



**ADVANZIA
BANK**

ANNUAL REPORT 2021

Carol Bove, *PASANASAP*, 2021
With permission from the artist
and the Kistefos Museum
Photo: Vegard Kleven

Kistefos, one of Europe's most important sculpture parks for contemporary art, shows globally recognised artworks in a spectacular and atmospheric rural setting. Kistefos is a melting pot of industrial history, contemporary art and architecture and dramatic nature. While contemporary art takes centre stage, nature and industry form an omnipresent framework impacting visitors and artists alike. Kistefos offers a unique experience fuelled by the contrasts between past and present, local and international, indoor and outdoor – allowing for unusual meeting points between art, nature and people.





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KEY FIGURES 2021

63.2
million
transactions

EUR 2.2
billion
in deposits

2.1
million
credit card customers¹

91
banks &
financial
institutions

171
business
partners

EUR 2.2
billion
gross loan balance

15.4%
loan balance
growth

EUR 4.2
billion
transaction volume

¹ Cards in force

CEO'S MESSAGE

Despite continued disruptions caused by the pandemic, 2021 was a successful year for Avanzia. The bank has stayed on its digitalisation and growth journey, showing continued customer engagement, implementing enhanced mobile projects and strengthening its product development ambition.

The now fully implemented cloud-based digital banking platform is live in all markets, providing our customers with an easy-to-use mobile experience, and facilitating a successful entry in our sixth consumer market with the launch of Carta YOU in Italy. This is also the first credit card in our portfolio that offers an entirely digital onboarding process as part of our omni-channel approach.

Along with the rebrand of our anchor product, the German gebührenfrei.de credit card, further harmonisations of all touchpoints across the customer lifecycle with a unified the brand experience were rolled out in Germany.

The 2021 results demonstrate yet again the sustained success of our credit risk underwriting capabilities and our flexibility in adapting acceptance policies and marketing strategies to improve portfolio performance and minimise risk. During the year, we celebrated surpassing two milestones: More than 2 million customers and more than 2 billion euro in gross loan balance – both key performance indicators demonstrate a resilient and active customer base.

Going forward, the bank will continue to focus on the digital transformation of the customer enrolment, with a strong emphasis on the continuous rollout of mobile services to our European customer base and on the further diversification of our capital and liquidity position.

This year, the bank announced a lease for the construction of a climate-neutral office building as the

new and green home for our employees, which, upon its completion in 2023, will allow greater collaboration in support of the spirit of #TeamAvanzia. This is part of our ambition to develop a collaborative and mobile work environment, enabling us to continue our role as a responsible corporate citizen through the bank's ESG initiatives under the name of "Avanzia Plus".

With many of this past year's achievements based on flexibility and collaboration, I am thankful for the commitment of our trusted service partners, and for the resilience and flexibility of all our employees without whom Avanzia's continued success would not be possible.

Roland Ludwig
Chief Executive Officer
Avanzia Bank S.A.



CHAIRPERSON'S STATEMENT



The board is pleased to report yet another successful year for Advanzia Bank, marked by continued growth and digitalisation amongst other remarkable milestones achieved during 2021.

The state-of-the-art digital banking platform has started to transform the customer experience and facilitated Advanzia's continued expansion into new markets, showcasing increased scalability and flexibility of the bank's card solutions and service offerings. The move to the new digital banking platform was a notable highlight and an exceptional achievement for Advanzia, especially given the challenging requirements.

Certain key figures from the Directors' Report are particularly noteworthy: Advanzia now has a customer base of 2.1 million credit card customers with a loan balance that grew to 2.2 billion EUR – a loan balance growth of 15.4%. The bank raised its net profits by 20%, reaching 121 million EUR and resulting in a market-leading return on equity of 31.5%.

As far as the bank's funding diversification goes, the securitisation transaction was a significant milestone and an innovative feat of financial engineering. The deal is also a testament to Advanzia's capability to implement complex financial instruments, and a promising achievement that lays the foundation for Advanzia's future strategic growth ambitions.

The board is committed to Advanzia's ambitious aspiration for the years to come, maintaining the strategic focus on digitalisation, sustained and profitable growth and strengthening human capital management as a key enabler for its long-term success. The strategic roadmap and its underlying initiatives set by the board aim to solidify Advanzia's unique position as a specialised pan-European and independent card issuer.

On behalf of the board, I would like to extend our sincere gratitude to both Advanzia's management and employees for another outstanding year with strong results during continued challenging circumstances.

