

In Zagreb, 25 July 2025

Notice on amendments and supplements to the Decision on Fees in Consumer Transactions, the General Terms and Conditions of KentBank on Transaction accounts and the Provision of Payment Services to Individuals – Consumers, and the document "Time of Receipt and Execution of Payment Orders", with effect from 5 October 2025

Dear Customer,

We would like to inform you that the Management Board of KentBank, Zagreb, Gundulićeva ulica 1, OIB: 73656725926 (hereinafter: the Bank), has adopted changes in consumer operations that will apply from **5 October 2025**. These changes relate to compliance with EU Regulation 2024/886 of the European Parliament and of the Council of 13 March 2024 amending Regulations (EU) No 260/2012 and (EU) 2021/1230 and Directives 98/26/EC and (EU) 2015/2366 concerning Instant Credit Transfers in euros and the introduction of a new Payment Recipient Verification service.

1. Introduction of Instant Credit Transfers on Accounts of Natural Persons - Individuals

• **Instant Credit Transfer:**

- A payment service available 24 hours a day, 7 days a week, including all calendar days of the year.
- Execution of an instant credit transfer, i.e., availability of funds to the payment recipient, is targeted to occur within 10 seconds from the time the payment order is received.
- Covers both national credit transfers in euros and cross-border euro credit transfers to SEPA (Single Euro Payments Area) member states, in accordance with the SEPA Instant Credit Transfer scheme (SCTInst).

• **Payee Verification:**

- A new service that verifies whether the entered name/surname or company name of the payment recipient matches the owner of the entered IBAN before authorisation and execution of the payment order.
- The payer will receive the verification result before authorising the payment order.
- The purpose of this check is to provide additional protection during payment transactions and to prevent errors.

• **The Fees for Instant Credit Transfers are the same as the existing fees for standard Credit transfers.**

2. Amendments to the General Terms and Conditions of KentBank d.d. on Transaction Accounts and Payment Services for Individuals – Consumers

• **In Point 2. DEFINITIONS OF TERMS, the following updates are made:**

- new definition – **EXECUTION DATE** - The date specified by the client on the payment order for executing the payment transaction. The payment order will be executed on the indicated date if submitted in a timely manner, according to the document "Time of Receipt and Execution of Payment Orders."
- The definition of **INSTANT CREDIT TRANSFER – CROSS-BORDER AND NATIONAL IN EUROS (INSTANT PAYMENT)** has been supplemented to clarify that it is a Payment Service whereby the payment account of the payee is credited for one or more payment transactions, and the payer's Transaction Account with the payer's payment service

provider is debited, based on a Payment Order submitted by the Payer. Additionally, the characteristics of Instant Payment now specify that it includes both national credit transfers in euros and cross-border credit transfers in euros to member states of the Single Euro Payments Area (SEPA), in accordance with the rules of the SEPA Instant Credit Transfer Scheme (SCTInst).

- The definition of **FUNDS PROVISIONED IN THE ACCOUNT** has been supplemented – in addition to regular Credit Transfers, Instant Credit Transfers have also been included, along with the section concerning the release of the provisioned funds in the event of a rejected Instant Credit Transfer: *“If the Instant Credit Transfer order is rejected, the provisioned funds become available for use by the Transaction Account User”*.
- The term **SEPA INSTANT** has been added – a system for the execution of payment transactions in euros between the Payer and the Payee in near real-time, 24 hours a day, 365 days a year.
- The term **TIME STAMP** has been amended – if an Instant credit transfer order is agreed with a pre-determined Execution Date, the time of receipt of that order shall be considered to be the pre-agreed Execution Date. From that moment, the time limit for the execution of the respective Instant credit transfer begins to run“.
- **In Point 3.5 ACCOUNT MANAGEMENT AND DISPOSAL OF FUNDS:**
- A clause related to Instant Credit Transfer has been added, which reads: *“If the Bank, within 10 seconds from the time of receipt of the Instant Credit Transfer order, does not receive confirmation from the Payment Service Provider of the Payment Recipient that the funds have been made available in the payment account of the Payment Recipient, the Bank will immediately release the reserved amount of funds in the User’s transaction account and restore the User’s transaction account to its previous state, as if the subject Instant Credit Transfer had not been executed. If, for any reason, the Bank subsequently receives confirmation from the Payment Service Provider of the Payment Recipient about the execution of the aforementioned Instant Credit Transfer after the expiry of the 10-second period, the Bank has the right to reclaim the transferred amount. The User of the transaction account is obligated to settle the transferred amount to the Bank, and the Bank has the right to debit the User’s transaction account by the said amount and to offset it against the funds in the User’s transaction account or against any other claim the User may have towards the Bank. In the event of such offsetting, the Bank will notify the User of the transaction account via a statement or by other appropriate means.”*
- **new point 3.5.2. MAXIMUM LIMIT FOR AN INSTANT CREDIT TRANSFER**
- a new point has been added in which it defines the possibility and method of contracting the Instant Credit Limit and it reads: *“The Transaction Account User has the option of agreeing on the maximum limit for the execution of an Instant Credit Transfer in the Transaction Account opened with the Bank, as the maximum amount for each individual Instant Credit Transfer, by submitting a written request at the Bank’s branch or on the Digital Channels. The User of the Transaction Account has the option of changing the defined limits for the execution of an Instant Credit Transfer by submitting a written request at the Bank’s branch or on the Digital Channels.”*
- **In Point 4.1 PAYMENT ORDER:**
- The part stating *“The transaction account User agrees that the Bank may modify, omit and/or supplement in their instruction the name/address of the transaction account User based on the IBAN as a unique identifier, all in accordance with the data recorded at the Bank for that IBAN.”* is deleted due to the introduction of the payee verification service.
- **Point 4.2 is renamed from "Authorisation of Payment Transactions (Consent to Execute an Order)" to "Payee Verification":**
- The verification of the Payee enables the Payer to check whether the entered first and last name / name of the Payee corresponds to the holder of the entered IBAN account number on the Payment Order, all before sending the Payment Order for execution. In the case of payment orders submitted in paper form, the verification is carried out at the time of receipt and entry of the order.
- **Possible results:**

