

Contract amendment to Hypo Alpe Adria's rating by Moody's

Dear Sir or Madam,

With the 2011 half-year results Hypo Alpe Adria bank for the first time in four years was able to present a positive net income at group level after taxes and minorities. This is a vital sign and demonstrates that the restructuring measures are beginning to yield results even in the current challenging macroeconomic environment.

The bank's liquidity situation is very robust and currently shows a substantial surplus. The funding plan for the coming years is based on a balanced capital commitment and allows Hypo Alpe Adria to serve upcoming maturities from its own reserves without recurrence to the capital markets on an unsecured basis.

The Moody's rating agency has recently also expressed a positive opinion on the bank's liquidity. Moreover, in its latest analysis Moody's also emphasises that in the rating of the bank the fact that it is currently fully-owned by the Republic of Austria plays a major role. In recent statements the owner clearly expressed his continuing support for the bank.

Based on these circumstances the management board of Hypo Alpe Adria has agreed with Moody's to amend the contract with the agency and withdraw the rating of Hypo Alpe-Adria-Bank International AG (HBInt.) with immediate effect. In its final Credit Opinion the rating agency confirmed its assessment of HBInt. with an investment grade ranking of Baa3 with negative outlook.

Meanwhile, the ratings of all state and federal-bearing bonds as well as mortgage bonds ("Pfandbriefe") will remain unaffected and will be continued. This means that almost the entire stock of liabilities rated as "Aaa" or "Aa3" remains rated.

We would like to emphasise that Hypo Alpe Adria remains committed to transparency and full disclosure. Therefore we have set up designated contacts for you at the bank who remain at your disposal even after the change in rating comes into effect.

Should you require any further information please contact Valentin Unterkircher at our Investor Relations team (tel: +43 (0)5 0202 2841, email: valentin.unterkircher@hypo-alpe-adria.com) or Bernd Peck at our Financial Institutions department (Bernd Peck, tel: +43 (0)5 0202 2870, email: bernd.peck@hypo-alpe-adria.com).

Best regards,

HYPO ALPE-ADRIA-BANK INTERNATIONAL AG



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