



HRVATSKA POŠTANSKA BANKA

HPB d.d. 2021

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. (hereinafter referred to as the Bank 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.
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- 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.

Type and name of prescribed information:	Quarterly financial statements for the period 1.1.2021 - 31.12.2021, HPB d.d. 2021 Investor information and unaudited 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

In accordance with the Capital Markets Act, Hrvatska poštanska Banka p.l.c. publishes unaudited financial statements for the period from January 1 to December 31, 2021.

Original and official quarterly report is published in Croatian.

The report includes:

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

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

1 Executive Summary

2 Macroeconomic environment

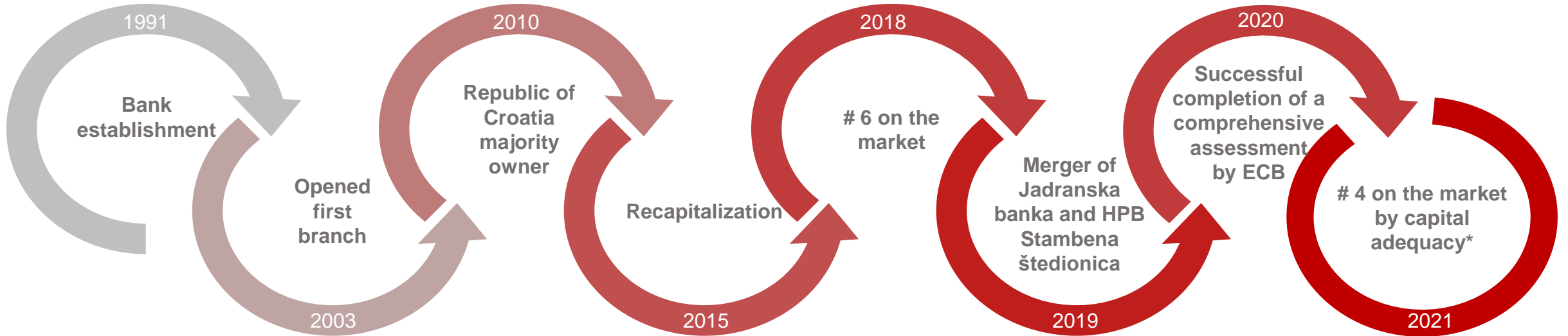
3 Financials

4 Risk Management

5 Appendix

30 HPB We are creating conditions for a better life in Croatia

542,000 CLIENTS	Over 1,000 LOCATIONS	HRK 42 bn in transactions DIRECT CHANNELS	Record NET PROFIT HRK 202 mn	#6 ASSETS HRK 27.9 bn	#4 APN 9% market share	#4* CET 1 25.7% pro forma 26.5%**
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We volunteer for Croatia

We volunteer in the earthquake-affected areas, participate in the action of cleaning ragweed and furnishing the center for education

Plant with HPB

Ecological Croatia afforestation project - planting 30,000 seedlings of indigenous tree species for HPB's 30 years at 7 locations throughout Croatia

*Data as of 30.9.2021

** Pro forma CET 1 with included H2 2021 net profit

Source: HPB management reports

Promoting financial literacy

Video series of financial education (LinkedIn)

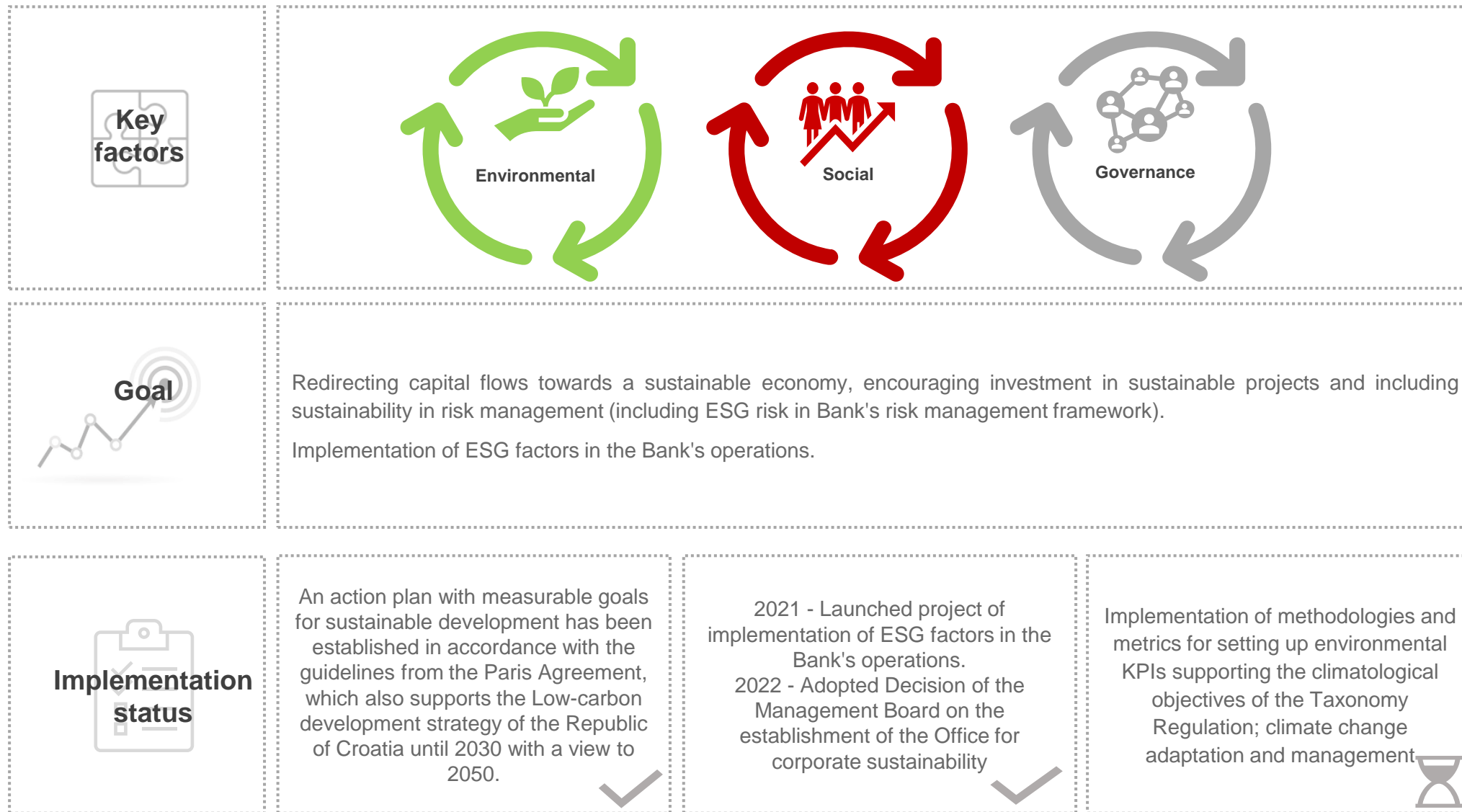
APN loans

We support young people who are buying or building their home

Feel the harmony

We provided a series of free concerts of Zagreb Soloists to our citizens in Osijek, Split, Rijeka, Varaždin and Zagreb

Sustainability and corporate social responsibility



*ESG = environmental, social , governance

Sustainability and corporate social responsibility

Completed activities

ENVIRONMENTAL



My green decision

An initiative to raise **awareness** of the importance of waste management

Plant with HPB

Ecological volunteer action in which 30,000 seedlings of indigenous tree species were planted throughout Croatia in accordance with the expert advice of Hrvatske šume

Three environmental KPIs

Managing factors with direct impact on the environment:

Reduced paper, electricity and water consumption.

Publication within the revised AFS 31.3.2022.

SOCIAL



Service quality and availability

Availability of financial services and encouragement of local community development: **Bank in Post Office in more than 1,000 locations.**

Digitization: **E-office** always available to citizens

Employees development

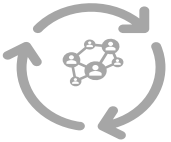
E-classroom - online education of employees.
Data nursery - data literacy program.
HPB Sport - attractive sports programs.
Equality, inclusiveness and diversity - guidelines in human resource management.

Community

Educational series **HPB promoting financial literacy.**

Corporate volunteer program
Volunteer for Croatia

GOVERNANCE



Anti-corruption policies

Implementation of the **Conflict-of-Interest Management Policy** for transparent business.

ESG risk management

Analysis of Bank's portfolio and ESG risks.
Mapping collateral according to physical risks.

Governance

HPB wins Corporate Governance Award in the Official Market of Zagreb Stock Exchange for 2020

Ongoing activities

The Bank initiates the implementation of sustainability factors through six segments, and by defining priority activities for each segment:

1. Strategy

Materiality assessment

Measuring the impact of ESG risk on Bank's operations

Establishing environmental KPIs

2. Management

Defining roles of Management Board and directors

Integration of the organizational structure of ESG management

Establishment of a three-line defense model

3. Risk

Redesign of data management models and creation of methodologies

Inclusion of environmental and climatological risks in risk policies

Establishing monitoring and mitigation of environmental and climatological risks

4. Policies

Integration of ESG factors into all relevant acts

Close cooperation with stakeholders and all third parties

5. Reporting system

Establishment of a new non-financial report; developing a holistic approach

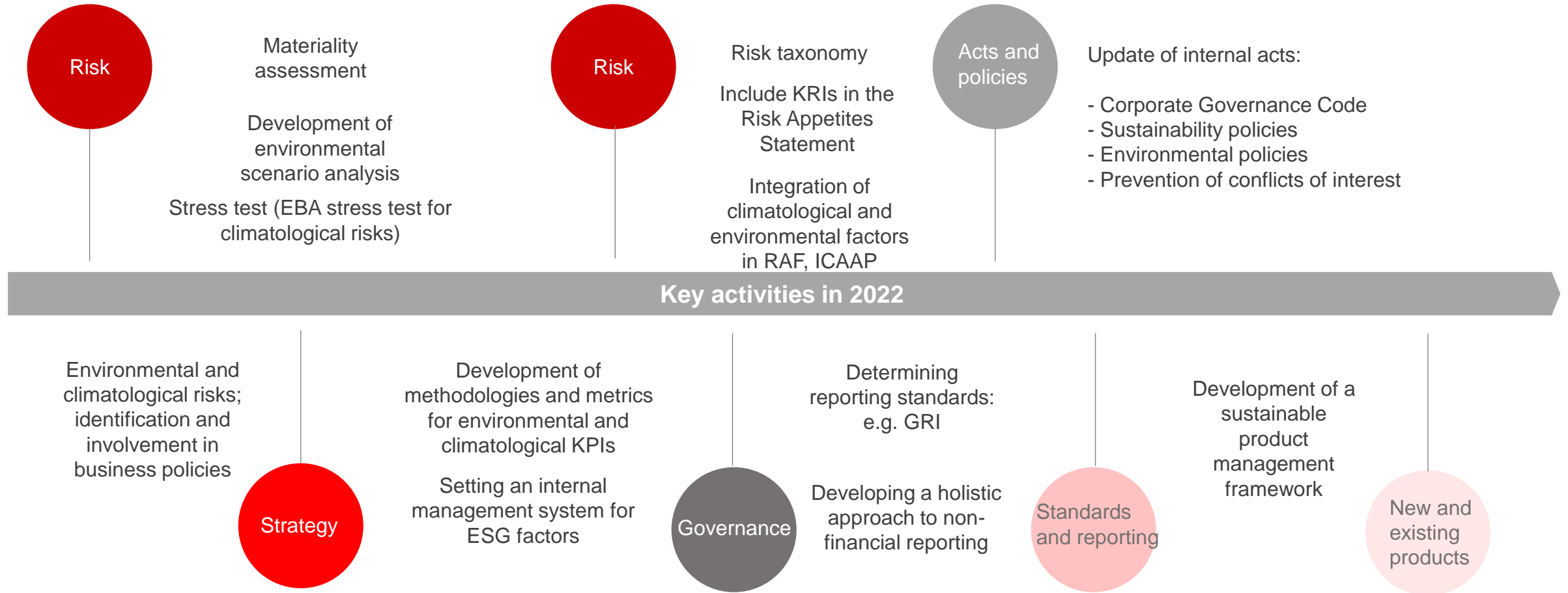
Publications based on the management of ESG factors

6. Products

Evaluation of the existing portfolio and defining guidelines for future development

Sustainability and corporate social responsibility

Plan 2022



EBA : European Banking Authority
 RAF: Risk appetite framework
 ICAAP: Internal Capital Adequacy Assessment Process
 GRI: Global Reporting Initiative
 KRI: key risk indicator
 KPI: key performance indicator

Record profit after tax in 30-year history

Further progress across strategic pillars

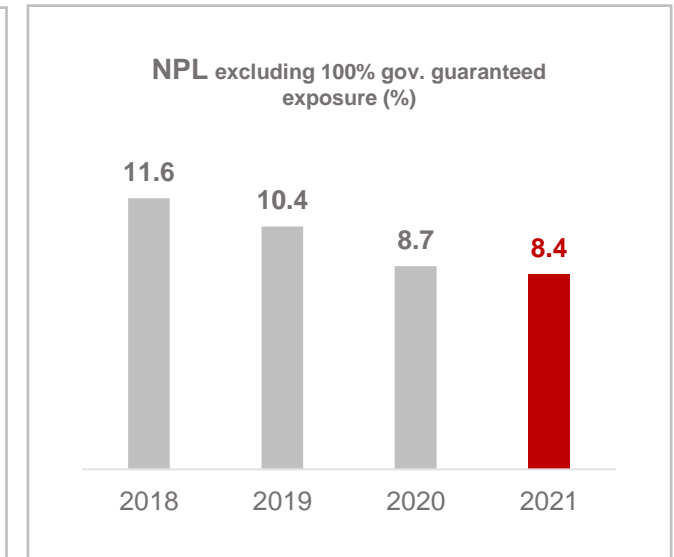
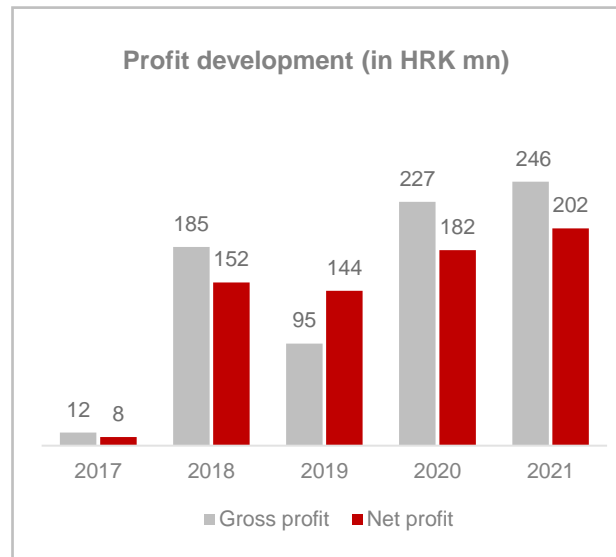
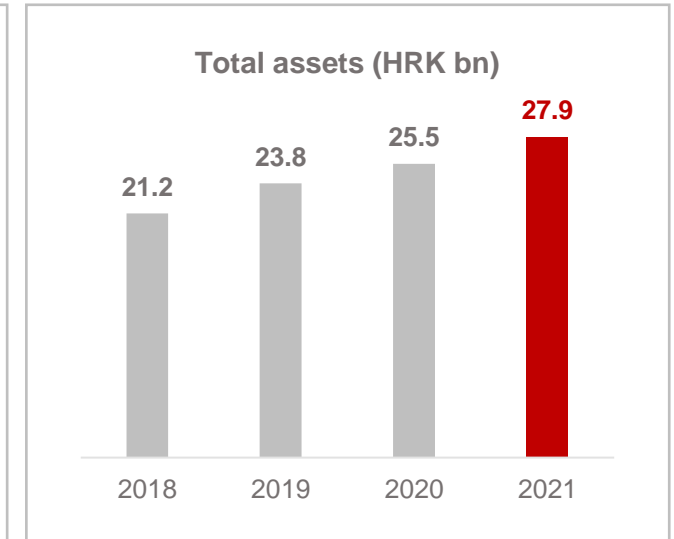
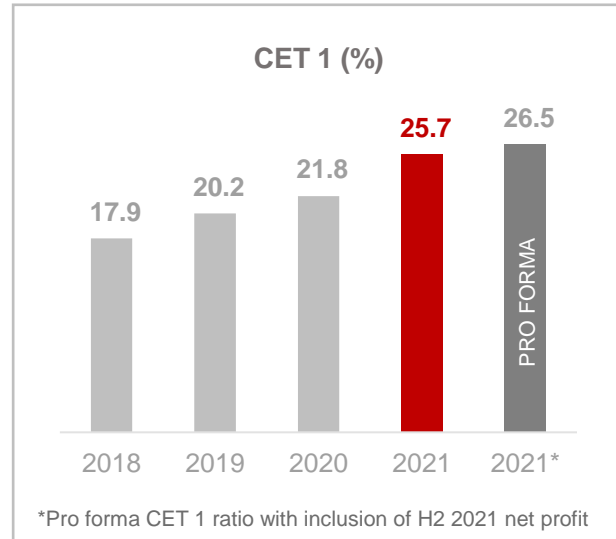
- **Largest banking business network** through own branch offices and post offices – project Bank in Post Office; HPB and HP concluded new Framework agreement on strategic partnership and outsourcing;
- **Record net profit** in 30-year history (HRK +20 mn vs. 2020); **improved C/I performance indicator (-1.8 pp vs. 2020)**, **adequate and sustainable ROAE (+0.4 pp vs. 2020)**;
- **Established data infrastructure for Bank's further growth and development** through intensive internal projects.

