Addiko Bank

1Q20 Results Presentation

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1Q20 Executive Summary

Financials & Risk Update

Additional Materials

Executive Summary 1Q20

Addiko Bank

Good Operational Performance Tampered by Covid-19

- **Result after tax** of €-8.4mn net loss (1Q19: €+10.1mn reported, €+8.5mn adjusted)
- **Solid operating result** before change in credit loss expense at €13.2mn, up by c. 30% YoY despite weak second half of March 2020
- **Significant precautionary provisioning** (€13.6mn) reflecting expectation for Covid-19 effects on macroeconomic context (IFRS 9)
- **Return on Tangible Equity** (@14.1% CET1 Ratio) of -1.2% (YE19: 5.6%)
- Transitional **CET1** ratio of 16.9% (IFRS 9 Fully-Loaded CET1 ratio of 16.3%)

Risk Profile Remains Strong, Changed Macro Environment Reflected

- **NPE ratio further reduced** to 3.4% (YE19: 3.9%)
- **NPE provision coverage** solid at 73.3% (YE19: 73.8%)
- **Cost of Risk** (net loans) at -0.4% (impairment) driven by proactive €13.6mn IFRS 9 one-off reflecting changed macro parameters – pure operational provisioning better than expected
- Non-focus areas positive effect on cost of risk with net releases of €3.8mn
- **Solid and stable funding situation** despite Covid-19 pandemic

Advancements in Digital

- **Digital users** increased to 213 thousand (up 3% vs. YE19)
- Share of **digitally originated consumer loans** improved to 10.4% in 1Q20 (9.0% in YE19)
- Contribution from **Bank@Work** inched-up to 29% (27% in YE19) fully compensating for c. 10% closed branches at the end of 2019
- Simple **SME term loans** originated **digitally** in Serbia and Slovenia at 37% for first quarter 2020 compared to 21% in 4Q19 – lower contribution expected during next months due to more cautious underwriting

Solid Operational Platform Enables to Tackle Covid-19 Pandemic Impacts

Business Continuity

Staff & Customers - all services delivered without incidents

- Preventive measures aligned with recommendations of authorities
- Home-office for 1,500 non-branch staff, leveraging available infrastructure
- Operation of branch network with 173 branches (out of 178) with multiple back-ups
- Digital push with "Manage your finances from home" initiative

Portfolio & Underwriting

- Implemented proactive provisioning and more restrictive underwriting criteria

Macroeconomic Environment

- The Covid-19 pandemic created a demanding and unpredictable market environment
- Recovery largely depending on commercial activity response to easing of lock-down measures
- Addiko follows the macroeconomic consensus expecting a V-shaped recovery in 2021

Outlook 2020 & Mid Term Targets

- **Outlook 2020 suspended** until further clarity on Covid-19 related impacts
- Mid Term Targets unchanged, achievement likely to be delayed depending on post Covid-19 pandemic recovery

AGM & Dividend Guidance

- AGM for business year 2019 postponed to fourth quarter 2020
- Review of decision for planned dividend 2019 in fourth quarter 2020
- Guidance for dividend 2020 suspended until further clarity on Covid-19 impact and regulatory requirements

Continued Repositioning into Focused Areas – Consumer and SME

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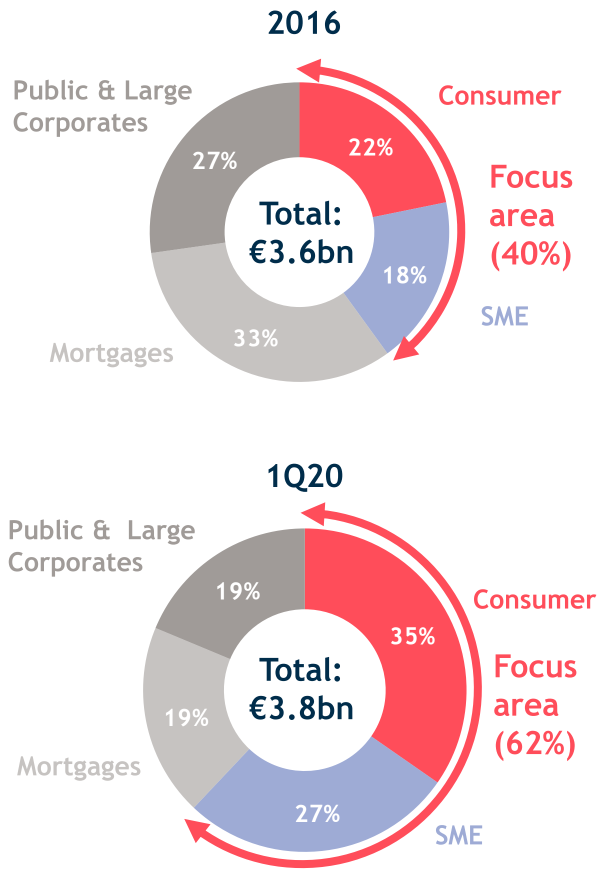
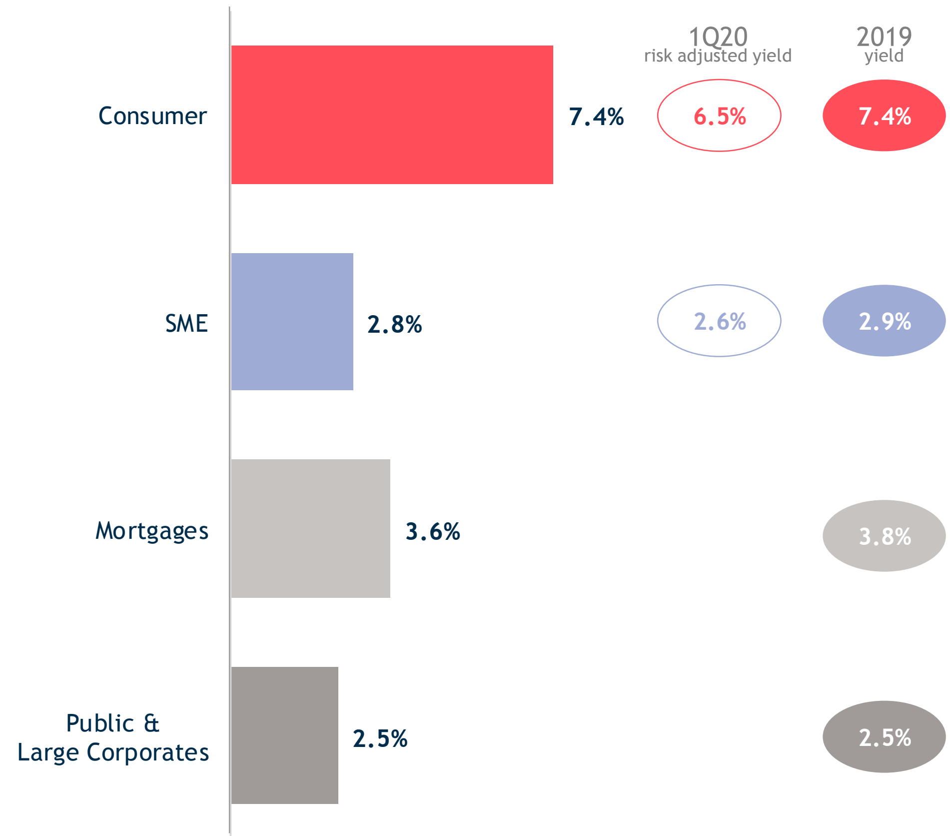
Gross performing loans by segment



Gross yield by segment[1]

1Q20



- Lower new production in Consumer, but better than anticipated given lending restrictions introduced in 2020
- SME new business increased by 23%

- Business mix shift driving yield expansion (difference in yields between focus and non-focus remains at c. 2.3%)
- New business yields up by 15bp in Consumer and 10bp in SME compared to 4Q19

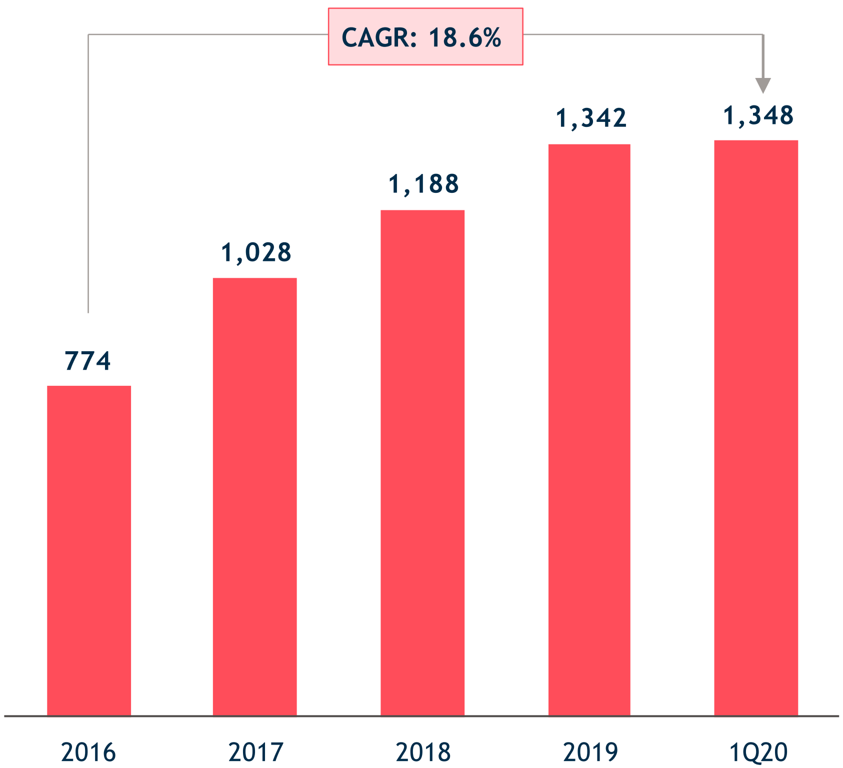
[1] The gross yield is calculated as annualised regular interest income (i.e. excl. interest income from NPEs, interest like income and before FTP) divided by the simple average of gross performing loans based on beginning and end of period amounts.

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

Consumer

Strong growth in higher margin business

Consumer - gross performing loans (€mn)



NCI Growth

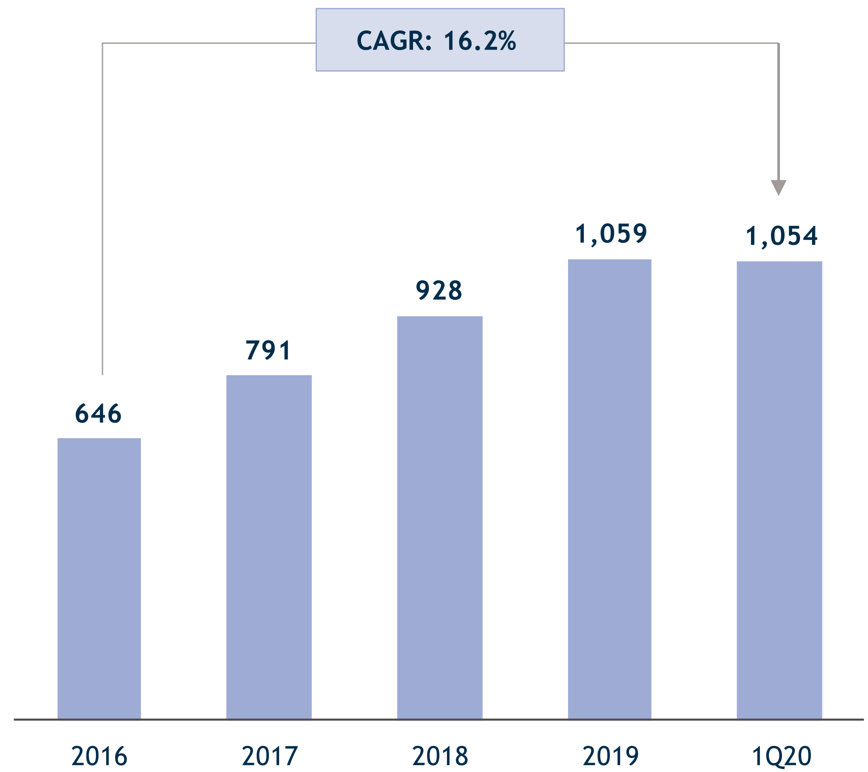
€9.5mn/-7.2%
1Q20 vs. 1Q19

- Flat volume development related to Consumer lending restrictions and Covid-19 impact in March 2020
- Portfolio **up 10% vs. 1Q19**

