



TRANSLATION

 HRVATSKA POŠTANSKA BANKA

Consolidated Financial Statements for the period from January 01 to March 31, 2020

Unaudited

In accordance with the Capital Markets Act, Hrvatska poštanska Banka p.l.c. (Bank) as the parent company of HPB Group (Group), publishes unaudited financial statements for the period from January 01 to March 31, 2020.

Original and official Annual report is published in Croatian.

This report includes:

- management report on 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),
- 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 114/2018).

HPB Group is, apart from the parent company – Hrvatska poštanska Banka p.l.c., HPB Invest (investment fund management) and HPB-nekretnine (real estate agency).

As of April 1, 2019. Jadranska banka p.l.c. was successfully merged to Hrvatska poštanska banka p.l.c. and on December 2, 2019 the HPB Stambena štedionica p.l.c. was merged.

The HPB Group's net profit after tax is HRK 35.9 million. The Group's result relates largely to the results of the parent company, while HPB Invest made a net profit of HRK 405.3 thousand and HPB-Nekretnine a net profit of HRK 284.9 thousands.

The Group continues to perform well in a low interest rate environment.

Marko Badurina

CEO

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 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, 2020, are 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 :

Tea Bažant

Executive Head of Finance Division

Marko Badurina

CEO

Anto Mihaljević

Member of the Management Board

Ivan Soldo

Member of the Management Board

Annex 1
ISSUER'S GENERAL DATA
Reporting period: to
Year:
Quarter:
Quarterly financial statements
Registration number (MB): **Issuer's home Member State code:**
Entity's registration number (MBS):
Personal identification number (OIB): **LEI:**
Institution code:
Name of the issuer:
Postcode and town:
Street and house number:
E-mail address:
Web address:
Number of employees (end of the reporting period):
Consolidated report: (KN-not consolidated/KD-consolidated)

Audited: (RN-not audited/RD-audited)

Names of subsidiaries (according to IFRS): **Registered office:** **MB:**

HPB-nekretnine d.o.o.	Amruševa 8, 10000Zagreb	01972260
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HPB Invest d.o.o.	Strojarska cesta 20, 10000 Zagreb	01972278
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Bookkeeping firm: (Yes/No) (name of the bookkeeping firm)

Contact person: (only name and surname of the contact person)

Telephone:
E-mail address:
Audit firm: (name of the audit firm)

Certified auditor: (name and surname)

BALANCE SHEET

as at March 31, 2020

in HRK

Submitter: Hrvatska poštanska banka p.l.c.			
Item	AOP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
Asset			
Cash, cash balances at central banks and other demand deposits (from 2 to 4)	001	2,772,782,193	4,886,513,272
Cash in hand	002	961,912,026	1,036,068,723
Cash balances at central banks	003	1,014,563,142	3,440,241,363
Other demand deposits	004	796,307,025	410,203,186
Financial assets held for trading (from 6 to 9)	005	612,871,552	656,544,662
Derivatives	006	852,203	32,810
Equity instruments	007	96,079,539	84,919,175
Debt securities	008	515,939,810	571,592,677
Loans and advances	009	-	-
Non-trading financial assets mandatorily at fair value through profit or loss (from 11 to 13)	010	21,199,086	20,308,129
Equity instruments	011	-	-
Debt securities	012	-	-
Loans and advances	013	21,199,086	20,308,129
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	4,640,197,866	4,034,940,975
Equity instruments	018	57,269,384	45,545,931
Debt securities	019	4,582,928,482	3,989,395,044
Loans and advances	020	-	-
Financial assets at amortised cost (22 + 23)	021	15,213,145,060	15,139,522,269
Debt securities	022	4,305,695	6,446,727
Loans and advances	023	15,208,839,365	15,133,075,542
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	-	-
Tangible assets	027	324,499,245	324,469,837
Intangible assets	028	110,071,915	103,117,626
Tax assets	029	6,453,295	25,946,029
Other assets	030	52,180,680	40,795,174
Fixed assets and disposal groups classified as held for sale	031	20,000,000	20,000,000
Total assets (1 + 5 + 10 + 14 + 17 + 21 + from 24 to 31)	032	23,773,400,893	25,252,157,974

