

ZAGREB STOCK EXCHANGEIvana Lučića 2a
10 000 Zagreb**CROATIAN FINANCIAL SERVICES
SUPERVISORY AGENCY (HANFA)**Miramarska 24b
10 000 Zagreb

OTS HINA

Zagreb, March 23, 2012

**SUBJECT: Notice of ERSTE&STEIERMÄRKISCHE BANK d.d. withdrawal on issuing
subordinated bonds**

ERSTE&STEIERMÄRKISCHE BANK d.d. with its headquarters in Rijeka, Jadranski Trg 3/a, OIB: 23057039320 (hereinafter: the Bank) informed on September 26, 2011 on intention of issuing subordinated bonds in non-materialised form, made out to a name, denominated in EUR 1, with 6,5% fixed interest rate per year and maturity in 2017. Subordinated bonds were intended to be issued in amount of up to EUR 50,000,000.00.

On March 22, 2012 CROATIAN FINANCIAL SERVICES SUPERVISORY AGENCY made a Decision on cessation of the procedure on approval of the Prospectus of issue of the aforementioned bonds, based on the Bank's request.

Reason for submission of the afore-mentioned Bank's request is current situation on the market and withdrawal is temporary. Since the financing on the capital market is usual way of financing of the financial institutions, the Bank intends to continue financing by issuing financial instruments upon better circumstances on the market and in accordance with business needs.

**ERSTE&STEIERMÄRKISCHE BANK d.d.
Management Board**ERSTE & STEIERMÄRKISCHE
BANK D.D.
173 RIJEKA 052