

# Smart hybrid bank for retail customers and SME

Austrian Anadi Bank AG  
Half Year Financial Report  
30 June 2018

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# HALF YEAR MANAGEMENT REPORT 2018

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# HALF YEAR MANAGEMENT REPORT 2018

## 1. GENERAL ECONOMIC ENVIRONMENT

The global economic momentum continues to provide a strong tailwind for the Austrian economy. Forecasts of economic growth published by economic research institutes are 2.8 % (IHS) or 3.2 % (WIFO) for year 2018. Therefore, domestic economy is at a peak, since forecasts stay positive for 2019 but a slowdown of growth is expected for the following year.

Pillars of the strong economic development in Austria are the private consumption, which is driven by increasing real income and by good conditions on the labour market, and the development of exports, which are currently on a record level. Structural reforms of the Austrian Federal Government could provide additional stimuli.

Due to the positive economic development the unemployment rate decreased to 7.8 % (Austrian definition). Inflation stays on a low level, 2.1% (IHS) for 2018 is expected to be on the same level compared to the previous year.

Demand for residential real estate loans is still on a very high level, mainly due to the persistently low interest rates and the recently good economic climate. Due to strong cash flow generation, demand for corporate loans has decreased. Similar compared to last year, the banking sector is confronted with comparatively high early loan repayments. It can be assumed, that this trend will continue in 2018 on a quite similar level.

Despite ECB's expansive monetary policy with its economic stimulus, overall global economic cycle risks increase. There are uncertainties regarding the timing of tapering and the further interest rate policy of the ECB. Protectionist tendencies of the US-Administration increase the risks for world trade and international economic growth. The pace and nature of Brexit are reasons for uncertainties regarding economic cycle risks. This and the continuing low-interest phase make the macroeconomic environment challenging from a bank's point of view. Additionally, pressure due to regulatory requirements stays high.

## 2. BUSINESS DEVELOPMENT OF ANADI BANK

### 2.1 Balance sheet development

Positive growth trend of loans to customers has continued in the first half year 2018. Loans to customers increased by a net EUR 0.08 billion to EUR 2.11 billion (31.12.2017: 2.03 billion).

Total assets were stable at EUR 2.81 billion (31.12.2017: EUR 2.89 billion) in 2018 due to active liquidity management measures. Therefore the bank has securities, mainly for the purpose as liquidity reserve, amounting to EUR 0.40 billion (31.12.2017: EUR 0.47 billion) and loans to credit institutions amounting to EUR 0.23 billion (31.12.2017: EUR 0.31 billion).

Other balance sheet items on the asset side show only minor changes as at 30.06.2018.

On the liability side liquidity management measures have been taken and surpluses were reduced. Thus, there was a slight decline of EUR 0.18 billion to EUR 0.29 billion (31.12.2017: EUR 0.47 billion) in liabilities to credit institutions.

Primary funds increased in first half year, with liabilities to customers growing by EUR 0.13 billion to EUR 1.66 billion (31.12.2017: EUR 1.53 billion).

The balance sheet item securitized liabilities amounting to EUR 0.66 billion (31.12.2017: EUR 0.69 billion) stayed stable in first half year.

The loan/deposit ratio of the bank (loans in relation to primary funds) amounts to 91.1 percent (31.12.2017: 91.3 percent). As of 30.06.2018 the leverage ratio of the bank was 5.5 percent (31.12.2017: 5.4 percent). As of 30.06.2018 LCR was 215.7 percent (31.12.2017: 308.7 percent). Thus, all ratios are significantly above the minimum requirements according to Basel III. Other items on the liability side show only minor changes.

## 2.2 Own capital funds

As of 30.06.2018 own funds of the bank (common equity Tier 1 and Tier 2 capital considering regulatory deductions) according to CRR amount to EUR 162.14 million (31.12.2017: EUR 160.33 million). The increase in common equity Tier 1 mainly results from retained earnings of year 2017. The regulatory minimum requirements for own funds were EUR 86.40 million (31.12.2017 EUR 79.18 million), resulting in free capital amounting to EUR 75.74 million (31.12.2017 EUR 81.15 million) and a coverage ratio amounting to 187.7 percent (31.12.2017: 202.5 percent).

As of 30.06.2018 common equity Tier 1 ratio (CET 1 ratio) according to CRR-/CRD regulation was 15.0 percent (31.12.2017: 16.2 percent). Total capital ratio of the bank was 15.0 percent (31.12.2017: 16.2 percent). The decline of capital ratios is due to the increase of new loan business. Therefore, ratios were significantly above regulatory requirements.

## 2.3 Profit and loss

Operating income as of 30.06.2018 amounts to EUR 25.37 million (30.06.2017: EUR 36.90 million). Net interest income amounts to EUR 16.12 million (30.06.2017: EUR 27.25 million). The decline in net interest income amounting to EUR -11.13 million is due to one-off effects in the previous year result. Therefore, a comparison with the previous year is only possible to a very limited extent. Accordingly, the development of net interest margin to 1.1 percent (30.06.2017: 1.9 percent). Net commission income was significantly increased by 26.2 percent (plus EUR 1.72 million) to EUR 8.18 million. This increase mainly results from the positive development in loan business.

Operating expenses were significantly reduced compared to last year and amount to EUR 21.85 million (30.06.2017: EUR 24.54 million). This decline is mainly due to lower personnel expenses, because of a release of restructuring provision, as well as cost-savings in administrative expenses.

Thus, the operating result amounts to EUR 3.52 million (30.06.2017: EUR 12.36 million). Cost-income-ratio, operating expenses in relation to operating income, is at 86.1 percent (30.06.2017: 66.5 percent). A comparison to the ratio as of 30.06.2017 is only possible to a very limited extent, because of effects described above.

Value adjustments and re-adjustments in respect of loans and advances and provisions for contingent liabilities and for commitments plus value adjustments and re-adjustments in respect of transferable securities held as fixed assets, participating interests and shares in affiliated undertakings amount to EUR -1.03 million (30.06.2017: EUR -8.59 million). The decline in comparison with prior period results from one-off effects as of 30.06.2017.

In the reporting year profit on ordinary activities amounts to EUR 2.48 million (30.06.2017: EUR 3.89 million), profit after tax amounts to EUR 0.64 million (30.06.2017: EUR 1.10 million).

### 3. PRINCIPAL RISKS AND UNCERTAINTIES

Risk management of Austrian Anadi Bank AG is covered by the departments Strategic Risk Management and Credit Risk Management. The Bank controls and monitors risk of all business areas, so that the bank can optimize its risk and return profile, react to risks linked to business activities and manage these risks proactively at any time. Therefore, customers and lenders can trust on a solid risk awareness. The bank's main focus is addressed to credit risk. The tight Credit Risk Management takes care, that potential defaults are identified in time and, if necessary, provisions for coverage gaps are made.

The solid risk strategy of the bank is reflected in the low risk provisions as well as in the low non-performing-loan ratio of 2.9 percent (31.12.2017: 2.8 percent).

