

Quarterly financial statements for the period from Jan 01 to Mar 31 2017

Unaudited

Zagreb, April 28 2017

In accordance with Capital Markets Act, HPB p.l.c. publishes unaudited quarterly financial statements for the first quarter of 2017 (period from Jan 01 2017 to Mar 31 2017).

This report includes:

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

Financial statements and notes were made in accordance with the TFI-KI reporting methodology by Croatian Financial Services Supervisory Agency. Items in the profit or loss statement are compiled in accordance with IFRS.

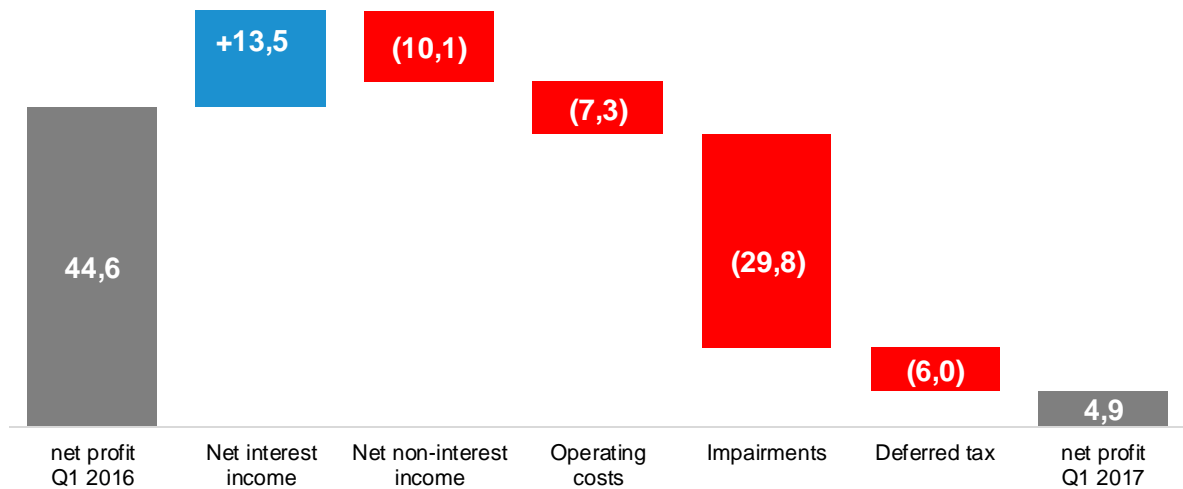
Key developments of positions and results in Q1 2017 were as follows:

- ✓ **Net profit** in the amount of HRK4.9M which is substantially **lower** than in the first quarter of 2016 primarily due to unplanned provision costs related to the exposure to Agrokor Group. The Group was affected by events and indications which have a negative impact on its ability to meet regular liabilities to its creditors,
- ✓ **Operating profit of HRK79M** was 4.7% lower YoY,
- ✓ **Increase in operating income** (+1.8%) primarily due to growth of the core credit-deposit operations and interest margin optimization,
- ✓ **Reduction in assets by 1.5%** in order to decrease risk exposure – RWA,
- ✓ Slightly better market shares by assets, loans and deposits at the start of 2017,
- ✓ **More than 10K new current accounts** and **almost 400 new corporate accounts**,
- ✓ **Book value per share was increased** by 6.1% or HRK55 YoY, and 0,4% or HRK3 QoQ, **to the amount of HRK962**,
- ✓ Internal measures focused on reducing risk exposure resulted with **better capital adequacy ratio of 15.84%**.

Management Report of HPB p.l.c.

The Bank made a net profit of HRK4.9M in the first quarter of 2017 which is 89.1% lower than in the same period last year.

Net profit developments in 2017 (HRK million)



Operating profit was HRK79M which is HRK3.9M lower than in the same period of 2016 due to absence of one-off effects from selling securities.

Net interest income was HRK132.3M which is 11.4% better than last year. Despite a 4.4% (HRK7.7M) drop in interest income, interest expenses were cut by a larger amount (36.6% or HRK 21.2M) by optimizing structure of funding sources, and active price policy management.

