1H23 Results Presentation

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17 August 2023

Addiko Bank

Executive Summary & Business Update

Financials & Risk Update

Outlook & Wrap-Up

Additional Materials

Key Highlights 1H23

Addiko Bank

Earnings & Asset Quality

- **1H23 net profit up 55% YoY to €19.5m** (1H22: €12.6m), 1H23 EPS at €1.00
  - Second quarter result 2023 after tax at €9.8m (€9.7m in 1Q23)
  - Cost of Risk remained benign at -27bps (€-9.2m)
- **Return on average Tangible Equity** at 5.4% YTD (1H22: 3.4%)
- **Operating result** up by >50% YoY to €49.6m illustrates continued positive momentum on top-line despite increasing funding costs and inflation impacts on operating expenses
- **NPE volume down to €159m** (YE22: €163m) with NPE ratio (on-balance loans) at 3.3% (YE22: 3.3%), while **NPE coverage** increased to **78.0%** (YE22: 75.4%)
- **Outlook 2023 upgraded** on the back of strong first 1H23

Business Development

- **Double-digit YoY growth in focus areas** continued – on track to achieve 2023 guidance
- **Net interest income up by 28% YoY** driven by Consumer and SME as well as income related to liquidity management and treasury
- **New loan business pricing remains at premium, up >100bp YoY** in focus areas

Funding, Liquidity & Capital

- **Funding situation remained solid**: €4.85b customer deposits, **LDR 71%** and **LCR above 330%**
- **TCR ratio** stood at a strong 19.9% fully-loaded - **all in CET1** (YE22: 20.0%)

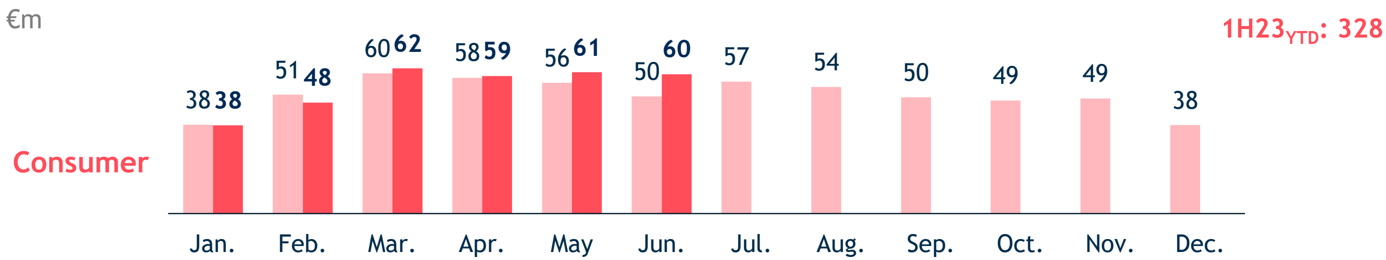
Other News

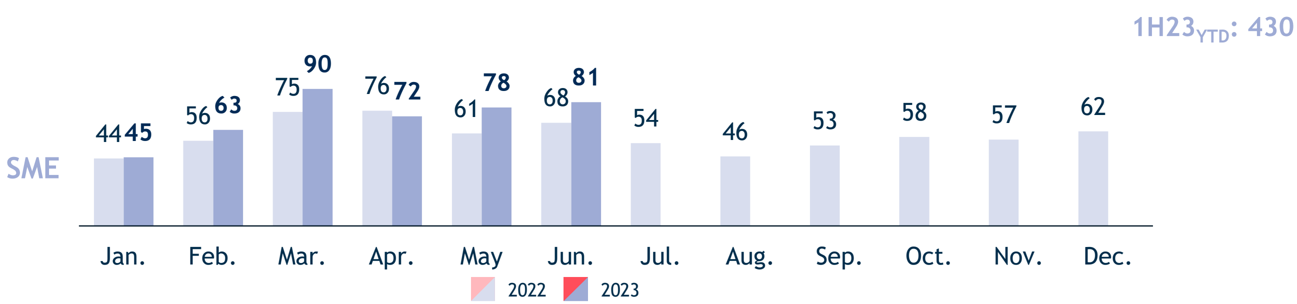
- The Supervisory Board **extended the mandates of the Management Team**
- **ECB stress test completed**, showing higher resilience in theoretical adverse scenario despite more severe assumptions compared to 2021's Comprehensive Assessment Stress Test

GDP forecasts[1] (%, real growth)

	2022	Forecasts 2023E Base	2023E Pessimistic	2024E Base	2024E Pessimistic	2025E Base	2026E Base
Slovenia	5.4%	1.4%	(1.0%)	2.5%	(1.3%)	2.7%	2.7%
Croatia	6.2%	2.5%	(0.6%)	2.9%	(1.8%)	3.1%	3.1%
Serbia	2.3%	1.5%	(7.7%)	2.6%	(5.2%)	3.0%	3.0%
Bosnia & Herzegovina	3.9%	1.7%	(5.9%)	1.9%	(4.4%)	2.5%	2.5%
Montenegro	6.1%	3.5%	(5.7%)	3.2%	(5.0%)	3.0%	3.0%
Euro Area	3.5%	0.5%	(1.4%)	1.8%	(1.2%)	1.7%	1.7%

New business continued during the first half of 2023



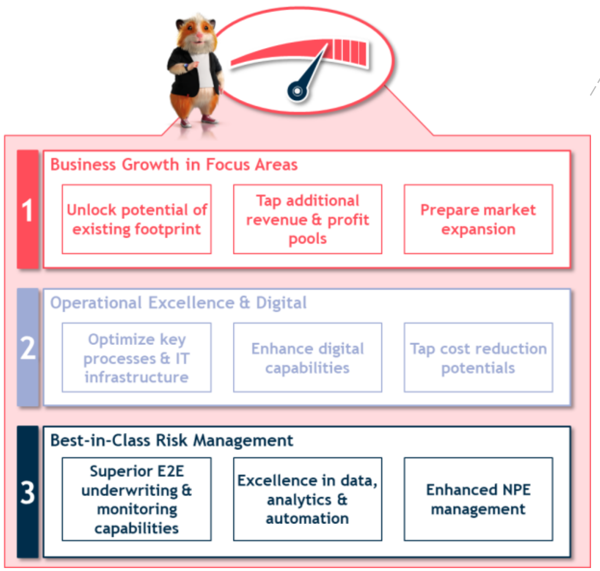


- 2023's economic growth in EU member states slowed, however, **Southeast Europe motors on**
- Despite a challenging growth backdrop in Europe, **Southeast Europe is showing impressive resilience**, and Austria's close integration with such countries as Slovenia, Croatia and Romania will provide some welcome support for economic activity this year
- Global economy still impacted by **Russia's war in Ukraine which continues to be a major cause for uncertainty**
- The GDP forecast for Slovenia does not consider the effects of the recent floods
- Addiko will continue to proactively apply and fine-tune its **prudent risk approach for sustainable business growth going forward**

[1] Source: The Vienna Institute for International Economic Studies (wiiw).

Update on Key Developments in Acceleration Program

Addiko Bank



Key developments

1 Business Growth in Focus Areas

- **Focus book with double digit growth YoY** – on track to achieve guidance for full year on the back of 1H23's growth of 7%
- **Continued extension of partnership universe** to c. 470 partners
- **Launch of BNPL** with FinTech partner **in Romania**
- **Initial assessment** for feasibility of digital market **expansion into Romania concluded** – further analysis ongoing until YE23/1Q24 for final expansion decision

2 Operational Excellence & Digital

- **Operational Excellence stream established** leveraging Kaizen methodology for further enhancements of key processes
- **New digital innovations implemented** for Point of Sale with partners & FinTechs, enhanced online lending, card capabilities, customer onboarding and mobile banking applications

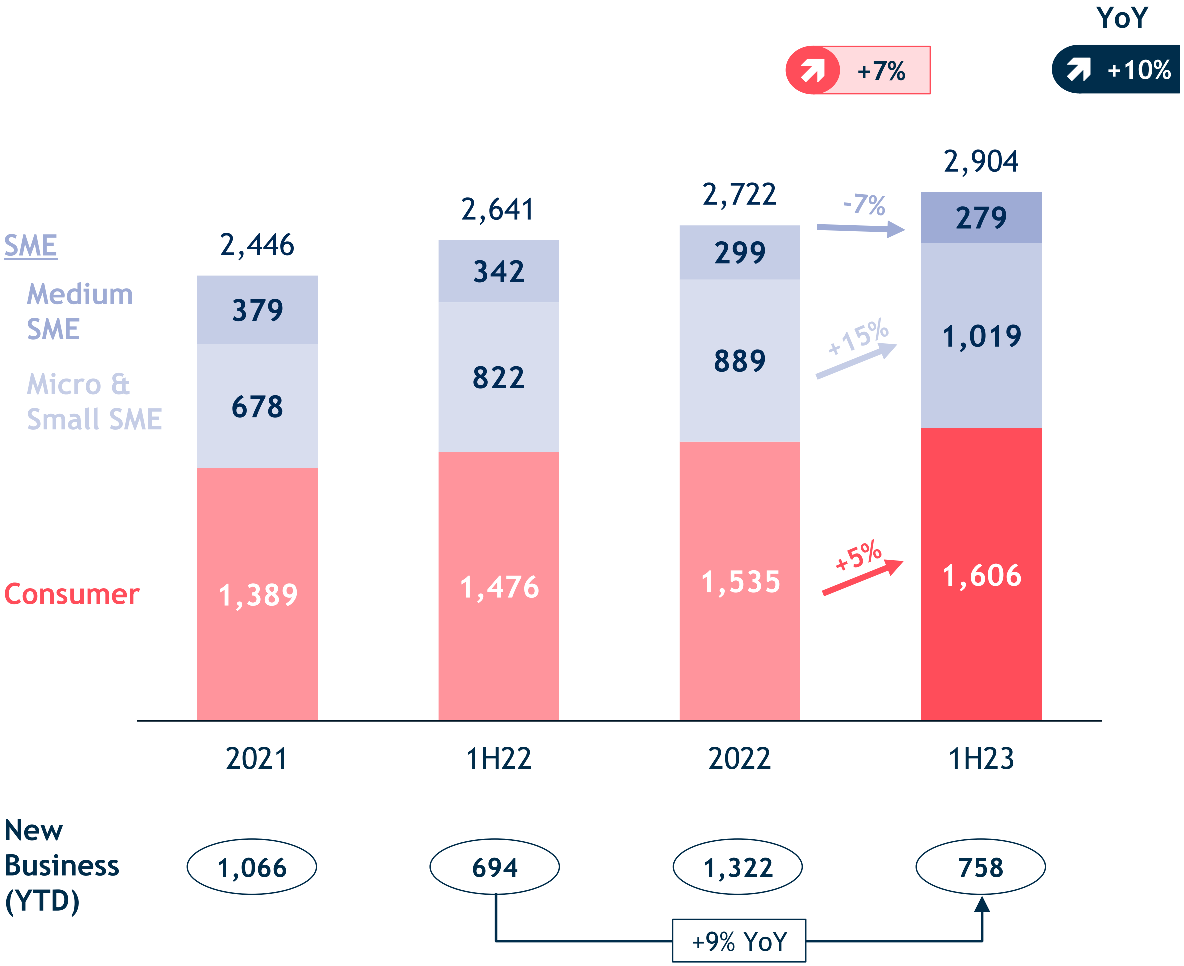
3 Best-in-Class Risk Management

- **Continued fine-tuning of underwriting criteria** and decision engine based on sub-segment analytics
- Established **new infrastructure for risk metrics analysis** and reporting
- **NPEs further reduced** since YE22

Growth in Focus on Track - While Keeping Prudent Underwriting

Focus portfolio development

Gross performing loans (€m)



Development during 1H23

- **+10% YoY growth in focus book** (+14% YoY excluding medium SME)
- **+7% growth in focus book** in the first half 2023 on track to guided **double-digit growth for full year 2023**
- **New business generation up +9% YoY**
- **Focus yield up to 6.1%** with **new business yields** reaching 7.6% in Consumer and 5.4% in SME
- **Focus book at 85%** of gross performing loans (Mid-Term target: >95%)
  - Consumer book **grew by 9%** YoY
  - SME book **up 11%** YoY while large ticket medium SMEs decreased by 18%
  - Micro & Small SME book **up 24%** YoY
- **Underwriting criteria continue to be calibrated** to current environment
- **Prudent risk approach** remains strategic anchor - balancing of demand vs. risk appetite as priority

Further Progress in Becoming the Leading Specialist Bank for Consumer & SME Customers in the CSEE Region

Addiko Bank

Business Update

Consumer

- **Strong customer growth +34% YoY in cash loans**
- **Solid new business delivered** considering lower demand with **premium pricing** (+112 bps YoY)
- **New USP:** E2E digital solution launched in Croatia
- **Share of partnerships** in gross disbursements increased to 12% (469 partnerships and 1,040 locations)
- **Launched BNPL** product in Romania

SME

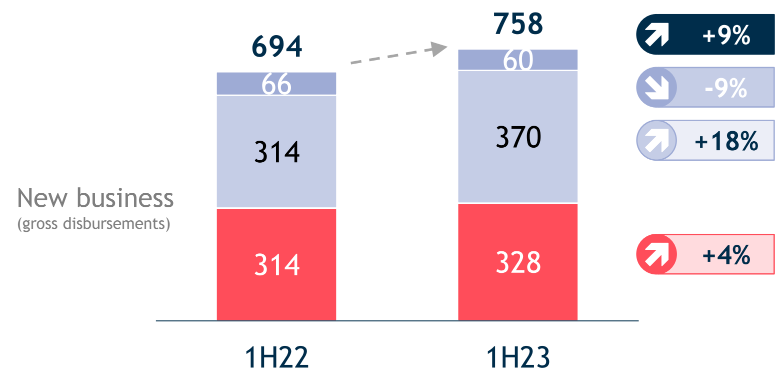
- **Strong business growth** +11% YoY by scaling Micro (+48% YoY) with **speed as key USP**
- **New business pricing** (+151 bps YoY)
- **New USP:** Online SME lending application in Slovenia & Croatia launched

2023 Priorities

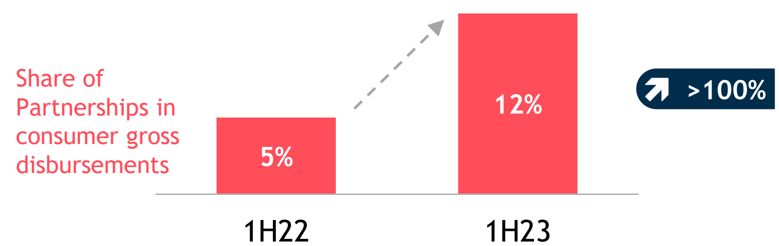
- Further **evolving brand image** to drive Addiko consideration
- Focus on **collecting deposits**
- Focus on **maintaining premium positioning**
- **E2E digital business in all countries without branch support**
- **Grow BNPL & partnership business**
- **Reduce cost** of operation by process optimisations

Improving dynamics YoY

€m, digital users and clients in thousands



	1H22	1H23	YoY
Consumer New business yield	6.4%	7.6%	+112bp
SME New business yield	3.9%	5.4%	+151bp
Focus yield[1]	5.4%	6.1%	+72bp



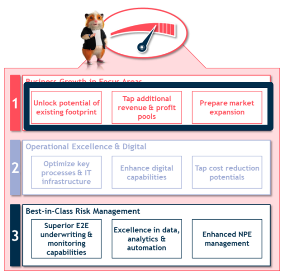
	1H22	1H23
Partnerships/ Locations	Launched in 08/22	469/ 1,040

Consumer | Micro & Small SME | Medium SME

[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.

Several Innovations as Part of the Acceleration Program

Addiko Bank



No need to go to the bank, Addiko will come to you!

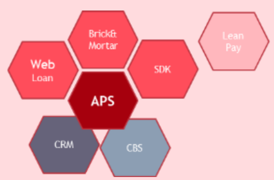
Hybrid → e2e online lending without visiting branches

- Simple and appealing user journey
- Reduce operating costs & branch dependency
- Croatia live
- Serbia and Slovenia by YE23

Getting finance right when and where needed

Expand POS Solutions/ Partnerships

- Pluggable POS lending solution for brick & mortar and online stores
- New product BNPL - new revenue stream
- Serbia, Slovenia and Romania live
- Other markets - in progress



Focus on enhancing product revenue streams

Enhancing Card & Deposit capabilities

- Transactions by instalments functionalities live
- Revenue driver
- Peer2peer payments for Addiko clients
- Launch PoS credit cards in Serbia - in progress

Hassle-free online SME loans - first in the market

SME Online lending

- Innovative short and simple online journey in web application
- Immediate non-binding offer with clear USP
- Reduce sales team dependencies & increase scale
- Croatia & Slovenia live
- Other markets in progress

Optimised SME digital lending tool live in all countries

SME E2E optimised lending via Sales teams

- E2E process optimisation of Digital Lending System for Micro and Small SMEs
- Reduce time to yes & Time to cash
- Fast micro-SME lender in the market
- Quarterly improvements

Results so far:

- Hybrid → e2e online lending without visiting branches:
  - **50% of digital customers in Croatia** are **preferring E2E** without visiting branch
- Expand POS Solutions/ Partnerships:
  - **Partnership network expanded** by 139 new partners and 430 new locations in 1H23
- Enhancing Card & Deposit capabilities:
  - **Credit card turnover** +24% YoY
  - **Card commission income** +32% YoY
- SME Online lending:
  - **Launched recently**
  - Currently in creating awareness phase
- SME E2E optimised lending via Sales teams:
  - **New business** +18% YoY with existing sales team
  - **TTC down** 14% (January vs June 2023)

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- Outlook & Wrap-Up
- Additional Materials

