

BANK OVERVIEW

All our bankers are personal

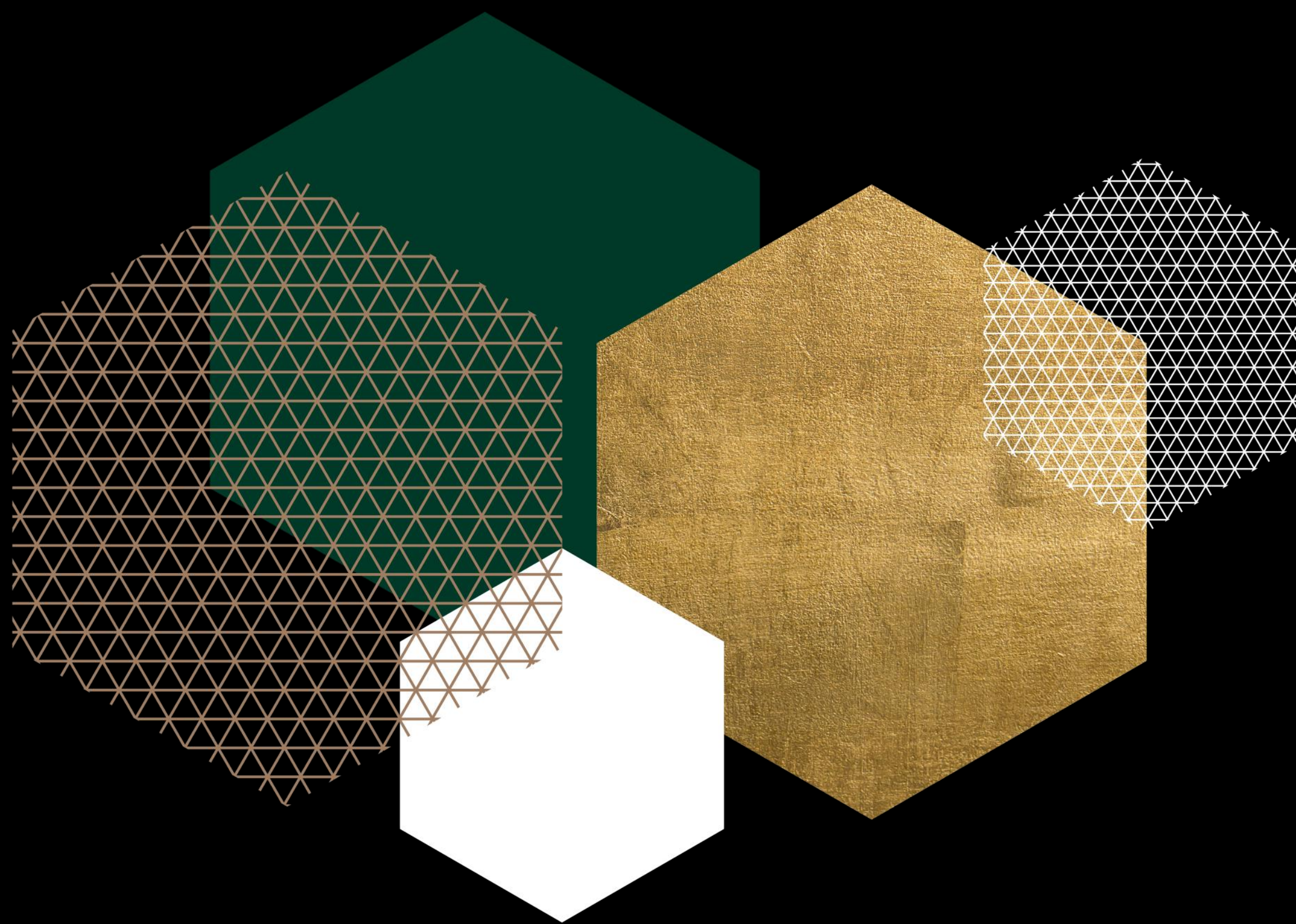


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OVERVIEW



OPERATING ENVIRONMENT & MACROECONOMIC DATA



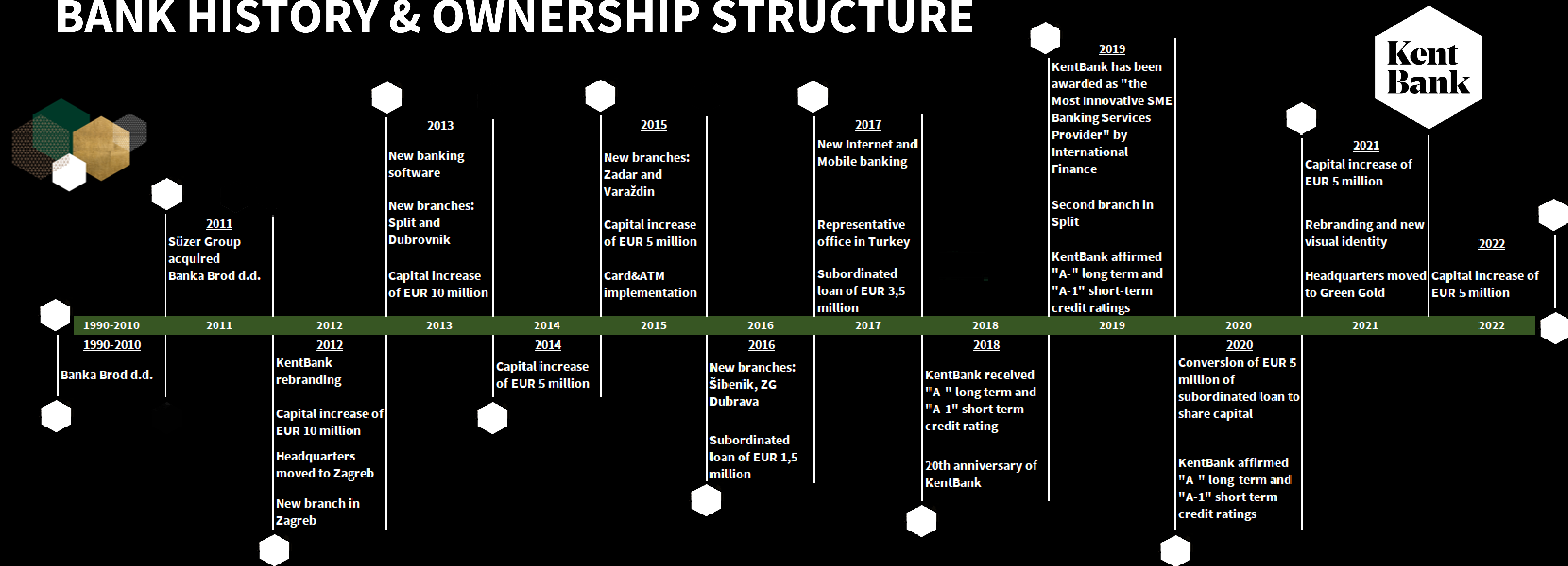
	2019	2020	2021	2022F	2023F
Nominal GDP (EURbn)	55,6	50,2	57,2	62,8	67,0
GDP per capita (EUR)	14.008	12.777	14.707	16.194	17.330
GDP growth (%)	3,5%	-8,1%	10,2%	3,5%	3,4%
CPI Inflation (eop), avg	0,8%	0,1%	2,6%	7,9%	3,5%
Unemployment rate (%)	7,8%	9,0%	8,1%	6,3%	6,0%
Public debt (% of GDP)	71,1%	87,3%	79,8%	75,3%	73,1%
Exports (% change)	8,2%	-25,2%	42,3%	15,7%	12,6%
Imports (% change)	6,2%	-13,6%	24,7%	22,4%	9,6%
Current Account balance (% of GDP)	3,0%	-0,1%	3,4%	1,7%	0,3%
Foreign debt (% of GDP)	72,4%	79,9%	77,8%	73,1%	69,5%
EUR/HRK (year-end)	7,44	7,54	7,52	7,53	-

- ✓ EUR 57bn GDP and 3,9m population
- ✓ Preparing to join the Eurozone in 2023
- ✓ Strong recovery in 2021 in post Covid era mainly driven by tourism
- ✓ 2022 tourism figures expected to reach 2019 levels
- ✓ CPI levels below EU average over the long term

CROATIA Foreign Currency

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

BANK HISTORY & OWNERSHIP STRUCTURE



About Süzer Group

KentBank is entirely owned by Süzer Group which was established in Turkey in 1952.

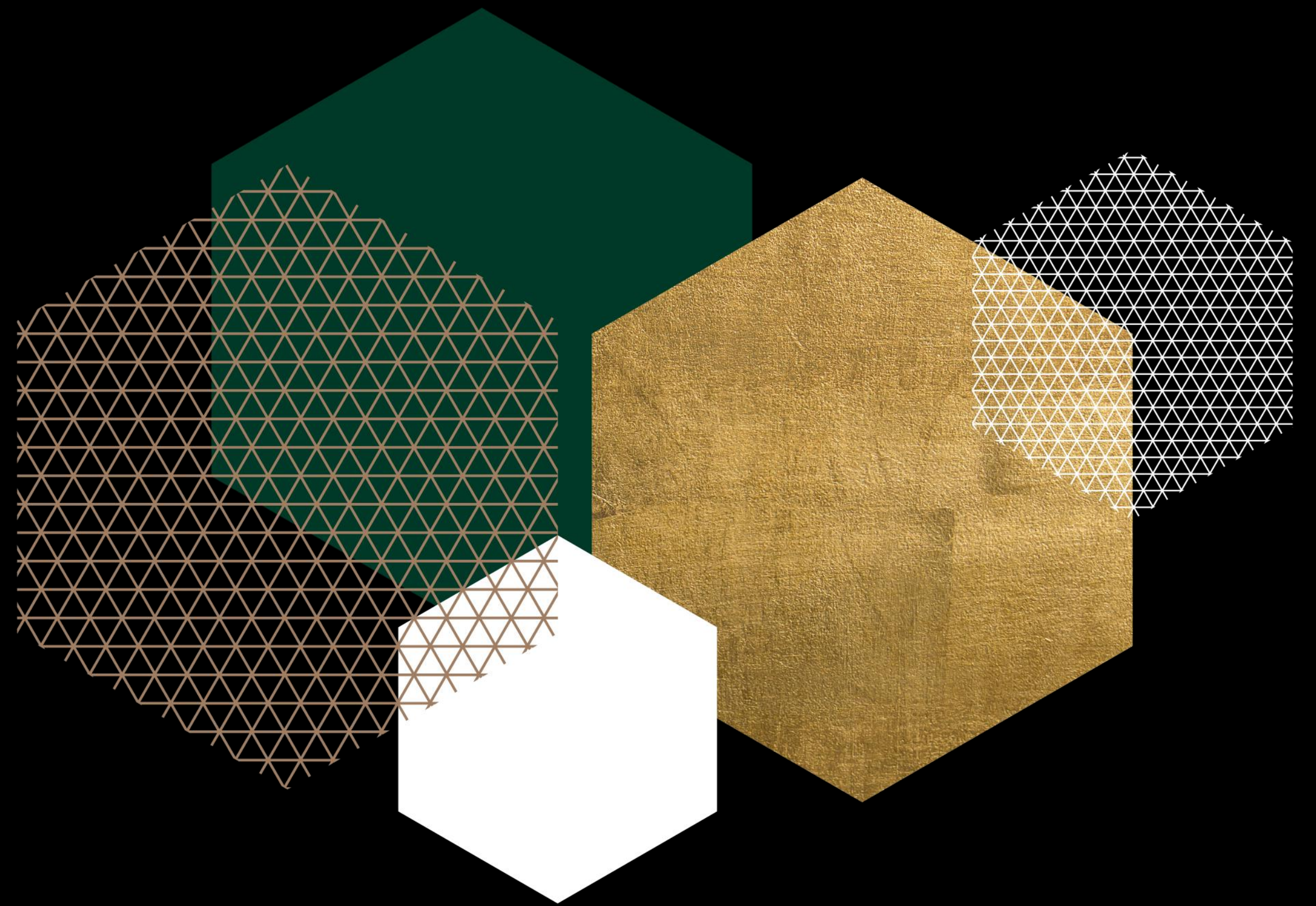
Pursuant to the liberalization of the Turkish economy starting from the 1980's, the group embarked on a phase of growth and became one of the first few Turkish companies whose foreign trade volume exceeds 1 billion dollars. In 2011 Süzer Group acquired Banka Brod d.d. and has since then, continued to grow together with KentBank d.d. Süzer Group provides a wide range of activities including real estate development, construction, energy, finance, tourism and others.

