

Investor Relations *Release*

Klagenfurt, 21 June, 2010

Hypo Alpe Adria: EUR 600 m of fresh capital, general meeting resolution on increase in capital

Bank issues EUR 450 million's worth of participation certificates to the Federal Republic of Austria, the State of Carinthia subscribes to EUR 150 million's worth.

Following the resolution passed by the Supervisory Board last Friday, the general meeting of Hypo Group Alpe Adria today, Monday, resolved on an increase in capital, which will take the form of an issue of participation certificates (participation capital).

This capital measure had already been decided upon at the time of the emergency nationalisation. It was agreed that the Federal Republic, as the 100 % owner of the Bank, will subscribe to a volume of EUR 450 million as of 30 June 2010. On the same day, the State of Carinthia, a former owner of the bank, will contribute EUR 150 m.

“With this capital injection, the Bank will be strengthened for the necessary restructuring measures which the new Executive Board must now implement” declared Johannes Ditz, the President of the Supervisory Board, at today's extraordinary general meeting.

“We intend to break even in the coming year and to go back into profit from 2012. The aim is for Hypo Alpe Adria, in three to five years' time, to be a smaller banking group focussed on Austria, Slovenia, Croatia, Serbia and Bosnia & Herzegovina, having withdrawn from other country markets, preferably through divestment,” said Gottwald Kranebitter, the Chairman of the Executive Board, outlining the strategy to make the Bank attractive to investors again.

Please feel free to contact us for further information; alternatively you will also find more information on the Investor Relation pages of our website (www.hypo-alpe-adria.com).

Contact:

Dr. Valentin Unterkircher

Head of Investor Relations

Phone: +43 (0)5 0202 2841

E-Mail: valentin.unterkircher@hypo-alpe-adria.com