

ANNOUNCEMENT

Notice of the publication of a prospectus and a public invitation for the subscription of bonds of ERSTE & STEIERMÄRKISCHE BANK d.d. in the total nominal amount of up to EUR 50 million and maturity in 2022

ERSTE & STEIERMÄRKISCHE BANK d.d., Jadranski trg 3a, 51 000 Rijeka ("Issuer"), has decided to hold a public offering for the issue of unsubordinated and unsecured bonds in the total nominal amount of up to EUR 50 million and maturity in 2022, in dematerialised form, registered, in the denomination of EUR 1 per bond ("Bonds").

The Bonds shall be issued on 30 November 2017. The maturity date of the Bonds is 30 November 2022. The minimum number of Bonds that may be subscribed is 5,000 Bonds.

The Bonds will be issued at the price of 100.000% of the nominal amount of the Bonds, i.e. the price of one Bond in an amount equivalent in HRK of EUR 1 at the mid exchange rate of the Croatian National Bank on the date of payment for investors who are natural persons, i.e. the date of issue of the Bonds for investors who are legal persons.

The annual fixed interest rate for the Bonds shall be 1.8125%, payable on a semi-annual basis, while the principal shall be repaid at once upon its maturity. The yield to maturity of the Bonds is 1.8125%.

The Issuer hereby informs the public of the following:

- On 17 November 2017, the Croatian Financial Services Supervisory Agency, in its decision class no. UP/I 976-02/17-01/05, file no. 326-01-770-772-17-11, approved a consolidated prospectus regarding the issue of the Bonds in a public offering and their listing on the Official Market of Zagrebačka burza d.d. ("Prospectus").
- The Prospectus was published on 20 November 2017 on the Issuer's website (www.erstebank.hr/prospekt). At the request of the investor, the printed form of the prospectus shall be delivered free of charge by regular post or by hand at the location designated for the subscription of the Bonds, within a reasonable term required for printing or replication, and for delivery by post. The printed prospectus shall thus be available to investors for a period of one year following the date on which it is approved by the Croatian Financial Services Supervisory Agency.
- With this public invitation, the Issuer invites all legal persons and all adult natural persons to subscribe and pay for the Bonds under the terms and conditions set out in this public invitation and in the Prospectus, which describes in more detail the rights arising from the Bonds, the terms and conditions of the offering, and the procedure according to which the subscription and payment for the Bonds is to be conducted.
- Timeline for subscribing and paying for the Bonds:

Duration of the Offering Period:	from 21 November 2017 at 8 a.m. to 27 November 2017 at 7 p.m., during business hours of the branch offices (subscription shall not be conducted on Saturdays and Sundays);
Payments by natural persons:	from 21 November 2017 to 27 November 2017, where payment for the Bonds must be recorded on the Issuer's account designated for the payment of the Bonds by 27 November 2017 at 11.59 p.m. at the latest;
Notice of the total allocated amount of the Bonds:	publication on 28 November 2017 on the Issuer's website:
Notice of allocation to legal persons:	on 28 November 2017, the Issuer sends it directly to the investors
Bond payment instructions for legal persons:	on 29 November 2017, the Issuer sends it directly to the investors
The date of issue, i.e. payment by legal persons:	30 November 2017: the deadline for payment by legal persons is 30 November 2017 at 10 a.m., when the payment must be recorded on the Issuer's account for the payment of the Bonds;
Notice of the final terms of the issue (the final amount of the Bonds issued):	publication on 30 November 2017 on the Issuer's website;
Repayment of any surplus in funds paid:	within 2 (two) business days from the Date of Issue
Notice of allotment to natural persons:	via notice sent to investors by the CDCC immediately following the Date of Issue;
Listing of the bonds on the Official Market:	it is expected at least 4 (four) business days after the Date of Issue.

- Subscription locations for natural persons shall be at the following addresses of the Issuer:
 - Advisory Centre Vukovarska, Ivana Lučića 2, 10 000 Zagreb
 - Branch Office Sveti Duh, Sveti Duh 2, 10 000 Zagreb
 - Advisory Centre Zrinjevac, Trg Nikole Šubića Zrinskog 18, 10 000 Zagreb
 - Advisory Centre Masarykova, Masarykova 1, 10 000 Zagreb
 - Advisory Centre Varaždin, Tome Blažeka 1, 42 000 Varaždin
 - Advisory Centre Osijek, Ribarska 2, 31 000 Osijek
 - Advisory Centre Karlovac, Trg Josipa Broza 2, 47 000 Karlovac
 - Advisory Centre Bjelovar, Petra Preradovića bb, 43 000 Bjelovar
 - Advisory Centre Čakovec, Katarine Zrinski 1, 40 000 Čakovec
 - Branch Office Koprivnica, A. Nemčića 1, 48 000 Koprivnica
 - Advisory Centre Rijeka, Jadranski trg 3a, 51 000 Rijeka
 - Branch Office Opatija, Vjekoslava Spinčića 3/2, 51 410 Opatija
 - Branch Office Crikvenica, Trg Stjepana Radića 1, 51 260 Crikvenica
 - Advisory Centre Pula, Ciscuttijeva 15, 52 100 Pula
 - Advisory Centre Pazin, 25. rujna 17, 52 000 Pazin
 - Advisory Centre Labin, Zelenice 3, 52 220 Labin