Net income from commissions and fees in the first quarter of 2017 was HRK42.6M which is 1.7% better than in the same period last year. The Bank increased a revenue from sustainable commissions – in retail by increasing the number of new current accounts and HPB combinations, and in corporate segment by an increase in HRK payment transactions, guarantees and commissions for unused facilities. Another reason for the increase are higher client activities in both retail and corporate segments amid strong acquisition of new accounts.

Trading and available-for-sale assets profit was HRK10M which is 48% lower than in the same period last year. Last year the Bank sold bonds from available-for sale portfolio, while these effects were absent in 2017. This decrease was also affected by negative capital market movements in March which lowered value of securities in the held-for-trading portfolio.

Income from FX differences was decreased compared to the previous years amid mostly balanced FX position due to necessary maintenance of minimal effect to the Bank's capital in order to minimize market risk exposure.

Operating expenses were up by 7.1% which was, on one hand due to new initiatives and strategic projects, and on the other due to earlier marketing campaign than in 2016.

Impairment losses have jumped substantially (+72.3%) due to provisions for exposure to a domestic group amid increased uncertainties for loans payback after events and circumstances which indicate credit payment problems.

Amid lower deposit base **the Bank's assets were down by 1.5%** to HRK19.1B. In the assets structure gross loans to customers were down by 1.3% as the **loans growth is limited by the Bank's capital position.**

Received deposits were down by 1.7% but their liabilities' share remained stable. The largest decrease was recorded in corporate segment (-3.6%) amid higher usage of corporate demand deposit funds. Part of the funds were spilled over to term deposits, and the other part was used to increase corporate investments.

The Bank had more than enough liquidity from other sources and had returned slightly more than HRK100M of received loans in line with the payment plan which lowered the interest margin burden.

Amid started risk exposure optimization measures and higher regulatory capital, capital adequacy rate was 15.84% on March 31 2017. The increase of 0.2 pp in 2017 was made at expense of profit capacity.



Tomislav Vuić
President of the
Management Board

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

In accordance with the Capital Market Act, the Management Board of HPB p.l.c., states that according to their best knowledge the set of unaudited quarterly financial statements for the first quarter 2017 (period from Jan 01 to Mar 31 2017), 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.



Tomislav Katić
Executive director
Finance division



Tomislav Vuić
President of the
Management Board

HPB p.l.c.

Appendix 3.

Reporting period:

Jan 01

to

Mar 31 2017

Quarterly financial statements for credit institutions TFI-KIRegistration number (MB): **03777928**Registration number (MBS): **080010698**Personal identification number (OIB): **87939104217**Company: **HPB p.l.c.**Postal code and city: **10000****ZAGREB**Address: **JURIŠIĆEVA 4**E-mail address: hpb@hpb.hrInternet address: www.hpb.hrCity code and name: **133** **ZAGREB**County code and name: **21** **GRAD ZAGREB**# of employees: **1.067**

(as per reporting date)

Consolidated report: **NO**Industry code: **6419**

Consolidated companies (in accordance with IFRS):

Headquarters:

Registration number:

Consolidated companies (in accordance with IFRS):	Headquarters:	Registration number:

Book-keeping service provided by: **n/a****n/a**Contact: **Čižmešija Marko**Phone: **014888191**Fax: **014804594**E-mail address: marko.cizmesija@hpb.hrSurname and name: **Vuić Tomislav**

(person authorized for representation)

Documentation to be made public:

1. Financial reports (balance sheet, profit or loss statement, cash flow statement, statement on changes in equity and notes to financial statements)
2. Management report
3. Statement by persons accountable for compiling the report