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
- ✓ In 2022, 2021 and 2020 the Bank’s share capital was increased by 5m EUR respectively
- ✓ In 2021 the Bank achieved its highest ever profitability and was 2nd fastest growing in the sector
- ✓ Continuous investing in digital services and optimization of business processes
- ✓ Access to more than 1.000 ATM’s in MBNet network
- ✓ 16 branches and business centers across major cities in Croatia



BUSINESS MODEL



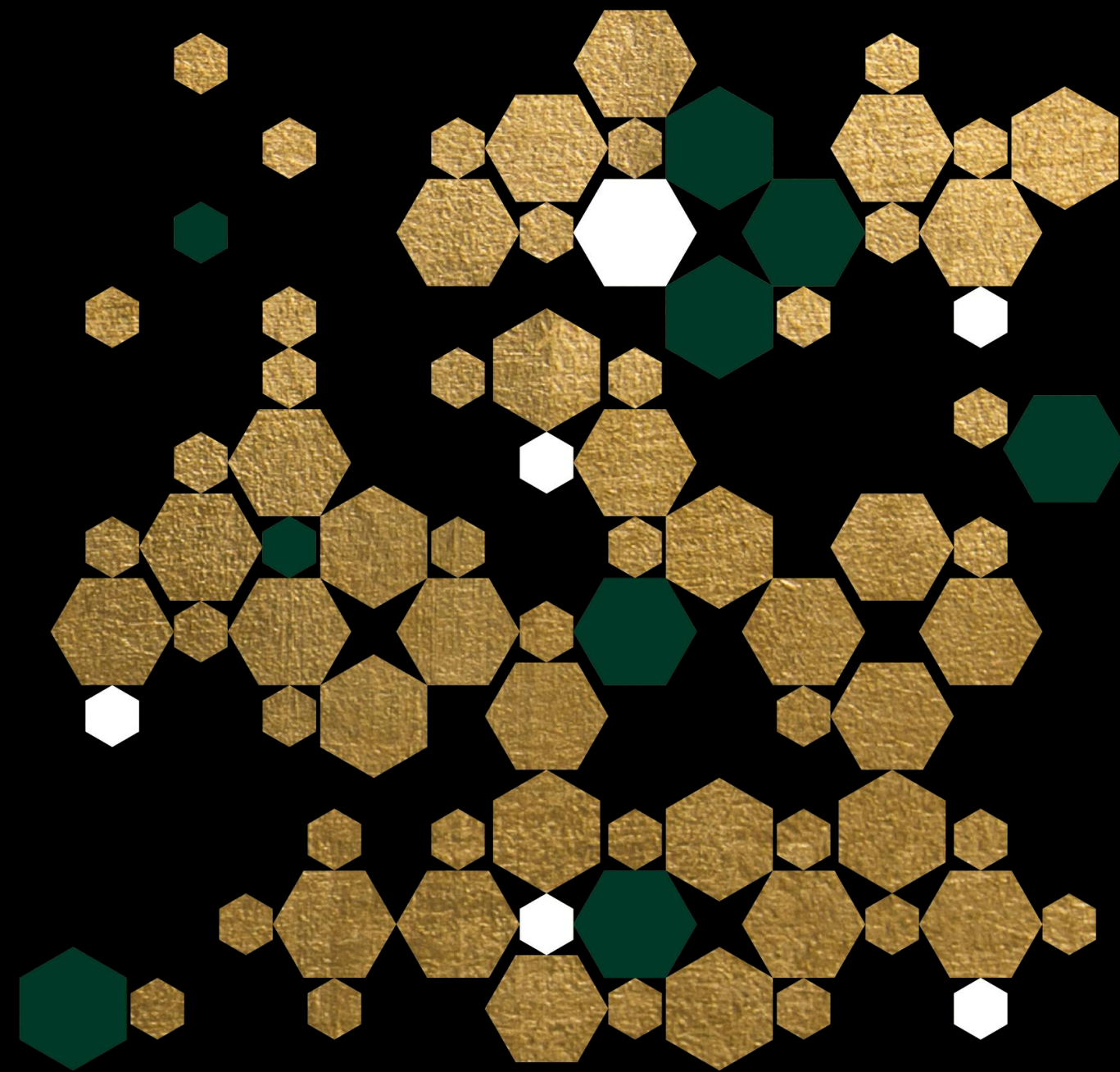
KENTBANK'S STRATEGY



OUR DIRECTION

Values

Great service
Quality over quantity
Support
Expertise



Personality

Respectful
Personal
Reliable
Open - minded

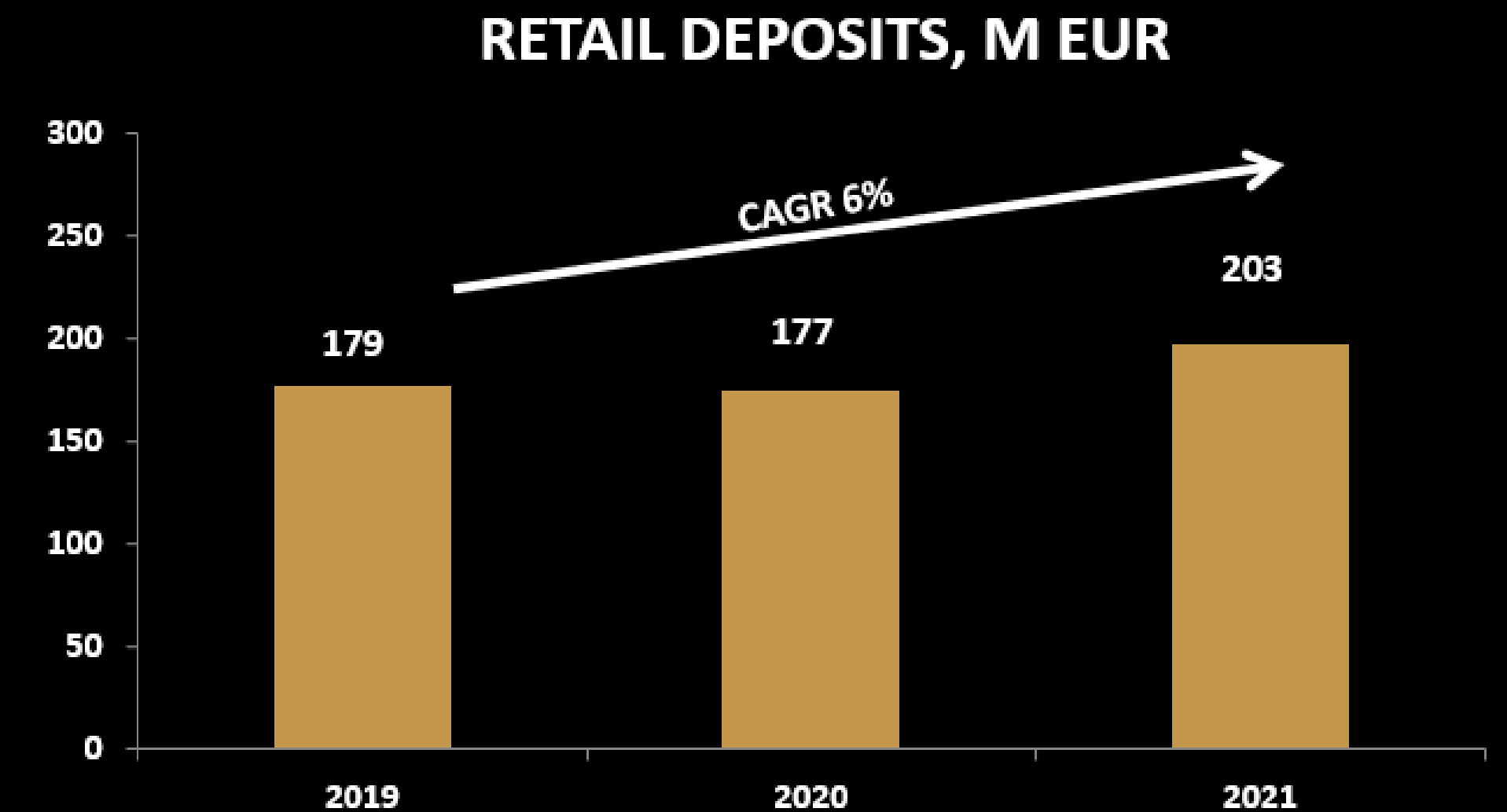
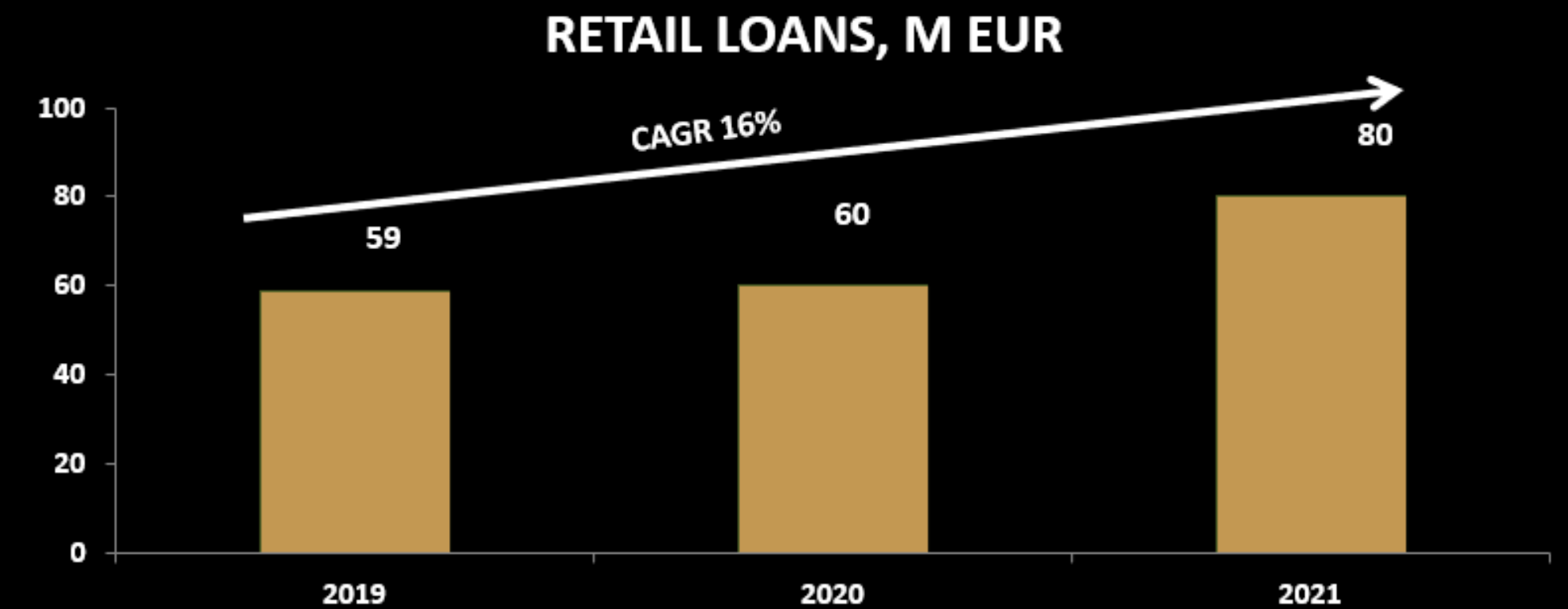
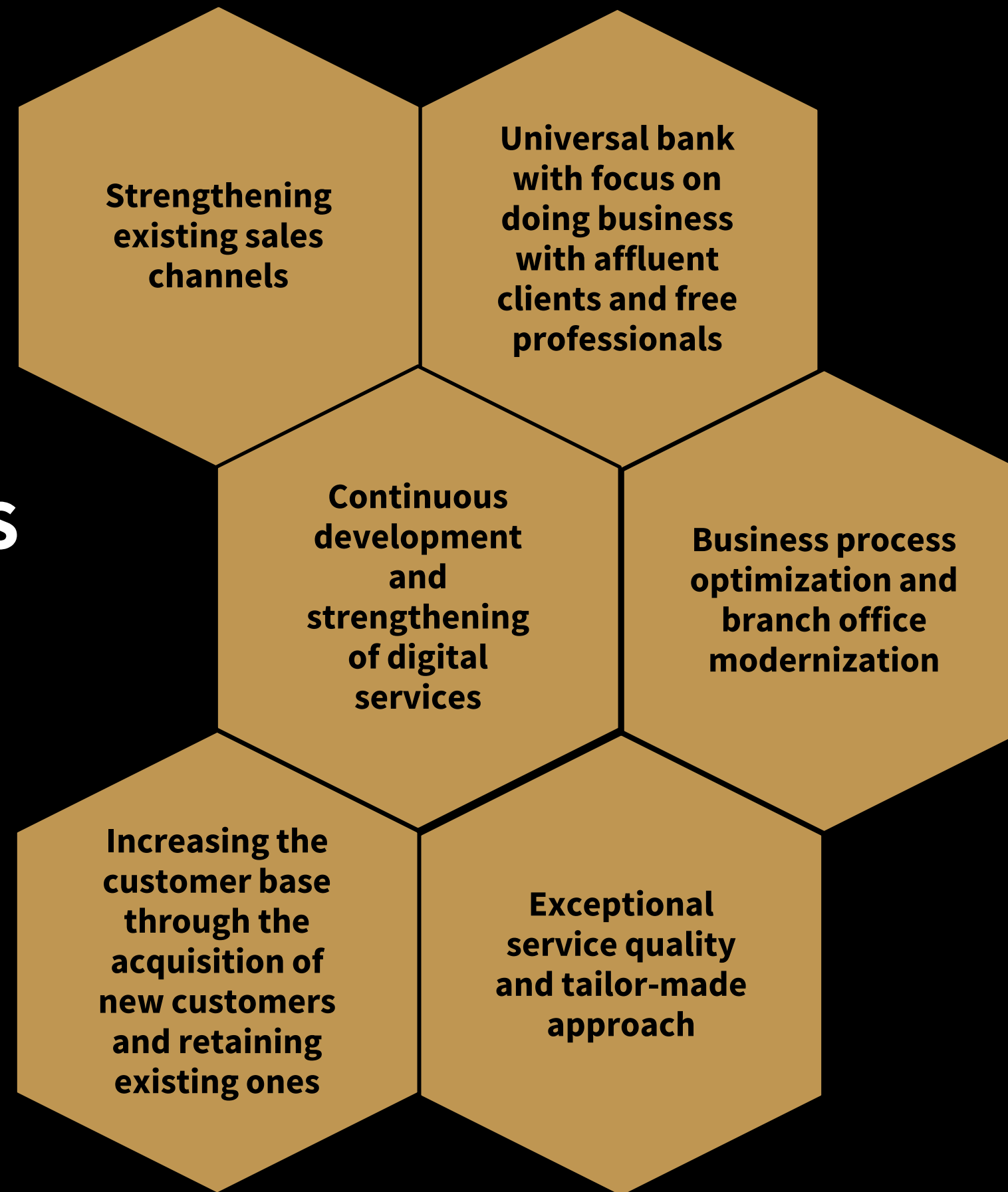
Purpose