- Advisory Centre Zadar, Obala kneza Branimira 6, 23 000 Zadar
 - Advisory Centre Split, Trg hrvatske bratske zajednice 3, 21 000 Split
 - Advisory Centre Šibenik, Poljana 5, 22 000 Šibenik
 - Branch Office Požega, Cehovska 8, 34 000 Požega
 - Advisory Centre Dubrovnik, Vukovarska 26, 20 000 Dubrovnik
- The subscription location for legal persons shall be at the following address of the Issuer: Ivana Lučića 2, 10 000 Zagreb, with the following contacts depending on the type of the investor:

Institutional investors	Banks	Corporate investors
Phone: 072 37 2288 Fax: 072 37 1938 E-mail: institutional.sales@erstebank.com	Phone: 072 37 1516 Fax: 072 37 1938 E-mail: fidesk@erstebank.com	Phone: 072 37 2222 Fax: 072 37 1938 E-mail: corsale@erstebank.com

- Subscription of the Bonds

Investors interested in signing up for the Bonds shall make the subscription via a subscription order in which they shall be able to designate the amount of the Bonds they are committed to subscribe and pay for. Subscription orders must be completed and signed in compliance with the instructions included in the subscription orders themselves and then handed over to the Issuer in the manner and within the time limits set out in this public invitation and in the Prospectus.

Investors who are natural persons shall subscribe the Bonds by signing two copies of the subscription order at one of the above mentioned subscription locations for natural persons. An authorised official of the Issuer shall complete the subscription order in electronic form at the request and following the instructions of the investor and make a print-out, while the investor shall examine and sign two written copies of the subscription order thus completed. The authorised official of the Issuer shall keep one copy of the signed subscription order and confirm receipt of the other with his signature and stamp, handing it over to the investor. Any investor who is a natural person may also subscribe to the Bonds by proxy, exclusively through a standardised power of attorney template, which may be requested at the locations organised for the subscription of the Bonds. The signature on the power of attorney must be certified by a notary public. The subscription order must be completed and signed by 7 p.m. on the last day of the Offering Period at the latest, at the location of the subscription, exclusively in the above described fashion. The documents needed for the subscription of the Bonds by investors who are natural persons are as follows: (i) a valid identity card / passport, (ii) a document showing the personal identification number, and (iii) a valid current account card with any of the domestic credit institutions.

Investors who are legal persons shall subscribe the Bonds by requesting the subscription order for legal persons at the above address, which shall then be sent to them by electronic means. The completed form, signed by an authorised person, shall be delivered to the above address by e-mail by 4 p.m. at the latest on the last day of the Offering Period for the Bonds, while the original shall be delivered subsequently by post, so that it shall be received by the Issuer within 3 (three) business days. Authorised officials of the Issuer shall sign the Subscription Form as a way of

confirming the receipt of the subscription application and send it to the investor by e-mail and later by post (following the receipt of the originals from the investor).

- Payment for the Bonds

Investors who are natural persons shall pay for the Bonds within the subscription period, by paying an advance in the amount that is the equivalent in HRK of the nominal amount of the subscribed Bonds at the mid exchange rate of the Croatian National Bank on the date of payment. Investors shall pay the amount for payment of the Bonds exclusively by remittance in favour of the bank account for payment of the Bonds, designated in the subscription order. Following the payment for the Bonds during the Offering Period it shall no longer be possible to relinquish the subscription of the Bonds, i.e. withdraw the subscription order.

Investors who are legal persons shall pay for the Bonds in compliance with the instructions for the payment of the Bonds, which each investor who is a legal person shall receive from the Issuer on the second business day following the end of the Offering Period. The call for payment of the Bonds shall state the amount that the investor must pay for the Bonds (the amount of payment for the Bonds), number (quantity) of the Bonds allotted to the investor, and the exchange rate EUR/HRK published by CNB, applicable on the date of issue of the Bonds (on the basis of which the amount of payment for the Bonds shall be calculated). Investors who are legal persons shall pay for the Bonds by remitting the amount of payment for the Bonds (listed in the call for payment of the Bonds) in favour of the Issuer's bank account for payment for the Bonds, listed in the invitation for payment of the Bonds.

- When deciding on the final amount of the issue, the Issuer shall take into consideration a number of factors, including the number of the Bonds subscribed during the Offering Period, the level and the nature of the demand for the Bonds during the subscription procedure, the prevailing market conditions, and the need for a duly functioning and liquid market for the Bonds.
- Within 3 (three) business days following the Date of Issue of the Bonds, the Issuer shall send a notice to any investor who, due to the applied plan for Bond allotment, described in detail in the Prospectus, shall not be allotted any Bonds.

A free copy of the Prospectus, the subscription form for the Bonds, and any further information concerning the Bonds are available at the locations where subscription is organised.

In Zagreb, 21 November 2017

ERSTE & STEIERMÄRKISCHE BANK d.d.