SME

Healthy SME growth

SME - gross performing loans (€mn)



NCI Growth

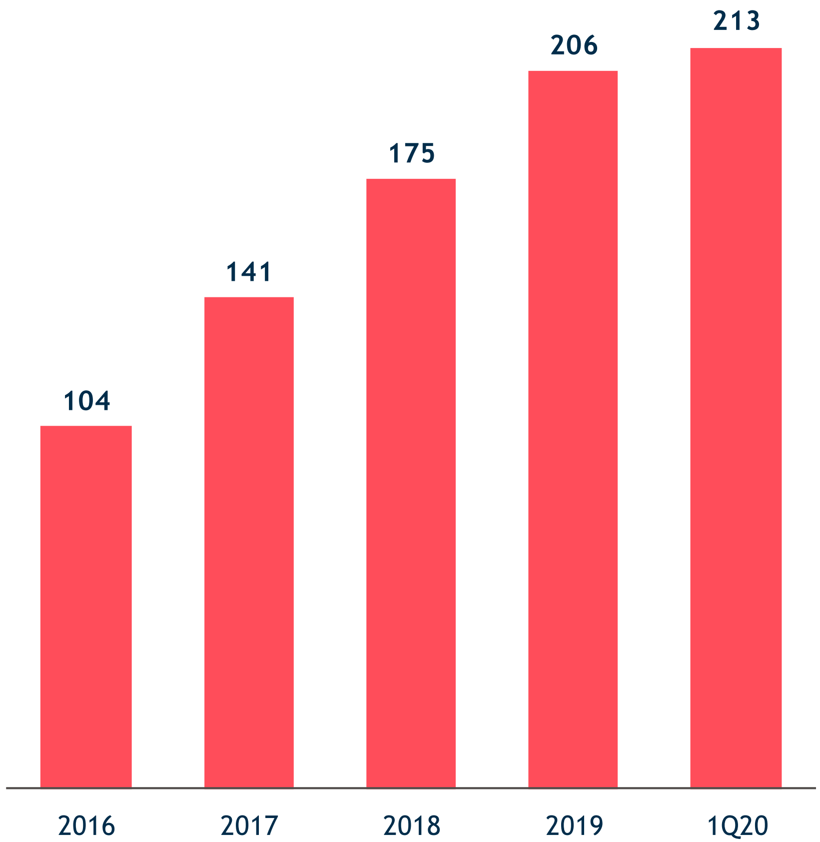
€4.2mn/+5.1%
1Q20 vs. 1Q19

- Re-segmentation led to decrease by €3.5mn in SME, otherwise flat volume development in 1Q20
- Portfolio **up 6% vs. 1Q19**

Digital capabilities

	2016	2017	2018	2019	1Q20
Registered Mobile Banking Users (ths.)	58	84	120	158	167

Digital Users (ths.)



Digital users: +3%
Mobile banking users: +6%
(vs. 2019)

Digital consumer loans: 10.4%
Consumer loans originated through Web in 1Q20 / % of total consumer loans disbursements (vs. 9.0% in 2019)

Bank@Work: 29%
(vs. 27% in 2019)

~67%
Share of automated loan decisions (only consumer loans) in 1Q20 (vs. 67% for 2019)

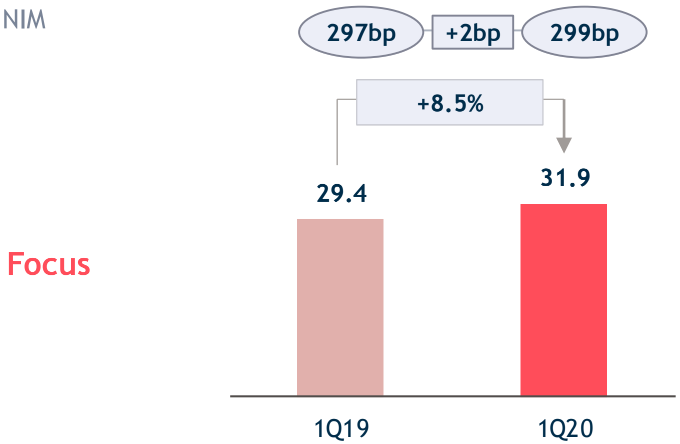
<30 min[1]
Decision time across Group (only consumer loans) since launch of new APS

Digital SME loans: 37%
Simple SME term loans sold via digital platform in Slovenia and Serbia (vs. 21% in 4Q19)

[1] Median as of YTD 1Q20.

Regular interest income (focus only)

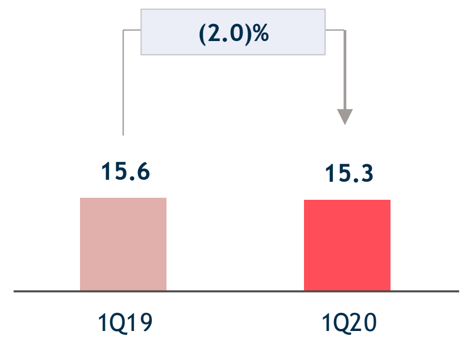
€mn



- NIM stable supported by the further shift from non-focus to focus, repricing of deposits and further optimization of liquidity portfolio

Net fee and commission income

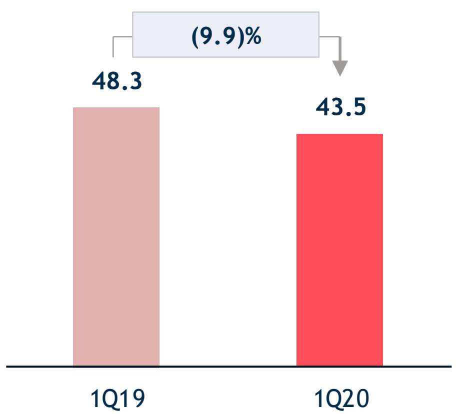
€mn



- Influenced by one-time effects and overall decline of business activities in 2nd half of March due to Covid-19

Operating expenses

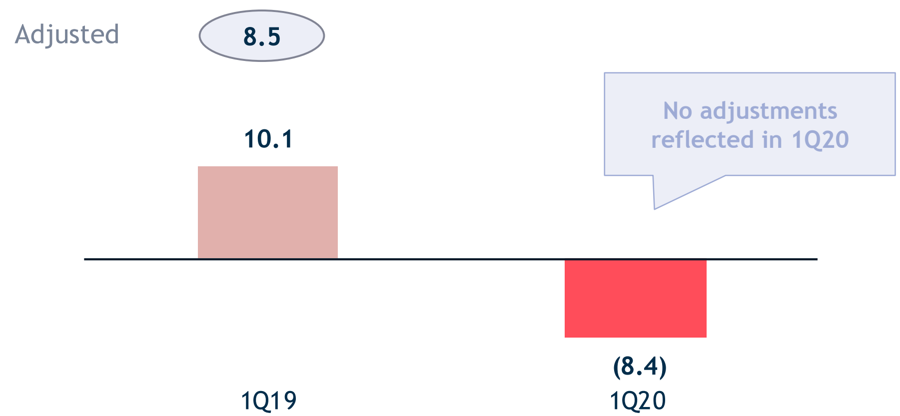
€mn



- 2020 with positive effects from the implementation of restructuring measures in 2019 and cost measures (one-offs in 1Q19 such as IPO costs)

Result after tax

€mn



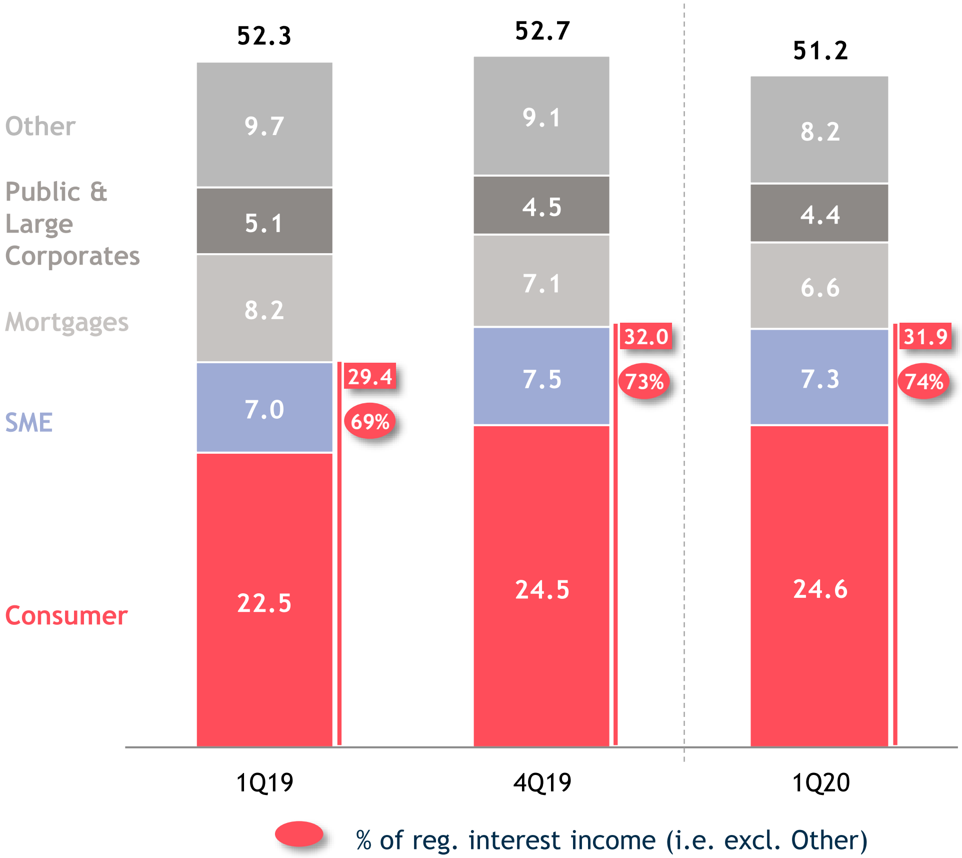
RoATE (@14.1% CET1) at -1.2% in 1Q20 (1Q19: 5.5%, including adjustments)

Interest Income Dynamics

Addiko Bank

Interest income by quarter[1]

Reported, €mn



1Q20 interest income better than expected considering consumer protection regulation but down vs. 4Q19 due to Covid-19 impact in March

Gross yield by quarter[2]

	1Q19	4Q19	1Q20
Consumer	7.5%	7.3%	7.4%
	7.1% new business	7.4% new business	7.5% new business
SME	2.9%	2.8%	2.9%
	2.9% new business	2.8% new business	2.8% new business
Public & Large Corporates	2.7%	2.5%	2.5%
Mortgages	3.8%	3.7%	3.6%

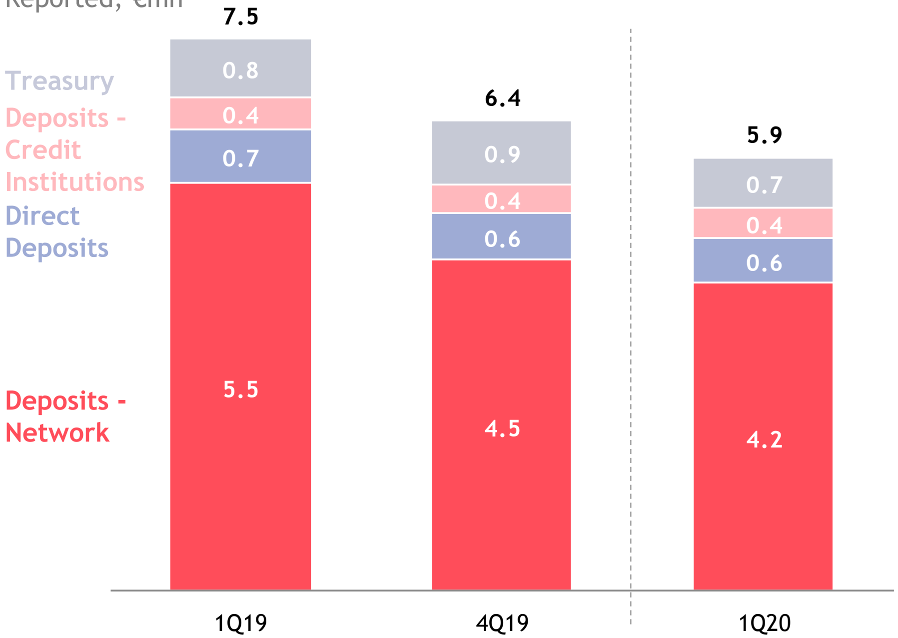
New business yields continued to inch-up in both focus areas Consumer and SME during 1Q20

