



HPB Group 2020

Investor information and audited
Financial statements

Limitation of liability

- The information and data contained in this presentation are intended to be general background information on Hrvatska poštanska banka p.l.c. as the parent company of the Hrvatska poštanska banka Group (hereinafter referred to as the Bank, Group or HPB p.l.c.) and its activities and is supplied in summary form and therefore not necessarily complete.
- This presentation may include information and data derived from publicly available sources that have not been independently verified, therefore HPB p.l.c. hereby expressly makes no representation of warranty of any kind, including, but not limited to the accuracy, completeness or reliability of the provided information and data.
- Contained statements reflect our current views with respect to future events and are subject to certain risks, uncertainties and assumptions therefore, when making decisions based on predictions of future uncertain events, the investors and/or others should carefully consider such factors and other uncertainties and events.

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 financial statements for the period from January 01 to December 31, 2020.

Original and official quarterly report is published in Croatian.

The report includes:

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

Financial statements and notes have been compiled in accordance with instructions defined in Rulebook on format and content of interim financial reports of issuers (NN 114/2018).

Type and name of prescribed information:	Consolidated financial statements for the period 01.01.2020 - 31.12.2020, HPB Group 2020 Investor information and audited Financial statements
Issuer name, headquarter and address:	Hrvatska poštanska banka p.l.c., Jurišićeva 4, HR-10000 Zagreb
Issuer's Legal Entity Identifier (LEI)	529900D5G4V6THXC5P79
Home Member State:	Republic of Croatia
International Securities Identification Number (ISIN)	HRHPB0RA0002
Stock code (ticker):	HPB-R-A
Regulated market and segment:	Zagreb Stock Exchange, Official market



Management report

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

As of April 1, 2019. Jadranska banka p.l.c. was successfully merged to Hrvatska poštanska banka p.l.c. and on December 2, 2019 the HPB Stambena štedionica p.l.c. was merged.

The HPB Group's net profit after tax is HRK 183.4 million. The Group's result relates largely to the results of the parent company, while HPB Invest made a net profit of HRK 954.0 thousand, and HPB-Nekretnine a net profit of HRK 368.0 thousand.

Marko Badurina

President of the Management Board

Anto Mihaljević

Member of the Management Board

Ivan Soldo

Member of the Management Board

Statement by persons accountable for compiling the report of HPB p.l.c.

In accordance with the Capital Market Act, the Management Board of HPB 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 01 to December 31, 2020, are compiled in accordance with the accounting regulation applicable to credit institutions in Croatia, presents complete and accurate view of assets and liabilities, losses and gains, financial position and results of HPB p.l.c., as well as companies included in consolidation as a whole.

On behalf of HPB p.l.c., the parent company of HPB Group:

Tea Bažant

Executive Head of finance division

Marko Badurina

President of the Management Board

Anto Mihaljević

Member of the Management Board

Ivan Soldo

Member of the Management Board

Annex 1

ISSUER'S GENERAL DATA

Reporting period: 1.1.2020 to 31.12.2020
 Year: 2020

Yearly financial statements

Registration number (MB): 03777928 Issuer's home Member State code: HRVATSKA

Entity's registration number (MBS): 080010698

Personal identification number (OIB): 87939104217 LEI: 529900D5G4V6THXC5P79

Institution code: 319

Name of the issuer: HRVATSKA POŠTANSKA BANKA, p.l.c.

