

HPB p.l.c. 12M 2022



**Unaudited Financial Statements for the period
from January 1 to December 31, 2022**

Type and name of prescribed information:	Financial statements for the period 1.1.2022 - 31.12.2022, HPB p.l.c. 12M 2022 Unaudited Financial statements for period from January 1 to December 31, 2022
Issuer name, headquarter and address:	Hrvatska poštanska banka public listed company, Jurišićeva ulica 4, HR-10000 Zagreb
Issuer's Legal Entity Identifier (LEI)	529900D5G4V6THXC5P79
Home Member State:	Republic of Croatia
International Securities Identification Number (ISIN)	HRHPB0RA0002
Stock code (ticker):	HPB-R-A
Regulated market and segment:	Zagreb Stock Exchange, Official market

In accordance with the Capital Markets Act, Hrvatska poštanska Banka p.l.c. publishes unaudited financial statements for the period from January 1 to December 31, 2022.

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, 26/2022).

Original and official report is published in Croatian.

This presentation is prepared in EUR currency according to fixed HRK/EUR conversion rate, where EUR 1 = HRK 7.534500.

2022 - A YEAR OF CHALLENGES, OPPORTUNITIES AND GROWTH

EURO PROJECT

On January 1, 2023, the Republic of Croatia replaced the kuna with the new national currency, the euro, thus becoming the 20th member of the eurozone. Throughout 2022, Hrvatska poštanska banka carried out a series of intensive and complex activities with the aim of preparing for and switching to the new currency.

In the last quarter of 2022, the Bank successfully finalized and implemented solutions for new processes: frontloading, sub-frontloading and simplified sub-frontloading in euros, processes that preceded the migration to the euro. In parallel with that, all other activities and tests were finalized in order for the Bank to successfully perform the migration on December 31, 2022 in all IT systems, as well as with strategic partners Croatian Post and FINA.

We are proud of the entire euro project team that the migration was successfully carried out in HPB and regular business with our clients resumed on Monday, January 2, 2023.

The euro project is still open on a national level. The Bank will continue its activities in the first half of 2023 with the aim of finalizing the adjustments that were previously planned to be made in 2023 (e.g. implementation of SEPA Instant cross-border payment).

ORGANIC GROWTH ENHANCED BY ACQUISITIONS

The Bank achieved strong asset growth in 2022 (+ EUR 873.0 mn compared to December 31, 2021), reaching the historically highest level of assets, and strengthening its position on the Croatian banking market.

The Russian-Ukrainian conflict that began in February 2022 caused sudden negative consequences on a global scale. Thanks to the practice of continuous monitoring of market trends and analysis of competitors' operations, Hrvatska poštanska banka was able to act with speed and agility, and at the beginning of March 2022, it acquired 100% of the ownership stake in Sberbank p.l.c. According to successful completion of the resolution process, Sberbank p.l.c. operates under the name Nova hrvatska banka p.l.c. (NHB) from April 2022. The acquisition strengthened the widest business network with an offer of bank services and expanded the client base with a complementary and high-quality loan portfolio. The acquired human and financial capital provides additional strength for business growth and expansion. The Bank continues to implement intensive integration activities of NHB merger.

In the third quarter, the Bank also acquired 100% of the ownership share in the company Pronam Nekretnine Ltd. and started merging process with the parent company, which is expected in H1 2023, depending on the approval of the supervisor.

Members of the HPB Group acquired during 2022 will be an integral part of Hrvatska poštanska banka upon completion of complex integration activities.

HISTORICAL RESULT OF APN PROGRAM PARTICIPATION

The bank recorded a strong growth in the gross loan portfolio in 2022, in all segments. The continuation of such good trends is a reflection of investment in client relations and the building of the HPB brand, which enables maintaining the trust of existing clients and acquiring new ones.

The bank actively monitors and participates in the loans, which includes housing loan subsidies (APN), which has been implemented since 2017. In 2022, i.e. the last completed tranche of APN, HPB achieved its greatest success since the beginning of participation in the program of subsidized housing loans. HPB is one of the most active banks in the APN program, in which it continued its series of successes with total volume over EUR 53 mn in 2022.

By participating in the APN program, with the support of the state, HPB mitigates credit risk, revitalizes the client base and creates a long-term business relationship with them.

With the results achieved, the Bank confirms that it is a reliable and safe partner for housing lending.

DIGITALIZATION AND BANK TRANSFORMATION

The bank continues to build its development on the digitalization of operations through the creation and monitoring of trends in banking operations. Digitalization is implemented through the improvement of the functionality of products and services for clients, as well as the automation and process efficiency of the Bank.

HPB launched a unique data literacy program, the Data Nursery, which was presented at several international conferences. Five internal and three external workshops were held as part of the program with the participation of 96 Bank employees. The goal of the program is to improve the data/analytical competencies of employees, increase awareness of the importance of quality data management and lead HPB in an age when data is one of the most valuable resources in the direction of creating a data center of excellence.

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY

Hrvatska poštanska banka, with its unique mission of creating conditions for a better life in Croatia, showed how it sees its own role in the economy and society. Sustainable development is a strategic determinant of the Bank, which dedicates its operations and social projects to strengthening the economy, protecting the environment, caring for the community and the future that new generations deserve.

