

INTERIM REPORT AS AT 31.03.2007

IMPORTANT DATES FOR SHAREHOLDERS

Annual General Meeting

21 May 2007, 10.00 h, Stadtforum, Innsbruck

The dividend is published one day after the General Meeting at BTV's website and in the gazette of the Wiener Zeitung.

Ex-dividend date

22 May 2007

Payment of dividend

25 May 2007

Intermediate report as at 31 March 2007

Published on 25 May 2007 (www.btv.at)

Intermediate report as at 30 June 2007

Published on 24 August 2006 (www.btv.at)

Intermediate report as at 30 September 2007

Published on 23 November 2006 (www.btv.at)

THE BTV GROUP – AT A GLANCE

Income in millions of €	31.03.2007	31.03.2006	+/- %
Interest	27,5	25,3	9,0 %
Loan loss provisions	- 7,2	- 6,9	4,6 %
Commission	12,7	12,5	1,7 %
Operating expenses	- 22,5	- 21,8	3,3 %
Profit of the year before tax	12,9	11,6	11,2 %
Group profit for the year	10,9	9,9	9,7 %
Balance sheet in millions of €	31.03.2007	31.12.2006	+/- %
Total assets	7.308	7.458	- 2,0 %
Loans and advances to customers after credit risk	4.853	5.109	- 5,0 %
Primary funds	5.815	5.508	5,6 %
of which savings deposits	1.106	1.094	1,1 %
of which securitised debt inc. subordinated capital	1.229	1.223	0,6 %
Equity	524	512	2,3 %
Managed deposits	10.935	10.609	3,1 %
Equity (under Austrian law - BWG) in millions of €	31.03.2007	31.12.2006	+/- %
Risk-weighted assets	5.103	5.165	- 1,2 %
Own funds (not inc. Tier 3)	628	617	1,7 %
of which core capital (Tier I)	364	364	0,0 %
Surplus own funds	220	204	7,7 %
Core capital ratio	7,13 %	7,04 %	0,09 %
Total capital ratio	12,31 %	11,95 %	0,36 %
Resources	31.03.2007	31.03.2006	+/- Anzahl
Average no. of employees	856	816	40
Number of branches	41	37	4
Companies	31.03.2007	31.03.2006	+/- in %-Punkte
Return on equity before tax	10,1 %	9,9 %	0,2 %
Return on equity after tax	8,5 %	8,4 %	0,1 %
Cost/income ratio	54,9 %	54,5 %	0,4 %
Risk/earnings ratio	26,1 %	27,2 %	- 1,1 %
BTV shares	31.03.2007	31.03.2006	
Number of ordinary no-par value shares	4.500.000	4.500.000	
Number of preference no-par value shares	500.000	500.000	
Top price of ordinary/preference share in €	112,00/109,88	101,00/88,80	
Bottom price of ordinary/preference share in €	101,70/89,01	88,00/78,50	
Closing price of ordinary/preference share in €	112,00/109,00	90,00/82,00	
Market capitalisation in millions of €	559	446	
IFRS EPS in €	8,90	8,11	
P/E ratio, ordinary shares	12,6	11,1	
P/E ratio, preference shares	12,2	10,1	

BUSINESS DEVELOPMENT OF BTV AG DURING THE FIRST QUARTER OF 2007

ECONOMIC ENVIRONMENT

A positive business outlook and mild weather at the beginning of the year allowed Austria's economy to grow in the first quarter by 0.8 % in real terms over the previous period, according to the current first estimate from the Austrian Institute for Economic Research. This results in a real increase of 3.2 % compared with the first quarter of 2006. Exports from the country were again the most important pillar of the economy at the beginning of the year. Investments in equipment and machinery, on the other hand, were rising rather more weakly than in the preceding periods. Private household spending on consumer goods continued to be rather subdued in response to the upswing in the economy that has now been going on for a year. Europe's economic prospects continued to improve. Economic recovery in France, Germany and Italy was the principal reason for the strengthening of the growth. In addition to exports making excellent progress, the factors driving domestic demand were also slowly gaining in strength. The strong growth dynamics of the Eurozone persisted in the first quarter and, despite the risks posed by the euro/dollar exchange rate, many factors suggest this trend will continue, though perhaps with rather weaker dynamics.

The interest rate situation during the first quarter of 2007 was characterised by a curve that was steepening somewhat, as a sideward trend was discernible at the short end while the longer terms moved up. Our customers, though, continued to deploy their funds above all in securities with short and medium terms.

INCOME

Interest

The rise in interest-earning operations is the result of increased customer business volumes in financing operations and primary deposits, and also of fresh buying for our own securities holdings. In addition higher dividends and revenues from at equity participations made their contribution to the increase in the net interest income of 9.0 %, namely of € 2.3 million to € 27.5 million.

Loan loss provisions

The loan loss provisions represent the balance resulting from increased provisions for doubtful debts and the writing back of loan loss provisions, including direct write-offs on claims. They are supplemented by receipts arising from claims that have already been written off. The loan loss provisions for firms and private individuals was € 7.2 million, which was slightly above the level of the previous year.

