

Volksbanks are stable and well positioned

Volksbank primary banks, the majority shareholders of VBAG, are stable and well positioned. "Volksbanks generated a result before taxes of EUR 94.2 million in the third quarter of 2009 which represents an increase of 15% compared to the first three quarters of 2008. The equity ratio stood at 15% - exceeding the regulatory requirement by almost 100%" said Hans Hofinger, head of the Association of Volksbanks and Chairman of VBAG's Supervisory Board.

Commenting on the nation-wide banking stress test which was presented by the Austrian National Bank yesterday, CEO Gerald Wenzel said: 'VBAG is in no way comparable with Hypo Group Alpe Adria. We expect a comfortable equity ratio at the end of this financial year. Even under the most severe stress test conditions for next year we will still be above the required minimum capitalization ratios.'

VBAG Group will achieve a turnaround in 2010 and anticipates to be profitable again. "The equity ratio of 11.4% in the third quarter is a solid basis - and this year we are cleaning up" said CEO Wenzel who took office in May 2009. Wenzel has been concentrating on the strategic realignment of VBAG and is in close contact with all supervisory bodies.

Hofinger: „Last week's decisions clearly showed that the Volksbank primary banks take their responsibility seriously and fully back their central institution. VBAG is facing challenges, but the sector is certainly not in a crisis."

The 62 Volksbanks in Austria are financial providers in their regions and are an important partner for local businesses and private clients. Approximately 850.000 customers trust the Volksbanks. This is shown by the fact that Volksbank is a repeat winner of the customer satisfaction award as well as the recommendation award. "Volksbanks focus on their regional responsibility", concluded Hofinger.