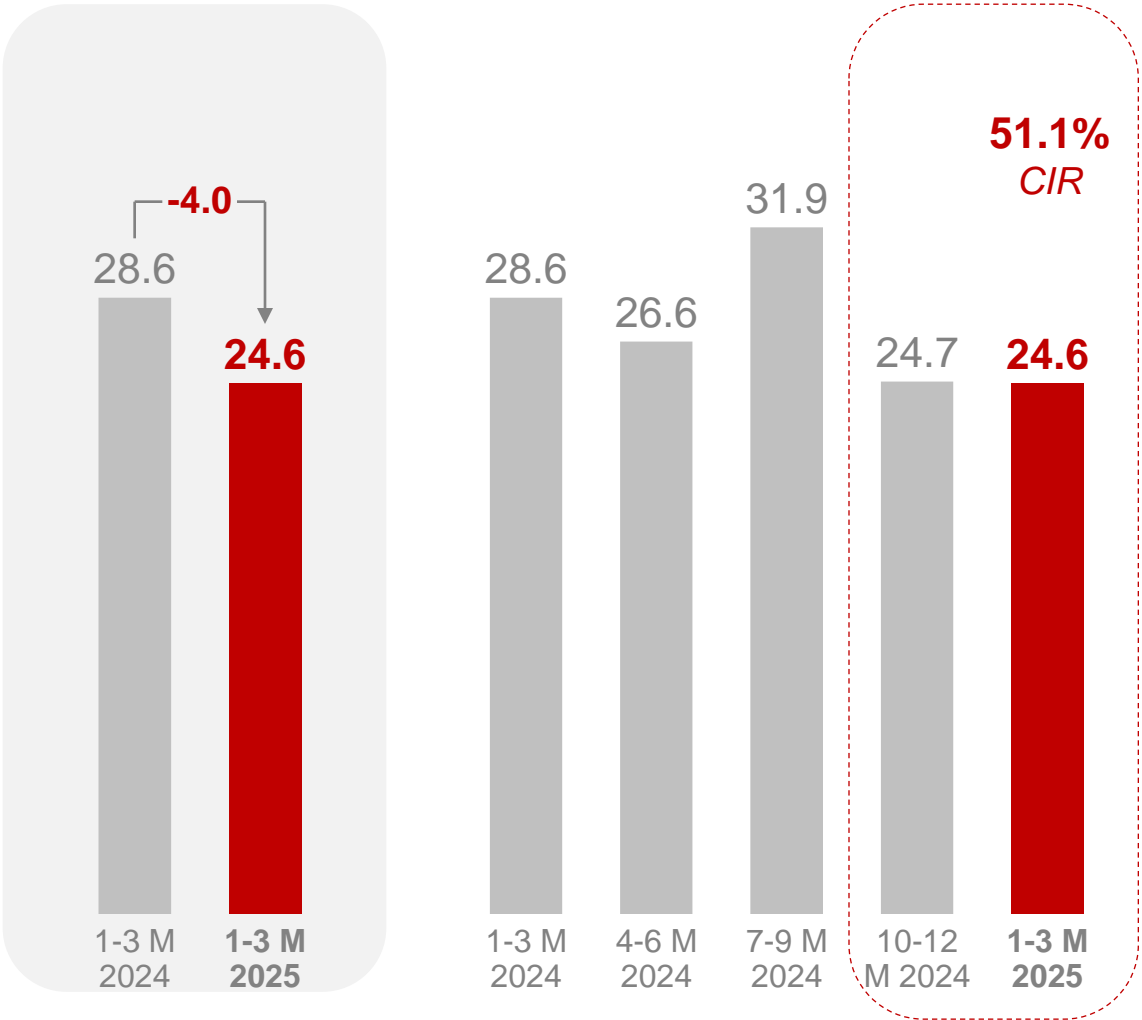
## Profit and loss account (EUR mn)

	3M 2024	3M 2025	Y-o-Y	Y-o-Y %
Net interest income	46.6	40.5	(6.2)	(13.2)
Net fee and commission income	7.6	9.0	1.4	18.0
Net other income	0.9	1.0	0.1	7.5
<b>Operating income</b>	<b>55.2</b>	<b>50.4</b>	<b>(4.7)</b>	<b>(8.6)</b>
Employee expenses	(13.3)	(13.4)	0.2	1.2
Administrative expenses	(10.3)	(9.8)	(0.6)	(5.6)
Depreciation	(2.9)	(2.6)	(0.3)	(11.5)
<b>Operating expenses</b>	<b>(26.5)</b>	<b>(25.8)</b>	<b>(0.8)</b>	<b>(2.9)</b>
<b>Operating profit</b>	<b>28.6</b>	<b>24.6</b>	<b>(4.0)</b>	<b>(13.9)</b>
Provisions	0.2	(6.1)	(6.3)	
Tax	(5.0)	(3.4)	(1.6)	(32.2)
<b>Profit after tax</b>	<b>23.9</b>	<b>15.2</b>	<b>(8.7)</b>	<b>(36.3)</b>

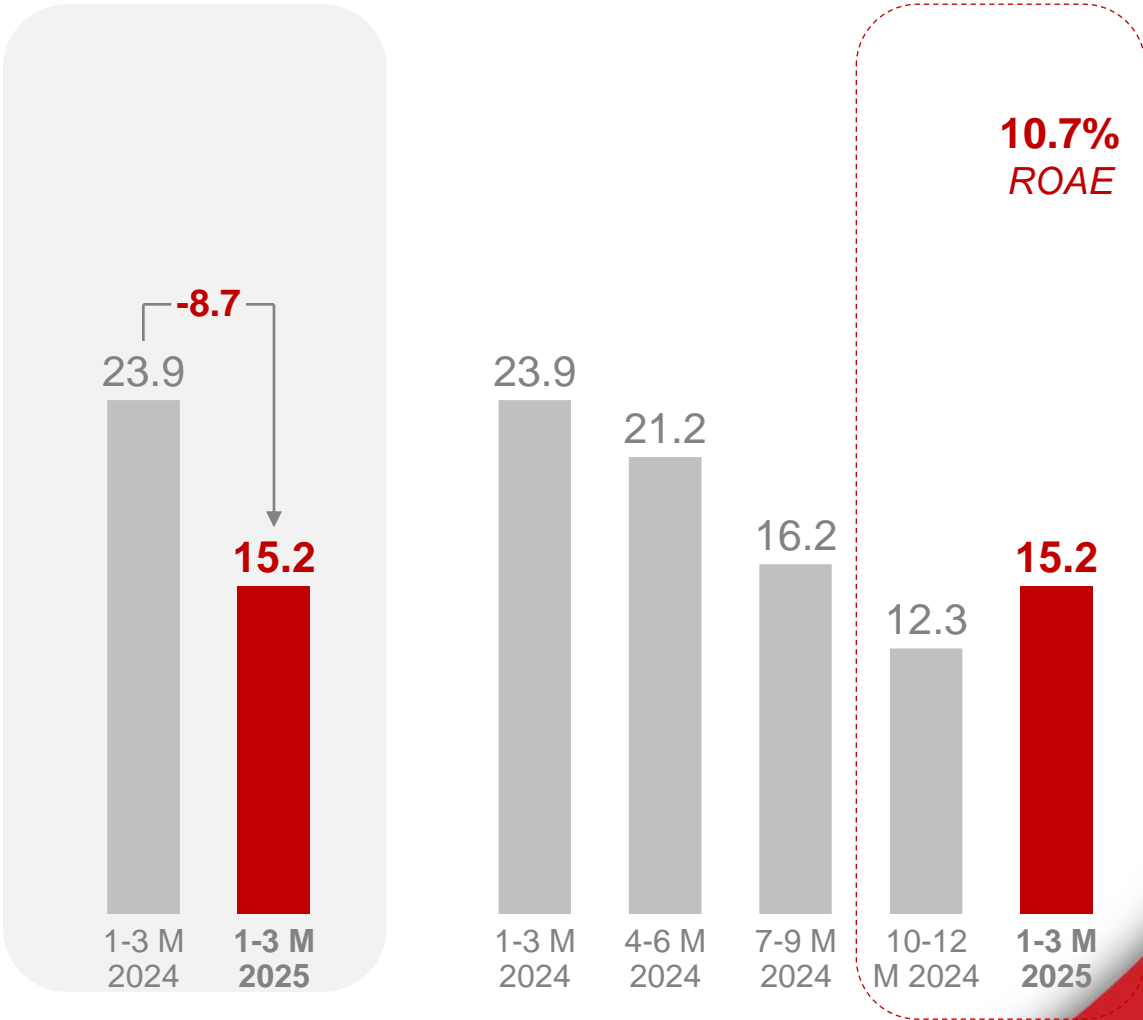
- ☑ A decrease in net interest income of EUR 6.2 mn (-13.2%) compared to the same period in 2024 due to lower volume and lower ECB's interest rates, which was strategically partially neutralized by higher income from securities and loans.
- ☑ Without an increase in fee prices, net fee and commission income continues its growth trend of EUR 1.4 mn (+ 18.0%) in the observed period, caused by an increase in transaction volume and expansion of the client base.
- ☑ With successful control, operating expenses were reduced by 2.9% compared to the previous period due to lower administrative expenses and depreciation, with stable employee expenses.
- ☑ Cost-to-income ratio is 51%.
- ☑ Increase in provisioning of the performing portfolio due to growth in client loans, as well as one-off costs related to new investments in securities. NPL provisions during the first quarter reflect expected trends, mostly realized through regular business activities.

