

HPB d.d. H1 2022



**Unaudited Financial Statements for the period
from January 1 to June 30, 2022**

Type and name of prescribed information:	Financial statements for the period 1.1.2022 - 30.6.2022, HPB d.d. H1 2022 Unaudited Financial statements for period from January 1 to June 30, 2022
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. publishes unaudited financial statements for the period from January 1 to June 30, 2022.

Original and official report is published in Croatian.

The report includes:

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

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

The acquisition of Nova Hrvatska banka marked the first half of 2022. On March 2, 2022, the Bank became the new owner of Sberbank d.d. in resolution, and on April 14, 2022, **took control of Nova Hrvatska banka (NHB)**, which strengthened the largest banking business network.

European Central Bank and the European Commission confirmed the Croatia's entry to the euro area from January 1, 2023 hence further activities for the **introduction of the euro** continued as the Bank's priority in 2022.

An increase in assets of HRK +2.2 billion compared to December 31, 2021 led to the **historically highest asset**.

Realized **net profit** in the amount of **HRK 57.8 mn** despite strong price competition on domestic banking market, further decline in government bond prices and impact on trading portfolio as well as increased expenses for deposit insurance and intensive project activities.

The **increase in the gross loan portfolio** is the result of acquisition activities in all Bank's segments. In the retail segment, historical results were achieved in terms of the number of processed and approved applications in one tranche of APN (subsidized housing) loans.

The quality of the loan portfolio was improved - **lowest NPL ratio in recent history**, as a result of the recovery of part of the portfolio and the positive collection effects in the first half of the year (including significant exposures covered by guarantees from the Republic of Croatia). At the same time, the NPL coverage ratio is significantly above the Croatian market average and amount 78.5%.

The Russian invasion of Ukraine did not have a significant impact on the Bank's financial statements - it has no exposure to entities in Belarus, and minimal exposure to entities in Russia and Ukraine (0.00003%).

Key financials – Income statement

		6M 2021	6M 2022	Δ y-o-y
Net interest income	HRK mn	271	255	(16.2) ▼
Net fee income	HRK mn	88	95	6.8 ▲
Operating income	HRK mn	414	329	(85.3) ▼
Operating expense	HRK mn	(235)	(258)	23.0 ▲
Operating profit	HRK mn	179	70	(108.3) ▼
Provisioning	HRK mn	(1)	(13)	12.0 ▲
Net profit	HRK mn	147	58	(88.8) ▼
Cost-to-income ratio	%	56.8	78.6	21.7 ▲
Net interest margin	%	2.6	2.4	(0.1) ▼

Net interest income lower by 6.0% due to strong price competition on domestic banking market and continued decrease in interest rates. Due to the agile interest expenses management, they were reduced by a significant 23.7%, but this could not fully compensate the drop in interest income.

Net fee and commission income higher by 7.7% mainly due to higher provisions in card business as a result of HPB's activities on increasing the quality and diversification of card products.

Net loss from trading primarily refers to the adjustment of the book value of the securities in Bank's portfolio to market prices, and represents the biggest burden on operating income (down by HRK 60.4 mn y-o-y), which could not be avoided due to the change in current inflationary expectations and the announced increase in reference interest rates. However, the Bank's portfolio consists of high-quality government bonds of the Republic of Croatia, whose credit rating was recently increased due to the expected entry of the Republic of Croatia into the Eurozone, and these current losses will be completely eliminated by the maturity of these securities. In addition to these effects, a one-off gain from the sale of the non-core share portfolio was recorded in 2021, which in that year increased the result for financial assets by HRK 30.8 mn, while no such sales transactions were recorded in 2022.

In contrast to these effects, in a last year prior to entrance into the eurozone, an excellent result was recorded from the FX trading (HRK + 5 mn vs H1 21), in accordance with a successful tourist season.