Additionally, Austrian Anadi Bank AG refers to the contents of the risk report of the previous reporting year and to the explanations in current the notes.

### 4. OUTLOOK

Austrian Anadi Bank as a „smart hybrid bank for private customers and SME“ has found its position on the market. It is based on three pillars: State-of-the-art online banking, a focused branch network and a mobile advisory team. Based on its foundation the bank has grown into a supraregional hybrid bank with good opportunities for organic growth. The bank takes advantage of its lean structures which supports a top in class time to market and strong reliability in decision making.

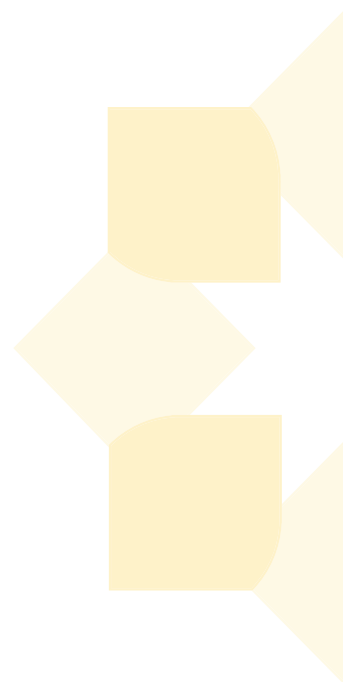
When designing the product portfolio, scalable products with quick time to market are in the focus for online and offline and cross border distribution.

The multiplicity of offers is particularly important considering cross-border offers of services.

Austrian Anadi Bank continues to be a pioneer in the field of online-banking in Austria. Digitalization of processes and products will continue to be a strategic focus of the institute. The bank will expand its value chain in the field of online-banking with additional innovative services, so that cost efficiency can be improved, and new customers can be addressed swiftly. Credit applications, mortgage lending or fund investments can be handled entirely online in the future. Robo Advisory will be another online feature to be added this year to provide clients with investment funds starting at EUR 5,000.00 access to private banking services.

Anadi Bank works together with numerous Fintechs and will continue to further develop its digital service offering. As of 01.06.2018, Mr. GaneshKumar Krishnamoorthi joined the Management Board and will provide his long-standing experience in digital banking to the bank. His focus will be on the expansion of the digital SME and retail business and therefore the further strengthening of the market position of Anadi Bank.

The strong momentum of the new business development in corporate and retail banking continues in 2018 and provides the basis for further expansion and for achieving the banks ambitious goals in 2018.



Klagenfurt am Wörthersee, on 31.07.2018

THE MANAGEMENT BOARD:

GD Mag. Christoph Raninger m.p.

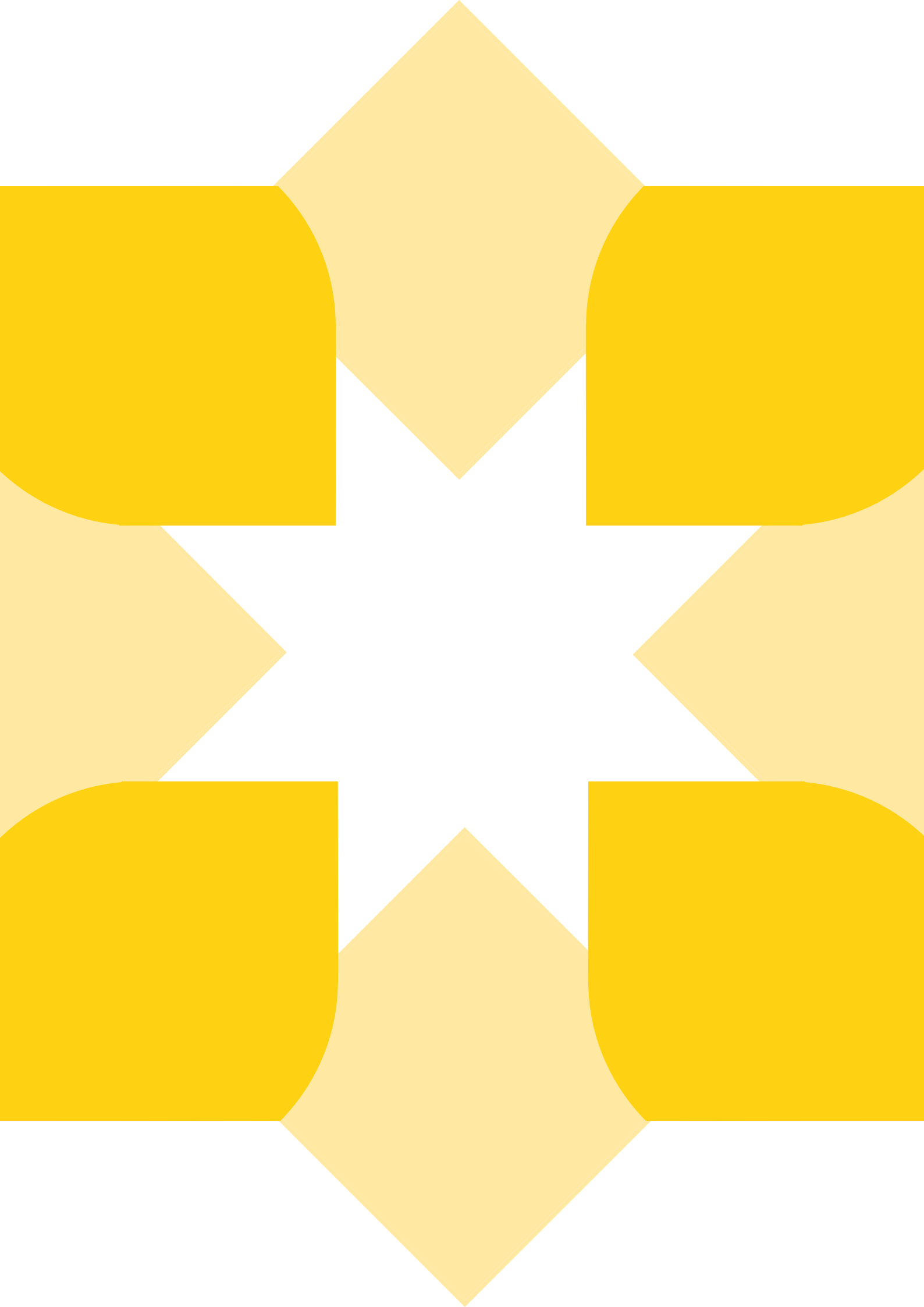


VDir. Gerhard Salzer m.p.

VDir. Mag. Franz Reif m.p.

VDir. GaneshKumar Krishnamoorthi, B. E. m.p.