Stable capital position

- **High level of capital adequacy** places the Bank at the top of banking institutions in the Republic of Croatia.

Strong growth in 2021

- **Asset increase HRK +2.4 bn** in 2021;
- **Improved portfolio quality** with NPL ratio excluding 100% government guaranteed exposures on historically lowest level.



- *Income statement items are shown in cumulative from start of the period until the reporting date; cumulative 01.01 – 31.12;*
- *Balance sheet items are shown as at reporting date; 31.12.*

Key Financials 2021

Operating profit (in HRK mn)



Growth driven by increase in net fee income, trading and other income with slightly lower operating expenses.

Profit after tax (in HRK mn)



Record profit after tax driven by operating profit.

Gross loans (in HRK mn)



Increase of housing loans exceeded by the decrease in central government and corporate segments.

CET 1 capital ratio (in %)



High capitalisation level.

*Pro forma CET 1 ratio with inclusion of H2 2021 net profit

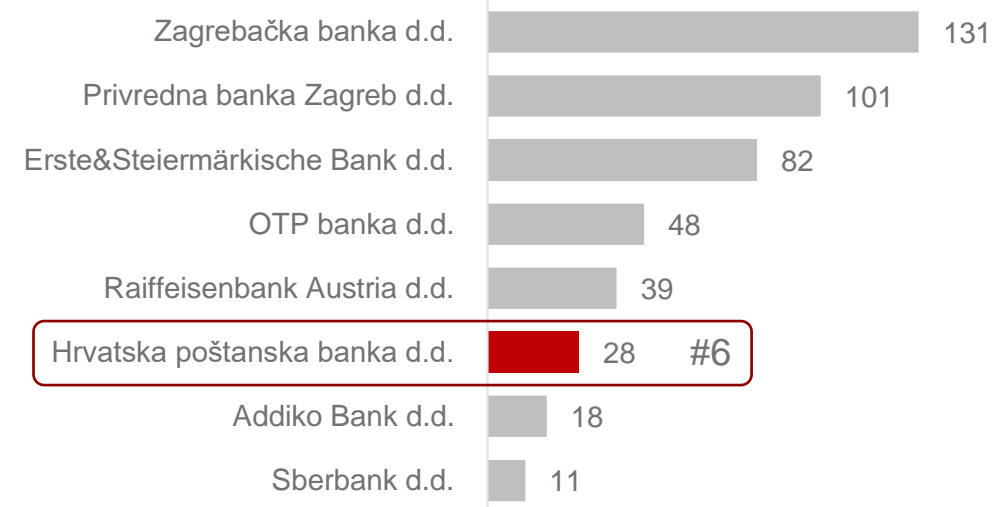
- Income statement items are shown in cumulative from start of the period until the reporting date; cumulative 1.1-31.12;
- Balance sheet items are shown as at reporting date; 31.12.

Highest profit after tax in history

		31.12.2019	31.12.2020	31.12.2021*	
Assets	HRK mn	23,844	25,500	27,861	▲
Net loans to customers	HRK mn	13,341	14,725	14,243	▼
Deposits	HRK mn	20,069	21,214	23,191	▲
Equity	HRK mn	2,370	2,473	2,650	▲
CET 1 capital ratio	%	20.2	21.8	25.7	▲
NPL ratio	%	10.8	10.4	9.8	▼
NPL ratio excl. 100% gov. guaranteed exposure	%	10.4	8.7	8.4	▼
NPL coverage	%	67.5	62.2	61.1	▼
NPL coverage excl. 100% gov. guaranteed exposure	%	70.0	74.2	72.1	▼

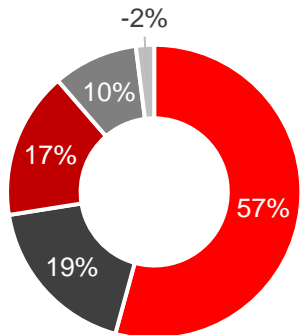
		1.1.-31.12.2019	1.1.-31.12.2020	1.1.-31.12.2021	
Income	HRK mn	1,227	1,121	1,143	▲
Net profit	HRK mn	144	182	202	▲
Cost-to-income ratio	%	61.3	64.1	62.3	▼
Return on equity (ROE)	%	6.1	7.4	7.6	▲

Market share by total assets as of 30.9.2021 (in HRK bn)

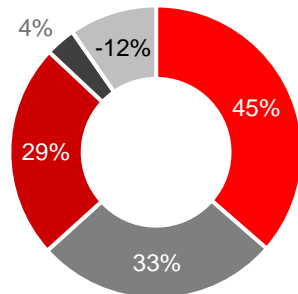


Results by business segments as of 31.12.2021

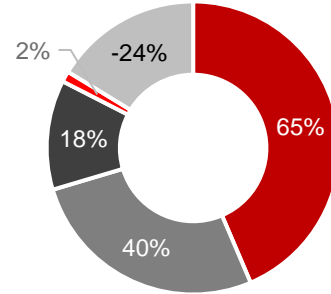
Net income**



Operating result*



Result after tax*

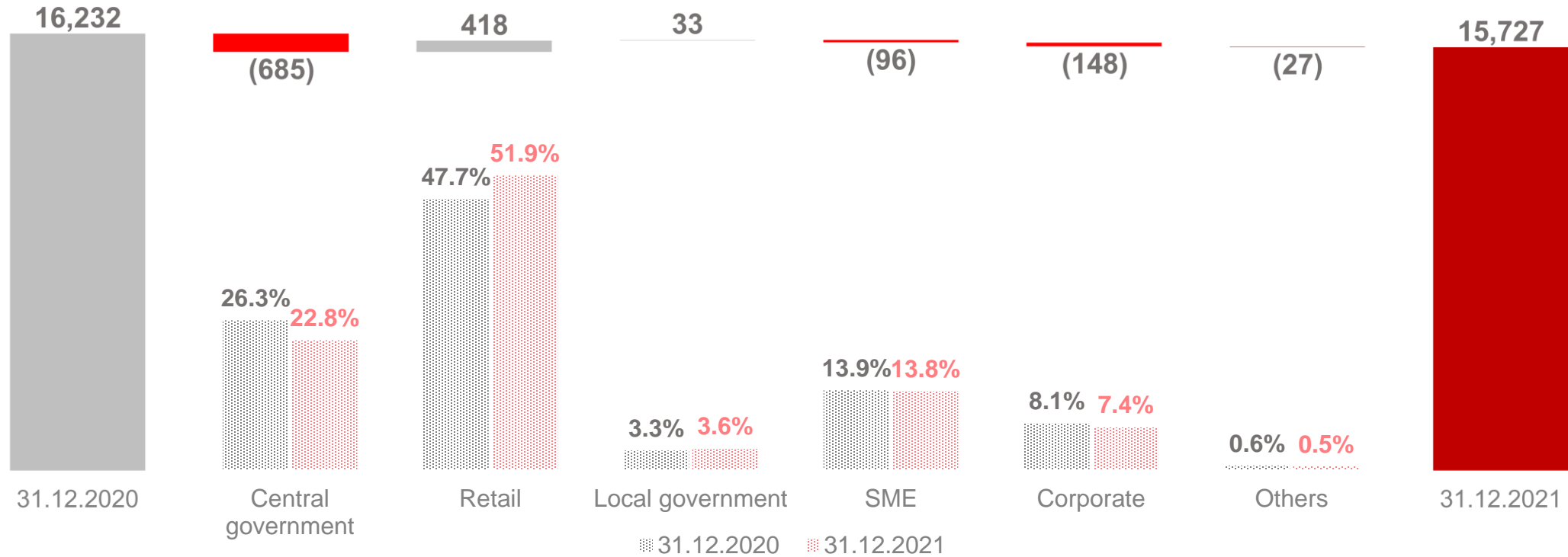


- Corporate
- Financial market
- SME
- Retail
- Other

Result after tax - Due to methodological changes under IFRS 9, reallocation of provisions and one-off effects had largest negative impact on the retail segment, and a positive one on the corporate and SME segments.

Gross loans development

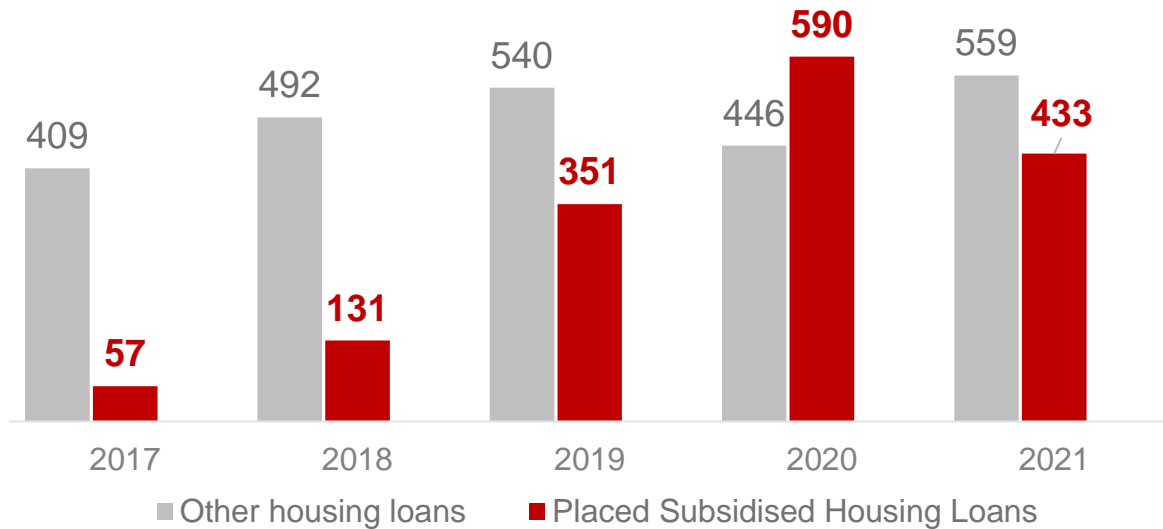
Gross loans (in HRK mn)



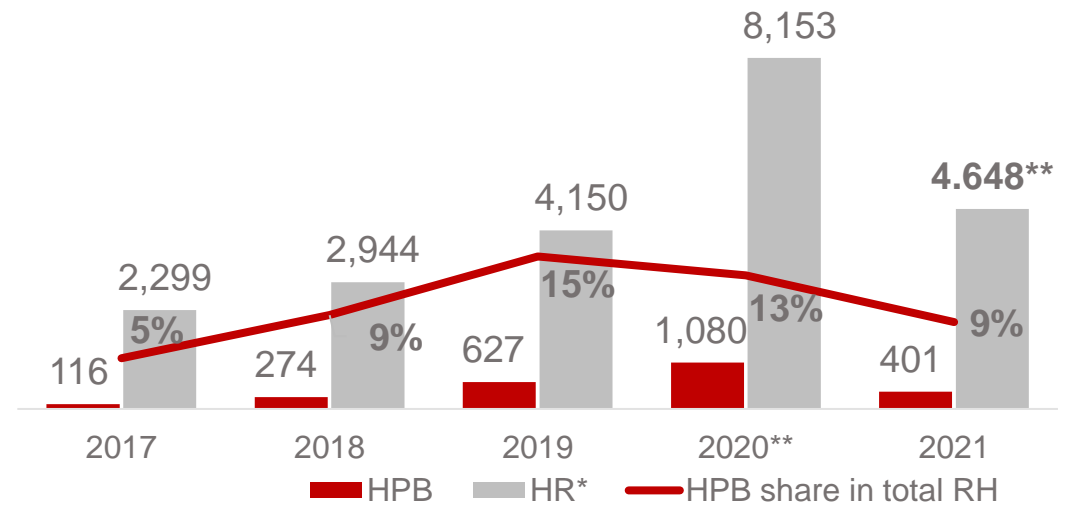
- Retail loans increase supported by higher housing loans (HRK +578.4 mn or +15.5%) representing stable upward trend;
- Financing corporate, central and local government through 2021 has been driven by a recovery from COVID-19 pandemic and strong price competition in the banking sector;
- The central government realized a significant part of its financial needs on the market by issuing bonds;
- The absence of significant investments affected the impossibility of expanding lending activities in the large corporate segment.

Subsidised Housing Loans

Housing loan volume (in HRK mn)



Number of approved subsidised housing loans



- Bank's share in APN loans is significantly above its market share;
- Bank participates in subsidised housing loan program since 2017;
- In the last, sixth, round, the Bank approved HRK 270.4 mn APN loans.

* Source <https://mgipu.gov.hr/>

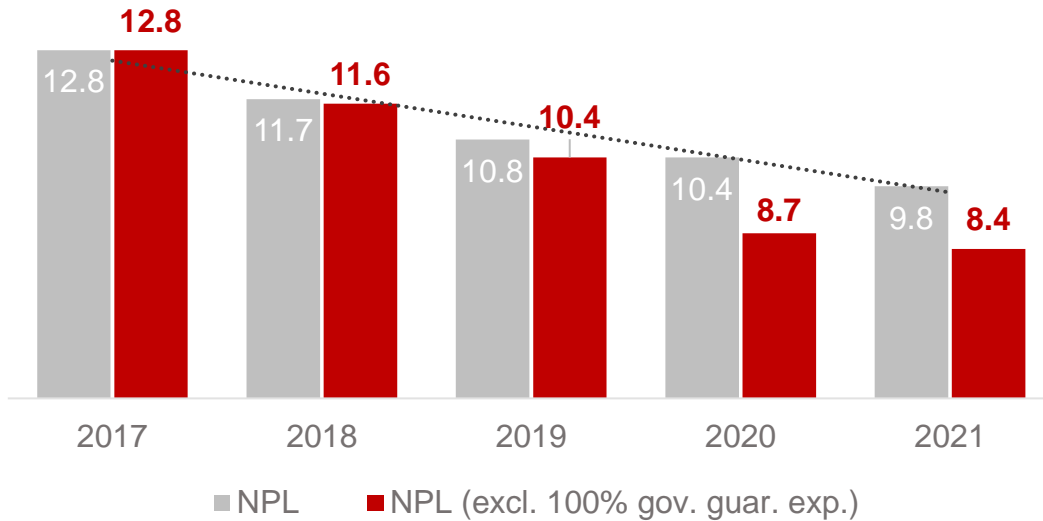
** In 2020, two APN tranches were conducted



Portfolio quality improves

NPL ratio development (in %)

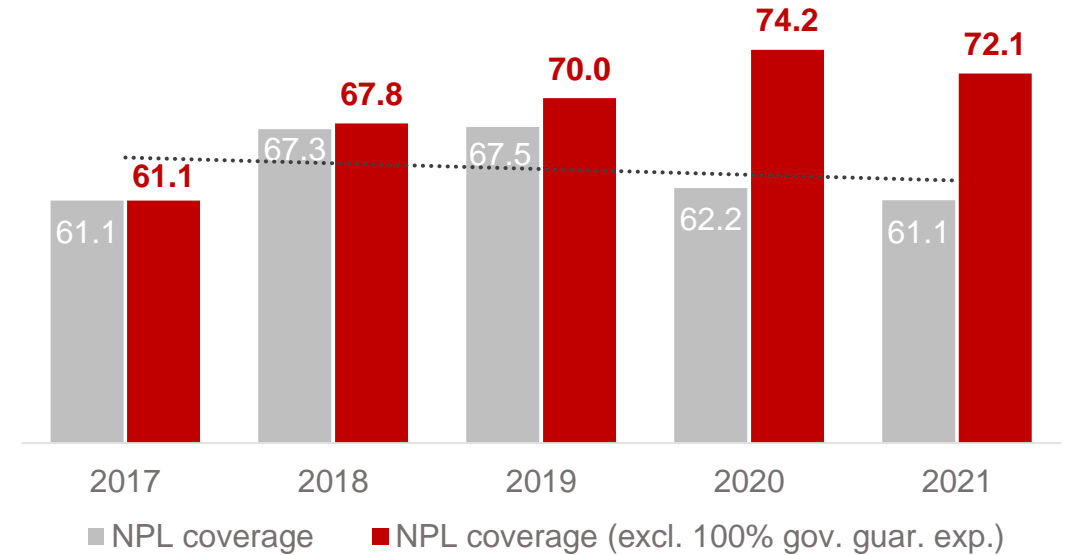
Market NPL ratio* 4.7%



* As of 30.9.2021

NPL coverage development (in %)

Market NPL coverage* 63.2%



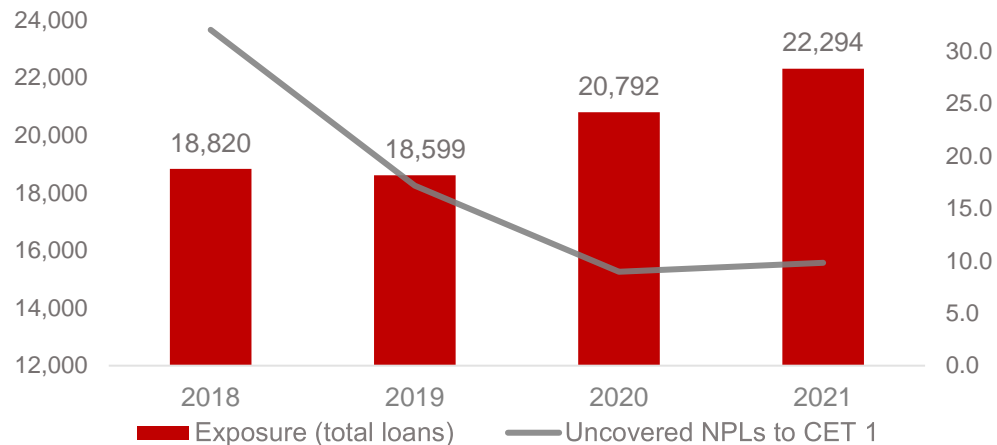
- NPL ratio continues long-term positive trend as a result of collection activities and reduction of non-performing exposures which in combination with increase of performing placements leads to historically lowest level of NPL ratio;
- Excluding 100% government guaranteed exposures, **NPL share** is at the **lowest level in the history**;
- **NPL coverage** is still at a high level and if we exclude 100% government guaranteed exposures NPL coverage is **significantly above the market average**.

