

Notice

Hypo Alpe-Adria (Jersey) II Limited (the "Company")

EUR 150,000,000

Fixed/Floating Rate Non-cumulative Non-voting Preferred Securities
having the benefit of a support agreement entered into with
HYPO ALPE-ADRIA-BANK INTERNATIONAL AG
(formerly: HYPO ALPE-ADRIA-BANK AG)

ISIN: XS0202259122

(the "Preferred Securities")
current outstanding principal amount: EUR 23,456,000

Issue of second administrative decision by the Austrian Financial Market Authority ("FMA")

12 May 2017

On 10 April 2016 the Financial Market Authority in its function as resolution authority ("FMA") issued a second mandate decree (Mandate Decree II) imposing resolution measures pursuant to BaSAG and transferring the control and exercise of all rights and powers conferred upon the holders of shares to the FMA.

On 2 May 2017, the FMA issued an administrative decision (the "administrative decision II") about the challenge procedure relating to the Mandate Decree II (Vorstellungsbescheid), including the change in the quota of the write-down of the non-subordinated admissible liabilities of HETA from 46,02 %, pursuant to the Mandate Decree II to 64,40 %.

The administrative decision II concerning the challenge procedure relating to the Mandate Decree II was published on the FMA's website (<http://www.fma.gv.at>) and was also published on the website of HETA ASSET RESOLUTION AG ("HETA") (<http://www.heta-asset-resolution.com/en/content/ad-hoc-releases-2017>).

The following statement that is relevant to the Company and that is therefore relevant to holders of the Preferred Securities was also included within the administrative decision II: "In accordance with § 50 (1) no. 1 in conjunction with § 74 (2) no. 4 in conjunction with §90 (1) no. 4 BaSAG, the nominal value of the subordinated liabilities of HETA which are not covered by I.2 of the ruling, including the respective interest accrued up to 28.02.2015, is reduced to zero. Without prejudice to the effects on all parties whose rights are affected by the resolution measures pursuant to § 116 (4) BaSAG, this concerns the following subordinated liabilities: Payment obligations of HETA arising from or in connection with the Support Agreement between (now) HETA and HYPO ALPE-ADRIA (JERSEY) II Limited of 07.10.2004 including addenda concerning the "EUR 150,000,000 Fixed/Floating Rate Non-Cumulative Non-Voting Preferred Securities issued by Hypo Alpe-Adria (Jersey) II Limited".