Addiko Bank

YE20 Results Presentation

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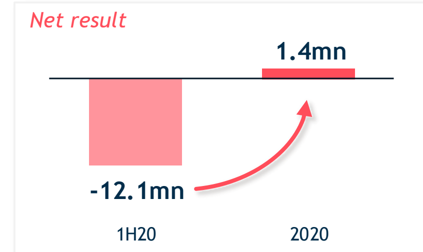
ACHIEVEMENTS IN A CHALLENGING YEAR 2020

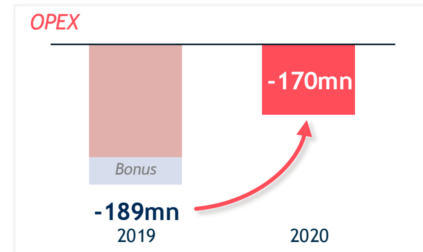
€+1.4mn
Result after tax

- **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



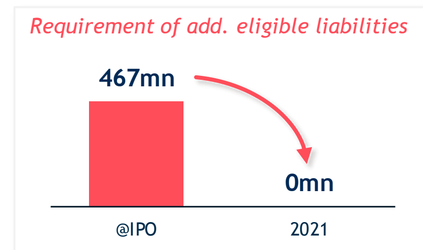
OPEX
run-rate managed down

- **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



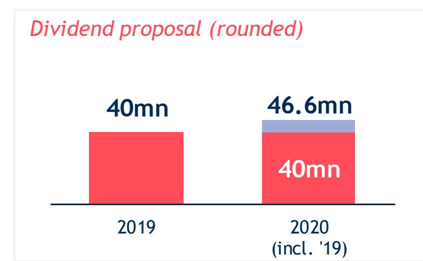
MREL
risk mitigated

- **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)



Executive Summary

Financials & Risk Update

Outlook & Mid-Term Targets

Additional Materials

Key Highlights 2020

Addiko Bank

Earnings	• **Result after tax** of €1.4mn net profit (YE19: €35.1mn) • **Positive 4th quarter** result after tax of €+7.8mn (3Q20: €+5.8mn, 2Q20: €-3.8mn, 1Q20: €-8.4mn) • **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 • **Return on Tangible Equity** (@14.1% CET1 ratio) currently at 0.2% (YE19: 5.6%)
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)

Guidance 2020 Confirmed by Actuals

Addiko Bank

2020 Guidance

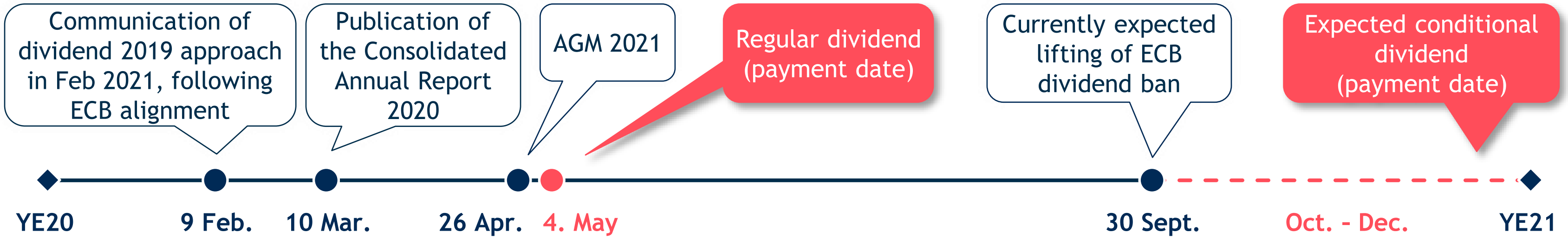
For the full year 2020 the Group has delivered on its guidance:

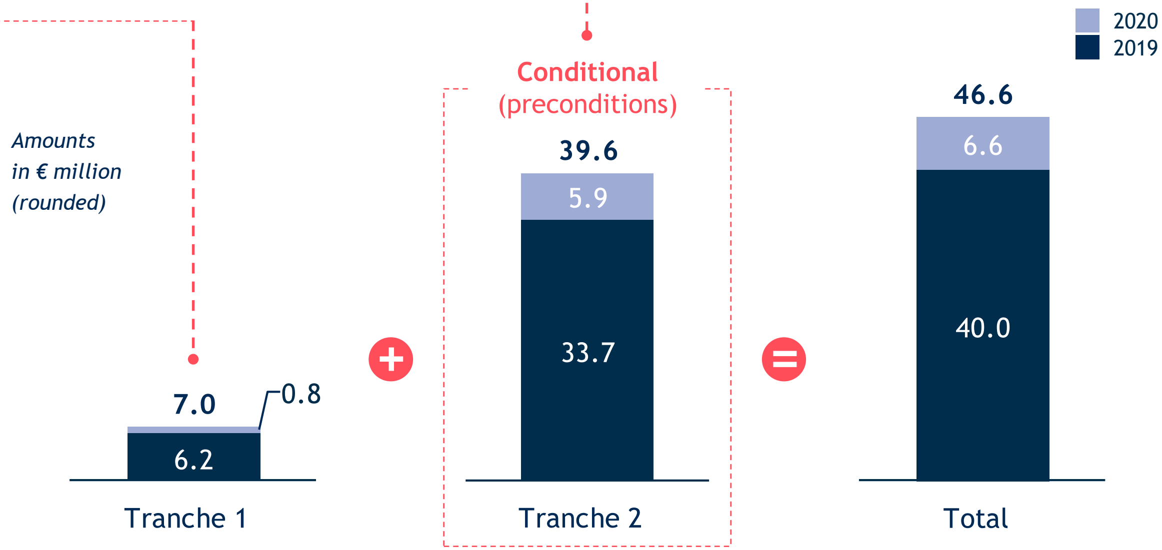
3Q20's outlook 2020 disclosure	Audited 2020 results
Net Banking Income: 7-10% below the level of 2019	down 6.3% YoY
Operating expenses: below €175mn	c. €170mn (excl. bonus)
CET1 ratio: above 19% on a transitional basis, with previously proposed 2019 dividend already deducted	CET1 well above at 20.3
Gross performing loans: c. €3.6bn	€3,604mn
Credit loss expenses on financial assets: max. 1.5% on average net loans and advances to customers	CoR below (1.5)%

Update on Dividends

- **AGM 2021 on 26 April 2021**
- Management aims at **new dividend proposal at AGM 2021**

ENVISAGED DIVIDEND ROADMAP 2021





Dividend proposal for AGM 2021

- Dividend proposal envisaged to comprise one part unconditional & one part conditional dividend (19.5mn outstanding shares)
- Payment envisaged in **two tranches**, subject to shareholder approval and fulfilment of condition
- **Tranche 1: c. €7.0mn (€0.36 per share)**
  - Maximum allowed under current ECB guidance
  - Payment date on 4 May 2021
- **Tranche 2: up to c. €39.6mn (€2.03 per share)**
  - Conditionally after lifting of the ECB dividend restrictions (see preconditions)
  - Payment currently expected in 4Q21

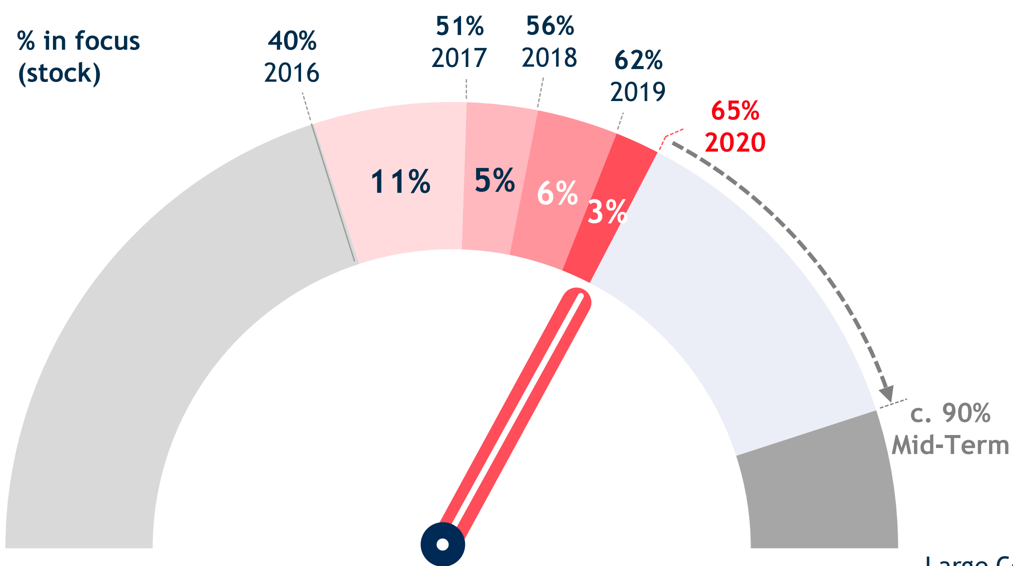
- Both tranches would amount up to c. **€46.6mn (€2.39 per share)** in total
  - Carried forward from 2019: c. €40mn
  - Residual: c. €6.6mn
- AGM on 26 April 2021

Preconditions

- Currently valid ECB guidance:
  - Maximum allowed distribution must be below 15% of cumulated profit for 2019-20 and not higher than 20bp of CET1 ratio, whichever is lower
  - Currently valid until 30 September 2021
- **Conditional Tranche 2 distribution**, if 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

Gross performing loans in focus segments

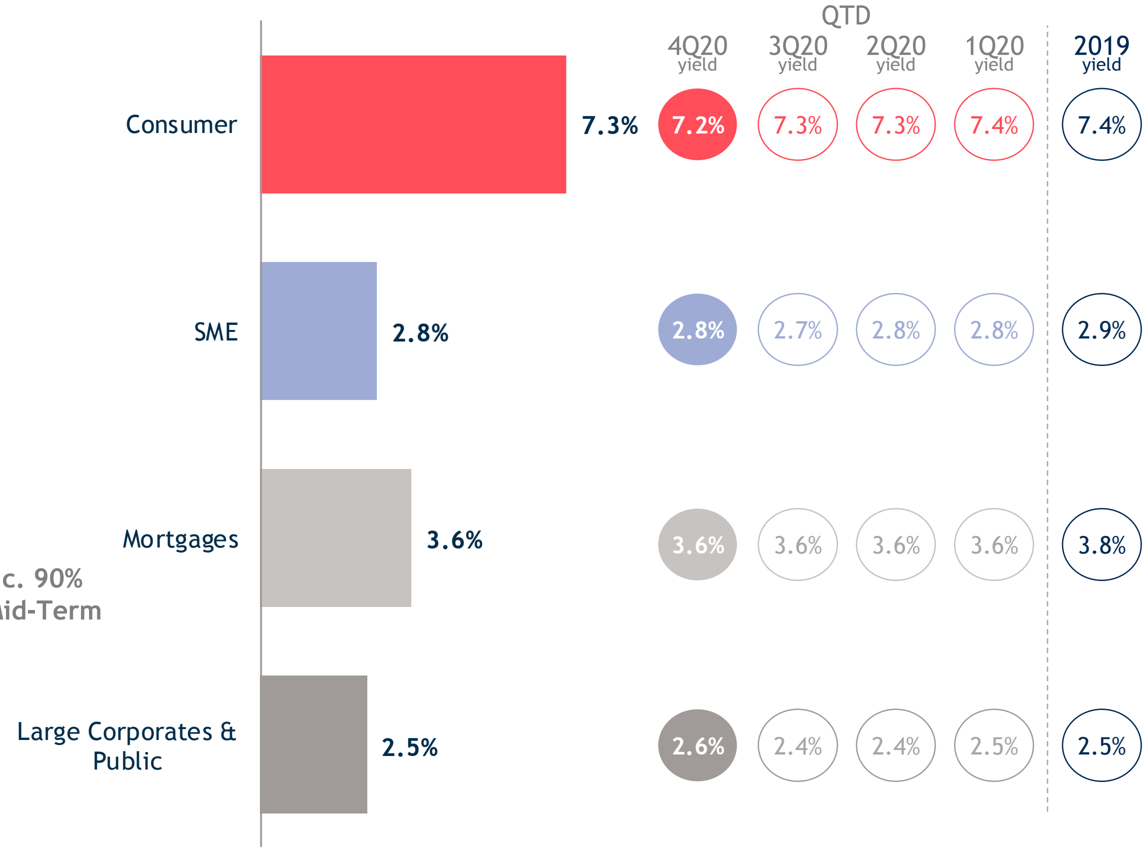
Gross loans of focus segments as % of total gross performing loans



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

Gross yield by segment[1]

2020



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

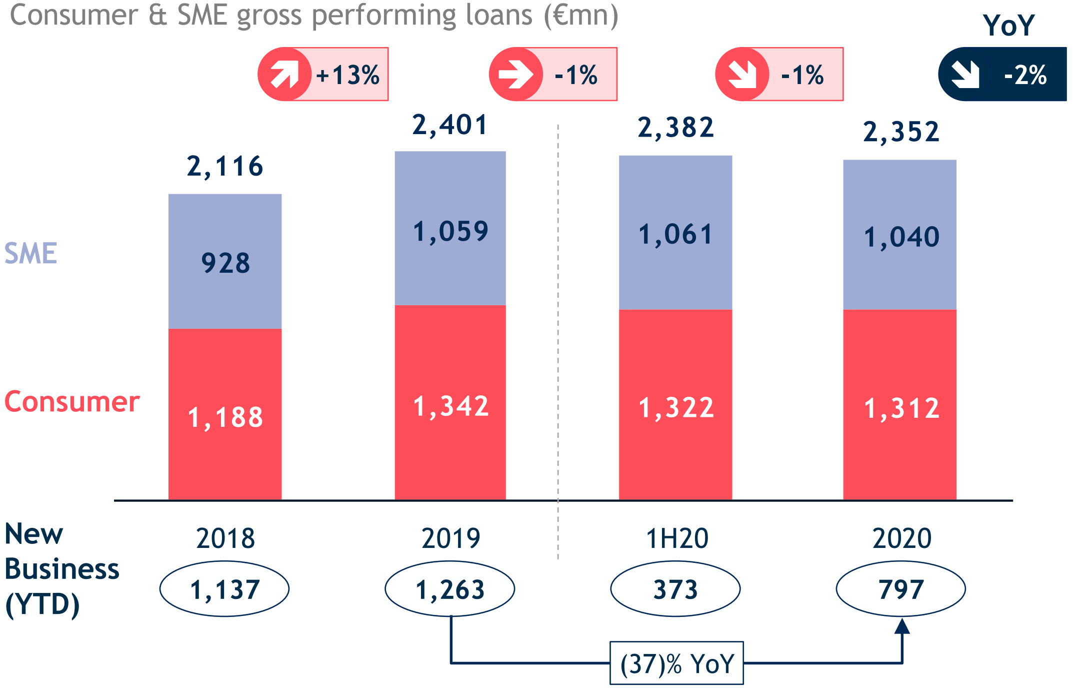
- Repositioning to focus areas supported defending yields in highly liquid markets and lower reference rates YoY
- Yields in SME inched up, while Consumer decreased slightly in 4Q20

[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.

Focus Portfolio Remained Stable Despite Challenging Environment

Focus portfolio development

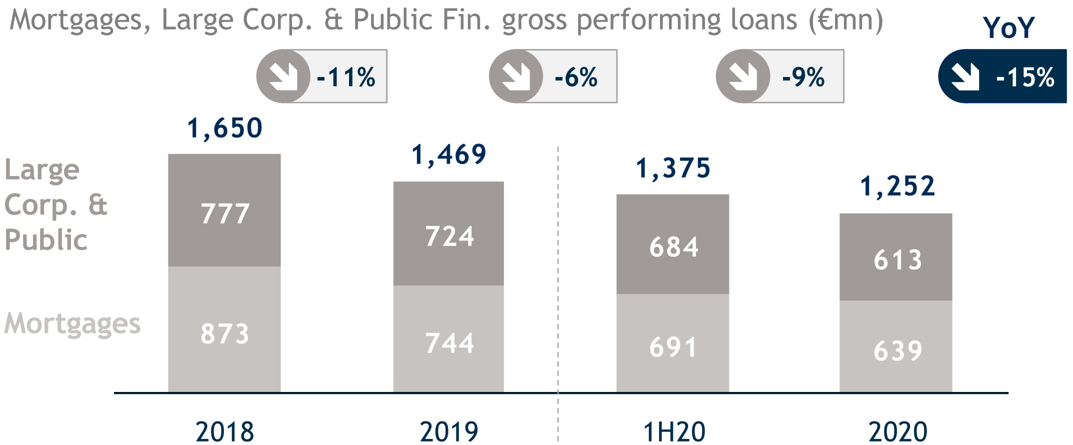
Consumer & SME gross performing loans (€mn)



- **Focus portfolio remained stable despite challenging environment**
- **New business volumes continued to inch up in focus:**
  - up by 47% in fourth quarter 2020 (€252mn) vs. 3Q20's €172 (2Q20: €136mn)
  - YoY down by 37%
- **Yields in focus** remained **stable** despite lower interest environment
- Accelerated growth in focus portfolio expected in 2021

Non-Focus portfolio development

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



- **Non-Focus reduction in line with plan,** slightly accelerated reduction achieved during 2020
- No new business in Mortgage and Public
- Limited short-term new business in Large Corporates to deploy excess liquidity

BACK TO BUSINESS WITH GROWTH IN FOCUS AREAS …

Roadmap for business & digital growth in 2021

1 Broaden Consumer **segment to additionally target higher quality pockets** through digital

2 **Focus on growing profitability incrementally** with new effective distribution capabilities

- **Increase contribution of digital** (20% consumer loans) **& digitally enabled multipliers** to 40%
- **Establish partnerships** for POS lending, B2B2C and other opportunities
- Remote advice **channel** (10% of new origination)
- Accelerate growth in smaller SME loans & Micro

3 **Enhanced decision engine & risk adjusted pricing** driving down cost of risk in Consumer

4 **Optimize & automate frictionless and quick sales fulfilment journey** with better TTD & TTC

5 **Enhance efficiency & profitability of physical distribution channels**

6 **Sharpen existing customer targeting with better data driven capabilities**

Our distribution capabilities are continuously enhanced

	Achievements 2020	2021
Branch Network 	• 11 branches closed • 10 Hubs created in remaining network • OPEX decreased via reduction of FTEs and premises expenses	• Further branch network & FTE reduction • Continued migration of 10 branches to smaller “Express Branch” format • 11 additional Hubs
Digital & Multipliers 	• New loans sold digitally: −16% Consumer −13% SME (Serb. & Slov.) • Bank@Work: 30% of new Consumer loans • Increased digital leads • Remote advice for human-led interactions established	• Focus on partnerships & cost-effective acquisitions • Amplify Bank@Work • Accelerate digital & End-2-End/Assisted loan originations • Standard package of remote advice services group-wide
Processes & Data	• Time-To-Decision (TTD) improved • Time-To-Cash (TTC) already below ½ day in 4 countries • Improved customer value management (CRM)	• APS loan engine & process improvements to further reduce TTD & TTC • Harmonization of business process management platform • Enhanced CRM & risk adjusted pricing sweet-spot

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

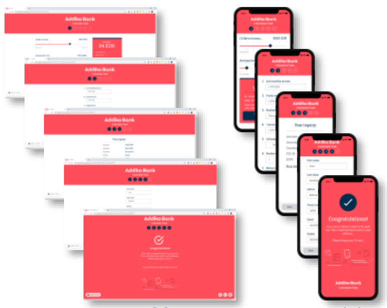
Plans 2021
- Online income verification using PSD2
- Further optimization

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



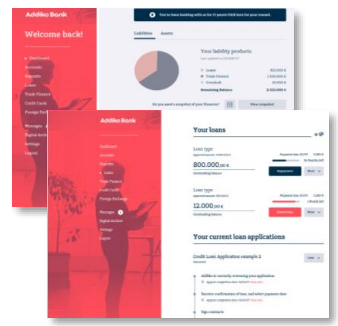
PC *Mobile*

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

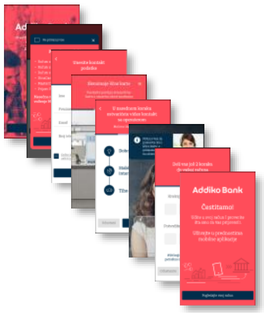


Simple Loan & Guarantee Platform for SMEs, with business process management integration (Appian)

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

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Financial Performance 2020

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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

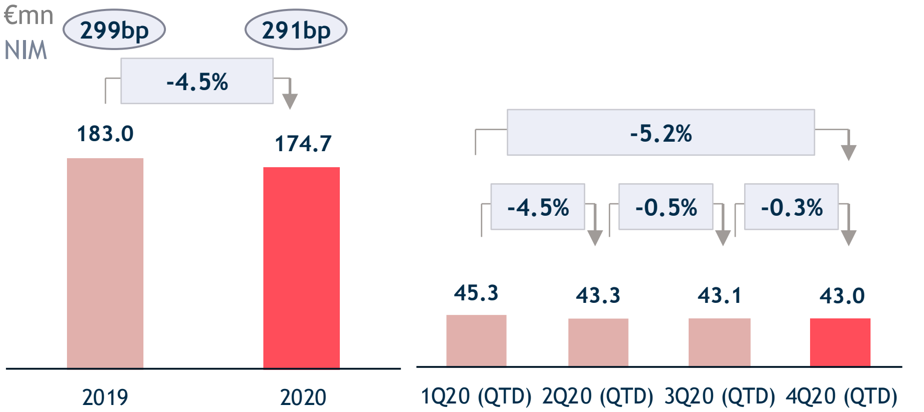
- **Net Banking income lower** by 6.3% YoY driven by decline of business activities in 2Q20, partially compensated by funding costs and improved business activities in 2H20
- **Operating expenses better** by €19.4mn following efficiency programs, exclusion of performance related bonus, Covid-19 savings 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)

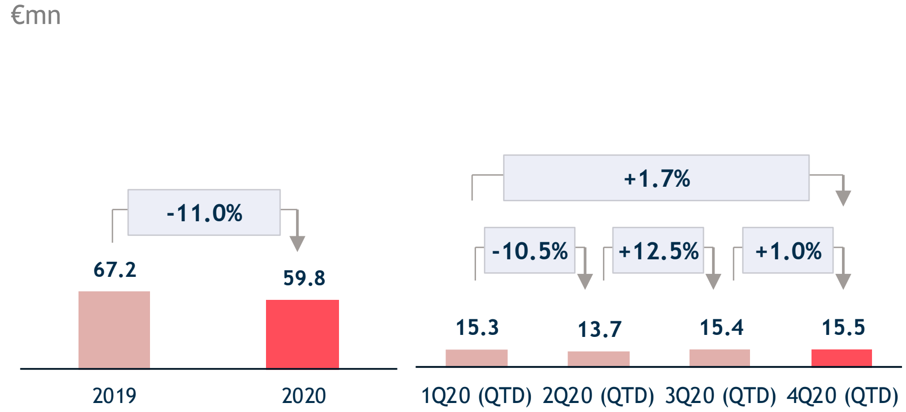
5 **Solid capital ratio** at CET1/TC ratio at 20.3% (19.3% fully-loaded) improving 260bp YoY (+221bp fully-loaded)

Net interest income



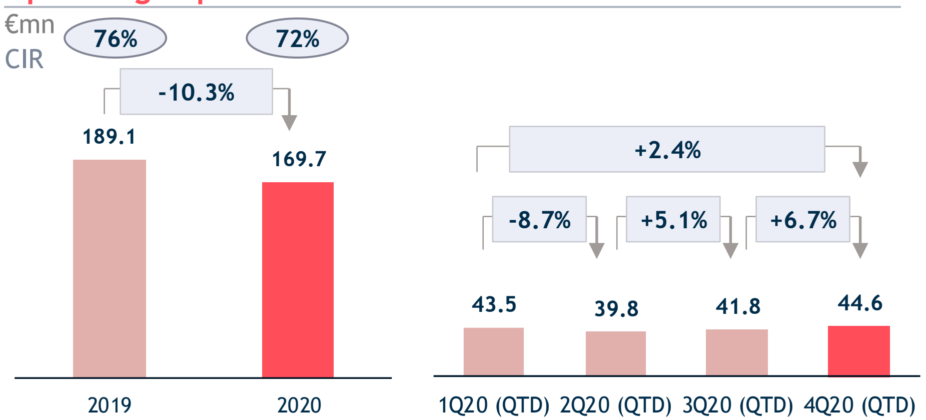
- Regular interest income from focus areas up 2.1% YoY influenced by limited news business, while non-focus reduction as planned
- Deposits stable, NII supported by lower deposit yields (c. -10bp YoY)

Net fee and commission income



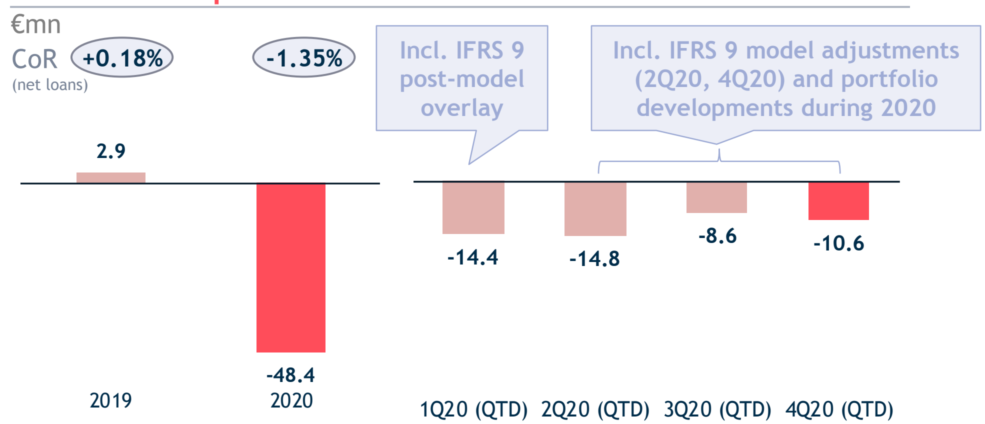
- Net commission income still impacted by limited financing demand and fewer transactions
- Fourth quarter like 3Q20 due to increased customer activity and higher new business

Operating expenses[1]



- Cost reduction in 2020 as outcome of implemented initiatives and Covid-19 related reductions and cancellation of performance bonus; 2019 influenced by IPO costs (€2mn)

Credit loss expenses on financial assets



- Cost of risk in line with guidance, elevated by crisis
- Updated macro developments reflected during 4Q20

[1] Reclassification depreciation from investment properties to other operating expenses.