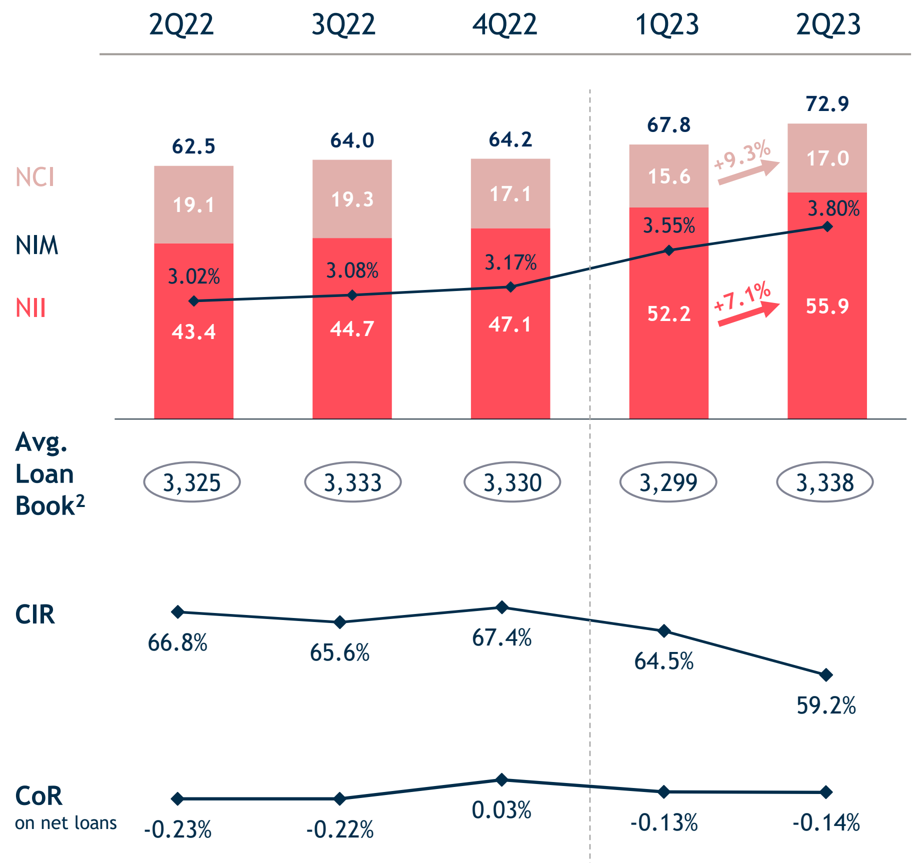
Financial Performance 1H23 at a Glance

Addiko Bank

Financial Performance 1H23

YTD, €m

	1H23	1H22	YoY
Net interest income	108.1	84.6	+27.8%
Net fee & commission income	32.5	36.1	-9.7%
Net banking income	**140.7**	**120.7**	**+16.6%**
Net result on financial instruments	0.7	0.2	>100%
Other operating result	-4.9	-5.9	-16.4%
Operating expenses	-86.9	-82.8	+4.9%
Operating result[1]	**49.6**	**32.3**	**+53.7%**
Other result	-16.5	-8.6	+92.5%
Credit loss expenses on financial assets	-9.2	-8.8	+4.3%
Tax on income	-4.5	-2.3	+92.9%
Result after tax	**19.5**	**12.6**	**+54.7%**

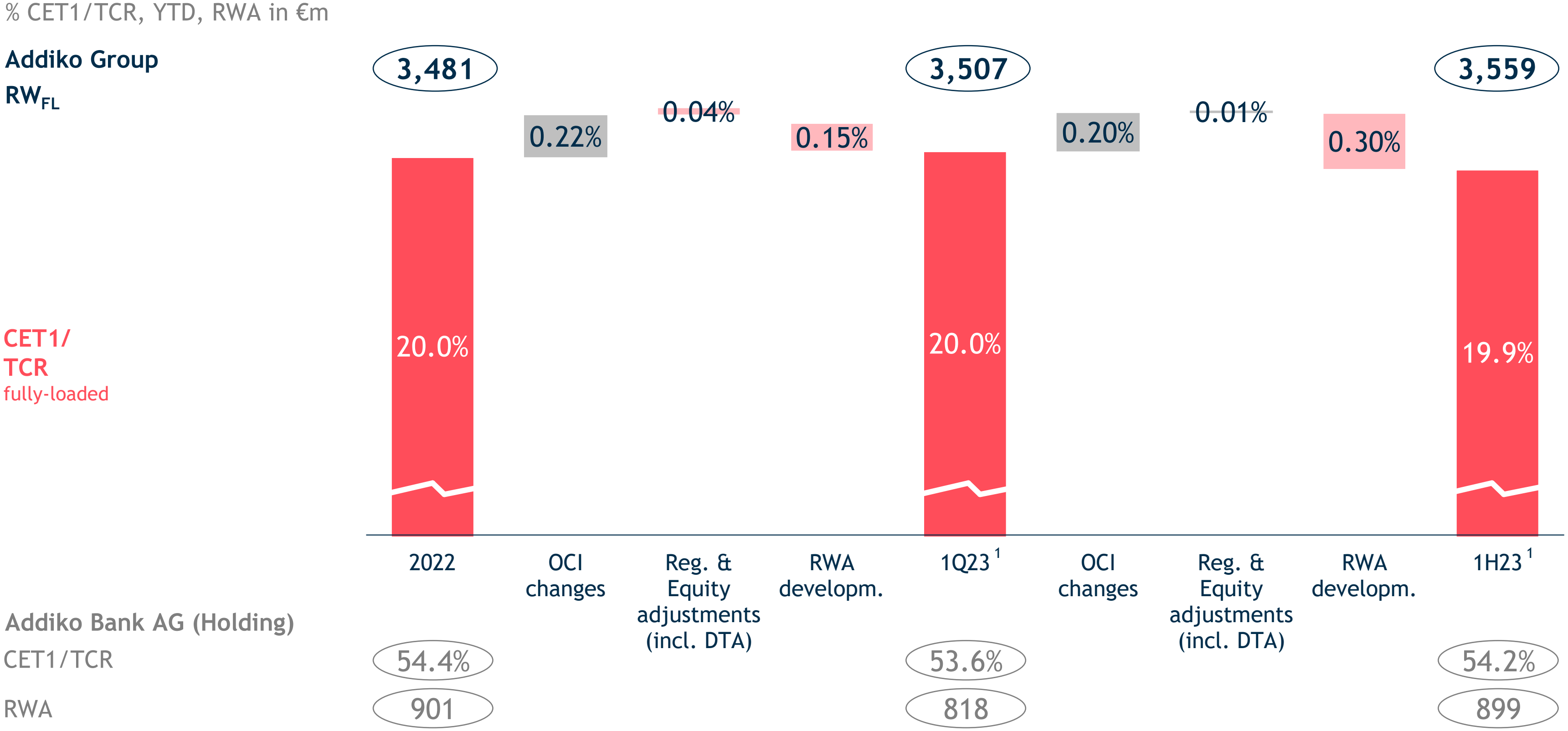


- **Strong NII momentum and improved NIM despite flat average loan book YoY** - supported by higher yielding new business and better yielding liquidity position
- **2Q23 with recovery in NCI** driven by higher card business, bancassurance and tourism related FX/DCC business - overall down YoY driven by lost income from FX/DCC in Croatia following the introduction of the Euro on 1 January 2023
- **Operating expenses remained in check, increasing pressure going forward** given high inflation and war for talent
- **QTD CIR** at 59.2% (down 7.6pp YoY)

[1] Operating result before impairments and provisions. [2] Based on daily average.

Capital Position Remains Strong

Capital development fully-loaded



- **Expiration of IFRS 9 transitional capital rules as of 1 January 2023** leading to no difference between transitional and the fully loaded regulatory capital
- **Positive development in OCI during 1Q23** (€7.7m) **continued in 2Q23** (€7.0m) mainly reflecting the recovery of market values and the related fair value measurement of debt instruments measured at FVTOCI (€14.7m YTD)
- **RWAs inching up as a result of growth** in the focus loan book, partially compensated by non-focus and NPE reduction
- **New draft SREP** for the year 2024 **expected during 3Q23**

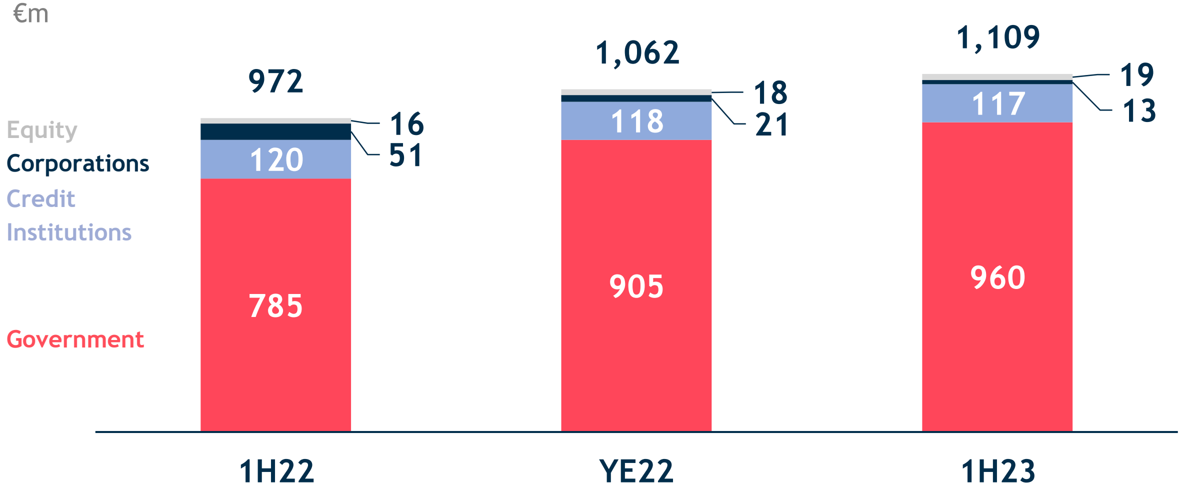
[1] Excluding accrued interim profit and accrued dividend.

Stable Development in Plain Vanilla Investment Portfolio

Addiko Bank

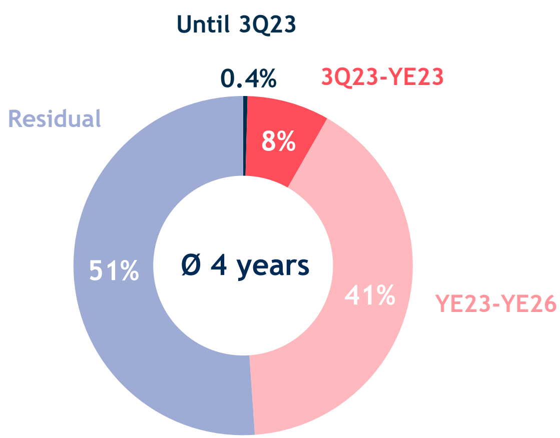
Evolution of Investment Portfolio

€m



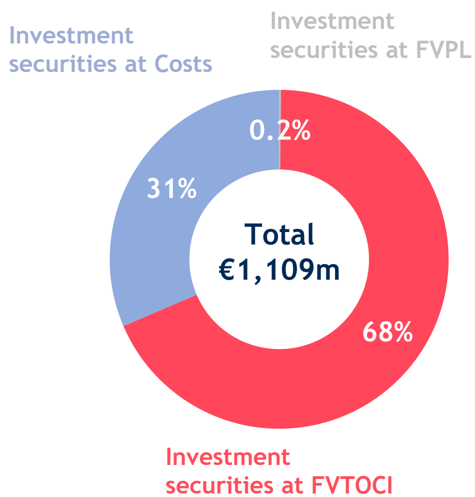
Breakdown of Investment portfolio by maturity[1]

1H23, €m



Breakdown of Investment portfolio by type

1H23, €m



Key highlights

- **1H23 Investment portfolio at €1.1b: 31% of the portfolio are in securities in HTC book** and **68% in securities measured at FVTOCI**
- Based on the new treasury strategy (implemented in 1Q22), the maturing investment portfolio at FVTOCI in EU entities is **replaced by new investments in HTC book** to collect interest income
- In line with Addiko's prudent investment approach, new investments are placed mainly into **high-quality government bonds** which is reflected within a YoY growth of €+175m (+22%)
- As of 1H23 the **negative fair value reserves** in the FVTOCI stood at €-71.0m (1Q23: €-78.0m) **will continuously decrease until the maturity** of the instruments, given the **high credit quality** and the expectation that **the issuers**, predominantly CESEE governments, will repay those bonds at maturity
- **Overall c. 50% of the investment portfolio is maturing in 2026** (average overall maturity at 4 years)
- **HTC book with negligible difference** between market value and book value (c. -1.1%)

[1] Maturity profile calculated based on notional amount.

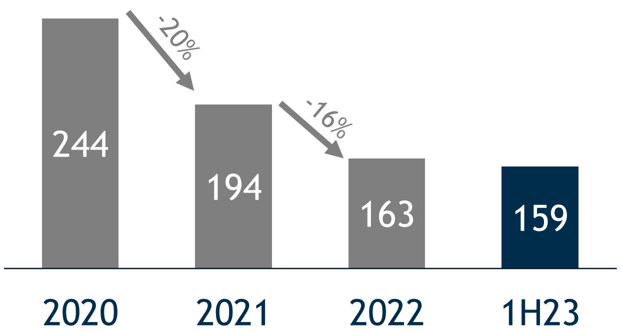
Balanced NPE Development in First Half 2023

Addiko Bank

NPE volume & ratio development

€m, YTD

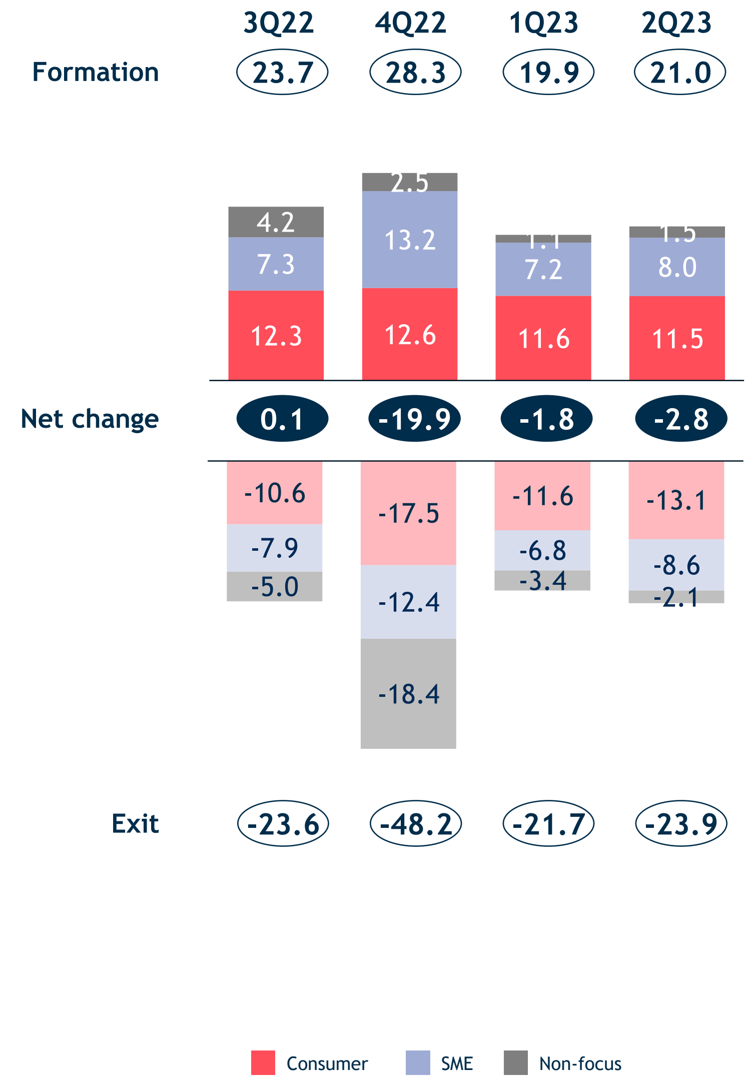
	2020	2021	2022	1H23
NPE ratio	3.5%	2.9%	2.4%	2.4%
NPE ratio (on-balance loans)[1]	4.7%	4.0%	3.3%	3.3%



- **Stable NPE development in 1H23** with further reductions since YE22
- **Good balance between NPE formation and exit** on the back of **deployed NPE strategy**
- **NPE ratio stable at 3.3% (on-balance loans)**

Quarterly NPE formation & exit

€m, QTD



[1] Incl. exposure towards National Banks (respective values excl. NB exposure: 2020: 5.9%, 2021: 5.2%, 2022: 4.4%, 1Q23: 4.3%, 1H23: 4,1%).

