Addiko Bank

3Q20 Results Presentation

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November 4th 2020

Key Highlights 3Q20

Earnings	• **YTD result after tax** of €-6.4mn net loss (1H20: -12.2mn, YTD 3Q19: €+23.4mn) • **Positive 3rd quarter** result after tax of €+5.8mn (2Q20: €-3.8mn, 1Q20: €-8.4mn) • **Provisioning** at **(1.0)% Cost of Risk** with €-37.8mn (vs 1H20's €-29.2mn) predominantly driven by IFRS 9 model adjustments and Stage 2 developments • **YTD operating result** up by c. €14mn to €42.4mn (+48% on YTD 3Q19's €28.6mn) supported by lower OPEX, despite Covid-19 impact on top-line • **Return on Tangible Equity** (@14.1% CET1 ratio) currently at 0.2% (YE19: 5.6%)
Asset Quality Containment	• **NPE volumes and ratio stable** at 3.6% (1H20: 3.6%, YE19: 3.9%) influenced by moratoria preventing defaults for potentially affected exposures • EBA regulation on specific treatment of moratoria expired • Overall **exposure in moratoria down to €667mn** in 3Q20 (-34% vs. 1H20's € 1,011mn) • **>90% of loan portfolio remains with no overdues, portfolio behavior in line with expectations** • **NPE provision coverage** stable at 73.7% (1H20: 73.2%, YE19: 73.8%)
Funding, Liquidity & Capital	• **Funding situation remained solid** at €4.7bn customer deposits despite Covid-19, with LCR at c. 210% • **Capital ratio further strengthened** to transitional **CET1 ratio of 19.2%** (IFRS 9 fully-loaded CET1 ratio of 18.5%)

Outlook 2020 Further Sharpened, Virtual AGM on November 27th 2020

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Mid Term Targets

- Mid Term Targets currently being finalised as part of the budgeting process
- Management aims to provide an update during 4Q20

Revised Outlook 2020

- **For the full year 2020 the Group currently guides towards:**

Unchanged to 1H20's disclosure

- **Net Banking Income:** 7-10% below the level of 2019
- **Operating expenses:** below €175mn
- **CET1 ratio:** above 19% on a transitional basis, with previously proposed 2019 dividend already being deducted

Revised

- **Gross performing loans:** c. €3.6bn (previously c. €3.5bn)
- **Credit loss expenses** on financial assets: max. 1.5% on average net loans and advances to customers (previously 1.1% to 2.2%)

AGM & Dividend Guidance

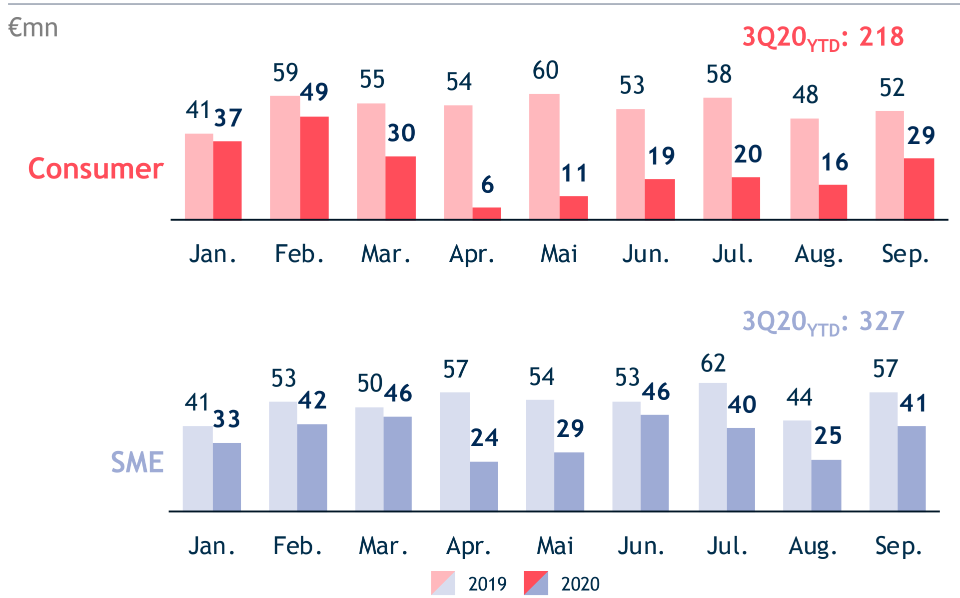
- **Virtual AGM** for business year 2019 announced for **November 27th 2020**
- **Management remains committed to its communicated 2019 dividend proposal,** aiming for a conditional decision at the AGM

GDP forecasts[1] (%, real growth)

	Forecasts as of 1H20				Latest Forecasts			
	2020E Base	2021E Base	2020E Pessimistic	2021E Pessimistic	2020E Base	2021E Base	2020E Pessimistic	2021E Pessimistic
Slovenia	(9.5)%	4.0%	(12.0)%	1.4%	(6.7)%	4.7%	(7.3)%	2.3%
Croatia	(11.0)%	4.0%	(13.5)%	1.9%	(9.4)%	5.0%	(10.0)%	2.5%
Serbia	(4.0)%	4.0%	(5.6)%	3.1%	(2.0)%	4.5%	(2.4)%	2.9%
Bosnia & Herzegovina	(5.0)%	3.0%	(6.6)%	2.1%	(5.0)%	3.1%	(5.4)%	1.5%
Montenegro	(8.0)%	5.0%	(9.6)%	4.1%	(9.0)%	5.0%	(9.4)%	3.4%
Euro Area	(7.5)%	4.7%	(9.1)%	2.8%	(8.5)%	5.8%	(8.9)%	4.3%

- **More pronounced V-shaped recovery in 2021** expected as most likely scenario
- **Currently, improved projections** foreseen by macro-economists for Addiko's largest markets in CSEE
- Downside risks less pronounced

New business volumes started to recover



Unsecured consumer loan market (stock outstanding) and IRs[1]

	'20 vs. '19 Δ Volume / Δ IRs		'21 vs. '19 Δ Volume / Δ IRs		'21 vs. '20 Δ Volume / Δ IRs		Addiko 3Q20 portfolio[2]
Slovenia	-6%	/-18bp	0%	/-22bp	+6%	/-4bp	28%
Croatia	-4%	/-39bp	+2%	/-39bp	+6%	/-1bp	30%
Serbia	+13%	/-66bp	+26%	/-66bp	+11%	/-24bp	14%
Bosnia & Herzegovina	-2%	/n.a.	+5%	/n.a.	+7%	/n.a.	20%
Montenegro	+9%	/-20bp	+21%	/-20bp	+11%	/-11bp	8%

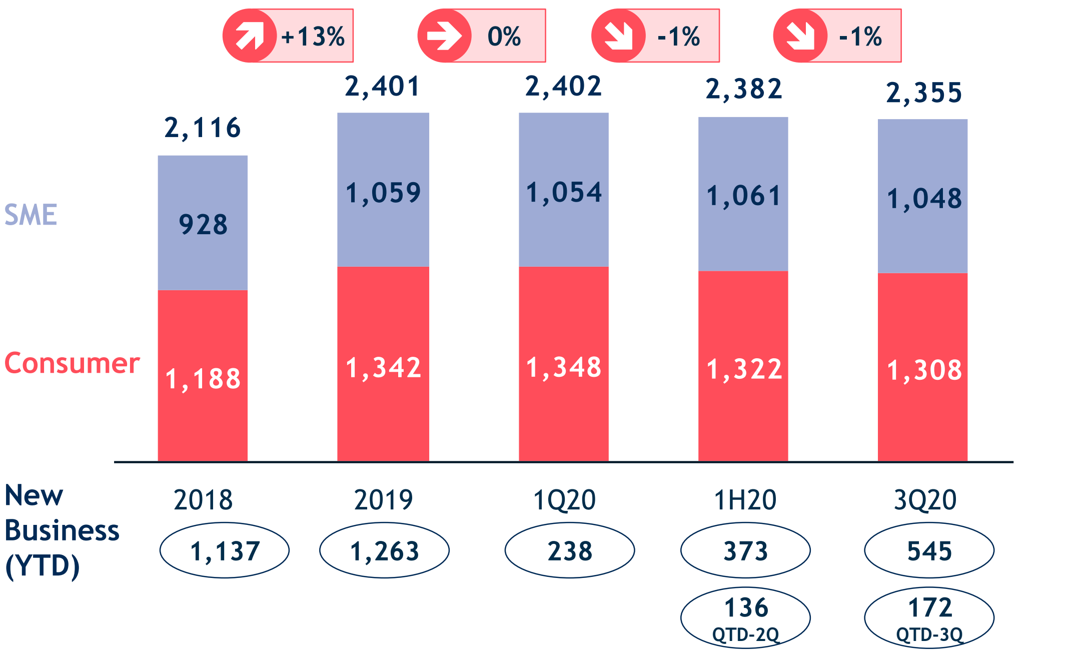
- Unsecured consumer loan market expected to return to growth
- Achievable interest rates expected to continue decline

[1] Source: The Vienna Institute for International Economic Studies (wiiw); unsecured consumer loan market development rates based on local currency, IRs = Interest Rates.
[2] Gross performing loans as of 3Q20.

Focus Portfolio Remains Stable

Focus portfolio development

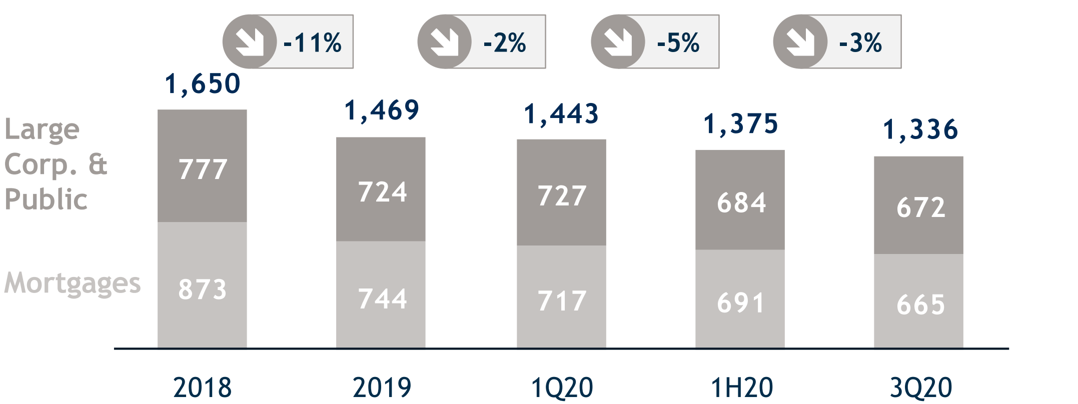
Consumer & SME gross performing loans (€mn)



- **Focus portfolio remains stable despite challenging environment**
- **New business volumes started to inch up in focus:**
  - up by 27% in third quarter 2020 (€172mn) vs. 2Q20's €136mn
  - YTD down 46% YoY
- **Re-calibration of implemented Covid-19 risk mitigation measures in underwriting model implemented in October**
- **Yields** remained **stable in focus**

Non-Focus portfolio development

Mortgages, Large Corp. & Public Fin. gross performing loans (€mn)



- **Non-Focus reduction remains in line with plan,** similar rate of reduction during 2019 expected in 2020
- No new business in Mortgage and Public
- Limited short-term new business in Large Corporates to deploy excess liquidity

Key Topics & Actions

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Key topics	Actions communicated with 1H20 results	Progress during 3Q20
Growth	• Accelerate execution of **established focus strategy and introduce value generating digital capabilities** • Uphold **robust asset quality** with tight risk management & containment • **Run down non-focus** or disposal in case of economically sound opportunities	**Revised risk parameters** in focus being closer to pre Covid-19 **Proven** resilience of **portfolio quality** Identified **RWA reduction opportunity** for next 12 months
Costs	• **Reduce fixed and variable cost components sustainably** to compensate for revenue gaps • **Review of rightsizing** • **Scale up migration to digital**, harmonize and automate processes	**Cost optimization program** identified reduction **potential of >15mn** vs. YE20's €175mn until 2022 Revamped digital strategy and roll-out of digital loan distribution improvements
Capital	• **Maintain strong capital position**, stable and diversified funding & liquidity • Commit to communicated **dividend policy** • Continue **proactive dialogue** with regulators on capital requirements and MREL	**Continued to strengthen capital base**, as basis for AGM decision on dividend 2019 **Kicked-of collaboration with ECB**, SREP 2020 (valid in 2021) cycle will be completed by FMA Updated **MREL decision** expected **in 1Q21**

3Q20 Executive Summary

Financials & Risk Update

Update on Focus Growth, Digital & IT

Additional Materials

Financial Performance 3Q20

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Key financials (reported)

P&L

in €mn

	YTD			QTD		
	3Q20	3Q19	+/- PY	3Q20	2Q20	+/- PQ
Net interest income	131.7	136.7	-3.6%	43.1	43.3	-0.5%
Net fee and commission income	44.3	49.6	-10.8%	15.4	13.7	12.5%
Net banking income	**176.0**	**186.3**	**-5.5%**	**58.5**	**57.0**	**2.6%**
Operating income	**167.5**	**170.7**	**-1.9%**	**56.6**	**54.2**	**4.4%**
Operating expenses	**-125.1**	**-142.1**	**-12.0%**	**-41.8**	**-39.8**	**5.1%**
1 **Operating result**	**42.4**	**28.6**	**48.2%**	**14.8**	**14.5**	**2.6%**
Credit loss expenses on financial assets	-37.8	0.5	>100%	-8.6	-14.8	-42.1%
Result before tax	**4.6**	**29.1**	**>100%**	**6.2**	**-0.4**	**>100%**
2 **Result after tax**	**-6.4**	**23.4**	**>100%**	**5.8**	**-3.8**	**>100%**

Balance Sheet

in €mn

	3Q20	3Q19	+/- PY	+/- PQ	+/- YE19
Total assets	5,869	6,182	-5.1%	-1.2%	-4.0%
Loans and receivables to customers	3,679	3,904	-5.8%	-1.6%	-3.8%
3 o/w gross performing loans	3,692	3,896	-5.2%	-1.8%	-4.0%
Customer deposits	4,683	4,909	-4.6%	-1.2%	-1.5%
Shareholders' equity	840	857	-2.0%	1.6%	3.6%

Key Ratios

	3Q20	3Q19	+/- PY (pts)	+/- PQ (pts)	+/- YE19 (pts)
NIM (in bp)	294	296	-2	-2	-5
Cost/income ratio	71.1%	76.3%	-5.2%	1.3%	0
NPE Ratio (GE based)	3.6%	4.4%	-0.8%	0.1%	0.2%
Cost of risk (net loans, not annualised)	-1.0%	0.1%	-1.2%	-0.2%	-0.7%
Loan-deposit ratio (customer)	78.6%	79.5%	-1.0%	-0.4%	-1.9%
CET1 ratio (transitional)	19.2%	17.4%	1.84%	0.2%	1.5%
4 Total capital ratio (transitional)	19.2%	17.4%	1.84%	0.2%	1.5%
CET1 ratio (fully-loaded)	18.5%	16.8%	1.77%	0.3%	1.4%
Total capital ratio (fully-loaded)	18.5%	16.8%	1.77%	0.3%	1.4%

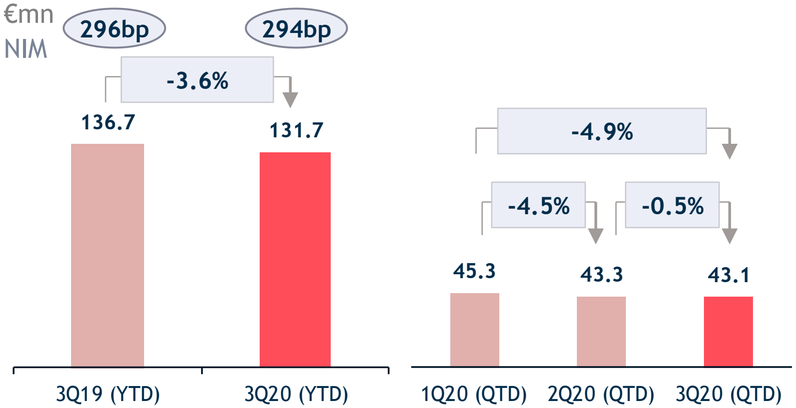
1 **Operating result** before change in credit loss expense at €42.4mn, **up 48% YoY**, driven by
- **Net Banking income lower** by 5.5% YoY (+2.6% vs. 2Q20) driven by decline of business activities, partially compensated by funding costs and improved business activities in 3Q20
- **Other income higher** by €7.1mn with YoY influenced by 3Q19 bookings of CHF provisions in Croatia
- **Operating expenses better** by €17.0mn following 2019's efficiency programs, exclusion of performance bonus accruals and further cost initiatives

2 **Result significantly driven by**
- **Provisioning** of €-37.8mn reflecting Covid-19 while overall asset quality remains strong (NPE ratio remained at 3.6%, YE19: 3.9%)
- **Taxes with negative impact** via impairments on DTA in 1H20

3 **Reduction in the performing loan book by €204mn YoY (-€153mn vs. YE19)**

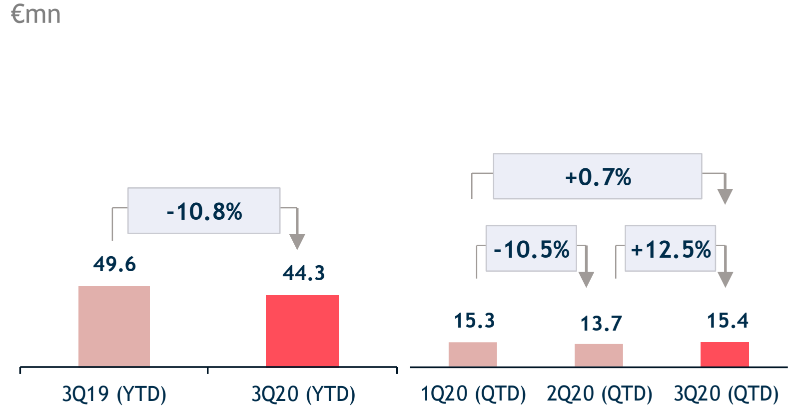
4 **Solid capital ratio** at CET1/TC ratio at 19.2% (18.5% fully-loaded) improving 22bp vs. 1H20 (c. +30bp fully-loaded)

