



HRVATSKA POŠTANSKA BANKA

HPB Group 2021

Investor information and audited financial statements

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. as the parent company of the Hrvatska poštanska banka Group (hereinafter referred to as the Bank, Group 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.
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Type and name of prescribed information:	Consolidated financial statements for the period 1.1.2021 - 31.12.2021, HPB Group 2021 Consolidated Investor information and audited 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. (Bank), as the parent company of the Hrvatska poštanska banka Group (Group), publishes audited financial statements for the period from January 01 to December 31, 2021.

Original and official report is published in Croatian.

The report includes:

- Management report of HPB Group,
- Statement by persons responsible for compiling the report,
- Audited set of consolidated financial statements (balance sheet, profit or loss statement, statement of changes in equity, cash flow statement), and
- Notes to the consolidated financial statements.

Financial statements and notes have been compiled in accordance with instructions defined in Rulebook on the content and structure of the annual issuer's reports (NN 114/2018, 132/2020).

Management report

HPB Group is, apart from the parent company – Hrvatska poštanska Banka p.l.c., HPB Invest (investment fund management) and HPB-nekretnine (real estate agency).

The HPB Group's net profit after tax is HRK 202.6 million. The Group's result relates largely to the results of the parent company, while HPB Invest made a net profit of HRK 831.8 thousand and HPB-Nekretnine a net profit of HRK 585.7 thousand.

Marko Badurina

President of the Management Board

Anto Mihaljević

Member of the Management Board

Ivan Soldo

Member of the Management Board

Statement by persons accountable for compiling the report of HPB p.l.c.

In accordance with the Capital Market Act, the Management Board of HPB p.l.c., the parent company of HPB Group, states that according to their best knowledge the set of consolidated audited financial statements for the period from January 01 to December 31, 2021, are compiled in accordance with the accounting regulation applicable to credit institutions in Croatia, presents complete and accurate view of assets and liabilities, losses and gains, financial position and results of HPB p.l.c., as well as companies included in consolidation as a whole.

On behalf of HPB p.l.c., the parent company of HPB Group:

Tea Bažant

Executive Head of finance division

Marko Badurina

President of the Management Board

Anto Mihaljević

Member of the Management Board

Ivan Soldo

Member of the Management Board

ISSUER'S GENERAL DATA

Reporting period:

1.1.2021

to

31.12.2021

Year:

2021

Annual financial statements

Registration number (MB):

03777928

Issuer's home Member
State code:

HRVATSKA

Entity's registration
number (MBS):

080010698

Personal identification
number (OIB):

87939104217

LEI:

529900D5G4V6THXC5P79

Institution code:

319

Name of the issuer: HRVATSKA POŠTANSKA BANKA, p.l.c.

Postcode and town:

10000

ZAGREB

Street and house number: JURIŠIĆEVA 4

E-mail address:

hpb@hpb.hr

Web address:

www.hpb.hr

Number of employees
(end of the reporting

1315

Consolidated report:

KD

(KN-not consolidated/KD-consolidated)

Audited:

RD

(RN-not audited/RD-audited)

Names of subsidiaries (according to IFRS):

Registered office:

MB:

HPB Invest d.o.o.

Strojarska 20, 10000 Zagreb

01972278

HPB-nekretnine d.o.o.

Amruševa 8, 10000 Zagreb

01972260

Bookkeeping firm:

No

(Yes/No)

(name of the bookkeeping firm)

Contact person:

Tea Bažant

(only name and surname of the contact person)

Telephone:

014804670

E-mail address:

tea.bazant@hpb.hr

Audit firm:

BDO Croatia d.o.o.

