

**Information on
Volksbank CZ, a.s.**

as of 30 June 2009

Austria
Bosnia-Herzegovina
Croatia
CZECH REPUBLIC
Hungary
Romania
Serbia
Slovakia
Slovenia
Ukraine

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This information corresponds to the Promulgation No. 123/2007 Sb., which determines the minimum requirements for publishing information by banks, and it was published on 11th August 2009.

Quarterly Report

Section 1 Information on the Bank

Business name: **Volksbank CZ, a.s.** Sec. 1.1 (a)
Legal form: joint-stock company
Registered office: Praha 4, Nusle, Na Pankráci 1724/129, ZIP code: 140 00
Company registration No.: 25 08 33 25

Sec. 1.1 (b)

Date of incorporation into Commercial Registry: 31st October 1996
Date when last change was recorded: 1st May 2009
(Change in the record of registered office and record of the new members of Board of Directors)

Sec. 1.1 (c)

Amount of the invested capital recorded in the Commercial Registry: CZK 2,005,380,000

Sec. 1.1 (d)

Amount of the paid up invested capital: CZK 2,005,380,000
Sec. 1.1 (e)

Information on emitted shares:

308,561 pcs book registered common shares in the nominal value of CZK 5,000

92,515 pcs book registered priority shares in the nominal value of CZK 5,000

Sec. 1.1 (f)

Information on acquisition of own shares and interim certificates and other securities

Volksbank CZ, a.s. does not have any own shares, interim certificates or any other securities.

Sec. 1.1 (h)

Information on shareholders with qualified interest in the bank

Volksbank International AG, joint stock company, with the registered office at Saturn Tower, Leonard-Bernstein-Straße 10, A-1220 Vienna, Austria, is a shareholder of Volksbank CZ, a.s. with the qualified interest pursuant to Sec.17a, para. 4 of the Act no. 21/1992 Coll. on banks. The share on voting rights amounts to 98.50 %.

Sec. 1.2

Overall organisation structure forms Annex No. 1.

Number of organisation units: 61

Average number of employees on record, recalculated: 661

Sec. 1.3

Information on the structure of the consolidation whole

Volksbank CZ, a.s. does not have a statutory obligation to compile consolidated financial statements and does not form a consolidation whole.

The company controlling Volksbank CZ, a.s. is Österreichische Volksbanken Aktiengesellschaft, joint stock company, with the registered office at Kolingasse 19, 1090 Vienna, Austria. The above-mentioned company controls Volksbank CZ, a.s. indirectly by means of the senior partner, which is Volksbank International AG, joint stock company with the registered office at Saturn Tower, Leonard-Bernstein-Straße 10, A-1220 Vienna, Austria.

Section 2 Information on the Bank's Activities

Sec. 2 (a)

Overview of activities resulting from the permit to act as a bank (licence)

On 24.5.2004 the Czech National Bank, pursuant to Sec. 1, para. 3 of the Act no. 6/1993 Coll. on Czech National Bank, as later amended, and pursuant to the Act no. 21/1992 Coll., the bank licence to Volksbank CZ, a.s., which substitutes the permit to perform banking activities pursuant to the decision of CNB as of 20.12.1996, ref no. V 44/12-96. The licence was issued based on the administrative proceedings initiated by the Czech national bank on its own incentive due to the so-called relicensing of domestic banks in relation to the harmonization of the CR law with the EU law and the amendment of the Act on banks coming into effect as of 1.5.2004.

The licence was issued for activities specified under Sec. 1, para. 1 (a) and (b) of the Act no. 21/1992 Coll. on banks, as later amended and it includes the following:

- a) receiving deposits from the public,
- b) providing loans/credits,

as well as for activities under Sec. 1, para. 3 of the Act, i.e.:

- a) investing in securities on the bank's own account,
- b) financial leasing,
- c) payments and clearing,
- d) issuing payment instruments, such as payment cards, traveller's cheques,
- e) providing guarantees,
- f) managing money collection,
- g) providing investment services including:
 - main investment service pursuant to Sec. 4, para. 2 (a) of the Act no. 256/2004 Coll. on capital market trading (hereinafter referred to as "Act on capital market trading"), **receiving and handing over orders related to investment instruments**, in relation to investments instruments pursuant to Sec. 3, para. 1 (a) and (b) of the Act on capital market trading,
 - main investment service pursuant to Sec. 4, para. 2 (c) of the Act on capital market trading, **trading with investment instruments on the bank's own account**, in relation to investment instruments pursuant to Sec. 3, para. 1 (a) and (b) of the Act on capital market trading
 - main investment service pursuant to Sec. 4, para. 2 (e) of the Act on capital market trading, **subscribing or placing emissions of investment instruments**, in relation to investment instruments pursuant to Sec. 3, para. 1 (a) and (b) of the Act on capital market trading,
 - complementary investment service pursuant to Sec. 4, para. 3 (a) of the Act on capital market trading, **managing investment instruments**, in relation to investment instruments pursuant to Sec. 3, para. 1 (a) and (b) of the Act on capital market trading,

- complementary investment service pursuant to Sec. 4, para. 3 **(b)** of the Act on capital market trading, **depositing investment instruments**, in relation to investment instruments pursuant to Sec. 3, para. 1 (a) and (b) of the Act on capital market trading,
 - complementary investment service pursuant to Sec. 4, para. 3 **(d)** of the Act on capital market trading, **consulting activity related to the structure of the capital, industrial strategy and the related issues as well as the provision of advice and services related to the transformation of companies or transfers of enterprises**,
 - complementary investment service pursuant to Sec. 4, para. 3 **(e)** of the Act on capital market trading, **consulting activity related to investments into investment instruments**, in relation to investment instruments pursuant to Sec. 3, para. 1 (a) and (b) of the Act on capital market trading.
- i) financial brokerage,
 - j) executing the function of investment fund depository,
 - k) foreign exchange activities (purchasing foreign currency),
 - l) providing banking information,
 - m) trading on the bank's or client's account with foreign exchange values and gold in this extent:
 - trading on the bank's or client's account with funds in foreign currency
 - trading on the bank's or client's account with rights valuable by money
 - trading on the bank's or client's account with gold
 - n) renting safe-deposit boxes,
 - o) activities directly related to activities mentioned in the bank licence of Volksbank CZ, a.s.