Strong NPL coverage

		2018	2019	2020	2021
Total exposure	HRK mn	18,820	18,599	20,792	22,294
Total NPL stock	HRK mn	2,201	2,009	2,163	2,174
NPL %	%	11.7	10.8	10.4	9.8
Loss allowance for loans	HRK mn	(1,632)	(1,554)	(1,599)	(1,575)
NPL	HRK mn	(1,481)	(1,355)	(1,346)	(1,329)
PL provision	HRK mn	(151)	(199)	(254)	(246)
NPL Coverage	%	67.3	67.5	62.2	61.1
NPLs not covered by provisions	HRK mn	569	455	563	599
NPLs with 100% government guarantees	HRK mn	0	76	356	341
Uncovered NPLs	HRK mn	569	379	207	258
CET1*	HRK mn	1,777	2,209	2,314	2,631
Uncovered NPLs to CET 1	%	32.0	17.2	8.9	9.8

*CET 1 with inclusion of H1 2021 net profit

Uncovered NPLs to CET 1 trend



- Active NPL portfolio management with an objective to maintain uncovered NPLs to CET1 ratio at low level;
- NPL coverage by total provisions is 72.4%.

1 Executive Summary

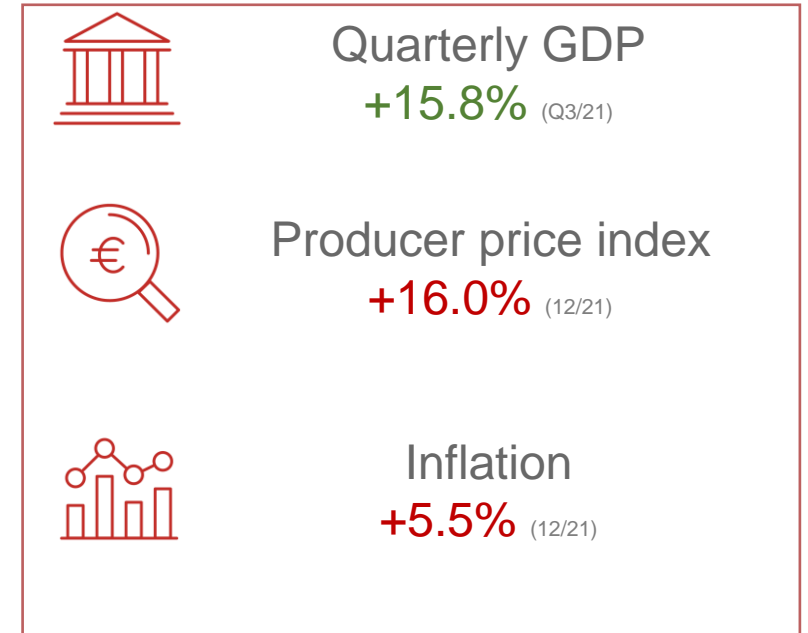
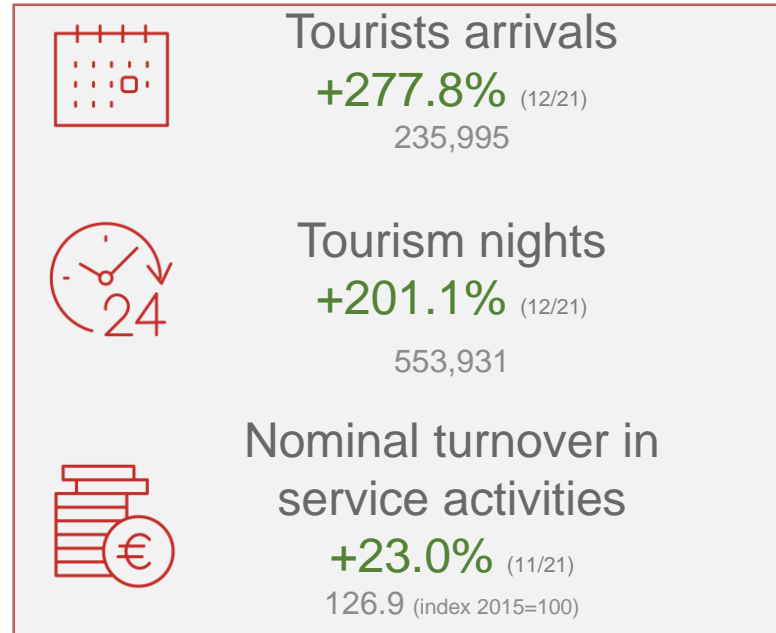
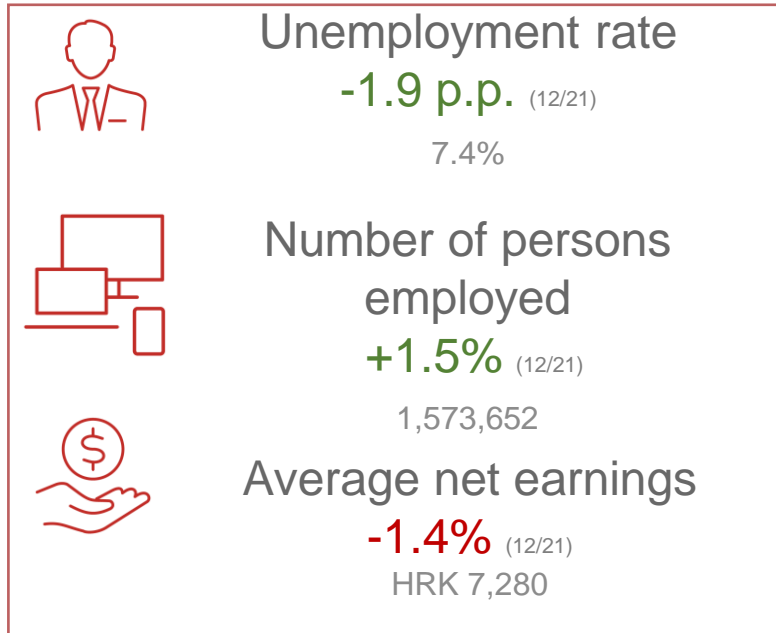
2 Macroeconomic environment

3 Financials

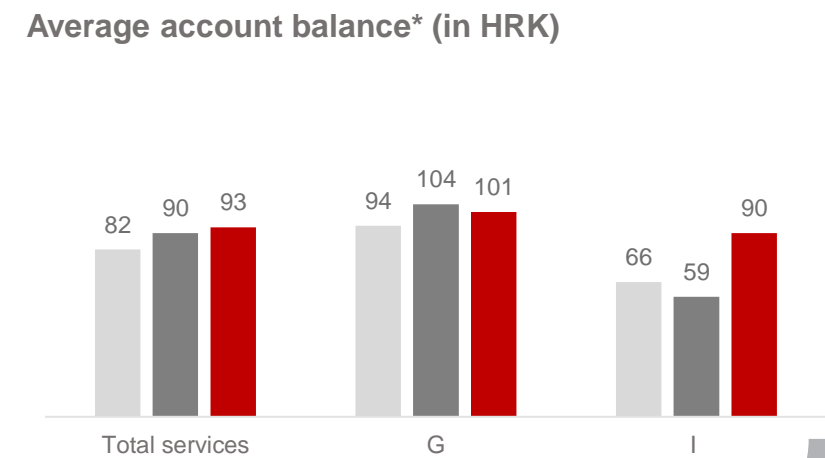
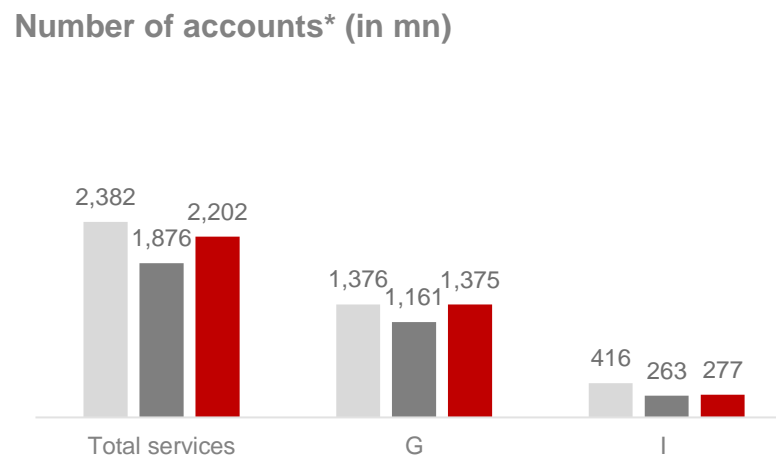
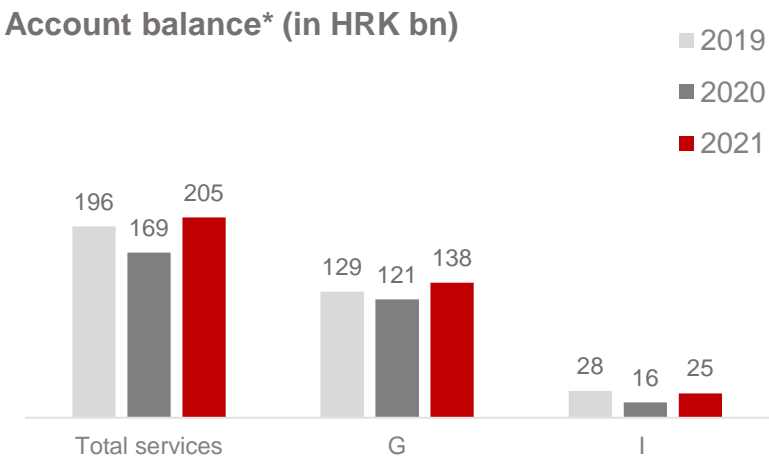
4 Risk Management

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Economic indicators (y-o-y)



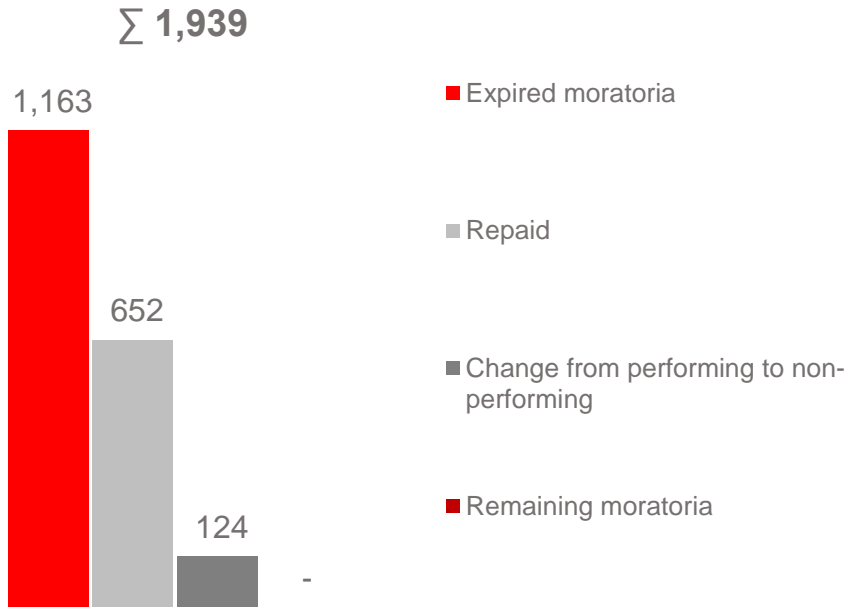
Source: Croatian Bureau of Statistics <https://www.dzs.hr/eng> (September, November and December 2021)



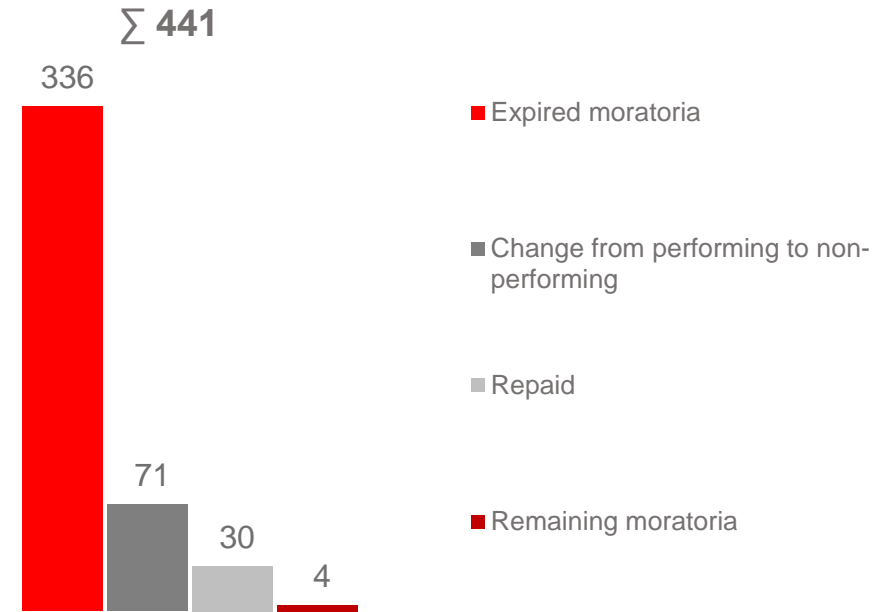
*G- WHOLESALE AND RETAIL TRADE OF MOTOR VEHICLES AND MOTORCYCLES, REPAIR OF MOTOR VEHICLES AND MOTORCYCLES "
*I- ACCOMMODATION AND FOOD SERVICE ACTIVITIES "

COVID-19 measures

Approved corporate moratoria status at 31.12.2021 (in HRK mn)



Approved retail moratoria status at 31.12.2021 (in HRK mn)



- **HRK 4 mn** (0.9% total approved) in retail segment remaining moratoria as at 31.12.2021; while there is no remaining moratoria in corporate segment;
- Total defaulted loans since moratoria approval at 31.12.2021 amounted HRK 195 mn (6.4% corporate, 16.1% retail in total approved moratoria);
- As at 31.12.2021 total expired moratoria in the amount **HRK 1.5 bn** – status **performing**.

