

## Erste & Steiermärkische Bank d.d.

*(Incorporated as a stock corporation in the Republic of Croatia under registered number 040001037 and personal identification number 23057039320)*

This document constitutes a registration document, as supplemented from time to time (the "**Registration Document**") for the purpose of Article 8 of the Regulation (EU) 2017/1129, as amended (the "**Prospectus Regulation**") in relation to Erste & Steiermärkische Bank d.d. (the "**Issuer**" or "**Erste Bank Croatia**") and has been drawn up in accordance with Annex 6 of the Commission Delegated Regulation (EU) 2019/980, as amended.

This Registration Document has been approved by the Austrian Financial Market Authority (*Finanzmarktaufsichtsbehörde*, the "**FMA**") in its capacity as competent authority pursuant to Article 20 of the Prospectus Regulation in conjunction with the Austrian Capital Market Act 2019 (*Kapitalmarktgesetz 2019*) and, within its validity of 12 months after its approval, forms part of any base prospectus of the Issuer consisting of separate documents within the meaning of Article 8(6) of the Prospectus Regulation. The FMA only approves this Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer that is the subject of this Registration Document.

Prospective investors should have regard to the risk factors described under the section headed "**1. Risk Factors**" in this Registration Document. This Registration Document does not describe all of the risks regarding the Issuer, but the Issuer believes that all material and specific risks relating to it have been described.

This Registration Document gives information with regard to the Issuer and its subsidiaries and participations taken as a whole (the "**Erste Bank Croatia Group**") which, according to the particular nature of the Issuer, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer.

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# DOCUMENTS INCORPORATED BY REFERENCE

## Incorporation by reference pursuant to Article 19(1) of the Prospectus Regulation

This Registration Document should be read and construed in conjunction with the following parts of the following documents which are incorporated by reference into this Registration Document and which have been filed with the FMA:

| Document/Heading                                                                                                                                                                                                                                                                                                                                   | Page reference in the relevant financial report |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|
| <b>Croatian language version of the Audited Separate and Consolidated Financial Statements of the Issuer and Erste Bank Croatia Group for the financial year ended 31 December 2023</b> – as included in the Annual Report 2023 ( <i>Godišnje izvješće 2023</i> ) (the "Audited Separate and Consolidated Financial Statements 2023") <sup>1</sup> |                                                 |
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<sup>1</sup> The officially signed Croatian language versions of the Issuer's audited separate and consolidated financial statements for the relevant financial years that are and will be incorporated by reference into this Registration Document are solely legally binding and definitive.

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<sup>2</sup> The English language translations of the audited separate and consolidated financial statements of the Issuer for the relevant financial years that are and will be incorporated by reference into this Registration Document for convenience purposes only are not legally binding.

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For the avoidance of doubt, such parts of (i) the annual reports 2023 and 2024; and (ii) the interim report half year 2025, which are not explicitly listed in the tables above, are not incorporated by reference into this Registration Document as these parts are either not relevant for the investor or covered elsewhere in this Registration Document.

Any information not listed above but included in the documents incorporated by reference is given for information purposes only.

Such parts of the documents which are explicitly listed above and which are incorporated by reference pursuant to Article 19(1) of the Prospectus Regulation shall be deemed to be incorporated in, and form part of this Registration Document, save that any statement contained in such a document shall be deemed to be modified or replaced for the purpose of this Registration Document to the extent that a statement contained in this Registration Document modifies or replaces such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or replaced shall not be deemed, except as so modified or replaced, to constitute a part of this Registration Document.

## **Incorporation by reference pursuant to Article 19(1b) of the Prospectus Regulation**

In accordance with Article 19(1b) of the Prospectus Regulation and in addition to the above, the following information shall be incorporated by reference in, and form part of, this Registration Document as and when it is published during the twelve-month period of validity of the respective base prospectus on the Issuer's website "[www.erstebank.hr/en/about-us/bonds](http://www.erstebank.hr/en/about-us/bonds)":

- (i) the following sections of the Croatian language version of the Audited Separate and Consolidated Financial Statements of the Issuer and Erste Bank Croatia Group for the financial year ended 31 December 2025 (the "**Audited Separate and Consolidated Financial Statements 2025**"); (ii) the Auditor's Report thereon; (iii) the Appendix 1 to the Annual Report 2025; and (iv) the Appendix 2 to the Annual Report 2025, all as included in the Annual Report 2025 (*Godišnje izvješće 2025*)<sup>1</sup>:
  - Statement of Profit or Loss  
(*Izvještaj o računu dobiti i gubitka*)
  - Statement of Other Comprehensive Income  
(*Izvještaj o ostaloj sveobuhvatnoj dobiti*)
  - Statement of Financial Position  
(*Izvještaj o financijskom položaju*)

- Statement of Changes in Equity  
(*Izveštaj o promjenama kapitala*)
- Statement of Cash Flow  
(*Izveštaj o novčanom tijeku*)
- Notes to the Financial Statements  
(*Bilješke uz financijske izvještaje*)

Independent Auditor's Report (*Izvešće neovisnog revizora*)

Appendix 1 to the Annual Report 2025 – Forms according to local requirements  
(*Dodatak 1 – Propisani obrasci*)

Appendix 2 to the Annual Report 2025 – Differences between financial statements according to IFRS and local requirements  
(*Dodatak 2 – Razlike između financijskih izvještaja prema MSFI I propisanih obrazaca*)

- (i) the following sections of the English language translation of the Audited Separate and Consolidated Financial Statements of the Issuer for the financial year ended 31 December 2025; (ii) the English language translation of the Independent Auditor's Report thereon; (iii) the English language translation of the Appendix 1 to the Annual Report 2025; and (iv) the English language translation of the Appendix 2 to the Annual Report 2025, all as included in the Annual Report 2025<sup>2</sup>:

- Statement of Profit or Loss
- Statement of Other Comprehensive Income
- Statement of Financial Position
- Statement of Changes in Equity
- Statement of Cash Flows
- Notes to the Financial Statements

English language translation of the Independent Auditor's Report

English language translation of the Appendix 1 to the Annual Report 2025 – Forms according to local requirements

English language translation of the Appendix 2 to the Annual Report 2025 – Differences between financial statements according to IFRS and local requirements

- the following sections of the English language translation of the Unaudited Interim Consolidated Financial Statements of the Issuer for the half year ended 30 June 2026 prepared in accordance with IAS 34 (the "**Unaudited Interim Consolidated Financial Statements as of 30 June 2026**"):
- Balance Sheet
- Statement of Profit or Loss
- Statement of Cash Flow
- Statement of Changes in Equity
- Differences between financial statements according to IFRS and local requirements as at 30 June 2026
- Notes to the Half Year Financial Statements of Erste Bank Croatia Group for the period from 1 January to 30 June 2026

For the avoidance of doubt, such parts of (i) the annual report 2025 (as soon as published on the Issuer's website) as well as (ii) the interim report half year 2026 (as soon as published on the Issuer's website), which are not explicitly listed in the tables above, are not incorporated by reference into this Registration Document as these parts are either not relevant for the investor or covered elsewhere in this Registration Document.

Any information not listed above but included in the documents incorporated by reference is given for information purposes only.

Such parts of the documents which are explicitly listed above and which will be incorporated by reference after the date of this Registration Document pursuant to Article 19(1b) of the Prospectus Regulation shall be deemed to be incorporated in, and form part of this Registration Document, save that any statement contained in this Registration Document or a document incorporated by reference pursuant to Article 19(1) of the Prospectus Regulation shall be deemed to be modified or replaced for the purpose of this Registration Document to the extent that a statement contained in a document incorporated by reference after the date of this Registration Document pursuant to Article 19(1b) of the Prospectus Regulation modifies or replaces such earlier statement contained in this Registration Document or a document incorporated by reference pursuant to Article 19(1) of the Prospectus Regulation (whether expressly, by implication or otherwise). Any statement so modified or replaced shall not be deemed, except as so modified or replaced, to constitute a part of this Registration Document.

## DOCUMENTS AVAILABLE FOR INSPECTION

Electronic versions of the following documents will be available on the Issuer's website under "www.erstebank.hr" (see also the links set out below in brackets):

- (i) the Audited Separate and Consolidated Financial Statements 2023 and Independent Auditor's Report incorporated by reference into this Registration Document  
 ("https://cdn0.erstegroup.com/content/dam/hr/ebc/www\_erstebank\_hr/misc/o-nama/financijska-izvjesca/2024/financijska-izvjesca/1832024-godisnje-izvjesce-2023.pdf?forceDownload=1");
- (ii) the English language translations of the Audited Separate and Consolidated Financial Statements of the Issuer for the financial year ended 31 December 2023 and Independent Auditor's Report incorporated by reference into this Registration Document  
 ("https://cdn0.erstegroup.com/content/dam/hr/ebc/www\_erstebank\_hr/eng/downloads/about-us/financial-reports/2024/financial-statements/1832024-annual-report-2023.pdf?forceDownload=1");
- (iii) the Audited Separate and Consolidated Financial Statements 2024 and Independent Auditor's Report incorporated by reference into this Registration Document  
 ("https://cdn0.erstegroup.com/content/dam/hr/ebc/www\_erstebank\_hr/misc/o-nama/financijska-izvjesca/2025/financijska-izvjesca/2732025-godisnji-izvjestaj-2024.pdf?forceDownload=1");
- (iv) the English language translations of the Audited Separate and Consolidated Financial Statements of the Issuer for the financial year ended 31 December 2024 and Independent Auditor's Report incorporated by reference into this Registration Document  
 ("https://cdn0.erstegroup.com/content/dam/hr/ebc/www\_erstebank\_hr/eng/downloads/about-us/financial-reports/2025/financial-statements/2732025-annual-report-2024.pdf?forceDownload=1");
- (v) the Unaudited Interim Consolidated Financial Statements as of 30 June 2025 incorporated by reference into this Registration Document  
 ("https://cdn0.erstegroup.com/content/dam/hr/ebc/www\_erstebank\_hr/eng/downloads/about-us/financial-reports/2025/financial-statements/182025-management-report-esb-group-3062025.pdf?forceDownload=1");
- (vi) this Registration Document and any supplement to this Registration Document  
 ("https://cdn0.erstegroup.com/content/dam/hr/ebc/www\_erstebank\_hr/eng/bonds/registration-document-november-2025.pdf");  
 ("www.erstebank.hr/en/about-us/bonds");
- (vii) (a) any securities note relating to the securities issued or to be issued by the Issuer and any supplement thereto; and (b) any summary of the individual issue annexed to the relevant terms for the securities issued or to be issued by the Issuer  
 ("www.erstebank.hr/en/about-us/bonds"); and
- (viii) the Issuer's articles of association  
 ("www.erstegroup.com/content/dam/hr/ebc/www\_erstebank\_hr/eng/downloads/about-us/Articles\_of\_Association.pdf").

## SUPPLEMENT TO THIS REGISTRATION DOCUMENT

The Issuer is obliged by the provisions of the Prospectus Regulation that if there is a significant new factor, material mistake or material inaccuracy relating to the information included in this Registration Document which may affect the assessment of the securities issued or to be issued and which arises or is noted between the time when this Registration Document is approved and the closing of the offer period or the time when trading on a regulated market begins, whichever occurs later, the Issuer shall prepare a supplement to this Registration Document. In addition, the Issuer may be requested to include a consolidated version of the Registration Document in an annex to the supplement (Article 23(6) of the Prospectus Regulation) for use in connection with any subsequent offering of the securities issued or to be issued and shall supply to the FMA and the stock exchange operating any markets such number of copies of this Registration Document or such consolidated Registration Document as relevant applicable legislation require.

## SOURCES OF INFORMATION

Statistical and other data provided in this Registration Document has been extracted from (i) the website of Fitch Ratings Ireland Limited ("**Fitch**"); (ii) the website of the Croatian National Bank ("**CNB**"); (iii) the Audited Separate and Consolidated Financial Statements 2024 and the English language translation of the annual report thereon; (iv) the Audited Separate and Consolidated Financial Statements 2023 and the English language translation of the annual report thereon; (v) the Unaudited Interim Consolidated Financial Statements as of 30 June 2025; and (vi) unaudited information of the Issuer. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

## FORWARD-LOOKING STATEMENTS

This Registration Document contains certain forward-looking statements. A forward-looking statement is a statement that does not relate to historical facts and events. They are based on analyses or forecasts of future results and estimates of amounts not yet determinable or foreseeable. These forward-looking statements can be identified by the use of terms and phrases such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "will" and similar terms and phrases, including references and assumptions. This applies, in particular, to statements in this Registration Document containing information on future earning capacity, plans and expectations regarding the Issuer's business and management, its growth and profitability, and general economic and regulatory conditions and other factors that affect it.

Forward-looking statements in this Registration Document are based on current estimates and assumptions that the Issuer makes to the best of its present knowledge. These forward-looking statements are subject to risks, uncertainties and other factors which could cause actual results, including the Issuer's financial condition and results of operations, to differ materially from and be worse than results that have expressly or implicitly been assumed or described in these forward-looking statements. The Issuer's business is also subject to a number of risks and uncertainties that could cause a forward-looking statement, estimate or prediction in this Registration Document to become inaccurate. Accordingly, investors are strongly advised to read the following sections of this Registration Document: "*1. Risk Factors*" and "*2. Erste & Steiermärkische Bank d.d.*". These sections include more detailed descriptions of factors that might have an impact on the Issuer's business and the markets in which it operates.

In light of these risks, uncertainties and assumptions, future events described in this Registration Document may not occur.

## RESPONSIBILITY STATEMENT

The Issuer, with its registered office at Jadranski trg 3/a, 51000 Rijeka, Republic of Croatia, is responsible for the information given in this Registration Document.

The Issuer hereby declares that, to the best of the knowledge of the Issuer, the information contained in this Registration Document is in accordance with the facts and makes no omission likely to affect its import.



# 1. RISK FACTORS

*Prospective investors should consider carefully the risks set forth below and the other information contained in this Registration Document prior to making any investment decision with respect to any securities issued or to be issued. Prospective investors should note that the risks described below are not the only risks the Issuer faces. The Issuer has described only those risks relating to its business, operations, financial condition or prospects that it considers to be material and specific and of which it is currently aware. There may be additional risks that the Issuer currently considers not to be material and specific or of which it is not currently aware, and any of these risks could have the effects set forth below.*

*Prospective investors should also read the detailed information set out elsewhere in this Registration Document and should consult with their own professional advisers (including their financial, accounting, legal and tax advisers) and reach their own views prior to making any investment decision.*

*Each of the Issuer related risks highlighted below could have a material adverse effect on the Issuer's business, operations, financial condition or prospects which, in turn, could have a material adverse effect on the amount of principal and interest (if applicable) which investors will receive in respect of any securities issued or to be issued. In addition, each of the Issuer related risks highlighted below could adversely affect the trading price of the securities issued or to be issued or the rights of investors under the securities issued or to be issued and, as a result, investors could lose some or all of their investment.*

*The Issuer believes that the following factors may affect its ability to fulfil its obligations under securities issued or to be issued. Most of these factors are contingencies which may or may not occur. Below the Issuer expresses its view on the likelihood of any such contingency occurring as of the date of this Registration Document.*

*The Issuer believes that the factors described below represent the principal risks inherent in investing in the securities issued or to be issued, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any securities issued or to be issued may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate.*

*The risk factors herein are organised into categories depending on their nature. In each of the following categories the most material risk factors are listed in a manner that is consistent with the assessment of their materiality.*

## 1.1 CREDIT RISKS

**Erste Bank Croatia may in the future experience deterioration in credit quality of their clients, particularly as a result of financial crises or economic downturns.**

Based on its business model which is primarily concentrated on providing clients with loans, Erste Bank Croatia may in the future continue to be exposed to the risk that its borrowers may not repay their loans according to their contractual terms (defaults) and that the collateral or income stream securing the payment of these loans may be insufficient.

Negative economic developments could have a negative effect on the credit quality of Erste Bank Croatia's loan portfolio. This is particularly true in cases of a significant increase in unemployment rates, real estate as collateral or adjustments in asset prices in general and deteriorated financial conditions for Erste Bank Croatia's corporate customers in Croatia. Potential higher interest rates could result in more debtors to be unable to repay their loans according to their contractual terms and consequently lead to an increase of non-performing loans for Erste Bank Croatia.