	Consumer 2019	Consumer 1H20	Consumer 3Q20	Consumer 2020	SME 2019	SME 1H20	SME 3Q20	SME 2020	Non-Focus 2019	Non-Focus 1H20	Non-Focus 3Q20	Non-Focus 2020
>90 days	4.5%	3.9%	4.0%	4.0%	2.5%	2.8%	2.9%	2.9%	4.9%	4.8%	4.7%	4.1%
1 to 90 days	2.5%	3.2%	3.5%	3.8%	3.8%	3.6%	7.2%	3.4%	3.8%	4.5%	3.4%	3.0%
No overdue (%)	93%	93%	92%	92%	94%	94%	90%	94%	91%	91%	92%	93%

- Limited impact of global crisis due to repayment moratoria
- >90% of portfolio remains with no payment delays as evidence for resilience
- Expired moratoria portfolio behavior in line with expectations (slightly worsened DPD ratios compared to total portfolio)

Total Exposure in Applicable Moratoria Down to Only 2.4% as of YE20

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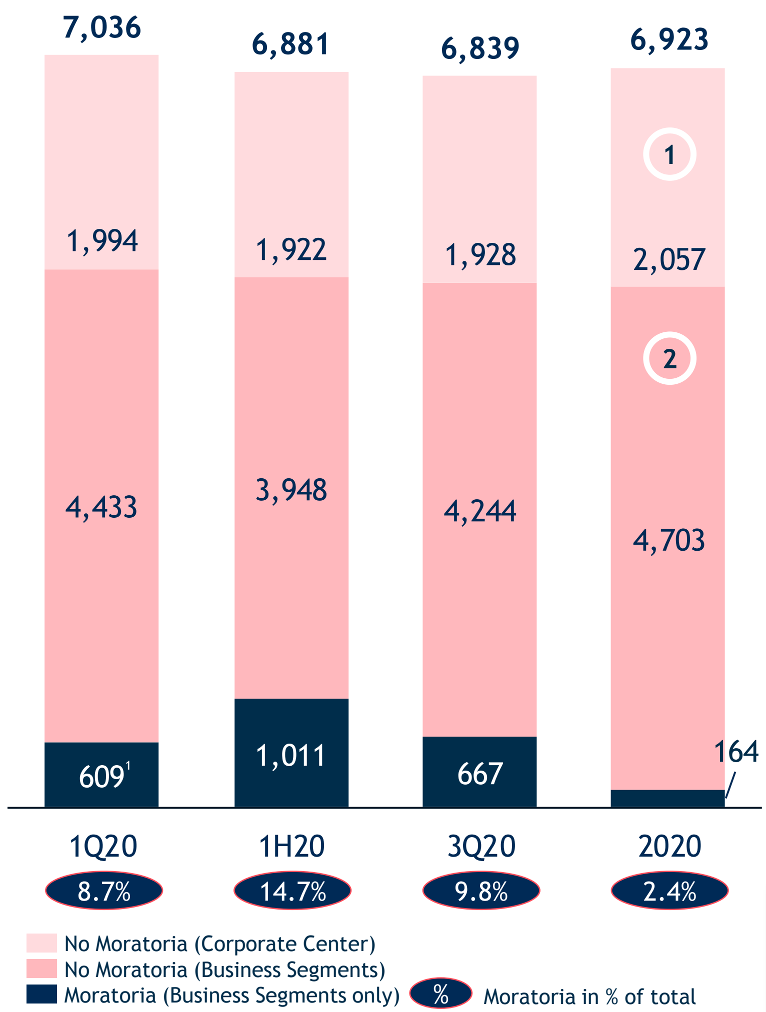
Gross Exposure in Moratoria

Reported, €mn



Exposure in Moratoria

Reported, 2020, €mn

Affected by moratoria / Not affected by moratoria

By Segment

	Affected by moratoria	Not affected by moratoria	% Moratoria	% Moratoria in Total (excl. CC)	# of customers
Consumer	21	1,487	1.4%	0.4%	1.2k
SME	95	1,634	5.5%	1.0%	140
Mortgages	16	702	2.3%	0.3%	239
Large Corp. & Public	31	880	3.4%	0.6%	12
Corporate Center (CC)		2,057 (1)	0%		0
TOTAL	164	6,759	2.4%		c. 1.6k
Total (excl. CC)	164	4,703 (2)	3.4%		

By Country

	Affected by moratoria	Not affected by moratoria	% Moratoria	% Moratoria in Total (excl. CC)	# of customers
Slovenia	101	1,589	6.0%	2.1%	728
Croatia	30	2,583	1.1%	0.6%	406
Serbia		1,060	0%	0%	0
BiH	32	1,073	2.9%	0.6%	379
Montenegro	1	237	0.4%	0.02%	97
Austria		218	0%	0%	0
TOTAL	164	6,759	2.4%		

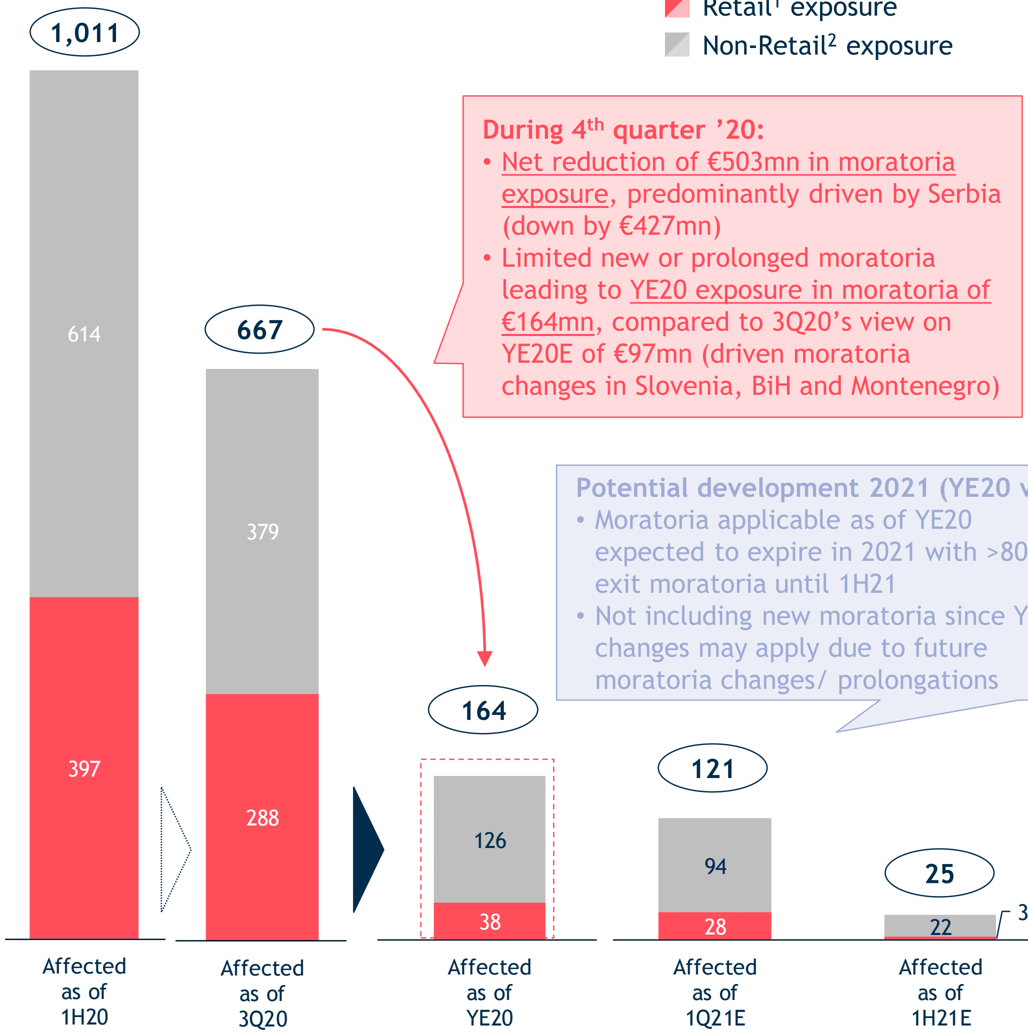
- Moratoria exposure down to €164mn (3Q20: €667mn, 1H20: €1,011mn)
- As of YE20 only 1.6k customers in moratoria (3Q20: 34k, 1H20: 52k) representing 2.4% of total and 3.4% of business segment exposure

[1] 1Q20 moratoria exposure as of April 2020

MORATORIA EXPOSURE DEVELOPMENT DURING FOURTH QUARTER 2020

Exposure in Moratoria and development

Reported, €mn



During 4th quarter '20:

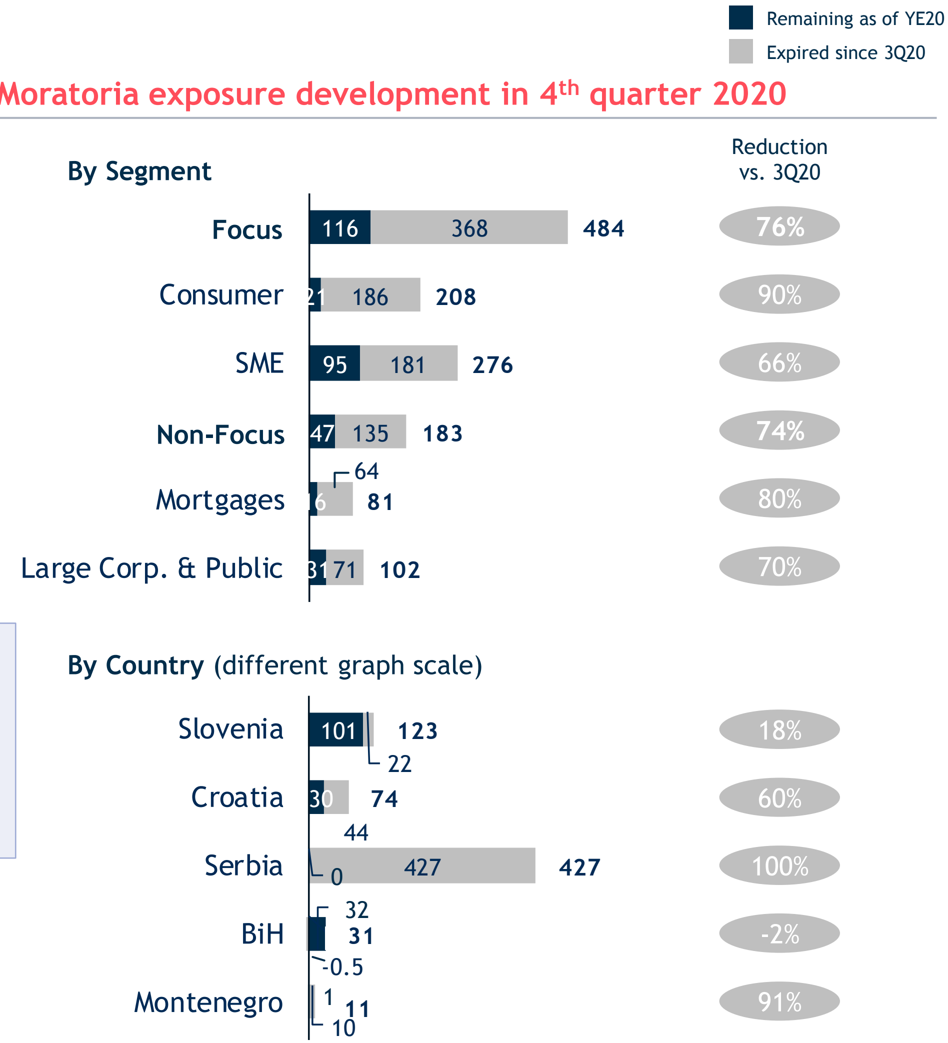
- Net reduction of €503mn in moratoria exposure, predominantly driven by Serbia (down by €427mn)
- Limited new or prolonged moratoria leading to YE20 exposure in moratoria of €164mn, compared to 3Q20's view on YE20E of €97mn (driven moratoria changes in Slovenia, BiH and Montenegro)

Potential development 2021 (YE20 view)

- Moratoria applicable as of YE20 expected to expire in 2021 with >80% to exit moratoria until 1H21
- Not including new moratoria since YE20, changes may apply due to future moratoria changes/ prolongations

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

Moratoria exposure development in 4th quarter 2020

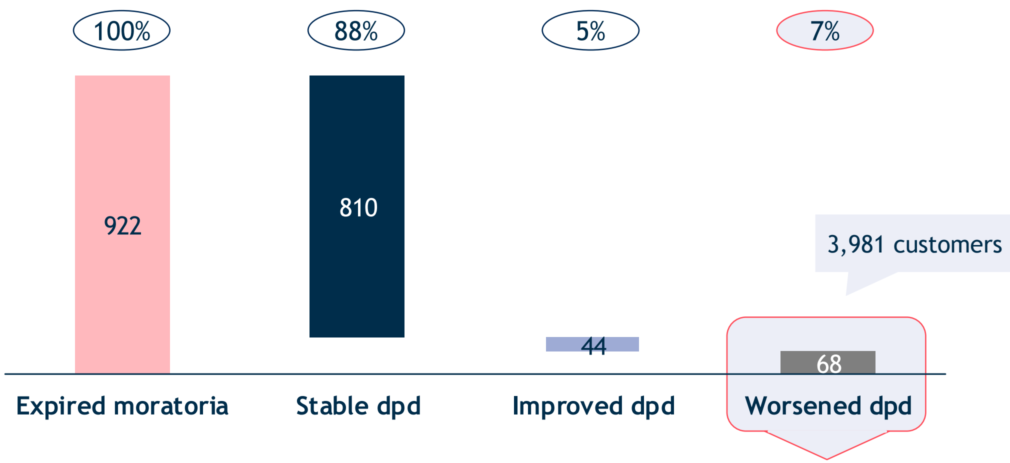


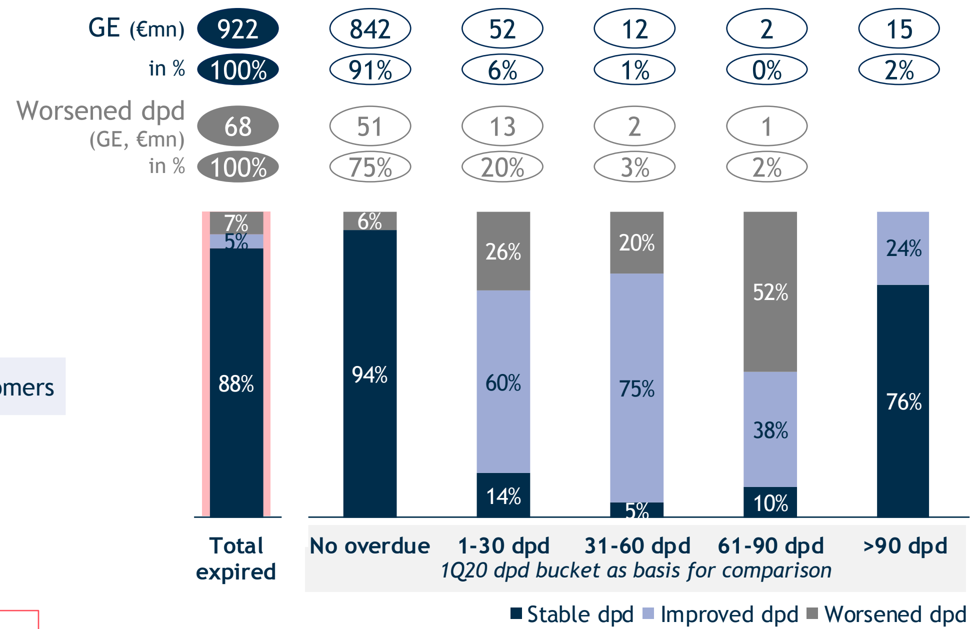
- Remaining affected exposure as of YE20 predominantly in EU countries Slovenia and Croatia (80% exposure, 70% customers)
- Continued & tight monitoring of moratoria exposure in place

EXPIRED MORATORIA EXPOSURE BEHAVIOR IN LINE WITH EXPECTATIONS

Expired moratoria exposure: Development YE20 vs. 1Q20 (i.e. not in moratoria as of YE20)

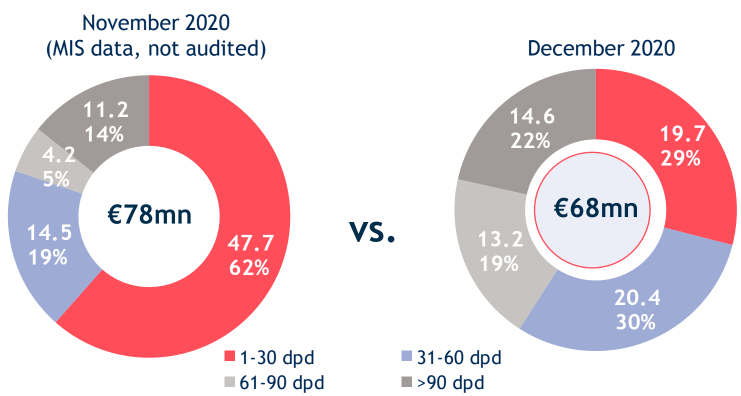
Reported, by days past due (dpd) bucket, in €mn





Worsened dpd: Deep-dive in days past due buckets

Reported YE20, exposure by dpd bucket in €mn (excl. improved exposure)



Expired moratoria

- Only €69mn of expired moratoria exposure worsened in terms of days past due (dpd) compared to 1Q20, while €44mn improved (net worsened exposure at €24mn)
- Majority of worsened payment behaviour from customers that had no payment delay in 1Q20
- So far, >90% of expired moratoria portfolio has not worsened in terms of customers' payment behaviour

Provision Coverage Evolution During 2020

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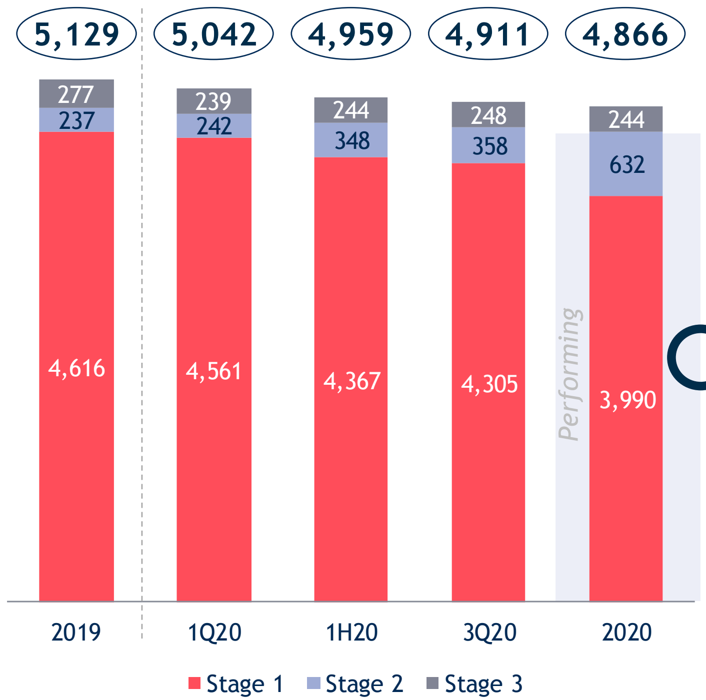
Stage 1, 2 and 3 assets[1]

€mn



	2019	1Q20	1H20	3Q20	2020
Stage 3	5%	5%	5%	5%	5%
Stage 2	5%	5%	7%	7%	13%
Stage 1	90%	90%	88%	88%	82%

Change vs. 1Q20

As of 2020

% GE (rounded)		Stage 1	Stage 2	Stage 3
Base 1Q20	Stage 1	89%	10%	1%
	Stage 2	30%	61%	9%
	Stage 3	2%	2%	97%

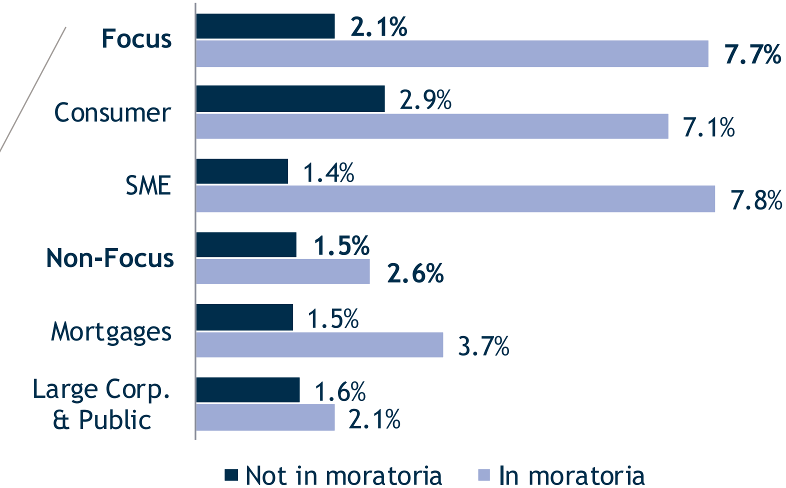
Stage improved   Stage worsened

[1] Excluding Corporate Center.

