Addiko Bank

1H21 Results Presentation

Herbert Juranek (CEO)
Edgar Flaggl (CFO)
Tadej Krašovec (CRO)
Ganesh Krishnamoorthi (CMO & CIO)

11 August 2021

New Management Team since 1 June 2021

Addiko Bank

Herbert Juranek

Chief Executive Officer

Chair of the Management Board

>20 years in Banking

Addiko since May 2021

- ✓ Deputy Chairman of the Supervisory Board of Addiko Bank AG
- ✓ Senior Partner at Q-Advisers and Q-Capital Ventures
- ✓ Chief Operating Officer & member of the Management Board at Erste Group Bank AG

Edgar Flaggl

Chief Financial Officer

>10 years in Banking

Addiko since July 2012

- ✓ Head of Investor Relations & Group Corporate Development at Addiko Bank AG
- ✓ Head of Group Strategy/ Corporate Development & Reporting at AI Lake
- ✓ Head of Group Financial Controlling at Hypo Alpe-Adria-Bank International AG

Tadej Krašovec

Chief Risk Officer

Member of the Management Board

>18 years in Banking

Addiko since September 2016

- ✓ Chief Risk & Operating Officer at Addiko Bank Slovenia
- ✓ Executive director of Credit Risk Department at NLB
- ✓ Director of Risk Department at NLB
- ✓ Head of Credit Portfolio Management at NLB

Ganesh Krishnamoorthi

Chief Market, IT & Digitalization Officer

Member of the Management Board

>20 years in Banking

Addiko since August 2020

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

Transformation Program Launched to Accelerate Value Generation

Addiko Bank

CEO Ambition

- We want to make **Addiko the leading CSEE specialist bank** for Consumer & SME customers
- We have a **clear focus and are offering the best digital products** to challenge universal banks
- We are **committed to accelerate the bank's transformation and value generation**
- We offer **better personal customer service** than pure online banks

Next 18 Months

Business growth

Boosting growth in focus areas

Re-ignite USP for Consumer & SME	**Expand** digital capabilities	**Accelerate** non-focus run-down

Accelerated growth in focus areas with significant digital push

Costs

Align organization & costs with specialist strategy

Reduce costs & complexity	**Streamline** operating model

Sustainable reduction of costs to be addressed during 2H21

Special topics

Tackle special topics proactively

Run ambitious NPE reduction	**Explore** structural opportunities

Further risk reduction & structural optimization

1H21 Executive Summary

Financials & Risk Update

Wrap-up

Additional Materials

Key Highlights 1H21

Addiko Bank

Earnings & First Dividend

- **1H21 net profit** of €6.1mn (1H20: €-12.2mn)
- Second quarter 2021 result after tax of €1.1mn vs. €5.0mn in 1Q21
- **Provisioning** at **-0.3% Cost of Risk** with €-10.2mn (1H20: €-29.2mn at CoR -0.8%)
- No release of IFRS 9 post model overlay provisions reflected yet
- **1H21 operating result** at €28.1mn up by 2.1% YoY reflecting slow recovery in business activities and include costs for management changes and regular bonus accruals
- **Return on Tangible Equity** (@14.1% CET1 ratio) at 1.8% (1Q21: 3.1%)
- 1H21 EPS at €0.31; dividend of €0.36 per share paid on 4 May 2021

Asset Quality Containment

- **NPE ratio** at 3.4% (YE20: 3.5%), NPE ratio (on-balance loans) at 6.0% (YE20: 5.9%)
- **NPEs slightly up to €238mn (1Q21: €230mn)** remaining influenced by moratoria
- Overall **exposure in moratoria down to €105mn** (vs. 1Q21's €165mn) with remaining exposure predominantly in Serbia (c. 50%)
- **Overall business portfolio behavior stable with 93% of portfolio with no overdues**
- **NPE coverage** slightly down at 71.7% (1Q21: 75.6%, YE20: 73.6%)
- Comprehensive Assessment by ECB (incl. AQR) launched in June 2021

Funding, Liquidity & Capital

- **Funding situation remained solid** at €4.74bn customer deposits despite Covid-19, with LCR at c. 212%
- **Capital ratio strong** at transitional **CET1 ratio of 19.8%**, IFRS 9 fully-loaded CET1 ratio of 18.9% (1Q21: 20.0% and 19.2%, respectively)

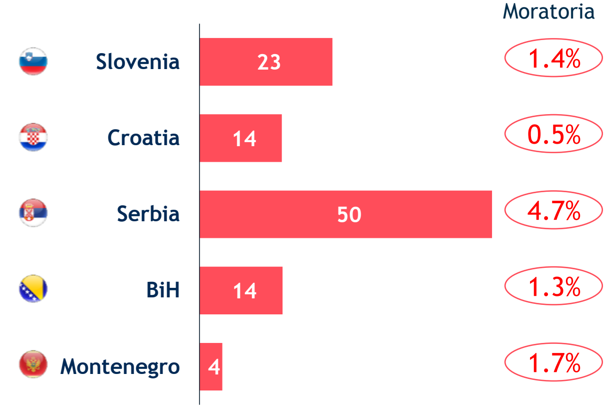
Current Environment Starting to Improve

GDP forecasts[1] (%, real growth)

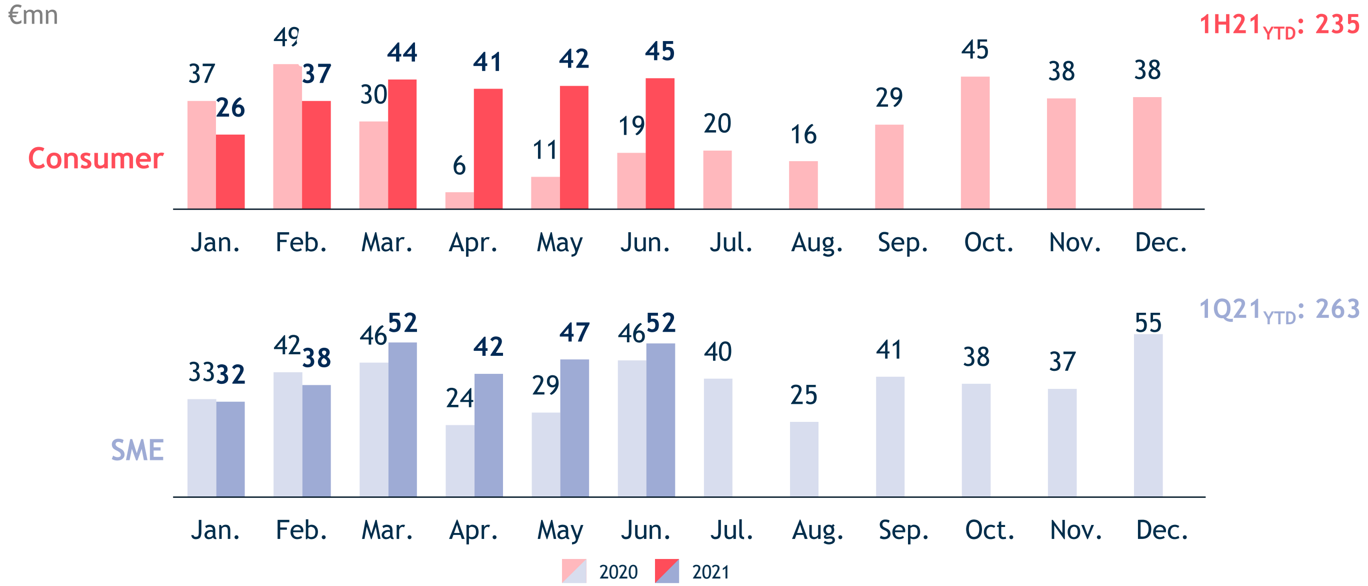
	Previous Forecast		Latest Forecasts					
	2021E Base	2022E Base	2021E Base	2022E Base	2021E Pessimistic	2022E Pessimistic	2023E Base	2024E Base
Slovenia	4.7%	3.1%	3.6%	4.0%	1.4%	0.5%	3.3%	2.8%
Croatia	5.0%	4.0%	4.5%	4.6%	1.1%	1.2%	3.7%	3.0%
Serbia	4.5%	4.0%	5.0%	4.4%	1.5%	1.9%	4.2%	4.0%
Bosnia & Herzegovina	3.1%	3.1%	2.8%	3.1%	(0.7%)	0.6%	3.3%	3.0%
Montenegro	5.0%	4.1%	6.5%	5.0%	3.0%	2.5%	3.7%	3.5%
Euro Area	5.8%	2.5%	3.8%	3.7%	1.1%	0.6%	2.4%	1.4%

Exposure in moratoria

1H21, €mn



New business continued on path of recovery during 1H21



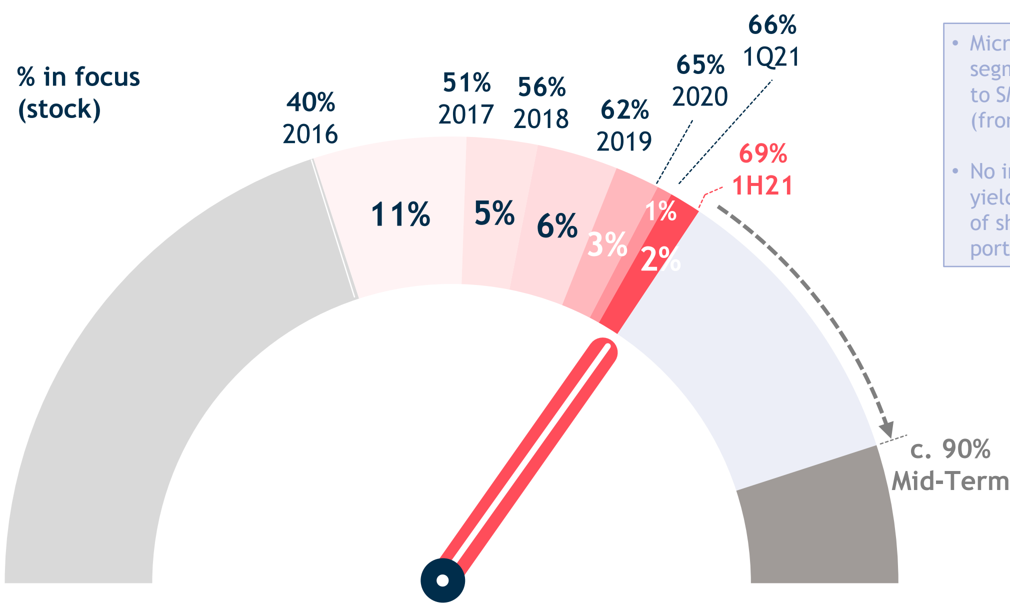
- **Slower than anticipated recovery in 2021 ongoing** influenced by local Covid-19 related restrictions
- **Overall economic environment improving**
- Ongoing vaccinations and current expectations of limited lockdowns in second half 2021 remain positive factor
- **CSEE expected to remain at above average growth** compared to Euro Area

[1] Source: The Vienna Institute for International Economic Studies (wiiw); unsecured consumer loan market development rates based on local currency
[2] Gross performing loans in segment Consumer as of 1H21.

Acceleration of Growth in Focus Areas Consumer & SME Being Addressed

Gross performing loans in focus segments

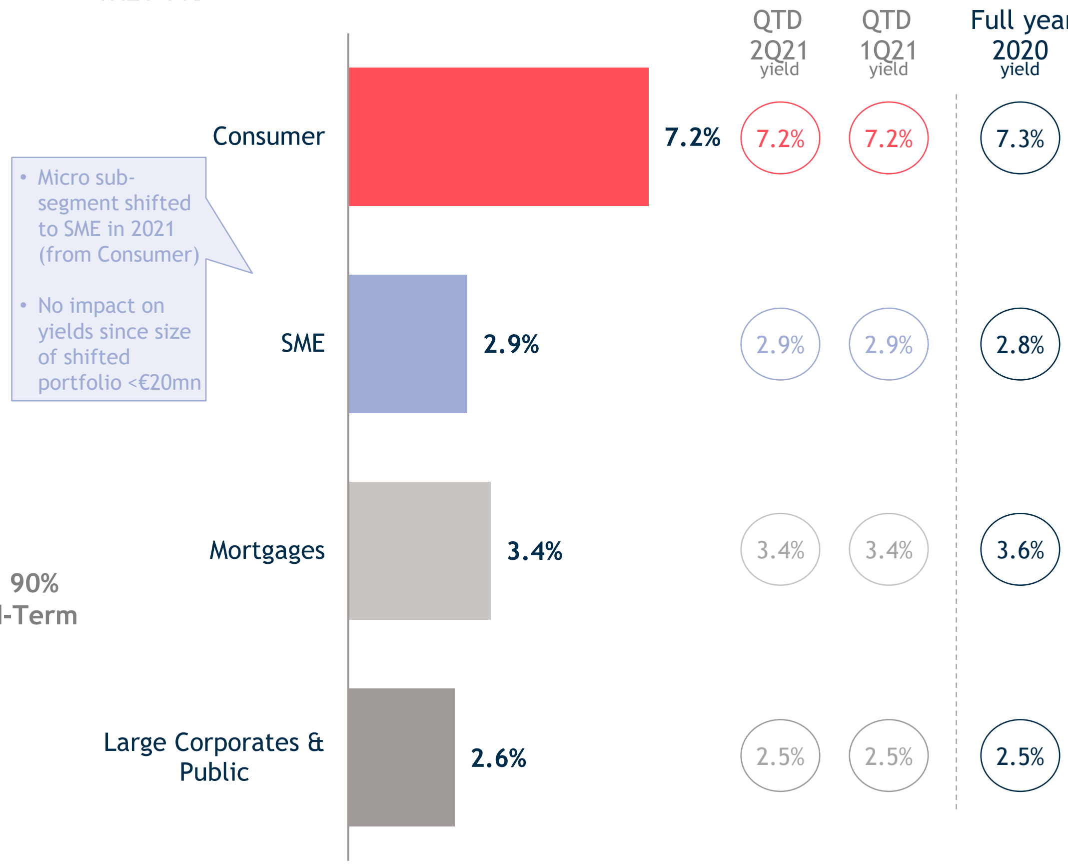
Gross loans of focus segments as % of total gross performing loans



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

Gross yield by segment[1]

1H21 YTD



- **Shift to focus slowly inching up** – management ambition is to return towards double digit growth in focus
- **Ambition to accelerate track** towards Mid-Term target of >90%
- **Yields** flat with **focus yield overall stable** at 5.3%

[1] The gross yield is calculated as regular interest income (i.e. excluding interest income on NPE, 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 Inching Up in Improving Environment

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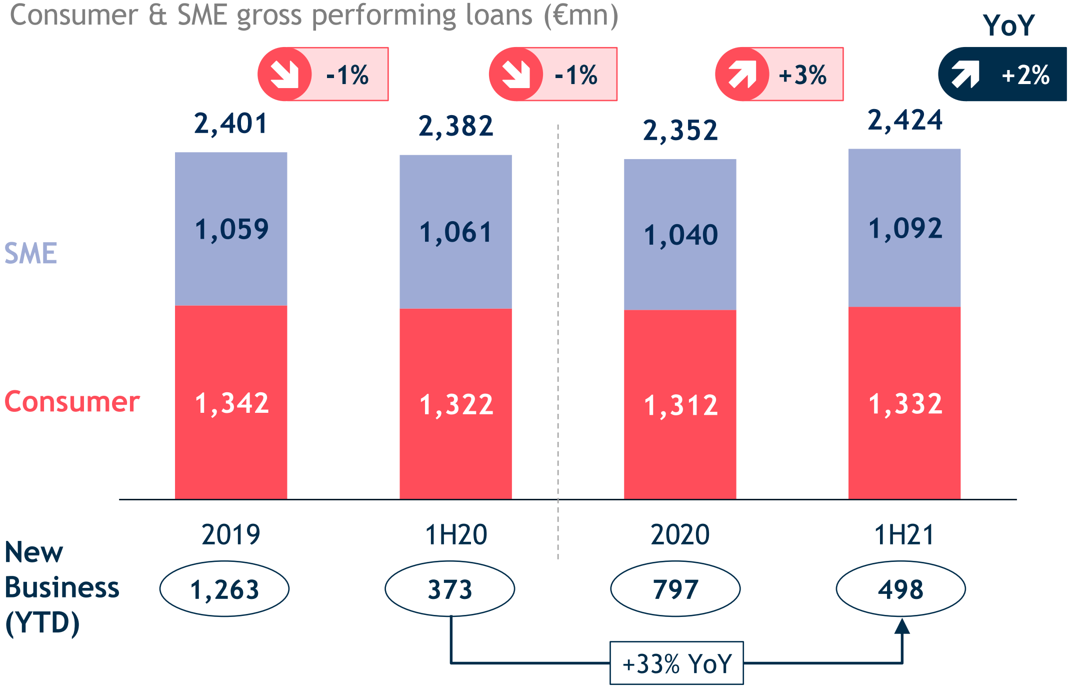
Focus portfolio development

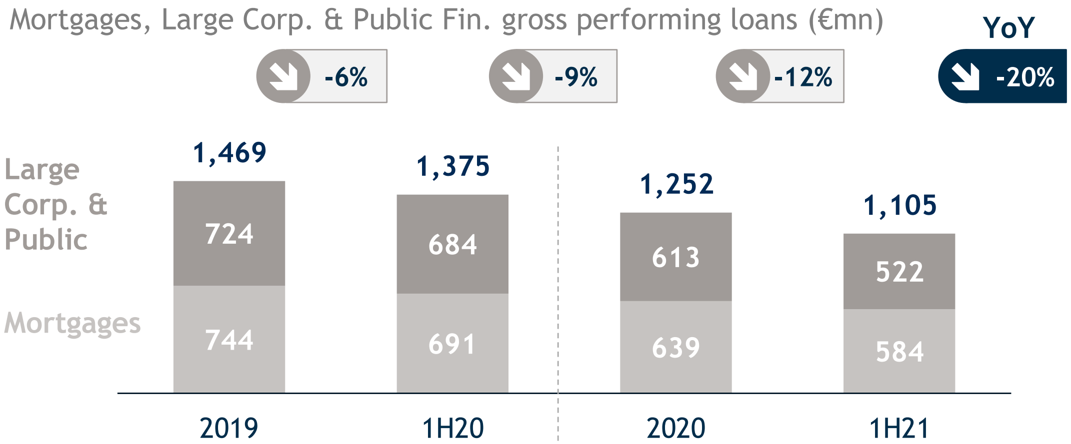
Consumer & SME gross performing loans (€mn)



- **Focus portfolio returning to growth**
- **New business in focus up 33% YoY as demand increases** also driving improved flow[1] market share in Consumer compared to full year 2020
- **On track** to achieve >5% focus growth during 2021
- **Prudent risk approach remains** strategic anchor

Non-Focus portfolio development

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



- **Accelerated Non-Focus reduction**
- No new business in Mortgage and Public
- Large Corporate strategy under review, further reduction initiated

[1] Addiko consumer disbursements divided by total local market consumer new business as available.

