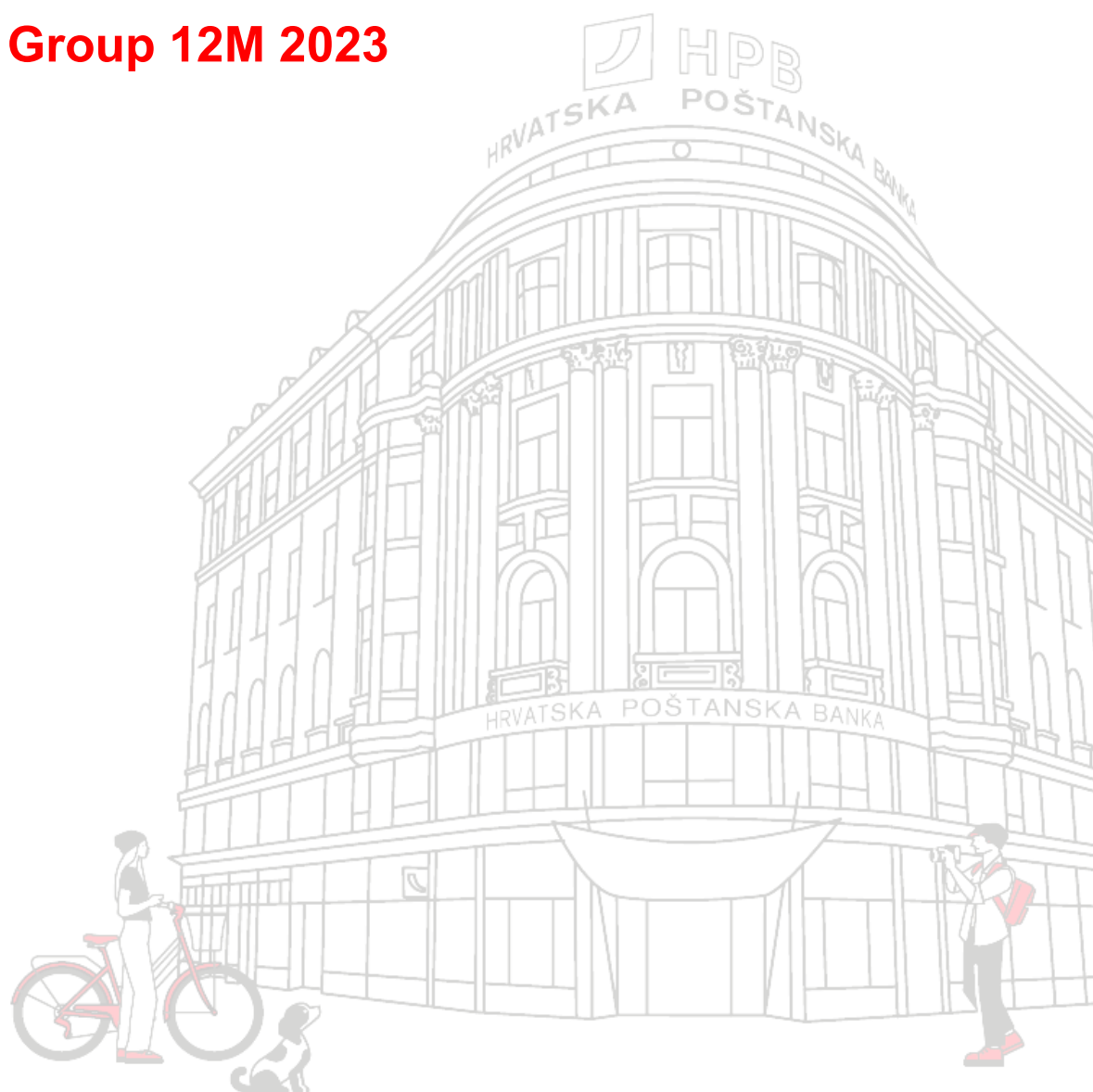


HPB Group 12M 2023



**Audited Consolidated Financial Statements for the period
from January 1 to December 31, 2023**

	Consolidated financial statements
Type and name of prescribed information:	HPB Group 12M 2023 Audited Consolidated Financial statements for the period 1.1.2023 - 31.12.2023
Company, headquarter and address:	Hrvatska poštanska banka public listed company, 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 exchange identifier (ticker):	HPB-R-A
Regulated market and segment:	Zagreb Stock Exchange, Official market

In accordance with the Capital Markets Act, Hrvatska poštanska Banka p.l.c. (Bank), as the parent company of the Hrvatska poštanska banka Group (Group), publishes audited consolidated financial statements for the period from January 1 to December 31, 2023.

