



HPB

HRVATSKA POŠTANSKA BANKA

HPB d.d. 2021

Investor information and unaudited financial statements



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, February 28th, 2022

No: F21-1/2022-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 December 31st, 2021.

Hrvatska poštanska banka, p.l.c.

Limitation of liability

- The information and data contained in this presentation are intended to be general background information on Hrvatska poštanska banka p.l.c. (hereinafter referred to as the Bank or HPB) and its activities. It is supplied in summary form and therefore not necessarily complete. 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", "believes", "estimates", "predicts", "potential", or "continue" 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, no forward-looking statement can be guaranteed. Undue reliance should not be placed on these forward-looking statements. Many factors could cause our results of operations, financial condition, liquidity, and the development of the industries in which we compete, to 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 relating 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, therefore HPB hereby expressly makes no representation of warranty of any kind, including, but not limited to the accuracy, completeness or reliability of the provided information and data. This presentation is for information purposes only and contains neither a recommendation to buy or sell nor an offer of sale or subscription to shares nor does it constitute an invitation to make an offer to sell shares.
- This presentation has been prepared and the data checked with the greatest possible care. Nonetheless, rounding, transmission, typesetting and printing errors cannot be ruled out. In the summing up of rounded amounts and percentages, rounding-off differences may occur.

Type and name of prescribed information:	Quarterly financial statements for the period 1.1.2021 - 31.12.2021, HPB d.d. 2021 Investor information and unaudited Financial statements
Issuer name, headquarter and address:	Hrvatska poštanska banka p.l.c., Jurišićeva 4, HR-10000 Zagreb
Issuer's Legal Entity Identifier (LEI)	529900D5G4V6THXC5P79
Home Member State:	Republic of Croatia
International Securities Identification Number (ISIN)	HRHPB0RA0002
Stock code (ticker):	HPB-R-A
Regulated market and segment:	Zagreb Stock Exchange, Official market

In accordance with the Capital Markets Act, Hrvatska poštanska Banka p.l.c. publishes unaudited financial statements for the period from January 1 to December 31, 2021.

Original and official quarterly report is published in Croatian.

The report includes:

- Management report of Hrvatska poštanska Banka p.l.c.
- Statement by persons responsible for compiling the report
- Unaudited set of unconsolidated financial statements (balance sheet, profit or loss statement, statement of changes in equity, cash flow statement) and
- Notes to the financial statements

Financial statements and notes have been compiled in accordance with instructions defined in Rulebook on the content and structure of the issuer's reports for periods during the year (NN 114/2018, 27/2021).

1 Executive Summary

2 Macroeconomic environment

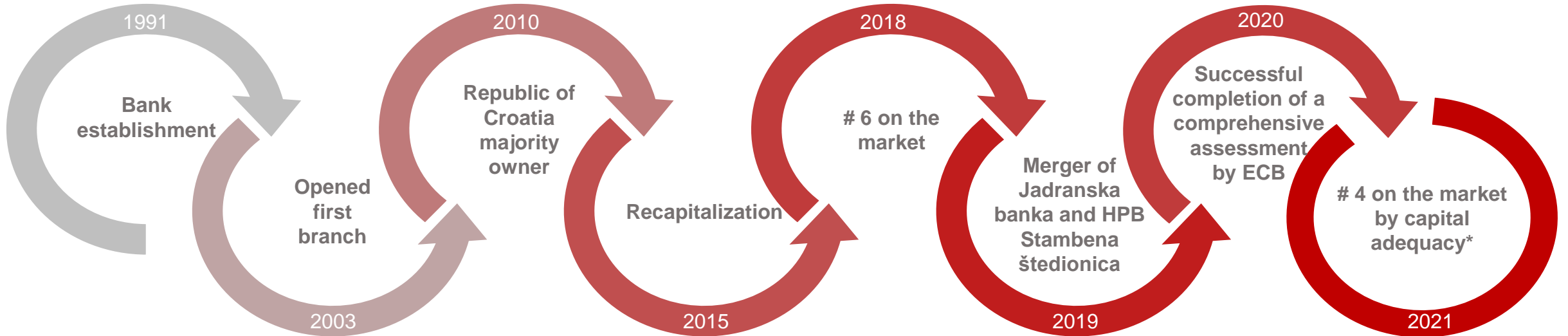
3 Financials

4 Risk Management

5 Appendix

30 HPB We are creating conditions for a better life in Croatia

542,000 CLIENTS	Over 1,000 LOCATIONS	HRK 42 bn in transactions DIRECT CHANNELS	Record NET PROFIT HRK 202 mn	#6 ASSETS HRK 27.9 bn	#4 APN 9% market share	#4* CET 1 25.7% pro forma 26.5%**
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We volunteer for Croatia

We volunteer in the earthquake-affected areas, participate in the action of cleaning ragweed and furnishing the center for education

Plant with HPB

Ecological Croatia afforestation project - planting 30,000 seedlings of indigenous tree species for HPB's 30 years at 7 locations throughout Croatia

*Data as of 30.9.2021

** Pro forma CET 1 with included H2 2021 net profit

Source: HPB management reports

Promoting financial literacy

Video series of financial education (LinkedIn)

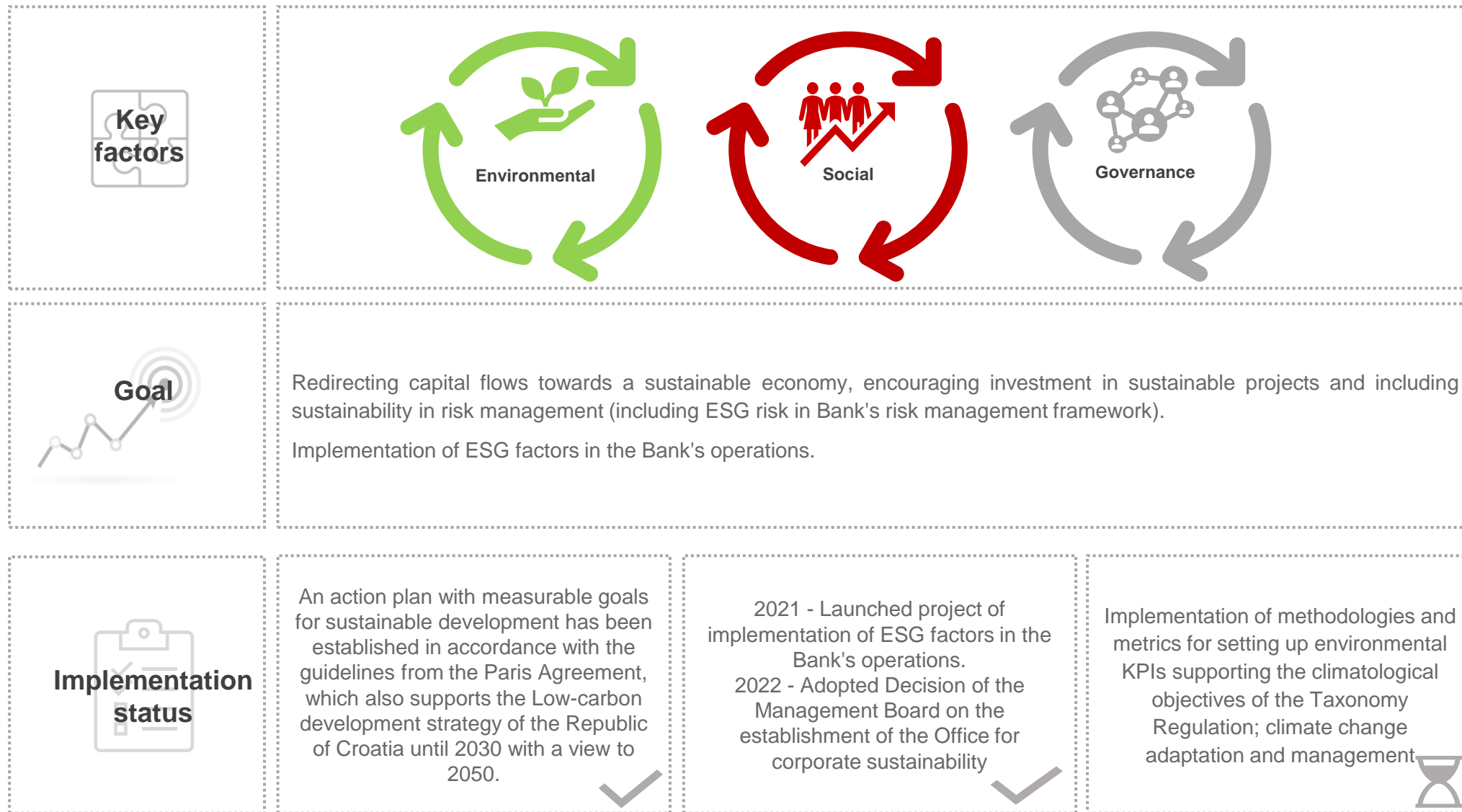
APN loans

We support young people who are buying or building their home

Feel the harmony

We provided a series of free concerts of Zagreb Soloists to our citizens in Osijek, Split, Rijeka, Varaždin and Zagreb

Sustainability and corporate social responsibility



*ESG = environmental, social , governance

Sustainability and corporate social responsibility

Completed activities

ENVIRONMENTAL



My green decision

An initiative to raise **awareness** of the importance of waste management

Plant with HPB

Ecological volunteer action in which 30,000 seedlings of indigenous tree species were planted throughout Croatia in accordance with the expert advice of Hrvatske šume

Three environmental KPIs

Managing factors with direct impact on the environment:

Reduced paper, electricity and water consumption.

Publication within the revised AFS 31.3.2022.

SOCIAL



Service quality and availability

Availability of financial services and encouragement of local community development: **Bank in Post Office in more than 1,000 locations.**

Digitization: **E-office** always available to citizens

Employees development

E-classroom - online education of employees.
Data nursery - data literacy program.
HPB Sport - attractive sports programs.
Equality, inclusiveness and diversity - guidelines in human resource management.

Community

Educational series **HPB promoting financial literacy.**

Corporate volunteer program
Volunteer for Croatia

GOVERNANCE



Anti-corruption policies

Implementation of the **Conflict-of-Interest Management Policy** for transparent business.

ESG risk management

Analysis of Bank's portfolio and ESG risks.
Mapping collateral according to physical risks.

Governance

HPB wins Corporate Governance Award in the Official Market of Zagreb Stock Exchange for 2020

Ongoing activities

The Bank initiates the implementation of sustainability factors through six segments, and by defining priority activities for each segment:

1. Strategy

Materiality assessment
 Measuring the impact of ESG risk on Bank's operations
 Establishing environmental KPIs

2. Management

Defining roles of Management Board and directors
 Integration of the organizational structure of ESG management
 Establishment of a three-line defense model

3. Risk

Redesign of data management models and creation of methodologies
 Inclusion of environmental and climatological risks in risk policies
 Establishing monitoring and mitigation of environmental and climatological risks

4. Policies

Integration of ESG factors into all relevant acts
 Close cooperation with stakeholders and all third parties

5. Reporting system

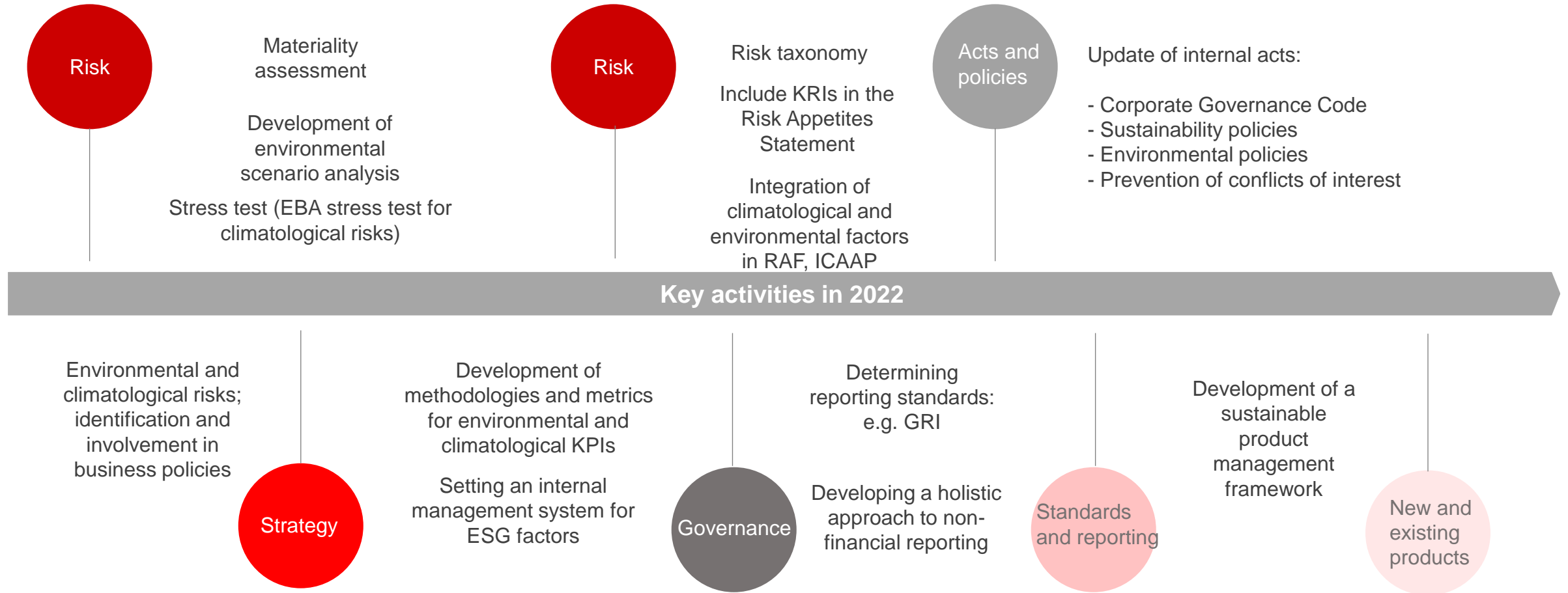
Establishment of a new non-financial report; developing a holistic approach
 Publications based on the management of ESG factors

6. Products

Evaluation of the existing portfolio and defining guidelines for future development

Sustainability and corporate social responsibility

Plan 2022



EBA : European Banking Authority
 RAF: Risk appetite framework
 ICAAP: Internal Capital Adequacy Assessment Process
 GRI: Global Reporting Initiative
 KRI: key risk indicator
 KPI: key performance indicator

