

## Addiko Bank Increases 9-Month Profit by 25% to €37.7 Million

- Nine-month net profit up 25% to €37.7m vs. €30.1m in previous year
- Strong new business development in Consumer segment, up 22% YoY; loan growth in SME business continues to be muted
- Net interest income up 9% YoY, driven by Consumers, SMEs and income related to liquidity management and treasury
- Takeover bids leading to unforeseen one-off costs amounting to €3m as of 3Q24
- CET1 ratio increased to 21.1% (fully-loaded)
- Outlook 2024 remains unchanged, mid-term targets currently under review

Vienna, 7 November 2024 - Addiko Group, a Consumer and SME specialist bank active across Central and South-Eastern Europe (CSEE), achieved a profit after tax of €37.7m in the first nine months 2024, driven by strong business development in the Consumer segment and focused cost management. The result was impacted by one-off costs related to the takeover bids and amounting to €3m in 3Q24. The result marks an improvement of 25% over the previous year or 35% excluding these one-off costs.

*“We are pleased to report a robust performance over the first nine months, with net profit up 25% to EUR 37.7 million from EUR 30.1 million last year. Our Consumer segment delivered strong growth, with new business development increasing by 22% year over year, while our focus on disciplined execution has helped offset muted loan growth in the SME segment. Net interest income rose 9% year-over-year, reflecting solid contributions from Consumer and SME activities, as well as strategic gains in liquidity management and treasury. Our capital ratio remains strong at 21.1% all in CET1, underscoring our financial strength”,* said Chief Executive Officer Herbert Juranek.

### Solid performance in the first nine months 2024

- Operating result up 6.9% to €83.5m vs. €78.1m last year
- General administrative expenses impacted by extraordinary costs from the takeover bids as well as inflationary cost increases
- Cost of Risk at 0.71% or €25.0m compared to €9.5m a year earlier
- NPE ratio (on-balance) stood at 2.9% (YE23: 2.8%), NPE coverage at 80.8% (YE23: 80.9%)
- Return on average Tangible Equity at 6.4% (3Q23: 5.5%)
- EPS of €1.95 compared to €1.55 a year earlier

The **result after tax** of €37.7m (3Q23: €30.1m) reflected the solid business development, successful repricing, provisions for legal claims and relatively benign credit losses. **Expected credit loss expenses** stood at €25.0m or 0.71% Cost of Risk (3Q23: €9.5m or 0.27%). To reflect the macroeconomic volatility, Addiko kept the post-model adjustment unchanged at 1H24's level of €9.3m.

The **share of the two focus segments Consumer and SME** of the total gross performing loan book increased to 89% compared to 86% a year earlier and in line with Addiko's strategy. The overall customer gross performing loan book amounted to €3.53b compared to €3.49b at the end of 3Q23 while the non-focus as well as the medium SME loan book continued to decrease. The overall focus book increased by 5% YoY while the focus portfolio excluding the medium SME loans grew by 8%.

**Net interest income** rose by 8.5% to €181.7m (3Q23: €167.5m) with **NIM** at 3.91% (3Q23: 3.67%). The **net fee and commission income** increased by 6.6% YoY to €53.6m (3Q23: €50.3m), mainly

driven by a product push in accounts & packages and bancassurance. **General administrative expenses (OPEX)** increased to €143.1m (3Q23: €131.9m) as a result of the high inflation as well as the one-off costs amounting to €3m related to the takeover bids of Agri Europe Cyprus Ltd. (Agri Europe) and Nova Ljubljanska banka d.d. (NLB). The **cost-income ratio** came in at 60.8% (3Q23: 60.6%). Excluding these one-off costs, the cost-income ratio would have improved to 59.5%.

The **NPE ratio related to on-balance loans** was at 2.9% (YE23: 2.8%), **NPE coverage** at 80.8% (YE23: 80.9%) and the **non-performing exposure (NPE)** at €141m (YE23: €138m). The **NPE ratio** based on total gross exposure remained at 2.0% (YE23: 2.0%).

The **CET1 ratio** was at a strong 21.1% fully-loaded (YE23: 20.4%) which does not include the interim profit for the first nine months of the year. The Group's funding situation stood at €5.1b customer deposits at a liquidity coverage ratio of 386%.

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 were announced. The acceptance period for both offers ended on 16 August 2024. 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.

**For the full year 2024**, the Outlook, as adjusted in 1H24, remains unchanged. Despite strong demand in the Consumer segment, the SME segment developed below expectations resulting in a lower overall loan book growth. This effect is expected to persist for an extended period, impacting the mid-term loan growth target of >6% CAGR 2023-2026. While the macroeconomic backdrop in the CSEE region is predicted to remain positive, the rate environment is now forecasted to drop below mid-term expectations. The mid-term targets are therefore currently under review.

The financial report can be downloaded under the following link: [www.addiko.com/financial-reports/](http://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 30 September 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.