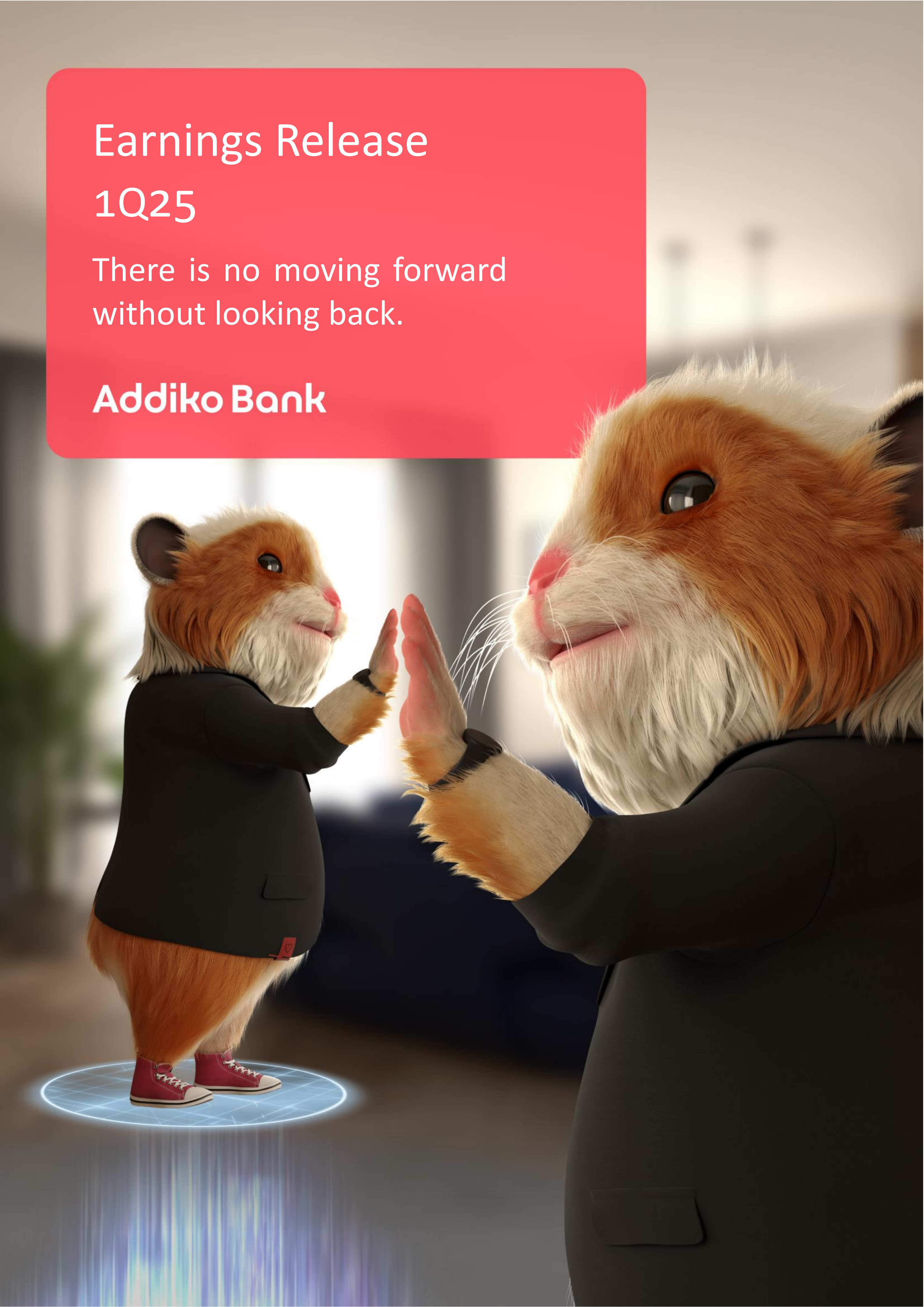
Earnings Release 1Q25

There is no moving forward without looking back.

Addiko Bank



HIGHLIGHTS

1 Key financial data

EARNINGS	
NET PROFIT	€14.5m
OPERATING RESULT	€25.3m
EPS	€0.75
NIM	3.7%
ASSET QUALITY	
COST OF RISK ON NET LOANS	-0.1%
NPE RATIO	3.0%
NPE VOLUME	€147.2m
CAPITAL	
CET1 RATIO (prel. Basel IV)	21.7%

2 Business development

NET PROFIT in first 3 months at €14.5m

NET BANKING INCOME increased. Effects from ECB rate cuts more than offset by positive commission income development

Higher OPERATING COSTS due to general cost increases

CONSUMER lending activities with double-digit growth while SME lending demand remained low

OUTLOOK 2025: no change compared to Outlook communicated in March

3 Outlook for the full year 2025 (unchanged)

LOAN BOOK GROWTH	>7% CAGR 2024-2026	COST OF RISK	ca. 1.3%
NIM	>3.6%	TOTAL CAPITAL RATIO	>18.35%
NET BANKING INCOME	ca. 2%	ROATE	ca.6%
OPEX	<€196m	DIVIDEND [1]	ca. 50% of net profit

[1] Based on a recommendation by the ECB in the light of the current shareholder situation of Addiko Bank AG, Addiko Bank AG decided on 9 December 2024 to cancel the dividend for the financial year 2024 until further notice.

