

HPB p.l.c. 3M 2023



**Unaudited Financial Statements for the period
from January 1 to March 31, 2023**

Type and name of prescribed information:	Financial statements for the period 1.1.2023 - 31.3.2023, HPB p.l.c. 3M 2023 Unaudited Financial statements for period from January 1 to March 31, 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. publishes unaudited financial statements for the period from January 1 to March 31, 2023.

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, 32/2023).

Original and official report is published in Croatian.

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.

FINANCIAL RESULTS

The merger process of Pronam Nekretnine d.o.o. has been completed, which as of March 15, 2023 operates as an integral part of Hrvatska poštanska banka in accordance with the approval of the regulator, Hrvatska narodna banka from March 6, 2023.

On April 12, 2023, the Croatian National Bank approved the merger of Nova Hrvatska banka following the Merger Agreement signed by HPB and NHB on March 1, 2023, which continues the project activities that are a prerequisite for the legal merger to be technically secured and implemented.

The bank achieved **a record quarterly net profit** in the amount of **EUR 18 mn**, which is the result of the increase of interest rates on the financial markets (ECB), successful acquisition activities in the previous year, and higher fees in the payment transactions in corporate and retail. The aforementioned completely exceeded the increased expenses and costs caused by the general increase in the prices of products and services and current project activities.

An excellent underwriting process resulted in a low level of NPL share (6.2%) and coverage significantly above the market level (78.3%).

The Bank has no exposure to entities in Belarus, and **minimal exposure to entities in Russia and Ukraine**. The Bank implements all measures and continues to monitor changes in EU restrictive measures (sanctions), especially in financial services.

Key financials – Income statement

		3M 2022	3M 2023	Δ y-o-y
Net interest income	EUR mn	16.70	25.40	8.7 ▲
Net fee income	EUR mn	5.76	5.87	0.1 ▲
Net trading gain/(loss)	EUR mn	(1.70)	0.91	2.6 ▲
Net other expense	EUR mn	(0.37)	(0.52)	0.2 ▲
Operating income	EUR mn	20.39	31.65	11.3 ▲
Operating expense	EUR mn	(16.40)	(18.15)	1.7 ▲
Operating profit	EUR mn	3.99	13.50	9.5 ▲
Provisioning	EUR mn	0.05	4.61	4.6 ▲
Net profit	EUR mn	3.94	17.98	14.0 ▲
Cost-to-income ratio	%	80.4	57.3	(23.1) ▼

The Bank's record quarterly net profit is the result of realized operating profit with effective provision management.

The growth of interest income in this quarter (+57.6%) is primarily the result of the increase in the reference interest rate by the European Central Bank, i.e. the trend of increasing interest rates on the market and the intensive acquisition activities of the Bank in the previous year. The aforementioned also exceeds the increase in interest expenses in the same period, caused by MREL instruments, which began to be contracted from mid 2022.

Net fees and commission income increased by 1.9%, mostly due to higher fees in the cash payment transactions in HP channel.

After four consecutive negative quarters, a **net profit from trading was realized in the amount of EUR 907.2 ths**, which consists of EUR 565 ths realized by adjusting the book value of securities in the bank's portfolio with market prices, while in the segment of the purchase and sale of foreign currency, the Bank in the first quarter of 2023. achieved a result of EUR +342 ths.

Operating expenses in the first quarter are higher than last year due to intensive acquisition and integration activities (NHB and Pronam Nekretnine) and a general increase in costs due to inflation. The aforementioned mainly refers to the increase in energy prices as well as the services of suppliers used by the Bank (maintenance of IT equipment, archiving services). In this quarter, one-time costs related to the post-implementation of the euro (maintenance of ATMs, money transport, etc.) were recorded. Depreciation costs slightly increased in accordance with the activation of newly acquired assets.

The movement of provisions for NPLs continues the positive trends of the same period last year, which is primarily the result of good collection replacing the entry of new NPLs and the challenges of new client approach, which was reflected in the income from provisions without a negative impact on coverage, which is still significantly above the market average. The result of provisions in stage 1 and 2 was realized based on the regular movement of the portfolio.