Record profit after tax in 30-year history

Further progress across strategic pillars

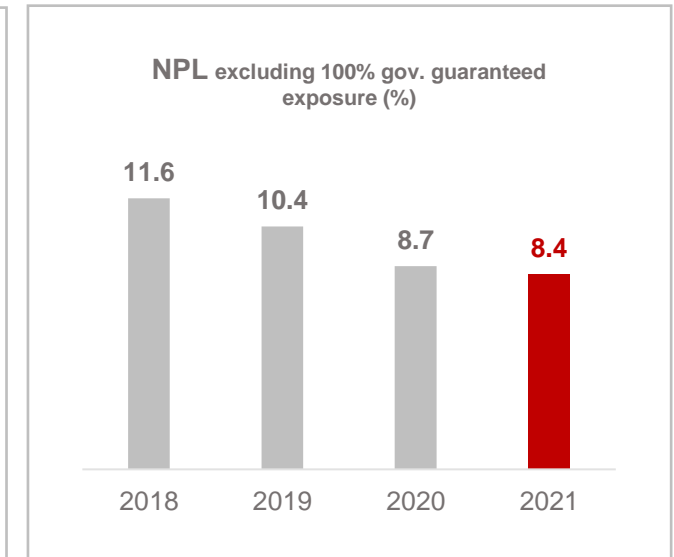
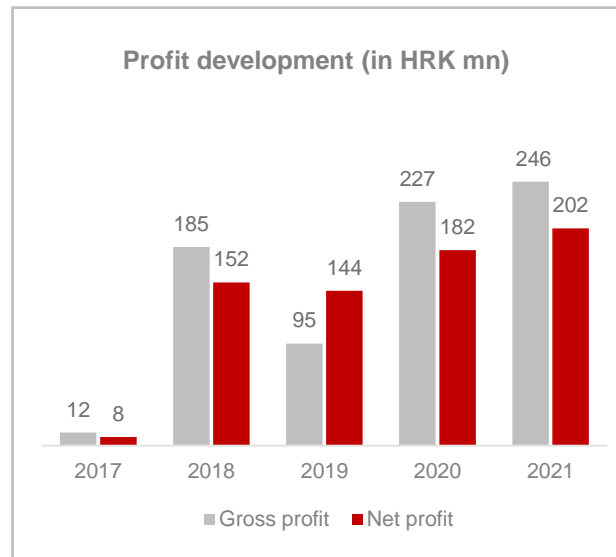
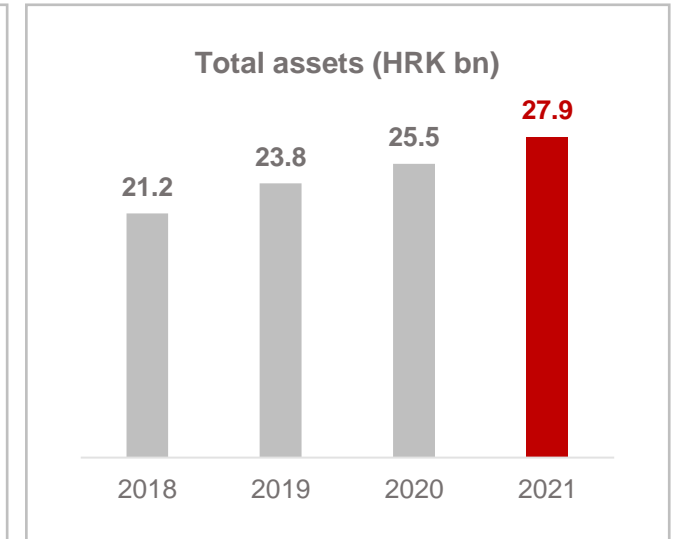
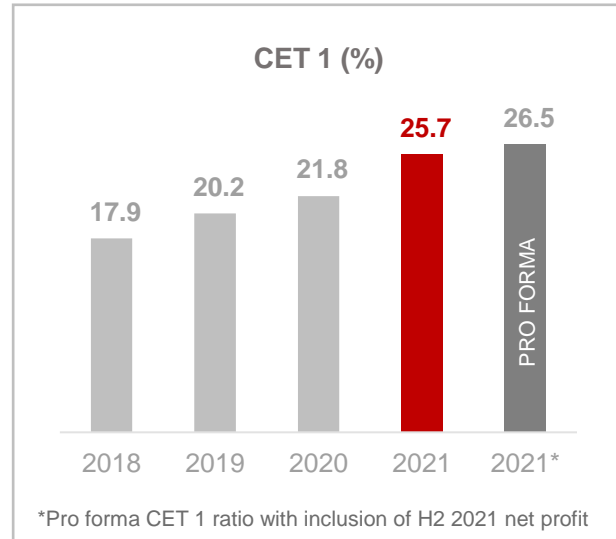
- **Largest banking business network** through own branch offices and post offices – project Bank in Post Office; HPB and HP concluded new Framework agreement on strategic partnership and outsourcing;
- **Record net profit** in 30-year history (HRK +20 mn vs. 2020); **improved C/I performance indicator (-1.8 pp vs. 2020)**, **adequate and sustainable ROAE (+0.4 pp vs. 2020)**;
- **Established data infrastructure for Bank's further growth and development** through intensive internal projects.

Stable capital position

- **High level of capital adequacy** places the Bank at the top of banking institutions in the Republic of Croatia.

Strong growth in 2021

- **Asset increase HRK +2.4 bn** in 2021;
- **Improved portfolio quality** with NPL ratio excluding 100% government guaranteed exposures on historically lowest level.



- *Income statement items are shown in cumulative from start of the period until the reporting date; cumulative 01.01 – 31.12;*
- *Balance sheet items are shown as at reporting date; 31.12.*

Key Financials 2021

Operating profit (in HRK mn)



Growth driven by increase in net fee income, trading and other income with slightly lower operating expenses.

Profit after tax (in HRK mn)



Record profit after tax driven by operating profit.

Gross loans (in HRK mn)



Increase of housing loans exceeded by the decrease in central government and corporate segments.

CET 1 capital ratio (in %)



High capitalisation level.

*Pro forma CET 1 ratio with inclusion of H2 2021 net profit

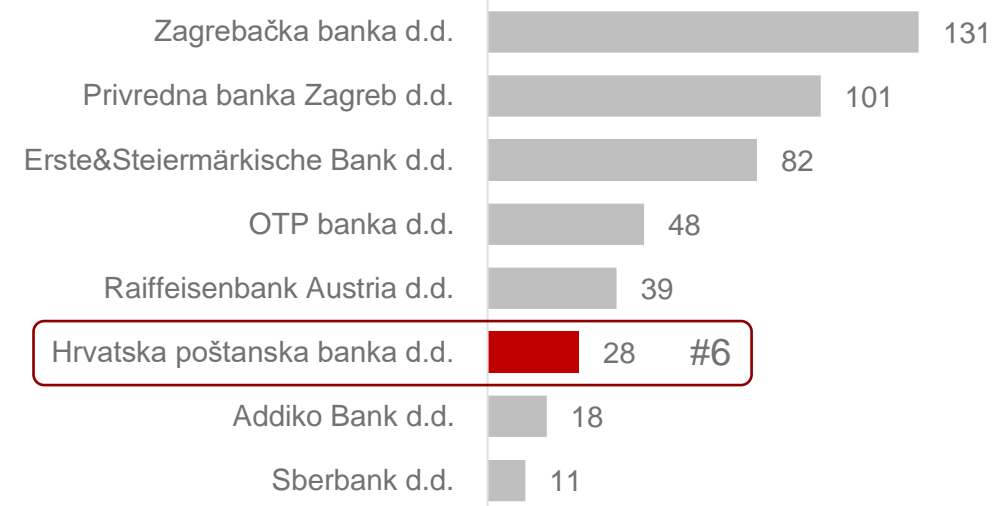
- Income statement items are shown in cumulative from start of the period until the reporting date; cumulative 1.1-31.12;
- Balance sheet items are shown as at reporting date; 31.12.

Highest profit after tax in history

		31.12.2019	31.12.2020	31.12.2021*	
Assets	HRK mn	23,844	25,500	27,861	▲
Net loans to customers	HRK mn	13,341	14,725	14,243	▼
Deposits	HRK mn	20,069	21,214	23,191	▲
Equity	HRK mn	2,370	2,473	2,650	▲
CET 1 capital ratio	%	20.2	21.8	25.7	▲
NPL ratio	%	10.8	10.4	9.8	▼
NPL ratio excl. 100% gov. guaranteed exposure	%	10.4	8.7	8.4	▼
NPL coverage	%	67.5	62.2	61.1	▼
NPL coverage excl. 100% gov. guaranteed exposure	%	70.0	74.2	72.1	▼

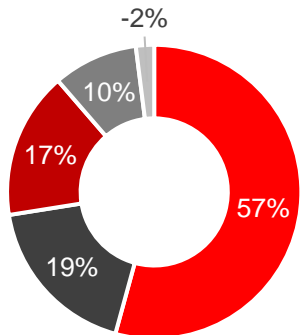
		1.1.-31.12.2019	1.1.-31.12.2020	1.1.-31.12.2021	
Income	HRK mn	1,227	1,121	1,143	▲
Net profit	HRK mn	144	182	202	▲
Cost-to-income ratio	%	61.3	64.1	62.3	▼
Return on equity (ROE)	%	6.1	7.4	7.6	▲

Market share by total assets as of 30.9.2021 (in HRK bn)

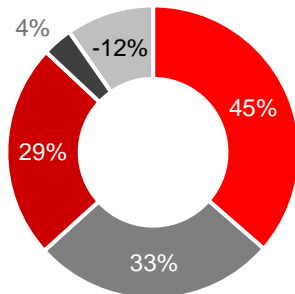


Results by business segments as of 31.12.2021

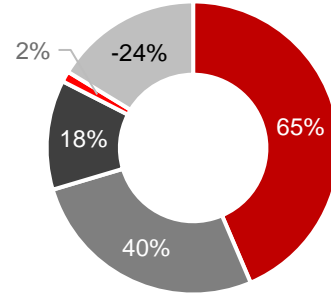
Net income**



Operating result*



Result after tax*

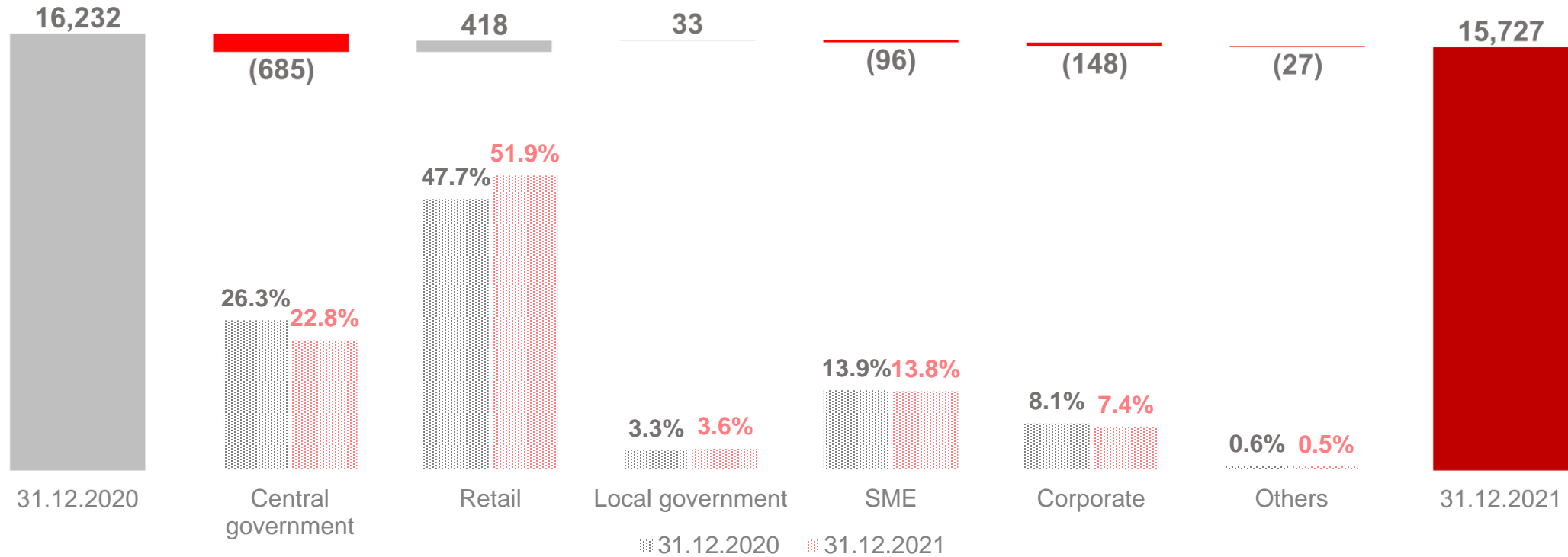


- Corporate
- Financial market
- SME
- Retail
- Other

Result after tax - Due to methodological changes under IFRS 9, reallocation of provisions and one-off effects had largest negative impact on the retail segment, and a positive one on the corporate and SME segments.

