

NOTICE OF HAA JERSEY II MEETING

The form of Notice of the HAA Jersey II Meeting set out herein is subject to completion and amendment, as provided herein.

THIS NOTICE IS IMPORTANT AND REQUIRES THE IMMEDIATE ATTENTION OF THE HAA JERSEY II REGISTERED HOLDER AND IS BEING SENT TO THE HAA JERSEY II PREFERRED SECURITY HOLDERS (AS DEFINED BELOW) FOR INFORMATION PURPOSES ONLY. IF THE HAA JERSEY II REGISTERED HOLDER OR THE HAA JERSEY II PREFERRED SECURITY HOLDERS ARE IN ANY DOUBT AS TO THE ACTION THEY SHOULD TAKE, THEY SHOULD SEEK THEIR OWN FINANCIAL ADVICE, INCLUDING AS TO ANY TAX CONSEQUENCES, IMMEDIATELY FROM THEIR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT AND DULY AUTHORISED FINANCIAL ADVISER.

THE INVITATION MADE BY HYPO ALPE-ADRIA-BANK INTERNATIONAL AG, TO HAA JERSEY II PREFERRED SECURITY HOLDERS TO OFFER TO SELL THEIR HAA JERSEY II PREFERRED SECURITIES (AND WHICH IS REFERRED TO IN THIS NOTICE) IS NOT BEING MADE AND WILL NOT BE MADE IN OR INTO THE UNITED STATES OR INTO ANY OTHER JURISDICTION WHERE TO DO SO WOULD CONTRAVENE ANY LAW OR REGULATION. THIS DOES NOT AFFECT THE RIGHT OF HAA JERSEY II PREFERRED SECURITY HOLDERS IN THE UNITED STATES OR SUCH OTHER JURISDICTIONS TO INSTRUCT THE HAA JERSEY II REGISTERED HOLDER TO ATTEND AND VOTE AT (OR APPOINT A PROXY TO ATTEND AND VOTE AT) THE HAA JERSEY II MEETING IN ACCORDANCE WITH THE PROVISIONS OF THE ARTICLES OF ASSOCIATION OF HYPO ALPE-ADRIA (JERSEY) II LIMITED.

NOTICE OF MEETING OF THE REGISTERED HOLDER OF THE

€150,000,000 FIXED/FLOATING RATE NON-CUMULATIVE NON-VOTING PREFERRED SECURITIES (THE "HAA JERSEY II PREFERRED SECURITIES")

ISSUED BY

**HYPO ALPE-ADRIA (JERSEY) II LIMITED ("HAA JERSEY II")
TO BE CONVENED IN CONNECTION WITH INVITATIONS MADE BY
HYPO ALPE-ADRIA-BANK INTERNATIONAL AG ("HAA")**

NOTICE IS HEREBY GIVEN that, pursuant to HAA Jersey II's Articles of Association and the HAA Jersey II Support Agreement (as defined below), a meeting (the "**HAA Jersey II Meeting**") of the registered holder of HAA Jersey II Preferred Securities (the "**HAA Jersey II Registered Holder**") convened by HAA Jersey II will be held at Clifford Chance, Droogbak 1a, 1013 GE Amsterdam, The Netherlands on 28 March 2012 at 12 noon, Central European Time, for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as an Extraordinary Resolution (the "**Proposal**"), in accordance with the provisions of the HAA Jersey II Support Agreement.

The HAA Jersey II Preferred Securities are all registered in the name of the HAA Jersey II Registered Holder. The HAA Jersey II Registered Holder is, in respect of the HAA Jersey II Preferred Securities, the legal owner under Jersey law. The beneficial owners of the HAA Jersey II Preferred Securities (the "**HAA Jersey Preferred Security Holders**") are being sent this notice of meeting for information purposes only, as such HAA Jersey II Preferred Security Holders have no direct rights against HAA Jersey II. A HAA Jersey II Preferred Security Holder exercises voting rights and all other rights attached to the HAA Jersey II Preferred Securities in which it has a beneficial interest through the HAA Jersey II Registered Holder. The HAA Jersey II Registered Holder votes or exercises other rights attached to the HAA Jersey II Preferred Securities by the Articles of Association of HAA Jersey II or by the Companies (Jersey) Law 1991 in accordance with instructions given to it by HAA Jersey II Preferred Security Holders.

Unless the context otherwise requires, capitalised terms used in this notice shall bear the meanings given to them in the HAA Jersey II Supplemental Support Agreement (as defined below).