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## BALANCE SHEET

	30.06.2018 EUR '000	31.12.2017 EUR '000	Change in EUR '000	Change in %
<b>ASSETS</b>				
1. Cash in hand, balances with central banks and post office banks	23,360	25,365	-2,005	-7.9%
2. Treasury bills and other bills eligible for refinancing with central bank	200,823	225,716	-24,893	-11.0%
3. Loans and advances to credit institutions	226,659	308,386	-81,728	-26.5%
4. Loans and advances to customers	2,110,988	2,028,744	82,244	4.1%
5. Debt securities including fixed-income securities	201,428	247,741	-46,313	-18.7%
6. Shares and other variable-yield securities	0	21	-21	-100.0%
7. Participating interests	3,220	3,220	0	0.0%
8. Intangible fixed assets	339	410	-71	-17.4%
9. Tangible assets	11,056	11,284	-228	-2.0%
10. Other assets	29,202	37,893	-8,691	-22.9%
11. Prepayments and accrued income	795	687	108	15.7%
12. Deferred tax assets	3,667	4,044	-376	-9.3%
<b>Total Assets</b>	<b>2,811,537</b>	<b>2,893,511</b>	<b>-81,974</b>	<b>-2.8%</b>

	30.06.2018 EUR '000	31.12.2017 EUR '000	Change in EUR '000	Change in %
<b>LIABILITIES</b>				
1. Liabilities to credit institutions	286,173	467,289	-181,116	-38.8%
2. Liabilities to customers	1,655,606	1,527,141	128,465	8.4%
3. Securitised liabilities	662,883	695,536	-32,653	-4.7%
4. Other liabilities	21,134	14,232	6,902	48.5%
5. Accruals and deferred income	639	729	-90	-12.3%
6. Provisions	21,934	22,551	-617	-2.7%
7. Subscribed capital	30,000	30,000	0	0.0%
8. Capital reserves	82,332	82,332	0	0.0%
9. Retained earnings	13,204	11,508	1,694	14.7%
10. Liability reserve pursuant to Article 57 para. 5 BWG	36,996	36,996	0	0.0%
11. Net profit or loss for the year	636	5,196	-4,560	-87.8%
<b>Total Liabilities</b>	<b>2,811,537</b>	<b>2,893,511</b>	<b>-81,974</b>	<b>-2.8%</b>

## PROFIT AND LOSS ACCOUNT

	01.01.– 30.06.2018 EUR '000	01.01.– 30.06.2017 EUR '000	Change in EUR '000	Change in %
1. Interest receivable and similar income	34,046	56,723	-22,677	-40.0%
2. Interest payable and similar expenses	-17,924	-29,473	11,549	-39.2%
<b>I. Net interest income</b>	<b>16,122</b>	<b>27,250</b>	<b>-11,128</b>	<b>-40.8%</b>
3. Income from securities and participating interests	313	0	313	100.0%
4. Commissions receivable	9,942	7,897	2,045	25.9%
5. Commissions payable	-1,763	-1,442	-321	22.3%
6. Net profit or net loss on financial operations	355	337	18	5.4%
7. Other operating income	398	2,862	-2,464	-86.1%
<b>II. Operating income</b>	<b>25,367</b>	<b>36,904</b>	<b>-11,537</b>	<b>-31.3%</b>
8. General administrative expenses	-21,253	-23,598	2,345	-9.9%
9. Value adjustments in respect of asset items 9 and 10	-538	-680	142	-20.9%
10. Other operating expenses	-59	-262	203	-77.6%
<b>III. Operating expenses</b>	<b>-21,850</b>	<b>-24,540</b>	<b>2,690</b>	<b>-11.0%</b>
<b>IV. Operating result</b>	<b>3,517</b>	<b>12,364</b>	<b>-8,847</b>	<b>-71.6%</b>
11./12. Value adjustments and re-adjustments in respect of loans and advances and provisions for contingent liabilities and for commitments	-1,034	-8,586	7,552	-88.0%
13./14. Value adjustments and re-adjustments in respect of transferable securities financial fixed assets, participating interests and shares in affiliated undertakings	0	107	-107	-100.0%
<b>V. Profit or loss on ordinary activities</b>	<b>2,484</b>	<b>3,885</b>	<b>-1,401</b>	<b>-36.1%</b>
15. Tax on profit or loss	-521	-1,414	893	-63.2%
16. Other taxes not reported under item 15	-1,327	-1,372	45	-3.3%
<b>VI. Profit for the year after tax</b>	<b>636</b>	<b>1,099</b>	<b>-463</b>	<b>-42.1%</b>
<b>VII. Net profit for the year</b>	<b>636</b>	<b>1,099</b>	<b>-463</b>	<b>-42.1%</b>

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL HALF YEAR 2018

## BASIC ACCOUNTING PRINCIPLES

The interim financial statements of Austrian Anadi Bank AG ("Anadi Bank") have been prepared in accordance with the provisions of the Austrian Banking Act (BWG), as amended, and where applicable, in accordance with the provisions of the Austrian Business Enterprise Code (UGB) as amended.

The condensed balance sheet and income statement are essentially presented in the form prescribed in Annex 2 to Section 43 BWG, although only the main items have been included.

In the schedule, the previous year's figures have been rounded up to the nearest thousand EURO (TEUR). Consequently, in the totalling, rounding differences cannot be excluded.

## ACCOUNTING AND MEASUREMENT POLICIES

The interim financial statements were prepared in accordance with generally accepted accounting principles and the general requirement to present a true and fair view of the bank's net assets, financial position and results of operations.

The principle of individual measurement was applied, and a going concern assumption made for the measurement of assets and liabilities. In these interim financial statements, except for the specific areas noted below, the same accounting and measurement policies and the same methods of calculation have been used as in the most recently published annual financial statements as at 31.12.2017.

The principle of prudence was applied, paying particular attention to the special features of the banking business: only profits and gains realised at the balance sheet date were reported, and all recognisable risks and impending losses were taken into account.

## NOTES TO THE BALANCE SHEET

### 1. MATURITIES OF BALANCE SHEET ITEMS

Maturities in accordance with Section 64 (1) (4) BWG were as follows:

	30.06.2018	31.12.2017
<b>A3. Loans and advances to credit institutions</b>	<b>226,658,634.09</b>	<b>308,386</b>
– payable on demand	226,658,634.09	303,386
– up to three months	0.00	0
– three months to one year	0.00	5,000
– one year to five years	0.00	0
– over five years	0.00	0
<b>A4. Loans and advances to customers</b>	<b>2,110,987,990.75</b>	<b>2,028,744</b>
– payable on demand	100,190,341.87	99,345
– up to three months	98,675,986.88	98,020
– three months to one year	212,804,636.56	209,277
– one year to five years	639,763,724.76	613,938
– over five years	1,059,553,300.68	1,008,164
<b>P1. Liabilities to credit institutions</b>	<b>286,172,630.05</b>	<b>467,289</b>
– payable on demand	35,972,630.05	18,689
– up to three months	6,500,000.00	205,000
– three months to one year	700,000.00	600
– one year to five years	243,000,000.00	243,000
– over five years	0.00	0
<b>P2. Liabilities to customers</b>	<b>1,655,606,569.97</b>	<b>1,527,141</b>
– payable on demand	951,238,636.18	821,260
– up to three months	135,131,000.00	133,054
– three months to one year	303,440,000.00	352,939
– one year to five years	227,355,000.00	183,759
– over five years	38,441,933.79	36,129