Sec. 2 (b)

Overview of activities actually undertaken by the bank

- accepting deposits from the public,
- providing credits and loans,
- investing into securities on the bank's own account,
- payment and clearing,
- issuing payment instruments, such as payment cards, traveller's cheques,
- providing guarantees,
- opening letters of credits,
- managing money collection,
- providing investment services including:
 - main investment service pursuant to Sec. 4, para. 2 (a) of the Act no. 256/2004 Coll. on capital market trading (hereinafter referred to as "Act on capital market trading"), receiving and handing over orders related to investment instruments, in relation to investments instruments pursuant to Sec. 3, para. 1 (a) and (b) of the Act on capital market trading
 - main investment service pursuant to Sec. 4, para. 2 (c) of the Act on capital market trading, trading with investment instruments on the bank's own account, in relation to investment instruments pursuant to Sec. 3, para. 1 (a) and (b) of the Act on capital market trading
 - main investment service pursuant to Sec. 4, para. 2 (e) of the Act on capital market trading, subscribing or placing emissions of investment instruments, in relation to investment instruments pursuant to Sec. 3, para. 1 (a) and (b) of the Act on capital market trading
 - complementary investment service pursuant to Sec. 4, para. 3 (a) of the Act on capital market trading, managing investment instruments, in relation to investment instruments pursuant to Sec. 3, para. 1 (a) and (b) of the Act on capital market trading

- complementary investment service pursuant to Sec. 4, para. 3 (b) of the Act on capital market trading, depositing investment instruments, in relation to investment instruments pursuant to Sec. 3, para. 1 (a) and (b) of the Act on capital market trading
 - complementary investment service pursuant to Sec. 4, para. 3 (d) of the Act on capital market trading, consulting activity related to the structure of the capital, industrial strategy and the related issues as well as the provision of advice and services related to the transformation of companies or transfers of enterprises
 - complementary investment service pursuant to Sec. 4, para. 3 (e) of the Act on capital market trading, consulting activity related to investments into investment instruments, in relation to investment instruments pursuant to Sec. 3, para. 1 (a) and (b) of the Act on capital market trading
- financial brokerage,
 - executing the function of investment fund depository,
 - foreign exchange activities (purchasing foreign currency),
 - providing banking information,
 - trading on the bank's or client's account with foreign exchange values and gold in this extent:
 - trading on the bank's or client's account with funds in foreign currency
 - trading on the bank's or client's account with rights valuable by money
 - trading on the bank's or client's account with gold
 - renting safe-deposit boxes.

Sec. 2 (c)

Overview of activities the execution or providing of which was restricted or excluded

Since the bank initiated its activities there has not been any restriction or exclusion of activities executed or provided by Volksbank CZ, a.s.

Section 3 Information on Relations with Entities Controlled by the Bank and Entities, in which the Bank is a Senior Partner

Volkswagen CZ, a.s. does not control any Entity, nor is the Bank a Senior Partner in other Entities.

Section 4 Information on Relations with the controlling entities and the entity that is a senior partner in the Bank

4.1.a) Volksbank International AG, Vienna

In thousands of CZK

30.9.2008 31.12.2008 31.3.2009 30.6.2009

4.1.b)	Direct or indirect share of the bank on the registered capital in %	98	98	98	98
4.1.c)	Direct or indirect share of the bank on voting rights in %	98	98	98	98
4.1.d)	Other method of controlling	0	0	0	0
4.1.e)	Total receivables	1,368,815	278,689	92,273	641,361
4.1.e)	Total payables	6,989,699	7,845,238	8,015,446	4,799,075
4.1.f)	Total amount of securities that the bank has in assets and that are issued by the controlling entity (netto)	0	0	0	0
4.1.f)	Total amount of the bank's liabilities from securities issued by the controlling entity	0	0	0	0
4.1.g)	Total amount of the guarantees issued by the bank in favour of these entities	0	0	0	0
4.1.g)	Total amount of the guarantees received from such entities	1,112,692	1,149,671	1,157,018	1,132,691

Section 5 Information on relations with members of the Supervisory Board, Board of Directors and other Bank's Senior Management

Sec. 5.1 (a)

Information on members of the Supervisory Board, members of the Board of Directors and other Bank's senior management

SUPERVISORY BOARD

CHAIRMAN

Dr. BOSCHERT Friedhelm

Appointed on: 24 April 2008

Experience: 21 years of banking experience, 14 years of management experience

Membership of other companies' bodies

Company	Country	Function
Volksbank International AG	Austria	Chairman of the Board of Directors
Volksbank BH d.d.	Bosnia and Herzegovina	Chairman of the Supervisory Board
VB-Holding AG	Austria	Member of the Supervisory Board
Volksbank-Invest GmbH	Austria	Member of the Supervisory Board
IK Investmentbank AG	Austria	Member of the Supervisory Board
Vienna Economic Forum	Austria	Member of the Board of Directors
Vienna Economic Forum	Austria	Member of the Supervisory Board

VICE-CHAIRMAN

Dr. BRAMERDORFER Engelbert

Appointed on: 30 May 2005

Experience: 11 years of banking experience, 8 years of management experience

Membership of other companies' bodies

Company	Country	Function
Magyarországi Volksbank Zrt.	Hungary	Vice-Chairman of the Supervisory Board
Volksbank BH d.d.	Bosnia and Herzegovina	Vice-Chairman of the Supervisory Board
Electron Bank	Ukraine	Member of the Board of Directors

SUPERVISORY BOARD MEMBERS

UGOLINI Gabriele

Appointed on: 24 April 2008

Experience: 35 years of banking experience, 23 years of management experience

Membership of other companies' bodies

Company	Country	Function
Volksbank BH d.d.	Bosnia a Hercegovina	Member of the Supervisory Board

Mag. SZENKURÖK Peter

Appointed on: 24 April 2008

Experience: 14 years of banking experience, 8 years of management experience

Membership of other companies' bodies

Company	Country	Function
Volksbank BH d.d.	Bosnia a Hercegovina	Member of the Supervisory Board
Volksbank Slowakei	Slowakei	Member of the Supervisory Board
Volksbank Kroatien	Croatia	Member of the Supervisory Board