Rapid market changes and major climate risks present new challenges and responsibilities to all financial institutions, which are much greater than achieving good financial results and realized business plans. Aware of the importance and need to transform into an institution that consciously manages its environmental, social and governance (ESG) impacts, HPB has established ESG Office since the beginning of 2022, with a team of motivated experts that is intensively dedicated to the integration of ESG factors into all segments of the Bank's business. For HPB, sustainable operations mean focusing on reducing negative impacts on the environment and preserving natural resources, ensuring a positive economic impact and improving the quality of life in the communities where the Bank operates.

HPB bases its operations on the 17 United Nations Sustainable Development Goals (SDGs).

Below is a description of the activities by which we contribute to sustainable development and the achievement of environmental, social and management goals together with our clients, employees and the community:

Environment (E)

- Establishing a new model for collecting data on energy consumption and developing methodologies for assessing the Bank's materiality and carbon footprint
- The process of integrating environmental and climatological risks into risk policies has been started: the elaboration of the collateral mapping process according to climatological and environmental risks is underway
- Setting environmental KPIs in accordance with the Taxonomy Regulation
- My green decision: an internal initiative aimed at raising awareness among employees about the importance of reducing the negative impact on the environment
- Environmental actions: "Plants with HPB" in which 30,000 seedlings of autochthonous tree species were planted throughout the country; participation in the cleaning of illegal landfills on the occasion of World CleanUp Day

Society (S)

- Constantly increasing availability to clients: strengthening cooperation with Croatian Post in order to encourage the development of local communities that do not have access to banking services
- Digitalization of business: digital innovations and constant improvement of digital products in accordance with the needs of new generations
- Employee care: eClassroom - online educational content for employees; Data nursery - employee data literacy program; HPB Sport - attractive sports programs
- New collaborations and memberships: Croatian Business Council for Sustainable Development HR PSOR, United Nations Environment - Finance Initiative "Principles for Responsible Banking" UNEP FI - PRB (joining as the first bank in Croatia)
- Signed Diversity Charter
- Financial literacy of clients: education of schoolchildren of all ages; video series HPB for financial literacy
- Corporate volunteering program Volunteer for Croatia

Government (G)

- Integration of ESG factors into all relevant acts in accordance with European and national regulations: adopted umbrella ESG act - Environmental, social and governance factors management policy
- Implementation of the Conflict of Interest Management Policy for the purpose of transparent business
- Evaluation of the existing product and service portfolio
- Award of the Zagreb Stock Exchange for the share with the highest growth in 2022
- New Code of Ethics
- Holistic approach to non-financial reporting - HPB is preparing to issue the first independent Sustainability Report

FINANCIAL RESULTS

Realized **net profit** in the amount of **EUR 17.7 mn** derives primarily from the bank's core business - credit and deposit business, which mitigated the negative effects from the capital market caused by the monetary tightening of central banks, and completely neutralized the increased expenses and costs as a result of price growth and inflation.

In 2022, the **historically highest level of assets** was achieved with an increase of EUR 873 mn compared to December 31, 2021.

Growth of the deposit and loan portfolio is the result of quality products and services, long-term investment in the client relations development and their loyalty, along with recognition of the Bank as a safe and stable financial partner on the Croatian banking market.

In 2022, an exceptional result of the **NPL ratio** was achieved, which is a reflection of the volume of new lending and the growth of the healthy portfolio, with a significantly reduced level of exposure to non-performing loans due to efficiency in the various stages of collection, and prevention of entry of larger volumes into NPL. At the same time, the NPL coverage is significantly above the market average.

The Bank has no exposure to entities in Belarus, and **minimal exposure to entities in Russia and Ukraine**. The Bank implements all measures and continues to monitor changes in EU restrictive measures (sanctions), especially in financial services.

Key financials – Income statement

		12M 2021	12M 2022	Δ y-o-y
Net interest income	EUR mn	70.2	71.1	0.9 ▲
Net fee income	EUR mn	25.6	27.5	1.9 ▲
Net trading gain/(loss)	EUR mn	8.0	(0.8)	(8.7) ▼
Net other income	EUR mn	3.2	1.1	(2.1) ▼
Operating income	EUR mn	107.0	98.9	(8.1) ▼
Operating expense	EUR mn	(65.7)	(73.7)	8.0 ▲
Operating profit	EUR mn	41.4	25.2	(16.1) ▼
Provisioning	EUR mn	(8.8)	(4.2)	(4.6) ▼
Net profit	EUR mn	26.8	17.7	(9.1) ▼
Cost-to-income ratio	%	61.3	74.5	13.2 ▲
Net interest margin	%	2.5	2.5	0.0 ▼

The growth of interest income (+0.7%) as a result of the increase in interest rates in interbank financing and the growth of the loan portfolio in all segments of the Bank, as well as the effective management of interest expenses in 2022 (-10.1%), resulted in a higher net interest income (+1.3%).

Net income from fees and commissions increased by 7.3%, mostly due to the higher volume and number of transactions in card business and higher fees in the payment transactions of corporate and retail.

Other non-interest income was for most of the year under the pressure of negative trends on the capital markets, which in 2022 was marked by a significant drop in stock prices due to increased inflation and tightening of monetary policies by central banks, which was also reflected in the Croatian market. Accordingly, a net loss of EUR 782.3 ths was realized from trading operations, which includes trading in foreign exchange, securities, and the accounting effects of the valuation of securities in the Bank's portfolio. It consists of EUR 8.6 mn realized by adjusting the book value of the securities in the bank's portfolio with market prices, while in the FX trading segment, the Bank achieved a record result (+ EUR 7.8 mn) in 2022. Apart from the above, the impact on the year-on-year decline of other non-interest income, and thus on the level of total operating income, was also a one-time gain on financial assets from the sale of part of the share portfolio in the amount of EUR 4.1 mn in the previous year, while in the current year no such sales transactions were recorded.