Key data

			EUR m
Selected items of the profit or loss statement	**1Q25**	**1Q24**	**(%)**
Net banking income	76.9	76.6	0.3%
Net interest income	58.7	59.8	-1.8%
Net fee and commission income	18.2	16.9	8.0%
Net result on financial instruments	0.5	0.3	35.1%
Other operating result	-3.7	-1.9	92.2%
Operating income	**73.7**	**75.1**	**-1.8%**
General administrative expenses	**-48.4**	**-46.5**	**4.1%**
Operating result before impairments and provisions	**25.3**	**28.5**	**-11.5%**
Other result	-1.8	-2.6	-31.4%
Expected credit loss expenses on financial assets	-4.6	-6.9	-33.1%
Taxes on income	-4.3	-3.4	27.2%
Result after tax	**14.5**	**15.6**	**-7.0%**
Performance ratios	**1Q25**	**1Q24**	**(pts)**
Net interest income/total average assets	3.7%	3.9%	-0.2
Return on average tangible equity	7.1%	8.0%	-0.9
Cost/income ratio	63.0%	60.7%	2.3
Cost of risk ratio (CRB)	-0.1%	-0.1%	0.0
Cost of risk ratio (on net loans)	-0.1%	-0.2%	0.1
Selected items of the statement of financial position	**Mar25**	**Dec24**	**(%)**
Loans and advances to customers	3,543.4	3,506.4	1.1%
Deposits and borrowings from customers	5,343.3	5,290.0	1.0%
Equity	858.0	839.5	2.2%
Total assets	6,461.7	6,408.9	0.8%
Balance sheet ratios	**Mar25**	**Dec24**	**(pts)**
Loan to deposit ratio	66.3%	66.3%	0.0
NPE ratio (on balance loans)	3.0%	2.9%	0.1
NPE coverage ratio	80.9%	80.0%	0.9
Liquidity coverage ratio	433.3%	363.2%	70.1
Common equity tier 1 ratio / Total capital ratio [1)]	21.7%	22.0%	-0.3

[1)] The Common equity tier 1 ratio / Total capital ratio for the first quarter 2025 are based on preliminary calculations under Basel IV standards.

Earnings Release 1Q25

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 and services approximately 0.9 million customers using a well-dispersed network of 154 branches and modern digital banking channels.

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 30 April 2025.

The figures shown in the Earnings Release 1Q25 are prepared on a consolidated basis and comprise the period 1 January – 31 March 2025 (1Q25). This report does not represent condensed financial statements in the meaning of IAS 34.

1. Business performance and economic situation

1.1. Overview of financial performance

- **Operating result before impairments and provisions**, slightly decreased to EUR 25.3 million vs. EUR 28.5 million in the previous year which was influenced by net positive one-offs
- **General administrative expenses** increased to EUR 48.4 million or 4.1% YoY
- **Cost of risk ratio (on net loans)** at 0.1% or EUR 4.6 million compared to EUR 6.9 million a year earlier
- **NPE ratio (on balance loans)** stood at 3.0% (YE24: 2.9%) with stable **NPE coverage** at 80.9% (YE24: 80.0%)
- **Return on average tangible equity** at 7.1% (1Q24: 8.0%)

The **result after tax** of EUR 14.5 million, down from EUR 15.6 million in the first quarter 2024. This result reflects stable net banking income, increased administrative costs due to the catch-up effect from 2024, a benign cost of risk and higher tax expenses.

The **share of the two focus segments Consumer and SME** as a percentage of the gross performing loan book increased to 90.1%, up from 87.3% at the end of the first quarter 2024 (YE24: 89.5%). The total customer gross performing loan book continued its growth trend, reaching EUR 3.54 billion, compared to EUR 3.52 billion at the end of the same time last year. This growth was primarily driven by a 3.8% YoY increase in the focus book, with the Consumer segment experiencing a significant rise of 9.8%.

Net banking income slightly increased from EUR 76.6 million (1Q24) to EUR 76.9 million (1Q25) despite significantly lower rate environment compared to the same period last year. **Net interest income** was impacted by a strong performance of the Consumer business and the sovereign bond portfolio. However, the positive development in these segments was neutralised by the impact of the changed interest curve, which saw six rate cuts since June 2024, impacting income from the variable loan portfolio and national bank deposits. Additionally, interest expenses grew due to higher volume of deposits and stable structure. The combined effect of these factors led to a 1.8% decrease of the net interest income, bringing it down to EUR 58.7 million from EUR 59.8 million in the first quarter of 2024. As a result of this development NIM decreased from 3.89% to 3.70%. **Net fee and commission income** increased by 8.0% YoY, reaching EUR 18.2 million compared to EUR 16.9 million in the same period last year. This growth was driven by bancassurance and increased engagement in accounts & packages.

Other operating result amounted to EUR -3.7 million, reflecting a decrease of EUR 1.8 million compared to the same period last year, which had been positively impacted by gains from the sale of real estate assets in Bosnia & Herzegovina. **General administrative expenses** went up to EUR 48.4 million (1Q24: EUR 46.5 million) mainly due to wage increases during 2024 which took full effect in 2025. As a consequence, the Cost/income ratio stood at 63.0% (1Q24: 60.7%).

