



# HPB Group H1 2023

Investor information and unaudited Financial statements

# Limitation of liability

- The information and data contained in this presentation are intended to be general background information on Hrvatska poštanska banka p.l.c. as the parent company of the Hrvatska poštanska banka Group (hereinafter referred to as the Bank, Group or HPB and its activities. It is supplied in summary form and therefore not necessarily complete. Certain statements contained herein may be statements of future expectations and other forward-looking statements about HPB, which are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. In addition to statements which are forward-looking by reason of context, words such as "may", "will", "should", "expects", "plans", "contemplates", "intends", "anticipates", "believes", "estimates", "predicts", "potential", or "continue" and similar expressions typically identify forward-looking statements. By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. As such, no forward-looking statement can be guaranteed. Undue reliance should not be placed on these forward-looking statements. Many factors could cause our results of operations, financial condition, liquidity, and the development of the industries in which we compete, to differ materially from those expressed or implied by the forward-looking statements contained herein.
- This presentation contains financial and non-financial information and statistical data relating to HPB. Such information and data are presented for illustrative purposes only. This presentation may include information and data derived from publicly available sources that have not been independently verified, therefore HPB 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. This presentation is for information purposes only and contains neither a recommendation to buy or sell nor an offer of sale or subscription to shares nor does it constitute an invitation to make an offer to sell shares.
- This presentation has been prepared and the data checked with the greatest possible care. Nonetheless, rounding, transmission, typesetting and printing errors cannot be ruled out. In the summing up of rounded amounts and percentages, rounding-off differences may occur.
- 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.

Type and name of prescribed information:	Consolidated financial statements for the period 1.1.2023 - 30.6.2023, HPB Group H1 2023 Investor information and unaudited Financial statements
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. (Bank), as the parent company of the Hrvatska poštanska banka Group (Group), publishes unaudited financial statements for the period from January 1 to June 30, 2023.

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 the content and structure of the issuer's reports for periods during the year (NN 114/2018, 27/2021, 26/2022, 32/2023).

# **1 Executive Summary**

---

## **2 Macroeconomic environment**

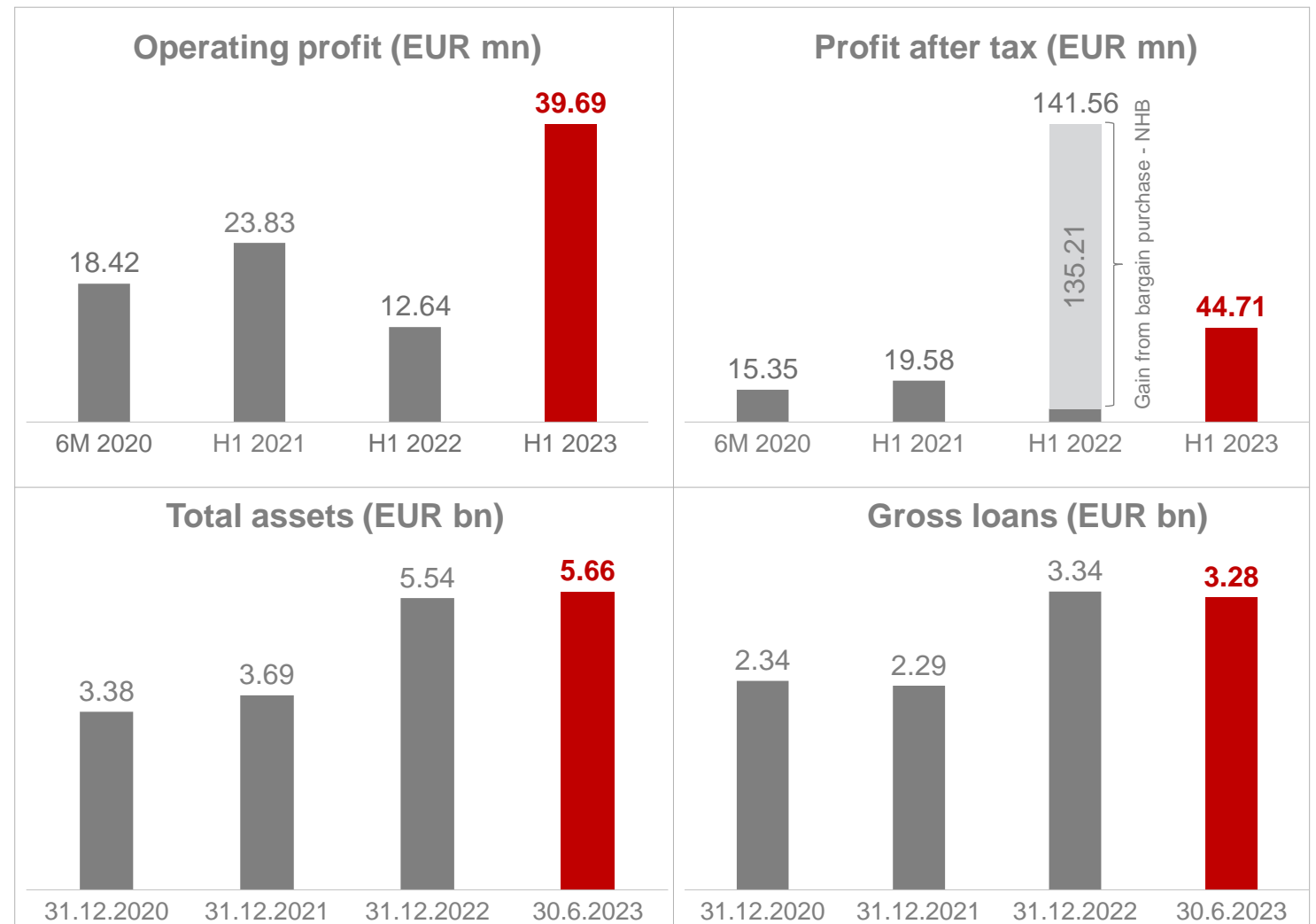
---

## **3 Financials**

---

# HPB Group is breaking new records

- Rapid growth of **operating profit**, which **reached a record amount of EUR 39.69 mn**, is a result of strategic decisions made in a timely manner, successfully implemented integration activities and agile cost management, supported by the growth of the ECB's reference interest rates
- **Historically highest level of Group assets in the amount of EUR 5.66 bn**
- **The consolidated MREL as of June 30, 2023 is 28.64%**, which is above the **level of the regulatory MREL requirement** set for the parent company (**27.08%**)
- **Excellent underwriting process and effective collection** activities resulted in a low level of NPL ratio (6.00%) and coverage significantly above the market level (71.71%)
- **The legal merger process of NHB was completed in July 2023**, whereby NHB continues to operate as HPB

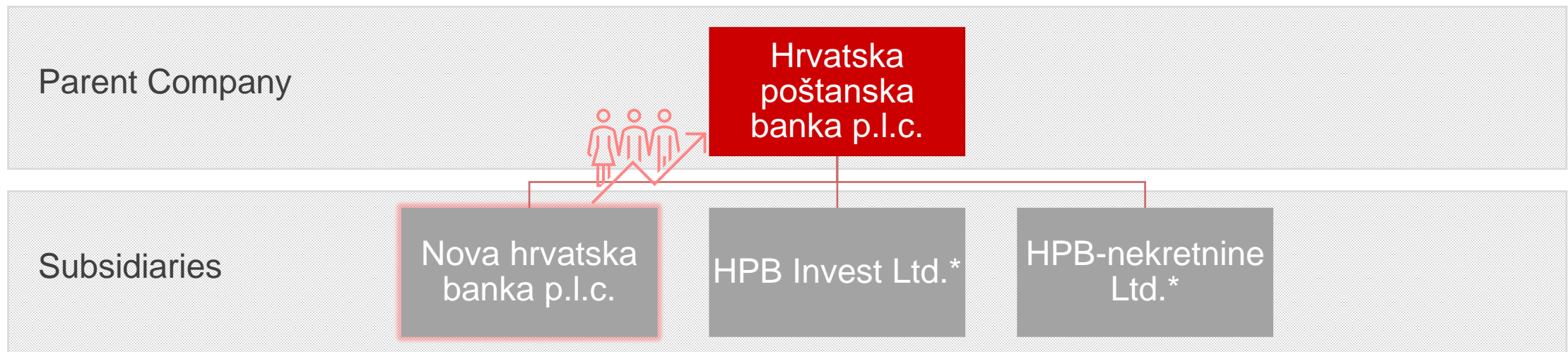


Source: FINREP regulatory report

The graphs includes the results of all HPB Group members on the reporting date or reporting period.

