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Addiko Bank

Addiko Bank Reports First-Half 2025 Profit of €24.0 Million

- **1H25 net profit at €24.0m vs. €25.5m in previous year**
- **11% YoY growth in new business (Consumer loans +15%, SME loans +7%)**
- **Net banking income stable at €155.0m (1H24 €155.9m)**
- **Net loans to customers higher by 2.3% in the first half**
- **CET1 ratio at a strong 21.3% based on Basel IV**
- **Dividend for 2024 remains suspended based on recommendation by ECB**
- **Outlook for 2025 adjusted due to ECB rate cuts and new regulatory requirements**

Vienna, 13 August 2025 – Addiko Group, a Consumer and SME specialist bank active across Central and South-Eastern Europe (CSEE), achieved a net profit after tax of €24.0m for the first half of 2025. Lower market interest rates weighed on net interest income, with higher commission income offsetting this impact. As a result, the performance in the first six months reflects stable net banking income impacted by increased costs and taxes as well as net negative one-offs.

"Addiko delivered a solid and focused performance in the first half of 2025, navigating in a challenging environment with consistency. Net banking income held steady at EUR 155 million, supported by continued cost discipline." says Chief Executive Officer Herbert Juranek. "Our strategic focus on the Consumer and SME segments is clearly reflected in the portfolio, with these segments now accounting for over 90% of the performing loan book, backed by strong growth in the Consumer segment. While SME growth was moderate, our direction remains clear: driving sustainable growth, enhancing efficiency, and creating long-term value for our stakeholders."

Solid performance in first six months of 2025

- **Operating result at €51.6m**
- **General administrative expenses at €97.4m or +0.4% YoY**
- **Cost of Risk (on net loans) at 0.4% or €14.4m compared to €15.5m a year earlier**
- **NPE ratio (on balance loans) stood at 2.9% (YE24: 2.9%); NPE coverage at 80.8% (YE24: 80.0%)**
- **Return on average Tangible Equity at 5.8% (1H24: 6.6%)**
- **EPS of €1.25 compared to €1.32 (1H24) and €1.00 (1H23)**

The **result after tax** stood at €24.0m, compared with €25.5m in the first half of 2024. This result reflects stable net banking income, increased administrative costs mainly due to catch-up effects from 2024, a relatively 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 90.8%, up from 88.4% at the end of the first half of 2024 (YE24: 89.5%). The total customer gross performing loan book continued its growth, reaching €3.58b, compared to €3.55b a year earlier. This growth was primarily driven by a 3.6% YoY increase in the focus book, with the Consumer segment posting a significant rise of 8.8%.

Net banking income remained stable at €155.0m (1H24: €155.9m), despite a significantly lower interest rate environment. **Net interest income** was driven by a strong performance of the Consumer business. However, the positive development in this segment was offset by the impact of the changed interest curve, which saw eight rate cuts since June 2024, impacting income from the variable loan portfolio and national bank deposits. Interest expenses slightly decreased reflecting the changed interest rate environment. As a result, NIM decreased from 3.95% at 1H24 to 3.71% at 1H25. **Net fee and commission income** increased by 5.6% YoY, reaching €37.3m compared to €35.3m in the same period last year. This growth was driven by enhanced sales performance, leading to higher fees generated across the Group, particularly in the areas of bancassurance, accounts & packages and card business.

The **other operating result** amounted to €-6.8m or €1.4m lower compared with 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** stood at €97.4m (1H24: €97.0m; including €2.9m one-off advisory costs related to takeover offers) mainly due to wage increases during 2024, which took full effect in 2025, and more general index increases. The Cost/income ratio stood at 62.8% (1H24: 62.2%).

Expected credit loss expenses stood at €14.4m, corresponding to a 40 basis points Cost of risk ratio (on net loans), down from EUR 15.5m or 44 basis points in the prior-year period. The **NPE ratio (on balance loans)** remained stable at 2.9% (YE24: 2.9%), with **non-performing exposure (NPE)** of €142.6m (YE24: €144.7m). **NPE coverage** also remained stable at 80.8% (YE24: 80.0%).

Based on Basel IV calculations, the **CET1 ratio** stood at 21.3% (YE24: 22.0% / Basel III).

The eight interest rate cuts by the ECB, combined with the lower loan volume expected for the full year, have prompted an adjustment of the 2025 targets compared to the original expectations. The **Outlook** for 2025 has been slightly revised downwards accordingly. The previous guidance for 2026 is currently under review and will be updated together with the publication of the year-end 2025 results, based on the updated business plan.

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 30 June 2025 approximately 0.9 million customers in CSEE using a well-dispersed network of 154 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.