

KA Finanz AG

Update

Ratings

Foreign Currency

Long-Term IDR	A+
Short-Term IDR	F1+

Support Rating	1
Support Rating Floor	A+

Sovereign Risk

Long-Term Foreign-Currency IDR	AAA
Long-Term Local-Currency IDR	AAA

Outlooks

Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Local-Currency IDR	Stable

Financial Data

KA Finanz AG

	30-Jun 2012	31-Dec 2011
Total assets (USDm)	16,001.6	19,279.7
Total assets (EURm)	12,710.1	14,901.3
Total equity (EURm)	424.6	474.3
Pre-impairment operating profit (EURm)	-84.4	-217.5
Operating profit (EURm)	-49.7	-1,143.6
Net income (EURm)	-49.7	-534.0
ROAA (%)	-0.72	-7.29
ROAE (%)	-22.23	-390.97
Tier 1 ratio (%)	7.20	7.30
Fitch core capital/weighted risks (%)	7.24	7.38

Related Research

[Kommunalkredit Austria – Full Rating Report \(November 2012\)](#)

[Austria - Full Rating Report \(April 2012\)](#)

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Key Rating Drivers

Support-Driven IDR: KA Finanz AG's (KF) ratings are based on Fitch Ratings' view of an extremely high likelihood of support from KF's sole owner, the Austrian state ('AAA'/Stable) if ever needed. Fitch does not assign a Viability Rating to KF, as it is a run-off institution that does not conduct new business. KF's ratings are underpinned by Fitch's understanding that the Austrian government does not plan to sell or privatise KF (unlike Kommunalkredit Austria, see *Related Research*) and intends to maintain a minimum 7% Tier 1 ratio at KF.

Significant Loss from Greek Exposure: KF reported a sizeable net loss under Austrian GAAP (EUR534m) for 2011, due to impairment of its Greek public-sector exposure. The extent of the loss necessitated recapitalisation and further support measures from the Austrian state.

Bank Recapitalised in 2012: The recapitalisation of KF in H112 took retroactive effect from end-2011 and included a EUR389m direct capital injection, a EUR610m capital contribution (Gesellschafterzuschuss) directly through the profit & loss, and a new EUR251bn government surety, which was increased by EUR61m in August 2012 to fully cover the remaining Greek exposure. Participation capital was also fully written down; this has been legally challenged by one party but Fitch does not expect the legal outcome to affect KF's overall capitalisation.

KF's wind-down mandate and sizeable warranty payments to the Austrian state means that profitability and internal capital generation will be close to nil during the wind-down process. Any future profits will be used to amortise the EUR1bn interest-bearing state debtor warrant.

High Asset Concentration: The Greek losses reflect the high concentration of KF's asset portfolio, resulting in the risk of a significant impact from one-off losses. At end-H112 KF's 10 largest exposures formed 40% of the total portfolio. In particular, exposure to peripheral eurozone sovereigns remains high, at EUR3.2bn at end-H112 (of which EUR1.6bn was to Ireland and Spain). Any further significant impairments could require additional capital support.

GAAP Less-Volatile: KF reports solely under Austrian GAAP; profitability under IFRS would be considerably more volatile due to the fair-value fluctuations in KF's large securities portfolio. The market value of KF's assets under Austrian GAAP is in general below their book value, meaning accelerated asset disposals are challenging and/or costly in the current market.

Asset Reduction Slowing: KF has so far reduced total assets by EUR13.3bn, of which EUR8.4bn was through active sales. Asset reductions are likely to slow while market conditions remain difficult, as disposals will be more dependent on redemptions. Based on KF's maturity profile, redemptions will accelerate somewhat from 2015.

Guaranteed and Short-Term Funding: KF's balance sheet is predominately funded by government-guaranteed and increasingly short-term debt. Consequently, the bank intentionally runs a considerable maturity gap, with liquidity risks mitigated by ongoing state support and access to ECB funding. Utilisation of KF's EUR3bn guaranteed commercial paper programme has been consistently high; utilisation of its EUR5bn unguaranteed CP programme is lower.