Net interest income



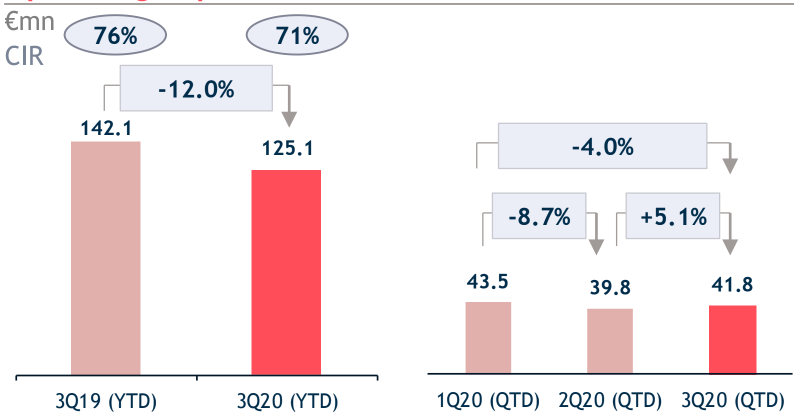
- Regular interest income from focus areas up 3.9% YoY and down 0.6% vPQ due to limited news business, with non-focus reduction according to plan
- Deposits stable, NII supported by lower deposit yields (-12bp YoY)

Net fee and commission income



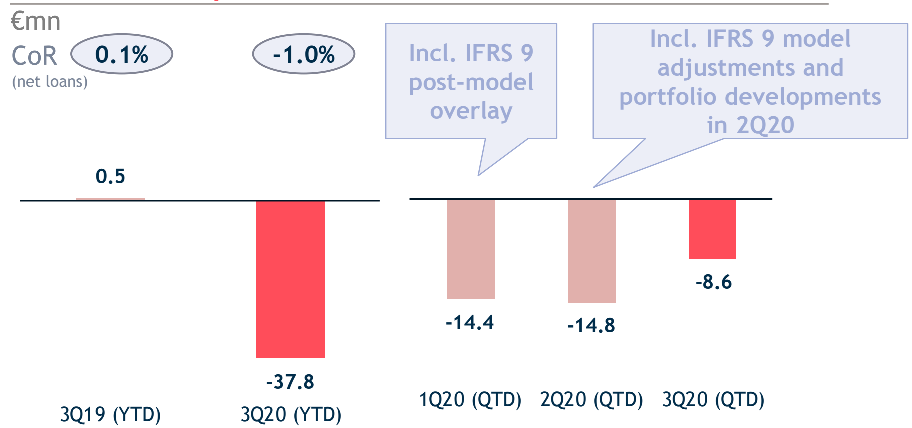
- Net commission income still impacted by limited demand and fewer transactions
- Third quarter better due to increased customer activity and higher new business

Operating expenses



- Cost reduction as outcome of implemented initiatives and Covid-19 related reductions
- 3Q19 influenced by IPO costs, 3Q20 by COV-19 related savings and no bonus accruals for 2020

Credit loss expenses on financial assets



- Pure operational cost of risk in 3Q20 line with expectations, slightly elevated by crisis
- Updated 3Q20 macro developments will be reflected in 4Q20 (already considered in outlook 2020)

Development of Operating Expenses and Next Steps

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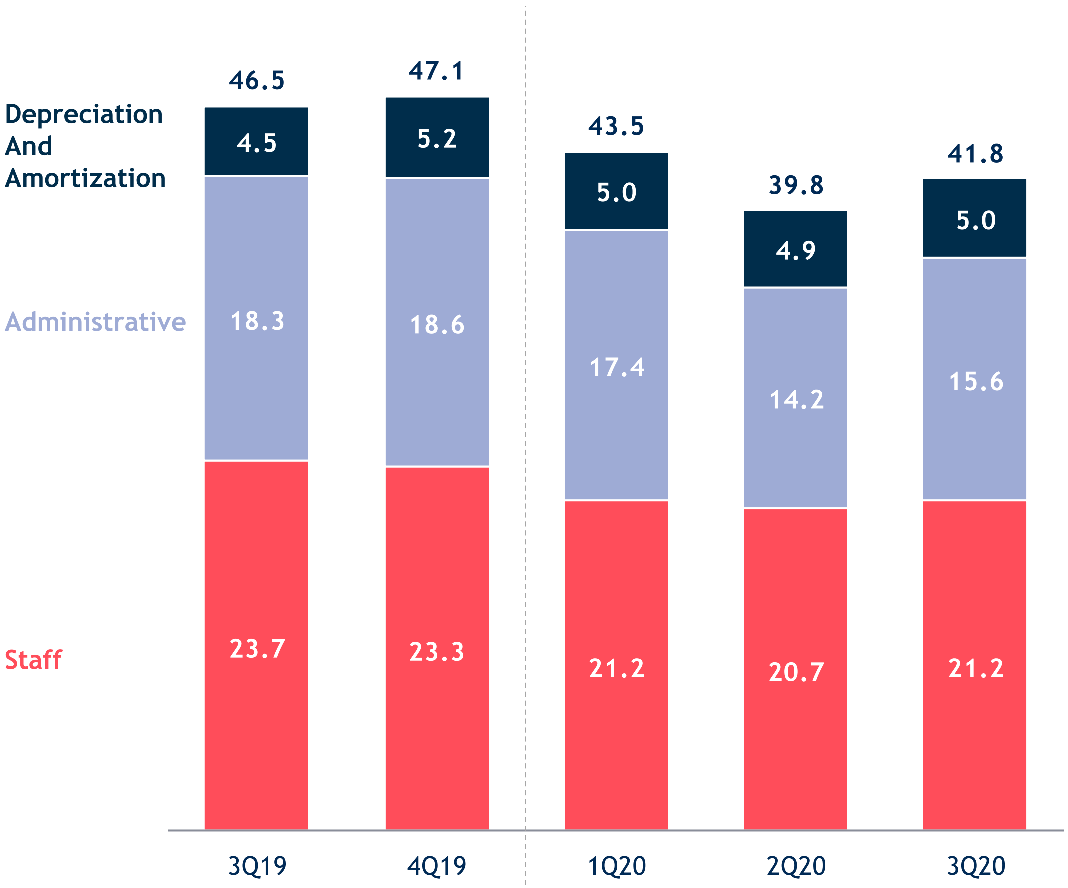
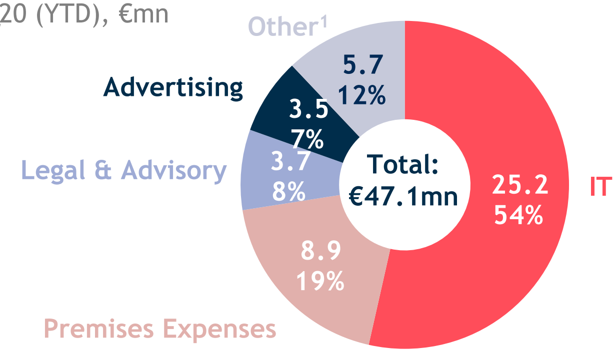
Operating expenses development by quarter

Reported, €mn



Administrative expenses

Reported, 3Q20 (YTD), €mn



- Cost base further optimized as a result of ongoing cost optimization programs & Covid-19 containment
- 3Q19 includes IPO related costs of €0.5mn (3Q19 YTD: €2.0mn)
- No performance-based bonus accruals in 2020

➔ **Cost optimization program** launched in 3Q20

➔ Results so far:

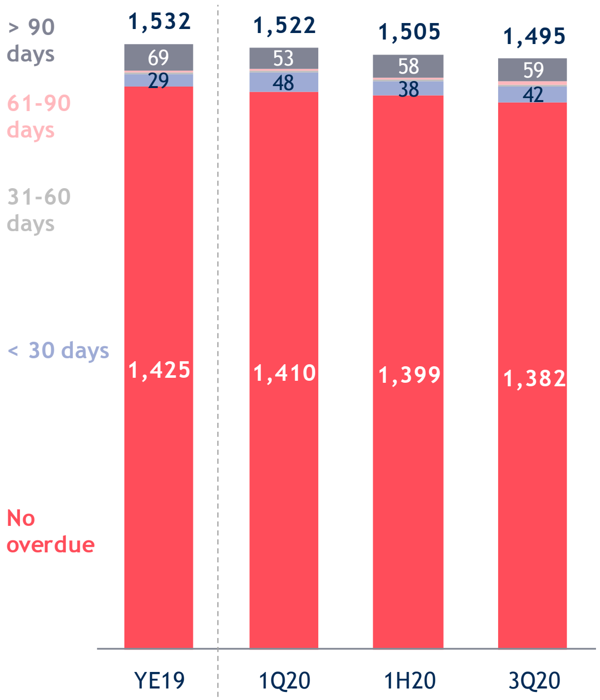
  – **Reduction potential of c. €15mn** vs. YE20'20 €175mn, in personnel-, administrative and IT OPEX - including costs related to HQ's and branch network by YE22

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

Focus

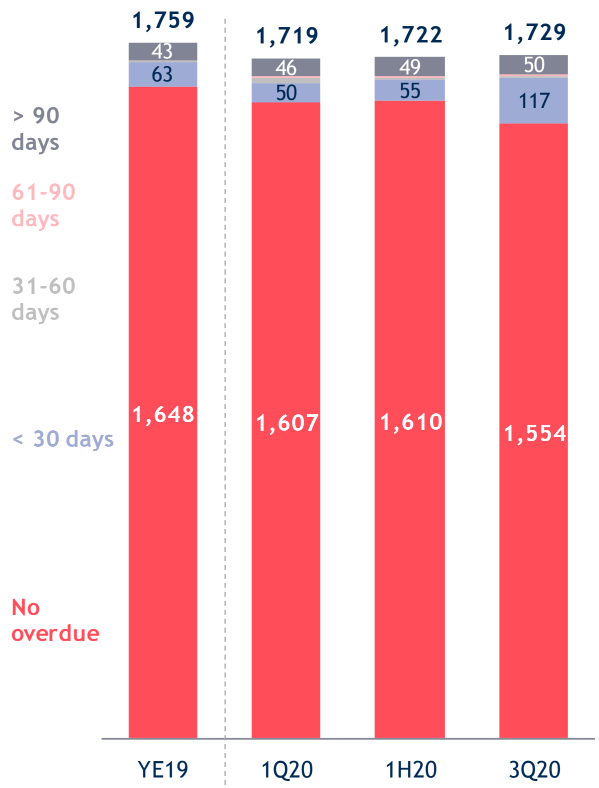
Consumer

€mn



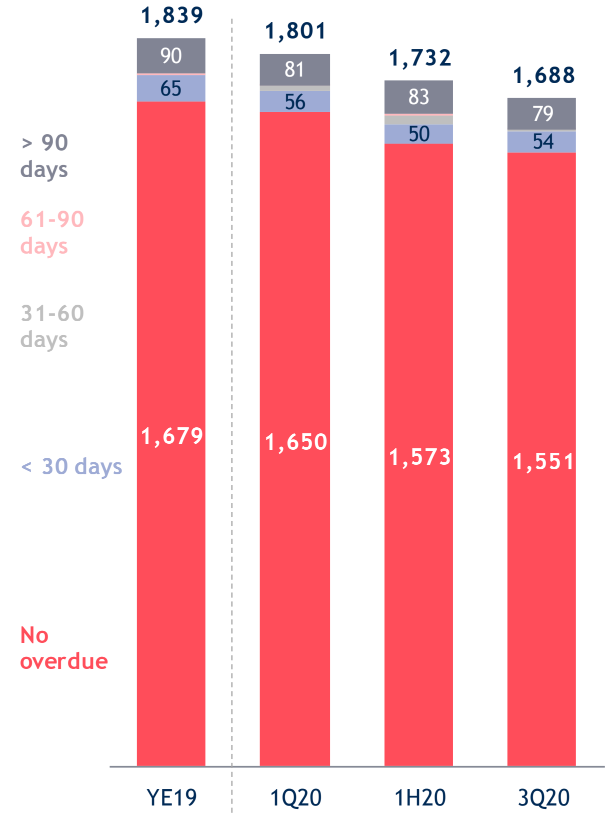
SME

€mn



Non-Focus

€mn



	Consumer YE19	Consumer 1Q20	Consumer 1H20	Consumer 3Q20	SME YE19	SME 1Q20	SME 1H20	SME 3Q20	Non-Focus YE19	Non-Focus 1Q20	Non-Focus 1H20	Non-Focus 3Q20
>90 days	4.5%	3.5%	3.9%	4.0%	2.5%	2.7%	2.8%	2.9%	4.9%	4.5%	4.8%	4.7%
1 to 90 days	2.5%	3.9%	3.2%	3.5%	3.8%	3.8%	3.6%	7.2%	3.8%	3.9%	4.5%	3.4%
No overdue (%)	93%	93%	93%	92%	94%	93%	94%	90%	91%	92%	91%	92%

- >90% of portfolio remains with no payment delays as evidence for resilience of exposures not affected by moratoria
- Overall stable development in portfolio's
- SME's >30 days bucket development predominantly related to technical reasons (resolved towards 1H20 levels already in October)
- Approval rates still on 2Q20 level: Fast cash loans 20% (YE19: 43%), Payroll loans 45% (YE19: 61%)

Latest Developments on Covid-19 Loan Moratoria in CSEE

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Repayment Moratoria

	Description	Approach	Initial duration (from March 2020)	Update 1H20 (August 2020)	Update 3Q20 (November 2020)
Slovenia	• Statutory • Moratorium on full monthly instalment • Reason for moratoria request must be assessed	Opt-in	Up to 12 months	So far unchanged	• Deadline for applying until 30.11.2020
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)	So far unchanged	• Currently no moratorium in force • Deadline for applying expired on 30.09.2020
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	Prolonged until September 2020 (announced in July)	• Currently no moratorium in force
Bosnia & Herzegovina	• Statutory • Moratorium on full monthly instalment • Clients need to state reason for moratoria request	Opt-in	Up to 90 days	First indications of potential prolongation, unclear whether applicable to Retail and/or Non-Retail	• Deadline for applying prolonged to 31.12.2020 • Clients must prove impact
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)		• National Bank adopted decision on new moratorium in October • Clients to prove that they lost their job as a result of Covid-19

Prolongation of moratoria is likely to impact the timing of expected credit losses to materialize in 1Q21

Total Exposure in Applicable Moratoria down to 10% as of 3Q20

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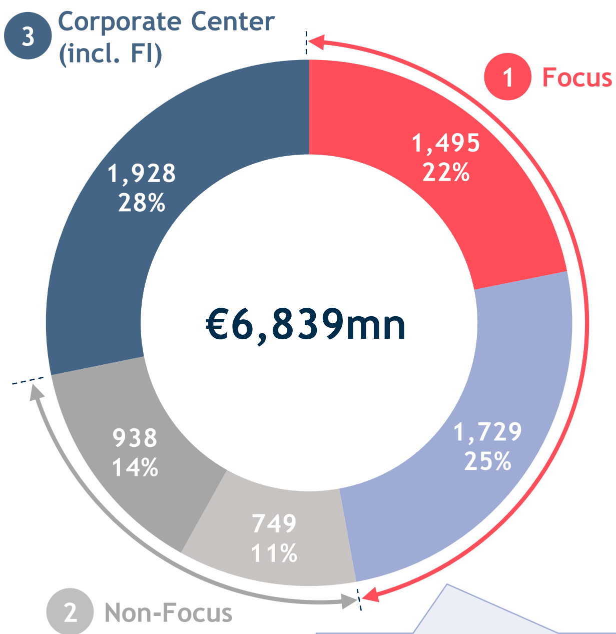
Gross Exposure

Reported, 3Q20, €mn



Exposure in Moratoria:	3Q20	1H20	1Q20
Retail[1]	13%	17%	14%
Non-Retail[2]	14%	23%	16%

- Consumer
- SME
- Mortgages
- Large Corp. & Public
- Corporate Center

Exposure in Moratoria

Reported, 3Q20, €mn

Affected by moratoria / Not affected by moratoria

By Segment

	Segment	Affected by moratoria	Not affected by moratoria	% Moratoria	% Moratoria in Total (excl. CC)	# of customers
1	Consumer	208	1,287	14%	4%	29.6k
1	SME	276	1,452	16%	6%	0.8k
2	Mortgages	81	669	11%	2%	2.7k
2	Large Corp. & Public	102	836	11%	2%	0.2k
3	Corporate Center (CC)		1,928	0%		0
	TOTAL	667	6,172	10%		c. 34k
	Total (excl. CC)	667	4,244	14%		

By Country

Country	Affected by moratoria	Not affected by moratoria	% Moratoria	% Moratoria in Total (excl. CC)	# of customers
Slovenia	123	1,580	7%	3%	0.9k
Croatia	74	2,495	3%	2%	1.7k
Serbia	427	601	42%	9%	29.7k
BiH	31	1,045	3%	1%	0.5k
Montenegro	11	217	5%	0%	0.6k
Austria		234	0%	0%	0
TOTAL	667	6,172	10%		

- Moratoria exposure down to €667mn vs. 1H20's €1,011mn (down >30%)
- As of 3Q20 c. 34k customers in moratoria (1H20: 52k): 10% of total and 14% of business segment exposure (1H20: 15% total, 20% business segment)
- 80% of moratoria exposure (90% clients) related to Serbia – all expired in Oct. 2020

[1] Retail equals Consumer and Mortgages segment exposure
[2] Non-Retail equals SME, Large Corporate & Public Finance segment exposure

