



HRVATSKA POŠTANSKA BANKA

HPB d.d. Q1 2021

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. (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.
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Type and name of prescribed information:	Quarterly financial statements for the period 01.01.2021 - 31.03.2021, HPB d.d. Q1 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 01 to March 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 format and content of interim financial reports of issuers (NN 114/2018, 27/2021).

1 Executive Summary

2 Macroeconomic environment

3 Financials

4 Risk Management

5 Appendix

Key Financials 2021

Operating profit (in HRK mn)



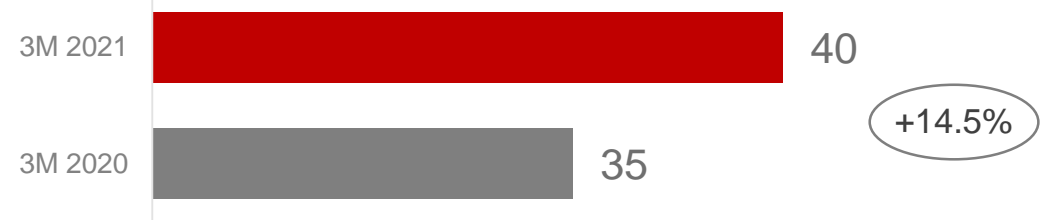
Effective cost management and reduction of deposit insurance premium led to a growth in operating profit

Gross loans (in HRK mn)



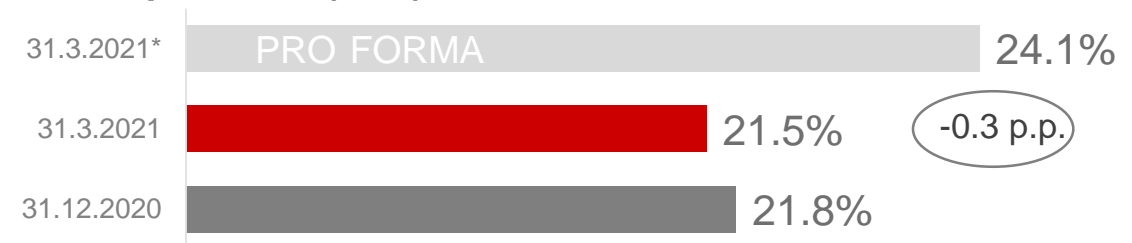
Subsidized housing loans are the main growth driver

Profit after tax (in HRK mn)



Better cost management, and collection performance on defaults, counterbalanced by higher income taxes

CET 1 capital ratio (in %)



Continuously strong capital position

*Pro forma CET 1 ratio with inclusion of FY20 and Q1 21 profit after tax

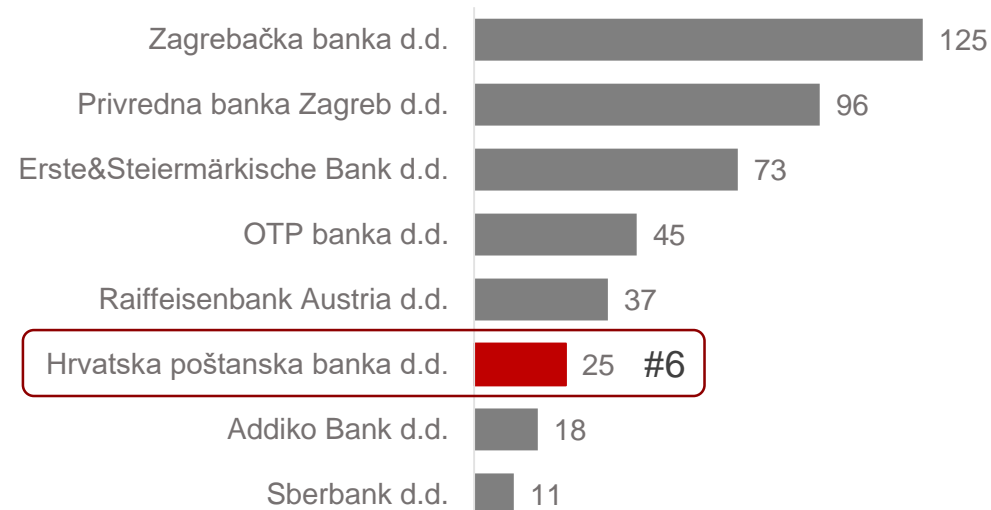
- Income statement items are shown in cumulative from start of the period until the reporting date; 3M = cumulative 1.1.2021 – 31.3.2021
- Balance sheet items are shown as at reporting date; 31.12.2020 and 31.3.2021

Resilient Performance in Q1 2021

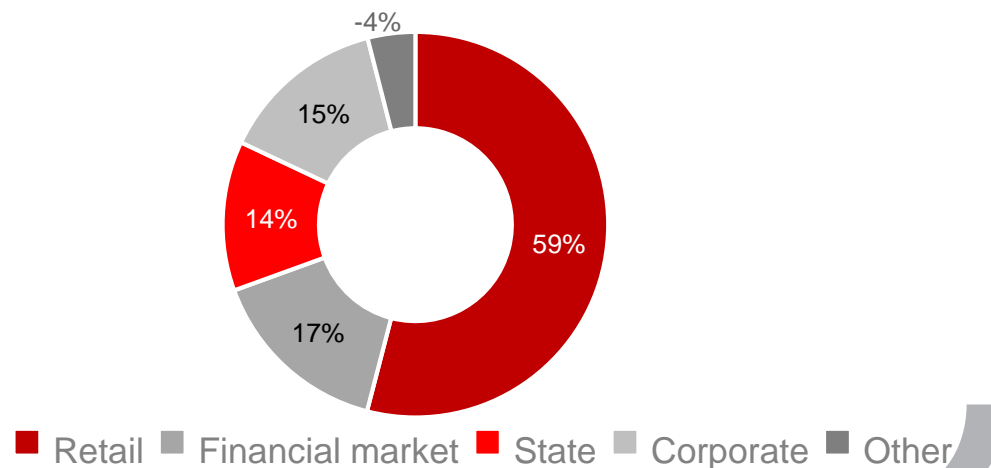
		2018	2019	2020	Q1 2020	Q1 2021	
Assets	HRK mn	21,256	23,844	25,500	25,300	26,561	▲
Net loans to customers	HRK mn	11,009	13,341	14,725	13,583	14,854	▲
Deposits	HRK mn	18,371	20,069	21,214	21,179	21,947	▲
Equity	HRK mn	2,003	2,370	2,473	2,302	2,517	▲
Income	HRK mn	1,173	1,227	1,121	274	261	▼
Net profit	HRK mn	152	144	182	35	40	▲
Cost-to-income ratio	%	60.1	61.3	64.1	64.6	61.0	▼
Return on equity (ROE)	%	7.6	6.1	7.4	6.1	6.4	▲
CET 1 capital ratio	%	17.9	20.2	21.8	19.1	21.5	▲
NPL ratio	%	11.7	10.8	10.4	10.4	10.2	▼
NPL ratio excl. 100% gov. guaranteed exposure	%	11.6	10.4	8.7	9.5	8.7	▼
NPL coverage	%	67.3	67.5	62.2	64.7	61.9	▼
NPL coverage excl. 100% gov. guaranteed exposure	%	67.3	70.0	74.2	71.3	73.5	▲

- Further organic growth despite COVID-19 impact
- Notable results of successful cost management
- Improved cost-effectiveness and collections approaches drive higher profits.

Rank by total assets as of 31.12.2020 (in HRK bn)

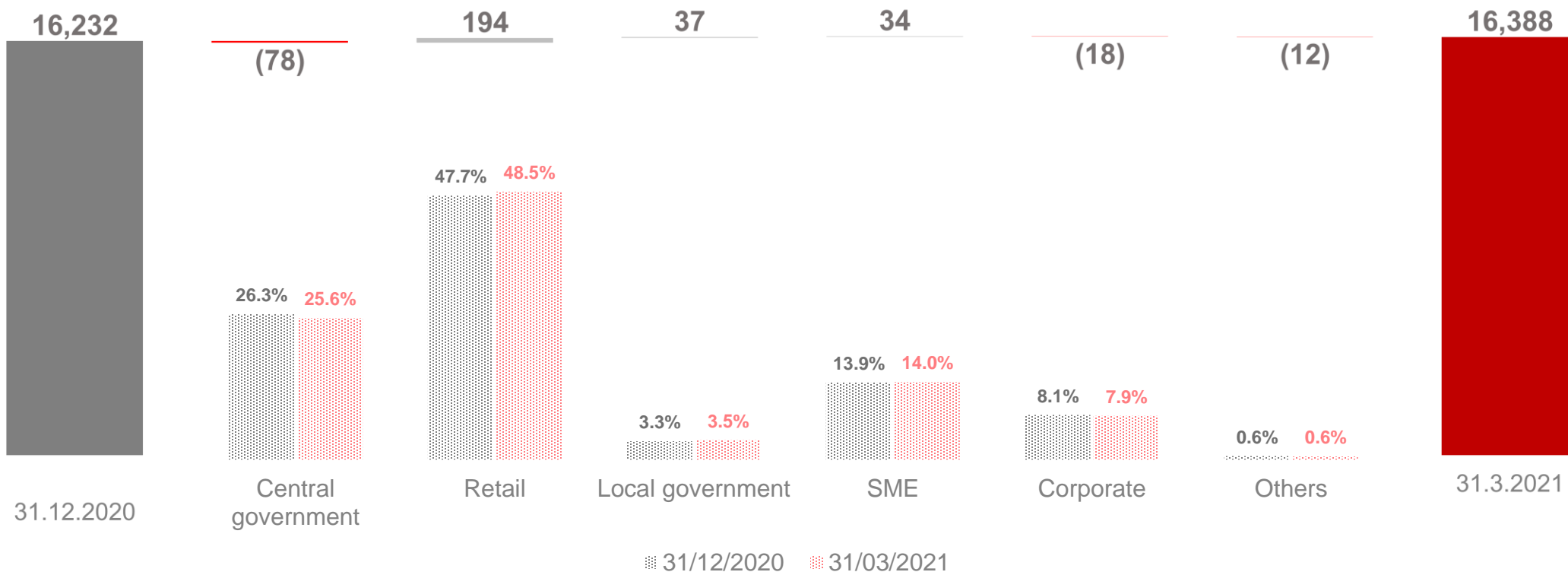


Composition of Net profit as of 31.3.2021



Gross loans development

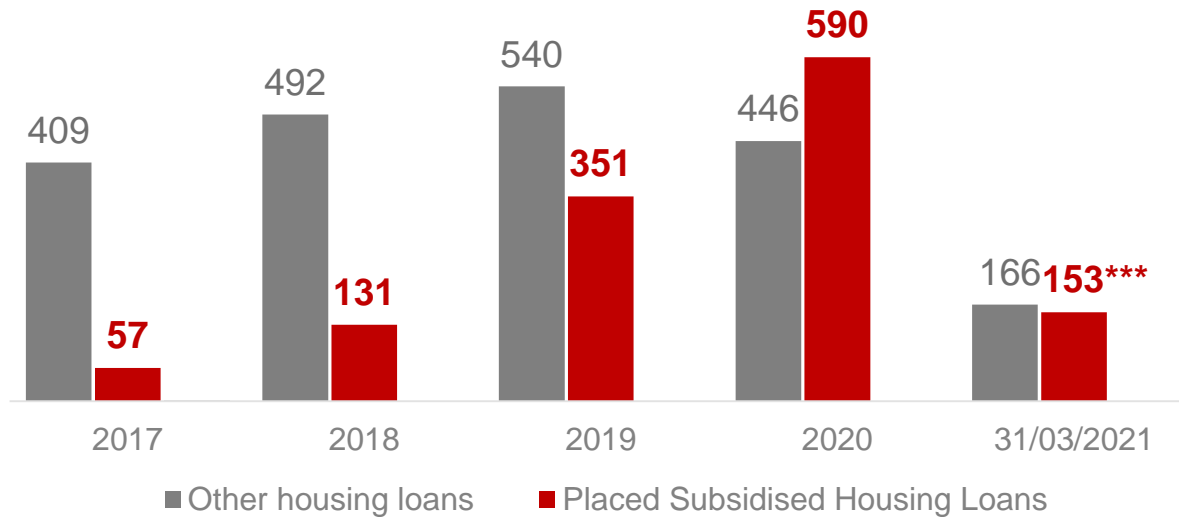
Gross loans (in HRK mn)



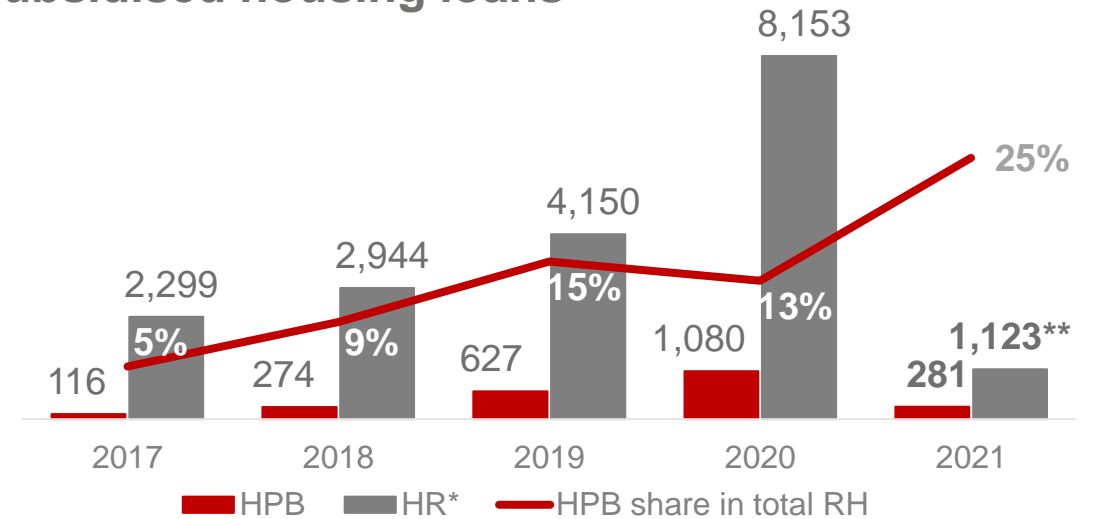
- Retail loans remain on an upward trend;
- Decrease in Central government exposure arises from regular maturities of loans in this segment.

Subsidised Housing Loans

Housing loans volume (in HRK mn)



Number of approved subsidised housing loans



- Applications for this year APN subsidised housing loans began from 29.3.2021;
- HPB offers HRK loans at EIR of 2.09%: the lowest among all 14 banks, participating in the housing subsidy program in 2021.