BALANCE SHEET (CONTINUED)

as at March 31, 2020

in HRK

Submitter: Hrvatska poštanska banka p.l.c.			
Item	AOP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
Liabilities			
Financial liabilities held for trading (from 34 to 38)	033	863,025	33,288
Derivatives	034	863,025	33,288
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	21,048,705,186	22,600,346,207
Deposits	044	20,936,228,925	22,480,579,224
Debt securities issued	045	-	-
Other financial liabilities	046	112,476,261	119,766,983
Derivatives - hedge accounting	047	-	-
Fair value changes of the hedged items in portfolio hedge of interest rate risk	048	-	-
Provisions	049	196,063,323	196,008,508
Tax liabilities	050	1,728,314	13,306,676
Share capital repayable on demand	051	-	-
Other liabilities	052	149,349,151	133,013,378
Liabilities included in disposal groups classified as held for sale	053	-	-
Total liabilities (33 + 39 + 43 + from 47 to 53)	054	21,396,708,999	22,942,708,057
Equity			
Initial capital	055	1,214,775,000	1,214,775,000
Share premium	056	-	-
Equity instruments issued other than capital	057	-	-
Other equity instruments	058	-	-
Accumulated other comprehensive income	059	319,404,893	216,180,091
Retained profit	060	156,511,227	231,603,514
Revaluation reserves	061	-	-
Other reserves	062	539,561,769	611,448,026
(-) Treasury shares	063	(477,000)	(477,000)
Profit or loss attributable to owners of the parent	064	146,916,005	35,920,286
(--) Interim dividends	065	-	-
Minority interests [non-controlling interests]	066	-	-
Total equity (from 55 to 66)	067	2,376,691,894	2,309,449,917
Total equity and liabilities (54 + 67)	068	23,773,400,893	25,252,157,974

STATEMENT OF PROFIT AND LOSS

for the period January 01, 2020 to March 31, 2020

in HRK

Submitter: Hrvatska poštanska banka p.l.c.

Item	AOP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
Interest income	001	152,456,818	152,456,818	150,216,013	150,216,013
(Interest expenses)	002	19,582,734	19,582,734	13,918,245	13,918,245
(Expenses on share capital repayable on demand)	003	-	-	-	-
Dividend received	004	-	-	200,613	200,613
Fees and commissions income	005	120,480,564	120,480,564	112,416,823	112,416,823
(Fees and commissions expenses)	006	71,753,115	71,753,115	67,582,504	67,582,504
Gains or (-) losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	007	-	-	23,870,392	23,870,392
Gains or (-) losses on financial assets and liabilities held for trading, net	008	24,201,441	24,201,441	(5,416,693)	(5,416,693)
Gains or losses on non-trading financial assets mandatorily at fair value through profit or loss, net	009	4,053	4,053	102,393	102,393
Gains or (-) losses on 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	(814,172)	(814,172)	(4,831,938)	(4,831,938)
Gains or (-) losses on derecognition of non-financial assets, net	013	341,697	341,697	-	-
Other operating income	014	16,102,225	16,102,225	2,187,791	2,187,791
(Other operating expenses)	015	19,085,261	19,085,261	12,393,684	12,393,684
Total operating income, net (1 – 2 – 3 + 4 + 5 – 6 + from 7 to 14 – 15)	016	202,351,516	202,351,516	184,850,961	184,850,961

