



HRVATSKA POŠTANSKA BANKA

HPB Group H1 2022

Investor information and unaudited 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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- 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:	Consolidated financial statements for the period 1.1.2022 - 30.6.2022, HPB Group H1 2022 Investor information and unaudited Financial statements
Issuer name, headquarter and address:	Hrvatska poštanska banka p.l.c., Jurišićeva ulica 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 unaudited financial statements for the period from January 1 to June 31, 2022.

Original and official report is published in Croatian.

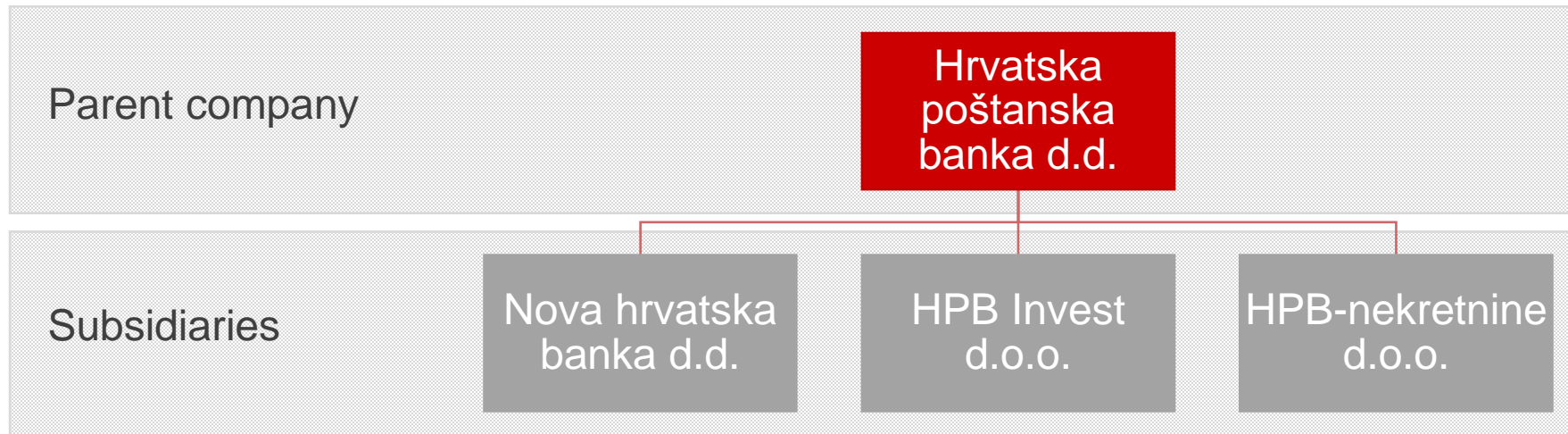
The report includes:

- Management report of HPB Group
- Statement by persons responsible for compiling the report
- Unaudited 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.

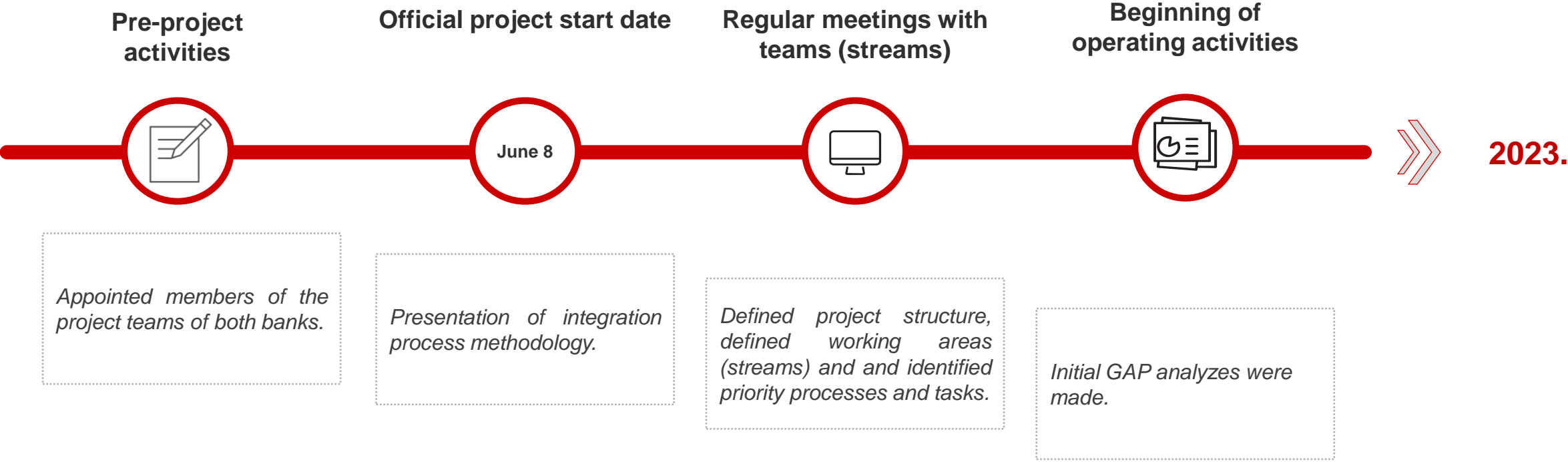
Financial statements and notes have been compiled in accordance with instructions defined in Rulebook on the content and structure of the issuer's reports for periods during the year (NN 114/2018, 27/2021, 26/2022).

HPB Group significantly strengthened by the acquisition of Nova Hrvatska banka

- On **April 14, 2022**, HPB took **control** over NHB
- Intensive acquisition activities are underway, and **integration with the parent** company is expected in 2023
- Consolidated unaudited financial statements include the financial result of NHB from the acquisition date (April 14, 2022) to the reporting date (June 30, 2022)
- This report contains all data available and known at the time of creation
- Given that post-acquisition activities (PPA and due diligence) are ongoing, during this process it is possible to obtain information that is not, nor can be, known at the moment
- This report contains the expected costs of the transaction, which are based on the estimates of the consultants, without estimating the costs of the software application, restructuring costs and other related costs, which are not known at this time
- The aforementioned circumstances may have an impact on the content of the report.



Ensured preconditions for successful NHB's integration by the end of 2023



1 Executive Summary

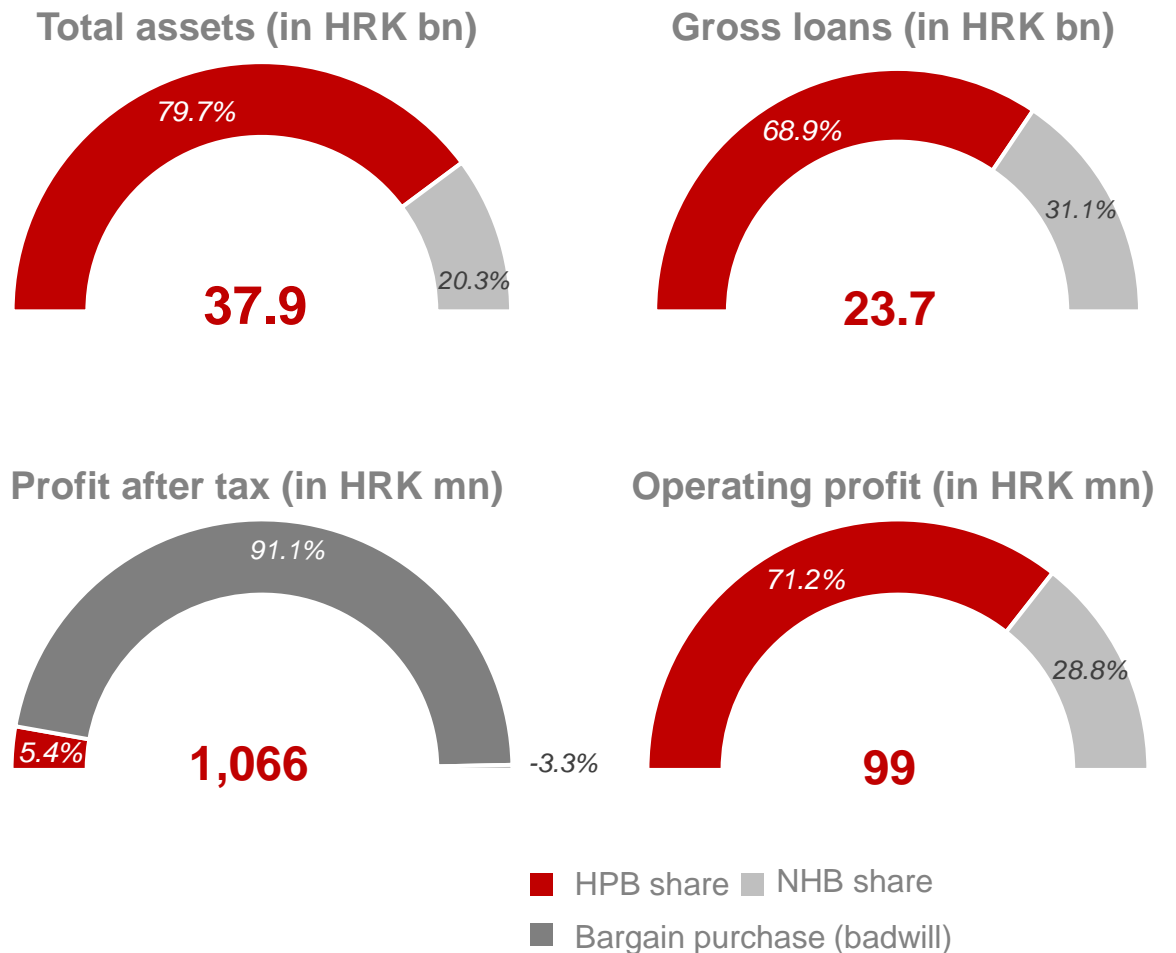
2 Macroeconomic environment

3 Financials

HPB took a strong step towards the 5th position on the market through acquisition and organic growth

- On April 14, 2022, the Bank took control of Nova Hrvatska banka (NHB); intensive acquisition activities of NHB marked the second quarter of 2022
- Increase in assets by HRK +7.7 mn due to the acquisition of NHB
- Strengthening the presence on the Croatian market (new business centres for retail and corporate clients)
- Expanded client base on HPB Group level
- Complementary and qualitative loan portfolio without significant exposure to entities from Russia, Ukraine and Belarus; additional strength for growth and expansion of business through acquired human and financial capital
- Integration activities will be carried out in parallel with the process of adopting euro, which is an absolute priority for both institutions
- Achieved 10-digit net profit at the consolidated level as a result of gain on bargain purchase (badwill) and continued profit generation at parent level.