Commission

The result in the commission and fee-earning business is predominantly attributable to excellent sales of securities, which

increased again in relation to the very good result of the previous year. Revenues in this core division of BTV grew in the first quarter by € 0.4 million or 5.0 % to € 7.5 million. Foreign exchange commission and income from loans attained approximately last year's level. The revenues from payment transactions were, on the other hand, slightly above the 2006 quarterly results. Net commission income as a whole went up by 1.7 % to € 12.7 million.

Trading

At € 0.7 million net trading income was below the previous year's result. The main reason for this development was markedly lower hedging transactions for our own securities holdings. This led to a drop in the revenues from derivatives of € 1.3 million. In order to keep hedging transactions flexible they are not stated under hedge accounting, but are recorded in trading results. The trading results in the securities and foreign exchange business were in total only € 0.2 million below the comparable figure for the previous year.

Operating expenses

Administrative expenditure (Personnel and operating expenditure including depreciation on tangible assets) rose compared with the previous year by 3.3 % to € 22.5 million, chiefly owing to BTV's expansion.

Personnel expenditure rose by 1.3 % to € 14.7 million. The main reason for this low increase was the reduced expenditure on personnel provisions, which were down on the previous year by € 0.9 million. In the reporting year itself the formula for career trends was adjusted from 0.25 % to 0.50 %, and the proportionate expenditure was entered. In addition a flat-rate safety surcharge of 5 % of the cash value was estimated (and proportionately accounted for) in respect of the adjustment in the calculation bases for pension obligations (mortality tables) expected in the future.

Wages and salaries, on the other hand, rose by 7.4 % to € 9.9 million. In addition to the collective agreement rise, it was the increased number of employees involved in the expansion markets that was particularly responsible for the rise in costs. That number increased in total (weighted according to the level of employment) compared with the previous year by 40, to 856 employees.

An uplift in EDP costs owing to our expansion and higher office expenditure were the main reasons for the increase in expenditure on tangibles of € 0.3 million to € 0.6 million. Higher depreciation on buildings, especially, led to depreciation on assets as a whole climbing by 12.8 % to € 1.8 million.

Other operating income

The profit balance increased from € 0.3 million in the previous year to € 1.6 million. This improvement is wholly attributable to the increased success with which securities have been sold. The more volatile performance on the equity markets led, especial-

ly, to targeted profit taking. Other operational revenues went down by € 0.3 million, while other operational expenditure went up by € 0.1 million. These developments led to a surplus (before taxation) for the period of € 12.9 million, which was 11.2 % above the previous year.

Tax

The amounts stated under the heading "Taxes on income and profit" concern, in particular, the active and passive deferrals of latent taxes to be undertaken in accordance with IFRS in addition to the on-going Austrian corporation tax charge. This results in a tax burden of € 2.0 million for the first quarter of 2007, on which BTV indicates a tax ratio of 15.5 % (it was 14.4 % in the previous year).

Consolidated profit

The after-tax surplus for the period rose by 9.7 % to € 10.9 million compared with € 9.9 million the previous year.

The return on equity based on the group before-tax surplus as at 31 March 2007 was 10.1 % against 9.9 % for the previous year. The cost/income ratio went up slightly from 54.5 % to 54.9 %, while the risk/earnings ratio improved by 27.2 %, to 26.1 %.

BALANCE SHEET

The balance sheet total of the BTV group turned out to be on the decline vis-à-vis the end of 2006, having reduced by 2.0 % or € 151 million. On the asset side it was the claims on customers at risk that were behind this trend, with a drop of 4.8 % or € 252 million. It was chiefly short-term finance to institutional clients, which was down by € 154 million, and seasonally related repayments in the cable car and tourism sectors that led to this performance. The level of risk provisioning rose moderately by 3.0 % to € 157 million.

The more volatile development on the equity and capital markets led to higher trading activity in the first three months. The growth in the volume of financial assets held for trading purposes subdivided into € 20 million for bonds and € 10 million for equities. The growth of € 45 million to € 1,143 million-worth of securities outstanding resulted from fresh buying of fixed-interest securities. The stock of equities reduced by € 11 million to € 99 million. At € 615 million financial assets were slightly below their end-year level. Here capital repayments in the 'held to maturity' category balanced higher amounts stated under shareholdings valued 'at equity'.

On the liability side customer deposits were expanded by 7.0 % to € 4,586 million. The company clientele grew by € 144 million, the private clientele by € 72 million. The increase in institutional clients' deposits of € 91 million was mostly the result of

intensified activity in the German expansion market. The € 5,185 million total of primary deposits, including subordinated capital, was 5.6 % up on the end 2006 figure. The liquidity ratio of customer claims after risk provisioning rose thereby to about 120 %.

The banking group's own equity eligible under the BWG (Austria's banking law) amounted at the end of the 1st quarter to € 628.3 million (it was € 617.4 million in December 2006). The statutory minimum requirement was € 411 million as at 31 March 2007, which was the equivalent of an over-covering of about 54 % (it was about 49 % in December 2006).

