Addiko Bank

YE20 Results - Press Conference

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10 March 2021

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”)
- ✓ 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)

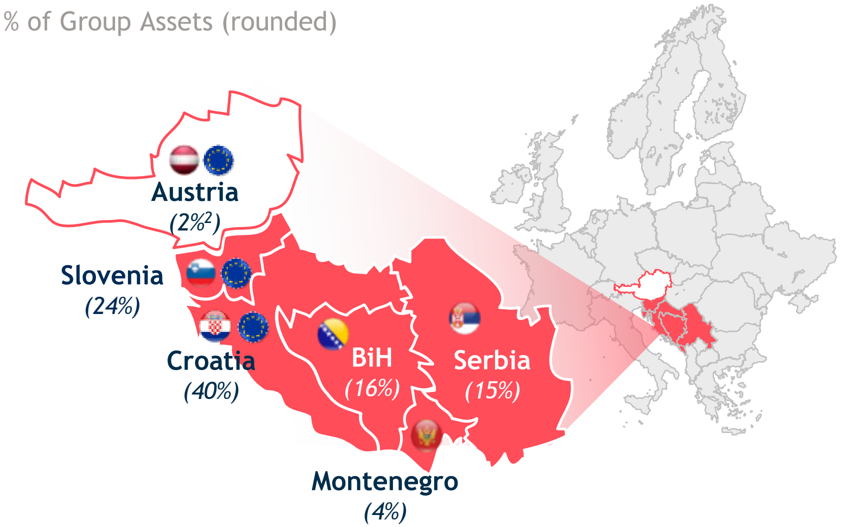
Repositioned as a focused CSEE specialist lender

Consumer

SME

Operating as one region - one bank

2020, % of Group Assets (rounded)



2020

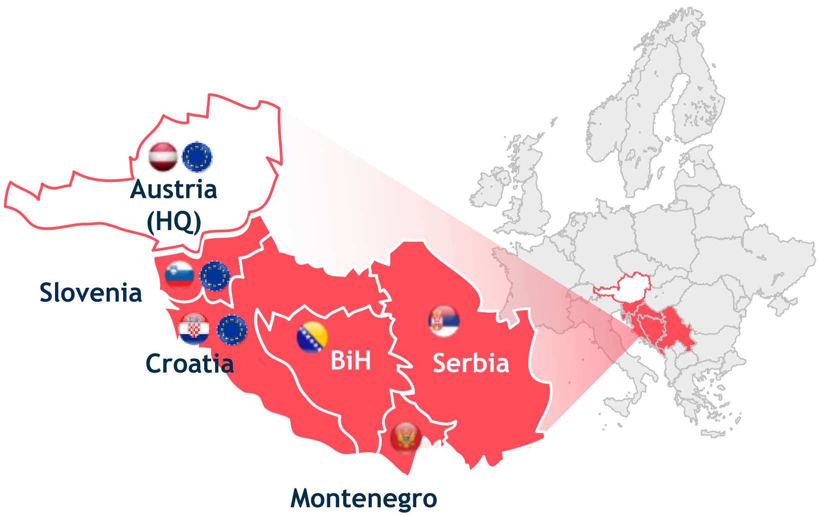
~0.8mn *Customers*	**168** *Branches*	**€5.9bn** *Total Assets*	**66%-34%** *EU vs. EU accession asset split[3]*
€3.6bn *Loans and Receivables*	**€4.7bn** *Customer Deposits*	**€852mn** *Equity*	**ba2** *Baseline credit rating issued by Moody’s*

[1] Finanzmarktaufsicht Österreich.
[2] Includes total assets from Holding (€1,074mn) and consolidation/recon. effects of (-€970mn).
[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.