Moratoria Exposure Development During Third Quarter 2020

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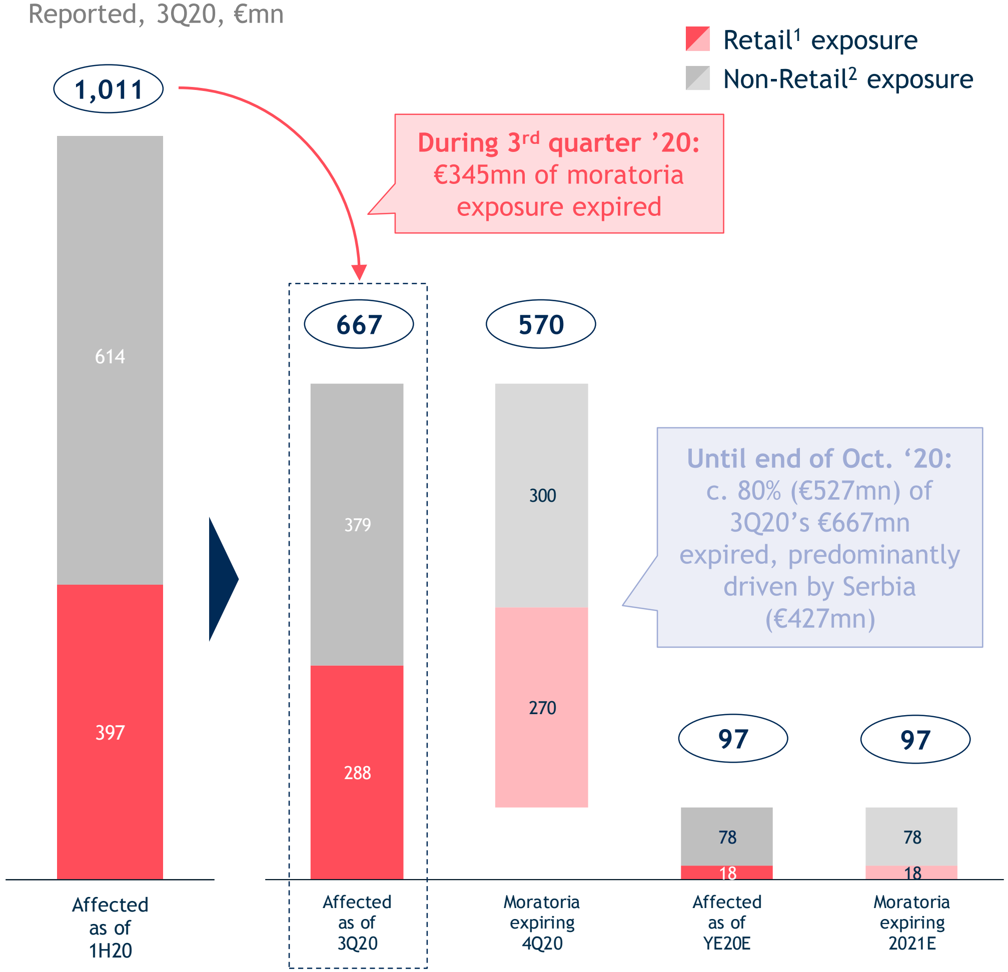
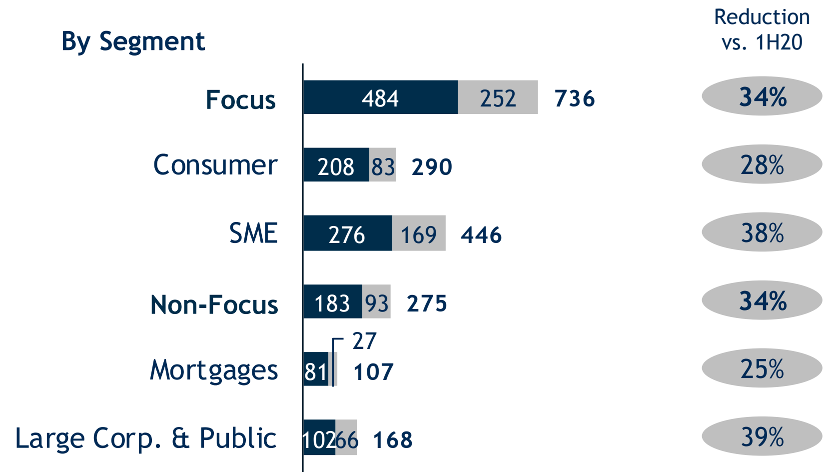
Exposure in Moratoria and development

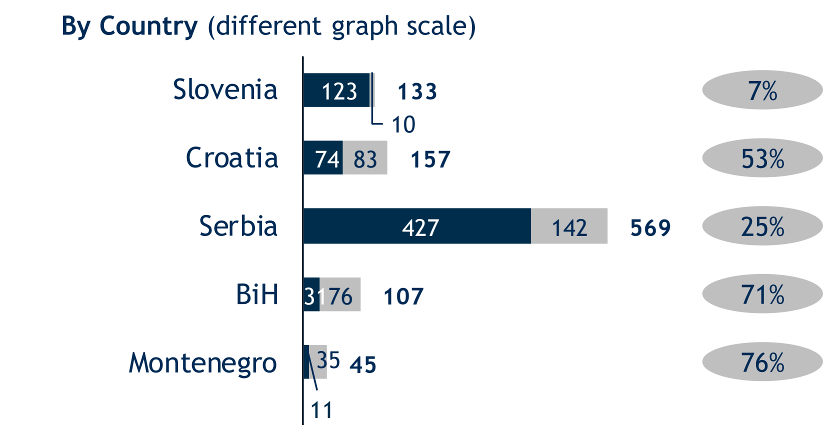
Reported, 3Q20, €mn



Moratoria exposure development in 3rd quarter 2020

Remaining as of 3Q20
Expired since 1H20



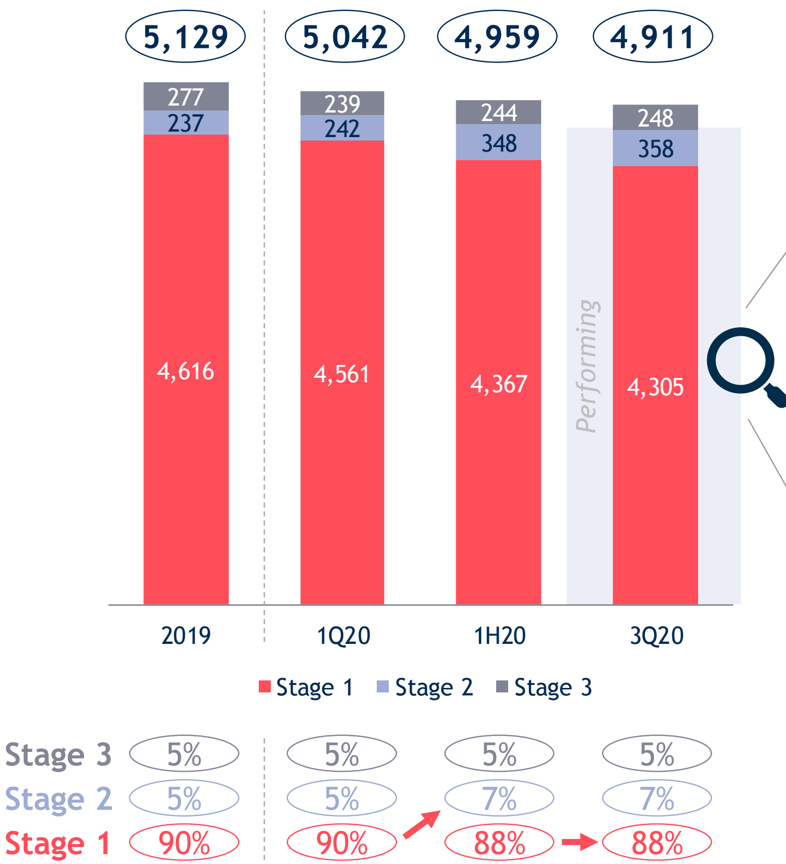


- So far, >90% of expired moratoria portfolio behaving neutral in terms of customers' payment behaviour
- Continued & tight monitoring in place

[1] Retail equals Consumer and Mortgages segment exposure
[2] Non-Retail equals SME, Large Corporate & Public Finance segment exposure

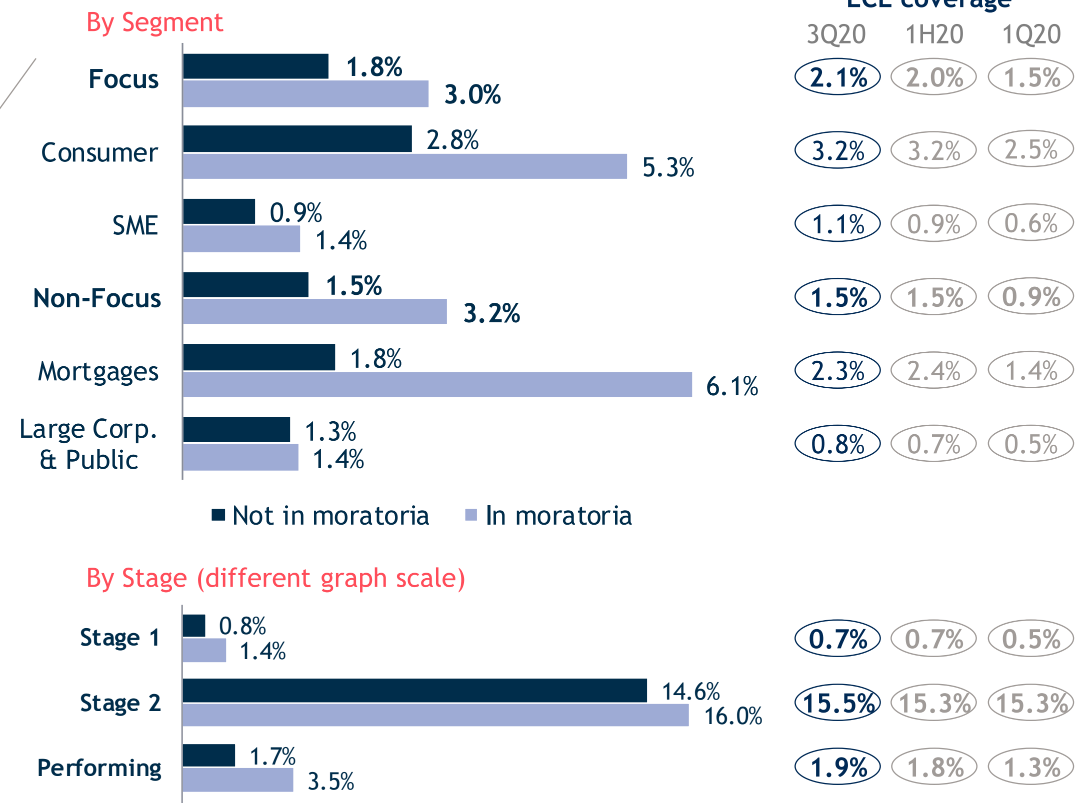
Stage 1, 2 and 3 assets

€mn



Business segments: Stage 1 & 2 (Performing) coverage

3Q20 (YTD)

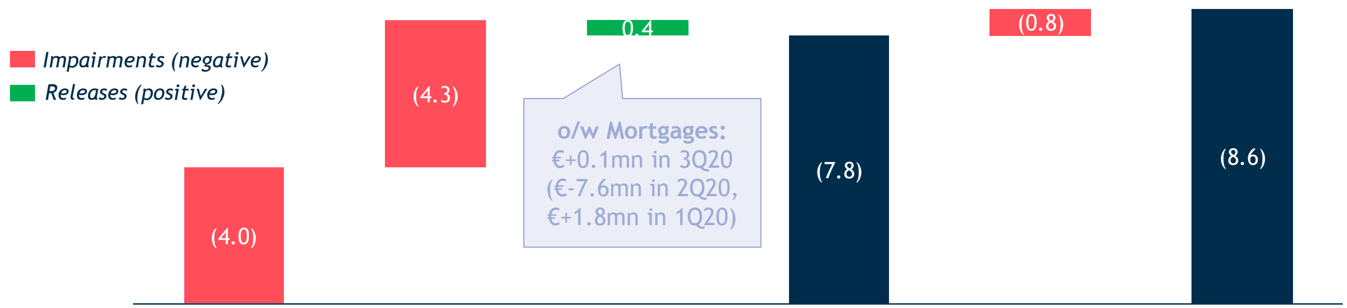


- Portfolio stable, limited increase in Stage 3 (NPE)
- Limited shift from performing Stage 1 into Stage 2
- Slight increase in Expected Credit Loss (ECL) coverage for performing assets of business segments (Stage 1 & 2) to 1.9% at 3Q20 (1H20: 1.8%, 1Q20: 1.3%)

Regularly Reviewed Provisioning in Line with Developments and IFRS 9

Credit loss expenses on financial assets

3Q20 (QTD), €mn



	Consumer	SME	Non-Focus	Business Segments	Corp. Center	TOTAL
1Q20	-2.9	-0.5	3.8	0.3	-14.7	-14.4
2Q20	-14.0	-6.6	-10.1	-30.7	15.9	-14.8
3Q20	-4.0	-4.3	+0.4	-7.8	-0.8	-8.6

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

QTD

	2019	1Q20	2Q20	3Q20
Consumer	(1.33)% (1.56)% on NL	(0.19)% (0.22)% on NL	(0.93)% (1.09)% on NL	(0.27)% (0.31)% on NL
SME	(0.18)% (0.30)% on NL	(0.03)% (0.05)% on NL	(0.39)% (0.62)% on NL	(0.25)% (0.41)% on NL

Group 3Q20 YTD

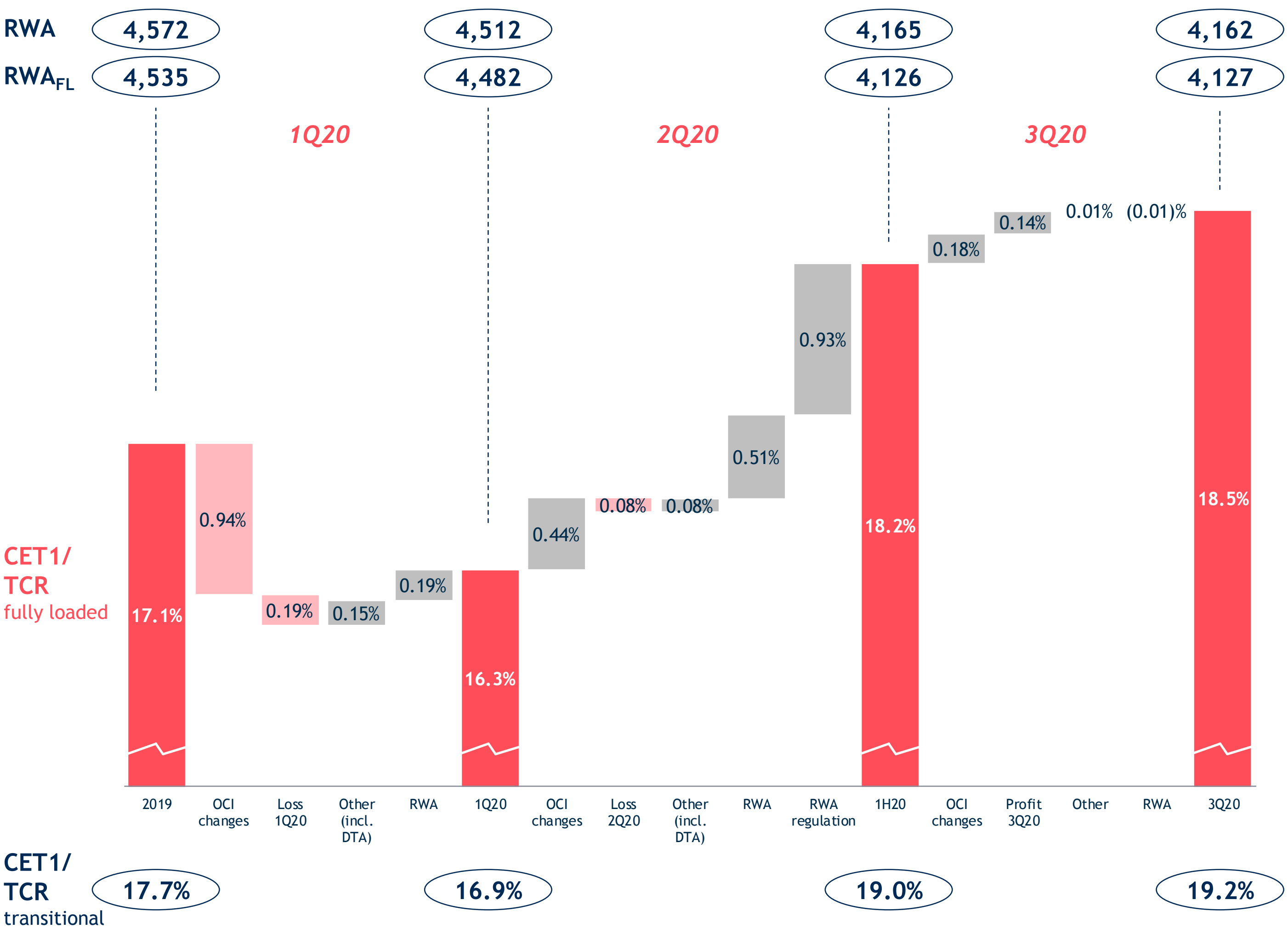
Business Segments	TOTAL
(0.78)% (1.04)% on Net Loans	(0.75)% (1.03)% on Net Loans

- 1Q20's €14.4mn provisions includes €13.6mn related to a post-model overlay in line with recommendations by the International Accounting Standards Board
- **Updated IFRS 9 models** in 2Q20 reflect, latest macro forecasts and portfolio developments, allocated to business segments, with **no additional adjustment in 3Q20**
- **3Q20 YTD with operational cost of risk remains better than expected** (on net loans, not annualised):
  - Consumer: (1.64)%
  - SME: (1.09)%
  - Non-Focus: (0.44)%
- **Regular model updates** following developments during 4Q20, and provisioning on the basis of portfolio migration behaviour

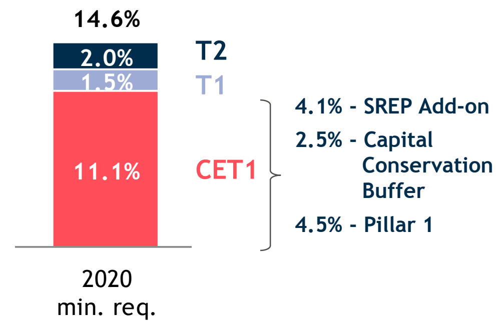
Addiko's Capital Position Remains Strong

Capital development

% CET1/TCR, RWAs transitional and fully loaded in €mn



Capital requirement



- **Final SREP 2020:** Pillar 2 Requirement (P2R) of 4.1% (4.1% in 2019). In addition, Pillar 2 Guidance (P2G) of 4%, still unchanged

- **Strong capital position** at 18.5% CET1 (17.6% excl. changes in RWA regulation)
- Previously proposed **2019 dividend remains deducted** from CET1
- Regulatory developments on dividend payments being observed

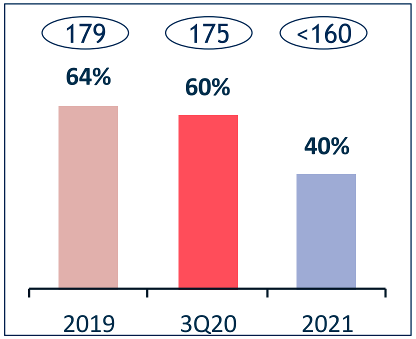
- Fully-loaded CET1 ratio improved further during 3Q20, driven by profit and further recovery in OCI related deductions
- **Additional RWA reduction** via regulatory changes (quick fixes) during 2Q20