As at 31 March 2007 the banking group's core capital, at € 363.8 million, was in accordance with the BWG (it had been € 363.7 million in December 2006). The quarterly reporting date's core capital ratio of 7.13 % resulting from that was 0.09 of a percentage point above the comparable figure at the end of 2006. The own equity ratio had improved from 11.95 % to 12.31 %, thus exceeding by some way the statutory minimum ratio required of 8.0 %. This positive development resulted first and foremost from the diminishing financing volumes.

OUTLOOK

As already mentioned, Austria's economic growth of 3.2 % in the first quarter turned out to be higher than had originally been expected. Goods exports and investments are the load-bearing pillars underpinning the economic upswing. The eastern part of Switzerland, and the German states of Baden-Württemberg and Bavaria are enjoying a similar performance. A positive environment for our business development for the whole of 2007 is expected, even if the industrial boom weakens somewhat in the further course of the year, and even if the interest rates that have risen lead to some slight cooling in the demand for credit.

BTV's markets are in the economically strongest region of Europe. BTV will extend its market leadership in the Tyrol and the Vorarlberg in the coming years, and score points as a specialist in its expansion markets. The first quarter's result is in complete harmony with the annual plan such that – subject to the usual reservation on the meaningfulness of any individual quarter – the group after-tax surplus is expected to be about € 50 million at the year end.

I. BTV GROUP: BALANCE SHEET AS AT 31 MARCH 2007

Assets thousands of €	Notes	31.03.2007	31.12.2006	absolut	change	in %
1. Cash reserves		35.462	126.973	- 91.511		- 72,1 %
2. Loans and advances to banks	(1)	386.836	299.158	87.678		29,3 %
3. Loans and advances to customers	(2)	5.009.697	5.261.368	- 251.671		- 4,8 %
4. Loan loss provisions	(3)	- 156.986	- 152.439	- 4.547		3,0 %
5. Trading	(4)	30.504	107	30.397		> 100,0 %
6. Other current assets	(5)	1.143.176	1.097.868	45.308		4,1 %
7. Long-term investments and loans	(6)	614.778	621.253	- 6.475		- 1,0 %
8. Intangible fixed assets		1.374	1.481	- 107		- 7,2 %
9. Property, plant and equipment		117.649	122.445	- 4.796		- 3,9 %
10. Other assets		125.044	80.061	44.983		56,2 %
Total assets		7.307.534	7.458.275	- 150.741		- 2,0 %
Liabilities thousands of €	Notes	31.03.2007	31.12.2006	absolut	change	in %
1. Banks	(7)	750.366	1.259.102	- 508.736		- 40,4 %
2. Customer accounts	(8)	4.585.957	4.285.439	300.518		7,0 %
3. Securitised debt	(9)	880.540	882.869	- 2.329		- 0,3 %
4. Reserves and provisions	(10)	68.690	67.550	1.140		1,7 %
5. Other liabilities		148.760	110.956	37.804		34,1 %
6. Subordinated capital	(11)	348.883	339.985	8.898		2,6 %
7. Equity		524.338	512.374	11.964		2,3 %
Total liabilities		7.307.534	7.458.275	- 150.741		- 2,0 %

II.A. BTV GROUP: PROFIT AND LOSS ACCOUNT AS AT 31 MARCH 2007

thousands of €	Notes	01.01. - 31.03.2007	01.01. - 31.03.2006	absolut	change in %
1. Interest and similar income		84.620	62.862	21.758	34,6 %
2. Interest and similar expenses		- 57.081	- 37.598	19.483	51,8 %
I. Net interest income	(13)	27.539	25.264	2.275	9,0 %
3. Loan loss provisions	(14)	- 7.192	- 6.879	313	4,6 %
4. Commission income		14.787	14.801	- 14	- 0,1 %
5. Commission expense		- 2.090	- 2.312	- 222	- 9,6 %
II. Net commission income	(15)	12.697	12.489	208	1,7 %
6. Trading income	(16)	719	2.184	- 1.465	- 67,1 %
7. Operating expenses	(17)	- 22.487	- 21.771	716	3,3 %
8. Other operating income	(18)	1.601	296	1.305	> 100,0 %
III. Net profit for the year before tax		12.877	11.583	1.294	11,2 %
9. Income and profits tax		- 1.998	- 1.670	328	19,6 %
IV. Net profit for the year after tax		10.879	9.913	966	9,7 %

Indicators		31.03.2007	31.03.2006
EPS in €	(20)	2,19	2,00
RoE before tax		10,1 %	9,9 %
RoE after tax		8,5 %	8,4 %
Cost/income ratio		54,9 %	54,5 %
Risk/earnings ratio		26,1 %	27,2 %