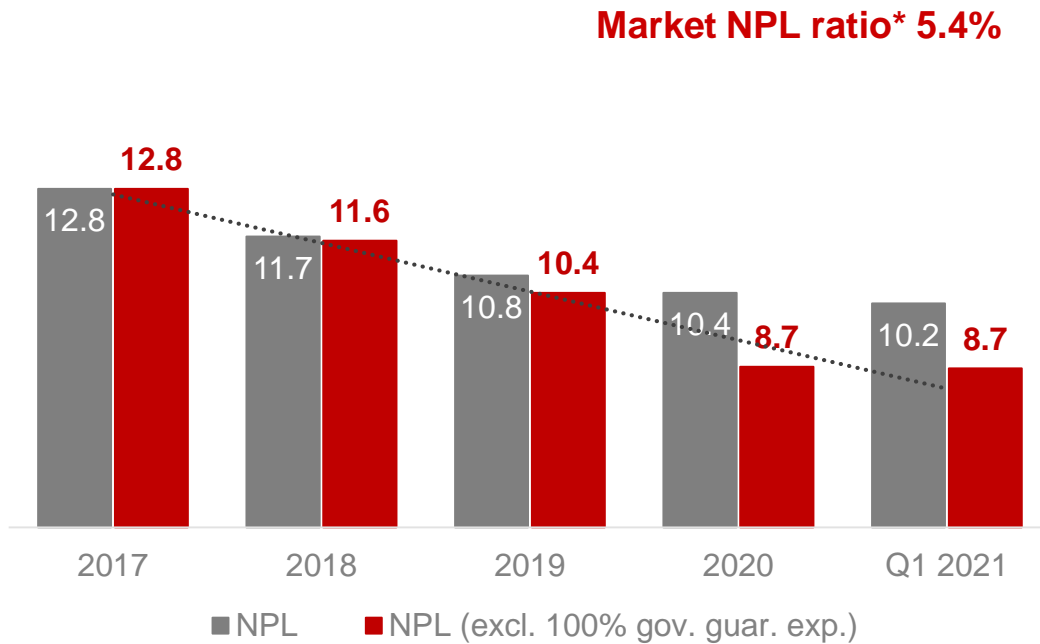
* Source <https://mgipu.gov.hr/>

** Data of approved loans as of 23.4.2021

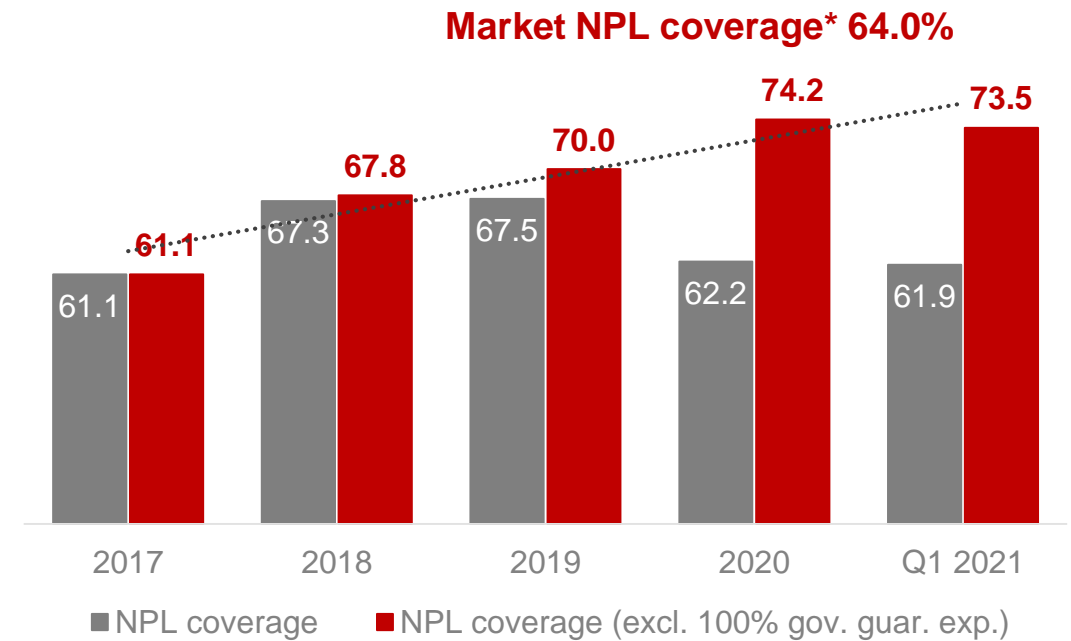
*** Includes loans placed from prior years APN tranches

Portfolio quality improves

NPL ratio development (in %)

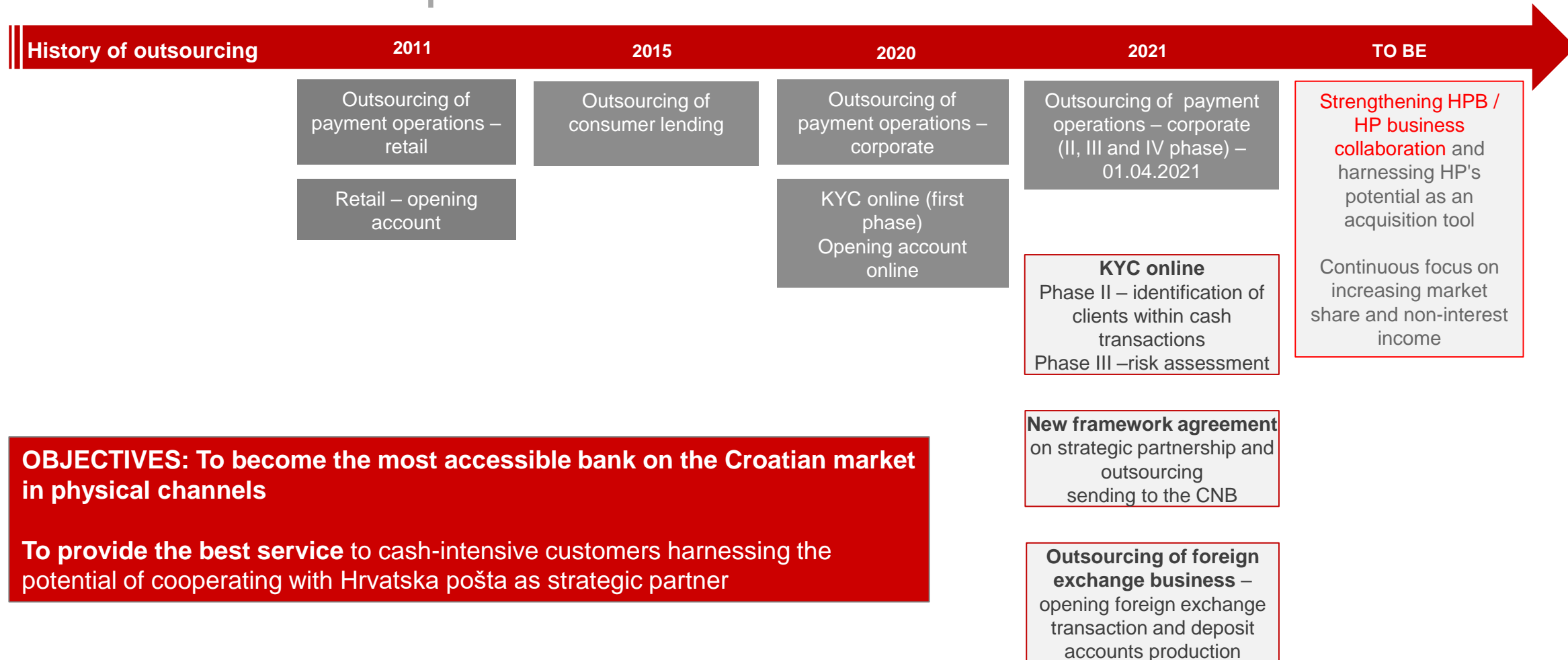


NPL coverage development (in %)



- Material amount of NPL exposures that are fully government guaranteed;
- Agile approach and intensive collection activities will be aimed at neutralization of COVID crisis (third wave of the pandemic) and the expected new inflow of NPL exposure.

Business development in the channel of Hrvatska Pošta d.d.



OBJECTIVES: To become the most accessible bank on the Croatian market in physical channels

To provide the best service to cash-intensive customers harnessing the potential of cooperating with Hrvatska pošta as strategic partner

1 Executive Summary

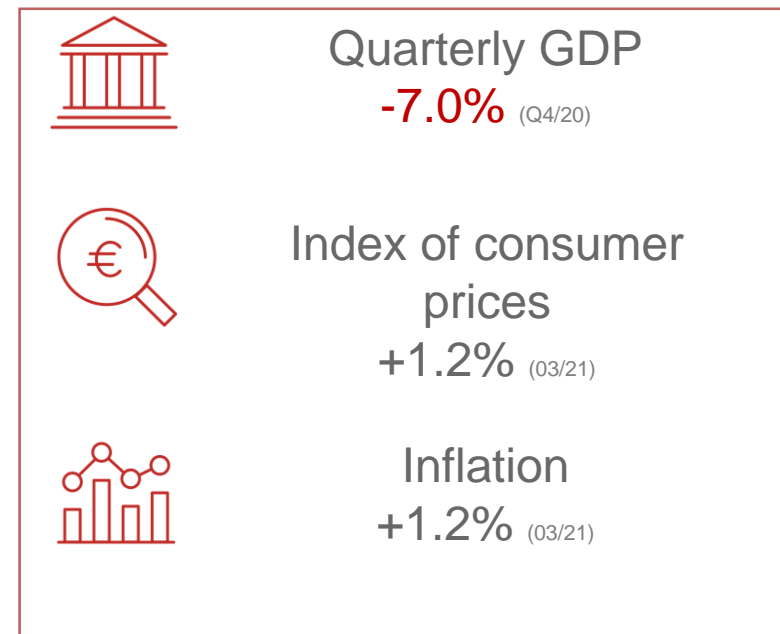
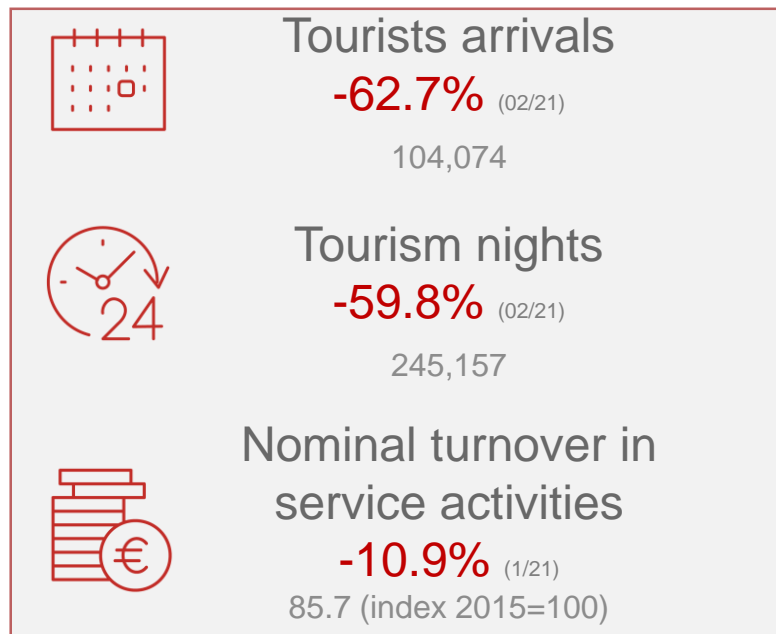
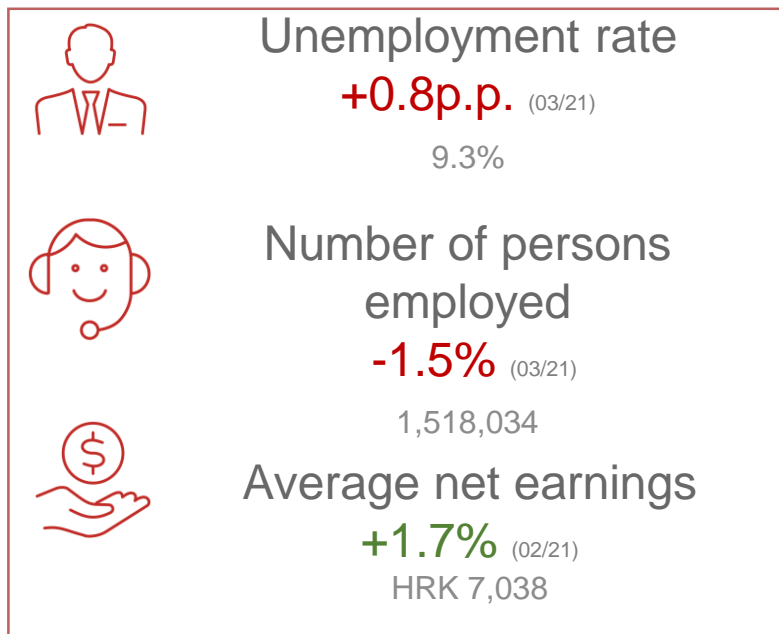
2 Macroeconomic environment

3 Financials

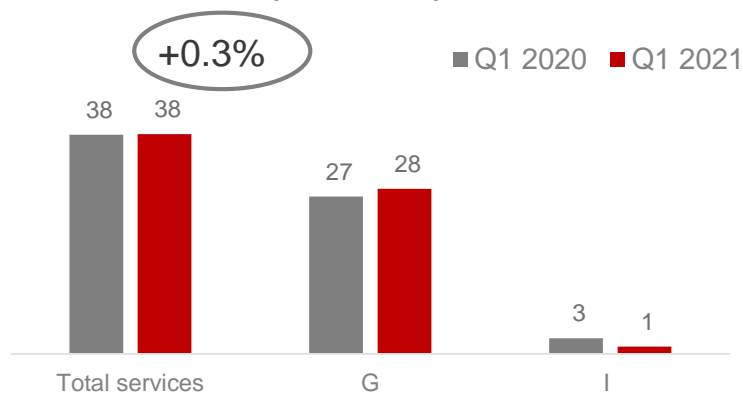
4 Risk Management

5 Appendix

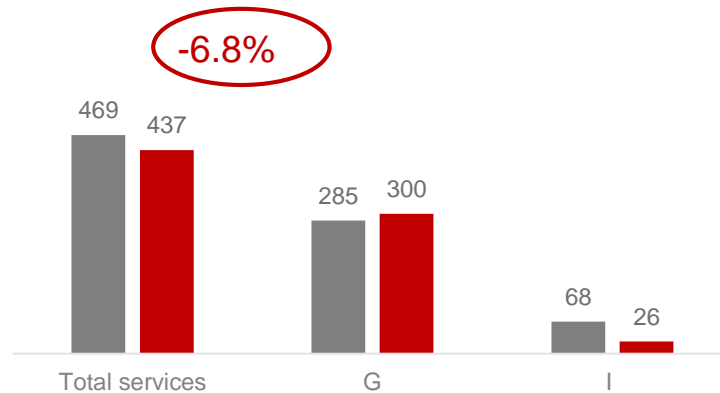
Economic indicators (y-o-y)



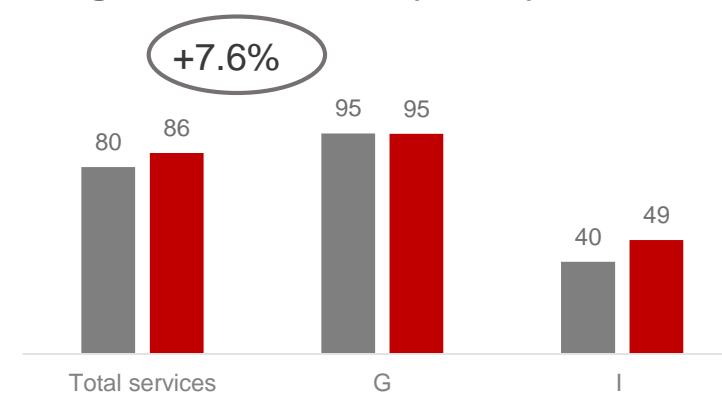
Account balance* (in HRK bn)



Number of accounts* (in mn)



Average account balance* (in HRK)