Gross loans development

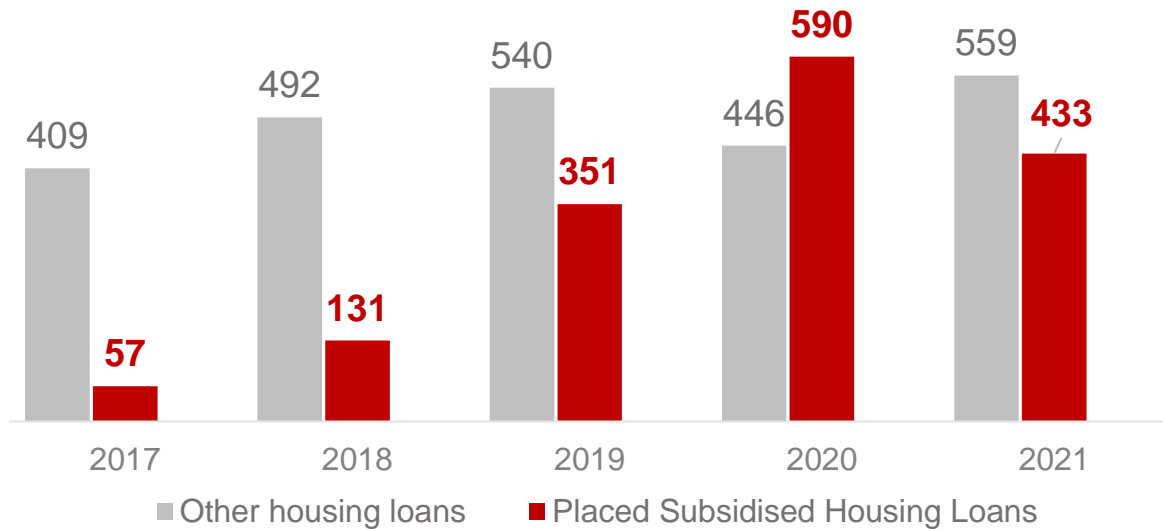
Gross loans (in HRK mn)



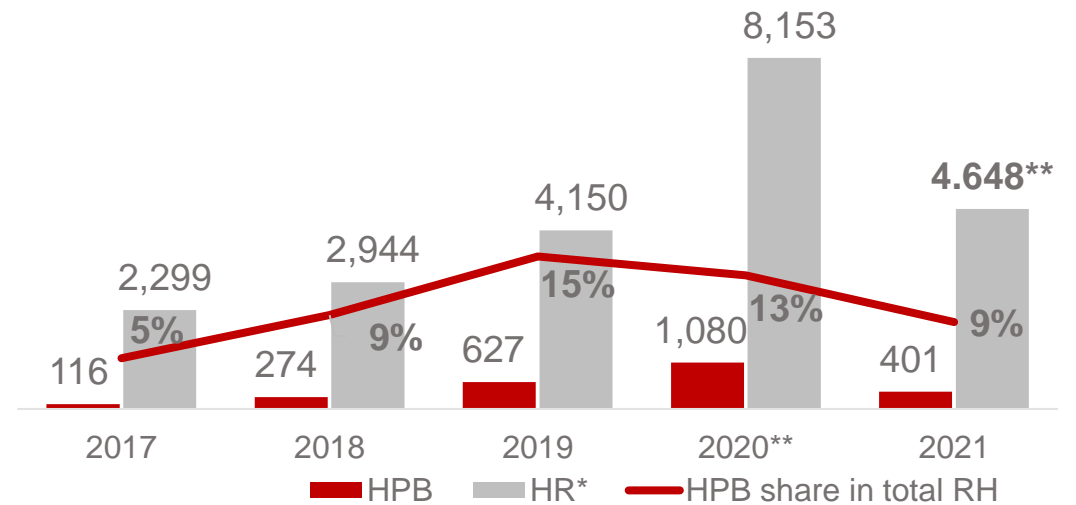
- Retail loans increase supported by higher housing loans (HRK +578.4 mn or +15.5%) representing stable upward trend;
- Financing corporate, central and local government through 2021 has been driven by a recovery from COVID-19 pandemic and strong price competition in the banking sector;
- The central government realized a significant part of its financial needs on the market by issuing bonds;
- The absence of significant investments affected the impossibility of expanding lending activities in the large corporate segment.

Subsidised Housing Loans

Housing loan volume (in HRK mn)



Number of approved subsidised housing loans



- Bank's share in APN loans is significantly above its market share;
- Bank participates in subsidised housing loan program since 2017;
- In the last, sixth, round, the Bank approved HRK 270.4 mn APN loans.

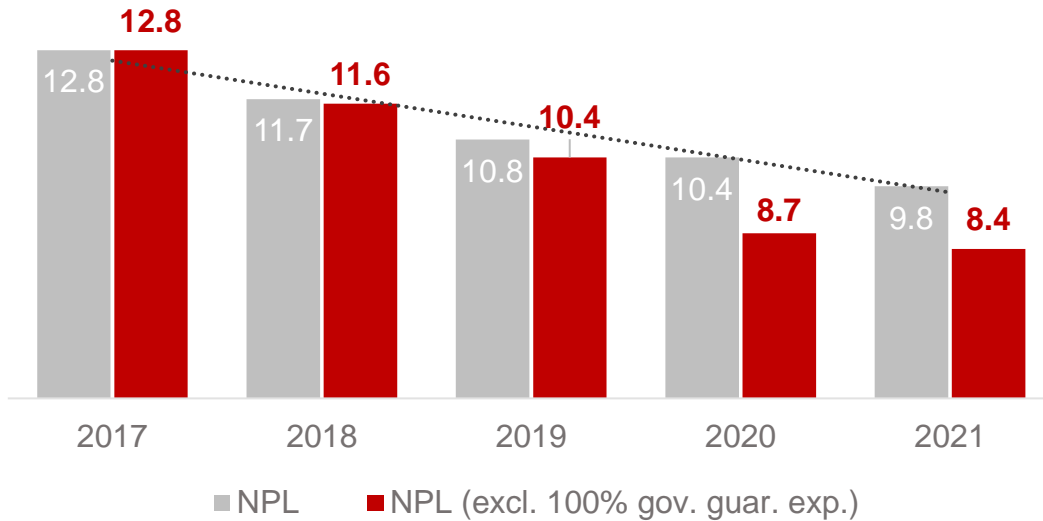
* Source <https://mgipu.gov.hr/>

** In 2020, two APN tranches were conducted

Portfolio quality improves

NPL ratio development (in %)

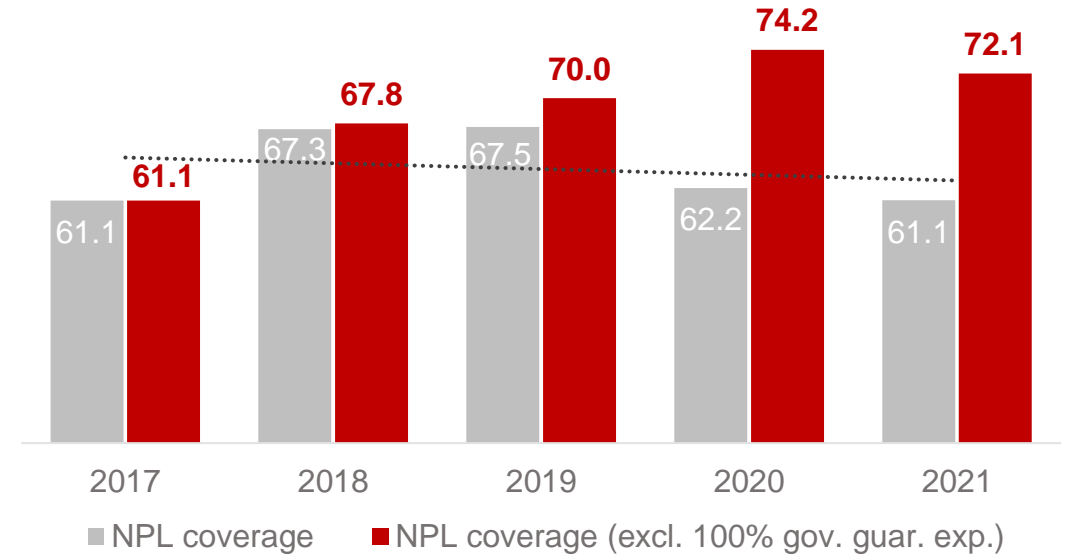
Market NPL ratio* 4.7%



* As of 30.9.2021

NPL coverage development (in %)

Market NPL coverage* 63.2%



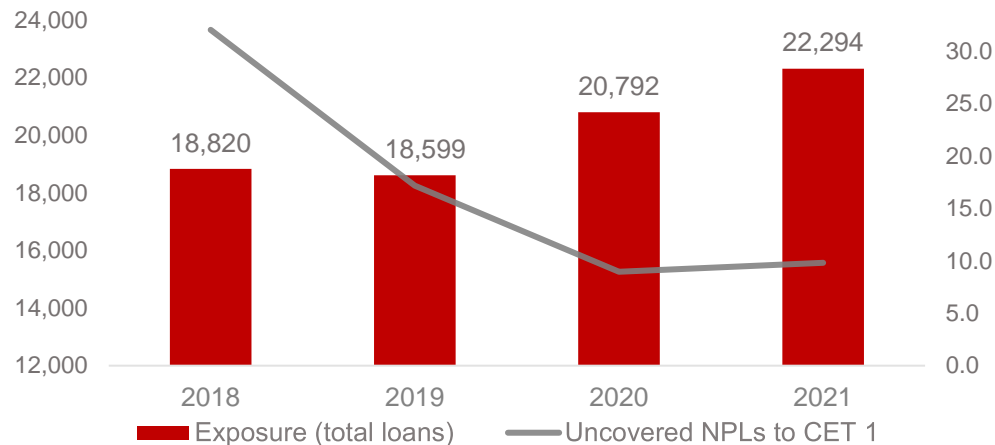
- NPL ratio continues long-term positive trend as a result of collection activities and reduction of non-performing exposures which in combination with increase of performing placements leads to historically lowest level of NPL ratio;
- Excluding 100% government guaranteed exposures, **NPL share** is at the **lowest level in the history**;
- **NPL coverage** is still at a high level and if we exclude 100% government guaranteed exposures NPL coverage is **significantly above the market average**.

Strong NPL coverage

		2018	2019	2020	2021
Total exposure	HRK mn	18,820	18,599	20,792	22,294
Total NPL stock	HRK mn	2,201	2,009	2,163	2,174
NPL %	%	11.7	10.8	10.4	9.8
Loss allowance for loans	HRK mn	(1,632)	(1,554)	(1,599)	(1,575)
NPL	HRK mn	(1,481)	(1,355)	(1,346)	(1,329)
PL provision	HRK mn	(151)	(199)	(254)	(246)
NPL Coverage	%	67.3	67.5	62.2	61.1
NPLs not covered by provisions	HRK mn	569	455	563	599
NPLs with 100% government guarantees	HRK mn	0	76	356	341
Uncovered NPLs	HRK mn	569	379	207	258
CET1*	HRK mn	1,777	2,209	2,314	2,631
Uncovered NPLs to CET 1	%	32.0	17.2	8.9	9.8

*CET 1 with inclusion of H1 2021 net profit

Uncovered NPLs to CET 1 trend



- Active NPL portfolio management with an objective to maintain uncovered NPLs to CET1 ratio at low level;
- NPL coverage by total provisions is 72.4%.

1 Executive Summary

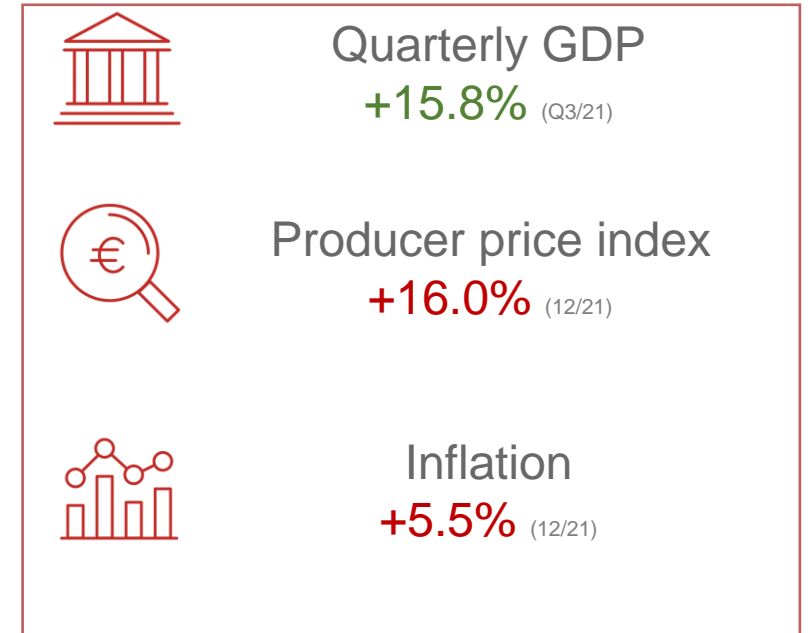
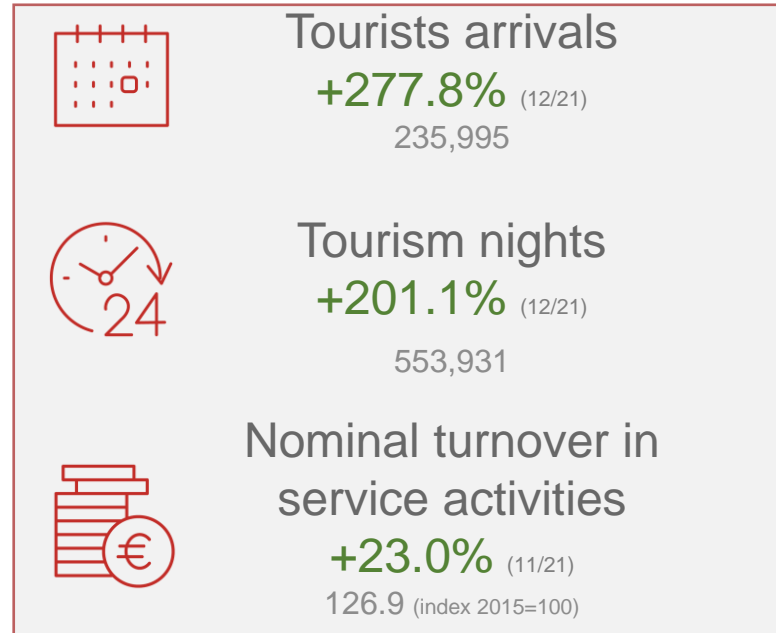
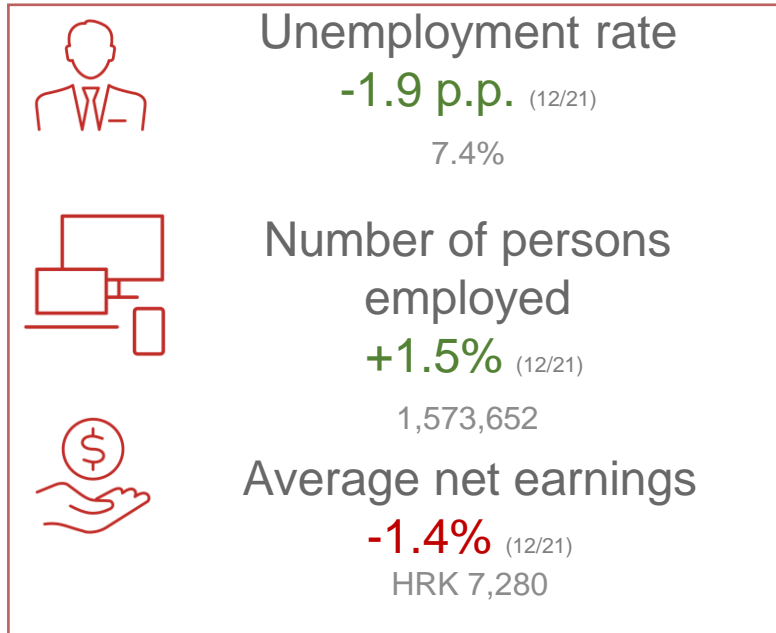
2 Macroeconomic environment