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**

Development during the first half of 2021

Consumer

Revenue drivers
- **Digital contribution** increased 36% quarter over quarter
- New **customer acquisition** with double digit growth YoY
- **X-sell** up by 30% while **up-sell** improved by 70% YoY
- **NCI growth** driven by solid tourism season & better bancassurance penetration
- **Risk based pricing launched** to stabilize the risk adj. yields
- **Card migration to new platform** completed – ready to commercialize

Efficiency drivers
- Branch **right-sizing** transformation continues

SME

- Increased **focus on underserved high margin Micro SMEs** served with digital platform shows good growth potential
- Expand **trade finance as profitability driver** with limited risk

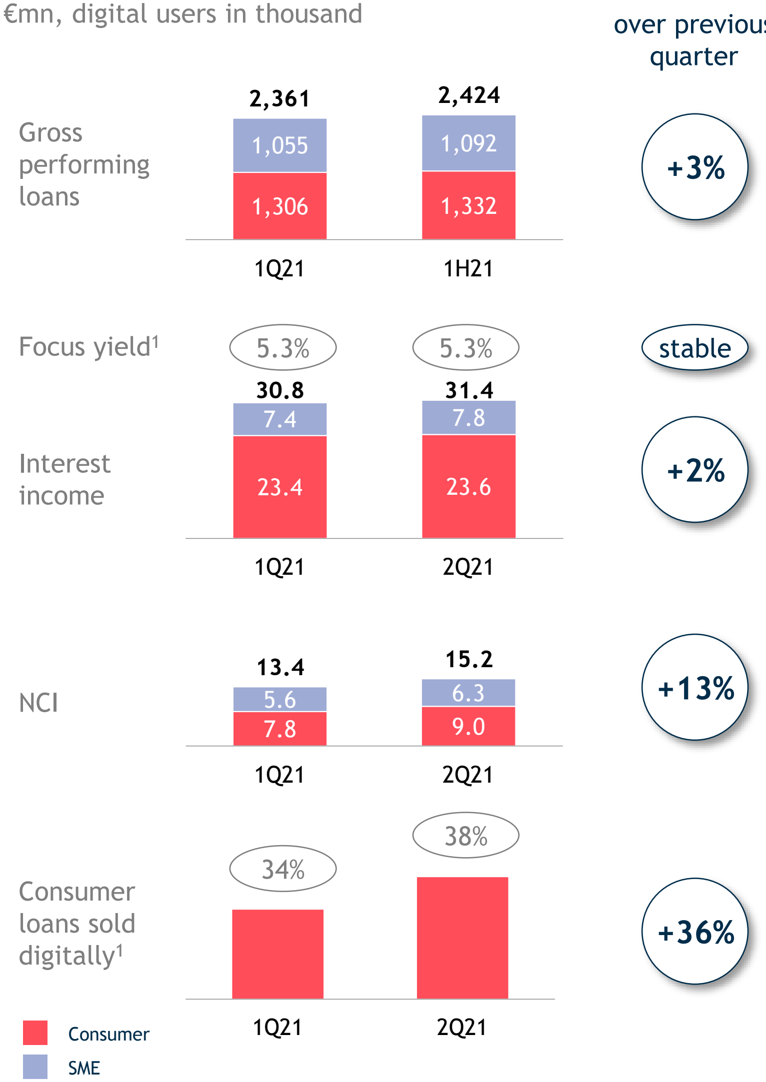
Digital

Consumer
- Launched all planned digital lending capabilities
- Digital partnership capabilities planned for 2H21

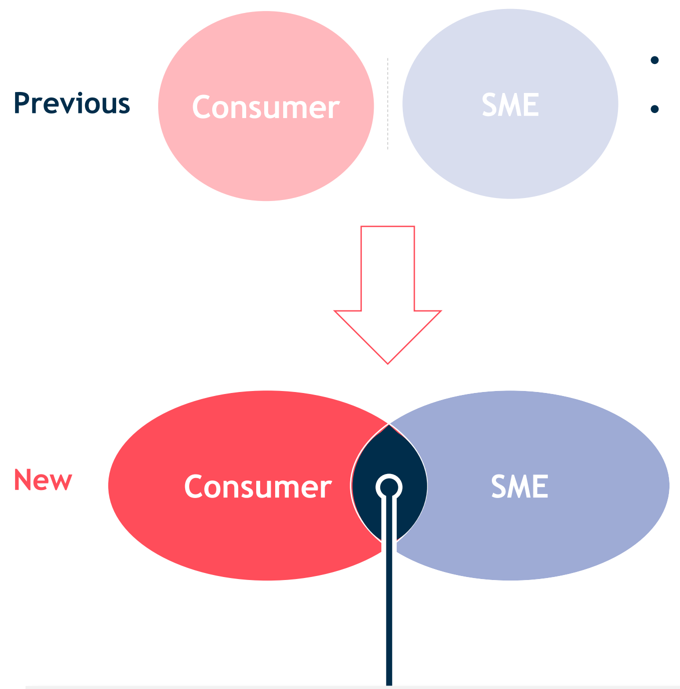
SME
- E2E digitalized platform for Micro SMEs planned in 2H21
- Expand online self-service capabilities

First visible results during 2Q21

€mn, digital users in thousand



New Business coverage approach 2Q21



- Segment leadership approach
- Cooperation on selected channels

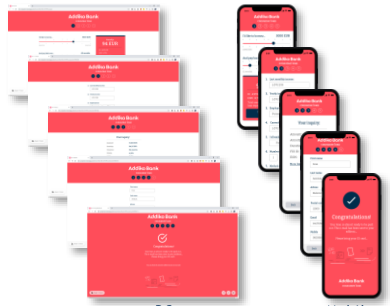
- Business leadership approach
- Synergy potential
- Streamlined structure

Synergies & capabilities

- **One "sales force" team**
- **Consumer tech-stack accelerates SME** digitalization progress
- **Efficiency potentials** to optimize sales processes in both focus segments

[1] Focus yield equals the gross yield of focus segments and is calculated as regular interest income (i.e. excluding interest income on NPE, interest like income and before FTP) divided by the simple average of gross performing loans based on beginning and end of period amounts.
[2] Consumer loans originated through Web (incl. digitally initiated loans and overdraft in Slovenia) / total consumer loans disbursements

Web Loan



PC Mobile

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

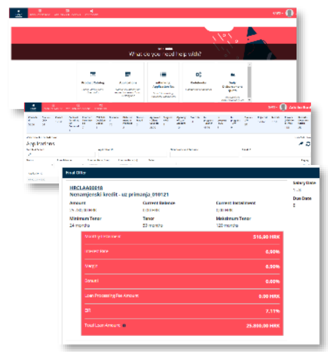
Achievements 2Q21

✓ Rolled out in all markets except Montenegro

Plans 2H21 – Version 2 improvements with digital marketing in focus

- Accelerate digital business through Digital funnel optimizations & more marketing
- Upgrades in all countries with add-ons where applicable: E2E, Assisted Sales, promo code, integration with CRM etc.

Group Application Processing System (GAPS)



Simple branch loan Application Processing System including CDE (Credit Decision Engine)

Achievements 1H21

✓ Rolled out in all markets

Plans 2H21 – improved simplicity and efficiency

- New features to simplify the process
- Mobile overdraft
- PSD2 Income Verification

mLoan

Quick and simple E2E cash loan solution for existing (eligible) clients via app or upgrade with the videoID solution for new clients

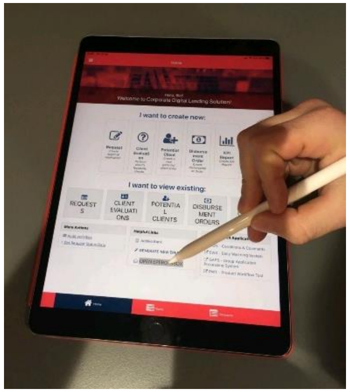
Achievements 2Q21

✓ Rolled out in all markets except Bosnia & Herzegovina

Plans 2H21

- Version 2 launch in Bosnia & Herzegovina
- Improvements with sharpened data targeting to drive customers digital

Digital SME lending platform



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

Achievements 1H21

- E-signature (Slovenia)
- Advance payments (Serbia)
- Renewals of revolving and overdraft facilities

Plan 2H21 – End-to-End launch of digital platform

- Implementation of rating for Micro SMEs with automated credit decision engine & credit bureau check

1H21 Executive Summary

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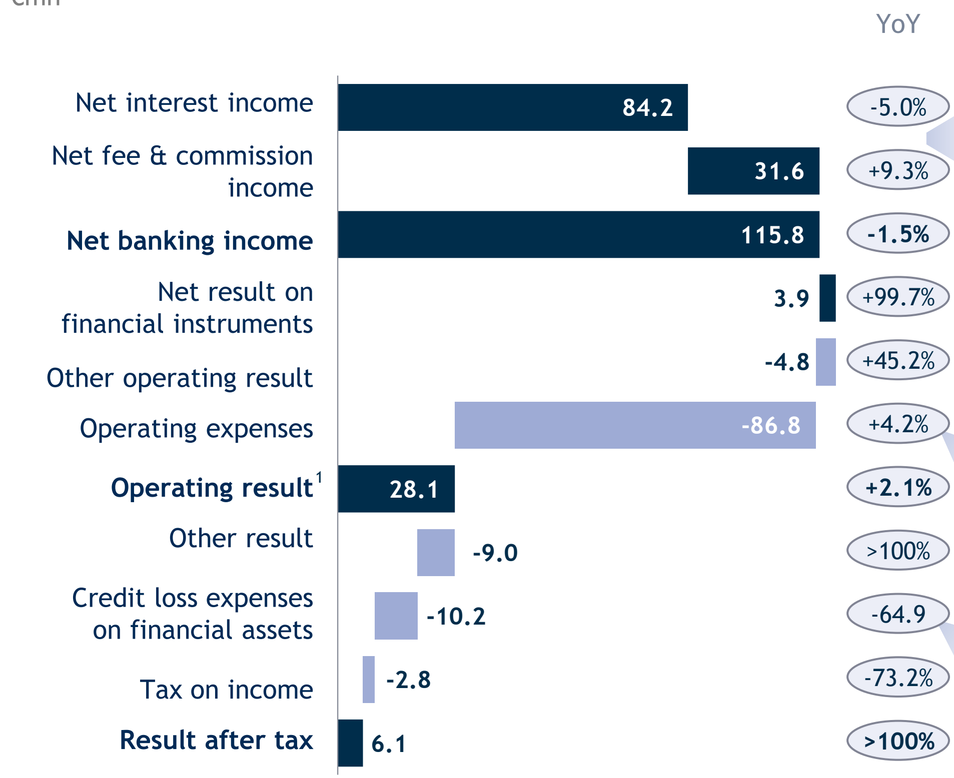
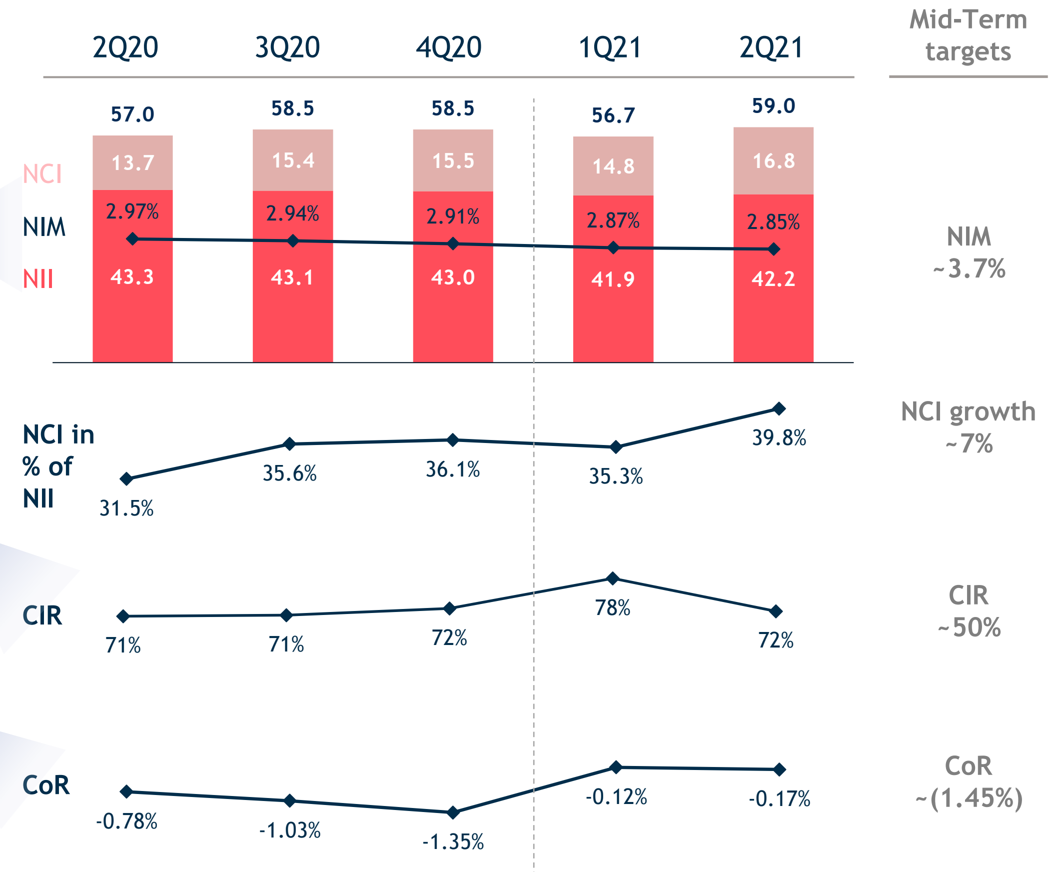
Financial Performance 1H21 at a Glance

Addiko Bank

Financial Performance 1H21





- **Recovering trend in net banking income visible** - supported by increasing demand and activities in focus business
  - **NII driven by focus loan book growth** compensating non-focus reduction (yield differential at 2.3%)
  - **NCI contribution improving** on the back of increased new business in focus and starting economic recovery
- **2Q21's CIR on right track** - not yet reflecting planned cost reduction triggered by Transformation Program
- **Cost of Risk well below expectations** - not yet reflecting releases from Covid-19 related management overlay

[1] Operating result before impairments and provisions.

Key financials (reported)

P&L

in €mn	YTD (new P&L logic)			QTD (new P&L logic)		
	1H21 (YTD)	1H20 (YTD)	+/- PY	2Q21	1Q21	+/- PQ
Net interest income	84.2	88.6	-5.0%	42.2	41.9	0.7%
Net fee and commission income	31.6	28.9	9.3%	16.8	14.8	13.6%
Net banking income	**115.8**	**117.5**	**-1.5%**	**59.0**	**56.7**	**4.1%**
Other income	-0.9	-6.8	-87.4%	0.1	-1.0	>100%
Operating income	**114.9**	**110.8**	**3.7%**	**59.2**	**55.7**	**6.2%**
Operating expenses	**-86.8**	**-83.3**	**4.2%**	**-42.4**	**-44.4**	**-4.5%**
1 **Operating result** [1]	**28.1**	**27.5**	**2.1%**	**16.8**	**11.3**	**48.2%**
Other result	-9.0	0.1	>100%	-8.5	-0.5	>100%
Credit loss expenses on financial assets	-10.2	-29.2	-64.9%	-6.1	-4.1	48.6%
2 **Result before tax**	**8.9**	**-1.6**	**>100%**	**2.2**	**6.7**	**-68%**
Result after tax	**6.1**	**-12.2**	**>100%**	**1.1**	**5.0**	**-78%**

Balance Sheet

in €mn	1H21 (YTD)	1H20 (YTD)	+/- PY	+/- PQ
Total assets	5,932	5,939	-0.1%	-0.2%
Loans and receivables to customers	3,517	3,740	-6.0%	-0.6%
3 o/w gross performing loans	3,530	3,758	-6.1%	-0.7%
Customer deposits	4,744	4,739	0.1%	-0.1%
Shareholders' equity	850	826	2.8%	-0.2%

Key Ratios

	1H21 (YTD)	1H20 (YTD)	+/- PY (pts)	+/- PQ (pts)
NIM (in bp)	287	297	-10	0
Cost/income ratio	75.0%	70.8%	4.1%	-3.3%
NPE Ratio (GE based)	3.4%	3.6%	-0.1%	0.1%
NPE Ratio (on-balance loans))	6.0%	5.6%	0.4%	0.3%
Cost of risk (net loans)	-0.3%	-0.8%	0.5%	-0.2%
Loan-deposit ratio (customer)	74.1%	78.9%	-4.8%	-0.4%
CET1 ratio (transitional)	19.8%	19.0%	0.77%	-0.3%
4 Total capital ratio (transitional)	19.8%	19.0%	0.77%	-0.3%
CET1 ratio (fully-loaded)	18.9%	18.2%	0.72%	-0.2%
Total capital ratio (fully-loaded)	18.9%	18.2%	0.72%	-0.2%

1 **Operating result at €28.1mn up by 2.1%:**
- **Net Banking income lower by €1.7mn YoY** influenced by loan book contraction during 2020, overall margin pressure in Consumer and accelerated run-down in non-focus mostly compensated by higher fee income from lending business and payment transactions
- **Other income improved by €5.9mn YoY** related to balance sheet optimization, interest rate SWAPs, lower deposit insurance costs and one-off restructuring costs in 1H20
- **Operating expenses up by €3.5mn YoY** driven by 1H21's bonus accruals, cost for management changes (c. €4.5mn in total) and normalizing higher marketing spend

2 **Result after tax of €6.1mn** reflecting increase in legal provisions (€-7.1mn) compensated by lower credit losses with overall asset quality remaining strong

3 **Reduction in the performing loan book** by €74mn since YE20 (€-228mn YoY) with stabilization in 2Q21

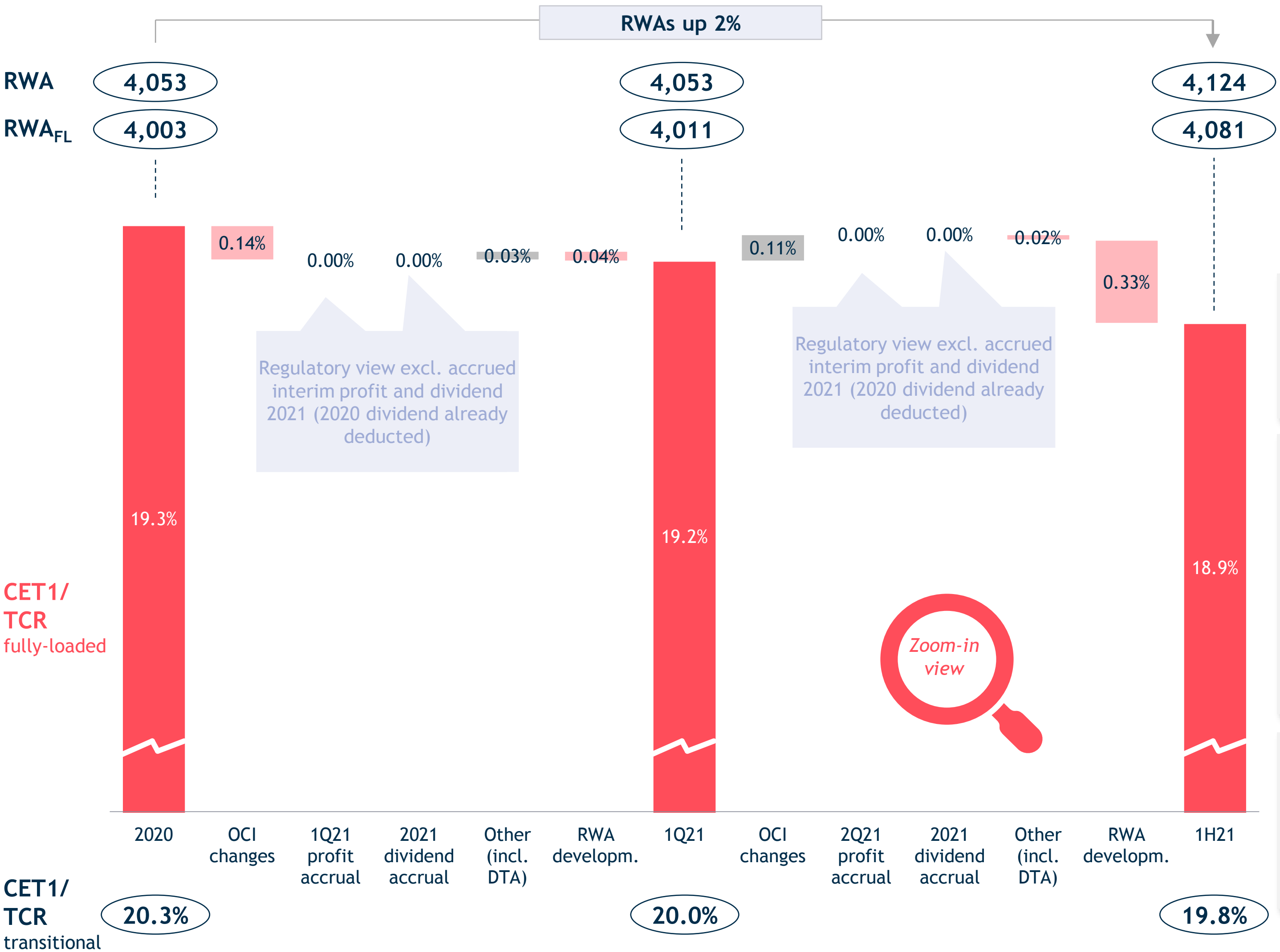
4 **Strong CET1 ratio** at 19.8% (18.9% fully-loaded) with conditional tranche of 2020 dividend already deducted

[1] Operating result before impairments and provisions.

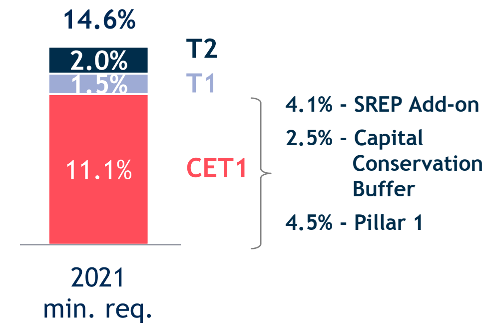
Capital Position Remains Strong - Full 2020 Dividend Deducted

Capital development[1]

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



Capital requirement



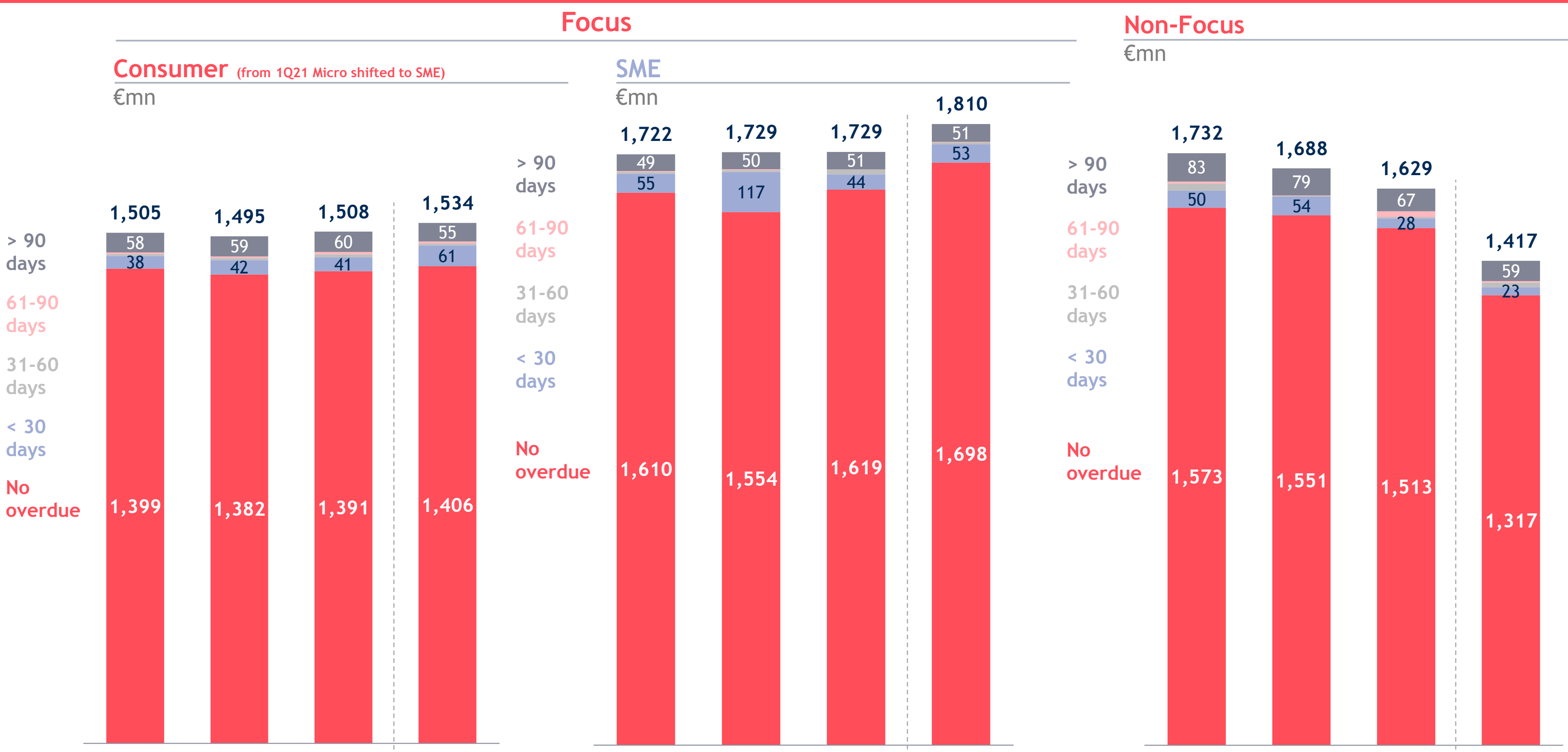
- **Final SREP 2020:** Pillar 2 Requirement (P2R) of 4.1% (4.1% in 2019). In addition, Pillar 2 Guidance (P2G) of 4%

- **Strong capital position** at 18.9% CET1 fully-loaded (19.8% transitional)
- **AGM approved dividend** (already paid unconditional as well as conditional tranche) **already deducted** from CET1 (€46.6mn in total)
- Regulatory developments on dividend payments being monitored

- **Fully-loaded CET1 ratio remained strong during 1H21**, slight reduction driven by increasing RWAs related to focus business growth & short term bond exposures

[1] 2020 includes regulatory changed related to RWA for STD approach (sovereigns) and SME Supporting Factor as implemented in 2Q20 (93bp) and 4Q20 (22bp), of which 33bp are related to SME Supporting Factor.