Other result amounted to EUR –1.8 million, an improvement from EUR -2.6 million in the first quarter of 2024, reflecting a stable situation regarding legal litigations following provisioning in the fourth quarter of the year 2024. **Expected credit loss expenses** were EUR 4.6 million, representing a 0.1% Cost of risk ratio (on net loans), compared to EUR 6.9 million or 0.2% in the same period last year. This was primarily due to provision requirements in the Consumer portfolio as well as by provisions for larger tickets within the SME segment. The **NPE ratio (on balance loans)** remained stable at 3.0%, slightly up from 2.9% at the end of 2024, with a **non-performing exposure (NPE)** of EUR 147.2 million (YE24: EUR 144.7 million). **NPE coverage** remained stable at 80.9% (YE24: 80.0%).

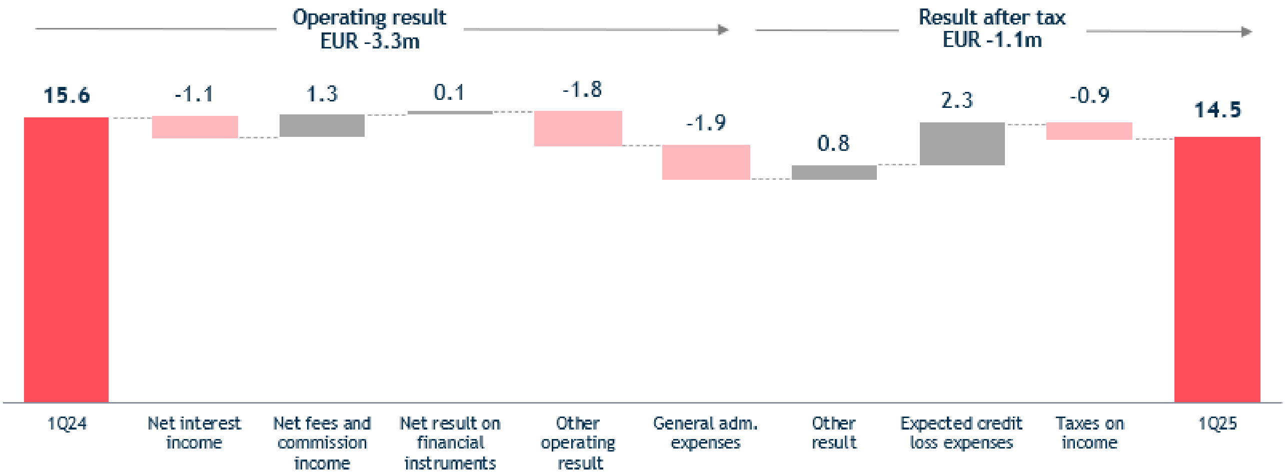
Total **equity** rose to EUR 858.0 million (YE24: EUR 839.5 million). After regulatory deductions, the **CET1 ratio** stood at 21.7% (YE24: 22.0% / Basel III). The regulatory capital figures are based on preliminary Basel IV calculations, which will not have to be submitted to the supervisory authority in final form until the end of June 2025.

1.2. Analysis of the result

EUR m

	01.01. - 31.03.2025	01.01. - 31.03.2024	(abs)	(%)
Net banking income	76.9	76.6	0.3	0.3%
Net interest income	58.7	59.8	-1.1	-1.8%
Net fee and commission income	18.2	16.9	1.3	8.0%
Net result on financial instruments	0.5	0.3	0.1	35.1%
Other operating result	-3.7	-1.9	-1.8	92.2%
Operating income	**73.7**	**75.1**	**-1.4**	**-1.8%**
General administrative expenses	**-48.4**	**-46.5**	**-1.9**	**4.1%**
Operating result before impairments and provisions	**25.3**	**28.5**	**-3.3**	**-11.5%**
Other result	-1.8	-2.6	0.8	-31.4%
Expected credit loss expenses on financial assets	-4.6	-6.9	2.3	-33.1%
Result before tax	**18.8**	**19.0**	**-0.2**	**-0.8%**
Taxes on income	-4.3	-3.4	-0.9	27.2%
Result after tax	**14.5**	**15.6**	**-1.1**	**-7.0%**

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



Net banking income saw a slight improvement in the first quarter of 2025, increasing by EUR 0.3 million YoY to reach EUR 76.9 million. This growth was primarily driven by the strong net fee and commission income, which compensated for the decrease in net interest income.

Despite a decrease in **net interest income** by EUR 1.1 million, or 1.8% YoY, from EUR 59.8 million to EUR 58.7 million, the Consumer business showed a strong performance, increasing by EUR 3.0 million. This positive development in the Consumer sector, along with a EUR 2.9 million rise in interest income from the bond portfolio, partially offset the negative impact of the changed interest curve, which saw six rate cuts since June 2024. The ECB rate cuts directly affected interest income from national bank deposits (down EUR 1.7 million), the non-focus loan book (down EUR 1.7 million), and the SME business (down EUR 1.5 million). Additionally, interest expenses grew by EUR 0.7 million due to a further shift from a-vista to more stable term deposits, while interest rates on term deposits remained relatively stable. Overall, the net interest margin in the first quarter of 2025 was 3.70%, which is 19 basis points lower compared to the same period last year.