## 2. SECURITIES INCLUDING ACCRUED INTEREST

	30.06.2018	31.12.2017
<b>A2. Treasury bills and other bills eligible for refinancing with central banks</b>	<b>200,823,081.11</b>	<b>225,716</b>
thereof listed	200,823,081.11	225,716
thereof fixed assets	194,773,650.00	214,823
thereof accrued interest in fixed assets	966,952.08	2,897
thereof current assets	5,081,700.00	7,996
thereof accrued interest in current assets	779.03	0
<b>A4. Loans and advances to customers</b>	<b>87,278,091.57</b>	<b>86,821</b>
thereof not listed	87,278,091.57	86,821
thereof fixed assets	85,257,945.71	86,253
thereof accrued interest in fixed assets	2,020,145.86	568
<b>A5. Bonds and other fixed-income securities</b>	<b>201,427,897.08</b>	<b>247,741</b>
thereof listed	153,638,724.60	156,106
thereof not listed	47,789,172.48	91,635
thereof fixed assets	152,346,210.00	154,391
thereof accrued interest in fixed assets	1,292,514.60	1,715
thereof current assets	47,740,818.20	91,581
thereof accrued interest in current assets	48,354.28	54
<b>A6. Shares and other variable-yield securities</b>	<b>0.00</b>	<b>21</b>
thereof listed	0.00	0
thereof not listed	0.00	21
thereof current assets	0.00	21
<b>A7. Participating interests</b>	<b>3,219,939.25</b>	<b>3,220</b>
thereof not listed	3,219,939.25	3,220

### 2.1 The Government bonds included in the balance position A2 (excl. accrued interest) are analysed by country as follows:

Country	Nominal value	Carrying amount 30.06.2018	Write-downs until 30.06.2018	Reversal of impairment 30.06.2018
Germany	14,000,000	14,081,700.00	10,700.00	0.00
Belgium	6,000,000	6,000,000.00	0.00	0.00
Austria	74,000,000	73,738,100.00	0.00	0.00
France	34,690,000	34,266,800.00	32,500.00	0.00
Netherlands	7,000,000	6,982,500.00	0.00	0.00
European Union	65,000,000	64,786,250.00	0.00	3,600.00

## 2.2 Breakdown of bonds and other fixed-income securities from the balance position A5 (incl. accrued interest)

	30.06.2018	31.12.2017
Issued by others (without public authorities)	201,427,897.08	247,741
thereof:		
Own issues	47,789,172.47	91,635
Foreign bonds (credit institutions)	70,038,464.97	75,107
Mortgage bonds and municipal bonds	75,429,948.34	68,241
Other bonds	8,170,311.30	12,758

## 2.3 Other Disclosures Relating to Securities

In 2019 fixed-income securities from the bank's own holdings in the amount of EUR 158,484,409.15 (2018: TEUR 129,403) (euro-denominated securities) and EUR 0.00 (2018: TEUR 0) (foreign currency-denominated securities) will be due.

Fixed-income securities of private issuers, which were eligible to be refinanced at the Austrian National Bank on the balance date, amounted to EUR 155,313,634.50 (31.12.2017: TEUR 158,749), of which EUR 142,215,414.50 (31.12.2017: TEUR 155,694) were pledged as of the balance date.

As in the previous year, there were no subordinated securities as at 30.06.2018, as per Section 45(2) of the BWG.

The trading book comprised the following as at 30 June 2018:

	30.06.2018	31.12.2017
Forward exchange transactions (nominal value)	2,120,745.42	0
Interest swaps (nominal value) and interest rate contracts	204,349,347.12	115,256

There are no financial instruments held as fixed assets, which are recognised above their fair value (Section 237a (1) (2) UGB).

No write-ups of securities classified as fixed assets were undertaken in the financial year.

The bank checks as appropriate, and at least once a year, whether a permanent impairment has arisen in the financial assets. A permanent deterioration in the creditworthiness of the issuers was not identified.

In 2019, issued bonds as defined in Section 64 (1) (7) BWG with a value of EUR 15,581,132.91 (2018: TEUR 82,383) will be become due in Anadi Bank.

## 3. OTHER ASSETS

The breakdown of other assets is as follows:

	30.06.2018	31.12.2017
Other assets	29,202,437.75	37,893
– thereof payable after the balance sheet	4,835,878.46	12,368
– thereof with a residual term > 1 year	24,366,559.29	25,525
Interest receivable	80,687.11	40
Accrued income (upfront payment)	15,246,747.52	15,649
Offset claims	1,542,541.49	1,578



Other assets	30.06.2018	31.12.2017
Receivables arising from FX measurement of banking book derivatives	1,978,119.44	6,162
Receivables from trading book derivatives	826,186.09	1,325
Deposits	8,293,625.68	8,234
Other receivables	1,234,530.42	4,905

## 4. OTHER LIABILITIES

The breakdown of other liabilities is as follows:

	30.06.2018	31.12.2017
Other liabilities	21,133,615.27	14,232
– thereof payable after the balance sheet	17,925,006.53	10,007
– thereof with a residual term > 1 year	3,208,608.74	4,225
Interest payable	341,360.77	392
Clearing account balances	15,824,098.18	5,912
Fees and levies	1,944,758.47	2,418
Liabilities arising from FX measurement of banking book derivatives	0.00	559
Liabilities from trading book derivatives	780,981.65	1,250
Trade payables	367,908.78	1,019
Other liabilities	1,874,507.42	2,682

## 5. PROVISIONS

The items included under provisions are as follows:

	30.06.2018	31.12.2017
Severance payments	6,277,662.00	6,245
Pensions	5,618,951.00	5,571
Taxation	0.00	0
Other provisions:		
Guarantees	202,596.86	264
Holidays not taken	507,198.56	557
Long-service bonuses	1,098,648.51	1,050
Association of mortgage banks § 1406 ABGB	368,971.25	369
Legal and consultancy fees	88,000.00	100
Costs for legal risks	2,667,945.32	2,995
Restructuring provisions	219,050.71	1,694
Negative market values of banking book derivatives incl trading book CVA	735,769.00	846
Miscellaneous provisions	4,149,256.04	2,860
Total Other provisions	10,037,436.25	10,735
<b>Total</b>	<b>21,934,049.25</b>	<b>22,551</b>

## Severance payments, Long-service bonuses and Pensions

Provisions for severance payments and the provision for long term service bonuses, included in other provisions, were calculated according to the actuarial principles in accordance with Section 211 (2) UGB. The calculation is done with a discount factor of 1.929 percent (31.12.2017: 2.032 percent) and salary growth rate of 2 percent per annum (31.12.2017: 2 percent), considering a fluctuation discount of 0 percent (31.12.2017: 0 percent). For the Long-service bonuses provision fluctuation probabilities presented in the report were used in year 2018. Retirement age was applied using the earliest statutory retirement age regulated in the General Social Insurance Act (ASVG, 2004 Pension Reform).