Credit loss expenses on financial assets

1H23 YTD, €m, positive number for release

	Consumer	SME	Non-Focus	Business Segments	Corp. Center	TOTAL
1Q23	(3.4)	(2.8)	1.8	(4.4)	(0.04)	(4.5)
2Q23	(2.6)	(3.3)	1.3	(4.5)	(0.17)	(4.7)

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

Ratio in %, not annualised (negative number represents impairment)

Focus areas

QTD

	2Q22	3Q22	4Q22	1Q23	2Q23
Consumer	(0.37)% (0.44)% on NL	(0.28)% (0.33)% on NL	0.38% 0.44% on NL	(0.19)% (0.22)% on NL	(0.14)% (0.16)% on NL
SME	(0.03)% (0.05)% on NL	(0.22)% (0.34)% on NL	(0.49)% (0.76)% on NL	(0.15)% (0.22)% on NL	0.17% 0.25% on NL

Group 1H23

YTD

Business Segments	TOTAL
(0.20)% (0.26)% on Net Loans	(0.20)% (0.26)% on Net Loans

- **1H23 credit loss expenses of €-9.2m resulting** in -0.27% **cost of risk** (on net loans, not annualised):
  - Consumer: -0.38%
  - SME: -0.47%
  - Non-Focus: +0.58%
- **Good operational portfolio development**
- Net migration to Stage 2 and Stage 3 remained **lower than expected, NPE coverage increased**
- **Overall post-model adjustment in ECL stock kept** at prudent level of €18.5m (YE22: €20.7m) to reflect remaining uncertainties and volatility in the macroeconomic environment

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Outlook 2023 Upgraded

The group raised the outlook for 2023 to reflect strong business development, the favourable interest environment and continued prudent stance on risk & legal costs:

- **Gross performing loans:** c. €3.5b with >10% growth in focus
- REVISED **Net Banking Income:** up by c. 15% positively impacted by the rising interest curve, despite increasing funding costs and run-down of non-focus (previously c. 10%)
- **Operating expenses:** below €179m mainly driven by inflation
- **Total Capital Ratio:** above 18.6% on a fully-loaded basis
- REVISED **Sum of other result and credit loss expenses on financial assets:** <1.5% on average net loans and advances to customers (previously c. 1.2%)
- **Dividend policy:** 60% of net profit attributable to shareholders

Macro Risks & Perspectives

- Russia's war in Ukraine continues to be a **major cause for uncertainty**
- **Inflation past its peak** but still elevated keeping **pressure on operating expenses**
- **Incumbent banks continue to be reserved towards increasing loan pricing** in CSEE, deposit pricing is slowly starting to inch up, while regulators curb interest and fee increases
- **Increasing burden on banks** in the region mainly **driven by governments and regulators**
- **Recent flooding in Slovenia: limited direct impact, targeted relief measures established**
- **Management remains prudent on underwriting and confident on business development** despite economic headwinds

Next Steps

- **3Q23 results call** scheduled for 8 November 2023 at 2pm Vienna time

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Management Team Since June 2021

Herbert Juranek

Chief Executive Officer

Chair of the Management Board

Addiko since May 2021

Mandate until YE25

- ✓ 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

Member of the Management Board

Addiko since July 2012

Mandate until YE25

- ✓ 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

Addiko since September 2016

Mandate until YE25

- ✓ 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 & Digitalisation Officer

Member of the Management Board

Addiko since August 2020

Mandate until July 2026

- ✓ 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

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 (19.5m shares)

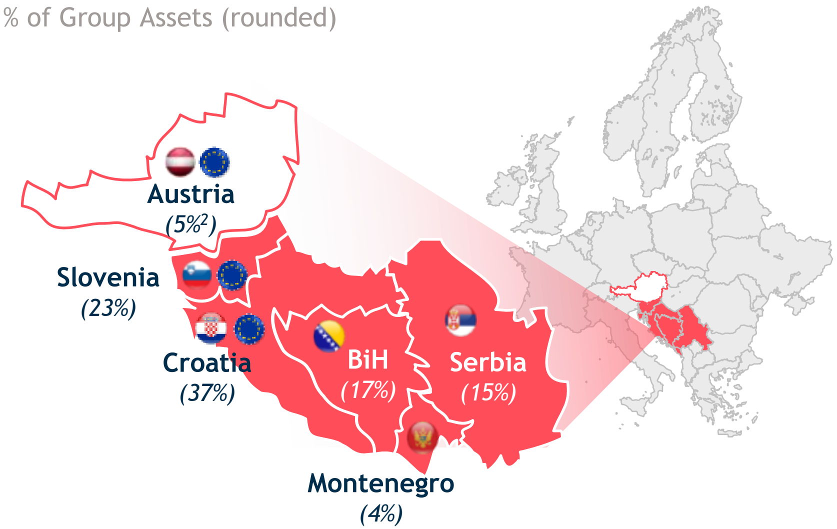
Repositioned as a focused CSEE specialist lender

Consumer

SME

Operating as one region - one bank

1H23, % of Group Assets (rounded)



1H23

~0.8m *Customers*	**154** *Branches*	**€5.9b** *Total Assets*	**64%-36%** *EU vs. EU accession asset split*[3]
€3.5b *Loans and Advances*	**€4.8b** *Customer Deposits*	**€756m** *Equity*	**BB** *Long-Term IDR issued by Fitch*

[1] Finanzmarktaufsicht Österreich.
[2] Includes total assets from Holding (€1,145m) and consolidation/recon. effects of (-€869m).
[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's Commitment to the Sustainable Development Goals

Addiko Bank

ESG in Addiko - It is the little things that count

	Environment	Social	Governance
Vision	Carbon footprint reduction	Committed to the good	Making ESG work through good governance
Mission	Addiko helps its employees and customers to become more climate neutral	Addiko supports social equality on all levels	Sound principles of governance in Addiko's DNA
15 Initiatives	Electromobility	Diversity and inclusion	Corporate bodies & code of conduct
	Office space optimisation	Future of work	Financial literacy
	Environment friendly banking services	Personal progress & well-being	Education
	Electricity from renewable resources	Supporting communities	Membership in associations
	Green products & no-go zones for financing	Feedback culture	Supply chain management

Balance Sheet Composition

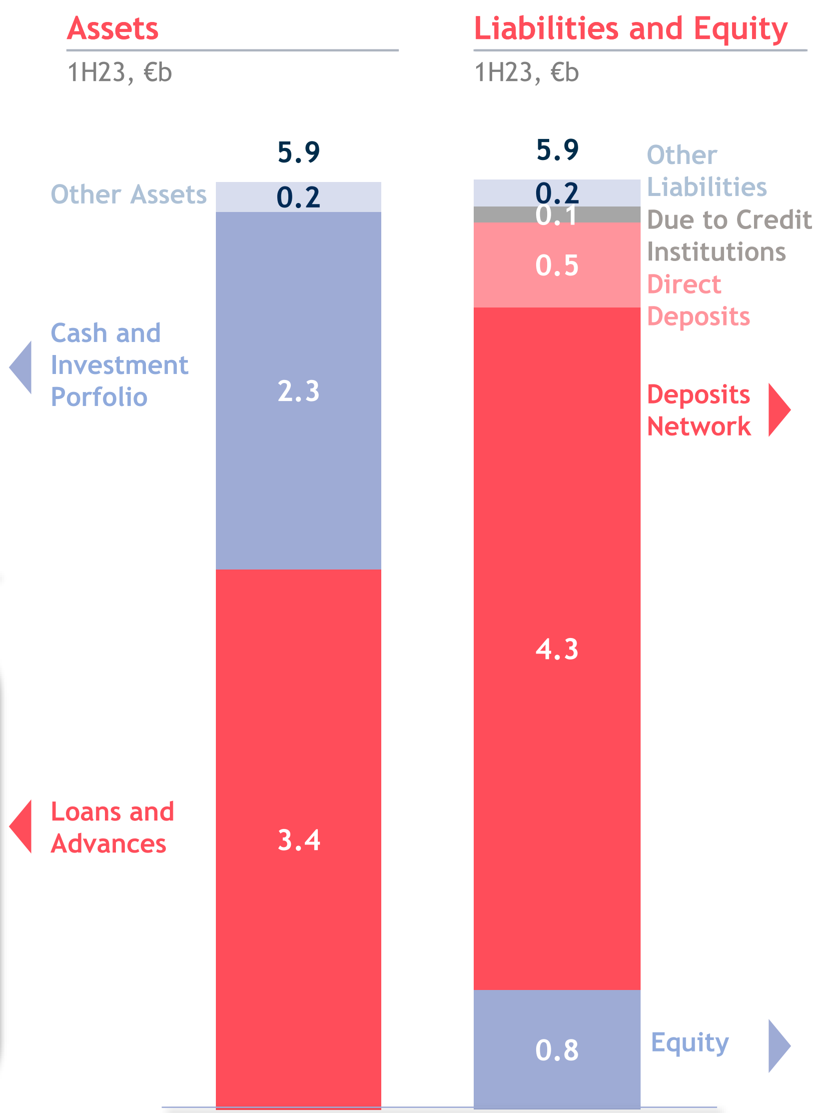
Addiko Bank

Liquid balance sheet
- LCR ratio: 336% (YE22: 307%)

Liquid assets
- €1.13b of cash (186bps on avg.)
- €1.13b of investment portfolio (190bps on avg.)

Substantially de-risked asset base
- NPE ratio: 2.4% (YE22: 2.4%)
- NPE ratio $_{\text{(on balance)}}$: 3.3% (YE22: 3.3%)

Solid provision coverage levels
- 78.0% NPE coverage ratio (YE22: 75.4 %)
- 114.9% incl. collateral (YE22: 115.3 %)



Strong deposit base
- Loan-deposit ratio (customer) : 70.6% (YE22: 66.4 %)

Funding surplus[1]: c. €1.4b

Robust capital base
- 19.9% fully-loaded CET1 ratio

Ongoing RWA optimisation, potential capital optimisation with eligible instruments in future, depending on market environment

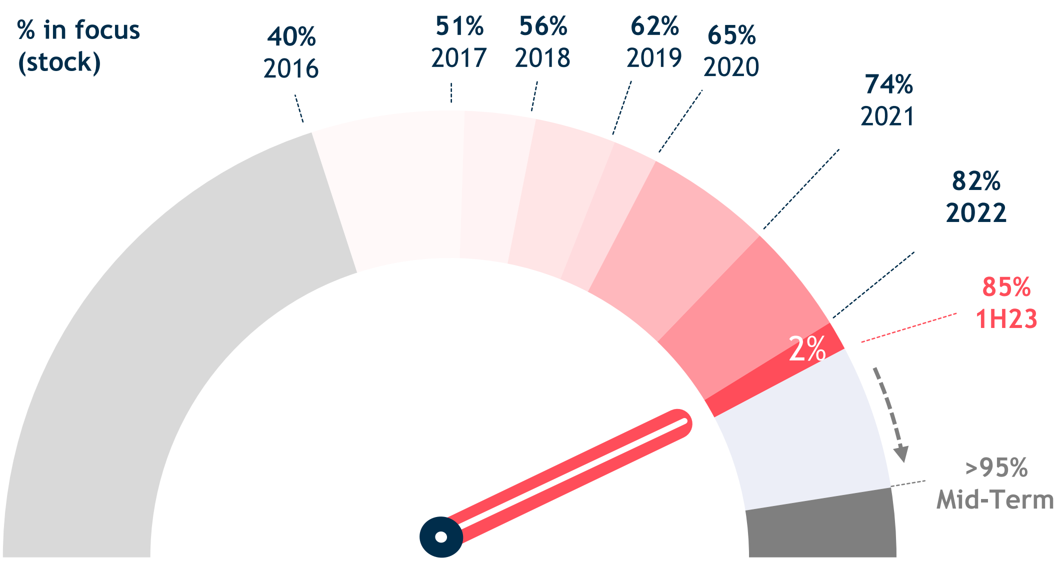
[1] Calculated as difference between deposits of customers and loans and advances to customers.

Acceleration of Growth in Focus Areas Consumer & SME

Addiko Bank

Gross performing loans in focus segments

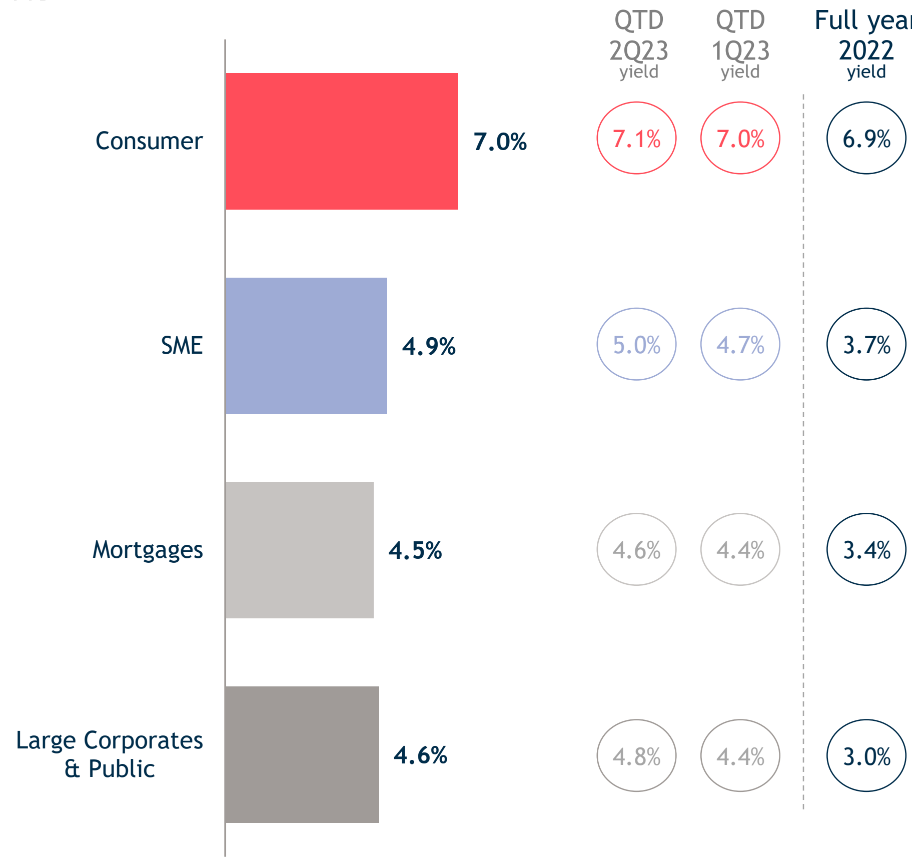
Gross loans of focus segments as % of total gross performing loans



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

Gross yield by segment[1]

1H23 YTD



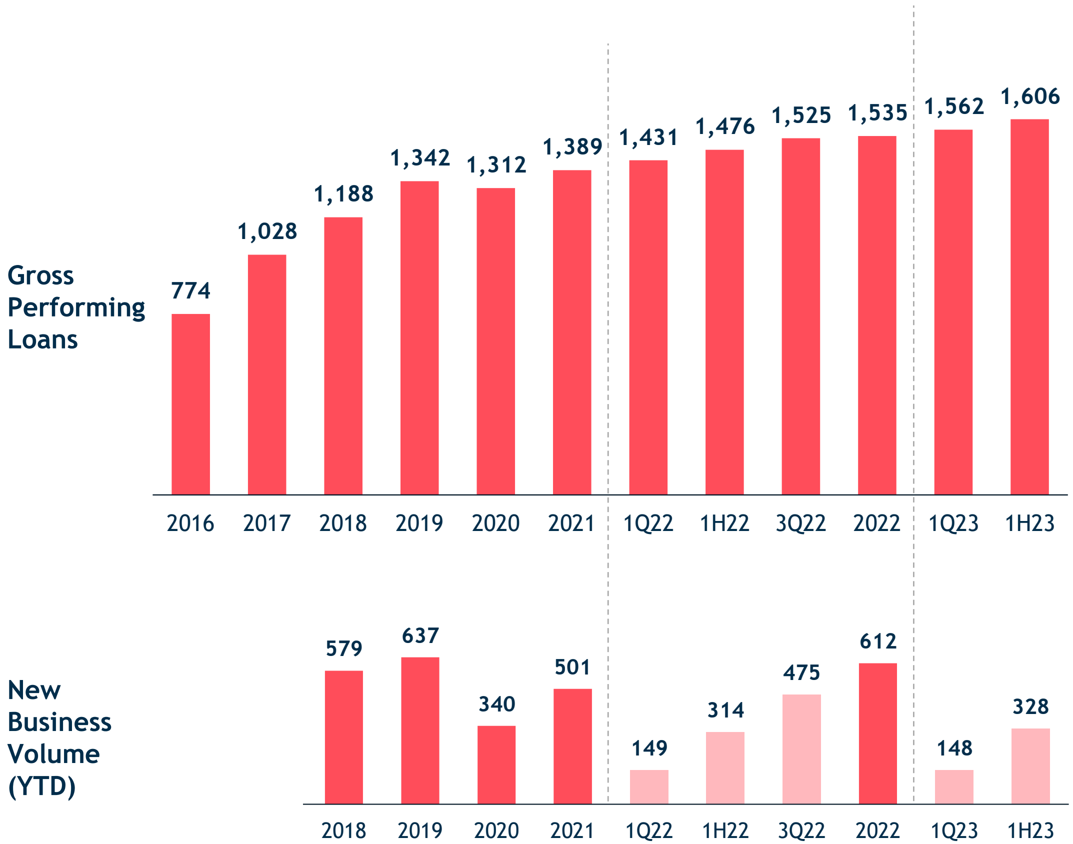
- **Shift to focus continues trend** reaching 85% at 1H23
- **On track to develop focus book share** towards Mid-Term target of >95%
- **Focus yield** up to 6.1% at 1H23, mainly driven by successful execution of focus strategy and high new business pricing

[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.

Consumer and SME Lending Development

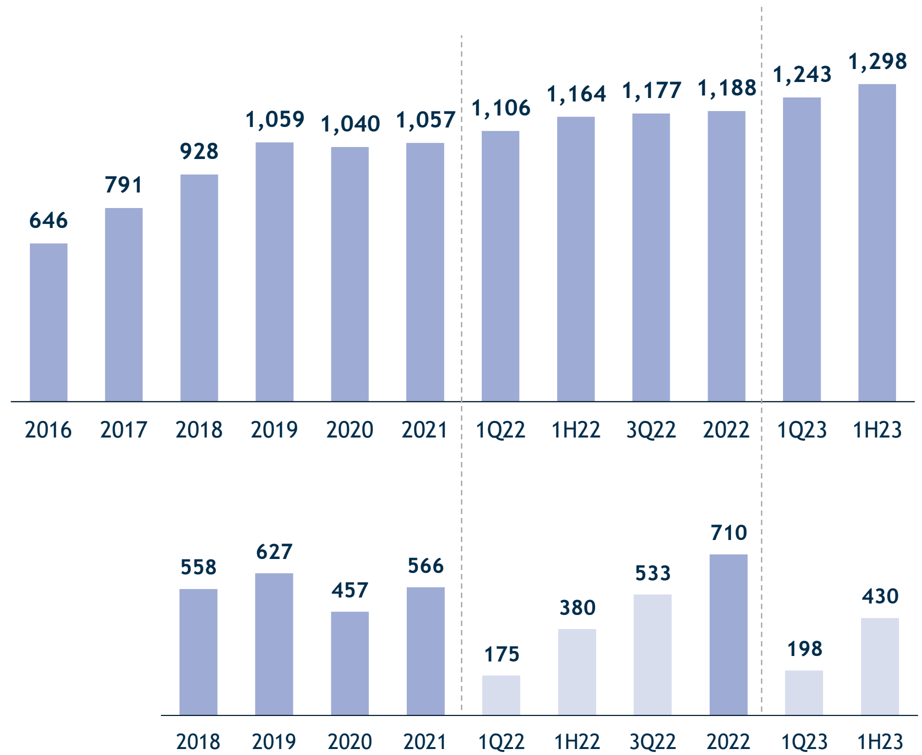
Consumer (Micro shifted to SME as of 1Q21)

€m, YTD



SME

€m, YTD



- Gross performing loans up +9% YoY
- New business up by 4% YoY

- Gross performing loans up +11% YoY despite reduction in low yielding & high-ticket medium SME loans
- New business up 13% YoY, mainly driven by Micro and Small SMEs