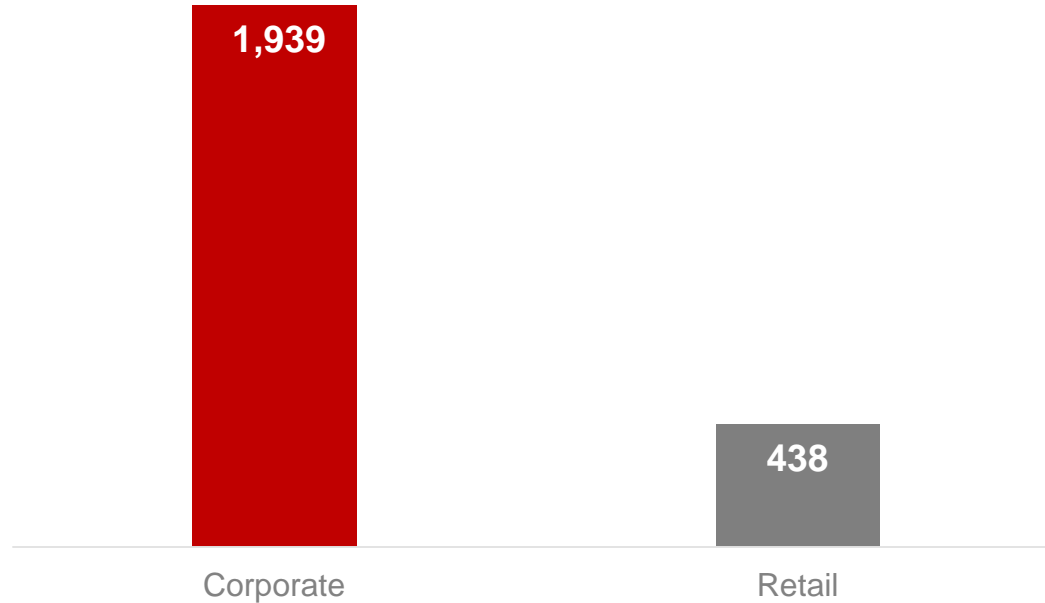
Source: Croatian Bureau of Statistics <https://www.dzs.hr/eng> (December 2020, January, February and March 2021)

*Source: <https://www.porezna-uprava.hr/Dokumenti> (data for first quarter of 2020 and 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 moratoria

Total approved moratoria* (in HRK mn)



Share in Corporate segment:

23.0%

Share in Retail segment:

5.5%

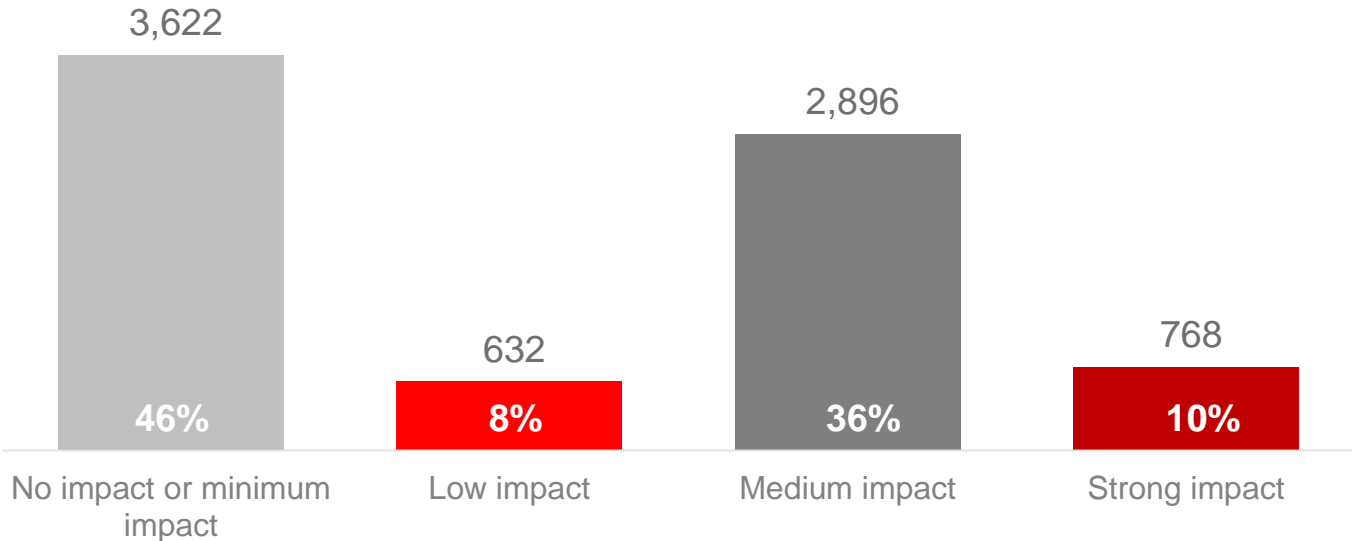
- By 31.03.2021, only 1.9% (HRK 37 mn) of financed corporate moratoria transferred from performing status to default status out of total 1,939 HRK mn
- As at 31.03.2021, HRK 199 mn active approved corporate moratoria (10.3% of the total approved)
- 89% out of total approved corporate moratoria as at approval date are performing exposures
- By 31.03.2021, HRK 207 mn corporate moratoria were repaid (10.7% out of total approved moratoria)

* Number of total approved moratoria under COVID-19 measures (2020 – 31.3.2021)

Source: HPB management reports

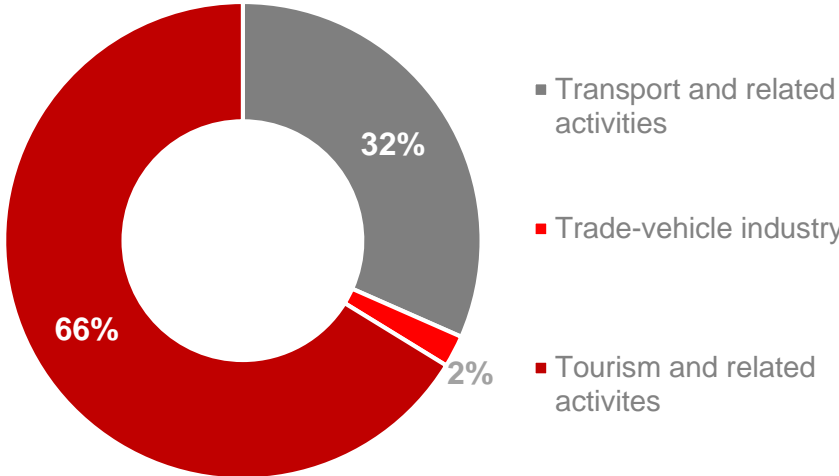
COVID-19 impact on loan portfolio

COVID-19 impact on corporate performing loans (in HRK mn)

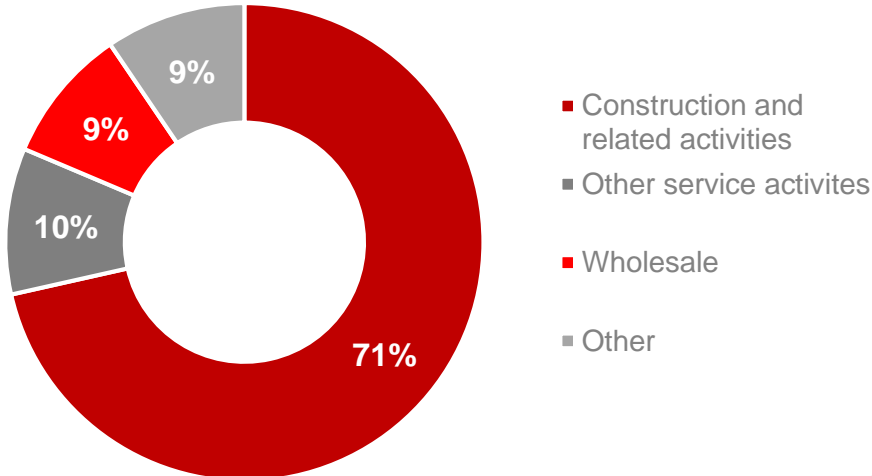


- 54% of the Bank’s corporate portfolio is largely unaffected by COVID-19;

Strong impact industries

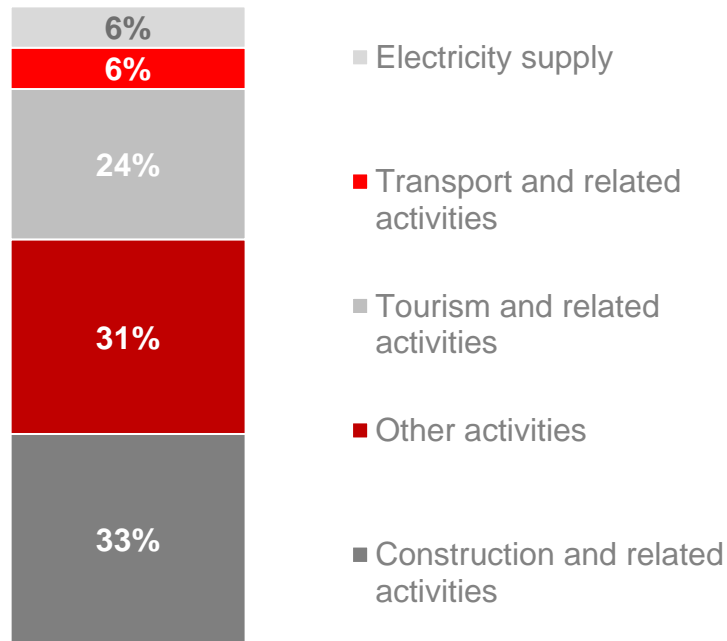


Medium impact industries

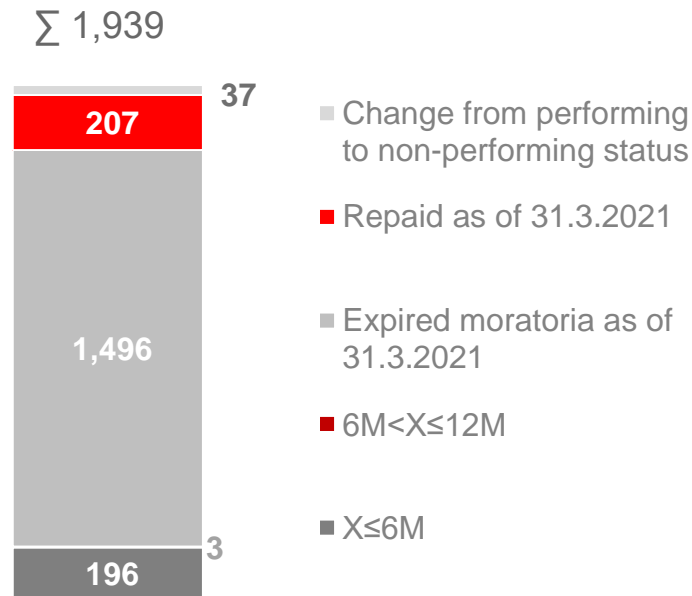


COVID-19 impact on loan portfolio

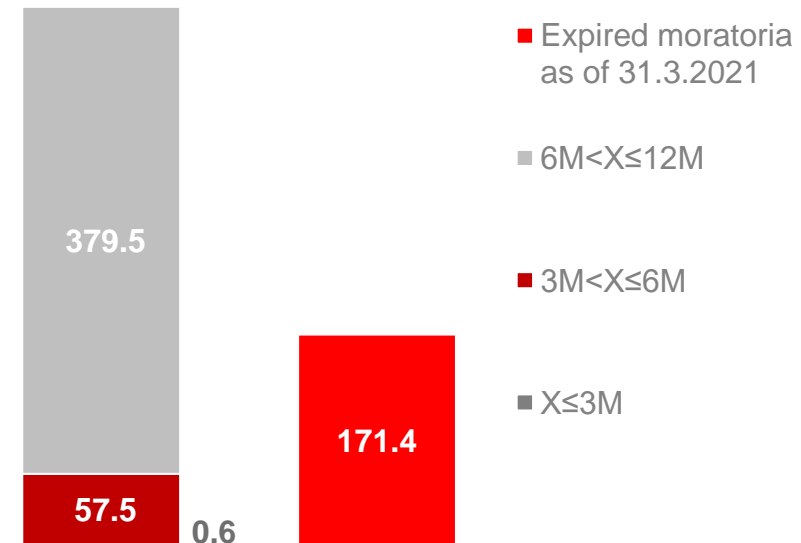
Approved moratoria per industry



Approved corporate moratoria per maturity (in HRK mn)



Approved retail moratoria per maturity (in HRK mn)



- Approved COVID-19 moratoria to corporates of HRK 1.9 bn (23.0% of outstanding gross corporate loans);
- Tourism has an extremely low share in the Bank's total portfolio (6.1% of outstanding gross corporate loans);
- We actively manage the portfolio through the analysis of pandemic prevention measures impact on industries.

1 Executive Summary

2 Macroeconomic environment

3 Financials

4 Risk Management

5 Appendix

Key financials – Income statement

		31.3.2020	31.3.2021	Δ y-o-y	
Net interest income	HRK mn	138	135	(3)	▼
Net fee income	HRK mn	42	42	(0)	▼
Operating income	HRK mn	195	191	(4)	▼
Operating expense	HRK mn	(126)	(116)	(9)	▼
Operating profit	HRK mn	69	74	5	▲
Provisioning	HRK mn	(30)	(25)	(5)	▼
Net profit	HRK mn	35	40	5	▲
Cost-to-income ratio	%	64.6	61.0	(3.6)	▼
Net interest margin	%	2.2	2.1	(0.1)	▼

- Operating profit growth primarily driven by cost reduction measures initiated in 2020 and reduction of deposit insurance premium;
- Risk costs down on improved collections performance.

Operating profit development

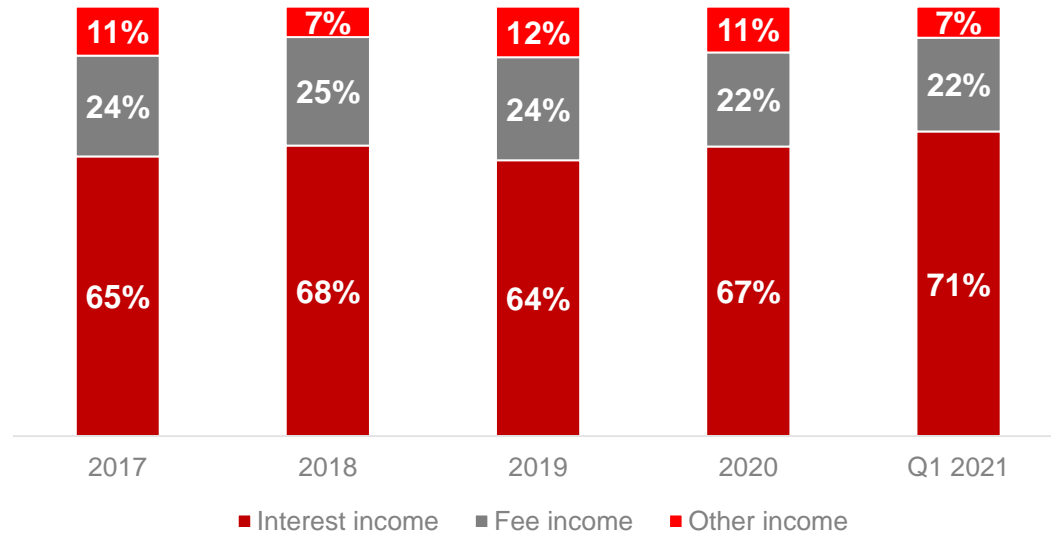
Operating profit development (in HRK mn)



- COVID-19 effects on operating profits reflected in reduced operating income;
- Active cost management led to OPEX reduction that neutralised the drop in interest income.