The provision for pension obligations for current pensions in half year report was calculated according to the actuarial principles pursuant to Section 211 (2) UGB. The calculation is done with a discount factor of 1.929 percent (31.12.2017: 2.032 percent) and a pension growth rate of 2 percent (31.12.2017: 2 percent).

## Other provisions

In accordance with Section 211 of the UGB, other provisions have to be discounted applying a market rate in case duration is more than one year. Initial application has resulted in a difference in the amount of EUR 974,393.87, as at 01.01.2016. In accordance with transitional rule in Section 906 (33f) of UGB the bank allocates the difference over a period of no more than 5 years. The positive effect in the profit and loss account amounts to EUR 85,243.17 as at 30.06.2018.

## Guarantees

The provisions for risks arising from the lending business (guarantees) include provisions for specific cases amounting to EUR 0.00 (31.12.2017: TEUR 7) as well as provisions at portfolio level amounting to EUR 202,596.86 (31.12.2017: TEUR 257).

## Restructuring provisions

Based on the company agreement regarding social plan (social cushioning at resignation of employees) closed with the works council in year 2015, the provision for social plan – used for severance and termination payments - amounts to EUR 1,537,050.71 as of 31.12.2017. Thereof, EUR 118,000.00 were paid out in first half year 2018. Due to the expiration of the company agreement regarding social plan EUR 1,200,000.00 were released. The remaining amount of EUR 219,050.71 (as of 30.06.2018) will be used for restructuring measures, which were agreed in past.

Additionally, there are other restructuring provisions amounting to EUR 157,317.47, accounted for in prior years. Thereof, EUR 30,000.00 were paid out in first half year 2018. Because no future measures are linked to this provision, the remaining amount is fully released (EUR 127,317.47) as of 30.06.2018.

## Costs for legal risks

There are provisions in the amount of EUR 2,667,945.32 as at 30.06.2018 (31.12.2017: TEUR 2,995) in respect of legal risks, which will cover possible customer compensations and legal costs. In the current financial year payments related to these provisions totalling EUR 330,887.66 (31.12.2017: TEUR 4,208) were settled.

## Negative market values of derivatives in the banking book incl. trading book CVA

Expected losses from pending transactions for non balance sheet related pending transactions according to Section 198 (8) UGB is recognised by accounting provisions in the period, in which loss is possible and recognizable due to the developments of prevailing market conditions. The amount of the provision is dependent on the size of the expected loss. Austrian Anadi Bank AG includes market values of all derivatives of the regulatory banking book in its analysis.

The provision for expected losses from banking book derivatives was calculated in compliance with the position of the Austrian Financial Reporting and Auditing Committee (AFRAC) as outlined in its official publication "Accounting for derivatives and hedging instruments under commercial law". There provisions for expected losses are only recognised for derivative transactions, which are not designated in a hedging relationship with an underlying transaction.

According to the AFRAC position paper, a provision for expected losses should be formed for the ineffective parts of a derivative with a negative market value. In the case of a micro hedge, if all the parameters of the underlying transaction and the hedging transaction, which determine the extent of the hedged impairment, are identical but offset each other, this is an indicator of a fully effective hedging relationship. In Austrian Anadi Bank AG all micro hedges are checked and documented regarding hedge effectiveness. On the assets side, own securities and loans form the underlying transactions for hedging. On the liabilities side, underlying transactions from own issues and promissory notes form the underlying transaction of a hedging relationship. The hedging period is substantially the same as the term of the underlying transaction. The hedge efficiency for fair value hedges is calculated on the basis of the accumulated theoretical change in price of the underlying transaction as well as the hedge transaction from the start of the hedge using a regression model (advanced dollar offset method) for the hedged risk factors on a monthly basis.

As at 30.06.2018 a provision of EUR 700,625.00 (31.12.2017: TEUR 736) was required.

For derivatives in the trading book, a provision for the Credit Valuation Adjustment (CVA) in the amount of EUR 35,144.00 (31.12.2017: TEUR 110) was required.

## 6. INFORMATION ON RISK PROVISIONS

Development of risk provisions (loans and advances to customers):

	30.06.2018	31.12.2017
<b>Loans and advances to customers</b>		
<b>Balance at start of year</b>	32,321,078.17	37,021
Additions	1,488,745.48	4,869
Releases	-379,694.95	-1,183
Utilised	-192,161.76	-8,320
Foreign currency valuation	483,15	-66
<b>Balance date</b>	<b>33,238,450.09</b>	<b>32,321</b>

For credit default risks incurred but not reported, the portfolio risk provisions were adjusted from the 2017 level (TEUR 5,062) to EUR 5,106,855.56 as at 30.06.2018.

## 7. EQUITY

The issued share capital of Austrian Anadi Bank AG as at the balance sheet date amounts to EUR 30,000,000.00 (31.12.2017: TEUR 30,000) and is divided into 30,000 (31.12.2017: 30,000) non-par value bearer shares. The shares are held 100 percent by Anadi Financial Holdings Pte. Ltd., headquartered in Singapore.

## 8. RESERVES

The development of capital and retained earnings, and of the liability reserves, was as follows:

Designation	Opening balance 01.01.2018	Additions	Disposals	Utilised	Releases	Closing balance 30.06.2018
Capital reserves	82,332,115.37	0.00	0.00	0.00	0.00	82,332,115.37
Retained earnings	11,508,440.05	1,695,468.51	0.00	0.00	0.00	13,203,908.56
Liability reserves pursuant to Article 57 para. 5 BWVG	36,995,640.00	0.00	0.00	0.00	0.00	36,995,640.00

The allocation to the retained earnings was made out of the previous year's net profit, based on a resolution adopted during the general meeting of shareholders held on 22 March 2018.

# OFF-BALANCE SHEET TRANSACTIONS

## 9. DERIVATIVE FINANCIAL INSTRUMENTS

The following transactions were unsettled as at the balance sheet date:

	Fair value Positive		Fair value Negative	
	30.06.2018	31.12.2017	30.06.2018	31.12.2017
<b>Futures transactions</b>				
a) Interest rate-related business				
<i>OTC-products</i>				
Interest swaps/Interest rate contracts	42,940,567.00	47,063	38,169,216.00	41,957
b) Currency-related business				
<i>OTC-products</i>				
Currency swaps	202,291.00	0	0.00	634
Cross-currency swaps	2,416,265.00	6,123	800,028.00	57
Forward exchange contracts	11,767.00	0	9,742.00	0

The trading and banking book derivatives are used to hedge interest rates, exchange rates and market prices. Derivative contracts are mainly formed to hedge individual asset and liability positions in the banking book. As at 30.06.2018 the net fair value of derivatives designated as hedging instruments, was EUR 4,701,977.00 (31.12.2017: TEUR 5,000).

In the year under review, some hedging relationships were early terminated - the net positive result, including the underlying transactions, amounts to EUR 1,875,951.11 (30.06.2017: TEUR 13,998). See notes 12 and 13.

