



HRVATSKA POŠTANSKA BANKA d.d.

Management Board

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Zagreb Stock Exchange – Official market

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Zagreb Stock Exchange

Croatian Financial Services Supervisory Agency (CFSSA)

OTS HINA

**Subject: HRVATSKA POŠTANSKA BANKA, plc
- notification on the change of supervisory capital requirement**

In accordance with the article 459 of the Capital Markets Act (Official Gazzette No. 88/08, 146/08, 74/09, 54/13, 159/13, 18/15 i 110/15) Hrvatska poštanska banka, plc („the Bank“ hereafter) informs the investment community that Croatian National Bank („CNB“ hereafter), upon regular supervision that had been performed, determined the ratio at which Bank's own funds must be maintained, which is a common measures applied to credit institutions.

As per requirements prescribed in article 92 of Regulation (EU) 575/2013, credit institutions must maintain following capital requirements at all times: (a) core-tier-1 ratio of 4,5%; (b) tier-1 ratio of 6%; (c) total capital ratio of 8%.

Furthermore, credit institutions should, in compliance with Part VII of Credit Institutions Act, maintain an appropriate level of capital buffers. In line with article 117 of the Credit Institutions Act, capital conservation buffer should amount to 2,5% of total risk exposure. Meanwhile, in line with Decision on application of structural systemic risk buffer, credit institutions must maintain additional capital buffer for structural and systemic risk in amount of 1,5%.

In addition to abovementioned regulatory requirements, CNB has within its regular supervisory assessment of the Bank, determined that Bank should, on consolidated level and on the level of parent credit institution maintain a higher capital ratio by at least 3,35 percent points above the ratio outlined in article 92 of the Regulation (EU) 575/2013 and in Part VII of the Credit Institutions Act.

This level of supervisory capital requirement supplants former rate equalling 2,0 percentage points. Measure is applicable until new resolution is made by the CNB. Bank will maintain all capital requirements in line with this measure and all applicable regulations.

Bank will inform investment community about any change in capital requirements in the future, in a timely manner.

Hrvatska poštanska banka, plc