In the segment of other provisions, income from reversal of provisions for legal cases was recorded in the amount of EUR 848 ths, mostly refers the legal case adjudicated in the bank's favor and the consequent suspensions of legal proceedings provisions.

In accordance with the developments in the financial markets, the bank realized a record quarterly net profit in the amount of EUR 18.0 mn, thereby continuing to create value for its shareholders.

Key financials – Balance sheet

		31. 12. 2022	31. 3. 2023	Δ ytd
Assets	EUR mn	4,563	4,399	(165) ▼
Gross loans	EUR mn	2,298	2,293	(6) ▼
Deposits	EUR mn	3,925	3,737	(188) ▼
Equity	EUR mn	347	365	18 ▲
Regulatory capital	EUR mn	349	342	(7) ▼
Loan/deposit ratio	%	53.6	56.2	2.6 ▲
ROAE	%	5.3	4.4	(0.9) ▼
ROAA	%	0.4	0.4	(0.1) ▼
NPL ratio	%	5.9	6.2	0.3 ▲
NPL ratio excluding government guarantees	%	5.7	6.0	0.3 ▲
NPL coverage	%	78.2	78.3	0.1 ▲
NPL coverage excluding government guarantees	%	80.7	80.7	(0.0) ▼
Loss allowance for loans	EUR mn	(209)	(209)	0 ▼

The Bank's assets amount to EUR 4.4 bn and are in line with the market trends of the system after the introduction of the euro, the expected overflow of excess liquidity from clients into government bonds (subscribed EUR 1,335 mn bonds by citizens and EUR 500 mn by institutional investors) and higher consumption due to the impact of rising inflation.

The gross loan portfolio of the retail segment in the first quarter of 2023 recorded an increase of about EUR 2.5 mn, with the largest contribution to growth coming from housing loans portfolio (growth of housing loans in the mentioned period by around EUR 9.6 mn). On the other hand, there was a decrease in cash loans of around EUR 6.7 mn. The aforementioned trend, which applies not only to the Bank but also to the market in general, shows the caution of citizens in borrowing, which is a consequence of the uncertain market situation.

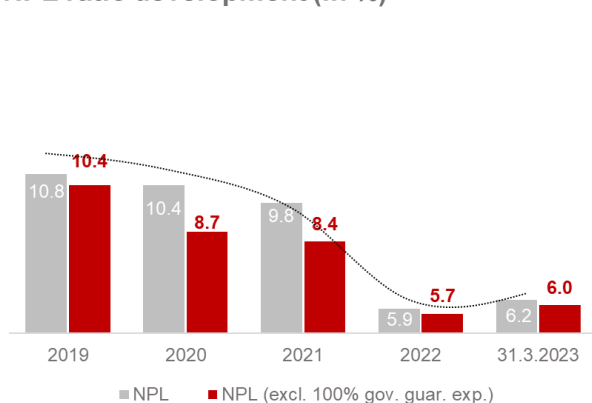
In the same period, a further increase in loans in the corporate segment was realized, as a result of intensive acquisition activities throughout 2022, which will continue in 2023, by focusing on creditworthy clients and financing working capital. In the same period, a slight decrease in loans compared to the end of 2022, primarily in the part of central government financing, which segment is characterized by continuous repayments of long-term placements.

The public sector segment, i.e. local self-government units and companies owned by local self-government units, did not record significant changes in the movement of loans throughout the period.

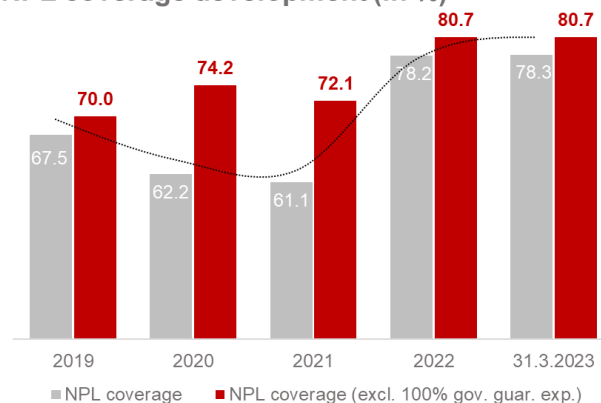
In the movement of the gross loan portfolio in the SME segment, a part of clients, in accordance with their growth, moved to large corporate and public sector segment. Excluding the aforementioned transition effect, the SME segment recorded an increase of 7% as a result of monitoring of the financing to clients from the existing portfolio and activities in the part of acquiring quality clients and financing them through high-quality transaction risk assessment and insurance, paying attention to the quality of the portfolio and the RWA.