In the last quarter the Bank performed change in business model for debt securities from 'hold to collect and sell' to 'hold to collect' and consequently performed reclassification of aforementioned financial asset.

Administrative costs increased as a result of intensive regulatory projects in 2022 (EURO, ESG and others), acquisition activities (NHB and Pronam Nekretnine) and a general increase in costs due to inflation, that relates to the increase in energy prices compared to 2021, where the same has direct effects on the Bank's profit and loss account as an increase in this category of costs, but also indirect - through an increase in the prices of goods and services that the Bank uses.

At the same time, the Bank continues to invest in IT, physical and process infrastructure with the aim of eliminating technological bottlenecks and general improvement of service, which, in combination with the activation of newly acquired assets, led to an increase in depreciation costs.

In addition, due to the increase in savings at the level of the entire banking system, deposit guarantee scheme contributions are recalculated from the beginning of 2022 in accordance with legal provisions, which put additional pressure on the Bank's costs (+ EUR 1.4 mn).

The cost of provisions for risks amounts to EUR 4.2 mn and shows a decrease of EUR 4.6 mn (-52.0%) compared to 2021. Excellent trend was recorded in NPL provision movement, significantly above the expectations, due to the exceptional growth of collection efficiency and realized volumes. Significant positive effects on provision releases (by collection of both recent and older dates, secured and unsecured by collaterals) fully compensated expenses for new NPLs and the challenges of implementing the client approach. The net result was a release of provisions in amount of EUR 3.9 mn while maintaining the higher-than-market-average NPL provisions coverage ratio (last publicly available data September 30, 2022, 67.7%). The movement of provisions for the income-generating portfolio (Stage 1&2) is influenced by new sales, a significant recovery of non-performing loans (Stage 3) during 2022, and an increase in the share of Stage 2 in the future portfolio due to the implementation of the new Stage 2 criteria. The cost of other provisions amounts to EUR 3.4 mn and mostly refers to regular provisions for legal cases.

Despite the unstable capital market, strong inflationary pressures, and the unstable geopolitical situation, HPB achieved net profit of EUR 17.7 mn, thereby continuing to create value for its shareholders.

Key financials – Balance sheet

		31.12.2021	31.12.2022	Δ ytd	
Assets	EUR mn	3,694	4,567	873	▲
Gross loans	EUR mn	2,087	2,298	211	▲
Deposits	EUR mn	3,112	3,925	813	▲
Equity	EUR mn	352	347	(4)	▼
Regulatory capital	EUR mn	349	331	(18)	▼
Loan/deposit ratio	%	60.7	53.6	(7.1)	▼
ROAE	%	7.9	5.3	(2.6)	▼
ROAA	%	0.8	0.4	(0.3)	▼
NPL ratio	%	9.8	5.9	(3.9)	▼
NPL ratio excluding government guarantees	%	8.4	5.7	(2.6)	▼
NPL coverage	%	61.1	78.2	17.1	▲
NPL coverage excluding government guarantees	%	75.9	80.7	4.8	▲
Loss allowance for loans	EUR mn	(209)	(209)	0	▲

The Bank's assets reached a historically record level with an increase of EUR 0.9 bn (+23.6%) compared to December 31, 2021, thereby strengthening its market position. On the asset side, the largest growth was recorded in the segments of gross loans (+EUR 211 mn), liquid assets (+EUR 496.6 mn) and securities (+EUR 89.2 mn).

The strong growth of the gross loan portfolio, in all segments, is the result of long-term investment in client relations and the related acquisition of clients thereby confirming the position of a reliable partner for all types of financing.

In 2022, compared to 2021, the gross loan portfolio in retail segment recorded an increase of about EUR 38 mn and is mainly driven by growth in housing loans of about EUR 70 mn. Considering the uncertain conditions and circumstances of the market, the Bank recently focused on more secure placements and, despite the decline in other loans and overdrafts, achieved a total increase in the gross loan portfolio.

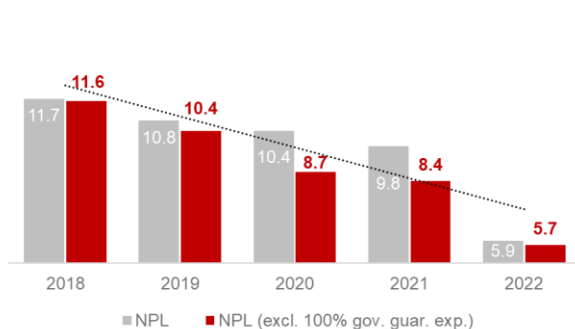
Record result in APN, where the Bank participated with over EUR 53 mn in loans, is a key factor in the aforementioned growth.

Furthermore, a significant increase in loans in 2022 compared to 2021 was achieved in large companies and the public sector (+18.3%), with significant growth rates in almost all sub-segments (central government, local government, large companies).