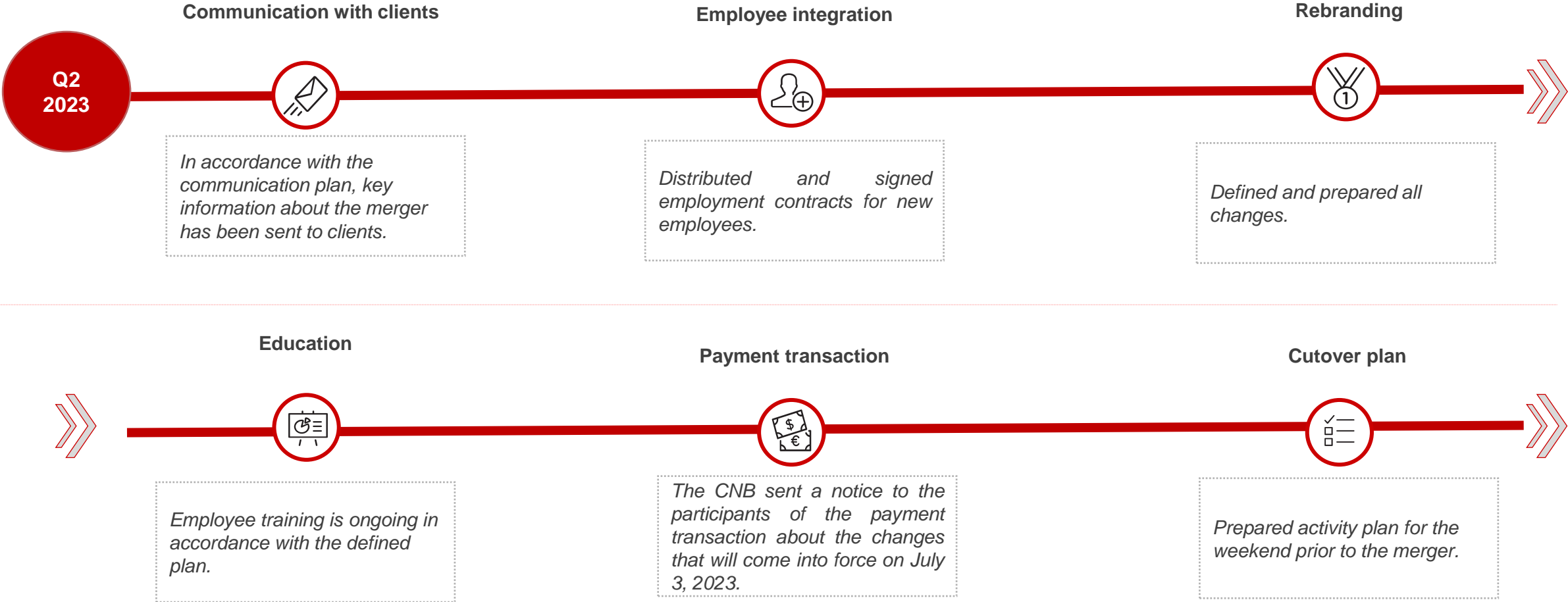
# NHB was successfully merged with HPB on July 3, 2023

- The **legal merger process of NHB was completed as of July 3, 2023**, whereby NHB and HPB continue to operate as **one, stronger bank - HPB**
- The integration of NHB has strengthened the client base and portfolio, which brings HPB ever closer to the goal of entering the **TOP 5 banks in Croatia**
- HPB continues with development activities aimed at further building a strong and modern bank that follows trends and new technologies and provides its clients with a fast, simple and secure user experience through all channels for access to the bank.



*\*Consolidated unaudited financial statements, on the following pages, include the financial result of HPB and NHB, while other subsidiaries are exempted from consolidation in accordance with Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 Text with EEA relevance in these financial statements.*

# Overview of NHB's integration activities in Q2



# H1 2023 key indicators

		31.12.2022	30.6.2023
Assets	EUR mn	5,540.86	5,663.65
Net loans to customers	EUR mn	3,063.40	3,001.55
Deposits	EUR mn	4,644.34	4,633.64
Equity	EUR mn	455.95	501.89
NPL ratio	%	6.13	6.00
NPL coverage	%	75.11	71.71

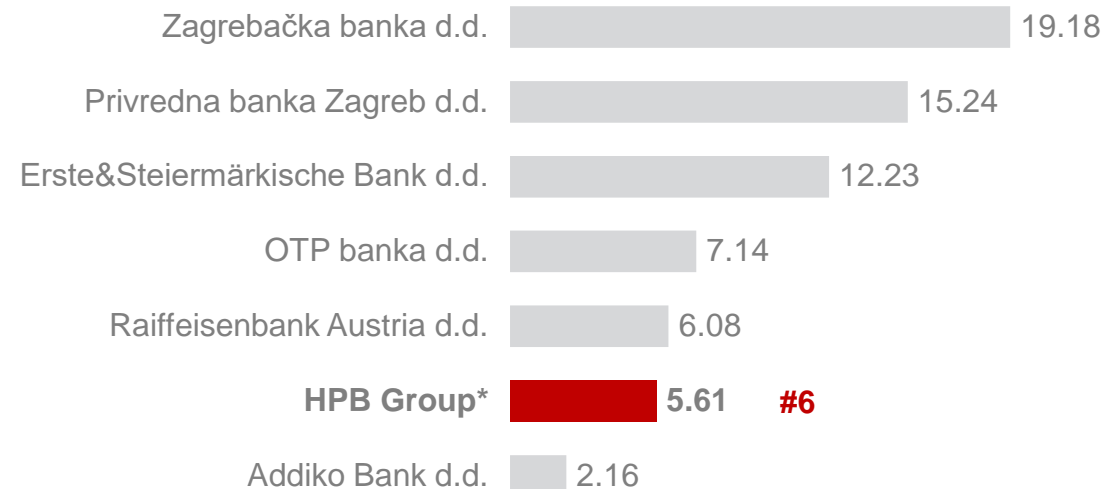
		H1 2022	H1 2023
Total income	EUR mn	77.83	127.84
Operating profit	EUR mn	13.13	46.53
Provisions	EUR mn	(7.93)	4.27
Net profit	EUR mn	141.43	45.69
Cost-to-income ratio	%	75.61	52.44
Return on assets (ROA)*	%	2.81	1.61
Return on equity (ROE)*	%	31.86	18.21

\*Profit after tax in the indicators calculation is not annualized due to the one-off effect from the gain on bargain purchase in 2022

\*\* Includes the result of NHB from the date of acquisition, April 14, 2022

## Market share by total assets (EUR bn)

31.3.2023



\* Includes consolidated data HPB + NHB as of 31.3.2023

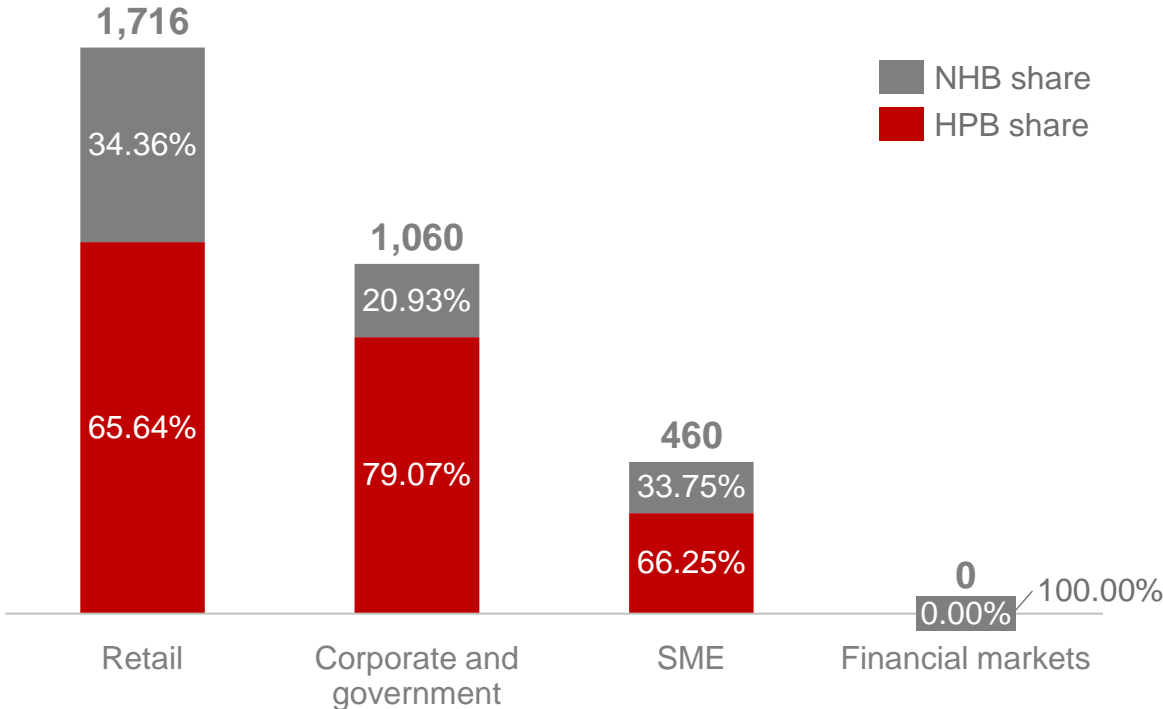
Source: Hrvatska narodna banka, [www.hnb.hr](http://www.hnb.hr); Podaci o poslovanju kreditnih institucija as of 31.3.2023

- Continued strengthening of market position with asset growth of 2.22% due to liquidity inflow from received loans (+ EUR 72.28 mn) and capital increase due to realized profit (+ EUR 45.69 mn). On the asset side, this is reflected in the movement of liquid assets (+ EUR 164.66 mn), with a simultaneous slight increase in the portfolio of securities and a slight decrease in the loan portfolio with a simultaneous improvement in the quality of loans
- Achieved record half-year operating profit as a result of growth in all positions of the income compared to H1 2022, especially net interest income (+ EUR 31.38 mn) and trading income (+ EUR 6.00 mn)
- Operating profit, along with positive effects on the provisioning side, is the key driver of net profit in the amount of EUR 45.69 mn
- In H1 2023 net profit, the tax shield for tax losses carried forward from earlier periods was fully used with a positive effect on the result in the amount of EUR 4.35 mn