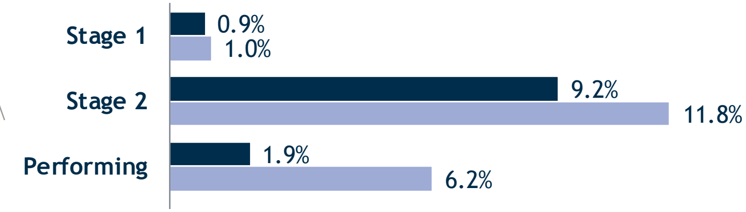
Business segments: Stage 1 & 2 (Performing) coverage

2020

By Segment



By Stage (different graph scale)



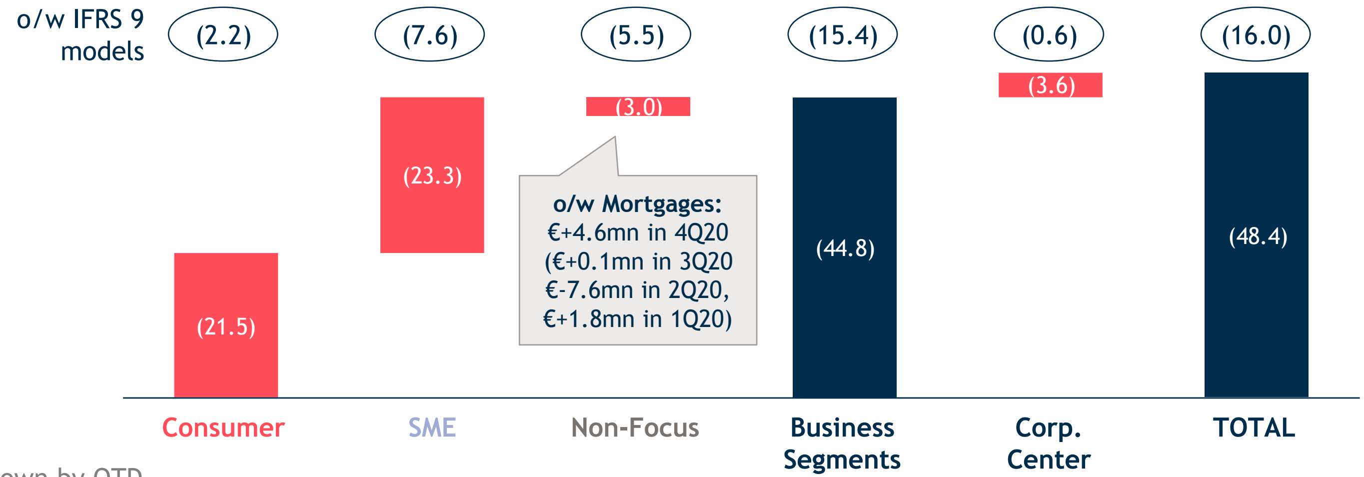
ECL coverage (YTD)

	YE20	3Q20	1H20	1Q20
Focus	2.4%	2.1%	2.0%	1.5%
Consumer	3.2%	3.2%	3.2%	2.5%
SME	1.8%	1.1%	0.9%	0.6%
Non-Focus	1.5%	1.5%	1.5%	0.9%
Mortgages	1.5%	2.3%	2.4%	1.4%
Large Corp. & Public	1.4%	0.8%	0.7%	0.5%
Stage 1	0.8%	0.7%	0.7%	0.5%
Stage 2	10.4%	15.5%	15.3%	15.3%
Performing	2.1%	1.9%	1.8%	1.3%

- Stage 3 (NPE) stable during 2020, down by €33mn (-12%) YoY remains influenced by moratoria
- Shift from Stage 1 into Stage 2 during 2020 as a result of:
  - Worsened macro-economic environment due to Covid-19 pandemic, reflected through overall increase of portfolio PDs (model impact) and
  - Individually identified Non-Retail forborne classifications (operationally driven)
- Increase in Expected Credit Loss (ECL) coverage for performing assets of business segments (Stage 1 & 2) to 2.1% (3Q20: 1.9%, 1H20: 1.8%, 1Q20: 1.3%)

Credit loss expenses on financial assets

Full year 2020, €mn



Breakdown by QTD

	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
4Q20	-0.6	-11.9	+3.0	-9.6	-1.0	-10.6

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	4Q20
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	(0.04)% (0.05)% 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	(0.69)% (1.15)% on NL

Group YE20 (YTD)

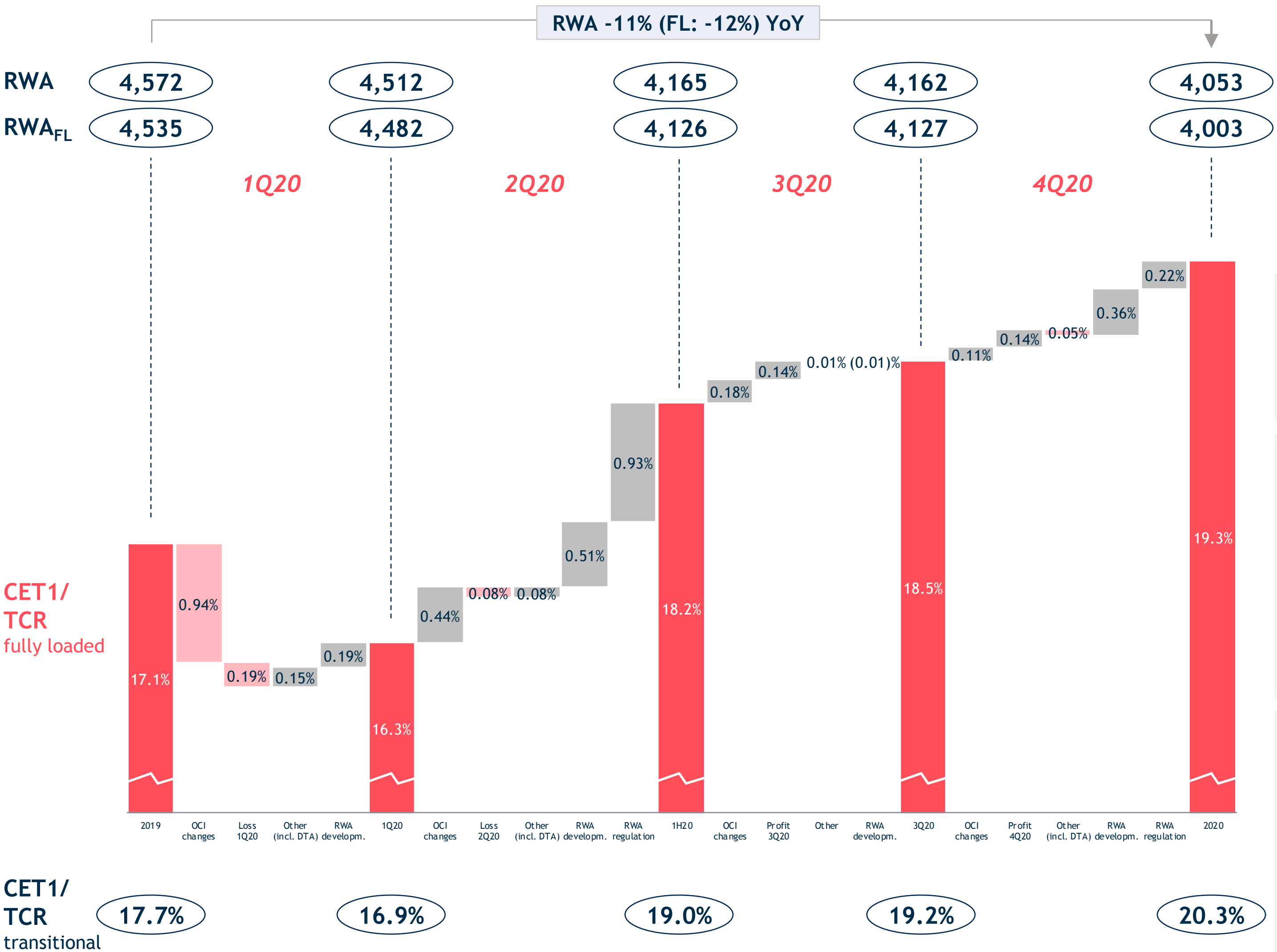
Business Segments	TOTAL
(0.98)% (1.33)% on Net Loans	(0.97)% (1.35)% on Net Loans

- **Full year 2020 IFRS 9 provisions of €-48.4mn resulting** in (1.35)% **cost of risk** (on net loans):
  - Consumer: (1.67)%
  - SME: (2.25)%
  - Non-Focus: (0.23)%
- **Updates of macro forecasts and credit risk parameters in IFRS 9 models (€-16.0mn)** reflect as follows on Cost of Risk **(**on net loans):
  - Consumer: (0.17)%
  - SME: (0.74%)
  - Non-Focus: (0.44%)
- Provisions related to **portfolio driven cost of risk** (on net loans):
  - Consumer: (1.50)%
  - SME: (1.51)%
  - Non-Focus: +0.20%
- **Regular review & update of macro-economic scenarios** used in PD estimation and **tight portfolio behaviour monitoring**

ADDIKO'S CAPITAL POSITION REMAINS STRONG

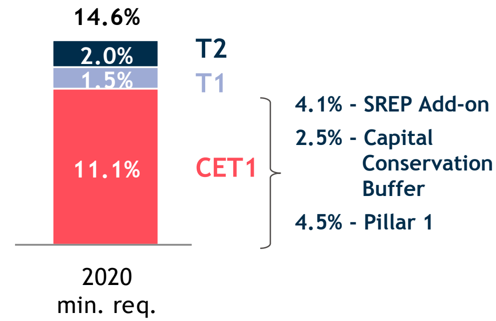
Capital development

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



[1] STD approach (sovereigns) and SME Supporting Factor.
[2] Residual SME Supporting Factor.

Capital requirement



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

- **Strong capital position** at 19.3% CET1 fully loaded
- **Proposed dividend** (unconditional and conditional part) **already deducted** from CET1 (€46.6mn in total)
- Regulatory developments on dividend payments being observed

- **Fully-loaded CET1 ratio improved further during 4Q20**, driven by quarter's profit, further recovery in OCI-reserve and RWA reduction
- **12% YoY RWA reduction** (fully loaded), driven by operational reduction and regulatory changes during 2Q20 (93bp[1]) and 4Q20 (22bps[2])

Executive Summary

Financials & Risk Update

Outlook & Mid-Term Targets

Additional Materials

Updated Mid-Term Targets

Addiko Bank

Target metric	1Q20: Reviewed Mid-Term targets	1Q21: NEW Mid-Term targets
Focus vs. Non-Focus (Gross Performing Loans)	>85% in Focus (Mid single-digit gross performing loans growth)	c. 90% in Focus
Net Interest Margin	c. 3.8%	c. 3.7%
Net Fee and Commission Income Growth	c. 10%	c. 7% (CAGR 2021 to Mid-Term)
Cost / Income Ratio	<50.0%	c. 50%
Cost of Risk[1]	c. (1.5)%	c. (1.45)%
Return on Tangible Equity (@14.1% CET1 Ratio)[2]	c. 9.5%	>9%
Total Capital Ratio	>16.1%	>16.1%
Loan / Deposit Ratio (Customer)	c. 100.0%	<100.0%
Dividend Payout (excl. any potential excess capital)	60.0% (of profit)	60.0% (of profit)

Key insights

Strategy and business model
- Acceleration towards Consumer and SME, with focus on smaller tickets in SME
- Lower revenue mitigated by accelerated cost reduction
- Target capitalization unchanged

Volumes
- Disbursements impacted by Covid-19, slower shift to focus
- Gradual increase in disbursements towards pre-Covid-19 levels expected in the short term
- Net banking income to gradually recover to pre-Covid-19 highs in short term; in mid term, to improve from the shift to higher yielding focus area

OPEX & IT
- Cost structure optimisation program creates headroom for yearly bonus pool and ECB/AQR costs in 2021
- Reduction of physical footprint – migration of branches to 'Express" formats & Hubs
- Further standardisation & consolidation of IT
- Increased digital contribution, once IT strategy is implemented

Cost of Risk
- Cost of Risk expected to improve in the short term
- Cost of Risk to build up as portfolio shifts towards focus areas reaching 2020 levels in the medium term at (c. 90% focus)

[1] Cost of risk over net loans.
[2] Assuming theoretical tax rate of 21% and costs for T2 equal to 2% of RWAs.

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

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

- **Continue acceleration in focus growth**
- **Digital** enhancements
- **Find risk adjusted sweet-spot** to expand customer base

- Finalize **implementation of earmarked cost reduction** potentials
- Identify further potentials for streamlining
- **Continue to optimize platform** and digitize processes

- Obtain **AGM decision** for 2020 (incl. 2019) dividend payment
- Finalize ECB's AQR to create **level playing field**
- Obtain updated **SREP by ECB**

Executive Summary

Financials & Risk Update

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Additional Materials

Addiko: Management Board Team

Markus Krause
Chief Risk & Financial Officer

with Addiko since August 17th 2015

Csongor Németh
Chief Executive Officer

with Addiko since November 1st 2015

Ganesh Krishnamoorthi
Chief Retail, IT & Digitalization Officer

with Addiko since August 1st 2020

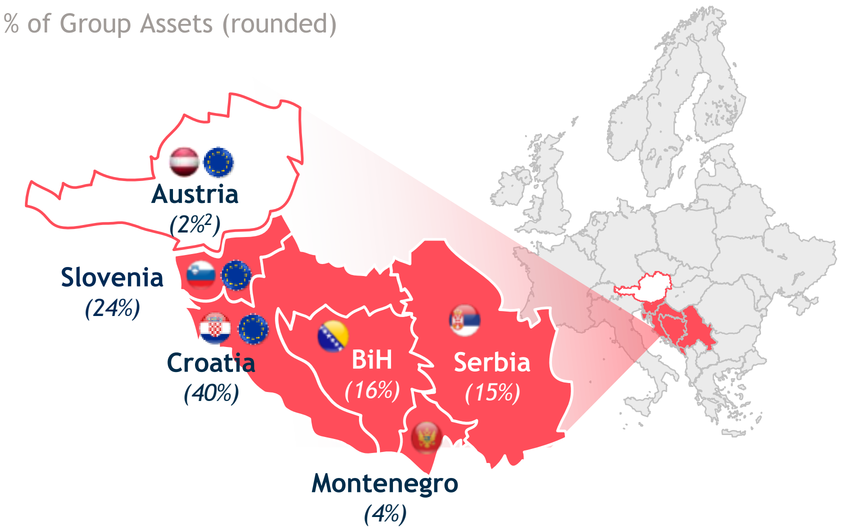
ADDIKO: ADDIKO AT A GLANCE

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 12 July 2019, admitted to ATX Prime on 15 July 2019 (19.5mn shares)

Operating as one region - one bank

2020, % of Group Assets (rounded)



Repositioned as a focused CSEE specialist lender

Consumer

SME

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*

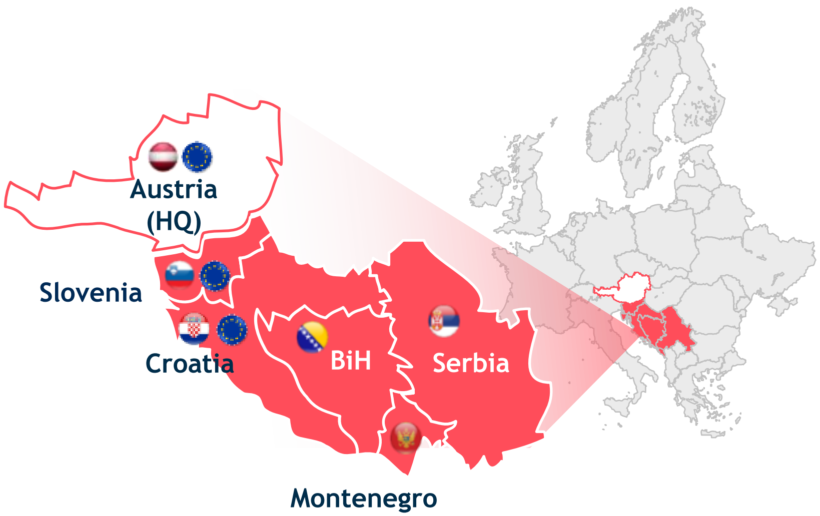
[1] Finanzmarktaufsicht Österreich.
[2] Includes total assets from Holding (€1,074mn) and consolidation/recon. effects of (-€970mn).
[3] EU is calculated based on sum of total assets from Slovenia, Croatia and Holding (incl. consolidation). EU accession is calculated based on sum of total assets from Bosnia & Herzegovina, Serbia and Montenegro.

Addiko: Accelerated Execution of Established Strategy

Addiko Bank

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**

ADDIKO: 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

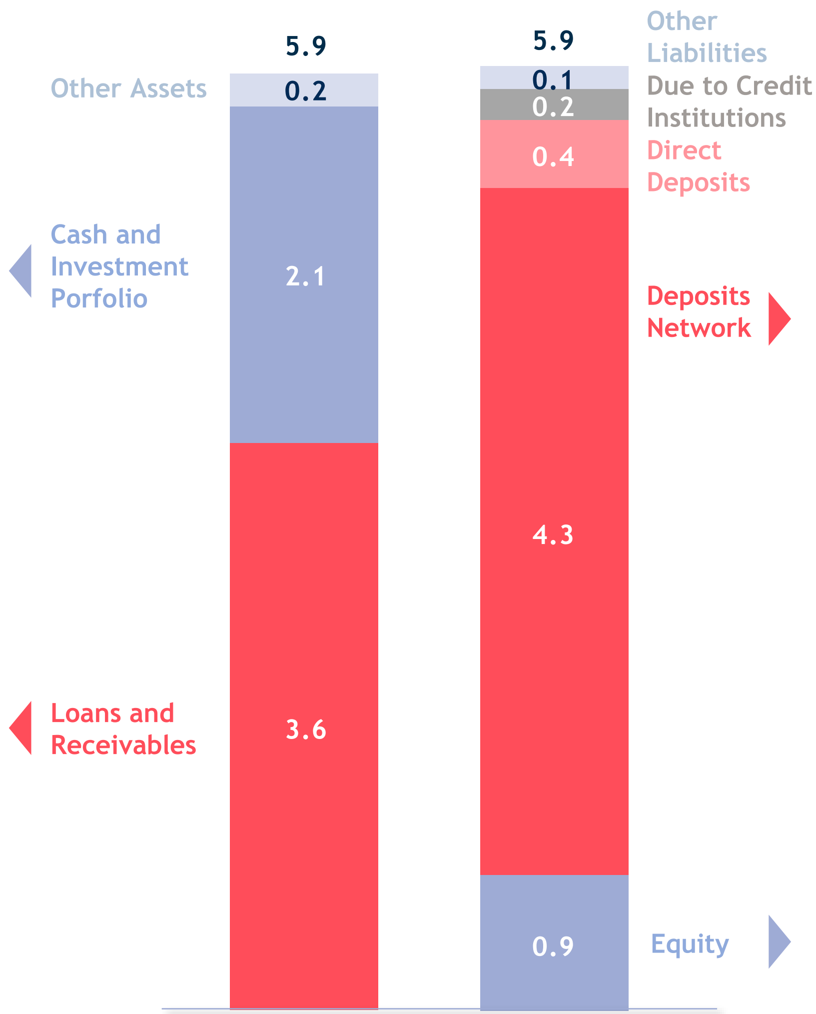
Substantially de-risked asset base
- NPE ratio: 3.5% (YE19: 3.9%)

Solid provision coverage levels
- 73.6% NPE coverage ratio (YE19: 73.8%)
- 122.6% incl. collateral (YE19: 125.0%)

Data as of YE20

Assets
2020, €bn

Liabilities and Equity
2020, €bn



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.

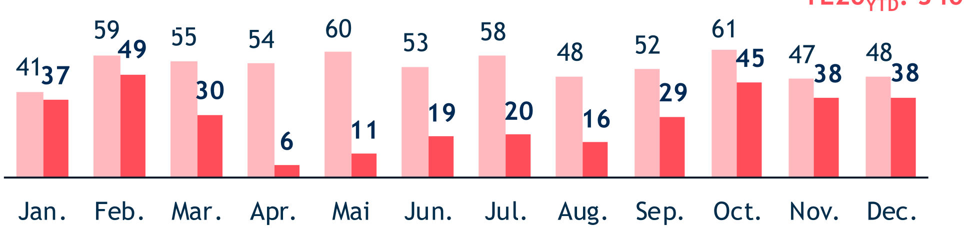
GDP forecasts[1] (%, real growth)

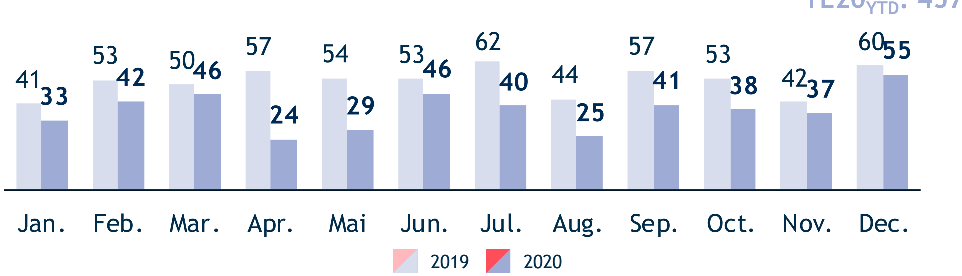
	Forecasts			
	2020E Base	2021E Base	2020E Pessimistic	2021E Pessimistic
Slovenia	(6.7)%	4.7%	(7.3)%	2.3%
Croatia	(9.4)%	5.0%	(10.0)%	2.5%
Serbia	(2.0)%	4.5%	(2.4)%	2.9%
Bosnia & Herzegovina	(5.0)%	3.1%	(5.4)%	1.5%
Montenegro	(9.0)%	5.0%	(9.4)%	3.4%
Euro Area	(8.5)%	5.8%	(8.9)%	4.3%

- Despite ongoing pandemic **V-shaped recovery in 2021** expected as most likely scenario
- **Environment remains challenging** due to the high number of infections and the lockdowns in many EU countries which may affect the Balkan economies through lower external demand
- The main positive factor remains the possibility of a more rapid vaccine roll-out and its possible effectiveness

New business volumes started recovery during 4Q20

€mn





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

	'20E vs. '19 Δ Volume / Δ IRs		'21E vs. '20E Δ Volume / Δ IRs		Addiko YE20 portfolio[2]
Slovenia	-6%	/-18bp	+6%	/-4bp	30%
Croatia	-4%	/-39bp	+6%	/-1bp	33%
Serbia	+13%	/-66bp	+11%	/-24bp	17%
Bosnia & Herzegovina	-2%	/n.a.	+7%	/n.a.	15%
Montenegro	+9%	/-20bp	+11%	/-11bp	5%

- Unsecured consumer loan market expected to return to growth while 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 YE20.

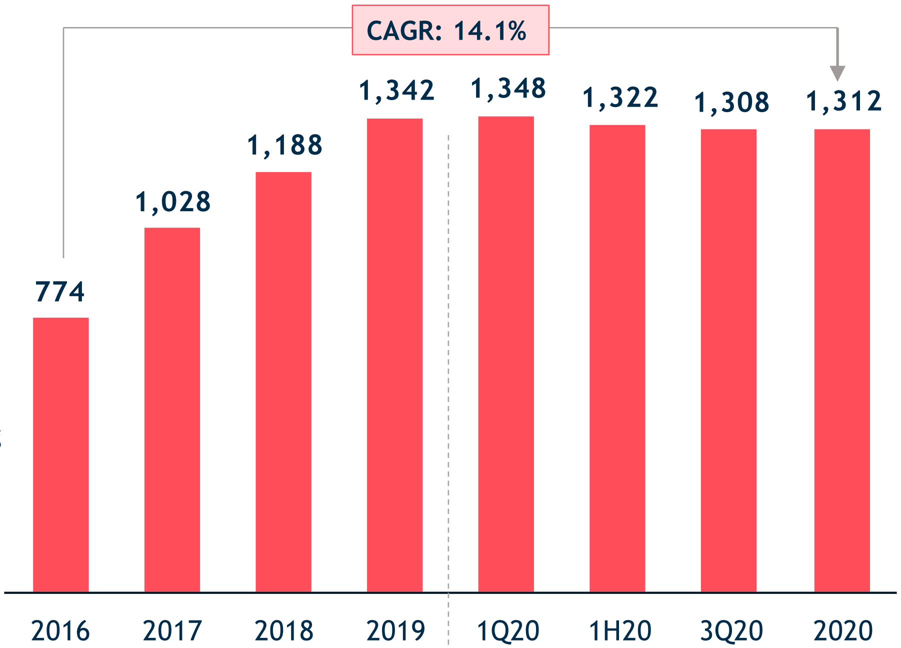
Addiko: Consumer and SME Lending Development

Addiko Bank

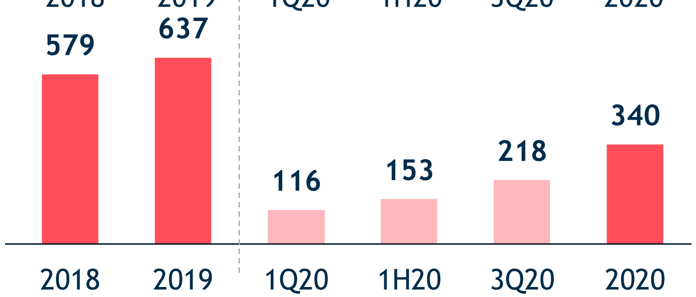
Consumer

€mn, YTD

Gross Performing Loans



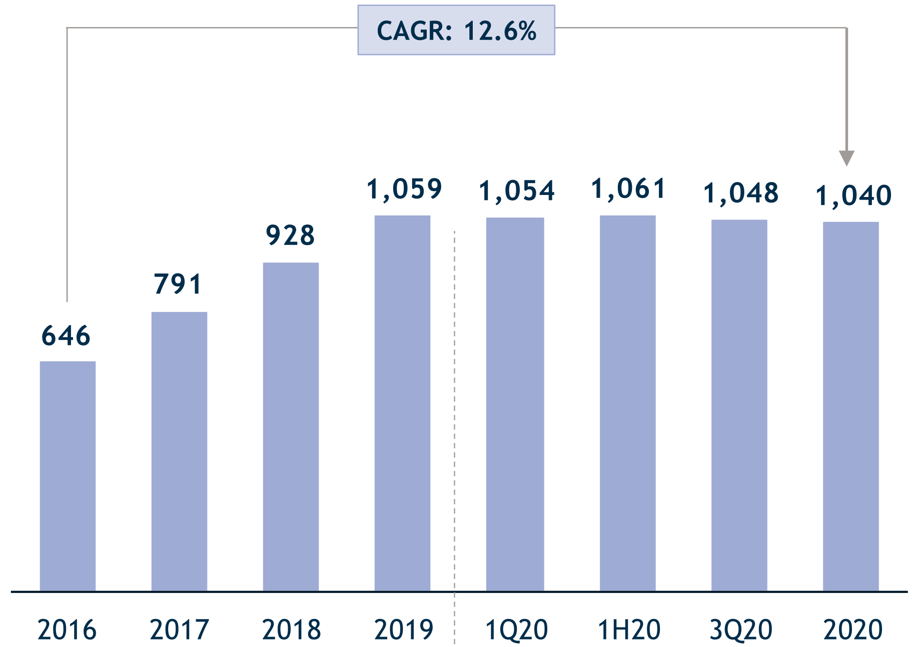
New Business Volume

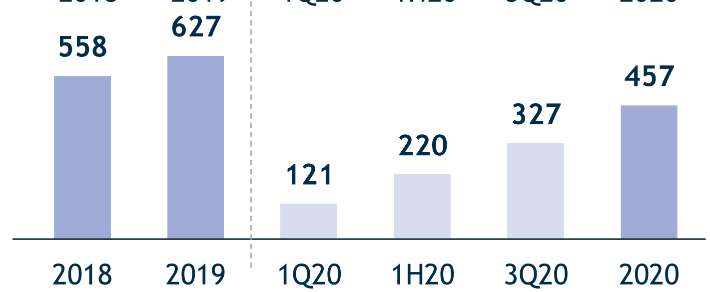


- Volume stabilized during 4Q20
- YoY reduction of -2% following reduced demand and internal risk mitigation measures triggered by Covid-19
- Fourth quarter new business up 86% vs. 3Q20 (QTD) (down 47% YoY compared to full year 2019)