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

RETAIL BANKING



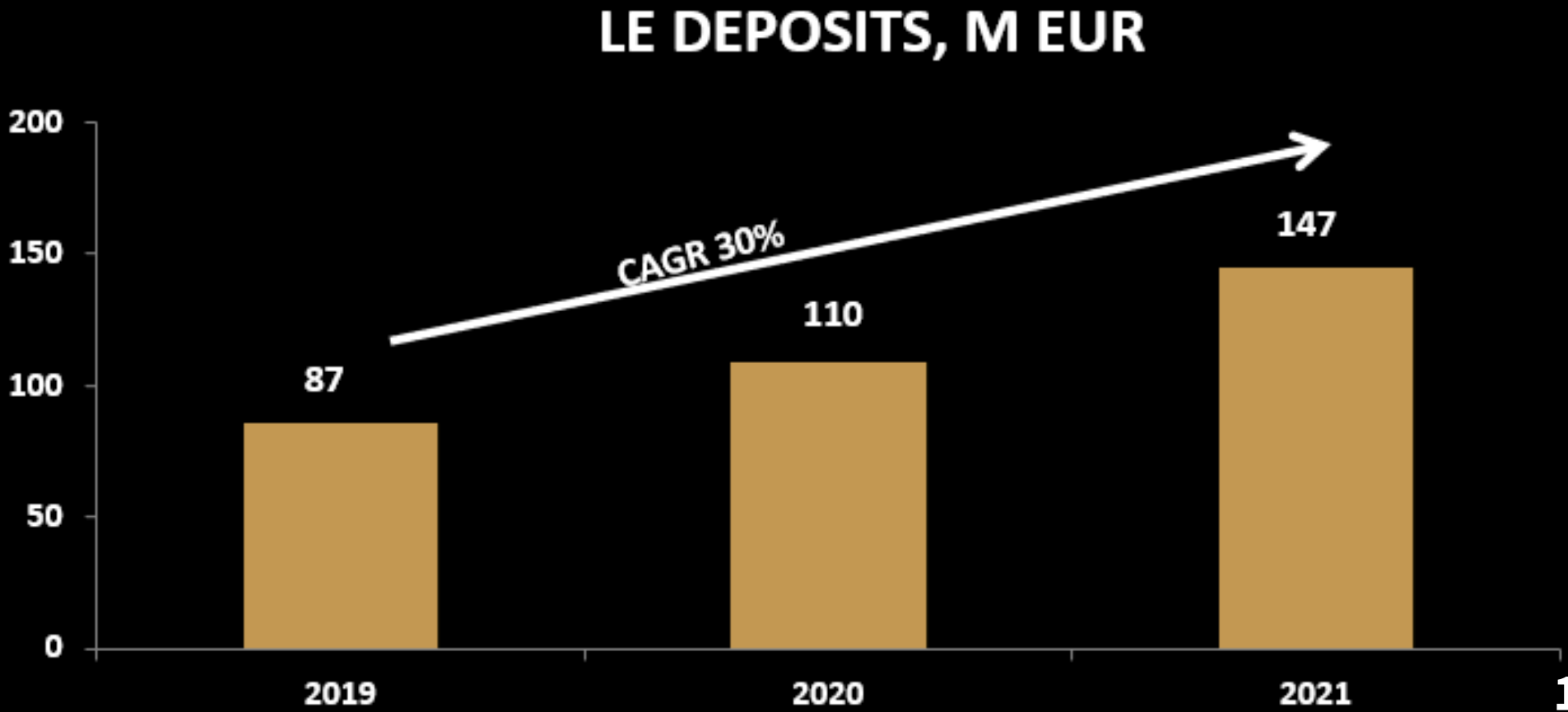
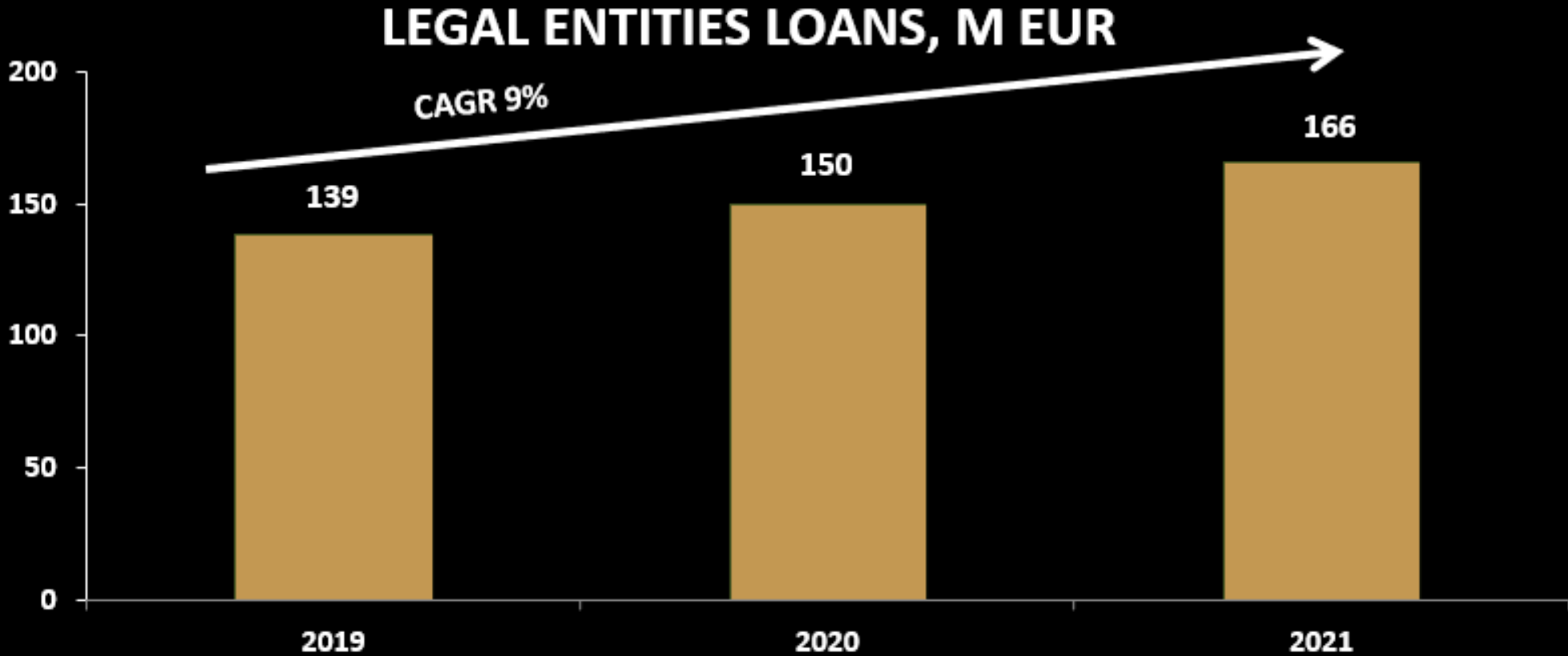
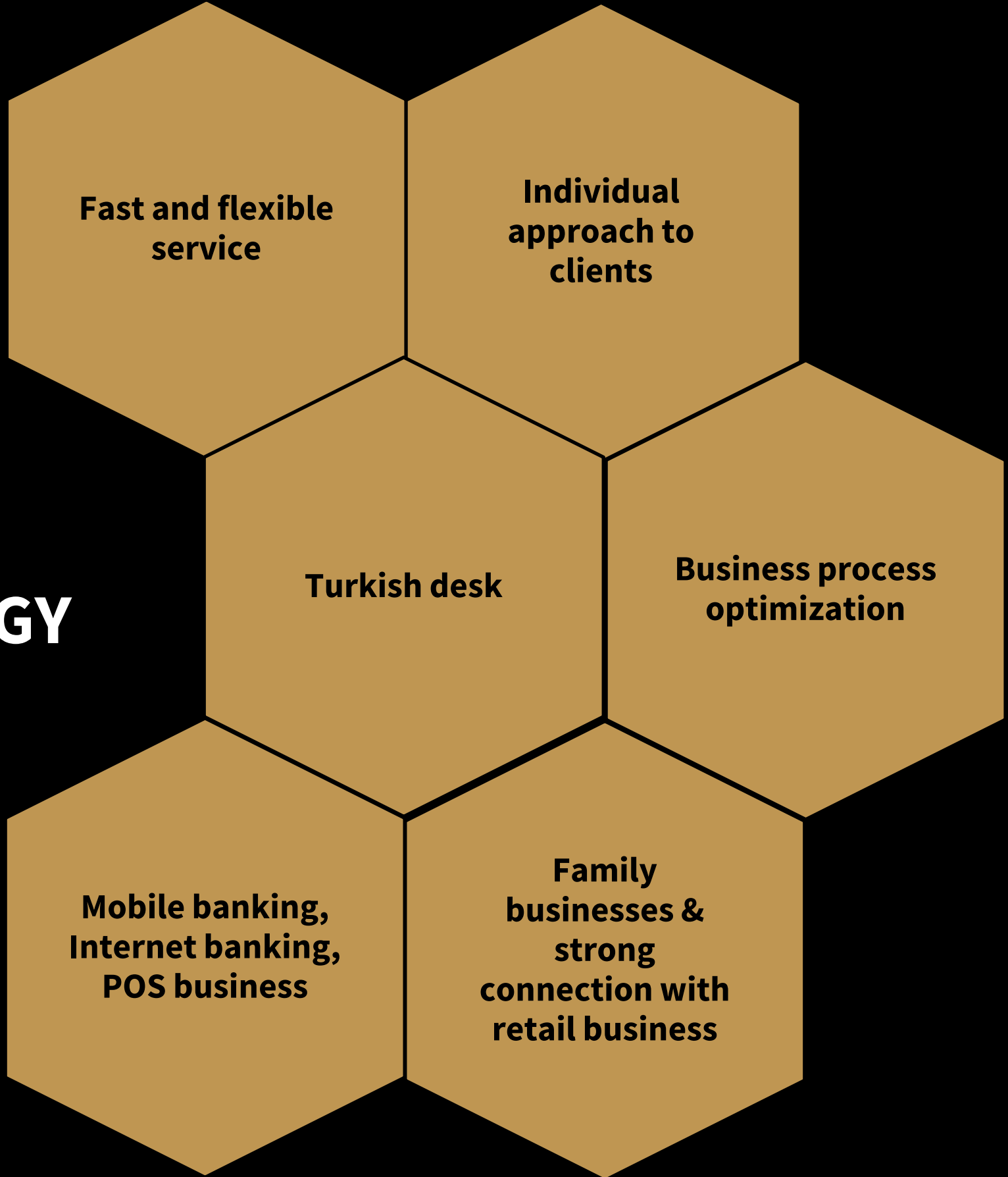
RETAIL BUSINESS STRATEGY



LEGAL ENTITIES BANKING

- ✓ 27M EUR or 19% increase in loan portfolio since 2019
- ✓ In 2021 loan portfolio increased 16M EUR or 11%
- ✓ Cooperation with HBOR and HAMAG
- ✓ Business with guarantees and letter of credit

LEGAL ENTITIES BANKING - STRATEGY



Kent Club

**Kent
Bank**



Kent Club

Great people deserve great partners!

KentClub, 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.

KentClub 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.





