Addiko Bank

YE19 Results Presentation

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Executive Summary YE19 (1/2)

Addiko Bank

Operational Performance on Track	• **Adjusted result after tax** of €40.7mn[1] up by 32% (YE18: €30.9mn[2]) • **Reported result after tax** of €35.1mn (18's €104.2mn driven by €61mn positive one-off) • Transitional **CET1** ratio of 17.7% including profit & proposed dividend (IFRS 9 Fully-Loaded CET1 ratio of 17.1%) • Adjusted **Return on Tangible Equity** (@14.1% CET1 Ratio) of 5.6% (YE18: 4.2%)
Risk Profile Strong	• **NPE ratio down** to 3.9%, NPE provision coverage solid at 73.8% (YE18: 5.6% and 75.4%) • Adjusted **Cost of Risk** (net loans) at +0.2% (release) supported by releases in non-focus areas • **Low concentration** risks, 93% of loan exposure (incl. NPEs) with no days past-due • No further impacts from **CHF conversion law** in Serbia, no new developments elsewhere • **Croatian** ruling on **CHF** clauses fully reflected in 3Q19 provisioning
Digital Transformation Continued	• **Digital users** increased to 206 thousand (up 18% vs. 2018) • Share of **digitally originated consumer loans** improved to 9.0% in YE19 (3.8% in 2018) and contribution of **Bank@Work** increased to 27% (17% in 2018) • Simple **SME term loans** originated **digitally** in Serbia and Slovenia at 13% for the full year 2019, 4Q19 at 21% (12% in 2H18) – roll-out in BiH and Montenegro well on track

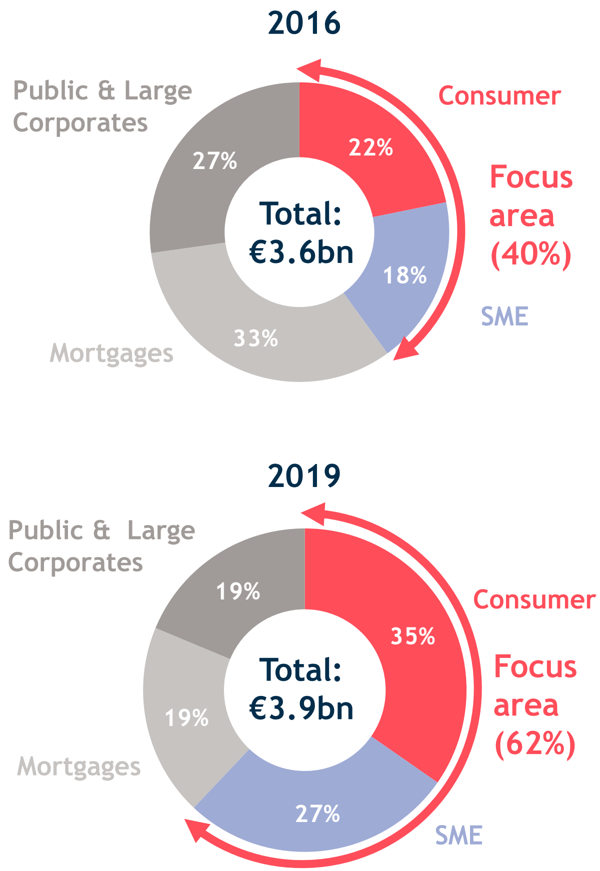
[1] Main one-offs in 2019 relate to net provision on legal matters incl. CHF (€-8.8mn), CHF conversion law in Serbia (€-8.1mn), restructuring costs (€-3.9mn), costs for capital market readiness (€-2.0mn), retail debt sale (€1.9mn), costs for risk strategy adjustment (€2.1mn), sale financial instruments from restructuring proceedings (€4.3mn), deferred tax ramp up (€9.0mn). [2] Main one-offs in 2018 relate to Tier 2 expenses (€-3.6mn), costs for capital market readiness (€-2.6mn), BIT claim (€-2.0mn), costs for risk strategy adjustment (€-0.3mn), retail debt sale (€0.8mn), onerous contracts (€1.5mn), net provision on legal matters (€3.7mn), deferred tax ramp up (€15.0mn), Tier 2 waiver (€60.8mn).

Executive Summary YE19 (2/2)

Dividend Payment & Update on Regulatory Capital	• **Dividend of €2.05 per share** will be proposed to AGM (overall c. €40mn, 19.5mn outstanding shares) • **AGM** on April 21st 2020, dividend payment on April 29th 2020 • Following the **dialogue with the Austrian Regulator**, P2R maintained at current level of 4.1% (20bp reduction from the draft SREP) • During 2020, **action plan regarding P2R** to address regulator's feedback • Yearly updates on **P2G** (next anticipated in 4Q20) **expected to reflect progress** on financial and risk parameters and specifics of the CSEE region
Business Climate	• **Low interest rate environment**, general price pressure due to excess liquidity in the markets and increasing regulatory requirements • Consumer **lending growth curbed** via additional administrative measures and recommendations introduced by local regulators towards the end of 2019 (market: +8%) • **CHF legislation in Croatia - uncertainties** remain and create challenging investor climate • Recent increase of COVID-19 cases in Europe – potential impact currently unclear
Reviewed Mid-Term Targets	• **Mid-term Targets reviewed** to reflect current low interest levels and business environment

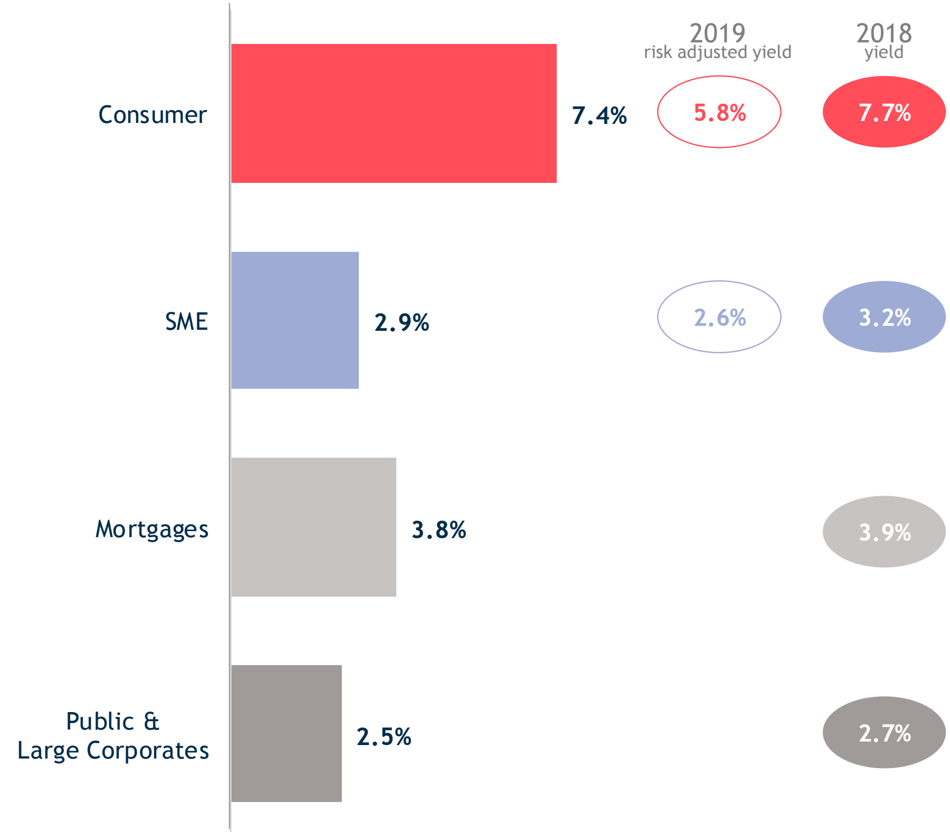
Continued Repositioning into Focused Areas - Consumer and SME

Gross performing loans by segment



Gross yield by segment[1]

2019



- Continued contribution of focus areas in overall loan book
- Increasing share of consumers with payroll account

- Business mix shift driving yield expansion (difference in yields between focus and non-focus of c.2.3%)
- New business yields in Consumer increased while SME remained flat during 2019

[1] The gross yield is calculated as annualised regular interest income (i.e. excl. interest income from NPEs, interest like income and before FTP) divided by the simple average of gross performing loans based on beginning and end of period amounts.

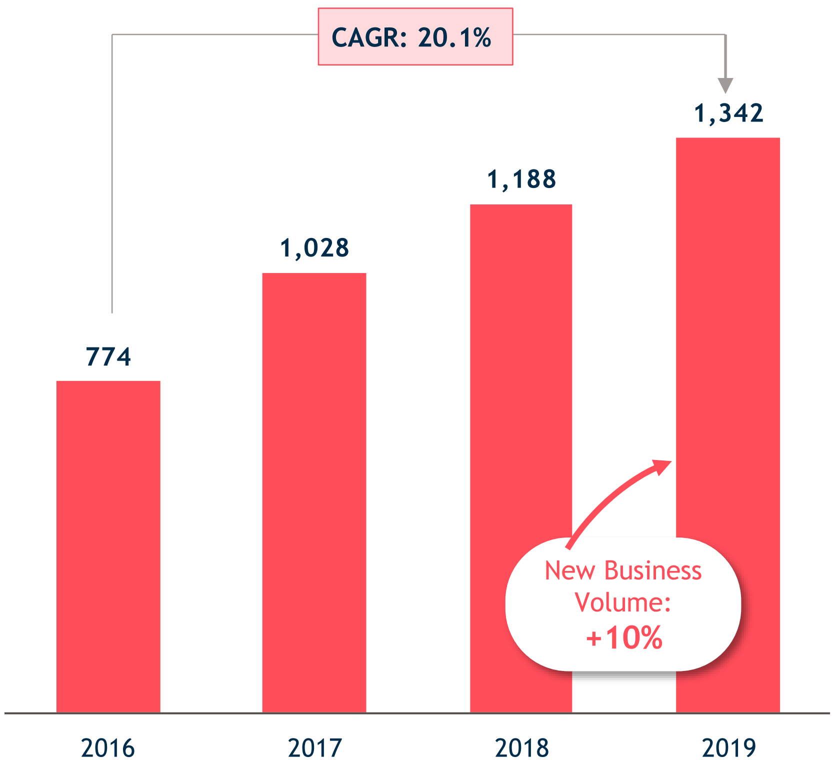
Consumer and SME: Winning by Convenience and Speed, with Digital Transformation to Complement Established Capabilities

Addiko Bank

Consumer

Strong growth in higher margin business

Consumer - gross performing loans (€mn)



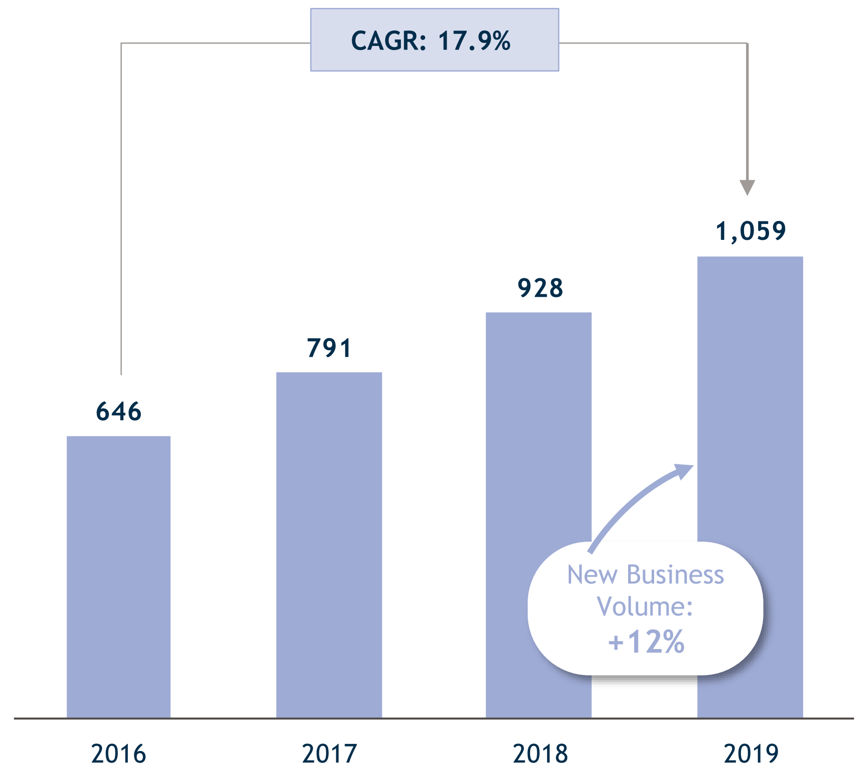
	2016	2017	2018	2019
NCI Growth[1]		€38.1mn	€41.0mn/+7.8% 2018 vs. 2017	€42.3mn/+3.1% 2019 vs. 2018

Accelerating bancassurance reflected with 6.2% contribution to 2019 group NCI[2] and strong FX/DCC with 17.4%

SME

Healthy SME growth

SME - gross performing loans (€mn)



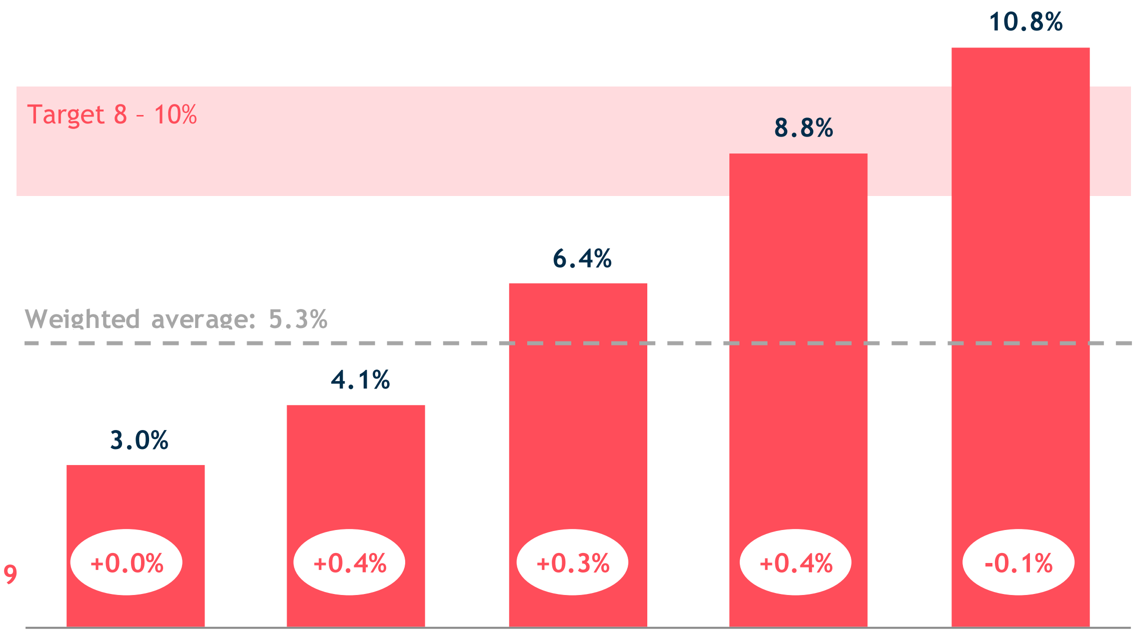
	2016	2017	2018	2019
NCI Growth[1]		€14.3mn	€15.1mn/+5.6% 2018 vs. 2017	€17.9mn/+18.4% 2019 vs. 2018

Lower yields compensated by further accelerated NCI generation via FX- and trade finance products, and continuous shift towards better ratings and shorter maturities

[1] Segmental data not available pre-2017 for NCI by segment/business.
[2] Group NCI, excludes negative contribution from "other".