Deterioration in credit quality may continue and could even intensify if economic conditions remain difficult or if improving business climates are temporary. In addition, unanticipated political events or a lack of liquidity could result in credit losses which exceed the amount of Erste Bank Croatia's loan loss provisions.

Materialization of credit risk generates risk costs for the Issuer. The level of risk costs for Erste Bank Croatia is based on internal analysis of the current and historical probabilities for going into default as well as on the methods for loan management and based on assessment of the underlying asset and disposable debt serving capacity of its clients. Based on regulatory requests and accounting standards, Erste Bank Croatia allocates provisions for credit risk in order to cover expected losses in loan portfolio. Credit loss allowances are being calculated for financial asset valued based on amortised cost (financial asset held to maturity, loans and advances) in line with the International Financial Reporting Standard 9 (IFRS 9).

Particularly noteworthy is Erste Bank Croatia's clients' business with Russia. Any remaining business relationships of Erste Bank Croatia's clients in Russia is causing high regulatory attendance. Secondary sanctions against countries, corporates or financial institutions could have negative economic consequences or directly affect risk costs of Erste Bank Croatia. All this could have a material negative impact on the business and the creditworthiness of Erste Bank Croatia's clients and may result in higher risk costs for Erste Bank Croatia. Furthermore, the situation in the Middle East remains fragile and has the potential for further escalation with the risk for higher commodity prices and lower trade volume. An escalation of the conflict could lead to higher prices and weaker global growth, which would affect Erste Bank Croatia's loan growth and risk costs.

Macroeconomic events, such as recession, deflation or hyper-inflation, may lead to an increase in defaults by Erste Bank Croatia's customers, which would adversely impact Erste Bank Croatia's results of operations and financial condition. Political or economic instability resulting from, or causing, the occurrence of any of these risks would also adversely affect the market for Erste Bank Croatia's products and services.

### **Erste Bank Croatia is exposed to significant counterparty risk.**

In the ordinary course of its business, Erste Bank Croatia is exposed to the risk that third parties who owe Erste Bank Croatia money, securities or other assets will not perform their obligations. This exposes Erste Bank Croatia to the risk of counterparty defaults, which could be higher during periods of economic downturn.

Furthermore, Erste Bank Croatia is exposed to a risk of non-performance by counterparties in the financial services industry. This exposure can primarily arise through trading, lending, clearance and settlement. These counterparties include brokers and dealers, custodians, commercial credit institutions, investment banks, and other institutional clients. Many of these relationships expose Erste Bank Croatia to credit risk in the event of counterparty default.

In addition, in cases where the collateral that Erste Bank Croatia holds cannot be realised or is liquidated at prices below the level necessary to recover the full amount of the loan or to cover the full amount of derivative exposure, Erste Bank Croatia will incur losses if its counterparties default on their obligations.

Concerns about potential defaults by third party financial institutions can lead to significant liquidity problems, losses or defaults by other financial institutions (such as the Issuer), as the commercial and financial soundness of many financial institutions is primarily interrelated due to credit and trading. Even a perceived lack of creditworthiness may lead to market-wide liquidity problems. This risk is often referred to as "systemic risk", and it affects credit institutions (such as the Issuer) and all other types of intermediaries in the financial services industry. Systemic risk could have a material adverse effect on Erste Bank Croatia's business, financial condition, results of operations, deposit base, liquidity and/or prospects as it leads to a need for Erste Bank Croatia to raise additional capital, while at the same time making it more difficult to do so.

## **1.2 BUSINESS RISKS**

### **Erste Bank Croatia's business entails several forms of operational risks, including information and communication technology risks.**

Operational risk to which Erste Bank Croatia is exposed in several ways is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events, such as natural disasters, terrorism, external infrastructure failures or external fraud, and includes legal risk, model risk and information and communication technology ("ICT") risk, but excludes strategic and reputational risk. However, in case of Erste Bank Croatia reputational risk is included under the operational risk for assessment purposes due to the strong link with it as many operational risk events have a strong impact in terms of reputation. The main components of operational risk in Erste Bank Croatia are:

- **Execution risk:** In case of Erste Bank Croatia, such risk arises from losses from failed transaction processing or process management, from relations with trade counterparties and vendors. It can materialize in deficiencies and/or errors in the origination of products and transactions, or failed execution or omission of contractual obligations and constitutes a major risk type for Erste Bank Croatia. The increasing number of outsourcings and the complexity of services can significantly alter its risk profile, for example increase the ICT risk resulting from significant usage of cloud service providers.
- **Conduct risk:** The current or prospective risk of losses to Erste Bank Croatia arises from inappropriate supply of financial services including cases of willful or negligent misconduct. Erste Bank Croatia continues to face litigations tied to violations or alleged violations of consumer

protection or consumer rights and also expects current and potential conduct risks to remain under close regulatory scrutiny.

- **Fraud risk:** In case of Erste Bank Croatia, such risk arises from losses due to acts of a type intended to defraud, misappropriate property or circumvent regulations, the law or company policy, excluding diversity/discrimination events, involving an internal or external party. Due to the constant change of fraud schemes or internal frauds spanning for longer time or credit risk related external frauds due to increasing business activity, respective monitoring, reporting and screening activities might not be fully effective in certain cases.
- **ICT risk:** Erste Bank Croatia is exposed to various ICT risks due to its reliance on complex and specialized IT systems. These risks include security threats, business continuity challenges, data governance issues, data protection concerns, third-party management complexities, IT project and change risks.

The ICT systems used by Erste Bank Croatia, or its customers can be vulnerable to cyber-attacks (e.g., malware, phishing, ransomware) and other issues (e.g., virus infections, hardware, software, or network malfunctions). These can lead to unauthorized access, data loss, financial loss, operational disruptions, reputational damage, or regulatory fines.

Cyber-attacks can result in the loss of customer data and sensitive information, monetary values, leading to regulatory penalties, fines and compensation payments to customers. Additionally, issues in data quality or computational algorithms may prevent Erste Bank Croatia from providing timely and accurate reports to investors, tax authorities, or regulators.

Cyber-attacks on critical infrastructure (e.g., telecommunications) such as denial of service (DoS) can disrupt business operations, causing missed deadlines, communication restrictions, and impaired transactions for Erste Bank Croatia or its customers. Erste Bank Croatia may fall short in its ability to timely detect, respond and recover from cyber incidents or IT disruptions.

Erste Bank Croatia relies on outsourced IT service providers and cloud providers, over which it has limited control. This dependence poses exposure to potential malfunctions and security vulnerabilities. Limited oversight of third-party hardware, software, application components, frameworks, technological or economic conditions can lead to unforeseen failures, operational incidents, and losses.

Delayed or failed ICT projects can negatively impact Erste Bank Croatia's operations and compliance. Erste Bank Croatia is exposed to the risk of misconfigurations due to system complexity. Reliance on legacy systems can lead to costly maintenance or modernisation efforts. Innovative technologies like blockchain or artificial intelligence (AI) introduce new legal uncertainties, including algorithmic errors, biases, incorrect advice, operational disruptions, and security vulnerabilities, potentially leading to misuse or fraud.

- **Security risk:** Erste Bank Croatia is exposed to losses arising from loss or damages to physical assets from natural disaster like (e.g. earthquake) or more and more frequent and severe natural disaster due to the climate change, like (i.e. storms, floods or fires).
- **Legal risk (impact):** In case of Erste Bank Croatia, such risk arises due to the possibility that failure to meet contractual obligations, initiated court proceedings against credit institutions and business decisions taken which are found to be unenforceable, might have a negative impact on the Issuer's business operation or financial position. Furthermore, in case of Erste Bank Croatia, it means the risk from a claim or proceeding due to non-compliance with legal and legislative provisions of national or international origin or from contractual arrangements or internal rules and/or ethical conduct deriving from national or international norms and practices or statutory responsibilities. It also includes the exposure to newly enacted laws as well as to changes in interpretations of existing laws. As a secondary risk, it may materialize in any of the above risk types, as Erste Bank Croatia may be the subject of a claim or proceedings alleging non-compliance with contractual or other legal or statutory responsibilities. The increase in complexity and constant change in the regulatory environment imposing more and more obligations on credit institutions (such as the Issuer) to be fulfilled towards its clients, in particular in retail business, is coupled with regulatory scrutiny and legal actions by consumer protection associations and agencies. This is expected to increase the level of uncertainty and sources of legal risks.

- **Compliance risk:** In case of Erste Bank Croatia, there is the possibility to incur legal or regulatory sanctions, including restrictions on business activities, fines or enhanced reporting requirements, in case of failure to comply with applicable laws, rules, regulations, related internal rules and codes of conduct applicable to Erste Bank Croatia's banking activities. Compliance risk materializes itself in fines imposed by the financial market authorities competent for Erste Bank Croatia (i.e. the CNB and the Croatian Financial Services Supervisory Agency) where the amount of the monetary fines is on a record level in the industry and also Erste Bank Croatia can be found liable for damages and thus losing civil law cases due to deliberate non-compliance. The regulatory scrutiny is not expected to decrease, neither in terms of additional duties that Erste Bank Croatia will have to observe nor in terms of the authorities' audit exercises. It is possible that the number of audits and subsequently also the number of audit findings and potential fines will increase for Erste Bank Croatia.

**Erste Bank Croatia is dependent on outsourcings to Erste Group's companies and external (chain) service providers.**

Erste Bank Croatia has outsourced some of its IT operations to Erste Group's central IT provider Erste Digital GmbH, which in return has contracted external IT (sub-)providers. In addition, Erste Bank Croatia has outsourced some business process related support services to other Erste Group owned companies. The contractually compliant performance of the outsourced services by Erste Bank Croatia's contractual partners is essential for the Issuer's business abilities and its ability to generate profits. Breach of these agreements could therefore have a material adverse effect on Erste Bank Croatia's business activities.

**A damage to Erste Bank Croatia's reputation could have a negative impact on its business activities (reputational risk).**

The reputation of Erste Bank Croatia and its subsidiaries and participations is a key factor in Erste Bank Croatia's business activities. Damage to the reputation of Erste Bank Croatia among its customers, lenders, employees, business partners or its social environment in general could have a material adverse effect on Erste Bank Croatia's net assets and financial results, which would also indirectly have a material adverse effect on Erste Bank Croatia's ability to fulfil its obligations in connection with the securities issued or to be issued.

**Erste Bank Croatia is subject to risk that liquidity may not be readily available to fulfil current or future payment obligations.**

Erste Bank Croatia relies on customer deposits to meet a substantial portion of its funding requirements. Erste Bank Croatia's deposits are provided by both retail and corporate clients, a significant proportion of which are demand deposits. Such deposits are subject to fluctuation due to external factors or events outside Erste Bank Croatia's control (such as a massive and accelerated deposit outflow caused by major crisis, the materialisation of reputational risk (i.e. lack of trust and market crisis)). Because a significant portion of Erste Bank Croatia's funding comes from its deposit base, any material decrease in deposits could have a negative impact on Erste Bank Croatia's liquidity unless corresponding liquidity enhanced actions that were taken to improve the liquidity profile of other deposits or to use its liquid assets, mainly sovereign bonds, which may not be possible on economically beneficial terms.

As credit provider, Erste Bank Croatia is exposed to market liquidity risk, arising from an inability to easily sell an asset due to insufficient market depth or market disruption. Erste Bank Croatia is also exposed to funding liquidity risk, which is an exposure to losses arising from changing refinancing costs or from insolvency of counterparties, which may result in difficulties in meeting future payment obligations, either in full, on time or on economically beneficial terms.

Extraordinary events, such as crisis resulting in a slump in economic activity can lead to a deterioration in the liquidity base of Erste Bank Croatia via increased drawdowns on credit lines, soaring loan losses as well as via decreased inflow or even accelerated outflow of deposits. A political crisis in Croatia or neighboring country with significant impact on Erste Bank Croatia or escalation of geopolitical risks (e.g. war in Ukraine or the situation in the Middle East) could entail shortages on wholesale-markets threatening funding capabilities even without a prevailing risk exposure in Croatia.

**Global conditions may in different ways have a material adverse effect on Erste Bank Croatia.**

Erste Bank Croatia is directly and through its clients connected to the global financial system and dependent on exchange rates, financial asset prices and liquidity flows. Geopolitical uncertainties over North Korea, Russia, Ukraine, Israel/Gaza, China, Taiwan, Iran, Syria, Hong Kong, Turkey and Venezuela may impact

financial markets, trade and so Erste Bank Croatia's clients. Furthermore, high total debt levels in China and some European countries like Italy or France may impact financial markets, global growth and Erste Bank Croatia's clients.

Croatia's open economy and consequently the business performance of Erste Bank Croatia are based on further European integration and global trade. Disruptions of global free trade, e.g. through implementation or increase of tariffs, trade barriers or other protectionist measures, can harm Erste Bank Croatia's clients and Erste Bank Croatia's risk costs. Particularly worth to mention are current political disputes with the United States and China, which have already led in some segments of the economy to higher tariffs – for importers but also for export-oriented clients. There is a considerable risk that these trade disputes widen to more industries and affect a bigger part of the economy. Lower economic growth, higher inflation and higher unemployment may be the consequences. Also, financial markets may be affected, particularly stocks, currencies and interest rates.

Monetary policy in the future will depend on inflation and due to these unprecedented policies could vary from the foreseen path in either direction fast and without prior notice. Variances in monetary policy may result also in increased volatility in debt and foreign exchange markets. Erste Bank Croatia might continue to face unpredictable monetary moves. Global monetary policy might have helped to build significant exaggeration in various asset classes such as equity, housing and bonds and these asset prices could also correct swiftly and markedly which would also affect Erste Bank Croatia due to doing business in such asset classes.

**Changes in interest rates are caused by many factors beyond Erste Bank Croatia's control, and such changes can have a significant adverse effect on its financial results, including net interest income.**

Interest rate risk in the banking book refers to the current or prospective risk to Erste Bank Croatia's capital and earnings arising from adverse movements in interest rates that affect Erste Bank Croatia's banking book positions. The demand for products and services offered by Erste Bank Croatia and thus its earnings situation depends to a large extent on the yield curves. Erste Bank Croatia derives most of its operating income from net interest income, therefore, changes in the yield curves might affect the net interest income negatively.

Interest rates are sensitive to many external driven factors beyond Erste Bank Croatia's control, such as inflation, monetary policies set by central banks and national governments, the innovation of financial services and increased competition in the markets in which Erste Bank Croatia operates, domestic and international economic and political conditions.

The currently elevated interest rate levels improved the income situation of the Issuer on the variable assets, whereas the liability side of the Issuer has only slowly adapted to the new rates environment. Decreasing interest rates would result in reduced net interest income, especially affecting the asset side of the Issuer.

Finally, a mismatch in the maturity structure of interest-bearing assets and interest-bearing liabilities in any given period could, in the event of changing interest rate curves, affect Erste Bank Croatia's net interest income negatively.

**Market fluctuations and volatility may adversely affect the value of Erste Bank Croatia's assets, reduce profitability and make it more difficult to assess the fair value of certain of its assets.**

Financial markets could face periods of significant stress conditions when steep falls in perceived or actual values of assets held by Erste Bank Croatia and other credit/financial institutions could be accompanied by a severe reduction in market liquidity.

Valuations of financial assets in the Eurozone are materially affected by changing inflation and interest rate levels, as well as by the monetary actions of central banks. Changing inflation levels leading to abrupt and unexpected reactions in central bank interest rate policies and other supporting measures could potentially lead to a material price adjustment of financial assets. Increases in bond yields and a general slowdown of economic activity in Europe threaten the profitability of Erste Bank Croatia's investment portfolio or lead to unrealized losses. A further escalation of the war in Ukraine could trigger even more extreme levels of market volatility as well as higher uncertainty with regard to interest rate policies of central banks, both potentially leading to sudden losses related to changes in the fair value of assets. Political tensions in several other European countries or international conflicts (e.g. Israel-Hamas war) could lead to impairment charges or revaluation losses for Erste Bank Croatia. The value of financial assets may start to fluctuate significantly, entailing a negative impact on Erste Bank Croatia's capital and other comprehensive income.

Market volatility and illiquidity may make revaluation of certain exposures difficult, and the value ultimately realised by Erste Bank Croatia may be different from the current or estimated fair value. In addition, Erste Bank

Croatia's estimates of fair value may differ both from similar estimates made by other financial institutions and from the values that would have been used if a market for these assets had been readily available. Any of these factors may affect Erste Bank Croatia's results of operations, liquidity or prospects as they could require Erste Bank Croatia to recognise further revaluation losses or realize impairment charges.