Ing. DOBŘICKÝ Igor

Appointed on: 25 June 2009

Experience: 11 years of banking experience, 4 years of management experience

Membership of other companies' bodies

Company	Country	Function
x	x	x

Ing. JANDA Miroslav

Appointed on: 25 June 2009

Experience: 19 years of banking experience, 15 years of management experience

Membership of other companies' bodies

Company	Country	Function
x	x	x

BOARD OF DIRECTORS

CHAIRMAN

LURF Johann

Appointed on: 24 April 2008

Experience: 33 years of banking experience, 22 years of management experience

Membership of other companies' bodies

Company	Country	Function
x	x	x

MEMBERS OF THE BOARD OF DIRECTORS

DAUMANN Gernot

Appointed on: 1 February 2009

Experience: 20 years of banking experience, 20 years of management experience

Membership of other companies' bodies

Company	Country	Function
x	x	x

GUTHAN Frank

Appointed on: 1 March 2009

Experience: 16 years of banking experience, 14 years of management experience

Membership of other companies' bodies

Company	Country	Function
x	x	x

Ing. HOLUB Libor

Appointed on: 26 November 2008

Experience: 7 years of banking experience, 14 years of management experience

Membership of other companies' bodies

Company	Country	Function
x	x	x

MANAGEMENT

Title, surname and name	Function	Date of appointment into the function	Years of experience	
			banking	management
Bc. ADAMEC Zdeněk	Head of Information Security Office	1.11.2005	7	1
Ing. CACKA Julius	Head of Financial Security	1.3.2002	15	23
DAUMANN Gernot	Head of Section 002	1.2.2009	20	20
Ing. DOBŘICKÝ Igor	Head of Organisation, IT Div.	7.6.2005	11	3
DUDEK Marian MBA	ved. odd. Real Estate Financing	1.1.2009	17	8
Ing. DVOŘÁK Mojmir	Head of Corporates Moravia Div.	2.4.2002	17	16
GUTHAN Frank	Head of Section 003	1.3.2009	16	14
Ing. HOLUB Libor	Head of Section 004	26.11.2008	7	14
KLOUČEK Zdeněk	Head of Corporate Risk Management	25.1.2007	12	8
LURF Johann	Head of Section 001	1.6.1996	33	22
Ing. MACHÁČEK Viktor	Head of Treasury Settlement	1.5.2009	14	10
Ing. Mgr. MINAŘÍKOVÁ Lenka	Head of HR Management	1.7.2002	7	6
Ing. MERTA Petr	Head of Public Sector	6.10.1998	25	18
MIGLIORINI Giorgio	Head of International Desk	27.4.1999	41	9
Ing. NEČESAL Karel	Head of Sales Support	2.4.2002	6	9
Ing. NOSEK Libor	Head of Finance Management	1.2.2009	12	9
Ing. PETR Karel	Head of Treasury / Treasury Securities & Sales Dept.	2.4.2002	14	14
Ing. PLANETOVÁ Olga	Head of Audit/Revision Dept.	31.12.2003	5	4
RIGGIO Domenico	Head of International Desk	1.5.2009	7	0
Ing. ROHÁČEK Jiří	Head of Riskcontrolling&Reporting Dept.	23.5.2003	7	6
SEDLÁČEK Jan	Head of Credit Settlement	1.9.2006	10	11
Mgr. VANČO Filip	Head of Compliance & AML	1.4.2009	5	0
Ing. VLČEK Luboš	Head of Property Administration Dept.	20.1.1998	10	15
VOJÁČKOVÁ Romana	Head of Payment System Dept.	1.5.2001	15	11
VÖGERL Andreas	Head of Retail Div.	1.11.2002	26	26

Membership in bodies of other companies

Title, surname and name	Company	Country	Function
Ing. ADAMOVIČ Soňa	FINITY, a.s.	Czech Republic	Chairman of the Board of Directors
Mgr. AUJESKÁ Martina	Společenství vlastníků Jurkovičova	Czech Republic	Member of the Committee

Volksbank CZ, a.s., Na Pankráci 129, 140 00 Praha 4

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Entered in Companies Register kept by Municipal Court in Praha, Section B, Insert No. 4353 since 1996.

Ing. BARTOZEL Jan	Společenství vlastníků jednotek domů	Czech Republic	Vice-Chairman of the Committee
BOZDĚCH Vít	Kancelář projekt. managementu, s.r.o.	Czech Republic	Member of the Committee
Ing. CACKA Julius	Dům Košík 1079 Virtuální výstavy EXPONET o.p.s.	Czech Republic Czech Republic	Chairman of the Board of Directors Chairman of the Board of Directors
Ing. DOSTÁL Norbert	TOP OPTIMAL, s.r.o.	Czech Republic	Chief Executive
DUNOVSKÁ Kateřina	Bydlení 2829/20	Czech Republic	Member of the Committee
Ing. DVOŘÁK Mojmir	Bytové družstvo nájemníků, Masarykova 2	Czech Republic	Chairman of the Board of Directors
EBELOVÁ Markéta	Společenství vlastníků jednotek	Czech Republic	Chairman of the Committee
ERTL Tomáš	Spol. vlast. jednotek domu č. 749 Kaplice	Czech Republic	Member of the Committee
FRIEDLOVÁ Lucie	Společenství Kudrnova 234	Czech Republic	Member of the Committee
GROHMANN Milan, DiS.	Společenství Stavbař 370-372	Czech Republic	Member of the Committee
HOŠTÁLEK Pavel	Společenství vlastníků	Czech Republic	Member of the Committee
Ing. HRDINKOVÁ Marie	H2T s.r.o.	Czech Republic	Member of the Committee
JAHO DÁŘOVÁ Pavla	Společenství vlastníků	Czech Republic	Member of the Committee
Bc. JANDA Miroslav	Družstvo vlastníků domů Pohnertova Společenství pro dům Pohnertova	Czech Republic Czech Republic	Vice-Chairman of the Board of Directors Vice-Chairman of the Committee
Ing. JAŠKOVÁ Lenka	Společenství vlastníků jednotek	Czech Republic	Chairman of the Committee
JERMÁŘ Otakar	CAFE & NETPOINT a.s.	Czech Republic	Member of the Supervisory Board
LYSÁK Jiří	Východočeská dopravní, a. s. H.B.N., a. s.	Czech Republic Czech Republic	Chairman of the Supervisory Board Chairman of the Supervisory Board
Ing. MALOVANÝ Miloš	Společenství vlastníků 725,726	Czech Republic	Member of the Committee
MIGLIORINI Giorgio	CEKOPETROL, s. r. o. MIWA s. r. o.	Czech Republic Czech Republic	Partner Partner
Ing. MLCH Vladimír	BRISS CZECH a.s.	Czech Republic	Chairman of the Board of Directors
MOTALOVÁ Petra	G.D.L.B. spol. s r.o.	Czech Republic	Partner
NIKODÝMOVÁ Pavla	CARIMEX, spol. s r. o. - v likvidaci	Czech Republic	Company Liquidator
Ing. NOVÁKOVÁ Andrea	Společenství vlastníků jednotek	Czech Republic	Member of the Committee
PAVLECHOVÁ Eva	SCP Přebalovací pulty s.r.o.	Czech Republic	Member of the Committee
PAVLECHOVÁ Gabriela	SCP Přebalovací pulty s.r.o.	Czech Republic	Member of the Committee
Ing. PETRŮ Aleš	AS reality s.r.o.	Czech Republic	Chief Executive
PÍREK Pavel	SVJ domu č. 3090, Zárubničná, Praha 4	Czech Republic	Member of the Committee
PIVOŇKOVÁ - OCZADLÁ Eva	Společenství vlastníků jednotek	Czech Republic	Member of the Committee
POHOŘELCOVÁ Stanislava	Central Europe Trading&Technologies, s.r.o.	Czech Republic	Member of the Committee
POLKOVÁ Veronika	SVJ Svazácká 2200/42	Czech Republic	Member of the Committee
POSPÍCHALOVÁ Dana	Obecní úřad Radostín	Czech Republic	other
STANĚK Vlastimil	Bytové družstvo Vančurova, družstvo	Czech Republic	Vice-Chairman of the Board of Directors
STAROSTA Michal	SVJ v budově 1106-1107, Šimonova	Czech Republic	Member of the Committee
STURGYIK Jaroslava	Spol. vlastníků M.Majerové 481/4	Czech Republic	Member of the Committee
Bc. STYXOVÁ Monika	Společenství pro dům Zderad	Czech Republic	Member of the Committee
Ing. SVAČINA Jan	Společenství pro dům U Tvrze	Czech Republic	Chairman of the Committee
Ing. ŠILHAN Josef	Společenství pro dům Pražská	Czech Republic	Chairman of the Committee
Ing. TOMŠOVIC Ivo	Společenství vlastníků	Czech Republic	Chairman
Ing. TRNKA Lukáš	MT Support s.r.o.	Czech Republic	Member of the Committee
Ing. VALKOVIČ Juraj	Dům u Lávky, společenství vlastníků	Czech Republic	Chairman of the Committee
VELIKOVSKÁ Kateřina	SVJ domu Obceiny 3608 ve Zlíně	Czech Republic	Member of the Committee
Mgr. VELÍŠKOVÁ Hana	Církev československá	Czech Republic	other