(name of the audit firm)

Certified auditor:

Ivan Čajko

(name and surname)

BALANCE SHEET
as at December 31, 2021

Submitter: Hrvatska poštanska banka p.l.c.

in HRK

Item	AOP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
Assets			
Cash, cash balances at central banks and other demand deposits (from 2 to 4)	001	3,662,500,484	6,177,641,914
Cash in hand	002	900,072,987	1,422,548,361
Cash balances at central banks	003	2,224,401,393	4,339,757,848
Other demand deposits	004	538,026,104	415,335,705
Financial assets held for trading (from 6 to 9)	005	719,257,423	616,670,614
Derivatives	006	-	-
Equity instruments	007	95,340,654	105,639,274
Debt securities	008	623,916,769	511,031,340
Loans and advances	009	-	-
Non-trading financial assets mandatorily at fair value through profit or loss (from 11 to 13)	010	38,865,901	9,316,729
Equity instruments	011	20,000,000	-
Debt securities	012	-	-
Loans and advances	013	18,865,901	9,316,729
Financial assets at fair value through profit or loss (15 + 16)	014	-	-
Debt securities	015	-	-
Loans and advances	016	-	-
Financial assets at fair value through other comprehensive income (from 18 to 20)	017	4,158,015,469	4,601,319,906
Equity instruments	018	49,027,711	48,896,784
Debt securities	019	4,108,987,758	4,552,423,122
Loans and advances	020	-	-
Financial assets at amortised cost (22 + 23)	021	16,413,935,375	15,955,565,325
Debt securities	022	1,978,784	454,371
Loans and advances	023	16,411,956,591	15,955,110,954
Derivatives - hedge accounting	024	-	-
Fair value changes of the hedged items in portfolio hedge of interest rate risk	025	-	-
Investments in subsidiaries, joint ventures and associates	026	43	43
Tangible assets	027	326,574,638	311,192,057
Intangible assets	028	91,824,941	93,395,736
Tax assets	029	2,797,956	642,640
Other assets	030	49,114,278	60,114,393
Fixed assets and disposal groups classified as held for sale	031	-	9,200,000
Total assets (1 + 5 + 10 + 14 + 17 + 21 + from 24 to 31)	032	25,462,886,508	27,835,059,357
Liabilities			
Financial liabilities held for trading (from 34 to 38)	033	21,172	-
Derivatives	034	21,172	-
Short positions	035	-	-
Deposits	036	-	-
Debt securities issued	037	-	-
Other financial liabilities	038	-	-
Financial liabilities at fair value through profit or loss (from 40 to 42)	039	-	-
Deposits	040	-	-
Debt securities issued	041	-	-
Other financial liabilities	042	-	-
Financial liabilities measured at amortised cost (from 44 to 46)	043	22,680,817,227	24,842,134,412
Deposits	044	22,561,546,458	24,747,710,461
Debt securities issued	045	-	-
Other financial liabilities	046	119,270,769	94,423,951
Derivatives - hedge accounting	047	-	-
Fair value changes of the hedged items in portfolio hedge of interest rate risk	048	-	-
Provisions	049	125,688,739	89,416,940
Tax liabilities	050	25,697,310	64,392,779
Share capital repayable on demand	051	-	-
Other liabilities	052	151,759,203	182,369,233
Liabilities included in disposal groups classified as held for sale	053	-	-
Total liabilities (33 + 39 + 43 + from 47 to 53)	054	22,983,983,651	25,178,313,364
Equity			
Capital	055	1,214,775,000	1,214,775,000
Share premium	056	-	-
Equity instruments issued other than capital	057	-	-
Other equity	058	-	-
Accumulated other comprehensive income	059	264,974,555	240,193,702
Retained profit	060	204,798,039	297,151,162
Revaluation reserves	061	-	-
Other reserves	062	611,448,069	702,479,141
(-) Treasury shares	063	(477,000)	(477,000)
Profit or loss attributable to owners of the parent	064	183,384,194	202,623,988
(-) Interim dividends	065	-	-
Minority interests [non-controlling interests]	066	-	-
Total equity (from 55 to 66)	067	2,478,902,857	2,656,745,993
Total equity and liabilities (54 + 67)	068	25,462,886,508	27,835,059,357

STATEMENT OF PROFIT AND LOSS
for the period January 01, 2020 to December 31, 2021

Submitter: Hrvatska poštanska banka p.l.c.