STATEMENT OF PROFIT AND LOSS (CONTINUED)

for the period January 01, 2020 to March 31, 2020

in HRK

Submitter: Hrvatska poštanska banka p.l.c.					
Item	AOP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
(Administrative expenses)	017	101,857,328	101,857,328	94,639,733	94,639,733
(Depreciation)	018	12,157,038	12,157,038	20,765,646	20,765,646
Modification gains or (-) losses, net	019	-	-	(29,391)	(29,391)
(Provisions or (-) reversal of provisions)	020	-	-	884,318	884,318
(Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss)	021	6,483,334	6,483,334	28,708,700	28,708,700
(Impairment or (-) reversal of impairment of investments in subsidiaries, joint ventures and associates)	022	-	-	-	-
(Impairment or (-) reversal of impairment on non-financial assets)	023	-	-	-	-
Negative goodwill recognised in profit or loss	024	-	-	-	-
Share of the profit or (-) loss of investments in subsidiaries, joint ventures and associates accounted for using the equity method	025	-	-	-	-
Profit or (-) loss from fixed assets and disposal groups classified as held for sale not qualifying as discontinued operations	026	-	-	-	-
Profit or (-) loss before tax from continuing operations (16 – 17 – 18 + 19 – from 20 to 23 + from 24 to 26)	027	81,853,816	81,853,816	39,823,173	39,823,173
(Tax expense or (-) income related to profit or loss from continuing operations)	028	17,137,394	17,137,394	3,902,891	3,902,891
Profit or (-) loss after tax from continuing operations (27 – 28)	029	64,716,422	64,716,422	35,920,282	35,920,282
Profit or (-) loss after tax from discontinued operations (31 – 32)	030	-	-	-	-
Profit or (-) loss before tax from discontinued operations	031	-	-	-	-
(Tax expense or (-) income related to discontinued operations)	032	-	-	-	-
Profit or (-) loss for the year (29 + 30; 34 + 35)	033	64,716,422	64,716,422	35,920,282	35,920,282
Attributable to minority interest [non-controlling interests]	034	-	-	-	-
Attributable to owners of the parent	035	64,716,422	64,716,422	35,920,282	35,920,282

STATEMENT OF PROFIT AND LOSS (CONTINUED)
for the period January 01, 2020 to March 31, 2020

in HRK

Submitter: Hrvatska poštanska banka p.l.c.

Item	AOP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
STATEMENT OF OTHER COMPREHENSIVE INCOME					
Income or (-) loss for the current year	036	64,716,422	64,716,422	35,920,282	35,920,282
Other comprehensive income (38 + 50)	037	76,796,118	76,796,118	(103,225,083)	(103,225,083)
Items that will not be reclassified to profit or loss (from 39 to 45) + 48 + 49)	038	-	-	-	-
Tangible assets	039	-	-	-	-
Intangible assets	040	-	-	-	-
Actuarial gains or (-) losses on defined benefit pension plans	041	-	-	-	-
Fixed assets and disposal groups classified as held for sale	042	-	-	-	-
Share of other recognised income and expense of entities accounted for using the equity method	043	-	-	-	-
Fair value changes of equity instruments measured at fair value through other comprehensive income	044	-	-	-	-
Gains or (-) losses from hedge accounting of equity instruments at fair value through other comprehensive income, net	045	-	-	-	-
Fair value changes of equity instruments measured at fair value through other comprehensive income [hedged item]	046	-	-	-	-
Fair value changes of equity instruments measured at fair value through other comprehensive income [hedging instrument]	047	-	-	-	-
Fair value changes of financial liabilities at fair value through profit or loss attributable to changes in their credit risk	048	-	-	-	-
Income tax relating to items that will not be reclassified	049	-	-	-	-
Items that may be reclassified to profit or loss (from 51 to 58)	050	76,796,118	76,796,118	(103,225,083)	(103,225,083)
Hedge of net investments in foreign operations [effective portion]	051	-	-	-	-
Foreign currency translation	052	-	-	-	-
Cash flow hedges [effective portion]	053	-	-	-	-
Hedging instruments [not designated elements]	054	-	-	-	-
Debt instruments at fair value through other comprehensive income	055	93,653,802	93,653,802	(125,884,247)	(125,884,247)
Fixed assets and disposal groups classified as held for sale	056	-	-	-	-
Share of other recognised income and expense of investments in subsidiaries, joint ventures and associates	057	-	-	-	-
Income tax relating to items that may be reclassified to profit or (-) loss	058	(16,857,684)	(16,857,684)	22,659,165	22,659,165
Total comprehensive income for the current year (36 + 37; 60 + 61)	059	141,512,540	141,512,540	(67,304,801)	(67,304,801)
Attributable to minority interest [non-controlling interest]	060	-	-	-	-
Attributable to owners of the parent	061	141,512,540	141,512,540	(67,304,801)	(67,304,801)

