

Keyword: KA Finanz AG / Result for the year 2011 / Capital cut/Capital increase

**General Meeting of KA Finanz AG:
Capital cut with simultaneous capital increase**

In accordance with its published agenda, today's General Meeting of KA Finanz AG formally adopted the result for the year 2011 of KA Finanz AG (KF). The decisions taken become legally effective upon entry in the Companies' Register.

The business year closes with a net loss of EUR 534.4 million, after an extraordinary income of EUR 609.5 million from a shareholder contribution and a surety granted by the Republic of Austria, which was recognised as income in the amount of EUR 235.0 million. The result for the year includes impairment charges of EUR 1,034.3 million for the Greek exposure reported at the end of the year.

For further capitalisation of the bank, the general meeting decided in favour of a simplified capital reduction (capital cut) with simultaneous capital increase pursuant to §§ 182 ff in conjunction with § 181 of the Companies Act, retroactive as of 31 December 2011. The share capital and the participation capital of EUR 22.3 million and EUR 434.1 million, respectively, were set to zero and EUR 337.0 million of appropriated and non-appropriated reserves were released. Subsequently, the share capital was increased by the Republic of Austria by EUR 389.0 million. Through these measures, the loss carried forward from the 2011 result in the amount of EUR 534.4 million and from previous years in the amount of EUR 345.8 million was reduced to EUR 85.8 million. Thus, KF's own funds as of 31 December 2011 total EUR 836.5 million, with a core capital of EUR 474.3 million. The total capital ratio is 12.9%, with a core capital ratio of 7.3%.

After the required entry into the Companies' Register, the annual report of KF will be published on the homepage of KA Finanz AG under <http://www.kafinanz.at>.

Further information: German and English version
<http://www.kafinanz.at>

Language: German, English

Issuer: KA Finanz AG
Tuerkenstrasse 9
1092 Vienna
Austria
Phone: +43/1/310 06 06-678
E-mail: investorrelations@kafinanz.at
Internet: www.kafinanz.at

ISIN: XS0285503248, XS0252707624, XS0270579856, AT0000320890, XS0431077550, XS0422281252, AT0000329941, XS0354530593, XS0354531211, XS0354530916, XS0286975973, XS0279423775, XS0257275098, AT0000441209, XS0185015541, XS0144772927, XS0140045302, XS0518439756, XS0494852717, XS0472796076

Stock exchanges: Vienna, Luxembourg

For enquiries: KA Finanz AG
Treasury – Investor Relations
Dinah Reiss
1092 Vienna, Tuerkenstrasse 9
Phone: +43/1/310 06 06-678
Fax: +43/1/310 06 06-404
E-mail: d.reiss@kafinanz.at

Issuer: KA Finanz AG