Consolidated data HPB and NHB 30.6.2022



Significant assets and loan portfolio growth of HPB Group

NHB Financial indicators as of 30.6.2022 or for the period 14.4. – 30.6.2022

HRK (35.3) mn
Net loss for the period

HPB: Net profit HRK 57.8 mn

HRK 9.8 bn
Total assets

HPB: HRK 30.2 bn

HRK 7.4 bn
Gross loan portfolio

HPB: HRK 16.3 bn

5.3%
NPL ratio

HPB: 7.2%

70.7%
NPL coverage

HPB: 75.9%

14.7%
Capital adequacy ratio

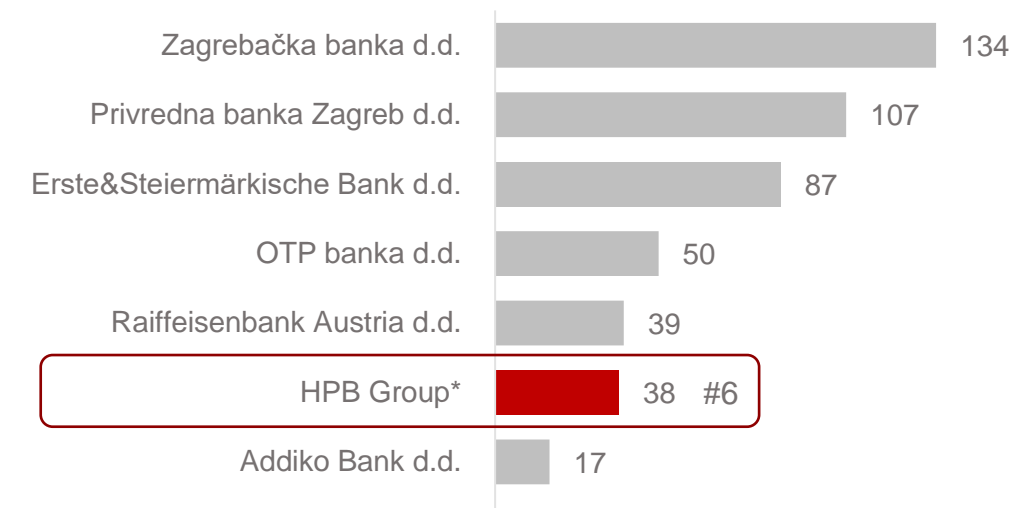
HPB: 24.0%

HPB Group made strong strides towards the Top 5 banks on the market

		30.6.2022
Assets	HRK mn	37,922
Net loans to customers	HRK mn	21,909
Deposits	HRK mn	31,049
Equity	HRK mn	3,345
NPL ratio	%	6.9
NPL coverage	%	74.4

		1.1. - 30.6.2022
Income	HRK mn	587
Net profit	HRK mn	1,066
Cost-to-income ratio	%	75.6
Return on equity (ROE)	%	31.9

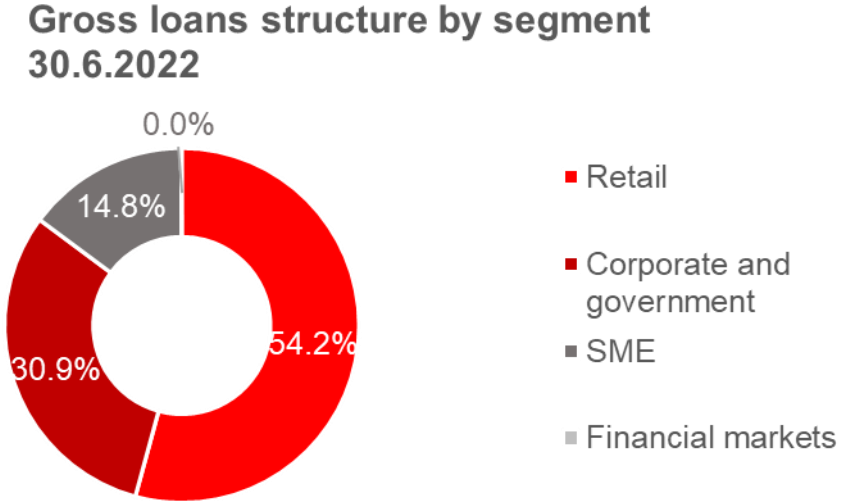
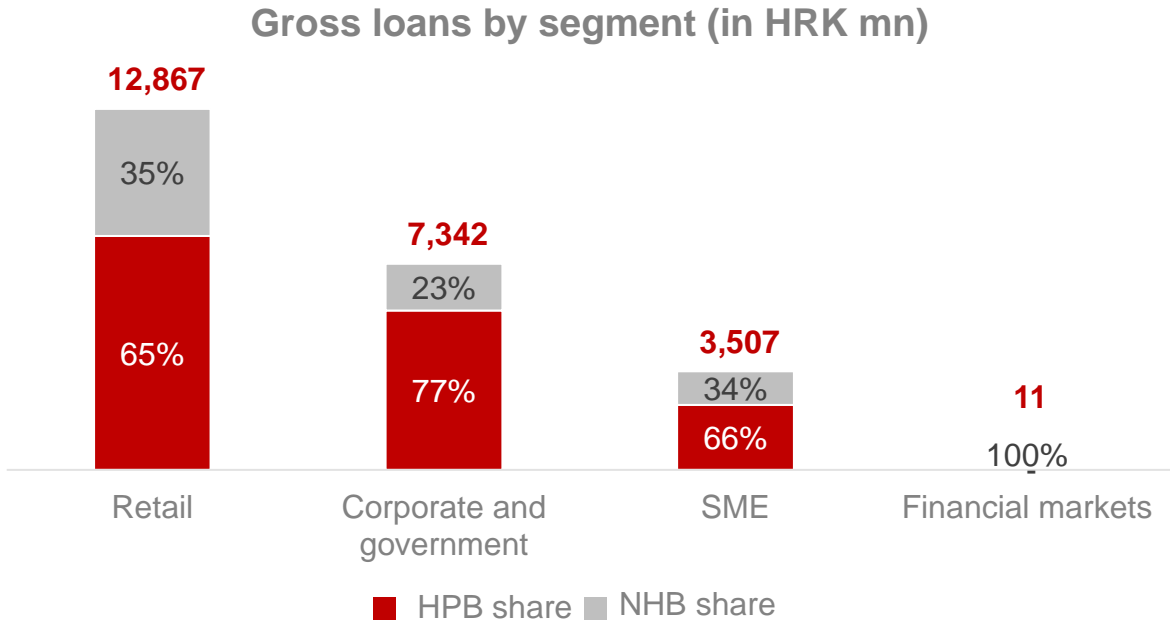
Market share by total assets as of 31.3.2022
(in HRK bn)



* Include consolidated data HPB + NHB as of 30.6.2022

- **Significant growth in assets** + HRK 7.7 bn is **opportunity to enter the top 5 banks** by total assets on the Croatian market
- **Preserved financial stability**, NHB's entrance into HPB Group stopped the **deposit outflow** caused by the geopolitical situation in Ukraine
- **Qualitative loan portfolio** with effective cost management and success in default collection resulted in a low level of NPL ratio and NPL coverage significantly above the market level
- **High net profit at consolidated level** is result of gain on bargain purchase and achieved operating profit made by HPB.

Bank's loan portfolio growth further strengthened by the acquisition



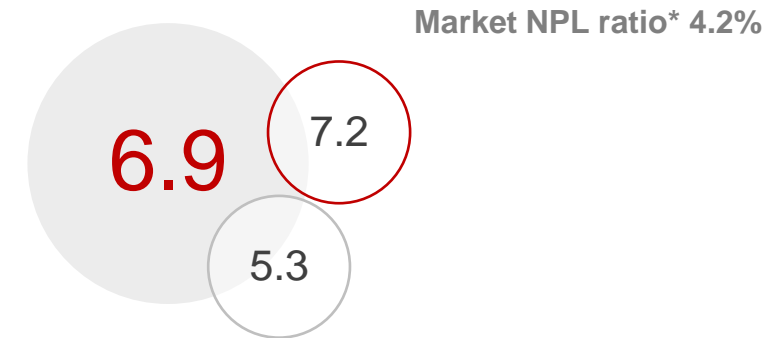
- **Gross retail loans dominate the total loans** as a result of HPB's strategic focus on this segment, with favorable financing conditions, especially in APN tranches in which HPB has a significant share
- Economy recovery enabled the implementation of acquisition activities, which resulted in further growth of total loans.