In 2023, the trend of reducing the level/balance of NPL exposure continued (NPL exposure on March 31, 2023 was EUR 1.1 mn lower than on December 31, 2022), and at the same time, the coverage of NPL portfolio was still at record levels (above the market average) and reached the level of 78.32% (compared to 78.18% at the end of 2022). The decrease in NPL levels is primarily the result of efficient collection and recovery of part of the portfolio and the prevention of larger volumes of new NPL. As such, the NPL ratio increases slightly to 6.21% (from 5.90% at the end of 2022) due to the reduced level A exposure (towards financial institutions).

NPL ratio development (in %)

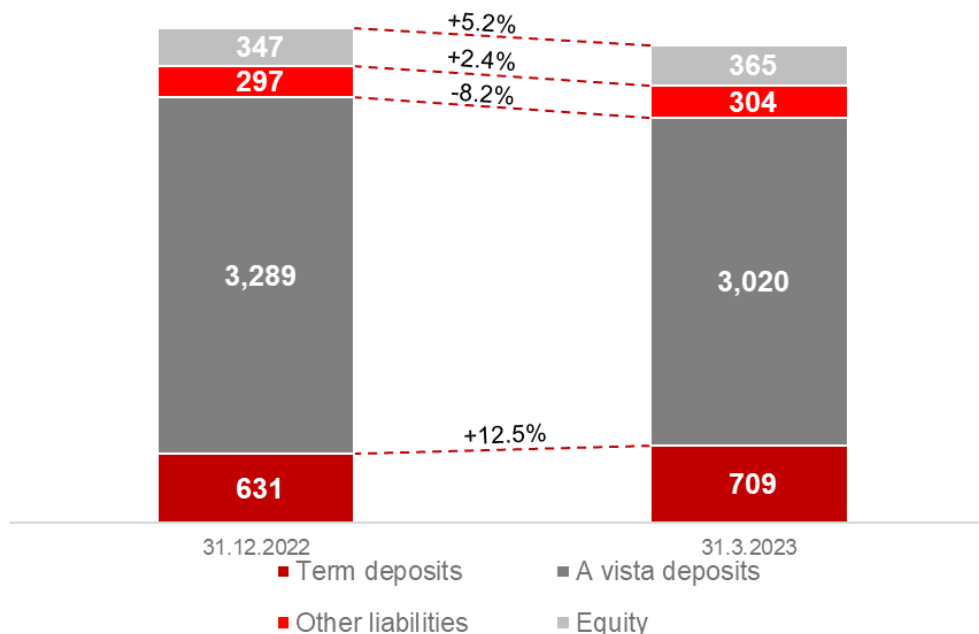


NPL coverage development (in %)



On the liabilities side, in accordance with the Bank's business model, client deposits dominate the financing mix with a share of 84.8%. In the structure of deposits, the overflow of a vista into term deposits is noticeable.

Equity and liabilities structure
(in EUR mn)



Other obligations refer to the stable structure of received loans from foreign financial institutions, HBOR, CNB - repo placements and MREL instruments that started contracting in the previous year.

The capital adequacy of the Bank is 23.52%, and pro-forma with Q1 2023 profit included is 24.82%. The Bank's MREL ratio as of March 31, 2023 is 31.75% and is above first binding transitional MREL requirement (26.58%) applicable from January 1, 2023.

Management report of Hrvatska poštanska Banka p.l.c. for the period from January 1 to March 31, 2023 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 March 31, 2023, 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.

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:

1.1.2023.

do

31.3.2023.

