

HETA ASSET RESOLUTION

Additional information for creditors

Reconciliation of the Administrative Decision of 10 April 2016
with the balance sheet (separate financial statements
according to UGB/BWG) as at 31 December 2015

Vienna, 29 April 2016

FMA decision of 10 April 2016

- Application of bail-in measures by the Financial Market Authority in its function as resolution authority (FMA), by means of **Administrative Decision II** of 10.04.2016

- **100 % bail-in:**
 - Share capital
 - Participation capital
 - Supplementary capital
 - Subordinated liabilities

- **53.98 % bail-in:**
 - 'eligible liabilities'

- **Interest:**
 - With effect from 01.03.2015 the interest rate on eligible liabilities is set at zero per cent (0 %)

- **Maturity:**
 - The maturity of the debt instruments issued and the other eligible liabilities as already established as at 01.03.2015, inclusive of interest accrued in each case up to 28.02.2015, is altered so as to occur with the dissolution decision as envisaged in § 84 (9) BaSAG, but not later than 31.12.2023.

Important notes concerning the reconciliation of the decision of 10 April 2016 with the balance sheet as at 31 December 2015

- Since the reduction of the equity and loan capital affected by the FMA decision of 10.04.2016 (Administrative Decision II) is an event in financial year 2016, these effects did not have to be taken into account in the annual financial statements according to UGB/BWG for 2015; the balance sheet as at 31.12.2015 therefore does not yet reflect the effects resulting from the bail-in. The effects resulting from the decision will be taken into account in the consolidated interim financial statements as at 30.06.2016 which are to be published.
- The reduction of liabilities (partial derecognition) arising as a result of the application of Administrative Decision II is based on the carrying value (including accrued interest) and (where appropriate) the foreign currency conversion rate on the date of the issuing/implementation of the decision in 2016, so that the actual balance sheet effects will deviate from the effects as shown in the simulation (cf. page 6). In the simulation, the reduction of liabilities is based on the carrying value or (where appropriate) the foreign currency conversion rate as at 31.12.2015.
- Any effects arising from Administrative Decision II on the valuation of assets shown on the assets side are not reflected in the simulation, since this representation relates exclusively to effects on the liabilities side. Since the bail-in (for example) also covers liabilities towards subsidiaries, negative effects are to be expected from the valuation of these participations.
- Other effects arising from Administrative Decision II, such as a possible additional requirement for classification as liabilities in connection with guarantee fees, will be determined in the context of the half yearly financial statements as at 30.06.2016 and will be taken into account if necessary.

Annual financial statements according to UGB/BWG (separate financial statements) as at 31 December 2015 – certified balance sheet

HETA AG Separate Financial Statements according to UGB/BWG as at 31.12.2015

Figures in EUR million

Assets	31.12.2015	31.12.2014	Equity and Liabilities	31.12.2015	31.12.2014
1. Cash in hand and balances with other banks	4.273	2.359	1. Liabilities to credit institutions	3.520	2.929
2. Treasury bills and other bills eligible for refinancing with central banks	183	233	2. Liabilities to customers	1.520	1.668
3. Loans and advances to credit institutions	2.055	2.520	3. Debt evidenced by certificates	8.848	8.616
4. Loans and advances to customers	2.504	3.246	4. Other liabilities	326	141
5. Bonds and other fixed-income securities	174	391	5. Deferred assets	6	25
6. Shares and other non-fixed income securities	19	21	6. Provisions	845	2.122
7. Shares in associated companies	0	0	6A. Funds for general banking risks	0	0
8. Shares in affiliated companies	85	505	7. Subordinated liabilities	1.970	1.096
9. Intangible fixed assets	3	4	8. Supplementary capital	0	0
10. Tangible fixed assets	4	4	9. Issued capital	3.494	3.494
11. Other assets	249	316	10. Capital reserves	0	0
12. Deferred assets	7	9	11. Revenue reserves	-7.479	0
			12. Liability reserve	0	0
			13. Net accumulated loss	-10.973	-10.481
TOTAL ASSETS	9.556	9.610	TOTAL ASSETS	9.556	9.610

- Loss allocations to different capital instruments have not been undertaken
- Liabilities are shown at the nominal amount (incl. accrued interest)
- Negative equity amounts to EUR -7.5 billion.

Annual financial statements according to UGB/BWG (separate financial statements) as at 31 December 2015 – classification of liabilities side according to BaSAG

HETA AG Separate Financial Statements as at 31.12.2015 - Classification Liabilities Side				
Figures in EUR million		of which		
Equity and Liabilities	31.12.2015	Equity capital	Liabilities eligible for consideration (Subord./Suppl.)	Liabilities covered by haircut (Senior) <u>Liabilities not covered by haircut</u>
1. Liabilities to credit institutions	3.520			3.029 490
2. Liabilities to customers	1.520			1.482 38
3. Debt evidenced by certificates	8.848			8.615 234
4. Other liabilities	326			89 237
5. Deferred assets	6			0 6
6. Provisions	845			115 730
6A. Funds for general banking risks	0			
7. Subordinated liabilities	1.970		1.970	
8. Supplementary capital	0			
9. Issued capital	3.494	3.494		
10. Capital reserves				
11. Revenue reserves	-7.479			
12. Liability reserve				
13. Net accumulated loss	-10.973			
TOTAL ASSETS	9.556	3.494	1.970	13.330 1.735

- The liabilities side is presented in accordance with § 90 BaSAG (loss absorption cascade)
- The basis for the classification is the administrative decision issued by the resolution authority (FMA) on 10 April 2016
- In the context of our right of access to the records, we have been able to inspect the report by BDO Financial Advisory Services GmbH concerning the final valuation of Heta per the reference date 1 March 2015 pursuant to BaSAG, in which the detailed lists in regard to eligible and non eligible liabilities as at 1 March 2015 are provided.

Annual financial statements according to UGB/BWG (separate financial statements) as at 31 December 2015 – simulation of loss allocation

HETA AG Separate Financial Statements according to UGB/BWG as at 31.12.2015 - Loss Allocation

Amounts in EUR million

EQUITY AND LIABILITIES	31.12.2015	Equity capital: -100% Loss Allocation	Subordinated liabilities and supplementary capital -100% Loss Allocation	Senior liabilities (non- subordinated) covered by the haircut	31.12.2015 (after loss allocation)	Allocation to provision	Liabilities 31.12.2015 after haircut
1. Liabilities to credit institutions	3.520			-1.706	1.814		1.814
2. Liabilities to customers	1.520			-819	701		701
3. Debt evidenced by certificates	8.848			-4.728	4.120		4.120
4. Other liabilities	326			-48	278		278
5. Deferred assets	6				6		6
6. Provisions	845			-62	783	1.853	2.636
6A. Funds for general banking risks	0				0		0
7. Subordinated liabilities	1.970		-1.970		0		0
8. Supplementary capital	0				0		0
9. Issued capital	3.494	-3.494			0		0
10. Capital reserves	0				0		0
11. Revenue reserves	0				0		0
12. Liability reserve according to section 57 (5) BWG	0				0		0
13. Net accumulated loss	-10.973	3.494	1.970	7.363	1.853	-1.853	0
14. Untaxed reserves	0						
Total assets	9.556	0	0	0	9.556	0	9.556

- The simulation of the effects of the bail-in is based on the loss allocation quotas as set out in the administrative decision, and also on the annual financial statements as at 31 December 2015.

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