Sec. 5.1. (b)

Information on the total amount of loans provided by the bank to the members of the Supervisory Board, members of the Board of Directors and other bank's senior management

In thousands of CZK	30.9.2008	31.12.2008	31.3.2009	30.6.2009
Total amount of loans provided by the bank to members of the Supervisory Board	6,321	6,291	6,259	2,448
Total amount of the loans provided by the bank to members of the Board of Directors	0	0	0	0
Total amount of loans provided by the bank to the bank's senior management	17,210	10,360	10,166	7,548

Sec. 5.1. (c)

Information on the total amount of guarantees provided by the bank to the members of the Supervisory Board, members of the Board of Directors and other bank's senior management

In thousands of CZK	30.9.2008	31.12.2008	31.3.2009	30.6.2009
Total amount of guarantees issued to members of the Supervisory Board, Board of Directors, and senior management	0	0	0	0

Section 6 Information on the Bank's Results and Risk Management

Sec. 6.1, 6.3, 6.5

The quarterly balance sheet and the quarterly profit and loss statement and the quantitative and other indices are stated in Annex no. 2 and 2.1.

Sec. 6.4

Qualitative information on Risk Management

Volkswagen CZ maintains a conservative approach to risk management that takes as its starting point the applicable legal regulations and risk strategy of the Group. The Bank uses a system of regulatory and internal limits. The amounts of these limits and adherence to them are regularly monitored.

The overriding general principles in the risk management process are optimisation of the relationship between risk and expected return, an effective internal control system, proper segregation of duties, identification and analysis of risks, portfolio diversification, and the accuracy and completeness of the data in the Bank's system. The management of the Bank is regularly informed with regard to the level of risk undertaken, and the risk management system is monitored and evaluated.

The Bank's Board of Directors plays a key role in risk management's organisational structure. The Board determines the risk management strategy; approves the Bank's control documentation, including limits and authorised guidelines; and decides upon the most important risk positions. The Risk Management Committee monitors the Bank's risk profile for all major types of risk, including their sufficient coverage by capital (a system of internal capital adequacy assessment). Departments directly subordinate to the board member responsible for risk management analyse the Bank's risk positions, monitor compliance with established limits, report on the results of their findings, and, as appropriate, approve their own risk positions within the scope of their assigned authorities.

Credit risk management

Providing loan products is one of the Bank's most important business activities, and the emphasis given to managing credit risk reflects that fact. This process includes identifying risks, measuring risk positions, monitoring limits and adopting measures leading to mitigation of the credit risk undertaken. The process takes place at the levels of both the individual client and the loan portfolio.

In assessing a client's creditworthiness, the Bank places particular emphasis on analysing the client's financial situation, his or her ability to repay the provided loan from cash flow, and the experience with the client to date.

Volkswagen CZ is preparing its transition to calculating the capital adequacy for credit risk of the investment portfolio according to the internal ratings-based (IRB) approach. The credit quality of each client is assessed using an internal rating system corresponding to the type of client being assessed. Within each rating system, a client is classified at one of 20 points on the internal rating scale (another five points are intended for default exposures). Each point corresponds to a fixed one-year probability of the client's default. This probability is used as one of the parameters in the decision-making

process. The rating tools are regularly tested and adjusted accordingly to ensure that the estimated probabilities of default are correct.

The quality of the collateral instruments is another criterion taken into account in assessing a credit application. A catalogue of these instruments defines the acceptable types of collateral, the methods for establishing their fair values, the frequency of revaluation, and the responsibilities of the Bank's individual branches. The assessment and approval of credit applications is independent from the selling departments. Authorisation powers are delegated by the Board of Directors and are segmented by value into several layers.

The Bank regularly monitors individual exposures in order to continuously check the quality of the loan portfolio. This process increases the probability for timely recognition of future client defaults. For such cases, the Bank has established a system to address problematic loans in a timely manner. This reduces the probability of incurring losses from providing loans.

Volkswagen CZ is in compliance with all regulatory limits for its investment portfolio exposure.

Market risk management

The main instrument for managing market risk is a system of limits for individual types of market risk. Compliance with these limits is regularly monitored and the findings are reported to the Board of Directors, the Risk Management Committee, and the appropriate business units. The limits are established internally in cooperation with the parent company or are based on the relevant CNB regulations. Stress testing of market risks is carried out regularly.

With regard to currency risk, the Bank manages its risk position by trading on the currency market. The risk position is monitored daily and compared with the applicable limits.

On the assets side, the Bank's exposure to interest rate risk is substantially limited by linking interest rates for the majority of loans to short-term rates on the inter-bank market. Likewise, on the liabilities side, a crucial volume of interest-bearing positions is characterised by the possibility for responding quickly to changes in market interest rates. The proportion of assets or liabilities with fixed long-term interest rates (the main source of interest rate risk) is balanced using interest rate swaps and bonds issuance. The Bank's interest rate position is regularly measured and compared to the applicable limits.

To a small extent, exposure to securities market volatility occurs in relation to bond portfolios held. From a regulatory point of view, the Bank holds a small trading portfolio.

Liquidity risk

Management of liquidity risk begins with daily analysis of the actual residual maturities of assets and liabilities, which are examined both in the main individual currencies and on an aggregate basis for all currencies. Based on this analysis, the Bank monitors daily the compliance with liquidity limits that are

established internally. The structure of limits is based upon the ratio of assets to liabilities within a given period of residual maturity.

In managing its short-term liquidity position, the Bank includes planned and expected cash flows for five consecutive business days. For the purpose of long-term forecasting, a scenario for liquidity risk management is regularly prepared that includes data on the existing as well as planned structure of the balance sheet. This scenario is submitted to the Risk Management Committee. A contingency liquidity plan is prepared for the theoretical possibility that extraordinary circumstances would threaten the Bank's liquidity position.

Operational risk

In accordance with regulatory requirements, Volksbank CZ has an internal database of the requisite internal regulations for operational risk management, including those for the areas of information security, continuity of operations, and anti-money laundering. A system of control mechanisms is established for those individual processes.

The operational risk management process includes identification, recording, evaluation and valuation of risks, as well as measures for their minimisation, and it is applied at the levels of both actual events and hypothetical risks.

