



**Consolidated Financial Statements for  
the period from January 01 to March  
31, 2019**

*Unaudited*

HRVATSKA POŠTANSKA BANKA, p.l.c.

In accordance with the Capital Markets Act, HPB p.l.c. (Bank) as the parent company of HPB Group (Group) publishes unaudited consolidated financial statements for the period from January 01 to March 31 2019.

This report includes:

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

Financial statements and notes have been compiled in accordance with instructions defined in Rulebook on format and content of interim financial reports of issuers (NN 65/2018).

## Management report of HPB Group

HPB Group is, apart from the parent company – HPB p.l.c., comprised of HPB-Stambena štedionica (savings bank), HPB Invest (investment fund management), HPB-nekretnine (real estate agency) and Jadranska banka d.d. Šibenik.

After the reporting date, at April 1, 2019. Jadranska banka was successfully merged to Hrvatska poštanska banka p.l.c.

In Q1 2019. the Group recorded **net profit of HRK 64.7 million**. The Group still records solid profitability in the environment of low interest rates and preparation activities for the merger of Jadranska banka d.d.

Net profit is mainly consisted of parent-company result, apart from, HPB Stambena štedionica recorded a net profit of HRK 986 thousand, HPB Invest added a net profit of HRK 348 thousand and HPB nekretnine recorded net profit of HRK 165 thousand. Jadranska banka p.l.c. recorded a net loss amounting to HRK 3.3 million, most caused by the cost of preparing for the integration that was successfully completed and which were inevitable.

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

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Tomislav Vuić  
CEO

## Statement of persons accountable for compiling the consolidated report of HPB Group

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 01 to March 31 2019, 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 :

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Tea Bažant  
Executive director  
Finance division

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Tomislav Vuić  
CEO

HRVATSKA POŠTANSKA BANKA, p.l.c.

Annex 1		
ISSUER'S GENERAL DATA		
Reporting period:	1.1.2019	to 31.3.2019
Year:	2019	
Quarter:	1	
<b>Quarterly financial statements</b>		
Registration number (MB):	03777928	Issuer's home Member State code: HRVATSKA
Entity's registration number (MBS):	080010698	
Personal identification number (OIB):	87939104217	LEI: 529900D5G4V6THXC5P79
Institution code:	319	
Name of the issuer:	HRVATSKA POŠTANSKA BANKA, p.l.c.	
Postcode and town:	10000	ZAGREB
Street and house number:	JURIŠIĆEVA 4	
E-mail address:	hpb@hpb.hr	
Web address:	www.hpb.hr	
Number of employees (end of the reporting period):		
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-Stambena Štedionica d.d.	Savska 58, 10000 Zagreb	2068001
HPB Invest d.o.o.	Strojarska 20, 10000 Zagreb	1972278
HPB-nekretnine d.o.o.	Amruševa 8, 10000 Zagreb	1972260
Jadranska banka d.d.	Ante Starčevića 4, 22000 Šibenik	3019349
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 March 31 2019**

