



HRVATSKA POŠTANSKA BANKA

Investor information

Unaudited financial statements

July 2025

6M 2025

Limitation of liability

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Statement of the President of the Management Board



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

"I am extremely proud that today HPB is a bank that not only adapts to changes such as the reduction of reference interest rates, but also shapes them through new products and an agile pricing policy. After gaining a significant market share in 2023 and 2024 with HPB Super štednja, in 2025 we became the first bank on the Croatian market to launch the most competitive loan product – HPB SUPER STAMBENI KREDIT. The results achieved in this area are best reflected by the fact that the Bank's lending activity has more than doubled over the already strong 2024 figures, so that nearly one fifth of new loans granted in the market in 2025 relate to HPB!"

In parallel with our lending effort, and in order to mitigate the impact of lower reference rates and thereby preserve our profit margins over the medium term, we have repositioned our balance sheet by investing excess liquidity in fixed-yield bonds.

Beyond our market-share objectives, in 2025, we have also been intensely focused internally on innovation and digital transformation, to ensure the preconditions for strengthening our position among Croatia's leading banks over the long term.

All of this confirms that HPB is ready to continue generating additional value to our shareholders, citizens, and entrepreneurs - whether through the delivery of strong earnings and growth in the value of the largest domestically owned bank, or through the provision of innovative and competitively priced services.



Executive
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Risk
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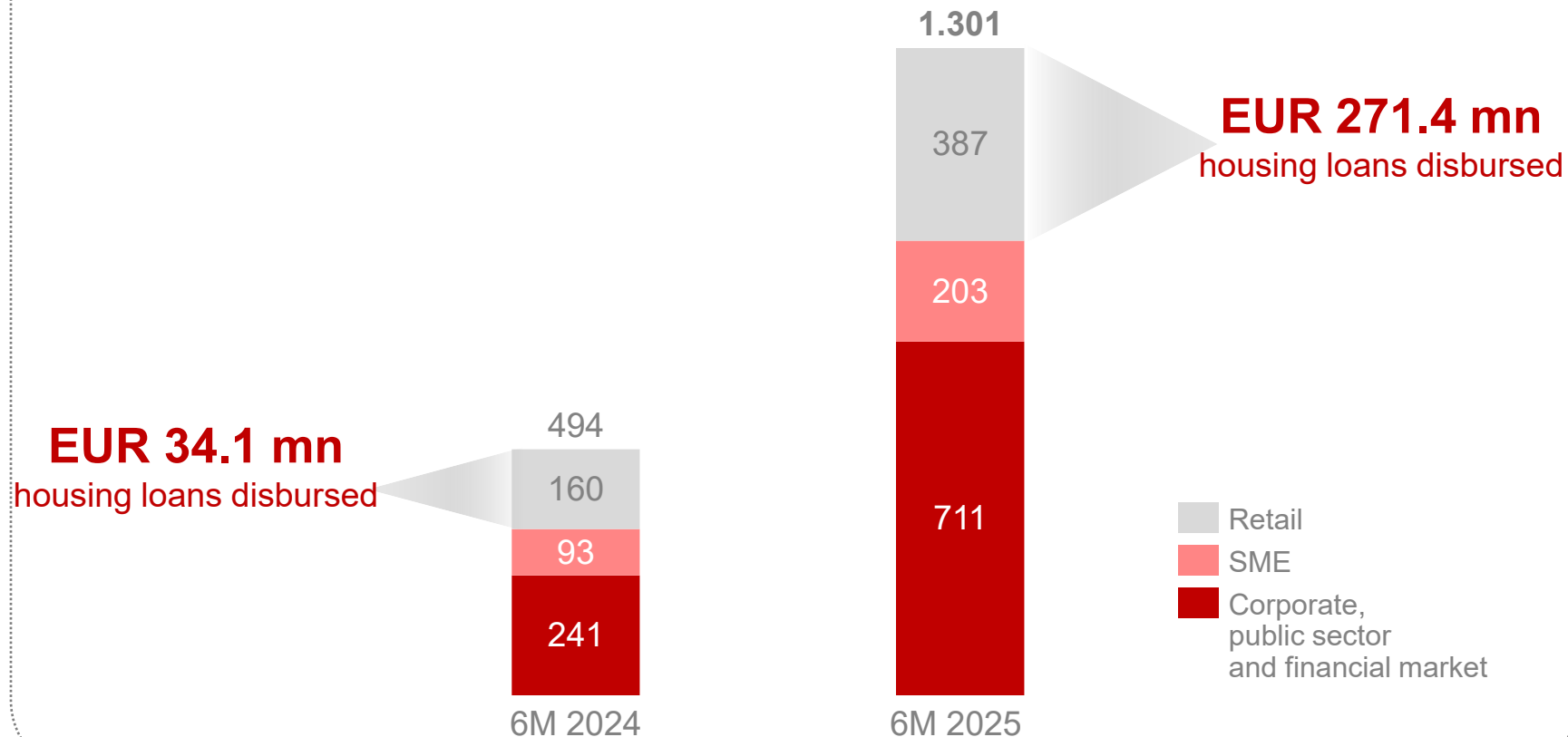
Additional
Information

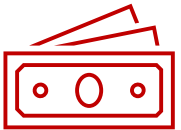
SUPER stambeni kredit – We are changing the housing loan market

We are actively pursuing our mission and creating conditions for a better life in Croatia!



Volume of issued new loans



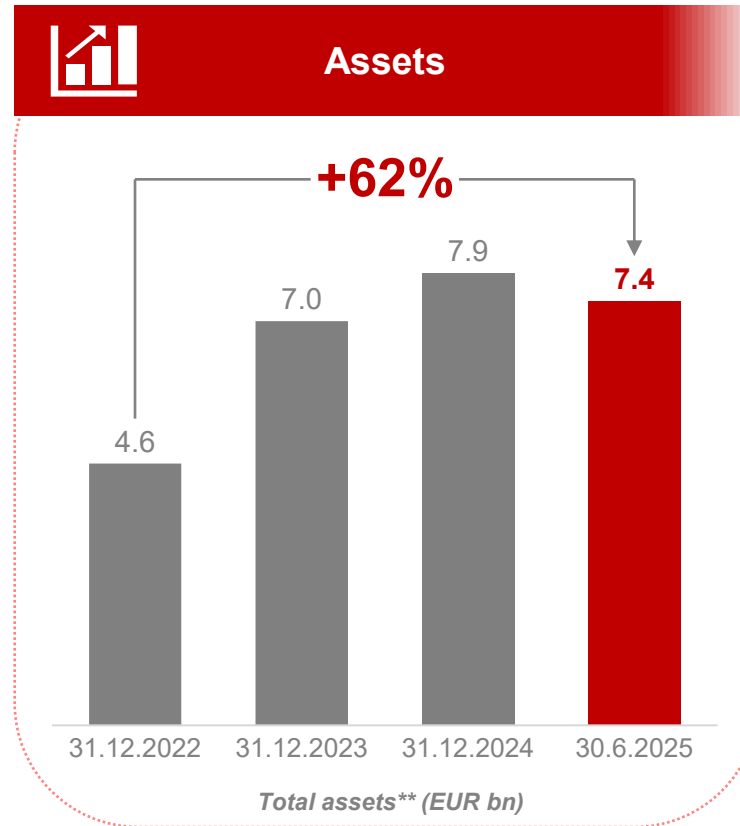
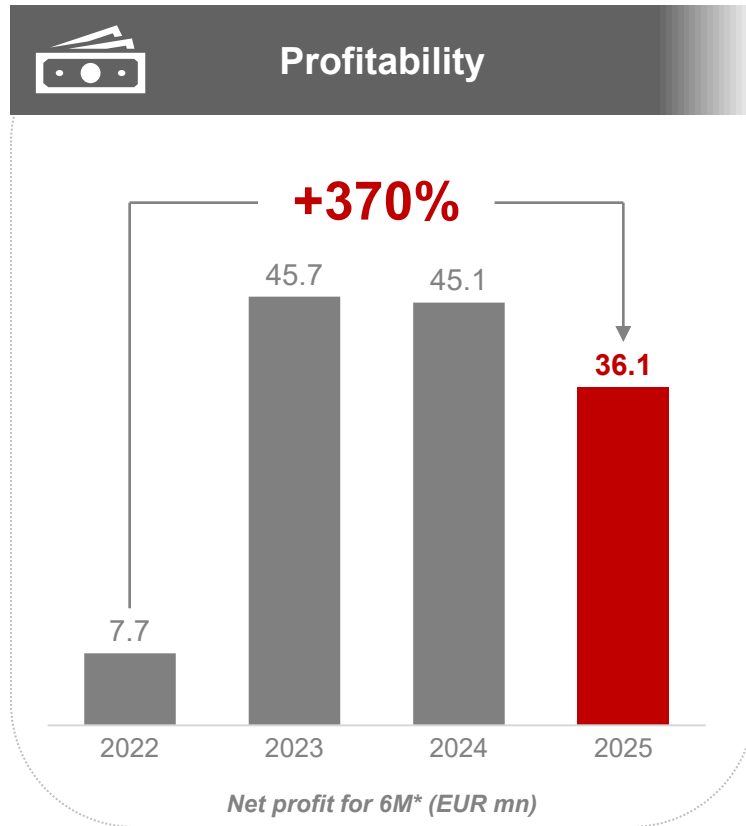

EUR 253.7 mn
SUPER stambeni
kredit disbursed



2.89%
EIR 3.01%

HPB is the driving force behind a wave of positive changes for Croatian citizens seeking better conditions for addressing their housing needs.