Addiko market share - unsecured consumer loans (stock outstanding, 2019E)[1,2]

	Serbia	Croatia	Bosnia & Herzegovina	Slovenia	Montenegro
Market Size, €bn	6.0	9.9	4.1	4.4	1.0
Market Growth (2019E vs. 2018)	+12.6%	+5.7%	+6.6%	+6.1%	+9.0%
Flow Market Share[3]	3.6%	5.7%	3.8%	8.4%	13.3%
Stock Market Share (2019E)	3.0%	4.1%	6.4%	8.8%	10.8%
Change during '19	+0.0%	+0.4%	+0.3%	+0.4%	-0.1%
Addiko Growth	+14%	+17%	+12%	+11%	+8%



Solid market growth: c. 8% growth of unsecured consumer lending market in our region (market size up by c. €1.8bn)

Significant growth in the largest markets Croatia and specifically in Serbia

Addiko with above market stock growth of 13%

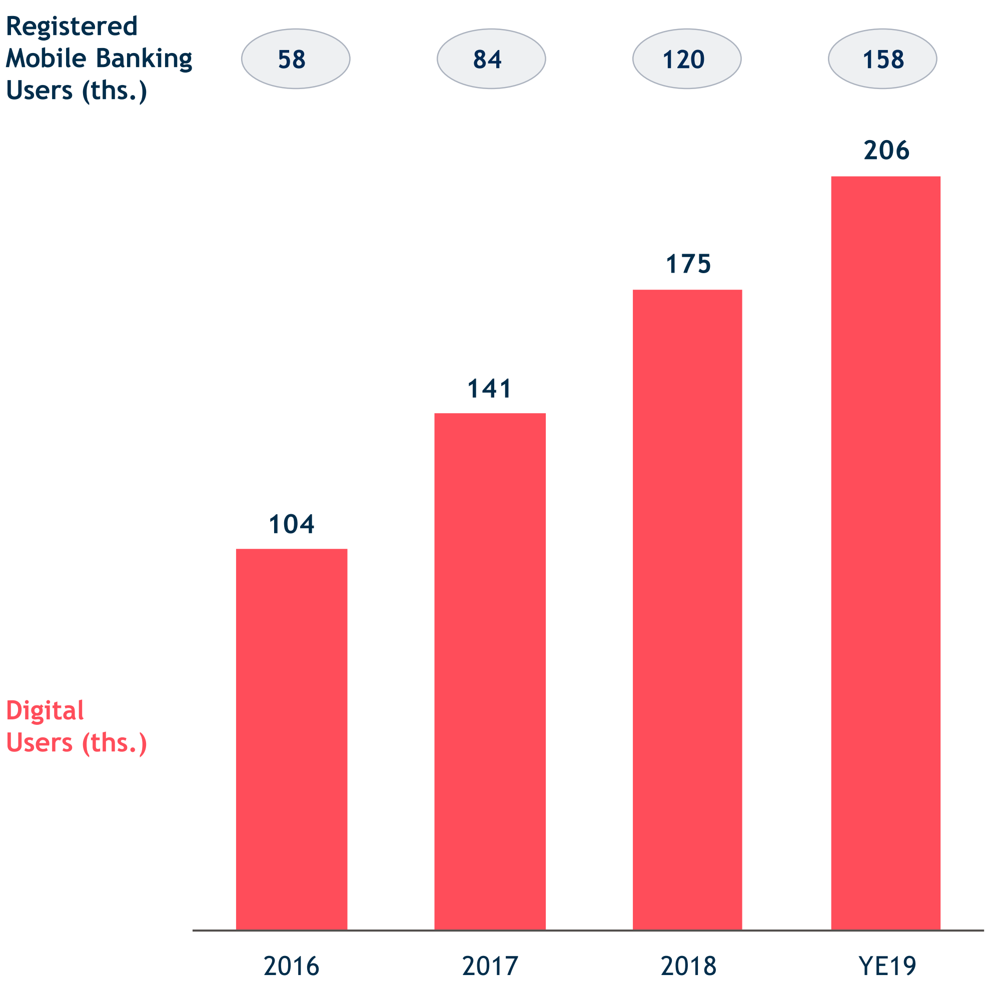
Flow above stock market share in largest markets Croatia and Serbia

Growth in controlled manner: Controlled lending growth – continued focus on prudent underwriting to ensure risk profile and profitability

Digitalization ongoing: Addiko well positioned to strengthen market share amid increasing digitalization in the region

[1] Source: The Vienna Institute for International Economic Studies (wiiw). [2] Calculated as of 2019 based on Consumer Business gross performing loans divided by the respective local market consumer gross performing loans (market size).
[3] Addiko consumer disbursements for 2019 divided by total local market consumer new business for 2019 as available.

Digital capabilities



Digital users: +18%
Mobile banking users: +32%
(vs. 2018)

Digital consumer loans: 9.0%
Consumer loans originated through Web in 2019 / % of total consumer loans disbursements (vs. 3.8% in 2018)

Bank@Work: 27%
(vs. 17% in 2018)

~67%
Share of automated loan decisions (only consumer loans) in 2019 (vs. 61% for 2018)

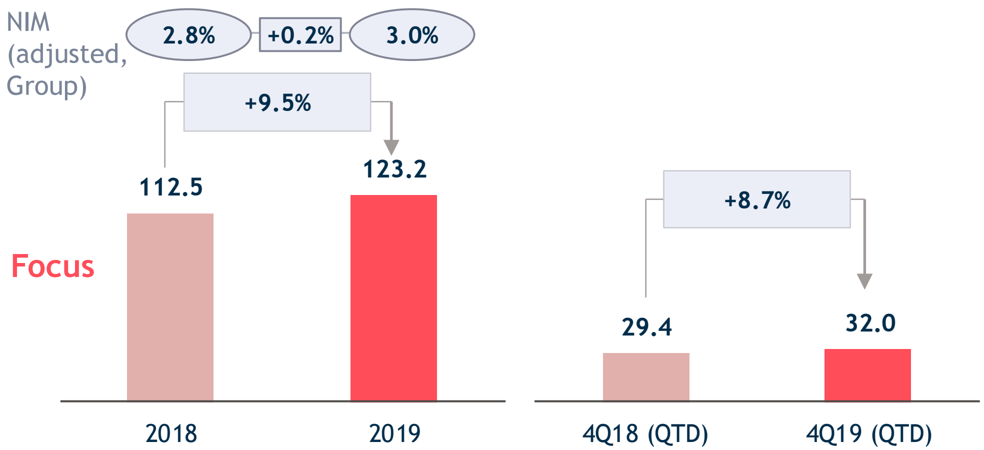
c. 25 min[1]
Decision time across Group (only consumer loans) since launch of new APS

Digital SME loans: 13%
Simple SME term loans sold via digital platform in Slovenia and Serbia (vs. 12% in 2H18, 21% in 4Q19)

[1] Median as of YTD December 2019.

Regular interest income (focus only)

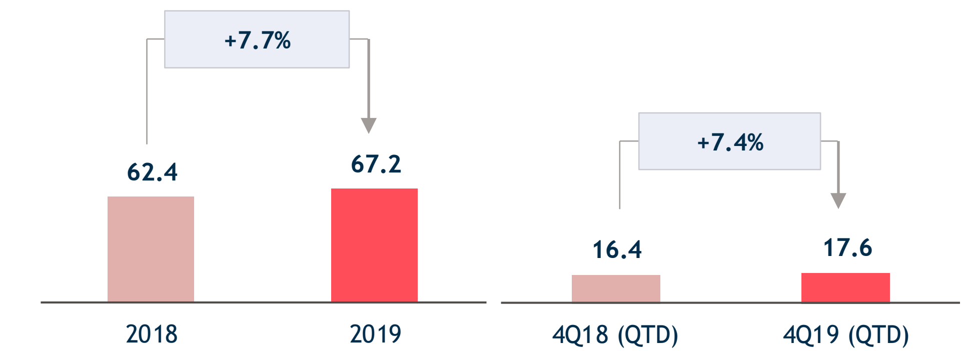
€mn



- Increase in NIM due to shift from non-focus to focus, repricing of deposits and further optimization of liquidity portfolio

Net fee and commission income (adjusted)

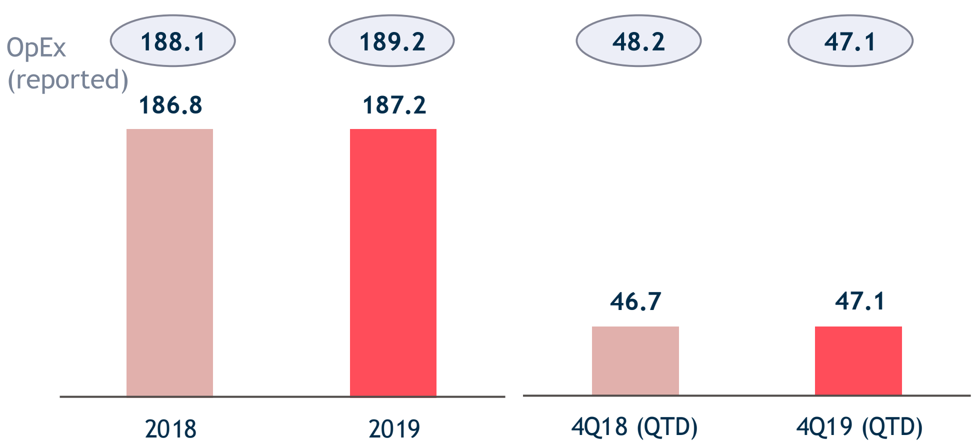
€mn



- Increase due to new account packages and bancassurance as well as trade finance and guarantees with SME clients

Operating expenses (adjusted)

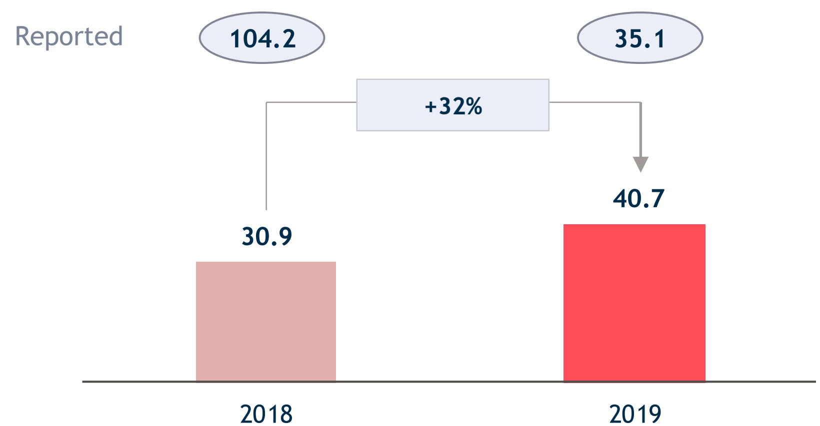
€mn



- 2019 as continuation of 2018, slight increase related to IPO expenses
- Benefits from cost optimization program will be seen in 2020 onwards

Result after tax (adjusted)

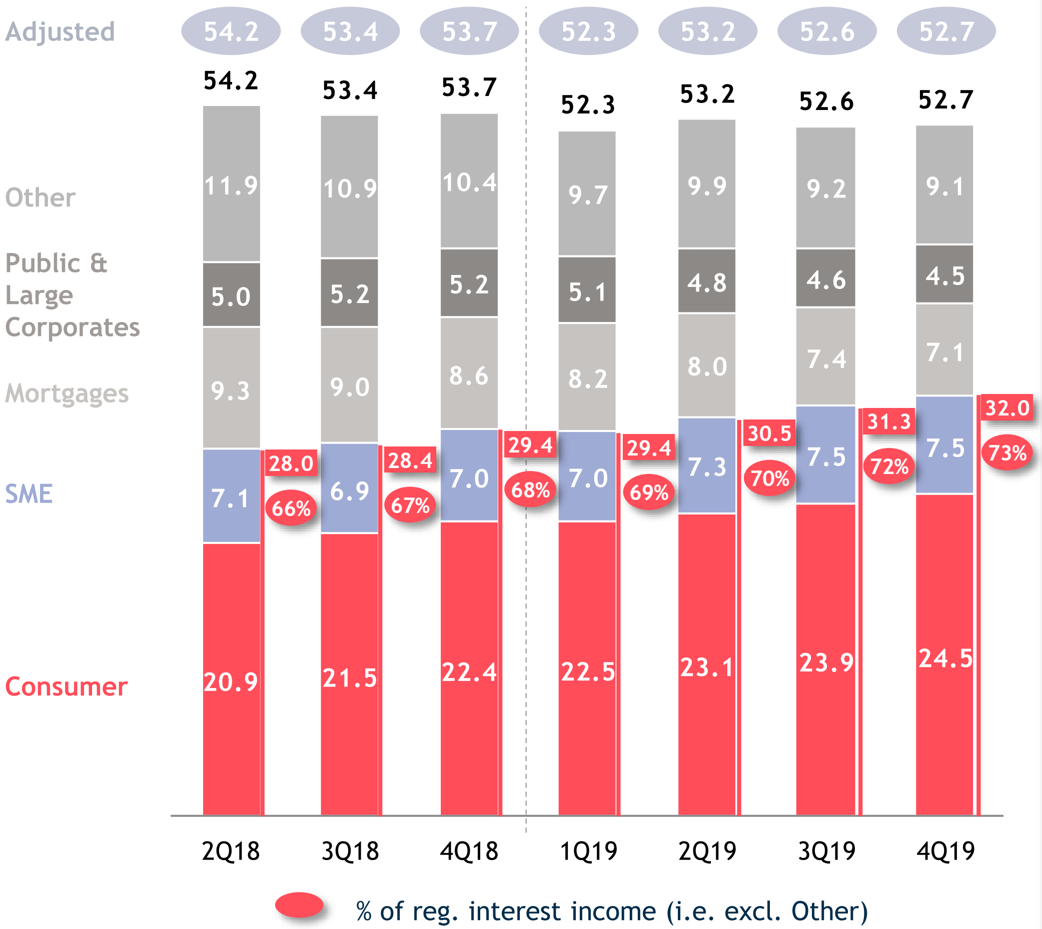
€mn



- Improvement in adjusted RoATE (@14.1% CET1) to 5.6% in 2019 (2018: 4.2%)

Interest income by quarter[1]

Reported, €mn



Ongoing growth via shift into focus – decrease in non-focus interest income compensated with increase in focus during 2019

Gross yield by quarter[2]

	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19
Consumer	7.6%	7.5%	7.6%	7.5%	7.4%	7.3%	7.3%
				7.1% new business	7.3% new business	7.4% new business	7.4% new business
SME	3.3%	3.0%	3.0%	2.9%	2.9%	2.8%	2.8%
				2.9% new business	2.9% new business	2.8% new business	2.8% new business
Public & Large Corporates	2.7%	2.7%	2.7%	2.7%	2.5%	2.5%	2.5%
Mortgages	3.9%	3.9%	3.9%	3.8%	3.9%	3.7%	3.7%

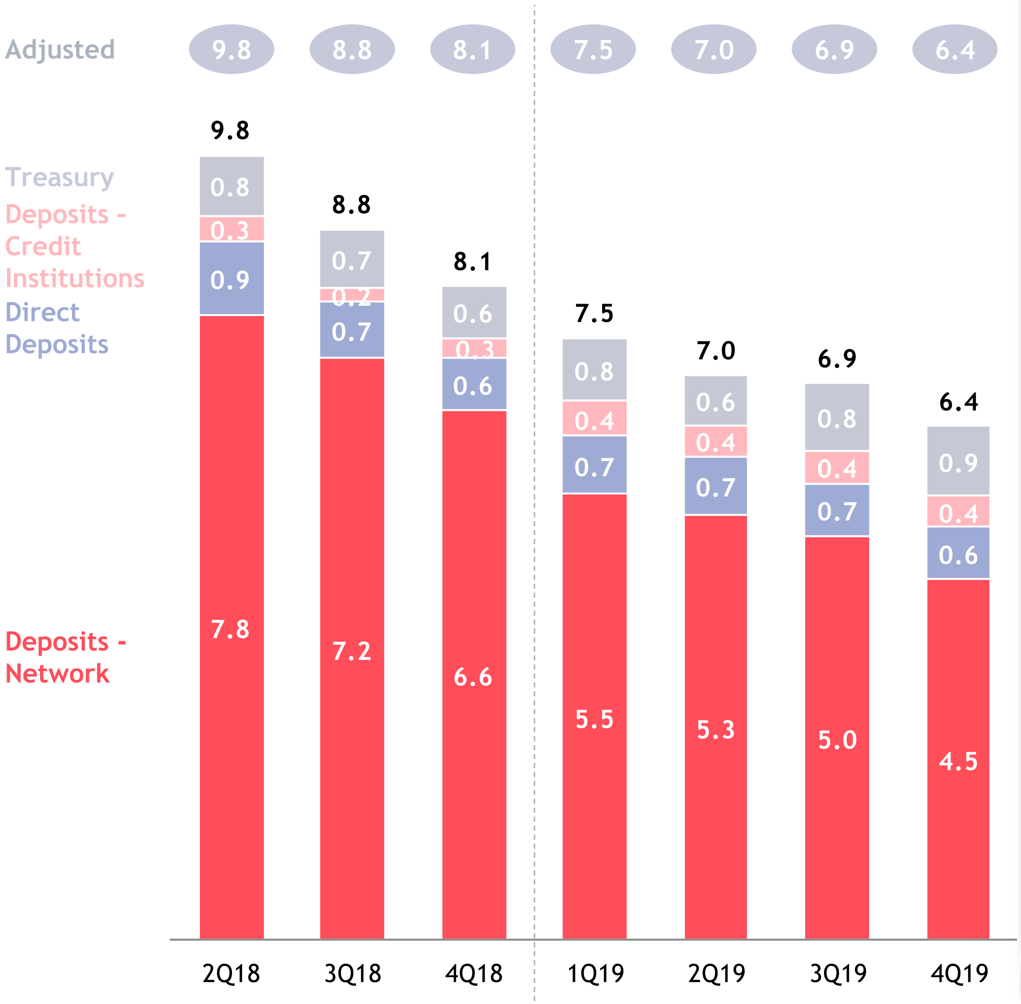
- Low interest environment marginally reflected in business yields
- New business yields in in focus stabilized - consumer increased by 30bps during 2019, SME remained flat

[1] For segments only regular interest income is shown.