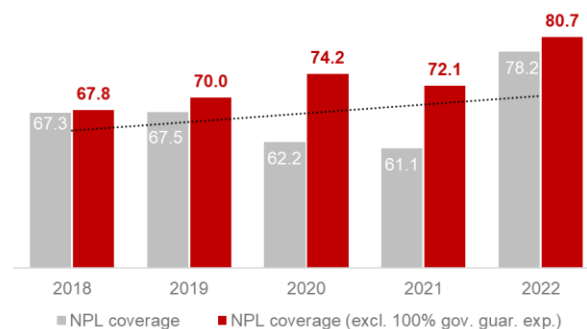
The growth of the gross loan portfolio in the SME segment (+14.7%) is the result of continuous activities related to acquisitions and financing of quality projects and clients, as well as proactive development of business relations with existing clients through improvement of service quality and contracting additional products. Cooperation with CBRD and HAMAG BICRO through active use of available financing lines contributed significantly to the result.

In 2022, the Bank recorded decrease of NPL exposures and growth in asset and manage to achieve lowest level of the NPL ratio in the history. This is primarily supported by growth of the healthy part of the portfolio, but also efficient collection activities, the recovery of part of the portfolio and the successful prevention of large volumes of new NPL, which all together had a very good effect on the NPL coverage, which is significantly above the market average, and also reached the highest level of coverage ever. Despite all the challenges of the transition to the client approach, an extremely positive trend in the movement of the NPL ratio was confirmed, and thus an excellent business result was achieved in 2022.

NPL ratio development (in %)

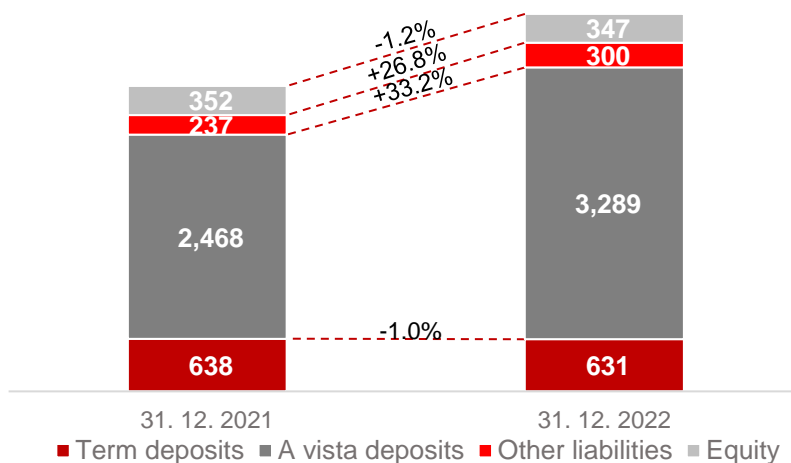


NPL coverage development (in %)



In accordance with the business model of the Bank, customer deposits dominate in the financing mix with a share of 85.8%. A strong growth of the deposit portfolio of EUR 812.9 (+26.1%) compared to 2021 was recorded in all segments of the Bank compared to December 31, 2021: SME +48.6%, Corporate +36.0%, Retail 16.5% and Financial markets +8.4%.

Equity and liabilities structure (in EUR mn)



Other obligations relate to the stable structure of received loans from foreign financial institutions, HBOR, CNB - repo placements and MREL instruments that began to be contracted in 2022.

The Bank's MREL ratio as of December 31, 2022 is 28.91% and is above first binding transitional MREL requirement (26.58%) applicable from January 1, 2023.

Management report of Hrvatska poštanska Banka p.l.c. for the period from January 1 to December 31, 2022 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

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 1 to December 31, 2022, 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.

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: 1.1.2022 do 31.12.2022

Year: 2022

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 STREET 4

E-mail address: hpb@hpb.hr

Web address: www.hpb.hr

Number of employees (end of the reporting): 1310

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: Filip Siladi (only name and surname of the contact person)

Telephone: 014804670

E-mail address: filip.siladi@hpb.hr

Audit firm: (name of the audit firm)

Certified auditor: (name and surname)

BALANCE SHEET
as at December 31, 2022

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	6,177,602,131	9,919,216,704
Cash in hand	002	1,422,548,361	950,176,438
Cash balances at central banks	003	4,339,757,848	8,883,505,909
Other demand deposits	004	415,295,922	85,534,357
Financial assets held for trading (from 6 to 9)	005	616,670,614	412,244,729
Derivatives	006	-	362,720
Equity instruments	007	105,639,274	94,223,884
Debt securities	008	511,031,340	317,658,125
Loans and advances	009	-	-
Non-trading financial assets mandatorily at fair value through profit or loss (from 11 to 13)	010	9,316,729	6,842,780
Equity instruments	011	-	-
Debt securities	012	-	-
Loans and advances	013	9,316,729	6,842,780
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	4,601,319,906	31,094,878
Equity instruments	018	48,896,784	31,094,878
Debt securities	019	4,552,423,122	-
Loans and advances	020	-	-
Financial assets at amortised cost (22 + 23)	021	15,955,565,325	23,390,612,112
Debt securities	022	454,371	5,447,265,274
Loans and advances	023	15,955,110,954	17,943,346,838
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	101,105,343
Tangible assets	027	310,680,257	318,549,644
Intangible assets	028	93,319,300	99,979,902
Tax assets	029	642,640	50,512,785
Other assets	030	51,761,294	82,187,124
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	27,835,839,039	34,412,346,001
Liabilities			
Financial liabilities held for trading (from 34 to 38)	033	-	533,449
Derivatives	034	-	533,449
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	24,851,379,590	31,369,828,625
Deposits	044	24,756,955,639	31,288,352,875
Debt securities issued	045	-	-
Other financial liabilities	046	94,423,951	81,475,750
Derivatives - hedge accounting	047	-	-
Fair value changes of the hedged items in portfolio hedge of interest rate risk	048	-	-
Provisions	049	89,416,940	144,655,132
Tax liabilities	050	64,392,779	38,553,865
Share capital repayable on demand	051	-	-
Other liabilities	052	180,219,880	241,411,924
Liabilities included in disposal groups classified as held for sale	053	-	-
Total liabilities (33 + 39 + 43 + from 47 to 53)	054	25,185,409,189	31,794,982,995
Equity			
Capital	055	1,214,775,000	1,214,775,000
Share premium	056	-	-
Equity instruments issued other than capital	057	-	-
Other equity	058	-	-
Accumulated other comprehensive income	059	240,193,702	62,520,863
Retained profit	060	291,352,537	544,642,603
Revaluation reserves	061	-	-
Other reserves	062	702,479,098	661,979,683
(-) Treasury shares	063	(477,000)	-
Profit or loss attributable to owners of the parent	064	202,106,513	133,444,857
(-) Interim dividends	065	-	-
Minority interests [non-controlling interests]	066	-	-
Total equity (from 55 to 66)	067	2,650,429,850	2,617,363,006
Total equity and liabilities (54 + 67)	068	27,835,839,039	34,412,346,001