BALANCE SHEET
 as per **Mar 31 2017**
in HRK

Item	AOP label	Dec 31 2016	Mar 31 2017
1	2	3	4
ASSETS			
1. CASH AND DEPOSITS WITH THE CNB (002+003)	001	2.263.303.114	2.657.997.177
1.1.Cash	002	421.479.852	435.063.654
1.2.Deposits with the CNB	003	1.841.823.262	2.222.933.523
2. DEPOSITS WITH FINANCIAL INSTITUTIONS	004	774.135.009	624.332.685
3. SHORT-TERM TREASURY BILLS OF THE CROATIAN MINISTRY OF FINANCE	005	415.536.615	411.289.647
4. FINANCIAL ASSETS HELD FOR TRADING	006	551.322.886	503.382.141
5. FINANCIAL ASSETS AVAILABLE FOR SALE	007	2.630.574.528	2.388.870.141
6. FINANCIAL ASSETS HELD TO MATURITY	008	442.835.059	286.587.689
7. FINANCIAL ASSETS VALUED AT FAIR VALUE THROUGH PROFIT OR LOSS, NOT ACTIVELY TRADED	009	0	0
8. DERIVATIVE FINANCIAL ASSETS	010	3.780.197	0
9. LOANS TO FINANCIAL INSTITUTIONS	011	81.579.680	76.048.282
10. LOANS TO OTHER CUSTOMERS	012	11.250.340.147	11.056.555.421
11. INVESTMENTS IN SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES	013	53.420.000	53.420.000
12. REPOSSESSED ASSETS	014	0	0
13. TANGIBLE ASSETS (LESS DEPRECIATION)	015	146.091.281	143.437.356
14. OTHER ASSETS	016	744.801.351	866.076.738
A) TOTAL ASSETS (001+004 to 016)	017	19.357.719.867	19.067.997.277
LIABILITIES			
1. BORROWINGS FROM FINANCIAL INSTITUTIONS (019+020)	018	620.995.448	598.907.896
1.1. Short-term	019	0	0
1.2. Long-term	020	620.995.448	598.907.896
2. DEPOSITS (022 to 024)	021	14.529.990.572	14.282.857.208
2.1. Transactional and current accounts	022	4.009.237.425	3.933.958.902
2.2. Savings deposits (demand)	023	1.486.719.761	1.480.709.844
2.3. Term deposits	024	9.034.033.386	8.868.188.462
3. OTHER BORROWINGS (026+027)	025	88.426.108	5.206.873
3.1. Short-term	026	0	0
3.2. Long-term	027	88.426.108	5.206.873
4. DERIVATIVE AND OTHER FINANCIAL LIABILITIES HELD FOR TRADING	028	3.640.667	0
5. ISSUED SECURITIES (030+031)	029	0	0
5.1. Short-term	030	0	0
5.2. Long-term	031	0	0
6. SUBORDINATED DEBT ISSUED	032	0	0
7. HYBRID INSTRUMENTS	033	0	0
8. OTHER LIABILITIES	034	2.175.324.123	2.234.777.504
B) TOTAL LIABILITIES (018+021+025+028+029+032+033+034)	035	17.418.376.918	17.121.749.481
EQUITY			
1. SHARE CAPITAL	036	1.214.298.000	1.214.298.000
2. PROFIT FOR THE YEAR	037	188.277.328	4.852.325
3. RETAINED EARNINGS	038	82.293.647	176.432.311
4. REGULATORY RESERVES	039	6.160.835	15.574.701
5. STATUTARY AND OTHER CAPITAL RESERVES	040	363.623.023	448.347.821
6. FAIR VALUE RESERVE	041	84.690.116	86.742.638
7. RESERVES ARISING FROM HEDGING TRANSACTIONS	042	0	0
C) TOTAL EQUITY (036 to 042)	043	1.939.342.949	1.946.247.796
D) TOTAL LIABILITIES AND EQUITY (035+043)	044	19.357.719.867	19.067.997.277