# Maintaining profitability despite a challenging environment

Operating profit  
(EUR mn)



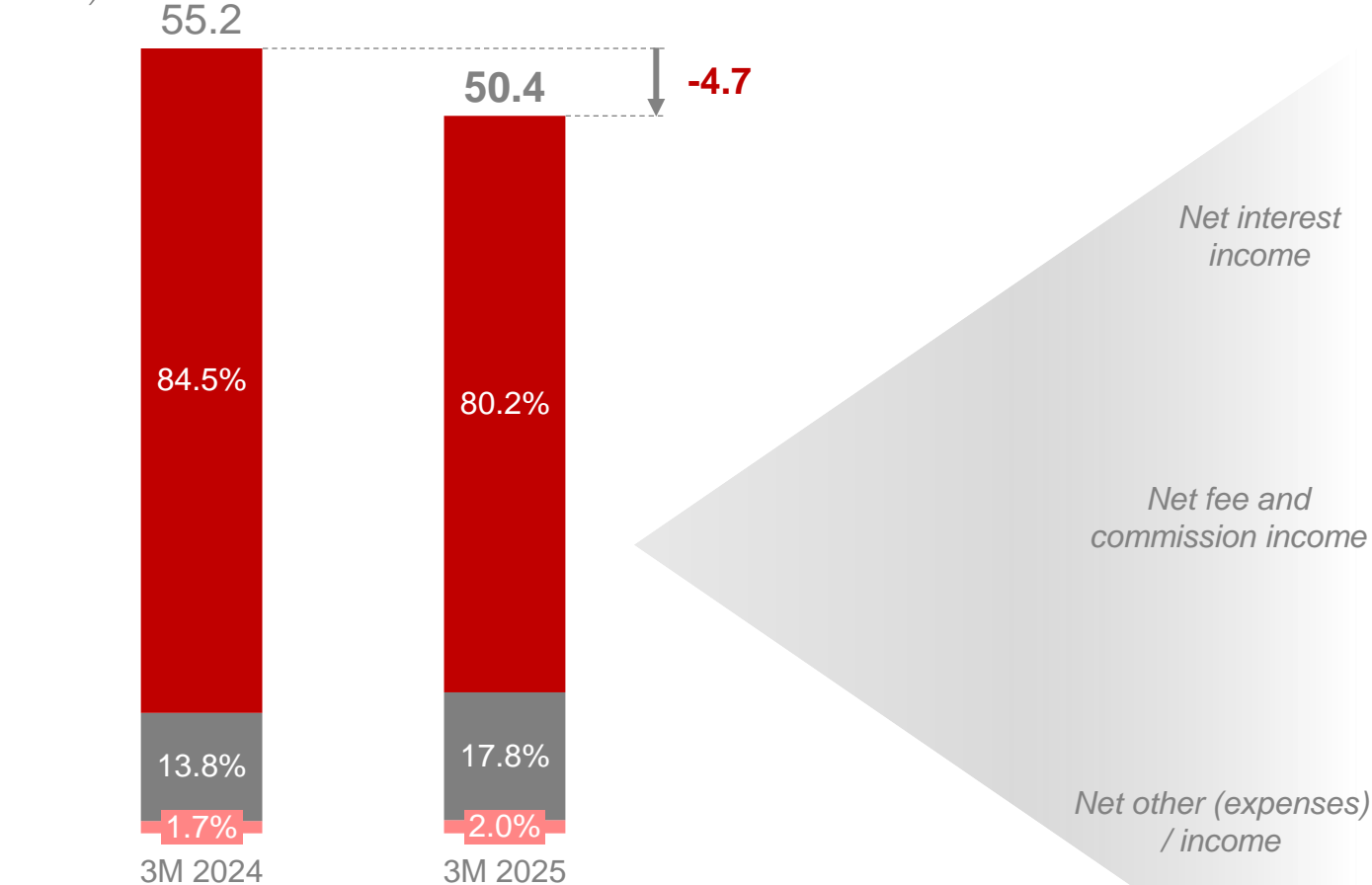
Profit after tax  
(EUR mn)



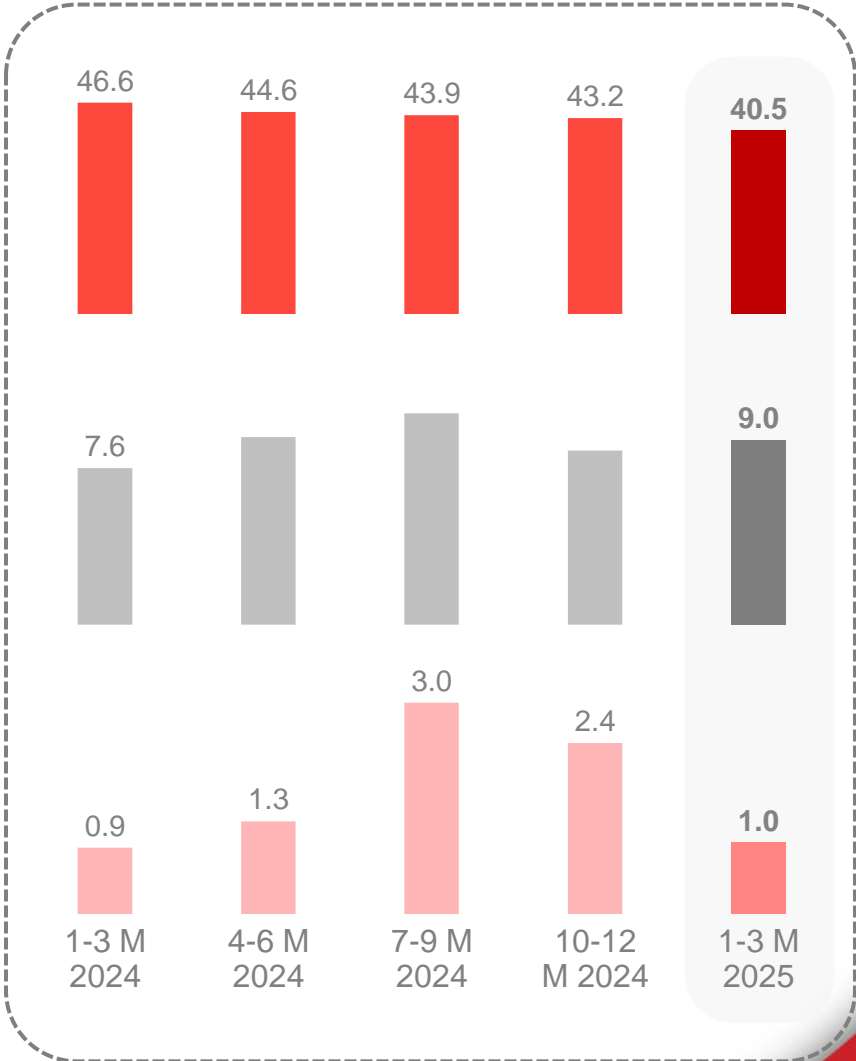


# Income diversification mitigates market pressures

Operating income  
(EUR mn)