## 10. CONTINGENT LIABILITIES

	30.06.2018	31.12.2017
Contingent liabilities	87,877,375.03	69,639
Guarantees and other collateral securities	87,877,375.03	69,639

## 11. OTHER OFF-BALANCE SHEET STATEMENTS

Loan exposures comprise unused credit lines totalling EUR 181,458,000.00 (31.12.2017: TEUR 154,657).

Liabilities from fiduciary activities amounted to EUR 16,637,559.69 (31.12.2017: TEUR 16,076) in the year under review. These activities mainly comprise assets held in trust refinanced by Austrian Control Bank and Heta Asset Resolution AG (formerly Hypo Alpe-Adria-Bank International AG).

In addition to the reported contingent liabilities, there is also an obligation with respect to the obligatory membership of "Hypo-Haftungs-Gesellschaft m.b.H." in relation to the safety of deposits under Section 93 BWG.

Obligations arising in connection with the use of fixed assets (leasing obligations) not included in the balance sheet of Anadi Bank amount to EUR 276,407.93 (31.12.2017: TEUR 555) for the year under review, EUR 552,815.86 falling due in 2019 and EUR 1,491,456.24 in total for the years 2019 to 2023.

## Pfandbriefstelle

As a member of the Mortgage Bond Division of the Austrian State Mortgage Banks (Pfandbriefstelle), Austrian Anadi Bank AG is, in accordance with Section 2(1) of the Austrian Pfandbriefstelle Act (PfBrStG), jointly and severally liable with the other member institutions for all the Pfandbriefbank liabilities. This liability applies equally for all other member institutions and their legal universal successors as listed in Section 1(2) of the articles of association of the Pfandbriefstelle. For any liabilities of the Pfandbriefbank which arose either before 2 April 2003 or after 2 April 2003 with a term not exceeding 30.09.2017, the guarantors of the member institutions (the relevant federal province of the member institution in question) are jointly and severally liable pursuant to Section 2(2) of the PfBrStG. In the audit report for Pfandbriefbank setting out the legal obligations on liabilities, the value of the liabilities to be covered by the guarantors was reported at around EUR 0.72bn (31.12.2016: EUR 1.93bn) as at the reporting date 31.12.2017. After taking into account the funds received by Pfandbriefbank and forwarded to Austrian Anadi Bank AG from issuances in the amount of EUR 0.00bn (31.12.2016: EUR 0.21bn), the resulting amount which must be reported pursuant to Section 237 8a of the UGB comes to EUR 0.72bn (31.12.2016: EUR 1.72bn). This joint and several liability according to Section 896 of the Austrian Civil Code can potentially amount to 1/16th of EUR 0.72bn.

As at 30.06.2018 there is no updated report of the liabilities of Pfandbriefstelle, therefore the numbers shown are those available at 31.12.2017.

# NOTES TO THE INCOME STATEMENT

## 12. INTEREST RECEIVABLE AND SIMILAR INCOME

	30.06.2018	30.06.2017
From loans and advances to credit institutions and customers	22,863,371.84	22,010
thereof Austria	19,312,655.28	19,027
thereof International	3,550,716.56	2,983
From fixed-income securities	5,117,264.20	7,809
thereof Austria	2,603,749.26	3,737
<i>thereof premium of securities held as fixed assets</i>	0.00	0
thereof International	2,513,514.94	4,072
<i>thereof premium of securities held as fixed assets</i>	-79,500.00	-5
From other assets	6,065,941.67	26,904
thereof Austria	6,065,941.67	26,904
<i>thereof close outs</i>	1,875,951.11	20,784
thereof International	0.00	0
<b>Total</b>	<b>34,046,577.71</b>	<b>56,723</b>

Interests and similar income from other assets includes EUR 1,875,951.11 (30.06.2017: TEUR 20,784) from premature scheduling of derivatives which were designated in hedging relationships.

Interest earnings include negative interests from receivables in the amount of EUR 368,507.94 (30.06.2017: TEUR 310).

### 13. INTEREST PAYABLE AND SIMILAR EXPENSES

	30.06.2018	30.06.2017
From liabilities to credit institutions and customers	1,521,684.46	4,221
thereof Austria	781,433.63	2,722
thereof International	740,250.83	1,499
From debt securities in issue	10,183,924.94	12,593
thereof Austria	10,183,924.94	12,593
thereof International	0.00	0
From other liabilities	6,218,704.70	12,659
thereof Austria	6,218,704.70	12,659
<i>thereof close outs</i>	0.00	6,786
thereof International	0.00	0
<b>Total</b>	<b>17,924,314.10</b>	<b>29,473</b>

Interest and similar expenses from other liabilities includes EUR 0.00 (30.06.2017: TEUR 6,786) on the early termination of derivatives which were designated in hedging relationships.

Interest expenses include negative interest from liabilities to credit institution – in more detail refinancing from TLTRO II program (Targeted Longer-Term Refinancing Operations), amounting to EUR 1,509,258.54 (30.06.2017: TEUR 0). These negative interest include interest of prior periods amounting to EUR 1,021,288.89.

### 14. COMMISSIONS RECEIVABLE AND PAYABLE

	30.06.2018	30.06.2017
From the lending business		
Fee and commission income	5,252,381.16	3,270
Fee and commission expenses	-1,230,591.99	-674
From the securities business		
Fee and commission income	761,318.87	863
Fee and commission expenses	-66,658.46	-106
From other transactions		
Fee and commission income	3,928,297.97	3,764
Fee and commission expenses	-465,531.00	-662
<b>Total income</b>	<b>9,941,998.00</b>	<b>7,897</b>
<b>Total expenses</b>	<b>-1,762,781.45</b>	<b>-1,442</b>

## 15. OTHER ADMINISTRATIVE EXPENSES (OPERATING EXPENDITURE)

	30.06.2018	30.06.2017
Legal and consultancy expenses	755,972.77	947
Advertising and hospitality expenses	684,320.65	982
Rental, leasing and other building expenses	1,064,025.90	1,288
IT expenses	647,635.66	936
Data centre expenses	1,581,942.15	1,469
Training expenses	92,226.52	66
Issue expenses	193,343.71	85
Travel expenses	106,021.73	117
Fleet expenses	116,584.25	98
Insurance	207,323.72	390
Telephone/postage expenses	247,263.03	264
Expenses in connection with company legal structure	180,100.00	131
Office/stationery expenses	60,191.61	57
Single Resolution Fund (BaSAG)	901,824.46	1,143
Guarantee deposit (EiSi Hypo-Haftungs-GmbH)	906,000.00	993
Other operating expenditure	358,213.24	317
<b>Total</b>	<b>8,102,989.40</b>	<b>9,283</b>

## 16. OTHER OPERATING INCOME

	30.06.2018	30.06.2017
Rental and leasing agreements	76,631.67	70
Other operating income	321,480.90	2,792
<b>Total</b>	<b>398,112.57</b>	<b>2,862</b>

## 17. OTHER OPERATING EXPENSES

	30.06.2018	30.06.2017
Other operating expenses	58,755.98	262
<b>Total</b>	<b>58,755.98</b>	<b>262</b>