STATEMENT OF CASH FLOW

for the period January 01, 2020 to March 31, 2020

in HRK

Submitter: Hrvatska poštanska banka p.l.c.			
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	-	-
Profit/(loss) before tax	009	81,853,816	38,981,507
Adjustments:		-	-
Impairment and provisions	010	6,483,334	29,622,409
Depreciation	011	12,157,038	20,650,093
Net unrealised (gains)/losses on financial assets and liabilities at fair value through statement of profit or loss	012	(22,317,471)	(13,621,416)
(Profit)/loss from the sale of tangible assets	013	(143,996)	-
Other non-cash items	014	845,600	(93,277,166)
Deposits with the Croatian National Bank	015	858,030,057	359,111,599
Deposits with financial institutions and loans to financial institutions	016	(293,381,820)	-
Loans and advances to other clients	017	(120,158,606)	(312,375,620)
Securities and other financial instruments at fair value through other comprehensive income	018	(1,832,889,651)	514,147,757
Securities and other financial instruments held for trading	019	184,730,600	(53,921,741)
Securities and other financial instruments at fair value through statement of profit or loss, not traded	020	(28,908,892)	-
Securities and other financial instruments mandatorily at fair value through statement of profit or loss	021	-	890,957
Securities and other financial instruments at amortised cost	022	22,439	(2,141,032)
Other assets from operating activities	023	56,689,198	11,190,547
Deposits from financial institutions	024	(83,025,500)	124,155,576
Transaction accounts of other clients	025	1,083,374,363	613,229,235
Savings deposits of other clients	026	1,371,027,605	244,020,710
Time deposits of other clients	027	(1,135,754,549)	127,198,586
Derivative financial liabilities and other liabilities held for trading	028	-	6,012,898
Other liabilities from operating activities	029	(466,598,237)	(16,504,107)
Interest received from operating activities [indirect method]	030	-	140,692,187
Dividends received from operating activities [indirect method]	031	-	200,613
Interest paid from operating activities [indirect method]	032	-	(16,908,380)
(Income tax paid)	033	-	-
Net cash flow from operating activities (from 1 to 33)	034	-327,964,672	1,721,354,867

STATEMENT OF CASH FLOW (CONTINUED)
for the period January 01, 2020 to March 31, 2020

in HRK

Submitter: Hrvatska poštanska banka p.l.c.			
Item	AOP code	Same period of the previous year	Current period
1	2	3	4
Investing activities			
Cash receipts from the sale / payments for the purchase of tangible and intangible assets	035	(19,826,917)	(13,753,944)
Cash receipts from the sale / payments for the purchase of investments in branches, associates and joint ventures	036	(122,750,000)	-
Cash receipts from the sale / payments for the purchase of securities and other financial instruments held to maturity	037	-	(2,141,032)
Dividends received from investing activities	038	-	-
Other receipts/payments from investing activities	039	-	-
Net cash flow from investing activities (from 35 to 39)	040	-142,576,917	(15,894,976)
Financing activities			
Net increase/(decrease) in loans received from financing activities	041	90,788,695	436,832,189
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	-	-
Net cash flow from financing activities (from 41 to 46)	047	90,788,695	436,832,189
Net increase/(decrease) of cash and cash equivalents (34 + 40 + 47)	048	(379,752,894)	2,142,292,080
Cash and cash equivalents at the beginning of period	049	3,128,314,965	3,037,318,898
Effect of exchange rate fluctuations on cash and cash equivalents	050	3,895,146	4,831,938
Cash and cash equivalents at the end of period (48 + 49 + 50)	051	2,752,457,217	5,184,442,916

