

Austrian Anadi Bank with positive annual result 2020

- **Positive annual result of EUR 0.5 million despite corona and strategic investments**
- **Operating result EUR 5.9 million, profit on ordinary activities EUR 2.2 million**
- **Growing business volume**
- **Digital loans with a high growth rate**
- **Increase in capital ratios, total capital ratio at 15.2**
- **Before market launch in Germany**

Vienna, 28 January 2021 - Austrian Anadi Bank is the first Austrian full-service bank to present its annual financial statements for "Corona year" 2020 – with a positive result. CEO Christian Kubitschek: *"We have proven the resilience of our business model under the conceivably difficult conditions of the past year. Despite coronavirus, we were also able to grow in high-margin segments and make strategic investments in the optimisation of the business model and the digitalisation offensive from our own resources. The course of business in recent months, particularly in our strategic business areas, gives us confidence for 2021 and the upcoming market entry in Germany."*

Positive annual result for 2020, profit on ordinary activities well above the previous period

Despite the pandemic, several lockdowns and strategic investments in digital and IT, Anadi Bank achieved a positive annual result of EUR 0.5 million in 2020 (2019: EUR -21.5 million after increased impairments). The operating result totalled EUR 5.9 million in the 2020 financial year and was only slightly lower than in the previous year. At EUR 2.2 million, the profit on ordinary activities was even well above that of the comparative period, reflecting the strong risk management in the 2020 financial year. Net interest income totalled EUR 24.2 million in 2020 (2019: EUR 28.5 million), while net fee and commission income reached EUR 13.5 million (2019: EUR 15.3 million).

High-margin business growth, rising capital ratios

In 2020, Anadi Bank enjoyed an increase in business volume, particularly in high-margin business areas. *"With the go-live of our new digital business strategy, our loan book is growing strongly both offline and online. We were able to record new highs month after month in 2020, especially for our digital loans,"* says CEO Kubitschek. The capital ratios were nevertheless increased significantly and are well above the regulatory requirements: The Common Equity Tier 1 capital ratio CET 1 reached 12.9% at the end of 2020 (2019: 12.0%), the total capital ratio 15.2%

(2019: 14,1 %). Anadi Bank's total assets amounted to EUR 2,566 million as at 31 December 2020 (31.12.2019: EUR 3,064 million), whereby the decline was primarily due to the reduction in investments at the OeNB and the deliberate optimisation of capital and balance sheet efficiency.

Fully operational through the corona crisis

Thanks to its high level of digitalisation and state-of-the-art IT equipment, Anadi Bank was able to transfer around two thirds of its workforce to home office within a very short space of time during the first lockdown in 2020. *"Since the summer of 2020, practically all employees have been equipped to work from home. At the same time, branch operations have been fully maintained. Austrian Anadi Bank's customers have been and continue to receive the highest level of service without interruption,"* explains Kubitschek.

New digital strategy being implemented

Following its strategic realignment in 2015, Austrian Anadi Bank has consistently focussed on a hybrid banking strategy with strong digital elements over the past five years. Building on the milestones achieved to date, the Management Board developed a new digital business strategy ("Strategy 2.0") in the second half of 2020. A digitalisation offensive will focus even more strongly on customer and market orientation in the digital age. Digital product and application channels in the core products of current accounts and consumer and SME financing will be rolled out in Austria and Germany. CEO Kubitschek: *"Our Strategy 2.0 is already in the middle of implementation and is taking effect better and even faster than we had hoped. The strategic motto is 'growth with quality', because Anadi Bank is growing in high-margin segments and with high capital efficiency."*

Financing the new strategy from our own resources

With a Tier 2 bond, which Austrian Anadi Bank has been placing on the market in tranches since December 2020 depending on financing requirements, the bank can finance its strategic growth initiative. The bond with a volume of up to EUR 20 million bears interest at 6% and has a term of ten years. One of the first investors was CEO Christian Kubitschek, who subscribed half a million euros of the bond. Kubitschek explains:

"By personally subscribing to this bond, I want to demonstrate my strong conviction in favour of our new strategic path. I subscribed to the bond at a slightly lower interest rate than the other investors in order to ensure an impeccable appearance."

Outlook 2021: Digital expansion, digital & IT hub in Carinthia, public finance and corporate financing as a top priority

Austrian Anadi Bank's market launch in Germany is imminent: the digital presence in Germany will focus on products in which the bank also plays to its competitive strengths in Austria. SME loans will be rolled out in the first half of 2021, followed by consumer loans in the second half of the year.

Another strategic focus is on strengthening the home market of Carinthia. Here, Anadi Bank is expanding its "Digital & IT Hub" into an internal FinTech. The attractive digital platform is being expanded to include new products and developed into a top online banking offering for the German-speaking region. *"Our aim is to offer simple, standardised products where people need banking services. At the same time, our focussed branch network remains an important building block for the future and will be further expanded."*

undergo an extensive investment and modernisation offensive in 2021," announces Kubitschek.

In the corporate client business, the bank will continue to pursue a consistent niche strategy in corporate financing in Austria and Germany, focussing on medium-sized companies. The bank will also continue to utilise its extensive and long-standing expertise in areas such as real estate financing.

"In addition, we naturally remain a reliable and strong partner for public sector financing in the area of public finance, all the more so in these turbulent times. We are in constant and constructive contact with decision-makers in politics and administration, right up to board level," emphasises Kubitschek.

One focus in 2021 will also be on the further digitalisation of products and processes. For example, digital product ranges will be increasingly merged and standardised with those offered in the branches. Christian Kubitschek concludes: *"Austrian Anadi Bank is very well positioned for the future. The factors behind our success are efficient processes, high decision-making and implementation speed as well as the innovative strength of the organisation and its employees. With these qualities, we will utilise the opportunities that present themselves to us as a small, agile and digital bank with Carinthian roots: Combining the best of both worlds with our many years of experience as a fast and customer-friendly full-service bank and our FinTech DNA."*

About Austrian Anadi Bank AG:

Austrian Anadi Bank AG is an Austrian hybrid bank with the business segments Retail Banking, Digital Banking, Corporate Banking and Public Finance. With its unique value proposition based on a modern hybrid approach, Anadi Bank is challenging traditional banking models: on the one hand, it offers personalised customer service via a multi-channel approach with branches and a team of customer care agents. On the other hand, Anadi Bank focuses on easy-to-use digital services and is continuously developing its digital value chain. As the principal bank for numerous SMEs in trade, industry and the property sector, the bank makes targeted use of the advantages of its lean structure and high decision-making speed. As a product specialist, Anadi Bank places a particular focus on smart and customised solutions for companies. In Carinthia and Vienna, around 280 employees work for approximately 57,000 customers.