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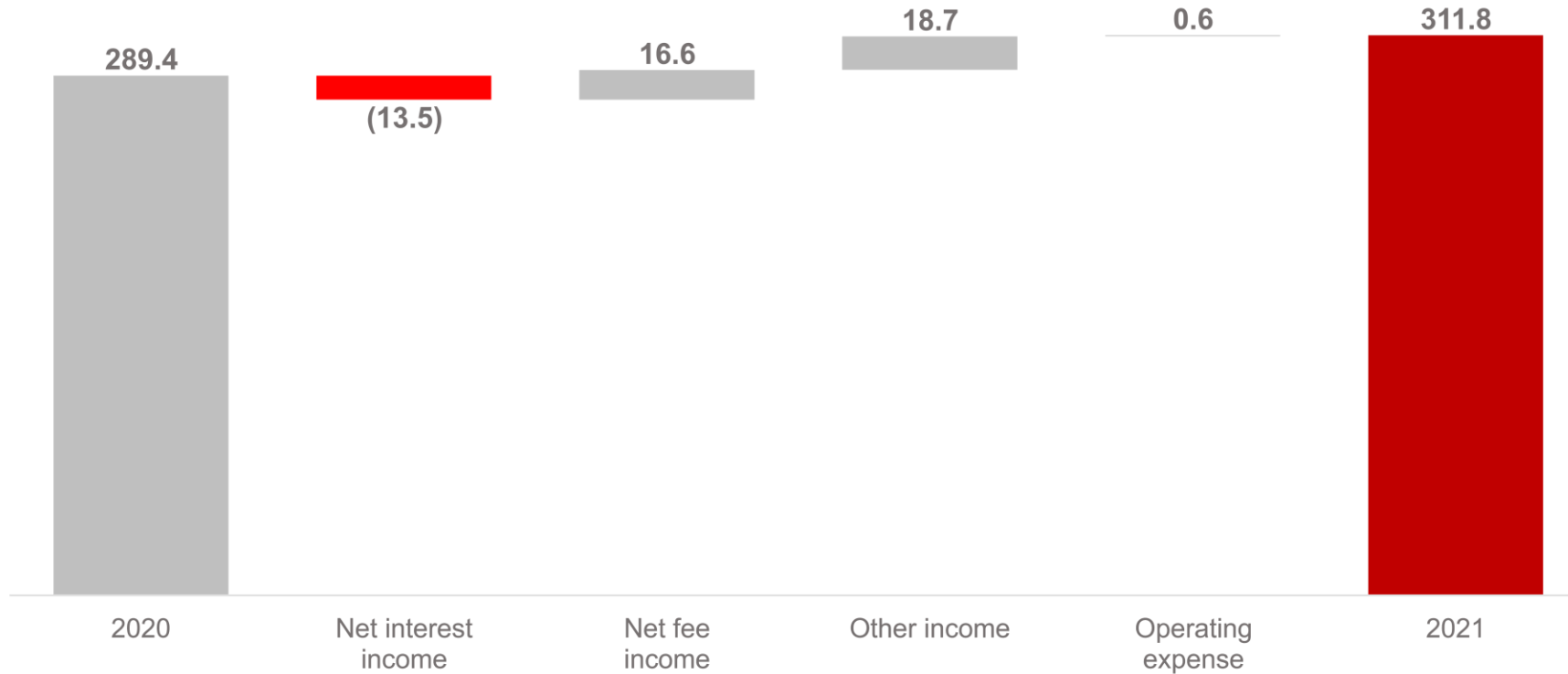
Key financials – Income statement

		Q4 2020	Q4 2020	Δ q-o-q		2020	2021	Δ y-o-y
Net interest income	HRK mn	138	128	(9.8) ▼		543	529	(13.5) ▼
Net fee income	HRK mn	43	44	0.9 ▲		176	193	16.6 ▲
Operating income	HRK mn	200	192	(8.1) ▼		804	826	21.8 ▲
Operating expense	HRK mn	(137)	(157)	20.6 ▲		(515)	(514)	(0.6) ▼
Operating profit	HRK mn	64	35	(28.7) ▼		289	312	22.4 ▲
Provisioning	HRK mn	(36)	(41)	5.6 ▲		(62)	(66)	3.7 ▲
Net profit	HRK mn	17	(4)	(21.6) ▼		182	202	20.1 ▲
Cost-to-income ratio	%	68.2	81.8	13.6 ▲		64.1	62.3	(1.8) ▼
Net interest margin	%	2.2	1.9	(0.3) ▼		2.2	2.0	(0.2) ▼

- Negative impact events in Q4 2021:
 - Introduction of COVID-19 measures limited the access to the Bank for a significant number of clients, as the only bank under these measures on the market; caused additional costs (physical protection, employee testing, etc.);
 - Significant impact of operating expenses on the last quarter due to the intensive activities initiated on all regulatory projects (EURO, MREL, ESG, etc.)
- NII lower by 2.5% due to decreased loan portfolio, lower market interest rates and strong price competition on banking market; interest expenses management in 2021 (-36.8%) did not neutralise decrease in interest income (-5.0%) vs PY;
- Higher NFCI +9.7% due to withdrawal of COVID-19 measures related to card transactions, successful and prolonged tourist season and recovery of economic activity, rebounding to pre-COVID Q4 2019 level (HRK 44 mn Q4 2019);
- Operating profit growth (+22.4 mn) as a result of higher NFCI, trading and other income, followed by slightly lower operating expenses due to reduction of deposit insurance premium and lower depreciation;
- **Highest net profit** in 30-year history.

Operating profit development

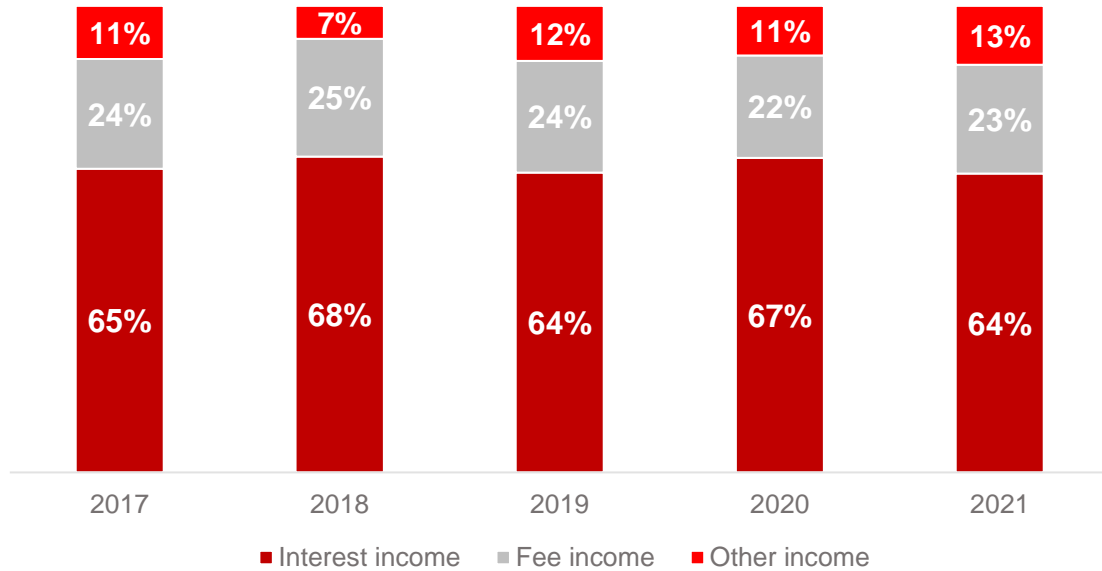
Operating profit development (in HRK mn)



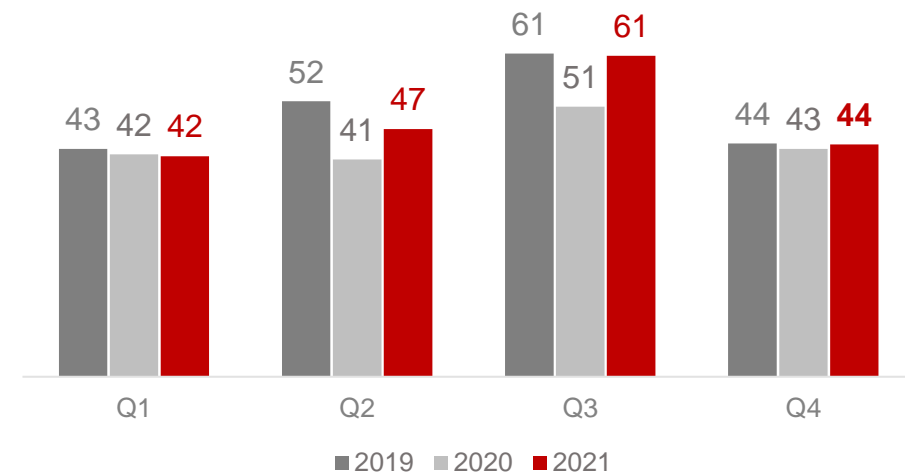
- Increase in other income driven by trading income (sale of equity instruments during Q2 2021);
- Operating expenses slightly decreased mainly due to lower depreciation and deposit insurance premium.

Net income development

Composition of net income

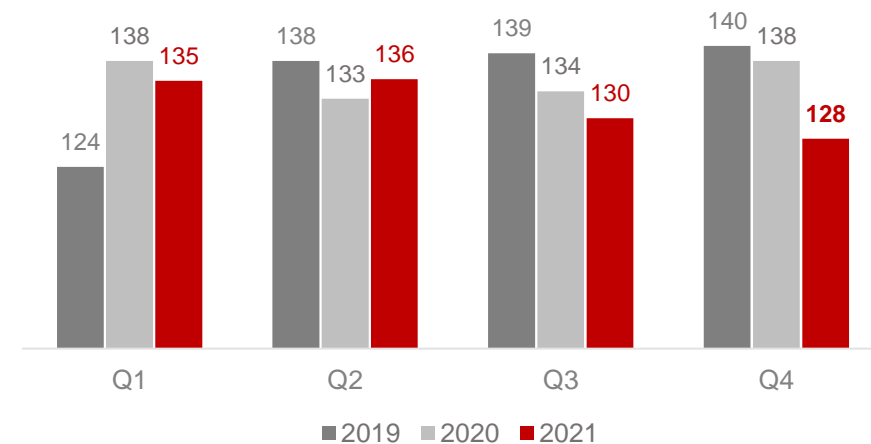


Net fee income (in HRK mn)



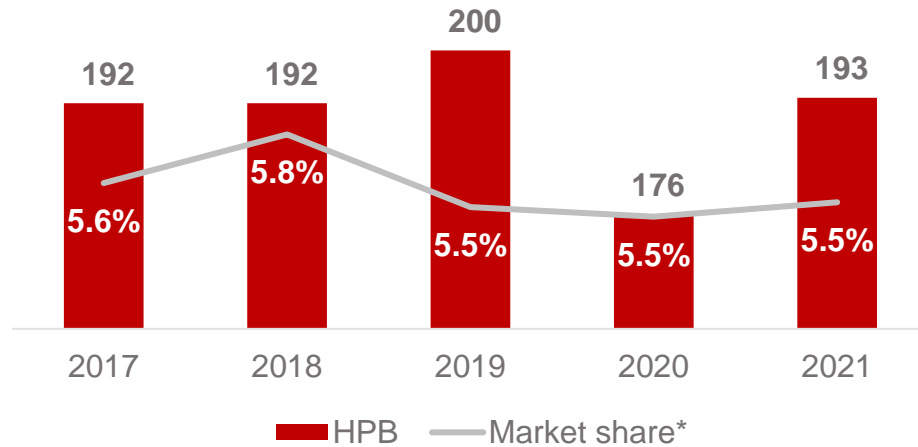
- Higher net fee income as a result of increased fees from credit card transactions, regained its pre-pandemic level in H2 2021 (HRK 44 mn Q4 2019);
- Despite savings on expense side (HRK -15.7 mn), net interest income lower vs PY mostly due to the intense price competition on the market;

Net interest income (in HRK mn)



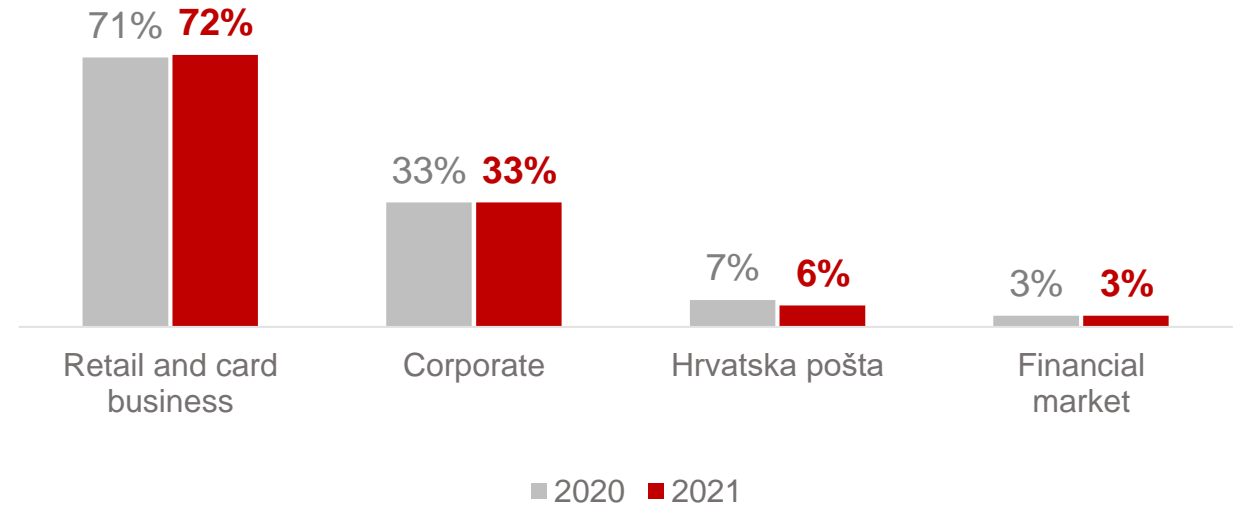
Fees and commissions

Net fee income overview (in HRK mn)



* Market data available for 9M 2021

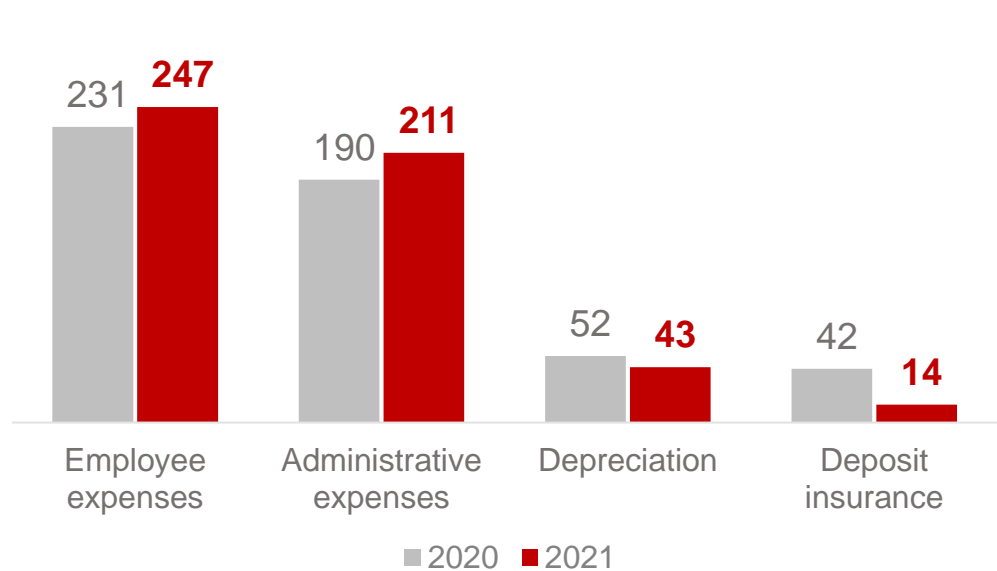
Composition of net fee and commission income by sales segments



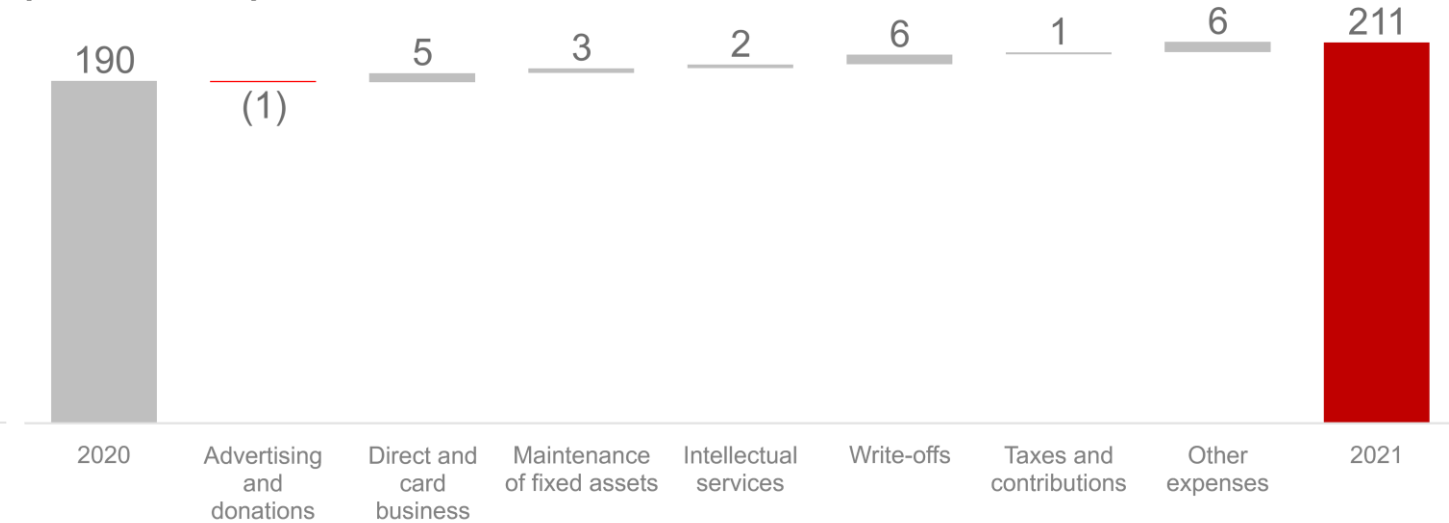
- NFCI in the last two quarters regained its pre-COVID levels;
- Increase in net fee and commission income mainly driven by successful tourist season, recovery of economic activities and withdrawal of COVID-19 measures related to card business (net income from card business +44.0%);
- HPB net fee income on par with the banking sector with a relatively stable share.