Year:

2023

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 ULICA 4

E-mail address: hpb@hpb.hr

Web address: www.hpb.hr

Number of employees
(end of the reporting

1331

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: **Filip Siladi**

(only name and surname of the contact person)

Telephone: 014804670

E-mail address: filip.siladi@hpb.hr

Audit firm:

(name of the audit firm)

Certified auditor:

(name and surname)

BALANCE SHEET
as at March 31, 2023

Submitter: Hrvatska poštanska banka p.l.c.

in EUR

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	1,316,506,298	1,120,368,068
Cash in hand	002	126,110,085	145,734,853
Cash balances at central banks	003	1,179,043,853	964,979,569
Other demand deposits	004	11,352,360	9,653,646
Financial assets held for trading (from 6 to 9)	005	54,714,278	55,659,466
Derivatives	006	48,141	6,538
Equity instruments	007	12,505,659	13,066,630
Debt securities	008	42,160,478	42,586,298
Loans and advances	009	-	-
Non-trading financial assets mandatorily at fair value through profit or loss (from 11 to 13)	010	908,193	799,337
Equity instruments	011	-	-
Debt securities	012	-	-
Loans and advances	013	908,193	799,337
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	3,788,891	4,016,593
Equity instruments	018	3,788,891	4,016,593
Debt securities	019	-	-
Loans and advances	020	-	-
Financial assets at amortised cost (22 + 23)	021	3,104,467,730	3,125,258,370
Debt securities	022	722,976,345	731,705,202
Loans and advances	023	2,381,491,385	2,393,553,168
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	13,418,985	10,718,806
Tangible assets	027	42,278,803	51,573,836
Intangible assets	028	13,269,613	10,547,512
Tax assets	029	3,006,236	4,176,336
Other assets	030	10,851,336	15,672,329
Fixed assets and disposal groups classified as held for sale	031	-	-
Total assets (1 + 5 + 10 + 14 + 17 + 21 + from 24 to 31)	032	4,563,210,363	4,398,790,653
Liabilities			
Financial liabilities held for trading (from 34 to 38)	033	70,801	241,037
Derivatives	034	70,801	241,037
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	4,163,491,754	3,979,575,664
Deposits	044	4,152,678,064	3,969,117,058
Debt securities issued	045	-	-
Other financial liabilities	046	10,813,690	10,458,606
Derivatives - hedge accounting	047	-	-
Fair value changes of the hedged items in portfolio hedge of interest rate risk	048	-	-
Provisions	049	19,199,035	15,913,393
Tax liabilities	050	1,469,513	1,320,151
Share capital repayable on demand	051	-	-
Other liabilities	052	31,984,098	36,612,176
Liabilities included in disposal groups classified as held for sale	053	-	-
Total liabilities (33 + 39 + 43 + from 47 to 53)	054	4,216,215,201	4,033,662,421
Equity			
Capital	055	161,228,350	161,228,350
Share premium	056	-	-
Equity instruments issued other than capital	057	-	-
Other equity	058	-	-
Accumulated other comprehensive income	059	8,020,695	8,294,275
Retained profit	060	72,286,496	89,761,887
Revaluation reserves	061	-	-
Other reserves	062	87,859,802	87,859,803
(-) Treasury shares	063	0	-
Profit or loss attributable to owners of the parent	064	17,599,819	17,983,919
(-) Interim dividends	065	-	-
Minority interests [non-controlling interests]	066	-	-
Total equity (from 55 to 66)	067	346,995,162	365,128,234
Total equity and liabilities (54 + 67)	068	4,563,210,363	4,398,790,653

STATEMENT OF PROFIT AND LOSS
for the period January 01, 2023 to March 31, 2023

Submitter: Hrvatska poštanska banka p.l.c.