STATEMENT OF CHANGES IN EQUITY

for the period January 01, 2020 to March 31, 2020

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 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	-	-	-	319,404,893	156,511,227	-	539,561,769	(477,000)	146,916,006	-	-	-	2,376,691,895
Effects of error corrections	002	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effects of changes in accounting policies	003	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Opening balance [current period] (1 + 2 + 3)	004	1,214,775,000	-	-	-	319,404,893	156,511,227	-	539,561,769	(477,000)	146,916,006	-	-	-	2,376,691,895
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 debt to equity	009	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital reduction	010	-	-	-	-	-	-	-	-	-	-	-	-	-	-

STATEMENT OF CHANGES IN EQUITY

for the period January 01, 2020 to March 31, 2020

Item	AOP 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	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase/sale of treasury shares	012	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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 instruments	016	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share based payments	017	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other increase or (-) decrease of equity instruments	018	-	-	-	-	(103,225,083)	146,978,829	-	-	-	(146,916,006)	-	-	-	(103,162,260)
Total comprehensive income for the current year	019	-	-	-	-	-	-	-	-	-	35,920,282	-	-	-	35,920,282
Equity instruments increase or (-) decrease resulting from business combinations	020	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance [current period] (from 4 to 20)	021	1,214,775,000	-	-	-	216,179,810	303,490,056	-	539,561,769	(477,000)	35,920,282	-	-	-	2,309,449,917

A) STATEMENT OF PROFIT AND LOSS

1) INTEREST INCOME

in HRK

AOP 001	Same period of the previous year 01.01.-31.03.2019.		Current period 01.01. – 31.03.2020.	
	Cumulative	Quarter	Cumulative	Quarter
Debt securities	32,230,565	32,230,565	22,027,279	22,027,279
Loans and advances	119,811,422	119,811,422	127,938,311	127,938,311
Other assets	414,335	414,335	249,014	249,014
Deposits	497	497	1,409	1,409
Other liabilities	-	-	-	-
Total	152,456,818	152,456,818	150,216,013	150,216,013

2) INTEREST EXPENSE

in HRK

AOP 002	Same period of the previous year 01.01.-31.03.2019.		Current period 01.01. – 31.03.2020.	
	Cumulative	Quarter	Cumulative	Quarter
Debt securities	-	-	-	-
Loans and advances	923,400	923,400	531,838	531,838
Other assets	-	-	-	-
Deposits	18,159,918	18,159,918	12,933,460	12,933,460
Other liabilities	499,416	499,416	452,947	452,947
Total	19,582,734	19,582,734	13,918,245	13,918,245

3) FEE AND COMMISSION INCOME

in HRK

AOP 005	Same period of the previous year 01.01.-31.03.2019.		Current period 01.01. – 31.03.2020.	
	Cumulative	Quarter	Cumulative	Quarter
Securities	80,523	80,523	-	-
Asset management	11,972	11,972	73,995	73,995
Custody [according to the type of client]	1,294,371	1,294,371	1,121,542	1,121,542
Loan commitments	39,924	39,924	1,269,446	1,269,446
Other	119,053,774	119,053,774	109,951,840	109,951,840
Total	120,480,564	120,480,564	112,416,823	112,416,823

4) FEE AND COMMISSION EXPENSE

in HRK

AOP 006	Same period of the previous year 01.01.-31.03.2019.		Current period 01.01. – 31.03.2020.	
	Cumulative	Quarter	Cumulative	Quarter
Bank clearing and settlement	399,060	399,060	368,965	368,965
Other	71,354,055	71,354,055	67,213,539	67,213,539
Total	71,753,115	71,753,115	67,582,504	67,582,504

5) GAIN/LOSSES ON TERMINATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES
in HRK