Robust Asset Quality in Portfolios



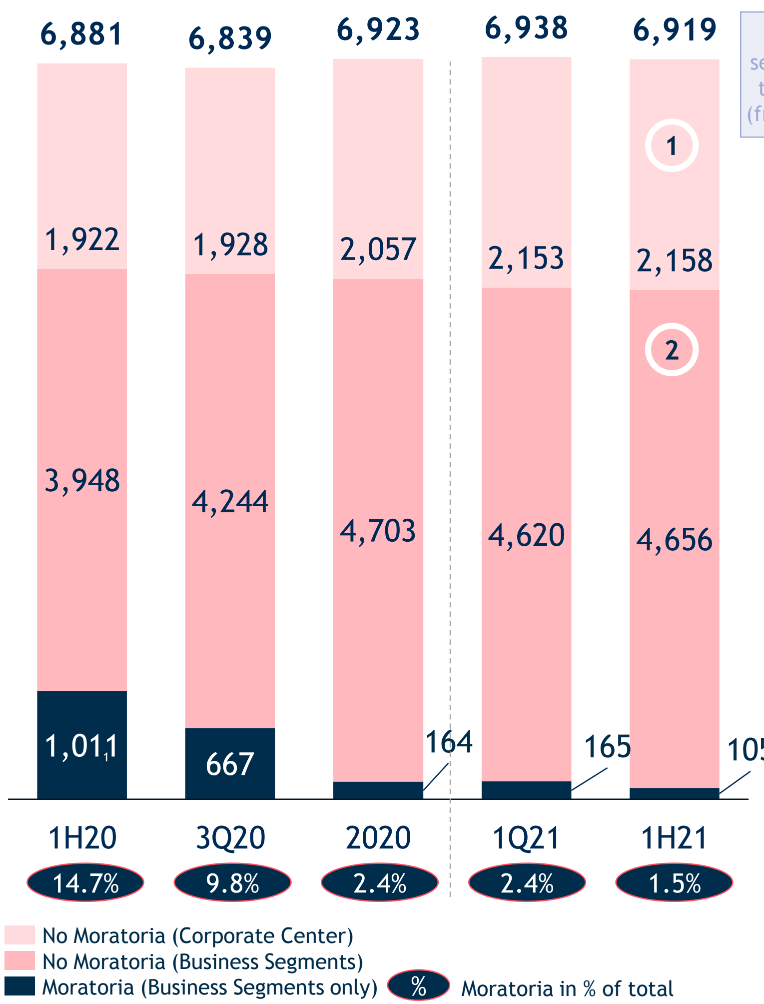
	Consumer 1H20	Consumer 3Q20	Consumer 2020	Consumer 1H21	SME 1H20	SME 3Q20	SME 2020	SME 1H21	Non-Focus 1H20	Non-Focus 3Q20	Non-Focus 2020	Non-Focus 1H21
>90 days	3.9%	4.0%	4.0%	3.6%	2.8%	2.9%	2.9%	2.8%	4.8%	4.7%	4.1%	4.2%
1 to 90 days	3.2%	3.5%	3.8%	4.8%	3.6%	7.2%	3.4%	3.3%	4.5%	3.4%	3.0%	2.9%
No overdue (%)	93%	92%	92%	92%	94%	90%	94%	94%	91%	92%	93%	93%

- Resilient asset quality underpinned by stable payment behaviour compared to 2020 - despite expiring moratoria
- Limited migration into >90 days past due bucket
- Early warning monitoring process in place - exposures in moratoria and those exiting moratoria tightly monitored

Total Exposure in Moratoria Down to 1.5% as of 1H21

Gross Exposure in Moratoria

Reported, €mn



Exposure in Moratoria

Reported, 1H21, €mn

Affected by moratoria
Not affected by moratoria

By Segment

	Affected by moratoria	Total exposure	% Moratoria	% Moratoria of Total (excl. CC)	# of customers
Consumer	37	1,497	2.4%	0.8%	2.7k
SME	33	1,777	1.8%	0.7%	89
Mortgages	7	650	1.1%	0.1%	161
Large Corp. & Public	28	732	3.7%	0.6%	10
Corporate Center (CC)		2,158 (1)	0%		0
TOTAL	105	6,814	1.5%		c. 2.9k
Total (excl. CC)	105	4,656 (2)	2.2%		

By Country

	Affected by moratoria	Total exposure	% Moratoria	% Moratoria of Total (excl. CC)	# of customers
Slovenia	23	1,630	1.4%	0.5%	308
Croatia	14	2,581	0.5%	0.3%	68
Serbia	50	1,007	4.7%	1.1%	2.2k
BiH	14	1,088	1.3%	0.3%	206
Montenegro	4	231	1.7%	0.08%	1661
Austria		276	0%	0%	0
TOTAL	105	6,814	1.5%		

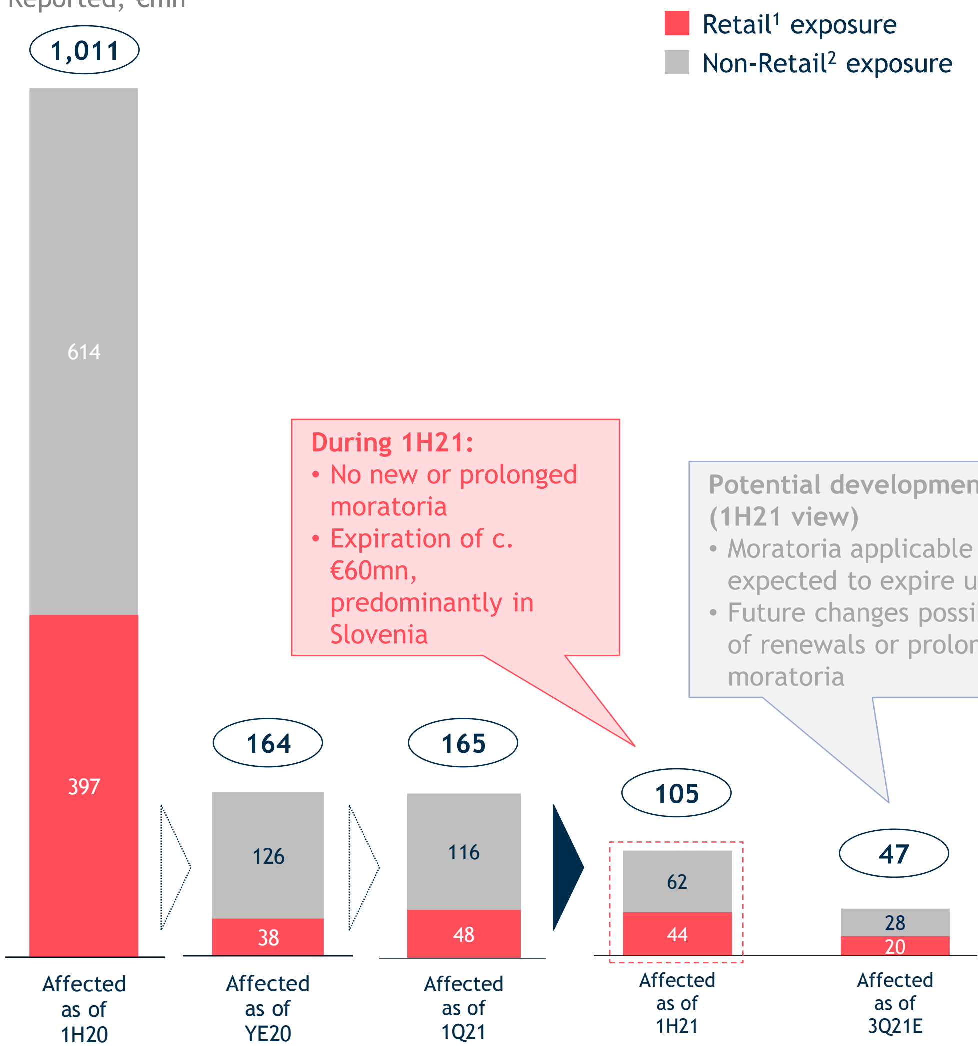
- Moratoria exposure down to €105mn (1Q21: 165mn, YE20: €164mn) equalling 1.5% of total and 2.2% of business segment exposure
- 48% of remaining moratoria exposure and 75% of customers in Serbia (influenced by moratorium introduced in 1Q21, up €20mn in 2Q21)
- Largest decline of moratoria in SME segment (-54% vs. 1Q21)

Moratoria Exposure Development

Addiko Bank

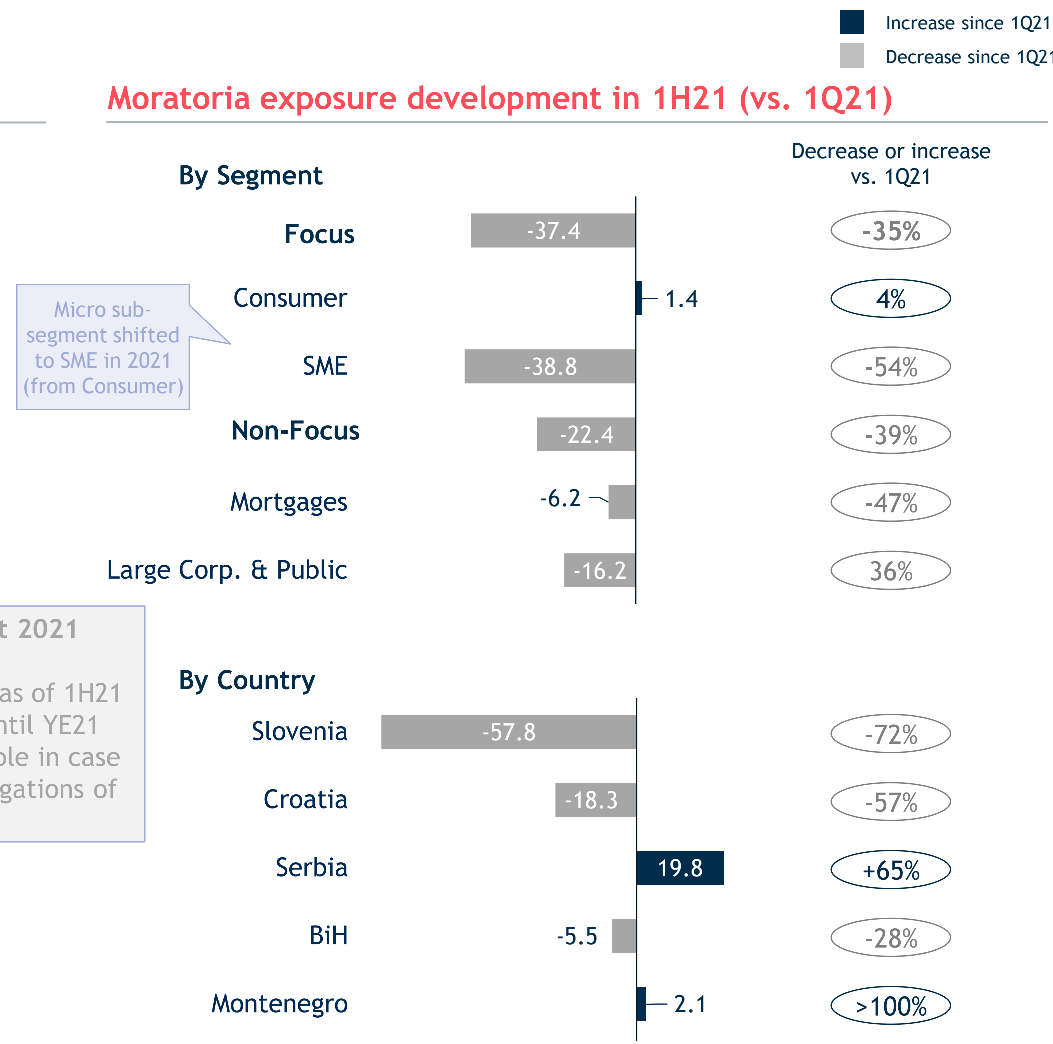
Exposure in Moratoria and development

Reported, €mn



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

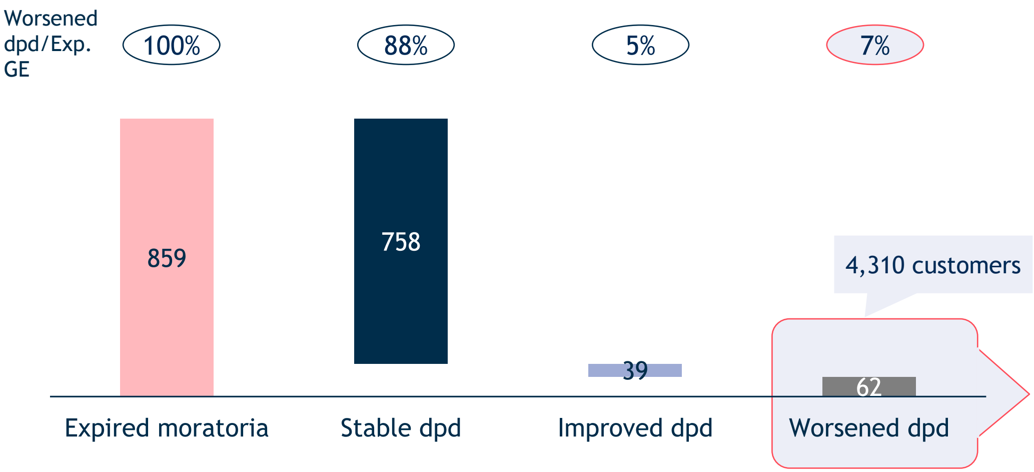
Moratoria exposure development in 1H21 (vs. 1Q21)



- Significant reduction in Slovenia
- Inflow mainly related to Serbia (application deadline expired end of April)
- Continued & tight monitoring of moratoria exposure in place

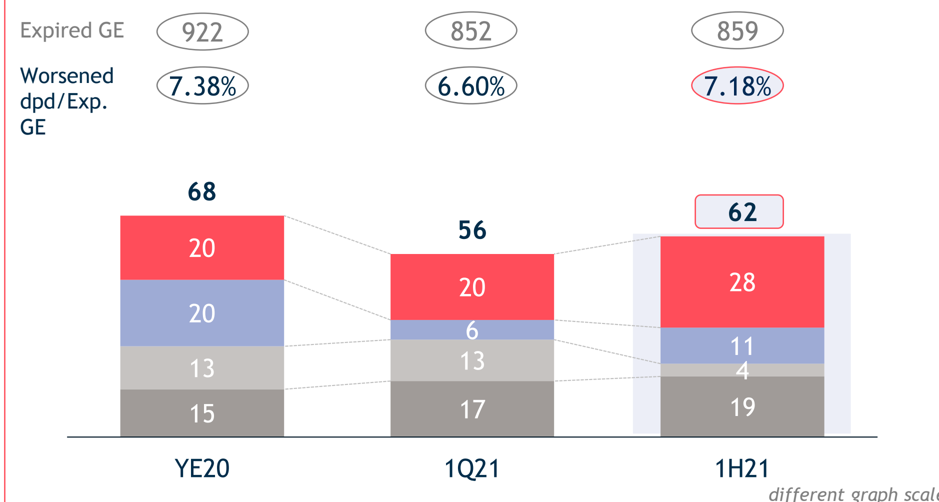
Expired moratoria exposure: Development 1H21 vs. ultimo 1Q20 as base (i.e. not in moratoria as of 1H21)

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

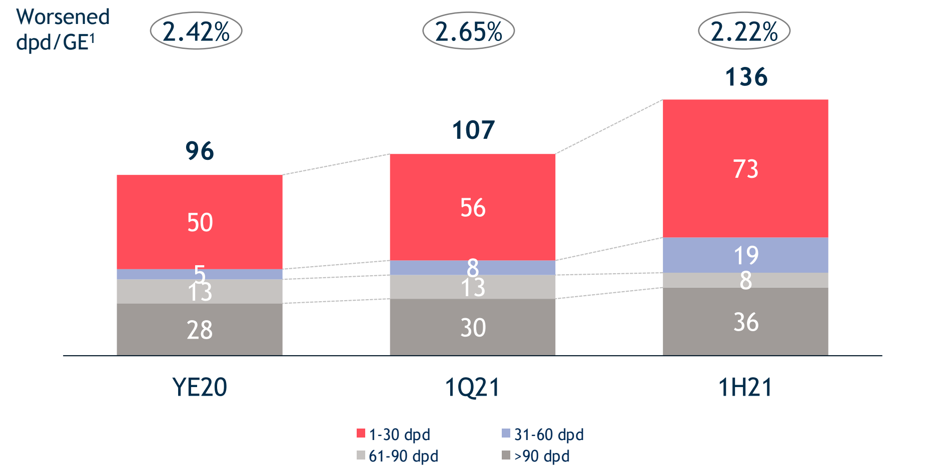


Worsened dpd: Expired moratoria portfolio in dpd buckets …

Exposure by dpd bucket in €mn (excl. improved dpd)



… vs. the same view on the portfolio with no moratoria



Expired moratoria

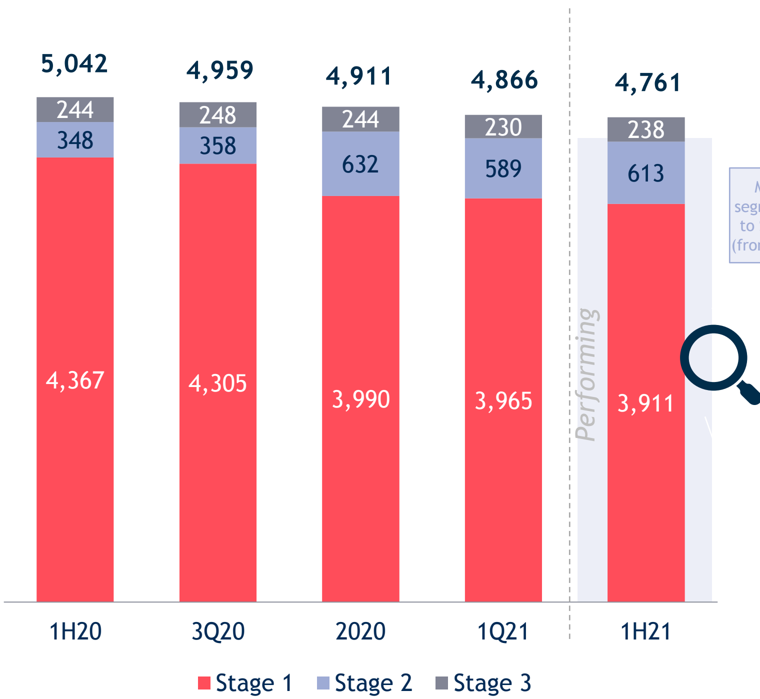
- **Steady development with only €62mn of expired moratoria exposure worsened in terms of days past due** (dpd) compared to 1Q20, while €39mn improved (net worsened exposure at €23mn)
- So far **>90% of expired moratoria portfolio has not worsened** in terms of customers' payment behaviour

[1] Excluding Financial Institutions

Addiko Bank

Stage 1, 2 and 3 assets[1]

€mn



	1H20	3Q20	2020	1Q21	1H21
Stage 3	5%	5%	5%	5%	5%
Stage 2	7%	7%	13%	12%	13%
Stage 1	88%	88%	82%	83%	82%

Change vs. 1Q20

As of 1H21 (numbers in brackets are as of 1Q21)

% GE (rounded) — Base 1Q20	Stage 1	Stage 2	Stage 3
Stage 1	88% (90%)	10% (10%)	1% (1%)
Stage 2	40% (37%)	47% (52%)	13% (12%)
Stage 3	3% (3%)	2% (2%)	95% (95%)

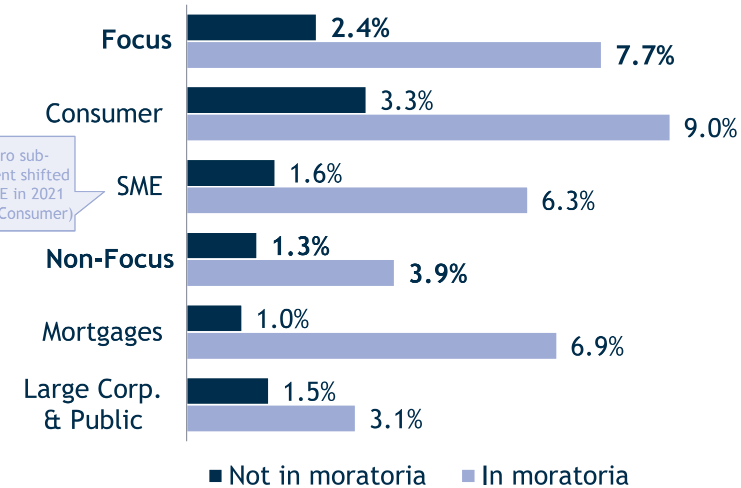
[1] Excluding Corporate Center.