SME

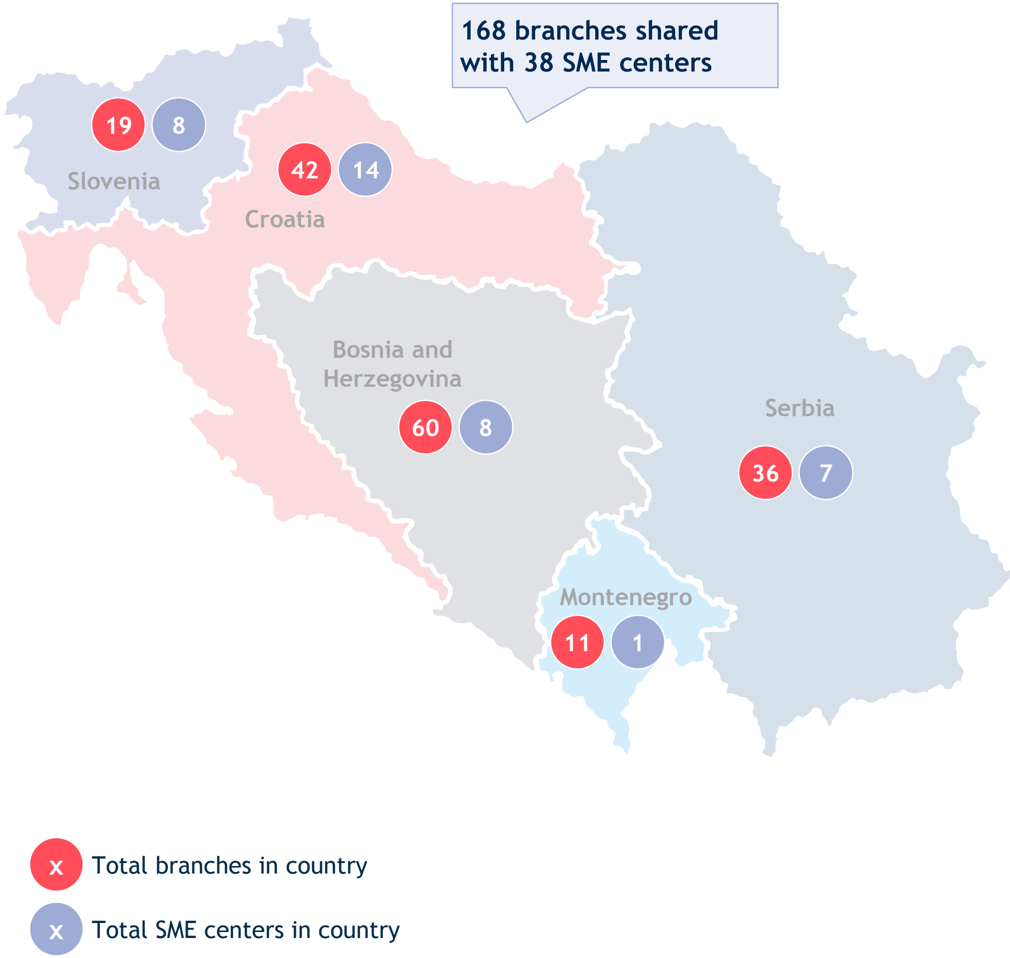
€mn, YTD





- Volume remained flat during 2020
- Less pronounced reduction in new business activities YoY with 27% YoY reduction
- Strong pick-up of new business by 23% in fourth quarter vs. 3Q20 (QTD)

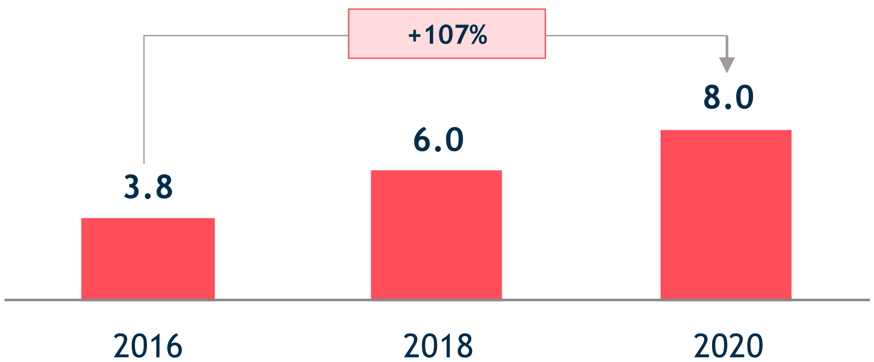
Branch Network



Consumer

Gross Performing Loans per Branch, €mn

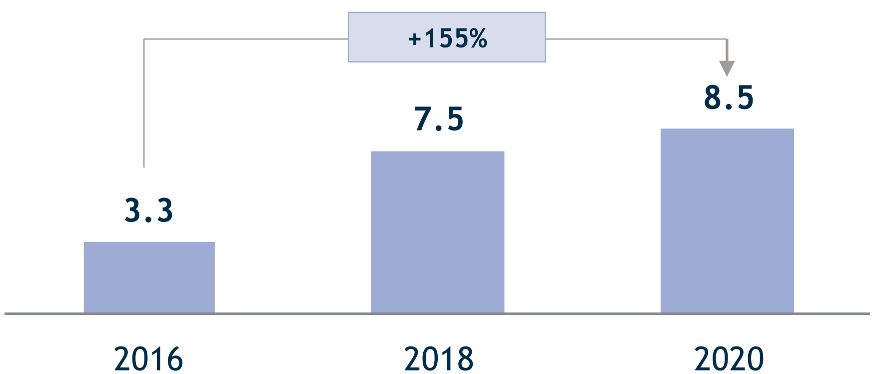
	2016	2018	2020	vs. 2016
Bank@Work	0%	17%	30%	n.m.
Digital Contrib.	<1%	4%	16%	n.m.
Branches	202	198	165	-18%



SME

Gross Performing Loans per Relationship Manager (RM), €mn

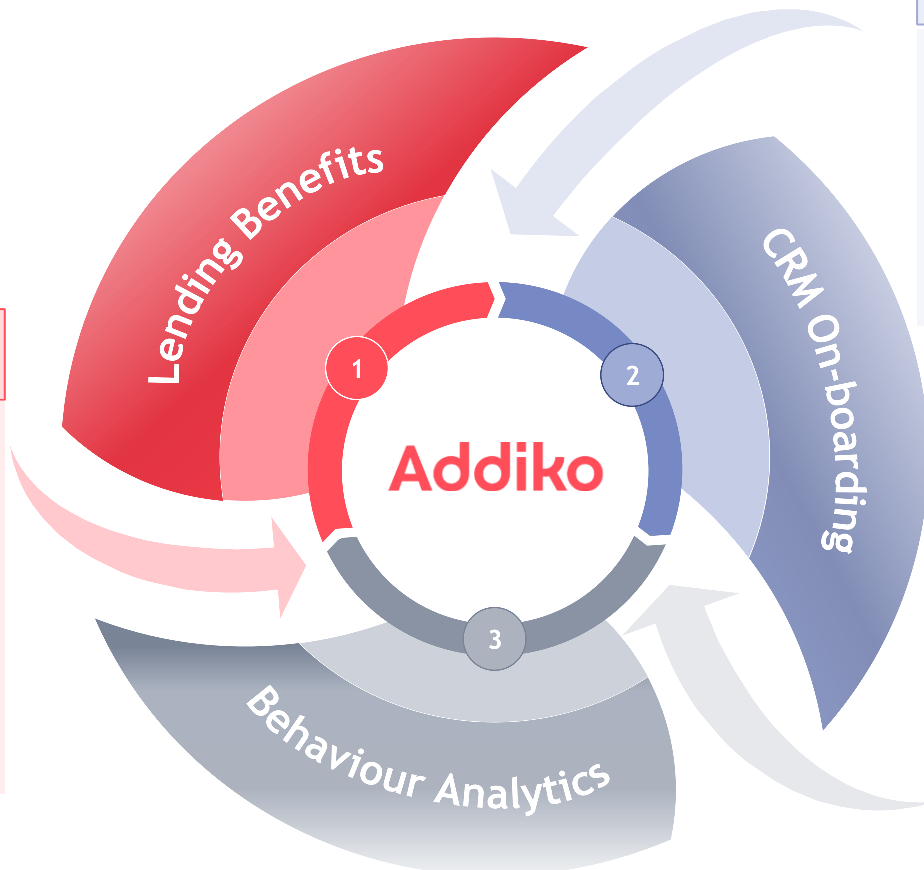
	2016	2018	2020	vs. 2016
# of RMs	193	123	122	-37%



Addiko: Value Creating Life-Cycle in Consumer

1 We lend to new and existing clients

- We lend new and existing clients through branch & digital channels
- We offer core unsecured lending and use bancassurance to enhance NCI
- We motivate customers to move the salary to Addiko account by offering better terms



2 We offer account packages

- Packages to new and existing clients (mobile banking, payments, overdrafts, cards)
- We generate interest income and commissions income
- We ensure more sticky customers and increase our behavioural data

3 We roll out digital capabilities

- State of the art digital service platforms (mobile / online banking)
- Sales through activating loans and accounts over digital channels
- We leverage PSD (Open Banking standards) to enhance mobile and online banking solutions

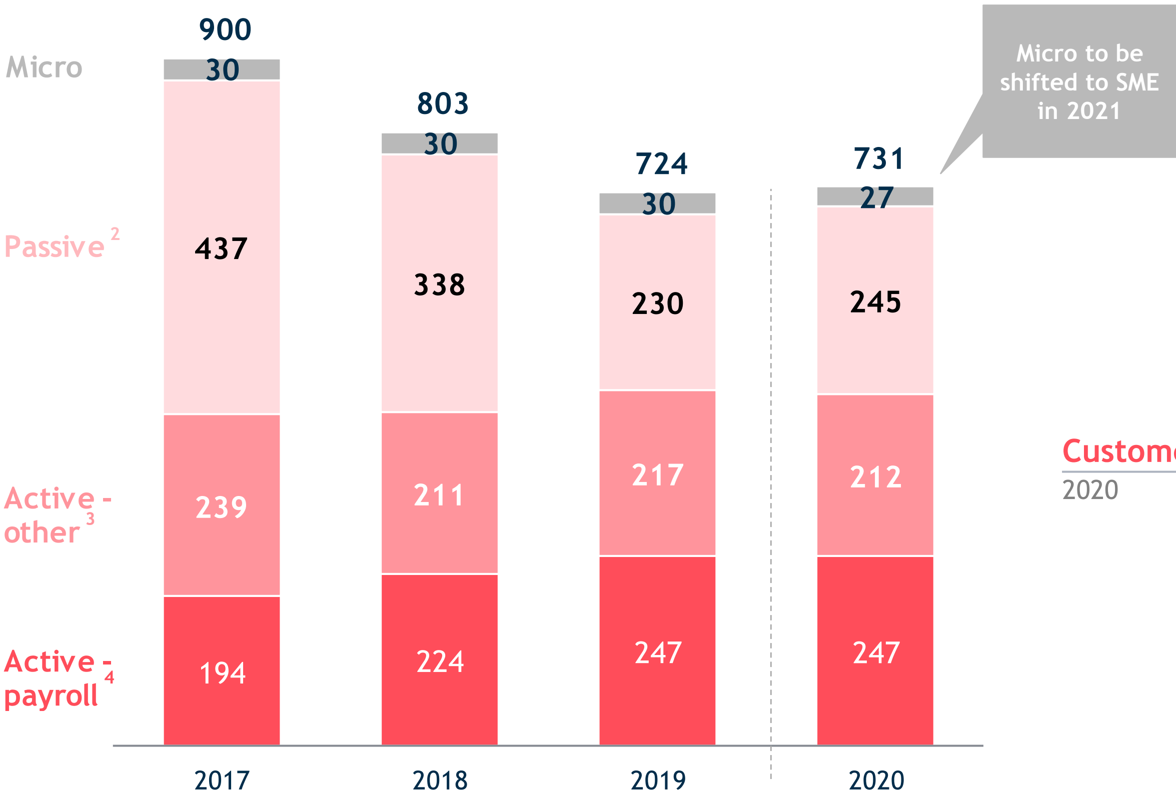
- **Customer's journey with Addiko starts with simple and convenient lending products, and continues with payment and digital solutions**
- **We leverage data from our clients to better serve our customers and attract additional clients**

ADDIKO: CONSUMER CUSTOMER BASE

Addiko Bank

Customer base transformation[1]

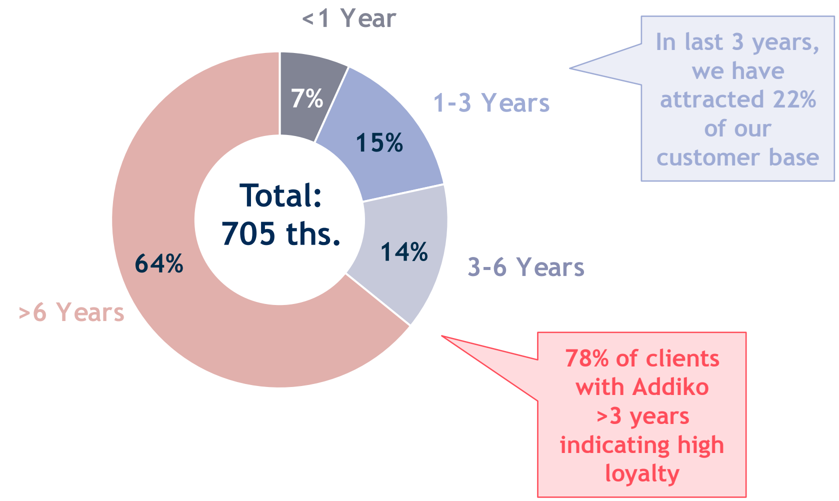
Number of clients (excl. NPE), ths



- Active customer base remained stable YoY despite Covid-19 impact
- Customers with payroll account for >50% of Retail customer base (Consumer & Mortgage)
- Acquisition of new & activation of dormant customers intensified

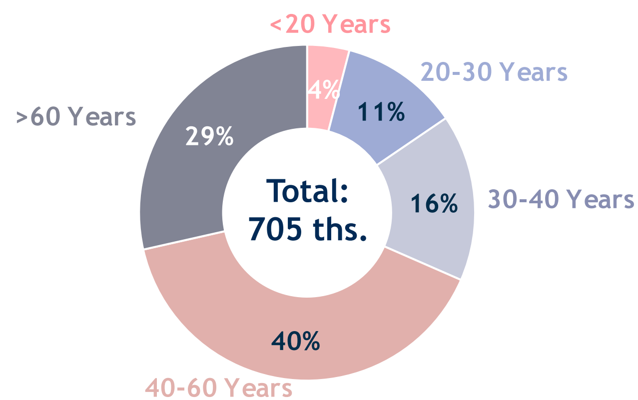
Customers' years of relationship with Addiko (excl. micro)

2020



Customers' age (excl. micro)

2020



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

Unsecured lending products for Consumer

2020

		Fast cash loans	Payroll loans	Consolidation loans
Description		• Unsecured loan	• Unsecured loan for customers with salary deposited in the bank	• Personal loan to service outstanding debts through a single monthly repayment
Share of new loans		13% (2019: 11%)	85% (2019: 81%)	2% (2019: 8%)
Average Ticket Size (in ths)		€4.3 (2019: €3.7)	€7.3 (2019: €8.7)	€18.4 (2019: €21.3)
Approval Rates		33% (2019: 43%)	49% (2019: 61%)	54% (2019: 62%)
Interest rate[1]	Min	5%	3.5%	6.5%
	Max	15%	14%	9%
	Type	Fixed	Fixed and variable	Fixed
Maturity	Min	12 months	6 months	6 months
	Max[2]	up to 72 months	up to 120 months	up to 107 months
Digital Origination		✓	✓	NA
Offered in All Countries		✓	✓	✓

- Group-wide defined criteria via group policies – local deviations only to be more restrictive
- Sales staff with no decision power on pricing, Risk based pricing from 2021

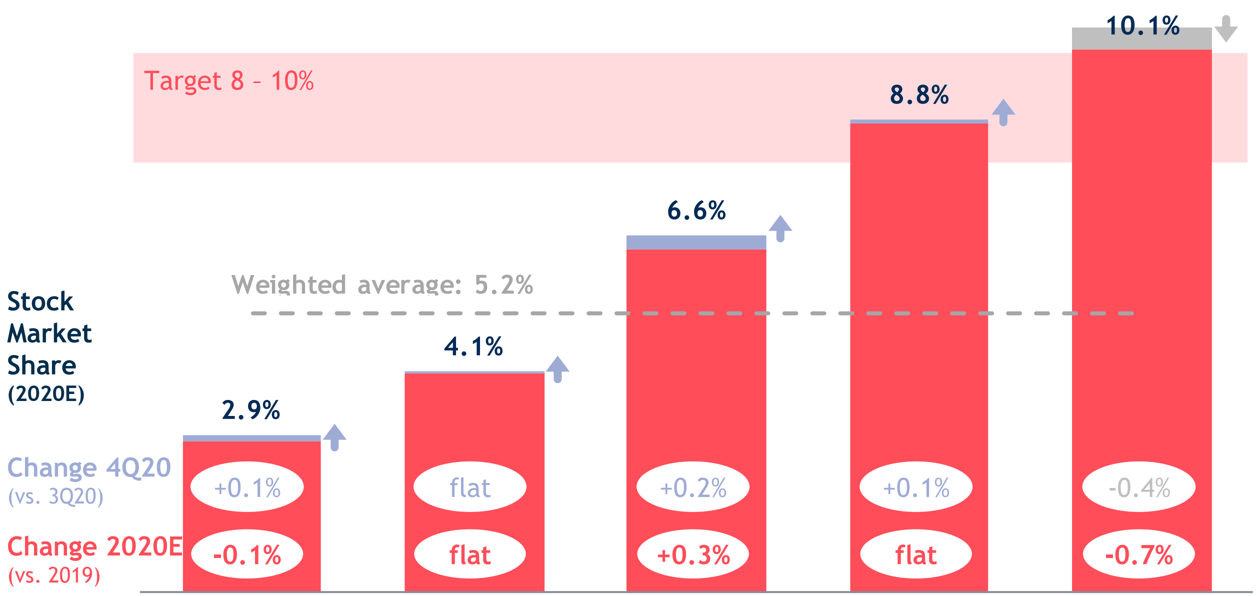
[1] Minimum and maximum shown across all countries with local deviations. [2] Maximum maturities differ among countries on the basis of recent regulations regarding, inter alia, maximum tenors for consumer loans which allow only shorter tenors.

Addiko: Mixed Development on Growth in Consumer Lending

Addiko Bank

Addiko market share - unsecured consumer loans (stock outstanding, 2020E)[1,2]

		Serbia	Croatia	Bosnia & Herzegovina	Slovenia	Montenegro
Market Size, €bn		6.7	9.5	4.0	4.1	1.0
Market Growth (2020E vs. 2019)		+10.8%	-3.9%	-2.8%	-5.9%	+1.4%
Flow Market Share[3]	2020E	2.8%	3.6%	3.6%	3.4%	7.0%
	3Q20	2.1%	3.3%	3.0%	3.2%	6.3%



- **Consumer lending market size down by 0.4% YoY** with largest decline in Slovenia, also related to consumer lending restrictions imposed in 4Q19
- Serbian market with highest growth while being 2nd largest market
- **Addiko regional share remained relatively flat YoY** with strong pick-up in second half 2020 from 5.1% average in 1H20 to 5.2% in 2020 (2019: 5.3%)

- **Flow market share started to pick up**, following the re-calibration of implemented Covid-19 risk mitigation measures in underwriting model implemented in October 2020

- **Further growth while focusing on profitably** with additional effective distribution capabilities, risk based pricing & enhanced decision engine

[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 December 2020. [3] Addiko consumer disbursements divided by total local market consumer new business as available.

Addiko: Typical Target Customers & Products in SME

Target customer profile

Small company	Medium company
~25 employees	~40 Employees
Judges banking experience based on the speed and convenience of its services	Seeks for insights into business performance and advice on how to manage and grow company
Interested in performing daily banking activities via digital channels (online / mobile banking)	Prefers being served via the branch or in close contact with relationship manager

Key products

Lending	• Working capital loans • Revolving loans • Overdrafts	• Investment loans • Credit cards • Business cards
Payments & trade finance	• Guarantees • Letters of credit • Documentary collection • FX services	• Interest rate swap, interest rate risk protection • Invoice discounting • Transactional accounts • Debit cards
Deposit products	• Sight and term deposits	

Target customer segments

- Borrower profile aligned with real economic activity within region
  - Thorough understanding of customer's business model and requirements
  - Review of proven cash flows and net debt to EBITDA
  - Pre-existing cashflow as key driver - less focus on collateral

Manufacturing & Production

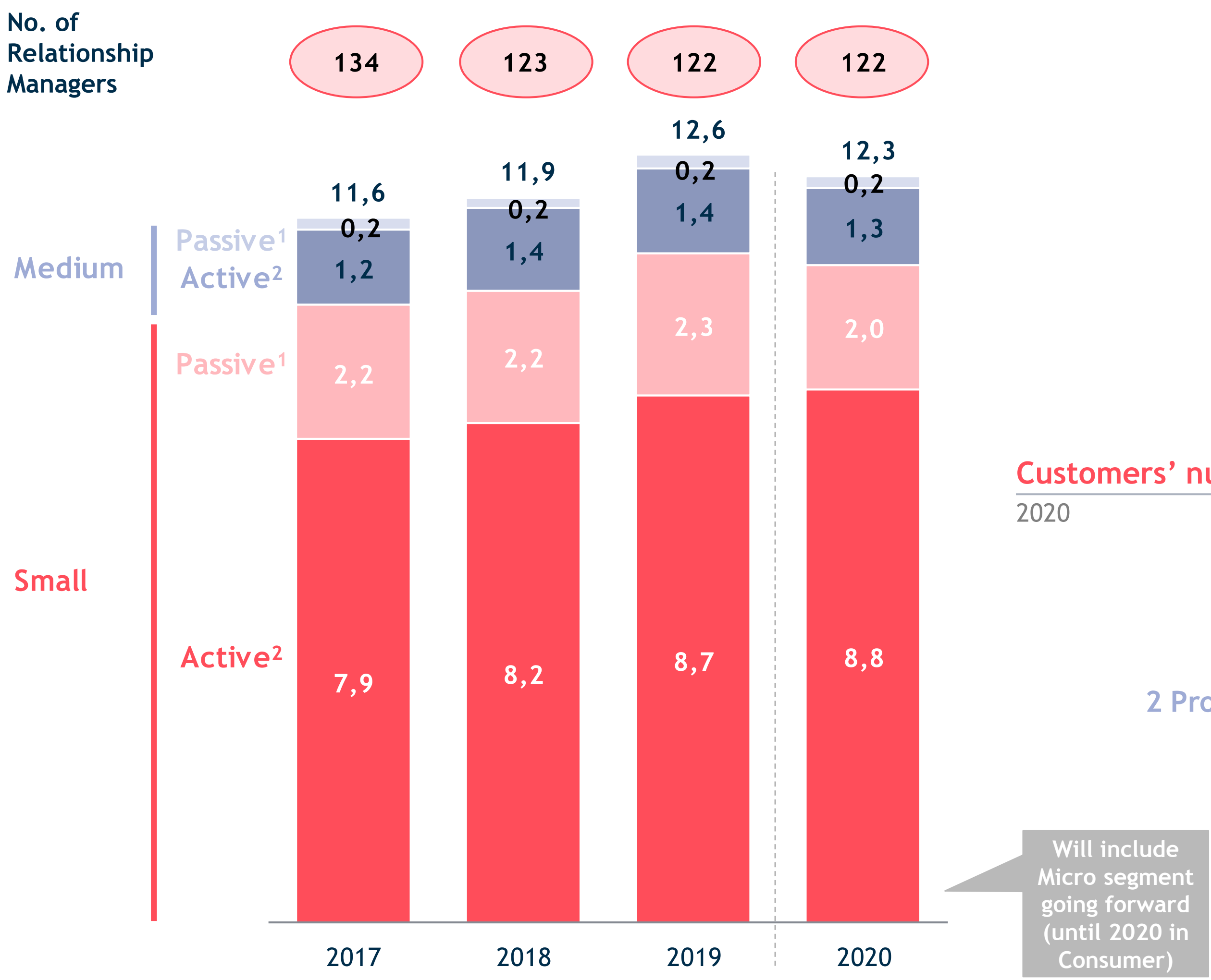
Agriculture

Trade

Wholesale Retail

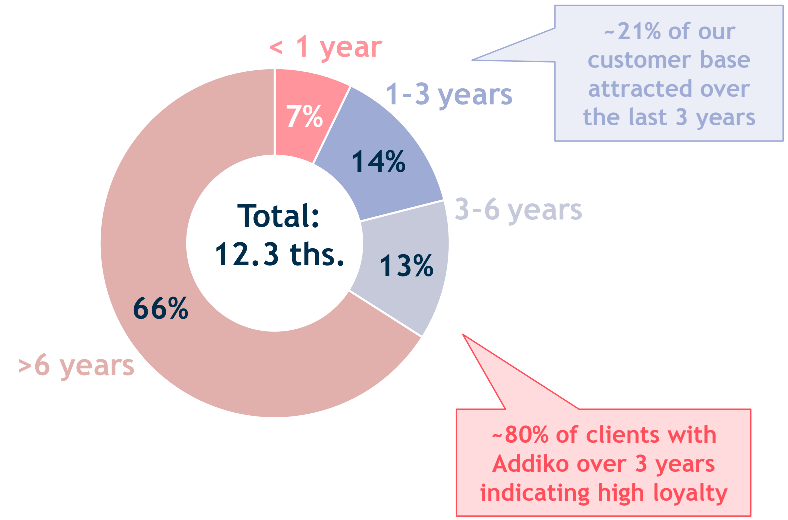
Customer base

Number of clients (excl. NPE), ths



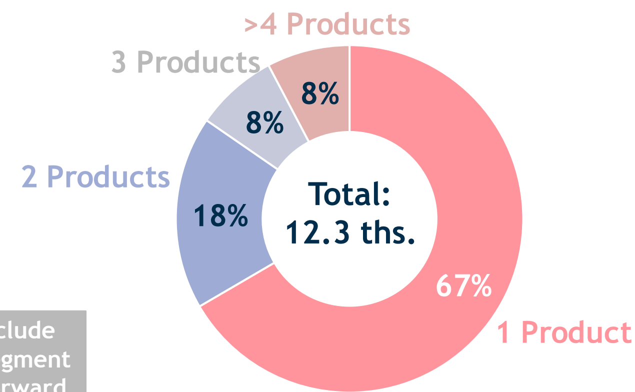
Customers' years of relationship with Addiko

