

Decision to sell Hypo SEE Holding

General Meeting passes resolution in principle on sale to Advent International Restructuring of the Executive Board

Vienna/Klagenfurt, 30.10.2014.

On Wednesday evening Hypo Alpe-Adria-Bank International AG (HBIInt.) took the decision in principle to sell all the shares in Hypo SEE-Holding AG (SEE network) to Advent International with the involvement of the European Bank for Reconstruction and Development (EBRD).

This decision has been taken subject to the definitive decision by the Republic of Austria as the owner, and the approval of the management bodies of the purchasers Advent International and EBRD. The contractual documentation between the parties will become legally effective after it has been reviewed by the Republic of Austria as the owner and the further conditions for the conclusion of the transaction have been met.

Dr. Herbert Walter, Chairman of the Supervisory Board of Hypo Alpe-Adria-Bank International AG, welcomes the sale: "Hypo Alpe Adria has received several offers for its branches in South-East Europe. This shows that international investors continue to value the role of Hypo Alpe Adria in the Balkans as a leading financial services provider. The bank's management bodies held intensive negotiations until the last minute. The capability and strategy to continue this network successfully were crucial criteria for this decision. With a successful sale the future prospects for Hypo Alpe Adria in South-East Europe and thus for the 3900 employees at the branches in this region remain intact."

The SEE bank network comprises share holdings in six banks in five countries of South-East Europe (Slovenia, Croatia, Bosnia and Herzegovina, Serbia and Montenegro) with a balance sheet total of around EUR 8.4 billion, 245 branches and 1.15 million customers. The sale takes account of the decision by the European Commission on 03.09.2013 that Hypo Alpe-Adria-Bank International AG should be wind down and that the SEE network should be sold or otherwise wound up by 30.06.2015.

Initially the parties involved have agreed to maintain secrecy with regard to the purchase price. At the same time, HBIInt. has declared its willingness to maintain its lines of

refinancing, as a result of which during the sales process corresponding value was attached to finding a serious buyer. Walter says: "We regard the consortium of Advent International and the European Bank for Reconstruction and Development as an attractive combination. The consortium offers a highly attractive combination of capital market expertise and knowledge of the market in Eastern Europe. At the same time we consider the consortium to be a sound partner that offers us the necessary certainty that the refinancing in the amount of EUR 2.2 billion, which will continue to remain within the SEE network, will be returned again."

A sale of the SEE network represents the best possible route for implementing the requirements of the EU Commission and the Austrian Federal Government. In the view of the bank's management bodies, which was confirmed by extensive expert reports, this provides a significant benefit in comparison to an orderly wind down or the possible insolvency of the SEE Group.

The sale will now implement the deconsolidation of SEE Holding from HBInt. that has been stipulated under supervisory regulations. As already reported HBInt. will be converted into a wind down entity without a banking licence and will operate in future as Heta Asset Resolution. Walter comments: "The sale of the SEE network is a central milestone in the process of wind down process Hypo Alpe Adria."

There have also been reshuffles of the Executive Boards of HBInt. and SEE-Holding. The chairman of the Executive Board of HBInt. Dr. Alexander Picker and Executive Board member Dipl.-Kfm. Rainer Sichert, MA., are resigning from their positions at HBInt. In the context of the bank's restructuring process they will move to SEE-Holding. Mag. Stefan Selden, responsible up to now for the Group Credit Operations division, will become the new Chief Risk Officer at SEE-Holding. The Executive Board of HBInt. will thus be comprised of Mag. Johannes Proksch and Dr. Rainer Jakubowski for the time being.

Media queries should be addressed to:

Gaisberg Consulting GmbH
Dr. Alfred Autischer
Tel. 0043/ 664/ 8844 64 20
Email: alfred.autischer@gaisberg.eu

Hypo Alpe-Adria-Bank International AG
Corporate Communications
Tel. 0043/ 50209 3465
Email: communication@hypo-alpe-adria.com