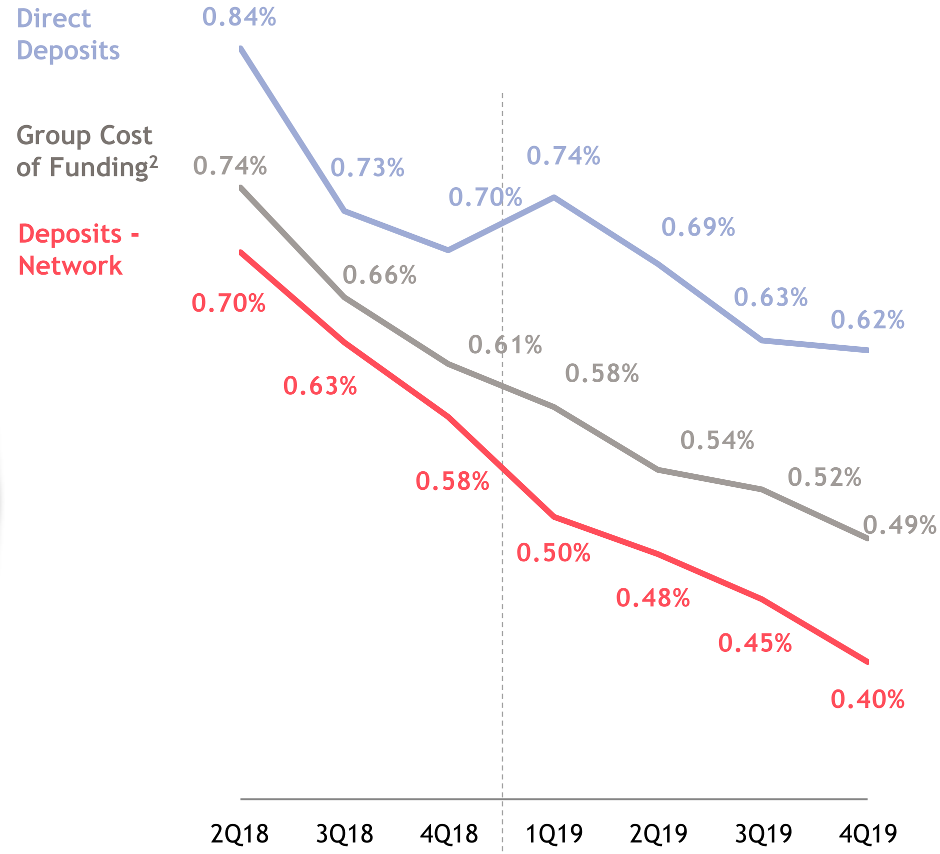
[2] The gross yield is calculated as annualised regular interest income divided by the simple average of gross performing loans based on beginning and end of period amounts. New business yields calculated are calculated using daily averages.

Interest expense by quarter

Reported, €mn



Cost of funding by quarter[1]

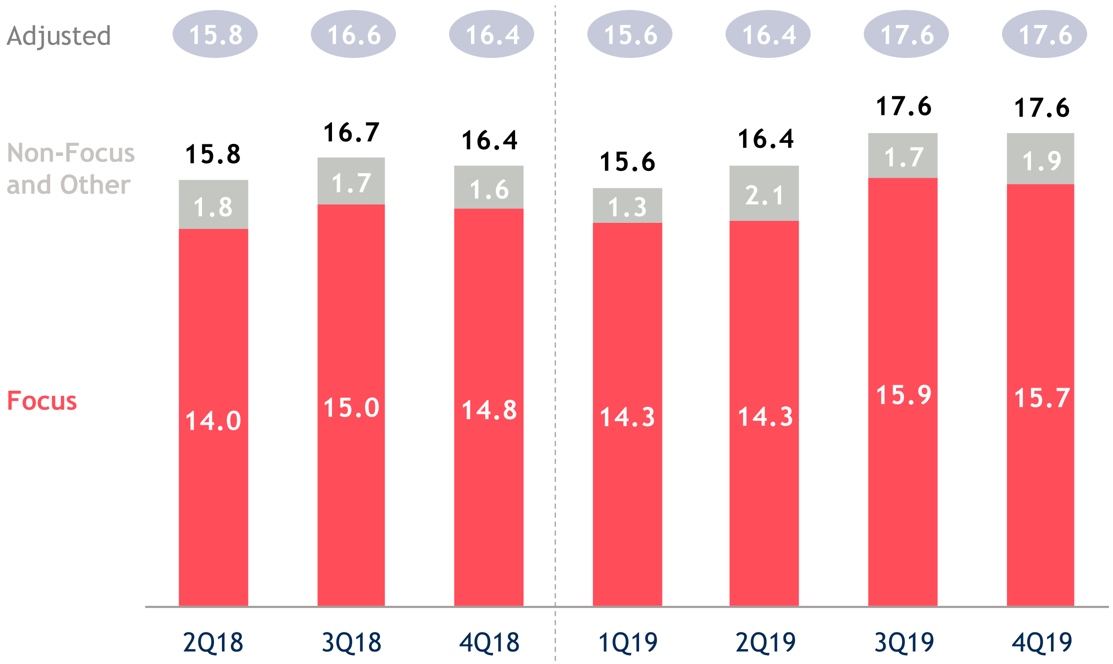


Further reduction in deposit costs due to active management of deposit mix – stable customer deposit volume at €4,831mn (€4,837mn in 2018)

[1] Denominator based on simple average.
[2] Includes customer deposit costs, costs for deposits from credit institutions and Treasury costs.

Net fee and commission income by quarter

Reported, €mn



Focus

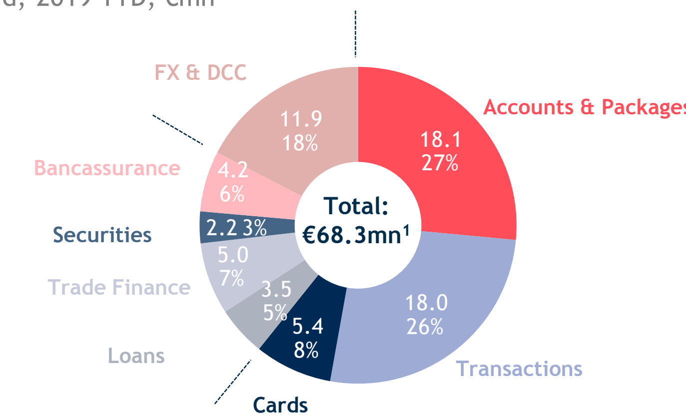
	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19
Consumer	75.9%	71.7%	71.3%	72.0%	68.8%	70.6%	69.7%
SME	24.1%	28.3%	28.7%	28.0%	31.2%	29.4%	30.3%

Key highlights

- **Increase:** net fee and commission income increased by 7.7% compared to full year 2018
- **Additional fee income:** bancassurance and account packages, digital guarantee and trade finance in SME drive more fee income
- **Contribution from focus:** consumer and SME segments account for c. 90% of net fee and commission income
- **Products:** increased contribution by accounts and packages and transactions in fourth quarter 2019 which together contribute >50% to group NCI

By product type

Reported, 2019 YTD, €mn



[1] Excludes €1.1mn of negative contribution from "other".

Operating Expenses Dynamics

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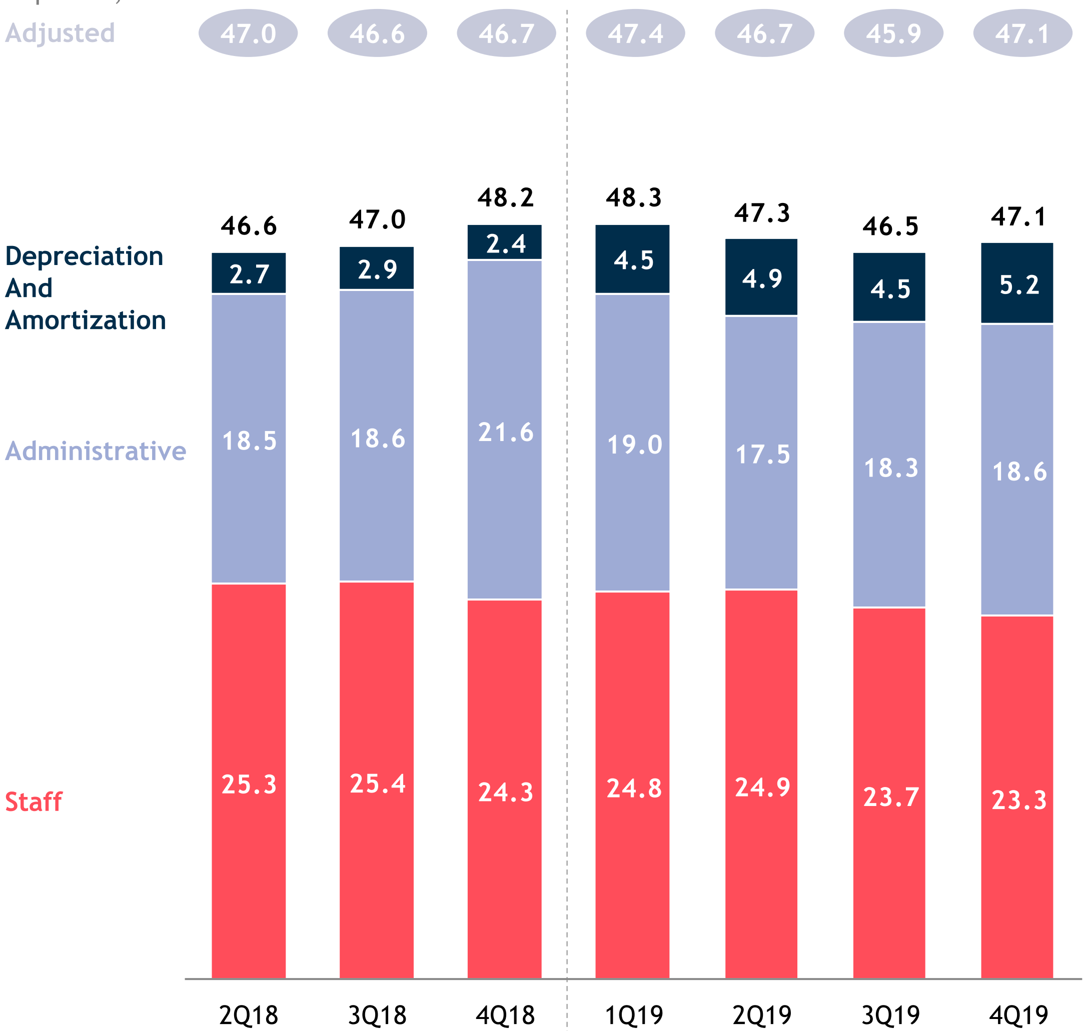
Operating expenses development by quarter

Reported, €mn



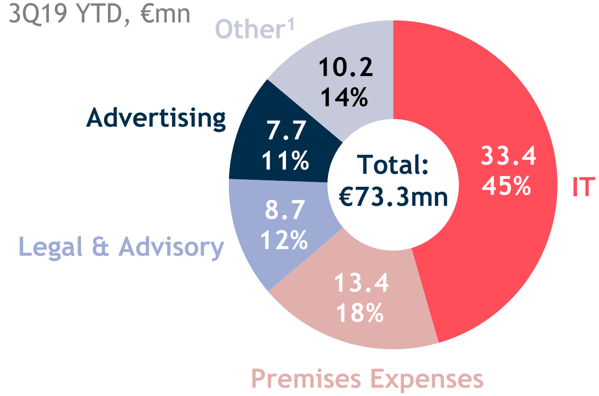
- **IFRS 16:** increase in depreciation and amortization in 2019 mainly due to the first-time implementation of the new leasing standard under IFRS 16 (corresponding decrease in admin/rental expenses)

- **Standardization and digitalization:** focus on standardization and digitalization will continue to drive cost improvements year over year - partially re-invested in IT

- **Trend:**
  - announced cost optimization initiative (reduction of 180 FTEs and 8 branches in 2H19) resulted in reduction of 229 FTEs and 17 branches
  - further optimization potentials in assessment

Administrative expenses

Reported, 3Q19 YTD, €mn



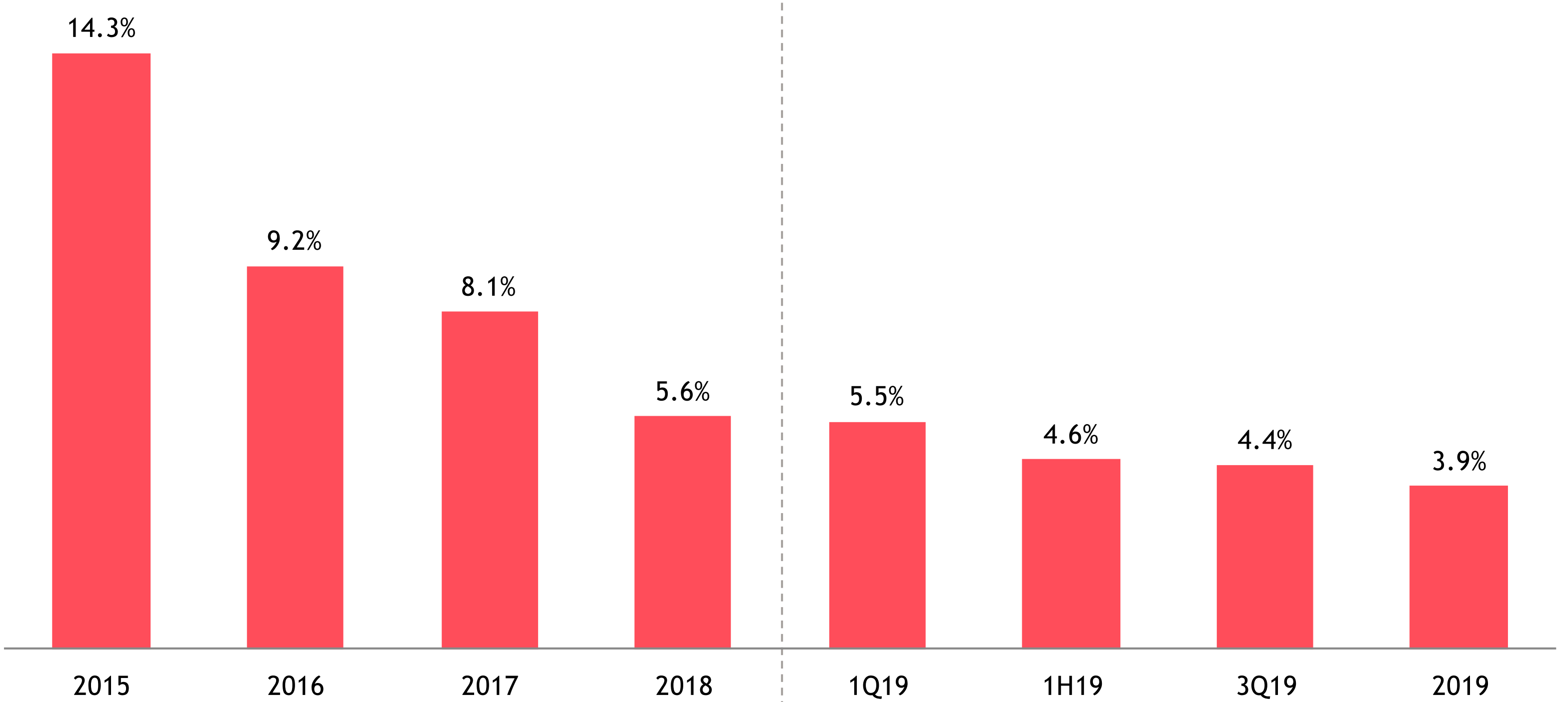
[1] Includes vehicle expenses, travel expenses, education expenses, expenses for legal form, other insurance and other.

STRONG RISK MANAGEMENT FRAMEWORK

Decreasing non-performing loan portfolio (YTD)

	2015	2016	2017	2018	1Q19	1H19	3Q19	2019
NPE Volumes, €mn	1,229	761	606	404	393	329	317	277
NPE Coverage Ratio[1] (Ex-Collateral)	61.7%	67.5%	67.0%	75.4%	75.8%	73.2%	75.3%	73.8%
NPE Ratio Under New Risk Framework[3]	NM	1.6%	1.3%	1.4%	1.5%	1.6%	1.8%	1.9%

NPE Ratio[2]



[1] Calculated as the sum of total SRP resp. Stage-3 ECL divided by total non-performing exposure. [2] Calculated as non-performing exposure divided by total credit risk exposure. [3] Calculated as non-performing exposure (new risk framework) divided by total credit risk exposure (new risk framework). Previous risk framework includes all clients where no new risk decision / approval was done afterJan-2016 - all clients which were NPE or forborne on Jan-2016 and stayed NPE since then (even if any approval was done during restructuring).