2020



Customers' number of products

2020



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

ADDIKO: BUILDING LEADERSHIP IN DIGITAL LENDING FOR SMEs

Addiko Bank

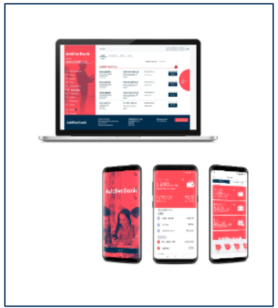
		2016	YE19 (Release 2.0 & 2.5)		YE20 (Release 3.0, 3.1 & 3.2)
Digital Roll out to:		• No countries	Serbia, Slovenia, Croatia		+ Bosnia & Herzegovina, + Montenegro
Features / products		• No products available	• Simple term loans • Guarantees • Micro Loans • Flexible Interest Rate adaptation • Client eligibility check • Enhanced risk criteria		• All Addiko banks on the same platform now • Flexible usage of Frame Products • Automatic Disbursement • Improved fee modules • Financial Data Integration • Margins & fees are customizable
Key results	From request submitted to request approved *(time-to-decision)*	7 days	~1 day	Key takeaways	**Operational Excellence**: End-to-end simple loan and digital trade finance developed within 9 months using Appian
	From meeting with client until signed documents sent to disbursement	2 weeks	2,5 days		**Real-Time**: Ability to monitor through dashboard report in real-time
	From request submitted to money disbursed *(time-to-cash)*	~4 weeks	6 days		**Across Countries**: Group-wide available since 3Q20
	Touchpoints	~10	<3		**Growth potential**: 13% of total SME disbursements in Serbia and Slovenia in 2019 - 1Q20 at 37% slowing down in the following quarters, picking up in 4Q20 again to 13%

ADDIKO: 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

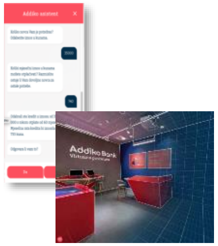
Consumer POS

Assisted sales channels for loans

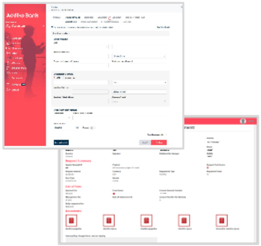
Existing capability

Chat Banking on Viber

Chatbot & Virtual Branch[1]



Digital SME Platform



New capability

Partnerships

Digital strategy - Key pillars

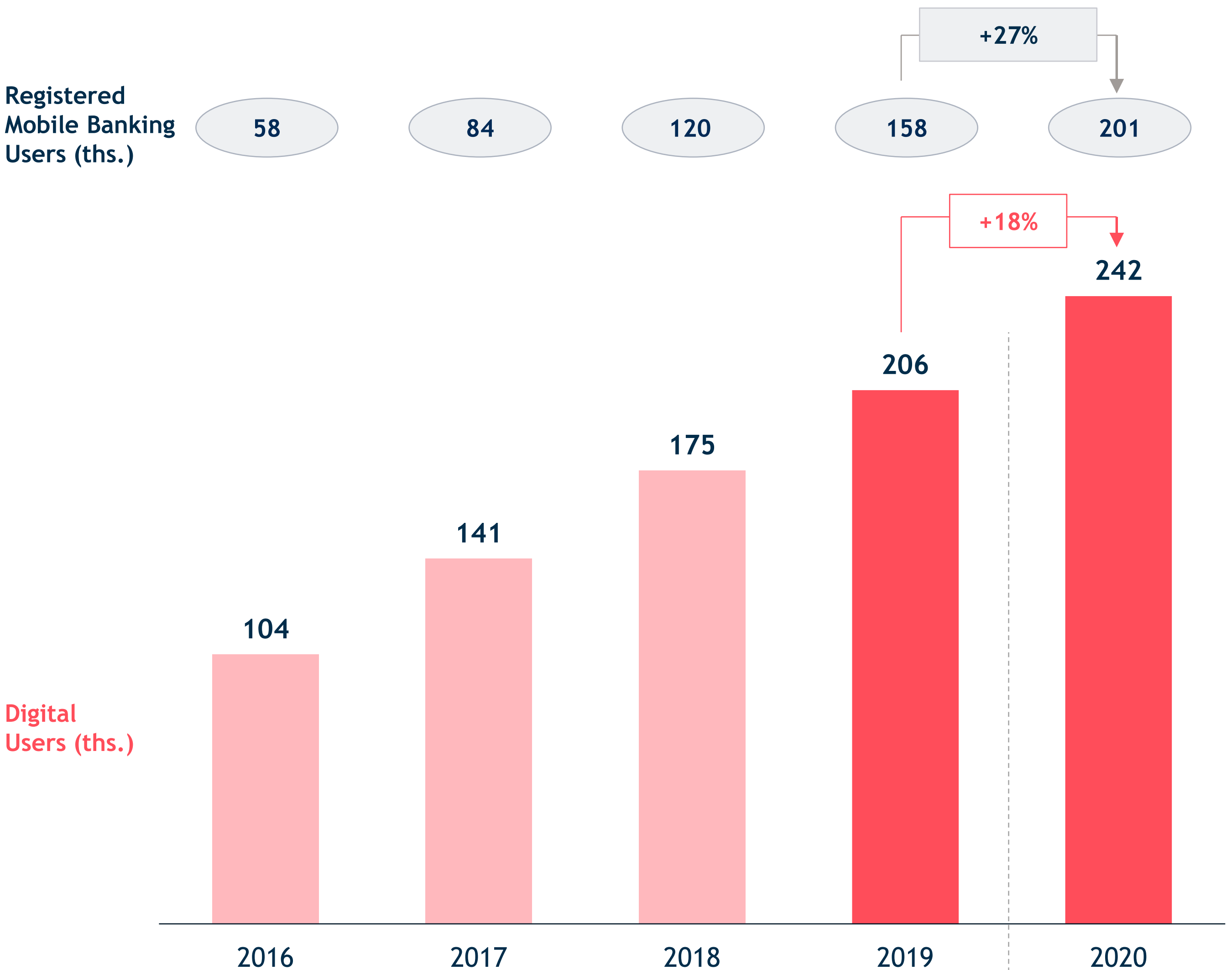
- **Enhance digital loan engine with best-in-class experience in 2021**
- **Digitally initiated/E-2-E mLoans in all countries in 2021**
- **Expand digital distribution capability through partnerships until 2022**
- **Further harmonize digital infrastructure & increase automation until 2022**
- **Expand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

[1] Croatia.

ADDIKO: DIGITAL TRANSFORMATION REFLECTED

Addiko Bank

Digital capabilities



YoY

+27% Mobile banking users

+18% Digital users

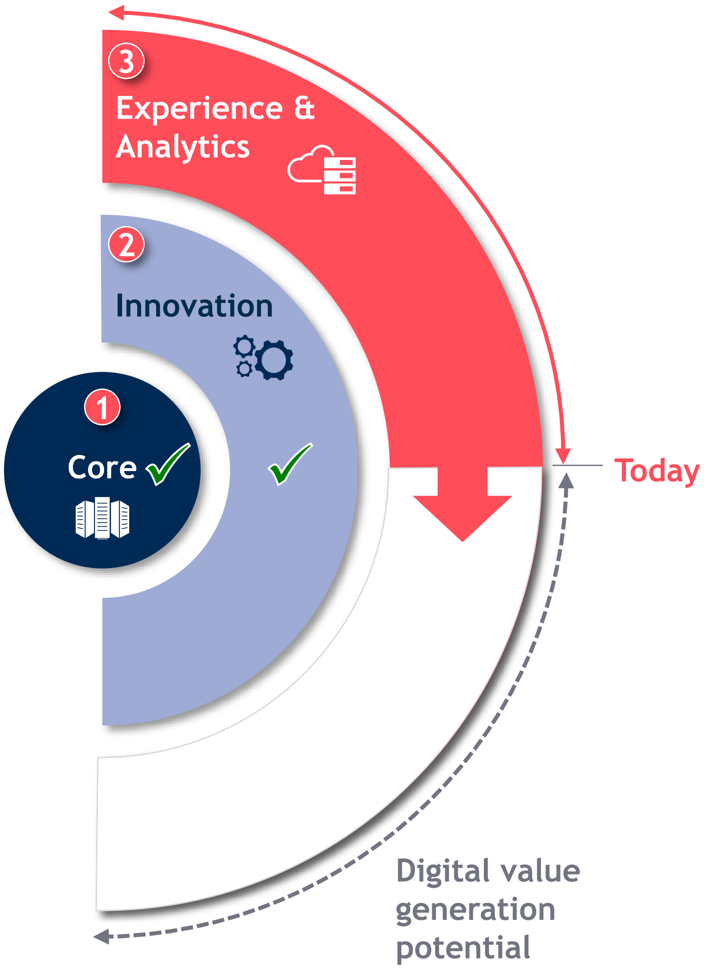
30% Bank@Work
(vs. 27% in 2019)

16% Digital consumer loans[1]
(vs. 9.0% in 2019)

13% Digital SME loans[2]
(4Q20: 13%, 3Q20: 2%, 2Q20: 4% and 1Q20: 37%)

[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 .

Scalable IT infrastructure layers



IT transformation road-map and capabilities

2016 to 1H20 — Building IT & Platforms

1 Core Layer
- Modern core banking systems & data centers
- BPMS/Appian
- CRM
- Card processing

2 Innovation Layer
- Advanced Credit Decision Engine
- Modern Business Process Management Systems (BPMS)
- State-of-the-art mobile and electronic banking platform

3 Experience & Analytical Layer
- Proof-points on digital loan origination

2H20 to 2021 — Scale Capabilities & Optimize

1 Core Layer
- Further harmonization and de-scaling of systems and data
- Demand mgmt. & vendor optimization

2 Innovation Layer
- Extend connectivity to enable business multipliers
- Partnerships & white-labeling
- Further digitalization of processes leveraging BPMS

3 Experience & Analytical Layer
- Best-in-class loan origination
- Omnichannel experience

Next 9-12 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.

Addiko: Non-Focus Segment Funding Growth in Focus Areas

Addiko Bank

Non-focus segments – due to…

Mortgages	• Achievable lower risk margin and high capital consumption • Additional operational complexity for collateral • Price competitive and long tenors
Large Corporates	• High concentration due to large tickets • Large product suite required • Generally lower margins and continued margin pressure
Public Finance	• Large tickets with long tenors and limited profitability • Political exposure-related risks

Strategy in non-focus

Completed	Established a granular low risk legacy loan portfolio
	Further reduced proportion of non-focus gross performing loans in YE20 by 15% since 2019
	Well-provisioned legacy portfolio with solid risk profile – with a track record in provisions releases
Strategic priority / implication	Opportunistic lending with hand-picked corporates only to maintain profitable client relationships (no big tickets)
	Continue redeployment of liquidity and capital via managed run down of non-focus
	Business mix shift is driving yield expansion (difference in yields between focus and non-focus of c.2.2%)
	Further RWA optimization potential can be considered if economic & market conditions are sound

Financials: Key Financials 2020 (Reported)

Key financials (YTD)

Reported, €mn

New P&L logic

Group income statement (reported)	YE19	YE20
Interest income	210.8	197.0
Interest expense	-27.8	-22.3
Net interest income	**183.0**	**174.7**
Net fee and commission income	67.2	59.8
Net banking income	**250.2**	**234.5**
Other operating result[1]	-6.5	-2.0
Operating income	**243.7**	**232.5**
Operating expenses	**-189.1**	**-169.7**
Operating result	**54.6**	**62.8**
Other result[2]	-19.4	-8.1
Credit loss expenses on financial assets	2.9	-48.4
Result before tax	**38.0**	**6.3**
Tax on income	-2.9	-4.9
Result after tax	**35.1**	**1.4**
Group balance sheet	**YE19**	**YE20**
Net customer loans	3,871.9	3,584.7
Total assets	6,083.6	5,915.2
Customer deposits	4,831.2	4,728.1
Shareholders' equity	861.3	851.8
Key ratios	**YE19**	**YE20**
NIM	299	291
Cost/income ratio	75.6%	72.4%
Cost of risk (net loans)	0.18%	-1.35%
RoATE (@14.1% CET1)[3]	5.6%	0.2%
Loan-deposit ratio (customer)	80.1%	75.8%
CET1 ratio (transitional)	17.71%	20.32%
Total capital ratio (transitional)	17.71%	20.32%

[1] Includes net result on financial instruments and other operating result
[2] Includes non operational items (legal case provisions, impairments on financial assets and modification losses).
[3] Based on adjusted results in 2019, no adjustments in 2020.

Key highlights

- **Interest income:** lower by €-13.8mn; increase in focus segments (€+2.6mn) offset by:
  - Less new business in focus (2019's consumer protection measures) and Covid-19
  - Planned run-down in non-focus portfolio (€-7.9mn)
  - Reduced interest income from NPEs (down €-1.5mn vs. YE19) as a consequence of continued NPE reduction
  - Lower interest like income (€-1.9mn) influenced by less new business activities
  - Lower yields and volume on bond portfolio (€-4.5mn) reflecting current market environment and continued negative market interest levels

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

- **Net fee and commission income:** lower by €-7.4mn mainly influenced by an overall decline of business activities since March 2020 related to Covid-19

- **Other operating result** better due to solved income tax dispute (€+1.6mn) and lower taxes due to reclassification of financial service tax (€1.3mn)
- **Other result:** includes result from non-operational business such as legal case provisions, impairments on non-financial assets and modification losses

- **Operating expenses:** improved by €19.4mn due to successful execution of restructuring programs, exclusion of performance bonus accruals and lower spending related to Covid-19 (YE19 includes IPO costs of €2.0mn)

- **Credit loss expenses on financial assets:** increased by €-51.2mn vs. YE19 reflecting expectation on Covid-19 impacts (macroeconomic context, IFRS 9), increase in performing loan coverage and overall portfolio developments

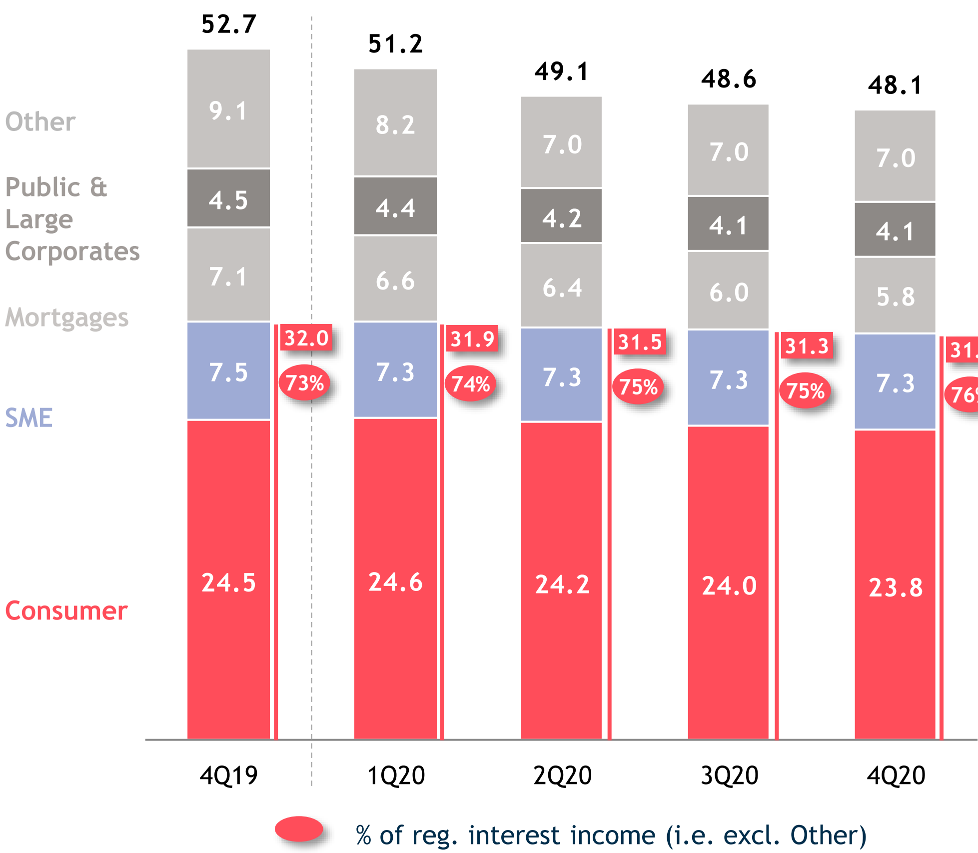
- **Capital ratios improved** despite significant provisioning (IFRS 9) due to decrease in RWA, both operationally and supported by new EBA regulation

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

Addiko Bank

Interest income by quarter[1]

Reported, €mn



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

Gross yield by quarter[2]

	4Q19	1Q20	2Q20	3Q20	4Q20
Consumer	7.3%	7.4%	7.3%	7.3%	7.2%
	7.4% new business	7.5% new business	7.5% new business	7.5% new business	7.3% new business
SME	2.8%	2.9%	2.8%	2.7%	2.8%
	2.8% new business	2.8% new business	2.9% new business	2.8% new business	2.9% new business
Public & Large Corporates	2.5%	2.5%	2.4%	2.4%	2.6%
Mortgages	3.7%	3.6%	3.6%	3.6%	3.6%

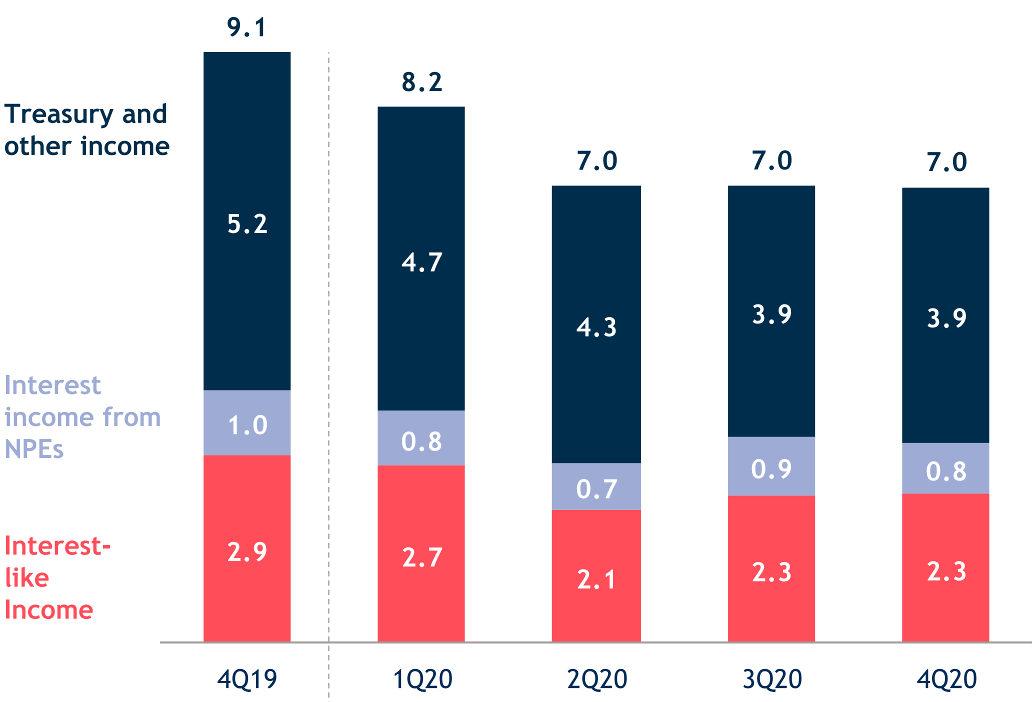
- New business yields relatively stable in focus areas Consumer and SME during 2020 – inching up in SME and down in Consumer during 4Q20

[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.

Addiko Bank

Other interest income by quarter

Reported, €mn



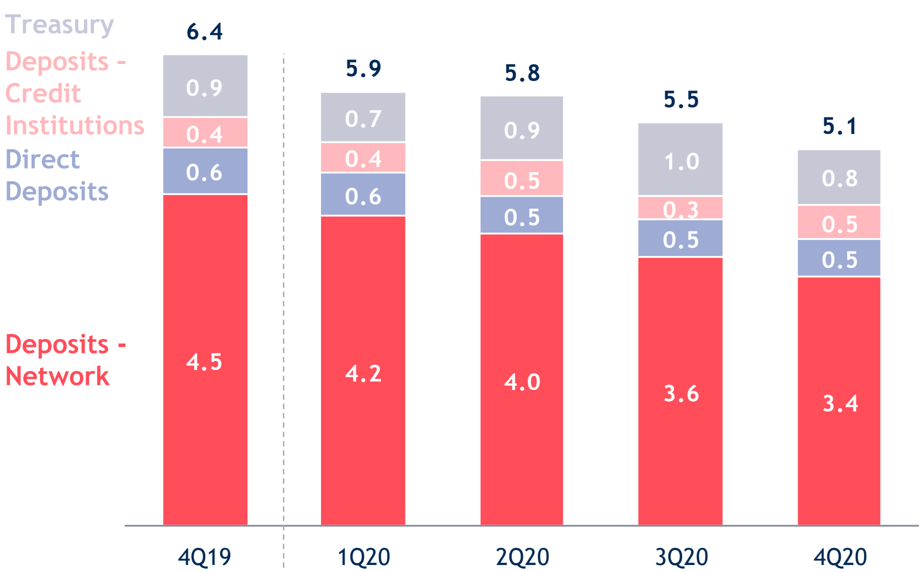
- **Treasury and other income:** continuously decreasing due to the overall yield environment
- Plain vanilla bond portfolio with bonds predominantly in investment grade (>80%) with c. 70% maturing in 2025:
  - 70% government bonds in Addiko or EU countries (80% investment grade)
  - 22% financial bonds (100% investment grade)
  - 8% corporate bonds (64% investment grade)

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

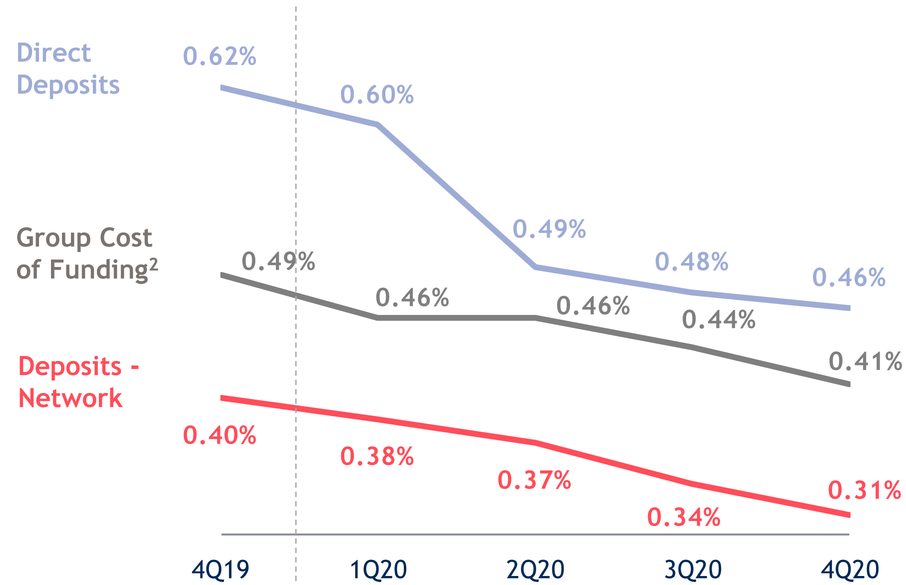
- **Interest like income** (i.e. fees accrued over the lifetime of the loan) stable at 3Q20 level - down YoY due to limited new business activities during Covid-19