Source: HPB management reports

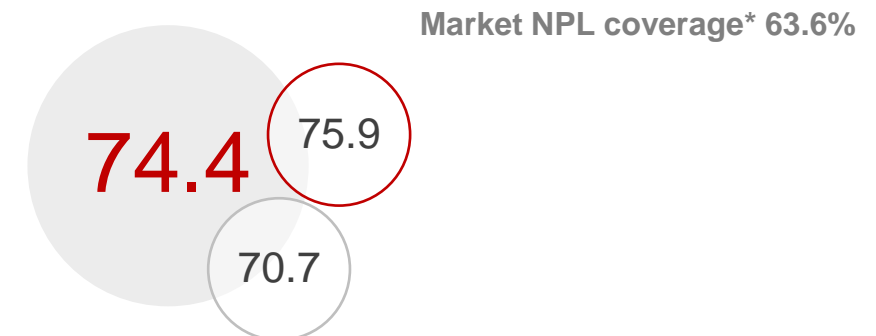
HPB's NPL ratio at a record low level

		30. 6. 2022
Exposure (total loans)	HRK mn	31,497
Total NPL stock	HRK mn	2,182
NPL %	%	6.9
Loss allowance for loans	HRK mn	(1,964)
NPL provision	HRK mn	(1,623)
PL provision	HRK mn	(340)
NPL Coverage	%	74.4
NPLs not covered by provisions	HRK mn	218

NPL ratio (in %)



NPL coverage (in %)



○ HPB ○ NHB

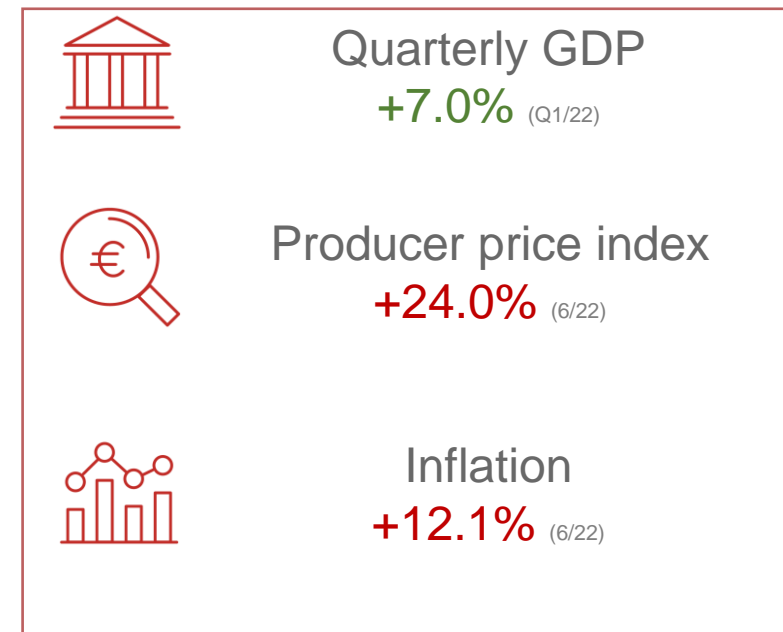
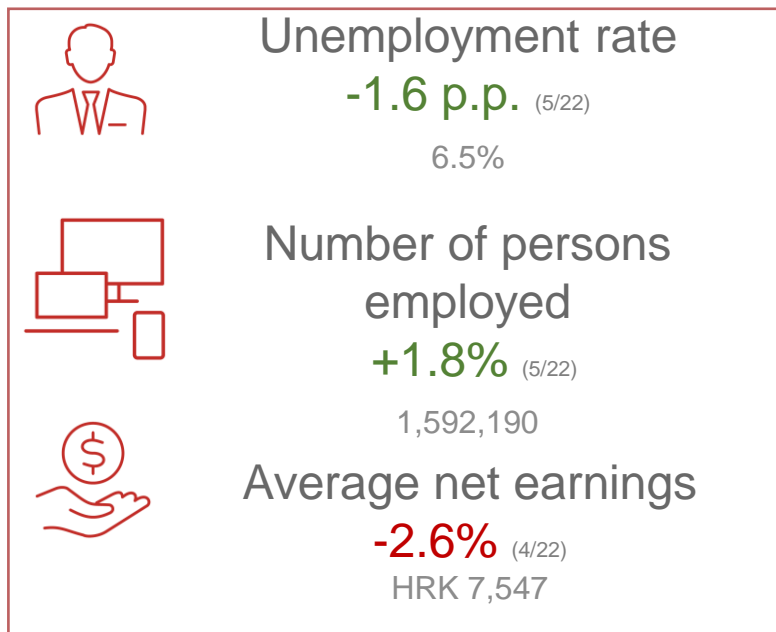
- **Complementary and qualitative loan portfolio**
- NPL coverage significantly above market average
- HPB's NPL ratio at a record low level as a result of the recovery of part of the portfolio and successful collection activities.

1 Executive Summary

2 Macroeconomic environment

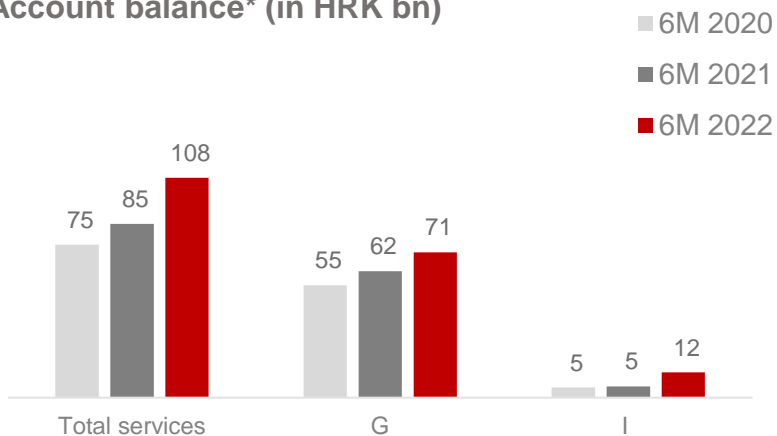
3 Financials

Economic indicators (y-o-y)

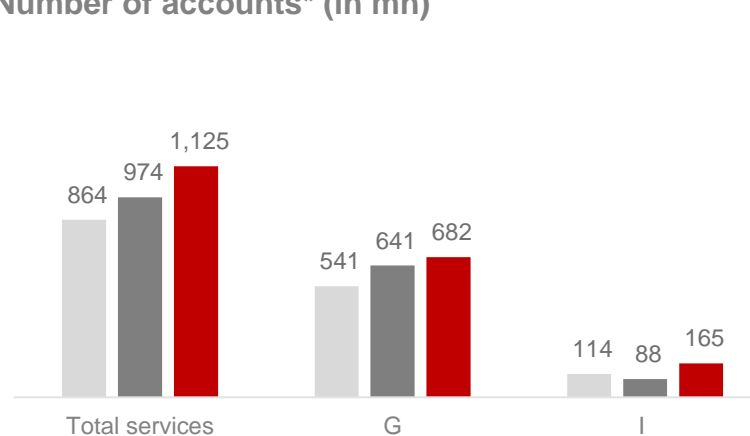


Source: Croatian Bureau of Statistics <https://www.dzs.hr/eng> (March, April, May and June 2022)

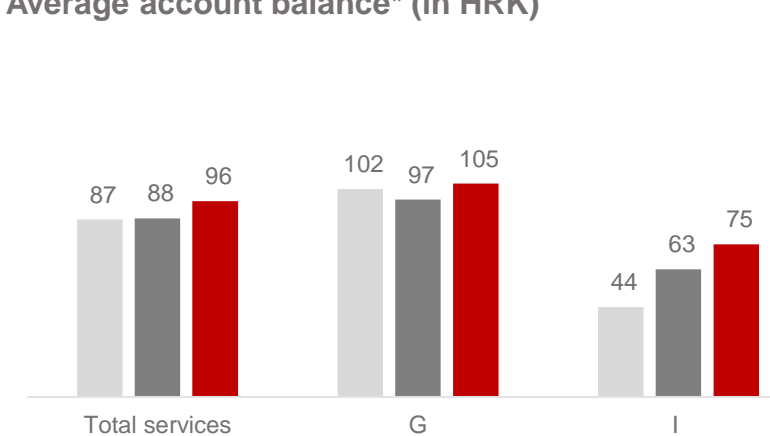
Account balance* (in HRK bn)



Number of accounts* (in mn)



Average account balance* (in HRK)



*Source: <https://www.porezna-uprava.hr/Dokumenti> (data for H1 2020, 2021 and 2022)