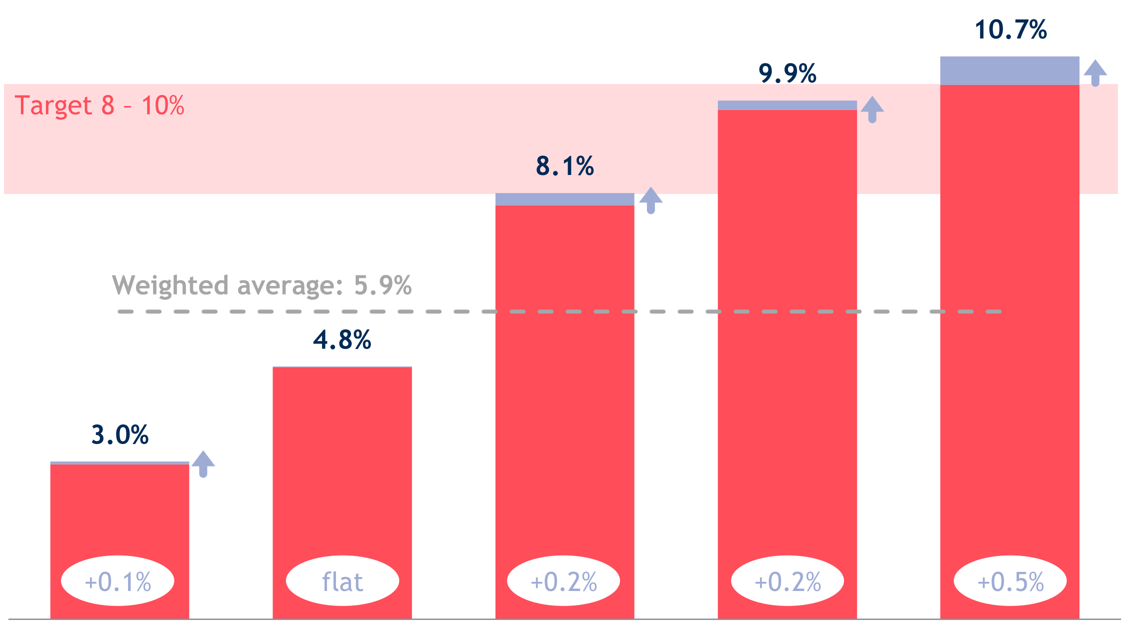
Growth in Consumer Lending Slowly Returning

Addiko Bank

Addiko market share - unsecured consumer loans (stock outstanding, 1H23E)[1,2]

		Serbia	Croatia	Bosnia & Herzegovina	Slovenia	Montenegro
Market Size, €b		7.6	10.1	4.5	4.3	1.0
Market Growth (vs. YE22)		+1.4%	+5.3%	+3.9%	+1.8%	-2.9%
Flow Market Share[3]	1H23E	2.9%	5.2%	4.5%	9.1%	10.7%
	YE22	2.5%	6.1%	4.6%	7.8%	11.4%

Stock Market Share (1H23E)



Change (vs. YE22)

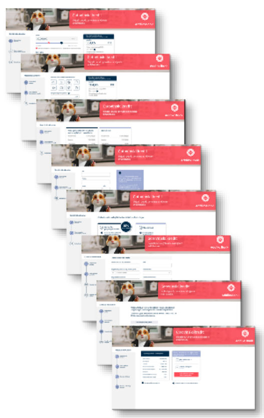
- **Consumer lending market size grew by +3.0% vs. YE22**
- **Strong growth largest market Croatia** (+5.3% vs. YE22)
- **Market share in overall book (stock) grew** in all markets while being flat in Croatia
- **Addiko Serbia back on growth path** after slowdown due to reduction in local currency funding as a consequence of interventions by the National Bank of Serbia
- **Solid development of Addiko's new business (flow) market share in all markets**

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

Digital Lending Platforms in All Major Markets

Addiko Bank

WebLoan (Consumer & SME)



Simple entry point for loan requests with instant initial offer

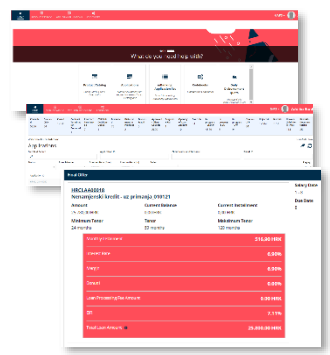
Achievements 2Q23

- ✓ WebLoan for SME clients released in Croatia
- ✓ Frontend redesign and SEO optimisations for WebLoan Consumers released in all banks
- ✓ Continuous expansion of the partners' network with upgrade of partnership module for Montenegro and Serbia

Plans 3Q23

- E2E process with video identification and 2FA loan contract signature in Serbia
- E2E process with Postman identification and digital signature of the loan contract in Slovenia

Group Application Processing System - GAPS (Consumer)



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

Achievements 2Q23

- ✓ Implementation of variable interest rate in Slovenia & Croatia
- ✓ Implementation of overdraft in Croatia

Plans 3Q23

- Implementation of E2E loan process (identification via Postman) in Slovenia
- Implementation of overdraft bundle (Cash Loan, Overdrafts, Credit Card) in Croatia

mLoan (Consumer)

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

Achievements 2Q23

- ✓ E2E loan and overdraft in Sarajevo

Plans 3Q23

- Analysis and development of the upgrade of mLoan solution in order to increase the number of submitted loan requests

Application Processing System (SME) - DLS

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

Achievements 2Q23

- ✓ Implementation of WebLoan process for SME clients in Croatia
- ✓ E2E process optimisation & simplifications (ESG, automated loan booking, etc.)

Plans 3Q23

- Implementation of an application for automated overdraft and business credit card
- Removal of manual process steps in favour of automatic processing

Addiko Bank

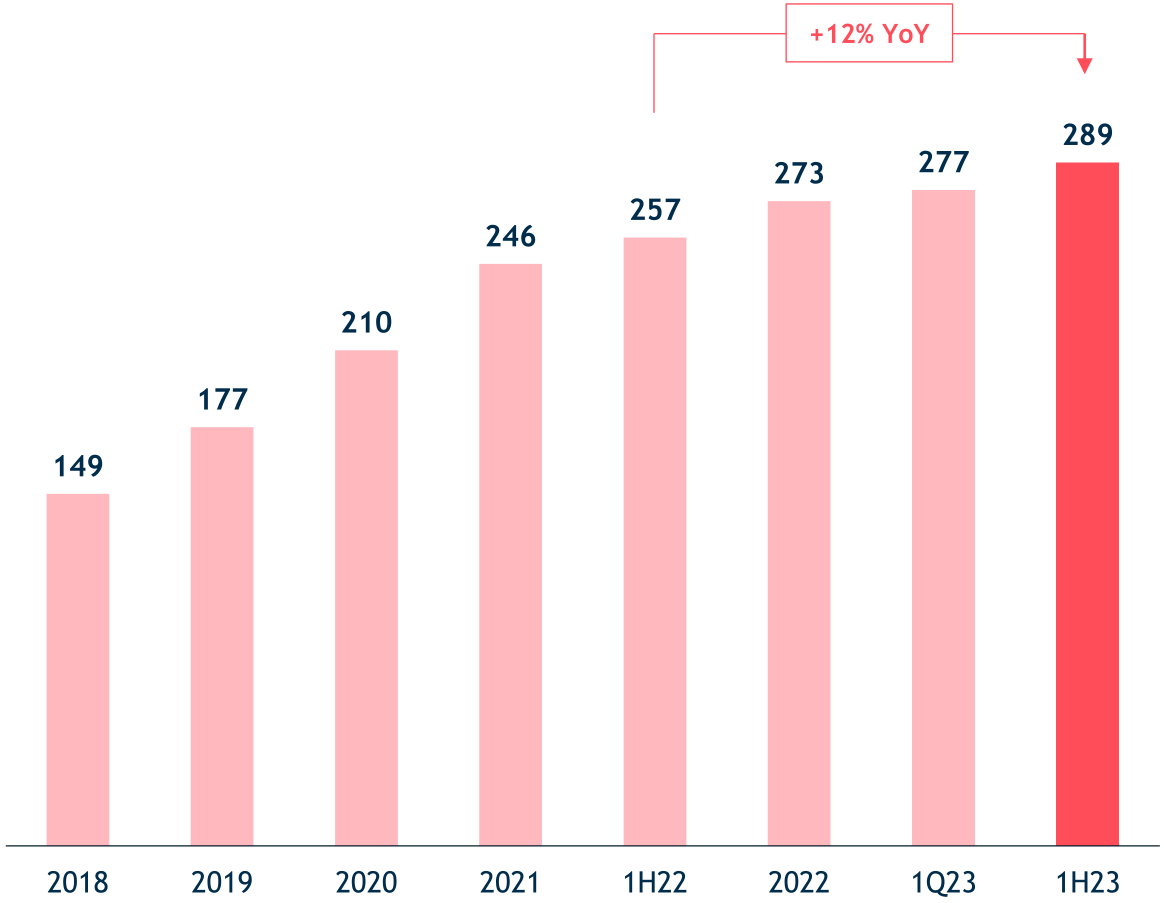
Digital capabilities

YTD

+14% YoY

Registered Mobile Banking Users (ths.)[2]							
118	150	188	230	242	258	263	277

Digital Users (ths.)[2]



+5% Mobile banking users (vs. PQ)

+4% Digital users (vs. PQ)

26% Bank@Work (1Q23: 27%, YE22: 26%, 3Q22: 24%, 1H22: 26%)

33% Digital consumer loans[1] (1Q23: 33%, YE22: 37%, 3Q22: 38%, 1H22: 37%)

49% Digital SME loans (1Q23: 53%, YE22: 56%, 3Q22: 58%, 1H22: 59%)

[1] Consumer loans originated through Web (incl. digitally initiated loans and overdraft in Slovenia) / total consumer loans disbursements.
[2] Updated figures with enhanced methodology for registered mobile banking users and digital users.

Key financials

P&L

in €m	YTD			QTD		
	1H23 (YTD)	1H22 (YTD)	+/- PY	2Q23	1Q23	+/- PQ
Net interest income	108.1	84.6	27.8%	55.9	52.2	7.1%
Net fee and commission income	32.5	36.1	-9.7%	17.0	15.6	9.3%
Net banking income	**140.7**	**120.7**	**16.6%**	**72.9**	**67.8**	**7.6%**
Other income[1]	-4.2	-5.6	-25.5%	-0.4	-3.8	-88.3%
Operating income	**136.5**	**115.1**	**18.6%**	**72.5**	**64.0**	**13.2%**
Operating expenses	**-86.9**	**-82.8**	**4.9%**	**-43.1**	**-43.7**	**-1.3%**
1 **Operating result**[2]	**49.6**	**32.3**	**53.7%**	**29.3**	**20.3**	**44.5%**
Other result	-16.5	-8.6	92.5%	-11.8	-4.7	>100%
Credit loss expenses on financial assets	-9.2	-8.8	4.3%	-4.7	-4.5	5.5%
Result before tax	**24.0**	**14.9**	**60.6%**	**12.8**	**11.2**	**14.8%**
2 **Result after tax**	**19.5**	**12.6**	**54.7%**	**9.8**	**9.7**	**1.2%**

Balance Sheet

in €m	1H23 (YTD)	1H22 (YTD)	+/- PY	+/- PQ
Total assets	5,876	5,700	3.1%	-1.1%
Loans and receivables to customers	3,423	3,363	1.8%	2.2%
3 o/w gross performing loans	3,436	3,385	1.5%	2.2%
Customer deposits	4,849	4,635	4.6%	-1.1%
Shareholders' equity	756	738	2.4%	-1.0%

Key Ratios

	1H23 (YTD)	1H22 (YTD)	+/- PY (pts)	+/- PQ (pts)
NIM (in bps)	367	296	72	13
Cost/income ratio	61.7%	68.6%	-6.8%	-2.8%
NPE Ratio (GE based)	2.4%	2.8%	-0.4%	0.0%
NPE Ratio (on-balance loans)	3.3%	3.8%	-0.5%	0.0%
Cost of risk (net loans)	-0.27%	-0.26%	-0.01%	-0.13%
Loan-deposit ratio (customer)	70.6%	72.6%	-2.0%	2.3%
RoATE	5.4%	3.4%	2.0%	0.0%
4 CET1 ratio (fully-loaded)	19.9%	18.8%	1.1%	-0.1%
Total capital ratio (fully-loaded)	19.9%	18.8%	1.1%	-0.1%

As of 1Q23, no difference between transitional and fully-loaded capital due to expiry of IFRS 9 transitional capital rules

1 **Operating result** up 53.7% YoY to €49.6m:
- **Net banking income up 16.6% YoY** driven by strong development in Consumer & SME supported by increasing market interest environment and higher income treasury and liquidity management
- **Net fee and commission income** recovered in 2Q23 mainly driven by higher card business, bancassurance and FX/DCC
- **Other income higher by €1.4m YoY** mainly influenced by lower costs for deposit insurance in Croatia and regulatory charges
- **Operating expenses up by 4.9%** due to inflation pressure, mainly visible in staff & premises costs, partially compensated by lower marketing expenses. Targeted cost management avoided higher updrift

2 **Result after tax of €19.5m** reflecting strong business development, successful increases in pricing, and provisions for legal claims with relatively benign credit losses

3 **Performing loan book continued growth path** due to ongoing business momentum

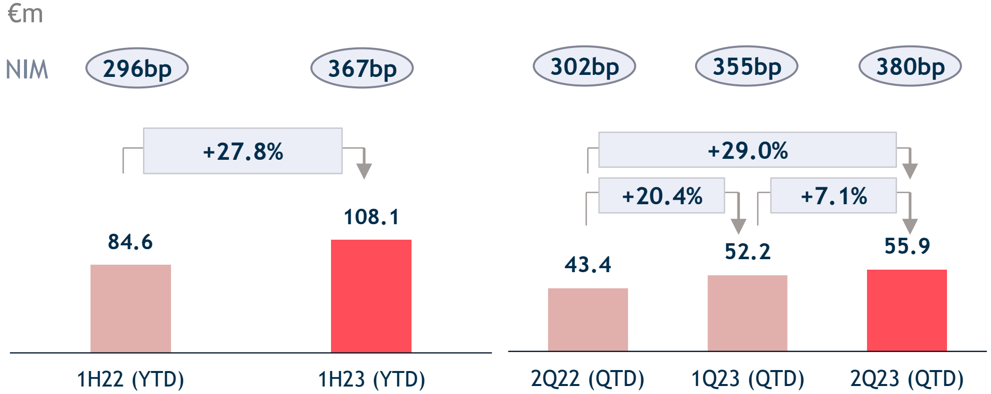
4 **CET1 ratio strong at** 19.9% fully-loaded

RoATE at 5.4% (1H22: 3.4%)

[1] Includes net result on financial instruments and other operating result. [2] Operating result before impairments and provisions.

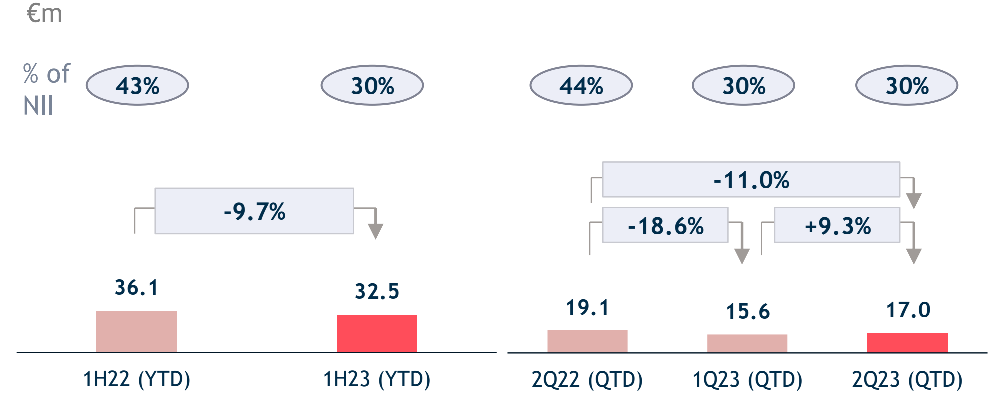
Financials: Key Performance Drivers 1H23

Net interest income



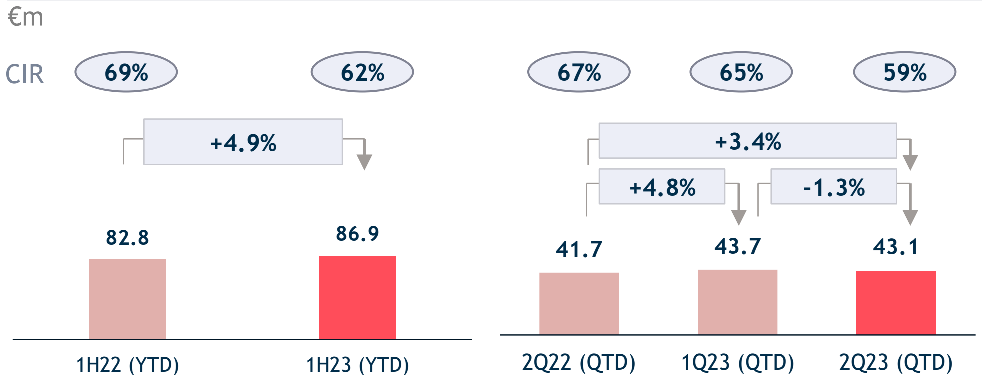
- Increase in net interest income as a result of growth momentum in focus supported by increasing market rate environment and successful pricing increases
- As a result, NIM improved significantly despite continuously increasing funding costs

Net fee and commission income



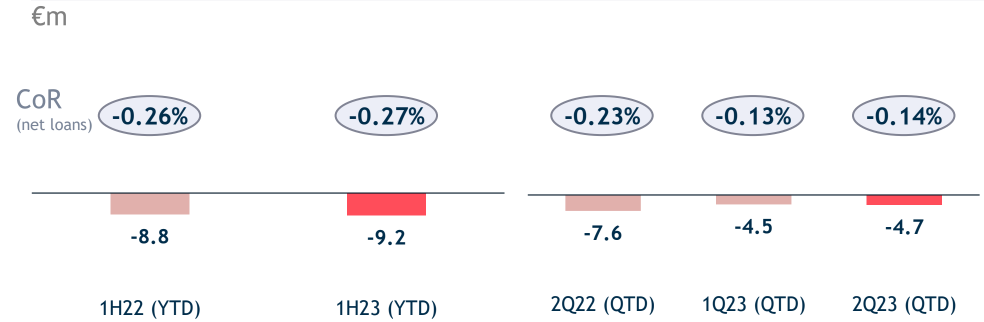
- Lower NCI YoY influenced by lost income from FX/DCC in Croatia following the introduction of the Euro on 1 January 2023
- Recovery in NCI during 2Q23 driven by higher card business, bancassurance and remaining FX/DCC