Bengt A. Rem

Chairperson of the Board of Advanzia Bank S.A.
 Chief Executive Officer of Kistefos AS,
 Advanzia's majority shareholder since 2006

LEADERSHIP

BOARD OF DIRECTORS



Bengt Arve Rem



Thomas Schlieper



Nishant Fafalia



Tor Erland Fyksen



Wiljar Nesse

Board of Directors

- ✓ **MR. BENGT ARVE REM** Chairman of the Board, CEO Kistefos AS
- ✓ **DR. THOMAS SCHLIEPER** Deputy Chairman of the Board, Private investor
- ✓ **MR. ERLEND BONDØ** Kistefos AS, CFO Kistefos AS, Class C Director until 13 January 2021
- ✓ **MR. NISHANT FAFALIA** Kistefos AS, Investment Director
- ✓ **MR. TOR ERLAND FYKSEN** Private investor
- ✓ **MR. WILJAR NESSE** CEO DigiPlex, Class C Director as of 14 January 2021

Audit Committee

- ✓ **MR. NISHANT FAFALIA** Chairman of the Audit Committee
- ✓ **MR. WILJAR NESSE** Member of the Audit Committee
- ✓ **MR. TOR ERLAND FYKSEN** Member of the Audit Committee

Nomination & Remuneration Committee

- ✓ **MR. BENGT ARVE REM**, Chairman
- ✓ **DR. THOMAS SCHLIEPER**
- ✓ **MR. NISHANT FAFALIA**

LEADERSHIP MANAGEMENT TEAM



Roland Ludwig



Frank Hamen



Romain Fettes



Linda Früh



Johannes Neander



Patrick Thilges



Pieter Verhoeckx

Executive Management Committee

- ✓ **MR. ROLAND LUDWIG** Chief Executive Officer
- ✓ **MR. FRANK HAMEN** Chief Risk Officer

Management Committee

- ✓ **MR. ROLAND LUDWIG** Chief Executive Officer
- ✓ **MR. FRANK HAMEN** Chief Risk Officer
- ✓ **MR. ROMAIN FETTES** Chief Information Officer
- ✓ **MS. LINDA FRÜH** Chief Digital Officer
- ✓ **MR. JOHANNES NEANDER** Chief Commercial Officer
- ✓ **MR. PATRICK THILGES** Chief Financial Officer
- ✓ **MR. PETRUS JOHANNES (PIETER) VERHOECKX** Chief Customer Relations Officer



REPORT OF THE BOARD OF DIRECTORS

Avanzia Bank is a digital bank that offers competitive and transparent solutions for private customers, business partners and banks. The bank promotes its own branded Mastercard Gold credit cards through online marketing channels and distributes its white labelled and co-branded credit cards via business partner networks. Avanzia is furthermore a leading pan-European provider of turnkey credit card programmes for banks and financial institutions.

OVERALL RESULTS

Strong financial performance in a continued disruptive environment

The COVID-19 pandemic has continued to disrupt the global economy, business activity and social life throughout 2021. Nevertheless, Avanzia has kept its growth path and reached various important milestones related to its ongoing digital transformation. The bank showcased uninterrupted market growth, entered a new consumer market, and has further optimised its funding structure with a landmark securitisation transaction, supporting the ambitious growth plans. The 2021 results continue to demonstrate the success of the bank's credit risk underwriting and its ability to adequately adapt acceptance

policies and marketing strategies to improve portfolio performance and minimise risk. In 2021, the bank paid a dividend of MEUR 78 to its shareholders out of the financial result 2020.

Digital transformation and market growth

The bank continued its digitalisation programme with the setup of a state-of-the-art cloud-based platform, new mobile apps rolled out in all markets and mobile payment now on offer in all available markets. The redesign of the Gebührenfrei brand in Germany in conjunction with the launch of the new mobile app and customer portal was a notable product development highlight. The bank entered its sixth consumer market with the launch of Carta YOU for Italian consumers – this was the first product to launch from the new digital banking platform, and the first credit card in the bank's international portfolio to offer a fully digital onboarding process as part of its omni-channel approach.

Loyal and active customer base

Overall, the loan balance grew satisfactorily during 2021, much more pronounced than the previous year. The number of new active customers also grew, and the bank's existing client base was more active during 2021 with increasing transaction volumes per

² New active customers is the number of customers who have used their cards for the first time.