In the first quarter of 2025, **net fee and commission income** increased to EUR 18.2 million, up from EUR 16.9 million in the same period of 2024. This growth was primarily driven by enhanced sales performance, leading to higher fees generated across the Group, particularly in areas like bancassurance and accounts & packages.

The **net result on financial instruments** amounted to EUR 0.5 million in the first quarter of 2025, resulting from FX and related trading activities, compared to EUR 0.3 million in the first quarter of 2024.

Other operating result, which is the sum of other operating income and other operating expense, decreased by EUR 1.8 million, from EUR –1.9 million in the first quarter of 2024 to EUR –3.7 million in the current reporting period. This position included the following significant items:

- Deposit guarantee expenses of EUR 2.2 million up from EUR 1.0 million in the same period of 2024. The increase was primarily driven by front loading of the yearly expenses in Slovenia (EUR 0.6 million) based on a new guidance provided by the local national bank.
- Bank levies and other taxes decreased to EUR 1.7 million in the first quarter of 2025, down from EUR 2.2 million in the same period of 2024. Of this amount, EUR 0.7 million (1Q24: EUR 0.8 million) pertains to banking levies from ECB, SRB and local banking agencies, EUR 0.6 million (1Q24: EUR 0.7 million) was attributable to the special banking tax on the balance sheet introduced in Slovenia in 2024 and EUR 0.4 million (1Q24: EUR 0.7 million) to other tax expenses.
- Gains from the sale of non-financial assets, mainly resulting from the disposal of non-core real estate assets in Croatia and in Bosnia & Herzegovina, was EUR 0.3 million, down from EUR 1.6 million in the first quarter of 2024. The comparative period was positively affected by the sale of real estate assets in Bosnia & Herzegovina.

General administrative expenses increased to EUR 48.4 million in the first quarter of 2025, up from EUR 46.5 million in the same period of 2024:

- Personnel expenses increased by EUR 1.5 million, reaching EUR 26.8 million during the reporting period. The increase is primarily due to inflation-related wage increases and statutory minimum wage hikes. The increases either took place in the first three months of 2025 or were already implemented in the previous year and had full effect in 2025.
- Other administrative expenses saw a slight increase of EUR 0.1 million, bringing the total to EUR 17.1 million. This change was influenced by slightly lower advertising costs during the reporting period.
- Depreciation and amortisation increased by EUR 0.3 million, totalling EUR 4.5 million.

The Group is actively pursuing various strategic initiatives to maintain cost efficiency. However, the prevailing economic conditions and significant inflationary pressures have affected all cost categories, offsetting many of the successful efficiency measures implemented across the Group. As a result, the Cost/income ratio increased to 63.0% in the first quarter of 2025, up from 60.7% in the same period of 2024. A new programme will be initiated in the second half of the year to address performance.

The **other result** was EUR –1.8 million in the first quarter of 2025, an improvement from EUR -2.6 million in the same period of 2024. This change reflects a stable situation regarding legal litigations and includes a positive impact of EUR 0.4 million from the settlement of a legal case in Croatia. However, this positive development was partially offset by EUR 0.3 million in provisions for operational risks due to an external fraud case in Bosnia & Herzegovina.

Expected credit loss expenses on financial assets (ECL) decreased by EUR 2.3 million to EUR 4.6 million during the reporting period, compared to EUR 6.9 million in the first quarter of 2024. The development was mainly influenced by provision requirements in the Consumer portfolio as well as by provisions for larger tickets within the SME segment.

Taxes on income increased to EUR 4.3 million in the reporting period, up from EUR 3.4 million in the first quarter of 2024. This increase was due to the inability to recognise further deferred tax assets on existing taxable losses. This change followed the amendment of the Corporate Income Tax Act, approved by the Slovenian parliament in November

2024, which introduced a five-year limit on the carry forward of tax losses (previously, the carry forward was unlimited in time). The measures became applicable starting from 1 January 2025.

Overall, the **result after tax** decreased by 7.0% YoY to EUR 14.5 million (1Q24: EUR 15.6 million).

1.3. Analysis of the statement of financial position

EUR m

	31.03.2025	31.12.2024	(abs)	(%)
Cash and cash equivalents	1,131.0	1,251.4	-120.4	-9.6%
Financial assets held for trading	11.4	14.4	-3.1	-21.2%
Loans and advances to credit institutions	154.0	44.2	109.7	248.0%
Loans and advances to customers	3,543.4	3,506.4	37.1	1.1%
Investment securities	1,491.3	1,464.7	26.6	1.8%
Tangible assets	55.5	55.4	0.1	0.2%
Intangible assets	25.1	25.7	-0.6	-2.4%
Tax assets	28.6	30.8	-2.2	-7.2%
Current tax assets	1.9	2.1	-0.2	-10.9%
Deferred tax assets	26.7	28.6	-2.0	-6.9%
Other assets	20.4	14.8	5.6	37.5%
Non-current assets held for sale	1.1	1.0	0.0	4.4%
Total assets	**6,461.7**	**6,408.9**	**52.8**	**0.8%**