in HRK

Item	AOP code	Same period of the previous year	Current period
		Cumulative	Cumulative
1	2	3	4
Interest income	001	588,820,078	560,475,854
(Interest expenses)	002	51,590,120	36,367,350
(Expenses on share capital repayable on demand)	003	-	-
Dividend received	004	3,292,513	1,143,665
Fees and commissions income	005	459,757,903	492,742,014
(Fees and commissions expenses)	006	273,899,127	290,106,697
Gains or (-) losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	007	35,035,565	671,529
Gains or (-) losses on financial assets and liabilities held for trading, net	008	47,068,263	59,962,657
Gains or losses on non-trading financial assets mandatorily at fair value through profit or loss, net	009	(571,077)	30,491,412
Gains or (-) losses on derecognition of financial assets and liabilities at fair value through profit or loss, net	010	-	-
Gains or (-) losses from hedge accounting, net	011	-	-
Exchange rate differences [gain or (-) loss], net	012	(8,624,819)	(7,592,753)
Gains or (-) losses on derecognition of investments in subsidiaries, joint ventures and associates, net	013	-	-
Gains or (-) losses on derecognition of non-financial assets, net	014	-	-
Other operating income	015	13,725,920	20,267,730
(Other operating expenses)	016	14,000,990	19,349,962
Total operating income, net (1 – 2 – 3 + 4 + 5 – 6 + from 7 to 15 – 16)	017	799,014,109	812,338,099
(Administrative expenses)	018	391,864,512	418,161,923
(Contributions in cash rehabilitation committees and Deposit Insurance Schemes)	019	42,002,367	13,916,357
(Depreciation)	020	76,278,177	67,823,078
Modification gains or (-) losses, net	021	(3,386,347)	(4,328,639)
(Provisions or (-) reversal of provisions)	022	(61,671,217)	306,219
(Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss)	023	109,876,155	63,262,189
(Impairment or (-) reversal of impairment of investments in subsidiaries, joint ventures and associates)	024	-	-
(Impairment or (-) reversal of impairment on non-financial assets)	025	8,711,610	(1,903,399)
Negative goodwill recognised in profit or loss	026	-	-
Share of the profit or (-) losses of investments in subsidiaries, joint ventures and associates accounted for using the equity method	027	-	-
Profit or (-) loss from fixed assets and disposal groups classified as held for sale not qualifying as discontinued operations	028	-	-
Profit or (-) loss before tax from continuing operations (17 – 18 to 20 + 21 - from 22 to 25 + from 26 to 28)	029	228,566,158	246,443,093
(Tax expense or (-) income related to profit or loss from continuing operations)	030	45,181,964	43,819,105
Profit or (-) loss after tax from continuing operations (29 – 30)	031	183,384,194	202,623,988
Profit or (-) loss after tax from discontinued operations (33 – 34)	032	-	-
Profit or (-) loss before tax from discontinued operations	033	-	-
(Tax expense or (-) income related to discontinued operations)	034	-	-
Profit or (-) loss for the year (31 + 32; 36 + 37)	035	183,384,194	202,623,988
Attributable to minority interest [non-controlling interests]	036	-	-
Attributable to owners of the parent	037	183,384,194	202,623,988
STATEMENT OF OTHER COMPREHENSIVE INCOME			
Income or (-) loss for the current year	038	183,384,194	202,623,988
Other comprehensive income (40+ 52)	039	(82,538,216)	(24,780,852)
Items that will not be reclassified to profit or loss (from 41 to 47 + 50 + 51)	040	(4,199,151)	1,831,095
Tangible assets	041	(7,533,354)	6,411,028
Intangible assets	042	-	-
Actuarial gains or (-) losses on defined benefit pension plans	043	1,825,625	(2,968,225)
Fixed assets and disposal groups classified as held for sale	044	-	-
Share of other recognised income and expense of entities accounted for using the equity method	045	-	-
Fair value changes of equity instruments measured at fair value through other comprehensive income	046	-	-
Gains or (-) losses from hedge accounting of equity instruments at fair value through other comprehensive	047	-	-
Fair value changes of equity instruments measured at fair value through other comprehensive income	048	-	-
Fair value changes of equity instruments measured at fair value through other comprehensive income	049	-	-
Fair value changes of financial liabilities measured at fair value through profit or loss attributable to	050	-	-
Income tax relating to items that will not be reclassified	051	1,508,578	(1,611,708)
Items that may be reclassified to profit or loss (from 53 to 60)	052	(78,339,065)	(26,611,947)
Hedge of net investments in foreign operations [effective portion]	053	-	-
Foreign currency translation	054	-	-
Cash flow hedges [effective portion]	055	-	-
Hedging instruments [not designated elements]	056	-	-
Debt instruments at fair value through other comprehensive income	057	(95,463,311)	(32,525,728)
Fixed assets and disposal groups classified as held for sale	058	-	-
Share of other recognised income and expense of investments in subsidiaries, joint ventures and associates	059	-	-
Income tax relating to items that may be reclassified to profit or (-) loss	060	17,124,246	5,913,781
Total comprehensive income for the current year (38 + 39; 62 + 63)	061	100,845,978	177,843,136
Attributable to minority interest [non-controlling interest]	062	-	-
Attributable to owners of the parent	063	100,845,978	177,843,136