**Kent
Bank**



TREASURY BANKING



LIQUIDITY MANAGEMENT:

- Continuously high liquidity
- Managing the liquidity surplus
- Collecting deposits from other financial institutions
- Providing short term funding through MM operations

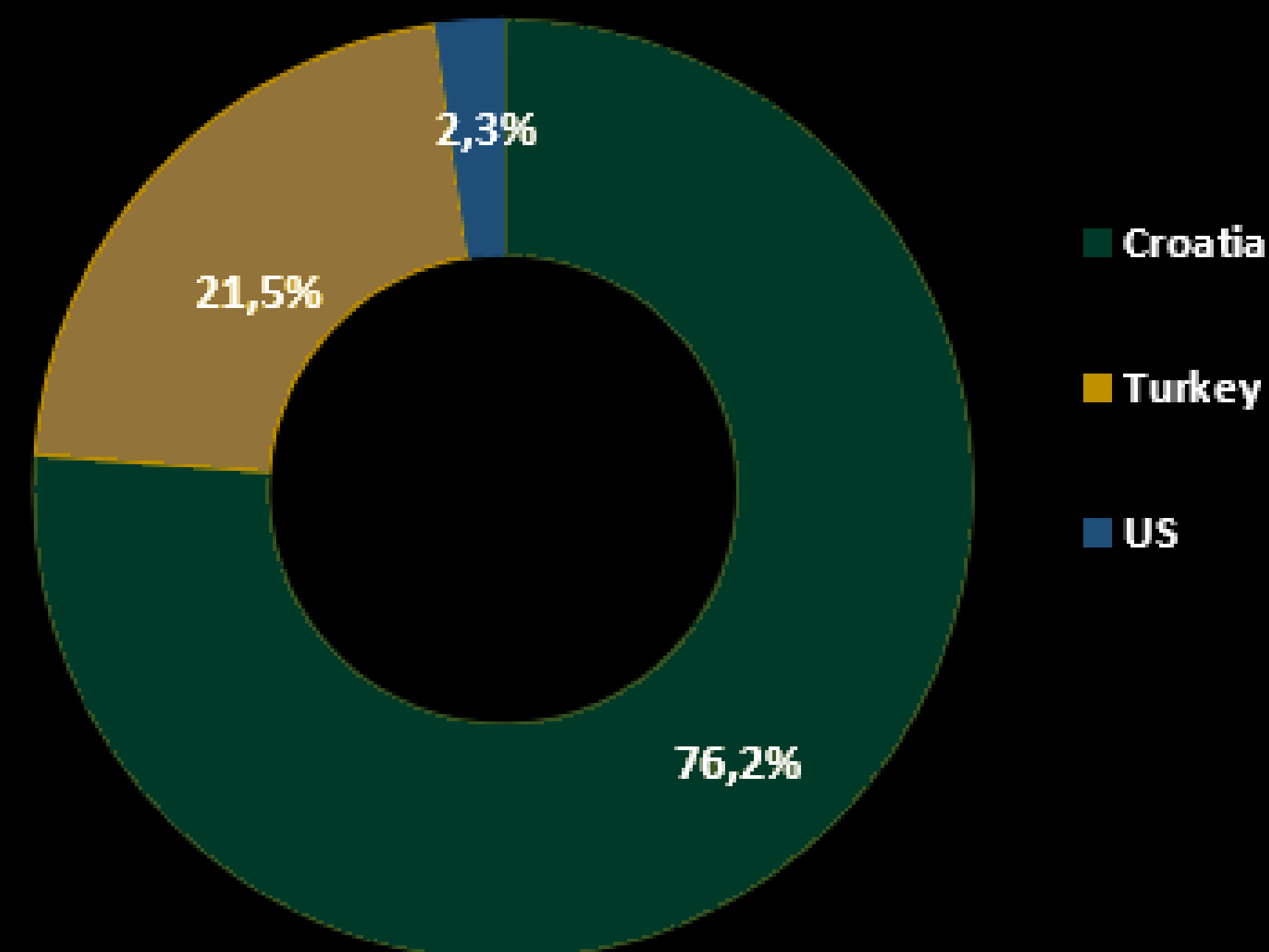
MARKETABLE SECURITIES TRADING:

- 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

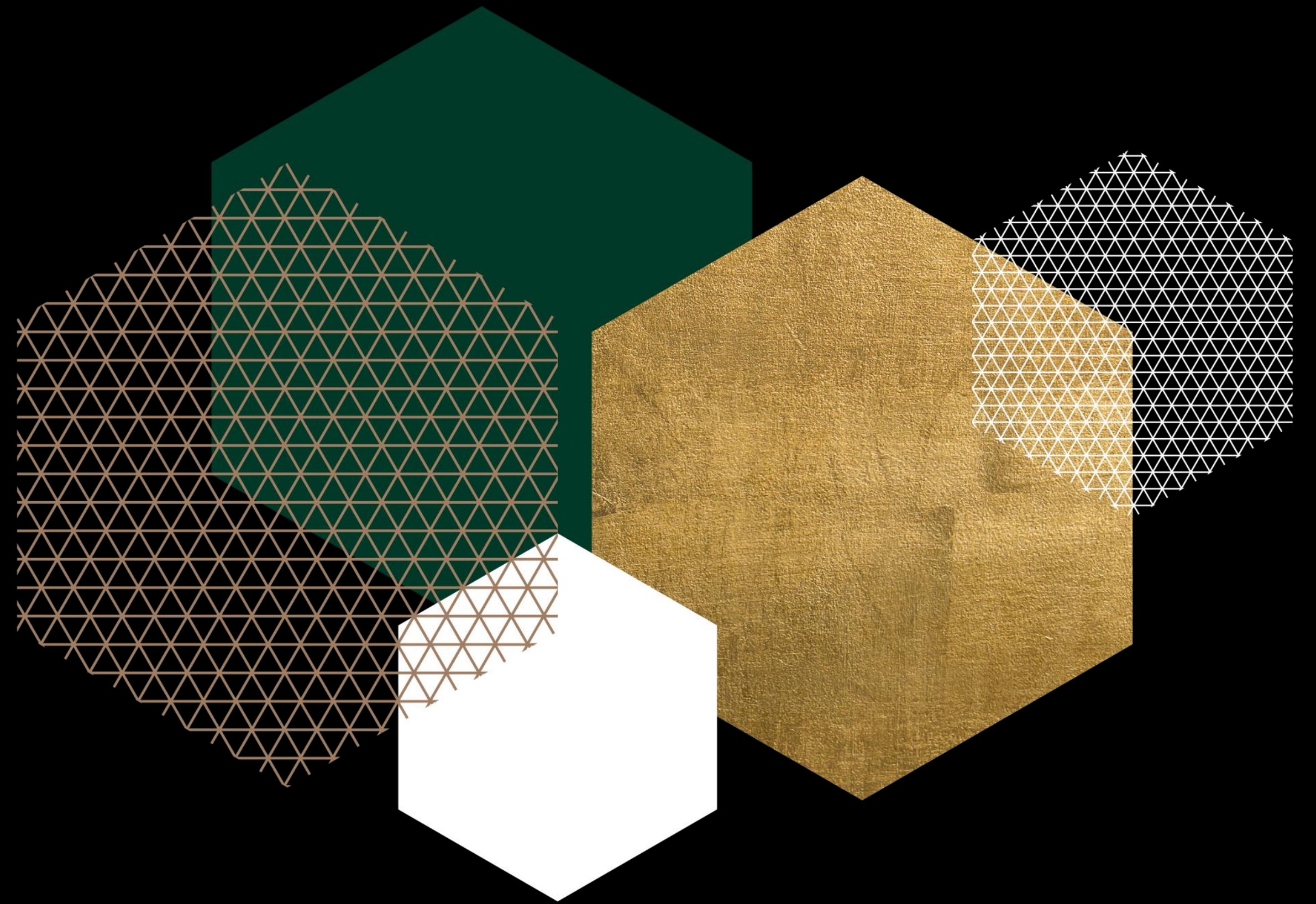
MARKETABLE SECURITIES - December 2021 (Per Country, Nominal value)



REPRESENTATIVE OFFICE AND TURKISH DESK

- 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.

