



# **BANK OVERVIEW**

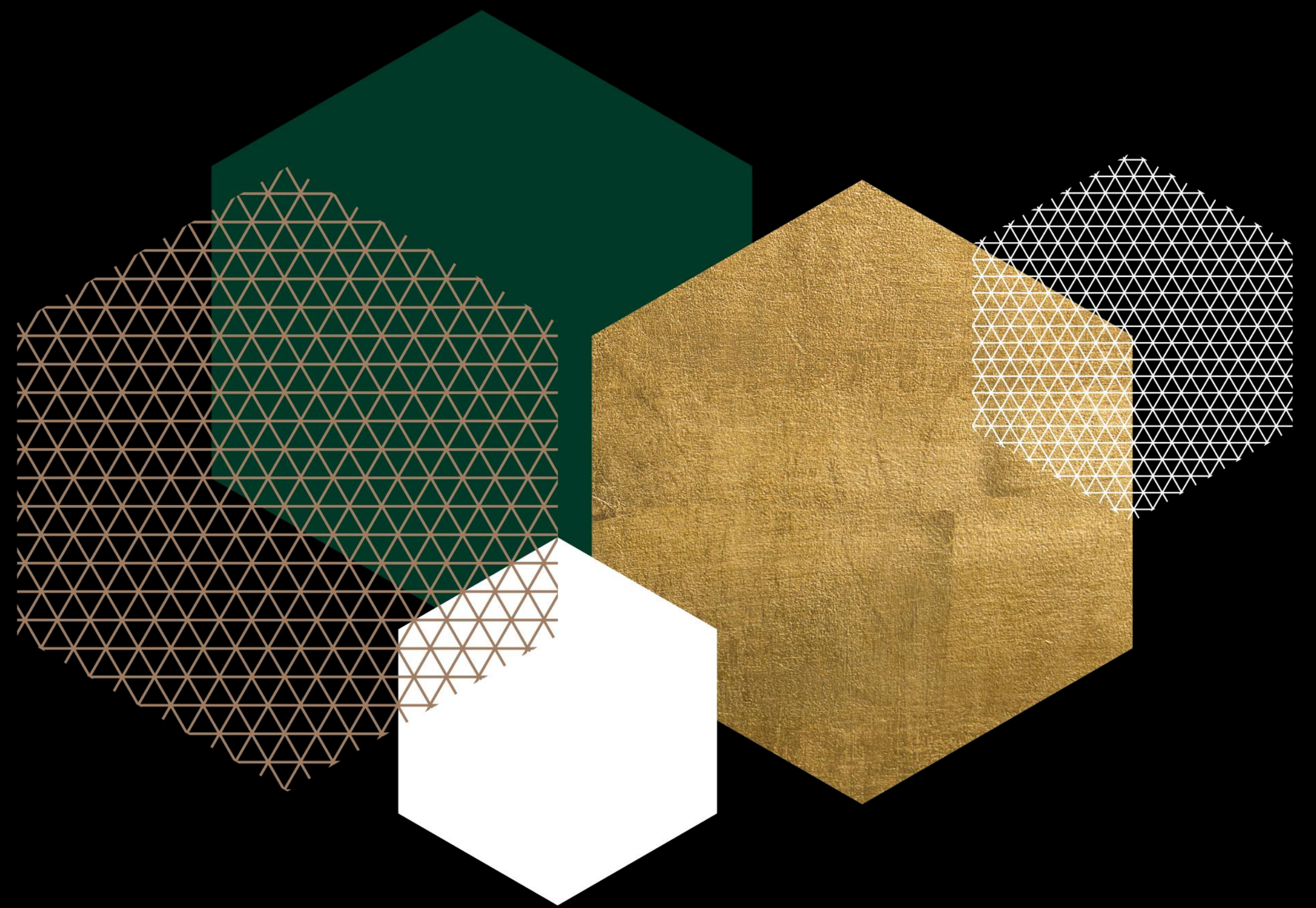
**All our bankers are personal**

# CONTENTS



<b>OVERVIEW</b>	<b>4</b>
✓ OPERATING ENVIRONMENT & MACROECONOMIC DATA	5
✓ BANK HISTORY & OWNERSHIP STRUCTURE	6
✓ MILESTONES	7
<b>BUSINESS MODEL</b>	<b>8</b>
✓ STRATEGY	9
✓ OUR DIRECTION	10
✓ RETAIL BANKING	11
✓ LEGAL ENTITIES BANKING	12
✓ KENT CLUB	13
✓ TREASURY	17
✓ REPRESENTATIVE OFFICE AND TURKISH DESK	18
<b>KEY FINANCIAL INDICATORS</b>	<b>19</b>
✓ VOLUMES	20
✓ ASSET QUALITY	21
✓ ADEQUATE PROVISIONING	22
✓ PROFITABILITY & EFFICIENCY	23
✓ 2023 GUIDANCE & 3Y PLAN	24
<b>CONTACTS</b>	<b>25</b>

# OVERVIEW



# OPERATING ENVIRONMENT & MACROECONOMIC DATA



	2021	2022	2023	2024F
Nominal GDP (EURbn)	58,4	68,0	75,9	77,5
GDP per capita (EUR)	15.057	17.633	19.687	21.200
GDP growth (%)	13,1%	6,2%	2,8%	2,6%
CPI Inflation (yoy)	2,6%	13,1%	4,5%	3,4%
Unemployment rate (%)	7,3%	6,7%	6,5%	6,2%
Current Account balance (% of GDP)	1,8%	-1,6%	-0,5%	-0,6%

## MACROECONOMIC OUTLOOK

- ✓ EUR 76bn GDP and 3,9m population
- ✓ With fresh Eurozone entry in 2023, Croatia continues to overperform EU economies
- ✓ Stronger economic performance in 2023 with 2,8% growth in GDP
- ✓ One of the highest CPI in EU with 4,5%

## BANKING SECTOR (M EUR)

	2021	2022	2023
Total Assets	66.626	75.941	78.559
NPL	6,1%	4,4%	3,6%
NPL Coverage	63%	67%	69%
CAR	25,9%	24,6%	23,6%
ROAE	9,0%	8,5%	15,5%

## BANKING SECTOR

- ✓ 3% growth in total asset size in 2023
- ✓ Highest ever profitability levels in 2023, driven by the funding structure of the sector (highly dominated with a vista deposits) and ECB remuneration rate on deposits

## CROATIA Foreign Currency

	LT Rating	Outlook
Fitch Ratings	BBB+	Positive
Moody's	Baa2	Positive
Standard & Poor's	BBB+	Positive





# MILESTONES

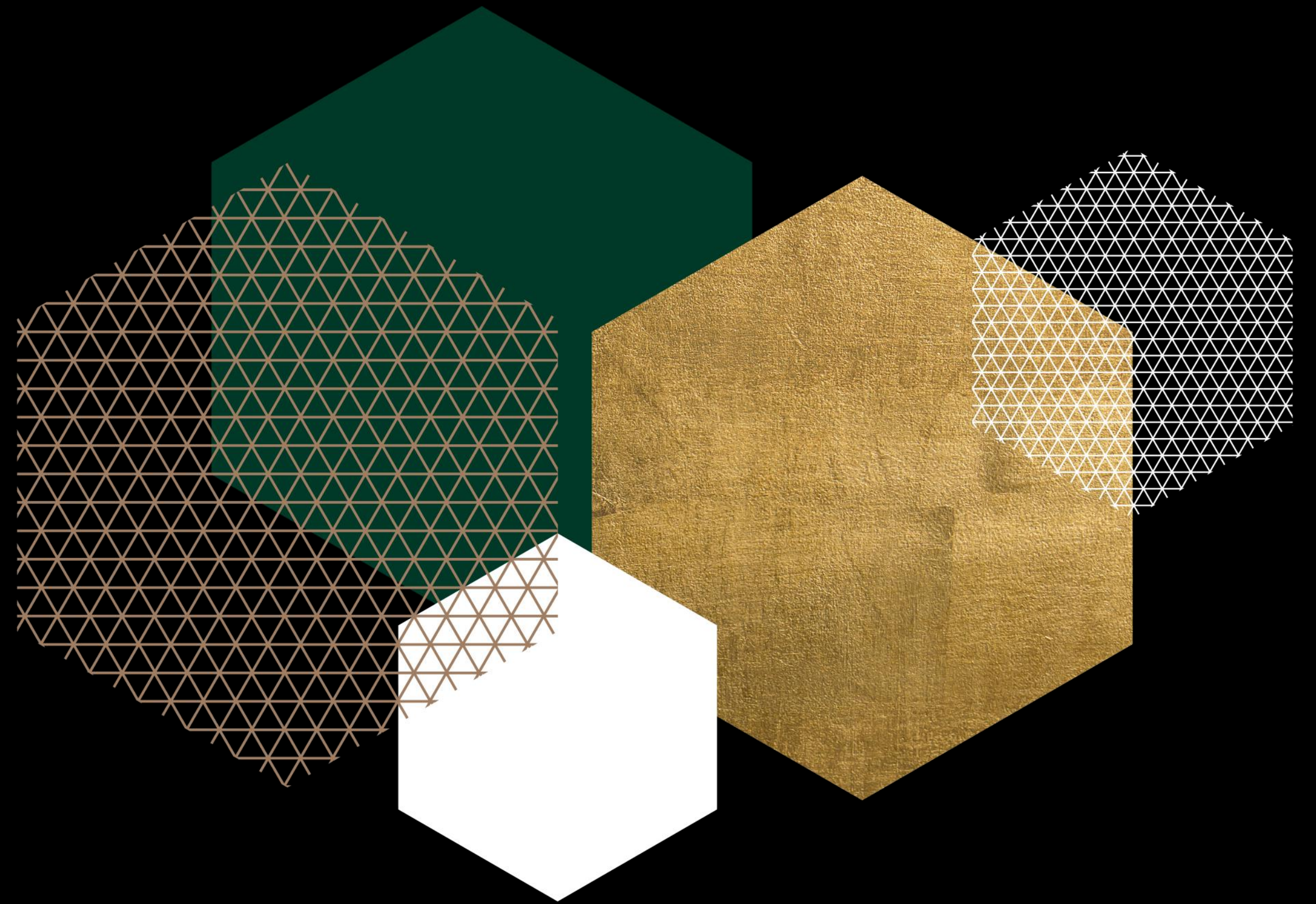
---

- ✓ In 2017 Bank opened its Representative office in Turkey
- ✓ In 2018 Bank celebrated its 20th anniversary
- ✓ In 2019 KentBank has been awarded as “the Most Innovative SME Banking Services Provider” by International Finance
- ✓ Strong support of the shareholder by increasing the share capital by 40% over 3 years (2020-2022)
- ✓ In 2023 the Bank achieved its highest ever profit exceeding EUR 6,6m with 10,9% ROAE
- ✓ In 2023 Bank’s asset size exceeded EUR 727m
- ✓ 17 branches and business centers across major cities in Croatia





