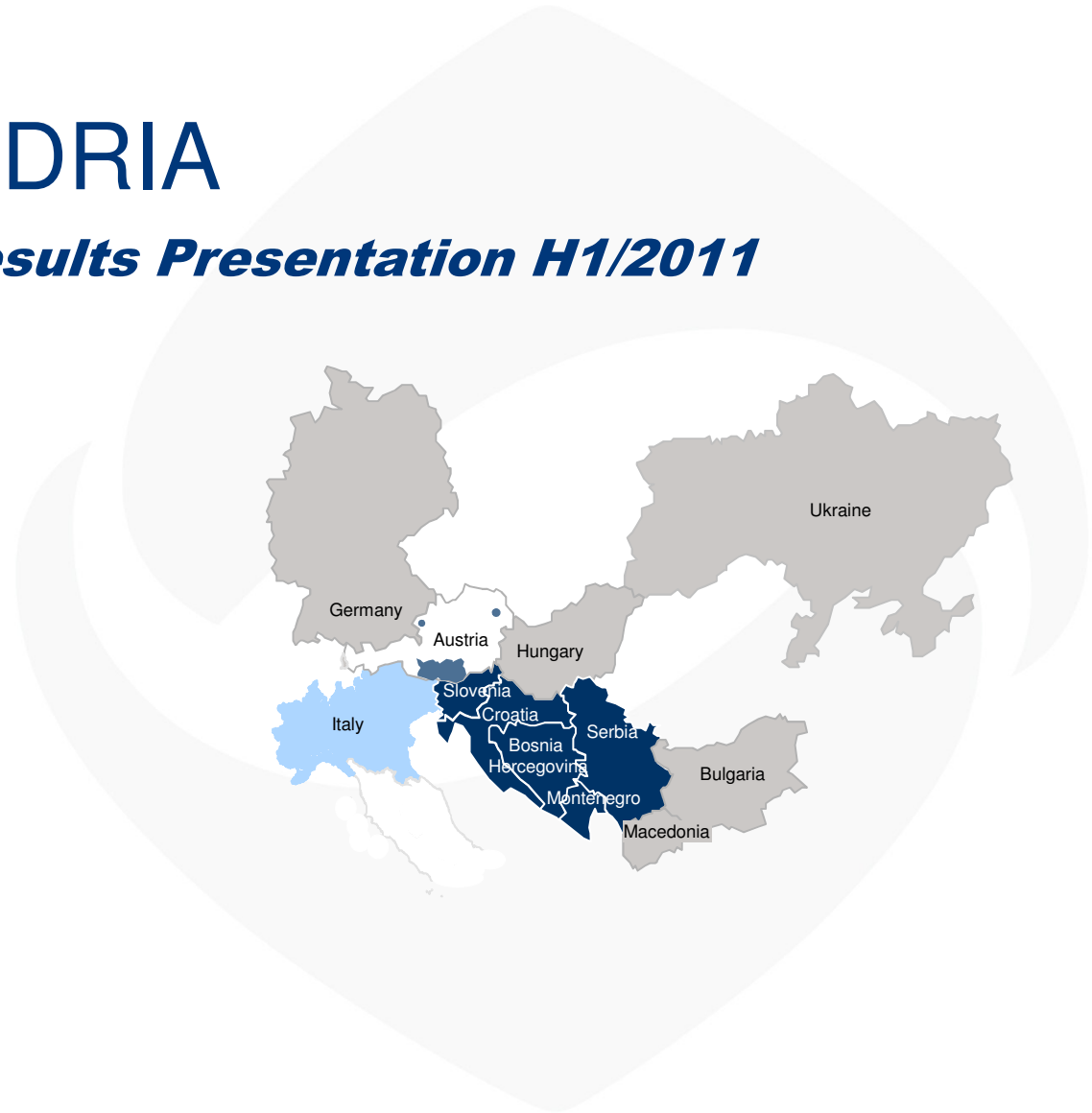


HYPO ALPE ADRIA

Investor Relations Results Presentation H1/2011

Vienna, August 17th, 2011



H1/2011 results at a glance (1/2)