3 Financials

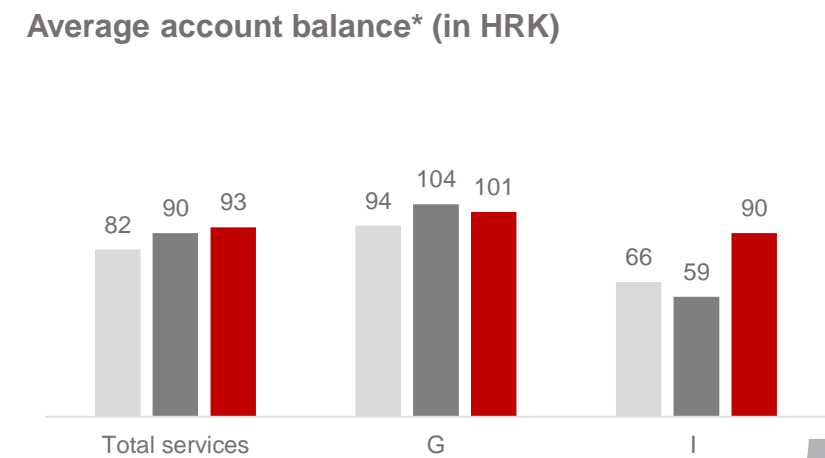
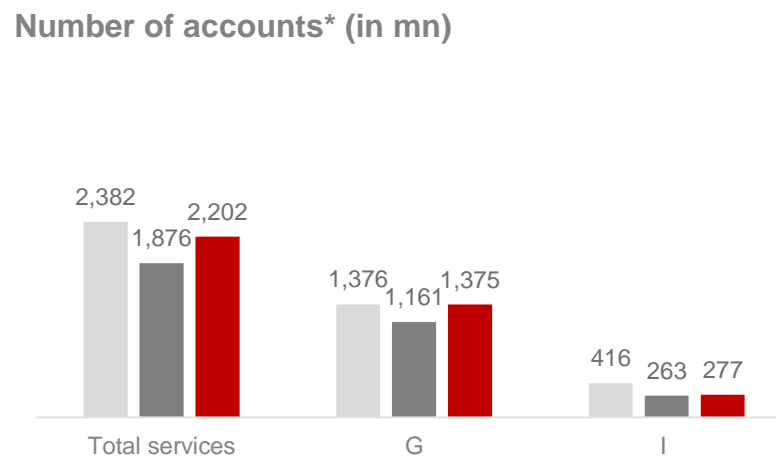
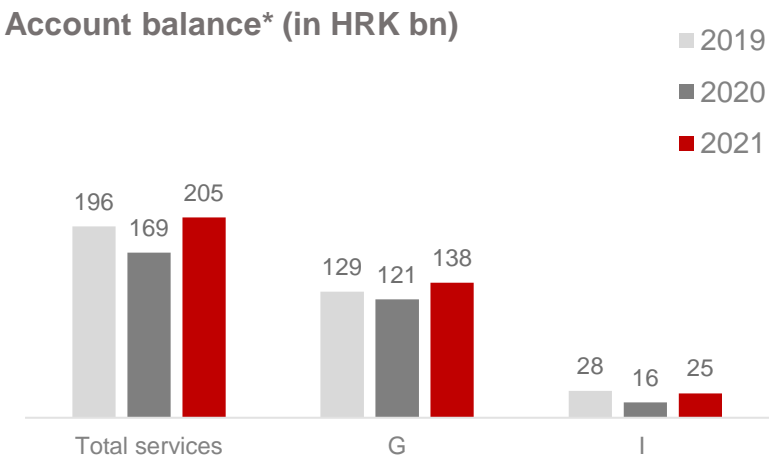
4 Risk Management

5 Appendix

Economic indicators (y-o-y)



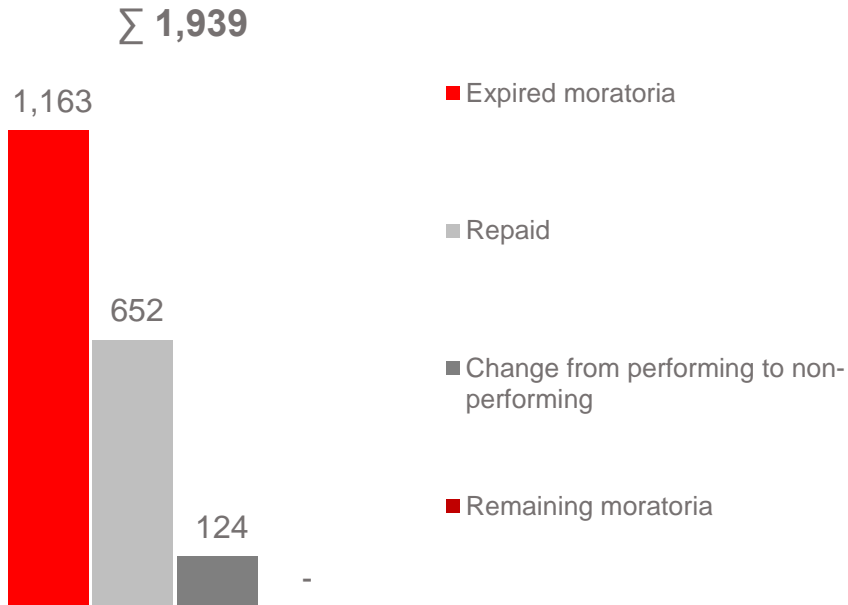
Source: Croatian Bureau of Statistics <https://www.dzs.hr/eng> (September, November and December 2021)



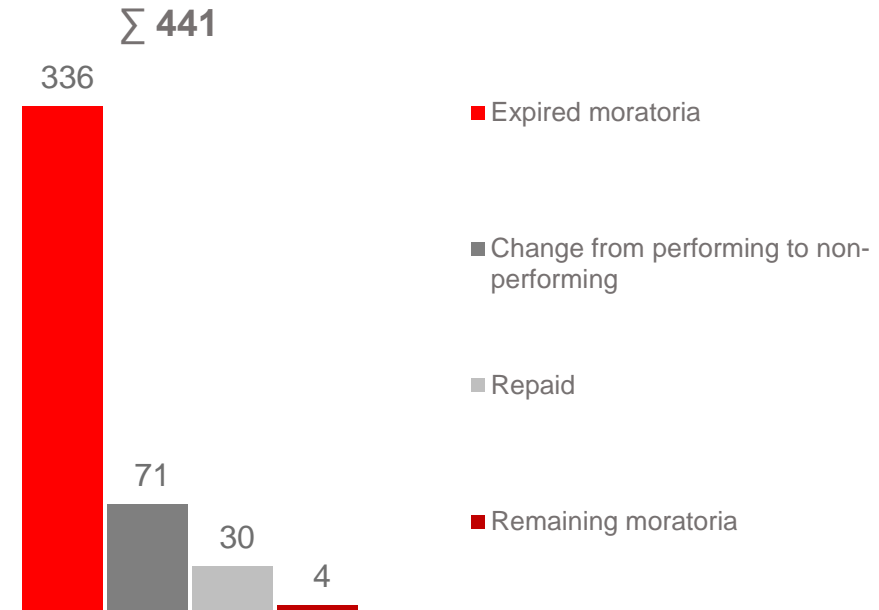
*G- WHOLESALE AND RETAIL TRADE OF MOTOR VEHICLES AND MOTORCYCLES, REPAIR OF MOTOR VEHICLES AND MOTORCYCLES "
*I- ACCOMMODATION AND FOOD SERVICE ACTIVITIES "

COVID-19 measures

Approved corporate moratoria status at 31.12.2021 (in HRK mn)



Approved retail moratoria status at 31.12.2021 (in HRK mn)



- **HRK 4 mn** (0.9% total approved) in retail segment remaining moratoria as at 31.12.2021; while there is no remaining moratoria in corporate segment;
- Total defaulted loans since moratoria approval at 31.12.2021 amounted HRK 195 mn (6.4% corporate, 16.1% retail in total approved moratoria);
- As at 31.12.2021 total expired moratoria in the amount **HRK 1.5 bn** – status **performing**.

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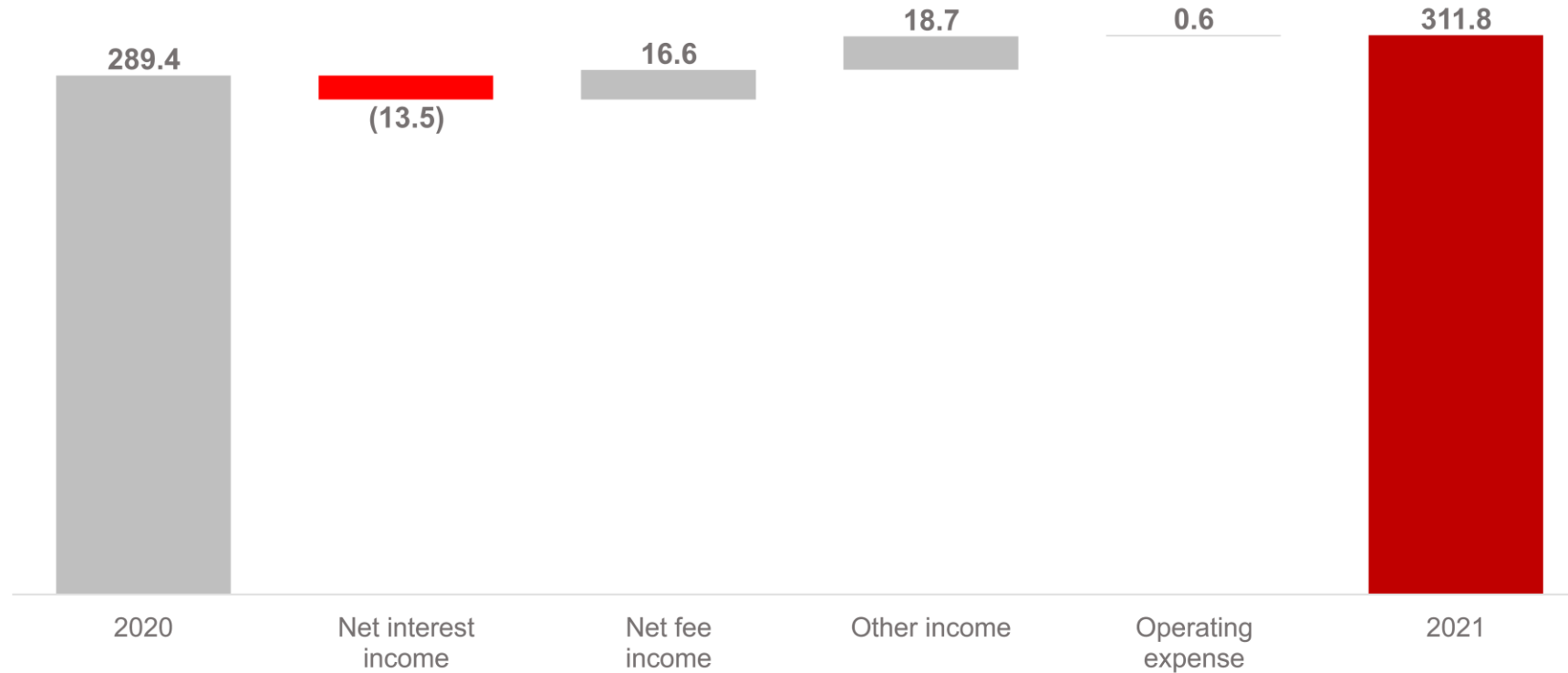
Key financials – Income statement

		Q4 2020	Q4 2020	Δ q-o-q		2020	2021	Δ y-o-y
Net interest income	HRK mn	138	128	(9.8) ▼		543	529	(13.5) ▼
Net fee income	HRK mn	43	44	0.9 ▲		176	193	16.6 ▲
Operating income	HRK mn	200	192	(8.1) ▼		804	826	21.8 ▲
Operating expense	HRK mn	(137)	(157)	20.6 ▲		(515)	(514)	(0.6) ▼
Operating profit	HRK mn	64	35	(28.7) ▼		289	312	22.4 ▲
Provisioning	HRK mn	(36)	(41)	5.6 ▲		(62)	(66)	3.7 ▲
Net profit	HRK mn	17	(4)	(21.6) ▼		182	202	20.1 ▲
Cost-to-income ratio	%	68.2	81.8	13.6 ▲		64.1	62.3	(1.8) ▼
Net interest margin	%	2.2	1.9	(0.3) ▼		2.2	2.0	(0.2) ▼

- Negative impact events in Q4 2021:
 - Introduction of COVID-19 measures limited the access to the Bank for a significant number of clients, as the only bank under these measures on the market; caused additional costs (physical protection, employee testing, etc.);
 - Significant impact of operating expenses on the last quarter due to the intensive activities initiated on all regulatory projects (EURO, MREL, ESG, etc.)
- NII lower by 2.5% due to decreased loan portfolio, lower market interest rates and strong price competition on banking market; interest expenses management in 2021 (-36.8%) did not neutralise decrease in interest income (-5.0%) vs PY;
- Higher NFCI +9.7% due to withdrawal of COVID-19 measures related to card transactions, successful and prolonged tourist season and recovery of economic activity, rebounding to pre-COVID Q4 2019 level (HRK 44 mn Q4 2019);
- Operating profit growth (+22.4 mn) as a result of higher NFCI, trading and other income, followed by slightly lower operating expenses due to reduction of deposit insurance premium and lower depreciation;
- **Highest net profit** in 30-year history.