Postcode and town: 10000 ZAGREB

Street and house number: JURIŠIĆEVA 4

E-mail address: hpb@hpb.hr

Web address: www.hpb.hr

Number of employees (end of the reporting period): 1326

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 20, 10000 Zagreb 01972278

HPB-nekretnine d.o.o. Amruševa 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: Ivan Čajko (name and surname)

BALANCE SHEET
as at December 31, 2020

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	2,772,782,193	3,662,500,484
Cash in hand	002	961,912,026	900,072,987
Cash balances at central banks	003	1,014,563,142	2,224,401,393
Other demand deposits	004	796,307,025	538,026,104
Financial assets held for trading (from 6 to 9)	005	612,871,552	719,257,423
Derivatives	006	852,203	-
Equity instruments	007	96,079,539	95,340,654
Debt securities	008	515,939,810	623,916,769
Loans and advances	009	-	-
Non-trading financial assets mandatorily at fair value through profit or loss (from 11 to 13)	010	21,199,086	38,865,901
Equity instruments	011	-	20,000,000
Debt securities	012	-	-
Loans and advances	013	21,199,086	18,865,901
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	4,640,197,866	4,158,015,469
Equity instruments	018	57,269,384	49,027,711
Debt securities	019	4,582,928,482	4,108,987,758
Loans and advances	020	-	-
Financial assets at amortised cost (22 + 23)	021	15,213,145,060	16,413,935,375
Debt securities	022	4,305,695	1,978,784
Loans and advances	023	15,208,839,365	16,411,956,591
Derivatives - hedge accounting	024	-	-
Fair value changes of the hedged items in portfolio hedge of interest rate risk	025	-	-
Investments in subsidiaries, joint ventures and associates	026	-	43
Tangible assets	027	324,499,245	326,574,638
Intangible assets	028	110,071,915	91,824,941
Tax assets	029	6,453,295	2,797,956
Other assets	030	52,180,680	49,114,278
Fixed assets and disposal groups classified as held for sale	031	20,000,000	-
Total assets (1 + 5 + 10 + 14 + 17 + 21 + from 24 to 31)	032	23,773,400,892	25,462,886,508
Liabilities			
Financial liabilities held for trading (from 34 to 38)	033	863,025	21,172
Derivatives	034	863,025	21,172
Short positions	035	-	-
Deposits	036	-	-
Debt securities issued	037	-	-
Other financial liabilities	038	-	-
Financial liabilities at fair value through profit or loss (from 40 to 42)	039	-	-
Deposits	040	-	-
Debt securities issued	041	-	-
Other financial liabilities	042	-	-
Financial liabilities measured at amortised cost (from 44 to 46)	043	21,048,705,186	22,680,817,227
Deposits	044	20,936,228,925	22,561,546,458
Debt securities issued	045	-	-
Other financial liabilities	046	112,476,261	119,270,769
Derivatives - hedge accounting	047	-	-
Fair value changes of the hedged items in portfolio hedge of interest rate risk	048	-	-
Provisions	049	196,063,323	125,688,739
Tax liabilities	050	1,728,314	25,697,310
Share capital repayable on demand	051	-	-
Other liabilities	052	149,349,151	151,759,203
Liabilities included in disposal groups classified as held for sale	053	-	-
Total liabilities (33 + 39 + 43 + from 47 to 53)	054	21,396,708,999	22,983,983,651
Equity			
Initial capital	055	1,214,775,000	1,214,775,000
Share premium	056	-	-
Equity instruments issued other than capital	057	-	-
Other equity instruments	058	-	-
Accumulated other comprehensive income	059	319,404,893	264,974,555
Retained profit	060	156,511,227	204,798,039
Revaluation reserves	061	-	-
Other reserves	062	539,561,769	611,448,069
(-) Treasury shares	063	(477,000)	(477,000)
Profit or loss attributable to owners of the parent	064	146,916,005	183,384,194
(-) Interim dividends	065	-	-
Minority interests [non-controlling interests]	066	-	-
Total equity (from 55 to 66)	067	2,376,691,894	2,478,902,857
Total equity and liabilities (54 + 67)	068	23,773,400,893	25,462,886,508

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

Submitter: Hrvatska poštanska banka p.l.c.