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

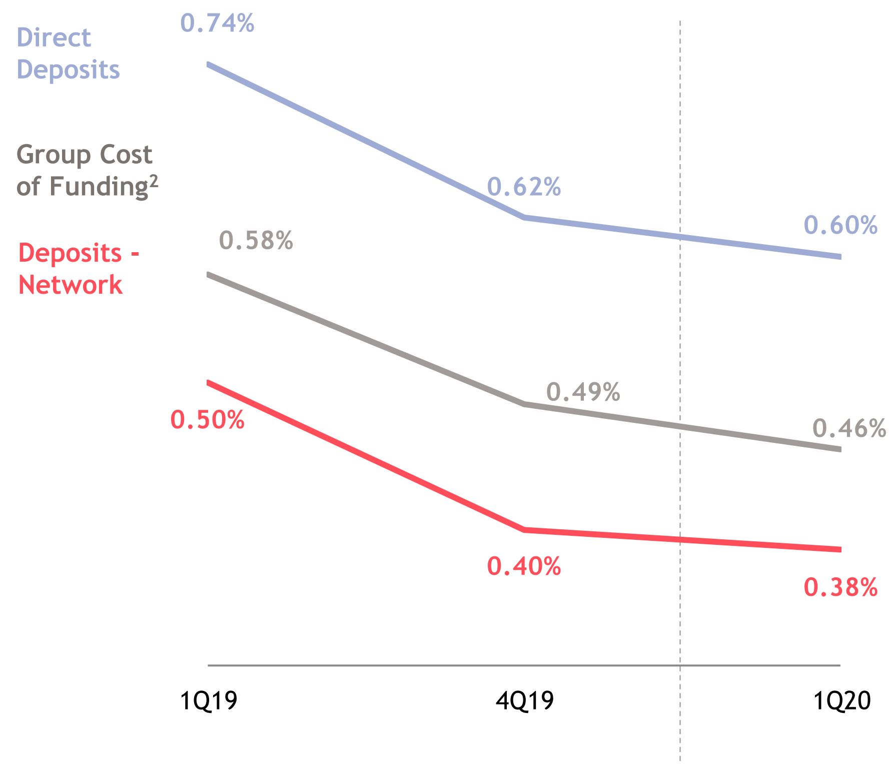
[2] The gross yield is calculated as annualised regular interest income divided by the simple average of gross performing loans based on beginning and end of period amounts. New business yields calculated are calculated using daily averages.

Interest expense by quarter

Reported, €mn

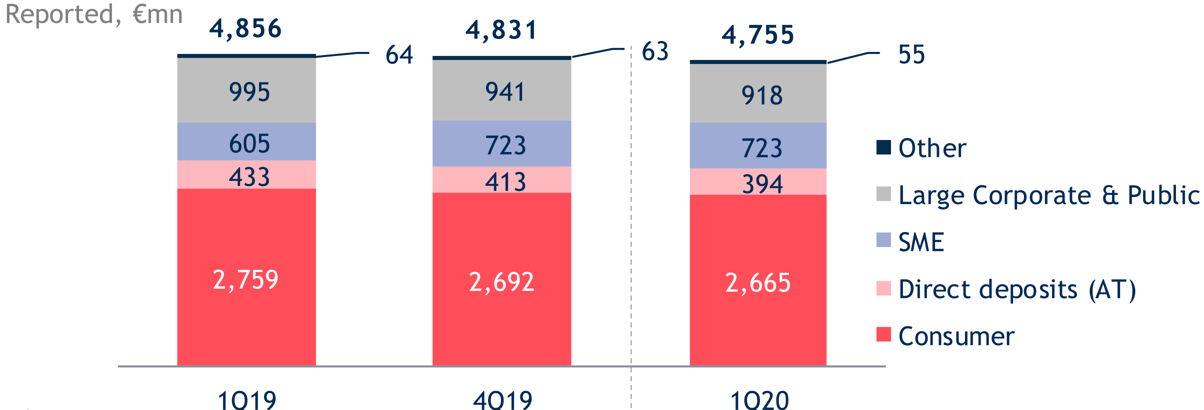


Cost of funding by quarter[1]



Stable customer deposit volumes

Reported, €mn

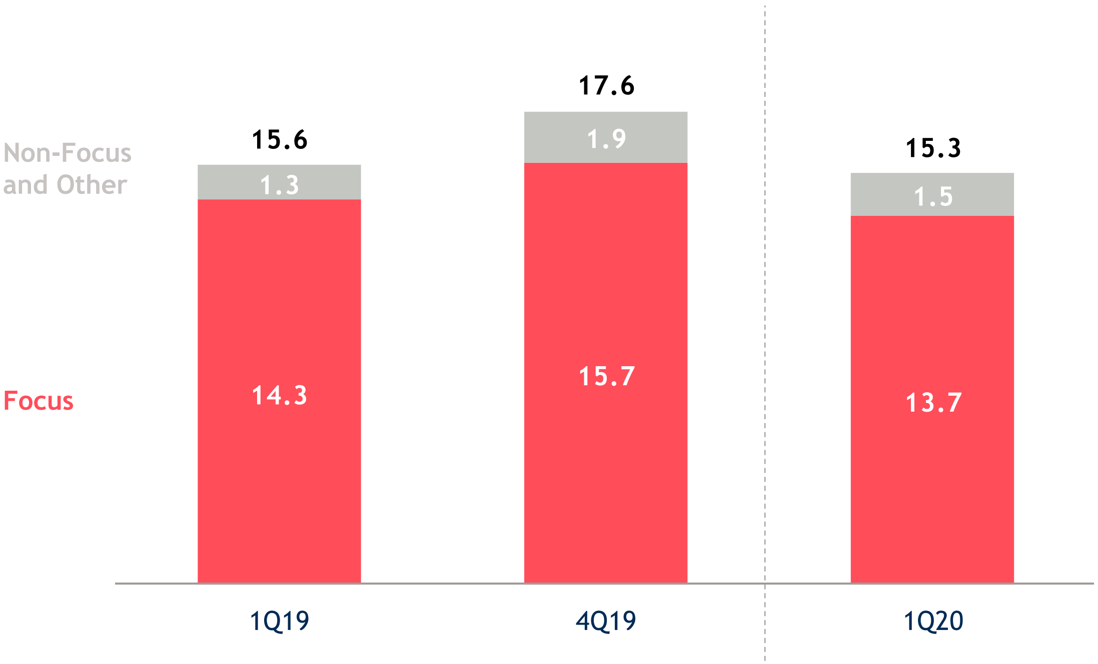


Further reduction in deposit costs – stable customer deposit volume at €4,755mn (€4,831mn in YE19)

[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

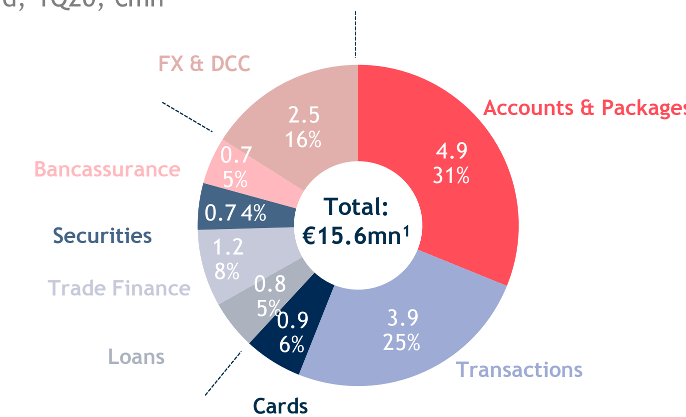
	1Q19	4Q19	1Q20
Consumer	72.0%	69.7%	69.4%
SME	28.0%	30.3%	30.6%

Key highlights

- **Flat YoY:** net fee and commission income down by 2.0% compared to 1Q19, due to an one-time expense for bancassurance and ramp-up expenses for new card products in 1Q20
- **Fee income:** bancassurance and account packages, digital guarantee and trade finance in SME allowed fee income to improve in 1Q20 compared to 1Q19 by €0.4mn
- **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 continued in 1Q20 contributing >50% to group NCI

By product type

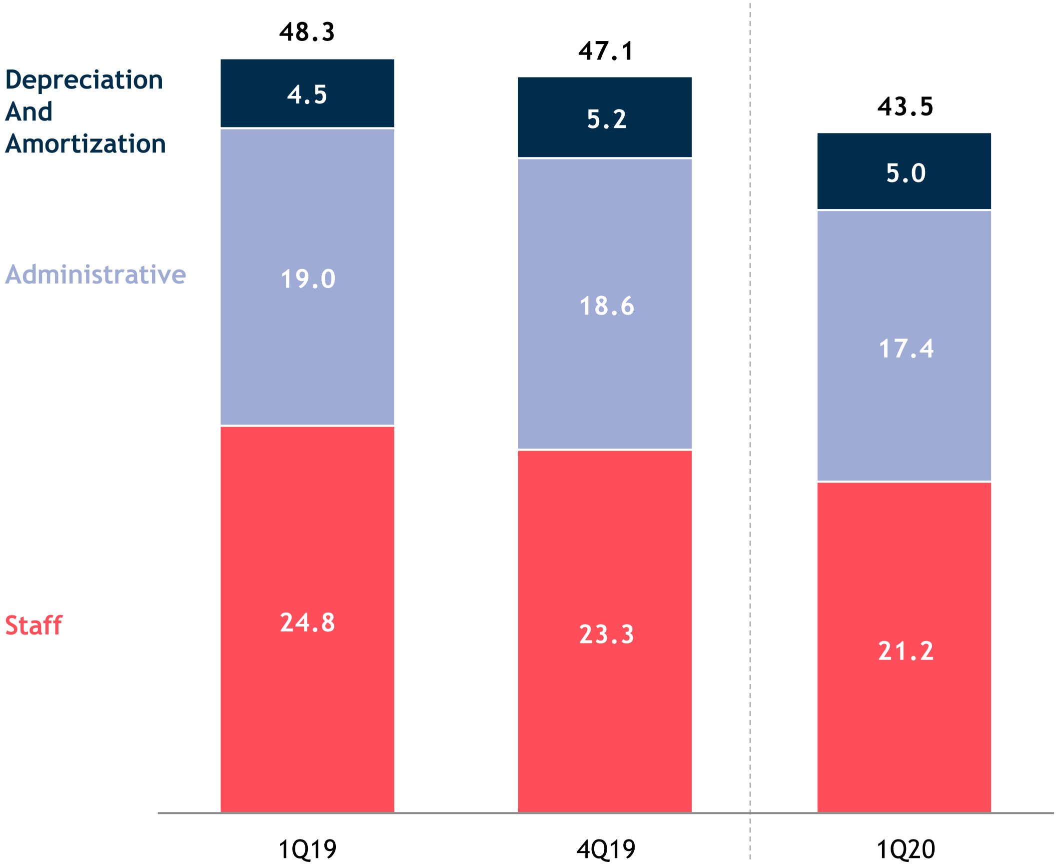
Reported, 1Q20, €mn



[1] Excludes €0.3mn of negative contribution from "other".