# BUSINESS MODEL



# KENTBANK'S STRATEGY

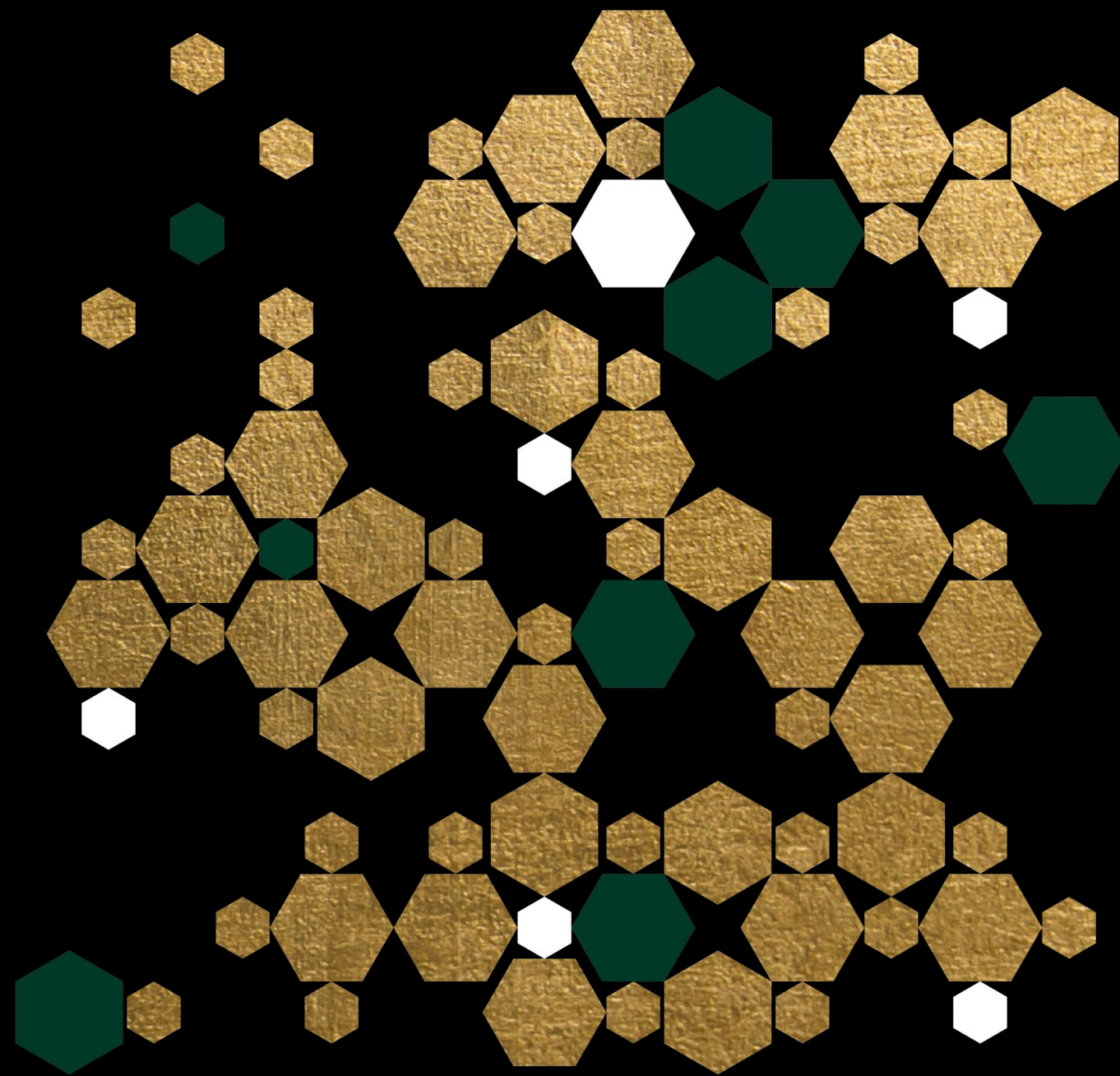




# OUR DIRECTION

## Values

Great service  
Quality over quantity  
Support  
Expertise



## Personality

Respectful  
Personal  
Reliable  
Open - minded

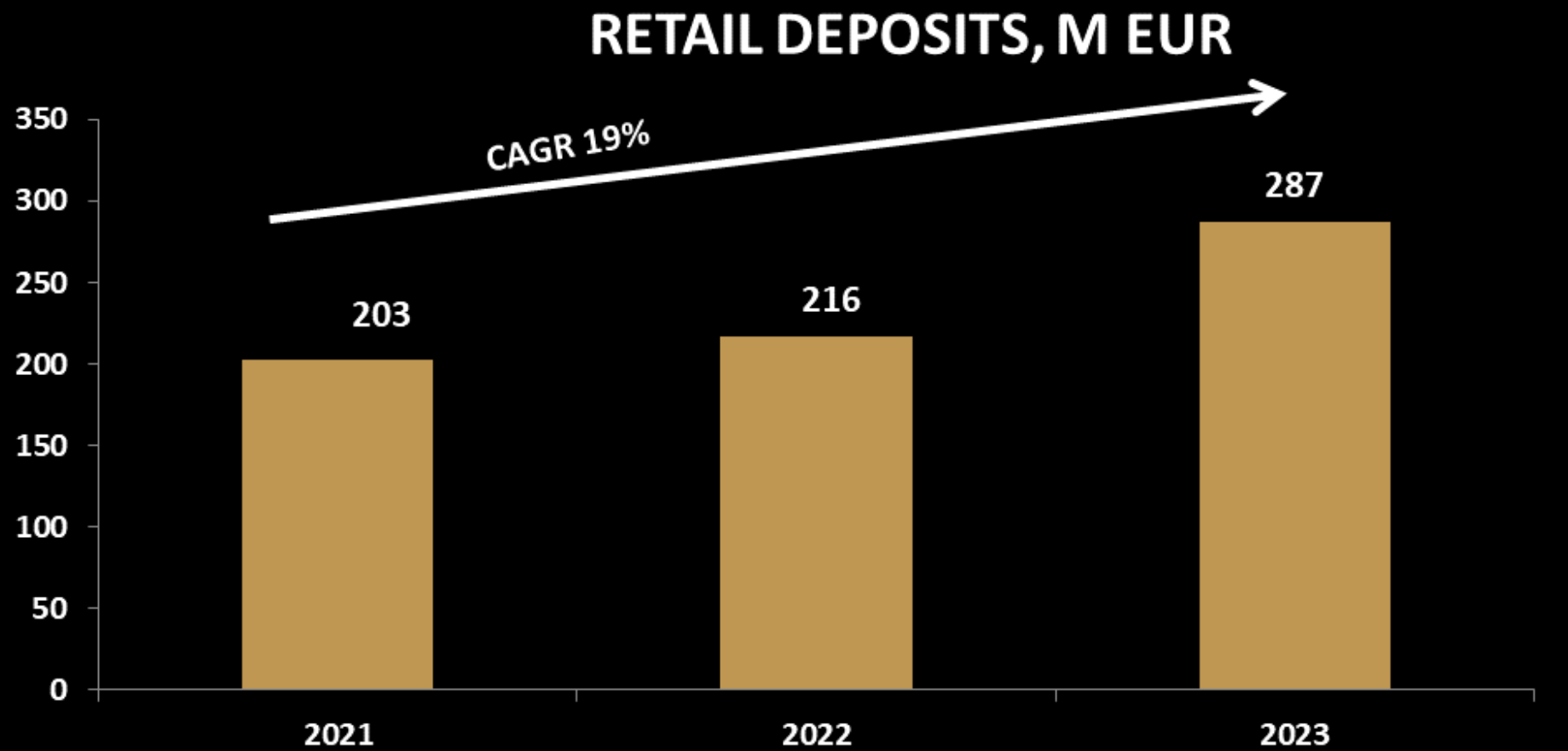
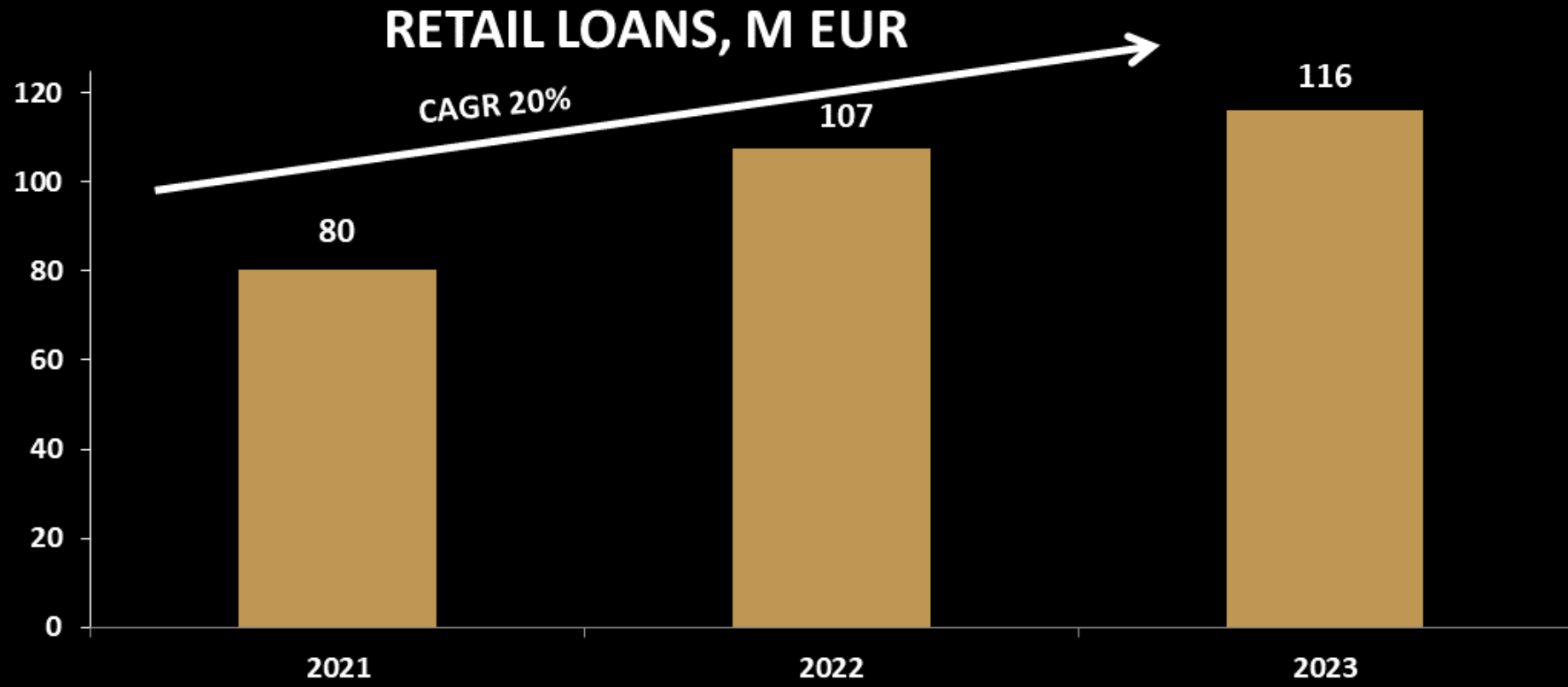
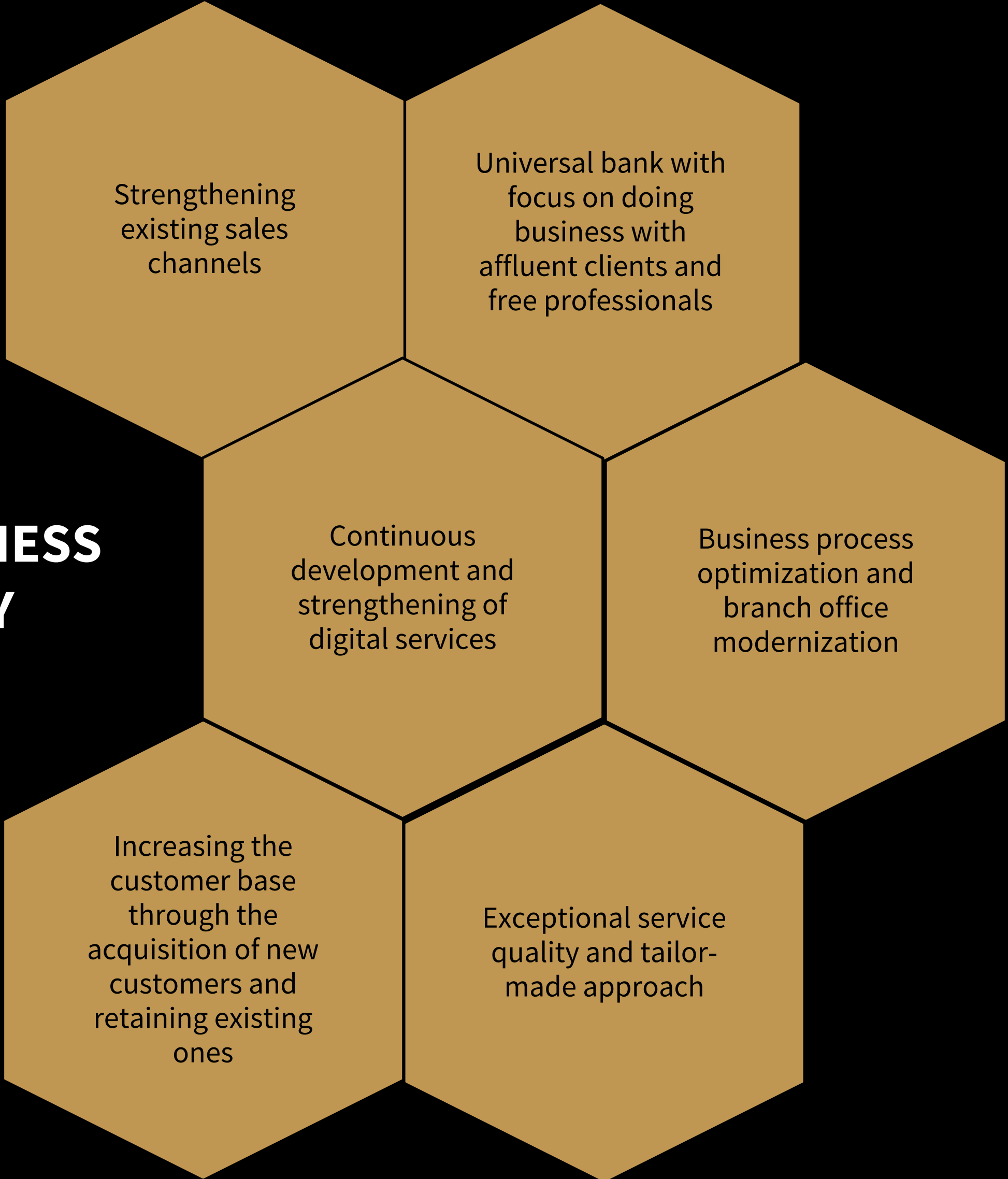
## Purpose

Connecting great ideas,  
people and resources to  
create value for everybody  
involved.