in HRK

Item	AOP code	Same period of the previous year	Current period
		Cumulative	Cumulative
1	2	3	4
Interest income	001	622,605,735	588,820,078
(Interest expenses)	002	77,148,529	51,590,120
(Expenses on share capital repayable on demand)	003	-	-
Dividend received	004	3,645,670	3,292,513
Fees and commissions income	005	539,380,118	459,757,903
(Fees and commissions expenses)	006	325,301,350	273,899,127
Gains or (-) losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	007	5,158,277	35,035,565
Gains or (-) losses on financial assets and liabilities held for trading, net	008	98,471,145	47,068,263
Gains or losses on non-trading financial assets mandatorily at fair value through profit or loss, net	009	813,430	(571,077)
Gains or (-) losses on financial assets and liabilities at fair value through profit or loss, net	010	-	-
Gains or (-) losses from hedge accounting, net	011	-	-
Exchange rate differences [gain or (-) loss], net	012	(3,343,723)	(8,624,819)
Gains or (-) losses on derecognition of non-financial assets, net	013	-	-
Other operating income	014	27,500,749	13,725,920
(Other operating expenses)	015	12,381,264	14,000,990
Total operating income, net (1 – 2 – 3 + 4 + 5 – 6 + from 7 to 14 – 15)	016	879,400,258	799,014,109
(Administrative expenses)	017	421,317,403	391,864,512
(Contributions in cash rehabilitation committees and Deposit Insurance Schemes)	018	36,789,659	42,002,367
(Depreciation)	019	77,695,369	76,278,177
Modification gains or (-) losses, net	020	(15,756,307)	(3,386,347)
(Provisions or (-) reversal of provisions)	021	81,806,092	(61,671,217)
(Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss)	022	135,541,506	109,876,155
(Impairment or (-) reversal of impairment of investments in subsidiaries, joint ventures and associates)	023	-	-
(Impairment or (-) reversal of impairment on non-financial assets)	024	11,816,090	8,711,610
Negative goodwill recognised in profit or loss	025	-	-
Share of the profit or (-) loss of investments in subsidiaries, joint ventures and associates accounted for using the equity method	026	-	-
Profit or (-) loss from fixed assets and disposal groups classified as held for sale not qualifying as discontinued operations	027	-	-
Profit or (-) loss before tax from continuing operations (16 – 17 – 18 + 19 – from 20 to 23 + from 24 to 26)	028	98,677,832	228,566,158
(Tax expense or (-) income related to profit or loss from continuing operations)	029	(48,238,174)	45,181,964
Profit or (-) loss after tax from continuing operations (27 – 28)	030	146,916,006	183,384,194
Profit or (-) loss after tax from discontinued operations (31 – 32)	031	-	-
Profit or (-) loss before tax from discontinued operations	032	-	-
(Tax expense or (-) income related to discontinued operations)	033	-	-
Profit or (-) loss for the year (29 + 30; 34 + 35)	034	146,916,006	183,384,194
Attributable to minority interest [non-controlling interests]	035	-	-
Attributable to owners of the parent	036	146,916,006	183,384,194
STATEMENT OF OTHER COMPREHENSIVE INCOME			
Income or (-) loss for the current year	037	146,916,006	183,384,194
Other comprehensive income (38 + 50)	038	214,050,212	(82,538,216)
Items that will not be reclassified to profit or loss (from 39 to 45) + 48 + 49)	039	(59,646)	(4,199,151)
Tangible assets	040	(72,739)	(7,533,354)
Intangible assets	041	-	-
Actuarial gains or (-) losses on defined benefit pension plans	042	-	1,825,625
Fixed assets and disposal groups classified as held for sale	043	-	-
Share of other recognised income and expense of entities accounted for using the equity method	044	-	-
Fair value changes of equity instruments measured at fair value through other comprehensive income	045	-	-
Gains or (-) losses from hedge accounting of equity instruments at fair value through other comprehensive income, net	046	-	-
Fair value changes of equity instruments measured at fair value through other comprehensive income [hedged item]	047	-	-
Fair value changes of equity instruments measured at fair value through other comprehensive income [hedging instrument]	048	-	-
Fair value changes of financial liabilities at fair value through profit or loss attributable to changes in their credit risk	049	-	-
Income tax relating to items that will not be reclassified	050	13,093	1,508,578
Items that may be reclassified to profit or loss (from 51 to 58)	051	214,109,858	(78,339,065)
Hedge of net investments in foreign operations [effective portion]	052	-	-
Foreign currency translation	053	-	-
Cash flow hedges [effective portion]	054	-	-
Hedging instruments [not designated elements]	055	-	-
Debt instruments at fair value through other comprehensive income	056	262,780,744	(95,463,311)
Fixed assets and disposal groups classified as held for sale	057	-	-
Share of other recognised income and expense of investments in subsidiaries, joint ventures and associates	058	-	-
Income tax relating to items that may be reclassified to profit or (-) loss	059	(48,670,886)	17,124,246
Total comprehensive income for the current year (36 + 37; 60 + 61)	060	360,966,218	100,845,978
Attributable to minority interest [non-controlling interest]	061	-	-
Attributable to owners of the parent	062	360,966,218	100,845,978