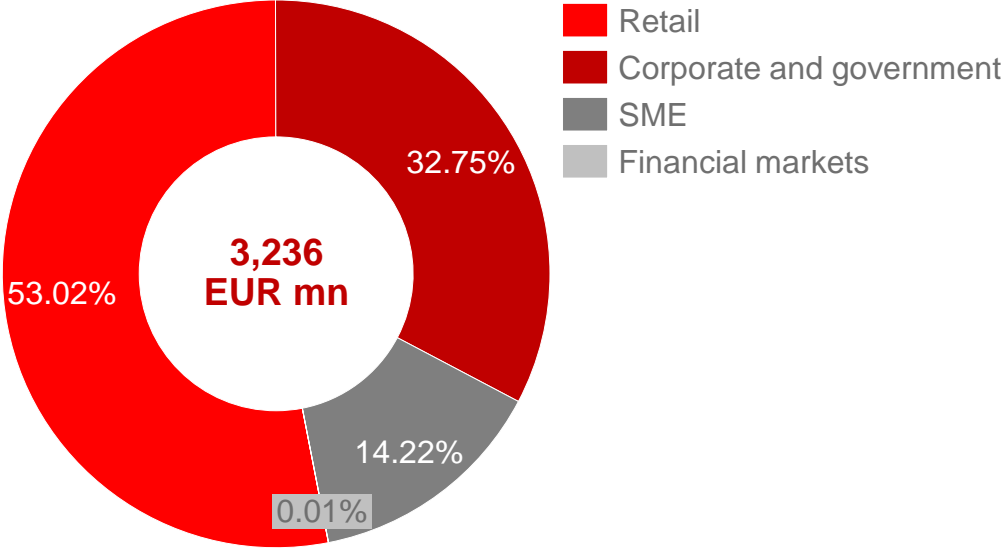


# Gross loan portfolio structure

Gross loans by segment (EUR mn)  
30.6.2023



Gross loan structure by segment  
30.6.2023



■ Gross retail loans dominate the total loans, which is the result of the parent company's strategic focus on this segment of clients

# Quality loan portfolio with positive NPL development

		30.6.2022.	31.12.2022	30.6.2023
Exposure (total loans)**	EUR mn	4,180.36	4,696.98	<b>4,748.91</b>
Total NPL stock	EUR mn	289.61	287.94	<b>285.00</b>
NPL %	%	6.93	6.13	<b>6.00</b>
Loss allowance for loans	EUR mn	(260.64)	(270.74)	<b>(254.91)</b>
NPL provision	EUR mn	(215.46)	(216.27)	<b>(204.25)</b>
PL provision	EUR mn	(45.19)	(54.46)	<b>(50.53)</b>
NPL Coverage	%	74.39	75.11	<b>71.71</b>
NPLs with 100% government guarantees	EUR mn	8.12	7.12	<b>9.04</b>
NPLs not covered by provisions	EUR mn	28.97	10.08	<b>21.05</b>
CET 1	EUR mn	306.35	451.41	<b>446.84</b>
Uncovered NPLs to CET 1	%	9.46	2.23	<b>4.71</b>

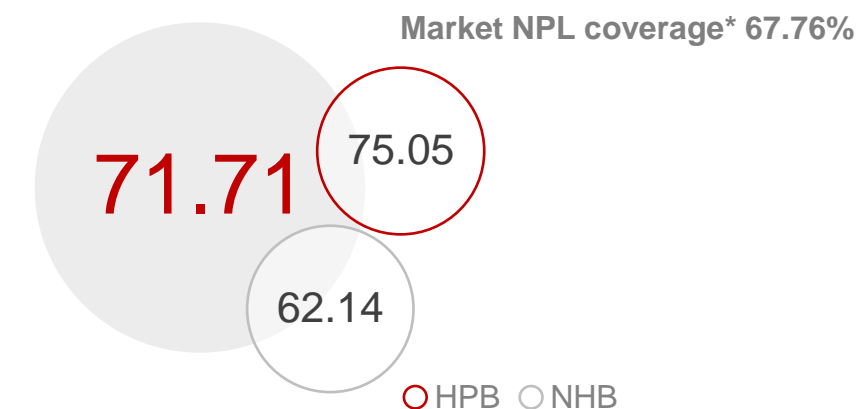
Source: FINREP regulatory reporting

- In 2023, the multi-year trend of reducing the level of NPL and the NPL ratio continued, which with efficient collection, recovery of part of the portfolio, write-off of uncollectible exposures with exhausted collection possibilities and growth of assets in the HPB part of the portfolio represents historically the lowest level of ratio
- NPL coverage is still significantly above the average level of the sector, as well at the consolidated level

## NPL ratio (in %)



## NPL coverage (in %)



\* as at 31.3.2023

\*\* Total loan exposure includes funds in central banks and other demand deposits as well as gross interest, fees and other receivables that are not included in management report

1 Executive Summary

---

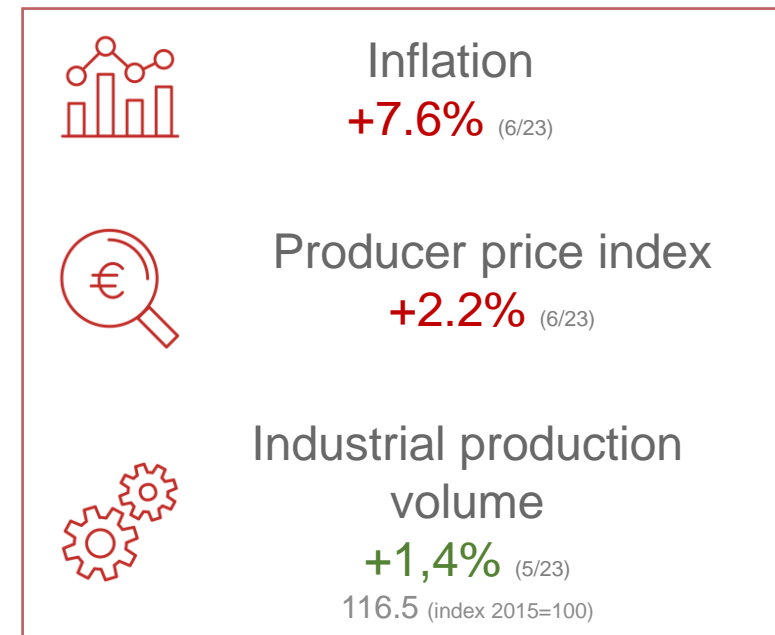
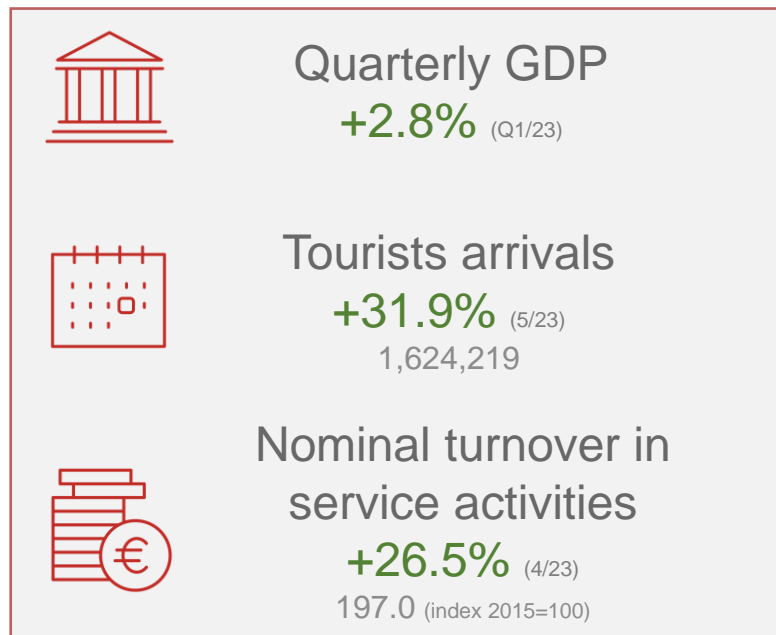
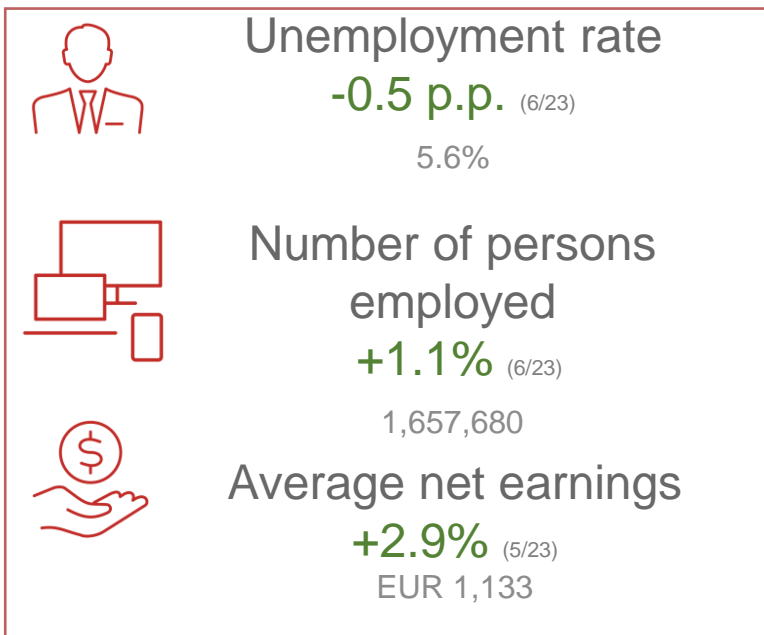
**2 Macroeconomic environment**

