

Addiko Bank AG

Proposal on the allocation of profits

On 27 July 2020, the European Central Bank recommended that until 1 January 2021 no dividends are paid out and no irrevocable commitment to pay out dividends is undertaken by credit institutions for the financial years 2019 and 2020 (Recommendation of the European Central Bank of 27 July 2020 on dividend distributions during the COVID-19 pandemic and repealing Recommendation ECB/2020/19 (ECB/2020/35) (2020/C 251/01)).

Whether the European Central Bank will extend this recommendation or publish a new recommendation cannot be foreseen at present. In particular, it is not possible to foresee the criteria that would, if any, allow a dividend payment.

The Management Board and the Supervisory Board consider it necessary in the interest of the company to comply with the recommendations of the European Central Bank. If the current recommendation of the European Central Bank is extended or a new recommendation of the European Central Bank is published, the Management Board will have to determine whether this recommendation is contrary to a dividend distribution.

Should these two conditions precedent for a dividend payment not have been met by March 10, 2021 (which also applies if any substantive or formal requirements for a permissible dividend payment are not or not fully met), no dividend will be paid, particularly since the distribution of the balance sheet profit will have to be resolved at the next following General Assembly.

“The Management Board and the Supervisory Board propose that from the balance sheet profit of EUR 40,000,000 shown in the annual financial statements as of December 31, 2019, subject to the conditions precedent that (i) neither a recommendation of the European Central Bank would in the company's view conflict with a distribution of dividends nor a legally mandatory distribution ban is effective or applicable, and (ii) at the time the preceding condition precedent is satisfied, the Common Equity Tier 1 capital ratio of

Addiko Bank AG after distribution of the dividend single and consolidated is not lower than 18.6%, a dividend of EUR 2.05 is distributed for each dividend-entitled share, i.e. the total amount of the dividend is EUR 39,975,000. If both conditions precedent are not satisfied until March 10, 2021, no dividend distribution shall take place. To the extent the balance sheet profit is not distributed in accordance with the above, it shall be carried forward to a new account.

The remaining amount of EUR 25,000 will be carried forward on new account in anyway.

Furthermore, the Board of Management and the Supervisory Board propose that the payment date for the dividend be the 20th working day after the satisfaction of both conditions precedent."

Vienna, on November 4, 2020

Management Board

Csongor Bulcsu Németh
Chairman

Ganesh Krishnamoorthi

Markus Krause

This document is a translation of the German original version. In case of any doubt the German original version prevails.