What Could Trigger a Rating Action

Rating Dependent on State: KF's Long-Term IDR is driven by state support. Any rating action in connection with the Austrian state would likely affect KF's rating. A change in the terms of state support could also lead to a downgrade. Fitch considers such a change to be unlikely, as the state's commitment has been demonstrated through recent recapitalisation measures.

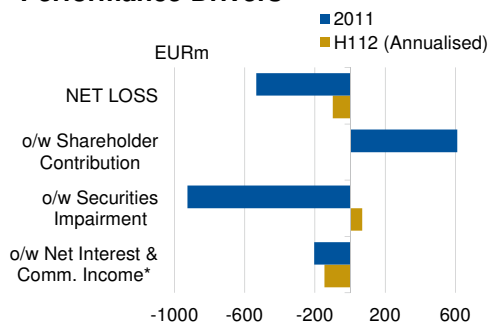
- 2011 loss driven by Greek public-sector securities impairment
- But this was offset by a non-recurring capital contribution and equity increase from the Austrian state
- Underlying performance hit by higher funding costs and notably warranty payments to the Austrian state
- Exposure reduction in 2012 through Greek write-down, asset sales of EUR2.4bn and maturities of EUR0.7bn
- Asset disposals set to remain limited until market outlook improves

- Majority of credit exposure to EU countries
- Sizeable exposure to peripheral eurozone countries
- 86% of exposures investment-grade at end-H112

- Financing of long-term assets by shorter-term funding in line with restructuring plan
- Funding profile determined by government-guaranteed funding (47% at end-H112)
- Increase of government-guaranteed commercial paper programme to EUR3bn in Q312
- KF aims to diversify its funding sources opportunistically, but government-guaranteed funding likely to remain key funding source

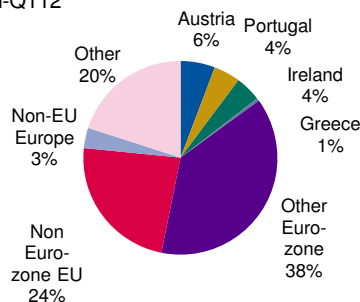
- Fitch core capital now approximately in line with regulatory Tier 1 ratio due to write-down of participation capital from equity
- Recapitalisation measures in 2011 demonstrate state's commitment to maintaining a Tier 1 ratio of at least 7%

Performance Drivers



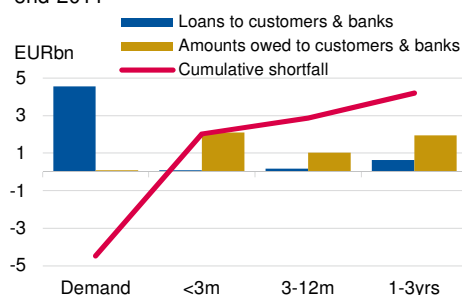
Source: Fitch; Company data
* incl. guarantee fee payments