---

3 Financials

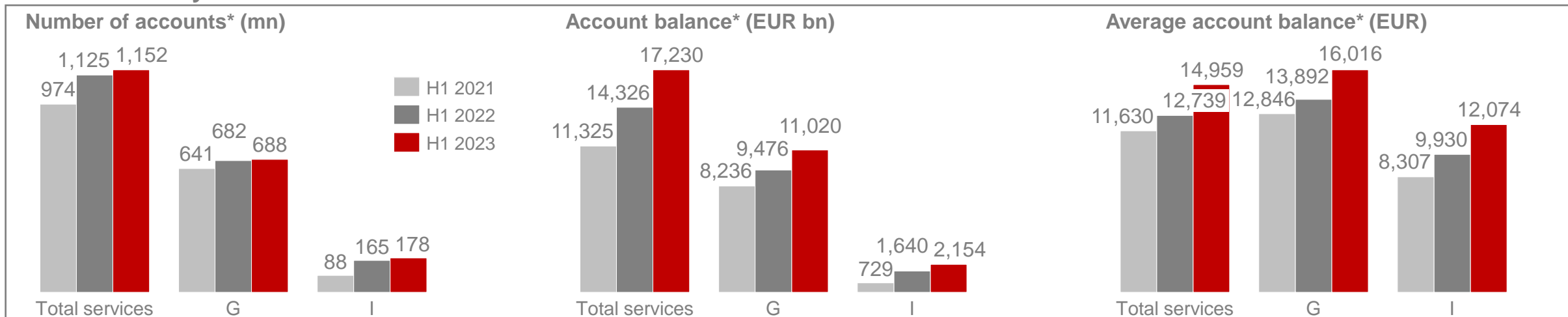
---

# Economic indicators (y-o-y)



Source: Croatian Bureau of Statistics <https://www.dzs.hr/eng> (January, April, May and June 2023)

## Fiscalization system data



\*Source: Tax administration, <https://www.porezna-uprava.hr> (data for H1 2021, 2022 and 2023)

1 Executive Summary

---

2 Macroeconomic environment

---

**3 Financials**

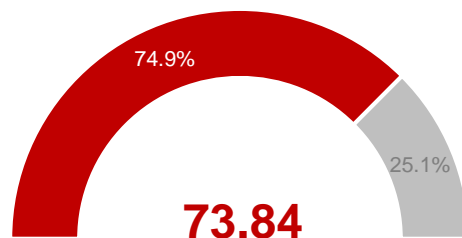
---

# Financial potential of HPB Group

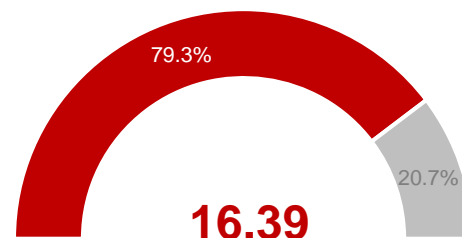
## Composition of operating income (EUR mn)

30. 6. 2023

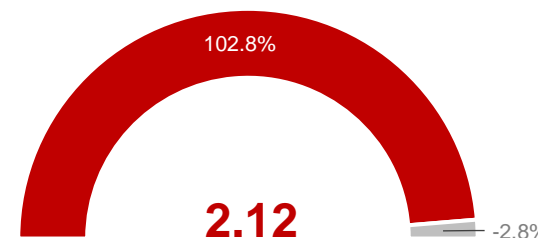
Net interest income



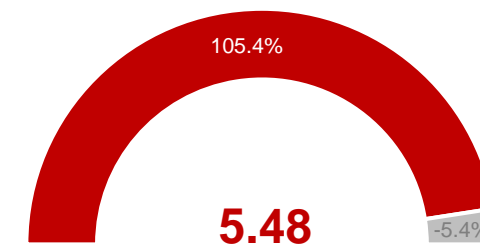
Net fee and commission income



Net trading loss



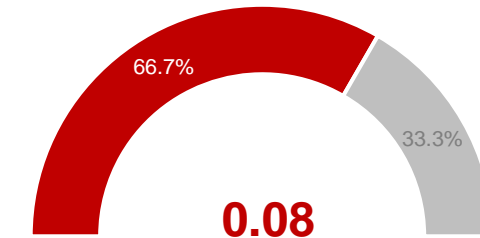
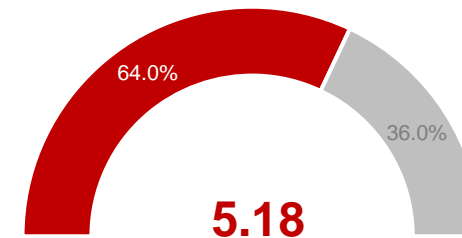
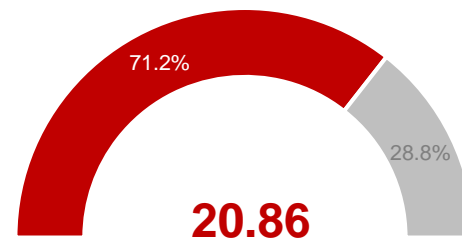
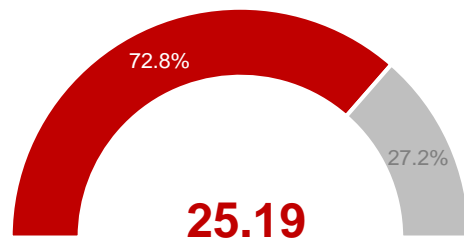
Net other income



## Composition of operating expenses (EUR mn)

30. 6. 2023

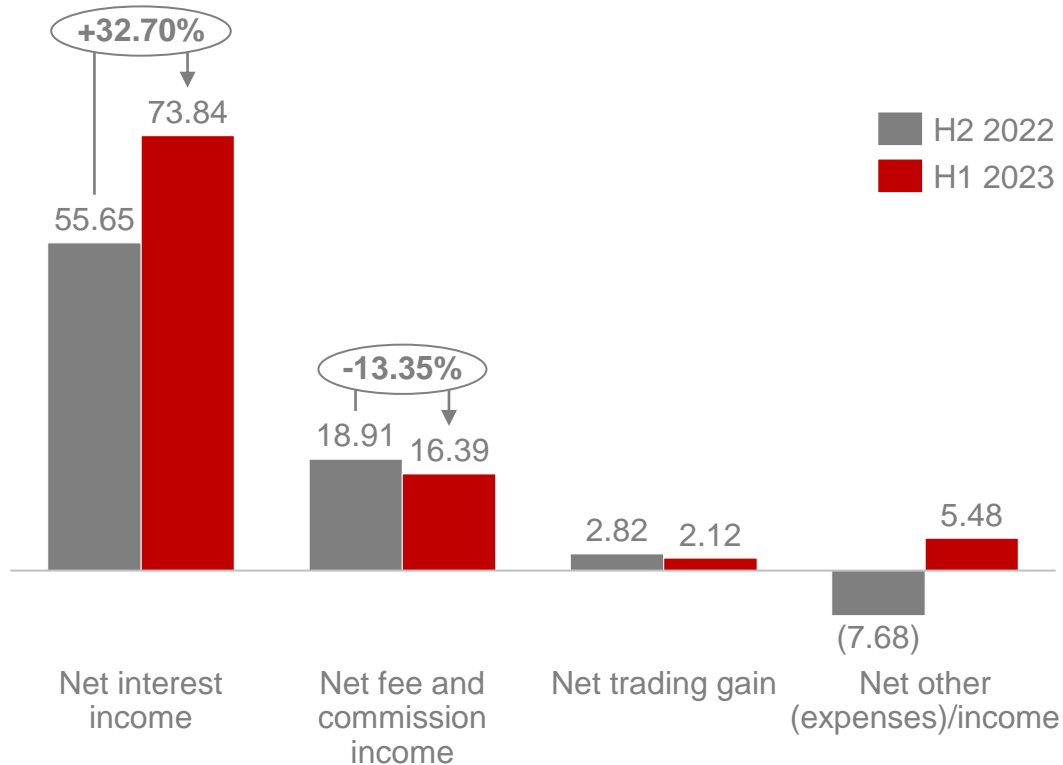
Depreciation



# Impressive operating profit of EUR 46.53 mn in H1 2023

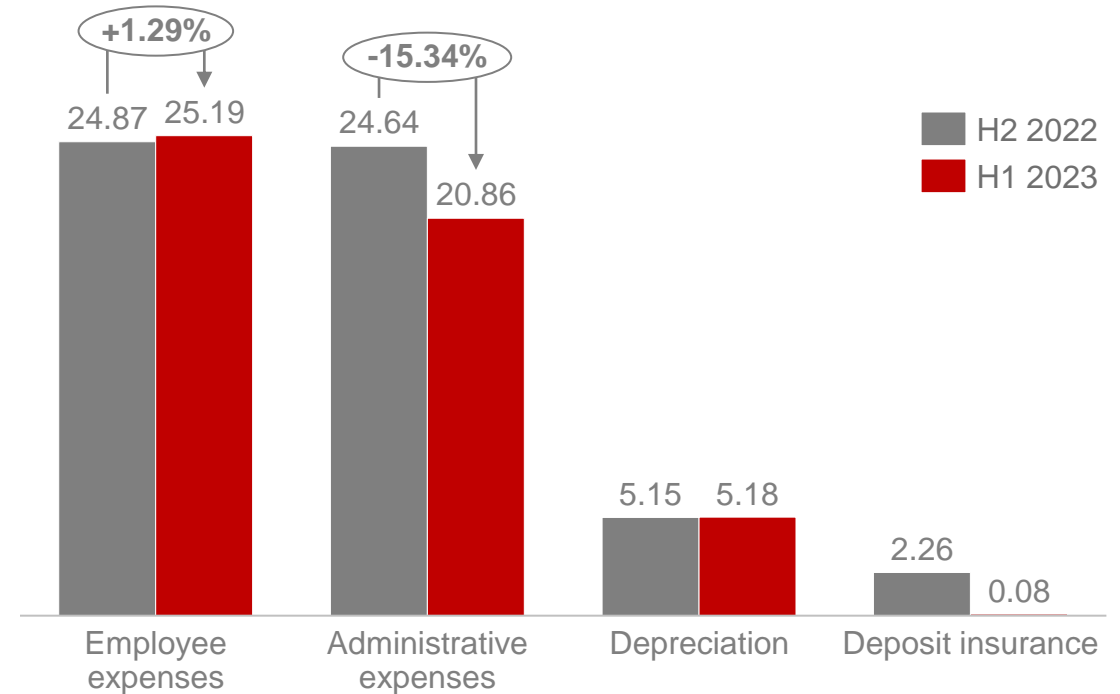
- Nova hrvatska banka has been an integral part of HPB Group since the date of acquisition, April 14, 2022, therefore, for the purpose of more precise data comparability, the structure of operating income and expenses is presented for the last two half-years (H2 2022 and H1 2023)