Accelerate Growth in Focus Areas Leveraging Opportunities

Addiko Bank

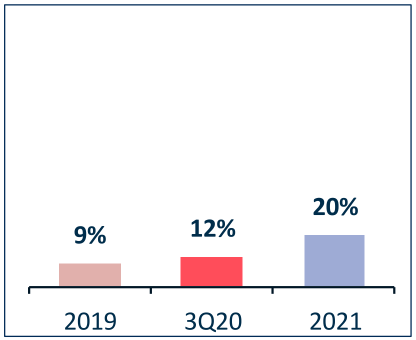
Distribution channel penetration by channel

Physical Branch Network



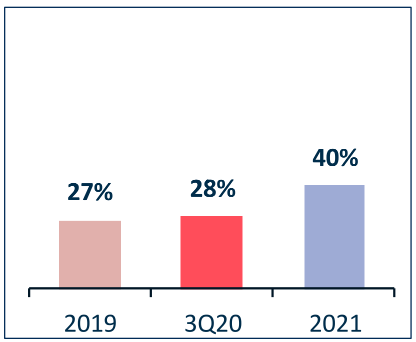
- Optimization of physical branch network & FTE per branch
- Release brick & mortar related costs
- Scale-up migration to digital

Traditional Digital



- Accelerate digital End-2-End/Assisted loan originations
- Enhance omnichannel experience
- Reduce processing costs

Digitally Enabled Multipliers



- Focus on partnerships & cost-effective acquisitions
- Amplify Bank@Work
- Leverage new remote advice for human-led interactions

Business Growth - Key pillars for 2021

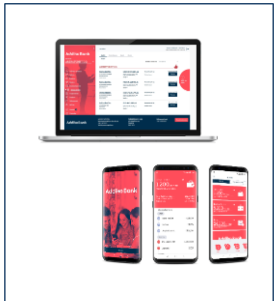
- **Enhance efficiency & profitability of physical distribution channels**
- Broaden Consumer **segment to additionally target higher quality pockets** through digital
- **Focus on growing profitably incrementally with new effective distribution capabilities & enhanced decision engine:**
  - **Establish partnerships for POS lending, B2B2C and other opportunities**
  - Add **Service-to-Sales channel** to contribute to 10% of new origination
  - Risk based value propositions
  - Accelerate growth in smaller SME loans & Micro opportunity
- **Increase Contribution of digitally enabled multipliers to 40%**
- **Optimize & offer a painless and quick sales fulfilment journey with data driven decision capabilities**

Digital Loan Capabilities to be Enhanced Using Business Multipliers

Traditional digital channels

Existing capability

E & M-Banking & E-2-E mLoan



New capability

Digital initiated loan

Telesales

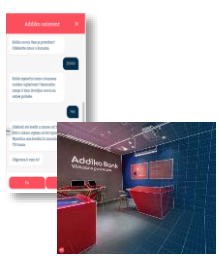
Consumer POS

Assisted sales channels for loans

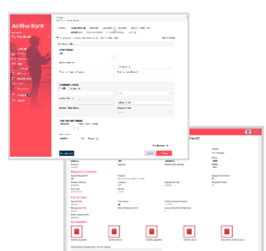
Existing capability

Chat Banking on Viber

Chatbot & Virtual Branch[1]



Digital SME Platform



New capability

Partnerships

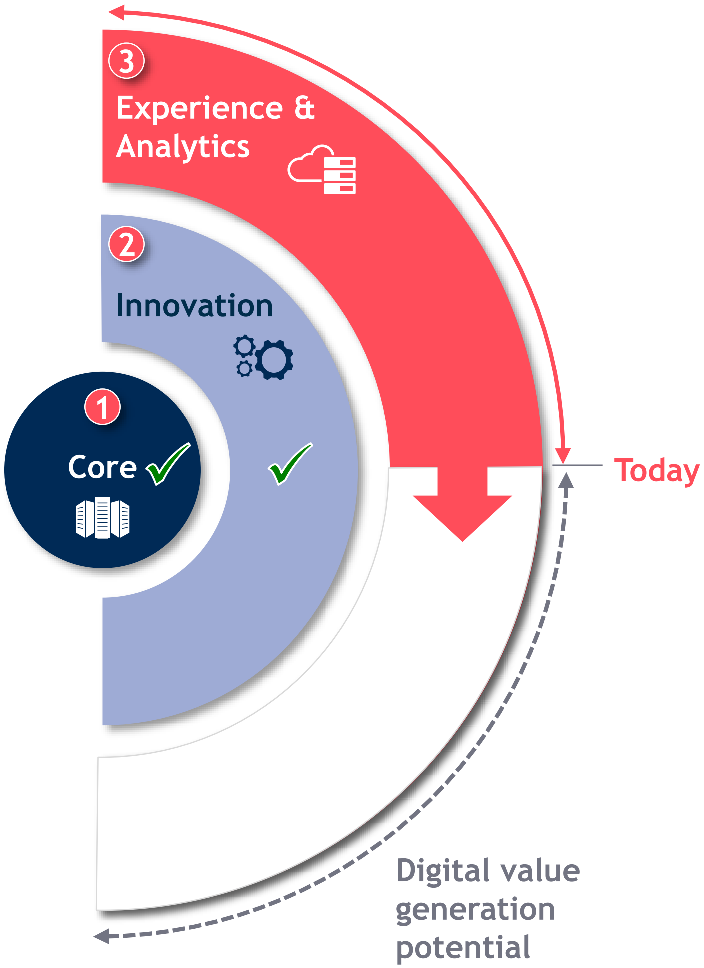
Digital strategy - Key pillars

- **Enhance digital loan engine with best-in-class experience in 2021**
- **Digitally initiated/E-2-E mLoans in all countries in 2021**
- **Expand digital distribution capability through partnerships until 2022**
- **Further harmonize digital infrastructure & increase automation until 2022**
- **Expand revenue opportunities** by creating new products with **open banking & partnerships until 2023**

[1] Croatia.

Growth supported by Modern Existing IT Infrastructure

Scalable IT infrastructure layers



IT transformation road-map and capabilities

2016 to 1H20 – Building IT & Platforms	*2H20 to 2021* – Scale Capabilities & Optimize
1 Core Layer • Modern core banking systems & data centers • BPMS/Appian • CRM • Card processing	**1 Core Layer** • Further harmonization and de-scaling of systems and data • Demand mgmt. & vendor optimization
2 Innovation Layer • Advanced Credit Decision Engine • Modern Business Process Management Systems (BPMS) • State-of-the-art mobile and electronic banking platform	**2 Innovation Layer** • Extend connectivity to enable business multipliers • Partnerships & white-labeling • Further digitalization of processes leveraging BPMS
3 Experience & Analytical Layer • Proof-points on digital loan origination	**3 Experience & Analytical Layer** • Best-in-class loan origination • Omnichannel experience

Next 12-18 months' ambition

IT spend reduction
- IT-OPEX[1]: -10% (c. €-3mn)
- IT-CAPEX: -50% (c. €-6mn)

Omnichannel loan experience
- Harmonization of experience across channels
- One digital value proposition
- Digital consumer loan sales at 20%
- Return to 20% digital SME loan sales

Connectors for multipliers

Leap in Time-to-market: weeks rather than months

[1] Pure IT-OPEX reduction, excluding IT staff related cost reduction

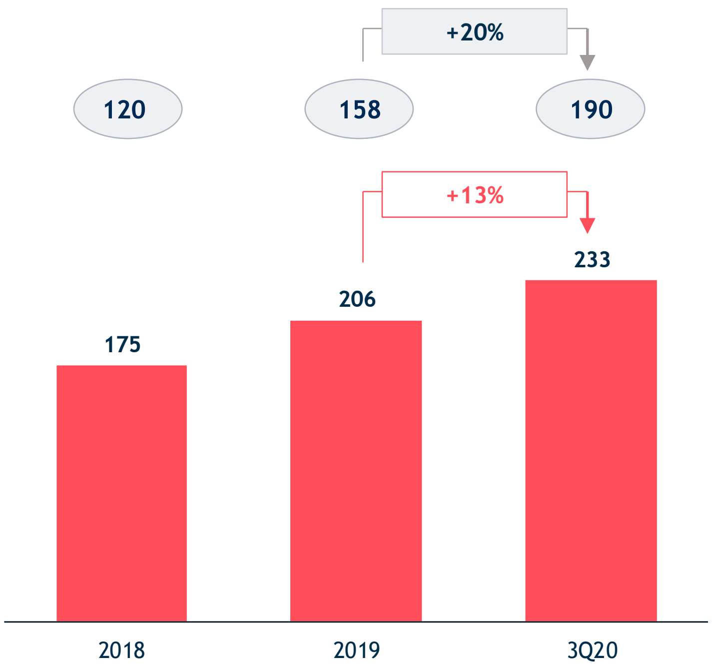
New Environment Strengthens Digital Transformation Potential

Addiko Bank

Digital capabilities

Registered Mobile Banking Users (ths.)

Digital Users (ths.)



+20% Mobile banking users

+13% Digital users

28% Bank@Work
(vs. 27% in 2019)

12% Digital SME loans[2]
(2% in 3Q20 vs. 4% in 2Q20 and 37.0% in 1Q20)

11% Digital consumer loans[1]
(vs. 9.0% in 2019)

[1] Consumer loans originated through Web in 3Q20 / % of total consumer loans disbursements
[2] Simple SME term loans sold via digital platform in Slovenia and Serbia

Digital highlights until 3Q20

Consumer

- ✓ Covid-19 measures increased active digital base via proactive promotion of digital sales and campaigns
- ✓ Mobile account opening in just few clicks launched in Serbia
- ✓ Simple E2E loan process within mobile banking in Sarajevo, Banja Luka and Montenegro
- ✓ Virtual Branch 2.0 Croatia with improved features
- ✓ New branch loan Application Processing System in Croatia and Slovenia
- ✓ Web initiated loan sales (by Contact Center) in Sarajevo, Banja Luka, Serbia and Montenegro

SME

- ✓ eBank system upgraded with Trade Finance functionalities
- ✓ Qualified Cloud Certificates for internet banking users in Croatia

Digital development priorities in next three months

Consumer

- E-2-E loan process within mobile banking in Slovenia and Croatia
- E-2-E loan process for new clients in Serbia
- PSD2 based income verification system in Croatia
- E-2-E term deposit process within mobile banking in Serbia
- Data lake project to further enhance analytical capabilities
- “Remote“ Bank@Work 2.0 assisted by Contact Center

SME

- Group-wide roll-out of simple loan platform 3.0
  - Additional automated checks for credit applications
  - Capability to adapt credit applications online

Wrap up & Priorities for Creating Shareholder Value

CEO priorities

Growth

- **Accelerate** execution of strategy, value adding digital capabilities
- **Uphold** robust asset quality
- **Run down** non-focus

Costs

- **Reduce** fixed and variable costs
- **Rightsize**
- Scale up migration to **digital**

Capital

- **Maintain** strong capital position
- **Commit** to dividend policy
- **Continue** proactive dialogue with regulators

Next steps

Growth:

- **Return to growth path** in focus business, **leveraging digital** capability enhancements
- **Enhance risk decision engine**, while **containing asset quality**

Costs:

- Continue **implementation of earmarked cost reduction** potentials
- **Streamline platform** and digitize processes

Capital:

- Obtain **AGM decision** for 2019 dividend payment
- Create **level playing field** regarding **SREP** by ECB
- Obtain updated **MREL decision** by SRB

3Q20 Executive Summary

Financials & Risk Update

Update on Focus Growth, Digital & IT

Additional Materials

MANAGEMENT BOARD TEAM SINCE AUGUST 1ST 2020

Addiko Bank

SB

- **Supervisory Board with 8 members** of which 2 delegated by the Works Council
- Mrs. Monika Wildner and Mr. Kurt Pribil elected as **new Supervisory Board members** in EGM (July 10th, 2020)

MB

Csongor Németh
Chief Executive Officer

>19 years in Banking
Addiko since November 1st 2015

- ✓ Chief Corporate & SME Banking Officer at Addiko Bank
- ✓ Head of SME Banking at Sberbank
- ✓ Managing Director for SME Banking at Intesa Sanpaolo Group
- ✓ Head of Budapest Business Center, at Budapest Bank (GE Money)

Markus Krause
Chief Risk & Finance Officer

>26 years in Banking
Addiko since August 17th 2015

- ✓ Chief Risk Officer at Addiko Bank
- ✓ Chief Risk Officer at Sberbank Europe
- ✓ Head of Strategic Risk Management & Control at UniCredit
- ✓ Head of Strategy Team Risk Management at GE Consumer Finance

Ganesh Krishnamoorthi
Chief Retail, IT & Digitalization Officer

>20 years in Banking
Addiko since August 1st 2020

- ✓ Interim Chief Executive Officer, responsible for Retail, Digital, IT & Marketing at Anadi Bank
- ✓ CMO at easybank
- ✓ General Manager Digital EU at Western Union
- ✓ Head of Retail Direct & Digital Sales at GE Money Bank

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] and by the European Central Bank (“ECB”)
- “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 (19.5mn shares)

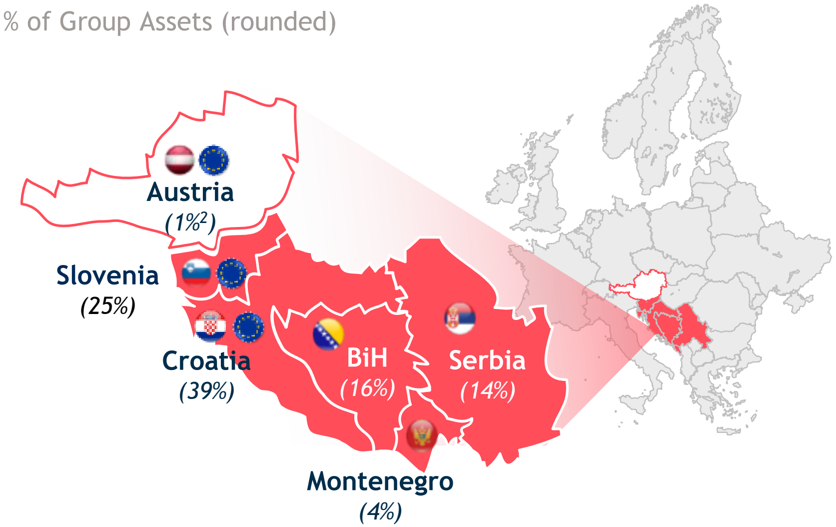
Repositioned as a focused CSEE specialist lender

Consumer

SME

Operating as one region - one bank

3Q20, % of Group Assets (rounded)



3Q20

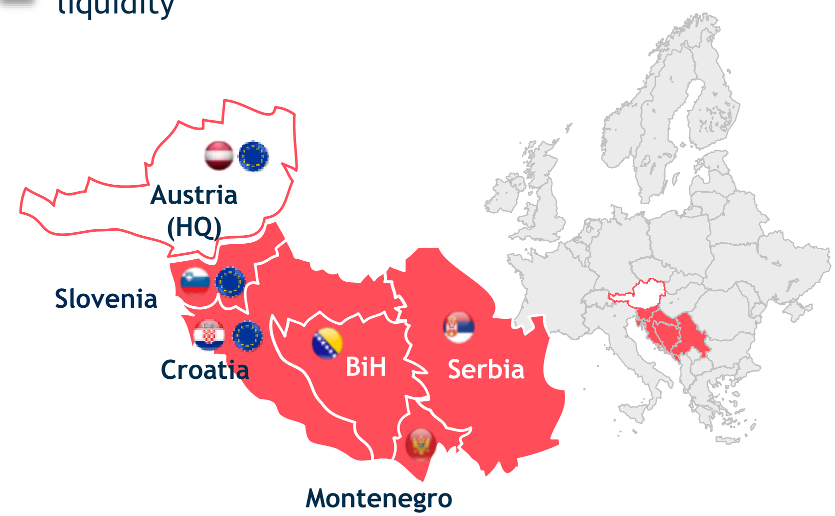
~0.8mn Customers	**175** Branches	**€5.9bn** Total Assets	**67%-33%** EU vs. EU accession asset split[3]
€3.7bn Loans and Receivables	**€4.7bn** Customer Deposits	**€840mn** Equity	**ba2** Baseline credit rating issued by Moody’s

[1] Finanzmarktaufsicht Österreich.
[2] Includes total assets from Holding (€1,110mn) and consolidation/recon. effects of (-€1,019mn).
[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.