II.B. BTV GROUP: PROFIT AND LOSS ACCOUNT PERIODES

thousands of €	1. Qu. 2007	4. Qu. 2006	3. Qu. 2006	2. Qu. 2006	1. Qu. 2006
1. Interest and similar income	84.620	85.700	71.878	69.887	62.862
2. Interest and similar expenses	- 57.081	- 54.969	- 43.340	- 43.522	- 37.598
I. Net interest income	27.539	30.731	28.538	26.365	25.264
3. Loan loss provisions	- 7.192	- 10.816	- 5.764	- 5.968	- 6.879
4. Commission income	14.787	13.571	11.954	13.437	14.801
5. Commission expense	- 2.090	- 1.670	- 1.623	- 2.524	- 2.312
II. Net commission income	12.697	11.901	10.331	10.913	12.489
6. Trading income	719	304	- 482	534	2.184
7. Operating expenses	- 22.487	- 19.713	- 20.334	- 20.846	- 21.771
8. Other operating income	1.601	2.696	- 918	1.818	296
III. Net profit for the quarter before tax	12.877	15.103	11.371	12.816	11.583
9. Income and profits tax	- 1.998	- 1.433	- 1.558	- 1.673	- 1.670
IV. Net profit for the quarter after tax	10.879	13.670	9.813	11.143	9.913

III. BTV GROUP: STATEMENT OF CHANGE IN EQUITY AS AT 31 MARCH 2007

thousands of €	Subscribed capital	Retained earnings	Revenue reserves	Depreciation reserves	Total equity 2005
Equity at 01.01.2006	50.000	58.778	340.071	20.769	469.618
Capital increases	–	–	–	–	–
Net income for the quarter	–	–	9.913	–	9.913
Distributions	–	–	–	–	–
Exchange differentials	–	–	35	–	35
Treasury shares	–	- 13	–	–	- 13
Other changes	–	–	5.278	- 1.482	3.796
of which deferred tax	–	–	403	–	403
of which from at equity assessment	–	–	4.873	–	4.873
Equity at 31.03.2006	50.000	58.765	355.297	19.287	483.349

thousands of €	Subscribed capital	Retained earnings	Revenue reserves	Depreciation reserves	Total equity 2006
Equity at 01.01.2007	50.000	58.876	392.374	11.124	512.374
Capital increases	–	–	–	–	–
Net income for the quarter	–	–	10.879	–	10.879
Distributions	–	–	–	–	–
Exchange differentials	–	–	19	–	19
Treasury shares	–	–	–	–	–
Other changes	–	–	242	824	1.066
of which deferred tax	–	–	- 206	–	- 206
of which from at equity assessment	–	–	448	–	448
Equity at 31.03.2007	50.000	58.876	403.514	11.948	524.338

IV. BTV GROUP: CASH FLOW STATEMENT AS AT 31 MARCH 2007

thousands of €	01.01. - 31.03.2007	01.01. - 31.03.2006
Cash position at the end of the previous period	126.973	123.563
Operating cash flow	- 99.492	- 50.532
Investment cash flow	- 1.218	- 454
Financing cash flow	9.199	17.362
Cash position at end of period	35.462	89.939

V. BTV GROUP: NOTES

Accounting and Valuation Principles

The group intermediate statements are drawn up under IFRS and IFRIC (International Financial Reporting Interpretations Committee) requirements as exempt consolidated financial statements under § 59a of the BWG in combination with § 245a of the UGB. All the standards we have a duty to apply to the financial years have been applied in drawing up these group financial statements. Standards or interpretations that have already been published and taken over by the EU, which do not yet have to be applied mandatorily, have not been applied prematurely. This set of un-audited intermediate statements as at 31 March 2007 is in harmony with IAS 34.

Starting on 1 January 2007 the career trends accounting formula for social insurance provisions was raised from 0.25 % to 0.50 %. The additional expenditure was spread evenly over the 2007 calendar year.

There were no changes to the remaining accounting and valuation methods in the period reported.

Material events over the reporting period

At the beginning of February BTV opened its fourth branch in the market territory of Southern Germany, in Rosenheim, and its third advisory office in Northern Italy in Bolzano.

Post-interim balance sheet events

With respect to the resolutions adopted at the 89th Annual General Meeting on 21 May 2007, attention is drawn to the announcement on the BTV Homepage under the heading 'investor relations' (www.btv.at).

After the date of the intermediate report there were no reportable activities or occurrences in the BTV group that, in their form or factual content, would have influenced the picture of its assets, finances and profits conveyed in that report.