Operating expenses

Composition of operating expenses (in HRK mn)



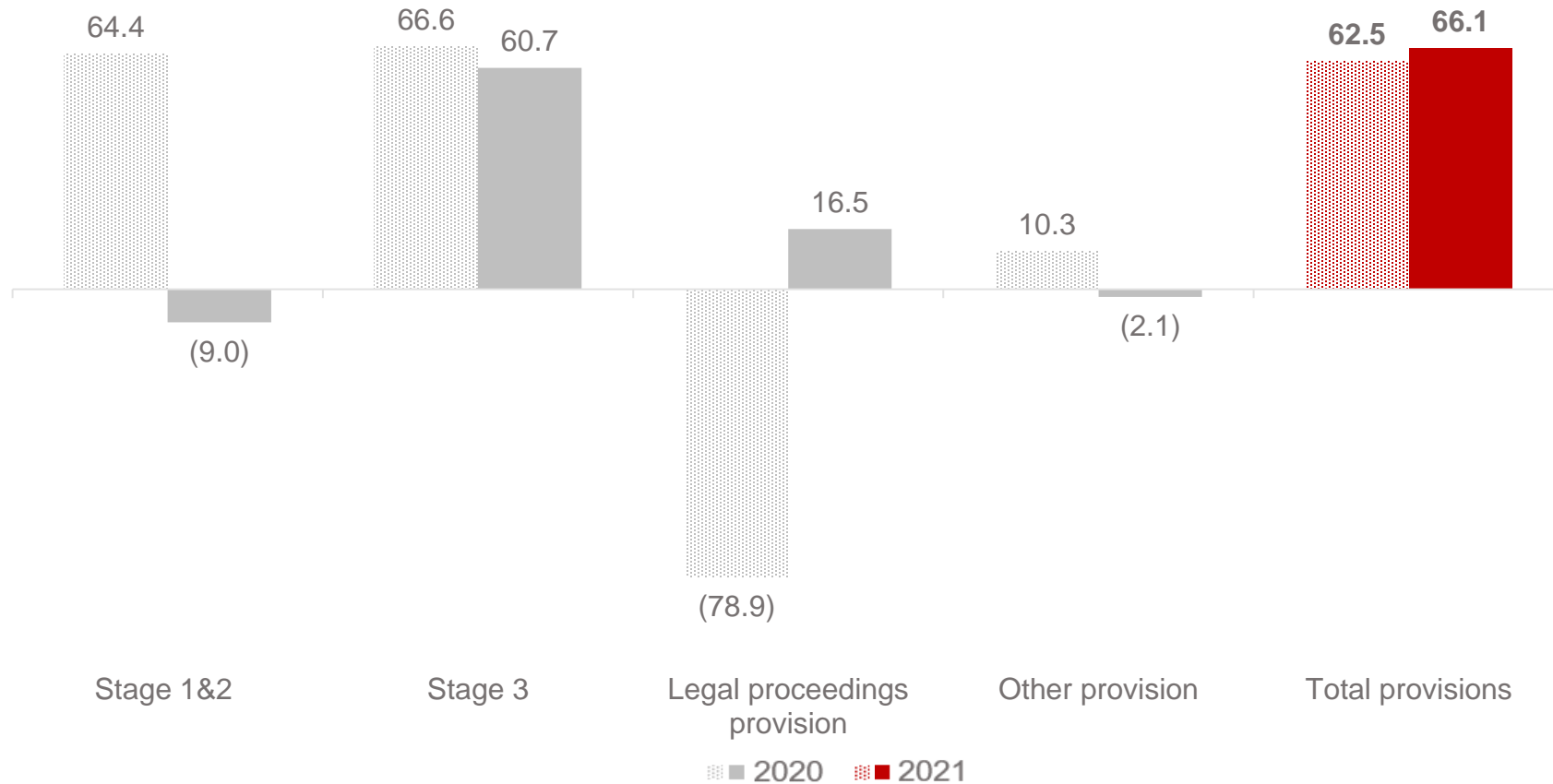
Administrative expenses development (in HRK mn)



- Operating expenses slightly lower (HRK – 1 mn or – 0.1%) coming from reduction of deposit insurance premium and lower depreciation expense;
- Employee costs up as a result of investing in IT internal resources;
- Administrative expenses increased (+11.0%) due to the timely addressing regulatory requirements and improvements of Bank’s processes in order to eliminate technological debt:
 - consulting services for initiated regulatory projects (Euro, MREL),
 - migration to Visa brand,
 - write-offs,
 - renovation of earthquake-damaged buildings and
 - costs caused by COVID-19 pandemic (disinfection of business premises and COVID certificates).

Provisioning

Structure of net provision expenses in 2020/2021
(in HRK mn)



- Stage 1&2 movement under positive impact of portfolio development in relation to risk profile in 2021 (higher share of retail housing loans and short-term borrowings to institutions representing liquid asset) compared to 2020, which was marked by impact of COVID-19;
- Lower stage 3 provisions (y-o-y) solely due to the revenues from increased NPL collection activities;
- Regular legal cases provisions;
- Release of other provisions is the result of assets value adjustment.

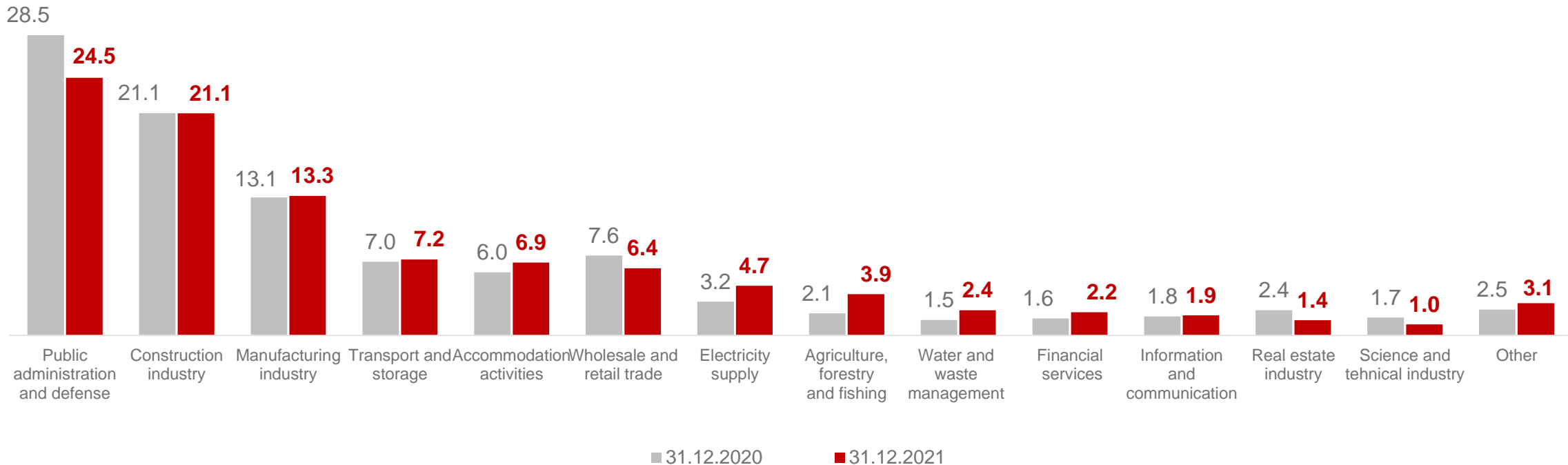
Key financials – Balance sheet

		31.12.2020	31.12.2021	Δ ytd	
Assets	HRK mn	25,500	27,861	2,361	▲
Gross loans	HRK mn	16,232	15,727	(505)	▼
Deposits	HRK mn	21,214	23,191	1,977	▲
Equity	HRK mn	2,473	2,650	177	▲
Regulatory capital	HRK mn	2,312	2,631	319	▲
Loan/deposit ratio	%	69.4	61.4	(8.0)	▼
ROAE	%	7.5	7.9	0.4	▲
NPL ratio	%	10.4	9.8	(0.7)	▼
NPL ratio excl. 100% gov. guaranteed exposure	%	8.7	8.4	(0.4)	▼
NPL coverage	%	62.2	61.1	(1.1)	▼
NPL coverage excl. 100% gov. guaranteed exposure	%	74.2	72.1	(2.1)	▼
Loss allowance for loans	HRK mn	(1,599)	(1,575)	(25)	▼

- Assets records continuous growth +9.3% ytd as a result of increase in liquid assets +47.8% primarily due to continuous increase in deposits; securities increased +6.5% while gross loans decreased -3.1%;
- Deposits up +9.3% with largest increase in SMEs +22.0%, the central state and large corporate segment +20.7%, and retail +1.9%.

Corporate portfolio industry distribution

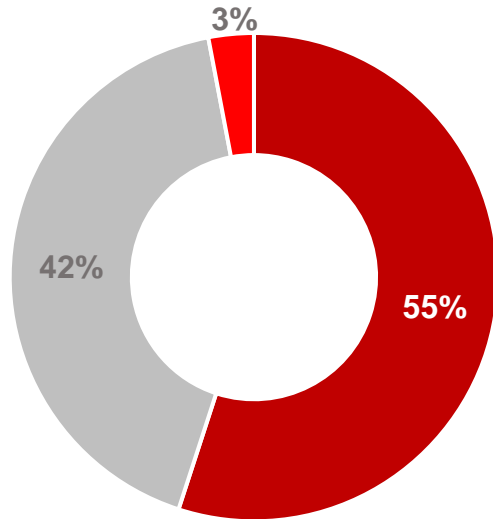
Corporate gross loans per industry (in %)



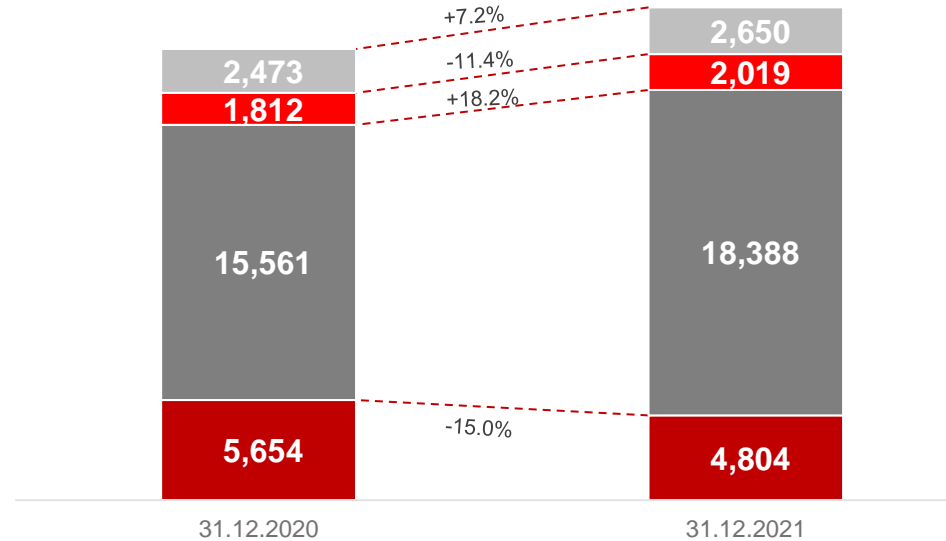
- Recovery of the corporate segment in 2021 due to the received aid as a result of the COVID-19 pandemic;
- Corporate lending activity is primarily focused on loans for liquid assets and refinancing of existing liabilities, while lending to development projects has been significantly slowed down or postponed;
- Public administration and defense segment realized a significant part of its financial needs in the market by issuing bonds in 2021;
- Accommodation activities lending was done backed up by government guarantee schemes.

Composition of equity and liabilities

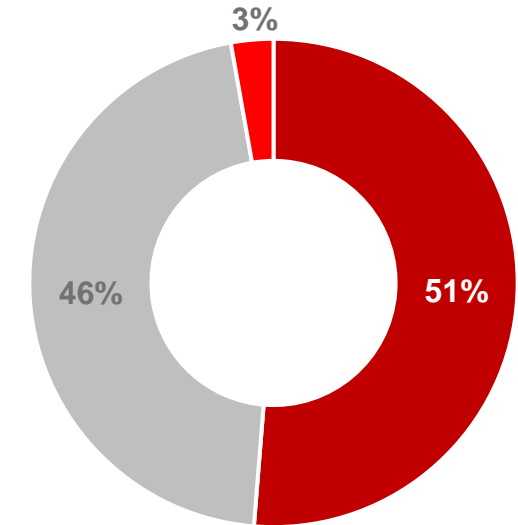
Deposit structure
31.12.2020



Equity and liabilities structure
(in HRK mn)



Deposit structure
31.12.2021



■ Retail ■ Corporate ■ Financial market

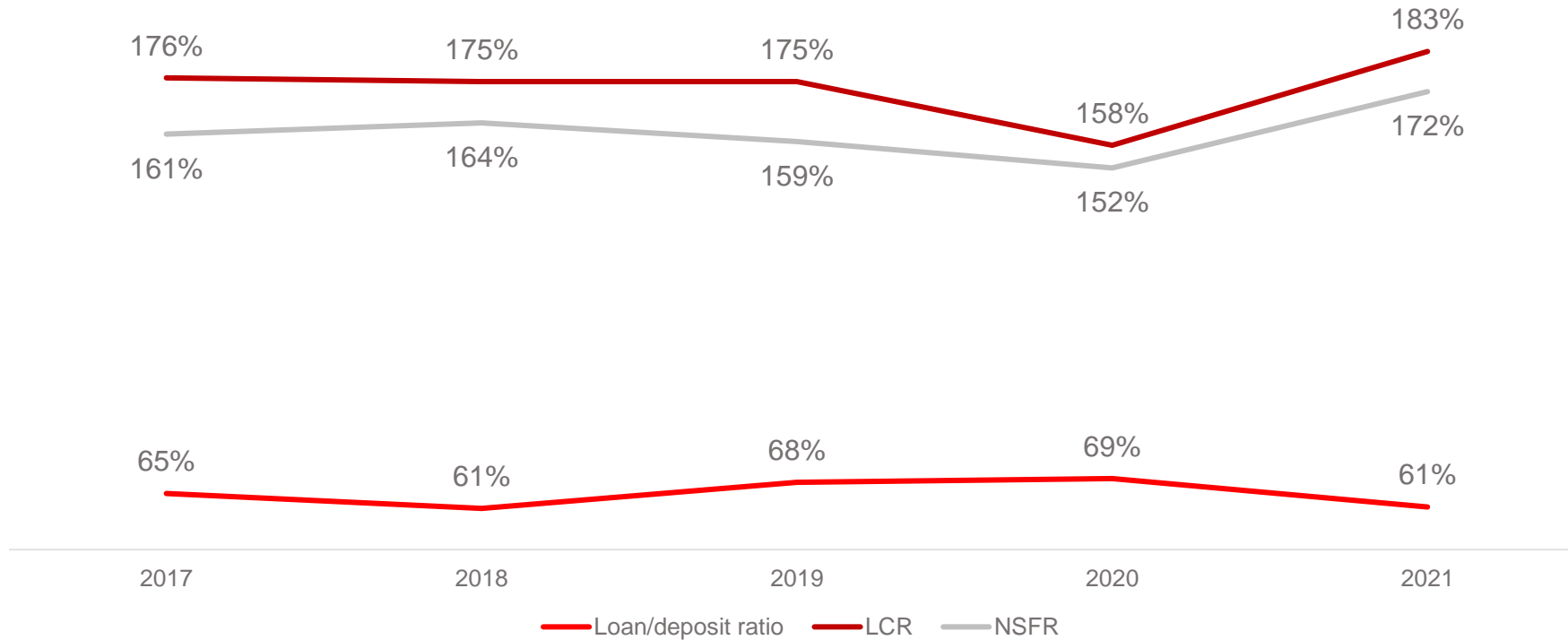
■ Term deposits ■ A vista deposits ■ Other liabilities ■ Equity

■ Retail ■ Corporate ■ Financial market

- Favourable impact on costs from observable trend of reduction of interest rates on deposits and continuous effective interest rate management;
- Customer deposits dominate the funding mix with an 83.2% share
 - Bank holds 5.92% of all deposits on a market at 30.11.2021 (31.12.2020 = 5.75%);
- Stable wholesale funding structure – attracted funds through foreign financial institutions, CBRD and CNB repo loans.

Liquidity Overview

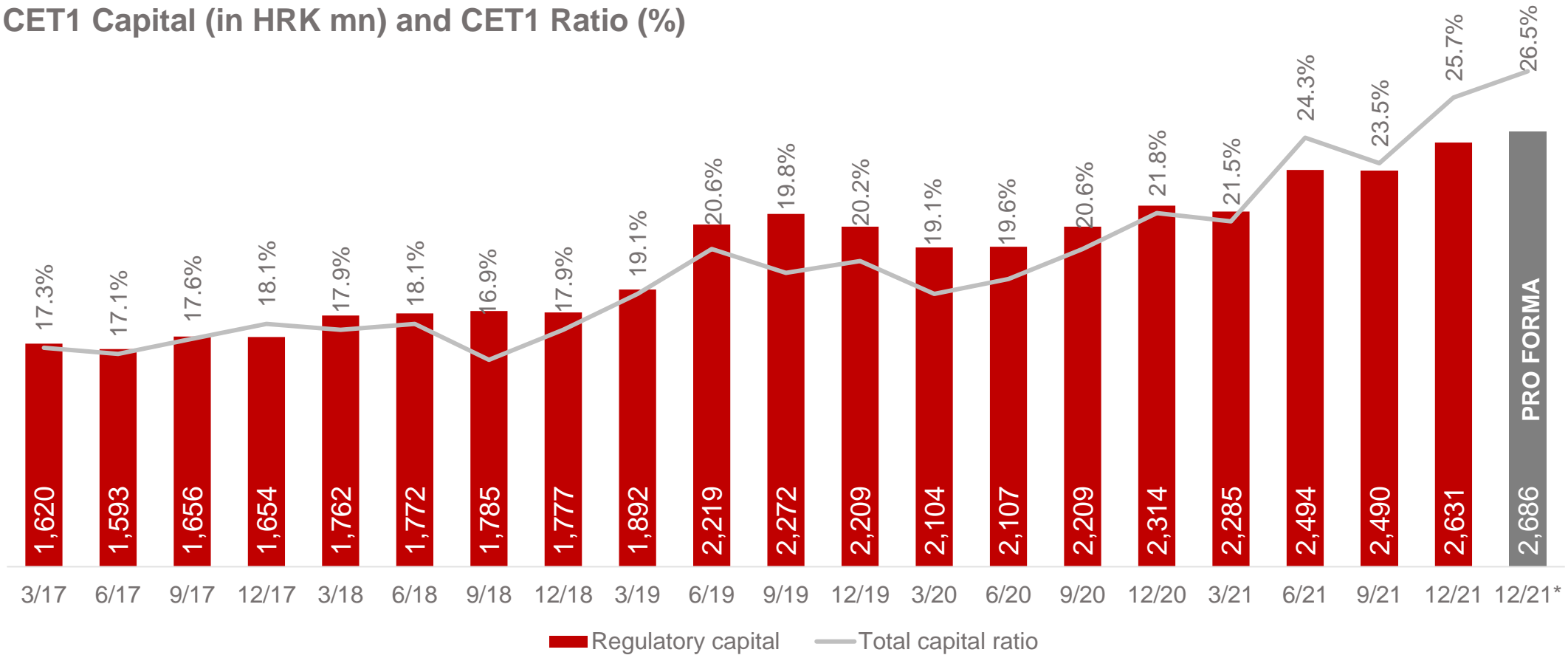
Liquidity ratios



- The Bank's liquidity remains at a high level with a significantly low loan-to-deposit ratio and highest liquidity coverage ratio in recent history (183%);
- High share of customer deposits (83.2%) in financing mix.