Interest expense by quarter

Reported, €mn

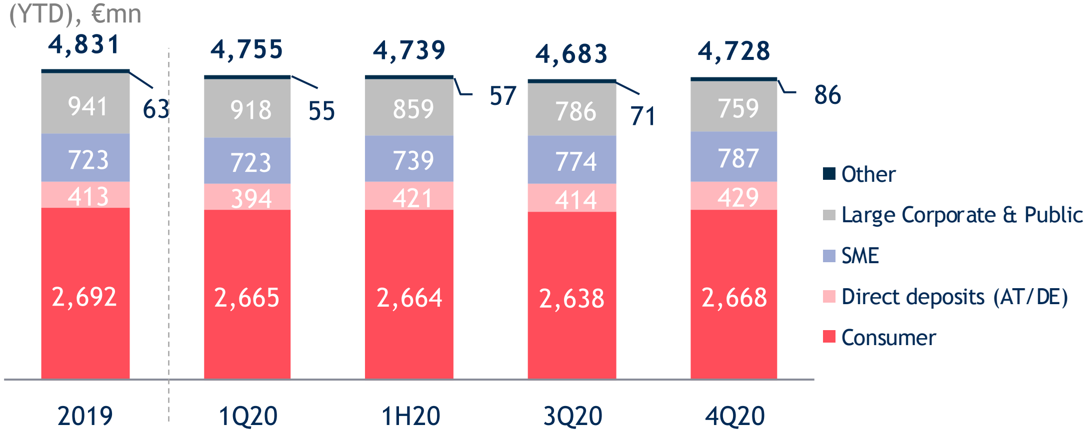


Cost of funding by quarter[1]



Stable customer deposit volumes

Reported (YTD), €mn

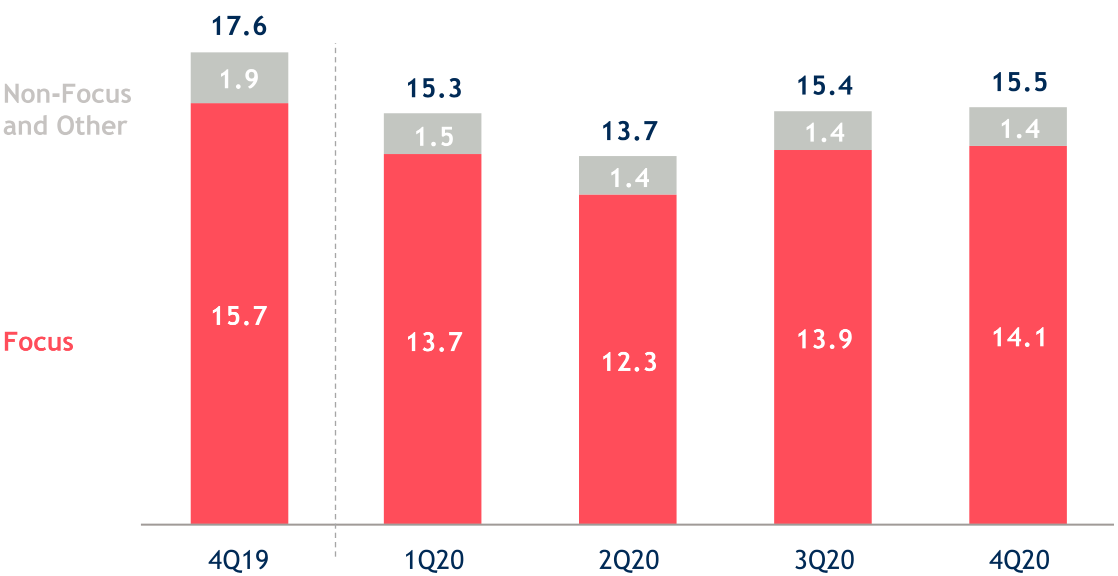


- **Customer deposit volume stable** at €4,728mn in 2020 (€4,831mn in YE19) - showing increase during 4Q20 despite reduction in pricing
- **Consistent reduction in deposit costs** achieved in the network during 2020, overall funding cost down 8bp during 2020
- **Direct deposit costs significantly reduced** during 2020

[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

	4Q19	1Q20	2Q20	3Q20	4Q20
Consumer	69.7%	69.4%	69.9%	70.6%	69.5%
SME	30.3%	30.6%	30.1%	29.4%	30.5%

Key highlights

- New business activities picked up in 2H20: increase in 4Q20 net commission income by 13.4% vs. lowest 2Q20. YoY down by 11%

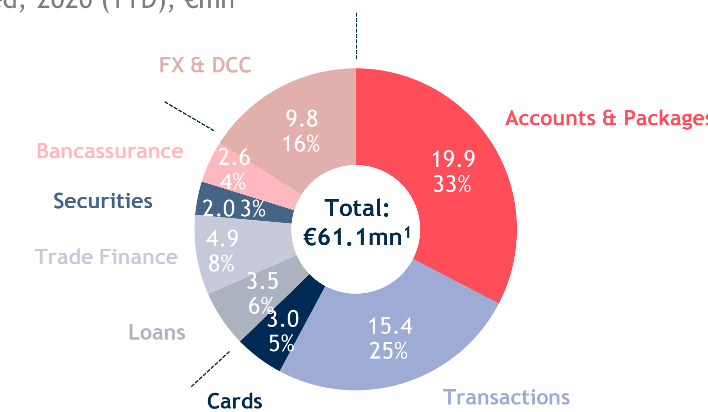
- Bancassurance, number of transactions, card business and FX/DCC mostly affected by crisis and limited new business activities

- **Products:** increased contribution from accounts & packages and transactions continued in 2H20, contributing ~58% to group NCI
- YTD income from accounts & packages up 8% YoY

- Consumer and SME segments generate >90% of net fee and commission income

By product type

Reported, 2020 (YTD), €mn



[1] Excludes €1.3mn of negative contribution from "other".

Other income breakdown (YTD)

€mn

Previous P&L logic

	YE19	YE20
Deposit guarantee	-9.1	-8.1
Bank levies and other taxes	-4.3	-3.0
Recovery and Resolution Fund	-1.3	-1.4
Restructuring	-3.9	-4.6
Legal provisions (net)	-13.1	-4.8
Impairments non-financial assets (net)	-6.3	-0.4
Other	-1.3	3.1
Other operating result	-39.3	-19.2
Net result on financial instruments	13.4	9.1
Other income (reported)[1]	**-25.8**	**-10.1**
Adjustments	7.9	0.0
Other income (adjusted)	**-17.9**	**-10.1**

New P&L logic

	YE19	YE20
Deposit guarantee	-9.1	-8.1
(1) Bank levies and other taxes	-4.3	-3.0
Recovery and Resolution Fund	-1.3	-1.4
(2) Restructuring	-3.9	-4.6
(3) Other	-1.4	3.4
Other operating result	-20.0	-13.7
(4) Net result on financial instruments	13.4	11.7
Other income (reported)	**-6.5**	**-2.0**
(5) Legal provisions (net)	-13.1	-4.8
Impairments non-financial assets (net)	-6.3	-0.4
Modification gains/losses	0.0	-2.6
Other	0.0	-0.3
Other result	**-19.4**	**-8.1**
Other income (reported)[1]	**-25.9**	**-10.1**

1. **Bank levies and other taxes:** lower due to reclassification of financial service tax of €1.3mn to revenues in 2020

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

3. **Other:** includes income from solved tax dispute (€+1.6mn) and gains from sale of investment properties in Croatia (€1.5m)

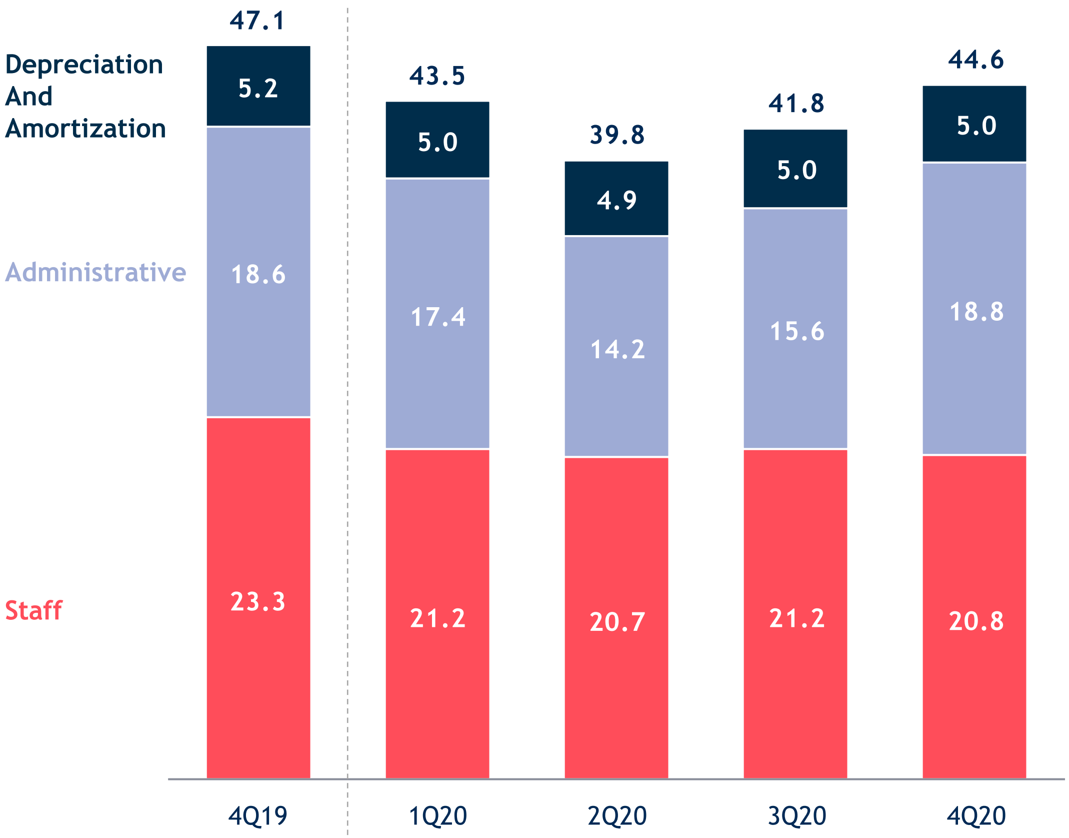
4. **Net result on financial instruments:** 2019 includes one-time effects of €4.3mn (sale of large Croatian retailer exposure) and gains from sale of financial instruments (OCI) of €5.9mn

5. **Legal provisions & Other:** 2019 mainly driven by CHF related provisions in Croatia, while 2020 was predominantly influenced by client and active claim provisions and gains from successful settlements of passive legal claims

[1] Difference in 2019 between previous and new P&L logic of 0.1mn (related to investment properties) due to shift to OPEX.

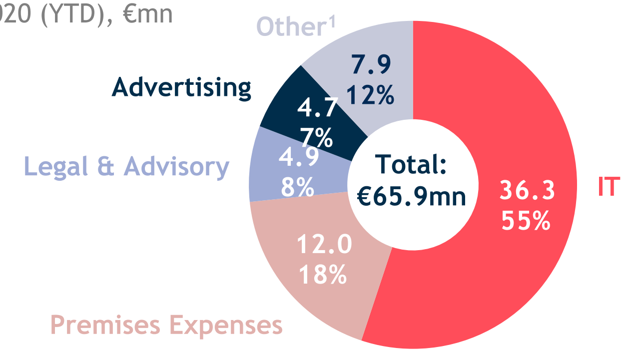
Operating expenses development by quarter

Reported, €mn



Administrative expenses

Reported, 2020 (YTD), €mn



- Cost base further optimized as a result of ongoing cost optimization programs & Covid-19 containment
- Full year 2019 includes IPO related costs of €2.0mn
- 4Q40 administrative OPEX predominantly driven by typical seasonality in IT OPEX
- No performance-based bonus accruals in 2020

- Cost optimization program launched already bearing fruits to reduce operational run-rate
- Reduction potential of c. €15mn vs. YE20’s €175mn guidance, in personnel, administrative and IT OPEX (incl. costs related to HQs and branch network by YE22)

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

Detailed balance sheet overview (YTD)

Reported, €mn

	2016	2017	2018	2019	2020
Liquid Assets	3,287.6	2,582.5	2,211.8	2,034.5	2,121.8
Cash reserves	1,878.2	1,285.9	1,002.9	899.4	1,156.3
Investment Portfolio	1,409.4	1,296.6	1,208.9	1,135.1	965.5
Financial assets held for trading	17.4	19.8	24.3	38.5	36.4
Investment securities	1,391.9[1]	1,276.8[1]	1,184.6	1,096.6	929.0
Loans and receivables	3,779.9	3,757.2	3,792.9	3,885.9	3,641.2
Loans and receivables to credit institutions	49.4	65.3	5.6	14.0	56.5
Loans and receivables to customers	3,730.5	3,691.9	3,787.3	3,871.9	3,584.7
Derivatives - hedge accounting	0.1	0.1	-	-	-
Tangible assets	70.4	57.3	57.7	85.9	78.8
Property, plant & equipment	67.9	55.3	55.7	81.8	74.0
Investment properties	2.5	2.0	2.0	4.1	4.7
Intangible assets	17.3	21.8	30.3	27.9	26.4
Tax Assets	2.6	22.3	28.3	25.7	25.2
Current tax assets	2.6	1.6	1.7	1.8	3.9
Deferred tax assets	-	20.6	26.6	23.9	21.3
Other assets	18.9	24.8	25.5	20.6	18.5
Non-current assets and disposal groups classified as held for sale	39.3	19.5	5.7	3.1	2.7
Total assets	**7,216.1**	**6,485.5**	**6,152.1**	**6,083.6**	**5,914.5**
Deposits from credit institutions	316.0	341.6	324.4	233.9	196.2
Deposits from customers	4,435.6	4,933.8	4,836.7	4,831.2	4,728.1
Issued bonds, subordinated and supplementary capital	73.5	198.5	1.1	0.1	0.1
Other financial liabilities	1,215.3	47.3	40.3	56.4	49.0
Financial liabilities measured at amortized cost	**6,040.4**	**5,521.2**	**5,202.5**	**5,121.6**	**4,973.4**
Financial liabilities at fair value through profit or loss	25.0	-	-	-	-
Financial liabilities held for trading	9.1	1.8	2.1	6.0	4.9
Derivatives - hedge accounting	6.9	-	-	-	-
Total interest bearing liabilities	**6,081.4**	**5,523.0**	**5,204.6**	**5,127.6**	**4,978.2**
Provisions	107.8	83.3	62.0	66.9	58.2
Tax liabilities	1.4	1.3	1.0	0.0	26.3
Current tax liabilities	1.0	0.9	0.9	-	-
Deferred tax liabilities	0.5	0.5	0.1	0.0	-
Other liabilities	28.1	33.8	25.1	27.9	26.3
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**	**5,089.1**
Total shareholders' equity	**994.7**	**844.0**	**859.5**	**861.3**	**851.8**
Total liabilities and shareholders' equity	**7,216.1**	**6,485.5**	**6,152.1**	**6,083.6**	**5,914.5**

[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.

Addiko Bank

Detailed income statement overview (YTD)

Reported, €mn

						New P&L logic	
	2016	2017	2018	2019	2020	2019	2020
Interest income calculated using the effective interest method	232.2	226.0	209.6	207.4	194.3	207.4	194.3
Other interest income	6.0	8.3	4.2	3.4	2.6	3.4	2.6
Interest expense	(79.4)	(68.9)	(40.7)	(27.8)	(22.3)	(27.8)	(22.3)
Net interest income	**158.8**	**165.3**	**173.2**	**183.0**	**174.7**	**183.0**	**174.7**
Fee and commission income	62.0	71.3	76.5	83.0	75.6	83.0	75.6
Fee and commission expense	(12.0)	(12.8)	(14.1)	(15.8)	(15.8)	(15.8)	(15.8)
Net fee and commission income	**50.0**	**58.5**	**62.4**	**67.2**	**59.8**	**67.2**	**59.8**
Net result on financial instruments	20.3	9.7	70.0	13.4	9.1	13.4	11.7
Other operating income	29.6	27.4	19.1	8.9	13.4	3.5	6.0
Other operating expenses	(71.6)	(34.0)	(35.7)	(48.2)	(32.7)	(23.4)	(19.8)
Operating income	**187.0**	**226.9**	**289.0**	**224.3**	**224.4**	**243.7**	**232.5**
Personnel expenses	(99.8)	(97.4)	(99.4)	(96.7)	(83.9)	(96.7)	(83.9)
Other administrative expenses	(93.1)	(80.9)	(78.0)	(73.3)	(65.9)	(73.3)	(65.9)
Depreciation and amortization	(19.5)	(11.7)	(10.7)	(19.1)	(19.9)	(19.1)	(19.9)
Operating expenses	**(212.4)**	**(190.1)**	**(188.1)**	**(189.2)**	**(169.7)**	**(189.1)**	**(169.7)**
Operating result (from YE20)	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**54.6**	**62.8**
Other result (from YE20)	n.a.	n.a.	n.a.	n.a.	n.a.	**(19.4)**	**(8.1)**
Operating result before change in credit loss expense (until 3Q20)	**(25.4)**	**36.9**	**100.9**	**35.2**	**54.7**	**35.2**	**54.7**
Credit loss expenses on financial assets	4.4	(15.1)	2.8	2.9	(48.4)	2.9	(48.4)
Result before tax	**(21.0)**	**21.8**	**103.7**	**38.0**	**6.3**	**38.0**	**6.3**
Taxes on income	(2.9)	19.9	0.5	(2.9)	(4.9)	(2.9)	(4.9)
Result after tax	**(23.9)**	**41.6**	**104.2**	**35.1**	**1.4**	**35.1**	**1.4**

Financials: Breakdown by Entity

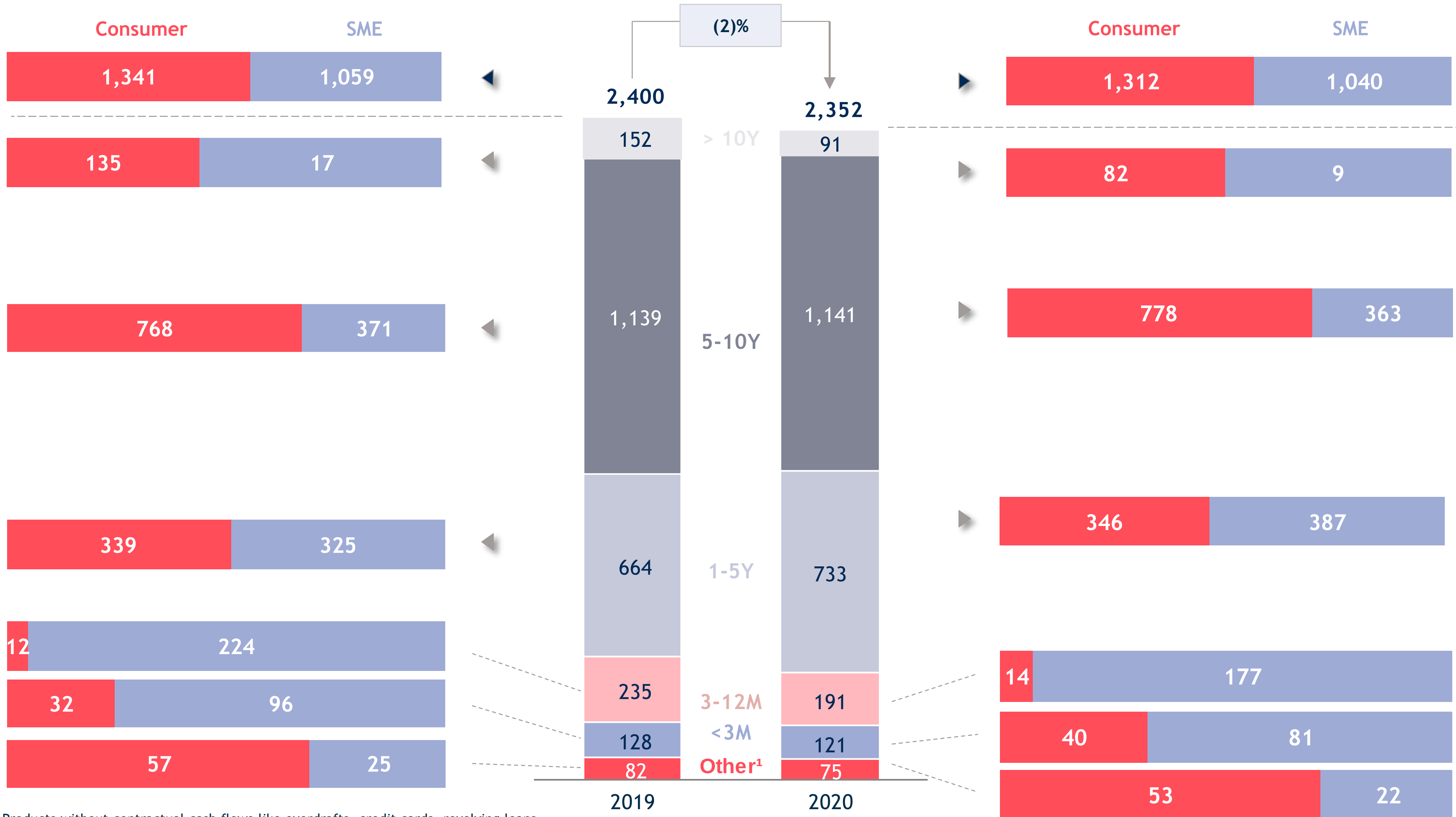
	2020 YTD (€mn, IFRS, reported)	Addiko Bank d.d., Zagreb	Addiko Bank d.d., Ljubljana	Addiko Bank d.d., Banja Luka	Addiko Bank a.d., Sarajevo	Addiko Bank a.d., Beograd	Addiko Bank A.D., Podgorica
P&L	Net interest income	58.6	40.8	13.2	13.9	29.2	10.5
	Net commission income	26.3	10.1	6.5	6.5	9.4	1.5
	Other operating result	1.1	(0.4)	(1.5)	1.7	(0.3)	0.3
	Operating income	**86.0**	**50.5**	**18.3**	**22.1**	**38.3**	**12.3**
	Operating expenses	**(47.6)**	**(25.4)**	**(13.8)**	**(15.6)**	**(25.6)**	**(7.7)**
	Operating Result	**38.4**	**25.1**	**4.5**	**6.5**	**12.6**	**4.6**
	Other result	(3.1)	(0.6)	(1.3)	(1.2)	(5.3)	(1.0)
	Change in credit loss expenses	(18.3)	(11.2)	(7.0)	(11.1)	(2.4)	(0.5)
	Result before tax	**17.0**	**13.2**	**(3.9)**	**(5.8)**	**5.0**	**3.1**
Key Ratios	Net interest margin	2.5%	2.7%	3.1%	2.7%	3.5%	4.8%
	Cost / income ratio	56.0%	50.0%	69.9%	76.3%	66.6%	64.4%
	Loan-deposit ratio [1]	68.2%	98.9%	92.3%	64.9%	104.6%	99.9%
	NPE ratio (CRB based)	7.1%	1.7%	6.4%	8.6%	2.3%	8.6%
	NPE ratio (on-balance loans)	8.4%	1.6%	7.8%	11.3%	3.1%	9.4%
	NPE coverage ratio (provision)	72.5%	66.0%	79.2%	80.3%	73.9%	61.9%
Balance Sheet	Total assets	2,343	1,449	422	522	864	211
	Loans and receivables	1,252	1,145	289	260	615	170
	o/w gross performing loans	1,174	1,087	295	263	614	170
	Financial liabilities at amortised cost	1,921	1,246	339	406	663	182
	RWA	1,144	811	319	403	565	153

Account for 64% 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.