Operating expenses



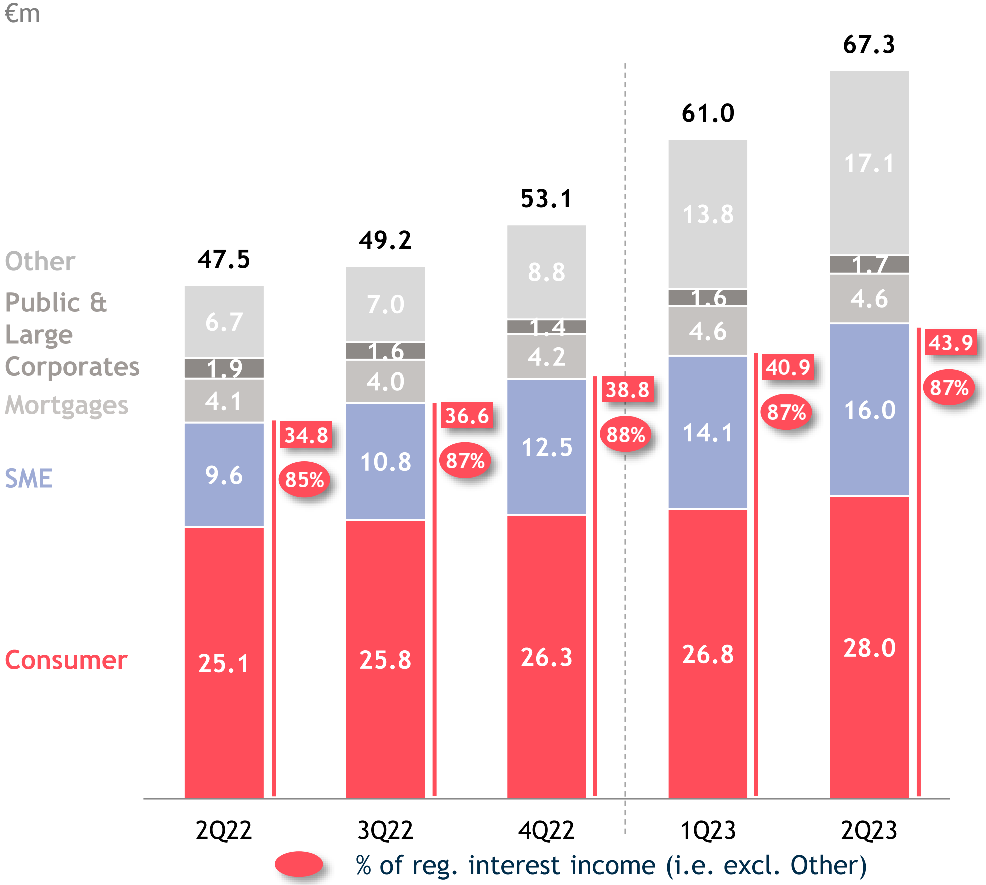
- Operating expenses up 4.9% YoY mainly driven by staff & premises costs, partially compensated by lower marketing expenses
- Savings achieved via targeted cost management initiatives were partially consumed by significantly elevated inflation and related wage pressure

Credit loss expenses on financial assets



- Balanced development in 1H23 with slight reduction in NPE volumes to €159m
- Post-model adjustment kept at a prudent level of €18.5m (YE22: €20.7m reflecting uncertainties and volatility in the macroeconomic environment

Interest income by quarter[1]



- Increase in interest income driven by solid development in Consumer and SME business as well as higher income related to liquidity management and treasury supported by rate hikes
- Focus interest income up by 7.3% vPQ

Gross yield by quarter[2]

	2Q22	3Q22	4Q22	1Q23	2Q23
Consumer	6.9%	6.8%	6.8%	7.0%	7.1%
	6.5% new business	6.4% new business	6.6% new business	7.5% new business	7.6% new business
SME	3.4%	3.7%	4.2%	4.7%	5.0%
	3.9% new business	4.1% new business	4.4% new business	5.3% new business	5.4% new business
Public & Large Corporates	2.7%	2.9%	3.3%	4.4%	4.8%
Mortgages	3.3%	3.4%	3.7%	4.4%	4.6%

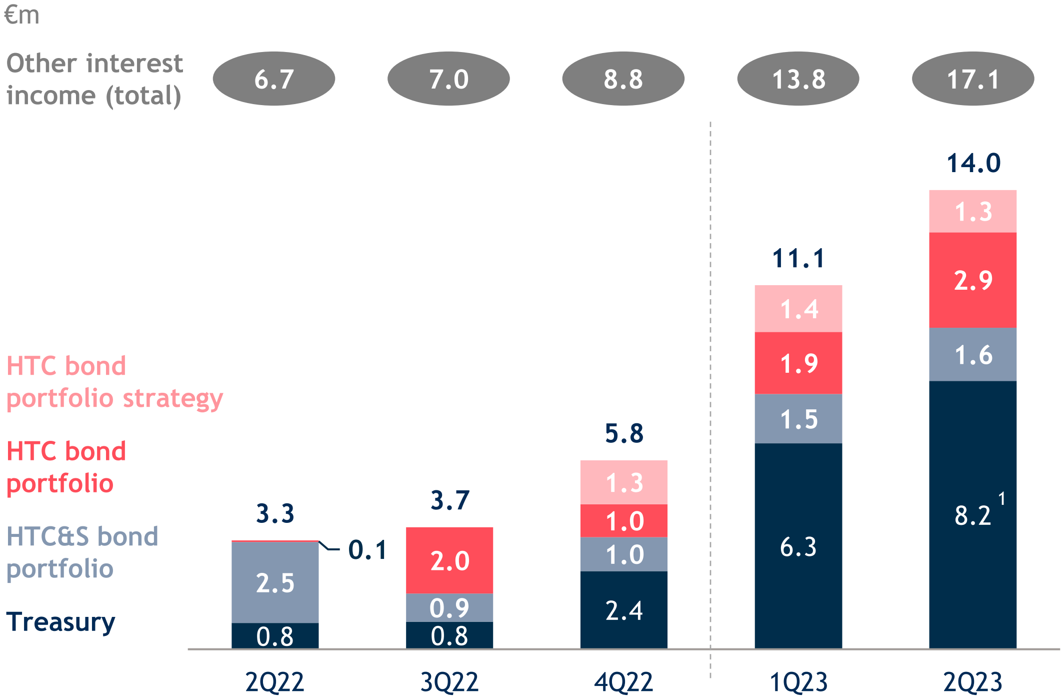
- Increasing new business yields in Consumer further inched up driven by rate environment and premium pricing
- SME yields continued to increase due to focus on smaller tickets with Micro and Small SMEs
- Mortgage and Public & Large Corp. in run-down mode

[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 are calculated using daily averages.

Financials: Breakdown of Other Interest Income

Treasury interest income by quarter



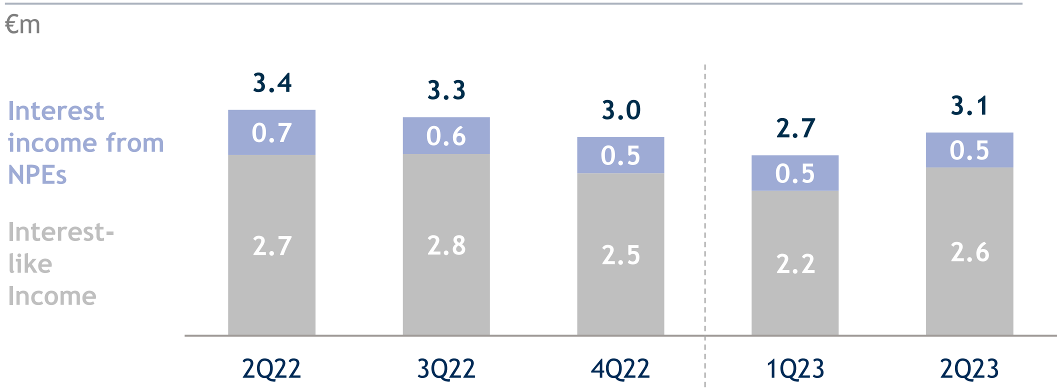
- **HTC bond portfolio strategy:** interest income from the instruments held under the Hold-to-Collect (HTC) bond portfolio strategy in EU entities. This portfolio is steered as the HTC bond portfolio, based on the treasury investment strategy, but still classified as HTC&S due to the negative FMA feedback obtained in relation to the reclassification

- **HTC bond portfolio:** New Hold-to-Collect (HTC) strategy implemented as of 1 July 2022
  - 1Q22 and 2Q22 show the interest income from the instruments classified as HTC from the beginning
  - 3Q22 includes in addition also the interest income of the reclassified instruments from the reclassification date
  - 4Q22 onwards show the reversal of the reclassification upon negative FMA feedback and consists of interest income from the instruments classified as HTC from the beginning of the investment

- **HTC&S bond portfolio:** interest income from the Hold-to-Collect-and-Sell (HTC&S) bond portfolio of the non-EU entities

- **Treasury:** 2Q23 mainly driven by income from cash at national and correspondent banks

Interest income from NPEs & interest like income by quarter



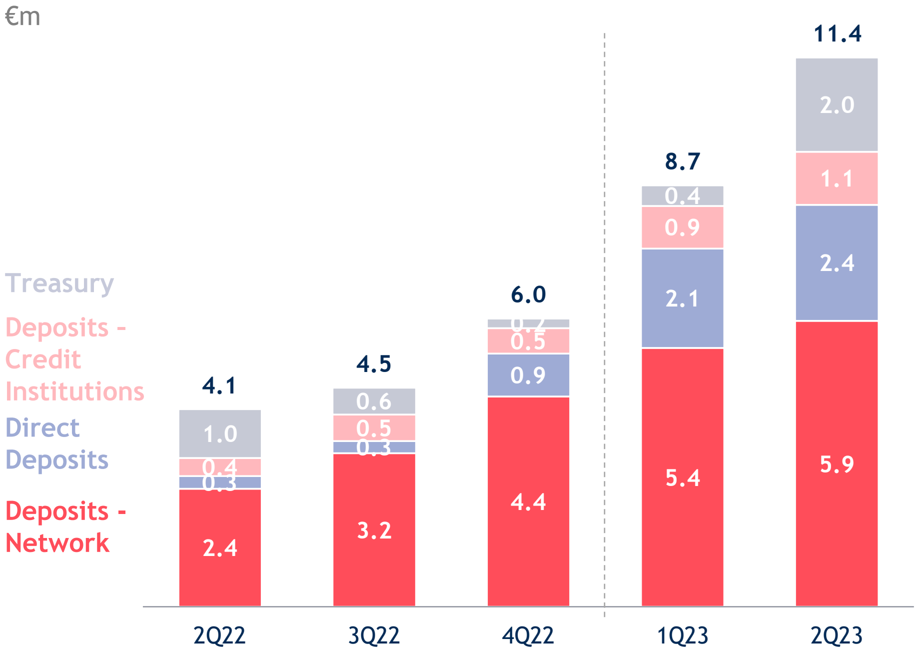
- **Interest income from NPEs:** stable due to limited NPE inflow

- **Interest like income** (i.e. fees accrued over the lifetime of the loan): Supported by higher new business activities

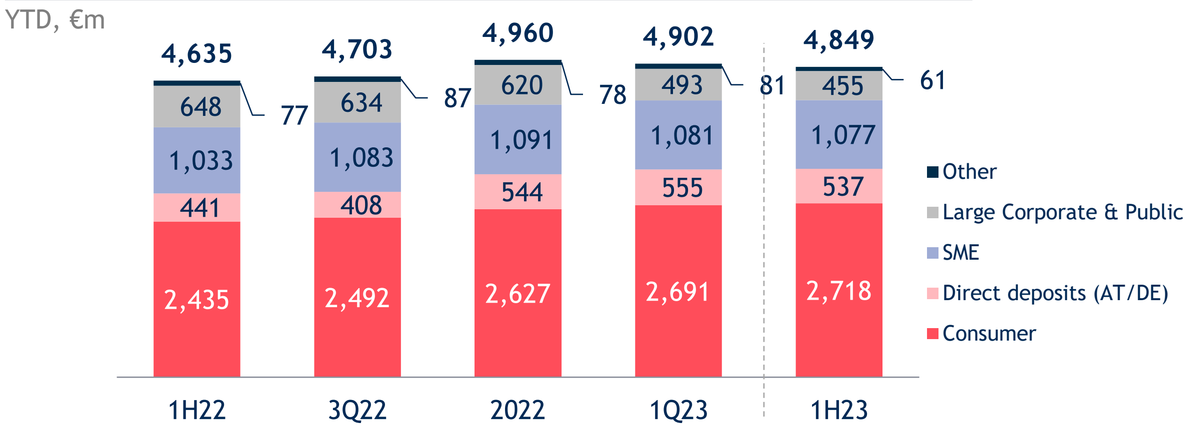
[1] Includes €0.3m from VAT refund in Montenegro.

Financials: Interest Expense Dynamics

Interest expense by quarter



Stable customer deposit volumes



Cost of funding by quarter[1]

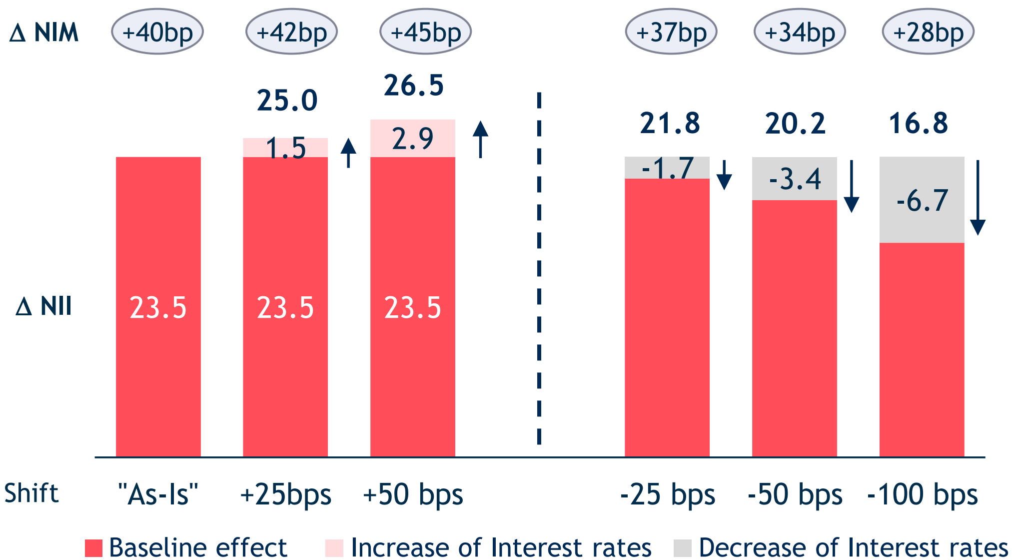
	2Q22	3Q22	4Q22	1Q23	2Q23
Deposits - Network	0.23%	0.30%	0.40%	0.50%	0.55%
Direct Deposits	0.24%	0.23%	0.74%	1.52%	1.76%
Group Cost of Funding[2]	0.34%	0.37%	0.47%	0.69%	0.91%

- **Customer deposit volume stable at** €4,894m at 1H23 (€4,902m at 1Q23) - expected outflow in non-focus segments compensated by increased retail deposits reflected in Consumer
- **Costs for CSEE network deposits** continued to inch up during 2Q23 - following overall market trend
- **Pricing for direct deposits** up significantly in 1H23 (predominantly tenors of 12 to 24 months), influenced by market development and intentional collection of term deposits
- **Share of a-vista/demand deposits further reduced** by 2pp to 66% as of 1H23 (YE22: 68%) due to strategic decision to build-up term deposits

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

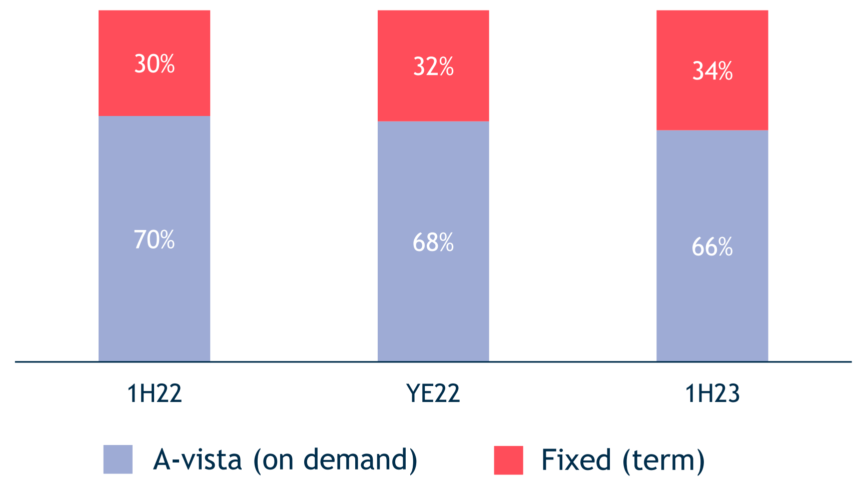
Estimated impact on NII and NIM for parallel interest rate shifts

€m, calculated based on 1H23 balance sheet



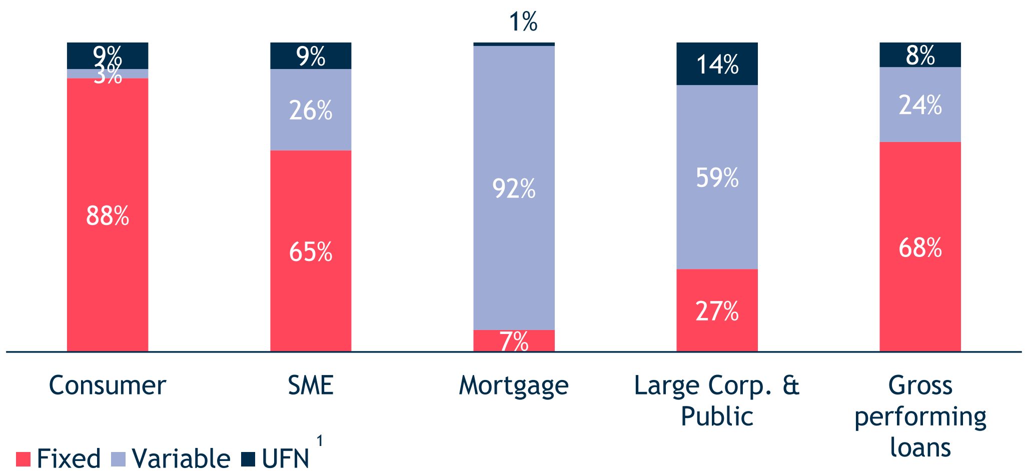
Interest binding structure of customer deposits

