

# HETA ASSET RESOLUTION

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## Company Presentation 2023

- Financial Statement 2022
- Financial Plan 2023

**Klagenfurt, 26th May 2023**

This document contains, among other elements, statements about forecasts, planning, future expectations and other future-oriented statements, which are based on the current point of view and assumptions of the liquidators of HETA ASSET RESOLUTION AG i.A.\* (abbreviation: HETA) and are subject to known and unknown risk and uncertainties which may cause actual results and events to deviate significantly from the results and events contained in the future-oriented expectations and statements.

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HETA reserves the right to make changes or additions to this company presentation and the information provided at any time and without prior notice.

The English version of the annual report is a translation. The official annual report is set up in German language.

\* i.A. stands for "in liquidation"

I HETA in liquidation

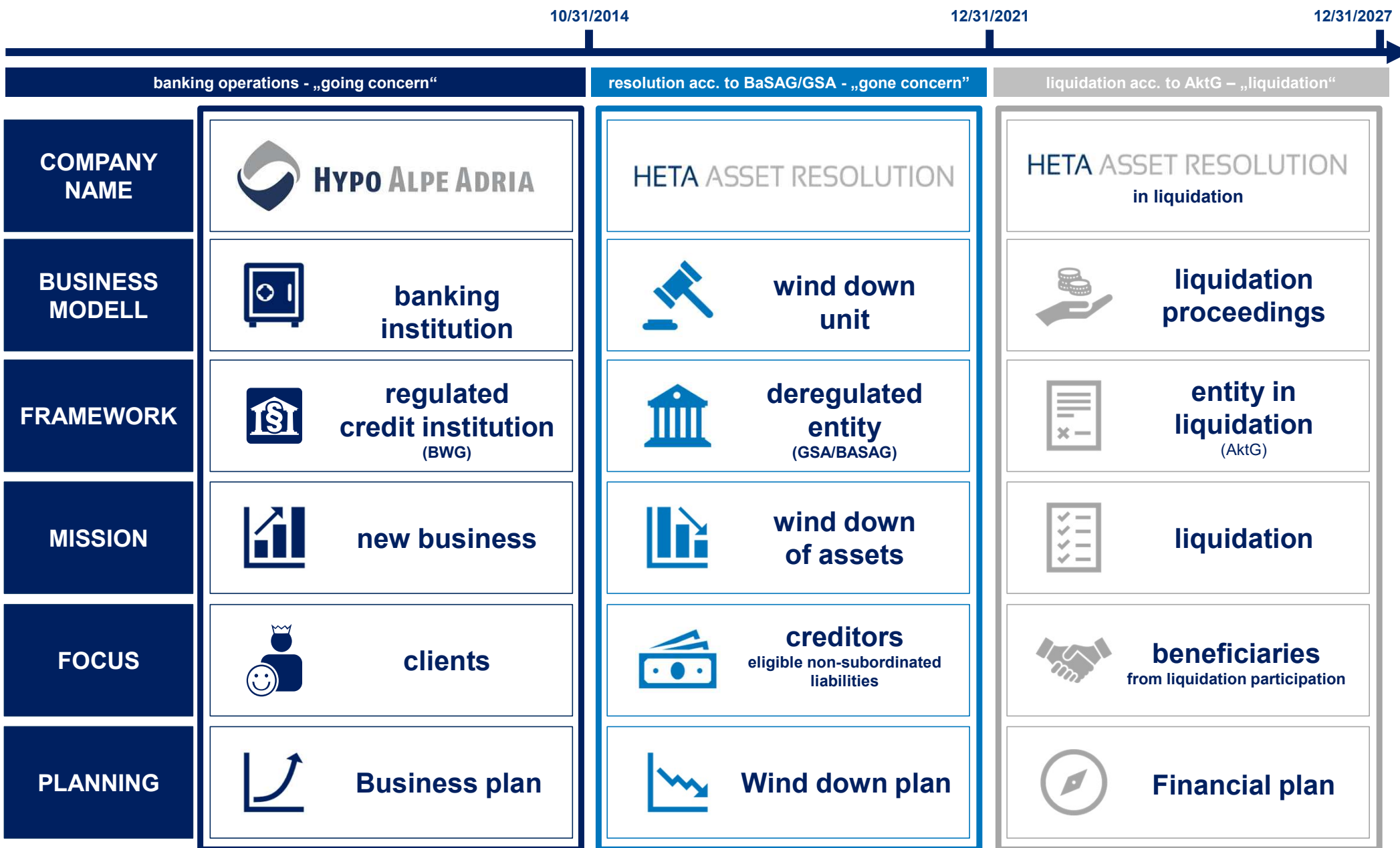
II Financial statements 2022