STATEMENT OF PROFIT AND LOSS
for the period January 01, 2022 to December 31, 2022

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	560,475,074	135,480,277	564,056,257	156,262,951
(Interest expenses)	002	36,363,820	8,838,268	32,015,271	9,066,133
(Expenses on share capital repayable on demand)	003	-	-	-	-
Dividend income	004	2,043,665	53,598	2,548,939	30,269
Fees and commissions income	005	482,976,369	112,905,359	522,382,353	122,390,071
(Fees and commissions expenses)	006	290,099,614	69,031,008	315,407,654	75,166,077
Gains or (-) losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	007	671,529	508	3,046,848	760,799
Gains or (-) losses on financial assets and liabilities held for trading, net	008	59,962,657	10,403,671	(8,011,956)	16,559,179
Gains or losses on non-trading financial assets mandatorily at fair value through profit or loss, net	009	30,491,412	53,461	(48,152)	(241,619)
Gains or (-) losses on derecognition of financial assets and liabilities at fair value through profit or loss, net	010	-	-	-	-
Gains or (-) losses from hedge accounting, net	011	-	-	-	-
Exchange rate differences [gain or (-) loss], net	012	(7,592,753)	(1,436,657)	(3,068,994)	3,699,373
Gains or (-) losses on derecognition of investments in subsidiaries, joint ventures and associates, net	013	-	-	-	-
Gains or (-) losses on derecognition of non-financial assets, net	014	-	-	-	-
Other operating income	015	18,529,530	11,730,813	20,242,534	(6,735,486)
(Other operating expenses)	016	19,815,032	11,397,316	12,073,635	(9,132,508)
Total operating income, net (1 – 2 – 3 + 4 + 5 – 6 + from 7 to 15 – 16)	017	801,279,017	179,924,438	741,651,269	217,625,835
(Administrative expenses)	018	408,674,319	124,512,807	457,168,913	143,610,099
(Cash contributions to resolution boards and deposit guarantee schemes)	019	13,916,357	3,479,089	24,764,336	11,588,764
(Depreciation)	020	67,020,386	16,768,957	70,057,109	17,515,204
Modification gains or (-) losses, net	021	(4,328,639)	(2,350,084)	(3,573,879)	(714,359)
(Provisions or (-) reversal of provisions)	022	306,219	(20,428,201)	49,666,007	34,598,988
(Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss)	023	63,262,189	61,565,821	(21,451,740)	(9,555,661)
(Impairment or (-) reversal of impairment of investments in subsidiaries, joint ventures and associates)	024	-	-	-	-
(Impairment or (-) reversal of impairment on non-financial assets)	025	(1,903,399)	(1,903,399)	(557,027)	(557,027)
Negative goodwill recognised in profit or loss	026	-	-	-	-
Share of the profit or (-) loss of investments in subsidiaries, joint ventures and associates accounted for using the equity method	027	-	-	-	-
Profit or (-) loss from fixed assets and disposal groups classified as held for sale not qualifying as discontinued operations	028	-	-	-	-
Profit or (-) loss before tax from continuing operations (17 – 18 to 20 + 21 – from 22 to 25 + from 26 to 28)	029	245,674,307	(6,420,720)	158,429,792	19,711,109
(Tax expense or (-) income related to profit or loss from continuing operations)	030	43,567,794	(1,968,869)	24,984,935	12,618,245
Profit or (-) loss after tax from continuing operations (29 – 30)	031	202,106,513	(4,451,851)	133,444,857	7,092,864
Profit or (-) loss after tax from discontinued operations (33 – 34)	032	-	-	-	-
Profit or (-) loss before tax from discontinued operations	033	-	-	-	-
(Tax expense or (-) income related to discontinued operations)	034	-	-	-	-
Profit or (-) loss for the year (31 + 32; 36 + 37)	035	202,106,513	(4,451,851)	133,444,857	7,092,864
Attributable to minority interest (non-controlling interests)	036	-	-	-	-
Attributable to owners of the parent	037	202,106,513	(4,451,851)	133,444,857	7,092,864
STATEMENT OF OTHER COMPREHENSIVE INCOME					
Income or (-) loss for the current year	038	202,106,513	(4,451,851)	133,444,857	7,092,864
Other comprehensive income (40 + 52)	039	(24,780,853)	(18,042,639)	5,542,865	5,542,865
Items that will not be reclassified to profit or loss (from 41 to 47 + 50 + 51)	040	1,831,095	2,288,818	5,542,865	5,542,865
Tangible assets	041	6,411,028	6,411,028	12,387,082	12,387,082
Intangible assets	042	-	-	-	-
Actuarial gains or (-) losses on defined benefit pension plans	043	(2,968,225)	(2,968,225)	-	-
Fixed assets and disposal groups classified as held for sale	044	-	-	-	-
Share of other recognised income and expense of entities accounted for using the equity method	045	-	-	-	-
Fair value changes of equity instruments measured at fair value through other comprehensive income	046	-	-	-	-
Gains or (-) losses from hedge accounting of equity instruments at fair value through other comprehensive income, net	047	-	-	(5,627,490)	(5,627,490)
Fair value changes of equity instruments measured at fair value through other comprehensive income [hedged item]	048	-	-	-	-
Fair value changes of equity instruments measured at fair value through other comprehensive income [hedging instrument]	049	-	-	-	-
Fair value changes of financial liabilities measured at fair value through profit or loss attributable to changes in their credit risk	050	-	-	-	-
Income tax relating to items that will not be reclassified	051	(1,611,708)	(1,153,985)	(1,216,727)	(1,216,727)
Items that may be reclassified to profit or loss (from 53 to 60)	052	(26,611,948)	(20,331,457)	-	-
Hedge of net investments in foreign operations [effective portion]	053	-	-	-	-
Foreign currency translation	054	-	-	-	-
Cash flow hedges [effective portion]	055	-	-	-	-
Hedging instruments [not designated elements]	056	-	-	-	-
Debt instruments at fair value through other comprehensive income	057	(32,525,728)	(24,866,593)	-	-
Fixed assets and disposal groups classified as held for sale	058	-	-	-	-
Share of other recognised income and expense of investments in subsidiaries, joint ventures and associates	059	-	-	-	-
Income tax relating to items that may be reclassified to profit or (-) loss	060	5,913,780	4,535,136	-	-
Total comprehensive income for the current year (38 + 39; 62 + 63)	061	177,325,660	(22,494,490)	138,987,722	12,635,729
Attributable to minority interest [non-controlling interest]	062	-	-	-	-
Attributable to owners of the parent	063	177,325,660	(22,494,490)	138,987,722	12,635,729