% of customer deposits, calculated based on 1H23 balance sheet



Interest binding structure of gross performing loans

% of gross performing loan book, calculated based on 1H23 balance sheet

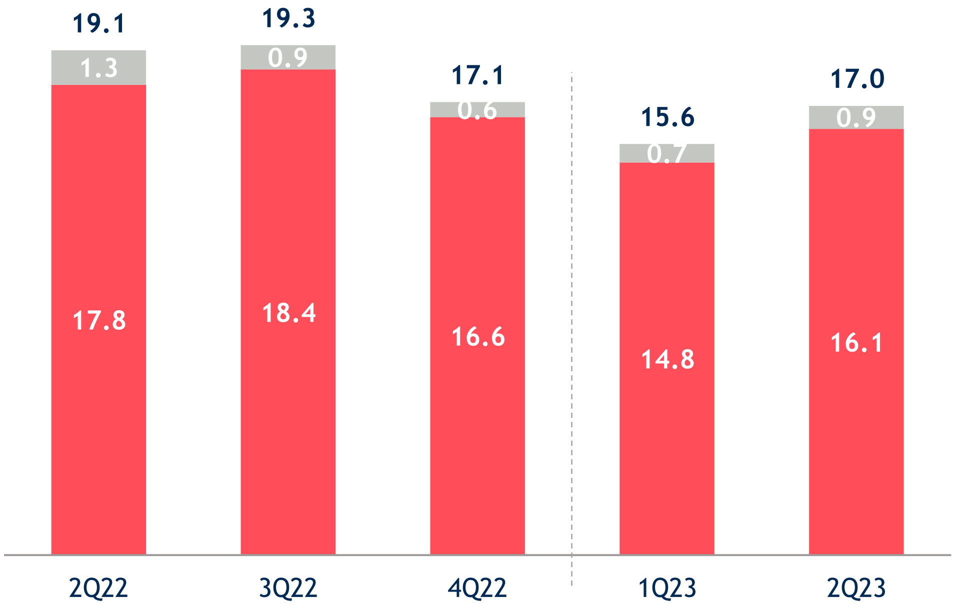


- Sensitivity calculated based on 1H23 static balance sheet structure (variable loan book and deposits at national banks), based on parallel shift in interest rates
- Conservative interest rate assumptions for Outlook 2023 and the mid-term
- Full year impact from re-pricing based on latest changes on the interest curve reflected in “as-is”
- On deposit side, smaller impact from rate changes expected due to sticky a-vista (on demand) deposits and overall excess liquidity on the CSEE market

[1] UFN = Until Further Notice

Net fee and commission income by quarter

€m



Key highlights

- **Net fee and commission income** recovered in 2Q23 mainly driven by higher card business, bancassurance and remaining FX/DCC business

- **Other products:** increased contribution from accounts & packages, residual FX/DCC and transactions continued, representing c. 74% of NCI
- **FX/DCC** at €3.6m, down c. 44% vs. 1H22's €6.3m due to introduction of Euro in Croatia on 1 January 2023

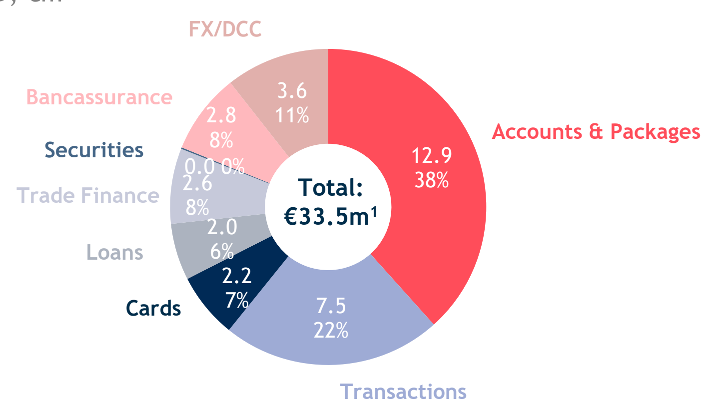
- **Consumer and SME segments continue to generate c. 95%** of net fee and commission income, with increasing contribution from the SME business

Focus

Consumer	58.7%	61.2%	57.4%	59.1%	61.6%
SME	41.3%	38.8%	42.6%	40.9%	38.4%

By product type

1H23 YTD, €m



[1] Excludes €1.0m of negative contribution from "other".

Financials: Other Income & Other Result

Addiko Bank

Other income breakdown (YTD)

€m

	1H22	1H23
Deposit guarantee	-4.0	-2.9
1 Bank levies and other taxes	-1.8	-1.8
Recovery and Resolution Fund	-0.6	-0.2
Restructuring	0.0	0.0
Other	0.5	0.1
Other operating result	-5.9	-4.9
2 Net result on financial instruments	0.2	0.7
Other income	**-5.6**	**-4.2**

1. Lower **deposit guarantee** expenses as in the reporting period no contributions were charged in Croatia as well as lower frontloaded regulatory charges from the **recovery and resolution fund**
2. **Net result on financial instruments:** Development in line with new treasury investment strategy to keep the positions until maturity to collect interest income

Other result breakdown (YTD)

€m

	1H22	1H23
1 Legal provisions (net)	-8.4	-12.1
Impairments non-financial assets (net)	-0.2	0.0
Modification gains/losses	0.0	-0.1
2 Provisions for operational risks	0.0	-4.2
Other result	**-8.6**	**-16.5**

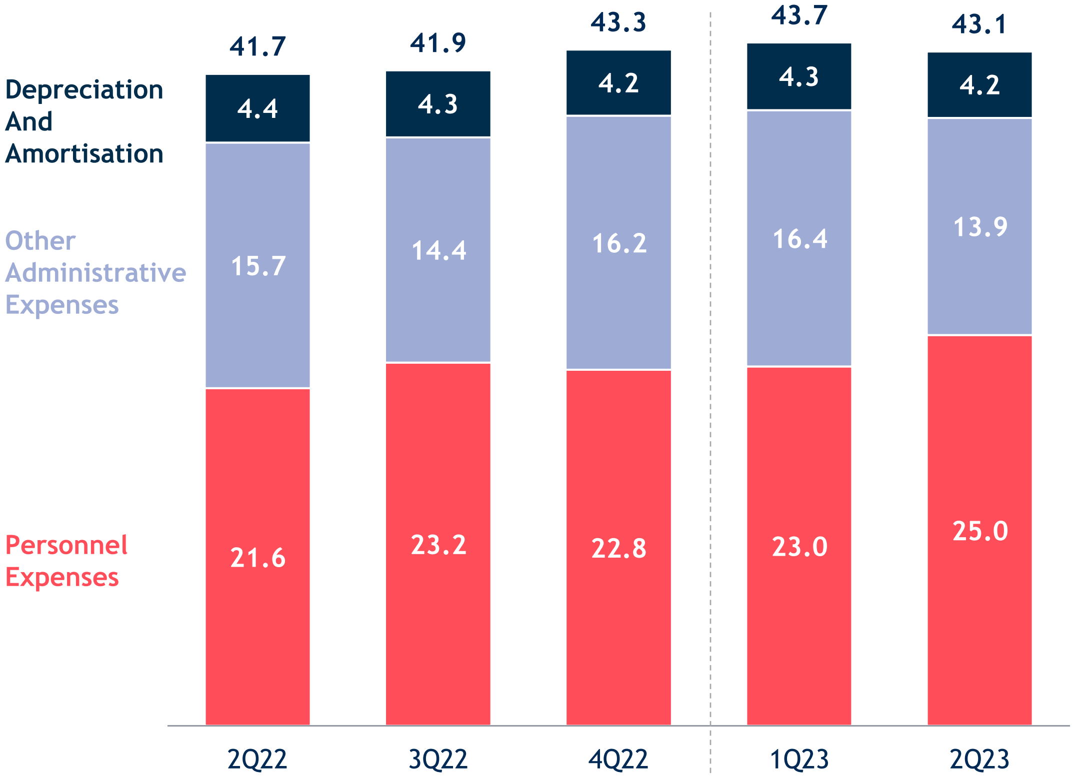
1. **Legal provisions:** mainly impacted by credit-linked and portfolio-based provisions for expected legal matters on Swiss-franc denominated loans in Croatia, Slovenia and Montenegro and costs for resolution of legacy legal claims
2. **Provisions for operational risks (new position 2023):** Includes provisions connected with consumer protection initiatives and events related to operational banking risks

Financials: Development of Operating Expenses

Addiko Bank

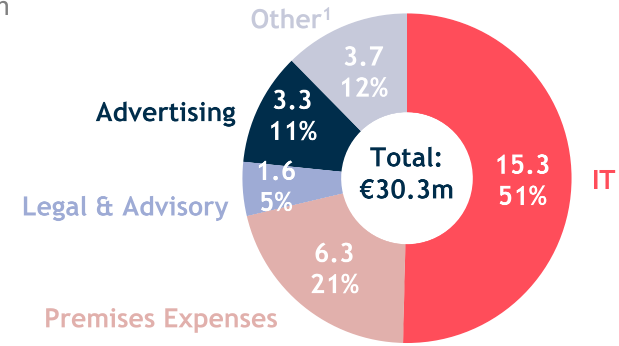
Operating expenses development by quarter

€m



Other Administrative expenses

1H23 YTD, €m



- Overall cost base up YoY driven by significantly elevated inflation while higher increases were contained by targeted cost reduction initiatives, on lower base achieved as a result of the Transformation Program
- Higher costs mainly influenced by inflation related cost increases (energy for premises and staff) and accruals
- Other administrative expenses down YoY as a result of stringent cost management
- Inflation past its peak but still elevated keeping pressure on operating expenses going forward, with further expected wage and index related cost increases

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

Detailed balance sheet overview (YTD)

€m

	2019	2020	2021	2022	1H23
Cash reserves	899.4	1,156.3	1,361.7	1,382.9	1,129.4
Investment Portfolio	1,135.1	965.5	1,044.8	1,084.4	1,132.9
Financial assets held for trading	38.5	36.4	32.6	22.8	23.8
Investment securities	1,096.6	929.0	1,012.2	1,061.6	1,109.1
Loans and advances	3,885.9	3,641.2	3,284.4	3,381.9	3,471.3
Loans and advances to credit institutions	14.0	56.5	5.7	89.2	48.0
Loans and advances to customers	3,871.9	3,584.7	3,278.7	3,292.7	3,423.3
Derivatives – hedge accounting	-	-	-	-	-
Tangible assets	85.9	78.8	70.6	61.6	60.3
Property, plant & equipment	81.8	74.0	65.5	57.3	56.1
Investment properties	4.1	4.7	5.1	4.3	4.2
Intangible assets	27.9	26.4	26.7	24.5	22.4
Tax Assets	25.7	25.2	26.9	42.4	38.3
Current tax assets	1.8	3.9	2.7	5.4	3.4
Deferred tax assets	23.9	21.3	24.1	37.0	34.9
Other assets	20.6	18.5	14.9	17.1	19.1
Non-current assets held for sale	3.1	2.7	12.3	1.6	1.7
Total assets	**6,083.6**	**5,914.5**	**5,842.3**	**5,996.4**	**5,875.5**
Deposits from credit institutions	233.9	196.2	174.6	128.5	101.7
Deposits from customers	4,831.2	4,728.1	4,708.2	4,959.6	4,848.5
Issued bonds, subordinated and supplementary capital	0.1	0.1	0.1	-	-
Other financial liabilities	56.4	49.0	50.8	48.8	49.8
Financial liabilities measured at amortized cost	**5,121.6**	**4,973.4**	**4,933.6**	**5,136.8**	**5,000.0**
Financial liabilities at fair value through profit or loss	-	-	-	-	-
Financial liabilities held for trading	6.0	4.9	2.3	3.1	3.3
Derivatives – hedge accounting	-	-	-	-	-
Total interest bearing liabilities	**5,127.6**	**4,978.2**	**4,935.9**	**5,140.0**	**5,003.3**
Provisions	66.9	58.2	69.9	83.4	88.7
Tax liabilities	0.0	26.3	5.8	0.6	1.1
Current tax liabilities	-	-	5.8	0.6	1.1
Deferred tax liabilities	0.0	-	-	0.0	0.0
Other liabilities	27.9	26.3	25.7	26.2	25.9
Liabilities included in disposal groups classified as held for sale	-	-	-	-	-
Total liabilities	**5,222.4**	**5,089.1**	**5,037.2**	**5,250.2**	**5,119.1**
Total shareholders' equity	**861.3**	**851.8**	**805.1**	**746.3**	**756.4**
Total liabilities and shareholders' equity	**6,083.6**	**5,914.5**	**5,842.3**	**5,996.4**	**5,875.5**

Detailed income statement overview (YTD)

€m

	2019	2020	2021	2022	1H22	1H23
Interest income calculated using the effective interest method	207.4	194.3	185.5	192.9	92.3	121.3
Other interest income	3.4	2.6	2.2	2.3	0.6	7.0
Interest expense	(27.8)	(22.3)	(18.2)	(18.7)	(8.2)	(20.1)
Net interest income	**183.0**	**174.7**	**169.5**	**176.4**	**84.6**	**108.1**
Fee and commission income	83.0	75.6	84.3	92.3	45.2	43.5
Fee and commission expense	(15.8)	(15.8)	(17.5)	(19.8)	(9.2)	(11.0)
Net fee and commission income	**67.2**	**59.8**	**66.8**	**72.5**	**36.1**	**32.5**
Net result on financial instruments	13.4	11.7	6.2	1.9	0.2	0.7
Other operating income	3.5	6.0	3.8	5.1	1.9	1.4
Other operating expenses	(23.4)	(19.8)	(20.3)	(14.3)	(7.8)	(6.3)
Operating income	**243.7**	**232.5**	**226.0**	**241.6**	**115.1**	**136.5**
Personnel expenses	(96.7)	(83.9)	(92.0)	(88.9)	(42.8)	(48.0)
Other administrative expenses	(73.3)	(65.9)	(61.1)	(61.8)	(31.1)	(30.3)
Depreciation and amortization	(19.1)	(19.9)	(18.0)	(17.4)	(8.9)	(8.6)
Operating expenses	**(189.1)**	**(169.7)**	**(171.1)**	**(168.0)**	**(82.8)**	**(86.9)**
Operating result before impairments and provisions (from YE20)	**54.6**	**62.8**	**54.9**	**73.6**	**32.3**	**49.6**
Other result (from YE20)	(19.4)	(8.1)	(20.9)	(27.0)	(8.6)	(16.5)
Operating result before change in credit loss expense (until 3Q20)	**35.2**	**54.7**	**34.0**	**46.6**	**23.7**	**33.2**
Credit loss expenses on financial assets	2.9	(48.4)	(13.2)	(15.4)	(8.8)	(9.2)
Result before tax	**38.0**	**6.3**	**20.8**	**31.2**	**14.9**	**24.0**
Taxes on income	(2.9)	(4.9)	(7.2)	(5.5)	(2.3)	(4.5)
Result after tax	**35.1**	**1.4**	**13.6**	**25.7**	**12.6**	**19.5**

Financials: Breakdown by Entity

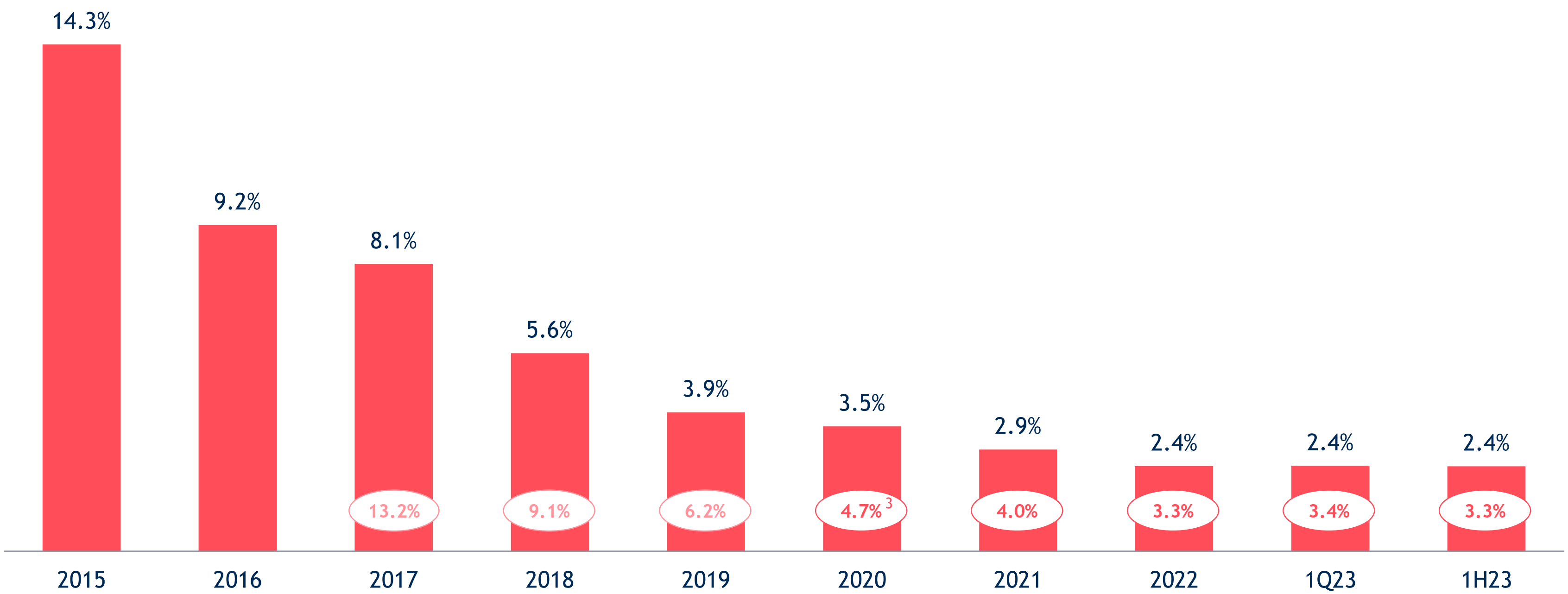
Addiko Bank

1H23 YTD (€m, IFRS)		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	34.0	27.6	10.2	9.4	19.5	6.1
	Net commission income	10.4	7.2	4.3	4.1	5.6	1.1
	Other income [1]	(0.3)	(0.4)	(0.3)	(0.4)	(1.1)	(0.6)
	Operating income	**44.1**	**34.5**	**14.2**	**13.1**	**24.0**	**6.5**
	Operating expenses	**(22.4)**	**(14.5)**	**(7.5)**	**(7.5)**	**(13.5)**	**(4.0)**
	Operating Result	**21.7**	**20.0**	**6.7**	**5.5**	**10.5**	**2.6**
	Other result	(7.7)	(3.6)	(1.1)	(0.9)	(1.1)	(0.1)
	Change in credit loss expenses	(2.6)	(4.8)	0.5	0.2	(4.8)	(0.0)
	Result before tax	**11.4**	**11.6**	**6.1**	**4.8**	**4.6**	**2.5**
Key Ratios	Net interest margin	3.1%	4.2%	4.2%	3.6%	4.6%	5.5%
	Cost / income ratio	50.5%	41.5%	51.6%	56.0%	53.8%	55.4%
	Loan-deposit ratio [2]	67.6%	91.3%	86.8%	64.2%	96.5%	90.3%
	NPE volume	58.9	29.6	16.4	11.6	28.6	13.6
	NPE ratio (CRB based)	4.2%	2.3%	3.7%	2.6%	3.7%	6.8%
	NPE ratio (on-balance loans) [3]	3.6%	2.4%	3.9%	2.9%	4.2%	6.4%
	NPE coverage ratio (provision)	83.8%	76.3%	80.5%	81.8%	69.1%	69.1%
Balance Sheet	Total assets	2,167	1,338	474	544	852	224
	Loans and receivables	1,129	1,021	335	281	600	166
	o/w gross performing loans	1,119	983	327	281	563	163
	Financial liabilities at amortised cost	1,732	1,132	380	444	640	187
	RWA	962	750	298	308	517	162

Account for 60% 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. [3] Including exposure towards National Banks.