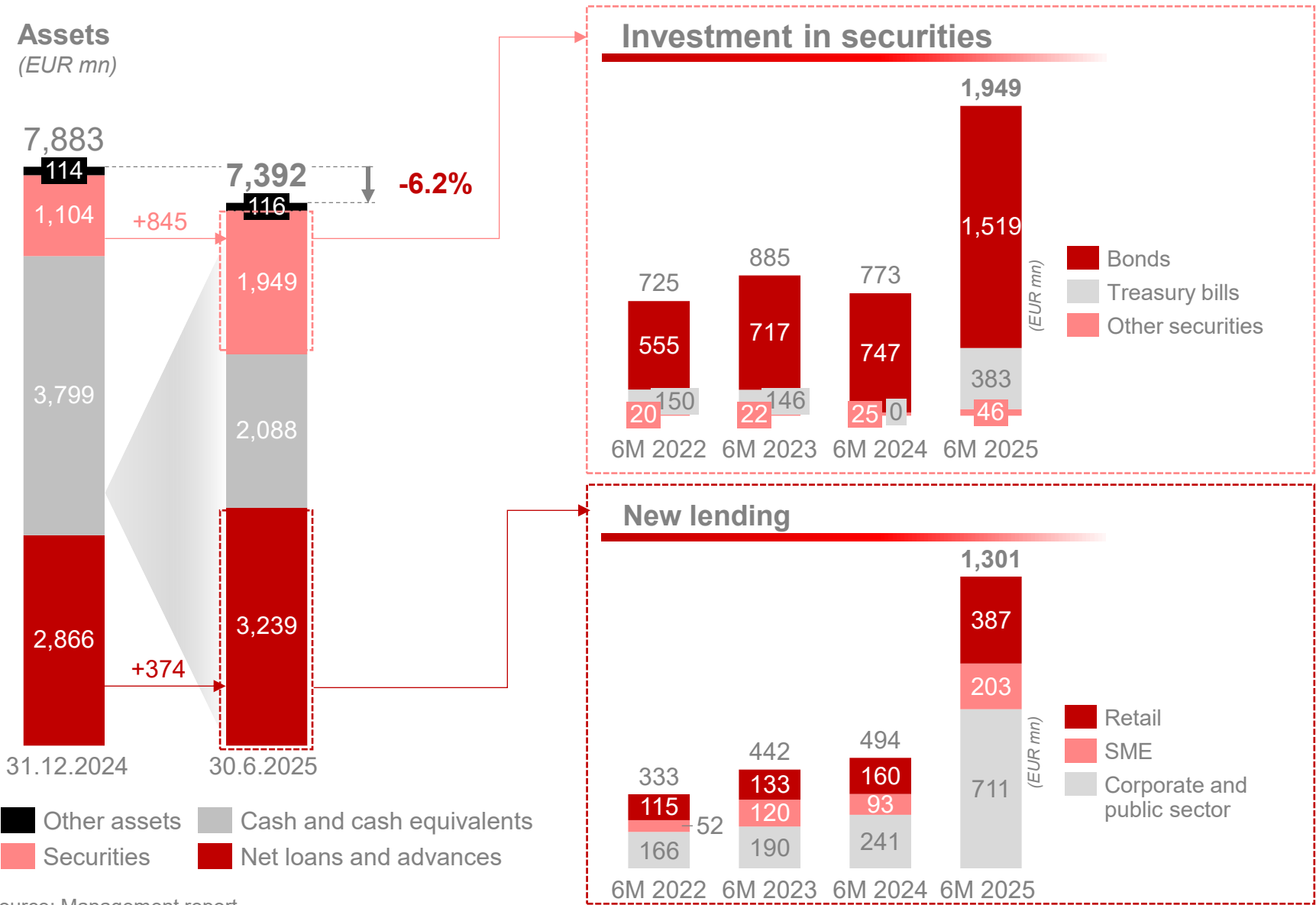
Resilience and adaptation for long-term profitability



* 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 – 30.6.2025 include results of an integrated Bank (HPB + Nova hrvatska banka) in accordance with the integration of Nova hrvatska banka in July 2023

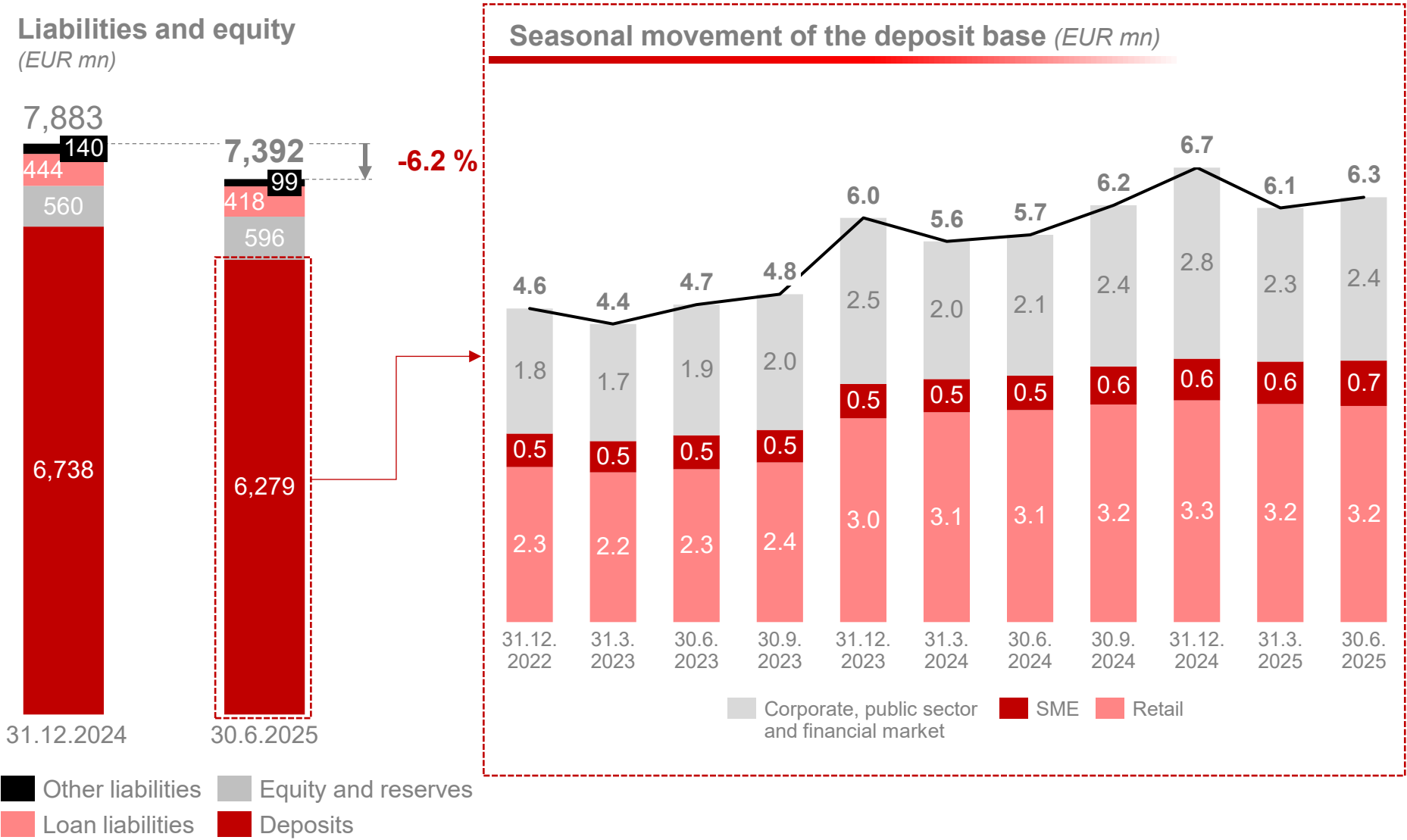
Balance sheet transformation with a focus on yield and security



In 2025, the most significant investment focus was on **low-risk bonds and treasury bills** with a higher average yield, partially offsetting the effects of the ECB reference rate reduction (as of 30 June 2025 = 2.0%).

New loans grow more than **2.5 times** in all business segments, with **HPB Super stambeni kredit** covering over 65% of new loans to retail clients.

A stable deposit base reflects client trust



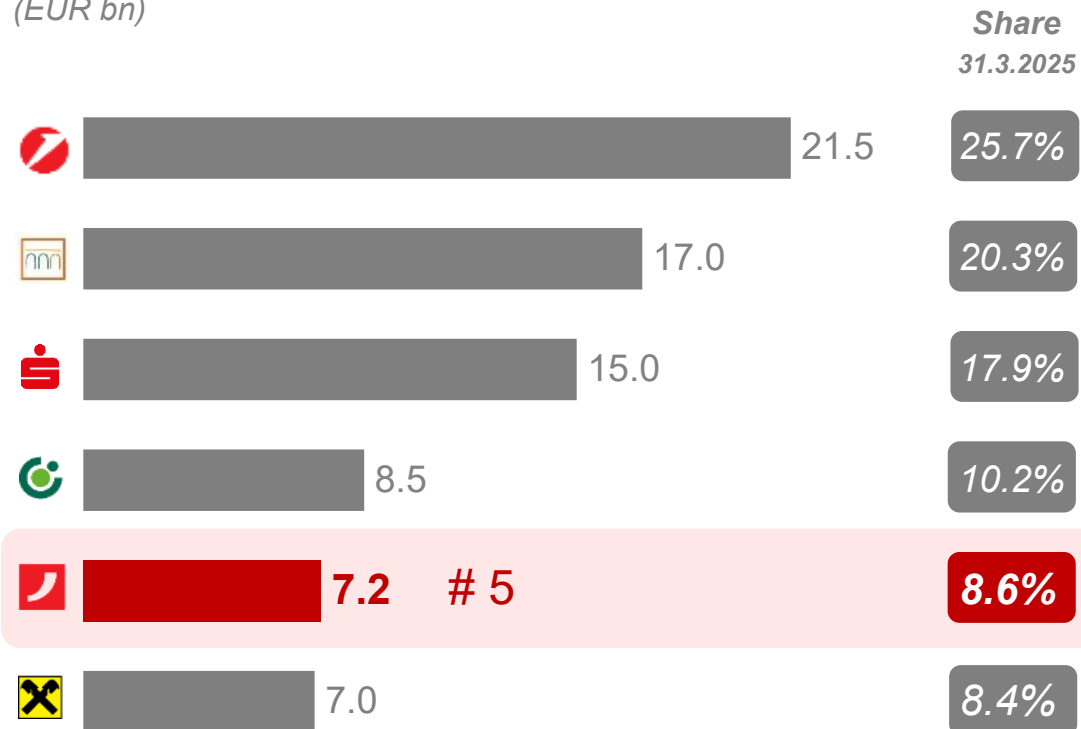
8.0%*
Insured deposit
market share

**Source: Croatian Deposit Insurance Agency, data as of June 30, 2025*

After a decline in deposits in Q1 due to usual seasonal trends typical at the beginning of the year among corporate clients, deposits grew again in Q2, accompanied by a decrease in interest expenses due to an agile pricing policy.