Increased administrative costs because of intensive activities initiated on regulatory projects (EURO, ESG and others), the acquisition of NHB and improvements of Bank's processes to eliminate technological bottleneck. At the same time, due to the deposit growth at the credit institutions level, the costs for deposit insurance started to be calculated again in 2022 in accordance with legal regulations.

Slight increase in total provision expenses is primarily the result of increased sales activities and changes in certain parameters in 2022, which led to recorded expenses of HRK 8.6 mn for Stages 1 and 2 (vs 21: revenue of HRK 22 mn).

Despite above developments in 2022 and despite all the aggravating exogenous effects, HPB achieved net profit of HRK 58 mn in 2022, thereby continuing to create value for its shareholders.

Key financials – Balance sheet

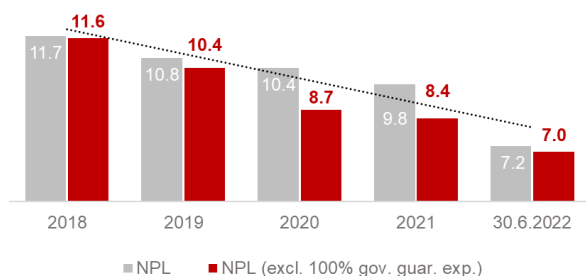
		31.12.2021	30.6.2022	Δ ytd	
Assets	HRK mn	27,834	30,207	2,373	▲
Gross loans	HRK mn	15,727	16,345	619	▲
Deposits	HRK mn	23,450	26,084	2,634	▲
Equity	HRK mn	2,650	2,355	(296)	▼
Regulatory capital	HRK mn	2,631	2,424	(207)	▼
Loan/deposit ratio	%	60.7	57.0	(3.8)	▼
ROAE	%	7.9	4.6	(3.3)	▼
NPL ratio	%	9.8	7.2	(2.5)	▼
NPL ratio excl. 100% gov. guaranteed exposure	%	8.4	7.0	(1.3)	▼
NPL coverage	%	61.1	75.9	14.8	▲
NPL coverage excl. 100% gov. guaranteed exposure	%	75.9	78.5	2.6	▲
Loss allowance for loans	HRK mn	(1,575)	(1,589)	15	▲

Assets records continuous growth +8.5% ytd as a result of increase in liquid assets +17.2% primarily due to continuous increase in deposits and increase in gross loans +3.9% and securities +4.6%.

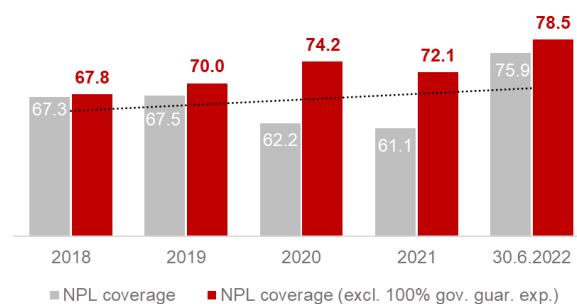
Gross loans portfolio up 3.9% due to the acquisition activities in all segments. Retail segment record increase by 2.1% in H1 2022 due to the increase in loan volume according to successful results of seventh APN tranche (historical year in term of the number of processed and approved applications), that will be seen even more in following months. Corporate segment showed significant credit growth in H1 2022 because of intensive acquisition activities. Although lack of significant investments affected lending activities, the focus was on liquidity requirements. Public sector records a constant increase in loans to local self-government units through the financing of investments in communal infrastructure and working capital. In the government segment, the Bank maintains its position with minor fluctuations in the movement of the portfolio. SME growth is the result of portfolio diversification to a larger number of clients, client acquisitions made through quality refinancing exposures in other banks, monitoring of clients' investments and working capital in accordance with their growth and potential.

Portfolio quality continuously improves. Expected decrease in NPL ratio reached lowest level in recent history. It's result of efficient collection activities, recovery of part of portfolio and collection/exit of significant exposure covered by guarantees of the Republic of Croatia. Increase in asset additionally confirms the positive trend of coverage and NPL ratio development. NPL coverage grown significantly above Croatian market average. Expectations represent continuation of the positive trend in line with the planned portfolio movements.