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

1 Executive Summary

2 Macroeconomic environment

3 Financials

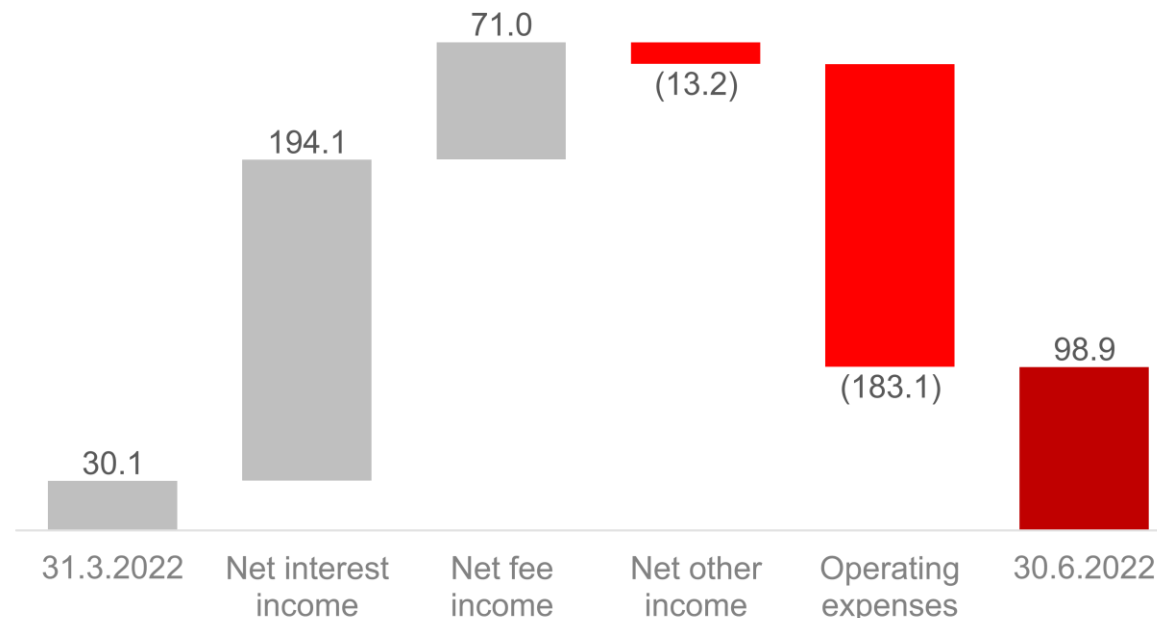
HRK 1.06 bn net profit

Credit institutions key financials – Income statement

H1 2022

Net interest income	HRK mn	319.9
Net fee loss	HRK mn	114.4
Net trading income	HRK mn	(29.2)
Net other income	HRK mn	0.4
Operating income	HRK mn	405.6
Employee expenses	HRK mn	(148.1)
Administrative expenses	HRK mn	(113.5)
Depreciation	HRK mn	(30.1)
Deposit insurance	HRK mn	(14.9)
Operating expenses	HRK mn	(306.7)
Operating profit	HRK mn	98.9
Bargain purchase (badwill)	HRK mn	1,018.8
Provisioning	HRK mn	(59.8)
Net profit	HRK mn	1,065.6
Cost-to-income ratio	%	75.6
Return on asset (ROA)	%	2.81
Return on equity (ROE)	%	31.9

Operating profit development in Q2 2022
(in HRK mn)

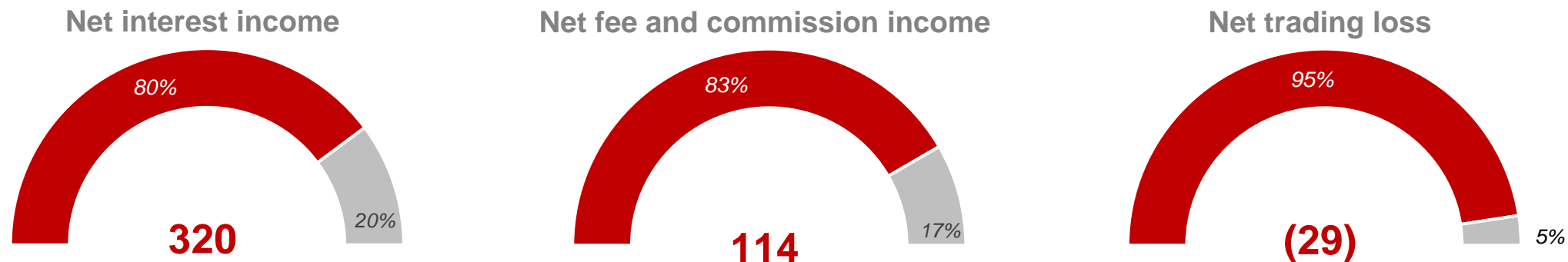


- **Record net profit of HPB Group of HRK 1.1 bn** as a result of a bargain purchase resulting from the difference between the fair value of the acquired net assets of NHB and the acquisition cost of that bank
- **HPB's operating profit in H1 2022 reduced** due to the loss from the adjustment of the book value of bonds to market prices and the absence of the effect of certain one-off transactions, while inflationary pressures and deposit insurance expenses inevitably had an impact on operating expenses
- Despite the decrease in operating profit, **HPB** continues to record solid positive results and create value for shareholders with a **net profit of HRK 57.8 mn**
- **NHB's contribution to HPB Group's operating result amounts to HRK 28.5 mn** (result after HPB took control over NHB)
- Changes in methodology and parameters for provisioning calculation to align with the group policy, as well as increased provisions for court cases (CHF loans) led NHB to a **loss of HRK - 35.3 million.**

Acquired NHB's human and financial capital led to additional strength for growth

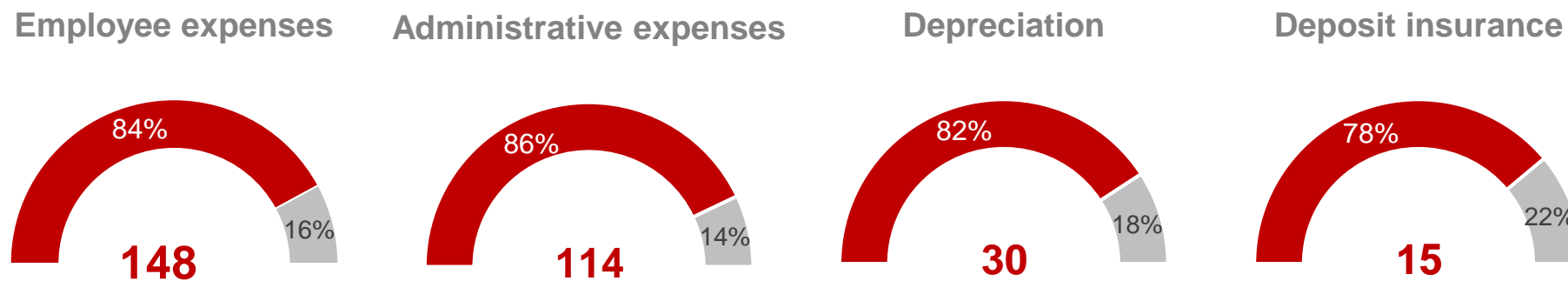
Composition of operating income (in HRK mn)

30.6.2022



Composition of operating expenses (in HRK mn)

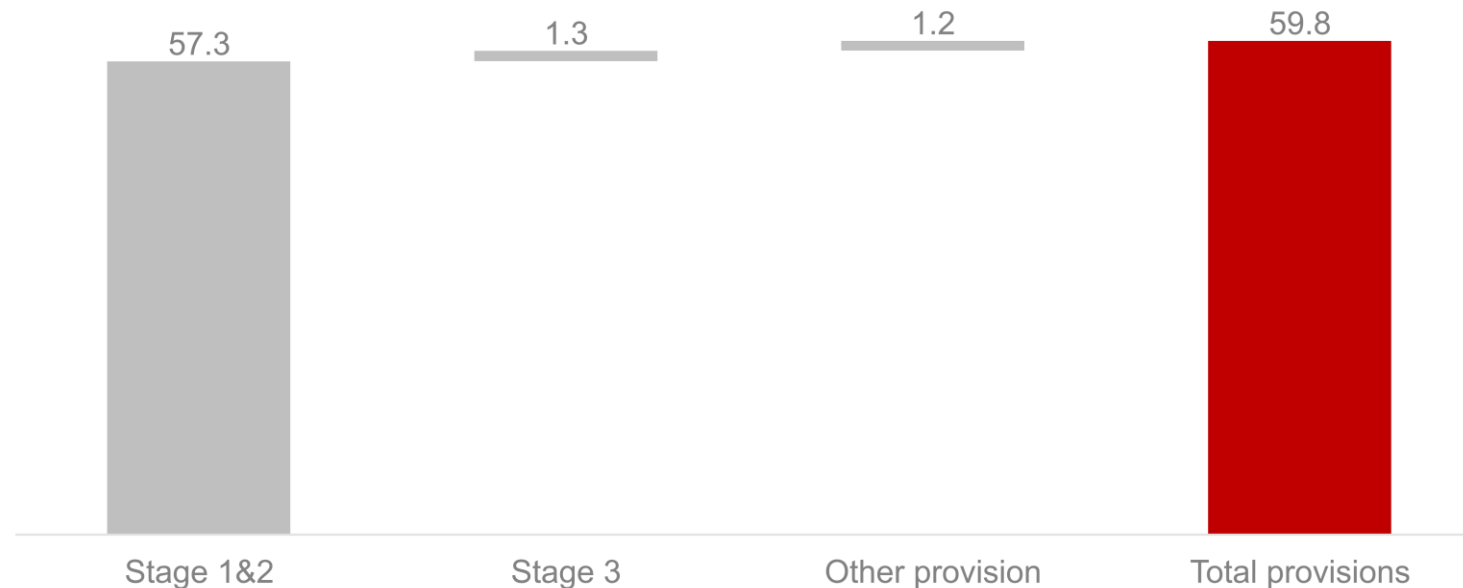
30.6.2022



Additional provisions due to alignment with the more conservative standards of the HPB Group

Structure of net provision expenses (in HRK mn)

30.6.2022



- Stage 1&2 – changes in macroeconomic parameters on NHB's performing portfolio had most significant impact
- Stage 3 - result of successful collection activities and recovery of part of the NPL portfolio
- Other provisions mostly relate to litigations; largest impact on the volume of provision expenses had the increase in legal provisions for loans in CHF in NHB portfolio.

