



Investment Opportunities

**Presentation for Vienna Economic Forum Sarajewo Meeting
on September 28th 2009**

Dr. Friedhelm Boschert, Chairman of the Managing Board



Network in 9 countries

- 10 Retailbanks
in 9 CEE-Ländern
- 580 Points of sale
- 5.550 staff
- EUR 14,7 bn assets
- 1 Mio customers
 - 0,9 Mio private
 - 0,1 Mio SME



VOLKSBANK BH d.d Sarajevo and VOLKSBANK a.d. Banja Luka



Total assets: 680 Mio EUR

Total Loan Volume: 461 Mio EUR

Total Deposit Volume: 329 Mio EUR

Market Share: ca. 6,8%

Number of Employees: 590

Number of Branches: 50

Number of Customers: 180.000

(as of 31.12.2008)



SME in Volksbank BH

All SME Clients:

Number: 1,500 (ca. 75% of total Corporate Clients)

Loan Volume: 110 mio EUR

Austrian SME:

Number: 40

Loan Volume: 15 % of total SME- Loan Volume
(50% Working Capital, 50% Investments)

Intern. Payment Transactions: 25% of total transactions

40% of Total International Payment Transactions are to / from Austrian Companies!

Austrian and German Customers in Volksbank BH



Special Services in Volksbank

- Austrian / German desk (German language)
- Support in company foundation regulations (budget planning, contact with lawyer and notary, etc.)
- Support in contacting potential business partners
- Consultations regarding investments

Customer Structure in Volksbank

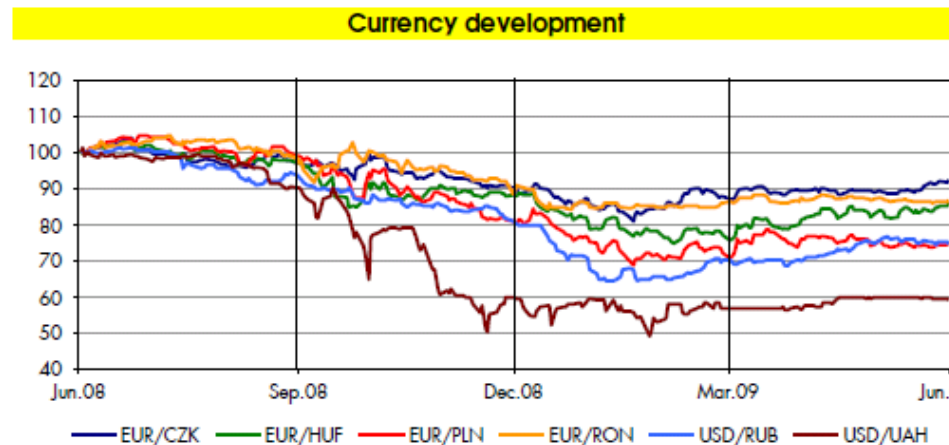
- 40 Austrian Companies
- 25 German Companies
 - 42% in Trade (whole sale, construction material, medical equipment etc.)
 - 24% in Production (recycling, automobile spear parts, energy etc.)
 - 24% in Services (international transportation, construction, IT services etc.)
 - 4% in Insurance (life insurance, title insurance, accident insurance etc.)
 - 6% other



Forecast 2010

Region/Country	2007	2008	2009e	2010f
CEE	7.2	5.0	(5.8)	0.9
Austria	3.1	1.8	(3.5)	0.2
Germany	2.6	1.0	(5.9)	0.4
Eurozone	2.7	0.7	(4.3)	0.3
USA	2.0	1.1	(3.0)	0.9