STATEMENT OF CASH FLOW
for the period January 01, 2022 to December 31, 2022

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	245,674,307	157,339,717
Adjustments:			
Impairment and provisions	010	67,897,047	31,788,146
Depreciation	011	67,020,386	70,057,109
Net unrealised (gains)/losses on financial assets and liabilities at fair value through statement of profit or loss	012	(91,125,598)	5,013,260
(Profit)/loss from the sale of tangible assets	013	-	-
Other non-cash items	014	(524,111,254)	(532,079,150)
Promjene u imovini i obvezama iz poslovnih aktivnosti			
Deposits with the Croatian National Bank	015	(107,284,615)	1,326,441,533
Deposits with financial institutions and loans to financial institutions	016	-	-
Loans and advances to other clients	017	496,539,424	(3,574,489,164)
Securities and other financial instruments at fair value through other comprehensive income	018	(470,130,770)	4,309,931,331
Securities and other financial instruments held for trading	019	171,790,050	198,839,726
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	1,524,413	(5,446,810,903)
Other assets from operating activities	023	(10,258,008)	(31,607,342)
Deposits from financial institutions	024	(78,058,830)	710,181,056
Transaction accounts of other clients	025	914,860,795	2,889,430,222
Savings deposits of other clients	026	1,918,206,578	2,833,579,993
Time deposits of other clients	027	(773,984,130)	(266,568,973)
Derivative financial liabilities and other liabilities held for trading	028	(24,867,990)	(12,414,752)
Other liabilities from operating activities	029	244,034,990	55,997,092
Interest received from operating activities [indirect method]	030	552,108,813	564,056,257
Dividends received from operating activities [indirect method]	031	2,043,665	2,548,939
Interest paid from operating activities [indirect method]	032	(36,363,820)	(31,977,107)
(Income tax paid)	033	-	(5,782,313)
Net cash flow from operating activities (from 1 to 33)	034	2,616,315,453	3,253,474,677
Investing activities			
Cash receipts from the sale / payments for the purchase of tangible and intangible assets	035	(62,657,347)	(75,387,098)
Cash receipts from the sale / payments for the purchase of investments in branches, associates and joint ventures	036	-	(91,344,500)
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	1,524,413	-
Other receipts/payments from investing activities	039	-	-
Net cash flow from investing activities (from 35 to 39)	040	(61,132,934)	(166,731,598)
Financing activities			
Net increase/(decrease) in loans received from financing activities	041	(44,838,724)	403,686,853
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	-	681,600
Net cash flow from financing activities (from 41 to 46)	047	(44,838,724)	404,368,453
Net increase/(decrease) of cash and cash equivalents (34 + 40 + 47)	048	2,510,343,795	3,491,111,532
Cash and cash equivalents at the beginning of period	049	4,084,192,801	6,500,586,061
Effect of exchange rate fluctuations on cash and cash equivalents	050	(7,592,753)	(3,068,994)
Cash and cash equivalents at the end of period (48 + 49 + 50)	051	6,586,943,843	9,988,628,599