Operating expenses development by quarter

Reported, €mn



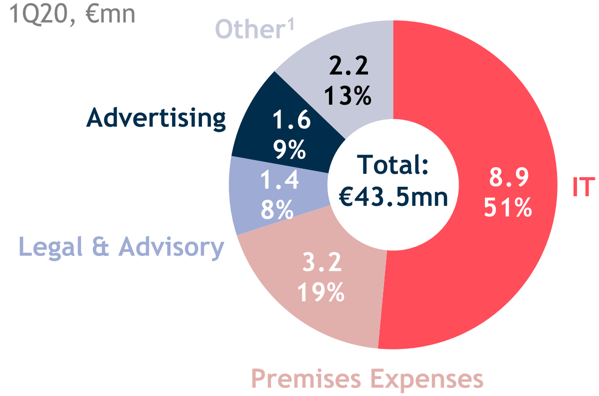
- **Cost base further optimized** as a result of ongoing cost optimization programs
- 1Q19 includes IPO related costs (€0.9mn)
- No bonus accruals in 1Q20 considered

- **Standardization and digitalization results in increased share of IT expenses:** standardization and digitalization will continue to drive cost improvements year over year - partially re-invested in IT

- **Covid-19 related cost reductions expected** in upcoming quarters
- **Cost efficiency programs** to be continued

Administrative expenses

Reported, 1Q20, €mn



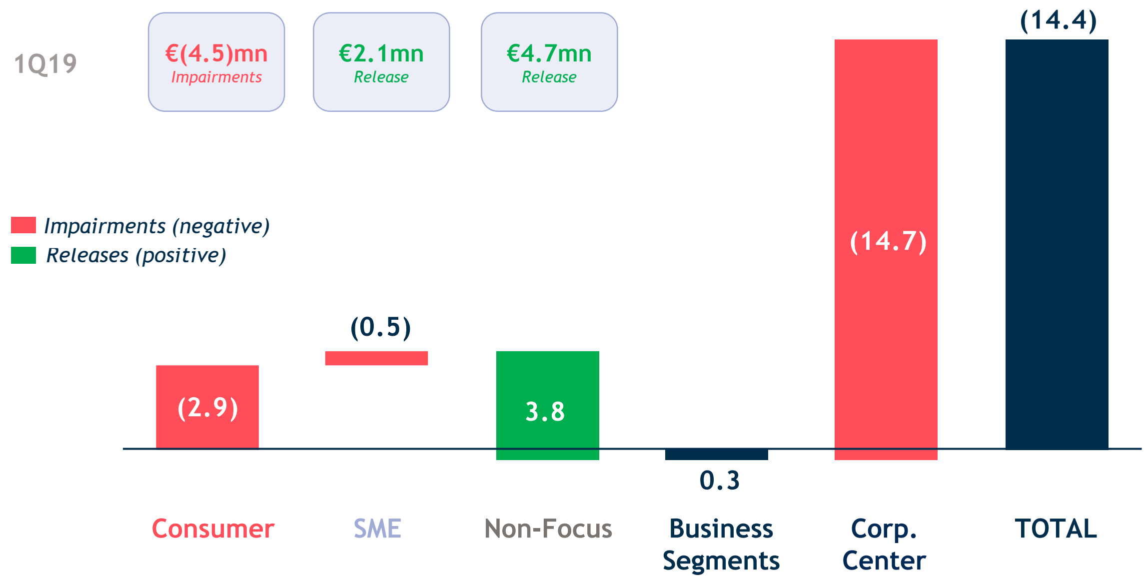
[1] Includes vehicle expenses, travel expenses, education expenses, expenses for legal form, other insurance and other.

Operational Provisioning Better Than Expected, Allowing Pre-loading of Direct Covid-19 Impact

Addiko Bank

Development of credit loss expenses on financial assets

Reported, 1Q20, €mn



- Operative 1Q20 credit risk result significantly better than expected
- Total net release of €0.3mn, driven by lower than expected allocations required in focus areas Consumer and SME, and net releases in non-focus

- Expert estimates assuming significant worsening of macro forecast with accompanying impact on asset quality
- Provision of €13.6mn pre-loaded in 1Q20 in the form of IFRS 9 post-model overlay booked in Corporate Center

Credit loss expenses on fin. assets by Credit Risk Exposure & Net loans (NL)

Reported, ratio in %, quarters not annualized (negative number represents impairment)

Focus areas

	1Q19	2019	1Q20
Consumer	(0.31)% (0.37)% on NL	(1.33)% (1.56)% on NL	(0.19)% (0.22)% on NL
SME	+0.13% +0.21% on NL	(0.18)% (0.30)% on NL	(0.05)% (0.05)% on NL

Group 1Q20

Business Segments	TOTAL
(0.01)% (0.01)% on Net Loans	(0.28)% (0.38)% on Net Loans

- 1Q20 credit loss expenses on financial assets in focus segments in line with target and slightly improved vs. 1Q19 (excl. potential future Covid-19 impact)

SUMMARY ON COVID-19 LOAN MORATORIA IN CSEE (1/2)

Addiko Bank

Repayment Moratoria (vary from 3 to 12 months)

	Description	Approach	Duration	Published
Slovenia	• Statutory • Moratorium on full monthly instalment • Reason for moratoria request must be assessed	Opt-in	Up to 12 months	March 2020
Croatia	• Non-statutory, recommended to participate • Moratorium on full monthly instalment • Clients need to state reason for moratoria request	Opt-in	6 months (potential extension to 12 months for specific industries)	
Serbia	• Statutory • Moratorium on full monthly instalment • Clients do not need to state reason for moratoria request	Opt-out	Up to 90 days and/or duration of emergency state	
Bosnia & Herzegovina	• Statutory • Moratorium on full monthly instalment • Clients need to state reason for moratoria request	Opt-in	Up to 90 days	
Montenegro	• Statutory • Moratorium on full monthly instalment • Clients do not need to state reason for moratoria request	Opt-in	90 days, but only until validity of decision (30.06.2020)	

SME, Large Corporate & Public Fin.

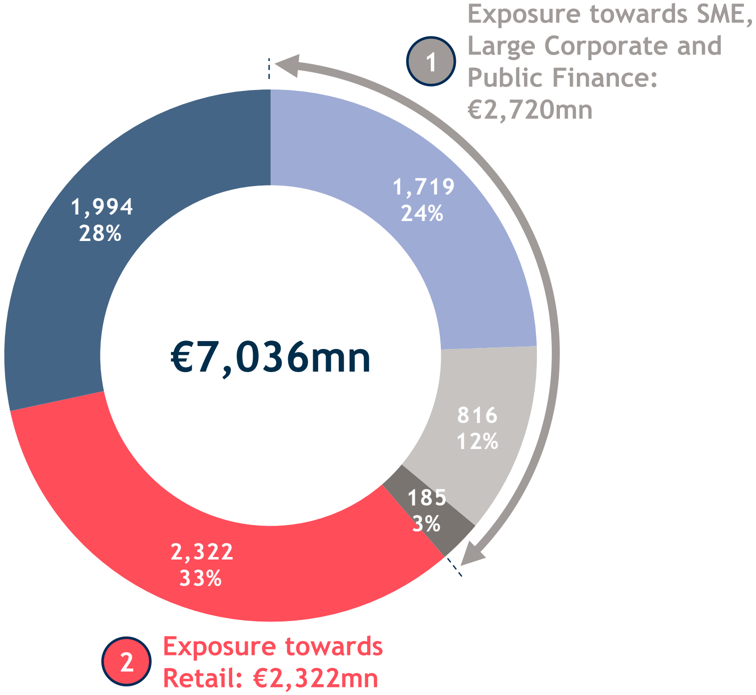
- Diverse Non-Retail portfolio with no specific industry focus
- No exposure to Airlines
- Overall exposure to most Covid-19 impacted industries (tourism and transport) limited to less than €300mn - mostly hand picked clients with good resilience to crisis expected

Retail (Consumer & Mortgage)

- According to employment status at origination, above 30% of total retail Gross Exposure with customers employed in less Covid-19 affected industries

Gross Exposure by segment

Reported, 1Q20, €mn

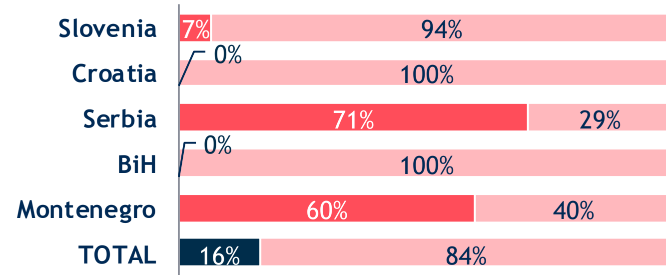


Participation in terms of Gross Exposure (on-balance)

In %, based on participation

(Requested) participation in moratoria

1 SME, Large Corporate & Public Fin. exposure (1Q20)

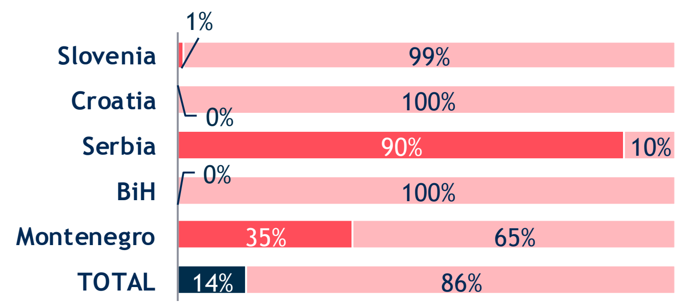


Requested as of April 2020[1]

Country	Requested as of April 2020[1]
Slovenia	14%
Croatia	19%
Serbia	73%
BiH	18%
Montenegro	43%
TOTAL	28%

Exposure (on-balance): *€303mn*
Number of customers: *8.7 thousand*

2 Retail exposure (1Q20)



Requested as of April 2020[1]

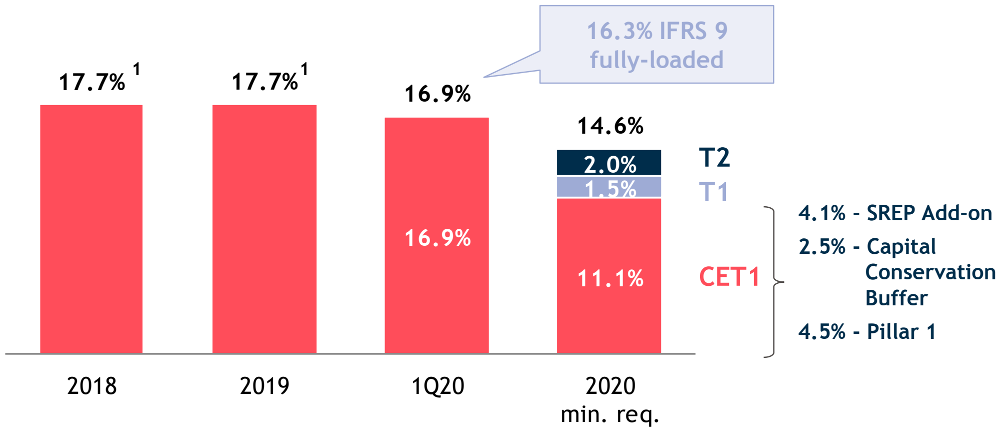
Country	Requested as of April 2020[1]
Slovenia	5%
Croatia	3%
Serbia	90%
BiH	14%
Montenegro	68%
TOTAL	21%

Exposure (on-balance): *€306mn*
Number of customers: *35 thousand*

[1] Percent of exposure based on management accounts as of April 2020.

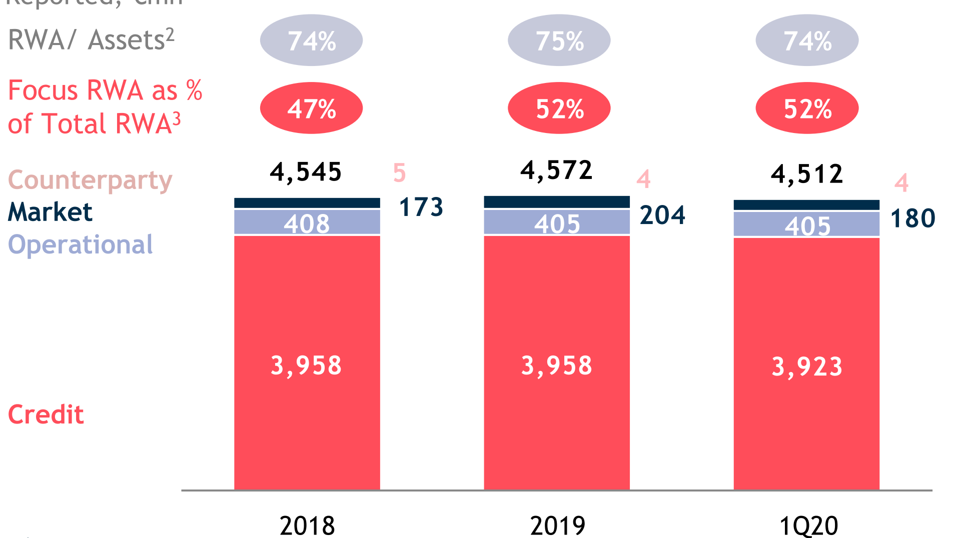
Breakdown of capital position and capital requirements

Reported, transitional



RWA breakdown

Reported, €mn



Latest **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

Capital ratios remain solid despite proactive IFRS 9 provisioning and OCI related impacts due to fair value changes in bond portfolio 32.9mn (-73bp CET1/TCR) and changes in FX reserves

RWAs remained flat, reflecting ongoing review and implementation of optimization

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

[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.