Update on NPE and Cost of Risk Development

	Focus – Consumer (€mn)				Focus – SME (€mn)				Non-Focus[3] (€mn)			
	2018	1H19	3Q19	2019	2018	1H19	3Q19	2019	2018	1H19	3Q19	2019
NPE Coverage Ratio (Excl. Collateral)[1]	91.1%	91.3%	92.0%	91.9%	63.7%	63.8%	67.2%	66.1%	71.9%	67.2%	69.0%	65.6%
NPE Ratio[2]	7.3%	6.2%	6.1%	5.5%	4.5%	3.8%	3.9%	3.9%	10.7%	8.5%	8.1%	6.7%
Total NPE	*104*	*91*	*92*	*84*	*71*	*64*	*68*	*69*	*230*	*175*	*157*	*123*
Credit Risk Exposure	*1,415*	*1,476*	*1,514*	*1,532*	*1,559*	*1,693*	*1,742*	*1,759*	*2,146*	*2,053*	*1,922*	*1,839*
NPE Ratio - New Risk Framework	*2.6%*	*2.9%*	*3.0%*	*2.9%*	*2.0%*	*1.8%*	*2.3%*	*2.5%*	*1.2%*	*1.6%*	*1.7%*	*1.8%*
Credit Loss Expenses (YTD)	€(9.5)mn *Impairments*	€(9.3)mn *Impairments*	€(17.1)mn *Impairments*	€(20.3)mn *Impairments*	€(7.4)mn *Impairments*	€3.4mn *Releases*	€(1.8)mn *Impairments*	€(3.2)mn *Impairments*	€19.7mn[4] *Releases*	€7.8mn[4] *Releases*	€19.4mn[4] *Releases*	€26.3mn[4] *Releases*

[1] Calculated as the sum of total SRP resp. Stage-3 ECL divided by total non-performing exposure. [2] Calculated as non-performing exposure divided by total credit risk exposure. [3] Excludes Financial Institutions and Corporate Center.
[4] Including YTD releases in Corporate Center (€4.1mn in 2018, €1.3mn in 1H19, €6.4mn in 3Q19 and €5.3mn in YE19).

Low NPE Concentration, Well Provisioned and Carefully Managed

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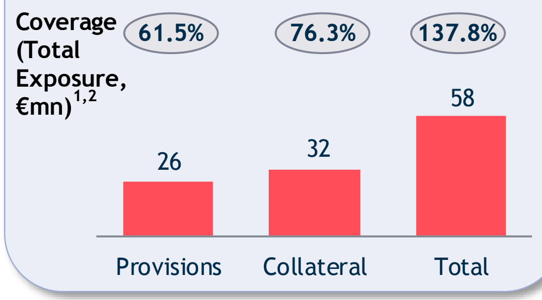
Overview of Top 10 NPEs

2019, €mn

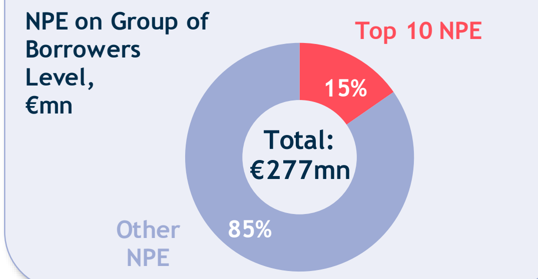
Borrower	Total Exposure	Country	Description
NPE 1	10.6	Croatia	Service and retail
NPE 2	6.5	Croatia	Technology / EDP
NPE 3	6.0	Croatia	Construction industry
NPE 4	4.7	Bosnia & Herzegovina	Service
NPE 5	4.2	Serbia	Real estate business
NPE 6	2.3	Montenegro	Metal industry and mechanical engineering
NPE 7	2.2	Slovenia	Technology / EDP
NPE 8	2.1	Slovenia	Retail and wholesale trade
NPE 9	1.9	Slovenia	Energy
NPE 10	1.8	Croatia	Tourism
Total Top 10	**42.4**		

2018: €86.2mn (-51% YoY)

Coverage for Top 10 NPEs (2019)



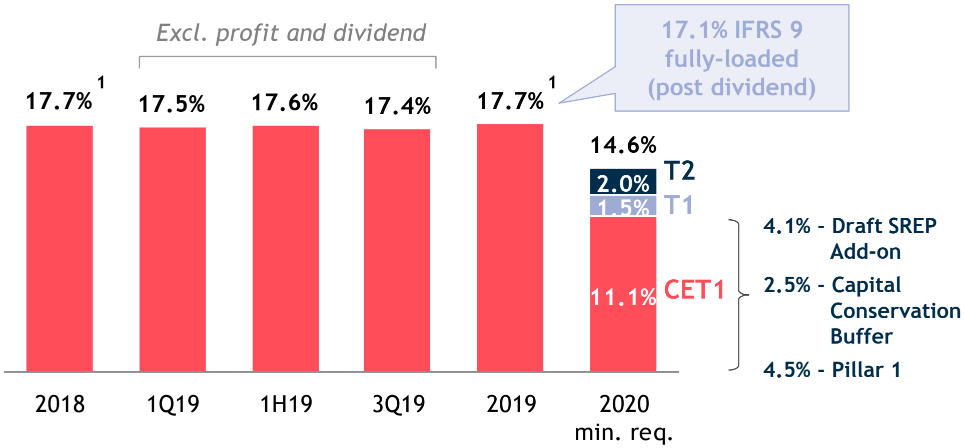
Concentration (2019)



[1] NPE coverage ratio calculated as the sum of Top 10 NPE total SRP resp. Stage-3 ECL divided by Top 10 NPE total non-performing exposure. [2] NPE collateral coverage ratio calculated as Top 10 total non-performing collaterals divided by Top 10 NPE total non-performing exposure.

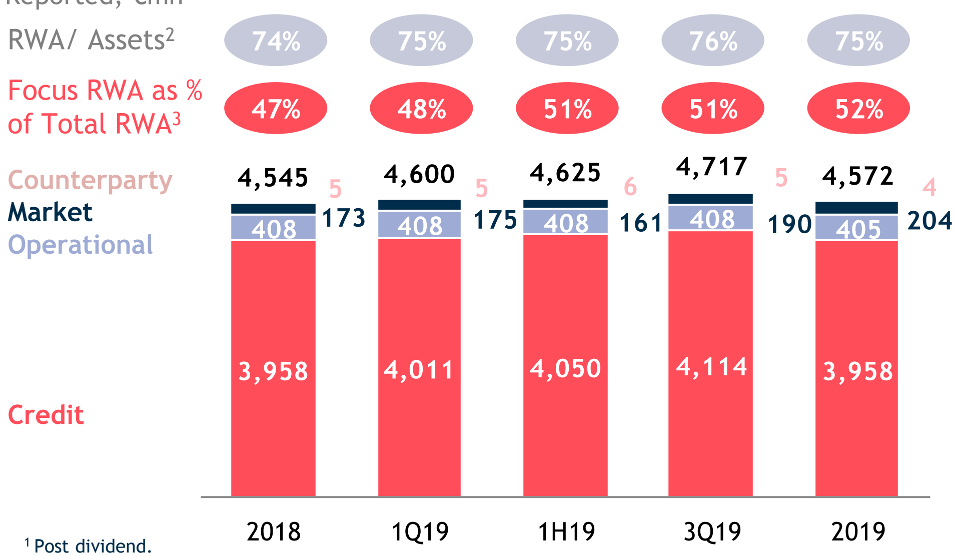
Breakdown of capital position and capital requirements

Reported, transitional



RWA breakdown

Reported, €mn



Latest draft **SREP for 2020 currently** indicating a Pillar 2 Requirement (P2R) of 4.1% (4.1% in 2019). In addition, a Pillar 2 Guidance (P2G) of 4% is foreseen by the draft

RWAs further optimized: mainly via collateral optimization and replacement of higher risk weight sovereign exposure with lower risk weights

~61% of loans and receivables in focus have 52% risk weight[3] as of YE19

Addiko is currently using the **standardized approach** for its RWA calculation, with most of its RWAs stemming from credit risk

Overall Basel IV is expected to have a limited impact on Addiko Group, as the Group determines Credit Risk RWAs using the Standardized approach, hence discussions on Internal Rating floors do not apply

[1] Post dividend.
[2] Calculated as total RWA divided by total assets.
[3] Based on segment credit RWA (i.e. excl. operational / market / counterparty RWA). Total RWA excl. Corporate Center.

2019 Executive Summary

Financials & Risk Update

Outlook & Mid-Term Targets

Additional Materials

Addiko Bank

Outlook 2020

- **Benign macroeconomic environment** in the countries of operations is expected to continue in the coming years, with expected macroeconomic growth in the 5 countries of operations to remain comparably steady at approximately 2.8% for 2020 after a slowdown from 2018 to 2019
- We expect **continuous progress in shift from non-focus to focus** thereby increasing the share of focus by another 5pp, to defend margins, resulting in a growing net banking income
- **Net fee and commission income growth** is expected to be comparable to 2019, accelerating towards the end of the year 2020 following the full implementation of the new cards platform
- **Operating expenses** for 2020 are expected to continue the developments in 2019, while cost reductions resulting from optimisation in 2019 are widely neutralized by increases in IT related depreciation
- Amid a stable low interest rate environment, **cost of risk** is expected to increase along a growing focus loan book and significantly less releases from the non-focus areas
- Potential impact of COVID-19 remains unclear and will largely depend on further developments

Dividend Policy

- Addiko **reconfirms its initial guidance** to distribute another €40mn for the year 2020, and an annual dividend pay-out of 60% of net profit in the following years
- In relation to the **annual SREP process** (draft expected in autumn 2020) it is expected that the annual SREP decisions (P2R and P2G) will reflect the continuous progress in financial and risk parameters as reached in 2019, and the specifics of countries where Addiko is present
- The distribution of **any excess capital** will follow the annual SREP decision and will be included in the dividend proposal to the AGM for the respective financial year
- Addiko continues to pursue its capital optimization by issuing eligible capital instruments (AT1, Tier 2) reflecting the development of future capital requirements

Reviewed Mid-Term Targets Reflect Business Climate

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Target metric	YE19 (YTD)	Original Mid-Term target level	Reviewed Mid-Term target level
Focus vs. Non-Focus (Gross Performing Loans)	62% vs. 38% (gross performing loan growth of 2.7% vs. YE18)	80% vs. 20% (Mid single-digit gross performing loans growth)	>85% in Focus (Mid single-digit gross performing loans growth)
Net Interest Margin	3.0% (adjusted)	c. 4.0%	>3.7%
Net Fee and Commission Income Growth	7.7% (adjusted, YE19 vs. YE18)	Low-Teens CAGR	c. 10%
Cost / Income Ratio	74.8% (adjusted)	<45.0%	<50.0%
Cost of Risk[1]	0.2% release (adjusted, not annualized)	c. (1.6)%	c. (1.5)%
Return on Tangible Equity (@14.1% CET1 Ratio)[2]	5.6% (adjusted)	>12.0%	c. 10%
Total Capital Ratio	17.7%	>16.1%	>16.1%
Loan / Deposit Ratio (Customer)	80.1%	c. 100.0%	c. 100.0%
Dividend Payout	c. 40mn proposal to AGM	60.0% (of profit)	60.0% (of profit)

Background

Strategy and business model
- No change in strategy, acceleration in focus
- Continued transformation towards focus portfolio Consumer and SME, at lower volumes due to restrictions
- Lower revenue to be mitigated with accelerated cost reduction measures
- Target capitalization remains unchanged

Interest levels
- Original Mid-Term target (April 2019) assumed increasing rate environment

Review: current low interest environment assumed to remain in the mid-term

Consumer lending restrictions
- Original Mid-Term targets included lending restrictions already in force or expected at the time of the IPO

Review: newly imposed lending restrictions can only be mitigated partially in the mid-term

[1] Cost of risk over net loans, not annualized.
[2] Assuming theoretical tax rate of 21% and costs for T2 equal to 2% of RWAs.

Overview of Addiko

- Fully licensed bank with HQ in Austria, focused 100% on Central and South Eastern Europe
- Addiko Bank AG is regulated by the Austrian Financial Market Authority ("FMA")[1]
- "Good Bank" spin-off of the former Hypo Group Alpe Adria
- Transformed into a lean, agile & innovative pan-regional platform focused on growth in Consumer and SME lending
- Listed on the Vienna Stock exchange on July 12th 2019, admitted to ATX Prime on July 15th 2019 (c. 55% free float, 19.5mn shares)

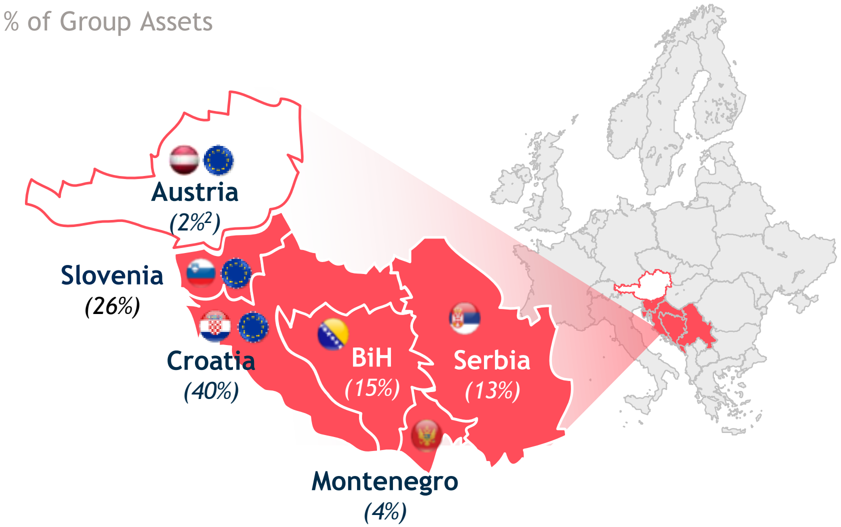
Repositioned as a focused CSEE specialist lender

Consumer

SME

Operating as one region - one bank

2019, % of Group Assets



2019

~0.8mn Customers	**179** Branches	**€6.1bn** Total Assets	**68%-32%** EU vs EU accession asset split[3]
€3.9bn Loans and Receivables	**€4.9bn** Customer Deposits	**€861mn** Equity	**ba2** Baseline credit rating issued by Moody's

[1] Finanzmarktaufsicht Österreich.
[2] Includes total assets from Holding (€1,225mn) and consolidation/recon. effects of (-€1,130mn).
[3] EU is calculated based on sum of total assets from Slovenia, Croatia and Holding (incl. consolidation). EU accession is calculated based on sum of total assets from Bosnia & Herzegovina, Serbia and Montenegro.