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



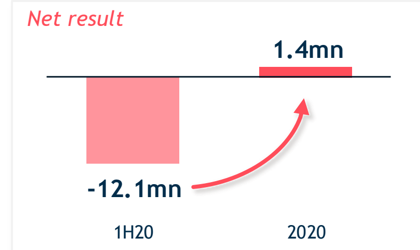
Proven track record

- **Established franchise** increasing lending to focus areas by >65% since 2016 as first year of new strategy
- **Operating platform stability** tested during Covid-19 pandemic
- **Basis for digital distribution** established, recognized digital innovator
- **Continued cost reduction measures**
- Maintained **robust asset quality**
- **Upheld strong capital position** and **self funding principle**

Achievements in a Challenging Year 2020

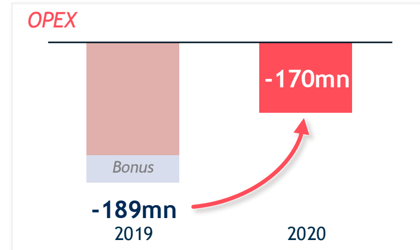
€+1.4mn
Result after tax

- **Net profit of €1.4mn in 2020** - catching up from 1H20's net loss of €-12.2mn
- **Focus book back on growth path** in fourth quarter 2020



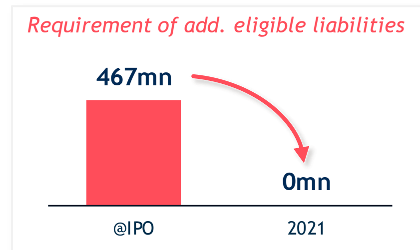
OPEX
run-rate managed down

- **OPEX run-rate down** >€5mn in addition to Covid-19 savings
- **Further run-rate savings** of >9mn on track to compensate bonus pool & AQR cost during 2021



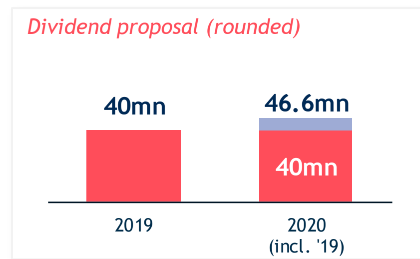
MREL
risk mitigated

- **Change to "MPE"** approach achieved (from "SPE")
- **Zero additional requirement** for external MREL liabilities (from €467mn at IPO)



Shareholders

- **New 2020 dividend proposal** for AGM 2021 (incl. 2019)
- **Dividend of up to c. €46.6mn** (€2.39 per share) to be proposed
  - 1st part unconditional (c. €7.0mn, €0.36 per share)
  - 2nd part conditional (c. €39.6mn, €2.03 per share)



Key Highlights 2020 – Guidance 2020 Confirmed by Actuals

Earnings	• **Result after tax** of €1.4mn net profit (YE19: €35.1mn) • **Provisioning** at **-1.35% Cost of Risk** with €-48.4mn (YE19: €+2.9mn at CoR +0.2%) predominantly driven by IFRS 9 model adjustments and Stage 2 developments • **Operating result** (before change in P&L structure) up by €19.5mn to €54.7mn (c. +56% YoY) supported by lower OPEX, despite Covid-19 impact on top-line
Asset Quality Containment	• **NPE volumes down YoY, NPE ratio stable** at 3.5% (3Q20: 3.6%, YE19: 3.9%) influenced by moratoria preventing defaults for potentially affected exposures • NPE ratio (on-balance loans) down to 5.9% vs. YE19's 6.2% • Overall **exposure in moratoria down to €164mn** vs. 3Q20's €667mn (-84% vs. 1H20's high of €1,011mn) • **Overall portfolio behavior remained stable with >90% of portfolio with no overdues** • **NPE provision coverage** stable at 73.6% (3Q20: 73.7%, YE19: 73.8%)
Funding, Liquidity & Capital	• **Funding situation remained solid** at €4.7bn customer deposits despite Covid-19, with LCR at c. 209% • **Capital ratio further strengthened** to transitional **CET1 ratio of 20.3%** (IFRS 9 fully-loaded CET1 ratio of 19.3%) (YE19: 17.7% and 17.1%, respectively) • **Proposed dividend** (unconditional and conditional part) **already deducted from CET1** (€46.6mn in total)
AGM 2021	• **AGM 2021 on 26 April 2021** • Management aims at **new dividend proposal at AGM 2021**

Key financials (reported)