STATEMENT OF CASH FLOW
for the period January 01, 2020 to December 31, 2021

Submitter: Hrvatska poštanska banka p.l.c.

in H

Item	AOP code	Same period of the previous year	Current pe
1	2	3	
Operating activities - direct method			
Interest received and similar receipts	001	-	
Fees and commissions received	002	-	
(Interest paid and similar expenditures)	003	-	
(Fees and commissions paid)	004	-	
(Operating expenses paid)	005	-	
Net gains/losses from financial instruments at fair value through statement of profit or loss	006	-	
Other receipts	007	-	
(Other expenditures)	008	-	
Operating activities - indirect method			
Profit/(loss) before tax	009	228,612,358	246,443,
Adjustments:		-	
Impairment and provisions	010	174,933,719	67,897,
Depreciation	011	76,278,177	67,823,
Net unrealised (gains)/losses on financial assets and liabilities at fair value through statement of profit or loss	012	(73,479,009)	(91,125,€
(Profit)/loss from the sale of tangible assets	013	-	
Other non-cash items	014	(537,334,753)	(524,108,€
Promjene u imovini i obvezama iz poslovnih aktivnosti			
Deposits with the Croatian National Bank	015	(280,916,192)	(107,284,€
Deposits with financial institutions and loans to financial institutions	016	258,280,921	
Loans and advances to other clients	017	(1,316,595,951)	496,539,
Securities and other financial instruments at fair value through other comprehensive income	018	468,611,329	(470,382,€
Securities and other financial instruments held for trading	019	(65,609,242)	171,790,
Securities and other financial instruments at fair value through statement of profit or loss, not traded	020	-	50,800,
Securities and other financial instruments mandatorily at fair value through statement of profit or loss	021	-	
Securities and other financial instruments at amortised cost	022	2,326,911	1,524,
Other assets from operating activities	023	3,106,512	(9,818,€
Deposits from financial institutions	024	105,943,541	(78,058,€
Transaction accounts of other clients	025	1,255,559,114	913,204,
Savings deposits of other clients	026	720,175,408	1,918,206,
Time deposits of other clients	027	(928,046,118)	(773,984,€
Derivative financial liabilities and other liabilities held for trading	028	5,952,655	(24,867,€
Other liabilities from operating activities	029	(2,589,926)	244,485,
Interest received from operating activities [indirect method]	030	588,918,099	553,864,
Dividends received from operating activities [indirect method]	031	3,280,842	1,143,
Interest paid from operating activities [indirect method]	032	(51,583,346)	(36,367,€
(Income tax paid)	033	-	
Net cash flow from operating activities (from 1 to 33)	034	635,825,049	2,617,723,
Investing activities			
Cash receipts from the sale / payments for the purchase of tangible and intangible assets	035	(60,106,596)	(63,211,€
Cash receipts from the sale / payments for the purchase of investments in branches, associates and joint ventures	036	-	
Cash receipts from the sale / payments for the purchase of securities and other financial instruments held to maturity	037	-	
Dividends received from investing activities	038	2,326,911	1,524,
Other receipts/payments from investing activities	039	-	
Net cash flow from investing activities (from 35 to 39)	040	(57,779,685)	(61,686,€
Financing activities			
Net increase/(decrease) in loans received from financing activities	041	475,822,595	(44,838,€
Net increase/(decrease) in debt securities issued	042	-	
Net increase/(decrease) in Tier 2 capital instruments	043	-	
Increase in share capital	044	-	
(Dividends paid)	045	-	
Other receipts/(payments) from financing activities	046	-	
Net cash flow from financing activities (from 41 to 46)	047	475,822,595	(44,838,€
Net increase/(decrease) of cash and cash equivalents (34 + 40 + 47)	048	1,053,867,959	2,511,197,
Cash and cash equivalents at the beginning of period	049	3,046,578,558	4,091,821,
Effect of exchange rate fluctuations on cash and cash equivalents	050	(8,624,819)	(7,592,€
Cash and cash equivalents at the end of period (48 + 49 + 50)	051	4,091,821,698	6,595,426,

