

**Rating Action: Hypo Alpe-Adria-Bank International AG**

**MOODY'S REVIEWS FOR POSSIBLE DOWNGRADE THE C+ FINANCIAL STRENGTH RATING OF HYPO-ALPE-ADRIA-BANK INTERNATIONAL AG AND AFFIRMS THE Aa2/P-1 DEPOSIT RATINGS**

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**Following the disclosure of significant treasury-related losses**

London, 03 April 2006 -- Moody's Investors Service decided to review for possible downgrade the C+ financial strength rating of Hypo-Alpe-Adria-Bank International AG. The Aa2/Prime-1 long- and short-term deposit ratings were affirmed and continue to carry a stable outlook, reflecting the deficiency guarantee granted by the Austrian federal state of Carinthia.

Moody's said that the review for possible downgrade was triggered by the bank's announcement that as part of its treasury operations it had occurred substantial losses in 2004. The review will focus on the implications these losses may have for the bank's financial and economic health. According to the rating agency, it will furthermore examine whether Hypo-Alpe-Adria's ability to manage risks and to absorb losses are still consistent with its changing risk profile, and whether the bank's corporate governance practices would be sufficiently strong to underpin the current assessment of its intrinsic strength. Moody's added that it would also look at the repercussions these incidents could have on the bank's franchise and standing in the financial markets.

Hypo-Alpe-Adria-Bank International AG is based in Klagenfurt, Austria. It had total assets of EUR 17.8 billion at the end of 2004 and recorded a net income of EUR 126.8 million for the period.

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