Original and official quarterly is published in Croatian.

The report includes:

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

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

From January 1, 2023 the euro was introduced as the official currency in the Republic of Croatia, and for the purposes of this presentation, the previous periods are prepared using a fixed HRK/EUR conversion rate where EUR 1 = HRK 7.53450.

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

The HPB Group's net profit after tax is EUR 82.99 million. Net profit of the parent company amounts to EUR 80.62 million. HPB Invest realized a net loss of EUR 367.82 thousand and HPB-Nekretnine a net profit of EUR 15.16 thousand.

Marko Badurina

President of the Management Board

Tadija Vrdoljak

Member of the Management Board

Ivan Soldo

Member of the Management Board

Josip Majher

Member of the Management Board

Anto Mihaljević

Member of the Management Board

In accordance with the Capital Market Act, the Management Board of HPB p.l.c., the parent company of HPB Group, states that according to their best knowledge the set of consolidated audited financial statements for the period from January 1 to December 31, 2023, 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:

Marko Badurina

President of the Management Board

Tadija Vrdoljak

Member of the Management Board

Ivan Soldo

Member of the Management Board

Josip Majher

Member of the Management Board

Anto Mihaljević

Member of the Management Board

ISSUER'S GENERAL DATA

Reporting period:

1.1.2023

to

31.12.2023

Year:

2023

Annual financial statementsRegistration 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 ULICA 4**E-mail address: **hpb@hpb.hr**Web address: **www.hpb.hr**Number of employees (end of the reporting): **1752**Consolidated report: **KD** (KN-not consolidated/KD-consolidated)Audited: **RD** (RN-not audited/RD-audited)

Names of subsidiaries (according to IFRS):

Registered office:

MB:

HPB Invest d.o.o. | **Strojarska cesta 20, 10000 Zagreb** | **01972278****HPB-nekretnine d.o.o.** | **Ulica Milana Amruša 8, 10000 Zagreb** | **01972260**Bookkeeping firm: **No** (Yes/No)

(name of the bookkeeping firm)

Contact person: **Tea Bažant**
(only name and surname of the contact person)Telephone: **014804670**E-mail address: **tea.bazant@hpb.hr**Audit firm: **BDO Croatia d.o.o.**
(name of the audit firm)Certified auditor:
(name and surname)

BALANCE SHEET
balance as at 31. 12. 2023

in EUR

Submitter: Hrvatska poštanska banka p.l.c.

Item	ADP code	Last day of the preceding business year	Current period
1	2	3	4
Assets			
Cash, cash balances at central banks and other demand deposits (from 2 to 4)	001	1,472,054,192	3,103,800,978
Cash in hand	002	151,842,426	136,782,367
Cash balances at central banks	003	1,306,514,207	2,957,462,257
Other demand deposits	004	13,697,559	9,556,354
Financial assets held for trading (from 6 to 9)	005	66,622,941	54,809,698
Derivatives	006	48,141	612,632
Equity instruments	007	12,505,659	14,348,314
Debt securities	008	54,069,141	39,848,752
Loans and advances	009	0	0
Non-trading financial assets mandatorily at fair value through profit or loss (from 11 to 13)	010	908,193	490,500
Equity instruments	011	0	0
Debt securities	012	0	0
Loans and advances	013	908,193	490,500
Financial assets at fair value through profit or loss (15 + 16)	014	0	105,740
Debt securities	015	0	105,740
Loans and advances	016	0	0
Financial assets at fair value through other comprehensive income (from 18 to 20)	017	3,807,605	4,394,287
Equity instruments	018	3,807,605	4,394,287
Debt securities	019	0	0
Loans and advances	020	0	0
Financial assets at amortised cost (22 + 23)	021	3,896,748,838	3,786,154,629
Debt securities	022	796,884,814	855,856,956
Loans and advances	023	3,099,864,024	2,930,297,673
Derivatives - hedge accounting	024	0	0
Fair value changes of the hedged items in portfolio hedge of interest rate risk	025	0	0
Investments in subsidiaries, joint ventures and associates	026	6	6
Tangible assets	027	55,270,903	60,929,284
Intangible assets	028	21,515,024	14,620,305
Tax assets	029	8,827,663	5,316,953
Other assets	030	14,327,104	14,994,533
Fixed assets and disposal groups classified as held for sale	031	0	0
Total assets (1 + 5 + 10 + 14 + 17 + 21 + from 24 to 31)	032	5,540,082,469	7,045,616,913
Liabilities			
Financial liabilities held for trading (from 34 to 38)	033	70,801	16,165
Derivatives	034	70,801	16,165
Short positions	035	0	0
Deposits	036	0	0
Debt securities issued	037	0	0
Other financial liabilities	038	0	0
Financial liabilities at fair value through profit or loss (from 40 to 42)	039	0	0
Deposits	040	0	0
Debt securities issued	041	0	0
Other financial liabilities	042	0	0
Financial liabilities measured at amortised cost (from 44 to 46)	043	4,978,861,244	6,417,895,965
Deposits	044	4,970,072,364	6,396,764,556
Debt securities issued	045	0	0
Other financial liabilities	046	8,788,880	21,131,409
Derivatives - hedge accounting	047	0	0
Fair value changes of the hedged items in portfolio hedge of interest rate risk	048	0	0
Provisions	049	55,140,852	41,571,561
Tax liabilities	050	1,469,513	7,508,138
Share capital repayable on demand	051	0	0
Other liabilities	052	47,641,375	45,096,050
Liabilities included in disposal groups classified as held for sale	053	0	0
Total liabilities (33 + 39 + 43 + from 47 to 53)	054	5,083,183,785	6,512,087,879
Equity			
Capital	055	161,228,350	161,970,000
Share premium	056	0	0
Equity instruments issued other than capital	057	0	0
Other equity	058	0	0
Accumulated other comprehensive income	059	8,020,695	8,645,102
Retained profit	060	73,124,786	191,829,335
Revaluation reserves	061	0	0
Other reserves	062	87,859,808	87,998,149
(-) Treasury shares	063	0	0
Profit or loss attributable to owners of the parent	064	126,665,045	83,086,448
(-) Interim dividends	065	0	0
Minority interests [non-controlling interests]	066	0	0
Total equity (from 55 to 66)	067	456,898,684	533,529,034
Total equity and liabilities (54 + 67)	068	5,540,082,469	7,045,616,913

STATEMENT OF PROFIT OR LOSS
for the period 1. 1. 2023 to 31. 12. 2023

in EUR

Submitter: Hrvatska poštanska banka p.l.c.

Item	ADP code	Same period of the previous year	Current period
1	2	3	4
Interest income	001	105,344,409	192,963,374
(Interest expenses)	002	7,912,236	28,754,207
(Expenses on share capital repayable on demand)	003	0	0
Dividend income	004	154,389	162,114
Fees and commissions income	005	78,229,885	76,520,651
(Fees and commissions expenses)	006	43,254,537	43,357,300
Gains or (-) losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	007	404,386	48,460
Gains or (-) losses on financial assets and liabilities held for trading, net	008	-439,758	6,412,720
Gains or losses on non-trading financial assets mandatorily at fair value through profit or loss, net	009	-6,391	202,518
Gains or (-) losses on derecognition of financial assets and liabilities at fair value through profit or loss, net	010	0	0
Gains or (-) losses from hedge accounting, net	011	0	0
Exchange rate differences [gain or (-) loss], net	012	-1,297,349	-1,057,726
Gains or (-) losses on derecognition of investments in subsidiaries, joint ventures and associates, net	013	0	0
Gains or (-) losses on derecognition of non-financial assets, net	014	24,242	41,877
Other operating income	015	3,620,458	8,666,902
(Other operating expenses)	016	1,590,961	4,511,354
Total operating income, net (1 – 2 – 3 + 4 + 5 – 6 + from 7 to 15 – 16)	017	133,276,537	207,338,029
(Administrative expenses)	018	86,719,118	91,989,197
(Cash contributions to resolution boards and deposit guarantee schemes)	019	4,242,886	1,639,947
(Depreciation)	020	13,077,216	14,490,652
Modification gains or (-) losses, net	021	-376,897	-423,864
(Provisions or (-) reversal of provisions)	022	7,858,468	-6,745,341
(Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss)	023	17,402,884	5,479,970
(Impairment or (-) reversal of impairment of investments in subsidiaries, joint ventures and associates)	024	0	0
(Impairment or (-) reversal of impairment on non-financial assets)	025	8,545,939	2,837,102
Negative goodwill recognised in profit or loss	026	135,213,372	0
Share of the profit or (-) losses of investments in subsidiaries, joint ventures and associates accounted for using the equity method	027	0	0
Profit or (-) loss from fixed assets and disposal groups classified as held for sale not qualifying as discontinued operations	028	0	0
Profit or (-) loss before tax from continuing operations (17 – 18 to 20 + 21 – from 22 to 25 + from 26 to 28)	029	130,266,501	97,222,638
(Tax expense or (-) income related to profit or loss from continuing operations)	030	3,601,456	14,136,190
Profit or (-) loss after tax from continuing operations (29 – 30)	031	126,665,045	83,086,448
Profit or (-) loss after tax from discontinued operations (33 – 34)	032	0	0
Profit or (-) loss before tax from discontinued operations	033	0	0
(Tax expense or (-) income related to discontinued operations)	034	0	0
Profit or (-) loss for the year (31 + 32; 36 + 37)	035	126,665,045	83,086,448
Attributable to minority interest [non-controlling interests]	036	0	0
Attributable to owners of the parent	037	126,665,045	83,086,448
STATEMENT OF OTHER COMPREHENSIVE INCOME			
Income or (-) loss for the current year	038	126,665,045	83,086,448
Other comprehensive income (40+ 52)	039	-23,858,488	624,407
Items that will not be reclassified to profit or loss (from 41 to 47 + 50 + 51)	040	1,619,343	624,407
Tangible assets	041	1,644,048	0
Intangible assets	042	0	0
Actuarial gains or (-) losses on defined benefit pension plans	043	0	0
Fixed assets and disposal groups classified as held for sale	044	0	0
Share of other recognised income and expense of entities accounted for using the equity method	045	0	0
Fair value changes of equity instruments measured at fair value through other comprehensive income	046	0	0
value through other comprehensive income, net	047	330,761	707,640
through other comprehensive income [hedged item]	048	0	0
through other comprehensive income [hedging instrument]	049	0	0
Fair value changes of financial liabilities measured at fair value through profit or loss attributable to changes in their credit risk	050	0	0
Income tax relating to items that will not be reclassified	051	-355,466	-83,233
Items that may be reclassified to profit or loss (from 53 to 60)	052	-25,477,831	0
Hedge of net investments in foreign operations [effective portion]	053	0	0
Foreign currency translation	054	0	0
Cash flow hedges [effective portion]	055	0	0
Hedging instruments [not designated elements]	056	0	0
Debt instruments at fair value through other comprehensive income	057	-31,070,526	0
Fixed assets and disposal groups classified as held for sale	058	0	0
Share of other recognised income and expense of investments in subsidiaries, joint ventures and associates	059	0	0
Income tax relating to items that may be reclassified to profit or (-) loss	060	5,592,695	0
Total comprehensive income for the current year (38 + 39; 62 + 63)	061	102,806,557	83,710,855
Attributable to minority interest [non-controlling interest]	062	0	0
Attributable to owners of the parent	063	102,806,557	83,710,855

STATEMENT OF CASH FLOW
for the period 1. 1. 2023 to 31. 12. 2023

in EUR

Submitter: Hrvatska poštanska banka p.l.c.

Item	ADP code	Same period of the previous year	At the reporting date of the current period
1	2	3	4
Operating activities - direct method			
Interest received and similar receipts	001	0	0
Fees and commissions received	002	0	0
(Interest paid and similar expenditures)	003	0	0
(Fees and commissions paid)	004	0	0
(Operating expenses paid)	005	0	0
Net gains/losses from financial instruments at fair value through statement of profit or loss	006	0	0
Other receipts	007	0	0
(Other expenditures)	008	0	0
Operating activities - indirect method			
Profit/(loss) before tax	009	126,665,045	97,222,638
Adjustments:		0	0
Impairment and provisions	010	26,263,802	1,995,595
Depreciation	011	13,261,966	14,490,652
Net unrealised (gains)/losses on financial assets and liabilities at fair value through statement of profit or loss	012	41,762	-4,433,078
(Profit)/loss from the sale of tangible assets	013	0	0
Other non-cash items	014	-97,325,727	-163,149,581
Changes in assets and liabilities from operating activities			
Deposits with the Croatian National Bank	015	176,049,045	0
Deposits with financial institutions and loans to financial institutions	016	0	0
Loans and advances to other clients	017	-1,213,372,849	401,717,909
Securities and other financial instruments at fair value through other comprehensive income	018	-34,596,904	-586,000
Securities and other financial instruments held for trading	019	15,105,516	11,813,243
Securities and other financial instruments at fair value through statement of profit or loss, not traded	020	0	0
Securities and other financial instruments mandatorily at fair value through statement of profit or loss	021	0	0
Securities and other financial instruments at amortised cost	022	-192,614,126	-58,972,142
Other assets from operating activities	023	-6,348,555	-667,429
Deposits from financial institutions	024	94,257,224	60,383,971
Transaction accounts of other clients	025	1,168,716,945	894,102,619
Savings deposits of other clients	026	368,645,410	-385,324,935
Time deposits of other clients	027	-35,379,783	469,743,840
Derivative financial liabilities and other liabilities held for trading	028	-3,672,531	-54,636
Other liabilities from operating activities	029	90,319,463	-12,342,529
Interest received from operating activities [indirect method]	030	105,343,696	192,961,255
Dividends received from operating activities [indirect method]	031	154,389	0
Interest paid from operating activities [indirect method]	032	-8,017,969	-28,753,570
(Income tax paid)	033	-767,445	0
Net cash flow from operating activities (from 1 to 33)	034	592,728,374	1,490,147,822
Investing activities			
Cash receipts from the sale / payments for the purchase of tangible and intangible assets	035	-35,128,815	-9,359,487
Cash receipts from the sale / payments for the purchase of investments in branches, associates and joint ventures	036	0	0
Cash receipts from the sale / payments for the purchase of securities and other financial instruments held to maturity	037	0	0
Dividends received from investing activities	038	0	0
Other receipts/payments from investing activities	039	0	0
Net cash flow from investing activities (from 35 to 39)	040	-35,128,815	-9,359,487
Financing activities			
Net increase/(decrease) in loans received from financing activities	041	53,578,453	151,100,976
Net increase/(decrease) in debt securities issued	042	0	0
Net increase/(decrease) in Tier 2 capital instruments	043	0	0
Increase in share capital	044	0	0
(Dividends paid)	045	0	0
Other receipts/(payments) from financing activities	046	90,464	0
Net cash flow from financing activities (from 41 to 46)	047	53,668,917	151,100,976
Net increase/(decrease) of cash and cash equivalents (34 + 40 + 47)	048	611,268,476	1,631,889,311
Cash and cash equivalents at the beginning of period	049	875,363,554	1,472,054,192
Effect of exchange rate fluctuations on cash and cash equivalents	050	-1,313,458	-142,525
Cash and cash equivalents at the end of period (48 + 49 + 50)	051	1,485,318,572	3,103,800,978

STATEMENT OF CHANGES IN EQUITY
for the period from to 31.12.2023

in EUR

Sources of equity changes	ADP 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	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Opening balance [before restatement]	001	161,228,350	0	0	0	8,020,695	73,124,786	0	87,859,808	0	126,665,045	0	0	0	456,898,684
Effects of error corrections	002	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Effects of changes in accounting policies	003	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Opening balance [current period] (1 + 2 + 3)	004	161,228,350	0	0	0	8,020,695	73,124,786	0	87,859,808	0	126,665,045	0	0	0	456,898,684
Ordinary shares issue	005	741,650	0	0	0	0	0	0	-741,650	0	0	0	0	0	0
Preference shares issue	006	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Issue of other equity instruments	007	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Exercise or expiration of other equity instruments issued	008	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Conversion of receivables to equity instruments	009	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital reduction	010	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Dividends	011	0	0	0	0	0	-5,284,271	0	0	0	0	0	0	0	-5,284,271
Purchase of treasury shares	012	0	0	0	0	0	0	0	0	-6,800	0	0	0	0	-6,800
Sale or cancellation of treasury shares	013	0	0	0	0	0	0	0	0	6,800	0	0	0	0	6,800
Reclassification of financial instruments from equity to liability	014	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Reclassification of financial instruments from liability to equity	015	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfers among components of equity	016	0	0	0	0	0	124,595,216	0	0	0	-124,595,216	0	0	0	0
Equity increase or (-) decrease resulting from business combinations	017	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Share based payments	018	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other increase or (-) decrease in equity	019	0	0	0	0	0	-606,396	0	879,991	0	-2,069,829	0	0	0	-1,796,234
Total comprehensive income for the current year	020	0	0	0	0	624,407	0	0	0	0	83,086,448	0	0	0	83,710,855
Closing balance [current period] (from 4 to 20)	021	161,970,000	0	0	0	8,645,102	191,829,335	0	87,998,149	0	83,086,448	0	0	0	533,529,034

Notes to financial statements

1) INTEREST INCOME

	in EUR	
	Same period of the previous year 1. 1. - 31. 12. 2022	Current period 1. 1. - 31. 12. 2023
AOP 001		
	Cumulative	Cumulative
Debt securities	11,454,255	18,297,857
Loans and advances	93,859,723	122,079,918
Other assets	17,876	52,582,389
Deposits	12,555	13,409
Other liabilities	-	-
Total	105,344,409	192,963,573

2) INTEREST EXPENSE

	in EUR	
	Same period of the previous year 1. 1. - 31. 12. 2022	Current period 1. 1. - 31. 12. 2023
AOP 002		
	Cumulative	Cumulative
Debt securities	-	-
Loans and advances	833,276	8,156
Other assets	-	-
Deposits	7,025,984	28,645,709
Other liabilities	52,977	100,343
Total	7,912,236	28,754,208

3) FEE AND COMMISSION INCOME

	in EUR	
	Same period of the previous year 1. 1. - 31. 12. 2022	Current period 1. 1. - 31. 12. 2023
AOP 005		
	Cumulative	Cumulative
Securities	443,570	336,048
Asset management	3,145	6,486
Custody (according to the type of client)	655,229	647,257
Loan commitments	260,883	193,755
Other	76,897,059	75,337,026
Total	78,228,885	76,520,651

4) FEE AND COMMISSION EXPENSE

	in EUR	
	Same period of the previous year 1. 1. - 31. 12. 2022	Current period 1. 1. - 31. 12. 2023
AOP 006		
	Cumulative	Cumulative
Bank clearing and settlement	1,803,210	1,206,709
Other	41,851,327	42,150,591
Total	43,254,537	43,357,300

5) GAIN/LOSSES ON TERMINATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

	in EUR	
	Same period of the previous year 1. 1. - 31. 12. 2022	Current period 1. 1. - 31. 12. 2023
AOP 007		
	Cumulative	Cumulative
Debt securities	281,118,69	-1,936,29
Loans and advances	-	-
Deposits	-	-
Debt Securities Issued	-	-
Other financial liabilities	123,267	50,767
Total	404,385	48,460

6) GAINS OR (-) LOSSES ON FINANCIAL ASSETS AND LIABILITIES HELD FOR TRADING

	in EUR	
	Same period of the previous year 1. 1. - 31. 12. 2022	Current period 1. 1. - 31. 12. 2023
AOP 008		
	Cumulative	Cumulative
Equity instruments	(1,518,339)	2,049,867
Debt securities	(8,197,603)	1,073,028
FX transactions and derivatives	9,276,185	3,289,825
Total	(439,758)	6,412,720

7) GAINS OR LOSSES ON NON-TRADING FINANCIAL ASSETS MANDATORILY AT FAIR VALUE THROUGH PROFIT OR LOSS

	in EUR	
	Same period of the previous year 1. 1. - 31. 12. 2022	Current period 1. 1. - 31. 12. 2023
AOP 009		
	Cumulative	Cumulative
Equity instruments	-	-
Debt securities	-	-
Loans and advances	(6,391)	202,518
Total	(6,391)	202,518

8) OPERATING EXPENSES

	in EUR	
	Same period of the previous year 1. 1. - 31. 12. 2022	Current period 1. 1. - 31. 12. 2023
AOP 015 & AOP 017 & AOP 018		
	Cumulative	Cumulative
Other operating expenses	1,290,961	4,511,354
Administrative expenses	86,719,118	91,889,196
Employee expenses	45,415,488	51,760,973
Other administrative expenses	41,298,630	40,298,223
(Contributions in cash rehabilitation committees and Deposit Insurance Schemes)	4,242,885	1,639,947
Amortization	13,077,217	14,490,652
Property, plant and equipment	7,143,620	8,679,383
Investment property	-	-
Other intangible assets	5,933,597	5,811,289
Total	105,630,181	112,831,149

9) IMPAIRMENT LOSSES AND PROVISION EXPENSES

	in EUR	
	Same period of the previous year 1. 1. - 31. 12. 2022	Current period 1. 1. - 31. 12. 2023
AOP 019 & AOP 020 & AOP 021 & AOP 023		
	Cumulative	Cumulative
Modification gains or (-) losses, net	(376,897)	(423,864)
Financial assets at fair value through other comprehensive income	-	-
Financial assets at amortized cost	(376,897)	(423,864)
(Provisions or (-) reversal of provisions)	7,858,468	(6,745,941)
(Liabilities and Guarantees)	6,547,558	(6,149,921)
(Other Provisions)	1,310,910	(595,419)
(Impairment or (-) reversal of impairment on financial assets that are not measured at fair value through profit or loss)	17,402,883	5,479,971
(Financial assets at fair value through other comprehensive income)	(3,032,402)	-
(Financial assets at amortized cost)	20,435,286	5,479,971
(Impairment or (-) reversal of impairment of investments in subsidiaries, joint ventures, and associates)	-	-
(Impairment or (-) reversal of impairment of non-financial assets)	8,545,939	2,837,102
(Property, plant and equipment)	723,274	29,699
(Investment property)	(73,330)	(49,859)
(Goodwill)	-	-
(Other intangible assets)	7,834,097	2,857,261
(Other)	82,498,51	-
Total	34,184,188	1,995,598

10) LOANS AND ADVANCES

	31.12.2022			31.12.2023		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
AOP 023						
Central banks	11,006,935	-	-	-	-	-
Gross loans	-	-	-	-	-	-
Allowance	-	-	-	-	-	-
Deposits	11,019,477	-	-	-	-	-
Allowance	-	12,542	-	-	-	-
Government	472,168,054	4,880,387	67	35,594,286	6,402	527
Gross loans	473,895,758	4,918,117	12,279	35,792,179	11,336	132,772
Allowance	(1,527,704)	37,730	(12,215)	(197,893)	(4,934)	132,245
Credit institutions	14,832,892	-	-	1,564,563	-	168
Gross loans	97,277	-	-	16,432	-	172
Allowance	(1,137)	-	-	(9)	-	4
Deposits	14,803,409	-	-	1,551,167	-	-
Allowance	(67,557)	-	-	(3,035)	-	-
Other financial institutions	37,688,097	654	28,812	450,964,654	1,773,946	2,946,111
Gross loans	35,245,411	696	185,654	450,089,885	1,805,576	2,916,570
Allowance	(347,533)	32	(157,042)	(1,230,810)	(31,630)	70,459
Deposits	2,235,401	-	-	2,157,717	-	-
Allowance	(65,183)	-	-	(52,138)	-	-
Non-financial institutions	735,631,007	157,271,674	34,054,609	652,151,087	186,276,332	36,332,874
Gross loans	747,811,770	158,403,401	125,985,965	661,450,763	195,965,509	36,730,546
Allowance	(11,180,763)	(111,191,727)	(91,630,757)	(9,299,676)	(9,689,177)	(62,400,672)
Retail	1,402,242,090	193,782,653	36,895,996	1,273,097,668	255,463,828	34,225,225
Gross loans	1,413,131,188	212,125,279	161,088,792	1,279,022,452	277,544,147	167,697,343
Allowance	(10,889,098)	(118,342,626)	(124,192,796)	(6,924,784)	(22,080,319)	(133,172,118)
Total	2,672,849,174	355,835,368	70,979,483	2,413,372,259	443,520,509	73,404,905

11) NON-TRADING FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

	in EUR	
	31.12.2022	31.12.2023
ACP 013		
Central banks	-	-
Local state	-	-
Credit institutions	-	-
Other financial institutions	-	-
Non-financial institutions	324,420	-
Retail	583,773	490,500
Total	908,193	490,500

12) DEPOSITS

	in EUR	
	31.12.2022	31.12.2023
ACP 044		
Government	79,886,742	73,688,625
Local state	1,417,872,377	1,850,606,910
Credit institutions	73,327,278	119,203,207
Other financial institutions	263,729,321	317,594,138
Non-financial institutions	732,417,482	896,908,882
Retail	2,404,060,183	3,138,752,794
Total	4,670,072,364	6,386,764,556

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

SUPERVISORY BOARD

Zagreb, March 28, 2024

In accordance with the provision of article 21 of the Articles of Association of HPB p.l.c. (hereinafter: Bank), and in line with Articles 300.c and 300.d of the Companies Act, Supervisory Board of the Bank has on 36. meeting held on March 28, 2024, made the following:

RESOLUTION
on giving consent
to Annual financial statements and consolidated annual financial
statements of the Bank and the Group for 2023, comprising also the
Management Board's annual report on condition of HPB p.l.c. and its subsidiaries for
year 2023

I.

Consent is given to Annual financial statements and consolidated annual financial statements of the Bank and the Group for the business year ended December 31, 2023, comprising also the Management Board's annual report on condition of HPB p.l.c. and its subsidiaries for 2023.

Acceptance is given for Auditor's report by BDO Croatia d.o.o., Radnička cesta 180, Zagreb. Auditor has conducted the audit of Annual financial statements the Bank and the Group for the year ended December 31, 2023.

II.

By giving consent to statements outlined in paragraph I of this Resolution, Annual financial statements and consolidated annual financial statements of the Bank and Group for the year ended December 31, 2023, are considered to be confirmed by the Management Board and the Supervisory Board.

III.

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

President of the Supervisory Board
Marijana Miličević

HRVATSKA POŠTANSKA BANKA, p.l.c.
Zagreb, Jurišićeva ulica 4

Management Board
Zagreb, March 28, 2024

Number: UB-240328-2

Pursuant to the provision of Article 21 of the Articles of Association of HPB p.l.c. (hereinafter: Bank), and in line with Article 300.b and Article 275, paragraph 1, point 2 of the Companies Act, Supervisory Board of the Bank has on 36. meeting held on March 28, 2024, made the following:

RESOLUTION
on allocation of profit earned in 2023

I.

It is determined that Hrvatska poštanska banka, p.l.c. made a net profit of EUR 80,615,055.48 in the business year ended December 31, 2023.

II.

Pursuant to Articles 220 and 222 paragraph 1 of the Companies Act and authority referred to in Article 33 of the Bank's Articles of Association, amount of EUR 1,308,731.67 is allocated to legal reserves, whereby the level of legal reserves reached the maximum amount regulated by Companies Act.

III.

The remaining amount of determined net profit in the amount of EUR 79,306,323.81 after its distribution to legal reserves, is allocated to retained earnings.

IV.

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

Explanation:

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

In accordance with strategic guidelines, the Bank will continue to distribute most of the realized net profit of the period to reserves and retained earnings so that the successful operation of the Bank, profitability, and growth within the limits of possibilities can be continued. Considering that the amount of the binding MREL requirement is prescribed for the Bank from January 1, 2024, the Bank must additionally strengthen its regulatory capital in the following periods.

Based on the above, it is considered appropriate:

- **allocation of EUR 1,308,731.67 to legal reserves** is determined by the Companies Act. After mentioned allocation legal reserves of the Bank will reach maximum amount of 5% of share capital according to Article 220, paragraph 3 of the Companies Act, and will no longer be obliged to allocate the realized profit to legal reserves with a given level of share capital in future periods,
- remaining amount of realized net profit earned in 2023 in the amount of **EUR 79,306,323.81 is allocated to retained earnings**. At the same time, it is emphasized:
 - 1) that the amount of **EUR 24,194,268.75 will not be included in the calculation of the Common equity tier 1 capital**, taking into consideration Article 60 of the Act on the Execution of the State Budget of the Republic of Croatia for the year 2024, that - if it is determined by a special decision of the Government of the Republic of Croatia and a decision of the General Assembly - is available for the dividend payment without restrictions from Article 312a of the Credit Institutions Act.
 - 2) that the **remaining amount of retained earnings in the amount of EUR 55,112,05506 will be included in the calculation of the Common equity tier 1 capital**, whereby in the case of a decision to pay a dividend in the above amount or its parts, it is subject to the restrictions from Article 312a of the Credit Institutions Act.

In accordance with the above, it was decided as in the sentence.

Marko Badurina
President of the Management Board

Distribute to:

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

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

SUPERVISORY BOARD

Zagreb, March 28, 2024

Pursuant to the provision of Article 21 of the Articles of Association of HPB p.l.c. (hereinafter: Bank), and in line with Article 300.b and Article 275, paragraph 1, point 2 of the Companies Act, Supervisory Board of the Bank has on 36. meeting held on March 28, 2024, made the following:

RESOLUTION
on allocation of Bank's profit earned in 2023

I.

Bank's Supervisory Board gives its consent and accepts Management Board's proposal on allocation of profit earned in 2023, which is a consistent part of this resolution.

II.

By providing its consent outlined in paragraph I of this Resolution, Management Board's proposal on allocation of profit earned in 2023 is considered to be confirmed.

III.

Supervisory Board proposes to General Assembly to vote in favor of allocation of profit earned in 2023 as outlined in Management Board's proposal.

IV.

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

President of the Supervisory Board
Marijana Miličević