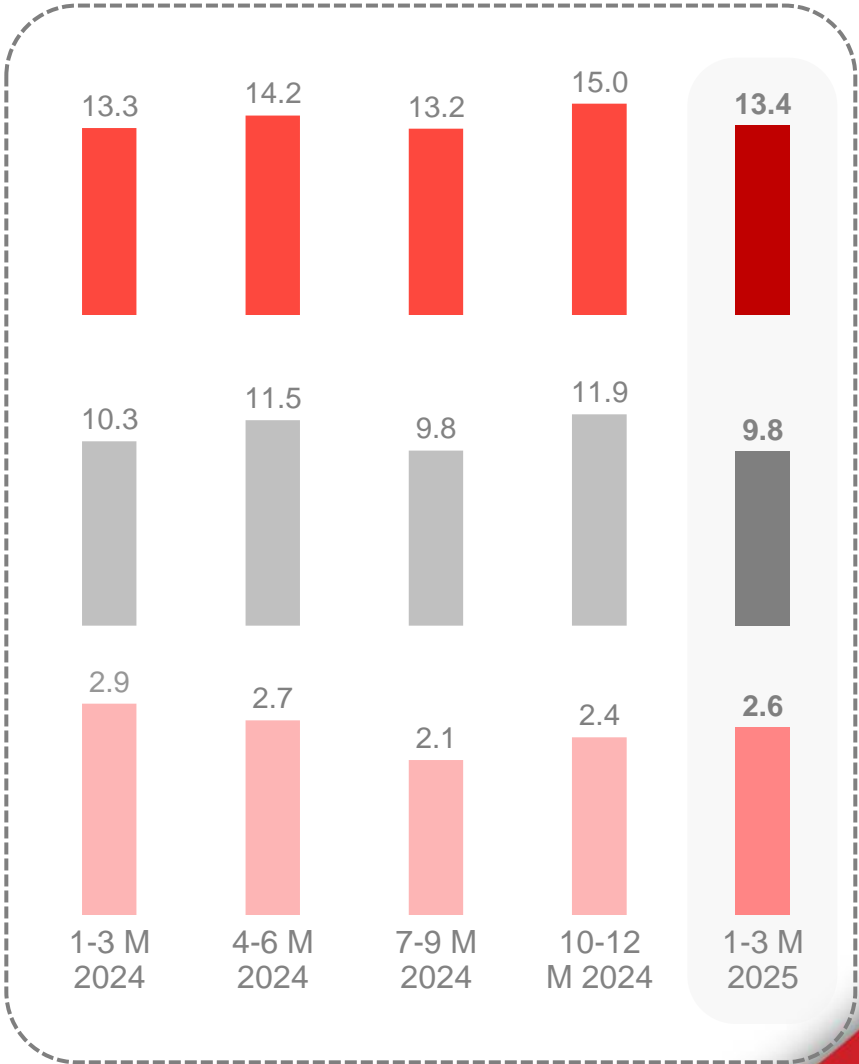
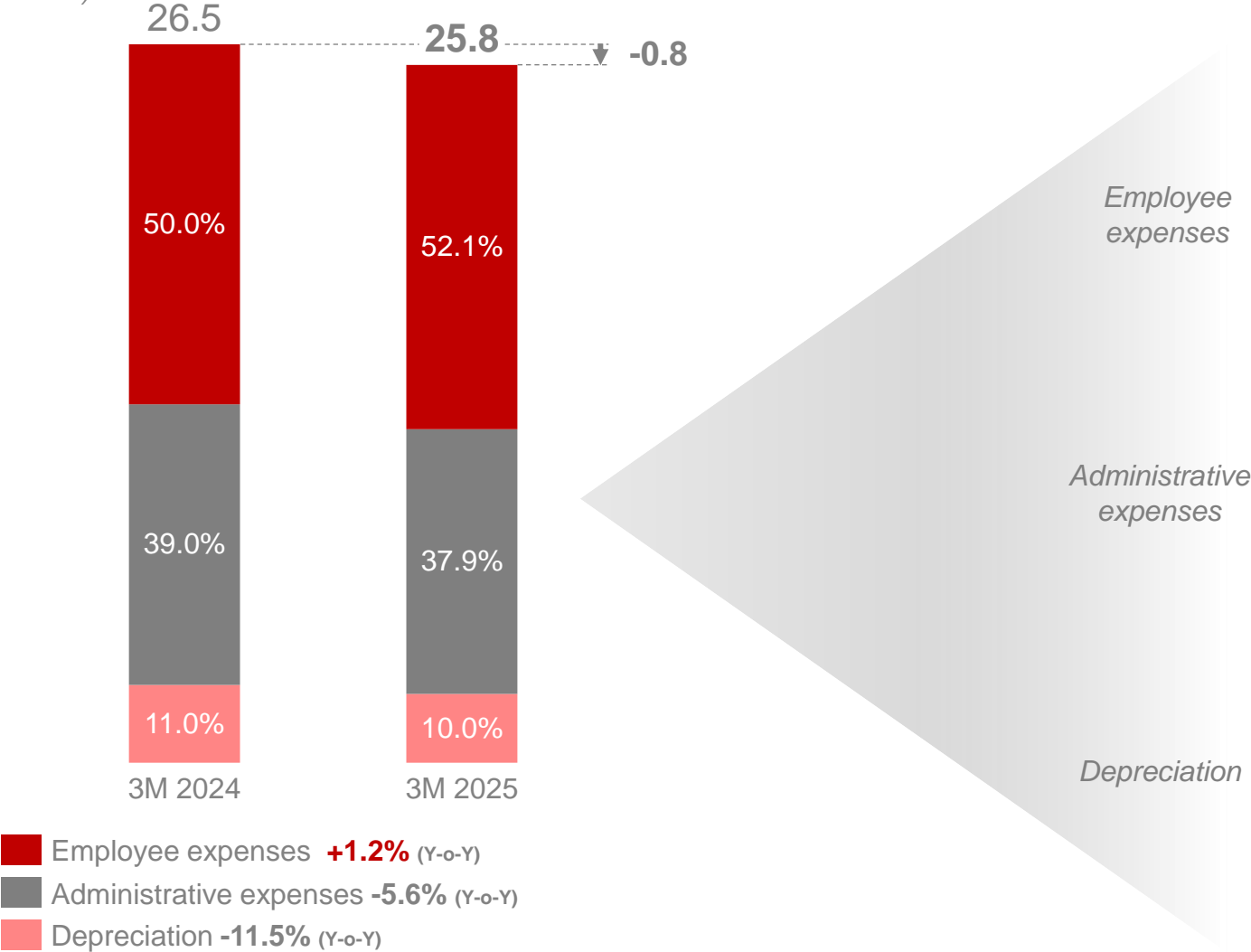


- Net interest income **-13.2%** (Y-o-Y)
- Net fee and commission income **+18.0%** (Y-o-Y)
- Net other income **+7.5%** (Y-o-Y)



# Cost optimization in support of profitability

Operating expenses  
(EUR mn)