Operating profit development

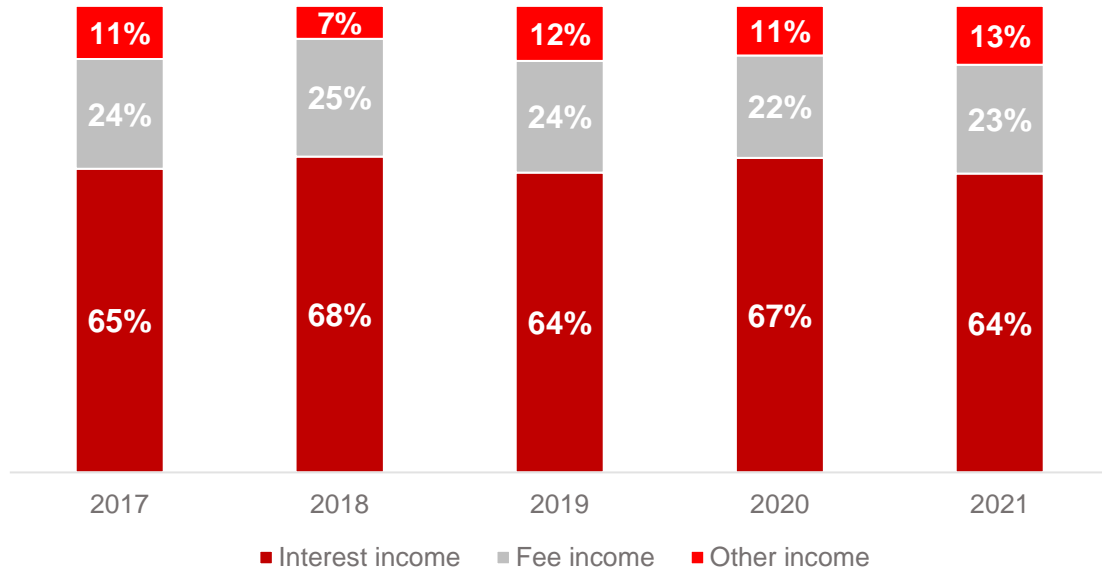
Operating profit development (in HRK mn)



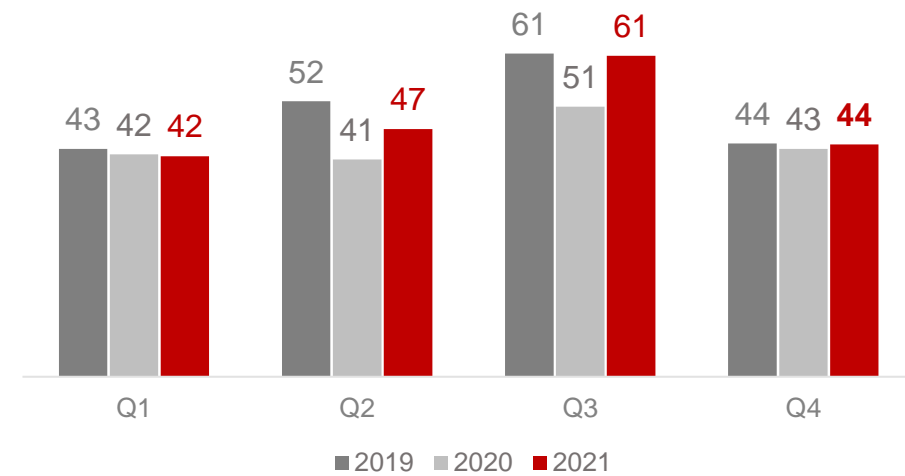
- Increase in other income driven by trading income (sale of equity instruments during Q2 2021);
- Operating expenses slightly decreased mainly due to lower depreciation and deposit insurance premium.

Net income development

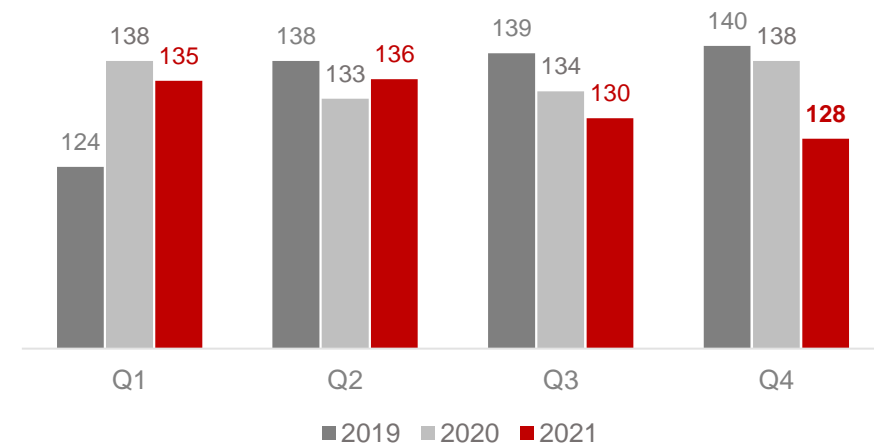
Composition of net income



Net fee income (in HRK mn)



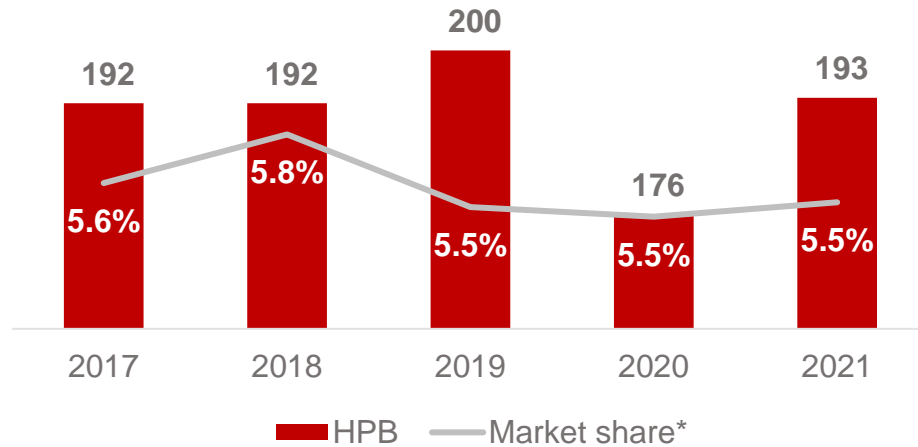
Net interest income (in HRK mn)



- Higher net fee income as a result of increased fees from credit card transactions, regained its pre-pandemic level in H2 2021 (**HRK 44 mn Q4 2019**);
- Despite savings on expense side (HRK -15.7 mn), net interest income lower vs PY mostly due to the intense price competition on the market;

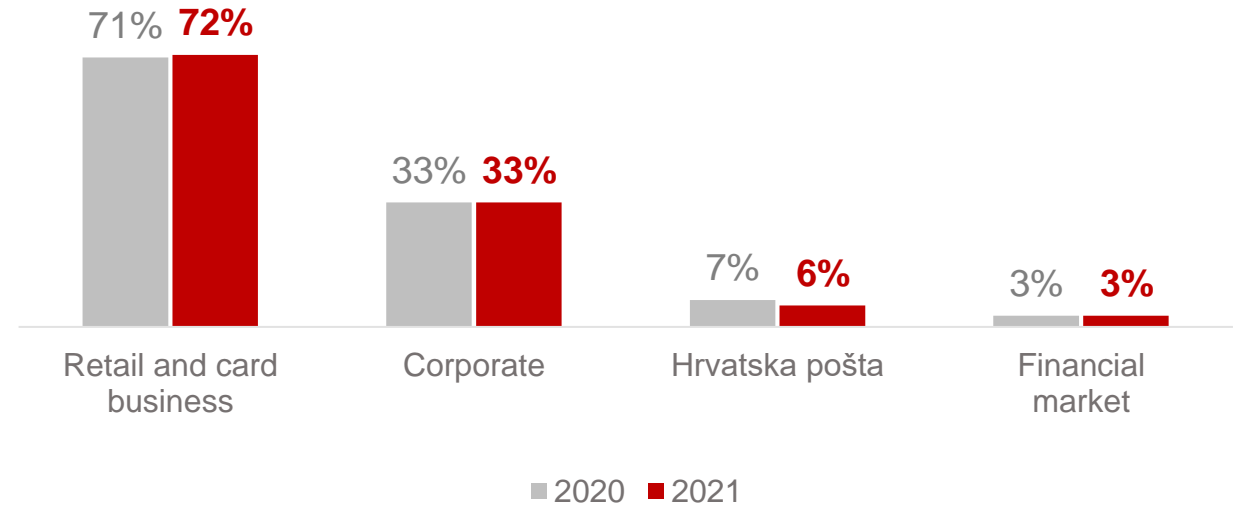
Fees and commissions

Net fee income overview (in HRK mn)



* Market data available for 9M 2021

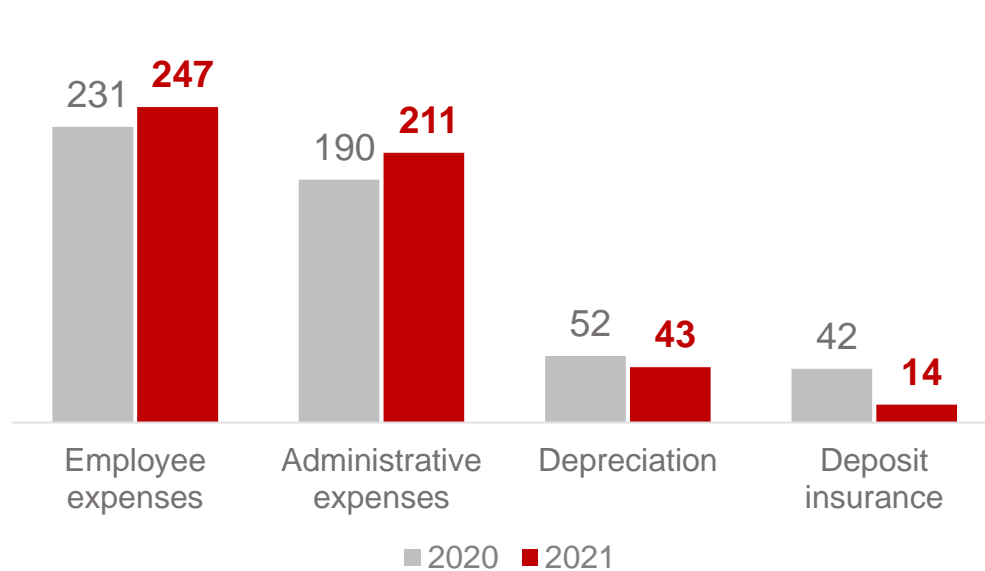
Composition of net fee and commission income by sales segments



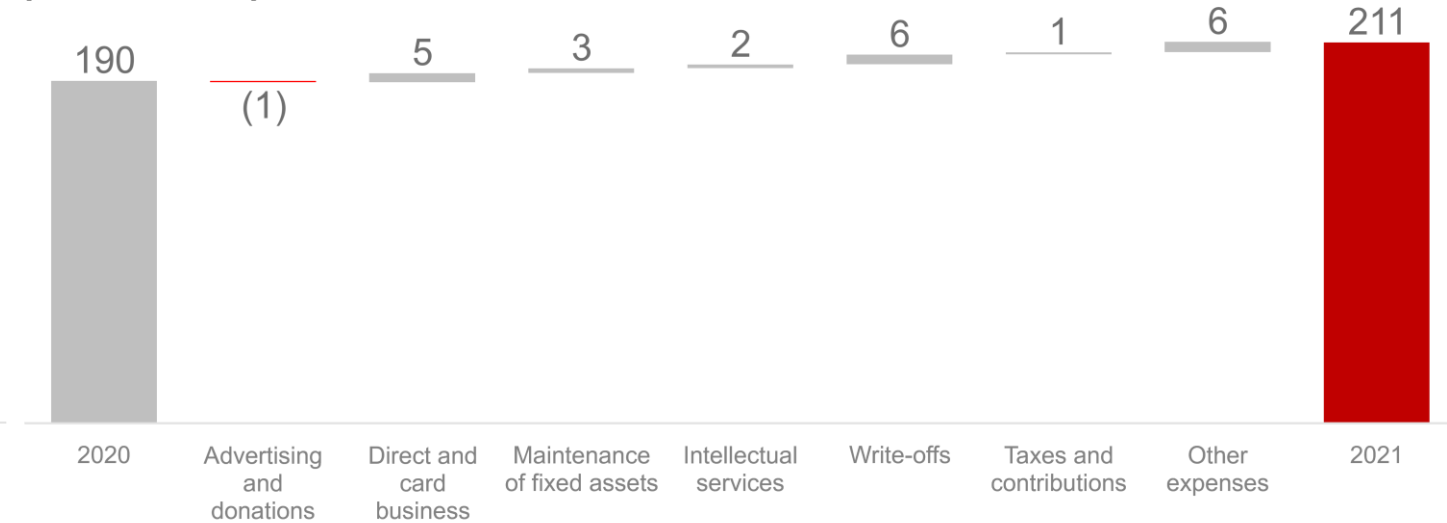
- NFCI in the last two quarters regained its pre-COVID levels;
- Increase in net fee and commission income mainly driven by successful tourist season, recovery of economic activities and withdrawal of COVID-19 measures related to card business (net income from card business +44.0%);
- HPB net fee income on par with the banking sector with a relatively stable share.