COMMITTED TO ACCELERATED EXECUTION OF ESTABLISHED STRATEGY

Core strategic pillars

- Focus on **CSEE** market
- Focus on **growth** in unsecured **Consumer & SME** lending and payments
- Ensure **efficiency, simplicity and operational excellence**, leveraging existing distribution network and digital
- Expand **digital capabilities providing new value adding proposition** to focus area customers
- **Prudent risk approach**, solid capitalization, funding & liquidity



Proven track record

- **Established franchise** increasing lending to focus areas by >60% since 2016 as first year of new strategy
- **Operating platform stability** tested during Covid-19 pandemic
- **Basis for digital distribution** established, recognized digital innovator: >10% of Consumer & >15% SME loans sold digitally
- **Continued cost reduction measures**
- Maintained **robust asset quality**
- **Upheld strong capital position** and **self funding principle**

ADDIKO: SIMPLE BALANCE SHEET COMPOSITION

Liquid balance sheet
- LCR ratio: 210% (YE19: 174%)

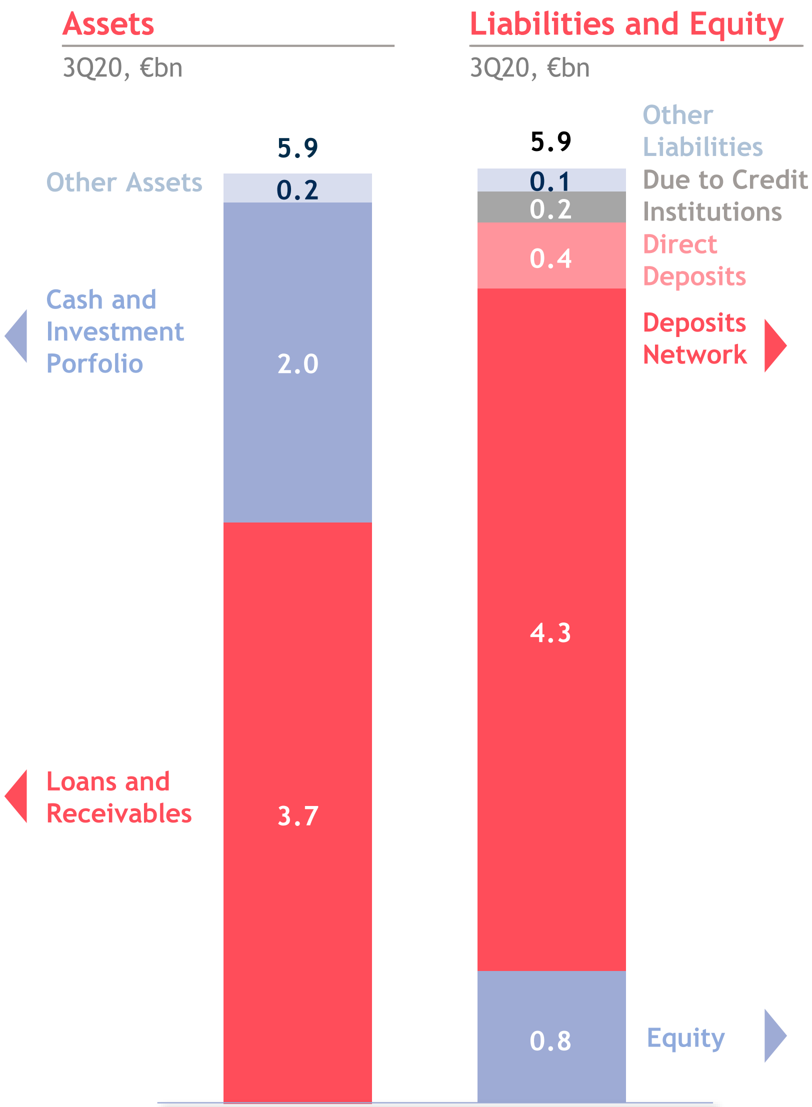
Liquid assets
- €1.0bn of cash
- €1.0bn of investment portfolio

Data as of 3Q20

Substantially de-risked asset base
- NPE ratio: 3.6% (YE19: 3.9%)

Solid provision coverage levels
- 73.7% NPE coverage ratio (YE19: 73.8%)
- 123.5% incl. collateral (YE19: 125.0%)

Data as of 3Q20



Strong deposit base
- Loan-deposit ratio (customer) : 78.6% (YE19: 80.1%)

Funding surplus[1]: c. €1.0 bn

Data as of 3Q20

Robust capital base
- 18.5%[2] fully-loaded CET1 ratio (initially proposed 2019 dividend remains deducted)

Ongoing RWA optimization, implementation of regulatory quick fixes

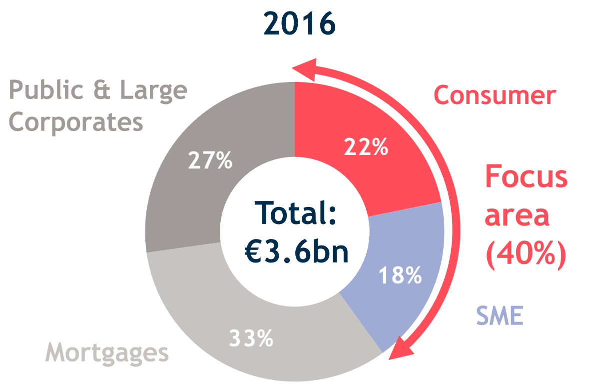
Data as of 3Q20

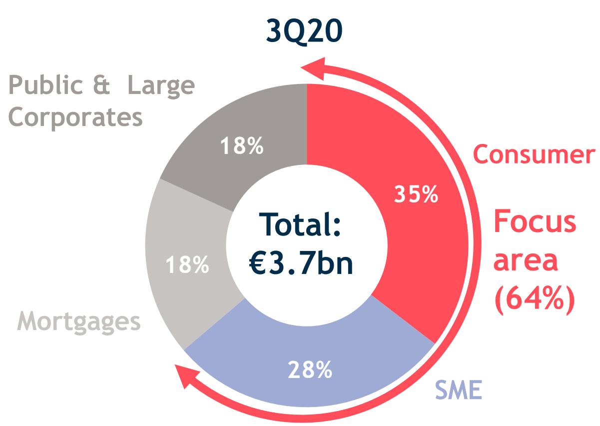
[1] Calculated as difference between deposits of customers and loans and advances to customers. [2] Transitional CET1 ratio amounts to 19.2% as of 3Q20

Addiko: Continued Repositioning into Focused Areas - Consumer and SME

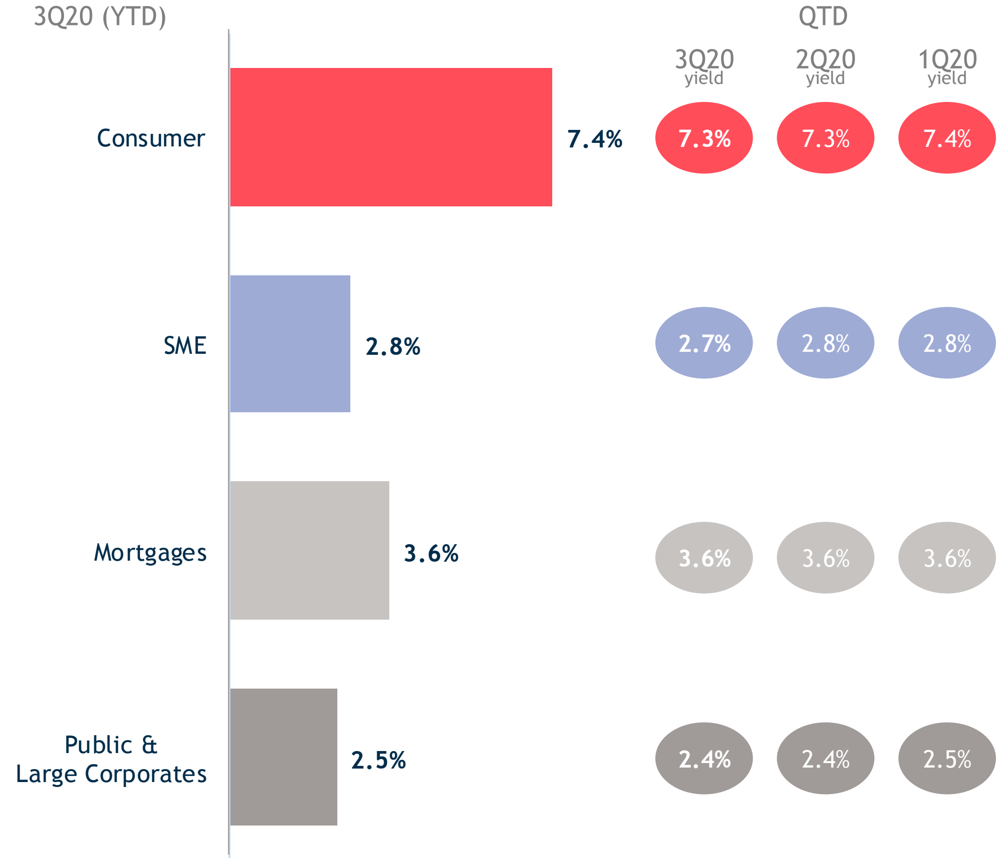
Addiko Bank

Gross performing loans by segment





Gross yield by segment[1]



- Focus yields stable, slight reduction in Consumer & SME given limited new business activities
- Difference in yields between focus and non-focus remains at c. 2.3%

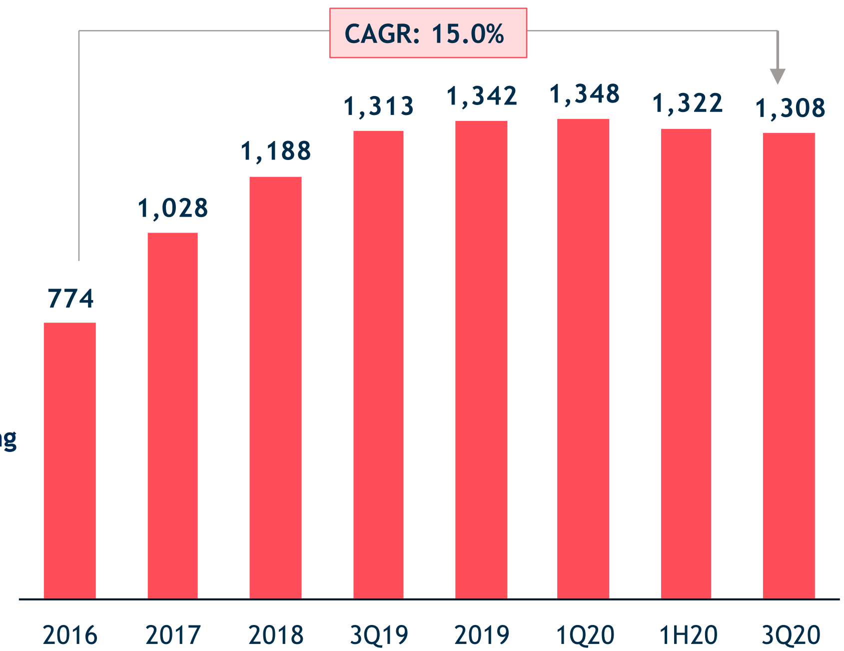
[1] The gross yield is calculated as annualised regular interest income (i.e. excl. interest income from NPEs, interest like income and before FTP) divided by the simple average of gross performing loans based on beginning and end of period amounts.

Addiko Bank

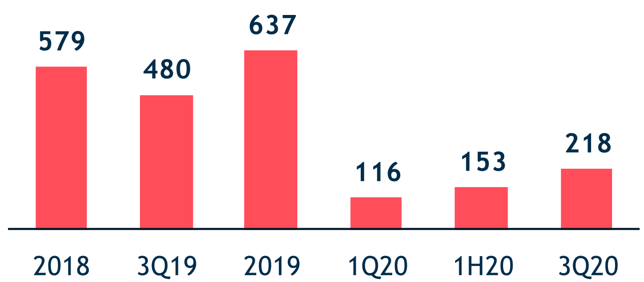
Consumer

€mn

Gross Performing Loans



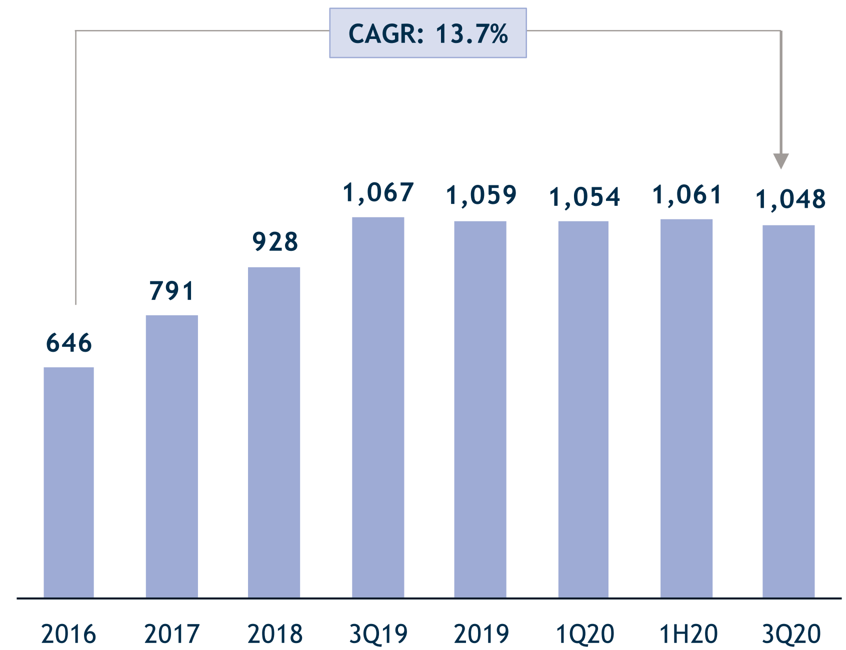
New Business Volume

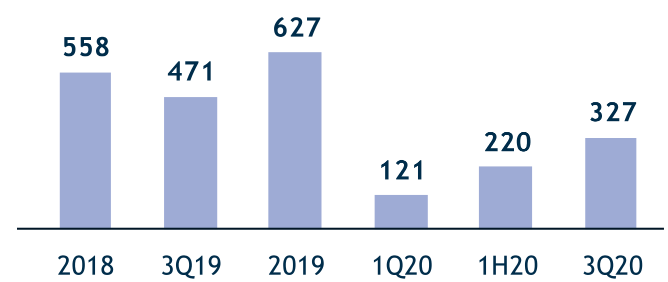


- Volume reduction following reduced demand and internal risk mitigation measures
- Third quarter new business up c. 40% vs. 2Q20 (down c. 55% YoY compared to vs. YTD 3Q19)

SME

€mn



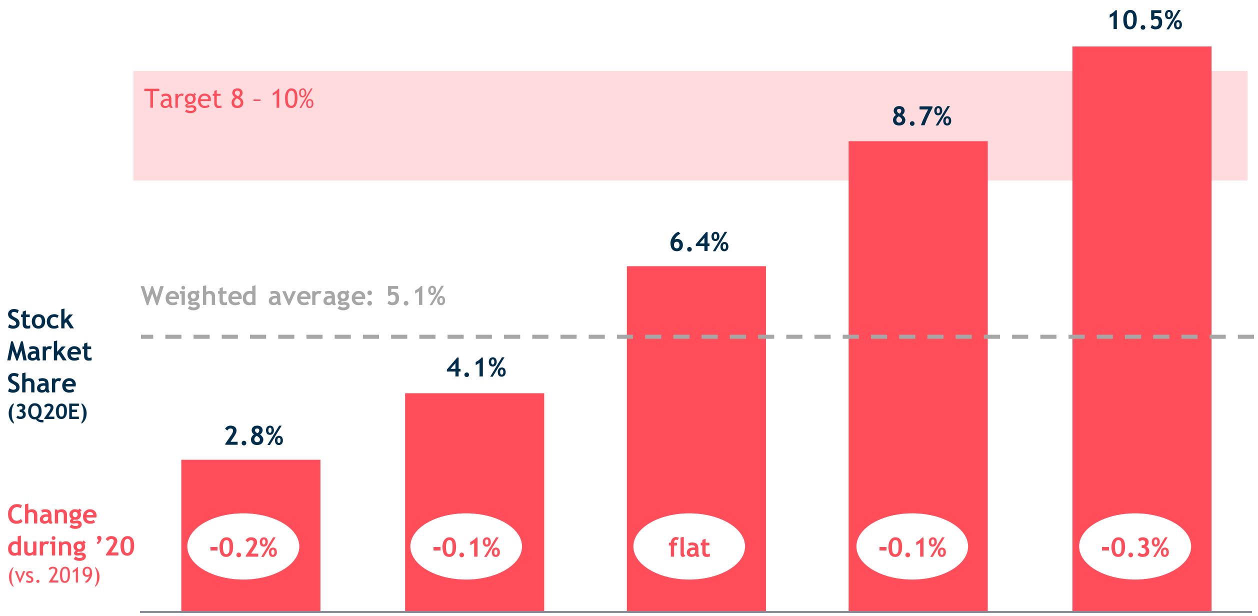


- Volume flat
- New business volumes down c. 30% vs. 3Q19 YTD

ADDIKO: MIXED DEVELOPMENT ON GROWTH IN CONSUMER LENDING

Addiko market share - unsecured consumer loans (stock outstanding, 3Q20)[1,2]

	Serbia	Croatia	Bosnia & Herzegovina	Slovenia	Montenegro
Market Size, €bn	6.7	9.7	4.0	4.2	1.0
Market Growth (3Q20E vs. 2019)	+11.6%	-2.3%	-1.5%	-3.8%	+0.2%
Flow Market Share[3]	2.1%	3.3%	3.0%	3.2%	6.3%



Consumer lending market size relatively flat vs. 2019 with Slovenia showing decline also related to restrictions imposed in 4Q19 and Serbia with high growth rates during '20

Addiko with reduced share following Covid-19 related demand reduction and internal risk mitigation measures

Flow market share reflects **cautious approach to prevent adverse selection** during crisis, specifically in countries with broadest moratoria

Automated digital lending remained reduced in 3Q20 as risk mitigation measure

[1] Source: The Vienna Institute for International Economic Studies (wiiw). [2] Calculated based on Consumer Business gross performing loans divided by the respective local market consumer gross performing loans (market size)calculated based on available data as of August 2020. [3] Addiko consumer disbursements divided by total local market consumer new business as available.