# RETAIL BANKING



## RETAIL BUSINESS STRATEGY

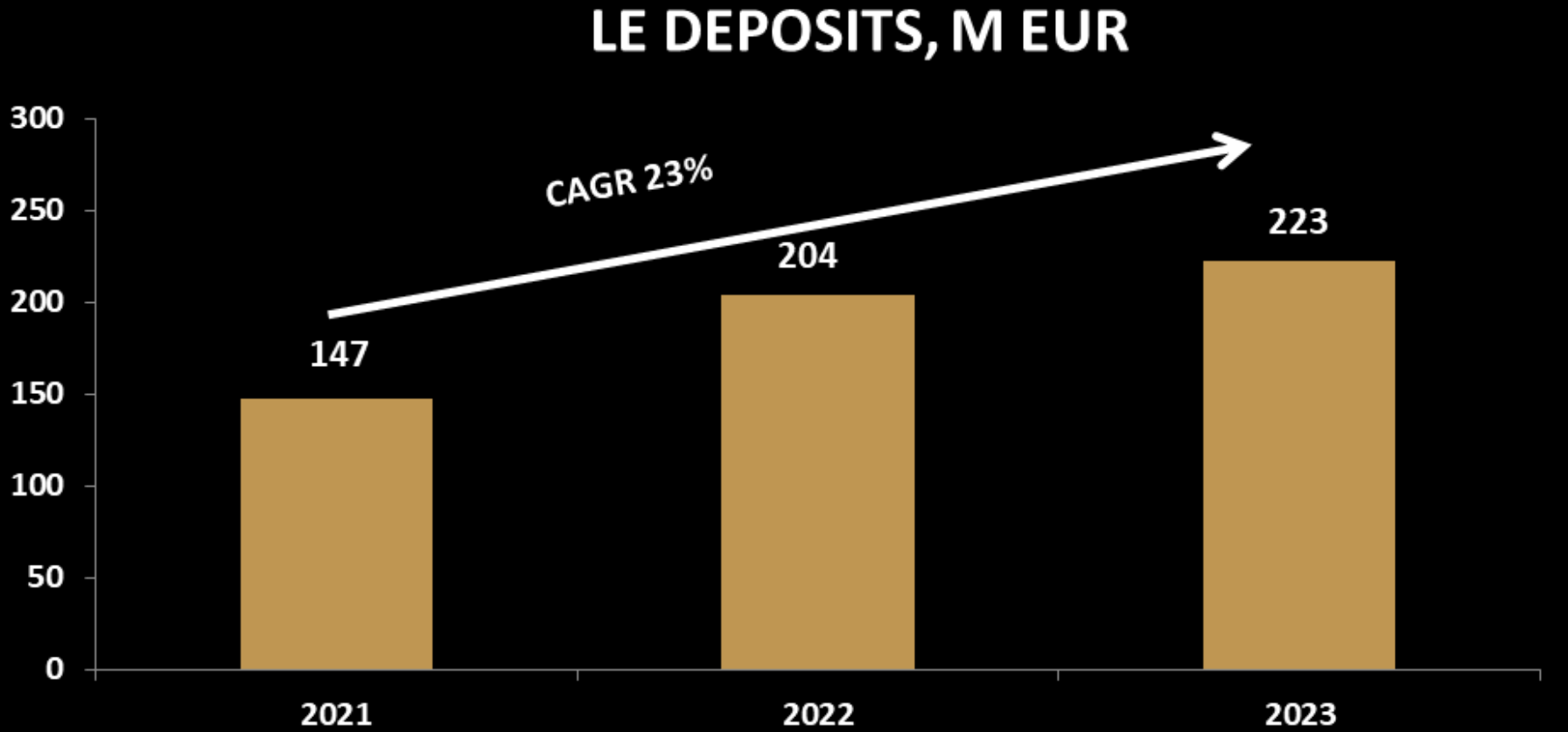
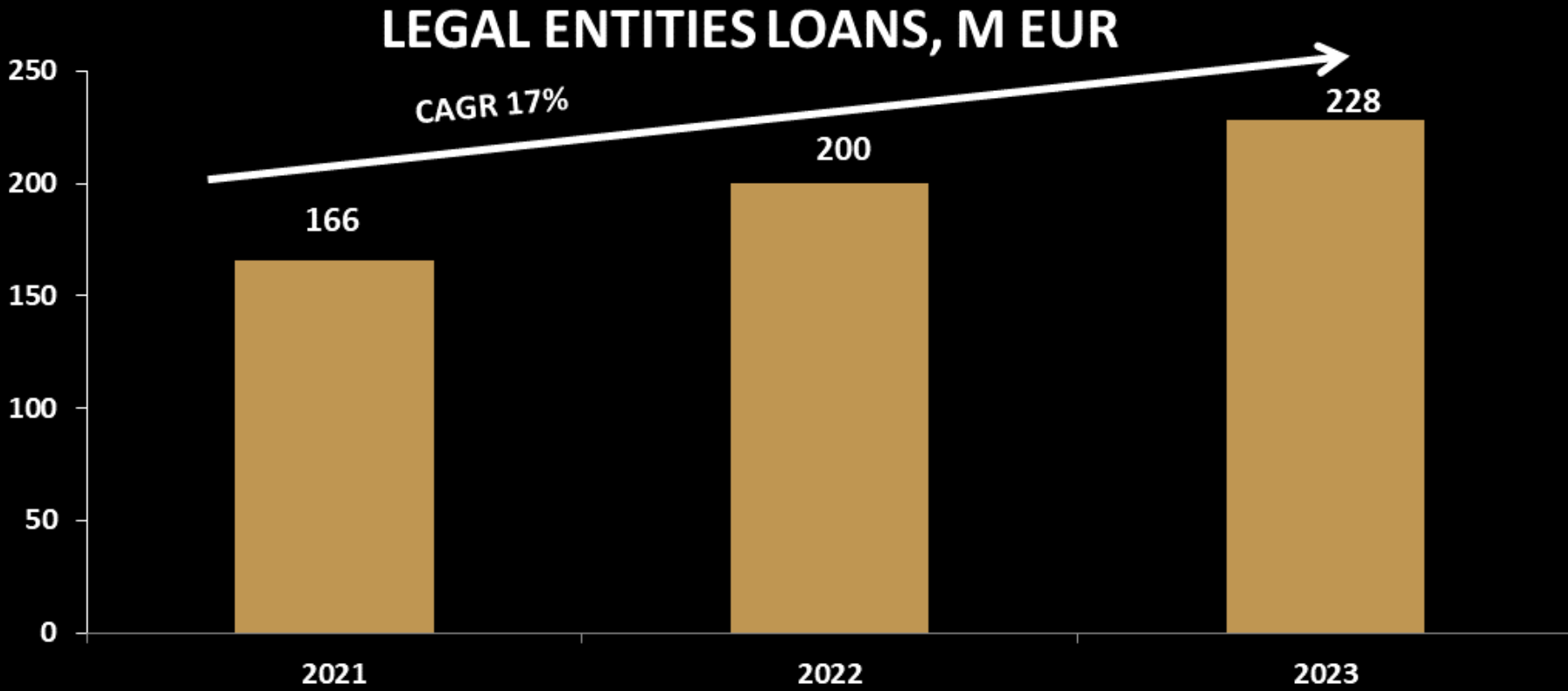
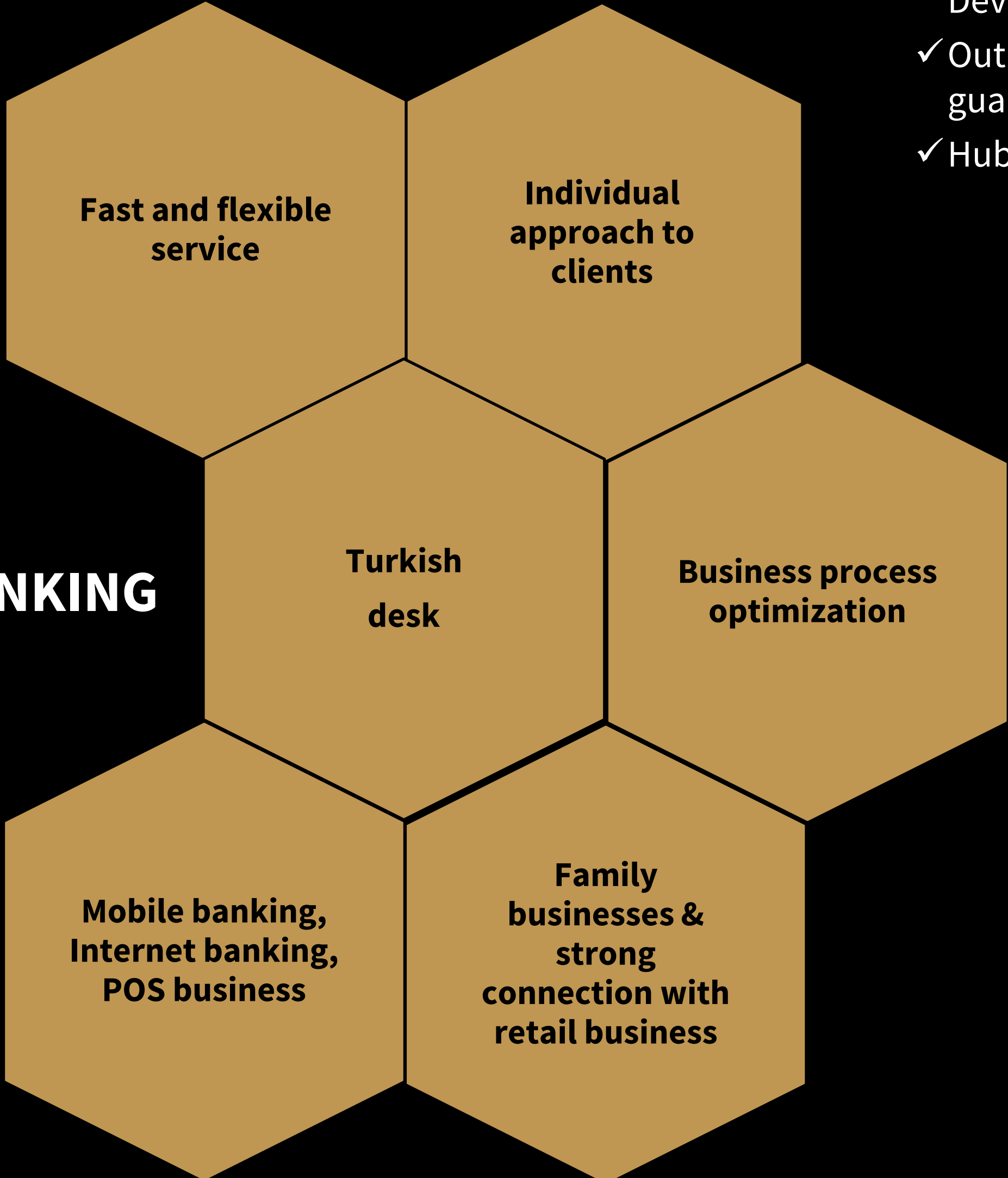


# LEGAL ENTITIES BANKING



- ✓ In 2023 loan portfolio increased 28M EUR or 14%
- ✓ Strong cooperation with Croatian Bank for Reconstruction and Development (HBOR) on risk sharing projects as well as funding side
- ✓ Outperforming the Market in trade finance activities including guarantees and letters of credit
- ✓ Hub for Turkey – Croatia foreign trade activities

## LEGAL ENTITIES BANKING STRATEGY





# Kent Club

**Kent  
Bank**





# Kent Club

**Great people deserve great partners!**

Kent Club, a unique place and a unique concept within the banking sector in Croatia. Specially arranged space in the bank branch in Ilica is intended for gathering and networking of the bank's clients and exchange of knowledge and ideas for the purpose of their growth and development, personal and business.