- Full match – Payee's name and surname/title matches IBAN holder.
 - No match – Payee's name and surname/title does not match IBAN holder.
 - Partial match – Payee's name and surname/title partially matches IBAN holder.
 - Verification not possible – the check cannot be performed.
- For the payment orders relating to Credit Transfer and Instant Credit Transfer – national in EUR, in favor of the accounts held by legal entity payees, the Bank shall not perform the verification of the payee and the data on the name of the payee's transaction account shall be filled out with the data on the account name registered in the Single Account Register. In such cases, the Payer shall not receive any information on the outcome of the payee verification process.
- **In Point 4.3 AUTHORISATION OF PAYMENT TRANSACTIONS (CONSENT TO THE EXECUTION OF THE ORDER):**
 - The paragraph referring to the User's consent after the execution of the payment transaction has been deleted, and a new paragraph has been added on signing of the Payment Order prior to the execution of the payment transaction at the Bank branch, which now reads: *"The Transaction Account User is required to sign the Payment Order before its execution and, by their signature, confirm the accuracy of the data stated in the Payment Order."*
 - **In Point 4.4 EXECUTION OF PAYMENT TRANSACTIONS:**
 - The paragraph related to the Time of receipt of the payment order has been amended and now reads: *"If the Time of receipt of the payment order is not a business day of the Bank, or if the order is received after the cut-off time specified as the final time for receiving orders in the document Time of receipt and execution of payment orders, the payment order shall be considered received on the next business day, except for Instant Credit Transfer orders which are available for Transaction Accounts 24 hours a day on each calendar day."*
 - **In Point 4.5 REJECTION OF THE EXECUTION OF PAYMENT ORDERS:**
 - The paragraph has been supplemented with two new options related to Instant Credit Transfers in which the Bank will reject the execution of the payment order: *"if all conditions for the execution of the Instant Credit Transfer prescribed by the SCTInst scheme are not met" and "if the payment service provider of the Payee or the SEPA Instant payment system has rejected the execution of the Instant Credit Transfer order."*
 - **In Point 4.6. RETURN OF THE EXECUTED PAYMENT ORDER:**
 - The text of the article has been supplemented and now reads as follows: *"In the event that the payment service provider of the payee, for justified reasons, could not credit the payee's account and execute a refund of an already settled payment order relating to national payment transactions in the Official Currency of the Republic of Croatia and cross-border payment transactions in the Official Currency of the Republic of Croatia, **except for Instant Credit Transfer orders**, the Bank shall immediately upon receipt of the payment order credit the account of the Transaction Account User by the amount of the refund and notify them thereof, except when the payment order is received on a non-business day, in which case the above shall be done on the first next business day."*
 - **In Point 4.7. CANCELLATION OF THE PAYMENT ORDER:**
 - The first sentence has been amended and it now reads: *The Payer may cancel the payment order, **except for Instant Credit Transfer orders, unless initiated by the predetermined Execution Date** no later than by the end of the Bank's business hours on the day preceding the agreed day for the execution of the payment order. The Bank will, even after the expiry of that deadline, endeavor to accept the request for cancellation of the payment order if technically feasible, i.e., until the moment of forwarding the order to interbank Payment Systems.*