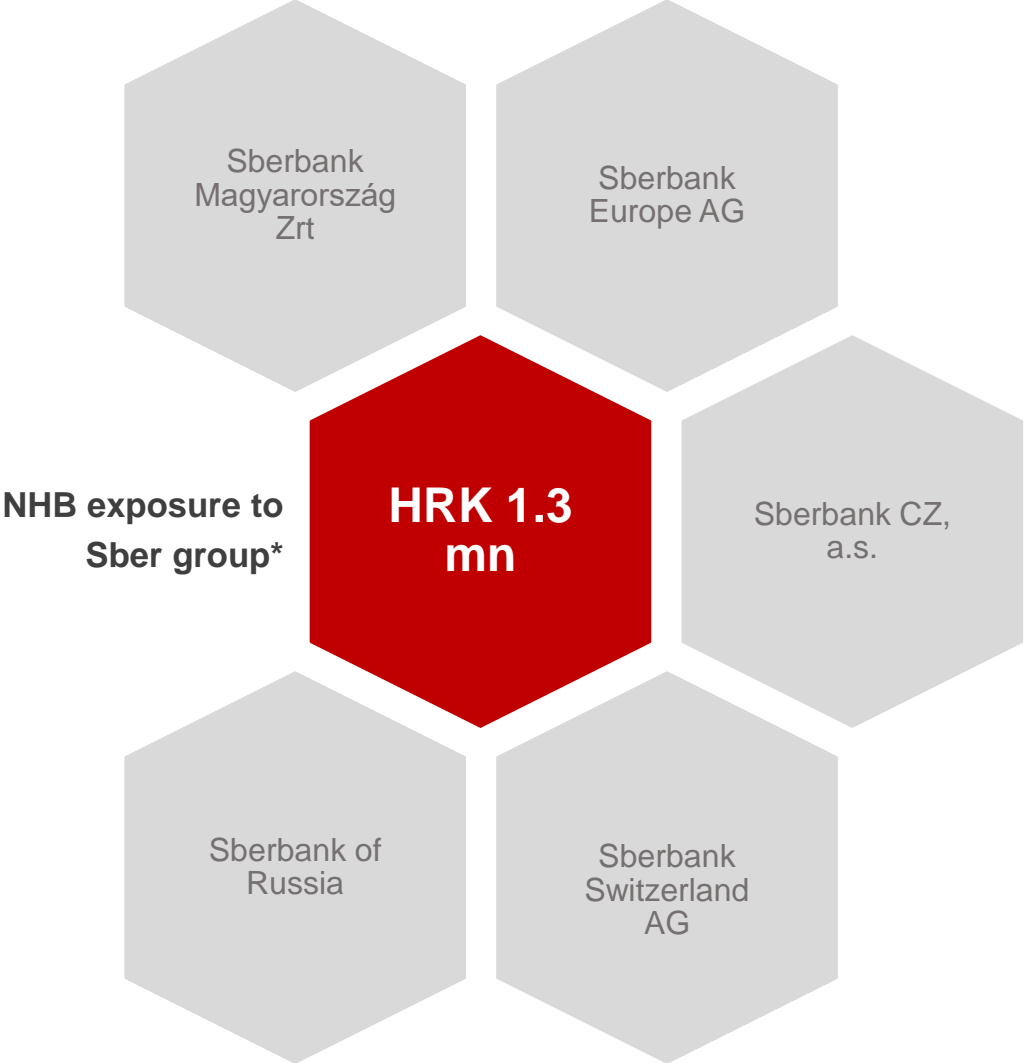
Significant assets growth along with preserved business stability

Credit institutions key financials – Balance sheet

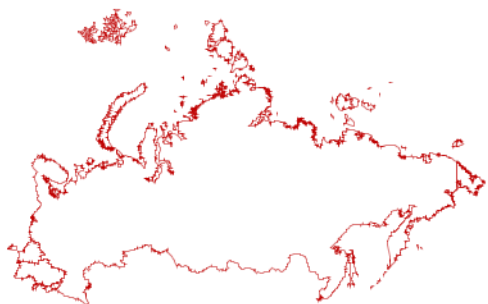
		30. 6. 2022
Liquid assets	HRK mn	9,088
Securities	HRK mn	6,093
Gross loans	HRK mn	23,727
Net loans	HRK mn	21,909
Other assets	HRK mn	831
Total assets	HRK mn	37,922
Deposits	HRK mn	31,049
Loan liabilities	HRK mn	2,692
Other liabilities	HRK mn	837
Total liabilities	HRK mn	34,577
Paid-in capital	HRK mn	1,215
Accumulated other comprehensive income	HRK mn	(126)
Retained earnings or loss carried forward	HRK mn	488
Other reserves	HRK mn	702
Profit or loss for the year	HRK mn	47
Badwill (Gain on bargain purchase)	HRK mn	1,019
Equity and reserves	HRK mn	3,345
Loan-to-deposit ratio	%	70.6
NPL ratio	%	6.9
NPL coverage	%	74.4

- The acquisition of NHB resulted in a significant increase in assets, which brings **HPB Group closer to the top 5 banks by total assets on the Croatian market**
- **Preserved financial stability and maintained stable liquidity position in NHB** despite the high level of uncertainty following the Russia's invasion of Ukraine
- Deposit outflow in NHB was stopped, retail segment in particular, after the end of resolution procedure and change in the ownership structure.

Russia's invasion of Ukraine without significant impact on HPB Group's operations



- Russia's invasion of Ukraine did not have a significant impact on the financial statements of HPB Group



NHB has low exposure to entities in Russia (0.45%) and negligible exposure to entities in Ukraine and Belarus.

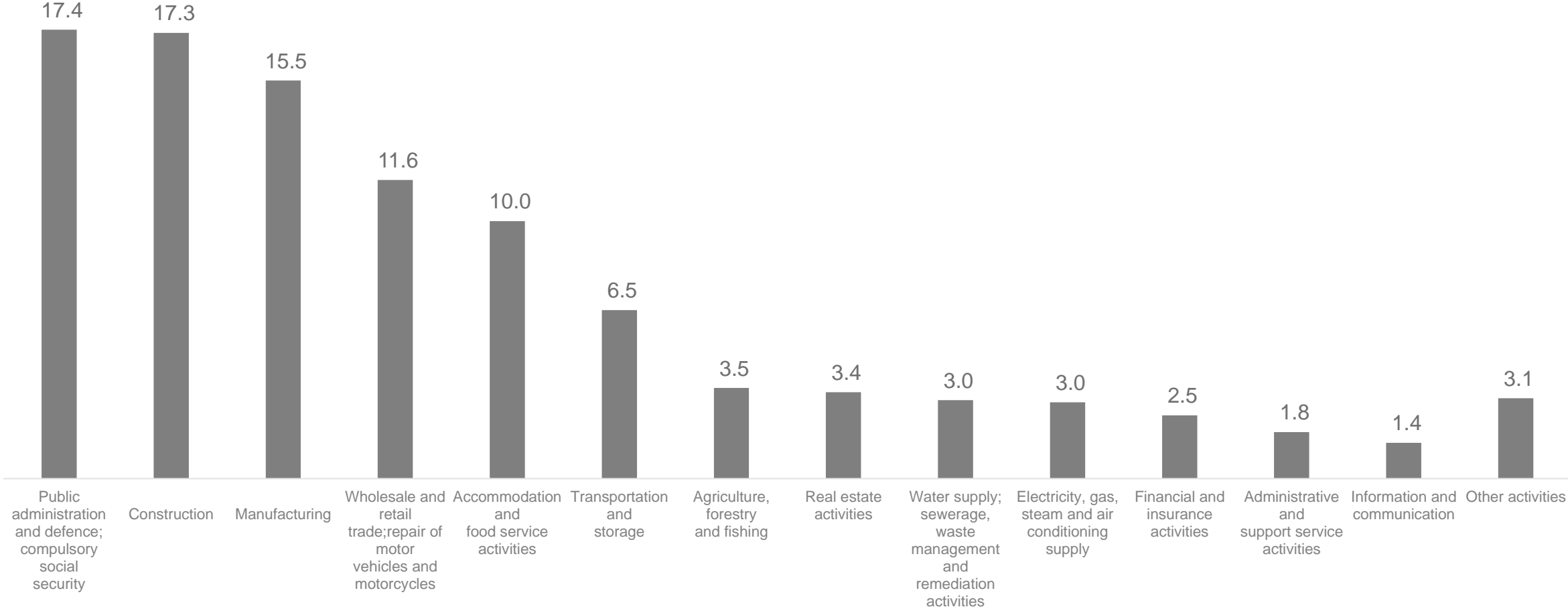


HPB has no exposure to entities in Belarus, and has minimal exposure to entities in Russia and Ukraine (0.00003%)

* On July 4, 2022, loan and deposit relationship between NHB and thus HPB Group and Sberbank Europe AG was completely terminated, <https://eho.zse.hr/en/issuer-announcements/view/44467>