**In case of a reduction in profitability Erste Bank Croatia's profit can be lower or even negative.**

Erste Bank Croatia's results of operations in the current financial year and in the future will depend in part on the economic climate, regulatory and legislative changes and competition. Depending on the size of the reduction in profitability, such a reduction could have a material adverse effect on Erste Bank Croatia's results of operations in that period, on the reported amount of its assets and on its equity, and on Erste Bank Croatia's ability to make payments on the securities issued or to be issued.

Erste Bank Croatia operates in a competitive market and competes against both local and foreign owned financial institutions. If Erste Bank Croatia is unable to properly respond to the competitive environment in the Republic of Croatia with product and service offerings that are profitable, it may lose market shares in important parts of its business or incur losses on its activities.

**Loss of customer confidence in Erste Bank Croatia's business or in banking businesses generally could result in unexpectedly high levels of customer deposit withdrawals.**

The availability of Erste Bank Croatia's customer deposits to fund its loan portfolio and other financial assets is subject to potential changes in certain factors outside Erste Bank Croatia's control, such as a loss of confidence of depositors in either the economy in general, the financial services industry or Erste Bank Croatia specifically, credit ratings downgrades, low interest rates and significant deterioration in economic conditions. These factors could lead to a reduction in Erste Bank Croatia's ability to access customer deposit funding on appropriate terms in the future and to sustained deposit outflows, both of which would adversely impact Erste Bank Croatia's ability to fund its operations. Any loss in customer confidence in Erste Bank Croatia's banking businesses, or in banking businesses generally, could significantly increase the amount of deposit withdrawals in a short period of time. Should Erste Bank Croatia experience an unusually high level of withdrawals, this may have an adverse effect on Erste Bank Croatia's results, financial condition and prospects and could, in extreme circumstances, prevent Erste Bank Croatia from funding its operations. A change in the funding structure towards less stable and more expensive funding sources would also result in higher liquidity buffer requirements and an adverse impact on net interest income for Erste Bank Croatia.

**Erste Bank Croatia's risk management strategies, techniques and internal control procedures may leave it exposed to unidentified or unanticipated risks.**

Erste Bank Croatia's risk management techniques may not be fully effective in mitigating Erste Bank Croatia's risk exposure in all economic market environments or against all types of risks, including risks that it fails to identify or anticipate. Furthermore, regulatory audits or other regular reviews of the risk management procedures and methods have in the past detected, and may in the future detect, potential for improvement, weaknesses or deficiencies in Erste Bank Croatia's risk management systems. Some of Erste Bank Croatia's quantitative tools and metrics for managing risks are based upon its use of observed historical market behavior. During global crisis situations, as for instance the global financial crisis or the COVID-19 pandemic, the war in Ukraine and the Middle East conflict, turmoil in the energy markets as well as continued international supply chain disruptions, the financial markets experienced unprecedented levels of volatility (rapid changes in price development, rise in inflation with an adverse impact on consumer spending and investment activity, higher interest rates and stricter regulatory standards) and the breakdown of historically observed correlations across asset classes, compounded by extremely limited liquidity. In the volatile market environment, Erste Bank Croatia's risk management tools and metrics may in the future under similar conditions of market disruption only partially reflect future important risk exposures.

In addition, Erste Bank Croatia's quantitative modelling does not necessarily take all risks into account and makes numerous assumptions regarding the overall environment and/or the implicit consideration of risks in the quantification approaches, which may or may not materialize. As a result, risk exposures could arise from factors not anticipated or correctly evaluated in Erste Bank Croatia's risk estimation models thus potentially resulting in material adverse effect on its business, financial condition and results of operations, as losses greater than the maximum losses envisaged under its risk management system could occur.

**Erste Bank Croatia is generally exposed to market volatility when it comes to loans covered by real estate collateral.**

Industry concentration is identified in the real estate sector which represents the largest exposure of Erste Bank Croatia. As a consequence, Erste Bank Croatia's collateral concentration is centered on residential real estate. The real estate market prices have shown in general an upward trend in the last years, with price growth showing some, though modest, moderation from peak growth rates in 2022. Hence, both 2023 and 2024 recorded still double-digit growth rate and available data suggests trend remains strong also in 2025. Collateral values, however, are strongly correlated to the real estate market price development. If the market conditions take a turn for the worse, Erste Bank Croatia's collateral values may be negatively influenced.

The development of the commercial and residential real estate market highly depends on the economic progress in the countries where Erste Bank Croatia operates. In certain of these countries the economic surroundings are highly influenced by political forces, and this could have a negative impact on the real estate market and in turn on the collateral held by Erste Bank Croatia.

External crisis – like the prolonged war in Ukraine and the Middle East conflict- may impact the demand as well as the construction and energy costs significantly. By this, possible future market price reductions may lead to a decline of collateral values as well as of the collateralisation ratio of the existing loan portfolios of Erste Bank Croatia as well as to reduced collateral recoveries in case of default of their borrowers. Prices for used objects with bad energy performance will probably underperform. The investment market is facing increasing interest rates and other insecurities which implies a slowdown of transaction volume.

**Committed EU funds may not be released or further aid programmes may not be adopted by the EU and/or international credit institutions.**

In addition to Greece and Portugal, some of the countries of Central and Eastern Europe ("CEE"), including Croatia, have been promised funds for infrastructure and other projects in substantial amounts by the EU and international credit institutions, including the European Bank for Reconstruction and Development (EBRD), the International Monetary Fund (IMF) and the European Investment Bank (EIB). If these funds are not released, are released only in part or with delay as the absorption rate of these funds still poses a significant challenge in the receiving country, or if no further aid will be made available by the EU and the international credit institutions, the economy could be adversely affected, which would, in turn, negatively affect Erste Bank Croatia business prospects. Prospective EU budget cuts after the current crisis is over could reduce the funds available. Also, the disbursement of EU funds may be tied to the rule of law and/or the fulfilment of some other criteria by the recipient countries. Such measures could mean significantly lower EU funds inflow for Croatia. Lower EU funds mean less investments in sectors like infrastructure and cause financial stress for companies in these sectors.

**Erste Bank Croatia is subject to environmental, social and governance (ESG) risks.**

Climate change is a risk for Erste Bank Croatia as a credit institution as well as for its clients. Erste Bank Croatia business may be affected by climate risks including extreme weather events resulting in weather related disaster losses. Also, increase in temperature might have negative consequences on certain industries (e.g. agriculture, tourism, ...) thus deteriorating the credit rating of some Erste Bank Croatia clients.

Furthermore, more and more investors might be driven by accelerated behavioral changes and social demands and reject investments into companies that do not demonstrate sufficient care about broader environmental, social and governance values. This could also happen with investors in the Issuer's shares or bonds if Erste Bank Croatia does not actively and credibly promote these values and demonstrate positive impact through reduction of its own greenhouse gas emissions (e.g. consumption of electric energy, heating supply, consumption of fossil fuel by Erste Bank Croatia carpool or business trips), follow responsible principles through its financial offerings (fossil fuel based industries, including the energy production based on fossil fuel, car industry etc), care about the responsible behavior of its suppliers and does not contribute sufficiently to the overall wellbeing of the society.

The EU Commission continues its approach in respect of climate change and environmental degradation through overarching initiatives behind the EU Green Deal and Sustainable Finance, which will in turn transform the European economy in general, as well as relevant legislation and various costs components of economic activities. This might negatively impact Erste Bank Croatia clients through additional capital, operational and living expenditures, potential losses of revenues or eventual future liabilities, and thus, deteriorate the credit quality of some of Erste Bank Croatia clients.

### **Erste Bank Croatia may be affected by the current setup of the Eurozone and the European Union.**

If a Eurozone country should conclude that it wishes to exit the common currency, the resulting need to reintroduce a national currency and to restate existing contractual obligations could have unpredictable financial, legal, political and social consequences. Given the highly interconnected nature of the financial system within the Eurozone and the levels of exposure Erste Bank Croatia may have to public and private counterparties across Europe, its ability to plan for such a contingency in a manner that would reduce its exposure to non-material levels is limited. If the overall economic climate deteriorates as a result of one or more departures from the Eurozone, several Erste Bank Croatia segments, including – but not limited to – liquidity and funding, asset price valuation, credit losses and portfolio quality, could be materially adversely affected. In general, concerns over the ability of highly indebted Eurozone sovereigns to manage their debt levels may intensify again after European governments increased their spending in order to support the economies during the pandemic and the energy price shock. Debt restructuring negotiations similar to those with Greece could take place with respect to the sovereign debt of affected countries, and the outcome of any negotiation regarding changed terms (including reduced principal amounts or extended maturities) of such sovereign debt may result in Erste Bank Croatia suffering additional impairments. Any such negotiations are highly likely to be subject to political and economic pressures beyond Erste Bank Croatia control. Erste Bank Croatia has seen unorthodox and unprecedented policies by the European Central Bank ("ECB") in the past few years. In case of stress new measures might be invented, which could impact the financial prospects of Erste Bank Croatia. Erste Bank Croatia is also exposed to the credit risk of financial institutions which may be dependent on governmental support to continue their operations. The availability of government funds for such support is unclear given current levels of public debt in several Eurozone countries.

### **Erste Bank Croatia operates in highly competitive markets and competes against large international financial institutions as well as established local competitors.**

Exposure to domestic and global political developments and their impact on financial markets could have a material adverse effect on Erste Bank Croatia's business, financial condition, results of operations and prospects. Erste Bank Croatia also may be affected by geopolitical events, such as the war in Ukraine and the Middle East conflict, tensions between China and Taiwan, as well as ongoing strains in trade relations between the United States of America and China.

Erste Bank Croatia is exposed to an unstable macro-economic environment that can have a negative impact on equity and fixed income markets, property prices and currency exchange rates. Current rapid changes in short- or long-term inflation can result in rising costs and declining margins with a detrimental impact on Erste Bank Croatia.

Mounting pressure on operating results is creating competitors for Erste Bank Croatia with extensive ranges of product and service offerings, increased access to capital and greater efficiency and pricing power.

Erste Bank Croatia faces significant competition in all aspects of its business. Erste Bank Croatia competes with a number of large international financial institutions, local competitors and increasingly with Fintechs with innovative digital solutions. If Erste Bank Croatia is unable to properly respond to the competitive environment in these markets with product and service offerings that are profitable, it may lose market share in important parts of its business or incur losses on its activities.

## **1.3 LEGAL AND REGULATORY RISKS**

### **Erste Bank Croatia is subject to the risk of changes in the tax framework, in particular regarding banking taxes.**

The future development of the Issuer's net assets, financial position and results of operations also depends on the applicable tax framework. The introduction of new levies or a possible future introduction of a financial transaction tax being discussed at European level, as well as other changes to the legal situation and case law could have an impact.

Changes in the administrative practice of tax authorities may negatively impact the Issuer's assets, financial position, and profitability, for example, through the introduction of banking taxes, financial transaction taxes, windfall taxation measures, other levies, or minimum taxation procedures.



**The Issuer is subject to the risk of change in applicable laws, while the Croatian legal and judicial system still requires investment of substantial efforts to reach the level of more developed EU member states.**

The Issuer, being a credit institution operating in Croatia, must comply with a variety of Croatian laws and regulations governing a number of matters, including banking, data protection, labour relations, welfare, health and safety as well as tax. Any failure by the Issuer to comply with applicable laws and regulations (including such aforementioned altered legal interpretations thereof) may result in fines and other sanctions by relevant regulator, legal actions against the Issuer by the client(s), and have negative legal, financial and reputational consequences for the Issuer, respectively.

In the past, Erste Bank Croatia faced situations of laws and regulations being adopted or amended in urgent proceedings, where primary legislation took effect immediately and before the introduction of secondary regulations, and/or where legislative interventions were made in the existing contractual relationships with the clients, sometimes even with retroactive effect.

Such situations have already caused a shift from previous legal interpretations by certain courts and authorities of legal matters relevant for the business of the credit institutions (such as the Issuer), entrepreneurs and creditors in general, with a negative effect on the operations of the Issuer and the position of its creditors.

In spite of the fact that the Republic of Croatia is an EU member state, its legal and judicial system still requires investment of substantial efforts to reach the level of more developed EU member states.

Civil law, competition law, securities law, company law, bankruptcy law and other areas of law have been and continue to be subject to constant changes as new laws are being adopted in order to keep pace with the legislation (and jurisprudence) existing at the EU level. EU legislation and jurisprudence may be implemented and/or applied inconsistently and it may not be possible, in certain circumstances, to obtain legal remedies in a reasonably timely manner. The relatively limited experience of a significant number of courts and the existence of number of issues relating to the independence of the judiciary system may lead to decisions beyond reasonable or legitimate expectations. In the Republic of Croatia, being a civil law jurisdiction, judicial decisions generally have no precedential effect. For the same reason, courts themselves are generally not bound by earlier decisions taken under the same or similar circumstances, which can result in the inconsistent application of legislation to resolve the same or similar disputes. The enforcement of judgments sometimes proves difficult which in the past meant that the enforcement of rights through the Croatian court systems may be laborious. This lack of legal certainty and the inability to obtain effective legal remedies in a timely manner may adversely affect the Issuer's business by creating a higher legal risk for certain products.

Furthermore, insolvency laws and the enforcement legal framework and procedural safeguards in the Republic of Croatia have not yet been fully observed and are less efficient than in more developed EU member states, which may limit the Issuer's ability to obtain payments on defaulted loans and advances.

Insolvency laws and other laws and regulations are not always strictly observed and applied in the Republic of Croatia. Moreover, the procedural steps pertaining to insolvency proceedings result in material delays to recover defaulted loans and the success rate of debtor restructuring and the turnaround is comparatively lower than in other senior more developed countries, such as Austria or Germany. In addition, it is often difficult to locate all of the assets of an insolvent debtor. The Issuer has at times had substantial difficulties receiving pay-outs on claims related to extensions of a credit, or foreclosing on collateral that secures a credit, that it has made to entities that have subsequently filed for bankruptcy protection or that have contested the enforcement thereof. In the event of further economic downturns, these problems could intensify, including as a result of changes in law or regulations intended to limit the impact of economic downturns on corporate and retail borrowers. These problems, if they were to persist or intensify, may have an adverse effect on the Issuer's business, results of operations and financial condition, by making collections and enforcement of collateral in the Republic of Croatia more difficult and time consuming, and in some cases, impossible.

Changes in consumer protection laws as well as the application or interpretation of such laws might limit the fees and other pricing terms that the Issuer may charge for certain banking transactions and might allow consumers to claim back certain of those fees and interest already paid in the past.

**The Issuer is obliged to comply with extensive rules to avoid money laundering, corruption and terrorism financing and any breach thereof may have main negative legal, financial and reputational consequences for the Issuer. Furthermore, the Issuer is subject to new and more detailed legal and regulatory requirements in the anti-money laundering ("AML") EU legal framework, which could result in additional operational costs and resources and subject Erste Bank Croatia to legal or regulatory sanctions.**

The Issuer is subject to legal provisions in connection with measures to avoid money laundering, corruption and terrorism financing ("**AML Rules**") which are continuously amended and tightened. The Issuer's obligation to comply with these AML Rules causes significant costs and expenses for the Issuer. In addition, any (factual or even only alleged) breach of the AML Rules may have main negative legal, financial and reputational consequences for the Issuer.

The EU AML package comprises the following elements:

- an AML regulation;
- a 6<sup>th</sup> EU AML Directive ("**AMLD6**");
- a regulation establishing an EU AML supervisory authority ("**AMLA**"); and
- a revision of the funds transfer regulation.

The AML regulation applies to, *inter alia*, credit institutions and sets out detailed rules on e.g. the internal policies, procedures and controls, groupwide requirements, customer due diligence and reporting obligations. The comprehensive requirements relating to adequate resources in the compliance functions could result in additional costs for Erste Bank Croatia.

The AMLD6 outlines the maximum amount of fines that can be imposed for breaches or failure to comply with applicable laws, rules, regulations or related internal rules. However, the exact amount of the fine will be determined by the Croatian authorities.