- We are **well prepared, well capitalized and provisioned** to absorb effects of the crisis
- In the context of an anticipated recovery our **specialist model will be as relevant as ever**
- The 1Q20 results demonstrate we can deliver the **operational improvement** required to achieve the Mid Term Targets
- We expect to have a better read on the risk implications of the crisis in August/September 2020 as moratoria start expiring end of 2Q20
- While **focusing on operational stability**, we will **accelerate digital transformation and cost programs** to minimize the negative impact of the crisis aiming to **protect our capital base** and **dividend capacity**

1Q20 Executive Summary

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Additional Materials

Addiko Bank

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. 68% free float, 19.5mn shares)

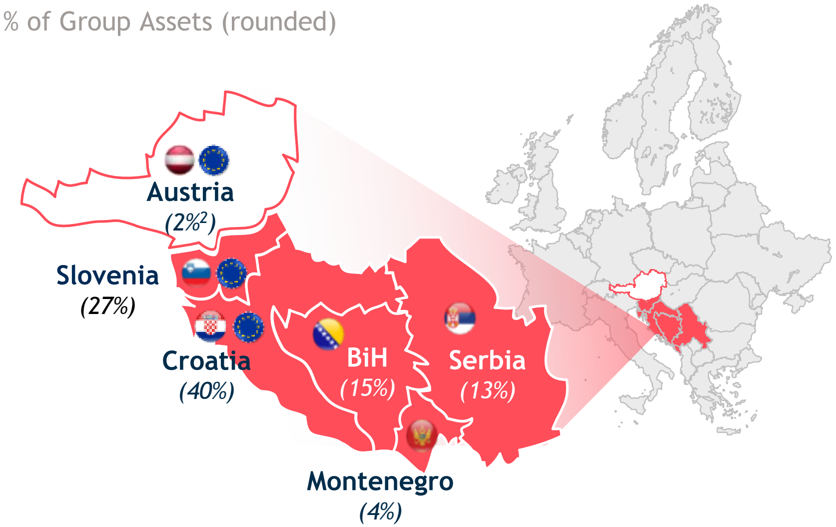
Repositioned as a focused CSEE specialist lender

Consumer

SME

Operating as one region - one bank

1Q20, % of Group Assets (rounded)



1Q20

~0.8mn *Customers*	**178** *Branches*	**€6.1bn** *Total Assets*	**68%-32%** *EU vs EU accession asset split*[3]
€3.8bn *Loans and Receivables*	**€4.8bn** *Customer Deposits*	**€810mn** *Equity*	**ba2** *Baseline credit rating issued by Moody’s*

[1] Finanzmarktaufsicht Österreich.
[2] Includes total assets from Holding (€1,238n) and consolidation/recon. effects of (-€1,129mn).
[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.

Liquid balance sheet
- LCR ratio: 181% (YE19: 174%)

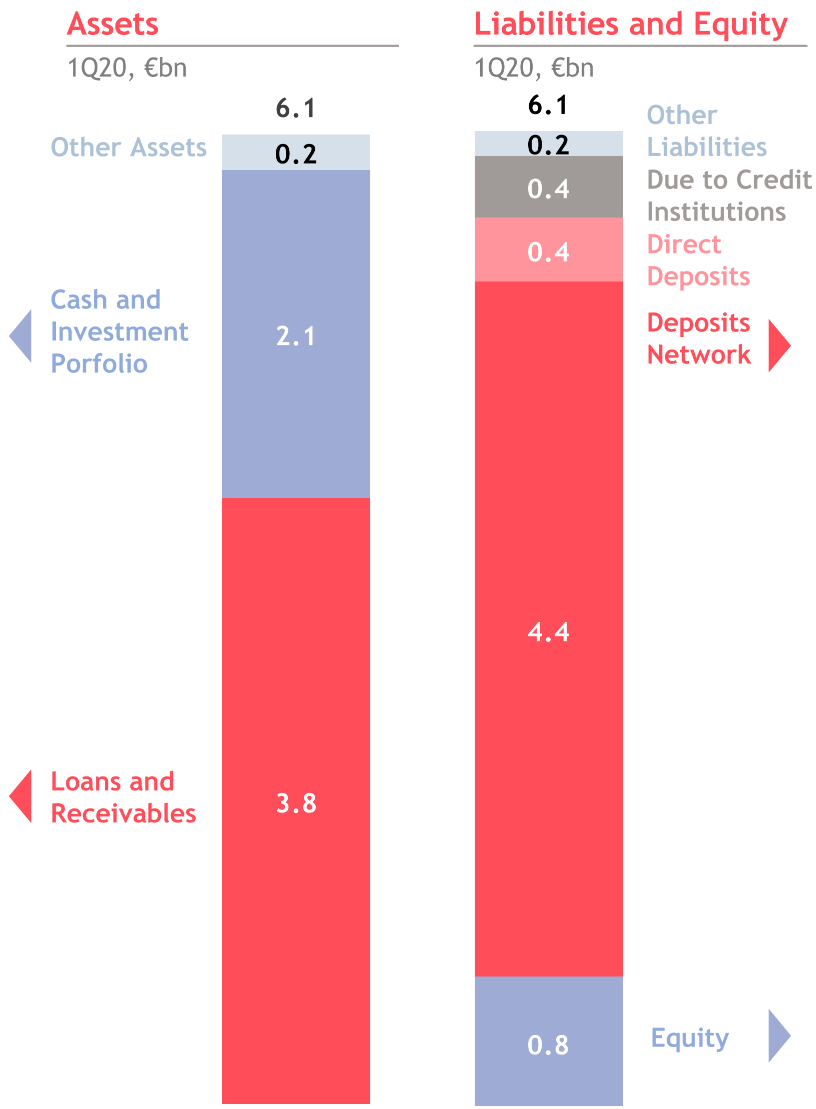
Liquid assets
- €1.0bn of cash
- €1.1bn of investment portfolio

Data as of YE19

Substantially de-risked asset base
- NPE ratio: 3.4% (YE19: 3.9%)

Solid provision coverage levels
- 73.3% NPE coverage ratio (YE19: 73.8%)
- 125.6% incl. collateral (YE19: 125.0%)

Data as of 1Q20



Strong deposit base
- Loan-deposit ratio (customer) : 80.4% (YE19: 80.1%)

Funding surplus[1]: €0.9bn

Data as of 1Q20

Robust capital base
- 16.3%[2] fully-loaded CET1 ratio (incl. profit and proposed dividend payment)

Further optimization via ongoing RWA optimizations and potential Tier 2 issuance

Data as of 1Q20

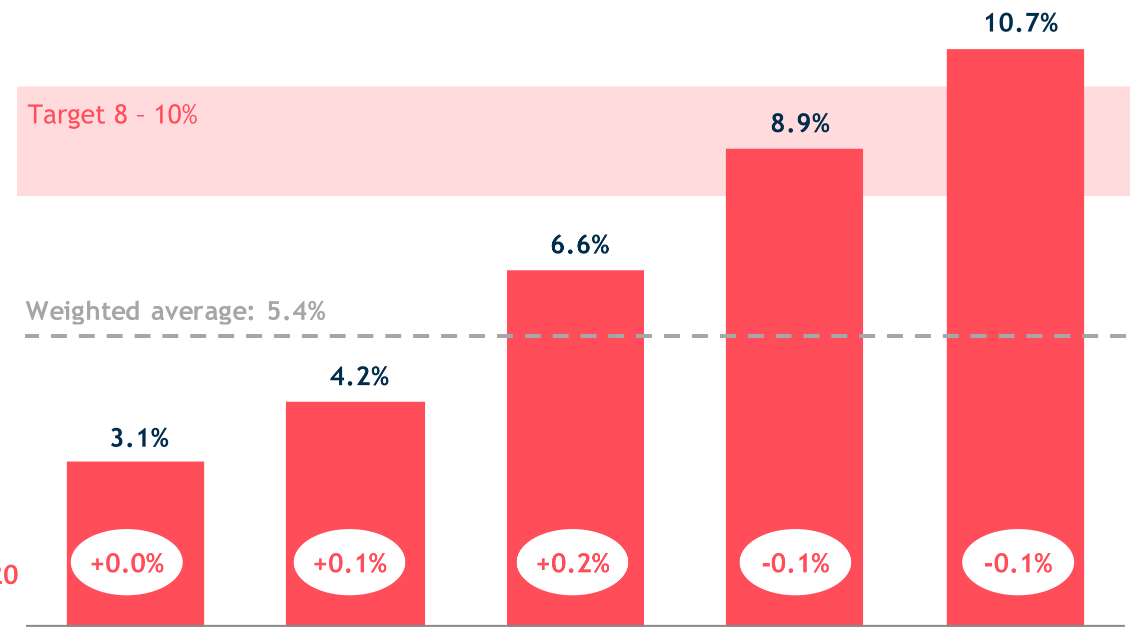
[1] Calculated as difference between deposits of customers and loans and advances to customers. [2] Transitional CET1 ratio amounts to 16.9% as of 1Q20

ADDIKO: CONTINUED INCREASE IN MARKET SHARE IN HIGH-GROWTH MARKET

Addiko Bank

Addiko market share - unsecured consumer loans (stock outstanding, 1Q20)[1,2]

	Serbia	Croatia	Bosnia & Herzegovina	Slovenia	Montenegro
Market Size, €bn	6.0	9.8	4.1	4.4	1.0
Market Growth (1Q20E vs. 2019)	+1.3%	-1.4%	-1.2%	-1.9%	-0.1%
Flow Market Share[3]	3.3%	5.3%	4.5%	5.5%	8.8%
Stock Market Share (1Q20E)	3.1%	4.2%	6.6%	8.9%	10.7%
Change during '20	+0.0%	+0.1%	+0.2%	-0.1%	-0.1%
Addiko Growth	+2%	0%	+3%	-1%	0%



Consumer lending market size down 0.8% in 1Q20 (market size down by c. €190m)

Addiko with 0% growth in 1Q20, and slightly increasing market share

Flow remains above stock market share in largest markets Croatia and Serbia

Controlled lending growth influenced by consumer lending restrictions in 2020, and cautious underwriting related to Covid-19

Digitalization ongoing - increasing share of digital transactions, while automated digital lending will likely be reduced to support stricter underwriting criteria near term to mitigate risks

[1] Source: The Vienna Institute for International Economic Studies (wiiw). [2] Calculated as of 1Q20 based on Consumer Business gross performing loans divided by the respective local market consumer gross performing loans (market size).
[3] Addiko consumer disbursements for 1Q20 divided by total local market consumer new business for 1Q20 as available.

Addiko Bank

Key financials (YTD)

Reported, €mn

Group income statement (reported)	1Q19	1Q20
Interest income	52.4	51.2
Interest expense	-7.5	-5.9
Net interest income	**44.9**	**45.3**
Net fee and commission income	15.6	15.3
Net banking income	**60.5**	**60.6**
Other income [1]	-2.1	-3.9
Operating income	**58.3**	**56.7**
Operating expenses	**-48.3**	**-43.5**
Operating result	**10.0**	**13.2**
Credit loss expenses on financial assets	3.7	-14.4
Result before tax	**13.7**	**-1.2**
Tax on income	-3.6	-7.2
Result after tax	**10.1**	**-8.4**

Group balance sheet	1Q19	1Q20
Net customer loans	3,864.9	3,824.8
Total assets	6,108.4	6,112.9
Customer deposits	4,855.5	4,755.0
Shareholders' equity	828.0	810.4

Key ratios	1Q19	1Q20
NIM	297	299
Cost/income ratio	80.0%	71.9%
Cost of risk (not annualised)	0.1%	-0.4%
RoATE	5.0%	-4.2%
RoATE (@14.1% CET1) [2]	5.5%	-1.2%
Loan-deposit ratio (customer)	80%	80%
CET1 ratio (transitional)	17.51%	16.87%
Total capital ratio (transitional)	17.51%	16.87%

[1] Includes net result on financial instruments and other operating result.
[2] Including adjustments in 1Q19, no adjustments in 1Q20.