Stage improved (green: Stage 2 → Stage 1, Stage 3 → Stage 1, Stage 3 → Stage 2) · Stage worsened (red: Stage 1 → Stage 2, Stage 1 → Stage 3, Stage 2 → Stage 3)

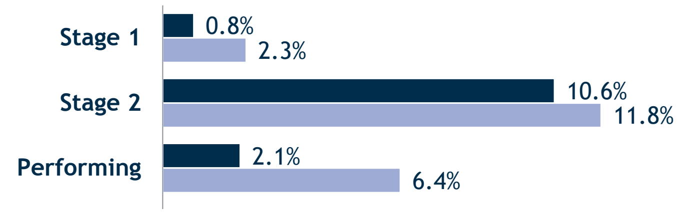
Business segments: Stage 1 & 2 (Performing) coverage

1H21

By Segment



By Stage (different graph scale)



ECL coverage (YTD)

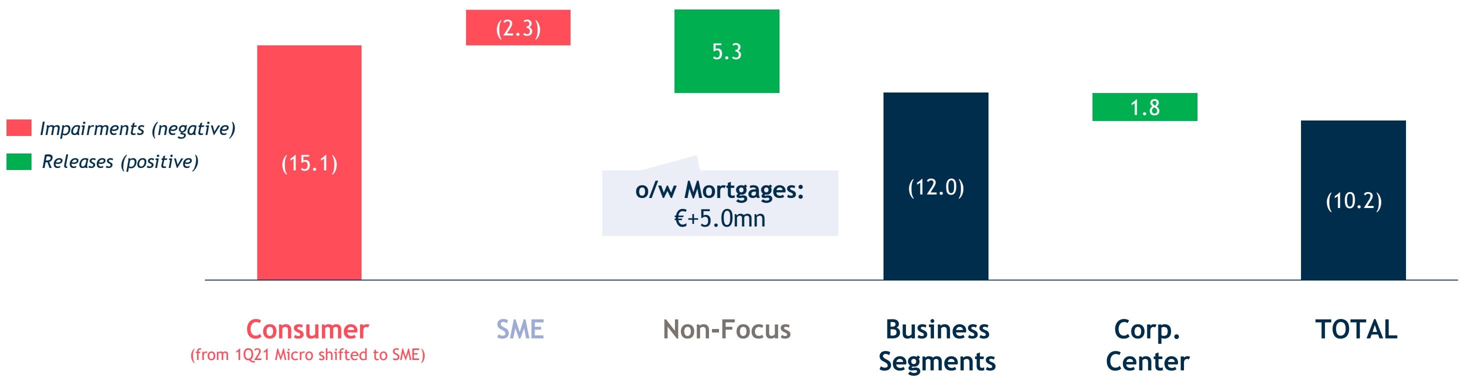
	1H21	1Q21	YE20	3Q20
Focus	2.5%	2.4%	2.4%	2.1%
Consumer	3.5%	3.2%	3.2%	3.2%
SME	1.7%	1.8%	1.8%	1.1%
Non-Focus	1.4%	1.4%	1.5%	1.5%
Mortgages	1.1%	1.5%	1.5%	2.3%
Large Corp. & Public	1.6%	1.4%	1.4%	0.8%
Stage 1	0.9%	0.8%	0.8%	0.7%
Stage 2	10.7%	10.9%	10.4%	15.5%
Performing	2.2%	2.1%	2.1%	1.9%

- **Minor shifts between Stage 1 and Stage 2 continue** due to ongoing effects of Covid-19
- **Expected Credit Loss (ECL) coverage** for performing business segment assets in Stage 1 & 2 **stable** at 2.2% (1Q21: 2.1%, 2020: 2.1%, 3Q20: 1.9%, 1H20: 1.8%)
- ECL coverage among the highest for comparable banks

Provisioning in Line with Developments and IFRS 9

Credit loss expenses on financial assets

1H21, €mn, positive number for release



	Consumer	SME	Non-Focus	Business Segments	Corp. Center	TOTAL
1Q21	(6.0)	(0.7)	2.9	(3.8)	(0.3)	(4.1)
2Q21	(9.0)	(1.6)	2.4	(8.2)	2.1	(6.1)

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

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

Focus areas

QTD

	2Q20	3Q20	4Q20	1Q21	2Q21
Consumer (from 1Q21 Micro shifted to SME)	(0.93)% (1.09)% on NL	(0.27)% (0.31)% on NL	(0.04)% (0.05)% on NL	(0.41)% (0.47)% on NL	(0.59)% (0.71)% on NL
SME	(0.39)% (0.62)% on NL	(0.25)% (0.41)% on NL	(0.69)% (1.15)% on NL	(0.04)% (0.06)% on NL	(0.09)% (0.15)% on NL

Group 1H21

Business Segments	TOTAL
(0.25)% (0.34)% on Net Loans	(0.21)% (0.29)% on Net Loans

- **1H21 IFRS 9 provisions of €-10.2mn resulting** in -0.29% **cost of risk** (on net loans):
  - Consumer$_{\text{(excl. Micro)}}$: -1.18%
  - SME$_{\text{(incl. Micro)}}$: -0.22%
  - Non-Focus: +0.44%
- **Continued tight portfolio monitoring** - especially for clients exiting moratoria
- **Better than expected operational portfolio development**
- Updated macroeconomic scenarios embedded in 1H21 to reflect slower recovery than initially anticipated
- Further economic recovery expected during 2H21

1H21 Executive Summary

Financials & Risk Update

Wrap-up

Additional Materials

Sharpened Outlook 2021	• The return to pre-crisis operating environment will largely depend on the ongoing evolution of the pandemic during the second half of 2021 • **For the full year 2021 the Group currently expects:** ➔ **Gross performing loans:** c. €3.5bn with >5% growth in focus ➔ **Net Banking Income:** stable at 2020 level ➔ **Operating expenses:** below €174mn ➔ **CET1 ratio:** above 18.6% on a transitional basis Sharpened: ➔ **Sum of other result and credit loss expenses on financial assets:** <1% on average net loans and advances to customers
Dividends	• **Tranche 2 (conditional) of the 2020 Dividend approved by AGM:** – Up to c. €39.6mn (€2.03 per share) with payment currently expected in 4Q21 under the **precondition** that neither a recommendation of the ECB would in the company's view conflict with a distribution of dividends nor a legally mandatory distribution restriction is effective or applicable – New ECB recommendation lifting dividend ban from last year. Therefore, Addiko currently expects distribution after 30 September 2021 in line with AGM decision from 26 April 2021
Next Steps	• Execution of the Transformation Program • SREP process in progress (draft expected towards YE21) • AQR started in June 2021 (finalization expected during the first half of 2022) • 3Q21 results call scheduled for 3 November 2021 at 2:00pm CET (Vienna time)

1H21 Executive Summary

Financials & Risk Update

Wrap-up

Additional Materials

Addiko Bank

Overview of Addiko

- ✓ Fully licensed bank with HQ in Austria, focused 100% on Central and South Eastern Europe
- ✓ Addiko Bank AG is regulated by the Austrian Financial Market Authority ("FMA")[1] and by the European Central Bank ("ECB")
- ✓ 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)

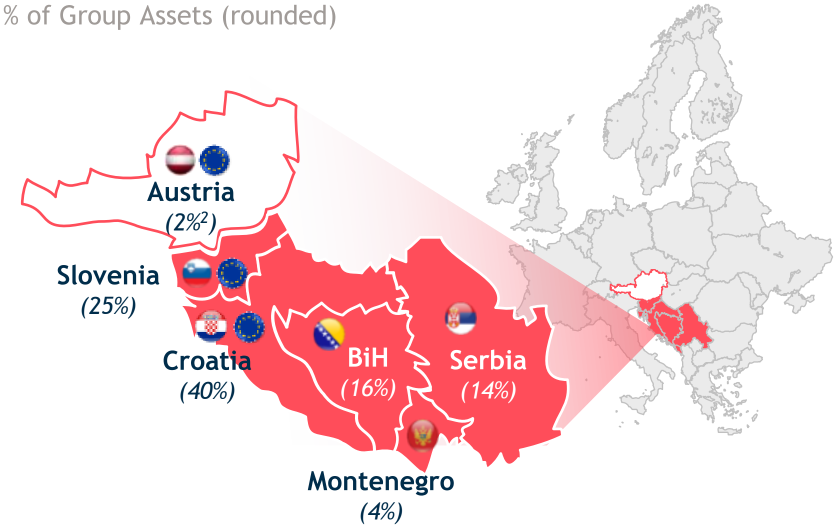
Repositioned as a focused CSEE specialist lender

Consumer

SME

Operating as one region - one bank

1H21, % of Group Assets (rounded)



1H21

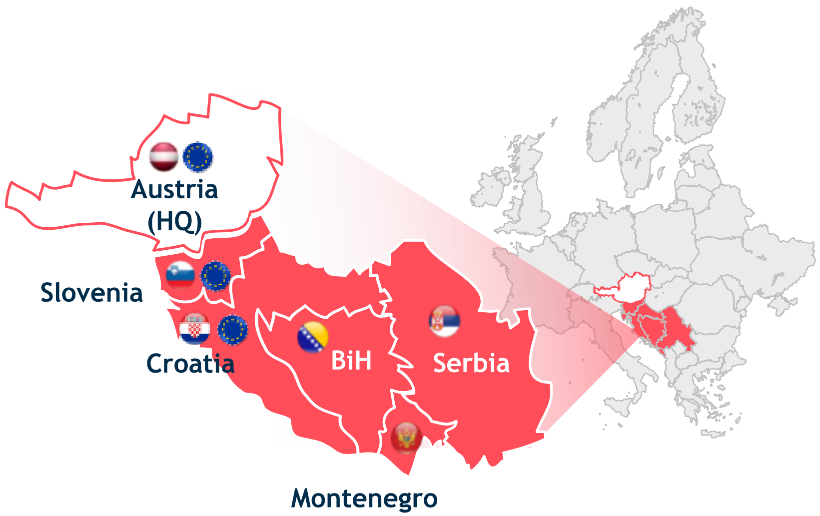
~0.8mn *Customers*	**166** *Branches*	**€5.9bn** *Total Assets*	**66%-34%** *EU vs. EU accession asset split*[3]
€3.5bn *Loans and Receivables*	**€4.7bn** *Customer Deposits*	**€850mn** *Equity*	**Ba1(cr)/NP(cr)** *Counterparty Risk Assessment issued by Moody's*

[1] Finanzmarktaufsicht Österreich.
[2] Includes total assets from Holding (€1,034mn) and consolidation/recon. effects of (-€849mn).
[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

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 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

Liquid balance sheet
- LCR ratio: 212% (YE20: 209%)

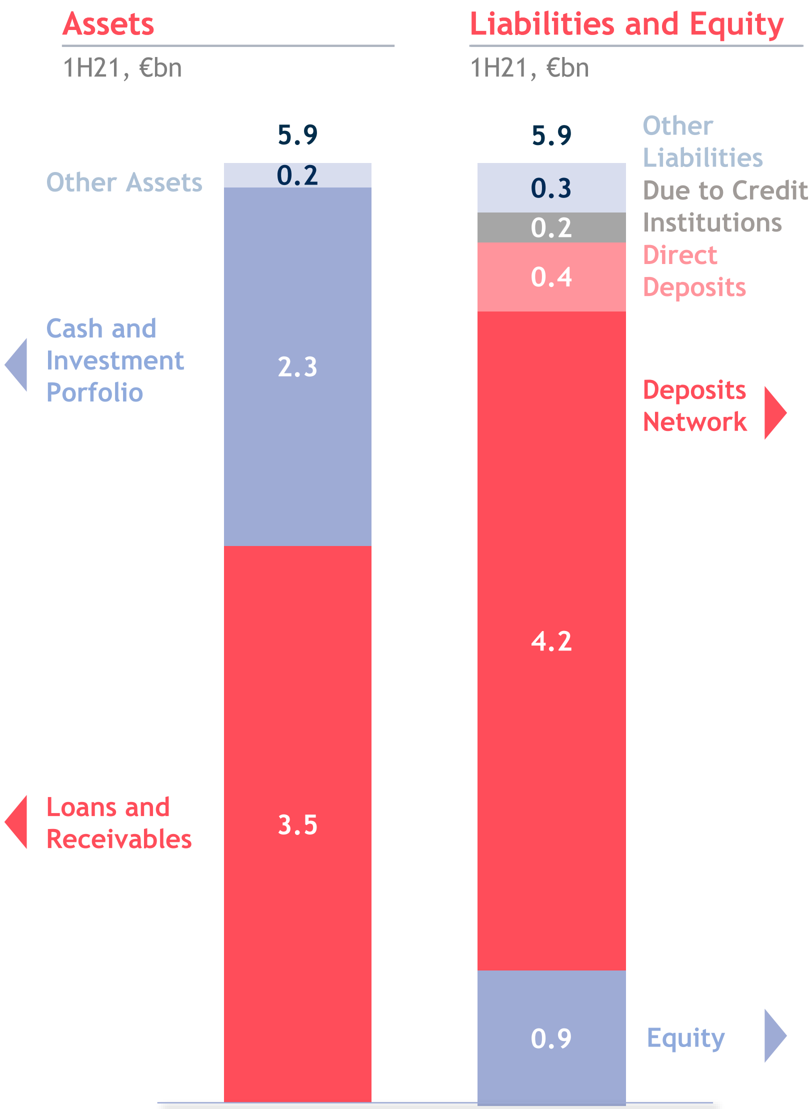
Liquid assets
- €1.15bn of cash (-10bps)
- €1.11bn of investment portfolio (121bps)

Data as of 1H21

Substantially de-risked asset base
- NPE ratio: 3.4% (YE20: 3.5%)
- NPE ratio $_{\text{(on balance)}}$:6.0% (YE20: 5.9%)

Solid provision coverage levels
- 71.7% NPE coverage ratio (YE20: 73.6%)
- 118.0% incl. collateral (YE20: 122.6%)

Data as of 1H21



Strong deposit base
- Loan-deposit ratio (customer) : 74.1% (YE20: 75.8%)

Funding surplus[1]: c. €1.2bn

Data as of 1H21

Robust capital base
- 18.9%[2] fully-loaded CET1 ratio (proposed dividend already deducted)

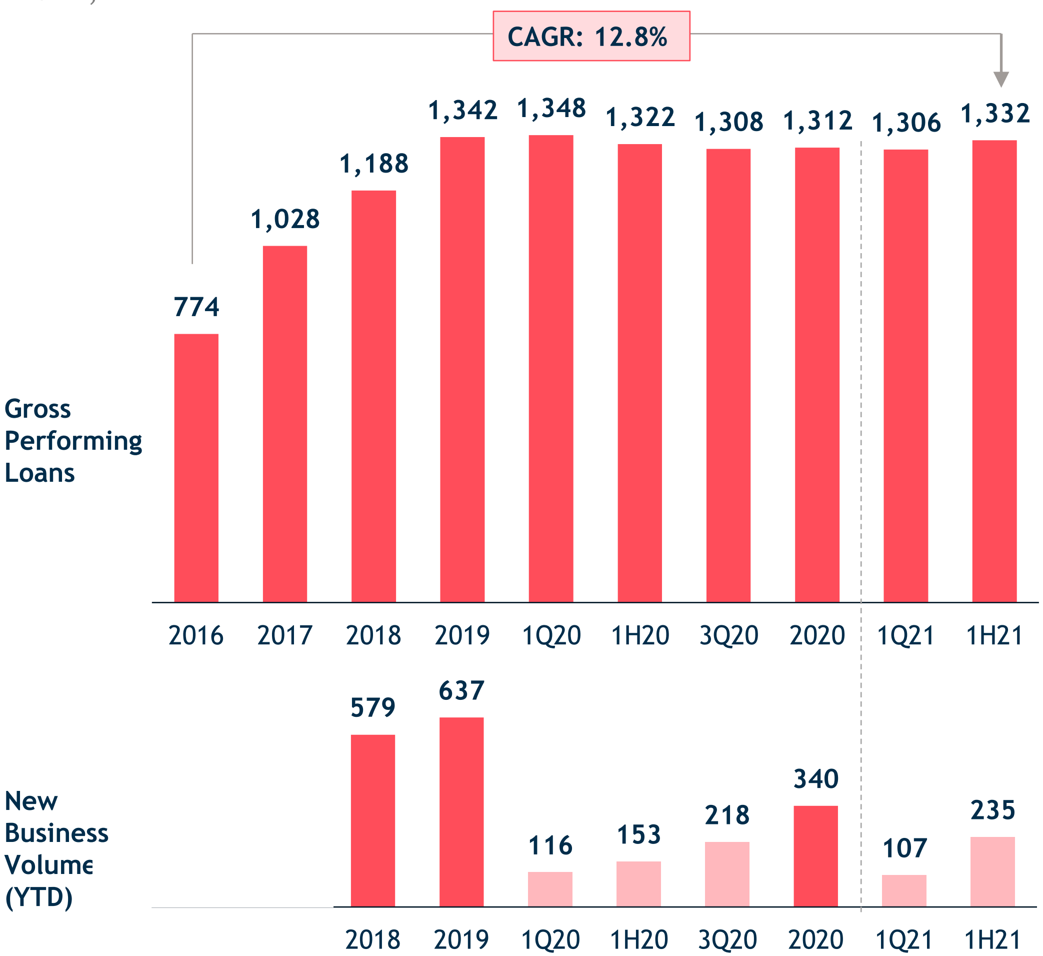
Ongoing RWA optimization, potential capital optimization with eligible instruments in future

Data as of 1H21

[1] Calculated as difference between deposits of customers and loans and advances to customers. [2] Transitional CET1 ratio amounts to 19.8% as of 1H21.

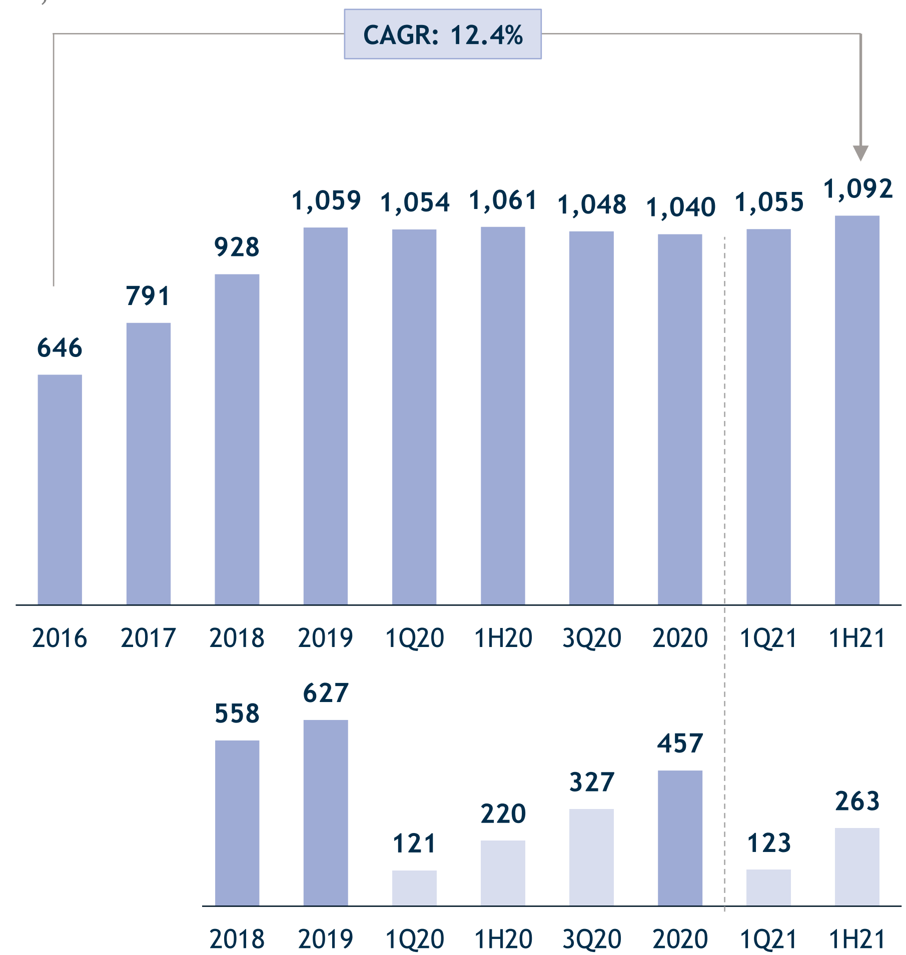
Consumer (from 1Q21 Micro shifted to SME)

€mn, YTD



SME

€mn, YTD



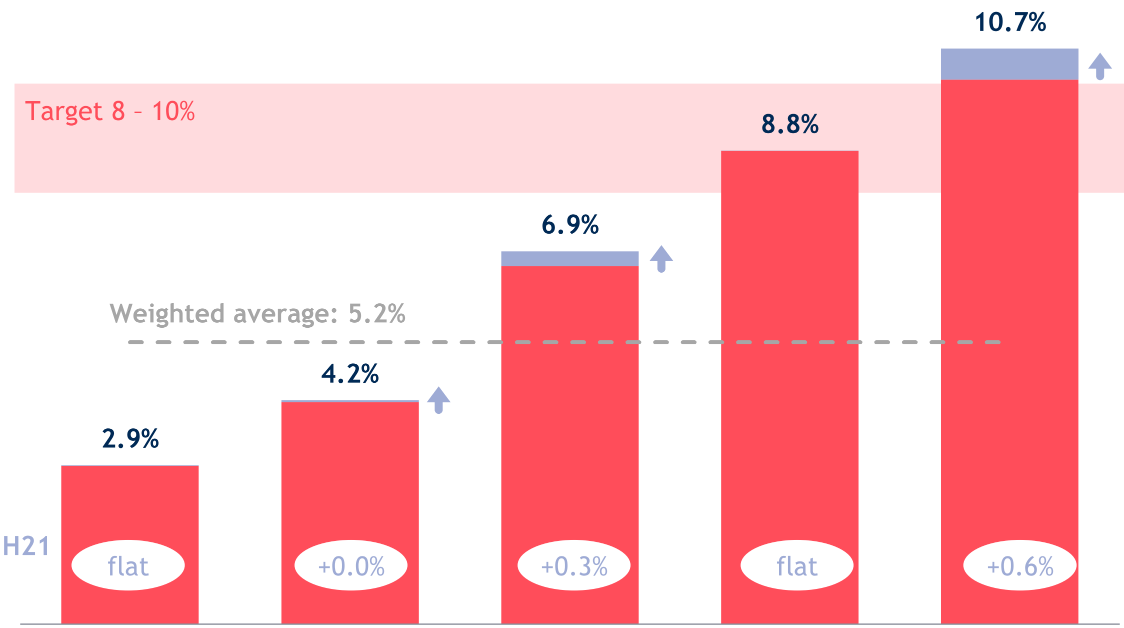
- Consumer returning to small growth with +2% vs. 1Q21
- New business up by 54% YoY

