

Press release

Anadi Bank envisages to become a pure digital bank

- **Sale of traditional banking business via bidding process to fully leverage potential**
- **Anadi Bank becomes "FinTech with full bank DNA"**
- **Great buying interest expected; CEO Kubitschek: *"Our traditional banking business is profitable, stable and will benefit substantially from the interest rate turnaround."***
- **Bank-internal FinTech is expanded into a highly capitalised and high-growth digital bank: Focus on modern banking services, banking-as-a-service and tablet-based banking**

Klagenfurt, 8 June 2022 - Anadi Bank is transforming itself into a pure digital bank - a FinTech with a comprehensive full banking structure. Therefore, Anadi Bank will start a sales process in the form of a structured bidding process for the traditional banking business with the Retail Banking, Corporate Banking and Public Finance divisions. The equity capital, the banking licence, around 10,000 customers and total assets of around EUR 500 million will remain in the digital bank. "Our traditional banking business has developed strongly since the successful turnaround. At the same time, our internal FinTech offers enormous market potential. We will therefore transfer our traditional banking business into new hands in order to fully focus on our digital business strategy. We will establish Anadi Bank as an innovative and scalable digital bank in the German-speaking region", says CEO Christian Kubitschek about the strategic step and adds: "From a full bank with FinTech DNA, we will now become a FinTech with full bank DNA". As part of the sales process, at least 100 of the current 230 jobs (FTE) will remain with the digital bank. At least 70 jobs will be taken over by the buyer. The takeover of further employees by the buyer is favoured due to Anadi Bank's extremely efficient cost structure and processes and will be concretised in the course of the negotiations. Should jobs nevertheless have to be cut, CEO Christian Kubitschek announces negotiations with the works council on a fair and balanced social plan.

Big appetite of the market for the profitable traditional banking business

For sale are around 50,000 often long-standing customer relationships and total assets of around EUR 2.2 billion with very low risk costs and attractive margins. In the traditional business, Anadi Bank has recently grown dynamically: With a projected 2022 half-year result of almost EUR 5 million, the 2021 annual result is already more than quadrupled. The projection for the full year 2022, assuming a constant interest rate environment, results in an after-tax profit of up to EUR 12 m. Capital ratios also continue to rise (total capital ratio April 2022: 16.0 % including four-month result 2022; from 14.9 % as at 31.12.2021). In addition, secured bonds issued by the bank in the past will mature in the next few years - this year alone, the annual result would be around EUR 8 million higher without these maturing bonds. The Bank's management therefore expects great interest in the bidding process. *"The capital ratios are strong and our portfolio is extremely solid and resilient. We are already seeing steadily increasing earnings. Moreover, we are excellently positioned for the interest rate turnaround. We are facing competition from established bidders for our traditional banking business",* explains CEO Kubitschek.

Transaction procedure

Anadi Bank is accompanied in the bidding process by CONFIDUM Financial Management Consultants AG. The bidding process will now be opened by sending a teaser and binding procedural rules to a selected number of domestic banks. Interested bidders will then be provided with an information memorandum. The period for indicative bids will run until the end of July 2022, after which the group of bidders will be reduced and binding offers will be solicited following a due diligence phase. The signing of the transaction is targeted for the third quarter of 2022. The transaction and realignment are subject to customary regulatory approvals, including board approvals and regulatory approvals.

Digital bank with international rollout

Anadi Bank has a high-quality and scalable platform with robust end-to-end processes, which will now serve as an engine for accelerated digital growth. The bank's in-house FinTech will be expanded on this platform into a highly capitalised and high-growth digital bank, which will offer modern banking services as well as banking-as-a-service models beyond Austria's national borders. The digital bank will encompass the bank's entire digital customer portfolio, as well as the innovative cooperation MARIE with Austria's tobaccoists. This cooperation is an example of how scalable and multipliable growth can be easily achieved via so-called tablet-based banking. The digital consumer loan and the highly automated SME financing for German SMEs will also be further expanded. CEO Kubitschek: *"Anadi Bank will now make full use of its high credit competence in the digital world"*.

An impulse for Carinthia as a business location

In addition to the customers, the business location of Carinthia will also benefit from the digital growth strategy. *"We are expanding our digital bank in Klagenfurt with great growth dynamics, which will radiate into the DACH region. This development will also have a positive impact on Carinthia as a business location. We have already created almost 100 digital banking jobs in Carinthia in the past two years. Over time, this dynamic will create additional jobs in FinTech. I am convinced that from Austria we will write a unique success story for the DACH region as a FinTech with full banking DNA and credit expertise"*, summarises CEO Christian Kubitschek.

About Anadi Bank

Anadi Bank is an Austrian hybrid bank with the business segments Retail Banking, Digital Banking, Corporate Banking and Public Finance. With its unique value proposition, Anadi Bank challenges traditional banking models: on the one hand, it offers personalised customer care via a multi-channel approach with 11 branches in Carinthia and Vienna and a team of customer care agents. On the other hand, Anadi Bank focuses on easy-to-use digital services and is developing its portfolio into a top online banking offering for the German-speaking region: most recently with the launch of a digital SME loan as part of its expansion into Germany, as well as with the start of a unique sales cooperation under the MARIE brand, which brings banking services to tobaccoists. The digital DNA of the institution is visible in the bank's internal FinTech, in which about 40% (excluding the branch network) of the total of about 250 employees of Anadi Bank are already working. For its approximately 58,000 customers and as the principal bank of numerous companies in trade, industry and real estate, as well as a large number of municipalities and public institutions, the bank makes targeted use of the advantages of its lean structure and high decision-making speed.