INVESTOR NEWS
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Addiko Bank

Addiko Bank with Strong First Quarter 2023, Profit of €9.7 Million, up 50% YoY

- **1Q23 net profit up 50% to €9.7m vs. €6.5m in previous year**
- **Double-digit YoY growth in Consumer and SME continued**
- **Net interest income improved notably by 26% YoY driven by Consumer and SME as well as income related to liquidity management and treasury**
- **New business yields up by more than 100bp YoY in Consumer and SME**
- **CET1 ratio at 20.0% fully-loaded**
- **Share buyback with a volume of up to €3.2m launched on 11 April 2023**
- **AGM 2023 held on 21 April 2023 with all agenda items approved (c. 78% shareholders present)**
- **Dividend of €23.6m - €1.21 per share - paid to shareholders on 4 May 2023**

Vienna, 11 May 2023 – Addiko Group, a Consumer and SME specialist bank active across Central and South-Eastern Europe (CSEE), achieved a profit after tax of €9.7 million in the first quarter 2023 driven by solid business development and focused cost management.

"We reported strong results in the first quarter, with net profit up 50% as our business with Consumers and SMEs saw continued momentum while we remained committed to our prudent risk approach," said CEO Herbert Juranek. *"Our customers value the fact that we respond to their digital loan applications promptly and disburse approved loans quickly. We can now provide this service even faster and offer it to a growing network of retailers and partners."*

"While we see some slowdown in demand, we remain confident and focus on the execution of our specialist strategy. We are well on track with our newly launched Acceleration Program," Juranek added.

Performance in the first quarter 2023

- **Operating result up 42% to €20.3m vs. €14.3m last year**
- **Operating expenses remained below guidance**
- **Cost of Risk at 0.13% or €4.5m compared to €1.2m a year earlier**
- **NPE ratio stable at 2.4% (YE22: 2.4%) with increased NPE coverage at 77.0% (YE22: 75.4%)**
- **Return on average Tangible Equity up to 5.4% (1Q22: 3.3%)**
- **1Q23 EPS of €0.50 compared to €0.33 a year earlier**

The **result after tax** of €9.7m (1Q22: €6.5m) reflected the strong business development, successful repricing, provisions for legal claims and relatively benign credit losses. **Credit loss expenses** stood at €4.5m or 0.13% Cost of Risk (1Q22: €1.2m). While the underlying asset quality continued to be strong, Addiko decided to keep the post-model adjustment unchanged at €20.7m to reflect uncertainties and the high volatility in the macroeconomic environment.

The **share of the two focus segments Consumer and SME** of the gross performing loan book increased to 83% compared to 82% at year-end 2022. The overall customer gross performing loan book continued on the growth trajectory to €3.36b compared to €3.30b at the end of 2022 while decreasing the non-focus as well as the medium SME loan book. The overall focus book growth was at 11% YoY while the focus portfolio excluding the medium SME loans grew significantly by 16%.

Net interest income rose significantly by 26.5% to €52.2m (1Q22: €41.3m) with improved **NIM** at 3.55% (1Q22: 2.87%). The **net fee and commission income** decreased by 8.3% YoY to €15.6m (1Q22: €17.0m) mainly driven by lost income from FX/DCC in Croatia following the introduction of the Euro on 1 January 2023. **Operating expenses** increased to €43.7m (1Q22: €41.1m) as result of significantly elevated inflation. The **cost-income ratio** further improved to 64.5% (1Q22: 70.5%).

The **NPE ratio** remained stable at 2.4% (YE22: 2.4%) at an improved **NPE coverage** of 77.0% (YE22: 75.4%), the **NPE ratio related to on-balance loans** was at 3.4% (YE22: 3.3%) based on a **non-performing exposure (NPE)** of €161m (YE22: €163m).

The **CET1 ratio** stood at 20.0% fully-loaded (2022: 20.0%). As of 1Q23, there is no difference between the transitional and the fully-loaded regulatory capital base due to the expiry of the IFRS 9 transitional capital rules.

For the full year 2023, the Group confirms the Outlook published on 8 March 2023:

- Gross performing loans at ca. €3.5b with more than 10% growth in focus areas
- Net banking income up by ca. 10%, positively impacted by the rising interest rate curve, despite increasing funding costs and run-down of non-focus
- Operating expenses below €179m, mainly driven by inflation
- Total capital ratio above 18.6% on a fully-loaded basis
- Sum of other result and credit loss expenses on financial assets at ca. 1.2% on average net loans and advances to customers

The 1Q23 results 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 2023 approximately 0.8 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. 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.