Operating expenses

Composition of operating expenses (in HRK mn)



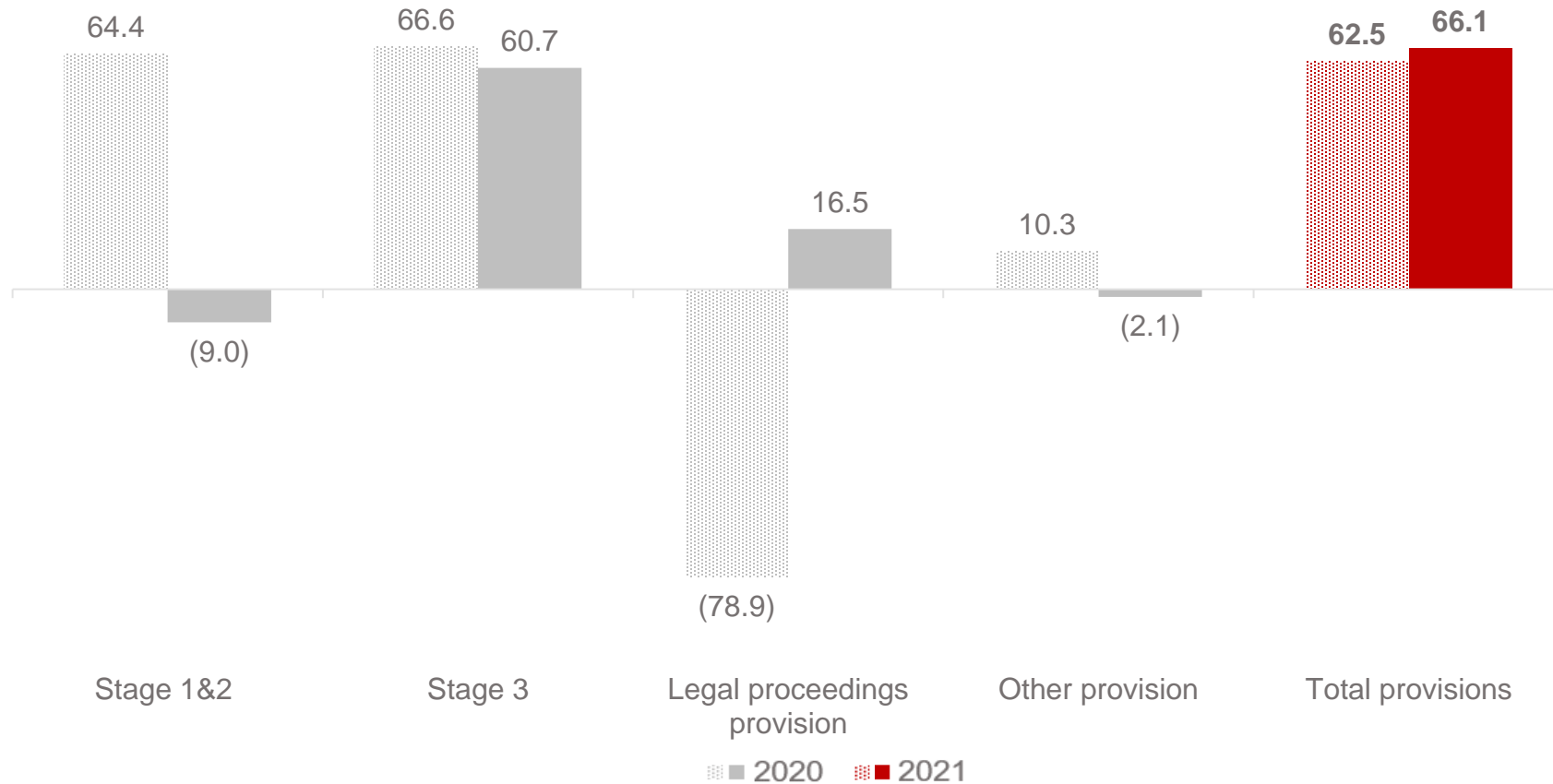
Administrative expenses development (in HRK mn)



- Operating expenses slightly lower (HRK – 1 mn or – 0.1%) coming from reduction of deposit insurance premium and lower depreciation expense;
- Employee costs up as a result of investing in IT internal resources;
- Administrative expenses increased (+11.0%) due to the timely addressing regulatory requirements and improvements of Bank’s processes in order to eliminate technological debt:
 - consulting services for initiated regulatory projects (Euro, MREL),
 - migration to Visa brand,
 - write-offs,
 - renovation of earthquake-damaged buildings and
 - costs caused by COVID-19 pandemic (disinfection of business premises and COVID certificates).

Provisioning

Structure of net provision expenses in 2020/2021
(in HRK mn)



- Stage 1&2 movement under positive impact of portfolio development in relation to risk profile in 2021 (higher share of retail housing loans and short-term borrowings to institutions representing liquid asset) compared to 2020, which was marked by impact of COVID-19;
- Lower stage 3 provisions (y-o-y) solely due to the revenues from increased NPL collection activities;
- Regular legal cases provisions;
- Release of other provisions is the result of assets value adjustment.

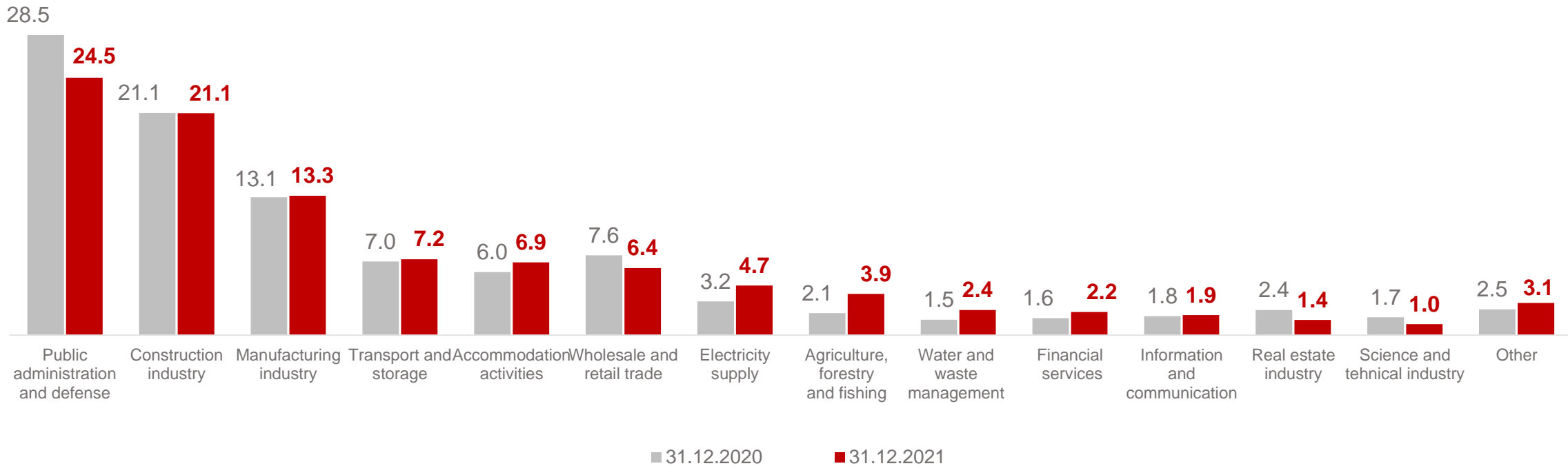
Key financials – Balance sheet

		31.12.2020	31.12.2021	Δ ytd	
Assets	HRK mn	25,500	27,861	2,361	▲
Gross loans	HRK mn	16,232	15,727	(505)	▼
Deposits	HRK mn	21,214	23,191	1,977	▲
Equity	HRK mn	2,473	2,650	177	▲
Regulatory capital	HRK mn	2,312	2,631	319	▲
Loan/deposit ratio	%	69.4	61.4	(8.0)	▼
ROAE	%	7.5	7.9	0.4	▲
NPL ratio	%	10.4	9.8	(0.7)	▼
NPL ratio excl. 100% gov. guaranteed exposure	%	8.7	8.4	(0.4)	▼
NPL coverage	%	62.2	61.1	(1.1)	▼
NPL coverage excl. 100% gov. guaranteed exposure	%	74.2	72.1	(2.1)	▼
Loss allowance for loans	HRK mn	(1,599)	(1,575)	(25)	▼

- Assets records continuous growth +9.3% ytd as a result of increase in liquid assets +47.8% primarily due to continuous increase in deposits; securities increased +6.5% while gross loans decreased -3.1%;
- Deposits up +9.3% with largest increase in SMEs +22.0%, the central state and large corporate segment +20.7%, and retail +1.9%.

Corporate portfolio industry distribution

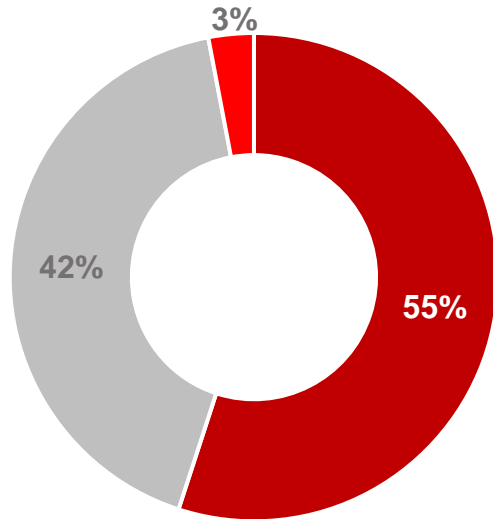
Corporate gross loans per industry (in %)



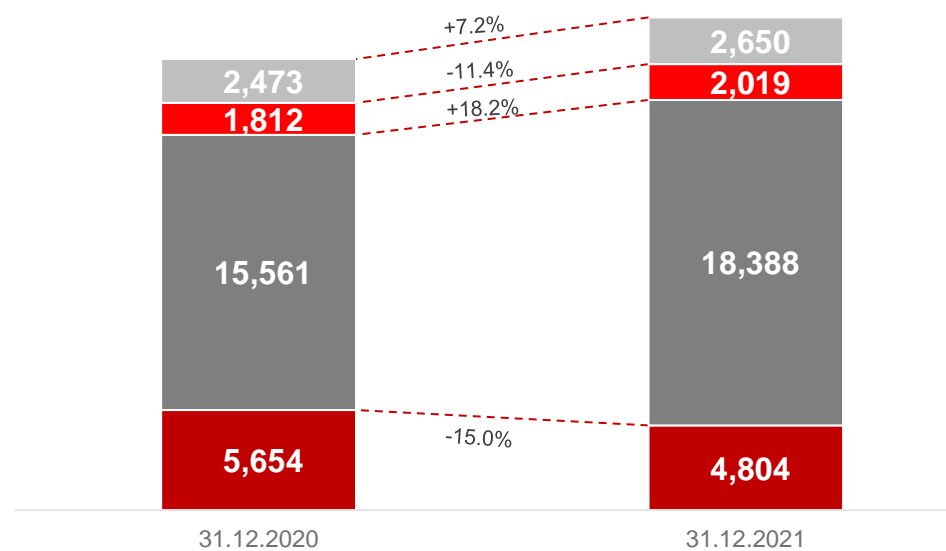
- Recovery of the corporate segment in 2021 due to the received aid as a result of the COVID-19 pandemic;
- Corporate lending activity is primarily focused on loans for liquid assets and refinancing of existing liabilities, while lending to development projects has been significantly slowed down or postponed;
- Public administration and defense segment realized a significant part of its financial needs in the market by issuing bonds in 2021;
- Accommodation activities lending was done backed up by government guarantee schemes.

Composition of equity and liabilities

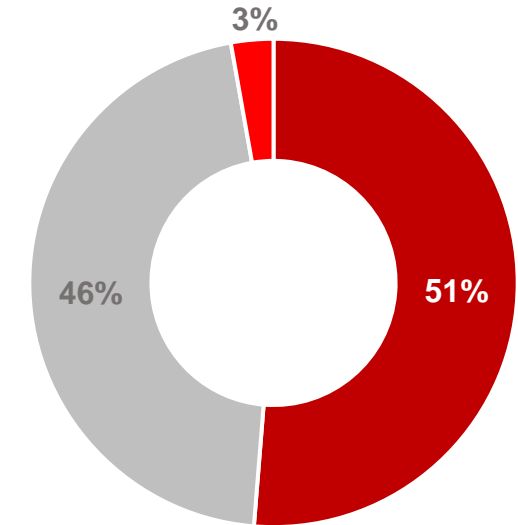
Deposit structure
31.12.2020



Equity and liabilities structure
(in HRK mn)



Deposit structure
31.12.2021



■ Retail ■ Corporate ■ Financial market

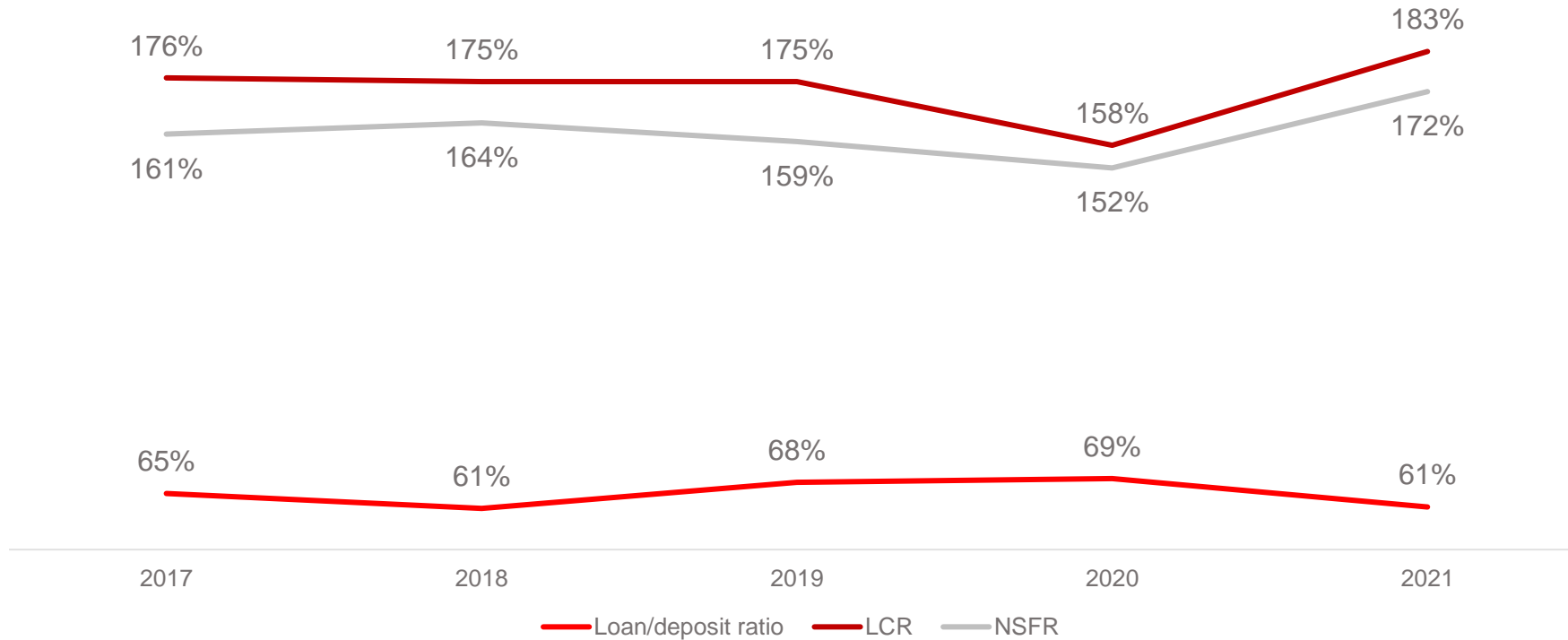
■ Term deposits ■ A vista deposits ■ Other liabilities ■ Equity

■ Retail ■ Corporate ■ Financial market

- Favourable impact on costs from observable trend of reduction of interest rates on deposits and continuous effective interest rate management;
- Customer deposits dominate the funding mix with an 83.2% share
 - Bank holds 5.92% of all deposits on a market at 30.11.2021 (31.12.2020 = 5.75%);
- Stable wholesale funding structure – attracted funds through foreign financial institutions, CBRD and CNB repo loans.