Kent Club provides each member with personalized access, connectivity, superior service, and the ability to use Quintessentially's unique concierge service. Quintessentially, members enjoy 24-hour support and assistance, no matter where or when they need it, as well as a range of exclusive benefits that save them time and money.

We aim to track and support aspirations and ambitions through unique financial services, learning, sharing experiences and networking through our new KentClub platform.

Kent Club is available to clients with specially designed packages Kent Club Black, Gold, Green. Packages include banking, non-banking and premium KentClub lounge services and Quintessentially services.













# TREASURY



## LIQUIDITY MANAGEMENT:

- Continuously high liquidity, 220% LCR at YE 2023
- Managing the liquidity surplus
- Collecting deposits from other financial institutions
- Providing short term funding through MM operations

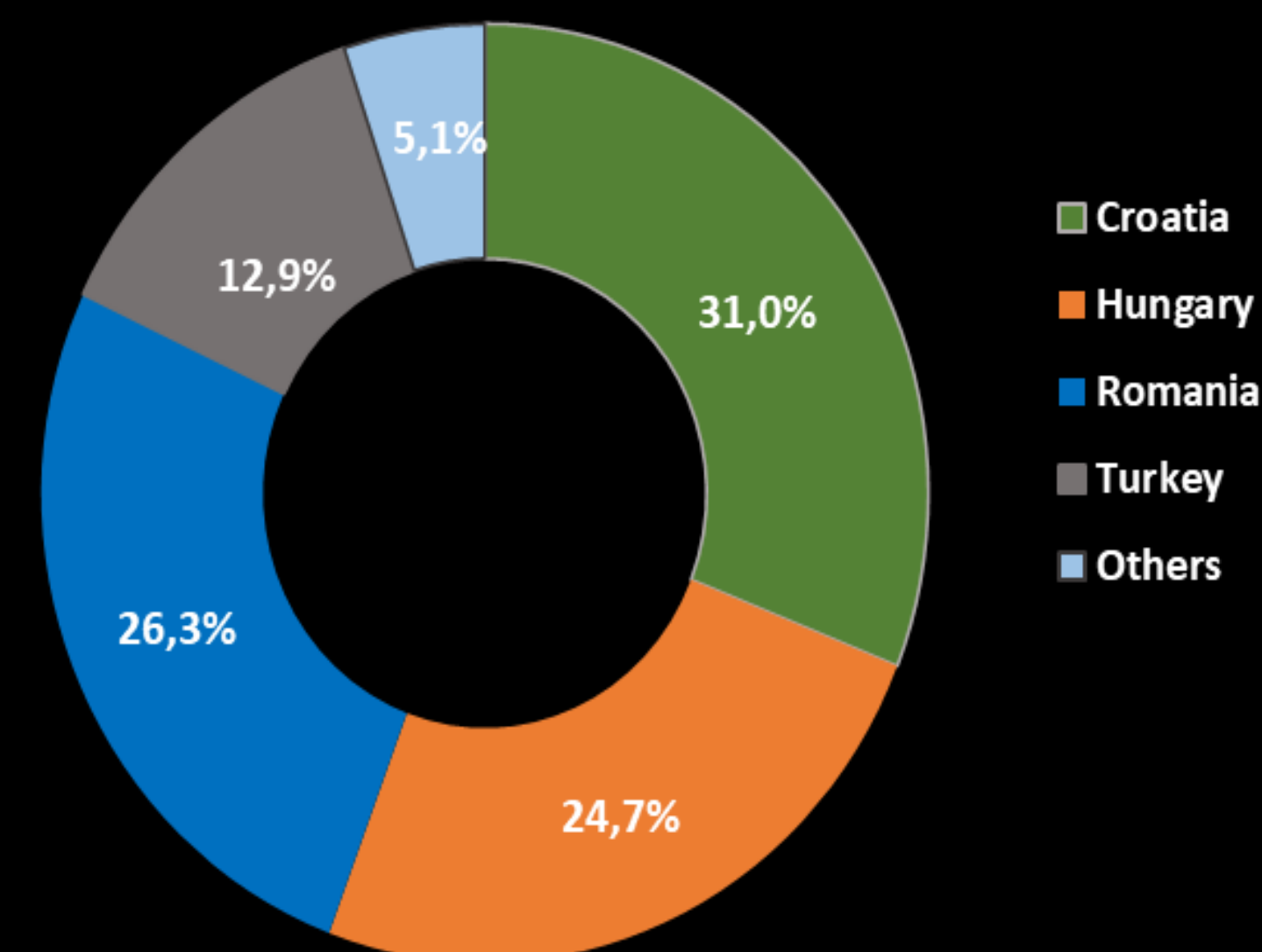
## MARKETABLE SECURITIES TRADING:

- Active role in marketable securities trading both in primary and secondary market
- Mainly Croatian bonds and other sovereign bonds

## FX DESK:

- Managing foreign currency position according to market volatility
- Active F/X trade with clients

MARKETABLE SECURITIES - January 2024 (Per Country, Market value)





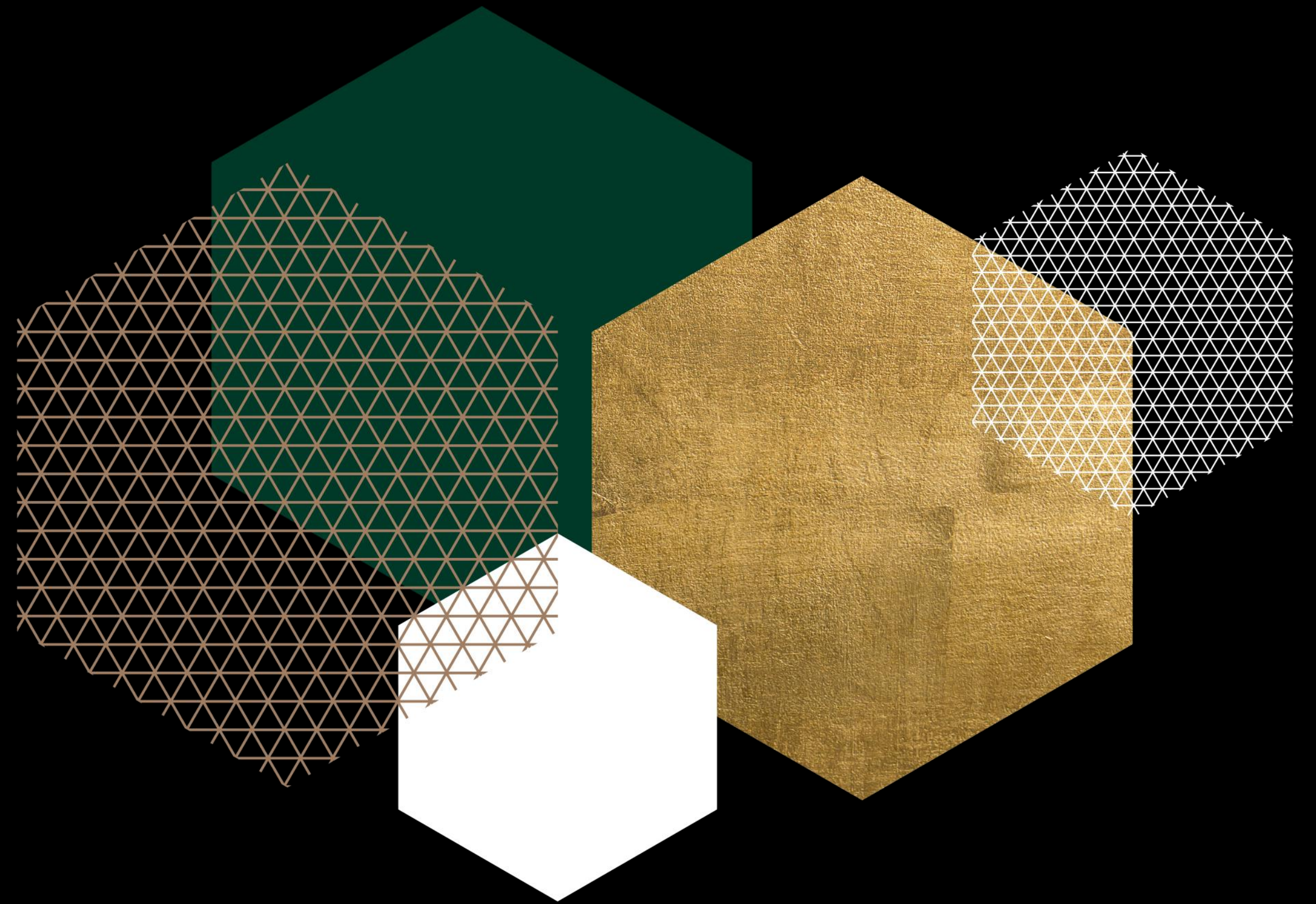
# REPRESENTATIVE OFFICE AND TURKISH DESK

**Kent  
Bank**

- Turkish desk established in 2015 in the Bank
- Representative office opened in Istanbul at the end of 2017
- KentBank pays special attention to economic cooperation between Croatian and Turkish companies and provides information and advisory support to partners and customers
- Our aim is to create new business opportunities for entrepreneurs from Croatia and Turkey and to be a bridge that connects the economies of these two countries
- Corporate and SME entrepreneurs have full access to comprehensive solutions for all their trade finance and corporate banking needs as well as an access to international banking products and services.