³ Cards in force: The number of issued cards including active and inactive cards.

⁴ Active customers are customers with at least one movement on their account in the last month.



card reaching pre-pandemic levels as of the second half of the year.

The bank's credit card portfolio increased by 216 000 new active credit card customers². At the end of the year, the bank had 2.1 million credit cards in force³ and a gross loan balance of MEUR 2 205. Profit after taxes was MEUR 121. In 2021, the total turnover on all cards reached EUR 4.2 billion or EUR 3 400 per active customer⁴, and the average loan balance per active customer amounted to approximately EUR 1 600. Avanzia's main income driver, the gross loan balance, increased by 15.4% compared to the previous year, to MEUR 2 205.

Avanzia employed 193 people in total at the end of the year, compared to 204 at the end of 2020.

Product and market development

Avanzia operates throughout Europe, offering its consumer credit cards, white label loyalty cards and turnkey credit card solutions to consumers, business partners and private banks respectively.

In **Germany**, the bank's largest market, the Gebührenfrei Mastercard Gold ended the year with a gross loan balance of MEUR 1 865. The new

logo and brand identity were implemented to optimise digital impact, bringing a unified and recognisable brand experience to Gebührenfrei cardholders, with the new app, website and customer portal providing harmonised touchpoints across the customer lifecycle. Overall, card applications rebounded favourably during the second half of the year. In order to increase card activation numbers, the bank conducted new campaigns with attractive customer benefits.

In **France**, carte ZERO sales development was in line with planned volumes, with targeted campaigns maximising growth potential in this market. The gross loan balance reached MEUR 152.

In **Austria**, the Free Mastercard Gold experienced slower growth, partly due to the market saturation and limited online marketing opportunities. Nevertheless, the bank continued to onboard new partnerships on its co-branded programme that was launched in 2020. The year ended with a gross loan balance of MEUR 131.

The bank's performance in **Spain** was characterised by a focused marketing and onboarding strategy. The implementation of the new application solution

via API for business partners resulted in an uplift in lead generation and the bank signed a significant number of new partnership agreements for its co-branded programme. The year ended with 79 500 credit card customers and a gross loan balance of MEUR 52.

The bank launched its no-fee Mastercard Gold Carta YOU in **Italy** in November 2021 based on the new digital banking platform.

Besides credit cards, Avanzia also offers an online sight deposit account, the **Avanziakonto**. By the end of 2021, the deposited balance stood at MEUR 2 221, a 7.3% growth compared to 2020.

During 2021, Avanzia solidified its position as the leading provider for **Professional Card Services for private banks** and financial institutions in Europe. Avanzia serviced 91 banks in 11 countries by the end of the year. Processes were harmonised in 2021 and major steps were taken towards developing new service features in order to expand the business model for further growth.

ECONOMIC OUTLOOK

As the pandemic confinement measures seem to slowly come to an end, the expectation is that GDP and general activity and consumption will increase. The markets served by Avanzia expect a GDP growth of approximately 4%, an improved employment rate and reduced public deficits in 2022. Despite inflationary pressures and probable interest rate increases, the outlook remains positive for all markets that the bank is present in. This, coupled with increased travelling driven by fewer restrictions, will increase credit card activity across our client base in all markets.

