

## **Anadi Bank transfers branch network and majority of SME business to GRAWE Banking Group**

**Next important step for Anadi Bank as part of its Strategy 3.0: demerger of all branches with 42,000 retail customers, 250 SME customers and a customer business volume of almost EUR 1.7 billion to Bank Burgenland of GRAWE Banking Group. Handover of the business expected in September 2024. Anadi CEO Christian Kubitschek: "GRAWE Banking Group is the best partner for our branch network and the majority of our SME business because it places the highest value on regional expertise as well as customer and value orientation."**

*Klagenfurt, December 21, 2023* - Anadi Bank is taking the next significant step in its Strategy 3.0: As of today, Bank Burgenland (parent company of the GRAWE Banking Group) and Anadi Bank have signed the contract for the transfer of the branch network and the majority of the SME business. Bank Burgenland is taking over the ten branches of Anadi Bank with almost 70 employees, approx. 42,000 retail customers, approx. 250 SME customers and a total customer business volume of almost EUR 1.7 billion. The equity, the banking license, around 15,000 customers, approx. 160 employees and total assets of around EUR 1.5 billion remain at Anadi Bank. The project initiated last year under the name "Quadriga" has thus come to a successful conclusion. Following the transaction, Anadi Bank will focus on the Digital Banking and Public Finance business areas, both of which will continue to be managed from its headquarters in Klagenfurt, and on the corporate business, which will be managed from its Vienna office. The capital released by the transaction will increase Anadi Bank's total capital ratio from the current 15.7 % to an expected 30 %. This will make Anadi Bank one of the most highly capitalized banks in Austria and the entire DACH region and thus ideally positioned for the next steps of Strategy 3.0.

### **Closing expected in September 2024 - customers will be informed in detail**

The regulatory authorities have been comprehensively informed about the transaction. Following the necessary regulatory and competition law approval processes in the banking sector and considering the transfer and migration processes, the transfer of the business ("closing") to the new owner is expected to take place in September 2024. For the time being, nothing will change for Anadi Bank's customers, all banking transactions will continue unchanged, and the contact persons for customers will remain the same - this aspect was of great importance to both transaction partners. Anadi Bank will inform its customers in all business areas as well as the public about all transition steps in good time, whereby both sides will ensure a highly customer-friendly process. In the coming days and weeks, Anadi Bank's management and customer advisors will dedicate particular attention to conversations with customers and respond to all their questions.

*Christian Kubitschek, CEO of Anadi Bank, says about the transaction: "With Bank Burgenland and the GRAWE Banking Group, we have found the best buyer for our branch network and the majority of our SME business. We are placing the business in the experienced hands of a strong Austrian bank. Our customers will be in good hands and will be well looked after by the GRAWE Banking Group. The negotiations were characterized by a highly trusting atmosphere with a strong focus on the needs of customers and employees. I have first-hand experience of the GRAWE Banking Group's great professionalism and binding values and customer culture. In addition, Bank Burgenland and Anadi Bank are sister institutions in the Hypo Banking Association and use the same core banking platform with "TiGital" (Accenture)."*

*Christian Jauk, CEO of the GRAWE Banking Group, comments on the transaction: "We are delighted to be able to continue providing Anadi Bank's customers with high-quality local service in*

*the future. We believe in the branch business and the experienced, well-trained employees who are rooted in the region and who will transition from Anadi Bank to GRAWE Banking Group. With this transaction, the GRAWE Banking Group is expanding its market area in the branch and corporate customer business to Carinthia and is sending a strong signal in the retail segment throughout Austria. We want to continue the success story that began with the acquisition of Bank Burgenland by GRAWE in 2006. With a solid business policy that always focuses on the trusting relationship between customers and advisors, Bank Burgenland has developed steadily in recent years and is now one of the leading regional banks in Austria. As the GRAWE Banking Group, we now want to continue along this path in Carinthia."*

### **Duration of the interest rate turnaround shaped the timing and scope of the negotiations**

The decision to split off the branch network and the SME business was made last year, even before the start of the biggest interest rate turnaround in the ECB's history. In the transaction, Anadi Bank was supported by CONFIDUM Financial Management Consultants as transaction advisor, Binder Grösswang Rechtsanwälte as legal advisor and Ernst & Young as tax advisor.