# SUPPLEMENTARY INFORMATION

## 18. DEFERRED TAXES

Balance Sheet positions	30.06.2018	31.12.2017	Description
Positive fair values of trading book derivatives	-826,185.00	-1,325	Deferred tax liabilities
Securities held as Fixed Assets	3,662,053.00	5,906	Deferred tax assets
Loans and advances to customers	3,366,738.00	2,628	Deferred tax assets
Participating interest	4,959.00	11	Deferred tax assets
Provisions	8,461,100.00	8,954	Deferred tax assets
<b>Total</b>	<b>14,668,665.00</b>	<b>16,174</b>	<b>Net deferred tax assets</b>
Excess deferred tax 25%	3,667,166.25	4,044	

## 19. IMPORTANT LONG TERM CONTRACTS

On 01.07.2015 (effective date) a service agreement was agreed between the Austrian Reporting Services GesmbH (AuRep) and Austrian Anadi Bank AG, in respect of reporting requirements to the Oesterreichische Nationalbank (OeNB). AuRep will replace the existing paper-based OeNB reporting in the medium term, through a common reporting system (GMP). The intention is to supply a single data pool at the individual transaction level.

On 01.11.2015 a service agreement was signed between the VB Services Banken GesmbH and Austrian Anadi Bank AG. The services cover payment orders, including express payments to domestic and EU countries, plus non-EU countries, integrated in the payment system of the Austrian Anadi Bank AG, and with Nostro account reconciliation.

A shareholder agreement was signed on 13.09.2005 between ARZ (Allgemeines Rechenzentrum GmbH) and Austrian Anadi Bank AG. ARZ is a strategic IT provider with 2 sites in Innsbruck and Vienna. Essentially the services include: the core banking system in the areas of business customers, current accounts, savings, credit, securities, electronic banking; the General Ledger including Accounting; various sub-systems such as SAP, the securities settlement system GEOS (incl. Nostro); workflow and document management; regulatory reporting solutions (national/prudential); as well as various other reporting options. Furthermore, ARZ provides the infrastructure in respect of: mainframe computer; application and database servers; client server; the entire IT network; security (firewall, intrusion detection); end user support; as well as basic services monitoring; and fault management, incl. contingency planning.

## 20. OWN CAPITAL FUNDS

Own Funds in accordance with CRR/CRD	30.06.2018	31.12.2017
Common Equity Tier 1 Capital	162,139,831.38	160,326
Paid up capital instruments	30,000,000.00	30,000
Retained earnings	82,332,115.37	82,332
Other reserves	50,199,548.56	48,504
Value adjustments due to the requirements for prudent valuation (Fair value exposures) 0.1%	52,893,894.47	99,701
thereof 0.1% deduction	-52,893.89	-100
Deducting intangible assets	-338,938.66	-410
<b>Own funds</b>	<b>162,139,831.38</b>	<b>160,326</b>



Own funds requirement	86,400,647.71	79,181
Surplus of total capital	75,739,183.67	81,146
Coverage ratio	187.66%	202.48%

Own Funds Requirement Austrian Anadi Bank AG	30.06.2018	31.12.2017
Risk-Weighted Assets (banking book)	952,074,115.95	864,071
thereof 8% minimum capital requirement	76,165,929.28	69,126
Credit Value Adjustment	934,921.73	695
Own funds requirement for trading book	4,768.98	8
Own funds requirement for open currency position	56,801.82	113
Capital requirement for operational risk	9,238,225.90	9,238
Total own funds requirement	86,400,647.71	79,181
Total risk exposure amount	1,080,008,096.38	989,756

	30.06.2018	31.12.2017
Common Equity Tier 1 Capital ratio	15.01%	16.20%
Additional Tier 1 Capital ratio	0.00%	0.00%
Tier 1 capital ratio	15.01%	16.20%
Supplementary Capital ratio	0.00%	0.00%
Total capital ratio	15.01%	16.20%

## 21. SECURITIES

In the context of business relationships with customers, different types of collateral are held. The collateral values refer to an internal calculation without regulatory deductions.

	30.06.2018	31.12.2017
Financial collateral	60,186,614.91	54,551
Cash deposits	47,544,672.86	40,072
Securities	12,641,942.05	14,479
Real estate collateral	859,899,171.52	813,122
Guarantees	281,394,361.14	312,267
Other collateral	108,226,333.45	110,304
Insurance	48,850,173.96	50,845
Movable property	11,184,387.71	11,427
Others	48,191,771.78	48,032
Total	1,309,706,481.02	1,290,244

Collateral received and collateral (collateral deals) under derivative transactions:

	30.06.2018	31.12.2017
Collateral received	8,740,000.00	11,440
Collateral provided	9,790,000.00	4,270

## 22. TRUSTEE SAVING ACCOUNTS

Liabilities to customers includes trustee savings accounts with a value of EUR 2,933,048.59 (31.12.2017: TEUR 3,307).

## 23. FOREIGN CURRENCY

The balance sheet contains the following foreign currency amounts:

	30.06.2018	31.12.2017
Assets	195,658,828.35	190,874
Liabilities	15,017,875.37	12,980

The main part of the difference amounting to EUR 180,640,952.98 (31.12.2017: TEUR 177,894) is hedged with swap agreements.

## 24. MORTGAGE BOND ACTIVITIES PURSUANT TO THE AUSTRIAN MORTGAGE BOND ACT (PFANDBG)

	Debt securities in issue		Covering loans		Surplus/shortfall in cover	
	30.06.2018	31.12.2017	30.06.2018	31.12.2017	30.06.2018	31.12.2017
Mortgage bonds A	100,000,000.00	60,000	372,478,213.45	349,104	272,478,213.45	289,104
Mortgage bonds B	55,166,637.02	55,633	68,633,803.95	71,138	13,467,166.93	15,505
Public sector mortgage bonds	439,216,356.81	464,201	561,472,548.62	587,958	122,256,191.81	123,757

Austrian Anadi Bank has deposited non-issued own covered bonds (Pfandbriefe) with a volume of EUR 180,000,000.00 at Austrian National Bank for collateralisation purposes. This is matched by a mortgage cover pool (covering loans) amounting to EUR 372,478,213.45. As of 30.06.2018 related refinancing amounting to EUR 100,735,973.42 was used.

## 25. OTHER INFORMATION RELATED TO THE BALANCE SHEET

In accordance with Section 64 (1) (8) BWVG, securities with amounting to EUR 626,302,571.00 (31.12.2017: TEUR 368,317) and loans in the amount of EUR 213,153,993.73 (31.12.2017: TEUR 259,803) were pledged as collateral for liabilities to credit institutions amounting to EUR 249,500,000.00 (31.12.2017: TEUR 443,000) as well as for liabilities to customers amounting to EUR 2,881,256.55 (31.12.2017: TEUR 2,614).

As at 30.06.2018 the return on assets in accordance with Section 64 (19) BWVG is 0.02 percent (30.06.2017: 0.04 percent).