AOP 007	Same period of the previous year 01.01.-31.03.2019.		Current period 01.01. – 31.03.2020.	
	Cumulative	Quarter	Cumulative	Quarter
Debt securities	-	-	23,870,392	23,870,392
Loans and advances	-	-	-	-
Deposits	-	-	-	-
Debt Securities issued	-	-	-	-
Other financial liabilities	-	-	-	-
Total	0	0	23,870,392	23,870,392

AOP 008	Same period of the previous year 01.01.-31.03.2019.		Current period 01.01. – 31.03.2020.	
	Cumulative	Quarter	Cumulative	Quarter
Equity instruments	3,234,838	3,234,838	-11,294,858	(11,294,858)
Debt securities	12,160,936	12,160,936	-7,587,117	(7,587,117)
FX transactions and derivatives	8,805,667	8,805,667	13,465,282	13,465,282
Total	24,201,441	24,201,441	(5,416,693)	(5,416,693)

AOP 009	Same period of the previous year 01.01.-31.03.2019.		Current period 01.01. – 31.03.2020.	
	Cumulative	Quarter	Cumulative	Quarter
Equity instruments	-	-	-	-
Debt securities	-	-	-	-
Loans and advances	4,053	4,053	102,393	102,393
Total	4,053	4,053	102,393	102,393

6) OPERATING EXPENSES
in HRK

AOP 015 & AOP 017 & AOP 018	Same period of the previous year 01.01.-31.03.2019.		Current period 01.01. – 31.03.2020.	
	Cumulative	Quarter	Cumulative	Quarter
(Other operating expenses)	11,629,666	11,629,666	12,747	12,747,247
(Administrative expenses)	109,312,923	109,312,923	94,286	94,286,170
(Employee expenses)	48,601,030	48,601,030	55,864	55,864,434
(Other administrative expenses)	60,711,893	60,711,893	38,422	38,421,736
(Amortization)	12,157,038	12,157,038	20,766	20,765,646
(Property, plant and equipment)	4,093,533	4,093,533	11,299	11,299,203
(Investment property)	-	-	-	-
(Other intangible assets)	8,063,505	8,063,505	9,466	9,466,444
Total	133,099,627	133,099,627	127,799,063	127,799,063

7) IMPAIRMENT LOSSES AND PROVISION EXPENSES

in HRK

AOP 019 & AOP 020 & AOP 021 & AOP 023	Same period of the previous year 01.01.-31.03.2019.		Current period 01.01. – 31.03.2020.	
Same period of the previous year 01.01.-31.03.2019.	Cumulative	Quarter	Cumulative	Quarter
Modification gains or (-) losses, net	-	-	(29,391)	(29,391)
Financial assets at fair value through other comprehensive income	-	-	-	-
Financial assets at amortized cost	-	-	(29,391)	(29,391)
(Provisions or (-) reversal of provisions)	4,311,818	4,311,818	884,318	884,318
(Liabilities and Guarantees)	3,826,468	3,826,468	339,153	339,153
(Other Provisions)	485,350	485,350	545,166	545,166
(Impairment or (-) reversal of impairment on financial assets that are not measured at fair value through profit or loss)	2,171,516	2,171,516	28,708,700	28,708,700
(Financial assets at fair value through other comprehensive income)	5,235,258	5,235,258	(1,127,923)	(1,127,923)
(Financial assets at amortized cost)	(3,063,743)	(3,063,743)	29,836,622	29,836,622
(Impairment or (-) reversal of impairment off of investments in subsidiaries, joint ventures, and associates)	-	-	-	-
(Impairment or (-) reversal of impairment off non-financial assets)	-	-	-	-
(Property, plant and equipment)	-	-	-	-
(Investment property)	-	-	-	-
(Goodwill)	-	-	-	-
(Other intangible assets)	-	-	-	-
(Other)	-	-	-	-
Total	6,483,334	6,483,334	29,622,409	29,622,409