The AMLA will have the power to impose administrative sanctions, including business activity restrictions or fines, if entities directly supervised by the AMLA fail to comply with applicable laws, rules, regulations, or related internal rules. Entities, such as Erste Bank Croatia, may be directly/indirectly supervised by the AMLA, or may remain under the supervision of national financial market authorities and may be subject to fines imposed by them.

The AMLA will be empowered to interpret the new rules contained in the AML package through regulatory instruments. However, until the establishment of the AMLA and the commencement of technical work on the regulatory instruments, there may be legal uncertainty in the EU regarding the interpretation of some of the rules contained in the AML package.

**New governmental or regulatory requirements and changes in perceived levels of adequate capitalization and leverage could subject Erste Bank Croatia to increased capital and MREL requirements or standards and require it to obtain additional capital, liabilities eligible for MREL purposes or liquidity in the future.**

There are numerous ongoing initiatives for developing new, implementing, amending and more strictly enforcing existing regulatory requirements applicable to European credit institutions, including Erste Bank Croatia, at national and international levels. Such initiatives which aim to continuously enhance the banking regulatory framework, *inter alia*, include the following:

- **SREP Requirements**

Erste Bank Croatia Group is subject to SREP requirements stipulated in the following regulations applicable in Croatia, the Croatian Credit Institutions Act (Official Gazette ("**OG**") 159/2013, 19/2015, 102/2015, 15/2018, 70/2019, 47/2020, 146/2020, 151/2022 and 145/2024) (the "**Credit Institutions Act**") implementing Articles 97, 98, 104 (1) and 113 of the Directive 2013/36/EU, as amended ("**CRD**"), the Croatian decision on the method of exercising supervision of credit institutions and imposing supervisory measures (OG 87/2021) and Article 16 of the Council Regulation (EU) No 1024/2013 as amended (*Single Supervisory Mechanism Regulation*) determined by the annual Supervisory Review and Evaluation Process ("**SREP**") based on the competent authorities' (i.e. the CNB and the ECB) joint decision. According to the business model, governance and risk management, capital adequacy and the liquidity situation of Erste Bank Croatia, each year the competent authority sets an additional own funds requirement (Pillar 2 requirement) for Erste Bank Croatia Group. This requirement needs to be met by the sort of capital (Common Equity Tier 1 ("**CET 1**") capital, Additional Tier 1 ("**AT 1**") capital or

Tier 2 capital) set by the competent authorities. Depending on the assessment, SREP requirements may vary annually. Together with the conclusions of the SREP, the competent authorities provide Erste Bank Croatia with the conclusions related to the risks, deficiencies and concerns relating to the internal assessment of its capital needs, respectively, whether the methodologies used by Erste Bank Croatia are appropriate to the nature, extent and complexity of its activities and if the results obtained in the Internal Capital Adequacy Assessment Process (ICAAP) reflect the unexpected losses associated with the significant risks to which Erste Bank Croatia is exposed.

An increasing Pillar 2 requirement for Erste Bank Croatia Group could trigger additional pressure on the capitalization of Erste Bank Croatia Group.

In addition, through the SREP the competent authorities set a Pillar 2 guidance. The Pillar 2 guidance is a bank-specific recommendation that serves as a buffer for banks to withstand stress and it is not legally binding.

- *Capital buffers*

In line with CRD and as per the Credit Institutions Act, the CNB requires institutions (such as Erste Bank Croatia) to maintain specific capital buffers in addition to own funds requirements (Pillar I requirements) imposed by the Regulation (EU) No 575/2013, as amended (*Capital Requirements Regulation – "CRR"*) and potentially any Pillar II additional own funds requirements.

The following requirements on capital buffers are applied as of the date of this Registration Document:

- Capital conservation buffer: the capital conservation buffer of CET 1 capital amounts to 2.5% of the total risk exposure amount in accordance with Article 117 (1) of the Credit Institutions Act;
- Countercyclical capital buffer (CCyB): as at 30 June 2025, the countercyclical buffer rate for exposures situated in the Republic of Croatia is 1.5%. The countercyclical buffer at Erste Bank Croatia Group level will vary from period to period depending on the composition of underlying risk relevant exposures;
- Global systemically important institutions (G-SII) / Other systemically important institutions ("O-SII") buffer: Erste Bank Croatia Group is classified as an O-SII in the Republic of Croatia and, as of the date of this Registration Document, the buffer for Erste Bank Croatia Group amounts to 2.0%. The O-SII buffer is revised annually and may also be affected by the buffer set for Erste Group (as defined in section "2.2 BACKGROUND" below) in line with Article 137 (6) of the Credit Institutions Act.
- Systemic risk buffer: as of the date of this Registration Document, Erste Bank Croatia Group is obligated to maintain a structural systemic risk buffer of 1.5% set by the CNB in the Decision on the Application of the Structural Systemic Risk Buffer (OG 144/2020).
- In total, the combined capital buffer as of 30 June 2025 amounted to 7.41% of the total risk exposure and is covered by CET 1 capital.

- *EU Banking Reform Package*

On 27 October 2021, the European Commission proposed amendments to CRR and CRD, that were largely based on international standards adopted by the Basel Committee on Banking Supervision and are known as the Basel standards ("**Basel IV**"). The legal texts were published in the Official Journal of the EU and entered into force twenty days later. Most of these new rules are applicable since 1 January 2025 (with multi-year transitional periods for the output floor (a measure to ensure a minimum threshold for the capital requirements calculated using internal models) and some other provisions, and the implementation of the fundamental review of the trading book (FRTB) which has been deferred to 2027) and are aimed to ensure that EU banks become more resilient to potential future economic shocks, while contributing to Europe's recovery from the COVID-19 pandemic and the transition to climate neutrality. This CRR amendments comprise the legislative elements from the Basel IV framework implementing a set of new prudential treatments in particular imposing a more risk sensitive standardised approaches for credit, market and operational risk while introducing further restrictions on the use of internal models.

The introduction of the output floor is one of the most impactful changes under the amended CRR. The amended CRD introduces further enhancements, including the integration of environmental, social and governance (ESG) factors and crypto-assets into risk management.

The obligation to comply with, implement and monitor these new regulatory (capital) provisions and requirements, and the resulting uncertainty, may have a negative impact on Erste Bank Croatia's business, financial condition and results of operations.

- *Bank Recovery and Resolution Legislation*

On European level, the recovery and resolution framework consists of the Directive 2014/59/EU, as amended (*Bank Recovery and Resolution Directive* - "**BRRD**") and the Regulation (EU) 806/2014, as amended (*Single Resolution Mechanism Regulation* – "**SRMR**"). The provisions of the BRRD have been transposed into Croatian legislation via the Act on the Resolution of Credit Institutions and Investment Firms ("**Resolution Act**").

Measures undertaken under the BRRD / Resolution Act may have a negative impact on Erste Bank Croatia's own funds as well as on its debt instruments by allowing the resolution authorities to order – in case of a failure or likely to fail situation of Erste Bank Croatia – the write-down, conversion and bail-in of capital instruments and eligible liabilities. In addition to the bail-in, Erste Bank Croatia may be subject to various recovery or early intervention measures and resolution actions and other powers as set out under the applicable legal framework.

The adoption of Directive (EU) 2019/879, as amended (*Bank Recovery and Resolution Directive II* - "**BRRD II**") and Regulation (EU) 2019/877 ("**SRMR II**"), have introduced several changes regarding existing requirements such as that the minimum requirement for own funds and eligible liabilities ("**MREL**") is based on the total risk exposure amount ("**TREA**") and the leverage ratio exposure measure ("**LRE**") instead of being based upon total liabilities and own funds (TLOF). SRMR II / BRRD II have also adopted new requirements such as internal MREL for non-resolution entities that are part of a resolution group or sale restrictions of subordinated eligible liabilities to retail. Furthermore, SRMR II / BRRD II specify the MREL eligibility of instruments and establish additional requirements in resolution and recovery planning.

The recovery and resolution framework introduces, *inter alia*, new levels of application of the requirements, since the "resolution group" levels are not identical to the prudential scope of consolidation, as defined by the CRR, and reflect the specific objectives and methods applicable in the recovery framework. The resolution group, consisting of resolution entity and subsidiaries that are not themselves resolution entities, is relevant for determining the level of application of the rules on loss absorbing and recapitalisation capacity that institutions should comply with, and defines the entry point where the desired resolution tools (e.g. bail-in) are applied.

Furthermore, the application of resolution tools depends on the preferred resolution strategy - a multiple-point-of-entry ("**MPE**") or a single-point-of-entry ("**SPE**"). Under the MPE strategy different resolution groups with resolution entities are defined and more than one group entity may be resolved. Under the SPE strategy, only one group entity, usually the parent undertaking (i.e. Erste Group), is the point of entry with the aim to apply resolution actions and tools on this entry level whereas other group entities, usually operating subsidiaries (such as Erste Bank Croatia), upstream their losses and recapitalization needs (downstream of capital) to the point of entry. Under the MPE resolution strategy the resolution entity is Erste Bank Croatia which means that the losses are recognised at Erste Bank Croatia level and the bail-in takes place at Erste Bank Croatia level. In this case Erste Bank Croatia can issue external (extra group) MREL eligible liabilities.

As of the date of this Registration Document, no impediments on resolvability have been communicated. This is also reflected in the resolution plans that are drawn up, assessed and approved in the resolution college on a regular basis and pose a potential regulatory risk to Erste Bank Croatia. Recovery plans, resolution plans and MREL decisions will be adopted in respect of Erste Bank Croatia's resolution group and updated from time to time. Requirements and obligations laid out in the aforementioned plans pose potential regulatory risk to Erste Bank Croatia.

The MREL is set by the relevant resolution authorities on (sub)consolidated level and individual level, considering among others the preferred resolution strategy. The latest binding MREL decision communicated in 2025 is based on SRMR II / BRRD II and is expressed as percentage of TREA and as percentage of LRE which have to be met simultaneously.

This decision reflects the amendments in the Single Resolution Board's ("**SRB**") MREL Policy and prescribes external MREL targets for Erste Group's resolution groups as well as internal MREL targets for an expanded scope of subsidiaries.

On 18 April 2023, the European Commission has adopted a proposal to adjust and further strengthen the EU's existing bank crisis management and deposit insurance ("**CMDI**") framework, aiming to improve the crisis tools used to manage the failure of banks and give resolution authorities even more effective tools to ensure that, when a crisis occurs and when financial stability is at stake, depositors, are sufficiently protected. The core part of this reform is made up of three legislative proposals amending the BRRD, the SRMR and the Deposit Guarantee Schemes Directive (Directive 2014/49/EU). One part of the CMDI review consisting of amendments to the Regulation (EU) 2022/2036 (so called "Daisy Chain Regulation") was adopted with a fast-track procedure through an amending directive (Directive (EU) 2024/1174, so called "Daisy Chain Directive") by the European Parliament and the Council and was published in the Official Journal of the European Union. This amending directive entered into force and is applicable since 14 November 2024. In June 2025, the EU Council and the European Parliament reached a political agreement on the key aspects of the CMDI framework review. They are expected to finalize the legal text at the technical level and reconvene to endorse the final version.

Additional, stricter and/or new regulatory requirements may be adopted in the future, and the existing regulatory environment in many markets in which Erste Bank Croatia Group operates continues to develop and change.

The substance and scope of any such (new or amended) laws and, regulations / macroprudential measures as well as the way they are (or will be) adopted, enforced or interpreted may limit generation of new business and/or increase Erste Bank Croatia Group's financing costs.

Further, any such regulatory development may expose Erste Bank Croatia Group to additional costs and liabilities which may require Erste Bank Croatia Group to change its business strategy or otherwise have a negative impact on its business, the offered products and services as well as the value of its assets. Erste Bank Croatia Group may not be able to increase its eligible capital/liabilities (or, thus, its capital/MREL ratios) sufficiently or on time. If Erste Bank Croatia Group is unable to increase its capital/MREL ratios sufficiently and/or comply with (other) regulatory requirements, its credit ratings may drop and its cost of funding may increase, and/or the competent authorities may impose fines, penalties or other regulatory measures.

**The Issuer may be obliged to contribute to the Single Resolution Fund (SRF) and funds to the deposit guarantee schemes on an annual basis.**

The Single Resolution Fund ("**SRF**") was gradually built up during the initial period of eight years (2016 - 2023) in accordance with Article 69 SRMR and has exceeded the target level of at least 1.00% of the amount of covered deposits of all credit institutions (including the Issuer) within the Banking Union by 31 December 2023. Therefore, the SRB did not raise regular *ex-ante* contributions in 2024 and does not raise in 2025 either. However, the target level will be verified every year by SRB to confirm that the available financial means at the SRF are at least 1.00 % of the amount of covered deposits of all credit institutions in the Single Resolution Mechanism (SRM). If the result of such exercise should prescribe so, the SRB will restart the regular collection of *ex-ante* contributions to the SRF. Therefore, there is the risk that the Issuer may potentially be obliged to make further *ex ante* contributions or extraordinary *ex post* contributions to the SRF in the future.

Furthermore, the Directive 2014/49/EU, as amended (*Directive on Deposit Guarantee Schemes – DGSD*) stipulates financing requirements for the deposit guarantee schemes (DGS) as transposed in Croatia by the Deposit Guarantee Scheme Act (OG 146/20 and 119/22). In principle, the target level of the fund of the deposit guarantee schemes is set to 2.5% of the total amount of covered deposits, whereby basic fund is set to 1% and additional fund to 1.5% of the total amount of covered deposits. During the first half of 2025, the fund was above the targeted level of 2.5%, so there was no collection of deposit insurance from credit institutions of the Republic of Croatia (including the Issuer). The collection in future periods may vary on quarterly level depending on the fund level. If necessary, credit institutions (including the Issuer) may have to pay certain extraordinary (*ex post*) contributions, set by the Croatian Deposit Insurance Agency.

**A change of the ECB's collateral standards could have an adverse effect on the funding of Erste Bank Croatia and its access to liquidity.**

Erste Bank Croatia can use marketable (bonds) collaterals to collateralize transactions with the CNB and the ECB. Based on certain characteristics, ECB defines so-called haircut levels for those collaterals, by which their value is reduced. In case of increases of ECB haircuts, the same collaterals might have a lower collateral value which can be used to collateralize transactions with ECB. That is why an increase of ECB haircuts might require that banks put additional bonds or loans as collateral on their ECB account.

#### 1.4 FURTHER RISK RELATING TO THE ISSUER

Credit rating agencies may suspend, downgrade or withdraw a credit rating of Erste Bank Croatia and/or Erste Group Bank AG as parent company and/or the Republic of Croatia, and such action could negatively affect the refinancing conditions for Erste Bank Croatia, in particular access to debt capital markets.

Erste Bank Croatia's credit rating is strongly interconnected to the sovereign long-term credit rating of the Republic of Croatia, alongside the overall stability of the banking system in the Republic of Croatia. Any downgrade of the credit rating of Erste Bank Croatia and/or of Erste Group Bank AG ("**Erste Group Bank**") as parent company or of the Republic of Croatia, could have a material adverse effect on Erste Bank Croatia's liquidity and profitability, undermine its confidence and credit rating, increase its borrowing costs, limit its access to funding and capital markets or limit the range of counterparties willing to do business with Erste Bank Croatia.

## 2. ERSTE & STEIERMÄRKISCHE BANK D.D.

### 2.1 INTRODUCTION

The Issuer is registered as a joint-stock corporation (*dioničko društvo*) in the Croatian companies register (*Sudski registar Ministarstva pravosuđa Republike Hrvatske*) at the Rijeka commercial court (*Trgovački sud u Rijeci*) and has the registration number MBS 040001037 and the personal identification number 23057039320. The Issuer is established for an indefinite period and operates under Croatian law. Its commercial name is "Erste & Steiermärkische Bank d.d.". The registered office of the Issuer is Jadranski trg 3/a, 51000 Rijeka, Republic of Croatia. Its telephone number is +385 (0) 800 7890 and its website is "www.erstebank.hr". The information on the Issuer's website does not form part of this Registration Document unless that information is incorporated by reference into this Registration Document (please see "Documents Incorporated By Reference" above). The Issuer's legal entity identifier (LEI) code is 549300A2F46GR0UOM390.