STATEMENT OF CHANGES IN EQUITY
for the period January 01, 2020 to December 31, 2021

in HRK

Item	AOP code	Attributable to owners of the parent											Non-controlling interest		Total
		Equity	Share premium	Equity instruments issued other than capital	Equity instruments issued other than capital	Accumulated other comprehensive income	Retained profit	Revaluation reserves	Other reserves	() Treasury shares	Profit or (-) loss attributable to owners of the parent	(-) Interim dividends	Accumulated other comprehensive income	Other Items	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Opening balance (before restatement)	001	1,214,775,000	-	-	-	264,974,555	204,798,039	-	611,448,069	(477,000)	183,384,194	-	-	-	2,478,902,857
Effects of error corrections	002	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effects of changes in accounting policies	003	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Opening balance [current period] (1 + 2 + 3)	004	1,214,775,000	-	-	-	264,974,555	204,798,039	-	611,448,069	(477,000)	183,384,194	-	-	-	2,478,902,857
Ordinary shares issue	005	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Preference shares issue	006	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issue of other equity instruments	007	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exercise or expiration of other equity instruments issued	008	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Conversion of receivables to equity instruments	009	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital reduction	010	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	011	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of treasury shares	012	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale or cancellation of treasury shares	013	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of financial instruments from equity to liability	014	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of financial instruments from liability to equity	015	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers among components of equity	016	-	-	-	-	-	92,353,123	-	91,031,072	-	(183,384,194)	-	-	-	1
Equity increase or (-) decrease resulting from business combinations	017	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share based payments	018	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other increase or (-) decrease in equity	019	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the current year	020	-	-	-	-	(24,780,853)	-	-	-	-	202,623,988	-	-	-	177,843,135
Closing balance [current period] (from 4 to 20)	021	1,214,775,000	-	-	-	240,193,702	297,151,162	-	702,479,141	(477,000)	202,623,988	-	-	-	2,656,745,993