Source: Raiffeisen Research



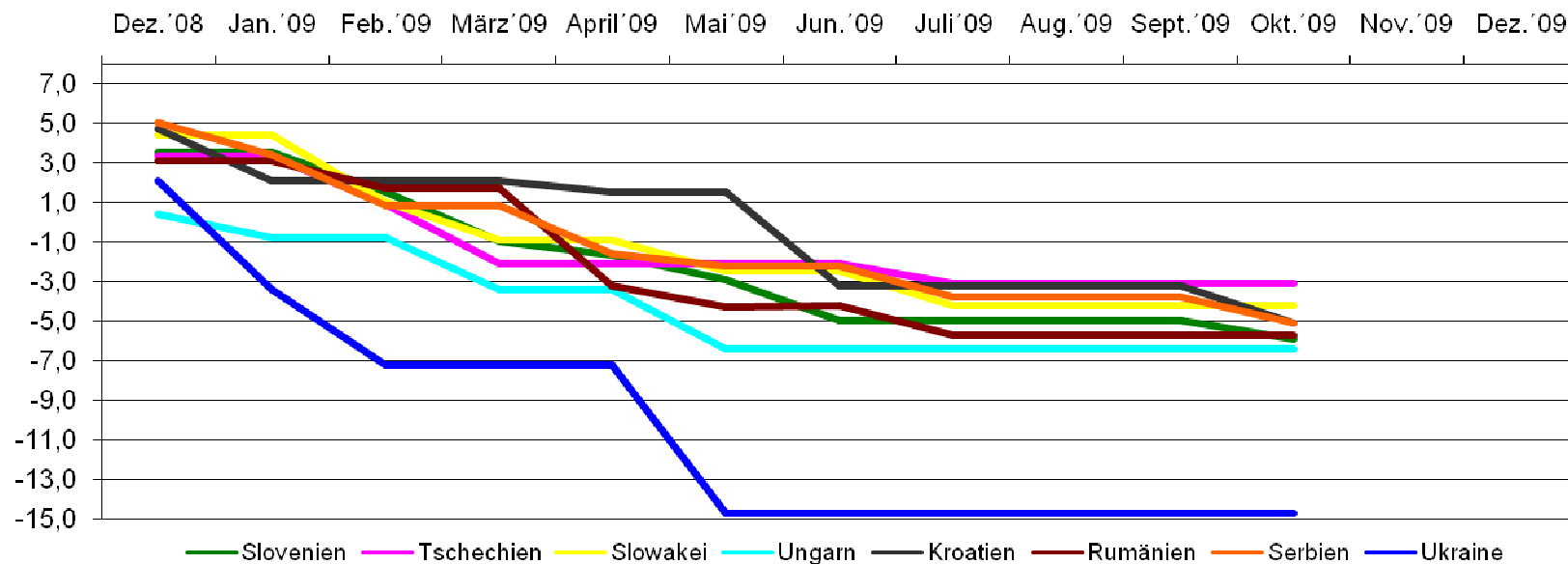
Source: Thomson Reuters, Raiffeisen RESEARCH

- The impact of the crisis on the individual CEE markets varies significantly
- After several years of high real GDP growth, 2009 will bring a very sharp decline in GDP in CEE
- Analysts forecast a turnaround for CEE in 2010 which will then outpace growth in the Eurozone again
- Stabilizing currencies are a main pre-requisite for economic recovery in CEE
- Declining imports are taking pressure off current account deficits (e.g. Ukraine, Romania)