EUR m

	31.03.2025	31.12.2024	(abs)	(%)
Financial liabilities held for trading	2.8	4.4	-1.6	-36.9%
Deposits and borrowings from credit institutions	57.2	77.3	-20.0	-25.9%
Deposits and borrowings from customers	5,343.3	5,290.0	53.3	1.0%
Other financial liabilities	59.6	54.4	5.2	9.5%
Provisions	87.6	94.1	-6.5	-6.9%
Tax liabilities	4.8	5.0	-0.2	-4.0%
Current tax liabilities	2.4	3.3	-0.9	-26.2%
Deferred tax liabilities	2.4	1.7	0.7	38.3%
Other liabilities	48.4	44.2	4.3	9.6%
Equity	858.0	839.5	18.4	2.2%
Total equity and liabilities	**6,461.7**	**6,408.9**	**52.8**	**0.8%**

1.4. Segment information

Addiko Group's business segments reflect its strategy to specialise in Consumer and SME banking, emphasising growth in these two 'focus segments'.

EUR m

31.03.2025	Focus segments		Non-focus segments			
	Consumer	SME Business	Mortgage	Large Corporate & Public Finance	Corporate Center	Total
Net banking income	45.3	21.6	0.9	3.0	6.1	76.9
Net interest income	34.3	15.1	0.9	2.3	6.1	58.7
o/w regular interest income	34.6	16.9	3.1	0.9	17.1	72.6
Net fee and commission income	11.0	6.5	0.0	0.7	-0.1	18.2
Net result from financial instruments	0.0	0.0	0.0	0.0	0.5	0.5
Other operating result	0.0	0.0	0.0	0.0	-3.7	-3.7
Operating income	**45.3**	**21.6**	**0.9**	**3.0**	**2.9**	**73.7**
General administrative expenses	**-23.6**	**-9.2**	**-0.3**	**-1.1**	**-14.2**	**-48.4**
Operating result before impairments and provisions	**21.7**	**12.4**	**0.6**	**1.9**	**-11.4**	**25.3**
Other result	**0.0**	**0.0**	**0.0**	**0.0**	**-1.8**	**-1.8**
Expected credit loss expenses on financial assets	-3.8	-2.7	0.8	1.1	-0.1	-4.6
Result before tax	**17.9**	**9.7**	**1.4**	**3.1**	**-13.2**	**18.8**
Business volume						
Net loans and receivables	1,905.8	1,261.2	292.9	58.5	178.8	3,697.2
o/w gross performing loans customers	1,919.0	1,265.6	293.2	57.5		3,535.4
Gross disbursements	235.4	181.0	0.0	1.7		418.1
Financial liabilities at AC [1)]	3,025.2	1,115.3	0.0	389.4	930.2	5,460.2
RWA [2)]	1,459.9	886.8	153.2	91.1	631.4	3,222.4
Key ratios						
NIM [3)]	5.8%	4.5%	-0.7%	2.8%		3.7%
Cost/income ratio [4)]	52.1%	42.5%	33.6%	36.0%		63.0%
Cost of risk ratio (CRB)	-0.2%	-0.1%	0.3%	0.6%		-0.1%
Cost of risk ratio (on net loans)	-0.2%	-0.2%	0.3%	2.0%		-0.1%
Loan to deposit ratio	63.0%	113.1%	0.0%	15.0%		66.3%
NPE ratio (on balance loans)	3.6%	3.8%	3.6%	15.1%		3.0%
NPE coverage ratio	81.8%	79.3%	79.6%	83.7%		80.9%
Yield GPL (simple average)	7.4%	5.4%	4.2%	6.2%		6.4%

[1)] Financial liabilities at AC include the Direct deposits (Austria/Germany) amounting to EUR 581 million, EUR 57 million Deposits from credit institutions and EUR 203 million Other liabilities. [2)] Includes only credit risk. The RWA for the first quarter of 2025 are based on preliminary calculations under Basel IV standards. [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

31.03.2024	Focus segments		Non-focus segments			
	Consumer	SME Business	Mortgage	Large Corporate & Public Finance	Corporate Center	Total
Net banking income	43.0	28.5	5.5	3.2	-3.5	76.6
Net interest income	33.3	21.9	5.5	2.5	-3.4	59.8
o/w regular interest income	31.6	18.4	4.0	1.5	17.4	72.9
Net fee and commission income	9.8	6.6	0.0	0.6	-0.2	16.9
Net result from financial instruments	0.0	0.0	0.0	0.0	0.3	0.3
Other operating result	0.0	0.0	0.0	0.0	-1.9	-1.9
Operating income	**43.0**	**28.5**	**5.5**	**3.2**	**-5.1**	**75.1**
General administrative expenses	**-22.2**	**-8.9**	**-0.4**	**-1.3**	**-13.8**	**-46.5**
Operating result before impairments and provisions	**20.8**	**19.6**	**5.1**	**1.9**	**-18.9**	**28.5**
Other result	**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	0.5	0.0	-6.9
Result before tax	**15.7**	**15.8**	**6.6**	**2.4**	**-21.5**	**19.0**
Business volume						
Net loans and receivables	1,735.9	1,314.9	347.2	101.0	120.1	3,619.0
o/w gross performing loans customers	1,752.1	1,322.3	347.3	98.4		3,520.1
Gross disbursements	202.6	176.8	0.0	1.4		380.7
Financial liabilities at AC [1]	2,880.6	1,077.2	0.0	357.4	912.8	5,228.1
RWA [2]	1,322.7	919.8	204.7	104.2	574.2	3,125.7
Key ratios						
NIM [3]	5.4%	3.8%	-0.8%	2.3%		3.9%
Cost/income ratio [4]	51.6%	31.3%	6.8%	40.9%		60.7%
Cost of risk ratio (CRB)	-0.3%	-0.2%	0.4%	0.2%		-0.1%
Cost of risk ratio (on net loans)	-0.3%	-0.3%	0.4%	0.5%		-0.2%
Loan to deposit ratio	60.3%	122.1%	0.0%	28.3%		69.5%
NPE ratio (on balance loans)	3.4%	3.5%	4.8%	12.5%		2.9%
NPE coverage ratio	81.0%	82.3%	82.5%	78.3%		81.4%
Yield GPL (simple average)	7.3%	5.6%	4.5%	6.0%		6.4%