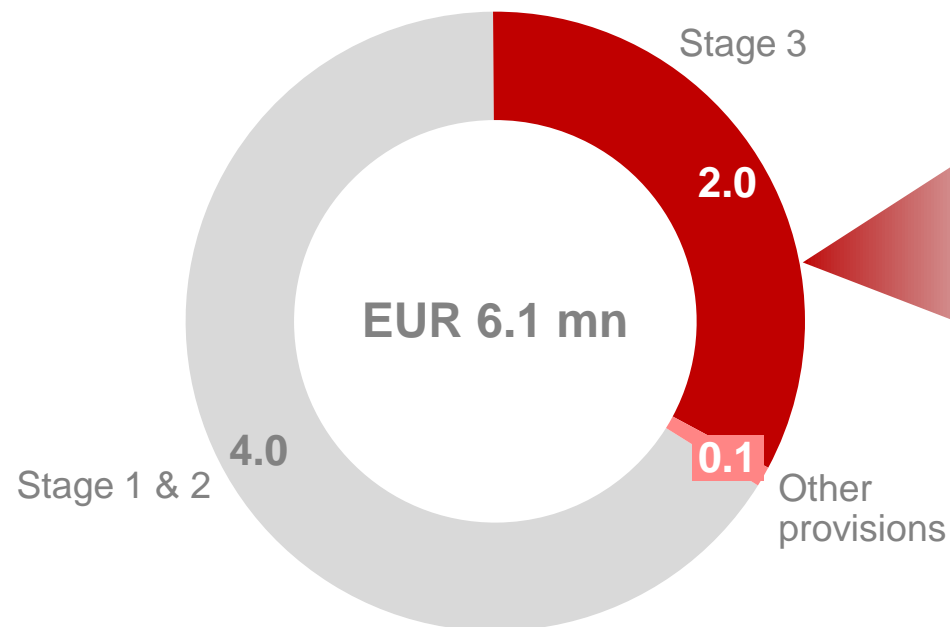


# NPL coverage maintained above the market average

NPL volume remains unchanged

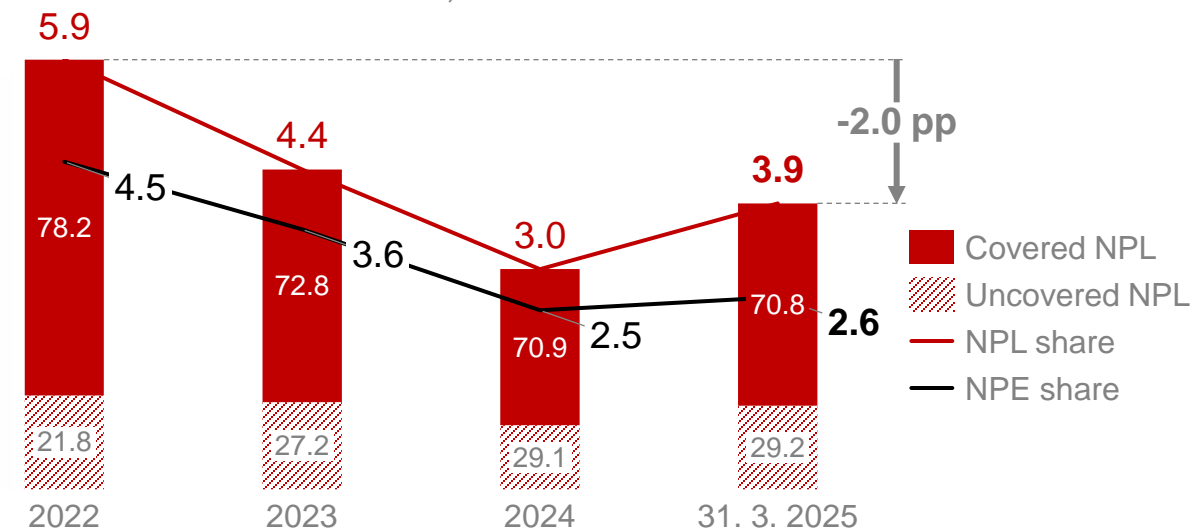
## Structure of provision costs

31.3.2025



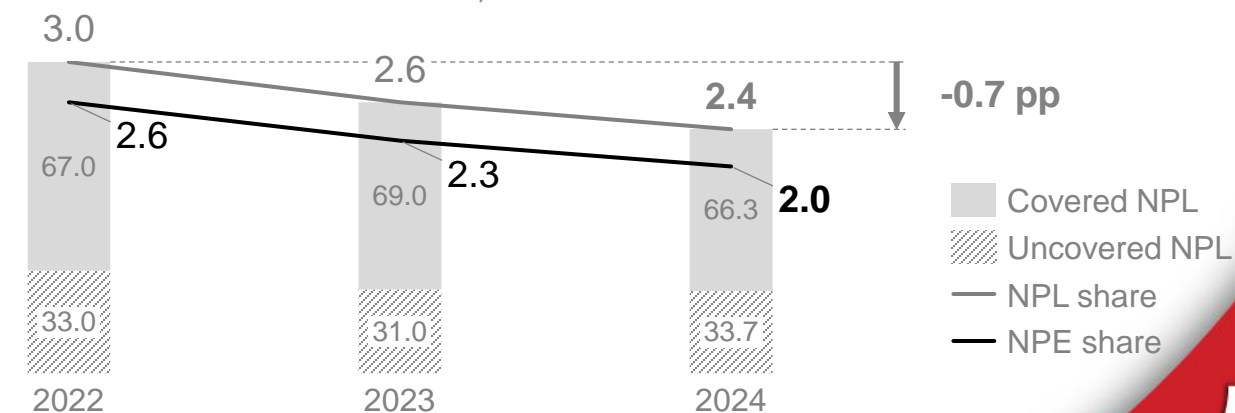
- ☑ The movement of provisions for the performing portfolio was influenced by the growth in the volume of the loan portfolio as well as one-off costs related to new investments in securities.
- ☑ The NPL ratio is currently influenced by the reduction of performing portfolio due to the redistribution of liquid deposit funds from central banks into bonds, which, with a stable level of non-performing exposures, results in a minimal increase in the ratio. The NPE ratio, which also includes the bond in its calculation, remains unchanged.

## HPB - NPL and NPE ratio, %



Source: FINREP regulatory report

## Market - NPL and NPE ratio, %



Source: CNB statistics, SV2 Selected indicators of the structure, concentration and operations of credit institutions

# Repositioned low-risk balance sheet

## Balance sheet (EUR mn)

	31.12.2024	31.3.2025	YTD	YTD %
Cash and cash equivalents	3,799	2,205	(1,594)	(42.0)
Securities and other instruments	1,104	1,886	783	70.9
Net loans and advances	2,866	2,983	117	4.1
Other assets	114	130	16	13.5
<b>Total assets</b>	<b>7,883</b>	<b>7,204</b>	<b>(678)</b>	<b>(8.6)</b>

Deposits	6,738	6,139	(599)	(8.9)
Loan liabilities	444	367	(77)	(17.4)
Other liabilities	140	123	(18)	(12.7)
<b>Total liabilities</b>	<b>7,323</b>	<b>6,629</b>	<b>(694)</b>	<b>(9.5)</b>

<b>Total equity and reserves</b>	<b>560</b>	<b>575</b>	<b>16</b>	<b>2.8</b>
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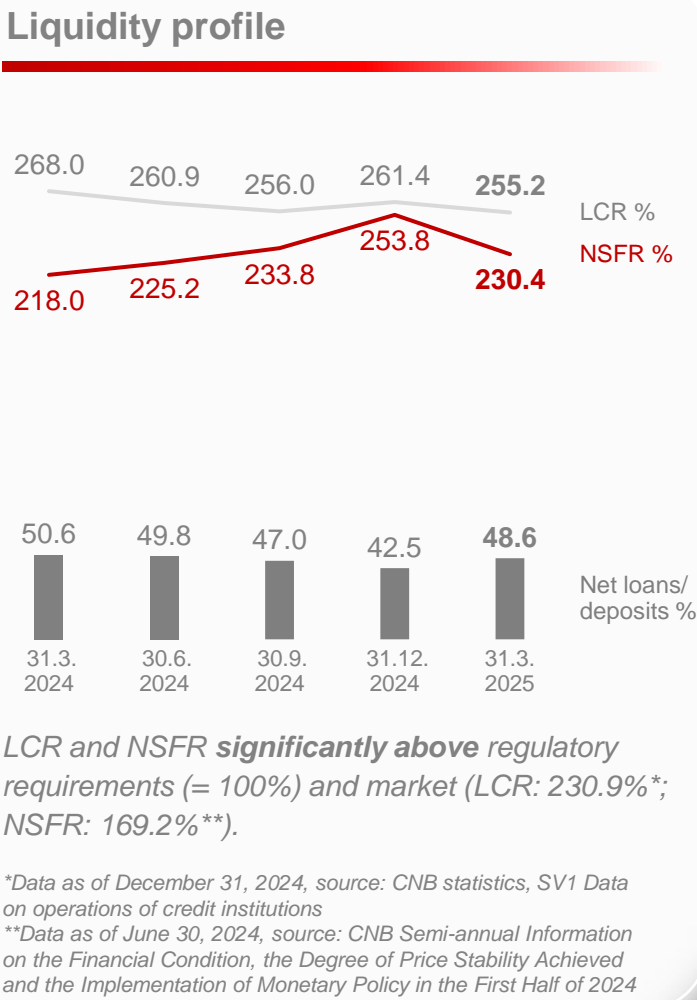
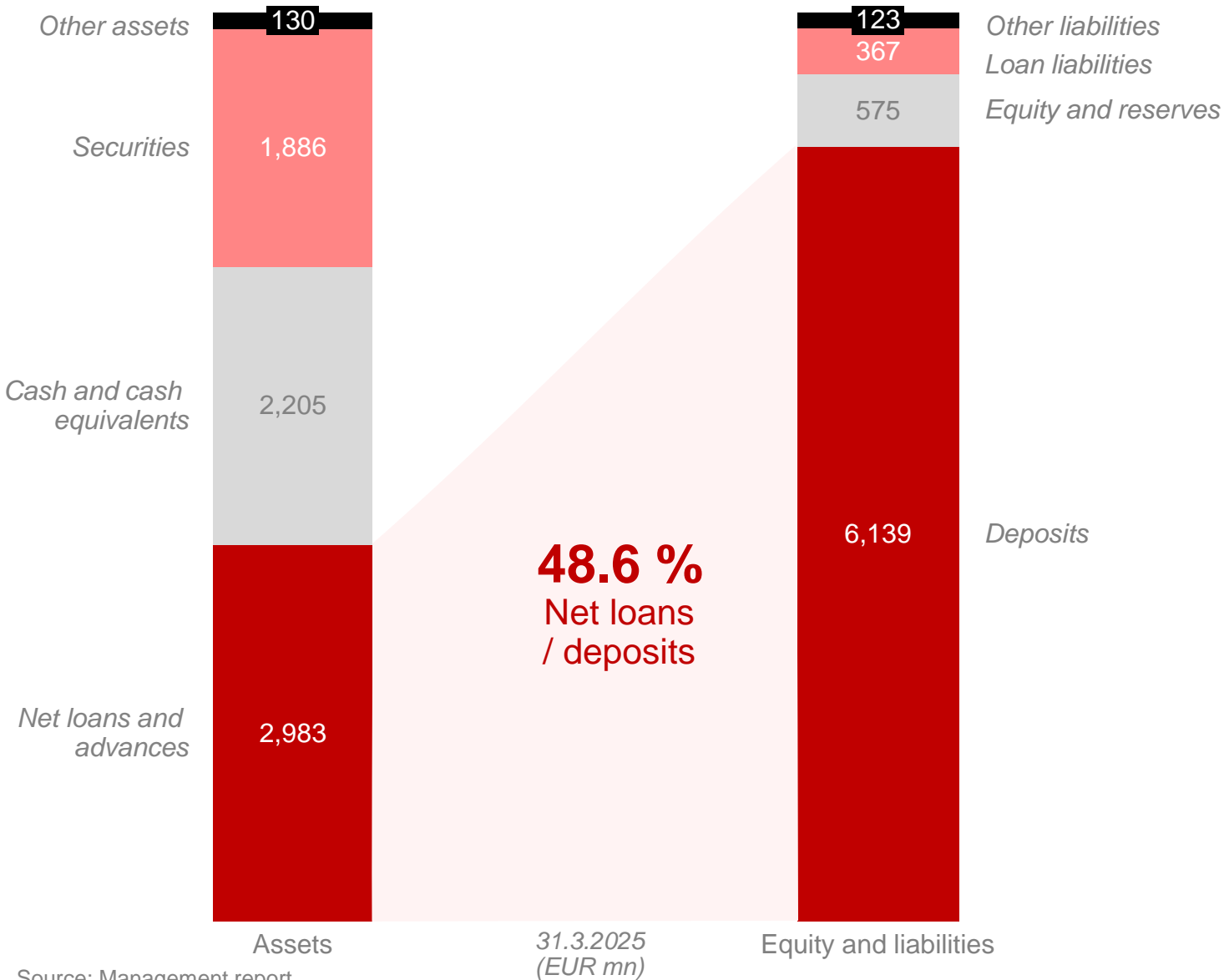
☑ The reduced position of cash and cash equivalents is a result of balance sheet transformation in a decreasing interest rate environment and the neutralization of these effects by investing in securities of the Republic of Croatia, as well as the seasonally lower deposit volume.

☑ Loan portfolio recorded a growth due to the Bank's initiative to introduce significantly more favorable housing loans conditions on the Croatian market as part of the new product HPB Super stambeni kredit, which was reflected in a larger volume of loans in the first quarter of 2025.

☑ Reduction of deposits due to seasonal changes in the deposit volume.