Key financials (YTD)

Reported, €mn

Group income statement (reported)	3Q19	3Q20
Interest income	158.1	148.9
Interest expense	-21.4	-17.2
Net interest income	**136.7**	**131.7**
Net fee and commission income	49.6	44.3
Net banking income	**186.3**	**176.0**
Other income[1]	-15.5	-8.5
Operating income	**170.7**	**167.5**
Operating expenses	**-142.1**	**-125.1**
Operating result	**28.6**	**42.4**
Credit loss expenses on financial assets	0.5	-37.8
Result before tax	**29.2**	**4.6**
Tax on income	-5.8	-11.1
Result after tax	**23.4**	**-6.4**

Group balance sheet	3Q19	3Q20
Net customer loans	3,904.2	3,679.0
Total assets	6,181.8	5,869.2
Customer deposits	4,908.9	4,682.9
Shareholders' equity	856.7	839.6

Key ratios	3Q19	3Q20
NIM	296	294
Cost/income ratio	76.3%	71.1%
Cost of risk (not annualised)	0.1%	-1.0%
RoATE	3.8%	-1.1%
RoATE (@14.1% CET1)[2]	6.3%	0.2%
Loan-deposit ratio (customer)	79.5%	78.6%
CET1 ratio (transitional)	17.37%	19.21%
Total capital ratio (transitional)	17.37%	19.21%

[1] Includes net result on financial instruments and other operating result.
[2] Including adjustments in 3Q19 (YTD), no adjustments in 3Q20 (YTD)

Key highlights

- **Interest income:** lower by €-9.2mn; increase in focus segments (€+3.5mn) offset by development in:
  - Less new business in focus considering consumer protection measures and Covid-19 impact in 2020
  - Planned run-down in non-focus portfolio (€-6.2mn)
  - Reduced interest income from NPEs (down €-1.2mn vs. Q319) as a consequence of continued NPEs reduction, and lower interest like income (€-1.9mn) influenced by less new business activities
  - Lower yields and volume on bond portfolio (€-2.2mn) reflecting current market sentiment and continued negative interest environment

- **Interest expense:** decrease of €4.3mn due to active re-pricing (-12bps) and further shift from higher-yield term deposits to lower-yield a-vista deposits

- **Net fee and commission income:** lower by €-5.3mn mainly influenced by an overall decline of business activities since March '20 due to Covid-19

- **Other income:** 2019 includes one-off items of €+1.3m mainly from sale of large Croatian retailer exposure (€+4.3mn), restructuring costs (€-2.3mn) and legal provision expenses in relation to 3Q19's CHF currency clauses in Croatia

- **Operating expenses:** improved by €17.0mn due to successful execution of restructuring program in 2H19, exclusion of performance bonus accruals and lower spending's related to Covid-19 (1H19 includes IPO costs of €2.0mn)

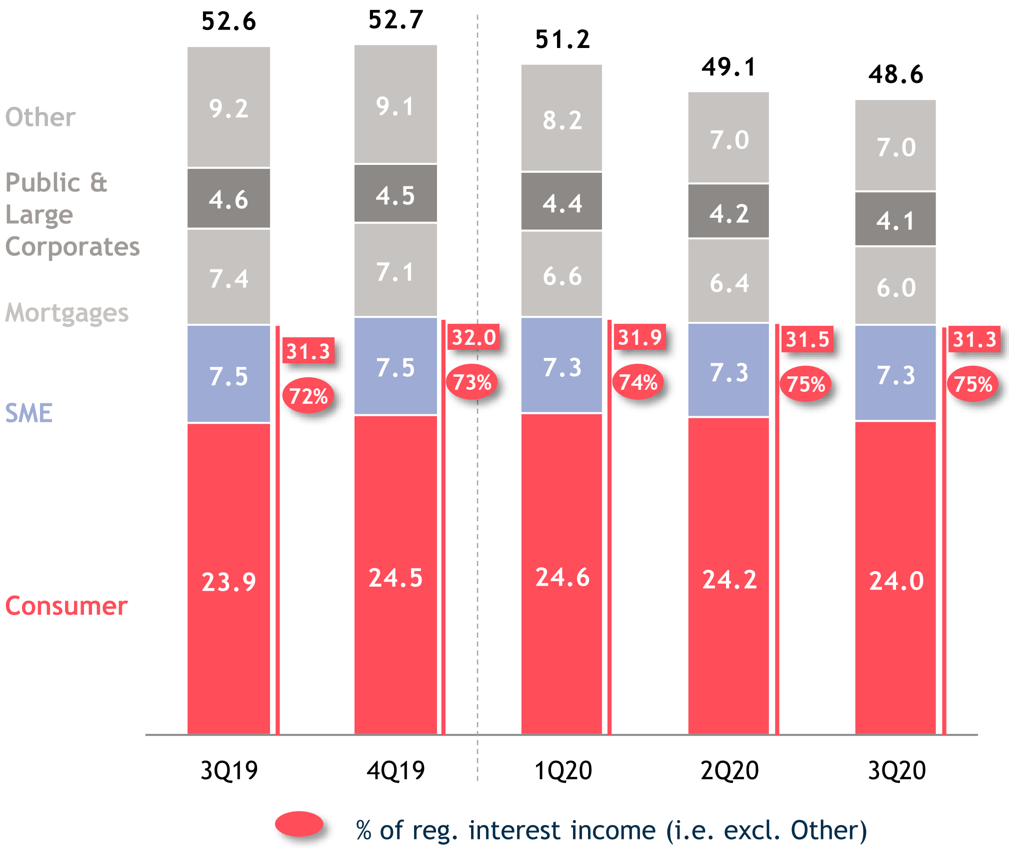
- **Credit loss expenses on financial assets:** increased by €-38.3mn vs. 3Q19 reflecting expectation for Covid-19 effects on macroeconomic context (IFRS 9) including increase in performing loan coverage

- **Capital ratios improved** despite proactive provisioning (IFRS 9) due to decrease in RWA, operationally and supported by new EBA regulation

RoATE (@14.1% CET1) at +0.2% predominantly influenced by higher provisions related to Covid-19

Interest income by quarter[1]

Reported, €mn



- Stabilization of interest income ongoing, mainly driven by limited but increasing new business in focus
- Planned run-down in non-focus continued as planned

Gross yield by quarter[2]

	3Q19	4Q19	1Q20	2Q20	3Q20
Consumer	7.3%	7.3%	7.4%	7.3%	7.3%
	7.4% new business	7.4% new business	7.5% new business	7.5% new business	7.5% new business
SME	2.8%	2.8%	2.9%	2.8%	2.7%
	2.8% new business	2.8% new business	2.8% new business	2.9% new business	2.8% new business
Public & Large Corporates	2.5%	2.5%	2.5%	2.4%	2.4%
Mortgages	3.9%	3.7%	3.6%	3.6%	3.6%

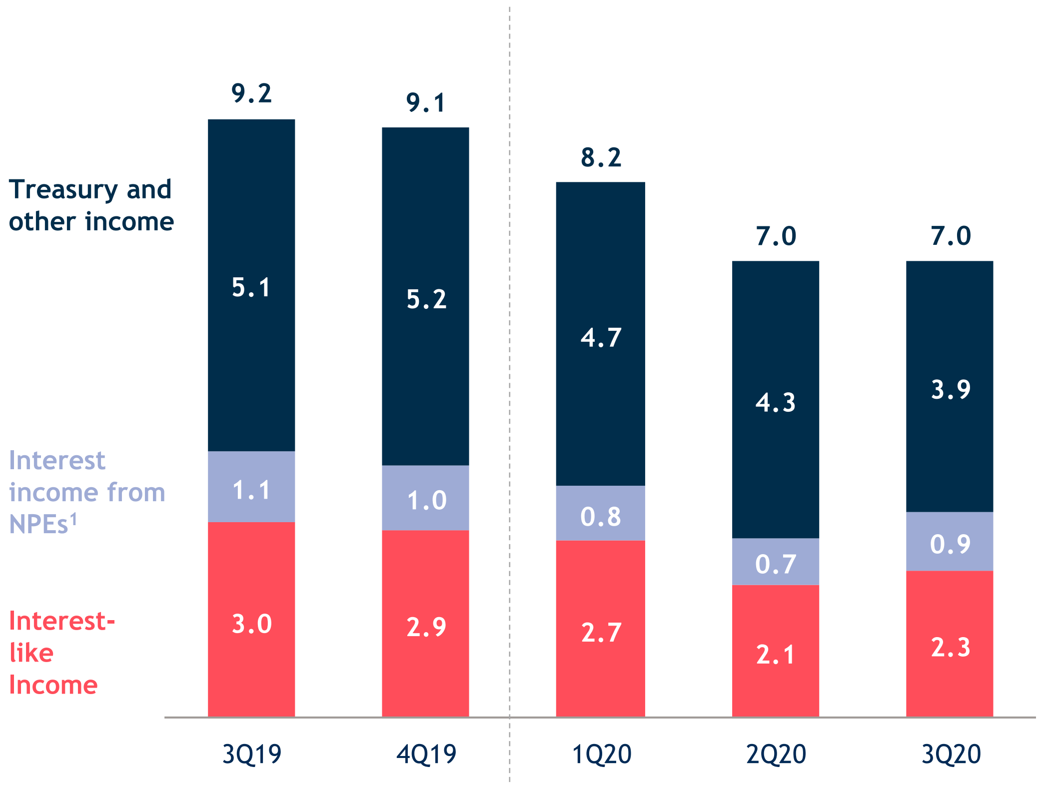
- New business yields relatively stable in focus areas Consumer and SME during 3Q20 – although at lower new business volumes

[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.

Other interest income by quarter

Reported, €mn



- **Treasury and other income:** continuously decreasing due to the overall yield environment
- Plain vanilla bond portfolio with bonds predominantly in investment grade (>85%) with 65% maturing in 2024:
  - 67% government bonds in Addiko or EU countries (80% investment grade)
  - 25% financial bonds (100% investment grade)
  - 7% corporate bonds (60% investment grade)

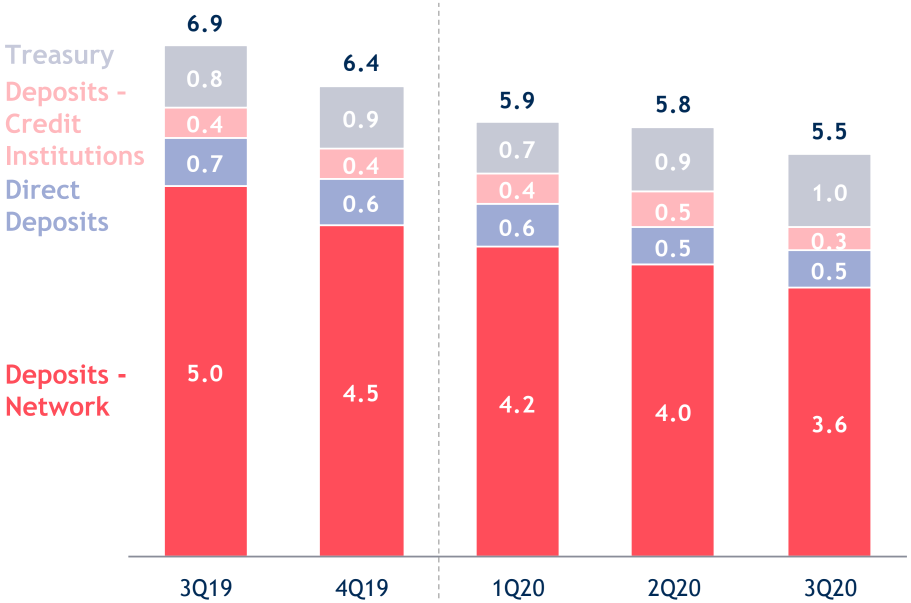
- **Interest income from NPEs:** slightly increasing due to limited NPE inflow

- **Interest like income** (i.e. fees accrued over the lifetime of the loan) slightly increasing due to improving new business activity during 3Q20

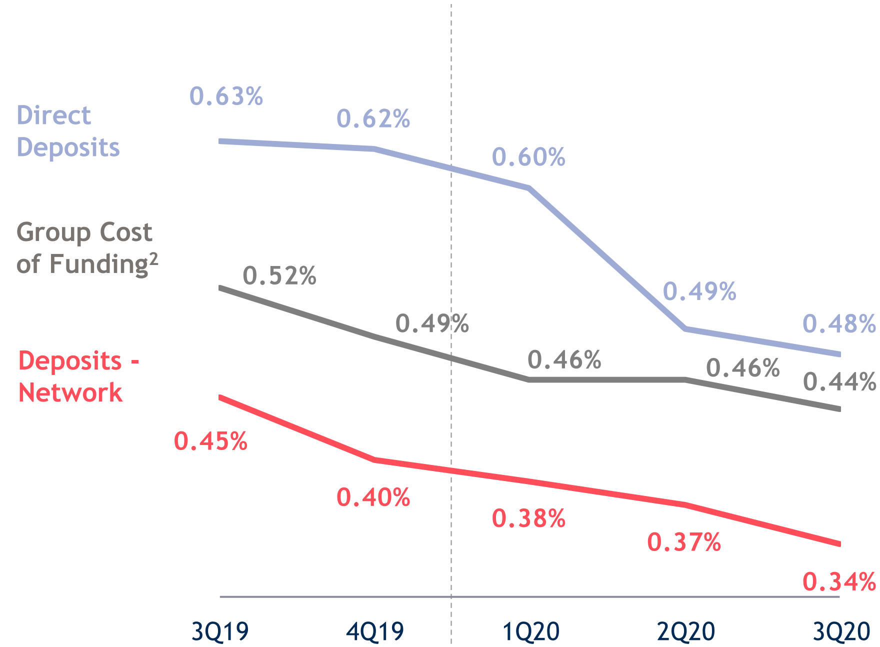
[1] Interest income from NPEs referred to as "unwinding" in reporting in previous periods.

Interest expense by quarter

Reported, €mn

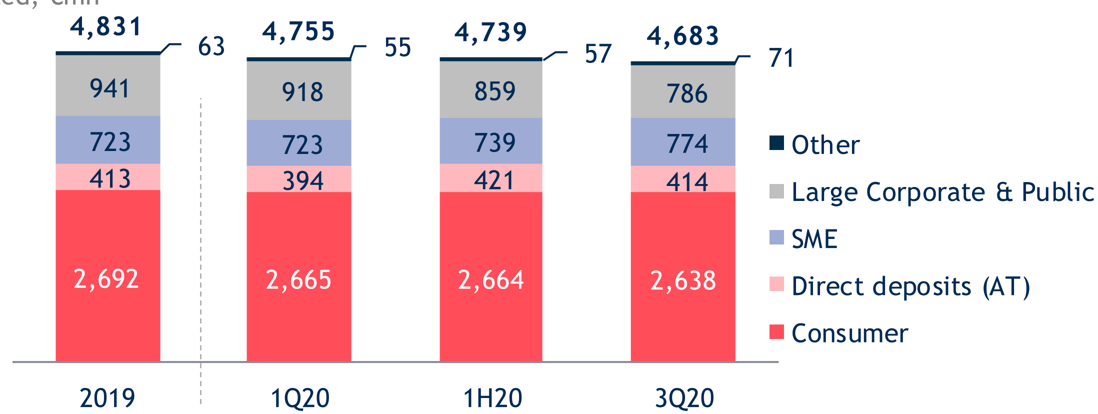


Cost of funding by quarter[1]



Stable customer deposit volumes

Reported, €mn

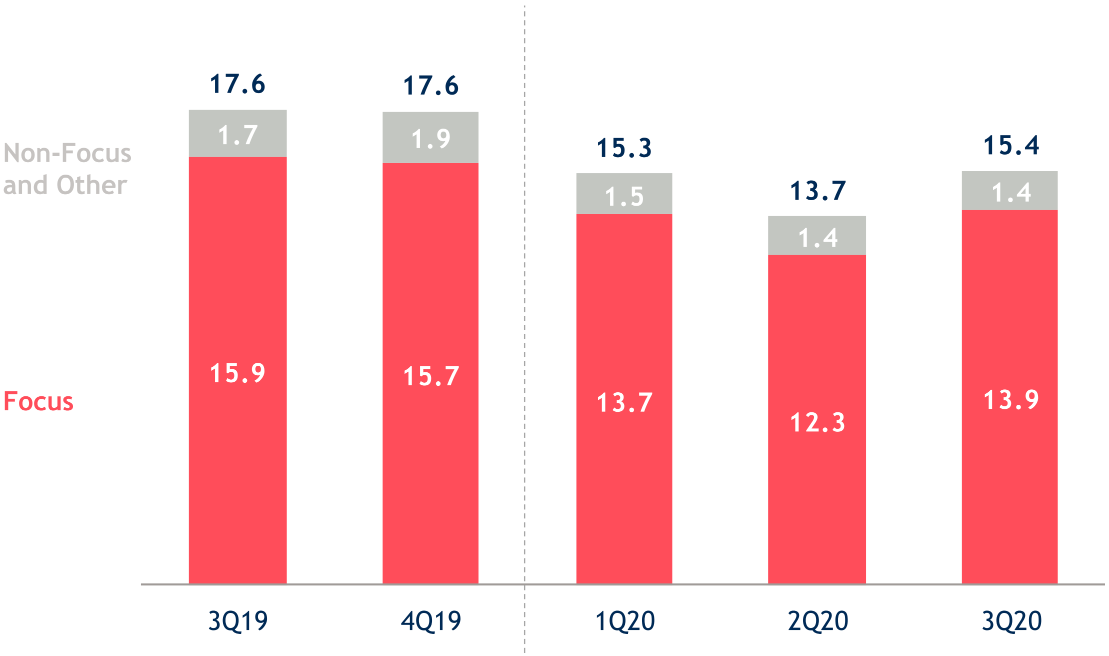


- **Customer deposit volume stable** at €4,683mn in 3Q20 (€4,831mn in YE19) - slight decline due to proactive re-pricing initiatives
- **Further reduction in deposit costs** achieved in the network during 3Q20, overall funding cost down 2bp since 2Q20
- **Planned reduction of liquidity buffer** held via direct deposits after increase in 1H20

[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

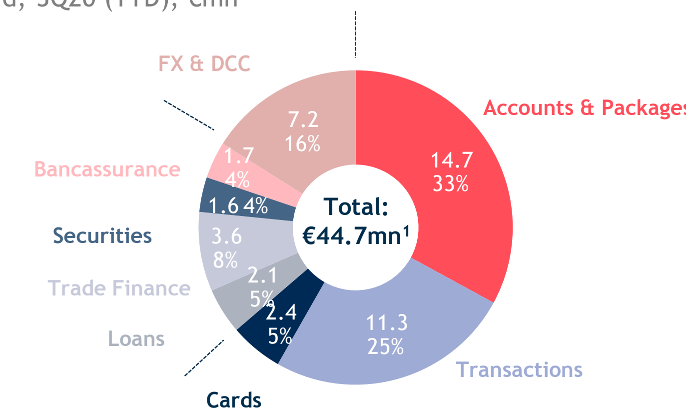
	3Q19	4Q19	1Q20	2Q20	3Q20
Consumer	70.6%	69.7%	69.4%	69.9%	70.6%
SME	29.4%	30.3%	30.6%	30.1%	29.4%

Key highlights

- New business activities picking up: increase in quarterly net commission income by 12.5% vs. 2Q20 (-12.9% vs. 3Q19). YTD -10.7% YoY.
- Bancassurance, number of transactions, card business and FX/DCC mostly affected by crisis and limited new business activities
- **Products:** increased contribution from accounts & packages and transactions continued in 3Q20, contributing ~58% to group NCI
- YTD income from accounts & packages up >60% YoY
- Consumer and SME segments generate >90% of net fee and commission income

By product type

Reported, 3Q20 (YTD), €mn



[1] Excludes €0.4mn of negative contribution from "other".