NPL ratio development (in %)

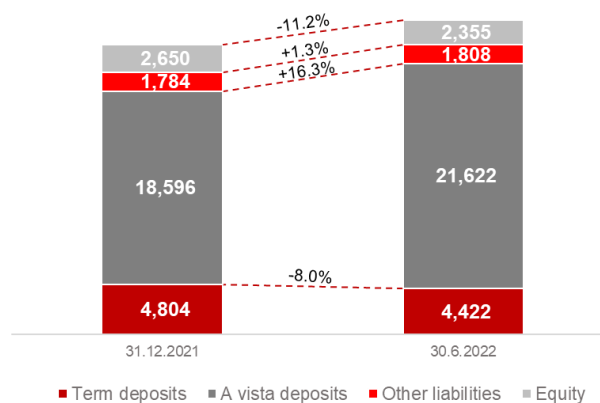


NPL coverage development (in %)



Customer deposits dominate the funding mix with an 86.2% share. Deposits up +11.2% in all segments comparing to December 31, 2021: SMEs +22.4%, corporate +20.8%, financial markets +9.9% and retail +2.8%.

Equity and liabilities structure (in HRK mn)



Capital reduction is result of falling prices of securities in Bank's portfolio (government bonds).

Bank's total capital ratio in H1 2022 amount 24.01% and is above first binding transitional MREL requirement (23.4%) which entered into force on 1 January 2022.

Management report of Hrvatska poštanska Banka p.l.c. for the period from January 1 to June 30, 2022 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

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 1 to June 30, 2022, 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:

1.1.2022

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

1303

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 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	6,177,602,131	5,615,880,966
Cash in hand	002	1,422,548,361	1,264,461,689
Cash balances at central banks	003	4,339,757,848	4,270,681,775
Other demand deposits	004	415,295,922	80,737,502
Financial assets held for trading (from 6 to 9)	005	616,670,614	420,429,546
Derivatives	006	-	1,298,415
Equity instruments	007	105,639,274	94,298,480
Debt securities	008	511,031,340	324,832,651
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	2,993,069,082
Equity instruments	018	48,896,784	27,295,178
Debt securities	019	4,552,423,122	2,965,773,904
Loans and advances	020	-	-
Financial assets at amortised cost (22 + 23)	021	15,955,565,325	20,543,226,355
Debt securities	022	454,371	2,046,837,680
Loans and advances	023	15,955,110,954	18,496,388,675
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	80,760,843
Tangible assets	027	310,680,257	293,762,038
Intangible assets	028	93,319,300	94,823,971
Tax assets	029	642,640	68,583,033
Other assets	030	51,761,294	56,017,675
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	27,835,839,039	30,207,481,042
Liabilities			
Financial liabilities held for trading (from 34 to 38)	033	-	4,073,957
Derivatives	034	-	4,073,957
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	24,851,379,590	27,542,120,023
Deposits	044	24,756,955,639	27,442,214,081
Debt securities issued	045	-	-
Other financial liabilities	046	94,423,951	99,905,942
Derivatives - hedge accounting	047	-	-
Fair value changes of the hedged items in portfolio hedge of interest rate risk	048	-	-
Provisions	049	89,416,940	106,714,284
Tax liabilities	050	64,392,779	11,455,849
Share capital repayable on demand	051	-	-
Other liabilities	052	180,219,880	188,301,485
Liabilities included in disposal groups classified as held for sale	053	-	-
Total liabilities (33 + 39 + 43 + from 47 to 53)	054	25,185,409,189	27,852,665,598
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	107,949,310
Retained profit	060	291,352,537	487,676,736
Revaluation reserves	061	-	-
Other reserves	062	702,479,098	702,479,098
(-) Treasury shares	063	(477,000)	-
Profit or loss attributable to owners of the parent	064	202,106,513	57,833,920
(-) Interim dividends	065	-	-
Minority interests [non-controlling interests]	066	-	-
Total equity (from 55 to 66)	067	2,650,429,850	2,354,815,444
Total equity and liabilities (54 + 67)	068	27,835,839,039	30,207,481,042