Continuously strong capital position

CET1 Capital (in HRK mn) and CET1 Ratio (%)



- Total capital adequacy ratio is higher compared to PY (+ 3.82 pp) mainly due to higher regulatory capital as a result of H2 2020 and H1 2021 net profit recognition;
- Pro forma CET1 calculation includes H2 2021 net profit.

1 Executive Summary

2 Macroeconomic environment

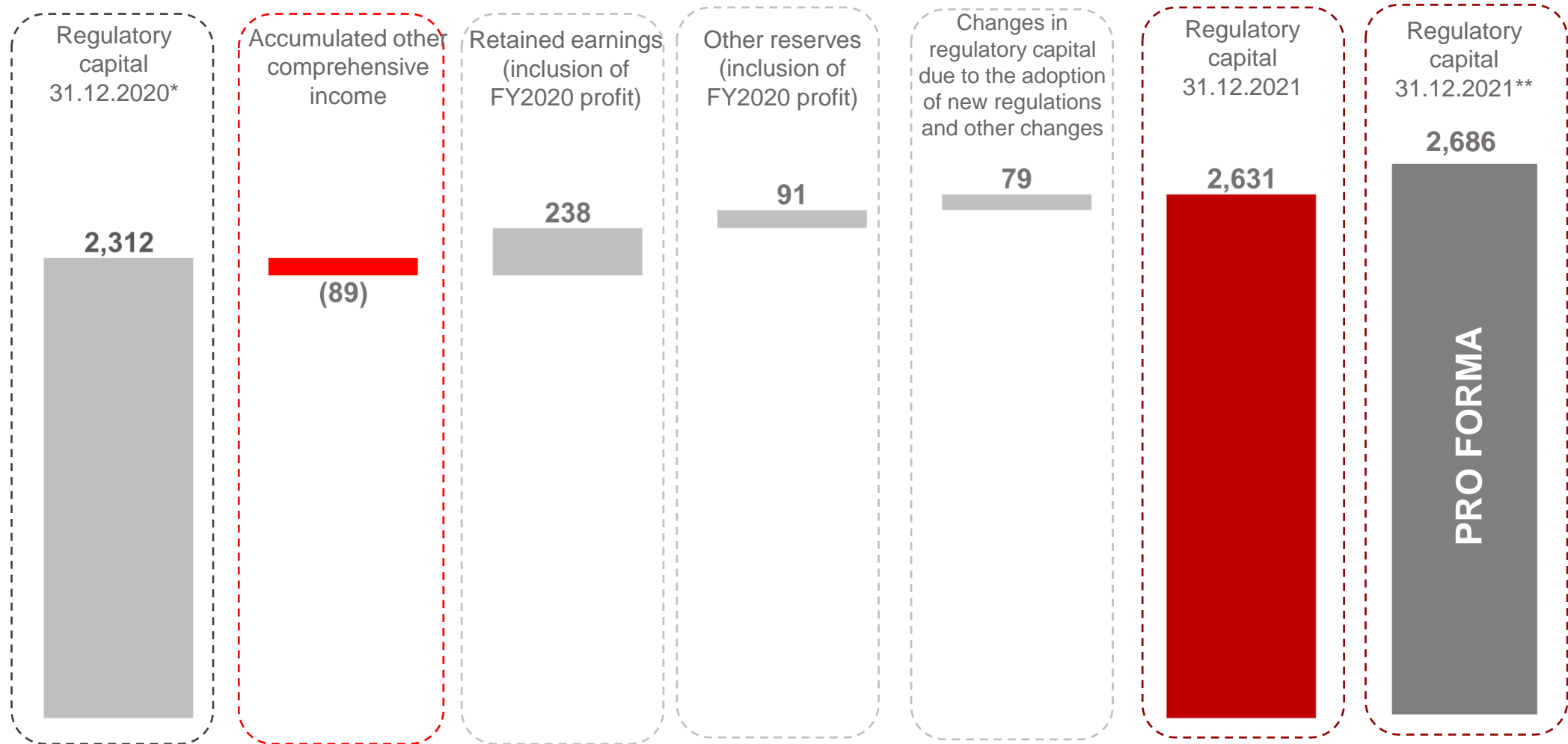
3 Financials

4 Risk Management

5 Appendix

Regulatory Capital Development

Regulatory capital development (in HRK mn)



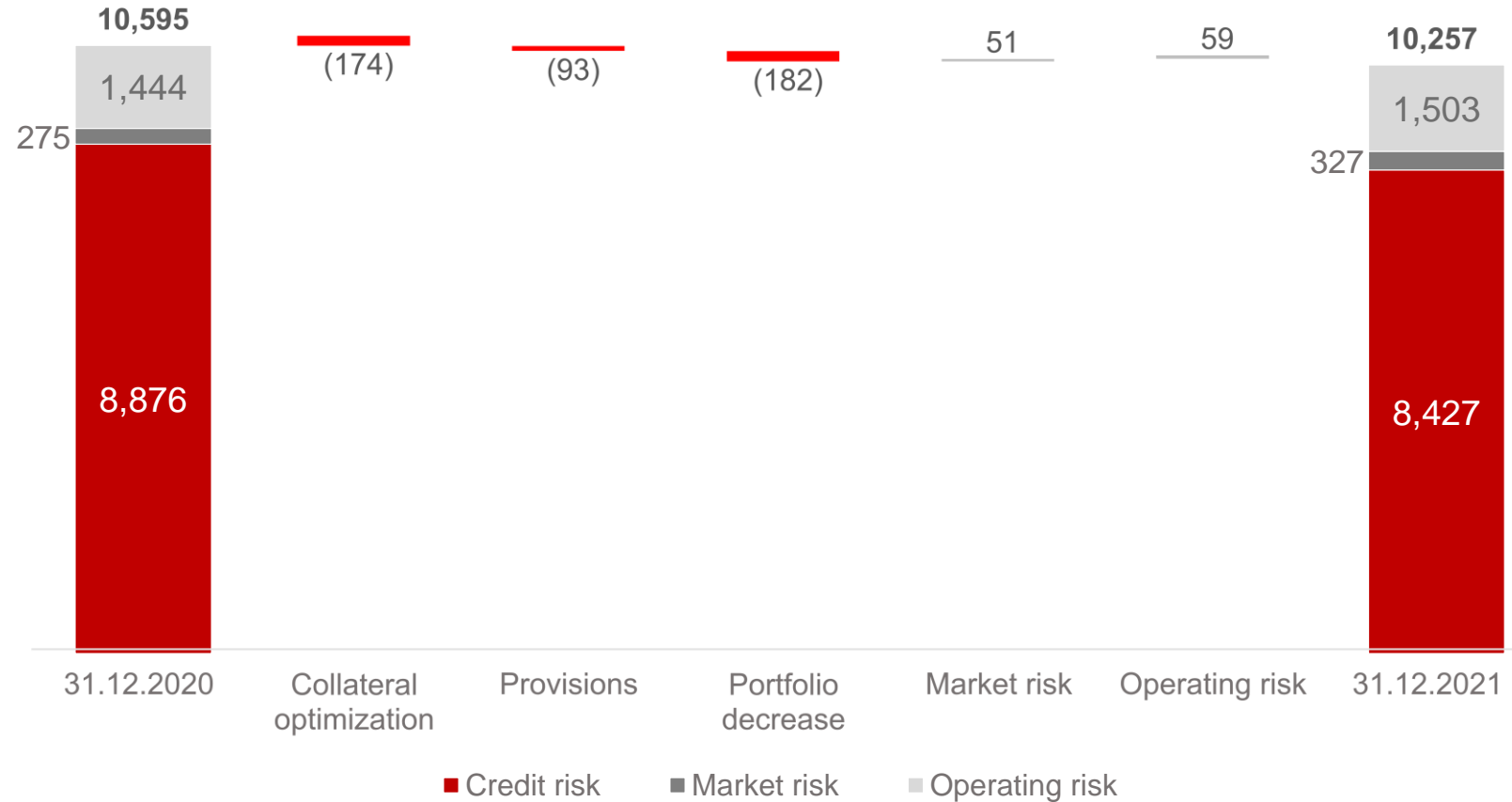
*Note there is a difference to regulatory capital reported in Investor information for Q4 2020 (HRK 2,314 mn) due to revised deduction amount of deferred tax assets - a decrease of HRK 1.8 mn in comparison with unaudited calculation of regulatory capital presented in Investor information for Q4 2020

**Regulatory capital with inclusion of 2021 net profit



RWA Development

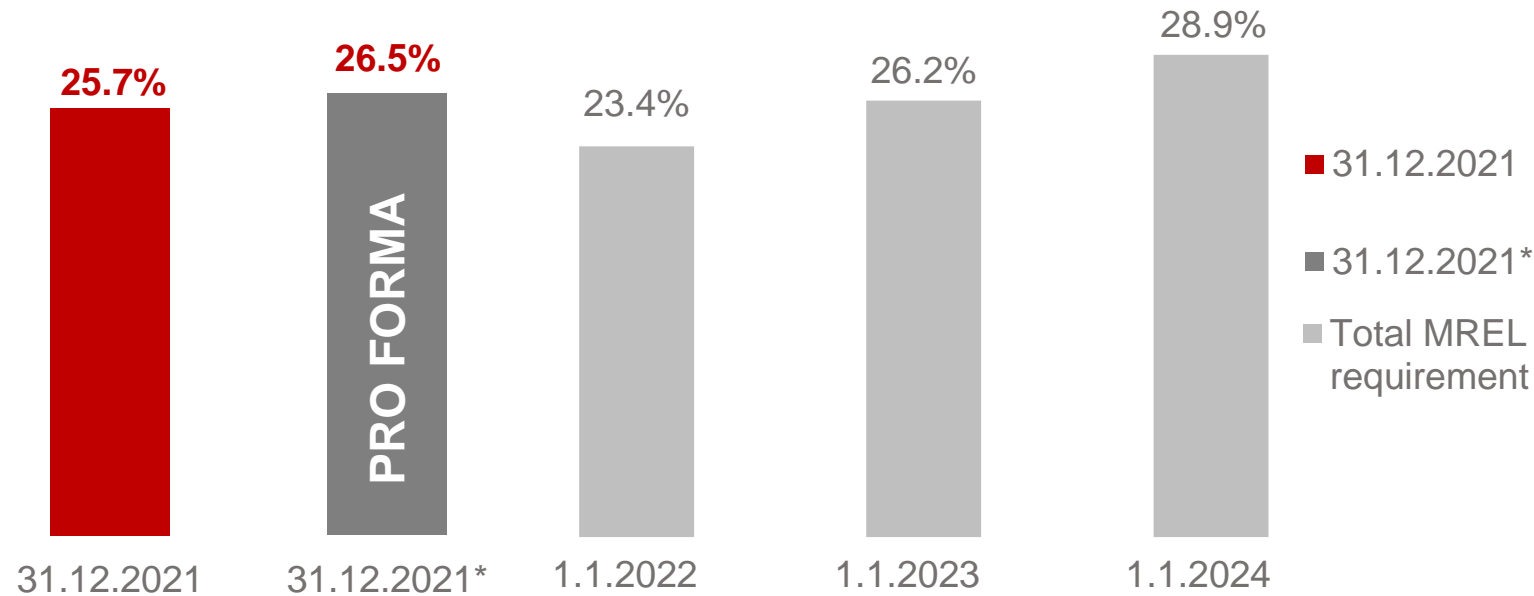
RWA development (in HRK mn)



- Risk-weighted assets decreased only in the credit risk segment due to collateral optimization and decrease in NPE.

Meeting MREL requirements

Actual CET1 ratios vs. total MREL requirement



* Pro forma CET 1 ratio with inclusion of H2 2021 net profit

- The Bank has adopted plan to meet MREL requirements during H1 2021;
- Bank's **total capital ratio above** first binding transitional **MREL requirement**.

Exposures and coverage per stage

Segment	Stage	31.12.2020				31.12.2021			
		Exposure	Exposure excluding 100% government guarantees	Coverage	Coverage without 100% government guarantees	Exposure	Exposure excluding 100% government guarantees	Coverage	Coverage excluding 100% government guarantees
CORPORATE	S1	58.5%		3.8%		45.9%		1.4%	
CORPORATE	S2	6.8%		8.1%		18.2%		7.6%	
CORPORATE	S3	34.7%	21.7%	47.7%	75.2%	35.9%	25.8%	47.8%	75.7%
SME	S1	49.3%		4.2%		41.4%		1.8%	
SME	S2	16.8%		15.5%		26.6%		8.2%	
SME	S3	33.9%	33.9%	71.3%	71.3%	31.9%	31.9%	66.7%	66.7%
STATE	S1	98.7%		1.0%		98.6%		0.4%	
STATE	S2	1.3%		7.2%		1.4%		2.9%	
STATE	S3	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.0%	2.0%*
RETAIL	S1	88.5%		0.5%		86.1%		1.3%	
RETAIL	S2	3.2%		7.6%		4.4%		10.8%	
RETAIL	S3	8.3%	8.3%	75.6%	75.6%	9.5%	9.5%	72.7%	72.7%
TOTAL	S1	85.9%		1.0%		84.5%		0.7%	
TOTAL	S2	3.7%		10.5%		5.7%		8.5%	
TOTAL	S3	10.4%	8.7%	62.2%	74.2%	9.8%	8.4%	61.1%	72.0%

*Relates to the exposure below HRK 0.5 mn.

1 Executive Summary

2 Macroeconomic environment

3 Financials

4 Risk Management

5 Appendix

Management report of Hrvatska poštanska Banka p.l.c.

Management report of Hrvatska poštanska Banka p.l.c. for the period from January 01 to December 31, 2021 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

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 plc., states that according to their best knowledge the set of unaudited financial statements for the period from January 01 to December 31, 2021, compiled in accordance with the accounting regulation applicable to credit institutions in Croatia, presents complete and accurate view of assets and liabilities, losses and gains, financial position and results of HPB p.l.c.

Tea Bažant

Executive Head of finance division

Marko Badurina

Chief Executive Officer

Anto Mihaljević

Member of the Management Board

Ivan Soldo

Member of the Management Board



Annex 1

ISSUER'S GENERAL DATA

Reporting period:

01.01.2021.

to

31.12.2021.