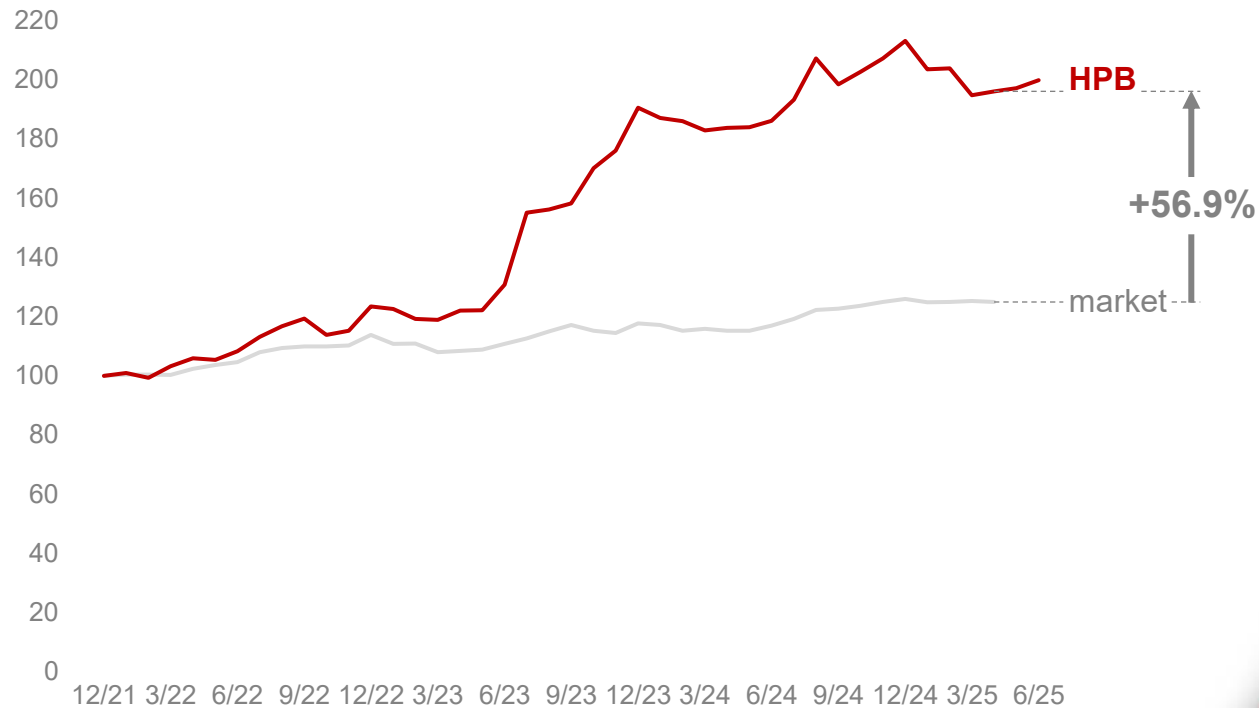
Bank's strategy focused on increasing market share and the importance of HPB

Total assets
(EUR bn)



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

Total assets development
Base index = 2021





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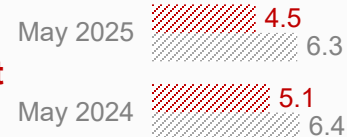
Macroeconomic indicators



Overall inflation (HICP)



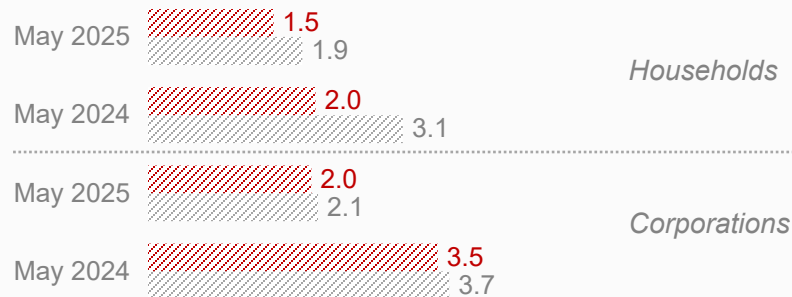
Unemployment rate



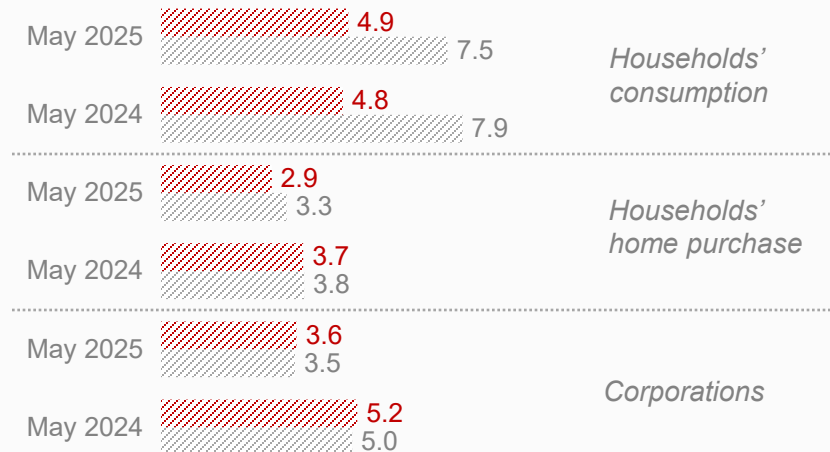
Real GDP growth quarterly



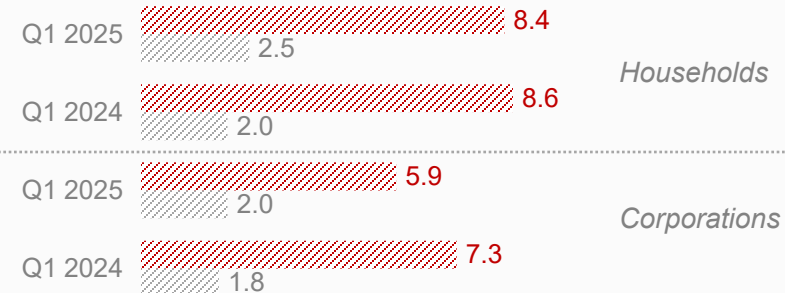
Interest rate on deposits with agreed maturity



Interest rate on loans



Financial investment growth* quarterly



* Total value of financial investment transactions during the year compared to the same period last year, according to current prices.

Croatia, % Euro area, %



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The growth of non-interest income and cost control ease the pressure on net profit

Profit and loss account (EUR mn)

	6M 2024	6M 2025	Y-o-Y	Y-o-Y %
Net interest income	91.2	77.8	(13.4)	(14.7)
Net fee and commission income	16.7	18.2	1.5	9.3
Net other income	2.2	4.6	2.3	103.5
Operating income	110.1	100.6	(9.6)	(8.7)

Employee expenses	(27.5)	(28.2)	0.7	2.7
Administrative expenses	(21.9)	(20.0)	(1.9)	(8.8)
Depreciation	(5.6)	(5.1)	(0.5)	(8.2)
Operating expenses	(54.9)	(53.3)	(1.7)	(3.0)

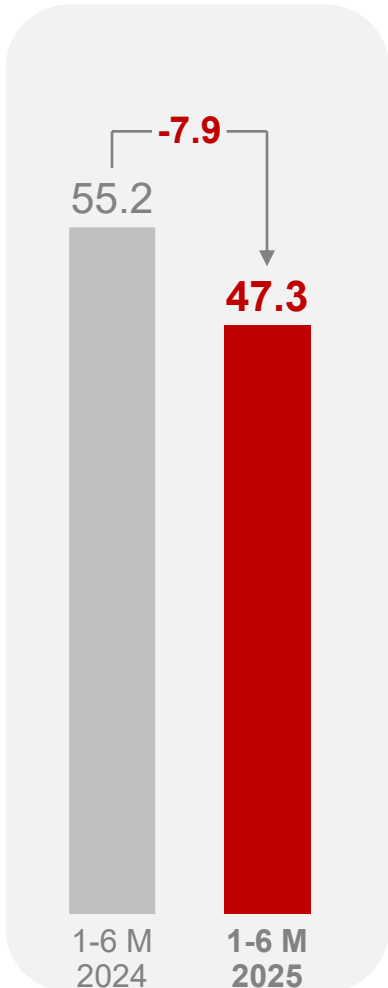
Operating profit	55.2	47.3	(7.9)	(14.3)
Provisions	(0.6)	(3.3)	(2.7)	
Tax	(9.5)	(8.0)	(1.6)	(16.5)
Profit after tax	45.1	36.1	(9.0)	(20.0)

- Net interest income lower by EUR 13.4 mn (-14.7%) compared to the same period in 2024 primarily due to lower volume and lower reference interest rates, which was strategically partially neutralized by higher income from loans and securities.
- Net fee and commission income continued its growth trend, increasing by EUR 1.5 million (+9.3%) in the reporting period, driven by higher transaction volumes and an expanding client base.
- Operating expenses decreased by EUR 1.7 million (3.0%), with part of the savings on external services and asset investments reinvested into employees to maintain competitiveness in the labor market.
- The growth of lending activity is accompanied by prudent provisioning. Provisions for the performing portfolio in 2025 were influenced by increased loan volume, as well as investments in Croatian government securities. In the non-performing loan portfolio, income was generated in the first six months of 2025 from reversal of provisions due to efficient collection activities.