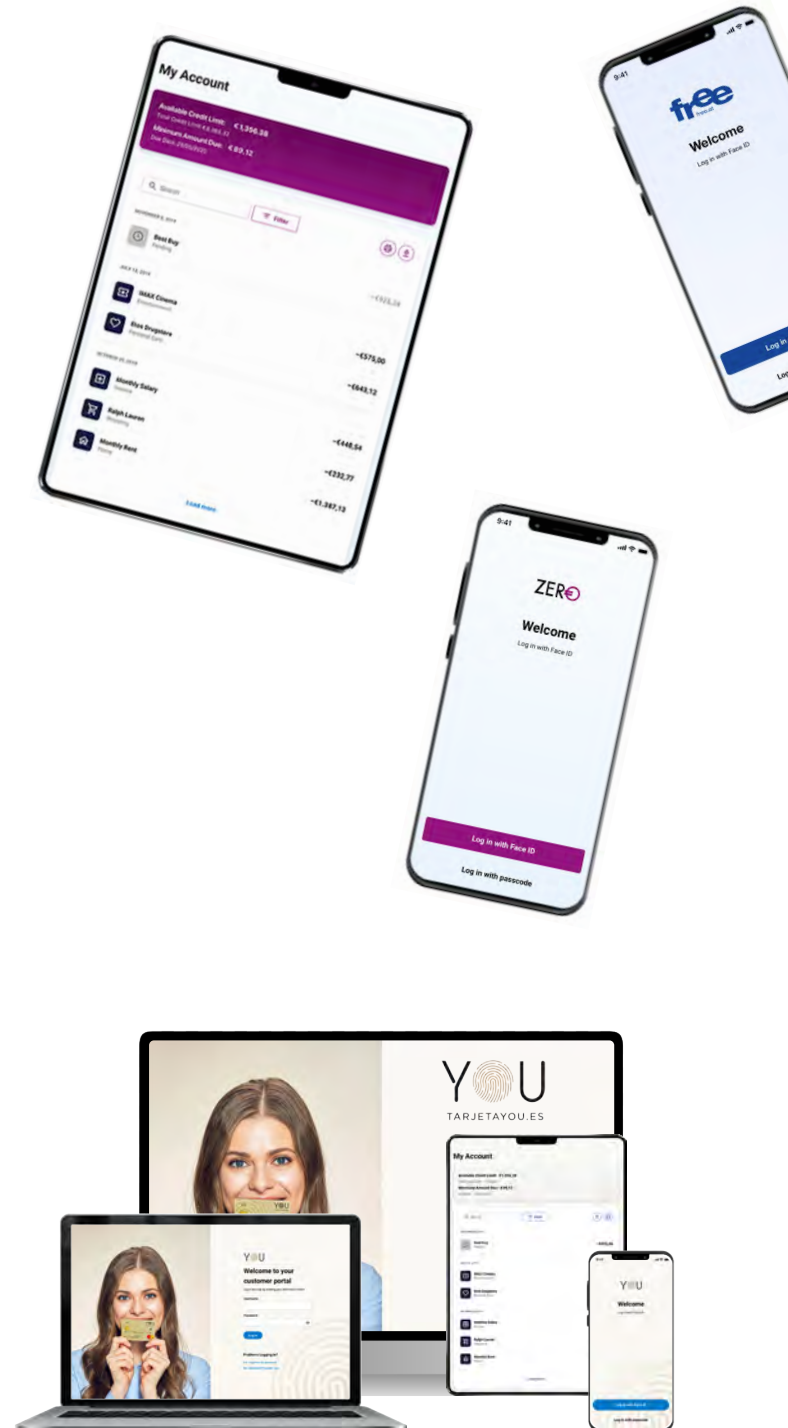
The bank's credit risk is stable on a comfortable level with a comparatively low number of new default cases across all markets. Nevertheless, the bank continues to closely monitor the macroeconomic development and receivables performance and is ready to take actions should unexpected events arise.

Given the favourable economic outlook and the bank's strong capital position, Avanzia anticipates that growth levels will return stepwise to pre-pandemic levels driving strong growth in 2022 and the years beyond.

CORPORATE DEVELOPMENT

Digitalised customer experience

All of the bank's markets are now fully digitalised and migrated to the cloud-based digital banking platform, setting the stage for continued growth, speedier market entry and the faster launch of digital solutions, as indicated by the milestones reached in 2021 and the new market launch in Italy. New mobile apps and customer portals are available in all markets, with various mobile payment providers activated in line with market availability.





Securitisation milestone and landmark ABS deal

Following the bank's issuance of hybrid capital in spring 2021, the issuance of Asset Backed Securities in November was a landmark deal and an important step towards a strengthened and diversified balance sheet. The transaction consisted of EUR 475 million in senior funding and was the first ABS programme in continental Europe based on a German credit card portfolio that meets the requirements for simple, transparent and standardised (STS) securitisations and sets the foundation for the future growth ambitions of Avanzia.

Increased automation and first AI implementations

The move towards a cloud-based setup of the bank's IT Infrastructure has brought increased usability and accessibility, as well as enhanced cost-efficiency through better automation. During 2021, the implementation of Infrastructure as Service (IaaS) enabled the bank to upscale and downscale following pandemic-related market fluctuations, and this inherent flexibility will continue to be an advantage for the years to come.

On an operational level, the bank has started the implementation of Robotic Process Automation (RPA) and continues to optimise agent workflow systems as a basis for future enhanced automation and additional implementation of AI in the customer service domain.