Exposure by Region end-Q112



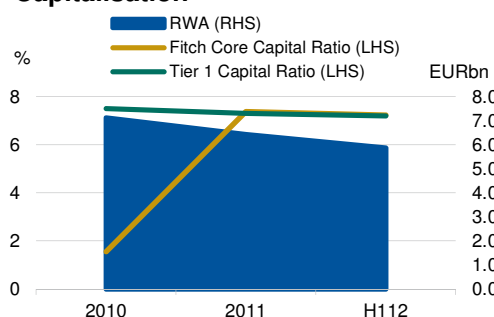
Source: Company data

Residual Maturity end-2011



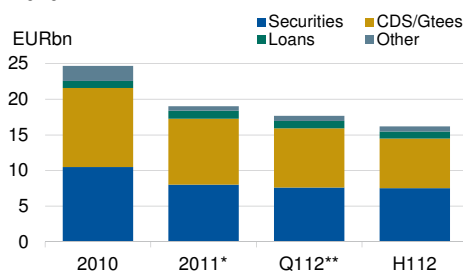
Source: Company data

Capitalisation



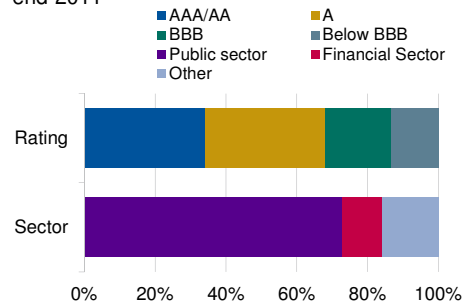
Source: Fitch; Company data

Total Exposure by Asset Type 2010-H112



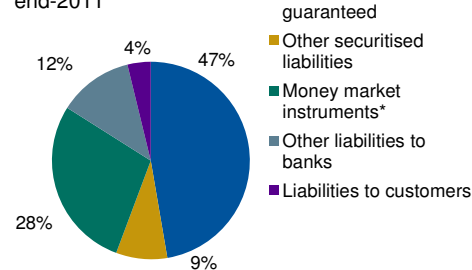
Source: Company data
*Net of 80% Greece risk provision
** Net of Greek PSI II exchange and CDS settlement

Exposure by Rating and Customer end-2011



Source: Company data

Funding Structure end-2011



Source: Company data
*incl. ECB tenders and repos

Effects of Recapitalisation, End-2011

(EURm)	2011	2010
Supplementary capital	27.9	36.6
Participation capital	-	434.1
Subscribed capital	389.0	22.3
Capital reserves	-	144.4
Retained earnings	-	118.6
Austrian Banking Act §23(6) statutory reserve	76.1	76.1

Source: Company data

Related Criteria

[Global Financial Institutions Rating Criteria \(August 2012\)](#)

[Evaluating Corporate Governance \(December 2011\)](#)