Identified events are assessed and considered individually, and the measures to be taken are designed in accordance not only with the frequency of the events' occurrence and the amount of the realised or anticipated loss or gain, but also their seriousness and original cause of origin. The objective is to ensure that the measures taken will effectively minimise or eliminate occurrences of similar events in future.

Section 7 Annual Report

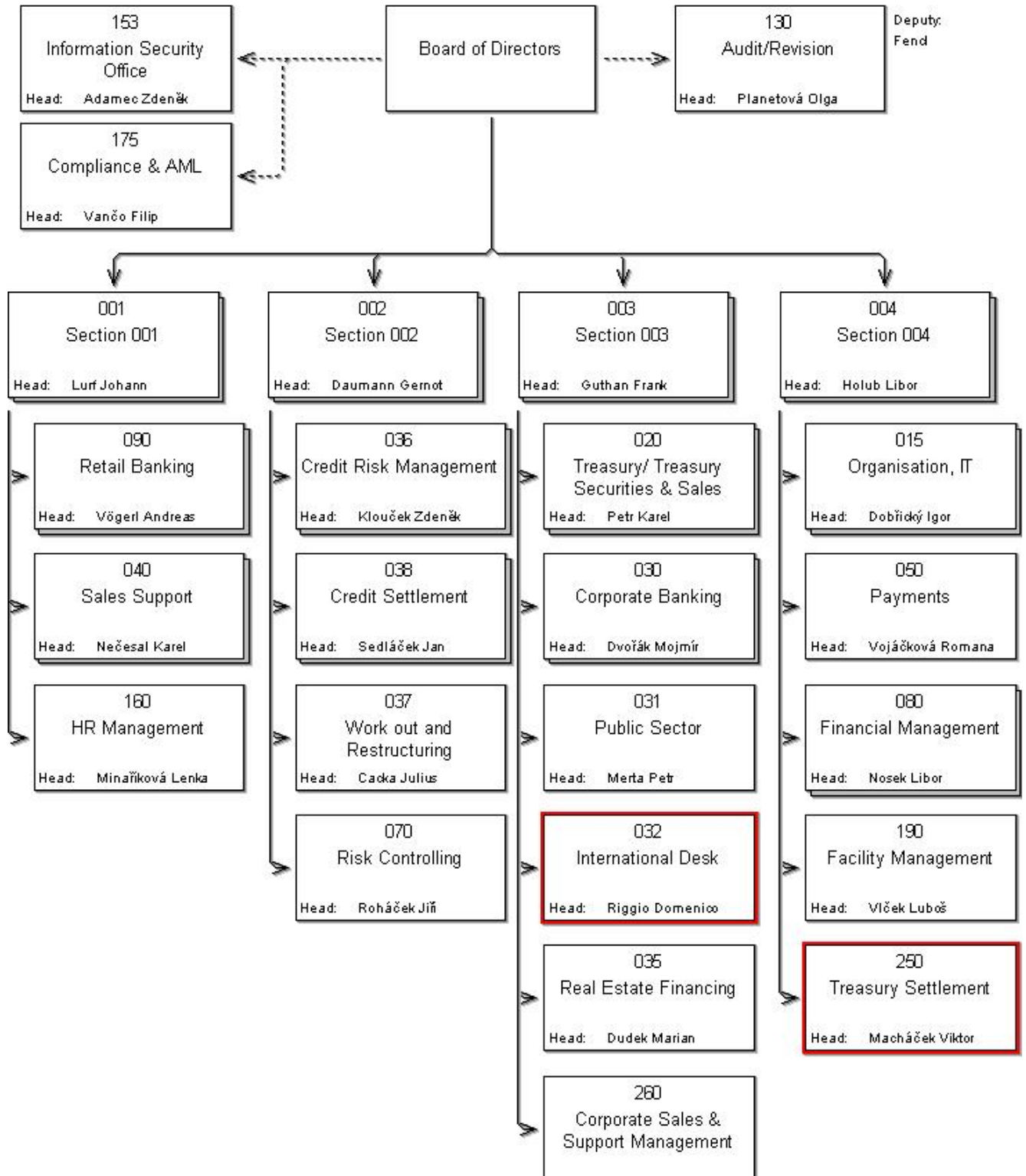
The Annual report of the Volksbank, CZ, a.s. for 2008 is published at the website at www.volksbank.cz in the menu On the Bank/Annual Reports. This document is freely available for downloading.

Annexes

Annex no. 1

OVERALL ORGANISATION STRUCTURE OF THE BANK

 **Reviewed** Valid as of: 1. 5. 2009



Annex no. 2 - in accordance with International Financial Reporting Standards (IFRS)

A. INFORMATION ON THE BANK'S RESULTS PURSUANT

1. Balance sheet

CZK '000		30.9.2008	31.12.2008	31.3.2009	30.6.2009
1-14	Total assets	47,345,028	47,783,809	50,757,457	50,582,039
1.	Cash and due from central banks	1,220,499	2,808,457	1,729,709	4,033,007
2.	Financial assets for trading	550,105	478,785	245,103	234,671
2.1	Derivatives for trading with positive fair value	293,557	342,285	108,912	82,961
2.2	Capital markets instruments for trading	0	0	0	0
2.3	Debt securities for trading	256,548	136,500	136,191	151,710
2.4	Receivables for trading	0	0	0	0
3.	Financial assets at fair value reported through profit and loss	7,317	7,215	7,264	239,175
3.1	Capital markets instruments at fair value reported through profit and loss	0	0	0	0
3.2	Debt securities at fair value reported through profit and loss	7,317	7,215	7,264	239,175
3.3	Receivables at fair value reported through profit and loss	0	0	0	0
4.	Financial assets available for sale	166,889	171,109	171,187	30,539
4.1	Capital markets instruments available for sale	166,889	171,109	171,187	30,539
4.2	Debt securities available for sale	0	0	0	0
4.3	Receivables available for sale	0	0	0	0
5.	Loans and other receivables	44,211,371	43,646,425	47,922,314	45,065,421
5.1	Non-tradable debt securities	0	0	0	0
5.2	Receivables	44,211,371	43,646,425	47,922,314	45,065,421
6.	Financial investments held to maturity	710,633	203,784	200,379	450,069
6.1	Debt securities held to maturity	710,633	203,784	200,379	450,069
6.2	Receivables held to maturity	0	0	0	0
7.	Hedging derivatives with positive fair value	0	0	0	0
8.	Positive fair value changes in the hedging portfolio	0	0	0	0
9.	Tangible assets	252,824	257,246	247,838	246,564
9.1	Property, plant and equipment	252,824	257,246	247,838	246,564
9.2	Real estate investments	0	0	0	0
10	Intangible assets	89,178	114,278	112,507	110,837
10.1	Goodwill	0	0	0	0
10.2	Other intangible assets	89,178	114,278	112,507	110,837
11.	Investments in affiliates, subsidiaries and joint ventures	0	0	0	0
12	Tax receivables	69,284	42,062	35,523	71,603
12.1	Current tax receivables	38,955	25,605	18,756	53,953
12.2	Deferred tax receivables	30,329	16,457	16,767	17,650
13.	Other assets	66,928	54,448	85,633	100,153
14.	Non-current assets and disposals within group designated for sale	0	0	0	0

