

\*\*\*Press release\*\*\*

## **Austrian Anadi Bank: Solid business development in 2019, break-even result after one-off effects and strong YTD April 2020**

- **Balance sheet total stable at EUR 3,064 million, customer receivables increased to EUR 2,183 million**
- **Net interest income at EUR 28.5 million, up 2.4% y-y after one-off adjustments; net commission income at a high level of EUR 15.3 million**
- **Operating result at EUR 6.3 million unchanged from 2018, break-even annual result for the year EUR 0.00 as of 31.12.2019**
- **Stable risk profile, NPL ratio at only 2.36% (2018: 2.54%)**
- **Additional provisioning carried-out as one-off measure**
- **Liquidity well above regulatory requirements**
- **Planned capital infusion expected to be completed by Q3/2020**
- **Outlook: Strong first four months of 2020, new digital products will strengthen positioning as a challenger bank**

*Vienna, 29. May 2020* - Austrian Anadi Bank AG can look back on a strong operating performance in the 2019 financial year, despite the continuing low interest rate environment. Net interest income totalled EUR 28.5 million, and adjusted for one-offs increased by 2.4% compared to the previous year. Commission income was maintained at the high level of the previous year of EUR 15.3 million. Thanks to successful cost management, operating expenses were reduced by 8.0% to EUR 41.6 million.

As of 31 December 2019, Austrian Anadi Bank AG had total assets of EUR 3,064 million (2018: EUR 3,072 million). New business in the focus area of consumer financing grew by 54.7%. Customer deposits increased by 6.4% compared to the previous year. Despite additional provisioning done as a one-off measure, the risk profile of the bank is stable, the NPL ratio (non-performing loan ratio) declined from 2.54% to 2.36% year-on-year.

The higher risk provisioning due to new findings in the 2020 financial year will be offset by the release of reserves of around 21.5 million; consequently, a break-even annual result of EUR 0.00 will be reported as at 31 December 2019.

### **Liquidity well above regulatory requirements**

In early 2020, new information was provided on a few loan cases in the portfolio. As the financial result for 2019 had not yet been finalised at the time, the additional risk provisioning was established in accordance with the principle of prudence laid down in the general accounting standards. This additional provisioning was offset by partially releasing reserves in an amount of 21.5 million built up in recent years.

All liquidity ratios remain solid. Austrian Anadi Bank meets the relevant regulatory requirements more than adequately.

Dr. Sanjeev Kanoria, owner and Deputy Chairman of the Supervisory Board, indicates that the shareholder is organising fresh capital should the bank need it. A capital injection of up to EUR 20 million is planned by the end of the 3rd quarter 2020, subject to technical legalities, he adds.

### **Fully operational and active for customers even in the Corona crisis**

The Corona crisis is an enormous challenge for every company. However, thanks to its strong market positioning as a flexible and innovative hybrid bank, Austrian Anadi Bank has always been and remains fully operational and accessible to its customers via all channels. Appropriate protective and security measures were immediately implemented in the branches. Due to its high degree of digitalisation and state-of-the-art IT equipment, Austrian Anadi Bank was able to transfer around two thirds of its staff to work remotely from home within a very short period of time. This ensured that customers were provided with uninterrupted services both online and offline.

Austrian Anadi Bank is 100% committed to the support measures adopted by the Austrian government in the banking sector. The bank fully supports its customers and business partners with loan deferrals, bridging loans and funding opportunities from public institutions such as AWS, OeKB and ÖHT.

In light of the visible market uncertainties and a deterioration in the macroeconomic environment, it is expected that 2020 will be a challenging year for the banking industry including Austrian Anadi Bank.

### **Outlook 2020: Strong first four months and planned launch of digital products**

Even though the Corona lockdown in March naturally affected business growth, Austrian Anadi Bank can look back with satisfaction on a very good first four months of 2020. The operating result YTD April 2020 was EUR 8 million, and profit after tax EUR 5 million (YTD April 2019: EUR 3.2 million). The relevant liquidity ratios are also currently well above the regulatory requirements.

New digital products, such as the online working capital loan for SMEs, are planned to be launched and will add further innovative elements to the digital value chain of Austrian Anadi Bank. The Corona crisis in particular has shown the importance of a high degree of digitalisation. At the same time, the branches in Carinthia, Styria and Vienna will also remain an important sales pillar in order to reach regional customers and meet their individual needs in the best possible way when carrying out banking business. The branches will therefore be modernised progressively in 2020.

The high level of customer satisfaction with Austrian Anadi Bank is also evidenced by top positions in industry rankings: Most recently, consumers voted the bank as the top 3 among credit banks in the ÖGVS (Austrian Society for Consumer Studies) ranking. Austrian Anadi Bank will continue to live up to its value proposition of simplicity, speed and efficiency with a focus on value-generating products for customers, in order to challenge traditional banking models as a "challenger bank".

#### **About Austrian Anadi Bank AG**

Austrian Anadi Bank AG is an Austrian hybrid bank operating in the business segments of Retail Banking, Corporate Banking and Public Finance. With its modern hybrid approach, Anadi Bank challenges traditional

banking models: while offering face-to-face customer coverage through mobile advisors and a team of customer care agents, Austrian Anadi Bank also deploys easy-to-use digital services and continues to develop its digital value chain. As the principal bank of numerous SMEs operating in the trade, industry and real estate sectors, the bank makes targeted use of the advantages of its lean structure. With fast decision-making routes and in-depth product knowledge, the bank is able to develop tailor-made and smart solutions for companies. In Carinthia, Styria and Vienna more than 300 employees provide banking services for more than 57,000 customers.