

**EANS-Adhoc: Investkredit Funding Ltd. / EGM approves wind down of
Österreichische Volksbanken-Aktiengesellschaft**

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Strategic management decisions/Company Information
23.12.2014

An Extraordinary General Meeting of Österreichische Volksbanken-Aktiengesellschaft (VBAG) today unanimously took the decision in principle that VBAG's business model is to be changed. The aim is for VBAG to become a "run down company" (Abwicklungsgesellschaft) in particular as per Section 162 of the draft Federal Law on Bank Recovery and Resolution (Banken Sanierungs- und Abwicklungsgesetz). When VBAG is put into run down status, it is also planned for central institution functions and related assets and liabilities to be taken over by Volksbank Wien-Baden AG.

The run down of VBAG is subject to approval from a number of bodies, notably the European Commission for Competition, the European Central Bank and the national authorities.

Investkredit Funding therefore assumes that VBAG will, subject to the necessary approvals mentioned above, cease to be a going concern in the future. Investkredit Funding's sole asset is supplementary capital issued by Investkredit Bank AG, a company merged into VBAG in 2012, which is loss absorbing according to the Austrian Banking Act and may only be repaid before liquidation after deduction of allocated net losses. Up to now no net losses have been allocated to this instrument. Depending on the success and timing of the run down of VBAG, this might lead to further impairment of Investkredit Funding's asset and thus have a negative impact on the value and ultimately the potential repayment of the limited Recourse Notes issued by Investkredit Funding.

Further inquiry note:
Investkredit Funding Ltd.
Karl Kinsky
Tel.: +43 0 50 4004 - 3338

mailto:karl.kinsky@volksbank.com

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13. Castle Street
UK-JE4 5UT St. Helier, Jersey Channel Islands

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