Notes to financial statements

1) INTEREST INCOME		in HRK	
AOP 001	Same period of the previous	Current period	
	year 01.01.-31.12.2020	01.01. - 31.12.2021	
	Cumulative	Cumulative	
Debt securities	81,200,505	72,516,028	
Loans and advances	507,302,008	487,949,750	
Other assets	314,906	9,299	
Deposits	2,659	790	
Other liabilities	-	-	
Total	588,820,078	560,475,854	
2) INTEREST EXPENSE		in HRK	
AOP 002	Same period of the previous	Current period	
	year 01.01.-31.12.2020	01.01. - 31.12.2021	
	Cumulative	Cumulative	
Debt securities	-	123,676	
Loans and advances	2,673,661	4,101,144	
Other assets	-	-	
Deposits	47,533,458	32,077,254	
Other liabilities	1,183,001	65,276	
Total	51,590,120	36,367,350	
3) FEE AND COMMISSION INCOME		in HRK	
AOP 005	Same period of the previous	Current period	
	year 01.01.-31.12.2020	01.01. - 31.12.2021	
	Cumulative	Cumulative	
Securities	3,269,735	3,023,066	
Asset management	44,754	35,100	
Custody (according to the type of client)	3,651,553	5,336,081	
Loan commitments	72,553	25,465	
Other	452,719,307	484,322,302	
Total	458,757,903	492,742,014	
4) FEE AND COMMISSION EXPENSE		in HRK	
AOP 006	Same period of the previous	Current period	
	year 01.01.-31.12.2020	01.01. - 31.12.2021	
	Cumulative	Cumulative	
Bank clearing and settlement	1,726,624	1,936,040	
Other	273,172,803	287,057,101	
Total	273,899,427	290,106,697	
5) GAIN/LOSSES ON TERMINATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES		in HRK	
AOP 007	Same period of the previous	Current period	
	year 01.01.-31.12.2020	01.01. - 31.12.2021	
	Cumulative	Cumulative	
Debt securities	35,035,565	-	
Loans and advances	-	-	
Deposits	-	-	
Debt Securities Issued	-	-	
Other financial liabilities	-	671,529	
Total	35,035,565	671,529	
6) GAINS OR (-) LOSSES ON FINANCIAL ASSETS AND LIABILITIES HELD FOR TRADING		in HRK	
AOP 008	Same period of the previous	Current period	
	year 01.01.-31.12.2020	01.01. - 31.12.2021	
	Cumulative	Cumulative	
Equity instruments	(770,953)	10,326,550	
Debt securities	(7,006,878)	(7,400,995)	
FX transactions and derivatives	54,846,024	57,057,101	
Total	47,068,203	59,982,657	
7) GAINS OR LOSSES ON NON-TRADING FINANCIAL ASSETS MANDATORILY AT FAIR VALUE THROUGH PROFIT OR LOSS		in HRK	
AOP 009	Same period of the previous	Current period	
	year 01.01.-31.12.2020	01.01. - 31.12.2021	
	Cumulative	Cumulative	
Equity instruments	-	30,800,000	
Debt securities	-	-	
Loans and advances	(571,077)	(300,598)	
Total	(571,077)	30,499,412	
8) OPERATING EXPENSES		in HRK	
AOP 015 & AOP 017 & AOP 018	Same period of the previous	Current period	
	year 01.01.-31.12.2020	01.01. - 31.12.2021	
	Cumulative	Cumulative	
Other operating expenses	19,300,980	19,349,981	
Administrative expenses	391,864,512	418,161,923	
Employee expenses	233,499,673	249,253,627	
Other administrative expenses	158,364,939	166,906,296	
(Contributions in cash rehabilitation committees and Deposit Insurance Schemes)	42,002,397	13,916,357	
Amortization	75,270,177	67,220,178	
Property, plant and equipment	43,473,575	42,643,529	
Investment property	-	25,179,550	
Other intangible assets	32,804,638	-	
Total	924,146,047	919,251,320	
9) IMPAIRMENT LOSSES AND PROVISION EXPENSES		in HRK	
AOP 019 & AOP 020 & AOP 021 & AOP 023	Same period of the previous	Current period	
	year 01.01.-31.12.2020	01.01. - 31.12.2021	
	Cumulative	Cumulative	
Modification gains or (-) losses, net	(3,396,347)	(4,326,639)	
Financial assets at fair value through other comprehensive income	-	-	
Financial assets at amortized cost	(3,396,347)	(4,326,639)	
(Provisions or (-) reversal of provisions)	(61,671,217)	306,219	
(Liabilities and Guarantees)	17,214,239	(16,209,564)	
(Other Provisions)	(78,885,516)	16,515,783	
(Impairment or (-) reversal of impairment on financial assets that are not measured at fair value through profit or loss)	109,676,155	63,262,189	
(Financial assets at fair value through other comprehensive income)	577,174	6,409,709	
(Financial assets at amortized cost)	109,296,981	56,852,490	
(Impairment or (-) reversal of impairment off of investments in subsidiaries, joint ventures, and associates)	-	-	
(Impairment or (-) reversal of impairment off non-financial assets)	8,711,610	(1,803,398)	
(Property, plant and equipment)	8,711,610	(1,791,199)	
(Investment property)	-	(112,200)	
(Goodwill)	-	-	
(Other intangible assets)	-	-	
(Other)	-	-	
Total	60,302,895	65,993,648	
10) LOANS AND ADVANCES		in HRK	
AOP 023	31.12.2020	31.12.2021	
	Stage 1	Stage 2	Stage 3
Central banks	1,219,156,918	-	1,326,441,533
Gross loans	1,219,156,918	-	1,326,441,533
Allowance	-	-	-
Government	2,513,669,837	10,294,601	3,442,887,361
Gross loans	2,520,514,249	10,456,303	3,456,836,667
Allowance	(6,844,412)	(161,702)	(13,949,306)
Credit institutions	966,510,067	-	277,890,317
Gross loans	57,300	-	117,158
Allowance	27	-	(0)
Deposits	368,996,913	-	278,323,532
Allowance	(544,154)	-	(560,373)
Other financial institutions	178,937,655	3,893	170,320,447
Gross loans	168,353,095	3,983	160,489,050
Allowance	(584,453)	(90)	(2,059,031)
Deposits	11,262,954	-	12,188,549
Allowance	(93,943)	-	(298,121)
Non - financial institutions	3,626,597,766	422,197,574	6,835,985,261
Gross loans	3,753,026,824	490,885,197	1,456,527,825
Allowance	(1,126,429,057)	(58,687,623)	(819,541,261)
Retail	7,022,395,635	251,126,985	7,096,378,085
Gross loans	7,060,886,859	272,846,699	7,190,892,028
Allowance	(38,493,224)	(21,719,714)	(94,214,943)
Total	14,929,267,898	683,623,053	13,949,303,005
11) NON-TRADING FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS			1,169,606,868
12) DEPOSITS			836,201,081
AOP 013		in HRK	
AOP 013	31.12.2020	31.12.2021	
	Central banks	-	-
Local state	-	-	
Credit institutions	-	-	
Other financial institutions	-	-	
Non - financial institutions	5,093,283	2,085,135	
Retail	13,772,618	6,423,574	
Total	18,866,901	8,316,729	
AOP 044		in HRK	
AOP 044	31.12.2020	31.12.2021	
	Government	400,000,000	401,789,616
Local state	5,325,746,428	6,575,113,981	
Credit institutions	209,013,088	103,484,950	
Other financial institutions	1,397,035,135	1,466,863,467	
Non - financial institutions	3,162,990,953	3,169,905,458	
Retail	12,074,349,419	12,601,533,020	
Total	22,569,135,023	24,747,710,461	

