

Hypo Alpe-Adria (Jersey) II Limited: Dividend Notice

**Hypo Alpe-Adria (Jersey) II Limited
(the "Issuer") - Dividend Notice**

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

The Issuer hereby gives notice pursuant to Art 18(2)(a) of the Transparency Directive (2004/109/EC) and sub-Article 6(b) of the articles of association relating to the Preferred Securities (the "Articles of Association") that HETA ASSET RESOLUTION AG ("HETA") has given notice to it of a balance sheet result (Bilanzgewinn/-verlust) of EUR nil for the fiscal year 2016 and that due to insufficient Distributable Funds (as defined in the Articles of Association), no dividend payments on the Preferred Securities will be made in 2017.

As previously announced, HETA is subject to a resolution regime pursuant to the Federal Act on the Recovery and Resolution of Banks (BaSAG) effective March 1, 2015. The Austrian Financial Market Authority (FMA) in its function as Resolution Authority pursuant to § 3 Sec. 1 of BaSAG has imposed on HETA via an Administrative Decision dated April 10, 2016, FMA-AW00001/0044-AWV/2016, published via Edikt pursuant to BaSAG on its website, certain bail-in measures. The Administrative Decision is published on the FMA website under <https://www.fma.gv.at/heta-asset-resolution-ag/>

An unofficial translation in English of the Administrative Decision can be found on HETA's website under

http://www.heta-asset-resolution.com/sites/hypo-alpe-adria.com/files/content/announcement/file_download/mandate_decree_heta_asset_resolution_ag.pdf

The aforementioned Administrative Decision effective as of March 1, 2015 also has an impact on the legal relationship between the Issuer and HETA. For further information please consult the Administrative Decision.

As announced on 9 February 2017, HETA, as sole holder of all of the ordinary shares of the Issuer, has informed the board of directors of the Issuer (the "Board") that HETA has gone into liquidation within the meaning of the Issuer's articles of association and that HETA intends to pass a special resolution to put the Issuer into a summary winding-up. The Board is currently seeking legal advice on the Issuer's position.

10 April 2017
Hypo Alpe-Adria (Jersey) II Limited