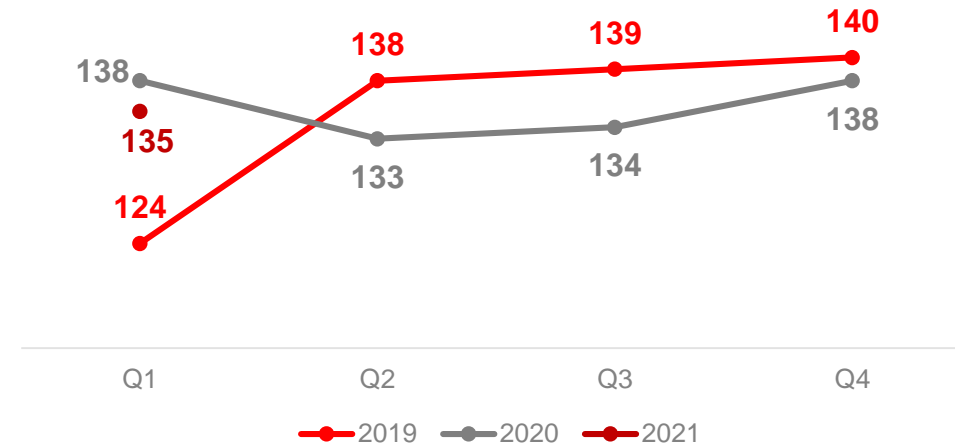
Net income development

Composition of net income

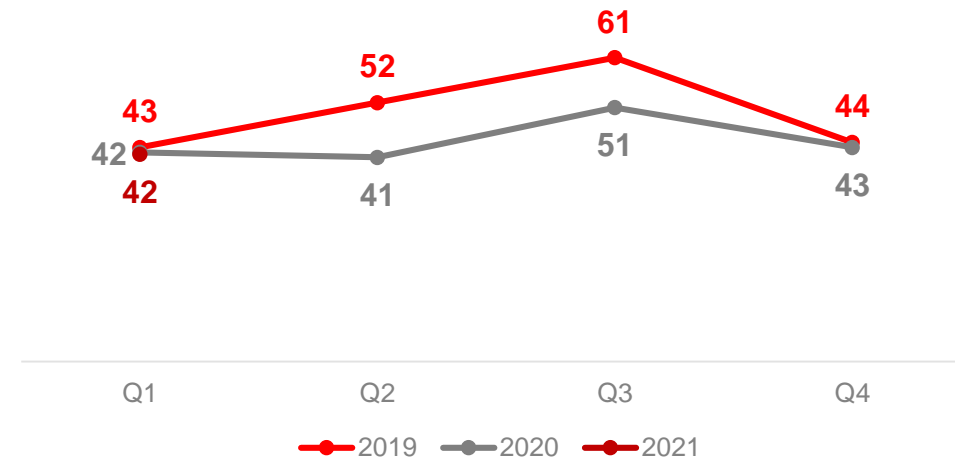


- Net interest income slightly lower, mostly due to the adjustment of loan portfolio due to the COVID-19 pandemic ie increase in subsidized retail loans and government support transactions with lower interest rates and decrease in SME and Large credit activities;
- Net fee income at a stable level but still affected by COVID-19; decrease in both income and expense, mainly in position of cash payments.

Net interest income (in HRK mn)

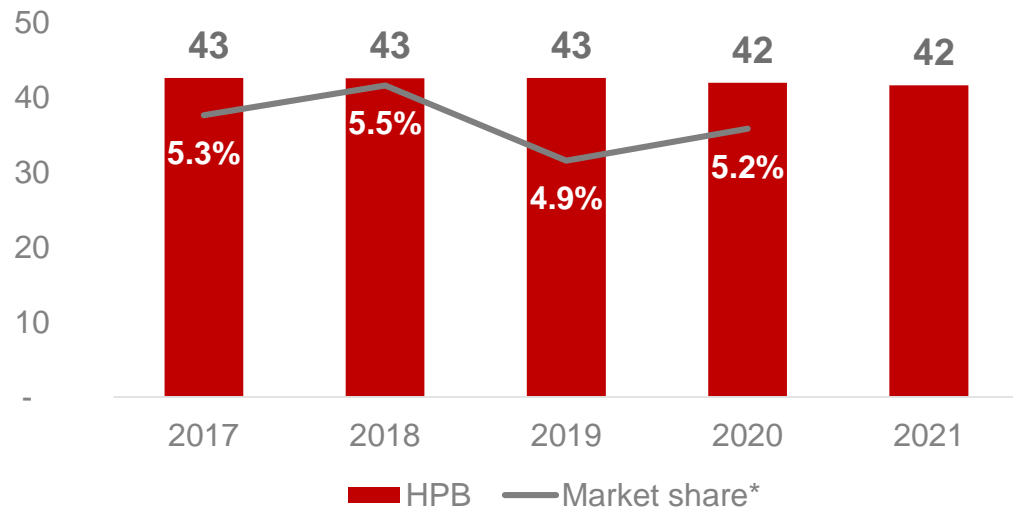


Net fee income (in HRK mn)



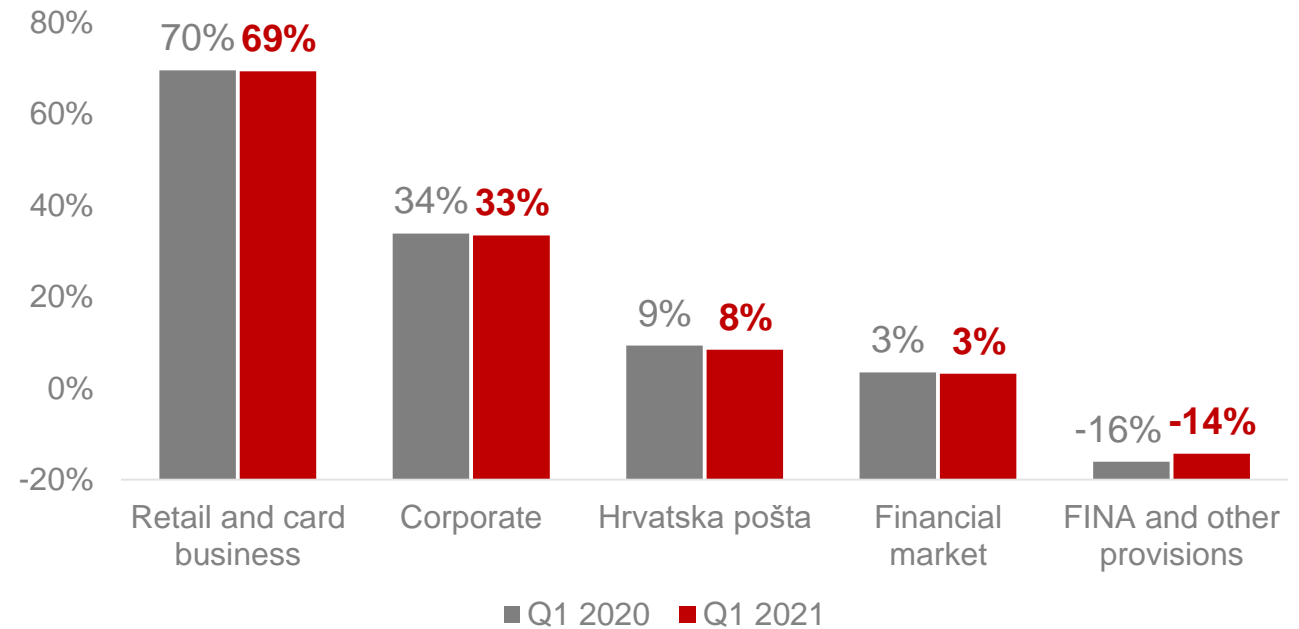
Fees and commissions

Net fee income overview in Q1
(in HRK mn)



* Market data for first quarter of 2021 is not available at time of publishing this presentation

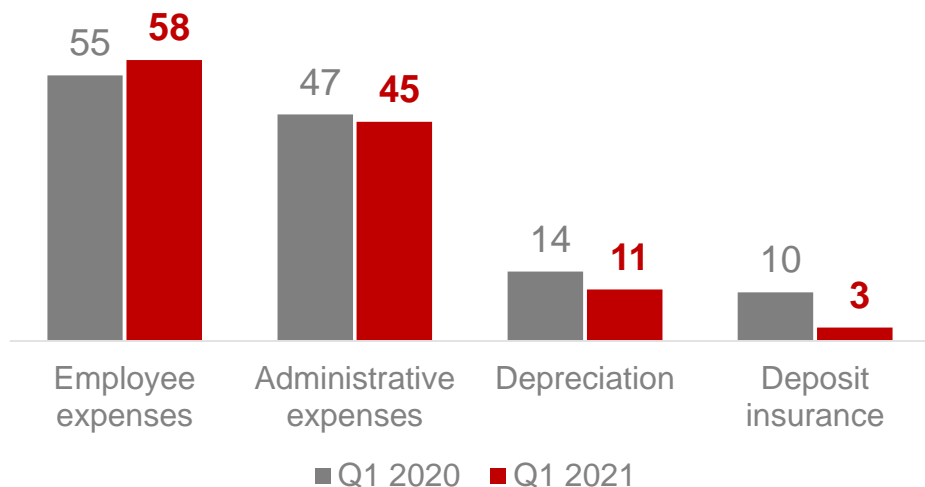
Composition of net fee and commission income



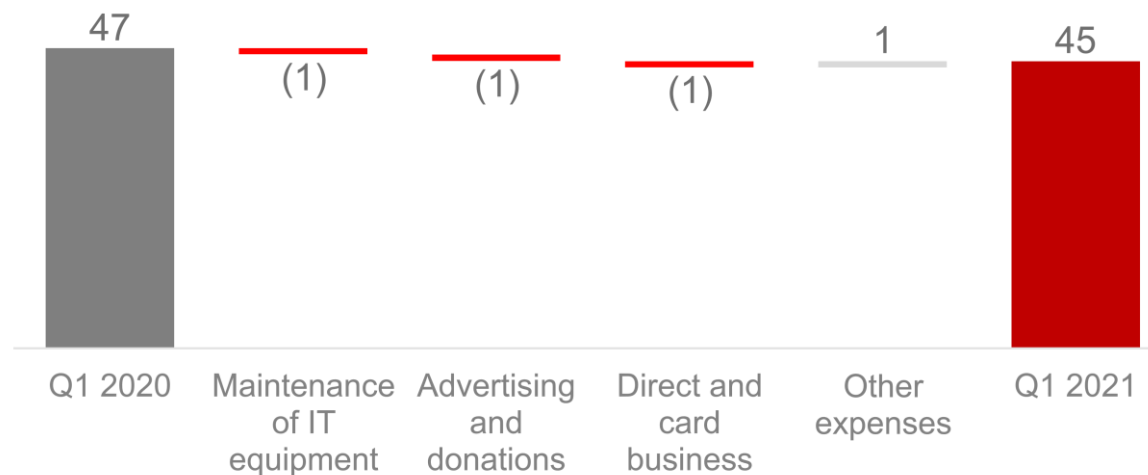
- Stable long-term trend of net fee income despite COVID-19 measures imposed by the RH Government with the largest impact in 2020 Q2 and Q3;
- Decrease in both fee income and expenses (Q1 2020/2021) is a result of the expected trend of decreasing cash payments due to digitalization and changes in consumer habits (switch from cash to digital channels) especially in the COVID times;
- HPB net fee income on par with the banking sector with a relatively stable share;
- Retail and card business fees are still highest contributors to net fee income.

Operating expenses

Composition of operating expenses
(in HRK mn)



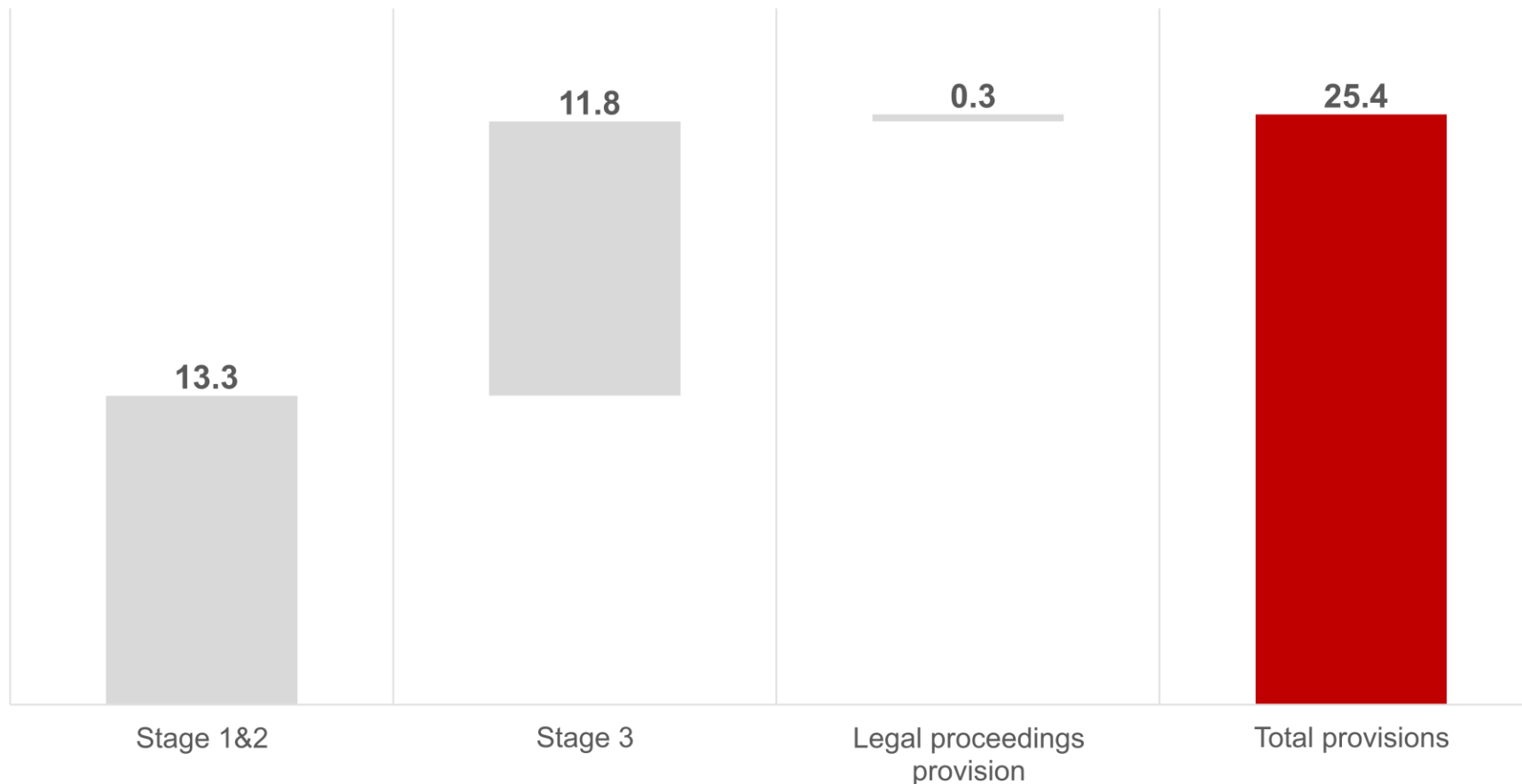
Administrative expenses development
(in HRK mn)



- Employee costs up with investments on IT infrastructure optimization in-house solutions;
- Cost optimization measures initiated at the end of 2019 restrained further operating expenses growth caused by earthquakes and COVID-19 pandemic, along with general prices movements, while overall expenses decreased as a result of elimination of deposit insurance premium. The Bank will aspire to agile cost management in future periods.