The text of the Extraordinary Resolution is as follows:

EXTRAORDINARY RESOLUTION

"THAT this meeting of the holders of the €150,000,000 Fixed/Floating Rate Non-cumulative Non-voting Preferred Securities of Hypo Alpe-Adria (Jersey) II Limited ("**HAA Jersey II**") hereby:

- (a) assents to the modification of the support agreement (the "**Support Agreement**") in relation to the HAA Jersey II Preferred Securities entered into by HYPO ALPE-ADRIA-BANK INTERNATIONAL AG ("**HAA**") and HAA Jersey II dated 7 October 2004 (the "**HAA Jersey II Support Agreement**") by the deletion of the third paragraph in Clause 3.2 of the Support Agreement in its entirety. For the avoidance of doubt, the wording to be deleted is as follows:

"HAA also undertakes that Bank Share Capital and any other shares of HAA ranking *pari passu* with or junior to the obligations of HAA under this Support Agreement (whether issued directly by HAA or by a Subsidiary of HAA and entitled to the benefits of any support agreement or guarantee ranking *pari passu* with or junior to this Support Agreement) will not be redeemed, repurchased or otherwise acquired for any consideration (or any moneys be paid to or made available for a sinking fund for the redemption of any such shares) by HAA or any Subsidiary of HAA (except by conversion into or in exchange for shares of HAA or any Subsidiary of HAA ranking junior to this Support Agreement), at any time whilst the Issuer is unable to pay Dividends in full until such time as the Issuer shall have resumed the payment of, or set aside payment with respect to, full Dividends on all outstanding Preferred Securities for two consecutive Dividend Periods.";

- (b) authorises, directs, requests and empowers HAA Jersey II and HAA:
- (i) to concur in and execute, without further notice to the HAA Jersey II Registered Holder and HAA Jersey II Preferred Security Holders, an agreement supplemental to the HAA Jersey II Support Agreement (the "**HAA Jersey II Supplemental Support Agreement**") to effect the modifications and amendments referred to in paragraph (a) of this Extraordinary Resolution substantially in the form of the draft produced to this meeting and signed by the chairman of the meeting for the purposes of identification; and
- (ii) to concur in, approve, and execute and do all such deeds, instruments, acts and things that may be necessary, desirable or expedient in the opinion of HAA and HAA Jersey II to carry out and give effect to this Extraordinary Resolution;
- (c) sanctions and approves every modification, abrogation, variation or compromise of, or arrangement in respect of, the rights of the HAA Jersey Registered Holder and the HAA Jersey II Preferred Security Holders necessary to give effect to this Extraordinary Resolution and assents to every modification, variation or abrogation of the HAA Jersey II Support Agreement involved in or inherent in or effected by the implementation of this Extraordinary Resolution; and
- (d) acknowledges that capitalised terms used in this Extraordinary Resolution have the same meanings as those defined in the HAA Jersey II Supplemental Support Agreement, unless the context otherwise requires."

Background

The HAA Jersey II Meeting is being convened in accordance with the Articles of Association (as defined below) and the Companies (Jersey) Law 1991 and in accordance with the terms of the HAA Jersey II Support Agreement, to consider the Extraordinary Resolutions (as defined below) (the "**Proposals**") and in connection with invitations (the "**Invitations**") to HAA Jersey II Preferred Security Holders and to the holders (the "**HAA Jersey Preferred Security Holders**") of the €75,000,000,000 Series A 7.375 per cent. Non-Cumulative Non-Voting Preferred Securities (the "**HAA Jersey Preferred Securities**" and together with the HAA Jersey II Preferred Securities, the "**Preferred Securities**") issued by Hypo Alpe-Adria (Jersey) Limited ("**HAA Jersey**") to offer to sell for cash their Preferred Securities to HAA on the terms and subject to the conditions set out in the Invitation Memorandum dated 29 February 2012 (the "**Invitation Memorandum**").

The Proposals and the Invitation are part of HAA's ongoing capital management, the aim of which is to enhance HAA's capital position by increasing common equity. HAA intends to sell or transfer the Preferred Securities purchased by HAA to the relevant issuer for cancellation.