STATEMENT OF CHANGES IN EQUITY
for the period January 01, 2022 to December 31, 2022

in HRK

Item	AOP code	Attributable to owners of the parent										Non-controlling interest		Total	
		Equity	Share premium	Equity instruments issued other than capital	Other equity	Accumulated other comprehensive income	Retained profit	Revaluation reserves	Other reserves	() Treasury shares	Profit or (-) loss attributable to owners of the parent	() Interim dividends	Accumulated other comprehensive income		Other items
		3	4	5	6	7	8	9	10	11	12	13	14	15	16
Opening balance (before restatement)	001	1,214,775,000	-	-	-	240,193,702	291,362,537	-	702,479,098	(477,000)	202,106,513	-	-	-	2,650,429,950
Effects of error corrections	002	-	-	-	-	-	(5,782,313)	-	-	-	-	-	-	-	(5,782,313)
Effects of changes in accounting policies	003	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Opening balance (current period) (1 + 2 + 3)	004	1,214,775,000	-	-	-	240,193,702	285,570,224	-	702,479,098	(477,000)	202,106,513	-	-	-	2,644,647,537
Ordinary shares issue	005	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Preference shares issue	006	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issue of other equity instruments	007	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exercise or expiration of other equity instruments issued	008	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Conversion of receivables to equity instruments	009	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital reduction	010	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	011	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of treasury shares	012	-	-	-	-	-	-	-	(204,000)	-	-	-	-	-	(204,000)
Sale or cancellation of treasury shares	013	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of financial instruments from equity to liability	014	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification of financial instruments from liability to equity	015	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers among components of equity	016	-	-	-	-	(16,933,578)	208,934,765	-	-	-	(192,001,187)	-	-	-	-
Equity increase or (-) decrease resulting from business combinations	017	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share based payments	018	-	-	-	-	-	-	-	-	681,600	-	-	-	-	681,600
Other increase or (-) decrease in equity	019	-	-	-	-	(166,282,126)	-	-	(40,499,415)	-	(10,105,326)	-	-	-	(216,886,867)
Total comprehensive income for the current year	020	-	-	-	-	5,542,895	-	-	-	-	133,444,857	-	-	-	138,987,722
Closing balance (current period) (from 4 to 20)	021	1,214,775,000	-	-	-	62,520,863	494,504,989	-	661,979,683	-	133,444,857	-	-	-	2,587,225,392