Liquidity Overview

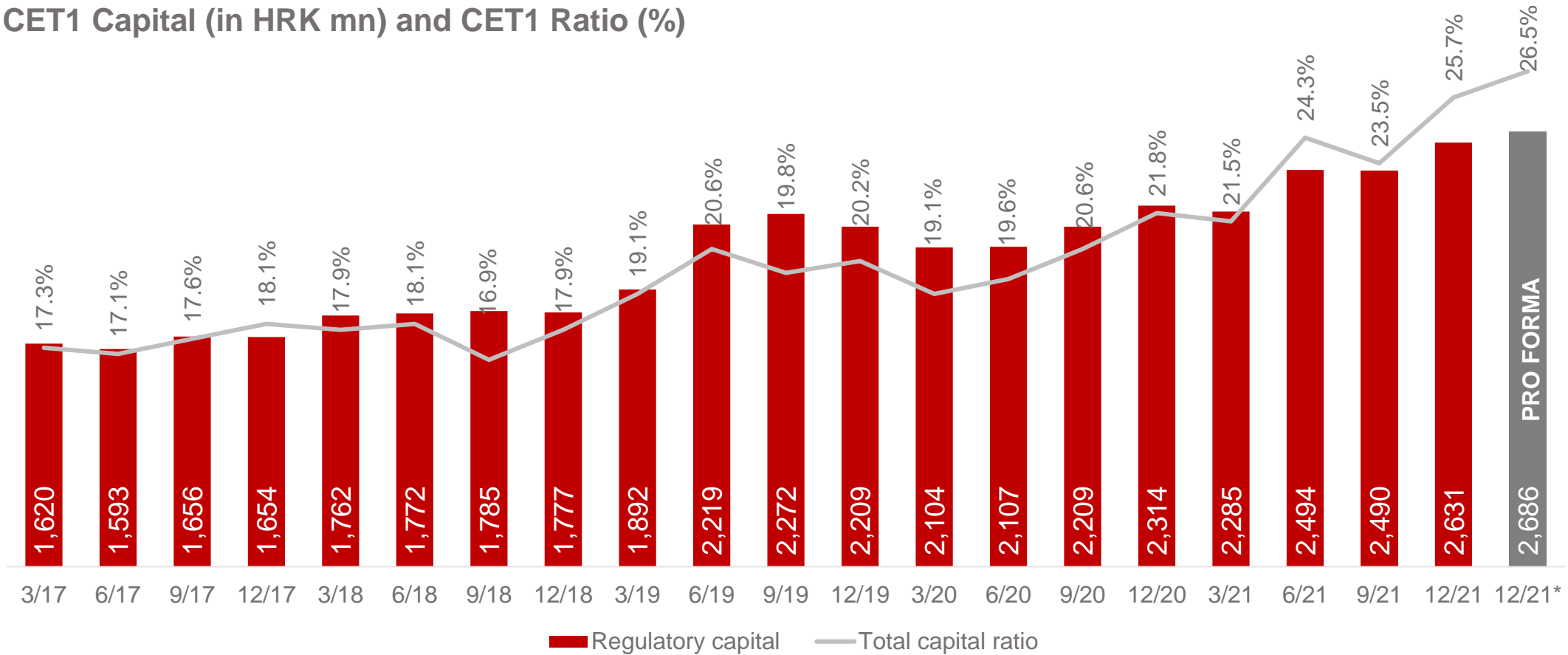
Liquidity ratios



- The Bank's liquidity remains at a high level with a significantly low loan-to-deposit ratio and highest liquidity coverage ratio in recent history (183%);
- High share of customer deposits (83.2%) in financing mix.

Continuously strong capital position

CET1 Capital (in HRK mn) and CET1 Ratio (%)



- Total capital adequacy ratio is higher compared to PY (+ 3.82 pp) mainly due to higher regulatory capital as a result of H2 2020 and H1 2021 net profit recognition;
- Pro forma CET1 calculation includes H2 2021 net profit.

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Regulatory Capital Development

Regulatory capital development (in HRK mn)



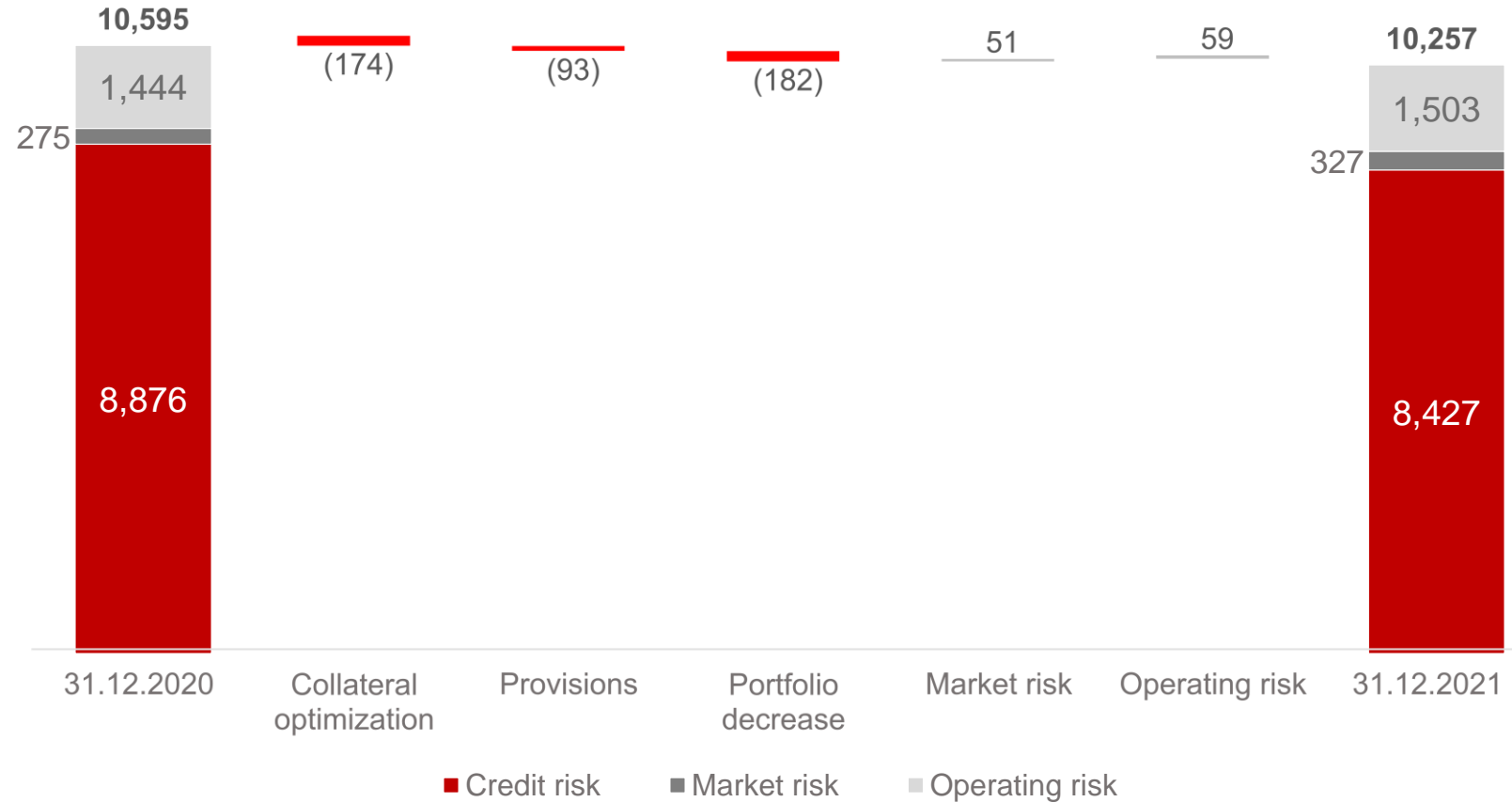
*Note there is a difference to regulatory capital reported in Investor information for Q4 2020 (HRK 2,314 mn) due to revised deduction amount of deferred tax assets - a decrease of HRK 1.8 mn in comparison with unaudited calculation of regulatory capital presented in Investor information for Q4 2020

**Regulatory capital with inclusion of 2021 net profit



RWA Development

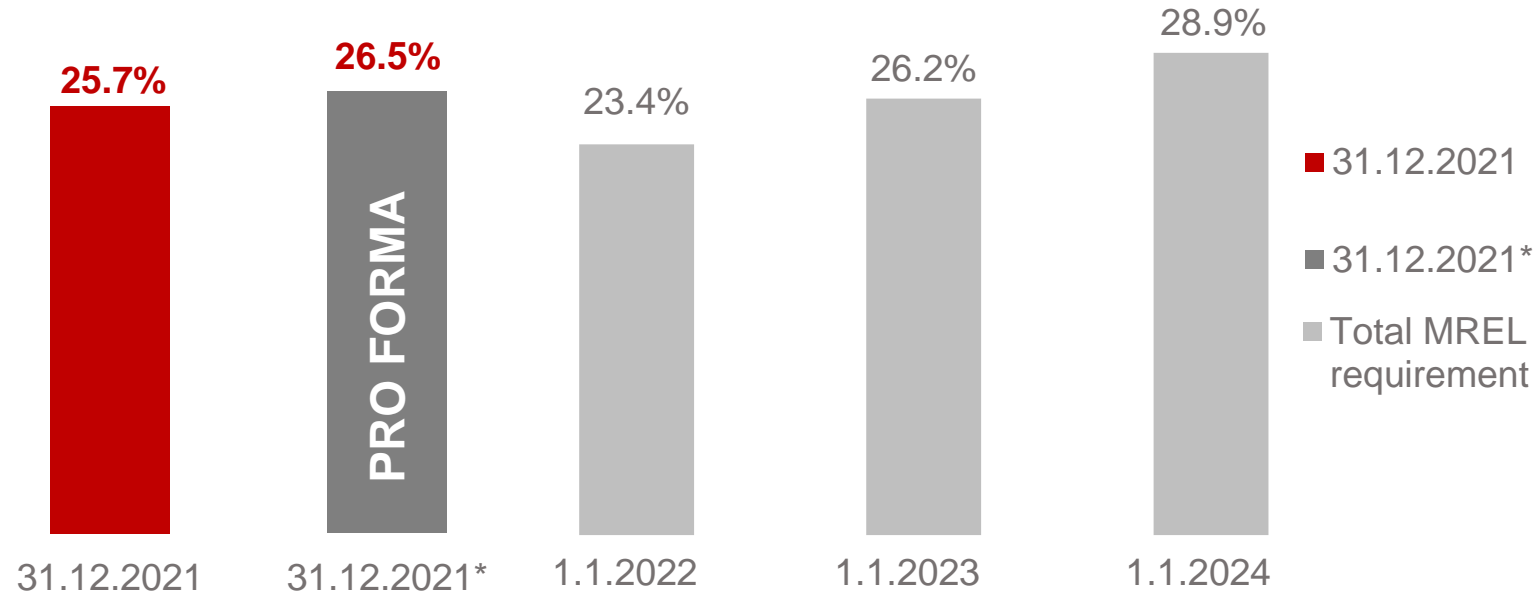
RWA development (in HRK mn)



- Risk-weighted assets decreased only in the credit risk segment due to collateral optimization and decrease in NPE.

Meeting MREL requirements

Actual CET1 ratios vs. total MREL requirement



* Pro forma CET 1 ratio with inclusion of H2 2021 net profit

- The Bank has adopted plan to meet MREL requirements during H1 2021;
- Bank's **total capital ratio above** first binding transitional **MREL requirement**.

Exposures and coverage per stage

Segment	Stage	31.12.2020				31.12.2021			
		Exposure	Exposure excluding 100% government guarantees	Coverage	Coverage without 100% government guarantees	Exposure	Exposure excluding 100% government guarantees	Coverage	Coverage excluding 100% government guarantees
CORPORATE	S1	58.5%		3.8%		45.9%		1.4%	
CORPORATE	S2	6.8%		8.1%		18.2%		7.6%	
CORPORATE	S3	34.7%	21.7%	47.7%	75.2%	35.9%	25.8%	47.8%	75.7%
SME	S1	49.3%		4.2%		41.4%		1.8%	
SME	S2	16.8%		15.5%		26.6%		8.2%	
SME	S3	33.9%	33.9%	71.3%	71.3%	31.9%	31.9%	66.7%	66.7%
STATE	S1	98.7%		1.0%		98.6%		0.4%	
STATE	S2	1.3%		7.2%		1.4%		2.9%	
STATE	S3	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.0%	2.0%*
RETAIL	S1	88.5%		0.5%		86.1%		1.3%	
RETAIL	S2	3.2%		7.6%		4.4%		10.8%	
RETAIL	S3	8.3%	8.3%	75.6%	75.6%	9.5%	9.5%	72.7%	72.7%
TOTAL	S1	85.9%		1.0%		84.5%		0.7%	
TOTAL	S2	3.7%		10.5%		5.7%		8.5%	
TOTAL	S3	10.4%	8.7%	62.2%	74.2%	9.8%	8.4%	61.1%	72.0%

*Relates to the exposure below HRK 0.5 mn.