## 26. LIABILITY STATE OF CARINTHIA

The statutory guarantee of the federal state of Carinthia for all commitments of Anadi Bank (and others) is a default guarantee pursuant to Section 1356 of the Austrian Civil Code (ABGB) and covers all commitments entered into prior to 3 April 2003, as well as all commitments created between 3 April 2003 and 1 April 2007 whose term does not extend beyond 30 September 2017. The federal state of Carinthia will not guarantee any commitments entered into after 1 April 2007. The terms of the guarantee are regulated by the Carinthian State Holding Law (KLHG). A guarantee commission agreement between the federal state of Carinthia and Anadi Bank (and others) provided for a guarantee commission to be paid, of EUR 1 per thousand p.a. of the amount guaranteed.

Availing itself of the contractually agreed right to termination, notice was given by Austrian Anadi Bank AG to terminate the guarantee commission agreement as at 31 December 2011, whereby the contractual obligation to pay guarantee commission from 1 January 2012 ceased to apply. Irrespective of the termination of this contractual guarantee commission agreement, the statutory guarantee provided under Section 5 of the Carinthian State Holding Law (K-LHG) continues in effect. The supervisory commissioner of the Carinthian State Holding company will continue to be given access to all relevant information at Anadi Bank.

Anadi Bank has not yet paid the guarantee commission for the year 2011 amounting to EUR 1.4m plus interest due to differing legal positions. It is assumed that the out-of-court dispute between the federal state of Carinthia and Anadi Bank regarding the question of the guarantee commission will continue.

On the basis of the timely termination of the guarantee commission agreement on 31 December 2011 by Anadi Bank, no further guarantee commission has been paid by Anadi Bank to the federal state of Carinthia for the period from 1 January 2012. The federal state of Carinthia has not yet issued a legally relevant response to the termination of the liability commission agreement.

As at 30 June 2018, the federal state of Carinthia must extend guarantees for fixed term and non-fixed term commitments from Anadi Bank with a total value of EUR 18,779,176.58 (31.12.2017: TEUR 19,840).

## 27. DEPOSIT GUARANTEE

In accordance with Section 8 (1) ESAEG Austrian Anadi Bank AG, as a deposit taking Institution (CRR Institute) with its headquarters in Austria, is a member of the Deposit Guarantee Scheme referred to in Section 1 (1) (1) ESAEG. Under the transitional provisions of Section 59 (3) ESAEG the Hypo-Haftungs-GmbH, as part of the Association of Hypo mortgage banks, is to establish a Deposit Protective scheme by 31.12.2018. Any protective scheme must establish a deposit guarantee fund consisting of available funding of at least 0.8 percent of the amount of covered deposits of member institutions. The contribution obligation depends on the amount of covered deposits under basic interpretation of predetermined risk factors (known as risk-based calculation of contributions). An annual contribution of EUR 906,000.00 (31.12.2017: TEUR 993) was accounted as provision for whole year 2018. In addition, in the case of an event giving rise to depositor claims, the Hypo-Haftungs-GmbH is obliged to request special contributions from Association members in case of insufficient resources in the Fund to cover the depositor claims. These special contributions, in accordance with Section 22 (1) ESAEG, may be an annual maximum contribution of 0.5 percent of each institution's covered deposits.

As of 01.01.2019 the responsibility for sector based guarantee schemes (trade associations of banks and building societies) will be transferred to the Single Guarantee Scheme being established by the Austrian Federal Chamber of Commerce. The Single Guarantee Scheme at this time will also integrate the activities of the Guarantee Scheme of the Austrian Bankers' Association and Association of Volksbanken.

## 28. BASAG - RESOLUTION FUND

In accordance with EU Directive 2014/59/EU, BaSAG established a framework for the recovery and resolution of credit institutions and investment firms in Austria.

To finance the statutory resolution funding mechanism, an ex-ante fund i.S.d. Section 123 BaSAG was established through regular contributions in accordance with Section 125 BaSAG. The level of contributions, in accordance with Section 126 BaSAG, is in proportion to the amount of liabilities minus guaranteed deposits of the institution, compared to the aggregate liabilities less guaranteed deposits of all authorized institutions in Austria. These contributions are adapted according to the risk profile of the institution. For the year 2018, Anadi Bank has paid EUR 901,824.46 (31.12.2017: TEUR 1,144). Irrevocable payment obligations were not used. In addition, the resolution authority, can if necessary in accordance with Section 127 BaSAG, introduce extraordinary subsequent contribution requirements. The calculation of the amount of these extraordinary contributions follow the rules of the ordinary contributions (Section 126 BaSAG) and may not exceed three times the annual amount of the ordinary contributions.

## 29. CONSOLIDATION

As at the reporting date, Anadi Bank does not show any shares in affiliated companies in its balance sheet and therefore does not prepare consolidated financial statements. Pursuant to Section 30 (9a) BWG, a regulatory consolidation takes place, comprising Anadi Bank and its Singapore based parent company, Anadi Financial Holdings Pte. Ltd. Pursuant to Sections 59 and 59a of the BWG, Austrian Anadi Bank AG, as the superior credit institution of Anadi Financial Holdings Pte. Ltd., the financial holding group, prepares consolidated financial statements which include the financial holding.

## 30. EMPLOYEES

Average number of employees according to Section 239 UGB:

	30.06.2018	31.12.2017
Salaried employees	294.19	293.71

## 31. EVENTS AFTER THE BALANCE SHEET DATE

No further events of particular significance for the bank, which could have led to a change in the presentation of the financial position and results of operations, were recorded after the reporting date of 30 June 2018.

Klagenfurt am Wörthersee, on 31.07.2018

THE MANAGEMENT BOARD:

GD Mag. Christoph Raninger m.p.

VDir. Gerhard Salzer m.p.

VDir. Mag. Franz Reif m.p.

VDir. GaneshKumar Krishnamoorthi, B. E. m.p.

## STATEMENT OF LEGAL REPRESENTATIVES

"We confirm to the best of our knowledge that the condensed interim financial statements, which have been prepared according to the applicable accounting standards, present a true and fair view of the net assets, financial position and results of operations of the company and that the interim management report provides a true and fair view of the important events that have occurred during the first six months of the financial year and their impact on the condensed interim financial statements together with a description of the principal risks and uncertainties the company faces for the remaining six months of the financial year. The interim financial statements were neither subjected to a full audit, nor to an auditing review by a certified auditor."

Klagenfurt am Wörthersee, on 31.07.2018

THE MANAGEMENT BOARD:

GD Mag. Christoph Raninger m.p.

VDIr. Gerhard Salzer m.p.

VDIr. Mag. Franz Reif m.p.

VDIr. GaneshKumar Krishnamoorthi, B. E. m.p.

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*Forward looking statements and forecasts are based on information and data available at the time of finalising the half year financial statements (31.07.2018). Changes after this date may influence the facts and forecasts given in the Annual Report. The information presented in this report and the data contained therein has been compiled and checked with the greatest possible degree of care and circumspection. However, errors arising from rounding, transmission, typesetting or printing cannot be ruled out.*