STATEMENT OF CASH FLOW
for the period January 01, 2020 to December 31, 2020

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	94,334,089	228,612,358
Adjustments:		-	-
Impairment and provisions	010	227,442,554	174,933,719
Depreciation	011	75,961,605	76,278,177
Net unrealised (gains)/losses on financial assets and liabilities at fair value through statement of profit or loss	012	(93,487,877)	(73,479,009)
(Profit)/loss from the sale of tangible assets	013	-	-
Other non-cash items	014	(533,130,112)	(537,334,753)
Promjene u imovini i obvezama iz poslovnih aktivnosti			
Deposits with the Croatian National Bank	015	(138,266,736)	(280,916,192)
Deposits with financial institutions and loans to financial institutions	016	100,327,657	258,280,921
Loans and advances to other clients	017	(1,337,078,497)	(1,316,595,951)
Securities and other financial instruments at fair value through other comprehensive income	018	(457,927,060)	468,611,329
Securities and other financial instruments held for trading	019	304,271,909	(65,609,242)
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	(19,522,798)	-
Securities and other financial instruments at amortised cost	022	95,018,103	2,326,911
Other assets from operating activities	023	(1,691,741)	3,106,512
Deposits from financial institutions	024	(53,076,859)	105,943,541
Transaction accounts of other clients	025	168,992,589	1,255,559,114
Savings deposits of other clients	026	329,453,169	720,175,408
Time deposits of other clients	027	(759,126,094)	(928,046,118)
Derivative financial liabilities and other liabilities held for trading	028	417,751	5,952,655
Other liabilities from operating activities	029	2,102,089	(2,589,926)
Interest received from operating activities [indirect method]	030	509,499,920	588,918,099
Dividends received from operating activities [indirect method]	031	-	3,280,842
Interest paid from operating activities [indirect method]	032	(48,067,618)	(51,583,346)
(Income tax paid)	033	-	-
Net cash flow from operating activities (from 1 to 33)	034	(1,533,553,957)	635,825,049
Investing activities			
Cash receipts from the sale / payments for the purchase of tangible and intangible assets	035	(48,408,503)	(60,106,596)
Cash receipts from the sale / payments for the purchase of investments in branches, associates and joint ventures	036	-	-
Cash receipts from the sale / payments for the purchase of securities and other financial instruments held to maturity	037	94,043,078	-
Dividends received from investing activities	038	(3,645,670)	2,326,911
Other receipts/payments from investing activities	039	-	-
Net cash flow from investing activities (from 35 to 39)	040	41,988,905	(57,779,685)
Financing activities			
Net increase/(decrease) in loans received from financing activities	041	335,049,011	475,822,595
Net increase/(decrease) in debt securities issued	042	-	-
Net increase/(decrease) in Tier 2 capital instruments	043	-	-
Increase in share capital	044	-	-
(Dividends paid)	045	-	-
Other receipts/(payments) from financing activities	046	-	-
Net cash flow from financing activities (from 41 to 46)	047	335,049,011	475,822,595
Net increase/(decrease) of cash and cash equivalents (34 + 40 + 47)	048	(1,156,516,041)	1,053,867,959
Cash and cash equivalents at the beginning of period	049	4,193,834,937	3,046,578,558
Effect of exchange rate fluctuations on cash and cash equivalents	050	9,259,662	(8,624,819)
Cash and cash equivalents at the end of period (48 + 49 + 50)	051	3,046,578,558	4,091,821,698