Addiko: Simple Balance Sheet Composition

Addiko Bank

Liquid balance sheet
- LCR ratio: 174% (YE18: 150%)

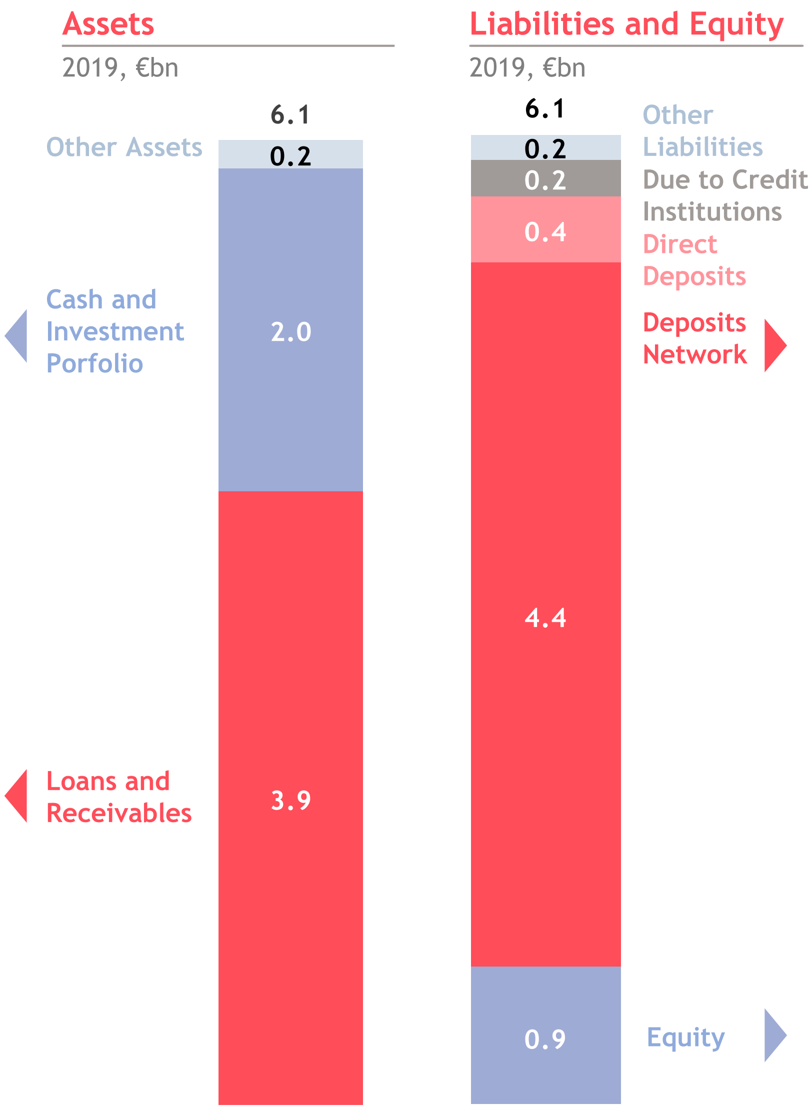
Liquid assets
- €0.9bn of cash
- €1.1bn of investment portfolio

Data as of YE19

Substantially de-risked asset base
- NPE ratio: 3.9% (YE18: 5.6%)

Solid provision coverage levels
- 73.8% NPE coverage ratio (YE18: 75.4%)
- 125.0% incl. collateral (YE18: 120.8%)

Data as of YE19



Strong deposit base
- Loan-deposit ratio (customer) : 80.1% (YE18: 78.3%)

Funding surplus[1]: €0.9bn

Data as of YE19

Robust capital base
- 17.1%[2] fully-loaded CET1 ratio (incl. profit and proposed dividend payment)

Further optimization via proposed Tier 2 issuance

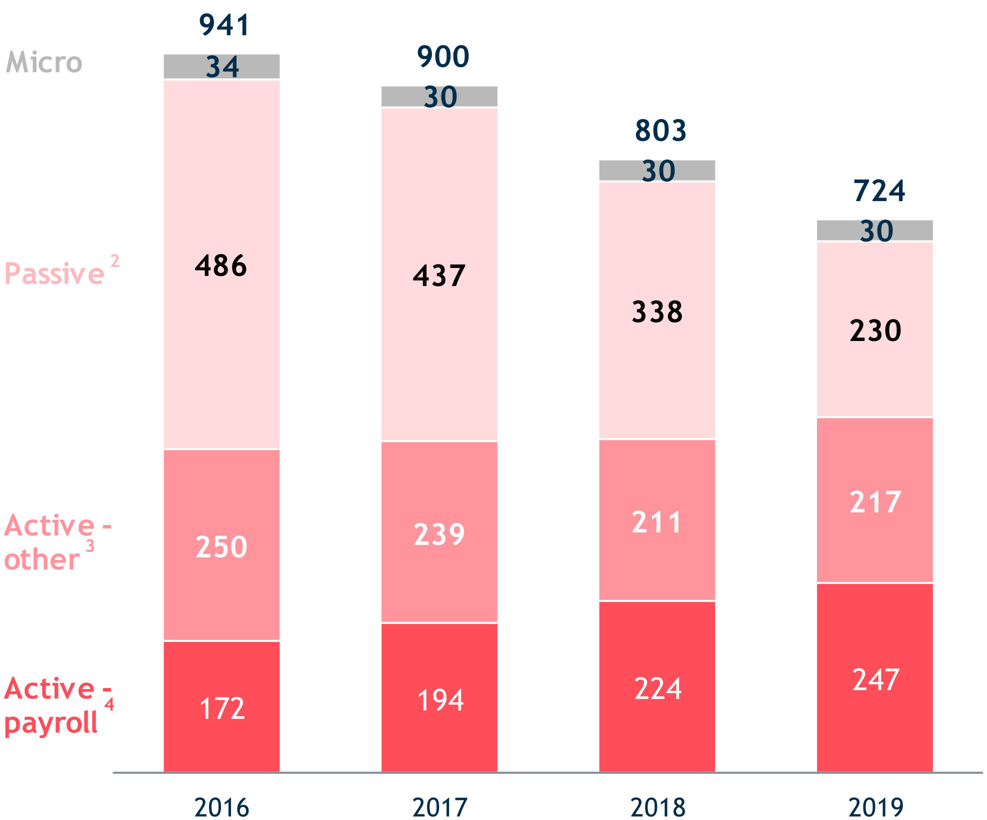
Data as of YE19

[1] Calculated as difference between deposits of customers and loans and advances to customers. [2] Transitional CET1 ratio amounts to 17.7% as of YE19.

Consumer: Strong Focus on Customer Activation

Client base transformation[1]

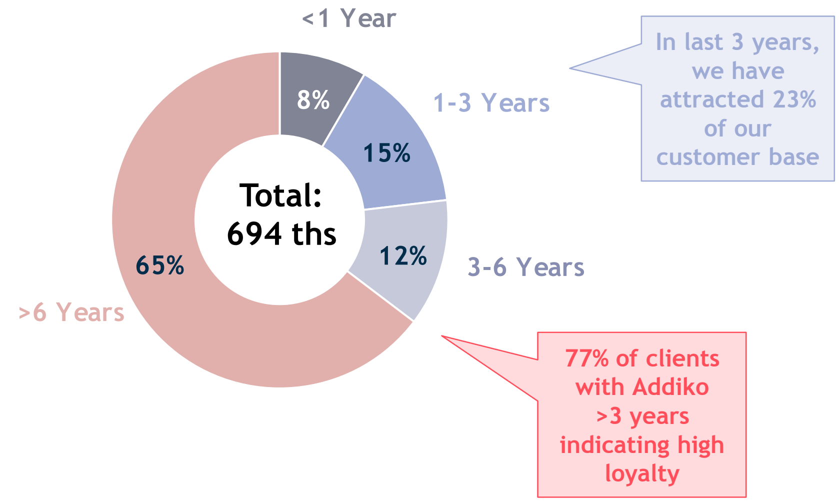
Number of clients (excl. NPE), ths



- Growing number of active customers (+7% YoY)
- Decrease in passive base due to portfolio clean-ups
- Dormant client base actively managed to increase efficiency

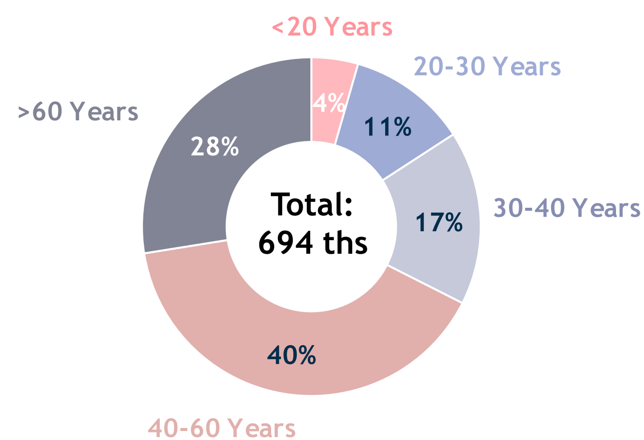
Clients' years of relationship with Addiko (excl. micro)

2019



Clients' age (excl. micro)

2019



[1] Consumer client base: Includes total performing and non-performing retail clients (i.e. consumer, mortgage and micro). [2] "Passive" client defined as having at least 1 client initiated incoming or outgoing transaction in 24 months. [3] "Active other" client defined as having at least 1 client initiated incoming or outgoing transaction in 3 months. [4] "Active payroll" client defined as those with current accounts with sum of two largest incoming payments higher than minimum wage in respective country.

Consumer: Focus in Consumer Remains on High-Margin Products Offering

Unsecured lending products for consumers

		Fast cash loans	Payroll loans	Consolidation loans
Description		• Unsecured loan	• Unsecured loan for customers with salary deposited in the bank	• Personal loan to service outstanding debts through a single monthly repayment
Share of new loans (2019)		11%	81%	8%
Average Ticket Size		€3.7 ths (2018: €3.6 ths)	€8.7 ths (2018: €8.0 ths)	€21.3 ths (2018: €18.0 ths)
Approval Rates		43% (2018: 39%)	61% (2018: 55%)	62% (2018: 41%)
Interest rate[1]	Min	7%	4%	6%
	Max	15%	13%	8%
	Type	Fixed	Fixed and variable	Fixed and variable
Maturity	Min	12 months	6 months	6 months
	Max[2]	up to 60 months	up to 120 months	up to 144 months
Digital Origination		✓	✓	NA
Offered in All Countries		✓	✓	✓

- Group-wide defined criteria via group policies – local deviations only to be more restrictive
- Sales staff with no decision power on pricing

[1] Minimum and maximum shown across all countries with local deviations. [2] Maximum maturities differ among countries on the basis of recent regulations regarding inter alia maximum tenors for consumer loans which allow only shorter tenors.

Consumer: Additional Lending Restrictions Currently Curb Lending Growth

Addiko Bank

	Serbia	Croatia	Montenegro	Slovenia
Restriction	**Regulation on tenor and DTI for unsecured loans** • Total Exposure to unsecured loans with original maturity >8 years may not exceed 50% of capital during 2019, followed by 10pp less each year during the following years until 2021 • Deductible items from local capital for new disbursements in unsecured loans with DTI ratio >60% and/or maturity from 8 years in 2019 to 6 years in 2021 (at approval)	**Recommendation on maximum level of indebtedness** • Unsecured loans with >5 years maturity • 2/3 of average customer income protected for consumers with above national average income • 3/4 of average customer income protected for consumers with below national average income and not more than HRK 4,158	**Regulation on maximum tenor** • Maximum tenor for unsecured lending of 8 years • Exception if amount of existing loans with a remaining maturity over 6 years are above 50% of the Bank's capital. In such case, unsecured lending limited to 6 years (the prevailing case in the local market)	**Regulation on consumer lending (secured and unsecured)** • Max tenor for secured and unsecured lending at 7 years for 85% of production • Remaining (disposable) income 674€ (from 2020 €714), with additional €230 for each dependent • DTI of 50% up to €1,700 customer income, 67% for income above €1,700
Published	December 2018	March 2019	October 2019	October 2019
Valid from	January 1st 2019	April 1st 2019	January 1st 2020	November 1st 2019
Impact without counter-measures[1]	c. -50% new volume (consumer)	c. -40% new volume (consumer)	c. -30% new volume (consumer)	c. -60% new volume (consumer)

Counter-measures

- Following experience from Serbia last year, and Croatia and BiH during the last three years, we bring experience to work with such regulations
- Counter-measures are gradually being rolled out to address these types of regulations, such as:
  - Focus on smaller more granular loans (sales tools, marketing materials)
  - Increase efficiency by using application processing systems and decision engines
  - Increase digital distribution, to tap into a broader customer base
  - Product offering optimization and enhanced risk criteria
  - Management of early repayments

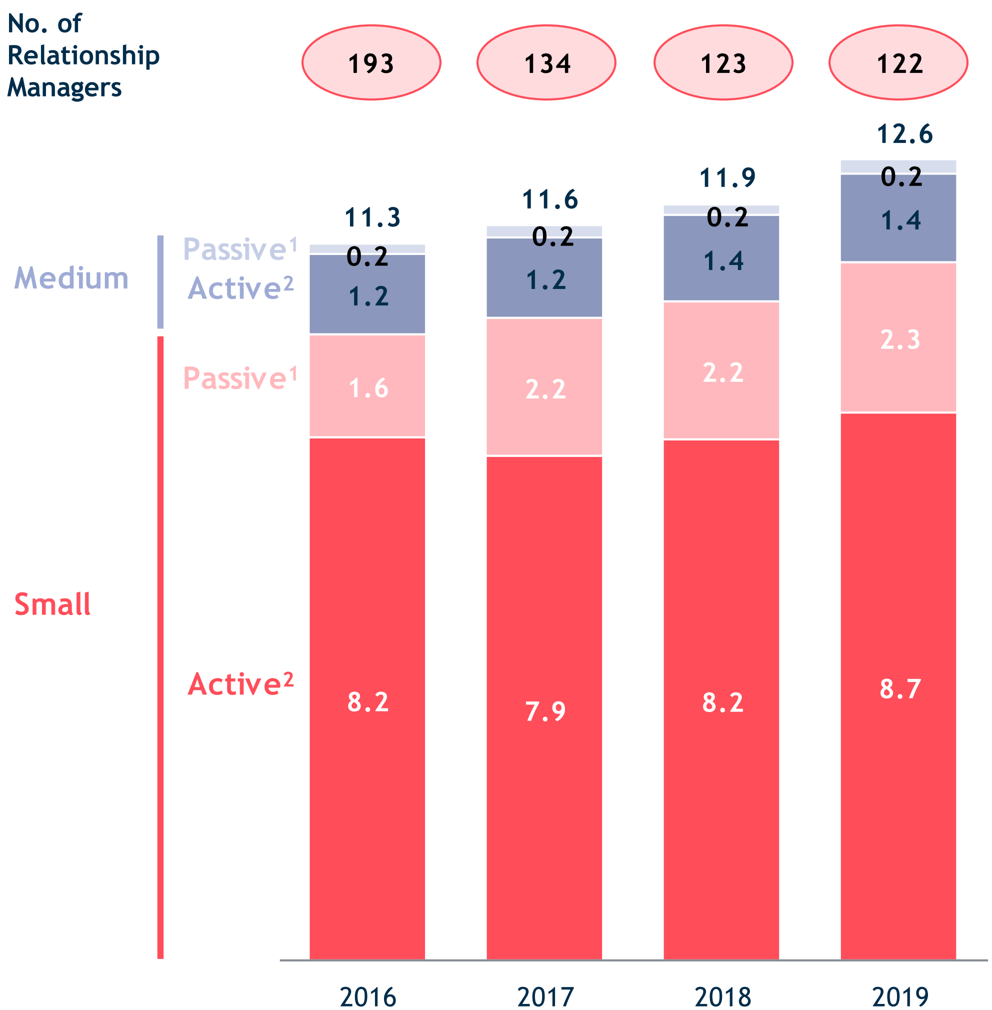
[1] Potential impact without countermeasures is based on limited available data, specifically for recently introduced restrictions.

SME: Growing SME Client Base

Addiko Bank

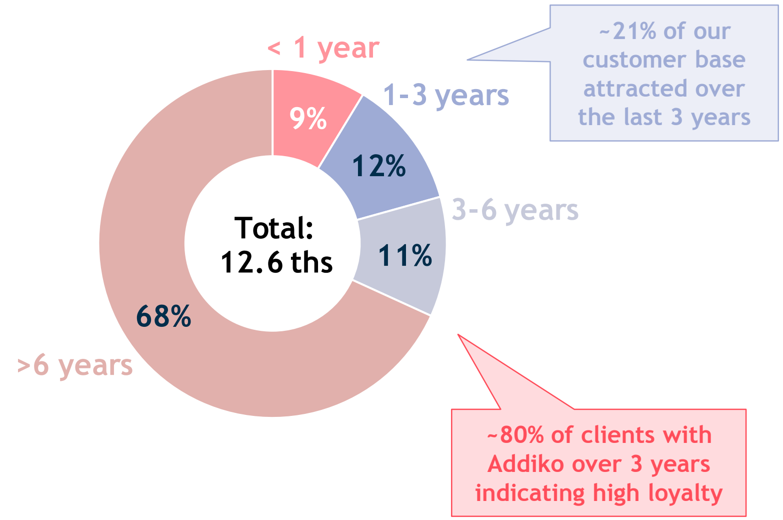
Growing client base

Number of clients (excl. NPE), ths



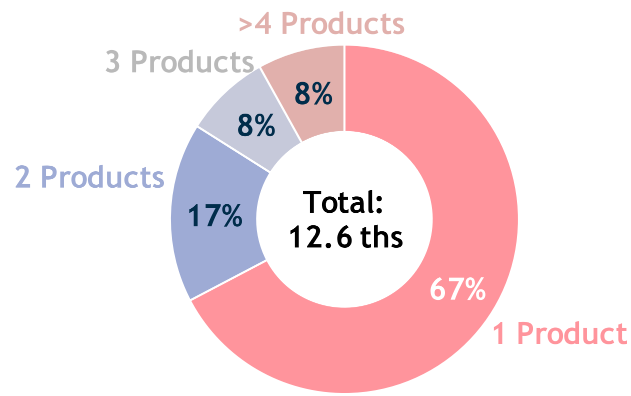
Clients' years of relationship with Addiko

2019



Clients' number of products

2019



[1] Passive customers defined as customers with no term deposit, trade finance or loan product and less than 6 payment transactions during the last 3 months but at least 1 payment transaction during last 12 months (apart from clients on rehabilitations). For payment transactions, automatized system transactions, like debit of interest and charges, are not taken into account. [2] Active customers defined as customers with at least 6 payment transactions during the last 3 months or having term deposit or loan or trade finance product (apart from clients on rehabilitations).