Expected decline in profitability due to falling reference interest rates

Pressures on the income side mitigated by savings and balance sheet transformation, hence Q2 is at the previous year's level

Operating profit
(EUR mn)



28.6

1-3 M
2024

26.6

4-6 M
2024

24.6

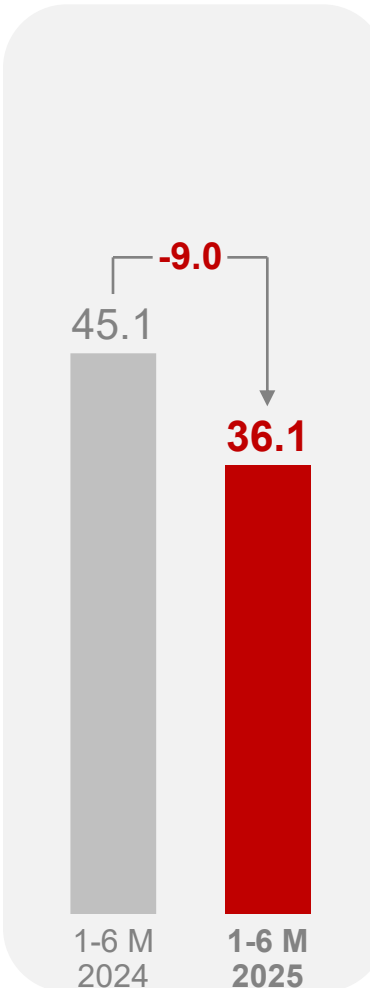
1-3 M
2025

22.7

4-6 M
2025

53.0%
CIR

Profit after tax
(EUR mn)



23.9

1-3 M
2024

21.2

4-6 M
2024

15.2

1-3 M
2025

20.9

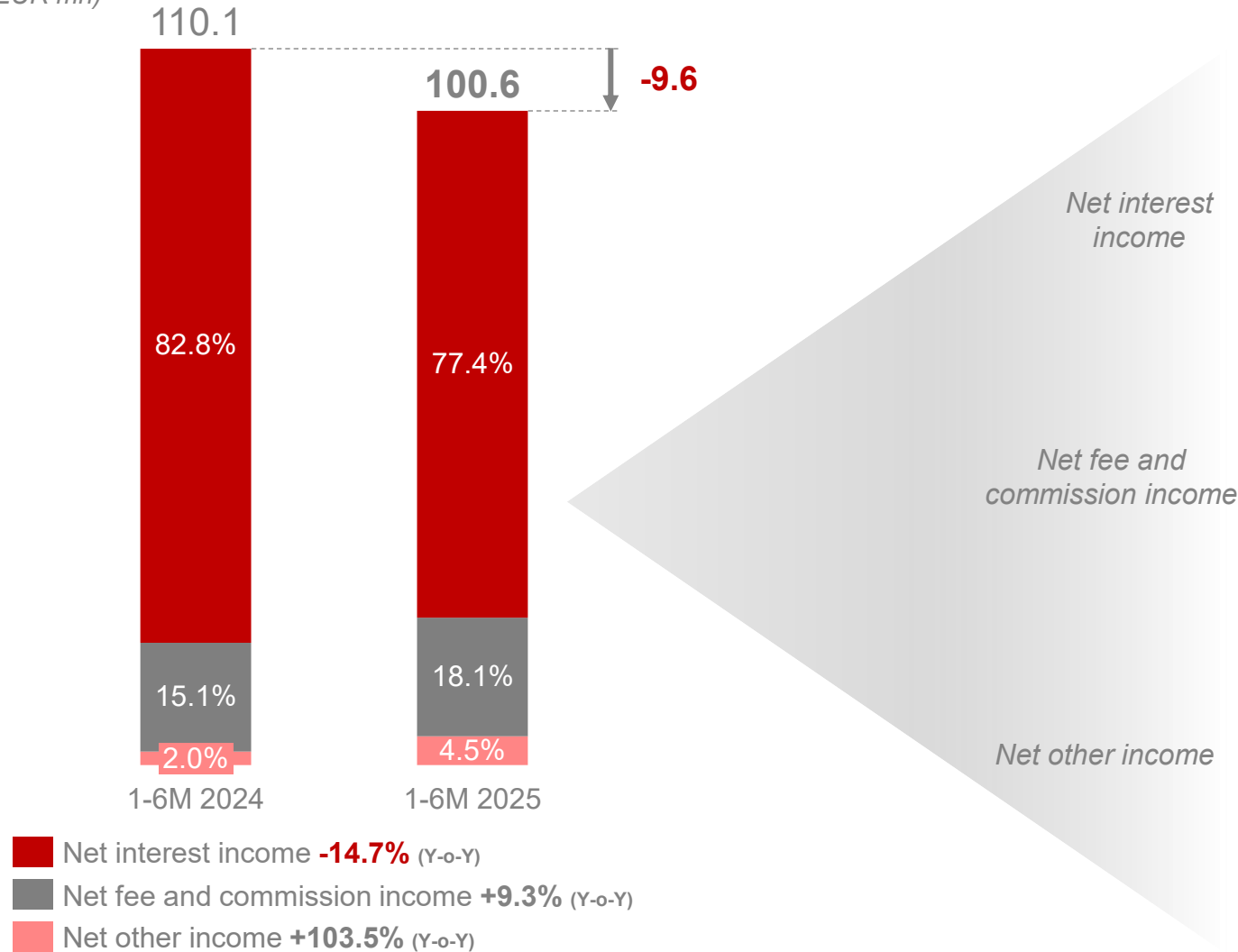
4-6 M
2025

12.5%
ROAE

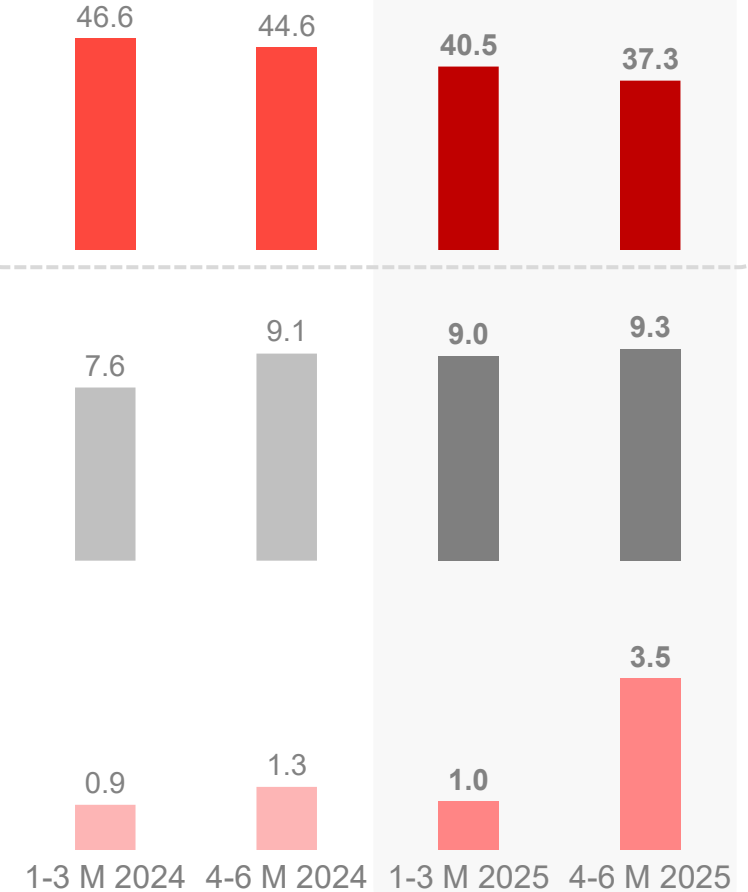
Income diversification mitigates market pressures

Client acquisition and favorable macro environment have resulted in higher transaction volumes

Operating income
(EUR mn)

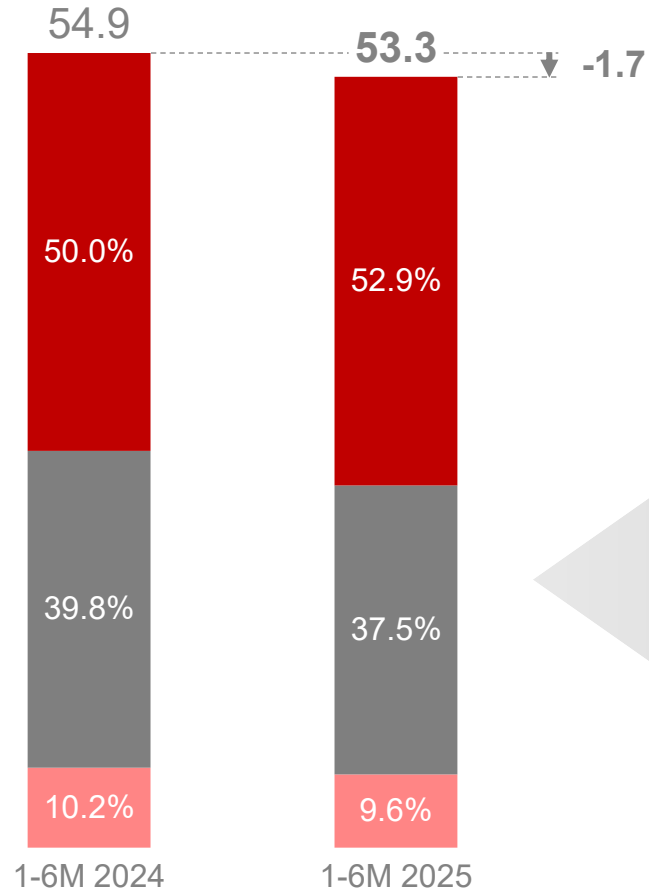


Effect of reduction in reference interest rates (ECB)



Effective cost control with investments in employee competency development and benefits

Operating expenses (EUR mn)



- Employee expenses **+2.7%** (Y-o-Y)
- Administrative expenses **-8.8%** (Y-o-Y)
- Depreciation **-8.2%** (Y-o-Y)