Pursuant to the Invitation Memorandum, HAA is inviting (i) HAA Jersey II Preferred Security Holders to vote in favour of this Extraordinary Resolution and to offer to sell for cash to HAA any and all of the HAA Jersey II Preferred Securities; and (ii) HAA Jersey Preferred Security Holders to vote in favour of an extraordinary resolution (together with the Extraordinary Resolution, the "**Extraordinary Resolutions**") equivalent to this Extraordinary Resolution and to offer to sell for cash any and all of the HAA Jersey Preferred Securities.

Further details of the Invitations are contained in the Invitation Memorandum, a copy of which (subject to invitation and distribution restrictions) is also available for inspection as indicated below.

The amendments to the HAA Jersey II Support Agreement set out above and in the HAA Jersey II Supplemental Support Agreement are necessary to allow HAA to purchase the HAA Jersey Preferred II Securities from the HAA Jersey II Preferred Security Holders. A meeting of the registered holder of the HAA Jersey Preferred Securities has been convened for the purpose of considering and, if thought fit, passing a resolution to make the equivalent amendment to the HAA Jersey Support Agreement to allow HAA to purchase the HAA Jersey Preferred Securities from HAA Jersey Preferred Security Holders. Without such amendments, the restrictions in the HAA Jersey II Support Agreement and the HAA Jersey Support Agreement will prevent the completion of the Invitations by HAA while HAA Jersey and HAA Jersey II remain unable to make full payment of Dividends on the Preferred Securities or set aside payment with respect thereto.

The Netherlands Authority for the Financial Markets (AFM) has on 21 April 2011, pursuant to article 5:81 (3) of the Netherlands Financial Supervision Act (*Wet op het financieel toezicht*), granted dispensation to HAA to proceed with the Invitation.

Consent Payment and Ineligible Holder Amount

HAA will pay to each HAA Jersey II Preferred Security Holder from whom a valid Electronic Order or Consent Instruction (each as defined in the Invitation Memorandum) is received by the Tender and Consent Agent before the Expiration Time (and is not withdrawn before the Expiration Time or otherwise in the limited circumstances in which withdrawal is allowed), a Consent Payment on the Settlement Date, subject to satisfaction of the Consent Payment Conditions.

HAA will also pay to each HAA Jersey II Preferred Security Holder from whom a valid Ineligible Holder Instruction (as defined in the Invitation Memorandum) is received by the Tender and Consent Agent before the Expiration Time (and is not withdrawn before the Expiration Time or otherwise in the limited circumstances in which withdrawal is allowed), an identical amount to the Consent Payment (the "**Ineligible Holder Amount**") on the Settlement Date, subject to satisfaction of the Consent Payment Conditions.

The Consent Payment and/or Ineligible Holder Amount will be paid as consideration for the HAA Jersey II Preferred Security Holders' approval of the Proposal. It is a term of the Proposal that Electronic Orders, Consent Instructions or Ineligible Holder Instructions received prior to the Expiration Time may be revoked at any time before the Expiration Time, but thereafter Electronic Orders, Consent Instructions or Ineligible Holder Instructions received prior to the Expiration Time shall be irrevocable, including for any adjourned meeting, except in limited circumstances (for more information, contact the Tender and Consent Agent or the Dealer Managers).

Documents Available for Inspection

The HAA Jersey II Registered Holder and the HAA Jersey II Preferred Security Holders may, at any time during normal business hours on any weekday from the date hereof up to and including the day of the HAA Jersey II Meeting and at the HAA Jersey II Meeting and at any adjourned HAA Jersey II Meeting (and, in each case, 15 minutes prior thereto), inspect copies of the documents listed below relating to the HAA Jersey II Preferred Securities at the specified offices of the Tender and Consent Agent and at the HAA Jersey II Meeting and at any adjourned HAA Jersey II Meeting (and, in each case, 15 minutes prior thereto). The specified office of the Tender and Consent Agent is set out at the end of this Notice.

The documents available for inspection are:

- the HAA Jersey II Support Agreement;
- the latest draft of the HAA Jersey II Supplemental Support Agreement referred to in the Extraordinary Resolution set out above;

- subject to the invitation and distribution restrictions, a copy of the Invitation Memorandum;
- a copy of the Offering Circular dated 6 October 2004 relating to the HAA Jersey II Preferred Securities; and
- the articles of association of HAA Jersey II (the "**Articles of Association**") and the statement of rights adopted pursuant to Article 6(b)(i) of the Articles of Association by the directors of HAA Jersey II on 4 October 2004 (the "**Statement of Rights**").

