Group consolidated financial statements 2024

There is no moving forward without looking back.

Addiko Bank

Addiko Bank

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The tables in this report may contain rounding differences. Any data is presented on the Addiko Group level (referred to as Addiko Bank or the Group throughout the document) unless stated otherwise.

The English version of the report is a translation. Only the German is the authentic language version.

Group Management Report

Addiko Group is a specialist banking group focusing on providing banking products and services to Consumer and Small and Medium-sized Enterprises (SME) in Central and South-Eastern Europe (CSEE). The 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 2024 approximately 0.9 million customers in CSEE using a well-dispersed network of 155 branches and modern digital banking channels.

Based on its 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. The accelerated run-down of Addiko Group's Mortgage, Public and Large Corporate lending business (its 'non-focus areas') was concluded in the year 2024.

Addiko Bank AG is rated by Fitch Ratings. The long-term issuer default rating (IDR) was assessed as "BB", the viability rating (VR) as "bb"; the outlook for the long-term IDR is stable. The rating was last affirmed on 18 November 2024.

1. Macroeconomic environment

In Europe, 2024 continued to be characterised by the effects of the Russian war in Ukraine, which has now lasted three years and is leading to ongoing instability and uncertainty. While there was a significant easing on the commodity and energy markets in 2024, the after-effects of the very high inflation in previous years can still be clearly felt. After the wage level was only adjusted to the higher price level with a time lag, the uncertainties surrounding future economic development are making consumers reluctant to spend, which, in combination with a weak global economy, has led to subdued economic development in Europe.

Inflation in the eurozone fell significantly in 2024. Since peaking at 10.6% in October 2022, it has fallen rapidly and ranged between 2.8% (January) and 1.7% (September) in 2024 and 2.4% at the end of 2024. Depending on the structure of the local economies and the measures taken by governments to combat inflation in the individual EU member states, the rates of price increases in December 2024 varied greatly, ranging from a low 1.0% in Ireland and 1.4% in Italy to 4.4% in Belgium and 4.5% in Croatia. Austria was in the middle of the eurozone countries with a 2.1% increase in consumer prices.

After two years of high inflation in South-Eastern Europe, inflation also fell in Addiko's countries of operation in 2024. While price increases came in at the expected value of 2.0% in Slovenia, they were with 4.5% well above the latest forecast from fall 2024 in the EU member state Croatia. Inflation in Bosnia & Herzegovina for 2024 is expected to come in at a low 2.2%, while Serbia and Montenegro are expected to be at 4.5% and 4.8%, respectively.

After the European Central Bank (ECB) carried out a total of ten interest rate hikes in the period from July 2022 to September 2023, the key interest rate, the rate for the marginal lending facility for central bank loans, at 31 December 2024 stood at 4.5%, the highest level in the last two decades. In 2024, the ECB lowered the key interest rates a total of four times, most recently in accordance with the decision of 12 December 2024. A further reduction of 0.25% was made on 30 January 2025. With effect from 5 February 2025, the key interest rates are now as follows:

- for deposit facility: 2.75% (YE23: 4.00%)
- for main refinancing operations: 2.90% (YE23: 4.50%)
- for marginal lending facility: 3.15% (YE23: 4.75%)

If inflation in the eurozone remains at a low level in the coming months, market participants are currently assuming that the ECB will make further interest rate cuts in 2025.

GDP in the eurozone grew by only 0.9% in 2024 compared to the previous year, in particular due to the lower purchasing power of the population as a result of inflation and their reluctance to spend. The seasonally adjusted unemployment rate in the eurozone fell slightly to 6.3% in December 2024, which corresponds to a decrease of 0.2 percentage points compared to December 2023.

In contrast to the low GDP growth in the eurozone, the CSEE markets recorded significantly stronger growth in 2024. Compared to its spring forecast, the Vienna Institute for International Economic Studies (wiiw) has raised its GDP growth forecasts for Croatia, Bosnia and Herzegovina and Serbia in its fall forecast. GDP growth for 2024 is forecasted to be at 3.3% in Croatia, 2.6% in Bosnia & Herzegovina and a strong 3.8% in Serbia. Expectations for GDP growth in Slovenia and Montenegro have been lowered to 1.7% and 3.5% respectively.

The 1.7% GDP growth forecast for Slovenia in 2024 is mainly due to slower growth in exports and private investment. Exports were hampered by weak foreign demand, particularly in Germany, but also by eroding cost competitiveness.

The Croatian economy benefited from a strong tourism season in 2024 as well as from EU and EIB funds that flowed into infrastructure projects. Mainly due to the good summer season, the number of overnight stays in tourism increased to 108.7 million in 2024, which represents an increase of 4% compared to the previous year. While the latest estimate for GDP growth in 2024 is at 3.5%, unemployment in 2024 was at 4.5% according to figures already published, 1.1 percentage points lower than at the end of 2023.

Bosnia & Herzegovina benefited from increasing tourism as well as the positive impact of remittances from abroad and continued investment, while industrial production is expected to shrink in 2024. Overall, GDP growth is estimated to be at 2.6% for 2024, while unemployment - although it has developed very positively in the last two years - remained very high at 13.3%.

In Serbia, a GDP growth of 3.5% is expected for 2024, driven primarily by private consumption as well as expanding industrial production and exports. Real GDP is expected to increase by 3.8% in 2024. This GDP growth will also have an impact on the labour market, with the unemployment rate expected to fall from 9.4% in the previous year to 8.8%.

A GDP growth of 3.5% is expected for Montenegro in 2024. The most important growth factors were private consumption, supported by political measures and a tax reform, robust wage dynamics and a strong tourism season. The unemployment rate fell significantly in 2024 and stood at 11.7% (2023: 13.1%).

(Source: Eurostat, wiiw)

2. Key Highlights

In 2024, Addiko Group recorded a YoY increase in net profit of around 10% to EUR 45.4 million, corresponding to earnings per share (EPS) of EUR 2.35 (YE23: EUR 2.12). The return on average tangible equity rose from 5.5% in the previous year to 5.7% in 2024, despite one-off costs of EUR 3.0 million in connection with the takeover bids. A total of four interest rate cuts by the ECB during 2024 led to a decline in interest rate conditions in the new lending business, while interest expenses for deposits rose on average due to the usual catch-up effect. In the last quarter of 2024, risk provisions were increased to take into account the increase in NPLs.

On 29 March 2024, the company announced the end of the share buyback programme as the maximum period of one year since the approval by the European Central Bank (ECB) expired on this date. Between 11 April 2023 and 29 March 2024, a total of 229,584 shares for a total value of EUR 3,158,673.30 was repurchased on the Vienna Stock Exchange at a weighted average price of EUR 13.758. This corresponds to 1.177% of the share capital of the company. After execution of the 2023 share-based remuneration, Addiko holds as of 31 December 2024 a total of 212,858 own shares (corresponding to 1.092% of the subscribed capital).

On 2 April 2024, Addiko Bank AG completed its additional listing on the Xetra trading platform in Germany. This move increases Addiko's visibility on the capital markets, opens up access to a broader investor base globally and underscores the Group's commitment to fostering transparency, investor engagement and exploring possibilities for enhanced trading liquidity.

In March and May 2024 two voluntary takeover offers were made by two bidders, Agri Europe Cyprus Ltd. (Agri Europe Cyprus) and Nova Ljubljanska banka d.d. (NLB). On 21 August 2024, the results of the takeover offer by NLB to acquire control as well as the voluntary partial tender offer by Agri Europe Cyprus were announced. While the first did not reach the minimum acceptance threshold of 75% set forth by NLB, the latter was accepted by shareholders holding 12,853 bearer shares in Addiko Bank AG. Both takeover bids were unsuccessful but led to unplanned advisory expenses of EUR 3.0 million in 2024.

On 13 August 2024, the ECB determined that two shareholders of Addiko Bank AG, Alta Pay Group d.o.o. (hereinafter "Alta Pay Group") and Diplomat Pay d.o.o. (hereinafter "Diplomat Pay"), together held a total of 19.62% of the shares and thus jointly exceeded the 10% threshold for a qualified participation. After having failing to notify the FMA in a timely manner, the supervisory authority has suspended their voting rights and requested the appointment of a trustee to exercise them. On 4 February 2025, the ECB determined that there has been no acting in concert between Alta Pay Group and Diplomat Pay in relation to shares held in Addiko Bank AG since 10 December 2024 and that, therefore, the shares were no longer deemed to be suspended by operation of law from that date, as Diplomat Pay sold its 9.99% to S-Quad Handels- und Beteiligungs GmbH. Consequently, the ECB would withdraw its application to appoint a trustee for the suspended voting rights before the Commercial Court of Vienna.

On 17 December 2024, the Supervisory Board of Addiko Bank AG decided to extend the contracts of CEO Herbert Juranek until 31 December 2027, of CFO Edgar Flaggl and CRO Tadej Krašovec until 30 June 2028 and of CMO & CIO Ganesh Krishnamoorthi until 31 December 2028. On the back of a successful transformation of Addiko into a digital lending specialist for Consumer and SME customers, the Supervisory Board wanted to ensure continuity for the execution of the bank's strategy and further value generation for all its stakeholders. This decision reflects the significant progress the bank has made under the current Management Board's leadership since 2021.

Following the ECB's recommendation on 9 December 2024 to suspend the dividend due to the current shareholder situation, the Management Board of Addiko Bank AG has decided, in alignment with the Supervisory Board, to cancel the dividend for the financial year 2024 until further notice. Accordingly, no dividend will be proposed to the Annual General Meeting in 2025.

3. Takeover offers by Agri Europe Cyprus Ltd. and Nova Ljubljanska banka d.d.

On 25 March 2024, Agri Europe Cyprus announced its intention to make a voluntary partial takeover offer in accordance with Sections 4 et seqq. of the Austrian Takeover Act ("Übernahmegesetz") to the shareholders of Addiko Bank AG. The offer document in relation to the Offer was published on 16 May 2024. The offer aimed at the acquisition of up to 3,315,344 Addiko shares, corresponding to approximately up to 17.002% of Addiko's share capital. The offer price was set at EUR 16.24 (gross) per offer share cum dividend.

On 15 May 2024, NLB announced the intention to make a voluntary public takeover offer aimed to acquire control in accordance with Section 25a of the Austrian Takeover Act to the shareholders of Addiko Bank AG for the acquisition of all shares except for treasury shares of Addiko. The offer document was published on 7 June 2024. The initial offer price was EUR 20.00 per offer share cum dividend. On 15 July 2024, NLB announced to increase the share offer price to EUR 22.00 per Addiko share on a cum dividend basis.

On 21 August 2024, the results of the takeover offer made by NLB to acquire control as well as the voluntary partial tender offer made by Agri Europe Cyprus were announced. While the first did not reach the minimum acceptance threshold of 75% set forth by NLB, the latter was accepted by shareholders holding 12,853 bearer shares in Addiko Bank AG, which represents less than 0.07% of all shares. Both takeover bids were therefore unsuccessful.

4. Acceleration Program

Addiko established the group-wide ‘Acceleration Program’ to accelerate the Group’s capabilities to create incremental value for its customers and to assure a faster achievement of the Group’s mid-term targets. The program is based on three main pillars:

- Business Growth in Focus Areas,
- Operational Excellence & Digital innovation, and
- Best-in-Class Risk Management.

The Acceleration Program started in 2023 and ended with the conclusion of the financial year 2024.

4.1. First pillar: Business Growth in Focus Areas

The first pillar of the Acceleration Program is to foster consistent and sustainable business growth within the current geographical footprint and beyond via a digital expansion to Romania. In recent years, Addiko has notably enhanced its digital platform to improve customer service. The aim now is to further capitalise, refine and maximise the value from its established platform.

In 2024, the Group succeeded in expanding its focus book in Consumer segment and achieved a 20.4% annual increase in loan disbursements, growing from EUR 707 million (2023) to EUR 851 million (2024). This growth was supported by the following initiatives:

- Continued focus and strengthening of E2E digital lending capabilities to attract digital customers achieving full implementation in Croatia, Slovenia and Serbia.
- Extended partnership network of more than 550 partners and its presence in over 1,100 locations enabled Addiko to tap into a new customer segment that values financing at the point-of-sale. In Bosnia, small ticket loans serve as a primary product for acquiring new customers, offering opportunities for upselling and cross-selling.
- Moreover, additional measures have been implemented to expand the revenue from non-lending products, especially in the areas of credit cards and insurance. The newly launched “Ethoca” enables enhanced communication for Credit Card transactions (a first for banks in the region). This advancement in card services resulted in a strong growth in commission income from cards.

Within the SME segment, Addiko aims to provide accessible banking products for predominantly micro and small SME clients, striving to offer the most convenient and rapid application process across its operational countries.

In 2024, the SME segment was characterised by a highly competitive environment and a muted demand. In addition, SME customers were hesitant to take out new loans because they expected key interest rates to continue falling. This led to a decrease of 13.4% in loan disbursements, falling from EUR 815 million (2023) to EUR 706 million (2024). Given the strong competition it was a priority for the Group to maintain its premium pricing approach and not to abandon it in favour of higher loan volumes. Several growth initiatives have been launched to address the unique environment of the SME market:

- Addiko introduced three new products aimed at enhancing its SME ecosystem, including “Automated Overdraft” and “Business Credit Card” in Croatia, Slovenia and Serbia, as well as “Bancassurance” in Bosnia & Herzegovina and Croatia. The Automated Overdraft and Business Credit Card are showing encouraging initial results, especially in Slovenia. Meanwhile, the Bancassurance product is performing well in Croatia, and has been positively received in all regions where it was launched in 2024.
- The Group leveraged its “Digital Agent” platform by introducing the “web loan acceleration” resulting in a notable increase in web-originated volume. With the webLoan now operational in half of the countries of operation, loans initiated via the web already significantly contributing to new business volume in the targeted segment in 2024.
- Newly launched products were introduced using a multichannel strategy, fully incorporated into Addiko's digital sales process. The Automated Overdraft and the Business Credit Card are available together with a loan or on a standalone basis. Obtaining these products requires only minimal efforts from the customer. Addiko is piloting important design principles for its future mobile and web-first approach.

Addiko will continue to expand its product offering to Consumers and SMEs and will launch further E2E digital capabilities to attract digital customers and expand through its partnership ecosystem. At the same time, unprofitable products and services will be retired.

Marketing capabilities are an essential part of the Business Growth pillar and will continue to be enhanced and optimised. In 2024, Addiko ran 61 campaigns across the CSEE region, leveraging both online and offline media channels. Key promotional activities included:

- Marketing campaigns in Serbia, Slovenia and Croatia highlighting the online convenience of Addiko loans and showcasing the ease and accessibility of Addiko's digital services.
- In Montenegro, Serbia and Croatia, deposit campaigns were introduced to showcase competitive interest rates, strengthen the Group's market presence and drive deposit growth.
- Addiko continued to communicate its unique offerings, launching new iterations of the ID-only small ticket loans in Bosnia & Herzegovina, and promoting the record-short feedback promise loan campaigns for consumers in Bosnia & Herzegovina and SME clients in Serbia and Montenegro.
- A Mastercard instalment campaign was organised in Croatia and prize games in Slovenia, Serbia and Montenegro to boost card utilisation and customer involvement.

Recognising the growing influence of social media, Addiko expanded its digital presence by launching a TikTok channel in Croatia and initiating targeted advertising campaigns. This move aimed to tap into younger, digitally-savvy audiences, leveraging TikTok dynamic platform to dive engagement, improve brand visibility and connect with a new generation of customers.

Throughout 2024 the customer' segmentation research has been completed for all Addiko countries. Based on the findings, new communication assets have been developed and implemented to better target the specific customer segments.

To strengthen Addiko's digital DNA, the brand character Oskar was given a digital hologram Oskar and prominently featured in new campaigns, directly highlighting its digital lending solutions.

Addiko also launched two major sponsorship collaborations to elevate the brand's visibility and association with excellence. These include a partnership with the esteemed Serbian basketball team, Partizan, and the sponsorship of The Goran Dragić Basketball Foundation and his farewell match in Slovenia "Night of the Dragon" which was one of the country's most prominent sporting events in 2024.

In 2024, Addiko completed the main preparatory work for entering the Romanian market in 2025 using the cross-border license from its Slovenian subsidiary. This move takes advantage of the European passporting system as the most efficient and cost-effective business model. Addiko will leverage its current digital platform, risk management expertise, and business practices for its digital launch in Romania with an initial Personal Loan product. Following partnership agreements with key vendors for remote identification, E-signature, Credit Bureau access and soft collection services, the implementation phase was launched and is currently focusing on IT integration and planning for future testing. The Group aims to initiate a pilot phase in the first half of 2025 for system stabilisation and adjusting its value proposition.

4.2. Second pillar: Operational Excellence & Digital

As part of the second pillar of the Acceleration Program designed to address Operational Excellence & Digital, Addiko further optimised the E2E core processes during 2024, aiming to deliver a Best-in-Class customer experience across focus areas and products, irrespective of which distribution channel the customer uses. By introducing new digital solutions and further automating back-office tasks, Addiko is making lending faster and easier, showing its commitment and ability to use technology and make banking more accessible, efficient and customer focused.

In the Consumer segment, Addiko further developed its mobile banking applications, concentrating on refining the user interface and overall customer experience. Enhancements included a redesigned interface that provided additional information for card transactions. The implementation of this feature in Croatia and Serbia has improved customer experience and satisfaction. In parallel, Addiko was working on a complete overhaul of the app's user interface, starting with Montenegro as the first market. By redesigning the app's user interface, Addiko aims to make it more attractive, intuitive, and user-friendly for its customers.

For the SME segment, Addiko continues to enhance services by upgrading existing online lending platforms offering personalised offers to its SME customers while enabling a smooth start of the loan process through a modern online platform. Moreover, Addiko has made various adjustments to its lending system to optimise processes and increase convenience for its customers. Addiko completed a successful roll-out of its mobile banking app for SME clients in all markets in 2024. Addiko continues to upgrade its mobile banking app for SME clients with both functional and regulatory enhancements. Addiko's goal is to provide a convenient, reliable and secure service to its SME clients throughout its markets by constantly improving its mobile banking app.

In line with the Group's commitment, the focus in 2024 was also on executing measures as defined in its roadmap. As part of the drive to improve its operating model, Addiko Bank AG opened a branch in Zagreb in April 2024, which now houses several central units.

4.3. Third pillar: Best-in-Class Risk Management

The initiatives implemented as part of the third pillar, which focuses on becoming Best-in-Class in risk management, were also quite successful during 2024:

- Based on the comprehensive risk reporting platform, which was rolled out in previous year, Addiko further optimised its collection process in 2024.
- Addiko also worked to establish a scalable and automated leading-edge underwriting, monitoring and reporting environment in order to further improve efficiency, effectiveness and, most importantly, portfolio quality. During 2024, the level of automation in the customer segment increased significantly.
- Several initiatives, as part of the Risk Excellence stream, started with the aim of further improving efficiency.

Addiko will continue to invest in its IT systems to establish factory-like underwriting to enable a further increase of the share of automatic underwriting decisions via standardisation. Addiko will also continue to focus on effective NPE management to generate additional value for the bank.

5. Business performance and economic situation

5.1. Overview of financial performance

- **Operating result before impairments and provisions**, up 8.1% to EUR 112.3 million vs. EUR 103.9 million in the previous year
- **General administrative expenses** above expectations due to one-off advisory costs of EUR 3.0 million connected with the takeover offers in the second quarter of 2024 by Agri Europe Cyprus and NLB
- **Cost of risk ratio (on net loans)** at 1.0% or EUR 36.0 million compared to EUR 11.8 million a year earlier
- **NPE ratio (on balance loans)** stood at 2.9% (YE23: 2.8%) with stable **NPE coverage** at 80.0% (YE23: 80.9%)
- **Return on average tangible equity** up to 5.7% (YE23: 5.5%)

The **result after tax** reached EUR 45.4 million, 10.4% higher YoY (2023: EUR 41.1 million), mostly due to positive business development and successful repricing in an environment of high interest rates. By excluding advisory costs of EUR 3.0 million related to the takeover offers in the second quarter of 2024, Addiko would have achieved a result after tax of EUR 48.4 million in 2024, marking a 17.8% YoY increase.

The **share of the two focus segments Consumer and SME** as a percentage of the gross performing loan book increased to 89.5% compared to 86.5% at year-end 2023. The overall customer gross performing loan book continued along its growth trajectory, expanding to EUR 3.51 billion compared to EUR 3.49 billion at the end of 2023, while the non-focus loan book continued to decrease. The overall focus book grew by 4.0% YoY, driven by a significant increase of the Consumer segment of 10.0%.

Net interest income achieved growth of 6.5%, rising to EUR 242.9 million (2023: EUR 228.0 million) with improved NIM at 3.87% (2023: 3.75%). **Net fee and commission income** increased by 8.7% YoY to EUR 73.0 million (2023: EUR 67.1 million), benefitting from increased engagement in bancassurance and accounts & packages. **General administrative expenses** went up to EUR –192.4 million (2023: EUR -178.6 million) due to the high inflation and a one-off increase in advisory costs of EUR 3.0 million related to Agri Europe Cyprus' partial tender offer published on 16 May 2024 and NLB’s takeover bid on 7 June 2024. The Cost/income ratio increased to 60.9% (2023: 60.5%). Excluding the unforeseeable advisory costs connected with the takeover offers, the Cost/income ratio would have improved to 60.0%. **Other result** amounted to EUR –15.8 million, significantly below the comparative period (2023: EUR -44.7 million), which in the previous year was impacted by an unexpectedly high inflow of new cases on Swiss franc-denominated loans in Croatia shortly before the statute of limitations expired in June 2023.

Expected credit loss expenses stood at EUR 36.0 million or 1.0% Cost of risk ratio (on net loans) (2023: EUR 11.8 million / 0.3%), the development was mainly influenced by provision requirements in the Consumer portfolio as well as by provisions for larger tickets within the SME segment, with the prior period being lower due to reclassifications from stage 2 to stage 1 of individual corporate cases which led to net releases in stage 2. The **NPE ratio (on balance loans)** remained stable at 2.9% (YE23: 2.8%) based on a **non-performing exposure (NPE)** of EUR 144.7 million (YE23: EUR 138.0 million). **NPE coverage** remained stable at 80.0% (YE23: 80.9%).

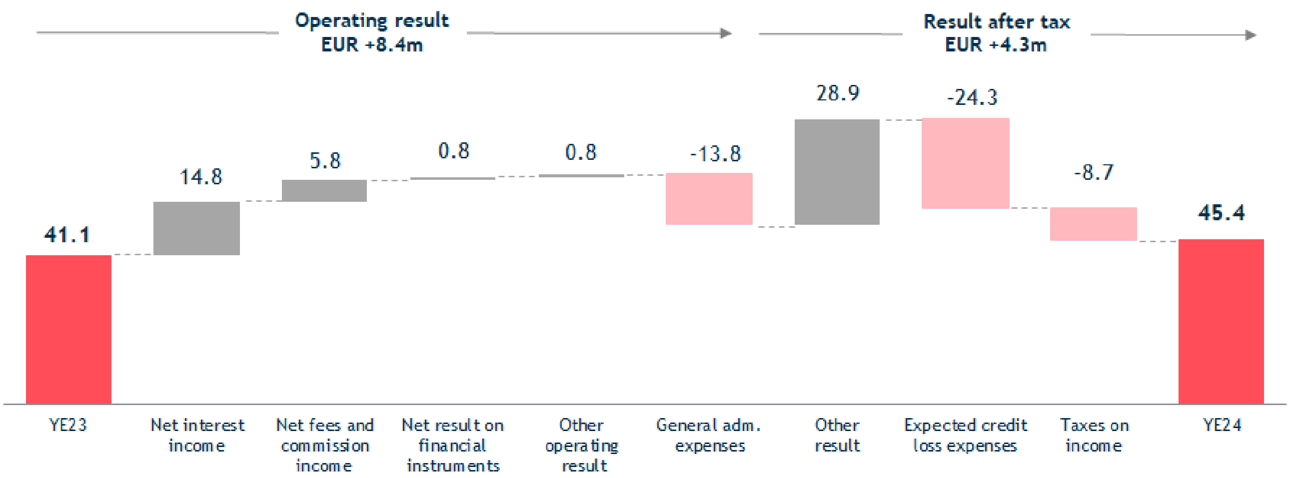
Total **equity** rose to EUR 839.5 million (YE23: EUR 801.1 million). After regulatory deductions, the **CET1 ratio** stood at 22.0% (YE23: 20.4%).

5.2. Analysis of the result

EUR m

	01.01. - 31.12.2024	01.01. - 31.12.2023	(abs)	(%)
Net banking income	315.8	295.2	20.7	7.0%
Net interest income	242.9	228.0	14.8	6.5%
Net fee and commission income	73.0	67.1	5.8	8.7%
Net result on financial instruments	1.2	0.4	0.8	>100%
Other operating result	-12.3	-13.1	0.8	-5.9%
Operating income	**304.7**	**282.5**	**22.2**	**7.9%**
General administrative expenses	**-192.4**	**-178.6**	**-13.8**	**7.7%**
Operating result before impairments and provisions	**112.3**	**103.9**	**8.4**	**8.1%**
Other result	-15.8	-44.7	28.9	-64.6%
Expected credit loss expenses on financial assets	-36.0	-11.8	-24.3	>100%
Result before tax	**60.4**	**47.4**	**13.0**	**27.4%**
Taxes on income	-15.0	-6.3	-8.7	>100%
Result after tax	**45.4**	**41.1**	**4.3**	**10.4%**

Result after tax of Addiko Group - development YoY (in EUR million):



Net banking income improved in 2024 by EUR 20.7 million to EUR 315.8 million.

Net interest income of EUR 242.9 million increased by EUR 14.8 million or 6.5% compared with 2023. The growth mainly came from loans to customers, with EUR 22.2 million and securities (EUR 11.5 million), while cash balances at central banks and other demand deposits remained stable compared with 2023. At the same time, interest expenses increased due to higher expenses for customer deposits (EUR 19.3 million), driven by higher interest rates on term deposits (-71bps) and further shift from a-vista to term, reflected in a reduced a-vista share of 59% (2023 at 62%). Overall, the net interest margin in 2024 of 3.87% was 12bps higher compared to the previous year, as the rise in the yield on average interest earning assets of 46bps was partly offset by the rise in the funding costs of average interest-bearing liabilities of 39bps.

Net fee and commission income increased to EUR 73.0 million in 2024, compared to EUR 67.1 million in the previous year. This growth was mainly driven by improved sales performance supported by the beneficial effects of an upsurge in economic activity and consumer spending. As a result, there was an increase in fees generated across the Group, especially in areas such as bancassurance and accounts & packages.

The **net result on financial instruments** amounted to EUR 1.2 million in 2024, resulting from FX and related trading activities, compared to EUR 0.4 million in 2023.

Other operating result, which is the sum of other operating income and other operating expense, decreased by EUR 0.8 million from EUR -13.1 million in 2023 to EUR -12.3 million in 2024. This position included the following significant items:

- Deposit guarantee expenses of EUR 5.6 million (2023: EUR 7.1 million).
- Bank levies and other taxes increased to EUR 7.7 million (2023: EUR 4.6 million), mainly driven by the EUR 2.8 million newly established special bank tax on the balance sheet in Slovenia.
- Gains from the sale of non-financial assets, mainly resulting from the disposal of non-core real estate assets in Bosnia & Herzegovina, increased to EUR 2.9 million (2023: EUR 1.0 million).
- Restructuring costs of EUR 0.9 million (2023: EUR 1.4 million) related to optimising the organisation and business processes.

General administrative expenses increased to EUR –192.4 million in 2024 from EUR –178.6 million in 2023:

- Personnel expenses increased by EUR 6.6 million to EUR 104.4 million in the reporting period. The development is mainly due to inflation-related salary increases as well as legally driven increases of minimum wages.
- Other administrative expenses increased by EUR 7.5 million to EUR 71.0 million. The increase was driven by extraordinary higher advisory costs of EUR 3.0 million related to the voluntary partial tender offer published by Agri Europe Cyprus on 16 May 2024 and the voluntary public takeover offer aiming at control published by NLB on 7 June 2024. Furthermore, the development was influenced by higher advertising costs and inflation-related indexing to the cost base.
- Depreciation and amortisation decreased by EUR 0.3 million to EUR 17.0 million.

Based on the result of the year 2024, the Cost/income ratio landed at 60.9%. Excluding the unexpected one-off costs directly connected with the takeover offers, the Cost/income ratio would have improved to 60.0% (2023: 60.5%).

The **other result,** at EUR –15.8 million (2023: EUR -44.7 million) was primarily influenced by new lawsuits received in Slovenia for Swiss franc-denominated loans and by the development of legal cases in Serbia and Croatia. The comparative reporting period 2023 was significantly affected by an unexpectedly high inflow of new cases concerning Swiss franc-denominated loans in Croatia shortly before the statute of limitations expired in June 2023.

Expected credit loss expenses on financial assets (ECL) increased by EUR 24.3 million to EUR –36.0 million during the reporting period, compared to EUR –11.8 million in 2023. The development was mainly influenced by provision requirements in the Consumer portfolio as well as by provisions within the SME segment. The prior period was mainly lower due to upgrades in individual corporate cases, which led to net releases in stage 2, as well as due to releases of PMA in the amount of EUR 11.8 million.

Taxes on income increased to EUR –15.0 million in 2024 compared to EUR -6.3 million in 2023. The development reflects the higher result before tax achieved during the reporting period compared with the previous year, the temporary increase in the corporate tax rate from 19% to 22% for the years 2024 to 2028 in Slovenia, as approved by the Slovenian parliament in 2023, as well as the higher amount of withholding taxes recognised by Addiko Bank AG in connection with intragroup dividends which are projected to be received from Addiko's non-EU subsidiaries in the foreseeable future, which increased from EUR 21.1 million in 2023 to EUR 34.4 million in 2024.

Overall, the **result after tax** increased by 10.4% YoY to EUR 45.4 million (2023: EUR 41.1 million). By excluding one-off advisory costs in the amount of EUR 3.0 million, which were incurred during the reporting period in connection with the takeover offers from Agri Europe Cyprus and from NLB, Addiko would have achieved a result after tax of EUR 48.4 million in 2024, an increase of 17.8% YoY.

5.3. Analysis of the statement of financial position

EUR m

	31.12.2024	31.12.2023	(abs)	(%)
Cash and cash equivalents	1,251.4	1,254.5	-3.1	-0.2%
Financial assets held for trading	14.4	29.5	-15.1	-51.1%
Loans and advances to credit institutions	44.2	66.6	-22.4	-33.6%
Loans and advances to customers	3,506.4	3,489.2	17.2	0.5%
Investment securities	1,464.7	1,178.6	286.1	24.3%
Tangible assets	55.4	57.6	-2.2	-3.8%
Intangible assets	25.7	23.3	2.4	10.1%
Tax assets	30.8	36.8	-6.0	-16.4%
Current tax assets	2.1	1.7	0.4	26.4%
Deferred tax assets	28.6	35.1	-6.5	-18.5%
Other assets	14.8	14.0	0.8	6.0%
Non-current assets held for sale	1.0	1.3	-0.3	-22.1%
Total assets	**6,408.9**	**6,151.5**	**257.4**	**4.2%**

The statement of the financial position of Addiko Group continues to show a simple and solid interest-bearing asset structure: 55% of the assets were represented by customer loans, mainly concentrated in the focus areas. In addition, a substantial part of the residual assets consisted of cash reserves and high-rated plain vanilla debt securities predominantly related to CESEE sovereign bonds.

Cash and cash equivalents slightly decreased to EUR 1,251.4 million as of 31 December 2024 (YE23: EUR 1,254.5 million) while maintaining a comfortable and solid liquidity position.

Loans and advances to credit institutions decreased by EUR 22.4 million to EUR 44.2 million (YE23: EUR 66.6 million) as repo business performed by the Serbian entity with the Serbian National Bank at YE23 expired during the first half of 2024.

Loans and advances to customers increased by EUR 17.2 million to EUR 3,506.4 million (YE23: EUR 3,489.2 million). Their increase mirrored Addiko's strategy to shift from the lower-yielding segments of Large Corporate, Mortgage and Public Finance towards the more profitable lending business in the Consumer and SME segments. These focus segments continued their upward growth momentum, despite muted demand in SME, increasing by EUR 121.0 million to EUR 3,137.7 million (YE23: EUR 3,016.7 million), which made-up 89.5% of the total gross performing loans and advances to customers (YE23: 86.5%). As planned, the non-focus segments decreased by EUR 100.2 million to EUR 368.7 million at YE24 (YE23: EUR 468.9 million).

Investment securities increased from EUR 1,178.6 million at YE23 to EUR 1,464.7 million at YE24 in line with the established investment strategy. The investments are predominantly in high-rated and investment grade government bonds, mainly issued by governments of the CESEE region.

Tax assets decreased to EUR 30.8 million (YE23: EUR 36.8 million), of which EUR 12.1 million related to deferred tax assets from tax losses carried forward (YE23: EUR 12.8 million).

Other assets increased to EUR 14.8 million (YE23: EUR 14.0 million). This position includes prepaid expenses and accruals as well as other receivables.

Compared to year-end 2023, the **total assets** of Addiko Group increased from EUR 6,151.5 million to EUR 6,408.9 million, up EUR 257.4 million or 4.2%. The total risk, i.e. risk-weighted assets including credit, market and operational risk, increased slightly to EUR 3,671.2 million (YE23: EUR 3,653.2 million) as higher net interest income was increasing RWA for operational risk.

EUR m

	31.12.2024	31.12.2023	(abs)	(%)
Financial liabilities held for trading	4.4	4.2	0.2	5.7%
Deposits and borrowings from credit institutions	77.3	106.8	-29.5	-27.6%
Deposits and borrowings from customers	5,290.0	5,032.6	257.5	5.1%
Other financial liabilities	54.4	59.3	-4.9	-8.2%
Provisions	94.1	99.2	-5.1	-5.1%
Tax liabilities	5.0	4.1	0.9	21.5%
Current tax liabilities	3.3	4.1	-0.8	-19.9%
Other liabilities	44.2	44.2	0.0	-0.1%
Equity	839.5	801.1	38.4	4.8%
Total equity and liabilities	**6,408.9**	**6,151.5**	**257.4**	**4.2%**

Deposits and borrowings from credit institutions decreased from EUR 106.8 million at YE23 to EUR 77.3 million at YE24.

Deposits and borrowings from customers remained stable, at EUR 5,290.0 million (YE23: EUR 5,032.6 million), with a shift from a-vista/demand to term deposits as planned. The share of term deposits in the total deposits from customers slightly increased to 41% (YE23: 38%). Deposits are mainly denominated in Euros, followed by Bosnia & Herzegovina Convertible Marka (BAM) and Serbian Dinar (RSD).

Other financial liabilities are at EUR 54.4 million (YE23: EUR 59.3 million).

Provisions decreased from EUR 99.2 million at YE23 to EUR 94.1 million at YE24. This position included mainly credit-linked and portfolio-based provisions in connection with expected court rulings on Swiss franc-denominated loans.

Other liabilities remained stable at EUR 44.2 million (YE23: EUR 44.2 million), mainly reflecting accruals for services received but not yet invoiced (YE24: EUR 42.5 million, YE23: EUR 42.7 million) as well as liabilities for salaries and accrued compensation, including obligations for variable performance-based payments.

Equity rose from EUR 801.1 million to EUR 839.5 million, with the EUR 24.3 million dividend payment from the 2023 result in May 2024 compensated by the result of EUR 45.4 million and the positive development in the other comprehensive income of EUR 19.6 million. Addiko is expecting that the current remaining negative fair value reserves of EUR -30.8 million (YE23: EUR -48.6 million) from debt instruments will continuously decrease until the maturity of the instruments, given the high credit quality and the expectation that the issuers, predominantly CESEE governments, will repay those bonds at maturity.

5.4. Segment information

Addiko Group's business segments reflect its strategy to specialise in Consumer and SME banking, emphasising growth in these two 'focus segments'. The accelerated rundown of the lower-yielding non-focus segments, which include Mortgage, Large Corporate and Public Finance, was concluded at the end of 2024. Starting with the 2024 consolidated financial statements, the non-focus segments Large Corporate & Public Finance are combined, reflecting the internal management reports. The comparative period was adjusted accordingly.

EUR m

31.12.2024	Focus segments		Non-focus segments			
	Consumer	SME Business	Mortgage	Large Corporate & Public Finance	Corporate Center	Total
Net banking income	174.5	101.9	13.5	10.5	15.4	315.8
Net interest income	131.2	74.4	13.5	7.9	15.9	242.9
o/w regular interest income	133.2	74.5	14.7	4.9	70.3	297.6
Net fee and commission income	43.2	27.6	0.0	2.7	-0.5	73.0
Net result from financial instruments	0.0	0.0	0.0	0.0	1.2	1.2
Other operating result	0.0	0.0	0.0	0.0	-12.3	-12.3
Operating income	**174.5**	**101.9**	**13.5**	**10.5**	**4.3**	**304.7**
General administrative expenses	**-91.2**	**-37.0**	**-1.4**	**-4.3**	**-58.5**	**-192.4**
Operating result before impairments and provisions	**83.3**	**64.9**	**12.1**	**6.2**	**-54.2**	**112.3**
Other result	0.0	0.0	0.0	0.0	-15.8	-15.8
Expected credit loss expenses on financial assets	-20.4	-27.3	8.7	2.2	0.7	-36.0
Result before tax	**62.9**	**37.7**	**20.8**	**8.4**	**-69.3**	**60.4**
Business volume						
Net loans and receivables	1,861.7	1,256.7	306.2	63.7	62.4	3,550.6
o/w gross performing loans customers	1,877.1	1,260.6	306.8	61.8		3,506.4
Gross disbursements	851.4	705.8	0.1	11.0		1,568.3
Financial liabilities at AC [1]	2,945.5	1,149.0	0.0	390.5	936.8	5,421.7
RWA [2]	1,419.0	871.8	175.4	73.3	493.9	3,033.4
Key ratios						
NIM [3]	5.5%	4.1%	-0.7%	2.4%		3.9%
Cost/income ratio [4]	52.3%	36.3%	10.4%	41.2%		60.9%
Cost of risk ratio (CRB)	-1.0%	-1.4%	2.7%	1.4%		-0.8%
Cost of risk ratio (on net loans)	-1.1%	-2.2%	2.8%	3.5%		-1.0%
Loan to deposit ratio	63.2%	109.4%	0.0%	16.3%		66.3%
NPE ratio (on balance loans)	3.4%	3.8%	3.5%	15.9%		2.9%
NPE coverage ratio	81.5%	77.6%	80.2%	81.4%		80.0%
Yield GPL (simple average)	7.4%	5.8%	4.4%	5.8%		6.5%

[1] Financial liabilities at AC include the Direct deposits (Austria/Germany) amounting to EUR 585 million, EUR 77 million Deposits from credit institutions and EUR 146 million Other liabilities. [2] Includes only credit risk. [3] Net interest margin at segment level is the sum of interest income (without interest income on NPE) and expenses, including funds transfer pricing but without asset contribution, divided by the respective average business volume using daily balances. [4] Cost/income ratio (CIR) is calculated as the sum of general administrated expenses divided by operating income including asset contribution.

EUR m

31.12.2023	Focus segments: Consumer	Focus segments: SME Business	Non-focus segments: Mortgage	Non-focus segments: Large Corporate & Public Finance	Corporate Center	Total
Net banking income	162.4	104.9	23.9	14.4	-10.4	295.2
Net interest income	123.7	79.2	23.9	11.0	-9.8	228.0
o/w regular interest income	115.1	66.2	18.0	6.8	58.8	264.9
Net fee and commission income	38.7	25.7	0.0	3.4	-0.7	67.1
Net result from financial instruments	0.0	0.0	0.0	0.0	0.4	0.4
Other operating result	0.0	0.0	0.0	0.0	-13.1	-13.1
Operating income	**162.4**	**104.9**	**23.9**	**14.4**	**-23.1**	**282.5**
General administrative expenses	**-84.7**	**-34.5**	**-1.3**	**-5.2**	**-52.7**	**-178.6**
Operating result before impairments and provisions	**77.7**	**70.3**	**22.6**	**9.1**	**-75.8**	**103.9**
Other result	0.0	0.0	0.0	0.0	-44.7	-44.7
Expected credit loss expenses on financial assets	-5.9	-13.5	4.5	3.8	-0.7	-11.8
Result before tax	**71.8**	**56.8**	**27.1**	**13.0**	**-121.3**	**47.4**
Business volume						
Net loans and receivables	1,688.5	1,301.3	363.8	108.6	93.6	3,555.8
o/w gross performing loans customers	1,706.4	1,310.3	363.8	105.1		3,485.6
Gross disbursements	706.9	814.7	0.0	16.8		1,538.3
Financial liabilities at AC [1]	2,841.6	1,116.5	0.0	482.3	758.3	5,198.7
RWA [2]	1,287.6	924.8	215.6	123.6	509.3	3,060.9
Key ratios						
NIM [3]	5.3%	3.4%	-0.4%	1.9%		3.8%
Cost/income ratio [4]	52.2%	33.0%	5.6%	36.5%		60.5%
Cost of risk ratio (CRB)	-0.3%	-0.7%	1.2%	1.5%		-0.3%
Cost of risk ratio (on net loans)	-0.3%	-1.0%	1.2%	3.5%		-0.3%
Loan to deposit ratio	59.4%	116.6%	0.0%	22.5%		69.3%
NPE ratio (on balance loans)	3.3%	3.1%	4.8%	11.0%		2.8%
NPE coverage ratio	80.8%	81.8%	82.0%	77.5%		80.9%
Yield GPL (simple average)	7.1%	5.3%	4.5%	5.4%		6.1%

[1] Financial liabilities at AC include the Direct deposits (Austria/Germany) amounting to EUR 494 million, EUR 107 million Deposits from credit institutions and EUR 157 million Other liabilities. [2] Includes only credit risk. [3] Net interest margin at segment level is the sum of interest income (without interest income on NPE) and expenses, including funds transfer pricing but without asset contribution, divided by the respective average business volume using daily balances. [4] Cost Income ratio (CIR) is calculated as the sum of general administrated expenses divided by operating income including asset contribution.

5.4.1. Consumer

EUR m

Consumer Business			
Profit or loss statement	**2024**	**2023**	**(%)**
Net interest income	131.2	123.7	6.1%
o/w regular interest income	133.2	115.1	15.7%
Net fee and commission income	43.2	38.7	11.6%
Operating income	**174.5**	**162.4**	**7.4%**
General administrative expenses	**-91.2**	**-84.7**	**7.6%**
Operating result before impairments and provisions	**83.3**	**77.7**	**7.2%**
Other result	0.0	0.0	-
Expected credit loss expenses on financial assets	-20.4	-5.9	>100%
Result before tax	**62.9**	**71.8**	**-12.5%**
Business volume	**2024**	**2023**	**(%)**
Net loans and receivables	1,861.7	1,688.5	10.3%
o/w gross performing loans customers	1,877.1	1,706.4	10.0%
Gross disbursements	851.4	706.9	20.4%
Financial liabilities at AC	2,945.5	2,841.6	3.7%
Key ratios	**2024**	**2023**	**(bps)**
NIM	5.5%	5.3%	14
Cost/income ratio	52.3%	52.2%	11
Cost of risk ratio (CRB)	-1.0%	-0.3%	-66
Cost of risk ratio (on net loans)	-1.1%	-0.3%	-75
Loan to deposit ratio	63.2%	59.4%	379
NPE ratio (on balance loans)	3.4%	3.3%	18
NPE coverage ratio	81.5%	80.8%	77
Yield GPL (simple average)	7.4%	7.1%	33

Consumer strategy

Addiko's strategy is to offer modern banking, focusing on products for the essential needs of customers via unsecured loans, payments and cards. This approach is communicated in a simple and transparent manner and delivered efficiently via a hybrid distribution approach, utilising both physical branches and modern digital channels. The Consumer segment focuses on unsecured lending, followed by account packages and deposit products, regular transactions and cards. Addiko also dedicates substantial efforts to continuously improving its digital capabilities and is recognised in its markets as a digital challenger with digital products and services such as Webloans, mLoans and online account opening capabilities.

Consumer YE24 business review

The net interest income increased by EUR 7.5 million, up 6.1% YoY to EUR 131.2 million, compared to EUR 123.7 million at YE23. This was the result of strong business activity and of both retaining and extending Addiko's premium pricing relative to the incumbent banks. The principal incremental drivers are:

- Digital E2E as differentiated USP towards competition
- Improvements in speed and convenience
- Significant expansion in the partnership acquisition through the use of new digital platforms
- Leveraging proactive customer acquisition using Bank@Work and CRM channels

Net fee and commission income increased by EUR 4.5 million, up 11.6% YoY to EUR 43.2 million at YE24 compared to EUR 38.7 million at YE23, mainly due to higher income from accounts & packages, card business and bancassurance. The bank's strategy on net fee and commission income was to further improve its customers' engagement with improved cross selling by offering credit cards and account packages to recently acquired clients.

In 2024, the operating result before impairments and provisions amounted to EUR 83.3 million, up 7.2% on YE23, driven by the overall positive development in operating income, slightly offset by higher operating expenses as a result of the high inflation environment and increased FTE. The Cost/income ratio remain at 52.3% (YE23: 52.2%). The result before tax was EUR 62.9 million (YE23: EUR 71.8 million), a decrease of 12.5% due to higher allocation of expected credit loss expenses. This was driven by higher provisions for defaults and lower recoveries to performing, as well as EUR 7.8 million PMA releases booked in 2023.

The gross disbursements reached EUR 851.4 million in 2024, a 20.4% increase from EUR 706.9 million in 2023. The Consumer segment saw a 10.0% grow in gross performing loans by year-end 2024. The NPE ratio (on-balance loans) remained steady at 3.4%, compared with 3.3% in 2023, highlighting the Group's focus on asset quality.

5.4.2. SME Business

EUR m

SME Business			
Profit or loss statement	**2024**	**2023**	**(%)**
Net interest income	74.4	79.2	-6.1%
o/w regular interest income	74.5	66.2	12.6%
Net fee and commission income	27.6	25.7	7.3%
Operating income	**101.9**	**104.9**	**-2.8%**
General administrative expenses	**-37.0**	**-34.5**	**7.0%**
Operating result before impairments and provisions	**64.9**	**70.3**	**-7.6%**
Other result	0.0	0.0	-
Expected credit loss expenses on financial assets	-27.3	-13.5	>100%
Result before tax	**37.7**	**56.8**	**-33.6%**
Business volume	**2024**	**2023**	**(%)**
Net loans and receivables	1,256.7	1,301.3	-3.4%
o/w gross performing loans customers	1,260.6	1,310.3	-3.8%
Gross disbursements	705.8	814.7	-13.4%
Financial liabilities at AC	1,149.0	1,116.5	2.9%
Key ratios	**2024**	**2023**	**(bps)**
NIM	4.1%	3.4%	68
Cost/income ratio	36.3%	33.0%	332
Cost of risk ratio (CRB)	-1.4%	-0.7%	-76
Cost of risk ratio (on net loans)	-2.2%	-1.0%	-113
Loan to deposit ratio	109.4%	116.6%	-718
NPE ratio (on balance loans)	3.8%	3.1%	65
NPE coverage ratio	77.6%	81.8%	-425
Yield GPL (simple average)	5.8%	5.3%	50

SME strategy

Addiko's strategic objective is to provide modern banking services that focus on addressing essential customer needs through unsecured loans and payments solutions. This approach is communicated in a simple and transparent manner and delivered efficiently via a hybrid distribution model that includes both physical branches and modern digital channels. In the SME segment, the focus is on short to mid-term unsecured financing, followed by transaction banking and trade finance products complemented by deposit products.

The Group remains committed to deliver a compelling value proposition through digitally enhanced loan products and online self-services capabilities, effectively reducing service costs for customers. Furthermore, Addiko continues to concentrate on serving on untapped niches of micro and small enterprises that require financing solutions.

SME YE24 business review

Net interest income slightly decreased by EUR 4.8 million, a 6.1% decrease YoY to EUR 74.4 million, compared to EUR 79.2 million at YE23 impacted by lower allocation of asset contribution neutralising a YoY increase on regular interest income of 12.6%. NIM increased to 4.1%, up 68bps, driven by micro enterprises growth with higher interest yields (up 50bps YoY on simple average), and positively influenced in 2024 by market rates changes and repricing of new business and variable-rate back book.

Net fee and commission income increased by EUR 1.9 million to EUR 27.6 million at YE24, a 7.3% increase from EUR 25.7 million at YE23. This growth was mainly driven by higher income from accounts & packages, FX/DCC, card business, loans and trade finance.

The operating result before impairments and provisions at YE24 was EUR 64.9 million, a 7.6% decrease from YE23 due to slightly lower operating income and higher operating expenses from the high inflation environment. The Cost/income ratio increased to 36.3% (YE23: 33.0%). The result before tax amounted to EUR 37.7 million (YE23: EUR 56.8 million), down by 33.6% YoY, impacted by higher expected credit loss expenses due to increased provisions for migration to non-performing exposure and lower re-migration to performing.

Gross disbursements totalled EUR 705.8 million during the reporting period and decreased YoY by 13.4% (YE23: EUR 814.7 million) resulting from lower loan demand, particularly in the Serbian market. As a result, gross performing SME loans decreased by 3.8% at YE24. The NPE ratio (on-balance loans) deteriorate by 65bps YoY resulting from higher migration to non-performing exposure.

5.4.3. Mortgage

EUR m

Mortgages			
Profit or loss statement	**2024**	**2023**	**(%)**
Net interest income	13.5	23.9	-43.5%
o/w regular interest income	14.7	18.0	-18.4%
Net fee and commission income	0.0	0.0	-
Operating income	**13.5**	**23.9**	**-43.5%**
General administrative expenses	**-1.4**	**-1.3**	**5.1%**
Operating result before impairments and provisions	**12.1**	**22.6**	**-46.4%**
Other result	0.0	0.0	-
Expected credit loss expenses on financial assets	8.7	4.5	93.1%
Result before tax	**20.8**	**27.1**	**-23.2%**
Business volume	**2024**	**2023**	**(%)**
Net loans and receivables	306.2	363.8	-15.8%
o/w gross performing loans customers	306.8	363.8	-15.7%
Gross disbursements	0.1	0.0	-
Financial liabilities at AC	0.0	0.0	-
Key ratios	**2024**	**2023**	**(bps)**
NIM	-0.7%	-0.4%	-35
Cost/income ratio	10.4%	5.6%	483
Cost of risk ratio (CRB)	2.7%	1.2%	155
Cost of risk ratio (on net loans)	2.8%	1.2%	160
Loan to deposit ratio	0.0%	0.0%	-
NPE ratio (on balance loans)	3.5%	4.8%	-132
NPE coverage ratio	80.2%	82.0%	-177
Yield GPL (simple average)	4.4%	4.5%	-13

Mortgage strategy and YE24 business review

Mortgage lending is a non-focus business area. The Group aims to execute a well-managed and gradual run-down of existing and profitable customer loans until their contractual maturity. Hence, mortgage lending products are not actively marketed.

Following the reduction in lending volumes, operating income decreased by 43.5% from EUR 23.9 million at YE23 to EUR 13.5 million at YE24. The result before tax was EUR 20.8 million at YE24 (YE23: EUR 27.1 million), representing a 23.2% decrease compared to YE23, despite higher releases of provisions for expected credit losses.

5.4.4. Large Corporate & Public Finance

EUR m

Large Corporate & Public Finance			
Profit or loss statement	**2024**	**2023**	**(%)**
Net interest income	7.9	11.0	-28.6%
o/w regular interest income	4.9	6.8	-28.1%
Net fee and commission income	2.7	3.4	-21.2%
Operating income	**10.5**	**14.4**	**-26.8%**
General administrative expenses	**-4.3**	**-5.2**	**-17.3%**
Operating result before impairments and provisions	**6.2**	**9.1**	**-32.3%**
Other result	0.0	0.0	-
Expected credit loss expenses on financial assets	2.2	3.8	-41.9%
Result before tax	**8.4**	**13.0**	**-35.2%**
Business volume	**2024**	**2023**	**(%)**
Net loans and receivables	63.7	108.6	-41.4%
o/w gross performing loans customers	61.8	105.1	-41.2%
Gross disbursements	11.0	16.8	-34.1%
Financial liabilities at AC	390.5	482.3	-19.0%
Key ratios	**2024**	**2023**	**(bps)**
NIM	2.4%	1.9%	45
Cost/income ratio	41.2%	36.5%	475
Cost of risk ratio (CRB)	1.4%	1.5%	-14
Cost of risk ratio (on net loans)	3.5%	3.5%	-3
Loan to deposit ratio	16.3%	22.5%	-622
NPE ratio (on balance loans)	15.9%	11.0%	491
NPE coverage ratio	81.4%	77.5%	389
Yield GPL (simple average)	5.8%	5.4%	46

Large Corporate & Public Finance strategy and YE24 business review

Starting with the 2024 consolidated financial statements, the non-focus segments Large Corporate & Public Finance are shown together, reflecting the internal management reports. The comparative period was adjusted accordingly.

Large Corporate comprises loan products, services and deposit products, as well as other complementary products, to companies with an annual gross turnover of above EUR 50 million. Public Finance comprises Addiko's business with key public institutions in CSEE countries, such as ministries of finance, state enterprises and local governments. An accelerated run-down path was initiated for these segments during the second half of 2021 and was concluded in 2024. Addiko will continue serving selected Large Corporate customers with a favourable yet balanced view on value generation while at the same time limiting overall single-name exposures. Lending products in the Public Finance segment are not actively marketed.

Following the reduction in lending volumes, operating income decreased by 26.8% from EUR 14.4 million at YE23 to EUR 10.5 million at YE24. The result before tax was EUR 8.4 million at YE24 (YE23: EUR 13.0 million), which is 35.2% lower compared to YE23, also impacted by lower releases of provisions for expected credit losses.

The NPE ratio (on-balance loans) increased to 15.9% (YE23 at 11.0%), mainly driven by the decrease in the size of the loan book rather than the overall worsening of the credit quality of the portfolio.

5.4.5. Corporate Center

EUR m

Corporate Center			
Profit or loss statement	**2024**	**2023**	**(%)**
Net interest income	15.9	-9.8	>100%
o/w regular interest income	70.3	58.8	19.5%
Net fee and commission income	-0.5	-0.7	-25.2%
Net result from financial instruments	1.2	0.4	>100%
Other operating result	-12.3	-13.1	-6%
Operating income	**4.3**	**-23.1**	**>100%**
General administrative expenses	**-58.5**	**-52.7**	**11.0%**
Operating result before impairments and provisions	**-54.2**	**-75.8**	**-28.5%**
Other result	-15.8	-44.7	-64.6%
Expected credit loss expenses on financial assets	0.7	-0.7	>100%
Result before tax	**-69.3**	**-121.3**	**-42.8%**
Business volume	**2024**	**2023**	**(%)**
Net loans and receivables	62.4	93.6	-33.3%
Financial liabilities at AC	936.8	758.3	23.5%

Corporate Center strategy

The Corporate Center segment is primarily an internal segment and comprises the results from Addiko's liquidity and capital management activities. This segment reflects Addiko's treasury activities as well as other functions, such as related overhead, project-related operating expenses, contributions to the Single Resolution Fund, bank levies and other one-off items, including Addiko Group's reconciliation to IFRS (i.e. consolidation effects). Moreover, this segment contains the direct deposit activities of Addiko Bank AG to customers in Austria and Germany, which are steered by Group Treasury and conducted for liquidity management purposes.

The Corporate Center segment's primary responsibilities encompass the Group-wide asset and liability management (ALM), oversight of liquidity portfolios to meet regulatory requirements and the optimisation of the funding mix of Addiko's banking subsidiaries.

Corporate Center YE24 business review

The segment combines figures for treasury and positions related to central functions. The Corporate Center's net interest income comprises: 1) customer margin assets and liabilities in the treasury segment, 2) the interest and liquidity gap contribution (IGC) offset by the distribution of the IGC to the market segments (see explanation under the heading below titled Asset Contribution) and 3) consolidation effects.

The net interest income increased by EUR 25.7 million, up to EUR 15.9 million, compared to EUR -9.8 million at YE23. This was the result from higher interest income from the bond portfolio in treasury as well as lower re-distribution of asset contribution to the market segments due to the implemented equity valuation in 4Q24. The operating expenses increased by EUR 5.8 million, to EUR 58.5 million at YE24 (YE23: EUR 52.7 million), driven by the high inflation environment as well as higher costs related to the takeover bids by Agri Europe Cyprus and by NLB.

The explanation of net result on financial instruments, other operating result and other result, is provided in chapter 5.2 "Analysis of the result".

Asset Contribution

The net interest income in the Corporate Center at YE24 includes a fraction of the positive impact from interest and liquidity gap contribution (IGC) in the amount of EUR 80.4 million. The majority of the IGC in the amount of EUR 64.7 million is distributed to the market segments according to the contribution provided by the structural benefits. IGC is the result of partially funding longer term assets with stable but shorter-term liabilities. The extent of this maturity transformation is strictly managed in accordance with regulatory and internal limits. The Addiko Funds Transfer Pricing (FTP) methodology assigns internal funding costs to assets and internal funding benefits to liabilities on a matched maturity basis. As a result, if maturities of loans and deposits of a certain segment were equal, IGC would be zero. Since a certain percentage of longer-term assets is funded by shorter term liabilities, market segments are therefore charged more for their assets than they are compensated for their liabilities within the FTP methodology. By compensating those market segments delivering longer term assets against shorter term liabilities, the respective part of IGC is re-distributed from the segment Corporate Center to the originator of the IGC, i.e. the respective market segment.

5.5. Capital and liquidity

As of 31 December 2024, the capital base of Addiko Group comprised solely of CET1 and stood at a strong 22.0% (YE23: 20.4%), significantly above the currently applicable requirements and the Pillar 2 Guidance (P2G) of 17.89% in total (YE23: 17.71%).

Regulatory capital requirements

The Overall Capital Requirement (OCR) for the Addiko Group was 14.89% (YE23: 14.46%), consists of:

- 11.25% Total SREP Capital Requirement (TSCR), comprising an 8.00% Pillar 1 requirement and a 3.25% Pillar 2 requirement and
- 3.64% Combined Buffer Requirement (CBR), comprising a 2.50% Capital Conservation Buffer (CCB), a 0.64% Counter-Cyclical Capital Buffer (CCyB) and a 0.50% Systemic Risk Buffer (SyRB).

The Pillar 2 Guidance (P2G) amounts to 3.00% (YE23: 3.25%). The regulator therefore expects Addiko to maintain at Group level a Total Capital Ratio of 17.89% (11.25% SREP requirement, plus 3.64% CBR, plus 3.00% P2G).

Compared with 31 December 2023, the following changes came into effect:

- The SyRB increased from 0.25% to 0.50% based on the decision published by FMA on 21 December 2022.
- The countercyclical capital buffer (CCyB) amounted to 0.64% (up from 0.46% at the end of last year) resulted from the increased 1.5% CCyB for Croatia and 0.13% from the 0.5% CCyB for Slovenia.
- The 2023 SREP decision includes a decrease of the P2G from 3.25% to 3.00%, valid from 1 January 2024.

Consolidated own funds

EUR m

	31.12.2024	31.12.2023	Change	Surplus 31.12.2024[1)]
Total Capital	809.0	746.1	62.9	152.4
Total risk weighted assets	3,671.2	3,653.2	18.0	
Total Capital Ratio	**22.0%**	**20.4%**	**1.6%**	**4.1%**

[1)] Surplus reference: applicable OCR + P2G requirements

Total capital increased by EUR 62.9 million during the reporting period, reflecting the following components:

- The positive OCI development of EUR 19.6 million resulted principally from the positive market development of debt instruments measured at FVTOCI (EUR 17.9 million) and of equity instruments (EUR 1.6 million).
- Increase of regulatory deduction items of EUR 1.3 million (mainly resulting from the EUR 2.3 million increase of intangible assets to be deducted from capital, partially compensated by the EUR 0.8 million decrease of deferred tax assets on existing taxable losses).

- The effects from the 2024 equity-settled share-based payments and the impact from the change of the incentive plan from an equity-settled share-based compensation to phantom shares (EUR -0.8 million).
- The EUR 45.4 million audited profit after tax for the year 2024. In accordance with the ECB recommendation not to distribute dividends for the business year 2024, no foreseeable dividends have been deducted from the 2024 regulatory capital.

During the reporting period, risk-weighted assets (RWA) increased by EUR 18.0 million, with the EUR 44.9 million increase in RWA for operational risk being partially offset by the EUR 27.0 million decrease in RWA for credit risk.

Liquidity position

The liquidity position of the Group remained strong and amply exceeded regulatory requirements, with the Liquidity Coverage Ratio (LCR) ranging from its low of 341.4% in May 2024 to its high of 416.0% in March 2024, well above the required minimum coverage of 100%. As of 31 December 2024, the LCR stood at 363.2%.

Unencumbered liquidity reserves of the Group, comprising cash, balances with central banks (CB) without minimum reserve requirement, the debt securities portfolio and credit claims eligible for CB-secured funding operations, increased from EUR 1,991.7 million at YE23 to EUR 2,186.5 million at YE24, corresponding to 34.1% of total assets (YE23: 32.4% of total assets). The debt securities portfolio increased from EUR 1,183.7 million at YE23 to EUR 1,451.2 million at YE24.

The securities, which accounted for 58.9% of the Group's liquidity reserves (YE23: 50.1%), largely included high-rated and investment grade government bonds, mainly issued by governments of the CESEE region. All investments are 'plain vanilla', without any embedded options or other structured features.

The main funding base at the Group and individual subsidiary bank level predominately consists of customer deposits, especially in the retail segment, which represents a highly stable base. The Group's Loan to Deposit ratio (LDR), the ratio between net loans to customers and deposits from customers, stood at 66.3% (YE23: 69.3%), which represents a very comfortable level and provides the Group with the potential for further customer loan origination.

6. Outlook & Guidance, dividend policy and risk factors

6.1. Outlook 2025 & Guidance 2026

Supported by a higher level of digitalisation and brand recognition of the 3D animated character Oskar, the group continues on its path to becoming the leading bank in the focus segments Consumer and SME in the CSEE markets.

The group's projected positive development is supported by a positive macroeconomic outlook for the CSEE region in 2025. In its latest fall forecast, the Vienna Institute for International Economic Studies (wiiw) has significantly raised its expectations for GDP growth for the three EU candidate countries in which the Addiko Group operates: GDP growth in 2025 is expected to be 2.9% for Bosnia & Herzegovina, 3.6% for Serbia and 3.7% for Montenegro. These growth prospects are accompanied by falling unemployment rates in these countries.

The forecasts for 2025 are also positive for the two EU countries in which Addiko operates, Slovenia and Croatia. The economy in Slovenia is expected to grow by 2.2% and that in Croatia by 2.7%, while the unemployment rate is also expected to fall slightly, by 0.1 percentage points in each country.

With this positive economic outlook, all countries are well above the economic development expectations for the eurozone countries, for which the IMF predicted a mere 1.0% in January 2025. This means that, from an economic perspective, the CSEE countries remain one of the most dynamic regions in Europe.

After a total of four interest rate cuts by the ECB in 2024 and a further reduction announced on 30 January 2025, the key interest rate for the marginal lending facility is now 3.15%. After inflation in the eurozone fell from 2.9% (December 2023) to 2.4% (December 2024), the ECB was recently confident that it would align it with the desired target of 2.0% before the end of 2025. Accordingly, many market participants expect the ECB to implement further interest rate hikes in 2025 to support the subdued economic outlook in the eurozone.

This macroeconomic environment and the expectations regarding the interest rate environment were taken into account in the preparation of the outlook for 2025 and the guidance.

A moderate increase in new business in the SME segment, higher credit risk costs due to the increase in NPL cases, lower interest income in the lending business due to the ECB interest rate turnaround, and a shift from low-interest a-vista deposits to deposits with higher interest rates led to lower profitability in the fourth quarter of 2024, which will continue to have a negative impact in the medium term. These effects are being actively counteracted by market and cost measures. In the Consumer segment, the distribution of higher-priced products is being counteracted, while the Acceleration Program curbed the general upward pressure on costs by optimising processes, leveraging efficiencies and synergies, and implementing sound cost management.

Based on the current business performance and the assessment of the future market and competitive environment, Addiko has updated its Outlook 2025 and Guidance 2026.

Key Insights on Outlook and Guidance:

- The guidance is generally based on projections and assumptions that can vary over time due to a changing environment (such as, but not limited to, changes in the interest rate environment, macroeconomic developments, regulatory restrictions, labour law, tax legislation and other market factors)
- The expansion into Romania is not expected to have a notable impact on profitability guidance before 2026
- A new program will be launched in 2H25 to address performance improvements for the mid-term
- Despite ECB's recommendation regarding the suspension of dividends, Addiko's dividend policy to distribute c. 50% of net profit remains in place.

	Outlook 2025	Guidance 2026
Income & Business		
Total loan book growth [1]	>7% CAGR 2024-2027	
NIM [2]	>3.6%	
NBI (growth YoY) [2]	ca. 2%	>5%
OPEX	<€196m	<€200m
Risk & Liquidity		
CoR [3]	ca. 1.3%	
NPE ratio [4]	<3% as guiding principle	
Total capital ratio	>18.35% subject to yearly SREP	
LDR	Ramping up to <80%	
Profitability		
RoATE [5]	ca. 6%	ca. 6.5%
Dividend [6]	ca. 50% of net profit	

[1] Gross performing loans. [2] Assuming an average yearly deposit facility rate of 283bp in 2025 and 200bp in 2026. [3] On net loans. [4] On on-balance loans (EBA). [5] Assuming a higher effective tax rate of ≤25% in 2025 and 2026 due to changes of DTA in Slovenia and considering a pull-to-par effect of the majority of negative fair value reserves in FVTOCI. [6] In line with dividend policy, subject to AGM decision.

Please also refer to the comments in chapter 6.3. Risk factors regarding possible downside risks for planning and thus for the achievement of objectives.

The goal remains to become the leading CSEE specialist bank in the Consumer and SME segments. The Management Board will continue to exercise caution with regard to the credit risk to be taken in order to achieve sustainable and stable business growth.

6.2. Dividend Policy

In principle, Addiko's business plans provide for a dividend payout ratio of ca. 50%, which is in line with the ECB's recommendations. This is measured on the basis of the group's result after taxes determined in accordance with international accounting principles (IFRS), whereas the actual distribution of dividends is based on the annual financial statements of Addiko Bank AG prepared in accordance with Austrian accounting principles (UGB/BWG). Thus, a dividend proposal to be made requires in any case a sufficient net profit as shown in the audited annual financial statements.

After the ECB recommended on 9 December 2024 that Addiko Bank AG suspend the dividend due to the current shareholder situation, the Management Board decided – after alignment with the Supervisory Board - to cancel the dividend for the financial year 2024 in its entirety. Accordingly, there will be no dividend proposal to the Annual General Meeting in 2025.

Despite ECB’s recommendation regarding the suspension of dividends, Addiko’s dividend policy to distribute c. 50% of net profit remains in place. At present, the Management Board has no information as to when the supervisory authorities will consider the conditions for resuming dividend payments to be met.

6.3. Risk factors

Given Addiko's focus on Consumer and SME segments, its business is particularly tied to the economic cycle and economic developments in its core countries Slovenia, Croatia, Bosnia & Herzegovina, Serbia and Montenegro. Some of those countries are marked by significant political instability in various forms, with nationalist-conservative rhetoric dominating the local political stage. A severe local political crisis is hard to predict as it could emerge out of a minor event, to which little attention may have been paid previously.

The main risk factor influencing the achievement of the above targets relates to the economic cycle and economic development in Addiko’s core countries Slovenia, Croatia, Bosnia & Herzegovina, Serbia and Montenegro. Some of those countries are marked by significant political instability in various forms, with nationalist-conservative rhetoric dominating the local political stage. A severe local political crisis is hard to predict as it could emerge out of a minor event that may have attracted little attention previously.

Besides an escalation of Russia's war in Ukraine or a major geopolitical crisis, economic risks could materialise. In particular due to exogenously caused changes in the price or supply of an economic good, such as oil or natural gas. Furthermore, in response to the unilateral imposition of customs duties by one country, the affected party may take countermeasures, which could lead to a major trade war, with correspondingly negative economic effects on both the directly and indirectly affected economies.

The bank faces regulatory risks from the implementation of various regulatory and consumer protection initiatives, e.g. MREL, PSD2, GDPR, etc. Potential regulatory constraints could also negatively impact the Group's ability to improve efficiency.

Moreover, Addiko Group is exposed to non-financial and legal risks that may materialise regardless of the economic environment. The Group is involved in a number of passive legal disputes. The majority of pending proceedings relate to FX transactions, margin increases, and interest rate clauses at Addiko Bank AG's subsidiaries, particularly the Croatian and Slovenian subsidiaries. There is a future risk of additional legal proceedings and amounts becoming disputed due to changed court practice, binding sample proceeding decisions and new laws (e.g. conversion laws, amendments to consumer credit acts, consumer protection acts). A lack of legal certainty or Addiko Group's inability to obtain effective legal remedies in a reasonably timely manner may have a material adverse effect on Addiko Group's business, financial position and results of operations.

General legal risks exist in the form of potential changes to the legal framework in which the business activities are carried out. There is a risk that existing laws will be amended or new laws introduced harming Addiko's business. In this context, the possibility of introducing new tax laws that impose special taxes on credit institutions is cited as an example. Furthermore, laws or regulations may be introduced at EU or national level that have a direct impact on business activities, for example, by prohibiting or significantly restricting the marketing of banking products or by setting minimum (on the deposit side) or maximum prices (on the lending side).

Since Addiko Group is subject to a large number of tax regulations, some of which have only been in effect for a short period of time or are frequently amended and enforced by various political subdivisions, there is a risk that tax audits could, on account of diverging interpretations, result in assessments of tax deficiencies, which could impose additional and unforeseen tax liabilities on Addiko Group.

In September 2017, the Group filed a Requests for Arbitration with the ICSID in Washington, DC against the Republic of Croatia regarding the Conversion Laws claiming EUR 153 million. The Group claims that the Bilateral Investment Treaty (BIT) regarding the fair and equivalent treatment under the respective BIT was violated. The main hearing was conducted in March 2021 and parties are awaiting the final outcome. If the action is unsuccessful, court fees and legal costs could amount up to approximately EUR 11 million. Based on legal advice, management believes that the action will prove successful.

Addiko also regularly assesses and reports on ESG risks that may impact the Group. Therefore, Addiko conducts an annual self-assessment of its exposure to ESG risks, which currently encompasses climate-related and environmental risks. The results thereof are used to define the key areas of action at Addiko.

Furthermore, the risks that could result from the takeover offers on future economic development must be pointed out. Negative effects could arise, particularly if further legal and advisory expenses are incurred and with regard to the existence or usability of current carry-forwards losses in case of a majority takeover. Furthermore, significant changes in the ownership structure of Addiko Bank AG at the level of the directly held subsidiaries could also result in other negative tax effects. In relation to their real estate portfolio, this could possibly trigger a (fictitious) asset-transfer, which could result in a tax liability.

With regard to the company's employees, takeover offers create greater uncertainty on personal expectations for the future. If these uncertainties persist, this could lead to increased employee turnover, resulting in a loss of know-how.

Furthermore, prolonged uncertainty can also lead to a reduced focus on business activities and thus to less new business being generated.

As described, in August 2024 the ECB imposed sanctions on a major shareholder of Addiko Bank AG for exceeding the 10% threshold of the bank's shares without concluding the respective approval procedure required for the acquisition of a qualified shareholding. In response to these events, the banking supervisory authority in Croatia has suspended a capital reduction procedure requested by Addiko until further notice, which would have served to adjust the Croatian subsidiary's capital base to economic requirements.

Despite the removal of voting rights restrictions for a shareholder group at the beginning of February 2025, uncertainties regarding Addiko's shareholder structure remain. This may have a negative impact on the group's business performance and result in negative reactions at the business customer level as well as further sanctioning by the ECB or local regulators.

7. Corporate Governance

7.1. AGM 2024

On 26 April 2024, Addiko Bank AG held its ordinary Annual General Meeting (AGM 2024) as a physical meeting. All proposed agenda items were approved. Approximately 53% of the shareholders were present. The AGM 2024 prematurely extended the term of office of Mrs. Monika Wildner and Frank Schwab as members of the Supervisory Board, until the end of the Annual General Meeting for the business year 2026.

7.2. Management Board

On 17 December 2024 the Supervisory Board of Addiko Bank AG decided to extend the contracts of CEO Herbert Juranek until 31 December 2027, of CFO Edgar Flaggl and CRO Tadej Krašovec until 30 June 2028 and of CMO & CIO Ganesh Krishnamoorthi until 31 December 2028.

On the back of a successful transformation of Addiko into a digital lending specialist for Consumer and SME customers, the Supervisory Board wanted to ensure continuity for the execution of the bank’s strategy and further value generation for all its stakeholders. This decision reflects the significant progress the bank has made under the current Management Board’s leadership.

7.3. Supervisory Board

There were no changes in the persons or functions exercised on the Supervisory Board in the 2024 financial year.

7.4. Austrian Code of Corporate Governance

Addiko Bank AG is committed to adhering to the Austrian Code of Corporate Governance in its applicable version (https://www.corporate-governance.at). The Code contains rules based on compulsory legal requirements (L rules), rules that should be complied with, rules where deviations must be explained and justified in order for the company’s conduct to conform with the Code (C rules, comply or explain) and rules that are recommendations, where noncompliance is not required to be disclosed or justified (R rules). The amended version of the Code to be applied from 1 January 2025 will only require minor internal adjustments.

The Consolidated Corporate Governance Report of Addiko Bank AG for the financial year 2024 will be published on the Addiko Group website under https://www.addiko.com/corporate-governance-reports.

8. Capital-, share-, voting and control rights

The following information complies with the regulations of Section 243a para. 1 UGB:

1. At the reporting date, the company's share capital amounted to EUR 195,000,000.00 and was divided into 19,500,000 voting common bearer shares. As at 31 December 2024, 212,858 (YE23: 166,884) of those were own shares, and consequently 19,287,142 shares (YE23: 19,333,116) were outstanding at the reporting date.

2. The Company's statutes do not contain any restrictions relating to voting rights or the transfer of shares, and neither is the Management Board aware of any other such provisions.

   On 13 August 2024, the ECB determined that two shareholders of Addiko Bank AG, Alta Pay Group d.o.o. (hereinafter "Alta Pay Group") and Diplomat Pay d.o.o. (hereinafter "Diplomat Pay"), together hold a total of 19.62% of the shares and have thus jointly exceeded the 10% threshold for a qualified participation. After failing to notify the FMA in a timely manner, the supervisory authority has suspended their voting rights and requested the appointment of a trustee to exercise them.

   On 4 February 2025, the ECB determined that there has been no acting in concert between Alta Pay Group and Diplomat Pay in relation to shares held in Addiko Bank AG since 10 December 2024 and that, therefore, the shares held no longer deemed to be suspended by operation of law from that date, as Diplo-mat Pay has sold its 9.99% to S-Quad Handels- und Beteiligungs GmbH. Consequently, the ECB will withdraw its ap-plication to appoint a trustee for the suspended voting rights before the Commercial Court of Vienna.

3. The Management Board is not aware of any shareholder who holds directly or indirectly more than 9.99% of the Company's share capital. Around 48.7% of the shares were in free float at the end of the reporting period.

4. The Company's statutes do not contain any particular control rights of shareholders, and neither is the Management Board aware of any other such provisions.

5. There is no control of voting rights for employees who own shares.

6. Deviating from the provisions required by law, the removal of a member of the Supervisory Board only requires a simple majority. All other provisions are as stipulated by law regarding the appointment and removal of the members of the Management Board and Supervisory Board. The Supervisory Board may resolve on amendments relating only to the form of the Company's statutes. The Supervisory Board is authorised to resolve on the amendments of the Company's statues relating to the issue of shares in the course of an authorised conditional capital increase or a conditional capital increase. There are no further provisions other than those required by law relating to the amendment of the Company's statutes.

   Since the General Assembly dated 21 April 2023, the Management Board pursuant to Section 169 Austrian Stock Corporation Act (AktG) has been authorised to increase the share capital subject to approval of the Supervisory Board, if necessary, in several tranches, by up to EUR 78,000,000 by issuing up to 7,800,000 new voting no-par value bearer in return for contributions in cash and/or in kind (also indirectly through a credit institution pursuant to Section 153 para. 6 AktG), and to determine the issue price (which may not be below the proportionate amount per share in the company's registered share capital), the share rights and the issuing conditions in agreement with the Supervisory Board within five years after entering the corresponding amendment to the Company's statutes into the Austrian Commercial Register (Authorised Capital 2023). Subject to approval of the Supervisory Board, the Management Board is authorised (i) to exclude the shareholders' statutory subscription right if the capital increase is in return for a contribution in kind or (ii) shares are issued to employees, executives and members of the Management Board of the Company or companies affiliated with it in the context of a stock option program or employee participation program. These measures can also be combined.

   Authorised capital which is used to serve stock options to employees, executives and members of the Management Board of the company or companies affiliated with it, and authorised conditional capital which is used to serve stock options to employees, executives and members of the Management Board of the Company or companies affiliated with it in total must not, together with shares from other eligible sources, exceed EUR 39,000,000 (thirty-nine million Euro).

The Supervisory Board is authorised to resolve on any amendments of the Articles of Association resulting from the issuance of new shares out of the authorised capital. In the General Assembly dated 21 April 2023 and pursuant to Section 159 para. 3 AktG, the Management Board is authorised within five years from registration of the respective amendment of the Company's Articles of Association in the commercial register, to conditionally increase the Company's registered share capital with the approval of the Supervisory Board, if necessary in several tranches, by an amount of up to EUR 19,500,000 (nineteen million five hundred thousand Euro) by issuing up to 1,950,000 (one million nine hundred fifty thousand) new ordinary voting bearer shares, and to determine the issue price (which may not be below the proportionate amount per share in the company's registered share capital), the share rights and the issuing conditions in agreement with the Supervisory Board (Authorised Conditional Capital 2023).

The authorised conditional increase of capital shall be implemented only for the purpose of granting stock options to employees, executives and members of the Management Board of the Company or companies affiliated with it. Authorised conditional capital which is used to serve stock options to employees, executives and members of the Management Board of the company or companies affiliated with it, and authorised capital which is used to serve stock options to employees, executives and members of the Management Board of the company or companies affiliated with it in total must not, together with shares from other eligible sources, exceed EUR 39,000,000 (thirty-nine million Euro).

The Supervisory Board is authorised to resolve on any amendments of the Articles of Association resulting from the issuance of new shares out of the authorised conditional capital.

Within the meaning of Section 65 AktG, the Management Board was authorised in the General Assembly on 21 April 2023 to acquire own shares of up to 10% of the share capital of the Company for no specific purpose for a period of 30 months from the day of the resolution of the AGM pursuant to Section 65 para. 1 no. 8 AktG. Trading in own shares for profit is expressly excluded as a reason for the repurchase. The equivalent value per no-par value share to be acquired may not exceed or fall below the arithmetic average of the official closing prices published by the Vienna Stock Exchange of the shares of Addiko Bank AG listed on the Vienna Stock Exchange on the 20 trading days preceding the acquisition by more than 20%.

The Management Board is authorised to sell shares acquired based on this resolution. The Management Board is obliged to publish the respective buyback program as well as its duration and any resale program immediately before implementation in accordance with the provisions of the AktG. Every buyback and, if applicable, resale program must comply with the principle of equal treatment of shareholders in accordance with Section 47a AktG. The share of the share capital associated with own shares acquired by the company in accordance with Section 65 para. 1 no. 1, 4, 7 and 8 AktG, together with other own shares that the company has already acquired and still owns, may not exceed 10% of the share capital. The Management Board was also authorised, for a period of 30 months from the date of the resolution by the General Assembly, to acquire own shares for the purpose of offering them to employees, executive employees and members of the Management Board of the Company or an affiliated company for purchase pursuant to Section 65 para. 1 no. 4 AktG up to 10% of the share capital.

7. There are no significant agreements in place to which Addiko Bank AG is a party and which take effect, are altered or terminated upon a change of control of Addiko Bank AG resulting from a takeover bid.

8. No compensation agreements have been concluded between Addiko Bank AG and its Management Board and Supervisory Board members or employees in case of a public takeover bid.

9. Internal Control System for accounting procedures

Addiko Bank has an internal control system (ICS) for accounting procedures, in which suitable structures and processes are defined and implemented throughout the organisation.

The aim of the internal control system of the Addiko Group is to ensure effective and efficient operations, adequate identification, measurement and mitigation of risks, prudent conduct of business, reliability of financial and non-financial information reported, both internally and externally, and compliance with laws, regulations, supervisory requirements and the institution's internal rules and decisions.

The internal control system consists of a set of rules, procedures and organisational structures which aim to:

- ensure that corporate strategy is implemented,
- achieve effective and efficient corporate processes,
- safeguard the value of corporate assets,
- ensure the reliability and integrity of accounting and management data,
- ensure that operations comply with all relevant rules and regulations.

The particular objectives with regard to Addiko Group accounting procedures are that the ICS ensures that all business transactions are recorded immediately, accurately and in a uniform way for accounting purposes. The implementation of the internal control system in relation to the financial reporting process is also set out in the internal rules and regulations.

The internal control system of the Addiko Group is built on a process-oriented approach. Addiko Group deploys control activities through process documentation, which incorporates the tracking and documentation of each process, including the information about process flow according to the internally set up guidelines for process management.
The overall effectiveness of the internal controls is monitored on an ongoing basis. The monitoring of key risks is part of the daily activities of the Group as well as periodic evaluations by the business lines, internal control functions, risk management, compliance and internal audit.

Regular internal control system monitoring and promptly reporting on internal control deficiency and escalation to relevant stakeholders (e.g. committees) is established. Internal control deficiencies, whether identified by business line, internal audit, or other control functions are reported in a timely manner to the appropriate management level for further decision and addressed promptly.

Internal Audit performs independent and regular reviews in compliance with legal provisions and internal rules.

The internal control system itself is not a static system but is continuously adapted to the changing environment. The implementation of the internal control system is fundamentally based on the integrity and ethical behaviour of the employees. The Management Board and the leadership team actively and consciously embrace their role of leading by example by promoting high ethical and integrity standards and establishing a risk and control culture within the organisation that emphasises and demonstrates to all levels the importance of internal controls.

10. Other disclosures in the notes

The following information is disclosed in the notes to the consolidated financial statements:

- explanations on substantial financial and non-financial risk as well as the goals and methods of risk; management to achieve effective and efficient corporate processes see note (56) Risk control and monitoring, (57) Risk strategy & Risk Appetite Statement, (58) Risk organisation and (59) Internal risk management guidelines;
- information on financial instruments see note (74) Fair value disclosures;
- information on events after the reporting date see note (89) Events after the reporting date.

Sustainability Statement 2024

The present Sustainability Report for the financial year 2024 outlines Addiko's responsibilities in the areas of Environmental, Social and Governance (ESG) and complies with the requirements for non-financial reporting stipulated in Section 267a of the Austrian Commercial Code (UGB). Furthermore, the report meets the obligations applicable to the parent company, Addiko Bank AG, under Section 243(5) UGB. Accordingly, non-financial key performance indicators material to the parent company are highlighted separately in this report.

Although the Corporate Sustainability Reporting Directive (CSRD) – Directive (EU) 2022/2464 – and the associated EU directives (Directive 2013/34/EU and Directive 2006/43/EC) have not yet been transposed into Austrian law, Addiko has voluntarily aligned its 2024 reporting with the European Sustainability Reporting Standards (ESRS) established under Regulation (EU) 2023/2772.

In compliance with the CSRD, Addiko has integrated its sustainability reporting into the group management report, moving away from a separate consolidated non-financial report. This integration underscores Addiko's commitment to transparency and accountability, while ensuring that sustainability considerations are systematically integrated into all aspects of its business activities.

The CSRD mandates the sustainability report is prepared in a machine-readable European Single Electronic Format (ESEF). Since the final standards for tagging have not yet been adopted on European level, tagging will not be implemented for the 2024 sustainability report.

The 2024 Sustainability Report has been prepared by the Management Board and will undergo a review by the Supervisory Board prior to publication. KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft (KPMG), as the appointed auditor of the annual and consolidated financial statements of Addiko Bank AG, conducted an independent limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE 3000). KPMG's assurance opinion is presented at the end of the report.

Subsidiaries are exempted from sustainability reporting obligations pursuant to Article 19a (9) and Article 29a(8) of the amended Directive 2013/34/EU (Accounting Directive) if they are included in the consolidated management report of a parent company that fulfils the CSRD reporting requirements and reviewed by an external assurance provider The disclosures under CSRD establish that Addiko's Slovenian and Croatian banking subsidiaries meet the conditions for exemption from single entity reporting obligations, even in the absence of a national CSRD implementation law in Austria.

11. General Information

ESRS 2 BP-1 - General basis for preparation of the Sustainability Statement

5. Scope of Consolidation

The Sustainability Statement was prepared on a consolidated or individual basis	■ Consolidated basis	☐ Individual basis

Addiko Group's sustainability reporting is prepared on a consolidated basis, reflecting the operations of Addiko Bank AG (ABH) as the parent entity, along with its six subsidiary banks operating across Central and South-Eastern European (CSEE) countries: Addiko Bank d.d. in Slovenia, Addiko Bank d.d. in Croatia, Addiko Bank d.d. in Sarajevo/BiH, Addiko Bank a.d. in Banja Luka/BiH, Addiko Bank a.d. in Serbia and Addiko Bank AD in Montenegro. The Addiko Group (ABG) holds no other participations exceeding 50% and the scope of consolidation corresponds to that of the IFRS consolidated financial statements.

In line with Article 19a (9) and Article 29a (3) of Directive 2013/34/EU the subsidiaries Addiko Bank d.d. Slovenia and Addiko Bank d.d. Croatia are exempt from sustainability reporting obligations on single entity level, provided that certain other local conditions are met.

5.c) Incorporation of the upstream and downstream value chain

In line with the transition relief under ESRS, this report focuses on Addiko's core activities as defined through the value chain assessment (described under ESRS SBM-1) and the material IROs (impacts, risks or opportunities) identified (described under IRO-1). Throughout the reporting year, Addiko has prioritised delivering a robust and transparent account of its operations, while establishing a foundation to expand its sustainability reporting framework to include a broader analysis of its upstream and downstream value chain in the following period. While certain progress has been made in gathering and integrating data, limitations in information with regards to Scope 3 emission data availability and data quality remain a challenge across the industry.
As a result, this report incorporates information and data of the upstream and downstream value chain limited to information that is available in-house or publicly available data, ensuring alignment with relevant disclosure requirements and taking advantage of transitional reliefs. Addiko continues to refine its methodologies and enhance its data collection processes to provide a more comprehensive overview in future reports.

5.d) Omission of material information

Addiko has exercised the option to omit specific information related to intellectual property, know-how, or the results of innovations	☐ Yes	■ No

ESRS 2 BP-2 - Disclosures in relation to specific circumstances

9. Time horizons

Addiko has deviated from the medium- or long-term time horizons established in ESRS 1 Section 6.4 for reporting purposes.	☐ Yes	■ No

The reporting period of this sustainability report (and the annual report) includes the period between 1 January and 31 December 2024 (financial year 2024). Addiko uses the following time interval definitions, for the preparation of this sustainability statement:

- short-term (up to 1 year, financial year);
- medium-term (from the end of the short-term period up to 5 years);
- long-term (more than 5 years).

These time intervals are harmonised with the time intervals used for the risk inventory assessment.

10. Value chain estimates

Addiko currently only publishes the Scope 3.15 category. The other categories were identified as insufficiently significant in an internal analysis. For the downstream value chain, estimates are included in accordance with point 11 below. The company is continuously working on refining its own methodology and further developing data collection processes.

11. Sources of estimation and uncertainties

Addiko relies on estimated data from indirect sources for certain calculations in the Sustainability Statement. When such estimates are utilised, the employed methodologies are thoroughly detailed within the relevant sections of the report. Below, we provide a categorised overview of the data estimates, classified by their respective levels of uncertainty.

11.a) Quantitative parameters and monetary amounts subject to high degree of measurement uncertainty

- Financed Emissions within Addiko's Credit Loan Portfolio
  Since Addiko focuses on financing private individuals and small and medium-sized enterprises (SME) for which the data on actual GHG emissions is not available (and will most probably not be available in the upcoming years), the approach to determine financed emissions is the following:
  Emission factors, measured in tCO_2 per million of financed assets are gathered from PCAF (Partnership for Carbon Accounting Financials) for each sector. These factors are then applied to Addiko's portfolio to estimate the financed GHG emissions (in tCO_2) for each customer that Addiko is financing. The described approach is subject to a high degree of uncertainty since the main data source is external and is based on the external methodology and inputs. The uncertainty of the proxies used from PCAF can therefore be transferred to the estimates for financed emissions for Addiko's credit loan portfolio. Nevertheless, PCAF has been assessed as a reliable and transparent source of data, which is providing estimates on GHG emissions to a broad range of banks and other financial institutions.

11.b) Assumptions, approximations and judgements underlying the measurement of quantitative parameters:

- Financed Emissions within Addiko's Credit Loan Portfolio
  When applying the sectoral averages (emission factors by sector) onto individual clients, we are assuming that the client behaves like the entire sector. In reality, individual clients can produce substantially different amounts of emissions regardless of them being included in the same sector.

14. Changes in preparation and presentation of comparative information
In 2023, Addiko prepared its sustainability report on a best-effort basis, voluntarily aligning with ESRS guidelines. The report was published as a standalone document and was not subject to external assurance.
In 2024, Addiko Bank has fully adopted the ESRS reporting framework ('Vollanwendung'), integrating sustainability disclosures comprehensively into the consolidated management report for the first time. This transition has led to adjustments in the scope and definition of non-financial performance indicators compared to prior periods. Consistent with ESRS provisions, comparative information is not required during the initial annual reporting period under the framework.

15. Disclosures based on other EU laws or reporting frameworks
The fulfilment of the requirements of the Austrian Sustainability and Diversity Improvement Act (NaDiVeG) is ensured through reporting in accordance with the ESRS.
The relevant disclosures are covered in the following sections:
- Environmental Matters → ESRS E1 (Climate Change)
- Employee Matters → ESRS S1 (Own Workforce)
- Respect for Human Rights → ESRS S1 (Own Workforce), ESRS S4 (Consumers and End-Users)
- All Non-Financial Matters → ESRS G1 (Governance)

16. Incorporation by reference

Within this Sustainability Statement, Addiko has not incorporated information by reference from other company reports. However, the following documents might be used as complementary insights:
- Corporate Governance Report, published on Addiko's website https://www.addiko.com/corporate-governance-reports/;
- Remuneration Report, published on https://www.addiko.com/corporate-governance-reports/;
- Financial Statements.

17. Transitional provisions

Addiko Bank made use of the following transitional provisions as allowed under the ESRS framework for the reporting period ending 2024:
- Value chain information: when disclosing information on policies, actions and targets in accordance with ESRS 2, Addiko limited upstream and downstream value chain information to direct information available in-house and publicly available information.
- Comparative figures: Addiko does not disclose comparative information for the first year of ESRS preparation.
- Addiko is omitting information as allowed under the List of Phase-in Disclosure Requirements Appendix C, for the first year of preparation.

Addiko is fully committed to achieving full compliance with ESRS requirements and has initiated efforts to enhance data collection systems, processes and methodologies to bridge these gaps. The bank remains dedicated to progressively fulfilling all relevant disclosure requirements within the prescribed timelines, ensuring an increasingly comprehensive alignment with ESRS standards in subsequent reporting cycles.

11.1. ESRS 2 – Governance

ESRS 2 GOV-1 - The role of administrative, management and supervisory bodies

21. Number of executive and non-executive members

Total Number	Executive members	Non-Executive members
Management Board (ABH – Holding Austria)	4	0
Management Bodies (ABG - Group)	22	0
Supervisory Board (ABH – Holding Austria)	0	7 (incl. works council)
Supervisory Bodies (ABG - Group)	0	33 (incl. works council)

21.b) Representation of employees and other workers

In accordance with § 110 of the Austrian Labor Constitution Law ('Arbeitsverfassungsgesetz') representatives of the Addiko Bank AG works council have seats and voting rights on the Supervisory Board of Addiko Bank AG and its' committees. In addition, trade unions representatives are entrusted to express the concerns of the workforce (GPA trade union, Sindikat bankarskih djelatnika (SBF-SP), Sindikat Slavonske banke (SBO), Sindikat bančništva Slovenije) in Slovenia.

21.c) Experience of the administrative, management and supervisory bodies responsible for the sectors, products and geographical locations

The Management Board and Supervisory Board of Addiko Bank AG conduct a comprehensive Fit & Proper assessment on an annual basis. This process includes individual self-assessments and collective evaluations of their effectiveness. Within these assessments the Management and Supervisory Board also evaluate whether they have sufficient knowledge, skills and experience to perform their duties and take remedial actions if necessary.
In addition, the Supervisory Board of Addiko Bank AG formed among its members the Nomination Committee that evaluates and ensures that the appointed members of the Management Board and Supervisory Board of Addiko Bank AG possess the necessary knowledge and expertise to carry out their duties.

21.d) Gender diversity

The following ratios do not include independent members of the Supervisory Board in Addiko's subsidiaries, whose selection is beyond the influence of Addiko Group.

Gender Diversity	% of Men	% of Women	% of Diverse
Management Board (ABH – Holding Austria)	100%	0%	0%
Management Bodies (ABG - Group)	82%	18%	0%
Supervisory Board (ABH – Holding Austria)	86%	14%	0%
Supervisory Bodies (ABG - Group)	61%	39%	0%

22. Name of the administrative, management and supervisory bodies responsible for the oversight of impacts, risks and opportunities

Supervisory Board members of Addiko Bank AG on 31 December 2024

By year end 2024 the Supervisory Board comprised five shareholder representatives and two members delegated by the works council:

Name	Position	Initial appointment
Kurt Pribil	Chair	10.07.2020
Johannes Proksch	Deputy	14.04.2022
Sava Ivanov Dalbokov	Member	14.04.2022
Monika Wildner	Member	10.07.2020
Frank Schwab	Member	27.11.2020
Christian Lobner	Member / works council	22.09.2015
Thomas Wieser	Member / works council	29.07.2019

According to the independence criteria, as listed within Addiko's Consolidated Corporate Governance Report and published on Addiko's website (https://addiko.com/corporate-governance-reports), the following members which comprise 80% of the Supervisory Board members delegated by the shareholder (thus, not including members delegated by the works council) can be considered as independent:

Name	Position	Initial appointment
Kurt Pribil	Chair	10.07.2020
Sava Ivanov Dalbokov	Member	14.04.2022
Monika Wildner	Member	10.07.2020
Frank Schwab	Member	27.11.2020

Management Board members of Addiko Bank AG on 31 December 2024

By year end 2024 the following members formed the Management Board of Addiko Bank AG:

Name	Position	Initial appointment
Herbert Juranek	CEO	01.05.2021
Tadej Krašovec	CRO	01.06.2021
Ganesh Krishnamoorthi	CMO & CIO	01.08.2020
Edgar Flaggl	CFO	01.06.2022

22.b-d) Responsibilities of each body with regards to impacts, risks and opportunities in the mandates of the company, the management body or other related policies

Addiko Bank AG has established a comprehensive ESG governance framework, as outlined in the Rules of Procedure for the Management Board and Supervisory Board and the Group ESG Governance Policy. These frameworks ensure clear roles and responsibilities for managing sustainability impacts, risks and opportunities. It aligns with EU, Austrian and local regulations, promoting strategic ESG governance throughout the organisation.

The centralised management of ESG factors for all Addiko entities is overseen by Addiko Bank AG, which is responsible for formulating principles, processes and frameworks. Local entities, in Addiko's countries of operation, take an active role in executing ESG initiatives and closely monitoring their progress, ensuring that ESG methodologies and priorities are effectively implemented at the local level. Additionally, local entities track and evaluate local regulatory developments and provide updates to their respective management boards and to the Group (within monthly ESG SPOC meetings). The Supervisory Board and its committees oversee the Management Board's execution of ESG strategies and ensure alignment with the bank's broader governance objectives. The Supervisory Board is tasked with approving the overall ESG strategy and related priority initiatives. The Supervisory Board has also formed committees among its members, which discuss sustainability-related issues in detail and prepare them for the Supervisory Board.
Thus, the Nomination Committee takes sustainability-related expertise into account when selecting members of the Management Board. The Remuneration Committee decides on the integration of sustainability-related performance indicators within Addiko's incentive scheme, when determining Addiko's Remuneration Policy. The Audit Compliance and AML Committee supervises and monitors the process for preparing the Sustainability Statement, in close alignment with the statutory auditor.

The Management Board of Addiko Bank AG is responsible for driving the implementation of Addiko's ESG strategy and ensuring adherence to regulatory and internal sustainability objectives. The Chief Risk Officer oversees ESG matters, guiding their integration into the bank's strategic and operational decision-making. The Management Board is tasked to regularly monitor ESG-related risks and maintain alignment with the bank's sustainability goals. At least twice a year, the Management Board evaluates the progress made within Addiko's ESG strategy initiatives, reviews the development of ESG risks, evaluates compliance with established thresholds and discusses the potential impact of evolving regulatory requirements on Addiko's operations and sustainability strategy.

The Management Board of Addiko Bank AG is responsible for driving the implementation of Addiko's ESG strategy and ensuring adherence to regulatory and internal sustainability objectives. The Chief Risk Officer oversees ESG matters, guiding their integration into the bank's strategic and operational decision-making.

To operationalise these efforts, the Group Credit Risk Management unit has been appointed to drive and oversee the implementation of ESG-related matters and initiatives, ensuring progress by measuring results and reporting on their status. Together with Group Accounting & Financial Reporting, it serves as the driving force behind Addiko's sustainability reporting efforts, steering the development and alignment of reporting across the organisation.

Coordination of these activities is further enhanced by a cross-departmental ESG Working Group, comprising managers and employees from relevant departments. The ESG Working Group aligns the integration of ESG considerations into their respective work areas and responsibilities, while supporting and further developing Addiko's ESG initiatives. The ESG Working Group usually meets once a month. Permanent members include the areas of Risk Management, Compliance, People & Culture, Corporate Communications and representatives from Group SME and Group Consumer. If necessary, representatives from other areas are integrated on an ad-hoc basis. The coordination of the ESG Working Group lies with the Group Credit Risk Management unit.

At subsidiary level, each Addiko entity has appointed ESG representatives, the ESG SPOCs (Single-Point-Of-Contact), who manage and execute the sustainability initiatives and report progress to the ESG Working Group or representatives from the Group Credit Risk Management unit on a monthly basis. The ESG SPOCs also closely monitor local regulatory obligations and report overall progress to the respective local management boards.

23. Sustainability-related expertise of the administrative, management and supervisory bodies

The Management and Supervisory Board are equipped with the expertise necessary to effectively oversee sustainability matters and steer the impacts, risks and opportunities identified for Addiko. Their comprehensive understanding of these areas is continually strengthened through annual Fit & Proper trainings. These sessions focus on the latest regulatory developments and best practices, covering topics such as risk management strategies, strengthening risk and governance culture within banks, addressing emerging risks from digital transformation, enhancing consumer protection, integrating environmental, social and governance (ESG) considerations into decision-making and ensuring compliance with evolving sustainability reporting standards. These trainings measures ensure that the leadership remains well-prepared to address emerging sustainability challenges, implement effective oversight mechanisms and stay ahead of evolving regulatory requirements.

30. Comparable position in public administration (ESRS G1-5)

Mr. Kurt Pribil (Chairman of the Supervisory Board of Addiko Bank AG) was member of the Governing Board with Oesterreichische Nationalbank ('OeNB') until 2019 before being elected to the Supervisory Board of Addiko bank AG in 3/2020. All other members of the Management Board or Supervisory Board of Addiko Bank AG or its subsidiaries appointed during the reporting period did not hold a comparable role in public administration, including regulatory bodies, within two years prior to their appointment with the Addiko Group.

ESRS 2 GOV-2 - Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

The Management Board and Supervisory Board of Addiko Bank AG are systematically informed about sustainability-related impacts, risks and opportunities as part of their governance responsibilities. According to the current version of the Rules of Procedures of the Management and Supervisory Board, reporting to these bodies occurs at least on a bi-annual basis or more frequently if required. These reports include an assessment of Addiko's exposure to climate change risks, focusing on adaptation measures as well as the monitoring and management of exposure limits in industries with high greenhouse gas (GHG) intensity or significant physical risk. Additionally, the Supervisory Board is updated on the progress of ESG priority initiatives. These initiatives are designed to guide Addiko's positive and negative impacts and are supported by key performance indicators (KPIs) defined in the bank's ESG strategy, ensuring measurable and strategic progress toward sustainability goals.

The ESG strategy is reviewed annually to ensure it remains aligned with evolving regulatory and business needs. It is approved by the Management Board and subsequently presented to the Supervisory Board.
Furthermore, the Management Board of Addiko Bank AG prepares the consolidated Sustainability Statement as an integral part of the Group Management Report and submits it to the Audit, Compliance and AML Committee and the Supervisory Board for review and acceptance.

The responsibilities of the Management Board and Supervisory Board in sustainability governance are clearly outlined in the Charter of Addiko Bank AG and the Rules of Procedures of the Management and Supervisory Board. These documents, particularly Attachment 2 – Transactions Requiring Approval, establish the framework for their structured involvement, which also ensures that sustainability-related issues are taken into account in decisions on important transactions.

ESRS 2 GOV-3 - Integration of sustainability-related performance in incentive schemes

The principles of remuneration for Addiko Bank AG's Management and Supervisory Board are regulated in accordance with §78a of the Austrian Stock Corporation Act ('AktG') within the Remuneration Policy of Addiko Bank AG's Management and Supervisory Board accordingly.

Addiko has integrated sustainability considerations into its incentive schemes and remuneration policies for senior management, which include members of the Management Board and identified staff, who are relevant for the fulfilment of the ESG strategy (employees at the B-1 level and certain key employees). This structure ensures that leadership remains accountable for advancing the bank's ESG priorities and embedding sustainability into its strategic and operational decision-making.

As part of the remuneration framework, ESG-related targets are determined for all senior management members, as defined above, as part of their annual performance review process through individual KPIs. These KPIs are carefully formulated to align with Addiko's ESG objectives and defined together with the employee and their superior during their annual performance target setting process. While Addiko does not currently have specific GHG emission reduction targets defined and a transition plan is not yet in place, the variable remuneration scheme currently does not include performance metrics related to these specific criteria. The weighting of these ESG-related targets constitutes at least 5% of the total performance assessment for each eligible individual, with higher weightings assigned depending on their role and responsibility within the organisation. The key features of these incentive schemes are outlined in Addiko's Group Remuneration Policy, which is approved and monitored by the Remuneration Committee.

The members of the Supervisory Board receive a fixed remuneration, which does not contain any sustainability-related parameters. For additional details, please refer to the Addiko's Remuneration Report, published on Addiko's website https://addiko.com/.

ESRS 2 GOV-4 – Due diligence process for sustainability matters

32. Application of key aspects and steps of the due diligence process in Addiko's Sustainability Statement

The following mapping describes in which paragraphs of Addiko's sustainability statement the core elements of its due diligence process can be found:

Core Elements of Due Diligence	Paragraphs in the Sustainability Statement
a. Embedding due diligence in governance, strategy and business model	This is addressed under ESRS 2-GOV1, ESRS 2-GOV2, ESRS 2-GOV3, ESRS 2-SBM3
b. Engaging with affected stake-holders	This is addressed under ESRS 2 GOV-2, ESRS 2 SBM-2, ESRS IRO-1 S1-3 and S4-3
c. Identifying and assessing nega-tive impacts on people and the envi-ronment	This is addressed under ESRS 2 IRO-1, ESRS 2 SBM-2 ESRS 2 SBM-3 and S1-3, S4-3
d. Taking action to address nega-tive impacts on people and the envi-ronment	This is addressed under ESRS 2 IRO-1, ESRS 2 SBM-3 and S1-3, S4-4,
e. Tracking the effectiveness of these efforts	This is addressed under ESRS 2 MDR-M ESRS 2 MDR-T

ESRS 2 GOV-5 - Risk Management

Risk Management process and internal controls over sustainability reporting

Addiko ensures that all risks that may arise during the process of preparing the Sustainability Statement are properly monitored and mitigated. A key component is the internal manual titled 'Preparation Process for the Sustainability Statement', which is an integral part of the ESG Governance Policy and provides detailed guidance on the steps, controls and responsibilities involved. The manual defines the roles of various departments, outlines control actions to verify data accuracy and establishes clear timelines for preparation and review.

36.a) Scope, key features and components of the risk management and internal control processes for sustainability reporting

The bank's risk management and internal control system also covers aspects of sustainability reporting, including data collection, processing and reporting. Key components include data validation checks, manual review processes and internal audit reviews to ensure that processes are accurate and in compliance with regulatory requirements.

36.b) Risk assessment approach and risk prioritisation

Addiko uses a risk assessment approach that prioritises risks based on their potential impact on the accuracy, reliability and completeness of the Sustainability Statement.

36.c) Main risks identified and mitigation of these risks

Addiko has identified the following risks related to sustainability reporting as the most relevant:

- **Completeness and integrity of the data:** each department is accountable for the accuracy of the data provided. To ensure data integrity and reliability, all data entries and transfers are subjected to a control function. This may include the four-eyes principle, where data is reviewed and verified by at least two individuals, or a review by a superior within the department. These control measures ensure that the Sustainability Statement reflects precise and comprehensive information.
- **Alignment with financial reporting data**: ensuring consistency between sustainability data and financial reporting is a priority. This alignment is achieved through cross-departmental collaboration and control measures that verify data coherence across reporting processes.
- **Risk of non-compliance with certain reporting requirements:** Addiko recognises the potential challenges of meeting all reporting standards and prioritises efforts to identify and address areas where information may be limited.
- **Risk of key personnel departure:** the loss of personnel with specialised knowledge of sustainability reporting poses a risk to the continuity and quality of disclosures. To mitigate this, Addiko emphasises knowledge-sharing, robust documentation of processes and cross-training within teams to ensure critical expertise is preserved.

36.d) Incorporation of main risks into internal processes and functions

In the event of risks, such as data gaps or compliance challenges, being identified, they are discussed within the ESG Working Group and escalated to the Management Board when necessary.

36.e) Description of periodic reporting of findings

Insights from sustainability reporting processes are evaluated by the ESG Working Group, with improvement measures aligned collaboratively among its members.

11.2. ESRS 2 – Strategy

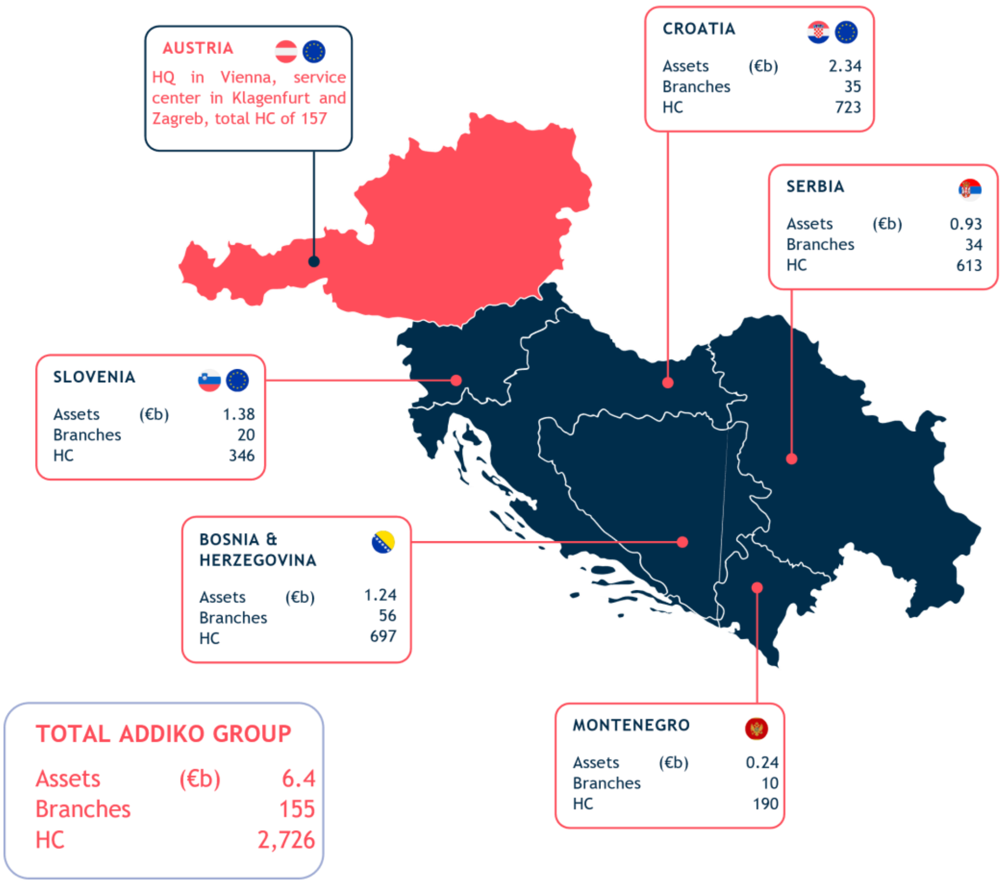
11.2.1. ESRS 2 SBM-1 - Market position, strategy, business model

40.a) Significant markets and customer groups served
Addiko Group is a specialist banking group focusing on providing banking products and services to Consumer and Small and Medium-sized Enterprises (SME) in Central and South-Eastern Europe (CSEE). The 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. Addiko services approximately 0.9 million customers in CSEE using a well-dispersed network of 155 branches and modern digital banking channels.

Addiko's vision is to become the best specialist bank for Consumer and SME customers in the CSEE region. Addiko's strategy is to offer modern banking with a focus on delivering tailored, modern banking solutions with an emphasis on simplicity, efficiency and digital innovation. The bank combines a hybrid distribution model, leveraging both physical branches and digital channels to meet its customers' needs wherever they are and thereby provides a distinctive banking experience that challenges universal banks and purely online competitors alike.

As of 31 December 2024, Addiko employs a total of 2,726 individuals (headcount), distributed across the following significant markets, as illustrated below:

FIGURE 1



Key Activities and Strategic Focus

Addiko Group's business is conducted through its five business segments, the Retail Segment, the SME Business Segment, the Large Corporates Segment, the Public Finance Segment and the Corporate Centre Segment, which are steered via a harmonised group-wide governance structure.

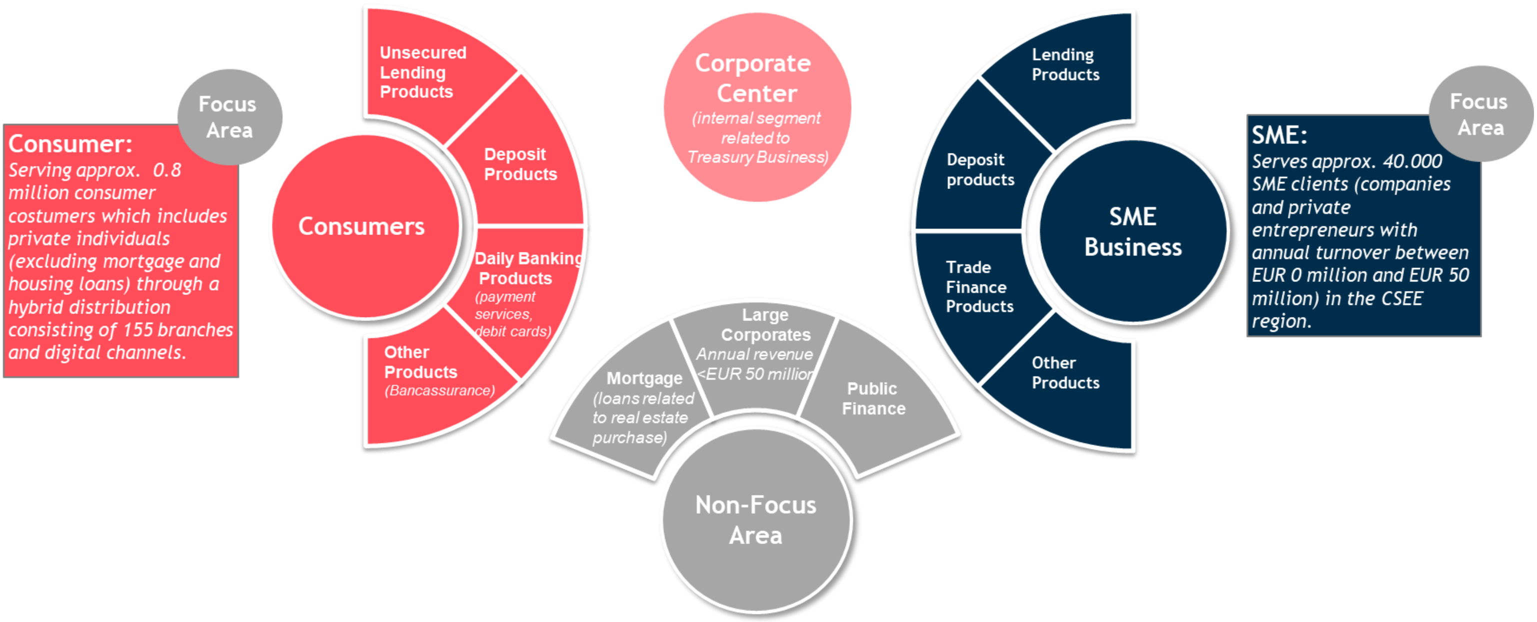
40.e) Income by segment

EUR m

31.12.2024	Focus segments		Non-focus segments		Corporate Centre	Total
	Consumer	SME Business	Mortgage	Large Corporates & Public Finance		
Net banking income	174.56	101.9	13.5	10.5	15.4	315.8
Net interest income	131.2	74.4	13.5	7.9	15.9	242.9
o/w regular interest income	133.2	74.52	14.7	4.9	70.3	297.6
Net fee and commission income	43.2	27.6	0.0	2.7	-0.5	73.0
Net result from financial instruments	0.0	0.0	0.0	0.0	1.2	1.2
Other operating result	0.0	0.0	0.0	0.0	-12.3	-12.3
Operating income	**174.5**	**101.9**	**13.5**	**10.5**	**4.3**	**304.7**

The graphic provides an overview of Addiko Bank's strategic approach to its operations, distinguishing between its focus segments—Consumers and SMEs—and its non-focus segments, which include Large Corporates, Mortgages and Public Finance.

FIGURE 2



Focus Segments:

1. **Consumer Segment:**
   - Serves approximately 0.8 million consumer customers, primarily private individuals (excluding mortgage and housing loans).
   - Key products include unsecured lending (personal loans), daily banking services such as payment accounts and cards as well as deposit products.
   - Distribution is carried out through a hybrid model, consisting of 155 branches and digital channels, enabling broader customer reach and convenience.

2. **SME Business:**
   - Focuses on approximately 40,000 SME clients, including companies and entrepreneurs with annual turnover between EUR 2 million and EUR 50 million in the CSEE region.
   - Offers working capital loans, trade finance products, deposit products and other tailored financial solutions to support business growth.

These focus segments represent the core of Addiko's business, accounting for nearly 90% of the total gross performing loan book and align with the bank's mission of providing accessible financial products and services to underserved markets.

Non-Focus Segment:

The non-focus segments represent lower-margin areas and Addiko is actively reducing its exposure in these categories.

1. **Large Corporates**:
   - Includes companies with a gross annual turnover exceeding EUR 50 million.
   - Financing in this segment is conducted selectively and opportunistically.
2. **Mortgages**:
   - Refers to loans for real estate purchases.
   - Addiko has ceased offering new business in this segment as part of its run-down.
3. **Public Finance**:
   - Includes financing for public entities.
   - Engagement is limited and opportunistic, focusing only on specific opportunities that align with the bank's risk and return criteria.

Corporate Centre:

The Corporate Centre segment is primarily an internal segment, without direct product offerings to customers and comprises the results from Addiko's liquidity and capital management activities.

By prioritising its focus segments—Consumers and SMEs—and actively managing the run-down of non-focus segments, Addiko ensures a strategic alignment with its core strengths and long-term profitability goals.

40.a) Products and services subject to bans on certain markets

There are no prohibitions for Addiko's products and services.

40.d) Business activities for specific sectors

Addiko is not actively involved in financing fossil fuel sectors (coal, oil and gas), chemical production, controversial weapons or cultivation and production of tobacco.

40.e) Sustainability-related goals

As part of its commitment to sustainability, Addiko Bank has integrated sustainability goals into its business strategy, prioritising areas, with the greatest impact on Addiko's business operations and where it can create the most meaningful impact. This approach aligns with the United Nations' 'Agenda 2030' and its 17 Sustainable Development Goals (SDGs). By conducting a systematic analysis of the global goals, Addiko has identified four SDGs as being most relevant to its operations: 'Good Health and Well-Being' (3), 'Gender Equality# (5), 'Decent Work and Economic Growth' (8) and 'Climate Action' (13).

FIGURE 3

ADDIKO'S SUSTAINABLE DEVELOPMENT GOALS
INSIDE-OUT PERSPECTIVE

Good health and Well-being (3)
Addiko supports Good Health and Well-Being. Its employees are encouraged to live a healthy, active lifestyle.

Gender equality (5)
Addiko has formalised a three-year Diversity & Inclusion target and action plan across all Addiko Group countries setting diversity targets.

Decent work and Economic growth (8)
As part of Addiko's efforts to create well-paid quality jobs and provide employment opportunities for young professionals.

Climate action (13)
Climate protection is an important element in Addiko's operational business. Addiko endeavours to contribute to better environmental awareness.

40.g) Elements of the company's strategy
Addiko acknowledges the importance of contributing to these sustainable development goals. For this reason, the ESG Working Group, in collaboration with the Management Board and the Supervisory Board, identified 15 initiatives aimed at contributing to the achievement of these goals.

FIGURE 4

	ENVIROMENT	SOCIAL	GOVERNANCE
VISION	Carbon footprint reduction	Committed to the good	Making ESG work through good governance
MISSION	Addiko helps its employees and customers to become more climate neutral	Addiko supports social equality on all levels	Sound principles of governance in Addiko's DNA
15 INITIATIVES	Electromobility Office space optimization Environmentally friendly banking services Purchased electricity from renewable resources Green products enabling partnership & No-go zones for financing	Diversity and inclusion Future of work Personal progress & Well-being Supporting communities Feedback culture	Corporate bodies & Code of conduct Financial literacy Education Membership in associations Supply chain management

40.f) Sustainability goals connected with significant customer group

For its consumer segment, Addiko has focused on sustainable banking practices and initiatives that directly address ESG matters.

Key Consumer-Focused Sustainability Initiatives

1. **Environmentally Friendly Banking Services**:
   Addiko is committed to reducing its environmental footprint by adopting digital-first approaches and sustainable banking practices.
   Initiatives include:
   - Striving to operate paperless branches, where legislation permits and encouraging digital banking adoption to minimise paper consumption.
   - Developing innovative, environmentally friendly banking services that help consumers align their financial activities with sustainable practices.
2. **Diversity and Inclusion**:
   Addiko champions equal access to financial services for all consumers, emphasising inclusivity and diversity in its operations.
3. **Financial Literacy and Education**:
   Promoting financial literacy is a cornerstone of Addiko's consumer-focused sustainability strategy. Through initiatives such as educational programmes and workshops, Addiko equips its customers with the knowledge and tools to make informed financial decisions while reducing adverse ESG impacts.
4. **Green Products and Services**:
   Addiko supports consumer efforts to reduce their environmental impact by fostering partnerships with providers of green products and services. These partnerships enable consumers to access financing for sustainable projects, such as energy-efficient home upgrades, while also steering lending activities toward lower carbon emissions.

These consumer-focused sustainability goals are part of Addiko's broader ESG Strategy, which is reviewed annually by the ESG team and approved by the Management Board and Supervisory Board aligned with Addiko's Business and Risk Strategy.

The graphic below outlines Addiko Group's broader ESG initiatives, highlighting its commitment to sustainability, social responsibility and ethical governance:

Area	Sustainability Matter	Outline of Addiko's activities	SDG supported
ENVIRONMENTAL	Electromobility	• Replacing vehicles in the car-fleet with EVs • Optimisation of car use through car sharing	13 CLIMATE ACTION
	Office space optimisation	• Reducing office space and number of branches • Supporting hybrid working models	13 CLIMATE ACTION
	Environmentally friendly banking services	• Reducing paper consumption through digitalisation • Striving to operate paperless branches and introduce digital-first banking to the extent permitted by legislation	13 CLIMATE ACTION
	Electricity from renewable resources	• Procurement of clean electricity	13 CLIMATE ACTION
	Green products & no-go zones for financing	• Commercial partnerships for green products & services • Lowering the carbon footprint through indirect actions, through steering of lending activities	13 CLIMATE ACTION

SOCIAL	Diversity and inclusion	• Further strengthen diversity and inclusion practices	5 GENDER EQUALITY
	Future of work	• Hybrid work models • Supporting the work-life balance of employees • Eco-friendly offices	3 GOOD HEALTH AND WELL-BEING
	Personal progress & well-being	• Employee health checks • Supporting employee development & advancement through education • Talent progression and retention	3 GOOD HEALTH AND WELL-BEING
	Supporting communities	• Employee volunteering programmes and charity work	
	Feedback culture	• Frequent surveys to measure employee satisfaction	8 DECENT WORK AND ECONOMIC GROWTH
GOVERNANCE	Corporate bodies & Code of Conduct	• ESG agenda regularly discussed at Management Board level • Updating existing guidelines to include ESG-related matters • Whistleblowing & complaints tools to address feedback	
	Financial literacy	• Promoting financial literacy and education for sustainable growth	
	Education	• Addiko Academy, ESG internal and external courses for customers on how to reduce adverse ESG impacts	
	Membership of associations	• Commitment to initiatives supporting sustainability and responsible business practices	
	Supplier ESG risk assessment	• Incorporating social and environmental standards into internal procurement policies • Reviewing supplier's ESG compliance with regulations and anti-corruption policies	13 CLIMATE ACTION

42.a) Inputs and approach

Addiko Bank's operating model is built around four key pillars that enable the delivery of high-quality financial services to its customers:

Employees

The dedication and expertise of Addiko's employees form the backbone of its operations. Staff across all levels are equipped with the tools and training needed to support customers effectively. Whether engaging with customers in branches, through digital platforms, or remotely, employees are a key driver of the bank's commitment to service excellence.

Sales Channels

Addiko operates through a well-established branch network that provides a personal touch and serves as a trusted point of contact for customers. This physical presence is complemented by robust digital offerings, enabling customers to access banking services anytime and anywhere. The combination of traditional and digital channels allows the bank to cater to a wide range of customer preferences, ensuring accessibility and convenience.

Enabling Functions

To support its operations, Addiko relies on centralised enabling functions that provide the necessary infrastructure, processes and systems. These functions ensure seamless coordination between sales channels and back-office operations, allowing the bank to maintain operational stability and consistently high service quality.

Strategic Partnerships

Addiko actively collaborates with strategic partners to accelerate its digital transformation. By leveraging external expertise and technologies, the bank enhances its digital capabilities, ensuring it can continue to meet the evolving needs of customers. These partnerships play a crucial role in driving innovation and expanding Addiko's reach through new, customer-focused solutions.

42.b) Outputs and results

For Customers

Addiko delivers accessible and streamlined banking solutions tailored to the needs of SMEs and Consumers. Through its robust branch network and advanced digital platforms, customers benefit from convenient, secure and efficient services. Programmes like Bank@Work and partnerships with retailers ensure flexible, on-the-go banking options. These efforts result in improved customer satisfaction and enhanced financial accessibility.

For Investors

Addiko's focus on operational efficiency, digital innovation and sustainable growth drives stable financial performance. By maintaining a simplified product portfolio and leveraging group-wide efficiencies, the bank achieves cost optimisation and scalability.

For Other Stakeholders

The bank's contributions to local communities include supporting financial literacy, promoting entrepreneurship and fostering social equality. Strategic partnerships with technology providers enhance service delivery while driving innovation. Addiko's governance framework and commitment to sustainability ensure accountability and positive societal impact.

11.2.2. ESRS 2 SBM-1 - Value Chain

Addiko Bank's value chain integrates critical activities and partnerships across all processes within the upstream and downstream value chain, as well as its own operations.

Upstream Value Chain

Addiko as a financial institution whose products do not require the use of raw materials or other inputs that would be used in the production process, has a value chain that differs from a value chain of a production company. Since Addiko's main products involve providing funds to its customers, its upstream value chain primarily includes the sources of financing. The main sources as of 31 December 2024 were:

- Deposits and borrowings from credit institutions
- Deposits and borrowings from customers
- Equity

During the process of the double materiality assessment (DMA), Addiko has identified the main impacts, risks, opportunities and their relation to these most relevant sources of funding. As regards the impacts, the bank can have a potential negative impact on its shareholders, by not being sufficiently profitable and therefore negatively impacting their earnings. The main negative impacts for the depositors involve decreased interest rates, or in a drastic case of a bank run, for example, not having sufficient cash available to repay them.

The risks that could arise as a consequence of climate and environmental change, refer to not having sufficient funding (liquidity and solvency risk), which have been addressed in Addiko's annual Climate & Environmental (C&E) risks assessment. The assessment showed that the transfer of physical and transition risks via its impact on liquidity supply or via funding costs will not materially affect Addiko. This is why Chapter 211.3.3 focuses mainly on credit risks related to the asset side of the balance sheet.

The main opportunities could include issuing debt securities that support the sustainable development goals, such as green bonds. However, at the time of preparing the Sustainability Statement, such changes of the liabilities structure are not foreseen.

The remaining part of the upstream value chain includes a network of suppliers and service providers to support its operations and deliver high-quality services to customers.

- **Facilities and Operations**: landlords form an essential part of the upstream value chain by providing branch and office spaces. Additional providers include energy suppliers, cleaning and security services and suppliers for office supplies and equipment.
- **Employee Support**: training and development providers play a crucial role in equipping employees with the skills and knowledge needed to deliver excellent service.
- **IT and Infrastructure**: large parts of the bank's IT services have been outsourced to leading providers such as DXC Technology, Accenture, Endava, Comtrade and Asseco. These partners enable the bank to maintain robust digital infrastructure and operational stability.
- **Market Support**: parts of the market follow-up and payment processes have also been outsourced to specialised service providers to ensure efficient transaction handling and customer support.

Own Operations Value Chain

The internal operations of Addiko Bank revolve around an efficient business model that combines physical and digital capabilities.

Core components include:

1. **Customer acquisition**
   At the forefront of Addiko's services is a specialised customer acquisition strategy. It is designed to attract new customers by providing attractive products through Addiko's point of sales lending solutions at the right time to a diverse clientele. Addiko's customer-centric approach ensures that its products and services are tailored to the evolving needs of Addiko customers. It also includes a continuous feedback loop to enable product design enhancements.

2. **Operations**
   Addiko's major strength lies within its efficient digital operational model. This allows for rapid execution and processing of financial transactions using the advanced risk-management tool with End-2-End (E2E) underwriting and monitoring capabilities. Within these key operational services, a high level of automation along with innovative digital tools (mobile banking apps, virtual assistants) help deliver a positive customer experience.
3. **Distribution**
   Thanks to established distribution channels, such as Addiko's physical branch network in the countries of operation, ATMs, online banking and mobile apps, customers can access Addiko's financial products and services conveniently and quickly.
4. **Marketing, sales and customer support**
   Addiko's marketing and sales efforts include promoting the banks' products and services to attract and retain customers. The digital transformation in this segment supports Addiko's commitment to financial inclusion, ensuring that its products are accessible to all. Various cross-selling activities are also in place to offer additional products and services to existing customers based on their needs and support them.
5. **Partnerships**
   Addiko established partnerships with third-party service providers entrusted with the development of solutions for Addiko, or in cooperation with Addiko. These partnerships are primarily established for technology solutions, data analytics and business intelligence reporting systems.

Additional assignments within Addiko's value chain are facilitated by continuous business enablers and support functions, which encompass the following indicative roles:

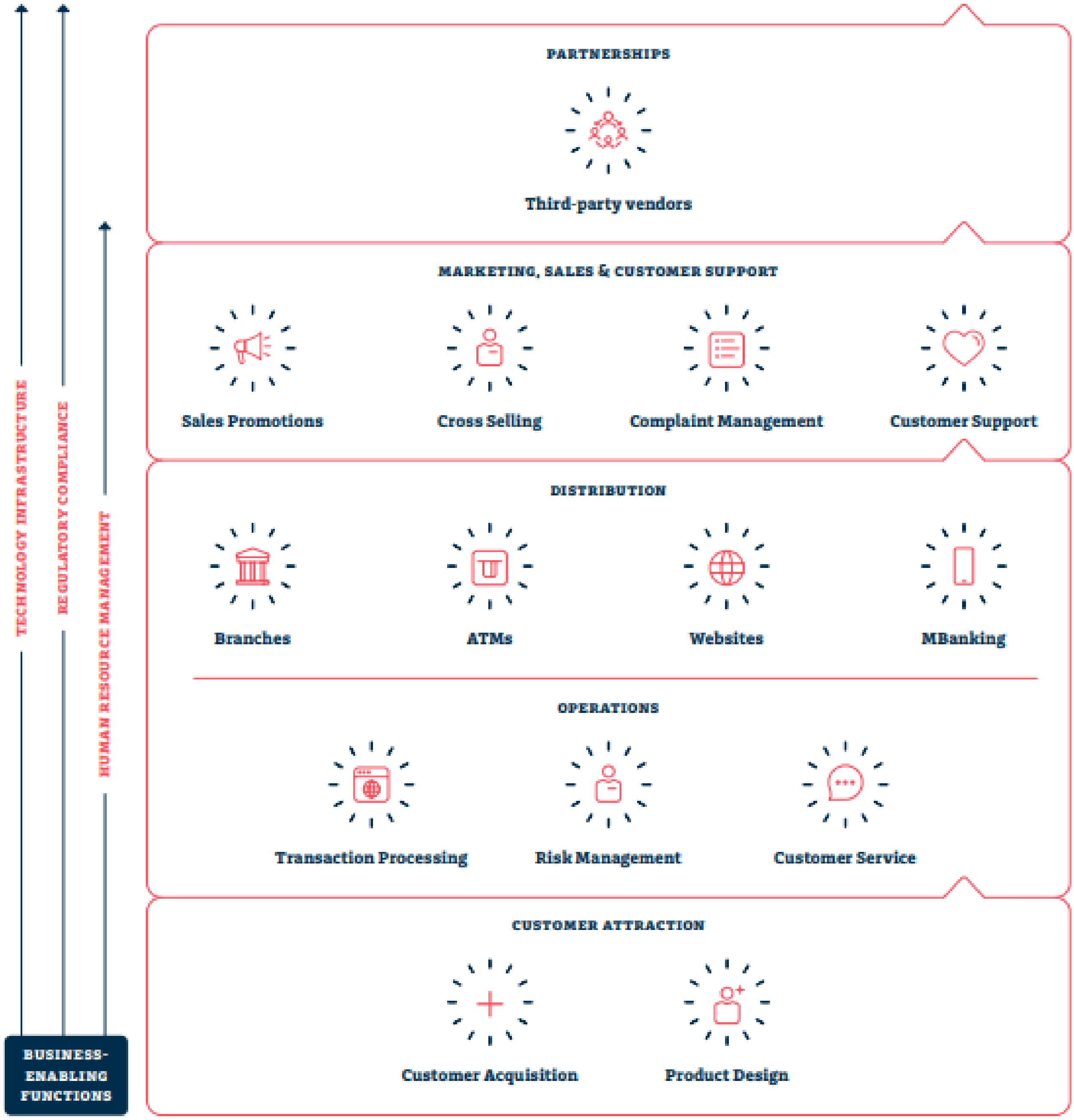
- **Technology infrastructure**
  Designed to manage and maintain the technological backbone of Addiko, including core banking systems, cybersecurity and IT infrastructure. This infrastructure is one of the primary business enablers within the value chain.
- **Regulatory compliance**
  Critical for ensuring compliance with continuously evolving regulatory requirements and standards.
- **Human resource management** Addiko relies on its expert employees. Therefore, recruiting and hiring of skilled professionals in the areas of finance, risk management and customer facing employees is deemed to be an enduring business enabler. Together with ongoing training and development practices, this empowers Addiko employees to quickly adjust to evolving industry trends and technologies.

Downstream value chain

Addiko`s downstream value chain mainly focuses on the Consumer and SME segment of clients and is described under the Chapter 11.2

FIGURE 5

ADDIKO'S VALUE CHAIN



11.2.3. ESRS 2 SBM-2 - Interests and views of stakeholders

Understanding and addressing the interests and views of stakeholders is essential to Addiko's sustainability approach. This section outlines Addiko's key stakeholder groups and their roles in shaping strategic priorities and sustainable development initiatives.

FIGURE 6

Addiko integrates stakeholder engagement into its regular business processes and the management of sustainability matters to address key priorities and align with stakeholder expectations. These engagements are also leveraged as part of Addiko's Double Materiality Assessment, ensuring that stakeholder insights are reflected in identifying material topics and shaping the bank's ESG strategy.

Within this assessment, topics identified as material to Addiko's 'closest stakeholders' are considered. This term includes stakeholder groups that have a tangible and direct relationship with Addiko. These also include stakeholders with the highest level of involvement in Addiko's business activities and strategies and whose interests are, or could be, affected the most by its business activities in the short, medium or long term. The three 'closest stakeholder' categories (customers, employees and shareholders) have played a vital role in Addiko's materiality assessment, though Addiko realises that additional stakeholder groups could be affected by Addiko's business activities. The engagement process with additional stakeholders is not yet as standardised and structured as the processes related to its closest stakeholders, as outlined below and will be formalised in the following period.

The table below outlines the engagement activities conducted by Addiko in 2024 as well as potential ESG issues of relevance to these stakeholder groups.

Stakeholders	Engagement activities	ESG issues of interest
CUSTOMERS	• Market research - customer satisfaction and experience surveys and focus groups • Net promoter score as key performance indicator • Electronic and direct mail • Complaint management processes	• Affordability of banking, fees and interest • Ethical decision making • Role of banks in protecting a strong economy • Climate change, including lending to fossil fuel and resource companies • Reduction of Carbon Footprint • Data Privacy and Information Security • Complaint Management Processes • Financial Literacy • Access to information • Personal safety • Human rights • Social inclusion (non-discrimination, access to products and services) • Responsible marketing
EMPLOYEES	• Regular employee engagement surveys • Regular events, e.g. Townhall meetings, Breakfast with the Management Board, special events • Intranet articles and commentary • Whistleblower programs • Work council represents interests of Addiko Bank AG employees within the Group Supervisory Board	• Corporate culture and business conduct • Diversity and inclusion • Health, safety and wellbeing • Capability and personal development • Fair and equal remuneration • Addressing climate change and environmental sustainability
SHAREHOLDERS	• Annual General Meeting • Investor presentations events • Road shows	• Governance, conduct and culture • Transparency and disclosure • Exposure to companies with a negative environmental and social impact • Responsible lending practices • Natural disaster response • Employee engagement and well-being • Executive remuneration • Driving greater adoption of sustainable finance • Climate change adaptation • Information management and data security
SUPERVISORY AUTHORITIES AND REGULATORS	• Regular meetings and briefings • Participation in consultation processes	• Industry regulation • Governance processes • Disclosure of climate risk • Driving greater adoption of sustainable finance • Information management and data security • Climate change and environmental risk
PARTNERS AND SERVICE PROVIDERS	• Ongoing relationship management	• Information management and data security • Resource efficiency
COMMUNITIES	• Events and workshops • Employee volunteering, donations and fundraising • Grants and sponsorships	• Climate change and sustainable landscapes • Natural disasters, preparedness and resilience • Personal safety and security • Sustainability and impact investment

The process on how the administrative, management and supervisory bodies of Addiko are informed about the views and interests of affected stakeholders, especially the three ‘closest stakeholders’ may vary. Therefore, detailed information is given within the following sub-sections.

Topic-specific disclosure requirement – S1 Own Workforce

Addiko Bank recognises its workforce as a key group of stakeholders whose interests, views and rights play a vital role in shaping the bank's strategy and business model. The bank is committed to respecting human rights, ensuring fair treatment and fostering a supportive and inclusive work environment.

Addiko maintains close relationships with its employees through a variety of platforms. Employee interests are represented by the works council of Addiko Bank AG, which, by law, holds seats and voting rights within the Supervisory Board. Regular meetings with works council members in Austria and Croatia provide a forum for exchanging opinions, addressing concerns and discussing proposals on significant matters.

To further strengthen engagement, Addiko conducts annual employee engagement surveys for all Group employees. Employee feedback collected through the Employee Engagement Survey is systematically integrated into decision-making processes to enhance workplace culture, policies and overall business strategy and ESG commitments. After thorough data analysis of received feedback and identification of key areas for development, very specific and detailed action plans are being prepared on entity or department level to address concerns and leverage opportunities. They are being presented to the Management and Supervisory Board, therefore ensuring the highest level of support for the implementation. To demonstrate that employee feedback is valued and used for meaningful change, the action plan is communicated through different channels, such as management board roadshows and townhall meetings, intranet announcements, internal communications, department meetings, etc. Progress on initiatives is monitored through follow-up surveys, pulse checks and performance metrics. Continuous dialogue encourages further engagement and trust in the decision-making processes. By integrating employee feedback into decision-making, the company fosters a culture of continuous improvement, strengthens employee engagement and aligns business strategies with workforce expectations.

This proactive feedback culture is a cornerstone of Addiko's operations, providing employees with a voice and opportunities to share ideas, raise concerns and contribute to the bank's future direction.
Additionally, Addiko's talent management programme includes periodic employee feedback reviews, performance discussions and special events designed to enhance engagement.

Topic-specific disclosure requirement – S4 Consumers and End-users

At Addiko Bank, 'focusing on customers' is a core value that guides its dedication to fostering transparent, fair and respectful relationships with clients. This commitment is grounded in Addiko's Code of Business Conduct and Ethics, which emphasises integrity, honesty and trustworthiness in all business dealings. Central to this commitment is the respect for customers' human rights, which Addiko upholds by ensuring fair treatment, safeguarding their data privacy and upholding principles of non-discrimination.

Addiko employs various strategies for engaging with customers. This multifaceted approach includes feedback mechanisms, market research activities and surveys, all aimed at fostering a continuous dialogue with clients.

Addiko's customer engagement strategy also includes continuous communication through its branch network, digital channels and contact centres, offering clients a multitude of channels to connect with the bank. Through traditional phone conversations, contemporary media such as email, a seamless digital experience and efficient real-time support, Addiko ensures clients can reach out in a manner that suits their preferences and needs.
In addition, complaint management processes are an important source of information on the satisfaction of customers with the services of Addiko.

All Addiko entities periodically compile reports, which are consolidated by the Market team and distributed to the relevant stakeholders at Addiko Bank. Moreover, local management boards are systemically notified (in accordance with the local regulatory obligations of the respective entity) of current complaint trends and are informed about proposed improvement scenarios defined by the Customer Experience Committees at each respective entity.

Annual reports are prepared according to defined metrics by all Addiko entities and submitted to the management boards and local regulators in line with local obligations.

11.2.4. ESRS 2 SBM-3 - Sustainability-related impacts, risks and opportunities and their interaction with strategy and business model

The table below shows an overview of material IROs for Addiko. Each of the material IROs includes a description, as well as the information on where in the value chain it originates. It also provides information on the time horizon and type of the IRO (differentiating between actual or potential and direct or indirect impact).

The impacts, risks and opportunities that are presented here for each topic and subtopic are covered in more detail in each of the respective chapters, together with the policies, actions and targets that address them.

Sustainability matter	IRO No.	Type of IRO	IRO Description	Value Chain	Time Span	Type
E1 –Climate change adaptation	E1-IRO-1	Risk	The debt service capacity of individual debtors may be negatively affected by physical and transition risks. The severity of this risk over the medium to long term is highly dependent on the measures taken to curb climate change. Consequently, this could influence the overall profitability of Addiko.	Down-stream	Long-term	Potential indirect
E1 –Climate change mitigation	E1-IRO-2	Negative impact	Financed GHG emissions: the financing of debtors, who are active in industries that contradict the transition to a sustainable economy, would impede the efforts to mitigate climate change.	Down-stream	Long-term	Potential Indirect
E1 –Climate change mitigation	E1-IRO-3	Positive impact	The financing of debtors contributing to the transition to a sustainable economy, strengthens the efforts to be prepared for the adaptation on climate change. In addition, offering environmentally friendly products that decrease paper consumption and reducing office spaces that saves energy positively contribute to climate change mitigation.	Down-stream	Long-term	Potential Indirect
E1 –Climate change mitigation	E1-IRO-4	Risk	Efforts to mitigate climate change, such as stricter regulations and shifts toward low-carbon technologies, can negatively impact certain industries reliant on fossil fuels, potentially reducing their profitability and increasing default risks for loans within these sectors.	Down-stream	Long-term	Potential Indirect
SASB - Financed emissions	E1-IRO-5	Positive impact	By financing clients operating in environmentally friendly industries, Addiko can have a positive effect on lowering the overall GHG emissions in the economy.	Down-stream	Long-term	Potential Indirect

Sustainability matter	IRO No.	Type of IRO	IRO Description	Value Chain	Time Span	Type
S1 – Own workforce – Working conditions: Secure employment	S1-IRO-1	Positive impact	Increased employee satisfaction through secure employment practices (preference of permanent contracts over temporary, etc.)	Own operations	shorter m	Actual Direct
S1 – Own workforce – Working conditions: Working time	S1-IRO-2	Negative impact	Poor work-life balance through poorly managed working time, no limitations on overtime.	Own operations	Mid-term	Potential Direct
S1 – Own workforce – Working conditions: Working time	S1-IRO-3	Positive impact	Adequate scheduling of lead times, limitations on overtime, offering part-time employment options.	Own operations	short-term	Actual Direct
S1 – Own workforce – Working conditions: Adequate wages	S1-IRO-4	Negative impact	Inadequate wages, unequal remuneration practices that lead to employee dissatisfaction and higher turnover rates.	Own operations	Mid-term	Potential Direct
S1 – Own workforce – Working conditions: Adequate wages	S1-IRO-5	Positive impact	Adequate remuneration that provides for the satisfaction of the needs of the employees and their family in light of national economic and social conditions.	Own operations	short-term	Actual Direct
S1 – Own workforce – Working conditions: Social dialogue	S1-IRO-6	Positive impact	All types of exchange of information between or among representatives of governments, employers, their organisations and workers' representatives on issues of common interest related to economic and social policy.	Own operations	Short term	Actual Direct
S1 – Own workforce – Working conditions: Freedom of association, existence of works councils	S1-IRO-7	Positive impact	Improvement of working conditions through company agreements, higher employee participation and satisfaction, creation of a mediation instance in the company.	Own operations	short-term	Actual Direct
S1 – Own workforce – Working conditions: Collective bargaining	S1-IRO-8	Positive impact	Collective bargaining serves as a crucial mechanism for employers, trade unions and their organisations to negotiate fair wages, working conditions and gender equality in the workplace.	Own operations	short-term	Actual Direct
S1 – Own workforce – Working conditions: Work-life balance	S1-IRO-9	Negative impact	No work-life balance, overload and exhaustion may lead to reduced productivity of employees and higher turnover rates.	Own operations	Mid-term	Potential Direct
S1 – Own workforce – Working conditions: Work-life balance	S1-IRO-10	Positive impact	Supporting employees in their mental and physical wellbeing both individually and collectively promoting work-life balance.	Own operations	short-term	Actual Direct

Sustainability matter	IRO No.	Type of IRO	IRO Description	Value Chain	Time Span	Type
S1 – Own workforce – Working conditions: Health and safety	S1-IRO-11	Positive impact	Investments in employee well-being such as health programmes.	Own operations	short-term	Actual Direct
S1 – Own workforce – Equal treatment and opportunities for all: Gender equality and equal pay	S1-IRO-12	Positive impact	Equal and non-discriminatory treatment ensures employee satisfaction, increased feeling of respect and recognition.	Own operations	short-term	Actual Direct
S1 – Own workforce – Equal treatment and opportunities for all: Training and skills development	S1-IRO-13	Positive impact	Initiatives to maintain and improve the skills and knowledge of employees leads to increase employee value, personal efficiency and satisfaction.	Own operations	short-term	Actual Direct
S1 – Own workforce – Equal treatment and opportunities for all: Employment and inclusion of persons with disabilities	S1-IRO-14	Positive impact	Employment and inclusion of people with disabilities (people who have long-term physical, mental, intellectual, or sensory impairments that, in interaction with various barriers, may prevent them from participating fully, effectively and equally in society).	Own operations	short-term	Actual Indirect
S1 – Own workforce – Equal treatment and opportunities for all: Measures against harassment in the workplace	S1-IRO-15	Positive impact	Measures against violence and harassment in the workplace: these measures increase the trust of employees and ensure a respectful work environment where mistreatment is not tolerated.	Own operations	short-term	Actual Direct
S1 – Own workforce – Equal treatment and opportunities for all: Diversity	S1-IRO-16	Positive impact	The company takes positive action to strengthen diversity. Training on diversity and inclusion is conducted and targeted recruitment of underrepresented groups shall take place.	Own operations	short-term	Actual Direct
S1 – Own workforce - Other work-related rights: Privacy	S1-IRO-17	Negative impact	The company has to provide protection of the personal rights and privacy of its own workforce during data processing.	Own operations	Short-term	Potential Direct
S4 – Consumers and end-users – Information-related impacts: Privacy	S4-IRO-1	Negative impact	The company must provide protection of the personal rights and privacy of consumers and end-users during data processing.	Downstream	Short-term	Potential Direct
S4 – Consumers and end-users – Information-related impacts: Freedom of expression	S4-IRO-2	Positive impact	Proactive complaint management leads to higher customer satisfaction.	Downstream	Short-term	Actual Direct

Sustainability matter	IRO No.	Type of IRO	IRO Description	Value Chain	Time Span	Type
S4 – Consumers and end-users – Information-related impacts: Access to quality information	S4-IRO-3	Negative impact	Failure to fully inform customers regarding products, prices or any other information that can lead to uninformed decisions.	Downstream	Mid-term	Potential Direct
S4 – Consumers and end-users: Social inclusion: Access to products and services	S4-IRO-4	Positive impact	The European Accessibility Act aims to ensure more products and services are accessible for elderly people and people with disability.	Downstream	Mid-term	Potential Direct
S4 – Consumers and end-users: Social inclusion: Responsible marketing practices	S4-IRO-5	Negative impact	A supplier must not market goods or services in a manner that is likely to create a false or misleading representation in respect of those goods or services; or misleading, fraudulent, or deceptive in any way.	Downstream	Mid-term	Potential Direct
S4 – Consumers and end-users: Social inclusion: Responsible marketing practices	S4-IRO-6	Positive impact	Employing responsible marketing practices leads to transparency and higher customer trust.	Downstream	Short-term	Actual Indirect
S4 – Consumers and end-users: Financial inclusion and capacity building (SASB)	S4-IRO-7	Positive impact	Providing quality information to customers leads to customer trust and increased financial literacy.	Downstream	Mid-term	Potential Indirect
G1- Business conduct – Corporate culture	G1-IRO-1	Negative impact	A weak corporate culture may result in employee dissatisfaction, stakeholder distrust or bad reputation. Employees can feel uncomfortable in the work environment and their productivity and motivation may be impacted.	Own operations	Mid-term	Potential Direct
G1- Business conduct – Corporate culture	G1-IRO-2	Positive impact	A strong corporate culture can result in higher employee satisfaction, a greater sense of belonging and personal growth and motivation.	Own operations	short-term	Actual Direct
G1- Business conduct – protection of whistleblowers	G1-IRO-3	Negative impact	When there are insufficient or inappropriate reporting mechanisms or where whistleblower reports are not treated with adequate diligence, whistleblowers may be dissuaded from making reports in the future.	Own operations	Mid-term	Potential Direct
G1- Business conduct – protection of whistleblowers	G1-IRO-4	Positive impact	Appropriate reporting and investigation mechanisms as well as transparent policies and processes demonstrate to employees and stakeholders of the organisation	Own operations	Mid-term	Potential Direct

Sustainability matter	IRO No.	Type of IRO	IRO Description	Value Chain	Time Span	Type
			that all matters are treated with utmost diligence.			
G1- Business conduct – Management of relationships with suppliers including payment practices	G1-IRO-5	Negative impact	Poor management of supplier relationships, such as delayed payments or unfair terms, can strain partnerships, harm the bank's reputation as a trustworthy partner and disproportionately affect SME suppliers who rely on timely payments for financial stability.	Own operations	Mid-term	Potential Direct and Indirect
G1- Business conduct – Management of relationships with suppliers including payment practices	G1-IRO-6	Positive impact	Proactively managing supplier relationships by adhering to standard payment terms, maintaining transparent communication and supporting SME suppliers strengthens trust, fosters long-term partnerships and enhances the bank's reputation as a reliable and responsible business partner.	Own operations	short-term	Actual Direct and Indirect
G1- Business conduct – Corruption and bribery: Prevention and detection including training	G1-IRO-7	Negative impact	Ineffective corruption prevention policies and practices can result in increased incidents of corruption and thereby high legal, operational and reputational risks.	Own operations	Mid-term	Potential Direct
G1- Business conduct – Corruption and bribery: Incidents	G1-IRO-8	Positive impact	Effective corruption prevention policies and practices contribute to increased customer trust, greater transparency and improved relationships:	Own operations	short-term	Actual Direct

11.3. ESRS 2 – Impact, Risk and Opportunity Management

11.3.1. ESRS 2 IRO-1 – Identifying and assessing sustainability-related impacts, risks and opportunities

53.a, b) Description of the methodologies and assumptions applied in the process of IRO and overview of the process

During the preparatory phase of this report, Addiko has undertaken a comprehensive impact assessment with the intention to identify, evaluate and prioritise essential sustainability matters, as well as to transparently report Addiko's impact on individuals and the environment.

In line with the methodology described in the ESRS, Addiko's assessment adheres to the principle of double materiality (impact materiality and financial materiality) and evaluates a set of standardised environmental, social and governance issues (outlined within ESRS1 - Appendix A) to determine the sustainable matters to be disclosed within Addiko's Sustainability Report.

The assessment was carried out as described below:

- **Understanding the business context and stakeholder relationships**

A detailed analysis on Addiko's business activities and its activities along the value chain was performed to understand its business relationships and affected stakeholders. Based on this initial screening, the three closest stakeholder groups (customers, employees, shareholders) were identified according to the principles set out by the ESRS.

- **Identifying actual and potential impacts, risks and opportunities**

Addiko assessed all actual and potential impacts, risks and opportunities (IROs) across its own operations and its value chain. To support this assessment, the sustainability matters listed in ESRS 1 – Appendix A were used as a reference. With the current absence of sector-specific standards, Addiko also enhanced its disclosures by considering industry-specific sustainability matters within its double materiality assessment. Addiko considered the sustainability matters as listed in detail below of the SASB standards for Commercial Banks and Consumer Finance within its double materiality assessment, in addition to sustainability matters as listed within Application requirement 16 of ESRS 1.

The following sustainability matters were considered in the assessment:

- SASB Standard for Commercial Banks, Table 1 Sustainability Disclosure Topics: Financed Emissions, Systemic Risk Management, Data Security, Financial Inclusion & Capacity Building
- SASB Standard for Consumer Finance, Table 1 Sustainability Disclosure Topics: Customer Privacy, Selling Practices

In case these matters resulted as material IRO for Addiko, respective disclosure requirements were fulfilled, similar to sustainability matters listed in the ESRS.

In addition, reports of peers working in the same geographical and cultural areas were reviewed to validate industry considerations. Based on this, a list consisting of 97 sustainability matters was derived.

- **Evaluation and results**

The 97 identified sustainability matters were evaluated to determine their relevance to Addiko operations. Afterwards, internal stakeholders (consisting of senior management staff across the Addiko Group, as well as representatives from the subsidiaries) participated in focus groups and analysed the applicable sustainable matters (by considering scale, scope and recoverability of each sustainable matter) to determine its severity within Addiko's business operations. Furthermore, the reusability of resources and reliance on relationships with key stakeholders was evaluated. Addiko did not include quantitative estimates of Addiko's future cash flow and it will phase in quantitative data in the subsequent periods. Based on this initial evaluation, Addiko presented the results to external stakeholders as outlined in the respective stakeholder engagement chapter 11.2.3 ESRS 2 SBM-2 - Interests and views of stakeholders of this report.

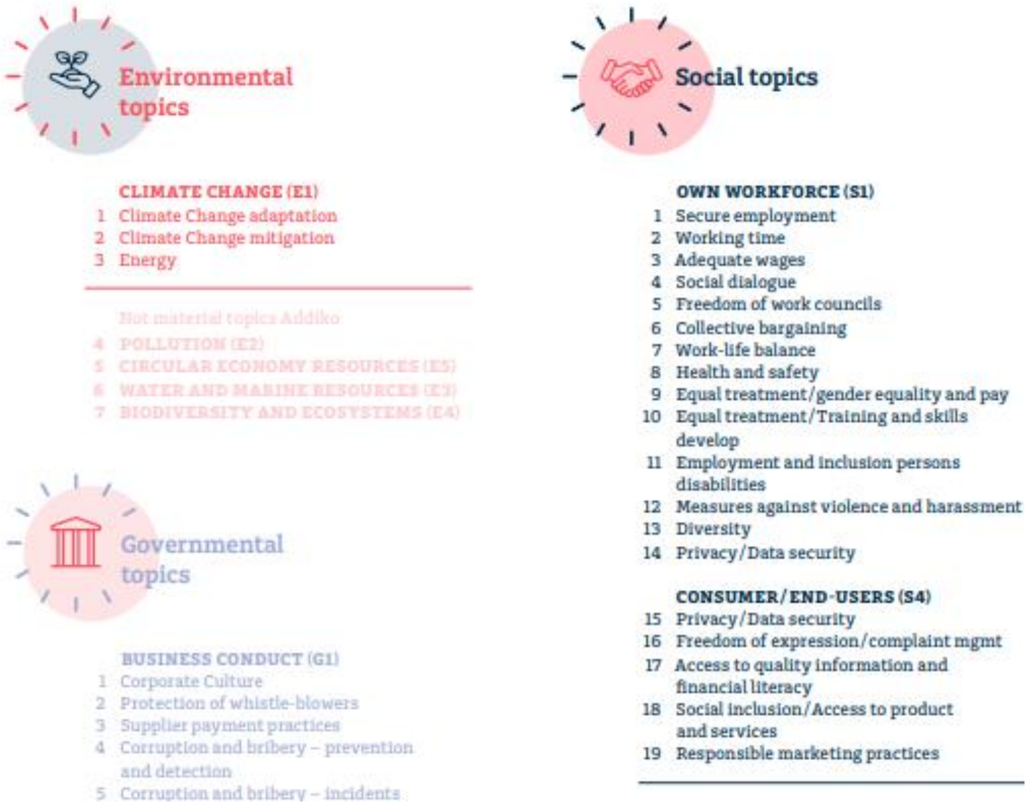
- **Credit portfolio impact**

To comprehensively address impacts, risks and opportunities, Addiko further conducted a detailed C&E risk assessment. This assessment focused on evaluating the risks and opportunities that could influence the bank's strategy or impact the existing risk types deemed material to the bank. As a source concept, Addiko considered all effects that could impact Addiko's performance, whether positively or negatively.

- **Reporting on material impacts**

Considering the scale, scope and recoverability of each sustainable matter, the severity of its impacts was assessed by setting a threshold. Any impact that resulted in a severe rating by scoring above this threshold was determined as 'material'. The result of sustainability matters relevant to Addiko's business operations and respective reporting obligations were thoroughly discussed with the Management and Supervisory Board. These matters define the disclosure requirements of the present report (in line with ESRS) and contribute to building the foundation for supplementing Addiko's ESG initiatives.

The following sustainable matters were ranked as material for Addiko, based on the double materiality assessment conducted in 2024:



A detailed list on sustainability-related impacts, risks and opportunities is available within 11.2.4. ESRS 2 SBM-3 – Sustainability-related impacts, risks and opportunities and their interaction with strategy and business model.

53 b) iv, c) iii Prioritisation of impacts, risks and opportunities
The results of Addiko's comprehensive DMA assessment have enabled a clear prioritisation of impacts, risks and opportunities based on their severity and likelihood. This process has highlighted key ESG matters as critical to the bank's operations and stakeholders.

Environmental Priorities
The analysis revealed that *climate change adaptation* and *mitigation* are the most critical environmental concerns for Addiko. These issues represent potential risks, particularly in relation to credit risk, as C&E risk factors could directly impact the credit exposures within the bank's portfolio. Additionally, Addiko operates an extensive physical branch network, making it essential to assess its exposure to physical risks associated with extreme weather events (floods, landslides).

Workforce Well-Being
For Addiko's workforce, the assessment highlighted several priority areas, including the impact of *working hours*, *work-life balance* as well as opportunities for *training and skills development*. These elements are essential for fostering a motivated and productive workforce, particularly in an evolving work environment. The evaluation also identified measures to prevent violence and harassment, as well as the *protection of personal data*, as critical to maintaining a safe and secure workplace.

Consumer Protection
In relation to consumers, responsible marketing practices and robust protections for privacy and data security were identified as the most significant concerns. As a trusted financial institution, Addiko understands the importance of maintaining customer confidence through transparent communication and effective safeguards against data breaches. Addressing these issues is essential to meeting customer expectations and ensuring regulatory compliance.

Governance and Ethics
Within its highly regulated industry, Addiko has identified governance topics as particularly important. The protection of whistleblowers, the prevention and detection of bribery and the effective management of related incidents were prioritised as key areas. These efforts reflect the bank's ongoing commitment to ethical business practices, compliance with legal and regulatory standards and fostering a culture of transparency and accountability.

53 c) Connections of impacts and risks
Connections with impacts from other sustainability areas, with regards to the risks identified from climate change adaptation and climate change mitigation were assessed and no direct dependencies were identified. However, certain risks arising from climate change adaptation and mitigation could potentially be moderated by enhancing the positive effects from financing clients that contribute to a more sustainable economy.

53 h) Changes within process and review date
In 2024, within an annual review, the methodology was slightly revised to consolidate previously separate evaluations of 'dependencies', 'resource usage continuity' and 'other effects' into a singular focus on the 'potential extent of the financial effect'. This update also expanded the assessment to evaluate short-, medium- and long-term time horizons individually, ensuring alignment with the latest *EFRAG IG1 Materiality Assessment* recommendations.

Addiko is planning to conduct the double materiality assessment regularly unless further refinements in the methodology are requested by the standard setter EFRAG.

Topic-specific disclosures

11.3.2. IRO1-E1 –Description of the processes to identify and assess material climate-related impacts

Addiko Bank recognises that its negative impacts on the environment primarily stem from both direct and indirect greenhouse gas (GHG) emissions. To manage these impacts and ensure sustainability, the bank has implemented a comprehensive approach to assess and monitor its carbon footprint, covering Scope 1, Scope 2 and selected Scope 3 emissions (focusing on Category 15: Investments - financed emissions). This helps provide insights into the bank's carbon footprint and its contribution to climate change.

20.a) GHG emissions from own operations
Scope 1 and Scope 2 GHG emissions have been evaluated and determined to have an immaterial direct impact on the bank's overall environmental footprint due to its small operational scale and the nature of its financial services, which are not classified as part of a pollution-intensive industry. However, aligned with ESRS E1 – Climate Change, the reduction of carbon emissions remains a material focus of the Bank's sustainability strategy, as it supports the Bank's broader commitment to climate change mitigation. Therefore, the Bank will continue to pursue initiatives aimed at minimising its Scope 1 and Scope 2 emissions, ensuring alignment with its materiality assessment and sustainability objectives.

20.a) Financed GHG emissions
The bank has identified financed emissions under Scope 3, specifically Category 15: Investments, as the most material source of GHG emissions across its operational and investment activities. These emissions, which arise from the Bank's lending and investment decisions, represent the primary driver of the Bank's overall climate impact and are therefore considered a material category in its sustainability reporting.
The detailed data on the GHG emissions at Addiko Group level for 2023 and 2024 are reported in Chapter 12.2.5 ESRS E1-6 - Gross scope 1,2,3 and total GHG emissions 12.2.5.

11.3.3. Description of the processes to identify and assess climate-related physical and transition risks

Addiko carries out the materiality assessment of C&E risks in consecutive steps:

1. In the **first step**, the impact of climate and environmental change in the countries of operation is assessed, considering various scenarios for short-, medium- and long-term intervals. As a result, the C&E risk drivers are identified.
2. The **second step** analyses how C&E risk drivers can impact the Addiko business model and how transmission channels are defined.
3. In the **third step**, the results of the materiality assessment are reviewed.

First step – Assessing the impact of climate and environmental change and defining risk factors

Addiko is expected to assess materiality of C&E risks under various scenarios in order to generate an overview of relevant risk drivers. In this regard, Addiko selected a set of climate scenarios to assess and quantify potential vulnerabilities. This involved conducting analyses under stressed conditions for short-, medium- and long-term intervals.

The climate scenarios considered are based on NGFS ('Network for Greening the Financial System') and RCP ('Representative Concentration Pathways') assumptions to ensure consistency with scientific climate change pathways to properly assess the impact of physical and transition risk drivers.

1. **RCP climate scenarios** developed by the Intergovernmental Panel on Climate Change ('IPCC'):

The RCP pathways describe different climate outcomes, all of which are considered possible depending on GHG emitted in the years to come.

REPRESENTATIVE CONCENTRATION PATHWAY

RCP 2.6	RCP 4.5	RCP 6	RCP 8.5
RCP 2.6 necessitates a reduction in carbon dioxide (CO2) emissions, starting a decline by 2020 and reaching zero by 2100. This scenario is projected to limit the global temperature rise to below 2°C by 2100	Under RCP 4.5, it is mandated that carbon dioxide (CO2) emissions commence a decline around 2045, aiming to achieve roughly half of the 2050 levels by 2100. The scenario suggests a probability of global temperature rising between 2°C and 3°C by 2100, accompanied by a mean sea level rise 35% higher than that projected under RCP 2.6.	RCP6 aims to stabilize greenhouse gas emissions, reaching a peak around 2060, followed by a gradual decline thereafter.	In the RCP 8.5 scenario, emissions continue to rise throughout the 21st century, and this scenario is commonly used as the basis for worstcase climate change scenarios.

2. **NGFS climate scenarios** developed by the 'Network of Central Banks and Supervisors for Greening the Financial System':

The NGFS climate scenarios explore the transition and physical impacts of climate change over a long-term horizon under varying assumptions.

NGFS – CLIMATE SCENARIOS

NET ZERO 2050	DELAYED TRANSITION	CURRENT POLICIES
"Net Zero 2050" scenario aims to limit global warming to 1.5°C through stringent climate policies and innovation, ultimately achieving net-zero CO_2 emissions around 2050. Physical risks are relatively low, transition risks are high.	"Delayed Transition" assumes that global annual emissions will not decrease until 2030. Strong policies are then needed to limit warming to below 2°C. This results in both higher transition and physical risks compared to the "Net Zero 2050" scenario.	"Current Policies" assumes that only presently implemented policies are maintained, thereby resulting in high physical risks.

Physical risks refer to the risks related to the physical impact of climate change. These risks can manifest as either event-driven (acute) occurrences or as long-term shifts (chronic) in climate patterns. Consequently, their impacts could be expected in short-, medium- and long-term time horizons.

- Acute physical risks are event-driven, including increased severity of extreme weather events (e.g. droughts, floods, etc.).
- Chronic physical risks refer to longer-term shifts in climate patterns (e.g. increasing higher temperatures, sea-level rises, water stress).

After identifying physical risks Addiko classifies them into two categories: climate-related risk factors and other environmental risk factors.

In the Climate Change 2023 Synthesis Report, the Intergovernmental Panel on Climate Change (IPCC) identified the following key risk factors related to climate change for the European area:

- Increased damage caused by river and coastal floods, increased water restrictions, increased damage from extreme heat events and
- ecosystem disruptions leading to losses in crop production.

These **climate-related risks factors** were taken into account in the double materiality assessment process.
In selecting the most important **environmental risk factors**, Addiko followed the ECB's 'Guide on climate-related and environmental risks' which focuses on water stress, resource scarcity, biodiversity loss and pollution. These are the most dominant risk factors for the Eurozone and therefore also for the countries in which Addiko operates. The selection of environmental factors also coincides with the perceived key environmental risks as assessed by the World Economic Forum (World Economic Forum – The Global Risks Report 2022).

Transition risks arise from the shift toward a lower-carbon and more environmentally sustainable economy, involving significant policy, legal, technology and market changes to address climate change mitigation and adaptation requirements. Depending on the nature, pace and emphasis of these changes, organisations may face varying degrees of financial and reputational risk. Addiko considers climate policy changes as well as technological and behavioural changes as important risk factors derived from transition risks.

Second step - Analyses how C&E risk drivers can impact Addiko's business model and defines transmission channels

Understanding transmission channels is crucial for assessing the impact of C&E risk drivers in Addiko's risk management framework for short-, medium- and long-term intervals. The figure below illustrates the risk drivers, relevant transmission channels and existing risk types that may be affected.

Overview of physical risks drivers and their transmission channels:

C&E Risk Drivers	Transmission Channels	Time Frame	How they could be transmitted	Risk Type Potentially Impacted
Climate-related risks 1. Heatwaves, heat events 2. River floods 3. Coastal floods 4. Droughts and changing rainfall patterns **Other environmental risks** 1. Water stress 2. Resource scarcity 3. Biodiversity loss 4. Pollution	The inability of borrowers (affected by natural events) to repay their debts. Depending on the performed assessment relevant transmission channels for other environmental risks refer to the impact on highly affected industries, such as agriculture (via physical risk) and plastic producing industry (via transition risks).	Short to long term	**Microeconomic channels** The impact of C&E risks may, in particular, transmit to Addiko via their influence on financial or tangible assets. For example, the risk factors may be transmitted through debtors in the agriculture industry or impacting collateral value by causing damage through severe weather events or chronic flooding. **Macroeconomic channels** The impact of C&E risks on the macroeconomic environment (e.g., lower GDP or increased unemployment) will indirectly impact Addiko. This could lead to elevated risk costs and, subsequently, impact the profitability of the business model.	Credit risk Market risk Liquidity risk Operational risk Reputational risk Business risk

Overview of transition risks drivers and their transmission channels:

C&E Risk Drivers	Transmission Channels	Time Frame	How they could be transmitted	Risk Type Potentially impacted
Climate policy	Cost of CO2 emissions Environmental lawsuits	Short term	**Microeconomic channels** The impact of C&E transition risks will especially transmit via credit risk, by inducing higher risk costs linked to specific counterparties not aligning with evolving policies or experiencing income loss. Furthermore, the transition to green financing, while beneficial, introduces complexity and concentration challenges that may impact the volume of loan origination. **Macroeconomic channels** Considering the world economy's reliance on fossil fuels, it is reasonable to expect that the influence of C&E risks on the macroeconomic environment (e.g. lower GDP, increased unemployment) will indirectly affect Addiko. This could lead to elevated risk costs and, subsequently, impact the profitability of the business model.	Credit risk Market risk Liquidity risk Operational risk Reputational risk Business risk
	Regulations of product and services	Medium term		
Technology	Failed investments Costs of transitioning	Medium term		
Market sentiments	Behavioural changes of consumers, suppliers, employees Funding costs	Short term to long term		

Risk factors associated with C&E risks could significantly influence Addiko's business model, impacting both income and costs.

From the income perspective:
In the Consumer segment, Addiko's business model benefits from a flexible product structure, as Consumer loans are not tied to specific purposes. This flexibility allows for substitution effects, enabling financing to shift from less climate-friendly goods to more sustainable and climate-friendly consumer goods as customer sentiment evolves. For example, if consumer preferences increasingly favour environmentally sustainable products, Addiko Consumer loans can adapt quickly to support such transitions.

In the SME segment, Addiko does not concentrate its portfolio in specific industries but emphasises high granularity and diversification across multiple sectors. This approach reduces income sensitivity to C&E risks, as substitution effects across industries are likely to mitigate potential negative impacts on income streams.

From the cost perspective:
The granularity of Addiko's loan portfolio, particularly in the Consumer segment, provides substantial diversification against microeconomic risks. However, the cost-of-risk remains exposed to macroeconomic transmission channels, such as GDP fluctuations, which could be adversely affected by C&E risks. Based on the NGFS (Network for Greening the Financial System) severe 'Current Policies' scenario, macroeconomic impacts resulting from C&E risks could cause GDP fluctuations of up to 1% over the long term, indirectly influencing the portfolio's cost-of-risk.

Similarly, in the SME segment, the portfolio's granularity and diversification across industries provide protection against microeconomic risks. However, macroeconomic deterioration, such as a decline in GDP or rising costs from climate transition measures, may lead to increased costs.

Overall, given the high granularity and diversification of Addiko's loan portfolio, it is anticipated that the primary impact of C&E risks will manifest through macroeconomic channels. Negative effects on macroeconomic indicators, such as GDP, will likely drive medium to long-term consequences for both income and cost. The severity of these impacts will depend on the effectiveness and timeliness of measures implemented to mitigate climate change.

Third step – Results of materiality assessment

The C&E assessment concluded that Addiko's credit risk could be materially impacted by C&E risks, while other risk types are only affected to a lesser extent. Thus, the upcoming section provides a detailed overview of the results with regard to credit risk. The outcome focuses specifically on both, transitional and physical risks, highlighting their association with credit risk.

Transition risk, results of materiality assessment in relation to credit risk

The analysis assesses vulnerability from two perspectives:

- Industry quantification, identifying concentration risk.
- Macroeconomic quantification using stress tests to identify elevated sensitivity to systemic risk factors.

Industry quantification:

This perspective relies on quantifying criteria related to affected industries and analyse how they could influence diversification. Based on the analyses of physical and transition risks which was part of the C&E risks assessment, as well as publicly available studies and benchmark analysis, Addiko identified seven industries that are specifically prone to the effects of climate and environmental change (i.e. 'highly-affected' industries):

- Mining and quarrying
- Automotive
- Extraction of crude petroleum and natural gas
- Manufacture of coke and refined petroleum products
- Energy
- Chemical industry
- Manufacture of rubber and plastic products

In addition to 'highly-affected' industries, Addiko identified industries that are expected to be influenced by C&E risks to a lesser extent (i.e. 'affected" industries). These are industries that are less prone to the C&E risk. However, there is a still certain probability in the long term that their business mode will be affected. The classification of these industries was based on the average financed GHG emissions, as well as benchmark analyses. The result of the analysis showed the exposure in 'highly-affected' and 'affected" industries is relatively low (approximately 2.5% and 23%, respectively) and that Addiko, with a highly diversified portfolio, is only subject to a minimal idiosyncratic impact resulting from transitional risks.

Macroeconomic quantification:

This perspective relies on climate stress tests conducted to identify heightened sensitivity to systemic risk factors. Selecting an adverse climate scenario reflecting severe transition risks in the next 12 months, a climate stress test was conducted. The results indicated the impact of transition risks under this perspective as non-material. It amounts roughly over EUR 6 million over three years or 0,06% annually in terms of capital depletion for the ABG, stemming mainly from the sensitivity of the Private Individuals unsecured segment, SMEs contribute half of that as well (systemic losses are concentrated mainly in Non-EU entities).

Two reasons may explain such findings. First, transition risks generally lack serious disruption capacity in financial sector over a short term. Instead, they are to be expected to gradually build up over the medium term. Second, clients experience relatively low sensitivity to the climate transition risk factors, that are transmitted to the balance sheet via IFRS9 models and have limited capacity to channel these shocks due to specific model characteristics. For example, real-estate prices induce lower probabilities of default (PDs) and strongly react to simulated carbon pricing, thus, inducing pervasive behaviour - capital saving - at segment or entity level. The former should be assessed regularly and tested for potential abrupt reactions of the system while the latter is a matter of fine-tuning of the Climate Transition Risk models, which Addiko will pursue in 2025. Notwithstanding the above, the test helps uncover, on average, potential sensitivities to climate shocks if they were to materialise, especially when zooming in on the corporate sector. The most sensitive activities within the bank's portfolio, however marginal in terms of relative loss, are wholesale trade and food manufacturing, followed by construction activities (including civil engineering).

To conclude, transition risks are already visible in the short term due to the EU's determination to reduce carbon emissions in accordance with its ambitious net-zero targets for 2050. Given the fundamental change required to mitigate transition risk drivers over the medium to long term, it is highly unlikely that transition risks will materially decrease in the future. Despite Addiko's robust portfolio diversification and proactive measures to limit exposure to emission-intensive sectors, the role of transitional risk is more prevalent. Consequently, the *E1 - Climate change* is deemed material in the context of transition risk across short-, medium- and long-term intervals.

Physical risk, results of materiality assessment in relation to credit risk

The analysis assesses vulnerability through geographical quantifications and by identifying concentration risks in areas highly affected by climate-related physical risks.

Geographical quantification:
According to the IPPC` Climate Change 2023 Synthesis Report, the primary natural disasters in the regions where Addiko operates include droughts, river floods and coastal floods. Wildfires and windstorms are also frequent but have less material impact. Other events are not considered material in these regions. Climate-related physical risks are the most relevant in those regions, while other environmental physical risks are of lesser concern.

The residential real estate pledged to Addiko is mainly situated in metropolitan areas of capital cities and is not concentrated in areas with high exposure to climate-related physical risks. In 2023, Slovenia experienced devastating and widespread floods. In 2024, severe floods occurred in Bosnia & Herzegovina as well. None of these events had a material impact on Addiko's portfolio in terms of exposure and risk costs. This indicates that the Addiko credit portfolio is well-diversified from a geographical perspective, reducing the impact of such events in the context of physical risks.

Nevertheless, the assessment reveals that the impact of climate scenarios may result in a high physical risk over longer-term intervals starting in 2040 if adequate policy changes are not implemented promptly. Hence, the impact on credit risk is assessed as material in the long term. This indicates that the *E1 - Climate change* is deemed material in the context of physical risk in the long term.

Description of the processes to identify and assess material climate-related opportunities

Recognising climate-related changes not just as risks but as business opportunities, Addiko acknowledges its responsibility to support clients in their green transition journeys. In 2023, Addiko introduced green partnerships tailored to enable the purchase of green products and services.

Although none of the opportunities concerning the 97 sustainability matters resulted as material, Addiko still perceives an opportunity to enhance its risk identification process by integrating C&E risks into non-retail lending and investment decisions. To achieve this, Addiko has developed processes to detect C&E risks and opportunities, which are regularly adjusted. This assessment is integrated into the regular credit approval process, including an ESG-related questionnaire and an evaluation of the client's approach to ESG topics, as part of the credit application exercise. Moreover, this evaluation is reinforced through ongoing review and monitoring processes. These comprehensive undertakings not only help identify risks but also uncover potential opportunities to support more sustainable businesses ventures. They empower Addiko to respond promptly and make necessary calibrations, such as augmenting policies to address credit risk issues or by imposing restrictions in case of any noticeable deterioration.

21) Scenario analysis related to physical and transition risks

The use of climate-related scenarios is explained in section 11.3.2.

ESRS 2 IRO-2 – Disclosure requirements in ESRS contained in the sustainability statement

1) List of datapoints in universally applicable and topical standards that derive from other EU legislation
The appendix below forms an integral part of this report and illustrates the datapoints in ESRS2 and topical ESRS that derive from other EU legislation.

Disclosure requirement and related datapoints:	
ESRS 2 GOV-1 Board's gender diversity para. 21 (d)	Chapter 11.1
ESRS 2 GOV-1 Percentage of board members who are independent para. 21 (e)	Chapter 11.1
ESRS 2 GOV-4 – Statement on due diligence para. 30	Chapter 11.1
ESRS 2 SBM-1 – Involvement in activities related to fossil fuel activities para. 40 (d) i	Chapter 11.2.1
ESRS 2 SBM-1 – Involvement in activities related to chemical production para. 40 (d) ii	
ESRS 2 SBM-1 – Involvement in activities related to controversial weapons para. 40 (d) iii	
ESRS 2 SBM-1 - Involvement in activities related to cultivation and production of tobacco para. 40 (d) iv	
ESRS E1-1 - Transition plan to reach climate neutrality by 2050 para. 14	Transition-relief
ESRS E1-1 - Undertakings excluded from Paris-aligned Benchmarks para. 16 (g)	Transition-relief
ESRS E1-4 – GHG emission reduction targets para. 34	Transition-relief
ESRS E1-5 – Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) para. 38	Chapter 12.2.4
ESRS E1-5 – Energy consumption and mix para. 37	Chapter 12.2.4
ESRS E1-5 – Energy intensity associated with activities in high climate impact sectors para. 40-43	Not applicable for Addiko
ESRS E1-6 – Gross Scope 1,2,3, and Total GHG emissions para. 44	Chapter 12.2.5
ESRS E1-6 – Gross GHG emissions intensity para. 53 – 55	Chapter 12.2.5
ESRS E1-7 – GHG removals and carbon credits para. 56	Not material for Addiko
ESRS E1-9 – Exposure of the benchmark portfolio to climate-related physical risks para. 66	Transition-relief
ESRS E1-9 – Disaggregation of monetary amounts by acute and chronic physical risk para. 66 (a) ESRS E1-9 – Location of significant assets at material physical risk para. 66 (c)	Transition-relief
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes para. 67 (c)	Transition-relief
ESRS E1-9 -Degree of exposure of the portfolio to climate-related opportunities para. 69	Transition-relief
ESRS E2-4 – Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water, soil, para. 28	Not applicable for Addiko
ESRS E3-1 – Water and marine resources para. 9	Not material for Addiko
ESRS E3-1 – Dedicated policy para. 13	
ESRS E3-1 – Sustainable oceans and seas para. 14	
ESRS E3-4 – Total water recycled and reused para. 28 (c)	
ESRS E3-4 – Total water consumption in m^3 per net revenue on own operations para. 29	
ESRS 2-SBM3 – E4 para 16 (a) i	Not material for Addiko
ESRS 2-SBM3 – E4 para 16 (b)	Not material for Addiko
ESRS 2-SBM3 – E4 para 16 (c)	Not material for Addiko

ESRS E4-2 Sustainable land /agriculture practices or policies para 22 (c)	Not material for Addiko
ESRS E4-2 Sustainable Ocean/seas practices or policies para. 24 (c)	Not material for Addiko
ESRS E4-2 Policies to address deforestation para 24 (d)	Not material for Addiko
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Not material for Addiko
ESRS E5-5 Hazardous waste and radioactive waste para. 39	Not material for Addiko
ESRS 2-SBM3 – S1 Risk of incidents of forced labour para. 14 (f)	Chapter 13.1
ESRS 2-SBM3 – S1 Risk of incidents of child labour para. 14 (g)	Chapter 13.1
ESRS S1-1 Human rights policy commitments para. 20	Chapter 13.1/13.1.14
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, para. 21	Chapter 13.1.14
ESRS S1-1 processes and measures for preventing trafficking in human beings' para. 22	Chapter 13.1.11
ESRS S1-1 workplace accident prevention policy or management system para. 23	Chapter 13.1.11
ESRS S1-3 grievance/complaints handling mechanisms para. 32 (c)	Chapter 11.2.4
ESRS S1-14 Number of fatalities and number and rate of work-related accidents para. 88 (b) and (c)	Chapter 13.1.14
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness para. 88 (e)	Chapter 13.1.14
ESRS S1-16 Unadjusted gender pay gap para. 97 (a)	Chapter 13.1.13
ESRS S1-16 Excessive CEO pay ratio para. 97 (b)	Chapter 13.1.13
ESRS S1-17 Incidents of discrimination para. 103 (a)	Chapter 13.1.14
ESRS S1-17 non-respect of UNGPs on Business and Human Rights and OECD para. 104 (a)	Chapter 13.1.14
ESRS 2 – SBM3 – S2 Significant risk of child labour or forced labour in the value chain para. 11 (b)	Chapter 13.1.1
ESRS S2-1 Human rights policy commitments para. 17	Chapter 13.1/13.1.14
ESRS S2-1 Policies related to value chain workers para. 18	Not material for Addiko
ESRS S2-1 non-respect of UNGPs on Business and Human Rights principles and OECD guidelines para. 19	Not material for Addiko
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, para. 19	Not material for Addiko
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain para. 36	Not material for Addiko
ESRS S3-1 Human rights policy commitments para. 16	Not material for Addiko
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines para. 17	Not material for Addiko
ESRS S3-4 Human rights issues and incidents para. 36	Not material for Addiko
ESRS S4-1 Policies related to consumers and end-user's para. 16	Chapter 13.1.14
ESRS S4-1 non-respect of UNGPs on Business and Human-rights and OECD guidelines para. 17	Chapter 13.1.14
ESRS S4-4 Human rights issues and incidents para. 35	Chapter 13.1.14
ESRS G1-1 United Nations Convention against corruption para. 10	Chapter 13.1.14
ESRS G1-1 Protection of whistleblowers para. 10 (d)	Chapter 14.1.2
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws para. 24 (a)	Chapter 13.1.14
ESRS G1-4 Standards of anti-corruption and anti-bribery para. 24 (b)	Chapter 13.1.14

56) Index on ESRS Disclosures

The index provides a detailed information on the provided ESRS disclosures.

55) Description of screening process for non-material matters

In accordance with the methodology described in Chapter 11.3.1 ESRS 2 IRO-1 – Identifying and assessing sustainability-related impacts, risks and opportunities11.3.1 Addiko has assessed its IROs arising from two sources, the impact from its direct operations, as well as the impact resulting from its financing activities in sectors associated with these activities.

ESRS E2 – Pollution

Operational Impact

As a financial institution, Addiko Bank's operations have negligible contributions to pollution. Our activities are confined to office spaces and administrative functions and we take measures to minimise environmental impact through energy-efficient buildings, waste management practices and adherence to local environmental regulations.

Credit Portfolio Impact

While financed activities could theoretically contribute to pollution, Addiko's diversified portfolio focuses on smaller loans and clients, reducing concentrated exposure to high-pollution industries such as manufacturing, mining and energy. Any such exposure is systematically screened during the loan origination and client review processes, as outlined in Addiko's Group Credit Policy.

Conclusion

While pollution is a global concern, Addiko's limited operational footprint and prudent lending policies ensure that pollution-related risks remain immaterial to its business. Nevertheless, the Bank continues to encourage cleaner practices among its clients to align with broader sustainability goals.

ESRS E3 – Water and marine resources

Operational Impact

Addiko's direct water usage is minimal, primarily limited to office consumption, with no impact on marine resources. The bank operates entirely within urban areas, further minimising its dependency on water-intensive processes.

Credit Portfolio Impact

Although some industries in our portfolio, such as agriculture, manufacturing, energy and construction, have significant water dependencies, their contribution to Addiko's total interest income is relatively small, at approximately 13%. Moreover, our lending strategy, which prioritises smaller loans and a diversified client base, significantly reduces the concentration of risks related to water and marine resources. Each credit request is systematically screened during the loan origination and client review processes, as outlined in Addiko's Group Credit Policy.

Conclusion

Water and marine resource impacts are not material for Addiko's operations or credit portfolio. However, the bank recognises the long-term importance of this topic and remains committed to financing clients that adhere to responsible water management practices.

ESRS E4 – Biodiversity and Ecosystems

Operational Impact

Addiko's office-based operations have minimal direct effects on biodiversity or ecosystems. There are no activities involving land use changes or natural resource extraction within the bank's operational scope.

Credit Portfolio Impact

Within the biodiversity domain, Addiko identified two potentially relevant sub-topics—**climate change as an impact driver of biodiversity loss** and **impacts and dependencies on ecosystem services**—as potentially relevant. These sub-topics are inherently linked to climate change and pertain to industries such as agriculture, mining, manufacturing, energy, construction and wholesale trade. These industries collectively contribute up to 23% of the bank's interest income. However, after a detailed assessment, these sub-topics were deemed non-material under the double materiality framework due to their indirect and mitigated impact on biodiversity.

Potential risks may emerge in the long term, particularly if corporate debtors in high-impact sectors fail to comply with environmental regulations. Such non-compliance could elevate Addiko's reputational risks. To manage this risk, the bank incorporates ESG risk assessments into its loan origination and client review processes, requiring clients to demonstrate alignment with environmental standards and proactive biodiversity management.

Other sub-topics within the biodiversity standard, which account for a negligible share of the bank's portfolio (up to 5% of interest income), are even less significant in terms of potential impacts or dependencies.

Conclusion
While biodiversity is a critical global issue, Addiko's operations and diversified lending strategy result in immaterial impacts or dependencies on ecosystems. The Bank continues to monitor these risks and remains committed to promoting responsible environmental practices among its clients.

ESRS E5 - Circular Economy

Operational Impact
As a service-based institution, Addiko generates minimal waste and has no direct interaction with material cycles. Our procurement practices align with responsible consumption and focus on efficiency and sustainability.

Credit Portfolio Impact
The circular economy does not play a central role in Addiko's lending activities. Our exposure to industries that are heavily involved in resource use and waste generation is limited. Also, these types of industries are subject to ESG assessments to ensure alignment with sustainable practices.

Conclusion
Circular economy considerations are not material to Addiko's operations or credit portfolio. However, the Bank sees value in supporting innovative, circular economy-focused projects in the future.

Despite the non-material classification, Addiko steadfastly upholds its commitment to identifying and addressing both actual and potential impacts, risks and opportunities associated with these standards across its operations and throughout the value chain.

12. Environmental Information

12.1. EU Taxonomy

12.1.1. Qualitative information from the credit institution on the published taxonomy-relevant performance indicators

2024 Reporting Overview
Addiko Bank AG, as the parent entity of Addiko Group, complies with CSRD disclosure requirements on a consolidated basis. Certain disclosures are excluded due to lack of business activities, such as guarantees for third-party financing, asset management data and financial product-related reporting (e.g. Green Bond Regulation).
Addiko operates a small trading book as per CRR definition, limited to derivatives and low-scale sovereign bond positions. Thus, no taxonomy-eligibility or alignment targets apply to these holdings.

Taxonomy Eligibility
The proportion of assets classified as taxonomy-eligible refers to assets and activities described in the Delegated Regulations. However, eligibility does not indicate the degree of environmental sustainability.
The first step in assessing environmental sustainability involves determining whether a technical screening criterion specified in the Delegated Regulations is met and applicable to the activity.

For credit institutions, an economic activity is taxonomy-eligible if it aligns with any of the six environmental objectives, regardless of whether it fulfils the specific criteria.
Examples include:

- Loans to individuals: housing loans, renovation loans, vehicle financing;
- Financing to municipalities: housing projects and purpose-specific loans (e.g. for taxonomy-relevant activities);
- Credit exposures to institutions that are subject to the CSRD and publish the required KPIs (excluding on-demand funds);
- Credit exposures to financial and non-financial CSRD companies publishing the required KPIs;
- Foreclosed commercial and residential properties available for sale due to loan defaults.

Taxonomy Alignment
For an economic activity to be considered environmentally sustainable or taxonomy-aligned, it must meet the following cumulative conditions:

1. **Compliance with technical screening criteria** as defined in the Delegated Regulations, ensuring:
   a. Significant contribution to at least one environmental objective;
   b. No significant harm to any other environmental objective (Do No Significant Harm principle);
2. **Fulfilment of minimum safeguards**, such as compliance with labour rights and human rights standards.

Green Asset Ratio (GAR)
The GAR indicates the share of a credit institution's taxonomy-aligned assets in proportion to total covered assets, excluding exposures to central governments, central banks and supranational issuers.

Reporting as of 31 December 2024
Addiko Bank AG, as the parent institution of the Addiko Group, fulfils its CSRD disclosure obligations on a consolidated basis.

Due to a lack of relevant business activities, the following disclosures are excluded from the reporting templates:

1. Guarantees for third-party financing and asset management
2. Disclosures related to a ‘large’ trading book (as defined by CRR)
3. Reporting requirements for financial products such as those under the Green Bond Regulation

Addiko operates only a ‘small’ trading book under the CRR definition, comprising derivatives (volume as of 31 December 2024: EUR 231.0 million / 20233Consequently, taxonomy eligibility and alignment are not relevant for these holdings.

The alignment analysis is based on information published by companies that are subject to the CSRD. Given that financial institutions were only required to report on the first two environmental objectives as of 31 December 2023, the GAR reflects limited environmental objectives.

Fee and commission disclosures will be mandatory from 1 January 2026 based on data from 31 December 2025.

Reporting Limitations

In accordance with the EU Taxonomy Regulation, disclosures rely on counterparties' most recent KPI data. As this reporting was finalised in February 2025, it is based on KPI data available as of 31 December 2023 and reflects only the first two environmental objectives for financial companies.

The relatively low GAR for the Addiko Group is attributable to several factors:

1. **Holding with limited activities:**
   Addiko Bank AG in Austria does not operate a domestic lending business and manages a securities portfolio invested predominantly in government bonds, which are not considered taxonomy-eligible or aligned.

2. **High non-EU business share:**
   Addiko operates in CSEE countries including Slovenia and Croatia (EU) as well as Serbia, Bosnia & Herzegovina and Montenegro (non-EU). Non-EU activities account for approximately 37% of the balance sheet (2023: ~40%), limiting counterparties that are subject to the CSRD.

3. **Non-purpose consumer loans:**
   Addiko specialises in non-purpose loans, lacking information on specific uses.

4. **Non-purpose SME loans:**
   SME lending primarily involves credit lines for ongoing operations, categorised as non-purpose financing.

5. **No new mortgage lending:**
   Addiko ceased new mortgage lending years ago. Historic loans lack energy performance certificates (EPCs), limiting their eligibility.

6. **No new public finance business:**
   Large-scale financing for municipalities has not been part of Addiko's business for years.

7. **Limited corporate lending:**
   Addiko does not focus on financing large corporations due to the resulting credit concentration risk. As many such firms are subject to the CSRD, their exclusion reduces potential taxonomy-aligned exposures.

Addiko's Business Model and Sustainability Transformation

Addiko focuses on non-purpose consumer and SME financing. To support societal and economic transformation towards sustainability, Addiko expands partnerships with merchants specialising in 'green products' (e.g. photovoltaic systems, e-mobility equipment). While loans for such purposes remain classified as non-purpose financing, the technical screening criteria of the Taxonomy Regulation are not applied.

12.1.2. Annex VI - Template for the KPIs of credit institutions

Template number	Name
0	**Summary of KPIs**
1	**Assets for the calculation of GAR**
	A) basis = turnover KPI
	B) basis = capex KPI
2	**GAR sector information**
	A) basis = turnover KPI
	B) basis = capex KPI
3	**GAR KPI stock**
	A) basis = turnover KPI
	B) basis = capex KPI
4	**GAR KPI flow**
	A) basis = turnover KPI
	B) basis = capex KPI
5	**KPI off-balance sheet exposures**
	A) basis = stock + turnover KPI
	B) basis = stock + capex KPI
	C) basis = flow + turnover KPI
	D) basis = Flow + capex KPI
	Standard templates for the disclosure referred to in Article 8(6) and (7) [(EU) 2022/1214 - Annex III]

0. Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation

Addiko Group, 31.12.2024

		Total environmentally sustainable assets in Mn EUR	KPI turnover	KPI Capex	% coverage (over total assets)***	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Main KPI	**Green asset ratio (GAR) stock**	**1,65**	**0,039%**	**0,034%**	**6,1%**	**58,0%**	**35,9%**

		Total environmentally sustainable activities in Mn EUR	KPI turnover	KPI Capex	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Additional KPIs	*GAR (flow)*	**0,15**	**0,009%**	**0,008%**	not meaningful	not meaningful	not meaningful
	*Trading book**		n/a	n/a			
	Financial guarantees		n/a	n/a			
	Assets under management		n/a	n/a			
	*Fees and commissions income***		-	-			

* For credit institutions that do not meet the conditions of Article 94(1) of the CRR or the conditions set out in Article 325a(1) of the CRR
**Fees and commissions income from services other than lending and AuM
*** % of assets covered by the KPI over banks´ total assets

1.Assets for the calculation of GAR

A) basis: TURNOVER KPI

Addiko Group, 31.12.2024

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
			Disclosure reference date 31.12.2024																													
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
	Mn EUR	Total [gross] carrying amount	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	398,2	299,7	1,7	0,0	0,2	0,3	1,4																				299,7	1,7		0,2	0,3
2	**Financial undertakings**	**130,5**	**33,2**	**1,4**		**0,2**	**0,3**	**1,4**																				**33,2**	**1,4**		**0,2**	**0,3**
3	Credit institutions	130,5	33,2	1,4		0,2	0,3	1,4																				33,2	1,4		0,2	0,3
4	Loans and advances	43,3	11,0	0,1		0,0	0,0	0,0																				11,0	0,1		0,0	0,0
5	Debt securities, including UoP	87,2	22,2	1,3		0,2	0,3	1,4																				22,2	1,3		0,2	0,3
6	Equity instruments																															
7	Other financial corporations	0,0	0,0																									0,0				
8	of which investment firms	0,0	0,0																									0,0				
9	Loans and advances																															
10	Debt securities, including UoP																															
11	Equity instruments																															
12	of which management companies	0,0	0,0																									0,0				
13	Loans and advances																															
14	Debt securities, including UoP																															
15	Equity instruments																															
16	of which insurance undertakings	0,0	0,0																									0,0				
17	Loans and advances																															
18	Debt securities, including UoP																															
19	Equity instruments																															
20	**Non-financial undertakings**	**1,5**	**0,2**	**0,2**																								**0,2**	**0,2**			**0,0**
21	Loans and advances																															
22	Debt securities, including UoP	1,2	0,0	0,0																								0,0	0,0			0,0
23	Equity instruments	0,2	0,2	0,2																								0,2	0,2			
24	**Households**	**264,4**	**264,4**																									**264,4**				
25	of which loans collateralised by residential immovable property	264,4	264,4																									264,4				
26	of which building renovation loans	0,0	0,0																									0,0				
27	of which motor vehicle loans	0,0	0,0																									0,0				
28	**Local governments financing**	**0,0**																														
29	Housing financing	0,0																														
30	Other local government financing	0,0																														
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**1,8**	**1,8**																									**1,8**				
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**3.815,5**																														
33	**Financial and Non-financial undertakings**	**3.478,9**																														
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	2.107,7																														
35	Loans and advances	2.045,7																														
36	of which loans collateralised by commercial immovable property	131,5																														
37	of which building renovation loans	0,0																														
38	Debt securities	48,4																														
39	Equity instruments	13,6																														
40	Non-EU country counterparties not subject to NFRD disclosure obligations	1.371,3																														
41	Loans and advances	1.362,6																														
42	Debt securities	0,0																														
43	Equity instruments	8,7																														
44	**Derivatives**	**5,0**																														
45	**On demand interbank loans**	**72,5**																														
46	**Cash and cash-related assets**	**131,8**																														
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	**127,2**																														
48	**Total GAR assets**	**4.213,6**	**288,4**	**1,7**		**0,2**	**0,3**	**1,4**																				**288,6**	**1,5**		**0,2**	**0,3**
49	**Assets not covered for GAR calculation**	**2.361,0**																														
50	**Central governments and Supranational issuers**	**1.328,9**																														
51	**Central banks exposure**	**1.032,1**																														
52	**Trading book**	**0,0**																														
53	**Total assets**	**6.574,6**	**288,4**	**1,7**		**0,2**	**0,3**	**1,4**																				**288,6**	**1,7**		**0,2**	**0,3**
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																																
54	Financial guarantees	0																														
55	Assets under management	0																														
56	Of which debt securities	0																														
57	Of which equity instruments	0																														

Reconciliation to Financial Reporting 31.12.2024:	
Gross Carrying Amounts	6.574,6
Risk Provisions and Impairments Repossessed Assets	-165,7
Total Assets IFRS consolidated financial statements 2024	6.408,9

Note: Loans to households were allocated to the following positions as a separate line item for amounts covered only in the denominator does not exist:
to pos. 35: EUR 1,241.5 million customer loans to households (EU countries)
to pos. 41: EUR 874.6 million customer loans to households (non-EU countries)

1.Assets for the calculation of GAR

B) basis: CAPEX KPI

Addiko Group, 31.12.2024

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
			Disclosure reference date 31.12.2024																													
	Mn EUR	Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	398,2	302,4	1,8		0,2	0,3	1,4																				302,4	1,8		0,2	0,3
2	**Financial undertakings**	**130,5**	**35,7**	**1,6**	**0,0**	**0,2**	**0,3**	**1,4**																				**35,7**	**1,6**		**0,2**	**0,3**
3	Credit institutions	130,5	35,7	1,6		0,2	0,3	1,4																				44,8	1,6		0,2	0,3
4	Loans and advances	43,3	13,3	0,2		0,0	0,1	0,0																				22,4	0,2		0,0	0,1
5	Debt securities, including UoP	87,2	22,4	1,4		0,2	0,3	1,4	0,0																			22,4	1,4		0,2	0,3
6	Equity instruments																															
7	Other financial corporations	0,0	0,0																													
8	of which investment firms	0,0	0,0																									0,0				
9	Loans and advances																															
10	Debt securities, including UoP																															
11	Equity instruments																															
12	of which management companies	0,0	0,0																									0,0				
13	Loans and advances																															
14	Debt securities, including UoP																															
15	Equity instruments																															
16	of which insurance undertakings	0,0	0,0																									0,0				
17	Loans and advances																															
18	Debt securities, including UoP																															
19	Equity instruments																															
20	**Non-financial undertakings**	**1,5**	**0,4**	**0,2**																								**0,4**	**0,2**			**0,0**
21	Loans and advances																											0,0	0,0			0,0
22	Debt securities, including UoP	1,2	1,2	0,0																								0,2	0,0			0,0
23	Equity instruments	0,2	0,2	0,2																								0,2	0,2			0,0
24	**Households**	**264,4**	**264,4**																									**264,4**				
25	of which loans collateralised by residential immovable property	264,4	264,4																									264,4				
26	of which building renovation loans	0,0	0,0																									0,0				
27	of which motor vehicle loans	0,0	0,0																									0,0				
28	**Local governments financing**	**0,0**																														
29	Housing financing	0,0																														
30	Other local government financing	0,0																														
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**1,8**	**1,8**																									**1,8**				
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**3.815,5**																														
33	**Financial and Non-financial undertakings**	**3.478,9**																														
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	2.107,7																														
35	Loans and advances	2.045,7																														
36	of which loans collateralised by commercial immovable property	131,5																														
37	of which building renovation loans	0,0																														
38	Debt securities	48,4																														
39	Equity instruments	13,6																														
40	Non-EU country counterparties not subject to NFRD disclosure obligations	1.371,3																														
41	Loans and advances	1.362,6																														
42	Debt securities	0,0																														
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44	**Derivatives**	**5,0**																														
45	**On demand interbank loans**	**72,5**																														
46	**Cash and cash-related assets**	**131,8**																														
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	**127,2**																														
48	**Total GAR assets**	**4.213,6**	**289,9**	**1,4**		**0,2**	**0,0**	**0,0**																				**287,0**	**1,4**	**0,0**	**0,2**	**0,3**
49	**Assets not covered for GAR calculation**	**2.361,0**																														
50	**Central governments and Supranational issuers**	**1.328,9**																														
51	**Central banks exposure**	**1.032,1**																														
52	**Trading book**	**0,0**																														
53	**Total assets**	**6.574,6**	**289,9**	**1,4**		**0,2**	**0,3**	**1,4**																				**288,9**	**1,4**	**0,0**	**0,2**	**0,3**
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																																
54	Financial guarantees	0																														
55	Assets under management	0																														
56	Of which debt securities	0																														
57	Of which equity instruments	0																														

Reconciliation to Financial Reporting 31.12.2024:	
Gross Carrying Amounts	6.574,6
Risk Provisions and Impairments Repossessed Assets	-165,7
Total Assets IFRS consolidated financial statements 2024	6.408,9

Note: Loans to households were allocated to the following positions as a separate line item for amounts covered only in the denominator does not exist:
to pos. 35: EUR 1,241.5 million customer loans to households (EU countries)
to pos. 41: EUR 874.6 million customer loans to households (non-EU countries)

2. GAR sector information

A) basis: TURNOVER KPI

Addiko Group, 31.12.2024

	Breakdown by sector - NACE 4 digits level (code and label)	a	b	c	d
		Climate Change Mitigation (CCM)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
		Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)
1	K64.19 Other monetary intermediation	130,5	1,4		
2	D35.13 Übertragung und Verteilung von Elektrizität	0,2	0,2		
3	F42.22 Construction of utility projects for electricity and telecommunications	1,2	0,0		

	Breakdown by sector - NACE 4 digits level (code and label)	e	f	g	h
		Climate Change Adaptation (CCA)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
		Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCA)
1	K64.19 Other monetary intermediation				
2	D35.13 Übertragung und Verteilung von Elektrizität				
3	F42.22 Construction of utility projects for electricity and telecommunications				

	Breakdown by sector - NACE 4 digits level (code and label)	i	j	k	l
		Water and marine resources (WTR)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
		Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (WTR)
1	K64.19 Other monetary intermediation				
2	D35.13 Übertragung und Verteilung von Elektrizität				
3	F42.22 Construction of utility projects for electricity and telecommunications				

	Breakdown by sector - NACE 4 digits level (code and label)	m	n	o	p
		Circular economy (CE)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
		Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (CE)
1	K64.19 Other monetary intermediation				
2	D35.13 Übertragung und Verteilung von Elektrizität				
3	F42.22 Construction of utility projects for electricity and telecommunications				

	Breakdown by sector - NACE 4 digits level (code and label)	q	r	s	t
		Pollution (PPC)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
		Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (PPC)
1	K64.19 Other monetary intermediation				
2	D35.13 Übertragung und Verteilung von Elektrizität				
3	F42.22 Construction of utility projects for electricity and telecommunications				

	Breakdown by sector - NACE 4 digits level (code and label)	u	v	w	x
		Biodiversity and Ecosystems (BIO)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
		Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)
1	K64.19 Other monetary intermediation				
2	D35.13 Übertragung und Verteilung von Elektrizität				
3	F42.22 Construction of utility projects for electricity and telecommunications				

	Breakdown by sector - NACE 4 digits level (code and label)	y	z	aa	ab
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
		Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1	K64.19 Other monetary intermediation	130,5	1,4		
2	D35.13 Übertragung und Verteilung von Elektrizität	0,2	0,2		
3	F42.22 Construction of utility projects for electricity and telecommunications	1,2	0,0		

2. GAR sector information

B) basis: CAPEX KPI

Addiko Group, 31.12.2024

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab
		Climate Change Mitigation (CCM)				**Climate Change Adaptation (CCA)**				**Water and marine resources (WTR)**				**Circular economy (CE)**				**Pollution (PPC)**				**Biodiversity and Ecosystems (BIO)**				**TOTAL (CCM + CCA + WTR + CE + PPC + BIO)**			
	Breakdown by sector - NACE 4 digits level (code and label)	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1	K64.19 Other monetary intermediation	130,5	1,6																							130,5	1,6		
2	D35.13 Übertragung und Verteilung von Elektrizität	0,2	0,2																							0,2	0,2		
3	F42.22 Construction of utility projects for electricity and telecommunications	1,2	0,0																							1,2	0,0		

3. GAR KPI stock

A) basis: TURNOVER KPI

Addiko Group, 31.12.2024

	% (compared to total covered assets in the denominator)	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		Disclosure reference date 31.12.2024																														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	75,3%	0,4%		0,0%	0,1%	0,3%																				75,3%	0,4%		0,0%	0,1%	0,0%
2	**Financial undertakings**	**25,4%**	**1,1%**		**0,1%**	**0,2%**	**1,1%**																				**25,4%**	**1,1%**		**0,1%**	**0,2%**	**0,0%**
3	Credit institutions	25,4%	1,1%		0,1%	0,2%	1,1%																				25,4%	1,1%		0,1%	0,2%	0,0%
4	Loans and advances	25,5%	0,3%		0,1%	0,1%	0,0%																				25,5%	0,3%		0,1%	0,1%	0,0%
5	Debt securities, including UoP	25,4%	1,5%		0,2%	0,3%	1,6%																				25,4%	1,5%		0,2%	0,3%	0,0%
6	Equity instruments																															
7	Other financial corporations																															
8	of which investment firms																															
9	Loans and advances																															
10	Debt securities, including UoP																															
11	Equity instruments																															
12	of which management companies																															
13	Loans and advances																															
14	Debt securities, including UoP																															
15	Equity instruments																															
16	of which insurance undertakings																															
17	Loans and advances																															
18	Debt securities, including UoP																															
19	Equity instruments																															
20	**Non-financial undertakings**																															
21	Loans and advances																															
22	Debt securities, including UoP	2,4%	0,0%			0,0%																					2,4%	0,0%		2,4%	2,4%	0,029%
23	Equity instruments																										98,4%	98,4%		0,0%	0,0%	0,005%
24	**Households**																															
25	of which loans collateralised by residential immovable property	100,0%																									100,0%					6,27%
26	of which building renovation loans																															
27	of which motor vehicle loans																															
28	**Local governments financing**																															
29	Housing financing																															
30	Other local government financing																															
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**100,0%**																									**100,0%**					**0,04%**
32	**Total GAR assets**	**6,8%**	**0,039%**		**0,005%**	**0,007%**	**0,033%**																				**6,8%**	**0,039%**		**0,005%**	**0,007%**	**6,35%**

3. GAR KPI stock

B) basis: CAPEX KPI

Addiko Group, 31.12.2024

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		Disclosure reference date 31.12.2024																														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
	% (compared to total covered assets in the denominator)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	75,9%	0,5%		0,1%	0,1%	0,4%																				75,9%	0,5%		0,1%	0,1%	0,0%
2	**Financial undertakings**	**27,4%**	**1,3%**		**0,2%**	**0,2%**	**1,1%**																				**27,4%**	**1,3%**		**0,2%**	**0,2%**	**0,0%**
3	Credit institutions	27,4%	1,3%		0,2%	0,2%	1,1%																				27,4%	1,3%		0,2%	0,2%	0,0%
4	Loans and advances	30,7%	0,5%		0,1%	0,2%	0,0%																				30,7%	0,5%		0,1%	0,2%	0,0%
5	Debt securities, including UoP	25,7%	1,7%		0,2%	0,3%	1,6%																				25,7%	1,7%		0,2%	0,3%	0,0%
6	Equity instruments																															
7	Other financial corporations																															
8	of which investment firms																															
9	Loans and advances																															
10	Debt securities, including UoP																															
11	Equity instruments																															
12	of which management companies																															
13	Loans and advances																															
14	Debt securities, including UoP																															
15	Equity instruments																															
16	of which insurance undertakings																															
17	Loans and advances																															
18	Debt securities, including UoP																															
19	Equity instruments																															
20	**Non-financial undertakings**																															
21	Loans and advances																															
22	Debt securities, including UoP	16,8%	0,0%			0,0%																					16,8%	0,0%			0,0%	0,029%
23	Equity instruments																										96,7%	90,9%				0,0%
24	**Households**																															
25	of which loans collateralised by residential immovable property	100,0%																									100,0%					6,27%
26	of which building renovation loans																															
27	of which motor vehicle loans																															
28	**Local governments financing**																															
29	Housing financing																															
30	Other local government financing																															
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**100,0%**																									**100,0%**					**0,04%**
32	**Total GAR assets**	**6,9%**	**0,034%**		**0,005%**	**0,000%**	**0,000%**																				**6,9%**	**0,034%**		**0,005%**	**0,000%**	**6,348%**

4. GAR KPI flow

A) basis: TURNOVER KPI

Addiko Group, 31.12.2024

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		Disclosure reference date 31.12.2024																														
		Climate Change Mitigation (CCM)					**Climate Change Adaptation (CCA)**				**Water and marine resources (WTR)**				**Circular economy (CE)**				**Pollution (PPC)**				**Biodiversity and Ecosystems (BIO)**				**TOTAL (CCM + CCA + WTR + CE + PPC + BIO)**					
% (compared to flow of total eligible assets)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total new assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	22,5%	0,3%																								22,5%	0,3%				
2	**Financial undertakings**	23,1%	0,3%																								23,1%	0,3%				
3	Credit institutions	23,7%	0,3%																								23,7%	0,3%				
4	Loans and advances	25,5%	0,3%																								25,5%	0,3%				
5	Debt securities, including UoP	3,7%	0,2%																								3,7%	0,2%				0,615%
6	Equity instruments																															
7	Other financial corporations																															
8	of which investment firms																															
9	Loans and advances																															
10	Debt securities, including UoP																															
11	Equity instruments																															
12	of which management companies																															
13	Loans and advances																															
14	Debt securities, including UoP																															
15	Equity instruments																															
16	of which insurance undertakings																															
17	Loans and advances																															
18	Debt securities, including UoP	0,0%	0,0%																													
19	Equity instruments																															
20	**Non-financial undertakings**																															
21	Loans and advances																															
22	Debt securities, including UoP																															
23	Equity instruments																															
24	**Households**																															
25	of which loans collateralised by residential immovable property																															
26	of which building renovation loans																															
27	of which motor vehicle loans																															
28	**Local governments financing**																															
29	Housing financing																															
30	Other local government financing																															
31	**Collateral obtained by taking possession: residential and commercial immovable properties**																															
32	**Total GAR assets**	**0,615%**	**0,009%**																								**0,615%**	**0,009%**				**0,615%**

4. GAR KPI flow

B) basis: CAPEX KPI

Addiko Group, 31.12.2024

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
% (compared to flow of total eligible assets)		Disclosure reference date 31.12.2024																														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total new assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	23,4%	0,3%																								23,4%	0,3%				
2	**Financial undertakings**	**23,5%**	**0,3%**																								**23,5%**	**0,3%**				
3	Credit institutions	23,7%	0,3%																								23,7%	0,3%				
4	Loans and advances	25,5%	0,3%																								25,5%	0,3%				
5	Debt securities, including UoP	3,7%	0,0%																								3,7%	0,0%				0,647%
6	Equity instruments																															
7	Other financial corporations																															
8	of which investment firms																															
9	Loans and advances																															
10	Debt securities, including UoP																															
11	Equity instruments																															
12	of which management companies																															
13	Loans and advances																															
14	Debt securities, including UoP																															
15	Equity instruments																															
16	of which insurance undertakings																															
17	Loans and advances																															
18	Debt securities, including UoP																															
19	Equity instruments																															
20	**Non-financial undertakings**																															
21	Loans and advances																															
22	Debt securities, including UoP	16,5%	0,0%																								16,5%					
23	Equity instruments																															
24	**Households**																															
25	of which loans collateralised by residential immovable property																															
26	of which building renovation loans																															
27	of which motor vehicle loans																															
28	**Local governments financing**																															
29	Housing financing																															
30	Other local government financing																															
31	**Collateral obtained by taking possession: residential and commercial immovable properties**																															
32	**Total GAR assets**	**0,647%**	**0,008%**																								**0,647%**					**0,647%**

5. KPI off-balance sheet exposures

B) basis: STOCK + TURNOVER KPI

Addiko Group, 31.12.2024

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
	% (compared to total eligible off-balance sheet assets)	Disclosure reference date 31.12.2024																													
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	0,0%					0,0%																				0,0%				
2	Assets under management (AuM KPI)	0,0%					0,0%																				0,0%				

Note: Addiko does not conduct such business

5. KPI off-balance sheet exposures

B) basis: STOCK + CAPEX KPI

Addiko Group, 31.12.2024

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
	% (compared to total eligible off-balance sheet assets)	Disclosure reference date 31.12.2024																													
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	0,0%					0,0%																				0,0%				
2	Assets under management (AuM KPI)	0,0%					0,0%																				0,0%				

Note: Addiko does not conduct such business

5. KPI off-balance sheet exposures

C) Basis: FLOW + TURNOVER KPI

Addiko Group, 31.12.2024

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
		Disclosure reference date 31.12.2024																													
		Climate Change Mitigation (CCM)					**Climate Change Adaptation (CCA)**				**Water and marine resources (WTR)**				**Circular economy (CE)**				**Pollution (PPC)**				**Biodiversity and Ecosystems (BIO)**				**TOTAL (CCM + CCA + WTR + CE + PPC + BIO)**				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
	% (compared to total eligible off-balance sheet assets)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	0,0%					0,0%																				0,0%				
2	Assets under management (AuM KPI)	0,0%					0,0%																				0,0%				

Note: Addiko does not conduct such business

5. KPI off-balance sheet exposures

D) Basis: FLOW + CAPEX KPI

Addiko Group, 31.12.2024

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
	% (compared to total eligible off-balance sheet assets)	Disclosure reference date 31.12.2024																													
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	0,0%					0,0%																				0,0%				
2	Assets under management (AuM KPI)	0,0%					0,0%																				0,0%				

Note: Addiko does not conduct such business

COMMISSION DELEGATED REGULATION (EU) 2022/1214 of 9 March 2022 - ANNEX III

ANNEX XII
Standard templates for the disclosure referred to in Article 8(6) and (7)

The information referred to in Article 8(6) and (7) shall be presented as follows, for each applicable key performance indicator (KPI).

Template 1 Nuclear and fossil gas related activities
31.12.2024

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	he undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

0. Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation

Addiko Group, 31.12.2023

		Total environmentally sustainable assets in Mn EUR	KPI turnover	KPI Capex	% coverage (over total assets)***	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Main KPI	**Green asset ratio (GAR) stock**	**0,20**	**0,005%**	**0,004%**	**6,646%**	**59,126%**	**34,228%**

		Total environmentally sustainable activities in Mn EUR	KPI turnover	KPI Capex	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Additional KPIs	*GAR (flow)*	**0,00**	**0,000%**	**0,000%**	not meaningful	not meaningful	not meaningful
	*Trading book**		n/a	n/a			
	Financial guarantees		n/a	n/a			
	Assets under management		n/a	n/a			
	*Fees and commissions income***		-	-			

* For credit institutions that do not meet the conditions of Article 94(1) of the CRR or the conditions set out in Article 325a(1) of the CRR
**Fees and commissions income from services other than lending and AuM
*** % of assets covered by the KPI over banks´ total assets

1.Assets for the calculation of GAR

A) basis: TURNOVER KPI

Addiko Group, 31.12.2023

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
			Disclosure reference date 31 December 2023																													
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
	Mn EUR	Total [gross] carrying amount	Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	419,8	325,8																									346,6	0,2			0,2
2	**Financial undertakings**	**94,0**	**0,0**																									**20,8**				
3	Credit institutions	94,0	0,0																									20,8				
4	Loans and advances																															
5	Debt securities, including UoP	94,0	0,0																									20,8				
6	Equity instruments																															
7	Other financial corporations	0,0	0,0																									0,0				
8	of which investment firms	0,0	0,0																									0,0				
9	Loans and advances																															
10	Debt securities, including UoP																															
11	Equity instruments																															
12	of which management companies	0,0	0,0																									0,0				
13	Loans and advances																															
14	Debt securities, including UoP																															
15	Equity instruments																															
16	of which insurance undertakings	0,0	0,0																									0,0				
17	Loans and advances																															
18	Debt securities, including UoP																															
19	Equity instruments																															
20	**Non-financial undertakings**	**0,2**	**0,2**	**0,2**			**0,2**																					**0,2**	**0,2**			**0,2**
21	Loans and advances																															
22	Debt securities, including UoP *)	0,2	0,2	0,2			0,2																					0,2	0,2			0,2
23	Equity instruments																															
24	**Households**	**321,4**	**321,4**																									**321,4**				
25	of which loans collateralised by residential immovable property	321,4	321,4																									321,4				
26	of which building renovation loans	0,0	0,0																									0,0				
27	of which motor vehicle loans	0,0	0,0																									0,0				
28	**Local governments financing**	**0,0**																														
29	Housing financing	0,0																														
30	Other local government financing	0,0																														
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**4,2**	**4,2**																									**4,2**				
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**3.734,4**																														
33	**Financial and Non-financial undertakings**	**3.388,5**																														
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	2.023,2																														
35	Loans and advances	1.942,8																														
36	of which loans collateralised by commercial immovable property	180,3																														
37	of which building renovation loans	0,0																														
38	Debt securities	67,3																														
39	Equity instruments	13,1																														
40	Non-EU country counterparties not subject to NFRD disclosure obligations	1.365,3																														
41	Loans and advances	1.358,9																														
42	Debt securities	0,0																														
43	Equity instruments	6,4																														
44	**Derivatives**	**4,9**																														
45	**On demand interbank loans**	**94,6**																														
46	**Cash and cash-related assets**	**114,4**																														
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	**132,0**																														
48	**Total GAR assets**	**4.154,2**	**346,6**	**0,2**			**0,2**																					**346,6**	**0,2**			**0,2**
49	**Assets not covered for GAR calculation**	**2.161,9**																														
50	**Central governments and Supranational issuers**	**1.058,3**																														
51	**Central banks exposure**	**1.103,6**																														
52	**Trading book**	**0,0**																														
53	**Total assets**	**6.316,1**	**346,6**	**0,2**			**0,2**																					**346,6**	**0,2**			**0,2**
54	Financial guarantees	0																														
55	Assets under management	0																														
56	Of which debt securities	0																														
57	Of which equity instruments	0																														

Reconciliation to Financial Reporting 31.12.2023:	
Gross Carrying Amounts	6.316,1
Risk Provisions and Impairments Repossessed Assets	-164,6
Total Assets IFRS consolidated financial statements 2023	6.151,5

Note: Loans to households were allocated to the following positions as a separate line item for amounts covered only in the denominator does not exist:
to pos. 35: EUR 1.135,7 million customer loans to households (EU countries)
to pos. 41: EUR 790,6 million customer loans to households (non-EU countries)

*) Note: disclosure in 2023 under position 22 (debt instrument), the correct position would have been 23 (equity).

1.Assets for the calculation of GAR

B) basis: CAPEX KPI

Addiko Group, 31.12.2023

Disclosure reference date 31 December 2023

Mn EUR	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
	Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling
GAR - Covered assets in both numerator and denominator																															
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	419,8	346,8																									346,8	0,2			0,2
Financial undertakings	**94,0**	**21,0**																									**21,0**				
Credit institutions	94,0	21,0																									21,0				
Loans and advances																															
Debt securities, including UoP	94,0	21,0																									21,0				
Equity instruments																															
Other financial corporations	0,0	0,0																									0,0				
of which investment firms	0,0	0,0																									0,0				
Loans and advances																															
Debt securities, including UoP																															
Equity instruments																															
of which management companies	0,0	0,0																									0,0				
Loans and advances																															
Debt securities, including UoP																															
Equity instruments																															
of which insurance undertakings	0,0	0,0																									0,0				
Loans and advances																															
Debt securities, including UoP																															
Equity instruments																															
Non-financial undertakings	**0,2**	**0,2**	**0,2**			**0,2**																					**0,2**	**0,2**			**0,2**
Loans and advances																															
Debt securities, including UoP *)	0,2	0,2	0,2			0,2																					0,2	0,2			0,2
Equity instruments																															
Households	**321,4**	**321,4**																									**321,4**				
of which loans collateralised by residential immovable property	321,4	321,4																									321,4				
of which building renovation loans	0,0	0,0																									0,0				
of which motor vehicle loans	0,0	0,0																									0,0				
Local governments financing	**0,0**																														
Housing financing	0,0																														
Other local government financing	0,0																														
Collateral obtained by taking possession: residential and commercial immovable properties	**4,2**	**4,2**																									**4,2**				
Assets excluded from the numerator for GAR calculation (covered in the denominator)	**3.734,4**																														
Financial and Non-financial undertakings	**3.388,5**																														
SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	2.023,2																														
Loans and advances	1.942,8																														
of which loans collateralised by commercial immovable property	180,3																														
of which building renovation loans	0,0																														
Debt securities	67,3																														
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Loans and advances	1.358,9																														
Debt securities	0,0																														
Equity instruments	6,4																														
Derivatives	**4,9**																														
On demand interbank loans	**94,6**																														
Cash and cash-related assets	**114,4**																														
Other categories of assets (e.g. Goodwill, commodities etc.)	**132,0**																														
Total GAR assets	**4.154,2**	**346,8**	**0,2**			**0,2**																					**342,6**	**0,2**			**0,2**
Assets not covered for GAR calculation	**2.161,9**																														
Central governments and Supranational issuers	**1.058,3**																														
Central banks exposure	**1.103,6**																														
Trading book	**0,0**																														
Total assets	**6.316,1**	**346,8**	**0,2**			**0,2**																					**342,6**	**0,2**			**0,2**
Financial guarantees	0																														
Assets under management	0																														
Of which debt securities	0																														
Of which equity instruments	0																														

Reconciliation to Financial Reporting 31.12.2023:

Gross Carrying Amounts	6.316,1
Risk Provisions and Impairments Repossessed Assets	-164,6
Total Assets IFRS consolidated financial statements 2023	6.151,5

Note: Loans to households were allocated to the following positions as a separate line item for amounts covered only in the denominator does not exist:
to pos. 35: EUR 1.135,7 million customer loans to households (EU countries)
to pos. 41: EUR 790,6 million customer loans to households (non-EU countries)

*) Note: disclosure in 2023 under position 22 (debt instrument), the correct position would have been 23 (equity).

2. GAR sector information

A) basis: TURNOVER KPI

Addiko Group, 31.12.2023

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab
	Breakdown by sector - NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1	D35.12 Transmission and distribution of electricity	0,2	0,2																							0,2	0,2		

2. GAR sector information

B) basis: CAPEX KPI

Addiko Group, 31.12.2023

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
	Breakdown by sector - NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (CE)
1	D35.12 Übertragung und Verteilung von Elektrizität	0,2	0,2														

		q	r	s	t	u	v	w	x	y	z	aa	ab
	Breakdown by sector - NACE 4 digits level (code and label)	Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1	D35.12 Übertragung und Verteilung von Elektrizität									0,2	0,2		

3. GAR KPI stock

A) basis: TURNOVER KPI

Addiko Group, 31.12.2023

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
% (compared to total covered assets in the denominator)	Disclosure reference date 31 December 2023																														
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
GAR - Covered assets in both numerator and denominator																															
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation																															
Financial undertakings																															
Credit institutions																															
Loans and advances																															
Debt securities, including UoP	22,2%																									22,2%					2,26%
Equity instruments																															
Other financial corporations																															
of which investment firms																															
Loans and advances																															
Debt securities, including UoP																															
Equity instruments																															
of which management companies																															
Loans and advances																															
Debt securities, including UoP																															
Equity instruments																															
of which insurance undertakings																															
Loans and advances																															
Debt securities, including UoP																															
Equity instruments																															
Non-financial undertakings																															
Loans and advances																															
Debt securities, including UoP	98,4%	98,4%			98,4%																					98,4%	98,4%			98,4%	0,005%
Equity instruments																															
Households																															
of which loans collateralised by residential immovable property	100,0%																									100,0%					7,74%
of which building renovation loans																															
of which motor vehicle loans																															
Local governments financing																															
Housing financing																															
Other local government financing																															
Collateral obtained by taking possession: residential and commercial immovable properties	**100,0%**																									**100,0%**					**0,10%**
Total GAR assets	**8,3%**	**0,005%**			**0,005%**																					**8,3%**	**0,005%**			**0,005%**	**10,10%**

3. GAR KPI stock

B) basis: CAPEX KPI

Addiko Group, 31.12.2023

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
	% (compared to total covered assets in the denominator)	Disclosure reference date 31 December 2023																														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total assets covered
	GAR - Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation																															
2	**Financial undertakings**																															
3	Credit institutions																															
4	Loans and advances																															
5	Debt securities, including UoP	22,4%																													22,4%					2,26%
6	Equity instruments																															
7	Other financial corporations																															
8	of which investment firms																															
9	Loans and advances																															
10	Debt securities, including UoP																															
11	Equity instruments																															
12	of which management companies																															
13	Loans and advances																															
14	Debt securities, including UoP																															
15	Equity instruments																															
16	of which insurance undertakings																															
17	Loans and advances																															
18	Debt securities, including UoP																															
19	Equity instruments																															
20	**Non-financial undertakings**																															
21	Loans and advances																															
22	Debt securities, including UoP	78,2%	78,2%			78,2%																									78,2%	78,2%			78,2%	0,005%
23	Equity instruments																															
24	**Households**																															
25	of which loans collateralised by residential immovable property	100,0%																													100,0%					7,74%
26	of which building renovation loans																															
27	of which motor vehicle loans																															
28	**Local governments financing**																															
29	Housing financing																															
30	Other local government financing																															
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**100,0%**																													**100,0%**					**0,10%**
32	**Total GAR assets**	**8,3%**	**0,004%**			**0,0038%**																									**8,3%**	**0,004%**			**0,004%**	**10,105%**

4. GAR KPI flow

A) basis: TURNOVER KPI

Addiko Group, 31.12.2023

	% (compared to flow of total eligible assets)	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		Disclosure reference date 31 December 2023																														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total new assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation																															
2	**Financial undertakings**																															
3	Credit institutions																															
4	Loans and advances																															
5	Debt securities, including UoP	20,2%																									20,2%					0,048%
6	Equity instruments																															
7	Other financial corporations																															
8	of which investment firms																															
9	Loans and advances																															
10	Debt securities, including UoP																															
11	Equity instruments																															
12	of which management companies																															
13	Loans and advances																															
14	Debt securities, including UoP																															
15	Equity instruments																															
16	of which insurance undertakings																															
17	Loans and advances																															
18	Debt securities, including UoP																															
19	Equity instruments																															
20	**Non-financial undertakings**																															
21	Loans and advances																															
22	Debt securities, including UoP																															
23	Equity instruments																															
24	**Households**																															
25	of which loans collateralised by residential immovable property																															
26	of which building renovation loans																															
27	of which motor vehicle loans																															
28	**Local governments financing**																															
29	Housing financing																															
30	Other local government financing																															
31	**Collateral obtained by taking possession: residential and commercial immovable properties**																															
32	**Total GAR assets**	**0,048%**																									**0,048%**					**0,048%**

4. GAR KPI flow

B) basis: CAPEX KPI

Addiko Group, 31.12.2023

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		Disclosure reference date 31 December 2023																														
	% (compared to flow of total eligible assets)	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total new assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation																															
2	**Financial undertakings**																															
3	Credit institutions																															
4	Loans and advances																															
5	Debt securities, including UoP	20,5%																									20,5%					0,049%
6	Equity instruments																															
7	Other financial corporations																															
8	of which investment firms																															
9	Loans and advances																															
10	Debt securities, including UoP																															
11	Equity instruments																															
12	of which management companies																															
13	Loans and advances																															
14	Debt securities, including UoP																															
15	Equity instruments																															
16	of which insurance undertakings																															
17	Loans and advances																															
18	Debt securities, including UoP																															
19	Equity instruments																															
20	**Non-financial undertakings**																															
21	Loans and advances																															
22	Debt securities, including UoP																															
23	Equity instruments																															
24	**Households**																															
25	of which loans collateralised by residential immovable property																															
26	of which building renovation loans																															
27	of which motor vehicle loans																															
28	**Local governments financing**																															
29	Housing financing																															
30	Other local government financing																															
31	**Collateral obtained by taking possession: residential and commercial immovable properties**																															
32	**Total GAR assets**	**0,049%**																									**0,049%**					**0,049%**

5. KPI off-balance sheet exposures

B) basis: STOCK + TURNOVER KPI

Addiko Group, 31.12.2023

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
% (compared to total eligible off-balance sheet assets)	Disclosure reference date 31 December 2023																													
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
1 Financial guarantees (FinGuar KPI)	0,0%					0,0%																				0,0%				
2 Assets under management (AuM KPI)	0,0%					0,0%																				0,0%				

Note: Addiko does not conduct such business

5. KPI off-balance sheet exposures

B) basis: STOCK + CAPEX KPI

Addiko Group, 31.12.2023

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
% (compared to total eligible off-balance sheet assets)	Disclosure reference date 31 December 2023																													
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
1 Financial guarantees (FinGuar KPI)	0,0%					0,0%																				0,0%				
2 Assets under management (AuM KPI)	0,0%					0,0%																				0,0%				

Note: Addiko does not conduct such business

5. KPI off-balance sheet exposures

C) Basis: FLOW + TURNOVER KPI

Addiko Group, 31.12.2023

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
% (compared to total eligible off-balance sheet assets)	Disclosure reference date 31 December 2023																													
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
1 Financial guarantees (FinGuar KPI)	0,0%					0,0%																				0,0%				
2 Assets under management (AuM KPI)	0,0%					0,0%																				0,0%				

Note: Addiko does not conduct such business

5. KPI off-balance sheet exposures

D) Basis: FLOW + CAPEX KPI

Addiko Group, 31.12.2023

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
% (compared to total eligible off-balance sheet assets)	Disclosure reference date 31 December 2023																													
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
1 Financial guarantees (FinGuar KPI)	0,0%					0,0%																				0,0%				
2 Assets under management (AuM KPI)	0,0%					0,0%																				0,0%				

Note: Addiko does not conduct such business

COMMISSION DELEGATED REGULATION (EU) 2022/1214 of 9 March 2022 - ANNEX III

ANNEX XII
Standard templates for the disclosure referred to in Article 8(6) and (7)

The information referred to in Article 8(6) and (7) shall be presented as follows, for each applicable key performance indicator (KPI).

Template 1 Nuclear and fossil gas related activities

31.12.2023

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	he undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

12.2. ESRS E1 - Climate Change

Addiko is committed to actively addressing all impacts, risks and opportunities that have been assessed as material in the double materiality assessment (see Chapter 11.2.4). The main purpose of this chapter is to give the reader an understanding of the ways in which Addiko is dealing with its material IROs, as it presents the policies, actions and targets that have been designed to address them. In other words, it describes how the Bank plans to mitigate the negative impacts and risks, as well as enhance its positive impacts on the environment. The chapter is structured as follows:
First the E1-1 disclosure requirement is presented, followed by an overview of the material IROs and a structured view of the policies, actions and targets that are in place to address the material IROs. The last part of the chapter covers the sustainability-related metrics, including energy consumption and GHG emissions.

12.2.1. ESRS E1-1 Transition plan

Addiko does not yet have a formalised transition plan to achieve net zero, as the organisation is currently in the process of gathering and verifying comprehensive data across its business operations. These efforts are being undertaken to ensure that accurate and reliable information forms the foundation for a thorough and effective transition plan. Once this preparatory phase is completed, a detailed plan will be developed to guide Addiko's contributions to the global transition towards a net-zero economy.

12.2.2. ESRS2 SBM-3 - Sustainability-related impacts, risks and opportunities and their interaction with strategy and business model

ESRS 2 requires that the impacts, risks and opportunities (IROs) identified in the DMA process are disclosed. The table below shows the material environmental IROs, where they originate and how they affect the bank`s strategy and business model.

Impacts, Risks and Opportunities	
Impacts	**Negative impacts:** • **E1-IRO-2 -Climate change mitigation:** - Financed GHG emissions: the financing of debtors active in industries that contravene the transition to a sustainable economy would impede the efforts to mitigate climate change. - GHG emissions from Own operations: though Scope 1 and Scope 2 emissions resulted as immaterial in the double materiality assessment, the reduction of carbon emissions supports Addiko's broader commitment to climate change mitigation. **Positive impacts:** • **E1-IRO-2 - Climate change mitigation:** the financing of debtors contributing to the transition to a sustainable economy, strengthens the efforts to be prepared for the adaptation on climate change. In addition, offering environmentally friendly products that decrease paper consumption and reducing office spaces that save energy positively contributes to climate change mitigation as well.
Risks	• **E1-IRO-1 - Climate change adaptation:** the debt service capacity of individual debtors may be negatively affected by physical and transition risks. The severity of this impact over the medium to long term is highly dependent on the measures taken to curb climate change. Consequently, this could influence the overall profitability of Addiko. In 2024, there were no significant financial effects related to climate change adaptation. • **E1-IRO-4 - Climate change mitigation:** Efforts to mitigate climate change, such as stricter regulations and shifts toward low-carbon technologies, can negatively impact certain industries reliant on fossil fuels,

	potentially reducing their profitability and increasing default risks for loans within these sectors.

As outlined by the ESRS, an entity is expected to disclose for each material climate-related risk whether it considers it to be a climate-related physical or transition risk. The paragraph below shows this categorisation. Additional disclosure refers to the description of resilience analysis.

18. Categorisation of climate-related risks

The categorisation of climate-related risks shows which of the identified risks is a physical risk or a transition risk. Within the process of the C&E risks materiality assessment the main identified physical risks refer to:

- Heatwaves, heat events
- River floods
- Coastal floods
- Droughts and changing rainfall patterns
- Other environmental risks (water stress, resource scarcity, biodiversity loss, pollution)

The main identified transition risks refer to:

- Climate policy
- Technology
- Market sentiments

19. Resilience of strategy and business model in relation to climate change

Addiko is preparing a climate-related resilience analysis on a yearly basis as part of the C&E risks assessment process. It includes different scenarios to show how different possible future developments that could impact Addiko's business, strategy and financial performance. The results of the resilience analysis are disclosed in the corresponding chapter.

12.2.3. ESRS E1-2, E1-3, E1-4 – Policies, actions and targets related to climate change mitigation and adaptation

The next section shortly describes the policies and actions addressing the identified material IROs related to climate change mitigation and adaptation. Each sub-section first includes a short description of the relevant policy, specifically focusing on the ESG considerations, followed by key actions designed to address the IROs. Since Addiko does not yet have a formal transition plan with GHG emissions reduction targets, the targets are not reported in the Sustainability Statement, they are, however, included in the ESG Strategy. For this reason, the concrete actions that contribute to the GHG reduction by decarbonisation levers are also not yet in place. As stated already in E1-1, Addiko is actively working on the establishment of a formal transition plan in order to fully align its actions and targets to the GHG emissions reduction.

Local actions in place for the purchase of electricity

LOCAL ACTIONS IN PLACE FOR THE PURCHASE OF ELECTRICITY	
Material IRO addressed by the action	**E1-IRO-2 – Negative impact: Climate change mitigation:** GHG emissions from Own operations: Though Scope 1 and Scope 2 emissions resulted as immaterial in the double materiality assessment, the reduction of carbon emissions supports Addiko`s broader commitment to climate change mitigation.
Key content	While each Addiko entity is responsible for implementing and steering local actions on electricity procurement, the Group Management Board has approved an ESG strategic priority to increase renewable energy proportion in total energy consumption. The execution of this initiative is managed locally by Real Estate Management (REM) and Procurement units, considering the specific market and vendor conditions incl. availability of renewable energy.
Actions	Procurement of clean electricity (from renewable resources) enabling increase of renewable energy proportion in total energy consumption.
Scope of the actions	□ Downstream X Own Operations X Upstream
Time horizon to complete action	The goal is to increase the share of renewable energy in total energy consumption to 25% in 2024 and >30% in 2025. The action is therefore not yet completed.
Progress to previous reporting period	The share of renewable energy is slightly lower compared to our goal (in 2024 the goal was set at level of 25% of renewable energy as actual share in % was 21.8%). The main driver for decrease in renewable energy share is a shift to a new energy provider in Addiko Bank Croatia.
Key actions as remedy (if relevant)	Not relevant.
Responsibility for the actions	Local REM units prepare the proposals and local MB makes decisions on energy purchases based on the provided assessment. Local Procurement is than following with vendor necessary contractual actions and purchase. In order to track effectiveness, regular steering of OPEX related to energy purchases is taking place as following: a) monthly reporting to the MB (local and Group) and b) quarterly reporting to the SB (local and Group). Additionally, there is annual detailed monitoring of energy consumption (e.g. energy sources, power consumed, etc.).
Financial resources allocated	Not considered as significant OpEx, since the share of electricity expenses in total Group OpEx is around 0,79%.

Group Travel, Car and Hospitality Policy

GROUP TRAVEL, CAR AND HOSPITALITY POLICY			
Material IRO addressed by the policy	**E1-IRO-2 - Negative impact: Climate change mitigation:** GHG emissions from Own operations: Though Scope 1 and Scope 2 emissions resulted as immaterial in the double materiality assessment, the reduction of carbon emissions supports Addiko`s broader commitment to climate change mitigation.		
Key content	Besides Addiko's travel and hospitality guidelines defined in the policy, the policy also regulates the acquisition of company cars and promotes the transition to electric and hybrid vehicles within the company fleet. The purpose of this transition is the reduction of CO2 emissions that arise from business trips. While each Addiko entity is responsible for the procurement of their car fleet, the Group Management Board has approved an ESG strategic priority to transition to more environmentally friendly transportation methods. Implementation of this initiative is managed locally by Real Estate Management (REM) and Procurement units, considering specific conditions in each location.		
Scope of the policy	☐ Downstream	X Own Operations	X Upstream
Stakeholder affected	Own workforces		
Most senior level in the organisation responsible for implementation	Based on the Group ESG strategy, local MB makes decision after analysis provided by local REM and Procurement units. Decision is later on executed by local REM and Procurement teams.		
Monitoring/review process	There is regular biannual report to which ESG targets are reported to the Group Management Board and Supervisory Board. Review process is taking place annually or on ad-hoc basis if needed.		
Reference to third-party standards	None		
Consideration of interests of stakeholders (if relevant)	The policy takes into account increase of the awareness and the need of transition to more environmentally friendly transportation methods including increase in share of electric and hybrid vehicles in total carpool.		
Availability of policy for stakeholders (if relevant)	The policy is available to all employees via the internal Policy app.		

KEY ACTIONS IN THE REPORTING YEAR

Actions	Addiko Bank is working on replacing its current car fleet with electric and hybrid vehicles to reduce its carbon footprint and align with sustainability goals. The goal is to achieve 30% share of hybrid or electric cars by the end of 2025 in total car fleet. In order to track effectiveness of internally set goals, regular steering of electric and hybrid car purchases is taking place: a) biannual report to the Group Management Board and Supervisory Board and b) annual detailed monitoring of carpool (including fuel consumption and energy consumption by the hybrid/electric cars). In addition, the ESG SPOCs are reporting this information at least on a quarterly basis to the Group Credit Risk Management as part of the regular ESG-reporting.
Scope of the concepts	☐Downstream X Own Operations X Upstream
Time horizon to complete action	Until YE25.
Progress to previous reporting period	As of the end of 2024, 30.1% of the fleet has been replaced with electric or hybrid vehicles. For 2024 the goal of replacing 20% of vehicle fleet has therefore been exceeded which shows Addiko`s overall commitment to pursue its sustainability goals. Since the target for 2025 was set before the results of 2024 were finalised, it reflects a more conservative estimate. However, in light of the significant progress achieved in 2024, the 2025 target will be revised to align with the accomplishments of the prior year and further support Addiko's sustainability objectives.
Key actions as remedy (if relevant)	Not relevant.
Responsibility for the actions	Local REM teams
Financial resources allocated	Not considered as significant OpEx, since the share of vehicle expenses in total Group OpEx is around 0,43%.

Environmentally friendly banking services

ENVIRONMENTALLY FRIENDLY BANKING SERVICES[1]	
Material IRO addressed by the concepts	**E1-IRO-2 – Positive impact: Climate change mitigation:** The financing of debtors contributing to the transition to a sustainable economy, strengthens the efforts to be prepared for the adaptation on climate change. In addition, offering environmentally friendly products that decrease paper consumption and reducing office spaces that saves energy positively contributes to climate change mitigation as well.
Key content	The ESG Strategy initiative enhances the positive impact that Addiko has on the environment by offering environmentally friendly banking services which result in reducing paper consumption and minimise the need for in-person branch visits.

KEY ACTIONS IN THE REPORTING YEAR	
Actions	The actions have been formed in order to contribute to climate change mitigation and are focused on reducing paper consumption, increasing digitalisation and, consequently, reducing the visits of the bank's branches. The most important actions for 2025 are: **No 1:** Implementation of signature pads in Slovenia and Croatia which will be implemented in two phases. The first phase involves the clients using a signature pad for 'teller documentation'' and the second phase includes signing the cash loan contract using the pad as well. The action is expected to result in paper reduction. **No 2:** Implementation of digital signature in Croatia which involves digital signatures for loan contracts in web end-to-end digital loans process, as well as implementation of digital signatures for loan contracts in mobile applications. This action is also expected to reduce paper consumption. **No 3:** Automatic financial data upload and extraction which will positively affect time-to-yes and time-to-cash. This involves scanning of the documentation and upload to internal systems for SMEs, followed by data extraction (reading the documentation using a tool and extracting the relevant information). The effectiveness of the actions is tracked on a regular basis by the internal stakeholders responsible for each project/initiative.
Scope of the actions	X Downstream X Own Operations ☐ Upstream
Time horizon to complete action	Until YE25
Progress to previous reporting period	Additional environmentally friendly banking services have been successfully implemented in 2024, such as Digital onboarding project, QR payments, Mbanking application.
Key actions as remedy (if relevant)	Not relevant.
Responsibility for the actions	Managing Director, Group Consumer, Group SME, Group Digital
Financial resources allocated	No significant CapEx/OpEx allocation since the implementation of environmentally friendly banking services represents less than 5% of overall CapEx/OpEx on the Group level.

[1] The initiative is not covered by a specific policy but is part of Addiko`s ESG Strategy.

Office space optimisation

OFFICE SPACE OPTIMISATION [2)]	
Material IRO addressed by the action	**E1-IRO-2 - Positive impact: Climate change mitigation:** The financing of debtors contributing to the transition to a sustainable economy, strengthens the efforts to be prepared for the adaptation on climate change. In addition, offering environmentally friendly products that decrease paper consumption and reducing office spaces that saves energy positively contributes to climate change mitigation as well.
Key content	The ESG Strategy initiative enhances the positive impact that Addiko has on the environment by optimising office space and, consequently, saving the energy. By doing this Addiko is addressing the climate change mitigation and is aiming to increase its positive impact in this area.

KEY ACTIONS IN THE REPORTING YEAR	
Actions	Reducing office space and number of branches, supporting hybrid working model
Scope of the actions	☐ Downstream X Own Operations ☐ Upstream
Time horizon to complete action	Target achieved; initiative finalised
Progress to previous reporting period	Target achieved as over the last few years major office space reduction already took place therefore action can be considered closed (e.g. since 2021 Addiko managed to reduce office space 12% on the Group level).
Key actions as remedy (if relevant)	Not relevant.
Responsibility for the actions	Group and Local REM
Financial resources allocated	No CapEx/OpEx allocations since already achieved.

Group Credit Policy

GROUP CREDIT POLICY	
Material IRO addressed by the policy	**E1-IRO-2 - Negative impact: Climate change mitigation:** The financing of debtors active in industries that contradict the transition to a sustainable economy, would impede the efforts to be prepared for the adaptation on climate change. **E1-IRO-1 - Risk: Climate change adaptation:** The debt service capacity of individual debtors may be negatively affected by physical and transition risks. The severity of this impact over the medium to long term is highly dependent on the measures taken to curb climate change. Consequently, this could influence the overall profitability of Addiko.
Key content	**E1-IRO-2:** The Group Credit Policy addresses the negative impacts that Addiko has on the environment by having limits in place for financing clients operating

[2)] The initiative is not covered by a specific policy but is part of Addiko`s ESG Strategy.

	in 'highly affected' industries. In addition, 'no-go industries' are identified for which no additional financing is possible. **E1-IRO-1:** This policy also addresses the transmission of physical and transition risks to the credit risk associated with Addiko's loan portfolio. By incorporating ESG questionnaire into the approval and monitoring process, these risks are properly assessed and mitigated.
Scope of the policy	X Downstream X Own Operations ☐Upstream
Stakeholder affected	Clients, Own workforce
Most senior level in the organisation responsible for implementation	Director, Group Credit Risk Management, local risk management functions
Monitoring/review process	Subject to annual review or on ad-hoc basis if needed.
Reference to third-party standards	None
Consideration of interests of stakeholders (if relevant)	Not applicable
Availability of policy for stakeholders (if relevant)	The policy is available to all employees via the internal Policy app.

Key Actions in the Reporting Year

Actions	**E1-IRO-2:** The action involves establishing exposure limits for industries classified as 'highly affected'. In addition, no-go industries were identified for which no additional financing is possible. **E1-IRO-1:** The action involves integrating C&E criteria into the corporate client assessment process through a dedicated questionnaire. This evaluation is reflected in the rating of the respective clients and, thus, also in the quantification of its credit risk, or financing for the respective client may be declined.
Scope of the actions	X Downstream X Own Operations ☐ Upstream
Time horizon to complete action	Initiatives finalised already in 2023.
Progress to previous reporting period	Initiatives finalised already in 2023.
Key actions as remedy (if relevant)	Not relevant.
Responsibility for the actions	Group Credit Risk Management, local risk management functions
Financial resources allocated	No CapEx/OpEx allocations since already achieved.

Group Collateral Management Policy

Group Collateral Management Policy			
Material IRO addressed by the policy	**E1-IRO-1 - Risk: Climate change adaptation:** The debt service capacity of individual debtors may be negatively affected by physical and transition risks. The severity of this impact over the medium to long term is highly dependent on the measures taken to curb climate change. Consequently, this could influence the overall profitability of Addiko.		
Key content	The Group Collateral Management Policy addresses the C&E risks by addressing ESG factors (flood risk, wildfire risk, solid mass-related risks) that need to be considered during the collateral valuation process. The policy also stipulates steps to be taken when ESG factors are not properly addressed in valuations and mandatory ESG data collection points needed for reporting.		
Scope of the policy	x Downstream	x Own Operations	□Upstream
Stakeholder affected	Clients, Own workforce		
Most senior level in the organisation responsible for implementation	Director, Group Credit Risk Management, local risk management functions		
Monitoring/review process	Subject to annual review or on ad-hoc basis if needed.		
Reference to third-party standards	CRR 3, International Valuation Standard (IVS)		
Consideration of interests of stakeholders (if relevant)	Non relevant		
Availability of policy for stakeholders (if relevant)	The policy is available to all employees via the internal Policy app.		

Key Actions in the reporting year	
Actions	**No. 1:** Improving the collection of EPC ratings in order to gather more information regarding energy efficiency of collaterals which can then be included in the assessment. The EPC ratings are gathered as part of loan origination process and regular monitoring of collaterals. The objective is to ensure a comprehensive and accurate assessment of collateral value, considering all significant physical and transition risks. **No. 2:** Implementing additional C&E risks into collateral valuations considering also fire hazard and solid mass movement risks. The objective is to ensure a comprehensive and accurate assessment of collateral value, considering all significant physical and transition risks. **No. 3**: Implementation of the C&E risks assessment report which will serve as a separate document in cases where the collateral valuation is not necessary.
Scope of the actions	x Downstream x Own Operations ☐Upstream
Time horizon to complete action	Until YE25
Progress to previous reporting period	No.1: Integration of additional C&E risks into Collateral Valuation Policy (fire risk, solid mass-related risks). No.2: Integration of Basel IV and CRR 3 stipulations into collateral valuation was completed in 2024.
Key actions as remedy (if relevant)	Not relevant.
Responsibility for the actions	Group Credit Risk Management, local risk management functions
Financial resources allocated	No significant CapEx/OpEx allocation since the actions will only represent a negligible expense for the Group as a whole (internal IT resources).

Group Financial Institutions / Sovereigns / Sub-Sovereigns / Intra-group limits Policy

Group Financial Institutions / Sovereigns / Sub-Sovereigns / Intra-group limits Policy	
Material IRO addressed by the policy	**E1-IRO-1 - Risk: Climate change adaptation:** the debt service capacity of individual debtors may be negatively affected by physical and transition risks. The severity of this impact over the medium to long term is highly dependent on the measures taken to curb climate change. Consequently, this could influence the overall profitability of Addiko.
Key content	The policy addresses the ESG risks stemming from Addiko's investments into sovereigns, sub-sovereigns and financial institutions. The main action refers to the implementation of a dedicated ESG questionnaire for sovereign and financial institutions, covering the potential impact to the Addiko bond and derivative portfolio. The ESG questionnaire addresses the dependencies on specific sectors, such as agriculture, as well as dependencies on specific countries and their political stability. In addition, the questionnaire for sovereigns also addresses the institutional and regulatory frameworks and availability of public data, while the questionnaire for banks also includes the banking supervision, corporate governance structure and transparency & reporting.
Scope of the policy	X Downstream X Own Operations ☐Upstream

Stakeholder affected	Clients, own workforce
Most senior level in the organisation responsible for implementation	Director, Group Credit Risk Management, Group Treasury & ALM
Monitoring/review process	Subject to annual review according to internal policies or on ad-hoc basis if needed
Reference to third-party standards	None
Consideration of interests of stakeholders (if relevant)	Not relevant
Availability of policy for stakeholders (if relevant)	The policy is available to all employees via the internal Policy app.

Key Actions in the reporting year			
Actions	No. 1: Implementation of ESG questionnaire No. 2: Update on the ESG questionnaire & assessment procedure (questions refer to dependencies on specific industries, countries, political stability, natural disasters, regulatory frameworks, etc.)		
Scope of the actions	X Downstream	X Own Operations	☐ Upstream
Time horizon to complete action	Target achieved; initiatives finalised		
Progress to previous reporting period	ESG questionnaire was implemented in 2023 and updated in 2024.		
Key actions as remedy (if relevant)	Not relevant.		
Responsibility for the actions	Group Credit Risk Management, local risk management functions		
Financial resources allocated	No significant CapEx/OpEx allocation (internal resources only and within the planned FTEs).		

ICAAP Policy and Risk Inventory and Assessment Process manual

ICAAP Policy and Risk Inventory and Assessment Process manual	
Material IRO addressed by the policy	**E1-IRO-1 - Risk: Climate change adaptation:** the debt service capacity of individual debtors may be negatively affected by physical and transition risks. The severity of this impact over the medium to long term is highly dependent on the measures taken to curb climate change. Consequently, this could influence the overall profitability of Addiko. **E1-IRO-4 – Risk: Climate change mitigation:** efforts to mitigate climate change, such as stricter regulations and shifts toward low-carbon technologies, can negatively impact certain industries reliant on fossil fuels, potentially reducing their profitability and increasing default risks for loans within these sectors.

Key content	The Risk Inventory and Assessment Process manual addresses both, the risks from climate change adaptation, as well as mitigation by incorporating C&E risks into the bank's overall risk management framework. This integration ensures that the impact of C&E risk drivers is considered when assessing material risks.
Scope of the policy	□ Downstream X Own Operations □Upstream
Stakeholder affected	Own workforce, Management bodies
Most senior level in the organisation responsible for implementation	Managing Director, Group Integrated Risk Management
Monitoring/review process	Subject to annual review or on ad-hoc basis if needed.
Reference to third-party standards	None
Consideration of interests of stakeholders (if relevant)	Not relevant
Availability of policy for stakeholders (if relevant)	The policy is available to all employees via the internal Policy app.

KEY ACTIONS IN THE REPORTING YEAR	
Actions	Improving integration of C&E risk drivers in risk identification and assessment.
Scope of the actions	□ Downstream X Own Operations □ Upstream
Time horizon to complete action	Goal has been achieved; finalised
Progress to previous reporting period	Goal has been achieved; finalised
Key actions as remedy (if relevant)	Not relevant
Responsibility for the actions	Group Integrated Risk Management, Group Credit Risk Management
Financial resources allocated	No CapEx/OpEx allocation since the action is already finalised.

12.2.4. ESRS E1-5 - Energy consumption and mix

In order to track the effectiveness of the actions that have been implemented with the aim of mitigating Addiko's negative impacts on the environment resulting from energy consumption, specific metrics are calculated at each reporting period. Addiko aims to provide a comprehensive disclosure of its energy consumption for the current and future reporting periods, which will ensure transparency and reliability for all its stakeholders.

77.a) Methodologies and significant assumptions behind the metrics, including applied limitations of methodologies

Addiko maintains contractual agreements with local energy providers and collects electricity bills on an annual basis from all local entities via the Real Estate Management (REM) departments. The data is then reported to the Group Banking Operations department using a standardised Excel template and subsequently consolidated at the Group level to calculate the bank's total energy consumption.

The energy consumption data presented is based exclusively on actual consumption derived from energy bills. However, in certain Addiko entities, energy costs are included in an "all-in rent" model, where utility expenses are estimated per square meter rather than measured based on actual usage.
Furthermore, repossessed assets are excluded from these calculations, as Addiko does not directly incur heating or energy costs for these properties.

77.b) Validation of the metric by an external body other than the assurance provider

In 2024, the data on energy consumption was not subject to an independent review of an external validator other than the assurance provider.

39. Non-renewable and renewable energy production

Recent development in this area is regarding the photovoltaic power plant that was installed in ABSA on the roof of the HQ building in Sarajevo. The power plant is expected to cover partial energy needs of ABSA. With this activity, several goals in ABSA will be achieved: own production of electricity from renewable resources and reduction of electricity cost. The impact is expected after 1Q2025.

In 2024, a new heat pump was also installed in one of the headquarters of ABSE, which will contribute to higher energy efficiency and, consequently, lower energy consumption.
36. Total energy consumption

Since Addiko launched an initiative to save energy and natural resources, the awareness of the need for responsible use and conservation of resources is high in all Addiko entities. The last four years have seen a declining trend in total energy consumption at Addiko Group level, resulting in a reduction of 19.7% from 2021 to 2024, as shown in the table below.

	2021	2022	2023	2024
Total energy consumption (in MWh)	**12,443**	**11,232**	**10,510**	**9,987**

Addiko also promotes the reduction of energy consumption by applying energy efficient solutions in case of renovations and new investments. In the procurement of electricity, Addiko places an increasing emphasis upon cost reduction and purchasing renewable energy.

In 2024, total energy consumption (in MWh) amounted to 9,987 (o/w 68.7% share of fossil sources, o/w 21.8% share of renewable sources, o/w 4.9% share of nuclear sources, o/w 4.6% unknown sources). In some of the Addiko entities, the share of renewable sources in total energy consumption already exceeds 40%. This includes ABSA, ABBL, ABM and ABH.

37) Energy consumption in Addiko by source type for the years 2023 and 2024

Energy consumption source type (in MWh)	2023	2024
Total fossil energy consumption	**6,260**	**6,857**
Share of fossil sources in total energy consumption (%)	**59.5%**	**68.7%**
Consumption from nuclear sources	**474**	**494**
Share of consumption from nuclear sources in total energy consumption (%)	**4,5%**	**4,9%**
Fuel consumption for renewable sources, including biomass	-	-
Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources	*3,346*	*2,173*
The consumption of self-generated non-fuel renewable energy	-	-
Total renewable energy consumption	**3,346**	**2,173**
Share of renewable sources in total energy consumption (%)	**31.9%**	**21.8%**
Consumption from unknown sources	**430**	**463**
Total energy consumption	**10,510**	**9,987**

12.2.5. ESRS E1-6 - Gross scope 1,2,3 and total GHG emissions

In order to track the effectiveness of the actions that were implemented with the aim of mitigating the Addiko's negative impacts on the environment, it requires reliable data measurements and estimates of its Scope 1, 2 and 3 GHG emissions. Addiko aims to provide comprehensive disclosure of its carbon footprint for the current and future reporting periods, which will ensure transparency and reliability for all its stakeholders.

77.a) Methodologies and significant assumptions behind the metrics, including applied limitations of methodologies

To calculate Scope 1 and Scope 2 greenhouse gas (GHG) emissions, Addiko Group followed the guidelines outlined in the Greenhouse Gas Protocol (GHG Protocol) and the ESRS standards.

Scope 1 GHG emissions represent direct emissions released by the bank into the atmosphere as a result of its operational activities, including emissions from its facilities and vehicle fleet. All types of emissions were measured direct emissions from combustion of fuels for the internal heating system and direct emissions from use of fuel for the car fleet. Emission factors from UBA (Umweltbundesamt Österreich) and DEFRA (Department for Environment, Food & Rural Affairs, UK), particularly for diesel consumption (kg CO2eq/l) were utilised. Additionally, conversion factors (kg CO2eq/kWh) were applied for electricity consumption, covering sources such as natural gas, coal and other petroleum-based gases.

Scope 2 GHG emissions consist of indirect emissions associated with the generation of purchased energy used by the bank, typically sourced from utility providers. All types of emissions were measured: indirect emissions due to electricity consumption and district heating consumption. When quantifying Scope 2 GHG emissions (in tCO2) from energy consumption, there are two main methods, the location-based method[3] and the market-based method[4]. For Addiko Group, the location-based method has been used to quantify Scope 2 emissions. Ecoinvent served as the primary data source, with conversion factors applied based on the specific entity and location where Addiko operates.

The data for market-based method was not available due to lack of regulation and reporting requirements in countries where Addiko operates (Croatia, Serbia, Bosnia & Herzegovina and Montenegro), which means vendors were not obligated to provide this information. Therefore, when determining emissions from fuel consumption and electricity use, the same conversion factors were applied for both, location-based and market-based calculations.

[3] Location-based method calculates Scope 2 GHG emissions by using average energy generation emissions for specific locations.

[4] Market-based method calculates Scope 2 GHG emissions based on the emissions generated by the electricity providers from which the organisation purchases electricity under contractual agreements.

Financed emissions, part of Scope 3 (Category 15: Investments), are linked to the bank's investments and financing activities. When calculating Scope 3 GHG emissions, Addiko followed the guidelines outlined in the Greenhouse Gas Protocol (GHG Protocol). Addiko is a member of PCAF association and therefore has access to their database and all the relevant documentation. All the emission data was gathered from this source and applied to Addiko's credit portfolio. The recent update to the Scope 3 emissions calculation involved using the latest emission factors available from the same source. The new approach incorporates PCAF data based on the Exiobase classification, which is then mapped to NACE codes. These NACE codes are available for all corporate clients in the bank's internal database, ensuring accurate alignment of emissions data with the client portfolio.

For Addiko Group, Scope 3 emissions are primarily driven by the 'Investments (financed emissions)' category, which represents the most significant contributor to the Group's total GHG emissions. This category includes emissions associated with the activities of the SME segment financed by Addiko Group, while financing provided to households and private individuals is excluded from the estimation. Other Scope 3 categories, such as business travel, employee commuting and waste generated in operations, form a relatively low contribution to the Group's overall GHG emissions and are therefore not disclosed in detail. As outlined in Section 5.1.1, financed emissions have been identified as the most material source of GHG emissions within Addiko's operational and investment activities.

The next table shows the financed emissions[5)] (Scope 3, category 15 – Investments) by segment. The Consumer, Mortgage and Financial Institutions sector are not shown in the table, as the GHG emissions for these sectors are excluded from the calculation.

Segment	Scope 1 and Scope 2 GHG emissions ($tCO2eq$)	Scope 3 GHG emissions ($tCO2eq$)	Emission intensity ($tCO2eq$/million EUR)
Large Corporations	8,362	17,199	184
SME Business	156,709	389,328	290
Public Finance	994	2,351	149
TOTAL	**166,064**	**408,877**	**281**

77.b) Validation of the metric by an external body other than the assurance provider

In 2024, the data on Scope 1, Scope 2 and Scope 3 GHG emissions were not subject to an independent review of an external validator other than the assurance provider.

5) The financed GHG emissions which are part of Addiko's Scope 3 emissions are here further divided into Scope 1, 2 and 3 GHG emissions.

44. Gross Scopes 1,2,3 and Total GHG emissions

The table below provides detailed data on the GHG emissions at Addiko Group level for the years 2023 and 2024:

Total GHG emissions (Scope 1, 2 and 3)	2023	2024
Scope 1 GHG emissions		
Scope 1 GHG emissions (tCO_2eq)	824	755
% of Scope 1 emissions from regulated emission trading schemes	0%	0%
Biogenic emissions	0	0
Scope 2 GHG emissions		
Location-based Scope 2 GHG emissions (tCO2eq)	6,078	5,656
Marked-based Scope 2 GHG emissions[6)] (tCO2eq)	6,078	5,656
Biogenic emissions	0	0
Scope 3 GHG emissions		
Total Scope 3 GHG emissions (tCO_2eq)	582,349	574,942
15 Investments (financed emissions)	582,349	574,942
Biogenic emissions	0	0
Total GHG emissions (Scope 1, 2 and 3)		
Total GHG emissions (location-based) (tCO_2eq)	589,251	581,353
Total GHG emissions (market-based) (tCO_2eq)	589,251	581,353
GHG Intensity per net revenue (tCO_2eq/million EUR)	2,086	1,908

In 2024, Total GHG emissions (Scope 1, 2 and 3 with limited inclusion) of Addiko Group accounted for 581,353 tCO_2eq. This presents a decrease compared to 2023.

[6)] Due to unavailability of the data for the marked-based method, the numbers for the location-based method are reported twice for reporting years 2023 and 2024.

13. Social Information

13.1. ESRS S1 - Own Workforce

At Addiko Bank, the corporate culture is one of the main pillars of the work environment, reflecting our principles of trust, integrity and performance orientation. The Bank has articulated its values, encompassing fundamental principles such as Customer Focus, Accountability, Collaboration, Execution, Entrepreneurial Mindset and Leading by Example. These principles distinctly shape Addiko Bank's corporate culture, influencing daily activities and interactions with others. These values constitute the cornerstone of how every member of Addiko Bank engages and collaborates with customers, colleagues and various stakeholders. This is why Addiko's employees have been key stakeholders in the process of defining the values, ensuring that they are authentic and truly represent what employees believe in and how they perceive Addiko.

Addiko is proud of its 'Unconventional Bankers' culture code, which has been defined and consolidated by its employees. The People & Culture team plays a crucial role in supporting people and processes. It collaborates closely with all other departments to collectively implement Addiko's unique strategy and involve its employees in the process. In 2024, Addiko adopted a new long-term People & Culture Strategy, with 16 focus areas within four pillars: People, Acceleration, Culture and Framework.

Addiko's journey is guided not only by our corporate values but also by the foundational principles enshrined in the Universal Declaration of Human Rights through our commitment to inclusivity, fairness and respect for the diverse perspectives and backgrounds that enrich our community.

13.1.1. ESRS 2 SBM-3 - Impact, Risk and Opportunity Management

In the context of the double materiality analysis, Addiko conducted an evaluation of its impact, risks and opportunities with respect to all aspects of the standard *S1 – Own workforce* as described by the ESRS, taking into consideration possible impacts and dependencies on its own workforce and its strategy and business model, which is outlined in detail in the following chapters. Addiko hereby refers to the characteristics of the Addiko employees, collective bargaining and freedom of association, health and safety issues and work-life balance metrics, further outlining Addiko's targets for diversity and inclusion and refers to training and personal development opportunities and compensation. The subject of all impacts, risks and opportunities rated as material are all employees (our own workforce), Addiko population in all entities across the Group, irrelevant of their position, type of job or diversity characteristics, especially given the fact that we consider not only actual but also potential impacts that might happen.

The themes most relevant to Addiko's stakeholders are those revolving around employment conditions (secure employment, working time and adequate wages, work-life balance) and considerations within the ambit of equal treatment and opportunities for all (training and skills development, measures against violence and harassment). Given the broad impact of these topics on the majority of Addiko's population, detailed assessments have been conducted to evaluate associated impacts, risks and opportunities. The results of these assessments have been notably successful, with a majority of risks effectively mitigated and a concerted effort made to capitalise on recognised opportunities. This success serves as robust motivation for Addiko to persist in identifying additional opportunities in the future, ensuring an even more favourable work environment for its employees. However, none of the risks or opportunities resulted as material in the double materiality assessment, so the table below only shows the main impacts Addiko has on its own workforce. It needs to be emphasised at this point that these impacts do not only include actual impacts, but also potential impacts that Addiko could have on its employees. Additionally, our double materiality analysis considered risk of incidents of forced labour or compulsory labour and the risk of incidents of child labour. However, due to Addiko's own operations in the banking industry and geographical coverage in Europe, it didn't result as material. Negative material impacts shown below are mainly based on potential impacts, widespread and not limited to single entity or specific individual incidents. Positive material impacts are shown on existing and potential impacts, enabled with Addiko's clearly defined policies and practices, regular surveys (employees' engagement and salary benchmarks), relevant for all Addiko employees, but also through initiatives for some specific groups like WOBA for upscaling female representation on the Management Board level or on-ramping for parents returning to work – more details can be found under ESRS1-9 Diversity and ESRS1-15 Work-life balance).

Addiko allocates various resources to manage its material impacts: financial resources (e.g. for fair wages and benefits, trainings, career development, wellbeing-programmes, diversity initiatives, etc.), dedicated teams (ESG, People & Culture, Compliance and responsible managerial population), technology and tools (digital platforms such as the employee engagement tool Luppa, risk management and compliance tools), policies, stakeholder engagement and reporting.

Impacts, Risks and Opportunities	
Impacts	**Negative impacts:** • **S1-IRO-2 - Working conditions - Working time:** poor work-life balance through poorly managed working time, no limitations on overtime. • **S1-IRO-4 - Working conditions - Adequate wages:** inadequate wages, unequal remuneration practices that lead to employee dissatisfaction and higher turnover rates. • **S1-IRO-9 - Working conditions -Work-life balance:** no work-life balance, overload and exhaustion may lead to reduced productivity of employees and higher turnover rates. • **S1-IRO-17 - Other work-related rights - Privacy:** the company must provide protection of the personal rights and privacy of consumers and end-users during data processing. **Positive impacts:** • **S1-IRO-1 - Working conditions - Secure employment:** increased employee satisfaction through secure employment practices (preference of permanent contracts over temporary, etc.) • **S1-IRO-3 - Working conditions - Working time:** adequate scheduling of lead times, limitations on overtime, offering part-time employment options, resulting in employee satisfaction, employee retention, increased efficiency. • **S1-IRO-5 - Working conditions - Adequate wages:** adequate remuneration that provides for the satisfaction of the needs of the employees and their family in light of the national economic and social conditions. • **S1-IRO-6 - Working conditions - Social dialogue:** all types of exchange of information between or among representatives of governments, employers, their organisations and workers' representatives, on issues of common interest related to economic and social policy. • **S1-IRO-7 - Working conditions - Freedom of association:** improvement of working conditions through company agreements, higher employee participation and satisfaction, creation of a mediation instance in the company. • **S1-IRO-8 - Working conditions - Collective bargaining:** collective bargaining serves as a crucial mechanism for employers, trade unions and their organisations to negotiate fair wages, working conditions and gender equality in the workplace. • **S1-IRO-10 - Working conditions - Work-life balance:** supporting employees in their mental and physical wellbeing both individually and collectively promoting work-life balance. • **S1-IRO-11 - Working conditions - Health and safety**: investments in employee well-being such as health programmes. • **S1-IRO-12 - Equal treatment and opportunities for all - Gender equality and equal pay:** equal and non-discriminatory treatment ensures employee satisfaction, increased feeling of respect and recognition. • **S1-IRO-13 - Equal treatment and opportunities for all - Training and skills development:** initiatives to maintain and improve the skills and knowledge of employees lead to an increase in employee value, increased personal efficiency and satisfaction.

	• **S1-IRO-14 - Equal treatment and opportunities for all – Employment of persons with disabilities:** employment and inclusion of people with disabilities (people who have long-term physical, mental, intellectual, or sensory impairments that, in interaction with various barriers, may prevent them from participating fully, effectively and equally in society). • **S1-IRO-15 - Equal treatment and opportunities for all - Measures against violence and harassment in the workplace:** these measures increase the trust of employees and ensure a respectful work environment where mistreatment is not tolerated. • **S1-IRO-16 - Equal treatment and opportunities for all – Diversity:** the company takes positive action to strengthen diversity. Training on diversity and inclusion shall be conducted and targeted recruitment of underrepresented groups shall take place.

13.1.2. ESRS S1-1 – Policies related to own workforce

Internal policies serve as proactive measures to comply with or exceed regulatory requirements. Addiko is dedicated to eradicating discrimination and fostering an inclusive workplace culture. Its policies are designed to eliminate discrimination, prevent harassment and champion equal opportunities for all employees. All the policies always take national specificities into consideration by adapting to local laws, regulations, cultural norms and practices, ensuring consistent standards across the organisation while respecting diversity and meeting local needs effectively. The Addiko Group Code of Business Conduct and Ethics, together with the handbook ‘How we work at Addiko” serve as a foundational guideline that articulate the values and behaviours at Addiko, aligned with the EU Guiding principles on Business and Human Rights, ILO Declaration and OECD, with more details in the S4 chapter. The newly adopted People & Culture Strategy with a wide range of topics sets goals and standards for the next five-year period. Addiko’s Remuneration Policy establishes transparent guidelines for fair compensation, rewarding practices, target-setting and promotion principles. In addition, the Group Recruitment and Selection Policy, Group Talent Management and Succession Policy, Group Training Policy, together with the Group Diversity and Inclusion Policy, are integral pillars supporting promotion of equal treatment, opportunities and growth for all employees of the organisation.

Addiko’s policies mentioned in the Social part of the Sustainability Statement:

- “How we work at Addiko” manual (ESRS S1-8)
- Group Diversity & Inclusion Policy (ESRS S1-9)
- Group Talent Management & Succession Policy (ESRS S1-13)
- Group Training Policy (ESRS S1-13)
- Physical Security Policy (ESRS S1-14)
- People & Culture Strategy (ESRS S1-15)
- Group Remuneration Policy (ESRS S1-10, ESRS S1-16)
- Group Code of Conduct and Ethics (ESRS S1-17)
- Group Data Protection Policy (SASB Standards)

The interconnection between internal policies in a sustainability report demonstrates how various operational frameworks reinforce and complement each other to achieve overarching sustainability goals, where progress in one area drives improvements in another, fostering a holistic approach to sustainability. In the social dimension of ESG, internal policies collectively address various aspects of workforce well-being, growth, remuneration and equitable practices. For example, the Diversity and Inclusion Policy aligns with the Code of Conduct to foster a respectful and equitable workplace, which in return supports employee retention and satisfaction. Health and safety policies are linked to labour rights regulations, ensuring not only compliance with ethical standards but also promoting a culture of care and trust within the organisation. These interconnected policies collectively build a cohesive social strategy, ensuring that the organisation supports its employees, contributes to societal well-being and strengthens stakeholder relationships.

Mitigation of risks and taking advantage of opportunities lie in well-structured risk identification, followed by development and integration of comprehensive policies addressing key risks aimed at upskilling initiatives for future workforce needs. Proactive measures, such as training programmes for skill development, enhancement of workplace safety, promotion of mental health resources and employee assistance programmes to address well-being concerns are followed by active monitoring, continuous improvement and stakeholder engagement. As result, Addiko has reduced incidents, greater employee retention, resilience and adaptability, enhanced reputation as well as strong compliance and cost avoidance. Through these targeted actions, Addiko can effectively mitigate the risks while capitalising on opportunities to drive social impact and sustainable growth.

13.1.3. ESRS S1-2 Engagement with own workforce

Details on how feedback is recorded and integrated into decision-making and how employees are informed about the way in which their feedback has influenced decisions is described in more detail in the section ESRS 2 SBM-2 - Interests and views of stakeholders.

Addiko tracks and assesses the effectiveness of employee-related ESG actions and initiatives using a structured approach that includes data-driven monitoring, employee feedback and continuous improvement mechanisms. To set the foundation, Addiko sets clear Key Performance Indicators (KPIs) such as:

- Employee Engagement Scores measured through surveys to assess job satisfaction, motivation and workplace experience;
- Turnover & Retention Rates tracking voluntary and involuntary attrition to evaluate talent retention efforts;
- Diversity & Inclusion Metrics – monitoring gender representation, pay equity;
- Training & Development Participation measuring employee participation in upskilling and leadership programmes;
- Health & Safety Statistics tracking incident rates, lost-time injuries and workplace risk assessments to evaluate safety initiatives.

The next step is Addiko's Employee Engagement Surveys conducted periodically to gauge employee sentiment on workplace policies, well-being and inclusion, together with pulse checks, more frequent, targeted assessments to capture real-time feedback on specific initiatives., as well as ESG Committees and internal managerial reports, assessing the progress of set action plans. The final step is action plan adjustments & continuous improvement, using assessment results to refine policies, introduce new initiatives, or allocate additional resources where needed.

13.1.4. ESRS S1-3 – Processes to remediate negative impacts and channels for own employees to raise concerns

Negative impacts in the arena of employment conditions could result from exploitation, unsafe working conditions or human rights violations. To prevent such cases, Addiko focuses on implementing fair wages, safe working conditions and anti-discriminatory policies, together with strong internal process controls.
When considering the principle of equal treatment and opportunities for all, a lack of diversity may result in negative impacts on organisational culture and innovation. Consequently, Addiko Bank has implemented diversity programmes to promote equal opportunities and ensure inclusive workplaces.

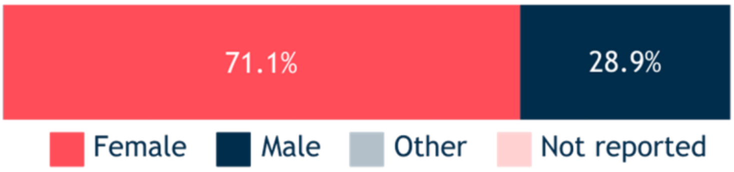
Specially designed feedback surveys conducted at regular intervals serve as a platform for employees to voice their thoughts, concerns and suggestions. More detail can be found within ESRS-2 SBM-2. Addiko is committed to supporting a culture where all employees are encouraged to raise concerns about unacceptable business practices and misconduct. Various channels for raising concerns in relation to each material impact are available to Addiko employees: relevant channels include anonymous whistleblowing boxes, trade unions (for entities where people in the workforce are unionised) or works councils, or other grievance mechanisms provided by Addiko. As part of its reporting and escalation mechanisms, Addiko has implemented a whistleblowing tool, which serves as an early warning system for employees to raise concerns about potential risks concerning serious wrongdoing (including unethical, illegal, corrupt or other inappropriate conduct). It is described in more details within section 12.7 Whistleblowing. Addiko supports availability of its grievance mechanisms through annual e-learning materials via click&learn platform, within internal policies and through regular internal information, employees are made aware of these whistleblowing provisions, processes and tools and how to use them should the need arise.

13.1.5. ESRS S1-6 - Characteristics of Addiko's employees

General disclosure regarding metrics: employee-related data in this document is illustrated based on headcount at the end of the reporting period, corresponding to the number of employment relationships, unless stated otherwise. The data is provided by the Group People & Culture department consolidated from a central database, which consists of information collected and provided by all Addiko entities and each perimeter within the entire organisation, without validation of any external body other than the assurance provider. To facilitate data consolidation, definitions of all

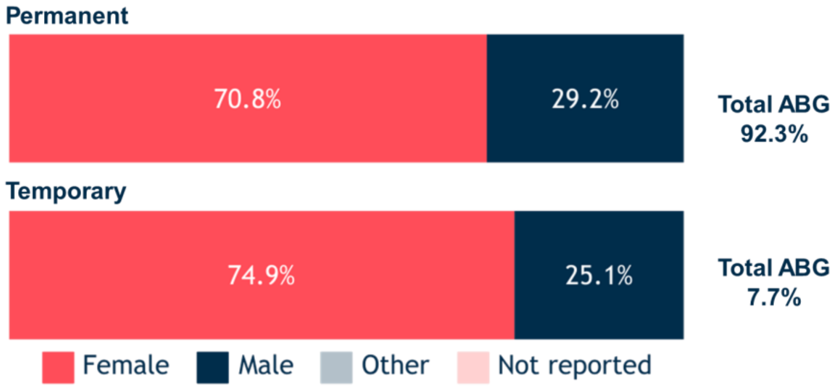
categories used in this report, such as permanent, temporary, full-time and part-time employment, categories included in turnover calculation, etc. are defined at group level, with aim of easier data consolidation.
Job grading system within Addiko Group Remuneration Policy is based on the Hay methodology and clearly defines managerial and non-managerial job levels.
Most Addiko employees are hired with a permanent employment relationship status. Only approximately 7.7% of employees had an active limited contract as of the year-end 2024. Addiko aims to offer permanent employment contracts to all employees whenever possible, taking into account business needs. Most limited contracts are due to replacement of absent employees. Addiko does not engage 'non-guaranteed hours employees" which is why they are not part of the disclosure. The total number of employees having left Addiko in 2024 is 471 and the rate of total employee turnover is 17.4%. This calculation is based on the aggregate of the number of employees who leave voluntarily or due to contract expiration, dismissal, retirement, or death in service.

Figure 7
Gender Distribution
Addiko Group Total



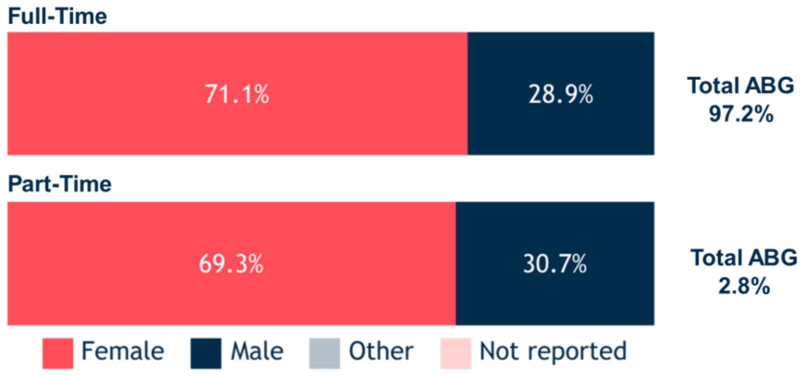
Gender	Total	Female	Male	Other	Not reported
		Headcount	Headcount	Headcount	Headcount
ADDIKO GROUP TOTAL	**100%**	**71.09%**	**28.91%**	**0%**	**0%**
	2726	**1938**	**788**	**0**	**0**
Addiko Bank AG Vienna (Austria)	157	74	83	0	0
Addiko Bank d.d. Zagreb (Croatia)	723	510	213	0	0
Addiko Bank d.d. Ljubljana (Slovenia)	346	219	127	0	0
Addiko Bank d.d. Sarajevo (Bosnia & Herzegovina)	345	266	79	0	0
Addiko Bank a.d. Banja Luka (Bosnia & Herzegovina)	352	277	75	0	0
Addiko Bank a.d. Beograd (Serbia)	613	454	159	0	0
Addiko Bank AD Podgorica (Montenegro)	190	138	52	0	0

Figure 8
Type of contract
Addiko Group Total



Type of contract	PERMANENT	FEMALE Headcount	MALE Headcount	TEMPORARY	FEMALE Headcount	MALE Headcount
ADDIKO GROUP TOTAL	**92.30%**	**70.80%**	**29.20%**	**7.70%**	**74.90%**	**25.10%**
	2515	**1780**	**735**	**211**	**158**	**53**
Addiko Bank AG Vienna (Austria)	147	71	76	10	3	7
Addiko Bank d.d. Zagreb (Croatia)	705	498	207	18	12	6
Addiko Bank d.d. Ljubljana (Slovenia)	323	205	118	23	14	9
Addiko Bank d.d. Sarajevo (Bosnia & Herzegovina)	305	232	73	40	34	6
Addiko Bank a.d. Banja Luka (Bosnia & Herzegovina)	325	251	74	27	26	1
Addiko Bank a.d. Beograd (Serbia)	547	410	137	66	44	22
Addiko Bank AD Podgorica (Montenegro)	163	113	50	27	25	2

Figure 9
Working time



Working time	FULLTIME	FEMALE Headcount	MALE Headcount	PARTTIME	FEMALE Headcount	MALE Headcount
ADDIKO GROUP TOTAL	**97.20%**	**71.10%**	**28.90%**	**2.80%**	**69.30%**	**30.70%**
	2651	**1886**	**765**	**75**	**52**	**23**
Addiko Bank AG Vienna (Austria)	142	61	81	15	13	2
Addiko Bank d.d. Zagreb (Croatia)	719	508	211	4	2	2
Addiko Bank d.d. Ljubljana (Slovenia)	334	209	125	12	10	2
Addiko Bank d.d. Sarajevo (Bosnia & Herzegovina)	345	266	79	0	0	0
Addiko Bank a.d. Banja Luka (Bosnia & Herzegovina)	351	276	75	1	1	0
Addiko Bank a.d. Beograd (Serbia)	571	429	142	42	25	17
Addiko Bank AD Podgorica (Montenegro)	189	137	52	1	1	0

Addiko prohibits all forms of forced labour, including child labour, within its operations and does not endorse practices that exploit or employ children in any manner that is contradictory to ILO conventions and the OECD Guidelines. All Addiko's employment relationships are based on the principle of mutual consent.
All Addiko employees are covered by **social protection measures** [ESRS S1-11] in every Addiko entity through public programmes. Such programmes protect against loss of income due to any of the following major life events: sickness, unemployment (except in cases of mutual agreements), work-related injury and acquired disability, parental leave and retirement.

13.1.6. ESRS S1-7 - Characteristics of non-employees in the company's own workforce

Number of non-employees in own workforce	118
Number of non-employees in own workforce - self-employed people	0
Number of non-employees in own workforce – other workers on site	118

At Addiko Bank, 118 non-employees (external IT developers, administration, call centre, collections call centre) are employed through service contracts or external agencies. The data is illustrated based on the headcount at the end of the reporting period, provided by local People & Culture teams, not validated by any external body other than the assurance provider.

On the other hand, security and facility management services are subcontracted to external companies. Employees of these subcontractors are considered value chain employees operating at Addiko's business sites. The employers of the aforementioned employees are responsible for compliance with all relevant laws and regulations (labour law, working conditions, health and safety, grievance mechanisms, etc.)

Addiko's procurement process for these services incorporates an evaluation of suppliers based on key criteria, ensuring alignment with the bank's commitment to ethical and sustainable practices. The following aspects are comprehensively reviewed:

- **Compliance with Workplace Health and Safety Regulations:** suppliers must adhere to established health and safety standards to ensure the well-being of their workforce.
- **History of Complaints or Sanctions:** suppliers are assessed for any prior complaints or legal actions to confirm their track record of ethical conduct.
- **Occupational Accident Records:** data on workplace accidents from the past two years are scrutinised to evaluate suppliers' commitment to worker safety.

While risks related to workers in the value chain are deemed immaterial to Addiko's direct activities, the bank remains dedicated to promoting transparency and accountability. Addiko actively engages with suppliers to ensure adherence to labour standards and to foster continuous improvement in working conditions. This includes encouraging open dialogue with stakeholders to uphold best practices in labour management.

13.1.7. ESRS S1-8 - Collective bargaining coverage and social dialogue

'How we work at Addiko' Handbook	
Material IRO addressed by the policy	**S1-IRO-6** - Positive impact- Working conditions - **Social dialogue**: all types of exchange of information between or among representatives of governments, employers, their organisations and workers` representatives, on issues of common interest related to economic and social policy. **S1-IRO-7** - Positive impact- Working conditions - **Freedom of association**: improvement of working conditions through company agreements, higher employee participation and satisfaction, creation of a mediation instance in the company. **S1-IRO-8** - Positive impact - Working conditions - **Collective bargaining**: collective bargaining serves as a crucial mechanism for employers, trade unions and their organisations to negotiate fair wages, working conditions and gender equality in the workplace.
Key content	The Handbook provides a high-level guideline on Addiko's vision and strategy and explains on how the Bank operates. It also serves as a guideline on responsible business conduct within Addiko and clarifies how employees are expected to work together to create an environment for fulfilment and motivation, resulting in employee satisfaction, employee inclusion, giving everyone a voice. Furthermore, it also includes Addiko's Charter of promoting Human Rights and declares Addiko's commitment to include principles set forth by the International Labor Organisation (ILO Principles) and OECD Guidelines for Multinational Enterprises. This handbook is intended to enhance the positive impacts on the bank's own workforce, such as diversity, measures against violence in the workplace, gender equality, etc. It also provides the necessary tools to employees towards better recognising their rights (data protection, freedom of expression, privacy, work and equal pay, safe and healthy environment, right to form associations and right to collective bargaining, exclusion of forced and child labour), improvement of working conditions through company agreements, creation of a mediation instance in the company.
Scope of the policy	□Downstream X Own Operations □Upstream
Stakeholder affected	Own workforce
Most senior level in the organisation responsible for implementation	Group Management Board
Monitoring/review process	Subject to annual review or on ad-hoc basis if needed.
Reference to third-party standards	ILO Principles, OECD Guideline, UN Human Rights Charter, Austrian Labour Constitution Act
Consideration of interests of stakeholders (if relevant)	Yes, interests of own workforce employees are represented
Availability of policy for stakeholders (if relevant)	The Handbook is available to all employees via the SharePoint.

Collective bargaining is recognised as an important aspect of employee relations at Addiko Bank. While no specific actions or targets have been set yet, ongoing assessments will guide potential measures to support and enhance this

area. Addiko affirms its commitment to respecting and upholding the principles of freedom of association and the effective recognition of the right to collective bargaining. Addiko does not support any actions or practices that hinder employees from exercising their rights. Addiko believes in open communication, fair negotiations and the empowerment of employees to voice their concerns and interests.
In accordance with the Austrian Labour Constitution Act, representatives of the Addiko Bank AG works council have seats and voting rights on the Supervisory Board of Addiko Bank AG.
Trade unions representatives are entrusted to express the concerns of the workforce: GPA trade union, Sindikat bankarskih i financijskih djelatnika (SBF-SP), Sindikat Slavonske banke (SBO), Sindikat bančništva Slovenije.

Status for Addiko EU countries - data for this paragraph is collected from People & Culture departments from Addiko entities, based on the headcount at the end of reporting period, not validated by external bodies. Addiko does not have information about any agreement with its employees for representation by a European Works Council (EWC), a Societas Europaea (SE) Works Council, or a Societas Cooperativa Europaea (SCE) Works Council.

- **Austria** – Considering only employees employed in Austria, excluding ABH Branch Zagreb: the collective bargaining agreement for employees of banks and bankers and works council representation (84.03%), not covering board members and senior executives according to the Austrian Labour Constitution Act; works council representatives are union members; 5.88% of employees in the union. Considering all employees of Addiko Bank AG, including ABH Branch Zagreb; the collective bargaining agreement covers 63.69% employees, 4.46% in the Union.
- **Croatia** – No bargaining agreement; works council is covering all employees' rights, 27% of employees in Addiko Bank Croatia are in the trade union.
  Slovenia – 93.13% covered by bargaining agreement, no works council, trade union active.

Headcounts covered by Collective Bargaining Agreements	Total	HC-Covered	HC-Uncovered
Addiko Bank AG Vienna (ABH Holding Austria)	157	100	57
Addiko Bank d.d. Zagreb	723	0	723
Addiko Bank d.d. Ljubljana	346	343	3

13.1.8. ESRS S1-9 - Diversity metrics

Group Diversity & Inclusion Policy			
Material IRO addressed by the policy	**S1-IRO-12** - Positive impact- Equal treatment and opportunities for all – **Gender equality and equal pay**- Equal and non-discriminatory treatment ensures employee satisfaction, increased feeling of respect and recognition. **S1-IRO-14** - Positive impact- Equal treatment and opportunities for all – **Employment of persons with disabilities**: employment and inclusion of persons with disabilities **S1-IRO-16** – Positive impact - Equal treatment and opportunities for all – **Diversity**: the company takes positive action to strengthen diversity.		
Key content	The Diversity & Inclusion policy promotes diversity, inclusion and equal opportunities, minimising possibility of discrimination on every level (e.g. including factors such as disabilities, remuneration egality, learning opportunities, succession pool equal representation...). It also sets targets with % of underrepresented gender in managerial positions across the organisation.		
Scope of the policy	□Downstream	X Own Operations	□Upstream
Stakeholder affected	Own workforce		

Most senior level in the organisation responsible for implementation	Managing Director, Group People & Culture; Group Management Board, Group Supervisory Board
Monitoring/review process	Subject to annual review or on ad-hoc basis if needed.
Reference to third-party standards	none
Consideration of interests of stakeholders (if relevant)	Defined in stakeholder paragraph.
Availability of policy for stakeholders (if relevant)	The policy is available to all employees via the internal policy app.

Key Actions in the Reporting year	
Actions	By building an internal succession pool, with internal promotions and recruitment, Addiko is successfully approaching desired percentage.
Scope of the actions	□Downstream X Own Operations □Upstream
Time horizon to complete action	Until YE25
Progress to previous reporting period	As of the current reporting period, Addiko has 42% females in executive positions across the Group.
Key actions as remedy (if relevant)	Not relevant
Responsibility for the actions	Group People & Culture team
Financial resources allocated	Within annual budget

Targets	
Targets to be achieved	The goal is to achieve over 50% of female executives by the end of 2025.
Scope of targets	□ Downstream x Own Operations □Upstream
Description of the targets	The baseline was set at the very beginning of the ESG Strategy in Addiko, having an ongoing target to reach 50% of female executives in 2025. At the end of 2024 Addiko had 38.7% of women in supervisory boards in the Group,18.2% of female Board Members and 47.1% female B-1 level directors. In total, this amounts to 42% female executives across the Group.
Methodology for target setting	Internally set within ESG Strategy and Diversity and Inclusion Policy (plan)
Tracking the effectiveness of the actions to address material IROs	Monthly monitoring, ESG committee status check
Stakeholders affected/involved in the target setting	People & Culture teams together with Management Boards and Supervisory Boards

Relationship of the target to policy objectives	Group Diversity and Inclusion Policy defines D&I plan for the period 2024-2027, having strict targets for more granular managerial levels for future period, as well as diversity targets for other diversity topics, besides gender.

Targets Overview

Baseline year	2024	Milestone	2025	Target year	2026
Baseline target	**Streaming towards 2025 target: > 50% of female executives**	Target achieved	**>50% of female executives**	Target planned	**Streaming towards 2027 target: SB=30% MB=30% B1=40% of female executives**

Figure 10
Gender Distribution by Management Level

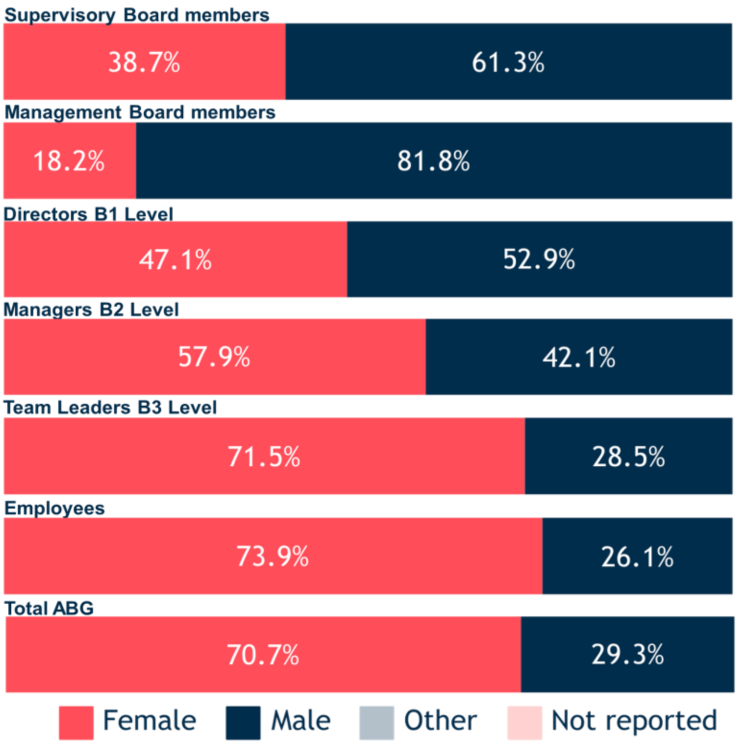
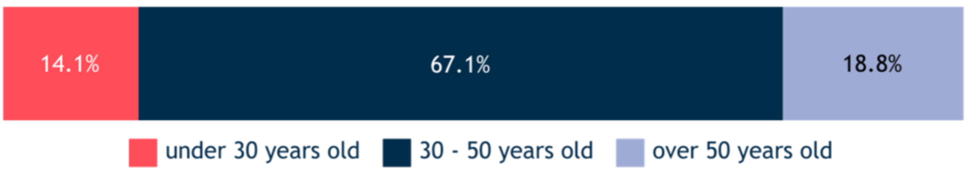


Figure 11
Age Distribution



AGE DISTRIBUTION	AVERAGE AGE	TOTAL HC	UNDER 30 YEARS OLD	30-50 YEARS OLD	OVER 50 YEARS OLD
ADDIKO GROUP TOTAL	**43.00**	**2726**	**14.12%**	**67.13%**	**18.75%**
Addiko Bank AG Vienna (Austria)	43.22	157	9	130	18
Addiko Bank d.d. Zagreb (Croatia)	43.12	723	80	472	171
Addiko Bank d.d. Ljubljana (Slovenia)	41.50	346	53	236	57
Addiko Bank d.d. Sarajevo (Bosnia & Herzegovina)	40.29	345	52	229	64
Addiko Bank a.d. Banja Luka (Bosnia & Herzegovina)	41.47	352	72	213	67
Addiko Bank a.d. Beograd (Serbia)	40.49	613	88	417	108
Addiko Bank AD Podgorica (Montenegro)	39.78	190	31	133	26

Addiko Bank's commitment to equal treatment and opportunities aligns with key sustainability themes defined under the European Sustainability Reporting Standards (ESRS). Guided by its responsibility toward society, Addiko Bank drives initiatives that promote diversity, equity and inclusion in line with evolving societal expectations. The Bank is dedicated to building a diverse and inclusive workforce by ensuring equal opportunities for employment, learning and development, regardless of gender, race, nationality, religion, ethnic origin, sexual orientation (including LGBTQ+), age, marital or parental status, or any other personal characteristic.

Addiko Bank is committed to fostering a diverse and inclusive work environment where every employee feels valued for their unique contributions and talents and where they are empowered to be their authentic selves.
The Group Diversity and Inclusion Strategic Action Plan aims at advancing diversity and inclusion initiatives across Addiko Bank's geographical footprint. It represents its dedication to promoting diversity and serves as a roadmap for implementing specific strategies, initiatives and measurable actions to effectively foster diversity, equity and inclusion.
The Strategic Action Plan defines targets for gender equality in Supervisory Boards, Management Boards, for B1 Directors as well as succession pools for key positions, setting a clear direction for achieving gender balance across organisational hierarchies. It is structured to address various categories.

Addiko Bank remains committed to promoting gender balance by actively identifying and developing internal talent from underrepresented genders for board positions at both Management and Supervisory levels across all Addiko Bank entities. In 2024, this approach led to the appointment of six internally promoted female supervisory board members across various local Addiko banks.

The Bank's ongoing efforts to strengthen talent management and succession planning are reflected in its robust internal talent pool. Through annual leadership development programmes and talent reviews, Addiko Bank consistently identifies future leaders and successors. This commitment is evidenced by an internal filling rate of nearly 80% for managerial positions over the past three years. During 2024, within Addiko's internal promotions to managerial roles, 60% were female colleagues.

Addiko Bank remains dedicated to fostering a culture of learning, exemplified by its mentoring programme, which pairs talented individuals with senior mentors to support their professional development. In 2024, Addiko Bank Sarajevo, in partnership with Deloitte, continued the 'Women's Mentoring Network", a community initiative launched in 2021. This five-month programme invites women from across Bosnia & Herzegovina (BiH) to strengthen their leadership and managerial skills. Organised by Addiko Bank's Corporate Communications and People & Culture teams, the initiative is sponsored by the CEOs of Addiko Bank Sarajevo and Deloitte in BiH.
Since its introduction, the mentoring programme has engaged a diverse group of employees, both male and female, becoming a cornerstone of the Bank's career development strategy. Since 2021, the 'Women's Mentoring Network" has connected 52 female mentors from Bosnia & Herzegovina's business community and trained over 200 women, including 5% of Addiko Bank Sarajevo's female employees.

Further reflecting its commitment to advancing women's economic empowerment, Addiko Bank Serbia is a member of the American Chamber of Commerce's 'Empower HER" initiative, promoting gender equality in international trade. Additionally, Addiko Bank Croatia actively participates in the 'Financial Literacy" project, contributing to financial education and awareness.
Addiko Bank Croatia, Serbia and Sarajevo have been recognised with MAMFORCE awards, highlighting their commitment to corporate family responsibility and gender equality. Addiko Bank Croatia further distinguished itself by earning the upgraded MAMFORCE Grow certificate, reflecting its advanced capabilities in fostering an inclusive and supportive workplace.

Organisations certified under the MAMFORCE standard continuously enhance working conditions, leading to higher employee engagement and productivity. Their diverse teams enable them to deliver better products and services while making more sustainable business decisions. Through its participation in the MAMFORCE project, the Addiko Bank Group aims to gain deeper, objective insights into its practices, actively listen to feedback and adopt best practices to strengthen its commitment to equality and workplace excellence.

Addiko Bank AG has partnered with Women on Boards Adria (WOBA) as a Corporate Founding Partner at the group level, reinforcing its commitment to advancing gender diversity at the board and executive levels. Through this collaboration, Addiko Bank and WOBA will raise awareness about the importance of women's representation and inclusion at all organisational levels.

The collaboration will be focused on three key pillars: talent management, leadership network and policy advocacy. 7 WOBA ambassadors from Addiko Bank, both women and men, will assist WOBA's strategic development and support career advancement through networking, knowledge sharing, mentoring and training initiatives. In addition, 35 selected Addiko talents will have the opportunity to access WOBA leadership developmental activities to further build knowledge and experience acumen and prepare for the next career steps. As a corporate partner from the banking sector, Addiko Bank will play a pivotal role in expanding WOBA's leadership network and promoting gender diversity as a cornerstone of responsible business practices. This collaboration underscores a shared dedication to building an inclusive workplace where diverse talents can thrive and advance into leadership roles. This partnership aims to unlock the full potential of women leaders, fostering a more innovative and equitable business environment within Addiko Bank's region.

The principles of diversity and inclusion ('D&I') are embedded in Addiko's corporate culture and are reflected in the way selection, recruitment, development, financial equity, talent discussions and internal promotions are conducted. Addiko Bank recognised that its strength lies in diversity. Addiko Bank is committed to foster an inclusive environment where everyone feels valued and respected. The Group Diversity & Inclusion Policy – in alignment with EU Directives - aims to integrate D&I principles into every aspect of its operations, cultivating an open organisational environment free from any form of discrimination.

The Supervisory Board of Addiko Bank is responsible for providing strategic direction and establishing the D&I targets outlined in the Group Diversity & Inclusion Policy as well as their annual review which encompasses assessment of the composition of the Management Board as well as a self-assessment of the Supervisory Board. Both the strategy as well as the targets define voluntary measures and initiatives that promote women on the Supervisory Board, Management Board and in senior management positions.

Building on the successful implementation of the first three-year Diversity and Inclusion Plan launched in 2019 and the enhanced strategic focus from 2022 to 2024, the Diversity & Inclusion Targets for 2025–2027 are designed to actively and strategically advance diversity and inclusion initiatives across the Addiko Bank Group. Additionally, the objective is to establish and attain quantitative objectives aimed at fostering greater gender balance across the Supervisory Board, Management Board and B1 Management levels within the Bank.

In January 2022, the Addiko Group D&I Strategic Action Targets and Action Plan was implemented with a targeted completion by year-end 2024. The goal of this initiative is to further expand the talent pool of the underrepresented gender and to enhance workplace benefits, policies, processes and practices to continually improve and ensure a culture of D&I.

The plan focuses on the following topics:
• Gender balance targets
• Recruitment and selection
• Career management
• Learning and development
• Remuneration
• Benchmark and implementation of best practices.

The Addiko Bank Group successfully completed its Diversity & Inclusion (D&I) Action Plan in 2024, achieving significant milestones in fostering an inclusive and equitable workplace. Key initiatives included the launch of two development programmes: the Addiko Lead WISE Programme, focused on developing and advancing senior leadership through an inclusive lens and the Diversity & Inclusion Training Programme, delivered through the Addiko Academy and other local Diversity & Inclusion training developed on a local level. A comprehensive gender succession analysis by business stream was conducted, ensuring better representation in leadership pipelines. In recruitment and internal mobility, Addiko Bank strengthened its commitment to fair and unbiased practices by promoting employees to open positions across the Group, regardless of race, nationality, religion, ethnicity, sexual orientation, gender, age, citizenship, marital status, or pregnancy status. To amplify its message, Addiko Bank implemented active employer branding campaigns, highlighting stories of unconventional career paths and the value of collaboration and diversity within the organisation.
Looking ahead, Addiko Bank has already adopted a new D&I Action Plan for the time span 2025 to 2027, setting ambitious targets to further embed diversity, equity and inclusion across all aspects of its operations.

13.1.9. ESRS S1-12 - Persons with disabilities

Addiko currently employees a total of 41 individuals with disabilities (31 female and 10 male employees), constituting 1.5% of the overall workforce. Data is collected from employees on voluntary basis, meaning there is no obligation for employees to report their disability status to the employer, unless they would like to exercise certain rights provided by Addiko (additional holiday days, payroll deductions, etc.) Due to data privacy considerations and out of respect for the rights of Addiko employees, no further details will be disclosed.

13.1.10. ESRS S1-13 - Training and skills development metrics

Group Talent Management & Succession Policy			
Material IRO addressed by the policy	**S1-IRO-13** - Positive impact -Equal treatment and opportunities for all – **Training and skills development**: initiatives to maintain and improve the skills and knowledge of employees lead to an increase in employee value, increased personal efficiency and satisfaction.		
Key content	The Talent Management and Succession policy promotes talent development, growth opportunities (both horizontally and vertically) within Addiko and sets standards for succession planning, improving internal promotion rates and employee satisfaction.		
Scope of the policy	□Downstream	X Own Operations	□Upstream
Stakeholder affected	Own workforce		
Most senior level in the organisation responsible for implementation	Managing Director, Group people & Culture; Group Management Board		
Monitoring/review process	Subject to annual review or on ad-hoc basis if needed.		
Consideration of interests of stakeholders (if relevant)	Defined in the stakeholder paragraph.		
Availability of policy for stakeholders (if relevant)	The policy is available to all employees via the internal policy app.		

Group Trainings Policy	
Material IRO addressed by the policy	**S1-IRO-13** - Positive impact -Equal treatment and opportunities for all – **Training and skills development**: Initiatives to maintain and improve the skills and knowledge of employees lead to an increase in employee value, increased personal efficiency and satisfaction.
Key content	The Training policy promotes development and learning principles, plans, opportunities for Addiko Employees. It also sets a platform for increase in employee value, training improves personal efficiency and satisfaction, boosting security to perform tasks according to regulations.
Scope of the policy	□Downstream X Own Operations □Upstream
Stakeholder affected	Own workforce
Most senior level in the organisation responsible for implementation	Managing Director, Group People & Culture; Group Management Board
Monitoring/review process	Subject to annual review or on ad-hoc basis if needed.
Reference to third-party standards	none
Consideration of interests of stakeholders (if relevant)	Defined in stakeholder paragraph.
Availability of policy for stakeholders (if relevant)	The policy is available to all employees via the internal policy app.

Key Actions in the Reporting Year	
Actions	Development and implementation of the new Leadership development programme on the group level; launch of two development programmes: Addiko Lead WISE and Diversity & Inclusion training programme. Succession map established to mentor underrepresented gender towards managerial positions
Scope of the actions	☐Downstream X Own Operations ☐Upstream
Time horizon to complete action	Until YE25
Progress to previous reporting period	As of the current reporting period, Addiko has successfully piloted new Leadership Development WISE programme on the group level. Full implementation is expected until end of 2025.
Key actions as remedy (if relevant)	Not relevant
Responsibility for the actions	People & Culture teams
Financial resources allocated	Within the PEREX.

Targets	
Targets to be achieved	Addiko Bank is working on rolling out the new program Lead WISE programme during 2024 and full implementation should finish in 2025.
Scope of targets	□Downstream X Own Operations □Upstream
Description of the targets	Lead WISE in a developmental programme tailored to Addiko's managerial population, developing successors for key functions. Addiko's plan is to roll out the programme on the first group of participants in 2024 and implementing it fully throughout 2025. In the upcoming period the focus will then transfer to introducing of new learning formats on group level.
Methodology for target setting	Internally set targets within ESG Strategy and People & Culture Strategy
Tracking the effectiveness of the actions to address material IROs	Regular monitoring in internal reports, ESG committee status check.
Stakeholders affected/involved in the target setting	Set together with internal stakeholders
Relationship of the target to policy objectives	The Group Talent Management & Succession Policy prescribes succession maps and succession methodology.

Target Overview					
Baseline year	2024	Milestone	2025	Target year	2026
Baseline target	**Lead WISE programme rollout**	Target achieved	**Full implementation of Lead WISE**	Target planned	**Introduction of min. 2 new learning formats on a group level**

Addiko's employees have access to numerous learning and development opportunities throughout their careers, including on-the-job training, classroom sessions and digital learning options. Addiko encourages employees to apply for jobs internally and supports cross-departmental transfers. Participation in transformation and group projects also enhances career experiences.

Addiko believes in:
- life-long learning and a 'can do'-attitude
- the 10-20-70 development rule which means 10% in class training, 20% mentoring and feedback and 70% on the job development
- every employee taking ownership and proactively managing their career.

Addiko's intranet and e-learning platform (Click&Learn) are some of the main sources of leadership development materials. Interactive business lectures are also organised in the form of master classes with guest speakers. Targeted trainings are executed from the Addiko Academy offering or developed independently covering the key skill gaps each entity has to address. These trainings are aligned with Addiko values and competencies and carefully designed to address specific developmental needs within the Addiko group. Individual development is discussed during the performance reviews and target setting process and highlighted for those in key roles, as well as for other staff members.
The Addiko Academy key focus is on leadership, banking, risk management, sales and compliance areas, compliance areas, but other training topics are also developed annually based on the specific needs of each entity. In 2024, the ESG as a topic has been added to the Addiko academy focus area. This approach ensures up-to-date, relevant updates and trainings for employees across the whole group.

The focus of Addiko's Academy programmes is to ensure effective leadership skills, regulatory compliance, strengthened competencies for serving customers, establishment of analytics and data competencies. Addiko also highlights a prudent risk approach through e-learning, as well as other internal and external training opportunities.
The average number of training hours during 2024 per employee of 20.9 hours (average 24 training hours female and average 16.3 training hours male employees) demonstrates our ongoing focus on employee development. Broken down by categories 8% of total training hours was invested in managerial soft skills development, 15% in managerial expert topics, while 13% is invested in non-managerial soft skills development with 64% of training hours for non-managerial expert topics.
Newly appointed senior management is continuously provided with extensive internal and external onboarding support to help them integrate into the culture and working practices at Addiko. In addition, coaching and mentoring opportunities are consistently offered, ensuring effective employee competencies and capabilities.
Addiko conducts regular training courses on compliance, anti-money laundering (AML), information security, data protection, operational risk and fraud, etc. Once the focus areas have been identified, specialists define which training courses apply to all employees or target groups for each course content category.
Addiko expressly encourages its employees to openly address any concerns they may have about proper conduct in business situations. It also encourages them to solicit advice and inform all employees about whom they can contact if they have doubts or questions.

FIGURE 12
PARTICIPATION IN PERFORMANCE DEVELOPMENT REVIEWS

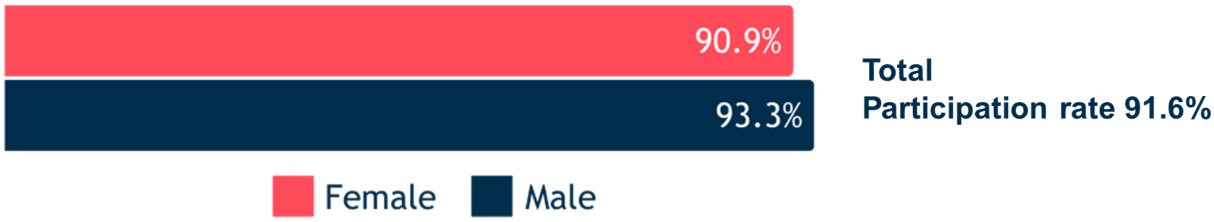
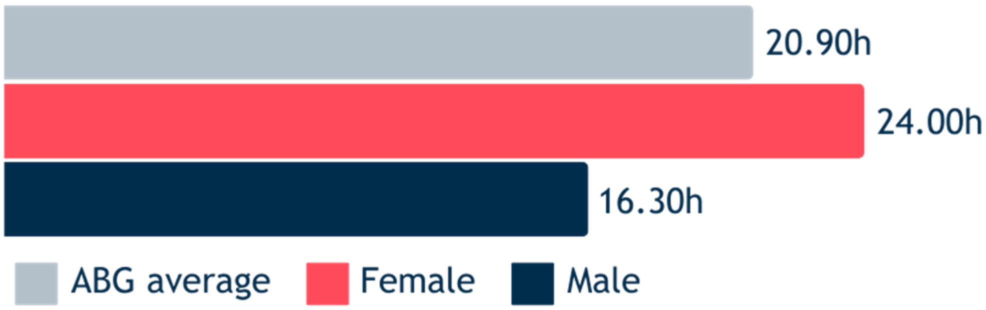


FIGURE 13
AVERAGE TRAINING HOURS PER EMPLOYEE



Data related to performance reviews is shown on headcount basis at the end of reporting period. Addiko has a clear policy that every single employee, regardless of position and level, must participate in regular performance and career development reviews, after 3 months of activity at Addiko, meaning that employees who joined Addiko in the last quarter of 2024 or were absent due to health-related reasons for the majority of the year, result in omission of annual target appraisals. Therefore, the result in 2024 is 97% of female and 97.1% of male managerial employees participated in regular performance and career development review, while for the non-managerial Addiko population, we have 89.8% female and 91.9% male undergoing the same reviews.

13.1.11. ESRS S1-14 - Health and safety metrics

PHYSICAL SECURITY POLICY FOR ADDIKO BANK AG			
Material IRO addressed by the policy	**S1-IRO-11** – Positive impact - Working conditions - **Health and safety:** Investments in employee well-being such as health programmes. Makes sure that employee workplace safety is on a very high level, minimising the possibility of incidents through controlled access systems and regular testing. It supports holistic employee well-being with immediate physical safety and incident prevention, well-being initiatives focused on a long-term health.		
Key content	With prevention of work-related injuries, occupational safety and health improvements, this policy has a positive impact on employees' working conditions and environment, advocating for a healthy lifestyle while also ensuring employee satisfaction and feeling of respect.		
Scope of the policy	□ Downstream	X Own Operations	□Upstream
Stakeholder affected	Employees, visitors, external service providers and regulatory authorities.		
Most senior level in the organisation responsible for implementation	Group Management Board assigns responsibilities to the local Physical Security and Safety Officer, Safety Representative Officer(s) and Fire Wardens.		
Monitoring/review process	Subject to annual review or on ad-hoc basis if needed.		
Reference to third-party standards	DORA, GDPR, ISO 27001, ISO 27002, Austrian ArbeitnehmerInnenschutzgesetz ('ASchG') and EBA Guidelines on ICT and Security Risk Management.		
Consideration of interests of stakeholders (if relevant)	Ensures the safety and security of personnel and assets while adhering to compliance standards, maintaining operational resilience and meeting regulatory obligations.		
Availability of policy for stakeholders (if relevant)	The policy is available to all employees via the internal policy app, supported by training and regular updates on safety protocols.		

KEY ACTIONS IN THE REPORTING YEAR			
Actions	Organisation of various health promoting events across the group, emphasising the importance of both physical and mental health.		
Scope of the actions	□Downstream	X Own Operations	□Upstream
Time horizon to complete action	2024 – 2026. Addiko continued with organising sports events in every Addiko entity.		
Progress to previous reporting period	As of the current reporting period, Addiko keeps well-received initiatives for the following period and continues with new ones.		
Key actions as remedy (if relevant)	Not relevant		
Responsibility for the actions	People & Culture teams together with Internal Communications		
Financial resources allocated	Within the approved budget.		

Targets	
Targets to be achieved	The target for 2024 was organisation of sports events across the group. Participation rate in well-being initiatives is set as target in the subsequent period.
Scope of targets	□Downstream X Own Operations □Upstream
Description of the targets	Organisation of sports events across the group and participation in the ones organised by local communities, as one of the actions for boosting employees' health. The baseline was a framework establishment in 2023, the target in upcoming years will be participation rate in well-being activities.
Methodology for target setting	Internally set targets withing ESG Strategy and People & Culture Strategy
Tracking the effectiveness of the actions to address material IROs	Annual monitoring, ESG committee status check
Stakeholders affected/involved in the target setting	Set together with internal stakeholders
Relationship of the target to policy objectives	The policy contributes to promoting a 'safety first' culture, by integrating physical safety protocols, allowing Addiko to promote healthier lifestyles while ensuring employees' safety and overall well-being.

Target Overview					
Baseline year	2024	Milestone	2025	Target year	2026
Target achieved	**sports events organised across the Group**	Target planned	**participation rate in well-being initiatives 25%**	Target planned	**participation rate in well-being initiatives 40%**

Addiko Bank is committed to maintaining a safe and healthy work environment in compliance with legal health and safety standards. Its workplace practices adhere to relevant Austrian legislation, including the Employee Protection Act (ArbeitnehmerInnenschutzgesetz – 'ASchG'), Salaried Employees Act (Angestelltengesetz –'AngG') and Continued Remuneration Act (Entgeltfortzahlungsgesetz – 'EFZG'). These regulations set the legal framework for health and safety standards the bank consistently upholds.

Beyond legal compliance, Addiko aligns its practices with international labour and human rights standards, including the UN Human Rights Declaration, OECD Labor Standards as well as the ILO's Five Fundamental Principles and Rights at Work. The Bank firmly rejects any practices that compromise employee safety or well-being and is committed to exceeding industry health and safety standards where possible.

Addiko views the physical and mental well-being of its employees as essential. Information about health and safety provisions is readily accessible on the bank's intranet. Lists of Health, Safety and Environment contacts, as well as emergency service details, are prominently displayed in all offices.

Addiko has appointed internal safety officers specialising in first aid, occupational health and workplace safety. These officers are responsible for identifying potential hazards, reporting deficiencies and recommending corrective measures. They have the authority to access operational safety records and must be consulted on all health and safety matters.
As outlined in Section 11 of the Employee Protection Act, Addiko Bank's safety representatives (Sicherheitsvertrauenspersonen) play a critical role in ensuring workplace safety. They are entitled to propose improvements, demand corrective actions and escalate unresolved issues to the works council if applicable. The Bank's management is required to involve safety representatives in all relevant decisions and promptly address any identified risks.
Safety representatives operate independently of management directives and collaborate with designated prevention specialists as mandated by Sections 79-82 of the Employee Protection Act. This collaborative approach ensures a transparent and proactive health and safety culture at Addiko Bank.

All employees are encouraged to contact the safety representatives to:

- ✓ discuss safety and health issues,
- ✓ report all incidents and near misses,
- ✓ forward inquiries to the prevention specialists.

Data shown in the table below are based on whole 2024 period. They are not validated by any external body.

Reporting Criteria	*Target*	*Results 2024*
Percentage of people in own workforce who are covered by health and safety management system based on legal requirements	100%	100%
Number of fatalities in own workforce as result of work-related injuries and work-related ill health	0	0
Number of fatalities as result of work-related injuries and work-related ill health of other workers working on undertaking's sites	0	0
Number of recordable work-related accidents for own workforce	0	5
Rate of recordable work-related accidents for own workforce	0%	0.18%
Number of cases of recordable work-related ill health of employees	0	0
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health related to employees	0	117

13.1.12. ESRS S1-15 - Work-life balance metrics

People and Culture Strategy	
Material IRO addressed by the policy	**S1-IRO-9** – Negative impact - Working conditions – **Work-life balance:** no work-life balance, overload and exhaustion may lead to reduced productivity of employees and higher turnover rates. **S1-IRO-10** – Positive impact -Working conditions – **Work-life balance:** supporting employees in their mental and physical wellbeing both individually and collectively promoting work-life balance
Key content	The People & Culture Strategy sets a strategic framework for both personal development and alignment to the business strategy, with strong focus on People, Acceleration, Culture and Framework, defining 16 focus areas with specific targets and timeline. It lays the foundation for Addiko's long-term People & Culture development. The strategy considers all impacts of its workforce, including changes in personal needs driven by evolving customer demands, technological advancements or competitive market environment. It also defines well-being initiatives, future of work possibilities and work models. Among others, this strategy remedies the negative effect of quiet quitting as well as talent attraction and retention issues due to poor workforce practices (e.g. possible overload, exhaustion, resulting in high burnout rates, no work-life balance, less motivation, reduced efficiency, tendency to switch jobs easily). Examples of positive impacts tackled by the strategy are healthy work-life balance, support of family needs, resulting in employee satisfaction, employee retention, increased efficiency.
Scope of the policy	□Downstream X Own Operations □Upstream
Stakeholder affected	Own workforce
Most senior level in the organisation responsible for implementation	Managing Director, Group People & Culture; Group Management Board, Group Supervisory Board
Monitoring/review process	Subject to annual timeline review or on ad-hoc basis if needed.

Reference to third-party standards	none
Consideration of interests of stakeholders (if relevant)	Defined in stakeholder paragraph.
Availability of policy for stakeholders (if relevant)	The policy is available to all employees via the internal policy app.

KEY ACTIONS IN THE REPORTING YEAR			
Actions	Flexible and hybrid working arrangements are introduced for work-life balance; family and kid's activities across the group		
Scope of the actions	☐Downstream	X Own Operations	☐Upstream
Time horizon to complete action	Ongoing.		
Progress to previous reporting period	As of the current reporting period, work-life balance actions have been in focus, Addiko will continue to maintain strong focus on them. The next key milestone is geared towards the flexible working arrangements in upcoming years.		
Key actions as remedy (if relevant)	Not relevant		
Responsibility for the actions	People & Culture teams together with Internal Communications		
Financial resources allocated	Within the approved budget		

TARGET			
Targets to be achieved	Addiko Bank is working on introducing wide range of flexible working arrangements in the following period, defined in the People & Culture Strategy.		
Scope of targets	▫Downstream	X Own Operations	▫Upstream
Description of the targets	Addiko plans to introduce work-life initiatives across the group, benchmarking best practices in entities, such as day's off for family-related events, first day of school, kid-related activities, etc. Targets for upcoming period focus on flexible working arrangements- implementation of various formats as well as benchmarking our group and our market.		
Methodology for target setting	Internally set target within the ESG Strategy and People & Culture Strategy		
Tracking the effectiveness of the actions to address material IROs	Regular monitoring, ESG committee status check		
Stakeholders affected/involved in the target setting	Set together with stakeholders		
Relationship of the target to policy objectives	The People & Culture strategy fosters work-life balance initiatives and sets the framework for development of new flexible working arrangements in the upcoming period, aligned with market trends and employee expectations.		

Target overview					
Baseline year	2024	Milestone	2025	Target year	2026
Target achieved	**Work-life balance initiatives throughout the group**	Target planned	**Flexible working arrangements; min. new format**	Target planned	**Flexible working arrangements; min. new formats**

Addiko supports good health and well-being. Its employees are encouraged to live a healthy and active lifestyle. Employees of Addiko entities are encouraged to join local gyms as well as to participate in business runs and local marathons. In addition, there are frequent in-office health checks, free vaccination programmes and health-awareness guest speakers at Addiko. As Addiko understands the significance of both physical and mental well-being, numerous initiatives and programmes were organised by Addiko in 2024: e.g. well-being days 'U zdravom tijelu zdrav duh', including mental health resources and workshops ensuring that employees have the tools and support needed to maintain a healthy work-life balance. All Addiko employees are entitled to family-related leave through local legislation, social policies and/or collective bargaining agreements. 8.5% female employees used maternity leaves and 2.2% male employees used paternity leaves in 2024. The length of family-related leaves differs throughout entities due to local regulations. Addiko especially fosters a smooth return to work. Therefore, we are proud to have established on–ramping in Addiko Bank Serbia, a support programme for parents returning to work after maternity/paternity leave. Recognising the significance of family-related responsibilities, numerous family-related days off are available to employees (family day, first day of school etc, marriage, childbirth, moving, death of a family member, etc.), with continuous effort to introduce new benefits, e.g. free day for birthday (currently available in four Addiko entities).

Flexible work arrangements and remote work opportunities are enhancing flexibility, allowing employees to adjust their work schedule and office attendance to their own needs within the framework provided. The policy empowers individuals to better manage their professional and personal responsibilities so they can achieve a healthier work-life balance. Addiko is especially proud to receive the 'Rezilijent' well-being award for Addiko Bank in Serbia for its resilience support programme. Now in its third successive year, the Addiko programme cares for and supports the health and well-being of employees but also provides resources to help them cope with various challenges in their professional and personal lives. The goal of Addiko's resilience programme is to preserve and improve mental health by increasing resistance to stress and improving satisfaction with work and life as a whole.

13.1.13. ESRS S1-10, S1-16 – Adequate wages and remuneration metrics

GROUP REMUNERATION POLICY	
Material IRO addressed by the policy	**S1-IRO-1** - Positive impact - Working conditions – **Secure employment**: increased employee satisfaction through secure employment practices (preference of permanent contracts over temporary, etc.) **S1-IRO-2** - Negative impact –Working conditions – **Working time**: adequate scheduling of lead times, limitations on overtime, offering part-time employment options, resulting in employee satisfaction, employee retention, increased efficiency. **S1-IRO-3** - Positive impact - Working conditions - **Working time**: poor work-life balance through poorly managed working time, no limitations on overtime. **S1-IRO-4** – Negative impact - Working conditions – **Adequate wages**: inadequate wages, inequal remuneration practices which lead to employee dissatisfaction and higher turnover rates. **S1-IRO-5** – Positive impact -Working conditions – **Adequate wages**: adequate remuneration that provides for the satisfaction of the needs of the employees and their family in the light of national economic and social conditions. **S1-IRO-9** – Negative impact - Working conditions –**Work-life balance**: no work-life balance, overload and exhaustion may lead to reduced productivity of employees and higher turnover rates. **S1-IRO-12** - Positive impact- Equal treatment and opportunities for all – **Gender equality** and **equal pay**: equal and non-discriminatory treatment ensures employee satisfaction, increased feeling of respect and recognition.
Key content	The remuneration policy defines standard for compensation practices within Addiko, including job grade structure, fixed and variable remuneration, benefits and other rewards. It outlines principles of fairness, equity and competitiveness, aligns compensation with Addiko's strategic goals and performance under consideration of a broad range of regulatory requirements. This policy sets standards for having adequate remuneration practices (adequate wage, gender pay gap). It defines budgeting principles, strategically geared towards predominantly offering permanent employment, defining rules for handling overtime workload (limitations and budgeting rules). Addiko's approach to monitoring working times, resting times, holiday scheduling and offering home office as key factors of work-life balance are also stipulated within the remuneration policy, which is simultaneously the remedy for negative impact of exhaustion, overload, burn-outs, non-existing work-life balance, etc. It sets the framework for feedback practices and performance principles, a foundation for further promotions and development opportunities.
Scope of the policy	□Downstream X Own Operations □Upstream
Most senior level in the organisation responsible for implementation	Managing Director, Group People & Culture; Group Management Board, Group Supervisory Board
Monitoring/review process	Subject to annual review or on ad-hoc basis if needed.
Reference to third-party standards	EBA Guidelines
Consideration of interests of stakeholders (if relevant)	Defined in stakeholder paragraph.
Availability of policy for stakeholders (if relevant)	The policy is available to all employees via the internal policy app.

KEY ACTIONS IN THE REPORTING YEAR	
Actions	• Regular market benchmarks to maintain fair compensations and benefits • Calculations based on Directive 2022/2041 instructions showed that Addiko is paying employees above adequate wage in all entities • Integrating minimum of 5% ESG KPI targets in performance management evaluations enables managers to actively participate in the development of the ESG strategy • Gender pay gap analysis on every entity level • Structured employee engagement surveys conducted and action plans activated
Scope of the actions	□Downstream X Own Operations □Upstream
Time horizon to complete action	Indefinite
Progress to previous reporting period	Additional team members who are included in fulfilment of the ESG strategy also have ESG KPIs in their scorecards. Based on the benchmarking results, Addiko made corresponding adjustments on salaries and benefits within approved budget. Engagement surveys and their results led to action plans on entity levels. This practice will continue in the following years
Key actions as remedy (if relevant)	Not relevant
Responsibility for the actions	Group and local People & Culture and Management Boards.
Financial resources allocated	Within the existing PEREX.

TARGET	
Targets to be achieved	Definition and execution of action plans based on engagement survey results
Scope of targets	□Downstream X Own Operations □Upstream
Description of the targets	This target continuously exists for several years, resulting in action plans every year. The aim of the target is to listen to our employees and respond to their biggest concerns related to employment conditions in Addiko, in a most efficient and timely manner. This practice will continue, with implementation of new Luppa software at the end of 2024 / beginning of 2025, which enables thorough analyses.
Methodology for target setting	Internally set target within ESG Strategy and People & Culture Strategy.
Tracking the effectiveness of the actions to address material IROs	Regular tracking after every cycle of the engagement survey through internal reports, together with ESG committee status check
Stakeholders affected/involved in the target setting	Set together with internal stakeholders
Relationship of the target to policy objectives	The policy encourages collecting feedback from employees, which results in preparing targeted action plans designed to improve employee experience and satisfaction. Feedback regarding topics that will be addressed (as well as regarding those that are not possible to address) is regularly communicated to the employees via CEO letters or roadshows.

Target Overview					
Baseline year	2024	Milestone	2025	Target year	2026
Target achieved	**Action plans based on engagement survey (same as the baseline value, set in 2022)**	Target planned	**New software implementation and min. 3 actions per entity based on survey**	Target planned	**Min. 3 actions per entity based on survey min. new format**

The remuneration strategy rewards performance and contribution by way of an appropriate mix of fixed and variable remuneration. This is market-based and prevents Addiko from taking excessive risk while rewarding sustainability and long-term results. The remuneration policy is governed by the provisions of the applicable legislation, guidelines issued by the European Banking Authority (EBA) and the Local National Bank's decisions. These regulations set out criteria and conditions for the payment of variable compensation to managerial staff and employees. The key functions that can significantly affect Addiko's risk profile within their duties, tasks and activities include members of the Management Board and B1 directors of individual departments, including persons with AML responsibility and the holders of control functions – risk management, compliance and internal audit. Addiko's variable compensation is awarded according to a variable pay framework and is closely linked to target-oriented performance metrics. The inclusion of variable compensation in the remuneration package allows for outstanding individual as well as operational team performance to be recognised.

Reviewing the compensation matrix of 2024, Addiko can confirm that the wages of its employees in all countries can be considered adequate. The minimum wage is set in accordance with Directive (EU) 2022/2041 of the European Parliament and of the Council concerning adequate minimum wages in the European Union. For both EU and non-EU countries, all forms of national legislation and existing collective bargaining agreements have been considered. Only in Austria, the minimum wage is defined by the Collective Agreement of Bank Employees and Bankers. For all other Addiko entities, local legislation (national laws or government decisions) defines minimum wage levels on an annual basis.

The EBA has published its revised guidelines on internal governance, which requires all institutions to monitor the development of the gender pay gap. In addition, the EBA published formal 'Guidelines on the remuneration, gender pay gap and approved higher ratio benchmarking exercises' under the Capital Requirements Directive 2013/36/EU where, amongst other provisions, a method of reporting the gender pay gap was defined. Data analysis of all Addiko employees' wages, carried out for the previous period in accordance with the methodology defined by the regulatory framework prescribed by EBA, shows that no structural deficiencies and/or discriminatory practices can be determined in terms of the remuneration practices at Addiko. This means that there are no significant deviations between comparable positions. Addiko is continuously monitoring Gender pay gap results in multiple categories, actively applying improvement actions and measures. The Addiko job structure consists of 13 job grades with two different career paths defined (managerial and non-managerial positions). Total remuneration data will be available by the end of the 2Q25 and will be the basis for the Gender Pay Gap Report.

For the calculation of the gender pay gap, as defined in the ESRS requirements 97a (pay levels), Addiko used total gross annual fixed salaries on individual level for FY 2024 for all employees at the end of the reporting period, noting that the definition of 'gross' differs throughout entities (in some countries it includes additional contributions on top of contractual salaries and years of service). For the calculation of the 97b requirement, target bonus values for the variable part of the remuneration were used, which includes future payments in financial instruments. Target bonus percentages are defined by the Addiko Group Remuneration Policy. Fixed remuneration includes paid salary and benefits. The data is based on headcount at the end of the reporting period but takes the total remuneration for FY 2024 into account, not validated by any external body. Results are shown at Addiko entity level due to significant salary level differences between the respective jurisdictions.

Gender Pay Gap	(97a) The gender pay gap, defined as the difference of average pay levels between female and male employees, expressed as percentage of the average pay level of male employees	(97b) The annual total remuneration ratio of the highest paid individual to the median annual total remuneration for all employees (excluding the highest-paid individual)
Addiko Bank AG Vienna (Austria)	30.78	1 : 13.66
Addiko Bank d.d. Zagreb (Croatia)	28.32	1 : 26.69
Addiko Bank d.d. Ljubljana (Slovenia)	23.43	1 : 10.36
Addiko Bank d.d. Sarajevo (Bosnia & Herzegovina)	42.98	1 : 15.13
Addiko Bank a.d. Banja Luka (Bosnia & Herzegovina)	42.19	1 : 15.53
Addiko Bank a.d. Beograd (Serbia)	37.38	1 : 14.56
Addiko Bank AD Podgorica (Montenegro)	24.59	1 : 13.37

Addiko Bank Croatia won the prestigious Equal Pay Champion Award in 2024, being recognised among first 16 companies on the market. It is the first certificate in Croatia based on the principle of ‘equal pay for equal work’ and it is awarded by the SELECTIO Group with the aim of recognising employers who are determined to achieve fairness and equality in their organisation. The Equal Pay Champion certificate makes Addiko especially proud because it recognises our determination to influence the practice of closing the gender pay gap in society and fostering an inclusive organisational culture that provides equal opportunities for all. It is an excellent preparation for the upcoming EU Transparency Pay Directive.

A regular performance review is defined as a review based on criteria known to the employee and his or her superior undertaken with the knowledge of the employee at least once per year.

Regular performance reviews and target setting are essential processes for ensuring employee growth, alignment with business goals and continuous improvement. These reviews provide structured feedback on individual and team performance, helping employees understand their strengths and areas for development. Guideline for target setting, mandatory targets and possible types of targets are thoroughly described within the remuneration policy. Quantitative and qualitative targets are set using the SMART framework, ensuring clarity and accountability. It is crucial that employee and manager have the same understanding of the set targets, as well as the criteria that will be used for evaluation, with clear explanation of Floor, Target and Cap for every target. Managers and employees engage in ongoing dialogue, rather than limiting feedback to annual reviews, allowing for real-time adjustments and better alignment with evolving priorities. These assessments are linked to career development opportunities, promotions and performance-based incentives, ensuring motivation and recognition. To maintain fairness and objectivity, Addiko also uses structured evaluation frameworks and tools, e.g. internal customer’s satisfaction surveys. Regular performance tracking also helps identify skill gaps, allowing Addiko to design training programmes that enhance workforce capabilities.
By fostering a culture of continuous feedback, Addiko empowers employees to take ownership of their professional growth.

13.1.14. ESRS S1-17 - Incidents, complaints and severe human rights impacts

Group Code of Business Conduct and Ethics	
Material IRO addressed by the policy	**S1-IRO-15** - Positive impact - Equal treatment and opportunities for all – **Measures against violence and harassment in the workplace**: these measures increase the trust of employees and ensure a respectful work environment where mistreatment is not tolerated. This Policy enhances positive impacts on our own workforce by identifying and reporting misconduct or conflicts of interest and promotes Addiko values that increase employee satisfaction.
Key content	The Group Code of Business Conduct and Ethics serves as a tool for being a trusted partner and to promote responsible business conduct. It is a framework to guide and align employees' actions in the domains of Addiko values, equal treatment, dignity, respect, ethics, human rights, anti-corruption, conflict of interest, data protection and grievance mechanisms.
Scope of the policy	□ Downstream X Own Operations □ Upstream
Stakeholder affected	The Group Policy is applied within all Addiko Group entities and applies to all employees, entities, affiliates, external service providers, business partners.
Most senior level in the organisation responsible for implementation	The Group Code of Business Conduct and Ethics is approved by the Group Supervisory Board of Addiko Bank AG, centrally steered by the Managing Director, Group Compliance & AML and implemented across all local entities of the Addiko Group Director.
Monitoring/review process	Subject to annual review or on ad-hoc basis if needed.
Reference to third-party standards	GDPR, EBA Guidelines, National Labour Laws, Salaried Employees Act and General Federal Code, Equal Treatment Act, Disability Employment Act
Consideration of interests of stakeholders (if relevant)	Rather than considering interests of the aforementioned stakeholder affected, it serves as a guiding framework for Addiko's cooperation with them.
Availability of policy for stakeholders (if relevant)	Available to all employees via the internal policy app and to external stakeholders via the intranet, public disclosures and through employee trainings.

For more detail regarding Group Code of Business Conduct and Ethics please refer to 13.2.2ESRS S4-1 – Policies related to consumers and end-users.

Incidents, complaints, and severe human rights impacts are acknowledged and monitored with diligence and transparency at Addiko Bank. While no specific actions or targets have been set yet, ongoing evaluations will determine necessary measures to strengthen our approach.

Addiko respects the protection of internationally proclaimed human rights. Addiko is committed to upholding the fundamental human rights of its employees and expects vendors, business partners and others who provide services on behalf of Addiko to adhere to the same standards.
Addiko is committed to a workplace that is free from sexual, racial and other unlawful harassment and from threats or acts of violence or physical intimidation. Abusive, harassing or other offensive conduct, whether verbal, physical or visual, is not tolerated. Addiko's values and workplace behaviours are built on trust, respect and integrity. Addiko is an equal opportunity employer and bases its recruitment, employment, development and promotion decisions solely on a person's ability and potential in relation to the needs of the job.
During 2024, no incidents of discrimination were reported, we have identified one complaint filed of Addiko's workforce. The case has been thoroughly analysed and follow-up measures have been concluded. The data was collected from our entities and was not validated by any external body.

Incidents and complaints	TOTAL
Work-related incidents of discrimination	0
Incidents of harassment	0
Number of complaints filed of Addiko's own workforce	1
Total amount of fines, penalties and compensation of damages as a result of these incidents	0 EUR
Number of identified cases of severe human rights incidents	0
Total amount of fines, penalties and compensation of damages as a result of human rights incidents	0 EUR

13.1.15. Privacy

Group Data Protection Policy	
Material IRO addressed by the policy	**S1-IRO-17** - Negative impact - Other work-related rights – **Privacy:** the company must provide protection of the personal rights and privacy of consumers and end-users during data processing.
Key content	The group data protection policy serves as a guidance for protection of personal rights and privacy of our own employees during data processing. The policy establishes principles and rules for processing personal data in compliance with GDPR, ensuring privacy, security and accountability across Addiko Group. This policy reduces the negative impact of potentially mishandling or disclosing personal data and loosing thrust of our own employees.
Scope of the policy	□Downstream X Own Operations □Upstream
Stakeholder affected	Employees, clients, business partners, suppliers and communities. Own workforce.
Most senior level in the organisation responsible for implementation	The group data protection policy is approved by the Group Supervisory Board of Addiko Bank AG.
Monitoring/review process	Subject to annual review or on ad-hoc basis if needed.
Reference to third-party standards	GDPR
Consideration of interests of stakeholders (if relevant)	Defined in stakeholder paragraph.
Availability of policy for stakeholders (if relevant)	Available to all employees and external stakeholders via the intranet, public disclosures and through employee trainings. The policy is available to all employees via the internal Policy app.

More detail regarding group data protection policy can be found in ESRS S4-4 Privacy and Data Security

Addiko Bank is committed to protecting employee information and ensuring data security in compliance with relevant regulations. While no specific actions or targets have been set yet, Addiko will continue to monitor developments and assess necessary measures to enhance its data protection framework.

13.2. ESRS S4 - Consumers and End-Users

13.2.1. ESRS2 – SBM-3 - Impact, Risk and Opportunity Management

12. Specific group of consumers affected by material risks or opportunities

No direct risks or opportunities have been identified as material in the double materiality assessment. However, certain positive and negative impacts have been recognised as potential rather than actual, meaning they have not yet materialised. These potential impacts are associated with specific consumer groups. The following section provides further insight into these potentially affected consumer groups within Addiko:

- **Young Consumers:** younger customers demand seamless digital experiences and personalised financial services. While these groups present significant opportunities to foster loyalty through innovative digital solutions and financial literacy programmes, there is a risk of disengagement if their technological expectations are not met. A continuous enhancement of the digital platforms remains crucial to meeting their needs.
- **Older Consumers:** older consumers may rely on hybrid banking models that combine digital offerings with traditional services accessible within a branch network. Although this group might face challenges in adopting complete digital solutions, offering tailored support and personalised care within Addiko's branch network may help mitigate the risk of exclusion while ensuring customer satisfaction.
- **Low-Income Consumers:** Addiko's services create opportunities to support low-income consumers with micro-lending programmes and affordable financial products. These initiatives are designed to build trust and strengthen the bank's social impact. However, heightened credit default risks are attached to these types of services, requiring more effective risk management measures.
- **Rural Communities:** rural consumers often experience challenges in accessing traditional banking services due to infrastructure limitations. Expanding digital and mobile banking offerings helps bridge this gap, opening opportunities to service underserved regions while promoting financial inclusion.

The following IROs were identified in the assessment.

Impacts, Risks and Opportunities	
Impacts	**Negative impacts:** • **S4-IRO-1 - Privacy:** Addiko must provide protection of personal and privacy rights of consumers and end-users during data processing. • **S4-IRO-3 - Access to quality information:** failure to fully inform customers regarding products, prices or any other information that can lead to uninformed decisions. • **S4-IRO-5 -Responsible marketing practices:** employing marketing practices that can give rise to misleading representation. **Positive impacts:** • **S4-IRO-2 - Freedom of expression:** proactive complaint management leads to higher customer satisfaction. • **S4-IRO-4 - Access to products and services:** the European Accessibility Act aims to ensure more products and services are accessible for elderly people and people with a disability. • **S4-IRO-6 - Responsible marketing practices:** employing responsible marketing practices leading to more transparency and higher customer trust. • **S4-IRO-7 - Financial inclusion and capacity building (SASB):** providing quality information to customers leads to customer trust and increased financial literacy.

13.2.2. ESRS S4-1 – Policies related to consumers and end-users

The following policies are in place within Addiko to manage impacts on our consumers:

‘How we work at Addiko’ Handbook	
Key content	The handbook provides a high-level guideline on Addiko’s vision and strategy and explains on how the Bank operates. It also serves as a guideline on responsible business conduct in Addiko. Furthermore, it includes Addiko’s Charter of promoting Human Rights and declares Addiko’s commitment to include principles set forth by the International Labor Organisation (ILO Principles) and OECD Guidelines for Multinational Enterprises into all its business practices and operations.
Scope of the policy	□Downstream X Own Operations □Upstream
Stakeholder affected	Own workforce
Most senior level in the organisation responsible for implementation	Group Management Board
Monitoring/review process	Subject to annual review or on ad-hoc basis if needed.
Reference to third-party standards	ILO Principles, OECD Guideline, UN Human Rights Charter, Austrian Labour Constitution Act
Consideration of interests of stakeholders (if relevant)	Yes, interests of own workforce employees are represented
Availability of policy for stakeholders (if relevant)	The handbook is available to all employees via SharePoint.

The ‘How we work at Addiko” handbook includes Addiko’s Charter of promoting human rights and declares Addiko’s commitment to internationally recognised standards. As a responsible international banking group, Addiko understands that its impact extends beyond its internal operations. In this sense, Addiko extends its commitment to include the principles set forth by the International Labor Organisation (ILO) Declaration on Fundamental Principles and Rights at Work and the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises. Addiko is highly focused on ensuring that its actions and practices are harmonised with the principles that underscore the dignity, rights and well-being of every individual in the Addiko value chain.

Below is a summary of how these principles are especially relevant to Addiko’s consumers.

1. Universal Declaration of Human Rights (UDHR)
Addiko's focus on inclusivity, non-discrimination and respect for freedom are aligned with the UDHR principles. Consumers benefit from services and products rooted in ethical practices and respect for individual dignity.

2. ILO Declaration on Fundamental Principles and Rights at Work
Addiko's policies align with ILO standards by promoting:

- Freedom of Association and Collective Bargaining: ensuring ethical labour practices throughout its supply chain.
- Elimination of Forced Labour: Addiko prohibits all forms of forced labour, including child labour, within its operations or supply chain.
- Supplier responsibility: Addiko expects its suppliers and partners to uphold the same principles of human rights, labour standards and environmental responsibility. Suppliers are evaluated prior to engagement, including ongoing monitoring of their compliance during the relationship period.
- Safe Working Conditions: adherence to HSE (Health, Safety and Environment) safety standards ensures ethical sourcing and production practices, fostering consumer confidence.
- Anti-Corruption: Addiko Group maintains a zero-tolerance policy toward corruption, bribery and unethical practices.

3. OECD Guidelines for Multinational Enterprises
Addiko upholds the OECD principles by ensuring transparency, anti-corruption measures and sustainable business practices. This translates into increased trust in the integrity and accountability of the Addiko operations by consumers.

Addiko Group is committed to maintaining a transparent and accountable approach to addressing human and labour rights violations as well as breaches of ethical conduct within the organisation. All employees, customers, stakeholders and third parties are encouraged to report any concerns, observations or suspicions of violations promptly via the established whistleblowing platforms.

Group Code Of Business Conduct and Ethics	
Key content	The Group Code of Business Conduct and Ethics serves as a tool for defining appropriate guidelines to act as a trusted partner and promote responsible business conduct. It is a framework to guide and align employees' actions with respect to Addiko values, equal treatment, dignity, respect, ethics, human rights, anti-corruption, conflicts of interest, data protection and grievance mechanisms.
Scope of the policy	X Downstream X Own Operations X Upstream
Stakeholder affected	This policy is applied within all Addiko Group entities and applies to all employees, entities, affiliates, external service providers, business partners.
Most senior level in the organisation responsible for implementation	The Group Code of Business Conduct and Ethics is approved by the Group Supervisory Board of Addiko Bank AG, centrally steered by the Managing Director, Group Compliance & AML and implemented across all local entities of Addiko Group.
Monitoring/review process	Subject to annual review or on ad-hoc basis if needed.
Reference to third-party standards	GDPR, EBA Guidelines, National Labour Laws, Salaried Employees Act and General Federal Code, Equal Treatment Act, Disability Employment Act
Consideration of interests of stakeholders (if relevant)	Rather than considering interests of the aforementioned stakeholders, it serves as a guiding framework for Addiko's cooperation with them.
Availability of policy for stakeholders (if relevant)	Available to all employees via the internal policy app and to external stakeholders via public disclosures and through employee trainings.

The Code of Business Conduct and Ethics serves as a framework for responsible, compliant and ethical behaviour for all employees in Addiko, which also explicitly outlines the following principles for business conduct with Addiko's clients:

Fair and responsible business practices:
Addiko Group commits to acting with integrity, honesty and fairness in its dealings with customers. Addiko ensures contracts are fair and avoids any manipulative or unfair business practices. This benefits consumers by fostering trustworthy and ethical business relationships.

Client asset and account protection:
Safeguarding client assets and accounts is a priority. Consumers are assured that their funds and accounts are handled securely and only by authorised personnel. Addiko follows stringent measures to prevent misuse or unauthorised access to customer accounts.

Client complaints handling:
Addiko values client feedback and treats complaints as opportunities to improve its services. Complaints are managed efficiently, fairly and promptly. This ensures consumers have a clear channel for addressing issues and receiving resolutions.

Protection of Addiko's assets and intellectual property:
While these provisions primarily apply to employees, they indirectly benefit consumers by ensuring that company resources are used responsibly and ethically, preventing misuse that could harm clients or reduce service quality.

Consumers of Addiko can expect ethical treatment, clear communication and secure handling of their assets and personal data. The principles defined by the Addiko Group Code of Business Conduct and Ethics ensure that the organisation prioritises customer satisfaction, transparency and long-term trust in all client relationships. By promoting fair competition, responsible business practices and complaint management, Addiko reinforces its commitment to supporting consumer rights and ethical business conduct.

13.2.3. ESRS S4-2 - Processes for engaging with consumers about impacts

Market research initiatives and Net Promoter Score:
Addiko uses the Net Promoter Score ('NPS') as a tool in its comprehensive market research strategy. The NPS is a widely recognised metric that allows Addiko to gauge customer satisfaction and loyalty by assessing the likelihood of customers recommending Addiko's services. Through systematic surveys, Addiko collects valuable feedback, both in terms of numerical scores and qualitative comments. On a quarterly basis, local Customer Experience Committees are held, which are led by the Head of Sales/Product and the respective board member for business of each local Addiko entity, to evaluate the results of NPS surveys and assessments and provide insights that can drive the continuous improvement of products, processes and services. Depending on the agenda, the committee also includes representatives from other key functions, such as the Head of Operations, Risk, Compliance, or IT, to provide cross-functional insights and ensure a comprehensive approach to enhancing customer experience and service quality.

For SME clients, Addiko subsidiaries conduct Voice of Customers ('VOC') feedback alongside market research initiatives. In 2024, focus group interviews were conducted in five subsidiaries (excluding Croatia, which was included in 2023) steered by external market research teams. These interviews involved both Addiko and non-Addiko clients and asked open, explorative questions with focusing on satisfaction factors, as well as customers potential and reasons to switch banks. Although sustainability-related matters were not directly addressed, feedback on these topics was still received.

The results of these market research initiatives are reported, either by the external market research agencies or by internal departments to the local Management Board bodies, who assess the outcomes of such engagements and adapt the strategy accordingly.

13.2.4. ESRS S4-3 - Processes to remediate negative impacts and channels for consumers to raise concerns

Addiko has created a complaint management system, which is outlined in the Addiko Group Complaint Management Policy. This process encompasses grievances from various sources, such as customers, suppliers, business partners, investors and other stakeholders. They are received through multiple channels operated directly by Addiko, like contact centres, digital channels (email, chat boxes), written post/fax, book of complaints. The metrics for customer complaints adhere to local and international standards and EU Directives and are communicated by Addiko Bank AG to its subsidiaries.

Addiko does not receive complaints via social networks, but clients who have expressed some dissatisfaction with Addiko via social media channels are informed about the official channels for submitting complaints. All channels are managed internally. The Bank has no reliance on external factors.

A complaint can be in form of a dispute, refund or compensation claim, requirement for clarification, or due to alleged or potential damages (financial or otherwise), or due to material or immaterial inconvenience or distress. Whistleblowing reports are treated as such whether they are received via the dedicated channels.

Grievances or any reports of misconduct are treated in accordance with internal provisions. Complaints are defined as any expression of dissatisfaction, whether verbal or written, justified or not, about Addiko Bank, its products, services, employees or any type of interaction with the bank.

Internally, all complaints are managed by complaints management systems whereby all complaints are appropriately logged, reviewed, investigated and addressed in accordance with relevant Addiko policies. Controls are conducted periodically by the relevant person appointed to handle complaints to ensure that all instances are recorded and managed appropriately.
To remedy complaints efficiently, local success committees meet periodically. They take metrics, analyse root causes and trends and propose remediation measures either as a one-time event or a systemic change.

All customer-facing employees receive customised training according to their job function and are familiarised with Addiko's internal policies and operations including conflict resolution, complaint handling and management, mediation and crisis negotiation courses. Employees responsible for the overall complaint management and resolution process periodically undergo training in line with relevant Addiko policies and processes as well as the Addiko escalation and resolution path frameworks.

All Addiko entities compile periodical reports, which are consolidated by the Market team and distributed to the relevant stakeholders at Addiko Bank. Moreover, local management boards are regularly notified (in accordance with the local regulatory obligations of the respective entity) of current complaint trends and are informed about proposed improvement scenarios defined by the customer experience committees at each respective entity.
Annual reports are prepared according to defined metrics by all Addiko entities and submitted to the management boards and local regulators in line with local obligations.

In 2024, all complaints received by the relevant departments were dealt with in accordance with Addiko's internal policies and processes.

Complaint management policy			
Key content	The policy defines the standards of Addiko Bank on handling complaints received from customers, suppliers, business partners, investors and other stakeholders via all available interaction channels (branches, contact centre, digital, central department, etc.) by all entities of the group.		
Scope of the policy	x Downstream	x Own Operations	x Upstream
Stakeholder affected	The policy is relevant for all stakeholders.		
Most senior level in the organisation responsible for implementation	Managing Director, Group Consumer Approved by the Group Management Board		
Monitoring/review process	Subject to annual review according to internal policies or on ad-hoc basis if needed		
Reference to third-party standards	EU guidance regarding the application of the existing Joint Committee Guidelines on complaints handling to authorities competent for supervising the new institutions under PSD2 and/or the MCD, JC 2018 35 from 31.07.2018 BoS 2018 35		
Consideration of interests of stakeholders (if relevant)	Customers, suppliers, business partners, investors and other stakeholders		
Availability of policy for stakeholders (if relevant)	Policy is available to all employees via the internal policy app		

In the reporting period, no severe human rights issues or incidents related to its consumers have been reported.

13.2.5. ESRS S4-4 Taking action on material impacts

To address the impacts, which were identified in the double materiality assessment, Addiko has taken the following actions within the reporting period:

SASB - Privacy and Data Security

Addiko recognises that the trust of its customers, in everything it does when providing products and services to them, is one of the key pillars of the bank's success in the market. One of the building blocks of this trust is also protecting confidentiality of customer’s data so that only authorised persons have access to their personal data and that they are protected against unlawful disclosures to third parties and organisations. Guaranteeing the integrity and availability of customer data at all times is equally important in achieving this trust.

Addiko has achieved the above by developing and implementing the Addiko Data Protection Programme across all subsidiaries. General Data Protection Regulation (GDPR) is set as the benchmark regardless of whether the national law in a particular country, where Addiko operates is already fully aligned with the GDPR.

The Addiko Data Protection Programme consists of several building blocks. The most important building block is the team. Every Addiko subsidiary has a Data Protection Officer (DPO), who carries out the tasks prescribed by GDPR (monitoring compliance with data protection obligations, advising and consulting all departments whenever personal data is processed, etc.) and internal implementation policies. In other words, the DPO is responsible for promoting the Data Protection Programme locally and ensuring compliance with the data protection obligations.

Another key building block is a set of internal policies that set out work procedures for all tasks for which DPOs are responsible. The General Data Protection Policy sets the main rules, such as what needs to be done to comply with GDPR and other legislation, what is allowed and what is not. The Information Security Incident and Data Breach Management Policy sets out clearly defined steps in case of such a security event, so that affected systems can be quickly restored, the consequences contained and regulators notified if thresholds are met. Addiko notes that nearly all data breaches occur because customers fail to update their contact data. To address this risk, Addiko has launched initiatives, whereby customer contact data is updated in a customer friendly way via digital means.

The Data Protection Programme is steered by the Group Data Protection function, where the Group DPO operates. This function is responsible for overseeing the implementation of the programme at Addiko level and guides the activities of local DPOs.

Addiko trains all employees about basic data protection requirements and raises awareness about the importance of this topic. DPOs receive extensive training internally within the DPO forum, a yearly event where all DPOs gather to learn about new developments in the regulatory landscape and projects. All DPOs meet weekly to discuss current topics.

Another key building block of the Addiko Data Protection Programme are the organisational and technical security measures deployed to ensure secure processing of personal data. As with personal data protection, subsidiaries have a local Chief Information Security Officer (CISO) who is responsible for monitoring the organisational and, above all, deployed technical measures and the effectiveness of the IT systems designed to protect them. The CISOs devote a great deal of time to raising awareness among all employees about the importance of self-protection measures. CISOs are managed by the Group CISO. The Group CISO and Group DPO meet regularly. Both of these individuals report regularly to the Group Management and Supervisory Boards.

Key action in the reporting year	
Actions	• Implementation and continuous improvement of the Addiko Data Protection Programme • Implementation and continuous improvement of all technical and organisational measures that guarantee the safe processing of data and protection of other assets • Harmonisation with the Digital Operational Resilience Act (DORA) which includes adjusting the risk assessment process for new and existing third party contracts, implementing Register of Information and collecting in it the data on contracts in scope and revising and aligning the ICT risk framework to align methodologically with changed regulatory requirement.
Material IRO addressed by the action	**S4-IRO-1 - Negative impact: Privacy:** Addiko must provide protection of personal and privacy rights of consumers and end-users during data processing
Scope of the actions	x Downstream x Own Operations x Upstream
Time horizon to complete action	2025
Progress to previous reporting period	• Implementation and continuous improvement of the Addiko Data Protection Programme • Implementation and continuous improvement of all technical and organisational measures that guarantee the safe processing of data and protection of other assets • GAP analysis for implementation of Digital Operational Resilience Act (DORA)
Key actions as remedy (if relevant)	not relevant
Responsibility for the actions	Head of Addiko Group Data Protection CSF
Financial resources allocated	within annual budget, not further specified

Target	
Targets to be achieved	Harmonisation with the Digital Operational Resilience Act
Scope of targets	x Downstream x Own Operations X Upstream
Description of the targets	Implementation of DORA as of January 2025
Methodology for target setting	Operational target set by respective group departments
Tracking the effectiveness of the actions to address material IROs	Head of Addiko Group Data Protection CSF reports to Management Board on its progress
Stakeholders affected/involved in the target setting	Operational target, according to legal regulations
Relationship of the target to policy objectives	DORA mandates financial entities and their critical third-party technology service providers to implement stringent ICT system guidelines.

Target Overview			
Baseline year	2024	Milestone	2025
Target achieved	**GAP analysis for implementation of DORA Harmonisation with DORA**	Target planned	**Implementation of DORA as of January 2025**

Freedom of expression and complaint management

Addiko has created a complaint management system outlined in the Addiko Group Complaint Management Policy under chapter 13.2.4 ESRS S4-3 - Processes to remediate negative impacts and channels for consumers to raise concerns.
At the time of preparing the Sustainability Statement for the year 2024, no specific actions or targets have been set regarding freedom of expression and complaint management, as no material risks or opportunities have been identified in this area and no actual adverse incidents or regulatory concerns have been observed that would necessitate formal targets. Addiko will continue to monitor this area and reassess the need for targeted actions as required.

Access to quality information and financial literacy

Addiko recognises the important role access to quality information and financial literacy plays in empowering individuals to make informed decisions and achieve financial well-being. Addiko's commitment extends beyond traditional banking services to actively promoting financial education and transparency. Addiko appreciates that informed customers are not only better positioned to manage their finances effectively but will also contribute to a more resilient and stable financial community. In recognising the importance of financial literacy, Addiko tailors its communication strategies to ensure clarity and accessibility. Addiko provides comprehensive information about its products and services, terms and conditions as well as financial planning tips to facilitate a deeper understanding among its diverse customer base.

Through various channels, including online resources, workshops, social media activities and podcasts, Addiko strives to equip customers with the knowledge and skills required to navigate the complexities of personal finance. Addiko aims to foster a financially literate clientele and empower individuals to make sound financial decisions, build a secure future and participate actively in the evolving landscape of personal finance.

Addiko intends to increase the frequency and substance of these programmes to target all categories of clients in all its countries of operations. Information about these programmes can be found on the respective websites of the local Addiko banks.

Key action in the reporting year			
Actions	Execute financial literacy programmes to empower customers to make informed decisions.		
Material IRO addressed by the action	**S4-IRO-3 - Negative impact: Access to quality information:** failure to fully inform customers regarding products, prices or any other information that can lead to uninformed decisions. **S4-IRO-7 - Positive impact: Financial inclusion and capacity building:** providing quality information to customers leads to customer trust and increased financial literacy		
Scope of the actions	x Downstream	x Own Operations	□ Upstream
Time horizon to complete action	2025		

Progress to previous reporting period	Addiko has established landing pages on their local websites to provide customers with detailed explanation on their products, services, terms and conditions to enable customers to make informed decisions. In addition, Addiko Bank Croatia, together with the Faculty of Science in Zagreb has developed educational materials regarding financial literacy. An online financial literacy quiz was conducted for children (from the 5th to the 8th grade of primary schools) in Croatia. A total of 256 schools and 1,800 students participated in this initiative. Addiko Bank Montenegro aired a 4-part podcast series in cooperation with 'Centre of Moms' in Montenegro on how to successfully operate a family budget.
Key actions as remedy (if relevant)	No incident happened that harmed a person, therefore no remedy.
Responsibility for the actions	Steered by local marketing departments of each Addiko entity
Financial resources allocated	within annual marketing budget, no further specified

Target	
Targets to be achieved	Execute a minimum of one financial literacy initiative on local level per year
Scope of targets	x Downstream x Own Operations ☐ Upstream
Description of the targets	Currently, it is not possible to standardise the financial literacy activities for Addiko entities on a groupwide basis, therefore one 'lighthouse' activity shall be conducted per entity.
Methodology for target setting	Financial literacy initiatives included within the ESG strategy initiatives and aligned with local marketing departments of each entity.
Tracking the effectiveness of the actions to address material IROs	As part of the ESG strategy initiatives regularly monitored and reported to the Group Management Board.
Stakeholders affected/involved in the target setting	Initiatives are carefully aligned with local marketing departments, but consumers are not directly involved in the planning activities.
Relationship of the target to policy objectives	No policy in place, it rather relates to the ESG strategy

Target Overview			
Baseline year	2024	Milestone	2025
Target achieved	**Various financial literacy initiatives among group entities executed**	Target planned	**Execute a minimum of one financial literacy initiative within each group entity per year**

Access to products and services

To ensure the broadest possible access to its products and services, Addiko uses a hybrid distribution approach consisting of physical branches, modern digital channels and partnerships with merchants. Addiko Bank AG and Addiko's banking entities in CSEE are fully compliant with local laws and regulations in terms of enabling access to people with disabilities. In addition to fulfilling its legal obligations, Addiko is steadily improving the accessibility of its branches (e.g. via wheelchair ramps, etc.).

KEY ACTION IN THE REPORTING YEAR	
Actions	Preparation to fulfil requirements of the European Accessibility Act Directive (EU) 2019/882, especially with regards to availability and access to banking services and ATMs.
Material IRO addressed by the action	**S4-IRO-4 - Positive impact: Access to products and services:** the European Accessibility Act, together with similar regulatory requirements aim to ensure more products and services are accessible for elderly people and people with a disability.
Scope of the actions	x Downstream x Own Operations □ Upstream
Time horizon to complete action	2025
Progress to previous reporting period	Addiko and banks in general are required to make their products and services more accessible to people with disabilities, ensuring that digital services are accessible, including using of simple language, providing alternative text for non-text content, ensuring readable font sizes and contrast and offering alternatives to biometric identification methods.
Key actions as remedy (if relevant)	No incident happened that harmed a person, therefore no remedy.
Responsibility for the actions	Group Consumer
Financial resources allocated	within annual budget, not further specified

Responsible marketing practices

Addiko's dedication to being a responsible lender is particularly evident in its product design, as well as its communication and advertisements, which address product characteristics in a direct and transparent manner in complete alignment with sales and prudent risk management.

In its product advertisements, Addiko uses clear and direct messages along with examples to ensure full transparency and provide customers with the information they need to make an informed decision regarding their finances. More detailed information about products and services is available on the local websites of Addiko subsidiaries.
These efforts have been recognised by independent authorities and rewarded with customer service certificates, such as the 'Customers' Friend Certificate' awarded by the International Certification Association ('ICERTIAS') to Addiko Bank Banja Luka and Addiko Bank Sarajevo.

Addiko Bank representatives are members of national banking associations and are therefore closely involved in setting and implementing professional industry standards that are aligned with the highest ethical principles.

KEY ACTION IN THE REPORTING YEAR			
Actions	Addiko tailors its communication strategies to ensure clarity and accessibility. Addiko provides comprehensive information about its products and services, terms and conditions as well as financial planning tips to facilitate a deeper understanding among its diverse customer base.		
Material IRO addressed by the action	**S4-IRO-3 - Negative impact: Access to quality information:** failure to fully inform customers regarding products, prices or any other information, which can lead to uninformed decisions. **S4-IRO-5 - Negative impact: Responsible marketing practices:** a supplier must not market goods or services in a manner that is likely to create a false or misleading representation in respect of those goods or services; or misleading, fraudulent, or deceptive in any way. **S4-IRO-6 - Positive impact: Responsible marketing practices: e**mploying responsible marketing practices leads to transparency and higher customer trust.		
Scope of the actions	X Downstream	□ Own Operations	□ Upstream
Time horizon to complete action	No time horizon defined		
Progress to previous reporting period	Various activities conducted on entity level		
Key actions as remedy (if relevant)	No incident happened that harmed a person, therefore no remedy.		
Responsibility for the actions	Group Consumer together with Group		
Financial resources allocated	not further specified		

14. Governance Information

14.1. Governance

14.1.1. ESRS 2 SBM-3 - Impact, Risk and Opportunity Management

Impacts, Risks and Opportunities	
Impacts	**Negative impacts:** • **G1-IRO-1 - Corporate culture:** a weak corporate culture may trigger employee dissatisfaction, stakeholder distrust or bad reputation. Employees can feel uncomfortable in the work environment and their productivity and motivation may be impacted. • **G1-IRO-3 - Protection of whistleblowers:** when there are insufficient or inappropriate reporting mechanisms or where whistleblower reports are not treated with an adequate diligence of care, or without protecting the confidentiality of the matter and persons involved, whistleblowers may be dissuaded from making reports in the future thereby weakening trust in the organisation or the potential lack of awareness of important events related to Addiko or even oversight of regulatory, compliance and legal risks. • **G1-IRO-5 - Management of relationships with suppliers including payment practices:** poor management of supplier relationships, such as delayed payments or unfair terms, can strain partnerships, harm the reputation of Addiko as a trustworthy partner and disproportionately affect SME suppliers who rely on timely payments for financial stability. • **G1-IRO-7 - Prevention and detection of corruption and bribery:** Ineffective corruption prevention policies and practices can result in increased incidents of corruption and thereby high legal, operational and reputational risks. **Positive impacts:** • **G1-IRO-2 - Corporate culture:** a strong corporate culture can result in higher employee satisfaction, a greater sense of belonging and personal growth and motivation. • **G1-IRO-4 - Protection of whistleblowers:** appropriate reporting and investigation mechanisms together with transparent policies and processes demonstrate to employees and stakeholders of the organisation that all matters are treated with utmost diligence. These contribute to creating an environment of trust and appreciation for employees and customers alike thereby boosting morale, corporate spirit and name recognition of the Addiko name as a trustworthy and fair brand. • **G1-IRO-6 - Management of relationships with suppliers including payment practices:** proactively managing supplier relationships by adhering to standard payment terms, maintaining transparent communication and supporting SME suppliers strengthens trust, fosters long-term partnerships and enhances the reputation of Addiko as a reliable and responsible business partner. • **G1-IRO-8 - Prevention and detection of corruption and bribery:** effective corruption prevention policies and practices contribute to increased customer trust and improved relationships with stakeholders. Internal programmes such as trainings, awareness sessions and reports allow employees a better understanding of anti-bribery and corruption efforts.

14.1.2. ESRS G1-1- Business Conduct Policies and Corporate Culture

At Addiko Bank, business conduct policies and corporate culture are essential to underline Addiko's commitment to responsible banking and sustainable development. This chapter gives and overview of the key policies in place to uphold ethical standards, ensuring regulatory compliance and fostering accountability across all areas of operations.

In accordance with the ESRS, the following key areas are summarised under business conduct:

- **Business ethics and corporate culture:** This includes strong anti-corruption and anti-bribery measures, supported by comprehensive whistleblower protection mechanisms to promote ethical practices and accountability.
- **Supplier relationship management:** Focused on fair and transparent procurement processes, alongside equitable and timely payment practices that consolidate trust and financial stability.
- **Political influence and lobbying activities**: Addiko Bank, as a politically neutral organisation, does not engage in party political campaigning or make political party donations, further demonstrating its commitment to ethical governance and independence.

Business ethics and corporate culture

The Code of Business Conduct and Ethics of Addiko constitutes the foundation framework that defines and informs Addiko's distinctive business culture. This guiding document serves as a beacon, shaping a culture within Addiko that is rooted in integrity, accountability and a shared commitment to ethical business practices.

Group Code of Business Conduct and Ethics			
Material IRO addressed by the policy	**G1-IRO-1 -Negative impact: Corporate culture:** A weak corporate culture may result in employee dissatisfaction, stakeholder distrust or bad reputation. Employees can feel uncomfortable in the work environment and their productivity and motivation may be impacted. **G1-IRO-2 Positive impact: Corporate culture**: A strong corporate culture can result in higher employee satisfaction, a greater sense of belonging and personal growth and motivation.		
Key content	The Group Code of Business Conduct and Ethics serves as a tool for defining appropriate guidelines to act as a trusted partner and promote responsible business conduct. It is a framework to guide and align individual employees actions with respect to Addiko values, equal treatment, dignity, respect, ethics, human rights, anti-corruption, conflicts of interest, data protection and grievance mechanisms.		
Scope of the policy	X Downstream	X Own Operations	X Upstream
Stakeholder affected	The Group Policy is applied within all Addiko Group entities and applies to all employees, entities, affiliates, external service providers, business partners.		
Most senior level in the organisation responsible for implementation	The Group Code of Business Conduct and Ethics is approved by the Group Supervisory Board of Addiko Bank AG, centrally steered by the Managing Director, Group Compliance & AML and implemented across all local entities of the Addiko Group.		
Monitoring/review process	Subject to annual review or on ad-hoc basis if needed.		
Reference to third-party standards	GDPR, EBA Guidelines, National Labour Laws, Salaried Employees Act and General Federal Code, Equal Treatment Act, Disability Employment Act		
Consideration of interests of stakeholders (if relevant)	Rather than considering interests of the aforementioned stakeholder affected, it serves as a guiding framework for Addiko's cooperation with them.		
Availability of policy for stakeholders (if relevant)	Available to all employees via the internal policy app and to external stakeholders via public disclosures and through employee trainings.		

Protection of whistleblowers

Addiko as a bank is subject to legal requirements under EU Directive 2019/1937 with regard to the protection of whistleblowers. Addiko is committed to maintaining an open culture with the highest standards of honesty, transparency, integrity and accountability, where all members of the Addiko community can report any legitimate concerns in any area of operation in confidence and at any time they deem appropriate but preferably as soon as such an event occurs.

Addiko has defined specific whistleblowing provisions within its internal policies with appropriate guidelines to allow all employees to disclose information that is interpreted to imply malpractice, unethical conduct or illegal practices within the workplace, without fear of prosecution or repercussions of any kind for the reporting individual provided that the notification is made in good faith and with reasonable intent.

Addiko will not retaliate against any whistleblower.

This includes, but is not limited to, protection from retaliation in the form of an adverse employment action such as termination, compensation decreases, or detriment dismissal or alteration of an employee’s position/duties to their disadvantage, or negative performance feedback that is not reflective of actual performance or harassment, intimidation or bullying as well as threats made with malicious intent.
Any whistleblower who believes they are being retaliated against is encouraged to contact HR and/or the works council immediately. The right of a whistleblower to protection against retaliation does not include immunity for any personal wrongdoing that is alleged and investigated.

At Addiko, whistleblowers who raise concerns openly in accordance with its internal policies are protected. All disclosures made by whistleblowers are guaranteed to be treated in a confidential and sensitive manner. In this sense, the identity of any member of the Addiko community making a disclosure will be kept confidential. In instances where maintaining the confidentiality of the source hinders an ongoing investigation, certain disclosures will be made to individuals specifically appointed to assist with the investigation.
Addiko encourages whistleblowers to disclose their identity whenever possible. While we treat both anonymous and non-anonymous complaints equally, if the identity of the whistleblower remains unknown it may further complicate the investigation process and this could imply an inability to protect the best interests of the whistleblower and/or give proper feedback. In any instance, all reports will be evaluated with the same level of seriousness and the factors that will be taken into account to review the reported instance will include:

- (i) the seriousness of the issue raised;
- (ii) the credibility of the concern; and
- (iii) the likelihood of confirming the allegation from other sources

Due to the sensitive nature of the reported matters, all communication between the whistleblower and the investigators will be recorded and stored in accordance with the employee privacy protections and the Addiko Group Data Protection Policy and will be treated as strictly confidential.
Upon receiving a Whistleblowing Report, a Whistleblowing Office, consisting of members from the works council, the data protection office and an appointed compliance officer will be immediately convened. The Whistleblowing Office examines the information reported, conducts an investigation and forwards its conclusions and recommendations to the Addiko Management Board.
The Whistleblowing Office at the respective subsidiary will always treat matters of this nature in a confidential and sensitive manner.
The Whistleblowing Office will respond to all reports as quickly as reasonably possible. To ensure that all eligible whistleblowers are treated fairly, including to those who may be wrongly or mistakenly accused, initial enquiries will be made to determine whether an investigation is appropriate in line with the provisions set out in this section and, if so, what course it should take.
All cases relating to suspected criminal activity, including but not limited to fraud, sexual harassment or abuse, will be reviewed by the relevant stakeholders and legal team to decide whether they should be referred to the police or other relevant government authority.
The Compliance Department will maintain and review a Whistleblowing Register containing all the whistleblower reports received and will submit an annual report to the Management Board.
The report will not include any employee names and will not reveal any personal data that could identify the persons concerned unless it is of legitimate public interest.

The Whistleblowing Register together with the annual reports will be available for inspection by internal and external audit only after any confidential details have been removed.

Group Compliance Policy			
Material IRO addressed by the policy	**G1-IRO-3 Negative impact-Protection of whistleblowers:** When there are insufficient or inappropriate reporting mechanisms or where whistleblower reports are not treated with an adequate diligence of care, or without protecting the confidentiality of the matter and persons involved, whistleblowers may be dissuaded from making reports in the future thereby weakening trust or potential lack of awareness of important events related to Addiko or even oversight of regulatory compliance and legal risks. **G1-IRO-4 Positive impact-Protection of whistleblowers**: appropriate reporting and investigation mechanisms and transparent policies and processes demonstrate to employees and stakeholders of the organisation that all matters are treated with utmost diligence. They contribute to an environment of trust and appreciation for employees and customers alike thereby boosting morale, corporate spirit and name recognition of the Addiko name as a trustworthy and fair brand.		
Key content	The whistleblowing section of the Addiko Group Compliance Policy establishes a well-defined framework for whistleblowing practices, giving assurance to employees and third parties to report concerns about ethical breaches, legal violations, or compliance risks confidentially without fear of retaliation.		
Scope of the policy	X Downstream	X Own Operations	X Upstream
Stakeholder affected	Employees, contractors, third-party vendors and other stakeholders who interact with the organisation.		
Most senior level in the organisation responsible for implementation	Subject to annual review according to internal policies or on ad-hoc basis if needed		
Monitoring/review process	The Group Compliance Policy is approved by the Group Supervisory Board of Addiko Bank AG, centrally steered by the Managing Director, Group Compliance & AML and implemented across all local entities of the Addiko Group.		
Reference to third-party standards	Austrian Whistleblower Protection Act, EU Whistleblowing Directive (Directive (EU) 2019/1937) and other relevant legal frameworks.		
Consideration of interests of stakeholders (if relevant)	Addiko whistleblowing practices are designed to ensure confidentiality, protection against retaliation and an fair investigation processes, balancing organisational needs with individual rights.		
Availability of policy for stakeholders (if relevant)	The policy is available to all employees via the internal policy app, supported by training programmes and whistleblowing tools, including anonymous reporting channels.		

14.1.3. ESRS G1-2 - Management of relationship with suppliers

Addiko engages in standard banking operations, relying on its suppliers for various services and goods. With the exception of software and IT service providers, most of the suppliers are SMEs.

The supplier selection process is conducted transparently, neutrally and without discrimination in line with the Group Policy on Business Conducts and Ethics. In accordance with Addiko's Procurement Policy, which has been approved by the Management Board, an ESG assessment is mandatory for all bidders participating in tendering processes where the estimated annual gross purchase value exceeds EUR 500,000 This assessment is conducted through a comprehensive questionnaire that forms an integral part of the tender documentation. Additionally, an annual ESG assessment is required for all suppliers with aggregated annual spending of 500,000 or more. As part of its ESG Strategy initiatives, Addiko conducted an ESG evaluation of the Top 10 suppliers in each entity during the reporting period.

Addiko's standard contract payment terms for all suppliers emphasise timely settlement of invoices, with delays occurring only in exceptional and rare circumstances.
Instances of late payment in nearly all cases are attributed to factors beyond Addiko's control, including:
- Invoice not being sent in time
- Content of the invoice is not compliant with minimum specifications in local tax law
- No proper documentation of the performed services
- Goods or services were not provided in the pre-agreed quality/quantity

14.1.4. ESRS G1-6 - Payment practices

According to Addiko's standard contractual payment terms, supplier invoices are settled within 30 days of receipt. During this period, invoices are reviewed for accuracy and proper documentation of the goods or services received, with internal approvals required before payment is processed. For ongoing services such as telecommunications and rental agreements, the payment term ‘upon receipt of invoice’ is often specified in the standard contractual terms of the respective suppliers, which may therefore deviate from Addiko's standard payment terms.

In the process for entering incoming invoices, the invoice issue date and the booking entry date are noted and, based on the payment deadlines stored in the vendor system, the corresponding payment date is noted on which the payment is made after the invoice has been accepted by the recipient. Once payment has been made, however, only the first three dates (booking entry date, invoice date and payment date) can be analysed, meaning that the average time required by a group company to pay an invoice from the date on which the contractual or statutory payment period begins cannot be analysed.

As of 31 December 2024 there are no open lawsuits initiated by suppliers claiming late payment by Addiko.

Actions, metrics and targets:
Addiko has not set any specific action or quantitative targets in this area but is constantly working to further improve internal processes with the aim of decreasing the processing time of invoices.

14.1.5. ESRS G1-3 - Prevention and detection of corruption and bribery

Addiko has a zero-tolerance approach when it comes to bribery and corruption.
Addiko does not and will not pay bribes or offer improper incentives to anyone for any purpose.
Addiko (through its employees and representatives) does not and will not accept bribes or improper incentives or anything that could be perceived as such.
Addiko expects the same from its customers, business partners, Addiko employees, consultants, advisors and third parties that perform services or deliver business on its behalf.

Bribery and corruption are not tolerated by Addiko in any form and under any circumstances.

Addiko acknowledges that the risk of corruption and bribery is not evenly distributed across all employees, with certain functions and roles inherently carrying a higher risk due to their nature, level of authority, and access to sensitive financial transactions. However, Addiko firmly believes that maintaining a strong ethical culture requires all employees to receive the same level of training and risk awareness measures, ensuring a uniform understanding of anti-corruption policies and fostering a zero-tolerance approach across the organisation.

Group Compliance Policy	
Material IRO addressed by the policy	**G1-IRO-7 Negative impact-Prevention and detection of corruption and bribery:** ineffective corruption prevention policies and practices can result in increased incidents of corruption and thereby high legal, operational and reputational risks. **G1-IRO-8 Positive impact- Prevention and detection of corruption and bribery:** effective corruption prevention policies and practices contribute to increased customer trust, greater transparency and improved relationships with stakeholders. Internal programmes such as trainings, awareness sessions, speciality materials and presentation of international reports on bribery and corruption give employees a better understanding of anti-bribery and corruption efforts and thereby foster an intrinsic positive motivation to support these practices and protecting Addiko from legal or reputational losses.
Key content	The policy includes a clearly defined section outlining Addiko principles and practices implemented to support prevention and detection of corruption and bribery events within Addiko. This establishes a zero-tolerance approach to corruption and bribery and prescribes robust procedures to identify, monitor and mitigate related risks.
Scope of the policy	X Downstream X Own Operations X Upstream
Stakeholder affected	Employees, suppliers, contractors and external service providers involved in business transactions with Addiko Group.
Most senior level in the organisation responsible for implementation	The Group Compliance Policy is approved by the Group Supervisory Board of Addiko Bank AG, centrally steered by the Managing Director, Group Compliance & AML and implemented across all local entities of the Addiko Group.
Monitoring/review process	Subject to annual review or on ad-hoc basis if needed.
Reference to third-party standards	OECD and UN Anti Bribery and Corruption standards, Austrian Civil Code, the FCPA, the FSPA, the UK Bribery Act
Consideration of interests of stakeholders (if relevant)	To ensure comprehensive coverage and limitation of liability for Addiko in matters of bribery and corruption, the Addiko Legal Department requires all third-party agreements concluded by Addiko and its subsidiaries to integrate a specifically formulated anti-bribery and corruption clause requiring the respective third party to abide by all anti-bribery and corruption legal and regulatory obligations observed by Addiko.
Availability of policy for stakeholders (if relevant)	Available to all employees and external stakeholders via dedicated intranet pages, public disclosures and through mandatory trainings.

Key action in the reporting year	
Actions	• Prevention and detection of corruption and bribery training conducted within Addiko Group, focus areas of the trainings are compliant conduct of invitations, gifts and gratitude's, whistleblowing information and capital market compliance. • Anti-bribery and corruption provisions to be considered in dealings with third party stakeholders
Scope of the actions	X Downstream X Own Operations X Upstream
Time horizon to complete action	2026

Progress to previous reporting period	• Anti-bribery and corruption obligations are to be included in all commercial contracts starting in 2024; • Anti-bribery and corruption assurances section in the ESG questionnaire has been developed in 2024 and has been included as a mandatory requirement within the procurement process in accordance with the Addiko Group Procurement Policy.
Key actions as remedy (if relevant)	Not relevant
Responsibility for the actions	Group Compliance & AML
Financial resources allocated	Within annual budget

TARGET			
Targets to be achieved	100% of all employees and MB&SB members receive ABC training		
Scope of targets	X Downstream	X Own Operations	X Upstream
Description of the targets	Increase the percentage of employees, MB and SB bodies that receive ABC training.		
Methodology for target setting	Targets internally set		
Tracking the effectiveness of the actions to address material IROs	Monitoring training participation on an annual basis.		
Stakeholders affected/involved in the target setting	Internal training measure for employees		
Relationship of the target to policy objectives	Defined targets are fully aligned with policy objectives		

TARGET OVERVIEW					
Baseline year	2024	Milestone	2025	Target year	2026
Target achieved	**Implement ABC training within Addiko Group**	Target planned	**80% of all employees and MB&SB members receive ABC training**	Target planned	**100% of all employees and MB&SB members receive ABC training**

14.1.6. ESRS G1-4 - Incidents of corruption and bribery

During the reporting period, Addiko is proud to report that no incidents of bribery or corruption were recorded. Furthermore, the bank has not been involved in any legal proceedings related to bribery or corruption, reflecting our strong commitment to ethical business practices and compliance with regulatory standards.

KEY ACTION IN THE REPORTING YEAR

Anti-bribery and corruption training within Addiko Group

In 2024, Addiko conducted dedicated Anti-bribery and corruption trainings for Addiko Bank AG employees. Customised training courses on this topic are intended to be delivered in 2025 in all Addiko countries of operation.

	All functions HC	Members of the Management Board	Member of Administrative, Management and Supervisory bodies
Training coverage			
Total HC ABH	157	4	5
Total receiving training (ABH)	78%	50%	0%
Total HC ABC	723	3	5
Total receiving training (ABC)	95%	67%	0%
Total HC ABS	346	3	5
Total receiving training (ABS)	95%	100%	0%
Total HC ABSa	345	3	5
Total receiving training (ABSa)	82%	100%	0%
Total HC ABBL	352	3	5
Total receiving training (ABBL)	100%	100%	100%
Total HC ABSe	613	3	5
Total receiving training (ABSe)	79%	33%	0%
Total HC ABM	190	3	5
Total receiving training (ABM)	53%	0%	0%
Delivery method and duration	Classroom training 1 hour	Classroom training 1 hour	Classroom training 1 hour
Frequency	annually	annually	annually
Topics covered	Invitations, gifts and gratiutity, whistleblowing information and capital market compliance.	Invitations, gifts and gratiutity, whistleblowing information and capital market compliance.	Invitations, gifts and g gratiutity, whistleblowing information and capital market compliance.
Definition of corruption & legal provisions in the Addiko countries of operation	X	X	X
Addiko Bribery & Corruption practices	X	X	X
Procedures on suspicion/detection/red flags	X	X	X
Industry use-cases (local & international)	X	X	X
Available reporting channels	X	X	X

Vienna, 18 February 2025
Addiko Bank AG

MANAGEMENT BOARD

Herbert Juranek m.p.
Chairman

Edgar Flaggl m.p.
Member of the Management Board

Tadej Krašovec m.p.
Member of the Management Board

Ganesh Krishnamoorthi m.p.
Member of the Management Board

Consolidated Financial Statements

I. Consolidated statement of comprehensive income

Statement of profit or loss

EUR m

	Note	01.01. - 31.12.2024	01.01. - 31.12.2023
Interest income calculated using the effective interest method		279.6	247.3
Other interest income		31.5	29.7
Interest expenses		-68.3	-49.0
Net interest income	**(28)**	**242.9**	**228.0**
Fee and commission income		98.0	90.4
Fee and commission expenses		-25.1	-23.3
Net fee and commission income	**(29)**	**73.0**	**67.1**
Net result on financial instruments	(30)	1.2	0.4
Other operating income	(31)	4.4	3.7
Other operating expenses	(31)	-16.7	-16.7
Personnel expenses	(32)	-104.4	-97.8
Other administrative expenses	(33)	-71.0	-63.5
Depreciation and amortisation	(34)	-17.0	-17.3
Operating result before impairments and provisions		**112.3**	**103.9**
Other result	(35)	-15.8	-44.7
Expected credit loss expenses on financial assets	(36)	-36.0	-11.8
Result before tax		**60.4**	**47.4**
Taxes on income	(37)	-15.0	-6.3
Result after tax		**45.4**	**41.1**
thereof attributable to equity holders of parent		45.4	41.1

	Note	31.12.2024	31.12.2023
Result after tax attributable to equity holders of parent (in EUR m)	(52)	45.4	41.1
Weighted-average number of outstanding ordinary shares (in units of shares)	(52)	19,289,603	19,422,603
Earnings per share (in EUR) - undiluted/diluted	(52)	2.35	2.12

Statement of other comprehensive income

EUR m

	Note	01.01. - 31.12.2024	01.01. - 31.12.2023
Result after tax		**45.4**	**41.1**
Other comprehensive income		**19.6**	**38.2**
Items that will not be reclassified to profit or loss		**1.5**	**1.3**
Actuarial gains or losses on defined benefit plans	(49.3)	-0.2	0.1
Fair value reserve - equity instruments		1.6	1.2
Net change in fair value		2.0	1.4
Taxes on income		-0.4	-0.3
Items that are or may be reclassified to profit or loss		**18.2**	**37.0**
Foreign currency translation		0.3	0.3
Gains/losses of the current period		0.3	0.3
Fair value reserve - debt instruments		17.9	36.7
Net change in fair value		20.8	42.6
Net amount transferred to profit or loss	(30)	0.0	0.0
Taxes on income		-3.0	-5.9
Total comprehensive income for the year		**65.0**	**79.3**
thereof attributable to equity holders of parent		65.0	79.3

II. Consolidated statement of financial position

EUR m

	Note	31.12.2024	31.12.2023
Assets			
Cash and cash equivalents	(38)	1,251.4	1,254.5
Financial assets held for trading	(39)	14.4	29.5
Loans and advances to credit institutions	(40)	44.2	66.6
Loans and advances to customers	(40)	3,506.4	3,489.2
Investment securities	(41)	1,464.7	1,178.6
Tangible assets	(42)	55.4	57.6
Property, plant and equipment		53.1	54.3
Investment properties		2.3	3.3
Intangible assets	(43)	25.7	23.3
Tax assets		30.8	36.8
Current tax assets		2.1	1.7
Deferred tax assets	(37)	28.6	35.1
Other assets	(45)	14.8	14.0
Non-current assets held for sale	(46)	1.0	1.3
Total assets		**6,408.9**	**6,151.5**
Equity and liabilities			
Financial liabilities held for trading	(47)	4.4	4.2
Deposits and borrowings from credit institutions	(48)	77.3	106.8
Deposits and borrowings from customers	(48)	5,290.0	5,032.6
Other financial liabilities	(48)	54.4	59.3
Provisions	(49)	94.1	99.2
Tax liabilities		5.0	4.1
Current tax liabilities		3.3	4.1
Deferred tax liabilities		1.7	0.0
Other liabilities	(50)	44.2	44.2
Equity	(51)	839.5	801.1
thereof attributable to equity holders of parent		839.5	801.1
Total equity and liabilities		**6,408.9**	**6,151.5**

III. Consolidated statement of changes in equity

EUR m

2024	Subscribed capital	Treasury shares	Capital reserves	Fair value reserve debt instruments	Fair value reserve equity instruments	Remeasurement on defined benefit plans	Foreign currency reserve	Cumulated result and other reserves	Equity holders of parent	Non-controlling interest	Total
Equity as at 01.01.	**195.0**	**-2.2**	**237.9**	**-48.6**	**3.2**	**0.5**	**-11.2**	**426.5**	**801.1**	**0.0**	**801.1**
Result after tax	0.0	0.0	0.0	0.0	0.0	0.0	0.0	45.4	45.4	0.0	45.4
Other comprehensive income	0.0	0.0	0.0	17.9	1.6	-0.2	0.3	0.0	19.6	0.0	19.6
Total comprehensive income	0.0	0.0	0.0	17.9	1.6	-0.2	0.3	45.4	65.0	0.0	65.0
Transactions with equity holders	0.0	-0.8	0.0	0.0	0.0	0.0	0.0	-25.8	-26.6	0.0	-26.6
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-24.3	-24.3	0.0	-24.3
Share-based payments	0.0	0.4	0.0	0.0	0.0	0.0	0.0	-1.5	-1.1	0.0	-1.1
Purchase of treasury shares	0.0	-1.2	0.0	0.0	0.0	0.0	0.0	0.0	-1.2	0.0	-1.2
Other changes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equity as at 31.12.	**195.0**	**-2.9**	**237.9**	**-30.8**	**4.8**	**0.3**	**-10.9**	**446.1**	**839.5**	**0.0**	**839.5**

EUR m

2023	Subscribed capital	Treasury shares	Capital reserves	Fair value reserve debt instruments	Fair value reserve equity instruments	Remeasurement on defined benefit plans	Foreign currency reserve	Cumulated result and other reserves	Equity holders of parent	Non-controlling interest	Total
Equity as at 01.01.	**195.0**	**-0.4**	**237.9**	**-85.3**	**2.0**	**0.4**	**-11.5**	**408.1**	**746.3**	**0.0**	**746.3**
Result after tax	0.0	0.0	0.0	0.0	0.0	0.0	0.0	41.1	41.1	0.0	41.1
Other comprehensive income	0.0	0.0	0.0	36.7	1.2	0.1	0.3	0.0	38.2	0.0	38.2
Total comprehensive income	0.0	0.0	0.0	36.7	1.2	0.1	0.3	41.1	79.3	0.0	79.3
Transactions with equity holders	0.0	-1.7	0.0	0.0	0.0	0.0	0.0	-22.7	-24.5	0.0	-24.5
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-23.6	-23.6	0.0	-23.6
Share-based payments	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.8	1.1	0.0	1.1
Purchase of treasury shares	0.0	-2.0	0.0	0.0	0.0	0.0	0.0	0.0	-2.0	0.0	-2.0
Other changes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equity as at 31.12.	**195.0**	**-2.2**	**237.9**	**-48.6**	**3.2**	**0.5**	**-11.2**	**426.5**	**801.1**	**0.0**	**801.1**

IV. Consolidated statement of cash flows

EUR m

	2024	2023
Result after tax	**45.4**	**41.1**
adjustments for		
Net interest income	-242.9	-228.0
Depreciation and amortisation of intangible assets, tangible fixed assets and financial investments	17.4	17.3
Change in risk provisions on financial instruments	35.5	11.7
Modification gains or losses	0.7	1.6
Change in provision	15.9	39.2
Gains or losses on investment securities	0.0	0.0
Gains or losses from disposals of intangible assets and tangible fixed assets	-2.9	-1.0
Gains or losses on financial instruments at FVTPL	-1.2	1.4
Impairment of other non financial assets	-0.1	0.9
Gains or losses on financial assets and liabilities, measured at amortised costs	-0.3	0.0
Subtotal	**-132.5**	**-116.7**
Loans and advances to credit institutions and customers	-29.1	-231.3
Investment securities	59.3	189.8
Financial assets held for trading	16.3	-8.1
Other assets	17.4	13.1
Financial liabilities measured at amortised cost	216.9	56.4
Financial liabilities held for trading	0.2	1.0
Provisions	-21.4	-11.1
Other liabilities	0.5	10.5
Payments for taxes on income	-12.2	-4.4
Interests received	308.5	316.6
Interests paid	-60.6	-41.4
Dividends received	0.1	0.0
Cash flows from operating activities	**363.5**	**174.6**
Proceeds from sales or collection of principal and interest:	45.0	75.7
Financial investments at amortised cost	41.3	71.5
Tangible assets, investment properties, lease assets and intangible assets	3.7	4.2
Payments for purchases of:	-378.8	-347.4
Financial investments at amortised cost	-366.1	-337.4
Tangible assets, investment properties, lease assets and intangible assets	-12.6	-9.9
Cash flows from investing activities	**-333.8**	**-271.7**
Dividends paid	-24.3	-23.6
Lease payments	-7.5	-6.1
Purchase of treasury shares	-1.2	-2.0
Cash flows from financing activities	**-33.0**	**-31.6**
Net (decrease) increase in cash and cash equivalents	**-3.3**	**-128.7**
Cash and cash equivalents at the end of previous period (01.01.)	**1,254.5**	**1,382.9**
Effect of exchange rate changes	0.3	0.3
Cash and cash equivalents at end of period (31.12.)	**1,251.4**	**1,254.5**

The following notes (1) - (90) are an integral part of these financial statements.

V. Notes to the consolidated financial statements

General information

Addiko Group is a specialist banking group focusing on providing banking products and services to Consumer and Small and Medium-sized Enterprises (SME) in Central and South-Eastern Europe (CSEE). The 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 2024 approximately 0.9 million (YE23: 0.9 million) customers in CSEE using a well-dispersed network of 155 branches (YE23: 154 branches) and modern digital banking channels.

Based on its strategy, the Group has repositioned itself as a specialist 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. Addiko Group's Mortgage business, Public and Large Corporate lending portfolios (its 'non-focus areas') were subject of an accelerated run-down process, concluded in the year 2024.

Addiko Bank AG is rated by Fitch Ratings. The long-term issuer default rating (IDR) was assessed as "BB", the viability rating (VR) as "bb"; the outlook for the long-term IDR is stable. The rating was last affirmed on 18 November 2024.

Addiko Bank AG is registered in the commercial register of the Commercial Court of Vienna under company registration number FN 350921k and is located at Canettistraße 5/12, 1100 Vienna (Austria). The consolidated financial statements are published on the digital official gazette of the Republic of Austria 'EVI' (www.evi.gv.at).

Addiko Bank AG fulfils the disclosure obligation of Part 8 of EU Regulation 575/2013 on prudential requirements for credit institutions (CRR) on the basis of the consolidated financial position of the Addiko Group. Disclosure is made on its homepage at www.addiko.com (-> Investor Relations -> Financial Reports). The consolidated own funds and consolidated own funds requirements are presented in the consolidated financial statements.

Material accounting and measurement policies

(1) Accounting principles

The consolidated financial statements of Addiko Group were prepared in accordance with the International Financial Reporting Standards (IFRS) and in accordance with their interpretation by the IFRS Interpretations Committee (IFRIC) as adopted by the European Union (EU) as they apply in the European Union pursuant to Regulation (EC) No. 1606/2002 (IAS Regulation), and in compliance with the requirements of Section 245a Austrian Commercial Code (UGB) and Section 59a Austrian Banking Act (BWG).

The consolidated financial statements consist of the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the notes to the consolidated financial statements. In principle, the statement of financial position is structured in descending order of liquidity. Amounts due or realisable within twelve or more than twelve months after the reporting date are described in note (64.4) Maturity analysis.

All subsidiaries included in the consolidated financial statements of Addiko Group prepare their financial statements as at 31 December. Uniform accounting and measurement principles according to IFRS 10 are applied throughout the Addiko Group. The consolidated financial statements are prepared on a going concern basis. Regarding estimates and assumptions according to IAS 1, please refer to note (3) Critical accounting estimates and judgments in applying accounting policies.

If estimates or assessments are necessary for accounting and measuring under IAS/IFRS rules, they are made in accordance with the respective standards. They are based on past experience and other factors, such as planning and expectations or forecasts of future events that appear likely from the current perspective. This primarily affects impairment losses in the credit business, deferred taxes and assessments of legal risks from legal proceedings and the recognition of provisions regarding such risks. The actual values may deviate from the estimated figures.

The euro (EUR) is the presentation currency of the consolidated financial statements. All figures are in millions of euros (EUR m), except otherwise stated. The tables shown may contain rounding differences.

On 18 February 2025, the Management Board of Addiko Bank AG approved the consolidated financial statements as at 31 December 2024 for publication by submitting them to the Supervisory Board. The Supervisory Board is responsible for examining the consolidated financial statements and announcing whether it accepted the consolidated financial statements as at 31 December 2024.

(2) Application of new and revised International Financial Reporting Standards

2.1. New currently effective requirements

The following new standards, interpretations and amendments to existing standards are mandatory for periods beginning on 1 January 2024:

Standard	Name	Description	Impact on Addiko
IFRS 16	Amendments to IFRS 16 Leases	Lease liability in sale and leaseback	No impact
IAS 1	Amendments to IAS 1 Presentation of Financial Statements	Classification of liabilities as current or non-current, Non-current Liabilities with Covenants	No impact
IAS 7 and IFRS 7	Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures	Supplier Finance Arrangements	No impact

The amendments to **IFRS 16** require the seller-lessee to determine lease payments or revised lease payments such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date. The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. It applies to annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. These amendments do not result in any changes within the Addiko Group as Addiko did not perform and is not planning to perform sale and leaseback transactions.

The amendments to **IAS 1** clarify the requirements for classifying liabilities as current or non-current, based on rights that are in existence at the end of the reporting period. The amendment applies to annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. These amendments do not result in any changes within the Addiko Group as assets and liabilities are presented in decreasing order of liquidity.

The amendments to **IAS 7** and **IFRS 7** describe the characteristics of an arrangement for which an entity is required to provide the information. The amendments note that arrangements that are solely credit enhancements for the entity or instruments used by the entity to settle the amounts owed directly with a supplier are not supplier finance arrangements. Entities will have to disclose in the notes information that enables users of financial statements to assess how supplier finance arrangements affect an entity's liabilities and cash flows and to understand the effect of supplier finance arrangements on an entity's exposure to liquidity risk and how the entity might be affected if the arrangements were no longer available to it. New disclosure requirements are added. The amendment applies to annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. These amendments do not result in any changes within the Addiko Group, as Addiko did not enter and is not planning to enter into supplier financing arrangements as buyer of services.

2.2. Forthcoming requirements

The following new standards, interpretations and amendments to existing standards issued by the IASB and adopted by the EU were not yet effective and were not early adopted by the Addiko Group:

Standard	Name	Description	Impact on Addiko
IAS 21	Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates	Lack of Exchangeability	No impact expected

The amendments to **IAS 21** introduce requirements to assess when a currency is exchangeable into another currency and when it is not. The amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency. New disclosure requirements are added. The amendment applies to annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted. These amendments will not affect the Addiko Group since it does not deal with non-exchangeable currencies.

The following new standards and interpretations issued by the IASB have not yet been adopted by the EU:

Standard	Name	Description	Impact on Addiko
IFRS 9 and IFRS 7	Amendments to the Classification and measurement of Financial Instruments (IFRS 7 and IFRS 9)	Classification of financial assets, Settlement by electronic payments	No impact expected from the IFRS 9 amendments. No significant changes from the IFRS 7 amendments
IFRS 1, IFRS 7, IFRS 9, IFRS 10, IAS 7	Annual Improvements Volume 11	Clarifications, simplifications, corrections and changes aimed at improving the consistency of listed IFRS Accounting Standards	No impact expected
IFRS 18	Presentation and Disclosure in Financial Statements	New Standard	Impact under assessment
IFRS 19	Subsidiaries without Public Accountability: Disclosures	New Standard	Not applicable
IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity Amendments to IFRS 9 and IFRS 7	Nature-dependent electricity contracts	Not applicable

The amendments to **IFRS 9** clarify the classification of financial assets with a contingent feature and introduce an additional SPPI test for financial assets with contingent features that are not related directly to a change in basic lending risks or costs – e.g. where the cash flows change depending on whether the borrower meets an ESG target specified in the loan contract. Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. IFRS 9 also provides additional guidance to clarify the characteristics of contractually linked instruments as well as the definition of the underlying pool used to assess whether a transaction contains contractually linked instruments. These amendments are not expected to result in any changes within the Addiko Group, as Addiko is not providing financing with ESG contingent features.

The amendments to IFRS 9 also clarify that the company generally derecognises its trade payable on the settlement date. However, the amendments provide an exception for the derecognition of financial liabilities. The exception allows the entity to derecognise its trade payable before the settlement date, when it uses an electronic payment system that meets all of the following criteria:

- no practical ability to withdraw, stop or cancel the payment instruction;
- no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- the settlement risk associated with the electronic payment system is insignificant.

Addiko is not planning to make use of the exception granted by these amendments and for this reason these changes are not expected to result in any changes within the Group.

The amendments to IFRS 7 add new required disclosures for any investments in equity instruments designated at fair value through other comprehensive income and Contractual terms that could change the amount of contractual cash flow based on contingent events not directly related to basic lending risk These amendments are not anticipated to cause significant changes within the Addiko Group, due to the limited volume of investments in equity instruments designated at fair value through other comprehensive income in the existing portfolio. Additionally, no contractual terms have been identified within the Group financial assets that could alter the timing or amount of contractual cash flows based on the occurrence or non-occurrence of a contingent event unrelated to basic lending risks and costs.

The described amendments to IFRS 9 and IFRS 7 apply to annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

Annual Improvements to IFRS Accounting Standards – Volume 11 address several potential confusions arising from inconsistencies in wordings and references between the different IFRS Accounting Standards. Apart from minor amendments, IFRS 9 was amended to require companies to initially measure a trade receivable without a significant financing component at the amount determined by applying IFRS 15 and to clarify that when lease liabilities are derecognised under IFRS 9, the difference between the carrying amount and the consideration paid is recognised in profit or loss. These amendments apply to annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted. These amendments are not expected to result in any changes within the Addiko Group, as generally no trade receivables falling under that amendment have been identified.

IFRS 18 Presentation and Disclosure in Financial Statements (issued on 9 April 2024) replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share. IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss. All income and expenses have to be classified info five categories (operating, investing, financing, discontinued operations and income tax) in the statement of profit or loss;
- provide disclosures on management-defined performance measures (MPMs) in a single note in the financial statements;
- improve aggregation and disaggregation (how to group information in the financial statements).

An entity is required to apply IFRS 18 and all consequential amendments for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions. Addiko Group is still in the process of assessing the impact of IFRS 18 and the related amendments, particularly with respect to the structure of the Group's statement of profit or loss, the statement of cash-flows, other disclosures of MPMs and the grouping of financial information. The net profit of Addiko Group will not change because of adoption of IFRS 18.

IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements. A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards. An entity is required to apply IFRS 19 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. IFRS 19 will not be applicable to Addiko Group.

The amendments to **IFRS 9 and IFRS 7** clarify how to reflect renewable power purchase agreements (PPAs: contracts referencing nature-dependent electricity in which a company "is exposed to variability in the underlying amount of electricity because the source of electricity generation depends on uncontrollable natural conditions", e.g. the weather). The amendments allow a company to apply the own-use exemption to PPAs if the company has been, and expects to be, a net-purchaser of electricity for the contract period. If the own-use exemption doesn't apply, then PPAs are accounted for as derivatives measured at fair value through profit or loss. The hedge accounting requirements in IFRS 9 to permit an entity using a contract for renewable electricity with specified characteristics as a hedging instrument:

- to designate a variable volume forecast electricity transactions as the hedged item if specified criteria are met; and
- to measure the hedged item using the same volume assumptions as those used for the hedging instrument.

The amendments introduce new disclosure requirements for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted. These amendments will not be applicable to Addiko Group.

(3) Critical accounting estimates and judgements in applying accounting policies

Addiko's consolidated financial statements contain values based on judgments and calculated using estimates and assumptions.

3.1. Judgements

Judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements are the following:

3.1.1. ECL calculation methodology

Establishing the criteria for determining whether credit risk on a financial asset has increased significantly since initial recognition, determining the methodology for incorporating forward-looking information into the measurement of ECL and selection and approval of models used to measure ECL. Details are described in note (12.4) Impairment and (61.1) Method of calculating risk provisions.

3.1.2. Classification of financial assets

Classification of financial assets: assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are SPPI on the principal amount outstanding. Details are described in note (12.2) Classification and (12.3) Measurement.

3.2. Assumptions and estimates

Estimates and assumptions are based on historical experiences and other factors such as planning and expectations or forecasts of future events that appear likely from a current perspective. Since the estimates and assumptions made are subject to uncertainties, this may lead to results that require carrying amount adjustments of the respective assets and liabilities in future periods. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Significant estimates and assumptions in the Addiko Group relate to:

3.2.1. Credit risk provisions

Addiko Group conducts continuous monitoring and assessment of the loan portfolio's quality at both individual and portfolio levels to accurately estimate the necessary allowances for expected credit losses (ECL).

The Group allocates individual allowances for individually significant financial assets classified under stage 3. Individually significant financial assets are assets having an exposure above EUR 150 thousand. This classification is determined based on information related to the fulfilment of contractual obligations or other financial difficulties of the debtor, as well as other relevant factors. Individual assessments are based on the expected cash flows from operations, duration and/or the anticipated payments from collateral. This assessment is based on a detailed analysis and assumptions made, which are however subject to uncertainties.

Allowances are assessed collectively for financial assets classified under stage 1 or 2, as well as for financial assets in stage 3 with exposure below the materiality threshold. The expected ECL for these groups of assets are calculated based on models which require the assessment of significant increase in credit risk and integrates historical data with future macroeconomic forecasts. Addiko applies 3 different macroeconomic scenarios to collectively assess the allowances for credit risk: optimistic, baseline, and severe scenario. The key features of each scenario are described in note (61.2)

Development of risk provisions and note (61.1) Method of calculating risk provisions. Recognised allowances represent a weighted average of the results of the three scenarios. The models deployed to estimate future risk parameters undergo regular validation and back testing to ensure the accuracy and realism of the loss estimations.

A different estimate of the assumptions used in the individual or collective allowance may result in a different measurement of credit risk provisions.

3.2.2. Deferred tax assets

Deferred tax assets on deductible temporary differences and on losses carried forward are only recognised when future tax profits that allow utilisation appear to be highly likely. These estimates are based on the respective 5 years tax plans prepared by the management of the subsidiaries. With regard to input factors, the 5-year plan is essentially based on current available external estimates of expected economic growth, general cost trends (inflation), interest rate and currency trends and market and credit default trends. The main parameters are disclosed under note (61.1) Method of calculating risk provisions. These factors are only adjusted internally to the extent necessary due to Addiko's specific business model.

All input parameters and assumptions are subject to a degree of predictive uncertainty. Due to the current uncertain geopolitical global environment, there is substantially more uncertainty than under normal market conditions, which may affect the projections of future taxable profits.

In addition, there could be a change in the tax regulations, this may be revised in the future, with the imposition of a time limit or reduction for carry forward losses. For further details regarding tax loss carried forward please refer to note (37) Taxes on income.

3.2.3. Provisions for pending legal disputes

The recognition and measurement of provisions for pending legal disputes requires assumptions on the extent to which the Group has an obligation resulting from a past event and if an outflow of economically useful resources to fulfil these obligations is likely. Furthermore, estimates are also required with regard to the amount and maturity of future cash flows.

Provisions for legal proceedings typically require a higher degree of judgment than other types of provisions. When matters are at an early stage, there is typically a high degree of uncertainty associated with determining whether a present obligation exists and estimating the probability and amount of any outflows that may arise. As matters progress, management and legal advisers evaluate on an ongoing basis whether provisions should be recognised, revising previous estimates as appropriate. At more advanced stages, it is typically easier to make estimates around a better-defined set of possible outcomes. The calculation of potential losses takes generally into account possible scenarios of how the litigation would be resolved and their probability, considering the history of former verdicts and assessments by independent law firms. In certain cases, due to a short horizon of available historical data and significant uncertainty as to the direction of court decisions as well as the market conditions, the adopted methodology and assumptions may be subjects of updates in subsequent reporting periods. Details regarding provisions for legal cases and uncertainty of estimates are described in note (49.2) Provisions for pending legal disputes.

(4) Impact of climate change on consolidated financial statements

Addiko supports the transition to a carbon-neutral economy and aims to lower its footprint by reducing both its direct emissions from own banking operations and its indirect emissions through its lending activities. As part of its ESG strategy, Addiko has committed to initiatives within its own operation to be executed until 2030 with several initiatives already underway. These include significantly increasing the share of battery electric vehicles (BEV) in the group's car fleet, enhancing the procurement of renewable energy and replacing fossil fuel heating systems with renewable energy sources for electricity or heating.

In preparing the financial report, Addiko has considered climate change and the inherent risk on non-financial and financial assets. The impact of climate-related risks were assessed as follows:

- Impairment of assets: Addiko's ESG strategy and the planned replacement measures were considered in determining the carrying amount of non-current assets (property, plant and equipment and investment properties). Based on the assessment no impairment need was identified.
- Useful lives of assets: the impact of its sustainability strategy and the planned measures on the useful lives of non-current assets. The assessment did not identify any impact on the consolidated financial statements.
- Expected credit losses (ECL): based on an assessment of climate-related and other environmental risks (C&E risks) Addiko concluded that an impact on the credit risk exists, although there is no immediate material threat given the granularity and diversification of the loan portfolio. As C&E risks already do impact macroeconomic indicators, Addiko considered the impact from climate-related transition risks in the macroeconomic financial forecasts used in the calculation of the ECL, thus, directly impacting the risk provisions of the loan book and consequently, the consolidated financial statements. Furthermore, an assessment of climate-related and environmental risks was incorporated in the loan origination process of relevant SME clients, which can impact the rating and in turn the ECL of these clients.

(5) Scope and basis of consolidation

Addiko Group accounts for business combinations under the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. The Group "controls" an entity if it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

As at 31 December 2024, Addiko Group's scope of consolidation encompasses seven entities, which remains unchanged from the previous years. This includes the Austrian parent company, Addiko Bank AG, and six foreign subsidiaries.

Company	Country	Ownership (direct) in %	Closing date
Addiko Bank d.d., Zagreb	Croatia	100.0	31.12.2024
Addiko Bank d.d., Ljubljana	Slovenia	100.0	31.12.2024
Addiko Bank d.d., Sarajevo	Bosnia & Herzegovina	100.0	31.12.2024
Addiko Bank a.d., Banja Luka	Bosnia & Herzegovina	99.9[1)]	31.12.2024
Addiko Bank a.d., Beograd	Serbia	100.0	31.12.2024
Addiko Bank AD, Podgorica	Montenegro	100.0	31.12.2024

[1)] Rounded figures

Neither the parent company nor any of its subsidiaries holds a participation in other companies >20%.

In 2023, Addiko Bank AG initiated a squeeze-out process regarding the remaining shares held by minority shareholders in Addiko Bank d.d., Sarajevo, and Addiko Bank a.d., Banja Luka. The process for Addiko Bank d.d., Sarajevo was completed in January 2024, with all outstanding shares transferred to Addiko Bank AG, which now holds 100.0% of the shares. The procedure for Addiko Bank a.d., Banja Luka are expected to be protracted and may take several years. Given the small number of shares held by minority shareholders, no material effects on the consolidated financial statements are expected.

(6) Foreign currency translation

6.1. Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Addiko Group's entities at the exchange rates at the date of the transactions. The functional currency is the currency of the primary economic environment in which the entity operates.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. The foreign currency gain or loss on monetary items is the difference between the amortised cost in the functional currency at the beginning of the year, adjusted for effective interest, impairment and payments during the year, and the amortised cost in the foreign currency translated at the spot exchange rate at the end of the year.

Within the Addiko Group foreign currency differences arising on translation are generally recognised in profit or loss, except for equity investments in respect of which an election has been made to present subsequent changes in fair value in OCI for which foreign currency differences are recognised in OCI.

6.2. Foreign operations

The assets and liabilities of foreign operations are translated into euros at the exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated into euros using the average rates for the period, as long as they do not fluctuate markedly. The resulting exchange differences are reported in other comprehensive income (OCI) under foreign currency translation.

The following exchange rates published by the European Central Bank or the Oesterreichische Nationalbank (OeNB) have been used for the currency conversion of the foreign financial statements:

Foreign currency translation Rates in units per EUR	Closing date 31.12.2024	Average 2024	Closing date 31.12.2023	Average 2023
Bosnian mark (BAM)	1.95583	1.95583	1.95583	1.95583
Serbian dinar (RSD)	117.01490	117.084462	117.17370	117.251469

(7) Net interest income

7.1. Effective interest rate

The effective interest rate is the rate that exactly discounts estimated future cash inflows or outflows over the expected term of the financial instrument, or a shorter period if applicable, to the gross carrying amount of the financial asset, other than purchased or originated credit-impaired financial assets or to the amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired assets, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not expected credit losses. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including expected credit losses.

The calculation includes transaction costs and fees and points paid or received that are an integral part of effective interest rate (apart from financial instruments measured at fair value through profit or loss) and premiums and discounts. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

7.2. Amortised cost and gross carrying amount

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using effective interest rate method of any difference between that initial amount and the maturity amount. For financial assets the amount is adjusted for any expected credit losses. The gross carrying amount of financial asset is the amortised cost of financial asset before adjusting for any loss allowance.

For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

7.3. Calculation of interest income and expense

The effective interest rate of a financial asset or financial liability is calculated on initial recognition of a financial asset or a financial liability. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating-rate instruments to reflect movements in market rates of interest.

For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset (with the exception of purchased or originated credit-impaired financial assets where the calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves).

7.4. Presentation

Interest income calculated under the effective interest method presented in the statement of profit or loss includes:

- interest on financial assets measured at amortised cost and
- interest on debt instruments measured at fair value through other comprehensive income.

Other interest income presented in the statement of profit or loss includes:

- interest income from assets held for trading, as well as interest components of derivatives;
- interest income on debt instruments non-trading financial assets measured at fair value through profit and
- interest income on cash balances at central banks and other demand deposits.

Interest expense presented in the statement of profit or loss includes:

- financial liabilities measured at amortised cost;
- interest expense on lease liabilities and
- interest expense from assets held for trading, as well as interest components of derivatives.

(8) Net fee and commission income

Fee and commission income (other than those that are integral part of effective interest rate on a financial asset or financial liability) are accounted for in accordance with IFRS 15 Revenue from contracts with customer and are reported in ‘Net fee and commission income’. Addiko Group derives its revenue from contracts with customers for the transfer of services over time and at a point in time in the business segments. This is consistent with the revenue information that is disclosed for each reportable segment under IFRS 8 Operating Segments.

In accordance with IFRS 15, income is recognised when the Group satisfies a performance obligation by transferring a promised service to a customer. It must be probable that the Group will derive an economic benefit from it and the amount can be reliably determined, regardless of the point in time in which payment is made. Income is measured at the fair value of consideration received or to be claimed, taking into account contractually stipulated payment terms, but without taking into account taxes or other levies.

Fees earned for the provision of services over a period of time are accrued over that period. Conversely, fee income earned from providing particular services to third parties or the occurrence of a certain event is recognised upon completion of the underlying transaction. Taking into consideration Addiko product classes the following services are accrued over the period:

- *Accounts and packages*, this category includes fee income and expense from monthly regular account/package fees, including monthly charges for standalone internet banking, mobile banking, SMS services and other services (not related to credit cards).
- *Loans and Deposits*, representing Fee income and expense that are not an integral part of the effective interest rate related directly to credit business (e.g. origination fee of the limit).

- *Securities*, representing commission income and expense from asset management.
- *Bancassurance*, representing commission income and expense from insurance brokerage.

The fees generated by the following products are recognised upon completion of the underlying transaction:

- *Transaction services*, representing fee income charged to clients for transactions performed (except credit cards) like payment order or standing order.
- *Cards*, representing fee income related to prepaid and credit cards and acquiring business like interchange fees, scheme fees, service fees, etc.
- *FX & DCC*, representing fee income related to foreign exchange transactions like fees from FX spot transaction or Dynamic currency conversions.
- *Trade finance*, representing fee income earned from providing transaction services to third parties, such as arranging the acquisition of shares or other securities.

Other fee and commission expenses relate mainly to transaction and service fees which are expensed as the services are received. Fee and commission expenses includes in the position *Client incentives* sales incentives paid to Addiko employees based on the achievement of pre-defined sales targets.

In the note (29) Net fee and commission income the product view is used as a base for presentation.

(9) Net result on financial instruments

Net result on financial instruments held for trading income includes all gains and losses from changes in the fair value of financial assets and financial liabilities held for trading, realised gains and losses from derecognition, the result from trading in securities and derivatives, dividends and foreign exchange gains and losses on monetary assets and liabilities. The Group has elected to present the clean fair value movements of trading assets and liabilities also in this position, excluding any related interest income and interest expense, which are presented in 'Net interest income'.

Net result on non-trading financial assets mandatorily at fair value through profit or loss includes all gains and losses from changes in the fair value of these assets, realised gains and losses from derecognition and dividends.

Net result on financial instruments at fair value through other comprehensive income includes gains and losses from derecognition and dividends. Financial assets and liabilities at amortised cost includes all gains and losses from derecognition.

(10) Other operating income and other operating expenses

Other operating income and other operating expenses reflect all other income and expenses not directly attributable to ordinary activities as expenses for restructuring, gains and losses from sale of non-financial assets or income from operating lease assets. In addition, it encompasses expenses for other taxes and certain regulatory charges (bank levy, the contributions to the deposit guarantee scheme and to the Single Resolution Fund).

(11) Other result

The other result shows the result from legal cases, the result from operational risks and impairment losses and reversal of impairment losses for non-financial assets and for assets classified as held for sale and disposal groups. Furthermore, insignificant modification gains and losses are presented in this position.

(12) Financial instruments

A financial instrument is any contract giving rise to a financial asset of one party and a financial liability or equity instrument of another party.

12.1. Recognition and initial measurement

A financial asset or financial liability is recognised when Addiko becomes a party to the contractual provisions of the instrument.

Financial instruments are initially measured at fair value plus, for an item not measured at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. The fair value of a financial instrument on initial recognition is generally its transaction price.

12.2. Classification

On initial recognition, a financial asset is classified as measured at: amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL).

A financial asset is measured at **amortised cost** if it meets both of the following conditions and is not designated at FVTPL:

- if the object of the entity's business model is to hold asset to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal outstanding ('SPPI criteria').

A financial asset is measured at **FVTOCI** only if it meets both of the following conditions and is not designated as at FVTPL:

- if the asset is held in a business model in which assets are managed both in order to collect contractual cash flows to sell them; and
- the contractual cash flows are solely payments of principal and interest on the principal outstanding (simple loan feature).

In addition, on initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in FVTOCI. This election is made on an investment-by-investment basis.

Financial assets that do not meet these criteria are measured at **FVTPL**.

In addition, at initial recognition, Addiko Group may irrevocably designate a financial asset that would otherwise be measured subsequently at amortised costs or FVTOCI, as measured at FVTPL, if such designation eliminates or significantly reduces a recognition and measurement inconsistency (i.e. "accounting mismatch") that would otherwise arise from measuring assets and liabilities or recognising the gains or losses on a different basis. Currently there is not such case in Addiko Group.

12.2.1. Business model assessment

All financial assets, which fulfil the SPPI criteria, have to be assigned to one of the business models described below:

- *Hold to collect:* a financial asset held with the objective to collect contractual cash flows.
- *Hold to collect and sell:* a financial asset held with the objective of both collecting the contractual cash flows and selling financial assets.
    - *Other:* a financial asset held with trading intent or that does not meet the criteria of the categories above.

The Addiko Group performs the business model assessment at a portfolio level, because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model and how those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

The following business models have been identified within the Addiko Group:

- The Group's Consumer and SME business comprises primarily loans to customers that are held for collecting contractual cash flows. In the Focus segment, the loans comprise unsecured lending and credit card facilities. Sales of loans from these portfolios are very rare and relate only to non-performing assets with the objective to keep the volume of non-performing assets below pre-defined limits, in line with the expectations of regulators. In the Non-focus segments, the loans comprise mortgage lending and loans to large corporates and public finance. Given the run-down strategy, these products are not being actively marketed.
- Certain debt securities are held within the "investment portfolio" for long-term yield. These securities may be sold, but such sales are not expected to be more than infrequent. The Group considers that these securities are held within a business model whose objective is to hold assets to collect the contractual cash flows.
- Certain other debt securities are held within the "liquidity portfolio" to meet everyday liquidity needs. The Group Central Treasury seeks to minimise the costs of managing these liquidity needs and therefore actively manages the return on the portfolio. That return consists of collecting contractual cash flows as well as gains and losses from the sale of financial assets. The investment strategy often results in sales activity that is significant in value. The Group considers that these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- The Group debt securities portfolio includes also a portfolio of instruments, which were purchased before 2022 under the strategy to both collect contractual cash flows and realise profits from increases in fair value. Such instruments, which were initially classified in the hold to collect and sell business model, are now managed based on the new treasury strategy to predominantly collect contractual cash flows. Despite the change in the strategy, these instruments continue to be measured in accordance with the original business model.
- Two Addiko subsidiaries have classified part of their bond portfolios under the 'Other' business model, as such instruments relate to the trading activities of the Group, especially in connection with customer business.

12.2.2. Contractual cash flow characteristics

For the assessment whether contractual cash flows are solely payments of principal and interest (SPPI), 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are SPPI, Addiko Group considers the contractual terms of the instrument and analyses the existing portfolio based on a checklist for SPPI criteria. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows in a way that it would not meet this condition, considering the following: contingent events that would change the amount and timing of cash flows, leverage features, prepayment and extension terms, terms that limit the Group's claim to cash flows from specified assets and features that modify consideration for the time value of money.

Significant areas of judgements are unilateral changes in margins and interest rates, prepayment clauses, other contingent payment features, project financing and benchmark test for loans with interest mismatch features.

The SPPI compliance is assessed as follows:

- Unilateral changes of margins and interest rates: passing on costs related to the basic lending agreement, introducing the clauses designed to maintain a stable profit margin, and the changes of interest rates that reflect the worsening of the credit rating, are not SPPI harmful.
- Prepayment clauses: if the prepaid amount reflects the outstanding principal, interest and fees associated with the early redemption they are not critical. The prepayment fee has to be smaller than the loss of interest margin and loss of interest.
- Other contingent payment features: those could be typically side business clauses where the penalty represents the increased costs for risk monitoring or the reimbursement of lost profit which is associated with the triggering event. Such clauses are not SPPI harmful.
- Project financing: if there is no reference to the performance of the underlying business project and the borrower has adequate equity for the project to absorb losses before affecting ability to meet payments on the loan, it may pass the SPPI test.
- Loans with floating interest rates: if the loan contains interest mismatch features (fixation date is before the start of the period, reference rate's tenor is different to the rate reset frequency, etc.), it has to be assessed whether the time value of money element of interest has been significantly modified (whether the interest mismatch feature could result in contractual undiscounted cash flows that are significantly different from benchmark deal), and a quantitative benchmark test has to be performed.
- Financial instruments with environmental, social and governance (ESG) features that change contractual cash flows based on the borrower meeting certain contractually specified ESG targets: in case of issuance or acquisition of instruments with ESG feature, Addiko policy is first to verify if the effect of the ESG feature could only have a de minimis effect on the contractual cash flows of the loan, then the feature does not affect the classification of the loan. However, if the effect of the ESG feature could be more than de minimis, then the feature will be assessed as to whether it is consistent with a basic lending arrangement and meet the SPPI criterion.

When performing the benchmark test, at the initial recognition, contractual undiscounted cash flows of financial instrument are compared with the benchmark cash flow, i.e. contractual undiscounted cash flows that would arise if the time value of money element was not modified. The effect of the modified time value of money element is considered in each reporting period and cumulatively over the lifetime of the financial instrument. The benchmark test is based on a range of reasonable scenarios. The appropriate comparable benchmark financial instrument is the one with the same credit quality and the same contractual terms except for the modification, either real existing or hypothetical asset. If an entity concludes that the contractual (undiscounted) cash flows could be significantly different (10% threshold) from the (undiscounted) benchmark cash flows (either periodical or cumulative), the financial asset does not meet the condition in the IFRS 9 paragraphs 4.1.2(b) and 4.1.2A(b) and therefore cannot be measured at amortised cost or at FVTOCI.

During 2023 and 2024, there were no financial instruments with interest mismatch features or ESG features which would lead to the classification at FVTPL. Significant volumes of financial instruments with critical features are not expected due to the internal policy for new products which eliminates potentially SPPI non-compliant features.

12.2.3. Reclassifications

In the infrequent case that the entity changes its business model for managing certain financial assets and specific IFRS 9 requirements would be fulfilled, a reclassification of all affected financial assets would be required. Such subsequent changes do not lead to reclassifications or prior period corrections. Sales due to increase in credit risk, sales close to maturity and infrequent sales triggered by a non-recurring event are not considered as contradicting the held to collect business model.

12.3. Measurement

Financial assets at amortised costs
Financial assets at amortised costs are measured at fair value at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest rate method of any difference between the initial amount and the maturity amount and adjusted for any expected credit losses. Interest income is presented in the line "Interest income calculated using the effective interest rate method". Expected credit losses are presented in the line

"Expected credit loss expenses on financial assets". The major volume of financial assets of the Addiko Group are measured at amortised cost. Gains and losses from derecognition are presented in the line "Net result on financial instruments".

Financial assets at fair value through other comprehensive income
A financial asset at fair value through other comprehensive income are measured at fair value with any movements being recognised in other comprehensive income and are assessed for impairment under the expected credit loss (ECL) model.

Interest income is presented in the line "Interest income calculated using the effective interest rate method". Expected credit losses are presented in the line "Credit loss expense on financial assets". The changes in fair value during the reporting period for debt instruments are presented in the line "Fair value reserve - debt instruments" in the statement of other comprehensive income. Dividend income and gains and losses from derecognition are presented in the line "Net result on financial instruments".

For equity instruments that are not held for trading, entities can make an irrevocable election at initial recognition to classify the instruments at FVTOCI. This election is available for each separate investment. All subsequent changes in fair value are presented in the line "Fair value reserve - equity instruments" in the statement of other comprehensive income without recycling in the statement of profit or loss. Addiko Group has designated at FVTOCI investments a small portfolio of equity instruments. This presentation alternative was chosen because the investments were made for strategic purposes rather than with a view to profit on a subsequent sale, and there are no plans to dispose these investments in the short or medium term.

Financial assets at fair value through profit or loss
Interest income from financial asset measured at fair value through profit or loss is presented in the line "Other interest income". Dividend income and gains and losses from revaluation and derecognition are presented in the line "Net result on financial instruments".

Financial liabilities
Financial liabilities are classified as measured at amortised cost unless they are measured at fair value through profit or loss.

Financial liabilities measured at FVTPL consist of financial liabilities held for trading and financial liabilities measured at FVTPL at initial recognition. Changes to the fair value of liabilities designated at FVTPL resulting from changes in own credit risk of the liability are recognised in other comprehensive income, the remaining amount of the change in the fair value has to be presented in profit or loss. Addiko Group did not make use until now of the option to designate its financial liabilities at FVTPL.

The Addiko Group has not designated any hedge accounting relationships in the current or in the previous year.

12.4. Impairment

While applying the forward-looking ECL model, Addiko Bank recognises ECL and updates the amount of ECL recognised at each reporting date to reflect changes in the credit risk of financial assets. Addiko estimates ECL based on reasonable and supportable information that includes historical, current and forecast information, thus considering possible future credit loss events in different scenarios.

The lifetime ECL is the expected present value of losses based on expectation of borrowers' probability to default on their obligations at some time during the complete maturity of the financial assets with simultaneous consideration of probability of recovery (loss given default).

Loss allowances for ECL are presented in the statement of financial position as follows:

- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- loan commitments and financial guarantee contracts: generally, as a provision;

- where a financial instrument includes both a drawn and an undrawn component, and the Group cannot identify the ECL on the loan commitment component separately from those on the drawn component: the Group presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision; and
- debt instruments measured at FVOCI: as the carrying amount of these assets is their fair value, loss allowances are recognised in OCI with opposite entry in the statement of profit or loss. Loss allowances are disclosed in note (41) Investment securities.

12.4.1. Overview ECL calculation

Addiko Group determines an ECL amount on a probability-weighted basis as the difference between the cash flows that are due to the bank in accordance with the contractual terms of a financial instrument and the cash flows that the bank expects to receive. Although IFRS 9 establishes this objective, it generally does not prescribe detailed methods or techniques for achieving it.

In determining the cash flows that the bank expects to receive, following the recommendation of the GPPC (Global Public Policy Committee), Addiko Bank is using a sum of marginal losses approach whereby ECLs are calculated as the sum of the marginal losses occurring in each time period from the reporting date. The marginal losses are derived from individual parameters that estimate exposures and losses in the case of default and the conditional probability of default for each period (the probability of a default in time period X conditional upon an exposure having survived to time period X). The (lifetime) ECL is calculated for different scenarios separately, considering current and future forward looking information. The aggregation to the final ECL is performed at the end by probability weighting of the different individual scenarios. When estimating ECL, Addiko calculates in total three outcomes: Base case, Optimistic case and Pessimistic case. For additionally analyses Addiko simulates more adverse scenarios to understand dynamics and potential portfolio risks.

The observed period and the applied parameters within the ECL calculation depend on the maturity of the transaction, the IFRS 9 stage of the transaction and the macro scenario applied. For stage 1 the up to one year expected credit loss has to be considered while for stage 2 and 3 the expected lifetime loss has to be recognised.

The PD (probability of default) parameters reflects the probability of default for a certain period of time. The PDs used for the ECL calculation are derived by models/methodology which were developed by Addiko Bank internal model development units. Generally, the models are country and segment specific whenever possible and plausible. For certain parts of the portfolio Group-wide models are applied to reflect data availability and portfolio characteristics. In certain cases, also external data from rating agencies is applied for the same reason. Methodology wise, an indirect modelling approach is chosen. This means that underlying existing Basel III methodology is used as a starting point and is adapted in a way to be fully IFRS 9 compliant. This includes the removal of any conservatism from the models, the inclusion of forward-looking point-in-time information within the methodology as well as the estimation of lifetime PD term structures.

EAD (exposure at default) is an estimate of the exposure including repayments of principal and interest and expected drawdowns on committed facilities. EAD is specified as the gross carrying amount at time of default while using the effective interest rate to discount cash flows to a present value at the reporting date. In cases where no contractual maturity is given, quantitative and/or qualitative criteria are applied for determining cashflow structure (e.g. frames). For the EAD parameter internally developed statistical models are used. Also, Addiko Bank uses statistically developed models to estimate the prepayment rates in its portfolios.

LGD (loss given default) is an estimate of the economic loss under condition of a default. For the LGD parameter in both retail and Corporate internally developed statistical models are applied. Those values are internally aligned while qualitative checks are performed to ensure an adequate level.

Considering the ability of models to correctly capture the forward-looking information and predict the development of PDs, consequently development of ECL, Addiko regularly (quarterly) estimates the need to introduce or revoke post-model adjustments ("overlays") into the ECL calculation with the aim to ensure that the risk is not underestimated while the models are adjusted. The process of estimation and introduction of such post-model adjustment (PMAs) is strongly governed.

12.4.2. Significant increase in credit risk

Addiko Bank measures ECL in three stages as the deterioration in credit quality takes place. Namely, for stage 1 up to 12-month ECL is reported and for stage 2 and 3 the full lifetime expected credit loss is recognised.

Stage 1 begins as soon as a financial instrument is originated and up to 12-month ECL are recognised as an expense and a loss allowance is established. For financial assets, interest revenue is calculated on the gross carrying amount. Unless its credit quality changes, the same treatment applies every time until its maturity.

When credit quality is deemed to deteriorate significantly, assets move into stage 2. At this point, the full lifetime ECL is applied, resulting in a significant increase in the provisions. The significant increase of credit risk is identified based on the staging criteria which are both qualitative and quantitative in nature:

- 30 days past due: Addiko identifies a staging criterion trigger when contractual payments are more than 30 days past due.
- Forborne exposures are those exposures where Addiko has extended forbearance measures because of the debtor facing financial difficulties. Forbearance events may result in an exposure being classified as performing or non-performing which implies a stage transfer into stage 2 or 3.
- Further qualitative criteria in connection with the watchlist/early warning systems are reflected in the PD via the automatic downgrade of the client (as incorporated within the rating models and processes)
- Additionally, specific staging triggers are defined for specific portfolios
- Significant adverse changes in the lifetime probability of default at the reporting date compared to the initial recognition of the exposure is considered a staging trigger, with significance being assessed as a threefold increase of PD. Due to limited timeseries there are cases where the rating at origination is not available. For such cases, a simplified proxy approach based on historically simulated ratings is used (PD at certain point in time is used as a proxy for the initial recognition) while additional mechanisms are applied to account for potential adverse effects resulting from this assumption.

Stage 3, in Addiko considered equal to default or impairment, is in Addiko recognised based on definition of default according to CRR Article 178, and connected EBA/GL/2016/07 as this is the industry standard, and it allows consistency between entities and risk management processes. Specifically, the default triggers are:

- The borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising collateral (if any is held), or
- The borrower is more than 90 days past due on any material credit obligation to the Group.

Lifetime ECL continues to be applied for loans in this stage of credit deterioration but interest income is calculated based on the lower net amortised cost carrying amount (gross carrying amount adjusted for the loss allowance).

Both the qualitative and quantitative factors used for the staging determination are undergoing a constant validation and monitoring process to ensure their appropriateness and applicability over time (see note (12.4.4) “Validation”).

The recovery from stage 3 to stage 2 and stage 2 to stage 1 is recognised when the indicators that trigger staging have been eliminated within a certain period to ensure that recovery is stable.

12.4.3. Forward-looking information

Addiko Bank incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since initial recognition and its measurement of ECLs. Addiko Bank has identified and documented key drivers of credit risk for each portfolio of financial instruments incorporating historical data analysis and estimated relationships between macroeconomic variables and credit risk. These key drivers used for the analyses include in addition to other important factors the following major indicators: unemployment rates, GDP growth rates, real estate prices, industrial production. To account for the potential effect of climate-related and environmental risk on credit risk, Addiko considers the impact of transitional risks on the macroeconomic indicators. For this purpose the effect of a significant increase of carbon prices, which would be needed to meet “net-zero targets”, is simulated.

All variables incorporated are at country and portfolio level whenever possible and plausible.

Forecast of these economic variables are regularly evaluated and updated. The input data for the forecasts is collected from external data sources. An extensive internal check and (if needed) adjustment is performed to make sure that forecasts reflect Addiko’s view on future outcomes. This includes also different future scenarios and their probabilities. These scenarios are the baseline economic scenario, the optimistic and pessimistic scenario forecast and probability weights for each of them. The forecasted parameters are consistently used for various bank internal processes.

The forward-looking statements contained in this report are based on current estimates, assumptions and projections of Addiko Group as well as currently available public information. They are not guaranteeing future performance and involve certain known and yet unknown risks and uncertainties and are based upon assumptions as to future events that may not prove to be accurate. Many factors could cause the current results or performance to be materially different from those that may be expressed or implied by such statements.

12.4.4. Validation

The methodology and the assumptions undertaken in the ECL calculation are embedded in the internal validation process. This means that models/methodologies are constantly undertaken a quality review and an improvement process. The validation standards applied are formalised upfront in a way to ensure a consistent evaluation over time. The validation is generally performed on an annual base.

Addiko distinguishes between an initial and an ongoing validation:

- An initial validation is performed in case of a new model development, major changes in the existing methodology and/or significant shifts in the values
- Ongoing validations represent the regular review of the existing methodology (when no initial validation was performed).

In addition to the yearly process a close monthly monitoring is undertaken to ensure that portfolio and model developments are timely identified while already raised findings are timely tackled.

The validation is performed by an independent internal unit which deliver reports to local and Group senior management.

12.4.5. Write-offs

When the Group has no reasonable expectations of recovery, a write-off event occurs. A write-off constitutes a derecognition event typically triggered by concessions given to borrowers in significant financial difficulties and/or by the Group’s judgment that it is no longer reasonable to expect any recovery of that amount.

Write-off can be done only against already recognised ECL. The amount written off can be either a full write-off or a partial write-off.

In addition to the general derecognition criteria (see note (12.5) "Derecognition and contract modification") the following specific criteria fulfilment would lead to the derecognition of financial assets:

- Unsecured financial asset if the debtor is already undergoing bankruptcy proceedings,
- Financial asset can be written off if fully impaired (100% ECL) when all local regulatory requirements are fulfilled,

- Financial assets which have been subject to restructuring three or more times and the bank assessed the debtor as not able to repay their obligations,
- Financial asset for which the bank´s right to claim repayment from the debtor in judicial or other proceedings has been terminated by approval of compulsory settlement,
- Other triggers were defined for financial assets that are treated as non-recoverable.

12.5. Derecognition and contract modification

A financial asset is derecognised when:

- The contractual rights to receive cash flows from the asset have expired, or
- Addiko Group transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement,
- And either: (i) it has transferred substantially all risks and rewards connected with ownership of the asset, or (ii) has neither transferred nor retained substantially all risks and rewards connected with ownership of the asset but has transferred control of the asset.

Contractual adjustments resulting from negotiations with borrowers can lead to two types of modifications of initial contractual cash flows: (i) significant modifications or (ii) Insignificant modifications.

The following main criteria result in significant modifications:

- Quantitative: significant change of the contractual cash flows when the present value of the cash flows under the new terms is discounted using the original effective interest rate and differs from the discounted present value of the original financial instrument for at least 10%.
- Qualitative:
    - change of debtor,
    - currency change,
    - change of the purpose of financing,
    - SPPI critical features are removed or introduced in the loan contract.

12.5.1. Significant modifications leading to derecognition of financial assets

If the contractual cash flows of a financial asset are modified or renegotiated substantially, it results in derecognition (due to expiry of contractual rights to the cash flows) of that financial asset. A new financial asset with modified terms is recognised and the difference between the amortised cost of derecognised financial asset and the fair value of the new financial asset is reported in the profit or loss statement. If the borrower is not in default or the significant modification does not lead to default, then the new asset will be classified in stage 1. If the borrower is in default or the modification leads to the derecognition of the original financial asset and to the origination of a new financial asset at a deep discount that reflects the incurred credit losses, then the new asset will be treated as purchased or originated credit impaired (POCI) at initial recognition. For POCI financial assets no loss allowances are recognised and lifetime ECLs are reflected in the credit adjusted effective interest rate at initial recognition. Subsequently, the amount of change in lifetime ECLs since the initial recognition of POCI financial asset should be recognised as an impairment gain or loss in profit or loss. Even if the lifetime ECLs are less than the amount of ECLs that were included in the estimated cash flows on initial recognition, favorable changes in lifetime ECLs have to be recognised as an impairment gain.

For financial instruments in stage 1 and 2 measured at amortised costs, the unamortised balance of the origination fees and transaction costs considered in the effective interest rate is presented in the line "Net interest income" and for financial instruments in stage 3 measured at amortised costs, it is presented in the line "Expected credit loss expenses on financial assets". The release of the credit loss allowances of the original asset and the recognition of credit loss allowance for the new asset are presented in the line "Expected credit loss expenses on financial assets".

12.5.2. Insignificant modifications not leading to derecognition of financial assets

If the contractual cash flows of financial asset are modified or renegotiated in such a way that does not result in the derecognition of that financial asset, entities should recalculate the gross carrying amount of the financial asset on the basis of the renegotiated or modified contractual cash flows using original effective interest rate for discounting. A modification gain or loss is recognised in profit or loss in the line "Other result".

A financial liability is derecognised when the obligation under the liability is discharged, cancelled, or expires.

(13) Repurchase agreements

A repurchase agreement is an agreement between two parties under which one party transfers to the other party the ownership of assets at a specified price for a limited period of time, and at the same time it is agreed that these assets, upon expiry of the said term, should or may be repurchased at a previously agreed-upon amount. Under IFRS 9, the seller continues to recognise the asset in its statement of financial position if the seller retains substantially all risks and rewards of ownership. The cash amount received or paid is presented as a liability by the seller, whereas the buyer recognises a receivable.

(14) Fiduciary transactions

Fiduciary transactions concluded by the Addiko Group in its own name but on account of a third party are not reported in the statement of financial position according to IFRS. Commission fees are included in the net fee and commission income in profit or loss.

(15) Financial guarantees

Financial guarantees are contracts that oblige the Addiko Group to make compensation payments to the guarantee holder for losses incurred. Such losses arise if a certain debtor does not meet the payment obligations pursuant to the contractual terms and conditions. Financial guarantees are initially recognised as liabilities at fair value including transaction costs directly related to the guarantee issued. Initial measurement is the premium received and this amount is subsequently amortised to fee income. Liabilities are subsequently measured at the higher of the amount of ECL provision and the amortised balance of initially recognised premium.

(16) Cash and cash equivalents

Cash and cash equivalents comprise cash, cash balances at central banks that are daily due, deposits that are daily due, as well as the minimum reserve. These amounts are stated at amortised costs. Debt instruments issued by public authorities eligible for refinancing at central banks are not shown in this item but, depending on their measurement category, are shown as financial assets.

The mandatory minimum reserve requirement is calculated based on defined items of the statement of financial position and has to be fulfilled in average through an extended period of time. Minimum reserve requirement deposits are not subject to any restraints.

(17) Tangible assets: Property, plant and equipment and investment properties

Land and buildings used by the Addiko Group in the course of its own business activities as well as operating and office equipment are reported under property, plant and equipment. Real estate acquired to generate returns is reported under investment properties.

Property, plant and equipment is measured at cost less any accumulated depreciation and any accumulated impairment losses. Scheduled depreciation is recorded on a straight-line basis over the expected useful life. Factors involved in determining the useful life include the asset’s age when purchased, how frequently the asset will be used, technology changes and changes due to climate risks. The following depreciation rates and expected useful lives are used:

Depreciation rate	in percent	in years
for immovable assets (buildings)	2 - 4 %	25 - 50 yrs
for movable assets (plant and equipment)	5 - 33 %	3 - 20 yrs

Investment properties are land and buildings held to earn rental income or to benefit from expected increases in value. Provided that they can be let or sold separately, material parts of mixed-use properties that are used by third parties are also treated as investment property.

Investment properties are carried at cost less any accumulated depreciation and any accumulated impairment losses, according to the cost method admissible under IAS 40, with straight-line depreciation being applied over the useful lives applicable to property, plant and equipment.

Scheduled depreciation on property, plant and equipment used by the Group is reported separately under depreciation and amortisation in the income statement. Scheduled depreciation on investment property is reported separately under Other operating expenses in the income statement. Gains and losses on disposal of property, plant and equipment and investment properties are reported under "Other operating income" or Other operating expenses.

The assets are reviewed for indications of possible impairment at every reporting date. For this purpose, the current carrying amount is offset against the recoverable amount pursuant to IAS 36. Therefore, the recoverable amount is the higher of the fair value less costs to sell and the value in use. If the recoverable amount is less than the carrying amount, an impairment has to be recognised. Insofar as the asset generates cash inflows that are largely independent of the cash inflows of other assets, the impairment test is performed on the basis of the individual asset. Otherwise, the impairment test is performed for the cash-generating unit the asset belongs to. IAS 36 defines a cash-generating unit as the smallest identifiable group of assets generating cash inflows that are largely independent from the cash inflows of other assets or groups of assets. The existence of a plan for energy efficient replacement investments which is in line with the Group's carbon reduction strategy qualifies as an impairment trigger. Impairment or reversal of impairment, if any, is reported under the item Other result. If the reasons for the impairment cease to exist, the previously recognised impairment is reversed. The reversal is limited in that the asset's carrying amount is not permitted to exceed the amount that would have been reported after depreciation if no impairment loss had been recorded for the asset in previous years.

(18) Intangible assets

Purchased software as well as prepayments made on intangible assets are reported under intangible assets. Expenditure on internally generated software is recognised as an asset when Addiko is able to demonstrate that the product is technically and commercially feasible, its intention and ability to complete the development and use the software in a manner that will generate future economic benefits, and that it can reliably measure the costs to complete the development. These assets are measured at cost less amortisation.

Scheduled amortisation is recorded on a straight-line basis over the expected useful life and reported under depreciation and amortisation. The following amortisation rates and expected useful lives are used:

Amortisation rate or useful life	in percent	in years
for software	14 -50%	2 -7 yrs

If there are indications of impairment, an impairment test is performed according to IAS 36 as described under tangible assets, and impairments are recorded through profit or loss. Impairment or reversal of impairment and gains and losses from disposal, if any, are reported under the item “Other result”.

(19) Leases

19.1. Leases in which Addiko Group is a lessee

At inception of each contract the Addiko Group assesses whether a contract is or contains a lease. A lease is a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration. This assessment involves the exercise of judgment about whether the contract contains an identified asset, whether the Addiko Group obtains substantially all the economic benefits from the use of that asset throughout the period of use, and whether the Addiko Group has the right to direct the use of the asset.

The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle, remove or restore the underlying asset, less any lease incentives received. The right of use asset is subsequently depreciated over the shorter of the lease term or the useful life of the underlying asset using the straight-line method. The Addiko Group also assess the right of use asset for impairment in accordance with IAS 36 Impairment of assets when such indicators exist. The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group´s incremental borrowing rate. Thus, all lease obligations are generally recognised pursuant to the 'right-of-use' approach in the statement of financial position. The only exception is for leases with a total lease term of 12 months or less, as well as for leases for which the underlying asset has a low value when new, with the IASB considering a lease to be of low value if it is USD 5,000 or less. In such cases Addiko Group elected to recognise such lease contracts off the statement of financial position and lease expenses are accounted on straight-line basis over the remaining lease term.

IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Addiko Group has not used this practical expedient.

Lease payments generally include fixed payments less lease incentives and variable payments that depend on an index or an interest rate. Prolongation options, termination options and purchase options are also considered, and also the amounts expected to be payable under a residual value guarantee have to be included in the measurement of lease liability.

Subsequent to initial measurement, the lease liability is reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right of use asset, or profit or loss if the right of use asset is already reduced to zero.

19.2. Presentation in the financial statements

The Addiko Group as a lessee presents the right of use assets in the line item 'Property, plant and equipment' in tangible assets in the statement of financial position. Lease liabilities are presented in the line item 'Other financial liabilities' in the statement of financial position. Depreciation charge for the right of use assets is presented in the line item 'Depreciation and amortisation' in the statement of profit or loss. The interest expense on lease liabilities is presented in the line item 'Interest expenses' in the statement of profit or loss.

With regards to the presentation in the Cashflow Statement, lessees must present short-term lease payments, payments for leases of low value assets and variable lease payments not included in the measurement of the lease liability as part of operating activities. Cash paid for the interest portion of lease liability must be presented as either operating activities or financing activities. Addiko Group has chosen to include the interest paid as well as cash payments for the principal portion as part of financing activities.

(20) Tax assets and tax liabilities

Current and deferred income tax assets and liabilities are jointly reported in the statement of financial position under Tax assets and Tax liabilities. Current income taxes are determined according to the tax law regulations of the respective countries.

Deferred tax assets and liabilities are accounted for using the liability method, which compares the tax base of the items in the statement of financial position with the amounts stated pursuant to IFRS. In the case of expected taxable temporary differences, taxes are deferred. A deferred tax liability shall be recognised if the reversal of taxable temporary differences will lead to an effective tax burden. Deferred tax assets are recognised for taxable temporary differences that result in a tax credit when recovered. Deferred tax assets and deferred tax liabilities have been offset as required by IAS 12. The recognition of deferred tax is only allowed if there is convincing other evidence that sufficient taxable profits will be available.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any. In accordance with IAS 12, non-current deferred taxes are not discounted. Deferred tax assets are recorded for tax loss carry-forwards if there is convincing evidence that future taxable profits will be available against which losses can be utilised. This assessment is made on tax plans which are based on business plans as agreed by the Management Board.

The recoverability of a deferred tax asset due to tax losses carried forward and taxable temporary differences is reviewed at the end of each reporting period. Recognition and reversal of tax assets and tax liabilities is recorded either in the income statement or in other comprehensive income, shown as a separate position.

Addiko Group recognised a deferred tax liability for all taxable temporary differences associated with investments in consolidated subsidiaries to the extent that Addiko Bank AG is able to control the timing of reversal of the temporary differences and that it is probably that the temporary differences will reverse in the foreseeable future. As Addiko Bank AG controls the dividend policy of its subsidiaries, Addiko Group recognised a deferred tax liability on the withholding tax payable on future planned dividends.

The Group maintains provisions for uncertain tax positions that it believes appropriately reflect the risk of the tax positions under discussion, audit, dispute or appeal with tax authorities. These provisions are made using the Group's best estimate of the amount expected to be paid based on an assessment of all relevant factors, which are reviewed at the end of each reporting period.

(21) Other assets

Other assets mainly consist of prepayments, accrued expenses and real estates held as current assets, but do not comprise financial instruments.

Deferred assets are recognised at their nominal value, the real estate held as current asset with the lower of the carrying amount and the fair value less cost to sell.

(22) Non-current assets and disposal groups classified as held for sale

Pursuant to IFRS 5, an asset (or a disposal group) held for sale is classified as such if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Essential conditions that, cumulatively fulfilled, result in such a classification pursuant to IFRS 5.7 and 5.8 are:

- Immediate availability, i.e. the asset must be available for immediate sale in its present condition subject to terms that are usual and customary for sales of such assets,
- Commitment to a plan to sell the asset, active search to locate a buyer,
- High probability of sale,
- Sale within a period of twelve months.

If the requirements are met, the disposal item must thus be measured according to the special provisions under IFRS 5 as at the reporting date and written down to the lower of the carrying amount or the fair value less costs to sell.

Assets classified as held for sale and the associated liabilities are each recorded in a separate main item in the statement of financial position. “Impairment losses and reversal of impairment losses for assets classified as held for sale and disposal groups" are presented in “Other result”. Gains and losses from disposal for assets classified as held for sale and disposal groups are presented in “Other operating income and other operating expense”.

(23) Provisions

23.1. Provisions for risks arising from the lending business

Provisions for risks arising from the lending business are set up for risks arising in particular from impending draw-downs on framework agreements or as a provision against liability assumed for customer transactions (particularly issued financial guarantees and granted loan commitments). This item includes provisions for expected credit losses from loan commitments, financial guarantees and other commitments given. Provisions are made both for individual cases and at portfolio level and measured in accordance with IFRS 9.

Changes in provisions for risks arising from the lending business affecting profit or loss are reported in the income statement under the item "Expected credit loss expenses on financial assets".

23.2. Provisions for legal disputes and other provisions

Provisions for legal disputes and other provisions are recorded if there is a present liability related to a past event towards a third party, if the assertion of the relevant claim is probable and if the amount of the claim can be determined reliably. If the time value of the money effect due to passage of time is material, then provisions are determined by discounting the expected future cash flow at a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the liability. The unwinding of the discount is recognised as interest expense. The measurement of provisions for contingent liabilities and impending losses is based on reliable (best) estimates according to IAS 37.36 et seq. Provisions for legal cases include disputes with business partners, customers and external institutions, and are created based on an evaluation of the probability of a court case being lost by the Group. In certain cases, the legal risk-related loss is calculated using statistical methods with the expected value being the sum of the products of the probabilities of specific litigation resolutions and the loss calculated for each scenario, taking into account alternative prediction methods with respect to the number of disputes within the relevant time horizon.

23.3. Provisions for retirement benefits and similar obligations

The Addiko Group maintains both defined contribution and defined benefit plans. Under defined contribution plans, a fixed contribution is paid to an external provider. These payments are recognised under personnel expenses in the income statement. Except for these, there are no further legal or other obligations on the part of the employer. Therefore, no provision is required.

Defined benefit obligations relate to pension commitments and severance obligations. These schemes are unfunded, i.e. all of the funds required for coverage remain within the Company.

Non-current personnel provisions are determined according to IAS 19 – Employee Benefits – using the projected unit credit method. The valuation of future obligations is based on actuarial opinions prepared by independent actuaries. The present value of the defined benefit obligation is reported in the statement of financial position. According to the provisions of IAS 19, the resulting actuarial gains and losses are recorded under equity in other comprehensive income without affecting profit or loss. The key parameters underlying the actuarial calculations for staff members in Austria can be found in the table below. Biometric basic data are taken into account using the AVÖ 2018 P generation mortality tables for salaried employees (2023: AVÖ 2018 P generation mortality tables for salaried employees). Non-current personnel provisions are calculated on the basis of the earliest possible legal retirement age.

For staff members employed abroad, calculations are based on local parameters.

	31.12.2024			31.12.2023		
Actuarial parameters	Austria	Slovenia	Serbia	Austria	Slovenia	Serbia
Interest rate	2.98%	3.15%	4.60%	3.85%	3.60%	3.00%
Salary increase	3.81%	3.00%	0.00%	4.00%	3.50%	0.00%
Fluctuation discount	4.35%	9.00%	3.00%	6.90%	6.33%	0.00%

The expenditure to be recognised through profit or loss consists of service cost reported under personnel expenses and interest expense which is recorded as such; actuarial gains and losses are reported under equity in other comprehensive income without affecting profit or loss.

23.4. Provisions for restructuring

Provisions for restructuring are only recorded if the general criteria for recording provisions in accordance with IAS 37.72 are fulfilled. This requires the existence of a constructive obligation for the company, which is fulfilled by the existence of a formal, detailed restructuring plan and the announcement of the measures set out in this plan to those affected. For disclosure of restructuring expenses, see note (31) Other operating income and other operating expenses.

(24) Other liabilities

This item includes deferred income and non-financial liabilities that due to their nature could not be classified in specific balance sheet item.

(25) Share-based payments

25.1. Share-settled share-based payments

During 2024, Addiko Supervisory Board approved a change in the long-term incentive plan, with the conversion of the existing equity share-settled compensation program into a phantom share program. Accordingly, the accounting policy for share-settled share-based payments is not applicable anymore to Addiko Group, as the new phantom share program is recognised as a cash-settled share-based payments.

The fair value of deferred shares granted to the management board under the variable remuneration scheme in the previous reporting periods, which was recognised in equity in the share-based payment reserve has been reclassified in the Other liabilities.

25.2. Cash-settled share-based payments

Liabilities for the group’s cash-settled share-based payments are recognised as Personnel expenses over the relevant service period. The liabilities are remeasured to fair value at each reporting date until the settlement and are presented as Other liabilities in the balance sheet. The ultimate cost of a cash-settled award is the cash paid to the beneficiary, which is the fair value at settlement date. Changes in the measurement of the liability are reflected in the statement of profit or loss.

(26) Equity (including non-controlling interests)

Equity evidences the residual interest in the assets of an entity after deduction of all liabilities or obligations which cannot be terminated by the investor:

- **Subscribed (registered) capital** represents the amounts paid in by shareholders in accordance with the articles of association.
- **Capital reserve** includes share premium which is the amount by which the issue price of the shares exceeded their nominal value. In addition, direct capital contributions are presented in this position.
- The **fair value reserves** of debt instruments and of equity instruments include the measurement results – after taking deferred taxes into account – for the financial assets measured at fair value through other comprehensive income.
- The **remeasurement on defined benefit plans** consists of actuarial gains and losses on the defined benefit obligations.
- **Foreign currency reserve** includes the translation of financial statements of Addiko Group subsidiaries (for further detail, see the note (6) Foreign currency translation).
- The **cumulative result** includes the cumulated profits generated by the Group except for the share of profit to which external parties are entitled.
- The **other reserves** include the statutory reserves and the liability reserve.

(27) Earnings per share

The Addiko Group presents earnings per share (EPS) in accordance with IAS 33 Earnings per share for its ordinary shares. Basic EPS is calculated by dividing the profit or loss that is attributable to ordinary shareholders of the bank by the weighted average number of shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss that is attributable to ordinary shareholders for any other changes in income or expense that would result from the conversion of the dilutive potential ordinary shares and increasing the weighted average number of ordinary shares outstanding by the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares. As there are no stock options issued by Addiko Bank AG, the basic (undiluted) earnings per share equal the diluted earnings per share.

Notes to the profit or loss statement

(28) Net interest income

EUR m

	01.01. - 31.12.2024	01.01. - 31.12.2023
Interest income calculated using the effective interest method	**279.6**	**247.3**
Financial assets at fair value through other comprehensive income	12.4	11.9
Financial assets at amortised cost	267.2	235.5
Other interest income	**31.5**	**29.7**
Financial assets held for trading	2.2	3.0
Other assets (incl. cash balances at central banks and other demand deposits)	29.2	26.6
Total interest income	**311.1**	**277.0**
Financial liabilities measured at amortised cost	-65.6	-46.3
o/w households	-46.1	-28.8
o/w lease liabilities	-0.5	-0.5
Other liabilities	-1.6	-1.4
Financial liabilities held for trading	-1.0	-1.3
Total interest expense	**-68.3**	**-49.0**
Net interest income	**242.9**	**228.0**

Interest income break down by instrument and sector as follows:

EUR m

	01.01. - 31.12.2024	01.01. - 31.12.2023
Derivatives - Trading	**1.6**	**2.4**
Debt securities	**35.5**	**24.0**
Governments	32.6	22.6
Credit institutions	2.7	1.1
Other financial corporations	0.1	0.0
Non-financial corporations	0.2	0.3
Loans and advances	**244.7**	**223.9**
Central banks	2.0	2.8
Governments	1.5	1.9
Credit institutions	2.0	2.5
Other financial corporations	0.7	0.9
Non-financial corporations	76.5	70.2
Households	161.9	145.5
Other assets	**29.3**	**26.6**
Total	**311.1**	**277.0**

Interest income from debt securities:

EUR m

	01.01. - 31.12.2024	01.01. - 31.12.2023
Interest income from debt securities HFT	0.6	0.6
Interest income from debt securities FVOCI	12.4	11.9
Interest income from debt securities AC	22.4	11.5
Total	**35.5**	**24.0**

Interest expenses break down by instrument and sector as follows:

EUR m

	01.01. - 31.12.2024	01.01. - 31.12.2023
Derivatives - Trading	**-1.0**	**-1.3**
Deposits	**-65.2**	**-45.9**
Governments	-1.3	-1.0
Credit institutions	-3.9	-4.7
Other financial corporations	-5.1	-3.8
Non-financial corporations	-8.7	-7.5
Households	-46.1	-28.8
Other liabilities	**-2.0**	**-1.8**
Total	**-68.3**	**-49.0**

(29) Net fee and commission income

EUR m

	01.01. - 31.12.2024	01.01. - 31.12.2023
Transactions	20.4	19.8
Accounts and Packages	30.9	28.1
Cards	19.5	17.6
Foreign exchange & Dynamic currency conversion	7.8	7.8
Securities	0.0	0.1
Bancassurance	7.4	5.7
Loans	5.4	5.0
Trade finance	5.5	5.3
Other	1.0	1.1
Fee and commission income	**98.0**	**90.4**
Transactions	-4.6	-4.2
Accounts and Packages	-1.4	-1.5
Cards	-13.7	-12.3
Foreign exchange & Dynamic currency conversion	-0.1	-0.1
Securities	-0.2	-0.2
Bancassurance	-0.4	-0.4
Loans	-1.3	-1.2
Trade finance	-0.1	-0.1
Client and sales incentives	-2.3	-2.3
Other	-0.9	-1.1
Fee and commission expenses	**-25.1**	**-23.3**
Net fee and commission income	**73.0**	**67.1**

The fee and commissions presented in this note include income of EUR 55.9 million (2023: EUR 50.7 million) and expenses of EUR -16.4 million (2023: EUR -14.9 million) relating to financial assets and liabilities not measured at FVTPL. The fees and commissions include EUR 92.4 million (2023: EUR 84.7 million) from contracts with customers in the scope of IFRS 15 Revenues from Contracts with Customers and EUR 5.6 million (2023: EUR 5.7 million) from financial guarantee contracts and loan commitments. Furthermore, the position Client and sales incentives includes EUR 2.1 million sales incentives paid to Addiko employees based on the achievement of pre-defined sales targets (2023: EUR 2.1 million).

(30) Net result on financial instruments

EUR m

	01.01. - 31.12.2024	01.01. - 31.12.2023
Held for trading financial instruments	1.2	-1.4
Foreign exchange	-0.6	1.4
Non-trading financial assets mandatorily at fair value through profit or loss	0.3	0.4
Financial liabilities at amortised cost	0.3	0.0
Total	**1.2**	**0.4**

30.1. Gains or losses on financial instruments held for trading, net - by instrument

EUR m

	01.01. - 31.12.2024	01.01. - 31.12.2023
Derivatives	1.4	-1.9
Debt securities	0.2	0.6
Other financial liabilities	-0.4	-0.1
Total	**1.2**	**-1.4**

30.2. Gains or losses on financial assets and liabilities held for trading, net - by risk

EUR m

	01.01. - 31.12.2024	01.01. - 31.12.2023
Interest rate instruments and related derivatives	0.3	-0.6
Foreign exchange trading and derivatives related to foreign exchange and gold	0.9	-1.3
Other	0.0	0.6
Total	**1.2**	**-1.4**

30.3. Gains or losses on financial assets and liabilities, not measured at fair value through profit or loss - by instrument

EUR m

	01.01. - 31.12.2024	01.01. - 31.12.2023
Deposits	0.3	0.0
Total	**0.3**	**0.0**

(31) Other operating income and other operating expenses

EUR m

	01.01. - 31.12.2024	01.01. - 31.12.2023
Other operating income	**4.4**	**3.7**
Gain from sale of non financial assets	2.9	1.0
Income from operating lease assets	0.4	0.5
Restructuring income	0.0	0.1
Gain from the sale of assets classified as held for sale and disposal groups	0.0	0.7
Other income	1.1	1.3
Other operating expenses	**-16.7**	**-16.7**
Losses from sale of non financial assets	0.0	-0.1
Expense incurred in earning the operating lease assets income	-0.5	-0.5
Restructuring expenses	-0.9	-1.4
Deposit guarantee	-5.6	-7.1
Banking levies and other taxes (including recovery and resolution fund)[1]	-7.7	-4.8
Other expenses	-2.1	-2.9
Total	**-12.3**	**-13.1**

[1] Starting with YE24 the expenses from the recovery and resolution fund (YE24: EUR -0.1 million, YE23: EUR -0.2 million) are presented as part of the banking levies and other taxes due to low materiality.

Gains from the sale of non-financial assets were mainly resulting from the disposal of non-core real estate assets in Bosnia & Herzegovina.

Bank levies and other taxes increased primarily due to the newly established additional tax of 0.2% on total assets (EUR 2.8 million), which was introduced in Slovenia in 2023 and will be applicable from 2024 to 2028.

(32) Personnel expenses

EUR m

	01.01. - 31.12.2024	01.01. - 31.12.2023
Wages and salaries	-65.2	-60.3
Social security contribution	-11.2	-10.5
Variable remuneration (excluding sales incentives)	-10.4	-10.4
Bonuses	-6.0	-7.1
Cash-settled share-based payments	-4.4	-2.3
Equity-settled share-based payments	0.0	-1.1
Voluntary social expenses	-4.9	-4.6
Expenses for retirement and severance payments	-10.7	-9.7
Income from release of employee provisions	0.6	0.6
Other personnel expenses	-2.6	-2.9
Total	**-104.4**	**-97.8**

The development of the cash-settled share-based payments within the variable remuneration is reflecting the activation of the long-term Performance Acceleration Incentive Framework (PAIF) remuneration program with the price of the Addiko shares crossing the long-term target value threshold during the second quarter of the year 2024. This triggered the recognition of an additional EUR 0.4 million on top of the EUR 1.2 million accrued in 2023. In addition, during 2024, Addiko Supervisory Board approved a change in the long-term incentive plan, with the conversion of the existing equity share-settled compensation program into a phantom share program. As the new approach to use phantom shares is recognised as a cash-settled share-based payment, change from equity-settled to cash-settled arising from a modification led to a reclassification, at the modification date, of an amount EUR 1.1 million from equity to liability, and the recognition of an additional expense of EUR 0.8 million for the difference between the amounts recognised in equity from the previous bonus cycles and the new estimated cash payments (fair value of liability).

Certain incentives are paid to Addiko sales employees based on the achievement of pre-defined targets and are reported under Fees and commission expenses (2024: EUR -2.1 million; 2023: EUR -2.1 million). In a presentation by nature, the total 2024 personnel expenses would amount to EUR -106.5 million (2023: EUR -99.9 million).

(33) Other administrative expenses

EUR m

	01.01. - 31.12.2024	01.01. - 31.12.2023
IT expenses	-33.6	-31.1
Premises expenses (rent and other building expenses)	-12.9	-13.0
Legal and advisory costs	-7.4	-4.0
Advertising costs	-7.9	-7.5
Remaining other administrative expenses	-9.2	-8.0
Total	**-71.0**	**-63.5**

The increase in legal and advisory costs is attributable, above all, to higher advisory costs in amount of EUR 3.0 million related to the voluntary partial tender offer published by Agri Europe Cyprus Ltd. (Agri Europe Cyprus) on 16 May 2024 and the voluntary public takeover offer aiming at control published by Nova Ljubljanska banka d.d. (NLB) on 7 June 2024.

(34) Depreciation and amortisation

EUR m

	01.01. - 31.12.2024	01.01. - 31.12.2023
Property, plant and equipment	-10.3	-10.0
o/w right of use assets	-4.8	-5.6
Intangible assets	-6.6	-7.3
Total	**-17.0**	**-17.3**

(35) Other result

EUR m

	01.01. - 31.12.2024	01.01. - 31.12.2023
Net result from legal cases	**-15.4**	**-37.4**
Release of provisions for legal cases and income from legal cases	1.6	2.2
Allocation of provisions for passive legal cases and legal costs	-17.0	-39.6
Net result from operational risks	**0.3**	**-5.6**
Release of provisions from operational risk and income from operational risk cases	1.3	0.0
Allocation of provisions from operational risk and operational risk expenses	-1.0	-5.6
Impairment / reversal of impairment on non-financial assets	**-0.1**	**-0.2**
Reversal of impairment	0.3	0.6
Impairment	-0.4	-0.9
Modification gains or losses	**-0.7**	**-1.6**
Total	**-15.8**	**-44.7**

The **net result from legal cases** in 2024 amounted to EUR -15.4 million (2023: EUR -37.4 million) and was primarily influenced by new lawsuits received in Slovenia for legacy Swiss franc-denominated loans for which the bank was recognising provisions in amount of EUR 6.8 million (2023: EUR 3.7 million). In addition, this item included the development of legal cases in Serbia for EUR -4.4 million (2023: EUR -2.1 million) and Croatia for EUR -3.8 million (2023: EUR -30.7 million). Further details regarding provisions for legal cases are included in note (49.2) Provisions for pending legal disputes.

The **net result from operational risk** was positively influenced by the release of EUR 0.5 million out of the EUR 1.5 million provisions initially recognised in 2023 in relation to proportional fee reimbursements in Slovenia for early loan repayments (“Lexitor”). Additionally, in 2024, Addiko received EUR 0.4 million in insurance reimbursements related to a customer operational risk cases in Serbia that incurred EUR 0.6 million expenses in 2023. The comparative reporting period included a EUR -2.1 million impact due to the decision of the Indirect Taxation Authority in Bosnia & Herzegovina to reverse previous instructions and apply VAT on credit card services.

The **modification loss** in 2024 resulted from a decision by the Serbian Central Bank to implement temporary measures limiting the maximum applicable variable interest rate on private individuals’ loans. The loss is calculated as the difference between the loan balance on the modification date and the discounted value of the modified repayment plans’ cash flows using the original effective interest rate. A similar decision by the Serbian Central Bank in 2023 also led to the recognition of modification losses in the comparative period.

(36) Expected credit loss expenses on financial assets

EUR m

	01.01. - 31.12.2024	01.01. - 31.12.2023
Change in CL on financial instruments at FVTOCI	**0.4**	**-0.3**
Change in CL on financial instruments at amortised cost	**-36.1**	**-12.8**
Net allocation to risk provision	-47.5	-22.7
Proceeds from loans and receivables previously impaired	12.7	10.9
Directly recognised impairment losses and other credit risk expenses	-1.3	-1.0
Net allocation of provisions for commitments and guarantees given	**-0.4**	**1.4**
Total	**-36.0**	**-11.8**

The net allocation to risk provision increased by EUR 24.3 million year-over-year to EUR -36.0 million, compared to EUR -11.8 million in the year 2023. The provisioning impact in 2024 is pushed upwards by increased provisions for higher defaults and lower cures to performing, especially within the Consumer and SME segments. The prior period was mainly lower due to reclassifications from stage 2 to stage 1 of individual corporate cases, which led to net releases in stage 2, as well as due to releases of PMA in amount of EUR 11.8 million. Further details regarding expected credit loss expenses on financial assets are included in note (61) Risk provisions.

(37) Taxes on income

EUR m

	01.01. - 31.12.2024	01.01. - 31.12.2023
Current tax	-10.2	-10.6
Deferred tax	-4.8	4.3
thereof: temporary differences	-4.2	1.8
thereof: tax losses carried forward	-0.6	2.5
Total	**-15.0**	**-6.3**

Taxes on income increased to EUR –15.0 million in 2024 compared to EUR -6.3 million in 2023. The development reflects the higher result before tax achieved during the reporting period compared with the previous year, the temporary increase in the corporate tax rate in Slovenia, as approved by the Slovenian parliament in 2023, from 19% to 22% for the years 2024 to 2028 as well as the higher amount of withholding taxes recognised by Addiko Bank AG in connection with intragroup dividends which are projected to be received from Addiko's non-EU subsidiaries in the foreseeable future, which increased from EUR 21.1 million in 2023 to EUR 34.4 million in 2024.

37.1. Reconciliation of effective tax rate

The reconciliation from calculated income tax to the effective tax is as follows:

EUR m

	31.12.2024	31.12.2023[1)]
Result before tax	**60.4**	**47.4**
Theoretical tax expense based on Austrian corporate tax rate of 23% (2023: 24%)	-13.9	-11.4
Effects from divergent foreign tax rates	7.1	5.9
Tax effect of:		
Income not subject to tax	0.2	0.2
Investment related tax relief and other effects reducing the tax burden	2.2	1.5
Non-deductible expenses	-1.4	-0.9
Withholding taxes for which no tax credit was available	-1.2	-0.7
Current-year losses for which no DTA is recognised	-7.1	-4.6
Re-assessment of existing stock of DTA from taxable losses	-0.7	2.5
Recognition/non-recognition of temporary differences	-0.7	-0.3
Deferred tax liability on undistributed profits	-0.6	-1.0
Other	1.1	2.5
Actual income tax	**-15.0**	**-6.3**
Effective tax rate	24.8%	13.4%

[1)] Comparative figures amended to provide a more detailed and transparent presentation of the items impacting the taxable result.

Each entity within the Addiko Group is taxable as required by its respective local tax regulation. The income tax rates for these entities range from 9% to 23%.

The development of the effective tax rate was mainly influenced by the non-recognition of deferred tax assets on current year losses generated by the parent company in amount of EUR 7.1 million (2023: EUR 4.6 million), because it is not probable that future taxable profits will be available against which the deferred tax assets can be utilised. Furthermore, the reassessment of deferred tax assets from existing taxable losses in the Slovenian entity was leading to a decrease of EUR 0.7 million (2023: EUR 2.5 million). Deferred tax liabilities related to undistributed profits include withholding tax which should be paid in the year 2025 on projected dividends.

37.2. Movements in deferred tax balances

In the financial year, deferred tax assets and liabilities were netted as far as the requirements according to IAS 12 were fulfilled. Deferred taxes (tax assets or tax liabilities) have been recorded for the differences between carrying amounts for tax purposes and IFRS values and for unused tax losses as presented in the following table:

EUR m

2024	Net balance 01.01.	Recognised in profit or loss	Recognised in OCI	Balance at 31 December		
				Net	Deferred tax assets	Deferred tax liabilities
Financial assets designated at FVTPL	0.3	0.0	0.0	0.3	0.3	0.0
Financial assets at fair value through other comprehensive income	7.7	0.0	-3.2	4.5	4.5	0.0
Financial assets at amortised cost	0.5	0.1	0.0	0.6	0.8	-0.2
Tangible assets (including right of use assets)	-1.1	0.5	0.0	-0.6	1.5	-2.1
Intangible assets	0.3	-0.1	0.0	0.2	0.2	0.0
Financial liabilities held for trading	0.5	0.2	0.0	0.7	0.7	0.0
Financial liabilities measured at amortised cost (including lease liabilities)	2.5	-0.5	0.0	2.0	2.0	0.0
Provisions	10.3	-2.6	0.0	7.8	7.8	0.0
Undistributed profits of subsidiaries	-1.0	-0.7	0.0	-1.7	0.0	-1.7
Other	2.3	-1.0	-0.1	1.2	1.2	0.0
Tax losses carried forward	12.8	-0.8	0.0	12.1	12.1	0.0
Tax assets (liabilities) before set-off	**35.1**	**-4.8**	**-3.4**	**26.9**	**31.0**	**-4.0**
Set-off of tax	0.0	0.0	0.0	0.0	-2.3	2.3
Tax assets (liabilities)	**35.1**	**-4.8**	**-3.4**	**26.9**	**28.6**	**-1.7**

Deferred tax liability related to undistributed profits includes withholding tax which shall be paid in the following year on projected dividends.

EUR m

2023	Net balance 01.01.	Recognised in profit or loss	Recognised in OCI	Balance at 31 December		
				Net	Deferred tax assets	Deferred tax liabilities
Financial assets designated at FVTPL	0.0	0.3	0.0	0.3	0.3	0.0
Financial assets at fair value through other comprehensive income	14.0	0.0	-6.3	7.7	7.7	0.0
Financial assets at amortised cost	1.9	-1.5	0.0	0.5	0.8	-0.3
Tangible assets (including right of use assets)	-1.2	0.1	0.0	-1.1	1.6	-2.7
Intangible assets	0.4	-0.1	0.0	0.3	0.3	0.0
Financial liabilities held for trading	0.1	0.3	0.0	0.5	0.5	0.0
Financial liabilities measured at amortised cost (including lease liabilities)	2.8	-0.3	0.0	2.5	2.5	0.0
Provisions	7.3	3.0	0.0	10.3	10.3	0.0
Undistributed profits of subsidiaries[1)]	0.0	-1.0	0.0	-1.0	0.0	-1.0
Other[1)]	1.3	1.0	0.0	2.3	2.3	0.0
Tax losses carried forward	10.3	2.5	0.0	12.8	12.8	0.0
Tax assets (liabilities) before set-off	**37.0**	**4.4**	**-6.3**	**35.1**	**39.1**	**-4.0**
Set-off of tax	0.0	0.0	0.0	0.0	-4.0	4.0
Tax assets (liabilities)	**37.0**	**4.4**	**-6.3**	**35.1**	**35.1**	**0.0**

[1)] Comparative figures amended to provide a more detailed and transparent presentation.

The total change in deferred taxes is EUR -8.2 million (2023: EUR -1.9 million). Of this, EUR -4.8 million (2023: EUR 4.4 million) is reflected in the current income statement as deferred tax income and an amount of EUR -3.4 million (2023: EUR -6.3 million) is shown in other comprehensive income in equity.

37.3. Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profits will be available in the next 5 years against which the Group can use the benefit therefrom.

EUR m

	2024		2023	
	Gross amounts	Tax effects	Gross amounts	Tax effects
Deductible temporary differences	0.0	0.0	0.0	0.0
Tax losses	350.9	79.9	324.8	73.9
Total	**350.9**	**79.9**	**324.8**	**73.9**

37.4. Unrecognised deferred tax liabilities

The aggregate amount of temporary differences associated with investments in subsidiaries for which deferred tax liabilities have not been recognised because the parent company is able to control the timing of reversal of the temporary difference and it is probably that the temporary difference will not reverse in the foreseeable future, is equivalent to EUR 85.1 million (YE23: EUR 85.2 million), translating into theoretical deferred tax liabilities of EUR 4.3 million (YE23: EUR 4.3 million).

37.5. Tax losses carried forward

The utilisation of the unused tax losses from previous years and their possibility to be carried forward are presented in the following table:

EUR m

Tax losses per country - 2024	ABS	ABH	Total
applicable tax rate	22.0%	23.0%	
Total tax losses carried forward (never expire)	0.0	270.6	270.6
Total tax losses carried forward (restricted utilisable)	135.1	0.0	135.1
Total tax losses carried forward	**135.1**	**270.6**	**405.8**
Theoretical Deferred Tax asset	**29.7**	**62.2**	**92.0**
Recognised DTA	12.1	0.0	12.1
Unrecognised DTA	17.6	62.2	79.9

EUR m

Tax losses per country - 2023	ABS	ABH	Total
applicable tax rate	22.0%	23.0%	
Total tax losses carried forward (never expire)	**143.4**	**239.8**	**383.2**
Theoretical Deferred Tax asset	**31.5**	**55.2**	**86.7**
Recognised DTA	12.8	0.0	12.8
Unrecognised DTA	18.7	55.2	73.9

37.5.1. Slovenia

In November 2024, the Slovenian parliament approved an amendment of the Corporate Income Tax Act, introducing – among other things – a five-year limit on the carry forward of tax losses (the possibility to carry forward tax losses was previously unlimited). The measures are applicable from 1 January 2025. As the utilisation period considered by Addiko is five years, the approval of the law had no impacts on the 2024 financial statements, however it had an impact on the ability to fully utilise the existing taxable losses of EUR 135.1 million (2023: EUR 143.4 million).

In 2024, DTA arising from the carry-forward of taxable losses amounted to EUR 12.1 million (YE23: EUR 12.8 million). Additional DTA from the carry-forward of taxable losses of EUR 17.6 million (2023: EUR 18.7 million) could not be recognised, because it is not probable that the entity will generate enough taxable profits in the future five years to entirely utilise the existing taxable losses. The DTA amount recognised in 2024 is based on the corporate tax rate, applied to the five-year tax plan of the Slovenian subsidiary and taking into consideration that the use of tax loss is limited to 50% of the actual tax base. Due to some uncertainties regarding external factors (regulatory environment, market situation, etc.), a lower range of expected outcomes was considered for the purposes of the deferred tax assets calculation.

The following table presents a sensitivity analysis for the main assumptions made in the five-year tax plan, illustrating the effects on the DTA amount by changes in the relevant assumptions (while all other factors remain constant) that were reasonably possible at the reporting date:

EUR m

	31.12.2024	31.12.2023
Average interest rate loans to customers +50bp	2.2	2.2
Average interest rate loans to customers -50bp	-2.2	-2.2
Cost of risk +25bp	-1.3	-1.2
Cost of risk -25bp	1.3	1.2

37.5.2. Austria

In 2024, the Group's parent company, recognised additional tax losses in amount of EUR 30.8 million (2023: EUR 19.9 million), increasing the cumulative tax losses to EUR 270.6 million (2023: EUR 239.8 million). Although the tax losses are unlimited utilisable, Addiko did not recognise DTA from the carry-forward of taxable losses due to the uncertainty about whether the tax losses can be utilised, because it is not probable that in the foreseeable future taxable profit will be available. According to the Eco Social Tax Reform Act, the standard corporate income tax (CIT) rate in Austria was reduced from 25% to 24% in calendar year 2023 and to 23% in calendar year 2024. However, due to the above-described situation, this change resulted in no impact on the consolidated financial statements as no amount of deferred tax assets and liabilities was recognised during the year ended 31 December 2024.

37.6. Uncertainty over income tax treatments

Addiko Group considered whether it has any uncertain tax positions, particularly those relating to transfer pricing. In general, tax inspection, which may result in the emergence of additional tax liability, default interest and penalties, may be initiated at any time within four to six years from the date of tax statement or from the year in which tax should have been assessed.

Addiko Group determined, based on its tax compliance and transfer pricing study, that it is probable that its tax treatments will be accepted by the taxation authorities. However, due to the fact that Addiko Group is subject to a large number of tax regulations that in some cases have only been in effect for a short period of time, are frequently amended and enforced by various political subdivisions, there is a risk that tax audits could, on account of diverging interpretations, result in assessments of tax deficiencies, which could require Addiko Group to pay additional taxes not previously expected.

37.7. Global minimum tax

To address concerns about uneven profit distribution and tax contributions of large multinational groups, various agreements have been reached at the global level, including an agreement by over 135 jurisdictions to introduce a global minimum tax rate of 15%. Following the draft legislative framework released by the Organisation for Economic Cooperation and Development (OECD) in December 2021, and the related detailed guidance in March 2022, the EU Council approved Directive 2022/2523 in December 2022. This directive was transposed into Austrian legislation through the Minimum Tax Act and came into effect at the beginning of 2024.

In scope are large company groups reaching a minimum of EUR 750 million in net sales in at least two of the last four financial years, irrespective whether it is a solely domestic or a multinational company group. Unless jurisdictions will introduce a lower threshold, the Addiko Group was not exceeding in the previous years the above-mentioned thresholds and for this reason it is currently not subject to the top-up tax.

Notes to the consolidated statement of financial position

(38) Cash and cash equivalents

EUR m

31.12.2024	Gross carrying amount	ECL allowance	Carrying amount (net)
Cash on hand	131.8	0.0	131.8
Cash balances at central banks	1,003.9	0.0	1,003.9
Other demand deposits	115.8	0.0	115.8
Total	**1,251.5**	**0.0**	**1,251.4**

EUR m

31.12.2023	Gross carrying amount	ECL allowance	Carrying amount (net)
Cash on hand	114.4	0.0	114.4
Cash balances at central banks	1,045.6	-0.1	1,045.5
Other demand deposits	94.7	-0.1	94.6
Total	**1,254.6**	**-0.2**	**1,254.5**

The total amount of cash balances at central banks and other demand deposits is considered as low risk business and is classified within stage 1 (12-month ECL).

The cash balances at central banks include EUR 233.3 million (YE23: EUR 232.3 million) minimum reserves which the parent company and its subsidiaries were holding at the reporting date in their current accounts at their national central banks in order to meet on average during the maintenance period the prescribed requirements.

38.1. Cash balances at central banks and other demand deposits - development of gross carrying amount

EUR m

2024	Stage 1
Gross carrying amount at 01.01.	**1,140.2**
New financial assets originated or purchased	59.7
Financial assets that have been derecognised	-35.9
Changes in the gross carrying amount of existing assets	-44.3
Transfer between stages	0.0
Write-offs/utilisation	0.0
Foreign exchange and other movements	-0.1
Gross carrying amount at 31.12.	**1,119.6**

EUR m

2023	Stage 1
Gross carrying amount at 01.01.	**1,263.0**
New financial assets originated or purchased	471.4
Financial assets that have been derecognised	-472.6
Changes in the gross carrying amount of existing assets	-121.5
Transfer between stages	0.0
Write-offs/utilisation	0.0
Foreign exchange and other movements	-0.1
Gross carrying amount at 31.12.	**1,140.2**

As the ECL allowance amounts to less than EUR 0.1 million, no breakdown into stages is provided.

(39) Financial assets held for trading

EUR m

	31.12.2024	31.12.2023
Derivatives	**5.0**	**4.9**
Debt securities	**9.4**	**24.6**
Governments	9.4	24.6
Total	**14.4**	**29.5**

(40) Loans and advances

The Addiko Group measures all loans and advances at amortised cost.

40.1. Loans and advances to credit institutions

EUR m

31.12.2024	Gross carrying amount	ECL allowance	Carrying amount (net)
Loans and advances to credit institutions	**44.3**	**0.0**	**44.2**

EUR m

31.12.2023	Gross carrying amount	ECL allowance	Carrying amount (net)
Loans and advances to credit institutions	**66.7**	**-0.1**	**66.6**

EUR m

2024	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount at 01.01.	**65.8**	**0.9**	**0.0**	**0.0**	**66.7**
New financial assets originated or purchased	258.8	0.0	0.0	0.0	258.8
Financial assets that have been derecognised	-248.6	0.0	0.0	0.0	-248.6
Changes in the gross carrying amount of existing assets	-32.1	0.2	0.0	0.0	-31.9
Transfer between stages	0.0	0.0	0.0	0.0	0.0
Write-offs/utilisation	0.0	0.0	0.0	0.0	0.0
Foreign exchange and other movements	0.4	-1.1	0.0	0.0	-0.8
Gross carrying amount at 31.12.	**44.3**	**0.0**	**0.0**	**0.0**	**44.3**

EUR m

2023	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount at 01.01.	**89.2**	**0.0**	**0.0**	**0.0**	**89.2**
New financial assets originated or purchased	32.7	0.0	0.0	0.0	32.7
Financial assets that have been derecognised	-122.6	0.0	0.0	0.0	-122.6
Changes in the gross carrying amount of existing assets	64.3	0.0	0.0	0.0	64.3
Transfer between stages	-0.3	0.3	0.0	0.0	0.0
Write-offs/utilisation	0.0	0.0	0.0	0.0	0.0
Foreign exchange and other movements	2.6	0.6	0.0	0.0	3.2
Gross carrying amount at 31.12.	**65.8**	**0.9**	**0.0**	**0.0**	**66.7**

As the ECL allowance amounts to less than EUR 0.1 million, no breakdown into stages is provided.

The tables above are prepared using a gross base approach, which includes both the line item “New financial assets originated or purchased” and the line item “Financial assets that have been derecognised.” This also encompasses the gross carrying amount of loans and advances to credit institutions that have been disbursed and matured during the reporting period. While this presentation is formally accurate, it may result in the inclusion of material amounts from short-term transactions with credit institutions. Such representation may offer limited insight into how significant changes in the gross carrying amount over the reporting period have affected the loss allowance.

40.2. Loans and advances to customers

EUR m

31.12.2024	Gross carrying amount	ECL				Carrying amount (net)
		Stage 1	Stage 2	Stage 3	POCI	
Households	2,380.6	-17.2	-17.6	-65.3	-0.2	2,280.2
Non-financial corporations	1,251.9	-8.0	-9.0	-46.6	0.0	1,188.2
Governments	14.0	0.0	0.0	0.0	0.0	13.9
Other financial corporations	24.2	-0.1	0.0	0.0	0.0	24.0
Total	**3,670.6**	**-25.4**	**-26.6**	**-112.0**	**-0.2**	**3,506.4**

EUR m

31.12.2023	Gross carrying amount	ECL				Carrying amount (net)
		Stage 1	Stage 2	Stage 3	POCI	
Households	2,247.7	-11.5	-21.1	-61.9	-1.1	2,152.0
Non-financial corporations	1,341.9	-6.7	-12.9	-45.2	0.0	1,277.1
Governments	35.9	-0.1	-0.1	0.0	0.0	35.7
Other financial corporations	24.8	-0.1	-0.4	0.0	0.0	24.4
Total	**3,650.3**	**-18.4**	**-34.5**	**-107.1**	**-1.1**	**3,489.2**

EUR m

2024	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount at 01.01.	**3,014.8**	**498.5**	**130.9**	**6.2**	**3,650.3**
New financial assets originated or purchased	1,457.8	20.2	0.3	0.0	1,478.4
Financial assets that have been derecognised	-462.7	-85.0	-15.4	-0.5	-563.7
Changes in the gross carrying amount of existing assets	-727.1	-125.6	14.2	1.3	-837.3
Transfer between stages	-62.0	10.0	52.0	0.0	0.0
Write-offs/utilisation	0.0	0.0	-46.0	-1.0	-47.1
Changes due to modifications that did not result in derecognition	-0.6	0.0	0.0	0.0	-0.6
Foreign exchange and other movements	-3.7	-6.8	0.7	0.3	-9.5
Gross carrying amount at 31.12.	**3,216.5**	**311.2**	**136.7**	**6.2**	**3,670.6**

EUR m

2023	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount at 01.01.	**2,935.6**	**381.0**	**151.8**	**7.8**	**3,476.2**
New financial assets originated or purchased	1,595.8	40.3	0.9	0.2	1,637.2
Financial assets that have been derecognised	-615.2	-55.5	-34.2	-0.4	-705.3
Changes in the gross carrying amount of existing assets	-665.7	-66.4	31.8	-1.3	-701.5
Transfer between stages	-235.5	199.8	35.7	0.0	0.0
Write-offs/utilisation	0.0	0.0	-49.9	0.0	-49.9
Foreign exchange and other movements	-0.2	-0.7	-3.8	0.0	-4.7
Gross carrying amount at 31.12.	**3,014.8**	**498.5**	**132.3**	**6.2**	**3,651.9**

Development of the ECL allowance:

EUR m

2024	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 01.01.	**-18.4**	**-34.5**	**-107.1**	**-1.1**	**-161.2**
New remeasurement of loss allowance	49.7	-13.5	-87.9	0.0	-51.7
Increases due to origination and acquisition	-23.7	-1.2	0.0	0.0	-24.9
Decreases due to derecognition	5.1	7.3	16.0	0.5	29.0
Transfer between stages	-38.0	15.3	22.6	0.0	0.0
Write-offs/utilisation	0.0	0.0	45.2	1.0	46.2
Foreign exchange and other movements	0.0	-0.1	-0.8	-0.7	-1.6
ECL allowance as at 31.12.	**-25.4**	**-26.6**	**-112.0**	**-0.2**	**-164.2**

EUR m

2023	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 01.01.	**-21.0**	**-44.3**	**-117.0**	**-1.2**	**-183.5**
New remeasurement of loss allowance	21.8	1.1	-43.5	0.1	-20.5
Increases due to origination and acquisition	-13.8	-3.0	0.0	0.0	-16.8
Decreases due to derecognition	4.1	4.3	6.5	0.1	15.0
Transfer between stages	-9.8	7.5	2.2	0.0	0.0
Write-offs/utilisation	0.0	0.0	48.9	0.0	49.0
Foreign exchange and other movements	0.2	-0.2	-4.3	-0.1	-4.3
ECL allowance as at 31.12.	**-18.4**	**-34.5**	**-107.1**	**-1.1**	**-161.2**

40.2.1. Loans and advances to households

EUR m

2024	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount at 01.01.	**1,875.0**	**291.2**	**76.0**	**5.4**	**2,247.7**
New financial assets originated or purchased	803.8	5.9	0.3	0.0	810.0
Financial assets that have been derecognised	-208.8	-35.5	-6.6	-0.5	-251.4
Changes in the gross carrying amount of existing assets	-355.2	-50.3	2.5	0.1	-403.0
Transfer between stages	0.8	-28.6	27.8	0.0	0.0
Write-offs/utilisation	0.0	0.0	-18.7	-1.0	-19.8
Changes due to modifications that did not result in derecognition	-0.6	0.0	0.0	0.0	-0.6
Foreign exchange and other movements	2.4	-3.6	-1.4	0.3	-2.3
Gross carrying amount at 31.12.	**2,117.5**	**179.1**	**79.8**	**4.2**	**2,380.6**

EUR m

2023	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount at 01.01.	**1,778.6**	**255.0**	**90.1**	**6.7**	**2,130.4**
New financial assets originated or purchased	742.1	17.2	0.5	0.2	760.0
Financial assets that have been derecognised	-257.1	-24.3	-13.1	-0.4	-294.9
Changes in the gross carrying amount of existing assets	-273.0	-50.1	9.7	-1.1	-314.5
Transfer between stages	-118.1	96.4	21.7	0.0	0.0
Write-offs/utilisation	0.0	0.0	-28.8	0.0	-28.8
Foreign exchange and other movements	2.5	-3.0	-2.7	0.0	-4.6
Gross carrying amount at 31.12.	**1,875.0**	**291.2**	**76.0**	**5.4**	**2,247.7**

EUR m

2024	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 01.01.	**-11.5**	**-21.1**	**-61.9**	**-1.1**	**-95.6**
New remeasurement of loss allowance	23.9	-12.2	-36.1	0.0	-24.4
Increases due to origination and acquisition	-12.4	-0.9	0.0	0.0	-13.3
Decreases due to derecognition	3.7	3.4	6.2	0.5	13.8
Transfer between stages	-20.9	13.3	7.5	0.0	0.0
Write-offs/utilisation	0.0	0.0	18.3	1.0	19.3
Foreign exchange and other movements	0.0	-0.1	0.7	-0.7	0.0
ECL allowance as at 31.12.	**-17.2**	**-17.6**	**-65.3**	**-0.2**	**-100.4**

EUR m

2023	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 01.01.	**-13.7**	**-26.9**	**-71.3**	**-1.2**	**-113.2**
New remeasurement of loss allowance	16.2	0.0	-24.2	0.1	-8.0
Increases due to origination and acquisition	-7.1	-2.1	0.0	0.0	-9.2
Decreases due to derecognition	2.7	1.8	3.0	0.1	7.5
Transfer between stages	-9.8	6.2	3.6	0.0	0.0
Write-offs/utilisation	0.0	0.0	28.1	0.0	28.1
Foreign exchange and other movements	0.2	-0.1	-1.0	0.0	-0.9
ECL allowance as at 31.12.	**-11.5**	**-21.1**	**-61.9**	**-1.1**	**-95.6**

The ECL stock for loans and advances to households slightly increased compared with the previous reporting period, mostly within stage 3, driven by increased inflows in default. The ECL allowance for stage 2 decreased, and the stage 1 ECL allowance increased, driven by respective movement of the gross carrying amount, keeping the overall coverage of both performing and non-performing portfolio stable.

40.2.2. Loans and advances to Non-financial corporations

EUR m

2024	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount at 01.01.	**1,086.1**	**200.1**	**54.9**	**0.8**	**1,341.9**
New financial assets originated or purchased	624.3	14.4	0.0	0.0	638.7
Financial assets that have been derecognised	-219.0	-44.8	-8.8	0.0	-272.6
Changes in the gross carrying amount of existing assets	-360.1	-72.5	11.6	1.2	-419.8
Transfer between stages	-61.7	37.4	24.2	0.0	0.0
Write-offs/utilisation	0.0	0.0	-27.2	0.0	-27.2
Foreign exchange and other movements	-8.0	-3.2	2.1	0.0	-9.1
Gross carrying amount at 31.12.	**1,061.6**	**131.4**	**56.9**	**2.0**	**1,251.9**

EUR m

2023	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount at 01.01.	**1,099.5**	**121.4**	**61.7**	**1.0**	**1,283.6**
New financial assets originated or purchased	779.7	21.5	0.5	0.0	801.6
Financial assets that have been derecognised	-297.7	-29.8	-21.2	0.0	-348.7
Changes in the gross carrying amount of existing assets	-374.8	-18.5	22.1	-0.3	-371.5
Transfer between stages	-117.3	103.3	14.0	0.0	0.0
Write-offs/utilisation	0.0	0.0	-21.1	0.0	-21.1
Foreign exchange and other movements	-3.1	2.3	-1.1	0.0	-2.0
Gross carrying amount at 31.12.	**1,086.1**	**200.1**	**54.9**	**0.8**	**1,341.9**

EUR m

2024	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 01.01.	**-6.7**	**-12.9**	**-45.2**	**0.0**	**-64.9**
New remeasurement of loss allowance	25.6	-1.2	-51.7	0.0	-27.4
Increases due to origination and acquisition	-11.2	-0.3	0.0	0.0	-11.5
Decreases due to derecognition	1.3	3.6	9.8	0.0	14.7
Transfer between stages	-17.0	1.9	15.1	0.0	0.0
Write-offs/utilisation	0.0	0.0	26.9	0.0	26.9
Foreign exchange and other movements	0.0	0.0	-1.5	0.0	-1.5
ECL allowance as at 31.12.	**-8.0**	**-9.0**	**-46.6**	**0.0**	**-63.6**

EUR m

2023	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 01.01.	**-7.1**	**-16.5**	**-45.6**	**0.0**	**-69.2**
New remeasurement of loss allowance	5.6	0.7	-19.4	0.0	-13.1
Increases due to origination and acquisition	-6.6	-0.8	0.0	0.0	-7.4
Decreases due to derecognition	1.4	2.5	3.5	0.0	7.4
Transfer between stages	0.0	1.4	-1.3	0.0	0.0
Write-offs/utilisation	0.0	0.0	20.8	0.0	20.9
Foreign exchange and other movements	0.0	-0.1	-3.2	0.0	-3.3
ECL allowance as at 31.12.	**-6.7**	**-12.9**	**-45.2**	**0.0**	**-64.9**

The ECL stock for loans and advances to non-financial corporations slightly decreased compared with the previous reporting period, in line with the decrease of non-performing exposures.

40.2.3. Loans and advances to general governments

EUR m

2024	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount at 01.01.	**33.6**	**2.4**	**0.0**	**0.0**	**35.9**
New financial assets originated or purchased	17.2	0.0	0.0	0.0	17.2
Financial assets that have been derecognised	-29.1	-0.1	0.0	0.0	-29.2
Changes in the gross carrying amount of existing assets	-9.6	-2.2	0.0	0.0	-11.8
Transfer between stages	0.0	0.0	0.0	0.0	0.0
Write-offs/utilisation	0.0	0.0	0.0	0.0	0.0
Foreign exchange and other movements	1.9	0.0	0.0	0.0	2.0
Gross carrying amount at 31.12.	**13.9**	**0.1**	**0.0**	**0.0**	**14.0**

EUR m

2023	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount at 01.01.	**35.3**	**2.1**	**0.0**	**0.0**	**37.4**
New financial assets originated or purchased	37.3	0.8	0.0	0.0	38.1
Financial assets that have been derecognised	-25.9	-0.9	0.0	0.0	-26.8
Changes in the gross carrying amount of existing assets	-15.4	2.2	0.0	0.0	-13.2
Transfer between stages	1.9	-1.9	0.0	0.0	0.0
Write-offs/utilisation	0.0	0.0	0.0	0.0	0.0
Foreign exchange and other movements	0.4	0.0	0.0	0.0	0.4
Gross carrying amount at 31.12.	**33.6**	**2.4**	**0.0**	**0.0**	**35.9**

EUR m

2024	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 01.01.	**-0.1**	**-0.1**	**0.0**	**0.0**	**-0.2**
New remeasurement of loss allowance	0.1	0.0	0.0	0.0	0.1
Increases due to origination and acquisition	0.0	0.0	0.0	0.0	0.0
Decreases due to derecognition	0.1	0.0	0.0	0.0	0.1
Transfer between stages	-0.1	0.1	0.0	0.0	0.0
Write-offs/utilisation	0.0	0.0	0.0	0.0	0.0
Foreign exchange and other movements	0.0	0.0	0.0	0.0	0.0
ECL allowance as at 31.12.	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

EUR m

2023	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 01.01.	**-0.1**	**0.0**	**0.0**	**0.0**	**-0.1**
New remeasurement of loss allowance	0.0	0.0	0.0	0.0	0.0
Increases due to origination and acquisition	-0.1	0.0	0.0	0.0	-0.1
Decreases due to derecognition	0.0	0.0	0.0	0.0	0.0
Transfer between stages	0.0	0.0	0.0	0.0	0.0
Write-offs/utilisation	0.0	0.0	0.0	0.0	0.0
Foreign exchange and other movements	0.0	0.0	0.0	0.0	0.0
ECL allowance as at 31.12.	**-0.1**	**-0.1**	**0.0**	**0.0**	**-0.2**

40.2.4. Loans and advances to other financial corporations

EUR m

2024	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount at 01.01.	**20.1**	**4.8**	**0.0**	**0.0**	**24.8**
New financial assets originated or purchased	12.5	0.0	0.0	0.0	12.5
Financial assets that have been derecognised	-5.7	-4.7	0.0	0.0	-10.4
Changes in the gross carrying amount of existing assets	-2.2	-0.5	0.0	0.0	-2.7
Transfer between stages	-1.1	1.1	0.0	0.0	0.0
Write-offs/utilisation	0.0	0.0	-0.1	0.0	-0.1
Foreign exchange and other movements	0.0	0.0	0.0	0.0	0.0
Gross carrying amount at 31.12.	**23.5**	**0.7**	**0.0**	**0.0**	**24.2**

EUR m

2023	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount at 01.01.	**22.2**	**2.5**	**0.1**	**0.0**	**24.8**
New financial assets originated or purchased	36.6	0.8	0.0	0.0	37.4
Financial assets that have been derecognised	-34.4	-0.5	0.0	0.0	-34.9
Changes in the gross carrying amount of existing assets	-2.4	0.0	0.0	0.0	-2.4
Transfer between stages	-2.0	2.0	0.0	0.0	0.0
Write-offs/utilisation	0.0	0.0	0.0	0.0	0.0
Foreign exchange and other movements	0.0	0.0	0.0	0.0	0.0
Gross carrying amount at 31.12.	**20.1**	**4.8**	**0.0**	**0.0**	**24.8**

EUR m

2024	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 01.01.	**-0.1**	**-0.4**	**0.0**	**0.0**	**-0.5**
New remeasurement of loss allowance	0.1	0.0	0.0	0.0	0.0
Increases due to origination and acquisition	-0.1	0.0	0.0	0.0	-0.1
Decreases due to derecognition	0.0	0.4	0.0	0.0	0.4
Transfer between stages	0.0	0.0	0.0	0.0	0.0
Write-offs/utilisation	0.0	0.0	0.0	0.0	0.0
Foreign exchange and other movements	0.0	0.0	0.0	0.0	0.0
ECL allowance as at 31.12.	**-0.1**	**0.0**	**0.0**	**0.0**	**-0.2**

EUR m

2023	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 01.01.	**-0.1**	**-0.8**	**-0.1**	**0.0**	**-1.0**
New remeasurement of loss allowance	0.0	0.5	0.0	0.0	0.5
Increases due to origination and acquisition	0.0	0.0	0.0	0.0	0.0
Decreases due to derecognition	0.0	0.0	0.0	0.0	0.0
Transfer between stages	0.0	0.0	0.0	0.0	0.0
Write-offs/utilisation	0.0	0.0	0.0	0.0	0.0
Foreign exchange and other movements	0.0	0.0	0.0	0.0	0.0
ECL allowance as at 31.12.	**-0.1**	**-0.4**	**0.0**	**0.0**	**-0.5**

40.3. Loans and advances subject to contractual modifications that did not result in derecognitions

The table below shows debt financial instruments measured at amortised costs, assigned to stage 2 or stage 3, that were subject to contractual modification that did not result in derecognition during the reporting period.

EUR m

	31.12.2024		31.12.2023	
	Amortised costs before the modification	Modification gains or losses	Amortised costs before the modification	Modification gains or losses
Other financial corporations	0.0	0.0	0.0	0.0
Non-financial corporations	4.4	0.0	2.8	0.0
Households	5.3	-0.1	2.4	0.0
Total	**9.7**	**-0.1**	**5.2**	**0.0**

The total gross carrying amount of debt financial assets measured at amortised costs, which were impacted by contractual modifications that did not result in derecognition at a time when they were assigned to stage 2 or stage 3 and reassigned to stage 1 during the year 2024 amounted to EUR 0.4 million as at 31 December 2024 (YE23: EUR 0.4 million).

(41) Investment securities

EUR m

	31.12.2024	31.12.2023
Fair value through other comprehensive income (FVTOCI)	686.8	728.7
Mandatorily at fair value through profit or loss (FVTPL)	1.4	2.1
At amortised cost	776.5	447.9
Total	**1,464.7**	**1,178.6**

41.1. Fair value through other comprehensive income (FVTOCI)

EUR m

	31.12.2024	31.12.2023
Debt securities	**664.6**	**709.5**
Governments	575.8	599.0
Credit institutions	83.6	103.5
Other financial corporations	5.1	5.0
Non-financial corporations	0.0	2.0
Equity instruments	**22.1**	**19.2**
Governments	13.6	13.1
Other financial corporations	8.2	5.6
Non-financial corporations	0.4	0.5
Total	**686.8**	**728.7**

EUR m

Fair value through other comprehensive income (FVTOCI) - Debt securities	31.12.2024	31.12.2023
Gross carrying amount	701.2	767.3
ECL allowance	-0.1	-0.6
Amortised cost	**701.1**	**766.7**
Accumulated OCI changes	-36.5	-57.2
Fair value	**664.6**	**709.5**

EUR m

2024	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount at 01.01.	**764.3**	**3.0**	**0.0**	**0.0**	**767.3**
New financial assets originated or purchased	119.5	0.0	0.0	0.0	119.5
Financial assets that have been derecognised	-71.3	0.0	0.0	0.0	-71.3
Changes in the gross carrying amount of existing assets	-116.2	0.0	0.0	0.0	-116.2
Transfer between stages	3.0	-3.0	0.0	0.0	0.0
Write-offs/utilisation	0.0	0.0	0.0	0.0	0.0
Foreign exchange and other movements	1.9	0.0	0.0	0.0	1.9
Gross carrying amount at 31.12.	**701.2**	**0.0**	**0.0**	**0.0**	**701.2**

EUR m

2023	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount at 01.01.	**960.1**	**0.0**	**0.0**	**0.0**	**960.1**
New financial assets originated or purchased	9.5	0.0	0.0	0.0	9.5
Financial assets that have been derecognised	-179.3	0.0	0.0	0.0	-179.3
Changes in the gross carrying amount of existing assets	-18.5	0.0	0.0	0.0	-18.5
Transfer between stages	-3.0	3.0	0.0	0.0	0.0
Write-offs/utilisation	0.0	0.0	0.0	0.0	0.0
Foreign exchange and other movements	-4.5	0.0	0.0	0.0	-4.5
Gross carrying amount at 31.12.	**764.3**	**3.0**	**0.0**	**0.0**	**767.3**

EUR m

2024	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 01.01.	**-0.5**	**0.0**	**0.0**	**0.0**	**-0.6**
New remeasurement of loss allowance	0.4	0.0	0.0	0.0	0.5
Increases due to origination and acquisition	0.0	0.0	0.0	0.0	0.0
Decreases due to derecognition	0.0	0.0	0.0	0.0	0.0
Transfer between stages	0.0	0.0	0.0	0.0	0.0
Write-offs/utilisation	0.0	0.0	0.0	0.0	0.0
Foreign exchange and other movements	0.0	0.0	0.0	0.0	0.0
ECL allowance as at 31.12.	**-0.1**	**0.0**	**0.0**	**0.0**	**-0.1**

EUR m

2023	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 01.01.	**-0.3**	**0.0**	**0.0**	**0.0**	**-0.3**
New remeasurement of loss allowance	-0.2	0.0	0.0	0.0	-0.2
Increases due to origination and acquisition	-0.1	0.0	0.0	0.0	-0.1
Decreases due to derecognition	0.0	0.0	0.0	0.0	0.0
Transfer between stages	0.0	0.0	0.0	0.0	0.0
Write-offs/utilisation	0.0	0.0	0.0	0.0	0.0
Foreign exchange and other movements	0.0	0.0	0.0	0.0	0.0
ECL allowance as at 31.12.	**-0.5**	**0.0**	**0.0**	**0.0**	**-0.6**

The following table shows equity instruments designated to be measured at FVTOCI and their fair values:

EUR m

	31.12.2024	31.12.2023
Slovenian Bank Resolution Fund	13.6	13.1
VISA Inc.	7.7	5.1
Other equity instruments	0.9	1.0
Total	**22.1**	**19.2**

41.2. Mandatorily at fair value through profit or loss (FVTPL)

EUR m

	31.12.2024	31.12.2023
Debt securities	**1.1**	**1.8**
Other financial corporations	1.1	1.8
Equity instruments	**0.3**	**0.3**
Non-financial corporations	0.3	0.3
Total	**1.4**	**2.1**

41.3. At amortised cost

EUR m

	31.12.2024	31.12.2023
Debt securities	**776.5**	**447.9**
Governments	743.6	434.5
Credit institutions	29.6	10.4
Non-financial corporations	3.3	3.0
Total	**776.5**	**447.9**

For instruments measured at amortised cost the ECL allowance are below EUR 0.2 million (2023: below EUR 0.2 million) and therefore no breakdown into stages is provided.

EUR m

2024	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount at 01.01.	**448.1**	**0.0**	**0.0**	**0.0**	**448.1**
New financial assets originated or purchased	314.6	0.0	0.0	0.0	314.6
Financial assets that have been derecognised	-40.8	0.0	0.0	0.0	-40.8
Changes in the gross carrying amount of existing assets	54.1	0.0	0.0	0.0	54.1
Transfer between stages	0.0	0.0	0.0	0.0	0.0
Write-offs/utilisation	0.0	0.0	0.0	0.0	0.0
Foreign exchange and other movements	0.7	0.0	0.0	0.0	0.7
Gross carrying amount at 31.12.	**776.7**	**0.0**	**0.0**	**0.0**	**776.7**

EUR m

2023	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount at 01.01.	**182.2**	**0.0**	**0.0**	**0.0**	**182.2**
New financial assets originated or purchased	311.2	0.0	0.0	0.0	311.2
Financial assets that have been derecognised	-66.6	0.0	0.0	0.0	-66.6
Changes in the gross carrying amount of existing assets	21.4	0.0	0.0	0.0	21.4
Transfer between stages	0.0	0.0	0.0	0.0	0.0
Write-offs/utilisation	0.0	0.0	0.0	0.0	0.0
Foreign exchange and other movements	-0.1	0.0	0.0	0.0	-0.1
Gross carrying amount at 31.12.	**448.1**	**0.0**	**0.0**	**0.0**	**448.1**

(42) Tangible assets

EUR m

	31.12.2024	31.12.2023
Owned property, plant and equipment	**36.3**	**38.8**
Land and buildings	27.8	30.4
Plant and equipment	6.9	7.1
Plant and equipment - under construction	1.6	1.3
Right of use assets	**17.2**	**16.1**
Land and buildings	12.9	14.2
Plant and equipment	3.9	1.3
Investment properties	0.4	0.6
Owned investment properties	**1.9**	**2.7**
Total	**55.4**	**57.6**

(43) Intangible assets

EUR m

	31.12.2024	31.12.2023
Goodwill	0.0	0.0
Purchased software	18.7	18.0
Internally generated software	2.0	1.8
Intangible assets under development	4.9	3.5
Total	**25.7**	**23.3**

(44) Development of tangible and intangible assets

44.1. Development of cost and carrying amounts

The development of cost and carrying amounts of owned property, plant and equipment is presented in the table below.

EUR m

2024	Land and buildings	Plant and equipment	Plant and equipment - under construction	Investment properties	Total
Acquisition cost 01.01.	**71.5**	**51.6**	**1.3**	**5.7**	**130.2**
Foreign exchange differences	0.0	0.0	0.0	0.0	0.0
Additions	0.2	1.6	1.6	0.0	3.4
Disposals	-0.5	-6.5	0.0	-0.5	-7.5
Other changes	1.0	0.5	-1.4	-0.7	-0.7
Acquisition cost 31.12.	**72.2**	**47.2**	**1.6**	**4.4**	**125.4**
Cumulative depreciation and amortisation 31.12.	**-44.4**	**-40.3**	**0.0**	**-2.5**	**-87.2**
Carrying amount 31.12.	**27.8**	**6.9**	**1.6**	**1.9**	**38.2**

EUR m

2023	Land and buildings	Plant and equipment	Plant and equipment - under construction	Investment properties	Total
Acquisition cost 01.01.	**71.8**	**53.2**	**0.8**	**9.8**	**135.6**
Foreign exchange differences	0.0	0.0	0.0	0.0	0.0
Additions	0.6	1.8	1.1	0.0	3.5
Disposals	-0.9	-3.5	0.0	-4.8	-9.2
Other changes	0.0	0.2	-0.6	0.7	0.3
Acquisition cost 31.12.	**71.5**	**51.6**	**1.3**	**5.7**	**130.2**
Cumulative depreciation and amortisation 31.12.	**-41.2**	**-44.5**	**0.0**	**-3.0**	**-88.7**
Carrying amount 31.12.	**30.4**	**7.1**	**1.3**	**2.7**	**41.5**

The development of cost and carrying amounts of right of use assets is presented in the table below:

EUR m

2024	Land and buildings	Plant and equipment	Investment properties	Total
Acquisition cost 01.01.	**31.9**	**5.2**	**0.9**	**38.1**
Foreign exchange differences	0.0	0.0	0.0	0.0
Additions	2.3	3.4	0.0	5.8
Disposals	-0.7	-0.1	0.0	-0.8
Other changes	0.4	0.0	0.0	0.4
Acquisition cost 31.12.	**33.9**	**8.5**	**1.0**	**43.4**
Cumulative depreciation and amortisation 31.12.	**-21.1**	**-4.6**	**-0.4**	**-26.0**
Carrying amount 31.12.	**12.9**	**3.9**	**0.6**	**17.4**

EUR m

2023	Land and buildings	Plant and equipment	Investment properties	Total
Acquisition cost 01.01.	**30.1**	**4.9**	**0.9**	**35.9**
Foreign exchange differences	0.0	0.0	0.0	0.0
Additions	2.0	0.6	0.0	2.6
Disposals	-1.3	-0.7	0.0	-2.0
Other changes	1.1	0.5	0.0	1.6
Acquisition cost 31.12.	**31.9**	**5.2**	**1.0**	**38.1**
Cumulative depreciation and amortisation 31.12.	**-17.8**	**-3.9**	**-0.4**	**-22.0**
Carrying amount 31.12.	**14.2**	**1.3**	**0.6**	**16.1**

The development of cost and carrying amounts on intangible assets is presented in the table below:

EUR m

2024	Purchased software	Internally generated software	Under development	Total
Acquisition cost 01.01.	**113.7**	**4.5**	**3.5**	**121.7**
Foreign exchange differences	0.0	0.0	0.0	0.0
Additions	2.5	0.0	4.3	6.8
Internal development	0.0	0.0	2.4	2.4
Disposals	0.0	0.0	-0.1	-0.1
Other changes	4.2	0.9	-5.2	0.0
Acquisition cost 31.12.	**120.4**	**5.4**	**5.0**	**130.8**
Cumulative depreciation and amortisation 31.12.	**-101.7**	**-3.4**	**0.0**	**-105.1**
Carrying amount 31.12.	**18.8**	**2.0**	**4.9**	**25.7**

EUR m

2023	Purchased software	Internally generated software	Under development	Total
Acquisition cost 01.01.	**108.5**	**3.7**	**3.4**	**115.5**
Foreign exchange differences	0.0	0.0	0.0	0.0
Additions	2.5	0.0	2.6	5.1
Internal development	0.0	0.0	1.2	1.2
Disposals	-0.3	0.0	0.0	-0.3
Other changes	2.9	0.8	-3.7	0.0
Acquisition cost 31.12.	**113.7**	**4.5**	**3.5**	**121.7**
Cumulative depreciation and amortisation 31.12.	**-95.7**	**-2.6**	**0.0**	**-98.3**
Carrying amount 31.12.	**18.0**	**1.8**	**3.5**	**23.3**

44.2. Development of depreciation and amortisation

The development of depreciation and amortisation of owned property, plant and equipment is presented in the table below:

EUR m

2024	Land and buildings	Plant and equipment	Plant and equipment - under construction	Investment properties	Total
Cumulative depreciation and amortisation 01.01.	**-41.2**	**-44.5**	**0.0**	**-3.0**	**-88.7**
Foreign exchange differences	0.0	0.0	0.0	0.0	0.0
Disposals	0.3	6.4	0.0	0.4	7.1
Scheduled depreciation and amortisation	-3.4	-2.2	0.0	-0.1	-5.6
Impairment	-0.4	0.0	0.0	0.0	-0.4
Other changes	0.0	0.0	0.0	0.2	0.2
Write-up	0.2	0.0	0.0	0.0	0.2
Cumulative depreciation and amortisation 31.12.	**-44.4**	**-40.3**	**0.0**	**-2.5**	**-87.2**

EUR m

2023	Land and buildings	Plant and equipment	Plant and equipment - under construction	Investment properties	Total
Cumulative depreciation and amortisation 01.01.	**-40.3**	**-45.4**	**0.0**	**-6.3**	**-92.0**
Foreign exchange differences	0.0	0.0	0.0	0.0	0.0
Disposals	0.6	2.7	0.0	3.1	6.3
Scheduled depreciation and amortisation	-1.9	-2.5	0.0	-0.1	-4.5
Impairment	-0.1	0.0	0.0	0.0	-0.1
Other changes	0.4	0.8	0.0	-0.2	1.0
Write-up	0.1	0.0	0.0	0.5	0.6
Cumulative depreciation and amortisation 31.12.	**-41.2**	**-44.5**	**0.0**	**-3.0**	**-88.7**

The development of depreciation and amortisation of right of use is presented in the table below.

EUR m

2024	Land and buildings	Plant and equipment	Investment properties	Total
Cumulative depreciation and amortisation 01.01.	**-17.8**	**-3.9**	**-0.2**	**-21.8**
Foreign exchange differences	0.0	0.0	0.0	0.0
Disposals	0.6	0.1	0.0	0.7
Scheduled depreciation and amortisation	-3.9	-0.8	-0.2	-5.0
Impairment	0.0	0.0	0.0	0.0
Other changes	0.0	0.0	0.0	0.0
Write-up	0.0	0.0	0.0	0.0
Cumulative depreciation and amortisation 31.12.	**-21.1**	**-4.6**	**-0.4**	**-26.0**

EUR m

2023	Land and buildings	Plant and equipment	Investment properties	Total
Cumulative depreciation and amortisation 01.01.	**-13.9**	**-3.9**	**-0.2**	**-18.0**
Foreign exchange differences	0.0	0.0	0.0	0.0
Disposals	1.0	0.7	0.0	1.8
Scheduled depreciation and amortisation	-4.9	-0.7	-0.2	-5.8
Impairment	0.0	0.0	0.0	0.0
Other changes	0.0	0.0	0.0	0.0
Write-up	0.0	0.0	0.0	0.0
Cumulative depreciation and amortisation 31.12.	**-17.8**	**-3.9**	**-0.4**	**-22.0**

The development of depreciation and amortisation of intangible assets is presented in the table below.

EUR m

	Intangible assets			
2024	Purchased software	Developed software	Under development	Total
Cumulative depreciation and amortisation 01.01.	**-95.7**	**-2.6**	**0.0**	**-98.3**
Foreign exchange differences	0.0	0.0	0.0	0.0
Disposals	0.0	0.0	0.0	0.0
Scheduled depreciation and amortisation	-5.9	-0.7	0.0	-6.6
Impairment	0.0	0.0	0.0	0.0
Other changes	-0.1	0.0	0.0	-0.1
Write-up	0.0	0.0	0.0	0.0
Cumulative depreciation and amortisation 31.12.	**-101.7**	**-3.4**	**0.0**	**-105.1**

EUR m

	Intangible assets			
2023	Purchased software	Developed software	Under development	Total
Cumulative depreciation and amortisation 01.01.	**-89.1**	**-1.9**	**0.0**	**-91.0**
Foreign exchange differences	0.0	0.0	0.0	0.0
Disposals	0.3	0.0	0.0	0.3
Scheduled depreciation and amortisation	-6.5	-0.7	0.0	-7.3
Impairment	-0.3	0.0	0.0	-0.3
Other changes	0.0	0.0	0.0	0.0
Write-up	0.0	0.0	0.0	0.0
Cumulative depreciation and amortisation 31.12.	**-95.7**	**-2.6**	**0.0**	**-98.3**

(45) Other assets

EUR m

	31.12.2024	31.12.2023
Prepayments and accrued income	9.8	8.2
Inventories (repossessed assets, emergency acquired assets, leases to go, etc.)	0.4	0.4
Other remaining assets	4.6	5.4
o/w receivables from card business	0.0	1.5
Total	**14.8**	**14.0**

(46) Non-current assets held for sale

EUR m

	31.12.2024	31.12.2023
Loans and advances	0.2	0.2
Property plant and equipment	0.9	1.2
Total	**1.0**	**1.3**

(47) Financial liabilities held for trading

EUR m

	31.12.2024	31.12.2023
Derivatives	4.4	4.2
Total	**4.4**	**4.2**

(48) Financial liabilities measured at amortised cost

EUR m

	31.12.2024	31.12.2023
Deposits and borrowings from credit institutions	77.3	106.8
Deposits and borrowings from customers	5,290.0	5,032.6
Lease liabilities	15.2	16.7
Other financial liabilities	39.2	42.7
Total	**5,421.7**	**5,198.7**

48.1. Deposits and borrowings of credit institutions

EUR m

	31.12.2024	31.12.2023
Current accounts / overnight deposits	12.6	10.2
Deposits with agreed terms	64.6	96.6
Repurchase agreements	0.0	0.0
Total	**77.3**	**106.8**

48.2. Deposits and borrowings of customers

EUR m

	31.12.2024	31.12.2023
Current accounts / overnight deposits	**3,153.1**	**3,124.6**
Governments	139.4	92.8
Other financial corporations	24.4	42.3
Non-financial corporations	921.5	889.1
Households	2,067.7	2,100.3
Deposits with agreed terms	**2,133.8**	**1,903.4**
Governments	44.6	54.7
Other financial corporations	197.3	182.5
Non-financial corporations	258.5	268.3
Households	1,633.4	1,397.9
Deposits redeemable at notice	**3.2**	**4.6**
Governments	1.0	1.0
Non-financial corporations	2.1	3.5
Total	**5,290.0**	**5,032.6**

(49) Provisions

EUR m

	31.12.2024	31.12.2023
Commitments and guarantees granted	7.6	7.2
Pending legal disputes	80.1	85.1
Other provisions	6.4	6.9
Pensions and other post employment defined benefit obligations	2.5	2.1
Other long term employee benefits	0.5	0.3
Restructuring measures	1.4	1.4
Provisions for operational risk	0.2	0.7
Remaining other provisions	1.9	2.5
Total	**94.1**	**99.2**

49.1. Provisions for commitments and guarantees granted

Development of loan commitments, financial guarantees and other commitments granted are presented below:

EUR m

2024	Stage 1	Stage 2	Stage 3	POCI	Total
Nominal value at 01.01.	**796.1**	**77.5**	**4.2**	**0.0**	**877.8**
New commitments and guarantees originated	292.6	6.5	0.0	0.0	299.1
Commitments and guarantees derecognised	-217.0	-35.3	-1.1	0.0	-253.4
Changes in the nominal value of existing instruments	-68.3	-26.5	-2.1	0.0	-96.9
Transfer between stages	-10.8	7.5	3.3	0.0	0.0
Write-offs/utilisation	0.0	0.0	0.0	0.0	0.0
Foreign exchange and other movements	-2.8	8.6	0.7	0.0	6.6
Nominal value at 31.12.	**789.8**	**38.3**	**5.0**	**0.0**	**833.1**

EUR m

2023	Stage 1	Stage 2	Stage 3	POCI	Total
Nominal value at 01.01.	**841.5**	**48.4**	**7.5**	**0.0**	**897.5**
New commitments and guarantees originated	256.2	8.0	0.3	0.0	264.4
Commitments and guarantees derecognised	-272.6	-14.9	-2.4	0.0	-290.0
Changes in the nominal value of existing instruments	-36.6	42.4	-1.0	0.0	4.8
Transfer between stages	3.4	-4.0	0.6	0.0	0.0
Foreign exchange and other movements	4.2	-2.5	-0.7	0.0	1.0
Nominal value at 31.12.	**796.1**	**77.5**	**4.2**	**0.0**	**877.8**

EUR m

2024	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 01.01.	**-2.3**	**-2.0**	**-2.9**	**0.0**	**-7.2**
New remeasurement of loss allowance	1.0	-0.2	-0.9	0.0	-0.2
Increases due to origination and acquisition	-2.5	-0.1	0.0	0.0	-2.6
Decreases due to derecognition	0.9	0.5	1.0	0.0	2.4
Transfer between stages	-0.2	0.3	-0.1	0.0	0.0
Write-offs/utilisation	0.0	0.0	0.0	0.0	0.0
Foreign exchange and other movements	0.0	0.0	0.0	0.0	0.0
ECL allowance as at 31.12.	**-3.2**	**-1.4**	**-3.1**	**0.0**	**-7.6**

EUR m

2023	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance as at 01.01.	**-1.9**	**-2.2**	**-4.4**	**0.0**	**-8.5**
New remeasurement of loss allowance	0.0	-0.2	0.4	0.0	0.2
Increases due to origination and acquisition	-0.7	-0.3	0.0	0.0	-1.0
Decreases due to derecognition	0.4	0.9	1.0	0.0	2.2
Transfer between stages	0.1	0.0	-0.1	0.0	0.0
Write-offs/utilisation	0.0	0.0	0.0	0.0	0.0
Foreign exchange and other movements	-0.1	-0.1	0.2	0.0	0.0
ECL allowance as at 31.12.	**-2.3**	**-2.0**	**-3.0**	**0.0**	**-7.2**

49.2. Provisions for pending legal disputes

The item “Pending legal disputes” includes provisions for litigations from lending business or litigations with customer protection associations. Several subsidiaries of Addiko Group are involved in legal disputes regarding consumer protection claims. The proceedings mainly relate to allegations that certain contractual provisions, particularly in respect of consumer loans, violate mandatory consumer protection laws and that all or parts of the payments made by both parties under a contract or certain fees or parts of interest payments charged to customers in the past for the adjustment of interest rates and currencies must be repaid. In some jurisdictions, the legal risks in connection with loans granted in the past are also increased by the enactment of politically motivated laws impacting existing lending relationships, which may result in repayment obligations towards customers, as well as a level of unpredictability of judicial decisions beyond the level of uncertainty generally inherent in court proceedings.

The following tables set out the development of the provisions for pending legal disputes:

EUR m

2024	Carrying amount 01.01.	Allocations	Use	Releases	Effect of discounting	Carrying amount 31.12.
Pending legal disputes	85.1	15.2	-20.7	-1.0	1.6	80.1

EUR m

2023	Carrying amount 01.01.	Allocations	Use	Releases	Effect of discounting	Carrying amount 31.12.
Pending legal disputes	58.2	37.3	-10.3	-1.4	1.3	85.1

49.2.1. Croatia

During 2024 additional provisions for pending legal disputes amounting to EUR 4.1 million (compared to EUR 30.8 million at year-end 2023) were recognised from the reassessment of existing and new court cases in Croatia. Taking into consideration the amount utilised during the same period of EUR 18.4 million (YE23: EUR 8.3 million) and the unwinding effect of EUR 1.6 million (YE23: EUR 1.3 million), the overall stock of provisions decreased to EUR 61.9 million (YE23: EUR 74.5 million).

The main volume of provisions relates to claims raised by consumers’ association and individuals in Croatia, which are asserting that consumers’ rights have been violated in relation to contractual clauses used in Swiss Franc loans between 2004 and 2008. Since the deadline for filing new claims by customers expired on 14 June 2023, majority of these claims has been delivered by courts to the bank in 2024, which resulted in lower amount of new provisions being recognised for these claims during the reporting period (EUR 0.6 million) compared with the same period in 2023 (EUR 28.4 million). By taking into consideration also the amount utilised during the reporting period of EUR 16.7 million (YE23: EUR 7.0 million) and the discounting effect of EUR 1.6 million (YE23: EUR 1.3 million), the overall stock of provisions for claims relating to Swiss Franc loans decreased from EUR 65.9 million to EUR 51.4 million.

The calculation is based on the best possible estimate according to IAS 37 of expected outflows of economically useful resources as at the reporting date and is based on a statistical method that takes into account the probability weight of various scenarios. Estimation of the costs of legal risk in relation to Swiss franc loans is complex and requires a considerable degree of judgement with respect to the key estimates, in particular in relation to:

- The **outcome of individual court decisions**, especially regarding the assessment if the bank engaged in unfair business practices (**"Bad faith"**), which is affecting the level of loss.
- The **estimated loss by individual contract** was calculated taking into account the average amount to be refunded to the customers and was performed by clustering the potential lawsuits into specific groups. Uncertainties relate in particular to the potential inclusion of penalty interest, which in turn are connected with Addiko ability to demonstrate that acted in good faith.

Consequently, the final provisioned sum may vary from the current estimate once the disputed amount for each specific case is calculated.

Outflows of economically useful resources are expected during the next two or three business years. The outcome of the proceedings is in many cases difficult to predict and for this reason the final timing could differ significantly from the original estimate.

The following table presents a sensitivity analysis for the main assumptions made, illustrating the effects on the provision amount by changes in the relevant assumptions (while all other factors remain constant) that were reasonably possible at the reporting date:

EUR m

	31.12.2024	31.12.2023
Change in the percentage of "Bad faith" +10%	2.6	3.9
Change in the percentage of "Bad faith" -10%	-2.6	-3.9
Change in the estimated loss by individual contract +10%	3.7	5.9
Change in the estimated loss by individual contract -10%	-3.7	-5.9

Additional information in relation to legal proceedings connected to Swiss franc unilateral interest rate change and Swiss franc currency clauses are presented in note (67) Legal risk.

In addition to the provisions for Swiss Franc loans consumer claims, EUR 3.0 million provisions were recognised during 2024 for corporate damage claims and variable interest margin claims, leading to a total stock of provisions for this category of claims of EUR 10.0 million up from EUR 8.7 million at YE23.

49.2.2. Slovenia

During 2024 additional provisions for pending legal disputes of EUR 6.8 million (YE23: EUR 3.7 million) were recognised in Slovenia for lawsuits in connection with Swiss franc-denominated loans. The new claims follow the 2023 retroactively change of interpretation by the Slovenian Supreme Court in local consumer protection law, establishing higher requirements for the information duty vis-á-vis the customer. By taking into consideration the EUR 1.1 million utilisations (YE23: EUR 0.0 million), the overall stock of provisions for pending legal disputes in connection with Swiss franc-denominated loans increased in 2024 to EUR 9.3 million (YE23: EUR 3.7 million).

The provisions calculation is based on the best possible estimate according to IAS 37 of expected outflows of economically useful resources as at the reporting date. Estimation of the costs of legal risk in relation to Swiss franc loans is complex and requires a considerable degree of judgement with respect to the key estimates, in particular in relation to:

- The probability to be able to demonstrate that the bank was fulfilling its **information duties** at the moment of issuing the Swiss franc-denominated loan.
- The **calculation of the compensation** for the use of the loaned funds to the borrower by the bank with the Swiss franc-denominated loan. In 2023, judicial practice introduced a new approach which involves a contractually agreed-upon interest rate, consisting of a reference rate Swiss franc LIBOR and an interest margin, at the time of conclusion of the respective Swiss franc loan agreement as a fixed interest rate for the entire duration of the respective Swiss franc loan agreement or until the loaned funds are fully returned by the borrower to the bank. Despite the new judicial practice, it is possible that individual first instance courts will apply different approaches or could also decide that Addiko might not be entitled to any compensation at all.

- The **application of the statute of limitation** whereby the legal provisions have been calculated based on the legal assessment that restitutory claims of the borrowers became time-barred after the end of 2020. This assessment is supported by the legal opinion of several law offices and a reputable legal scholar. Addiko anticipates that the Slovenian courts will adhere to the conclusions reached in these legal opinions. However, the risk exists that Slovenian courts will adopt a different interpretation, leading to a different application of the statute of limitation.

The final provisioned sum may vary from the current estimate, depending on the final case law which will be established in the future years.

The following table presents a sensitivity analysis for the main assumptions made, illustrating the effects on the provision amount by changes in the relevant assumptions (while all other factors remain constant) that were reasonably possible at the reporting date:

EUR m

	31.12.2024	31.12.2023
Change in the probability that the bank was fulfilling its information duties +10%	0.3	0.2
Change in the probability that the bank was fulfilling its information duties -10%	-0.3	-0.2
Change in the estimated loss by individual contract +25%	-1.1	-0.6
Change in the estimated loss by individual contract -25%	1.1	0.6
No application of the statute of limitation	-8.7	-1.7

49.2.3. Serbia

During 2024 additional provisions for pending legal disputes of EUR 3.1 million (YE23: EUR 0.9 million) were recognised from the reassessment of existing and new court cases in Serbia on the back of a recent change in approach by local courts. By considering also the EUR 1.0 million utilisations (YE23: EUR 0.9 million), the overall stock of provisions for pending legal disputes increased in 2024 to EUR 5.4 million (YE23: EUR 3.4 million).

A significant portion of the existing provisions has been recognised for claims regarding loan processing fees. The total amount in dispute (excluding penalty interests) as of 31 December 2024 is EUR 1.0 million (YE23: EUR 1.3 million) for 3,383 cases (YE23: 5,412 cases). On 16 September 2021 the Serbian Supreme Court issued a new opinion on the validity of loan processing fees in essence finding the fees to be valid if banks provided written offers to the clients before signing of the loan agreement, which led to a significant lower number of new claims, i.e. 668 claims (YE23: 468 claims) filed and received after 16 September 2021. All banks in Serbia are confronted with these kinds of claims and joint initiatives via the Serbian Banking Association were made and are envisaged for the future. The Group recognised provisions for such claims in amount of EUR 1.6 million (YE23: EUR 1.7 million).

49.2.4. Other countries

The stock of provisions for pending legal disputes in the other Group entities increased by EUR 0.3 million (YE23: EUR 0.5 million) during 2024, which, taking into consideration also the EUR 0.2 million utilisation (YE23: EUR 1.1 million), was leading to an overall stock of provisions of EUR 3.5 million (YE23: EUR 3.4 million).

One of the main claims relate to a customer requesting damages for lost profit since Addiko allegedly reduced the loan amount and eventually terminated the loan agreement, according to the plaintiff without cause. Subsequently the plaintiff allegedly lost its business and claims this happened due to Addiko's unlawful actions. The case is pending in 1st instance since 2014. The main hearing has started and currently the court experts on damages are being cross-examined. Overall, the question is whether Addiko has reduced the loan amount legally by signed annexes or not. After the reduced loan amount was paid out, the plaintiff stopped payments on interests and has to date not repaid any amount.

49.3. Other provisions

The following tables set out the other provisions:

EUR m

2024	Carrying amount 01.01.	Allocations	Use	Releases	Carrying amount 31.12.
Pensions and other post-employment defined benefit obligations	2.1	0.4	-0.1	0.0	2.5
Other long term employee benefits	0.3	0.1	0.0	0.0	0.5
Restructuring measures	1.4	0.9	-0.9	0.0	1.4
Provisions for operational risk	0.7	0.3	-0.1	-0.7	0.2
Remaining other provisions	2.5	1.5	-1.1	-0.9	1.9
Total	**6.9**	**3.2**	**-2.2**	**-1.6**	**6.4**

EUR m

2023	Carrying amount 01.01.	Allocations	Use	Releases	Other changes	Carrying amount 31.12.
Pensions and other post-employment defined benefit obligations	2.0	0.3	-0.2	0.0	-0.1	2.1
Other long term employee benefits	0.3	0.0	0.0	0.0	0.0	0.3
Restructuring measures	1.0	1.5	-0.8	0.0	-0.2	1.4
Provisions for operational risk	0.0	1.7	-1.0	0.0	0.0	0.7
Remaining other provisions	2.4	0.8	0.0	-0.2	-0.5	2.5
Total	**5.7**	**4.3**	**-2.1**	**-0.2**	**-0.8**	**6.9**

49.3.1. Defined benefit obligations

The development of the present value of obligations relating to retirement benefits and severance payments is presented below. For reasons of immateriality, disclosures were summarised.

EUR m

	2024	2023
Present value of the defined benefit obligations as of 01.01.	**2.1**	**2.0**
+ Current service cost	0.1	0.2
+ Contributions paid to the plan	0.0	0.0
+/- Actuarial gains/losses	0.1	-0.1
+/- Actuarial gains/losses arising from changes in demographic assumptions	0.0	0.0
+/- Actuarial gains/losses arising from changes in financial assumptions	0.0	0.0
+/- Actuarial gains/losses arising from changes from experience assumptions	0.0	0.0
- Payments from the plan	-0.1	0.0
+ Past service cost	0.1	0.0
+/- through business combinations and disposals	0.0	0.0
+/- Other changes	0.1	0.0
Present value of the defined benefit obligations as of 31.12.	**2.5**	**2.1**

49.3.2. Restructuring measures

In accordance with the second pillar of the “Acceleration Program”, the associated Operational Excellence stream, which is aimed to achieve further E2E optimisation of core processes across the Group, the Group recognised restructuring expenses in amount of EUR 0.9 million (YE23: EUR 1.5 million) and used EUR 0.9 million (YE23: EUR 0.8 million), leading to a total stock of EUR 1.4 million (YE23: EUR 1.4 million). The provisions are expected to be used during the year ending 31 December 2025.

49.3.3. Provisions for operational risk

During 2024 Addiko could release EUR 0.5 million out of the EUR 1.5 million provisions for operational risk initially recognised in 2023 in relation to proportional fee reimbursements in Slovenia for early loan repayments (“Lexitor”).

(50) Other liabilities

EUR m

	31.12.2024	31.12.2023
Deferred income	1.7	1.5
Accruals	13.4	12.5
Other liabilities	29.1	30.2
Liabilities for variable payments	14.1	10.9
Liabilities for cash-settled share-based payments	3.5	2.5
Liabilities for other taxes	6.0	2.5
Liabilities for other taxes on salaries	0.8	0.8
Liabilities for contributions on salaries	1.4	1.3
Liabilities for net salaries	2.9	2.7
Remaining other liabilities	0.3	9.5
Total	**44.2**	**44.2**

Deferred income as at 31 December 2024 contains contract liabilities in accordance with IFRS 15 in the amount of EUR 1.5 million (YE23: EUR 1.5 million). The amount of EUR 0.5 million included in contract liabilities as at 31 December 2023 has been recognised as revenue in 2024 (2023: EUR 0.7 million).

(51) Equity

EUR m

	31.12.2024	31.12.2023
Equity holders of parent	**839.5**	**801.1**
Subscribed capital	195.0	195.0
Treasury shares	-2.9	-2.2
Capital reserves	237.9	237.9
Fair value reserve debt instruments	-30.8	-48.6
Fair value reserve equity instruments	4.8	3.2
Remeasurement on defined benefit plans	0.3	0.5
Foreign currency reserve	-10.9	-11.2
Cumulated result and other reserves	446.1	426.5
Total	**839.5**	**801.1**

The subscribed capital is based on the separate financial statements prepared by Addiko Bank AG under UGB/BWG as at 31 December 2024. The total amount of EUR 195.0 million (YE23: EUR 195.0 million) corresponds to the fully paid in share capital of Addiko Bank AG, which is divided into 19,500,000 (YE23: 19,500,000) no-par registered shares. The proportionate amount of the share capital per share amounts EUR 10.0 (YE23: EUR 10.0). As at 31 December 2024, 212,858 (YE23: 166,884) of those were own shares, and consequently 19,287,142 shares (YE23: 19,333,116) were in circulation as of the reporting date.

Cumulated results and other reserves developed during the business year as follows:

EUR m

2024	Legal Reserve	Liability Reserve	Other Reserves	Retained earnings	Cumulated result and other reserves
Opening Balance 01.01.	**19.5**	**22.7**	**55.4**	**328.8**	**426.5**
Dividends paid	0.0	0.0	0.0	-24.3	-24.3
Share-based payments and purchase of treasury shares	0.0	0.0	0.0	-1.5	-1.5
Result after tax	0.0	0.0	0.0	45.4	45.4
Other changes	0.0	0.0	0.6	-0.6	0.0
Closing Balance 31.12.	**19.5**	**22.7**	**56.0**	**347.9**	**446.1**

EUR m

2023	Legal Reserve	Liability Reserve	Other Reserves	Retained earnings	**Cumulated result and other reserves**
Opening Balance 01.01.	**19.5**	**22.7**	**55.1**	**310.8**	**408.1**
Dividends paid	0.0	0.0	0.0	-23.6	**-23.6**
Share-based payments and purchase of treasury shares	0.0	0.0	0.0	0.8	**0.8**
Result after tax	0.0	0.0	0.0	41.1	**41.1**
Other changes	0.0	0.0	0.3	-0.3	**0.0**
Closing Balance 31.12.	**19.5**	**22.7**	**55.4**	**328.9**	**426.5**

Liability reserves and legal reserves present only the reserves of Addiko Bank AG in Austria. Liability reserves need to be set up for credit institutions according to Section 57 para. 5 BWG. For the legal reserve a certain percentage of the profit for the year is required to be allocated until an amount equal to 10% of subscribed capital is reached.

Addiko Bank AG posts in its financial statements according to UGB/BWG as of 31 December 2024 net accumulated profits available for distribution in the amount of EUR 0.0 million (YE23: EUR 38.9 million). Addiko Bank AG complies with the ECB recommendation communicated in December 2024 not to distribute a dividend for the business year 2024.

(52) Earnings per share

	31.12.2024	31.12.2023
Shares outstanding as of 1 January	**19,333,116**	**19,466,081**
Purchase of treasury shares	-77,505	-152,079
Disposal of treasury shares	31,531	19,114
Shares outstanding as of 31 December	**19,287,142**	**19,333,116**
Treasury Shares	-212,858	-166,884
Number of shares issued at the reporting date	19,500,000	19,500,000
Weighted average number of outstanding shares	19,289,603	19,422,603

The basic earnings per share is calculated by dividing the net result by the weighted average number of ordinary shares. As there are no stock options issued by Addiko Bank AG, the basic (undiluted) earnings per share equal the diluted earnings per share.

	31.12.2024	31.12.2023
Result after tax attributable to ordinary shareholders (in EUR m)	45.4	41.1
Weighted-average number of outstanding ordinary shares (in units of shares)	19,289,603	19,422,603
Earnings per share (in EUR)	2.35	2.12

(53) Statement of cash flows

The statement of cash flows according to IAS 7 represents the changes in cash and cash equivalents of the Addiko Group due to cash flows from operating, investment and financing activities:

- The cash flow from **operating activities** of the Addiko Group contains cash inflows and outflows arising from loans and receivables from credit institutions and customers, liabilities to credit institutions and customers, and debt securities (except of securities at amortised costs). Changes in assets and liabilities held for trading are also included, as are the cash flow from dividends received and taxes.
- The cash flow from **investing activities** includes cash inflows and outflows arising from debt securities at amortised costs, intangible assets, property, plant and equipment and assets held for sale. Reclassifications regarding non-current assets and liabilities classified as held for sale are considered in the respective items.
- **Lease payments** and cash flows from **own equity instruments** are disclosed in the cash flow from financing activities. In addition, the position includes capital increases/decreases and dividend payments.
- **Cash and cash equivalents** include cash, cash balances at central banks that are daily due and deposits that are daily due.

Segment Reporting

The Addiko Group segment reporting is based on IFRS 8 Operating Segments, which adopts the management approach. Accordingly, segment data is prepared based on the internal management reporting that is regularly reviewed by the leadership team as chief operating decision makers (CODM) to assess the performance of the segments and make decisions regarding the allocation of resources. The business segmentation is subdivided into Consumer and SME Segment, which are the focus segments and into non-focus segment, which are Large Corporates, Public Finance and Mortgages.

The Addiko Group does not have revenues from transactions with one single external customer amounting to 10% or more of the Addiko Group's total revenues.

Business Segmentation

The segment reporting comprises the following business segments:

- **Consumer:** serves ca. 0.8 million customers, which includes Private Individuals (excluding mortgage and housing loans) through a hybrid distribution consisting of a network of 155 branches and digital channels.
- **SME:** serves approximately 40 thousand SME clients (companies and private entrepreneurs with annual turnover between EUR 0 million and EUR 50 million) in the CSEE region.
- **Mortgage:** comprises Retail customers with loans related to real estate purchase (housing loans also excluding a collateral) or leveraging private real estate as collateral.
- **Large Corporates & Public Finance:** includes legal entities with annual gross revenues of more than EUR 50 million and businesses oriented on participation in public tenders for the financing requirements of key public institutions in CSEE countries, ministries of finance, state enterprises and local governments.
- **Corporate Center:** consists of the Treasury business as well as central functions items such as overhead, project-related operating expenses, contributions to the Single Resolution Fund, bank levies and the intercompany reconciliation. In addition, this segment includes direct deposit activities with customers in Austria and Germany.

Starting with the 2024 consolidated financial statements, the non-focus segments Large Corporate & Public Finance are combined, reflecting the internal management reports. The comparative period was adjusted accordingly.

(54) Segments overview

EUR m

31.12.2024	Focus segments		Non-focus segments			
	Consumer	SME Business	Mortgage	Large Corporate & Public Finance	Corporate Center	Total
Net banking income	174.5	101.9	13.5	10.5	15.4	315.8
Net interest income	131.2	74.4	13.5	7.9	15.9	242.9
o/w regular interest income	133.2	74.5	14.7	4.9	70.3	297.6
Net fee and commission income	43.2	27.6	0.0	2.7	-0.5	73.0
Net result from financial instruments	0.0	0.0	0.0	0.0	1.2	1.2
Other operating result	0.0	0.0	0.0	0.0	-12.3	-12.3
Operating income	**174.5**	**101.9**	**13.5**	**10.5**	**4.3**	**304.7**
General administrative expenses	**-91.2**	**-37.0**	**-1.4**	**-4.3**	**-58.5**	**-192.4**
Operating result before impairments and provisions	**83.3**	**64.9**	**12.1**	**6.2**	**-54.2**	**112.3**
Other result	0.0	0.0	0.0	0.0	-15.8	-15.8
Expected credit loss expenses on financial assets	-20.4	-27.3	8.7	2.2	0.7	-36.0
Result before tax	**62.9**	**37.7**	**20.8**	**8.4**	**-69.3**	**60.4**
Business volume						
Net loans and receivables	1,861.7	1,256.7	306.2	63.7	62.4	3,550.6
o/w gross performing loans customers	1,877.1	1,260.6	306.8	61.8		3,506.4
Gross disbursements	851.4	705.8	0.1	11.0		1,568.3
Financial liabilities at AC [1]	2,945.5	1,149.0	0.0	390.5	936.8	5,421.7
RWA [2]	1,419.0	871.8	175.4	73.3	493.9	3,033.4
Key ratios						
NIM [3]	5.5%	4.1%	-0.7%	2.4%		3.9%
Cost/income ratio [4]	52.3%	36.3%	10.4%	41.2%		60.9%
Cost of risk ratio (CRB)	-1.0%	-1.4%	2.7%	1.4%		-0.8%
Cost of risk ratio (on net loans)	-1.1%	-2.2%	2.8%	3.5%		-1.0%
Loan to deposit ratio	63.2%	109.4%	0.0%	16.3%		66.3%
NPE ratio (on balance loans)	3.4%	3.8%	3.5%	15.9%		2.9%
NPE coverage ratio	81.5%	77.6%	80.2%	81.4%		80.0%
Yield GPL (simple average)	7.4%	5.8%	4.4%	5.8%		6.5%

[1] Financial liabilities at AC include the Direct deposits (Austria/Germany) amounting to EUR 585 million, EUR 77 million Deposits from credit institutions and EUR 146 million Other liabilities. [2] Includes only credit risk. [3] Net interest margin at segment level is the sum of interest income (without interest income on NPE) and expenses, including funds transfer pricing but without asset contribution, divided by the respective average business volume using daily balances. [4] Cost/Income ratio (CIR) is calculated as the sum of general administrated expenses divided by operating income including asset contribution.

The Corporate Center segment includes consolidation items in the amount of EUR 61.8 million, relating to the elimination of intragroup dividends, measurement of consolidated participations, credit loss expenses on intragroup refinancing lines and gains/losses from the intragroup sale of debt instruments.

EUR m

31.12.2023	Focus segments		Non-focus segments			
	Consumer	SME Business	Mortgage	Large Corporate & Public Finance	Corporate Center	Total
Net banking income	162.4	104.9	23.9	14.4	-10.4	295.2
Net interest income	123.7	79.2	23.9	11.0	-9.8	228.0
o/w regular interest income	115.1	66.2	18.0	6.8	58.8	264.9
Net fee and commission income	38.7	25.7	0.0	3.4	-0.7	67.1
Net result from financial instruments	0.0	0.0	0.0	0.0	0.4	0.4
Other operating result	0.0	0.0	0.0	0.0	-13.1	-13.1
Operating income	**162.4**	**104.9**	**23.9**	**14.4**	**-23.1**	**282.5**
General administrative expenses	**-84.7**	**-34.5**	**-1.3**	**-5.2**	**-52.7**	**-178.6**
Operating result before impairments and provisions	**77.7**	**70.3**	**22.6**	**9.1**	**-75.8**	**103.9**
Other result	0.0	0.0	0.0	0.0	-44.7	-44.7
Expected credit loss expenses on financial assets	-5.9	-13.5	4.5	3.8	-0.7	-11.8
Result before tax	**71.8**	**56.8**	**27.1**	**13.0**	**-121.3**	**47.4**
Business volume						
Net loans and receivables	1,688.5	1,301.3	363.8	108.6	93.6	3,555.8
o/w gross performing loans customers	1,706.4	1,310.3	363.8	105.1		3,485.6
Gross disbursements	706.9	814.7	0.0	16.8		1,538.3
Financial liabilities at AC [1]	2,841.6	1,116.5	0.0	482.3	758.3	5,198.7
RWA [2]	1,287.6	924.8	215.6	123.6	509.3	3,060.9
Key ratios						
NIM [3]	5.3%	3.4%	-0.4%	1.9%		3.8%
Cost/income ratio [4]	52.2%	33.0%	5.6%	36.5%		60.5%
Cost of risk ratio (CRB)	-0.3%	-0.7%	1.2%	1.5%		-0.3%
Cost of risk ratio (on net loans)	-0.3%	-1.0%	1.2%	3.5%		-0.3%
Loan to deposit ratio	59.4%	116.6%	0.0%	22.5%		69.3%
NPE ratio (on balance loans)	3.3%	3.1%	4.8%	11.0%		2.8%
NPE coverage ratio	80.8%	81.8%	82.0%	77.5%		80.9%
Yield GPL (simple average)	7.1%	5.3%	4.5%	5.4%		6.1%

[1] Financial liabilities at AC include the Direct deposits (Austria/Germany) amounting to EUR 494 million, EUR 107 million Deposits from credit institutions and EUR 157 million Other liabilities. [2] Includes only credit risk. [3] Net interest margin at segment level is the sum of interest income (without interest income on NPE) and expenses, including funds transfer pricing but without asset contribution, divided by the respective average business volume using daily balances. [4] Cost/Income ratio (CIR) is calculated as the sum of general administrated expenses divided by operating income including asset contribution.

The Corporate Center segment includes consolidation items in an amount of EUR 68.6 million, relating to the elimination of intragroup dividends, measurement of consolidated participations, credit loss expenses on intragroup refinancing lines and gains/losses from the intragroup sale of debt instruments.

The net interest income breakdown explains the net interest income details per segment up to the total bank. It lists all sub-positions of the net interest income including the customer margin assets and liabilities, the basic items within the interest Gap Contribution and Asset Contribution.

EUR m

31.12.2024	Focus segments		Non-focus segments		Corporate Center	Total
	Consumer	SME Business	Mortgage	Large Corporate & Public Finance		
Net interest income	**131.2**	**74.4**	**13.5**	**7.9**	**15.9**	**242.9**
o/w Interest income	**140.0**	**79.2**	**16.4**	**5.3**	**70.3**	**311.1**
o/w Regular interest income	133.2	74.5	14.7	4.9	70.3	297.6
o/w Interest income on NPE	1.2	0.3	0.2	0.2	0.0	1.8
o/w Interest like income	5.6	4.4	1.5	0.2	0.0	11.7
o/w Interest expenses	**-29.2**	**-5.2**	**0.0**	**-4.2**	**-29.6**	**-68.3**
o/w FTP (assets & liabilities)	**-1.7**	**-23.6**	**-18.7**	**4.0**	**-40.5**	**-80.4**
o/w Interest gap contribution	**22.1**	**24.0**	**15.7**	**2.8**	**15.8**	**80.4**
o/w Asset contribution	22.1	24.0	15.7	2.8	-64.7	0.0
o/w Interest gap contribution	0.0	0.0	0.0	0.0	80.4	80.4

EUR m

31.12.2023	Focus segments		Non-focus segments		Corporate Center	Total
	Consumer	SME Business	Mortgage	Large Corporate & Public Finance		
Net interest income	**123.7**	**79.2**	**23.9**	**11.0**	**-9.8**	**228.0**
o/w Interest income	**121.2**	**70.6**	**19.2**	**7.1**	**58.8**	**277.0**
o/w Regular interest income	115.1	66.2	18.0	6.8	58.8	264.9
o/w Interest income on NPE	1.1	0.5	0.4	0.1	0.0	2.0
o/w Interest like income	5.0	4.0	0.8	0.2	0.0	10.0
o/w Interest expenses	**-17.5**	**-5.0**	**0.0**	**-5.8**	**-20.7**	**-49.0**
o/w FTP (assets & liabilities)	**-6.4**	**-24.0**	**-20.4**	**4.7**	**-56.0**	**-102.2**
o/w Interest gap contribution	**26.4**	**37.6**	**25.1**	**5.0**	**8.1**	**102.2**
o/w Asset contribution	26.4	37.6	25.1	5.0	-94.0	0.0
o/w Interest gap contribution	0.0	0.0	0.0	0.0	102.2	102.2

The relation between net commission income and reportable segments can be seen in the tables below:

EUR m

31.12.2024	Focus segments		Non-focus segments[1]		
	Consumer	SME Business	Large Corporate & Public Finance	Corporate Center	Total
Accounts and Packages	23.7	6.8	0.3	0.0	30.9
Transactions	5.5	12.5	1.6	0.8	20.4
Cards	17.3	2.2	0.0	0.0	19.5
Foreign exchange & Dynamic currency conversion	5.1	2.3	0.1	0.4	7.8
Bancassurance	7.3	0.0	0.0	0.0	7.4
Trade finance	0.0	4.6	0.8	0.1	5.5
Loans	2.8	2.5	0.1	0.0	5.4
Securities	0.0	0.0	0.2	-0.2	0.0
Other	0.6	0.4	0.0	0.0	1.0
Fee and commission income	**62.4**	**31.3**	**3.2**	**1.2**	**98.0**
Cards	-12.9	-0.7	0.0	0.0	-13.7
Transactions	-1.7	-2.2	-0.4	-0.3	-4.6
Client and sales incentives	-1.8	-0.5	0.0	0.0	-2.3
Accounts and Packages	-1.1	-0.1	0.0	-0.3	-1.4
Loans	-1.2	-0.1	0.0	0.0	-1.3
Bancassurance	-0.4	0.0	0.0	0.0	-0.4
Securities	0.0	0.0	-0.1	-0.1	-0.2
Foreign exchange & Dynamic currency conversion	0.0	0.0	0.0	-0.1	-0.1
Trade finance	0.0	0.0	0.0	0.0	-0.1
Other	-0.1	0.0	0.0	-0.8	-0.9
Fee and commission expenses	**-19.2**	**-3.7**	**-0.6**	**-1.6**	**-25.1**
Net fee and commission income	**43.2**	**27.6**	**2.7**	**-0.5**	**73.0**

[1] Segment Mortgage is not presented in this table as the segment does not generate any net commission income.

EUR m

31.12.2023	Focus segments		Non-focus segments[1]		
	Consumer	SME Business	Large Corporate & Public Finance	Corporate Center	Total
Accounts and Packages	21.8	5.9	0.4	0.0	28.1
Transactions	4.9	12.3	2.1	0.5	19.8
Cards	15.6	2.0	0.0	0.0	17.6
Foreign exchange & Dynamic currency conversion	5.2	1.9	0.4	0.4	7.8
Bancassurance	5.7	0.0	0.0	0.0	5.7
Trade finance	0.0	4.4	0.8	0.0	5.2
Loans	2.6	2.3	0.1	0.0	5.0
Securities	0.0	0.0	0.1	-0.1	0.1
Other	0.5	0.3	0.2	0.0	1.1
Fee and commission income	**56.3**	**29.2**	**4.2**	**0.8**	**90.4**
Cards	-11.6	-0.7	0.0	0.0	-12.3
Transactions	-1.7	-1.9	-0.4	-0.3	-4.2
Client and sales incentives	-1.7	-0.6	0.0	0.0	-2.3
Accounts and Packages	-1.1	-0.1	-0.1	-0.2	-1.5
Loans	-1.0	-0.1	0.0	0.0	-1.2
Bancassurance	-0.4	0.0	0.0	0.0	-0.4
Securities	0.0	0.0	-0.1	-0.1	-0.2
Foreign exchange & Dynamic currency conversion	0.0	0.0	0.0	-0.1	-0.1
Trade finance	0.0	-0.1	0.0	0.0	-0.1
Other	-0.1	0.0	-0.2	-0.8	-1.1
Fee and commission expenses	**-17.6**	**-3.5**	**-0.8**	**-1.5**	**-23.3**
Net fee and commission income	**38.7**	**25.7**	**3.4**	**-0.7**	**67.1**

[1] Segment Mortgage is not presented in this table as the segment does not generate any net commission income.

(55) Geographical Segmentation

Addiko Group is an international banking group headquartered in Vienna, Austria, operating through six banks with its core business in Croatia (ABC), Slovenia (ABS), Bosnia & Herzegovina with two separate banks in Banja Luka (ABBL) and Sarajevo (ABSA), Serbia (ABSE) and Montenegro (ABM). Therefore, the revenues are generated in the CSEE region. In Austria only online deposits for clients in Austria and Germany are provided. Customer groups are not aggregated and assigned to a single country but allocated to their respective countries on single entity level. The geographical segmentation of income from external customers is shown in compliance with IFRSs and does not reflect the Group's management structure, the Management believes that the business segmentation provides a more informative description of the Group's activities. The Reco column includes mainly the intercompany reconciliation.

EUR m

31.12.2024	ABS	ABC	ABSE	ABSA	ABBL	ABM	ABH[4]	Reco	Addiko Group
Net banking income	77.2	100.7	59.0	33.8	32.3	14.9	-0.2	-1.8	315.8
Net interest income	61.4	76.7	46.6	24.2	22.6	12.8	0.3	-1.8	242.9
o/w regular interest income [1]	78.2	87.4	56.5	26.1	26.1	13.5	18.7	-8.8	297.6
Net fee and commission income	15.7	24.0	12.4	9.6	9.7	2.0	-0.5	0.0	73.0
Net result from financial instruments	0.6	0.4	0.3	0.1	0.2	0.1	37.0	-37.5	1.2
Other operating result	-4.2	-1.6	-2.3	-0.4	-1.0	-1.6	-1.6	0.5	-12.3
Operating income	**73.5**	**99.6**	**57.0**	**33.5**	**31.5**	**13.3**	**35.2**	**-38.8**	**304.7**
General administrative expenses	**-31.9**	**-43.1**	**-30.5**	**-16.5**	**-16.6**	**-9.5**	**-36.6**	**-7.6**	**-192.4**
Operating result before impairments and provisions	**41.6**	**56.5**	**26.5**	**16.9**	**14.9**	**3.7**	**-1.4**	**-46.4**	**112.3**
Other result	-5.8	-8.6	-5.0	-0.5	0.1	-0.2	0.0	4.2	-15.8
Expected credit loss expenses on financial assets	-19.0	-0.7	-11.7	-2.5	-2.4	0.6	0.1	-0.5	-36.0
Result before tax	**16.8**	**47.1**	**9.8**	**13.9**	**12.6**	**4.1**	**-1.2**	**-42.7**	**60.4**
Total assets	**1,375.9**	**2,343.5**	**924.9**	**675.6**	**556.5**	**240.4**	**1,151.5**	**-859.3**	**6,408.9**
Business volume									
Loans and receivables	987.5	1,190.7	566.5	295.0	352.5	160.4	71.6	-73.5	3,550.6
o/w gross performing loans customers	1,002.4	1,173.4	532.7	295.2	345.8	156.9	0.0	0.0	3,506.4
Gross disbursements	381.7	479.1	318.2	161.6	151.7	76.0	0.0	0.0	1,568.3
Financial liabilities at AC [2]	1,158.0	1,842.2	707.7	562.0	444.5	197.4	646.2	-136.3	5,421.7
RWA [3]	722.6	981.4	513.2	307.2	312.2	167.5	27.1	2.2	3,033.4
Key ratios									
NIM	4.4%	3.4%	5.0%	3.9%	4.2%	5.4%	0.0%		3.9%
Cost/income ratio	41.3%	42.8%	51.7%	49.0%	51.4%	64.2%	n.m.		60.9%
Cost of risk ratio (CRB)	-1.5%	0.0%	-1.6%	-0.6%	-0.5%	0.3%	0.1%		-0.8%
Cost of risk ratio (on net loans)	-1.9%	-0.1%	-2.2%	-0.8%	-0.7%	0.4%			-1.0%
Loan to deposit ratio	90.2%	66.8%	80.3%	53.7%	80.1%	83.0%			66.3%
NPE ratio (on balance loans)	2.6%	2.3%	4.5%	2.4%	3.7%	4.1%			2.9%
NPE coverage ratio	81.9%	87.5%	67.9%	83.8%	83.1%	75.3%			80.0%
Yield GPL (simple average)	6.6%	5.3%	8.5%	6.2%	6.6%	7.9%			6.5%

[1] Regular interest income is related to booked interests excluding interest like income, interest income on NPE and funds transfer pricing. [2] Direct deposits (Austria/Germany) amounting to EUR 585 million presented in ABH. [3] Includes only credit risk. [4] In ABH intragroup exposures are included.

EUR m

31.12.2023	ABS	ABC	ABSE	ABSA	ABBL	ABM	ABH[4]	Reco	Addiko Group
Net banking income	72.6	93.8	52.9	28.4	30.3	14.8	3.5	-1.1	295.2
Net interest income	58.2	72.4	41.2	19.8	21.3	12.3	4.0	-1.1	228.0
o/w regular interest income [1]	68.4	76.4	53.2	20.3	23.3	13.0	17.2	-6.8	264.9
Net fee and commission income	14.4	21.4	11.6	8.6	9.0	2.4	-0.4	0.0	67.1
Net result from financial instruments	0.7	0.6	0.0	0.1	0.0	0.1	57.9	-58.9	0.4
Other operating result	-1.3	-4.0	-2.2	-0.4	-1.0	-1.2	-0.9	-2.0	-13.1
Operating income	**72.0**	**90.4**	**50.6**	**28.0**	**29.2**	**13.6**	**60.6**	**-62.0**	**282.5**
General administrative expenses	**-29.5**	**-44.4**	**-27.6**	**-15.4**	**-15.7**	**-8.1**	**-29.9**	**-7.9**	**-178.6**
Operating result before impairments and provisions	**42.5**	**45.9**	**23.1**	**12.6**	**13.5**	**5.5**	**30.7**	**-69.9**	**103.9**
Other result	-6.4	-31.5	-4.3	-1.2	-0.8	-0.8	0.0	0.2	-44.7
Expected credit loss expenses on financial assets	-9.5	-2.3	-12.5	-0.8	0.1	0.9	-0.7	12.9	-11.8
Result before tax	**26.6**	**12.1**	**6.3**	**10.7**	**12.8**	**5.6**	**30.0**	**-56.8**	**47.4**
Total assets	**1,447.8**	**2,204.6**	**942.3**	**575.8**	**523.7**	**234.0**	**1,116.2**	**-893.0**	**6,151.5**
Business volume									
Loans and receivables	1,029.4	1,154.0	640.9	286.0	332.8	164.0	57.2	-108.6	3,555.8
o/w gross performing loans customers	997.0	1,133.7	577.8	283.0	333.5	160.5	0.0	0.0	3,485.6
Gross disbursements	338.2	515.1	315.8	155.6	145.4	68.2	0.0	0.0	1,538.3
Financial liabilities at AC [2]	1,224.6	1,728.7	725.7	468.6	423.7	194.0	585.6	-152.2	5,198.7
RWA [3]	730.8	979.2	539.4	305.2	299.2	168.4	34.8	4.0	3,060.9
Key ratios									
NIM	4.2%	3.2%	4.5%	3.6%	4.2%	5.4%	0.4%		3.8%
Cost/income ratio	40.6%	47.4%	52.2%	54.2%	51.9%	55.1%	n.m.		60.5%
Cost of risk ratio (CRB)	-0.7%	-0.2%	-1.5%	-0.2%	0.0%	0.5%	-1.0%		-0.3%
Cost of risk ratio (on net loans)	-1.0%	-0.2%	-2.2%	-0.3%	0.0%	0.6%			-0.3%
Loan to deposit ratio	84.3%	69.3%	88.1%	61.7%	80.4%	87.2%			69.3%
NPE ratio (on balance loans)	1.8%	2.8%	4.0%	2.4%	3.5%	5.1%			2.8%
NPE coverage ratio	86.4%	85.4%	69.7%	79.5%	87.6%	73.3%			80.9%
Yield GPL (simple average)	6.0%	4.9%	7.9%	6.1%	6.4%	7.5%			6.1%

[1] Regular interest income is related to booked interests excluding interest like income, interest income on NPE and funds transfer pricing. [2] Direct deposits (Austria/Germany) amounting to EUR 494 million presented in ABH. [3] Includes only credit risk. [4] In ABH intragroup exposures are included.

Risk Report

(56) Risk control and monitoring

The Addiko Group steers and monitors its risks across all business segments, with the aim of optimising the risk/performance profile and guaranteeing risk-bearing capacity at all times and therefore protecting the bank's creditors. In this respect, it influences the business and risk policies of its participations through its involvement in shareholder and supervisory committees. In the case of participations, compatible risk control processes, strategies and methods are implemented.

The following central principles apply in the Addiko Group to the bank's overall controlling:

- Clearly defined processes and organisational structures are in place for all risk types, according to which all tasks, competencies and responsibilities of participants can be aligned.
- Front and back office as well as trading and settlement/monitoring units are functionally separated to prevent conflicts of interest in accordance with the Austrian Minimum Standards for the Credit Business (FMA-MSK) and the Austrian Banking Act (BWG).
- The Group implements appropriate, mutually compatible procedures for identifying, analysing, measuring, combining, controlling and monitoring the risk types.
- Appropriate limits are set and effectively monitored for material risk types.

(57) Risk strategy & Risk Appetite Statement (RAS)

The Addiko Group's risk strategy is derived from the business strategy and describes the planned business structure, strategic development and growth, taking into consideration processes, methodologies and the organisational structure relevant for the management of risk factors. As such, the risk strategy represents the bridge between the Company's business strategy and risk positioning. It is also a management tool of the highest level for the purposes of bank's risk steering and as such it provides a framework for controlling, monitoring and limiting risks inherent in the banking business, as well as ensuring the adequacy of the internal capital, the bank's liquidity position and the overall through-the-cycle profitability.

The Addiko Group's risk strategy reflects key risk management approaches included in the business strategy. This is mirrored in the bank's risk objectives which will support safe and sustainable growth and ensure the preservation of the bank in line with regulatory requirements for adequate own funds with regard to risk-taking activities.

The Addiko Group has established a Risk Appetite Statement (RAS) which sets the bank's risk appetite and forms part of the process of development and implementation of the bank's business and risk strategy. Furthermore, it determines the risks undertaken in relation to its risk capacity. The framework of risk appetite measures defines the risk level the bank is willing to accept. The calibration of measures takes into consideration the budget, risk strategy and the Recovery Plan giving an interlinked framework for proper internal steering and surveillance.

(58) Risk organisation

Ensuring adequate risk management structures and processes is in the responsibility of the Group's Chief Risk Officer (CRO), who is a member of the Addiko Bank AG Management Board. The CRO acts independently of market and trading units, with a focus on the Austrian Minimum Standards for the Credit Business as well as appropriate internal controls.

The core tasks of risk management are the individual risk management of counterparty default risks, the reorganisation of troubled loans, loan settlement, as well as risk control and monitoring of counterparty default, market, liquidity, operational and other risks at the portfolio level.

In 2024, the following organisational units were operative:

Group Credit Risk Management contains Retail Risk Management and Corporate Credit Risk:

- **Retail Risk Management** monitors and manages credit risk in the Retail lending portfolio of Addiko Group through portfolio reporting and analysis, tracking and evaluation of activities. The function has both an operational as well as strategic role in the credit risk management. Operationally it covers assessment and opinion of lending products and test initiatives as well as defines policies, procedures, manuals and guidelines related to the management of credit activities and collections. Additionally, also ensures that the risk appetite is in line with Addiko Group's budget expectations. Besides this, it continuously monitors the portfolio development and ensures the development and maintenance of a reporting toolkit that serves this purpose.
- **Corporate Credit Risk** provides risk opinion on individual cases with high risk, monitoring, and review for all non-Retail client segments and group wide standards for pre-workout, restructuring, collection and workout for all non-Retail client segments i.e. Standard segment, SME, Corporate, Public Finance, Sovereigns and Sub sovereigns and Financial institutions. Within Corporate Credit Risk, the function covers also Real Estate Valuations by providing group wide standards for real estate sale including monitoring of results and group wide steering for immovable and movable property value monitoring. It develops the group valuation monitoring strategy and processes for local execution.

Group Integrated Risk Management identifies, monitors, controls and reports on all material risks to Management and Supervisory Boards, proposes mitigation measures, initiates escalation in case defined limits are breached and defines methodology for risk measurement and assessment. GIRM also encompasses the CISO area, as well as the Outsourcing management function. GIRM is actively involved in all major decisions relating to risk management and, thus, also the development and execution of the risk strategy as well as the forecasting of risk costs. Furthermore, GIRM is responsible to initiate and coordinate the escalation process prescribed in the Recovery Plan. Organisationally the following functions are embedded in Group Integrated Risk Management:

- **Group Market & Liquidity Risk** defines methodologies, produces internal and external reporting and oversees management and control activities related to market and liquidity risk. The function is located in Austria within Integrated Risk Management unit.
- **Strategic Risk Management** is operationally responsible for the update of the risk strategy, own funds and economic capital management, stress testing, credit risk budgeting, tracking of risk exposure and steering of the ICAAP and SREP process as well manages the same processes from methodological point of view and reports on them to the management. SRM also coordinates the preparation of and reporting on the Recovery Plan. Additionally, the relationship management towards supervisory authorities as well as the coordination of requested deliverables is in the responsibility of SRM.
- **Non-Financial Risk Management** is responsible for setting the strategic direction to efficiently manage all non-financial risk related activities and aims to ensure the adequate identification, measurement, management and mitigation of non-financial risks, a prudent conduct of business respecting all relevant laws, regulations, supervisory requirements and internal rules and decisions, thus supporting prudent, effective and efficient business operations.
- **Group Risk Modelling (GRM)** manages model risk portfolio in terms of methodology, target model architecture, and the model landscape for regulatory and business purpose. Oversee the portfolio development process to deliver risk targets and deliver insightful reports and analysis which explain credit metrics related to capital, provisions and business development. GRM is responsible for leading continuous improvements in modelling methodology for credit and market risk models and sharing knowledge about these topics within the Group

Group Data and Validation contains the following CSF functions and the oversees and drives the GSS Group Risk Validation:

- **Group Data Architecture** is the main responsible function for the enterprise data architecture in Addiko Group. GDA develops and maintains group-wide concepts and principles for enterprise data. In operational matters the GDA team is supporting business functions jointly with GIT to have adequate infrastructure to be able to have on time regular and ad-hoc reporting and access to data as needed. GDA also acts as local Data Architecture for Addiko Bank AG and in that capacity is applying its concepts and principles to the local ABH data landscape and the relevant connections to group data. Although GDA, is reporting to the Group Model & Data, its responsibilities and methods apply in principle to all functions of Addiko Group.

- **Group Data Management (GDM)** is the main responsible function for the business aspects of enterprise data management in Addiko Group. GDM develops and maintains group-wide methods, standards and definitions to achieve a common and harmonised view on enterprise data. In operational matters the GDM team is supporting business functions in regular and ad-hoc reporting, common/central data transformations and calculations and data quality monitoring and reporting. GDM also acts as local Data Office for Addiko Bank AG and in that capacity is applying its methods to the local ABH data landscape and the relevant connections to group data. Although GDM, is reporting to the Group Model & Data, its responsibilities and methods apply in principle to all functions of Addiko Group.
- **Data Engine Reporting & Analytics and Support Services,** located in Serbia, is preparing standardised portfolio reporting covering the entire credit cycle for Retail and Corporate portfolio, as well as supporting the governance setting over credit policy rules and changes in the Group selected decision engine (CRIF Credit Decision Engine). In addition, DERA is maintaining and developing group data engines, application process reports, collection reports, while providing the corresponding analytics.
- **Group Risk Validation** is responsible for ensuring adequacy and consistency of risk relevant processes and risk models with regards to regulatory expectation and business needs. GRV defines the quality standard for the whole group with regards to risk models. Furthermore, it controls and ensures the quality of new models, as well as models already in place. Jointly with business owners GRV enhances processes and resolves issues related to models. GRV also conducts analysis of new regulation and its effects on risk models.

The respective country CROs ensure compliance with the risk principles among all subsidiaries situated in the country.

(59) Internal risk management guidelines

The Addiko Group defines Group wide standard risk management guidelines to ensure that risks are dealt with in a standardised manner. These guidelines are promptly adjusted to reflect organisational changes as well as changes to parts of the regulations such as processes, methodologies and procedures. The existing guidelines are reviewed yearly to determine whether an update is required. This ensures that the actual and documented processes match.

The Addiko Group has clearly defined responsibilities for all risk guidelines, including preparation, review and update as well as roll-out to the subsidiaries. Each of these guidelines must be implemented at local level by the subsidiaries and adjusted to local conditions. Compliance with these guidelines is ensured by those directly involved in the risk management process. The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Group Audit Committee.

(60) Credit risk

60.1. Definition

In terms of scale, credit risk constitutes the most significant risk for the Addiko Group. Credit risk mainly arises from the lending business. Credit risk (or counterparty default risk) occurs when transactions result in claims against debtors, issuers of securities or counterparties. If these parties do not meet their obligations, losses result in the amount of non-received benefits less utilised collaterals, reduced by the achieved recovery rate of unsecured portions. This definition includes default and surety risks from credit transactions as well as issuer, replacement and fulfilment risks from trading transactions.

60.2. General requirements

The credit risk strategy within Addiko Risk Strategy provides concrete specifications for the organisational structure of the bank in the lending business as well as for risk control methods, and is supplemented by further policies as well as specific instructions.

In line with a Group wide instruction on authority levels as defined by the Management and Supervisory Boards, credit decisions are made by the Supervisory Board, Management Board and Credit Committee as well as by key staff in the back office and the analysis units of the Risk Office.

The Credit Committee is a permanent institution of the Addiko Group and the highest body for making credit decisions, subordinated only to the Management Board.

The Group Risk Executive Committee (GREC) is responsible for all methodological matters relating to credit risk, unless a decision by the Management Board is required.

60.3. Risk measurement

The Addiko Group uses its own rating procedures to analyse and assess each individual borrower's credit rating. The allocation of debtors to rating classes is carried out on the basis of default probabilities on a 25-level master rating scale.

60.4. Risk limitation

The steering of total Group wide commitments with an individual customers or a group of affiliated customers ("group of borrowers") depends on the respective customer segment or business area.

In the Addiko Group, limits towards financial institutions are set and monitored independently by a responsible unit. If limits are exceeded, this is communicated immediately to operative risk unit as well as front office and reported to the Group Risk Executive Committee. In all other segments, limit control is carried out through a Group wide authorisation level policy ("Pouvoir-Ordnung"). At portfolio level, there are country limits to prevent the formation of risk concentrations; limit breaches are escalated to the Management Board, and the front office is required to work together with the back office to define measures to control these risk concentrations.

Another important instrument in limiting risk is the acceptance and crediting of common banking collateral. The measurement and processing is carried out in line with the collateral policy, which defines in particular the measurement procedures as well as measurement discounts and frequencies of individual collateral types. Framework contracts for netting out mutual risks (close-out netting) are usually concluded for trading transactions involving derivatives. There are collateral agreements in place with certain business partners which limit the default risk with individual trading partners to an agreed maximum amount, and provide an entitlement to request additional collateral if the amount is exceeded. The methods used to accept collateral (formal requirements, preconditions) are governed by the internal processing guidelines for each individual type of collateral.

60.5. Reconciliation between Financial instruments classes and Credit risk exposure

The credit risk exposure comprises the gross carrying amount (or nominal value in the case of off-balance-sheet exposures) without taking into account expected credit losses (including those for guarantees), any collateral held, netting effects, other credit enhancements or credit risk mitigating transactions. Market values are used to calculate the relevant exposure for securities classified in the Hold-to-Collect&Sale business model, whereas amortised cost is used for loans and securities classified in the Hold-to-Collect business model. Unless explicitly stated differently, all values in the risk report are shown inclusive of the portfolio that is classified as held for sale according to IFRS 5.

Breakdown of net exposure within the Group in accordance with IFRS 7.35M as of 31 December 2024:

EUR m

31.12.2024	Performing			Non Performing			Total	
Financial instruments	Exposure	ECL	Net	Exposure	ECL	Net	Exposure	Net
Cash and cash equivalents [1]	1,119.7	0.0	1,119.7	0.0	0.0	0.0	1,119.7	1,119.7
Financial assets held for trading	14.4		14.4	0.0		0.0	14.4	14.4
Loans and receivables	3,575.8	-52.0	3,523.8	139.0	-112.2	26.8	3,714.9	3,550.6
of which credit institutions	44.2	0.0	44.2	0.0	0.0	0.0	44.2	44.2
of which customer loans	3,531.6	-52.0	3,479.6	139.0	-112.2	26.8	3,670.6	3,506.4
Investment Securities [2][3]	1,492.5	-0.3	1,455.8	0.0	0.0	0.0	1,492.5	1,455.8
Other Assets - IFRS 5	0.0	0.0	0.0	0.7	-0.5	0.2	0.7	0.2
On balance total	**6,202.5**	**-52.3**	**6,113.7**	**139.7**	**-112.7**	**27.0**	**6,342.2**	**6,140.7**
Off Balance	828.1	-4.6	823.5	5.0	-3.0	2.0	833.1	825.5
ECL and FV on FVTOCI debt securities [3]	-36.6	0.1	0.0	0.0	0.0	0.0	-36.6	0.0
Total	**6,994.0**	**-56.8**	**6,937.2**	**144.7**	**-115.7**	**29.0**	**7,138.7**	**6,966.2**
Adjustment [4]	-0.7		-0.7			0.0	-0.7	-0.7
Total credit risk exposure	**6,993.3**	**-56.8**	**6,936.5**	**144.7**	**-115.7**	**29.0**	**7,138.0**	**6,965.5**

[1] The position does not include cash on hand in amount of EUR 131.8 million. [2] Investment securities, without equity instruments, including participation in the bank resolution fund in Slovenia. [3] For debt securities at FVTOCI the exposure is calculated based on the amortised cost before adjusting for any loss allowance and for this reason it does not include any changes of the fair value of the instruments. For credit risk purposes the fair value of the instruments is considered. For this reason, also the related ECL is not included as this is already reflected in the fair value of the underlying instruments.
[4] Adjustment includes reconciliation differences between the gross carrying amount and the carrying amount of the credit risk exposure components.

The following table shows the exposure in accordance with IFRS 7.35M as of 31 December 2023:

EUR m

31.12.2023	Performing			Non Performing			Total	
Financial instruments	Exposure	ECL	Net	Exposure	ECL	Net	Exposure	Net
Cash and cash equivalents [1]	1,140.3	-0.2	1,140.1	0.0	0.0	0.0	1,140.3	1,140.1
Financial assets held for trading	29.5		29.5	0.0		0.0	29.5	29.5
Loans and receivables	3,584.0	-53.0	3,530.9	133.1	-108.2	24.9	3,717.1	3,555.8
of which credit institutions	66.7	-0.1	66.6	0.0	0.0	0.0	66.7	66.6
of which customer loans	3,517.2	-53.0	3,464.3	133.1	-108.2	24.9	3,650.3	3,489.2
Investment Securities [2][3]	1,230.2	-0.8	1,172.2	0.0	0.0	0.0	1,230.2	1,172.2
Other Assets - IFRS 5	0.0	0.0	0.0	0.6	-0.5	0.2	0.6	0.2
On balance total	**5,984.0**	**-54.0**	**5,872.8**	**133.7**	**-108.7**	**25.1**	**6,117.7**	**5,897.8**
Off-balance	873.6	-4.2	869.3	4.2	-2.9	1.3	877.8	870.6
ECL and FV on FVTOCI debt securities [3]	-57.8	0.6	0.0	0.0	0.0	0.0	-57.8	0.0
Total	**6,799.7**	**-57.6**	**6,742.1**	**138.0**	**-111.6**	**26.4**	**6,937.7**	**6,768.4**
Adjustment [4]	-8.4		-8.4			0.0	-8.4	-8.4
Total credit risk exposure	**6,791.3**	**-57.6**	**6,733.7**	**138.0**	**-111.6**	**26.4**	**6,929.3**	**6,760.1**

[1] The position does not include cash on hand in amount of EUR 119.9 million. [2] Investment securities, without equity instruments, including participation in the bank resolution fund in Slovenia. [3] For debt securities at FVTOCI the exposure is calculated based on the amortised cost before adjusting for any loss allowance and for this reason it does not include any changes of the fair value of the instruments. For credit risk purposes the fair value of the instruments is considered. For this reason, also the related ECL is not included as this is already reflected in the fair value of the underlying instruments.
[4] Adjustment includes reconciliation differences between the gross carrying amount and the carrying amount of the credit risk exposure components as well as temporary accounts which are used for the recognition of withdrawals from ATMs during the last weekend of the year.

60.6. Allocation of credit risk exposure within the Group

As of 31 December 2024, the overall gross exposure within the Group increased by EUR 208.7 million (or +3.0%) to EUR 7,138.0 million (YE23: EUR 6,929.3 million). In line with the business strategy, the increase was driven by the focus portfolio as well as by increases within the Corporate Center, while the non-focus portfolio further decreased as planned.

Exposure levels increased across all group entities, with the exception of Addiko Bank Slovenia and Addiko Bank Serbia.

Within the Group, the credit risk exposure breaks down as presented in the following table.

EUR m

	31.12.2024	31.12.2023
Addiko Croatia	2,493.2	2,356.6
Addiko Slovenia	1,648.2	1,678.9
Addiko Serbia	1,068.8	1,130.5
Addiko in Bosnia & Herzegovina	1,349.0	1,213.1
Addiko in Montenegro	239.2	236.4
Addiko Holding	339.8	313.8
Total	**7,138.0**	**6,929.3**

60.7. Credit risk exposure by rating class

As of 31 December 2024 approximately 38.6% (YE23: 37.3%) of the exposure falls into rating classes 1A to 1E. This portion is largely associated with receivables from financial institutions and private individuals, with a minor part pertaining to corporate and sovereign debts.

During 2024 the NPE Stock increased by EUR +6.7m to EUR 144.7 million (YE23: EUR 138.0 million). Increases in the Focus portfolio (in almost all group entities except Addiko Bank Montenegro) have been partially offset by reductions within the non-Focus segments, because of write offs and portfolio sales as well as due to collection effects.

The following table shows the exposure by rating classes and market segment as of 31 December 2024:

EUR m

31.12.2024	1A-1E	2A-2E	3A-3E	4A-4E	NPE	No rating	Total
Consumer	329.3	1,202.2	363.0	151.0	67.2	4.1	2,116.9
SME	280.0	1,123.0	322.4	102.9	53.5	3.6	1,885.3
Non Focus	184.0	207.8	45.8	16.4	24.0	1.3	479.3
o/w Large Corporate	18.9	78.8	24.0	4.3	11.3	1.2	138.6
o/w Mortgage	157.8	119.5	18.9	10.7	11.3	0.1	318.3
o/w Public Finance	7.3	9.5	2.8	1.3	1.4	0.0	22.4
Corporate Center	1,959.7	401.6	291.2	0.1	0.0	3.8	2,656.5
Total	**2,753.1**	**2,934.6**	**1,022.4**	**270.4**	**144.7**	**12.8**	**7,138.0**

1) Corporate Center includes financial institutions considering national bank exposure, on demand deposits as well as securities.

The following table shows the exposure by rating classes and market segment as of 31 December 2023:

EUR m

31.12.2023	1A-1E	2A-2E	3A-3E	4A-4E	NPE	No rating	Total
Consumer	328.8	1,014.8	347.5	158.4	57.7	17.7	1,924.9
SME	255.1	1,118.7	438.0	97.1	45.7	3.5	1,958.1
Non-Focus	245.7	264.2	65.9	23.0	34.5	1.6	634.9
o/w Large Corporate	31.0	105.0	38.6	9.7	14.1	1.3	199.7
o/w Mortgage	185.0	144.7	22.1	11.9	18.3	0.2	382.3
o/w Public Finance	29.7	14.5	5.2	1.4	2.1	0.0	53.0
Corporate Center [1]	1,754.2	372.3	275.0	0.0	0.0	10.0	2,411.4
Total	**2,583.8**	**2,770.0**	**1,126.4**	**278.4**	**138.0**	**32.8**	**6,929.3**

[1] Corporate Center includes financial institutions considering national bank exposure, on demand deposits as well as securities.

The classification of credit assets into risk grades is based on Addiko internal ratings. For external reporting, internal rating grades are grouped into the following five risk categories:

- 1A-1E: representing customers with a very low risk, having the best, excellent or very good credit standing (comparable to Moody's rating Aaa-Baa3),
- 2A-2E: representing customers with a good or moderate credit standing (comparable to Moody's rating Ba1-B1),
- 3A-3E: representing customers with a medium or high credit risk (comparable to Moody's rating B2-Caa1),
- 4A-4E: representing customers with a very high credit risk or who are likely to default. This class includes customers which may have overdue payments or defaults in their credit history or may encounter debt repayment difficulties in the medium term (comparable to Moody's rating Caa2-C),
- NPE (default): one or more of the default criteria under Article 178 CRR are met: among others, interest or principal payments on a material exposure have been overdue for more than 90 days, the bank significantly doubts the customer's credit standing, there are risk-oriented restructuring measures leading to a forborne non-performing exposure, there is a realisation of a loan loss or bankruptcy proceedings are initiated (comparable to Moody's rating Default).

The Addiko Group applies the customer view to all customer segments, including retail clients. If an obligor defaults on one deal, then all the customer's performing transactions are classified as non-performing as well. The classifications per rating class and ECL stage can be seen in the tables below.

Loans and advances to customers at amortised cost:

EUR m

31.12.2024	Stage 1	Stage 2	Stage 3	POCI	Total
Rating class					
1A-1E	570.9	13.5	0.0	0.9	585.3
2A-2E	2,003.7	48.5	0.0	1.0	2,053.2
3A-3E	589.7	38.2	0.0	0.0	627.9
4A-4E	48.9	211.0	0.6	0.0	260.6
NPE	0.0	0.0	127.5	4.2	131.7
No rating	3.2	0.0	8.6	0.0	11.9
Total gross carrying amount	**3,216.5**	**311.2**	**136.7**	**6.2**	**3,670.6**
Loss allowance	-25.4	-26.6	-112.0	-0.2	-164.2
Carrying amount	**3,191.1**	**284.6**	**24.7**	**6.0**	**3,506.4**

EUR m

31.12.2023	Stage 1	Stage 2	Stage 3	POCI	Total
Rating class					
1A-1E	577.8	20.8	0.0	1.0	599.6
2A-2E	1,803.3	127.7	0.3	1.7	1,933.0
3A-3E	596.9	117.3	0.1	0.9	715.3
4A-4E	28.3	232.5	1.5	0.4	262.6
NPE	0.0	0.0	129.0	2.2	131.2
No rating	8.5	0.2	0.0	0.0	8.7
Total gross carrying amount	**3,014.8**	**498.5**	**130.9**	**6.2**	**3,650.3**
Loss allowance	-18.4	-34.5	-107.1	-1.1	-161.2
Carrying amount	**2,996.3**	**464.0**	**23.8**	**5.1**	**3,489.2**

Loans and advances to credit institutions at amortised cost, cash balances at central banks and other demand deposits:

EUR m

31.12.2024	Stage 1	Stage 2	Stage 3	POCI	Total
Rating class					
1A-1E	757.7	0.0	0.0	0.0	757.7
2A-2E	161.0	0.0	0.0	0.0	161.0
3A-3E	245.3	0.0	0.0	0.0	245.3
4A-4E	0.0	0.0	0.0	0.0	0.0
NPE	0.0	0.0	0.0	0.0	0.0
No rating	0.0	0.0	0.0	0.0	0.0
Total gross carrying amount	**1,164.0**	**0.0**	**0.0**	**0.0**	**1,164.0**
Loss allowance	-0.1	0.0	0.0	0.0	-0.1
Carrying amount	**1,163.9**	**0.0**	**0.0**	**0.0**	**1,163.9**

EUR m

31.12.2023	Stage 1	Stage 2	Stage 3	POCI	Total
Rating class					
1A-1E	793.3	0.0	0.0	0.0	793.3
2A-2E	178.1	0.9	0.0	0.0	179.0
3A-3E	224.6	0.0	0.0	0.0	224.6
4A-4E	0.0	0.0	0.0	0.0	0.0
NPE	0.0	0.0	0.0	0.0	0.0
No rating	10.0	0.0	0.0	0.0	10.0
Total gross carrying amount	**1,206.0**	**1.0**	**0.0**	**0.0**	**1,207.0**
Loss allowance	-0.2	0.0	0.0	0.0	-0.2
Carrying amount	**1,205.8**	**0.9**	**0.0**	**0.0**	**1,206.7**

Debt instruments measured at FVTOCI:

EUR m

31.12.2024	Stage 1	Stage 2	Stage 3	POCI	Total
Rating class					
1A-1E	503.9	0.0	0.0	0.0	503.9
2A-2E	170.8	0.0	0.0	0.0	170.8
3A-3E	26.4	0.0	0.0	0.0	26.4
4A-4E	0.0	0.0	0.0	0.0	0.0
NPE	0.0	0.0	0.0	0.0	0.0
No rating	0.0	0.0	0.0	0.0	0.0
Total gross carrying amount	**701.2**	**0.0**	**0.0**	**0.0**	**701.2**
Loss allowance	-0.1	0.0	0.0	0.0	-0.1
FV	-36.1	-0.2	0.0	0.0	-36.4
Carrying amount	**664.9**	**-0.2**	**0.0**	**0.0**	**664.7**

[1)] For debt securities at FVTOCI the exposure is calculated based on the amortised cost before adjusting for any loss allowance and for this reason it does not include any changes of the fair value of the instruments. For credit risk purposes the fair value of the instruments is considered. For this reason, also the related ECL is not included as this is already reflected in the fair value of the underlying instruments.

EUR m

31.12.2023	Stage 1	Stage 2	Stage 3	POCI	Total
Rating class					
1A-1E	579.7	3.0	0.0	0.0	582.7
2A-2E	147.7	0.0	0.0	0.0	147.7
3A-3E	36.9	0.0	0.0	0.0	36.9
4A-4E	0.0	0.0	0.0	0.0	0.0
NPE	0.0	0.0	0.0	0.0	0.0
No rating	0.0	0.0	0.0	0.0	0.0
Total gross carrying amount	**764.3**	**3.0**	**0.0**	**0.0**	**767.3**
Loss allowance	-0.5	0.0	0.0	0.0	-0.6
FV [1)]	-57.0	-0.2	0.0	0.0	-57.2
Carrying amount	**706.8**	**2.7**	**0.0**	**0.0**	**709.5**

[1)] For debt securities at FVTOCI the exposure is calculated based on the amortised cost before adjusting for any loss allowance and for this reason it does not include any changes of the fair value of the instruments. For credit risk purposes the fair value of the instruments is considered. For this reason, also the related ECL is not included as this is already reflected in the fair value of the underlying instruments.

Debt instruments measured at amortised cost:

EUR m

31.12.2024	Stage 1	Stage 2	Stage 3	POCI	Total
Rating class					
1A-1E	712.2	0.0	0.0	0.0	712.2
2A-2E	48.6	0.0	0.0	0.0	48.6
3A-3E	15.9	0.0	0.0	0.0	15.9
4A-4E	0.0	0.0	0.0	0.0	0.0
NPE	0.0	0.0	0.0	0.0	0.0
No rating	0.0	0.0	0.0	0.0	0.0
Total gross carrying amount	**776.7**	**0.0**	**0.0**	**0.0**	**776.7**
Loss allowance	-0.1	0.0	0.0	0.0	-0.1
Carrying amount	**776.5**	**0.0**	**0.0**	**0.0**	**776.5**

EUR m

31.12.2023	Stage 1	Stage 2	Stage 3	POCI	Total
Rating class					
1A-1E	428.7	0.0	0.0	0.0	428.7
2A-2E	4.9	0.0	0.0	0.0	4.9
3A-3E	14.5	0.0	0.0	0.0	14.5
4A-4E	0.0	0.0	0.0	0.0	0.0
NPE	0.0	0.0	0.0	0.0	0.0
No rating	0.0	0.0	0.0	0.0	0.0
Total gross carrying amount	**448.1**	**0.0**	**0.0**	**0.0**	**448.1**
Loss allowance	-0.2	0.0	0.0	0.0	-0.2
Carrying amount	**447.9**	**0.0**	**0.0**	**0.0**	**447.9**

Commitments and financial guarantees given:

EUR m

31.12.2024	Stage 1	Stage 2	Stage 3	POCI	Total
Rating class					
1A-1E	221.7	2.2	0.0	0.0	223.9
2A-2E	471.4	16.3	0.0	0.0	487.7
3A-3E	95.7	8.3	0.0	0.0	104.0
4A-4E	1.0	11.4	0.0	0.0	12.4
NPE	0.0	0.0	4.8	0.0	4.8
No rating	0.0	0.0	0.2	0.0	0.2
Total gross carrying amount	**789.8**	**38.3**	**5.0**	**0.0**	**833.1**
Loss allowance	-3.2	-1.4	-3.0	0.0	-7.6
Carrying amount	**786.6**	**36.9**	**2.0**	**0.0**	**825.5**

EUR m

31.12.2023	Stage 1	Stage 2	Stage 3	POCI	Total
Rating class					
1A-1E	232.4	1.9	0.0	0.0	234.3
2A-2E	438.4	31.6	0.0	0.0	470.0
3A-3E	123.5	25.8	0.0	0.0	149.2
4A-4E	1.7	18.2	0.0	0.0	19.9
NPE	0.0	0.0	4.2	0.0	4.2
No rating	0.1	0.0	0.0	0.0	0.1
Total gross carrying amount	**796.1**	**77.5**	**4.2**	**0.0**	**877.8**
Loss allowance	-2.3	-2.0	-2.9	0.0	-7.2
Carrying amount	**793.8**	**75.5**	**1.3**	**0.0**	**870.6**

60.8. Credit risk exposure by region

The Addiko Group's country portfolio focuses on Central and South-Eastern Europe. The following table shows the break-down of exposure by region within the Group (at customer level):

EUR m

	31.12.2024	31.12.2023
SEE	6,105.1	6,120.4
Europe (excl. CEE/SEE)	531.8	354.7
CEE	433.3	384.2
Other	67.9	70.0
Total	**7,138.0**	**6,929.3**

60.9. Exposure by business sector and region

The following tables present the exposure by industry based on the classification code "NACE Code 2.0". This code is mapped into ten business sectors for reporting purposes.

The lower-risk business sector groups - financial institutions and the public sector - account for a share of 37.8% at YE24 (YE23: 35.8%). The well-diversified private customers sector accounts for a share of 29.4% (YE23: 24.3%).

EUR m

31.12.2024 Business sector	Europe (excl. CEE/SEE)	SEE	CEE	Other	Total
Private	2.4	2,089.6	9.7	0.4	2,102.1
Financial services	327.0	980.7	0.5	30.1	1,338.3
Public sector	196.1	704.2	423.0	33.4	1,356.7
Industry	3.9	871.7	0.0	2.9	878.6
Trade and commerce	0.0	454.4	0.0	0.0	454.4
Services	2.0	531.3	0.0	0.5	533.8
Real estate business	0.0	30.9	0.0	0.0	30.9
Tourism	0.0	61.7	0.0	0.3	62.0
Agriculture	0.0	34.4	0.0	0.0	34.4
Other	0.3	346.2	0.0	0.3	346.8
Total	**531.8**	**6,105.1**	**433.3**	**67.9**	**7,138.0**

EUR m

31.12.2023 Business sector	Europe (excl. CEE/SEE)	SEE	CEE	Other	Total
Private	1.7	1,674.0	4.8	0.1	1,680.6
Financial services	285.2	1,056.6	0.4	34.6	1,376.8
Public sector	61.1	632.5	378.9	32.2	1,104.7
Industry	4.6	909.2	0.0	3.0	916.9
Trade and commerce	0.1	527.2	0.0	0.0	527.3
Services	1.6	541.2	0.0	0.0	542.8
Real estate business	0.0	33.5	0.0	0.0	33.5
Tourism	0.0	64.9	0.0	0.0	64.9
Agriculture	0.0	43.8	0.0	0.0	43.8
Other	0.3	637.6	0.0	0.0	638.0
Total	**354.7**	**6,120.4**	**384.2**	**70.0**	**6,929.3**

The figures are broken down according to the country of the customer's registered office. Corporate and Consumer business is mainly focused on the Addiko Group's core countries in Central and South-Eastern Europe. The business strategy envisages a further increase in this portion, particularly in the Consumer business.

60.10. Presentation of exposure by overdue days

EUR m

31.12.2024	No Overdue	- overdue to 30 days	- overdue 31 to 60 days	- overdue 61 to 90 days	- overdue more than 90 days	Total
Consumer	1,981.3	71.0	9.3	5.3	50.0	2,116.9
SME	1,800.5	30.9	7.2	6.7	40.0	1,885.3
Non Focus	455.6	15.1	1.0	0.4	7.2	479.3
o/w Large Corporate	130.0	7.8	0.0	0.0	0.9	138.6
o/w Mortgage	304.7	5.9	1.0	0.4	6.3	318.3
o/w Public Finance	21.0	1.4	0.0	0.0	0.0	22.4
Corporate Center	2,656.3	0.2	0.0	0.0	0.0	2,656.5
Total	**6,893.7**	**117.2**	**17.5**	**12.4**	**97.2**	**7,138.0**

The volatile macroeconomic environment accompanied by inflationary pressures did not result in a material increase of days past due on the portfolio.

EUR m

31.12.2023	No Overdue	- overdue to 30 days	- overdue 31 to 60 days	- overdue 61 to 90 days	- overdue more than 90 days	Total
Consumer	1,804.7	66.5	9.0	5.2	39.5	1,924.9
SME	1,877.5	37.8	6.3	5.8	30.6	1,958.1
Non-Focus	599.3	10.2	1.4	1.5	22.5	634.9
o/w Large Corporate	183.1	6.1	0.0	0.0	10.6	199.7
o/w Mortgage	363.9	4.2	1.4	0.8	12.0	382.3
o/w Public Finance	52.2	0.0	0.0	0.7	0.0	53.0
Corporate Center	2,411.4	0.0	0.0	0.0	0.0	2,411.4
Total	**6,692.9**	**114.6**	**16.7**	**12.5**	**92.6**	**6,929.3**

60.11. Presentation of exposure by size classes

As of 31 December 2024 around 52.3% (YE23: 51.5%) of the exposure is found in the size range < EUR 1 million. The bank pursues a strict strategy of reducing concentration risk in the corporate banking area.

The amount of EUR 1,848.2 million (YE23: EUR 1,855.7 million) of exposure in the range > EUR 100 million is entirely attributable to national banks or the public sector. These transactions are necessary for securing liquidity, minimum deposit levels and long-term investments as well as for hedge transactions. The presentation is based on the group of borrowers (GoBs).

	31.12.2024		31.12.2023	
Size classes	Exposure EUR m	GoBs	Exposure EUR m	GoBs
< 10,000	703.8	407,617	662.5	371,782
10,000-50,000	1,665.9	82,741	1,536.3	77,300
50,000-100,000	247.8	3,581	257.1	3,678
100,000-250,000	393.5	2,506	371.5	2,367
250,000-500,000	392.7	1,112	391.9	1,114
500,000-1,000,000	330.7	487	347.8	497
1,000,000-10,000,000	842.3	369	982.3	421
10,000,000-50,000,000	481.5	18	386.7	16
50,000,000-100,000,000	231.6	3	137.4	2
> 100,000,000	1,848.2	9	1,855.7	9
Total	**7,138.0**	**498,443**	**6,929.3**	**457,186**

60.12. Breakdown of financial assets by degree of impairment

Overdue but not impaired financial assets:

EUR m

	31.12.2024		31.12.2023	
	Exposure	Collateral	Exposure	Collateral
Loans and advances to customers (on- and off-balance)				
- overdue to 30 days	108.6	13.0	109.2	12.0
- overdue 31 to 60 days	13.6	1.0	13.2	2.4
- overdue 61 to 90 days	5.2	0.2	5.2	0.3
- overdue 91 to 180 days	0.0	0.0	0.8	0.6
- overdue 181 to 365 days	0.0	0.0	0.0	0.0
- overdue over 1 year	0.0	0.0	0.0	0.0
Total	**127.3**	**14.3**	**128.4**	**15.4**

Impaired financial instruments:

EUR m

Loans and advances to customers (on- and off-balance)	31.12.2024	31.12.2023
Exposure	144.6	137.1
Provisions	115.7	111.6
Collateral	34.0	38.7

All financial assets triggering the stage 3 classification criteria as described in 12.4.2 are considered impaired and provisioned accordingly. Consequently, an impairment calculation according to note (61.1) “Method of calculating provisions” of the group financial statements 2024 is performed. Receivables with rating category 4A or worse are regularly tested for potential impairment triggers within the monitoring and pre-workout process.

60.12.1. Forbearance

Forbearance measures are defined as concessions towards a borrower facing or about to face difficulties in meeting its financial commitments (“financial difficulties”). Forbearance measures and risks are monitored by the operative risk units responsible for Corporate and Retail risk management. Additionally, forbearance measures represent an indicator that financial assets might be credit impaired.

The following chart provides an overview of the forbearance status at the Addiko Group during 2024. The on-balance figures reflect the carrying amount; the off-balance positions only include loan commitments:

EUR m

	01.01.2024	Classified as forborne during the year (+)	Transferred to non-forborne during the year (-)	Repayments and other changes (+/-)	31.12.2024
Central banks	0.0	0.0	0.0	0.0	0.0
General governments and government related entities	0.0	0.0	0.0	0.0	0.0
Credit institutions	0.0	0.0	0.0	0.0	0.0
Other financial corporations	0.0	0.0	0.0	0.0	0.0
Non-financial corporations	30.2	32.8	-4.3	-15.7	43.0
Households	31.2	5.5	-7.4	-3.7	25.5
Loans and advances	**61.4**	**38.4**	**-11.7**	**-19.4**	**68.5**
Loan commitments given	0.1	0.0	0.0	-0.1	0.0

The following table shows the forbearance status during 2023:

EUR m

	01.01.2023	Classified as forborne during the year (+)	Transferred to non-forborne during the year (-)	Repayments and other changes (+/-)	31.12.2023
Central banks	0.0	0.0	0.0	0.0	0.0
General governments and government related entities	0.0	0.0	0.0	0.0	0.0
Credit institutions	0.0	0.0	0.0	0.0	0.0
Other financial corporations	0.0	0.0	0.0	0.0	0.0
Non-financial corporations	54.3	6.4	-22.1	-8.3	30.2
Households	43.8	5.9	-12.9	-5.6	31.2
Loans and advances	**98.0**	**12.3**	**-34.9**	**-14.0**	**61.4**
Loan commitments given	0.2	0.0	0.0	-0.1	0.1

The forbearance exposure as of YE24 as well as of YE23 can be broken down as follows:

EUR m

	31.12.2024	Neither past due nor impaired	Past due but not impaired	Impaired
General governments and government related entities	0.0	0.0	0.0	0.0
Credit institutions	0.0	0.0	0.0	0.0
Other financial corporations	0.0	0.0	0.0	0.0
Non-financial corporations	43.0	13.3	3.6	26.1
Households	25.5	14.1	2.9	8.5
Loans and advances	**68.5**	**27.4**	**6.5**	**34.6**

EUR m

	31.12.2023	Neither past due nor impaired	Past due but not impaired	Impaired
General governments and government related entities	0.0	0.0	0.0	0.0
Credit institutions	0.0	0.0	0.0	0.0
Other financial corporations	0.0	0.0	0.0	0.0
Non-financial corporations	30.2	16.1	0.7	13.4
Households	31.2	17.5	2.4	11.3
Loans and advances	**61.4**	**33.6**	**3.1**	**24.7**

The following tables show the collateral allocation for the forbearance exposure at the YE24 as well as at the YE23:

EUR m

Internal Collateral Value (ICV) in respect of forborne assets	ICV	thereof CRE	thereof RRE	thereof financial collateral	thereof guarantees	thereof other
Large Corporate	8.3	8.3	0.0	0.0	0.0	0.0
Medium and Small Corporate	15.4	12.8	0.3	0.3	1.2	0.8
Retail	10.2	2.2	7.0	0.0	1.0	0.0
Total	**34.0**	**23.3**	**7.3**	**0.3**	**2.2**	**0.8**

EUR m

Internal Collateral Value (ICV) in respect of forborne assets	ICV	thereof CRE	thereof RRE	thereof financial collateral	thereof guarantees	thereof other
Large Corporate	0.0	0.0	0.0	0.0	0.0	0.0
Medium and Small Corporate	18.1	13.3	0.4	0.3	2.1	2.0
Retail	13.0	2.7	9.5	0.0	0.8	0.0
Total	**31.2**	**16.0**	**9.9**	**0.3**	**2.9**	**2.0**

(61) Risk provisions

61.1. Method of calculating risk provisions

The risk provisions were modelled on transactional level and reflect the most recent macroeconomic forecasts provided by the Vienna Institute for International Economic Studies (wiiw). After Spring 2024 forecasts when the likelihood for pessimistic scenario exhibited third consecutive downward revision that reflected high and persistent inflation shock being gradually absorbed by markets, with monetary policy adjusting for some time, it was kept stable towards the very end of the year. This was confirmed to some extent by simultaneous qualitative information on lower policy, business and forecasts uncertainties as recently measured by corresponding professional and consumer European surveys. Negative risks, such as the broadening of the military conflict in the Middle East and the more protracted (than initially assumed) economic weakness in the EU with German manufacturing crisis deepening and global market fragmentation, are being outweighed by positive factors in terms of both impact and likelihood. The latter include advancing monetary loosening and increased public investment, although, admittedly, the risks are heavily skewed in favour of negative outcomes still. Consequently, probability of the optimistic scenario remains low at 5%, and the baseline scenario at 65%.

Scenario probabilities	Baseline case	Optimistic case	Pessimistic case
YE23	60%	5%	35%
YE24	65%	5%	30%

The following table summarises the quantitative elements of the baseline case, upside (optimistic) case and downside (pessimistic) case scenarios for selected forward-looking information/variables used to estimate the ECL as of 31.12.2024. The figures represent the average value of the macroeconomic variables over the first 12 months and the remaining 2-year forecast period for the baseline case, as well as average values of the entire projection horizon (3-year) for the optimistic and pessimistic cases.

Scenario	Historical[1]		Baseline case		Optimistic case	Pessimistic case
Sample period			2025-2027			
Sub-sample	2023	2024e	First 12 months	Remaining 2-year period [2]	3-year period [2]	3-year period [2]
Real GDP (constant prices YoY, %)						
Croatia	3.1	3.3	2.7	2.8	5.0	-0.1
Slovenia	2.1	1.7	2.2	2.7	4.3	-0.5
Bosnia & Herzegovina	1.7	2.6	2.9	3.1	5.3	-3.0
Serbia	2.5	3.8	3.6	3.6	5.9	-4.0
Montenegro	6.3	3.5	3.7	3.2	5.7	-4.2
Euroarea	0.4	0.6	1.4	1.6	3.1	-0.1
Unemployment Rate (ILO, average %)						
Croatia	6.1	5.7	5.6	5.7	3.1	8.3
Slovenia	3.7	3.7	3.6	3.7	1.5	5.7
Bosnia & Herzegovina	13.2	13.3	13.0	12.9	11.5	14.3
Serbia	9.4	8.8	8.4	7.8	6.6	9.4
Montenegro	13.1	11.7	11.0	9.5	8.6	11.4
Euroarea	6.6	6.7	6.6	6.6	4.8	8.4
Real Estate (% of change)						
Croatia	11.9	9.0	6.5	5.0	12.8	-0.6
Slovenia	7.2	5.5	4.5	5.3	9.2	1.8
Serbia	9.3	7.0	5.0	5.0	10.5	3.1
Euroarea	-1.1	2.7	2.6	3.9	8.0	-0.2
CPI Inflation (average % YoY)						
Croatia	8.4	3.6	2.9	2.4	2.5	3.7
Slovenia	7.2	2.5	2.3	2.2	2.2	3.1
Bosnia & Herzegovina	6.1	2.2	2.1	2.5	2.3	11.1
Serbia	12.1	4.5	3.5	2.7	2.9	6.7
Montenegro	8.7	4.8	3.0	2.4	2.5	7.3
Euroarea	5.4	2.5	2.2	2.0	1.8	3.2

[1] Subject to statistical revisions. [2] The numbers represent average values for the quoted periods.
Source: WIIW (October 2024)

The following table provides quantitative aspects of the baseline case, upside (optimistic) case and downside (pessimistic) case scenarios for selected forward-looking information/variables used to estimate the ECL as of 31 December 2023.

Scenario	Historical	Baseline case			Optimistic case	Pessimistic case
Sample period			2024-2026			
Sub-sample	2022	2023	First 12 months	Remaining 2-year period[1]	3-year Period [1]	3-year Period [1]
Real GDP (constant prices YoY, %)						
Croatia	6.2	2.5	2.9	2.9	5.0	0.2
Slovenia	2.5	1.3	2.7	2.9	4.4	0.0
Bosnia & Herzegovina	3.9	1.7	1.9	2.1	4.3	-4.0
Serbia	2.3	1.5	2.0	2.5	4.7	-5.2
Montenegro	6.4	4.5	2.9	2.9	5.2	-4.7
Euroarea	3.3	0.5	1.2	1.6	3.0	0.0
Unemployment Rate (ILO, average %)						
Croatia	7.0	6.8	6.7	6.5	4.2	8.9
Slovenia	4.0	3.7	3.7	3.7	1.8	5.6
Bosnia & Herzegovina	15.4	13.8	13.5	13.1	11.8	14.6
Serbia	9.4	9.5	9.0	8.3	7.1	9.9
Montenegro	14.7	13.8	13.1	11.8	10.8	13.6
Euroarea	6.8	6.6	6.6	6.6	4.8	8.4
Real Estate (% of change)						
Croatia	14.8	9.0	6.5	5.0	12.5	-0.3
Slovenia	14.7	-1.5	0.6	3.8	6.7	-0.4
Serbia	17.2	2.0	2.5	3.3	8.2	1.5
Euroarea	7.1	-1.3	-0.1	2.6	5.8	-1.5
CPI Inflation (average % YoY)						
Croatia	10.7	7.5	4.0	2.8	2.6	4.9
Slovenia	9.3	7.2	3.6	2.5	2.2	4.3
Bosnia & Herzegovina	14.0	7.5	3.0	2.5	2.0	12.0
Serbia	11.9	12.5	5.5	3.3	3.3	8.3
Montenegro	13.0	9.1	5.0	2.7	2.8	8.7
Euroarea	8.4	5.7	3.2	2.3	1.7	4.4

[1] The numbers represent average values for the quoted periods.

The baseline forecast is the outcome of assessment of current economic developments, medium-term outlooks in the real and financial sector, and risks surrounding them. Alternative scenarios are differentiated by:

(i) the stance on economic and geopolitical risks, mainly reflecting the prolonged war conditions in Ukraine, further trade fragmentation and resurgence of protectionism;
(ii) climate transition risks reflecting assumptions on decarbonisation policies impacting core economic scenarios.

The calibration of economic shocks that leads to core alternative scenarios is implicitly derived from the last available EBA´s stress testing assumptions, i.e. any factor of conservativism that affected original deviation from the baseline path in EBA´s exercise is indirectly transposed into the internal framework. Technically, the core adverse scenario (not shown in the table above as it is used for internal stress testing and not in ECL calculation) depends on EBA´s deviation of adverse to baseline, which is imposed to wiiw´s baseline trajectories. Optimistic and pessimistic cases are half of the deviation used as described above. On the other hand, climate-related and environmental risk factors were calibrated based on econometric modelling of carbon pricing policies (vector auto-regression model developed by wiiw). They are specifically designed only for negative scenarios, while the baseline and optimistic case are already assumed to reflect climate effects stemming from “Paris Agreement setting” that implies no carbon dioxide removal efforts beyond the already established limits keeping the global warming below 2.5°C. Therefore, the climate effects in the baseline and optimistic scenarios are not quantitatively isolated at this stage, while for the negative scenarios they are added as annual deviations on top of core economic scenario values, reflecting carbon pricing policies targeting more ambitious limits of emissions, i.e. to reduce global warming below 1.6°C. This leads to asymmetrically dispersed distribution of potential outcomes, conditional on risk assessment and its materialisation.

The respective narratives are as follows:

- **Baseline**: The global economy is expected to continue its steady growth during the forecast period, albeit skewed in favour of USA and India, rather than EU and China. What is more, zooming in on the Euro area, the Germany´s growth model is breaking down under pressure coming from international competition and recent energy price shocks (most pronounced in the manufacturing sector). This will most likely shape its delayed slow recovery facing serious structural and cyclical challenges ahead. This provides focal risk context for regional markets and is especially important for Addiko´s operations. Nevertheless, widespread inflation moderation, and favourable labour market developments, ensure confidence in a relatively optimistic outlook for the euro area with its economic activity most likely picking up in 2025 and continue on its steady path over the simulation horizon. Therefore, from regional perspective external demand will remain strong, while internal consumption remains invigorated by recent real wage adjustments and rapid drawdown of NGEU funds (the latter especially relevant for Croatia and Romania). So far, the Addiko´s markets proved shielded from geopolitical risks for reasons of greater distance from the war operations, limited pre-war trade and investment links with Russia and Ukraine, a large share of renewable energy in total consumption, and the ability to quickly source alternative sources of energy such as LNG. Overall, one can expect than that these markets will continue to outperform rest of CESEE region and EU average. Over the short-term period (3Y horizon), Addiko group of countries can be expected to grow at 3,1%, with Serbia and Montenegro in the lead, but others closely following this rate of expansion. Due to the moderation of inflation (expected universally to fall below 3% by end of 2025) and with monetary policy gradually being loosened, one can expect favourable real wage dynamics and continuous credit growth in the short-run, supporting regional private consumption. Although fiscal consolidation is expected to take place in these economies over the simulation period, the scale of it should not undermine short-run trends described. Another common trail of these economies lies in the present labour shortages that helped wage growth and consumption recovery, but in case they continue to widen it could eventually hamper potential growth convergence paths. This was off-set to some extent by migrant labour supply, but currently it is difficult to assess its longer term utilisation. Turning to the climate risks, during 2024 one could observe potential political shift away from the prioritisation of the green agenda. Although policy implications of this remain unclear, the EC's continued commitment to the green agenda. The European Green Deal (EGD), proposed in 2019 and under implementation, remains the umbrella framework for the EU's climate efforts aimed at a climate-neutral continent by 2050. In February 2024, the European Commission proposed targets for reducing net GHG emissions in the EU by 90% by 2040 compared to 1990 levels. On current performance, the EU is projected to achieve total GHG emission reductions of 51% by 2030, four percentage points below the agreed target. The largest current initiative to incentivise the green transition is the Green Deal Industrial Plan, which builds upon the EUR 300 million disbursed through RePowerEU since May 2022 to mitigate the energy-related disruption caused by the full-scale invasion of Ukraine. Finally, in June 2023 the EU reformed its Emissions Trading System (ETS), a cap-and-trade set of regulations in place since 2005, aiming to increase the emissions covered by it and channel a larger share of the funds obtained through the scheme back into the EU budget. From 2026 onwards, the EU will fully launch a Carbon Border Adjustment mechanism, which puts a fee on goods imported from countries without sufficient climate mitigation, which the Commission expects will generate about EUR 1.5 billion per year for the EU budget by 2028. Nonetheless, the countries in Addiko´s focus are far from the global frontier in implementing the climate change mitigation policies. Considering that most of the physical risks are skewed towards the second half of the century, it can be expected that both the transition and physical risks are to remain minor over the forecast period.

- **Optimistic**: positive scenario assumes that active warfare between Russia and Ukraine ends by Q1 2025, with an effective stalemate followed by lengthy political negotiations, with gradual easing of trade restrictions for essential commodities as a result. The ability to re-open trade routes relieves pressure from the markets for food and metals, putting downward price pressures. Inflation should stay moderate even as the economy becomes more vibrant due to geopolitical risks, like tensions between the US and China as well as the warfare in the Middle East, subside. One could expect than that global energy markets stabilise, and global manufacturing continues to recover. New credit risks do not materialise, emerging markets enjoy increased capital inflows and currency appreciations. This would increase consumption levels and open possibilities for higher investment rates that would enable European economies to grow considerably faster, even more so for Addiko sample of countries. Regional scenario gains for this sample could surpass 2 percentage points in relation to the baseline growth over the 2025-27 period, with Non-EU sub-sample of countries growing faster than the rest. For the period 2027-28, macroeconomic indicators are simulated to converge to the baseline scenario, according to the assumption that in the long run the economy will operate on its potential level, although reached by growth moderation in this scenario. These conditions may foster strengthening of the ambition regarding the greenhouse gas emissions and policies advocated by largest CO2 emitters, but one can still expect, in line with the latest Climate Action Tracker, that policy ambitions will stay within existing unconditional nationally determined contributions (NDC) commitments, i.e. individual country plans to reduce its emissions follow the Paris Agreement. Therefore, increases in carbon pricing over the forecast horizon is not to be expected and what is more, regional climate policy variations will remain quite low.

- **Pessimistic**: The negative scenario assumes that active warfare between Russia and Ukraine continues – or even intensifies - with poor prospects for negotiations until the end of next year. Global prices of essential goods would therefore certainly increase due to trade fragmentation caused by EU and G7 gradually expanding the scope of secondary sanctions and a resurgence of protectionism, which of course jointly contribute to the upward price pressures and more volatile capital flows. Monetary policy loosening is advancing less rapidly than in the baseline scenario, and credit risks materialise in real estate markets outside the EU, although probably without unmanageable negative externalities to the EU financial system. Republican administration takes over in the US, resulting in a reduction of support to Ukraine and a weakening of security assurances to other NATO countries, as well as an increase in trade barriers with China and EU. Major global leaders continue to protract the implementation of climate change policies and opt for protecting local industries instead. In this case major nations tighten climate policies gradually, giving a 67% chance of keeping global warming below 2°C. This scenario assumes that climate policies are implemented immediately and gradually become more stringent, though not to the same extent as in the scenario of net-zero GHG emissions by 2050. CO2 emissions will be zero only by 2070. CDR deployment is relatively low. Of course, one has to admit there is a sizable chance that the global leaders may fail to coordinate on implementation of the climate action programs beyond the nationally determined contributions, which may be the source of additional risks and disturbances in both directions. Overall output loss for regional markets, in terms of GDP contraction in relation to the baseline trajectories, amounts to -5.4%.

The 31 December 2024 financial statements include also a post model adjustment (PMA) of EUR 1.4 million, which is a decrease of EUR 5.1 million from the PMA in the consolidated financial statements as of 31 December 2023. The determination of the PMA amount is based on the difference between the ECL calculated using the through-the-cycle probability of default, and the ECL calculated using the point-in-time probability of default.

The decrease of the PMA reflects the improvement of IFRS9 PD models across Addiko Group, which are now better suited to correctly estimated probability of default within the macro-economic uncertainties. The remaining PMA is booked only in Addiko Bank Slovenia for the sub-portfolios of retail clients where no sufficient data history exists for precise PD modelling, and Addiko Bank Montenegro where the current model estimating the correlation between default rates and macro-economic changes is considered to still contain a level of uncertainty which should be compensated by the PMA.

The following table illustrates the weighted impairment allowance as well as the results of the sensitivity analysis where stage 1 and stage 2 ECLs are measured under each scenario with 100% weight. The sensitivity analysis is based on the baseline ECL excluding the applied management adjustment, which is included in the total ECL stock after probability weighting the ECL of each scenario. The assumed distribution of scenario probabilities (baseline 65%, optimistic 5% and pessimistic 30%) allows the Group to cover the broad range of future expectations.

EUR m

31.12.2024	ECL incl. post model adjustment	ECL excl. post model adjustment	Optimistic scenario	Baseline scenario	Pessimistic scenario
Retail	33.4	32.0	28.9	31.0	34.7
Non-Retail	23.0	22.9	20.1	22.2	25.0
Corporate Center	0.4	0.4	0.3	0.4	0.5
Total	**56.8**	**55.4**	**49.2**	**53.6**	**60.2**

EUR m

31.12.2023	ECL incl. post model adjustment	ECL excl. post model adjustment	Optimistic scenario	Baseline scenario	Pessimistic scenario
Retail	31.6	30.8	29.6	30.4	31.6
Non-Retail	25.2	19.5	17.7	19.0	20.8
Corporate Center	0.8	0.8	0.6	0.7	0.9
Total	**57.6**	**51.1**	**47.9**	**50.1**	**53.4**

61.2. Development of risk provisions

The development of risk provisions during2024 is mainly influenced by provision requirements in the consumer portfolio (EUR 20.4 million Cost of Risk) as well as by provisions for big tickets within the SME segment (EUR 27.3 million Cost of Risk) - mainly in Addiko Bank Slovenia, Addiko Bank Croatia, Addiko Bank Banja Luka and Addiko Bank Serbia - strongly driven by allocation in the NPE portfolio. Tables showing the development of risk provisions are included in note (40.2) Loans and advances to customers. The overall ECL coverage for performing loans (stage 1 and 2) remains on the same level as YE23 (1.3%), leading to minor P/L effects on the performing portfolio. Despite the tense macroeconomic environment, Addiko Group's asset quality remained stable during 2024. Despite the new allocations of EUR 87.9 million provisions in stage 3 during the reporting period (2023: EUR 43.5 million), the combined effect of collections and write offs of EUR 61.2 million (2023: EUR 55.5 million) helped to stabilise the overall NPE ratio as well as associated risk provisions.

61.3. Changes in the calculation of portfolio risk provisions

Based on the ongoing model improvement framework at the Addiko Group, updates are performed regularly to make sure that the latest available information is considered and that methodologies are improved and aligned with portfolio development and market practice. During 2024 several changes were implemented:

- The IFRS9 PD models were reviewed and improved for all segment and entities, followed by almost complete release of the post-model adjustment booked in 2023
- Addiko switched to classification of staging based on the lifetime PD
- Low credit risk exemption was removed from the staging methodology for private individuals

61.4. Development of the coverage ratio

The NPE coverage ratio 1 (80.0%) slightly reduced compared to the YE23 (80.9%). Reductions are recognised in Addiko Bank Serbia, Addiko Bank Banja Luka and Addiko Bank Slovenia – and are mainly driven by the SME portfolio due to realised write offs of highly provisioned clients.

The following tables show the NPE and coverage ratios at YE24 and YE23:

EUR m

31.12.2024	Exposure	NPE	Provisions	Collateral (NPE)	NPE Ratio	NPE Ratio (On-balance loans)	Coverage Ratio 1	Coverage Ratio 3
Consumer	2,116.9	67.2	54.8	0.1	3.2%	3.4%	81.5%	81.8%
SME	1,885.3	53.5	41.5	15.7	2.8%	3.8%	77.6%	106.9%
Non Focus	479.3	24.0	19.4	18.2	5.0%	5.8%	80.8%	156.9%
o/w Large Corporate	138.6	11.3	9.5	8.4	8.2%	19.4%	84.1%	158.0%
o/w Mortgage	318.3	11.3	9.0	9.1	3.5%	3.5%	80.2%	160.9%
o/w Public Finance	22.4	1.4	0.8	0.8	6.2%	6.8%	59.1%	115.8%
Corporate Center	2,656.5	0.0	0.0	0.0	0.0%	0.0%	75.1%	75.1%
Total	**7,138.0**	**144.7**	**115.7**	**34.1**	**2.0%**	**2.9%**	**80.0%**	**103.5%**
o/w Credit Risk Bearing	**4,633.0**	**144.7**	**115.7**	**34.1**	**3.1%**	**3.7%**	**80.0%**	**103.5%**

EUR m

31.12.2023	Exposure	NPE	Provisions	Collateral (NPE)	NPE Ratio	NPE Ratio (On-balance loans)	Coverage Ratio 1	Coverage Ratio 3
Consumer	1,924.9	57.7	46.6	0.4	3.0%	3.3%	80.8%	81.4%
SME	1,958.1	45.7	37.4	13.1	2.3%	3.1%	81.8%	110.4%
Non-Focus	634.9	34.5	27.6	26.0	5.4%	6.5%	79.9%	155.0%
o/w Large Corporate	199.7	14.1	11.0	9.6	7.1%	13.8%	78.1%	146.0%
o/w Mortgage	382.3	18.3	15.0	15.0	4.8%	4.8%	82.0%	163.8%
o/w Public Finance	53.0	2.1	1.6	1.4	4.0%	4.9%	73.2%	139.7%
Corporate Center	2,411.4	0.0	0.0	0.0	0.0%	0.0%	1.6%	1.6%
Total	**6,929.3**	**138.0**	**111.6**	**39.4**	**2.0%**	**2.8%**	**80.9%**	**109.4%**
o/w Credit Risk Bearing	**4,619.6**	**138.0**	**111.6**	**39.4**	**3.0%**	**3.6%**	**80.9%**	**109.4%**

(62) Measurement of real estate collateral and other collateral

Addiko is using conservative haircuts in the calculation of internal collateral values, which buffer potential losses. Furthermore, all eligible collateral values are recorded at their original value established at loan origination (i.e. not indexed upwards). They are regularly monitored and, a re-assessment of the market values for collaterals was not considered to be necessary in the preparation of the year end financial statements.

Pursuant to the Addiko Group Collateral Management Policy and the Addiko Group Real Estate Valuation Policy values of residential real estate (RRE) are monitored at least once every three years. All commercial real estate (CRE) and all real estates which are collateral for NPE or FB exposures (both CRE and RRE) are monitored annually. The monitoring of all commercial real estate is performed on an individual level if the market value is above EUR 1.0 million. The market value of the properties with value below 1 million is monitored using a statistical model. Thresholds for individual monitoring for residential real estate are more conservative, and those correspond to all RRE with market value of over EUR 400,000 are monitored manually. The market values of residential real estate with MV below EUR 400,000 are monitored statistically. Any outliers identified through statistical monitoring (CRE and RRE) are additionally monitored manually.

The following table shows the development of the internal collateral values (ICV):

EUR m

Collateral Distribution	31.12.2024	31.12.2023
Exposure	7,138.0	6,929.3
Internal Collateral Value (ICV)	644.1	806.6
thereof CRE	211.6	268.2
thereof RRE	285.6	335.1
thereof financial collateral	16.4	30.9
thereof guarantees	102.5	129.8
thereof other	28.0	42.7
ICV coverage rate	**9.0%**	**11.6%**

The predominant part of the collaterals is provided for loans and advances (negligible collaterals for other exposure types). The decline in gross exposure has correspondingly led to a reduction in the internal collateral value. Specifically, the value of residential real estate used as collateral for mortgage loans has decreased, reflecting a decline in the mortgage loan portfolio within the non-Focus segment. The collateral coverage at YE24 (9.0%) is gradually reducing compared to YE23 (11.6%).

(63) Market risk

63.1. Definition

Market risks consist of potential losses arising from a change in market prices. The Addiko Group structures market price risks according to the risk factors in interest rate, credit spread, currency and equity price risk. The Addiko Group places a special emphasis on identifying, measuring, analysing and managing market risk. Market price risks may result from securities (and products similar to securities), money and foreign currency products, derivatives, exchange rate hedges, assets similar to equity or from the management of assets and equity/liabilities. In addition to market risks, market liquidity risks may also arise if, in the event of low market demand, the bank is unable to sell trading positions during liquidity bottlenecks (or due to risk-based offsetting requirements) in the short-term. For existing positions, these are taken into account as part of the risk limitations for market risks.

63.2. Risk Management

The Addiko Group calculates market risk as part of daily monitoring with value-at-risk (VaR) methods on the basis of a one-day holding period, with a confidence level of 99.0%. The VaR risk measure estimates the potential loss over the given holding period for a specified confidence level. The VaR methodology is a statistically defined, probability-based approach that takes into account market volatilities as well as risk diversification by recognising offsetting positions and correlations between products and markets. Risks can be measured consistently across all markets and products, and risk measures can be aggregated to arrive at a single risk number. The one-day 99.0% VaR number used by the bank reflects the 99.0% probability that the daily loss should not exceed the reported VaR. The VaR methodology employed to estimate daily risk numbers is a Monte Carlo simulation with 10,000 runs, or a simulation under Variance-Covariance method. While the latter method is used to estimate interest rate risk for non-trading activities, the Monte Carlo approach is then used to estimate potential losses of other market risk types. The bank uses VaR to capture potential losses arising from changes in the risk free rates, security issuers' credit margins, foreign exchange rates, equity prices and commodity prices. All VaR methods in place rest on assumption of exponentially weighted moving averages and correlations in the market risk factors collected for the historical series of 250 days.

63.3. Overview – market price risk

63.3.1. Interest rate risk

The value at risk of the interest rate risk (including the interest rate risk of the trading book) for the Addiko Group per 31.12.2024 is EUR 2.4 million (YE23: EUR 1.1 million). The interest rate gap profile for the Addiko Group contains all interest-rate-sensitive items (Assets, liabilities and off-balance-sheet items in the non-trading book) which are either contractually fixed, floating or based on behavioural assumptions. The stochastic cash flows are illustrated using uniform Group standards as well as local models for country-specific transactions. All interest sensitive items in the balance sheet are taken as the basis for calculating economic value and earnings-based measures, as well as other measures of IRRBB, based on the interest rate shock and stress scenarios. Any non-interest-sensitive items are not comprised in the interest risk calculation but dealt with in association with other risk factors, such as the participation risk.

The methodology of regulatory interest risk calculation is based on the EBA Guidelines on the management of interest rate risk arising from non-trading activities (EBA/GL/2022/14) and the Guidelines on IRRBB and credit spread risk arising from non-trading book activities (CSRBB).

Regulatory requirements state that impact on EVE (Economic Value of Equity) of scenarios 1 to 6 as set out in Annex III of EBA/GL/2022/14 and the final draft RTS (Regulatory Technical Standards) on IRRBB supervisory outlier tests (SOT – Supervisory Outlier Tests), may not exceed 15% of Tier 1 capital, with the relevant risk estimation at 5.6% at 31.12.2024 versus 4.8% at 31.12.2023.

Sensitivity to interest rate movements based on the internal calculation models:

EUR m

2024	25bps decrease	50bps decrease	75bps decrease	100bps decrease	125bps decrease
Impact on NII	-2.1	-3.2	-3.6	-4.9	-6.0
Impact on equity	-5.4	-9.9	-13.9	-18.6	-23.1

EUR m

2023	25bps decrease	50bps decrease	75bps decrease	100bps decrease	125bps decrease
Impact on NII	-2.7	-4.4	-5.0	-6.6	-8.3
Impact on equity	-7.0	-13.0	-18.1	-24.1	-30.1

63.3.2. Foreign exchange risk

The database for determining the value at risk for foreign exchange risks at the Group level of the Addiko Group is based on the figures in the regulatory report as well as positions arising from participations, and contains operational business activities. Foreign exchange risk thereby covers the entire FX risk of the Addiko Group. The main foreign exchange risk drivers are the RSD and USD currencies. The total volume of open currency positions is at EUR 353.9 million as of 31 December 2024, which was slightly higher than the volume of EUR 351.8 million per 31 December 2023. The value at risk for foreign exchange risk was EUR 0.2 million per day as at 31 December 2024 versus EUR 0.2 million value at risk as at 31 December 2023, with both figures at a confidence interval of 99.0%. The limit of EUR 0.2 million was adhered to as at 31 December 2024.

Aside from foreign exchange risk from operating activities, the majority of the Addiko Group's exposure to foreign exchange risk implicitly arises from the parent company's participations in the company Addiko Bank a.d. Beograd, where the share capital is booked in the local currency and secondly invested in the same currency in the local asset-side business. In addition to monitoring VaR in respect of foreign currency, the Addiko Group also monitors any concentration of relevant single foreign exchange positions on single currency level – this is reported on monthly basis within the Group Asset Liability Committee.

63.3.3. Equity risk

The equity instruments held in the Group is susceptible to market price risks, which arise from the uncertainty surrounding the future value of these shares. Exposure to equity risk under the standard VaR methods implemented in Addiko Group is estimated at EUR 0.2 million as of 31 December 2024 against the estimation of EUR 0.1 million as of 31 December 2023. Size of risk exposure to movements in equity market prices is seen as low given that Addiko Group's strategy is, in general, not to invest into such asset classes. If the comparison is done on each separate risk type, equity risk exposure thus displays that no major concentration risk arises from therein.

63.3.4. Credit spread risk

The credit spread risk within the Addiko Group stood at EUR 0.8 million at 31 December 2024 with a one-day value at risk and a confidence level of 99.0%, versus value at risk of EUR 0.7 million as at 31 December 2023. The greatest influencing factor in credit spread risk is the holding of liquidity reserves in the form of securities in the Addiko entities in Croatia and Serbia. In addition to monitoring VaR in respect to the credit spread risk, the Addiko Group also monitors concentration risks within the bond portfolio – within the respective risk reports concentrations on single bank level of the bond portfolio over the whole Addiko Group are monitored as well as concentrations of bonds within the categories of government bonds, financial bonds as well as corporate bonds.

The following table shows the estimated values of market risks, which Addiko uses for internal risk management:

EUR m

	31.12.2024	31.12.2023
Interest Rate Risk (Banking and Trading Book)	56.2	23.4
Credit Spread Risk	18.1	15.2
Foreign Exchange Risk	3.6	3.5
Equity Risk – Investments	4.0	1.9
Equity Risk – Client Default	0.1	0.1

Total market risk exposure was higher at year end 2024 compared with the end of the year 2023, highly influenced by the higher volatility arising from the interest rate and credit spread risk.

The business and investment strategy of Addiko Bank follows further a prudent definition based on a Hold-to-Collect business model.

(64) Liquidity risk

64.1. Definition

The Addiko Group defines liquidity risk as the risk of not being able to fully or timely meet obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risks also includes the risk, in the event of a liquidity crisis, to only being able to procure refinancing at increased market rates, or only being able to sell assets if a discount has been included to the market prices. Liquidity risk arises from mismatches in the timing and amounts of cash flows, which is inherent to the Group's operations and investments.

64.2. Management of liquidity risk

The controlling and management of liquidity at Group level is under the responsibility of Group Treasury & ALM. It is here that the steering of situational and structural liquidity and the coordination of funding potential at Group level takes place. The local treasury units are responsible for operational liquidity steering and liquidity offset. The liquidity risk control at Group level is under the responsibility of Group Market & Liquidity Risk Management. At a local level, the respective risk control units are in charge. Risk measurement and mitigation as well as timely and consistent reporting are carried out there.

The Group's approach in managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Addiko Group has liquidity contingent plans in place, which set out the instruments and the measures required to avert imminent crises or to overcome acute crises. A bundle of different liquidity reserves, including also ECB-eligible securities, ensures the Addiko Group's solvency at all times, even during crisis situations.

Regular liquidity stress testing is conducted under a variety of scenarios, developed taking into account market-related events (e.g. prolonged market illiquidity, reduced fungibility of currencies, natural disasters or other catastrophes) and Group-specific events (e.g. a reputation deterioration).

64.3. Exposure to liquidity risk

The liquidity position of the Group remained strong, with the Loan to deposit ratio (LDR) (net) of 66.3% (YE23: 69.3%).

The Group primarily manages its liquidity position via the liquidity coverage ratio (LCR), which the regulator defines as the ratio of a credit institution's liquidity buffer to its net liquidity outflows over a 30 calendar day stress period. In 2024 the LCR has moving between its lowest level of 341.4% in May 2024 and its peak of 416.0% in March 2024 (during 2023 the LCR was moving between 301.0% in November and 361.0% in March) and was significantly above the minimum regulatory requirement of 100%.

The following table represents levels of liquidity coverage ratio reached by the Group in 2024 and 2023 and calculated out of monthly values:

	31.12.2024	31.12.2023
End of period	363.2%	313.4%
Average for the period	373.0%	324.7%
Maximum for the period	416.0%	361.0%
Minimum for the period	341.4%	301.0%

In addition to the LCR ratio, the Group manages its long-term liquidity through the regulatory Net Stable Funding Ratio (NSFR). The NSFR ratio is a liquidity standard requiring banks to hold sufficient stable funding to cover the duration of their long-term assets.

In 2024, the NSFR has been moving between its lowest level of 169.8% in May 2024 and its peak of 182.0% in September 2024 (during 2023 the NSFR was moving between 167.1% in October and 171.7% in September).

The following table represents levels of NSFR ratio obtained by the Bank in 2024 and 2023 and calculated out of monthly values:

	31.12.2024	31.12.2023
End of period	180.3%	170.2%
Average for the period	173.7%	169.4%
Maximum for the period	182.0%	171.7%
Minimum for the period	169.8%	167.1%

64.4. Maturity analysis

64.4.1. Contractual maturities

The following tables set out the contractual maturities of undiscounted cash flows of the Group's financial liabilities and off-balance:

EUR m

31.12.2024	daily due	up to 3 months	from 3 months to 1 year	from 1 year to 5 years	> 5 years	up to 1 year	over 1 year	Total
Cash and cash equivalents	1,223.2	28.2	0.0	0.0	0.0	1,251.5	0.0	1,251.5
Financial assets held for trading	0.0	1.2	0.1	4.2	9.8	1.4	14.0	15.4
Financial assets mandatorily at FVTPL	1.4	0.0	0.0	0.0	0.0	1.4	0.0	1.4
Financial assets at FVTOCI	14.9	20.5	76.7	558.5	94.8	112.1	653.2	765.3
Financial assets at amortised cost	294.3	332.6	917.6	2,521.9	954.8	1,544.5	3,476.7	5,021.1
Total	**1,533.8**	**382.6**	**994.4**	**3,084.6**	**1,059.4**	**2,910.8**	**4,143.9**	**7,054.8**
Financial liabilities held for trading	0.0	0.3	3.2	0.8	0.0	3.6	0.8	4.3
Financial liabilities at amortised cost	3,307.5	750.3	1,159.7	261.5	7.3	5,217.5	268.8	5,486.3
Loan commitments	240.9	19.2	81.6	55.7	15.0	341.7	70.8	412.5
Financial guarantees	4.7	9.8	23.5	15.3	3.9	38.1	19.2	57.3
Other commitments	12.6	56.5	158.8	129.1	6.4	227.8	135.5	363.3
Total	**3,565.7**	**836.2**	**1,426.9**	**462.4**	**32.6**	**5,828.7**	**495.0**	**6,323.8**

EUR m

31.12.2023	daily due	up to 3 months	from 3 months to 1 year	from 1 year to 5 years	> 5 years	up to 1 year	over 1 year	Total
Cash and cash equivalents	1,022.2	225.0	4.0	3.2	0.1	1,251.2	3.3	1,254.5
Financial assets held for trading	0.9	8.5	16.6	1.9	2.2	26.0	4.1	30.1
Financial assets mandatorily at FVTPL	0.3	1.8	0.0	0.0	0.0	2.1	0.0	2.1
Financial assets at FVTOCI	54.1	29.9	96.1	511.6	87.5	180.1	599.1	779.2
Financial assets at amortised cost	151.9	404.7	815.8	2,328.0	980.9	1,372.5	3,308.9	4,681.4
Total	**1,229.4**	**669.9**	**932.5**	**2,844.7**	**1,070.7**	**2,831.9**	**3,915.4**	**6,747.3**
Financial liabilities held for trading	1.3	2.6	0.0	0.3	0.0	3.9	0.3	4.2
Financial liabilities at amortised cost	3,059.0	995.6	841.1	317.4	35.1	4,895.7	352.5	5,248.3
Loan commitments	389.4	6.1	18.0	11.7	7.4	413.5	19.1	432.6
Financial guarantees	28.6	1.6	2.1	17.5	16.1	32.3	33.6	65.9
Other commitments	227.2	0.6	21.9	93.0	36.6	249.7	129.6	379.3
Total	**3,705.5**	**1,006.5**	**883.1**	**439.9**	**95.2**	**5,595.1**	**535.1**	**6,130.3**

2023 disclosures have been amended to present only financial instruments in line with IFRS 7 disclosure requirements.

The amounts in the table above have been compiled as follows:

Type of financial instrument	Basis on which amounts are complied
Non-derivative financial liabilities	Undiscounted cash flows, which include estimated interest payments.
Issued financial guarantee contracts, and unrecognised loan commitments	Earliest possible contractual maturity. For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.
Derivative financial liabilities and financial assets held for risk management purposes	Contractual undiscounted cash flows.
Trading derivative liabilities and assets forming part of the Group's proprietary trading operations that are expected to be closed out before contractual maturity	Fair values at the date of the statement of financial position. This is because contractual maturities do not reflect the liquidity risk exposure arising from these positions. These fair values are disclosed in the 'daily due' column.
Trading derivative liabilities and assets that are entered into by the Group with its customers	Contractual undiscounted cash flows. This is because these instruments are not usually closed out before contractual maturity and so the Group believes that contractual maturities are essential for understanding the timing of cash flows associated with these derivative positions.

The Group's expected cash flows on some financial assets and financial liabilities vary significantly from the contractual cash flows. The principal differences are as follows:

- demand deposits from customers are expected to remain stable or increase;
- unrecognised loan commitments are not all expected to be drawn down immediately; and
- unsecured retail loans have an original weighted average life of 3.4 years but an average expected life of 2.4 years because customers take advantage of early repayment options.

64.4.2. Expected maturities

The following table sets out the carrying amount of assets and liabilities by remaining maturities, taking into consideration the period between the reporting date and the expected payment date for the receivable or liability. Where receivables or liabilities fall due in partial amounts, the remaining maturity is reported separately for each partial amount.

EUR m

31.12.2024	daily due	up to 3 months	from 3 months to 1 year	from 1 year to 5 years	> 5 years	up to 1 year	over 1 year	Total
Cash and cash equivalents	964.6	234.8	24.1	27.9	0.0	1,223.5	27.9	1,251.4
Financial assets held for trading	0.0	1.2	0.0	3.8	9.5	1.2	13.2	14.4
Financial assets mandatorily at fair value through profit or loss	1.4	0.0	0.0	0.0	0.0	1.4	0.0	1.4
Financial assets at fair value through other comprehensive income	14.9	16.7	65.7	497.3	92.2	97.2	589.5	686.8
Financial assets at amortised cost	183.9	403.3	1,054.8	2,104.6	580.3	1,642.1	2,685.0	4,327.1
Tangible assets	0.0	0.0	0.0	0.0	55.4	0.0	55.4	55.4
Intangible assets	0.0	0.0	0.0	0.0	25.7	0.0	25.7	25.7
Tax assets	30.8	0.0	0.0	0.0	0.0	30.8	0.0	30.8
Current tax assets	2.1	0.0	0.0	0.0	0.0	2.1	0.0	2.1
Deferred tax assets	28.6	0.0	0.0	0.0	0.0	28.6	0.0	28.6
Other assets	14.8	0.0	0.0	0.0	0.0	14.8	0.0	14.8
Non-current assets and disposal groups classified as held for sale, financial instruments	1.0	0.0	0.0	0.0	0.0	1.0	0.0	1.0
Total	**1,211.5**	**656.0**	**1,144.6**	**2,633.6**	**763.1**	**3,012.1**	**3,396.7**	**6,408.8**
Financial liabilities held for trading	0.0	0.3	3.2	0.8	0.0	3.6	0.8	4.3
Financial liabilities measured at amortised cost	1,242.3	810.6	1,373.4	1,422.4	573.1	3,426.3	1,995.5	5,421.7
Provisions	94.1	0.0	0.0	0.0	0.0	94.1	0.0	94.1
Tax liabilities	5.0	0.0	0.0	0.0	0.0	5.0	0.0	5.0
Current tax liabilities	3.3	0.0	0.0	0.0	0.0	3.3	0.0	3.3
Deferred tax liabilities	0.0	0.0	0.0	1.7	0.0	0.0	1.7	1.7
Other liabilities	44.2	0.0	0.0	0.0	0.0	44.2	0.0	44.2
Total	**1,385.6**	**810.9**	**1,376.6**	**1,423.2**	**573.1**	**3,573.1**	**1,996.3**	**5,569.3**

EUR m

31.12.2023	daily due	up to 3 months	from 3 months to 1 year	from 1 year to 5 years	> 5 years	up to 1 year	over 1 year	Total
Cash and cash equivalents	1,022.2	225.0	4.0	3.2	0.1	1,251.2	3.3	1,254.5
Financial assets held for trading	0.9	8.5	16.0	1.9	2.2	25.4	4.1	29.5
Financial assets mandatorily at fair value through profit or loss	0.3	1.8	0.0	0.0	0.0	2.1	0.0	2.1
Financial assets at fair value through other comprehensive income	50.9	28.5	87.7	476.6	85.0	167.1	561.6	728.7
Financial assets at amortised cost	137.2	366.2	679.9	1,962.5	857.8	1,183.4	2,820.3	4,003.7
Tangible assets	0.0	0.0	0.0	0.0	0.0	0.0	57.6	57.6
Intangible assets	0.0	0.0	0.0	0.0	0.0	0.0	23.3	23.3
Tax assets	0.0	0.0	0.0	0.0	0.0	36.8	0.0	36.8
Current tax assets	0.0	0.0	0.0	0.0	0.0	1.7	0.0	1.7
Deferred tax assets	0.0	0.0	0.0	0.0	0.0	35.1	0.0	35.1
Other assets	0.0	0.0	0.0	0.0	0.0	13.9	0.1	14.0
Non-current assets and disposal groups classified as held for sale, financial instruments	0.0	0.0	0.0	0.0	0.0	1.3	0.0	1.3
Total	**1,211.5**	**630.0**	**787.6**	**2,444.2**	**945.1**	**2,681.2**	**3,470.3**	**6,151.5**
Financial liabilities held for trading	1.3	2.6	0.0	0.3	0.0	3.9	0.3	4.2
Financial liabilities measured at amortised cost	899.5	1,062.9	950.1	1,417.7	868.5	2,912.4	2,286.3	5,198.7
Provisions	0.0	0.0	0.0	0.0	0.0	94.0	5.2	99.2
Tax liabilities	0.0	0.0	0.0	0.0	0.0	4.1	0.0	4.1
Current tax liabilities	0.0	0.0	0.0	0.0	0.0	4.1	0.0	4.1
Other liabilities	0.0	0.0	0.0	0.0	0.0	39.1	5.1	44.2
Total	**900.8**	**1,065.5**	**950.1**	**1,418.0**	**868.5**	**3,053.5**	**2,296.9**	**5,350.4**

64.5. Liquidity reserves

As part of the management of liquidity risk arising from financial liabilities, the Group holds liquid assets comprising cash and cash equivalents, balances with central banks and debt securities issued by sovereigns, which can be readily sold to meet liquidity requirements. In addition, the Group holds unencumbered assets eligible for use as collateral with central banks.

The following table sets out the counterbalancing capacity of the Addiko Group:

EUR m

Counterbalancing Capacity	31.12.2024		31.12.2023	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Coins and bank notes	131.8	131.8	117.1	117.1
Withdrawable central bank reserves	763.7	763.7	876.2	876.2
Level 1 tradable assets	1,288.2	784.4	999.50	992.5
Level 2A tradable assets	0.0	0.0	5.9	5.9
Level 2B tradable assets	2.8	2.8	0.0	0.0
Total Counterbalancing Capacity	**2,186.5**	**1,682.7**	**1,998.7**	**1,991.7**

64.6. Financial assets available to support future funding

The following table sets out the availability of the Group's financial assets (carrying amount) to support future funding.

EUR m

31.12.2024	Encumbered assets	Unencumbered assets
Cash balances at central banks and other demand deposits	110.0	1,009.7
Equity instruments	0.0	22.5
Debt securities	20.8	1,430.9
Loans and advances	8.7	3,541.9
Total	**139.5**	**6,005.0**

EUR m

31.12.2023	Encumbered assets	Unencumbered assets
Cash balances at central banks and other demand deposits	93.7	1,046.5
Equity instruments	0.0	19.5
Debt securities	14.4	1,169.3
Loans and advances	16.4	3,555.8
Total	**124.5**	**5,774.6**

64.7. Financial assets pledged as collateral

The carrying amount of financial assets recognised in the statement of financial position that had been pledged as collateral for liabilities at 31 December 2024 and 2023 is shown in the following table:

EUR m

	31.12.2024	31.12.2023
Cash, cash balances at central banks and other demand deposits	5.0	5.0
Financial assets at fair value through other comprehensive income	0.0	0.0
Financial assets at amortised cost	31.1	6.7
Total	**36.1**	**11.7**

Financial assets are pledged as collateral as part of sales and repurchases and securities borrowing under terms that are usual and customary for such activities. Cash collaterals were pledged in relation to derivatives. Financial assets at amortised costs were pledged as collateral for liabilities arising from refinancing transactions, repurchase agreements and other collateral arrangements.

As of 31 December 2024 no financial assets have been transferred under repurchase agreements.

The Group has received collaterals that it is permitted to sell or repledge in the case of default.

The fair value of debt securities received as collateral, that Addiko Group is permitted to sell or repledge irrespective of the default of the owner of the collateral, amounts to EUR 32.7 million as of YE24 (YE23: EUR 6.7 million) and relates to reverse repurchase agreements. All transactions were conducted under terms which are usual and customary to standard repurchase agreements.

(65) Operational risk

65.1. Definition

The Addiko Group defines operational risk as the risk of direct and indirect losses resulting from inadequate or failed internal processes, systems, people or external factors other than credit, market and liquidity risks. This definition includes legal risk but excludes reputational risk and strategic risk.

65.2. General requirements - Operational risk management framework

Operational risk management (ORM) is at the core of a bank's operations, integrating risk management practices in processes, systems and culture. As a pro-active partner to senior management, ORM's value lies in supporting and challenging senior management to align the business control environment with the bank's strategy by measuring and mitigating risk loss exposure, contributing to optimal return for stakeholders.
A robust framework of operational risk management which includes identifying, measuring, managing, monitoring and reporting operational risk provides a mechanism for discussion and effective escalation of issues leading to better risk management and increasing institutional resilience.
The comprehensive data collection, which the framework supports, allows analysis of complex issues and facilitates tailored risk mitigation actions.
Operational risk management is a continuous cyclic process which includes risk and control self-assessment, risk decision making, scenario analysis and implementation of risk controls, which results in acceptance, mitigation, or avoidance of risk.

65.3. Risk monitoring

Operational Risk Management reports on a monthly basis to the Group Management Board and on a quarterly basis to the Group Risk Executive Committee and Group Governance Risk and Compliance Committee in order to provide an overview of the operational risk situation to the management to enable the related risk steering and to integrate the operational risk management into the bank processes.

The monitoring of Operational Risk losses in 2024 shows impacts for expected legal matters on Swiss franc denominated loans in Croatia, Slovenia and Serbia, additionally slightly increased number of fraud cases. Regarding the legal issues with the Swiss franc, it's worth noting that Addiko already recognised the necessary legal provisions based on the final number of expected cases in the 2023 consolidated financial statements, as the statute of limitations for unconverted cases expired on 14 June 2023. However, due to Croatia's court backlog and judicial strikes during 2023, the Group continues to receive individual court claims filed until the deadline, which makes it necessary to record these expected cases as operational risk events also throughout 2024.

(66) Sustainability (Environmental, Social and Governance – ESG) Risks

ESG risks include all risks arising from potential negative impacts, direct or indirect, on the environment, people and communities and more generally all stakeholders, in addition to those arising from corporate governance. ESG risk could affect profitability, reputation as well as credit quality and could lead to legal consequences.

Addiko does not treat the ESG risks as a separate risk type but integrates them in the existing risk classification and into the existing risk management framework, as drivers for other risk types (e.g. credit risk or operational risk). In line with regulatory expectations, Addiko puts a special focus on climate-related and other environmental risk (C&E risk) management. In this context Addiko considers both physical and transition risks:

- Physical risk refers to the direct impact from climate-related or environmental changes, which can be “acute” (e.g. extreme weather events such as hurricanes, floods and wildfires) or “chronic” in case of progressive changes, such as sustained higher temperatures, heat waves, droughts and rising sea levels.
- Transition risk refers to the potential losses resulting from the adjustment towards a lower-carbon and more environmentally sustainable economy (e.g. changes to laws and regulations, litigation due to failure to mitigate or adapt, and shifts in supply and demand for certain commodities, products and services due to changes in consumer behaviour and investor demand).

Addiko Group performed an assessment of climate-related and other environmental risks in two consecutive steps. In a first step Addiko Group assessed the impact of climate and environmental change on its countries of operation considering various scenarios for the short, medium and long-term. In a second step Addiko Group analysed how the impact identified in the first step will transmit onto the Group. Based on this analysis, Addiko concluded that in particular its credit risk can be impacted by climate-related and other environmental risk drivers. While due to granularity and diversification of Addiko Group's loan portfolio, there is no immediate material threat to the quality of assets of Addiko Group, the potential impact on the economy in the countries Addiko operates drives the systemic risk Addiko is exposed to. In this context it is evident that acute and chronic climate and environmental risks already impact macroeconomic indicators, whereby the severity of this impact over the medium- to long term is highly dependent on the measures taken to curb climate change. Consequently, Addiko also considered the impact from climate-related transition risks in the macroeconomic financial forecasts used in the calculation of the Expected Credit Loss, thus, directly impacting the risk provisions of the loan book.

While no immediate danger for Addiko Group was identified in the assessment of climate-related and other environmental risks, the significance and complex challenges of the matter require continuous monitoring. Addiko focuses in particular on the strict limitation of any idiosyncratic C&E risk. In this context, Addiko has identified industries which are - and might in the future be - impacted by climate and environmental risk and set prudent limits on the maximum exposure to these limits, which are diligently tracked. Furthermore, within the operational credit-granting process, Addiko has defined measures to recognise the potential impact of climate and environmental risk on the asset quality of the clients. Proper assessment is necessary in order to prevent potential financial, legal or reputational consequences for the bank that might appear in case that it supports financing of respective companies.

Further details regarding ESG risks are disclosed in the Management Report in chapter Sustainability Statement.

(67) Legal risk

67.1. Passive legal disputes: monitoring and provisioning of legal risks

The overall number of passive legal disputes decreased during 2024 to 14,313 cases (YE23: 16,184 proceedings) primarily resulting from the resolution of cases concerning loan processing fees (Serbian subsidiary). The amount in dispute decreased to EUR 216.4 million as of 31 December 2024, compared to EUR 218.5million on 31 December 2023.

There is still a future risk of further increasing numbers of proceedings and amounts in dispute due to changed court practice, binding sample proceedings decision and new laws (e.g. conversion laws, amendments to consumer credit acts, consumer protection acts).

Across the Group, the established centralised legal data base enables monitoring and steering by the holding company, as well as early perception of possible new developments and reasonings in the jurisdictions the Addiko Group is doing business. Besides, other monitoring and steering tools have been implemented to establish and secure reliable data quality and dispute handling quality, and to monitor daily litigation work and the development of court cases.

Legal provisions for the legal risk inherent in passive legal proceedings, specifically the risk of losing the case and having to bear the associated costs, are calculated in accordance with international accounting principles applicable across the entire Group. Accordingly, no legal provision is required to be set up if the Addiko Group is more likely than not to prevail in the proceedings. If the probability of success is equal to or below 50%, legal provisions are recognised. Local legal divisions familiar with the respective case and/or external appraisers are responsible for assessing the chances of success. The latter especially applies in the case of particularly complex cases or particularly high amounts in dispute. In addition to these general requirements, legal provisions are also formed for particularly complex and/or high-profile legal disputes, which of course carry a greater inherent legal risk. Group wide monitoring of foreign currency legal disputes has been intensified as a consequence of the increasing number of regulations and rulings on handling foreign currency loans in the Central and South-Eastern European countries (e.g. "forced conversion").

Addiko actively monitors legal risks through various methods, including the use of legal data bases, regular reports on the local legal situation and updates on ongoing litigations. Additionally, Addiko requires its subsidiaries to provide ad-hoc reports on any new legal disputes. This thorough review allows for a timely overview of the total number of pending legal proceedings involving entities of the Group and the associated legal risks, assessed by their probability of success. It also ensures that legal provisions are recorded at an appropriate amount, enables an effective monitoring of any changes, and prompts the adopting of any necessary measures.

67.2. Historical unilateral interest changes and Suisse Frank clause risk

As of 31 December 2024, 96.2% of the total number of retail disputes refer to retail cases containing FX, unilateral interest change disputes or claims for payment in which the Group is respondent with an amount in dispute of EUR 124 million (YE23: EUR 106 million). Particularly between 2004 and 2008, numerous private customers in Central and South-Eastern Europe have taken out foreign currency loans (especially CHF loans). In recent years, such loan agreements have increasingly become the subject of customer complaints and legal proceedings, particularly those started by consumer protection groups. The main allegation is that customers were not provided with sufficient information on the consequences of such agreements when they were concluded, and/or that the foreign currency and/or interest rate adjustment clauses applied or the whole FX contracts were void.

Addiko Serbia received two Supreme Court rulings that supported the plaintiffs, by annulling the CHF clause in the first half of 2024, and lower courts started adapting these rulings. In comparison, courts in Croatia, Montenegro and since the first half of 2023 Slovenia, typically consider CHF clauses to be null and void, while Bosnian courts deem them valid.

After the **Slovenian** Supreme Court in the first half of 2023 changed retroactively the interpretation of local consumer protection law, establishing higher requirements for the information duty vis-á-vis the customer, the Slovenian subsidiary received 231 additional CHF clause related cases since that time. In the case these information requirements are not fulfilled the whole contract is declared void.

These new considerations of the Supreme Court have already been incorporated into the assessment of the chances of success for the pending cases, mainly relaying on legal opinions since there are still no judgements from higher courts regarding the outcomes of invalidation and the statute of limitation. Although the Swiss Franc Law enacted in February 2022 was abolished by the Slovenian Constitutional Court due to unconstitutionality, new legislative measures with respect to the CHF topic cannot be excluded for the future. To achieve clear legal certainty and a balanced approach, Addiko, along with other banks, proposed a voluntary conversion to specific customers during the first half of 2024.

In **Bosnia & Herzegovina**, the lawfulness of foreign currency clauses used by the subsidiary banks in Sarajevo and Banja Luka was confirmed by a Supreme Court statement of the Republic of Bosnia & Herzegovina. This decision is binding for lower-instance courts and thus has stopped new claims from being files. Both subsidiaries in Bosnian have implemented a voluntary settlement project for conversion of CHF loans into the national currency BAM, resulting in a drop in new claims and more requests for loan conversion or restructuring. By 31 December 2024, around 95% of the CHF loans were either converted or closed, significantly reducing the number of related claims. After the withdrawal of proposed CHF conversion legislation in 2022, no further initiatives were made.

In **Croatia** the most relevant decisions leading to a significant increase in the number of individual consumer CHF legal cases against the Bank from 2019 to 2024 include the following:

- May 2015 – the Supreme Court of the Republic of Croatia has fully confirmed the decision of the High Commercial Court of the Republic of Croatia on the nullity of the unilateral interest change provision in CHF loan agreements,
- September 2019 – the Supreme Court of the Republic of Croatia has confirmed the 2018 decision of the High Commercial Court Zagreb on the nullity of the currency clause provision in CHF loan agreements. Borrowers, whether participating in the class action or not, cannot exert any direct claims from the verdict but have to file individual complaints regarding any potential overpayment claims due to the FX clause.
- May 2022 – the European Court of Justice ("CJEU") ruled in a case regarding converted CHF loans, that a) CJEU has no jurisdiction over the CHF loan itself since the loan agreement was concluded before Croatia's accession to the EU and b) that the Consumer Protection Directive might not be applicable if the Conversion law 2015 was intended to bring balance between banks and consumers. The task of checking whether this is the case is up to local courts.
- December 2022 – the Croatian Supreme Court published a non-binding opinion, granting clients who converted under Conversion Law 2015 penalty interest on overpayments until the conversion. However, this non-binding opinion did not pass the control by the Register for Judicial Practice of the Supreme Court. As of 14 June 2023 - all FX claims filed after this date are time bared according to the rulings of the Croatian Supreme Court.

- October 2024 - the Supreme Court of the Republic of Croatia ruled in an Addiko case (Rev 259/2022) that CHF-denominated loan agreements remain valid (i.e. cannot be declared fully null and void) despite containing null and void provisions on unilateral interest rate change and currency clauses.

In **Montenegro**, a second instance court determined that local Addiko subsidiary's CHF clause was invalid in a class action lawsuit. However, the plaintiff's request for compensation was denied and the plaintiffs were ordered by the court to request conversion according to the 2015 Conversion law. In a separate mass claim proceeding, one of the High Courts awarded partial litigation costs to clients. Moreover, the Constitutional Court confirmed a partial cost claim in an individual case, despite the client withdrawing the claim after exercising his Conversion right. No further negative financial impacts are expected in relation to litigation costs for those cases, as the relevant provisions have been already recognised in the 2023 consolidated financial statements.

In relation to the request filed by the Group in September 2017 for Arbitration with the ICSID in Washington, DC against the Republic of Croatia regarding the Conversion Law reference is made to the disclosures in note (73) Contingent liabilities in relation to legal cases.

The following table shows the development of the CHF exposures within the Addiko Group:

EUR m

	31.12.2024		31.12.2023	
	Exposure	thereof CHF	Exposure	thereof CHF
Addiko Bank Croatia	2,493.2	16.9	2,356.6	20.2
Addiko Bank Slovenia	1,648.2	24.9	1,678.9	29.9
Addiko Bank Serbia	1,068.8	4.8	1,130.5	3.0
Addiko Bank Sarajevo	728.4	2.8	643.0	2.6
Addiko Bank Banja Luka	620.5	6.8	570.0	5.2
Addiko Bank Montenegro	239.2	1.8	236.4	2.1
Addiko Holding	339.8	0.0	313.8	0.0
Total	**7,138.0**	**58.2**	**6,929.3**	**63.1**

The CHF portfolio decreased from EUR 63.1 million at the end of 2023 to EUR 58.2 million at YE24.

(68) EU-wide Stress Test

Addiko Group participated in two EU-wide stress testing exercises conducted by the ECB in the first half of 2024: the cyber resilience stress test and "Fit-for-55" risk scenario exercise. The results of exercises do not indicate increased vulnerabilities of Addiko to cyber-attacks or climate driven impacts.

Supplementary information required by IFRS

(69) Leases from the view of Addiko Group as lessor

Addiko Group doesn´t provide disclosures for leases from the view as lessor as specified by IFRS Standards due to the fact that the information resulting from these disclosures are not material.

(70) Leases from the view of Addiko Group as lessee

The majority of offices and branches are leased under various rental agreements. The Group leases also equipment and vehicles. Lease contracts are made under usual terms and conditions and include price adjustment clauses in line with general office rental market conditions. Rental contracts are typically made for fixed periods up to 10 years. Extension and termination options are included in a number of property and equipment leases. Several lease contracts have indefinite lease term and several contracts contain insignificant residual value guarantees. There are no restrictions placed upon the lessee by entering into these contracts. There are no lease contracts with variable payments other than that depending on an index or a rate.

The lease agreements do not include any clauses that impose any restrictions on the Group's ability to pay dividends, engage in debt financing transactions or enter into further lease agreements.

The total cash outflows for leases are as follows:

EUR m

	31.12.2024	31.12.2023
Payments for principal portion of lease liability	-7.7	-6.4
Payments for interest portion of lease liability	-0.5	-0.5
Payments for short-term, low value assets and variable lease payments not included in the measurement of the lease liability	-1.5	-1.5
Total	**-9.7**	**-8.4**

The undiscounted maturity analysis of lease liabilities under IFRS 16 is as follows:

EUR m

Maturity analysis - contractual undiscounted cashflow	31.12.2024	31.12.2023
up to 1 year	5.1	4.7
from 1 year to 5 years	11.5	12.1
more than 5 years	0.3	0.6
Total undiscounted lease liabilities	**16.8**	**17.4**

The expenses relating to payments not included in the measurement of the lease liability are as follows:

EUR m

	31.12.2024	31.12.2023
Short-term leases	-0.4	-0.5
Leases of low value assets	-0.8	-1.0
Variable lease payments	0.0	0.0
Total	**-1.2**	**-1.4**

Addiko Group has no commitments for future cash outflows which are not reflected in the measurement of lease liabilities at the current reporting date.

(71) Assets/liabilities denominated in foreign currencies

The following amounts in the statement of financial position are denominated in foreign currencies:

EUR m

	31.12.2024	31.12.2023
Assets	1,522.9	1,425.7
Liabilities	1,132.7	1,039.4

The majority of the differences between the respective sums is hedged through foreign exchange swaps (FX swaps and cross-currency swaps) and forward exchange transactions.

(72) Commitments

EUR m

	31.12.2024	31.12.2023
Loan commitments	412.5	432.6
Financial guarantees	57.3	65.9
Other commitments	363.3	379.3
Total	**833.1**	**877.8**

The position other commitments includes mainly non-financial guarantees, such as performance guarantees or warranty guarantees and guarantee frames.

(73) Contingent liabilities in relation to legal cases

Addiko Group is subject to a number of legal proceedings that are often highly complex, take considerable time and are difficult to predict or estimate. As of 31 December 2024, Addiko Group's passive legal disputes (i.e., disputes where Addiko Group is the defendant), for which the probability of a cash outflow was deemed to be unlikely (and consequently no provisions were recognised), amounted to claims of EUR 25.0 million (YE23: EUR 43.6 million) (excluding accrued interest) relating to 1,425 cases (YE23: 2,514 cases). The outcome of such proceedings is difficult to predict or estimate until late in the proceedings, which may also last for several years. Nevertheless, based on legal advice, management believes that its defence of the action will be successful.

From the overall amount of EUR 25.0 million (excluding accrued interest), 50% or EUR 12.4 million (YE23: 45%, EUR 19.7 million) relate to claims for damages where plaintiffs request contractual or extra contractual damages. The remaining amounts in dispute relate to certain standard contractual provisions concerning retail FX clauses in CHF loans of Addiko Group, unilateral interest rate changes and refunds of loan processing fees or to corporate payment requests. Two of the claims proceedings, having an amount in dispute of between EUR 5 and 10 million are briefly outlined below:

- One claim is pending against a subsidiary of Addiko Group relating to a case where the plaintiff is requesting contractual damages. The opinion of the external legal counsel is that the claim is without merit. As result, management believes that its defence will be successful.
- In the other pending claim, the plaintiff requests damages due to the alleged inability to register shares with the company register. However, the plaintiff has lost in the first instance and in another case based on the same factual situation against the bank in all instances. Hence, based on legal advice, management believes that its defence of the action will be successful.

The figures outlined above include also a claim made by a consumer protection agency against the Slovenian subsidiary in 2022, seeking a reimbursement for overpayments due to "zero floor" clauses in the disputed amount of EUR 11.7 million. According to external legal opinion, the probability of a cash outflow was deemed to be unlikely.

Addiko Group is also involved in a number of active legal disputes (i.e., disputes where Addiko Group is the claimant). The principal of these concerns a request for arbitration that the Group filed in September 2017 with the ICSID in Washington DC against the Republic of Croatia regarding the Conversion Laws claiming EUR 153 million. The Group claims that the Bilateral Investment Treaties (BIT) regarding the fair and equivalent treatment under the BIT were violated.

The main hearing was conducted in March 2021 and parties are waiting for the final award. If the action is unsuccessful, court fees and legal costs could amount to approximately EUR 11 million. Based on external legal advice, management believes that the action will be successful.

(74) Fair value disclosures

Fair value is the price that would be received for the sale of an asset or paid to transfer a debt in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk. When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction. IFRS 13 specifies the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements:

- **Level I - Quoted prices in active markets.** The fair value of financial instruments traded in active markets is best established through quoted prices of identical financial instruments where these quoted prices represent market values/prices used in regularly occurring transactions. This applies above all to equity instruments traded on an active market, debt instruments traded on the interbank market and quoted derivatives.
- **Level II - Value determined using observable parameters.** If there are no quoted prices for individual financial instruments, the market prices of comparable financial instruments or accepted measurement models applying directly or indirectly observable prices or parameters (interest rates, yield curves, implied volatilities and credit spreads) must be used to determine the fair value. This level includes the majority of the OTC derivatives and non-quoted debt instruments. A financial instrument is classified in level II if all significant inputs in the valuation are observable on the market.
- **Level III - Value determined using non-observable parameters.** This category includes financial instruments for which there are no observable market rates or prices. The fair value is therefore determined using measurement models and unobservable inputs (typically internally derived credit spreads) appropriate for the respective financial instrument. These models make use of management assumptions and estimates depending on the pricing transparency and complexity of the financial instrument. A financial instrument is classified in level III if one or more significant inputs are not directly observable on the market.

The used valuation models are regularly reviewed, validated and calibrated. All valuations are performed independently of the trading departments.

Financial assets and financial liabilities are reported by instrument in the following way:

- **Equity instruments** - Equity instruments are reported under level I if prices are quoted in an active market. If no quoted prices are available, they are reported under level III. Valuation models include the adjusted net asset value method, the simplified income approach, the dividend discount model and the comparable company multiple method.
- **Derivatives** - The fair value of derivatives that are not options is determined by discounting the relevant cash flows with the corresponding yield curves. These are reported under level II if they are measured on the basis of observable input factors. If non-observable significant input factors are used, these derivatives are reported under level III. The fair value of structured financial products is calculated according to the type of embedded derivative using a measurement model; they are reported under level II or level III depending on the input factors used.
- **Debt financial assets and liabilities** - The method used to measure debt financial assets and liabilities depends on the liquidity in the relevant market. Liquid instruments measured on the basis of the relevant market value are reported under level I. The fair value is determined using valuation techniques whereby expected cash flows are discounted by the risk premium adjusted curves in the event that there is no active market. The proximity to the risk premium curve used determines whether these instruments are reported under level II or level III. They are reported under level III in the event that a significant, non-observable risk premium is used. Market prices provided either at a low frequency or only from one source are reported under level III.

Measurement methods used to determine the fair value of level II and level III items

The accepted measurement models according to IFRS 13 are the market approach, the cost approach and the income approach. The measurement method using the market approach is based on identical or comparable assets and liabilities. With the income approach, future cash flows, expenses or revenue are discounted at the measurement date. The fair value determined in this manner reflects current market expectations regarding these future amounts. It primarily includes present value models and also option price models used for the measurement of financial instruments or option-based cash flows. The cost approach is not used. The fair value of financial instruments with short-terms where the carrying amount is an adequate approximation of the fair value was not separately determined.

The following measurement techniques are applied to items that are measured internally based on models:

- Present value of the future cash flows (discounted cash flow method) - Level II and III items that are not traded in active markets but where the date and amount of the cash flows are known are measured at the present value of the future cash flows. Discounting takes a risk premium into account. All significant input factors are observable for level II instruments while some significant parameters cannot be directly observed for level III.
- Option measurement models - The existing portfolio of level III items includes cash flows with amounts tied to various market variables such as swap rates, stock market indexes and FX rates, or with dates that cannot be determined. Accepted interest and option measurement models calibrated daily with market data (swaption prices, market prices, FX rates) are used for the measurement of such cash flows.

Non-observable input factors for level III items:

- Volatilities and correlations - Volatilities are important input parameters for all option measurement models. The volatilities are derived from market data using accepted models.
- Risk premiums - Credit risk premiums indicate the default risk of an issuer. They provide information about the expected loss if the issuer defaults and therefore reflect the loss given default and the probability of default. For some issuers, risk premiums can be observed directly in the market. When single-name CDS curves are not available for an issuer, the risk premiums have to be estimated based on similarities to other issuers or based on the issuer's country and sector. This applies to the risk premium of the Addiko Group. Increase (decrease) in the credit risk premiums would decrease (increase) the fair value.
- Loss given default - The loss given default is a parameter that is never directly observable before an entity defaults.
- Probability of default - Risk premiums and loss given default are used to estimate the probability of default, which is used for possible fair value adjustments.

Fair value adjustments - Credit value adjustment (CVA) and debt value adjustment (DVA)

Credit value adjustment (CVA) and debt value adjustment (DVA) are reported for all OTC derivatives. The calculation is based on a Monte Carlo simulation of the future replacement value (exposure), taking into account the effects of CSA agreements (credit support annex, CSA) by path. This results in a distribution of replacement values for all future dates. To determine the CVA, the absolute expected values from the positive exposure paths are multiplied by the counterparty's marginal probabilities of default and discounted. The DVA, on the other hand, is determined by multiplying and discounting the absolute expected values from the negative exposure paths with the bank's own marginal probabilities of default.

For counterparties with a collateral contract, the CVA and DVA have to be calculated at the portfolio level. The calculation takes into account contractual parameters such as minimum transfer amount, threshold, rounding and netting. The relative CVA approach is used to allocate the portfolio CVA to specific items. Here, the portfolio CVA is distributed in proportion to the individual CVAs. The full CVA approach is applied to items not secured by collateral. This approach calculates the CVA at the individua item level. A waterfall principle is applied to determine the probabilities of default. First, the probabilities of default are derived from CDS curves. Synthetic curves are used if there are no single-name curves available; and are composed of country-specific curves and an internal rating.

OIS discounting

The Addiko Group measures derivatives taking into account base spread influences by applying various interest curves to calculate the forward rates and discount factors (multi-curve framework). According to the current market standards and as a result out of the IBOR reform, the new benchmark indices are used for discounting in the measurement of OTC derivatives secured by collateral. In Addiko Group the fair value for all derivatives where the respective collateral €STR is used as interest rate, €STR is used as discount rate.

74.1. Fair value of financial instruments carried at fair value

EUR m

31.12.2024	Level I - from active market	Level II - based on observable inputs	Level III - based on unobservable inputs	Total
Financial assets held for trading	7.1	7.3	0.0	14.4
Derivatives	0.0	5.0	0.0	5.0
Debt securities	7.1	2.3	0.0	9.4
Investment securities mandatorily at FVTPL	0.0	1.1	0.3	1.4
Equity instruments	0.0	0.0	0.3	0.3
Debt securities	0.0	1.1	0.0	1.1
Investment securities at FVTOCI	502.4	183.7	0.6	686.8
Equity instruments	21.5	0.0	0.6	22.1
Debt securities	480.9	183.7	0.0	664.6
Total assets	**509.5**	**192.2**	**0.9**	**702.6**
Financial liabilities held for trading	0.0	4.4	0.0	4.4
Derivatives	0.0	4.4	0.0	4.4
Total liabilities	**0.0**	**4.4**	**0.0**	**4.4**

EUR m

31.12.2023	Level I - from active market	Level II - based on observable inputs	Level III - based on unobservable inputs	Total
Financial assets held for trading	8.6	20.9	0.0	29.5
Derivatives	0.0	4.9	0.0	4.9
Debt securities	8.6	16.0	0.0	24.6
Investment securities mandatorily at FVTPL	0.0	1.8	0.3	2.1
Equity instruments	0.0	0.0	0.3	0.3
Debt securities	0.0	1.8	0.0	1.8
Investment securities at FVTOCI	561.1	164.8	2.7	728.7
Equity instruments	18.4	0.0	0.7	19.2
Debt securities	542.8	164.7	2.0	709.5
Total assets	**569.7**	**187.4**	**3.1**	**760.2**
Financial liabilities held for trading	0.0	4.2	0.0	4.2
Derivatives	0.0	4.2	0.0	4.2
Total liabilities	**0.0**	**4.2**	**0.0**	**4.2**

74.1.1. Transfers between level I and level II

Addiko Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the financial instrument no longer meets the criteria described above for the categorisation in the respective level. In the current and the previous reporting period no transfers between levels took place.

74.1.2. Unobservable inputs and sensitivity analysis for level III measurements

During the reporting period, Addiko disposed of its debt securities classified in level III. The remaining instruments in this level pertain to some illiquid unlisted equity instruments, having a carrying amount of EUR 0.9 million. Changes in the input parameters used for the measurement of these instruments do not generate material impacts.

The development of level III is presented as follows:

EUR m

2024	01.01.	Valuation gains/losses - profit or loss	Valuation gains/losses - OCI	Additions (+)	Disposals (-)	Settlement (-)	Transfer into/out of other Levels	31.12.
Investment securities mandatorily at FVTPL	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.3
Equity instruments	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.3
Investment securities at FVTOCI	2.7	0.0	-0.1	0.0	0.0	-2.0	0.0	0.6
Equity instruments	0.7	0.0	-0.1	0.0	0.0	0.0	0.0	0.6
Debt securities	2.0	0.0	0.0	0.0	0.0	-2.0	0.0	0.0
Total assets	**3.1**	**0.0**	**-0.1**	**0.0**	**0.0**	**-2.0**	**0.0**	**0.9**

EUR m

2023	01.01.	Valuation gains/losses - profit or loss	Valuation gains/losses - OCI	Additions (+)	Disposals (-)	Settlement (-)	Transfer into/out of other Levels	31.12.
Investment securities mandatorily at FVTPL	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.3
Equity instruments	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.3
Investment securities at FVTOCI	5.9	0.0	0.0	0.0	0.0	-3.0	-0.2	2.7
Equity instruments	0.9	0.0	0.0	0.0	0.0	0.0	-0.2	0.7
Debt securities	5.0	0.0	0.0	0.0	0.0	-3.0	0.0	2.0
Total assets	**6.2**	**0.0**	**0.0**	**0.0**	**0.0**	**-3.0**	**-0.2**	**3.1**

In the current reporting period, no transfers into/out of other levels took place. In the previous reporting there was a transfer of one bond in the amount of EUR 0.2 million from level III into level I due to the appearance of active market and daily valuation.

74.2. Fair value of financial instruments and assets not carried at fair value

EUR m

31.12.2024	Carrying amount	Fair Value	Difference	Level I - from active market	Level II - based on market assumptions	Level III - based on non market assumptions
Cash and cash equivalents [1]	1,251.4	1,251.4	0.0	0.0	0.0	0.0
Financial assets at amortised cost	4,327.2	4,495.0	167.8	567.1	234.3	3,693.6
Debt securities	776.5	804.8	28.3	567.1	234.3	3.4
Loans and advances	3,550.6	3,690.2	139.5	0.0	0.0	3,690.2
Non-current assets held for sale	0.2	0.2	0.0	0.0	0.0	0.2
Total assets	**5,578.8**	**5,746.6**	**167.8**	**567.1**	**234.3**	**3,693.8**
Financial liabilities measured at amortised cost	5,421.7	5,416.2	5.5	0.0	5,361.8	54.4
Deposits	5,367.3	5,361.8	5.5	0.0	5,361.8	0.0
Other financial liabilities	54.4	54.4	0.0	0.0	0.0	54.4
Total liabilities	**5,421.7**	**5,416.2**	**5.5**	**0.0**	**5,361.8**	**54.4**

[1] Cash and cash equivalents have not been assigned to a level as the carrying amount always approximates their fair value due to their short-term nature.

EUR m

31.12.2023	Carrying amount	Fair Value	Difference	Level I - from active market	Level II - based on market assumptions	Level III - based on non market assumptions
Cash and cash equivalents [1]	1,254.5	1,254.5	0.0	0.0	0.0	0.0
Financial assets at amortised cost	4,003.7	4,105.6	101.9	321.2	134.7	3,649.7
Debt securities	447.9	458.8	10.9	321.2	134.7	2.9
Loans and advances	3,555.8	3,646.8	91.0	0.0	0.0	3,646.8
Non-current assets held for sale	0.2	0.2	0.0	0.0	0.0	0.2
Total assets	**5,258.3**	**5,360.2**	**101.9**	**321.2**	**134.7**	**3,649.8**
Financial liabilities at amortised cost	5,198.7	5,176.1	22.6	0.0	5,116.7	59.3
Deposits[2]	5,139.4	5,116.7	22.6	0.0	5,116.7	0.0
Other financial liabilities	59.3	59.3	0.0	0.0	0.0	59.3
Total liabilities	**5,198.7**	**5,176.1**	**22.6**	**0.0**	**5,116.7**	**59.3**

[1] Cash and cash equivalents have not been assigned to a level as the carrying amount always approximates their fair value due to their short-term nature.
[2] Comparative figures have been amended. Deposits previously reported under Level III are now reported under Level II.

Financial instruments not carried at fair value are not managed on a fair value basis and their fair values are calculated only for disclosure purposes and do not impact the statement of financial position and the income statement. The fair value of receivables and liabilities is determined according to the present value of future cash flows. The risk premium amounts for receivables depend on the internal or external rating of the borrower taking into account the country risk. The fair value valuation of debt securities at amortised costs is based on quoted prices or other observable inputs on the markets. For liabilities, the own credit spread is taken into account in the discount factor. Due to the fact that no debt issues of the Addiko Group are placed on the market, the calculation of the credit spread curves for senior unsecured liabilities is based on quoted credit default swap curves or credit spreads from senior unsecured bonds in a weighted peer group consisting of banking groups operating in CSEE whose markets and estimated credit standing is as similar to that of the Addiko Group as possible. For liabilities covered, a weighted credit spread curve from available benchmark-covered bonds from the peer group was used. Due to the existing uncertainties, a broad range exists for the fair values to be determined.

Addiko Group assessed that the fair value of the cash positions approximately corresponds to their carrying amounts largely due to the short-term maturities of these instruments.

74.3. Fair value of Investment properties

The fair value of investment properties is determined using market-based estimates which are generally calculated by experts. If no market-based estimate exists, the fair value is determined using a discounted cash flow method.

At 31 December 2024 the carrying amount of investment properties amounts to EUR 1.9 million (YE23: EUR 2.7 million), whereas the fair value amounts to EUR 2.6 million (YE23: EUR 3.5 million). All investment properties are classified in level III (YE23: level III).

(75) Offsetting financial assets and financial liabilities

The following tables show the reconciliation of gross amounts to the offset net amounts, separately for all recognised financial assets and financial liabilities. Furthermore, the amounts that are subject to a legally enforceable global netting or similar agreement but have not been offset in the statement of financial position.

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position where Addiko has currently an enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

The impact of offsetting is presented in the line “Amounts that are set off for financial instruments I”. The impact of potential offsetting if all set-off rights would be exercised is presented in the line “Net amounts of financial instruments I and II (c-d)”.

EUR m

31.12.2024	Derivatives	Reverse repo	Total
ASSETS			
a) Gross amounts of recognised financial instruments (I and II) [1]	**4.4**	**2.9**	**7.3**
b) Amounts that are set off for financial instruments I	0.0	0.0	0.0
c) Net amounts of financial instruments I and gross amounts of financial instruments II presented in the statement of financial position (a-b)	**4.4**	**2.9**	**7.3**
d) Master netting arrangements (that are not included in b)			
Amounts related to recognised financial instruments that do not meet some or all of the offsetting criteria (Netting effect of financial instruments II)	0.1	0.0	0.1
Amounts related to financial collateral (including cash collateral);	4.0	0.0	4.0
Amounts related to non-cash financial collateral received (excluding cash collateral);	0.0	2.9	2.9
e) Net amounts of financial instruments I and II (c-d)	**0.4**	**0.0**	**0.4**

[1] Financial instruments I: Financial assets that are already offset in the statement of financial position
Financial instruments II: Financial assets that are subject to a netting agreement but are not offset in the statement of financial position

EUR m

31.12.2023	Derivatives	Reverse repo	Total
ASSETS			
a) Gross amounts of recognised financial instruments (I and II) [1]	**4.4**	**3.7**	**8.0**
b) Amounts that are set off for financial instruments I	0.0	0.0	0.0
c) Net amounts of financial instruments I and gross amounts of financial instruments II presented in the statement of financial position (a-b)	**4.4**	**3.7**	**8.0**
d) Master netting arrangements (that are not included in b)			
Amounts related to recognised financial instruments that do not meet some or all of the offsetting criteria (Netting effect of financial instruments II)	0.8	0.0	0.8
Amounts related to financial collateral (including cash collateral);	2.8	0.0	2.8
Amounts related to non-cash financial collateral received (excluding cash collateral);	0.0	3.7	3.7
e) Net amounts of financial instruments I and II (c-d)	**0.7**	**0.0**	**0.7**

[1] Financial instruments I: Financial assets that are already offset in the statement of financial position
Financial instruments II: Financial assets that are subject to a netting agreement but are not offset in the statement of financial position

EUR m

31.12.2024	Derivatives	Direct repo	Total
LIABILITIES			
a) Gross amounts of recognised financial instruments (I and II) [1]	**3.7**	**0.0**	**3.7**
b) Amounts that are set off for financial instruments I	0.0	0.0	0.0
c) Net amounts of financial instruments I and gross amounts of financial instruments II presented in the statement of financial position (a-b)	**3.7**	**0.0**	**3.7**
d) Master netting arrangements (that are not included in b)			
Amounts related to recognised financial instruments that do not meet some or all of the offsetting criteria (Netting effect of financial instruments II)	0.1	0.0	0.1
Amounts related to financial collateral (including cash collateral);	3.4	0.0	3.4
Amounts related to non-cash financial collateral pledged (excluding cash collateral)	0.0	0.0	0.0
e) Net amounts of financial instruments I and II (c-d)	**0.1**	**0.0**	**0.1**

EUR m

31.12.2023	Derivatives	Direct repo	Total
LIABILITIES			
a) Gross amounts of recognised financial instruments (I and II) [1]	**3.1**	**0.0**	**3.1**
b) Amounts that are set off for financial instruments I	0.0	0.0	0.0
c) Net amounts of financial instruments I and gross amounts of financial instruments II presented in the statement of financial position (a-b)	**3.1**	**0.0**	**3.1**
d) Master netting arrangements (that are not included in b)			
Amounts related to recognised financial instruments that do not meet some or all of the offsetting criteria (Netting effect of financial instruments II)	0.8	0.0	0.8
Amounts related to financial collateral (including cash collateral);	2.0	0.0	2.0
Amounts related to non-cash financial collateral pledged (excluding cash collateral)	0.0	0.0	0.0
e) Net amounts of financial instruments I and II (c-d)	**0.3**	**0.0**	**0.3**

[1] Financial instruments I: financial liabilities that are already offset in the statement of financial position
Financial instruments II: financial liabilities that are subject to a netting agreement but are not offset in the statement of financial position

Framework agreements are concluded with business partners for offsetting derivative transactions, so that positive and negative market values of the derivative contracts covered by the framework agreements can be offset against each other. Repurchase agreements qualify as potential offsetting agreements. Since such offsetting cannot be per-formed in the ordinary course of business but only in case following an event of default, insolvency or bankruptcy or following other predetermined events, the positions are not offset in the statement of financial position.

(76) Derivative financial instruments

76.1. Derivatives held for trading

The following derivatives existed at the reporting date:

EUR m

	31.12.2024			31.12.2023		
		Fair values			Fair values	
	Nominal amounts	Positive	Negative	Nominal amounts	Positive	Negative
a) Interest rate						
OTC-products	**56.5**	**1.2**	**0.8**	**84.3**	**2.5**	**1.5**
OTC options	13.3	0.3	0.3	16.5	0.4	0.4
OTC other	43.2	0.9	0.5	67.7	2.0	1.1
b) Foreign exchange and gold						
OTC-products	**233.0**	**3.8**	**3.6**	**263.4**	**2.5**	**2.7**
OTC other	233.0	3.8	3.6	263.4	2.5	2.7

(77) Related party disclosures

According to IAS 24 a related party is a person or entity that has control or joint control, has a significant influence or is a key management personnel of the company.

The shares of Addiko Bank AG are listed on the stock exchange and no single investor holds voting rights in Addiko Bank AG of more than 9.99%. Options to acquire Addiko shares are not taken into account, as holders of options do not have direct voting rights without approval by the competent authority.

Transactions between Addiko Bank AG and the fully consolidated entities are not disclosed in the notes to the consolidated financial statements, as they are eliminated in the course of consolidation. No group company holds participations >20%.

Key personnel of the company are the Management Board and the Supervisory Board of Addiko Bank AG as well as local management and supervisory boards of its subsidiaries. The definition of key personnel includes also close family members in the form of that person’s spouse or domestic partner as well as of their children.

Transactions with related parties are done at arm's length.

Relations with related parties arising out of the banking business are as follows at the respective reporting date:

TEUR

Key personnel of the institution or its parent	31.12.2024	31.12.2023
Financial assets (loans and advances)	373.4	13.2
Financial liabilities (deposits)	2,301.1	2,079.2

The compensation received by the key management personnel in the Addiko Group is presented as follows:

TEUR

	31.12.2024	31.12.2023
Short term employee benefits	9,800.4	8,764.0
Post-employment benefits	0.0	0.0
Other long term benefits	1,706.7	1,262.4
Termination benefits	0.0	0.0
Share-based payments	4,950.8	5,557.9
Total	**16,457.9**	**15,584.3**

The amounts disclosed for variable payments represent estimated payments and may differ from those ultimately paid.

The relationships with members of the Management Board and Supervisory Board of Addiko Bank AG are shown in detail in note (87) Relationships with members of the Company's Boards.

(78) Share-based payments

During 2024, Addiko Supervisory Board approved a change in the long-term incentive plan, with the conversion of the existing equity share-settled compensation program into a phantom share program. The new phantom share program is recognised as a cash-settled share-based payments.

The fair value of deferred shares granted to the management board under the variable remuneration scheme in the previous reporting periods, which was recognised in equity in the share-based payment reserve has been reclassified in the Other liabilities.

Under the variable remuneration scheme, the members of the management board of Addiko Bank AG receive 50% of the annual variable remuneration achieved in cash and 50% in the form of phantom shares of Addiko Bank AG while all other beneficiaries receive the remuneration fully in cash. In case that the amount of the variable remuneration is above the defined threshold (the amount is equal to or higher than EUR 50,000 or the amount exceeds 1/3 (one third) of the annual fixed remuneration), the payout of cash amount is deferred over six years in different tranches, starting in the year following the bonus period. Rewards are granted in the current year when the service and performance conditions are met and vest at the year end. The granted amount is determined based on the estimation or the achievement of preselected criteria. The variable remuneration will only be activated if certain knock-out criteria are met. Those knock-out criteria are based on capital, liquidity and risk requirements. Only once they are achieved the second step for the regular bonus is the achievement of the individual targets.

In addition to the annual bonus Addiko offers a Performance Acceleration Incentive Framework (PAIF) based on which Addiko granted to defined key employees (including management board of Addiko Bank AG) variable remuneration components in the form of share-based payments. The program is intended to ensure alignment of the interests of the senior leadership team with those of the shareholders and is set up as a multi-year incentive scheme. Vesting of the shares depends on the fulfilment of certain conditions. In addition, in alignment with EBA guidelines, the program is activated only if regulatory requirements in respect of own funds and liquidity are met and no breaches of specific risk indicators took place within a pre-defined timeframe. According to the remuneration policy of Addiko Group, the remuneration program includes combined cash-settled and phantom shares applicable for the group management board members and only cash-settled share-based payments for all other participants of the program.

For their performance during financial year 2021 Group Management Board members were entitled to receive 31,179 shares of Addiko Bank AG of which in 2022, 2023 and 2024 20,700 shares were already transferred. Following the conversion of the existing share-based payment program into a phantom share program, a further 10,479 phantom shares will be transferred in the years 2025 - 2027. For the year 2022 Group Management Board members were entitled to 39,046 shares of which 20,306 were transferred in 2023 and 2024 and 18,740 phantom shares will be transferred in the years 2025 – 2028. For the year 2023 Group Management Board members were entitled to 58,373 shares of which 23,353 were transferred in 2024 and 35,020 phantom shares will be transferred in the years 2025 – 2029.

For the performance during the financial year 2024, Group Management Board members will again be, provided that variable remuneration is activated, entitled to the 50% of their total variable remuneration in phantom shares. In relation to the activation of the program it should be noted that the price of the Addiko shares was already crossing the target value threshold during the second quarter of the year. The final activation will be confirmed depending on the fulfilment of all other conditions and the share price at the end of the performance period being equal or higher than 75% of the target price.

(79) Own funds and capital requirements

79.1. Capital requirements

The ECB is the competent authority in charge for the direct supervision of Addiko Group, the parent entity and the two subsidiaries operating in Slovenia and Croatia. The individual banking operations in the other countries are directly supervised by their local regulators.

The Addiko Group's regulatory minimum capital ratios, including the regulatory buffers and the capital requirements determined in the Supervisory Review and Evaluation Process (SREP) are presented in the following table:

	31.12.2024			31.12.2023		
	CET1	T1	TCR	CET1	T1	TCR
Pillar 1 requirement	4.50%	6.00%	8.00%	4.50%	6.00%	8.00%
Pillar 2 requirement	1.83%	2.44%	3.25%	1.83%	2.44%	3.25%
Total SREP Capital Requirement (TSCR)	**6.33%**	**8.44%**	**11.25%**	**6.33%**	**8.44%**	**11.25%**
Capital Conservation Buffer (CCB)	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Counter-Cyclical Capital Buffer (CCyB)	0.64%	0.64%	0.64%	0.46%	0.46%	0.46%
Systemic Risk Buffer (SyRB)	0.50%	0.50%	0.50%	0.25%	0.25%	0.25%
Combined Buffer Requirements (CBR)	**3.64%**	**3.64%**	**3.64%**	**3.21%**	**3.21%**	**3.21%**
Overall Capital Requirement (OCR)	**9.96%**	**12.07%**	**14.89%**	**9.54%**	**11.65%**	**14.46%**
Pillar 2 guidance (P2G)	3.00%	3.00%	3.00%	3.25%	3.25%	3.25%
OCR + P2G	**12.96%**	**15.07%**	**17.89%**	**12.79%**	**14.90%**	**17.71%**

Based on the SREP decision 2023, a **Pillar 2 Requirement** (P2R) of 3.25% was applicable from 1 January until 31 December 2024.

In relation to the **combined buffer requirement** (CBR) as of 31 December 2024 the **countercyclical capital buffer** (CCyB) amounted to 0.64% (up from 0.46% at the end of last year), whereas almost 0.50% (up from 0.33%) resulted from the increased 1.5% CCyB for Croatia and 0.13% from the 0.5% CCyB for Slovenia. In January 2025 the CCyB rate of Slovenia will be set to 1.0% (CCyB requirement increase by 0.13%). Addiko is also subject to a **systemic risk buffer** (SyRB) of 0.5% (2023: 0.25%).

Based on the SREP 2023 decision, the Pillar 2 guidance (P2G) for the period from 1 January until 31 December 2024 was at 3.00% (2023: 3.25%). In October 2024 the (new) SREP 2024 was issued, stipulating no changes to the P2R and the P2G for the year 2025.

79.1.1. Consolidated own funds

The regulatory reporting on a consolidated basis is performed at the level of Addiko Bank AG as the EU parent financial holding company of the group of credit institutions.

The Group's regulatory capital consists entirely of Common Equity Tier 1 capital, which includes ordinary share capital, related share premiums, retained earnings, reserves and accumulated other comprehensive income after adjustment for dividends proposed after the end of the reporting period and deductions for intangible assets and other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purposes.

The following table therefore shows the breakdown of the Group's own funds pursuant to CRR using IFRS figures.

EUR m

	31.12.2024	31.12.2023
Common Equity Tier 1 (CET1) capital: Instruments and reserves		
Capital instruments and the related share premium accounts	195.0	195.0
Retained earnings	302.4	286.0
Accumulated other comprehensive income (and other reserves)	299.6	281.2
Independently reviewed (interim) and eligible profits net of any foreseeable charge or dividend	45.4	16.5
o/w Interim eligible profit of the current year	45.4	41.1
o/w Foreseeable charge or dividend	0.0	-24.6
CET1 capital before regulatory adjustments	**842.4**	**778.7**
CET1 capital: regulatory adjustments		
Additional value adjustments	-0.7	-0.8
Intangible assets (net of related tax liability)	-17.6	-15.3
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) are met)	-12.1	-12.8
Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)	-2.1	-2.9
Other regulatory adjustments (including IFRS 9 transitional rules)	-0.9	-0.7
Total regulatory adjustments to Common Equity Tier 1 (CET1)	**-33.4**	**-32.6**
Common Equity Tier 1 (CET1) capital	**809.0**	**746.1**
Tier 2 (T2) capital: instruments and provisions		
Tier 2 capital (T2)	**0.0**	**0.0**
Total capital (TC = T1 + T2)	**809.0**	**746.1**
Total risk exposure amount	3,671.2	3,653.2
Capital ratios and buffers %		
CET1 ratio	22.0%	20.4%
Total capital ratio	**22.0%**	**20.4%**

The capital requirements in force during the reporting period, including a sufficient buffer, were met at all times both on a consolidated basis as well as in its individually regulated operations.

Total capital increased by EUR 62.9 million during the reporting period, reflecting the following components:

- The positive **OCI development** of EUR 19.6 million resulted from the following items: EUR 17.9 million from debt instruments measured at FVTOCI, EUR 1.6 million from equity instruments and EUR 0.3 million from the change of foreign currency reserves. The positive development was partly offset by EUR 0.2 million actuarial losses on benefit plans.
- The EUR 1.3 million increase of **other regulatory deduction items**. The increase in the amount of intangible assets to be deducted from capital (total capital decreased by EUR 2.3 million) was partly compensated by the decrease of the deferred tax assets on existing taxable losses (total capital increased by EUR 0.8 million), the decrease of the prudential valuation adjustments connected with assets/liabilities measured at fair value (EUR 0.1 million) and the decrease of the deduction item out of non-performing exposures in context with the SREP (EUR 0.1 million).
- Due to the **equity-settled share-based payments** and the change of the incentive plan from the equity-settled share-based compensation program (classified as equity) to the new phantom share program, in which share-based payments are cash-settled (Other liabilities), the total capital decreased by EUR 1.1 million.
- As a result of the increased amount of **treasury shares** not entitled to dividends, the dividend payout amount was less than previously anticipated with a positive effect on equity of EUR 0.3 million.
- Inclusion of the **audited profit after tax** for the year 2024 of EUR 45.4 million. Addiko Bank AG complies with the ECB recommendation communicated in December 2024 not to distribute a dividend for the business year 2024.

79.1.2. Risk structure

Addiko Group uses the standardised approach in the calculation of the credit, market and operational risk, which partly explains the relatively high-risk density (measured by comparing RWA to assets) of 57.3% (YE23: 59.4%). The bank's focus on unsecured consumer lending and SME business is another important source of the reported risk density.

The risk-weighted assets (RWA) increased by EUR 18.0 million during the reporting period:

- The **RWA for credit risk** decreased by EUR 27.0 million. Although new disbursements in the focus segments Consumer and SME resulted in higher RWA figures (EUR 78.4 million), this development was more than offset by the exposure decrease in the non-focus segments Large Corporates & Public Finance (EUR 50.3 million) and Mortgages (EUR 40.2 million). Furthermore, the application of the article 500a of the regulation (EU) 2024/1623 led to lower risk weights for certain sovereigns, which represents the main effect in the segment Corporate Center (EUR 14.9 million).
- The **RWA for counterparty credit risk (CVA)** decreased during the reporting period by EUR 1.6 million.
- The **RWAs for market risk** increased by EUR 1.8 million, principally driven by higher open positions in BAM (RWA increase of EUR 12.5 million), being compensated by lower open positions in CHF (RWA decrease of EUR 7.4 million) and others (EUR 3.3 million; mainly USD).
- The **RWA for operational risk** increased by EUR 44.9 million. The RWA for operational risk is calculated on the three-year average of relevant income. The base amount for the year 2024 increased by EUR 77.7 million compared to the replaced year 2021 which was included in the previous year calculation, mostly caused by the EUR 73.3 million higher net interest income.

EUR m

	31.12.2024	31.12.2023
Credit risk pursuant to Standardised Approach	3,033.5	3,060.5
Counterparty credit risk	2.0	3.6
Market risk	155.8	154.0
Operational risk	479.9	435.0
Total risk exposure amount	**3,671.2**	**3,653.2**

79.1.3. Leverage ratio

The leverage ratio for the Addiko Group, calculated in accordance with Article 429 CRR, was 12.2% on 31 December 2024 and increased compared during the reporting period (YE23: 11.6%). The development is mainly due to the above-mentioned increase of the Tier 1 capital which was partially compensated by an increased total leverage ratio exposure.

EUR m

	31.12.2024	31.12.2023
Tier 1 capital	809.0	746.1
Total leverage ratio exposure	6,653.6	6,421.8
Leverage ratio %	**12.2%**	**11.6%**

79.1.4. Capital allocation

The Group's policy aims to keep a strong capital base to maintain investor, creditor and market confidence and to sustain the future development of the business. The Group employs a centralised capital management process which covers both normative and economic perspectives of capital management. Securing the Group's ability to satisfy capital requirements in economic perspective forms a central part of the “Internal Capital Adequacy Assessment Process” (ICAAP) steering activities. The starting point for performing the risk-bearing capacity calculation is the identification of all material risks through an annual risk inventory. The value at risk (VaR) method with a confidence level of 99.9% is used to calculate the risk capital requirements for the main risk categories credit, market and liquidity risk.

The allocation of capital between specific operations and activities is, to a large extent, driven by optimisation of the return achieved on the capital allocated. The process of allocating capital to specific operations and activities is undertaken during the budgeting process. Although maximisation of the return on risk-adjusted capital is the principal basis used in determining how capital is allocated within the Group to particular operations or activities, it is not the sole basis used for decision making. Account is also taken of expectations of specific risk drivers' development in the following period, synergies with other operations and activities, the availability of management and other resources, and the fit of the activity with the Group's longer-term strategic objectives.

79.2. MREL requirements

The Bank Recovery and Resolution Directive (BRRD) provides that institutions established in the European Union (EU) should meet a minimum requirement for own funds and eligible liabilities (MREL) to ensure an effective and credible application of the bail-in tool. MREL targets are determined on a case-by-case basis for each institution or banking group by the competent resolution authority, which is the SRB (Single Resolution Board) in the case of Addiko Group.

Based on the resolution plan received on 25 May 2023 from the SRB, Addiko Group consists of two resolution entities - Addiko Bank d.d. (Croatia) and Addiko Bank d.d. (Slovenia) – as both entities were assessed by the resolution authority to provide critical functions to the local market. Addiko Bank AG is the liquidation entity. The SRB concluded that a multiple point of entry (MPE) is a suitable strategy for Addiko Group. On 21 February 2024 the SRB determined the following minimum requirements for own funds and eligible liabilities in its decision with immediate effect:

- Addiko Bank d.d. (Croatia) 22.2% of TREA and 5.2% of LRE on an individual basis.
- Addiko Bank d.d. (Slovenia) 11.3% of TREA and 3.0% of LRE on an individual basis. The bank has to ensure a linear build-up of own funds and eligible liabilities towards the MREL requirement applicable as of 30 June 2025 of 20.9% of TREA and 5.2% of LRE on an individual basis.
- Addiko Bank AG 11.3% of TREA and 3.0% of LRE on an individual basis.

During the reporting period the MREL ratio of all entities was always above the respective requirements.

Supplementary information required by Austrian Law

(80) Residual maturity according to Section 64 para. 1 No. 4 BWG

The residual maturity based on discounted contractual cash flows.

EUR m

31.12.2024	daily due	up to 3 months	from 3 months to 1 year	from 1 year to 5 years	> 5 years	up to 1 year	over 1 year	Total
Cash and cash equivalents	1,223.2	28.2	0.0	0.0	0.0	1,251.4	0.0	1,251.4
Financial assets held for trading	0.0	1.2	0.0	3.8	9.5	1.2	13.2	14.4
Financial assets mandatorily at fair value through profit or loss	1.4	0.0	0.0	0.0	0.0	1.4	0.0	1.4
Financial assets at fair value through other comprehensive income	14.9	16.7	65.7	497.3	92.2	97.2	589.5	686.8
Financial assets at amortised cost	294.1	281.5	772.2	2,129.8	849.5	1,347.8	2,979.3	4,327.2
Total	**1,533.6**	**327.6**	**837.9**	**2,630.9**	**951.2**	**2,699.1**	**3,582.1**	**6,281.2**
Financial liabilities held for trading	0.0	0.3	3.2	0.8	0.0	3.6	0.8	4.3
Financial liabilities at amortised cost	3,268.3	748.8	1,150.2	247.6	6.9	5,167.3	254.5	5,421.7
Total	**3,268.3**	**749.1**	**1,153.4**	**248.3**	**6.9**	**5,170.8**	**255.2**	**5,426.1**

EUR m

31.12.2023	daily due	up to 3 months	from 3 months to 1 year	from 1 year to 5 years	> 5 years	up to 1 year	over 1 year	Total
Cash and cash equivalents	1,022.2	225.0	4.0	3.2	0.1	1,251.2	3.3	1,254.5
Financial assets held for trading	0.9	8.5	16.0	1.9	2.2	25.4	4.1	29.5
Financial assets mandatorily at fair value through profit or loss	0.3	1.8	0.0	0.0	0.0	2.1	0.0	2.1
Financial assets at fair value through other comprehensive income	50.9	28.5	87.7	476.6	85.0	167.1	561.6	728.7
Financial assets at amortised cost	137.2	366.2	679.9	1,962.5	857.8	1,183.4	2,820.3	4,003.7
Total	**1,211.5**	**630.0**	**787.6**	**2,444.2**	**945.1**	**2,629.2**	**3,389.3**	**6,018.5**
Financial liabilities held for trading	1.3	2.6	0	0.3	0	3.9	0.3	4.2
Financial liabilities at amortised cost	3,056.2	988.6	817.2	302.2	34.6	4,861.9	336.8	5,198.7
Total	**3,057.5**	**991.2**	**817.2**	**302.5**	**34.6**	**4,865.8**	**337.1**	**5,202.9**

(81) Breakdown of securities admitted to listing on a stock exchange

EUR m

	31.12.2024			31.12.2023		
	thereof listed	thereof unlisted	Total	thereof listed	thereof unlisted	Total
Financial assets held for trading						
Debt securities	7.1	2.3	9.4	8.6	16.0	24.6
Financial assets mandatorily at fair value through profit or loss						
Equity instruments	0.0	0.3	0.3	0.0	0.3	0.3
Debt securities	0.0	1.1	1.1	0.0	1.8	1.8
Financial assets at fair value through other comprehensive income						
Equity instruments	0.0	22.1	22.1	0.0	19.2	19.2
Debt securities	624.2	40.4	664.6	668.4	41.1	709.5
Financial assets at amortised cost						
Debt securities	561.1	215.5	776.5	312.8	111.8	424.6

(82) Return on total assets

As at 31 December 2024, the return on total assets pursuant to Section 64 para. 1 No. 19 BWG, which is calculated by dividing the result after tax for the year by total assets at the reporting date, amounts to 0.7% (2023: 0.7%).

(83) Expenses for the auditor

In Other administrative expenses the following fees charged by the group auditor KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna are included:

in TEUR

	31.12.2024	31.12.2023
Audit fees for the annual financial statements	**-227.1**	**-207.0**
Expenses for the current year	-227.1	-183.4
Expenses relating to the previous year	0.0	-23.6
Fees for other services	**-229.6**	**-43.7**
Other assurance services mandatory to be provided by the statutory auditors	**-33.5**	-29.1
Other assurance services	**-196.1**	-14.6
Other services	0.0	0.0
Total services	**-456.6**	**-250.7**

The amounts include cash expenditure and VAT. The fees for the audit of the financial statements relate to costs for auditing the separate financial statements as well as the consolidated financial statements of Addiko Bank AG. The fees for the limited assurance engagement regarding the 2024 sustainability reporting were disclosed under Other assurance services. In 2024 no fees were charged from group auditor to other group companies.

(84) Trading book

The volume of the trading book of Addiko Group breaks down as follows:

EUR m

	31.12.2024	31.12.2023
Derivatives in trading book (nominal)	231.0	288.0
Debt securities (carrying amount)	9.4	24.6
Trading book volume	**240.4**	**312.6**

(85) Employee data

The following figures do not include the members of the Group Management Board:

	31.12.2024	31.12.2023
Employees at closing date (Full Time Equivalent - FTE)	2,509	2,562
Employees average (FTE)	2,531	2,508

(86) Expenses for severance payments and pensions

The following expenses were incurred for severance and pension payments:

in TEUR

	31.12.2024		31.12.2023[1]	
	Severance payments	Pensions	Severance payments	Pensions
Management Board and key management personnel	-40.5	-440.1	-115.3	-327.2
Other employees	-1,330.4	-8,888.6	-661.5	-8,588.9
Total	**-1,370.9**	**-9,328.7**	**-776.8**	**-8,916.2**

[1] The comparative figures for 2023 have been adjusted to reflect the total figures for the group (Figures disclosed in consolidated financial statements 2023 - as indicated - reflect only those of Addiko Bank AG).

Expenses for severance payments contain contributions to defined contribution plans totalling EUR 205.3 thousand (2023: EUR 198.6 thousand). The expenses for pensions relate only to defined contribution plans.

(87) Relationship with members of the Company's Boards

87.1. Advances, loans and liabilities with regard to Board members

As at 31 December 2024, the Addiko Bank AG Boards had not received any advances or loans, nor had any liabilities been assumed on their behalf. As at year-end, the persons serving on the Supervisory Board during the financial year had not received, be it for themselves or on behalf of the companies for which they are personally liable, any loans from Addiko Bank AG, nor did Addiko Bank AG assume any liabilities on their behalf.

87.2. Breakdown of remuneration received by Board members of the Addiko Bank AG

in TEUR

	31.12.2024	31.12.2023
Management Board	-5,266.8	**-4,807.6**
Supervisory Board	-664.0	**-630.6**
Remuneration paid to former members of the Management and Supervisory Board and their close family members	0.0	**0.0**
Total	**-5,930.8**	**-5,438.2**

The amounts disclosed correspond to the estimated disbursement at the reporting date and may deviate from the ones which will be finally paid.

(88) Boards and Officers of the Company

1 January to 31 December 2024

Supervisory Board

Chairman of the Supervisory Board:
Kurt Pribil

Deputy Chairman of the Supervisory Board:
Johannes Proksch

Members of the Supervisory Board:
Monika Wildner
Sava Ivanov Dalbokov
Frank Schwab

Delegated by the Works Council:
Christian Lobner
Thomas Wieser

Federal Supervisory Authorities

State Commisioner:
Vanessa Koch

Deputy State Commissioner:
Lisa-Maria Haas

Management Board

Herbert Juranek, Chairman of the Management Board
Edgar Flaggl, Member of the Management Board
Tadej Krašovec, Member of the Management Board
Ganesh Krishnamoorthi, Member of the Management Board

(89) Events after the reporting date

There were no material events after the reporting date.

(90) Alternative performance measures

Addiko uses alternative performance measures (APM) to describe it’s performance or financial position which are not defined or specified in the financial (IFRS) or regulatory (CRR) reporting framework. The following additional information provide a reconciliation of the APM to the reconciled line item, subtotal or total presented in the financial statements and explaining the material reconciling items.

Change CL/GPL (simple av.)	Change in credit loss (CL) divided by simple average gross performing loans
Cost/income ratio (CIR)	Operating expenses divided by (net interest income + net fee and commission income)
Cost of funding	Interest expense on customer deposit costs, costs for deposits from credit institutions and Treasury costs. Denominator based on simple average
Cost of risk ratio	Credit loss expenses on financial assets divided by credit risk bearing exposures
Cost of risk ratio (net loans)	Credit loss expenses on financial assets divided by net loans customers
Effective tax rate	Taxes on income divided by result before tax
Focus RWA / total RWA	Based on segment credit risk weighted assets (RWA), excluding operational, market and counterparty RWA, divided by total RWA excluding Corporate Center
Gross yield	Calculated as annualised regular interest income divided by the simple average of gross performing loans based on beginning and end of period amounts. New business yields are calculated using daily averages
LCR	Liquidity coverage ratio; the ratio of high-quality liquid assets and net cash flows in the next 30 days
Leverage ratio	The ratio of Tier 1 capital to specific exposures on and off the statement of financial position calculated in accordance with the methodology set out in CRR
Loan to deposit ratio	Indicates a bank's ability to refinance its loans by deposits rather than wholesale funding. It is based on net customer loans and calculated with loans to non-financial corporations and households in relation to deposits from non-financial corporations and households. Segment level: Loans and receivables divided by financial liabilities at amortised costs
Net banking income	The sum of net interest income and net fee and commission income
Net interest income (segment level)	Net interest income on segment level includes total interest income related to effective interest rate from gross performing loans, interest income from NPE, interest like income, interest expenses from customer deposits, consideration of funds transfer pricing and allocated contribution from interest and liquidity gap
NIM	Net interest margin is used for external comparison with other banks as well as an internal profitability measurement of products and segments. It is calculated with net interest income set in relation to average interest-bearing assets (total assets less investments in subsidiaries, joint ventures and associates, intangible assets, tangible assets, tax assets and other assets)
Operating income	Sum of net interest income, net fee and commission income, net result on financial instruments, other operating income and other operating expenses
Operating result before impairments and provisions	Operating income less general administrative expenses
NPE ratio	Is an economic ratio to demonstrate the proportion of loans that have been classified as defaulted non-performing in relation to the entire customer loan portfolio. The definition of non-performing has been adopted from regulatory standards and guidelines and comprises in general those customers where repayment is doubtful, a realisation of collaterals is expected, and which thus have been moved to a defaulted customer rating segment. The ratio reflects the quality of the loan portfolio of the bank and provides an indicator for the performance of the bank's credit risk management. Non-performing exposure/credit risk bearing exposure (on and off-balance)
NPE coverage ratio	Describes to which extent defaulted non-performing exposure have been covered by impairments (individual and portfolio-based loan loss provisions) thus expressing also the ability of a bank to absorb losses from its NPE. It is calculated with impairment losses set in relation to defaulted non-performing exposure
NPE collateral coverage	Collaterals allocated to non-performing exposure divided by non-performing exposure
Result before tax	Sum of operating income and general administrative expenses

Result after tax	Result before tax after deduction of taxes on income
Return on average tangible equity	Calculated as result after tax divided by the simple average of equity less intangible assets
RWA / assets ratio	Calculated as total risk weighted assets (RWA) divided by total assets
Stage 1 & 2 (performing) coverage	Calculated as stock of expected credit losses (ECL) by performing loan exposures (stage 1 & 2 exposures)

Vienna, 18 February 2025
Addiko Bank AG

MANAGEMENT BOARD

Herbert Juranek m.p.
Chairman

Edgar Flaggl m.p.
Member of the Management Board

Tadej Krašovec m.p.
Member of the Management Board

Ganesh Krishnamoorthi m.p.
Member of the Management Board

Auditor’s Report

Report on the Consolidated Financial Statements

Audit Opinion

We have audited the consolidated financial statements of

Addiko Bank AG,
Vienna, Austria,

and its subsidiaries („the Group”), which comprise the consolidated Statement of Financial Position as at December 31, 2024, and the Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and the Notes to the Consolidated Financial Statements.

In our opinion, the consolidated financial statements comply with the legal requirements and present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, and the additional requirements pursuant to Section 245a UGB (Austrian Commercial Code) as well as Section 59a BWG (Austrian Banking Act).

Basis for our Opinion

We conducted our audit in accordance with the Regulation (EU) No. 537/2014 („AP Regulation”) and Austrian Standards on Auditing. These standards require the audit to be conducted in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the „Auditor’s Responsibilities” section of our report. We are independent of the audited Group in accordance with Austrian company law and professional regulations, and we have fulfilled our other responsibilities under those relevant ethical requirements. We believe that the audit evidence we have obtained up to the date of the auditor’s report is sufficient and appropriate to provide a basis for our audit opinion on this date.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, however, we do not provide a separate opinion thereon.

Impairment of loans and advances to customers

Risk for the Consolidated Financial Statements

Loans and advances to customers included in the balance sheet item "Loans and advances to customers" amount to 3,670.6 Mio. EUR; the loan loss allowances for these loans and advances amount to 164.2 Mio. EUR.

The Management Board describes the approach for determining loan loss allowances in Note 12.4 "Impairment" and Note 61.1 "Method of calculating risk provisions" in the notes to the consolidated financial statements.

As part of the loan monitoring process, the Group assesses whether there are any credit defaults and therefore whether loan loss allowances (stage 3) need to be recognized. This also includes the assessment whether customers are able to make the contractually agreed repayments in full. The calculation of the expected credit loss (ECL) for defaulted individually significant loans is based on an analysis of expected and scenario-weighted future cash flows. This analysis reflects the assessment of the economic situation and development of the individual customer, the valuation of collaterals and the estimation of amount and timing of future cash flows. For defaulted loans that are not individually significant, the Group performs a collective assessment of loan loss allowances based on common risk characteristics. The parameters used are based on empirical statistical values and assumptions about risk projections.

For non-defaulted loans, a portfolio loan loss allowance is recognized for the expected credit loss. The basis for this is the 12 months ECL (stage 1); in the event of a significant increase in credit risk, the lifetime ECL is calculated (stage 2). To a considerable extent, estimates and assumptions are required in determining the ECL. These include rating-based probabilities of default and loss rates that take into account present and forward-looking information.

As the applied loan loss allowance model used for non-defaulted loans cannot adequately reflect the risk on the basis of the available data or specific local market conditions in individual sub-portfolios, the Group increased the model results ("post model adjustment").

The risk to the consolidated financial statements lies in the fact that the determination of loan loss allowances, taking into account the post model adjustment, is based on estimates and assumptions to a significant extent. This may result in the risk of a possible misstatement regarding the amount of loan loss allowances in the consolidated financial statements.

Our Response

In our audit of the valuation of loans and advances to customers, we performed the following key audit procedures:

- We obtained the documentation of the Group's processes for monitoring and assessment of loan loss allowances for loans and advances to customers, and assessed whether these processes are appropriate for identifying defaults and adequately determining loan loss allowances. We tested the internal key controls with regard to their design and implementation and tested their effectiveness on a sample basis.

- On the basis of samples from different loan portfolios, we examined whether indicators for loan defaults exist. The samples were selected on a risk-oriented basis, taking into particular account rating levels and local market characteristics. In the case of defaults of individually significant loans, the assumptions made by the local banks were examined on a sample basis with regard to conclusiveness and consistency of the timing and amount of the assumed cash flows.
- For all other loans for which specific or portfolio-based loan loss allowances were calculated, we analyzed the Group's methodological documentation for consistency with the requirements of IFRS 9. Furthermore, on the basis of internal bank validations, we tested the models and the parameters used therein to determine whether they are adequate for calculating appropriate amount of loan loss allowances. We assessed the appropriateness of the 12 months and lifetime probabilities of default as well as loss rates. In addition, the selection and measurement of forward-looking estimates and scenarios were analyzed and their consideration in parameter estimation was verified. We also assessed the derivation and rationale of the post model adjustment, as well as the underlying assumptions with regard to their appropriateness. We have verified the mathematical accuracy of the loan loss allowances on a sample basis. We have involved our financial risk management specialists in these audit procedures.

Recognition and valuation of legal risks provisions in connection with consumer loans in Croatia

Risk for the Consolidated Financial Statements

The Group recognizes provisions relating to existing and potential litigation in Croatia under the balance sheet item “Provisions”, thereof “Provisions for pending legal disputes”. The legal risks are related to consumer complaints regarding unilateral interest rate adjustment clauses and CHF currency clauses in loan agreements.

The Management Board describes the process for monitoring and providing for legal risks in Note 23.2 “Provisions for legal disputes and other provisions” and Note 67 “Legal risk” in the notes to the consolidated financial statements.

The amount of the provision is estimated by the Group taking into account ongoing litigation developments. These estimates relate to the expectations concerning duration, costs and outcome of the proceedings. In assessing the amount of the provision and the related uncertainties, the Group relies on opinions and estimates of external legal counsels, who have been engaged to provide legal representation, as well as opinions of the Group's internal legal department and analyses of court opinions.

The risk to the Group' s financial statements arises from uncertainties and judgments associated with the assessment of the above factors, in particular the prospects of success of the ongoing proceedings and the amount and timing of payments due under the proceedings.

Our Response

In our audit of the recognition and determination of provisions for legal risks related to consumer loans in Croatia, we performed the following key audit procedures:

- We assessed the methodology used to determine the amount of provisions related to existing and potential litigation in Croatia for appropriateness and compliance with accounting standards.
- We verified the appropriateness of the Group's assumptions and estimates used in connection with existing and potential litigation. This assessment included assessing the likelihood of an unfavourable outcome of litigation as well as the reliability of estimated damage claims and legal fees; this was performed by inspecting, for example, individual court files, decisions of superior courts, opinions and

analyses of the Group's internal and external legal counsels. Furthermore, we analyzed developments in court practice in Croatia in order to assess the reasonableness of management's key estimates in the restitution process.

- We inspected the minutes of the Management Board and Supervisory Board meetings of the Croatian bank and the Group parent in Austria in order to reconcile the reporting of these legal risks with the key judgments and estimation assumptions made by management in the provisioning process, as well as to identify additional potential claims.

Other Information

Management is responsible for other information. Other information is all information provided in the group annual report, other than the consolidated financial statements, the group management report and the auditor's report.

Our opinion on the consolidated financial statements does not cover other information and we do not provide any kind of assurance thereon.

In conjunction with our audit, it is our responsibility to read this other information and to assess whether, based on knowledge gained during our audit, it contains any material inconsistencies with the consolidated financial statements or any apparent material misstatement of fact.

If we conclude that there is a material misstatement of fact in other information, we must report that fact. We have nothing to report in this regard.

Responsibilities of Management and Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, the additional requirements pursuant to Section 245a UGB (Austrian Commercial Code) as well as Section 59a BWG and for such internal controls as management determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Management is also responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intents to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Group's financial reporting process.

Auditor’s Responsibilities

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our audit opinion. Reasonable assurance represents a high level of assurance, but provides no guarantee that an audit conducted in accordance with the AP Regulation and Austrian Standards on Auditing (and therefore ISAs), will always detect a material misstatement, if any. Misstatements may result from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the AP Regulation and Austrian Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit.

Moreover:

- We identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, we design and perform audit procedures responsive to those risks and obtain sufficient and appropriate audit evidence to serve as a basis for our audit opinion. The risk of not detecting material misstatements resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- We conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the respective note in the consolidated financial statements. If such disclosures are not appropriate, we will modify our audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the consolidated financial statements, including the notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We plan and conduct the audit of the consolidated financial statements in order to obtain sufficient appropriate audit evidence on the financial information of the components within the Group, in order to form an audit opinion. We are responsible for directing, supervising and reviewing the audit activities carried out for the purposes of auditing the consolidated financial statements. We remain solely responsible for our audit opinion.
- We communicate with the audit committee regarding, amongst other matters, the planned scope and timing of our audit as well as significant findings, including any significant deficiencies in internal control that we identify during our audit.

- We communicate to the audit committee that we have complied with the relevant professional requirements in respect of our independence, that we will report any relationships and other events that could reasonably affect our independence and, where appropriate, the related safeguards.
- From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit i.e. key audit matters. We describe these key audit matters in our auditor's report unless laws or other legal regulations preclude public disclosure about the matter or when in very rare cases, we determine that a matter should not be included in our audit report because the negative consequences of doing so would reasonably be expected to outweigh the public benefits of such communication.

Report on Other Legal Requirements

Group Management Report

In accordance with Austrian company law, the group management report is to be audited as to whether it is consistent with the consolidated financial statements and prepared in accordance with legal requirements.

It is our responsibility to determine whether the consolidated non-financial statement has been prepared as part of the group management report, to read and assess whether, based on knowledge gained during our audit, it contains any material inconsistencies with the consolidated financial statements or any apparent material misstatement of fact.

Management is responsible for the preparation of the group management report in accordance with Austrian company law.

We have conducted our audit in accordance with generally accepted standards on the audit of group management reports.

Opinion

In our opinion, the group management report is consistent with the consolidated financial statements and has been prepared in accordance with legal requirements. The disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

Statement

Based on our knowledge gained in the course of the audit of the consolidated financial statements and our understanding of the Group and its environment, we did not note any material misstatements in the group management report.

Additional Information in accordance with Article 10 AP Regulation

We were elected as auditors at the Annual General Meeting on April 21, 2023 and were appointed by the supervisory board on April 21, 2023 to audit the financial statements of Company for the financial year ending on December 31, 2024.

During the Annual General Meeting on April 26, 2024, we have been elected as auditors for the following financial year ending December 31, 2025 and appointed by the supervisory board on May 2, 2024.

We have been auditors of the Company, without interruption, since the consolidated financial statements at December 31, 2021.

We declare that our opinion expressed in the „Report on the Consolidated Financial Statements" section of our report is consistent with our additional report to the Audit Committee, in accordance with Article 11 AP Regulation.

We declare that we have not provided any prohibited non-audit services (Article 5 Paragraph 1 AP Regulation) and that we have ensured our independence throughout the course of the audit, from the audited Group.

Engagement Partner

The engagement partner is Mr. Mag. Christian Grinschgl.

Vienna

February 21, 2025

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

signed by:
Mag. Christian Grinschgl
Wirtschaftsprüfer
(Austrian Chartered Accountant)

This report is a translation of the original report in German, which is solely valid.
The consolidated financial statements together with our auditor's opinion may only be published if the consolidated financial statements and the group management report are identical with the audited version attached to this report. Section 281 Paragraph 2 UGB (Austrian Commercial Code) applies.

Independent assurance report on the non-financial reporting pursuant to Section 267a UGB

We have performed a limited assurance engagement in the connection with the consolidated non-financial reporting pursuant to Section 267a UGB (hereafter "non-financial reporting") in the Group management report in section "Sustainability Statement 2024" for the financial year 2024 of the

Addiko Bank AG,
Vienna, Austria
(hereinafter also referred to as "Addiko" or "Company").

Conclusion with limited assurance

Based on our procedures performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the consolidated non-financial reporting pursuant to Section 267a UGB (hereafter "non-financial reporting") in the Group management report in section "Sustainability Statement 2024" is not prepared, in all material respects, in compliance with:

- the statutory provisions of Art. 19a and 29a of Directive 2013/34/EU,
- the statutory provisions of the Austrian Sustainability and Diversity Improvement Act (Sections 267a of the Austrian Commercial Code (UGB)),
- the reporting requirements according to Article 8 of the EU Regulation 2020/852 (hereinafter referred to as "EU-Taxonomy-Regulation") in respect to the disclosure requirements in the non-financial reporting,
- the requirements of the European Non-financial reporting Standards (hereinafter referred to as "ESRS"), and
- the process carried out by the company to identify the information to be included in the consolidated non-financial reporting in accordance with the legal requirements and standards for non-financial reporting (hereinafter referred to as "double materiality assessment process"); with the description set out in disclosure "11.3.1 ESRS 2 IRO-1 – Identifying and assessing sustainability-related impacts, risks and opportunities"

in the currently valid version.

Basis for conclusion with limited assurance

Our limited assurance engagement on the non-financial reporting was conducted in accordance with the statutory requirements and Austrian Standards on Other Assurance Engagements and additional expert opinions as well as the International Standard on Assurance Engagements (ISAE 3000 (Revised) applicable to such engagements. An independent assurance engagement with the purpose of expressing a conclusion with limited assurance ("limited assurance engagement") is substantially less in scope than an independent assurance engagement with the purpose of expressing a conclusion with reasonable assurance ("reasonable assurance engagement"), thus providing reduced assurance.

Our responsibility under those requirements and standards is further described in the "Responsibility of the auditor of the consolidated non-financial reporting" section of our assurance report.

We are independent of the Group in accordance with the Austrian professional regulations and Art. 22 ff. AP- RL and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit firm is subject to the provisions of KSW-PRL 2022, which essentially corresponds to the requirements of ISQM 1, and applies a comprehensive quality management system, including documented policies and procedures for compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained up to the date of the limited assurance report is sufficient and appropriate to provide a basis for our conclusion as of that date.

Other matters

We draw attention to the fact that the company's non-financial reporting for the fiscal year ending 31 December, 2023 has not been audited by us or by any other auditor. Our conclusion is not modified in this context.

Other information

Management is responsible for the other information. The other information comprises all information included in the group annual report but does not include non-financial reporting and our independent assurance report.

Our conclusion on the non-financial reporting does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our limited assurance engagement on the non-financial reporting, our responsibility is to read the other information when available and, in doing so, consider whether the other information is materially inconsistent with the non-financial reporting or our knowledge obtained in the limited assurance engagement or otherwise appears to be misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this context.

Responsibility of the management

Management is responsible for the preparation of a non- financial reporting including the determination and implementation of the double materiality assessment processes in accordance with legal requirements and standards. This responsibility includes:

- identification of the actual and potential impacts, as well as the risks and opportunities associated with sustainability aspects and assessing the materiality of these impacts, risks and opportunities,
- preparing of a non-financial reporting in compliance with the requirements of the statutory provisions of the Austrian Sustainability and Diversity Improvement Act pursuant to Section 267a UGB, and the statutory provisions of Art. 19a and 29a of Directive 2013/34/EU, including compliance with the ESRS,
- inclusion of disclosures in the consolidated non-financial reporting in accordance with the EU-Taxonomy-Regulation, and
- designing, implementing and maintaining of internal controls that management consider relevant to enable the preparation of sustainability report that is free from material misstatement, whether due to fraud or error; and to enable the double materiality assessment process to be carried out in accordance with the requirements of the ESRS.

This responsibility includes also the selection and application of appropriate methods for non-financial reporting and the making of assumptions and estimates for individual sustainability disclosures that are reasonable in the circumstances.

Inherent limitations in the preparation of non-financial reporting

When reporting forward-looking information, the company is obliged to prepare this forward-looking information based on disclosed assumptions about events that could occur in the future and possible future actions by the company. Actual results are likely to differ as expected events often do not occur as assumed.

When determining the disclosures in accordance with the EU-Taxonomy-Regulation, the management is obliged to interpret undefined legal terms. Undefined legal terms can be interpreted differently, also regarding the legal conformity of their interpretation and are therefore subject to uncertainties.

Responsibility of the auditor of the consolidated non-financial reporting

Our objectives are to plan and perform a limited assurance engagement to obtain limited assurance about whether the non-financial reporting, including the procedures performed to determine the information to be reported and the reporting in accordance with the EU-Taxonomy, is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on this non-financial reporting.

In a limited assurance engagement, we exercise professional judgement and maintain professional skepticism throughout the assurance engagement.

Our responsibilities include

- performing risk-related assurance procedures, including obtaining an understanding of internal controls relevant to the engagement, to identify disclosures where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of expressing a conclusion on the effectiveness of the Group's internal controls;
- design and perform assurance procedures responsive to disclosures in the non-financial reporting, where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Procedures - Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the non-financial reporting.

Our engagement does not include the assurance of prior period figures, printed interviews or other additional voluntary information of the company, including references to websites or other additional reporting formats of the company.

The nature, timing and extent of assurance procedures selected depend on professional judgement, including the identification of disclosures likely to be materially misstated in the non-financial reporting, whether due to fraud or error.

In conducting our limited assurance engagement on the non-financial reporting, we proceed as follows:

- We obtain an understanding of the company's processes relevant to the preparation of non-financial reporting.
- We assess whether all relevant information identified by the double materiality assessment process carried out by the company has been included in the non-financial reporting.
- We evaluate whether the structure and presentation of the non-financial reporting is in compliance with the requirements of the statutory provisions of the Austrian Sustainability and Diversity Improvement Act as of Section 267a UGB, including the ESRS.
- We perform inquiries of relevant personnel and analytical procedures on selected disclosures in the non-financial reporting.
- We perform risk-oriented assurance procedures, on a sample basis, on selected disclosures in the non-financial reporting.

- We reconcile selected disclosures in the non-financial reporting with the corresponding disclosures in the consolidated financial statements and Group management report.
- We obtain evidence on the methods for developing estimates and forward-looking information.
- We obtain an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in non-financial reporting.

Limitation of liability, publication and terms of engagement

This limited assurance engagement is a voluntary assurance engagement. We issue this conclusion based on the assurance contract concluded with the client, which is also based, with effect on third parties, on the "General Conditions of Contract for the Public Accounting Professions" issued by the Chamber of Tax Advisors and Auditors. These can be viewed online on the website of the Chamber of Tax Advisors and Auditors (currently at https://ksw.or.at/berufsrecht/mandatsverhaeltnis/). With regard to our responsibility and liability under the contractual relationship, point 7 of the AAB 2018 applies.

Our assurance report may only be distributed to third parties together with the consolidated non-financial reporting contained in the section "Sustainability Statement 2024" of the group management report and only in complete and unabridged form.

Auditor responsible for the assurance engagement

The auditor responsible for the assurance engagement of the non-financial reporting is Mag. Christian Grinschgl.

Vienna

21 February, 2025

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

signed by:
Mag. Christian Grinschgl
Wirtschaftsprüfer
(Austrian Chartered Accountant)

This report is a translation of the original report in German, which is solely valid.