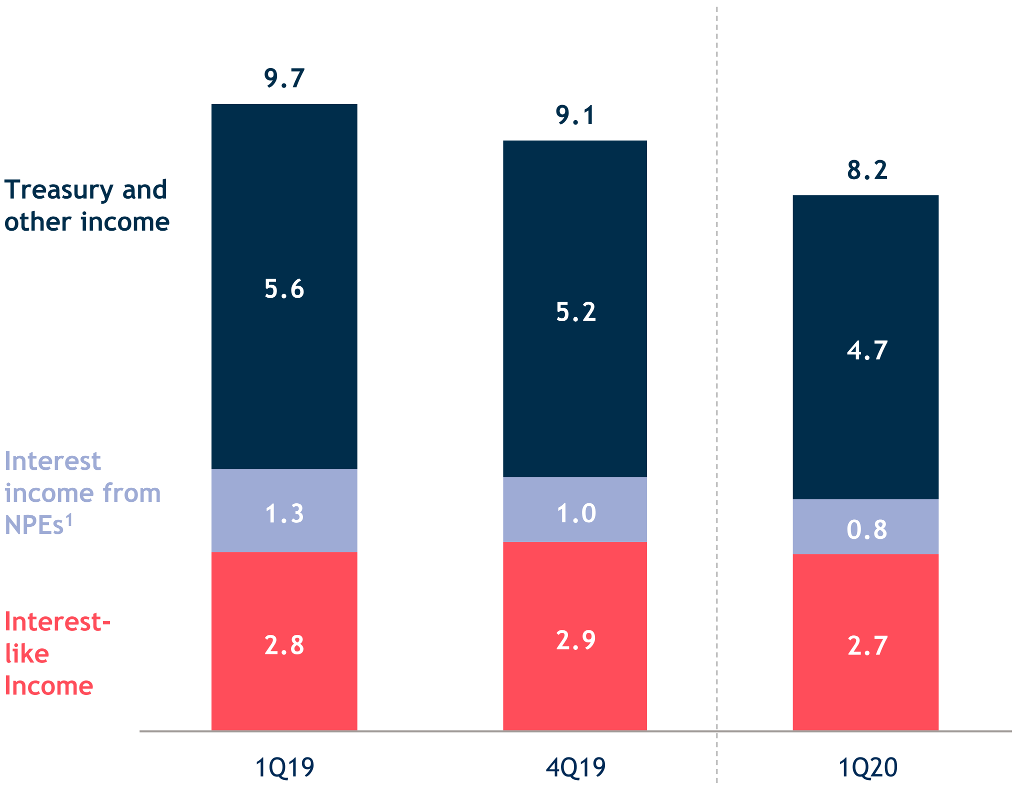
Key highlights

- **Interest income:** lower by €-1.2mn; increase in focus segments (€+2.5mn) offset by development in:
  - Flat in focus; better than expected considering consumer protection measures and Covid-19 impact in March
  - Planned decrease in non-focus (€-2.2mn)
  - Reduced interest income from NPEs (down €0.5mn vs. 1Q19) as a consequence of continued track record in NPEs reduction
  - Lower yields on bond portfolio (-11bps/€-0.9mn) reflecting current market situation and continued negative interest environment
- **Interest expense:** decrease of €1.6mn due to active re-pricing (-13bps) and shift from higher-yield term deposits to lower-yield a-vista deposits
- **Net fee and commission income:** slightly lower and influenced by one-time fee for bancassurance, ramp-up fees for new card products and overall decline of business activities in 2nd half of March due to Covid-19
- **Other income:** 2019 includes higher gains from sale of financial instruments (OCI) of €+1.1mn and one-off releases legal provisions of €1.3mn
- **Operating expenses:** better by €4.8mn due to successful execution of restructuring in 2019, exclusion of bonus accruals in 1Q20 and no one-off IPO costs (€0.9mn)
- **Credit loss expenses on financial assets:** higher by €-18.1mn including provisions by post-model overlay to reflect uncertainty from corona situation
- **Capital ratios remain solid** despite proactive IFRS 9 provisioning and lower OCI due to fair value changes in bond portfolio and changes in FX reserves

RoATE (@14.1% CET1) at -1.2% predominantly influenced by higher provisions related to Covid-19

Other interest income by quarter

Reported, €mn



- **Treasury and other income:** continuously decreasing due to the overall yield environment, corona related developments and 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

Other income breakdown (YTD)

€mn

	1Q19	1Q20
Deposit guarantee	(2.2)	(2.0)
Bank levies and other taxes	(1.0)	(0.6)
1 Recovery and Resolution Fund	(1.6)	(1.4)
2 Restructuring	(0.1)	(0.3)
3 Legal provisions (net)	0.4	(1.1)
Impairments non-financial assets (net)	(0.1)	(0.0)
4 Other	(0.8)	0.3
Other operating result	(5.4)	(5.2)
Net result on financial instruments	3.3	1.3
Other income (reported)	**(2.1)**	**(3.9)**
5 Adjustments	(1.3)	(0.0)
Other income (adjusted)	**(3.4)**	**(3.9)**

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

2 **Restructuring:** driven by termination costs to employees released under the restructuring plan executed in 2019

3 **Legal provisions:** 1Q19 driven by €+1.3mn releases of legal provisions while in 1Q20 additional provisions of €0.3mn for active BIT claims are considered

4 **Other:** 1Q19 driven by legal costs related to active claims and tax related effects from Croatia

5 **Adjustments 1Q19:** mainly related to provision releases for legal cases in 2019

No adjustments made for 1Q20

Detailed balance sheet overview (YTD)

Reported, €mn

	2016	2017	2018	2019	1Q19	1Q20
Liquid Assets	3,287.6	2,582.5	2,211.8	2,034.5	2,055.5	2,062.4
Cash reserves	1,878.2	1,285.9	1,002.9	899.4	777.5	1,035.6
Investment Portfolio	1,409.4	1,296.6	1,208.9	1,135.1	1,278.0	1,026.8
Financial assets held for trading	17.4	19.8	24.3	38.5	24.7	38.8
Investment securities	1,391.9[1]	1,276.8[1]	1,184.6	1,096.6	1,253.3	988.0
Loans and receivables	3,779.9	3,757.2	3,792.9	3,885.9	3,879.3	3,888.2
Loans and receivables to credit institutions	49.4	65.3	5.6	14.0	14.4	63.4
Loans and receivables to customers	3,730.5	3,691.9	3,787.3	3,871.9	3,864.9	3,824.8
Derivatives - hedge accounting	0.1	0.1	-	-	-	-
Tangible assets	70.4	57.3	57.7	85.9	87.5	84.2
Property, plant & equipment	67.9	55.3	55.7	81.8	85.5	80.1
Investment properties	2.5	2.0	2.0	4.1	2.0	4.0
Intangible assets	17.3	21.8	30.3	27.9	31.2	28.1
Tax Assets	2.6	22.3	28.3	25.7	24.0	23.7
Current tax assets	2.6	1.6	1.7	1.8	1.7	2.1
Deferred tax assets	-	20.6	26.6	23.9	22.3	21.6
Other assets	18.9	24.8	25.5	20.6	25.3	23.3
Non-current assets and disposal groups classified as held for sale	39.3	19.5	5.7	3.1	5.5	3.1
Total assets	**7,216.1**	**6,485.5**	**6,152.1**	**6,083.6**	**6,108.3**	**6,112.9**
Deposits from credit institutions	316.0	341.6	324.4	233.9	272.8	397.2
Deposits from customers	4,435.6	4,933.8	4,836.7	4,831.2	4,855.5	4,755.0
Issued bonds, subordinated and supplementary capital	73.5	198.5	1.1	0.1	1.1	0.1
Other financial liabilities	1,215.3	47.3	40.3	56.4	58.5	52.1
Financial liabilities measured at amortized cost	**6,040.4**	**5,521.2**	**5,202.5**	**5,121.6**	**5,187.9**	**5,204.3**
Financial liabilities at fair value through profit or loss	25.0	-	-	-	-	-
Financial liabilities held for trading	9.1	1.8	2.1	6.0	3.6	10.5
Derivatives - hedge accounting	6.9	-	-	-	-	-
Total interest bearing liabilities	**6,081.4**	**5,523.0**	**5,204.6**	**5,127.6**	**5,191.5**	**5,214.8**
Provisions	107.8	83.3	62.0	66.9	59.7	60.4
Tax liabilities	1.4	1.3	1.0	0.0	1.2	0.1
Current tax liabilities	1.0	0.9	0.9	-	1.0	0.1
Deferred tax liabilities	0.5	0.5	0.1	0.0	0.2	0.0
Other liabilities	28.1	33.8	25.1	27.9	28.1	27.2
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**	**5,280.5**	**5,302.6**
Total shareholders' equity	**994.7**	**844.0**	**859.5**	**861.3**	**828.0**	**810.4**
Total liabilities and shareholders' equity	**7,216.1**	**6,485.5**	**6,152.1**	**6,083.6**	**6,108.3**	**6,112.9**

[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	1Q19	1Q20
Interest income calculated using the effective interest method	232.2	226.0	209.6	207.4	51.5	50.5
Other interest income	6.0	8.3	4.2	3.4	0.9	0.7
Interest expense	(79.4)	(68.9)	(40.7)	(27.8)	(7.5)	(5.9)
Net interest income	**158.8**	**165.3**	**173.2**	**183.0**	**44.9**	**45.3**
Fee and commission income	62.0	71.3	76.5	83.0	18.7	19.1
Fee and commission expense	(12.0)	(12.8)	(14.1)	(15.8)	(3.1)	(3.8)
Net fee and commission income	**50.0**	**58.5**	**62.4**	**67.2**	**15.6**	**15.3**
Net result on financial instruments	20.3	9.7	70.0	13.4	3.3	1.3
Other operating income	29.6	27.4	19.1	8.9	2.6	1.5
Other operating expenses	(71.6)	(34.0)	(35.7)	(48.2)	(8.0)	(6.7)
Operating result	**187.0**	**226.9**	**289.0**	**224.3**	**58.3**	**56.7**
Personnel expenses	(99.8)	(97.4)	(99.4)	(96.7)	(24.8)	(21.2)
Other administrative expenses	(93.1)	(80.9)	(78.0)	(73.3)	(19.0)	(17.4)
Depreciation and amortization	(19.5)	(11.7)	(10.7)	(19.1)	(4.5)	(5.0)
Operating expenses	**(212.4)**	**(190.1)**	**(188.1)**	**(189.2)**	**(48.3)**	**(43.5)**
Operating result before change in credit loss expense	**(25.4)**	**36.9**	**100.9**	**35.2**	**10.0**	**13.2**
Credit loss expenses on financial assets	4.4	(15.1)	2.8	2.9	3.7	(14.4)
Result before tax	**(21.0)**	**21.8**	**103.7**	**38.0**	**13.7**	**(1.2)**
Taxes on income	(2.9)	19.9	0.5	(2.9)	(3.6)	(7.2)
Result after tax	**(23.9)**	**41.6**	**104.2**	**35.1**	**10.1**	**(8.4)**