in HRK

<b>Submitter: Hrvatska poštanska banka p.l.c.</b>			
<b>Item</b>	<b>ADP code</b>	<b>Last day of the preceding business year</b>	<b>At the reporting date of the current period</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
<b>Assets</b>			
Cash, cash balances at central banks and other demand deposits (from 2 to 4)	<b>001</b>	<b>4,174,072,806</b>	<b>2,637,649,032</b>
Cash in hand	<b>002</b>	508,022,480	792,638,265
Cash balances at central banks	<b>003</b>	2,770,834,522	1,701,586,131
Other demand deposits	<b>004</b>	895,215,804	143,424,636
Financial assets held for trading (from 6 to 9)	<b>005</b>	814,679,702	651,394,473
Derivatives	<b>006</b>	479,860	0
Equity instruments	<b>007</b>	132,682,086	66,650,208
Debt securities	<b>008</b>	681,517,756	584,744,265
Loans and advances	<b>009</b>		0
Non-trading financial assets mandatorily at fair value through profit or loss (from 11 to 13)	<b>010</b>	1,755,565	1,759,618
Equity instruments	<b>011</b>	79,277	83,330
Debt securities	<b>012</b>	0	0
Loans and advances	<b>013</b>	1,676,288	1,676,288
Financial assets at fair value through profit or loss (15 + 16)	<b>014</b>	0	0
Debt securities	<b>015</b>		0
Loans and advances	<b>016</b>		0
Financial assets at fair value through other comprehensive income (from 18 to 20)	<b>017</b>	4,060,105,428	5,158,268,417
Equity instruments	<b>018</b>	19,101,961	24,094,340
Debt securities	<b>019</b>	4,041,003,467	5,134,174,077
Loans and advances	<b>020</b>	0	0
Financial assets at amortised cost (22 + 23)	<b>021</b>	13,618,001,796	13,926,402,636
Debt securities	<b>022</b>	98,348,773	76,722,238
Loans and advances	<b>023</b>	13,519,653,023	13,849,680,398
Derivatives - hedge accounting	<b>024</b>	0	0
Fair value changes of the hedged items in portfolio hedge of interest rate risk	<b>025</b>	0	0
Investments in subsidiaries, joint ventures and associates	<b>026</b>	0	0
Tangible assets	<b>027</b>	208,009,445	160,495,889
Intangible assets	<b>028</b>	115,346,193	128,308,285
Tax assets	<b>029</b>	23,328,406	0
Other assets	<b>030</b>	64,784,690	371,538,945
Fixed assets and disposal groups classified as held for sale	<b>031</b>	24,702,677	20,000,000
<b>Total assets (1 + 5 + 10 + 14 + 17 + 21 + from 24 to 31)</b>	<b>032</b>	<b>23,104,786,708</b>	<b>23,055,817,295</b>

**BALANCE SHEET (CONTINUED)**  
 as at March 31 2019

in HRK

Submitter: Hrvatska poštanska banka p.l.c.			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
<b>Liabilities</b>			
<b>Financial liabilities held for trading (from 34 to 38)</b>	<b>033</b>	<b>445,274</b>	<b>4,394</b>
Derivatives	034	445,274	4,394
Short positions	035	0	0
Deposits	036	0	0
Debt securities issued	037	0	0
Other financial liabilities	038	0	0
<b>Financial liabilities at fair value through profit or loss (from 40 to 42)</b>	<b>039</b>	<b>0</b>	<b>0</b>
Deposits	040	0	0
Debt securities issued	041	0	0
Other financial liabilities	042	0	0
<b>Financial liabilities measured at amortised cost (from 44 to 46)</b>	<b>043</b>	<b>20,784,004,680</b>	<b>20,466,624,258</b>
Deposits	044	20,776,614,263	19,744,059,153
Debt securities issued	045	0	0
Other financial liabilities	046	7,390,417	722,565,105
Derivatives - hedge accounting	047	0	0
<b>Fair value changes of the hedged items in portfolio hedge of interest rate risk</b>	<b>048</b>	<b>0</b>	<b>4,394</b>
<b>Provisions</b>	<b>049</b>	<b>122,452,836</b>	<b>132,034,755</b>
<b>Tax liabilities</b>	<b>050</b>	<b>25,118,600</b>	<b>14,924,324</b>
<b>Share capital repayable on demand</b>	<b>051</b>	<b>0</b>	<b>0</b>
<b>Other liabilities</b>	<b>052</b>	<b>156,928,578</b>	<b>284,170,464</b>
<b>Liabilities included in disposal groups classified as held for sale</b>	<b>053</b>	<b>0</b>	<b>0</b>
<b>Total liabilities (33 + 39 + 43 + from 47 to 53)</b>	<b>054</b>	<b>21,088,949,969</b>	<b>20,897,762,589</b>
<b>Equity</b>			
Initial capital	055	1,214,775,000	1,214,775,000
Share premium	056	0	0
Equity instruments issued other than capital	057	0	0
Other equity instruments	058	0	0
Accumulated other comprehensive income	059	101,235,748	178,031,866
Retained profit	060	137,956,415	294,608,875
Revaluation reserves	061	0	0
Other reserves	062	406,399,544	406,399,544
( - ) Treasury shares	063	-477,000	-477,000
Profit or loss attributable to owners of the parent	064	155,947,033	64,716,421
(--) Interim dividends	065	0	0
Minority interests [non-controlling interests]	066	0	0
<b>Total equity (from 55 to 66)</b>	<b>067</b>	<b>2,015,836,740</b>	<b>2,158,054,706</b>
<b>Total equity and liabilities (54 + 67)</b>	<b>068</b>	<b>23,104,786,709</b>	<b>23,055,817,295</b>