PROFIT OR LOSS STATEMENT

for the period from Jan 01 2017 to Mar 31 2017

in HRK

Item	AOP label	Jan 01 - Mar 31 2016		Jan 01 - Mar 31 2017	
		Cumulative	Quarterly	Cumulative	Quarterly
1	2	3	4	5	6
1. Interest income	048	176.824.344	176.824.344	169.087.875	169.087.875
2. Interest expense	049	57.991.635	57.991.635	36.754.226	36.754.226
3. Net interest income (048-049)	050	118.832.709	118.832.709	132.333.649	132.333.649
4. Fee and commission income	051	114.126.674	114.126.674	114.584.366	114.584.366
5. Fee and commission expense	052	72.198.228	72.198.228	71.961.969	71.961.969
6. Net fee and commission income (051-052)	053	41.928.446	41.928.446	42.622.397	42.622.397
7. Gains less losses arising from investments in subsidiaries, associated companies and joint ventures	054	0	0	0	0
8. Gains less losses from trading activities	055	11.085.176	11.085.176	9.695.471	9.695.471
9. Gains less losses from built-in derivatives	056	0	0	0	0
10. Gains less losses arising from financial assets valued at fair value through P&L, not actively traded	057	0	0	0	0
11. Gains less losses arising from securities available for sale	058	8.214.839	8.214.839	334.916	334.916
12. Gains less losses arising from securities held to maturity	059	0	0	0	0
13. Gains less losses arising from hedging activities	060	0	0	0	0
14. Income from investments in subsidiaries, associated companies and joint ventures	061	0	0	2.200.000	2.200.000
15. Income from other equity instruments	062	7.138	7.138	21.668	21.668
16. Gains less losses from exchange rate differences	063	3.725.486	3.725.486	1.100.113	1.100.113
17. Other income	064	1.896.114	1.896.114	774.778	774.778
18. Other operating costs	065	11.511.436	11.511.436	14.490.872	14.490.872
19. General and administrative expenses, amortization and depreciation	066	91.272.449	91.272.449	95.556.161	95.556.161
20. Operating profit (050+053 to 064-065-066)	067	82.906.023	82.906.023	79.035.959	79.035.959
21. Impairment losses and provisions	068	41.175.416	41.175.416	70.961.931	70.961.931
22. PROFIT BEFORE TAXATION (067-068)	069	41.730.607	41.730.607	8.074.028	8.074.028
23. INCOME TAX EXPENSE / DEFERRED TAX	070	(2.824.745)	(2.824.745)	3.221.703	3.221.703
24. NET PROFIT FOR THE PERIOD (069-070)	071	44.555.352	44.555.352	4.852.325	4.852.325
25. Earnings per share	072	22	22	2	2

CASH FLOW STATEMENT - INDIRECT METHOD

 for the period from **Jan 01 2017** to **Mar 31 2017** in HRK

Item	AOP label	Jan 01 - Mar 31 2016	Jan 01 - Mar 31 2017
1	2	3	4
OPERATING ACTIVITIES			
1. Cash flow from operating activities before changes in assets (002 to 007)	001	87.852.827	88.851.390
1.1. Profit for taxation	002	41.730.607	8.074.028
1.2. Impairment losses and provisions	003	41.175.416	70.961.931
1.3. Amortization and depreciation	004	10.948.970	11.227.155
1.4. Net unrealised gains less losses from financial assets valued at fair value through profit or loss	005	(2.276.680)	(311.611)
1.5. Gains / losses from sale of tangible assets	006	0	0
1.6. Other gains / losses	007	(3.725.486)	(1.100.113)
2. Net increase / decrease of operating assets (009 to 016)	008	29.202.040	68.193.335
2.1. Deposits with the CNB	009	337.654.291	(381.110.261)
2.2. Treasury bills of the Croatian Ministry of Finance	010	(97.635.669)	4.246.968
2.3. Deposits with and loans to financial institutions	011	(1.721.136)	155.333.721
2.4. Loans to other customers	012	(144.366.051)	224.641.088
2.5. Financial assets held for trading	013	(160.759.611)	48.252.357
2.6. Financial assets available for sale	014	34.267.274	239.651.866
2.7. Financial assets valued at fair value through profit or loss, not actively traded	015	0	0
2.8. Other operating assets	016	61.762.942	(222.822.404)
3. Net increase / decrease of operating liabilities (018 to 021)	017	(17.295.635)	(191.320.650)
3.1. Transactional accounts	018	2.105.805	(75.278.523)
3.2. Savings and term deposits	019	276.107.364	(171.854.842)
3.3. Derivative financial liabilities and other liabilities actively traded	020	0	(3.640.667)
3.4. Ostale liabilities	021	(295.508.804)	59.453.382
4. Net cash flow from operating activities before taxation (001+008+017)	022	99.759.232	(34.275.925)
5. Income tax paid	023	0	0
6. Net cash inflow / outflow from operating activities (022+023)	024	99.759.232	(34.275.925)
INVESTING ACTIVITIES			
7. Net cash flow from investing activities (026 to 030)	025	(23.279.982)	153.639.495
7.1. Purchase of tangible and intangible assets	026	(7.216.915)	(4.829.543)
7.2. Investment in / disposal of subsidiaries, associated companies and joint ventures	027	0	0
7.3. Investment in / disposal of financial assets held to maturity	028	(16.070.205)	156.247.370
7.4. Dividends received	029	7.138	2.221.668
7.5. Other inflows / outflows from investing activities	030	0	0
FINANCIAL ACTIVITIES			
8. Net cash flow from financial activities (032 to 037)	031	(114.018.594)	(105.306.787)
8.1. Net increase / decrease of borrowings	032	(114.018.594)	(105.306.787)
8.2. Net increase / decrease of issued debt securities	033	0	0
8.3. Net increase / decrease of subordinated debt and hybrid instruments	034	0	0
8.4. Share capital raised	035	0	0
8.5. Dividends paid	036	0	0
8.6. Other inflows / outflows from financial activities	037	0	0
9. Net increase / decrease of cash and cash equivalents (024+025+031)	038	(37.539.344)	14.056.783
10. Effect of foreign exchange differences on cash and cash equivalents	039	2.870.625	(472.981)
11. Net increase/(decrease) in cash and cash equivalents (038+039)	040	(34.668.719)	13.583.802
12. Cash and cash equivalents at the beginning of the year	041	412.197.218	421.479.852
13. Cash and cash equivalents as per reporting date (040+041)	042	377.528.499	435.063.654