Remaining contractual maturity

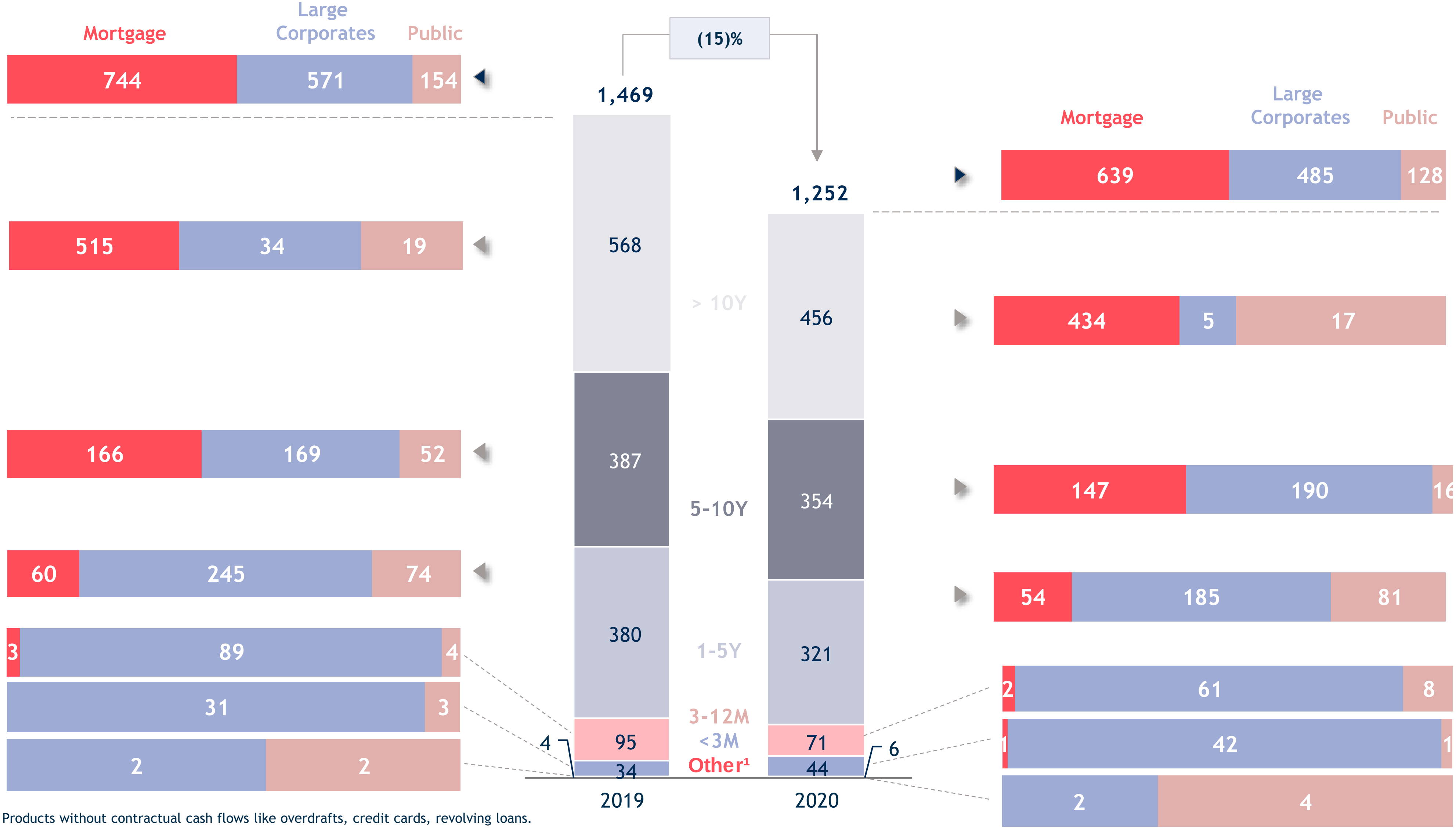
Gross performing loans, €mn



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

Remaining contractual maturity

Gross performing loans, €mn



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

Decreasing non-performing loan portfolio (YTD)

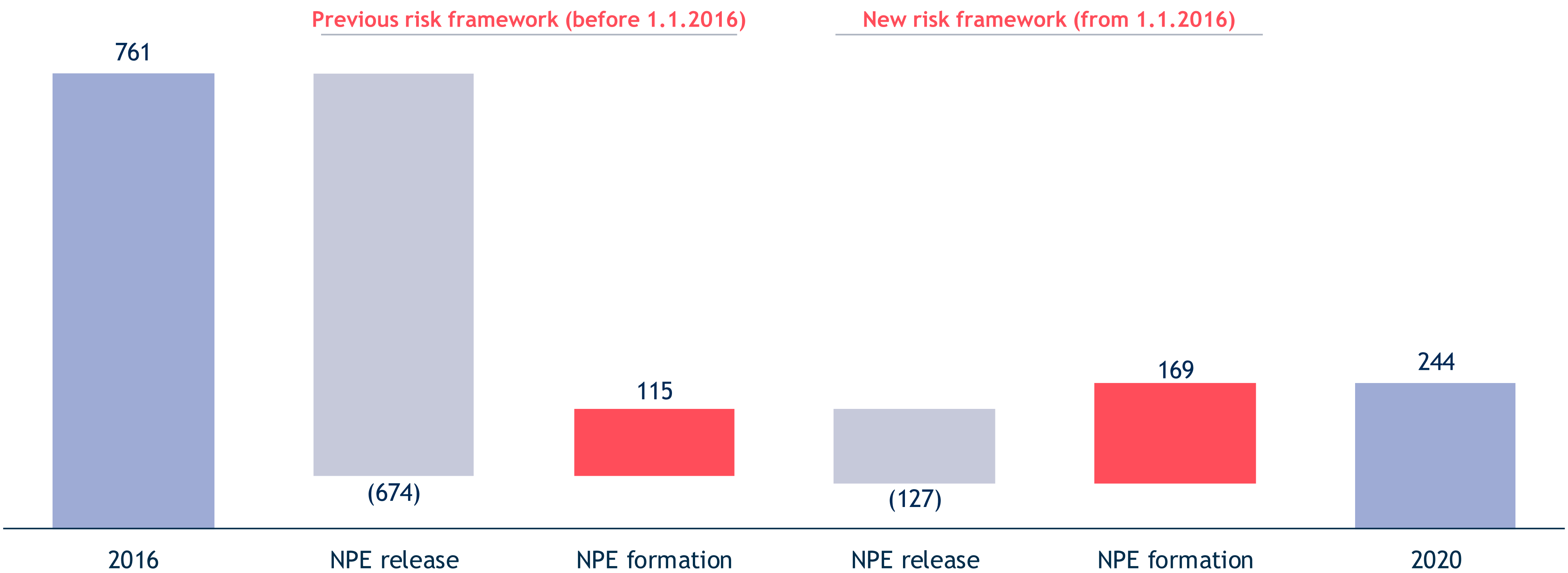
	2015	2016	2017	2018	1Q19	1H19	3Q19	2019	1Q20	1H20	3Q20	4Q20
NPE Volumes, €mn	1,229	761	606	404	393	329	317	277	239	244	248	244
NPE Coverage Ratio[1] (Ex-Collateral)	61.7%	67.5%	67.0%	75.4%	75.8%	73.2%	75.3%	73.8%	73.3%	73.2%	73.7%	73.6%
NPE Ratio[2]	14.3%	9.2%	8.1%	5.6%	5.5%	4.6%	4.4%	3.9%	3.4%	3.6%	3.6%	3.5%
NPE Ratio (on-balance loans)			13.2%	9.1%	8.7%	7.3%	7.1%	6.2%	5.4%	5.6%	5.8%	5.9%
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%	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

NPE movements since 2016 - group level

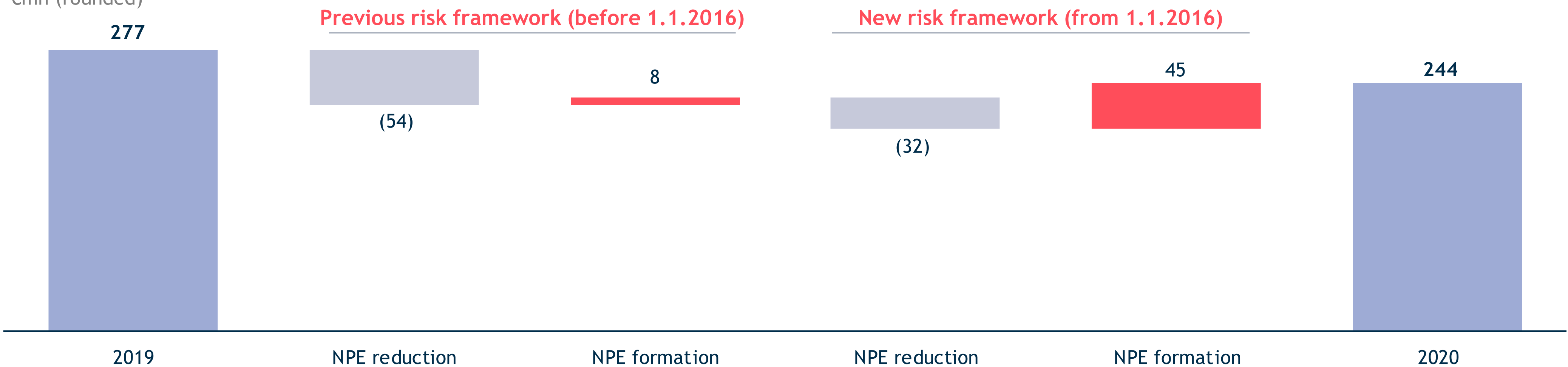
€mn (rounded)



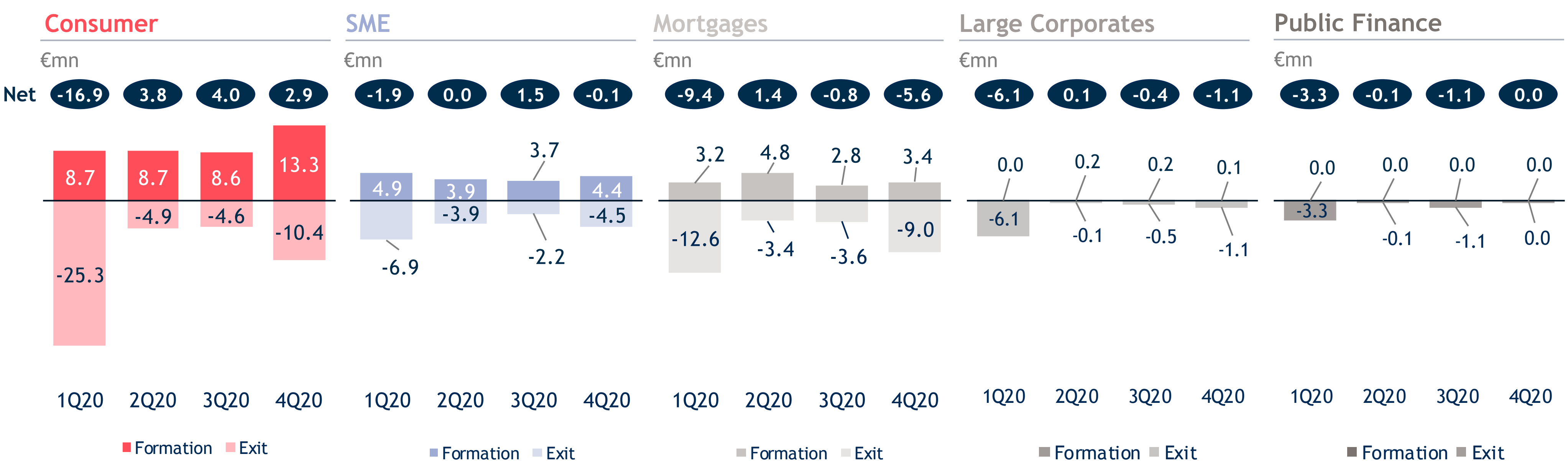
Addiko Bank

NPE movements 2020 vs. 2019 - group level

€mn (rounded)



Quarterly NPE formation & exit during 2020 - group level



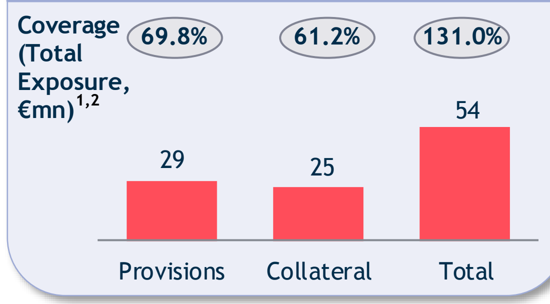
Overview of Top 10 NPEs

2020, Group of Borrowers, €mn

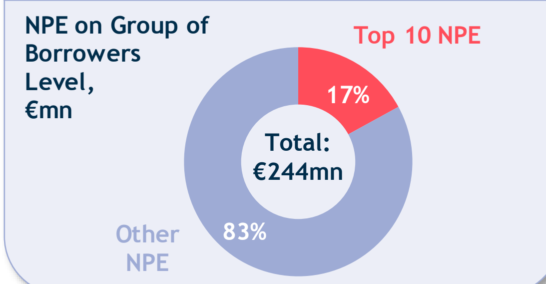
Borrower	Total Exposure	Country	Description	Exposure in Moratorium
NPE 1	11.1	Croatia	Service and retail	0
NPE 2	6.7	Croatia	Construction industry	0
NPE 3	6.5	Croatia	Technology / EDP	0
NPE 4	4.5	Bosnia & Herzegovina	Service	0
NPE 5	2.6	Croatia	Retail and wholesale trade	0
NPE 6	2.5	Slovenia	Service	0
NPE 7	2.1	Montenegro	Metal industry and mechanical engineering	0 (2.1 expired)
NPE 8	2.1	Slovenia	Retail and wholesale trade	0 (0.6 expired)
NPE 9	1.7	Croatia	Metal industry and mechanical engineering	0
NPE 10	1.7	Croatia	Retail and wholesale trade	0
Total Top 10	**41.5**			

2019: €42.4mn

Coverage for Top 10 NPEs (2020)



Concentration (2020)



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

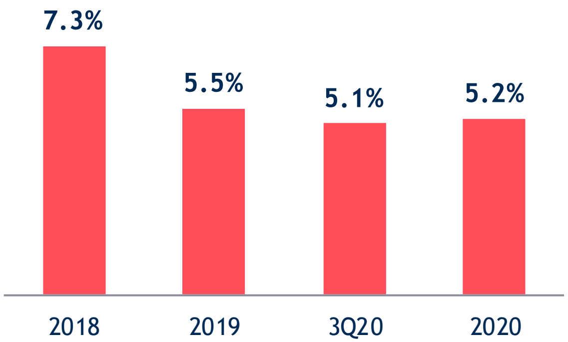
Focus

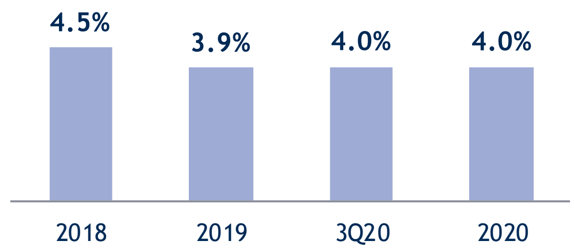
Consumer
€mn

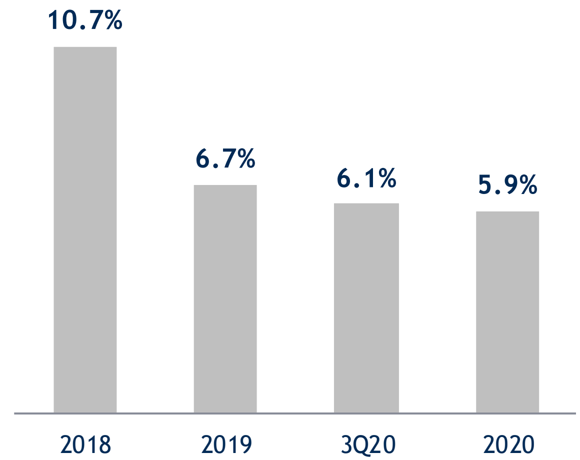
SME
€mn

Non-Focus[3]
€mn

NPE Ratio[2]





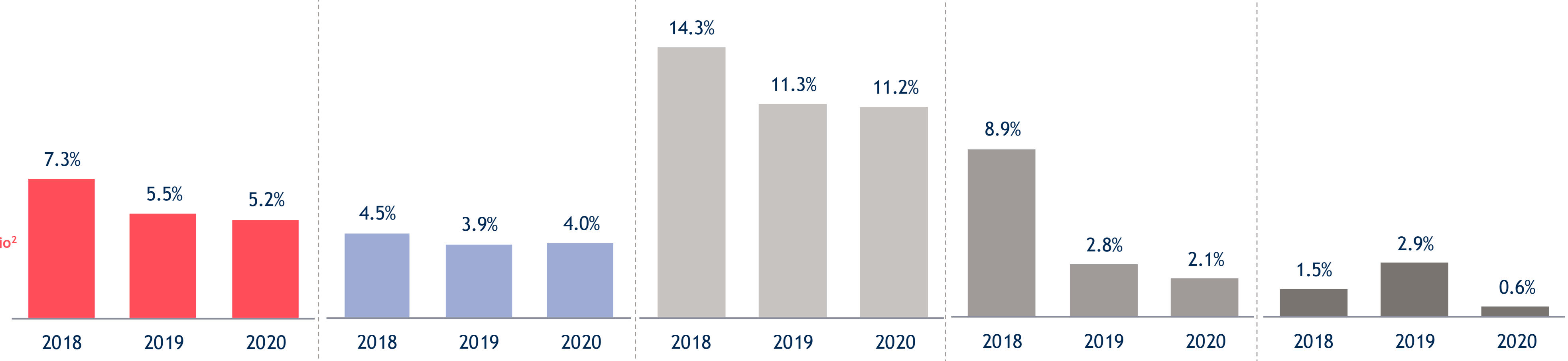


	Consumer 2018	Consumer 2019	Consumer 3Q20	Consumer 2020	SME 2018	SME 2019	SME 3Q20	SME 2020	Non-Focus 2018	Non-Focus 2019	Non-Focus 3Q20	Non-Focus 2020
NPE Coverage Ratio (Excl. Collateral)[1]	91.1%	91.9%	86.9%	83.9%	63.7%	66.1%	70.7%	69.0%	71.9%	65.6%	66.0%	68.5%
NPE Ratio[2]	7.3%	5.5%	5.1%	5.2%	4.5%	3.9%	4.0%	4.0%	10.7%	6.7%	6.1%	5.9%
Total NPE	*104*	*84*	*76*	*78*	*71*	*69*	*69*	*69*	*230*	*123*	*103*	*96*
Credit Risk Exposure	*1,415*	*1,532*	*1,495*	*1,508*	*1,559*	*1,759*	*1,729*	*1,729*	*2,146*	*1,839*	*1,688*	*1,629*
NPE Ratio - New Risk Framework	*2.6%*	*2.9%*	*3.7%*	*4.0%*	*2.0%*	*2.5%*	*2.7%*	*2.8%*	*1.2%*	*1.8%*	*1.8%*	*1.8%*
Credit Loss Expenses (YTD)	€(9.5)mn *Impairments*	€(20.3)mn *Impairments*	€(20.8)mn *Impairments*	€(21.5)mn *Impairments*	€(7.4)mn *Impairments*	€(3.2)mn *Impairments*	€(11.4)mn *Impairments*	€(23.3)mn *Impairments*	€19.7mn[4] *Releases*	€26.3mn[4] *Releases*	€(5.5)mn[4] *Impairments*	€(3.6)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 bookings in Corporate Center (release of €4.2mn in 2018, €5.3mn in 2019, €0.4mn in 3Q20 and impairment of €-0.6mn in 2020).

Consumer | SME | Mortgages | Large Corporates | Public Finance

€mn



Consumer

	2018	2019	2020
NPE Coverage Ratio[1]	91.1%	91.9%	83.9%
NPE Ratio[2]	7.3%	5.5%	5.2%
Total NPE	*104*	*84*	*78*
Total Credit Risk Exposure	*1,415*	*1,532*	*1,508*
NPE Ratio - New Risk Framework	*2.6%*	*2.9%*	*4.0%*
Credit Loss Expenses (YTD)	€(9.5)mn *Impairments*	€(20.3)mn *Impairments*	€(21.5)mn *Impairments*

SME

	2018	2019	2020
NPE Coverage Ratio[1]	63.7%	66.1%	69.0%
NPE Ratio[2]	4.5%	3.9%	4.0%
Total NPE	*71*	*69*	*69*
Total Credit Risk Exposure	*1,559*	*1,759*	*1,729*
NPE Ratio - New Risk Framework	*2.0%*	*2.5%*	*2.8%*
Credit Loss Expenses (YTD)	€(7.4)mn *Impairments*	€(3.2)mn *Impairments*	€(23.3)mn *Impairments*

Mortgages

	2018	2019	2020
NPE Coverage Ratio[1]	73.6%	70.7%	71.6%
NPE Ratio[2]	14.3%	11.3%	11.2%
Total NPE	*145*	*95*	*80*
Total Credit Risk Exposure	*1,016*	*837*	*718*
NPE Ratio - New Risk Framework	*2.9%*	*2.6%*	*3.5%*
Credit Loss Expenses (YTD)	€9.5mn *Releases*	€12.8mn *Releases*	€(1.2)mn Impairments

Large Corporates

	2018	2019	2020
NPE Coverage Ratio[1]	70.1%	47.5%	53.4%
NPE Ratio[2]	8.9%	2.8%	2.1%
Total NPE	*81*	*23*	*15*
Total Credit Risk Exposure	*907*	*811*	*750*
NPE Ratio - New Risk Framework	*0.4%*	*1.5%*	*1.0%*
Credit Loss Expenses (YTD)	€3.6mn *Releases*	€6.9mn *Releases*	€(1.6)mn Impairments

Public Finance

	2018	2019	2020
NPE Coverage Ratio[1]	42.0%	54.2%	49.6%
NPE Ratio[2]	1.5%	2.9%	0.6%
Total NPE	*3*	*6*	*1*
Total Credit Risk Exposure	*223*	*192*	*161*
NPE Ratio - New Risk Framework	*0.0%*	*0.1%*	*0.1%*
Credit Loss Expenses (YTD)	€2.4mn *Releases*	€1.3mn *Releases*	€(0.2)mn 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.

Risk: Latest Developments on Covid-19 Loan Moratoria in CSEE

Addiko Bank

Country	Description	Approach	Duration (first introduced in March 2020)	Update March 2021
Slovenia	• Statutory • Moratorium on principal and interest • Proof required • Eligibility criteria imposed	Opt-in	1) 12 months (application until 15.11.2020, prolonged to 31.12.2020) 2) 9 months (application until 26.02.2021)	• Statutory moratorium in force • Deadline for applying until 26.02.2021
Croatia	• Non-statutory, recommendation by National Bank • Moratorium on principal and interest or on principal only • Proof required • Eligibility criteria imposed	Opt-in	1) 180 days or 12 months for tourism industry (application until 30.09.2020) 2) 180 days or 12 months for tourism industry (application until 31.03.2021)	• Non-statutory moratorium in force. • Deadline for applying until 31.03.2021
Serbia	• Statutory • Moratorium on principal and interest • 1st and 2nd moratorium without eligibility criteria or proof of impact (previously Opt-out approach) • 3rd moratorium with eligibility criteria and proof of impact	Now Opt-in	1) 90 days (fixed duration until 30.06.2020) 2) 90 days (fixed duration until 30.09.2020) 3) 180 days (application until 30.04.2021)	• Statutory moratorium in force • Deadline for applying until 30.04.2021
Bosnia & Herzegovina	• Statutory • Moratorium on principal and interest • Proof required • Eligibility criteria imposed	Opt-in	1) 90 days (application until 31.05.2020, prolonged until 31.07.2020) 2) Up to 180 days (application until 31.12.2020)	• No statutory moratorium in force • Deadline for applying expired on 31.12.2020
Montenegro	• Statutory • Moratorium on principal and interest • 1st moratorium without eligibility criteria or proof of impact • 2nd and 3rd moratorium with eligibility criteria and proof of impact	Opt-in	1) 90 days (application until 19.05.2020) 2) 90 days (application until 12.08.2020) 3) 180 days (deadline for application not defined)	• Statutory moratorium in force • From 11/20 new moratorium regulation in force and only for clients who lost jobs after 31.03.2020 as a result of Covid-19.

