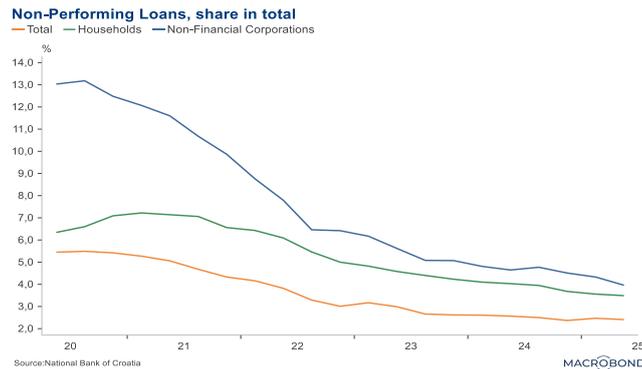


NUMBER 914, SEPTEMBER 8, 2025

The favourable trend in asset quality continues

- After a short-term increase in the first quarter, the share of non-performing loans in total loans (NPL) decreased by 0.1 p.p. quarter-on-quarter to 2.4% in the second quarter, returning to the level from the end of 2024. At the same time, the share of loans placed to the



Strong NPL decline in the corporate portfolio

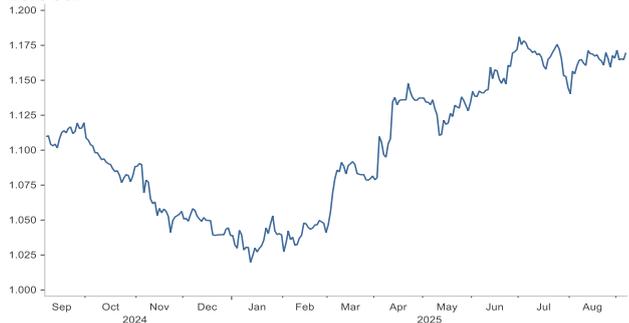
private sector maintained a continuous decline for the third quarter in a row, dropping by 0.2 p.p. to 3.9%. The share was mostly dragged towards a lower level by a more significant decline of 0.4 p.p. (to 4.0%) in loans to non-financial corporations, while in the case of loans to households we recorded a continuation of the trend of a slight decrease (-0.1 p.p. to 3.5%). A more detailed insight into the corporate loan portfolio by activity shows that with a decrease of 0.8 p.p., Accommodation and food service activities were in the lead (to 4.0%). With a decrease of 0.6 p.p., it is followed by Manufacturing and Construction (to 6.5% and 7.5%, respectively), while Trade recorded a slightly milder decline of 0.2 p.p. (to 3.4%). The breakdown of loans to households by purpose shows that housing loans and overdrafts recorded a decline in the share of 0.1 p.p. to 1.5 and 5.0%, respectively, while in the case of cash loans, we recorded stagnation at 4.9%. In the remaining part of the year, with the continuation of robust lending activity and solid economic growth, we expect the positive trend to continue.

- Net profit of credit institutions in the first half of this year was lower by a slight 1.4% year-on-year and amounted to €794 million. Net interest income fell by 4.3% in the observed period due to 5.3% lower interest income, net fee income increased by 10.8% and dividend income tripled. Gross operating profit increased by 2.2%, and the growth of operating costs reached 5.5%. Cost efficiency thus weakened, and the cost-efficiency indicator increased by 1.3 p.p. to 40.7%, according to the CNB. Impairment income was halved and returns on assets and equity decreased year-on-year and amounted to 1.9% and 16.7%, which, however, represents an improvement of 0.1 and 1.3 p.p., respectively, compared to the first quarter of this year.

Second quarter brought an increase in profitability

- Unfavourable news on the US economy led to a slight weakening of the dollar to \$1.1697 per euro on Friday, up by 0.3% week-on-week.
- Euribor recorded marginal changes week-on-week in shorter maturities and a somewhat more pronounced increase at 12M. On Friday, 3M and 6M amounted to 2.1%, which is unchanged week-on-week. This week, the first round of subscription of 3-month Treasury bills begins, in which they are offered to citizens. The yield is 2.60% and the target issue amount is €1.2 billion.
- Last week, we recorded a slightly stronger recovery of shares, so Crobex rose by 1.1% week-on-week to 3,741 points, with an uneven performance of sectoral indices (CROBEXindustry +6.9% to 3,097, CROBEXnutris +1.7% to 842, CROBEXtourist -2.1% to 4,710). Crobis stayed at 99.2 points.

EUR/ USD



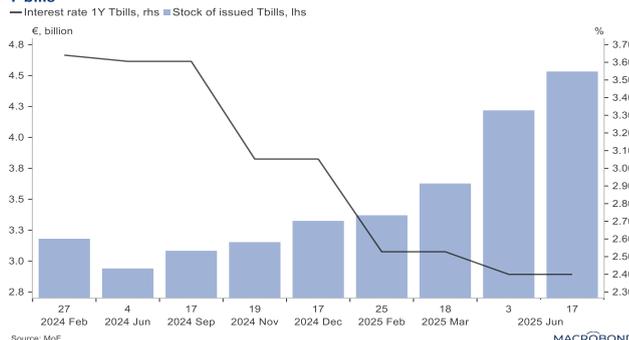
Source: ECB

Euribor



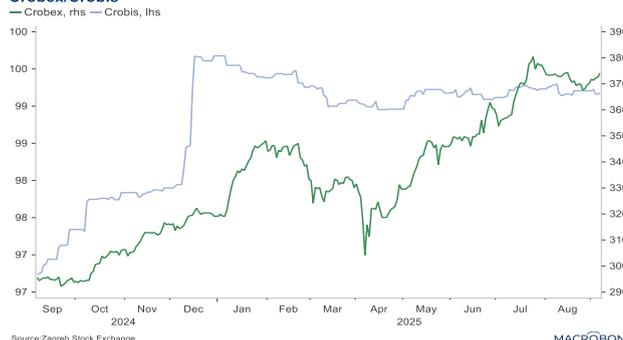
Source: EMMI, ECB

T-bills



Source: MoF

Crobex/Crobis



Source: Zagreb Stock Exchange

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