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	287,009,820	143,235,247	266,965,246	135,215,142
(Interest expenses)	002	18,919,654	8,926,693	14,239,907	7,358,474
(Expenses on share capital repayable on demand)	003	-	-	-	-
Dividend income	004	1,077,695	1,077,695	1,676,379	1,647,927
Fees and commissions income	005	218,458,416	114,661,249	236,276,121	130,479,502
(Fees and commissions expenses)	006	130,051,416	67,895,930	141,037,670	78,627,550
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	(29,856,223)	(14,941,891)
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)	(4,253,473)	(943,332)
Gains or (-) losses on derecognition of investments in subsidiaries, joint ventures and associates, net	013	-	-	-	-
Gains or (-) losses on derecognition of non-financial assets, net	014	-	-	-	-
Other operating income	015	4,909,411	2,679,298	17,240,661	13,989,294
(Other operating expenses)	016	5,914,838	3,556,129	8,306,997	5,399,442
Total operating income, net (1 - 2 - 3 + 4 + 5 - 6 + from 7 to 15 - 16)	017	409,520,711	221,307,607	326,874,258	174,118,622
(Administrative expenses)	018	191,774,124	99,069,657	209,336,027	107,909,310
(Cash contributions to resolution boards and deposit guarantee schemes)	019	6,958,179	4,216,929	11,612,046	8,132,957
(Depreciation)	020	33,724,172	16,746,259	35,400,230	17,679,904
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	18,654,644	13,923,663
(Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss)	023	(24,992,891)	(45,264,569)	(9,659,323)	(1,862,140)
(Impairment or (-) reversal of impairment of investments in subsidiaries, joint ventures and associates)	024	-	-	-	-
(Impairment or (-) reversal of impairment on non-financial assets)	025	-	-	-	-
Negative goodwill recognised in profit or loss	026	-	-	-	-
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	178,126,367	129,130,371	57,864,190	27,459,230
(Tax expense or (-) income related to profit or loss from continuing operations)	030	31,449,818	22,794,378	30,270	(679,486)
Profit or (-) loss after tax from continuing operations (29 - 30)	031	146,676,549	106,335,993	57,833,920	28,138,716
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	146,676,549	106,335,993	57,833,920	28,138,716
Attributable to minority interest (non-controlling interests)	036	-	-	-	-
Attributable to owners of the parent	037	146,676,549	106,335,993	57,833,920	28,138,716
STATEMENT OF OTHER COMPREHENSIVE INCOME					
Income or (-) loss for the current year	038	146,676,549	106,335,993	57,833,920	28,138,716
Other comprehensive income (40 + 52)	039	(15,771,394)	(19,795,737)	(348,143,012)	(123,863,216)
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)	(348,143,012)	(123,863,216)
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)	(425,072,380)	(159,069,948)
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	76,929,368	35,206,732
Total comprehensive income for the current year (38 + 39; 62 + 63)	061	130,905,155	86,540,256	(290,309,092)	(95,724,500)
Attributable to minority interest (non-controlling interest)	062	-	-	-	-
Attributable to owners of the parent	063	130,905,155	86,540,256	(290,309,092)	(95,724,500)

