PRESS RELEASE
VIENNA, February 9, 2021

Addiko Bank

Update on Mid-Term Targets and Dividend 2019

- **Updated Mid-Term Targets broadly in line with reviewed targets disclosed on March 5, 2020 with delay in timing rather than in substance**
- **Current European Central Bank ("ECB") restrictions do not allow for full 2019 dividend distribution**
- **Following dialogue with ECB, Addiko considers dividend proposal at AGM 2021 for a partial payment up to the maximum in line with currently valid ECB guidance and subject to continuing compliance with ECB expectations based on audited YE20 results**
- **Management remains committed to the communicated 2019 dividend of c. €40mn in total (€2.05 per share) and plans to distribute the remainder conditionally after the lifting of the ECB dividend restrictions (currently valid until September 30, 2021)**
- **Outlook 2021 and further insights on dividend policy to be disclosed together with the audited year end 2020 results on March 10, 2021**

Vienna, February 9, 2021 – Addiko Bank AG, a Consumer and SME specialist bank headquartered in Vienna, Austria and parent of Addiko Group, provides an update on the Mid-Term Targets and on the dividend for the year 2019.

Mid-Term Targets broadly in line with Reviewed Targets disclosed on March 5, 2020

As communicated in the 1Q20 earnings call, the Management expected that the Mid-Term Targets will be affected by the Covid-19 pandemic in terms of delays in timing rather than in substance. As announced, Addiko Bank AG has been working on the finalization of the updated Mid-Term Targets reflecting Covid-19 related impacts. The delay in delivering the targets is mainly driven by the previously disclosed decline in the overall gross performing loan book to c. €3.6bn, in line with the 2020 outlook.

Following the conclusion of the yearly cycle for a 5-year planning period and further clarity on Covid-19 related impacts, the Management Board and Supervisory Board of Addiko Bank AG have decided on the following updated Mid-Term Targets starting with the business year 2021.

Target metric	Reviewed March 5, 2020	Updated February 8, 2021
Continuous shift of the loan book from the "non-focus" to the "focus areas"	>85% in focus	c. 90% in focus
Net Interest Margin	c. 3.8%	c. 3.7%
Net Fee & Commission Income growth	c. 10%	c. 7% (CAGR 2021 to Mid-Term)
Cost Income Ratio	<50%	c. 50%
Cost of Risk (net loans)	c. (1.5)%	c. (1.45)%
Return on Tangible Equity (14.1% CET1 Ratio)	c. 9.5%	>9%
Total Capital Ratio	>16.1%	>16.1%
Loan/Deposit Ratio	c. 100%	<100%

The Outlook 2021 and further insights on the dividend policy will be disclosed together with the audited year end 2020 results and the earnings call at 2pm CET (Vienna time) scheduled for March 10, 2021.

Addiko Bank

Update on conditional dividend of €2.05 per share for the financial year 2019

As adopted in the AGM 2020 resolution on November 27, 2020, the distribution of the 2019 dividend of €2.05 per share is dependent on two conditions, namely that before or at the latest until the publication of the Annual Report 2020 on March 10, 2021 neither a recommendation of the European Central Bank ("ECB") nor a legally mandatory distribution ban would conflict with a distribution of dividends, and that the Common Equity Tier 1 (CET1) capital ratio of Addiko Bank AG (and Addiko Group) after such distribution is not lower than 18.6%.

Since the ECB issued a prolongation of the ban with limitations on dividend distribution, one condition is not met. While Addiko is confident to meet the second condition and expects a CET1 ratio for year end 2020 of >19%, with the proposed 2019 dividend for the year 2019 already deducted, the existing AGM 2020 resolution from November 27, 2020 does not cater for a partial dividend distribution. The 2019 profit is therefore carried forward to the financial year 2020, as outlined in the adopted AGM resolution.

The Management Board of Addiko Bank AG remains committed to its communicated 2019 dividend proposal, now aiming for a dividend decision at the upcoming AGM 2021 on April 26, 2021 with payment of a first tranche of the 2019 dividend up to the maximum within the currently valid guidelines of the ECB (i.e. below 15% of the cumulated profit for 2019-20 and not higher than 20 basis points of the Common Equity Tier 1 (CET1) ratio, whichever is lower). In addition, a conditional payment of the residual 2019 dividend amount is envisaged after September 30, 2021 under the condition that neither a recommendation of the ECB would in the company's view conflict with a distribution of dividends nor a legally mandatory distribution restriction is effective or applicable. A respective decision by the Management Board and Supervisory Board of Addiko Bank AG is planned upon the finalization of the audited Annual Report 2020 and subject to the compliance with ECB expectations.

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

Contact
Edgar Flaggl / Constantin Gussich
Investor Relations & Group Corporate Development
investor.relations@addiko.com

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 December 31, 2020 approximately 0.8 million customers in CSEE, using a well-dispersed network of 168 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.