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# Liquidation process of HETA

Hypo – Heta – Heta i.A.

HETA ASSET RESOLUTION



I HETA in liquidation

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# Financial statements 2022

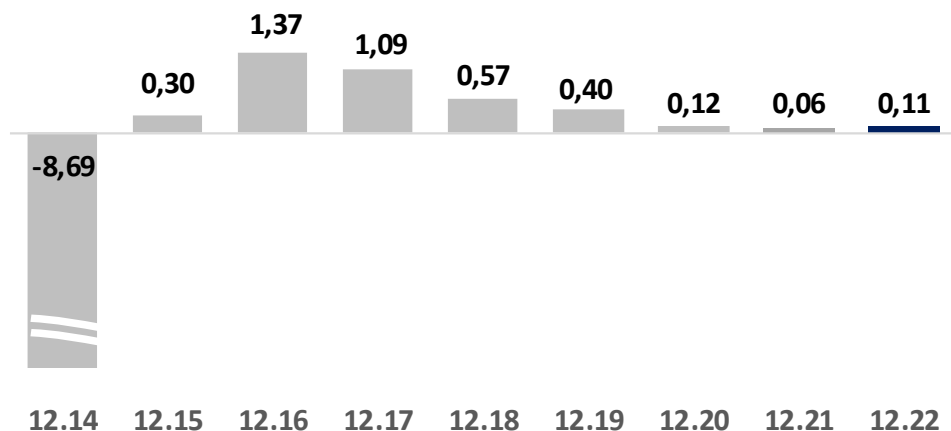
## annual results and costs

## HETA ASSET RESOLUTION

### Annual Results

adjusted

HETA AG i.A.  
in EUR bn

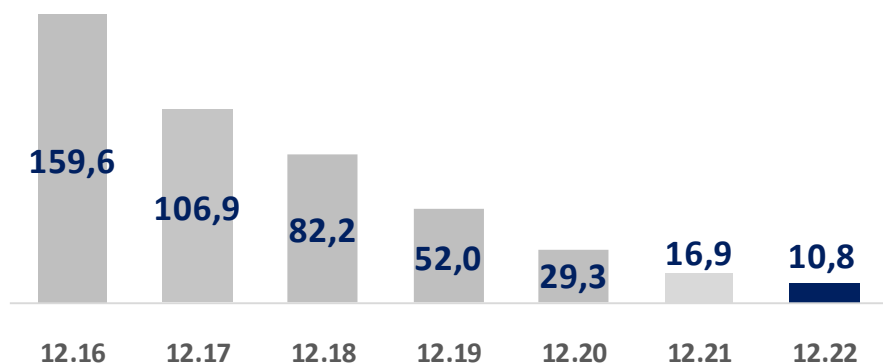


- **March 2015:** change of **legal framework** to **BaSAG-regime** and **new valuation** of portfolio under a **gone-concern-assumption**
- This led to a negative result for the financial year 2014 of **EUR -8,69 bn**
- In the years **2015 to 2021** HETA achieved positive results of **EUR +3,77 bn** cumulatively
- The **result of 2022** amounts to **EUR 0,11 bn** and is again **well above budget**

### administrative expenses

personnel and non-personnel expenses

HETA AG i.A.  
in EUR m



- **Continuous adaption** of the **organisation and cost structure** to the successful wind down / liquidation
- In **2022** costs were reduced by more than **-36 %** and are amounting to **EUR 10,8m**. Costs stayed clearly below the budgeted figures.

