

**ÖSTERREICHISCHE VOLKSBANKEN-AG AND ÖVAG FINANCE (JERSEY)
LIMITED ANNOUNCE RESULTS OF INVITATION FOR OFFERS TO SELL
PREFERRED SECURITIES AND SOLICITATION OF CONSENTS**

**NOT FOR DISTRIBUTION IN THE UNITED STATES OR TO ANY PERSON
RESIDENT AND/OR LOCATED IN THE UNITED STATES OR TO ANY U.S. PERSON**

15 June 2012

On 22 May 2012, Österreichische Volksbanken-Aktiengesellschaft ("**ÖVAG**") and ÖVAG Finance (Jersey) Limited ("**ÖVAG Finance**") announced that ÖVAG was inviting holders of the €250,000,000 Fixed/Floating Rate Non-cumulative Non-voting Preferred Securities issued by ÖVAG Finance (Jersey) Limited (ISIN: XS0201306288 and Common Code: 020130628) (the "**Preferred Securities**") to offer to sell any and all of their Preferred Securities to ÖVAG for cash (the "**Invitation**") and to consent to the Proposals (as defined in the Invitation Memorandum dated 22 May 2012 (the "**Invitation Memorandum**")).

Capitalised terms used in this announcement have the meanings ascribed to them in the Invitation Memorandum.

Invitation

The Invitation expired at 5 p.m., CET, on 11 June 2012.

ÖVAG intends to accept for purchase all Preferred Securities validly offered for sale. Accordingly, ÖVAG accepts for purchase €210,108,000 in liquidation preference of the Preferred Securities, which is 84.04 per cent. of the aggregate outstanding liquidation preference of the Preferred Securities. Preferred Security Holders whose offers to sell have been accepted by ÖVAG will receive on the Settlement Date €390 per €1,000 liquidation preference of the Preferred Securities.

Following the completion of the Invitation, the aggregate liquidation preference of the Preferred Securities that will remain outstanding will be €39,892,000. The Settlement Date is expected to be 17 July 2012.

Proposals

ÖVAG and ÖVAG Finance are pleased to announce that at an adjourned meeting of the Holders of the Preferred Securities, held at the offices of Clifford Chance, 4 Place de Paris, B.P. 1147, L-1011 Luxembourg, Grand Duché de Luxembourg on 15 June 2012 at 12:00 noon, CET, the Extraordinary Resolution was passed. Holders of an aggregate liquidation preference of €216,040,000 of the Preferred Securities, present and voting at the Meeting, voted in favour of the Extraordinary Resolution, being 86.42 per cent. of the aggregate liquidation preference of the Preferred Securities outstanding.

Volksbank Malta Limited, as the holder of all of the ordinary shares in ÖVAG Finance, has also passed a special resolution to vary the rights attaching to the Preferred Securities.

Volksbank Malta Limited, as the sole holder of the ordinary shares in ÖVAG Finance and as a separate class of members, has also passed a special resolution to agree to the variation of the rights attaching to the Preferred Securities.

Accordingly, subject only to no Companies Law Article 53 Application in relation to the Proposals being unresolved, ÖVAG and ÖVAG Finance intend to execute the Supplemental Support Agreement on or around 17 July 2012, which will effect modifications to the Support Agreement as more fully described in the Extraordinary Resolution.

Following the execution of the Supplemental Support Agreement and subject to the terms and conditions set out in the Invitation Memorandum, a Holder from whom a valid Consent Instruction, Electronic Order or Ineligible Holder Instruction has been received by the Tender and Consent Agent before the Expiration Time and not withdrawn will be eligible to receive €10 per €1,000 liquidation preference of the Preferred Securities (the "**Consent Payment**").

For further information:

A complete description of the terms and conditions of the Invitation and the Proposals is set out in the Invitation Memorandum. Further details about the transaction can be obtained from:

DEALER MANAGERS

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TENDER AND CONSENT AGENT

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Neither of the Dealer Managers takes responsibility for the contents of this announcement. This announcement must be read in conjunction with the Invitation Memorandum. No Invitation to acquire any Preferred Securities is being made pursuant to this announcement.

This press release concerns regulated information (*gereguleerde informatie*) in the meaning of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*).

The distribution of the Invitation Memorandum in certain jurisdictions is restricted by law. Persons into whose possession the Invitation Memorandum comes are required by

ÖVAG, ÖVAG Finance, the Dealer Managers and the Tender and Consent Agent to inform themselves about, and to observe, any such restrictions.