## Composition of operating income (EUR mn)



- Net interest income follows the growth trend of the ECB's risk-free interest rate
- Net fee and commission income mostly influenced by the introduction of the euro
- Realized one-off net other income in 2023 as a result of legal actions taken in favor of the parent company

## Composition of operating expenses (EUR mn)

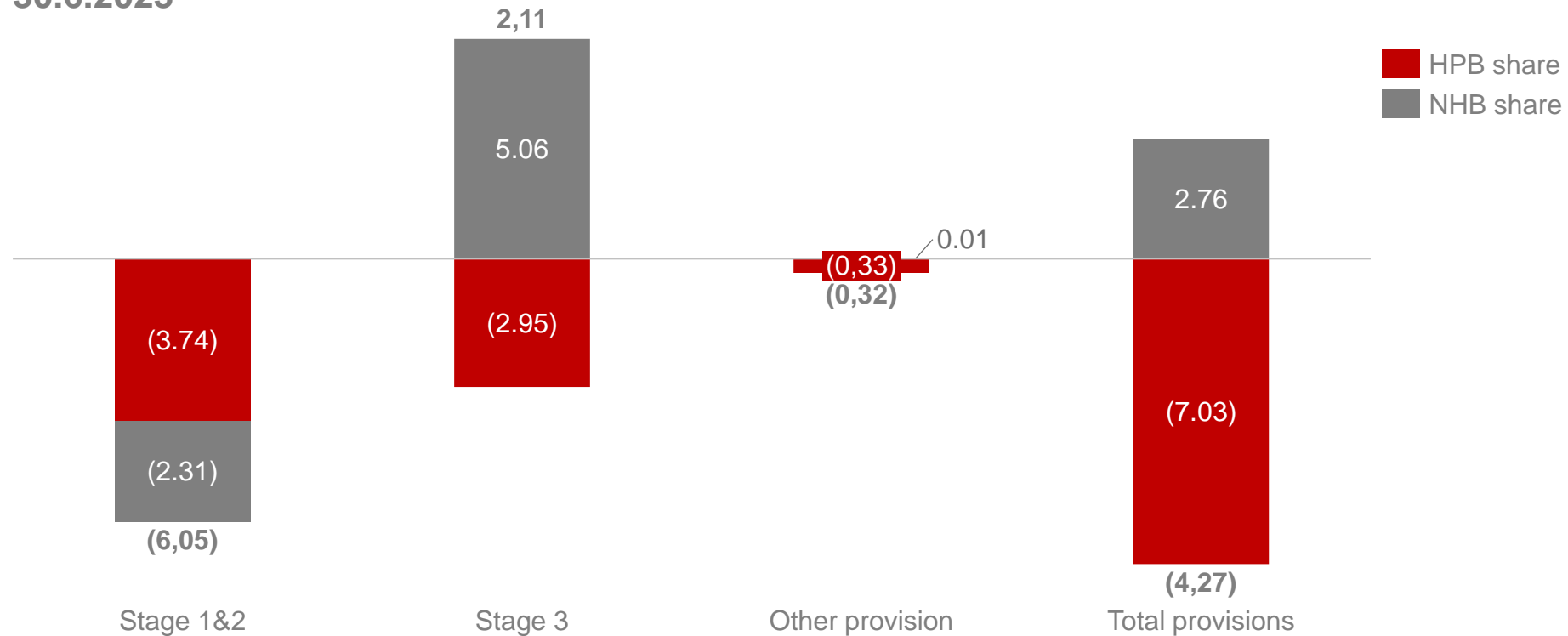


- Employee expenses follow labor market trends and salary adjustments due to ubiquitous inflation
- Administrative expenses reduced by 15.34% due to the euro introduction project, which had the biggest impact on costs in 2022

# Structure of net provision expenses

(Reversal)/cost of provision (EUR mn)

30.6.2023



- In H1 2023, income from reversal of provision was realized on the performing loans (Stage 1&2) due to decrease of exposure and improvement of the credit quality of the performing loans
- Moderate provisions on the NPL portfolio (Stage 3), are the result of effective collection activities, despite the unfavorable macroeconomic environment
- Other provisions mostly refers to legal cases and have negligible share in total provisions in H1 2023



# Historical level of assets of EUR 5.66 bn

		31.12.2022	30.6.2023
Liquid assets	EUR mn	1,513.85	<b>1,678.51</b>
Securities	EUR mn	866.99	<b>884.70</b>
Gross loans	EUR mn	3,312.43	<b>3,236.49</b>
Net loans	EUR mn	3,063.40	<b>3,001.55</b>
Other assets	EUR mn	96.62	<b>98.89</b>
<b>Total assets</b>	<b>EUR mn</b>	<b>5,540.86</b>	<b>5,663.65</b>
Deposits	EUR mn	4,644.34	<b>4,633.64</b>
Loan liabilities	EUR mn	325.07	<b>399.97</b>
Other liabilities	EUR mn	115.50	<b>128.16</b>
<b>Total liabilities</b>	<b>EUR mn</b>	<b>5,084.90</b>	<b>5,161.76</b>
Paid-in capital	EUR mn	161.23	<b>161.23</b>
Accumulated other comprehensive income	EUR mn	8.02	<b>8.39</b>
Retained earnings	EUR mn	72.29	<b>198.72</b>
Other reserves	EUR mn	87.86	<b>87.86</b>
Profit or loss for the year	EUR mn	(8.65)	<b>45.69</b>
Badwill (Gain on bargain purchase)	EUR mn	135.21	-
<b>Equity and reserves</b>	<b>EUR mn</b>	<b>455.95</b>	<b>501.89</b>
Loan-to-deposit ratio	%	65.96	<b>64.78</b>
NPL ratio	%	6.13	<b>6.00</b>
NPL coverage	%	75.11	<b>71.71</b>

HPB and NHB do not have significant exposure to entities in Belarus, Russia and Ukraine.

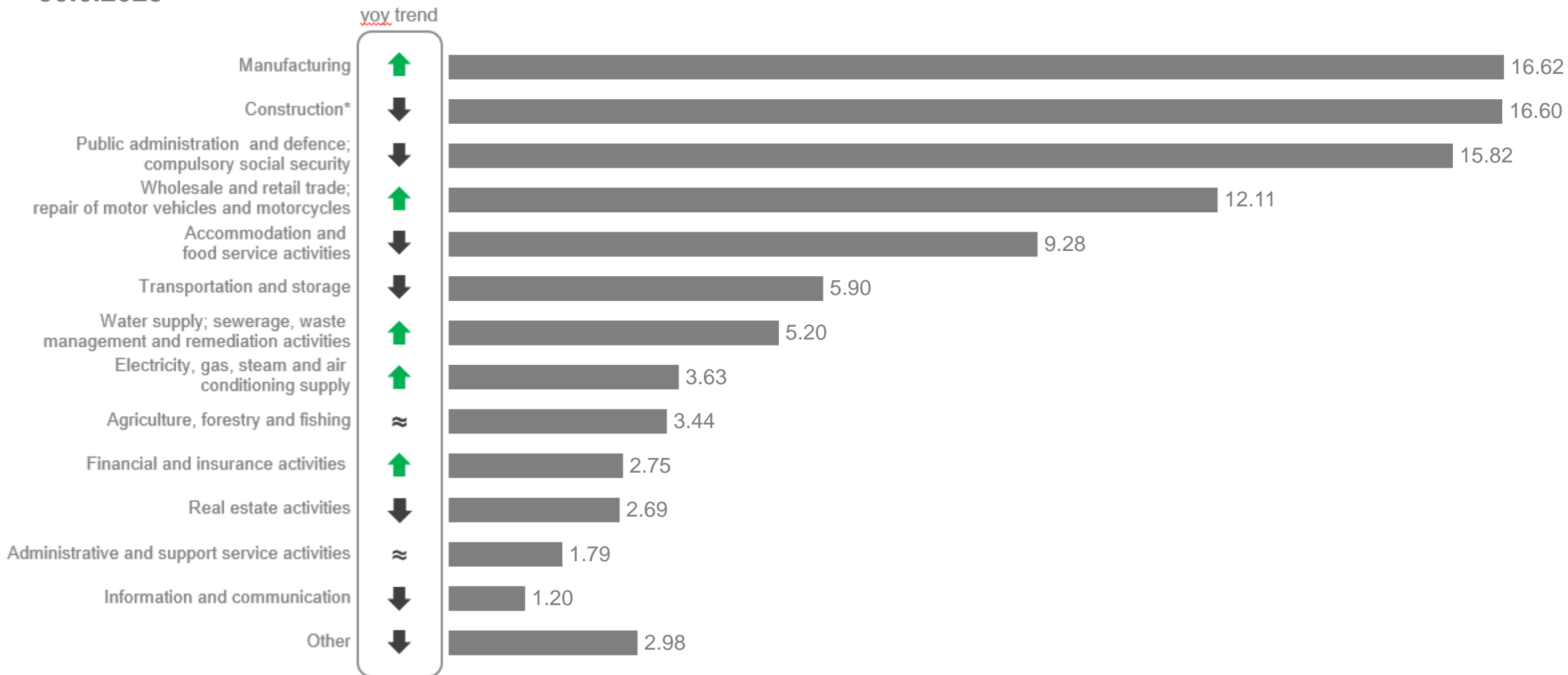
HPB Group implements all measures and continues to monitor changes in EU restrictive measures (sanctions), especially in the area of financial services