Other income breakdown (YTD)

€mn

	3Q19	3Q20
Deposit guarantee	(6.8)	(6.0)
Bank levies and other taxes	(3.0)	(2.2)
Recovery and Resolution Fund	(1.3)	(1.4)
1 Restructuring	(2.3)	(3.8)
Legal provisions (net)	(9.6)	(2.9)
2 Impairments non-financial assets (net)	(0.8)	(1.6)
Other	(1.1)	3.4
Other operating result	(24.9)	(14.6)
3 Net result on financial instruments	9.3	6.1
Other income (reported)	**(15.6)**	**(8.5)**
4 Adjustments	7.4	-
Other income (adjusted)	**(8.2)**	**(8.5)**

1 **Restructuring:** driven by termination costs to employees released under the restructuring plans (executed in 2019 and 2020

2 **Legal provisions & Other:** 3Q19 mainly driven by CHF related provisions in Croatia, while 3Q20 was predominantly influenced by client and active claim provisions as well as gains from successful settlements of legal claims

3 **Net result on financial instruments:** 2019 includes one-time effects of €4.3mn (sale of large Croatian retailer exposure) and gains from sale of financial instruments (OCI) of €5.9mn – Q3 2020 with gains from OCI (+8.0mn) but influenced by modifications gains & losses due to moratoria (€-1.7mn)

4 **Adjustments 3Q19:** mainly related to sale of large Croatian retailer exposure (€+4.3mn), restructuring costs (€-2.3mn) and CHF related claims in Croatia (€-10.6mn)

No adjustments made in 3Q20 YTD

Detailed balance sheet overview (YTD)

Reported, €mn

	2016	2017	2018	2019	3Q19	3Q20
Liquid Assets	3,287.6	2,582.5	2,211.8	2,034.5	2,083.6	2,018.3
Cash reserves	1,878.2	1,285.9	1,002.9	899.4	915.6	995.7
Investment Portfolio	1,409.4	1,296.6	1,208.9	1,135.1	1,168.0	1,022.6
Financial assets held for trading	17.4	19.8	24.3	38.5	24.1	38.4
Investment securities	1,391.9[1]	1,276.8[1]	1,184.6	1,096.6	1,143.9	984.1
Loans and receivables	3,779.9	3,757.2	3,792.9	3,885.9	3,913.7	3,704.1
Loans and receivables to credit institutions	49.4	65.3	5.6	14.0	9.5	25.1
Loans and receivables to customers	3,730.5	3,691.9	3,787.3	3,871.9	3,904.2	3,679.0
Derivatives - hedge accounting	0.1	0.1	-	-	-	-
Tangible assets	70.4	57.3	57.7	85.9	86.5	78.6
Property, plant & equipment	67.9	55.3	55.7	81.8	84.1	74.8
Investment properties	2.5	2.0	2.0	4.1	2.4	3.9
Intangible assets	17.3	21.8	30.3	27.9	32.2	27.4
Tax Assets	2.6	22.3	28.3	25.7	21.3	19.0
Current tax assets	2.6	1.6	1.7	1.8	1.7	3.6
Deferred tax assets	-	20.6	26.6	23.9	19.7	15.3
Other assets	18.9	24.8	25.5	20.6	37.9	18.9
Non-current assets and disposal groups classified as held for sale	39.3	19.5	5.7	3.1	6.5	2.9
Total assets	**7,216.1**	**6,485.5**	**6,152.1**	**6,083.6**	**6,181.8**	**5,869.2**
Deposits from credit institutions	316.0	341.6	324.4	233.9	254.4	203.2
Deposits from customers	4,435.6	4,933.8	4,836.7	4,831.2	4,908.9	4,682.9
Issued bonds, subordinated and supplementary capital	73.5	198.5	1.1	0.1	0.1	0.1
Other financial liabilities	1,215.3	47.3	40.3	56.4	55.4	48.4
Financial liabilities measured at amortized cost	**6,040.4**	**5,521.2**	**5,202.5**	**5,121.6**	**5,218.8**	**4,934.5**
Financial liabilities at fair value through profit or loss	25.0	-	-	-	-	-
Financial liabilities held for trading	9.1	1.8	2.1	6.0	7.8	7.4
Derivatives - hedge accounting	6.9	-	-	-	-	-
Total interest bearing liabilities	**6,081.4**	**5,523.0**	**5,204.6**	**5,127.6**	**5,226.6**	**4,941.9**
Provisions	107.8	83.3	62.0	66.9	59.9	60.0
Tax liabilities	1.4	1.3	1.0	0.0	0.0	0.0
Current tax liabilities	1.0	0.9	0.9	-	0.0	-
Deferred tax liabilities	0.5	0.5	0.1	0.0	0.0	0.0
Other liabilities	28.1	33.8	25.1	27.9	23.7	27.6
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**	**5,310.2**	**5,029.6**
Total shareholders' equity	**994.7**	**844.0**	**859.5**	**861.3**	**826.3**	**839.6**
Total liabilities and shareholders' equity	**7,216.1**	**6,485.5**	**6,152.1**	**6,083.6**	**6,181.8**	**5,869.2**

[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	3Q19	3Q20
Interest income calculated using the effective interest method	232.2	226.0	209.6	207.4	155.5	146.9
Other interest income	6.0	8.3	4.2	3.4	2.5	2.0
Interest expense	(79.4)	(68.9)	(40.7)	(27.8)	(21.4)	(17.2)
Net interest income	**158.8**	**165.3**	**173.2**	**183.0**	**136.7**	**131.7**
Fee and commission income	62.0	71.3	76.5	83.0	61.4	55.3
Fee and commission expense	(12.0)	(12.8)	(14.1)	(15.8)	(11.7)	(11.0)
Net fee and commission income	**50.0**	**58.5**	**62.4**	**67.2**	**49.6**	**44.3**
Net result on financial instruments	20.3	9.7	70.0	13.4	9.3	6.1
Other operating income	29.6	27.4	19.1	8.9	9.6	9.2
Other operating expenses	(71.6)	(34.0)	(35.7)	(48.2)	(34.5)	(23.9)
Operating result	**187.0**	**226.9**	**289.0**	**224.3**	**170.7**	**167.5**
Personnel expenses	(99.8)	(97.4)	(99.4)	(96.7)	(73.4)	(63.1)
Other administrative expenses	(93.1)	(80.9)	(78.0)	(73.3)	(54.8)	(47.1)
Depreciation and amortization	(19.5)	(11.7)	(10.7)	(19.1)	(13.9)	(14.9)
Operating expenses	**(212.4)**	**(190.1)**	**(188.1)**	**(189.2)**	**(142.1)**	**(125.1)**
Operating result before change in credit loss expense	**(25.4)**	**36.9**	**100.9**	**35.2**	**28.7**	**42.4**
Credit loss expenses on financial assets	4.4	(15.1)	2.8	2.9	0.5	(37.8)
Result before tax	**(21.0)**	**21.8**	**103.7**	**38.0**	**29.2**	**4.6**
Taxes on income	(2.9)	19.9	0.5	(2.9)	(5.8)	(11.1)
Result after tax	**(23.9)**	**41.6**	**104.2**	**35.1**	**23.4**	**(6.4)**

Addiko Bank

3Q20 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	44.7	30.6	9.9	10.3	21.6	7.9
	Net commission income	19.6	7.3	4.8	4.8	6.9	1.1
	Other income	(1.5)	(0.7)	(2.0)	0.9	(2.2)	(0.1)
	Total income	62.8	37.2	12.7	16.1	26.3	8.9
	Operating expenses	(34.8)	(18.9)	(10.3)	(11.8)	(19.0)	(5.7)
	Operating profit	28.0	18.3	2.4	4.3	7.3	3.2
	Change in credit loss expenses	(10.5)	(8.9)	(4.7)	(10.4)	(6.8)	(0.5)
	Result before tax	17.5	9.5	(2.4)	(6.1)	0.5	2.7
Key Ratios	Net interest margin	2.5%	2.6%	3.1%	2.7%	3.5%	4.9%
	Cost / income ratio	54.1%	49.9%	70.4%	77.5%	66.6%	63.2%
	Loan-deposit ratio[1]	73.6%	99.0%	93.7%	67.8%	103.4%	102.4%
	NPE ratio (CRB based)	7.1%	2.0%	6.2%	8.6%	2.5%	7.7%
	NPE coverage ratio (provision)	69.9%	68.5%	84.2%	82.1%	77.8%	62.5%
Balance Sheet	Total assets	2,314	1,490	415	512	850	207
	Loans and receivables	1,285	1,211	284	265	594	170
	o/w gross performing loans	1,227	1,130	289	269	604	173
	Financial liabilities at amortised cost	1,891	1,301	331	397	654	177
	RWA	1,221	867	317	391	571	147

Account for 65% 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.

Risk: Strong Risk Management Framework

Addiko Bank

Decreasing non-performing loan portfolio (YTD)

	2015	2016	2017	2018	1Q19	1H19	3Q19	2019	1Q20	1H20	3Q20
NPE Volumes, €mn	1,229	761	606	404	393	329	317	277	239	244	248
NPE Coverage Ratio[1] (Ex-Collateral)	61.7%	67.5%	67.0%	75.4%	75.8%	73.2%	75.3%	73.8%	73.3%	73.2%	73.7%
NPE Ratio[2]	14.3%	9.2%	8.1%	5.6%	5.5%	4.6%	4.4%	3.9%	3.4%	3.6%	3.6%
NPE Ratio (on-balance loans)			13.2%	9.1%	8.7%	7.3%	7.1%	6.2%	5.4%	5.6%	5.8%
NPE Ratio Under New Risk Framework[3]	NM	1.6%	1.3%	1.4%	1.5%	1.6%	1.8%	1.9%	1.9%	2.0%	2.2%

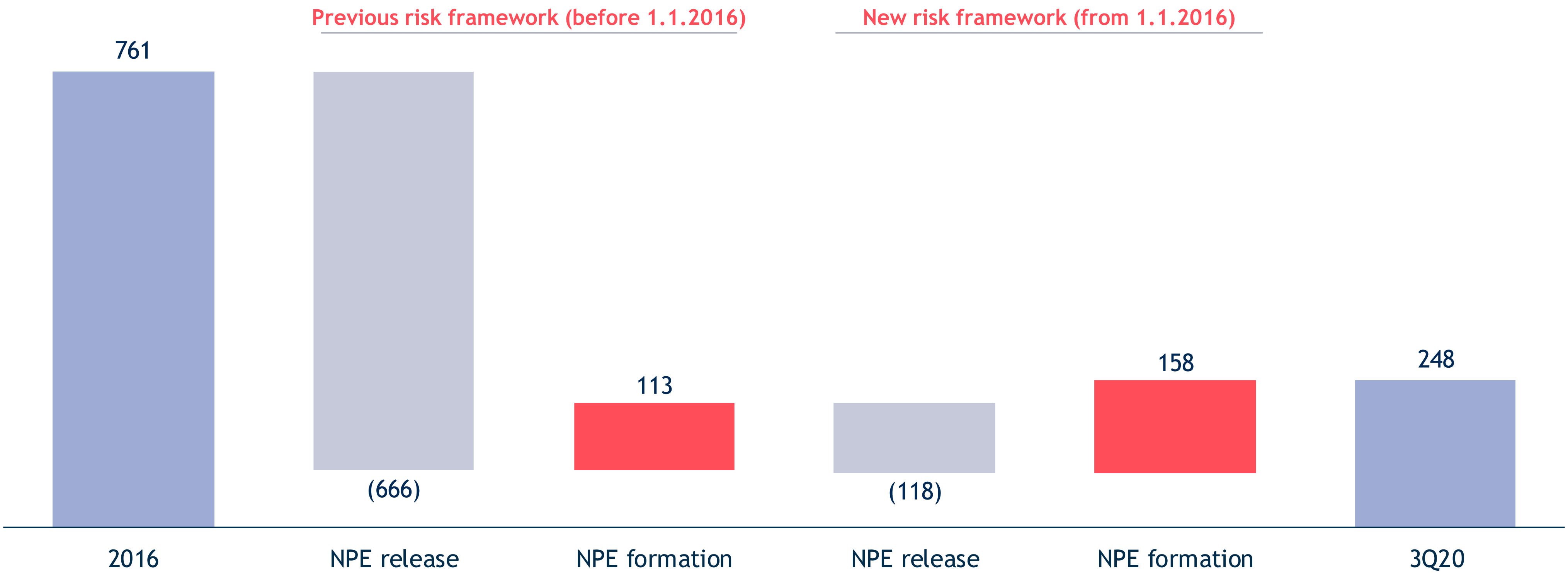
[1] Calculated as the sum of total SRP resp. Stage-3 ECL divided by total non-performing exposure. [2] Calculated as non-performing exposure divided by total credit risk exposure. [3] Calculated as non-performing exposure (new risk framework) divided by total credit risk exposure (new risk framework).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

Risk: Track Record of Consistent NPE Reduction at Stable Coverage

Addiko Bank

NPE movements since 2016 - group level

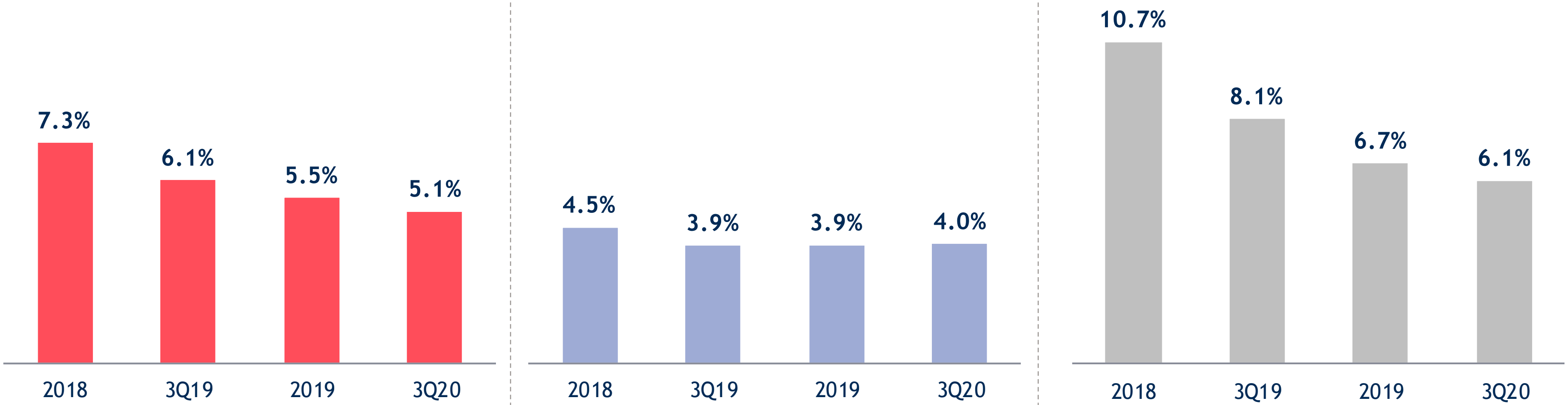
€mn (rounded)



Addiko Bank

Risk: Update on NPE and Cost of Risk Development

	Focus								Non-Focus[3]			
	Consumer €mn				SME €mn				€mn			
	2018	3Q19	2019	3Q20	2018	3Q19	2019	3Q20	2018	3Q19	2019	3Q20
NPE Coverage Ratio (Excl. Collateral)[1]	91.1%	92.0%	91.9%	86.9%	63.7%	67.2%	66.1%	70.7%	71.9%	69.0%	65.6%	66.0%
NPE Ratio[2]	7.3%	6.1%	5.5%	5.1%	4.5%	3.9%	3.9%	4.0%	10.7%	8.1%	6.7%	6.1%



	Consumer 2018	Consumer 3Q19	Consumer 2019	Consumer 3Q20	SME 2018	SME 3Q19	SME 2019	SME 3Q20	Non-Focus 2018	Non-Focus 3Q19	Non-Focus 2019	Non-Focus 3Q20
Total NPE	*104*	*92*	*84*	*76*	*71*	*68*	*69*	*69*	*230*	*157*	*123*	*103*
Credit Risk Exposure	*1,415*	*1,514*	*1,532*	*1,495*	*1,559*	*1,742*	*1,759*	*1,729*	*2,146*	*1,922*	*1,839*	*1,688*
NPE Ratio - New Risk Framework	*2.6%*	*3.0%*	*2.9%*	*3.7%*	*2.0%*	*2.3%*	*2.5%*	*2.7%*	*1.2%*	*1.7%*	*1.8%*	*1.8%*
Credit Loss Expenses (YTD)	€(9.5)mn *Impairments*	€(17.1)mn *Impairments*	€(20.3)mn *Impairments*	€(20.8)mn *Impairments*	€(7.4)mn *Impairments*	€(1.8)mn Impairments	€(3.2)mn *Impairments*	€(11.4)mn *Impairments*	€19.7mn[4] *Releases*	€19.4mn[4] *Releases*	€26.3mn[4] *Releases*	€(5.5)mn[4] *Impairments*

[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 (€4.2mn in 2018, €6.4mn in 3Q19, €5.3mn in YE19, €0.4mn in 3Q20).

Risk: Meaningful NPE Reduction Continued

Consumer

€mn

	2018	2019	3Q20
NPE Coverage Ratio[1]	91.1%	91.9%	86.9%
Total NPE	*104*	*84*	*76*
Total Credit Risk Exposure	*1,415*	*1,532*	*1,495*
NPE Ratio - New Risk Framework	*2.6%*	*2.9%*	*3.7%*
Credit Loss Expenses (YTD)	€(9.5)mn *Impairments*	€(20.3)mn *Impairments*	€(20.8)mn *Impairments*

SME

€mn

	2018	2019	3Q20
NPE Coverage Ratio[1]	63.7%	66.1%	70.7%
Total NPE	*71*	*69*	*69*
Total Credit Risk Exposure	*1,559*	*1,759*	*1,729*
NPE Ratio - New Risk Framework	*2.0%*	*2.5%*	*2.7%*
Credit Loss Expenses (YTD)	€(7.4)mn *Impairments*	€(3.2)mn *Impairments*	€(11.4)mn *Impairments*

Mortgages

€mn

	2018	2019	3Q20
NPE Coverage Ratio[1]	73.6%	70.7%	68.2%
Total NPE	*145*	*95*	*86*
Total Credit Risk Exposure	*1,016*	*837*	*749*
NPE Ratio - New Risk Framework	*2.9%*	*2.6%*	*3.7%*
Credit Loss Expenses (YTD)	€9.5mn *Releases*	€12.8mn *Releases*	€(5.8)mn *Impairments*

Large Corporates

€mn

	2018	2019	3Q20
NPE Coverage Ratio[1]	70.1%	47.5%	56.0%
Total NPE	*81*	*23*	*16*
Total Credit Risk Exposure	*907*	*811*	*766*
NPE Ratio - New Risk Framework	*0.4%*	*1.5%*	*1.0%*
Credit Loss Expenses (YTD)	€3.6mn *Releases*	€6.9mn *Releases*	€(0.4)mn *Impairments*

Public Finance

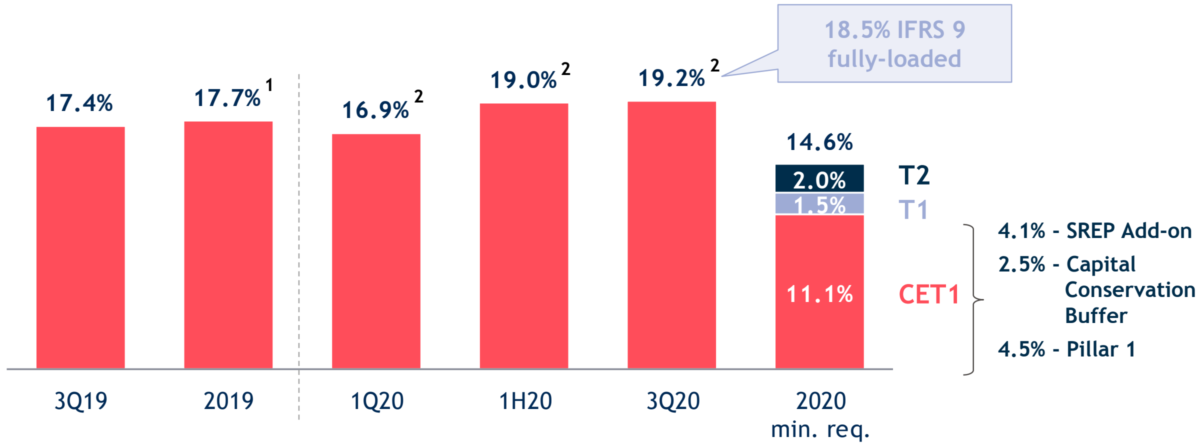
€mn

	2018	2019	3Q20
NPE Coverage Ratio[1]	42.0%	54.2%	46.3%
Total NPE	*3*	*6*	*1*
Total Credit Risk Exposure	*223*	*192*	*172*
NPE Ratio - New Risk Framework	*0.0%*	*0.1%*	*0.1%*
Credit Loss Expenses (YTD)	€2.4mn *Releases*	€1.3mn *Releases*	€0.2mn *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.