1-19	Total liabilities and shareholders' equity	47,345,028	47,783,809	50,757,457	50,582,039
1-11	Total liabilities	42,179,042	42,505,604	45,429,435	45,223,632
1.	Deposits, loans and other financial liabilities to central banks	0	0	0	0
2.	Financial derivatives for trading	215,065	110,360	95,234	78,362
2.1	Derivatives for trading with negative fair value	215,065	110,360	95,234	78,362
2.2	Liabilities from short-selling	0	0	0	0
2.3	Deposits, loans and other financial liabilities for trading	0	0	0	0
2.4	Debt securities issued and intended for near-term purchase	0	0	0	0
3.	Financial liabilities at fair value reported through profit and loss	0	0	0	232,253
3.1	Deposits, loans and other financial liabilities at fair value reported through profit or loss	0	0	0	0

3.2	Debt securities issued at fair value reported through profit or loss	0	0	0	0
3.3	Subordinated liabilities at fair value reported through profit or loss	0	0	0	0
4.	Financial liabilities at amortised cost	41,149,886	41,837,158	44,585,344	43,862,841
4.1	Deposits, loans and other financial liabilities at amortised cost	37,021,972	37,867,550	40,586,168	39,793,121
4.1.1	Deposits and other financial liabilities at amortised cost due to financial institutions	14,141,790	14,409,225	14,369,758	11,593,670
4.1.2	Deposits and other financial liabilities at amortised cost due to entities other than financial institutions	22,879,800	23,458,277	26,216,367	28,199,434
4.1.3	Other financial liabilities at amortised cost not broken down by segment	382	48	43	17
4.3	Debt securities issued at amortised cost	3,874,613	3,696,718	3,717,125	3,809,368
4.4	Subordinated liabilities at amortised cost	253,301	272,890	282,051	260,352
5.	Financial liabilities associated with asset transfers	0	0	0	0
6.	Hedging derivatives with negative fair value	0	0	0	0
7.	Negative fair value changes in the hedging instrument portfolio	0	0	0	0
8.	Provisions	11,582	20,983	20,995	15,798
9.	Tax payables	0	0	0	0
9.1	Current tax payables	0	0	0	0
9.2	Deferred tax payables	0	0	0	0
10.	Other liabilities	802,509	537,103	727,862	1,034,378
11.	Liabilities associated with disposals within group designated for sale	0	0	0	0
12-19	Total shareholders' equity	5,165,986	5,278,205	5,328,022	5,358,407
12.	Share capital	2,005,380	2,005,380	2,005,380	2,005,380
13.	Share premium	2,694,628	2,694,628	2,694,628	2,694,628
14.	Other shareholders' equity	0	0	0	0
15.	Funds from re-measurement and other revaluation differences	6,895	10,272	9,627	5,864
16.	Reserve funds	52,863	52,863	52,863	69,803
17.	Retained earnings (accumulated losses) from previous periods	176,253	176,253	515,062	498,122
18.	Treasury shares	0	0	0	0
19.	Profit (loss) from current period	229,967	338,809	50,462	84,610

2. Profit and loss account

CZK '000		30.9.2008	31.12.2008	31.3.2009	30.6.2009
1.	Profit from financial and operating activities	1,276,725	1,736,389	392,676	752,713
1.1	Interest income	1,662,765	2,332,747	582,594	1,092,724
1.2	Interest expense	-675,098	-1,000,731	-278,698	-522,773
1.3	Dividend income	0	0	0	0
1.4	Fee and commission income	323,204	437,178	97,116	195,159
1.5	Fee and commission expense	-52,150	-54,482	-9,802	-18,479
1.6	Realised gains or losses from financial assets and liabilities not reported at fair value through profit or loss	-907	-1,410	-85	4,695
1.7	Profit (loss) from financial assets and liabilities for trading	20,342	28,727	6,814	10,915
1.8	Profit (loss) from financial assets and liabilities reported at fair value through profit or loss	-22	-18	-15	65
1.9	Profit (loss) from hedge accounting	0	0	0	0
1.10	Foreign exchange differences	7,320	6,495	506	1,274
1.11	Profit (loss) from de-recognition of assets other than held for sale	0	0	0	0
1.12	Other operating income	7,145	10,654	557	1,962
1.13	Other operating expense	-15,874	-22,771	-6,311	-12,829
2.	Administrative expense	-534,637	-738,932	-190,057	-390,641
2.1	Staff costs	-312,509	-413,758	-113,263	-222,905
2.2	Other administrative expense	-222,128	-325,174	-76,794	-167,736
3.	Depreciation	-62,196	-84,814	-24,707	-44,575
4.	Additions to provisions	-4,554	-12,685	0	5,162
5.	Impairment losses	-407,010	-459,137	-119,523	-194,226
5.1	Impairment losses on financial assets not reported at fair value through profit or loss	-407,010	-459,137	-119,523	-194,226
5.2	Impairment losses on non-financial assets	0	0	0	0
6.	Negative goodwill charged directly to profit or loss	0	0	0	0
7.	Share in profit or loss of affiliates, subsidiaries and joint ventures	0	0	0	0
8.	Profit or loss from non-current assets and disposals within group	1,491	1,880	373	548
1-8	Profit or loss before taxes from ongoing operations	269,819	442,701	58,762	128,981
9.	Income tax expense	-39,852	-103,892	-8,300	-44,371
10.	Profit or loss after taxes	229,967	338,809	50,462	84,610
10.1	<i>Profit or loss after taxes from ongoing operations</i>	229,967	338,809	50,462	84,610
10.2	<i>Profit or loss after taxes from discontinued operations</i>	0	0	0	0

3. INFORMATION ABOUT RECEIVABLES FROM FINANCIAL ACTIVITIES, CURRENT AND IN DEFAULT

<i>To the end of the reporting period</i>	Value before impairment	Accounting value (netto)	Provisions for individual accounts receivable	Provisions for the receivables portfolio individually before impairment	Provisions for the receivables portfolio for individually insignificant receivables	Cumulative losses from fair value valuation
Total receivables from financial activities	46,100,647	45,065,246	974,263	61,137	0	0
Receivables from credit institutions	6,199,172	6,199,172	0	0	0	0
<i>Current receivables from credit institutions</i>	6,199,172	6,199,172	0	0	0	0
Standard receivables from credit institutions	6,199,172	6,199,172	0	0	0	0
Watch receivables from credit institutions	0	0	0	0	0	0
<i>Receivables in default from credit institutions</i>	0	0	0	0	0	0
Substandard receivables from credit institutions	0	0	0	0	0	0
Doubtful receivables from credit institutions	0	0	0	0	0	0
Loss receivables from credit institutions	0	0	0	0	0	0
Receivables from entities other than credit institutions	39,901,475	38,866,074	974,263	61,137	0	0
<i>Current receivables from entities other than credit institutions,</i>	37,258,913	37,197,775	0	61,137	0	0
Standard receivables from entities other than credit institutions	31,823,997	31,778,757	0	45,240	0	0
Watch receivables from entities other than credit institutions	5,434,916	5,419,018	0	15,897	0	0
<i>Receivables in default from entities other than credit institutions</i>	2,642,562	1,668,299	974,263	0	0	0
Substandard receivables from entities other than credit institutions	792,870	742,254	50,616	0	0	0
Doubtful receivables from entities other than credit institutions	552,550	479,152	73,398	0	0	0
Loss receivables from entities other than credit institutions	1,297,142	446,893	850,249	0	0	0