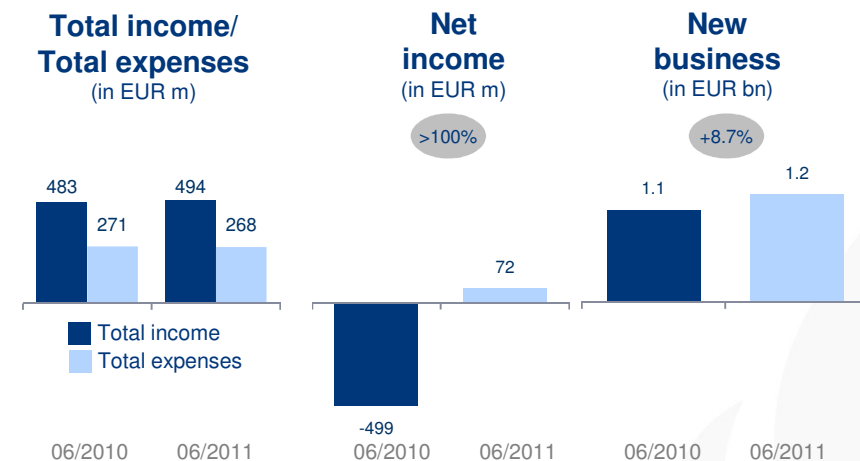
Leaner – simpler – more customer-oriented

Net income EUR 71.6 m	First positive net income since 2007: EUR 5.2 m (plus EUR 66.4 m one-off effect of fair value)
Growth of new business	New business volume of EUR 1.2 bn + 9 % increase in the last 12 months
Increase of deposits	Retail deposits increased to approx. EUR 4 bn + 10 % increase in the last 12 months
Reduction of risk provisions	Appropriate risk cost estimation in 2010 and successful workout led to reduction of risk provisions (EUR 134.9 m)
Wind down gaining momentum	Net volume decrease of EUR 500 m in segment 'wind down financials'
Alleviation of state guarantee	Decrease of state bonds by EUR 1.4 bn; EUR 37 m provisions and bank taxes to the public purse considered
Improved capital quality	Improved capital structure through conversion of EUR 450 m participation capital into core capital

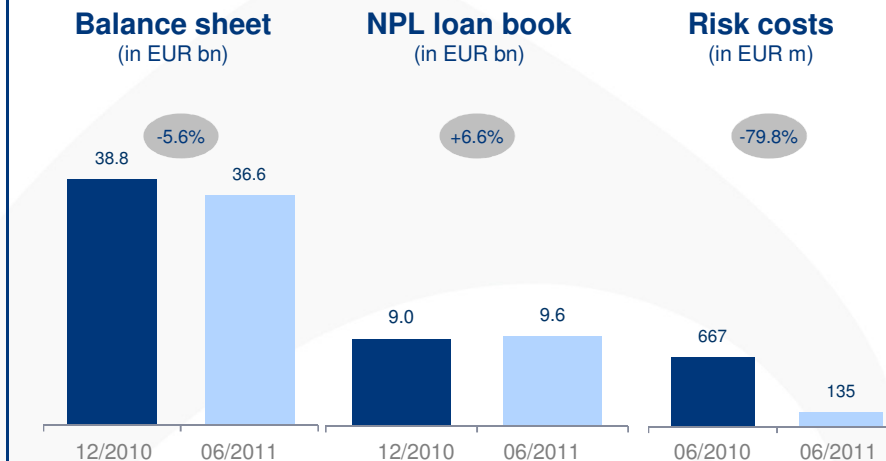
H1/2011 results at a glance (2/2)