- SME up +4% vs. 1Q21
- New business up by 19% YoY

Addiko market share - unsecured consumer loans (stock outstanding, 1H21)[1,2]

		Serbia	Croatia	Bosnia & Herzegovina	Slovenia	Montenegro
Market Size, €bn		6.9	9.6	4.1	4.0	0.9
Market Growth (1H21 vs. 2020)		+4.2%	-0.6%	+2.5%	-3.6%	-6.6%
Flow Market Share[3]	1H21	2.4%	5.3%	4.6%	4.8%	14.1%
	2020E	2.8%	3.6%	3.6%	3.4%	7.0%

Stock Market Share (1H21)

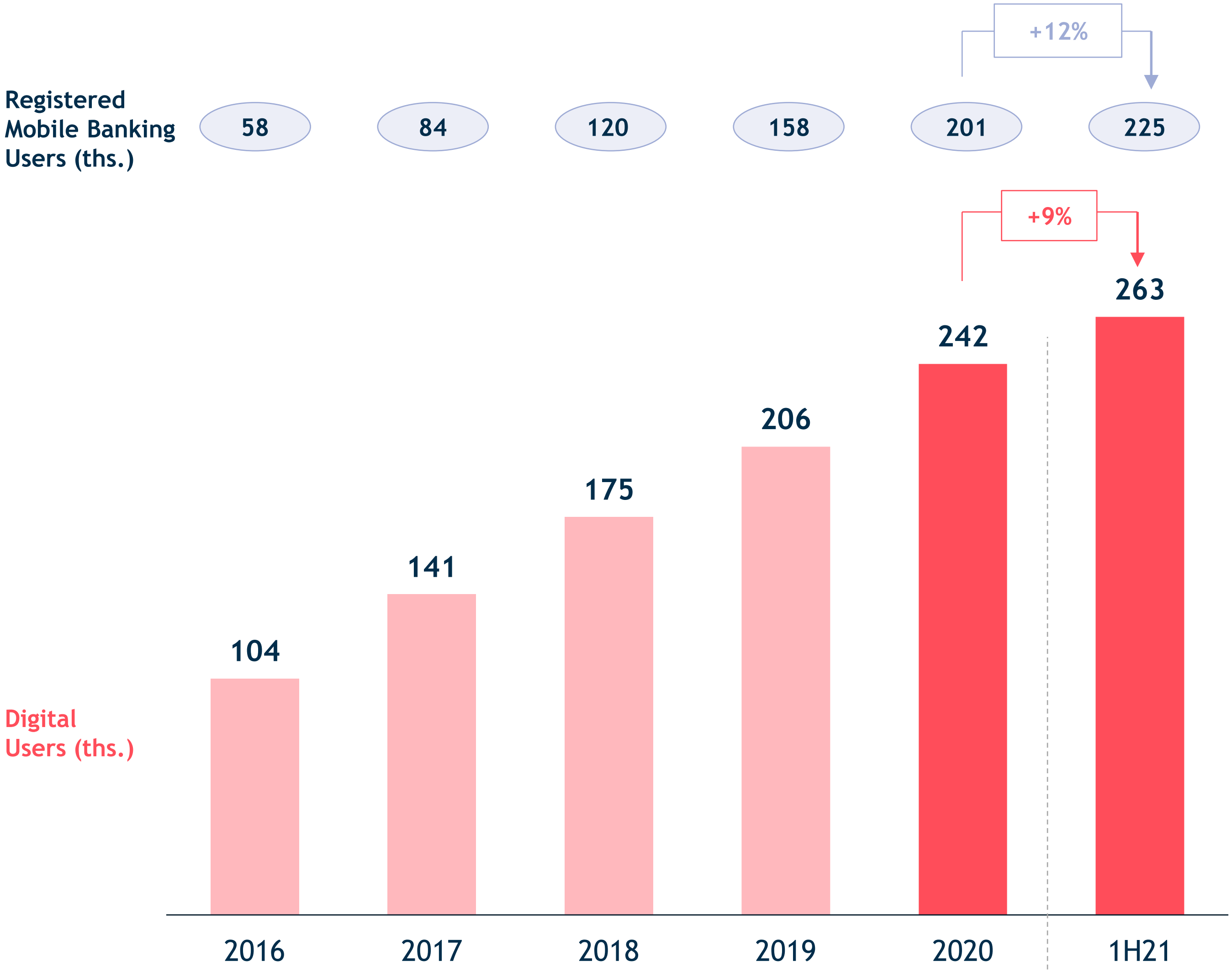


Change 1H21 (vs. 2020)

- **Consumer lending market size inching up by +1.3% again vs. 2020**
- Serbian market with highest growth while being 2nd largest market
- **Overall market share in CSEE remained relatively flat vs. 2020** also impacted by restrictions in 1H21
- **Flow market share started to pick up in largest market Croatia**
- **Demand coming back - 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 June 2021. [3] Addiko consumer disbursements divided by total local market consumer new business as available.

Digital capabilities



+7% Mobile banking users
(vs. 1Q21)

+5% Digital users
(vs. 1Q21)

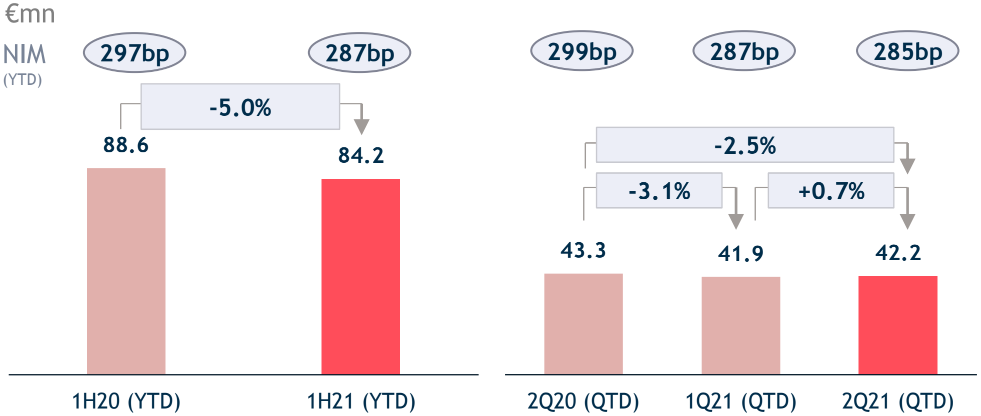
28% Bank@Work
(1Q21: 29%
4Q20: 30%, 1H20: 28%)

36% Digital consumer loans[1]
(1Q21: 34% incl. digitally initiated loans
YE20: 16%, 1H20: 11% both of which exclude digitally initiated loans)

28% Digital SME loans[2]
(1Q21: 26%
4Q20: 13%, 2Q20: 4%)

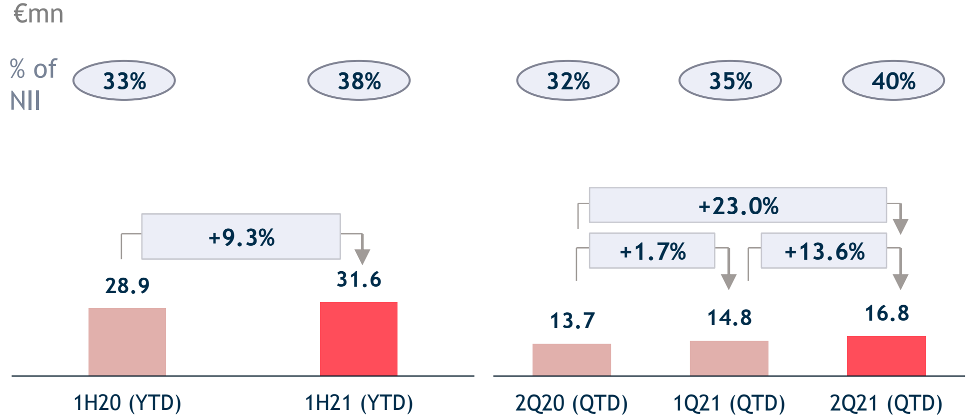
[1] Consumer loans originated through Web (incl. digitally initiated loans and overdraft in Slovenia) / total consumer loans disbursements.
[2] Simple SME term loans sold via digital platform as of 1H21 of all subsidiaries (previously only Slovenia and Serbia were reported; the corresponding number would be in 1H21: 24%, 1Q21: 34%).

Net interest income



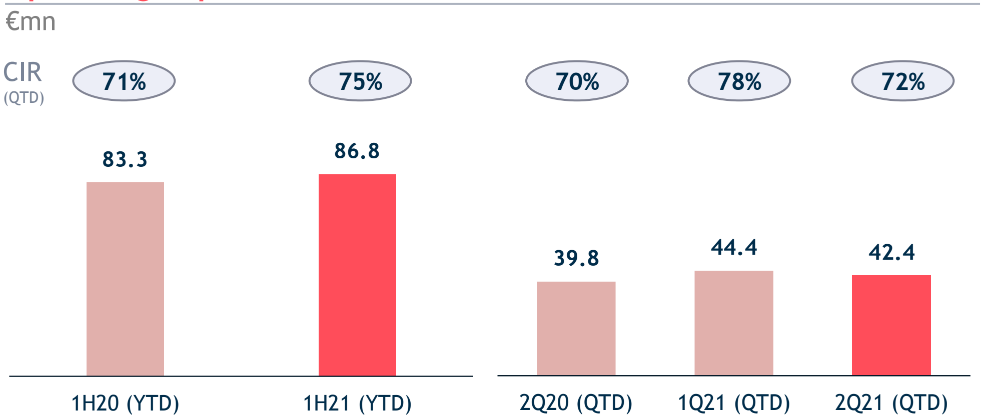
- Regular interest income in focus inching up during 2Q21 while non-focus reduction was accelerated
- Deposits stable with lower deposit yields (c. -10bp YoY)
- NIM impacted by excess liquidity

Net fee and commission income



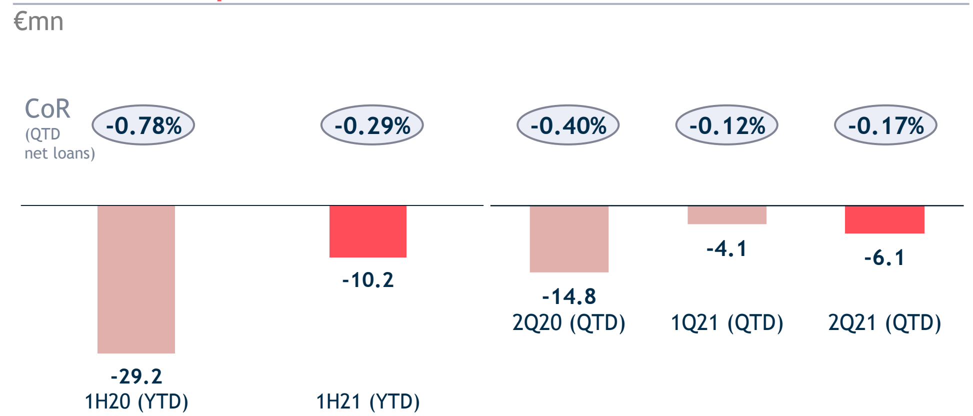
- Net commission income higher YoY supported by increased new business and elevated payment transactions
- Positive trend in 2Q21 driven by accelerated business activities

Operating expenses[1]



- 1H21 including bonus accruals of c. €3mn (1H20: €0mn) and cost for management changes (c. €1.5mn) as well as higher marketing costs vs. 1H20 - partially compensated by lower spending

Credit loss expenses on financial assets



- Credit losses lower than expected mainly driven by limited net NPE inflow – still influenced by moratoria
- Releases from non-focus portfolio reiterate asset quality

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

Financials: Key Financials 1H21

Addiko Bank

Key financials (YTD)

Reported, €mn

Group income statement (reported)	1H20 (New P&L logic)	1H21 (New P&L logic)
Interest income	100.3	93.6
Interest expense	-11.7	-9.5
Net interest income	**88.6**	**84.2**
Net fee and commission income	28.9	31.6
Net banking income	**117.5**	**115.8**
Other income [1]	-6.8	-0.9
Operating income	**110.8**	**114.9**
Operating expenses	**-83.3**	**-86.8**
Operating result [2]	**27.5**	**28.1**
Other result [3]	0.1	-9.0
Credit loss expenses on financial assets	-29.2	-10.2
Result before tax	**-1.6**	**8.9**
Tax on income	-10.6	-2.8
Result after tax	**-12.2**	**6.1**
Group balance sheet	**1H20**	**1H21**
Net customer loans	3,740.1	3,517.2
Total assets	5,939.0	5,932.4
Customer deposits	4,739.4	4,743.8
Shareholders' equity	826.3	849.6
Key ratios	**1H20**	**1H21**
NIM	297	287
Cost/income ratio	70.8%	75.0%
Cost of risk (net loans)	-0.8%	-0.3%
RoATE (@14.1% CET1)	-1.0%	1.8%
Loan-deposit ratio (customer)	78.9%	74.1%
CET1 ratio (transitional)	19.0%	19.8%
Total capital ratio (transitional)	19.0%	19.8%

Key highlights

- **Interest income** lower by €-6.7mn influenced by:
  - Continued margin pressure in Consumer (rates down by 13bps) and high market liquidity, partially compensated by higher new business volumes in focus (up €42mn YoY)
  - Accelerated run-down in non-focus portfolio (€-4.1mn)
  - Lower return on bond portfolio (€-1.2mn) reflecting current market environment and continued negative market interest levels

- **Interest expense** decreased by €2.2mn due to continued deposit re-pricing (-10bp) and further shift from higher-yield term deposits to lower-yield a-vista deposits

- **Net fee and commission income up** by €-2.7mn mainly driven by increasing business activities with Consumer clients and contribution from business with SMEs

- **Other income up** due to balance sheet optimization, **increased market values** (interest rate SWAPs), **lower deposit insurance costs** as well as **lower restructuring costs vs. 1H20 (€1.9mn)**
- **Other result** influenced by provision add-on related to passive legal claims (€-7.1mn)

- **Operating expenses:** higher due to regular bonus accruals in 2021 (c. €3.0mn) and costs for management change (c. €1.5mn) partially compensated by lower spending

- **Credit loss expenses on financial assets significantly decreased YoY** with overall lower credit losses in 1H21 driven by lower net NPE inflow and resilient high asset quality

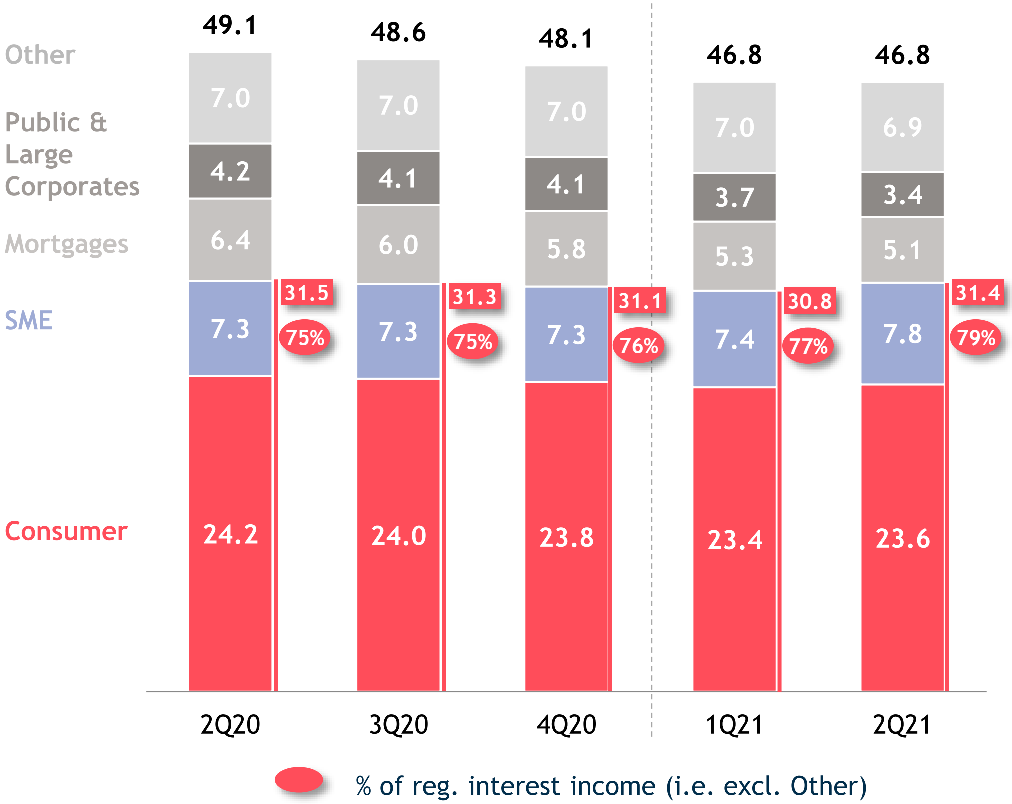
- **Capital ratios up YoY:** operational RWA developments and regulatory changes during 2020

RoATE (@14.1% CET1) at 1.8%

[1] Includes net result on financial instruments and other operating result. [2] Operating result before impairments and provisions.
[3] Includes non operational items (legal case provisions, impairments on financial assets and modification losses).

Interest income by quarter[1]

Reported, €mn



- Stabilization of interest income driven by growth in focus loan book, compensating non-focus reduction
- Run-down in non-focus continued

- Micro sub-segment shifted to SME in 2021 (from Consumer)
- No impact on yields since size of shifted portfolio <€20mn

Gross yield by quarter[2]

	2Q20	3Q20	4Q20	1Q21	2Q21
Consumer	7.3%	7.3%	7.2%	7.2%	7.2%
Consumer	7.5% new business	7.5% new business	7.3% new business	6.8% new business	6.6% new business
SME	2.8%	2.7%	2.8%	2.9%	2.9%
SME	2.9% new business	2.8% new business	2.9% new business	3.3% new business	3.5% new business
Public & Large Corporates	2.4%	2.4%	2.6%	2.5%	2.5%
Mortgages	3.6%	3.6%	3.6%	3.4%	3.4%

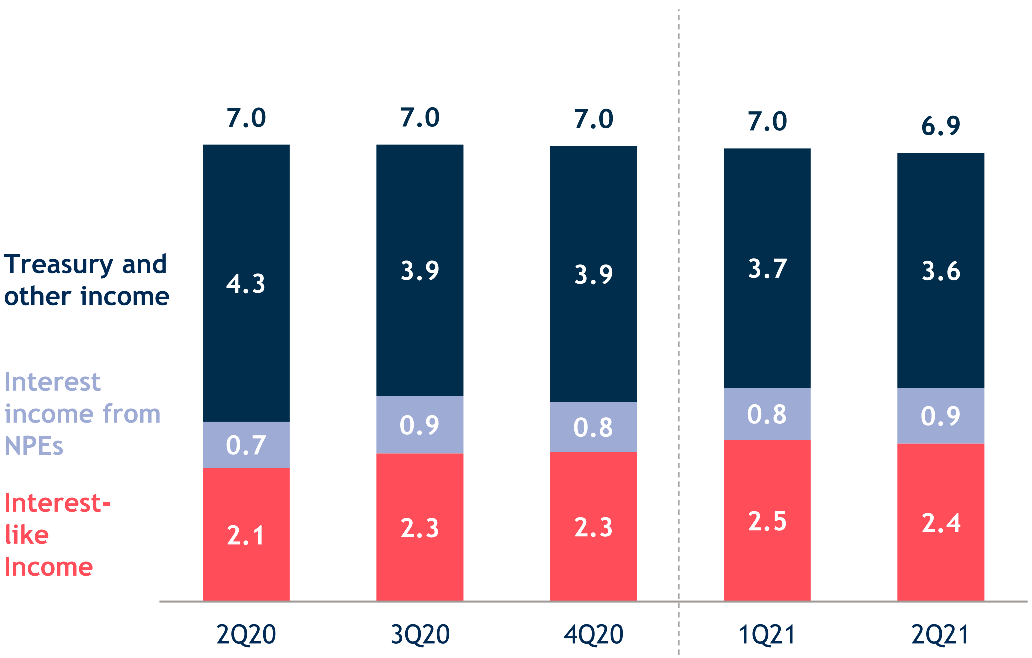
- Pressure on new business yields in Consumer driven by market sentiment and regulatory changes
- SME yields up due to strict focus on smaller tickets & digital
- Decline in Mortgage and Public & Large Corporates

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

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

Other interest income by quarter

Reported, €mn



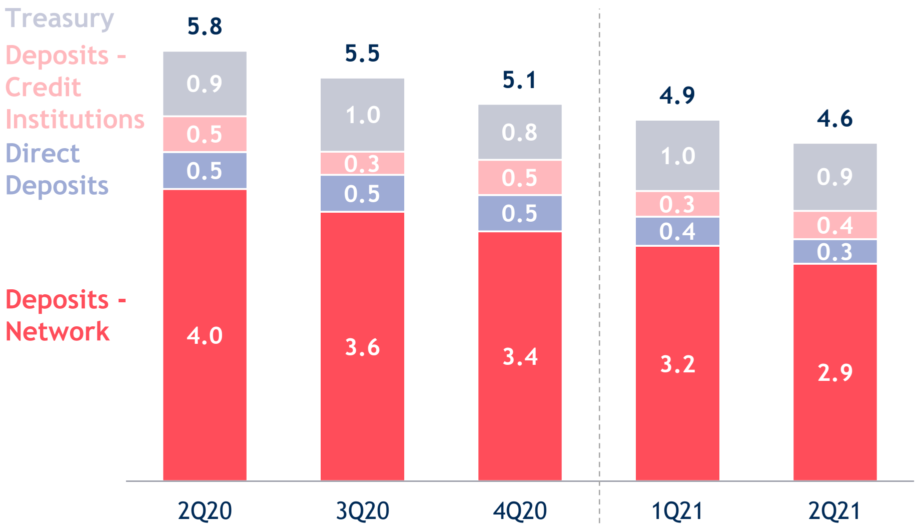
- **Treasury and other income:** stabilizing due to the overall yield environment
- Plain vanilla bond portfolio with bonds predominantly in investment grade (>75%) with c. 58% maturing in 2025:
  - 73% government bonds (72% investment grade)
  - 20% financial bonds (100% investment grade)
  - 6% corporate bonds (55% investment grade)

