

Publication of individual and consolidated financial statements for 2014 of HETA ASSET RESOLUTION AG (Heta):

- Due to the implications of the Wind-down Entity Act (GSA) and the issuance of the resolution authority's decree in accordance with the Bank Recovery and Resolution Act (BaSAG), Heta has changed the accounting and valuation approach from "going concern" to "gone concern".
- The individual financial statements for 2014 present a loss for the year amounting to EUR -7.9 billion. This is significantly determined by the results of the asset quality review (AQR). The balance sheet total for 2014 decreases by EUR 8.0 billion to EUR 9.6 billion. The capital shortfall according to the individual financial statements is EUR -7.0 billion, which is on the upper end of the AQR range communicated on 27th February 2015.
- The consolidated financial statements according to IFRS show an annual after-tax result of EUR -7.4 billion for 2014. The balance sheet total decreases by EUR 14 billion to EUR 12 billion. The capital shortfall according to consolidated financial statements (negative group equity without minorities) amounts to EUR -5.2 billion.

Vienna/Klagenfurt am Wörthersee, 17th June 2015

The Executive Board of HETA ASSET RESOLUTION AG (Heta) (formerly Hypo Alpe-Adria-Bank International AG) today presented the individual financial statements 2014 according to the Austrian Commercial Code/Banking Act (UGB/BWG) as well as the consolidated financial statements 2014 according to IFRS to the Supervisory Board which approved the individual financial statements according to Art. 96 para. 4 of the Stock Exchange Act and acknowledged the consolidated financial statements.

Background information: as per the decision of the extraordinary general assembly on 29th October 2014, the sole business objective was defined as the orderly, active, best and fastest possible asset realisation as well as the subsequent dissolution of the company in accordance with the Wind-down Entity Act (GSA). In combination with the issuance of the resolution authority's decree published on 1st March 2015, the individual financial statements of Heta for 2014 were drawn up according to the "gone concern" valuation approach, which assumes that the winding-down of the assets is to be achieved within a period of 5 years. This requires that the resolution authority will take further resolution measures until 31st May 2016.

Development of earnings

In 2014, the loss for the year of Heta according to the UGB/BWG amounts to EUR -7.9 billion. This is mainly due to the AQR (review of assets, i.e. loans and real estate) resulting in a loss of EUR -3.3 billion, impacts of the disposal of the SEE banking network of EUR -1.7 billion and the disposal and subsequent negative developments concerning the formerly Italian subsidiary bank of EUR -1.3 billion.

Balance sheet development / negative equity

The balance sheet total of Heta according to the UGB/BWG decreased from EUR 17.6 billion (in 2013) to EUR 9.6 billion. Liabilities amounting to EUR 16.6 billion are covered by assets amounting to EUR 9.6 billion, resulting in a capital shortfall of EUR -7.0 billion.

The first interim calculations of the asset quality review (AQR) communicated on 27th February 2015 resulted in a capital shortfall between EUR -4.0 billion and EUR -7.6 billion which was significantly above the European Commission's approved remaining state aid for equity measures of EUR 2.9 billion. As a consequence, the owner of Heta, the Republic of Austria, decided on 1st March 2015 that Heta will not be granted further financial support under the Austrian Financial Market Stability Act. As a result, the Financial Market Authority (FMA) in its function as resolution authority issued on the same day a decree in accordance with the Bank Recovery and Resolution Act (BaSAG). As per this

decision, all so-called “liabilities eligible for consideration” of Heta are subject to a moratorium until 31st May 2016.

Heta is confronted with a great number of legal disputes, in particular in connection with the Hypo Alpe-Adria-Bank International AG Restructuring Act (HaaSanG) and the disputes involving the Bayerische Landesbank/EKEG (Equity Substitution Act), which are of key importance for the future development of Heta and bear considerable risks. Other risks concern uncertainties regarding the closing of the sale of the SEE network. With regard to further risks we draw the attention to the explanations in the notes to the individual financial statements and the notes to the consolidated financial statements.

Consolidated financial statements according to IFRS

Due to the special situation of the company, the Executive Board considers the individual financial statements of Heta according to the UGB/BWG to be more relevant regarding the assets, liabilities and financial position for creditors, in particular because expected losses and winding-down costs cannot be included according to the IFRS accounting rules.

The consolidated financial statements of Heta for 2014 according to IFRS post a net loss after taxes and before minorities of EUR -7.4 billion. The capital shortfall according to consolidated financial statements (negative group equity without minorities) amounts to EUR -5.2 billion.

Auditors' reports

The auditors issued a qualified opinion regarding the individual financial statements and, respectively, the consolidated financial statements. The auditors justified the qualification by making reference to a EUR 200 million guarantee agreement concluded with the Republic of Austria, stating that they could not come to a conclusive view on the applied valuation approach of this guarantee.

As in previous years, the auditors' opinions regarding the individual and consolidated financial statements for 2014 include emphasis of matters highlighting material issues.

Annual financial report 2014

The individual and consolidated financial statements for 2014 are published in the context of the individual financial report according to Art. 82 para. 4 of the Stock Exchange Act, which will be made available in the German language on 18th June 2015 / 3 p.m. on the company website (www.heta-asset-resolution.com; → Investor Relations → Publications 2015). Please consult this document for more detailed information. The English version will be published on 26th June 2015.

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