



The Republic of Croatia

Ministry of Finance

Invitation for Expression of Interest and submission of Non-binding Offers in the Acquisition of Shares in HRVATSKA POŠTANSKA BANKA d.d.

Pursuant to Articles 8 and 31 paragraph 2 of the Government of the Republic of Croatia Act (Official Gazette no. 150/11) and in relation to Article 36 of the Act on Government Asset Management (Official Gazette nos. 145/10 and 70/12) the Government of the Republic of Croatia has approved the commencement of the procedure for the sale of the majority of the shareholding held in the share capital of Hrvatska poštanska banka d.d., with registered seat in Zagreb, Jurišićeva 4 (hereinafter: "HPB" or the "Company"), and consequently invites investors to submit expression of interest and non-binding offers in the acquisition of HPB ordinary shares.

1. Hrvatska poštanska banka d.d.

HPB is a joint-stock company incorporated under the Croatian law, whose shares are held by the Republic of Croatia (51%), Hrvatska pošta d.d. (28%), the Croatian Pensions Insurance Institute (HZMO) (20%) and others (1%).

The Republic of Croatia, represented by the Ministry of Finance, intends to sell all shares under its direct and indirect control in the company, amounting to 99.13% of total shares. The object of its activity is banking services, particularly the following:

- Retail banking
- Corporate banking
- Investment banking
- Treasury services.

The share capital of HPB currently amounts to 878,764 ordinary shares of the Bank's series A, which amounts to HRK 966,640,400.00 (nine hundred sixty six million six hundred forty thousand and four hundred HRK), under the control of the Republic of Croatia are 871,142 shares (99.13%) with a total nominal value of HRK 958,256,200.00 (nine hundred fifty eight million two hundred fifty six thousand two hundred HRK).

2. Privatization process of HPB

The privatization of HPB will be carried out by the sale of 99.13% of the whole HPB share capital through an open international tender. Investors which will express their interest in the process will be invited to submit their offer in accordance to the tender rules and applicable Croatian legislation.

3. Investors eligible to participate in the sale procedure of HPB shares

This announcement is addressed exclusively to interested investors eligible under the law of the Republic of Croatia and EU-banking and financial conglomerates policy to acquire a qualifying holding in the credit institution. The acquisition of the Company's shares is subject to certain regulatory approvals and certain investors may be excluded from the envisaged transaction on the basis of such regulatory procedure.



Parties which are in liquidation or subject to insolvency, administration, receivership or other similar proceedings, or any proceedings that imply a situation of insolvency or the interruption of business activities, will not be admitted to the sale procedure.

4. Sale procedure: expression of interest

Interested investors satisfying the requirements set out in paragraph 3 are invited to submit their expression of interest, presenting themselves in written form to the financial advisor (at the address noted below) by 31 August 2013, clearly referring to "HPB privatisation" as the subject matter of such correspondence:

CONFIDA-REVIZIJA d.o.o.
attn: Mr. Thomas Kraiger
Slovenska 24/III
10000 Zagreb

The following documents (with a translation into English, if the original is not in Croatian or English) shall be attached to any original of the letter:

- 1) The last non-consolidated and, where available, consolidated financial statements of the interested investor;
- 2) The powers granted to the legal representative who has signed the letter;
- 3) A declaration that the interested party is not in liquidation or subject to any proceedings of insolvency, administration, receivership or other similar proceedings or any proceedings that imply a situation of insolvency or the interruption of business activities.

The expression of interest may be submitted jointly by two or more parties acting as consortium for the purposes of the acquisition (pool of investors), and by investors intending to implement the transaction through a special-purpose entity incorporated for such purpose. In such cases, the documents accompanying the letter must relate separately to each submitting party, or to each owner of the special-purpose entity. It is intended that all the parties concerned shall be jointly and severally responsible for all the obligations arising from the future acquisition (if any) of HPB shares.

All expressions of interest should be submitted by the interested party directly. However, brokers or agents of any kind are admitted, provided that they disclose the name of the investors they are representing: any failure to do so will render any such expression of interest inadmissible.

Incomplete expressions of interest and/or expressions of interest received after the deadline may not be taken into consideration. Expressions of interests that are received through any other means than the one mentioned above shall not be taken into account.

After the receipt of the expression of interest, the interested parties (meeting the requirement) will be supplied with a confidentiality agreement to be accepted; when the confidentiality agreement, duly signed, is sent back, the interested parties will be provided with the Executive Teaser about HPB and Information Memorandum, together with the Letter of invitation to submit a non-binding offer, containing the related instructions and a description of the further steps of the sale procedure.

Deadline for submission of non-binding offer is 20 September 2013.



REPUBLIC OF CROATIA
MINISTRY OF FINANCE

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TAX AUDIT CONSULTING

5. Miscellanea

The publication of this announcement nor the receipt of any expressions of interest do not constitute any obligation of, or undertaking by the Ministry of Finance of the Republic of Croatia to sell any shares in HPB to any of the parties interested in the acquisition, nor shall it give rise to any claim or right of action by such parties for the performance of any action by the Ministry of finance and/or its financial and legal advisors, on any ground whatsoever.

The Ministry of Finance of the Republic of Croatia reserves the right, at its sole discretion and at any time to: (i) withdraw from the sale procedure, or (ii) to interrupt or modify it, or (iii) to exclude any interested party from the sale procedure without giving rise to any claim for compensation of damages whatsoever by the interested parties against the Ministry of Finance of the Republic of Croatia and/or its financial and legal advisors.

Any data received shall be processed in compliance with the provisions of the law, so as to ensure the protection of the rights and privacy of the interested parties. In particular the data shall be processed exclusively for the purpose of ascertaining whether the parties satisfy the above-stated conditions for participating in the sale procedure of HPB shares and to ensure the proper conduct of the privatisation process.

The distribution or publication of this invitation shall not constitute an offer or sale of HPB shares in any jurisdiction, and any such offer or sale at any time after the distribution or publication of this invitation may be subject to restrictions in certain jurisdictions. This announcement letter is governed by the laws of the Republic of Croatia and any dispute shall be finally resolved by the Croatian courts.