INTERNAL GOVERNANCE

Internal governance is established to ensure a clear organisational structure and well-defined processes and responsibilities. The bank applies the Three Lines of Defence model:

- ✓ The first line of defence consists of business units that take or acquire risks and carry out controls;
- ✓ The second line of defence encompasses support functions such as the financial and accounting functions, as well as compliance and risk control;
- ✓ The third line of defence consists of the internal audit function.

In order to ensure an adequate internal control environment, the bank has implemented different levels of control. These include specialised committees, operational controls as well as dedicated internal control functions.

Specialised committees

The Board of Directors (BoD) is assisted by specialised committees, in particular in the fields of audit as well as remuneration and appointments or internal governance and professional ethics, according to its needs and considering the organisation, nature, scale and complexity of the bank's activities.

The BoD has established an Audit Committee (AC), responsible for assisting the BoD in the audit domain and a Nomination and Remuneration Committee (NRC), responsible for assisting the BoD in the remuneration domain.

Operational controls

Operational controls are subdivided into three categories: (1) day-to-day controls performed by operating staff; (2) key structural controls including EMC (Executive Management Committee) review, account balance reconciliation, and compliance checks with internal limits; (3) controls performed by the EMC over activities and functions for which it is directly responsible.

Internal controls

The bank has implemented three distinct and independent types of internal control encompassing risk control, compliance and internal audit. The staff in charge of the internal control function report to the EMC, the Board of Directors, and the Audit Committee.

Risk control. The purpose of the risk control function is to anticipate, identify, measure, monitor, control and report on the risks to which the bank is exposed. The Chief Risk Officer (CRO) heads risk control.

Compliance. The compliance function is responsible for the anticipation, identification and assessment of compliance risks and assists the EMC in limiting these risks. The CRO is the authorised member in charge of compliance.

Internal audit. The internal audit function ensures that the system of internal controls operates effectively by assessing the efficiency of central administration, internal governance, and business and risk management. The function is headed by the CEO, as the authorised management member in charge of internal audit.



SPOTLIGHT ON ITALY



SANDRA SCHRECKLINGER, Customer Relations
A digital mindset

“Carta YOU is Avanzia’s first credit card product with a fully digital onboarding process, and this drastically changes the way we interact with our cardholders. As we support customers with a digital mindset, we’ve also created new processes and communication lines, and implemented a new approach for all our service partners. I look forward to expanding this digital customer service approach across our other markets in the future.”



VIRGINIA PES, Customer Relations
Tailored customer communications

“As a native Italian speaker, I assisted in preparing the best possible communication for our Italian customers. We had to make sure that the customer journey was clear, intuitive and transparent on all levels, from the digital onboarding to accessing transaction overviews in the app. As a new joiner, it was a fantastic experience to see all colleagues pull together to bring the project alive.”



PAULO BASTOS, Customer Relations
Strengthening the foundation for future business expansion

“Italy is our sixth consumer market, but launching new products is never a copy-paste approach – each country is similar but different. Since the launch took place from our new digital core banking platform and was linked to various digitalisation projects at the bank, the Customer Relations teams were deeply involved in all aspects of the market entry, cementing the internal cross-departmental collaboration. I am proud of everyone who contributed to the successful launch of Carta YOU.”



SPOTLIGHT ON SECURITISATION



CORENTIN PROUTEAU, Corporate Finance
Scalable funding for future growth

“This securitisation transaction is the biggest milestone in our funding diversification roadmap, and it proves yet again Avanzia’s ability to successfully obtain funding other than through our deposit product. Securitisation is not only a great financial engineering tool – its complexity has challenged our teams and our operational setup in unprecedented ways. This landmark deal has given Avanzia Bank great visibility in the capital markets, and I look forward to further diversifying our funding with innovative financial instruments.”

REGINA LICHTENWALD, Treasury & Payments
Alignment and support at all levels

“The greatest milestone for the Treasury team was ensuring that the data streams from our card processing system were aligned with Avanzia’s core banking system. This was quite a challenge! We would not have been successful without extensive testing during all phases of the project, and without the invaluable support from our business partners.”



VICTOR ORTUONDO, Application Development
More than just a finance project

“This securitisation project has made us rethink our approach to data. The required data consolidation from multiple sources was unparalleled and unlike anything we have ever implemented at the bank. Extensive data analysis allowed us to experiment with data streams and gain new insights that will improve data intelligence and accountability for the business. The great collaboration between Corporate Finance, Business Intelligence and IT Delivery enabled a speedy implementation of a highly complex project. We now consolidate and reconcile data for millions of accounts daily in a fully automated process.”