KA Finanz AG
Income Statement

	30 Jun 2012			31 Dec 2011		31 Dec 2010		31 Dec 2009	
	6 Months - Interim USDm Unqualified	6 Months - Interim EURm Unqualified	As % of Earning Assets	Year End EURm Unqualified	As % of Earning Assets	Year End EURm Unqualified	As % of Earning Assets	Year End EURm Audited/Report not seen	As % of Earning Assets
1. Interest Income on Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Other Interest Income	482.1	382.9	7.58	903.7	7.83	1,423.8	11.20	1,877.3	12.91
3. Dividend Income	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Gross Interest and Dividend Income	482.1	382.9	7.58	903.7	7.83	1,423.8	11.20	1,877.3	12.91
5. Interest Expense on Customer Deposits	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
6. Other Interest Expense	510.0	405.1	8.02	923.3	8.00	1,440.3	11.32	1,866.6	12.83
7. Total Interest Expense	510.0	405.1	8.02	923.3	8.00	1,440.3	11.32	1,866.6	12.83
8. Net Interest Income	-27.9	-22.2	-0.44	-19.6	-0.17	-16.5	-0.13	10.7	0.07
9. Net Gains (Losses) on Trading and Derivatives	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
10. Net Gains (Losses) on Other Securities	-1.3	-1.0	-0.02	16.8	0.15	-17.1	-0.13	-12.8	-0.09
11. Net Gains (Losses) on Assets at FV through Income Statement	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Net Insurance Income	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
13. Net Fees and Commissions	-63.8	-50.7	-1.00	-184.8	-1.60	-195.4	-1.54	-143.5	-0.99
14. Other Operating Income	0.0	0.0	0.00	0.4	0.00	0.4	0.00	5.4	0.04
15. Total Non-Interest Operating Income	-65.1	-51.7	-1.02	-167.6	-1.45	-212.1	-1.67	-150.9	-1.04
16. Personnel Expenses	0.0	0.0	0.00	0.0	0.00	0.5	0.00	10.1	0.07
17. Other Operating Expenses	13.2	10.5	0.21	30.2	0.26	25.6	0.20	21.5	0.15
18. Total Non-Interest Expenses	13.2	10.5	0.21	30.2	0.26	26.1	0.21	31.6	0.22
19. Equity-accounted Profit/ Loss - Operating	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
20. Pre-Impairment Operating Profit	-106.3	-84.4	-1.67	-217.4	-1.88	-254.7	-2.00	-171.8	-1.18
21. Loan Impairment Charge	0.0	0.0	0.00	0.0	0.00	0.1	0.00	0.1	0.00
22. Securities and Other Credit Impairment Charges	-43.7	-34.7	-0.69	926.2	8.03	-238.4	-1.87	1,091.0	7.50
23. Operating Profit	-62.6	-49.7	-0.98	-1,143.6	-9.91	-16.4	-0.13	-1,262.9	-8.68
24. Equity-accounted Profit/ Loss - Non-operating	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
25. Non-recurring Income	n.a.	n.a.	-	609.6	5.28	114.5	0.90	1,000.0	6.87
26. Non-recurring Expense	n.a.	n.a.	-	0.0	0.00	95.0	0.75	n.a.	-
27. Change in Fair Value of Own Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
28. Other Non-operating Income and Expenses	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
29. Pre-tax Profit	-62.6	-49.7	-0.98	-534.0	-4.63	3.1	0.02	-262.9	-1.81
30. Tax expense	0.0	0.0	0.00	0.3	0.00	3.1	0.02	4.1	0.03
31. Profit/Loss from Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
32. Net Income	-62.6	-49.7	-0.98	-534.3	-4.63	0.0	0.00	-267.0	-1.84
33. Change in Value of AFS Investments	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
34. Revaluation of Fixed Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
35. Currency Translation Differences	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
36. Remaining OCI Gains/(losses)	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
37. Fitch Comprehensive Income	-62.6	-49.7	-0.98	-534.3	-4.63	0.0	0.00	-267.0	-1.84
38. Memo: Profit Allocation to Non-controlling Interests	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
39. Memo: Net Income after Allocation to Non-controlling Interests	-62.6	-49.7	-0.98	-534.3	-4.63	0.0	0.00	-267.0	-1.84
40. Memo: Common Dividends Relating to the Period	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
41. Memo: Preferred Dividends Related to the Period	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-

