

# HETA ASSET RESOLUTION

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**Brief presentation on the financial report and consolidated financial report 2018**

20 March 2019

### **I. Executive Summary**

### II. Main Achievements

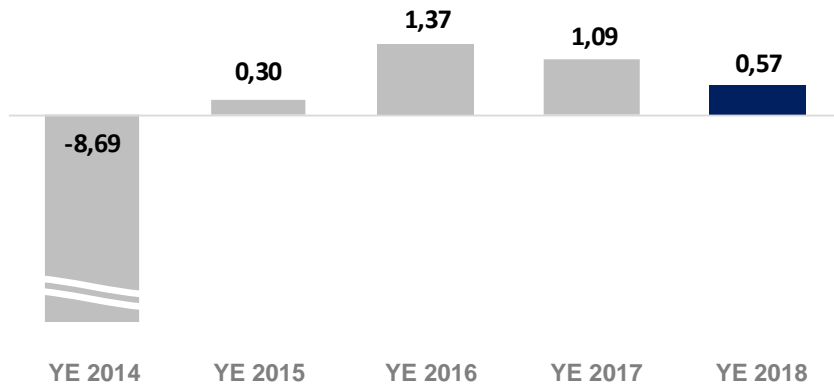
### III. Outlook

# HIGHLIGHTS

## KPIs OF HETA (UGB/BWG)

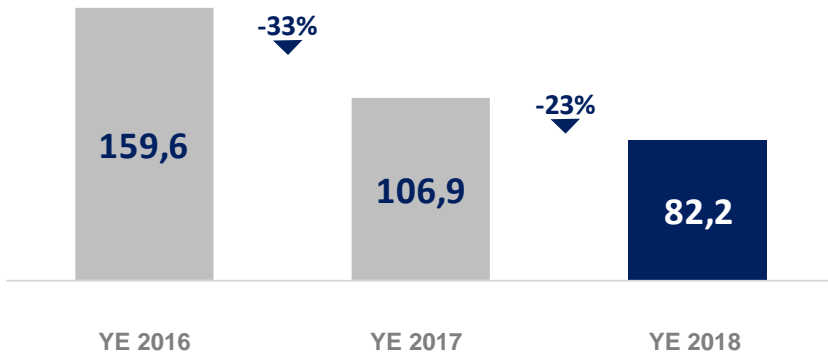
### Annual result adjusted\*

HETA AG  
in EUR bn



### Administrative expenses Personal and nonpersonnel expenses

HETA Group  
in EUR m



## HETA ASSET RESOLUTION

- **March 2015:** Based on the issuing of the Austrian Federal Act on the Recovery and Resolution of Banks (BaSAG) HETA performed a revaluation of its portfolio under a **gone-concern-assumption**
- This led to a negative result for the financial year 2014 of **€ -8,69bn**
- In the following years **2015 to 2017** HETA achieved a positive result of overall **€ +2,76bn**
- For **year 2018** the result is again **positive with € +0,57bn**, which is **well above budget**

- In line with its successful **portfolio wind down** HETA is **reducing its organization and therewith its cost structure as well**
- In 2018 these measures led to a **significant cost reduction** by **-23%** respective **€ -24,7m** compared to the previous year
- Therewith **cost reductions are above budget as well**