Year:

2021

Quarter:

4

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 4

E-mail address: hpb@hpb.hr

Web address: www.hpb.hr

Number of employees
(end of the reporting

1289

Consolidated report:

KN

(KN-not consolidated/KD-consolidated)

Audited:

RN

(RN-not audited/RD-audited)

Names of subsidiaries (according to IFRS):

Registered office:

MB:

Bookkeeping firm:

No

(Yes/No)

(name of the bookkeeping firm)

Contact person: Tea Bažant

(only name and surname of the contact person)

Telephone: 014804670

E-mail address: tea.bazant@hpb.hr

Audit firm:

(name of the audit firm)

Certified auditor:

(name and surname)

BALANCE SHEET
as at December 31, 2021

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	3.662.460.152	6.177.602.131
Cash in hand	002	900.072.987	1.422.548.361
Cash balances at central banks	003	2.224.401.393	4.339.757.848
Other demand deposits	004	537.985.772	415.295.922
Financial assets held for trading (from 6 to 9)	005	719.257.423	616.670.614
Derivatives	006	-	-
Equity instruments	007	95.340.654	105.639.274
Debt securities	008	623.916.769	511.031.340
Loans and advances	009	-	-
Non-trading financial assets mandatorily at fair value through profit or loss (from 11 to 13)	010	38.865.901	9.316.729
Equity instruments	011	20.000.000	-
Debt securities	012	-	-
Loans and advances	013	18.865.901	9.316.729
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	4.158.015.469	4.601.319.906
Equity instruments	018	49.027.711	48.896.784
Debt securities	019	4.108.987.758	4.552.423.122
Loans and advances	020	-	-
Financial assets at amortised cost (22 + 23)	021	16.413.935.375	15.955.565.325
Debt securities	022	1.978.784	454.371
Loans and advances	023	16.411.956.591	15.955.110.954
Derivatives - hedge accounting	024	-	-
Fair value changes of the hedged items in portfolio hedge of interest rate risk	025	-	-
Investments in subsidiaries, joint ventures and associates	026	9.760.843	9.760.843
Tangible assets	027	326.523.749	310.680.257
Intangible assets	028	91.038.847	93.319.300
Tax assets	029	2.797.956	642.640
Other assets	030	40.321.775	50.579.782
Fixed assets and disposal groups classified as held for sale	031	-	9.200.000
Total assets (1 + 5 + 10 + 14 + 17 + 21 + from 24 to 31)	032	25.462.977.490	27.834.657.527
Liabilities			
Financial liabilities held for trading (from 34 to 38)	033	21.172	-
Derivatives	034	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	22.688.405.792	24.599.744.662
Deposits	044	22.569.135.023	24.505.320.711
Debt securities issued	045	-	-
Other financial liabilities	046	119.270.769	94.423.951
Derivatives - hedge accounting	047	-	-
Fair value changes of the hedged items in portfolio hedge of interest rate risk	048	-	-
Provisions	049	125.688.739	341.273.561
Tax liabilities	050	25.697.310	64.392.779
Share capital repayable on demand	051	-	-
Other liabilities	052	150.060.287	178.816.674
Liabilities included in disposal groups classified as held for sale	053	-	-
Total liabilities (33 + 39 + 43 + from 47 to 53)	054	22.989.873.300	25.184.227.676
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	264.974.555	240.193.702
Retained profit	060	200.321.464	291.352.537
Revaluation reserves	061	-	-
Other reserves	062	611.448.026	702.479.098
(-) Treasury shares	063	(477.000)	(477.000)
Profit or loss attributable to owners of the parent	064	182.062.145	202.106.513
(-) Interim dividends	065	-	-
Minority interests [non-controlling interests]	066	-	-
Total equity (from 55 to 66)	067	2.473.104.190	2.650.429.850
Total equity and liabilities (54 + 67)	068	25.462.977.490	27.834.657.526

STATEMENT OF PROFIT AND LOSS
for the period January 01, 2021 to December 31, 2021

Submitter: Hrvatska poštanska banka p.l.c.

in HRK

Item	AOP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
Interest income	001	588.918.099	147.709.898	560.475.074	135.480.277
(Interest expenses)	002	51.583.346	11.627.607	36.363.820	8.838.268
(Expenses on share capital repayable on demand)	003	-	-	-	-
Dividend received	004	3.292.513	11.671	2.043.665	53.598
Fees and commissions income	005	450.155.698	108.279.355	482.976.369	112.905.359
(Fees and commissions expenses)	006	273.888.635	65.272.158	290.099.614	69.031.008
Gains or (-) losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	007	35.035.565	-	671.529	508
Gains or (-) losses on financial assets and liabilities held for trading, net	008	47.068.263	18.424.922	59.962.657	10.403.671
Gains or losses on non-trading financial assets mandatorily at fair value through profit or loss, net	009	(571.077)	(787.789)	30.491.412	53.461
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	(8.624.819)	(1.037.018)	(7.592.753)	(1.436.657)
Gains or (-) losses on derecognition of non-financial assets, net	013	-	-	-	-
Other operating income	014	10.448.879	4.092.981	18.529.530	11.730.813
(Other operating expenses)	015	13.223.239	3.575.095	19.815.032	11.397.317
Total operating income, net (1 – 2 – 3 + 4 + 5 – 6 + from 7 to 14 – 15)	016	787.027.901	196.219.160	801.279.017	179.924.437
(Administrative expenses)	017	381.956.776	72.394.373	408.674.319	124.512.807
(Contributions in cash rehabilitation committees and Deposit Insurance Schemes)	018	42.002.367	10.488.737	13.916.357	3.479.089
(Depreciation)	019	75.816.110	17.704.706	67.020.386	16.768.958
Modification gains or (-) losses, net	020	(3.386.347)	(2.550)	(4.328.639)	(2.350.084)
(Provisions or (-) reversal of provisions)	021	(61.671.217)	1.020.378	306.219	(20.428.201)
(Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss)	022	109.876.155	26.428.653	63.262.189	61.565.820
(Impairment or (-) reversal of impairment of investments in subsidiaries, joint ventures and associates)	023	-	-	-	-
(Impairment or (-) reversal of impairment on non-financial assets)	024	8.711.610	8.711.610	(1.903.399)	(1.903.399)
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	226.949.753	59.468.153	245.674.307	(6.420.721)
(Tax expense or (-) income related to profit or loss from continuing operations)	029	44.887.608	10.841.591	43.567.794	(1.968.869)
Profit or (-) loss after tax from continuing operations (27 – 28)	030	182.062.145	48.626.562	202.106.513	(4.451.852)
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	182.062.145	48.626.562	202.106.513	(4.451.852)
Attributable to minority interest [non-controlling interests]	035	-	-	-	-
Attributable to owners of the parent	036	182.062.145	48.626.562	202.106.513	(4.451.852)
STATEMENT OF OTHER COMPREHENSIVE INCOME					
Income or (-) loss for the current year	037	182.062.145	48.626.562	202.106.513	(4.451.852)
Other comprehensive income (38 + 50)	038	(82.538.216)	9.184.875	(24.780.853)	(18.371.251)
Items that will not be reclassified to profit or loss (from 39 to 45) + 48 + 49)	039	(4.199.151)	(4.199.151)	1.831.095	2.288.818
Tangible assets	040	(7.533.354)	(7.533.354)	6.411.028	6.411.028
Intangible assets	041	-	-	-	-
Actuarial gains or (-) losses on defined benefit pension plans	042	1.825.625	1.825.625	(2.968.225)	(2.968.225)
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	1.508.578	1.508.578	(1.611.708)	(1.153.985)
Items that may be reclassified to profit or loss (from 51 to 58)	051	(78.339.065)	13.384.026	(26.611.948)	(20.660.069)
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	(95.463.311)	16.394.117	(32.525.728)	(25.195.206)
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	17.124.246	(3.010.091)	5.913.780	4.535.137
Total comprehensive income for the current year (36 + 37; 60 + 61)	060	99.523.929	57.811.437	177.325.660	(22.823.103)
Attributable to minority interest [non-controlling interest]	061	-	-	-	-
Attributable to owners of the parent	062	99.523.929	57.811.437	177.325.660	(22.823.103)

STATEMENT OF CASH FLOW
for the period January 01, 2021 to December 31, 2021

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	227.124.253	245.674.307
Adjustments:			
Impairment and provisions	010	174.933.719	67.897.047
Depreciation	011	74.952.898	67.020.386
Net unrealised (gains)/losses on financial assets and liabilities at fair value through statement of profit or loss	012	(73.479.009)	(91.125.598)
(Profit)/loss from the sale of tangible assets	013	-	-
Other non-cash items	014	(537.334.753)	(524.111.254)
Promjene u imovini i obvezama iz poslovnih aktivnosti			
Deposits with the Croatian National Bank	015	(280.916.192)	(107.284.615)
Deposits with financial institutions and loans to financial institutions	016	258.285.873	-
Loans and advances to other clients	017	(1.316.301.519)	496.539.424
Securities and other financial instruments at fair value through other comprehensive income	018	468.611.329	(470.130.770)
Securities and other financial instruments held for trading	019	(65.609.242)	171.790.050
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	-	50.800.000
Securities and other financial instruments at amortised cost	022	2.326.911	1.524.413
Other assets from operating activities	023	2.682.650	(10.258.008)
Deposits from financial institutions	024	105.943.541	(78.058.830)
Transaction accounts of other clients	025	1.255.559.114	914.860.795
Savings deposits of other clients	026	720.175.408	1.918.206.578
Time deposits of other clients	027	(928.046.118)	(773.984.130)
Derivative financial liabilities and other liabilities held for trading	028	5.952.655	(24.867.990)
Other liabilities from operating activities	029	862.044	244.034.990
Interest received from operating activities [indirect method]	030	588.918.099	552.108.813
Dividends received from operating activities [indirect method]	031	3.280.842	2.043.665
Interest paid from operating activities [indirect method]	032	(51.583.346)	(36.363.820)
(Income tax paid)	033	-	-
Net cash flow from operating activities (from 1 to 33)	034	636.339.157	2.616.315.452
Investing activities			
Cash receipts from the sale / payments for the purchase of tangible and intangible assets	035	(58.989.941)	(62.657.347)
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	-	-
Dividends received from investing activities	038	2.326.911	1.524.413
Other receipts/payments from investing activities	039	-	-
Net cash flow from investing activities (from 35 to 39)	040	(56.663.030)	(61.132.934)
Financing activities			
Net increase/(decrease) in loans received from financing activities	041	475.822.595	(44.838.724)
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	475.822.595	(44.838.724)
Net increase/(decrease) of cash and cash equivalents (34 + 40 + 47)	048	1.055.498.721	2.510.343.794
Cash and cash equivalents at the beginning of period	049	3.037.318.898	4.084.192.801
Effect of exchange rate fluctuations on cash and cash equivalents	050	(8.624.819)	(7.592.753)
Cash and cash equivalents at the end of period (48 + 49 + 50)	051	4.084.192.800	6.586.943.842

STATEMENT OF CHANGES IN EQUITY
for the period January 01, 2021 to December 31, 2021

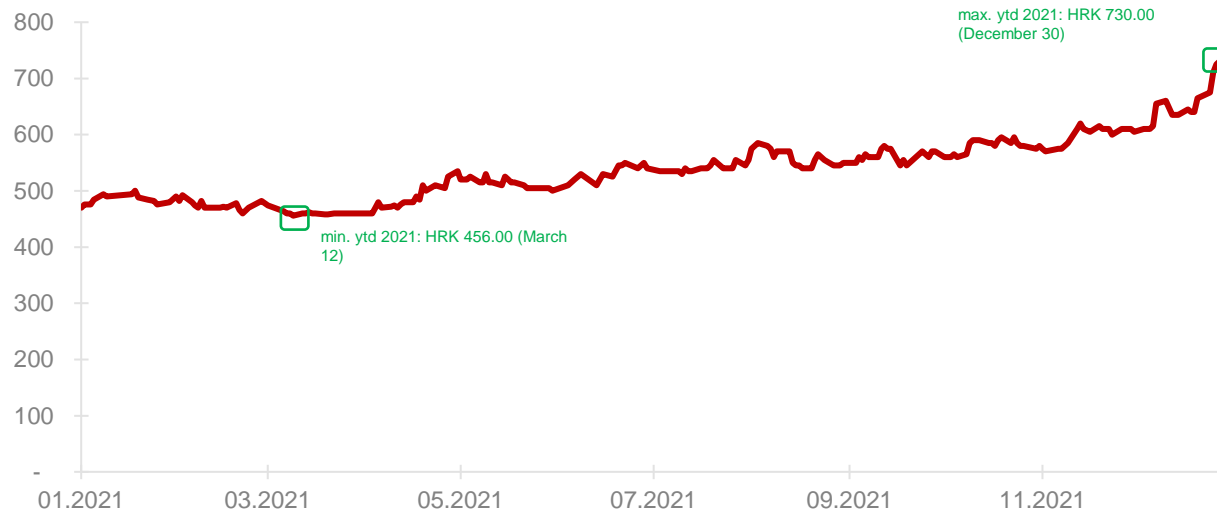
in HRK

Item	AOP code	Atributable 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	
	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Opening balance (before restatement)	001	1.214.775.000	-	-	-	264.974.558	200.321.464	-	611.448.026	(477.000)	182.062.145	-	-	-	2.473.104.190
Effects of error corrections	002	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effects of changes in accounting policies	003	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Opening balance (current period) (1 + 2 + 3)	004	1.214.775.000	-	-	-	264.974.558	200.321.464	-	611.448.026	(477.000)	182.062.145	-	-	-	2.473.104.190
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	-	-	-	-	-	91.031.073	-	91.031.073	-	(182.062.145)	-	-	-	-
Share based payments	017	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other increase or (-) decrease of equity instruments	018	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the current year	019	-	-	-	-	(24.780.853)	-	-	-	-	202.106.513	-	-	-	199.820.152
Equity instruments increase or (-) decrease resulting from business combinations	020	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance (current period) (from 4 to 20)	021	1.214.775.000	-	-	-	240.193.702	291.352.537	-	702.479.099	(477.000)	202.106.513	-	-	-	2.672.824.342

Notes to financial statements

1) INTEREST INCOME						in HRK	
AOP 001	Same period of the previous year 01.01.- 31.12.2020.		Current period 01.01. - 31.12.2021.				
	Cumulative	Quarter	Cumulative	Quarter			
Debt securities	81.200.505	19.781.507	72.516.026	16.735.784			
Loans and advances	507.402.698 #	127.826.158	487.949.750	118.744.492			
Other assets	314.906 #	102.233	9.296	-			
Deposits	-	-	-	-			
Other liabilities	-	-	-	-			
Total	588.918.099	147.709.899	560.475.074	135.480.277			
2) INTEREST EXPENSE						in HRK	
AOP 002	Same period of the previous year 01.01.- 31.12.2020.		Current period 01.01. - 31.12.2021.				
	Cumulative	Quarter	Cumulative	Quarter			
Debt securities	-	-	123.576	123.576			
Loans and advances	2.873.659	847.064	4.101.084	1.495.434			
Other assets	-	-	-	-			
Deposits	47.526.686	10.310.091	32.077.317	7.162.374			
Other liabilities	1.183.001	470.451	61.743	56.784			
Total	51.583.346	11.627.606	36.363.620	8.838.266			
3) FEE AND COMMISSION INCOME						in HRK	
AOP 005	Same period of the previous year 01.01.- 31.12.2020.		Current period 01.01. - 31.12.2021.				
	Cumulative	Quarter	Cumulative	Quarter			
Securities	3.269.735	3.037.509	3.023.066	757.563			
Asset management	44.754	10.656	35.100	6.632			
Custody (according to the type of client)	3.651.552	97.941	5.336.001	1.375.488			
Loan commitments	72.553	13.757	25.465	4.293			
Other	443.117.102	105.119.492	474.556.657	110.781.393			
Total	450.155.698	108.279.355	482.978.389	112.905.359			
4) FEE AND COMMISSION EXPENSE						in HRK	
AOP 006	Same period of the previous year 01.01.- 31.12.2020.		Current period 01.01. - 31.12.2021.				
	Cumulative	Quarter	Cumulative	Quarter			
Bank clearing and settlement	1.726.624 #	454.600	1.936.040	397.663			
Other	272.162.011	59.617.668	388.163.574	68.833.344			
Total	273.888.635	60.272.168	390.099.614	69.031.008			
5) GAIN/LOSSES ON TERMINATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES						in HRK	
AOP 007	Same period of the previous year 01.01.- 31.12.2020.		Current period 01.01. - 31.12.2021.				
	Cumulative	Quarter	Cumulative	Quarter			
Debt securities	35.035.565	-	-	-			
Loans and advances	-	-	-	-			
Deposits	-	-	-	-			
Debt Securities Issued	-	-	-	-			
Other financial liabilities	-	-	671.529	508			
Total	35.035.565	-	671.529	508			
6) GAINS OR (-) LOSSES ON FINANCIAL ASSETS AND LIABILITIES HELD FOR TRADING						in HRK	
AOP 008	Same period of the previous year 01.01.- 31.12.2020.		Current period 01.01. - 31.12.2021.				
	Cumulative	Quarter	Cumulative	Quarter			
Equity instruments	(770.953)	(770.953)	10.326.550	1.688.982			
Debt securities	(7.006.878)	5.373.210	(7.400.995)	(4.798.306)			
FX transactions and derivatives	54.845.094	13,822,665	57,037,101	13,333,015			
Total	47,068,263	18,424,922	59,962,657	10,403,671			
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.- 31.12.2020.		Current period 01.01. - 31.12.2021.				
	Cumulative	Quarter	Cumulative	Quarter			
Equity instruments	-	-	30.900.000	-			
Debt securities	(571.077)	(787.788)	-	-			
Loans and advances	-	-	(300.599)	53.461			
Total	(571.077)	(787.788)	30,499,402	53,461			
8) OPERATING EXPENSES						in HRK	
AOP 015 & AOP 017 & AOP 018	Same period of the previous year 01.01.- 31.12.2020.		Current period 01.01. - 31.12.2021.				
	Cumulative	Quarter	Cumulative	Quarter			
Other operating expenses	13,223,299	3,575,095	19,815,032	11,397,317			
Administrative expenses	381,856,776	103,908,003	408,674,319	124,512,807			
Employee expenses	227,865,502	60,943,106	243,999,806	72,599,025			
Other administrative expenses	154,001,274	42,564,807	154,774,513	51,913,782			
(Contributions in cash rehabilitation committees and Deposit Insurance Scl)	42,002,567	10,488,737	13,916,357	3,479,089			
Amortization	75,816,110	17,704,706	67,020,386	16,788,958			
Property, plant and equipment	43,011,508	-	41,640,637	-			
Investment property	-	-	-	-			
Other intangible assets	32,804,602	(2,791,073)	25,179,550	6,429,867			
Total	512,968,493	135,676,811	509,428,095	156,158,171			
9) IMPAIRMENT LOSSES AND PROVISION EXPENSES						in HRK	
AOP 019 & AOP 020 & AOP 021 & AOP 022	Same period of the previous year 01.01.- 31.12.2020.		Current period 01.01. - 31.12.2021.				
	Cumulative	Quarter	Cumulative	Quarter			
Modification gains or (-) losses, net	(3,386,347)	(2,549)	(4,328,639)	(2,350,084)			
Financial assets at fair value through other comprehensive income	-	-	-	-			
Financial assets at amortized cost	(3,386,347)	(2,549)	(4,328,639)	(2,350,084)			
(Provisions or (-) reversal of provisions)	(61,671,217)	1,020,378	306,219	(20,428,201)			
Liabilities towards resolution committees and deposit insurance systems	-	-	-	-			
(Liabilities and Guarantees)	17,214,299	6,384,646	(16,209,564)	(20,877,744)			
(Other Provisions)	(78,885,516)	(5,364,268)	16,515,783	449,543			
(Impairment or (-) reversal of impairment on financial assets that are not measured at fair value through profit or loss)	109,876,155	26,428,653	63,282,189	61,565,820			
(Financial assets at fair value through other comprehensive income)	577,174	(99,553)	6,409,709	8,141,886			
(Financial assets at amortized cost)	109,298,981	26,528,206	56,852,480	53,423,934			
(Impairment or (-) reversal of impairment of investments in subsidiaries, joint ve	-	-	-	-			
(Impairment or (-) reversal of impairment of non-financial assets)	8,711,610	8,711,610	(1,903,399)	(1,903,399)			
(Property, plant and equipment)	-	-	(1,791,199)	(1,791,199)			
(Investment property)	8,711,610	8,711,610	(112,200)	(112,200)			
(Goodwill)	-	-	-	-			
(Other intangible assets)	-	-	-	-			
(Other)	-	-	-	-			
Total	60,302,895	36,163,190	65,993,647	41,584,303			
10) LOANS AND ADVANCES						in HRK	
AOP 023	31.12.2020.			31.12.2021.			
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Central banks	1,219,156,918	-	-	1,326,441,533	-	-	
Gross loans	1,219,156,918	-	-	1,326,441,533	-	-	
Allowance	-	-	-	-	-	-	
Government	3,942,201,966	30,961,917	645	3,442,687,361	27,214,597	-	
Gross loans	3,944,782,989	32,372,813	92,659	3,456,836,667	27,813,410	92,006	
Allowance	(22,581,024)	(1,410,896)	(92,014)	(13,949,306)	(598,813)	(92,006)	
Credit institutions	368,510,887	-	-	277,690,317	-	-	
Gross loans	57,300	-	-	117,158	-	-	
Allowance	27	-	-	(0)	-	-	
Deposits	368,896,913	-	-	278,323,532	-	-	
Allowance	(544,154)	-	-	(650,379)	-	-	
Other financial institutions	179,270,857	3,893	-	170,320,447	122	-	
Gross loans	168,696,297	3,893	-	160,489,050	122	-	
Allowance	(594,453)	(0)	-	(2,059,031)	(0)	-	
Deposits	11,262,954	-	-	12,188,549	-	-	
Allowance	(93,941)	-	-	(598,121)	-	-	
Non - financial institutions	2,197,946,615	401,530,258	636,985,919	1,653,985,391	770,088,173	615,079,209	
Gross loans	2,308,641,061	458,968,687	1,456,435,166	1,661,243,557	836,572,344	1,333,341,814	
Allowance	(110,694,446)	(57,438,429)	(819,449,247)	(25,858,296)	(66,484,172)	(718,292,695)	
Retail	7,022,179,455	293,126,885	162,079,076	7,096,078,985	372,303,977	221,121,872	
Gross loans	7,060,672,678	272,846,699	687,755,861	7,190,592,928	413,935,430	831,400,100	
Allowance	(38,493,224)	(21,719,714)	(525,676,785)	(94,214,942)	(41,631,453)	(810,278,228)	
Total	14,929,297,998	693,923,993	799,255,940	13,949,303,005	1,189,995,956	636,201,081	
11) NON-TRADING FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS						in HRK	
AOP 013	31.12.2020.		31.12.2021.				
Central banks	-	-	-	-			
Local state	-	-	-	-			
Credit institutions	-	-	-	-			
Other financial institutions	-	-	-	-			
Non - financial institutions	5,093,283	2,895,155	-	-			
Retail	13,772,616	6,421,574	-	-			
Total	18,865,901	9,316,729					
12) DEPOSITS						in HRK	
AOP 014	31.12.2020.		31.12.2021.				
Government	400,000,000	401,789,616	-	-			
Local state	5,325,748,428	6,575,113,951	-	-			
Credit institutions	209,013,088	103,484,950	-	-			
Other financial institutions	1,397,035,135	1,472,818,860	-	-			
Non - financial institutions	3,162,990,953	3,602,215,243	-	-			
Retail	12,074,549,419	12,349,888,002	-	-			
Total	22,569,135,023	24,505,320,711					