<i>To the end of the first previous quarter</i>	Value before impairment	Accounting value (netto)	Provisions for individual accounts receivable	Provisions for the receivables portfolio individually before impairment	Provisions for the receivables portfolio for individually insignificant receivables	Cumulative losses from fair value valuation
Total receivables from financial activities	48,894,110	47,922,265	910,430	61,415	0	0
Receivables from credit institutions	8,656,632	8,656,632	0	0	0	0
<i>Current receivables from credit institutions,</i>	8,656,632	8,656,632	0	0	0	0
Standard receivables from credit institutions	8,656,632	8,656,632	0	0	0	0
Watch receivables from credit institutions	0	0	0	0	0	0
<i>Receivables in default from credit institutions</i>	0	0	0	0	0	0
Substandard receivables from credit institutions	0	0	0	0	0	0
Doubtful receivables from credit institutions	0	0	0	0	0	0
Loss receivables from credit institutions	0	0	0	0	0	0
Receivables from entities other than credit institutions	40,237,478	39,265,633	910,430	61,415	0	0
<i>Current receivables from entities other than credit institutions,</i>	36,935,188	36,873,773	0	61,415	0	0
Standard receivables from entities other than credit institutions	31,970,376	31,922,852	0	47,525	0	0
Watch receivables from entities other than credit institutions	4,964,811	4,950,921	0	13,890	0	0
<i>Receivables in default from entities other than credit institutions,</i>	3,302,290	2,391,860	910,430	0	0	0

Substandard receivables from entities other than credit institutions	1,293,372	1,231,930	61,442	0	0	0
Doubtful receivables from entities other than credit institutions	947,475	823,506	123,968	0	0	0
Loss receivables from entities other than credit institutions	1,061,443	336,424	725,019	0	0	0

<i>To the end of the second previous quarter</i>	Value before impairment	Accounting value (netto)	Provisions for individual accounts receivable	Provisions for the receivables portfolio individually before impairment	Provisions for the receivables portfolio for individually insignificant receivables	Cumulative losses from fair value valuation
Total receivables from financial activities	44,500,796	43,646,418	774,926	79,452	0	0
Receivables from credit institutions	4,587,095	4,587,095	0	0	0	0
<i>Current receivables from credit institutions</i>	4,587,095	4,587,095	0	0	0	0
Standard receivables from credit institutions	4,587,095	4,587,095	0	0	0	0
Watch receivables from credit institutions	0	0	0	0	0	0
<i>Receivables in default from credit institutions</i>	0	0	0	0	0	0
Substandard receivables from credit institutions	0	0	0	0	0	0
Doubtful receivables from credit institutions	0	0	0	0	0	0
Loss receivables from credit institutions	0	0	0	0	0	0
Receivables from entities other than credit institutions	39,913,701	39,059,323	774,926	79,452	0	0
<i>Current receivables from entities other than credit institutions</i>	37,298,487	37,219,035	0	79,452	0	0
Standard receivables from entities other than credit institutions	31,868,190	31,809,871	0	58,319	0	0
Watch receivables from entities other than credit institutions	5,430,298	5,409,164	0	21,133	0	0
<i>Receivables in default from entities other than credit institutions</i>	2,615,213	1,840,287	774,926	0	0	0
Substandard receivables from entities other than credit institutions	1,300,602	1,250,111	50,491	0	0	0
Doubtful receivables from entities other than credit institutions	397,663	349,710	47,953	0	0	0
Loss receivables from entities other than credit institutions	916,948	240,466	676,482	0	0	0

<i>To the end of the third previous quarter</i>	Value before impairment	Accounting value (netto)	Provisions for individual accounts receivable	Provisions for the receivables portfolio individually before impairment	Provisions for the receivables portfolio for individually insignificant receivables	Cumulative losses from fair value valuation
Total receivables from financial activities	45,010,980	44,210,713	723,248	77,019	0	0
Receivables from credit institutions	5,837,314	5,837,314	0	0	0	0
<i>Current receivables from credit institutions</i>	5,837,314	5,837,314	0	0	0	0
Standard receivables from credit institutions	5,837,314	5,837,314	0	0	0	0
Watch receivables from credit institutions	0	0	0	0	0	0
<i>Receivables in default from credit institutions</i>	0	0	0	0	0	0
Substandard receivables from credit institutions	0	0	0	0	0	0
Doubtful receivables from credit institutions	0	0	0	0	0	0
Loss receivables from credit institutions	0	0	0	0	0	0
Receivables from entities other than credit institutions	39,173,665	38,373,398	723,248	77,019	0	0
<i>Current receivables from entities other than credit institutions</i>	36,964,933	36,887,914	0	77,019	0	0

Standard receivables from entities other than credit institutions	33,162,011	33,099,386	0	62,625	0	0
Watch receivables from entities other than credit institutions	3,802,923	3,788,528	0	14,394	0	0
<i>Receivables in default from entities other than credit institutions</i>	2,208,732	1,485,484	723,248	0	0	0
Substandard receivables from entities other than credit institutions	1,025,909	976,556	49,353	0	0	0
Doubtful receivables from entities other than credit institutions	306,452	262,085	44,367	0	0	0
Loss receivables from entities other than credit institutions	876,371	246,843	629,528	0	0	0

4. INFORMATION ON RECEIVABLES BEFORE AND AFTER IMPAIRMENTS

<i>To the end of the reporting period</i>	Value before impairment		Provisions	Cumulative losses from fair value valuation	Carrying value (net)	
	Receivables valued at accrued value	Receivables valued at fair value	Receivables valued at accrued value	Receivables valued at fair value	Receivables valued at accrued value	Receivables valued at fair value
Receivables before impairment	48,240,436	0	XX	XX	48,240,436	0
Receivables after impairment	1,528,329	0	1,035,401	0	492,928	0

<i>To the end of the first previous quarter</i>	Value before impairment		Value before impairment	Cumulative losses from fair value valuation	Carrying value (net)	
	Receivables valued at accrued value	Receivables valued at fair value	Receivables valued at accrued value	Receivables valued at fair value	Receivables valued at accrued value	Receivables valued at fair value
Receivables before impairment	46,972,197	0	XX	XX	46,972,197	0
Receivables after impairment	3,302,290	0	971,845	0	2,330,446	0