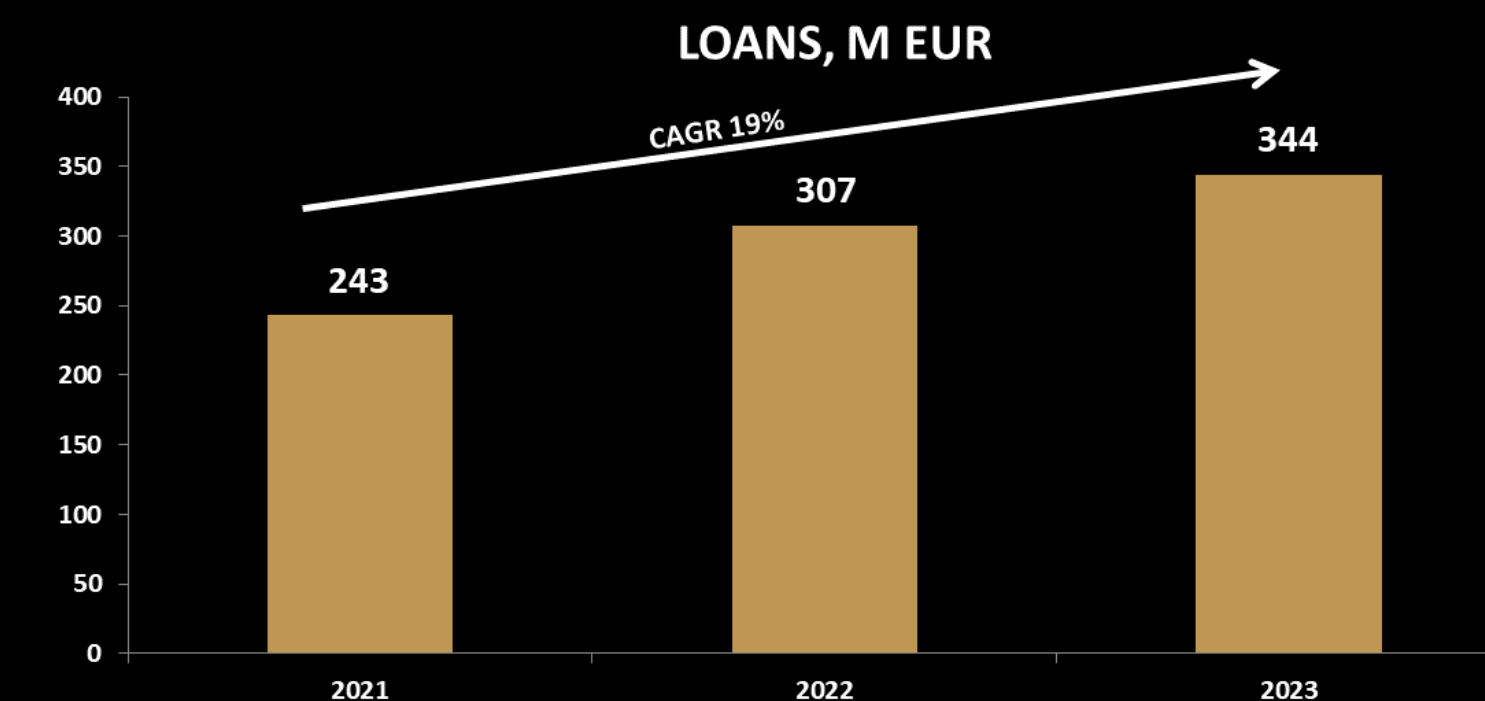
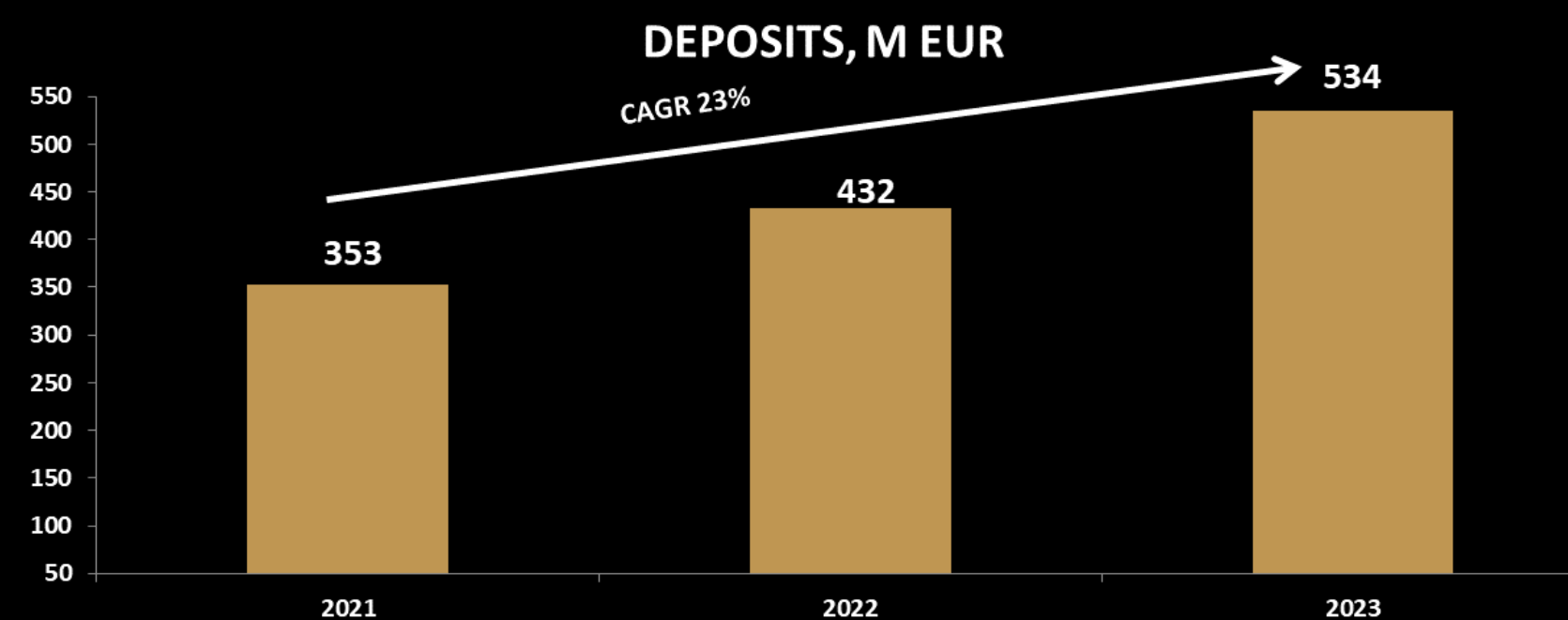
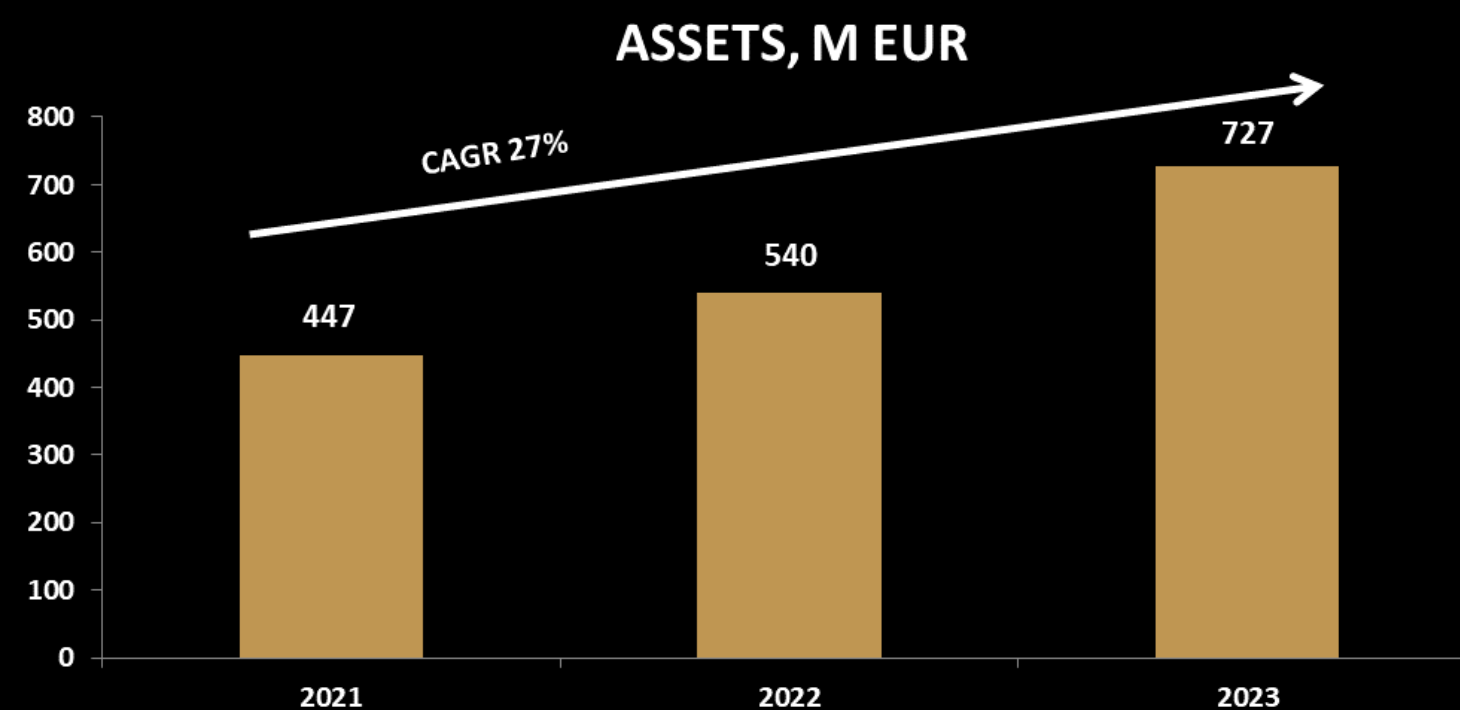


# KEY FINANCIAL INDICATORS





# VOLUMES



## ➤ Balance sheet

- ✓ Maintaining and securing liquidity and focus on funding sources
- ✓ Conservative risk management approach
- ✓ Diversified balance sheet

## ➤ Funding sources:

- ✓ Retail deposits are the main source of funding
- ✓ Deposits represent 73% of total funding sources
- ✓ Share of a vista deposits in total deposits at 39%
- ✓ Stable deposit base

## ➤ Loan portfolio

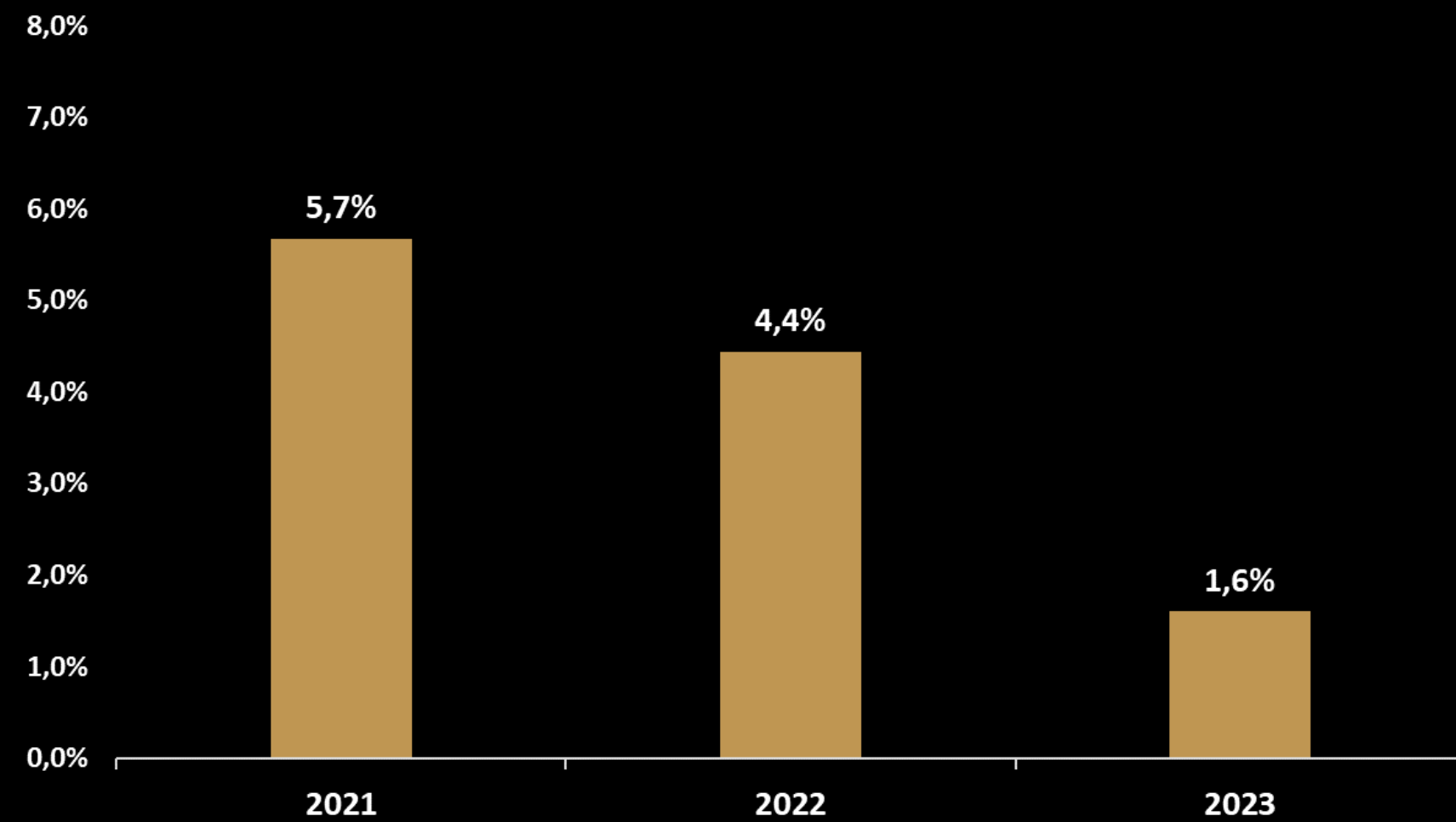
- ✓ Balanced loan portfolio between individuals and legal entities