# Financial Statements 2022

## Balance Sheet

## HETA ASSET RESOLUTION

in EUR m

AKTIVA		
	12/31/2022	01/01/2022
I. Intangible fixed assets	0,0	0,0
II. Tangible fixed assets	0,0	0,0
III. Financial assets	21,7	133,3
IV. Receivables and other assets	14,7	47,6
V. Shares and securities	0,0	0,2
VI. Balances with credit institutions	38,6	627,3
VII. Balances with the Republik of Austria	600,3	0,0
<b>TOTAL ASSETS</b>	<b>675,3</b>	<b>808,3</b>

in EUR m

PASSIVA		
	12/31/2022	01/01/2022
I. Liquidation capital	0,0	0,0
II. Provisions	648,0	633,7
provision for contingent liabilities rel. resolution procedures	493,6	385,0
III. Liabilities	27,3	174,6
<b>TOTAL LIABILITIES</b>	<b>675,3</b>	<b>808,3</b>

# Financial Statements 2022

## Income Statement

HETA ASSET RESOLUTION

in EUR m

<b>Profit and Loss Account 1 January to 31 December</b>	<b>2022</b>
1. Other operating income	108,3
2. Personnel expenditure	-6,0
3. Other operating expenditure	-4,7
<b>4. Subtotal 1 to 3 (Operating Result)</b>	<b>97,5</b>
5. Result from participations	0,1
6. Other interest and similar income	4,0
7. Income from the valuation of financial assets	7,0
8. Expenditure from the valuation of financial assets	0,0
9. Interest and similar expenditure	0,0
<b>10. Subtotal 5 to 9 (Financial Result)</b>	<b>11,0</b>
<b>11. Result before tax (Subtotal 4 and 10)</b>	<b>108,5</b>
12. Taxes on Income	0,0
13. Change of provision for risks in liquidation procedure	-108,5
<b>14. Profit / Loss of the year</b>	<b>-</b>