Provisioning

Structure of provision expenses in Q1 2021 (in HRK mn)



- Lower stage 3 provisions (y-o-y) due to planned collection activities and lower provision costs on small loans portfolio;
- Portfolio optimization efforts drive risk costs down despite COVID-19 effects.

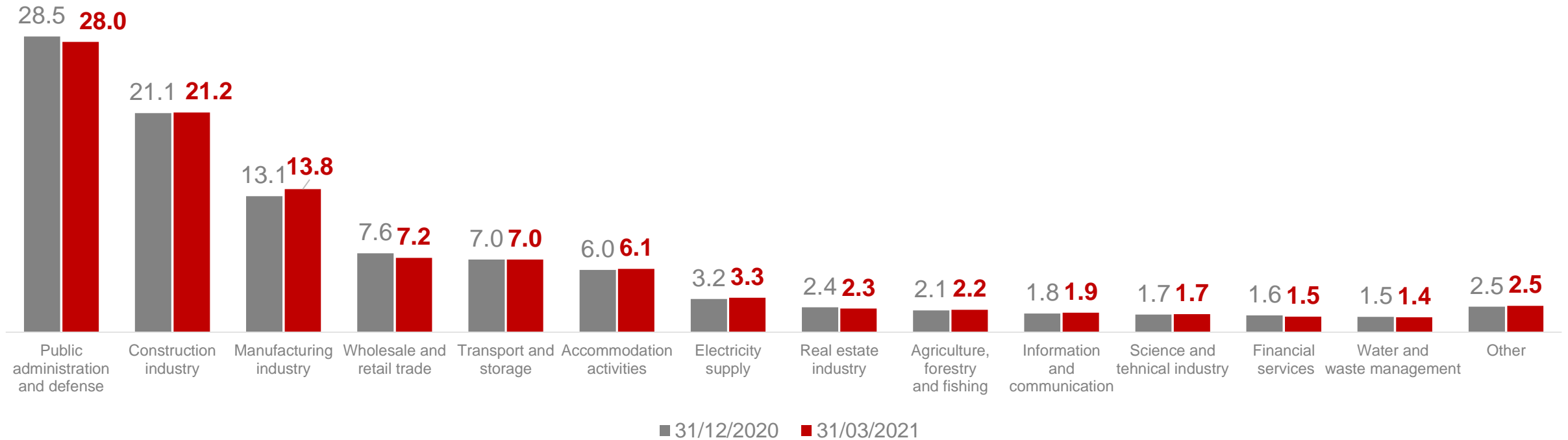
Key financials – Balance sheet

		31.12.2020	31.03.2021	Δ ytd	
Assets	HRK mn	25,500	26,561	1,061	▲
Gross loans	HRK mn	16,232	16,388	156	▲
Deposits	HRK mn	21,214	21,947	733	▲
Equity	HRK mn	2,473	2,517	44	▲
Regulatory capital	HRK mn	2,312	2,285	(27)	▼
Loan/deposit ratio	%	69.4	67.7	(1.7)	▼
ROAE	%	7.5	6.5	(1.0)	▼
NPL ratio	%	10.4	10.2	(0.2)	▼
NPL ratio excl. 100% gov. guaranteed exposure	%	8.7	8.7	(0.0)	▼
NPL coverage	%	62.2	61.9	(0.3)	▼
NPL coverage excl. 100% gov. guaranteed exposure	%	74.2	73.5	(0.7)	▼
Provision for impairment losses	HRK mn	(1,512)	(1,534)	22	▲

- Assets records continuous growth +4.2% ytd, liquid assets +16.3%, securities +1.6%, gross loans +1.0%
- Deposits up +3.5% with largest increase in the central state and large corporate segment HRK +732.6 mn, retail HRK +43.0 mn and SMEs HRK +15.4 mn.

Corporate portfolio industry distribution

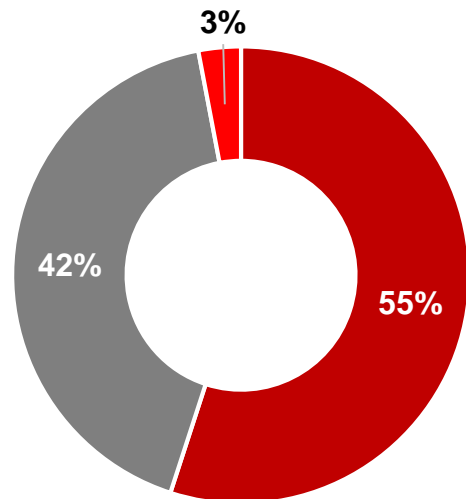
Corporate gross loans per industry (in %)



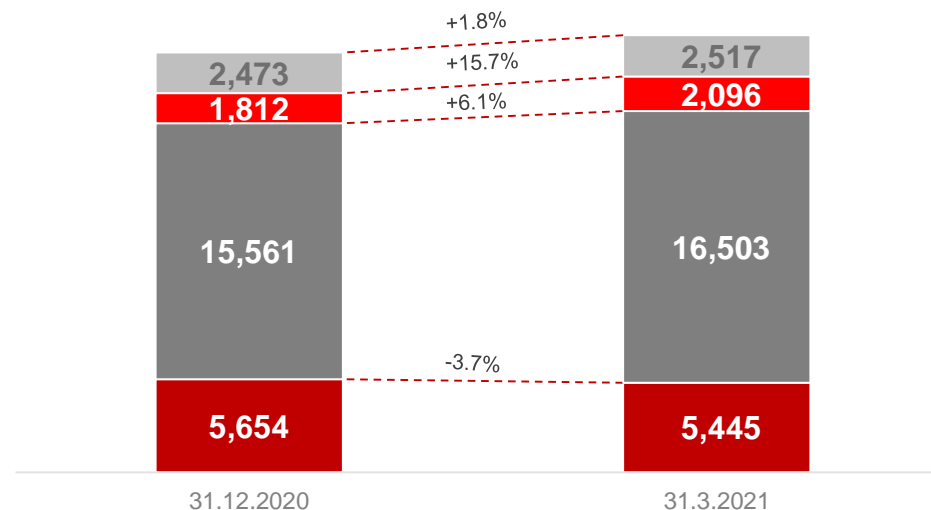
- Stable structure of corporate gross loans per industry in Q1 2021
- Reduction to some industry sectors is in line with general macroeconomic trends:
 - Wholesale and retail trade;
- Accommodation activities lending was done backed up by government guarantee schemes

Composition of equity and liabilities

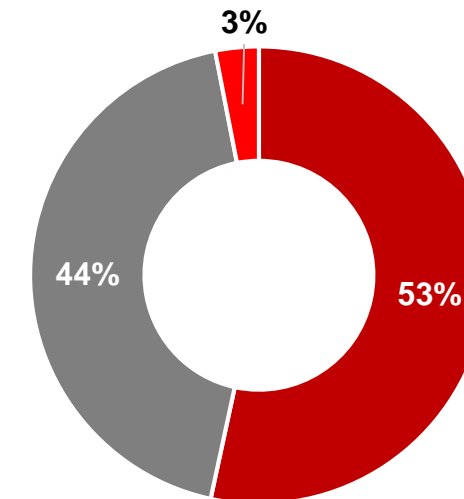
Deposit structure
31.12.2020



Equity and liabilities structure
(in HRK mn)



Deposit structure
31.3.2021



■ Retail ■ Corporate ■ Financial market

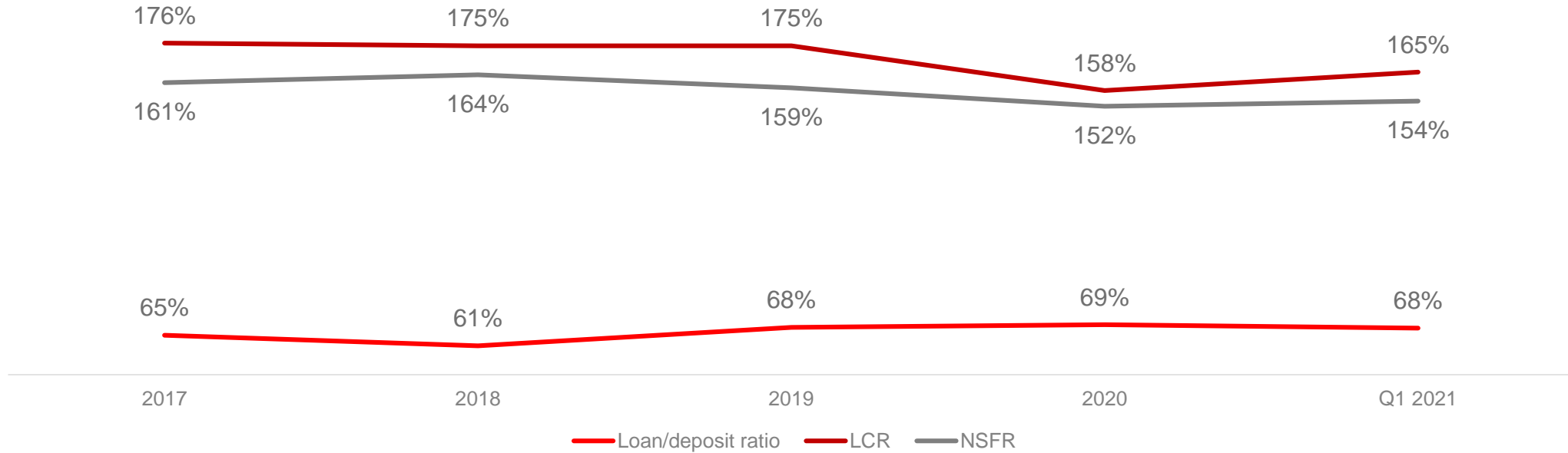
■ Term deposits ■ A vista deposits ■ Other liabilities ■ Equity

■ Retail ■ Corporate ■ Financial market

- Favorable 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% share;
 - Bank holds 5.77% of all deposits on a market at 31.01.2021 (31.12.2020 = 5.75%);
- Stable wholesale funding structure – attracted funds through foreign financial institutions, CBRD and CNB repo loans.

Liquidity Overview

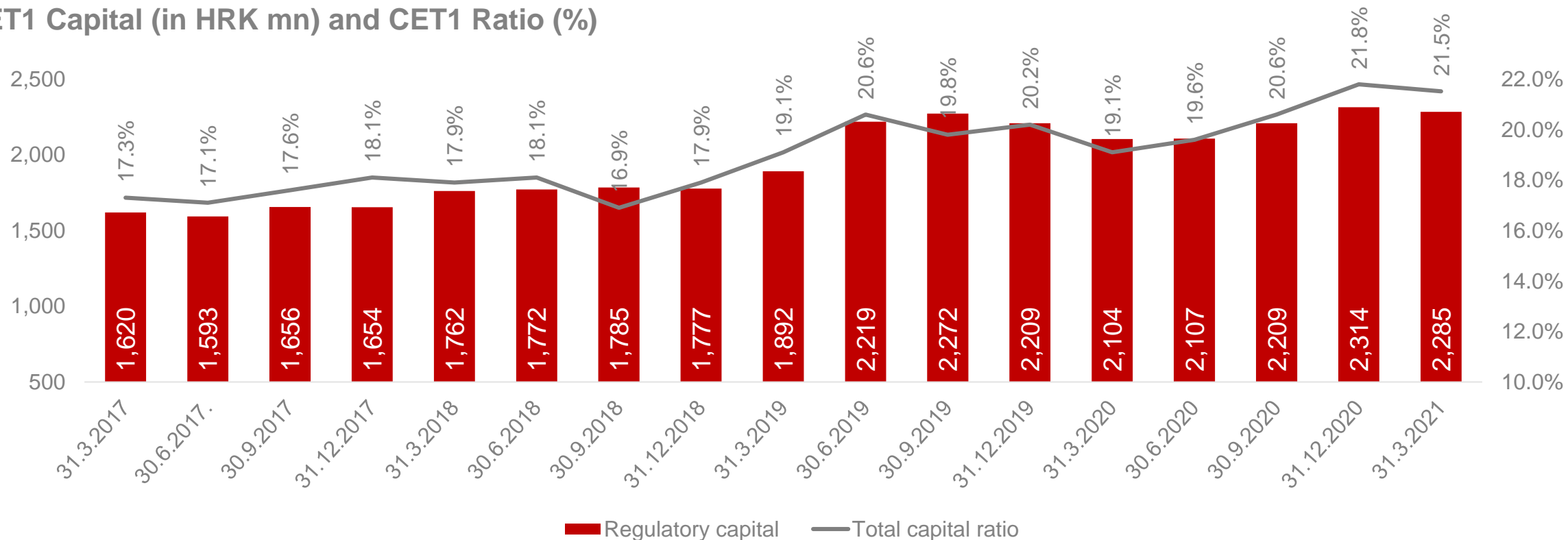
Liquidity ratios



- The Bank is highly liquid with markedly low loan-to-deposit ratio.

Continuously strong capital position

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



- 2020 after-tax profit is still not included in the calculation of CET1 ratio

1 Executive Summary

2 Macroeconomic environment

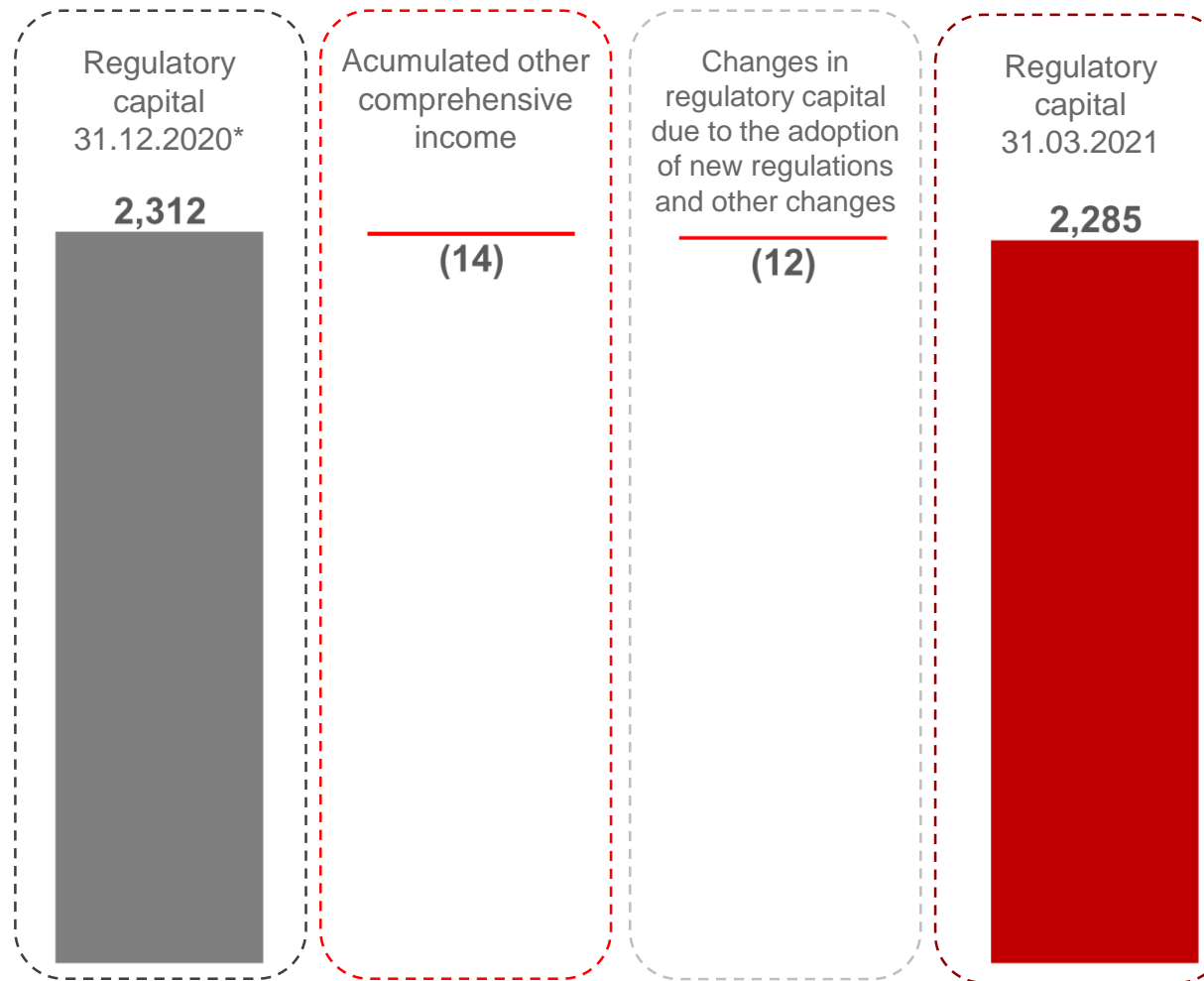
3 Financials

4 Risk Management

5 Appendix

Regulatory Capital Development

Regulatory capital development (in HRK mn)