[1] Financial liabilities at AC include the Direct deposits (Austria/Germany) amounting to EUR 543 million, EUR 97 million Deposits from credit institutions and EUR 273 million Other liabilities. [2] Includes only credit risk. Figures calculated based on Basel III. [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.

2. AGM 2025

On 18 April 2025, Addiko Bank AG held its ordinary Annual General Meeting (AGM 2025) as a physical meeting, which was attended by all shareholders who fulfilled all legally required preconditions as set out in the convocation. Approximately 43% of the shareholders registered to attend the AGM, ca. 36% participated. All proposed agenda items were approved. The AGM 2025 extended the term of office of Mr. Johannes Proksch and Mr. Sava Dalbokov as members of the Supervisory Board, until the end of the Annual General Meeting for the business year 2028. As no net profit was reported in the 2024 local financial statements of Addiko Bank AG, no dividend proposal had to be made and accordingly, no respective resolution was required at the AGM 2025.

3. Outlook

The group's anticipated positive development is supported by a solid macroeconomic outlook for the CSEE region in 2025. According to the latest spring 2025 forecast by the Vienna Institute for International Economic Studies (wiiw), GDP growth expectations for the three EU candidate countries where the Addiko Group operates are quite positive. In 2025, GDP growth is projected to be 2.4% (in wiiw's October 2024 forecast for 2025: 2.9%) for Bosnia & Herzegovina, 3.0% (before 3.6%) for Serbia and 3.4% (before 3.7%) for Montenegro. These growth prospects are accompanied by declining unemployment rates in these countries.

Similarly, the 2025 forecasts are also positive for the two EU countries in which Addiko operates, Slovenia and Croatia. Slovenia's economy is expected to grow by 2.2% (before 2.2%) and Croatia's by 2.8% (before 2.7%), with both countries seeing a slight decrease in the unemployment rate by 0.1 percentage points. This positive economic outlook places these countries well above the euro zone's economic development expectations, which the wiiw predicted to be just 0.7%. Consequently, from an economic perspective, the CSEE countries continue to be among the most dynamic regions in Europe.

Since reaching a peak of 4.50% in 2023 and beginning a series of interest rate cuts in mid-2024, the ECB's key interest rates have been reduced a total of six times in the period up to 31 March 2025. Two rate cuts were made in 1Q25, the most recent cut occurred on 17 April 2025, with a reduction of 0.25%. As a result, the marginal lending facility now in April stands at 2.65% (down from 3.40% at the end of 2024) and the deposit facility is at 2.25% (down from 3.00% at the end of 2024). Given the negative impact of the tariff dispute initiated by the United States on European exports and the economy, the ECB is expected to further reduce interest rates in 2025, provided that price levels in the eurozone remain stable.

Considering the financial performance of the first quarter of 2025 and the current macroeconomic outlook for the CSEE region, the full year 2025 outlook remains unchanged, as updated with the disclosure of YE24 financial statements in March 2025. While demand in the Consumer segment remained strong in the first quarter of 2025, the SME segment developed below expectations, resulting in a lower overall loan book growth. The development of this market segment will be closely monitored in the second quarter, along with developments in the US tariff dispute, to provide a more detailed assessment in the 1H25 report.

	Outlook 2025	Guidance 2026
Income & Business		
Total loan book growth [1]	>7% CAGR 2024-2026	
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 ECB recommendation and AGM decision.

In general, 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, impediments for income generation due to (new) regulation or legislation regarding underwriting criteria, interest rate caps, fee caps or free banking products, changes in the interest rate environment, macroeconomic developments, regulatory restrictions, labour law, tax legislation and other market factors). Global uncertainties increased significantly during the first quarter of 2025 and are also heavily dependent on individual personalities. Accordingly, all forecasts are subject to an increased degree of uncertainty. For further information, in particular on the causes of potential downside risks for the planning and therefore the Outlook, please refer to the explanations in chapter 6 of the Group management report 2024 ("6. Outlook & guidance, dividend policy and risk factors").