Downsizing – minimising risk – focus on retail – strengthen capital

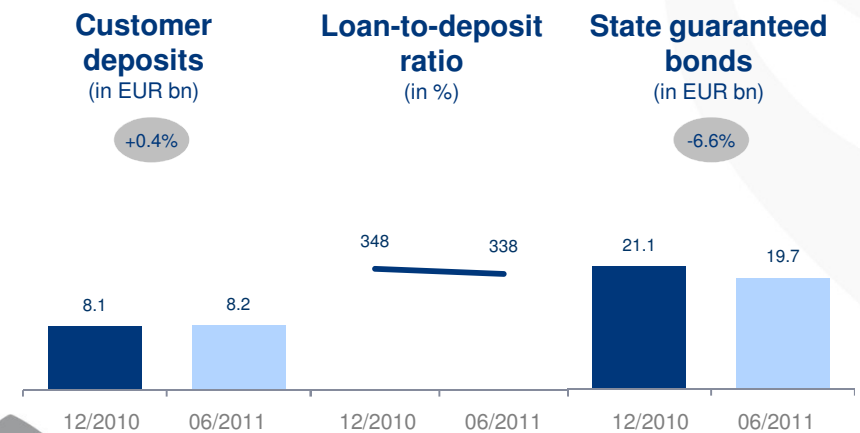
PROFITABILITY



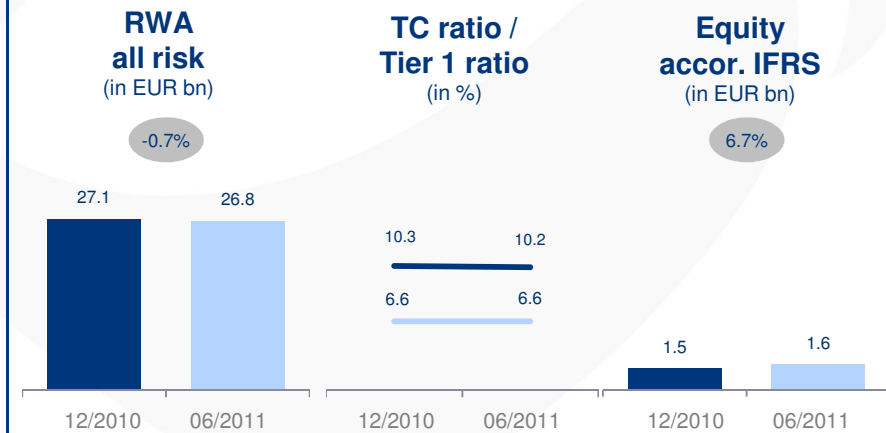
RISK



FUNDING



CAPITAL



Financial Performance H1/2011

Results reflect right direction of restructuring programme

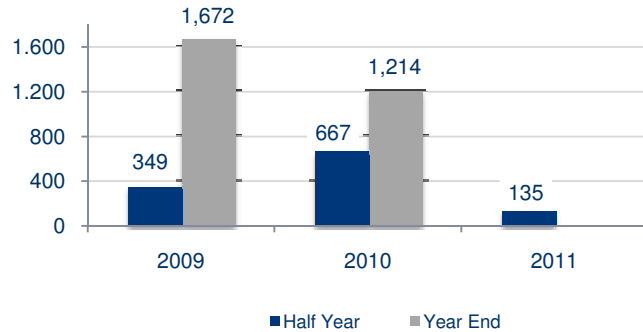
- **Net income**
 - including special items in financial result, especially fair value option (EUR 66.4 m) and greek impairment (EUR 21.5 m)
 - significant lower risk provisions
 - positive results in SEE markets
- **Operating income**
 - lower net interest income due to stopped new business in wind down and proportionally high level of NPLs
 - lower net commission income mainly due to decrease in loan portfolio and additional costs due to new state guarantee agreement of December 2010
- **Operating expenses**
 - cost side stable
 - planned increase in personal costs due to hiring of new, highly-qualified employees
 - Other administrative expenses driven by expected reorganisation costs
- **Risk costs**
 - significantly lower risk costs reflecting stabilisation of credit portfolio

(in EUR m)	2011	2010	+/-
Income Statement	1.1.-30.6.	1.1.-30.6.	
Net interest income	389.5	446.7	-12.8%
Net fee and commission income	37.7	55.7	-32.3%
Financial result	67.4	10.4	>100%
Other operating result	-1.0	-29.3	>100%
Operating income	493.7	483.4	2.1%
Personnel expenses	-137.1	-130.2	-5.3%
Other administrative expenses	-108.1	-97.3	-11.1%
Depreciation and amortisation	-22.8	-43.0	47.0%
Operating expenses	-267.9	-270.5	1.0%
Operating results before risk provisions	225.7	212.8	6.1%
Risk provisions on loans and advances	-134.9	-667.1	79.8%
Operating results after risk provisions	90.8	-454.2	>100%
Results from companies acc. for at equity	-0.2	4.9	>-100%
Result before tax	90.7	-449.4	>100%
Minority interests and taxes on income	-19.1	-49.5	61.4%
Net income	71.6	-498.9	>100%
Net interest margin	2.1%	2.2%	
Cost/Income Ratio	54.3%	56.0%	
LLP (% of average loans)	98 bp	451 bp	
Balance Sheet	30.06.	31.12.	+/-
Total assets	36,564.0	38,753.2	-5.6%
Customer loans	27,522.9	28,217.5	-2.5%
Customer deposits	8,150.7	8,120.4	0.4%
RWA (all risk)	26,833.6	27,092.4	-1.0%
Total capital ratio	10.2%	10.3%	
Tier 1 ratio	6.6%	6.6%	