Exchange rate

USD1 = EUR0.79430

USD1 = EUR0.77290 USD1 = EUR0.74840

USD1 = EUR0.69416

KA Finanz AG
Balance Sheet

	30 Jun 2012			31 Dec 2011		31 Dec 2010		31 Dec 2009	
	6 Months - Interim USDm	6 Months - Interim EURm	As % of Assets	Year End EURm	As % of Assets	Year End EURm	As % of Assets	Year End EURm	As % of Assets
Assets									
A. Loans									
1. Residential Mortgage Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Other Mortgage Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Other Consumer/ Retail Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Corporate & Commercial Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Other Loans	4,059.8	3,224.7	25.37	3,445.1	23.12	3,588.3	21.76	2,150.5	12.18
6. Less: Reserves for Impaired Loans/ NPLs	62.4	49.6	0.39	43.3	0.29	64.3	0.39	62.1	0.35
7. Net Loans	3,997.4	3,175.1	24.98	3,401.8	22.83	3,524.0	21.37	2,088.4	11.83
8. Gross Loans	4,059.8	3,224.7	25.37	3,445.1	23.12	3,588.3	21.76	2,150.5	12.18
9. Memo: Impaired Loans included above	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
10. Memo: Loans at Fair Value included above	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
B. Other Earning Assets									
1. Loans and Advances to Banks	4,588.8	3,644.9	28.68	4,472.0	30.01	3,958.3	24.00	9,897.8	56.06
2. Reverse Repos and Cash Collateral	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Trading Securities and at FV through Income	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Derivatives	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Available for Sale Securities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
6. Held to Maturity Securities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. At-equity Investments in Associates	0.0	0.0	0.00	0.0	0.00	3.4	0.02	0.8	0.00
8. Other Securities	4,198.5	3,334.9	26.24	3,666.7	24.61	5,232.2	31.73	2,559.4	14.49
9. Total Securities	4,198.5	3,334.9	26.24	3,666.7	24.61	5,235.6	31.75	2,560.2	14.50
10. Memo: Government Securities included Above	n.a.	n.a.	-	1,297.7	8.71	1,703.4	10.33	832.6	4.72
11. Memo: Total Securities Pledged	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Investments in Property	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
13. Insurance Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
14. Other Earning Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
15. Total Earning Assets	12,784.7	10,154.9	79.90	11,540.5	77.45	12,717.9	77.12	14,546.4	82.38
C. Non-Earning Assets									
1. Cash and Due From Banks	2,817.7	2,238.1	17.61	2,371.9	15.92	2,980.6	18.07	2,224.1	12.60
2. Memo: Mandatory Reserves included above	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Foreclosed Real Estate	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Fixed Assets	0.1	0.1	0.00	0.1	0.00	0.1	0.00	n.a.	-
5. Goodwill	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
6. Other Intangibles	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Current Tax Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
8. Deferred Tax Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
9. Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
