

Slovenia: Constitutional Court suspends CHF law

On 10 March 2022, the Constitutional Court of the Republic of Slovenia unanimously decided to suspend the “Law on limiting and distributing currency risk among creditors and borrowers of loans in Swiss francs” (the CHF Law) in its entirety following the appeal submitted by Addiko Bank and eight other banks.

The court stated that the enactment of the law, which entered into force at the end of February, was suspended until it has reached a final decision regarding its constitutionality and that it would give that matter absolute priority. For the time being, there is no indication by when the Constitutional Court will finalise its assessment.

Since the National Assembly of Slovenia passed the CHF Law on 2 February 2022, Addiko Bank has been actively and publicly challenging this law together with the Banking Association and other affected banks based on numerous arguments indicating that it was detrimental to banks and the economy as a whole. In addition to the legal efforts at national level, Addiko filed a Request for Arbitration with the ICSID in Washington, DC against the Republic of Slovenia (BIT claim).

“While we welcome the unanimous decision of the Constitutional Court to grant our injunction and suspend the law until its final assessment as a step in the right direction, we will continue to pursue all legal efforts and challenge this unconstitutional CHF Law.”, commented the Group CEO Herbert Juranek.

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About Addiko Group

Addiko Group consists of Addiko Bank AG, the fully-licensed Austrian parent bank registered in Vienna, Austria, listed on the Vienna Stock Exchange and supervised by the Austrian Financial Market Authority and the European Central Bank, as well as six subsidiary banks, registered, licensed and operating in five CSEE countries: Croatia, Slovenia, Bosnia & Herzegovina (where it operates via two banks), Serbia and Montenegro. Through its six subsidiary banks, Addiko Group services as of 31 December 2021 approximately 0.8 million customers in CSEE using a well-dispersed network of 155 branches and modern digital banking channels.

Based in its focused strategy, Addiko Group has repositioned itself as a specialist Consumer and SME banking group with a focus on growing its Consumer and SME lending activities as well as payment services (its “focus areas”). It offers unsecured personal loan products for Consumers and working capital loans for its SME customers and is largely funded by retail deposits. Addiko Group’s Mortgage business, Public and Large Corporate lending portfolios (its “non-focus areas”) have been gradually reduced over time, thereby providing liquidity and capital for continuous growth in its Consumer and SME portfolios.