ABOUT ADVANIA

A EUROPEAN DIGITAL BANK

Avanzia Bank is a European digital bank specialising in credit cards and card payment solutions for consumers, business partners and financial institutions. Avanzia was granted a banking license by the Luxembourg Ministry of Treasury and Budget in December 2005. With 2.1 million credit card customers, we are a leading online credit card issuer in Germany, with a strong presence in Luxembourg, Austria, France and Spain, and since 2021 in Italy.

TRANSPARENT AND FLEXIBLE CONSUMER PRODUCTS

Avanzia currently offers two consumer products: a Mastercard Gold credit card and a deposit account. The no-fee Mastercard offers an optional revolving credit facility and is a flexible payment method recognised worldwide with a range of attractive advantages, including 24/7 customer service and various insurance benefits. The Avanzia Deposit Account offers favourable conditions and a competitive interest rate.

BESPOKE CREDIT CARD SOLUTIONS

Avanzia has business partnerships with over 260 companies, associations and institutions that use

our co-branded credit cards to strengthen their customer loyalty strategy and create a competitive advantage. We offer turnkey Visa and Mastercard credit card solutions for banks and other financial institutions, and deliver the whole card programme, which encompasses scheme licensing, card issuance, processing, settlement and customer service.

REGULATORY STABILITY

Avanzia is headquartered in Luxembourg, a socially and politically stable financial hub in the heart of Europe. As such, we are subject to Luxembourg banking laws which are based on EU regulations CRD CRR (Basel 3), and we are regulated by the Commission de Surveillance du Secteur Financier (CSSF), which oversees the activities of banks operating in Luxembourg. We are passporting cross-border services in the EU to 16 countries.

SOLID SHAREHOLDER STRUCTURE

Avanzia is an independent bank, with a limited number of private investors. The Kistefos Group, based in Oslo, Norway, has been the controlling shareholder since 2006, and currently holds 60.3% of the issued shares.

OUR CORE MARKETS



GERMANY



- ✓ Market entry: 2006
 - ✓ Credit card customers⁵: 1 745 100
 - ✓ Gross loan balance: MEUR 1 865
- gebührenfrei.de**



LUXEMBOURG



- ✓ Market entry: 2006
 - ✓ Credit card customers⁵: 2 300
 - ✓ Gross loan balance: MEUR 5
- gebührenfrei.de**



FRANCE

- ✓ Market entry: 2012
 - ✓ Credit card customers⁵: 84 800
 - ✓ Gross loan balance: MEUR 152
- cartezero.fr**



AUSTRIA

- ✓ Market entry: 2015
 - ✓ Credit card customers⁵: 124 600
 - ✓ Gross loan balance: MEUR 131
- free.at**



SPAIN



- ✓ Market entry: 2019
 - ✓ Credit card customers⁵: 79 500
 - ✓ Gross loan balance: MEUR 52
- tarjetayou.es**



ITALY



- ✓ Market entry: November 2021
- cartayou.it**

ADVANIA DEPOSIT ACCOUNT

- ✓ Market entry: 2006
 - ✓ Deposit customers: 49 100
 - ✓ Deposit balance: MEUR 2 221
- advanziakonto.com**



PROFESSIONAL CARD SERVICES FOR FINANCIAL INSTITUTIONS

- ✓ Market entry: 2014
- ✓ Number of partnerships: 91
- ✓ Transaction turnover: MEUR 450



⁵ Cards in force



OUR PRODUCTS AND SOLUTIONS

NO-FEE CREDIT CARDS FOR PRIVATE CUSTOMERS

The Mastercard Gold

Avanzia's Mastercard Gold credit card is a flexible and globally accepted means of payment currently available in Germany, Luxembourg, France, Austria, Spain and Italy. The card has all the benefits of a Gold credit card, such as travel insurance and 24/7 customer service.

No fees

Credit card terms and conditions are similar in all markets, with the absence of fees being an especially attractive feature. We charge neither annual fees nor transaction fees on purchases or cash withdrawals. We also do not apply any foreign exchange fees. Delivering on our "zero fee" policy reflects Avanzia's core value of simplicity.