**STATEMENT OF PROFIT AND LOSS**  
 for the period January 01, 2019 to March 31, 2019

in HRK

Submitter: Hrvatska poštanska banka p.l.c.

Item	ADP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
Interest income	001	154,214,649	154,214,649	152,456,818	152,456,818
(Interest expenses)	002	28,727,890	28,727,890	19,582,734	19,582,734
(Expenses on share capital repayable on demand)	003	0	0	0	0
Dividend received	004	14,483	14,483	0	0
Fees and commissions income	005	113,643,028	113,643,028	120,480,564	120,480,564
(Fees and commissions expenses)	006	69,966,730	69,966,730	71,753,115	71,753,115
Gains or (-) losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	007	0	0	0	0
Gains or (-) losses on financial assets and liabilities held for trading, net	008	10,738,753	10,738,753	24,201,441	24,201,441
Gains or losses on non-trading financial assets mandatorily at fair value through profit or loss, net	009	0	0	4,053	4,053
Gains or (-) losses on financial assets and liabilities at fair value through profit or loss, net	010	0	0	0	0
Gains or (-) losses from hedge accounting, net	011	0	0	0	0
Exchange rate differences [gain or (-) loss], net	012	1,364,151	1,364,151	-814,172	-814,172
Gains or (-) losses on derecognition of non-financial assets, net	013	0	0	341,697	341,697
Other operating income	014	2,559,563	2,559,563	16,102,225	16,102,225
(Other operating expenses)	015	10,876,673	10,876,673	19,085,261	19,085,261
<b>Total operating income, net (1 – 2 – 3 + 4 + 5 – 6 + from 7 to 14 – 15)</b>	<b>016</b>	<b>172,963,333</b>	<b>172,963,334</b>	<b>202,351,516</b>	<b>202,351,516</b>



**STATEMENT OF PROFIT AND LOSS (CONTINUED)**  
**for the period January 01, 2019 to March 31, 2019**

in HRK

**Submitter: Hrvatska poštanska banka p.l.c.**

Item	ADP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Kumulativ	Tromjesečje
1	2	3	4	5	6
(Administrative expenses)	<b>017</b>	91,203,559	91,203,559	101,857,328	101,857,328
(Depreciation)	<b>018</b>	11,347,577	11,347,577	12,157,038	12,157,038
Modification gains or (-) losses, net	<b>019</b>	-3,329,037	-3,329,037	0	0
(Provisions or (-) reversal of provisions)	<b>020</b>	-412,763	-412,763	0	0
(Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss)	<b>021</b>	-14,162,987	-14,162,987	6,483,334	6,483,334
(Impairment or (-) reversal of impairment of investments in subsidiaries, joint ventures and associates)	<b>022</b>		0	0	0
(Impairment or (-) reversal of impairment on non-financial assets)	<b>023</b>		0	0	0
Negative goodwill recognised in profit or loss	<b>024</b>		0	0	0
Share of the profit or (-) loss of investments in subsidiaries, joint ventures and associates accounted for using the equity method	<b>025</b>		0	0	0
Profit or (-) loss from fixed assets and disposal groups classified as held for sale not qualifying as discontinued operations	<b>026</b>		0	0	0
Profit or (-) loss before tax from continuing operations (16 – 17 – 18 + 19 – from 20 to 23 + from 24 to 26)	<b>027</b>	81,658,909	81,658,911	81,853,816	81,853,816
(Tax expense or (-) income related to profit or loss from continuing operations)	<b>028</b>	14,643,214	14,643,214	17,137,394	17,137,394
Profit or (-) loss after tax from continuing operations (27 – 28)	<b>029</b>	67,015,695	67,015,697	64,716,422	64,716,422
Profit or (-) loss after tax from discontinued operations (31 – 32)	<b>030</b>	0	0	0	0
Profit or (-) loss before tax from discontinued operations	<b>031</b>	0	0	0	0
(Tax expense or (-) income related to discontinued operations)	<b>032</b>	0	0	0	0
Profit or (-) loss for the year (29 + 30; 34 + 35)	<b>033</b>	66,166,324	66,166,324	66,532,851	66,532,851
Attributable to minority interest [non-controlling interests]	<b>034</b>	0	0	0	0
Attributable to owners of the parent	<b>035</b>	67,015,695	67,015,695	64,716,422	64,716,422