3. Amendments to the General Terms of Use on Digital Services for Consumers

- **In Point 2. 2. DEFINITION OF TERMS:**

- The term **ACCOUNT INFORMATION SERVICE PROVIDER (AISP)** has been amended and now reads: *a payment service provider that performs the activity of providing account information services related to the Transaction Account, including the Bank, if it provides this service in accordance with applicable regulations.*
 - The term **PAYMENT INITIATION SERVICE PROVIDER (PISP)** has been supplemented and now reads: *a payment service provider that performs the activity of initiating payments on a Transaction Account, including the Bank, if it performs this service in accordance with applicable regulations.*
 - **In Point 3. DIGITAL SERVICES CONTRACTING PROCEDURE:**
 - The section related to the channel for receiving the Application for contracting the Bank's Digital Services has been amended – in addition to the submission at the Bank's branch, the option of contracting Digital Services through other channels has also been added.
 - **in point 3.1. Contracting Digital Services**
 - in paragraph three of this point, in addition to the option of signing and submitting the Application Form for contracting Digital Services at the Bank's branch, the option of signing and submitting the Application Form and contracting Digital Services through other channels has been added.
 - **In Point 4. ACCESS, USE AND SECURITY / Point 4.1 SAFETY OF USE:**
 - The section regarding the activation of the m-Token or m-Kent service / reissuance of activation codes and/or new PIN at the branch has been amended to include the option of activation/reissuance of codes/PINs also through other channels for contracting Digital Services.
 - **In Point 5. EXECUTION OF PAYMENT TRANSACTIONS:**
 - The section of the text related to Payment Transactions has been deleted, as all matters related to the operation of transaction accounts and the execution of payments are covered in the General Terms and Conditions of KentBank d.d. on transaction accounts and the provision of payment services to natural persons – consumers.
 - **In Point 5.1. PAYMENT INITIATION AND ACCOUNT INFORMATION SERVICES:**
 - In the second paragraph of this section, a part related to the provision of the AISP service has been added, and it reads:
 - *“In cases where the Bank itself provides the account information service (AISP) and/or the payment initiation service (PISP) within the functionalities of Digital Services — for example, for displaying the balance and transactions on accounts that the User holds with other banks and/or for initiating payments from those accounts — such services are considered an integral part of the contracted Digital Banking service. In such cases, the User gives consent to the Bank for accessing account data and/or for initiating payment orders, and the access, data processing, and execution of orders are carried out in accordance with applicable regulations, issued consents, and the application of strong authentication.”*
 - A section has been added on the responsibilities arising from the relationship between the User and third-party PISPs and/or AISPs, as well as the Bank when it acts as the service provider.
 - **In Point 8. BLOCKING OF THE BANK'S DIGITAL SERVICES AND CESSATION, CANCELLATION AND TERMINATION OF THE AGREEMENT:**
 - The paragraph specifying the method for submitting a request to report the loss, theft, or misuse of a mobile device or personalized security credentials has been amended to include the possibility of reporting through other channels for contracting Digital Services.
- 4. Amendments to the Document "Time of Receipt and Execution of Payment Orders"**
- **Credit Transfers – National and abroad in EUR**
 - In Point 1. Orders at the branch – cash and non-cash, a new method of order execution is added: **“Instant Credit Transfer – EuroNKSInst”** with the order receipt time within the working hours of the branch and the currency date on the same day.
 - In Point 2. Online banking orders, a new method of order execution is added: **“Instant Credit Transfer – EuroNKSInst”** with the order receipt time from 0 – 24 hours and the currency date on the same day.

- In Point 1 and Point 2, an urgent interbank payment order – international, has been added with a time of receipt by 15:00 and a value date of the same business day.
- **Credit Transfers – National and abroad in a currency other than EUR**
- The execution time for urgent interbank payment orders at the Bank's branch, as well as for online banking orders, varies depending on the payment currency:
 - CAD, CZK, DKK, HUF, NOK, CHF, GBP, PLN – with the order receipt time until 13:00 and the currency date next business day
 - USD and TRY – with the order receipt time until 14:30 and the currency date on the same business day
 - SEK – with the order receipt time until 10:00 and the currency date on the same business day
 - AUD, and JPY – with the order receipt time until 09:00 and the currency date on the next business day
- **The term EuroNCSInst payment system** has been added - a payment system that carries out payment transactions of instant credit transfer in euros in almost real time

5. Amendments to the Decision on Fees in Consumer Transactions

The Fees for Instant Credit Transfers are the same as the existing fees for standard credit transfers. Accordingly, the following tariff items are renamed:

- 14 Credit Transfer and Instant Credit Transfer
- 14.1 Credit Transfer and Instant Credit Transfer – National in EUR
- 14.3 Credit Transfer and Instant Credit Transfer – International in EUR
- A new service package "KentPro package" is being introduced with a monthly fee of EUR 0.00, and for all clients who will carry out a minimum of 5 payment transactions - national and/or cross-border in EUR within one month, and for all others with less than 5 payment transactions, the monthly fee will be EUR 5.00. In the promotional period until 31.12.2025, the monthly fee for the KentPro package will be EUR 0.00, regardless of the number of payment transactions completed within the month.

All the above-mentioned and amended documents are available on the Bank's website www.kentbank.hr.

If you do not agree with the proposed and stated amendments, please notify us in writing no later than **October 4, 2025**. Otherwise, we will consider that you agree with the proposed amendments. If the Bank receives your notification of non-acceptance of the proposed amendments, it will be considered that the agreement to which the amendments refer is terminated and will cease to be valid no later than on the date of entry into force of the proposed amendments. In such a case, the Bank will not charge a fee for terminating the agreement to which the amendments have not been accepted.

If you have any questions regarding these amendments to the business terms and conditions or the Framework Agreement, you may obtain additional information at the Bank's branches or by calling the info phone number 0800 0006.

Sincerely,
Your KentBank d.d.