V. BTV GROUP: NOTES

BALANCE SHEET – ASSETS

1) LOANS AND ADVANCES TO BANKS

	31.03.2007	31.12.2006
thousands of €		
Austrian banks	61.123	98.022
Foreign banks	325.713	201.136
Loans and advances to banks	386.836	299.158

2) LOANS AND ADVANCES TO CUSTOMERS

	31.03.2007	31.12.2006
thousands of €		
Austrian	3.758.616	3.888.579
Foreign	1.251.081	1.372.789
Loans and advances to customers	5.009.697	5.261.368
of which fair value	2.025	0

3) LOAN LOSS PROVISIONS

	2007	2006
thousands of €		
Opening balance at 1 January	152.439	147.879
Releases	- 11	- 6
Allocation	5.773	6.055
Application	- 1.215	- 692
Loan loss provisions at 31.03.	156.986	153.236
Opening balance commitments at 01.01.	219	181
Releases	0	0
Allocation	25	50
Application	0	0
Reserves and provisions commitments at 31.03.	244	231
Total loan loss provisions at 31.03.	157.230	153.467

V. BTV GROUP: NOTES

4) TRADING ASSETS

	31.03.2007	31.12.2006
thousands of €		
Debtenture bonds and other fixed-interest securities	19.990	12
Equities and other variable-interest securities	10.412	0
Positive market values arising from derivative transactions	102	95
Trading assets	30.504	107

5) OTHER CURRENT ASSETS

	31.03.2007	31.12.2006
thousands of €		
Debtenture bonds and other fixed-interest securities	1.043.703	987.300
Equities and other variable-interest securities	98.910	109.968
Total current assets	1.143.176	1.097.868
of which fair value	54.409	39.638

6) LONG-TERM INVESTMENTS AND LOANS

	31.03.2007	31.12.2006
thousands of €		
Securities held as current assets/HTM		
Debtenture bonds and other fixed-interest securities	319.813	330.595
Interim securities held as current assets	319.813	330.595
Participations/associates		
Other participations	20.062	20.062
Other associates	70.400	70.400
Participations consolidated at equity	204.503	200.196
Interim participations/associates	294.965	290.658
Total long-term investments and loans	614.778	621.253

7) BANKS

	31.03.2007	31.12.2006
thousands of €		
Austrian	508.203	759.042
Foreign	242.163	500.060
Liabilities to banks	750.366	1.259.102

V. BTV GROUP: NOTES

8) CUSTOMER ACCOUNTS

	31.03.2007	31.12.2006
thousands of €		
savings deposits		
Austrian	978.549	970.563
Foreign	127.060	123.471
Sub-total savings deposits	1.105.609	1.094.034
Other deposits		
Austrian	2.889.355	2.820.707
Foreign	590.993	370.698
Sub-total other deposits	3.480.348	3.191.405
Customer accounts	4.585.957	4.285.439

9) SECURITISED DEBT

	31.03.2007	31.12.2006
thousands of €		
Debentures	727.462	741.147
Domestic bonds (including medium-term cash deposit)	153.078	141.722
Securitized debt	880.540	882.869

10) RESERVES AND PROVISIONS

	31.03.2007	31.12.2006
thousands of €		
Long-term payroll reserves	64.355	63.118
Other Reserves and provisions	4.335	4.432
Reserves and provisions	68.690	67.550

11) SUBORDINATED CAPITAL

	31.03.2007	31.12.2006
thousands of €		
Supplymentary capital	348.883	339.985
Subordinated capital	348.883	339.985

V. BTV GROUP: NOTES

12) CONSOLIDATED OWN FUNDS OF THE BTV BANKING GROUP

Pursuant to the Austrian Banking Act (BWG) own funds issued by the BTV banking group were as follows:

CONSOLIDATED OWN FUNDS OF THE BTV BANKING GROUP

thousands of €	31.03.2007	31.12.2006
Share capital	50,0	50,0
Minus treasury shares	- 2,4	- 2,4
General reserves	307,1	307,1
Consolidation pursuant to section 24(2) BWG	10,3	10,3
Minus intangible assets	- 1,2	- 1,3
Core capital (Tier 1)	363,8	363,7
Supplementary own funds (Tier 2)	363,8	352,9
Valuation items	- 99,3	- 99,2
Eligible own funds (excluding Tier 3)	628,3	617,4
Own funds applied pursuant to section 23(14 Z 7) BWG (Tier 3)	2,8	0,7
Eligible own funds pursuant to section 215(115) BWG	631,1	618,1
Capital adequacy - own fund requirement	408,2	413,2
Securities trading book and general currency position - own fund requirement	2,8	0,7
Own fund requirement pursuant to section 22(1) BWG	411,0	413,9
Excess	220,1	204,2
Core capital ratio in %	7,13 %	7,04 %
Attributable own funds in %	12,31 %	11,95 %

V. BTV GROUP: NOTES

INCOME STATEMENT

13) NET INTEREST INCOME

thousands of €	01.01. - 31.03.2007	01.01. - 31.03.2006
Interest and similar income from		
lending and money market transactions with banks	12.320	8.127
lending and money market transactions with customers	53.254	37.593
debenture bonds and fixed-interest securities	12.907	11.151
equities and variable-rate securities	759	449
other participations	293	298
participations carried at equity	4.680	3.598
other	407	1.646
Sub-total interest and similar income	84.620	62.862
Interest and similar expenses on		
bank deposits	- 8.660	- 3.239
client deposits	- 35.554	- 23.564
securitised debt	- 8.829	- 5.662
subordinated capital	- 3.823	- 3.183
other	- 215	- 1.950
Sub-total interest and similar expenses	- 57.081	- 37.598
Net interest income	27.539	25.264

14) LOAN LOSS PROVISIONS

thousands of €	01.01. - 31.03.2007	01.01. - 31.03.2006
On-balance sheet	- 5.773	- 6.055
Off-balance sheet	- 25	- 50
Loan loss insurance premiums	- 1.200	- 1.000
Release of on-balance sheet provisions	11	6
Release of off-balance sheet provisions	0	0
Direct amortisation	- 277	- 13
Income from amortised receivables	72	233
Loan loss provisions	- 7.192	- 6.879

Accruals to and releases of off-balance sheet loan loss provisions are included in the above.