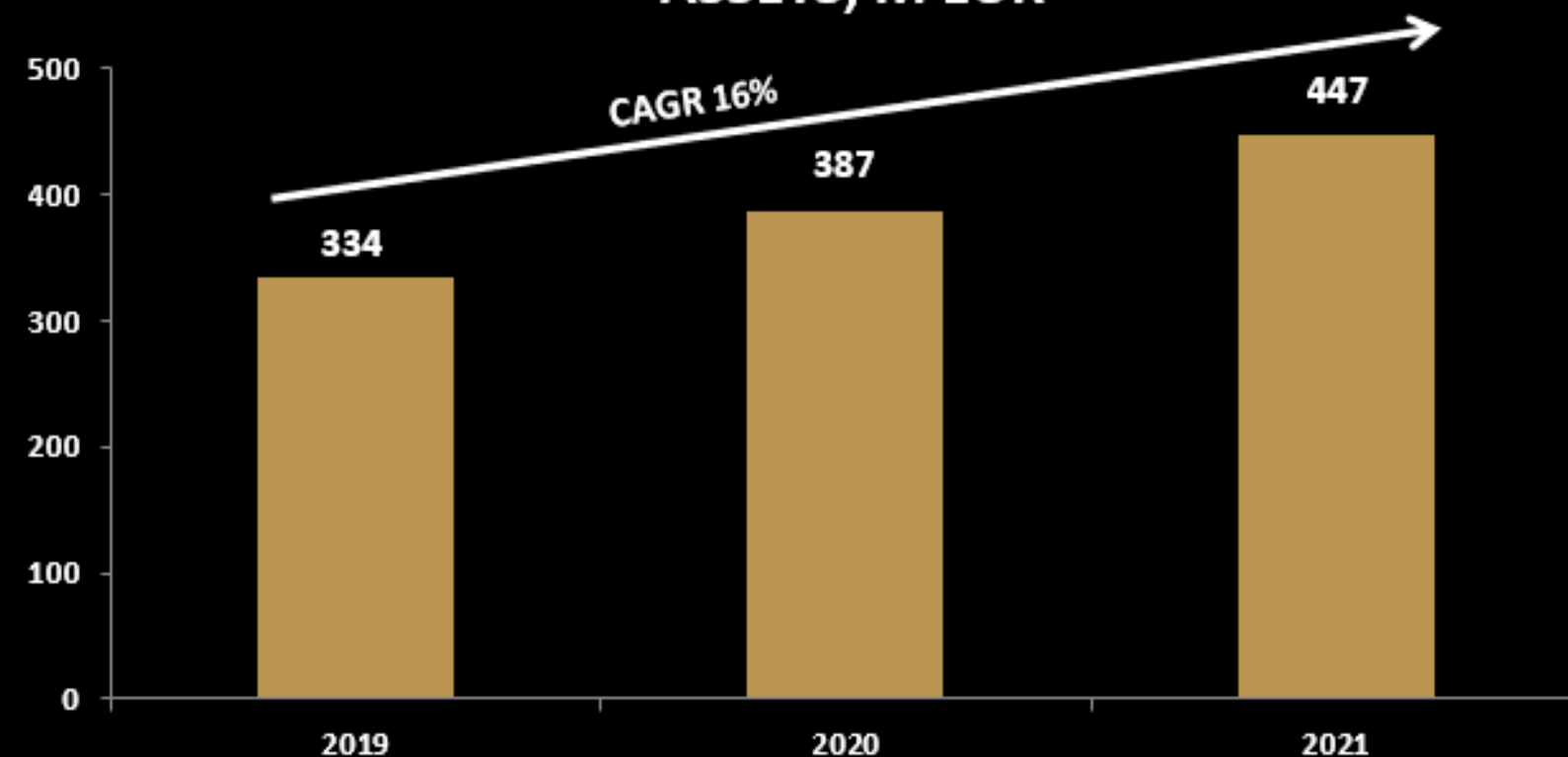
KEY FINANCIAL INDICATORS



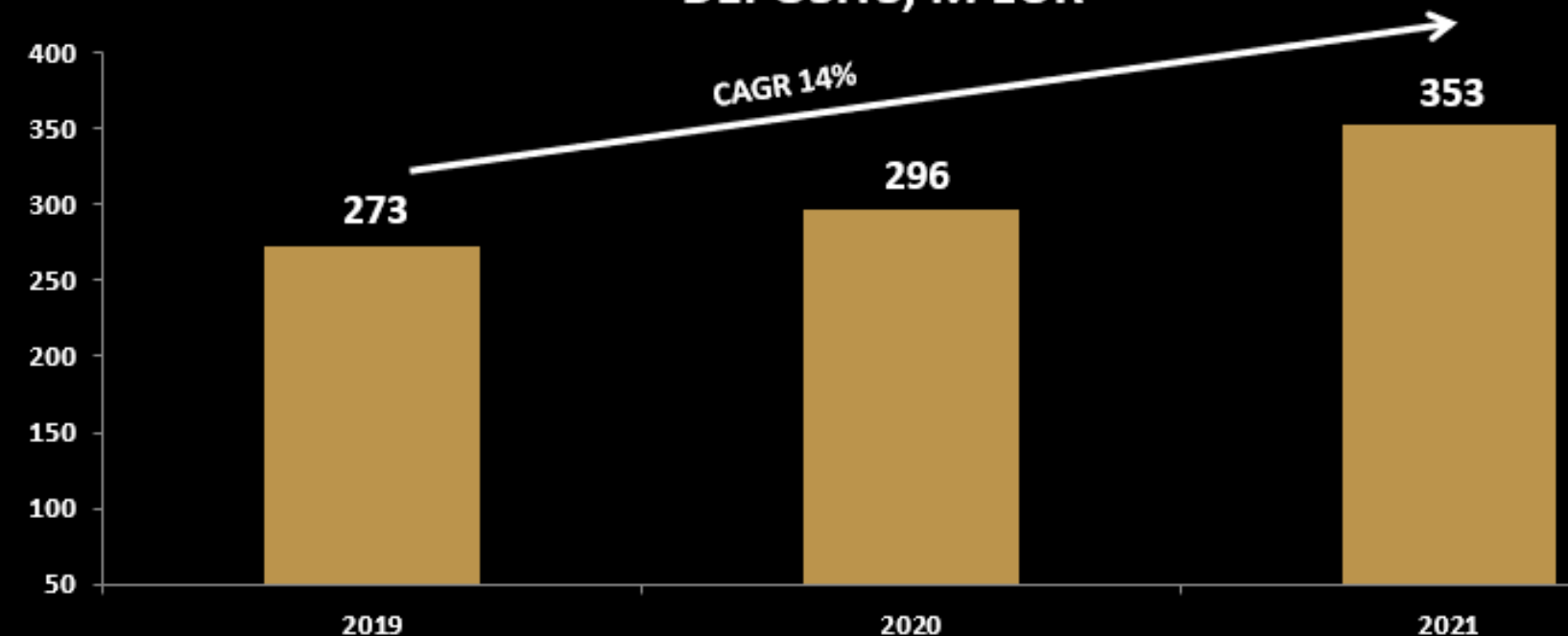
VOLUMES



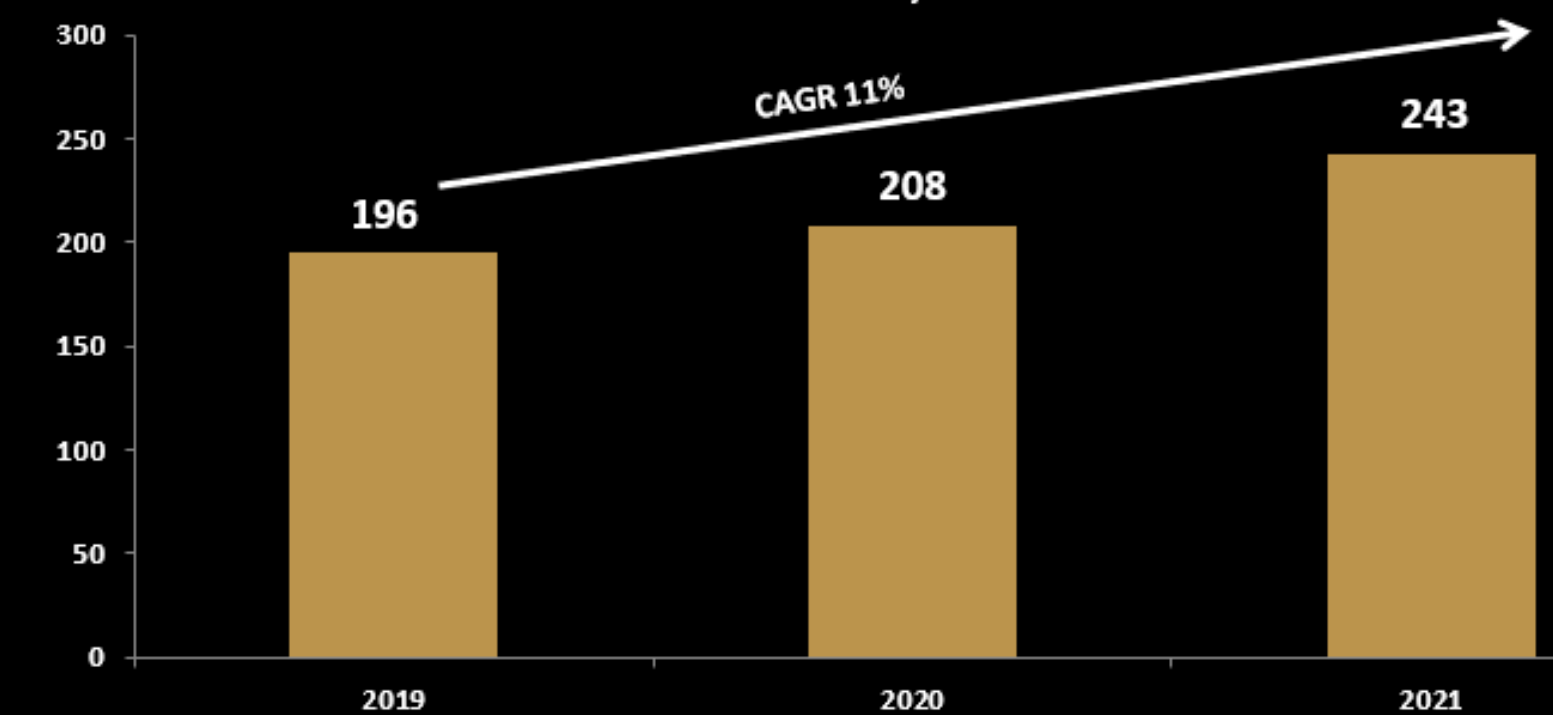
ASSETS, M EUR



DEPOSITS, M EUR



LOANS, M EUR



➤ Balance sheet

- ✓ Focus on growth of loan portfolio, interest earning asset and profit
- ✓ Maintaining and securing liquidity and funding sources
- ✓ Conservative risk management approach
- ✓ Diversified balance sheet

➤ Funding sources:

- ✓ Retail deposits are the main source of funding
- ✓ Deposits represent 79% of total funding sources
- ✓ Share of a vista deposits in total deposits increased from 33% to 41% in 2021
- ✓ Stable deposit base

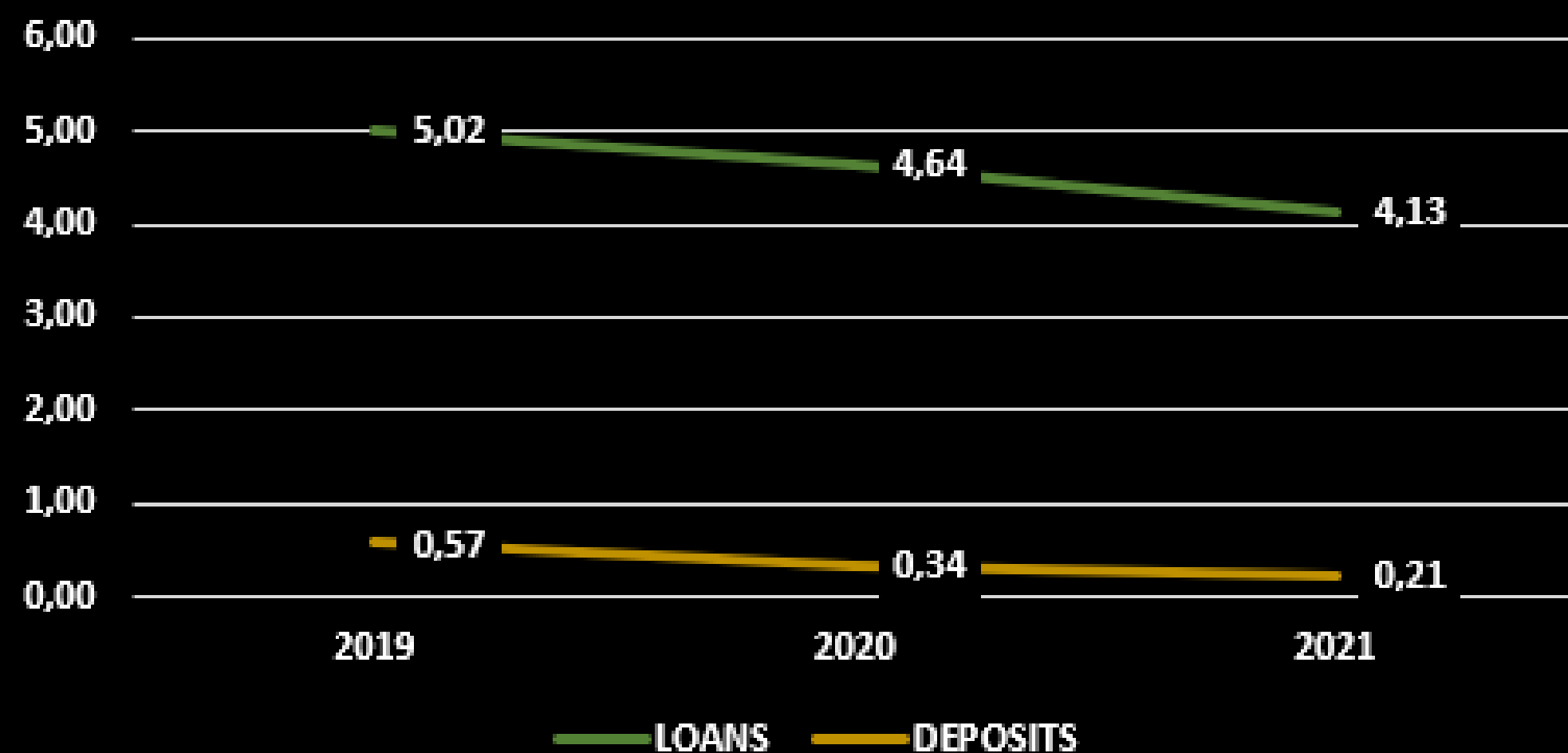
➤ Loan portfolio

- ✓ Increase in share of retail loans in total loan portfolio as one of the strategic goals in upcoming years
- ✓ Manufacturing sector making 1/4 of loanbook with 4 times lower NPL vs. sector

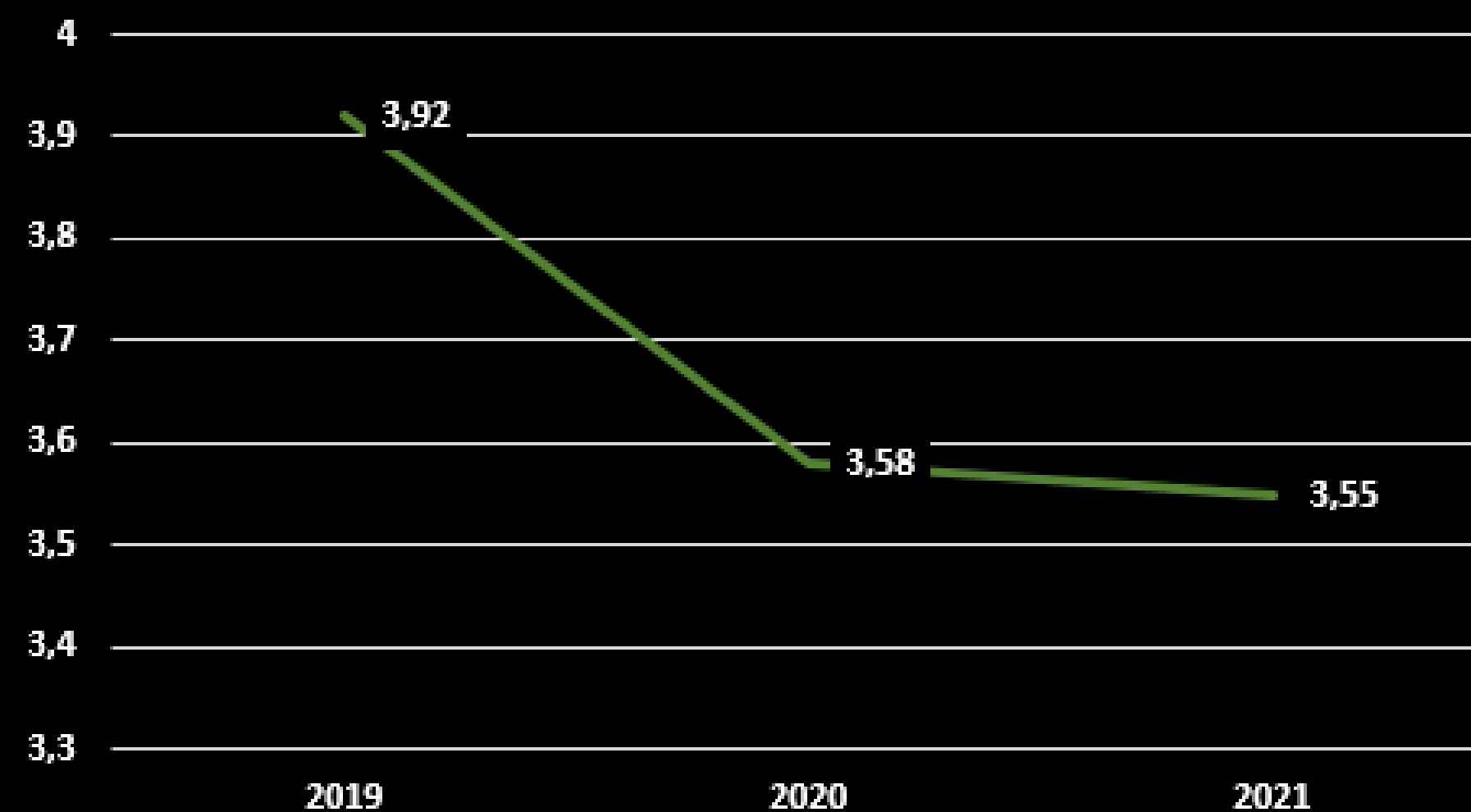
LOAN & DEPOSIT INTEREST RATES & NIM*



Weighted Average Interest Rate on Loans & Deposits (%)



NIM



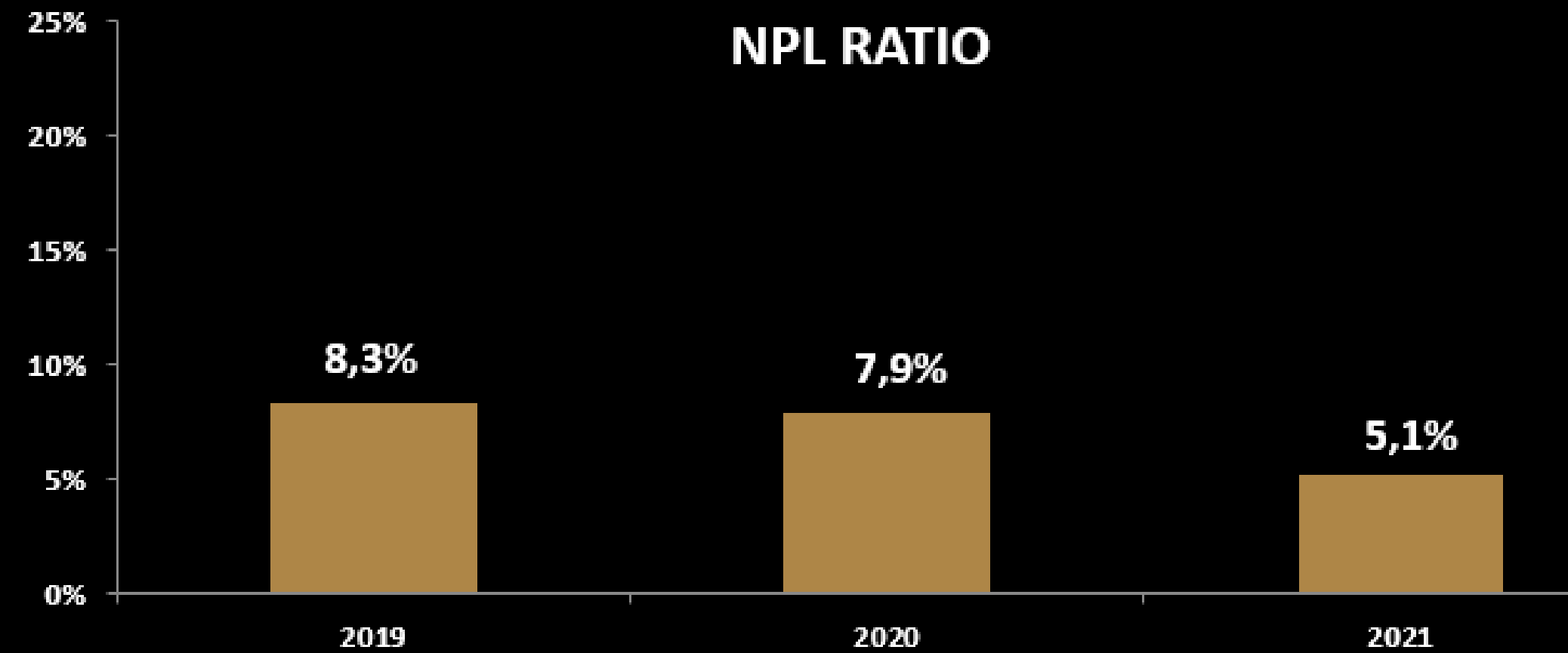
- ✓ Margins tightened due to monetary easing and focusing more on collateralised loans
- ✓ Sound management leading to higher NIM vs. sector stable at 2.6% for a long period