- Achieved historically highest level of Group assets with growth of 2.22% in the H1 2023
- The largest share of liquidity inflow kept in the form of cash and cash equivalents
- Gross loans in a slight decrease due to the necessary optimization of risk exposure in order to comply with the regulatory MREL requirement
- Part of the liquidity invested in bonds of the Republic of Croatia in the first issuance
- Deposits remained at a stable level compared to the year end 2022
- Loan liabilities relates to received loans from financial institutions and MREL instruments that the parent company started contracting in the previous year
- Gain from a bargain purchase realized in 2022 through the acquisition of NHB is an integral part of retained profit in 2023
- Capital adequacy at the consolidated level is 19.27%, and pro-forma with H1 2023 net profit included is 21.38%
- HPB reached MREL at 37.31%, while on consolidated level MREL amounts 28.64% as of June 30, 2023 and is above the regulatory requirement set for the parent company of 27.08% (valid until December 31, 2023)

# HPB Group is a reliable partner of Croatian economy

## Corporate gross loans per industry (%)

30.6.2023

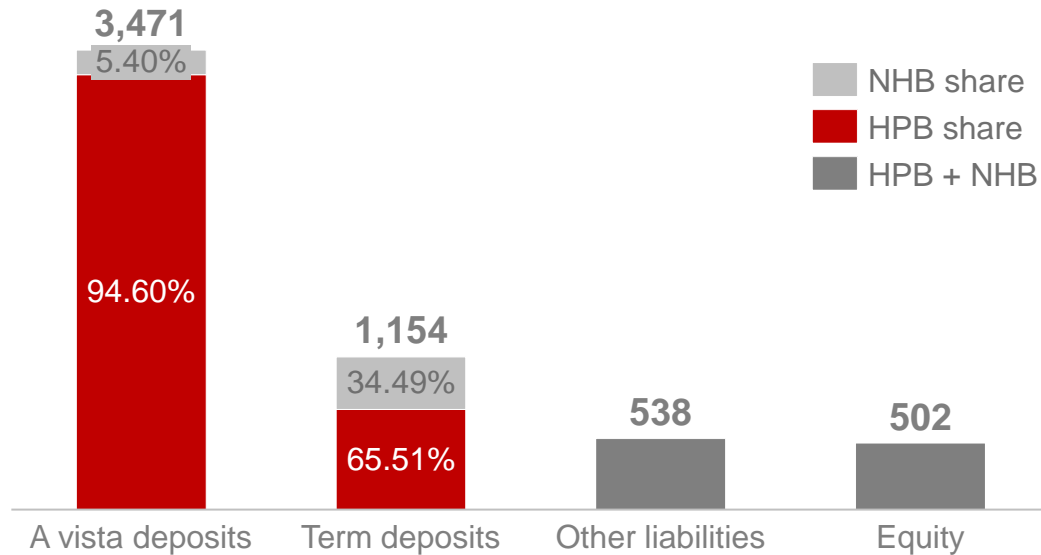


\* Hrvatske autoceste are included in construction industry, with a share of 52.84% of the total exposure to that industry

# Massive liquidity with a high reference LCR 193.32%

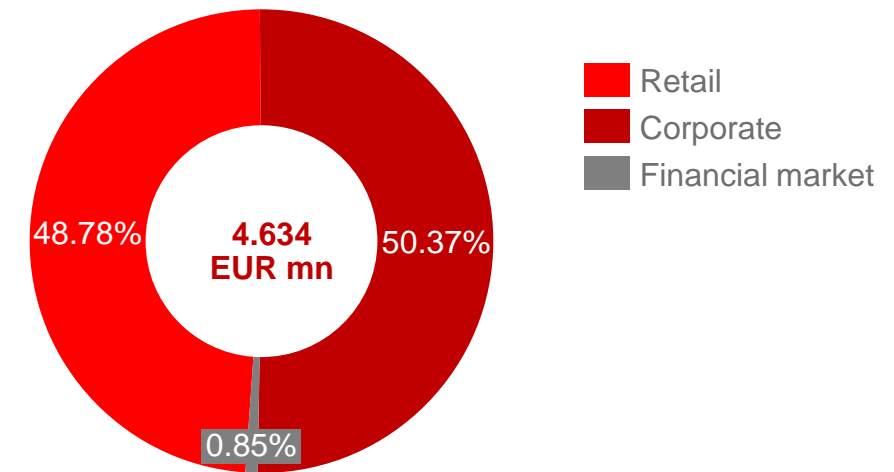
## Composition of equity and liabilities (EUR mn)

30.6.2023

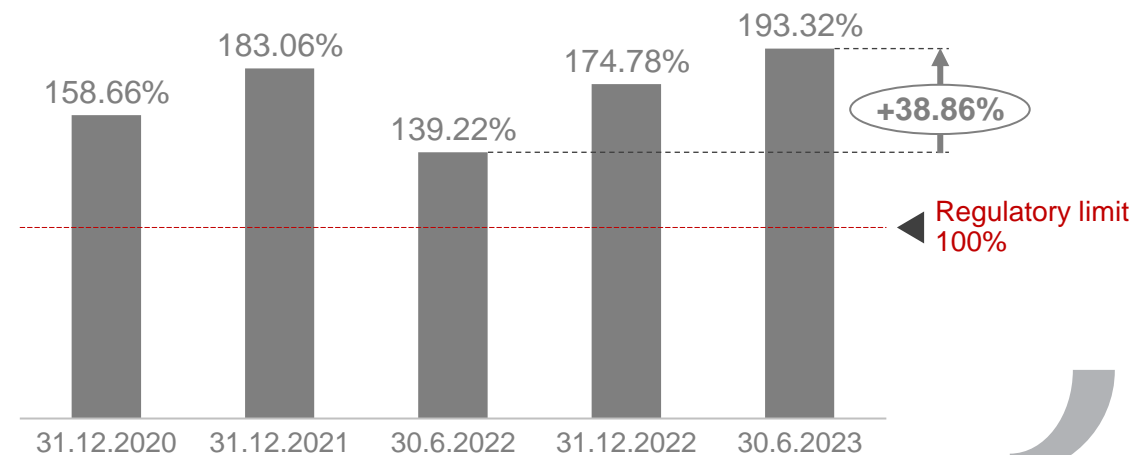


## Deposit structure by segment

30.6.2023



## LCR development



- **Client deposits dominate the financing sources (81.65%);** HPB's deposit structure is dominated by a vista deposits (81.29%), while NHB's structure is dominated by term deposits (67.97%)
- The liquidity position measured by the LCR, which had been deteriorated by significant outflow of NHB deposits (prior to the purchase by HPB), recovered to levels significantly above regulatory limits

# 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 unaudited financial statements for the period from January 1 to June 30, 2023, are compiled in accordance with the accounting regulation applicable to credit institutions in Croatia, presents complete and accurate view of assets and liabilities, losses and gains, financial position and results of HPB p.l.c., as well as companies included in consolidation as a whole.

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

---

Marko Badurina

President of the Management Board

---

Anto Mihaljević

Member of the Management Board

---

Ivan Soldo

Member of the Management Board

# Management report

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

The HPB Group's net profit after tax is EUR 44.71 million. Net profit of the parent company amounts to EUR 42.37 million. Nova hrvatska banka realized a net profit of EUR 3.61 million, HPB Invest a net loss of EUR 107.41 thousand and HPB-Nekretnine a net profit of EUR 10.48 thousand.

---

**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:	1.1.2023	do	30.6.2023
Year:	2023		
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 ULICA 4		
E-mail address:	hpb@hpb.hr		
Web address:	www.hpb.hr		
Number of employees (end of the reporting)	1801		
Consolidated report:	KD	(KN-not consolidated/KD-consolidated)	
Audited:	RN	(RN-not audited/RD-audited)	
Names of subsidiaries (according to IFRS):	Registered office:	MB:	
HPB Invest d.o.o.	Strojarska cesta 20, 10000 Zagreb	01972278	
HPB-nekretnine d.o.o.	Ulica Milana Amruša 8, 10000 Zagreb	01972260	
Nova hrvatska banka d.d.	Varšavska ulica 9, 10000 Zagreb	080126398	
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 June 30, 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
<b>Assets</b>			
Cash, cash balances at central banks and other demand deposits (from 2 to 4)	001	1,472,054,192	1,652,126,042
Cash in hand	002	151,842,426	186,708,811
Cash balances at central banks	003	1,306,514,207	1,446,556,428
Other demand deposits	004	13,697,559	18,860,803
Financial assets held for trading (from 6 to 9)	005	66,622,941	56,498,645
Derivatives	006	48,141	9,748
Equity instruments	007	12,505,659	13,758,635
Debt securities	008	54,069,141	42,730,262
Loans and advances	009	-	-
Non-trading financial assets mandatorily at fair value through profit or loss (from 11 to 13)	010	908,193	547,568
Equity instruments	011	-	-
Debt securities	012	-	-
Loans and advances	013	908,193	547,568
Financial assets at fair value through profit or loss (15 + 16)	014	-	405,789
Debt securities	015	-	405,789
Loans and advances	016	-	-
Financial assets at fair value through other comprehensive income (from 18 to 20)	017	3,807,605	4,139,455
Equity instruments	018	3,807,605	4,139,455
Debt securities	019	-	-
Loans and advances	020	-	-
Financial assets at amortised cost (22 + 23)	021	3,896,748,838	3,852,997,421
Debt securities	022	796,884,814	824,061,916
Loans and advances	023	3,099,864,024	3,028,935,505
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	6	6
Tangible assets	027	55,270,903	57,941,513
Intangible assets	028	21,515,024	18,275,127
Tax assets	029	8,827,663	10,065,623
Other assets	030	14,327,104	10,532,932
Fixed assets and disposal groups classified as held for sale	031	-	-
<b>Total assets (1 + 5 + 10 + 14 + 17 + 21 + from 24 to 31)</b>	<b>032</b>	<b>5,540,082,469</b>	<b>5,663,530,121</b>
<b>Liabilities</b>			
Financial liabilities held for trading (from 34 to 38)	033	70,801	335,827
Derivatives	034	70,801	335,827
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	4,978,861,244	5,068,464,630
Deposits	044	4,970,072,364	5,054,601,418
Debt securities issued	045	-	-
Other financial liabilities	046	8,788,880	13,863,212
Derivatives - hedge accounting	047	-	-
Fair value changes of the hedged items in portfolio hedge of interest rate risk	048	-	-
Provisions	049	55,140,852	45,900,340
Tax liabilities	050	1,469,513	4,548,957
Share capital repayable on demand	051	-	-
Other liabilities	052	47,641,375	42,462,772
Liabilities included in disposal groups classified as held for sale	053	-	-
<b>Total liabilities (33 + 39 + 43 + from 47 to 53)</b>	<b>054</b>	<b>5,083,183,785</b>	<b>5,161,712,526</b>
<b>Equity</b>			
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	8,394,125
Retained profit	060	73,124,786	199,625,635
Revaluation reserves	061	-	-
Other reserves	062	87,859,808	87,859,803
( - ) Treasury shares	063	-	-
Profit or loss attributable to owners of the parent	064	126,665,045	44,709,682
(-) Interim dividends	065	-	-
Minority interests [non-controlling interests]	066	-	-
<b>Total equity (from 55 to 66)</b>	<b>067</b>	<b>456,898,684</b>	<b>501,817,595</b>
<b>Total equity and liabilities (54 + 67)</b>	<b>068</b>	<b>5,540,082,469</b>	<b>5,663,530,121</b>