<i>To the end of the second previous quarter</i>	Value before impairment		Value before impairment	Cumulative losses from fair value valuation	Carrying value (net)	
	Receivables valued at accrued value	Receivables valued at fair value	Receivables valued at accrued value	Receivables valued at fair value	Receivables valued at accrued value	Receivables valued at fair value
Receivables before impairment	44,293,357	0	XX	XX	44,293,357	0
Receivables after impairment	2,616,066	0	854,378	0	1,761,688	0

<i>To the end of the third previous quarter</i>	Value before impairment		Value before impairment	Cumulative losses from fair value valuation	Carrying value (net)	
	Receivables valued at accrued value	Receivables valued at fair value	Receivables valued at accrued value	Receivables valued at fair value	Receivables valued at accrued value	Receivables valued at fair value
Receivables before impairment	43,757,917	0	XX	XX	43,757,917	0
Receivables after impairment	2,208,732	0	800,267	0	1,408,465	0

5. INFORMATION ON RESTRUCTURING OF RECEIVABLES

Restructured receivables for the accounting period in the amount before impairment

	30.9.2008	31.12.2008	31.3.2009	30.6.2009
Receivables valued at accrued value	29,900	102,321	72,604	253,216
Receivables valued at fair value	0	0	0	0

6. INFORMATION CONCERNING DERIVATIVES

	30.9.2008	31.12.2008	31.3.2009	30.6.2009
Derivatives held for trading – assets				
fair value	293,557	342,285	108,912	82,961
nominal (notional) value	7,181,036	8,463,790	5,004,831	3,602,145
Derivatives held for trading – liabilities				
fair value	215,065	110,360	95,234	78,362
nominal (notional) value	7,095,694	8,227,763	4,987,786	3,594,544

7. RATIO INDICATORS

	30.9.2008	31.12.2008	31.3.2009	30.6.2009
a) Capital adequacy	12.74%	13.95%	14.04%	15.07%
b) Return on average assets (ROAA)	0.76%	0.81%	0.41%	0.34%
c) Return on average tier 1 capital (ROAE)	7.32%	7.81%	4.19%	3.44%
d) Assets per employee	66,872	65,818	69,531	69,961
e) Administration costs per employee	-1,007	-1,018	-1,041	-1,081
f) Net profit or loss after tax per employee	433	467	277	234

B. INFORMATION ABOUT THE CAPITAL

Summary information on the conditions and character of the capital and its components:

The process of managing the capital is carried out in close communication with the bank's shareholders. Its goals are to:

- ensure the bank's long-term stability in relation to the existing risks,
- uphold the regulatory rules for capital coverage of risks (capital adequacy), and
- maintain such amount of capital as needed to support continuing expansion of the business.

In coordination with the parent company, a situation is maintained wherein the bank has at its disposal a volume of capital that surpasses the regulatory capital adequacy requirements. During 2007, there occurred substantial year-to-year growth in capital when the bank's shareholders contributed to an increase in the registered capital. An additional significant increase has been realised in the second quarter of 2008.

The dominant capital component is core capital (Tier 1). Additional capital (Tier 2) is used only to a limited extent, and capital to cover markets risks (Tier 3) is not used at all.

Information on individual components of the capital

CZK 000s	30.9.2008	31.12.2008	31.3.2009	30.6.2009
Capital	5,086,597	5,084,147	5,090,418	5,415,996
Core capital (Tier 1)	4,839,946	4,814,846	4,816,618	5,157,096
Registered capital paid up and registered in the Commercial Register	2,005,380	2,005,380	2,005,380	2,005,380
Shares in treasury	0	0	0	0
Share premium	2,694,628	2,694,628	2,694,628	2,694,628
Reserve funds and undistributed profit	229,116	229,116	229,116	567,925
Statutory reserve funds	52,863	52,863	52,863	69,804
Other funds from distributed profit	0	0	0	0
Undistributed profit from previous periods	176,253	176,253	176,253	498,122
Other items excluded from core capital	-89,178	-114,278	-112,507	-110,837
Goodwill				
Intangible assets other than goodwill	-89,178	-114,278	-112,507	-110,837
Negative valuation differences from fair value changes realized on financial instruments				
Participating securities issued by an entity with a qualified interest in the bank	0	0	0	0
Additional capital (Tier 2)	246,650	269,300	273,800	258,900
Items excluded from core and additional capital (Tier 1 + Tier 2)	0	0	0	0
Capital to cover market risks(Tier 3)	0	0	0	0

C. INFORMATION ON CAPITAL REQUIREMENTS

Summary information regarding the approach of Volksbank CZ, a.s. in assessing the sufficiency of capital established internally with a view to current and future activities (internally established and maintaining capital adequacy):

The system of internally established capital is applied centrally at the Volksbank group level and includes in particular the following components:

- the risk management strategy,
- identification of those risks that the bank faces in its activities (in addition to credit, market and operational risks, for example, liquidity risk or concentration risk),
- quantification of those risk measures in the form of capital needed for their coverage (internally established capital needs), aggregation of the results for individual risks,
- establishing the bank's capacity for risk and in that context the maximum acceptable amount of risk,
- monitoring and assuring that the internally established capital resources are sufficient in view of the internally established capital needs, and
- strategic planning while taking into account future capital needs.

The system corresponds to the bank's size and character, as well as to the extent and complexity of the activities it conducts. Quantifiable risks are evaluated in the form of internally established capital needs while the remaining part of the capital sources is used for covering other types of risks. The risks taken on are thus prudently covered by the internally established capital resources.

Information on capital requirements by individual category

CZK 000s	30.9.2008	31.12.2008	31.3.2009	30.6.2009
Total capital requirements	3,195,176	2,916,273	2,901,420	2,875,623
Total capital required for credit risk	3,049,347	2,770,444	2,755,591	2,685,255
Total capital required for credit risk under Standardized Approach (STA)	3,049,347	2,770,444	2,755,591	2,685,255
Capital required under the STA for all exposures	3,049,347	2,770,444	2,755,591	2,685,255
Capital required under the STA for exposures to institutions	150,351	138,262	205,350	163,530
Capital required under the STA for corporate sector exposures	2,124,831	1,921,195	1,823,369	1,794,830
Capital required under the STA for retail sector exposures	603,624	503,683	502,651	491,394
Capital required under the STA for exposures securing real estate	87,298	106,284	112,135	118,444
Capital required under the STA for exposures in default	4,267	33,040	44,212	51,121
Capital required under the STA for exposures to covered bonds	117	115	116	111
Capital required under the STA for exposures to funds in collective investment	2,211	2,431	2,796	0
Capital required under the STA for other exposures	36,968	31,388	34,030	37,959
Total capital required for market risk under the STA	0	0	0	0
Capital required under the STA for interest rate risk	0	0	0	0
Capital required under the STA for equity risk	0	0	0	0
Capital required under the STA for currency risk	0	0	0	0
Capital required under the STA for commodity risk	0	0	0	0
Total capital required for operational risk under the STA	145,829	145,829	145,829	190,368
Capital required for operational risk under the STA	145,829	145,829	145,829	190,368