

ZAGREB STOCK EXCHANGE
Ivana Lučića 2a
10 000 Zagreb

**CROATIAN FINANCIAL SERVICES
SUPERVISORY AGENCY (HANFA)**
Franje Račkog 6
10 000 Zagreb

OTS HINA

Home member state: Croatia

LEI: 549300A2F46GR0UOM390

Official Market, Zagreb Stock Exchange

Bond 3RIB3
ISIN: HRRIBAO22BE0

Bond 3RIB4
ISIN: HRRIBAO23BA6

Zagreb, March 23rd 2020

SUBJECT: CNB Decision - retaining of net profit realized in 2019.

ERSTE&STEIERMÄRKISCHE BANK d.d. with its headquarters in Rijeka, Jadranski trg 3a (hereinafter: the Bank) announced on March 20th 2020 the proposal of the decision on profit distribution for the year 2019 by which it was proposed that the net profit in amount of HRK 752,533,902.81 shall be distributed as follows:

- For the retained earnings HRK 525,455,483.06
- For the shareholders' dividend HRK 227,078,419.75

The Bank announces that it has received a decision of the Croatian National Bank of March 20th 2020 which is adopted on basis of article 175 paragraph 1 point 3, article 224 paragraph 1 point 3 and point 20, article 228 paragraph 1 point 5 and paragraph 3 point 4 and article 323 of Credit Institution Act (OG 159/13, 19/15 and 102/15, 15/18 and 70/19) and article 43 paragraph 2 point 5 of Croatian National Bank Act (OG 75/08 and 54/13). In accordance with the aforementioned decision, the Bank is obliged to retain its net profit realized in the financial year 2019 in the Bank's capital and shall not pay out the dividend in order to ensure the stability of the financial system of the Republic of Croatia. In order to comply with the decision of the Croatian National Bank, the Bank's competent bodies will make necessary decisions on proposed profit distribution and inform the public in a timely manner.

MANAGEMENT BOARD OF ERSTE&STEIERMÄRKISCHE BANK d.d.