10. Other Assets	399.1	317.0	2.49	988.8	6.64	793.0	4.81	886.8	5.02
11. Total Assets	16,001.6	12,710.1	100.00	14,901.3	100.00	16,491.6	100.00	17,657.3	100.00
Liabilities and Equity									
D. Interest-Bearing Liabilities									
1. Customer Deposits - Current	n.a.	n.a.	-	n.a.	-	n.a.	-	2.6	0.01
2. Customer Deposits - Savings	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Customer Deposits - Term	570.3	453.0	3.56	528.5	3.55	121.2	0.73	71.6	0.41
4. Total Customer Deposits	570.3	453.0	3.56	528.5	3.55	121.2	0.73	74.2	0.42
5. Deposits from Banks	4,942.2	3,925.6	30.89	5,330.2	35.77	6,375.2	38.66	8,378.8	47.45
6. Repos and Cash Collateral	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Other Deposits and Short-term Borrowings	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
8. Total Deposits, Money Market and Short-term Funding	5,512.5	4,378.6	34.45	5,858.7	39.32	6,496.4	39.39	8,453.0	47.87
9. Senior Debt Maturing after 1 Year	8,850.1	7,029.6	55.31	7,349.8	49.32	8,283.5	50.23	6,827.0	38.66
10. Subordinated Borrowing	210.6	167.3	1.32	171.7	1.15	202.7	1.23	202.7	1.15
11. Other Funding	n.a.	n.a.	-	n.a.	-	n.a.	-	832.0	4.71
12. Total Long Term Funding	9,060.7	7,196.9	56.62	7,521.5	50.48	8,486.2	51.46	7,861.7	44.52
13. Derivatives	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
14. Trading Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
15. Total Funding	14,573.2	11,575.5	91.07	13,380.2	89.79	14,982.6	90.85	16,314.7	92.40
E. Non-Interest Bearing Liabilities									
1. Fair Value Portion of Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Credit impairment reserves	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Reserves for Pensions and Other	252.5	200.6	1.58	555.7	3.73	139.7	0.85	16.3	0.09
4. Current Tax Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Deferred Tax Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
6. Other Deferred Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
8. Insurance Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
9. Other Liabilities	606.1	481.4	3.79	463.2	3.11	788.0	4.78	849.9	4.81
10. Total Liabilities	15,431.8	12,257.5	96.44	14,399.1	96.63	15,910.3	96.48	17,180.9	97.30
F. Hybrid Capital									
1. Pref. Shares and Hybrid Capital accounted for as Debt	35.3	28.0	0.22	27.9	0.19	36.6	0.22	101.7	0.58
2. Pref. Shares and Hybrid Capital accounted for as Equity	n.a.	n.a.	-	0.0	0.00	434.1	2.63	434.1	2.46
G. Equity									
1. Common Equity	534.6	424.6	3.34	474.3	3.18	110.6	0.67	-59.4	-0.34
2. Non-controlling Interest	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Securities Revaluation Reserves	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Foreign Exchange Revaluation Reserves	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Fixed Asset Revaluations and Other Accumulated OCI	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
6. Total Equity	534.6	424.6	3.34	474.3	3.18	110.6	0.67	-59.4	-0.34
7. Total Liabilities and Equity	16,001.6	12,710.1	100.00	14,901.3	100.00	16,491.6	100.00	17,657.3	100.00
8. Memo: Fitch Core Capital	534.6	424.6	3.34	474.3	3.18	n.a.	-	n.a.	-
9. Memo: Fitch Eligible Capital	534.6	424.6	3.34	474.3	3.18	n.a.	-	n.a.	-