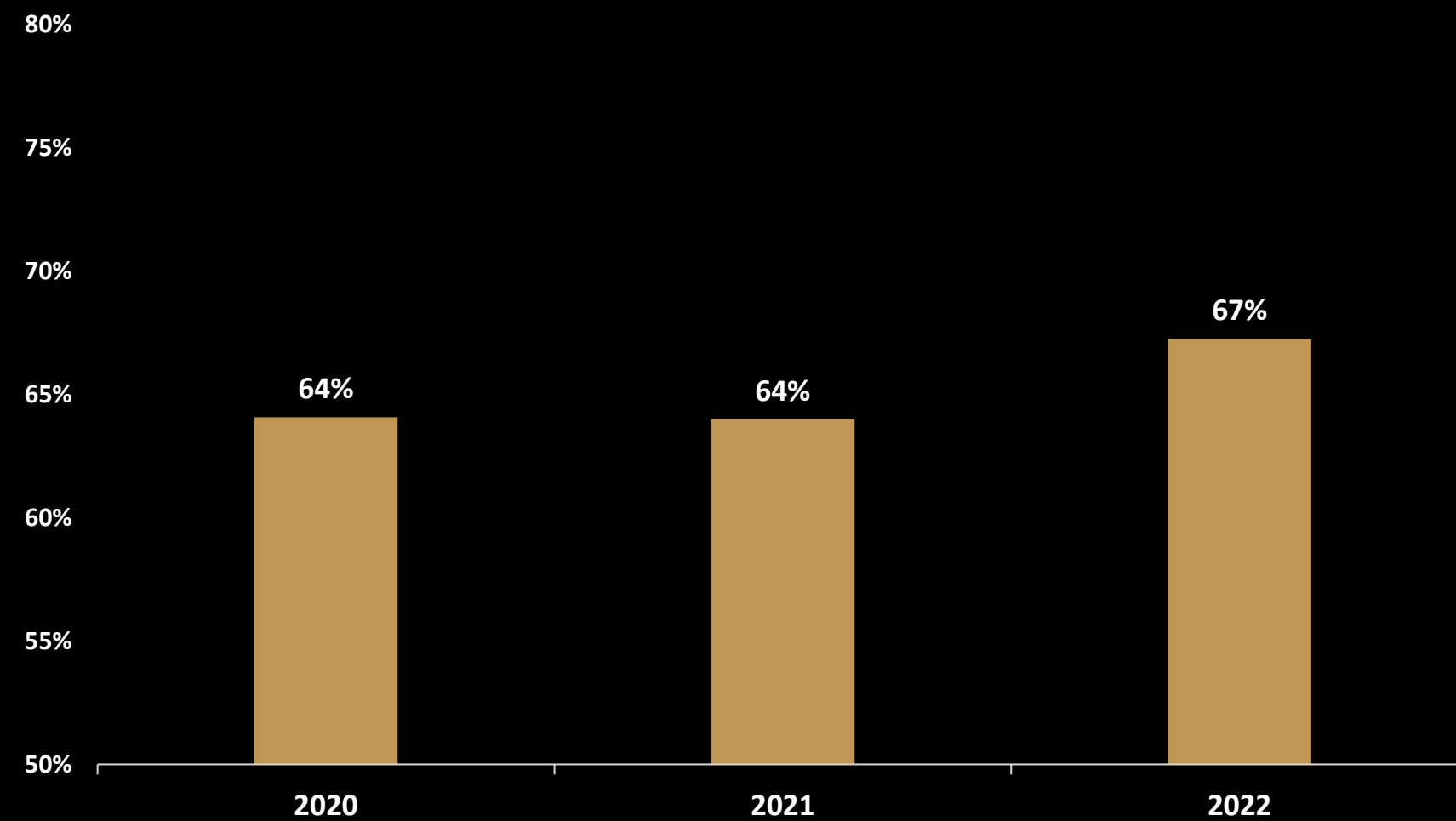
# ASSET QUALITY



NPL RATIO

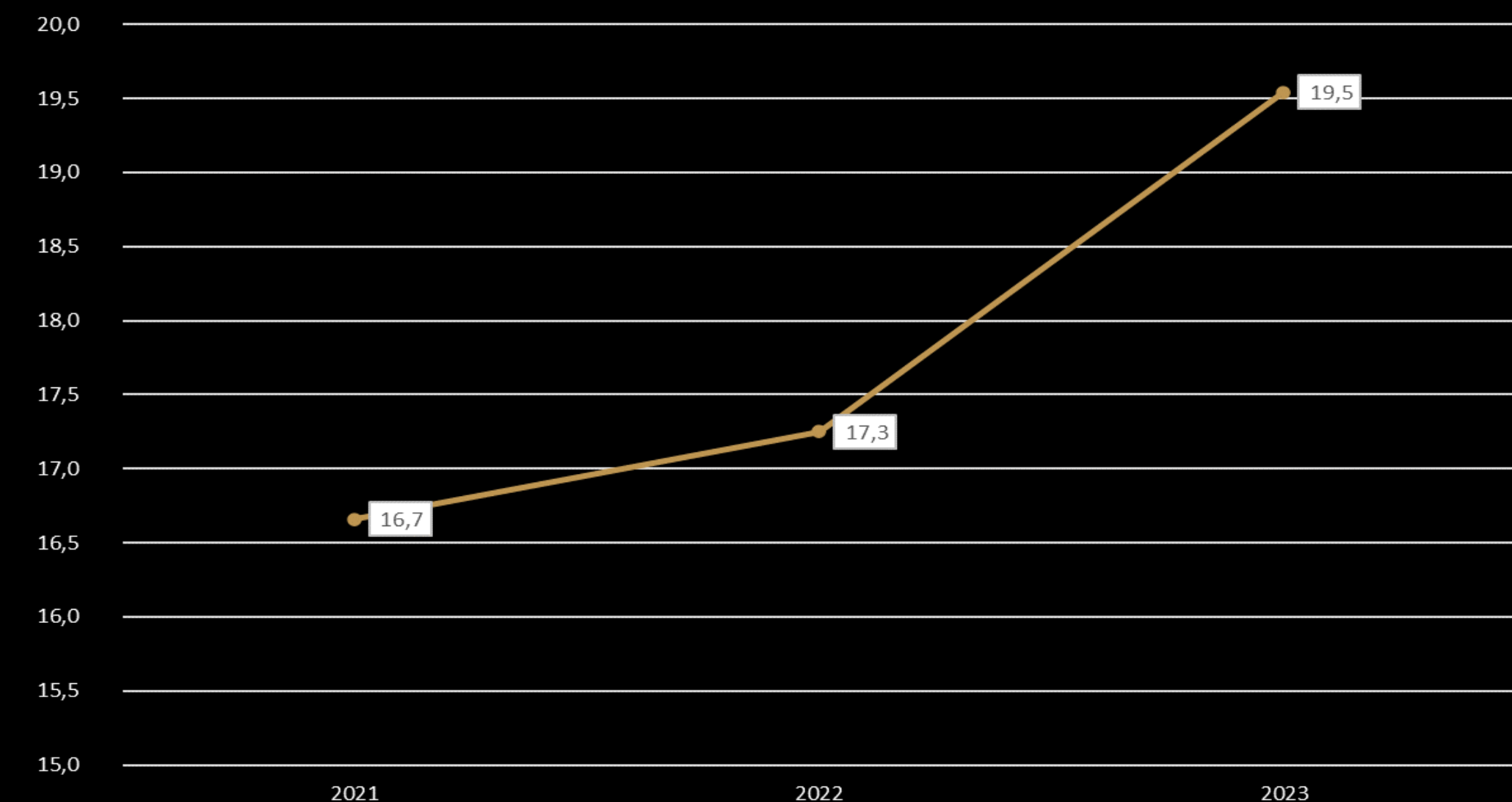


NPL COVERAGE RATIO



- ✓ **Lowest NPL ratio** in the banking sector
- ✓ Result of **redesigned and efficient end-to-end processes**, quality of **new origination** and **active resolution** of NPL backlog
- ✓ SREP and supervision processes confirmed reinforced risk management
- ✓ **CAR as of 31.12.2023 is 19,5%** confirms **resilience and stability**