I HETA in liquidation

II Financial Statements 2022

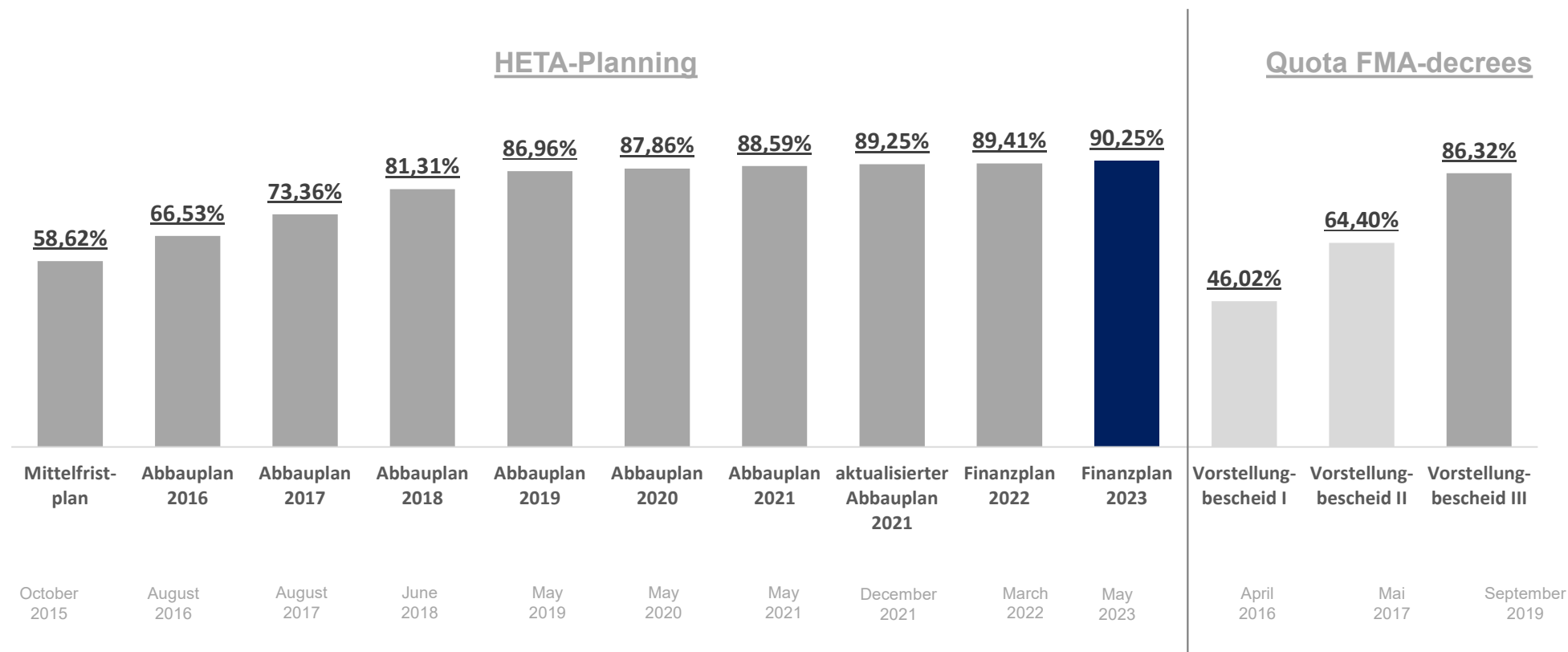
IV Financial plan 2023

Notes	<ul style="list-style-type: none"> <li>• The present information for the Holders of Imperfect Obligations (as well as for public interest) represents an update of the presentation on the Financial Plan released in March 2022</li> <li>• The liquidators of HETA explicitly draw the attention of Holders of Imperfect Obligations and the public to the corresponding disclaimer in connection with the information contained in this company presentation</li> <li>• The company presentation may be updated or supplemented at any time, any such updates and additions can be downloaded from the HETA website under „investor relations / investor information“</li> </ul>
Legal Framework Conditions	<ul style="list-style-type: none"> <li>• On <b>25<sup>th</sup> August 2016</b>, HETA published the <b>first wind-down plan</b> covering the period from 2016 to 2020 („Abbauplan 2016“)</li> <li>• The <b>wind-down plan</b> was <b>updated</b> on 31<sup>st</sup> August 2017 („Abbauplan 2017“), 15<sup>th</sup> June 2018 („Abbauplan 2018“), 23<sup>rd</sup> May 2019 („Abbauplan 2019“), 14<sup>th</sup> May 2020 („Abbauplan 2020“), 20<sup>th</sup> May 2021 („Abbauplan 2021“) and 15<sup>th</sup> December 2021 („Aktualisierter Abbauplan 2021“)</li> <li>• Due to the <b>BaSAG-exit</b> HETA is <b><u>no longer</u> legally obliged</b> to prepare a <b>wind-down plan</b></li> <li>• However, HETA has <b>committed itself</b> in the <b>new statute</b> to prepare <b>planning calculations</b> (financial plan) and to <b>publish</b> the most <b>significant parameters</b></li> <li>• Currently it is <b>intended</b> to <b>prepare</b> and <b>publish</b> an annual <b>update</b> of the financial plan</li> </ul>
Main Planning Assumptions	<ul style="list-style-type: none"> <li>• Resolution of <b>remaining liquidation obstacles</b> during the liquidation procedure (liquidation horizon until end of 2027, afterwards maintaining archive with external servicer until 2034)</li> <li>• Execution of <b>liquidation participation payments</b> during the liquidation procedure, if possible</li> <li>• Payment of the then remaining <b>liquidation proceeds</b> after <b>2027</b> (closing payment)</li> <li>• <b>Expected recovery-rate: 90,25 %</b> (total); in the financial plan 2022 a rate of 89,41 % was expected</li> </ul>
Liquidation Participation Payment	<ul style="list-style-type: none"> <li>• During the <b>BaSAG-resolution</b> HETA was able to distribute already <b>EUR 10,8 bn</b> to the creditors, achieving the full <b>FMA-quota of 86,32 %</b></li> <li>• With the <b>statute-change</b> a further distribution via the so-called <b>liquidation participation payments</b> has been enabled, which can be performed in the liquidation procedure <b>from 2023 onwards</b></li> <li>• The <b>financial plan 2023</b> is reflecting <b>payments</b> to the Holders of Imperfect Obligations during the liquidation procedure of around <b>EUR 493</b>, the major part of which should be paid in 2023</li> </ul>

