VOLKSBANK AG

Oesterreichische Volksbanken-AG (VBAG) announces the sale of Volksbank International AG (VBI) to Sberbank

Vienna, 8 September 2011

- Owners of VBI and Sberbank signed sales contract today
- The banking network acquired by Sberbank includes nine banks in eight CEE countries
- The sales price is EUR 585 million plus a performance-related component
- The sale results in a balance sheet reduction of approximately EUR 9 billion
- Reduction of risk through RWA decrease of approximately EUR 7 billion
- Tier 1 ratio in relation to total risk will increase by almost 2 percentage points to approximately 11.6%
- Volksbank Romania is excluded from the sales transaction

Today the owners of VBI (VBAG: 51%, German banking group DZ BANK AG/WGZ BANK AG and French Banque Populaire Caisse d'Epargne: 24.5% each) and representatives of Russian Sberbank signed a contract regarding the sale of VBI. Sberbank has acquired 100% of VBI Group (excluding Volksbank Romania). Closing of the transaction will take place by the end of 2011.

The banking network acquired by Sberbank consists of nine banks in the following eight Central and Eastern European countries: Slovakia, Czech Republic, Hungary, Slovenia, Croatia, Bosnia-Herzegovina, Serbia and Ukraine.

The total sales price is EUR 585 million. In addition, the parties to the contract agreed on a variable component of up to EUR 60 million depending on the performance of VBI in the current business year. 51% of the sales price and of the variable component are allotted to VBAG.

The sale of the stake in VBI represents a major milestone in the re-dimensioning strategy of VBAG group and results in an increase of capital ratios and in reduced risk: Risk-weighted assets will decline by approximately EUR 7 billion which represents a pronounced reduction of risk. The tier 1 capital ratio in relation to total risk (9.7% as of 30 June 2011) will improve significantly, rising by almost 2 percentage points to approximately 11.6%. As a consequence of the sale of VBI, total assets of VBAG group will drop by approximately EUR 9 billion and liquidity in an amount of EUR 1.3 billion will be released.

Volksbank Romania is excluded from the sales transaction and will be transferred to a new entity. The ownership structure of Volksbank Romania remains unchanged, VBAG continues to hold 51%. The new entity will be managed directly by the owners – not via VBI as before. Volksbank Romania will be repositioned in the coming years and is expected to be sold afterwards.

Despite the finalization of the sale of VBI there have been delays in the implementation of VBAG's re-dimensioning strategy. Due to the consistently difficult economic environment, the stake in RZB and Volksbank Leasing International have not yet been sold. Furthermore, government bonds and financial instruments with embedded derivatives on government bonds had to be written down. For these reasons VBAG issued a profit warning on 25 August 2011, a payment or full payment on dividend carrying securities (shares, participation capital and hybrid capital) in 2012 for the 2011 business year is unlikely from today's viewpoint.

Please contact the investor relations team (www.volksbank.com/investor_relations) if you have any questions.