STATEMENT OF CHANGES IN EQUITY

for the period from **Jan 01 2017** to **Mar 31 2017** in HRK

Item	AOP label	Attributable to the shareholders of the parent company						Minority interest	Total equity
		Share capital	Own shares	Regulatory, statutory and other reserves	Retained earnings	Profit for the period	Fair value reserve		
1	2	3	4	5	6	7	8	9	10
Balance as per Jan 01 2017	001	1.214.775.000	(477.000)	369.783.858	82.293.647	188.277.328	84.690.116	0	1.939.342.949
Effects of changes in accounting policies and corrections of errors	002	0	0	0	0	0	0	0	0
Restated balance as per Jan 01 2017 (001+002)	003	1.214.775.000	(477.000)	369.783.858	82.293.647	188.277.328	84.690.116	0	1.939.342.949
Disposal of financial assets available for sale	004	0	0	0	0	0	0	0	0
Change in the fair value of financial assets available for sale	005	0	0	0	0	0	2.497.788	0	2.497.788
Tax on items recognised directly in/transferred from equity	006	0	0	0	0	0	(445.266)	0	(445.266)
Other gains and (losses) recognised directly in equity	007	0	0	0	0	0	0	0	0
Net gains/(losses) recognised directly in equity (004+005+006+007)	008	0	0	0	0	0	2.052.522	0	2.052.522
Profit for the period	009	0	0	0	0	4.852.325	0	0	4.852.325
Total recognized income and expense for the period (008+009)	010	0	0	0	0	4.852.325	2.052.522	0	6.904.847
Increase/decrease in share capital	011	0	0	0	0	0	0	0	0
Purchase/sale of own shares	012	0	0	0	0	0	0	0	0
Other changes	013	0	0	0	0	0	0	0	0
Transfer to reserves	014	0	0	94.138.664	94.138.664	(188.277.328)	0	0	0
Dividends paid	015	0	0	0	0	0	0	0	0
Profit allocation (014+015)	016	0	0	94.138.664	94.138.664	(188.277.328)	0	0	0
Balance as per Mar 31 2017 (003+010+011+012+013+016)	017	1.214.775.000	(477.000)	463.922.522	176.432.311	4.852.325	86.742.638	0	1.946.247.796

NOTES TO FINANCIAL STATEMENTS

A) PROFIT OR LOSS ACCOUNT

1) INTEREST INCOME

in HRK

	Jan 01 - Mar 31 2016		Jan 01 - Mar 31 2017	
	Cumulative	Quarterly	Cumulative	Quarterly
Loans	144.368.827	144.368.827	143.688.983	143.688.983
Deposits	434.577	434.577	(614.859)	(614.859)
Debt securities	32.020.940	32.020.940	26.013.751	26.013.751
TOTAL	176.824.344	176.824.344	169.087.875	169.087.875

2) INTEREST EXPENSE

in HRK

	Jan 01 - Mar 31 2016		Jan 01 - Mar 31 2017	
	Cumulative	Quarterly	Cumulative	Quarterly
Borrowings	5.587.366	5.587.366	3.937.966	3.937.966
Deposits	52.404.269	52.404.269	32.816.260	32.816.260
TOTAL	57.991.635	57.991.635	3.937.966	3.937.966

