

Press release

Hypo Group Alpe Adria AG – SEE banking network – acquired by Advent International and EBRD

- Advent International/EBRD strongly committed to the development of the Group
- Banking network to be led by newly appointed Group CEO Ulrich Kissing
- Advent/EBRD committed to growing core retail and SME franchise as well as corporate and public sector offering in SEE region
- New owners aim at turning SEE banking network into top-5 player in the region delivering profitable growth

Klagenfurt, 17 July 2015 – Funds advised by Advent International, one of the largest and most experienced global private equity investors, and the European Bank for Reconstruction and Development (EBRD) have closed the acquisition of Hypo Group Alpe Adria AG (HGAA) with its Southeast Europe banking network (SEE-Network) from Heta Asset Resolution (Heta), the wind down asset of the former Hypo Alpe Adria bank owned by the Republic of Austria.

The acquisition was formally closed today following all conditions agreed in the Sales and Purchase Agreement (SPA) signed on December 22, 2014 being met.

The SEE banking network's Management Board will be led by the newly appointed Group Chief Executive Officer (CEO) Ulrich Kissing. Johannes Proksch will act as Chief Financial Officer (CFO), Stefan Selden as Chief Risk Officer (CRO) and Rainer Sichert as Chief Operating Officer (COO) and Head of Sales. The Group Management team will be further strengthened, with details to be announced in the coming weeks. Additionally the regional management teams in Croatia, Serbia, Slovenia, Bosnia and Herzegovina and Montenegro have been confirmed. The SEE banking network will continue to be headquartered in Klagenfurt, Austria, and operate under an Austrian banking licence.

Advent and EBRD agreed to pay a purchase price in the range agreed upon in the SPA, which is subject to HGAA meeting certain thresholds by the end of 2015. The existing liquidity lines of approximately EUR 2.2 billion secured by the Republic of Austria will remain in place. The parties have agreed on the conditions for the repayment of these credit lines over the coming years.

"Today we are taking ownership of a banking network with a strong balance sheet and secure long-term funding", said Dr. Christian Stoffel, Director at Advent International in Frankfurt. "Some 1.2 million customers, 250 branches in five countries, a capital ratio above 20%, long-term liquidity funding of more than EUR 2 billion, a clean loan portfolio with Non-Performing Loans of around 12%, and a strong management line-up give us an excellent position from which to develop HGAA into the bank of choice for its customers."

Nick Tesseyman, EBRD Managing Director, Financial Institutions, said: "As co-owner we are committed to contributing to delivering outstanding services to retail, SME, public and corporate clients in Croatia, Slovenia, Bosnia and Herzegovina, Serbia and Montenegro with a view to establishing the Group among the top five banks in the region. The EBRD will bring finance and expertise to secure the sound development of a banking group with a vital role for the local economy in the countries where it operates."

"We are back in business with strong and stable owners and an excellent team", said Ulrich Kissing, Group CEO. "We are working very hard to deliver innovative high quality products and secure services to significantly grow our rising retail and SME customer base and to remain a solid partner for our corporate and public clients."

In his most recent position as CEO of Investitionsbank Berlin (IBB) Ulrich Kissing was responsible, among other things, for the expansion of the bank's funding programme for SMEs and corporates.

Previously, he held various leading management positions during a career of more than 20 years at Deutsche Bank AG. In Poland he was responsible for launching and establishing Deutsche Bank's retail and SME business.

The new owners of HGAA have a strong track record of committing capital to the financial services sector as well as regionally in Central and South Eastern Europe. Advent International has a long history of advising funds in investing capital in Central and Eastern Europe. Over the past 20 years Advent International has invested in 40 companies in Central and Eastern Europe and in more than 60 companies in the business and financial services sector worldwide.

About Hypo Group Alpe Adria AG

Hypo Group Alpe Adria AG (HGAA) is headquartered in Klagenfurt, Austria and operates banking subsidiaries in Slovenia, Croatia, Bosnia and Herzegovina, Serbia and Montenegro. With 250 branches and 3,655 employees, HGAA is serving over 1.2 million customers (as of 31 December 2014). These include a large number of small and medium-sized enterprises, retail and corporate customers as well as counties and municipalities.

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About Advent International

Founded in 1984, Advent International is one of the largest and most experienced global private equity investors. Since inception, the firm has invested in more than 300 buyout transactions in 40 countries and today has EUR 27 billion in assets under management. With offices on four continents, Advent has established a globally integrated team of over 180 investment professionals across North America, Europe, Latin America and Asia. The firm focuses on investments across five core sectors, including business and financial services; healthcare; industrial; retail, consumer and leisure; and technology, media and telecom. After 30 years dedicated to international investing, Advent remains committed to partnering with management teams to deliver sustained revenue and earnings growth for its portfolio companies.

For more information, visit www.adventinternational.com

About EBRD

The EBRD, owned by 64 countries and two intergovernmental institutions, is supporting the development of market economies and democracies. More information can be found on our website (www.ebrd.com), on Facebook (www.facebook.com/ebrdhq) and on Twitter (www.twitter.com/ebrd).