* (Interest Income / Interest Earning Assets) - (Interest expenses / Interest bearing liabilities)

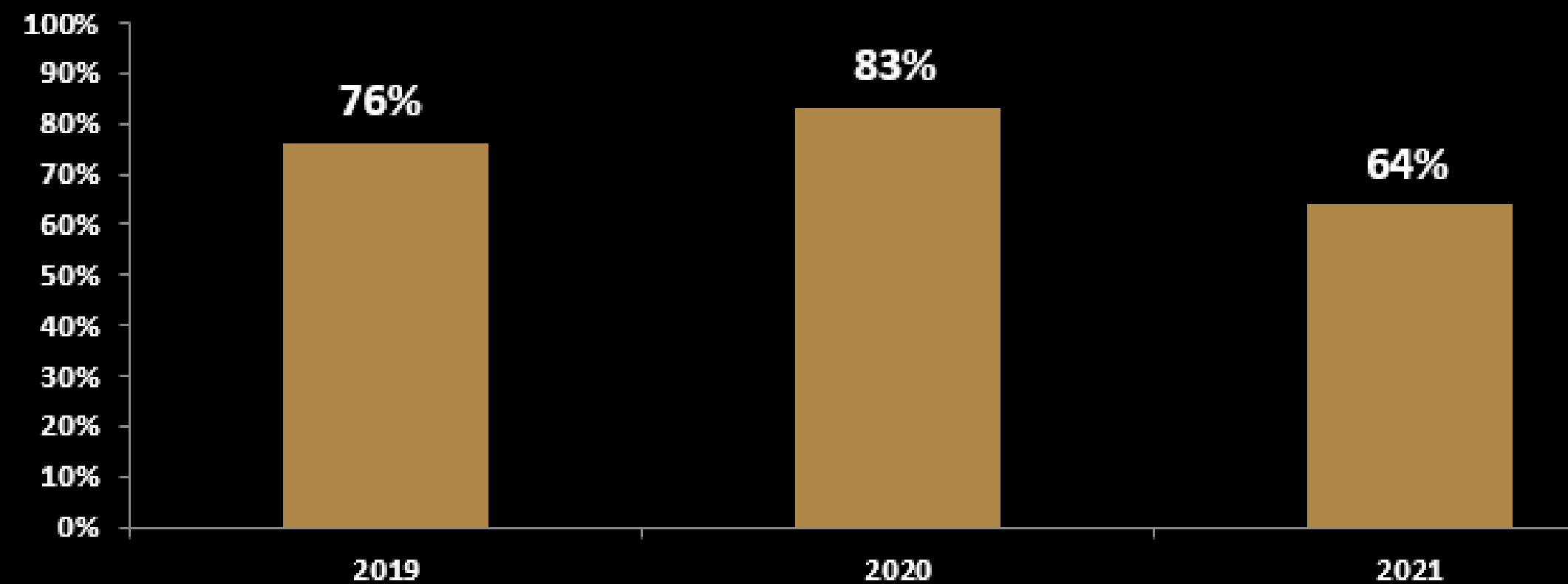
ASSET QUALITY



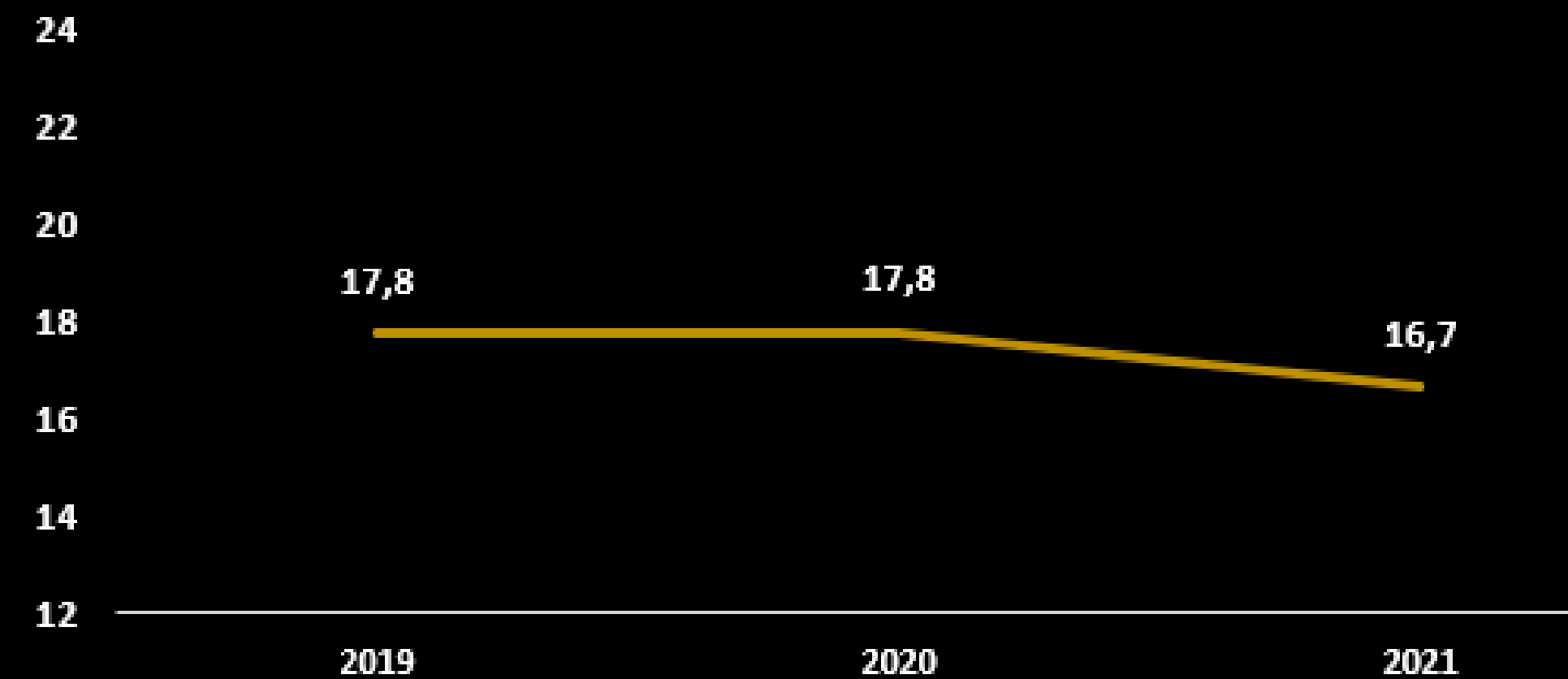
NPL RATIO



NPL COVERAGE



CAPITAL ADEQUACY RATIO

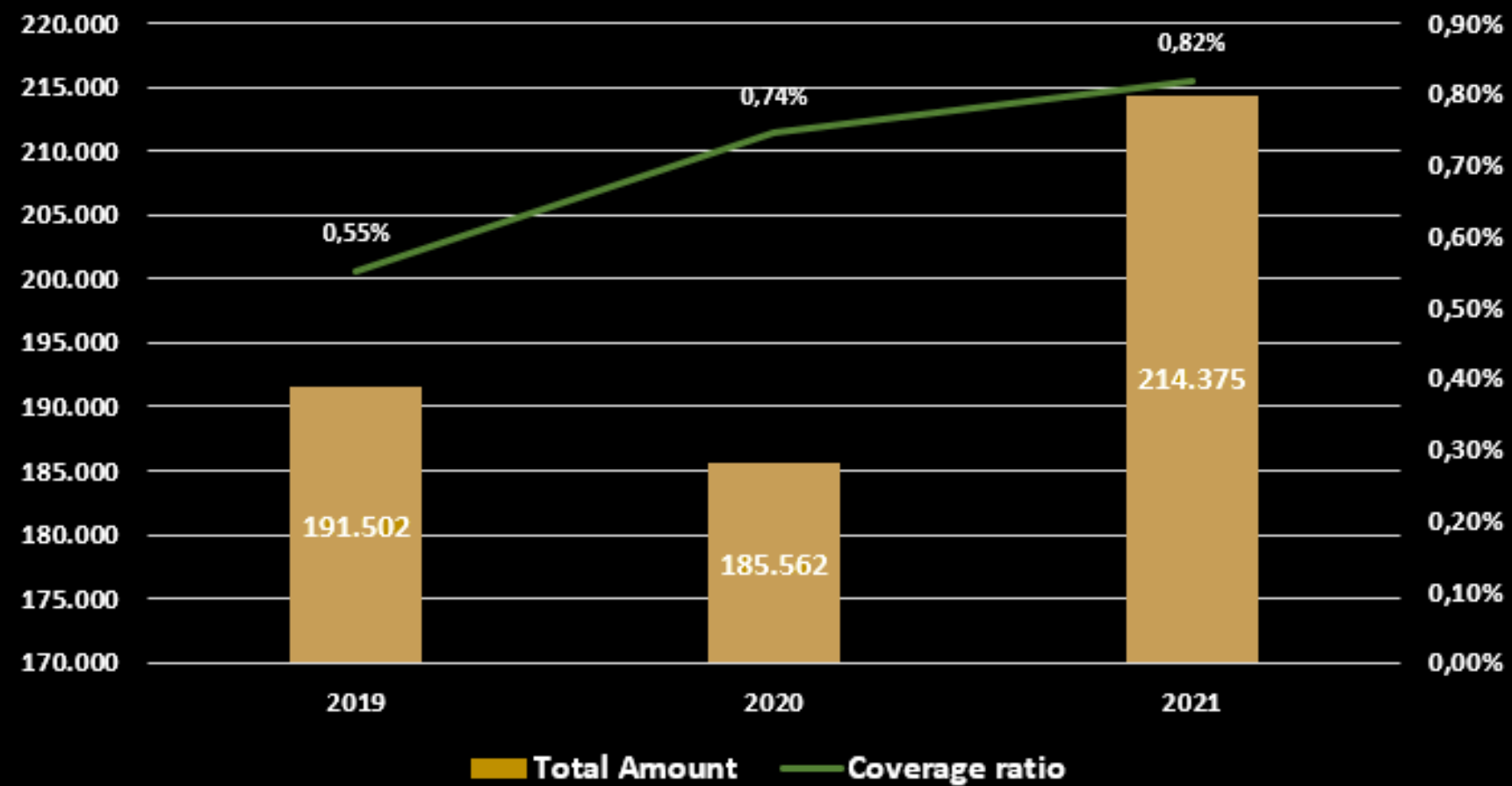


- ✓ One of the lowest NPL ratios in the banking sector
- ✓ Maintenance of low NPL ratio
- ✓ Decline in NPL coverage mainly driven by strong collection performance in 2021 and write-off of old receivables approved in Banka Brod d.d. (100% provisioned and in the amount of 6M EUR)
- ✓ The Bank maintains a higher CAR ratio than it is legally required at all times. Most recent CAR as of 31.05.2022 is 17,95% after 5M EUR capital increase