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

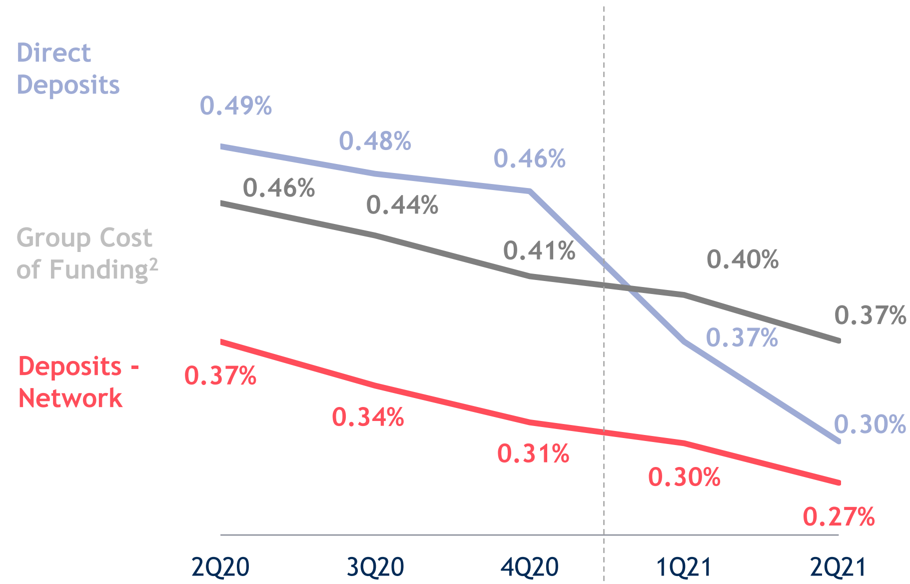
- **Interest like income** (i.e. fees accrued over the lifetime of the loan) **inching up based on increased** new business activities despite Covid-19 related lockdowns

Interest expense by quarter

Reported, €mn

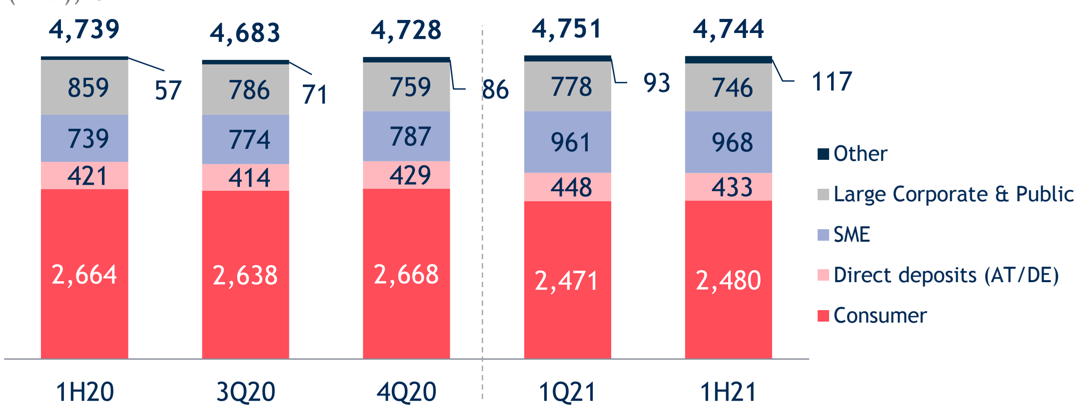


Cost of funding by quarter[1]



Stable customer deposit volumes

Reported (YTD), €mn

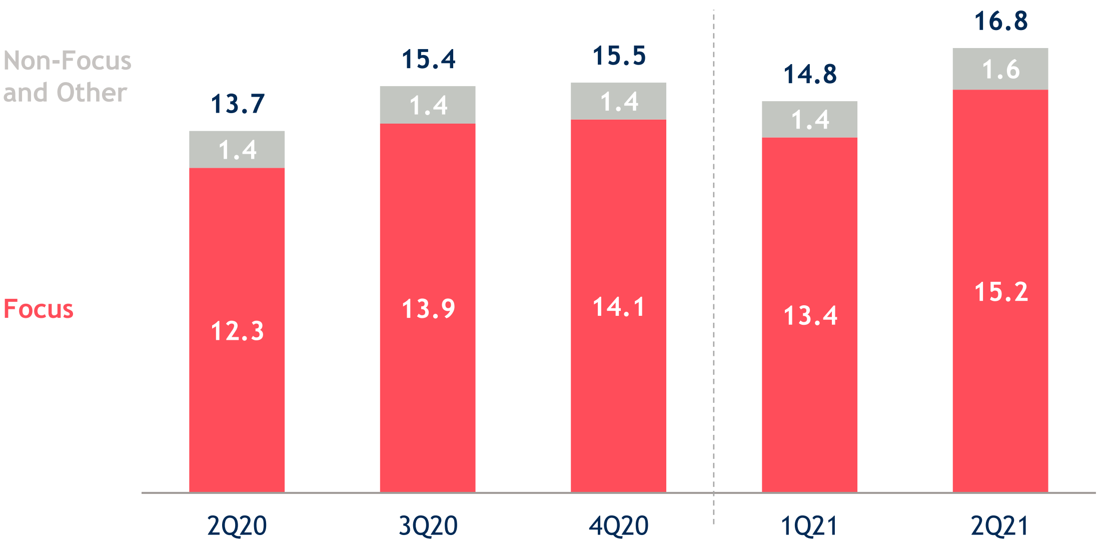


- **Customer deposit volume stable** at €4,744mn in 1H21 (€4,751mn in YE20)
- Allocation of Micro sub-segment from Consumer to SME since 2020 (shift visible in 1Q21)
- **Consistent reduction in deposit costs** in the network, with further reduction in 2Q21
- **Continued reduction in direct deposit costs** during 2Q21, following overall market trend

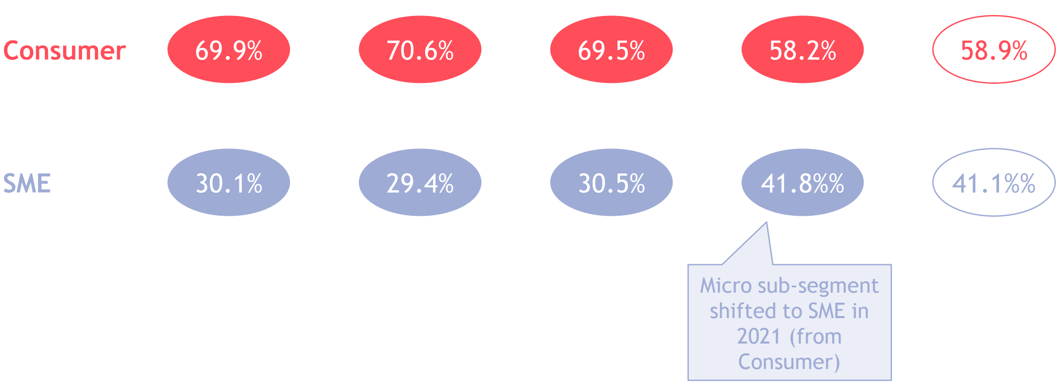
[1] Denominator based on simple average. [2] Includes customer deposit costs, costs for deposits from credit institutions and Treasury costs.

Net fee and commission income by quarter

Reported, €mn



Focus

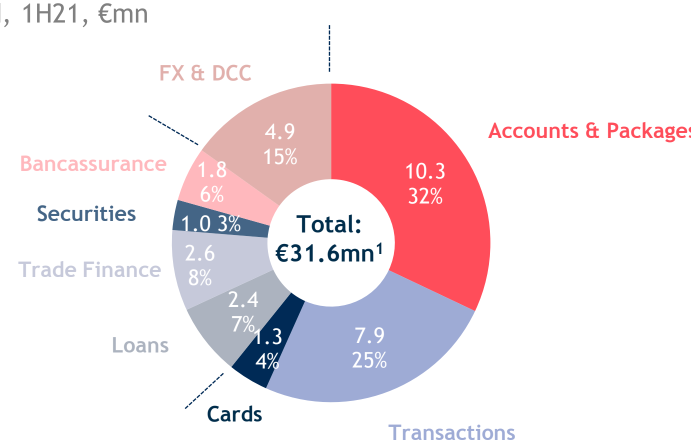


Key highlights

- New business activities at 82% pre Covid-19 levels: 2Q21 net commission income up 23.0% YoY and up 13.6% vs. 1Q21
- Bancassurance up 62% due to accelerated business activities and ongoing economic recovery after Covid-19 pandemic
- **Products:** increased contribution from accounts & packages and transactions continued in 1H21, contributing c. 58% of NCI
- NCI from accounts & packages up 6% YoY, from loans up 56% YoY with cards down by -13%
- Consumer and SME segments generate >90% of net fee and commission income

By product type

Reported, 1H21, €mn



[1] Excludes €0.6mn of negative contribution from "other".

Financials: Other Income

Other income breakdown (YTD)

€mn

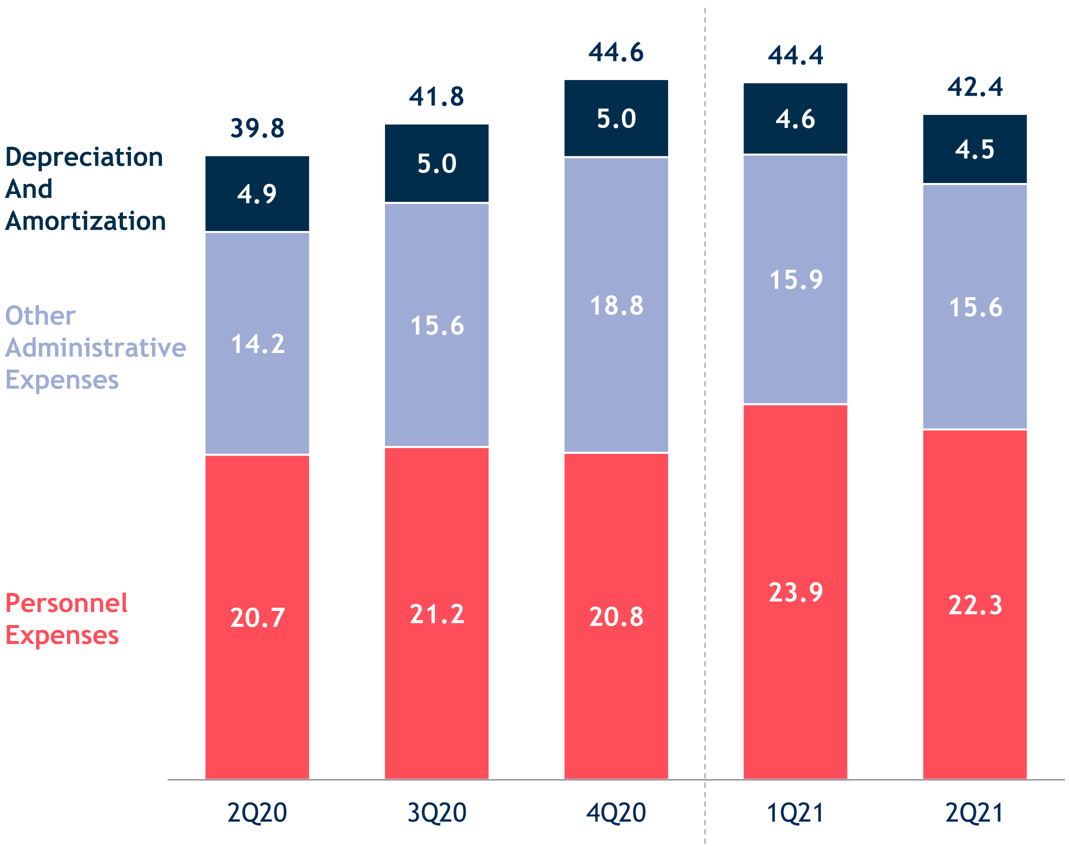
		New P&L logic 1H20	New P&L logic 1H21
1	Deposit guarantee	-3.9	-2.7
	Bank levies and other taxes	-1.4	-1.8
	Recovery and Resolution Fund	-1.4	-1.2
2	Restructuring	-2.7	-0.2
3	Other	0.8	1.1
	Other operating result	-8.7	-4.8
4	Net result on financial instruments	2.0	3.9
	Other income	**-6.8**	**-0.9**
5	Legal provisions (net)	0.2	-8.9
	Impairments non-financial assets (net)	-0.1	0.0
	Modification gains/losses	0.0	0.0
	Other	0.0	0.0
	Other result	**0.1**	**-9.0**

1. **Deposit guarantee:** Lower due to regulatory driven changes in Croatia from 1 January 2021
2. **Restructuring:** 1H20 impacted by restructuring cost/severance payments (€1.9mn)
3. **Other:** 1H21 includes gains from sale of investment properties in Bosnia & Herzegovina
4. **Net result on financial instruments:** 1H21 amounts to €3.9mn vs. 1H20's €2.0mn related to realized profits from the regular management of debt securities
5. **Legal provisions & Other:** 1H21 provisions mainly related to legal proceedings in relation to Swiss franc unilateral interest rate change and currency clauses in Croatia. 1H20 was positively influenced by the collection of €1.9mn from the final court decision in favor of one entity of the Addiko Group in relation to a resolved legal claim

Addiko Bank

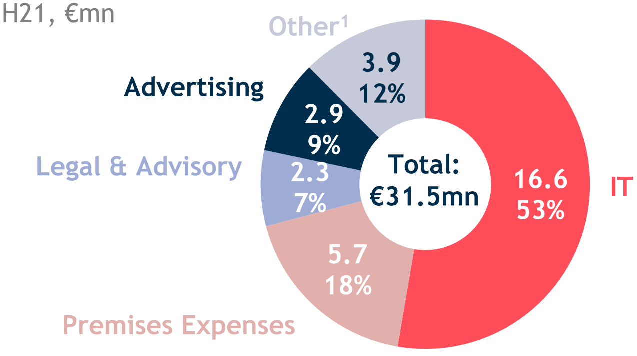
Operating expenses development by quarter

Reported, €mn



Administrative expenses

Reported, 1H21, €mn



- Overall cost base maintained, despite negative impact in 1H21 triggered by management changes (ca. €1.5m)
- In contrast to 2020's quarters, 1H21 includes performance-based bonus accruals in staff costs (ca. €3.0mn for 1H21)
- Administrative costs under control, despite normalizing marketing activities in 1H21 vs. 2020

- Further cost optimization potentials to reduce operative run-rate as part of Transformation Program
- Full year 2021 guidance of OPEX below €174mn remains intact, with management aiming to compensate for costs related to performed management changes

[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	1H21
Liquid Assets	3,287.6	2,582.5	2,211.8	2,034.5	2,121.8	2,262.9
Cash reserves	1,878.2	1,285.9	1,002.9	899.4	1,156.3	1,152.5
Investment Portfolio	1,409.4	1,296.6	1,208.9	1,135.1	965.5	1,110.3
Financial assets held for trading	17.4	19.8	24.3	38.5	36.4	34.1
Investment securities [1]	1,391.9[1]	1,276.8[1]	1,184.6	1,096.6	929.0	1,076.3
Loans and receivables	3,779.9	3,757.2	3,792.9	3,885.9	3,641.2	3,520.0
Loans and receivables to credit institutions	49.4	65.3	5.6	14.0	56.5	2.8
Loans and receivables to customers	3,730.5	3,691.9	3,787.3	3,871.9	3,584.7	3,517.2
Derivatives - hedge accounting	0.1	0.1	-	-	-	-
Tangible assets	70.4	57.3	57.7	85.9	78.8	75.3
Property, plant & equipment	67.9	55.3	55.7	81.8	74.0	70.8
Investment properties	2.5	2.0	2.0	4.1	4.7	4.5
Intangible assets	17.3	21.8	30.3	27.9	26.4	26.1
Tax Assets	2.6	22.3	28.3	25.7	25.2	25.6
Current tax assets	2.6	1.6	1.7	1.8	3.9	3.2
Deferred tax assets	-	20.6	26.6	23.9	21.3	22.4
Other assets	18.9	24.8	25.5	20.6	18.5	19.7
Non-current assets held for sale	39.3	19.5	5.7	3.1	2.7	2.8
Total assets	**7,216.1**	**6,485.5**	**6,152.1**	**6,083.6**	**5,914.5**	**5,932.4**
Deposits from credit institutions	316.0	341.6	324.4	233.9	196.2	188.2
Deposits from customers	4,435.6	4,933.8	4,836.7	4,831.2	4,728.1	4,743.8
Issued bonds, subordinated and supplementary capital	73.5	198.5	1.1	0.1	0.1	0.1
Other financial liabilities	1,215.3	47.3	40.3	56.4	49.0	54.4
Financial liabilities measured at amortized cost	**6,040.4**	**5,521.2**	**5,202.5**	**5,121.6**	**4,973.4**	**4,986.5**
Financial liabilities at fair value through profit or loss	25.0	-	-	-	-	-
Financial liabilities held for trading	9.1	1.8	2.1	6.0	4.9	2.5
Derivatives - hedge accounting	6.9	-	-	-	-	-
Total interest bearing liabilities	**6,081.4**	**5,523.0**	**5,204.6**	**5,127.6**	**4,978.2**	**4,989.0**
Provisions	107.8	83.3	62.0	66.9	58.2	63.8
Tax liabilities	1.4	1.3	1.0	0.0	26.3	2.6
Current tax liabilities	1.0	0.9	0.9	-	-	2.6
Deferred tax liabilities	0.5	0.5	0.1	0.0	-	0.0
Other liabilities	28.1	33.8	25.1	27.9	26.3	27.4
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**	**5,082.8**
Total shareholders' equity	**994.7**	**844.0**	**859.5**	**861.3**	**851.8**	**849.6**
Total liabilities and shareholders' equity	**7,216.1**	**6,485.5**	**6,152.1**	**6,083.6**	**5,914.5**	**5,932.4**

[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	1H20	2020	2019	2020	1H20	1H21
Interest income calculated using the effective interest method	232.2	226.0	209.6	207.4	99.0	194.3	207.4	194.3	99.0	92.4
Other interest income	6.0	8.3	4.2	3.4	1.3	2.6	3.4	2.6	1.3	1.2
Interest expense	(79.4)	(68.9)	(40.7)	(27.8)	(11.7)	(22.3)	(27.8)	(22.3)	(11.7)	(9.5)
Net interest income	**158.8**	**165.3**	**173.2**	**183.0**	**88.6**	**174.7**	**183.0**	**174.7**	**88.6**	**84.2**
Fee and commission income	62.0	71.3	76.5	83.0	36.2	75.6	83.0	75.6	36.2	39.9
Fee and commission expense	(12.0)	(12.8)	(14.1)	(15.8)	(7.3)	(15.8)	(15.8)	(15.8)	(7.3)	(8.3)
Net fee and commission income	**50.0**	**58.5**	**62.4**	**67.2**	**28.9**	**59.8**	**67.2**	**59.8**	**28.9**	**31.6**
Net result on financial instruments	20.3	9.7	70.0	13.4	2.0	9.1	13.4	11.7	2.0	3.9
Other operating income	29.6	27.4	19.1	8.9	4.7	13.4	3.5	6.0	1.9	2.3
Other operating expenses	(71.6)	(34.0)	(35.7)	(48.2)	(13.3)	(32.7)	(23.4)	(19.8)	(10.6)	(7.1)
Operating income	**187.0**	**226.9**	**289.0**	**224.3**	**110.9**	**224.4**	**243.7**	**232.5**	**110.8**	**114.9**
Personnel expenses	(99.8)	(97.4)	(99.4)	(96.7)	(41.9)	(83.9)	(96.7)	(83.9)	(41.9)	(46.2)
Other administrative expenses	(93.1)	(80.9)	(78.0)	(73.3)	(31.5)	(65.9)	(73.3)	(65.9)	(31.5)	(31.5)
Depreciation and amortization	(19.5)	(11.7)	(10.7)	(19.1)	(9.9)	(19.9)	(19.1)	(19.9)	(9.8)	(9.1)
Operating expenses	**(212.4)**	**(190.1)**	**(188.1)**	**(189.2)**	**(83.3)**	**(169.7)**	**(189.1)**	**(169.7)**	**(83.3)**	**(86.8)**
Operating result before impairments and provisions (from YE20)	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**54.6**	**62.8**	**27.5**	**28.1**
Other result (from YE20)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	**(19.4)**	**(8.1)**	0.1	(9.0)
Operating result before change in credit loss expense (until 3Q20)	**(25.4)**	**36.9**	**100.9**	**35.2**	**27.6**	**54.7**	**35.2**	**54.7**	**27.6**	**19.2**
Credit loss expenses on financial assets	4.4	(15.1)	2.8	2.9	(29.2)	(48.4)	2.9	(48.4)	(29.2)	(10.2)
Result before tax	**(21.0)**	**21.8**	**103.7**	**38.0**	**(1.6)**	**6.3**	**38.0**	**6.3**	**(1.6)**	**8.9**
Taxes on income	(2.9)	19.9	0.5	(2.9)	(10.6)	(4.9)	(2.9)	(4.9)	(10.6)	(2.8)
Result after tax	**(23.9)**	**41.6**	**104.2**	**35.1**	**(12.2)**	**1.4**	**35.1**	**1.4**	**(12.2)**	**6.1**

