

Ad hoc communication pursuant to the Austrian Stock Exchange Act [BörseG] | HETA ASSET RESOLUTION AG

Vienna/Klagenfurt am Wörthersee, 30 March 2017

HETA ASSET RESOLUTION AG | Publication of annual and consolidated financial statements 2016

HETA ASSET RESOLUTION AG (“Heta”) informs, that the annual financial statements 2016 pursuant to the Austrian Commercial Code (UGB/Austrian Banking Act (BWG) (separate financial statements) report a net income of EUR 7,497 million (2015: EUR -492 million). The result for the 2016 financial year has been significantly impacted by the effects from the application of Emergency Administrative Decision II issued by the Financial Markets Authority (FMA) on 10 April 2016 in which, inter alia, a haircut to 46,02% and 0% is noted. In total, the reduction in liabilities and equity capital results in an effect of EUR +9,599 million, which is taken into account in the income statement for 2016. The net income for the year eliminates the previously reported negative equity (2015: EUR -7.5 billion).

Total assets increased slightly to EUR 9.9 billion (2015: 9.6 billion). The key parameter for measuring the success of the wind-down process, namely the liquidity holdings (cash reserve), increased in 2016 from EUR 4.3 billion to EUR 6.2 billion, mainly due to the increase in repayments of refinancing lines of group companies as well as former subsidiaries and the successful wind-down results that were achieved in 2016. By the end of March, the cash reserve increased once more to EUR 7.9 billion. This development was mainly due to the earlier repayment of Addiko Bank AG’s refinancing lines and the continued disposal of assets, particularly the disposal of the Group’s entire Italian activities. The provision for contingent liabilities related to resolution procedures created on 31 December 2016 totals EUR 3.2 billion (2015: EUR 0 billion).

The operating result (result from ordinary activities) was decidedly positive at EUR +1,363 million (2015: EUR +175 million). In addition to significantly reduced employee and material expenses, this reduction was also due to lower interest expenses in connection with Emergency Administrative Decision II, after it reduced the current interest rate for “eligible liabilities” to 0% as of 10 April 2016.

The consolidated financial statements for 2016 according to IFRS show an after tax annual result of EUR 6,714 million (2015: EUR -496 million). Consolidated total assets fell from EUR 11.2 billion in the previous year to EUR 10.8 billion. Liquid assets increased to EUR 6.2 billion (2015: EUR 4.3 billion).

HETA is a wind-down company whose corporate purpose is the realisation of its assets. With regard to the original objective at the time the wind-down process was initiated in early 2015,

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namely the wind-down of 80% of assets by the end of 2018, HETA is currently well above this target and, based on the current situation, even expects that this target may already be achieved by the end of 2017.

The annual financial statements and the consolidated financial statements for 2016 have received an unqualified audit opinion from the company's auditors. As in previous years, these audit opinions also include additional statements in which the auditors refer to key statements made by the Management Board in the Appendix respectively in the Notes.

The annual and consolidated financial statements for HETA as at 31 December 2016 are published in line with the annual financial report pursuant to section 82 (4) of the Stock Exchange Act (BörseG). Both the consolidated financial statements and the separate financial statements are published on the company's website (www.heta-asset-resolution.com → Investor Relations → Financial reports & presentations). Please consult these documents for further information.

The English versions will be made available to the public in the middle of April 2017.

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Issuer:
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Sector: Banks

Main ISINs of the issuer according to issue volume:
XS0281875483, XS0272401356, XS0292051835, XS0293593421, XS0289201484

Stock exchanges:
Luxemburg stock exchange; second regulated market and third market of the Vienna stock exchange.