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	178,126,367	57,864,190
Adjustments:		-	-
Impairment and provisions	010	(1,062,131)	12,661,765
Depreciation	011	33,724,172	35,400,230
Net unrealised (gains)/losses on financial assets and liabilities at fair value through statement of profit or loss	012	(57,066,587)	27,446,102
(Profit)/loss from the sale of tangible assets	013	-	-
Other non-cash items	014	(268,090,166)	(124,868,673)
Promjene u imovini i obvezama iz poslovnih aktivnosti			
Deposits with the Croatian National Bank	015	(55,561,516)	(22,184,481)
Deposits with financial institutions and loans to financial institutions	016	(126,725,072)	-
Loans and advances to other clients	017	164,363,340	(2,790,789,969)
Securities and other financial instruments at fair value through other comprehensive income	018	(240,109,840)	1,141,486,267
Securities and other financial instruments held for trading	019	57,603,783	166,899,214
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	20,000,000	-
Securities and other financial instruments at amortised cost	022	(877,887)	(2,046,383,309)
Other assets from operating activities	023	2,105,485	(5,437,893)
Deposits from financial institutions	024	(135,636,590)	286,814,664
Transaction accounts of other clients	025	1,021,093,171	294,875,512
Savings deposits of other clients	026	986,663,638	2,420,945,132
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)	9,555,948
Other liabilities from operating activities	029	266,958,751	(9,374,433)
Interest received from operating activities [indirect method]	030	287,009,820	131,750,105
Dividends received from operating activities [indirect method]	031	1,077,695	1,676,379
Interest paid from operating activities [indirect method]	032	(18,919,654)	(6,881,432)
(Income tax paid)	033	-	(5,782,314)
Net cash flow from operating activities (from 1 to 33)	034	1,556,480,989	(825,685,867)
Investing activities			
Cash receipts from the sale / payments for the purchase of tangible and intangible assets	035	(39,651,990)	(42,787,782)
Cash receipts from the sale / payments for the purchase of investments in branches, associates and joint ventures	036	-	(71,000,000)
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	(40,529,877)	(113,787,782)
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	1,805,195,553	(887,720,389)
Cash and cash equivalents at the beginning of period	049	4,084,192,801	6,586,943,842
Effect of exchange rate fluctuations on cash and cash equivalents	050	(4,115,310)	(4,253,473)
Cash and cash equivalents at the end of period (48 + 49 + 50)	051	5,885,273,044	5,694,969,980

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	-	-	-	240,193,792	291,362,537	-	702,479,099	(477,000)	202,106,512	-	-	-	2,650,429,959
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	-	-	-	240,193,792	285,570,224	-	702,479,099	(477,000)	202,106,512	-	-	-	2,644,647,537
Ordinary shares issue	005	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Preference shares issue	006	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issue of other equity instruments	007	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exercise or expiration of other equity instruments issued	008	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Conversion of receivables to equity instruments	009	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital reduction	010	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	011	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of treasury shares	012	-	-	-	-	-	-	-	(204,600)	-	-	-	-	-	(204,600)
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	-	-	-	-	-	202,106,512	-	-	-	(202,106,512)	-	-	-	-
Equity increase or (-) decrease resulting from business combinations	017	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share based payments	018	-	-	-	-	-	-	-	-	681,600	-	-	-	-	681,600
Other increase or (-) decrease in equity	019	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the current year	020	-	-	-	-	(348,143,012)	-	-	-	-	57,833,920	-	-	-	(290,309,092)
Closing balance (current period) (from 4 to 20)	021	1,214,775,000	-	-	-	(107,949,310)	487,676,736	-	702,479,099	-	57,833,920	-	-	-	2,354,815,445