Financials: Breakdown by Entity

Addiko Bank

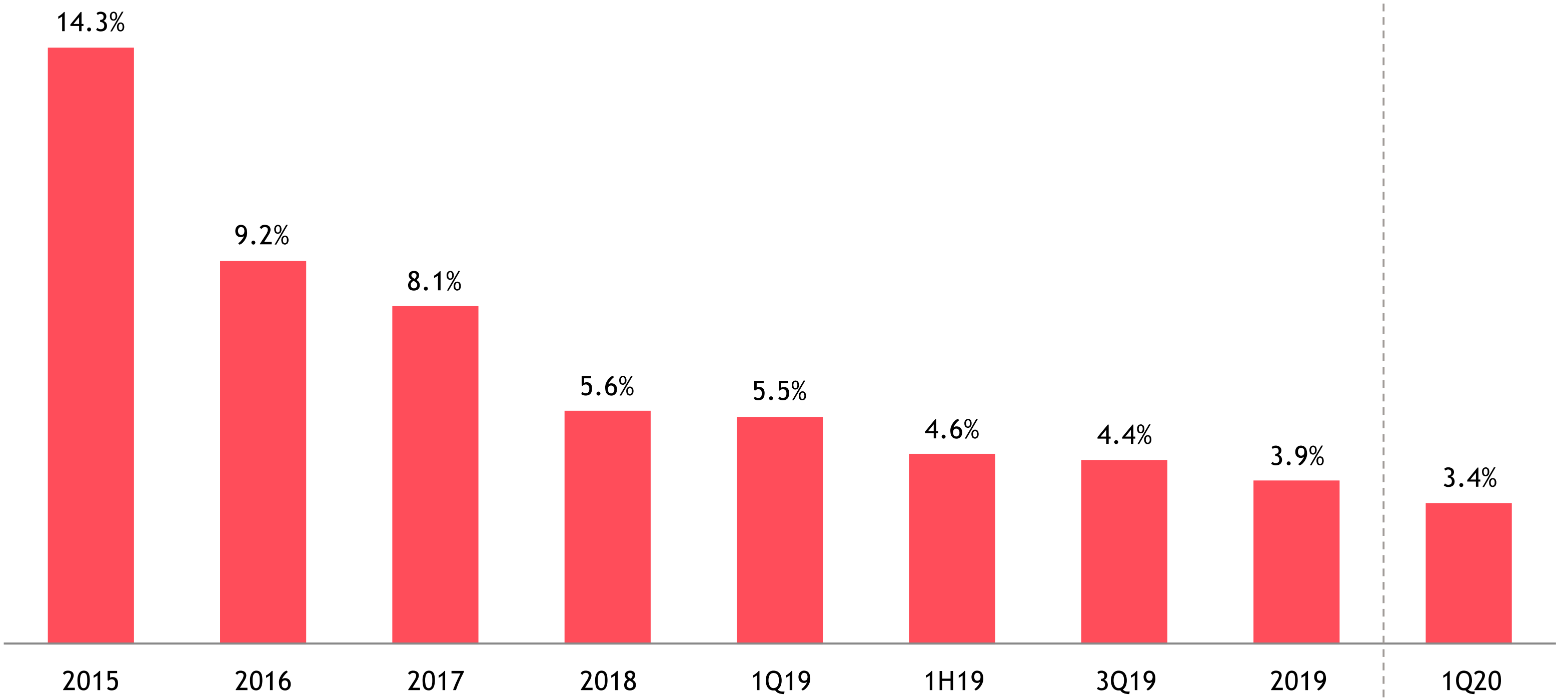
1Q20 YTD (€mn, IFRS, reported)		Addiko Bank d.d., Zagreb	Addiko Bank d.d., Ljubljana	Addiko Bank d.d., Banja Luka	Addiko Bank a.d., Sarajevo	Addiko Bank a.d., Beograd	Addiko Bank A.D., Podgorica
P&L	Net interest income	15.7	10.5	3.3	3.5	7.5	2.7
	Net commission income	7.0	2.4	1.6	1.6	2.4	0.4
	Other income	(1.8)	(0.6)	(0.4)	0.4	(0.6)	(0.2)
	Total income	20.9	12.3	4.5	5.5	9.3	2.9
	Operating expenses	(12.1)	(6.4)	(3.5)	(4.0)	(6.4)	(1.9)
	Operating profit	8.8	5.9	1.0	1.5	2.8	1.0
	Change in credit loss expenses	2.2	(1.8)	0.3	(0.6)	(0.3)	0.6
	Result before tax	10.9	4.1	1.3	0.9	2.5	1.6
Key Ratios	Net interest margin	2.6%	2.6%	3.2%	2.8%	3.8%	4.8%
	Cost / income ratio	53.5%	49.5%	71.5%	77.7%	65.0%	61.7%
	Loan-deposit ratio [1]	76.3%	96.6%	97.6%	72.9%	111.9%	97.6%
	NPE ratio (CRB based)	6.1%	2.0%	6.6%	8.1%	2.7%	7.3%
	NPE coverage ratio (provision)	69.3%	67.1%	82.7%	82.6%	75.6%	65.4%
Balance Sheet	Total assets	2,430	1,627	418	511	794	224
	Loans and receivables	1,402	1,320	293	283	576	179
	o/w gross performing loans	1,309	1,195	294	282	582	182
	Financial liabilities at amortised cost	2,027	1,443	332	395	594	196
	RWA	1,413	939	325	389	575	168

Account for 66% of Group assets

Source: Company disclosure, does not include Holding and reconciliation.
[1] Calculated as loans and receivables divided by financial liabilities at amortised cost.

Decreasing non-performing loan portfolio (YTD)

	2015	2016	2017	2018	1Q19	1H19	3Q19	2019	1Q20
NPE Volumes, €mn	1,229	761	606	404	393	329	317	277	239
NPE Coverage Ratio[1] (Ex-Collateral)	61.7%	67.5%	67.0%	75.4%	75.8%	73.2%	75.3%	73.8%	73.3%
NPE Ratio[2]	14.3%	9.2%	8.1%	5.6%	5.5%	4.6%	4.4%	3.9%	3.4%
NPE Ratio Under New Risk Framework[3]	NM	1.6%	1.3%	1.4%	1.5%	1.6%	1.8%	1.9%	1.9%

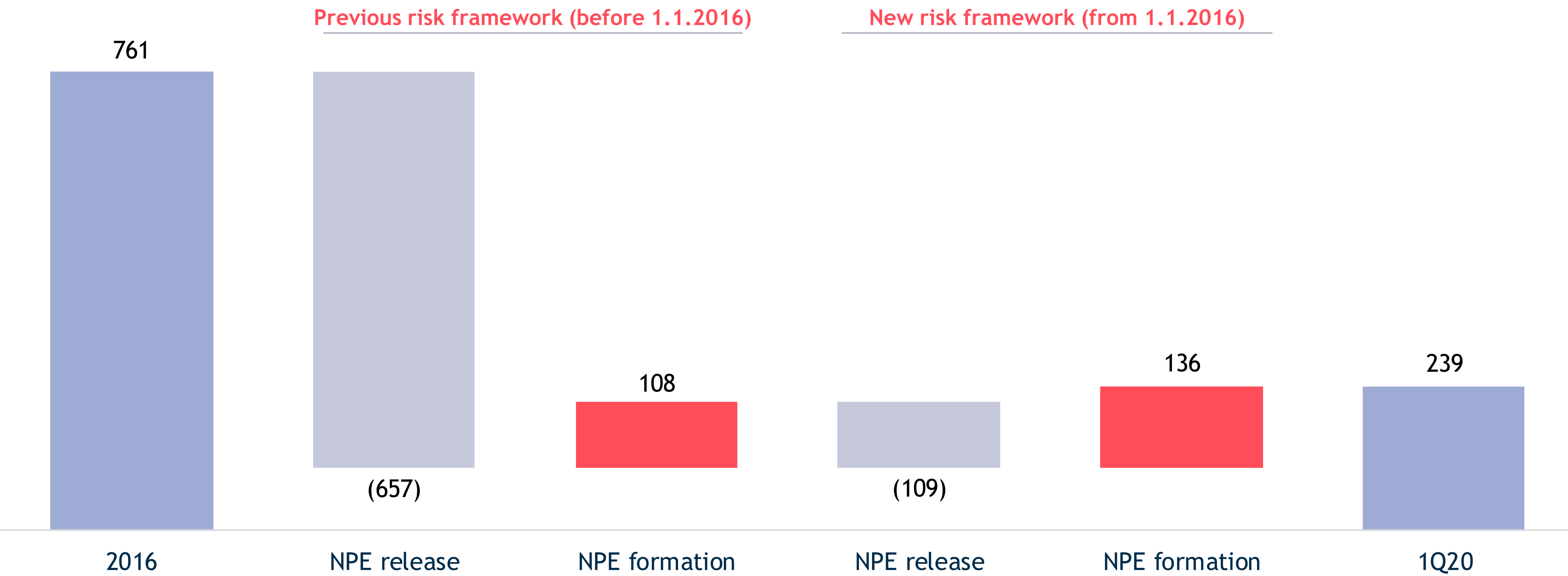


[1] Calculated as the sum of total SRP resp. Stage-3 ECL divided by total non-performing exposure. [2] Calculated as non-performing exposure divided by total credit risk exposure. [3] Calculated as non-performing exposure (new risk framework) divided by total credit risk exposure (new risk framework).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

Risk: Track Record of Consistent NPE Reduction at Stable Coverage

NPE movements since 2016 - group level

€mn (rounded)



RISK: UPDATE ON NPE AND COST OF RISK DEVELOPMENT

Addiko Bank

	Focus – Consumer €mn				Focus – SME €mn				Non-Focus[3] €mn			
	2018	1Q19	2019	1Q20	2018	1Q19	2019	1Q20	2018	1Q19	2019	1Q20
NPE Coverage Ratio (Excl. Collateral)[1]	91.1%	91.6%	91.9%	88.8%	63.7%	62.1%	66.1%	68.4%	71.9%	73.1%	65.6%	66.5%
NPE Ratio[2]	7.3%	6.9%	5.5%	4.5%	4.5%	4.5%	3.9%	3.9%	10.7%	10.4%	6.7%	5.8%
Total NPE	*104*	*100*	*84*	*68*	*71*	*72*	*69*	*67*	*230*	*222*	*123*	*104*
Credit Risk Exposure	*1,415*	*1,448*	*1,532*	*1,522*	*1,559*	*1,612*	*1,759*	*1,719*	*2,146*	*2,130*	*1,839*	*1,801*
NPE Ratio - New Risk Framework	*2.6%*	*2.8%*	*2.9%*	*3.1%*	*2.0%*	*1.9%*	*2.5%*	*2.6%*	*1.2%*	*1.2%*	*1.8%*	*1.5%*
Credit Loss Expenses (YTD)	€(9.5)mn *Impairments*	€(4.5)mn *Impairments*	€(20.3)mn *Impairments*	€(2.9)mn *Impairments*	€(7.4)mn *Impairments*	€2.1mn *Releases*	€(3.2)mn *Impairments*	€(0.5)mn *Impairments*	€19.7mn[4] *Releases*	€6.1mn[4] *Releases*	€26.3mn[4] *Releases*	€(10.9)mn[4] *Impairments*

Including €13.6mn related to IFRS 9 post-model overlay

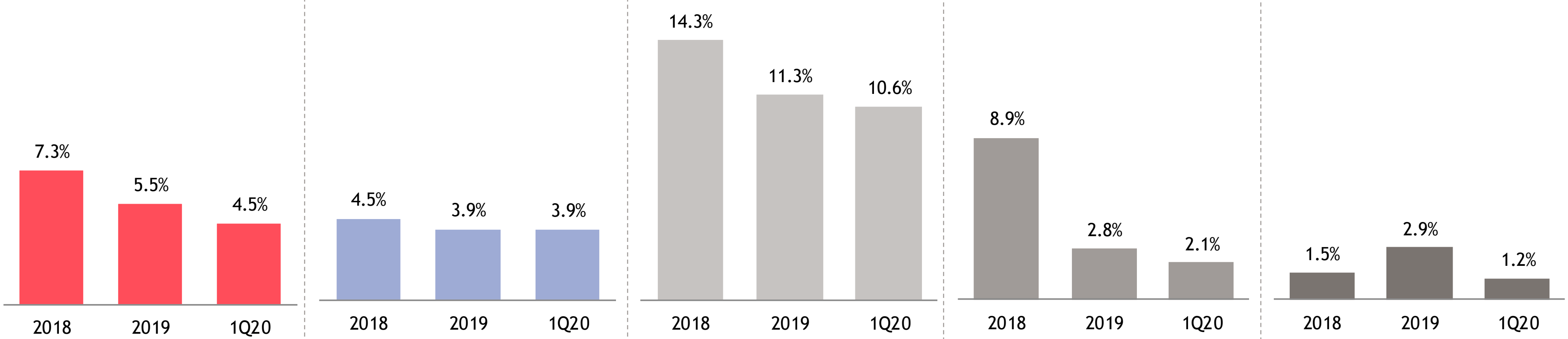
[1] Calculated as the sum of total SRP resp. Stage-3 ECL divided by total non-performing exposure.
[2] Calculated as non-performing exposure divided by total credit risk exposure.
[3] Excludes Financial Institutions and Corporate Center.
[4] Including YTD releases in Corporate Center (€4.1mn in 2018, €1.3mn in 1Q19, €5.3mn in YE19) and YTD impairments of €14.7mn in 1Q20.

