

Project SETTIMO
Sale of Hypo Alpe Adria Bank

Teaser

18th April 2019



HBI.BH
Hypo Bank Italia Bundesholding

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Executive Summary

- Hypo Alpe Adria Bank S.p.A. (“**HBI**”) 99.9% owned by the Republic of Austria through HBI-Bundesholding AG (“**HBI-BH**” or the “**Seller**”), is a bank regulated by Bank of Italy and operating under the relevant banking license
- HBI is headquartered in Tavagnacco (Udine, Italy) and has 79¹ employees of which c.40% with a master degree
- HBI operated till October 2014 as a subsidiary of Hypo Alpe Adria Bank International AG, now Heta Asset Resolution AG. Since then, 99.9% of the shares are owned by the Republic of Austria through the Austrian stock company HBI-BH. Following the EU decision, HBI had to be wound-down through a process of disposal of assets and liabilities which has entered into its conclusive phase in 2019
- As final step of such wind down process, HBI-BH intends to launch a process for the disposal of its entire shareholding in HBI (the “**Transaction Perimeter**” or “**Project Settimo**”)
- The Transaction Perimeter comprises, as of 31st December 2018, €441m total assets and €62m shareholders’ equity:
 - **Assets:** €233m customer receivables, of which €217m real estate leases, and €152m due from banks
 - **Liabilities:** €220m funding facilities from Heta Asset Resolution AG and €136m allowances for risks and charges
- As part of Project Settimo, HBI is carrying out a transformation process into a financial intermediary registered under Art. 106 of Italian Legislative Decree number 385 of 1 September 1993 expected to be finalised before the completion of the sale process
- **Non binding offers (“NBOs”)** should be made in respect of the Transaction Perimeter by no later than **June, the 11th, 2019, 12 noon CET**

Indicative Timeline for Phase I

Phase I - Submission of Non-Binding Offers

18th April 2019:
- Publication on newspapers

By 17th May 2019:
- Expression of interest

From 10th May 2019:
- Following the signing of NDA,
access to more extensive
information, including info pack
and process letter

11th June 2019:
- NBOs submission

Key financials overview

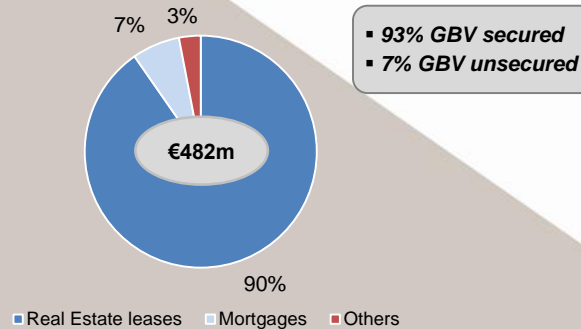
2018 balance sheet figures excluding a pool of assets and liabilities related to the banking core business to be carved-out in order to transform HBI in a financial intermediary, under Art. 106, with a total value of €3.5m assets

Balance Sheet (€m)	
Assets	2018
Financial assets measured at amortised cost	385 ¹
<i>Due from banks</i>	152
<i>Due from customers</i>	233
Tangible and intangible assets	6
Tax assets	4
Non-current assets held for sale and discontinued operations	32 ²
Other assets	14 ³
Total assets	441
Liabilities	2018
Financial liabilities measured at amortised cost	222 ⁴
Non-current liabilities held for sale and discontinued operations	3
Other liabilities	18 ⁵
Provisions for risks and charges	136 ⁶
Shareholders' equity	62
Total liabilities and shareholders' equity	441

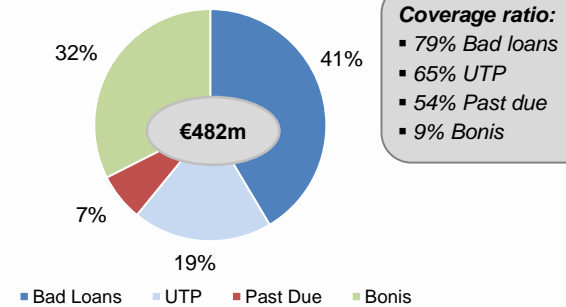
- 1 Financial assets stood at €385m**, which are composed of:
 - **€152m due from banks o/w €42m** relating to escrow accounts linked to previous disposal projects and **€110m representing HBI liquidity**
 - **Due from customers stood at €233m**, mainly composed of financial leasing (€217m)
- 2 €32m of non-current assets held for sale and discontinued operations** related to portfolio disposals to be completed by June 2019. Such amounts will be excluded from the perimeter of Project Settimo
- 3 C. €14m market value of other assets** mainly related to tax receivables on litigation ongoing for which HBI has booked a liability of the same amount in case of negative result of the lawsuits
- 4 Financial liabilities measured at amortised cost** related to outstanding funding liabilities vis-à-vis Heta Asset Resolution AG (€220m)
- 5 C. €18m other liabilities** mainly related to amounts advanced by clients for the redemption of goods related to leasing contracts and invoices to be received
- 6 Provisions for risks and charges** that HBI allocated to cover legal risks arising from different types of lawsuits and potential litigations

Overview of the Customer Loan Portfolio

Customer loan portfolio by type (2018, GBV)

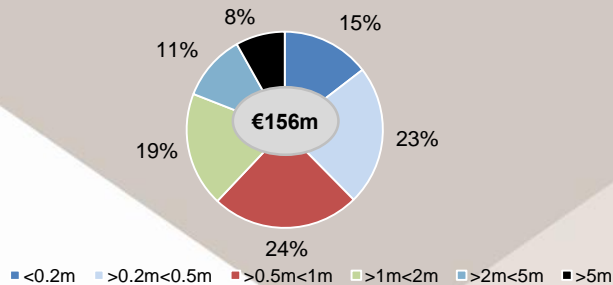


Customer loan portfolio by status (2018, GBV)

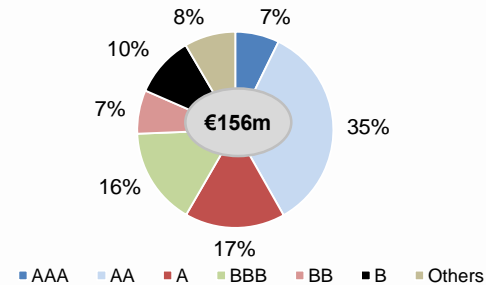


Performing portfolio

GBV by ticket size

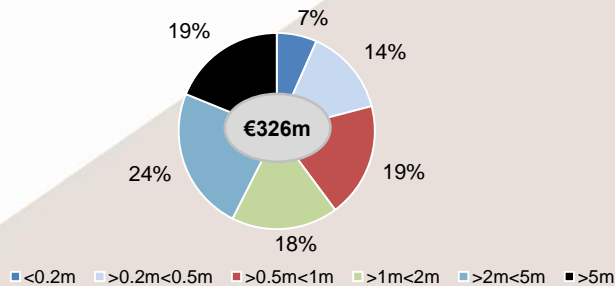


GBV by rating

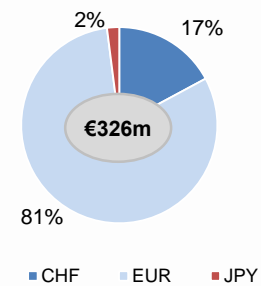


Non-performing portfolio

GBV by ticket size



GBV by currency indexation



Note: Breakdowns based on loan data tape

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