Non-performing loan portfolio (YTD)



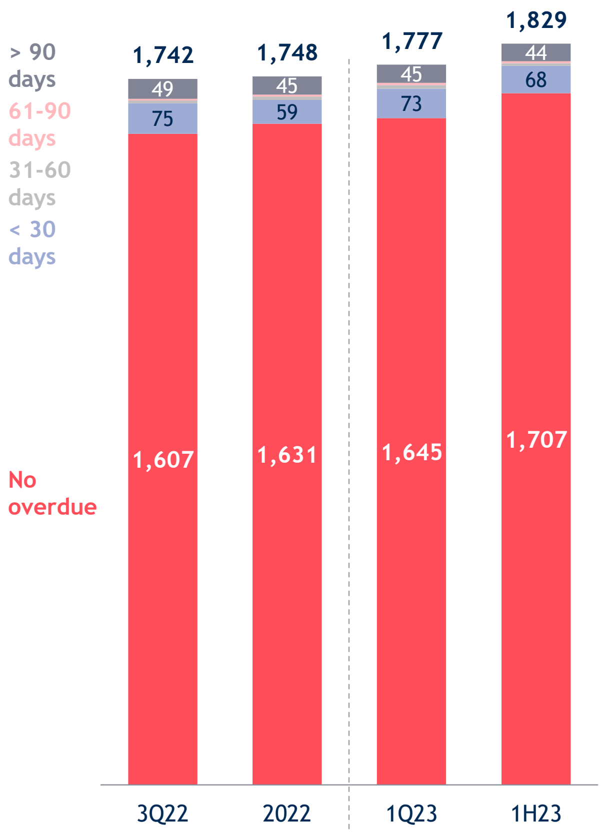
	2015	2016	2017	2018	2019	2020	2021	2022	1Q23	1H23
NPE Volumes, €m	1,229	761	606	404	277	244	194	163	161	159
NPE Coverage Ratio[1] (Ex-Collateral)	61.7%	67.5%	67.0%	75.4%	73.8%	73.6%	71.9%	75.4%	77.0%	78.0%
NPE Ratio[2]	14.3%	9.2%	8.1%	5.6%	3.9%	3.5%	2.9%	2.4%	2.4%	2.4%
NPE Ratio (on-balance loans) [3]			13.2%	9.1%	6.2%	4.7% [3]	4.0%	3.3%	3.4%	3.3%

[1] Calculated as the sum of Stage-3 ECL stock divided by total non-performing exposure. [2] Calculated as non-performing exposure divided by total credit risk exposure. [3] NPE Ratio (on-balance loans) including exposure towards National Banks reflected as of YE 2020 (respective values excl. NB exposure: 2020: 5.9%, 2021: 5.2%, 2022: 4.4%, 1Q23: 4.3%, 1H23: 4.1%).

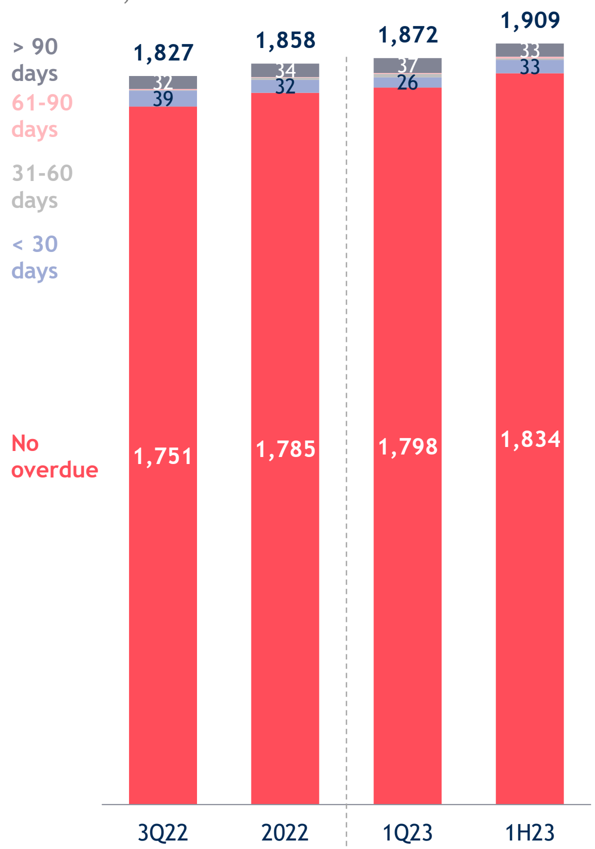
Risk: Robust Asset Quality in Portfolios

Focus

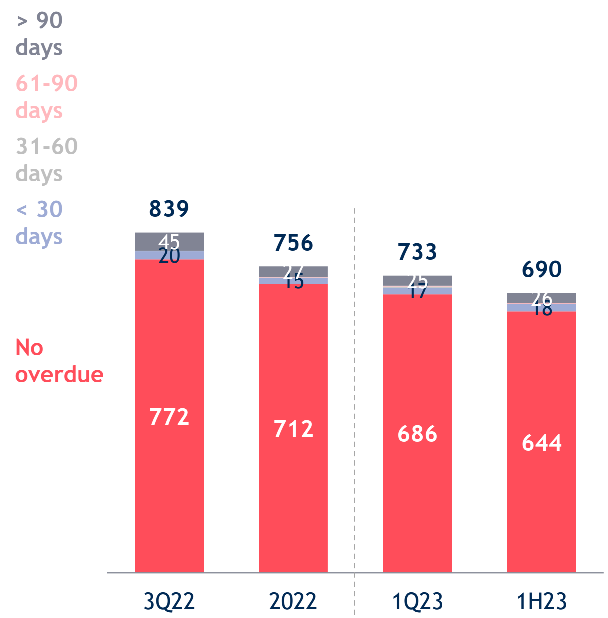
Consumer
€m, rounded



SME
€m, rounded



Non-Focus
€m, rounded

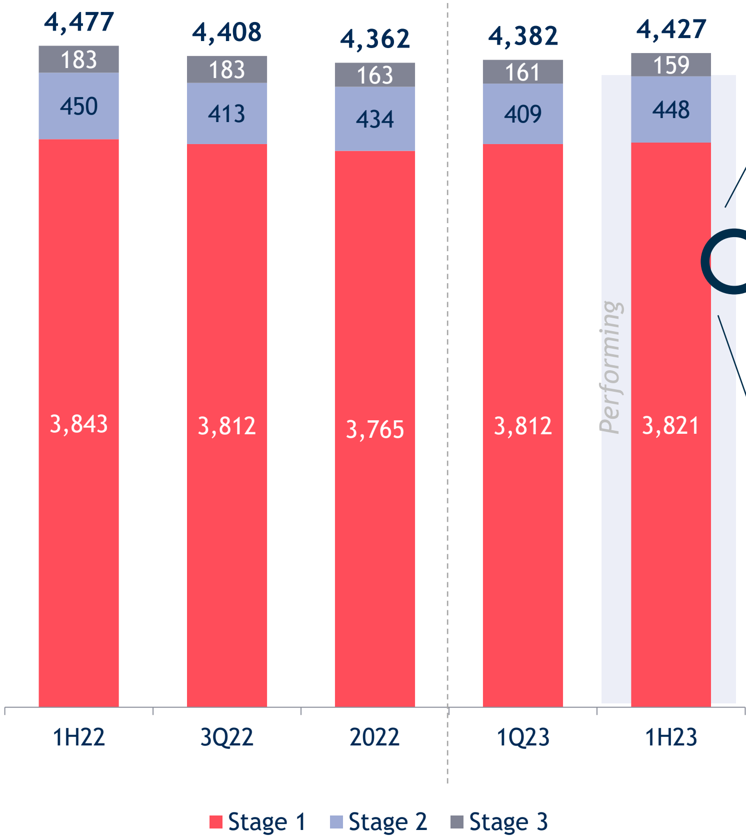


	Consumer 3Q22	Consumer 2022	Consumer 1Q23	Consumer 1H23	SME 3Q22	SME 2022	SME 1Q23	SME 1H23	Non-Focus 3Q22	Non-Focus 2022	Non-Focus 1Q23	Non-Focus 1H23
>90 days	2.8%	2.6%	2.5%	2.4%	1.8%	1.8%	2.0%	1.7%	5.3%	3.6%	3.5%	3.7%
1 to 90 days	4.9%	4.1%	4.9%	4.3%	2.4%	2.1%	2.0%	2.2%	2.6%	2.2%	2.9%	2.9%
No overdue (%)	92%	93%	93%	93%	96%	96%	96%	96%	92%	94%	94%	93%

Risk: Provision Coverage Evolution

Stage 1, 2 and 3 assets[1]

€m



	1H22	3Q22	2022	1Q23	1H23
Stage 3	4%	4%	4%	4%	4%
Stage 2	10%	9%	10%	9%	10%
Stage 1	86%	86%	86%	87%	86%

Business segments: Stage 1 & 2 (Performing) coverage[1]

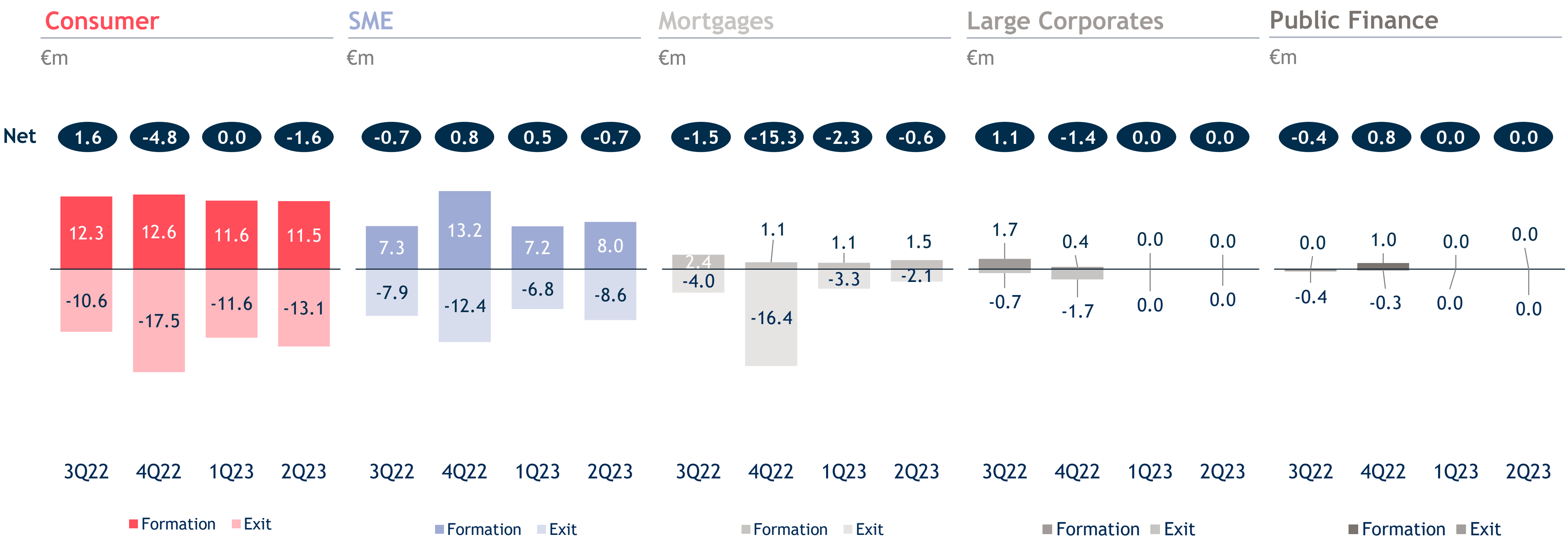
1H23 (YTD)

By Segment	1H23 (YTD)	ECL coverage (YTD) 1Q22	2022	3Q22	1H22
Focus	**1.6%**	1.7%	1.7%	1.9%	1.9%
Consumer	2.0%	2.1%	2.1%	2.8%	2.9%
SME	1.2%	1.2%	1.3%	1.0%	1.1%
Non-Focus	**1.3%**	1.3%	1.4%	1.5%	1.4%
Mortgages	0.8%	0.8%	0.8%	0.9%	0.9%
Large Corp. & Public	2.2%	2.2%	2.3%	2.4%	2.1%

By Stage (different graph scale)	1H23 (YTD)	ECL coverage (YTD) 1Q22	2022	3Q22	1H22
Stage 1	0.6%	0.6%	0.6%	0.7%	0.7%
Stage 2	9.6%	11.3%	11.0%	11.6%	11.1%
Performing	1.5%	1.6%	1.7%	1.8%	1.8%

[1] Excluding Corporate Center.

Quarterly NPE formation & exit - group level

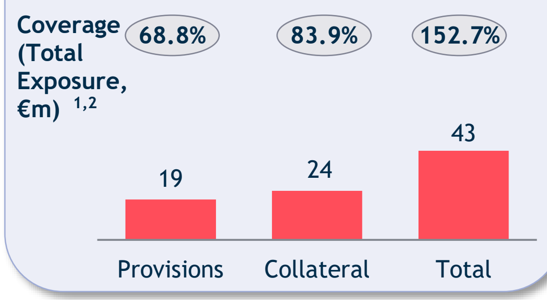


Overview of Top 10 NPEs 1H23

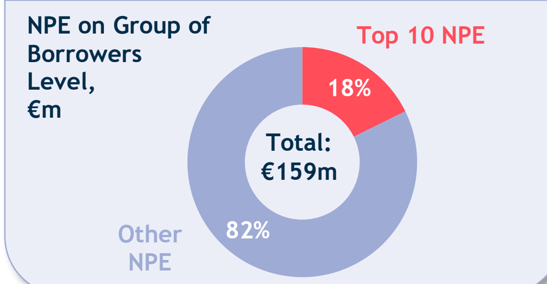
Group of Borrowers, €m

Borrower	Total Exposure	Country	Description
NPE 1	9.5	Croatia	Metal industry and mechanical engineering
NPE 2	4.3	Croatia	Construction industry
NPE 3	4.1	Slovenia	Tourism
NPE 4	2.3	Croatia	Food and allied business
NPE 5	2.0	Croatia	Retail and wholesale trade
NPE 6	1.3	Croatia	Metal industry and mechanical engineering
NPE 7	1.2	Slovenia	Transport and Logistics
NPE 8	1.2	Slovenia	Service
NPE 9	1.2	Montenegro	Metal industry and mechanical engineering
NPE 10	1.1	Slovenia	Retail and wholesale trade
Total Top 10	**28.1**		

Coverage for Top 10 NPEs



Concentration



[1] NPE coverage ratio calculated as the sum of Top 10 NPE total Stage-3 ECL stock 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.

Risk: NPE and Cost of Risk Development

Addiko Bank

	Focus – Consumer (€m)				Focus – SME (€m)				Non-Focus[3] (€m)			
	2021	1H22	2022	1H23	2021	1H22	2022	1H23	2021	1H22	2022	1H23
NPE Coverage Ratio (Excl. Collateral)[1]	78.8%	79.2%	78.7%	80.1%	64.1%	69.9%	68.6%	73.9%	72.4%	80.9%	79.9%	80.9%
NPE Ratio[2]	4.0%	4.0%	3.7%	3.5%	3.5%	3.2%	3.1%	3.1%	6.1%	6.0%	5.3%	5.4%
Total NPE	*63*	*68*	*65*	*63*	*62*	*58*	*58*	*58*	*90*	*57*	*40*	*37*
Credit Risk Exposure	*1,579*	*1,691*	*1,748*	*1,829*	*1,766*	*1,836*	*1,858*	*1,909*	*1,316*	*950*	*756*	*690*
Credit Loss Expenses (YTD)	€(15.9)m *Impairments*	€(10.6)m *Impairments*	€(9.0)m *Impairments*	€(6.0)m *Impairments*	€(5.4)m *Impairments*	€0.6m *Releases*	€(12.5)m *Impairments*	€(6.0)m *Impairments*	€8.0m[4] *Releases*	€1.3m[4] *Releases*	€6.0m[4] *Releases*	€3.1m[4] *Releases*

[1] Calculated as the sum of total Stage-3 ECL stock 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 (impairment of €-0.07m in 1Q22, impairment of €-0.05m in 2022, impairment of €-0.04m in 1Q23 and impairment of €-0.22m in 1H23).