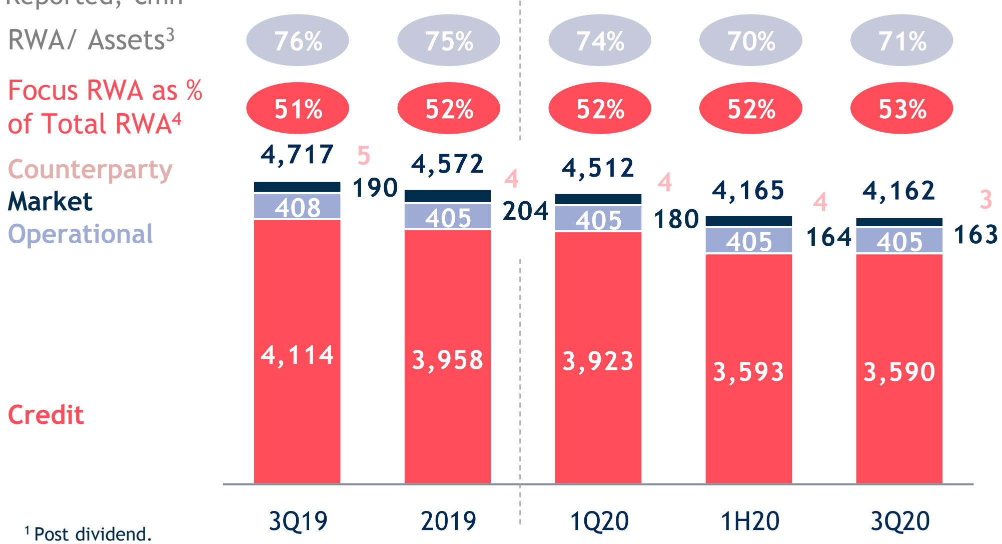
Breakdown of capital position and capital requirements

Reported, transitional



RWA breakdown

Reported, €mn



Final SREP 2020: Pillar 2 Requirement (P2R) of 4.1% (4.1% in 2019). In addition, Pillar 2 Guidance (P2G) of 4%

After determining the effects of Covid-19 on Addiko Bank AG, the regulator has requested a capital plan by February 2021, which explains how and in what timeframe the recommended P2G will be complied with

The SREP process considering 2019 and 2020 developments has been started, we expect the draft decision towards the end of 2020 (cycle will be completed by FMA)

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

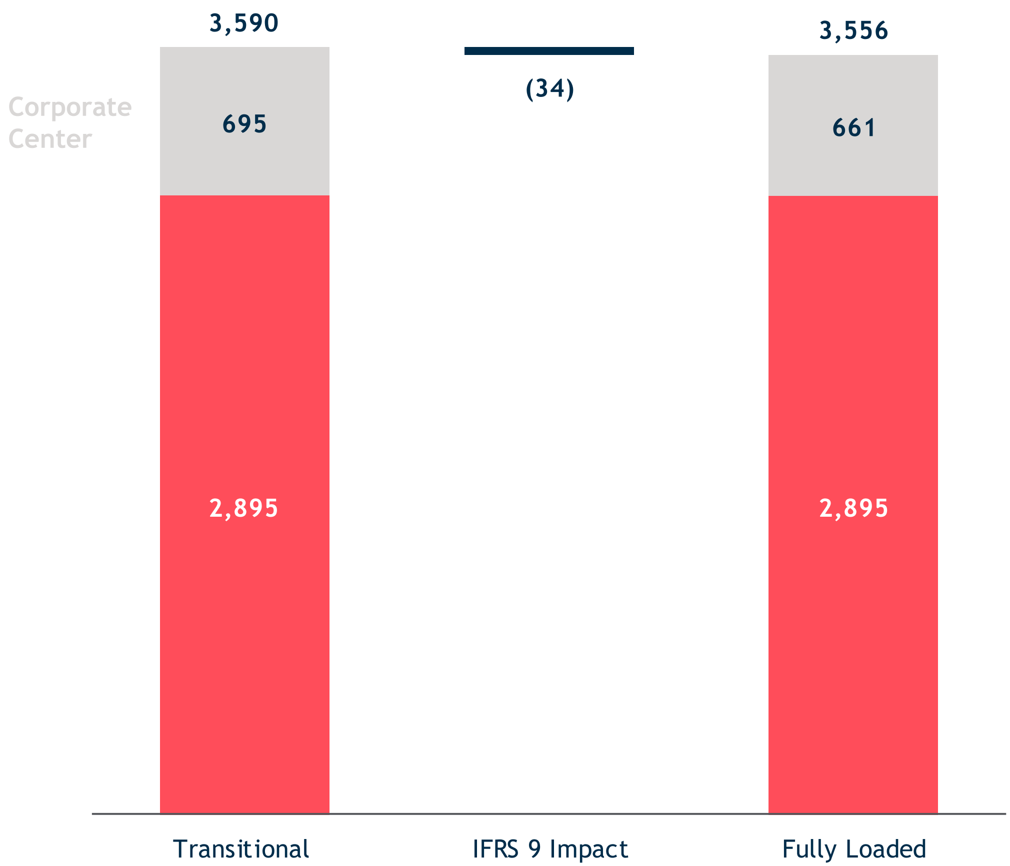
RWA down operationally and via regulatory changes related to STD approach (sovereigns) and SME Supporting Factor

[1] Post dividend.
[2] Previously proposed 2019 dividend already deducted
[3] Calculated as total RWA divided by total assets.
[4] Based on segment credit RWA (i.e. excl. operational / market / counterparty RWA). Total RWA excl. Corporate Center.

Risk weighting for focus portfolio is in line with overall contribution to loan book

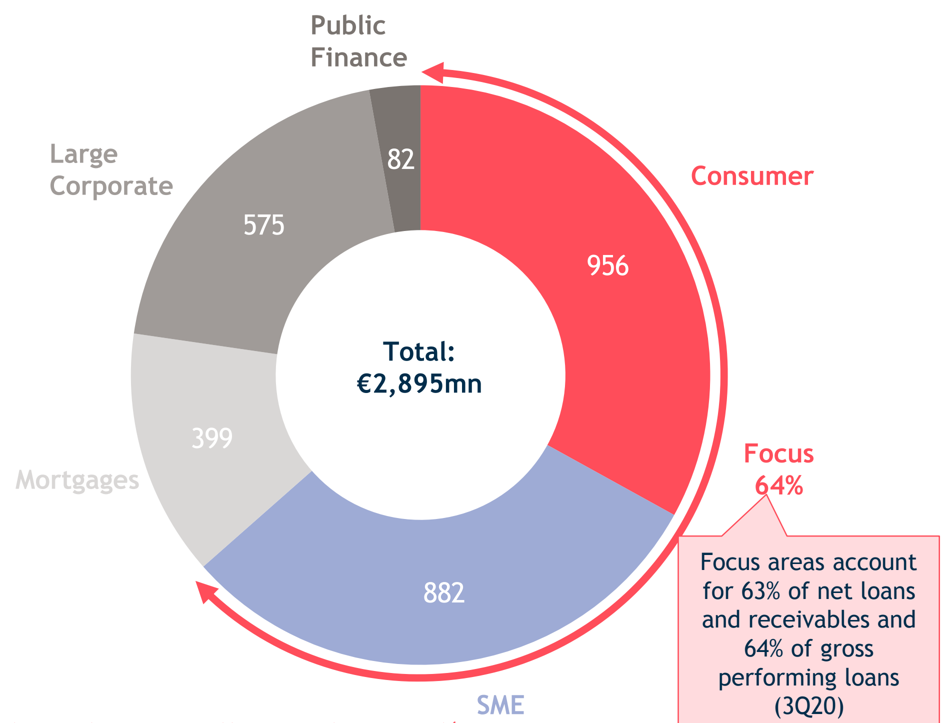
Credit risk RWA

3Q20, €mn



Credit risk RWA: breakdown by segment[1]

3Q20, €mn



Credit risk RWA: allocated capital[1]

3Q20, €mn

	@3Q20 capital ratio 18.5% fully-loaded	@Target capital ratio 16.1%
Focus	341	296
Non-Focus	196	170

[1] Excluding Corporate Center of €661mn credit RWAs (fully loaded).

Addiko Bank

Group exposure in Moratoria by Rating class

Reported, 3Q20, €mn

Affected by moratoria
Not affected by moratoria

Rating class	Affected by moratoria	Not affected by moratoria	% Moratoria	% Moratoria in Total	# of customers
1	26	1,718	1%	0.4%	0.5k
2	246	2,990	8%	3.6%	13.5k
3	283	1,005	22%	4.1%	11.6k
4	92	231	29%	1.3%	6.1k
5	[illegible]	228	8%	0.3%	1.7k

Non-Retail[1] exposure by industry code (NACE)

Reported, 3Q20, €mn

Industry	Affected by moratoria	Not affected by moratoria	% Moratoria	% Moratoria in Total	# of customers
Wholesale and retail trade; repair of motor vehicles and motorcycles	123	525	19%	1.8%	0.8k
Manufacturing	68	562	11%	1.0%	0.6k
Construction	40	360	10%	0.6%	0.2k
Transporting and storage	18	145	11%	0.3%	0.1k
Professional, scientific and technical activities	11	107	9%	0.2%	0.2k
Accommodation and food service activities	42	76	36%	0.6%	0.1k
Information and communication	19	67	22%	0.3%	0.1k
Financial and insurance activities	22	58	27%	0.3%	24
Real estate activities	1	77	1%	0.0%	0.1k
Agriculture, forestry and fishing	14	46	24%	0.2%	0.1k
Electricity, gas, steam and air conditioning supply	4	48	8%	0.1%	18
Other (9 industries)	17	210	7%	0.2%	0.5k

[1] Non-Retail equals SME, Large Corporate & Public Finance segment exposure.

Addiko Bank

Group exposure in Moratoria by country

Affected by moratoria
Not affected by moratoria

Reported, 3Q20, €mn

Slovenia (Opt-in approach)

	Affected by moratoria	Not affected by moratoria	% Moratoria	% Moratoria in local Total (excl. CC)	# of customers
Consumer	13	384	3%	0.9%	0.7k
SME	67	422	14%	4.6%	0.1k
Mortgages	7	213	3%	0.5%	0.1k
Large Corp. & Public	37	308	11%	2.5%	7
Corporate Center (CC)		253	0%		0
TOTAL	123	1,580	7%		907
Total (excl. CC)	123	1,327	9%		

BiH (Opt-in approach)

	Affected by moratoria	Not affected by moratoria	% Moratoria	% Moratoria in local Total (excl. CC)	# of customers
Consumer	4	295	1%	0.5%	374
SME	22	268	8%	2.8%	18
Mortgages	3	59	5%	0.4%	61
Large Corp. & Public	2	137	1%	0.2%	3
Corporate Center (CC)		286	0%		0
TOTAL	31	1,045	3%		456
Total (excl. CC)	31	759	4%		

Croatia (Opt-in approach)

	Affected by moratoria	Not affected by moratoria	% Moratoria	% Moratoria in local Total (excl. CC)	# of customers
Consumer	14	467	3%	0.9%	1.3k
SME	31	498	6%	1.9%	0.1k
Mortgages	21	332	6%	1.3%	0.3k
Large Corp. & Public	8	253	3%	0.5%	5
Corporate Center (CC)		945	0%		0
TOTAL	74	2,495	3%		1.7k
Total (excl. CC)	74	1,550	5%		

Montenegro (Opt-in approach)

	Affected by moratoria	Not affected by moratoria	% Moratoria	% Moratoria in local Total (excl. CC)	# of customers
Consumer	8	100	7%	3.6%	559
SME	2	60	3%	0.8%	1
Mortgages	2	27	5%	0.7%	34
Large Corp. & Public		13	0%	0.0%	0
Corporate Center (CC)		16	0%		0
TOTAL	11	217	5%		594
Total (excl. CC)	11	200	5%		

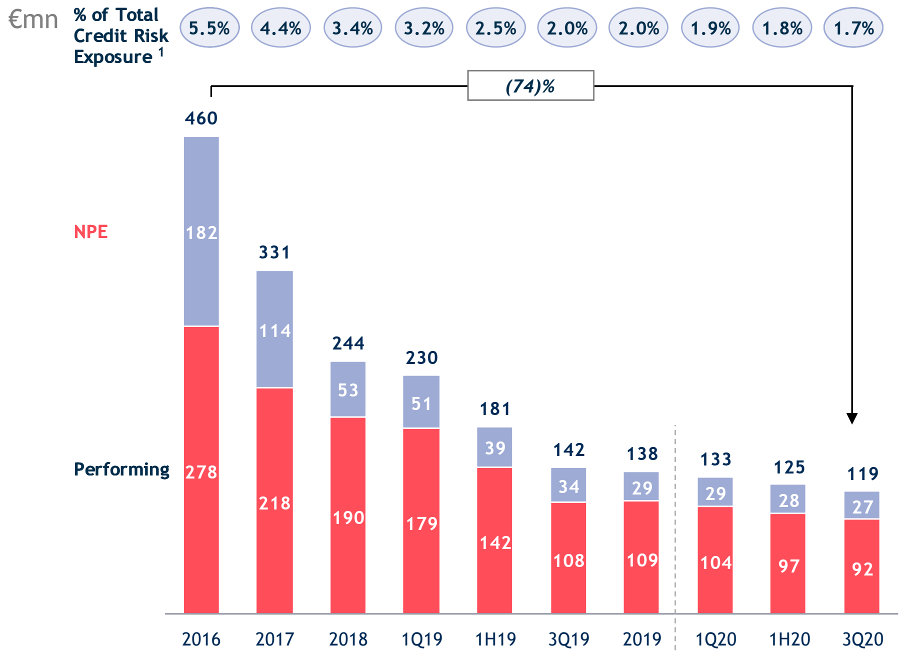
Serbia (Opt-out approach)

	Affected by moratoria	Not affected by moratoria	% Moratoria	% Moratoria in local Total (excl. CC)	# of customers
Consumer	169	40	81%	20.2%	26.8k
SME	155	204	43%	18.5%	0.6k
Mortgages	49	38	56%	5.8%	2.2k
Large Corp. & Public	55	125	31%	6.6%	0.2k
Corporate Center (CC)		194	0%		0
TOTAL	427	601	42%		29.7k
Total (excl. CC)	427	407	51%		

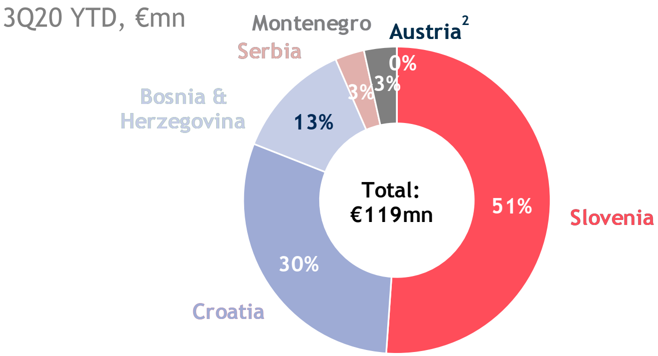
Austria

No customer loan portfolios

CHF portfolio overview



CHF credit risk exposure by countries



CHF conversion across countries

Slovenia
- In the past, several legislation initiatives on CHF loans have been started but eventually rejected, questioning the constitutionality of such law and a potential violation of European laws
- The Ministry of Finance announced in 02/2020 that it will not continue to mediate between banks and Association Frank and will not block further initiatives regarding a potential CHF conversion law
- End of 9/2020, ABS started a voluntary CHF loan conversion for 48 active CHF loan borrowers, i.e. conversion to EUR loans at actual rates but lower fixed EUR interest rates

Croatia
- Conversion Law enacted in September 2015
- Ruling by the Supreme Court of Croatia published on 17 September 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 02/2020 that annexes under the conversion law are valid on the basis of the Supreme Court ruling from 4 March 2020
- The Supreme Court referred a case regarding a converted CHF loan to the Court of Justice of the European Union stating that the conversion annexes are valid (i.e. that already converted loans cannot file another lawsuit for a compensation)

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.
- End of 07/2020, the Conversion Law Draft was for vote in the Parliament, but the session was interrupted and law was not discussed. The IMF strongly opposes against such law and publicly reminded decision makers of BiH's commitment under the previous Extended Program (EFF).
- The number of new claims are constantly decreasing, vote for Draft Conversion Law was withdrawn late 9/2020.

Montenegro
- Law on conversion of CHF loans enacted in July 2015 and amended in September 2016.
- A first instance court rendered a ruling in the mass proceedings declaring the CHF clause as invalid but not awarding the plaintiffs any amount since plaintiffs are free to convert under the Conversion Law 2015. As a consequence, the amount in dispute was reduced.

[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 30.09.2020)

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Addiko Bank

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VIENNA, NOVEMBER 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 supervised by the Austrian Financial Market Authority and by the European Central Bank, 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 September 30, 2020 approximately 0.8 million customers in CSEE, using a well-dispersed network of 175 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.