Hrvatska poštanska banka, p.l.c.
10000 Zagreb, Jurišićeva 4

SUPERVISORY BOARD

Zagreb, March 30 2022

In accordance with the provision of article 21 of the Articles of Association of HPB p.l.c. (hereinafter: Bank), and in line with Articles 300.c and 300.d of the Companies Act, Supervisory Board of the Bank has on 9. meeting held on March 30 2022 made the following:

RESOLUTION
on giving consent
to Annual financial statements and consolidated annual financial
statements of the Bank and the Group for 2021, comprising also the
Management Board's annual report on condition of HPB p.l.c. and its subsidiaries for
year 2021

I.

Consent is given to Annual financial statements and consolidated annual financial statements of the Bank and the Group for the business year ended December 31 2021, comprising also the Management Board's annual report on condition of HPB p.l.c. and its subsidiaries for 2021.

Acceptance is given for Auditor's report by BDO CROATIA d.o.o., Zagreb, Radnička cesta 180, Zagreb. Auditor has conducted the audit of Annual financial statements the Bank and the Group for the year ended December 31 2021.

II.

By giving consent to statements outlined in paragraph I. of this Resolution, Annual financial statements and consolidated annual financial statements of the Bank and Group for the year ended December 31 2021 are considered to be confirmed by the Management Board and the Supervisory Board.

III.

This resolution comes into force on the day of its adoption.

President of the Supervisory Board

Marijana Miličević

Management Board

Zagreb, March 30 2022

Number: UB-220330-2

Pursuant to Article 13 of the Statute of Hrvatska poštanska banka, p.l.c. (hereinafter: the Bank), and in line with Article 220, paragraph 1, Article 222, Article 300 b, paragraph 2 and Article 275, paragraph. 1, item 2 of the Companies Act, the Management Board of the Bank on March 30, 2022, proposes to the Supervisory Board and the General Assembly of the Bank to adopt the following

RESOLUTION
on allocation of profit earned in 2021

I.