HRVATSKA POŠTANSKA BANKA, p.l.c.

**STATEMENT OF PROFIT AND LOSS (CONTINUED)**  
 for the period January 01, 2019 to March 31, 2019

in HRK

Submitter: Hrvatska poštanska banka p.l.c.

Item	ADP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
<b>STATEMENT OF OTHER COMPREHENSIVE INCOME</b>					
<b>Income or (-) loss for the current year</b>	<b>036</b>	67,015,695	67,015,697	64,716,422	64,716,422
<b>Other comprehensive income (38 + 50)</b>	<b>037</b>	<b>8,924,335</b>	<b>8,924,335</b>	<b>76,796,118</b>	<b>76,796,118</b>
<b>Items that will not be reclassified to profit or loss (from 39 to 45) + 48 + 49)</b>	<b>038</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Tangible assets	039	0	0	0	0
Intangible assets	040	0	0	0	0
Actuarial gains or (-) losses on defined benefit pension plans	041	0	0	0	0
Fixed assets and disposal groups classified as held for sale	042	0	0	0	0
Share of other recognised income and expense of entities accounted for using the equity method	043	0	0	0	0
Fair value changes of equity instruments measured at fair value through other comprehensive income	044	0	0	0	0
Gains or (-) losses from hedge accounting of equity instruments at fair value through other comprehensive income, net	045	0	0	0	0
Fair value changes of equity instruments measured at fair value through other comprehensive income [hedged item]	046	0	0	0	0
Fair value changes of equity instruments measured at fair value through other comprehensive income [hedging instrument]	047	0	0	0	0
Fair value changes of financial liabilities at fair value through profit or loss attributable to changes in their credit risk	048	0	0	0	0
Income tax relating to items that will not be reclassified	049	0	0	0	0
<b>Items that may be reclassified to profit or loss (from 51 to 58)</b>	<b>050</b>	<b>8,924,335</b>	<b>8,924,335</b>	<b>76,796,118</b>	<b>76,796,118</b>
Hedge of net investments in foreign operations [effective portion]	051	0	0	0	0
Foreign currency translation	052	0	0	0	0
Cash flow hedges [effective portion]	053	0	0	0	0
Hedging instruments [not designated elements]	054	0	0	0	0
Debt instruments at fair value through other comprehensive income	055	10,789,185	10,789,185	93,653,802	93,653,802
Fixed assets and disposal groups classified as held for sale	056	0	0	0	0
Share of other recognised income and expense of investments in subsidiaries, joint ventures and associates	057	0	0	0	0
Income tax relating to items that may be reclassified to profit or (-) loss	058	-1,864,850	-1,864,850	-16,857,684	-16,857,684
<b>Total comprehensive income for the current year (36 + 37; 60 + 61)</b>	<b>059</b>	<b>75,940,030</b>	<b>75,940,032</b>	<b>141,512,540</b>	<b>141,512,540</b>
<b>Attributable to minority interest [non-controlling interest]</b>	<b>060</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Attributable to owners of the parent</b>	<b>061</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**STATEMENT OF CASH FLOW**  
 for the period January 01, 2019 to March 31, 2019