Erste Bank Croatia has been doing business under this name since 1 August 2003, after the merger of Riječka banka d.d., Rijeka and the former Erste & Steiermärkische Bank d.d., Zagreb. Both banks played an important role on the Croatian financial market. Riječka banka d.d. was established in 1954 and, with 50 years of banking experience, was a leading bank in Rijeka, Primorje and Istra region, while Erste & Steiermärkische Bank d.d., Zagreb was established in 2000 by merging three successful Croatian regional banks: Bjelovarska, Trgovačka and Čakovečka. Since 2000, Erste Bank Croatia is part of the international Erste Group which was established in 1819 as an association savings bank which was also the first saving bank in Austria. Today, Erste Group is one of the largest financial service providers in the eastern part of the EU.

### 2.2 BACKGROUND

Erste Bank Croatia is a parent company of the banking group (Erste Bank Croatia Group) which includes the following subsidiaries and associates (as of 30 June 2025):

| Name of the subsidiary                 | Ownership interest | Principal activity                                                                | Registered office                            |
|----------------------------------------|--------------------|-----------------------------------------------------------------------------------|----------------------------------------------|
| Erste Nekretnine d.o.o.                | 100%               | Real estate business                                                              | Ivana Lučića 2, Zagreb                       |
| Erste Bank AD Podgorica, Montenegro    | 100%               | Credit institution                                                                | Arsenija Boljevića 2A, Podgorica, Montenegro |
| Erste Card Club d.o.o.                 | 100%               | Financial intermediation and services                                             | Ulica Frana Folnegovića 6, Zagreb            |
| Erste&Steiermärkische S-Leasing d.o.o. | 50%                | Financial and operating leasing                                                   | Zelinska 3, Zagreb                           |
| Izbor Nekretnina d.o.o.                | 100%               | Real estate management and lease                                                  | Ivana Lučića 2A, Zagreb                      |
| KEKS Pay d.o.o.                        | 100%               | Computer infrastructure, data processing, server services, and related activities | Ulica Frana Folnegovića 6, Zagreb            |
| Name of the associate                  |                    |                                                                                   |                                              |
| Erste d.o.o.                           | 45.86%             | Management company for obligatory and voluntary pension fund                      | Ivana Lučića 2A, Zagreb                      |

Erste Bank Croatia and the other financial institutions in Erste Bank Croatia Group provide primarily day-to-day banking services to governmental institutions, corporate and individual clients operating in Croatia and Montenegro. These services include, depending on the particular country, acceptance of deposits, lending, including mortgage credit, investment banking, securities trading and derivatives business (on its own account and for the account of customers), portfolio management, project finance, international trade finance, corporate finance, capital and money market services, foreign exchange, leasing, factoring, private pension fund management, credit card and real estate business.

Erste Bank Croatia serves 1.1 million customers in the Republic of Croatia through a network of 109 branches, 662 automated teller machines (ATMs), 12 commercial centres, 7 profit centres and 8 centres for small and medium-sized enterprises ("SME") and is ranked as third largest bank in the Republic of Croatia in terms of assets, with a market share of 17.79% as of June 2025 (Source: <https://www.hnb.hr/documents/20182/5331377/SV1-h-podaci-o-poslovanju-30-6-25>).

In 2024, Erste Bank Croatia Group had an average of 3,253 employees (full time equivalent ("**FTE**")), of which an average of 2,595 (FTE) were employed by Erste Bank Croatia. As of 31 December 2024, Erste Bank Croatia Group had EUR 16.5 billion in total assets.

Erste Bank Croatia is part of the wider Erste Group that consists of Erste Group Bank, together with its subsidiaries and participations, including Erste Bank der oesterreichischen Sparkassen AG in Austria, Česká spořitelna in the Czech Republic, Banca Comercială Română in Romania, Slovenská sporiteľňa in Slovakia, Erste Bank Hungary in Hungary, Erste Bank Croatia in the Republic of Croatia, Erste Bank Serbia in Serbia and, in Austria, savings banks of the Haftungsverbund (i.e. the cross guarantee system that was formed on the basis of a set of agreements (*Grundsatzvereinbarung*) with the majority of the Austrian savings banks), Bausparkasse der österreichischen Sparkassen Aktiengesellschaft, Erste Group Immorent GmbH and others (the "**Erste Group**").

The parent company of Erste Bank Croatia is Erste Group Bank and, thus, Erste Bank Croatia is dependent on Erste Group Bank, since the funding from the parent company represents a significant portion of Erste Bank Croatia's EUR funding.

Erste Bank Croatia is not dependent on any other entity within Erste Bank Croatia Group.

## **2.3 SHARE CAPITAL OF ERSTE BANK CROATIA**

As of the date of this Registration Document, the total nominal share capital of Erste Bank Croatia amounted to EUR 237,778,450.00 (fully paid), divided into 16,984,175 ordinary shares issued in dematerialized form, in the nominal value of EUR 14.00, maintained with the Central Depository and Clearing company (*Središnje klirinško depozitarno društvo*) with the designation "RIBA-R-A".

Erste Bank Croatia's shares are not listed on a stock exchange.

## **2.4 ARTICLES OF ASSOCIATION**

The Issuer's objects are laid down in section 2 of its articles of association and read in particular as follows:

### **THE SCOPE OF BUSINESS**

(1) The scope of the Erste Bank Croatia's business is performing the following activities:

- acceptance of deposits or other repayable funds from the public and the granting of credits for own account from these funds;
- acceptance of deposits or other repayable funds;
- lending, including consumer credit, mortgage credit and, where permitted by a special law, financing of commercial transactions, including export financing based on the purchase at a discount without recourse of non-current, nonmatured receivables collateralized with a financial instrument (forfeiting);
- repurchase of receivables with or without recourse (factoring);
- financial leasing;
- issuance of guarantees or other commitments;
- trading for own account or for the accounts of clients in:
  - o money market instruments;
  - o transferable securities;
  - o foreign exchange, including currency exchange transactions;
  - o financial futures and options;
  - o exchange and interest-rate instruments;
- money transmission services in the country and abroad in accordance with special laws;
- credit reference services, such as collection, analysis and provision of information on the creditworthiness of legal and natural persons that conduct their business independently;
- issuing and administering other means of payment, if the provision of such services is not considered the provision of money transmission services in the country and abroad in accordance with special laws;



- safe custody services;
- money broking;
- participation in issues of financial instruments as well as the provision of services relating to issues of financial instruments in accordance with the law governing the capital market;
- safekeeping of financial instruments and services related to the safekeeping of financial instruments in accordance with the law governing the capital market;
- investment and ancillary services and activities prescribed in the special law governing the capital market, as follows:
  - o reception and transmission of orders in relation to one or more financial instruments;
  - o execution of orders on behalf of clients;
  - o dealing on own account;
  - o investment advice;
  - o underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis;
  - o underwriting of financial instruments and/or placing of financial instruments without a firm commitment basis;
  - o safekeeping and administration of financial instruments for the account of clients, including custodianship and related services such as cash/collateral management;
  - o granting credits or loans to an investor to allow him/her/it to carry out a transaction in one or more financial instruments, where the firm granting the credit or loan is involved in the transaction;
  - o advice on capital structure, industrial strategy and related matters, and advice and services relating to mergers and the purchase of undertakings;
  - o foreign exchange services where these are connected to the provision of investment services;
  - o investment research and financial analysis or other forms of general recommendation relating to transactions in financial instruments;
  - o services relating to underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis;
  - o investment services and activities as well as ancillary services related to the underlying of the derivatives referred to in Article 3, paragraph 1, point 2, subpoint d, indents 2, 3, 4 and 7 of the Croatian Capital Market Act (OG 65/2018, 17/2020, 83/2021, 151/2022), where these investment services and activities are connected to the provision of investment or ancillary services;
- activities related to the sale of insurance policies in accordance with the law governing insurance;
- customer assets management and respective advising;
- issuing of electronic money.

## **2.5 BORROWING AND FUNDING STRUCTURE**

There have been no material changes in the Issuer's borrowing and funding structure since the Issuer's last financial year.

## **2.6 EXPECTED FINANCING OF THE ISSUER'S ACTIVITIES**

Erste Bank Croatia's funding and liquidity profile reflects and will reflect a business model that primarily focuses and will focus on retail and corporate customer business in Croatia. Accordingly, Erste Bank Croatia's main funding sources, in order of significance, are customer deposits, debt securities in issue, funding from supranational institutions and interbank deposits.

## 2.7 BUSINESS OVERVIEW

### Strategy

Erste Bank Croatia strives to maintain its focus to clients, both in the retail and corporate as well as public segment. Erste Bank Croatia aims to support its customers in building their financial health by offering financial advice and solutions, lending services and providing security for deposits through client relationship. Erste Bank Croatia business activities aim to contribute to economic growth and financial stability. Erste Bank Croatia has been posting good business results for years, continuously investing in digital development that facilitate innovation and creativity in customer service.

Erste Bank Croatia aims to pursue a balanced business model focused on providing suitable services to each of its customers. In this respect, Erste Bank Croatia is working on digitalisation of its services, making more efficient back office to enable improved and effective customer relationship. Investing in digital and following all regulatory requirements is the priority for the next period, that will enable both sustainable growth and more efficient operations.

Erste Bank Croatia strives to maintain fair and long-term client relationship and to deliver customer experience as well as to provide products and services that support customers in building their financial health.

In retail banking, Erste Bank Croatia aims to focus on both unsecured and secured lending, and long-term financial planning. The intention is to scale up advisory to the full client base both via physical and digital channels (George), combined with support of the contact center. The Issuer also targets to attract more digital oriented customers, mainly from a generation of high digital users. Combination of digital banking with further phased reduction of branch network is accompanied by a change in the role of the branch towards advisory concept.

In corporate banking, Erste Bank Croatia aims to target all corporate segments, with keeping the strongest position on SME and expanding further in large corporates.

As a market innovator, Erste Bank Croatia aims to become a leader in digital trends, driven by information technology modernisation that is supported by seamless customer journeys. Erste Bank Croatia path to digital transformation has started years ago and has formed an innovator image on the market, which was further confirmed by the launch of a well-accepted KEKS Pay (instant payment peer-to-peer mobile application), followed by a regional platform of George.

The trend of strong growth for the KEKS Pay application continued, aiming predominantly clients of other banks. Almost 70% of users refer to the clients of other banks. The fully digital prepaid KEKS Pay account opening with the associated Visa card continued in a stable trend.

The digital platform George was implemented in Austria in 2015. As of the date of this Registration Document, it is a leading pan-European banking platform, with close to 11 million George users across the region. In Croatia, George has been introduced in 2020 and it further positions Erste Bank Croatia as a digital innovator.

Erste Bank Croatia counts of approximately one million digital users on all digital platforms, growing at the steady pace. Vast majority of active digital users are mobile users.

Transforming the business, increasing the number of automated and digitised processes, constantly increasing the range of digitally available products and services, it will enable customers to experience modern and innovative banking solutions. The omni-channel approach integrates the various sales and communication channels, customers are enabled to choose at their convenience and preference how to do banking with Erste Bank Croatia.

Such positioning shall aim to bring a sustainable value generation that will enable Erste Bank Croatia to further grow and provide good customer experience. Erste Bank Croatia aims to work on achieving operational efficiency through process automation and digitalization, together with gaining a market leadership position in economically strong regions and segments.

The banking business for Erste Bank Croatia also aims to reflect its corporate responsibility towards all stakeholders, customers, employees, society and the environment. The organisation aims to build future-proof competences, while creating a stable and rewarding work environment for all. Therefore, Erste Bank Croatia aims to pursue banking business in a socially responsible manner and aims to earn a premium on the cost of capital.

## Capital Requirements

Erste Bank Croatia received the joint decision on the additional capital requirements that need to be fulfilled on a consolidated basis and on an individual basis since 1 January 2023 as set by the CNB, following the SREP results in 2022.

The additional regulatory capital demands comprise a Pillar 2 requirement to be composed of at least 56.25% of CET 1 capital and 75% of Tier 1 capital.

As a result, the overall capital requirements encompass a Pillar 1 CRR minimum requirement, a Pillar 2 requirement and a combined buffer requirement.

In addition, through the SREP the competent authorities set a Pillar 2 guidance. The Pillar 2 guidance is a bank-specific recommendation that serves as a buffer to withstand stress and it is not legally binding.

On 22 May 2025, the CNB notified the Issuer about its MREL requirement set by the SRB and calibrated on balance sheet data as of 31 December 2023 and the BRRD.

The Issuer, as the resolution entity of the Croatian resolution group, must comply with fully loaded binding MREL requirements equivalent to 23.14% (excluding the combined buffer requirement ("**CBR**")) of TREA and 5.99% of LRE of the Croatian resolution group effective from 22 May 2025.

No subordination requirement was set for the Croatian resolution group.

The TREA of the Croatian resolution group as of 31 December 2023 (as applied by the SRB for the MREL calibration) amounted to EUR 6.54 billion and LRE to EUR 14.74 billion.

The table below summarises the Issuer's current MREL requirements:

| Requirements for the<br>Croatian resolution group<br>based on December 2023<br>data | binding from 22 May 2025    |             |
|-------------------------------------------------------------------------------------|-----------------------------|-------------|
|                                                                                     | in % of TREA<br>(excl. CBR) | in % of LRE |
| <b>Total MREL</b>                                                                   | 23.14%                      | 5.99%       |

As of the date of this Registration Document and based on balance sheet data of the Croatian resolution group as of 30 June 2025 and the SRB's 2024 MREL Policy, the Issuer complies with the above-mentioned total MREL requirements.

The MREL requirements do not apply to Erste Bank Croatia's consolidated balance sheet, but to the Croatian resolution group comprising mainly of the Issuer and its direct Croatian subsidiaries. As the Croatian resolution group is not a legal entity or reporting unit, there is no statutory reporting nor a capital requirement at the consolidation level of the Croatian resolution group.

## Erste Bank Croatia's Segment Reporting

The segment reporting comprises four business segments reflecting Erste Bank Croatia Group's management structure and its internal management reporting in 2024.

### Erste Bank Croatia – business segments

Retail

Corporates

ALM/LCC

Group Markets

The **Retail segment** comprises the business with private individuals, micros and free professionals within the responsibility of account managers in the retail network. This business is operated by the local banks in

cooperation with their subsidiaries such as leasing and asset management companies with a focus on simple products ranging from mortgage and consumer loans, investment products, current accounts, savings products to credit cards and cross selling products such as leasing, insurance and building society products.

The **Corporates segment** comprises business done with corporate customers of different turnover size (small and medium-sized enterprises and Large Corporate customers) as well as commercial real estate and public sector business. Small and medium-sized enterprises (SME) are clients which are under the responsibility of the local corporate commercial center network, mainly consisting of companies within defined annual turnover thresholds. Large Corporates business line (LC) are clients/client groups with specific annual turnover thresholds (lying above SME thresholds) which are operating on domestic market but also on core markets/extended core markets of Erste Group. Commercial Real Estate (CRE) covers for example investors in real estate for the purpose of generating income from the rental of individual properties or portfolios of properties, developers of individual properties or portfolios of properties for the purpose of generating capital gains through sale. The Public Sector consists of three sets of customers: public sector, public corporations, and non-profit sector. In addition, the majority of municipalities are also segmented as Public Sector clients.

**Asset Liability Management (ALM) and Local Corporate Center (LCC) segment** includes all asset/liability management functions as well as the local corporate centers which comprise all non-core banking business activities such as internal service providers and reconciliation items to local entity results as well as the free capital segment.

**Group Markets segment** comprises trading and markets services as well as customer business with financial institutions. It includes all activities related to the trading books of Erste Group, including the execution of trade, market making and short-term liquidity management. In addition, it comprises business connected with servicing financial institutions as clients including custody, depository services, commercial business (loans, cash management, trade & export finance).

### **Sustainable development and environment**

Erste Bank Croatia, as well as Erste Group, supports all 17 Sustainable Development Goals ("**SDG**"). But taking into account its type of business and its impact on society, Erste Bank Croatia can significantly contribute by working on and achieving 9 goals through strategic initiatives, by redirecting financial flows and adjusting its operating model:

1. No poverty (SDG 1)
2. Good health and well-being (SDG 3)
3. Quality education (SDG 4)
4. Gender equality (SDG 5)
5. Clean water and sanitation (SDG 6)
6. Affordable and clean energy (SDG 7)
7. Sustainable cities and communities (SDG 11)
8. Responsible consumption and production (SDG 12)
9. Climate action (SDG 13)

Erste Bank Croatia aims to strive for the best possible business processes and environmentally sustainable operations.

