

Anadi Bank: Best 9-month result since inception, extensive investments in digital banking

Anadi Bank is on the verge of another record year: due to rising revenues in traditional banking and high, profitable growth in the digital area, Anadi Bank can look back on the most successful three quarters in its history – net interest income rose by 113 % to EUR 36 million compared to the first three quarters of the previous year, thus more than doubling. Thanks to strict cost control and consistent risk management, the comparison at the earnings level shows clear results as well: Profit before taxes rose to EUR 13 million, an increase of +60 % compared to the previous year (EUR 8 million). Due to the strong momentum, the Institute expects new highs in revenues and profits for the full year 2023. CEO Christian Kubitschek: *"Our traditional business areas shine with high earnings combined with great cost efficiency and strict risk control. High investments in our digital banking ensure further growth momentum."*

Klagenfurt, 06.10.2023 - The first three quarters of the current year marked record earnings and profit figures for Anadi Bank: Net interest income rose by 113 % to EUR 36 million (30.09.2022: EUR 17 million). Profit before taxes increased by 60 % to EUR 13 million (30.09.2022: EUR 8 million). In the previous year, the result included one-off income from the sale of fixed-income securities, which was realised in time before the turnaround in interest rates - without this one-off income, the increase in profit would even have been almost 900 % (30.09.2023: EUR 13 million; same period of the previous year: EUR 1.3 million). Costs rose by 11 % to EUR 32 million (30.09.2022: EUR 29 million), with the increase in costs primarily attributable to investments and special projects. Adjusted for the investment offensive, the increase is around 5 % due to high cost discipline and is therefore below the inflation rate. CEO Christian Kubitschek:

"The consistently implemented strategy of the last few years is now bearing fruits: our traditional business areas are shining with high earnings, with great cost efficiency and strict risk control. And our digital banking business is showing strong business and revenue growth with high investments. These investments will provide further growth momentum in digital banking in the coming years through upscaling of the business and innovative products."

This shows that all business areas - Retail Banking, Corporate Banking, Public Finance and Digital Banking - are performing very strongly. The bank had actively geared itself to the interest rate turnaround and is now reaping the rewards in traditional banking, while the growth momentum in the digital businesses has continued to pick up. *"In traditional banking, we are cracking record after record in revenues and profits. And our digital banking is scoring with strong business growth. Thanks to our strong performance, we were and are able to make the large investments in our digital banking from our cash flow, i.e. from our own resources,"* says CEO Christian Kubitschek.

Strict risk management, strong capitalisation, high liquidity position

Anadi Bank's strong figures and growth momentum are based on strict risk management and state-of-the-art risk monitoring, which is reflected in the low risk costs of EUR -0.6 million (30.09.2022: EUR 1.0 million). At over 15.5%, the equity ratio is well above the legal requirements and is expected to rise to over 16% by the end of 2023, including expected profit. The

Liquidity ratios additionally show an extremely comfortable liquidity position with an LCR of around 180% (previous year: around 170%), demonstrating Anadi Bank's prudent management in the sharply rising interest rate environment. *"We have been scoring with rising profits and capital ratios since 2020. This is accompanied by strict risk management in the areas of credit risk, market risk and liquidity risk. Our high capital and liquidity ratios, low risk costs and gold positioning before the start of the interest rate turnaround are proof of this. The belief, that that sustainable profit increases can only go hand in hand with a strong risk culture is firmly anchored in our Executive Board as well as in the entire Bank,"* emphasises Chief Financial Officer (CRO/CFO) Ferdinand Wenzl.

Support for customers in an environment of rising interest rates, attractive savings interest rates

In line with the voluntary banking agreement, Anadi Bank supports its clients in an environment of rising interest rates. In many cases, clients have already taken advantage of the bank's offers to switch from variable to fixed interest rates: For example, since the beginning of the interest rate turnaround in March 2022, more than EUR 70 million of the mortgage loan portfolio has been switched from variable interest to fixed interest contracts. The bank accompanies its customers with foresight and care during the interest rate turnaround. As a rule, the Bank finds viable solutions that make it easier for customers on the lending side to make the transition from the long-standing negative interest rate environment to a normalised interest rate environment. This is illustrated by the Bank's low risk costs.

In terms of savings interest rates, Anadi Bank scores with highly attractive interest rates in both existing and new business. This makes Anadi Bank one of the best providers on the market for many savings products and allows its customers to participate in the interest rate turnaround to a significant extent. The increase in interest expenses from EUR 13 million to EUR 34 million (+164 %) impressively illustrates the participation of savings customers.

"The speed of the interest rate turnaround was enormous. This means that the period of negative interest rates, which was unfortunate for the entire economy, is permanently over, which is positive. As a responsible institution, however, we are aware that the speed of the interest rate turnaround can sometimes lead to problems for customers on the lending side. This is why we already supported and actively offered conversions from loan agreements to fixed interest rates in the previous year. The good news for savers: Saving is worthwhile again - a reason to rejoice, especially before the upcoming World Savings Day! Finally, our children see again that saving is worthwhile. Our savings products in the branch area or online offer highly attractive interest rates," emphasises CEO Christian Kubitschek.

Strong business models, further expansion in digital business

Digital banking is the fastest growing area at Anadi Bank. For example, since June 2020 - the start of the digital investment offensive - the digital loan book has grown from EUR 17 million to more than EUR 90 million. In 2023, Anadi Bank introduced digital products, which triggered further growth impulses in addition to the flagship product - the digital, paperless Anadi Online Loan.

After "MARIE" (banking services in Austrian tobacconists' shops), the cooperation with Austrian financial service providers was started in the first quarter of 2023 under the brand name "MARIE".

"Anadi Connect", another product from the tablet-based banking segment, was introduced to the market as a mobile sales cooperation. Anadi Connect was a resounding success, attracting almost 600 distribution partners within a very short time. In just nine months from market launch, Anadi Connect has achieved almost 20% share of the bank's digital loan portfolio. This demonstrates the strength of the business model and its importance as another growth driver alongside the digital paperless Anadi Online Loan.

In addition, the bank has strongly expanded its digital competence in the SME business: In Germany, the market entry with digital SME loans took place in the previous year. In September 2023, the strategic cooperation with the German FinTech CAPTIQ was launched. This cooperation forms the next expansion stage of the digital SME strategy with a focus on digital loans for chamber professionals. *"We have fully digitalised processes, high process efficiency and perfectly scalable business models. This puts us in an optimal position for further expansion in the DACH region, including further product innovations. Anadi Bank is sustainably on course towards becoming a high-growth digital bank in the DACH region with a full banking licence, efficient end-to-end processes, strong risk control and excellent equity capitalisation,"* concludes CEO Christian Kubitschek.

About Anadi Bank

In addition to the business segments of Retail Banking, Corporate Banking and Public Finance, 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 launched digital consumer loans and tablet-based banking, which are offered under the brands "MARIE" (cooperation with tobacco shops) and "Anadi Connect" (cooperation with financial service providers). On the German market, Anadi Bank has already gained extensive experience since its entry in 2021 with the digital SME operating loan, which it intends to use in the coming years for further expansion in the digital SME lending sector. The strategic partnership with CAPTIQ for German chamber professionals underlines this commitment. The digital DNA of the institution is also visible in the bank's internal digital area, in which more than 40% (excluding the branch network) of Anadi Bank's approximately 250 employees are already active. For the approximately 58,000 clients and as the principal bank of numerous companies in trade, industry and real estate, as well as many municipalities and public sector institutions, the bank uses the advantages of long-standing relationships of trust between clients and client advisors, high innovative strength, digital competence and lean structures.

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