# Financial plan 2023

## Development of recovery rate

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- Adjustment of the **recovery expectation** to **90,25 %** compared to the last financial plan (89,41 % as of March 2022)
- **Improvement** is mainly resulting from **cost-optimization** and **lower impact of provisioned risks** (end of reps & warranties)
- As the **full FMA-quota of 86,32 %** has already been **paid out to the creditors**, the difference of **3,93 %** (equals to approx. EUR 493 Mio.) should be distributed via **liquidation participation payments** to the Holders of Imperfect Obligations

# Financial plan 2023

Planned balance sheet and P&L HETA AG i.A. (Austrian GAP)

HETA ASSET RESOLUTION

Planned Balance Sheet in EURm	Budget 2023	Plan 2024	Plan 2025	Plan 2026	Plan 2027	END
Financial assets	8,7	2,5	2,5	2,5	0,0	0,0
Receivables and other assets	14,6	14,6	0,0	0,0	0,0	0,0
Shares and securities	0,0	0,0	0,0	0,0	0,0	0,0
Balances with credit institutions	165,2	105,0	90,6	64,1	47,5	3,8
<b>TOTAL ASSETS</b>	<b>188,5</b>	<b>122,1</b>	<b>93,1</b>	<b>66,6</b>	<b>47,5</b>	<b>3,8</b>
Liquidation capital	0,0	0,0	0,0	0,0	0,0	0,0
Provisions	175,1	115,4	88,3	62,9	47,4	3,8
<i>thereof "operative" provisions</i>	<i>131,5</i>	<i>91,8</i>	<i>69,6</i>	<i>59,2</i>	<i>43,6</i>	<i>0,0</i>
<i>provision for contingent liabilities rel. resolution procedures</i>	<i>43,6</i>	<i>23,6</i>	<i>18,7</i>	<i>3,7</i>	<i>3,8</i>	<i>3,8</i>
Liabilities	13,4	6,7	4,8	3,8	0,1	0,0
<b>TOTAL LIABILITIES</b>	<b>188,5</b>	<b>122,1</b>	<b>93,1</b>	<b>66,6</b>	<b>47,5</b>	<b>3,8</b>
Planned Income Statement in EURm	Budget 2023	Plan 2024	Plan 2025	Plan 2026	Plan 2027	
<b>Other Operating Income</b>	<b>9,1</b>	<b>8,1</b>	<b>7,3</b>	<b>6,0</b>	<b>6,2</b>	
Personnel expenditure	-4,3	-3,7	-3,2	-2,2	-2,2	
Administrative expenditure	-4,7	-4,3	-4,0	-3,7	-3,9	
<b>Operating Result</b>	<b>0,1</b>	<b>0,1</b>	<b>0,1</b>	<b>0,1</b>	<b>0,1</b>	
Financial Result	0,0	0,0	0,0	0,0	0,0	
<b>Result before tax</b>	<b>0,1</b>	<b>0,1</b>	<b>0,1</b>	<b>0,1</b>	<b>0,1</b>	
Taxes	-0,1	-0,1	-0,1	-0,1	-0,1	
<b>Profit / Loss of the year</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	

# Liquidation obstacles and risks (1/2)

## HETA ASSET RESOLUTION

Certain obstacles must also be taken into account in the context of liquidation under the Stock Corporation Act (AktG). These arise from the following circumstances:

### Contractual obligations or legal disputes

from sales and other resolution agreements as well as settlement agreements

- In the course of the wind-down activities, the HETA Group necessarily entered into new contractual obligation
- These include, but are not limited to, customary warranties, security mechanisms or the obligation to provide certain services until the full transfer of legal position to the buyer, whereby an attempt was generally made to keep the contractual obligations at a minimum
- These obligations could also lead to possible security claims in the course of the liquidation of HETA AG or its subsidiaries as a result of creditors' appeals
- Until the end of the contractual obligations, there may therefore be delays in the expected liquidation period of HETA or in the closure of individual HETA companies or there remains a risk that the assertion of warranty claims could lead to new legal disputes, which could also delay the rapid closure of individual companies
- In order to obtain the highest possible liquidation proceeds and a rapid completion of the liquidation, HETA examines such claims carefully and taking into account all relevant considerations, then decides whether such claims are recognized in the context of an out-of-court settlement or clarified in the competent courts in the context of legal proceedings

### Court proceedings

- Within the HETA Group, a certain number of court proceedings domestically and abroad are still pending, and new court proceedings may arise at any time
- Since a company cannot be completely liquidated during pending legal proceedings, this can lead to a company being economically closed but legally having to continue to exist until the end of a legal dispute
- In addition, as a condition for the sale of its portfolios, HETA had to undertake that the legal proceedings initiated by HETA against the debtors continue to be pursued by HETA, because e.g. a change of party is only possible with the consent of the debtor or in order to avoid limitation issues
- In the case of sales transactions, HETA had to ensure that the obligations to "front" such legal proceedings are limited in time or that corresponding termination rights were provided to HETA
- Nevertheless, this has an impact on the time horizon for the winding-up of HETA or its participations

# Liquidation obstacles and risks(2/2)

## HETA ASSET RESOLUTION

<b>Liquidation risks</b> from the liquidation of participations and HETA AG i.A. itself	<ul style="list-style-type: none"><li>• In the liquidation of HETA companies or HETA itself, legal and tax problems are particularly prevalent</li><li>• In most jurisdictions, tax audits are also initiated when a company begins the liquidation process</li><li>• There is therefor a significant risk that such audits may lead to the imposition of previously unconsidered levies or may potentially extend the liquidation period planned by the group</li><li>• The legally mandatory creditor appeals in the context of liquidations were published by the company at the end of 2022 and in January and February 2023. So far no potential claims towards the company were asserted.</li></ul>
<b>Risk of non-recognition of resolution measures</b>	<ul style="list-style-type: none"><li>• Despite the termination of the BaSAG procedure, the FMA's decisions are still valid and applicable</li><li>• For example, the decisions continue to have an impact on pending legal proceedings of HETA AG relating to facts prior to 1<sup>st</sup> March 2015</li><li>• If HETA is obliged to fulfill its obligations in such proceedings, this obligation may constitute a newly emerged, non-subordinated, eligible liability to which the FMA decisions continue to apply</li><li>• From today's perspective, it cannot be ruled out that proceedings concerning the non-recognition of resolution measures by courts in other Member States or in non-EU countries could also arise in the future</li><li>• HETA will continue to take all available legal remedies for the recognition of FMA decisions</li></ul>
<b>future legislative measures</b>	<ul style="list-style-type: none"><li>• In the SEE countries where the assets of the HETA Group were formerly located, there have been repeated legislative proposals and new laws in recent years that have had a negative impact on financial institutions</li><li>• An example is the so-called Croatian Nullity Act, which had a negative impact on the resolution of the Croatian cross-border portfolio held by HETA and resulted in more than 30 legal proceedings against HETA AG</li><li>• This law was initially found by the ECJ to be contrary to EU law and was also repealed by the Croatian Constitutional Court at the end of 2020</li><li>• Such legislative measures may affect the further liquidation of HETA despite the end of the portfolio resolution, as they can lead to new legal proceedings in which former customers make recourse claims</li></ul>