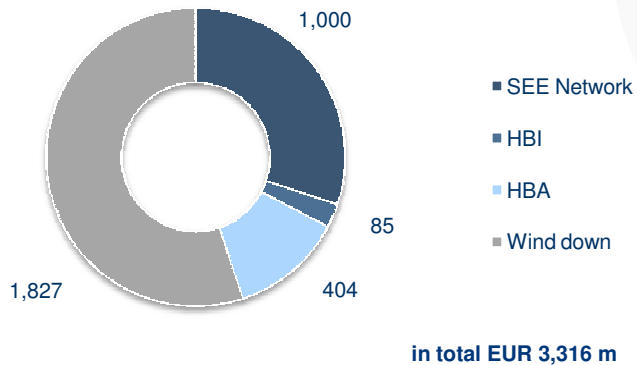
Risk Situation

Reduction of risk provisions due to improved risk management

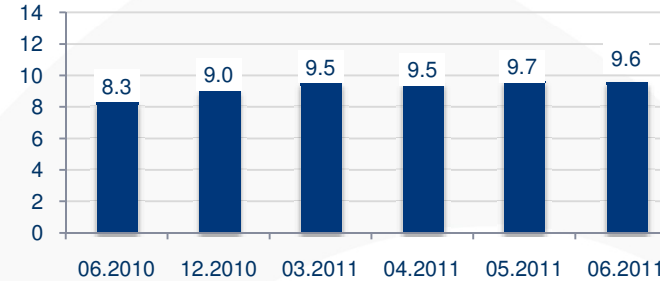
Normalisation of risk provision allocation
(in EUR m)



H1/2011 Risk provisions in total
(in EUR m)



Development of non-performing loans
(in EUR bn)



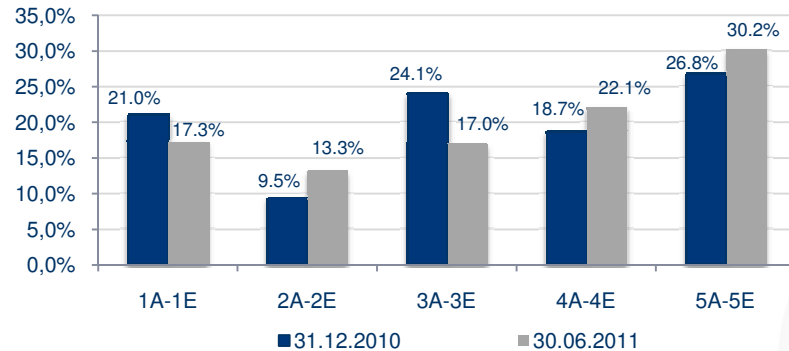
- Appropriate risk cost estimation in 2010 and successful workout led to reduction of risk provisions (EUR 134.9 m)
- The increase of non-performing loans (NPLs) is mainly based on the introduction of highest risk standards. Considering this, a positive trend can be detected in the first half year of 2011 (June: reduction of NPLs by EUR 31.8 m)
- Despite decreasing market values of newly estimated real estate-collaterals the risk cost budget 2011 remains valid
- Based on improved risk management a further reduction of NPLs should be achieved in the second half of the year

NPL Development

Decrease of NPLs begins in June 2011

Rating total loan book

(31.12.2010: EUR 33.8 bn / 30.06.2011: EUR 31.9 bn)



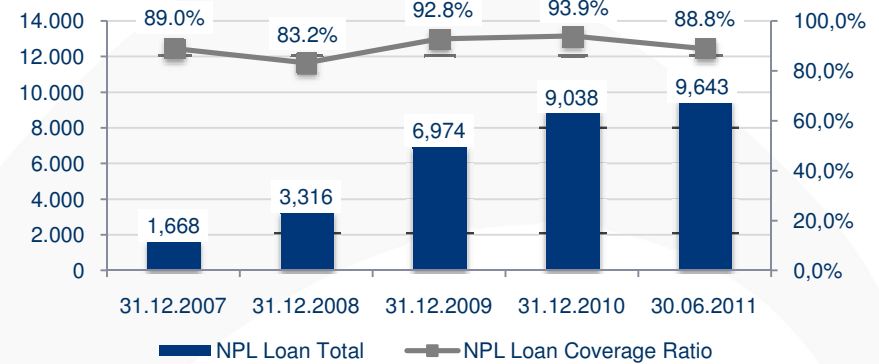
Scale:

- 1A-1E** Highest credit rating
- 2A-2E** Excellent credit rating - very good credit rating
- 3A-3E** Good credit rating - acceptable credit rating
- 4A-4E** Poor credit rating - watch list (4A and 4E)

- 5A** 90 days in arrears
 - 5B-5E** Individual value adjustment, restructuring, insolvency
- } NPL's

- **Rating distribution**
changed in accordance with new rating tools
already used corporate and retail portfolio
- **Decrease in class 1A-1E**
mainly due to lower liquidity reserves
(buy back of state-guaranteed bonds)

NPL loan book / coverage (in EUR m)



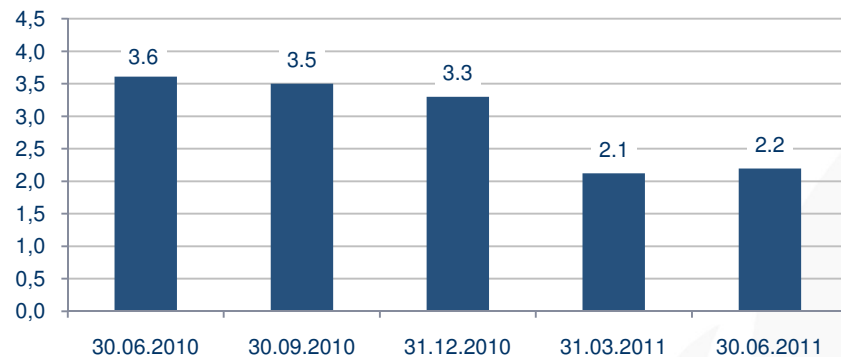
NPL loan book = loan book of Retail, Corporate, Public and Financial Institutions
NPL coverage ratio = specific + general provisions + collaterals / loan book

- **Lower coverage ratios**
due to higher non-performing loans and slightly
lower collateral values (“valuation rush”)
- **Stabilisation of NPLs**
first decrease witnessed in June 2011

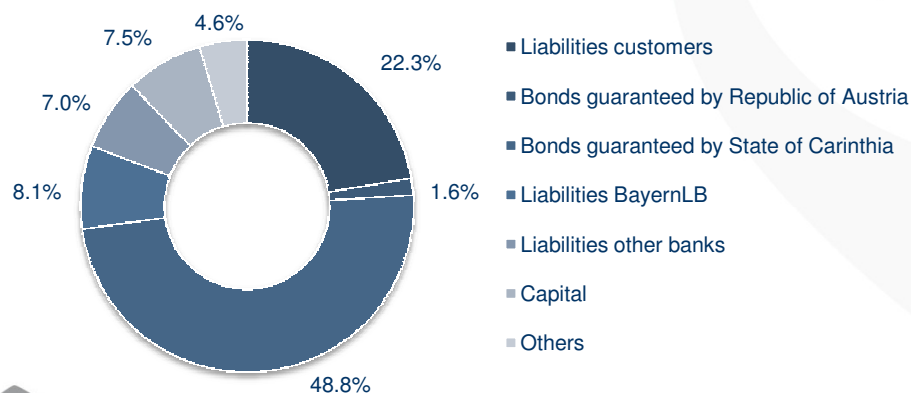
Liquidity and Funding

Excess liquidity development

Liquidity surplus
in EUR bn



Funding mix
as of 30.06.2011



- Liquidity situation**

- currently EUR 2.2 bn excess liquidity
- further short-term liquidity of EUR 2.7 bn (lines and ECB repo eligible assets)

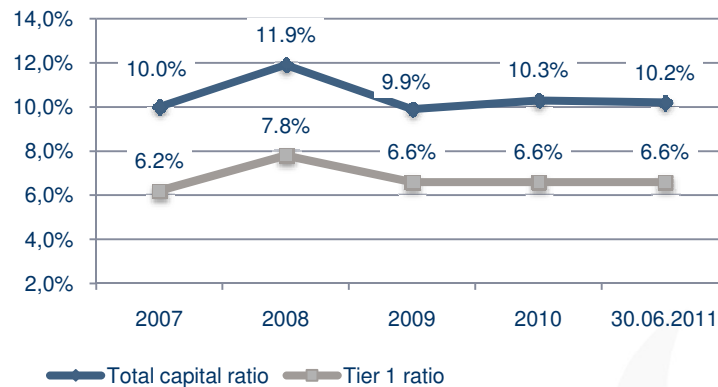
- Funding outlook**

- no capital market transactions needed for the next 12 months
- build up of asset pools for covered bond transactions and securitisation
- strong focus on retail funds