Revolving credit

Our credit cards offer an optional revolving credit facility. This means that the customer does not have to repay their entire loan balance by the end of the month, but can choose to pay anything between the full balance and the minimum amount. If the customer chooses not to pay in full, or if they have made cash withdrawals, or payments after the deadline, we charge interest. The interest rate is variable, and depends on the market and other factors, but is always conveniently available to view on our product websites, in line with our core values of transparency and trust.



SAVINGS ACCOUNT FOR PRIVATE CUSTOMERS

The Avanzia deposit account

The Avanzia deposit account is a straightforward consumer savings account that offers simple, transparent and favourable terms and conditions.

Competitive interest rate

The "Avanziakonto" offers a competitive interest rate. There are no account or transaction fees and no minimum investment period, and the full credit balance is available on demand. There is a minimum deposit amount of EUR 5 000 in order for the customer to benefit from the favourable interest rate.

A European offering

The deposit account product is marketed online in several European countries with customer service available in German, French and English.

TURNKEY CREDIT CARD PROGRAMMES FOR FINANCIAL INSTITUTIONS

Our Professional Card Services business line specialises in turnkey credit card solutions for banks and financial institutions and takes care of the entire card programme, from licensing, issuance and processing,

to settlement and customer service. This solution allows our partner banks to choose a branded or whitelabelled credit card in the most cost-efficient way and with minimal administration. To support our partners' branding strategies, we offer personalisation at every client touch point – for example, on card application forms, monthly statements, cardholder web access, and on the card itself. Our flexible card programme can accommodate partners with client bases of all sizes.

CO-BRANDED CREDIT CARDS FOR BUSINESS PARTNERS

Avanzia has professional partnerships with 171 companies and associations that use our co-branded credit cards to create competitive advantage and enhance customer loyalty. We enable them to introduce a premium branded credit card with excellent additional benefits. We are experts in targeting, acquiring and retaining customers, and offer guidance throughout the entire marketing life-cycle, including: branded card design; customised card benefits and features; a fast and effective online application process; and tailor-made incentive schemes that offer real added value to our partners and their customers.

ADVANZIA PLUS

OUR COMMITMENT TO CORPORATE SOCIAL RESPONSIBILITY



In 2021, Avanzia Bank initiated and supported a number of projects in line with its commitment to Advanzia Plus, aimed at encouraging social responsibility and supporting socially impacting projects for our employees and for society.





ASA asbl



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Veinen a.s.b.l.

LABELS AND CERTIFICATIONS



FINANCIAL STATEMENTS

For arithmetical reasons, the following tables and the respective notes may contain rounding differences.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

In thousands of EUR

Assets	2021	2020
Cash and cash equivalents	897 579	707 502
Loans and advances	2 185 484	1 896 606
<i>whereof: financial institutions</i>	143 123	129 438
<i>whereof: corporates</i>	12	-
<i>whereof: customers</i>	2 042 349	1 767 168
Tangible assets	2 260	3 892
Intangible assets	27 374	29 800
Other assets	13 401	12 101
Total assets	3 126 098	2 649 901
Liabilities and equity	2021	2020
Amounts owed to financial institutions	23 475	208 807
Amounts owed to customers	2 221 257	2 070 318
Structured financing	400 198	-
Tax liabilities	20 378	20 549
Other liabilities	22 927	21 491
Subordinated liabilities	55 000	25 000
Total liabilities	2 743 265	2 346 165
Subscribed capital	17 553	17 553
Issue premiums	9 890	9 890
Other equity instruments	61 668	21 221
Other reserves	29 859	21 659
Deposit guarantee scheme reserve	-	-
Profit (loss) carried forward	147 120	134 706
Profit for appropriation	-	-
Result for the financial year	120 726	100 480
Interim dividends	-	-
Interest paid on AT1 (Additional Tier 1)	-3 953	-1 773
Total equity	382 863	303 735
Total liabilities and equity	3 126 098	2 649 901

STATEMENT OF COMPREHENSIVE INCOME

In thousands of EUR

	2021	2020	2020 (Restated)
Financial and operational income and expenses	336 048	296 770	297 989
Interest income	325 171	292 524	293 744
Interest expenses	-14 461	-15 831	-15 831
Commission income	45 103	40 319	40 319
Commission expenses	-17 964	-15 915	-15 915
Net exchange result	-24	-376	-376
Other operating income	4 820	3 780	3 780
Other operating expenses	-6 597	-7 731	-7 731
Administrative expenses	-97 542	-94 188	-94 188
Personnel expenses	-21 075	-19 792	-19 792
General administrative expenses	-76 467	-74 396	-74 396
Depreciation and amortisation on (in)tangible assets	-8 647	-8 155	-8 155
Depreciation on tangible assets	-1 774	-1 914	-1 914
Amortisation on intangible assets	-6 874	-6 241	-6 241
Other loan losses	-3 854	-2 320	-2 320
Impairment on financial assets	-80 992	-68 408	-68 408
Result on activities before taxes	145 014	123 699	123 699
Income taxes	-24 287	-23 219	-23 219
Result on activities after taxes	120 726	100 480	100 480
Result for the year	120 726	100 480	100 480
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	120 726	100 480	100 480