Voting and Quorum

- (a) The relevant provisions governing the convening and holding of the HAA Jersey II Meeting are set out in the Articles of Association and the Statement of Rights, copies of which are available for inspection as referred to above. Unless the context otherwise requires, words and expressions used in this section have the meanings ascribed to them in the Offering Circular dated 6 October 2004.
- (b) HAA Jersey II Preferred Security Holders who have sent either (i) Consent Instructions, or (ii) valid Electronic Orders, or (iii) Ineligible Holder Instructions (each as defined in the Invitation Memorandum) pursuant to the Invitation need take no further action in relation to voting at the HAA Jersey II Meeting. By submitting a Consent Instruction, an Electronic Order or an Ineligible Holder Instruction (as the case may be), each HAA Jersey II Preferred Security Holder will:
- (i) procure that the HAA Jersey II Preferred Security is blocked in an account with Euroclear or Clearstream, Luxembourg upon terms that the HAA Jersey II Preferred Security will not cease to be so deposited or held or blocked until the earlier of (i) date on which the Electronic Order, Consent Instruction or Ineligible Holder Instruction (as applicable) is validly withdrawn; (ii) if the relevant Holder is eligible for the Consent Payment or the Ineligible Holder Amount, payment of such amount; and (iii) if the relevant Holder is not eligible for the Consent Payment or the Ineligible Holder Amount (including in the event the relevant Extraordinary Resolution is not passed at the relevant Meeting (and, if adjourned for want of a quorum, any adjourned Meeting)), the conclusion of the relevant Meeting (or adjourned Meeting, as applicable); and
 - (ii) irrevocably instruct the HAA Jersey II Registered Holder to appoint the Tender and Consent Agent as its proxy to attend the HAA Jersey II Meeting and instruct it to vote in favour of the Extraordinary Resolution.

Such instructions are, during the period commencing 48 hours before the time fixed for the HAA Jersey II Meeting or any adjourned HAA Jersey II Meeting and ending at the conclusion of the HAA Jersey II Meeting or the conclusion of any adjourned HAA Jersey II Meeting (as applicable), neither revocable nor capable of amendment.

Paragraphs (c) to (d) below apply only to HAA Jersey II Preferred Security Holders who have not submitted Consent Instructions, Electronic Orders or Ineligible Holder Instructions to the relevant Clearing System in accordance with the terms of the Invitation Memorandum and summarise the provisions of the Articles of Association.

- (c) If the HAA Jersey II Preferred Security Holder wishes to attend the HAA Jersey II Meeting, it may instruct the HAA Jersey II Registered Holder to appoint it as the HAA Jersey II Registered Holder's proxy to attend the meeting, subject to the holder of such HAA Jersey II Preferred Security procuring (i) that the form of proxy is deposited within 48 hours before the time fixed for the HAA Jersey II Meeting (or any adjourned HAA Jersey II Meeting) and (ii) (where applicable) within the time limit specified by Euroclear or Clearstream, Luxembourg (as the case may be) such HAA Jersey II Preferred Security is blocked in an account with Euroclear or Clearstream, Luxembourg upon terms that the HAA Jersey II Preferred Security will not cease to be blocked until the first to occur of the conclusion of the HAA Jersey II Meeting or any adjourned HAA Jersey II Meeting or the surrender of the form of proxy to the HAA Jersey II Registered Holder.
- (d) If the HAA Jersey II Preferred Security Holder does not wish to attend the HAA Jersey II Meeting or any adjourned HAA Jersey II Meeting in person, he may instruct the HAA Jersey II Registered Holder to deliver a form of proxy in respect of his HAA Jersey II Preferred Securities to the person whom he wishes to attend and vote on his behalf.

