

Addiko Bank with Strong First Quarter 2024, Profit of €15.6 Million, up 61% YoY

- 1Q24 net profit up 61% to €15.6m vs. €9.7m in previous year
- First quarter profit also marks an improvement of 42% over the previous quarter
- Double-digit growth in focus business continued
- Net interest income up 15% YoY, driven by Consumers, SMEs and income related to liquidity management and treasury
- CET1 ratio stable at strong 20.3% (fully-loaded)
- AGM 2024 held on 26 April 2024 with all agenda items approved
- Dividend of €1.26 per share paid to shareholders on 7 May 2024
- Outlook for the full year 2024 confirmed

Vienna, 8 May 2024 - Addiko Group, a Consumer and SME specialist bank active across Central and South-Eastern Europe (CSEE), achieved a profit after tax of €15.6 million in the first quarter 2024 driven by solid business development and focused cost management. This marks an improvement of 61% over the previous year and an increase of 42% over the fourth quarter 2023.

"Addiko Bank has achieved strong results in the first quarter as our net profit increased by 61% compared to the previous year. We also observed a 42% improvement over the preceding quarter, regardless of the usual seasonal fluctuations, indicating a positive trajectory for the year ahead," said Chief Executive Officer Herbert Juránek. *"Our operating result grew by more than 40% year-on-year even in a high inflation environment. This underscores our resilience and strategic proficiency in navigating the current dynamic financial environment. Furthermore, our performance in the Consumer segment particularly stands out with an increase of 37% year-over-year in new business, a confirmation that our services and offers are consistently meeting our customers' needs".*

Strong operating performance in the first quarter 2024

- Operating result up 40.6% to €28.5m vs. €20.3m last year
- General administrative expenses in line with expectations
- Cost of Risk at 0.20% or €6.9m compared to €4.5m a year earlier
- NPE ratio stood at 2.1% (YE23: 2.0%) with improved NPE coverage at 81.4% (YE23: 80.9%)
- Return on average Tangible Equity rose to 8.0% (1Q23: 5.4%)
- EPS of €0.81 compared to €0.50 a year earlier

The result after tax of €15.6m (1Q23: €9.7m) reflected the strong business development, successful repricing, provisions for legal claims and relatively benign credit losses. **Expected credit loss expenses** stood at €6.9m or 0.2% Cost of Risk (1Q23: €4.5m). To reflect remaining uncertainties, Addiko decided to keep the post-model adjustment unchanged at YE23's €6.5m.

The share of the two focus segments Consumer and SME of the total gross performing loan book increased to 87% compared to 83% a year earlier in line with Addiko's strategy. The overall customer gross performing loan book grew to €3.52b compared to €3.36b at the end of 1Q23 while the non-focus as well as the medium SME loan book continued to decrease. The overall focus book increased by 10% YoY while the focus portfolio excluding the medium SME loans grew by 12%.

Net interest income rose by 14.5% to €59.8m (1Q23: €52.2m) with improved **NIM** at 3.89% (1Q23: 3.55%). The **net fee and commission income** increased by 8.4% YoY to €16.9m (1Q23: €15.6m), mainly driven by a product push in accounts & packages, bancassurance and card business. **General administrative expenses (OPEX)** increased to €46.5m (1Q23: €43.7m) as a result of the high inflation. The **cost-income ratio** further improved by 3.8 percentage points to 60.7% (1Q23: 64.5%), reflecting Addiko's targeted cost management.

The **NPE ratio** remained stable at 2.1% (YE23: 2.0%) at an improved **NPE coverage** of 81.4% (YE23: 80.9%), the **NPE ratio related to on-balance loans** was at 2.9% (YE23: 2.8%) based on a **non-performing exposure (NPE)** of €146m (YE23: €138m).

The **CET1 ratio** was at a strong 20.3% fully-loaded (YE23: 20.4%). The Group's funding situation slightly increased to €5.1b customer deposits at a Liquidity Coverage Ratio of 416%.

The financial report can be downloaded under the following link: www.addiko.com/financial-reports/

Addiko Group's Investor Relations website <https://www.addiko.com/investor-relations/> contains further information, including financial and other information for investors.

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About Addiko Group

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 March 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. Addiko Group's Mortgage business, Public and Large Corporate lending portfolios (its "non-focus areas") are subject of an accelerated run-down process, thereby providing liquidity and capital for the growth in its Consumer and SME lending.