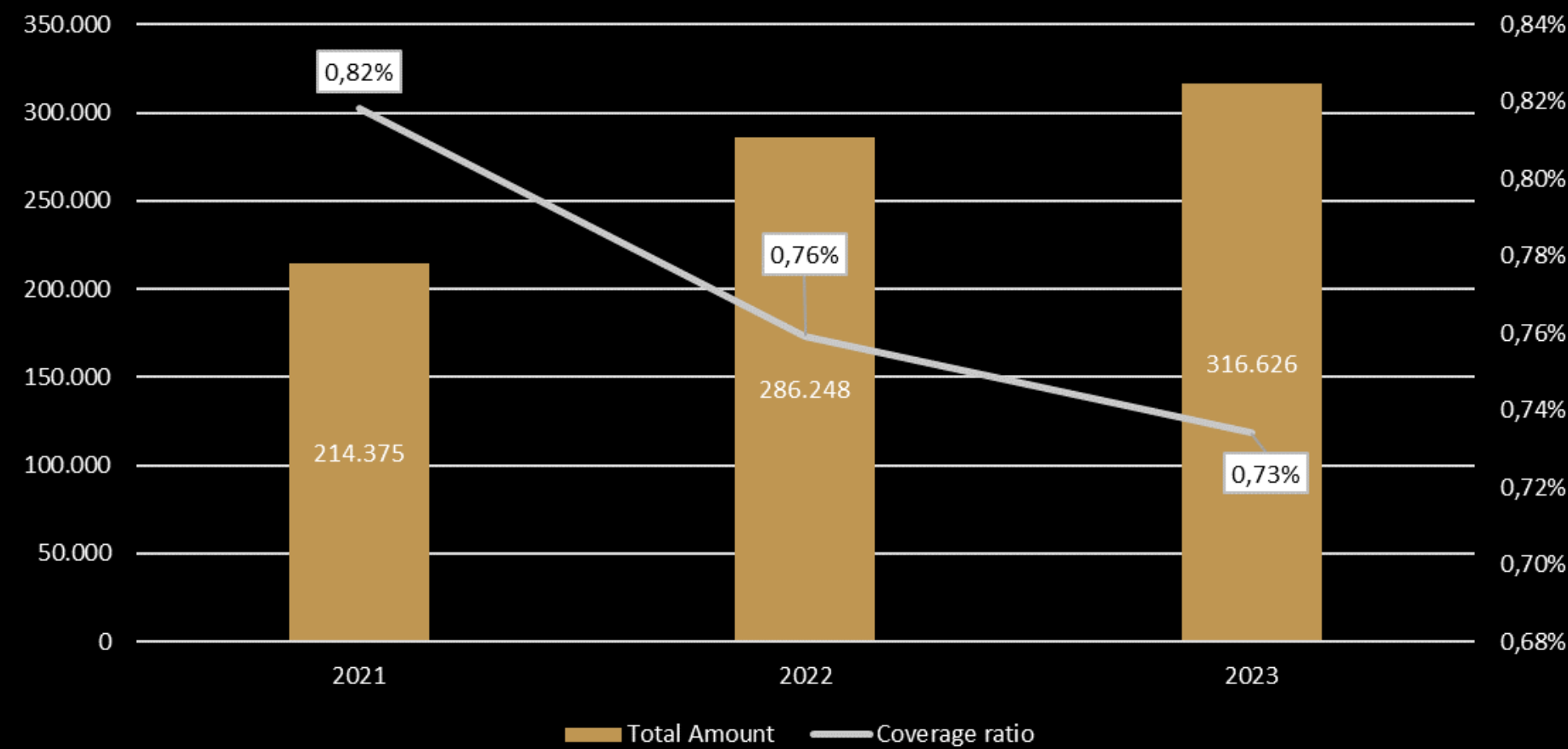
Capital Adequacy Ratio %



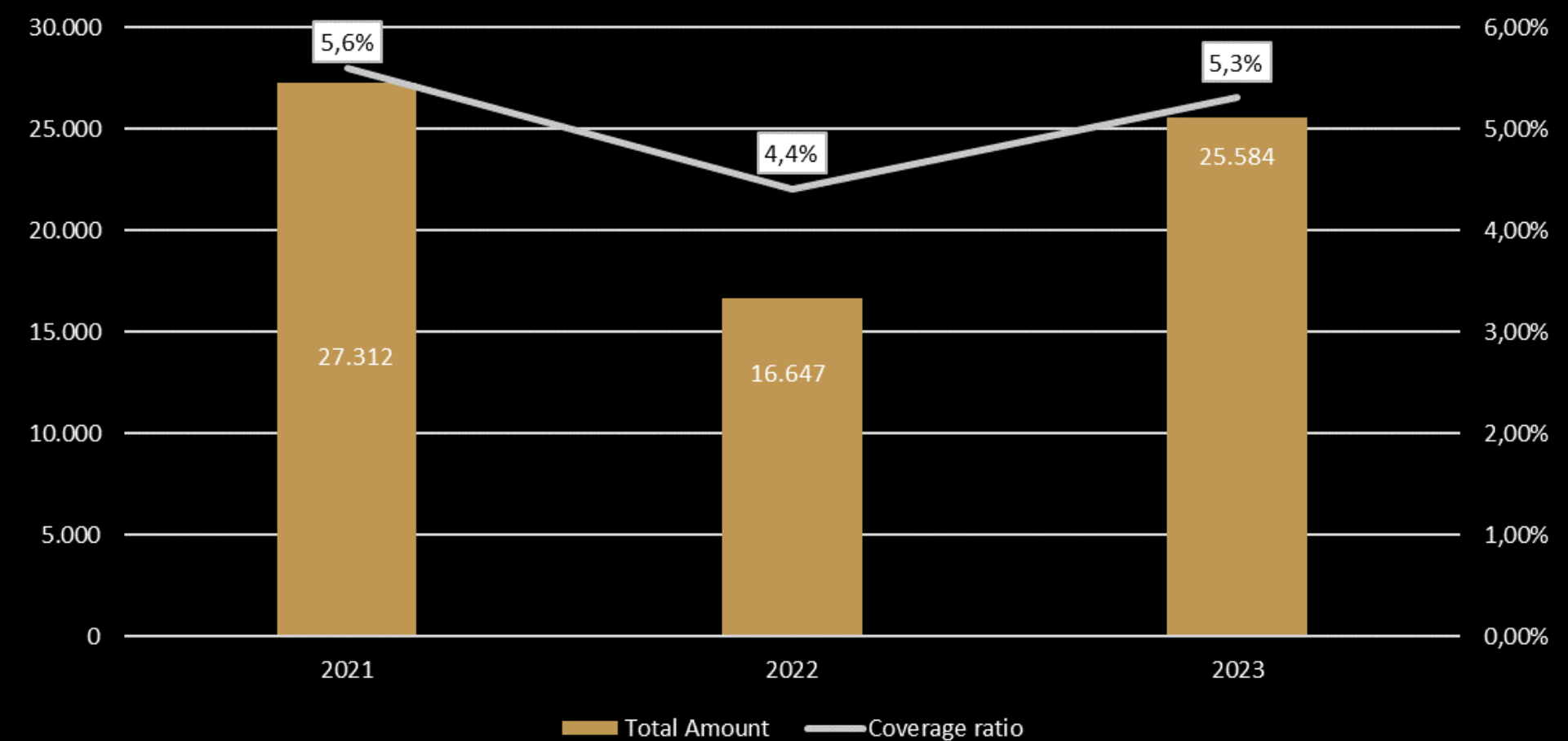


# ADEQUATE PROVISIONING

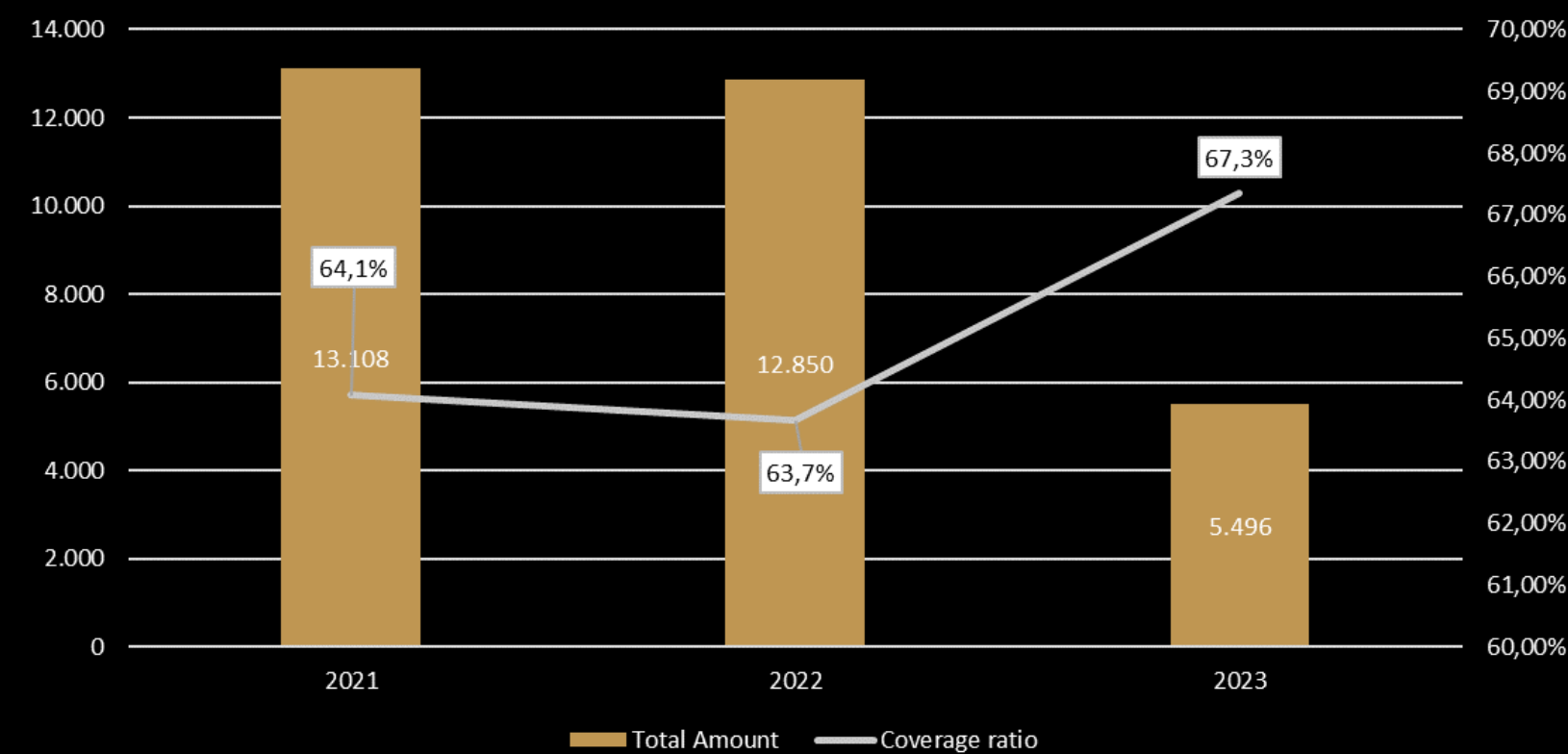
Stage 1 loans and Coverage



Stage 2 loans and Coverage



Stage 3 loans and Coverage

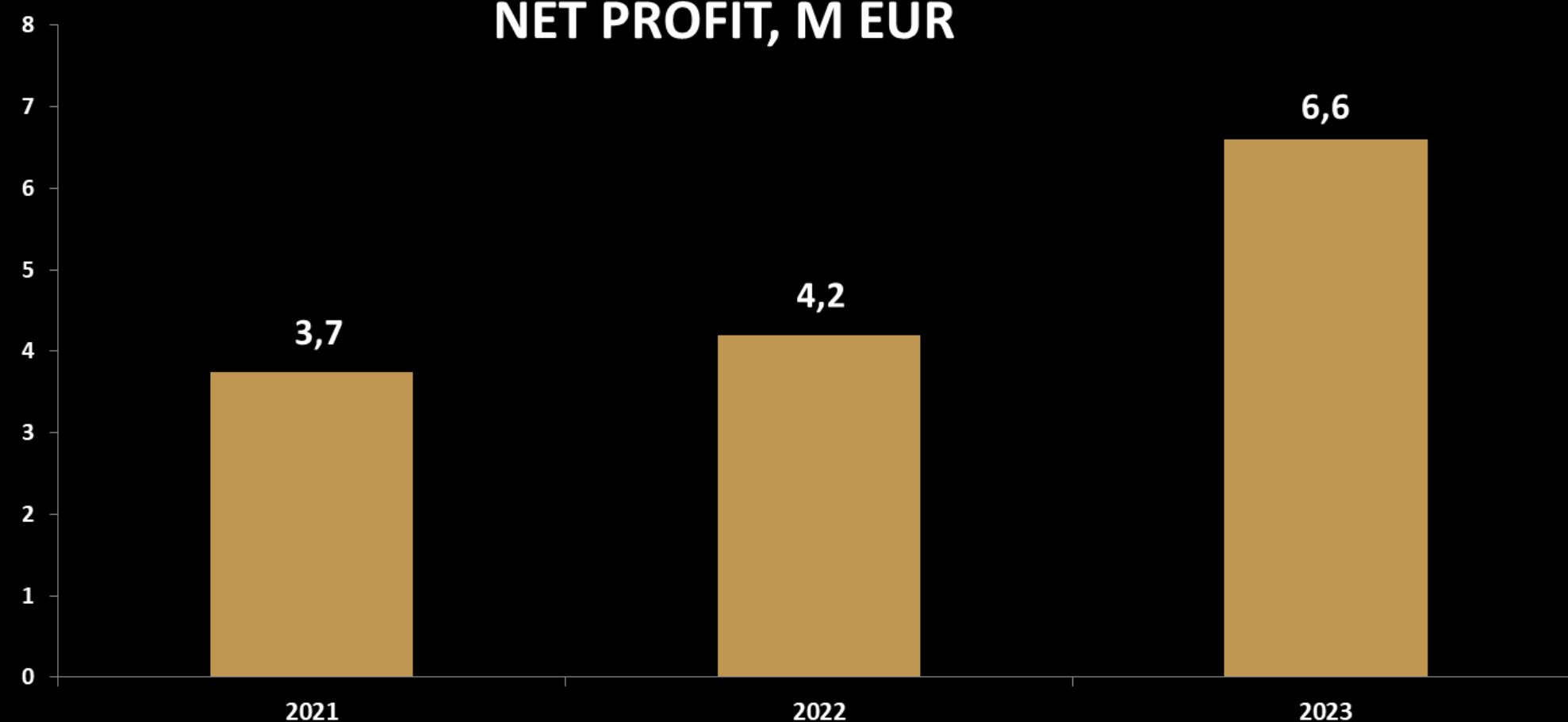


- ✓ Stage-3 share declined significantly in 2023:
  - ✓ Efficient internal workout and collection processes
  - ✓ Realization of first NPL sale in bank's history
  - ✓ Quality of new origination and balanced strategic growth
- ✓ NPL coverage ratio at 67%, in line with the market average