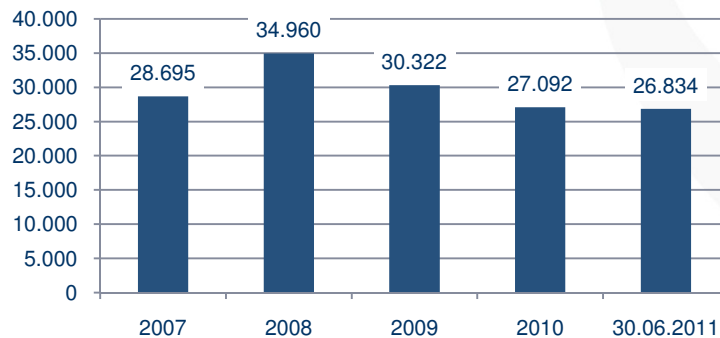
Capital

Quality improvement due to conversion

Capital ratios in percent



Risk Weighted Assets (RWA) in EUR m



- **Capital measures**

To simplify and strengthen capital structure with focus on Basel III-requirements:

- May 2011: Nominal capital reduction of EUR 771 m reflecting year end 2010 cumulative losses
- June 2011: Conversion of EUR 450 m participation capital of Republic of Austria into share capital thereby increasing core capital to EUR 469 m

- **Capital ratios**

- nearly stable since 31.12.2010
- Total capital ratio of 10.2 % clearly above Austria's statutory minimum