V. BTV GROUP: NOTES

15) COMMISSION INCOME

thousands of €	01.01. - 31.03.2007	01.01. - 31.03.2006
Lending	642	739
Payment transactions	3.179	3.153
Securities trading	7.530	7.169
Currency, foreign exchange and precious metals trading	655	749
Other	691	679
Commission income	12.697	12.489

16) TRADING INCOME

thousands of €	01.01. - 31.03.2007	01.01. - 31.03.2006
Derivatives	35	1.304
Securities	433	679
Foreign currency	251	201
Trading income	719	2.184

17) OPERATING EXPENSES

thousands of €	01.01. - 31.03.2007	01.01. - 31.03.2006
Payroll	- 14.701	- 14.519
Materials	- 5.998	- 5.668
Amortisation	- 1.788	- 1.584
Operating expenses	- 22.487	- 21.771

17 a) Payroll	31.03.2007	31.03.2006
– White collar	830	794
– Blue collar	26	22
Payroll	856	816

From 2007 the number of people employed will be detailed without the EDP employees outsourced to the 3 banks' EDP company in order to ensure that it will be easier to see how the

expenditure on personnel has developed. The figure for the previous year has been adapted correspondingly.

V. BTV GROUP: NOTES

18) OTHER OPERATING INCOME

thousands of €	01.01. - 31.03.2007	01.01. - 31.03.2006
Securities and derivatives	1.998	344
Participations	0	0
Sundry other operating income	1.145	1.405
Sundry other operating expenses	- 1.532	- 1.453
Other Operating income	1.601	296

19) PERFORMANCE BONDS AND CREDIT RISKS

thousands of €	31.03.2007	31.03.2006
– Performance bonds	214.676	201.119
– Credit risks	773.354	725.759
Performance bonds and credit risks	988.030	926.878

20) EPS (ORDINARY AND PREFERENCE SHARES)

	31.03.2007	31.03.2006
Equities (ordinary and preference shares)	5.000.000	5.000.000
Average float (ordinary and preference shares)	4.956.346	4.955.227
Net Group income (thousands of €)	10.879	9.913
EPS in € (ordinary und preference shares)	2,19	2,00
Diluted gain per share in € (ordinary und preference shares)	2,19	2,00

V. BTV GROUP: SEGMENT REPORTING

Corporate banking

Profits rose on the company clientele side of the business by 21.8 % compared with the previous year, with a before-tax surplus for the period of € 5.9 million. Volume extensions both in the asset business and in deposits led in total to an improvement in net interest income of € 2.24 million or 18.0 %. The growth in net commission income is primarily accounted for by positive developments in payment transactions, while the loan and foreign exchange businesses were slightly below the level of the previous year. Rising personnel costs brought about by our expansion in Bavaria and Baden-Württemberg led to administrative costs increasing by € 0.6 million or 10.1 %. The cost/profit ratio improved vis-à-vis the previous year by 38.1 %, to 36.5 %, while the interest charged on our own funds rose from 8.6 % to 9.7 %.

Retail banking

The first quarter of 2007 also stood out for the satisfactory way in which our securities business for private clients developed. The commission revenues in this division exceeded the high level of the previous year and rose by 5 %, with the commission surplus going up in total by 1.2 % to € 9.46 million. The net interest income increased by 4.1 % over the previous year to around € 11.55 million.

It proved possible to more than compensate for declining margins by developing new business, especially in home building. The administrative expenditure (up 3.1 %) was obviously affected by BTV's expansion activities. The before-tax surplus for the period was € 5.08 million as at 31 March 2007. At 64.4 % the cost/profit ratio was slightly above the previous year, while the return on shareholders' equity improved from 15.8 % to 16.2 %.

Treasury

The flattening interest curve had a negative effect on the Treasury's net interest income. At € 1.28 million that was € .042 million below the previous year's level as at the end of March 2007. The clear setback in trading performance was marked by profit shortfalls arising from hedging transactions, which accounted for € 1.30 million in the first quarter of the previous year. The before-tax surplus for the period amounted to € 4.00 million.