3) FEE AND COMMISSION INCOME

in HRK

	Jan 01 - Mar 31 2016		Jan 01 - Mar 31 2017	
	Cumulative	Quarterly	Cumulative	Quarterly
Cash payment operations - channels	70.020.839	70.020.839	68.214.212	68.214.212
Retail and card operations	29.986.698	29.986.698	30.873.717	30.873.717
Corporate operations	12.287.189	12.287.189	13.287.726	13.287.726
Other fee and commission income	1.831.948	1.831.948	2.208.711	2.208.711
TOTAL	114.126.674	114.126.674	114.584.366	114.584.366

4) FEE AND COMMISSION EXPENSE

in HRK

	Jan 01 - Mar 31 2016		Jan 01 - Mar 31 2017	
	Cumulative	Quarterly	Cumulative	Quarterly
Payment operations	68.162.326	68.162.326	68.358.109	68.358.109
Other fee and commission expense	4.035.902	4.035.902	3.603.860	3.603.860
TOTAL	72.198.228	72.198.228	71.961.969	71.961.969

5) GAINS LESS LOSSES FROM TRADING ACTIVITIES

in HRK

	Jan 01 - Mar 31 2016		Jan 01 - Mar 31 2017	
	Cumulative	Quarterly	Cumulative	Quarterly
Securities and equity instruments	2.434.960	2.434.960	1.727.730	1.727.730
FX transactions	9.786.627	9.786.627	8.007.655	8.007.655
HRK cash transactions	22.183	22.183	8.050	8.050
Derivatives	(1.158.594)	(1.158.594)	(47.964)	(47.964)
TOTAL	11.085.176	11.085.176	9.695.471	9.695.471

6) OPERATING EXPENSES

in HRK

	Jan 01 - Mar 31 2016		Jan 01 - Mar 31 2017	
	Cumulative	Quarterly	Cumulative	Quarterly
General and administrative expenses	80.323.479	80.323.479	84.329.006	84.329.006
Amortization and depreciation	10.948.970	10.948.970	11.227.155	11.227.155
Savings deposit insurance costs	8.560.000	8.560.000	8.998.000	8.998.000
Other costs	2.951.436	2.951.436	5.492.872	5.492.872
TOTAL	102.783.885	102.783.885	110.047.033	110.047.033

7) IMPAIRMENT LOSSES AND PROVISION EXPENSES

in HRK

	Jan 01 - Mar 31 2016		Jan 01 - Mar 31 2017	
	Cumulative	Quarterly	Cumulative	Quarterly
Individually identified impairment losses (risk group B i C)	44.754.408	44.754.408	77.113.585	77.113.585
Portfolio based provisions for identified losses (risk group A)	(3.666.797)	(3.666.797)	(6.497.374)	(6.497.374)
Other provisions	87.805	87.805	345.720	345.720
TOTAL	41.175.416	41.175.416	70.961.931	70.961.931

B) BALANCE SHEET
8) CASH AND DEPOSITS WITH THE CNB
in HRK

	Dec 31 2016	Mar 31 2017
CASH	421.479.852	435.063.654
DEPOSITS WITH THE CNB	1.841.823.262	2.222.933.523
Mandatory reserve	1.300.796.321	1.241.826.051
Account for transaction settlement	541.026.941	981.107.472
MANDATORY TREASURY BILLS	-	-
Portfolio based impairment allowance for identified losses	-	-
TOTAL	2.263.303.114	2.657.997.177

9) DEPOSITS WITH FINANCIAL INSTITUTIONS
in HRK

	Dec 31 2016	Mar 31 2017
Deposits with foreign banking institutions	753.064.739	578.104.034
Deposits with domestic banking institutions	21.070.270	46.228.651
Portfolio based impairment allowance for identified losses	-	-
TOTAL	774.135.009	624.332.685

