PRESS RELEASE

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**CMS Advises Hypo Alpe Adria on Issue of EUR 1 Billion Bond**

**International law firm CMS Reich-Rohrwig Hainz has advised Hypo Alpe Adria on the issue of a state-backed subordinated bond with an overall face value of EUR 1 billion.**

Following the Austrian financial regulator’s order to raise the bank’s total capital ratio, Hypo Alpe-Adria-Bank International AG considered several options to increase its capital buffer. It finally decided on a capital increase by EUR 500 million and on the issue of a fixed-interest subordinated bond guaranteed by the Republic of Austria with an overall face value of EUR 1 billion and a duration of ten years. Both measures have been granted preliminary approval by the European Commission.

CMS especially advised on aspects relating to the financial and corporate law analysis of measures to strengthen the capital base and handled the structuring and concept design of the subordinated bond. “Apart from the tight time frame, especially shaping the contents of the bond was a legal challenge”, said Mathias Strasser, senior attorney at CMS, who was chiefly responsible for the mandate. “To achieve the desired regulatory effect, the bond had to comply with provisions of the Austrian Banking Act just as much as the expected new EU rules (key word: Basel III). There are currently very few examples of such ‘hybrid’ bonds”, the capital market expert further explained.

“The outstanding expertise of CMS regarding the capital market has made a major contribution to the success of this transaction”, Thomas Schobel, head counsel at Hypo Alpe Adria, emphasised.

The CMS team was made up by Mathias Strasser and Ioanna Ovadias (associate) as well as Alexander Rakosi (client relationship partner, Corporate, M&A), Günther Hanslik (partner, Banking & Finance) and Aakriti Chandihok (associate).

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CMS Reich-Rohrwig Hainz Rechtsanwälte GmbH was founded in Vienna in 1970 and has since emerged as one of the leading specialists in all areas of commercial and labour law. Highly-specialized teams consisting of internationally experienced lawyers primarily provide services in the following fields of law: M&A, banking and finance, real estate, taxes, labour laws, IP and IT laws, and public procurement. The company operates offices in Vienna, Belgrade, Bratislava, Brussels, Kiev, Ljubljana, Sarajevo, Sofia and Zagreb. All CMS offices together offer clients a team of more than 600 experienced specialists in 13 offices across the CEE/SEE region. [www.cms-rrh.com](http://www.cms-rrh.com)

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