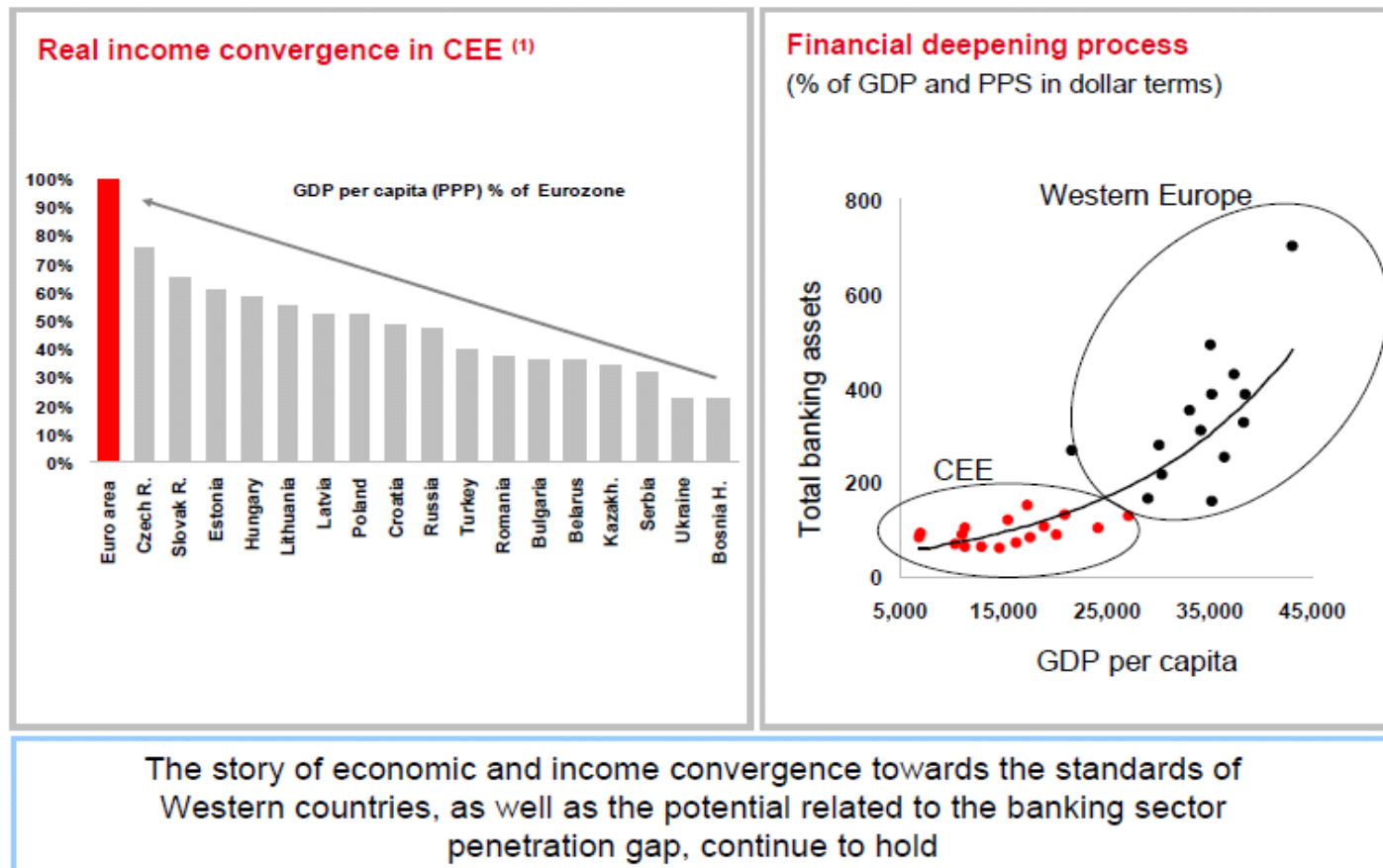
Emerging Market Monitor 2009

Länder	Dez.'08	Jan.'09	Feb.'09	März'09	April'09	Mai'09	Jun.'09	Juli'09	Aug.'09	Sept.'09	Okt.'09
Slovenien	3,5	3,5	1,5	-1,0	-1,7	-2,9	-5,0	-5,0	-5,0	-5,0	-5,9
Tschechien	3,3	3,3	0,9	-2,1	-2,1	-2,1	-2,1	-3,1	-3,1	-3,1	-3,1
Slowakei	4,4	4,4	1,0	-0,9	-0,9	-2,5	-2,5	-4,2	-4,2	-4,2	-4,2
Ungarn	0,4	-0,8	-0,8	-3,4	-3,4	-6,4	-6,4	-6,4	-6,4	-6,4	-6,4
Kroatien	4,7	2,1	2,1	2,1	1,5	1,5	-3,2	-3,2	-3,2	-3,2	-5,1
Rumänien	3,1	3,1	1,7	1,7	-3,2	-4,3	-4,2	-5,7	-5,7	-5,7	-5,7
Serbien	5,0	3,4	0,8	0,8	-1,6	-2,2	-2,2	-3,8	-3,8	-3,8	-5,1
Ukraine	2,1	-3,4	-7,2	-7,2	-7,2	-14,7	-14,7	-14,7	-14,7	-14,7	-14,7