P&L

in €mn

	YTD (new P&L logic)			QTD (previous P&L logic)		
	YE20	YE19	+/- PY	4Q20	3Q20	+/- PQ
Net interest income	174.7	183.0	-4.5%	43.0	43.1	-0.3%
Net fee and commission income	59.8	67.2	-11.0%	15.5	15.4	1.0%
Net banking income	**234.5**	**250.2**	**-6.3%**	**58.5**	**58.5**	**0.0%**
Operating income	**232.5**	**243.7**	**-4.6%**	**56.9**	**56.6**	**0.4%**
Operating expenses	**-169.7**	**-189.1**	**-10.3%**	**-44.6**	**-41.8**	**6.8%**
2 **Operating result (from YE20)**	**62.8**	**54.6**	**15.1%**	**n.a.**	**n.a.**	**n.a.**
Other result (from YE20)	-8.1	-19.4	-58.3%	n.a.	n.a.	n.a.
1 **Operating result (until 3Q20)**	**54.7**	**35.2**	**55.5%**	**12.3**	**14.8**	**-17.4%**
Credit loss expenses on financial assets	-48.4	2.9	>100%	-10.6	-8.6	23.3%
Result before tax	**6.3**	**38.0**	**-83%**	**1.7**	**6.2**	**-73%**
3 **Result after tax**	**1.4**	**35.1**	**-96%**	**7.8**	**5.8**	**35%**

Balance Sheet

in €mn

	YE20	YE19	+/- PY	+/- PQ
Total assets	5,915	6,084	-2.8%	0.8%
Loans and receivables to customers	3,585	3,872	-7.4%	-2.6%
4 o/w gross performing loans	3,604	3,870	-6.9%	-2.4%
Customer deposits	4,728	4,831	-2.1%	1.0%
Shareholders' equity	852	861	-1.1%	1.4%

Key Ratios

	YE20	YE19	+/- PY (pts)	+/- PQ (pts)
NIM (in bp)	291	299	-8bp	1bp
Cost/income ratio	72.4%	75.6%	-3.2%	0.9%
NPE Ratio (GE based)	3.5%	3.9%	-0.4%	-0.1%
NPE Ratio (on-balance loans))	5.9%	6.2%	-0.3%	0.1%
Cost of risk (net loans)	-1.4%	0.2%	-1.6%	-1.1%
Loan-deposit ratio (customer)	75.8%	80.1%	-4.3%	-2.7%
5 CET1 ratio (transitional)	20.3%	17.7%	2.60%	1.1%
Total capital ratio (transitional)	20.3%	17.7%	2.60%	1.1%
CET1 ratio (fully-loaded)	19.3%	17.1%	2.21%	0.8%
Total capital ratio (fully-loaded)	19.3%	17.1%	2.21%	0.8%

1 ▷ 2

Difference mainly driven by shift of legal provision and modification losses related bookings into new P&L position "Other result" below the "Operating result" line

1 Operating result before change in credit loss expense at €54.7mn, up 55.6% YoY

New P&L logic:

2 **Operating result** before change in credit loss expense at €62.8mn, **up 15.1% YoY**, driven by
- **Net Banking income lower** by 6.3% YoY driven by decline of business activities in 2Q20, partially compensated by funding costs and improved business activities in 2H20
- **Operating expenses better** by €19.4mn following efficiency programs, exclusion of performance related bonus, Covid-19 savings and further initiatives

3 **Net profit of €1.4mn significantly impacted by provisioning of €-48.4mn,** reflecting Covid-19 while overall asset quality remains strong

4 **Reduction in the performing loan book** by €266mn YoY (€-88mn vs. 3Q20)

5 **Solid capital ratio** at CET1/TC ratio at 20.3% (19.3% fully-loaded) improving 260bp YoY (+221bp fully-loaded)