Exchange rate

USD1 = EUR0.79430

USD1 = EUR0.77290 USD1 = EUR0.74840 USD1 = EUR0.69416

KA Finanz AG
Summary Analytics

	30 Jun 2012	31 Dec 2011	31 Dec 2010	31 Dec 2009
	6 Months - Interim	Year End	Year End	Year End
A. Interest Ratios				
1. Interest Income on Loans/ Average Gross Loans	n.a.	n.a.	n.a.	n.a.
2. Interest Expense on Customer Deposits/ Average Customer Deposits	n.a.	n.a.	n.a.	n.a.
3. Interest Income/ Average Earning Assets	7.10	7.45	10.44	n.a.
4. Interest Expense/ Average Interest-bearing Liabilities	6.53	6.51	9.20	n.a.
5. Net Interest Income/ Average Earning Assets	-0.41	-0.16	-0.12	n.a.
6. Net Int. Inc Less Loan Impairment Charges/ Av. Earning Assets	-0.41	-0.16	-0.12	n.a.
7. Net Interest Inc Less Preferred Stock Dividend/ Average Earning Assets	-0.41	-0.16	-0.12	n.a.
B. Other Operating Profitability Ratios				
1. Non-Interest Income/ Gross Revenues	69.96	89.53	92.78	107.63
2. Non-Interest Expense/ Gross Revenues	-14.21	-16.13	-11.42	-22.54
3. Non-Interest Expense/ Average Assets	0.15	0.19	0.15	n.a.
4. Pre-impairment Op. Profit/ Average Equity	-37.76	-74.32	-994.92	n.a.
5. Pre-impairment Op. Profit/ Average Total Assets	-1.23	-1.39	-1.49	n.a.
6. Loans and securities impairment charges/ Pre-impairment Op. Profit	41.11	-426.03	93.56	-635.10
7. Operating Profit/ Average Equity	-22.23	-390.97	-64.06	n.a.
8. Operating Profit/ Average Total Assets	-0.72	-7.29	-0.10	n.a.
9. Taxes/ Pre-tax Profit	0.00	-0.06	100.00	-1.56
10. Pre-Impairment Operating Profit / Risk Weighted Assets	-2.90	-3.38	-3.58	-3.55
11. Operating Profit / Risk Weighted Assets	-1.71	-17.80	-0.23	-26.06
C. Other Profitability Ratios				
1. Net Income/ Average Total Equity	-22.23	-182.67	0.00	n.a.
2. Net Income/ Average Total Assets	-0.72	-3.40	0.00	n.a.
3. Fitch Comprehensive Income/ Average Total Equity	-22.23	-182.67	0.00	n.a.
4. Fitch Comprehensive Income/ Average Total Assets	-0.72	-3.40	0.00	n.a.
5. Net Income/ Av. Total Assets plus Av. Managed Securitized Assets	n.a.	n.a.	n.a.	n.a.
6. Net Income/ Risk Weighted Assets	-1.71	-8.32	0.00	-5.51
7. Fitch Comprehensive Income/ Risk Weighted Assets	-1.71	-8.32	0.00	-5.51
D. Capitalization				
1. Fitch Core Capital/Weighted Risks	7.24	7.38	n.a.	n.a.
2. Fitch Eligible Capital/ Weighted Risks	7.24	7.38	n.a.	n.a.
3. Tangible Common Equity/ Tangible Assets	3.34	3.18	0.67	-0.34
4. Tier 1 Regulatory Capital Ratio	7.20	7.30	7.50	7.60
5. Total Regulatory Capital Ratio	11.60	12.90	12.70	15.10
6. Core Tier 1 Regulatory Capital Ratio	n.a.	n.a.	n.a.	n.a.
7. Equity/ Total Assets	3.34	3.18	0.67	-0.34
8. Cash Dividends Paid & Declared/ Net Income	n.a.	n.a.	n.a.	n.a.
9. Cash Dividend Paid & Declared/ Fitch Comprehensive Income	n.a.	n.a.	n.a.	n.a.
10. Cash Dividends & Share Repurchase/Net Income	n.a.	n.a.	n.a.	n.a.
11. Net Income - Cash Dividends/ Total Equity	-23.54	-112.65	0.00	449.49
E. Loan Quality				
1. Growth of Total Assets	-14.70	-9.64	-6.60	n.a.
2. Growth of Gross Loans	-6.40	-3.99	66.86	n.a.
3. Impaired Loans(NPLs)/ Gross Loans	n.a.	n.a.	n.a.	n.a.
4. Reserves for Impaired Loans/ Gross loans	1.54	1.26	1.79	2.89
5. Reserves for Impaired Loans/ Impaired Loans	n.a.	n.a.	n.a.	n.a.
6. Impaired Loans less Reserves for Imp Loans/ Equity	n.a.	n.a.	n.a.	n.a.
7. Loan Impairment Charges/ Average Gross Loans	0.00	0.00	0.00	n.a.
8. Net Charge-offs/ Average Gross Loans	n.a.	n.a.	n.a.	n.a.
9. Impaired Loans + Foreclosed Assets/ Gross Loans + Foreclosed Assets	n.a.	n.a.	n.a.	n.a.
F. Funding				
1. Loans/ Customer Deposits	711.85	651.86	2,960.64	2,898.25
2. Interbank Assets/ Interbank Liabilities	92.85	83.90	62.09	118.13
3. Customer Deposits/ Total Funding excl Derivatives	3.91	3.95	0.81	0.45