RISK: MEANINGFUL NPE REDUCTION CONTINUED

Addiko Bank

	Consumer			SME			Mortgages			Large Corporates			Public Finance		
	€mn			€mn			€mn			€mn			€mn		
NPE Coverage Ratio[1]	91.1%	91.9%	88.8%	63.7%	66.1%	68.4%	73.6%	70.7%	68.5%	70.1%	47.5%	55.3%	42.0%	54.2%	72.6%

NPE Ratio[2]



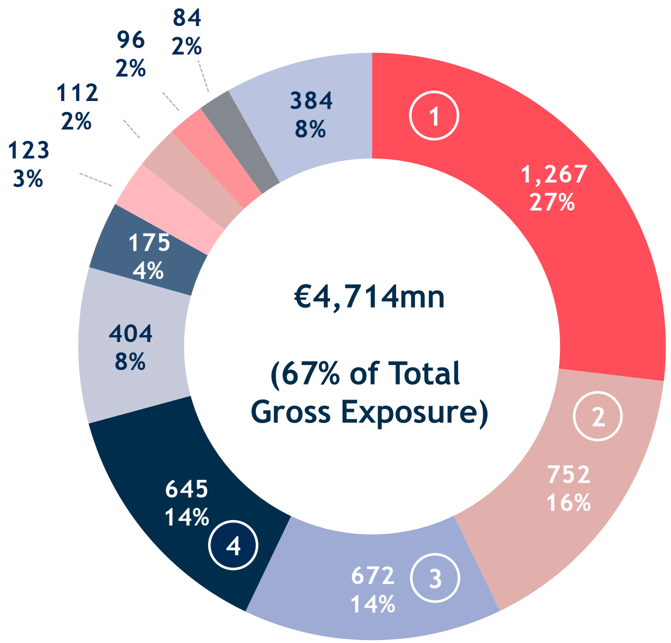
	Consumer			SME			Mortgages			Large Corporates			Public Finance		
	2018	2019	1Q20	2018	2019	1Q20	2018	2019	1Q20	2018	2019	1Q20	2018	2019	1Q20
Total NPE	*104*	*84*	*68*	*71*	*69*	*67*	*145*	*95*	*85*	*81*	*23*	*17*	*3*	*6*	*2*
Total Credit Risk Exposure	*1,415*	*1,532*	*1,522*	*1,559*	*1,759*	*1,719*	*1,016*	*837*	*799*	*907*	*811*	*816*	*223*	*192*	*185*
NPE Ratio - New Risk Framework	*2.6%*	*2.9%*	*3.1%*	*2.0%*	*2.5%*	*2.6%*	*2.9%*	*2.6%*	*2.8%*	*0.4%*	*1.5%*	*0.9%*	*0.0%*	*0.1%*	*0.1%*

	Consumer			SME			Mortgages			Large Corporates			Public Finance		
	2018	2019	1Q20	2018	2019	1Q20	2018	2019	1Q20	2018	2019	1Q20	2018	20189	1Q20
Credit Loss Expenses (YTD)	€(9.5)mn *Impairments*	€(20.3)mn *Impairments*	€(2.9)mn *Impairments*	€(7.4)mn *Impairments*	€(3.2)mn *Impairments*	€(0.5)mn *Impairments*	€9.5mn *Releases*	€12.8mn *Releases*	€1.8mn *Releases*	€3.6mn *Releases*	€6.9mn *Releases*	€1.5mn *Releases*	€2.4mn *Releases*	€1.3mn *Releases*	€0.5mn *Releases*

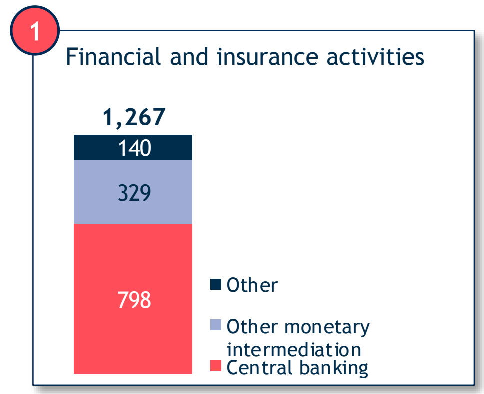
[1] Calculated as the sum of total SRP resp. Stage-3 ECL divided by total non-performing exposure. [2] Calculated as non-performing exposure divided by total credit risk exposure.

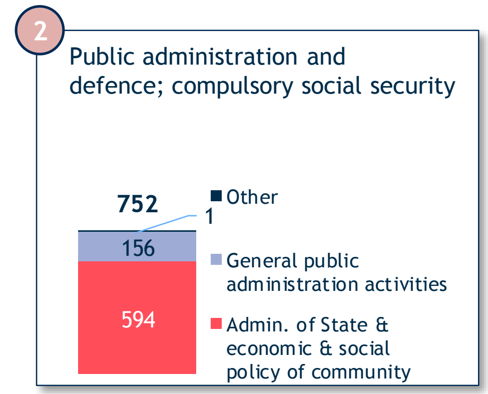
Non-Retail Gross Exposure by Industry (according to NACE) - excl. Consumer & Mortgage segments

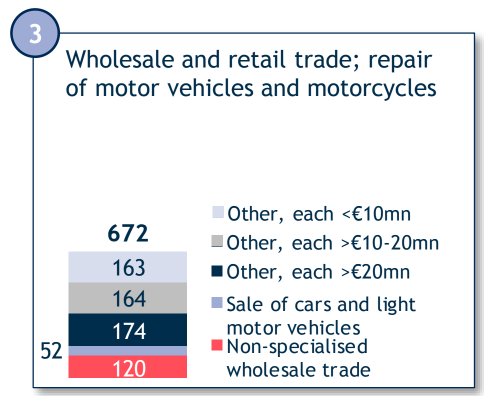
Reported, 1Q20, €mn

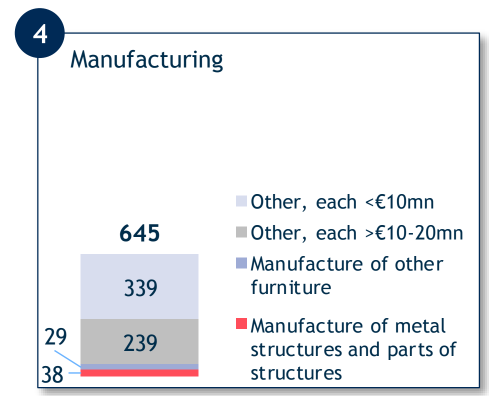


- Financial and insurance activities
- Public administration and defence; compulsory social security
- Wholesale and retail trade; repair of motor vehicles and motorcycles
- Manufacturing
- Construction
- Transporting and storage
- Professional, scientific and technical activities
- Accommodation and food service activities
- Information and communication
- Real estate activities
- Other



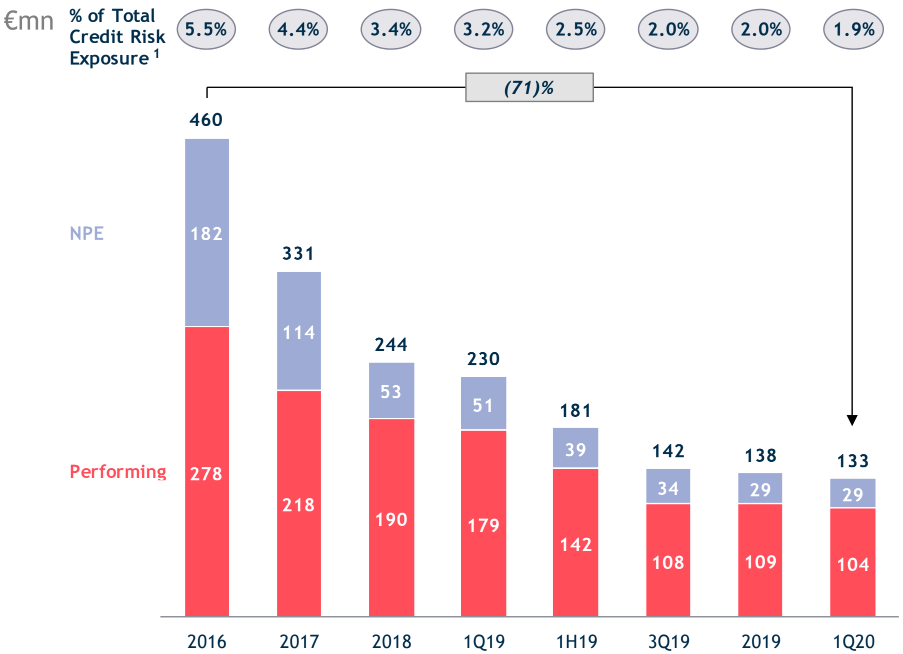




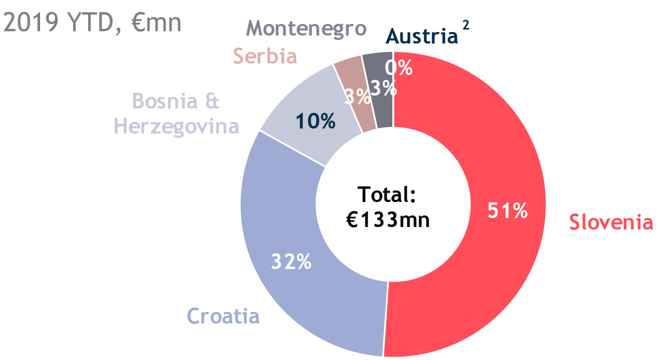


Risk: CHF Loans Significantly Managed Down

CHF portfolio overview



CHF credit risk exposure by countries



CHF conversion across countries

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 not continue to mediate between banks and Association Frank regarding the CHF loan topic and will not block further initiatives regarding a potential CHF conversion law.
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 ruled in February 2020 that annexes under the conversion law are valid on the basis of the Supreme Court ruling from March 4th 2020.
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 31.03.2020)

COVID-19: Summary of Key Fiscal and Monetary Measures

Addiko Bank

Fiscal Measures[1] / Monetary Measures[1]

Country	Fiscal: Description	Size (% of GDP)	Monetary: Description
Slovenia	€3bn loan guarantees for companies, purchase of claims to companies, co-financing of social contributions, temporary basic income for the self-employed and allowances for pensioners and other vulnerable groups.	11.0%	Na
Croatia	Measures planned worth around HRK 45bn. Temporary increase of the net minimum wage to HRK 4,000 (EUR 725) and partly or fully exempting some businesses from taxes for April, May, and July; deferral of VAT payments and support for tourism and agriculture.	6.3%	Reduction of reserve requirements to free additional liquidity; regular FX interventions to stabilise Kuna and ensure liquidity; purchase of government bonds; as of March 16th regular operations to provide short- and long-term Kuna liquidity.
Serbia	RSD 384bn including increased healthcare spending, payments to pensioners, cash transfers to citizens, new infrastructure investment, extra time to pay tax and social security contributions, wage subsidies.	7.0%	Central bank cut policy rate by 125bps to 1.5% and is selling FX to support the Dinar. Using FX swaps and repo operations to provide liquidity to banking sector.
Bosnia & Herzegovina	Up to €50mn from the EU; €330mn from the IMF (doubled original funds), €205mn guarantee fund by the FBiH govt. for SMEs.	3.3%	Six-month loan repayment moratorium in some cases.
Montenegro	€18mn for SMEs; €50mn from the EU; €2.5mn from the central bank.	1.5%	Central bank introduced moratorium on loan repayments for up to 90 days.

Significant Volatility -> Forecasting Challenge

Selected GDP forecasts for growth in the Euro Area vary significantly for 2020's shock and for a potential 2021 rebound

Institution / Date	2020	2021
ECB (Staff projection) / March 2020	0.8%	1.3%
IIF / March 2020	(4.7)%	na
Consensus Economics / April 2020	(5.7)%	5.4%
IMF / April 2020	(7.5%)	4.7%
Euro Zone Barometer / April 2020	(5.2)%	3.7%
SPF (ECB Survey) / May 2020	(5.5)%	4.3%
EC Spring Forecast / May 2020	(7.7)%	6.3%
ECB Forecast (Pre-Staff projection) / May 2020		
• Mild	(5.0)%	6.0%
• Medium	(8.0)%	5.0%
• Severe	(12.0)%	4.0%

[1] Source: The Vienna Institute for International Economic Studies (wiiw).
[2] Based on publicly available information

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VIENNA, MAY 2020

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Addiko Group’s Investor Relations website http://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 March 31, 2020 approximately 0.8 million customers in CSEE, using a well-dispersed network of 178 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.