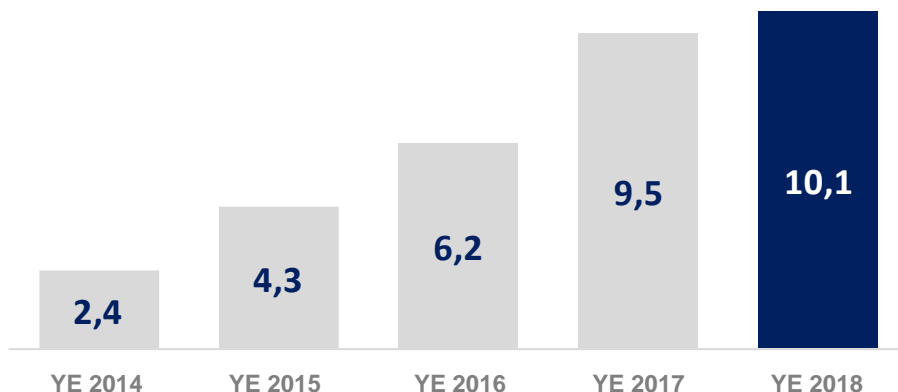
# HIGHLIGHTS

## KPIs OF HETA (UGB/BWG)

### „Statische“ Recovery

Cash OeNB incl. Interim distribution

HETA AG  
in EUR bn



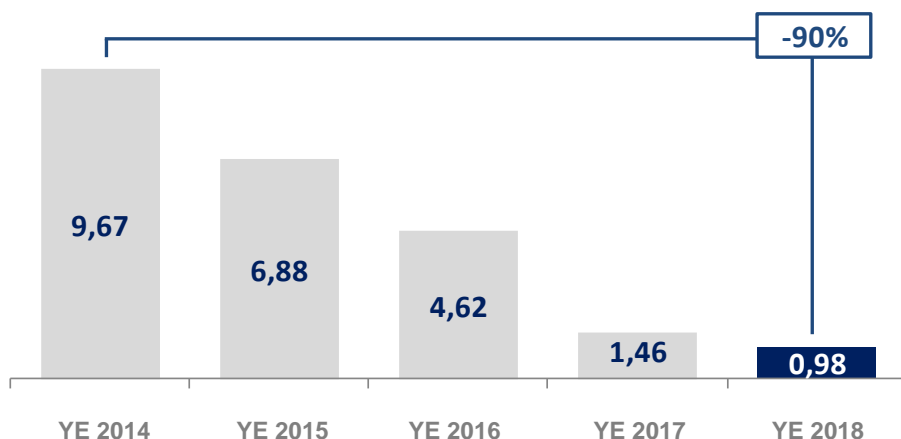
- **Significant increase** of „statische“ recovery<sup>1</sup> reflecting the successful wind down measures
- Initial **expectations** of the overall recovery amount as of YE 2023 have already been exceeded
- Though a **slowdown** in generating additional cash is expected due to an even smaller residual portfolio

<sup>1</sup> Recovery rate as of YE 2018 doesn't correspond to the final quota due to the fact that future cash-outs are not included

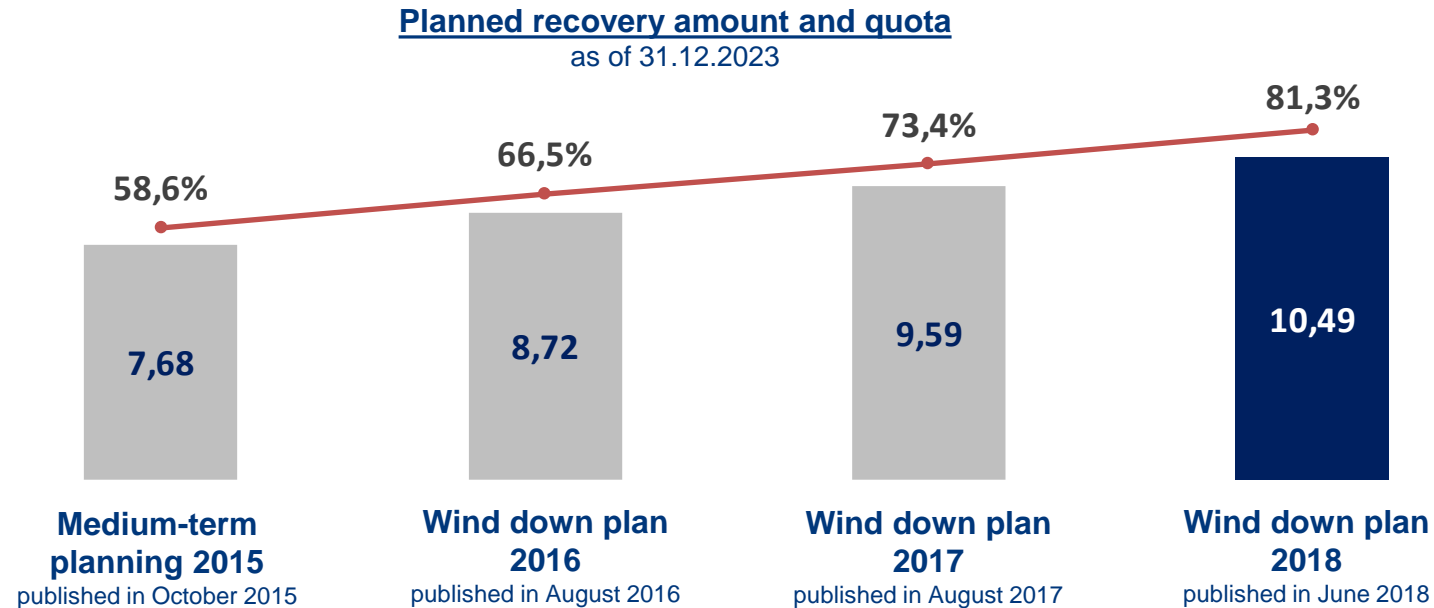
### Reduction in total assets since YE 2014

