

AD HOC INFORMATION

Klagenfurt am Wörthersee, 01 September 2011

HYPO ALPE-ADRIA-BANK INTERNATIONAL AG

Category: Capital measure

As expected, FMA confirms additional capital requirement

Hypo Alpe Adria Bank International AG (HAA) has advised that it has undergone a Joint Risk Assessment (JRAD) for the first time, administered by the Oesterreichische Nationalbank, and was informed of the results in a letter from the FMA dated 1 September 2011 and was asked to comment on them.

In the draft findings, the authorities have advised that the JRAD has established a requirement for additional equity capital to cover all the risks that exist for the bank, including stress scenarios. The auditors are of the opinion that, arithmetically, additional capital of just under EUR 1.5 billion would be necessary as at 31 December 2010. The additional requirement stems in part from the auditors' assessment of the recoverability of loan collateral in the event of having to turn it to account.

The report's calculations do not take into account the substantial reduction in the bank's equity requirement that has already taken place since 31 December 2010 as a result of the reduction in risk-weighted assets, and the planned further reduction that is still to be achieved. The report does highlight the progress made by the bank in the area of risk management since the new Executive Board has been in place.

In view of the dramatic situation Hypo Alpe Adria found itself in at the time of its nationalisation, a requirement for substantial further amounts of capital was expected even after the positive half-year figures for the first six months of 2011. For this reason, from the very beginning the management of Hypo Alpe Adria adopted a strategy of substantial downsizing and of focussing on low-risk business in the bank's core region of South-Eastern Europe, which took account of the increasing capital adequacy requirements. The bank's objective is to comply with regulatory requirements on capital as far as possible from its own resources.

The draft findings received today mark the beginning of a process of consultation and reconciliation which will last several months. The authorities have set a date of 31 March 2012 to meet the prescribed ratios. Hypo Alpe Adria will continue to put all its efforts into achieving a substantial improvement in its equity ratios by following through systematically with its programme of downsizing, restructuring, winding down and disposal.

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Market and Third Market of the Vienna Stock Exchange.

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