in HRK

Submitter: Hrvatska poštanska banka p.l.c.			
Item	ADP 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	0	0
Fees and commissions received	002	0	0
(Interest paid and similar expenditures)	003	0	0
(Fees and commissions paid)	004	0	0
(Operating expenses paid)	005	0	0
Net gains/losses from financial instruments at fair value through statement of profit or loss	006	0	0
Other receipts	007	0	0
(Other expenditures)	008	0	0
<b>Operating activities - indirect method</b>			
Profit/(loss) before tax	009	82,426,961	81,853,816
Adjustments:		0	0
Impairment and provisions	010	-14,575,750	6,483,334
Depreciation	011	11,347,577	12,157,038
Net unrealised (gains)/losses on financial assets and liabilities at fair value through statement of profit or loss	012	340,387	-22,317,471
(Profit)/loss from the sale of tangible assets	013	-134,466	-143,996
Other non-cash items	014	-1,351,108	845,600
<b>Changes in assets and liabilities from operating activities</b>			
Deposits with the Croatian National Bank	015	-381,110,261	858,030,057
Deposits with financial institutions and loans to financial institutions	016	-213,808,924	-293,381,820
Loans and advances to other clients	017	117,986,393	-120,158,606
Securities and other financial instruments at fair value through other comprehensive income	018	-8,989,966	-1,832,889,651
Securities and other financial instruments held for trading	019	4,351,587	184,730,600
Securities and other financial instruments at fair value through statement of profit or loss, not traded	020	0	-28,908,892
Securities and other financial instruments mandatorily at fair value through statement of profit or loss	021	0	0
Securities and other financial instruments at amortised cost	022	0	22,439
Other assets from operating activities	023	80,813,122	56,689,198
Deposits from financial institutions	024	0	-83,025,500
Transaction accounts of other clients	025	-26,885,431	1,083,374,363
Savings deposits of other clients	026	-33,101,250	1,371,027,605
Time deposits of other clients	027	0	-1,135,754,549
Derivative financial liabilities and other liabilities held for trading	028	6,537	0
Other liabilities from operating activities	029	-78,012,552	-466,598,237
Interest received from operating activities [indirect method]	030	0	0
Dividends received from operating activities [indirect method]	031	14,483	0
Interest paid from operating activities [indirect method]	032	0	0
(Income tax paid)	033	0	0
<b>Net cash flow from operating activities (from 1 to 33)</b>	<b>034</b>	<b>-460,682,661</b>	<b>-327,964,672</b>

HRVATSKA POŠTANSKA BANKA, p.l.c.

**STATEMENT OF CASH FLOW (CONTINUED)**  
 for the period January 01, 2019 to March 31, 2019

in HRK

Submitter: Hrvatska poštanska banka p.l.c.			
Item	ADP code	Item	ADP code
1	2	1	2
<b>Investing activities</b>			
Cash receipts from the sale / payments for the purchase of tangible and intangible assets	035	-6,224,619	-19,826,917
Cash receipts from the sale / payments for the purchase of investments in branches, associates and joint ventures	036	0	-122,750,000
Cash receipts from the sale / payments for the purchase of securities and other financial instruments held to maturity	037	0	0
Dividends received from investing activities	038	0	0
Other receipts/payments from investing activities	039	0	0
<b>Net cash flow from investing activities (from 35 to 39)</b>	<b>040</b>	<b>-6,224,619</b>	<b>-142,576,917</b>
<b>Financing activities</b>			
Net increase/(decrease) in loans received from financing activities	041	-2,313,176	90,788,695
Net increase/(decrease) in debt securities issued	042	0	0
Net increase/(decrease) in Tier 2 capital instruments	043	0	0
Increase in share capital	044	0	0
(Dividends paid)	045	0	0
Other receipts/(payments) from financing activities	046	0	0
<b>Net cash flow from financing activities (from 41 to 46)</b>	<b>047</b>	<b>-2,313,176</b>	<b>90,788,695</b>
<b>Net increase/(decrease) of cash and cash equivalents (34 + 40 + 47)</b>	<b>048</b>	<b>-469,220,456</b>	<b>-379,752,894</b>
<b>Cash and cash equivalents at the beginning of period</b>	<b>049</b>	<b>3,660,100,884</b>	<b>3,128,314,965</b>
Effect of exchange rate fluctuations on cash and cash equivalents	050	-1,125,526	3,895,146
<b>Cash and cash equivalents at the end of period (48 + 49 + 50)</b>	<b>051</b>	<b>3,189,754,902</b>	<b>2,752,457,217</b>