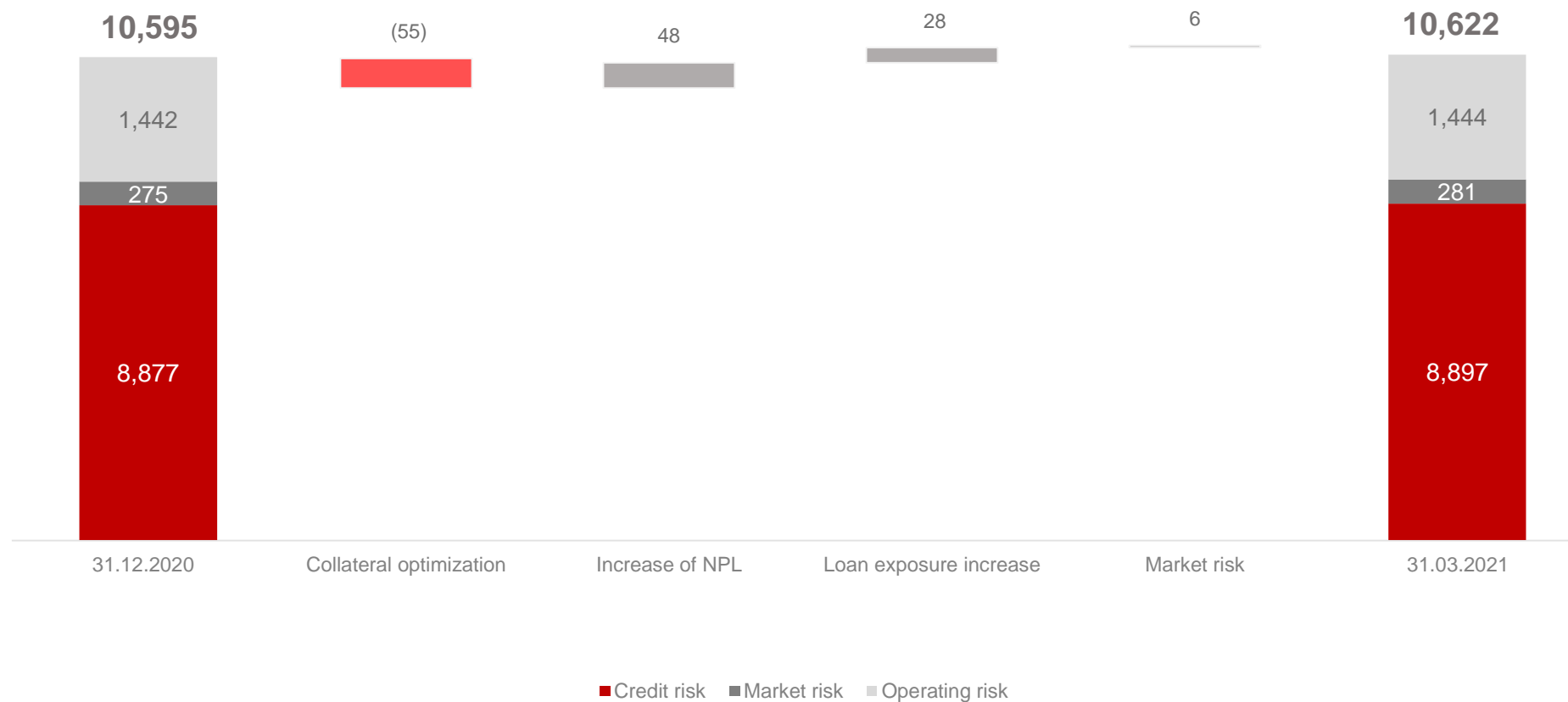


*Note there is a difference to regulatory capital reported in Investor information for Q4 2020 (HRK 2,314 mn) due to revised deduction amount of deferred tax assets - a decrease of HRK 1.8 mn in comparison with unaudited calculation of regulatory capital presented in Investor information for Q4 2020.

Source: HPB management reports

RWA Development

RWA development (in HRK mn)



- Despite asset growth, risk-weighted assets decreased as a result of the strengthening the capital management culture.

Exposures and coverage per stage

Segment	Stage	31.12.2020				31.3.2021			
		Exposure	Exposure excluding 100% government guarantees	Coverage	Coverage excluding 100% government guarantees	Exposure	Exposure excluding 100% government guarantees	Coverage	Coverage excluding 100% government guarantees
CORPORATE	S1	58.5%		3.8%		56.1%		3.9%	
CORPORATE	S2	6.8%		8.1%		9.2%		6.5%	
CORPORATE	S3	34.7%	21.7%	47.7%	75.2%	34.7%	24.9%	48.5%	76.7%
SME	S1	49.3%		4.2%		42.1%		4.1%	
SME	S2	16.8%		15.5%		23.3%		14.9%	
SME	S3	33.9%	33.9%	71.3%	71.3%	34.6%	34.6%	69.4%	69.4%
STATE	S1	98.7%		1.0%		99.0%		0.9%	
STATE	S2	1.3%		7.2%		1.0%		8.0%	
STATE	S3	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
RETAIL	S1	88.5%		0.5%		88.1%		0.5%	
RETAIL	S2	3.2%		7.6%		3.4%		6.6%	
RETAIL	S3	8.3%	8.3%	75.6%	75.6%	8.5%	8.5%	74.3%	74.3%
TOTAL	S1	85.9%		1.0%		85.5%		0.9%	
TOTAL	S2	3.7%		10.5%		4.4%		10.0%	
TOTAL	S3	10.4%	8.7%	62.2%	74.2%	10.2%	8.7%	62.0%	73.5%

1 Executive Summary

2 Macroeconomic environment

3 Financials

4 Risk Management

5 Appendix

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

Management report of Hrvatska poštanska Banka p.l.c. for the period from January 01 to March 31, 2021 is contained in the previous section of this material.

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 plc., states that according to their best knowledge the set of unaudited financial statements for the period from January 01 to March 31, 2021, 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.

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



Annex 1

ISSUER'S GENERAL DATA

Reporting period: 1.1.2021 to 31.3.2021

Year: 2021

Quarter: 1

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 4

E-mail address: hpb@hpb.hr

Web address: www.hpb.hr

Number of employees (end of the reporting period): 1290

Consolidated report: KN (KN-not consolidated/KD-consolidated)

Audited: RN (RN-not audited/RD-audited)

Names of subsidiaries (according to IFRS): Registered office: MB:

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 March 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	3,662,460,152	4,546,156,416
Cash in hand	002	900,072,987	1,033,037,483
Cash balances at central banks	003	2,224,401,393	2,963,997,701
Other demand deposits	004	537,985,772	549,121,232
Financial assets held for trading (from 6 to 9)	005	719,257,423	721,603,434
Derivatives	006	-	34,781
Equity instruments	007	95,340,654	99,716,726
Debt securities	008	623,916,769	621,851,927
Loans and advances	009	-	-
Non-trading financial assets mandatorily at fair value through profit or loss (from 11 to 13)	010	38,865,901	37,264,386
Equity instruments	011	20,000,000	20,000,000
Debt securities	012	-	-
Loans and advances	013	18,865,901	17,264,386
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	4,232,585,894
Equity instruments	018	49,027,711	53,933,089
Debt securities	019	4,108,987,758	4,178,652,805
Loans and advances	020	-	-
Financial assets at amortised cost (22 + 23)	021	16,413,935,375	16,525,672,695
Debt securities	022	1,978,784	3,163,091
Loans and advances	023	16,411,956,591	16,522,509,604
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	9,760,843	9,760,843
Tangible assets	027	326,523,749	337,056,404
Intangible assets	028	91,038,847	92,103,219
Tax assets	029	2,797,956	1,557,858
Other assets	030	40,321,775	30,846,456
Fixed assets and disposal groups classified as held for sale	031	-	-
Total assets (1 + 5 + 10 + 14 + 17 + 21 + from 24 to 31)	032	25,462,977,490	26,534,607,605
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	22,688,405,792	23,617,410,364
Deposits	044	22,569,135,023	23,494,563,003
Debt securities issued	045	-	-
Other financial liabilities	046	119,270,769	122,847,361
Derivatives - hedge accounting	047	-	-
Fair value changes of the hedged items in portfolio hedge of interest rate risk	048	-	-
Provisions	049	125,688,739	161,805,341
Tax liabilities	050	25,697,310	49,128,740
Share capital repayable on demand	051	-	-
Other liabilities	052	150,060,287	188,794,074
Liabilities included in disposal groups classified as held for sale	053	-	-
Total liabilities (33 + 39 + 43 + from 47 to 53)	054	22,989,873,300	24,017,138,519
Equity			
Initial capital	055	1,214,775,000	1,214,775,000
Share premium	056	-	-
Equity instruments issued other than capital	057	-	-
Other equity instruments	058	-	-
Accumulated other comprehensive income	059	264,974,555	268,998,898
Retained profit	060	200,321,464	382,383,609
Revaluation reserves	061	-	-
Other reserves	062	611,448,026	611,448,026
(-) Treasury shares	063	(477,000)	(477,000)
Profit or loss attributable to owners of the parent	064	182,062,145	40,340,553
(-) Interim dividends	065	-	-
Minority interests [non-controlling interests]	066	-	-
Total equity (from 55 to 66)	067	2,473,104,190	2,517,469,086
Total equity and liabilities (54 + 67)	068	25,462,977,490	26,534,607,605

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

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	150,258,639	150,258,639	143,774,572	143,774,572
(Interest expenses)	002	13,918,265	13,918,265	9,992,961	9,992,961
(Expenses on share capital repayable on demand)	003	-	-	-	-
Dividend received	004	200,613	200,613	-	-
Fees and commissions income	005	109,595,003	109,595,003	103,797,166	103,797,166
(Fees and commissions expenses)	006	67,580,044	67,580,044	62,155,486	62,155,486
Gains or (-) losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	007	23,870,392	23,870,392	93,829	93,829
Gains or (-) losses on financial assets and liabilities held for trading, net	008	(5,416,693)	(5,416,693)	14,760,520	14,760,520
Gains or losses on non-trading financial assets mandatorily at fair value through profit or loss, net	009	102,393	102,393	1,360,042	1,360,042
Gains or (-) losses on 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	(4,831,938)	(4,831,938)	(3,295,984)	(3,295,984)
Gains or (-) losses on derecognition of non-financial assets, net	013	-	-	-	-
Other operating income	014	928,507	928,507	2,230,112	2,230,112
(Other operating expenses)	015	10,185,400	10,185,400	2,358,709	2,358,709
Total operating income, net (1 – 2 – 3 + 4 + 5 – 6 + from 7 to 14 – 15)	016	183,023,207	183,023,207	188,213,101	188,213,101
(Administrative expenses)	017	91,519,198	91,519,198	92,704,468	92,704,468
(Depreciation)	018	2,250,000	2,250,000	2,741,250	2,741,250
Modification gains or (-) losses, net	019	20,650,093	20,650,093	16,977,913	16,977,913
(Provisions or (-) reversal of provisions)	020	(29,391)	(29,391)	(3,309,564)	(3,309,564)
(Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss)	021	884,318	884,318	3,212,236	3,212,236
(Impairment or (-) reversal of impairment of investments in subsidiaries, joint ventures and associates)	022	28,708,700	28,708,700	20,271,678	20,271,678
(Impairment or (-) reversal of impairment on non-financial assets)	023	-	-	-	-
Negative goodwill recognised in profit or loss	024	-	-	-	-
Share of the profit or (-) loss of investments in subsidiaries, joint ventures and associates accounted for using the equity method	025	-	-	-	-
Profit or (-) loss from fixed assets and disposal groups classified as held for sale not qualifying as discontinued operations	026	-	-	-	-
Profit or (-) loss from discontinued operations	027	-	-	-	-
Profit or (-) loss before tax from continuing operations (16 – 17 – 18 + 19 – from 20 to 23 + from 24 to 26)	028	38,981,507	38,981,507	48,995,992	48,995,992
(Tax expense or (-) income related to profit or loss from continuing operations)	029	3,751,391	3,751,391	8,655,440	8,655,440
Profit or (-) loss after tax from continuing operations (27 – 28)	030	35,230,116	35,230,116	40,340,552	40,340,552
Profit or (-) loss after tax from discontinued operations (31 – 32)	031	-	-	-	-
Profit or (-) loss before tax from discontinued operations	032	-	-	-	-
(Tax expense or (-) income related to discontinued operations)	033	-	-	-	-
Profit or (-) loss for the year (29 + 30; 34 + 35)	034	35,230,116	35,230,116	40,340,552	40,340,552
Attributable to minority interest [non-controlling interests]	035	-	-	-	-
Attributable to owners of the parent	036	35,230,116	35,230,116	40,340,552	40,340,552
STATEMENT OF OTHER COMPREHENSIVE INCOME					
Income or (-) loss for the current year	037	35,230,116	35,230,116	40,340,552	40,340,552
Other comprehensive income (38 + 50)	038	(103,225,082)	(103,225,082)	4,024,343	4,024,343
Items that will not be reclassified to profit or loss (from 39 to 45) + 48 + 49)	039	-	-	(457,723)	(457,723)
Tangible assets	040	-	-	-	-
Intangible assets	041	-	-	-	-
Actuarial gains or (-) losses on defined benefit pension plans	042	-	-	-	-
Fixed assets and disposal groups classified as held for sale	043	-	-	-	-
Share of other recognised income and expense of entities accounted for using the equity method	044	-	-	-	-
Fair value changes of equity instruments measured at fair value through other comprehensive income	045	-	-	-	-
Gains or (-) losses from hedge accounting of equity instruments at fair value through other comprehensive income, net	046	-	-	-	-
Fair value changes of equity instruments measured at fair value through other comprehensive income [hedged item]	047	-	-	-	-
Fair value changes of equity instruments measured at fair value through other comprehensive income [hedging instrument]	048	-	-	-	-
Fair value changes of financial liabilities at fair value through profit or loss attributable to changes in their credit risk	049	-	-	-	-
Income tax relating to items that will not be reclassified	050	-	-	(457,723)	(457,723)
Items that may be reclassified to profit or loss (from 51 to 58)	051	(103,225,082)	(103,225,082)	4,482,066	4,482,066
Hedge of net investments in foreign operations [effective portion]	052	-	-	-	-
Foreign currency translation	053	-	-	-	-
Cash flow hedges [effective portion]	054	-	-	-	-
Hedging instruments [not designated elements]	055	-	-	-	-
Debt instruments at fair value through other comprehensive income	056	(125,884,247)	(125,884,247)	5,465,934	5,465,934
Fixed assets and disposal groups classified as held for sale	057	-	-	-	-
Share of other recognised income and expense of investments in subsidiaries, joint ventures and associates	058	-	-	-	-
Income tax relating to items that may be reclassified to profit or (-) loss	059	22,659,165	22,659,165	(983,868)	(983,868)
Total comprehensive income for the current year (36 + 37; 60 + 61)	060	(67,994,966)	(67,994,966)	44,364,895	44,364,895
Attributable to minority interest [non-controlling interest]	061	-	-	-	-
Attributable to owners of the parent	062	(67,994,966)	(67,994,966)	44,364,895	44,364,895