Financials: Breakdown by Entity

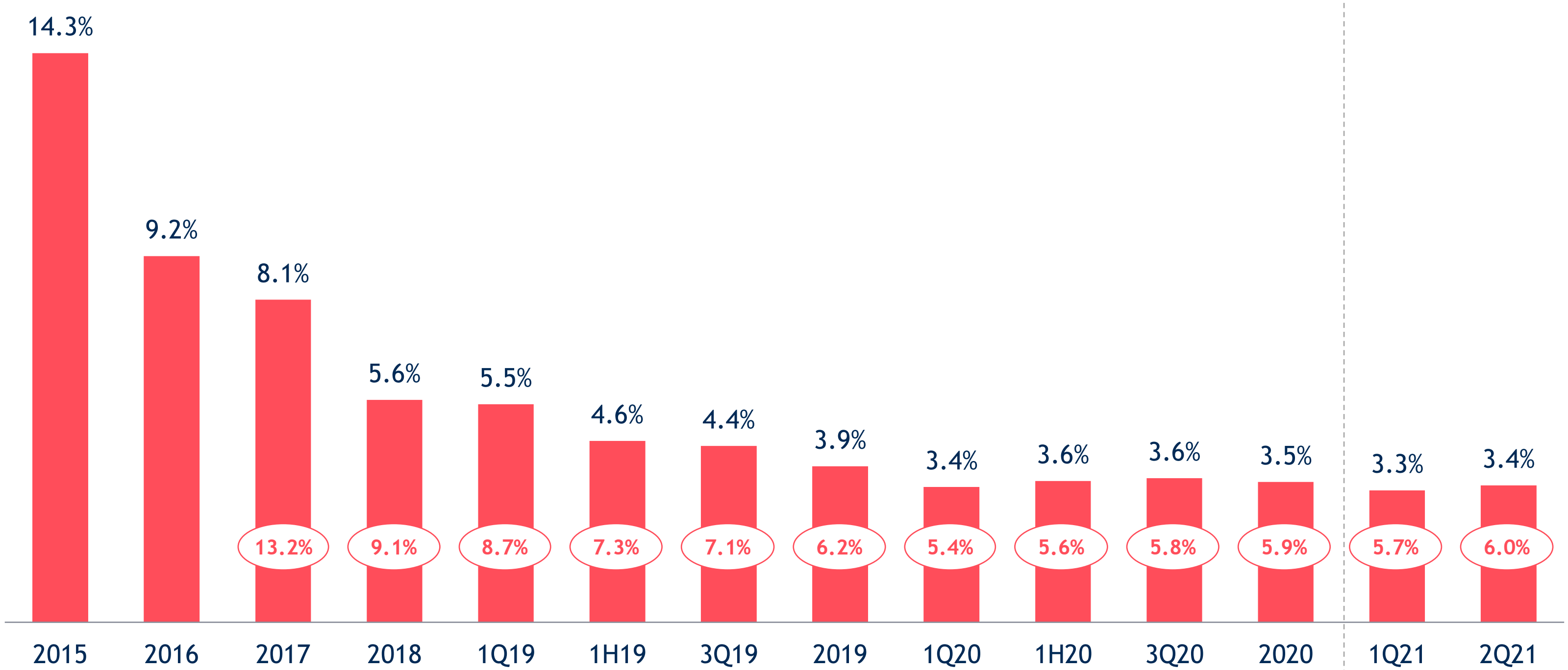
1H21 YTD (€mn, IFRS, reported)		Addiko Bank d.d., Zagreb	Addiko Bank d.d., Ljubljana	Addiko Bank d.d., Banja Luka	Addiko Bank a.d., Sarajevo	Addiko Bank a.d., Beograd	Addiko Bank A.D., Podgorica
P&L	Net interest income	26.6	19.3	6.8	6.8	15.7	5.3
	Net commission income	12.5	6.2	3.6	3.7	4.9	0.9
	Other income[1]	1.2	(0.7)	0.1	(0.2)	(0.5)	(0.6)
	Operating income	**40.3**	**24.9**	**10.5**	**10.3**	**20.1**	**5.6**
	Operating expenses	**(22.9)**	**(12.7)**	**(7.3)**	**(7.6)**	**(12.8)**	**(3.9)**
	Operating Result	**17.3**	**12.2**	**3.1**	**2.7**	**7.4**	**1.7**
	Other result	(3.8)	(0.0)	0.2	(0.0)	(1.2)	(0.0)
	Change in credit loss expenses	(2.7)	(1.1)	(0.5)	(2.4)	(0.9)	(1.0)
	Result before tax	**10.9**	**11.1**	**2.8**	**0.3**	**5.3**	**0.7**
Key Ratios	Net interest margin	2.3%	2.7%	3.1%	2.7%	3.7%	5.0%
	Cost / income ratio	58.6%	49.6%	70.9%	72.7%	61.8%	62.9%
	Loan-deposit ratio[2]	66.7%	98.4%	76.0%	69.7%	103.7%	100.4%
	NPE volume	117.8	24.1	22.8	30.4	23.6	19.3
	NPE ratio (CRB based)	7.4%	1.8%	5.7%	7.6%	2.6%	9.1%
	NPE ratio (on-balance loans)	8.9%	1.8%	6.9%	10.1%	3.5%	10.1%
	NPE coverage ratio (provision)	70.5%	64.2%	83.6%	81.6%	69.9%	55.0%
Balance Sheet	Total assets	2,320	1,407	473	480	853	213
	Loans and receivables	1,192	1,051	287	251	626	171
	o/w gross performing loans	1,165	1,020	293	257	625	169
	Financial liabilities at amortised cost	1,847	1,197	389	365	648	183
	RWA	1,170	778	365	361	609	157

Account for 66% of Group assets

Source: Company disclosure, does not include Holding and reconciliation.
[1] Includes net result on financial instruments and other operating result.
[2] Calculated as loans and receivables divided by financial liabilities at amortised cost.

Risk: Strong Risk Management Framework

Decreasing non-performing loan portfolio (YTD)



	2015	2016	2017	2018	1Q19	1H19	3Q19	2019	1Q20	1H20	3Q20	2020	1Q21	2Q21
NPE Volumes, €mn	1,229	761	606	404	393	329	317	277	239	244	248	244	230	238
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%	75.6%	71.7%
NPE Ratio[2]	14.3%	9.2%	8.1%	5.6%	5.5%	4.6%	4.4%	3.9%	3.4%	3.6%	3.6%	3.5%	3.3%	3.4%
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%	5.7%	6.0%
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%	2.3%	2.6%

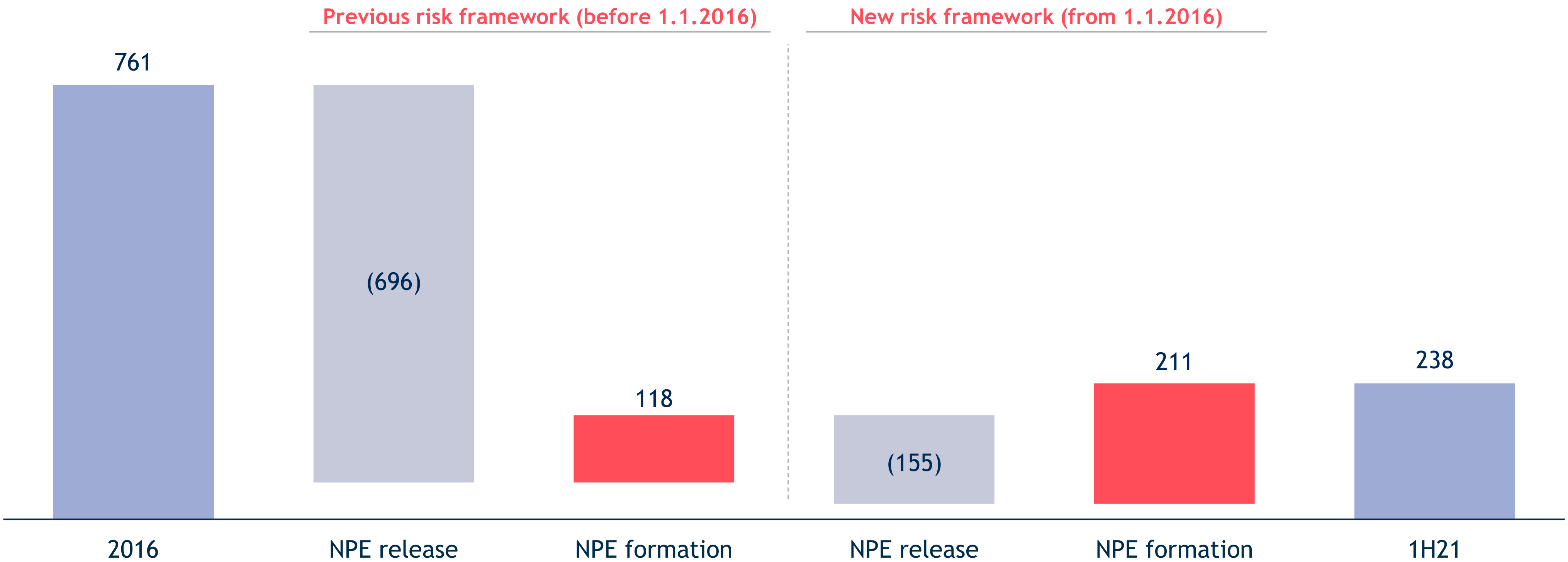
[1] Calculated as the sum of total SRP resp. Stage-3 ECL divided by total non-performing exposure. [2] Calculated as non-performing exposure divided by total credit risk exposure. [3] Calculated as non-performing exposure (new risk framework) divided by total credit risk exposure (new risk framework).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

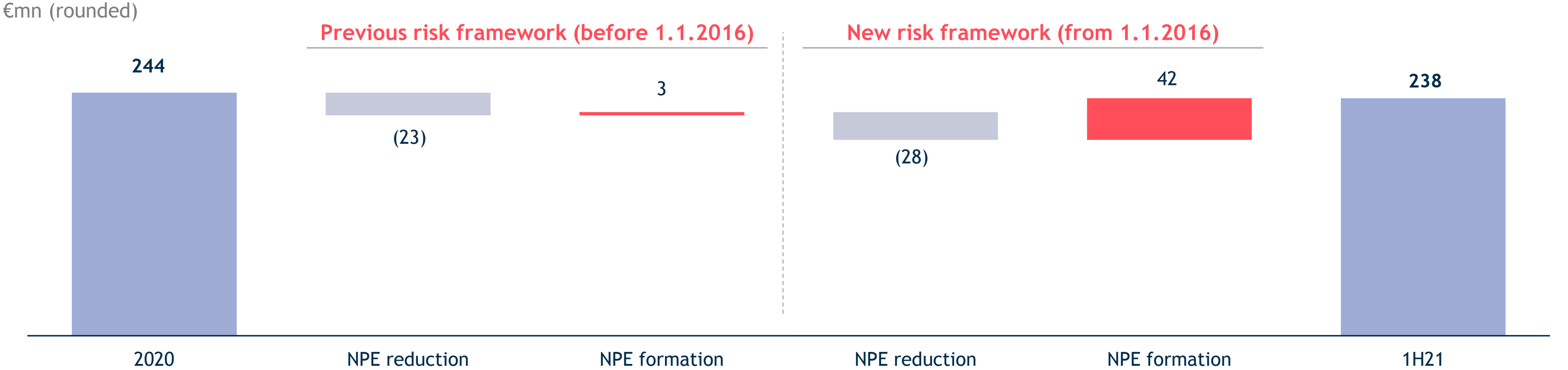
Addiko Bank

NPE movements since 2016 - group level

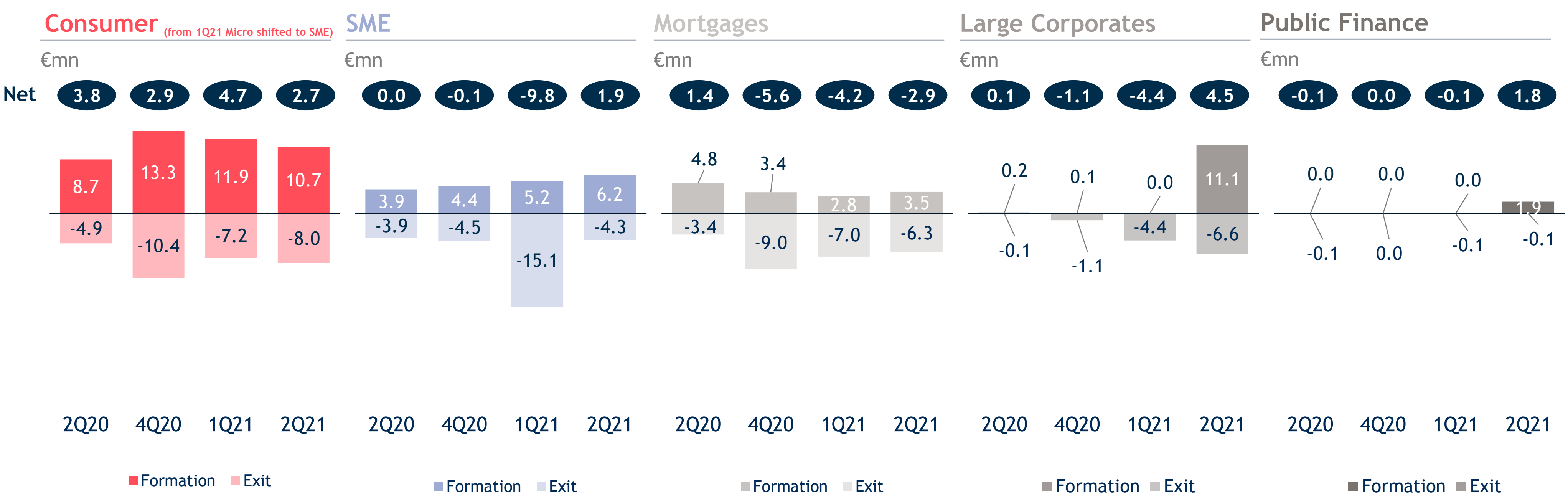
€mn (rounded)



NPE movements 1H21 vs. YE20 - group level



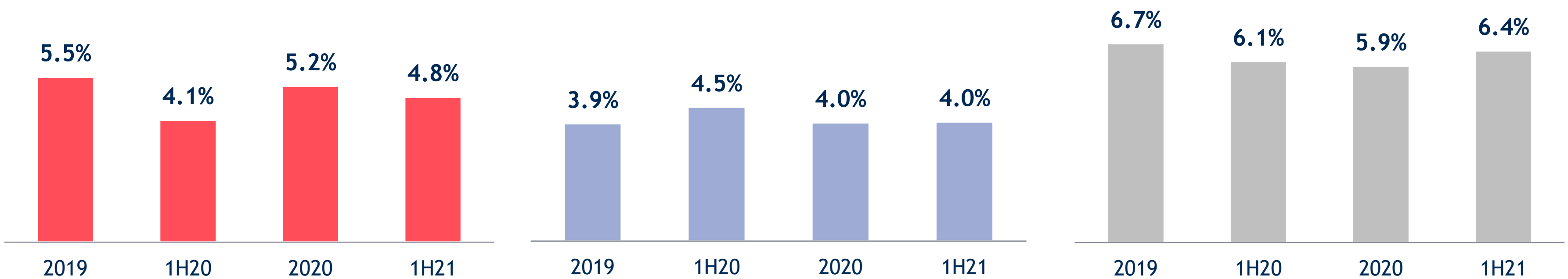
Quarterly NPE formation & exit - group level



Risk: Update on NPE and Cost of Risk Development

	Focus								Non-Focus[3]			
	Consumer (from 1Q21 Micro shifted to SME) €mn				SME €mn				€mn			
	2019	1H20	2020	1H21	2019	1H20	2020	1H21	2019	1H20	2020	1H21
NPE Coverage Ratio (Excl. Collateral)[1]	91.9%	78.8%	83.9%	81.1%	66.1%	69.8%	69.0%	71.1%	65.6%	65.8%	68.5%	64.6%

NPE Ratio[2]



	Consumer 2019	Consumer 1H20	Consumer 2020	Consumer 1H21	SME 2019	SME 1H20	SME 2020	SME 1H21	Non-Focus 2019	Non-Focus 1H20	Non-Focus 2020	Non-Focus 1H21
Total NPE	*84*	*60*	*78*	*74*	*69*	*79*	*69*	*72*	*123*	*105*	*96*	*91*
Credit Risk Exposure	*1,532*	*1,469*	*1,508*	*1,534*	*1,759*	*1,758*	*1,729*	*1,810*	*1,839*	*1,732*	*1,629*	*1,417*
NPE Ratio - New Risk Framework	*2.9%*	*3.3%*	*4.0%*	*4.4%*	*2.5%*	*2.7%*	*2.8%*	*2.9%*	*1.8%*	*1.7%*	*1.8%*	*2.6%*

	2019	1H20[5]	2020	1H21	2019	1H20[5]	2020	1H21	2019	1H20	2020	1H21
Credit Loss Expenses (YTD)	€(20.3)mn *Impairments*	€(16.2)mn *Impairments*	€(21.5)mn *Impairments*	€(15.1)mn *Impairments*	€(3.2)mn *Impairments*	€(7.9)mn *Impairments*	€(23.3)mn *Impairments*	€(2.3)mn *Impairments*	€26.3mn[4] *Releases*	€(6.4)mn[4] *Release*	€(3.6)mn[4] *Impairments*	€5.3mn[4] *Releases*

[1] Calculated as the sum of total SRP resp. Stage-3 ECL divided by total non-performing exposure.
[2] Calculated as non-performing exposure divided by total credit risk exposure.
[3] Excludes Corporate Center (Financial Institutions).
[4] Including YTD bookings in Corporate Center (release of €5.3mn in 2019, release of €1.2mn in 1H20, impairment of €-0.6mn in 2020, and release of €1.8mn in 1H21).
[5] Re-segmentation of sub-segment Micro from Consumer to SME in 2021.

Risk: Tightly Monitored NPE Development

	Consumer (from 1Q21 Micro shifted to SME)			SME			Mortgages			Large Corporates			Public Finance		
€mn	2019	2020	1H21	2019	2020	1H21	2019	2020	1H21	2019	2020	1H21	2019	2020	1H21
NPE Coverage Ratio[1]	91.9%	83.9%	81.1%	66.1%	69.0%	71.1%	70.7%	71.6%	71.0%	47.5%	53.4%	41.5%	54.2%	49.6%	24.8%
NPE Ratio[2]	5.5%	5.2%	4.8%	3.9%	4.0%	4.0%	11.3%	11.2%	11.1%	2.8%	2.1%	2.5%	2.9%	0.6%	1.9%
Total NPE	*84*	*78*	*74*	*69*	*69*	*72*	*95*	*80*	*73*	*23*	*15*	*16*	*6*	*1*	*3*
Total Credit Risk Exposure	*1,532*	*1,508*	*1,534*	*1,759*	*1,729*	*1,810*	*837*	*718*	*656*	*811*	*750*	*619*	*192*	*161*	*141*
NPE Ratio - New Risk Framework	*2.9%*	*4.0%*	*4.4%*	*2.5%*	*2.8%*	*2.9%*	*2.6%*	*3.5%*	*3.8%*	*1.5%*	*1.0%*	*1.9%*	*0.1%*	*0.1%*	*2.2%*
Credit Loss Expenses (YTD)	€(20.3)mn *Impairments*	€(21.5)mn *Impairments*	€(15.1)mn *Impairments*	€(3.2)mn *Impairments*	€(23.3)mn *Impairments*	€(2.3)mn *Impairments*	€12.8mn *Releases*	€(1.2)mn Impairments	€5.0mn Releases	€6.9mn *Releases*	€(1.6)mn Impairments	€0.0mn Releases	€1.3mn *Releases*	€(0.2)mn Impairments	€0.3mn Releases

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

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

Addiko Bank

Country	Description	Approach	Duration (first introduced in March 2020)	No changes compared to May 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)	• **Application for moratorium ended** on 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)	• **Application for moratorium ended** • Deadline for applying expired on 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)	• **Unchanged**, 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, prolonged until 30.06.2021)	• **New statutory moratorium** in force from end of March 2021 • Deadline for applying **until 30.06.2021**
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)~~ Deadline and application until 31.12.2021	• 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 • Deadline defined (31.12.2021)

RISK: EXPOSURE IN MORATORIA – DEEP-DIVE (1/2)

Addiko Bank

Group exposure in Moratoria by Rating class

Reported, 1H21, €mn

Affected by moratoria
Not affected by moratoria

Rating class	Affected by moratoria	Not affected by moratoria	% Moratoria	% Moratoria of Total	# of customers
1	12	1,761	0.7%	0.2%	26
2	22	3,299	0.6%	0.3%	730
3	24	1,183	2.0%	0.4%	956
4	40	340	10.5%	0.6%	940
5	8	230	3.2%	0.1%	294

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

Reported, 1H21, €mn

Industry	Affected by moratoria	Not affected by moratoria	% Moratoria	% Moratoria of Total	# of customers[2]
Wholesale & retail; rep. of vehicles & motorcyc.	7	579	1.2%	0.10%	19
Manufacturing	10	562	1.7%	0.14%	13
Construction	2	430	0.4%	0.03%	3
Transporting & storage	4	125	3.0%	0.06%	5
Professional, scientific & technical activities	0	112	0.1%	0.00%	2
Accommodation & food service activities	24	85	21.8%	0.34%	10
Real estate activities	0	77	0.2%	0.00%	1
Information and communication	0	73	0%	0%	0
Agriculture, forestry and fishing	3	57	5.4%	0.05%	6
Financial and insurance activities	3	47	6.2%	0.05%	1
Electricity, gas, steam and air conditioning supply	0	48	0%	0%	0
Other (9 industries)	8	198	4.0%	0.12%	15

[1] Non-Retail equals SME, Large Corporate & Public Finance segment exposure and as of 1Q21 including Micro as well (shifted from Consumer to SME)
[2] Ca. 40% of Micro clients do not have an industry classification

Group exposure in Moratoria by country

Affected by moratoria
Not affected by moratoria

Reported, 1H21, €mn

Slovenia (Opt-in approach)

	Affected by moratoria	Not affected by moratoria	% Moratoria	% Moratoria in local Total (excl. CC)	# of customers
Consumer	5	381	1.3%	0.4%	256
SME	7	469	1.6%	0.6%	19
Mortgages	2	189	1.0%	0.1%	32
Large Corp. & Public	8	261	3.0%	0.6%	1
Corporate Center (CC)		331	0%		0
TOTAL	23	1,630	1.4%		308
Total (excl. CC)	23	1,299	1.7%		

