

Corporate Event Notice - Ad-hoc-release

Modification of an already disclosed ad-hoc release of Hybrid capital of ÖVAG Finance (Jersey) Limited (ISIN XS0201306288): possible positive redemption value at the final redemption date (5 July 2016)

On 14 January 2015 and on basis of the then prevailing situation of assets and liabilities and earnings of Österreichische Volksbanken-Aktiengesellschaft (now: immigon portfolioabbau ag; "immigon") ÖVAG Finance (Jersey) Limited published an *ad hoc* release (this *ad hoc* release was also published by immigon) that ÖVAG Finance (Jersey) Limited expects a redemption value of zero in respect of the Preferred Securities issued by ÖVAG Finance (Jersey) Limited (ISIN XS0201306288). The basis for this expectation was that the losses attributed to the supplementary capital (*Ergänzungskapital*) issued by (now:) immigon and subscribed for by ÖVAG Finance (Jersey) Limited would be that high that the total of nominal value plus profits attributed to the instrument and less losses attributed to the instrument would result in a (maximum) amount of zero. The amount of the losses to be attributed to the instrument was that high for the foreseeable future that those losses could not be covered any more even by considering the perpetual nature of the instrument.

On 5 July 2016 immigon informed us that, in the course of the drawing up of the interim accounts of immigon as at 30 June 2016 (and the preparation of the interim report of immigon for the 2nd quarter of 2016), immigon has reached the conclusion that the above forecast needs to be revised due to changed circumstances (i.e. better results of immigon in its wind-down than expected). As we were informed by immigon, immigon's wind-down plan shows that it is more likely than not that immigon will generate a liquidation surplus and that immigon will be able to make a repayment on the supplementary capital (*Ergänzungskapital*) issued by it and subscribed for by ÖVAG Finance (Jersey) Limited out of immigon's liquidation proceeds. In such case ÖVAG Finance (Jersey) will be able to generate a positive redemption value in respect of the Preferred Securities issued by it. The amount and the point in time of the payment cannot be predicted at present because the results of the wind-down and of the formal liquidation of immigon will have to be available; according to immigon, a positive amount can be expected, however of less than 30 percent of the nominal value of the supplementary capital (*Ergänzungskapital*) and also of the Preferred Securities.

immigon is a wind-down company in accordance with the Federal Act on the Recovery and Resolution of Banks (BaSAG) and is thus exposed to uncertainties and risks in its wind-down process, including risks related to the proceeds achievable in the course of the sale of its assets, outstanding loans, higher expenses and warranty claims.