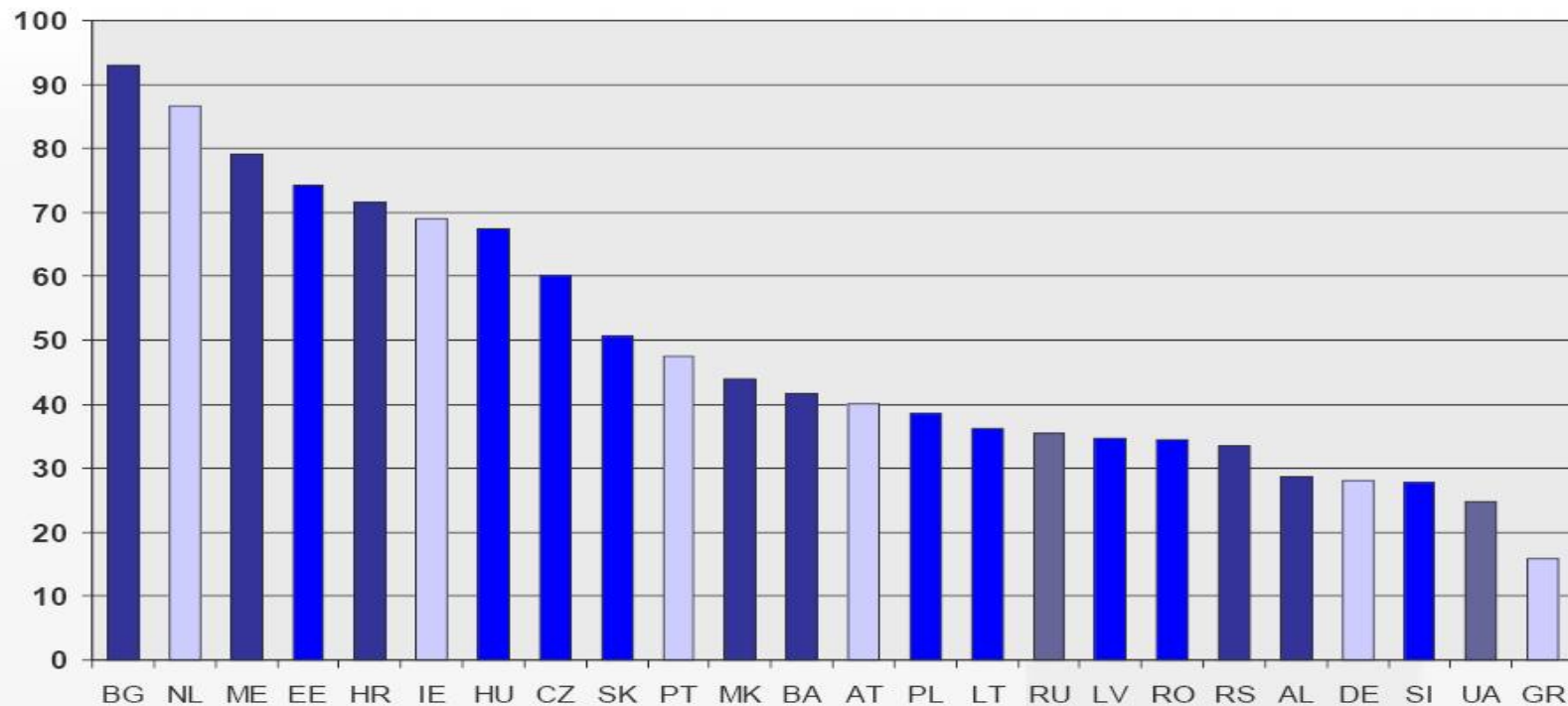
THE LONG TERM POTENTIAL OF THE CEE REGION IS INTACT



(1) CEE incl. new EU member states, Croatia and Turkey; calculation based on GDP per capita expressed in dollar terms
Source: UniCredit Group CEE Strategic Analysis, IMF, ECB



FDI-Bestand in Prozent des BIP, 2007



Quelle: wiiw Database on Foreign Direct Investment in Central, East and Southeast Europe, 2009; Eurostat. © wiiw

Wiiw: Longterm prospects for FDI

- Lower growth for production and exports; overall investment could decline
- Exportoriented FDI transmitted the crisis to the region, but could help to get out as well
- Competition between countries for FDI will increase
- Devaluations in the crisis could have caused advantages for some countries; that could be attractive for production-FDI
- Domestic demand on lower growth levels than before, that mean domestic market oriented FDI could suffer (trade, banks)

Source: Wiener Institut für Internationale Wirtschaftsvergleiche wiiw

Investors still positive about CEE-region

- Average unit Labour costs still less than 50% of Western Europe
- Average gross wages less than one third of those in Western Europe
- Demand and market size attractive
- Investors carefully observe what's going to develop: avoid bureaucracy !



Thank you
for your kind attention !

www.vbi.at