STATEMENT OF CHANGES IN EQUITY
for the period January 01, 2020 to December 31, 2020

in HRK

Item	AOP code	Attributable to owners of the parent											Non-controlling interest		Total
		Equity	Share premium	Equity instruments issued other than capital	Other equity instruments	Accumulated other comprehensive income	Retained profit	Revaluation reserves	Other reserves	() Treasury shares	Profit or (-) loss attributable to owners of the parent	(-) Interim dividends	Accumulated other comprehensive income	Other items	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Opening balance [before restatement]	001	1,214,775,000	-	-	-	319,404,893	156,511,227	-	539,561,769	(477,000)	146,916,006	-	-	-	2,376,691,895
Effects of error corrections	002	-	-	-	-	28,107,597	(24,739,262)	-	-	-	-	-	-	-	3,368,335
Effects of changes in accounting policies	003	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Opening balance [current period] (1 + 2 + 3)	004	1,214,775,000	-	-	-	347,512,490	131,771,965	-	539,561,769	(477,000)	146,916,006	-	-	-	2,380,060,230
Ordinary shares issue	005	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Preference shares issue	006	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issue of other equity instruments	007	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exercise or expiration of other equity instruments issued	008	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Conversion of debt to equity	009	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital reduction	010	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	011	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase/sale of treasury shares	012	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale or cancellation of treasury shares	013	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of financial instruments from equity to liability	014	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of financial instruments from liability to equity	015	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers among components of equity instruments	016	-	-	-	-	-	73,026,074	-	71,886,300	-	(146,916,006)	-	-	-	(2,003,632)
Share based payments	017	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other increase or (-) decrease of equity instruments	018	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the current year	019	-	-	-	-	(82,537,935)	-	-	-	-	183,384,194	-	-	-	100,846,259
Equity instruments increase or (-) decrease resulting from business combinations	020	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance [current period] (from 4 to 20)	021	1,214,775,000	-	-	-	264,974,555	204,798,039	-	611,448,069	(477,000)	183,384,194	-	-	-	2,478,902,857