1 Executive Summary

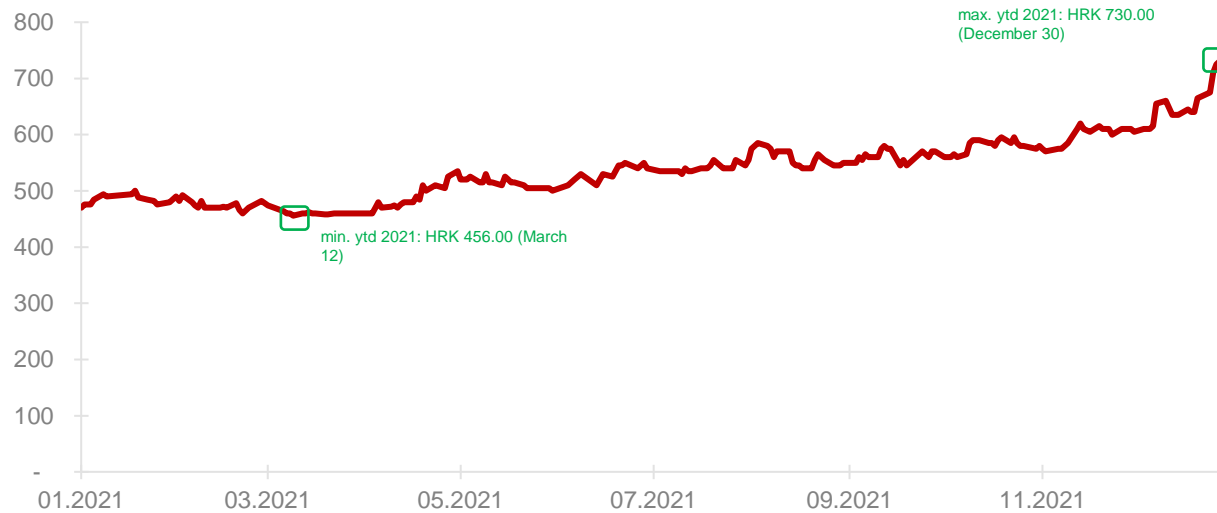
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HPB-R-A stock during the reporting period



Stock data and details

Issue date	December 12, 2000
ISIN	HRHPB0RA0002
Segment	Zagreb Stock Exchange
Listed quantity	2,024,625
Share price as at September 30, 2021 (in HRK)	730.00
Market capitalisation (in HRK million)	1,477.98

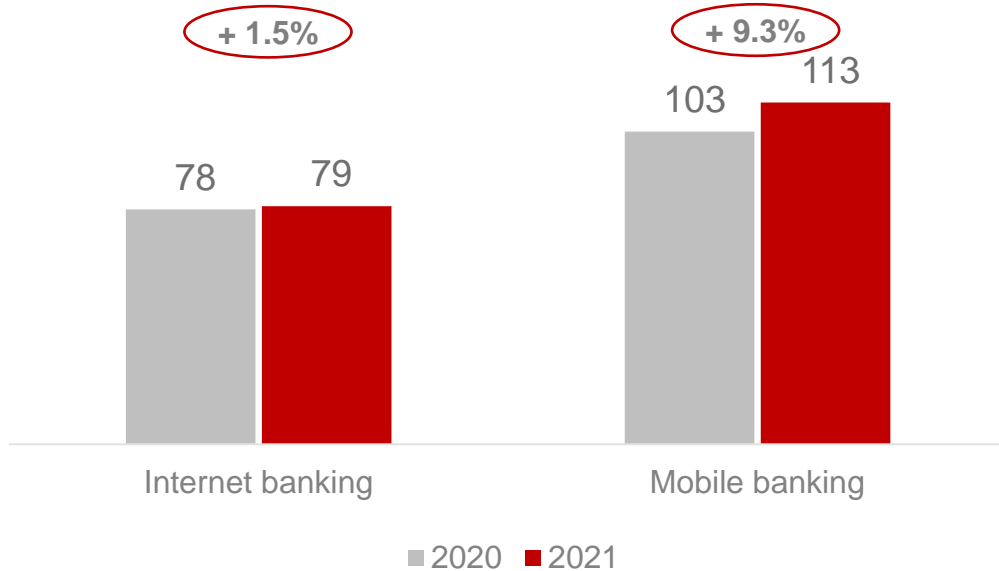
Shareholders

Ownership stake (%)

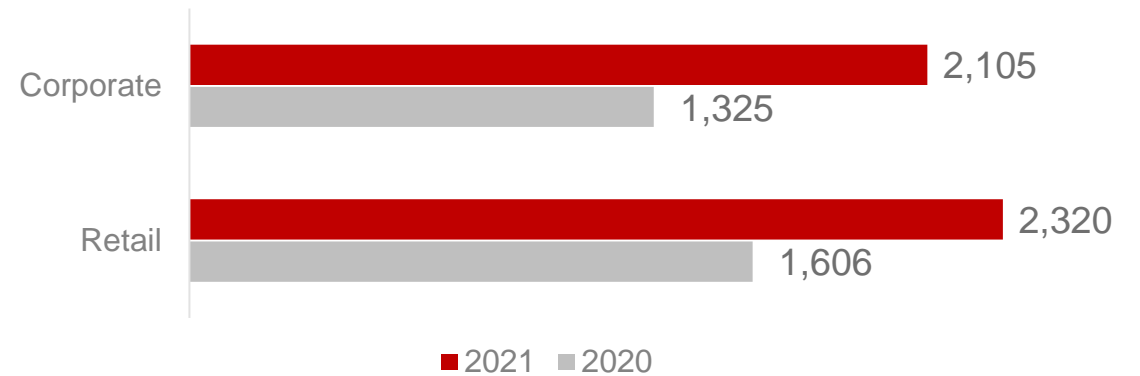
Republic of Croatia	44.90
Croatian Post PLC	11.93
Croatian Deposit Insurance Agency	8.98
Croatian Pension Insurance Institute	8.76
Hrvatska poštanska banka p.l.c. – treasury shares	0.04
Other shareholders (each under 5% of share of the c	25.39
Total shares	100.00

Direct channels

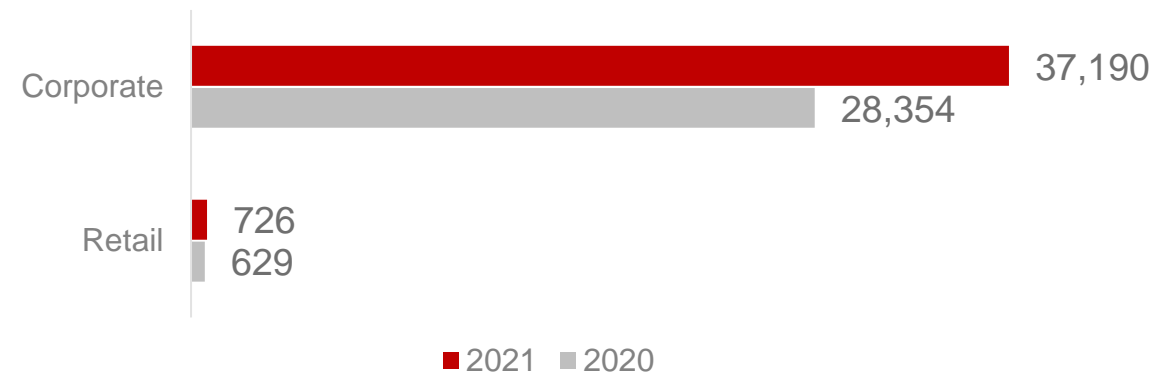
Number of users (in ths)



Transaction volume - Mobile banking (in HRK mn)



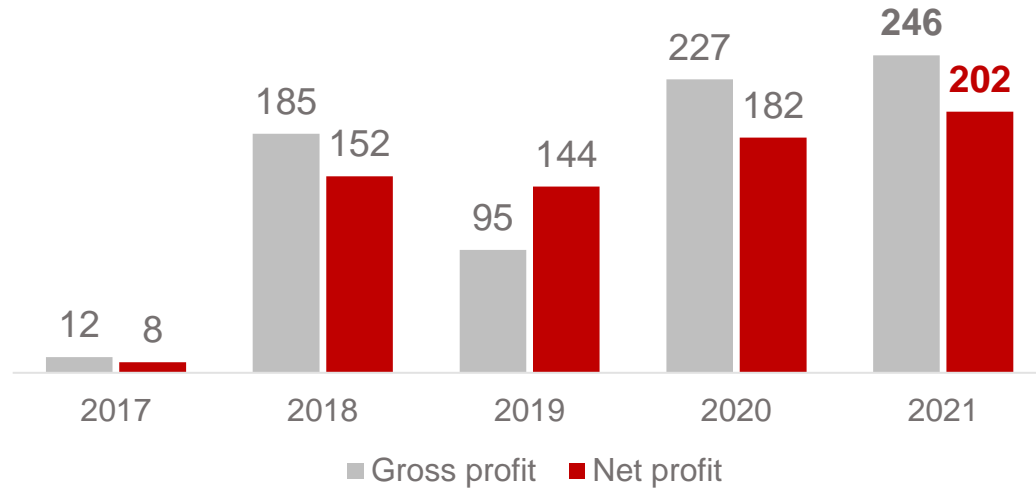
Transaction volume - Internet banking (in HRK mn)



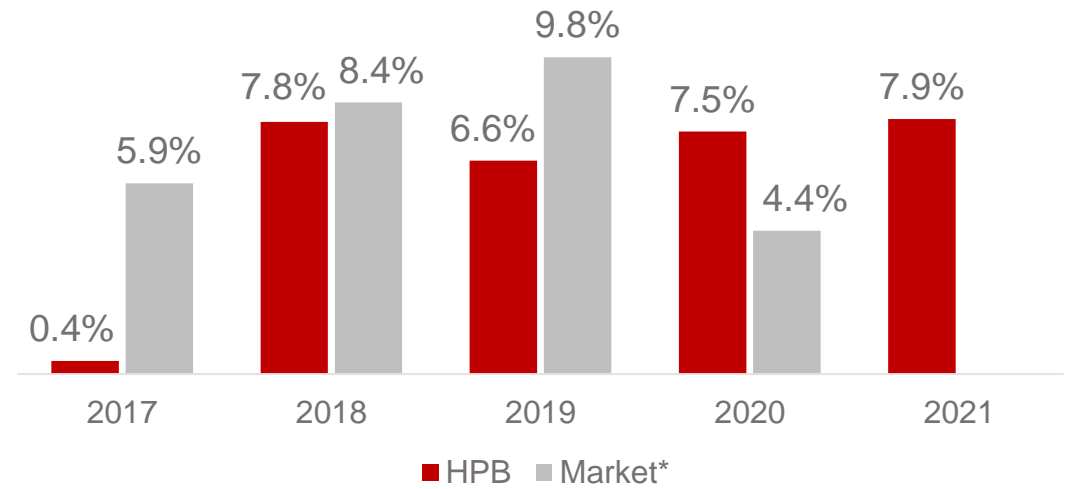
- **Continuous growth in digital channels** with focus on m-banking; m-banking users + 9.3% and transaction volume + 50.9% vs 12M 2020;
- **M-banking is primary digital channel for retail clients** (80 %);
- Further increase in e-banking users (+ 1.5%) and transaction volume (+ 30.8%) vs 12M 2020;
- **E-banking is primary digital channel for corporate clients** (82%).

Profitability

Profit development (in HRK mn)



Return on Average Equity ROAE

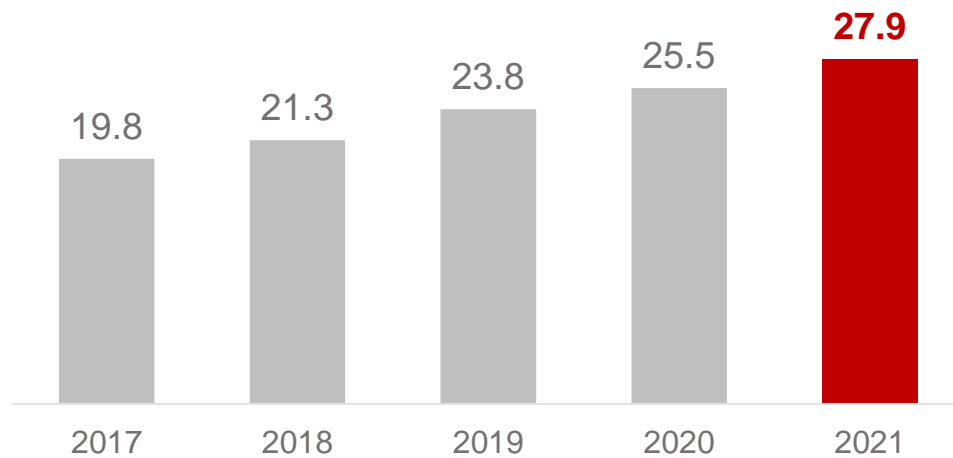


* Market share data for 2021 not available at the time presentation was published

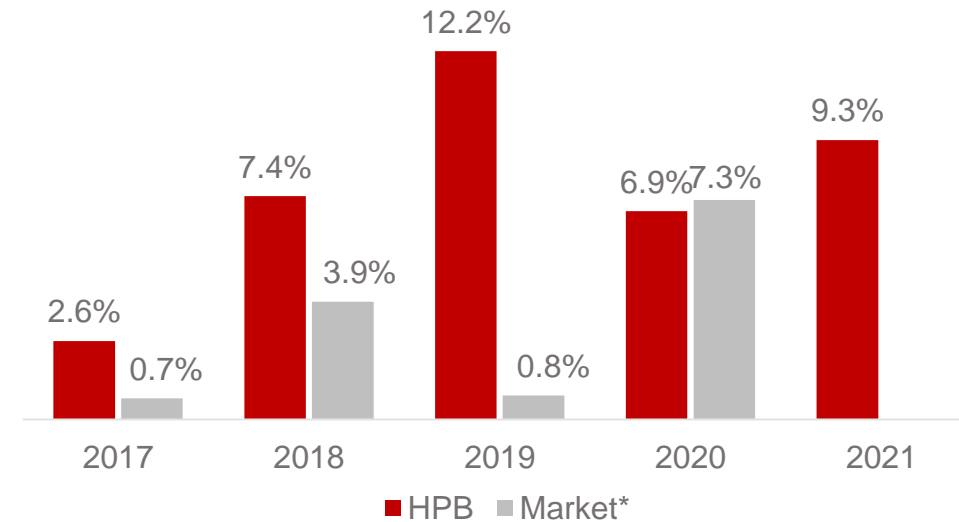
- Highest net profit in 30-year history as a result of increase in NCFI, trading and other income and reduction of deposit insurance premium.

Asset development

HPB's Asset development
(in HRK bn)



Comparative asset growth rates



* Market data were not available for 2021 at the time this presentation was published

- Bank's growth continued in 2021, asset up HRK + 2.4 bn;
- LCR (Liquidity Coverage Ratio) as of 31.12.2021 is at 183%.

HPB together with strategic partner Hrvatska pošta is accessible at over 1,000 locations

Products and services are offered to our current and potential clients in:

12 regional centers Retail and SME

- 51 offices and 6 branch offices for retail clients;
- 12 offices for corporate clients.

Post offices

- Payment services in HRK and contracting Bank's products and services in 1,015 post offices for retail clients while services for corporate clients are available at 987 locations;
- Loan services to retail clients in HP financial corner at 142 locations.