excl. Cash OeNB

HETA Group  
in EUR bn



- **Rapid reduction** in total assets since **YE 2014**
- As of **31.12.2018 total assets are below EUR 1bn**
- The **internal requirement** to wind down the portfolio by **80%** as of **YE 2018** has already been achieved in **2017**



- Due to the remarkable wind down performance so far **HETA was able to revise up the expected overall recovery amount again**
- Based on the existing plan HETA expects to **recover overall approx. € 10,5bn as of YE 2023**, reflecting a quota of **81,3%** for all senior creditors
- Currently HETA is updating the **wind down plan** within a further increase of the recovery amount is expected. The updated wind down plan is expected to be finalized in May 2019.

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### 2<sup>nd</sup> interim distribution

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- Implementation of a **2<sup>nd</sup> interim distribution amounting to € 2,4bn**
  - Therewith **€ 7,9bn** have been distributed overall so far (**63,112%**)
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### Settlement with BayernLB

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- **Settlement of all claims** and therewith reduction of complexity
  - **Reduction** of BayernLB-claims down to **€ 2,4bn**; additional **comparative amount of € 250m** in favor of HETA
  - **Payment of guarantees** in the amount of **€ 1,4bn** in December 2018
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### Settlement with Republic of Austria

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- **Write off** of the **liabilities** regarding liability remuneration for the subordinated bond and **transfer of € 264m** to the **OeNB-account**
  - **Positive impact on quota (ca. +2,6%)** due to reduced basis of BaSAG-liabilities
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### Settlement with Carinthia

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- **Settlement** of disputable **liability fee 2011** with a positive impact on HETA in **single-digit millions**
  - **Payout of € 9,3m** and **transfer of art** in 2019
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### Legal cases

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- Significant reduction of pending legal cases from **6.136** cases as of YE 2017 down to **2.135** as of YE 2018<sup>1</sup>
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### Participations

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- Reduction of participations from **83** down to **53 legal entities**
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<sup>1</sup> excl. legal cases belonging to entities and portfolios up for sale