Erste Bank Croatia defined environmental objectives that aim to contribute to reducing energy and water consumption and minimising environmental pollution, thereby contributing to the community in which the Erste Bank Croatia operates. Some of the goals Erste Bank Croatia is committed to are:

- Protection of natural resources through their responsible use, systematic increase of energy efficiency and compliance with all applicable legal regulations;
- Use of recycled paper and continuous reduction of waste paper;
- Introduction of a waste sorting system and promotion of responsible waste management among employees; and
- Reduction of harmful emissions through the selection and use of electricity from renewable energy sources.

To achieve its goals, Erste Bank Croatia has implemented an environmental management system that complies with the requirements of the International Organization for Standardization ("ISO") 14001:2015. The environmental management system according to the ISO 14001 standard was extended (recertified) at the end of 2020 and integrated with the energy management system according to the ISO 50001 standard, which will allow more advanced monitoring of electricity consumption and its rational use in the coming years, which should ultimately result in certain savings. The recertification was conducted in 2023.

Erste Bank Croatia conducts training of all employees on regular basis for rational energy and paper consumption, and proper waste separation, as well as systematic training on the ISO 14001:2015 and the ISO 50001 standards, with all its elements and goals, including among others:

- increase of energy efficiency;
- preservation of natural resources through responsible use of energy;
- use of recycled paper and continuous work to reduce the paper usage by introducing gradual digitalisation of business;
- decrease of harmful emissions by using the renewable energy;
- fulfilment of all legal regulations and continuous improvement of the control management system

Since early 2020, training on environmental protection and rational use of energy is mandatory for all new employees, and all employees underwent this training in 2022, the employees need to repeat the training each three years. Each new employee has to go through the training as well.

As in the previous years, the yearly external audit was performed by a licenced certification company in 2022 to ascertain that the environmental management system functions in accordance with the international standard ISO 14001:2015 and the ISO 50001. Erste Bank Croatia has completed all necessary activities to extend the ISO 14001:2015 and the ISO 50001. certificate for another year. Some of Erste Bank Croatia's subsidiaries (Erste Card Club d.o.o., Erste&Steiermärkische S-Leasing d.o.o. and Erste Bank AD Podgorica, Montenegro) did the same.

Erste Bank Croatia has set strategic environmental objectives for the period from 2022 to the end of 2027. Compared to the reference year 2021, they are:

- Maintain electricity consumption up to 3% (2021: 12.47 gigawatt hours per year ("**GWh/y**"), or 192.63 kilowatt hours per squaremetre ("**kWh/m2**"));
- Maintain heat consumption up to 3% (2021: 4.79 GWh/y, or 74.02 kWh/m2); and
- Reduce carbon dioxide ("**CO<sub>2</sub>**") emission up to 3% (2021: 1916 t CO<sub>2</sub> emissions per year, or 29.61 kg CO<sub>2</sub> emissions per squaremetre), Erste Bank Croatia reduced its CO<sub>2</sub> emissions by 65% over the last 10 years.

Based on the strategic objectives, the operational objectives for 2025 *et seqq* were also defined:

- implement internal educational campaigns on environmental protection, electricity and thermal energy savings for new employees;
- further installation of ultra-violet (UV) protective foils on the premises;
- increase Erste Group's own solar energy generation;
- central heating, ventilation and air-conditioning management and automatization at minimum 20 premises; and
- increase the share of electric vehicles.

## 2.8 CREDIT RATINGS

As of the date of this Registration Document, Fitch has assigned the following credit ratings to the Issuer at the request and with the cooperation of the Issuer in the credit rating process:

| Long-Term | Outlook | Short-Term |
|-----------|---------|------------|
| A-        | Stable  | F1         |

According to the rating definitions as published by Fitch ("[www.fitchratings.com](http://www.fitchratings.com)"), the above credit ratings have the following meanings:

'A' – High credit quality. 'A' ratings denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.

**Note:** The modifiers "+" or "-" may be appended to a rating to denote relative status within major rating categories.

'F1' – Highest short-term credit quality. Indicates the strongest intrinsic capacity for timely payment of financial commitments.

'**Outlook**' — Rating outlooks indicate the direction a rating is likely to move over a one- to two-year period. They reflect financial or other trends that have not yet reached the level that would trigger a rating action, but which may do so if such trends continue. The majority of Outlooks are generally Stable, which is consistent with the historical migration experience of ratings over a one- to two-year period. Positive or Negative rating Outlooks do not imply that a rating change is inevitable and, similarly, ratings with Stable Outlooks can be raised or lowered without a prior revision to the Outlook, if circumstances warrant such an action. Occasionally, where the fundamental trend has strong, conflicting elements of both positive and negative, the Rating Outlook may be described as Evolving.

More detailed information on the credit ratings can be retrieved on the following website ("[www.fitchratings.com/entity/erste-steiermarkische-bank-dd-80362076](http://www.fitchratings.com/entity/erste-steiermarkische-bank-dd-80362076)"). General information regarding the meaning of the credit rating and the qualifications which have to be observed in connection therewith can be found on the website of Fitch ("[www.fitchratings.com](http://www.fitchratings.com)").

Fitch, with its seat in 39/40 Upper Mount Street Upper, Dublin, D02 PR89, Ireland is registered with the Companies Registration Office Ireland.

Fitch is registered under the Regulation (EC) No 1060/2009, as amended ("**CRA Regulation**") as registered credit rating agency. The European Securities and Markets Authority publishes on its website ("[www.esma.europa.eu](http://www.esma.europa.eu)") a list of credit rating agencies registered and certified in accordance with the CRA Regulation. That list shall be updated within five working days following the adoption of a decision under Articles 16, 17 or 20 of the CRA Regulation. The European Commission publishes that updated list in the Official Journal of the EU within 30 days following the updates.

## 2.9 RECENT EVENTS

### KEKS Pay d.o.o. establishment

The Issuer's management board and supervisory board adopted the decision on establishing the company KEKS Pay d.o.o. ("**KEKS Pay**"). The company was established as of 20 March 2025. Its principal activities are computer infrastructure, data processing, server services, and related activities.

### Erste Card Club d.o.o. (ECC) - sale of 100% of share capital

Following the successful separation and integration of a part of the business of Erste Card Club d.o.o. ("**ECC**") (the card issuing segment) into the Issuer, the Issuer's management board and supervisory board adopted a decision to sell the business share representing 100% of the share capital held by the Issuer in ECC.

A share purchase agreement was signed with Global Payments s.r.o. on 30 July 2025 and will become effective upon the buyer obtaining approval from the CNB.

Other than that, there are no recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency.

## 2.10 TREND INFORMATION

After strong economic expansion in 2021 and 2022, Erste Bank Croatia's home market growth momentum normalised yet remained overall strong in 2023. A similar trend with decent growth of the real gross domestic product is also anticipated in 2025 and 2026. Trends affecting the Issuer and the industries in which it operates are the uncertainties regarding the general macroeconomic environment and uncertainties linked to energy shortage, elevated geopolitical risks, along with escalation of trade wars on global, which may have a negative impact on the Issuer's business activity and results of operations, as well as on the Issuer's refinancing costs. Inflation still remains an important theme amid strong surge from 2022 and consequent slow normalisation thereafter, though inflation risk overall faded as inflation moved closer to longer-term average. The outlook is affected by the war in Ukraine, the Israel-Hamas war, sanctions against Russia and numerous spill-over effects. Unemployment rate and labor market are expected to remain relatively tight in 2025 and 2026. Inflation

and economic uncertainty would continue to drive monetary policy decision, hence not excluding additional increase of short- and long-term rates if inflation pressures were to accelerate again.

## 2.11 SIGNIFICANT CHANGES AND MATERIAL ADVERSE CHANGES

There has been no material adverse change in the prospects of the Issuer since its last published audited financial statements and no significant change in the financial performance and in the financial position of Erste Bank Croatia Group since the end of the last financial period for which its financial information has been published.

## 2.12 SELECTED FINANCIAL INFORMATION

### Capital position

| Basel 3 capital | 31 December 2022 |                 | 31 December 2023 | 31 December 2024 | 30 June 2025   |
|-----------------|------------------|-----------------|------------------|------------------|----------------|
|                 | in HRK million   | in EUR million* | in EUR million*  | in EUR million   | in EUR million |
| CET 1           | 9,999            | 1,327           | 1,493            | 1,639            | 1,399          |
| AT 1            | -                | -               | -                | -                | 150            |
| Tier 2          | 301              | 40              | 29               | 183              | 180            |
| Total capital   | 10,300           | 1,367           | 1,522            | 1,822            | 1,729          |

Source: Information of the Issuer

\*Since January 2023 the official currency in the Republic of Croatia is EUR and therefore figures for the year 2022 provided in EUR are calculated on the basis of the exchange rate defined by EU Council Regulation 2022/1208 in accordance with Article 140, paragraph 3 of the Treaty on the Functioning of the EU.

This exchange rate amounts to 7.53450.

| Risk-weighted assets (RWA) | 31 December 2022 |                 | 31 December 2023 | 31 December 2024 | 30 June 2025   |
|----------------------------|------------------|-----------------|------------------|------------------|----------------|
|                            | in HRK million   | in EUR million* | in EUR million*  | in EUR million   | in EUR million |
| Market risk                | 1,037            | 138             | 4                | 4                | 3              |
| Operational risk           | 5,447            | 723             | 819              | 936              | 843            |
| Credit risk**              | 46,220           | 6,134           | 6,319            | 7,108            | 6,765          |
| Total RWA                  | 52,704           | 6,995           | 7,142            | 8,048            | 7,611          |

Source: Information of the Issuer

\*Since January 2023 the official currency in the Republic of Croatia is EUR and therefore figures for the year 2022 provided in EUR are calculated on the basis of the exchange rate defined by EU Council Regulation 2022/1208 in accordance with Article 140, paragraph 3 of the Treaty on the Functioning of the EU.

This exchange rate amounts to 7.53450.

\*\*Credit RWA includes risk exposure for credit valuation adjustment

| Basel 3 capital ratios | 31 December 2022 | 31 December 2023 | 31 December 2024 | 30 June 2025 |
|------------------------|------------------|------------------|------------------|--------------|
| CET 1 ratio            | 18.97%           | 20.91%           | 20.37%           | 18.39%       |
| Tier 1 ratio           | 18.97%           | 20.91%           | 20.37%           | 20.36%       |
| Total capital ratio    | 19.54%           | 21.31%           | 22.64%           | 22.71%       |

Source: Information of the Issuer

## Key profitability and efficiency indicators

| Erste Bank Croatia Group           | 31 December 2022 | 31 December 2023 | 31 December 2024 | 30 June 2025 | 30 September 2025 |
|------------------------------------|------------------|------------------|------------------|--------------|-------------------|
| Return on Equity (ROE) ratio, %    | 10.8%            | 15.7%            | 14.4%            | 15.5%        | 15.0%             |
| Net Interest Margin (NIM) ratio, % | 2.7%             | 3.5%             | 3.5%             | 3.3%         | 3.3%              |
| Cost/Income (C/I) ratio, %         | 53.8%            | 47.2%            | 47.3%            | 48.8%        | 47.4%             |
| Loan/deposit ratio net, %          | 74.1%            | 80.2%            | 76.8%            | 78.9%        | 74.2%             |
| Solvency ratio, %                  | 19.5%            | 21.3%            | 22.6%            | 22.7%        | 22.8%             |

Source: Information of the Issuer

## Key risk indicators

| Erste Bank Croatia Group                    | 31 December 2022 | 31 December 2023 | 31 December 2024 | 30 June 2025 | 30 September 2025 |
|---------------------------------------------|------------------|------------------|------------------|--------------|-------------------|
| Non-Performing Loan (NPL) ratio, %          | 4%               | 3%               | 3%               | 3%           | 3%                |
| Non-Performing Loan (NPL) coverage ratio, % | 106%             | 107%             | 94%              | 91%          | 93%               |
| Annualized risk cost ratio, %               | -0.5%            | -0.5%            | -0.2%            | -0.3%        | -0.2%             |

Source: Information of the Issuer

## Alternative Performance Measures

| Alternative Performance Measure | Calculation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|---------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Return On Equity (ROE) ratio    | <p>ROE ratio is expressed as:</p> <p>Net result for the period attributable to the owners of the parent / simple average of two period ends of shareholder's equity attributable to the owners of the parent (Total Equity – Equity attributable to non-controlling interests). Ratio is annualized in case if Net result for the period attributable to the owners of the parent used is not on full year level.</p> <p>ROE ratio is a profitability ratio which assesses how well equity is used to generate profit.</p> <p>Example for ROE ratio calculation as of 30 June 2025:</p> $  \begin{aligned}  & \text{ROE ratio} \\  &= (134.8 \text{ (net result attributable to the owners of the parent for HY 2025 in EUR M)}) \\  & \quad * 365/181 \\  & \quad / (\text{Average (1,793; 1,714) (simple average of volume of shareholders equity as of YE 2024 and as of 30 Jun 2025 in EUR M)}) \\  &= 15.5\%  \end{aligned}  $ |
| Net Interest Margin (NIM) ratio | <p>NIM ratio is expressed as:</p> <p>Net interest income (Net interest income + Dividend income + Net result from equity method investments / simple average of two periods of interest bearing assets (Other financial assets held for trading + Non-trading financial assets at fair value through profit or loss + Financial assets at fair value through other comprehensive income + Financial assets at amortized cost + Investments in subsidiaries + Investments in associates + Trade and other receivables + Finance lease receivables). Ratio is annualized in case Net interest income used is not on full year level.</p> <p>NIM ratio is a profitability ratio which assesses how profitable investment (asset) is when compared to expenses used to fund it.</p>                                                                                                                                                     |



|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Example for NIM ratio calculation as of 30 June 2025:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| $\text{Net interest income} = \text{Net interest income (EUR 214.0 M)} + \text{Dividend income (EUR 0 M)} + \text{Net result from equity method investment (EUR 1.0 M)}$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| $\begin{aligned} &\text{Net interest bearing assets} \\ &= \text{Other financial assets held for trading (simple average as of YE 2024 and as of 30 Jun 2025 (EUR 0 M; EUR 0 M)} \\ &\quad + \text{Non} \\ &\quad - \text{trading financial assets at FVPL (simple average of YE 2024 and as of 30 Jun 2025 (EUR 9 M; EUR 14 M))} \\ &+ \text{Financial assets at FVTOCI (simple average of YE 2024 and as of 30 Jun 2025 (EUR 1,005 M; EUR 1,078 M))} \\ &+ \text{Financial assets at AC (simple average of YE 2024 and as of 30 Jun 2025 (EUR 11,085 M; EUR 11,575 M))} \\ &+ \text{Investments in subsidiaries (simple average of YE 2024 and as of 30 Jun 2025 (EUR 0 M; EUR 0 M))} \\ &+ \text{Investments in associates (simple average of YE 2024 and as of 30 Jun 2025 (EUR 10 M; EUR 10 M))} \\ &+ \text{Trade and other receivables (simple average as of YE 2024 and as of 30 June 2025 (EUR 179 M; EUR 207 M))} \\ &+ \text{Finance lease receivables (simple average as of YE 2024 and as of 30 June 2025 (EUR 568 M; EUR 619 M))} \end{aligned}$ |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| $\text{NIM ratio} = \frac{215.0 (\text{Net interest income for HY 2025 in EUR M}) * 365 / 181}{\text{Average}((12,856; 13,503)) (\text{simple average of volume of interest bearing assets as of YE 2024 and as of 30 Jun 2025})} = 3.3\%$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Cost Income (C/I) ratio                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <p>C/I ratio is expressed as:</p> <p>Operating expense (Personnel expenses, Other administrative expenses, Depreciation and amortization) / Operating income (Net interest income, Net fee and commission income, Dividend income, Net trading and fair value result, Gains/losses from financial instruments measured at fair value through profit or loss, Net result from equity method investments, Rental income from investment properties &amp; other operating leases)</p> <p>C/I ratio is an efficiency ratio which assesses how many units of cost must be invested to generate one unit of revenue.</p> <p>Example for C/I ratio calculation as of 30 June 2025:</p> $\text{C/I ratio} = \frac{144.7 (\text{Operating expense for HY 2025 in EUR M})}{296.5 (\text{Operating income for HY 2025 in EUR M})} = 48.8\%$                                                              |
| Solvency ratio, %                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <p>Solvency ratio is expressed as:</p> <p>Own funds / Total risk exposure amount (sum of active balance and off-balance sheet items weighted with corresponding credit, market and other risk weight)</p> <p>Solvency ratio represents bank's ability to absorb losses in going concern situation.</p> <p>Example for Solvency ratio calculation as of 30 June 2025:</p> $\text{Solvency ratio} = \frac{1,729 (\text{Own funds as of 30 Jun 2025 in EUR M})}{7,611 (\text{Total risk exposure amount as of 30 Jun 2025 in EUR M})} = 22.7\%$                                                                                                                                                                                                                                                                                                                                                  |
| Loan/Deposit net, ratio                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <p>Loan/Deposit net ratio is expressed as:</p> <p>Net loans and advances to customers (Loans and advances to customers at amortized cost, Trade and other receivables, Finance lease receivables) / Deposits from customers</p> <p>The loan-to-deposit net ratio is used to assess a bank's liquidity by comparing a bank's customer loans, net to its customer deposits for the same period.</p> <p>Example for Loan/Deposit net, ratio calculation as of 30 June 2025:</p> $\text{Loan/Deposit ratio} = \frac{10,077, (\text{Net loans and advances to customers as of 30 Jun 2025 in EUR M})}{12,762 (\text{Deposits from customers as of 30 Jun 2025 in EUR M})} = 79.0\%$                                                                                                                                                                                                                |
| Annualized risk cost ratio                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <p>Annualized risk cost ratio is expressed as:</p> <p>Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss / simple average of two periods ends of volume of gross Loans to customers (LTC) (incl. Trade and other receivables and Finance Lease Receivables)</p> <p>Annualized risk cost ratio assesses loss over a period related to credit risk as a percentage of an average gross loan volume.</p> <p>Example for annualized risk cost ratio calculation as of 30 June 2025:</p> $\begin{aligned} &\text{Annualized risk cost ratio} \\ &= (-15 \\ &\quad * 365 \\ &\quad / 182 (\text{Impairment result from financial instruments at fair value through profit or loss for HY2025 in EUR M})) \\ &\quad / \text{Average} (9,936; 10,352) (\text{gross LTC as of YE 2024 and as of 30 Jun 2025 in EUR M}) = -0.3\% \end{aligned}$ |