SME: Building Leadership in Digital Lending for SMEs

Addiko Bank

		2016	YE19 (Release 2.0 & 2.5)	1H20 (Release 3.0)
Digital Roll out to:		• No countries	Serbia, Slovenia, Croatia	Bosnia & Herzegovina, Montenegro
Features / products		• No products available	• Simple term loans • Guarantees • Micro Loans • Flexible Interest Rate adaptation • Client eligibility check • Enhanced risk criteria	• Onboard both BiH banks and Montenegro • Flexible usage of Frame Products • Automatic Disbursement • Improved fee modules
Key results	**From request submitted to request approved** *(time-to-decision)*	**7** days	**~1** day	
	From meeting with client until signed documents sent to disbursement	**2** weeks	**2,5** days	
	From request submitted to money disbursed *(time-to-cash)*	**~4** weeks	**6** days	
	Touchpoints	**~10**	**<3**	

Key takeaways

Operational Excellence	End-to-end simple loan and digital trade finance developed within 9 months using Appian
Real-Time	Ability to monitor through dashboard report in real-time
Across Countries	Piloting across countries i.e. EU and non-EU, plan to be rolled out group-wide in 1H20 via release 3.0
Immediate Success	**13%** of total SME disbursements in Serbia and Slovenia in 2019 - fourth quarter '19 at 21% (12% in 2H18)

Key financials (YTD)

Reported, €mn

Group income statement (reported)	YE18	YE19
Interest income	213.8	210.8
Interest expense	-40.7	-27.8
Net interest income	**173.2**	**183.0**
Net fee and commission income	62.4	67.2
Net banking income	**235.5**	**250.2**
Other income[1]	53.5	-25.8
Operating income	**289.0**	**224.3**
Operating expenses	**-188.1**	**-189.2**
Operating result	**100.9**	**35.2**
Credit loss expenses on financial assets	2.8	2.9
Result before tax	**103.7**	**38.0**
Tax on income	0.5	-2.9
Result after tax	**104.2**	**35.1**
Group balance sheet	**YE18**	**YE19**
Net customer loans	3,787.3	3,871.9
Total assets	6,152.1	6,083.6
Customer deposits	4,836.7	4,831.2
Shareholders' equity	859.5	861.3
Key ratios	**YE18**	**YE19**
NIM	274	299
Cost/income ratio	79.9%	75.6%
Cost of risk (not annualised)	0.1%	0.1%
RoATE	12.6%	4.2%
Loan-deposit ratio (customer)	78%	80%
CET1 ratio (transitional)	17.66%	17.71%
Total capital ratio (transitional)	17.66%	17.71%

Comments

As a result of the transformation, the following adjustments need to be made:

1. T2 expenses and waiver impact (1Q18)
2. CHF conversion Serbia (law enacted in 2Q19)
   Provisions related to CHF legal matters in Croatia in 2019
3. Gain from sale of shares related to largest NPE in Croatia
4. Restructuring costs related to optimization initiatives in 2019
5. Releases in legal provisions related to solved legal cases (active settlement strategy)
6. Capital Market readiness (IPO) costs
7. Risk allocation related to legacy corporate exposures which would not have been approved according New Risk Framework as defined in 2016 and retail debt sales
8. DTA recognition

Other (non-transformational) one-offs are still included in adjusted results

[1] Includes net result on financial instruments and other operating result.

Financials: Key Financials YE19 - Adjusted

Addiko Bank

Key financials (YTD)

Adjusted, €mn

Group income statement (adjusted)	YE18	YE19
Interest income	213.8	210.8
Interest expense	-37.1	-27.8
Net interest income	**176.7**	**183.0**
Net fee and commission income	62.4	67.2
Net banking income	**239.1**	**250.2**
Other income[1]	-9.2	-17.9
Operating income	**229.9**	**232.3**
Operating expenses	**-186.9**	**-187.2**
Operating result	**43.0**	**45.1**
Credit loss expenses on financial assets	2.3	7.0
Result before tax	**45.4**	**52.1**
Tax on income	-14.5	-11.4
Result after tax	**30.9**	**40.7**

Group balance sheet	YE18	YE19
Net customer loans	3,787.3	3,871.9
Total assets	6,152.1	6,083.6
Customer deposits	4,836.7	4,831.2
Shareholders' equity	859.5	861.3

Key ratios	YE18	YE19
NIM	280	299
Cost/income ratio	78.1%	74.8%
Cost of risk (not annualised)[2]	0.1%	0.2%
RoATE	3.7%	4.9%
RoATE (@14.1% CET1)	4.2%	5.6%
Loan-deposit ratio (customer)	78%	80%
CET1 ratio (transitional)	17.66%	17.71%
Total capital ratio (transitional)	17.66%	17.71%

[1] Includes net result on financial instruments and other operating result.
[2] Calculated over net loans.

Key highlights

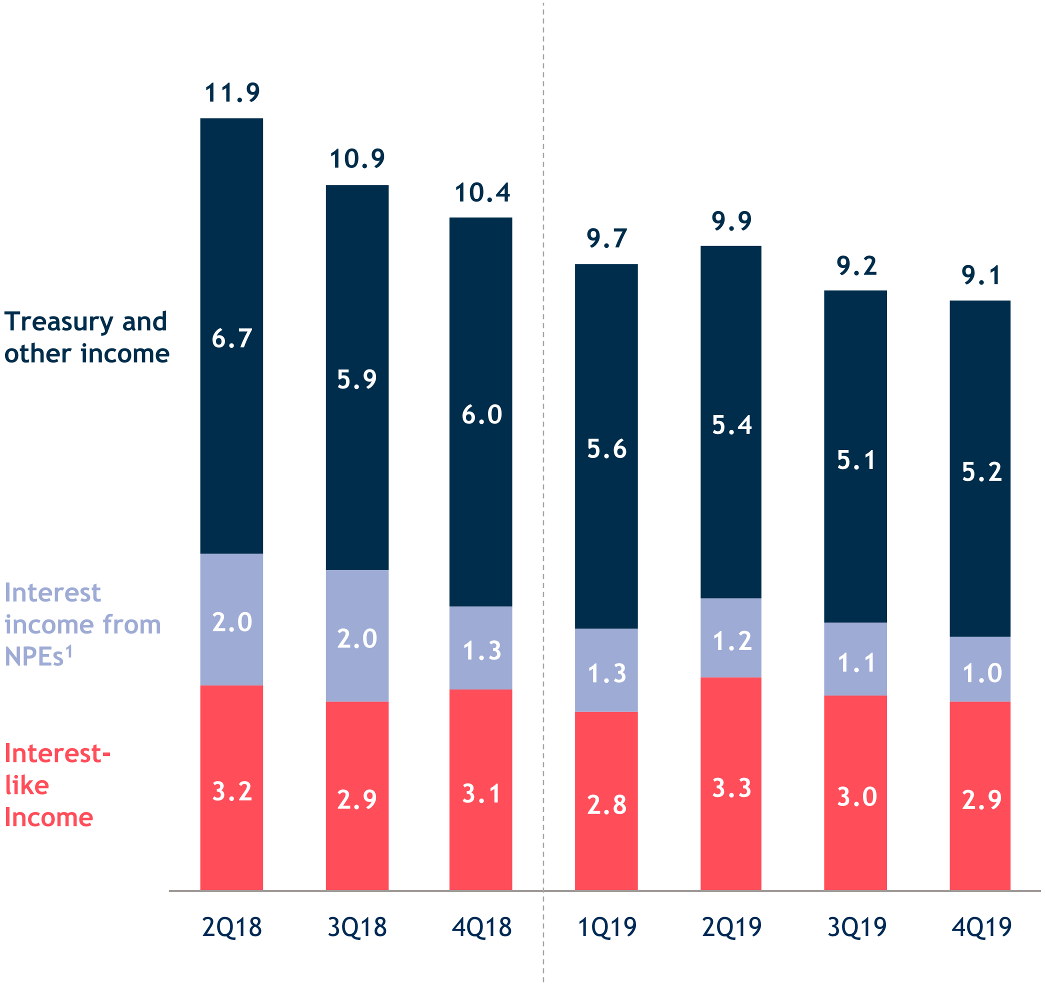
- **Interest income:** stable mainly due to an increase in interest income in Consumer and SME (€10.8mn) compensating decrease in non-focus (€-7.4mn). Developments mainly related to:
  - One-off in 3Q18 related to a termination fee from a large public entity of €0.6mn accounted for as interest like income
  - Reduced interest income from NPEs (down €2.8mn vs. 2018) as a consequence of continued track record in NPEs reduction
  - Lower yields on bond portfolio reflecting current situation on the market (continued negative interest environment)
- **Interest expense:** decrease mainly due to active re-pricing (-0.2%) and shift from higher-yield term deposits to lower-yield current deposits, despite increase in deposit volumes
- **Net fee and commission income:** increase of €4.8mn mainly due to bancassurance, transactions and roll-out of further functionalities for guarantee and trade finance products in SME
- **Other income:** includes gains from sale of financial instruments (OCI) but influenced by IT impairments - gains from resolution of largest NPE (during YE19 closure gain removed from adjusted result)
- **Operating expenses:** relatively flat due to strict cost monitoring and ongoing cost efficiency programs
- **Credit loss expenses on financial assets:** provisioning in Consumer (€20.3mn) and SME (€3.2mn) compensated by releases in non-focus areas
- **Capital ratios remain solid** including profits and dividends

Improvement in adjusted RoATE (@14.1% CET1) to 5.6% in YE19 (YE18: 4.2%)

Financials: Other Interest Income

Other interest income by quarter

Reported, €mn



- **Treasury and other income:** stable development continuously decreasing due to the overall yield environment and the plain vanilla bond portfolio, predominantly in investment grade

- **Interest income from NPEs:** lower interest income mainly due to successful reduction in NPEs

- **Interest like income** (i.e. fees accrued over the lifetime of the loan): similar level to previous year

[1] Interest income from NPEs referred to as "unwinding" in reporting in previous periods.

FINANCIALS: OTHER INCOME

Addiko Bank

Other income breakdown (YTD)

€mn

	YE18	YE19
Deposit guarantee	(8.8)	(9.1)
Bank levies and other taxes	(3.8)	(4.3)
1 Recovery and Resolution Fund	(2.4)	(1.3)
2 Restructuring	(2.8)	(3.9)
3 Legal provisions (net)	5.6	(10.3)
Impairments non-financial assets (net)	(5.0)	(6.3)
4 Other	0.7	(4.0)
Other operating result	(16.5)	(39.3)
Net result on financial instruments	70.0	13.4
Other income (reported)	**53.5**	**(25.8)**
5 Adjustments	(62.7)	7.9
Other income (adjusted)	**(9.2)**	**(17.9)**

1. **Recovery and Resolution Fund:** reduced balance sheet size of Holding in Austria led to reduced cost in 2019

2. **Restructuring:** increase to €3.9mn mainly related to restructuring costs for executed back-office FTE optimization and branch closures

3. **Legal provisions:** higher provisions mainly due to legal claims from CHF clients in Croatia not having converted as a consequence of the law (including recent ruling by the Supreme Court of Croatia on CHF)

4. **Other:** driven by legal costs related to active claims and tax related effects from Croatia

5. **Adjustments:** mainly related to transformational one-offs resulting from Tier 2 waiver in 1Q18, provision releases for legal cases in 3Q18 as well as CHF clause provision for Croatia and restructuring costs in 2019.

   Gains from resolution of largest NPE client in Croatia retroactively considered as one-off (€4.3mn)

Financials: Other Income Deep-dive 4Q19

Addiko Bank

Other income development in the fourth quarter

€mn

Other income	3Q19 (YTD) Reported	3Q19 (YTD) Adjusted	YE19 Reported	YE19 Adjusted	4Q19 (QTD) Reported	4Q19 (QTD) Adjusted
	Published 19.11.2019					
Deposits guarantee	(6.8)	(6.8)	(9.1)	(9.1)	(2.2)	(2.2)
Banking levies and other taxes	(2.9)	(2.9)	(4.3)	(4.3)	(1.4)	(1.4)
Recovery & Resolution Fund	(1.3)	(1.3)	(1.3)	(1.3)	(0.0)	(0.0)
Restructuring	(2.3)	(0.0)	(3.9)	(0.0)	1 (1.6)	(0.0)
Legal provisions (net)	(9.6)	(0.2)	(10.3)	(2.1)	(0.8)	(1.8)
Impairments on non-financial assets	(0.8)	(0.8)	(6.3)	(6.3)	2 (5.5)	(5.5)
Other	(1.2)	(1.2)	(4.0)	(4.0)	(2.9)	(2.9)
Other operating result	(24.9)	(13.2)	(39.3)	(27.1)	(14.4)	(13.9)
Net result on financial instruments	9.3	9.3	13.4	9.2	3 4.1	(0.2)
Other income	**(15.6)**	**(3.9)**	**(25.8)**	**(17.9)**	**(10.3)**	**(14.0)**
Adjustments	(11.7)		(7.9)		3.7	

1 **Accelerated restructuring:** mainly related to additional restructuring costs for executed back-office FTE optimization and branch closures on top of initial target

2 **Impairment of intangible assets:** includes €-6.7mn (YE18: €-5.6mn) driven by decision to upgrade the version of the core banking system in some countries, in addition to effects related to the outcome of a group-wide project to assess future economic benefit of certain IT applications

3 **Gains from NPE resolution:** gain related to resolution of largest NPE in Croatia (€4.3mn) retroactively removed from adjusted result in 4Q19 (i.e. now earmarked as one-off)

Detailed balance sheet overview (YTD)

Reported, €mn

	2016	2017	2018	2019
Liquid Assets	3,287.6	2,582.5	2,211.8	2,034.5
Cash reserves	1,878.2	1,285.9	1,002.9	899.4
Investment Portfolio	1,409.4	1,296.6	1,208.9	1,135.1
Financial assets held for trading	17.4	19.8	24.3	38.5
Investment securities	1,391.9[1]	1,276.8[1]	1,184.6	1,096.6
Loans and receivables	3,779.9	3,757.2	3,792.9	3,885.9
Loans and receivables to credit institutions	49.4	65.3	5.6	14.0
Loans and receivables to customers	3,730.5	3,691.9	3,787.3	3,871.9
Derivatives – hedge accounting	0.1	0.1	-	-
Tangible assets	70.4	57.3	57.7	85.9
Property, plant & equipment	67.9	55.3	55.7	81.8
Investment properties	2.5	2.0	2.0	4.1
Intangible assets	17.3	21.8	30.3	27.9
Tax Assets	2.6	22.3	28.3	25.7
Current tax assets	2.6	1.6	1.7	1.8
Deferred tax assets	-	20.6	26.6	23.9
Other assets	18.9	24.8	25.5	20.6
Non-current assets and disposal groups classified as held for sale	39.3	19.5	5.7	3.1
Total assets	**7,216.1**	**6,485.5**	**6,152.1**	**6,083.6**
Deposits from credit institutions	316.0	341.6	324.4	233.9
Deposits from customers	4,435.6	4,933.8	4,836.7	4,831.2
Issued bonds, subordinated and supplementary capital	73.5	198.5	1.1	0.1
Other financial liabilities	1,215.3	47.3	40.3	56.4
Financial liabilities measured at amortized cost	**6,040.4**	**5,521.2**	**5,202.5**	**5,121.6**
Financial liabilities at fair value through profit or loss	25.0	-	-	-
Financial liabilities held for trading	9.1	1.8	2.1	6.0
Derivatives – hedge accounting	6.9	-	-	-
Total interest bearing liabilities	**6,081.4**	**5,523.0**	**5,204.6**	**5,127.6**
Provisions	107.8	83.3	62.0	66.9
Tax liabilities	1.4	1.3	1.0	0.0
Current tax liabilities	1.0	0.9	0.9	-
Deferred tax liabilities	0.5	0.5	0.1	0.0
Other liabilities	28.1	33.8	25.1	27.9
Liabilities included in disposal groups classified as held for sale	2.7	-	-	-
Total liabilities	**6,221.4**	**5,641.5**	**5,292.5**	**5,222.4**
Total shareholders' equity	**994.7**	**844.0**	**859.5**	**861.3**
Total liabilities and shareholders' equity	**7,216.1**	**6,485.5**	**6,152.1**	**6,083.6**

[1] The line item "Investment securities" was introduced in the Audited Consolidated Financial Statements as of and for the financial year 2018, due to introduction of IFRS 9. The position includes also the IAS 39 positions "available-for-sale financial assets "and "held-to-maturity investments" as presented in the Audited Consolidated Financial Statements for the financial years 2016 and 2017.

