



**HRVATSKA POŠTANSKA BANKA d.d.**

Management Board  
Jurišićeva 4, HR-10000 Zagreb  
Phone: +385 1 4804 400, +385 1 4804 409  
Fax: +385 1 4810 773

LEI	529900D5G4V6THXC5P79
Home Member State of Issuer	Republic of Croatia
ISIN	HRHPB0RA0002
Stock Exchange Identifier	HPB-R-A
Regulated Market/ Segment	Zagreb Stock Exchange Inc. Official Market

Zagreb, January 14, 2020

No: E01-5/20-LAT

**Zagreb Stock Exchange Inc.**

**Croatian Financial Services Supervisory Agency ("HANFA")**

**Croatian News Agency OTS HINA**

**Subject: HRVATSKA POŠTANSKA BANKA, plc.**

- **Inside information**
- **Notice - information on provisions that will have a material impact on the results of the fourth quarter of 2019**

Hrvatska poštanska banka, plc (hereinafter: the Bank) informs the investment public that it expects to recognize materially significant provisions for credit losses and litigation liabilities that will affect the financial result of the fourth quarter of 2019. According to preliminary estimates, the total amount of these provisions will be between HRK 95 and 105 million for the fourth quarter of 2019.

Above mentioned amount of provisions mainly relates to the provisions for litigation liabilities in accordance with CNB by-laws prescribing the treatment of these provisions and International Accounting Standard 37 Provisions, contingent liabilities and contingent assets, according to the estimated probability of disputes and outflows. The residual amount of the provision relates to credit losses recognized in accordance with International Financial Reporting Standard 9 Financial Instruments.

Despite previously mentioned losses, the result recorded in 2019 will continue to be profitable, with a significant improvement in operating income and operating profit compared to 2018, and growing market share.

Also, the stated provisions will not have an impact on the Bank's capitalization, which according to preliminary expectations - and further on the risk exposure optimization measures launched in the fourth quarter of 2019, which counteracted the negative effects on capital.

The Bank will inform the investment public of more detailed financial information related to operations in 2019 when the unaudited financial statements for 2019 are published, while complete and comprehensive financial information will be available in the audited Annual Report for 2019.

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*Note:*

*This notice may contain elements of estimate and forward-looking statement. An estimate means a forecast for profit for the past financial period for which no results have yet been disclosed, while a forward-looking statement of profit means a statement indicating directly or indirectly the amount minimum or maximum of possible gain or loss in the current or future financial period or containing information on the basis of which it is possible to calculate this amount of future profit or loss, even if no amount is indicated and the word "profit" is not mentioned.*

*This information is not final, but reflects management's current judgment based on certain assumptions and available knowledge. As such, forward-looking statement and estimates contain inherent risks and uncertainties. In this context, it implies that subsequent developments may affect this information and that the Bank is under no obligation to update or modify such information in the case of occasions that might affect it.*

*Each investor who is considering the purchase of Bank's shares has to refer of their own assessment and judgment of Bank's financial position.*

*To the extent permitted by law, the liability of the Bank for any loss, damage or expense suffered by investors or any third parties as a result of having relied on the information contained in this Notice shall be excluded.*

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Hrvatska poštanska banka, d.d. · Jurišićeva 4, 10000 Zagreb, Croatia · phone: 072 472 472 · hpb@hpb.hr · www.hpb.hr  
Management Board: Marko Badurina, Chairman · Anto Mihaljević, Member · Ivan Soldo, Member · Marijana Miličević, President of the Supervisory Board · IBAN: HR46 2390 0011 0700 0002 9 · SWIFT: HPBZHR2X · OIB: 87939104217 · Registered with Zagreb Commercial Court under number MBS: 080010698 · Base Capital 1.214.775.000,00 kn, divided into 2.024.625 ordinary shares in nominal amount of 600,00 kn (paid in full)