|                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Non-Performing<br>Loan (NPL) ratio             | <p>NPL ratio is expressed as:</p> $\frac{\text{Volume of Non-Performing Loans to customers (incl. Trade and other receivables and Finance Lease Receivables)}}{\text{Volume of gross loans to customers (incl. Trade and other receivables and Finance Lease Receivables)}}$ <p>NPL ratio is a risk ratio which assesses the quality of a portfolio by showing the percentage of loans which are unlikely to be paid over the gross loan volume.</p> <p>Example for NPL ratio calculation as of 30 June 2025:</p> $\text{NPL ratio} = \left( \frac{301 \text{ (Volume of Non-performing Loans as of 30 Jun 2025 in EUR M)}}{10,352 \text{ (Volume of gross loans to customers as of 30 Jun 2025 in EUR M)}} = 2.9\%$                                                       |
| Non-Performing<br>Loan (NPL)<br>coverage ratio | <p>NPL coverage ratio is expressed as:</p> $\frac{\text{Volume of provisions for loans to customers (incl. Trade and other receivables and Finance Lease Receivables)}}{\text{Volume of Non-Performing Loans to customers (incl. Trade and other receivables and Finance Lease Receivables)}}$ <p>NPL coverage ratio is a risk ratio which assesses how well is the NPL volume covered with balance sheet provisions.</p> <p>Example for NPL coverage ratio calculation as of 30 June 2025:</p> $\begin{aligned} \text{NPL coverage ratio} &= \left( \frac{275 \text{ (Volume of provisions for loans to customers as of 30 Jun 2025 in EUR M)}}{301 \text{ (Volume of Non-Performing Loans to customers as of 30 Jun 2025 in EUR M)}} \right) \\ &= 91.4\% \end{aligned}$ |

Source: Information and calculation of the Issuer on the basis of the Unaudited Interim Consolidated Financial Statements as of 30 June 2025 and disclosure requirements of the Issuer for the half year ended 30 June 2025 pursuant to part eight of the CRR, Commission Implementing Regulation (EU) 2021/637 and EBA ITS on Pillar 3 disclosures regarding exposures to interest rate risk on positions not held in the trading book (IRRBB) (EBA/ITS/2022/631).

Note: Alternative performance measures were not audited, reviewed or otherwise reported on by independent auditors and they do not form part of the Audited Separate and Consolidated Financial Statements 2023, the Audited Separate and Consolidated Financial Statements 2024 or the Unaudited Interim Consolidated Financial Statements as of 30 June 2025.

## Selected Unaudited Interim Consolidated Financial Information of the Issuer for the nine months ended 30 September 2025

### Financial highlights Erste Bank Croatia Group (EUR million)

| BALANCE SHEET                                                        | As at<br>31 December 2024 | As at<br>30 September 2025 | absolute<br>change |
|----------------------------------------------------------------------|---------------------------|----------------------------|--------------------|
| Cash and cash balances                                               | 3.380                     | 4.034                      | 654                |
| Financial assets held for trading -<br>Derivatives                   | 19                        | 20                         | 1                  |
| Non-trading financial assets at fair value<br>through profit or loss | 9                         | 19                         | 11                 |
| Financial assets at fair value through other<br>comprehensive income | 1.004                     | 1.065                      | 60                 |
| Financial assets at amortised cost                                   | 11.085                    | 11.648                     | 563                |
| Loans and advances to banks                                          | 79                        | 182                        | 103                |
| Loans and advances to customers                                      | 8.904                     | 9.351                      | 447                |
| Debt securities                                                      | 2.102                     | 2.115                      | 13                 |
| Finance lease receivables                                            | 568                       | 612                        | 44                 |
| Property and equipment                                               | 170                       | 176                        | 5                  |
| Investment properties                                                | 2                         | 2                          | 0                  |
| Intangible assets                                                    | 17                        | 17                         | -1                 |
| Investments in associates                                            | 10                        | 10                         | 1                  |
| Current tax assets                                                   | 7                         | 0                          | -7                 |
| Deferred tax assets                                                  | 17                        | 14                         | -3                 |
| Assets held for sale                                                 | 10                        | 12                         | 3                  |

|                                                  |               |               |              |
|--------------------------------------------------|---------------|---------------|--------------|
| Trade and other receivables                      | 179           | 182           | 3            |
| Other assets                                     | 29            | 27            | -3           |
| <b>Total Assets</b>                              | <b>16.507</b> | <b>17.838</b> | <b>1.330</b> |
| Financial liabilities – held for trading         | 18            | 14            | -4           |
| Financial liabilities measured at amortised cost | 14.330        | 15.676        | 1.346        |
| Deposits from banks                              | 796           | 779           | -17          |
| Deposits from customers                          | 12.553        | 13.668        | 1.114        |
| Debt securities issued                           | 954           | 948           | -6           |
| Other financial liabilities                      | 27            | 281           | 254          |
| Finance lease liabilities                        | 14            | 14            | 0            |
| Provisions                                       | 87            | 87            | 0            |
| Current tax liabilities                          | 4             | 16            | 12           |
| Deferred tax liabilities                         | 0             | 1             | 0            |
| Liabilities associated with assets held for sale | 86            | 92            | 5            |
| Other liabilities                                | 141           | 120           | -20          |
| Equity attributable to owners of the parent      | 1.793         | 1.781         | -12          |
| Equity attributable to non-controlling interests | 34            | 37            | 3            |
| <b>Total Liabilities &amp; Equity</b>            | <b>16.507</b> | <b>17.838</b> | <b>1.330</b> |

Source: Information of the Issuer

#### Financial highlights Erste Bank Croatia Group (EUR million)

| <b>PROFIT AND LOSS</b>                                                                   | <b>1 January 2024 to<br/>30 September 2024</b> | <b>1 January 2025 to<br/>30 September 2025</b> | <b>absolute<br/>change</b> |
|------------------------------------------------------------------------------------------|------------------------------------------------|------------------------------------------------|----------------------------|
| Net interest income                                                                      | 324,6                                          | 327,5                                          | 2,8                        |
| Interest income                                                                          | 459,5                                          | 459,4                                          | -0,1                       |
| Interest expense                                                                         | -134,9                                         | -131,9                                         | 2,9                        |
| Net fee and commission income                                                            | 98,9                                           | 106,7                                          | 7,9                        |
| Fee and commission income                                                                | 139,0                                          | 152,8                                          | 13,8                       |
| Fee and commission expenses                                                              | -40,1                                          | -46,0                                          | -5,9                       |
| Dividend income                                                                          | 0,0                                            | 0,1                                            | 0,1                        |
| Net trading and fair value result                                                        | 12,0                                           | 12,6                                           | 0,6                        |
| Gains/losses from financial instruments<br>measured at fair value through profit or loss | 0,9                                            | 0,3                                            | -0,6                       |
| Net result from equity method investments                                                | 1,1                                            | 1,2                                            | 0,2                        |
| Rental income from investment properties &<br>other operating leases                     | 5,5                                            | 5,1                                            | -0,4                       |
| Personnel expenses                                                                       | -100,8                                         | -106,9                                         | -6,0                       |
| Other administrative expenses                                                            | -82,8                                          | -86,3                                          | -3,4                       |
| Depreciation and amortisation                                                            | -22,9                                          | -21,8                                          | 1,1                        |

|                                                                                                                            |              |              |              |
|----------------------------------------------------------------------------------------------------------------------------|--------------|--------------|--------------|
| Gains/losses from derecognition of financial assets measured at amortised cost                                             | 0,0          | 0,0          | 0,0          |
| Other gains/losses from derecognition of financial instruments not measured at fair value through profit or loss           | 0,0          | 0,0          | 0,0          |
| Gains/losses from reclassification from amortised cost to fair value through profit or loss                                | 0,0          | 0,0          | 0,0          |
| Gains/losses from reclassification from fair value through other comprehensive income to fair value through profit or loss | 0,0          | 0,0          | 0,0          |
| Impairment result from financial instruments                                                                               | 26,1         | 12,7         | -13,4        |
| Other operating result                                                                                                     | -4,8         | -4,5         | 0,3          |
| <b>Pre-tax profit from continuing operations</b>                                                                           | <b>257,7</b> | <b>246,7</b> | <b>-10,9</b> |
| Income tax                                                                                                                 | -51,8        | -43,5        | 8,4          |
| <b>Net result for the period</b>                                                                                           | <b>205,8</b> | <b>203,2</b> | <b>-2,6</b>  |
| Net result attributable to non-controlling interests                                                                       | -2,2         | -3,2         | -1,0         |
| <b>Net result attributable to owners of the parent</b>                                                                     | <b>203,6</b> | <b>200,0</b> | <b>-3,6</b>  |

Source: Information of the Issuer

## 3. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

### 3.1 MANAGEMENT BOARD

#### Members of the Management Board

Management board members of Erste Bank Croatia are appointed by Erste Bank Croatia's supervisory board with the maximum of five years term of office and they can be reappointed. Erste Bank Croatia's management board currently has five members, one of whom is the chairman. Its management board conducts its activities and adopts its decisions and resolutions at the meetings. Meetings are held, as a rule, once a week.

The current members of Erste Bank Croatia's management board listed below have extensive experience in the banking market and perform the following additional functions in management or supervisory boards in other companies as of the date of this Registration Document.

| NAME AND POSITION                                       | COMPANY                                  | FUNCTION                                   |
|---------------------------------------------------------|------------------------------------------|--------------------------------------------|
| <b>Christoph Schoefboeck</b><br><b>CEO</b>              | Erste Bank AD Podgorica, Montenegro      | Chairman of the Supervisory Board          |
|                                                         | Sparkasse Bank dd BiH                    | Member of the Supervisory Board            |
|                                                         | KEKS Pay d.o.o.                          | Chairman of the Supervisory Board          |
| <b>Hannes Frotzbacher</b><br><b>CRO</b>                 | Erste Bank a.d. Novi Sad, Serbia         | Member of the Board of Directors           |
|                                                         | Erste & Steiermärkische S-Leasing d.o.o. | Chairman of the Supervisory Board          |
|                                                         | Banka Sparkasse d.d. Ljubljana           | Member of the Supervisory Board            |
| <b>Krešimir Barić</b><br><b>CFO</b>                     | Erste Nekretnine d.o.o., Zagreb          | Chairman of the Supervisory Board          |
|                                                         | Erste Bank AD Podgorica, Montenegro      | Deputy Chairman of the Supervisory Board   |
|                                                         | Erste Card Club d.o.o., Zagreb           | Deputy Chairman of the Supervisory Board   |
| <b>Martin Hornig</b><br><b>COO</b>                      | -                                        | -                                          |
| <b>Katarina Kraljević</b><br><b>Retail Board Member</b> | KEKS Pay d.o.o.                          | Deputy Chairwoman of the Supervisory Board |

Source: Internal information of the Issuer

The members of Erste Bank Croatia's management board can be reached at its business address Ivana Lučića 2, Zagreb, Republic of Croatia.

### 3.2 SUPERVISORY BOARD

#### Members of the Supervisory Board

The supervision of Erste Bank Croatia's management board's activities is performed by Erste Bank Croatia's supervisory board. Its supervisory board currently consists of 7 members who are elected by Erste Bank Croatia's general meeting with three years term of office, and they can be reappointed.

Erste Bank Croatia's supervisory board has a wide range of responsibilities. These include appointment and revocation of the chairman of Erste Bank Croatia's management board and the other members of Erste Bank

Croatia's management board, supervision over the business activities of Erste Bank Croatia, including browsing accounts and documentation of Erste Bank Croatia, requesting reports, examination of results of business activities.

Erste Bank Croatia's supervisory board grants approval to the financial statements, by which they are established by Erste Bank Croatia's management board and supervisory board. The financial statements are prepared in accordance with the International Financial Reporting Standards, as adopted by the EU (the "IFRS") and are reviewed by its management board and the audit committee of Erste Bank Croatia's supervisory board. The annual financial statements are also audited by Erste Bank Croatia's independent auditor.

Erste Bank Croatia's supervisory board conducts its activities and adopts its decisions at the meetings. Meetings are held four times per year in principle. Erste Bank Croatia's supervisory board may pass a decision without holding the meeting (passing of decisions through correspondence). Members of Erste Bank Croatia's supervisory board, who would be in conflict of interest, shall abstain from the voting on the decision if making such a decision would represent a conflict of interest. Members of Erste Bank Croatia's supervisory board may not accept or take up any office, duty or position that would conflict with their responsibilities or duties towards the Issuer.