HPB Group supports development of the Croatian economy

Corporate gross loans per industry (in %)
30.6.2022



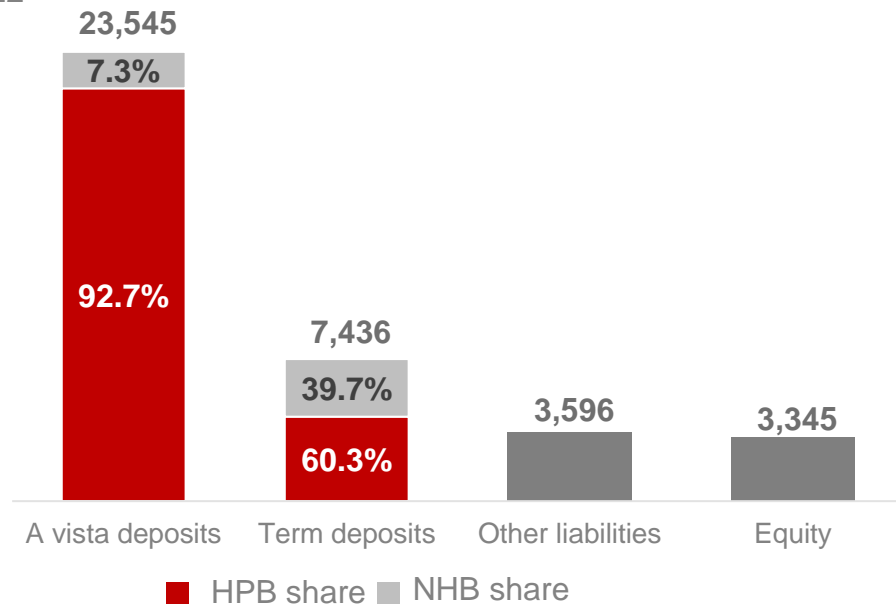
Source: HPB management reports



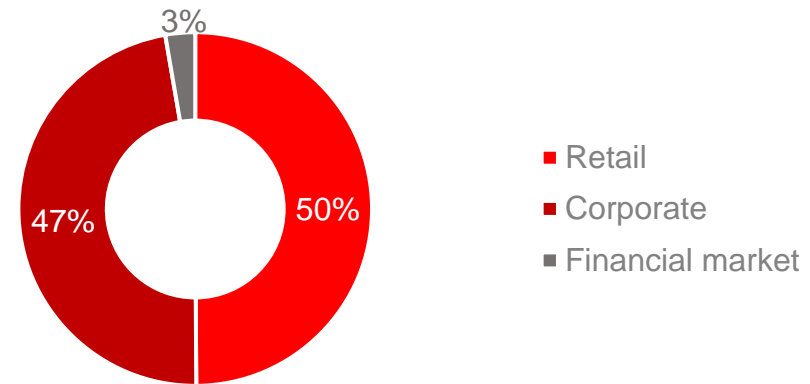
Preserved financial stability of Croatian banking market

Composition of equity and liabilities (in HRK mn)

30.6.2022



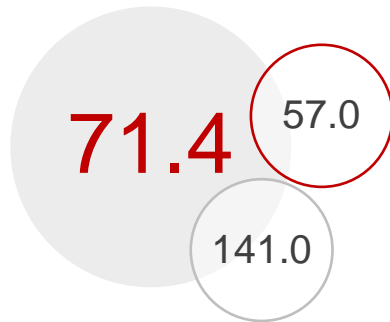
Deposit structure 30.6.2022



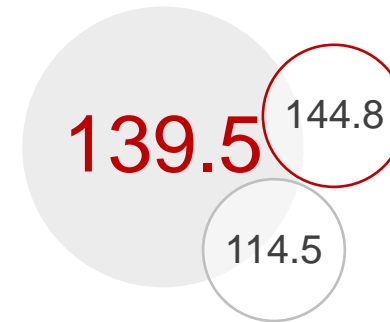
- **Achieved funding synergies** – NHB’s acquisition and change in ownership structure stopped deposit outflows caused by Russia’s invasion of Ukraine
- **Customer deposits are key financing source (81.7%)**; a vista deposits dominate in the structure of HPB's deposits (83.0%), while in the NHB’s structure term deposits make up the majority (72.2%) due to longer fixed terms and attractive interest rates
- Other liabilities relate primarily to loans received from credit institutions – CBRD, CNB repo loans and foreign financial institutions.

Financial and liquidity position in the HPB Group maintained stable

Loan/deposit ratio (in %)



LCR (in %)



○ HPB ○ NHB

- Slightly higher level of the loan-to-deposit ratio at the consolidated level due to the temporary deposits outflow at the end of the first and the beginning of the second quarter due to the impact of the geopolitical situation in Europe on NHB's operations
- Liquidity at a solid level with a liquidity coverage ratio of 139.5%
- Customer deposits dominate funding mix with a share of 81.4%.

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 unaudited financial statements for the period from January 1 to June 30, 2022, 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

Chief Executive Officer

Anto Mihaljević

Member of the Management Board

Ivan Soldo

Member of the Management Board



Management report of Hrvatska poštanska Banka p.l.c.

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

The HPB Group's net profit after tax is HRK 1,066.6 million. The Group's result relates largely to the results of the parent company in the amount of HRK 57.8 million, while Nova hrvatska banka made a net loss of HRK - 35.3 million, HPB Invest a net loss of HRK - 31.3 thousand and HPB-Nekretnine a net profit of HRK 1.6 million.

Marko Badurina

President of the Management Board

Anto Mihaljević

Member of the Management Board

Ivan Soldo

Member of the Management Board

Annex 1

ISSUER'S GENERAL DATA

Reporting period:

1.1.2022

do

30.6.2022

Year:

2022

Quarter:

2

Quarterly 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 STREET 4

E-mail address: hpb@hpb.hr

Web address: www.hpb.hr

Number of employees
(end of the reporting

1758

Consolidated report: KD

(KN-not consolidated/KD-consolidated)

Audited: RN

(RN-not audited/RD-audited)

Names of subsidiaries (according to IFRS):

Registered office:

MB:

HPB Invest d.o.o.	Strojarska 20, 10000 Zagreb	01972278
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HPB-nekretnine d.o.o.	Ulica Milana Amruša 8, 10000 Zagreb	01972260
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Nova hrvatska banka d.d.	Varšavska ulica 9, 10000 Zagreb	080126398
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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:

(name of the audit firm)

Certified auditor:

(name and surname)

BALANCE SHEET
as at June 30, 2022

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	6,177,641,914	7,182,669,657
Cash in hand	002	1,422,548,361	1,473,281,701
Cash balances at central banks	003	4,339,757,848	5,398,668,791
Other demand deposits	004	415,335,705	310,719,165
Financial assets held for trading (from 6 to 9)	005	616,670,614	512,867,142
Derivatives	006	-	1,490,810
Equity instruments	007	105,639,274	94,298,480
Debt securities	008	511,031,340	417,077,852
Loans and advances	009	-	-
Non-trading financial assets mandatorily at fair value through profit or loss (from 11 to 13)	010	9,316,729	8,926,433
Equity instruments	011	-	-
Debt securities	012	-	-
Loans and advances	013	9,316,729	8,926,433
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	4,601,319,906	3,519,401,142
Equity instruments	018	48,896,784	27,436,178
Debt securities	019	4,552,423,122	3,491,964,964
Loans and advances	020	-	-
Financial assets at amortised cost (22 + 23)	021	15,955,565,325	25,870,900,426
Debt securities	022	454,371	2,060,548,527
Loans and advances	023	15,955,110,954	23,810,351,899
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	311,192,057	372,624,192
Intangible assets	028	93,395,736	216,070,466
Tax assets	029	642,640	117,048,303
Other assets	030	60,114,393	86,751,768
Fixed assets and disposal groups classified as held for sale	031	9,200,000	32,001,100
Total assets (1 + 5 + 10 + 14 + 17 + 21 + from 24 to 31)	032	27,835,059,357	37,919,260,672
Liabilities			
Financial liabilities held for trading (from 34 to 38)	033	-	3,765,990
Derivatives	034	-	3,765,990
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	24,842,134,412	33,891,597,262
Deposits	044	24,747,710,461	33,732,360,043
Debt securities issued	045	-	-
Other financial liabilities	046	94,423,951	159,237,219
Derivatives - hedge accounting	047	-	-
Fair value changes of the hedged items in portfolio hedge of interest rate risk	048	-	-
Provisions	049	89,416,940	362,771,140
Tax liabilities	050	64,392,779	4,403,882
Share capital repayable on demand	051	-	-
Other liabilities	052	182,369,233	304,752,832
Liabilities included in disposal groups classified as held for sale	053	-	-
Total liabilities (33 + 39 + 43 + from 47 to 53)	054	25,178,313,364	34,567,291,106
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	240,193,702	125,888,263
Retained profit	060	297,151,162	493,992,836
Revaluation reserves	061	-	-
Other reserves	062	702,479,141	702,479,141
(-) Treasury shares	063	(477,000)	-
Profit or loss attributable to owners of the parent	064	202,623,988	1,066,610,853
(-) Interim dividends	065	-	-
Minority interests [non-controlling interests]	066	-	-
Total equity (from 55 to 66)	067	2,656,745,993	3,351,969,567
Total equity and liabilities (54 + 67)	068	27,835,059,357	37,919,260,673

STATEMENT OF PROFIT AND LOSS
for the period January 01, 2022 to June 30, 2022

Submitter: Hrvatska poštanska banka p.l.c.

