

Dear ladies and gentlemen,

We inform you quarterly about actual happening in our bank according to the ČNB regulations already since 1998.

Following we present you information about the first six months of this year and at the same time also for the last year, which was the most successful year since foundation of Volksbank CZ, a.s. in Czech Republic up to now.

We continued successfully with our business policy orientated to target groups - private, small and middle-sized companies, municipalities and also joint ventures. We dedicate considerable attention to education and motivation of our employees, which contribute to the effect, that quality of services and advisory meets your increasing requirements. We initiated new branches in Czech Republic in Liberec on June the 1st, 2001 and in České Budějovice on July the 2nd. Also new branch in Plzeň will be open till the end of this year and the branch in Brno, Radnická street will be moved to new place on Panska street.

On the general meeting, held on 15.6., there was decided with one consent about raise of basic capital with 100 millions CZK to 750 millions CZK, which contributes to further grow.

We appreciate very much your interest in Volksbank CZ, a.s. without reference to fact, whether you are reading about us for the first time, or you consult these information regularly, whether you belong already for certain time to our satisfied clients, or you want to be one in near future.

Volksbank CZ, a. s. is the right partner for your financial transactions, whether for capital investments, or for ideas regarding financing.

In accordance with our company motto - Trust is our commitment - we would like to invite you for a visit of our bank, at which we would be pleased to answer all your questions.



from left to right: Herbert Skok, Johann Lurf, Martin Heilinger



Herbert Skok



Johann Lurf



Martin Heilinger

Assets	30.6.2000	31.12.2000	30.6.2001
	CZK '000	CZK '000	CZK '000
Cash in hand, deposits with banks of issue	215,024	211,434	268,963
Credits granted to banks	1,935,071	2,364,022	2,719,592
Credits granted to clients	6,357,874	6,652,688	7,593,863
Trading portfolio	276,127	195,139	-
Fixed-rate securities, variable-rate securities	-	-	-
Investment portfolio	-	654	613
- Capital interests with crucial influence	-	654	613
- Capital interests with substantial influence	-	-	-
Tangible fixed assets	224,816	219,108	244,282
Intangible fixed assets	23,618	20,787	18,862
Receivables from shareholders and partners	-	-	-
Own shares issued to reduce registered capital	-	-	-
Other assets	164,322	81,933	121,728
TOTAL ASSETS	9,196,852	9,745,765	10,967,903

Liabilities	30.6.2000	31.12.2000	30.6.2001
	CZK '000	CZK '000	CZK '000
Deposits and credits taken from banks	3,224,790	3,772,440	3,855,663
Deposits and credits taken from clients and government	4,595,475	4,718,015	5,208,918
from it: client's savings deposits	250,130	237,535	228,731
Issue of certificates of deposits	-	-	489,139
Issue of bonds/debentures and similar debt securities	-	-	-
Special long-term credits taken (borrowings)	-	-	-
Reserves	98,692	48,392	71,342
Registered capital	650,000	650,000	650,000
Capital, reserve funds and other funds created from profit	6,611	6,266	6,177
Other liabilities	621,284	550,652	686,664
TOTAL LIABILITIES	9,196,852	9,745,765	10,967,903

Profit and loss account according to the ČNB methodology	30.6.2000	31.12.2000	30.6.2001
	CZK '000	CZK '000	CZK '000
Credit interest revenues	254,472	584,646	364,195
Expenses on deposit interest	119,375	295,948	192,053
Profit (loss) from interest	135,097	288,698	172,142
Revenues form dividends	-	-	-
Profit from fees and commissions	19,749	37,303	35,653
Profit (loss) from operations in securities	6,076	11,781	2,861
Profit (loss) from foreign exchange operations	64,761	154,493	67,051
Profit (loss) from other financial operations	(14,940)	(18,447)	(16,228)
Profit (loss) from derivative operations in the banking portfolio	(515)	(375)	384
Profit (loss) from the derivative operations in the trading portfolio	-	-	-
Ordinary operating expenses	146,008	314,513	188,846
Net creation of reserves and adjustments	(41,010)	(112,036)	(54,390)
Other operating profit	972	2,850	(98)
Extraordinary profit	3,103	25,874	645
Income tax	4,129	29,720	8,782
Net profit (loss) for the accounting period	23,156	45,908	10,392