Notes to financial statements

1) INTEREST INCOME		in HRK	
AOP 001	Same period of the previous year 01.01.-31.12.2019	Current period 01.01.-31.12.2020.	
	Cumulative	Cumulative	
Debt securities	93,737,077	81,200,505	
Loans and advances	528,443,333	507,302,008	
Other assets	424,091	314,906	
Deposits	1,234	2,659	
Other liabilities	-	-	
Total	622,605,735	588,820,078	
2) INTEREST EXPENSE		in HRK	
AOP 002	Same period of the previous year 01.01.-31.12.2019	Current period 01.01.-31.12.2020.	
	Cumulative	Cumulative	
Debt securities	-	-	
Loans and advances	3,039,091	2,873,661	
Other assets	-	-	
Deposits	73,071,014	47,533,458	
Other liabilities	1,038,423	1,183,001	
Total	77,148,529	51,590,120	
3) FEE AND COMMISSION INCOME		in HRK	
AOP 005	Same period of the previous year 01.01.-31.12.2019	Current period 01.01.-31.12.2020.	
	Cumulative	Cumulative	
Securities	397,609	3,269,735	
Asset management	84,655	44,754	
Custody [according to the type of client]	5,041,832	3,651,553	
Loan commitments	151,466	72,553	
Other	533,704,556	452,719,307	
Total	539,380,118	459,757,903	
4) FEE AND COMMISSION EXPENSE		in HRK	
AOP 006	Same period of the previous year 01.01.-31.12.2019	Current period 01.01.-31.12.2020.	
	Cumulative	Cumulative	
Bank clearing and settlement	1,552,230	1,726,624	
Other	323,749,121	272,172,503	
Total	325,301,350	273,899,127	
5) GAIN/LOSSES ON TERMINATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES		in HRK	
AOP 007	Same period of the previous year 01.01.-31.12.2019	Current period 01.01.-31.12.2020.	
	Cumulative	Cumulative	
Debt securities	5,158,277	35,035,565	
Loans and advances	-	-	
Deposits	-	-	
Debt Securities issued	-	-	
Other financial liabilities	-	-	
Total	5,158,277	35,035,565	
6) GAINS OR (-) LOSSES ON FINANCIAL ASSETS AND LIABILITIES HELD FOR TRADING		in HRK	
AOP 008	Same period of the previous year 01.01.-31.12.2019	Current period 01.01.-31.12.2020.	
	Cumulative	Cumulative	
Equity instruments	17,025,588	(770,953)	
Debt securities	31,198,951	(7,006,878)	
FX transactions and derivatives	50,246,706	54,846,094	
Total	98,471,145	47,068,263	
7) GAINS OR LOSSES ON NON-TRADING FINANCIAL ASSETS MANDATORILY AT FAIR VALUE THROUGH PROFIT OR LOSS		in HRK	
AOP 009	Same period of the previous year 01.01.-31.12.2019	Current period 01.01.-31.12.2020.	
	Cumulative	Cumulative	
Equity instruments	-	-	
Debt securities	813,430	-	
Loans and advances	-	(571,077)	
Total	813,430	(571,077)	
8) OPERATING EXPENSES		in HRK	
AOP 015 & AOP 017 & AOP 018	Same period of the previous year 01.01.-31.12.2019	Current period 01.01.-31.12.2020.	
	Cumulative	Cumulative	
Other operating expenses	12,381,264	14,000,990	
Administrative expenses	421,317,403	391,864,512	
Employee expenses	230,567,170	233,499,673	
Other administrative expenses	190,750,234	158,364,839	
(Contributions in cash rehabilitation committees and Deposit Insurance Schemes)	36,789,659	42,002,367	
Amortization	77,695,369	76,278,177	
Property, plant and equipment	43,106,555	43,473,575	
Investment property	-	-	
Other intangible assets	34,588,814	32,804,602	
Total	548,183,695	524,146,047	
9) IMPAIRMENT LOSSES AND PROVISION EXPENSES		in HRK	
AOP 019 & AOP 020 & AOP 021 & AOP 023	Same period of the previous year 01.01.-31.12.2019	Current period 01.01.-31.12.2020.	
	Cumulative	Cumulative	
Modification gains or (-) losses, net	(15,756,307)	(3,386,347)	
Financial assets at fair value through other comprehensive income	-	-	
Financial assets at amortized cost	(15,756,307)	(3,386,347)	
(Provisions or (-) reversal of provisions)	81,806,092	(61,671,217)	
(Liabilities and Guarantees)	25,823,092	17,214,299	
(Other Provisions)	55,983,000	(78,885,516)	
(Impairment or (-) reversal of impairment on financial assets that are not measured at fair value through profit or loss)	135,541,506	109,876,155	
(Financial assets at fair value through other comprehensive income)	3,400,611	577,174	
(Financial assets at amortized cost)	132,140,895	109,298,981	
(Impairment or (-) reversal of impairment off of investments in subsidiaries, joint ventures, and associates)	-	-	
(Impairment or (-) reversal of impairment off non-financial assets)	11,816,090	8,711,610	
(Property, plant and equipment)	7,366,949	8,711,610	
(Investment property)	3,879,653	-	
(Goodwill)	-	-	
(Other intangible assets)	-	-	
(Other)	569,488	-	
Total	244,919,995	60,302,895	
10) LOANS AND ADVANCES		in HRK	
AOP 023	31.12.2019.	31.12.2020.	
	Stage 1	Stage 2	Stage 3
Central banks	1,558,206,655	-	-
Gross loans	1,558,206,655	-	-
Allowance	-	-	-
Government	2,244,696,909	4,456,728	-
Gross loans	2,250,085,612	5,026,891	383,503
Allowance	(5,388,703)	(570,163)	(383,503)
Credit institutions	233,379,950	-	-
Gross loans	233,991,494	-	-
Allowance	(611,544)	-	-
Deposits	-	-	368,996,913
Allowance	-	-	(544,154)
Other financial institutions	129,436,444	461,201	-
Gross loans	117,745,218	466,361	15,995
Allowance	(98,194)	(5,160)	(15,995)
Deposits	12,197,705	-	-
Allowance	(108,285)	-	-
Non - financial institutions	3,627,780,064	170,418,701	441,502,507
Gross loans	3,724,482,681	219,244,197	1,343,775,272
Allowance	(96,702,617)	(48,825,496)	(902,272,765)
Retail	6,301,397,489	304,661,307	192,441,409
Gross loans	6,300,026,490	322,194,397	644,630,416
Allowance	(28,629,002)	(17,533,090)	(452,189,007)
Total	14,094,897,511	479,997,937	633,943,916
			14,929,267,898
			683,623,053
			799,065,640
11) NON-TRADING FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS		in HRK	
AOP 013	31.12.2019.	31.12.2020.	
Central banks	-	-	
Local state	-	-	
Credit institutions	-	-	
Other financial institutions	-	-	
Non - financial institutions	6,692,018	5,093,283	
Retail	14,507,069	13,772,618	
Total	21,199,086	18,865,901	
12) DEPOSITS		in HRK	
AOP 044	31.12.2019.	31.12.2020.	
Government	-	400,000,000	
Local state	4,896,096,420	5,325,746,428	
Credit institutions	127,248,024	209,013,088	
Other financial institutions	1,436,745,667	1,391,175,468	
Non - financial institutions	2,738,237,692	3,161,262,055	
Retail	11,737,901,121	12,074,349,419	
Total	20,936,228,925	22,561,546,458	