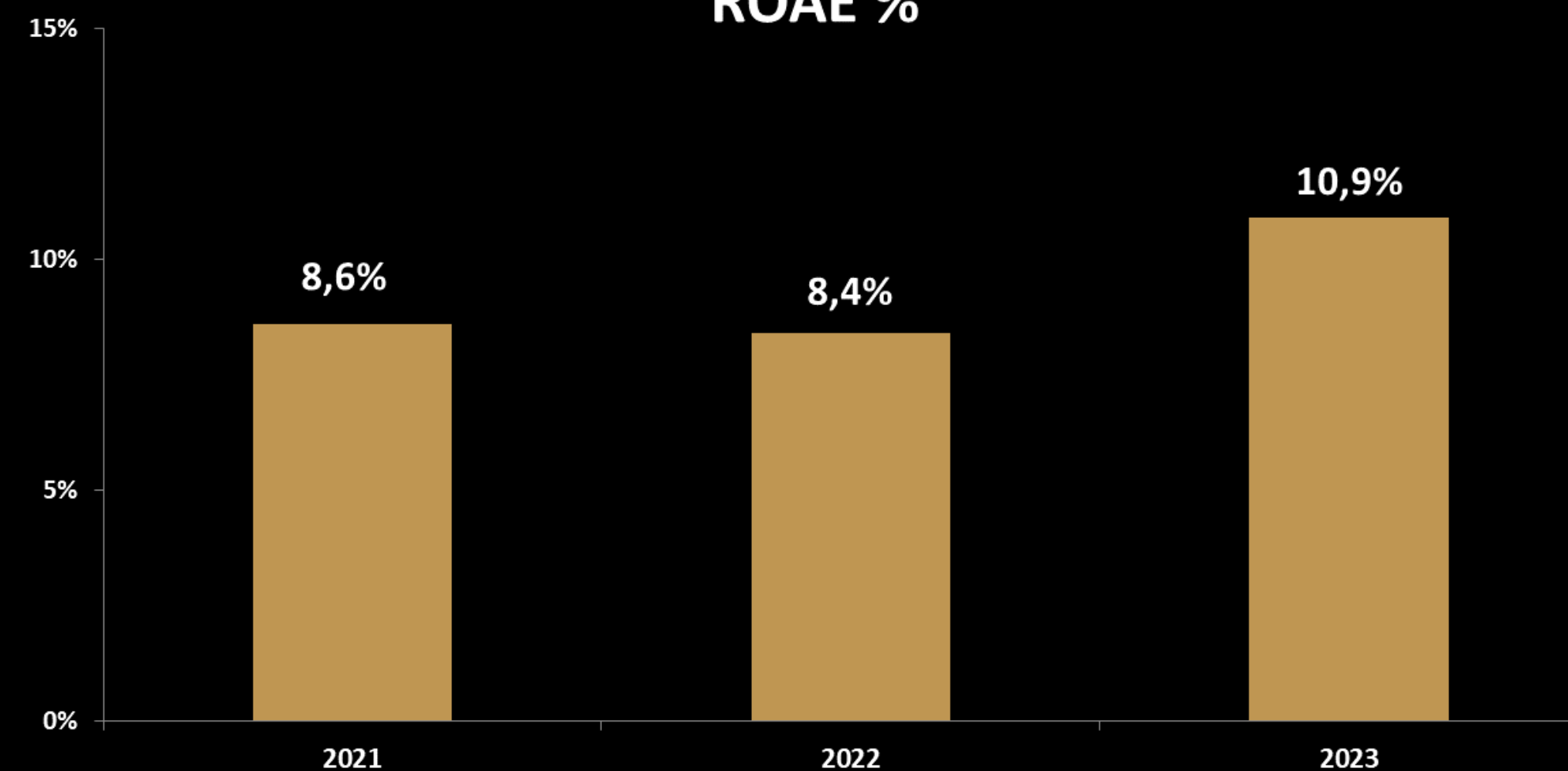


# PROFITABILITY & EFFICIENCY

NET PROFIT, M EUR



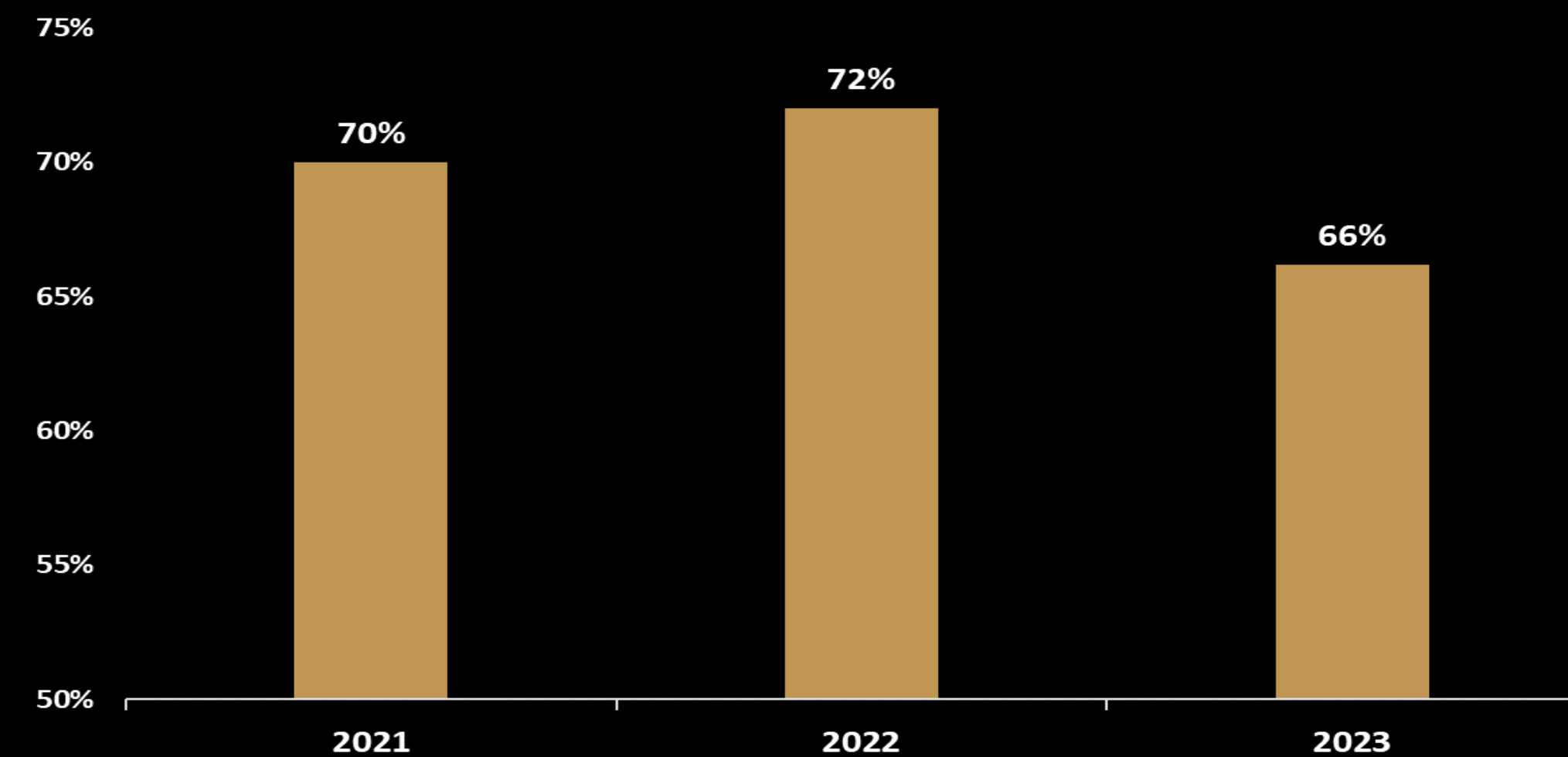
ROAE %



➤ **Profitability:**

- ✓ Highest profit in Bank's history exceeding EUR 6,6m
- ✓ Sustainable profitability confirmed in 2023
- ✓ Achieved improvement in C/I ratio and further targeted in the upcoming period

COST INCOME RATIO





# 2024 GUIDANCE



m EUR	2023	2024	2024 vs 2023 %
<b>Asset Size</b>	<b>727</b>	<b>806</b>	<b>11%</b>
<b>Loans</b>	<b>344</b>	<b>369</b>	<b>7%</b>
<b>Deposits</b>	<b>534</b>	<b>548</b>	<b>3%</b>
<b>Total Equity</b>	<b>64</b>	<b>73</b>	<b>14%</b>
<b>NPL</b>	<b>1,6%</b>	<b>2,7%</b>	<b>1,2pp</b>
<b>NPL Coverage</b>	<b>67%</b>	<b>44%</b>	<b>(-) 23pp</b>
<b>Net Profit</b>	<b>6,6</b>	<b>9,2</b>	<b>39%</b>
<b>ROAE</b>	<b>10,9%</b>	<b>12,4%</b>	<b>1,5pp</b>
<b>C/I</b>	<b>66%</b>	<b>60%</b>	<b>(-)6pp</b>
<b>Fee Income / Total Opr. Income</b>	<b>18%</b>	<b>19%</b>	<b>1pp</b>

## ➤ Key Drivers For 2024

- ✓ Macro assumptions;
- ✓ 2,6% GDP growth
- ✓ 3,4% year end inflation (CPI)

## ➤ Strategic goals

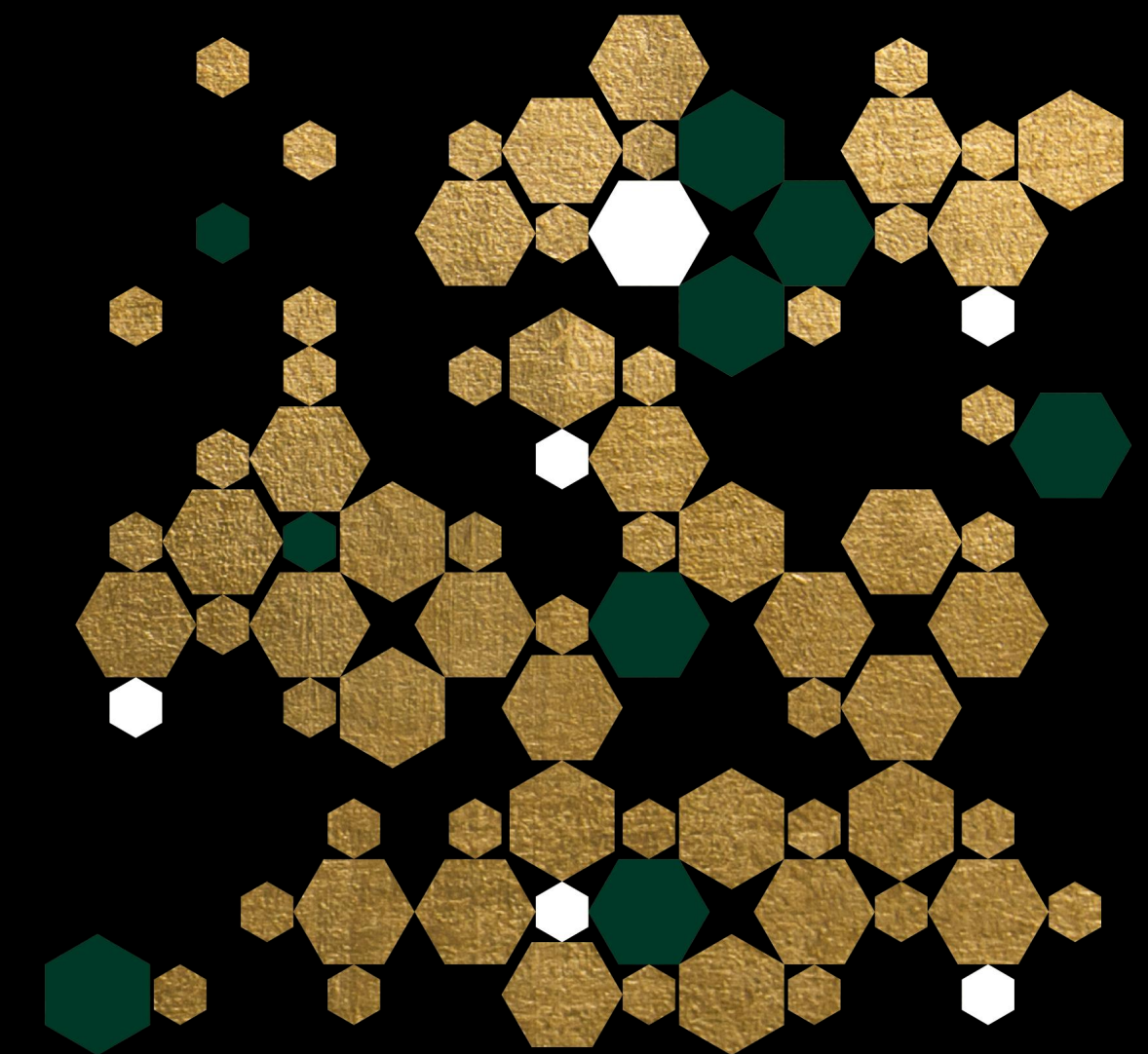
- ✓ Gain market share
- ✓ Loan growth driven by collateralised lending
- ✓ Retain solid risk management and quality of the loan portfolio
- ✓ Lower C/I



# CONTACTS



- **KENTBANK**
- **Radnička 50**
- **10 000 ZAGREB**
- **CROATIA**
  
- **Tel: +385(0)1 4981-900**
- **Fax: +385(0)1 4981-910**
- **E-mail: [kentbank@kentbank.hr](mailto:kentbank@kentbank.hr)**
  
- **Corporate Department: [corporate@kentbank.hr](mailto:corporate@kentbank.hr)**
- **Treasury Department: [riznica@kentbank.hr](mailto:riznica@kentbank.hr)**
- **Retail Department: [gradjanstvo@kentbank.hr](mailto:gradjanstvo@kentbank.hr)**
- **SME Department: [SME@kentbank.hr](mailto:SME@kentbank.hr)**
- **Representative Office: Askerocagi Cad. Suzer Plaza Kat:15, No:1505  
34367 Sisli - Istanbul, Turkey: [turkishdesk@kentbank.hr](mailto:turkishdesk@kentbank.hr)**







# DISCLAIMER STATEMENT

The information in this document has been obtained by Kentbank d.d. from sources believed to be reliable, however, Kentbank d.d. cannot guarantee the accuracy, completeness, or correctness of such information. This document has been issued for information purposes only. Kentbank d.d. does not accept any liability whatsoever for any direct or consequential loss arising from any use of this document or its contents due to misleading information in this document. All estimations contained in this document are the opinions of Kentbank d.d. and can be subject to change without notice. This document cannot be interpreted as an advice to the investors and Kentbank d.d. can not be held responsible for the results of investment decisions made on account of this document. This document has been issued specially to the person, whom the document is concerned and may not be reproduced, distributed or shared with third parties for any purpose.





**THANK YOU!**



