PRESS RELEASE
VIENNA, 5 May 2021

Addiko Bank

Addiko Group publishes 1Q21 result: Net profit of €5.0mn amid challenging environment

- **1Q21 result after tax of €5.0mn vs. 1Q20's €-8.4mn**
- **Provisioning at -0.12% Cost of Risk with €-4.1mn (1Q20: €-14.4mn at CoR -0.38%)**
- **Operating result at €11.3mn (1Q20: €14.3mn) driven by lower loan book as well as one-off costs and regular bonus accruals in 1Q21**
- **NPE volume further reduced to €230mn, NPE ratio stable at 3.3% (YE20: 3.5%) with NPE provision coverage increased to 75.6% (YE20: 73.6%)**
- **Transitional CET1 ratio remains strong at 20.0% (19.2% IFRS 9 fully-loaded) with approved dividend already deducted**
- **1Q21 EPS at €0.25, first tranche of dividend (€0.36 per share) paid on 4 May 2021**
- **Further conditional dividend of up to €2.03 per share approved and new Supervisory Board member elected in AGM on 26 April 2021**
- **Herbert Juranek joined as new CEO on 1 May 2021**

Vienna, 5 May 2021 – Addiko Group, a Consumer and SME specialist bank headquartered in Austria, released its results for the first quarter 2021 today, reporting a profit after tax of €5.0mn with credit loss expenses on a more appropriate level compared to the business development. Despite the overall improvement of the macroeconomic environment and business activity of customers, Addiko remains cautious in light of partial lockdowns and the early stage of the recovery.

The **CET1 ratio** stayed strong at 20.0% on a transitional basis (19.2% IFRS 9 fully-loaded) with the approved dividend amount of up to c. €46.6mn already deducted. The first tranche of c. €7mn was distributed on 4 May 2021. Overall, the funding situation remained stable and liquidity solid.

"The net profit of €5.0mn in 1Q21 represents the third positive quarter in a row after the onset of the global pandemic and a certainly solid achievement. The completed pay-out of Addiko's first dividend since its listing marks an important delivery on our commitments. I am proud to be able to hand over the institution with solid financial standings to the new management team. It has been my privilege and honour to serve as the Group's CEO in these challenging times.", said Csongor Németh, Member of the Board of Addiko Bank AG.

"Addiko delivered a solid result for the first quarter 2021. I would like to thank Csongor and his team for his achievements over the past years and for setting a good foundation for the future. I am looking forward to leading the Management Board of Addiko to further accelerate the established strategy and generate additional growth opportunities with a focus on Addiko's core business of digital Consumer & SME lending as well as on cost efficiency improvements.", said Herbert Juranek, CEO of Addiko Bank AG.

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First quarter 2021 performance

The **result after tax** of €5.0mn (1Q20: €-8.4mn) included **credit loss expenses** of €-4.1mn or -0.12% Cost of Risk (1Q20's €-14.4mn). Despite the improving macroeconomic environment Addiko did not release the IFRS 9 post-model overlay recognised during 2020. The **operating result** decreased by c. 21% YoY to €11.3mn (1Q20: €14.3mn) driven by a lower loan book as well as one-off costs and performance-based bonus accruals.

The **share of the two focus segments Consumer and SME** of the gross performing loan book increased to 66% (YE20: 65%). The size of the overall gross performing loan book stood at €3,556mn (YE20: €3,604mn) as a result of cautious underwriting during the crisis as well as the managed run-down of the non-focus portfolios according to plan. The volume of the focus portfolio returned towards growth in 1Q21 despite a challenging macroeconomic and business environment.

Net interest income declined by 7.5% to €41.9mn (1Q20: €45.3mn, 4Q20: €43.0mn) with **NIM** at 2.87% (1Q20: 2.99%, YE20: 2.91%). **Net fee and commission income** also decreased YoY by 3.0% to €14.8mn (1Q20: €15.3mn), also influenced by lower business activities compared to the first quarter last year. **Operating expenses** increased by 2.0% YoY to €-44.4mn (1Q21: €-43.5mn) driven by bonus accruals for 1Q21 and costs related to changes in the management. The resulting **cost-income ratio** stood at 78.2% for the first quarter 2021 (1Q20: 71.9%, YE20: 72.4%).

The **non-performing exposure (NPE)** declined to €230.0mn compared to YE20's €243.7mn. The resulting **NPE ratio** amounted to 3.3% (YE20: 3.5%) at an increased **NPE coverage** of 75.6% (YE20: 73.6%). The **NPE ratio related to on-balance loans** decreased to 5.7% vs. YE20's 5.9%. The stable or so far decreasing NPE development is the result of Addiko's robust asset quality and prudent risk approach but also influenced by the remaining exposure in moratoria.

The overall exposure in moratoria stood at €165mn (YE20: €164mn) unchanged due to a new moratorium in Serbia (plus €30.4mn in 1Q21) and minor increases in other countries. In total, this represents 2.4% of Addiko Group's total exposure being in moratoria as of 1Q21 with more than 93% of the loan portfolio with no overdues.

The 1Q21 results release 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 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 by 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 2021 approximately 0.8 million customers in CSEE using a well-dispersed network of 168 branches and modern digital banking channels.

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