HPB p.l.c.
10 000 Zagreb, Jurišićeva 4

SUPERVISORY BORD

Zagreb, March 30 2021

In accordance with the provision of article 21 of the Articles of Association of HPB p.l.c. (in further text: Bank), and in line with Articles 300.c and 300.d of the Companies Act, Supervisory Board of the Bank has at its meeting held on March 30 2021, made the following:

RESOLUTION

on giving consent to Annual financial statements and consolidated annual financial statements of the Bank and the Group, for the 2020 business year, comprising also the Management Board's annual report on condition of HPB p.l.c. and its subsidiaries for year 2020.

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 2020, comprising also the Management Board's annual report on condition of HPB p.l.c. and its subsidiaries, submitted by the Bank's Management Board.

Acceptance is given for Auditor's report by BDO CROATIA d.o.o., Zagreb, Trg J.F.Kennedya 6b. Auditor has conducted the audit of Annual financial statements the Bank and the Group for the year ended December 31 2020.

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 2020 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

HPB p.l.c.
Zagreb, Jurišićeva 4

SUPERVISORY BORD

Zagreb, March 30 2021

In accordance with the provision of article 21 of the Articles of Association of HPB p.l.c. (in further text: 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 at its meeting held on March 30 2021, made the following:

RESOLUTION

**on giving consent to Management Board's proposal
on allocation of profit earned in 2020**

I.

Bank's Supervisory Board gives its consent and accepts Management Board's proposal on allocation of profit earned in 2020, which is a constituent 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 2020 is considered to be confirmed.

III.

Supervisory Board proposes to General Assembly to vote in favour of profit allocation 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