☑ The reduction in loan liabilities is the result of regular repayments and price optimization.

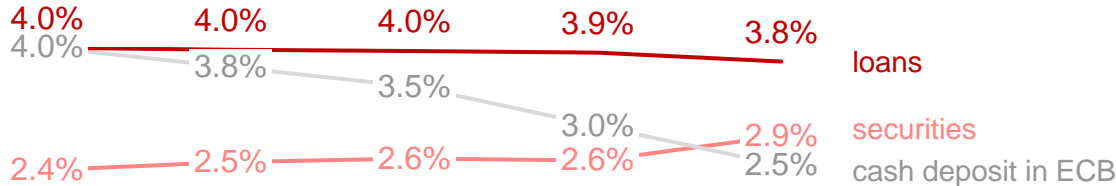
# Stability ensured through a healthy loan-to-deposit ratio



# Positioned for future opportunities – strong liquidity, balanced assets

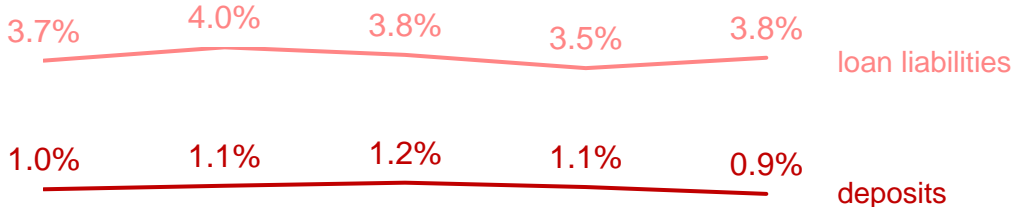
## Assets

Average interest rates

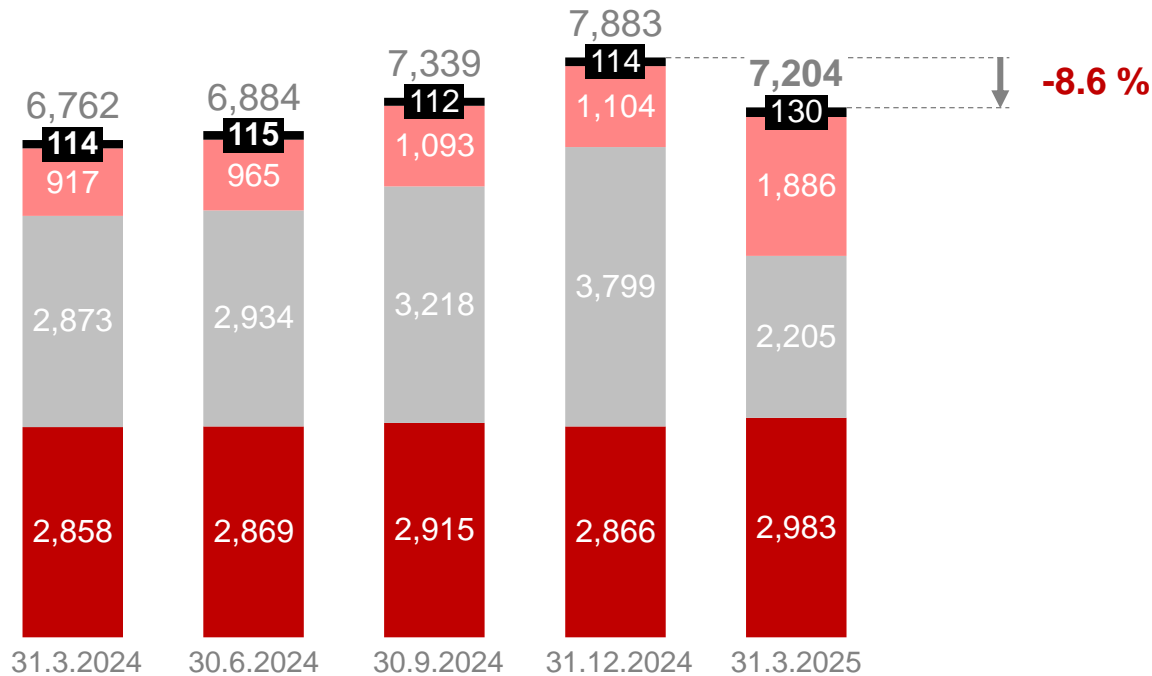


## Liabilities and equity

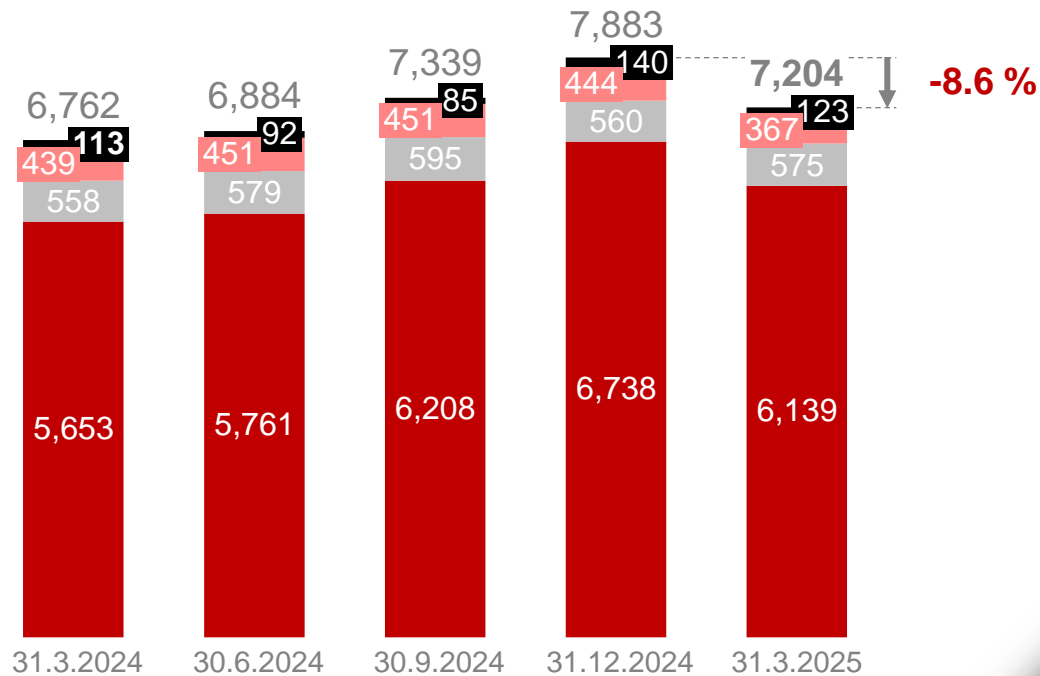
Average interest rates



Volume in EUR mn



Volume in EUR mn

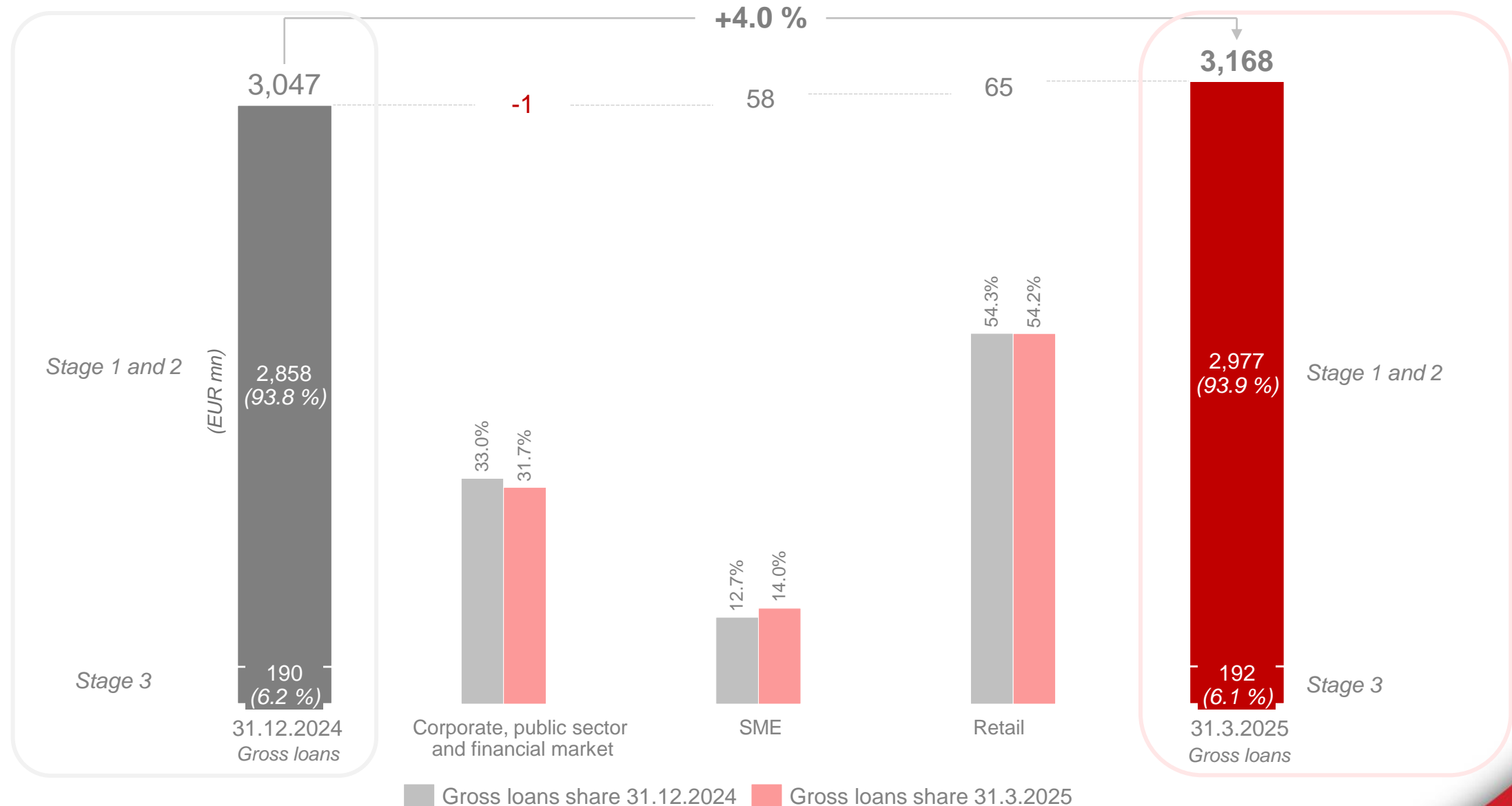


Other assets  
Cash and cash equivalents  
Securities  
Net loans and advances

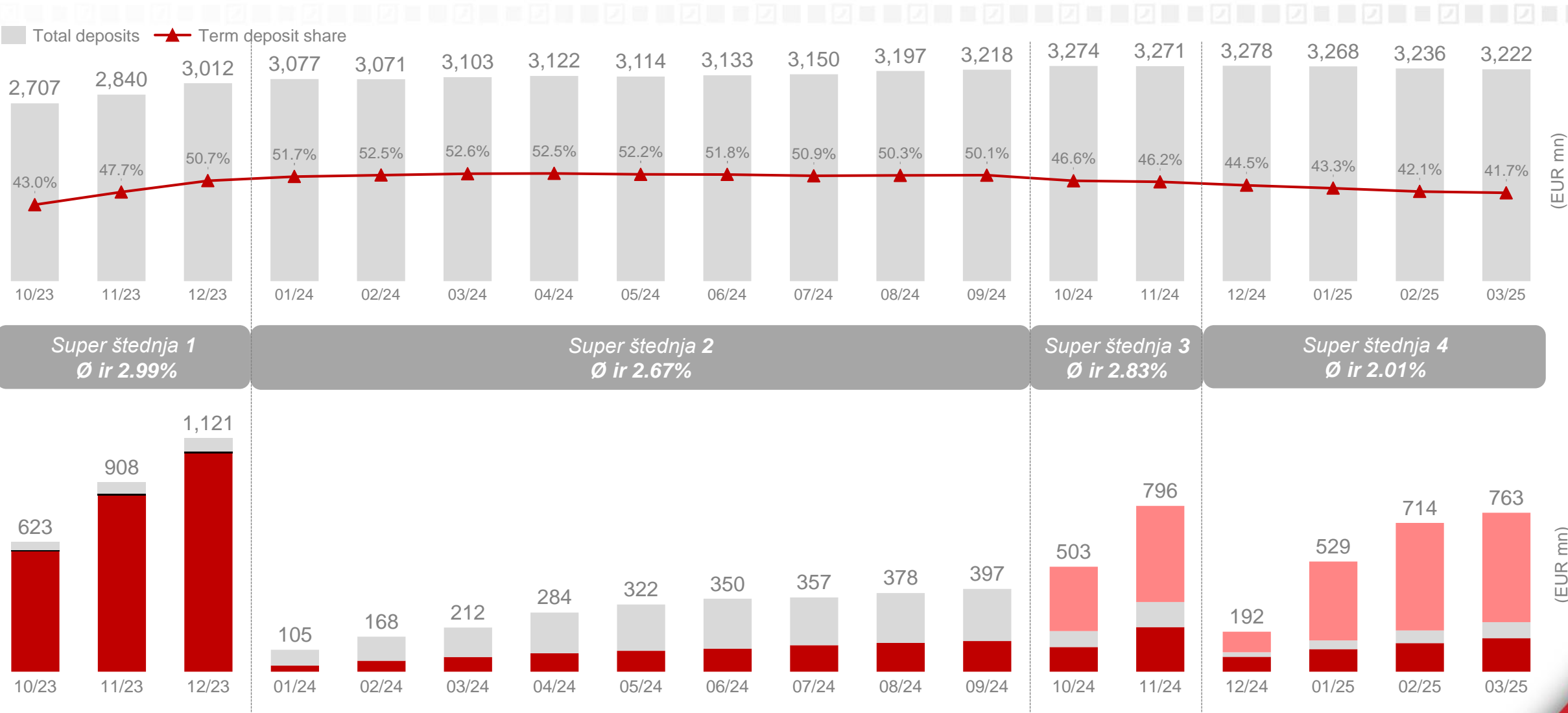
Other liabilities  
Equity and reserves  
Loan liabilities  
Deposits

# Loan growth with preserved portfolio quality

94% of loans in the performing portfolio



# Retail deposits development



The cumulative balance of each type of Super štednja by maturity during the period of each individual campaign

■ 3 months

■ 6 months

■ 9 month

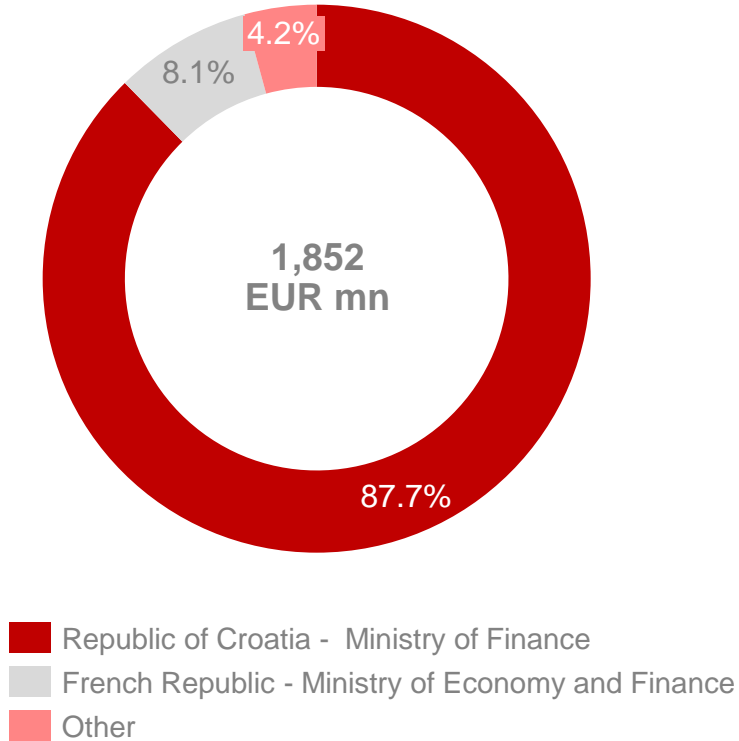
■ 12 months



# Government bonds as foundation of investment stability

31.3.2025

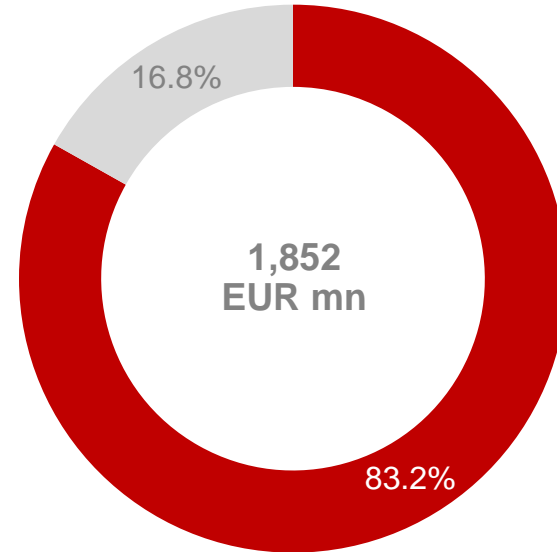
Securities\* by issuer



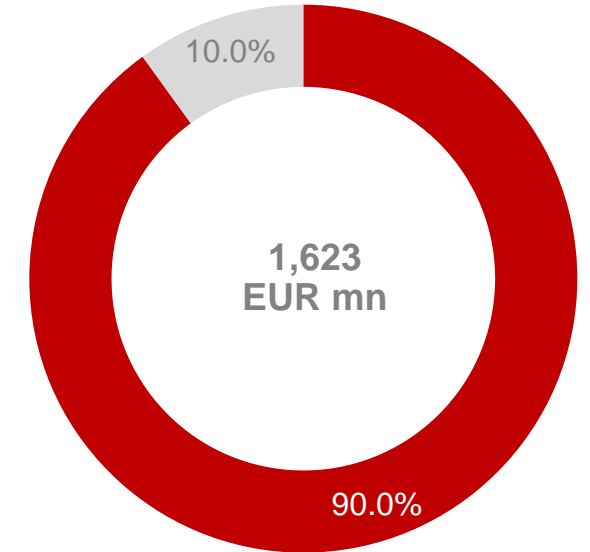
\*Securities are presented in nominal amount

Type of securities\*

Total...



...o/w issued by Croatia – Ministry of Finance



The securities portfolio consists of 83.2% bonds, with government bonds covering 78.9% of the total portfolio as the most significant investment.



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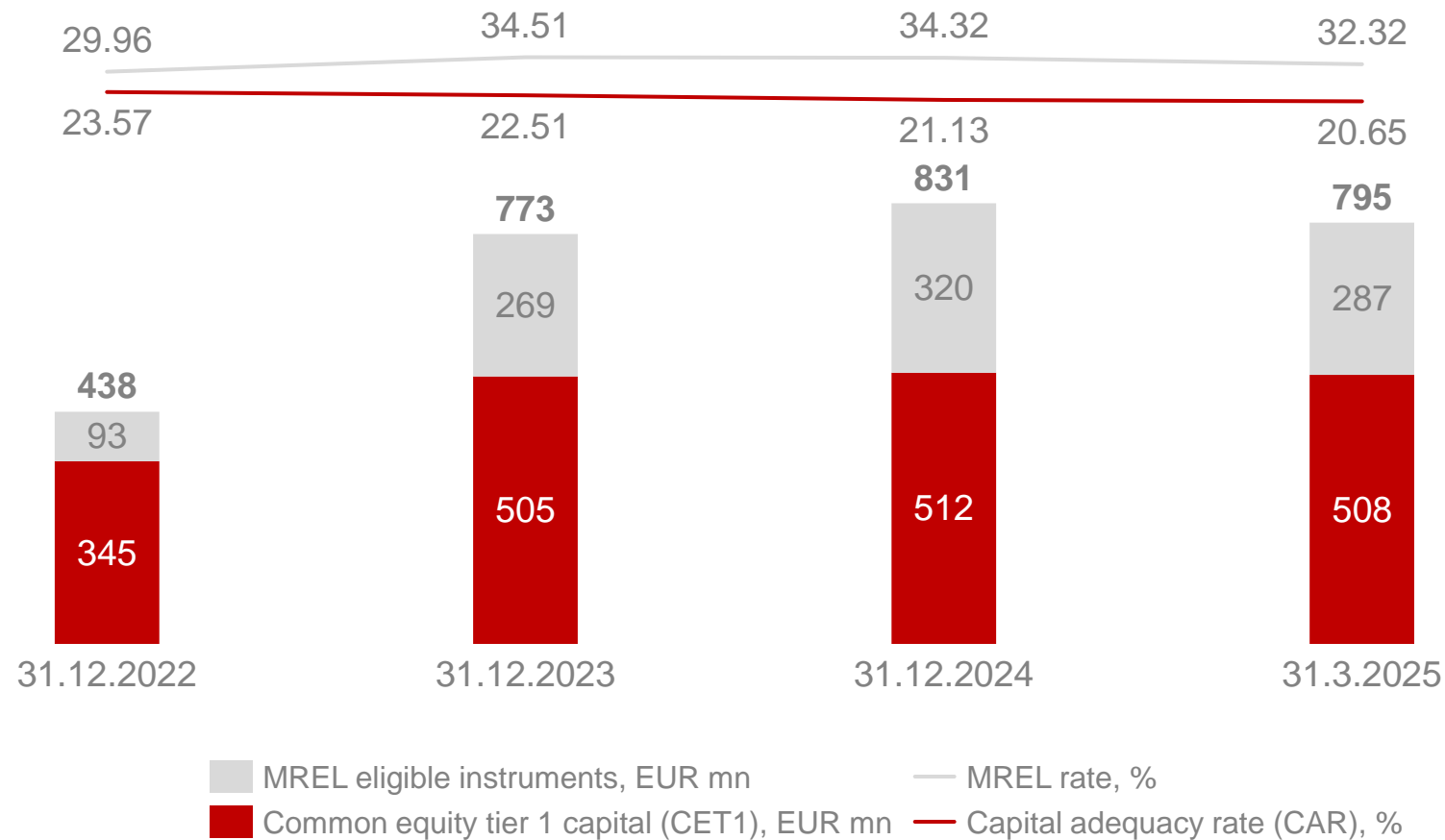
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# Capital strength as the foundation of secure growth

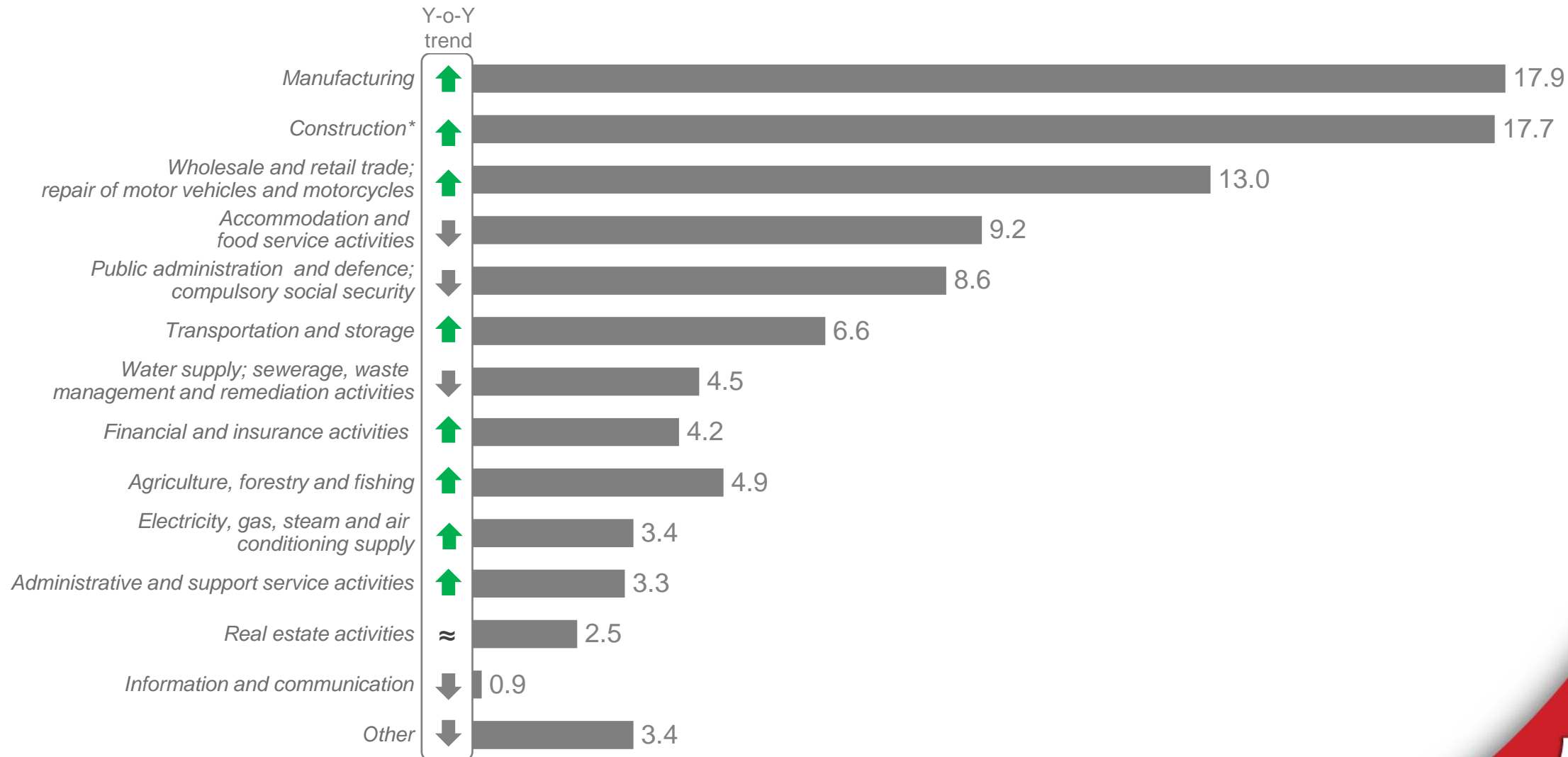
## Regulatory capital and MREL eligible instruments development



# Stable and well diversified loan portfolio

## Corporate gross loans structure per industry, %

31.3.2025



\* Hrvatske autoceste are included in construction industry, with a share of 51.24% of the total exposure to that industry