HPB-R-A stock during the reporting period



Stock data and details

Issue date	December 12, 2000
ISIN	HRHPB0RA0002
Segment	Zagreb Stock Exchange
Listed quantity	2,024,625
Share price as at September 30, 2021 (in HRK)	730.00
Market capitalisation (in HRK million)	1,477.98

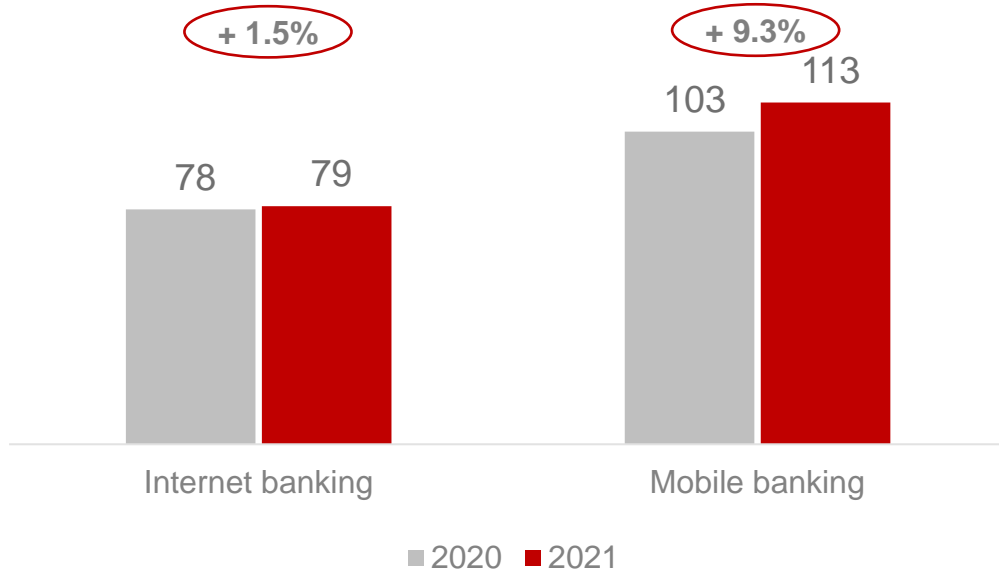
Shareholders

Ownership stake (%)

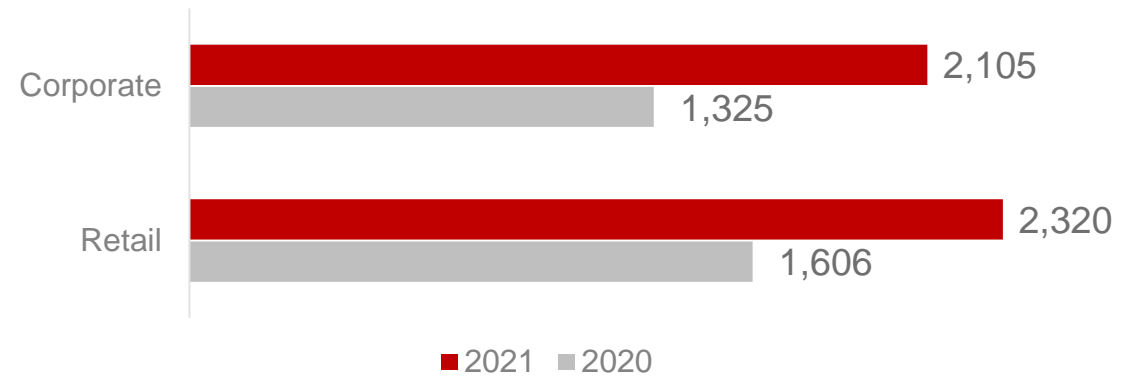
Republic of Croatia	44.90
Croatian Post PLC	11.93
Croatian Deposit Insurance Agency	8.98
Croatian Pension Insurance Institute	8.76
Hrvatska poštanska banka p.l.c. – treasury shares	0.04
Other shareholders (each under 5% of share of the c	25.39
Total shares	100.00

Direct channels

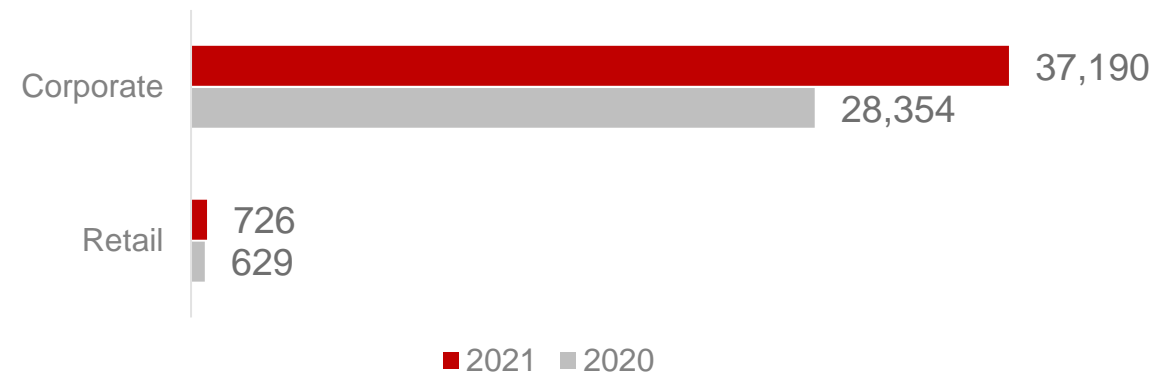
Number of users (in ths)



Transaction volume - Mobile banking (in HRK mn)



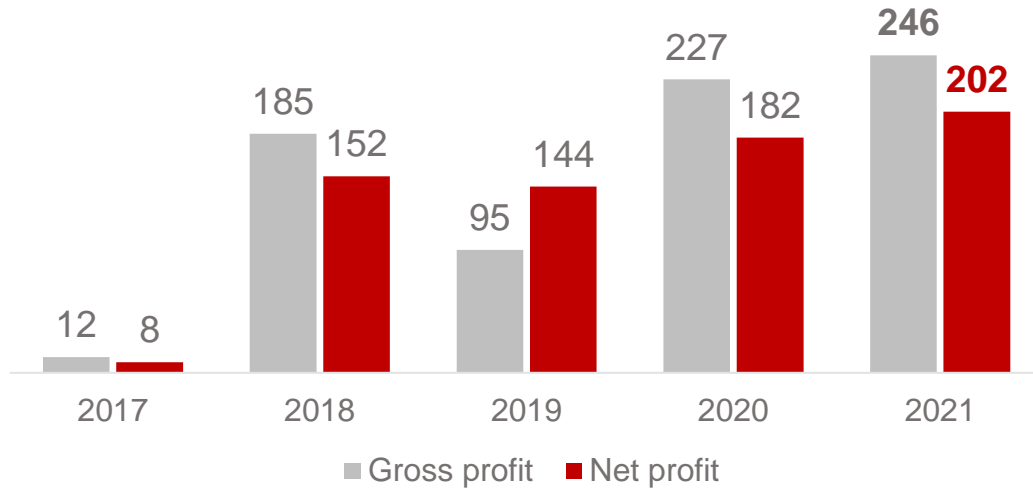
Transaction volume - Internet banking (in HRK mn)



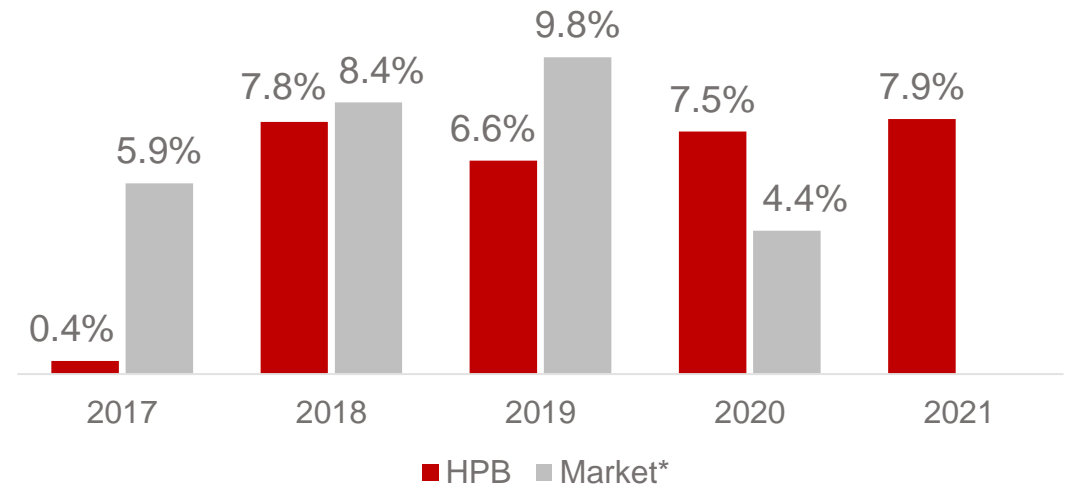
- **Continuous growth in digital channels** with focus on m-banking; m-banking users + 9.3% and transaction volume + 50.9% vs 12M 2020;
- **M-banking is primary digital channel for retail clients** (80 %);
- Further increase in e-banking users (+ 1.5%) and transaction volume (+ 30.8%) vs 12M 2020;
- **E-banking is primary digital channel for corporate clients** (82%).

Profitability

Profit development (in HRK mn)



Return on Average Equity ROAE

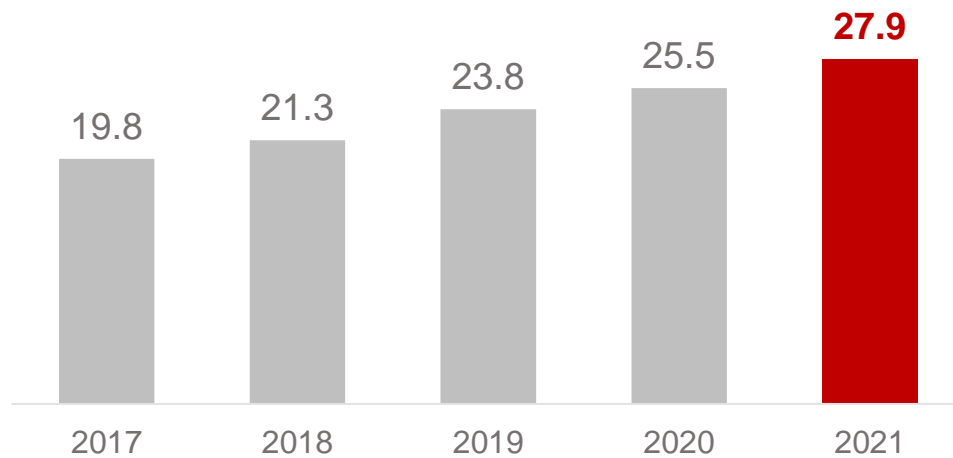


* Market share data for 2021 not available at the time presentation was published

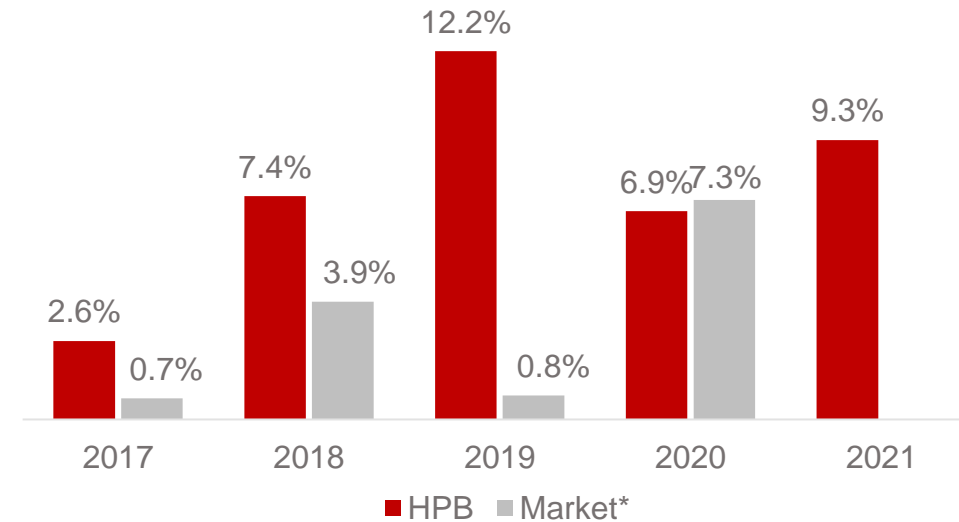
- Highest net profit in 30-year history as a result of increase in NCFI, trading and other income and reduction of deposit insurance premium.

Asset development

HPB's Asset development
(in HRK bn)



Comparative asset growth rates



* Market data were not available for 2021 at the time this presentation was published

- Bank's growth continued in 2021, asset up HRK + 2.4 bn;
- LCR (Liquidity Coverage Ratio) as of 31.12.2021 is at 183%.

HPB together with strategic partner Hrvatska pošta is accessible at over 1,000 locations

Products and services are offered to our current and potential clients in:

12 regional centers Retail and SME

- 51 offices and 6 branch offices for retail clients;
- 12 offices for corporate clients.

Post offices

- Payment services in HRK and contracting Bank's products and services in 1,015 post offices for retail clients while services for corporate clients are available at 987 locations;
- Loan services to retail clients in HP financial corner at 142 locations.