Risk: NPE and Cost of Risk Development by Business Segment

Addiko Bank

€m

	Consumer			SME			Mortgages		
	2021	2022	1H23	2021	2022	1H23	2021	2022	1H23
NPE Coverage Ratio[1]	78.8%	78.7%	80.1%	64.1%	68.6%	73.9%	77.6%	77.4%	78.6%
NPE Ratio[2]	4.0%	3.7%	3.5%	3.5%	3.1%	3.1%	9.4%	5.8%	5.7%
Total NPE	*63*	*65*	*63*	*62*	*58*	*58*	*56*	*27*	*24*
Total Credit Risk Exposure	*1,579*	*1,748*	*1,829*	*1,766*	*1,858*	*1,909*	*590*	*461*	*417*
Credit Loss Expenses (YTD)	€(15.9)m *Impairments*	€(9.0)m *Impairments*	€(6.0)m *Impairments*	€(5.4)m *Impairments*	€(12.5)m *Impairments*	€(6.0)m *Impairments*	€7.6m Releases	€8.4m *Releases*	€2.0m *Releases*

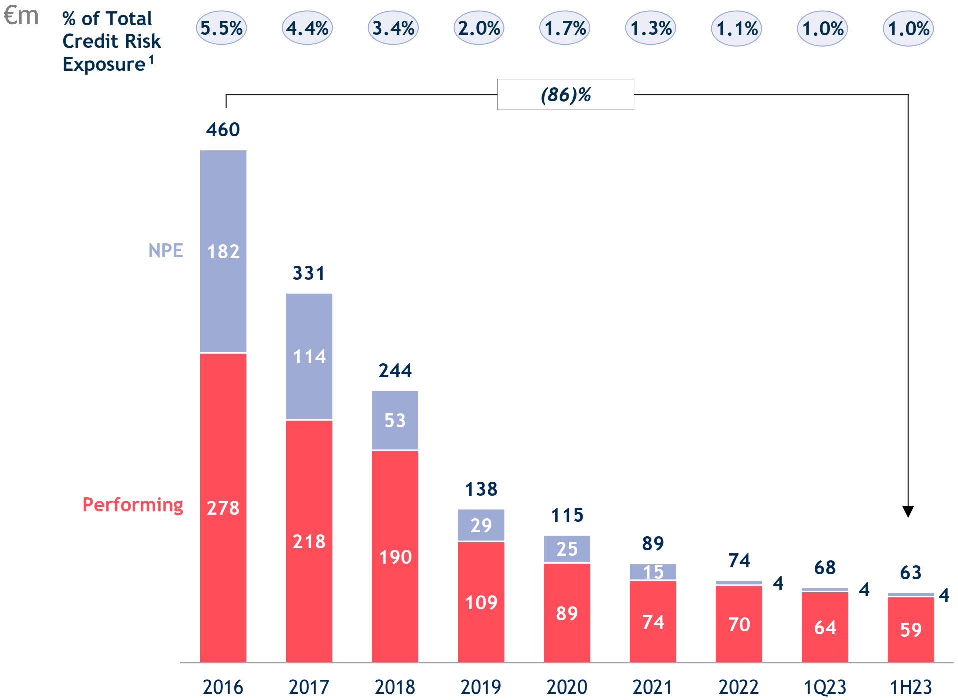
	Large Corporates			Public Finance		
	2021	2022	1H23	2021	2022	1H23
NPE Coverage Ratio[1]	53.5%	91.0%	90.7%	40.6%	61.8%	62.2%
NPE Ratio[2]	2.6%	4.5%	4.8%	2.3%	4.5%	5.4%
Total NPE	*11*	*11*	*11*	*2*	*3*	*3*
Total Credit Risk Exposure	*437*	*234*	*222*	*101*	*61*	*50*
Credit Loss Expenses (YTD)	€(2.1)m Impairments	€(1.6)m Impairments	€1.0m *Releases*	€0.5m Releases	€(0.8)m Impairments	€0.1m *Releases*

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

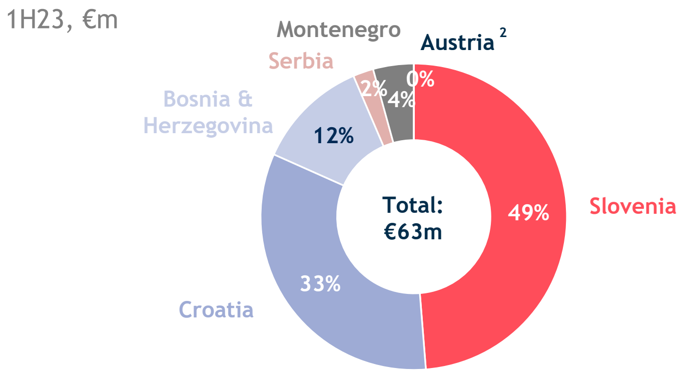
Risk: CHF Loans Significantly Managed Down

Addiko Bank

CHF portfolio overview



CHF credit risk exposure by countries



CHF status across countries

Slovenia

- Several legislative initiatives on CHF loans were launched, but ultimately rejected because the parliamentary constitutional service classified these drafts as unconstitutional and unlawful under European law
- 02/22: the Parliament passed draft CHF law which came into force the same month. Estimated worst-case damage was at €100-110m
- 03/22: CHF Law was suspended by the Constitutional Court ("CC")
- 12/22: CC declared the CHF Law as unconstitutional due to its non permissible retroactive effects
- 1H/23 Supreme Court (SC) supported by CC tightened its decision-making practice in CHF cases establishing retroactively higher requirements for the information duty vis-á-vis customers

Croatia

- 09/15: Conversion Law enacted
- 09/19: Supreme Court (SC) confirmed ruling of high courts that FX clauses in CHF loans including interest rate clauses are null and void
- 02/20: SC declared contract annexes regarding conversions to be valid (i.e. already converted loans can't file another lawsuit for compensation)
- 05/22: According to the CJEU, CHF loans do not fall under the Consumer Protection Directive as the Conversion Law 2015 created a balance between banking and consumer rights (which can be assumed in principle, but requires confirmation from the local courts)
- 12/22: SC rendered statements entitling borrowers of converted loans to request additional default interest on overpaid amounts until conversion date - without containing an indication on the calculation method. These statements are legally not binding to lower courts until confirmed in an individual case with the SC. Later on, such decision in an individual case was taken but did not become effective as it was blocked by the Record Service
- 06/23: High Court in Varaždin ruled that clients of converted CHF cases are not entitled to further payments

Serbia

- Law enacted end of 4/2019

Bosnia & Herzegovina

- 10/17: Conversion Law Draft was voted down by parliament in favour of a widely accepted voluntary offer
- 09/20: Vote for Draft Conversion Law was withdrawn
- 01/21: Draft Conversion Law put to vote again; Parliament stated that all objections and facts needed to be attached to draft
- Q4/21: Bosnian CHF Association announced that there is no need for a CHF Law since almost 91% of the loans were settled

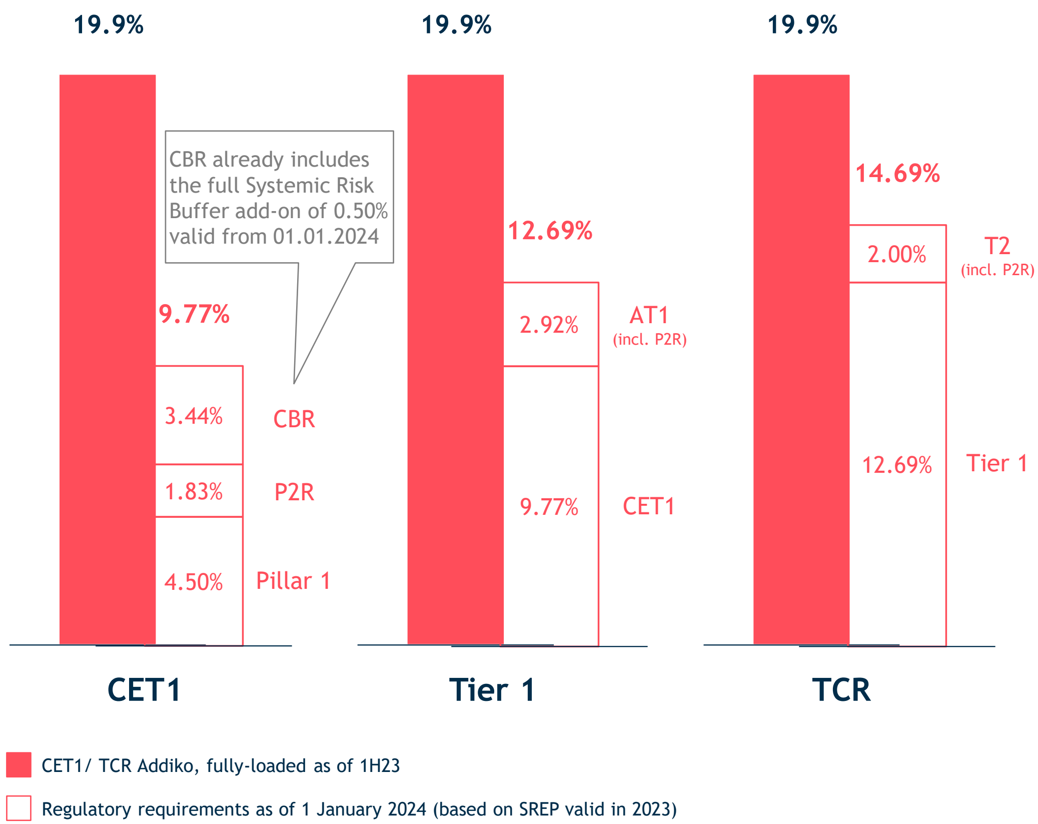
Montenegro

- 07/15: CHF conversion law enacted and amended in 09/16
- 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
- 04/23: CC awarded one plaintiff right to litigation costs despite withdrawal of CHF claims due to execution of conversion

[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.

Capital: Capital Requirements & Guidance Going Forward

Capital requirements as of 2023 (excluding P2G)



P2R (2023)

- Unchanged at 3.25%
- At least 56.25% must be held in CET1 capital and at least 75% in Tier 1 capital
- Yearly review as part of SREP

Combined Buffer Requirement (CBR)

- Systemic Risk Buffer for Addiko Group: 0.25% as of January 2023, increase to 0.50% as of January 2024
- Local Countercyclical Buffers:
  - 0.50% in Slovenia as of March 2023
  - 0.50% in Croatia as of March 2023, increase to 1.00% as of December 2023
  - Local buffers partially impact Group CBR

	YE22	YE23	1.1.24
Capital Conservation Buffer	2.50%	2.50%	2.50%
Countercyclical Buffer	-	0.44%	0.44%
Systemic Risk Buffer	-	0.25%	0.50%
Total	**2.50%**	**3.19%**	**3.44%**

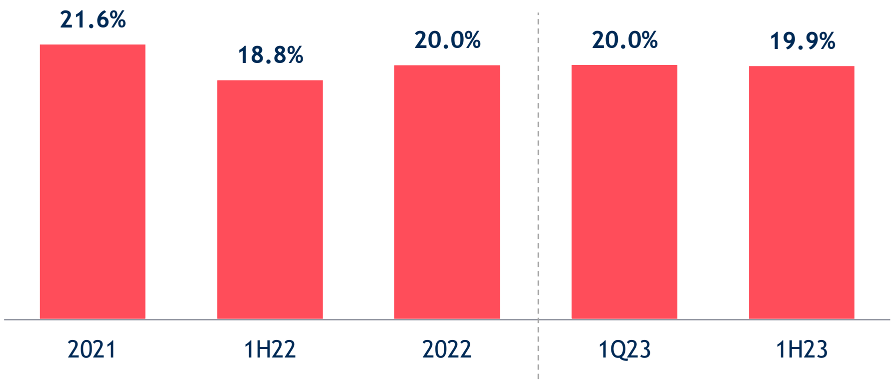
P2G (2023)

- Increased to 3.25% (from 2.0%)
- To be held in CET1, applicable to all capital stacks
- Yearly review as part of SREP

Capital: Further Details

Breakdown of capital position[1]

Fully-loaded

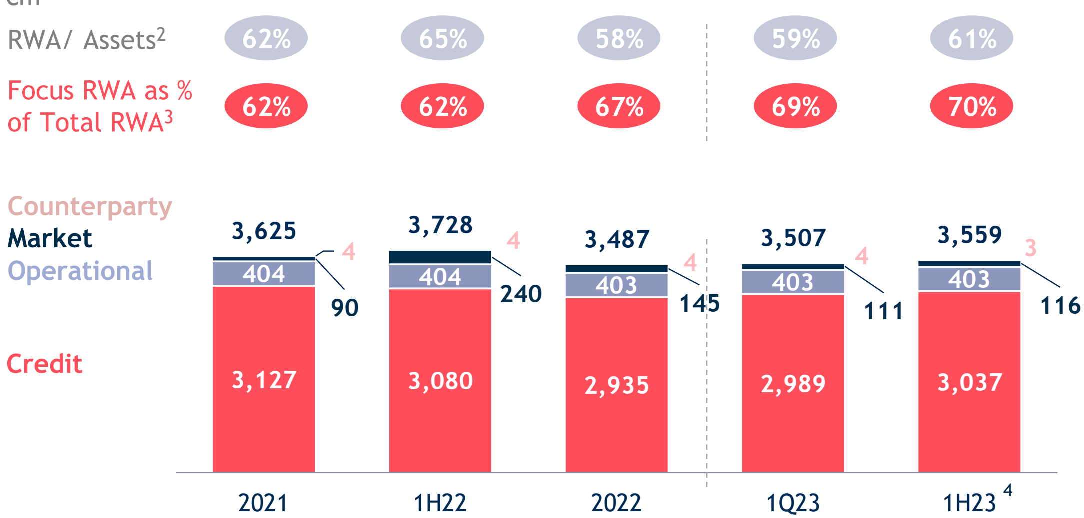


Addiko is using the **standardised approach** for its RWA calculation with most of its RWAs stemming from credit risk

Expiration of IFRS 9 transitional capital rules as of 1 January 2023 leading to no difference between transitional and the fully loaded regulatory capital

RWA breakdown (transitional until 2022)

€m



Equity to CET1 bridge

€m

	2019	2020	2021	2022	1H23
Equity attr. to parent	**861.3**	**851.8**	**805.1**	**746.3**	**756.4**
Minorities	-	-	0.0	(0.0)	(0.0)
Share-based payments	-	-	(0.5)	(0.5)	(2.5)
Interim profit	-	-	-	-	(19.5)
Dividends deducted from capital	(40.0)	(46.6)	-	(23.6)	0.0
Additional value adjustments	(1.1)	(1.0)	(1.1)	(1.1)	(0.9)
Intangible assets	(27.9)	(19.2)	(16.1)	(15.4)	(13.8)
Deferred tax assets	(16.4)	(11.6)	(10.4)	(10.3)	(10.6)
IFRS 9 transitional rules	34.0	50.1	27.1	10.0	0.0
FVTOCI transitional rules (art 468 CRR)	-	-	-	31.0	0.0
CET1 Capital (transitional)[4]	**809.8**	**823.5**	**804.3**	**736.5**	**709.1**
CET1 Capital (fully loaded)	775.8	773.4	777.1	695.4	709.1
Total Risk Weighted Assets (transitional)	**4,572**	**4,053**	**3,625**	**3,487**	**3,559**

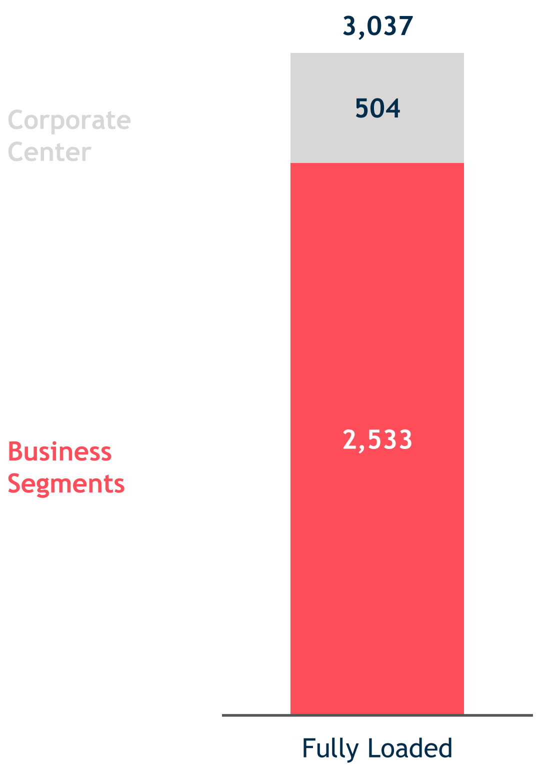
[1] Full year numbers include profit and dividend deduction, interim figures excl. accrued interim profit and dividend deduction.
[2] Calculated as total RWA divided by total assets.
[3] Based on segment credit RWA (i.e. excl. operational / market / counterparty RWA). Total RWA excl. Corporate Center.
[4] Expiration of IFRS 9 transitional capital rules as of 1 January 2023 leading to no difference between transitional and the fully loaded regulatory capital

Capital: Credit Risk RWA in Focus vs. Non-Focus

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

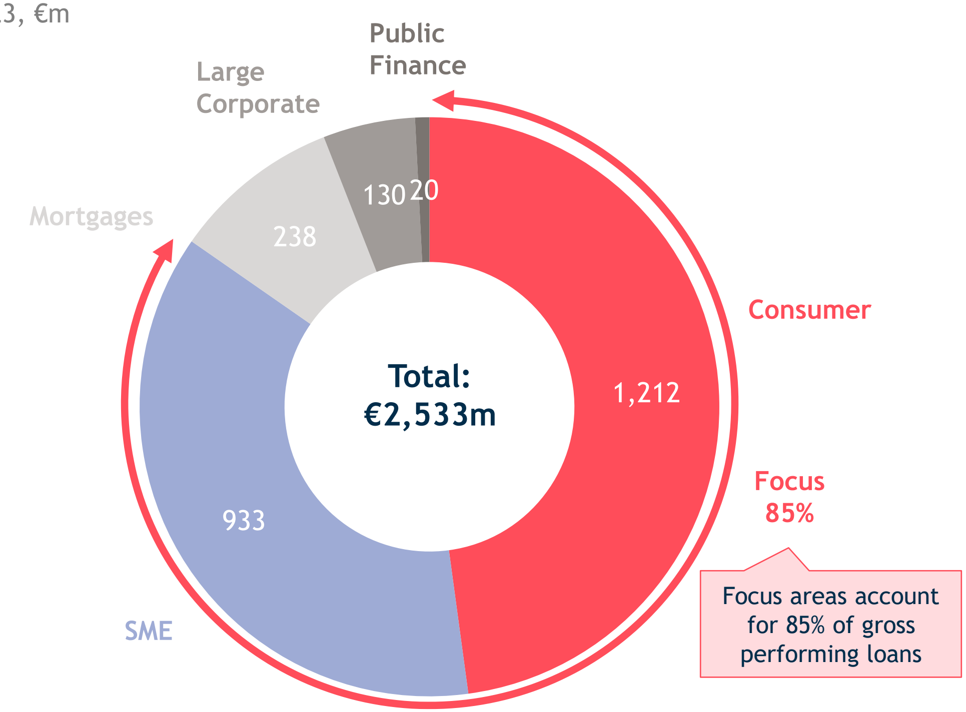
Credit risk RWA

1H23, €m



Credit risk RWA: breakdown by segment[1]

1H23, €m



Credit risk RWA: allocated capital[1]

1H23, €m

	@1H23 capital ratio 19.9% fully-loaded	@Capital ratio 18.6% fully-loaded
Focus	427	399
Non-Focus	77	72

[1] Excluding Corporate Center of €504m credit RWAs (fully loaded).

Disclaimer

Addiko Bank

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VIENNA, 2023

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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 is a specialist banking group focusing on providing banking products and services to Consumer and Small and Medium-sized Enterprises (SME) in Central and South-Eastern Europe (CSEE). The 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 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 2023 approximately 0.8 million customers in CSEE using a well-dispersed network of 154 branches and modern digital banking channels.

Based on its 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”) are subject of an accelerated run-down process, thereby providing liquidity and capital for the growth in its Consumer and SME lending.