Simple Balance Sheet Composition

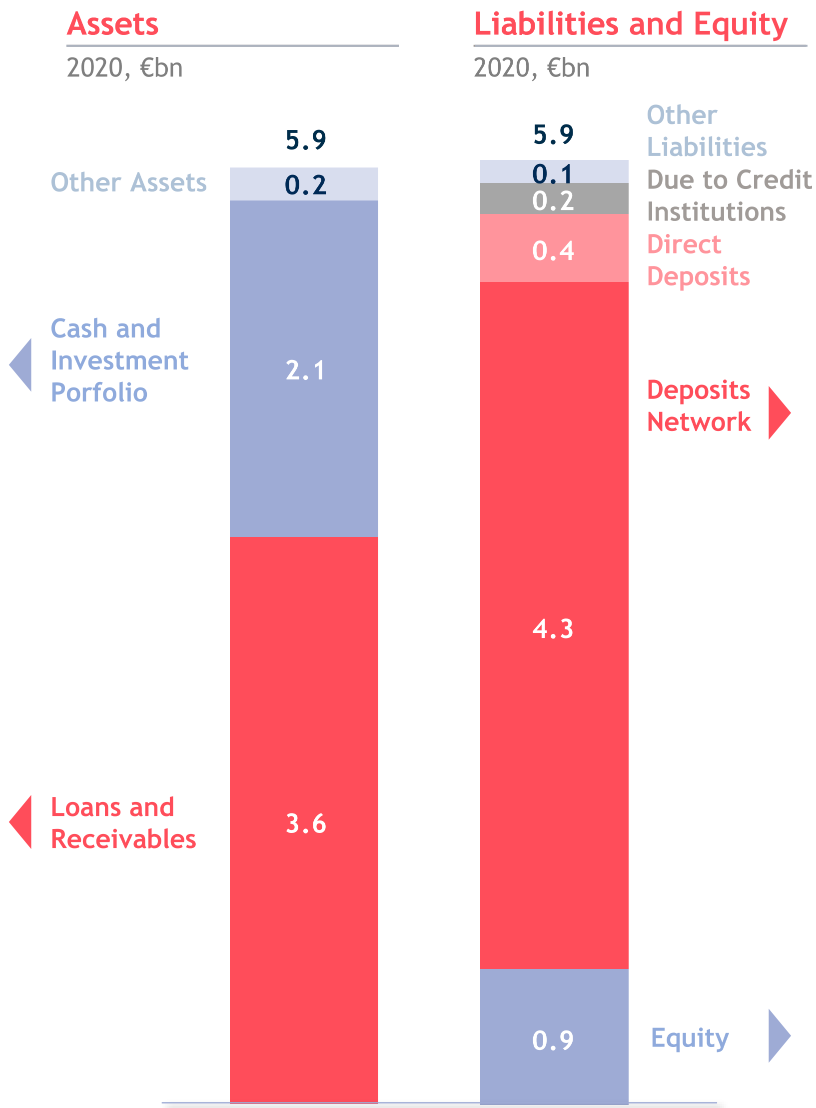
Addiko Bank

- **Liquid balance sheet**
  - LCR ratio: 209% (YE19: 175%)
- **Liquid assets**
  - €1.16bn of cash
  - €0.97bn of investment portfolio

Data as of YE20

- **Substantially de-risked asset base**
  - NPE ratio: 3.5% (YE19: 3.9%)
- **Solid provision coverage levels**
  - 73.6% NPE coverage ratio (YE19: 73.8%)
  - 122.6% incl. collateral (YE19: 125.0%)

Data as of YE20



- **Strong deposit base**
  - Loan-deposit ratio (customer) : 75.8% (YE19: 80.1%)
- **Funding surplus[1]: c. €1.1 bn**

Data as of YE20

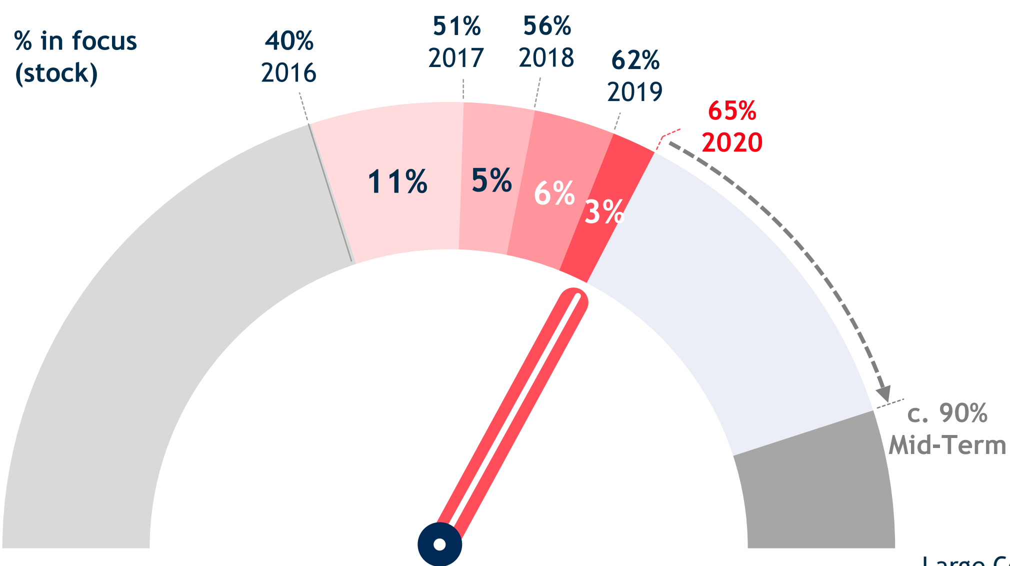
- **Robust capital base**
  - 19.3%[2] fully-loaded CET1 ratio (proposed dividend already deducted)
- **Ongoing RWA optimization, implementation of regulatory quick fixes**