V. BTV GROUP: SEGMENT REPORTING

Segment reporting thousands of €	Quarter	Corporate	Retail	Treasury	Other	Total
Net interest income	03/2007	14.708	11.550	1.281	0	27.539
	03/2006	12.468	11.096	1.700	0	25.264
Loan loss provisions	03/2007	- 5.211	- 1.981	0	0	- 7.192
	03/2006	- 4.608	- 2.271	0	0	- 6.879
Commission	03/2007	2.688	9.457	552	0	12.697
	03/2006	2.652	9.347	490	0	12.489
Trading income	03/2007	0	0	719	0	719
	03/2006	0	0	2.184	0	2.184
Operating expenses	03/2007	- 6.347	- 13.520	- 538	- 2.082	- 22.487
	03/2006	- 5.763	- 13.112	- 618	- 2.278	- 21.771
Other operating income	03/2007	57	- 423	1.988	- 21	1.601
	03/2006	93	- 355	344	214	296
Net profit for the year before tax	03/2007	5.895	5.083	4.002	- 2.103	12.877
	03/2006	4.841	4.705	4.101	- 2.064	11.583
Segment income	03/2007	3.036.415	1.629.061	2.224.550	0	6.890.026
	03/2006	2.879.696	1.617.021	2.079.707	0	6.576.424
Segment liabilities	03/2007	1.063.008	1.801.177	3.701.561	0	6.565.746
	03/2006	943.428	1.634.127	3.469.418	0	6.046.973
Ø Lending and market risk equivalent pursuant to section 22 BWG	03/2007	3.092.046	1.593.769	354.688	95.786	5.136.288
	03/2006	2.856.544	1.507.529	287.144	98.179	4.749.395
Ø Allocated equity	03/2007	247.364	127.502	28.375	109.134	512.374
	03/2006	228.523	120.602	22.972	104.386	476.484
Cost/income ratio (%)	03/2007	36,5 %	64,4 %	21,1 %		54,9 %
	03/2006	38,1 %	64,1 %	14,1 %		54,5 %
RoE (basis net profit for the year before tax) in %	03/2007	9,7 %	16,2 %	57,2 %		10,2 %
	03/2006	8,6 %	15,8 %	72,4 %		9,9 %

The allocation of the net interest income is made according to the market interest method (a market-oriented fund transfer-pricing system used by Austrian and German banks). Costs are imputed to the correct segment on the basis of origin. Costs not directly imputable are shown under "Other".

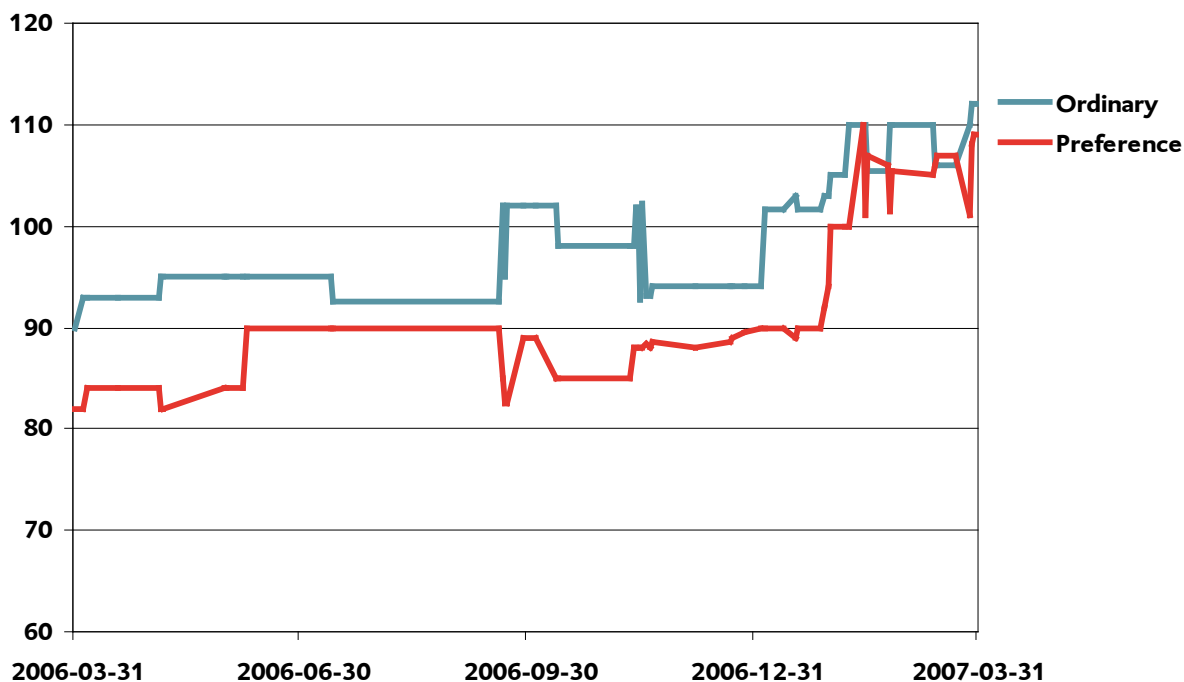
The claims segment contains the entries for claims on banks, claims on customers, trading assets, and the current and non-current assets. The entries for liabilities to banks, liabilities to customers, securitised debt and supplementary capital are allocated to the liabilities segment.