Employee
expenses

Administrative
expenses

Depreciation

Average no. of employees

1-6 M 2024

1-6 M 2025

1,724

1,710

13.3

14.2

13.4

14.8

10.3

11.5

9.8

10.2

2.9

2.7

2.6

2.6

1-3 M 2024

4-6 M 2024

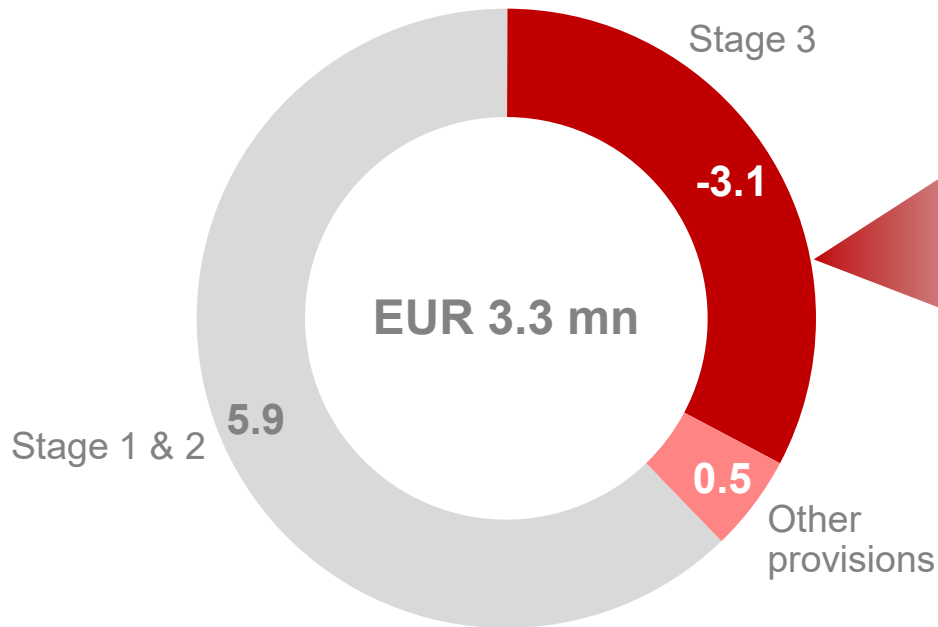
1-3 M 2025

4-6 M 2025

Growth of lending activity with disciplined credit risk management

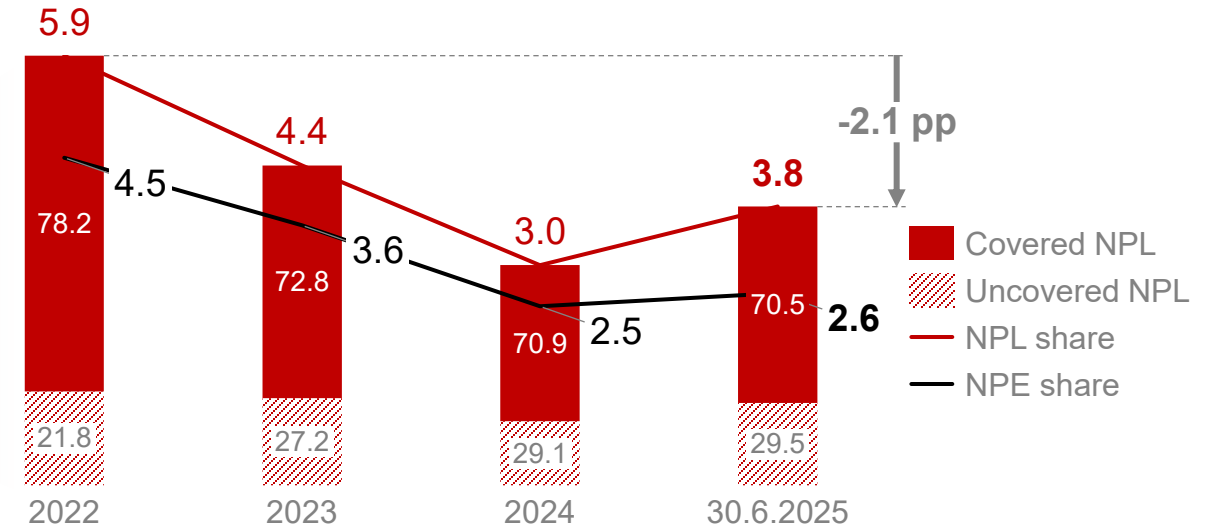
Structure of provision costs

30.6.2025



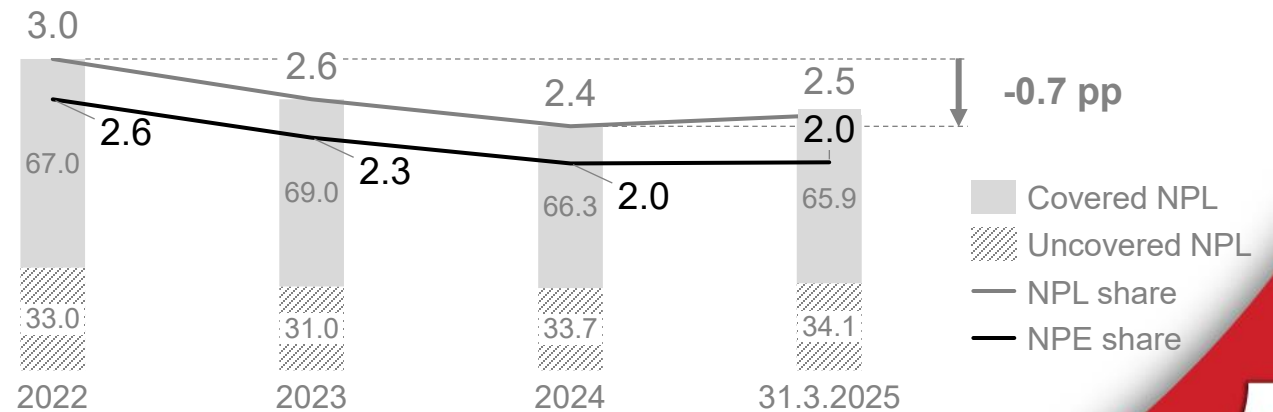
- ☑ The movement of provisions for the performing portfolio was influenced by the growth in the volume of the loan portfolio to small and medium-sized enterprises and retail, as well as investments in Croatian government securities.
- ☑ NPL exposure maintained at 2024 level. The NPL ratio affected by balance sheet transformation (redistribution of liquid assets into bonds).
- ☑ Effective collection of the non-performing portfolio has significantly exceeded the cost of new NPL inflows, resulting in income from the reversal of provisions of non-performing loan provisions amounting to EUR 3.1 mn.

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

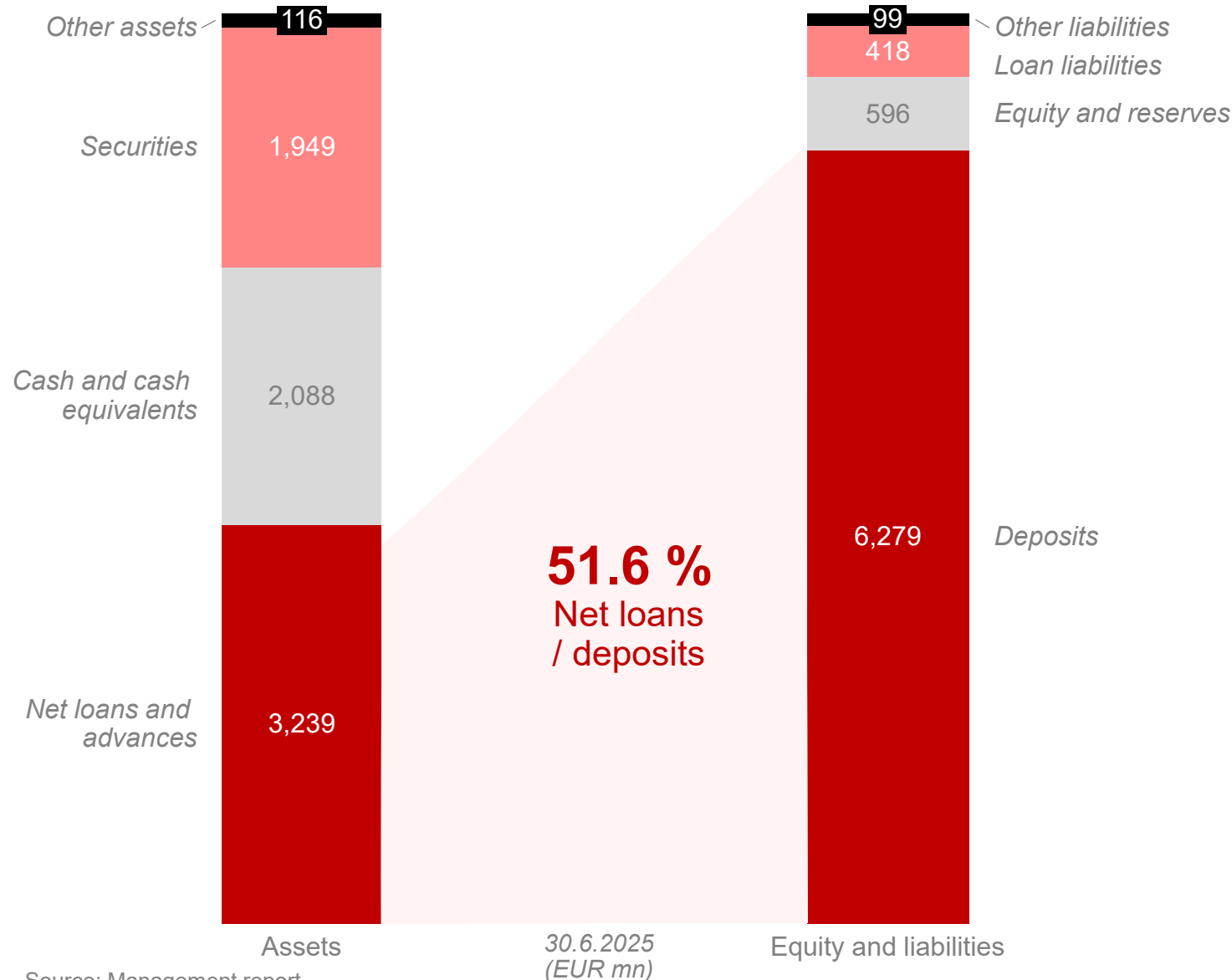
Investing in more profitable assets - the foundation for future growth

Balance sheet (EUR mn)

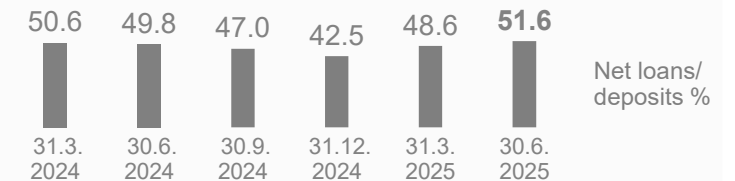
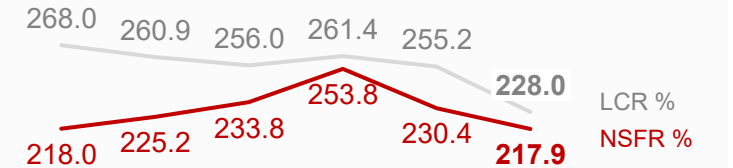
	31.12.2024	30.6.2025	YTD	YTD %
Cash and cash equivalents	3,799	2,088	(1,710)	(45.0)
Securities and other instruments	1,104	1,949	845	76.6
Net loans and advances	2,866	3,239	374	13.0
Other assets	114	116	1	1.2
Total assets	7,883	7,392	(490)	(6.2)
Deposits	6,738	6,279	(459)	(6.8)
Loan liabilities	444	418	(26)	(5.9)
Other liabilities	140	99	(41)	(29.3)
Total liabilities	7,323	6,797	(526)	(7.2)
Total equity and reserves	560	596	36	6.5

- ☑ Decrease in the position of cash and cash equivalents is the result of balance sheet transformation in a declining interest rate environment and the neutralization of these effects through investments in Croatian government securities, as well as seasonally lower deposit volumes.
- ☑ Investing in securities refers primarily to low-risk securities - government bonds and treasury bills.
- ☑ The growth of the loan portfolio in all business segments is the result of strategic direction, significantly contributed by the results of the HPB Super stambeni kredit, launched in January 2025, through which over EUR 250 mn has been disbursed.
- ☑ Deposits in line with seasonal volume trends compared to the end of the year, and compared to the previous quarter, a growth of EUR 140 mn (2.6%) was achieved.
- ☑ The reduction in loan liabilities refers to regular repayments.