4. Credit risk

4.1. Allocation of credit risk exposure within the Group

As of 31 March 2025, the overall gross exposure within the Group rose by EUR 31.8 million, or 0.4%, compared to the end of 2024. In line with the business strategy, the increase was primarily driven by growth in the Consumer portfolio, along with additional increases in debt securities within the Corporate Center. The rise in the non-focus portfolio during the first quarter was significantly influenced by the re-segmentation of several larger big tickets from SME to Large Corporate, which was implemented in both Addiko Bank Slovenia and Addiko Bank Serbia.

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

EUR m

	31.03.2025	31.12.2024
Addiko Croatia	2,471.9	2,493.2
Addiko Slovenia	1,680.1	1,648.2
Addiko Serbia	1,039.1	1,068.8
Addiko in Bosnia & Herzegovina	1,375.6	1,349.0
Addiko in Montenegro	236.2	239.2
Addiko Holding	367.0	339.8
Total	**7,169.8**	**7,138.0**

4.2. Credit risk exposure by rating class

As of 31 March 2025, roughly 39.7% (YE24: 38.6%) 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 the first quarter of 2025, the NPE Stock saw a modest increase of EUR 2.5 million compared to the end of 2024. This was due to minor increases in the Consumer portfolio across all group entities and the SME portfolio at Addiko Bank Slovenia, which were partially offset by reductions in the non-focus and SME segments in nearly all entities, thanks to write offs, portfolio sales and successful collection efforts.

The following table shows the exposure by rating classes and market segment as of 31 March 2025:

EUR m

31.03.2025	1A-1E	2A-2E	3A-3E	4A-4E	NPE	No rating	Total
Consumer	335.6	1,252.4	358.4	142.3	72.7	3.9	2,165.2
SME	278.7	1,090.8	304.5	106.5	52.1	2.8	1,835.4
Non Focus	190.1	215.2	50.7	15.0	22.3	0.8	494.0
o/w Large Corporate	29.2	94.9	30.1	3.9	10.9	0.6	169.5
o/w Mortgage	154.0	111.2	18.0	10.0	10.8	0.2	304.2
o/w Public Finance	6.9	9.1	2.6	1.1	0.6	0.0	20.3
Corporate Center [1)]	2,040.1	398.1	233.6	0.1	0.0	3.4	2,675.3
Total	**2,844.4**	**2,956.4**	**947.1**	**263.9**	**147.2**	**10.8**	**7,169.8**

[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 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)]	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.

5. Own funds and capital requirements

5.1. 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. In other countries, the individual banking operations are overseen by their respective local regulators.

The following table presents the Addiko Group's regulatory minimum capital ratios, which include the regulatory buffers and the capital requirements determined through the Supervisory Review and Evaluation Process (SREP).

	31.03.2025			31.12.2024		
	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)	0.75%	0.75%	0.75%	0.64%	0.64%	0.64%
Systemic Risk Buffer (SyRB)	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Combined Buffer Requirements (CBR)	**3.75%**	**3.75%**	**3.75%**	**3.64%**	**3.64%**	**3.64%**
Overall Capital Requirement (OCR)	**10.08%**	**12.19%**	**15.00%**	**9.96%**	**12.07%**	**14.89%**
Pillar 2 guidance (P2G)	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
OCR + P2G	**13.08%**	**15.19%**	**18.00%**	**12.96%**	**15.07%**	**17.89%**

According to the 2024 SREP decision, a **Pillar 2 Requirement** (P2R) of 3.25% is applicable from 1 January until 31 December 2025.

As of 31 March 2025, the **combined buffer requirement** (CBR) includes a **countercyclical capital buffer** (CCyB) of 0.75%, up from 0.64% at the end of the previous year. This increase is partly due to the CCyB for Slovenia doubling from 0.50% to 1.00%. Additionally, Addiko is also subject to a **systemic risk buffer** (SyRB) of 0.50% unchanged from 2024.

The 2024 SREP decision issued in December 2024 also set the Pillar 2 guidance (P2G) at 3.00% for the period from 1 January until 31 December 2025, unchanged from 2024.

5.2. 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, 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 shows the breakdown of the Group's own funds pursuant to CRR using IFRS figures.

EUR m

	31.03.2025 [1]	31.12.2024
Common equity tier 1 (CET1) capital: Instruments and reserves		
Capital instruments	195.0	195.0
Retained earnings	347.8	302.4
Accumulated other comprehensive income (and other reserves)	303.5	299.6
Independently reviewed (interim) and eligible profits net of any foreseeable charge or dividend	0.0	45.4
o/w Interim eligible profit of the current year	0.0	45.4
o/w Foreseeable charge or dividend	0.0	0.0
CET1 capital before regulatory adjustments	**846.4**	**842.4**
CET1 capital: regulatory adjustments		
Additional value adjustments	-0.7	-0.7
Intangible assets (net of related tax liability)	-14.1	-17.6
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)	-11.8	-12.1
Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)	-2.1	-2.1
Other regulatory adjustments (including IFRS 9 transitional rules)	-0.9	-0.9
Total regulatory adjustments to Common equity tier 1 (CET1)	**-29.5**	**-33.4**
Common equity tier 1 (CET1) capital	**816.8**	**809.0**
Tier 2 (T2) capital: instruments and provisions		
Tier 2 capital (T2)	**0.0**	**0.0**
Total capital (TC = T1 + T2)	**816.8**	**809.0**
Total risk exposure amount	3,769.5	3,671.2
Capital ratios and buffers %		
CET1 ratio	21.7%	22.0%
Total capital ratio	**21.7%**	**22.0%**

[1] The Total risk exposure amount, the CET1 ratio and Total capital ratio for the first quarter of 2025 are based on preliminary calculations under Basel IV standards.