For Anadi Bank, the identity of the acquirer and criteria such as value and customer culture, balance sheet and capital strength, growth plans and employee concept were of great importance. In addition to the interest rate turnaround, these requirements were the reasons for the extension of the original project schedule. The turnaround in interest rates should now have come to an end, making a transaction with a high degree of planning security possible for Anadi Bank and the GRAWE Banking Group.

The turnaround in interest rates also led to a focus of the transaction on the branch and SME business. These business areas benefit particularly strongly from economies of scale, which means that size and regional ties are key value drivers. By contrast, the Public Finance and Corporate Banking divisions, which will remain with Anadi Bank, are characterized by the lesser importance of economies of scale. Following the turnaround in interest rates, these business areas also have a very attractive risk/return profile. During the transaction process, Anadi Bank therefore decided to further develop these two areas together with its digital business as part of Strategy 3.0. The digital business also includes the mobile sales cooperation Anadi Connect with Austria's independent financial service providers and the cooperation MARIE with Austria's tobacconists. The transfer of the branch network and the majority of the SME business will have no impact on the customers of these business areas. However, Anadi Bank will become even more attractive for existing customers after the transaction with a capital ratio of almost 30 %. In the future, the management will focus even more strongly on expanding the already high level of digital expertise. In addition, the contact persons for customers and the usual short and binding decision-making channels in the Public Finance, Corporate Banking and Digital Banking business areas will remain unchanged.

### **A transaction with added value for all stakeholders**

CEO Christian Kubitschek is convinced of the benefits of the transaction for all stakeholders: *"We are selling these parts of our business from a position of strength. Anadi Bank is set for another excellent year in terms of revenues and profits. The transaction generates added value for all stakeholders: The Carinthia location will be further enhanced by the transaction. Anadi Bank will create further attractive jobs in our home region, particularly in the digital sector. A visible sign of this is our extensive cooperation with the University of Klagenfurt in areas such as artificial intelligence, digitalization and blockchain technology. Our customers and employees in the branch and SME business will transition to one of the best Austrian banking groups that places the highest value on regional expertise as well as customer and value orientation. Our customers and employees in the Public Finance, Corporate Banking and Digital Banking business areas will benefit from our high capital strength and further investments in our digital expertise. We will use the*

*additional leeway that this transaction gives us to expand our existing business at full speed in the coming years as part of Strategy 3.0," concludes CEO Kubitschek.*

### **About Anadi Bank**

In addition to the Retail Banking, Corporate Banking and Public Finance business segments, Anadi Bank is focusing on the main growth area of Digital Banking. The bank is therefore consistently and vigorously expanding its digital offering. In the Austrian market, the bank has already successfully placed the digital consumer loan and tablet-based banking, which is offered under the brands "MARIE" (cooperation with tobacco stores) and "Anadi Connect" (cooperation with financial service providers). Anadi Bank has already gained extensive experience in the German market since its entry in 2021 with the digital SME working capital loan, which it intends to use for further expansion in the digital SME lending sector in the coming years. The strategic partnership with CAPTIQ for German chamber professionals underlines this commitment. The bank's digital DNA is also visible in its internal digital area, where more than 40% (excluding the branch network) of Anadi Bank's approximately 250 employees are already working. The bank leverages the advantages of long-standing relationships of trust between customers and customer advisors, a high level of innovation, digital expertise and lean structures for around 58,000 customers and as the principal bank for numerous companies in trade, industry and real estate as well as many municipalities and public sector institutions.