Strong liquidity with an improved loan-to-deposit ratio



Liquidity profile



LCR and NSFR **significantly above** regulatory requirements (= 100%) and market (LCR: 222.2%*; NSFR: 172.2%**).

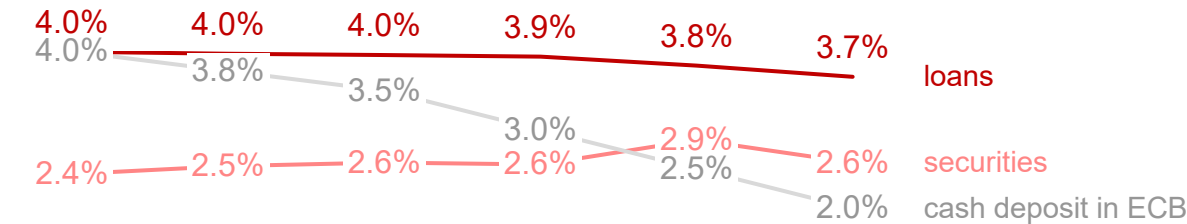
*Data as of March 31, 2025, source: CNB statistics, SV1 Data on operations of credit institutions

**Data as of December 31, 2024, source: CNB Semi-annual Information on the Financial Condition, the Degree of Price Stability Achieved and the Implementation of Monetary Policy in the Second Half of 2024