10) EQUITY INSTRUMENTS AND SECURITIES
in HRK

	Dec 31 2016	Mar 31 2017
Short term Treasury bills of the Croatian Ministry of Finance	415.536.615	411.289.647
Financial assets held for trading	551.322.886	503.382.141
Financial assets available for sale	2.630.574.528	2.388.870.141
Financial assets held to maturity	450.105.787	287.890.577
Portfolio based impairment allowance for identified losses	(6.771.524)	(1.014.844)
Deferred front-end fee	(499.204)	(288.044)
TOTAL	4.040.269.088	3.590.129.618

11) LOANS TO CUSTOMERS
in HRK

	Dec 31 2016	Mar 31 2017
Loans to financial institutions	81.579.680	76.048.405
Gross loans	81.583.376	76.052.125
Impairment allowance	(3.696)	(3.720)
Loans to companies	2.783.381.353	2.753.062.347
Gross loans	3.880.932.056	3.861.556.975
Impairment allowance	(1.097.550.703)	(1.108.494.628)
Retail loans	4.577.784.714	4.595.733.867
Gross loans	4.799.866.200	4.837.532.286
Impairment allowance	(222.081.486)	(241.798.419)
therein: housing loans	1.423.592.367	1.423.761.528
Gross loans	1.441.669.433	1.440.756.974
Impairment allowance	(18.077.066)	(16.995.446)
Other loans	4.037.506.783	3.856.906.171
Gross loans	4.040.077.723	3.860.503.718
Impairment allowance	(2.570.940)	(3.597.547)
Portfolio based impairment allowance for identified losses	(103.076.997)	(105.082.300)
Deferred front-end fee	(45.255.706)	(44.064.787)
TOTAL	11.331.919.827	11.132.603.703

B) BALANCE SHEET (continued)
12) DEPOSITS
in HRK

	Dec 31 2016	Mar 31 2017
Financial institutions	1.180.254.901	1.125.207.857
Corporations	3.010.655.654	3.014.791.767
Retail	8.886.016.253	8.800.318.668
Other	1.453.063.764	1.342.538.916
TOTAL	14.529.990.572	14.282.857.208

13) BORROWINGS
in HRK

	Dec 31 2016	Mar 31 2017
Borrowings from HBOR	624.696.401	603.136.147
Borrowings from domestic banking institutions	-	-
Borrowings from domestic non-banking institutions	-	-
Borrowings from foreign banking institutions	88.426.109	5.206.873
Deferred front-end fee	(3.700.954)	(4.228.251)
TOTAL	709.421.556	604.114.769

14) OTHER LIABILITIES
in HRK

	Dec 31 2016	Mar 31 2017
Restricted deposits	1.715.292.949	1.684.225.351
Interest and fees payable	58.731.565	53.698.279
Provisions for off-balance sheet exposure	22.269.210	19.553.139
Other	379.030.399	477.300.735
TOTAL	2.175.324.123	2.234.777.504

C) CHANGES IN ACCOUNTING POLICIES

There were no changes in accounting policies of the Bank during the reporting period which might have impact on financial position or results of the Bank.

D) BANK'S OWNERSHIP STRUCTURE

Bank's ownership structure as per March 31 2017 was as follows:

Shareholder	Ownership stake
Republic of Croatia (Ministry of State Assets)	42,43%
HP Hrvatska pošta Plc	11,93%
State Agency for Deposit Insurance and Bank Resolution	8,98%
Croatian Pension Insurance Institute (Ministry of State Assets)	8,76%
Prosperus Invest d.o.o., for Prosperus FGS	4,94%
PBZ CROATIA OSIGURANJE OMF (B category)	4,12%
ERSTE d.o.o. for ERSTE PLAVI OMF (B category)	3,90%
Allianz ZB d.o.o., for AZ OMF (B category)	2,88%
CROATIA osiguranje Plc	2,47%
Fund for Financing the Decommissioning of the Krško Nuclear Power Plant and the Disposal of NEK Radioactive Waste and Spent Nuclear Fuel	2,36%
RAIFFEISEN D.D., for Raiffeisen OMF (B category)	2,20%
Minorities	4,99%
Own shares	0,04%

D) HPB-R-A STOCK

Share HPB-R-A is listed on the Official Market of ZSE. The last price per share at the end of the reporting period was HRK 699,00 (Mar 30 2017), representing a decrease of 6,9 percent in comparison with the last traded price in 2016 (=HRK 751,00 on Dec 30 2016).

Trading with HPB-R-A during the reporting period was as follows:

