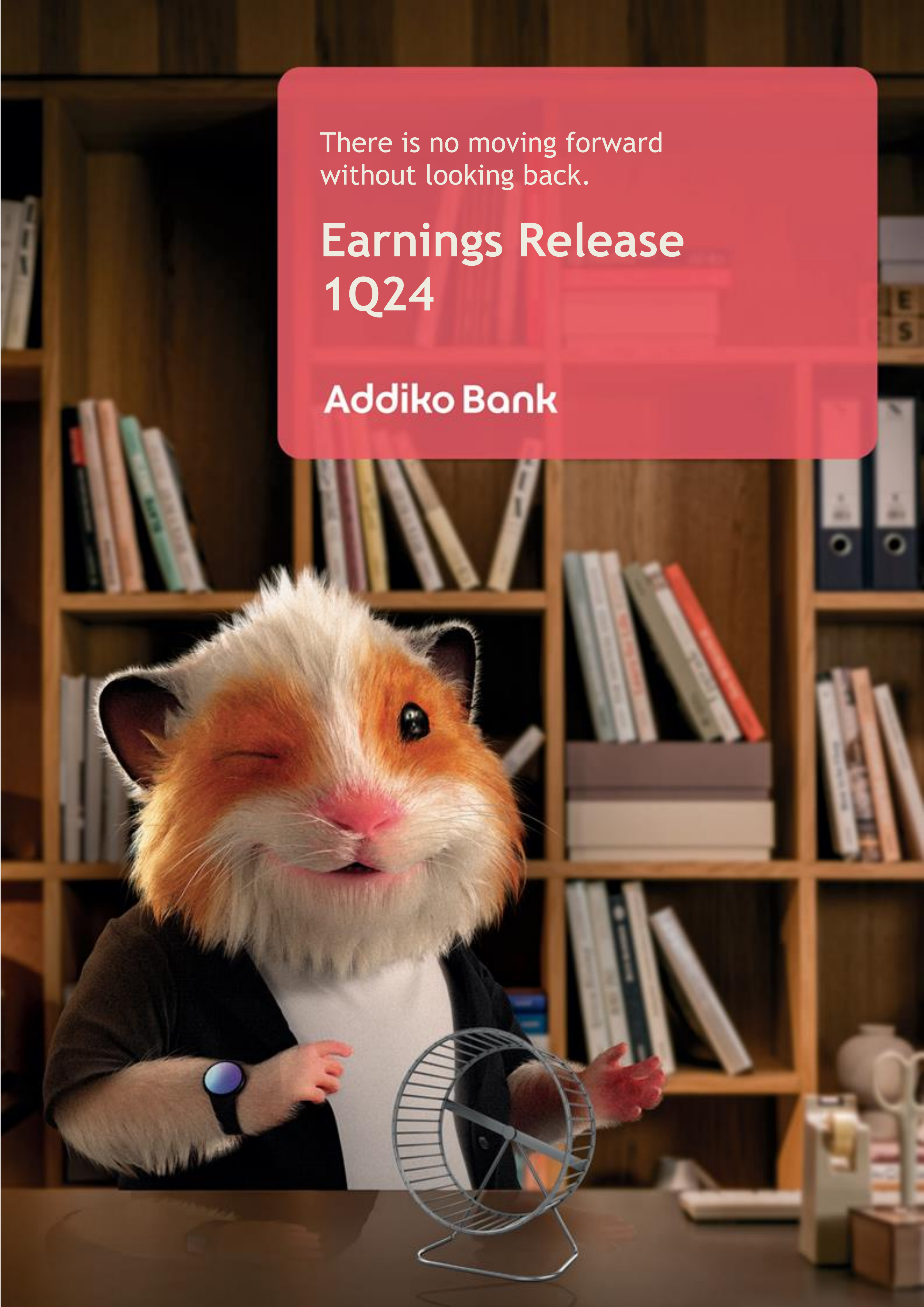
There is no moving forward
without looking back.

Earnings Release
1Q24

Addiko Bank



HIGHLIGHTS

1 Key financial data

Earnings	
Net Profit	€15.6m
Operating Result	€28.5m
EPS	€0.81
NIM	3.9%
Asset Quality	
Cost of Risk (net loans)	-0.2%
NPE Ratio	2.1%
NPE Volume	€146.2m
Capital	
CET1 Ratio	20.3%

2 Business development

- Net Profit in first 3 months up 61% to €15.6m
- Increased Profitability driven by higher net banking income & lower costs for legal cases
- Modest overall growth in Loans (up ca. 1% vPQ) with focus growth at 2% vPQ and Deposits (up ca. 0.8% vPQ)
- On track to achieve Outlook 2024

3 Outlook for the full year 2024 confirmed

Loan Book Growth	up >6%	Cost of Risk	ca. 1%
NIM	up >3.8%	Total Capital Ratio	>18.35%
Net Banking Income	up >4.5%	RoATE	ca. 6.5%
OPEX	<191m	DPS	>€1.2

Key data

			EUR m
Selected items of the Profit or loss statement	**1Q24**	**1Q23**	**(%)**
Net banking income	76.6	67.8	13.1%
Net interest income	59.8	52.2	14.5%
Net fee and commission income	16.9	15.6	8.4%
Net result on financial instruments	0.3	0.2	75.0%
Other operating result	-1.9	-4.0	-51.8%
Operating income	75.1	64.0	17.3%
General administrative expenses	-46.5	-43.7	6.4%
Operating result before impairments and provisions	**28.5**	**20.3**	**40.6%**
Other result	-2.6	-4.7	-44.3%
Expected credit loss expenses on financial assets	-6.9	-4.5	55.1%
Taxes on income	-3.4	-1.5	>100%
Result after tax	**15.6**	**9.7**	**60.9%**
Performance ratios	**1Q24**	**1Q23**	**(pts)**
Net interest income/total average assets	3.9%	3.5%	0.3
Return on average tangible equity	8.0%	5.4%	2.6
Cost/income ratio	60.7%	64.5%	-3.8
Cost of risk ratio	-0.1%	-0.1%	0.0
Cost of risk ratio (net loans)	-0.2%	-0.1%	-0.1
Earnings per share (in EUR)	0.81	0.50	31.0
Selected items of the Statement of financial position	**Mar24**	**Dec23**	**(%)**
Loans and advances to customers	3,522.6	3,489.2	1.0%
Deposits and borrowings from customers	5,071.5	5,032.6	0.8%
Equity	819.3	801.1	2.3%
Total assets	6,196.8	6,151.5	0.7%
Risk-weighted assets	3,694.3	3,653.2	1.1%
Balance sheet ratios	**Mar24**	**Dec23**	**(pts)**
Loan to deposit ratio	69.5%	69.3%	0.2
NPE ratio	2.1%	2.0%	0.1
NPE Ratio (on balance loans)	2.9%	2.8%	0.1
NPE coverage ratio	81.4%	80.9%	0.5
Liquidity coverage ratio	416.0%	313.4%	102.6
Common equity tier 1 ratio	20.3%	20.4%	-0.1
Total capital ratio	20.3%	20.4%	-0.1

1Q24 Highlights

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 the stock-market listed parent company Addiko Bank AG in Austria and six subsidiary banks in Croatia, Slovenia, Bosnia & Herzegovina (two banks), Serbia and Montenegro.

Addiko Bank AG is rated by Fitch Ratings. Since August 2023 there was no change in the rating (Long-Term Issuer Default Rating (IDR) of “BB” and Viability Rating (VR) of ”bb”, stable outlook on the Long-Term IDR). For further information, please refer to the Group’s website (https://www.addiko.com/de/ratings/).

The figures shown in the Earnings Release 1Q24 are prepared on a consolidated basis and comprise the period 1 January – 31 March 2024 (1Q24). This report does not represent condensed financial statements in the meaning of IAS 34.

Addiko noted the announcement on 25 March 2024 on Agri Europe's intention to launch a voluntary offer for a minority stake in Addiko Bank AG. Prior to this announcement, Agri Europe has not been in contact with Addiko in relation to its intention to launch a voluntary offer for a minority stake. Addiko is reviewing the situation and will proceed in line with the obligations of the Austrian Takeover Code, including making a statement after publication of the formal tender offer document, which is expected to be published between 13 and 16 May 2024 according to information published by the Austrian Takeover Commission (https://www.takeover.at).

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, creates accessibility to a broader investor base globally and underscores the group’s commitment to fostering transparency, investor engagement and enhanced trading liquidity.

1. Financial development of the Group

1.1. Overview of financial performance

- **Operating result before impairments and provisions up 40.6% to EUR 28.5 million vs. EUR 20.3 million a year earlier**
- **General administrative expenses in line with expectations**
- **Cost of risk (net loans) at 0.2% or EUR 6.9 million compared to EUR 4.5 million a year earlier**
- **NPE ratio stood at 2.1% (YE23: 2.0%) with increased NPE coverage at 81.4% (YE23: 80.9%)**
- **Return on average tangible equity up to 8.0% (1Q23: 5.4%)**
- **EPS of EUR 0.81 in 1Q24 compared to EUR 0.50 a year earlier**
- **Dividend of EUR 1.26 per share approved by shareholders on AGM in April 2024**

The **result after tax** of EUR 15.6 million (1Q23: EUR 9.7 million) reflected the strong business development, successful repricing and relatively benign credit losses. **Expected credit loss expenses** stood at EUR 6.9 million or 0.2% Cost of Risk (net loans) (1Q23: EUR 4.5 million).

The **share of the two focus segments Consumer and SME** as a percentage of the gross performing loan book increased to 87.3% compared to 83.5% at the end of the first quarter 2023. The overall customer gross performing loan book continued along its growth trajectory, expanding to EUR 3.52 billion compared to EUR 3.36 billion at the end of 1Q23, while the non-focus loan book decreased. The overall focus book grew by 10% YoY.

Net interest income achieved growth of 14.5%, rising to EUR 59.8 million (1Q23: EUR 52.2 million) with improved NIM at 3.89% (1Q23: 3.55%). The **net fee and commission income** increased by 8.4% YoY to EUR 16.9 million (1Q23: EUR 15.6 million) mainly driven by accounts & packages and card business. **General administrative expenses**

increased to EUR 46.5 million (1Q23: EUR 43.7 million) as result of the high inflation. The Cost/income ratio saw further improvement, reaching 60.7% (1Q23: 64.5%), an improvement by 3.8 percentage points.

The **NPE ratio** remained stable at 2.1% (YE23: 2.0%) based on a **non-performing exposure (NPE)** of EUR 146.2 million (YE23: EUR 138.0 million). The **NPE coverage** increased from 80.9% (YE23) to 81.4%, the **NPE ratio related to on-balance loans** was at 2.9% (YE23: 2.8%).

The **CET1 ratio** stood at 20.3% (YE23: 20.4%). As of 1 January 2023, there is no difference between the transitional and the fully-loaded regulatory capital base due to the expiry of the IFRS 9 and Article 468 CRR (EU 2020/873) transitional capital rules.

1.2. Detailed analysis of the result

EUR m

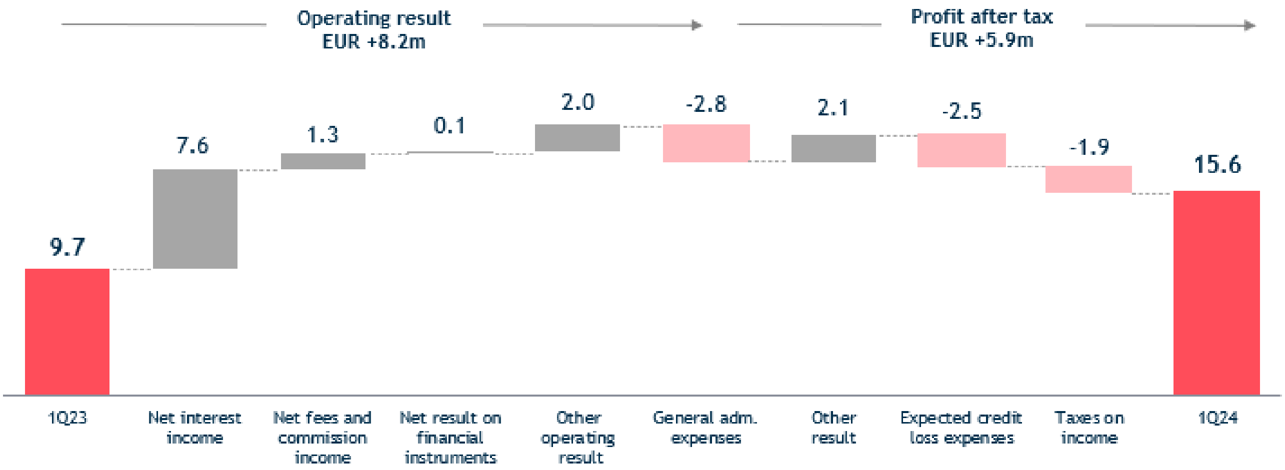
	01.01. - 31.03.2024	01.01. - 31.03.2023	(abs)	(%)
Net banking income	76.6	67.8	8.9	13.1%
Net interest income	59.8	52.2	7.6	14.5%
Net fee and commission income	16.9	15.6	1.3	8.4%
Net result on financial instruments	0.3	0.2	0.1	75.0%
Other operating result	-1.9	-4.0	2.0	-51.8%
Operating income	**75.1**	**64.0**	**11.1**	**17.3%**
General administrative expenses	**-46.5**	**-43.7**	**-2.8**	**6.4%**
Operating result before impairments and provisions	**28.5**	**20.3**	**8.2**	**40.6%**
Other result	-2.6	-4.7	2.1	-44.3%
Expected credit loss expenses on financial assets	-6.9	-4.5	-2.5	55.1%
Result before tax	**19.0**	**11.2**	**7.8**	**70.3%**
Taxes on income	-3.4	-1.5	-1.9	>100%
Result after tax	**15.6**	**9.7**	**5.9**	**60.9%**

Net banking income improved in 1Q24 by EUR 8.9 million to EUR 76.6 million.

Net interest income increased by EUR 7.6 million, driven by the focus segments Consumer and SME as well as income related to liquidity management and treasury. The Consumer segment recorded higher regular interest income of EUR 4.8 million on the back of an increased loan book volume (up EUR 190.5 million) compared with 1Q23 as the Group retained and further extended its premium pricing relative to incumbent banks. The increase in the SME segment of EUR 4.3 million was driven by both higher loan volumes (up by EUR 79.3 million YoY) as well as significantly improved loan pricing (interest rate on loans up +91bps YoY calculated on simple average), supported by the change in market rates in most markets and both, new business at higher rates and to a lower extent repricing of the variable back book. Interest income was additionally complemented by EUR 6.9 million derived from cash balances at central banks and EUR 7.2 million from investments in debt securities, reflecting the evolving interest rate environment. The regular interest income from the non-focus segment remained stable, with the increase in interest rates outweighing the impact from the intentionally accelerated run-down of the non-focus portfolio (down EUR 110.5 million YoY). On the liabilities side, interest expenses naturally increased by EUR 7.7 million due to both higher customer deposit volumes (up EUR 169.5 million YoY), whereby the volume of term deposits increased by EUR 347.1 million, and the changed market environment (interest rate increased by 102bps YoY), while a-vista/demand deposits decreased by EUR 173.4 million (interest rate increased by 5bps YoY).

Net fee and commission income increased at 1Q24 to EUR 16.9 million (1Q23: EUR 15.6 million), mainly driven by card business and accounts & packages.

Result after tax of Addiko Group – *development YoY (in EUR million)*



The **net result on financial instruments** amounted to EUR 0.3 million at 1Q24, resulting from FX and related trading activities, compared to EUR 0.2 million at 1Q23.

Other operating result, which is the sum of other operating income and other operating expense, increased by EUR 2.0 million from EUR -4.0 million at 1Q23 to EUR -1.9 million at 1Q24. This position included the following significant items:

- Deposit guarantee expenses of EUR -1.0 million (1Q23: EUR -2.2 million). The decrease was primarily due to the notification from the Croatian deposit insurance agency that there will be no collection of the premium for the fourth quarter 2023 and the current reporting period, as the required amount of the local deposit insurance was already reached. The accrual booked for the fourth quarter 2023 (EUR 0.7 million) was released in 1Q24.
- Bank levies and other taxes at EUR -2.2 million (1Q23: EUR -0.9 million), of which EUR -0.6 million (1Q23: EUR -0.5 million) pertains to banking levies from ECB, SRB and local banking agencies and EUR -0.7 million was attributable to the newly introduced special banking tax in Slovenia.
- According to the information received from the recovery and resolution fund no charges are to be expected for the year 2024 (1Q23: EUR -1.1 million).
- Gains from the sale of non-financial assets, resulting from the disposal of non-core real estate assets increased to EUR 1.6 million (1Q23: EUR 0.6 million).

General administrative expenses increased from EUR 43.7 million at 1Q23 to EUR 46.5 million at 1Q24:

- Personnel expenses increased by EUR 2.4 million to EUR 25.4 million in the reporting period. The increase is mainly due to inflation-related salary increases.
- Other administrative expenses increased by EUR 0.6 million to EUR 17.0 million, mainly due to higher advertising costs.
- Depreciation and amortisation decreased by EUR 0.1 million to EUR -4.2 million.

Despite the increase in general administrative expenses, significantly higher net banking income led to an improvement of the cost/income ratio from 64.5% to 60.7%, down 3.8 percentage points compared to the previous year.

The **other result**, at EUR -2.6 million was mainly driven by the potential impact of new lawsuits received in Slovenia for Swiss franc-denominated loans during the reporting period (EUR -1.4 million), reflecting a change in the court practice compared to 2023. In the comparative reporting period the other result was at EUR -4.7 million, mainly impacted by credit-linked and portfolio-based provisions for expected legal proceedings on Swiss franc-denominated loans in Croatia.

Expected credit loss expenses on financial assets totalled EUR 6.9 million at 1Q24, an increase of EUR 2.5 million compared to 1Q23 (EUR 4.5 million). The ECL bookings are driven by non-performing exposure in focus segments and remain partially mitigated by releases of ECL in non-focus segments. In total, coverage of non-performing portfolio by ECL increased by 0.5 percentage points since the beginning of year. In the first quarter 2024, there were no updates on forward-looking economic indicators. Addiko decided to maintain the management overlay of EUR 6.5 million unchanged, in light of the continued volatility of the economic environment and uncertainties regarding future developments.

Taxes on income increased to EUR 3.4 million at 1Q24 compared to EUR 1.5 million at 1Q23. The development mainly reflects the higher Result before tax in 1Q24 compared to 1Q23 and the increase of the corporate income tax rate in Slovenia. The effective tax rate increased from 13.4% (1Q23) to 18.0%.

Overall, the **result after tax** increased significantly by 60.9% to EUR 15.6 million (1Q23: EUR 9.7 million).

1.3. Detailed analysis of the statement of financial position

EUR m

	31.03.2024	31.12.2023	(abs)	(%)
Cash and cash equivalents	1,218.8	1,254.5	**-35.6**	-2.8%
Financial assets held for trading	22.7	29.5	**-6.8**	-23.0%
Loans and advances to credit institutions	96.5	66.6	**29.8**	44.8%
Loans and advances to customers	3,522.6	3,489.2	**33.4**	1.0%
Investment securities	1,204.0	1,178.6	**25.4**	2.2%
Tangible assets	55.8	57.6	**-1.8**	-3.1%
Intangible assets	22.7	23.3	**-0.7**	-2.8%
Tax assets	34.3	36.8	**-2.5**	-6.8%
Current tax assets	0.8	1.7	**-0.9**	-51.9%
Deferred tax assets	33.5	35.1	**-1.6**	-4.6%
Other assets	18.2	14.0	**4.2**	29.9%
Non-current assets held for sale	1.3	1.3	**0.0**	-0.7%
Total assets	**6,196.8**	**6,151.5**	**45.3**	**0.7%**

EUR m

	31.03.2024	31.12.2023	(abs)	(%)
Financial liabilities held for trading	2.4	4.2	-1.8	-42.7%
Deposits and borrowings from credit institutions	97.2	106.8	-9.6	-9.0%
Deposits and borrowings from customers	5,071.5	5,032.6	38.9	0.8%
Other financial liabilities	59.4	59.3	0.0	0.0%
Provisions	99.0	99.2	-0.2	-0.2%
Tax liabilities	4.0	4.1	-0.1	-1.5%
Current tax liabilities	4.0	4.1	0.0	-0.9%
Other liabilities	44.0	44.2	-0.2	-0.5%
Equity	819.3	801.1	18.2	2.3%
Total equity and liabilities	**6,196.8**	**6,151.5**	**45.3**	**0.7%**

2. Segment information

Addiko Group's business segments reflect its strategy focused on repositioning itself as a specialist Consumer and SME banking group with a focus on growth in these two 'focus segments' while simultaneously conducting an accelerated run-down in the lower yielding non-focus segments, which include Large Corporate, Mortgage and Public Finance.

EUR m

31.03.2024	Focus segments		Non-focus segments			Corporate Center	Total
	Consumer	SME Business	Mortgage	Large Corporates	Public Finance		
Net banking income	43.0	28.5	5.5	1.9	1.3	-3.5	76.6
Net interest income	33.3	21.9	5.5	1.4	1.1	-3.4	59.8
o/w regular interest income	31.6	18.4	4.0	1.1	0.4	17.4	72.9
Net fee and commission income	9.8	6.6	0.0	0.5	0.2	-0.2	16.9
Net result from financial instruments	0.0	0.0	0.0	0.0	0.0	0.3	0.3
Other operating result	0.0	0.0	0.0	0.0	0.0	-1.9	-1.9
Operating income	**43.0**	**28.5**	**5.5**	**1.9**	**1.3**	**-5.1**	**75.1**
General administrative expenses	**-22.2**	**-8.9**	**-0.4**	**-0.8**	**-0.5**	**-13.8**	**-46.5**
Operating result before impairments and provisions	**20.8**	**19.6**	**5.1**	**1.0**	**0.8**	**-18.9**	**28.5**
Other result	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**-2.6**	**-2.6**
Expected credit loss expenses on financial assets	-5.1	-3.8	1.5	0.4	0.1	0.0	-6.9
Result before tax	**15.7**	**15.8**	**6.6**	**1.4**	**1.0**	**-21.5**	**19.0**
Business volume							
Net loans and receivables	1,735.9	1,314.9	347.2	71.5	29.5	120.1	3,619.0
o/w gross performing loans customers	1,752.1	1,322.3	347.3	69.5	28.9		3,520.1
Gross disbursements	202.6	176.8	0.0	1.4	0.0		380.7
Financial liabilities at AC [1]	2,880.6	1,077.2	0.0	98.9	258.6	912.8	5,228.1
RWA [2]	1,322.7	919.8	204.7	88.9	15.3	574.2	3,125.7
Key ratios							
NIM [3]	5.4%	3.8%	-0.8%	3.0%	0.9%		3.9%
Cost/Income Ratio	51.6%	31.3%	6.8%	44.7%	35.4%		60.7%
Cost of risk ratio	-0.3%	-0.2%	0.4%	0.2%	0.3%		-0.1%
Loan to deposit ratio	60.3%	122.1%	0.0%	72.3%	11.4%		69.5%
NPE ratio (on-balance loans)	3.4%	3.5%	4.8%	15.3%	5.7%		2.9%
NPE coverage ratio	81.0%	82.3%	82.5%	78.3%	78.2%		81.4%
NPE collateral coverage	0.4%	22.4%	81.7%	67.3%	63.3%		24.9%
Change CL/GPL (simple average)	-0.3%	-0.3%	0.4%	0.6%	0.4%		-0.2%
Yield GPL (simple average)	7.3%	5.6%	4.5%	5.9%	6.0%		6.4%

[1] Financial liabilities at AC include the Direct deposits (Austria/Germany) amounting to EUR 543 million, EUR 97 million Deposits of credit institutions and EUR 273 million other liabilities. [2] Includes only credit risk. [3] Net interest margin on segment level is the sum of interest income (without interest income on NPE) and expenses including funds transfer pricing divided by the respective average business volume using daily balances.

EUR m

31.03.2023	Focus segments Consumer	SME Business	Non-focus segments Mortgage	Large Corporates	Public Finance	Corporate Center	Total
Net banking income	36.2	22.5	5.2	2.2	1.4	0.1	67.8
Net interest income	27.5	16.4	5.2	1.6	1.2	0.3	52.2
o/w regular interest income	26.8	14.1	4.6	1.1	0.5	11.1	58.2
Net fee and commission income	8.8	6.1	0.0	0.7	0.2	-0.2	15.6
Net result from financial instruments	0.0	0.0	0.0	0.0	0.0	0.2	0.2
Other operating result	0.0	0.0	0.0	0.0	0.0	-4.0	-4.0
Operating income	**36.2**	**22.5**	**5.2**	**2.2**	**1.4**	**-3.6**	**64.0**
General administrative expenses	**-20.9**	**-7.8**	**-0.4**	**-0.8**	**-0.4**	**-13.3**	**-43.7**
Operating result before impairments and provisions	**15.3**	**14.7**	**4.8**	**1.4**	**1.0**	**-16.9**	**20.3**
Other result	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**-4.7**	**-4.7**
Expected credit loss expenses on financial assets	-3.4	-2.8	1.2	0.5	0.1	0.0	-4.5
Result before tax	**11.9**	**11.9**	**6.1**	**1.9**	**1.0**	**-21.6**	**11.2**
Business volume							
Net loans and receivables	1,547.1	1,242.1	412.4	103.2	43.3	62.5	3,410.7
o/w gross performing loans customers	1,561.7	1,243.0	411.1	102.6	42.5		3,360.9
Gross disbursements	148.0	198.3	0.0	2.9	0.0		349.2
Financial liabilities at AC [1]	2,691.0	1,080.9	0.0	201.5	291.5	797.5	5,062.5
RWA [2]	1,180.6	895.3	246.7	137.3	20.7	508.8	2,989.4
Key ratios							
NIM [3]	5.4%	3.3%	0.2%	2.4%	1.3%		3.5%
Cost/Income Ratio	57.7%	34.7%	7.9%	37.1%	31.9%		64.5%
Cost of risk ratio	-0.2%	-0.1%	0.3%	0.2%	0.2%		-0.1%
Loan to deposit ratio	57.5%	114.9%	0.0%	51.2%	14.9%		68.3%
NPE ratio (on-balance loans)	4.0%	4.0%	5.6%	8.8%	5.9%		3.4%
NPE coverage ratio	79.0%	72.3%	78.3%	91.0%	62.2%		77.0%
NPE collateral coverage	2.5%	46.3%	79.8%	90.5%	100.0%		37.5%
Change CL/GPL (simple average)	-0.2%	-0.2%	0.3%	0.5%	0.2%		-0.1%
Yield GPL (simple average)	7.0%	4.7%	4.4%	4.5%	4.1%		5.7%

[1] Financial liabilities at AC include the Direct deposits (Austria/Germany) amounting to EUR 553 million, EUR 114 million Deposits of credit institutions and EUR 130 million other liabilities. [2] Includes only credit risk. [3] Net interest margin on segment level is the sum of interest income (without interest income on NPE) and expenses including funds transfer pricing divided by the respective average business volume using daily balances.

3. AGM 2024

On 26 April 2024, Addiko Bank AG held its ordinary Annual General Meeting (AGM 2024) as a physical meeting in Vienna. All proposed agenda items were approved. The AGM 2024 prematurely extended the term of office of Ms. Monika Wildner and Mr. Frank Schwab as members of the Supervisory Board until the end of the Annual General Meeting for the business year 2026. The AGM 2024 also approved the dividend for the financial year 2023 of EUR 1.26 per share, the dividend payment date is 7 May 2024.

4. Outlook

Supported by a higher grade of digitalisation and by an increasing brand recognition of Addiko's 3D animated character Oskar, the Group will continue to accelerate its specialist strategy in the CSEE markets, focusing on sustainable business growth in the segments Consumer and SME.

The projected positive development of the Group is expected to be supported by a positive macroeconomic outlook for the CSEE region in 2024. In its latest Spring forecast, the Vienna Institute for International Economic Studies (wiiw) raised their expectations regarding GDP growth for the three EU candidate countries Addiko Group operates in: Bosnia & Herzegovina, Serbia and Montenegro. Compared to their projection in autumn 2023 GDP growth is now forecasted for YE24 at 2.5% for Bosnia & Herzegovina (prev. 1.9%), at 3.0% for Serbia (prev. 2.5%) and at 4.2% for Montenegro (prev. 2.9%). The latest forecast for the EU country Croatia remained unchanged at 2.9% whereas for Slovenia it has been reduced slightly from 2.7% to 2.5%.

After two years of high inflation in the CSEE region, it slowed down quite sharply on the back of falling food and energy prices. Compared to wiiw's expectations in autumn 2023, their Spring forecast is now drawing a brighter picture on inflation. In 2024 inflation is expected to come down faster: for Bosnia & Herzegovina, Slovenia and Croatia the range is now between 2.8% and 3.5% (prev. between 3.0% and 4.0%) and for Serbia and Montenegro both at 4.5% (prev. between 5.0% and 5.5%).

After the ECB implemented ten interest rate hikes in the period from July 2022 to September 2023, the key interest rate for ECB loans rose from below 0% to 4.5%, reaching the highest level of the past two decades. Based on lower rates of inflation in the Eurozone, market participants and financial market analysts expect the ECB to ease their monetary policy in the second half of 2024 and are forecasting the start of interest rate cuts.

As this more positive macroeconomic environment was partially already addressed when finalising the Outlook & Mid-Term Guidance in the Group Management Report for the year 2023, the below figures are confirmed:

	Outlook 2024	Guidance 2025	Guidance 2026	Previous Guidance
Income & Business				
Total loan book growth [1]		>6% CAGR 2023-2026		ca. 10% CAGR in focus book
NIM [2]	>3.8%	>4.0%	>4.1%	>3.8%
NBI (growth YoY) [2]	>4.5%	ca. 9%	ca. 9%	n.a.
OPEX		<€191m		(CIR ca. 50%)
Risk & Liquidity				
CoR [3]	ca. 1%	<1.1%	<1.2%	ca. 1.2%
NPE ratio [4]		<3% as guiding principle		n.a.
Total capital ratio		>18.35% subject to yearly SREP		>18.6%
LDR		Ramping up to <80%		<100%
Profitability				
RoATE [5]	ca. 6.5%	ca. 9%	>10%	>10%
DPS [6]	>€1.2	>€1.6	>€2	60% of net profit

[1] Gross performing loans. [2] Assuming an average yearly deposit facility rate of 385bp in 2024, 325bp in 2025 and 263bp in 2026. [3] On net loans. [4] On on-balance loans (EBA). [5] Assuming an effective tax rate of ⩽19% and considering pull-to-par effect of majority of negative fair value reserves in FVTOCI. [6] Dividend for result of the respective year, distributed in the following calendar year subject to AGM decision, in line with new dividend policy. [NB] Additional costs for activities related to the Voluntary Offer, announced by Agri Europe Cyprus Limited on 25 March 2024, are not included in the Outlook for 2024.

5. Credit risk report

5.1. Allocation of credit risk exposure within the Group

As of 31 March 2024, the overall gross exposure within the Group increased by EUR 23.7 million (or 0.3%) compared to YE23. The increase was driven by new business within focus segments (Consumer and SME), supported by increases in the Corporate Center, while the exposure in the non-focus segments reduced according to the business strategy.

Within the Group, the credit risk exposure breaks down as presented in the following table.

EUR m

	31.03.2024	31.12.2023
Addiko Croatia	2,333.1	2,356.6
Addiko Slovenia	1,665.7	1,678.9
Addiko Serbia	1,094.6	1,130.5
Addiko in Bosnia & Herzegovina	1,310.5	1,213.1
Addiko in Montenegro	225.0	236.4
Addiko Holding	324.1	313.8
Total	**6,953.0**	**6,929.3**

5.2. Credit risk exposure by rating class

As of 31 March 2024 roughly 38.2% (YE23: 37.3%) of the exposure can be assigned to the rating classes 1A to 1E. This exposure mainly relates to receivables from financial institutions, private individuals, corporate and sovereigns.

During the first quarter of 2024 the NPE Stock increased by EUR 8.3 million (or 6.0%), primarily within the SME portfolio due to migrations of certain larger tickets within Addiko Bank Serbia, Addiko Bank Croatia and Addiko Bank Slovenia, followed by NPE Migrations within the Consumer Portfolio, which are partially offset by NPE reductions in the non-focus portfolio.

The following tables show the exposure by rating classes and market segment:

EUR m

31.03.2024	1A-1E	2A-2E	3A-3E	4A-4E	NPE	No rating	Total
Consumer	334.9	1,060.9	338.8	163.3	62.1	17.9	1,978.0
SME	262.5	1,114.8	410.9	100.3	51.0	4.2	1,943.7
Non Focus	220.5	248.1	66.4	21.7	33.2	1.2	591.2
o/w Large Corporate	21.9	98.2	41.4	8.9	13.8	1.1	185.3
o/w Mortgage	176.3	139.4	19.9	11.6	17.4	0.1	364.8
o/w Public Finance	22.3	10.5	5.2	1.2	2.0	0.0	41.1
Corporate Center [1)]	1,840.7	354.8	244.5	0.1	0.0	0.0	2,440.2
Total	**2,658.6**	**2,778.7**	**1,060.6**	**285.5**	**146.2**	**23.4**	**6,953.0**

[1)] Corporate Center includes financial institutions considering national bank exposure, on demand deposits as well as securities.

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.

6. Own funds, liquidity and capital requirements

The European Central Bank (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.

Addiko Group 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:

	31.03.2024			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)	0.46%	0.46%	0.46%	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)	**3.46%**	**3.46%**	**3.46%**	**3.21%**	**3.21%**	**3.21%**
Overall Capital Requirement (OCR)	**9.79%**	**11.90%**	**14.71%**	**9.54%**	**11.65%**	**14.46%**
Pillar 2 guidance (P2G)	3.00%	3.00%	3.00%	3.25%	3.25%	3.25%
OCR + P2G	**12.79%**	**14.90%**	**17.71%**	**12.79%**	**14.90%**	**17.71%**

As a result of the 2022 SREP process performed by the European Central Bank (ECB), Addiko Bank AG received on 30 November 2023 the 2023 SREP decision, on the basis of which the Group must continue to meet a **Pillar 2 Requirement** (P2R) of 3.25% as of 1 January 2024.

In relation to the **combined buffer requirement** (CBR) as of 31 March 2024 the **countercyclical capital buffer** (CCyB) amounted to 0.46%, whereas 0.33% results from the 1% CCyB for Croatia and 0.13% from the 0.5% CCyB for Slovenia. In June 2024 the CCyB rate of Croatia will be set to 1.5% (CCyB requirement increase by 0.16%); in January 2025 the CCyB rate of Slovenia will be set to 1% (CCyB requirement increase by 0.13%). Addiko is also subject to a **systemic risk buffer** (SyRB) of 0.5% (2023: 0.25%).

Following the SREP 2023 decision, the Addiko Group was required to fulfill a **Pillar 2 guidance** (P2G) of 3.00% valid as of 1 January 2024 onwards – down from 3.25% valid from 1 January until 31 December 2023.

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 goodwill, 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 shows the breakdown of the Group's own funds pursuant to CRR using IFRS figures on a fully-loaded basis:

EUR m

Ref[1]		31.03.2024	31.12.2023
	Common Equity Tier 1 (CET1) capital: Instruments and reserves		
1	Capital instruments and the related share premium accounts	195.0	195.0
2	Retained earnings	302.8	286.0
3	Accumulated other comprehensive income (and other reserves)	284.7	281.2
5a	Independently reviewed (interim) and eligible profits net of any foreseeable charge or dividend	0.0	16.5
5aa	o/w Interim eligible profit of the current year	0.0	41.1
5ab	o/w Foreseeable charge or dividend	0.0	-24.6
6	**CET1 capital before regulatory adjustments**	**782.5**	**778.7**
	CET1 capital: regulatory adjustments		
7	Additional value adjustments	-0.7	-0.8
8	Intangible assets (net of related tax liability)	-13.8	-15.3
10	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)	-12.8	-12.8
16	Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)	-2.4	-2.9
27a	Other regulatory adjustments (including IFRS 9 transitional rules)	-1.1	-0.7
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	**-30.9**	**-32.6**
29	**Common Equity Tier 1 (CET1) capital**	**751.6**	**746.1**
	Tier 2 (T2) capital: instruments and provisions		
58	**Tier 2 (T2) capital**	**0.0**	**0.0**
59	**Total capital (TC = T1 + T2)**	**751.6**	**746.1**
60	Total risk weighted assets	3,694.3	3,653.2
	Capital ratios and buffers %		
61	CET1 ratio	20.3%	20.4%
63	**TC ratio**	**20.3%**	**20.4%**
64	**Institution CET1 overall capital requirement**	**9.8%**	**9.5%**
65	o/w capital conservation buffer requirement	2.5%	2.5%
66	o/w countercyclical buffer requirement	0.5%	0.5%
67	o/w systemic risk buffer requirement	0.5%	0.3%
68	CET 1 available to meet buffer (as % of risk exposure amount)	9.1%	9.2%
	Amounts below the thresholds for deduction (before risk weighting)		
72	Not significant direct and indirect holdings of own funds and eligible liabilities of financial sector entities (amount below 10% threshold and net of eligible short positions)	6.1	5.6
75	Deferred tax assets arising from temporary differences (amount below 17.65% threshold, net of related tax liability where the conditions in Article 38 (3) are met)	20.7	22.3

[1] The references identify the lines prescribed in the EU template, which are applicable and where there is a value. The structure is based on the technical standards included in (EU) 2021/637 of 15 March 2021.

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 5.5 million during the reporting period, reflecting the following components:

- The positive **OCI development** of EUR 3.5 million resulted from the following parts: EUR 3.0 million from debt instruments measured at FVTOCI and EUR 0.5 million from equity instruments.
- The EUR 1.6 million decrease of **other regulatory deduction items** resulting from: the amount of intangible assets to be deducted from capital (total capital increased by EUR 1.5 million), a slight decrease in the prudential valuation adjustments connected with assets/liabilities measured at fair value (total capital increased by EUR 0.1 million). The deferred tax assets on existing taxable losses and the deduction item out of non-performing exposures in context with the SREP process remained stable during the reporting period.

- The combined effect of EUR 0.4 million connected with the **share buy-back program** arising from the accumulation of equity-settled share-based payments that have not yet been paid out to employees (total capital increased by EUR 0.3 million) and due to the completion of this one-year share buy-back program the regulatory deduction item for future own CET1 purchases is not necessary anymore (total capital increased by EUR 0.1 million).
- The CET1 includes the audited result from the year 2023 in the amount of EUR 41.1 million, less the approved dividends of EUR 24.6 million. The interim profit of the reporting period (EUR 15.6 million) was not included into the calculation of the regulatory capital in line with article 26 CRR.

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 59.8% (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 41.1 million during the reporting period:

- The **RWA for credit risk** increased by EUR 65.2 million, mainly driven by new disbursements in the focus segments Consumer and SME (EUR 30.1 million). This development was partially compensated by an exposure decrease in the non-focus segments Mortgages (EUR 10.9 million), Large Corporates (EUR 16.9 million) and Public Finance (EUR 2.5 million). Furthermore, the application of the article 500a of the regulation (EU) 2020/873 led to higher risk weights for certain sovereigns and financial institutions, which represents the most important effect in the segment Corporate Center (EUR 65.4 million).
- The **RWA for counterparty credit risk (CVA)** decreased marginally during the reporting period by EUR 0.1 million.
- The **RWAs for market risk** decreased by EUR 23.9 million, principally driven by lower open positions in BAM (RWA decrease of EUR 13.1 million), RSD (EUR 4.3 million) and others (EUR 6.5 million; mainly USD).
- The **RWA for operational risk** remained stable in line with the previous year-end. The RWA for operational risk is based on the three-year average of relevant income, which represents the basis for the calculation.

EUR m

		31.03.2024	31.12.2023
1	Credit risk pursuant to Standardised Approach	3,125.7	3,060.5
6	Counterparty credit risk	3.5	3.6
20	Market risk	130.1	154.0
23	Operational risk	435.0	435.0
29	**Total risk exposure amount**	**3,694.3**	**3,653.2**

Leverage ratio

The leverage ratio for the Addiko Group, calculated in accordance with Article 429 CRR, was 11.6% at 31 March 2024 and remained on the same level (YE23: 11.6%).

EUR m

		31.12.2024	31.12.2023
2	Tier 1 capital	751.6	746.1
13	Total leverage ratio exposure	6,464.8	6,421.8
14	**Leverage ratio %**	**11.6%**	**11.6%**

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.

The new decision superseded the decision from 2023. During the reporting period the MREL ratio of all entities was always above the respective requirements.

Vienna, 7 May 2024

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8. Disclaimer

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