STATEMENT OF CHANGES IN EQUITY  
for the period January 01, 2019 to March 31, 2019

in HRK

Item	ADP code	Attributable to owners of the parent											Non-controlling interest		Total
		Equity	Share premium	Equity instruments issued other than capital	Other equity instruments	Accumulated other comprehensive income	Retained profit	Revaluation reserves	Other reserves	(-) Treasury shares	Profit or (-) loss attributable to owners of the parent	(-) Interim dividends	Accumulated other comprehensive income	Other items	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Opening balance [before restatement]	001	1,214,775,000				101,235,748	137,956,415	0	463,632,987	-477,000	155,947,033	0	0	0	2,073,070,183
Effects of error corrections	002	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Effects of changes in accounting policies	003	0	0	0	0	0	0	0	-57,233,443	0	0	0	0	0	-57,233,443
Opening balance [current period] (1 + 2 + 3)	004	1,214,775,000	0	0	0	101,235,748	137,956,415	0	406,399,544	-477,000	155,947,033	0	0	0	2,015,836,740
Ordinary shares issue	005	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Preference shares issue	006	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Issue of other equity instruments	007	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Exercise or expiration of other equity instruments issued	008	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Conversion of debt to equity	009	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital reduction	010	0	0	0	0	0	0	0	0	0	0	0	0	0	0

**HRVATSKA POŠTANSKA BANKA, p.l.c.**
**STATEMENT OF CHANGES IN EQUITY (CONTINUED)**  
**for the period January 01, 2019 to March 31, 2019**
**in HRK**

Item	ADP code	Attributable to owners of the parent											Non-controlling interest		Total
		Equity	Share premium	Equity instruments issued other than capital	Other equity instruments	Accumulated other comprehensive income	Retained profit	Revaluation reserves	Other reserves	(-) Treasury shares	Profit or (-) loss attributable to owners of the parent	(-) Interim dividends	Accumulated other comprehensive income	Other items	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Dividends	011	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Purchase/sale of treasury shares	012	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sale or cancellation of treasury shares	013	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Reclassification of financial instruments from equity to liability	014	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Reclassification of financial instruments from liability to equity	015	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfers among components of equity instruments	016	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Share based payments	017	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other increase or (-) decrease of equity instruments	018	0	0	0	0	76,796,118	156,652,460	0	0	0	-91,230,612	0	0	0	142,217,966
Total comprehensive income for the current year	019	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Equity instruments increase or (-) decrease resulting from business combinations	020	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Closing balance [current period] (from 4 to 20)	021	1,214,775,000	0	0	0	178,031,866	294,608,875	0	406,399,544	-477,000	64,716,421	0	0	0	2,158,054,706

## NOTES TO FINANCIAL STATEMENTS

### A) STATEMENT OF PROFIT AND LOSS

#### 1) INTEREST INCOME

*In HRK*

ADP 001	Same period of the previous year		Current period	
	Cumulative	Quarter	Cumulative	Quarter
Loans	135,635,832	135,635,832	132,089,181	132,089,181
Deposits	339,249	339,249	(98,793)	(98,793)
Securities	18,239,568	18,239,568	20,466,430	20,466,430
<b>Total</b>	<b>154,214,649</b>	<b>154,214,649</b>	<b>152,456,818</b>	<b>152,456,818</b>