in EUR

Item	AOP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
Interest income	001	17,486,244	17,486,244	27,560,990	27,560,990
(Interest expenses)	002	913,323	913,323	2,274,447	2,274,447
(Expenses on share capital repayable on demand)	003	-	-	-	-
Dividend income	004	3,776	3,776	79,823	79,823
Fees and commissions income	005	14,041,624	14,041,624	15,456,805	15,456,805
(Fees and commissions expenses)	006	8,283,246	8,283,246	9,587,886	9,587,886
Gains or (-) losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	007	303,411	303,411	-	-
Gains or (-) losses on financial assets and liabilities held for trading, net	008	(1,979,472)	(1,979,472)	907,178	907,178
Gains or losses on non-trading financial assets mandatorily at fair value through profit or loss, net	009	8,843	8,843	(36,986)	(36,986)
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	(439,331)	(439,331)	(8,981)	(8,981)
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	431,531	431,531	297,456	297,456
(Other operating expenses)	016	385,899	385,899	891,386	891,386
Total operating income, net (1 – 2 – 3 + 4 + 5 – 6 + from 7 to 15 – 16)	017	20,274,158	20,274,158	31,502,566	31,502,566
(Administrative expenses)	018	13,461,639	13,461,639	15,329,293	15,329,293
(Cash contributions to resolution boards and deposit guarantee schemes)	019	461,754	461,754	363,060	363,060
(Depreciation)	020	2,351,891	2,351,891	2,342,255	2,342,255
Modification gains or (-) losses, net	021	(370,396)	(370,396)	(151,931)	(151,931)
(Provisions or (-) reversal of provisions)	022	627,909	627,909	(3,189,912)	(3,189,912)
(Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss)	023	(1,034,864)	(1,034,864)	(1,609,154)	(1,609,154)
(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	4,035,433	4,035,433	18,115,093	18,115,093
(Tax expense or (-) income related to profit or loss from continuing operations)	030	94,201	94,201	131,174	131,174
Profit or (-) loss after tax from continuing operations (29 – 30)	031	3,941,232	3,941,232	17,983,919	17,983,919
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	3,941,232	3,941,232	17,983,919	17,983,919
Attributable to minority interest [non-controlling interests]	036	-	-	-	-
Attributable to owners of the parent	037	3,941,232	3,941,232	17,983,919	17,983,919
STATEMENT OF OTHER COMPREHENSIVE INCOME					
Income or (-) loss for the current year	038	3,941,232	3,941,232	17,983,919	17,983,919
Other comprehensive income (40 + 52)	039	(25,094,308)	(25,094,308)	273,580	273,580
Items that will not be reclassified to profit or loss (from 41 to 47 + 50 + 51)	040	-	-	273,580	273,580
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	-	-	356,813	356,813
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	-	-	(83,233)	(83,233)
Items that may be reclassified to profit or loss (from 53 to 60)	052	(25,094,308)	(25,094,308)	-	-
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	(30,631,854)	(30,631,854)	-	-
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	5,537,546	5,537,546	-	-
Total comprehensive income for the current year (38 + 39; 62 + 63)	061	(21,153,076)	(21,153,076)	18,257,499	18,257,499
Attributable to minority interest [non-controlling interest]	062	-	-	-	-
Attributable to owners of the parent	063	(21,153,076)	(21,153,076)	18,257,499	18,257,499

STATEMENT OF CASH FLOW
for the period January 01, 2023 to March 31, 2023

Submitter: Hrvatska poštanska banka p.l.c.