in HRK

Item	AOP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
Interest income	001	287,010,146	143,235,248	344,206,272	212,454,928
(Interest expenses)	002	18,921,614	8,927,817	26,817,423	19,935,028
(Expenses on share capital repayable on demand)	003	-	-	-	-
Dividend income	004	1,077,695	1,077,695	1,090,684	1,062,232
Fees and commissions income	005	223,141,627	117,029,726	260,179,015	152,101,785
(Fees and commissions expenses)	006	130,055,834	67,898,061	141,816,028	79,403,546
Gains or (-) losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	007	169,597	75,768	2,286,048	-
Gains or (-) losses on financial assets and liabilities held for trading, net	008	27,721,428	12,960,908	(24,396,038)	(9,481,705)
Gains or losses on non-trading financial assets mandatorily at fair value through profit or loss, net	009	29,175,562	27,815,520	124,073	57,446
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	(4,115,310)	(819,326)	(11,127,330)	(7,817,189)
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	-	-	960	960
Other operating income	015	6,174,530	3,458,925	21,384,495	17,074,161
(Other operating expenses)	016	5,706,669	3,357,426	7,359,594	5,584,597
Total operating income, net (1 – 2 – 3 + 4 + 5 – 6 + from 7 to 15 – 16)	017	415,671,158	224,651,160	417,755,134	260,529,447
(Administrative expenses)	018	196,495,423	101,567,580	267,016,957	162,994,695
(Cash contributions to resolution boards and deposit guarantee schemes)	019	6,958,179	4,216,929	14,918,143	11,439,054
(Depreciation)	020	34,126,132	16,947,337	44,261,811	26,343,402
Modification gains or (-) losses, net	021	(1,457,954)	1,851,610	(3,666,444)	(875,698)
(Provisions or (-) reversal of provisions)	022	22,472,806	19,260,570	13,657,892	8,926,912
(Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss)	023	(24,992,891)	(45,264,569)	27,870,345	35,667,528
(Impairment or (-) reversal of impairment of investments in subsidiaries, joint ventures and associates)	024	-	-	-	-
(Impairment or (-) reversal of impairment on non-financial assets)	025	-	-	6,057,464	6,057,464
Negative goodwill recognised in profit or loss	026	-	-	1,018,765,149	1,018,765,149
Share of the profit or (-) loss 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	179,153,555	129,784,923	1,059,071,227	1,026,989,843
(Tax expense or (-) income related to profit or loss from continuing operations)	030	31,640,211	22,914,896	(7,539,626)	(8,552,038)
Profit or (-) loss after tax from continuing operations (29 – 30)	031	147,513,344	106,870,027	1,066,610,853	1,035,541,881
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	147,513,344	106,870,027	1,066,610,853	1,035,541,881
Attributable to minority interest [non-controlling interests]	036	-	-	-	-
Attributable to owners of the parent	037	147,513,344	106,870,027	1,066,610,853	1,035,541,881
STATEMENT OF OTHER COMPREHENSIVE INCOME					
Income or (-) loss for the current year	038	147,513,344	106,870,027	1,066,610,853	1,035,541,881
Other comprehensive income (40 + 52)	039	(15,771,394)	(19,795,737)	(366,081,965)	(194,947,853)
Items that will not be reclassified to profit or loss (from 41 to 47 + 50 + 51)	040	(457,723)	-	-	-
Tangible assets	041	-	-	-	-
Intangible assets	042	-	-	-	-
Actuarial gains or (-) losses on defined benefit pension plans	043	-	-	-	-
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 income, net	047	-	-	-	-
Fair value changes of equity instruments measured at fair value through other comprehensive income [hedged item]	048	-	-	-	-
Fair value changes of equity instruments measured at fair value through other comprehensive income [hedging instrument]	049	-	-	-	-
Fair value changes of financial liabilities measured at fair value through profit or loss attributable to changes in their credit risk	050	-	-	-	-
Income tax relating to items that will not be reclassified	051	(457,723)	-	-	-
Items that may be reclassified to profit or loss (from 53 to 60)	052	(15,313,671)	(19,795,737)	(366,081,965)	(194,947,853)
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	(18,675,208)	(24,141,142)	(446,949,152)	(238,030,223)
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	3,361,537	4,345,405	80,867,187	43,082,370
Total comprehensive income for the current year (38 + 39; 62 + 63)	061	131,741,950	87,074,290	700,528,888	840,594,028
Attributable to minority interest [non-controlling interest]	062	-	-	-	-
Attributable to owners of the parent	063	131,741,950	87,074,290	700,528,888	840,594,028

STATEMENT OF CASH FLOW
for the period January 01, 2022 to June 30, 2022

Submitter: Hrvatska poštanska banka p.l.c.

in HRK

Item	AOP code	Same period of the previous year	Current period
1	2	3	4
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	179,153,555	1,059,071,227
Adjustments:			
Impairment and provisions	010	1,062,131	45,194,681
Depreciation	011	34,126,132	44,261,811
Net unrealised (gains)/losses on financial assets and liabilities at fair value through statement of profit or loss	012	(57,066,587)	21,985,917
(Profit)/loss from the sale of tangible assets	013	-	-
Other non-cash items	014	(268,088,532)	(317,388,849)
Promjene u imovini i obvezama iz poslovnih aktivnosti			
Deposits with the Croatian National Bank	015	(55,561,516)	(105,854,171)
Deposits with financial institutions and loans to financial institutions	016	126,724,669	-
Loans and advances to other clients	017	164,363,340	(7,465,911,646)
Securities and other financial instruments at fair value through other comprehensive income	018	(208,660,022)	0
Securities and other financial instruments held for trading	019	57,603,783	390,296
Securities and other financial instruments at fair value through statement of profit or loss, not traded	020	20,000,000	-
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	(877,887)	(2,060,094,156)
Other assets from operating activities	023	2,555,866	(27,818,887)
Deposits from financial institutions	024	(135,636,590)	286,814,664
Transaction accounts of other clients	025	982,574,881	6,850,323,508
Savings deposits of other clients	026	986,663,638	2,470,931,128
Time deposits of other clients	027	(554,268,402)	(401,358,871)
Derivative financial liabilities and other liabilities held for trading	028	(3,927,388)	68,579,258
Other liabilities from operating activities	029	274,542,271	109,924,312
Interest received from operating activities [indirect method]	030	287,010,146	344,206,272
Dividends received from operating activities [indirect method]	031	-	1,090,684
Interest paid from operating activities [indirect method]	032	(18,921,614)	(26,817,423)
(Income tax paid)	033	-	5,782,313
Net cash flow from operating activities (from 1 to 33)	034	1,557,798,274	891,747,442
Investing activities			
Cash receipts from the sale / payments for the purchase of tangible and intangible assets	035	(39,984,754)	(251,169,776)
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	877,887	-
Other receipts/payments from investing activities	039	-	-
Net cash flow from investing activities (from 35 to 39)	040	(40,862,641)	(251,169,776)
Financing activities			
Net increase/(decrease) in loans received from financing activities	041	289,244,441	51,071,660
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	-	681,600
Net cash flow from financing activities (from 41 to 46)	047	289,244,441	51,753,260
Net increase/(decrease) of cash and cash equivalents (34 + 40 + 47)	048	1,806,180,074	692,330,926
Cash and cash equivalents at the beginning of period	049	4,091,821,698	6,595,426,694
Effect of exchange rate fluctuations on cash and cash equivalents	050	(4,115,310)	(11,127,330)
Cash and cash equivalents at the end of period (48 + 49 + 50)	051	5,893,886,462	7,276,630,290

STATEMENT OF CHANGES IN EQUITY
for the period January 01, 2022 to June 30, 2022

In HRK

Item	AOP code	Attributable to owners of the parent										Non-controlling interest		Total	
		Equity	Share premium	Equity instruments issued other than capital	Other equity	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
		3	4	5	6	7	8	9	10	11	12	13	14	15	16
Opening balance (before restatement)	001	1,214,775,000	-	-	-	240,193,702	297,151,162	-	702,479,141	(477,000)	202,623,987	-	-	-	2,856,745,992
Effects of error corrections	002	-	-	-	-	-	(5,782,313)	-	-	-	-	-	-	-	(5,782,313)
Effects of changes in accounting policies	003	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Opening balance (current period) (1 + 2 + 3)	004	1,214,775,000	-	-	-	240,193,702	291,368,849	-	702,479,141	(477,000)	202,623,987	-	-	-	2,850,963,679
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	-	-	-	-	-	-	-	-	(204,600)	-	-	-	-	(204,600)
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	-	-	-	-	-	202,623,987	-	-	-	(202,623,987)	-	-	-	-
Equity increase or (-) decrease resulting from business combinations	017	-	-	-	-	-	-	-	-	681,600	-	-	-	-	681,600
Share based payments	018	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other increase or (-) decrease in equity	019	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the current year	020	-	-	-	-	(366,081,965)	-	-	-	-	1,066,610,853	-	-	-	700,528,888
Closing balance (current period) (from 4 to 20)	021	1,214,775,000	-	-	-	(125,888,263)	493,992,836	-	702,479,141	-	1,066,610,853	-	-	-	3,351,969,967

