

HYPO ALPE ADRIA BANK S.P.A.

Sale of a non-performing and semi-performing portfolio and of a pool of real estates

Invitation to submit an expression of interest (“EOI”)

Hypo Alpe Adria Bank S.p.A. (“**HAAB**” or the “**Bank**”), headquartered in Tavagnacco (Udine, Italy) and 99.9% owned by the Republic of Austria through the Austrian stock company HBI-Bundesholding AG, is a bank regulated by Bank of Italy and operating under a relevant banking license. For further information regarding the Bank, please refer to the Bank’s website at <https://www.hypo-alpe-adria.it/>.

The Bank intends to divest part of its non-performing and semi-performing portfolio and of a pool of real estates, of approximately Euro 750 million (the “**Portfolio**”) in an open, transparent, unconditional and non-discriminatory sales process (the “**Sales Process**”), to a single purchaser or to a group of purchasers (which may take part to the Sales Process on the basis of pooling agreements, consortia, or similar forms of cooperation).

The Portfolio, 54% of which is serviced by external servicing companies, is primarily composed of the following items (each a “**Sub-Cluster**”): (i) real estate leasing contracts and/or claims, and the relevant underlying assets (€ 314.4 million), (ii) mortgage loans and mortgage current accounts contracts and/or claims (€ 287.6 million), (iii) REs accounting for a total of € 24.9 million in terms of carrying amount, (the Sub-Clusters under (i), (ii) and (iii) above, together, the “**Real Estate Cluster**” amounting to € 626.9 million or 83.5% of the total Portfolio); (iv) non-real estate leasing contracts and/or claims and the relevant underlying assets (€ 36.9 million); (v) unsecured banking exposures (€ 48.2 million) and (vi) a pool of fully written off unsecured claims of € 38.7 million (the Sub-Clusters under (iv), (v) and (vi) above, together, the “**Non-Real Estate Cluster**” amounting to € 123.8 million or 16.5% of the total Portfolio).

The Bank’s aim is the disposal of the full Portfolio. The Bank reserves in any case the right, at its discretion, to evaluate further redefinition of the perimeter of the sale, including but not limited to the sales of single Sub-Clusters to a plurality of different purchasers.

In light of the above, each offer shall be for the whole Portfolio. Purchaser/s are strongly invited to price separately for each Sub-Cluster, but are in any case required to include separate pricing for Sub-Clusters (i) and (ii).

The Bank is also available to evaluate the transfer to the purchaser/s of certain employees.

On the Bank’s website the interested parties shall find *inter alia* a teaser describing the key elements of the proposed transaction.

EY S.p.A. (“**EY**”) is acting as Bank’s exclusive financial advisor in this Sales Process. Any expression of interest to participate in the Sales Process (the “**EOI**”) should be submitted to EY via e-mail (followed by a hard copy) by May, the 18th, 2017, 12 noon (CET) to the contacts stated below. EOIs must be submitted in English and must include the names and address of the interested party (or of all members of a group of interested parties, which may take part to the Sales Process also on the basis of pooling agreements, consortia, or similar forms of cooperation) (“**Interested Party**” or “**Interested Parties**”), the names of the contact persons available for further questions as well as the names of any mandated advisors. EOIs shall further be signed by or on behalf of the Interested Party/-ies.

Any EOI is to be made in the Interested Party/s/-ies’ own name and own account. Disclosed direct representation is permissible if an original written power of representation is submitted.

Interested Party/-ies shall send its/their EOIs to the e-mail addresses listed below (with a hard copy to follow).

Contact details:

Project contacts:

Erberto.Viazzo@it.ey.com (+39 348 1911479)
Luca.Cosentino@it.ey.com (+39 335 6081314)
Diego.Avizzano@it.ey.com (+39 366 5787674)
Stefano.Deho@it.ey.com (+39 331 4191134)

Original copies have to be sent to:

EY S.p.A.
Via Meravigli 12, 20123 Milan (Italy)

Interested Party/-ies having submitted their EOIs shall receive a non-disclosure agreement. From May, the 19th, 2017 and after signing the Non-Disclosure Agreement, the relevant Interested Party/-ies will receive access to more extensive information and further documents regarding the Sales Process itself, the proposed transaction and the relevant assets, including in particular an information memorandum and a process letter.

The relevant Interested Party/-ies (if interested in proceeding to the next phase of the Sales Process) shall be required to submit to EY via e-mail (followed by a hard copy), by and no later than June, the 16th, 2017, 12 noon (CET), a non-binding offer. Such non-binding offer shall be prepared in accordance with the indications set forth in the relevant process letter.

After submission of the non-binding offers, the Interested Party/-ies admitted to the next phase of the Sales Process shall receive a written communication setting forth any further process details.

The Bank reserves the right, at its sole discretion, to extend the deadline for the submission of bids, change other parameters or deadlines during the Sales Process, terminate, modify or suspend the Sales Process as a whole or in part at any time and without being obliged to state the reasons therefore. In doing so, the Bank will at all times comply with the principles of an open, transparent, unconditional and non-discriminatory Sales Process. In such case, as in all other circumstances, no Interested Party will have any claim for any damage and/or compensation for loss, costs and other expenditure incurred by it in connection with the Sales Process.

For further clarification or enquiries, Interested Parties may contact the contact persons at EY stated above.

Legal Notices:

Information included in this invitation has a mere communication purpose and do not intend to be complete nor exhaustive.

This invitation is neither a commitment nor an obligation to consider or conclude any transaction with any Interested Party and each of the Bank, HBI-Bundesholding AG and EY, and each of their related parties (affiliates, directors, officers, employees, advisers or agents), expressly state that no representation or warranty with respect to the information provided and information being provided is made by this invitation to any potential purchaser and expressly exclude any and all liability for representations and warranties deemed to be made as well as statements contained in this invitation.

EY is acting exclusively in the interest of the Bank and no one else in connection with the Sales Process and EY will not be responsible to anyone other than the Bank for providing the protections afforded to its clients for providing advice in relation to the Sales Process and in relation to the contents of this invitation.