in EUR

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	4,035,432	18,115,093
Adjustments:			
Impairment and provisions	010	(36,559)	(4,647,135)
Depreciation	011	2,351,891	2,342,255
Net unrealised (gains)/losses on financial assets and liabilities at fair value through statement of profit or loss	012	1,667,219	(870,192)
(Profit)/loss from the sale of tangible assets	013	-	-
Other non-cash items	014	(16,572,921)	(25,286,543)
Promjene u imovini i obvezama iz poslovnih aktivnosti			
Deposits with the Croatian National Bank	015	(2,944,387)	-
Deposits with financial institutions and loans to financial institutions	016	-	-
Loans and advances to other clients	017	(284,212,215)	(10,604,560)
Securities and other financial instruments at fair value through other comprehensive income	018	104,121,634	(1,404,759)
Securities and other financial instruments held for trading	019	19,978,949	33,860
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	(119,467,971)	(8,728,857)
Other assets from operating activities	023	432,474	(4,820,994)
Deposits from financial institutions	024	34,254,497	(77,253,256)
Transaction accounts of other clients	025	(54,876,712)	506,620,493
Savings deposits of other clients	026	164,147,606	(934,097,878)
Time deposits of other clients	027	(13,603,933)	79,170,314
Derivative financial liabilities and other liabilities held for trading	028	(62,702)	(184,848)
Other liabilities from operating activities	029	3,069,437	241,854,824
Interest received from operating activities [indirect method]	030	17,486,244	27,560,990
Dividends received from operating activities [indirect method]	031	3,776	79,823
Interest paid from operating activities [indirect method]	032	(913,323)	(2,274,447)
(Income tax paid)	033	-	-
Net cash flow from operating activities (from 1 to 33)	034	(141,141,564)	(194,395,817)
Investing activities			
Cash receipts from the sale / payments for the purchase of tangible and intangible assets	035	(2,036,558)	(6,339,435)
Cash receipts from the sale / payments for the purchase of investments in branches, associates and joint ventures	036	(9,423,319)	-
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	-	-
Other receipts/payments from investing activities	039	-	-
Net cash flow from investing activities (from 35 to 39)	040	(11,459,877)	(6,339,435)
Financing activities			
Net increase/(decrease) in loans received from financing activities	041	(2,957,527)	4,676,845
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	90,464	-
Net cash flow from financing activities (from 41 to 46)	047	(2,867,063)	4,676,845
Net increase/(decrease) of cash and cash equivalents (34 + 40 + 47)	048	(155,468,504)	(196,058,407)
Cash and cash equivalents at the beginning of period	049	874,237,686	1,325,718,840
Effect of exchange rate fluctuations on cash and cash equivalents	050	(439,331)	(8,981)
Cash and cash equivalents at the end of period (48 + 49 + 50)	051	718,329,851	1,129,651,452

STATEMENT OF CHANGES IN EQUITY
for the period January 01, 2023 to March 31, 2023

in EUR

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	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Opening balance (before restatement)	001	161,228,350	-	-	-	8,020,695	72,286,496	-	87,859,803	-	17,599,819	-	-	-	346,995,163
Effects of error corrections	002	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effects of changes in accounting policies	003	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Opening balance (current period) (1 + 2 + 3)	004	161,228,350	-	-	-	8,020,695	72,286,496	-	87,859,803	-	17,599,819	-	-	-	346,995,163
Ordinary shares issue	005	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Preference shares issue	006	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issue of other equity instruments	007	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exercise or expiration of other equity instruments issued	008	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Conversion of receivables to equity instruments	009	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital reduction	010	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	011	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of treasury shares	012	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale or cancellation of treasury shares	013	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of financial instruments from equity to liability	014	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of financial instruments from liability to equity	015	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers among components of equity	016	-	-	-	-	-	17,599,819	-	-	-	(17,599,819)	-	-	-	-
Equity increase or (-) decrease resulting from business combinations	017	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share based payments	018	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other increase or (-) decrease in equity	019	-	-	-	-	-	(124,428)	-	-	-	-	-	-	-	(124,428)
Total comprehensive income for the current year	020	-	-	-	-	273,580	-	-	-	-	17,983,919	-	-	-	18,257,499
Closing balance (current period) (from 4 to 20)	021	161,228,350	-	-	-	8,294,275	89,761,887	-	87,859,803	-	17,983,919	-	-	-	365,128,234

Notes to financial statements

1) INTEREST INCOME

	Same period of the previous year 01.01.-		Current period 01.01. - 31.12.2023	
	31.12.2022.		31.12.2023	
	Cumulative	Quarter	Cumulative	Quarter
Debt securities	2,338,736	2,338,736	2,974,192	2,974,192
Loans and advances	15,146,405	15,146,405	19,596,848	19,596,848
Other assets	1,103	1,103	4,989,950	4,989,950
Deposits	-	-	-	-
Other liabilities	-	-	-	-
Total	17,486,244	17,486,244	27,560,990	27,560,990