Notes to financial statements

1) INTEREST INCOME		in HRK			
AOP 001	Same period of the previous year		Current period 01.01. – 30.06.2022.		
	01.01.-30.06.2021.				
	Cumulative	Quarter	Cumulative	Quarter	
Debt securities	39,340,466	19,843,714	38,714,851	21,093,647	
Loans and advances	247,665,494	123,387,674	305,328,932	191,208,344	
Other assets	3,860	3,860	134,677	126,363	
Deposits	326	-	27,813	26,574	
Other liabilities	-	-	-	-	
Total	287,010,146	143,235,248	344,206,272	212,454,928	
2) INTEREST EXPENSE		in HRK			
AOP 002	Same period of the previous year		Current period 01.01. – 30.06.2022.		
	01.01.-30.06.2021.				
	Cumulative	Quarter	Cumulative	Quarter	
Debt securities	-	-	-	-	
Loans and advances	1,321,489	716,432	3,587,171	2,693,776	
Other assets	-	-	-	-	
Deposits	17,586,879	8,209,793	23,046,481	17,085,361	
Other liabilities	3,246	1,682	183,771	155,888	
Total	18,921,614	8,927,917	26,817,422	19,935,025	
3) FEE AND COMMISSION INCOME		in HRK			
AOP 005	Same period of the previous year		Current period 01.01. – 30.06.2022.		
	01.01.-30.06.2021.				
	Cumulative	Quarter	Cumulative	Quarter	
Securities	1,457,267	744,509	1,591,833	930,290	
Asset management	21,643	10,138	12,328	6,094	
Custody (according to the type of client)	2,596,218	1,356,267	2,518,814	1,263,135	
Loan commitments	17,295	5,902	515,161	510,201	
Other	219,059,204	114,912,912	255,440,879	149,392,065	
Total	223,141,627	117,029,728	260,179,015	156,101,785	
4) FEE AND COMMISSION EXPENSE		in HRK			
AOP 006	Same period of the previous year		Current period 01.01. – 30.06.2022.		
	01.01.-30.06.2021.				
	Cumulative	Quarter	Cumulative	Quarter	
Bank clearing and settlement	982,481	536,238	5,486,354	4,851,136	
Other	139,673,363	67,891,834	136,329,473	74,559,410	
Total	139,655,844	67,898,081	141,815,028	79,403,546	
5) GAIN/LOSSES ON TERMINATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES		in HRK			
AOP 007	Same period of the previous year		Current period 01.01. – 30.06.2022.		
	01.01.-30.06.2021.				
	Cumulative	Quarter	Cumulative	Quarter	
Debt securities	-	-	2,118,089	-	
Loans and advances	-	-	-	-	
Deposits	-	-	-	-	
Debt Securities Issued	-	-	-	-	
Other financial liabilities	169,597	75,768	167,959	-	
Total	169,597	75,768	2,286,048	-	
6) GAINS OR (-) LOSSES ON FINANCIAL ASSETS AND LIABILITIES HELD FOR TRADING		in HRK			
AOP 008	Same period of the previous year		Current period 01.01. – 30.06.2022.		
	01.01.-30.06.2021.				
	Cumulative	Quarter	Cumulative	Quarter	
Equity instruments	7,136,717	2,806,825	(11,356,251)	(7,944,651)	
Debt securities	(4,087,657)	(2,763,481)	(51,939,077)	(27,398,439)	
FX transactions and derivatives	24,672,367	13,917,564	38,899,290	25,861,383	
Total	27,721,427	13,960,908	(24,396,038)	(9,481,705)	
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 year		Current period 01.01. – 30.06.2022.		
	01.01.-30.06.2021.				
	Cumulative	Quarter	Cumulative	Quarter	
Equity instruments	30,800,000	30,800,000	-	(66,627)	
Debt securities	-	-	-	-	
Loans and advances	(1,624,438)	(2,984,490)	124,073	124,073	
Total	29,175,562	27,815,510	124,073	57,446	
8) OPERATING EXPENSES		in HRK			
AOP 015 & AOP 017 & AOP 018		Same period of the previous year		Current period 01.01. – 30.06.2022.	
		01.01.-30.06.2021.			
		Cumulative	Quarter	Cumulative	Quarter
Other operating expenses	6,108,831	3,759,388	7,259,384	5,584,598	
Administrative expenses	196,495,421	101,557,579	267,016,957	162,994,695	
Employee expenses	118,123,337	59,431,160	151,054,835	89,359,264	
Other administrative expenses	73,372,084	42,133,419	115,962,122	73,035,431	
(Contributions in cash rehabilitation committees and Deposit Insurance Scheme)	6,958,179	4,216,929	14,918,144	11,439,054	
Amortization	33,724,172	16,545,377	44,261,810	26,343,402	
Property, plant and equipment	21,275,304	10,283,394	24,931,572	14,719,109	
Investment property	-	-	-	-	
Other intangible assets	12,448,868	6,261,983	19,330,239	11,624,293	
Total	243,286,403	126,079,272	333,556,805	206,361,747	
9) IMPAIRMENT LOSSES AND PROVISION EXPENSES		in HRK			
AOP 019 & AOP 020 & AOP 021 & AOP 023		Same period of the previous year		Current period 01.01. – 30.06.2022.	
		01.01.-30.06.2021.			
		Cumulative	Quarter	Cumulative	Quarter
Modification gains or (-) losses, net	(1,457,954)	1,851,610	(3,666,444)	(875,698)	
Financial assets at fair value through other comprehensive income	-	-	-	-	
Financial assets at amortized cost	(1,457,954)	1,851,610	(3,666,444)	(875,698)	
(Provisions or (-) reversal of provisions)	22,472,806	19,260,570	13,657,892	8,926,912	
Liabilities towards resolution committees and deposit insurance systems	-	-	-	-	
(Liabilities and Guarantees)	7,078,587	4,164,052	20,945,774	16,156,766	
(Other Provisions)	15,394,220	15,096,518	(7,287,882)	(7,229,855)	
(Impairment or (-) reversal of impairment on financial assets that are not measured at fair value through profit or loss)	(24,992,891)	(45,264,570)	27,870,345	35,667,529	
(Financial assets at fair value through other comprehensive income)	(1,373,211)	(1,704,962)	(13,020,824)	(7,421,930)	
(Financial assets at amortized cost)	(23,619,680)	(43,559,608)	40,891,170	43,089,459	
(Impairment or (-) reversal of impairment of investments in subsidiaries, joint ventures, and associates)	-	-	-	-	
(Impairment or (-) reversal of impairment off non-financial assets)	-	-	6,057,464	6,057,464	
(Property, plant and equipment)	-	-	1,081,611	1,081,611	
(Investment property)	-	-	-	-	
(Goodwill)	-	-	-	-	
(Other intangible assets)	-	-	4,975,853	4,975,853	
(Other)	-	-	-	-	
Total	(1,062,131)	(27,855,609)	51,252,145	51,827,602	
10) LOANS AND ADVANCES		in HRK			
AOP 023	31.12.2021.		30.06.2022.		
	Stage 1	Stage 2	Stage 3	Stage 2	Stage 3
Central banks	1,326,441,533	-	-	1,734,980,675	-
Gross loans	1,326,441,533	-	-	1,734,925,219	-
Allowance	-	-	-	(344,544)	-
Government	3,442,687,361	27,214,597	-	3,500,835,676	39,228,201
Gross loans	3,458,836,667	27,813,410	92,006	3,507,097,961	39,808,594
Allowance	(15,949,306)	(998,813)	(92,006)	(6,262,285)	(80,306)
Credit institutions	277,690,317	-	-	12,657,696	17,702
Gross loans	117,158	-	-	392,941	18,082
Allowance	(0)	-	-	(78)	(380)
Deposits	278,323,532	-	-	12,268,020	-
Allowance	(50,373)	-	-	(2,887)	-
Other financial institutions	170,320,447	122	-	270,552,496	115,911
Gross loans	169,489,050	122	-	255,495,961	117,149
Allowance	(2,059,031)	(0)	-	(1,634,005)	(1,538)
Deposits	12,188,549	-	-	17,106,515	-
Allowance	(28,121)	-	-	(419,076)	-
Non - financial institutions	1,635,385,261	770,088,173	615,079,209	4,886,569,487	902,856,036
Gross loans	1,661,243,557	836,572,244	1,333,341,814	4,933,641,265	965,591,986
Allowance	(25,858,296)	(66,484,071)	(718,262,605)	(1,047,071,778)	(62,735,950)
Retail	7,096,376,085	372,303,977	221,121,872	11,217,511,057	730,572,373
Gross loans	7,190,592,928	413,905,430	831,400,100	11,345,213,873	804,124,740
Allowance	(94,214,843)	(41,631,453)	(610,278,228)	(1,127,702,816)	(73,552,366)
Total	13,949,303,005	1,169,606,669	836,201,081	21,602,707,269	1,672,790,223
11) NON-TRADING FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	in HRK				
AOP 013	31.12.2021.	30.06.2022.			
Central banks	-	-			
Local state	-	-			
Credit institutions	-	-			
Other financial institutions	-	-			
Non - financial institutions	2,895,165	2,670,895			
Retail	6,421,574	6,255,597			
Total	9,316,729	8,926,433			
12) DEPOSITS	in HRK				
AOP 044	31.12.2021.	30.06.2022.			
Government	401,789,616	750,228,697			
Local state	6,576,113,951	7,840,979,901			
Credit institutions	103,484,950	702,722,177			
Other financial institutions	1,466,863,467	2,016,894,237			
Non - financial institutions	3,598,925,458	6,223,399,986			
Retail	12,601,533,019	16,220,371,878			
Total	24,747,710,461	33,754,566,845			