# COUNTRY EXITS

## STATUS SALES PROJECTS & OVERVIEW HETA-COUNTRIES

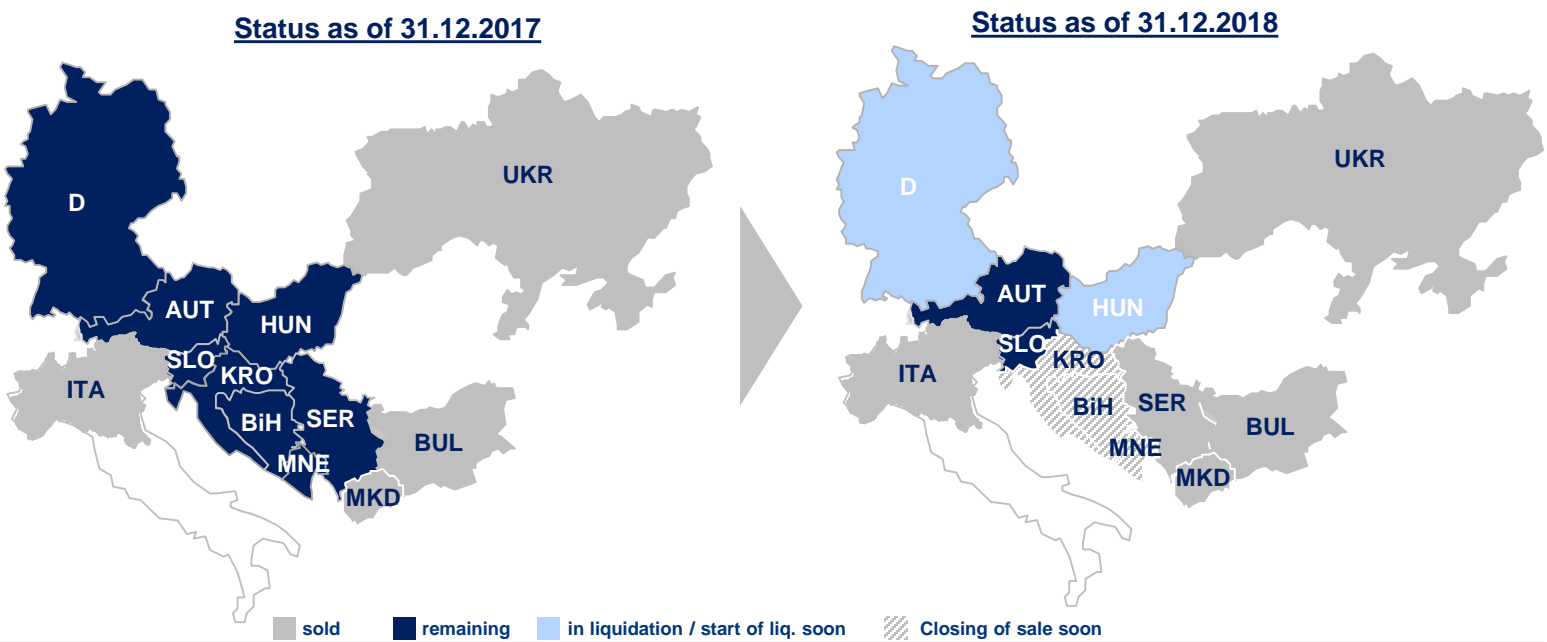
## HETA ASSET RESOLUTION

### Status of sale transactions

Projekt	Type	Signing	Closing	Status
<b>SERBIA</b> Vantage	Share Deal / Country exit	13.07.2018	20.12.2018	●
<b>BOSNIA</b> Bolero	Share Deal & Asset Deal / small remaining portfolio	17.05.2018	25.02.2019 <sup>1</sup>	●
<b>MONTENEGRO</b> Tara	Share Deal / Country exit <sup>1</sup>	20.11.2018	18.03.2019	◐
<b>CROATIA</b> Solaris	Share Deal & Asset Deal / small remaining portfolio	15.01.2019	Q2 2019	◐
<b>SLOVENIA</b> Lara	Share Deal / Country exit <sup>2</sup>	2019	2019/2020	◐

<sup>1</sup> Closing of Share deal done, Closing of Asset Deal scheduled for March 2019 / <sup>2</sup> Alternatively sale of (sub-)portfolios

### Remaining HETA-Countries





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- **Country-Transactions** – successful closing of the ongoing sales projects
- **Interim distribution** – Verification of possibility for additional early interim-distributions
- **Wind down plan 2019** – Finalizing of legally required wind down plan
- **Liquidations** – Finalization of pending liquidations and initiation of additional ones
- **Adjustment of organization** – Reduction of the Management Board down to 2 members und further staff reduction