Data as of YE20

[1] Calculated as difference between deposits of customers and loans and advances to customers. [2] Transitional CET1 ratio amounts to 20.3% as of 2020.

Gross performing loans in focus segments

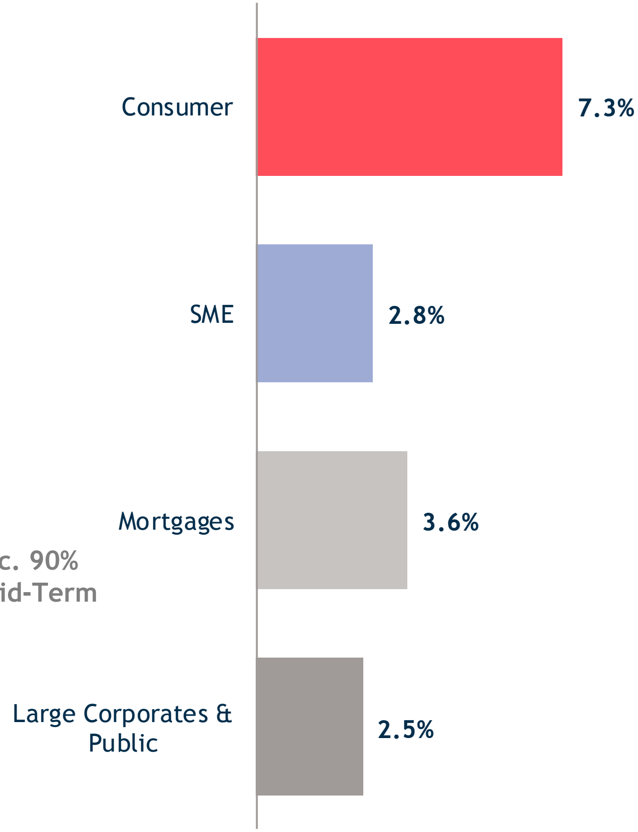
Gross loans of focus segments as % of total gross performing loans



% change of gross performing loans in focus vs. previous year

Gross yield by segment[1]

2020



	QTD 4Q20 yield	QTD 3Q20 yield	QTD 2Q20 yield	QTD 1Q20 yield	2019 yield
Consumer	7.2%	7.3%	7.3%	7.4%	7.4%
SME	2.8%	2.7%	2.8%	2.8%	2.9%
Mortgages	3.6%	3.6%	3.6%	3.6%	3.8%
Large Corporates & Public	2.6%	2.4%	2.4%	2.5%	2.5%

- Shift to focus slowed down due to adverse operating environment triggered by Covid-19 pandemic
- Accelerated shift towards Mid-Term target of c. 90%

- Repositioning to focus areas supported defending yields in highly liquid markets and lower reference rates YoY
- Yields in SME inched up, while Consumer decreased slightly in 4Q20

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

Growth in Focus Areas and Evolving Digital Capabilities

Virtual Branch 2.0 (live in Croatia)

Leading E2E online solution for consumer cash loans in Croatian market

2020
- In-house video ID; Trusted Service Provider in issuing digital certificates

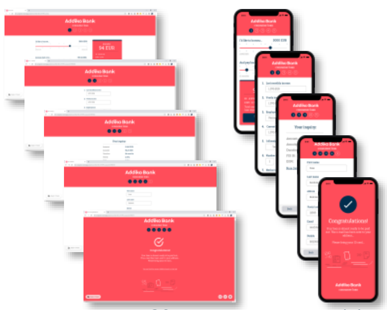
Plans 2021
- Online income verification using PSD2
- Further optimization

3rd Parties / Partners

Simple and friendly solution for loan process in POS & Partner business, including on-site customer identification for a full E2E experience

Plans 2021
- Implementation of the solution
- Automated credit decision for small tickets
- POS loan bundle with insurance (PPI) and up-sell options