- **RWA reduction**

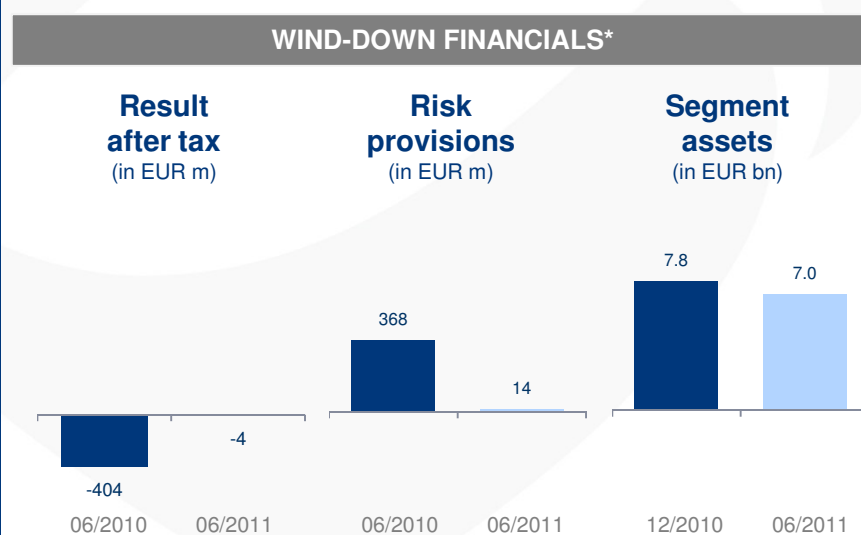
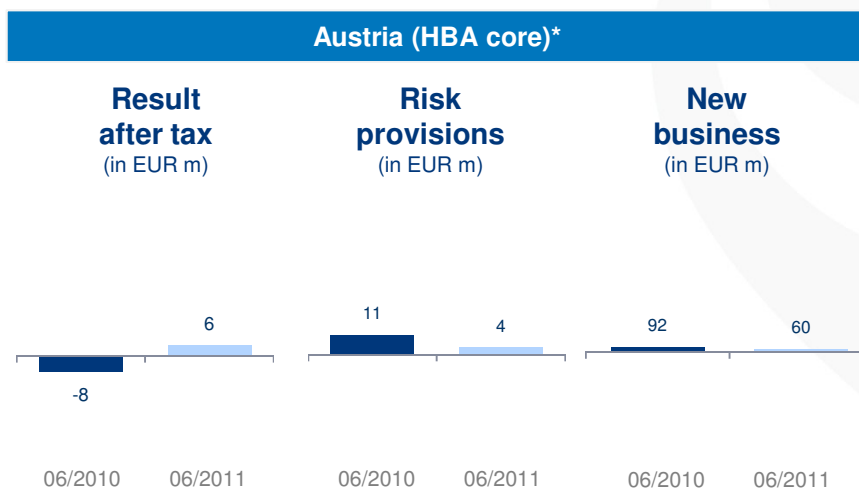
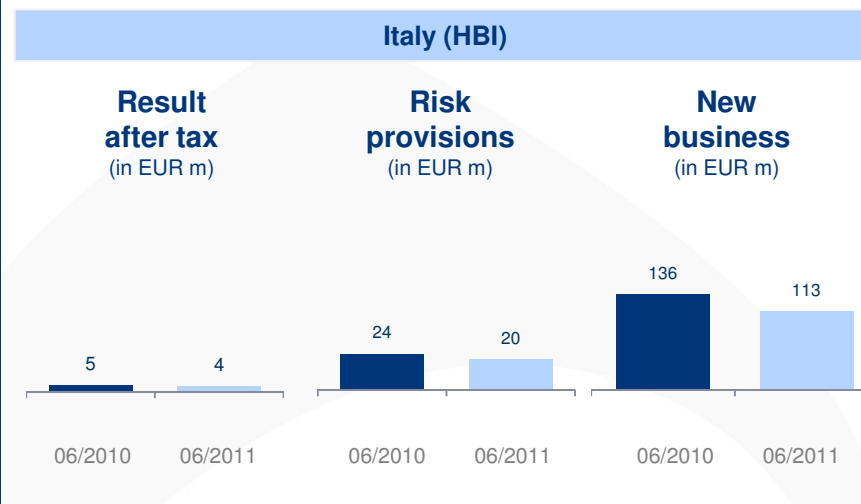
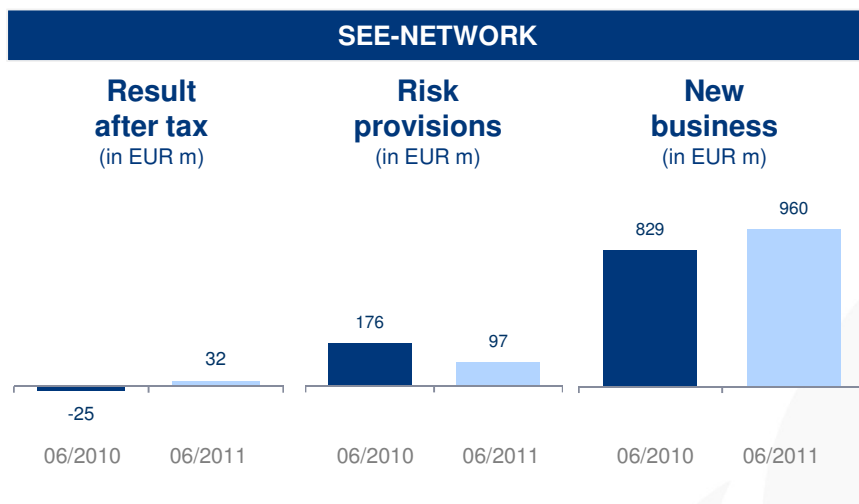
- due to restricted new business and an ongoing improvement in collateral value management

- **European Banking Authority-Stresstest**

- stress resilience failed under CEE/SEE adverse scenario; not considered:
 - planned reduction of RWA
 - specific situation of HAA (nationalisation)

Market Development

Improved results in all segments



* Half year figures are approximated values (half amount of full year 2010)

Market Development in SEE

HAA – a customer-oriented bank

SEE backbone of market development strategy

26.500 new clients in the last 12 months

Cross-selling boosting number of current accounts, credit cards etc.

Retail deposits up by 10% to EUR 2.7 bn in the last 12 months

New retail business up by 30% to nearly EUR 300 m in the last 12 months

First new branch in new design opens in 2011 in Sarajevo; 70 more planned by 2015



(Hypo Alpe Adria branch in new design)