**STATEMENT OF PROFIT AND LOSS**  
for the period January 01, 2023 to June 30, 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
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
Interest income	001	45,684,023	28,197,615	81,547,231	43,674,130
(Interest expenses)	002	3,559,284	2,645,833	8,007,642	4,629,286
(Expenses on share capital repayable on demand)	003	-	-	-	-
Dividend income	004	144,759	140,982	151,493	146,670
Fees and commissions income	005	34,531,690	20,187,376	37,141,309	19,209,108
(Fees and commissions expenses)	006	18,822,222	10,538,662	20,677,591	10,384,098
Gains or (-) losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	007	303,411	-	-	-
Gains or (-) losses on financial assets and liabilities held for trading, net	008	(3,237,911)	(1,258,439)	2,131,060	1,535,688
Gains or losses on non-trading financial assets mandatorily at fair value through profit or loss, net	009	16,467	7,624	454,131	491,117
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	(1,476,850)	(1,037,519)	(16,626)	(192,205)
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	127	127	22,907	18,152
Other operating income	015	2,838,211	2,266,131	7,153,849	6,543,968
(Other operating expenses)	016	976,786	741,203	3,304,704	2,388,655
<b>Total operating income, net (1 – 2 – 3 + 4 + 5 – 6 + from 7 to 15 – 16)</b>	<b>017</b>	<b>55,445,635</b>	<b>34,578,199</b>	<b>96,595,417</b>	<b>54,024,589</b>
(Administrative expenses)	018	35,439,240	21,633,114	49,941,202	25,947,096
(Cash contributions to resolution boards and deposit guarantee schemes)	019	1,979,978	1,518,223	75,000	(568,122)
(Depreciation)	020	5,874,552	3,496,370	7,174,903	3,597,220
Modification gains or (-) losses, net	021	(486,621)	(116,225)	(290,480)	(41,111)
(Provisions or (-) reversal of provisions)	022	1,812,714	1,184,805	(9,045,249)	(2,829,099)
(Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss)	023	3,699,030	4,733,894	(1,834,250)	(1,689,994)
(Impairment or (-) reversal of impairment of investments in subsidiaries, joint ventures and associates)	024	-	-	-	-
(Impairment or (-) reversal of impairment on non-financial assets)	025	803,964	803,964	172,638	172,638
Negative goodwill recognised in profit or loss	026	135,213,372	135,213,372	-	-
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	-	-	-	-
<b>Profit or (-) loss before tax from continuing operations (17 – 18 to 20 + 21 – from 22 to 25 + from 26 to 28)</b>	<b>029</b>	<b>140,562,908</b>	<b>136,304,976</b>	<b>49,820,693</b>	<b>29,353,739</b>
(Tax expense or (-) income related to profit or loss from continuing operations)	030	(1,000,680)	(1,135,051)	5,111,011	4,973,110
<b>Profit or (-) loss after tax from continuing operations (29 – 30)</b>	<b>031</b>	<b>141,563,588</b>	<b>137,440,027</b>	<b>44,709,682</b>	<b>24,380,629</b>
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	-	-	-	-
<b>Profit or (-) loss for the year (31 + 32; 36 + 37)</b>	<b>035</b>	<b>141,563,588</b>	<b>137,440,027</b>	<b>44,709,682</b>	<b>24,380,629</b>
Attributable to minority interest [non-controlling interests]	036	-	-	-	-
Attributable to owners of the parent	037	141,563,588	137,440,027	44,709,682	24,380,629
<b>STATEMENT OF OTHER COMPREHENSIVE INCOME</b>					
Income or (-) loss for the current year	038	141,563,588	137,440,027	44,709,682	24,380,629
Other comprehensive income (40 + 52)	039	(48,587,427)	(23,493,118)	373,430	99,849
Items that will not be reclassified to profit or loss (from 41 to 47 + 50 + 51)	040	-	-	373,430	99,849
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	-	-	456,663	99,849
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)	-
Items that may be reclassified to profit or loss (from 53 to 60)	052	(48,587,427)	(23,493,118)	-	-
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	(59,320,347)	(28,688,493)	-	-
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	10,732,920	5,195,375	-	-
<b>Total comprehensive income for the current year (38 + 39; 62 + 63)</b>	<b>061</b>	<b>92,976,161</b>	<b>113,946,909</b>	<b>45,083,112</b>	<b>24,480,478</b>
Attributable to minority interest [non-controlling interest]	062	-	-	-	-
Attributable to owners of the parent	063	92,976,161	113,946,909	45,083,112	24,480,478



**STATEMENT OF CASH FLOW**  
for the period January 01, 2023 to June 30, 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
<b>Operating activities - direct method</b>			
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	-	-
<b>Operating activities - indirect method</b>			
Profit/(loss) before tax	009	140,562,908	49,820,693
Adjustments:			
Impairment and provisions	010	5,998,365	(10,589,019)
Depreciation	011	5,874,552	7,174,903
Net unrealised (gains)/losses on financial assets and liabilities at fair value through statement of profit or loss	012	2,918,033	(2,585,191)
(Profit)/loss from the sale of tangible assets	013	-	-
Other non-cash items	014	(42,124,739)	(73,539,588)
<b>Promjene u imovini i obvezama iz poslovnih aktivnosti</b>			
Deposits with the Croatian National Bank	015	(14,049,263)	-
Deposits with financial institutions and loans to financial institutions	016	-	-
Loans and advances to other clients	017	(990,896,761)	72,472,289
Securities and other financial instruments at fair value through other comprehensive income	018	-	(3,227,947)
Securities and other financial instruments held for trading	019	51,801	13,070,112
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	(273,421,482)	(27,177,102)
Other assets from operating activities	023	(3,692,201)	3,794,173
Deposits from financial institutions	024	38,066,848	119,807,193
Transaction accounts of other clients	025	909,194,175	777,313,158
Savings deposits of other clients	026	327,948,919	(1,005,441,454)
Time deposits of other clients	027	(53,269,477)	150,872,379
Derivative financial liabilities and other liabilities held for trading	028	9,102,032	5,339,358
Other liabilities from operating activities	029	14,589,463	(5,373,865)
Interest received from operating activities [indirect method]	030	45,684,023	81,547,231
Dividends received from operating activities [indirect method]	031	144,759	151,493
Interest paid from operating activities [indirect method]	032	(3,559,284)	(8,007,642)
(Income tax paid)	033	(767,445)	-
<b>Net cash flow from operating activities (from 1 to 33)</b>	<b>034</b>	<b>118,355,226</b>	<b>145,421,174</b>
<b>Investing activities</b>			
Cash receipts from the sale / payments for the purchase of tangible and intangible assets	035	(33,335,958)	(6,769,815)
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	-	(405,789)
Dividends received from investing activities	038	-	-
Other receipts/payments from investing activities	039	-	-
<b>Net cash flow from investing activities (from 35 to 39)</b>	<b>040</b>	<b>(33,335,958)</b>	<b>(7,175,604)</b>
<b>Financing activities</b>			
Net increase/(decrease) in loans received from financing activities	041	6,778,374	37,736,969
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	-
<b>Net cash flow from financing activities (from 41 to 46)</b>	<b>047</b>	<b>6,868,838</b>	<b>37,736,969</b>
<b>Net increase/(decrease) of cash and cash equivalents (34 + 40 + 47)</b>	<b>048</b>	<b>91,888,106</b>	<b>175,982,539</b>
Cash and cash equivalents at the beginning of period	049	875,363,554	1,485,318,572
Effect of exchange rate fluctuations on cash and cash equivalents	050	(1,476,850)	(16,626)
<b>Cash and cash equivalents at the end of period (48 + 49 + 50)</b>	<b>051</b>	<b>965,774,810</b>	<b>1,661,284,485</b>

STATEMENT OF CHANGES IN EQUITY  
for the period January 01, 2023 to June 30, 2023

Submitter: Hrvatska poštanska banka p.l.c.

in EUR

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	73,124,786	-	87,859,808	-	126,665,045	-	-	-	456,898,684
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	73,124,786	-	87,859,808	-	126,665,045	-	-	-	456,898,684
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	-	-	-	-	-	126,665,045	-	-	-	(126,665,045)	-	-	-	-
Equity increase or (-) decrease resulting from business combinations	017	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share based payments	018	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other increase or (-) decrease in equity	019	-	-	-	-	-	(164,196)	-	(5)	-	-	-	-	-	(164,201)
Total comprehensive income for the current year	020	-	-	-	-	373,430	-	-	-	-	44,709,682	-	-	-	45,083,112
Closing balance (current period) (from 4 to 20)	021	161,228,350	-	-	-	8,394,125	199,625,635	-	87,859,803	-	44,709,682	-	-	-	501,817,595