Web Loan / Digital assisted sales



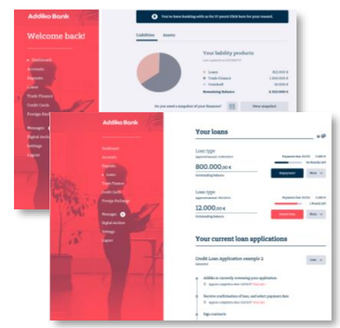
PC Mobile

Simple entry point for loan requests with instant initial offer (final approval & closure in branch)

2020
- Assisted Sales in Serbia reached 10% of contribution in total paid-out in the first two months of operation

Plans 2021
- Web Loan with Assisted Sales across Group (Slovenia live in Feb. ‘21)

Digital SME lending platform

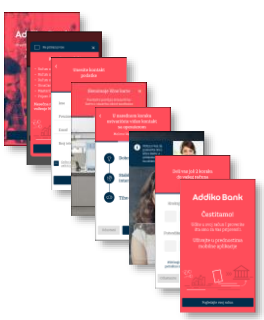


Simple Loan & Guarantee Platform for SMEs, with business process management integration (Appian)

2020
- Group-wide roll-out completed
- Additional functionalities implemented
- Automation resulted in average „time-to-yes” within 1 day & smaller ticket size

Plans 2021
- Loan prolongations
- Advance payments, further online sales capabilities & decision engine improvements

mAccount (live in Serbia)



Mobile account opening “in a few clicks” (incl. video identification)

2020
- >35% of accounts opened in Serbia converted to salary accounts

Plans 2021
- Opportunistic feature enhancements and implementation in other countries

mLoan

Quick and simple E2E cash loan solution for existing clients via app (for eligible clients)

2020
- Launched in Montenegro covering cash loan, overdraft and credit card
- Contribution in Serbia reached >30% of digital sales during peak in 4Q20

Plans 2021
- Group-wide launch

Outlook 2021 & Dividend Policy

Addiko Bank

Outlook 2021

- The return to pre-crisis operating environment will largely depend on the evolution of the pandemic
- **For the full year 2021 the Group expects:**
  - **Gross performing loans:** c. €3.5bn with >5% growth in focus
  - **Net Banking Income:** stable at 2020 level
  - **Operating expenses:** below €174mn (incl. c. €3mn AQR costs and c. €6mn bonus pool)
  - **CET1 ratio:** above 18.6% on a transitional basis
  - **Credit loss expenses** on financial assets: <1% on average net loans and advances to customers

Dividend Policy

- Addiko **reconfirms its initial guidance** aiming at an annual dividend pay-out of c. 60% of net profit, subject to applicable ECB regulation on dividends
- The potential distribution of **any excess capital** would follow the annual SREP decision, which is expected to reflect the continuous progress in financial and risk parameters and the specifics of countries where Addiko is present
- Addiko may consider to **optimize capital structure** by issuing eligible instruments (AT1, T2) with timing dependent on overall feasibility, economic environment and capital markets

Management Ambition

- **Accelerated growth** in focus loan book & digital with continued run-down of non-focus
- Continued **prudent risk approach** & **risk adjusted profitability** remain anchor - not volume
- **Further rightsizing & OPEX run-rate reduction** as operational priority
- **Capital requirements** within **level playing field** following ECB's AQR and SREP

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VIENNA, MARCH 2021

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

About Addiko Group

Addiko Group consists of Addiko Bank AG, the fully-licensed Austrian parent bank registered in Vienna, Austria, listed on the Vienna Stock Exchange and 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 (where it operates via two banks), Serbia and Montenegro. Through its six subsidiary banks, Addiko Group services as of 31 December 2020 approximately 0.8 million customers in CSEE using a well-dispersed network of 168 branches and modern digital banking channels.

Based in its focused strategy, Addiko Group has repositioned itself as a specialist Consumer and SME banking group with a focus on growing its Consumer and SME lending activities as well as payment services (its "focus areas"). It offers unsecured personal loan products for consumers and working capital loans for its SME customers, and is largely funded by retail deposits. Addiko Group's Mortgage business, Public and Large Corporate lending portfolios (its "non-focus areas") have been gradually reduced over time, thereby providing liquidity and capital for continuous growth in its Consumer and SME portfolios.