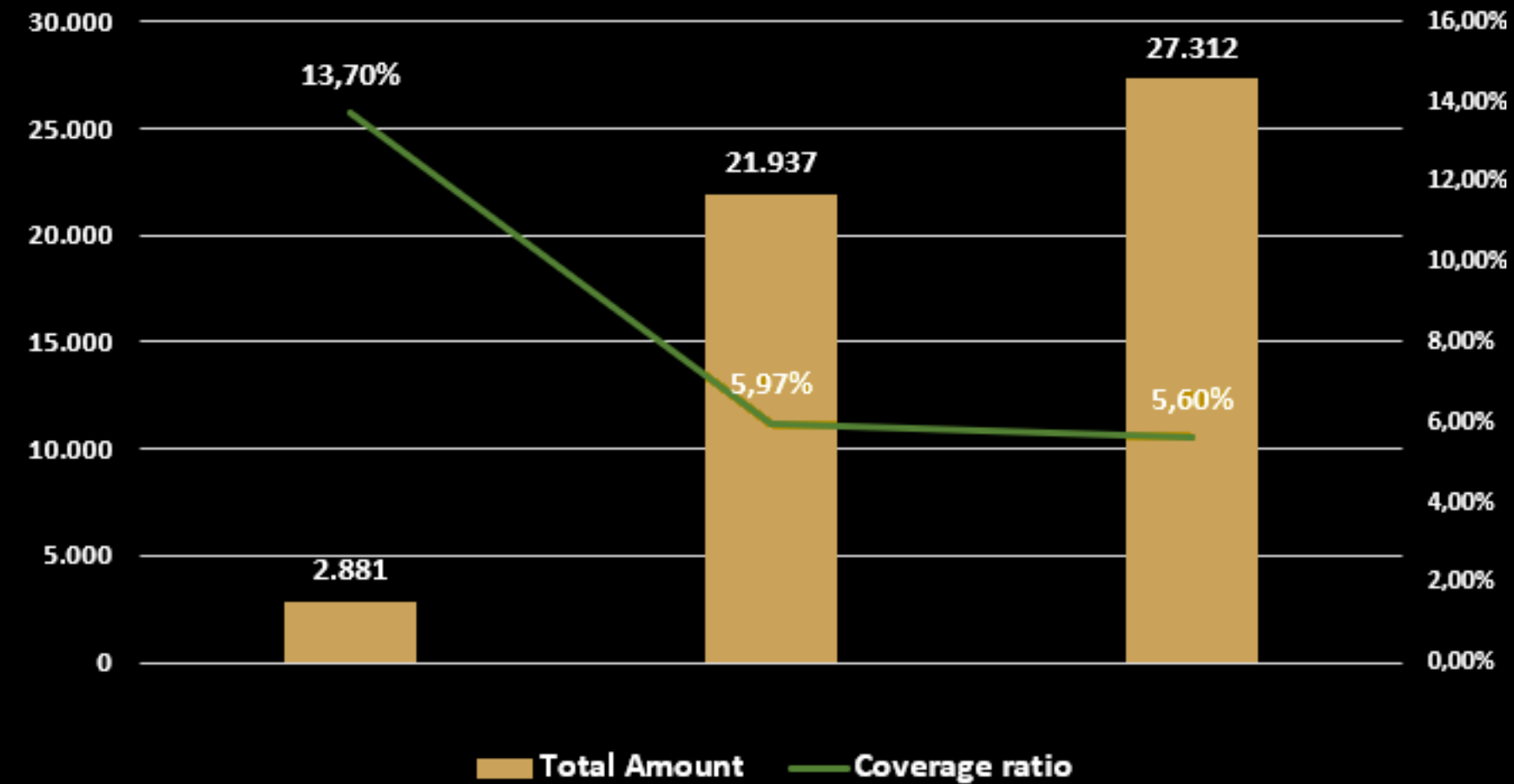
ADEQUATE PROVISIONING & IMPROVEMENT IN CoR