BiH (Opt-in approach)

	Affected by moratoria	Not affected by moratoria	% Moratoria	% Moratoria in local Total (excl. CC)	# of customers
Consumer	3	323	0.8%	0.3%	172
SME	4	276	1.4%	0.5%	7
Mortgages	1	48	2.5%	0.2%	24
Large Corp. & Public	6	114	5.4%	0.8%	3
Corporate Center (CC)		326	0%		0
TOTAL	14	1,088	1.3%		206
Total (excl. CC)	14	761	1.8%		

Croatia (Opt-in approach)

	Affected by moratoria	Not affected by moratoria	% Moratoria	% Moratoria in local Total (excl. CC)	# of customers
Consumer	0	491	0.1%	0.0%	44
SME	2	541	0.4%	0.1%	8
Mortgages	1	313	0.3%	0.1%	13
Large Corp. & Public	11	216	4.7%	0.7%	3
Corporate Center (CC)		1,020	0%		0
TOTAL	14	2,581	0.5%		68
Total (excl. CC)	14	1,561	0.9%		

Montenegro (Opt-in approach)

	Affected by moratoria	Not affected by moratoria	% Moratoria	% Moratoria in local Total (excl. CC)	# of customers
Consumer	2	103	1.5%	0.8%	153
SME	0	67	0.1%	0.0%	1
Mortgages	0	25	1.4%	0.2%	6
Large Corp. & Public	2	12	14.1%	0.9%	1
Corporate Center (CC)		24	0%		0
TOTAL	4	231	1.7%		161
Total (excl. CC)	4	207	1.9%		

Serbia (Opt-in, previously Opt-out)

	Affected by moratoria	Not affected by moratoria	% Moratoria	% Moratoria in local Total (excl. CC)	# of customers
Consumer	27	199	11.9%	3.1%	2.1k
SME	19	424	4.4%	2.2%	54
Mortgages	2	75	3.2%	0.3%	86
Large Corp. & Public	1	130	0.9%	0.1%	2
Corporate Center (CC)		179	0%		0
TOTAL	50	1,007	4.7%		2.2k
Total (excl. CC)	50	828	5.7%		

Austria

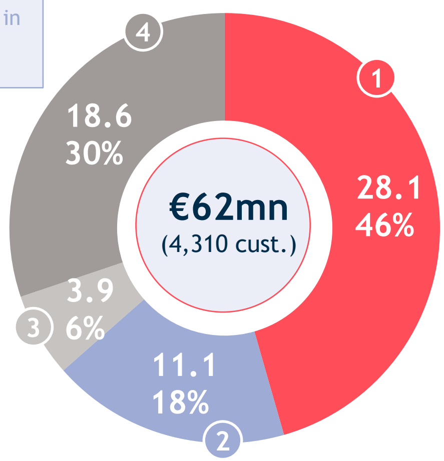
No customer loan portfolios

Expired moratoria: Worsened dpd (1H21 vs. 1Q20)

Reported, exposure by days past due (dpd) bucket in €mn (excl. exposure with improved dpd)

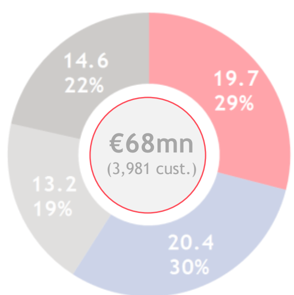
Micro sub-segment shifted to SME in 2021 (from Consumer)

Status 1H21



■ 1-30 dpd ■ 31-60 dpd
■ 61-90 dpd vs. ■ >90 dpd

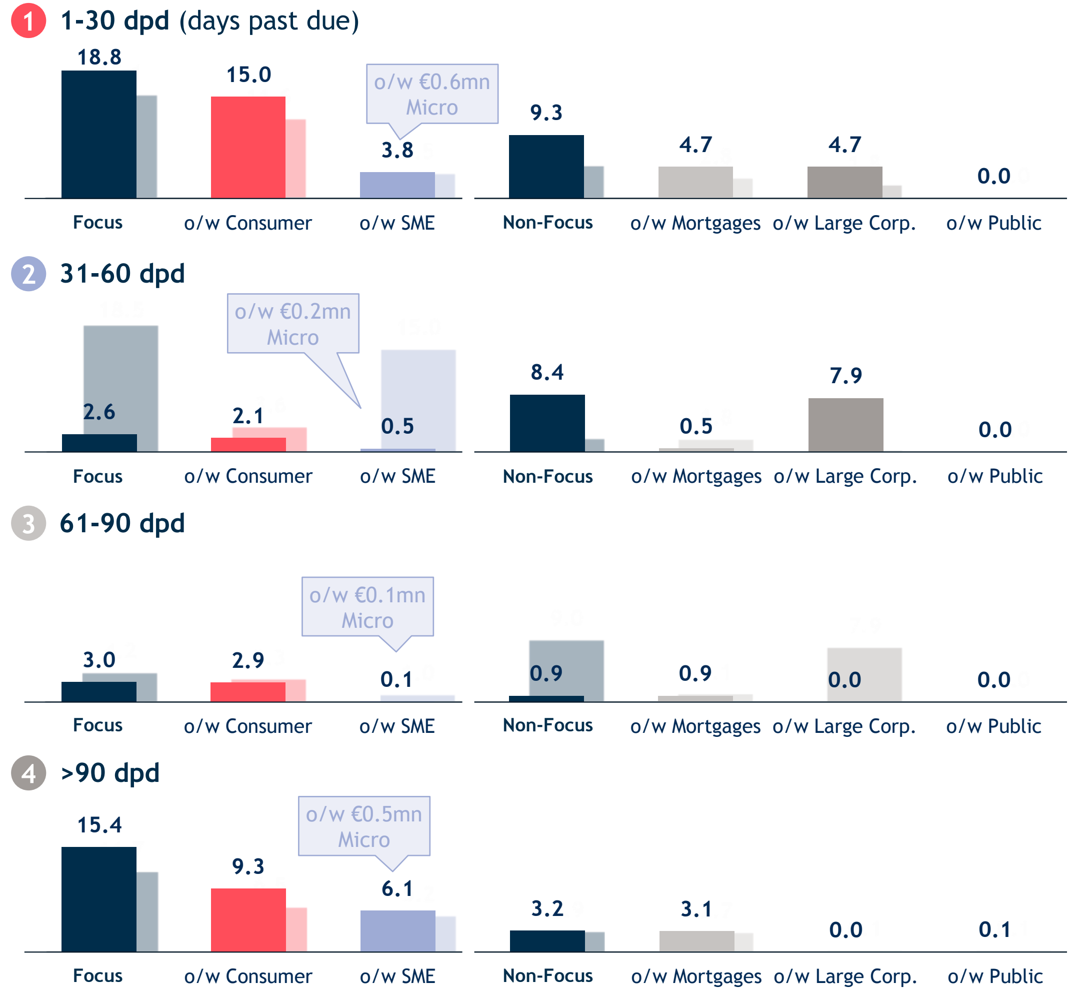
Status YE20



■ 1-30 dpd ■ 31-60 dpd
■ 61-90 dpd ■ >90 dpd

Breakdown by Segment - shaded bars represent status as of YE20

(colors of bars do not relate to left chart)



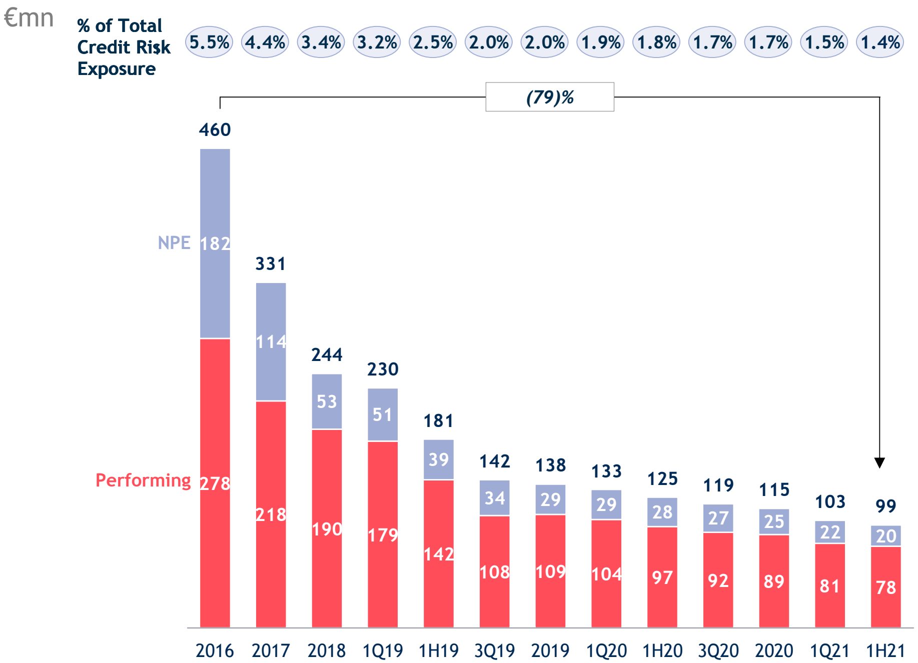
	Focus	o/w Consumer	o/w SME	Non-Focus	o/w Mortgages	o/w Large Corp.	o/w Public
Σ (€mn)	39.8	29.3	10.5	21.9	9.2	12.6	0.1
YE20	49.5	24.9	24.6	18.5	8.4	10.0	0.1
Σ (# cust.)	3,975	3,630	345	335	318	16	1
YE20	3,666	3,609	57	315	290	24	1

o/w 249 cust. Micro

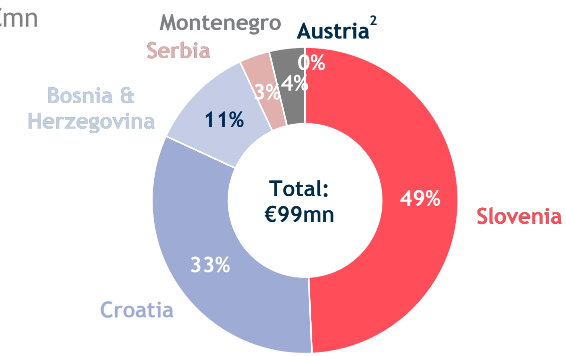
o/w 289 cust. Micro

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
- ABS continues voluntary CHF loan conversion: Until end 6/21, 185 settlement offers sent out o/w 43 were accepted
- In 4/21, new draft CHF Law submitted to Parliament. CHF loans not to be converted, but if FX rate causes value of annuity in EUR to exceed more than 5% of the value of the same annuity in EUR using the FX rate at the time of drawing, banks should cover the difference and repay the clients. No further details are known at the moment

Croatia
- Conversion Law enacted in 9/15
- Ruling by Supreme Court in 9/19 declaring FX clauses in CHF loans as null and void.
- Supreme Court referred case regarding converted CHF loan to Court of Justice of the EU stating that conversion annexes are valid (i.e. that already converted loans cannot file another lawsuit for a compensation)
- In 2/21, 2021 Constitutional Court rejected extraordinary revision of all 8 banks in collective dispute regarding nullity of CHF clauses. After careful review and in line with external legal opinion, no material changes regarding legal position in individual court cases expected

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 vote again and in 1/2021 the Parliament stated that all objections and facts needed to be attached to draft (i.e. effects on banking sector as a whole or low number of active CHF loans)

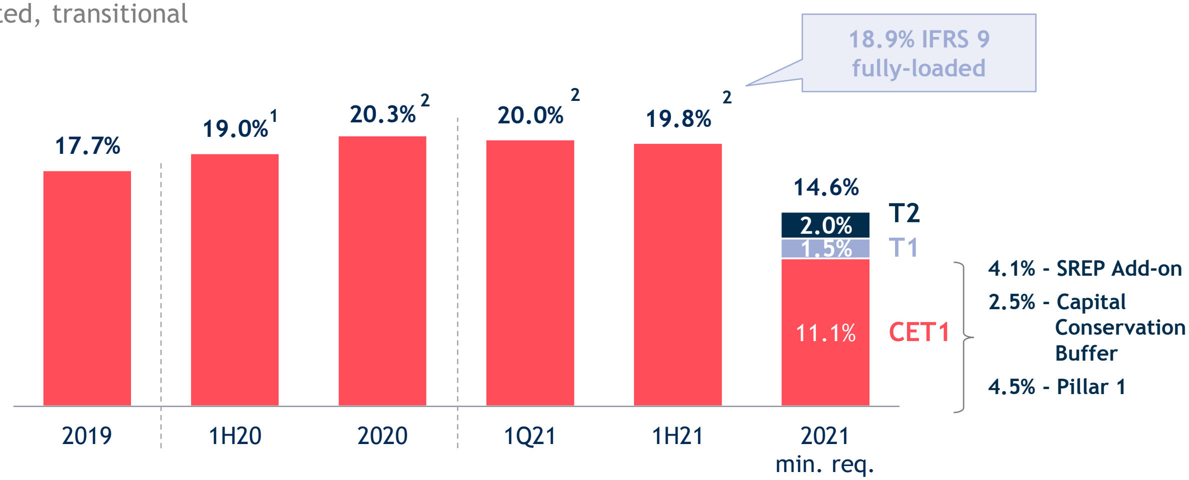
Montenegro
- CHF conversion law enacted in 7/2015 and amended in 9/2016
- First instance ruling in mass proceedings declaring CHF clause invalid but not awarding plaintiffs any amount since they can convert under the Conversion Law 2015. Consequently, the amount in dispute was reduced

[1] Calculated as total CHF credit risk exposure divided by total credit risk exposure of Addiko Group.
[2] Reflects Holding's short-term balance (if any) related to hedging CHF exposures for Addiko subsidiaries (no balance as of 30.06.2021).

Addiko Bank

Breakdown of capital position and capital requirements

Reported, transitional

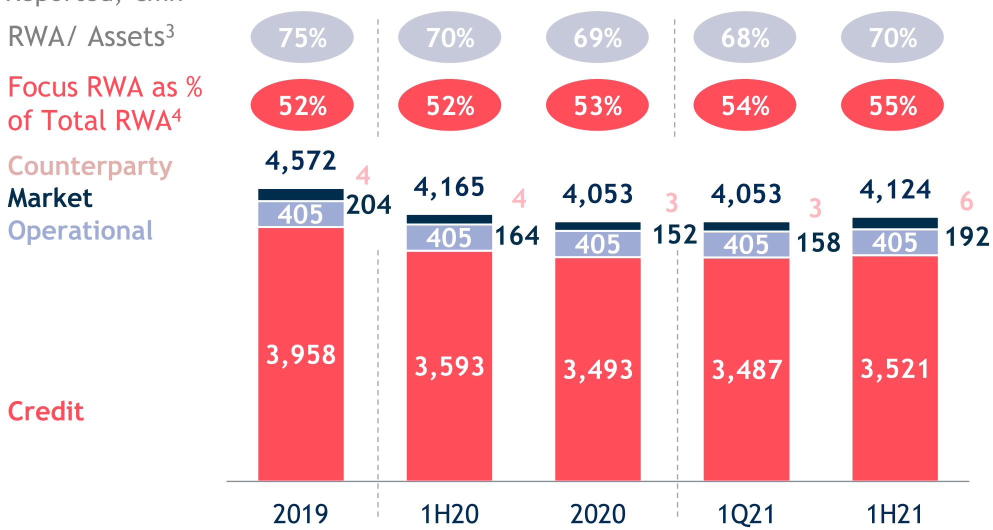


Addiko is using the **standardized approach** for its RWA calculation, with most of its RWAs stemming from credit risk

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

	2018	2019	2020	1H21
Equity attr. to parent	**859.5**	**861.3**	**851.8**	**849.6**
Interim profit 2021 [5]	-	-	-	(6.1)
Dividends deducted from capital [6]	(50.0)	(40.0)	(46.6)	(39.6)
Additional value adjustments	(1.2)	(1.1)	(1.0)	(1.1)
Intangible assets (net of rel. tax liability)	(30.3)	(27.9)	(19.2)	(19.0)
Deferred tax assets	(19.0)	(16.4)	(11.6)	(11.2)
IFRS 9 transitional rules	43.8	34.0	50.1	42.1
CET1 Capital (transitional)	**802.8**	**809.8**	**823.5**	**814.8**
CET1 Capital (fully loaded)	n.a.	775.8	773.4	772.7
Total Risk Weighted Assets (transitional)	**4,545**	**4,572**	**4,053**	**4,124**
Total Risk Weighted Assets (fully loaded)	n.a.	4,536	4,003	4,081

[1] Initially proposed 2019 dividend of €40mn already deducted.
[2] Approved conditional second tranche of dividend of €49.6mn 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
[5] Unaudited interim profits not included in CET1 capital according to Art. 26 CCR.
[6] Residual dividend 2020 (i.e. conditional Tranche 2).

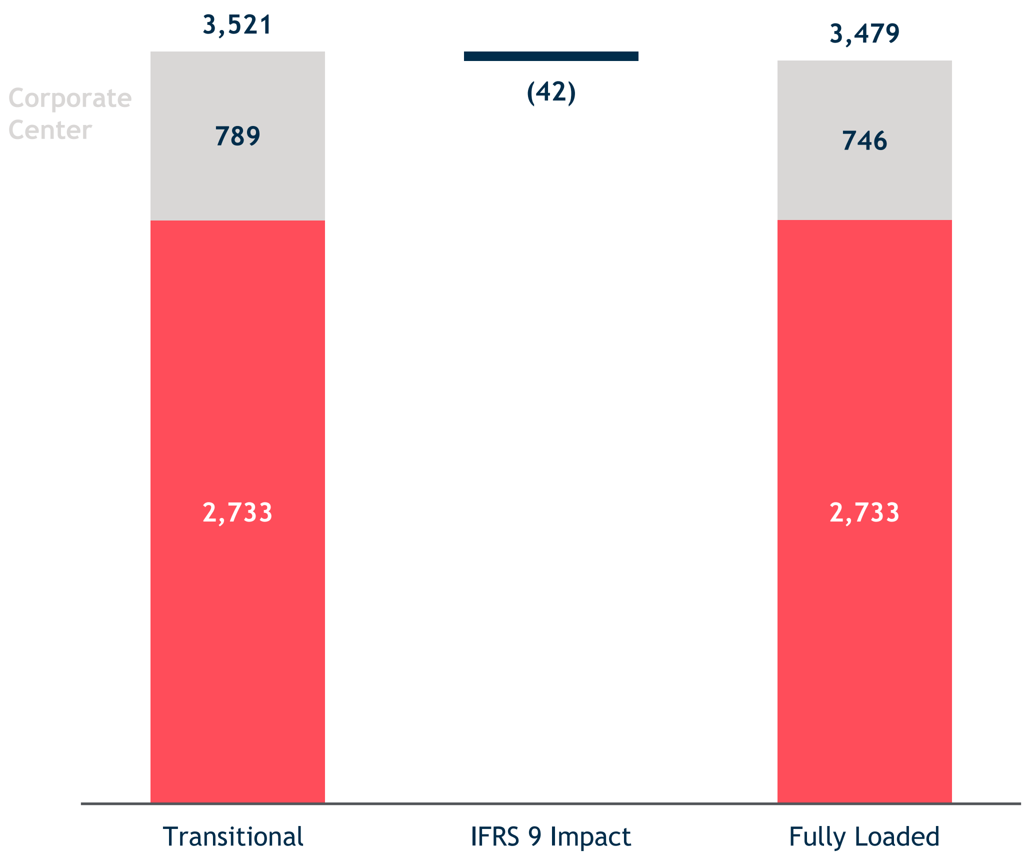
Update on Capital Position: Credit Risk RWA in Focus vs. Non-Focus

Addiko Bank

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

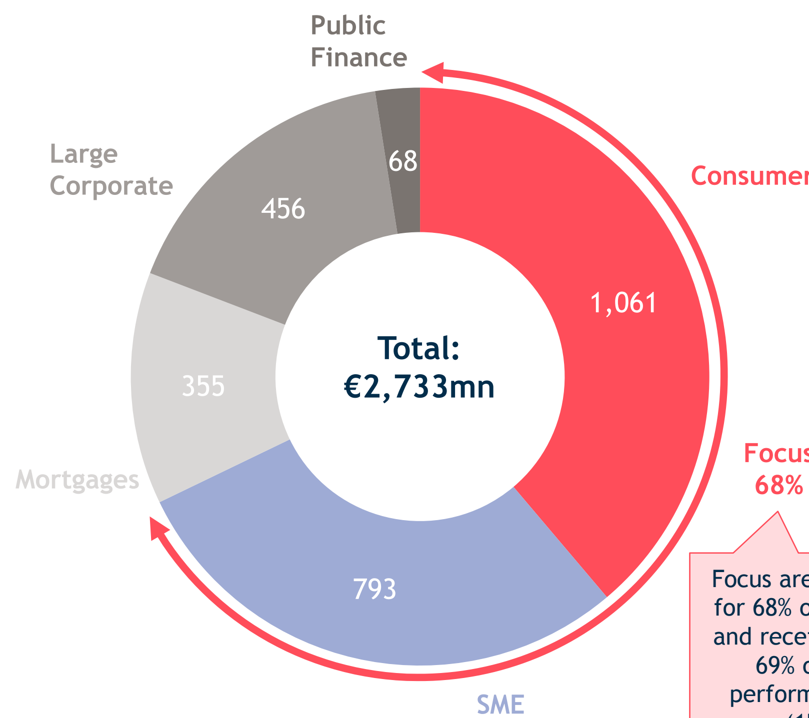
Credit risk RWA

1H21, €mn



Credit risk RWA: breakdown by segment[1]

1H21, €mn



Focus areas account for 68% of net loans and receivables and 69% of gross performing loans (1H21)

Credit risk RWA: allocated capital[1]

1Q21, €mn

	@1H21 capital ratio 18.9% fully-loaded	@Target capital ratio 16.1%
Focus	351	298
Non-Focus	166	141

[1] Excluding Corporate Center of €789mn credit RWAs (fully loaded).

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VIENNA, AUGUST 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 30 June 2021 approximately 0.8 million customers in CSEE using a well-dispersed network of 166 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.