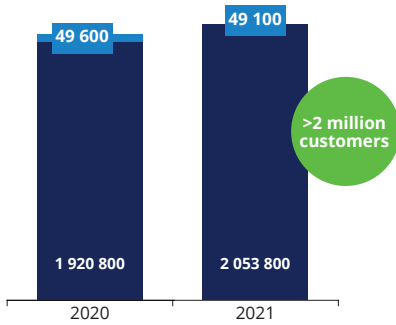
Advanzia Bank changed an accounting policy for the identification and measurement of the Expected Credit Loss (ECL) under IFRS 9. For more details, please consult the Financial Report 2020 available on advanzia.com.

BUSINESS KPIs

2020 figures have been restated

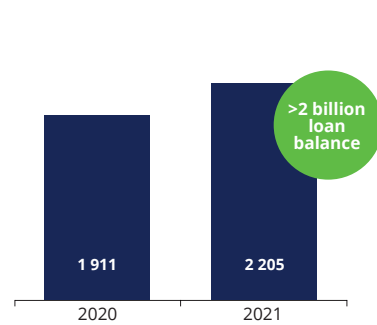
CUSTOMER VOLUME: CONTINUED GROWTH

- Deposit customers (active clients)
- Credits cards customers (cards in force)



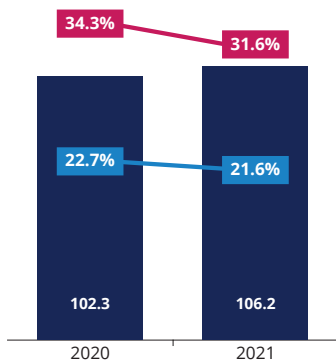
CARD LOAN VOLUME: STRONG LOAN BALANCE GROWTH

- Credit card volume gross (MEUR)



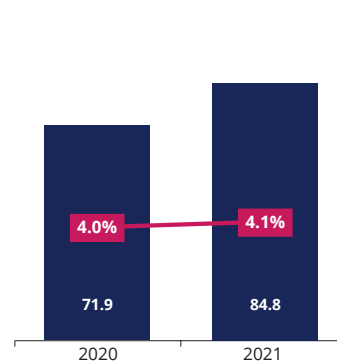
OPERATING EXPENSES AND COST-INCOME RATIO: LOW COST-INCOME RATIO

- Operating expenses (MEUR)
- Cost-income ratio excl. acquisition costs
- Cost-income ratio



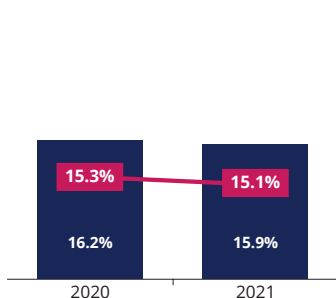
LOAN LOSSES: STABLE LOAN LOSSES

- Total loan loss provisions (MEUR)
- Loan loss rate (12 months trailing)



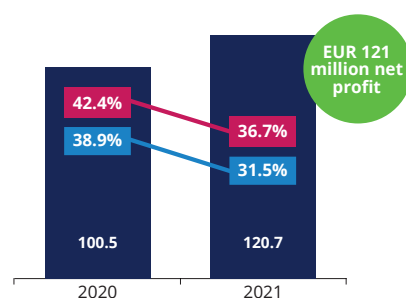
YIELD AND NET INTEREST MARGIN CREDIT CARDS: STABLE MARGINS

- Yield
- Net interest margin



NET PROFIT AND RETURN ON EQUITY: CONTINUED GROWTH IN NET PROFIT

- Net profit (MEUR)
- Return on equity
- Return on shareholders' equity



**Ida Ekblad, A DEADLY SLUMBER
OF ALL FORCES, 2021**
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With permission from Peder Lund
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Photo: Vegard Kleven







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