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 7.8 million during the reporting period, reflecting several key components:

- The positive **OCI development** of EUR 3.9 million was driven by EUR 3.7 million from debt instruments measured at FVTOCI and EUR 0.6 million from equity instruments, which was slightly offset by a EUR 0.3 million change in foreign currency reserves.
- The EUR 3.9 million decrease in **other regulatory deduction items**. This decrease is due to a reduction in the amount of intangible assets to be deducted from capital, resulting in a total capital increase by EUR 3.6 million, and a decrease in deferred tax assets on existing taxable losses, leading to a total capital increase of EUR 0.3 million. The prudential valuation adjustments related to assets/liabilities measured at fair value and the deduction item for non-performing exposures in context with the SREP remained stable during the reporting period.

- The CET1 includes the **audited profit after tax** from the year 2024, amounting to EUR 45.4 million. In compliance with the ECB recommendation communicated in December 2024, Addiko Bank AG did not distribute a dividend for the business year 2024.

5.3. Risk structure

Addiko Group uses the standardised approach in the calculation of the credit risk and the new standardised approach in the operational risk and the reduced basic approach in the credit valuation adjustment risk, all based on (EU) 575/2013 amended by (EU) 2024/1623 (CRR3). For the calculation of the market risk the standardised approach based on (EU) 575/2013 amended by (EU) 2019/876 (CRR2) is still used, because the European Commission postponed the application of the Basel III fundamental review of the trading book (FRTB) standards based on (EU) 2024/2795. The applied approaches partly explain the relatively high-risk density (measured by comparing RWA to assets) of 58.3% (YE24: 57.3%). 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 98.3 million during the reporting period:

- The **RWA for credit risk** increased by EUR 188.9 million. The main RWA drivers were in the segment Corporate Center (EUR 137.4 million) mainly caused by increased risk weights for subordinated debt and equity exposures due to the implementation of Basel IV (EUR 96 million) and for sovereign bonds in EU member states denominated in the currency of a different EU member state according to article 500a CRR (EUR 34 million). New disbursements in the focus segments Consumer and SME resulted in higher RWA figures (EUR 55.9 million). In the non-focus segment Large Corporates & Public Finance exposure growths led to RWA increase (EUR 17.8 million), more than offset by lower risk weights in the segment Mortgages (EUR 22.2 million) due to the application of the loan-splitting approach. After taking into account the adjustments to the CCF from 20% to 40% (RWA increase over different segments of EUR 28 million) and the effects in the segments Corporate Center and Mortgages mentioned above the RWA effect from Basel IV amounts to EUR 139 million.
- The **RWA for counterparty credit risk (CVA)** increased slightly during the reporting period by EUR 0.2 million.
- The **RWA for market risk** decreased by EUR 9.6 million, principally driven by lower open positions in BAM (RWA decrease of EUR 9.0 million), CHF (EUR 3.5 million) and others (EUR 1.5 million), being compensated by higher open positions in USD (RWA increase of EUR 4.4 million).
- The **RWA for operational risk** decreased by EUR 81.2 million. The RWA for operational risk for Basel IV is based on the new standardised approach and the mapping in Consultation Paper EBA/CP/2025/05 calculated on the three-year average of the business indicator component (BIC). One reason for this development was the lower coefficient to be multiplied with the BIC (12.0% for BIC below EUR 1 billion) than the average coefficient over the business lines in Basel III (13.2%).

EUR m

	31.03.2025 [1)]	31.12.2024
Credit risk pursuant to Standardised Approach	3,222.4	3,033.5
Counterparty credit risk	2.2	2.0
Market risk	146.3	155.8
Operational risk	398.7	479.9
Total risk exposure amount	**3,769.5**	**3,671.2**

[1)] The Total risk exposure amount for the first quarter of 2025 is based on preliminary calculations under Basel IV standards.

5.4. Leverage ratio

The leverage ratio for the Addiko Group, calculated in accordance with Article 429 CRR, was 12.1% on 31 March 2025 and decreased during the reporting period (YE24: 12.2%). The development is mainly due to an increased total leverage ratio exposure which was partially compensated by the above-mentioned increase of the Tier 1 capital.

EUR m

	31.03.2025 [1)]	31.12.2024
Tier 1 capital	816.8	809.0
Total leverage ratio exposure	6,761.1	6,653.6
Leverage ratio %	**12.1%**	**12.2%**

[1)] The Total leverage ratio exposure amount for the first quarter of 2025 is based on preliminary calculations under Basel IV standards.

5.5. 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 31 March 2025 the SRB determined the following minimum requirements for own funds and eligible liabilities in its decision with immediate effect:

- Addiko Bank d.d. (Croatia) 21.4% 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 no minimum MREL requirements on an individual basis.

During the reporting period the MREL ratio of all entities was always above the respective requirements.

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Contact

Publisher of the Earnings release and responsible for the content:
Addiko Bank AG
Canettistraße 5/12
1100 Wien
www.addiko.com

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