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

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	227,124,253	48,995,992
Adjustments:		-	-
Impairment and provisions	010	174,933,719	26,793,478
Depreciation	011	74,952,898	16,977,913
Net unrealised (gains)/losses on financial assets and liabilities at fair value through statement of profit or loss	012	(73,479,009)	(12,918,407)
(Profit)/loss from the sale of tangible assets	013	-	-
Other non-cash items	014	(537,334,753)	(133,781,611)
Promjene u imovini i obvezama iz poslovnih aktivnosti			
Deposits with the Croatian National Bank	015	(280,916,192)	(739,596,308)
Deposits with financial institutions and loans to financial institutions	016	258,285,873	(11,135,460)
Loans and advances to other clients	017	(1,316,301,519)	(134,134,255)
Securities and other financial instruments at fair value through other comprehensive income	018	468,611,329	(45,780,726)
Securities and other financial instruments held for trading	019	(65,609,242)	12,080,083
Securities and other financial instruments at fair value through statement of profit or loss, not traded	020	-	-
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	(1,184,307)
Other assets from operating activities	023	2,682,650	9,475,316
Deposits from financial institutions	024	105,943,541	(45,589,059)
Transaction accounts of other clients	025	1,255,559,114	1,480,641,804
Savings deposits of other clients	026	720,175,408	349,512,555
Time deposits of other clients	027	(928,046,118)	(209,650,769)
Derivative financial liabilities and other liabilities held for trading	028	5,952,655	3,555,420
Other liabilities from operating activities	029	862,044	71,638,153
Interest received from operating activities [indirect method]	030	588,918,099	143,774,572
Dividends received from operating activities [indirect method]	031	3,280,842	-
Interest paid from operating activities [indirect method]	032	(51,583,346)	(9,992,961)
(Income tax paid)	033	-	-
Net cash flow from operating activities (from 1 to 33)	034	636,339,157	819,681,423
Investing activities			
Cash receipts from the sale / payments for the purchase of tangible and intangible assets	035	(58,989,941)	(28,574,940)
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	(1,184,307)
Other receipts/payments from investing activities	039	-	-
Net cash flow from investing activities (from 35 to 39)	040	(56,663,030)	(29,759,247)
Financing activities			
Net increase/(decrease) in loans received from financing activities	041	475,822,595	1,862,296
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	1,862,296
Net increase/(decrease) of cash and cash equivalents (34 + 40 + 47)	048	1,055,498,722	791,784,472
Cash and cash equivalents at the beginning of period	049	3,037,318,898	4,084,192,801
Effect of exchange rate fluctuations on cash and cash equivalents	050	(8,624,819)	(3,295,984)
Cash and cash equivalents at the end of period (48 + 49 + 50)	051	4,084,192,801	4,872,681,289

STATEMENT OF CHANGES IN EQUITY
for the period January 01, 2021 to March 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	Other equity instruments	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	200,321,464	-	611,448,026	(477,000)	182,062,145	-	-	-	2,473,104,190
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	200,321,464	-	611,448,026	(477,000)	182,062,145	-	-	-	2,473,104,190
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 debt to equity	009	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital reduction	010	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	011	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase/sale 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 instruments	016	-	-	-	-	-	182,062,145	-	-	(182,062,145)	-	-	-	-	-
Share based payments	017	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other increase or (-) decrease of equity instruments	018	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the current year	019	-	-	-	-	4,024,343	-	-	-	-	40,340,552	-	-	-	44,364,895
Equity instruments increase or (-) decrease resulting from business combinations	020	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance [current period] (from 4 to 20)	021	1,214,775,000	-	-	-	268,998,898	382,383,609	-	611,448,026	(477,000)	40,340,552	-	-	-	2,517,469,085

Note: Decision of the General Assembly on net profit distribution in 2020 has not been made yet. Net profit will be distributed by capital positions (retained earnings and other reserves) after making above decision.

Notes to financial statements

1) INTEREST INCOME		in HRK					
AOP 001	Same period of the previous year 01.01.- 31.03.2020.		Current period 01.01. – 31.03.2021.				
	Cumulative	Quarter	Cumulative	Quarter			
Debt securities	22,027,279	22,027,279	19,496,752	19,496,752			
Loans and advances	127,982,346	127,982,346	124,277,820	124,277,820			
Other assets	249,014	249,014	-	-			
Deposits	-	-	-	-			
Other liabilities	-	-	-	-			
Total	150,258,639	150,258,639	143,774,572	143,774,572			
2) INTEREST EXPENSE		in HRK					
AOP 002	Same period of the previous year 01.01.- 31.03.2020.		Current period 01.01. – 31.03.2021.				
	Cumulative	Quarter	Cumulative	Quarter			
Debt securities	-	-	-	-			
Loans and advances	531,836	531,836	605,010	605,010			
Other assets	-	-	-	-			
Deposits	12,933,482	12,933,482	9,387,191	9,387,191			
Other liabilities	452,947	452,947	760	760			
Total	13,918,265	13,918,265	9,992,961	9,992,961			
3) FEE AND COMMISSION INCOME		in HRK					
AOP 005	Same period of the previous year 01.01.- 31.03.2020.		Current period 01.01. – 31.03.2021.				
	Cumulative	Quarter	Cumulative	Quarter			
Securities	-	-	712,761	712,761			
Asset management	73,995	73,995	11,505	11,505			
Custody [according to the type of client]	1,121,542	1,121,542	1,229,951	1,229,951			
Loan commitments	1,269,446	1,269,446	11,393	11,393			
Other	107,130,020	107,130,020	101,831,557	101,831,557			
Total	109,595,003	109,595,003	103,797,166	103,797,166			
4) FEE AND COMMISSION EXPENSE		in HRK					
AOP 006	Same period of the previous year 01.01.- 31.03.2020.		Current period 01.01. – 31.03.2021.				
	Cumulative	Quarter	Cumulative	Quarter			
Bank clearing and settlement	368,965	368,965	446,254	446,254			
Other	67,211,079	67,211,079	61,709,232	61,709,232			
Total	67,580,044	67,580,044	62,155,486	62,155,486			
5) GAIN/LOSSES ON TERMINATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES		in HRK					
AOP 007	Same period of the previous year 01.01.- 31.03.2020.		Current period 01.01. – 31.03.2021.				
	Cumulative	Quarter	Cumulative	Quarter			
Debt securities	23,870,392	23,870,392	-	-			
Loans and advances	-	-	-	-			
Deposits	-	-	-	-			
Debt Securities issued	-	-	-	-			
Other financial liabilities	-	-	93,829	93,829			
Total	23,870,392	23,870,392	93,829	93,829			
6) GAINS OR (-) LOSSES ON FINANCIAL ASSETS AND LIABILITIES HELD FOR TRADING		in HRK					
AOP 008	Same period of the previous year 01.01.- 31.03.2020.		Current period 01.01. – 31.03.2021.				
	Cumulative	Quarter	Cumulative	Quarter			
Equity instruments	(11,294,858)	(11,294,858)	4,329,892	4,329,892			
Debt securities	(7,587,117)	(7,587,117)	(1,324,176)	(1,324,176)			
FX transactions and derivatives	13,465,282	13,465,282	11,754,803	11,754,803			
Total	(5,416,693)	(5,416,693)	14,760,520	14,760,520			
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 01.01.- 31.03.2020.		Current period 01.01. – 31.03.2021.				
	Cumulative	Quarter	Cumulative	Quarter			
Equity instruments	-	-	-	-			
Debt securities	-	-	-	-			
Loans and advances	102,393	102,393	1,360,042	1,360,042			
Total	102,393	102,393	1,360,042	1,360,042			
8) OPERATING EXPENSES		in HRK					
AOP 015 & AOP 017 & AOP 018	Same period of the previous year 01.01.- 31.03.2020.		Current period 01.01. – 31.03.2021.				
	Cumulative	Quarter	Cumulative	Quarter			
Other operating expenses	10,185,400	10,185,400	2,358,709	2,358,709			
Administrative expenses	91,519,198	91,519,198	92,704,468	92,704,468			
Employee expenses	54,201,367	54,201,367	57,447,513	57,447,513			
Other administrative expenses	37,317,831	37,317,831	35,256,954	35,256,954			
(Contributions in cash rehabilitation committees and Deposit Insurance)	2,250,000	2,250,000	2,741,250	2,741,250			
Amortization	20,650,093	20,650,093	16,977,913	16,977,913			
Property, plant and equipment	11,183,650	11,183,650	10,791,029	10,791,029			
Investment property	-	-	-	-			
Other intangible assets	9,466,444	9,466,444	6,186,885	6,186,885			
Total	124,604,691	124,604,691	114,782,340	114,782,340			
9) IMPAIRMENT LOSSES AND PROVISION EXPENSES		in HRK					
AOP 019 & AOP 020 & AOP 021 & AOP 023	Same period of the previous year 01.01.- 31.03.2020.		Current period 01.01. – 31.03.2021.				
	Cumulative	Quarter	Cumulative	Quarter			
Modification gains or (-) losses, net	(29,391)	(29,391)	(3,309,564)	(3,309,564)			
Financial assets at fair value through other comprehensive income	-	-	-	-			
Financial assets at amortized cost	(29,391)	(29,391)	(3,309,564)	(3,309,564)			
(Provisions or (-) reversal of provisions)	884,318	884,318	3,212,236	3,212,236			
(Liabilities and Guarantees)	339,153	339,153	2,914,535	2,914,535			
(Other Provisions)	545,166	545,166	297,701	297,701			
(Impairment or (-) reversal of impairment on financial assets that are not measured at fair value through profit or loss)	28,708,700	28,708,700	20,271,678	20,271,678			
(Financial assets at fair value through other comprehensive income)	(1,127,923)	(1,127,923)	331,751	331,751			
(Financial assets at amortized cost)	29,836,623	29,836,623	19,939,926	19,939,926			
(Impairment or (-) reversal of impairment off of investments in subsidiaries, joint ventures, and associates)	-	-	-	-			
(Impairment or (-) reversal of impairment off non-financial assets)	-	-	-	-			
(Property, plant and equipment)	-	-	-	-			
(Investment property)	-	-	-	-			
(Goodwill)	-	-	-	-			
(Other intangible assets)	-	-	-	-			
(Other)	-	-	-	-			
Total	29,622,410	29,622,410	26,793,478	26,793,478			
10) LOANS AND ADVANCES		in HRK					
AOP 023	31.12.2020.			31.03.2021.			
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Central banks	1,219,156,918	-	-	1,252,705,881	-	-	
Gross loans	1,219,156,918	-	-	1,252,705,881	-	-	
Allowance	-	-	-	-	-	-	
Government	2,513,669,837	10,294,601	-	2,488,559,337	4,899	-	
Gross loans	2,520,514,249	10,456,303	-	2,497,840,637	5,308	-	
Allowance	(6,844,412)	(161,702)	-	(9,281,301)	(409)	-	
Credit institutions	368,510,087	-	-	318,147,009	-	-	
Gross loans	57,300	-	-	62,424	-	-	
Allowance	27	-	-	-	-	-	
Deposits	368,996,913	-	-	319,566,863	-	-	
Allowance	(544,154)	-	-	(1,482,278)	-	-	
Other financial institutions	179,270,857	3,893	-	160,914,640	1,307	-	
Gross loans	168,686,297	3,983	-	150,329,215	1,377	-	
Allowance	(584,453)	(90)	-	(535,431)	(70)	-	
Deposits	11,262,954	-	-	11,831,110	-	-	
Allowance	(93,941)	-	-	(710,255)	-	-	
Non - financial institutions	3,626,480,744	422,197,574	636,986,564	3,498,367,129	560,502,924	642,806,763	
Gross loans	3,752,909,802	480,885,197	1,456,527,825	3,614,155,845	633,893,816	1,462,015,554	
Allowance	(126,429,057)	(58,687,623)	(819,541,261)	(115,788,716)	(73,390,892)	(819,208,791)	
Retail	7,022,179,455	251,126,985	162,079,076	7,131,589,899	291,742,342	177,167,474	
Gross loans	7,060,672,678	272,846,699	687,755,861	7,169,840,316	313,449,244	721,567,183	
Allowance	(38,493,224)	(21,719,714)	(525,676,785)	(38,250,416)	(21,706,902)	(544,399,709)	
Total	14,929,267,898	683,623,053	799,065,640	14,850,283,894	852,251,472	819,974,238	
11) NON-TRADING FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS		in HRK					
AOP 013	31.12.2020.		31.03.2021.				
Central banks	-	-	-	-			
Local state	-	-	-	-			
Credit institutions	-	-	-	-			
Other financial institutions	-	-	-	-			
Non - financial institutions	5,093,283	3,519,082	-	-			
Retail	13,772,618	13,745,304	-	-			
Total	18,865,901	17,264,386					
12) DEPOSITS		in HRK					
AOP 044	31.12.2020.		31.03.2021.				
Government	400,000,000	401,036,192	-	-			
Local state	5,325,746,428	5,814,181,681	-	-			
Credit institutions	209,013,088	390,151,159	-	-			
Other financial institutions	1,397,035,135	1,359,612,944	-	-			
Non - financial institutions	3,162,990,953	3,392,089,064	-	-			
Retail	12,074,349,419	12,137,491,963	-	-			
Total	22,569,135,023	23,494,563,003					

HPB-R-A stock during the reporting period



Stock data and details

Issue date	December 12, 2000
ISIN	HRHPB0RA0002
Segment	Official market of the Zagreb Stock Exchange
Listed quantity	2.024.625
Share price as at March 31, 2021 (in HRK)	460,00
Market capitalisation (in HRK million)	931,33

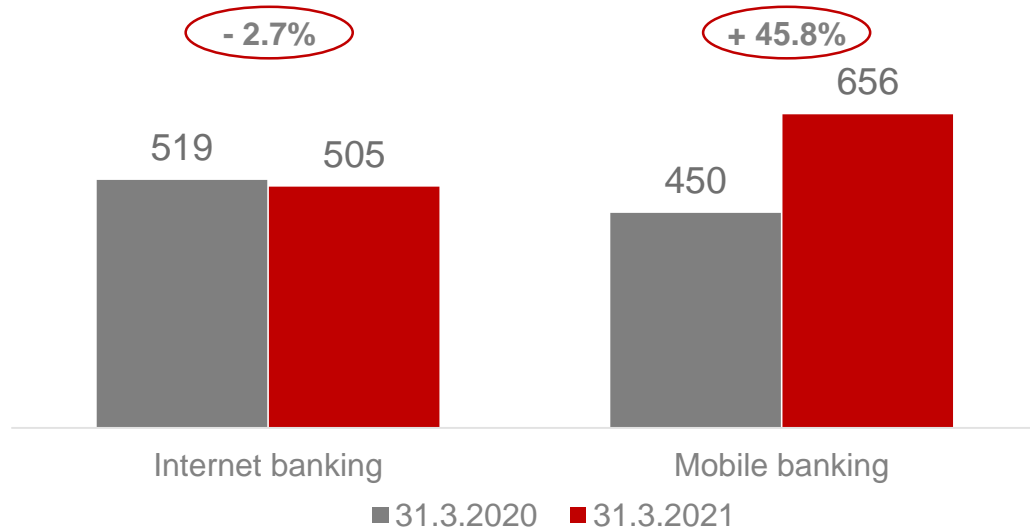
Shareholders

	Ownership stake (%)
Republic of Croatia	42.43
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	27.86