- (e) The quorum at the HAA Jersey II Meeting required to pass the Extraordinary Resolution is two or more persons representing one third of the outstanding HAA Jersey II Preferred Securities. If, within 15 minutes after the time fixed for the HAA Jersey II Meeting, a quorum is not present, then the chairman may either dissolve the HAA Jersey II Meeting or adjourn it for such period as the directors of HAA Jersey II determine, and to such time and place as the directors determine.
- (f) The quorum at any such adjourned HAA Jersey II Meeting required to pass the Extraordinary Resolution is achieved by the HAA Jersey II Registered Holder being present in person at such adjourned HAA Jersey II Meeting. If, within 15 minutes after the time fixed for the adjourned HAA Jersey II Meeting, a quorum is not present, then the HAA Jersey II Meeting shall be dissolved.
- (g) Every question submitted to the HAA Jersey II Meeting shall be decided in the first instance by a show of hands unless a poll is (before, or on the declaration of the result of the show of hands) demanded by the chairman of the HAA Jersey II Meeting or the HAA Jersey II Registered Holder.
- (h) Unless a poll is demanded, a declaration by the chairman of the HAA Jersey II Meeting that a resolution has or has not been passed shall be conclusive evidence of the fact without proof of the number or proportion of the votes cast in favour or against the resolution.
- (i) On a show of hands every person who is present in person (which includes all persons voting by proxy) and produces a form of proxy in relation to the HAA Jersey II Preferred Securities or is a proxy has one vote. On a poll every such person has one vote in respect of each HAA Jersey II Preferred Security so produced or represented by the form of proxy so produced or for which he is proxy.
- (j) To be passed, the Extraordinary Resolution requires a majority in favour consisting of not less than three-quarters of the holders of outstanding HAA Jersey II Preferred Securities present and voting. If passed, the Extraordinary Resolution will be binding on all the HAA Jersey II Preferred Security Holders whether or not present at the HAA Jersey II Meeting and whether or not voting. The passing of any such resolution shall be conclusive evidence that the circumstances justify the passing thereof.
- (k) All Electronic Orders, Consent Instructions and Ineligible Holder Instructions shall remain valid for any adjourned Meeting unless validly withdrawn in accordance with the terms and conditions of the Invitation Memorandum.
- (l) This notice and any non-contractual obligations arising out of or in connection with it, save for matters relating to clearing system procedures, is governed by, and shall be construed in accordance with, Jersey law.
- (m) The HAA Jersey II Preferred Security Holders will be notified via Euroclear and Clearstream, Luxembourg of the results of voting on the Extraordinary Resolution within 14 days of such results being known.
- (n) The Tender and Consent Agent and Dealer Managers may be contacted with any questions in relation to the Proposals or Invitations (see below for contact details).

Definitions

"Clearing System"	Euroclear Bank S.A./N.V and/or Clearstream Banking, <i>société anonyme</i>
"Consent Payment"	€5.00 per €1,000 liquidation preference of the HAA Jersey II Preferred Securities represented by the relevant Electronic Order or Consent Instruction.
"Consent Payment Conditions"	(i) the final and binding approval of both of the Extraordinary Resolutions; (ii) the execution of both Supplemental Support Agreements; and (iii) no Companies Law Article 53 Application in relation to the Proposals being unresolved
"Expiration Date"	22 March 2012, or such later date as HAA may determine in its sole discretion, being the date on which the Invitation expires
"Expiration Time"	5 p.m., Central European Time on the Expiration Date
"Settlement Date"	expected to occur on or around 27 April 2012 or such later date as HAA (in consultation with the Dealer Managers) may determine and notify to HAA Jersey II Preferred Security Holders, subject to the rights of HAA to re-open, extend, amend and/or terminate the Invitations

Information Contacts

- (a) The Tender and Consent Agent with respect to the Invitation is:

TENDER AND CONSENT AGENT

Citibank, N.A., London Branch
Citigroup Centre, Canada Square
Canary Wharf
London E14 5LB
United Kingdom

Attention: Exchange Desk
Telephone: +44 20 7508 3867
Fax: +44 20 3320 2405
Email: exchange.gats@citi.com

- (b) The Dealer Managers with respect to the Invitation are:

DEALER MANAGERS

BNP Paribas
10 Harewood Avenue
London NW1 6AA
United Kingdom

Tel: +44 207 595 8668
Email: liability.management@bnpparibas.com

Citigroup Global Markets Limited
Citigroup Centre, Canada Square
Canary Wharf
London E14 5LB
United Kingdom

Tel: +44 (0) 20 7986 8969
Email: liabilitymanagement.europe@citi.com

(c) The HAA Jersey II Registered Holder:

BNP Paribas Securities Services, Luxembourg Branch

33 rue de Gasperich, Howald-Hesperange

L-2085 Luxembourg

Attention: Corporate Trust Services, Corporate Actions Department, Sabrina Deversenne/Rudolf Voigtlander

Telephone: +352 26 96 2518

Fax: +352 26 96 9757

Email: lux.ostdomiciliees@bnpparibas.com

This notice is given by:

HYPO ALPE-ADRIA (JERSEY) II LIMITED

22 Grenville Street

St. Helier

Jersey JE4 8PX