## 1) INTEREST INCOME

AOP 001	Same period of the previous year 01.01.-30.06.2022.		Current period 01.01. – 30.06.2023.	
	Cumulative	Quarter	Cumulative	Quarter
Debt securities	5,138,344	2,799,608	7,484,731	4,202,914
Loans and advances	40,524,113	25,377,709	58,920,481	29,931,155
Other assets	17,875	16,771	15,137,159	9,535,458
Deposits	3,691	3,527	4,860	4,603
Other liabilities	-	-	-	-
<b>Total</b>	<b>45,684,023</b>	<b>28,197,615</b>	<b>81,547,231</b>	<b>43,674,130</b>

## 2) INTEREST EXPENSE

AOP 002	Same period of the previous year 01.01.-30.06.2022.		Current period 01.01. – 30.06.2023.	
	Cumulative	Quarter	Cumulative	Quarter
Debt securities	476,099	357,525	3,734	1,072
Loans and advances	-	-	-	-
Other assets	-	-	-	-
Deposits	3,058,794	2,267,617	7,966,006	4,608,827
Other liabilities	24,391	20,680	37,902	19,387
<b>Total</b>	<b>3,559,284</b>	<b>2,645,833</b>	<b>6,007,642</b>	<b>4,629,286</b>

## 3) FEE AND COMMISSION INCOME

AOP 005	Same period of the previous year 01.01.-30.06.2022.		Current period 01.01. – 30.06.2023.	
	Cumulative	Quarter	Cumulative	Quarter
Securities	224,545	123,471	137,508	23,523
Asset management	1,636	809	1,338	(2,495)
Custody (according to the type of client)	334,304	167,647	234,396	152,595
Loan commitments	63,374	67,715	190,172	104,011
Other	33,902,831	19,827,735	35,517,895	19,929,474
<b>Total</b>	<b>34,531,690</b>	<b>20,187,376</b>	<b>37,141,309</b>	<b>19,209,108</b>

## 4) FEE AND COMMISSION EXPENSE

AOP 006	Same period of the previous year 01.01.-30.06.2022.		Current period 01.01. – 30.06.2023.	
	Cumulative	Quarter	Cumulative	Quarter
Bank clearing and settlement	728,164	643,856	1,024,329	593,236
Other	18,684,658	8,894,808	19,653,262	8,730,865
<b>Total</b>	<b>19,412,822</b>	<b>10,538,664</b>	<b>20,677,591</b>	<b>10,364,098</b>

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

AOP 007	Same period of the previous year 01.01.-30.06.2022.		Current period 01.01. – 30.06.2023.	
	Cumulative	Quarter	Cumulative	Quarter
Debt securities	291,119	-	-	-
Loans and advances	-	-	-	-
Deposits	-	-	-	-
Debt Securities issued	-	-	-	-
Other financial liabilities	22,292	-	-	-
<b>Total</b>	<b>303,411</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

AOP 008	Same period of the previous year 01.01.-30.06.2022.		Current period 01.01. – 30.06.2023.	
	Cumulative	Quarter	Cumulative	Quarter
Equity instruments	(1,507,234)	(1,054,436)	1,252,977	692,005
Debt securities	(6,893,500)	(3,636,398)	(90,129)	66,759
FX transactions and derivatives	5,452,823	2,432,296	968,213	774,324
<b>Total</b>	<b>(3,237,911)</b>	<b>(1,258,439)</b>	<b>2,131,060</b>	<b>1,535,688</b>

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

AOP 009	Same period of the previous year 01.01.-30.06.2022.		Current period 01.01. – 30.06.2023.	
	Cumulative	Quarter	Cumulative	Quarter
Equity instruments	-	(8,843)	-	-
Debt securities	-	-	-	-
Loans and advances	16,467	16,467	454,131	491,117
<b>Total</b>	<b>16,467</b>	<b>7,624</b>	<b>454,131</b>	<b>491,117</b>

## 8) OPERATING EXPENSES

AOP 015 & AOP 017 & AOP 018	Same period of the previous year 01.01.-30.06.2022.		Current period 01.01. – 30.06.2023.	
	Cumulative	Quarter	Cumulative	Quarter
Other operating expenses	976,786	741,202	3,304,703	2,388,655
Administrative expenses	35,493,240	21,633,114	49,841,202	25,947,055
Employee expenses	20,048,422	11,860,012	25,522,799	13,215,369
Other administrative expenses	15,390,818	9,773,101	24,418,403	12,731,727
(Contributions in cash rehabilitation committees and Deposit Insurance Schem	1,978,878	1,618,202	75,900	(586,122)
Amortization	5,874,552	3,496,370	7,174,904	3,997,221
Property, plant and equipment	3,308,988	1,953,561	4,074,766	1,875,605
Investment property	-	-	-	-
Other intangible assets	2,565,564	1,542,809	3,100,138	1,721,616
<b>Total</b>	<b>44,270,556</b>	<b>27,368,909</b>	<b>60,495,809</b>	<b>31,364,849</b>

## 9) IMPAIRMENT LOSSES AND PROVISION EXPENSES

AOP 019 & AOP 020 & AOP 021 & AOP 023	Same period of the previous year 01.01.-30.06.2022.		Current period 01.01. – 30.06.2023.	
	Cumulative	Quarter	Cumulative	Quarter
Modification gains or (-) losses, net	(486,621)	(116,225)	(290,480)	(41,112)
Financial assets at fair value through other comprehensive income	-	-	-	-
Financial assets at amortized cost	(486,621)	(116,225)	(290,480)	(41,112)
(Provisions or (-) reversal of provisions)	1,812,714	1,184,805	(9,045,249)	(2,829,099)
Liabilities towards resolution committees and deposit insurance systems	-	-	-	-
(Liabilities and Guarantees)	2,779,982	2,144,371	(3,567,373)	(888,085)
(Other Provisions)	(967,268)	(959,567)	(5,477,876)	(1,941,015)
(Impairment or (-) reversal of impairment on financial assets that are not measured at fair value through profit or loss)	3,699,031	4,733,895	(1,834,250)	(1,689,995)
(Financial assets at fair value through other comprehensive income)	(1,728,160)	(985,059)	-	-
(Financial assets at amortized cost)	5,427,191	5,718,954	(1,834,250)	(1,689,995)
(Impairment or (-) reversal of impairment of investments in subsidiaries, joint ventures, and associates)	-	-	-	-
(Impairment or (-) reversal of impairment of non-financial assets)	803,964	803,964	172,638	172,638
(Property, plant and equipment)	143,354	143,354	31,303	31,303
(Investment property)	-	-	-	-
(Goodwill)	-	-	-	-
(Other intangible assets)	660,409	660,409	141,335	141,335
(Other)	-	-	-	-
<b>Total</b>	<b>6,892,329</b>	<b>6,838,888</b>	<b>(10,416,381)</b>	<b>(4,305,344)</b>

## 10) LOANS AND ADVANCES

AOP 023	31.12.2022.		30.06.2023.	
	Stage 1	Stage 2	Stage 1	Stage 2
<b>Central banks</b>	11,006,355	-	4,063,763	-
Gross loans	-	-	-	-
Allowance	-	-	-	-
Deposits	11,019,477	-	4,063,763	-
Allowance	(12,542)	-	-	-
<b>Government</b>	472,168,054	4,890,387	67	2,197,382
Gross loans	473,695,758	4,918,117	12,279	2,206,619
Allowance	(1,527,704)	(37,730)	(12,131)	(9,237)
<b>Credit institutions</b>	14,832,992	-	1,747,877	51
Gross loans	97,277	-	-	1,273,202
Allowance	(137)	-	(268)	(2)
Deposits	14,803,409	-	475,263	-
Allowance	(67,527)	-	(320)	-
<b>Other financial institutions</b>	37,068,097	654	28,812	2,042
Gross loans	35,245,411	686	185,854	2,104
Allowance	(347,523)	(32)	(157,042)	(440,502)
Deposits	2,236,401	-	2,179,812	(62)
Allowance	(65,183)	-	(63,562)	-
<b>Non-financial institutions</b>	735,631,607	157,271,674	34,654,699	755,872,281
Gross loans	747,611,770	168,463,401	125,955,365	767,678,491
Allowance	(11,980,763)	(11,191,727)	(91,930,757)	(11,806,210)
<b>Retail</b>	1,402,242,090	193,782,653	36,895,996	1,398,085,387
Gross loans	1,413,131,168	212,125,279	161,688,792	1,408,352,217
Allowance	(10,889,078)	(18,342,626)	(124,192,796)	(10,266,830)
<b>Total</b>	<b>2,672,949,174</b>	<b>355,935,368</b>	<b>70,979,483</b>	<b>2,656,015,025</b>

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

AOP 013	31.12.2022.	30.06.2023.
	Central banks	-
Local state	-	-
Credit institutions	-	-
Other financial institutions	-	-
Non-financial institutions	324,420	-
Retail	583,773	547,568
<b>Total</b>	<b>908,193</b>	<b>547,568</b>

## 12) DEPOSITS

AOP 044	31.12.2022.	30.06.2023.
	Government	78,666,742
Local state	1,417,872,377	1,450,899,369
Credit institutions	73,327,278	97,879,342
Other financial institutions	263,728,921	263,396,818
Non-financial institutions	732,417,462	793,440,528
Retail	2,458,080,182	2,370,184,488
<b>Total</b>	<b>4,270,072,962</b>	<b>4,654,661,419</b>