2) INTEREST EXPENSE

	Same period of the previous year 01.01.-		Current period 01.01. - 31.12.2023	
	31.12.2022.		31.12.2023	
	Cumulative	Quarter	Cumulative	Quarter
Debt securities	-	-	-	-
Loans and advances	118,574	118,574	2,519	2,519
Other assets	-	-	-	-
Deposits	791,178	791,178	2,270,270	2,270,270
Other liabilities	3,571	3,571	1,658	1,658
Total	913,323	913,323	2,274,447	2,274,447

3) FEE AND COMMISSION INCOME

	Same period of the previous year 01.01.-		Current period 01.01. - 31.12.2023	
	31.12.2022.		31.12.2023	
	Cumulative	Quarter	Cumulative	Quarter
Securities	101,074	101,074	69,123	69,123
Asset management	827	827	3,833	3,833
Custody (according to the type of client)	166,657	166,657	141,801	141,801
Loan commitments	658	658	1,213	1,213
Other	13,772,407	13,772,407	15,240,836	15,240,836
Total	14,041,624	14,041,624	15,456,805	15,456,805

4) FEE AND COMMISSION EXPENSE

	Same period of the previous year 01.01.-		Current period 01.01. - 31.12.2023	
	31.12.2022.		31.12.2023	
	Cumulative	Quarter	Cumulative	Quarter
Bank clearing and settlement	84,308	84,308	76,511	76,511
Other	8,198,938	8,198,938	9,511,374	9,511,374
Total	8,283,246	8,283,246	9,587,886	9,587,886

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

	Same period of the previous year 01.01.-		Current period 01.01. - 31.12.2023	
	31.12.2022.		31.12.2023	
	Cumulative	Quarter	Cumulative	Quarter
Debt securities	281,119	281,119	-	-
Loans and advances	-	-	-	-
Deposits	-	-	-	-
Debt Securities issued	-	-	-	-
Other financial liabilities	22,292	22,292	-	-
Total	303,411	303,411	-	-

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

	Same period of the previous year 01.01.-		Current period 01.01. - 31.12.2023	
	31.12.2022.		31.12.2023	
	Cumulative	Quarter	Cumulative	Quarter
Equity instruments	(452,797)	(452,797)	560,971	560,971
Debt securities	(3,257,102)	(3,257,102)	4,146	4,146
FX transactions and derivatives	1,730,427	1,730,427	342,061	342,061
Total	(1,979,472)	(1,979,472)	907,178	907,178

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

	Same period of the previous year 01.01.-		Current period 01.01. - 31.12.2023	
	31.12.2022.		31.12.2023	
	Cumulative	Quarter	Cumulative	Quarter
Equity instruments	8,843	8,843	-	-
Debt securities	-	-	-	-
Loans and advances	-	-	(36,986)	(36,986)
Total	8,843	8,843	(36,986)	(36,986)

8) OPERATING EXPENSES

	Same period of the previous year 01.01.-		Current period 01.01. - 31.12.2023	
	31.12.2022.		31.12.2023	
	Cumulative	Quarter	Cumulative	Quarter
Other operating expenses	385,899	385,899	891,386	891,386
Administrative expenses	13,461,639	13,461,639	15,329,293	15,329,293
Employee expenses	7,980,143	7,980,143	8,804,306	8,804,306
Other administrative expenses	5,481,496	5,481,496	6,524,987	6,524,987
(Contributions in cash rehabilitation committees and Deposit Insurance Scheme)	461,754	461,754	363,060	363,060
Amortization	2,351,891	2,351,891	2,342,255	2,342,255
Property, plant and equipment	1,329,137	1,329,137	1,571,302	1,571,302
Investment property	-	-	-	-
Other intangible assets	1,022,755	1,022,755	770,953	770,953
Total	16,661,183	16,661,183	18,925,994	18,925,994