The success of the business field concerned is measured by the before-tax annual surplus generated by that segment. The return on own capital is calculated by the ratio of the before tax-annual surplus to the equity capital. The capital allocation

is made according to regulatory requirements. It is allocated in proportion to the own funds requirements of the business fields, and shown in the net interest income as profit from own funds deployed with the corresponding reference interest rate for long-term deployments.

The cost/income ratio is worked out as a quotient arising from the administrative expenditure and the sum arising from the net interest income, the net commission income and the trading income.

BTV EQUITIES AS AT 2007-03-31



The positive economic data and company reports gave the equity markets clear drivers through into the second half of February, and led to an advance on a broad front, with some indices even achieving new historic high points. Statements by ex-head of the FED Alan Greenspan, in which he considered a marked fall for the US economy possible, and sell-outs on the Asiatic markets led, however, to an abrupt end to the global upward movement. Many players in the market had indeed already anticipated a clear correction, although the timing and fierce reaction within a few days still came a something of a surprise. Despite falling short of some short-term upward trends, the long-term trend channel continues to be quite clearly heading upward. Neither has anything changed fundamentally in the positive environment.

The ATX climbed in the first quarter of 2007 by 4.2 % to 4,645.50 points. Over the same period BTV's ordinary shares increased in value by about 19 %, to € 119, while at the end of March its preference shares were listed more than 21 % higher at € 112.

3 BANKEN GRUPPE – OVERVIEW GROUP INFORMATION

	BKS Bank		Oberbank		BTV	
	31.03. 2007	31.03. 2006	31.03. 2007	31.03. 2006	31.03. 2007	31.03. 2006
Profit and loss in millions of €						
Net interest income	24,2	21,2	65,7	53,6	27,5	25,3
Loan loss provisions	- 6,8	- 5,6	- 15,9	- 13,0	- 7,2	- 6,9
Commission income	11,7	10,9	26,2	25,3	12,7	12,5
Operating expenses	- 19,5	- 18,9	- 48,1	- 45,9	- 22,5	- 21,8
Net profit for the year before tax	11,9	10,0	28,4	25,4	12,9	11,6
Attributable net income for the year	10,3	8,2	24,9	21,5	10,9	9,9
	31.03. 2007	31.12. 2006	31.03. 2007	31.12. 2006	31.03. 2007	31.12. 2006
Balance sheet figures in millions of €						
Total assets	5.443,1	5.145,4	13.491,9	13.221,8	7.307,5	7.458,3
Loans and advances to customers after loan loss provisions	3.264,8	3.206,3	8.166,6	7.969,3	4.852,7	5.109,0
Primary funds	3.062,4	3.009,1	7.927,5	7.605,4	5.815,3	5.508,3
of which savings deposits	1.399,5	1.382,5	2.707,5	2.633,5	1.105,6	1.094,0
of which securitised debt inc. subordinated capital	458,3	425,6	1.539,4	1.494,7	1.229,4	1.222,9
Equity	428,3	416,4	853,3	831,7	524,3	512,4
Managed deposits	9.439,2	9.320,4	15.701,0	15.304,3	10.934,5	10.608,9
of which client deposits	6.376,8	6.311,3	7.773,5	7.698,9	5.119,2	5.100,6
	31.03. 2007	31.12. 2006	31.03. 2007	31.12. 2006	31.03. 2007	31.12. 2006
BWG own funds in millions of €						
Measurement basis	3.726,0	3.598,5	9.590,6	9.457,6	5.103,1	5.165,3
Own funds	398,3	396,3	1.166,2	1.204,6	628,3	617,4
of which core capital (Tier I)	232,4	241,8	666,1	669,4	363,8	363,7
Surplus	100,2	108,4	395,7	446,0	220,1	204,2
Core capital ratio	6,24 %	6,72 %	6,95 %	7,08 %	7,13 %	7,04 %
Total capital ratio	10,69 %	11,01 %	12,16 %	12,74 %	12,31 %	11,95 %
	31.03. 2007	31.12. 2006	31.03. 2007	31.12. 2006	31.03. 2007	31.12. 2006
Subsidiaries						
RoE before tax	11,19 %	11,17 %	13,63 %	12,37 %	10,07 %	10,36 %
RoE after tax	9,66 %	9,74 %	11,92 %	11,01 %	8,51 %	9,07 %
Cost/income ratio	53,4 %	54,7 %	52,0 %	56,4 %	54,9 %	52,0 %
Risk/earnings ratio	28,1 %	21,2 %	24,2 %	23,4 %	26,1 %	26,5 %
	31.03. 2007	31.12. 2006	31.03. 2007	31.12. 2006	31.03. 2007	31.12. 2006
Resources						
Average no. of employees (only white collar)	763	711	1.821	1.733	830	805
Number of branches	51	50	117	117	41	40

IMPRINT

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