Risk: Exposure in Moratoria – Deep-Dive (1/2)

Affected by moratoria
Not affected by moratoria

Group exposure in Moratoria by Rating class

Reported, 2020, €mn

Rating class	Affected by moratoria	Not affected by moratoria	% Moratoria	% Moratoria in Total	# of customers
1	20	1,688	3.0%	1.2%	108
2	50	3,270	5.3%	1.5%	562
3	37	1,203	1.4%	3.0%	353
4	51	359	3.2%	12.5%	450
5	5	239	6.1%	1.9%	137

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

Reported, 2020, €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	20	576	16%	0.29%	22
Manufacturing	18	567	14%	0.25%	26
Construction	5	386	4%	0.07%	6
Transporting and storage	3	154	2%	0.04%	12
Professional, scientific and technical activities	42	74	33%	0.61%	38
Accommodation and food service activities	3	102	2%	0.04%	11
Information and communication	6	75	5%	0.09%	5
Financial and insurance activities	0	72	0%	0.00%	2
Real estate activities	0	71	0%	0.00%	1
Agriculture, forestry and fishing	0	56	0%	0.00%	0
Electricity, gas, steam and air conditioning supply	2	49	2%	0.03%	2
Other (9 industries)	27	185	21%	0.38%	27

[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, 2020, €mn

Slovenia (Opt-in approach)

	Affected by moratoria	Not affected by moratoria	% Moratoria	% Moratoria in local Total (excl. CC)	# of customers
Consumer	12	379	3.2%	0.9%	550
SME	59	427	12.1%	4.2%	85
Mortgages	6	205	2.7%	0.4%	87
Large Corp. & Public	24	307	7.2%	1.7%	6
Corporate Center (CC)		271	0%		0
TOTAL	101	1,589	6.0%		728
Total (excl. CC)	101	1,318	7.1%		

BiH (Opt-in approach)

	Affected by moratoria	Not affected by moratoria	% Moratoria	% Moratoria in local Total (excl. CC)	# of customers
Consumer	4	305	1.4%	0.5%	315
SME	20	274	6.7%	2.5%	16
Mortgages	3	55	4.4%	0.3%	45
Large Corp. & Public	5	133	3.6%	0.6%	3
Corporate Center (CC)		306	0%		0
TOTAL	32	1,073	2.9%		379
Total (excl. CC)	32	767	4.0%		

Croatia (Opt-in approach)

	Affected by moratoria	Not affected by moratoria	% Moratoria	% Moratoria in local Total (excl. CC)	# of customers
Consumer	4	478	0.8%	0.2%	262
SME	16	493	3.2%	1.0%	39
Mortgages	8	332	2.4%	0.5%	102
Large Corp. & Public	2	247	0.7%	0.1%	3
Corporate Center (CC)		1,034	0%		0
TOTAL	30	2,583	1.1%		406
Total (excl. CC)	30	1,549	1.9%		

Montenegro (Opt-in approach)

	Affected by moratoria	Not affected by moratoria	% Moratoria	% Moratoria in local Total (excl. CC)	# of customers
Consumer	1	106	0.8%	0.4%	92
SME	0	67	0.0%	0.0%	0
Mortgages	0	27	0.6%	0.1%	5
Large Corp. & Public	0	12	0.0%	0.0%	0
Corporate Center (CC)		25	0%		0
TOTAL	1	237	0.4%		97
Total (excl. CC)	1	212	0.5%		

Serbia (Opt-in, previously Opt-out)

	Affected by moratoria	Not affected by moratoria	% Moratoria	% Moratoria in local Total (excl. CC)	# of customers
Consumer	0	219	0%	0%	0
SME	0	374	0%	0%	0
Mortgages	0	83	0%	0%	0
Large Corp. & Public	0	181	0%	0%	0
Corporate Center (CC)		203	0%		0
TOTAL	0	1,060	0%		0
Total (excl. CC)	0	857	0%		

Austria

No customer loan portfolios

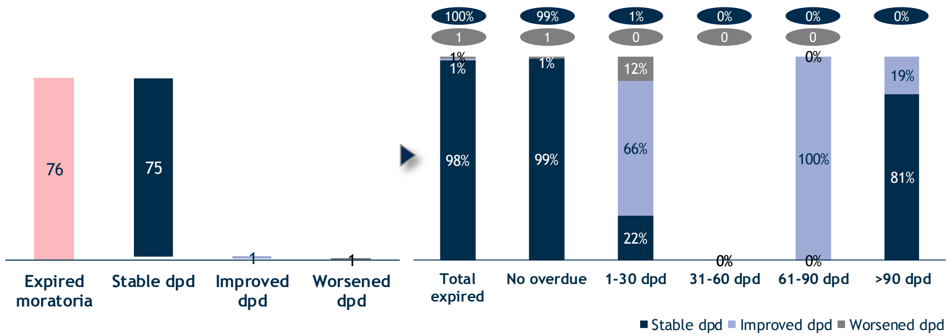
Expired moratoria exposure: Development YE20 vs. 1Q20

% % of expired GE

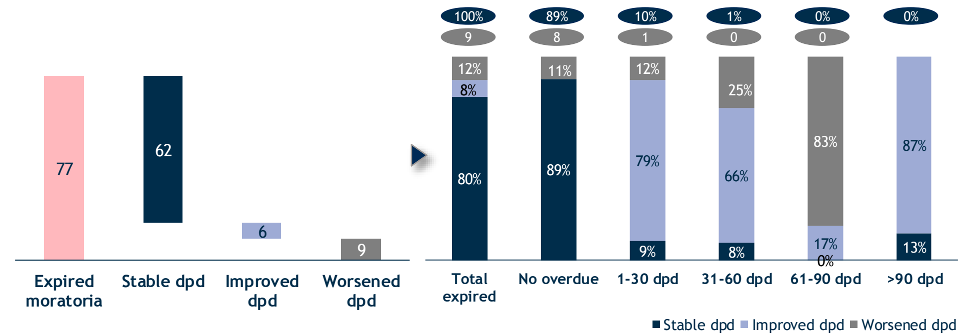
Worsened dpd (GE, €mn)

Reported, by days past due (dpd) bucket, in €mn

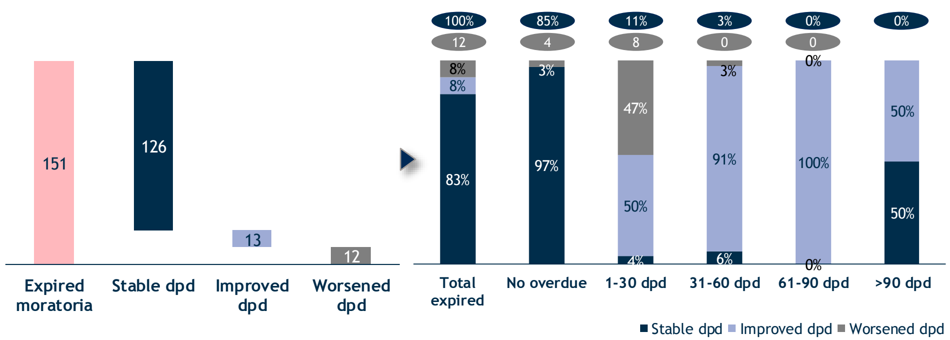
Slovenia



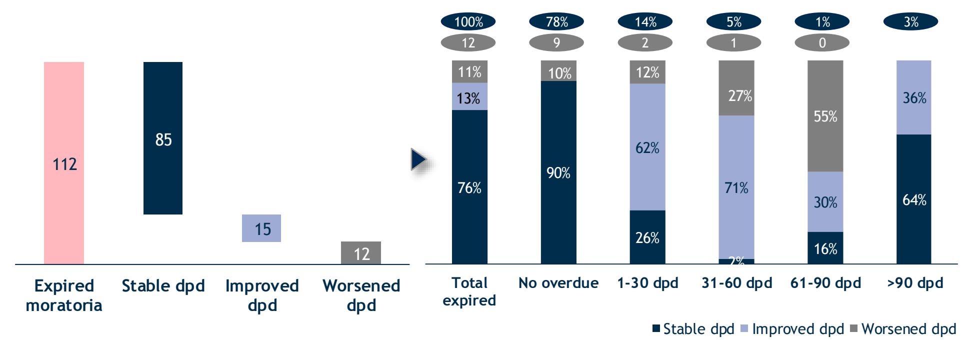
BiH



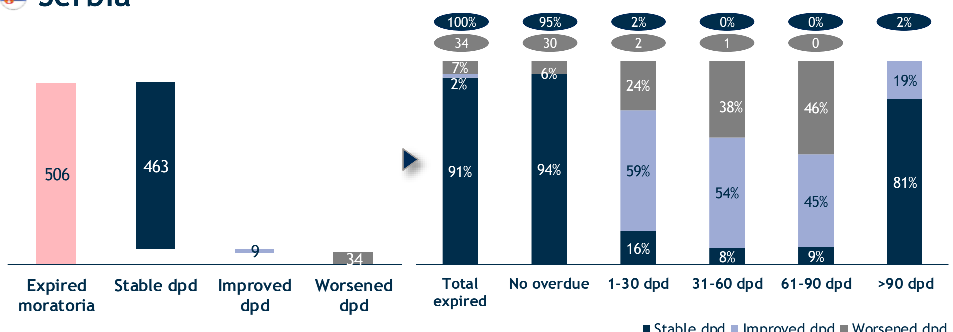
Croatia



Montenegro



Serbia



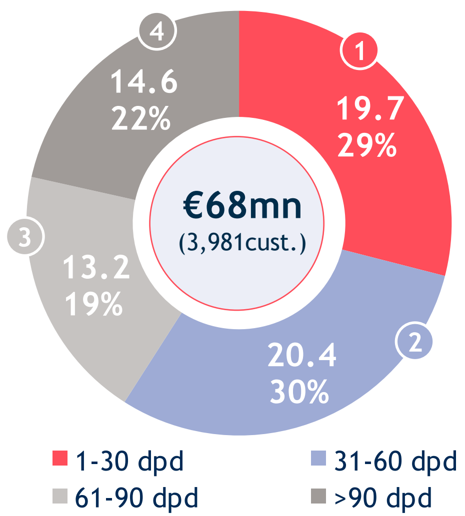
Austria

No customer loan portfolios

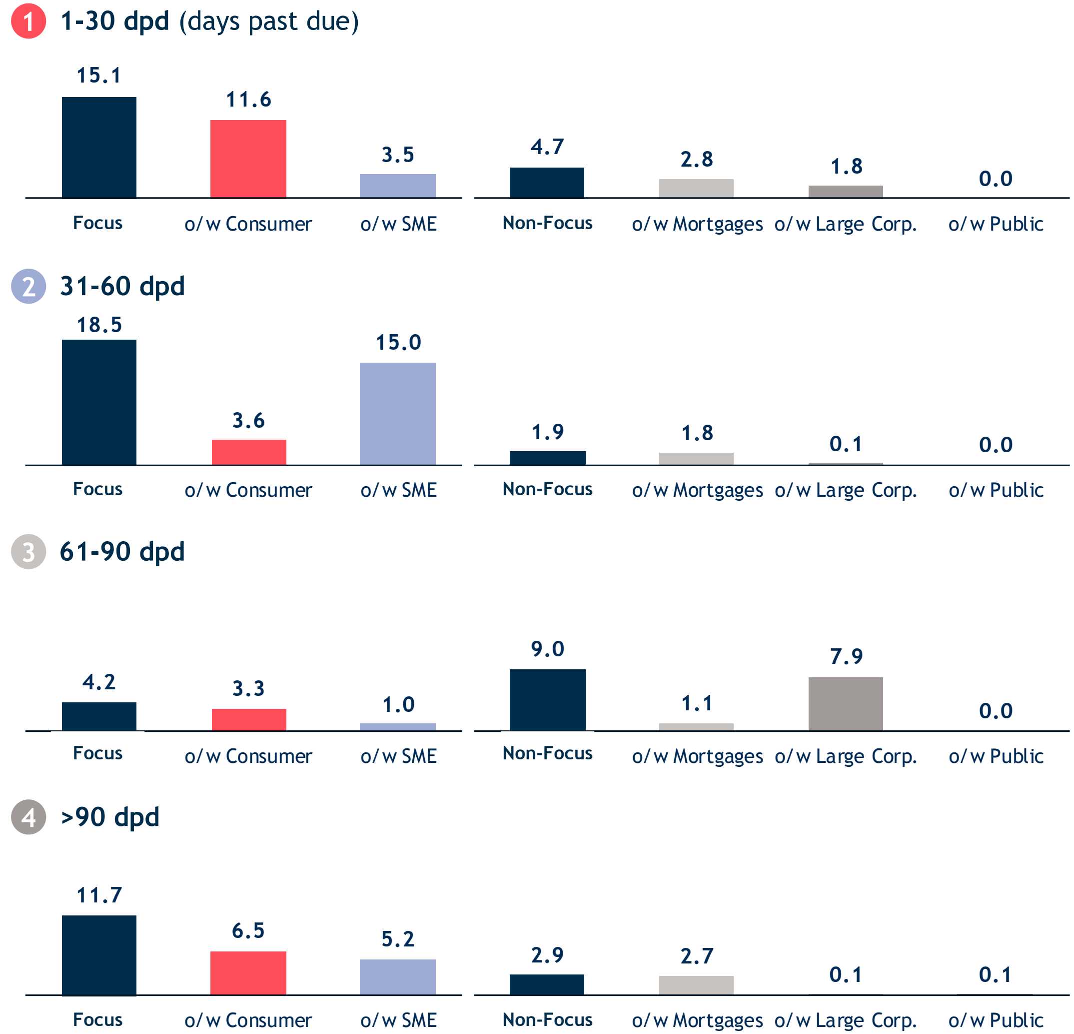
Risk: Deep-Dive in Expired Moratoria Exposure (Worsened DPD vs. 1Q20)

Expired moratoria: Worsened dpd (YE20 vs. 1Q20)

Reported, YE20 exposure by dpd bucket in €mn
(excl. improved exposure)



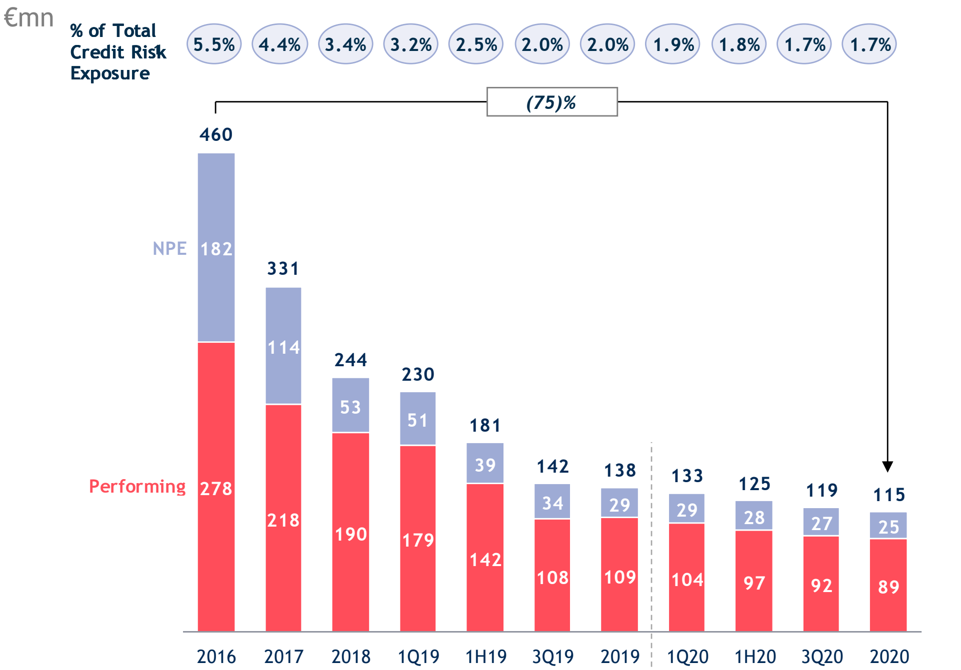
Breakdown by Segment (colors of bars do not relate to left chart)



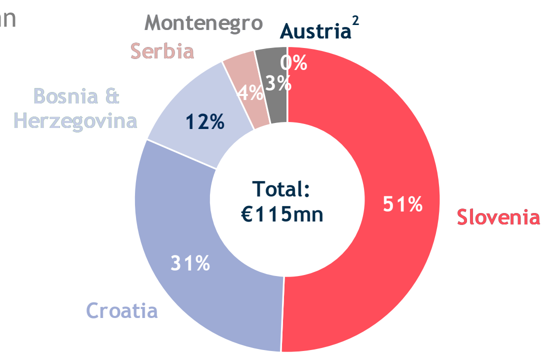
	Focus	o/w Consumer	o/w SME	Non-Focus	o/w Mortgages	o/w Large Corp.	o/w Public
Σ (€mn)	49.5	24.9	24.6	18.5	8.4	10.0	0.1
Σ (# cust.)	3,666	3,609	57	315	290	24	1

Risk: CHF Loans Significantly Managed Down

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 2/2020 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 at lower fixed EUR interest rates, 35% agreed to convert; further offers in preparation

Croatia

- Conversion Law enacted in 9/2015
- 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
- A revision by banks was rejected by the Constitutional Court in 2/2021
- 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 4/2019

Bosnia & Herzegovina

- The Conversion Law Draft was voted down by parliament in 10/2017 in favour of a widely accepted voluntary offer
- End of 7/2020, the Conversion Law Draft was put to 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)
- Vote for Draft Conversion Law was withdrawn late 9/2020
- Draft Conversion Law put to the vote again and in 1/2021 the Parliament stated that all objections and facts needed to be attached to the draft (i.e. the effects on the banking sector as a whole or the low number of active CHF loans)

Montenegro

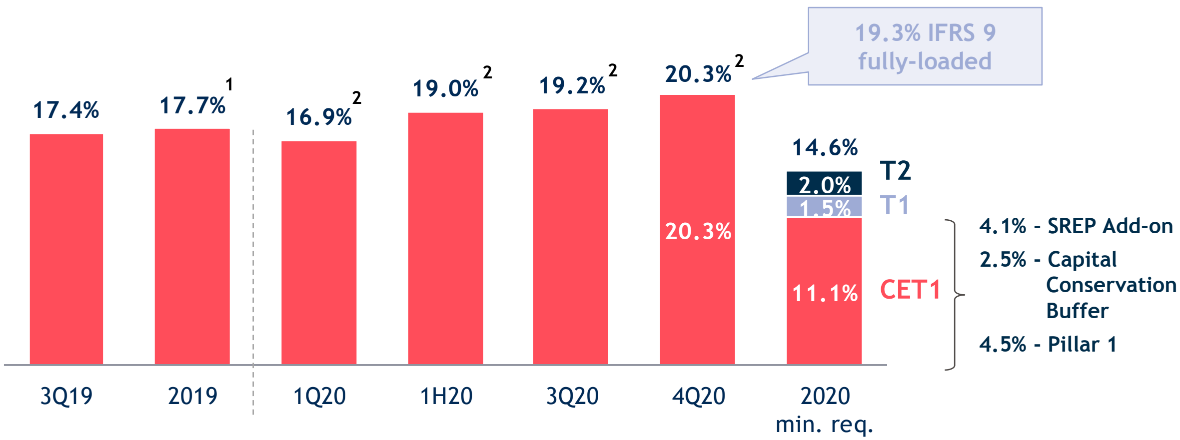
- Law on conversion of CHF loans enacted in 7/2015 and amended in 9/2016
- A first instance court rendered a ruling in the mass proceedings declaring the CHF clause as invalid but not awarding the plaintiffs any amount since plaintiffs are free to convert under the Conversion Law 2015. As a consequence, 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 31.12.2020).

Breakdown of capital position and capital requirements

Reported, transitional

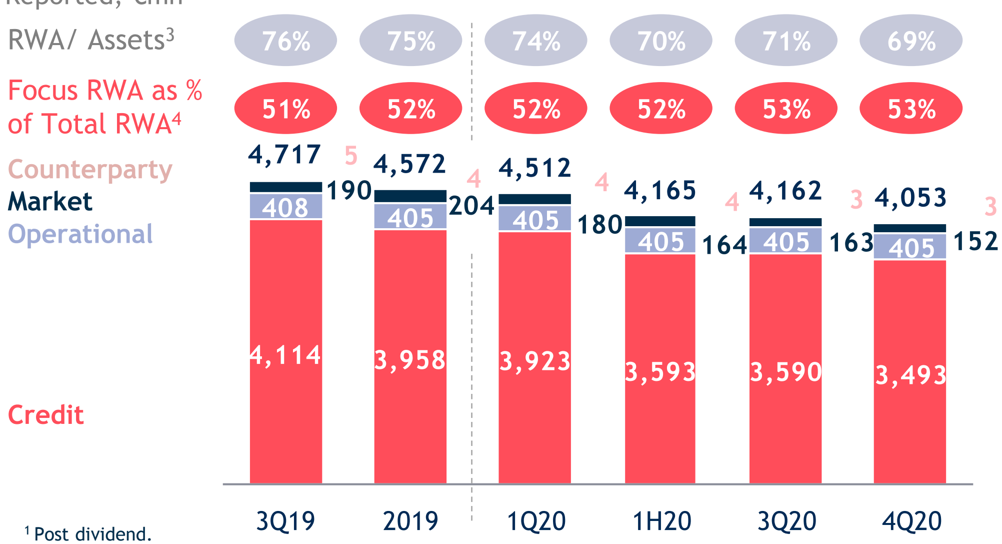


Addiko is currently using the **standardized approach** for its RWA calculation, with most of its RWAs stemming from credit risk

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

RWA breakdown

Reported, €mn



Equity to CET1 bridge

€mn

	2017	2018	2019	2020
Equity attr. to parent at year end	**844.0**	**859.5**	**861.3**	**851.8**
Dividends deducted from capital	(170.0)	(50.0)	(40.0)	(46.6)
Tier 2 waiver	60.3	-	-	-
Additional value adjustments	(4.4)	(1.2)	(1.1)	(1.0)
Intangible assets (net of rel. tax liability)	(21.8)	(30.3)	(27.9)	(19.2)
Deferred tax assets	(12.8)	(19.0)	(16.4)	(11.6)
IFRS 9 transitional rules	-	43.8	34.0	50.1
CET1 Capital (transitional)	**695.3**	**802.8**	**809.8**	**823.5**
CET1 Capital (fully loaded)	n.a.	n.a.	775.8	773.4
Total Risk Weighted Assets (transitional)	**4,653**	**4,545**	**4,572**	**4,053**
Total Risk Weighted Assets (fully loaded)	n.a.	n.a.	4,536	4,003

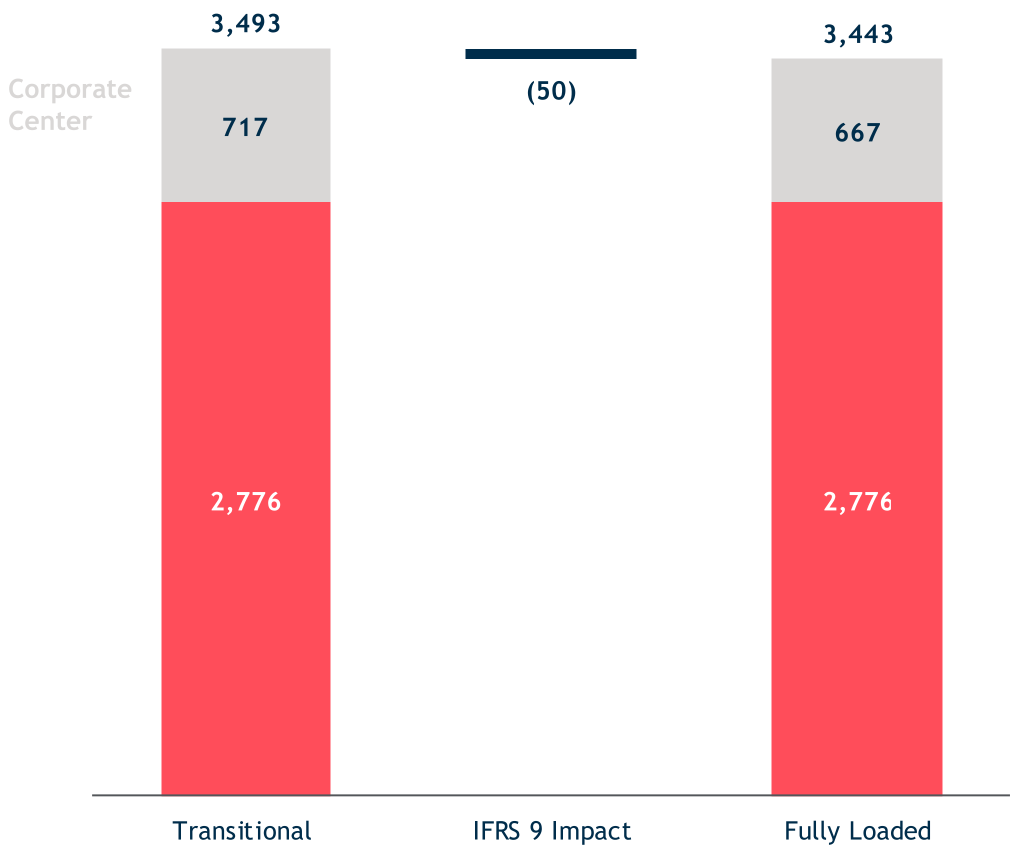
[1] Post dividend.
[2] Proposed dividend of €46.6mn already deducted.
[3] Calculated as total RWA divided by total assets.
[4] Based on segment credit RWA (i.e. excl. operational / market / counterparty RWA). Total RWA excl. Corporate Center.

Update on Capital Position: Credit Risk RWA in Focus vs. Non-Focus

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

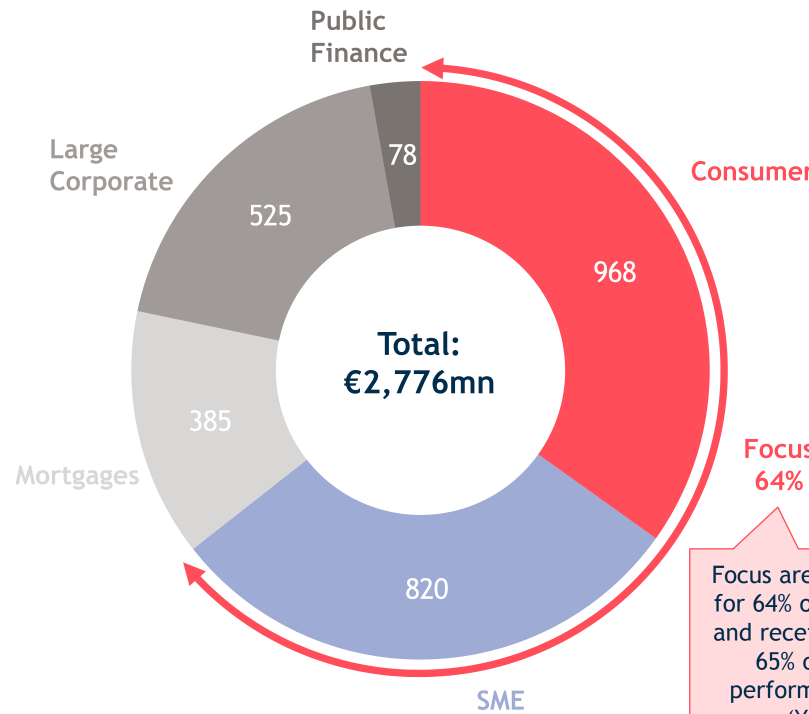
Credit risk RWA

2020, €mn



Credit risk RWA: breakdown by segment[1]

2020, €mn



Focus areas account for 64% of net loans and receivables and 65% of gross performing loans (YE20)

Credit risk RWA: allocated capital[1]

2020, €mn

	@YE20 capital ratio 19.3% fully-loaded	@Target capital ratio 16.1%
Focus	345	288
Non-Focus	191	159

[1] Excluding Corporate Center of €667mn credit RWAs (fully loaded).

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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.