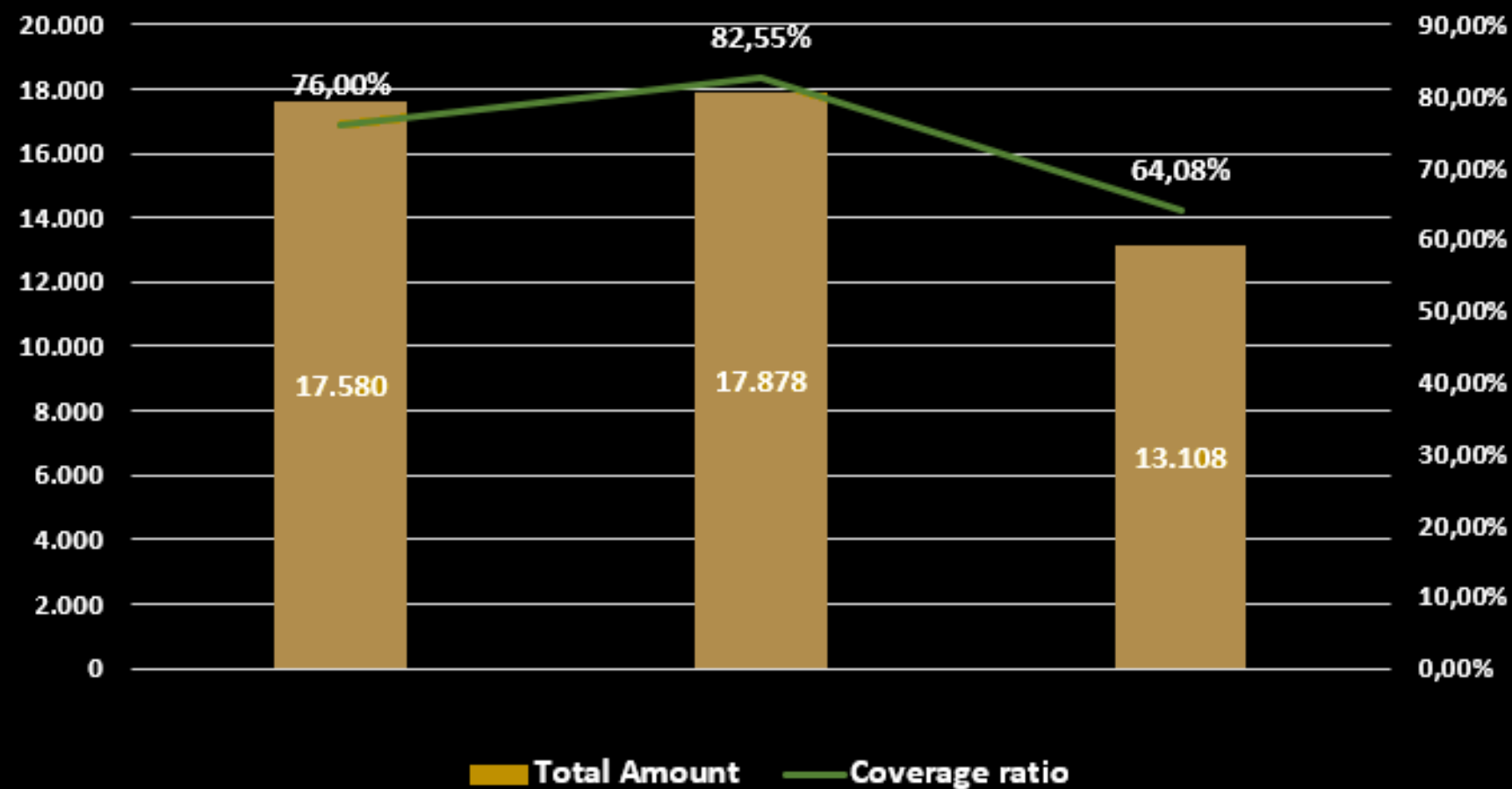
Stage 1 loans and Coverage



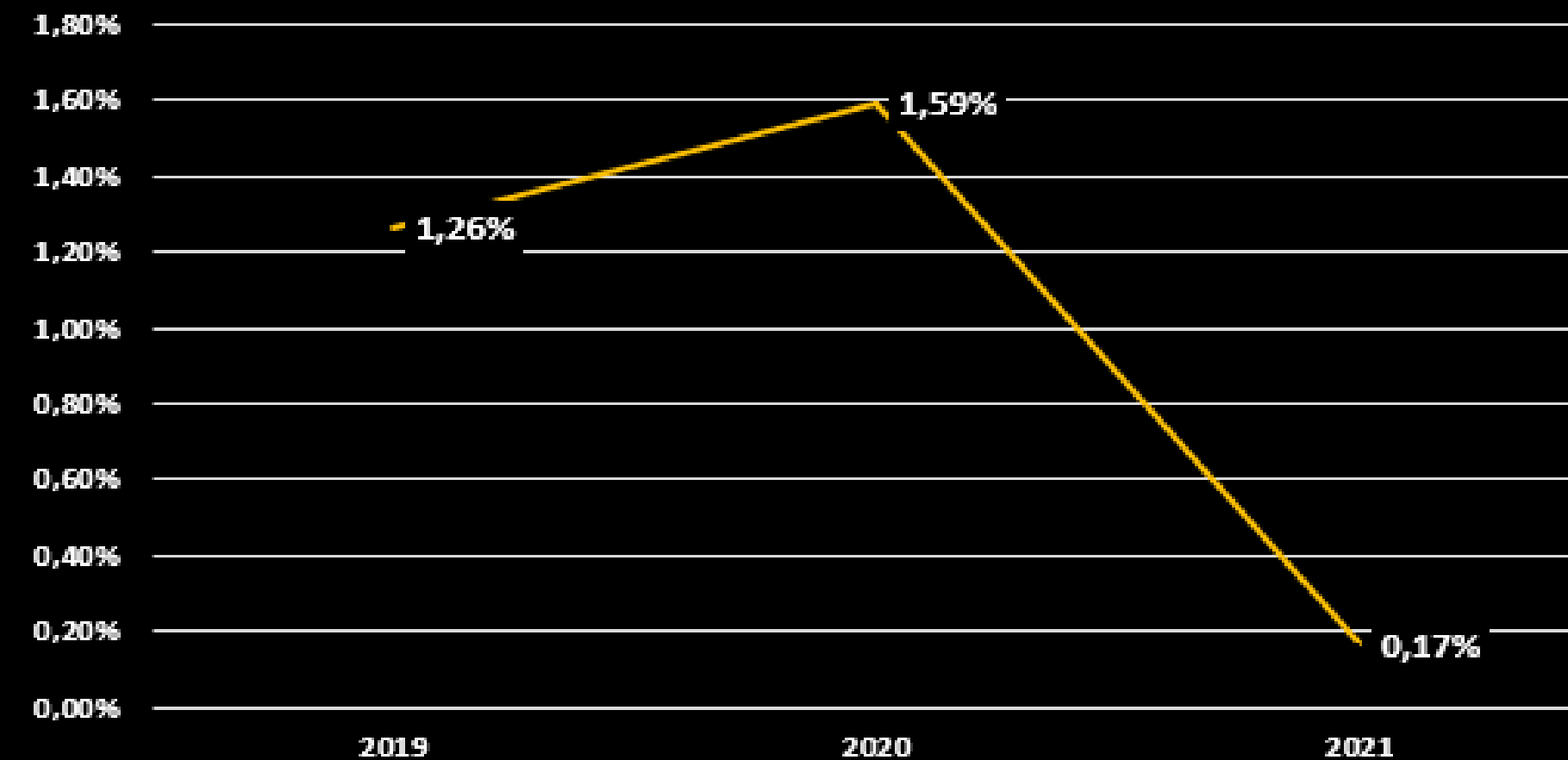
Stage 2 loans and Coverage



Stage 3 loans and Coverage

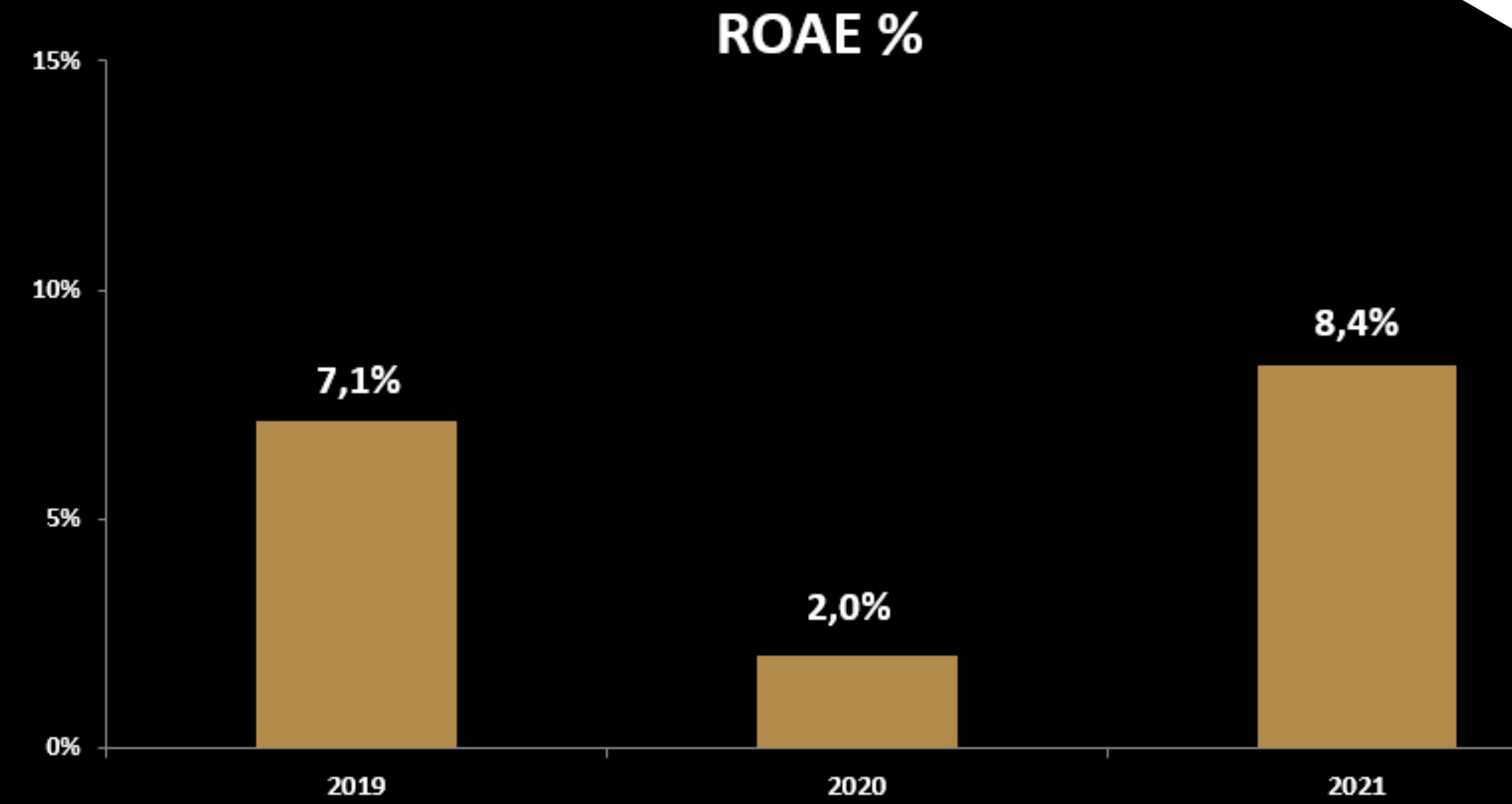
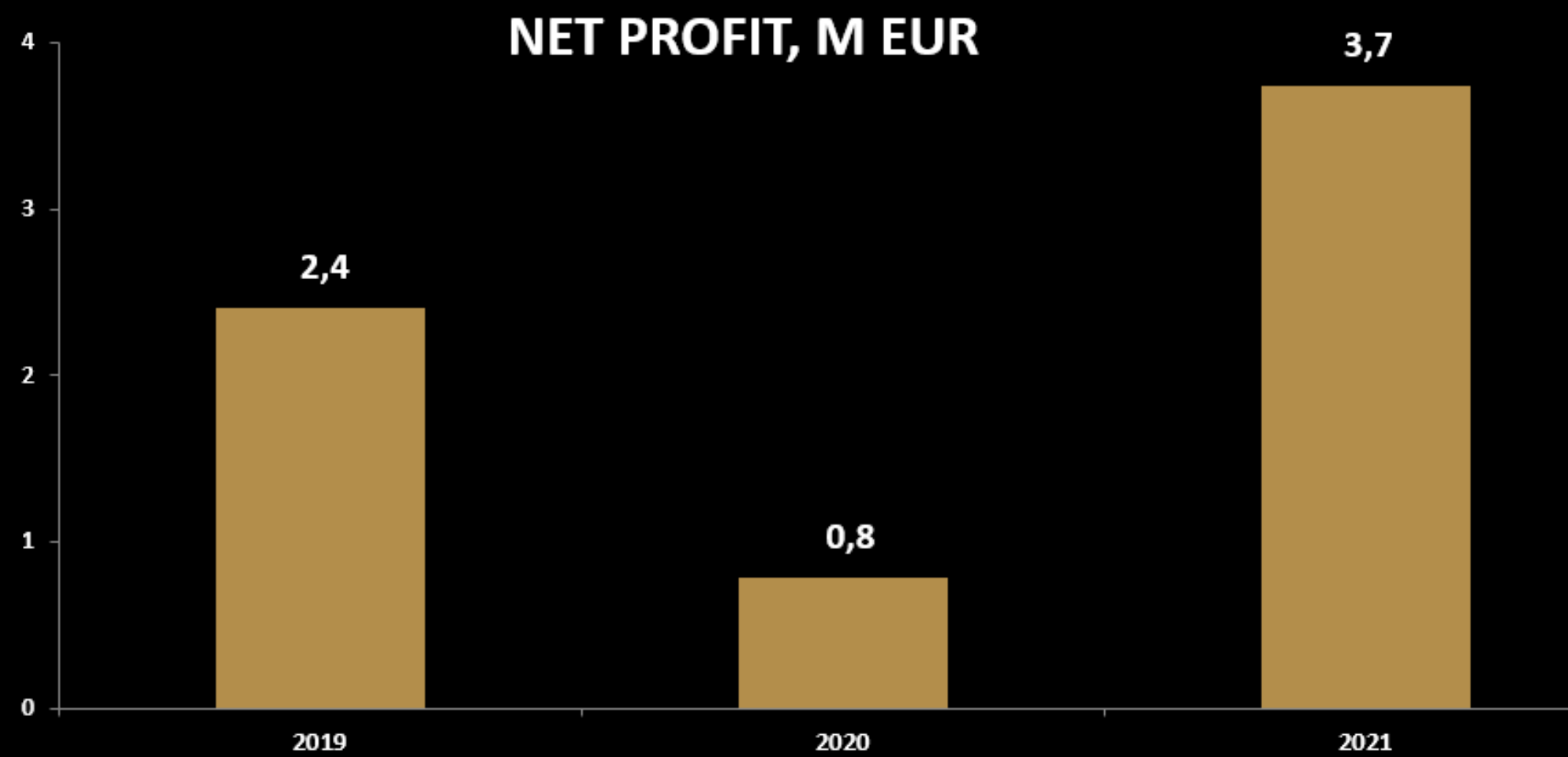


CoR



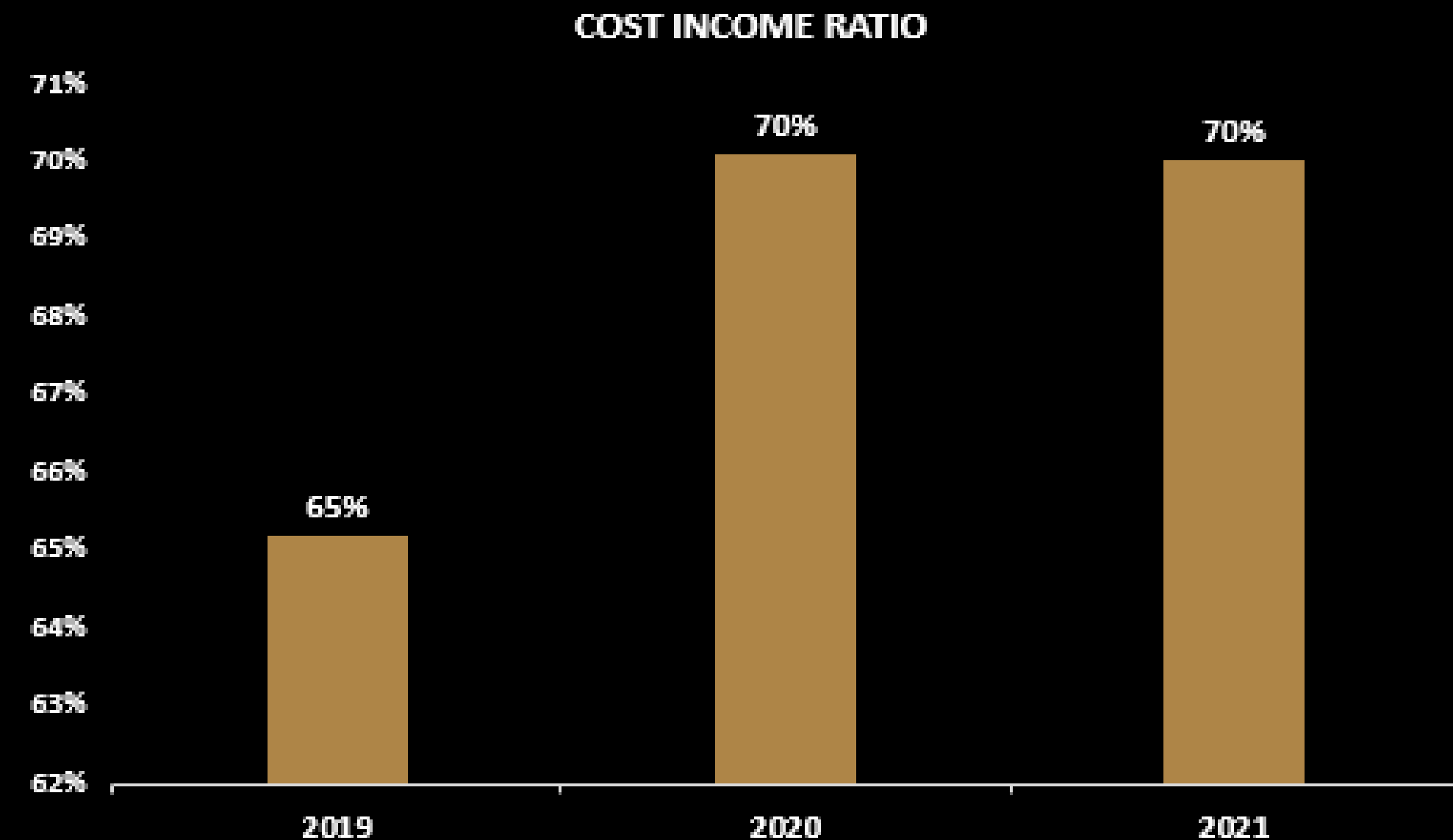
- Conservative approach mainly driven by Covid increasing Stage-2 share
- Decline in coverage for Stage 3 mainly driven by strong collection performance in 2021 and write-off
- Adequate provisioning, close monitoring and strong collection contributing to significant improvement in CoR

PROFITABILITY



➤ Profitability:

- ✓ 2021 highest profitability ever in Bank's history
- ✓ 2020 lower profit due Covid-19 pandemic
- ✓ 2021 higher expenses due to rebranding & re-positioning & in 2020 lower income generation due to Covid environment having effect on C/I



2022 GUIDANCE



	2021	2022
Loan growth	16%	25%
Net fee and com. growth	54%	40%
OPEX growth*	18%	20%
Cost / Income	70%	69%
NPL	5,1%	5,1%
NPL Coverage	64%	58%
ROAE	8,6%	7,8%

* 700 bp out of the expected growth in 2022 coming from deposit insurance premiums which were not active in 2021

➤ Key Drivers

- ✓ Macro assumptions;
- ✓ 3,5% GDP growth
- ✓ 7,9% YE inflation (CPI)
- ✓ Collateralised retail loans and SME driven loan growth
- ✓ Increasing the share of Net Fee&Com. income in Total Income
- ✓ Focus on cost control after investment phase in 2021
- ✓ Strong risk management & solid collateral values to limit additional provision need

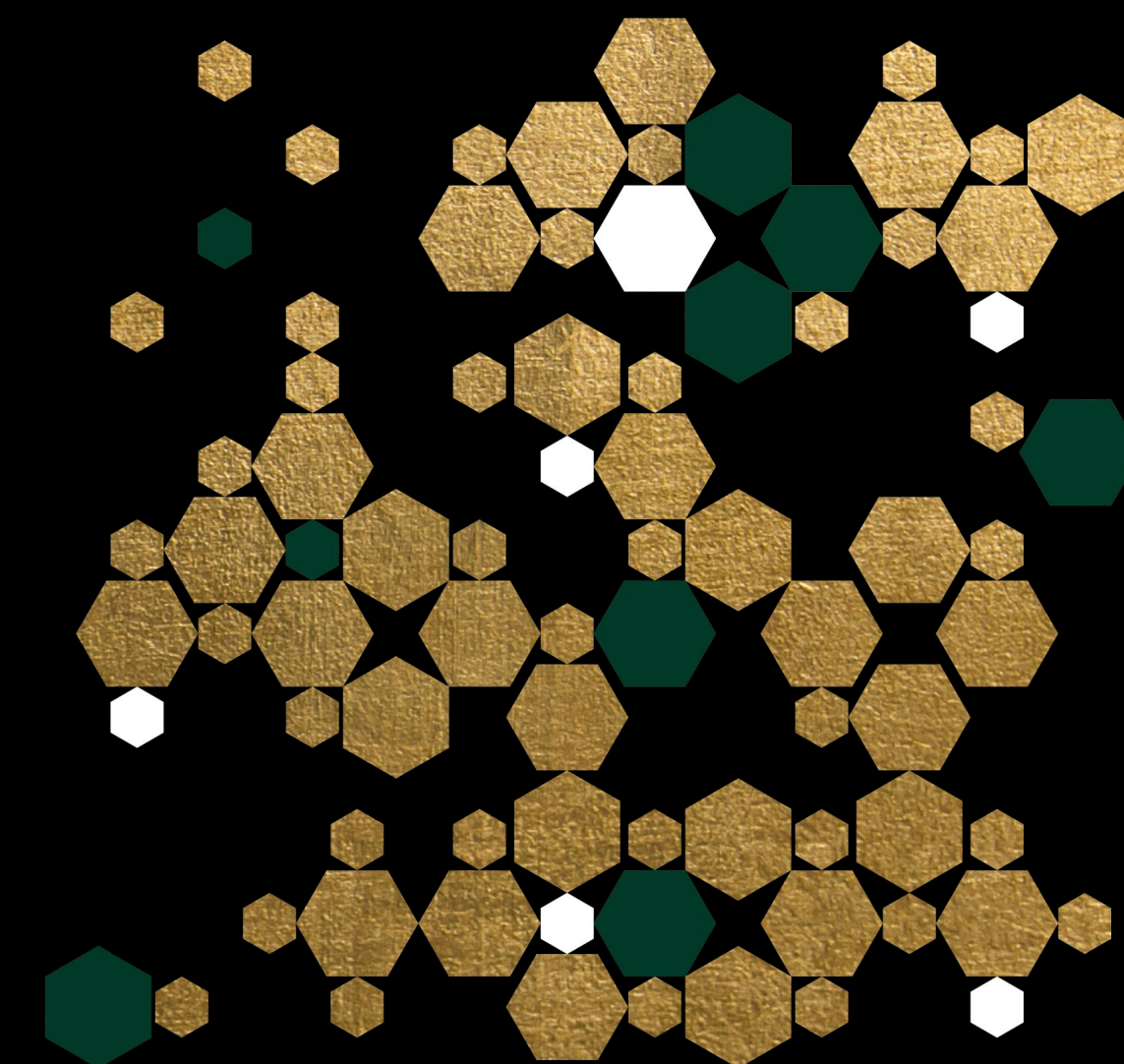


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THANK YOU!