

ZAGREB STOCK EXCHANGE

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**CROATIAN FINANCIAL SERVICES
SUPERVISORY AGENCY (HANFA)**

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OTS HINA

Zagreb, November 06, 2015

**SUBJECT: Notice on the impact of the CHF loans conversion on financial result
Notice pursuant to the Article 459 of the Capital Market Act**

The Act on Amendments to the Credit Institutions Act and Act on Amendments to the Consumer Loans Act adopted in September 2015 prescribe the manner of conversion of CHF loans into the EUR loans and loans with currency clause in CHF into the loans with currency clause in EUR (hereinafter: the Conversion).

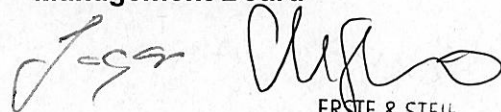
The mentioned regulations had significant impact on the results of the ERSTE&STEIERMÄRKISCHE BANK d.d. (hereinafter: the Bank) and the ESB Group¹.

In the first nine months of 2015 ESB Group recorded a net loss of HRK 576.8 million, compared to the net profit of HRK 296.3 million recorded in the same period in 2014. The biggest impact on this result came from increased provisioning in the amount of HRK 1.1 billion, due to potential expenses of the Conversion.

At the same time, according to the unconsolidated financial statement, which includes the results of the Bank without its affiliates, in the first nine months of 2015 net loss – also as a result of potential cost of adjustment to the legal changes – amounted to HRK 718.7 million, compared to the net profit of HRK 205.2 million in the same period in 2014.

Final total impacts of the Conversion will be known during the fourth quarter of 2015 and will be included and published in financial statements of the Bank and the ESB Group for 2015.

**ERSTE&STEIERMÄRKISCHE BANK d.d.
Management Board**



ERSTE & STEIERMÄRKISCHE
BANK D.D.
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¹ ESB Group's consolidated financial statements includes Erste&Steiermärkische Bank d.d. and the following affiliates: Erste Nekretnine d.o.o., Erste&Steiermärkische S-Leasing d.o.o., Erste Bank a.d., Podgorica, Erste Card Club Group, and Erste Factoring d.o.o.