B) BALANCE SHEET

8. LOANS AND ADVANCES

u HRK

AOP 023	31.12.2019.			31.03.2020.		
	Stupanj 1	Stupanj 2	Stupanj 3	Stupanj 1	Stupanj 2	Stupanj 3
Central banks	1,558,206,655	-	-	1,199,095,056	-	-
Gross loans	1,558,206,655	-	-	1,199,095,056	-	-
Allowance	-	-	-	-	-	-
Government	2,244,696,909	4,456,728	-	2,178,738,780	2,434,214	152,668
Gross loans	2,250,085,612	5,026,891	383,503	2,184,330,715	2,646,122	571,708
Allowance	(5,388,703)	(570,163)	(383,503)	(5,591,936)	(211,908)	(419,040)
Credit institutions	233,379,950	-	-	275,657,242	-	-
Gross loans	233,991,494	-	-	20,786	-	-
Allowance	(611,544)	-	-	-	-	-
Deposits	-	-	-	275,698,306	-	-
Allowance	-	-	-	(61,850)	-	-
Other financial institutions	129,436,444	461,201	-	117,801,069	7,003	218
Gross loans	117,745,218	466,361	15,995	105,652,991	8,608	4,242,742
Allowance	(398,194)	(5,160)	(15,995)	(367,846)	(1,605)	(4,242,525)
Deposits	12,197,705	-	-	12,614,830	-	-
Allowance	(108,285)	-	-	(98,906)	-	-
Non - financial institutions	3,627,780,064	170,418,701	441,502,507	3,448,967,780	435,036,949	574,966,567
Gross loans	3,724,482,681	219,244,197	1,343,775,272	3,536,327,646	490,838,222	1,485,745,072
Allowance	(96,702,617)	(48,825,496)	(902,272,765)	(87,359,865)	(55,801,273)	(910,778,505)
Retail	6,301,397,489	304,661,307	192,441,409	6,450,302,727	285,277,038	164,638,232
Gross loans	6,330,026,490	322,194,397	644,630,416	6,487,175,872	308,141,133	639,431,950
Allowance	(28,629,002)	(17,533,090)	(452,189,007)	(36,873,145)	(22,864,095)	(474,793,717)
Total	14,094,897,511	479,997,937	633,943,916	13,670,562,654	722,755,204	739,757,684

9) NON-TRADING FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS*in HRK*

AOP 013	31.12.2019.	31.03.2020.
Central banks	-	-
Government	-	-
Credit institutions	-	-
Other financial institutions	-	-
Non - financial institutions	6,692,018	5,658,914
Retail	14,507,069	14,649,214
Total	21,199,086	20,308,129

10) DEPOSITS*u HRK*

AOP 044	31.12.2019.	31.03.2020.
Government	-	400,000,000
Local state	4,896,096,420	4,845,932,617
Credit institutions	127,248,024	131,725,012
Other financial institutions	1,436,745,667	2,286,141,864
Non - financial institutions	2,738,237,692	2,967,524,337
Retail	11,737,901,121	11,849,255,393
Total	20,936,228,925	22,480,579,223

C) MERGING OF JADRANSKA BANKA P.L.C. AND HPB STAMBENA ŠTEDIONICA P.L.C.

As of April 01, 2019 the Bank merged Jadranska banka p.l.c., which resulted in capital increase in amount of HRK 42,884 thousand, with December 2, 2019 HPB Stambena štedionica p.l.c. was merged, which also increased the capital items by HRK 4,652 thousand.

D) BANK'S OWNERSHIP STRUCTURE

Bank's ownership structure as per March, 31 2020 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%
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%
Treasury shares	0.04%

E) HPB STOCK

HPB Stock is listed on ZSE's Official market. Last share price at the end of first quarter of 2020 amounted to HRK 456.00 (31.03.2020. trading day), representing an increase of 24 percent in comparison with the last price achieved in 2019. (=HRK 600.00 as per December 30, 2019 trading day).

Trading of HPB-R-A stock during the reporting period was as follows (below presented last price in trading day) :