Detailed income statement overview (YTD)

Reported, €mn

	2016	2017	2018	2019
Interest income calculated using the effective interest method	232.2	226.0	209.6	207.4
Other interest income	6.0	8.3	4.2	3.4
Interest expense	(79.4)	(68.9)	(40.7)	(27.8)
Net interest income	**158.8**	**165.3**	**173.2**	**183.0**
Fee and commission income	62.0	71.3	76.5	83.0
Fee and commission expense	(12.0)	(12.8)	(14.1)	(15.8)
Net fee and commission income	**50.0**	**58.5**	**62.4**	**67.2**
Net result on financial instruments	20.3	9.7	70.0	13.4
Other operating income	29.6	27.4	19.1	8.9
Other operating expenses	(71.6)	(34.0)	(35.7)	(48.2)
Operating result	**187.0**	**226.9**	**289.0**	**224.3**
Personnel expenses	(99.8)	(97.4)	(99.4)	(96.7)
Other administrative expenses	(93.1)	(80.9)	(78.0)	(73.3)
Depreciation and amortization	(19.5)	(11.7)	(10.7)	(19.1)
Operating expenses	**(212.4)**	**(190.1)**	**(188.1)**	**(189.2)**
Operating result before change in credit loss expense	**(25.4)**	**36.9**	**100.9**	**35.2**
Credit loss expenses on financial assets	4.4	(15.1)	2.8	2.9
Result before tax	**(21.0)**	**21.8**	**103.7**	**38.0**
Taxes on income	(2.9)	19.9	0.5	(2.9)
Result after tax	**(23.9)**	**41.6**	**104.2**	**35.1**

Financials: Breakdown by Entity

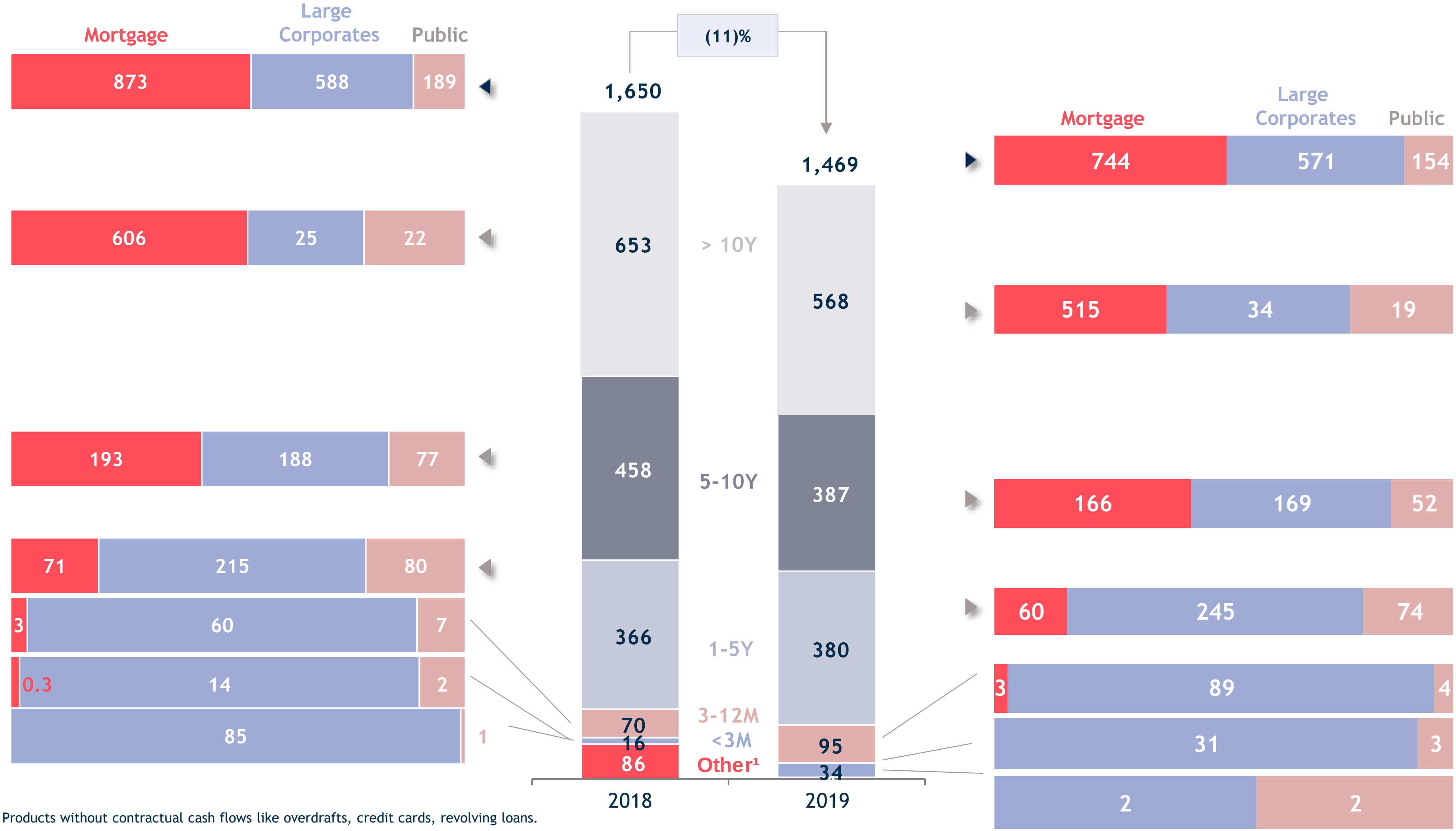
	YE19 YTD (€mn, IFRS, reported)	Addiko Bank d.d., Zagreb	Addiko Bank d.d., Ljubljana	Addiko Bank d.d., Banja Luka	Addiko Bank a.d., Sarajevo	Addiko Bank a.d., Beograd	Addiko Bank A.D., Podgorica
Macro (2018)	GDP / Capita (€ at PPP)	18.4	25.2	9.3	9.3	11.7	13.9
	Population (mn)	4.2	2.1	3.5	3.5	7.0	0.6
	Country Rating (S&P/M/F)[1]	BBB-/Ba2/BBB-	AA-/Baa1/A	B/B3/NR	B/B3/NR	BB+/Ba3/BB+	B+/B1/NR
P&L	Net interest income	64.7	41.1	12.8	14.1	30.9	11.2
	Net commission income	30.6	10.9	6.4	6.7	10.8	2.1
	Other income	(14.5)	(2.0)	(0.8)	(0.3)	(1.3)	(1.3)
	Total income	80.9	49.9	18.4	20.5	40.4	12.0
	Operating expenses	(54.8)	(26.7)	(14.2)	(15.9)	(28.7)	(8.1)
	Operating profit	26.1	23.2	4.2	4.5	11.7	3.9
	Change in credit loss expenses	(0.9)	2.0	0.4	0.3	(1.3)	(0.2)
	Result before tax	25.2	25.2	4.6	4.8	10.4	3.7
Key Ratios	Net interest margin	2.7%	2.6%	3.1%	2.9%	3.7%	4.8%
	Cost / income ratio	57.4%	51.4%	73.8%	76.8%	68.7%	60.5%
	Loan-deposit ratio[2]	76.7%	96.5%	91.4%	74.5%	108.9%	98.5%
	NPE ratio (CRB based)	6.4%	1.9%	10.7%	10.2%	3.2%	7.3%
	NPE coverage ratio (provision)	67.7%	64.3%	86.5%	86.1%	67.2%	65.8%
Balance Sheet	Total assets	2,413	1,607	431	505	806	228
	Loans and receivables	1,382	1,311	294	277	578	185
	o/w gross performing loans	1,340	1,197	290	275	580	187
	Financial liabilities at amortised cost	1,966	1,425	344	385	608	201
	RWA	1.412	926	319	371	688	171

Account for 66% of Group assets

Source: Company disclosure, does not include Holding and reconciliation.
[1] Refers to Standard & Poor's, Moody's and Fitch.
[2] Calculated as loans and receivables divided by financial liabilities at amortised cost.

Remaining maturity

Gross performing loans, €mn



[1] Products without contractual cash flows like overdrafts, credit cards, revolving loans.

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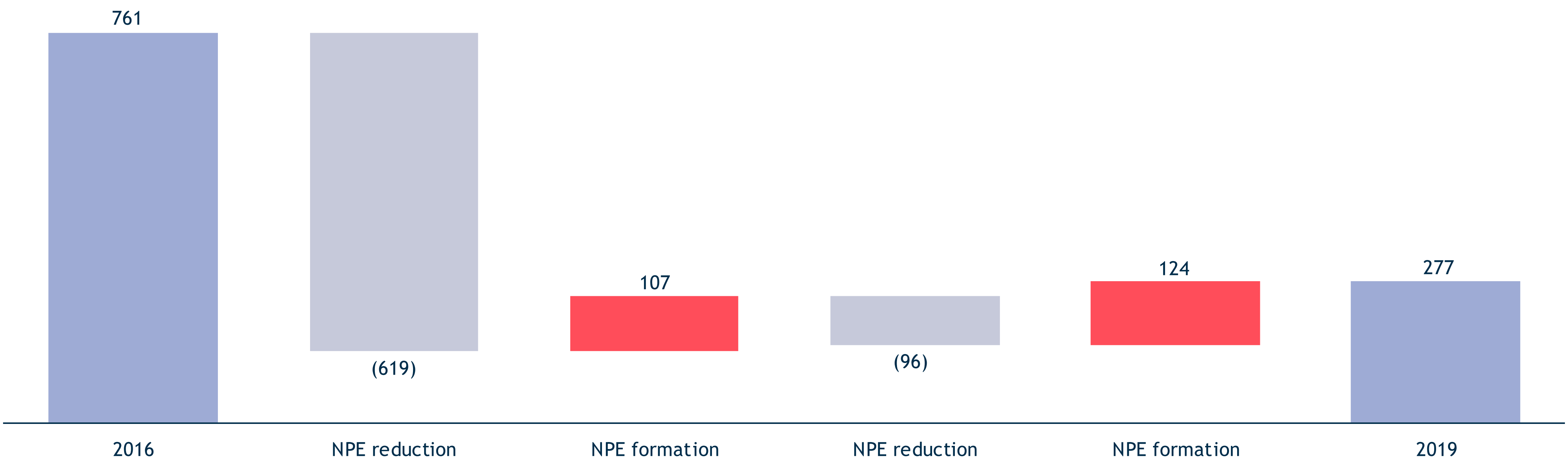
NPE movements since 2016 - group level

€mn (rounded)

Previous risk framework (before 1.1.2016) | New risk framework (from 1.1.2016)



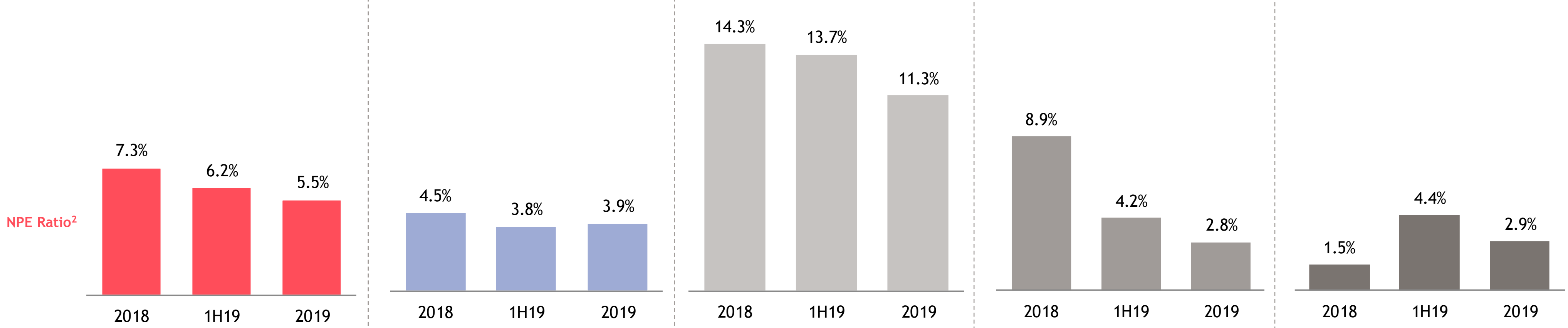
€38mn net increase while total exposure increased by **€1.1bn over three years** (Dec-2016 to Dec-2019)

		Net	
Consumer	(32)	**29**	**61**
SME	(32)	**8**	**41**
Non-focus	(31)	**(8)**	**22**
Total	(96)	**28**	**124**

€mn

NPE Coverage Ratio[1]

	Consumer 2018	Consumer 1H19	Consumer 2019	SME 2018	SME 1H19	SME 2019	Mortgages 2018	Mortgages 1H19	Mortgages 2019	Large Corporates 2018	Large Corporates 1H19	Large Corporates 2019	Public Finance 2018	Public Finance 1H19	Public Finance 2019
NPE Coverage Ratio[1]	91.1%	91.3%	91.9%	63.7%	63.8%	66.1%	73.6%	73.6%	70.7%	70.1%	44.4%	47.5%	42.0%	74.1%	54.2%



	Consumer 2018	Consumer 1H19	Consumer 2019	SME 2018	SME 1H19	SME 2019	Mortgages 2018	Mortgages 1H19	Mortgages 2019	Large Corporates 2018	Large Corporates 1H19	Large Corporates 2019	Public Finance 2018	Public Finance 1H19	Public Finance 2019
Total NPE	*104*	*91*	*84*	*71*	*64*	*69*	*145*	*127*	*95*	*81*	*38*	*23*	*3*	*9*	*6*
Total Credit Risk Exposure	*1,415*	*1,476*	*1,532*	*1,559*	*1,693*	*1,759*	*1,016*	*926*	*837*	*907*	*912*	*811*	*223*	*215*	*192*
NPE Ratio - New Risk Framework	*2.6%*	*2.9%*	*2.9%*	*2.0%*	*1.8%*	*2.5%*	*2.9%*	*2.8%*	*2.6%*	*0.4%*	*1.2%*	*1.5%*	*0.0%*	*0.0%*	*0.1%*
Credit Loss Expenses (YTD)	€(9.5)mn *Impairments*	€(9.3)mn *Impairments*	€(20.3)mn *Impairments*	€(7.4)mn *Impairments*	€3.4mn *Releases*	€(3.2)mn *Impairments*	€9.5mn *Releases*	€0.8mn *Releases*	€12.8mn *Releases*	€3.6mn *Releases*	€5.2mn *Releases*	€6.9mn *Releases*	€2.4mn *Releases*	€0.5mn *Releases*	€1.3mn *Releases*

[1] Calculated as the sum of total SRP resp. Stage-3 ECL divided by total non-performing exposure. [2] Calculated as non-performing exposure divided by total credit risk exposure.

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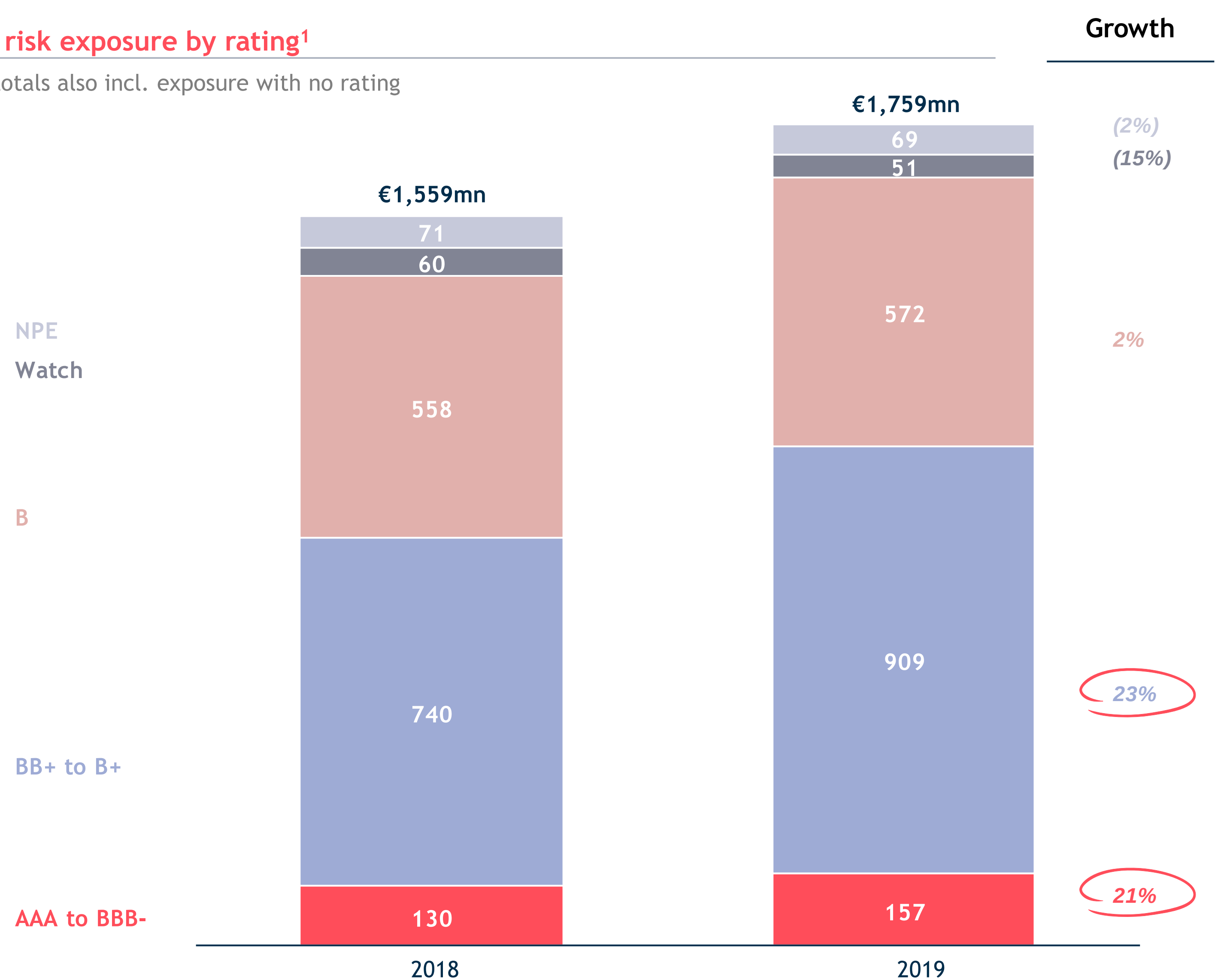
Credit risk exposure by rating[1]