Outlook Year-End

Steady course through stormy waters

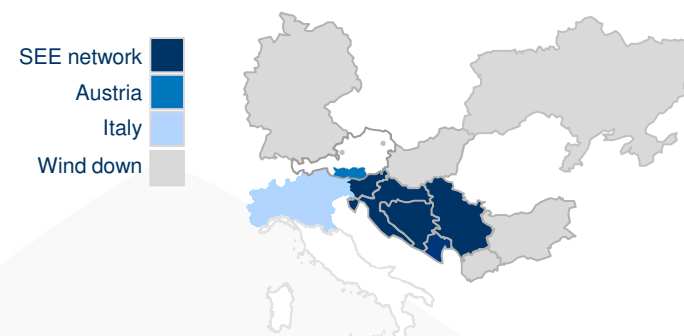


Appendix



Segment Report

Segment structure follows defined strategy



(in EUR m as of 30.06.2011)	SEE Network	Italy	Austria*	Wind down financials	Wind down other particip.	Consol./ Head office	Total
Income Statement							
Net interest income	211.2	53.2	26.7	71.7	-4.2	31.0	389.5
Net fee and commission income	29.6	4.0	7.5	-8.1	-0.4	5.2	37.7
Financial result	15.2	1.9	1.8	-10.4	-1.2	59.9	67.4
Other operating results	-4.1	0.1	2.2	-2.6	23.9	-19.9	-1.0
Operating income	251.9	58.7	38.2	50.6	18.1	76.2	493.7
Personnel expenses	-55.7	-16.8	-16.3	-9.6	-15.3	-23.4	-137.1
Other administrative expenses	-47.9	-11.7	-11.6	-23.1	-8.8	-5.0	-108.1
Depreciation and amortisation	-13.5	-2.1	-0.7	-2.1	-3.8	-0.6	-22.8
Operating expenses	-117.1	-30.6	-28.5	-34.8	-27.9	-29.0	-267.9
Operating results before risk provisions	134.8	28.1	9.7	15.8	-9.9	50.0	225.8
Risk provisions on loans and advances	-96.6	-20.4	-3.8	-14.0	-0.0	-0.2	-134.9
Operating results after risk provisions	38.1	7.7	5.9	-1.9	-9.9	47.8	90.9
Results from companies acc. for at equity	-0.0	-0.0	-0.0	-0.0	-0.2	0.0	-0.2
Result before tax	38.1	7.7	5.9	-1.9	-10.0	47.0	90.7
Taxes on income	-5.9	-3.5	-0.3	-5.7	0.2	1.7	-13.3
Profit after tax	32.3	4.2	5.6	-3.8	-9.7	48.7	77.3
Balance Sheet							
Total (segment) assets	14,226	4,271	4,783	6,993	373.5	5,918	36,564
Customer loans	11,382	3,984	3,714	7,922	7.8	514	27,523
Customer deposits	4,200	783	1,591	n.m.	n.m.	1,485	8,151

Segment Report

Reporting follows defined strategy



(in EUR m as of 30.06.2011)	BiH*	Serbia*	Slovenia *	Croatia*	Montenegro	SEE Network
Income Statement						
Net interest income (incl. hedge result)	34.0	46.4	44.5	77.9	8.4	211.2
Net fee and commission income	5.2	5.2	3.0	15.9	0.4	29.6
Financial result	1.2	4.0	1.0	9.1	0.1	15.2
Other operating results	-1.3	-1.3	0.6	-1.3	-0.9	-4.1
Operating income	39.1	54.3	49.0	101.5	7.9	251.9
Personnel expenses	-9.4	-9.1	-12.0	-22.9	-2.3	-55.7
Other administrative expenses	-10.3	-9.6	-7.7	-18.0	-2.4	-47.9
Depreciation and amortisation	-2.4	-1.9	-2.5	-6.2	-0.5	-13.5
Operating expenses	-22.1	-20.6	-22.1	-47.1	-5.2	-117.1
Operating results before risk provisions	16.9	33.7	26.9	54.4	2.7	134.8
Risk provisions on loans and advances	-6.5	-16.3	-40.7	-34.2	1.1	-96.6
Operating results after risk provisions	10.4	17.4	-13.8	20.2	3.9	38.1
Results from companies acc. for at equity	0.0	0.0	0.0	0.0	0.0	-0.0
Result before tax	10.4	17.4	-13.8	20.2	3.9	38.1
Taxes on income	-0.8	-2.0	1.8	-3.8	-1.0	-5.9
Profit after tax	9.6	15.4	-12.0	16.4	2.9	32.3
Balance Sheet						
Total (segment) assets	1,833	1,735	4,683	5,609	367	14,226
Customer loans	1,598	1,355	3,741	4,340	347	11,382
Customer deposits	807	531	622	2,158	82	4,200

* Including Leasing

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