Notes to financial statements

1) INTEREST INCOME		in HRK				
AOP 01		Same period of the previous year 01.01.- 30.06.2021.		Current period 01.01. - 30.06.2022		
		Cumulative	Quarter	Cumulative	Quarter	
Debt securities		39,340,466	19,843,714	38,349,114	18,727,910	
Loans and advances		247,665,494	123,387,674	230,599,107	116,478,520	
Other assets		3,960	3,960	17,025	8,712	
Deposits		0	0	0	0	
Other liabilities		0	0	0	0	
Total		287,009,920	143,235,247	268,965,246	135,215,142	
2) INTEREST EXPENSE		in HRK				
AOP 02		Same period of the previous year 01.01.- 30.06.2021.		Current period 01.01. - 30.06.2022		
		Cumulative	Quarter	Cumulative	Quarter	
Debt securities		0	0	0	0	
Loans and advances		1,321,432	716,423	2,165,184	1,271,789	
Other assets		17,594,376	8,207,784	12,037,768	6,076,638	
Deposits		3,246	2,486	38,954	10,049	
Other liabilities		0	0	0	0	
Total		18,919,654	8,926,693	14,239,907	7,358,474	
3) FEE AND COMMISSION INCOME		in HRK				
AOP 05		Same period of the previous year 01.01.- 30.06.2021.		Current period 01.01. - 30.06.2022		
		Cumulative	Quarter	Cumulative	Quarter	
Securities		1,457,267	744,506	1,334,670	573,127	
Asset management		21,643	10,138	12,328	6,094	
Subsidiary (according to the type of client)		2,582,218	1,356,287	2,516,814	1,263,135	
Loan commitments		17,295	5,902	14,367	5,427	
Other		214,375,993	112,544,436	232,395,952	128,627,719	
Total		218,458,416	114,661,249	236,276,121	130,479,502	
4) FEE AND COMMISSION EXPENSE		in HRK				
AOP 06		Same period of the previous year 01.01.- 30.06.2021.		Current period 01.01. - 30.06.2022		
		Cumulative	Quarter	Cumulative	Quarter	
Bank clearing and settlement		982,481	536,226	2,076,935	1,441,717	
Other		139,088,036	67,359,725	138,965,734	77,185,653	
Total		139,051,416	67,895,930	141,032,670	78,627,350	
5) GAIN/LOSSES ON TERMINATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES		in HRK				
AOP 07		Same period of the previous year 01.01.- 30.06.2021.		Current period 01.01. - 30.06.2022		
		Cumulative	Quarter	Cumulative	Quarter	
Debt securities		0	0	2,116,089	0	
Loans and advances		-	-	-	-	
Deposits		-	-	-	-	
Debt Securities Issued		-	-	-	-	
Other financial liabilities		169,597	75,768	167,959	-	
Total		169,597	75,768	2,284,048	0	
6) GAINS OR (-) LOSSES ON FINANCIAL ASSETS AND LIABILITIES HELD FOR TRADING		in HRK				
AOP 08		Same period of the previous year 01.01.- 30.06.2021.		Current period 01.01. - 30.06.2022		
		Cumulative	Quarter	Cumulative	Quarter	
Equity instruments		7,136,717	2,806,825	-11,356,251	-7,944,651	
Debt securities		(4,087,657)	(2,783,481)	(48,137,590)	(23,596,953)	
FX transactions and derivatives		24,627,267	12,917,864	29,637,618	15,599,713	
Total		27,271,428	12,950,908	(29,856,223)	(14,941,891)	
7) GAINS OR LOSSES ON NON-TRADING FINANCIAL ASSETS MANDATORILY AT FAIR VALUE THROUGH PROFIT OR LOSS		in HRK				
AOP 09		Same period of the previous year 01.01.- 30.06.2021.		Current period 01.01. - 30.06.2022		
		Cumulative	Quarter	Cumulative	Quarter	
Equity instruments		30,800,000	30,800,000	-	-66,627	
Debt securities		-	-	-	-	
Loans and advances		(1,624,438)	(2,084,480)	124,073	124,073	
Total		29,175,562	27,815,520	124,073	57,446	
8) OPERATING EXPENSES		in HRK				
AOP 015 & AOP 017 & AOP 018		Same period of the previous year 01.01.- 30.06.2021.		Current period 01.01. - 30.06.2022		
		Cumulative	Quarter	Cumulative	Quarter	
Other operating expenses		5,914,838	3,356,129	6,396,997	5,399,442	
Administrative expenses		191,774,124	99,069,657	209,338,027	107,909,310	