€mn, totals also incl. exposure with no rating

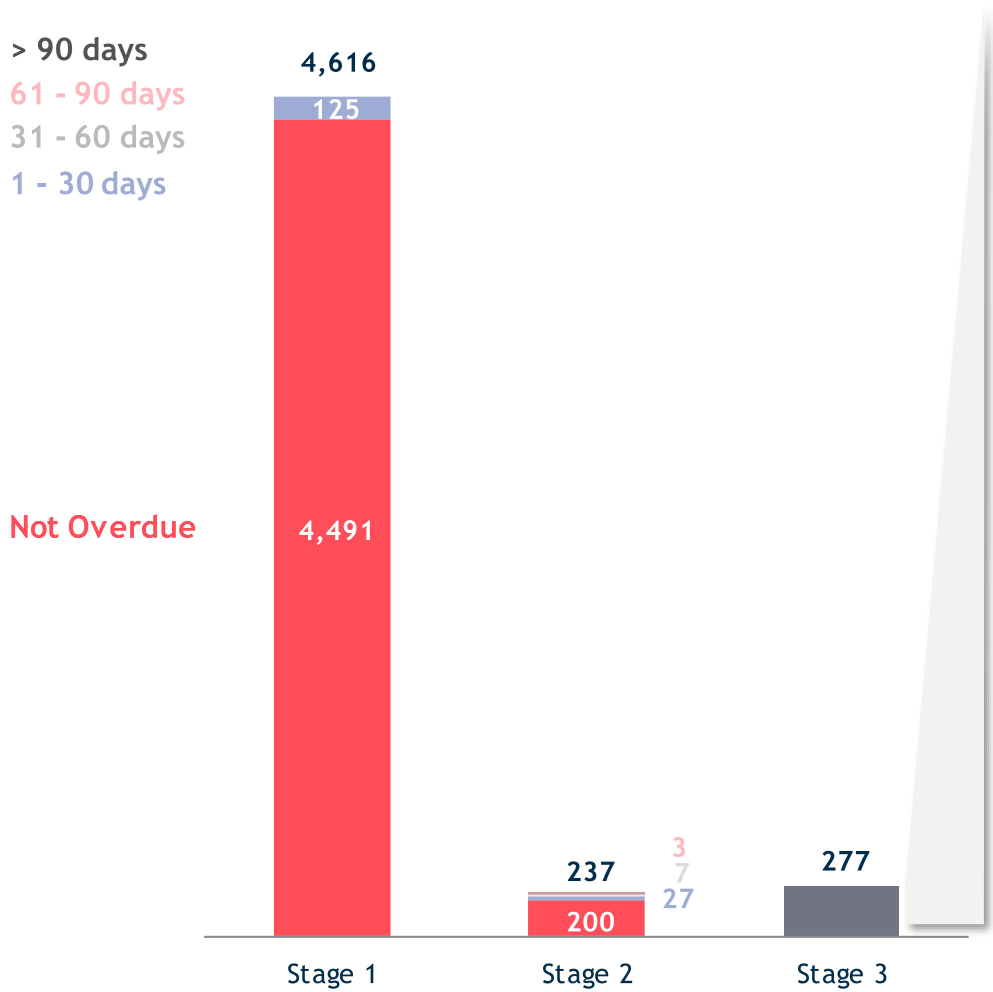


[1] Excluding securities with no rating (€0.3mn in 2018 and €0.6m in 2019).

Risk: Well-Provisioned Portfolio

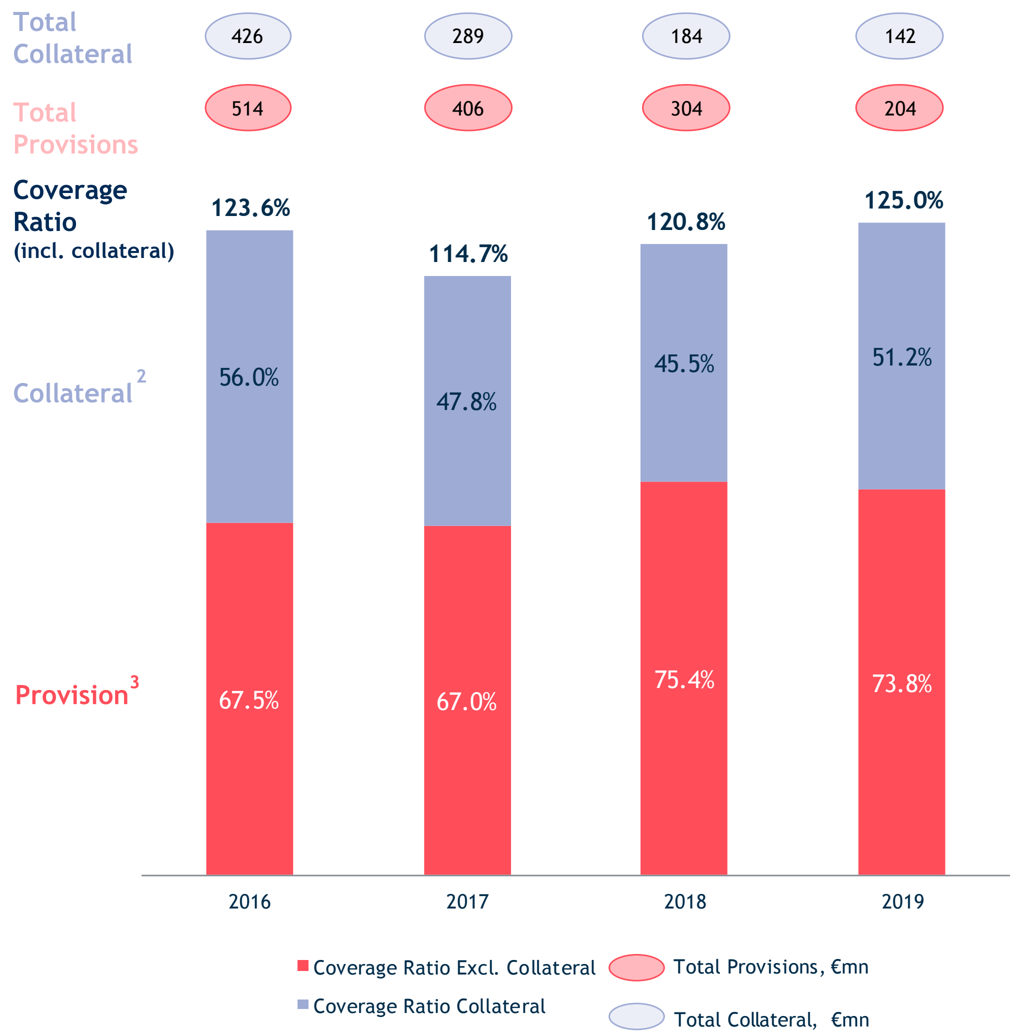
Stage 1, 2 and 3 assets

2019, €mn



Stage 3 assets[1]

€mn

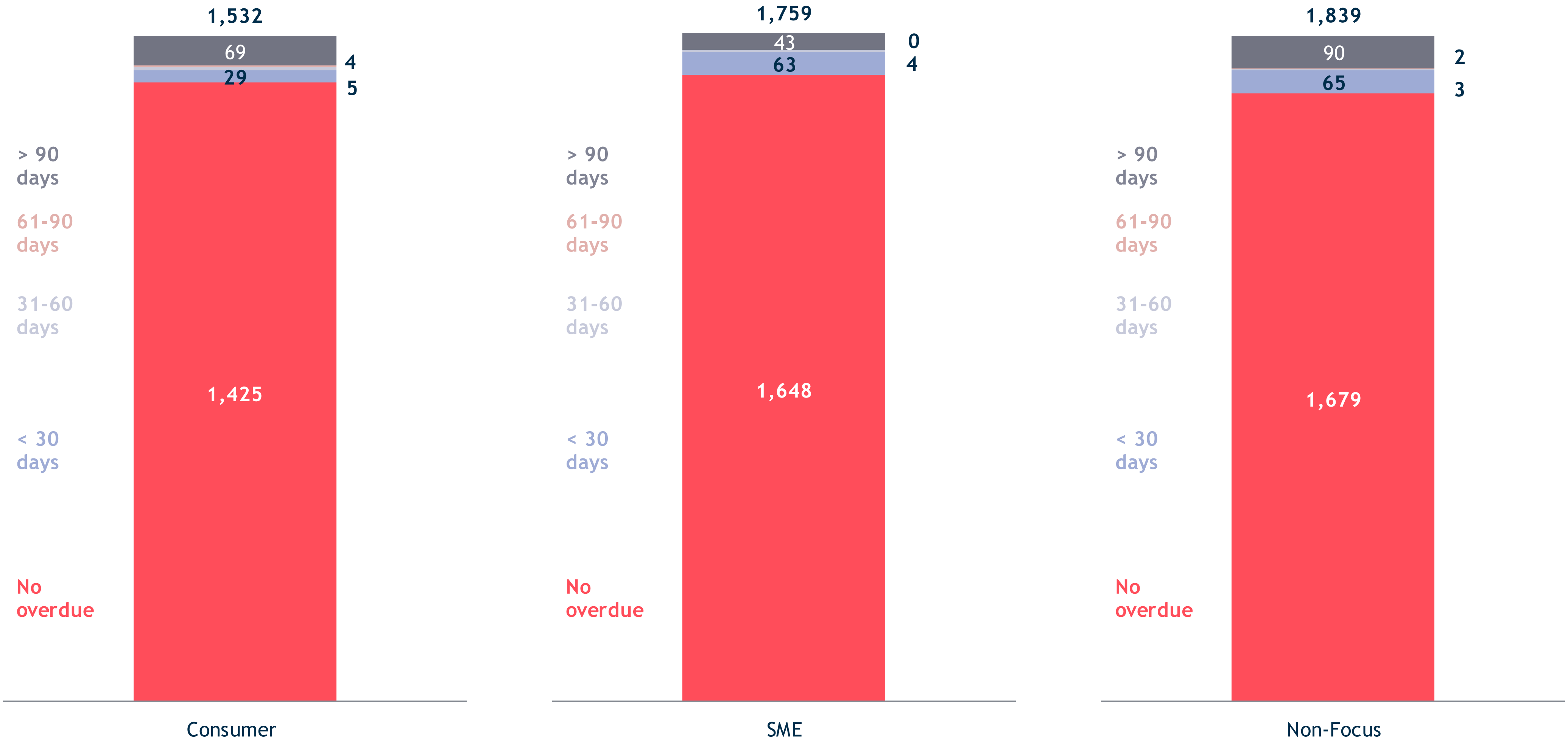


[1] Collateral value considered after internal haircuts and capping at exposure value. [2] Calculated as total non-performing collaterals divided by total non-performing exposure. [3] Calculated as the sum of total SRP resp. Stage-3 ECL divided by total non-performing exposure.

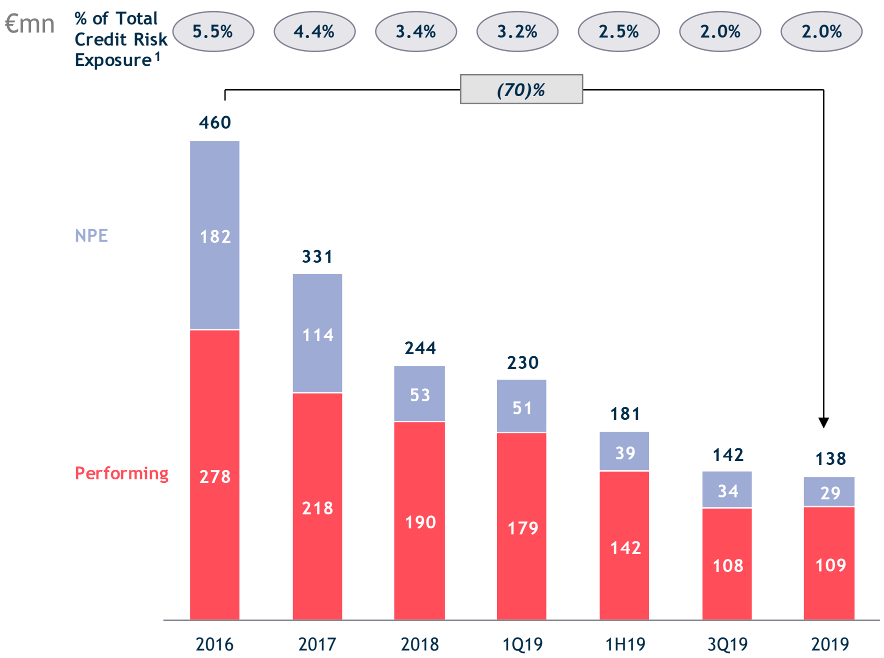
RISK: HIGH-QUALITY LOAN BOOK

Credit risk exposure

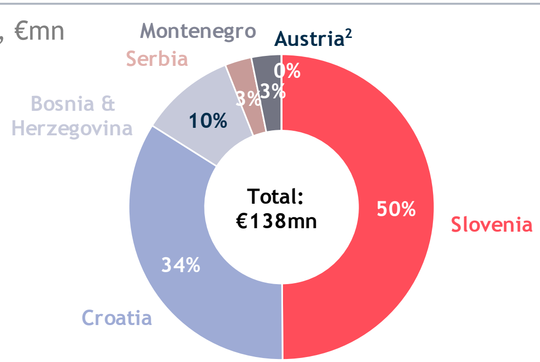
€mn



CHF portfolio overview



CHF credit risk exposure by countries



CHF conversion across countries

Country	
Slovenia	National Council adopted resolution to prepare legislation initiative on the protection of consumers on CHF loans in April 2019 - Legal Service of Slovenian parliament published a negative opinion to the initiative, questioning the constitutionality of such law and sees violation of European laws. On October 8th 2019 such proposed draft law was rejected by the Finance Committee of the Slovenian Parliament. The Ministry of Finance announced in February 2020 that it will stop mediation between banks and Association Frank regarding the CHF loan topic. Minster of Finance stepped down later and new elections seem to be possible, hence it is doubtful if this comment really has any impact and consequences.
Croatia	Conversion Law enacted in September 2015. Ruling by the Supreme Court of Croatia published on September 17th 2019 declaring FX clauses in CHF loans as null and void. The management reflected a provision of €8.7mn in 3Q19 results. The Supreme Court Croatia recently announced that it accepted to rule on a sample case regarding annulment of converted FX loans, i.e. whether CHF loans converted under the Conversion Law 2015 can still be subject to annulment due to invalid FX and unilateral interest clause. The ruling is expected to be published late 1Q20 or early 2Q20.
Serbia	Law enacted end of April 2019.
Bosnia & Herzegovina	The conversion law draft was voted down by parliament in October 2017 in favour of a widely accepted voluntary offer.
Montenegro	Law on conversion of CHF loans enacted on July 2015 and amended September 2016.

[1] Calculated as total CHF credit risk exposure divided by total credit risk exposure of Addiko Group.

[2] Reflects Holding's short term balance (if any) related to hedging CHF exposures for Addiko subsidiaries (no balance as of 31.12.2019)

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Vienna, March 2020

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Addiko Group’s Investor Relations website https://www.addiko.com/investor-relations/ contains further information, including financial and other information for investors.

About Addiko Group
Addiko Group consists of Addiko Bank AG, the fully-licensed Austrian parent bank registered in Vienna, Austria, listed on the Vienna Stock Exchange and regulated by the Austrian Financial Markets Authority, as well as six subsidiary banks, registered, licensed and operating in five CSEE countries: Croatia, Slovenia, Bosnia & Herzegovina (two banks), Serbia and Montenegro. Addiko Group, through its six subsidiary banks, services as of December 31, 2019 approximately 0.8 million customers in CSEE, using a well-dispersed network of 179 branches and modern digital banking channels. Addiko Bank AG manages its subsidiary banks through group-wide strategies, policies and controls and manages Addiko Group’s liquidity reserve.
Addiko Group repositioned itself as a specialist consumer and SME banking group with a focus on growing its consumer business and SME lending activities as well as payment services (its “focus areas”), offering unsecured personal loan products for consumers and working capital loans for its SME customers funded largely by retail deposits. Addiko Group’s mortgage business, public lending and large corporate lending portfolios (its “non-focus areas”) are gradually reduced over time, thereby providing liquidity and capital for the gradual growth in its consumer business and SME lending.