The following table sets out additional functions in management or supervisory boards in other companies as of the date of this Registration Document:

| NAME AND POSITION                                            | COMPANY                                                   | FUNCTION                                |
|--------------------------------------------------------------|-----------------------------------------------------------|-----------------------------------------|
| <b>Ingo Bleier<br/>Chairman of the<br/>Supervisory Board</b> | Steiermärkische Bank und Sparkassen AG                    | Member of the Supervisory Board         |
|                                                              | Erste Bank a.d. Novi Sad                                  | Chairman of the Board of Directors      |
|                                                              | Erste Campus Immobilien AG & Co KG                        | Member of the Management Board          |
|                                                              | Erste Group Bank AG                                       | Member of the Management Board          |
| <b>Walburga Seidl<br/>Member</b>                             | Steiermärkische Bank und Sparkassen AG                    | Member of the Management Board          |
|                                                              | Sparkasse Bank a.d. Skopje                                | Member of the Supervisory Board         |
|                                                              | Sparkasse Bank d.d. Bosnia and Herzegovina                | Member of the Supervisory Board         |
|                                                              | Erste Digital GmbH                                        | Member of the Supervisory Board         |
|                                                              | Sparkassen IT Holding AG                                  | Member of the Supervisory Board         |
| <b>Judit Agnes Havasi<br/>Independent member</b>             | DONAU Versicherung AG Vienna Insurance Group              | Chairwoman of the Management Board      |
|                                                              | Die Zweite Wiener Vereins Sparkasse                       | Member of the Supervisory Board         |
|                                                              | Vienna-Life Lebensversicherung AG, Vienna Insurance Group | Member of the Supervisory Board         |
|                                                              | VIG Magyarország Befektetési Zrt.                         | Extended Member of the Management Board |

|                                                                          |                                         |                                            |
|--------------------------------------------------------------------------|-----------------------------------------|--------------------------------------------|
|                                                                          | Burgenland Energie AG                   | Member of the Supervisory Board            |
| <b>Robert Schmidbauer</b>                                                | -                                       | -                                          |
| <b>Georg Bucher<br/>Deputy Chairman of<br/>the Supervisory<br/>Board</b> | Kärntner Sparkasse AG                   | Member of the Supervisory Board            |
|                                                                          | Erste Bank a.d. Novi Sad                | Deputy president of the Board of Directors |
|                                                                          | Sparkasse Bank a.d. Skopje              | Member of the Supervisory Board            |
|                                                                          | Sparkassen-Haftungs GmbH                | Member of the Supervisory Board            |
|                                                                          | SKW-Privatstiftung                      | Member of the Management Board             |
|                                                                          | SKB Industrieholding GmbH               | Member of the Supervisory Board            |
|                                                                          | Steiermärkische Bank und Sparkassen AG  | Member of the Management Board             |
|                                                                          | Christine Kunz Gesellschaft m.b.H.      | Managing director                          |
| <b>Roland Klimesch<br/>Member</b>                                        | -                                       | -                                          |
| <b>Nina Begičević<br/>Ređep</b>                                          | Faculty of organization and informatics | Full professor                             |
|                                                                          | Tehnološki park Varaždin d.o.o.         | Deputy president of the Supervisory Board  |

Source: Internal information of the Issuer

The members of Erste Bank Croatia's supervisory board perform their respective function at the following business addresses:

- Ingo Bleier - Erste Group Bank AG, Am Belvedere 1, 1100 Vienna, Austria
- Roland Klimesch - Erste Group Bank AG, Am Belvedere 1, 1100 Vienna, Austria
- Robert Schmidbauer, Erste Group Bank AG, Am Belvedere 1, 1100 Vienna, Austria
- Walburga Seidl - Steiermärkische Bank und Sparkassen AG, Sparkassenplatz 4, 8010 Graz, Austria
- Georg Bucher - Steiermärkische Bank und Sparkassen AG, Sparkassenplatz 4, 8010 Graz, Austria
- Judit Agnes Havasi - Vienna Insurance Group, Schottenring 30, 1010 Vienna, Austria
- Nina Begičević Ređep - Faculty of organization and informatics, Pavlinska 2, 42000 Varaždin, Croatia

### 3.3 GENERAL MEETING

Shareholders of Erste Bank Croatia provide their rights at Erste Bank Croatia's general meeting. Erste Bank Croatia's general meeting can be held as a regular or extraordinary meeting. Erste Bank Croatia's general meeting must be held in the first eight months of the business year.

Among other matters, Erste Bank Croatia's general meeting makes the decision on election and revocation of members of Erste Bank Croatia's supervisory board, granting discharge to Erste Bank Croatia's management board and supervisory board members, appointment of Erste Bank Croatia's auditors, amendments of Erste

Bank Croatia's articles of association, increase and decrease of Erste Bank Croatia's share capital, cessation of Erste Bank Croatia, change of the corporate name and head offices of Erste Bank Croatia and distribution of profit.

The proposal of decision on profit distribution is made by Erste Bank Croatia's management board and shall be approved by its supervisory board. Thereafter, it shall be submitted to Erste Bank Croatia's general meeting at which the decision is made.

### 3.4 POTENTIAL CONFLICTS OF INTEREST

Members of the Issuer's management board and supervisory board may serve on management or supervisory boards of other companies, directorship of that kind may generate in certain circumstances conflicts of interest.

Agreements (e.g. loan agreements) of Erste Bank Croatia with the members of its management board and its supervisory board may generate in certain circumstances conflicts of interest.

Should any such conflict of interest arise, Erste Bank Croatia has sufficient rules and procedures pursuant to the relevant local regulation, compliance rules and industry standards in place regulating the management of conflicts of interest and the ongoing application of such guidelines and rules. If any conflicts of interest are identified with respect to the members of the Issuer's management board, supervisory board or the upper management level, where internal procedures or measures would not be sufficient, conflicts of interest would be disclosed.

### 3.5 AUDIT AND AUDITORS' REPORTS

PricewaterhouseCoopers d.o.o., with registered seat at Heinzlova ulica 70, 10000 Zagreb, Republic of Croatia, have audited the Croatian language separate and consolidated financial statements of Erste Bank Croatia prepared in accordance with IFRS as of and for the year ended 31 December 2023 and issued an unqualified independent auditor's report on the Audited Separate and Consolidated Financial Statements 2023 (dated 18 March 2024).

PKF FACT revizija d.o.o., with registered seat at Zadarska ulica 80, 10000 Zagreb, Republic of Croatia, have audited the Croatian language separate and consolidated financial statements of Erste Bank Croatia prepared in accordance with IFRS as of and for the year ended 31 December 2024 and issued an unqualified independent auditor's report on the Audited Separate and Consolidated Financial Statements 2024 (dated 27 March 2025).

PricewaterhouseCoopers d.o.o. and PKF FACT revizija d.o.o. are members of the Croatian Chamber of Auditors.

The financial year of Erste Bank Croatia is the calendar year.

### 3.6 SHAREHOLDERS OF THE ISSUER

Erste Bank Croatia's ownership structure as at the date of this Registration Document is as follows:

| Shareholder                            | Number of shares  | Percentage of the share capital |
|----------------------------------------|-------------------|---------------------------------|
| Erste Group Bank AG                    | 10,023,326        | 59.01568%                       |
| Steiermärkische Bank und Sparkassen AG | 6,960,849         | 40.98432%                       |
| <b>Total</b>                           | <b>16,984,175</b> | <b>100.0%</b>                   |

Source: Internal information of the Issuer

As stated above, the majority shareholder of Erste Bank Croatia is Erste Group Bank, which holds 59.01568% of its share capital. The other shareholder of Erste Bank Croatia is Steiermärkische Bank und Sparkassen AG which holds 40.98432% of its share capital. Together the above-mentioned shareholders hold 100.0% of the share capital in Erste Bank Croatia.

Shareholder of Steiermärkische Bank und Sparkassen AG is Erste Bank der oesterreichischen Sparkassen AG which holds 25.0% of the share capital and Erste Group Bank is 100.0% owner of Erste Bank der oesterreichischen Sparkassen AG. According to this, Erste Group Bank has a controlling position over Erste Bank Croatia.



To the best of the knowledge of the Issuer, there are measures, like applicable corporate governance regulations, to ensure that such control over the Issuer is not abused.

The Issuer is, to the best of its knowledge, not aware of any arrangements the operation of which may at a subsequent date result in a change in control of the Issuer.

## 4. LEGAL PROCEEDINGS

The Issuer and some of its subsidiaries are involved and have been involved in the twelve months preceding the date of this Registration Document in legal disputes, including governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), most of which have arisen or have been threatened in the course of ordinary banking business. These proceedings are not expected to have a significant negative impact on the financial position or profitability of Erste Bank Croatia Group and/or the Issuer. Issuer has been subjected to the following ongoing proceedings, some of which, if adversely adjudicated, may have a significant impact on the financial position or profitability of Erste Bank Croatia Group and/or the Issuer:

### **Claim of the Croatian Association of Consumer Protection Associations against the Issuer (and other six banks in the Republic of Croatia)**

The Croatian Association of Consumer Protection Associations as claimant ("**POTROŠAČ**") initiated in 2012 a collective lawsuit against eight banks in the Republic of Croatia, including Erste Bank Croatia.

For the part of the claim regarding the variability of the interest rates in Swiss franc denominated consumer loans concluded between 2004 and 2008, the case has been finally resolved in 2014 after the Croatian High Commercial Court denied the Issuer's appeal against the first instance verdict. Later legal remedies which were submitted (request for a judicial review and constitutional complaint) were denied.

After POTROŠAČ's constitutional complaint regarding the Judgment of the Croatian Supreme Court for the part of the claim regarding the Swiss franc currency clause in consumer loans concluded between 2004 and 2008, the case has been returned for a retrial to the Croatian High Commercial Court, which in 2014 initially ruled in favour of the sued banks and refused the claim. The Croatian High Commercial Court had altered the verdict of the Commercial Court in Zagreb reached in 2013 and refused the claim with respect to the invalidity of the currency clause in consumer loans denominated in Swiss francs. When reviewing the appeals of all defendants, the Croatian High Commercial Court rejected appeals as unfounded and the first instance verdict was confirmed in the part regarding the currency clause, respectively, the Croatian High Commercial Court ruled that the defendant banks have violated collective interests of the consumers by contracting unfair and non-binding provisions with respect to the currency clause in consumer credit contracts in Swiss francs, and ordered to cease with such conduct. In addition, no other obligation was ordered by the verdict, i.e. the Issuer is not obliged to offer compensation to clients, but those clients who consider that they have suffered damages, would have to sue the Issuer in an individual proceeding.

In August 2018, Erste Bank Croatia submitted a request for a judicial review, which was denied by the Croatian Supreme Court in September 2019.

In February 2021, the Croatian Constitutional Court reached a decision regarding the Issuer's constitutional complaint regarding the null and void FX clause, which was filed against the Croatian Supreme Court's decision, by which the constitutional complaint was denied.

According to the present circumstances and case law known to the Issuer, in relation to its financial position, the majority of potential adverse effects of the verdicts reached in the collective case should be considered absorbed within the conversion of the majority of the relevant loan portfolio implemented in accordance with the amendments of the Croatian Consumer Credit Act (OG 75/09, 112/12, 143/13, 147/13, 09/15, 78/15, 102/15, 52/16, 128/22) and the Croatian Credit Institutions Act (OG159/2013, 19/2015, 102/2015, 15/2018, 70/2019, 47/2020, 146/2020, 151/22) in 2015.

Despite most of the loans granted to consumers were converted in line with the aforementioned legislation, certain number of loan beneficiaries still hold that they should be entitled to restitution on the account of nullity of the currency clause or/and unilateral variability of the interest rate in consumer loans denominated in Swiss francs.

Final legal standing on the issue of restitution claims for converted loans is currently being decided on the level of the Croatian Supreme Court.

### **Other Court Proceedings**

The Issuer has been named as a defendant in a certain number of individual ongoing legal proceedings, whereas outcomes of such proceedings are difficult to predict. The lawsuits mainly relate to allegations that certain contractual provisions, particularly in respect of consumer loans or other banking products or financing violate mandatory consumer protection laws and other regulations and principles of general civil law,

respectively. The allegations relate to enforceability of certain fees as well as of contractual provisions for the adjustment of interest rate and currencies.

In the future, it is not possible to rule out the initiation of a number of court disputes against the Issuer by referring to the final judgments in the aforementioned collective case, whereby due to certain still non-resolved legal issues, it is not possible to predict the course or the outcome of such proceedings.

## **5. MATERIAL CONTRACTS**

The Issuer and its subsidiaries have not entered into any material contracts, other than contracts entered into in the ordinary course of business, which could result in any member of Erste Bank Croatia Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligation to holders in respect of the securities to be issued.

## GLOSSARY AND LIST OF ABBREVIATIONS

For ease of reference, the glossary below sets out certain abbreviations and meanings of certain terms used in this Registration Document. Readers of this Registration Document should always have regard to the full description of a term contained in this Registration Document.

|                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|--------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>AT 1</b>                                                        | own funds pursuant to Article 51 CRR ( <i>Additional Tier 1</i> )                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Audited Separate and Consolidated Financial Statements 2023</b> | Croatian language version of the Audited Separate and Consolidated Financial Statements of the Issuer and Erste Bank Croatia Group for the financial year ended 31 December 2023                                                                                                                                                                                                                                                                                                                                        |
| <b>Audited Separate and Consolidated Financial Statements 2024</b> | Croatian language version of the Audited Separate and Consolidated Financial Statements of the Issuer and Erste Bank Croatia Group for the financial year ended 31 December 2024                                                                                                                                                                                                                                                                                                                                        |
| <b>Banking Union</b>                                               | an EU-level banking supervision and resolution system which operates on the basis of EU-wide rules and consists of all Eurozone countries and those EU member states that choose to participate                                                                                                                                                                                                                                                                                                                         |
| <b>BRRD</b>                                                        | Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council, as amended ( <i>Bank Recovery and Resolution Directive</i> ) |
| <b>BRRD II</b>                                                     | Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending Directive 2014/59/EU as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC, as amended ( <i>Bank Recovery and Resolution Directive II</i> )                                                                                                                                                                                                      |
| <b>CET 1</b>                                                       | own funds pursuant to Article 26 CRR ( <i>Common Equity Tier 1</i> )                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>CNB</b>                                                         | Croatian National Bank                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>CRD</b>                                                         | Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC, as amended ( <i>Capital Requirements Directive</i> )                                                                                                                                                                  |
| <b>Credit Institutions Act</b>                                     | OG 159/2013, 19/2015, 102/2015, 15/2018, 70/2019, 47/2020, 146/2020, 151/2022 and 145/2024                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>CRR</b>                                                         | Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, as amended ( <i>Capital Requirements Regulation</i> )                                                                                                                                                                                                                                                       |
| <b>ECB</b>                                                         | European Central Bank                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Erste Bank Croatia</b>                                          | Erste & Steiermärkische Bank d.d.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Erste Bank Croatia Group</b>                                    | Issuer and its subsidiaries and participations taken as a whole                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Erste Group</b>                                                 | consists of Erste Group Bank and its subsidiaries and participations, including Erste Bank Oesterreich in Austria, Česká spořitelna in the Czech Republic, Banca Comercială Română in Romania, Slovenská sporiteľňa in the Slovak Republic, Erste Bank Hungary in Hungary, Erste Bank Croatia in Croatia, Erste Bank Serbia in Serbia and, in Austria, savings banks of the Haftungsverbund, s-Bausparkasse, Erste Group Immorent GmbH, and others                                                                      |
| <b>Erste Group Bank</b>                                            | Erste Group Bank AG                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

|                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                            |
|-------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>EU</b>                                                                     | European Union                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>EUR</b>                                                                    | Euro                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Fitch</b>                                                                  | Fitch Ratings Ireland Limited                                                                                                                                                                                                                                                                                                                                                                              |
| <b>FMA</b>                                                                    | Austrian Financial Market Authority ( <i>Finanzmarktaufsichtsbehörde</i> )                                                                                                                                                                                                                                                                                                                                 |
| <b>HRK</b>                                                                    | Croatian Kuna                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>IFRS</b>                                                                   | International Financial Reporting Standards                                                                                                                                                                                                                                                                                                                                                                |
| <b>KEKS Pay</b>                                                               | KEKS Pay d.o.o.                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Issuer</b>                                                                 | Erste & Steiermärkische Bank d.d.                                                                                                                                                                                                                                                                                                                                                                          |
| <b>LRE</b>                                                                    | the leverage ratio exposure measure                                                                                                                                                                                                                                                                                                                                                                        |
| <b>MREL</b>                                                                   | minimum requirement for own funds and eligible liabilities                                                                                                                                                                                                                                                                                                                                                 |
| <b>OG</b>                                                                     | Official Gazette                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Prospectus Regulation</b>                                                  | Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended                                                                                                                                           |
| <b>Registration Document</b>                                                  | this registration document, as supplemented from time to time                                                                                                                                                                                                                                                                                                                                              |
| <b>SME</b>                                                                    | small and medium sized enterprises                                                                                                                                                                                                                                                                                                                                                                         |
| <b>SRB</b>                                                                    | Single Resolution Board                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>SREP</b>                                                                   | Supervisory Review and Evaluation Process                                                                                                                                                                                                                                                                                                                                                                  |
| <b>SRMR</b>                                                                   | Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010, as amended ( <i>Single Resolution Mechanism Regulation</i> ) |
| <b>Tier 2</b>                                                                 | own funds pursuant to Article 62 CRR ( <i>Tier 2</i> )                                                                                                                                                                                                                                                                                                                                                     |
| <b>TREA</b>                                                                   | the total risk exposure amount                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Unaudited Interim Consolidated Financial Statements as of 30 June 2025</b> | English language translation of the Unaudited Interim Consolidated Financial Statements of the Issuer for the half year ended 30 June 2025 prepared in accordance with IAS 34                                                                                                                                                                                                                              |

**REGISTERED OFFICE OF THE ISSUER**

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