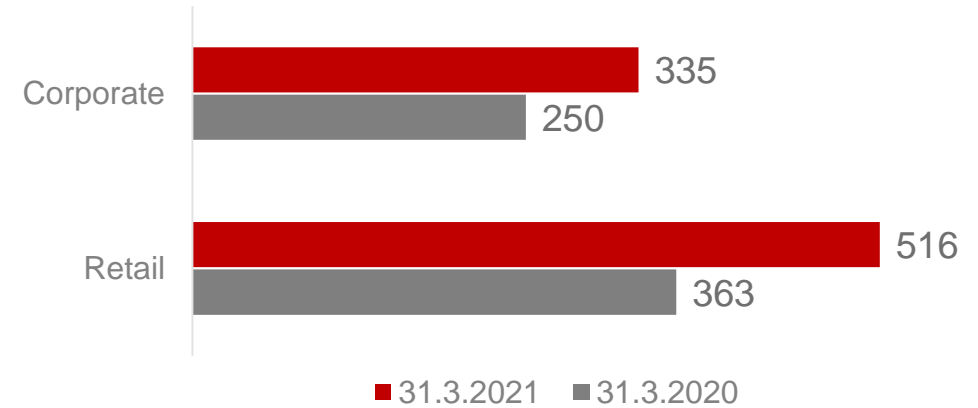
Total shares 100

Direct channels

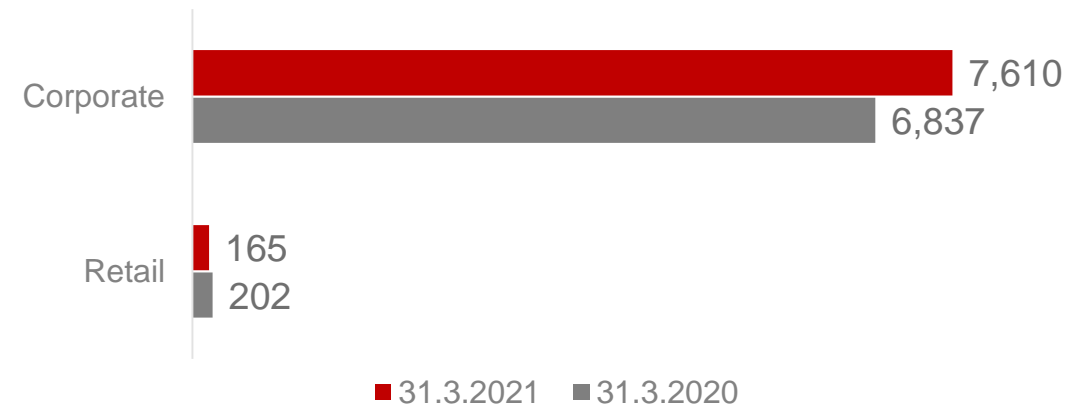
Number of transactions (in ths)



Transaction volume - Mobile banking (in HRK mn)



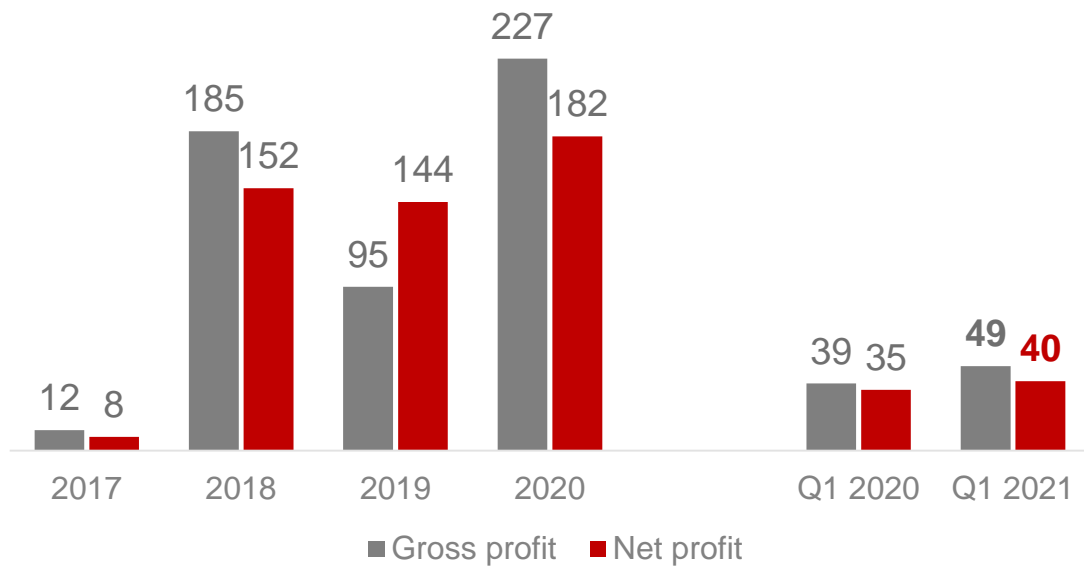
Transaction volume - Internet banking (in HRK mn)



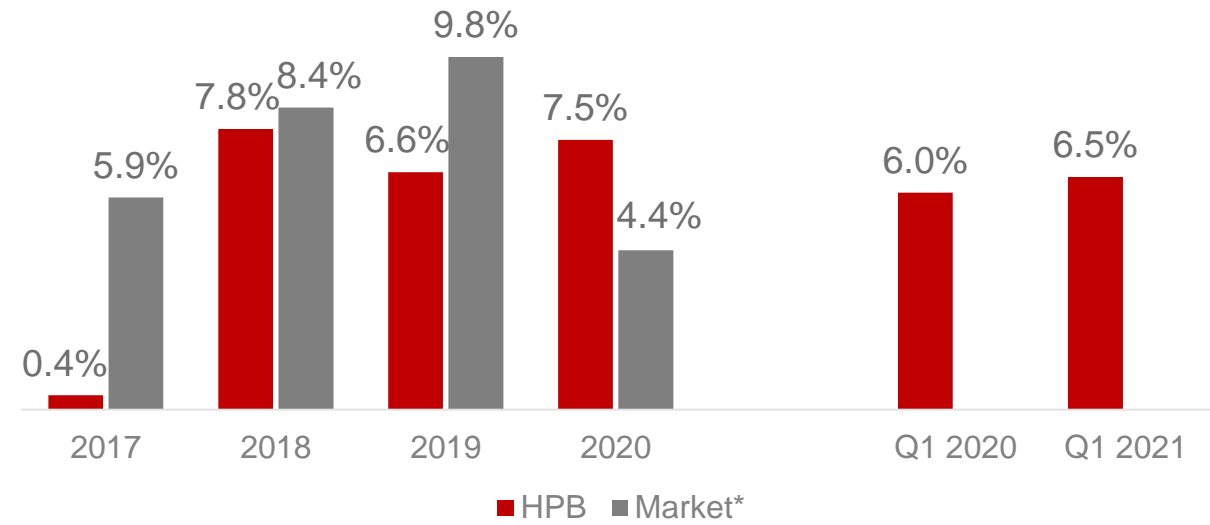
- Expected further increase in mobile banking – both in the volume and number of transactions.

Profitability

Profit development (in HRK mn)



Return on Average Equity ROAE

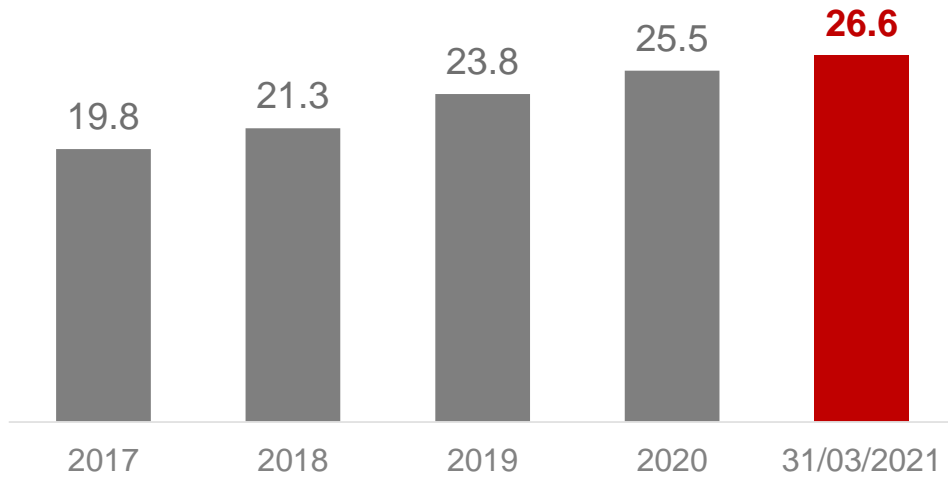


* Market share data for first quarter of 2021 not available at the time presentation was published

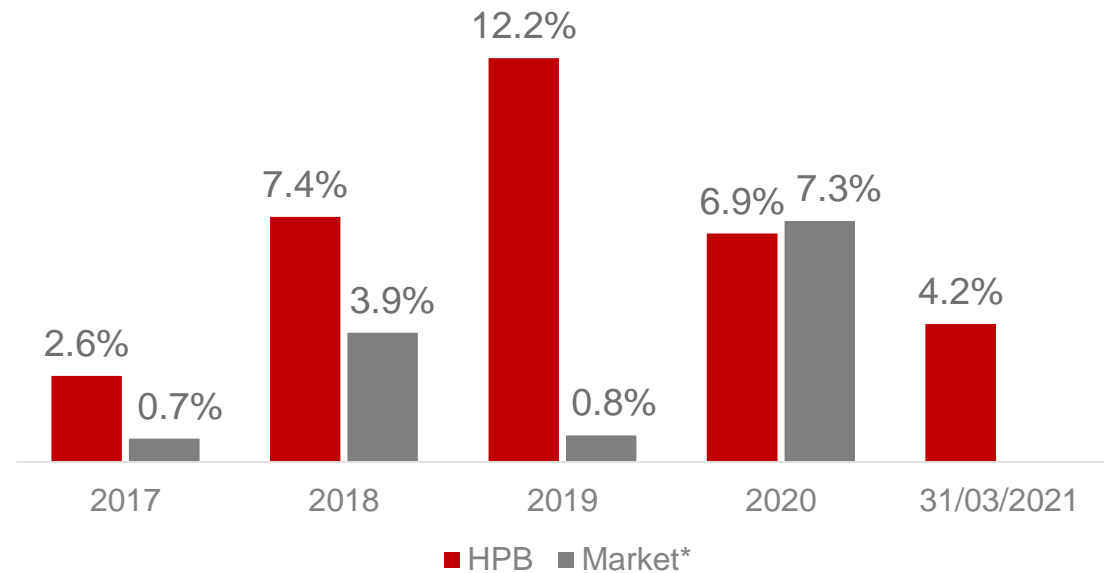
- Better quarterly results than in pre-COVID period (Q1 2020/2021), mainly driven by cost reduction

Asset development

HPB's Asset development
(in HRK bn)



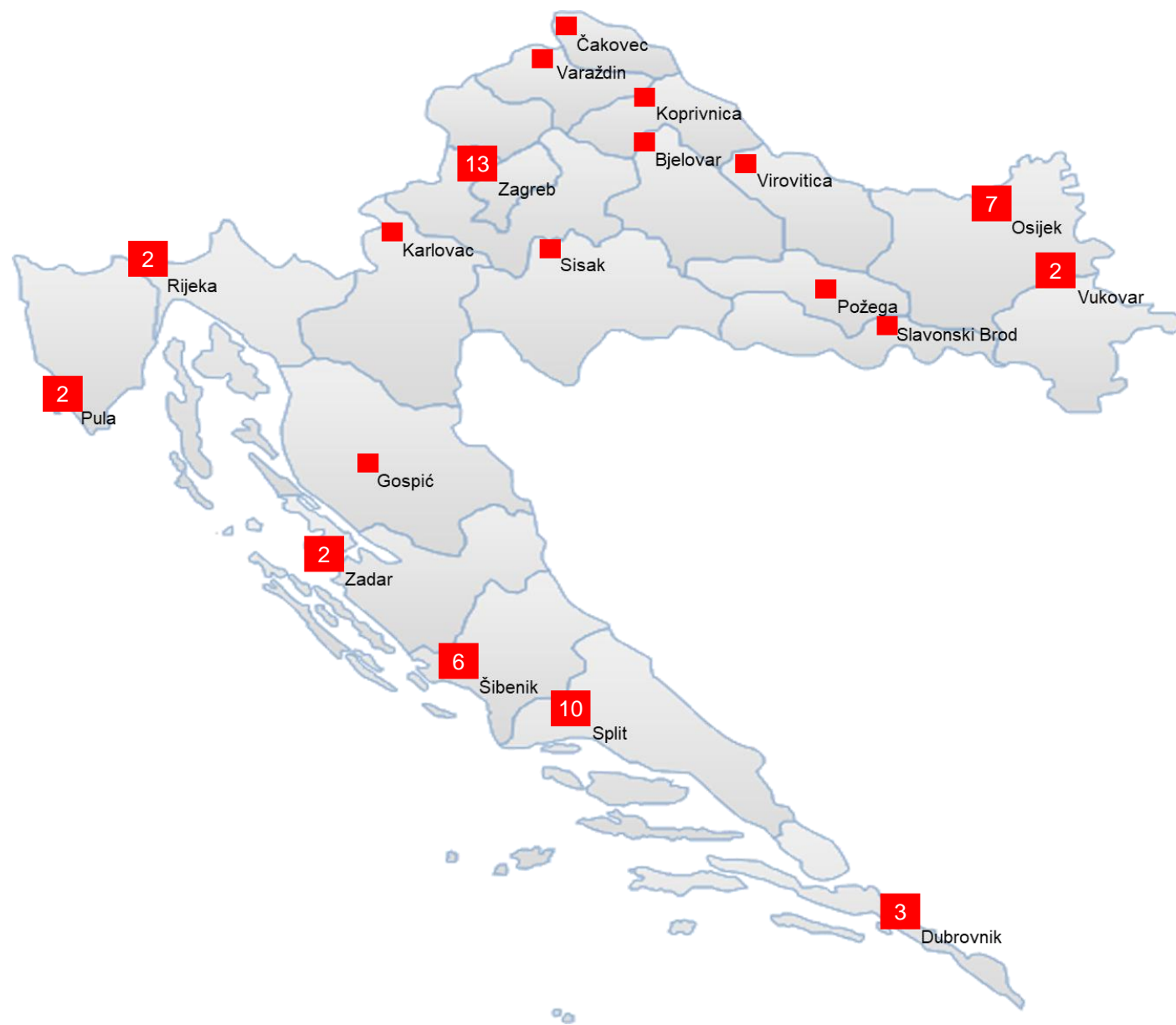
Comparative asset growth rates



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

- Organic growth continued in 2021;
- Asset growth reciprocated with growth in funding. Increase of liquid assets in 2021 was HRK +861.8 mn;
- LCR (Liquidity Coverage Ratio) as of 31.03.2021 is at 165%.

Accessibility



■ 57 branch offices

12 regional centers

3 business centers

142 financial corners at the Croatian post

Over 1,500 cash-out points with no fees