Notes to financial statements

1) INTEREST INCOME		in HRK	
AOP 001	Same period of the previous year 01.01.- 31.12.2021.	Current period 01.01. - 31.12.2022	
	Cumulative	Quarter	Cumulative
Debt securities	72,516,026	16,735,784	79,518,257
Loans and advances	487,949,750	118,744,492	484,520,975
Other assets	9,298	-	17,026
Deposits	-	-	-
Other liabilities	-	-	-
Total	560,475,074	135,480,277	564,056,257
2) INTEREST EXPENSE		in HRK	
AOP 002	Same period of the previous year 01.01.- 31.12.2021.	Current period 01.01. - 31.12.2022	
	Cumulative	Quarter	Cumulative
Debt securities	123,676	-	-
Loans and advances	4,101,094	1,495,454	4,026,082
Other assets	-	-	-
Deposits	32,077,317	7,162,374	27,821,282
Other liabilities	61,743	56,754	167,897
Total	36,368,820	8,654,268	32,015,271
3) FEE AND COMMISSION INCOME		in HRK	
AOP 005	Same period of the previous year 01.01.- 31.12.2021.	Current period 01.01. - 31.12.2022	
	Cumulative	Quarter	Cumulative
Securities	3,023,066	757,563	2,371,290
Asset management	35,100	6,632	23,693
Custody (according to the type of client)	5,336,081	1,375,488	4,336,824
Loan commitments	25,465	4,283	27,227
Other	474,556,657	110,761,399	515,023,350
Total	482,976,369	112,906,359	522,382,353
4) FEE AND COMMISSION EXPENSE		in HRK	
AOP 006	Same period of the previous year 01.01.- 31.12.2021.	Current period 01.01. - 31.12.2022	
	Cumulative	Quarter	Cumulative
Bank clearing and settlement	1,936,040	397,663	2,416,373
Other	288,183,574	68,033,415	58,864,929
Total	290,099,614	69,031,008	315,407,654
5) GAIN/LOSSES ON TERMINATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES		in HRK	
AOP 007	Same period of the previous year 01.01.- 31.12.2021.	Current period 01.01. - 31.12.2022	
	Cumulative	Quarter	Cumulative
Debt securities	-	-	2,116,069
Loans and advances	-	-	-
Deposits	-	-	-
Debt Securities Issued	-	-	-
Other financial liabilities	671,529	508	928,759
Total	671,529	508	3,046,848
6) GAINS OR (-) LOSSES ON FINANCIAL ASSETS AND LIABILITIES HELD FOR TRADING		in HRK	
AOP 008	Same period of the previous year 01.01.- 31.12.2021.	Current period 01.01. - 31.12.2022	
	Cumulative	Quarter	Cumulative
Equity instruments	10,326,550	1,668,962	(11,439,924)
Debt securities	(7,400,995)	(4,796,306)	(55,436,941)
FX transactions and derivatives	57,037,101	13,333,015	58,864,929
Total	59,962,657	10,405,671	(6,011,956)
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.- 31.12.2021.	Current period 01.01. - 31.12.2022	
	Cumulative	Quarter	Cumulative
Equity instruments	30,800,000	-	-
Debt securities	-	-	-
Loans and advances	(309,598)	53,461	(48,152)
Total	30,491,412	53,461	(48,152)
8) OPERATING EXPENSES		in HRK	
AOP 015 & AOP 017 & AOP 018	Same period of the previous year 01.01.- 31.12.2021.	Current period 01.01. - 31.12.2022	
	Cumulative	Quarter	Cumulative
Other operating expenses	19,815,032	11,397,317	12,073,635
Administrative expenses	408,674,319	124,512,807	457,168,913
Employee expenses	243,899,806	72,599,025	262,093,993
Other administrative expenses	164,734,513	51,913,760	195,074,920
(Contributions in cash rehabilitation committees and Deposit Insurance Scheme)	13,916,357	3,479,089	24,764,336
Amortization	67,020,386	16,768,958	70,057,109
Property, plant and equipment	41,840,837	10,339,091	39,636,804
Investment property	-	-	-
Other intangible assets	25,179,550	6,429,867	30,418,305
Total	509,426,095	156,158,171	564,063,992
9) IMPAIRMENT LOSSES AND PROVISION EXPENSES		in HRK	
AOP 019 & AOP 020 & AOP 021 & AOP 022	Same period of the previous year 01.01.- 31.12.2021.	Current period 01.01. - 31.12.2022	
	Cumulative	Quarter	Cumulative
Modification gains or (-) losses, net	(4,328,639)	(2,350,084)	(3,573,879)
Financial assets at fair value through other comprehensive income	-	-	-
Financial assets at amortized cost	(4,328,639)	(2,350,084)	(3,573,879)
(Provisions or (-) reversal of provisions)	306,219	(20,428,201)	34,598,988
Liabilities towards resolution committees and deposit insurance systems	-	-	-
(Liabilities and Guarantees)	(16,209,564)	(20,877,744)	22,050,613
(Other Provisions)	16,515,783	449,543	27,615,394
(Impairment or (-) reversal of impairment on financial assets that are not measured at fair value through profit or loss)	63,262,189	61,565,820	(21,451,740)
(Financial assets at fair value through other comprehensive income)	6,409,709	8,141,886	(7,927,333)
(Financial assets at amortized cost)	56,852,480	53,423,934	(239,870)
(Impairment or (-) reversal of impairment of investments in subsidiaries, joint ventures, and associates)	-	-	-
(Impairment or (-) reversal of impairment off non-financial assets)	(1,903,399)	(1,903,399)	(557,027)
(Property, plant and equipment)	(1,791,199)	(1,791,199)	-
(Investment property)	(112,200)	(112,200)	(557,027)
(Goodwill)	-	-	-
(Other intangible assets)	-	-	-
(Other)	-	-	-
Total	65,993,647	41,584,302	31,231,119
10) LOANS AND ADVANCES		in HRK	
AOP 023	31.12.2021.	31.12.2022.	
	Stage 1	Stage 2	Stage 3
Central banks	1,326,441,533	-	-
Gross loans	1,326,441,533	-	-
Allowance	-	-	-
Deposits	-	-	22,086
Allowance	-	-	-
Government	3,442,887,361	27,214,597	-
Gross loans	4,669,328,894	27,813,410	92,006
Allowance	(13,949,306)	(598,813)	(92,006)
Credit institutions	277,890,317	-	1,978,399,125
Gross loans	117,158	-	93,477
Allowance	(0)	-	(22)
Deposits	278,323,532	-	1,987,712,315
Allowance	(550,373)	-	(9,472,645)
Other financial institutions	170,320,447	122	268,370,582
Gross loans	160,489,050	122	254,346,789
Allowance	(2,059,091)	(0)	(2,927,715)
Deposits	12,188,549	-	16,842,628
Allowance	(298,121)	-	(491,119)
Non - financial institutions	1,635,885,261	770,088,172	615,079,209
Gross loans	1,661,243,557	836,572,344	3,145,415,455
Allowance	(25,858,296)	(66,484,172)	(718,262,605)
Retail	7,096,378,085	372,303,977	221,121,872
Gross loans	7,190,592,928	413,935,430	831,400,100
Allowance	(84,214,842)	(41,831,453)	(610,278,228)
Total	13,949,303,095	1,169,606,868	836,201,081
11) NON-TRADING FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS		in HRK	
AOP 013	31.12.2021.	31.12.2022.	
Central banks	-	-	-
Local state	-	-	-
Credit institutions	-	-	-
Other financial institutions	-	-	-
Non - financial institutions	2,895,155	2,444,340	-
Retail	6,421,574	4,398,439	-
Total	9,316,729	6,842,780	-
12) DEPOSITS		in HRK	
AOP 044	31.12.2021.	31.12.2022.	
Government	401,789,519	402,789,614	-
Local state	6,575,113,951	9,727,426,464	-
Credit institutions	103,484,960	511,614,109	-
Other financial institutions	1,472,818,860	1,747,939,084	-
Non - financial institutions	3,602,215,243	4,034,459,558	-
Retail	12,601,533,019	14,864,085,883	-
Total	24,756,935,639	31,288,314,711	-