Focus on higher yield assets

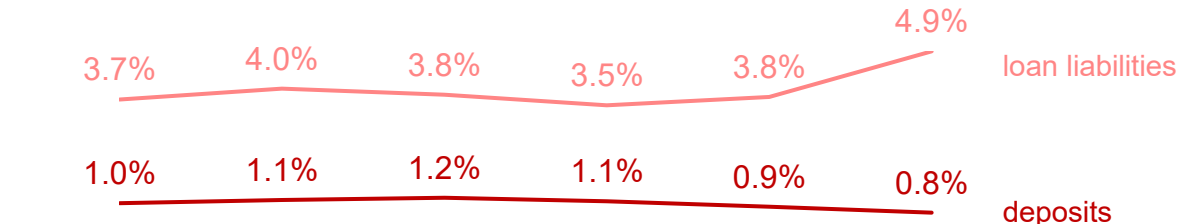
Assets

Average interest rates

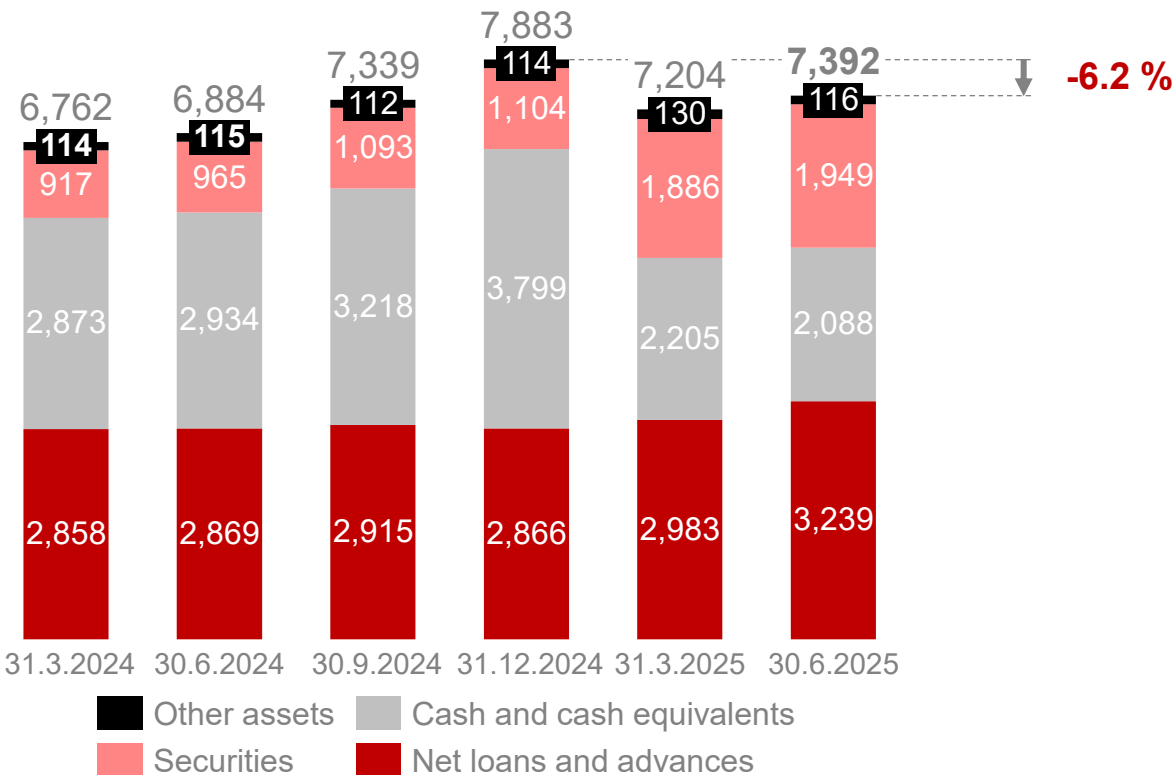


Liabilities and equity

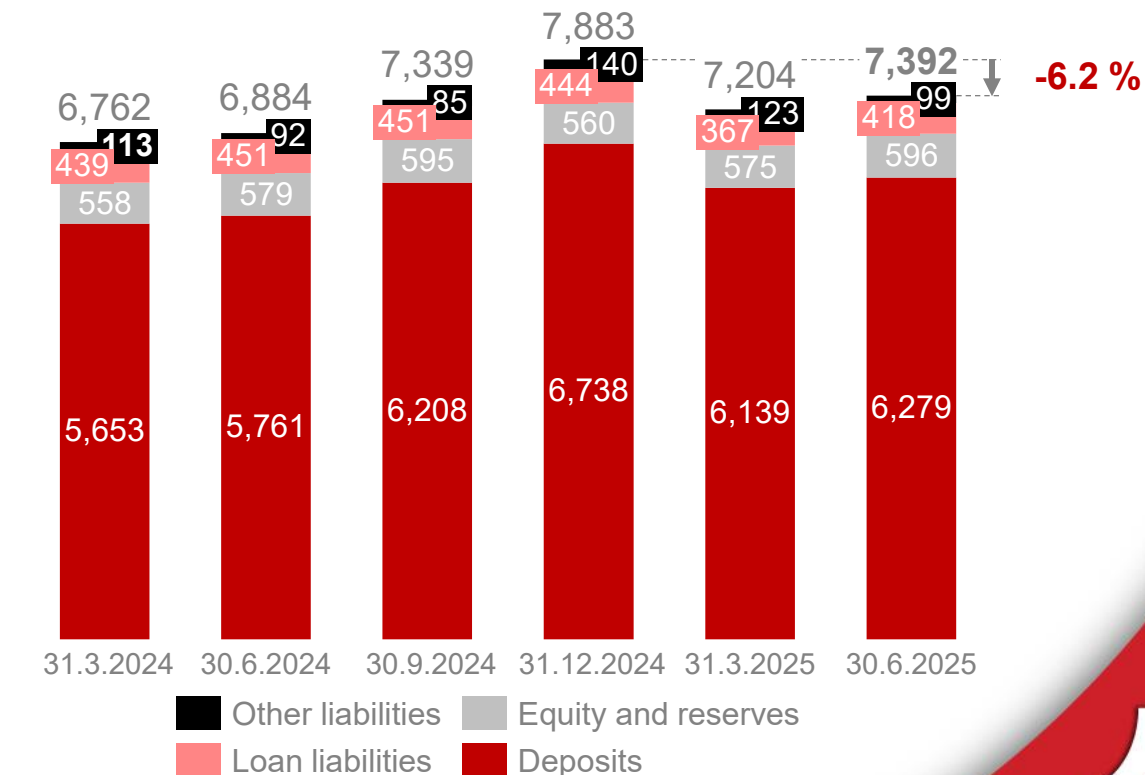
Average interest rates



Volume in EUR mn

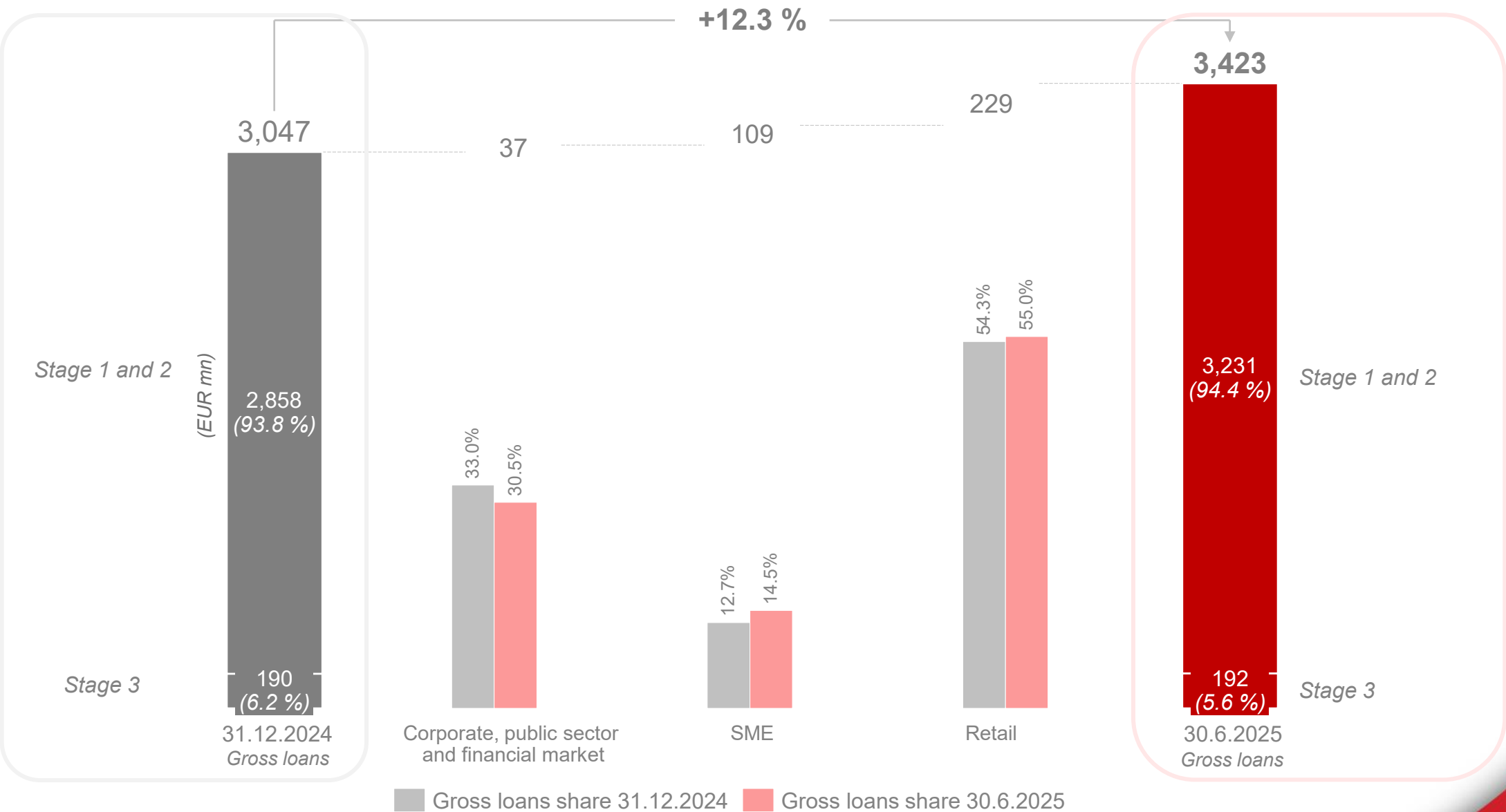


Volume in EUR mn



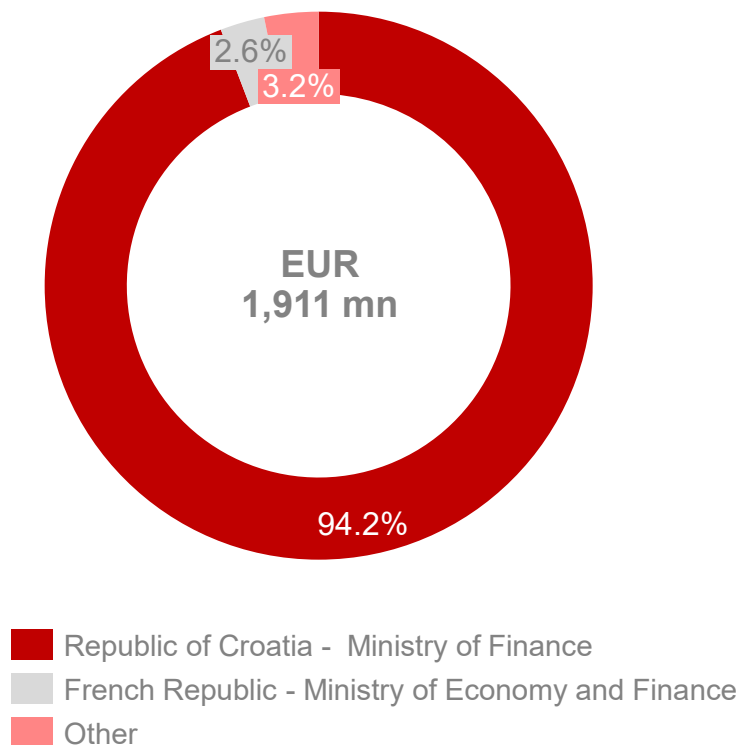
Growth in the quality and volume of loans in all business segments

Growth in the loan portfolio greater than the market share

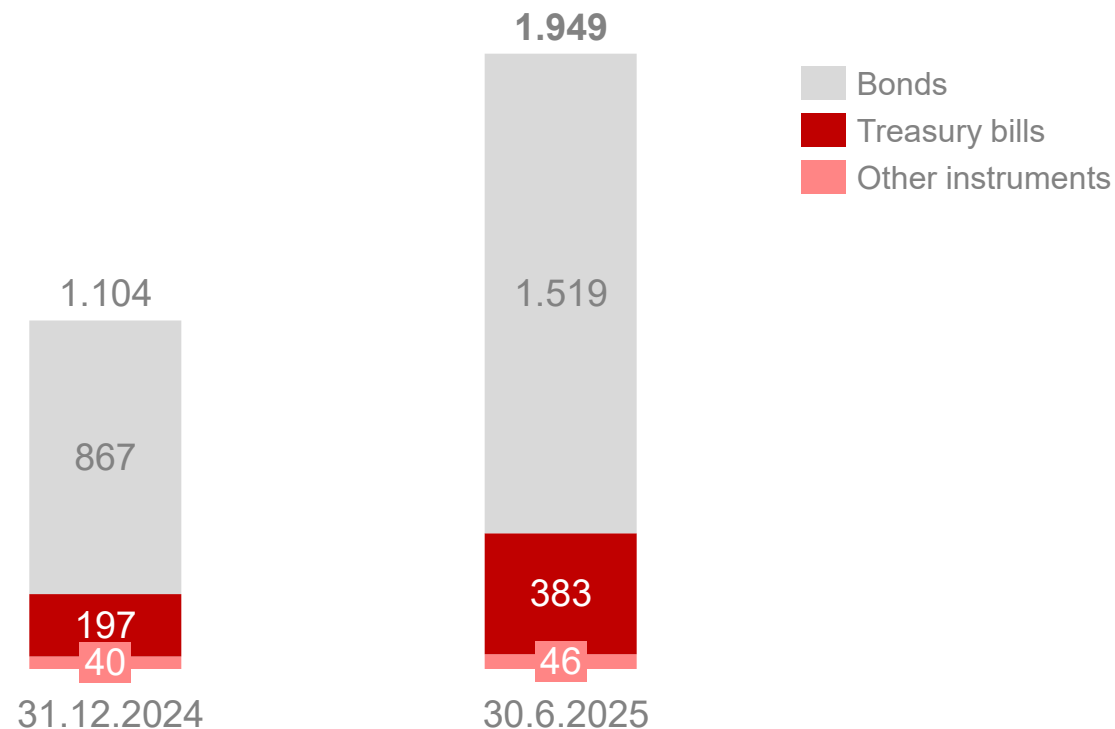


Conservative and stable securities portfolio structure

Securities* by issuer



Movement of securities and other instruments



*Securities are presented in nominal amount as of June 30, 2025



The securities portfolio consists of 79.7% bonds, with government bonds covering 76.5% of the total portfolio as the most significant investment.



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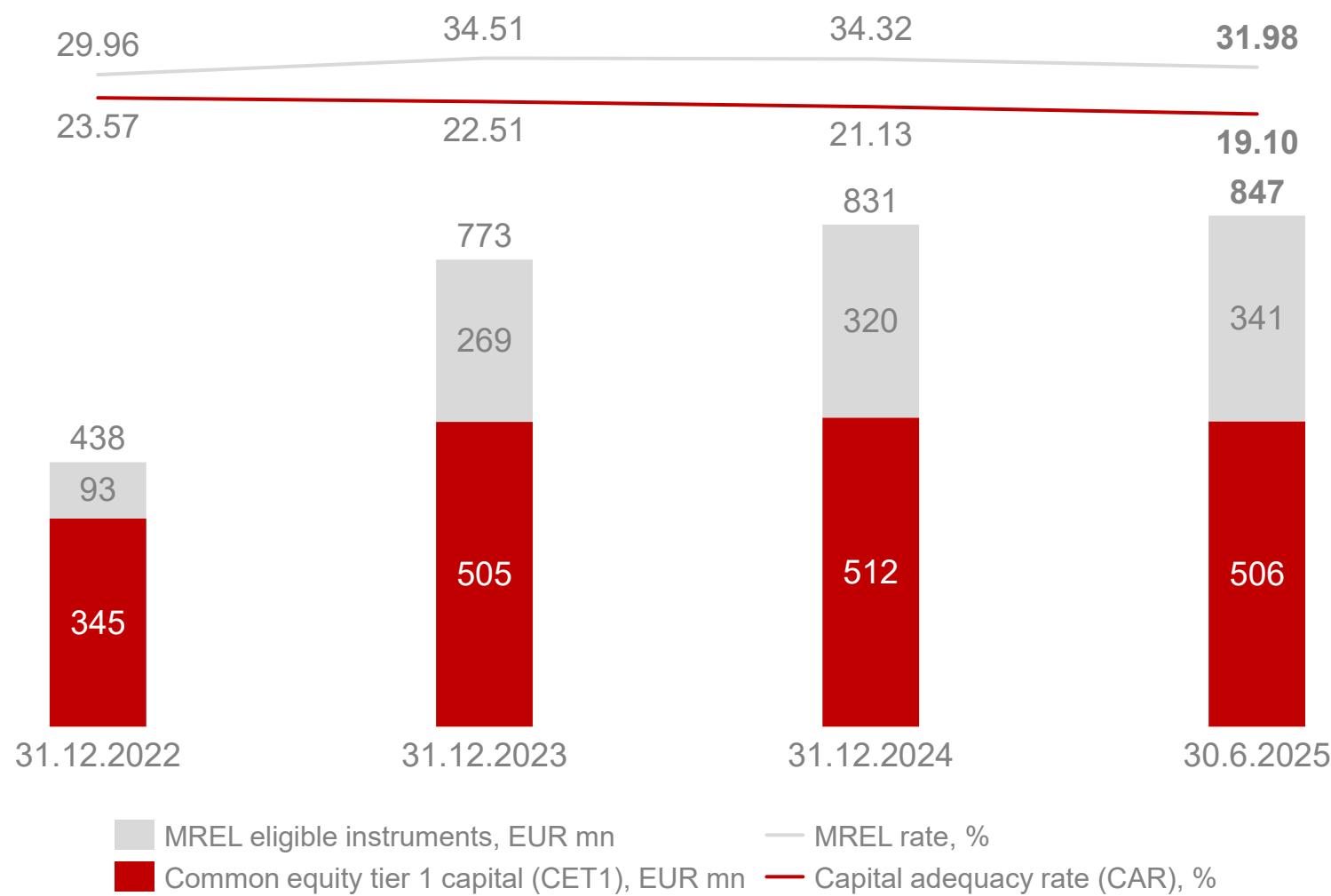
Financials

**Risk
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A strong capital framework reflects the Bank's position as a desirable partner for individuals and entrepreneurs

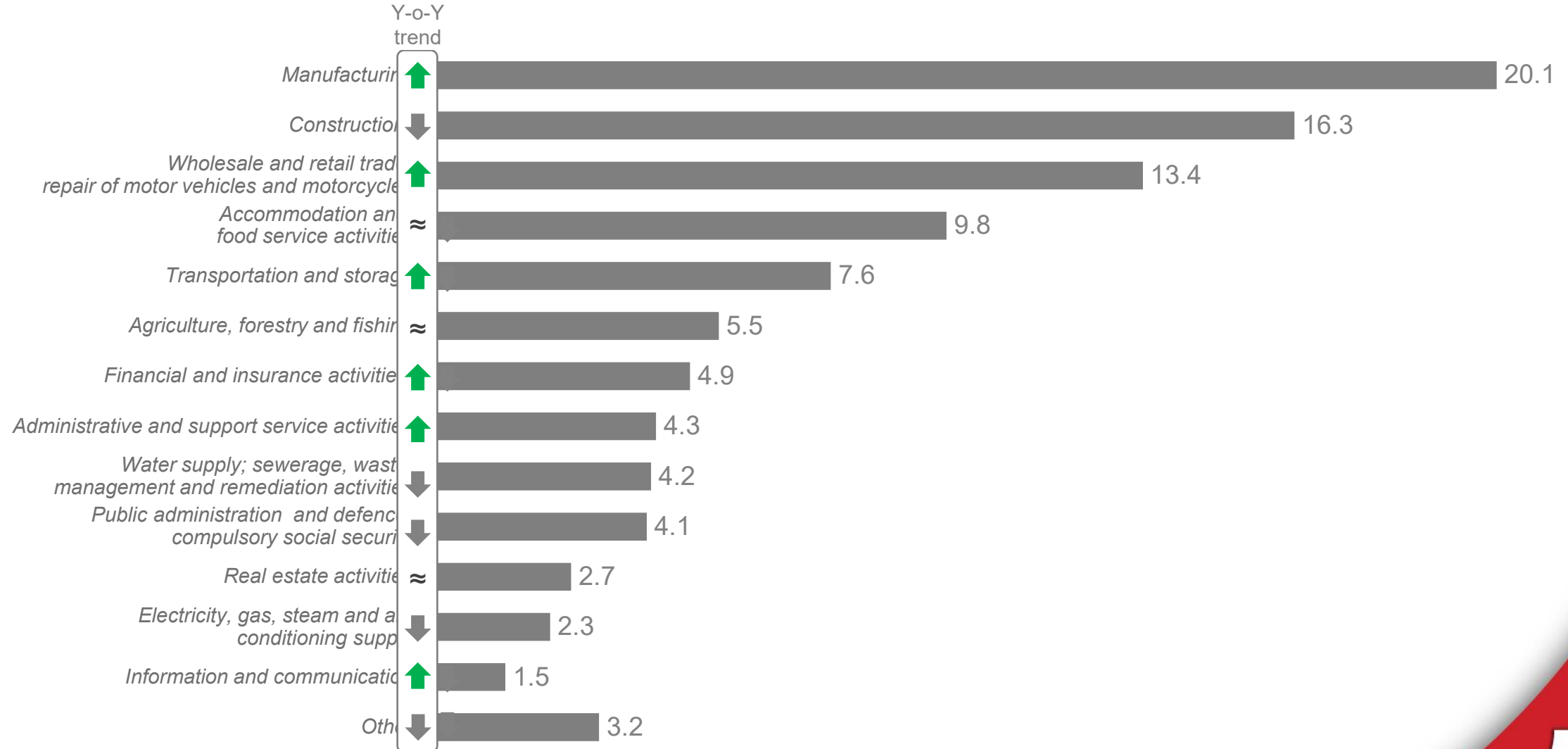
Regulatory capital and MREL eligible instruments development



Stability of the credit portfolio through sectoral diversification

Corporate gross loans structure per industry, %

30.6.2025



* Hrvatske autoceste are included in construction industry, with a share of 52.14% of the total exposure to that industry



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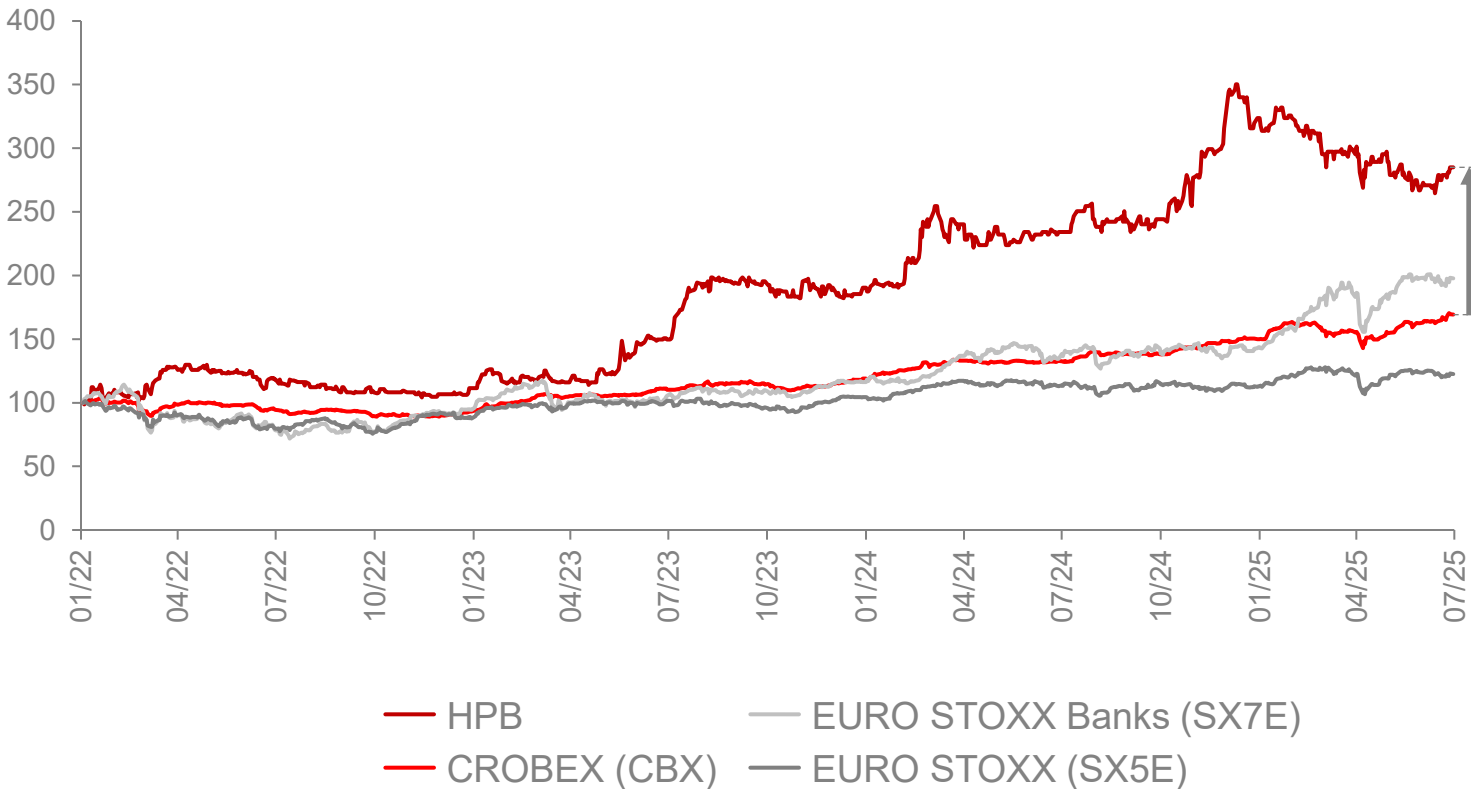
Financials

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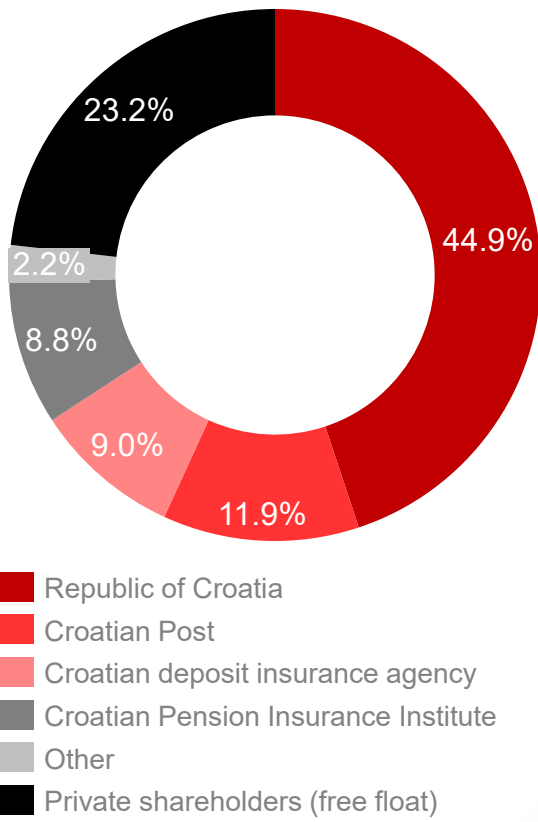
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HPB share still above relevant market indices

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



Ownership structure
30.6.2025



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 on June 26, 2025.

Sustainability – Q2 2025.

Sustainability as a Core Pillar of Responsible Development

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

- ☑ Continuous improvement of HPB Group ESG Policy which 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 second quarter 2025

Implementing ESG Questionnaire for Suppliers

- ☑ ESG questionnaire (27 questions covering E, S and G segment),
- ☑ Supplier focus group (purchase amount ≥ 30.000 EUR)
- ☑ Defined methodology for ESG scoring (a 5-score scale)
- ☑ Final stage for integration of the questionnaire in procurement process

Sustainable Financing Assessment

- ☑ Systematic assessment of the sustainable financing with the aim of identifying environmentally and socially responsible projects
- ☑ Development of a methodology for classification of funding according to sustainability criteria in accordance with the regulatory framework
- ☑ Methodology development process started

Managing Organizational Culture

- ☑ Continuous management of organizational culture activities
- ☑ Improving organizational culture that supports the achievement of organizational goals

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
6M	Six-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



HRVATSKA POŠTANSKA BANKA

We are creating conditions for a better life in Croatia.

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