9) IMPAIRMENT LOSSES AND PROVISION EXPENSES

	Same period of the previous year 01.01.-		Current period 01.01. - 31.12.2023	
	31.12.2022.		31.12.2023	
	Cumulative	Quarter	Cumulative	Quarter
Modification gains or (-) losses, net	(370,396)	(370,396)	(151,931)	(151,931)
Financial assets at fair value through other comprehensive income	-	-	-	-
Financial assets at amortized cost	(370,396)	(370,396)	(151,931)	(151,931)
(Provisions or (-) reversal of provisions)	827,909	827,909	(3,189,912)	(3,189,912)
Liabilities towards resolution committees and deposit insurance systems (Liabilities and Guarantees)	635,611	635,611	(2,341,899)	(2,341,899)
(Impairment or (-) reversal of impairment on financial assets that are not measured at fair value through profit or loss)	(7,702)	(7,702)	(848,012)	(848,012)
(Financial assets at fair value through other comprehensive income)	(1,034,864)	(1,034,864)	(1,609,154)	(1,609,154)
(Financial assets at amortized cost)	(743,101)	(743,101)	-	-
(Impairment or (-) reversal of impairment off of investments in subsidiaries, joint ventures, and associates)	(291,763)	(291,763)	(1,609,154)	(1,609,154)
(Impairment or (-) reversal of impairment off non-financial assets)	-	-	-	-
(Property, plant and equipment)	-	-	-	-
(Investment property)	-	-	-	-
(Goodwill)	-	-	-	-
(Other intangible assets)	-	-	-	-
(Other)	-	-	-	-
Total	(36,559)	(36,559)	(4,647,135)	(4,647,135)

10) LOANS AND ADVANCES

	31.12.2022.			31.03.2023.		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	Central banks	2,931	-	-	574,894	-
Gross loans	-	-	-	-	-	-
Allowance	-	-	-	-	-	-
Deposits	2,931	-	-	574,894	-	-
Allowance	-	-	-	-	-	-
Government	466,044,303	4,392,479	67	452,535,268	4,622,537	67
Gross loans	467,561,947	4,427,815	12,279	453,583,531	4,686,878	12,279
Allowance	(1,517,644)	(85,337)	(12,219)	(1,048,263)	(63,340)	(12,219)
Credit institutions	262,570,725	-	-	276,313,791	-	-
Gross loans	13,203	-	-	39,501	-	-
Allowance	(3)	-	-	(176)	-	-
Deposits	263,814,761	-	-	277,567,680	-	-
Allowance	(1,257,236)	-	-	(1,293,215)	-	-
Other financial institutions	35,616,897	68	436	36,196,289	123	230
Gross loans	33,757,620	69	66,817	36,420,817	124	246
Allowance	(308,941)	(2)	(66,381)	(350,888)	(1)	(16)
Deposits	2,235,401	-	-	2,190,225	-	-
Allowance	(65,183)	-	-	(63,865)	-	-
Non - financial institutions	409,318,331	120,208,881	29,957,286	422,570,071	112,736,614	29,994,132
Gross loans	417,468,373	126,213,825	114,286,065	431,251,545	117,801,992	114,509,295
Allowance	(8,150,041)	(6,004,943)	(84,328,779)	(8,678,475)	(5,065,178)	(84,515,163)
Retail	911,684,973	123,410,939	18,281,069	889,713,228	148,433,908	17,858,817
Gross loans	917,701,708	134,871,095	108,431,533	895,020,259	151,654,208	105,985,414
Allowance	(6,016,736)	(11,460,156)	(90,150,464)	(5,307,031)	(13,220,300)	(89,126,597)
Total	2,085,240,161	248,012,367	48,238,657	2,079,906,540	265,793,382	47,853,245

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

	31.12.2022.		31.03.2023.	
Central banks	-	-	-	-
Local state	-	-	-	-
Credit institutions	-	-	-	-
Other financial institutions	-	-	-	-
Non - financial institutions	324,420	309,235	-	-
Retail	583,773	490,103	-	-
Total	908,193	799,337	-	-

12) DEPOSITS

	31.12.2022.		31.03.2023.	
Government	53,464,434	53,491,160	-	-
Local state	1,291,051,359	1,208,827,726	-	-
Credit institutions	67,902,861	71,276,215	-	-
Other financial institutions	231,991,384	175,922,594	-	-
Non - financial institutions	535,464,803	544,303,125	-	-
Retail	1,972,803,223	1,915,290,238	-	-
Total	4,152,678,064	3,969,117,058	-	-