

HETA ASSET RESOLUTION

Company presentation

Interim distribution

Klagenfurt am Wörthersee, 30.06.2017

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1. Introduction

In connection with the information contained in this company presentation, the Management Board of HETA expressly refers creditors and investors to the corresponding disclaimer.

It is also pointed out that the company presentation may be updated or added to at any time; any such updates and additions can be downloaded from the HETA website under “Investors/Investor Information”.

2. Criteria for interim distribution (I)

Basis: Administrative decision II, HETA Articles of Association, HETA Management Board by-laws, HETA Supervisory Board by-laws

In summary, interim distributions can be made at an earlier date in accordance with the catalogue developed by HETA if the following criteria are met:

- (1) The interim distribution is consistent with HETA's liquidity planning.
- (2) Sufficient liquidity can be warranted for HETA's business operations over the entire wind-down period (sufficient cash funds to cover all expenses associated with the wind-down process, including liabilities, costs and risks).
- (3) Taking into account the expenses for the wind-down process, HETA has surplus cash funds.
- (4) The interim distribution can be made according to the best judgement of the Management Board.
- (5) The interim distribution does not put the wind-down objectives and the orderly wind-down of HETA at risk.

RESULT: HETA's Management Board believes that an interim distribution can be made in 2017.

2. Criteria for interim distribution (II)

- When creating the liquidity provision, the Management Board must carefully weigh the interests of the creditors to achieve the highest possible interim distribution in view of the negative interest situation, and also HETA's need to make adequate provision for all (also future) liabilities and costs associated with the portfolio wind-down that must be serviced and that may lead to (un)expected potential outflows.
- The risk analysis focuses on expected and potential (i.e. not currently allocated to a provision) outgoing payments that may lead to a reduction in the current cash holdings in the future.
- The ability to pay and the coverage of all (future) liabilities and costs associated with the portfolio wind-down that must be serviced in full must be warranted over the entire wind-down period, since the wind-down of HETA may not be put at risk as a result of the interim distribution.
- To this end, HETA has identified various provision items that are used as a basis to calculate the potential outflow of liquid assets over the wind-down horizon and, by extension, the cash reserve that must be maintained.

3. Result

- Based on the balance sheet for HETA ASSET RESOLUTION AG as at 31 December 2016 and the cash holdings as at 31 May 2017 in the amount of EUR 8.5 billion, taking into account the liabilities, provisions, contingent liabilities and other potential wind-down risks that could lead to fund outflows, an interim distribution rate of 69.00% (pertaining to the rate of 64.40% pursuant to the administrative decision of 2 May 2017) by payment or guarantee was calculated for the eligible liabilities in accordance with § 86 of the Austrian Federal Act on the Recovery and Resolution of Banks (BaSAG).
- Taking into account the eligible liabilities as at 31 May 2017 in the amount of EUR 8.4 billion, and the interim distribution rate of 69.00%, the **amount to be distributed is EUR 5.8 billion**
- This rate pertains to the value of the eligible liabilities, which was reduced to 64.40% in accordance with the administrative decision concerning the challenge procedure (“Vorstellungsbescheid II”).
- The intention is to submit the “main payment” of the interim distribution amount during the second half of 2017.

List of abbreviations

The following abbreviations were used in this presentation:

AR	Aufsichtsrat
EUR	Euro
FMA	Finanzmarktaufsicht
HETA	HETA ASSET RESOLUTION AG
Mio	Million
Mrd	Milliarde