It is determined that Hrvatska poštanska banka, p.l.c. made a net profit of HRK 202,106,512.95 in the business year ended 31 December 2021.

II.

Pursuant to Article 220 of the Companies Act and the authority referred to in Article 33 of the Bank's Articles of Association, the Bank's Management Board decided on 30 March 2022 to allocate one twentieth of the determined profit from item I of this Decision to legal reserves in the amount of HRK 10,105,325.65.

III.

The remaining amount of determined net profit in the amount of HRK 192,001,187.30, after its distribution from Article II. of this Decision, is allocated to retained earnings.

IV.

Pursuant to Article 220, paragraph 3 of the Companies Act and Article 33 of the Bank's Articles of Association, the previously formed amount of HRK 50,604,741.08 is reallocated from other reserves to retained earnings.

V.

This resolution comes into force on the day of its adoption.

Explanation:

The proposed distribution of net profit is in accordance with Articles 220 and 300 b of the Companies Act and the Articles of Association of Hrvatska poštanska banka, p.l.c.

In order for the successful continuity of Bank's operations, profitability and growth within the possibilities area it is necessary to amortize the effects that will affect the capital position of the Bank in the following periods, namely:

- In the transition period of application of IFRS 9 in accordance with EU Regulation 2017/2395 as well as based on the application of deductions for unrealized gains and losses related to assets measured at fair value through other comprehensive income (FVOCI) in accordance with EU Regulation 873/2020 amending Regulation EU 575/2013 and EU 876/2019, the Bank will report HRK 101.2 million of negative effect on regulatory capital by the end of 2023;
- According to the prescribed amount of MREL requirements and deadline for compliance with requirements until January 1, 2024 as well as expected increase in risk-weighted assets based on the merger of Sberbank d.d. – u sanaciji, in future Nova hrvatska banka, the Bank must further strengthen its regulatory capital in the coming periods.

Based on the above stated, the Management Board of the Bank considers it appropriate to propose to the Supervisory Board and the General Assembly to adopt a Resolution on allocating 5% of net profit for 2021 to legal reserves and the remaining net profit in 2021 to retained earnings.

Given that the Bank has achieved the legal maximum in accordance with Article 220, paragraph 3 of the Companies Act, and other reserves reached the amount of half of the share capital, ie HRK 607,387,500.00, it is proposed to reallocate previously formed amount of HRK 50,604,741.08 from other reserves to retained earnings.

President of the Management Board
Marko Badurina

Distribute to:

1. Supervisory Board
2. Finance Management Department
3. Archive of the Management Office

Hrvatska poštanska banka, p.l.c.
10000 Zagreb, Jurišićeva 4

SUPERVISORY BOARD

Zagreb, March 30 2022

Temeljem članka 21. Statuta Hrvatske poštanske banke, dioničko društvo (dalje: Banka), a u svezi s člankom 300.b i člankom 275. stavak 1. točka 2. Zakona o trgovačkim društvima, Nadzorni odbor Banke na svojoj 9. sjednici održanoj dana 30. ožujka 2022. godine donio je sljedeću

Pursuant to the provision of Article 21 of the Articles of Association of HPB p.l.c. (hereinafter: Bank), and in line with Article 300.b and Article 275, paragraph 1, point 2 of the Companies Act, Supervisory Board of the Bank has on 9. meeting held on March 30 2022, made the following:

RESOLUTION
on allocation of Bank's profit earned in 2021

I.

Bank's Supervisory Board gives its consent and accepts Management Board's proposal on allocation of profit earned in 2021, which is a constituent part of this resolution.

II.

By providing its consent outlined in paragraph I. of this Resolution, Management Board's proposal on allocation of profit earned in 2021 is considered to be confirmed.

III.

Supervisory Board proposes to General Assembly to vote in favour of allocation of profit earned in 2021 as outlined in Management Board's proposal.

IV.

This resolution comes into force on the day of its adoption and is submitted to General Assembly for adoption.

President of the Supervisory Board

Marijana Miličević