#### 2) INTEREST EXPENSE

*in HRK*

ADP 002	Same period of the previous year		Current period	
	Cumulative	Quarter	Cumulative	Quarter
Borrowings	2,904,801	2,904,801	2,970,426	2,970,426
Deposit	25,823,089	25,823,089	16,612,307	16,612,307
<b>Total</b>	<b>28,727,890</b>	<b>28,727,890</b>	<b>19,582,734</b>	<b>19,582,734</b>

#### 3) FEE AND COMMISSION INCOME

*in HRK*

ADP 005	Same period of the previous year		Current period	
	Cumulative	Quarter	Cumulative	Quarter
Cash payment operations - channels	65,033,058	65,033,058	64,676,450	64,676,450
Retail and card operations	31,902,826	31,902,826	32,113,972	32,113,972
Corporate operations	13,795,537	13,795,537	14,978,492	14,978,492
Other fee and commission income	2,911,607	2,911,607	8,711,650	8,711,650
<b>Total</b>	<b>113,643,028</b>	<b>113,643,028</b>	<b>120,480,564</b>	<b>120,480,564</b>

#### 4) FEE AND COMMISSION EXPENSE

*in HRK*

ADP 006	Same period of the previous year		Current period	
	Cumulative	Quarter	Cumulative	Quarter
Payment operations	63,030,539	63,030,539	65,085,014	65,085,014
Other fee and commission expense	6,936,191	6,936,191	6,668,102	6,668,102
<b>Total</b>	<b>69,940,794</b>	<b>69,940,794</b>	<b>71,753,115</b>	<b>71,753,115</b>

**A) STATEMENT OF PROFIT AND LOSS (CONTINUED)**
**5) GAINS LESS LOSSES FROM TRADING ACTIVITIES**
*in HRK*

ADP 008	Same period of the previous year		Current period	
	Cumulative	Quarter	Cumulative	Quarter
Securities and equity instruments	(336,442)	(336,442)	15,395,774	15,395,774
FX transactions	11,435,273	11,435,273	9,063,005	9,063,005
HRK cash transactions	7,200	7,200	0	0
Derivatives	(367,278)	(367,278)	(257,338)	(257,338)
<b>Total</b>	<b>10,738,753</b>	<b>10,738,753</b>	<b>24,201,441</b>	<b>24,201,441</b>

**6) OPERATING EXPENSES**
*in HRK*

ADP 015 & ADP 017 & ADP 018	Same period of the previous year		Current period	
	Cumulative	Quarter	Cumulative	Quarter
General and administrative expenses	86,182,593	86,182,593	102,352,822	102,352,822
Amortization and depreciation	11,334,288	11,334,288	12,157,038	12,157,038
Savings deposit insurance costs	8,542,000	8,542,000	8,700,000	8,700,000
Other costs	7,368,928	7,368,928	9,889,767	9,889,767
<b>Total</b>	<b>113,427,809</b>	<b>113,427,809</b>	<b>133,099,627</b>	<b>133,099,627</b>

**7) IMPAIRMENT LOSSES AND PROVISION EXPENSES**
*in HRK*

ADP 021	Same period of the previous year		Current period	
	Cumulative	Quarter	Cumulative	Quarter
Impairments and provisions for losses	(18,712,132)	(18,712,132)	5,997,983	5,997,983
Other impairments and adjustments	4,549,145	4,549,145	485,350	485,350
<b>Total</b>	<b>(14,162,987)</b>	<b>(14,162,987)</b>	<b>6,483,334</b>	<b>6,483,334</b>



HRVATSKA POŠTANSKA BANKA, p.l.c.

**A) BALANCE SHEET**
**8) OTHER DEMAND DEPOSITS**
*in HRK*

<b>ADP 004</b>	<b>31.12.2018.</b>	<b>31.03.2019.</b>
Deposits with foreign banking institutions	790,051,655	129,387,522
Deposits with domestic banking institutions	105,164,149	14,037,114
<b>TOTAL</b>	<b>895,215,804</b>	<b>143,424,636</b>