Employee expenses		115,471,619	58,024,106	124,757,280	64,630,893	
Other administrative expenses		76,332,525	41,055,525	84,576,747	42,272,417	
(Contributions in cash rehabilitation committees and Deposit Insurance Scheme)		6,958,179	4,216,929	11,612,046	8,132,957	
Amortization		33,724,172	16,746,259	35,400,230	17,679,904	
Property, plant and equipment		21,275,304	10,484,276	19,826,987	9,612,607	
Investment property		-	-	-	-	
Other intangible assets		12,448,868	6,261,983	15,573,243	7,867,297	
Total		238,371,313	123,588,974	264,655,300	139,121,614	
9) IMPAIRMENT LOSSES AND PROVISION EXPENSES		in HRK				
AOP 019 & AOP 020 & AOP 021 & AOP 022		Same period of the previous year 01.01.- 30.06.2021.		Current period 01.01. - 30.06.2022		
		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	18,654,644	13,923,663	
Liabilities towards resolution committees and deposit insurance systems		-	-	-	-	
(Liabilities and Guarantees)		7,078,587	4,164,052	11,966,759	7,177,751	
(Other Provisions)		15,394,220	15,096,518	6,687,885	6,745,913	
(Impairment or (-) reversal of impairment on financial assets that are not measured at fair value through profit or loss)		(24,992,891)	(45,264,569)	(9,659,323)	(1,862,140)	
(Financial assets at fair value through other comprehensive income)		(1,373,211)	(1,704,962)	(12,975,821)	(7,376,728)	
(Financial assets at amortized cost)		(23,619,680)	(43,559,607)	3,316,298	5,514,587	
(Impairment or (-) reversal of impairment 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		(1,062,130)	(27,855,608)	12,661,765	12,937,222	
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	-	-	1,432,295,704	-
Gross loans		1,326,441,533	-	-	1,432,295,704	-
Allowance		-	-	-	-	-
Government		3,442,887,361	27,214,597	92,006	3,422,159,474	35,026,839
Gross loans		3,442,887,361	27,214,597	92,006	3,422,159,474	35,026,839
Allowance		(13,945,306)	(598,613)	(92,006)	(6,183,305)	(92,006)
Credit institutions		277,890,317	-	-	2,056,001,476	-
Gross loans		117,158	-	-	117,552	-
Allowance		(0)	-	-	(0)	-
Deposits		278,323,532	-	-	2,065,686,677	-
Allowance		(550,373)	-	-	(9,802,725)	-
Other financial institutions		170,326,447	122	-	262,349,058	3,711
Gross loans		160,489,050	122	-	247,102,659	834
Allowance		(2,059,031)	(0)	-	(1,415,057)	(9)
Deposits		12,188,549	-	-	17,079,706	-
Allowance		(298,121)	-	-	(419,076)	-
Non - financial institutions		1,635,385,261	770,088,173	615,079,209	2,554,068,480	628,221,351
Gross loans		1,661,243,557	836,572,344	1,333,341,814	2,606,661,912	681,724,458
Allowance		(25,858,296)	(66,484,171)	(718,262,605)	(52,593,432)	(53,503,107)
Retail		7,096,378,085	372,303,977	221,121,872	7,323,825,044	363,935,892
Gross loans		7,190,592,928	419,935,430	831,400,100	7,407,997,858	400,594,179
Allowance		(94,214,843)	(41,031,453)	(610,278,228)	(84,172,814)	(67,658,287)
Total		13,949,303,005	1,169,608,868	836,201,081	17,050,699,236	1,027,187,793
418,505,357						
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		2,895,185	2,670,835	-	-	
Retail		6,421,574	6,255,597	-	-	
Total		9,316,759	8,926,433			
12) DEPOSITS		in HRK				
AOP 044		31.12.2021.		30.06.2022.		
Government		401,789,616	402,285,506	-	-	
Local state		6,575,113,951	6,881,900,280	-	-	
Credit institutions		103,484,950	185,274,966	-	-	
Other financial institutions		1,472,818,860	1,702,928,632	-	-	
Non - financial institutions		5,602,215,243	5,145,813,918	-	-	
Retail		12,601,533,019	13,124,010,782	-	-	
Total		24,756,955,639	27,442,214,081			