KA Finanz AG Reference Data

	30 Jun 2012			31 Dec 2011		31 Dec 2010		31 Dec 2009	
	6 Months - Interim USDm	6 Months - Interim EURm	As % of Assets	Year End EURm	As % of Assets	Year End EURm	As % of Assets	Year End EURm	As % of Assets
A. Off-Balance Sheet Items									
1. Managed Securitized Assets Reported Off-Balance Sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Other off-balance sheet exposure to securitizations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Guarantees	10,427.0	8,282.2	65.16	10,464.0	70.22	10,704.1	64.91	8,016.5	45.40
4. Acceptances and documentary credits reported off-balance sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Committed Credit Lines	0.0	0.0	0.00	0.0	0.00	10.5	0.06	36.5	0.21
6. Other Contingent Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Total Business Volume	26,428.7	20,992.3	165.16	25,365.3	170.22	27,206.2	164.97	25,710.3	145.61
8. Memo: Total Weighted Risks	7,378.7	5,860.9	46.11	6,423.2	43.10	7,113.5	43.13	4,845.5	27.44
9. Fitch Adjustments to Weighted Risks.	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
10. Fitch Adjusted Weighted Risks	7,378.7	5,860.9	46.11	6,423.2	43.10	7,113.5	43.13	4,845.5	27.44
B. Average Balance Sheet									
Average Loans	4,198.5	3,334.9	26.24	3,516.7	23.60	2,869.4	17.40	n.a.	-
Average Earning Assets	13,656.9	10,847.7	85.35	12,129.2	81.40	13,632.2	82.66	n.a.	-
Average Assets	17,381.0	13,805.7	108.62	15,696.5	105.34	17,074.5	103.53	n.a.	-
Average Managed Securitized Assets (OBS)	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Average Interest-Bearing Liabilities	15,709.3	12,477.9	98.17	14,181.4	95.17	15,648.7	94.89	n.a.	-
Average Common equity	565.9	449.5	3.54	292.5	1.96	25.6	0.16	n.a.	-
Average Equity	565.9	449.5	3.54	292.5	1.96	25.6	0.16	n.a.	-
Average Customer Deposits	617.9	490.8	3.86	324.9	2.18	97.7	0.59	n.a.	-
C. Maturities									
Asset Maturities:									
Loans & Advances < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans and Advances 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances > 5 years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Interbank < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Interbank 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Interbank 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Interbank > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Liability Maturities:									
Retail Deposits < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Retail Deposits 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Retail Deposits 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Retail Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Interbank < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Interbank 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Interbank 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Interbank > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Senior Debt Maturing < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Senior Debt Maturing 3-12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Senior Debt Maturing 1- 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Senior Debt Maturing > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Total Senior Debt on Balance Sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Fair Value Portion of Senior Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Covered Bonds	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing 3-12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing 1- 5 Year	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Total Subordinated Debt on Balance Sheet	210.6	167.3	1.32	171.7	1.15	202.7	1.23	202.7	1.15
Fair Value Portion of Subordinated Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
D. Equity Reconciliation									
1. Equity	534.6	424.6	3.34	474.3	3.18	110.6	0.67	-59.4	-0.34
2. Add: Pref. Shares and Hybrid Capital accounted for as Equity	n.a.	n.a.	-	0.0	0.00	434.1	2.63	434.1	2.46
3. Add: Other Adjustments	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Published Equity	534.6	424.6	3.34	474.3	3.18	544.7	3.30	374.7	2.12
E. Fitch Eligible Capital Reconciliation									
1. Total Equity as reported (including non-controlling interests)	534.6	424.6	3.34	474.3	3.18	110.6	0.67	-59.4	-0.34
2. Fair value effect incl in own debt/borrowings at fv on the B/S- CC only	0.0	0.0	0.00	0.0	0.00	n.a.	-	n.a.	-
3. Non-loss-absorbing non-controlling interests	0.0	0.0	0.00	0.0	0.00	n.a.	-	n.a.	-
4. Goodwill	0.0	0.0	0.00	0.0	0.00	n.a.	-	n.a.	-
5. Other intangibles	0.0	0.0	0.00	0.0	0.00	n.a.	-	n.a.	-
6. Deferred tax assets deduction	0.0	0.0	0.00	0.0	0.00	n.a.	-	n.a.	-
7. Net asset value of insurance subsidiaries	0.0	0.0	0.00	0.0	0.00	n.a.	-	n.a.	-
8. First loss tranches of off-balance sheet securitizations	0.0	0.0	0.00	0.0	0.00	n.a.	-	n.a.	-
9. Fitch Core Capital	534.6	424.6	3.34	474.3	3.18	n.a.	-	n.a.	-
10. Eligible weighted Hybrid capital	0.0	0.0	0.00	0.0	0.00	n.a.	-	n.a.	-
11. Government held Hybrid Capital	0.0	0.0	0.00	0.0	0.00	n.a.	-	n.a.	-
12. Fitch Eligible Capital	534.6	424.6	3.34	474.3	3.18	n.a.	-	n.a.	-
13. Eligible Hybrid Capital Limit	229.1	182.0	1.43	203.3	1.36	n.a.	-	n.a.	-

Exchange Rate

USD1 = EUR0.79430

USD1 = EUR0.77290 USD1 = EUR0.74840 USD1 = EUR0.69416

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