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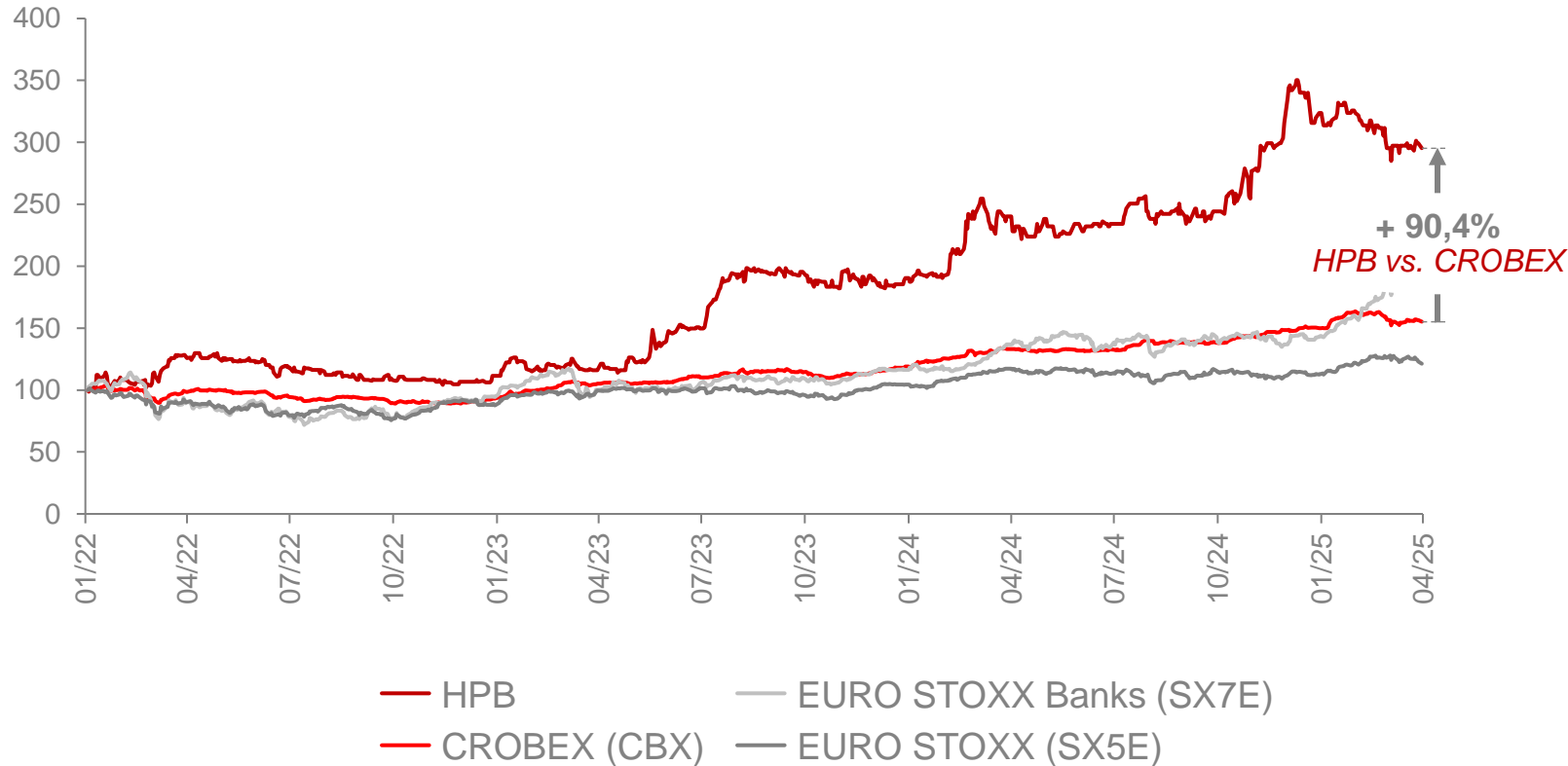
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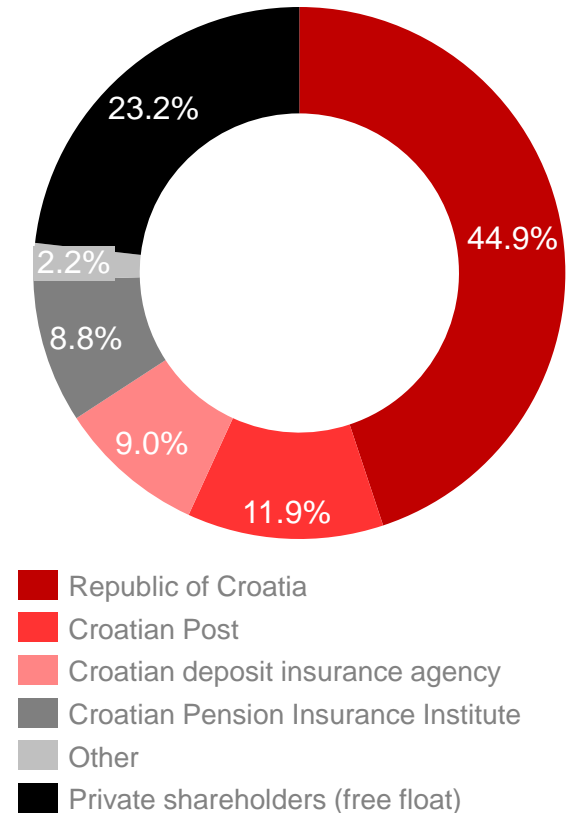
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# HPB share still above relevant market indices

HPB share price movement index and CROBEX, EURO STOXX and EURO STOXX Banks indices



Ownership structure  
31.3.2025



For the second year in a row and for the third time in its history, HPB pays out a dividend. In 2024, a EUR 23.90 dividend was voted in two equal parts of EUR 11.95. The first part was paid on January 7, 2025, the second will be paid on June 26, 2025.

# Sustainability – Q1 2025

## Sustainability as a Core Pillar of Responsible Development

- ☑ Sustainability: one of the fundamental pillars of HPB Group development
- ☑ Our mission: creating conditions for a better life in Croatia

- ☑ HPB Group ESG Policy defines our sustainability principles and a way to manage sustainability topics
- ☑ Focus in aligning business practices with regulatory framework

- ☑ HPB Group Climate Strategy and Transition Plan sets ambitious plans and goals to achieve carbon neutrality by 2050

- ☑ HPB Group operates in full compliance with the ISO 26000:2020 international standard for social responsibility

## Activities in first quarter 2025

### Published Sustainability Report for 2024

- ☑ Third Sustainability Report, first time as part of the [Annual Report for the HPB Group](#)

- ☑ Prepared in accordance with the European Sustainability Reporting Standards (ESRS)

- ☑ Prepared on a consolidated basis for the HPB Group – encompasses sustainability management practices at Hrvatska poštanska banka PLC, HPB Invest Ltd., and HPB-nekretnine Ltd.

- ☑ Undergone an independent limited assurance engagement conducted by the auditing firm BDO Croatia Ltd.

- ☑ Available in Croatian and English language on the [website](#)

- ☑ Information presented on sustainability indicators in accordance with the double materiality assessment:
  - ❖ ESRS E1 (Climate Change)
  - ❖ ESRS S1 (Own Workforce)
  - ❖ ESRS S4 (Consumers and End Users)
  - ❖ ESRS G1 (Business Conduct).

- ☑ Focus to define goals and action plans designed to minimize negative impacts, maximize positive contributions, and strengthen our ability to manage risks and opportunities

- ☑ Key sustainability goals defined:
  - ❖ reducing greenhouse gas emissions
  - ❖ increasing of green asset ratio
  - ❖ reducing the gender pay gap

## Our Focus in 2025

### New initiatives

- ☑ New environmental sustainability related initiatives:
  - ❖ developing sustainable products
  - ❖ managing greenhouse gas emissions

- ☑ New social sustainability related initiatives:
  - ❖ improving processes in the human resources management

- ☑ Integration of the ESG questionnaire for our suppliers:
  - ❖ determining the supplier ESG score

- ☑ Conduct of educational programme for our clients:
  - ❖ application of EU Taxonomy
  - ❖ sustainability reporting requirements

## Awards and Recognitions

- ☑ Best Buy Award - medal for HPB Super štednja

- ☑ #BeCROactive - award in the Workplace category

- ☑ Company Friendly to Health – certificate valid for five-years

- ☑ Employer Partner Certificate - certificate for excellence human resource management practices

# Abbreviations

Abbreviation	Definition
CAR	Capital Adequacy Ratio
CBRD	Croatian Bank for Reconstruction and Development
CET 1	Common Equity Tier 1
CIR	Cost-to-income ratio
CNB	Croatian National Bank
CROBEX	Croatian Benchmark Stock Exchange Index
ECB	European Central Bank
EIR	Effective interest rate
ESG	Environmental, Social and Governance
GDP	Gross Domestic Product
HICP	Harmonised index of consumer prices
HPB	Hrvatska poštanska banka
ir	Interest rate
ISIN	International Securities Identification Number
LCR	Liquidity Coverage Ratio
MREL	Minimum Requirement for Own Funds and Eligible Liabilities
NPE	Non Performing Exposures
NSFR	Net Stable Funding Ratio
Q	Quarter
ROAE	Return on Average Equity
RWA	Risk-Weighted Assets
SEE	South East Europe
Stage 1 and 2	Performing Loans
Stage 3 or NPL	Non-Performing Loans
Y-o-Y	Year-over-Year
YTD	Year to Date
ZSE	Zagreb Stock Exchange
3M	Three-month period



# Indices calculation

Indicator	Calculation
Liquidity coverage ratio (LCR)	The ratio of liquid assets to net liquidity outflow
NPE ratio	Ratio of non-performing exposures to total loans
NPL coverage	Ratio of accumulated impairments for non-performing loans to total non-performing loans
NPL ratio	Ratio of non-performing loans to total loans
Net stable funding ratio (NSFR)	Ratio of the available amount of stable funding relative to the required amount of stable funding
Loan to deposit ratio	Ratio of net loans to deposits as of the reporting date
Cost to income ratio (CIR)	Operating cost to net operating income ratio
Return on average equity (ROAE)	Ratio of annualized profit for the current year to average equity (arithmetic mean of the balance in equity at the end of the reporting period and the balance in equity at the end of the previous year)
Common Equity Tier 1 (CET 1)	Common Equity Tier 1 (CET1) capital to risk-weighted assets (RWA) ratio



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