

# Announcement

## Public invitation to professional investors for the subscription of bonds of ERSTE&STEIERMÄRKISCHE BANK d.d. in total nominal amount of up to HRK 500 million with maturity in 2023 („Public invitation for subscription“)

According to the Management Board decision of ERSTE&STEIERMÄRKISCHE BANK d.d., Jadranski trg 3a, 51 000 Rijeka („Issuer“) from August 28, 2018, the Issuer has decided to issue bonds in the amount of up to HRK 500 million with fixed interest rate and semi-annual coupon payment with maturity in 2023. („Bonds“).

On November 16, 2018 the Issuer published on the official website of Zagreb Stock Exchange and on the Issuer’s official website the Prospectus of the public offer and Bond listing („Prospectus“) in which the terms of the Bond issue are more precisely indicated. In case of Bond issuance, the Issuer will apply for the Bonds to be listed on the Official Market of Zagreb Stock Exchange.

The target market for Bonds represents exclusively qualified counterparties and professional investors („Investors“), each as they are defined by Article 406 of the Capital Markets Act.

### Timeline for subscribing and listing Bonds on the Official Market:

Beginning of the Offering period:	27 November 2018 at 9:00 a.m.
End of the Offering period:	27 November 2018 at 1:30 p.m.
Bond pricing:	27 November 2018 at 2:00 p.m.
Notice of the Bond pricing and total allocated amount of the Bonds:	27 November 2018 late afternoon
Notice to Investors about their allocated amount of the Bonds:	27 November 2018 late afternoon
Deadline for submitting payment instructions to Investors:	28 November 2018
Deadline for payment:	30 November 2018 until 10:00 a.m.
Date of the Bond issue and notice with the final terms of the Bond issue:	30 November 2018
Expected date of the bond listing on the Official Market on the Zagreb Stock Exchange:	it is expected three business days after the Date of Issue

Interested investors shall make the subscription via Subscription form during the period of the Bond Offering („Bond Offering period“) in which they should indicate the amount they are prepared to subscribe and pay for together with other general data about themselves. Subscription forms must be completed and signed and then handed over to the Issuer in electronic form, by fax or delivered physically no later than the end of the Bond offering period to the contact details below. Investors can here get a free copy of the Prospectus, Subscription form and other additional information about the Bond issue:

ERSTE&STEIERMÄRKISCHE BANK d.d.  
 Institutional Sales Desk  
 Tel: 072 37 2288  
 Fax: 072 37 1938  
 Email: institutional.sales@erstebank.com

### Important terms and conditions of the Bond issue:

Issuer:	ERSTE & STEIERMÄRKISCHE BANK d.d.
Legal status:	The liabilities of the Issuer from the Bonds are not secured by any collateral and have at least equal ranking to all other non-secured and non-subordinated liabilities of the Issuer, apart from liabilities that can take precedence pursuant to forced provisions. Liabilities from Bonds cannot be protected by a contract on financial insurance with the transfer of the right of ownership, nor be the subject of a set-off or a "netting arrangement". The possibility of early redemption on bondholder's side is excluded and bondholders cannot demand early Bond redemption from the Issuer. The liabilities of the Issuer from the Bonds are in the sixth payment order of higher priority in accordance with Article 274. of the Credit Institutions Act.
Total nominal Bond amount:	Up to HRK 500.000.000,00
Denomination:	HRK 1.000.000,00, also represents minimum subscription amount as well as minimum nominal transaction size on regulated market
Ticker:	RIBA-O-23BA
ISIN:	HRRIBA023BA6
Repayment of the principal:	Bullet repayment, at the maturity
Type of the interest rate:	Fixed, semi-annual coupon payment
Issue date:	30 November 2018
Maturity date:	30 November 2023
Reference yield:	Average bid yield of the domestic HRK denominated bond issued by the Republic of Croatia HRRHMF023BA4 with maturity 27 November 2023
Margin on the reference yield:	40-45 bps
Clearing and settlement:	Central Depository & Clearing Company Inc. (CDCC)
Applicable law:	Law of the Republic of Croatia
Right of subscription withdrawal:	Pursuant to the article 418. paragraph 1. bullet 2. of the Capital markets Act, the Issuer will enable the investors to cancel the subscription of the allocated Bonds in the period of two working days after the publication of the final yield, coupon and price of the Bonds. Should the funds not be registered on the Issuer account until the payment deadline according to the payment instructions, it will be considered that the investor withdrew from the subscription of allocated Bonds.