**9) LOANS AND ADVANCES**
*in HRK*

<b>ADP 023</b>	<b>31.12.2018.</b>	<b>31.03.2019.</b>
<b>Loans to financial institutions</b>	<b>98,081,079</b>	<b>68,885,281</b>
Gross loans	98,086,422	68,890,702
Allowance	(5,343)	(5,421)
<b>Corporate &amp; SME loans</b>	<b>2,851,269,917</b>	<b>3,221,500,467</b>
Gross loans	4,008,136,493	4,356,842,116
Allowance	(1,156,866,576)	(1,135,341,649)
<b>Retail loans</b>	<b>5,881,665,560</b>	<b>6,191,289,146</b>
Gross loans	6,247,257,865	6,550,605,458
Allowance	(365,592,305)	(359,316,312)
<b>Other loans</b>	<b>2,888,595,065</b>	<b>2,337,339,809</b>
Gross loans	2,896,237,881	2,346,198,429
Allowance	(7,642,816)	(8,858,620)
Expected credit losses (A1 and A2 risk groups)	(141,916,409)	138,683,314
Other adjustments	(4,584,608)	2,855,440
Deferred front-end fee	(34,531,928)	(32,592,661)
Mandatory reserve at CNB	1,545,297,721	1,510,830,464
Deposits with financial institutions	433,539,569	410,889,139
<b>TOTAL NET LOANS</b>	<b>13,517,415,966</b>	<b>13,849,680,398</b>

**10) DEPOSITS**
*in HRK*

<b>ADP 044</b>	<b>31.12.2018.</b>	<b>31.03.2019.</b>
Deposits from financial institutions	476,769,730	505,583,618
Deposits from corporate	8,394,723,407	7,813,475,140
Deposits from retail	11,164,674,340	10,499,474,257
Other deposits	73,963,322	174,249,437
Interst payable	30,528,704	28,711,595
Borrowings from HBOR	596,439,856	671,961,802
Borrowings from foreign banking institutions	36,667,567	54,091,548
Deferred front-end fee	(3,453,741)	(3,488,244)
<b>TOTAL</b>	<b>20,770,313,186</b>	<b>19,744,059,153</b>

### **C) Changes in accounting policies**

IFRS 16 was adopted in January 2016 and replaces the IAS 17 Leases, IFRIC 4 Determining if the contract includes the leasing, SIC 15 Operative lease-incentives and SIC 27 Change in content of transactions including the legal form of leasing. IFRS 16 establishes the principles of recognizing, measuring, presenting and reporting of leasing and requires from lessees stating all leaseings individually in the balance sheet similarly as a financial leasing in accordance with the IAS 17. The standard includes two exemptions in recognition for a lessee – asset lease of „low value“ (e.g. personal computers) and short-term lease, that is a 12-month lease period or shorter. At a date of beginning of a lease, the lessee will recognize leasing liabilities and assets which presents the right for use of principle assets during the period of leasing, that is right to use assets. Lessees will be obligated to separately recognize interest costs of liabilities for leasing and depreciation costs of right to use assets. Lessees will also be obligated to again measure the liabilities for leasing after certain events (i.e. change of leasing period, change in future leasing payments which are result of change in index or rate used for determining those payments). Lessee will be recognizing in general the amount of remeasurement of these liabilities as an adjustment on the right of use assets.

The accounting treatment of a lessor in accordance with the IFRS 16 remains unchanged in terms of the current in accordance to the IAS 17. The lessor will continue to classify all leases using the same classification principles as in the IAS 17 and will separate two forms of leaseings: operative and financial leasing. IFRS 16 also requires from the lessee and lessor more extensive reporting than in line with IAS 17. IFRS 16 is put into force for annual periods that start at or after 1 January 2019.

## D) Bank's ownership structure

Bank's ownership structure as per March 31 2019 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%
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	7.46%
Own shares	0.04%

## E) HPB stock

HPB Stock is listed on ZSE's Official market. Last share price at the end of the Q1 2019 amounted to HRK 474,00 (March 29, 2019 trading day), representing an increase of 5.33 percent in comparison with the last price achieved in 2018 (=HRK 450,00 as per December 28, 2018 trading day).

Trading during the reporting period was as follows:

