

# INTERIM REPORT AS AT 30.09.2007

## Important dates for shareholders

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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 ( <a href="http://www.btv.at">www.btv.at</a> )
Intermediate report as at 30 June 2007	Published on 24 August 2006 ( <a href="http://www.btv.at">www.btv.at</a> )
Intermediate report as at 30 September 2007	Published on 23 November 2006 ( <a href="http://www.btv.at">www.btv.at</a> )

## The BTV group – at a glance

Income in millions of €	30.09.2007	30.09.2006	+/- %
Interest	87,1	80,2	+ 8,7%
Loan loss provisions	-20,3	-18,6	+ 9,2%
Commission	36,1	33,7	+ 7,0%
Operating expenses	-66,8	-63,0	+ 6,0%
Profit of the year before tax	42,2	35,8	+ 17,9%
Group profit for the year	35,7	30,9	+ 15,7%
Balance sheet in millions of €	30.09.2007	31.12.2006	+/- %
Total assets	8.041	7.458	+ 7,8%
Loans and advances to customers after credit risk	5.120	5.109	+ 0,2%
Primary funds	5.929	5.508	+ 7,6%
– of which savings deposits	1.102	1.094	+ 0,7%
– of which securitised debt inc. subordinated capital	1.324	1.223	+ 8,2%
Equity	530	512	+ 3,4%
Managed deposits	10.968	10.609	+ 3,4%
Equity (under Austrian law - BWG) in millions of €	30.09.2007	31.12.2006	+/- %
Risk-weighted assets	5.480	5.165	+ 6,1%
Own funds (not inc. Tier 3)	629	617	+ 1,9%
– of which core capital (Tier I)	364	364	0,0%
Surplus own funds	190	204	-6,8%
Core capital ratio	6,64%	7,04%	-0,40%
Total capital ratio	11,47%	11,95%	-0,48%
Companies	30.09.2007	30.09.2006	+/- %- points
Return on equity before tax	10,82%	9,97%	+ 0,85%
Return on equity after tax	9,17%	8,60%	+ 0,56%
Cost/income ratio	53,4%	54,2%	-0,8%
Risk/earnings ratio	23,3%	23,2%	0,1%
Resources	30.09.2007	30.09.2006	+/- number
Average no. of employees	848	804	+ 44
Number of branches	41	39	+ 2

BTV shares	30.09.2007	30.09.2006
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 €	125,00/123,30	102,00/90,00
Bottom price of ordinary/preference share in €	105,00/95,51	88,00/78,50
Closing price of ordinary/preference share in €	124,00/123,30	102,00/89,00
Market capitalisation in millions of €	620	504
IFRS EPS in €	9,64	8,33
P/E ratio, ordinary shares	12,9	12,2
P/E ratio, preference shares	12,8	10,7

## Business development of BTV group

### ECONOMIC ENVIROMENT

The global crisis in the financial markets started in the sub-prime segment of the USA's mortgage market. Several banks became insolvent and the risk premiums for financing companies have increased considerably. Active counter-measures by the central banks contributed at first to some calming, but it is not yet possible to estimate the extent and duration of the problems afflicting the international finance system. The economy of the USA is directly affected. WIFO [Austria's Institute for Economic Research] reckons on the USA's 2007 economic growth falling below 2%. The danger of a recession has distinctly increased.

The initial repercussions of the international financial crisis are also appearing in Europe. The economy of the euro area is lacking in breadth owing to weakness in consumer demand. Real GDP rose by 2.9% in 2007.

The Austrian economy's real growth this year is 3.4%, and thus faster by 0.75 of a percentage point than the average for the euro area. The buoyant economy is riding along on exports, and has also involved investments in equipment and construction – exports from Austria itself having risen in real terms by over 8%, and the production of physical goods having increased by over 7%. The high growth is accelerating the rise in employment and government income. The strength of the economy is not, however, working through into private households' consumer demand, on top of which will come the dampening effects of the crisis on the international financial markets – the extent of which cannot yet be completely assessed.

In the third quarter the ECB suspended its cycle of interest rate hikes because of the US real estate crisis, and left its basic rate at 4.00%. The crisis began to spill over onto European banks. Restrictive credit allocation among the banks put the money market under pressure. The American central bank reacted to the real estate crisis by lowering interest rates by 50 basic points, and reduced its basic rate to 4.75%. In September the Swiss national bank widened its target range for the Libor by 25 basic points to 2.25% to 3.25%, while the Japanese basic rate remained unchanged in the third quarter. (Source: WIFO)

### INCOME

#### Interest

At €87.1 million the net interest income for the first three quarters was €6.9 million above the previous year. This profit improvement results in equal measure from increased volumes of business (especially on the liabilities side) and from the 'at-equity' revenues from the bank's shareholdings in Oberbank AG and BKS Bank AG.

#### 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 companies and private individuals was €20.3 million, and was thus up by 9.2% on the level of the prece-

ding year. At 23.3% the risk/earnings ratio was slightly up on last year's level.

#### Commission

The satisfactory development of the net commission income is predominantly attributable to excellent sales of securities. Turnover of securities managed yet again to rise compared with the year before. Revenues in this core division of BTV climbed in the first three quarters by €1.7 million or 8.5% to €21.2 million. The competitive pressure on terms and conditions offered on payment transactions was more than offset by rising turnover such that revenues were higher than the previous year. The preceding year's profits from foreign currency and lending business were also slightly exceeded. The total net commission income was up by 7.0% to €36.1 million.

#### Trading

Because of the turbulence in the financial markets we acted with restraint in this area. The trading result of €1.7 million at the end of the third quarter was €0.5 million below that of the previous year.

#### Operating expenses

Administrative expenditure (staff and operating expenditure including depreciation on tangible assets) rose by 6.0% compared with the year before to €66.8 million, owing mainly to BTV's expansion. Personnel expenditure went up by 5.1% to €43.5 million. During the year reported the formula for career trends was adjusted from 0.25% to 0.50% and, as a countermove, the discounting factor for the social capital was increased by 0.25% to 4.25%. These special factors have been posted proportionately in the expenditure. 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 for the future.

The cash expenditure on wages and salaries went up by 5.1% to €40.8 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 46, to 875. 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 €1.3 million to €18.0 million. Higher depreciation on buildings, especially, led to depreciation on assets as a whole climbing by 8.2% to €5.3 million.

#### Other operating income

The profit balance increased from €1.2 million in the previous year to €4.3 million. This rise is attributable to the increased success with which securities have been sold. The more volatile performance on the equity markets led, especially, to targeted profit taking. The surplus for the period, before taxation, of €42.2 million was 17.9% 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 € 6.5 million for the first three quarters for 2007, on which BTV indicates a tax ratio of 15.3 % (it was 13.7 % in the previous year).

**Consolidated profit**

The after-tax surplus for the period was € 35.7 million compared with € 30.9 million the preceding year. This development entails a rise of 15.7 %. The Return on Equity (RoE) on the basis of the consolidated profit before taxation was, as at 30 September 2007, 10.8 % against 10.0 % for the previous year. The cost/income ratio fell from 54.2 % to 53.4 %.

**BALANCE SHEET**

Since the beginning of the year the balance sheet total of the BTV group has increased by 7.8 % or € 583 million to just above € 8,000 million.

On the asset side it was the claims on banks and higher holdings of securities that were responsible for this development. The claims on customers at risk rose in the first three quarters of 2007 by € 19 million to € 5,281 million. The moderate increase in this entry is being influenced by the good economic situation and the high liquidity of our commercial customers associated with that. It was also the case that customers in housing construction made use of the positive developments on the equity market in the first six months of 2007 to make premature reductions in their borrowings.

The level of risk provisioning on our lending rose by 5.1 % to € 160 million.

The high volatility on the equity markets made us more cautious in our trading activities. The growth in volume of financial assets held for trading purposes was therefore applied two thirds to bonds and only one third to equities. The growth of € 32 million to € 1,130 million-worth of securities outstanding resulted from fresh buying of fixed-interest securities. The stock of equities in this entry reduced by € 13 million to € 97 million. At € 614 million the financial assets were € 7 million below their end-year level. Here capital repayments in the 'held to maturity' category of € 17 million contrasted with higher entries stated under 'at equity' shareholdings valued at € 10 million.

On the liability side customer deposits rose by 7.5 % to € 4,605 million. The company clientele grew by € 40 million, the private clientele by € 173 million.

The increase in institutional clients' deposits of € 108 million was mostly the result of intensified activity in the German expansion market. The € 5,929 million total of primary deposits, including subordinated capital, was 7.6 % up on the end 2006 figure. The liquidity ratio of customer claims after

risk provisioning with primary funds was 115 %.

The banking group's own equity eligible under the BWG (Austria's banking law) amounted at the end of the third quarter to € 628.6 million (it was € 617.4 million in December 2006). The statutory minimum requirement was € 439.7 million as at 30 September 2007, which was the equivalent of an over-covering of about 43 % (it was about 49 % in December 2006).

As at 30 September 2007 the banking group's core capital, at € 363.9 million, was in accordance with the BWG (it had been € 363.7 in December 2006). The quarterly reporting date's core capital ratio of 6.64 % resulting from that was 0.40 of a percentage point below the comparable figure at the end of 2006. The own equity ratio of 11.47 %, compared with 11.95 % at the end of the year, continues to lie markedly above the statutory minimum ratio required of 8.0 %.

**OUTLOOK**

As already mentioned Austria's economic growth of 3.4 % in 2007 is noticeably faster than the EU average. This positive development continues to ride along on exports of goods and on investments. These economic factors are expected to be significantly weaker for 2008. In our judgement the economic institutes will, because of the financial crisis, again correct their forecasts downward. The strong euro will make exports more difficult, and private consumption will weaken.

As far as the rest of this year is concerned uncertainty and nervousness could well continue on the global financial markets, even if the basic factors remain firm. BTV has neither direct nor indirect involvement in the American sub-prime market and always deals with the assumption of risks responsibly and appropriately in relation to its region's circumstances. Please see the detailed risk report in the 2006 Director's report for details of BTV's risk policy and management.

The offensive strategy in Southern Germany is being systematically advanced and further advantage taken of the growth opportunities in this region.

The result of the first three quarters is in harmony with the annual plan. As we are sure that we can continue to generate good results, despite the difficult market environment, we anticipate a group after-tax surplus of over € 50 million at the year end.

## CONSOLIDATED ACCOUNTS

### I. BTV group: Balance sheet as at 30 September 2007

Assets in thousands of €	30.09.2007	31.12.2006	change absolute	change in %
Cash reserves	220.166	126.973	+ 93.193	+ 73,4%
Loans and advances to banks <sup>1 [Notes]</sup>	681.119	299.158	+ 381.961	+ > 100,0%
Loans and advances to customers <sup>2</sup>	5.280.712	5.261.368	+ 19.344	+ 0,4%
Loan loss provisions <sup>3</sup>	-160.276	-152.439	-7.837	+ 5,1%
Trading <sup>4</sup>	2.496	107	+ 2.389	+ > 100,0%
Other current assets <sup>5</sup>	1.129.794	1.097.868	+ 31.926	+ 2,9%
Long-term investments and loans <sup>6</sup>	613.587	621.253	- 7.666	- 1,2%
Intangible fixed assets	1.164	1.481	- 317	- 21,4%
Property, plant and equipment	120.581	122.445	- 1.864	- 1,5%
Other assets	151.455	80.061	+ 71.394	+ 89,2%
<b>Total assets</b>	<b>8.040.798</b>	<b>7.458.275</b>	<b>+ 582.523</b>	<b>+ 7,8%</b>

Liabilities in thousands of €	30.09.2007	31.12.2006	change absolute	change in %
Banks <sup>7</sup>	1.319.725	1.259.102	+ 60.623	+ 4,8%
Customer accounts <sup>8</sup>	4.605.390	4.285.439	+ 319.951	+ 7,5%
Securitised debt <sup>9</sup>	966.368	882.869	+ 83.499	+ 9,5%
Reserves and provisions <sup>10</sup>	68.100	67.550	+ 550	+ 0,8%
Other liabilities	194.223	110.956	+ 83.267	+ 75,0%
Subordinated capital <sup>11</sup>	357.289	339.985	+ 17.304	+ 5,1%
Equity	529.703	512.374	+ 17.329	+ 3,4%
<b>Total liabilities</b>	<b>8.040.798</b>	<b>7.458.275</b>	<b>+ 582.523</b>	<b>+ 7,8%</b>

## II. A. BTV group: Profit and loss account

as at 30 September 2007

Profit and loss account in thousands of €	01.01.- 30.09.2007	01.01.- 30.09.2006	change absolute	change in %
Interest and similar income	282.358	204.626	+ 77.732	+ 38,0%
Interest and similar expenses	-195.215	-124.460	+ 70.755	+ 56,8%
Net interest income <sup>13</sup>	87.143	80.166	+ 6.977	+ 8,7%
Loan loss provisions <sup>14</sup>	-20.327	-18.611	+ 1.716	+ 9,2%
Commission income	42.261	40.192	+ 2.069	+ 5,1%
Commission expense	-6.162	-6.459	- 297	- 4,6%
Net commission income <sup>15</sup>	36.099	33.733	+ 2.366	+ 7,0%
Trading income <sup>16</sup>	1.726	2.236	- 510	- 22,8%
Operating expenses <sup>17</sup>	-66.758	-62.951	+ 3.807	+ 6,0%
Other operating income <sup>18</sup>	4.284	1.196	+ 3.088	> + 100,0%
Net profit for the year before tax	42.167	35.769	+ 6.398	+ 17,9%
Income and profits tax	-6.449	-4.901	+ 1.548	+ 31,6%
<b>Net profit for the year after tax</b>	<b>35.718</b>	<b>30.868</b>	<b>+ 4.850</b>	<b>+ 15,7%</b>

Indicators	30.09.2007	30.09.2006
EPS in € <sup>20</sup>	7,21	6,23
RoE before tax	10,8%	10,0%
RoE after tax	9,2%	8,6%
Cost/income ratio	53,4%	54,2%
Risk/earnings ratio	23,3%	23,2%

## II.B. BTV group: Profit and loss account – periodes

Profit and loss accounts – periodes in thousands of €	3rd Qu. 2007	2nd Qu. 2007	1st Qu. 2007	4th Qu. 2006	3rd Qu. 2006
Interest and similar income	98.455	99.283	84.620	85.700	71.877
Interest and similar expenses	-66.585	-71.549	-57.081	-54.969	-43.340
Net interest income	31.870	27.734	27.539	30.731	28.537
Loan loss provisions	-6.620	-6.515	-7.192	-10.816	-5.764
Commission income	13.071	14.403	14.787	13.571	11.954
Commission expense	-1.881	-2.191	-2.090	-1.670	-1.623
Net commission income	11.190	12.212	12.697	11.901	10.331
Trading income	-129	1.136	719	304	-482
Operating expenses	-22.215	-22.056	-22.487	-19.713	-20.334
Other operating income	516	2.167	1.601	2.696	-918
Net profit for the quarter before tax	14.612	14.678	12.877	15.103	11.370
Income and profits tax	-2.358	-2.093	-1.998	-1.433	-1.558
<b>Net profit for the quarter after tax</b>	<b>12.254</b>	<b>12.585</b>	<b>10.879</b>	<b>13.670</b>	<b>9.812</b>



## III. BTV group: Statement of change in equity

as at 30 September 2007

in thousands of €	Subscribed capital	Retained earnings	Revenue reserves	Depreciat. reserves	Total equity 2006
Equity at 01.01.2006	50.000	58.778	340.071	20.769	469.618
Capital increases	0	0	0	0	0
Net income for the quarter	0	0	+ 30.869	0	+ 30.869
Distributions	0	0	-7.000	0	-7.000
Exchange differentials	0	0	+ 46	0	+ 46
Treasury shares	0	-24	0	0	-24
Other changes	0	0	+ 3.650	-7.505	-3.855
– of which deferred tax	0	0	+ 1.876	0	+ 1.876
– of which from at equity assessment	0	0	+ 1.706	0	+ 1.706
<b>Equity at 30.09.2006</b>	<b>50.000</b>	<b>58.754</b>	<b>367.636</b>	<b>13.264</b>	<b>489.654</b>

in thousands of €	Subscribed capital	Retained earnings	Revenue reserves	Depreciat. reserves	Total equity 2007
Equity at 01.01.2007	50.000	58.876	392.374	11.124	512.374
Capital increases	0	0	0	0	0
Net income for the quarter	0	0	+ 35.718	0	+ 35.718
Distributions	0	0	-7.000	0	-7.000
Exchange differentials	0	0	+ 56	0	+ 56
Treasury shares	0	-79	0	0	-79
Other changes	0	0	-2.564	-8.802	-11.366
– of which deferred tax	0	0	+ 2.200	0	+ 2.200
– of which from at equity assessment	0	0	-4.507	0	-4.507
<b>Equity at 30.09.2007</b>	<b>50.000</b>	<b>58.797</b>	<b>418.584</b>	<b>2.322</b>	<b>529.703</b>

## IV. BTV group: Cash flow statement

as at 30 September 2007

<b>Cash flow statement in thousands of €</b>	<b>01.01.- 30.09.2007</b>	<b>01.01.- 30.09.2006</b>
Cash position at the end of the previous period	126.973	123.564
Operating cash flow	82.369	-9.314
Investment cash flow	-256	-4.802
Financing cash flow	11.080	26.705
Cash position at end of period	220.166	136.153

## 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 and interpretations as exempt consolidated financial statements under § 59a of the BWG in conjunction 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 30 September 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 rate of interest for the actuarial calculation of the social capital provisions was lifted from 4.00 % to 4.25 % in the third quarter. The changes were distributed over the 2007 calendar year.

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

### Scope of consolidation

As at the 30 September 2007 reporting date the full scope of the BTV group's consolidation was enlarged by the following company:

BTV Leasing Schweiz AG, Staad	99,99 %
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The full scope under IAS 27 therefore encompasses the shareholdings detailed below in addition to BTV AG:

Fully consolidated companies	Share in %
BTV Leasing GmbH, Innsbruck	100,00 %
BTV Real-Leasing GmbH, Wien	100,00 %
BTV Real-Leasing I GmbH, Innsbruck	100,00 %
BTV Real-Leasing II GmbH, Innsbruck	100,00 %
BTV Real-Leasing III Nachfolge GmbH & Co KG, Innsbruck	100,00 %
BTV Real-Leasing IV GmbH, Innsbruck (vormalig: BTV Fahrzeug-Leasing GmbH)	100,00 %
BTV Mobilien Leasing GmbH, Innsbruck	100,00 %
BTV M1/92 Leasing GmbH, Innsbruck	100,00 %
BTV Anlagenleasing 1 GmbH, Innsbruck	100,00 %
BTV Anlagenleasing 2 GmbH, Innsbruck	100,00 %
BTV Anlagenleasing 3 GmbH, Innsbruck	100,00 %
BTV Anlagenleasing 4 GmbH, Innsbruck (vormalig: Bauprojekt Langer Weg GmbH)	100,00 %
BTV Leasing Deutschland GmbH, Memmingen	100,00 %
BTV Leasing Schweiz AG, Staad	99,99 %

## V. BTV group: Notes

### Balance sheet – Assets

1   Loans and advances to banks in thousands of €	30.09.2007	31.12.2006
Austrian banks	285.561	98.022
Foreign banks	395.558	201.136
<b>Loans and advances to banks</b>	<b>681.119</b>	<b>299.158</b>
2   Forderungen an Kunden in Tsd. €	30.09.2007	31.12.2006
Austrian	3.961.502	3.888.579
Foreign	1.319.210	1.372.789
<b>Loans and advances to customers*</b>	<b>5.280.712</b>	<b>5.261.368</b>
* of which fair value	2.350	0
3   Loan loss provisions in thousands of €	2007	2006
Opening balance at 1 January	152.439	147.879
– Releases	–1.372	–16
+ Allocation	16.779	15.780
– Application	–7.570	–896
Loan loss provisions at 30.09.	160.276	162.747
Opening balance at 1 January	219	181
– Releases	0	0
+ Allocation	75	150
– Application	0	0
Reserves and provisions commitments at 30.09.	294	331
<b>Total loan loss provisions at 30.09.</b>	<b>160.570</b>	<b>163.078</b>

## V. BTV group: Notes

4   Trading assets in thousands of €	30.09.2007	31.12.2006
Debenture bonds and other fixed-interest securities	1.995	12
Equities and other variable-interest securities	271	0
Positive market values arising from derivative transactions	230	95
<b>Trading assets</b>	<b>2.496</b>	<b>107</b>
5   Other current assets in thousands of €	30.09.2007	31.12.2006
Debenture bonds and other fixed-interest securities	1.032.630	987.300
Equities and other variable-interest securities	97.028	109.968
Positive market values arising from derivative transactions	136	600
<b>Total current assets *</b>	<b>1.129.794</b>	<b>1.097.868</b>
* of which fair value	79.213	39.638
6   Long-term investments and loans in thousands of €	30.09.2007	31.12.2006
<b>Securities held as current assets/HTM</b>		
Debenture bonds and other fixed-interest securities	313.294	330.595
Interim securities held as current assets	313.294	330.595
<b>Participations/associates</b>		
Other participations	20.737	20.062
Other associates	69.857	70.400
Participations consolidated at equity	209.699	200.196
Interim participations/associates	300.293	290.658
<b>Total long-term investments and loans</b>	<b>613.587</b>	<b>621.253</b>
7   Banks in thousands of €	30.09.2007	31.12.2006
Austrian	900.499	759.042
Foreign	419.226	500.060
<b>Liabilities to banks</b>	<b>1.319.725</b>	<b>1.259.102</b>

## V. BTV group: Notes

8   Customer accounts in thousands of €	30.09.2007	31.12.2006
<b>Saving deposits</b>		
Austrian	970.764	970.563
Foreign	130.910	123.471
Sub-total savings deposits	1.101.674	1.094.034
<b>Other deposits</b>		
Austrian	2.987.737	2.820.707
Foreign	515.979	370.698
Sub-total other deposits	3.503.716	3.191.405
<b>Customer accounts</b>	<b>4.605.390</b>	<b>4.285.439</b>
9   Securitised debt in thousands of €	30.09.2007	31.12.2006
Debentures	811.495	741.147
Domestic bonds (including medium-term cash deposit)	154.873	141.722
<b>Securitised debt</b>	<b>966.368</b>	<b>882.869</b>
10   Reserves and provisions in thousands of €	30.09.2007	31.12.2006
Long-term payroll reserves	64.780	63.118
Other Reserves and provisions	3.320	4.432
<b>Reserves and provisions</b>	<b>68.100</b>	<b>67.550</b>
11   Subordinated capital in thousands of €	30.09.2007	31.12.2006
Supplymentary capital	357.289	339.985
<b>Subordinated capital</b>	<b>357.289</b>	<b>339.985</b>

## V. BTV group: Notes

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

12 Consolidated own funds of the BTV banking group in millions of €	30.09.2007	31.12.2006
Share capital	50,0	50,0
Minus treasury shares	-2,5	-2,4
General reserves	307,1	307,1
Consolidation pursuant to section 24(2) BWG	10,3	10,3
Minus intangible assets	-1,0	-1,3
<b>Core capital (Tier 1)</b>	<b>363,9</b>	<b>363,7</b>
Supplementary own funds (Tier 2)	363,9	352,9
Valuation items	-99,3	-99,2
<b>Eligible own funds (excluding Tier 3)</b>	<b>628,6</b>	<b>617,4</b>
Own funds applied pursuant to section 23(14 Z 7) BWG (Tier 3)	1,4	0,7
<b>Eligible own funds pursuant to section 215(115) BWG</b>	<b>629,9</b>	<b>618,1</b>
Capital adequacy – own fund requirement	438,4	413,2
Securities trading book and general currency position – own fund requirement	1,4	0,7
Own fund requirement pursuant to section 22(1) BWG	439,7	413,9
<b>Excess</b>	<b>190,2</b>	<b>204,2</b>
Tier 1 ratio in %	6,64 %	7,04 %
BIS capital ratio in %	11,47 %	11,95 %

## V. BTV group: Notes

### Income statement

13   Net interest income in thousands of €	01.01.- 30.09.2007	01.01.- 30.09.2006
<b>Interest and similar income from</b>		
lending and money market transactions with banks	42.083	26.127
lending and money market transactions with customers	169.706	126.307
debenture bonds and fixed-interest securities	42.169	35.052
equities and variable-rate securities	2.178	2.202
other participations	1.809	909
participations carried at equity	16.473	13.006
other	7.940	1.023
<b>Sub-total interest and similar income</b>	<b>282.358</b>	<b>204.626</b>
<b>Interest and similar expenses on</b>		
bank deposits	-26.805	-17.397
client deposits	-119.574	-75.132
securitised debt	-28.120	-19.581
subordinated capital	-12.112	-9.843
other	-8.604	-2.507
<b>Sub-total interest and similar expenses</b>	<b>-195.215</b>	<b>-124.460</b>
<b>Net interest income</b>	<b>87.143</b>	<b>80.166</b>
14   Loan loss provisions in thousands of €	01.01.- 30.09.2007	01.01.- 30.09.2006
On-balance sheet	-16.779	-15.781
Off-balance sheet	-75	-150
Loan loss insurance premiums	-3.600	-2.971
Release of on-balance sheet provisions	1.372	16
Release of off-balance sheet provisions	0	0
Direct amortisation	-1.367	-50
Income from amortised receivables	122	325
<b>Loan loss provisions</b>	<b>-20.327</b>	<b>-18.611</b>

The allocations to and write backs from provisions for off-balance sheet loan risks are contained in the above figures.



## V. BTV group: Notes

	01.01.- 30.09.2007	01.01.- 30.09.2006
<b>15   Commission income in thousands of €</b>		
Lending	2.171	1.999
Payment transactions	9.593	9.286
Securities trading	21.204	19.540
Currency, foreign exchange and precious metals trading	2.325	2.222
Other	806	686
<b>Commission income</b>	<b>36.099</b>	<b>33.733</b>
<b>16   Trading income in thousands of €</b>		
Derivatives	-12	1.129
Securities	1.075	377
Foreign currency	663	730
<b>Trading income</b>	<b>1.726</b>	<b>2.236</b>
<b>17   Operating expenses in thousands of €</b>		
Payroll	-43.445	-41.354
Materials	-17.995	-16.680
Amortisation	-5.318	-4.917
<b>Operating expenses</b>	<b>-66.758</b>	<b>-62.951</b>
<b>17a   Payroll</b>		
White collar	848	804
Blue collar	27	25
<b>Payroll</b>	<b>875</b>	<b>829</b>

The level of the workforce was reduced by the number of employees delegated to subsidiaries outside the circle of companies covered by the IFRS consolidation. The comparable figure for the preceding year was correspondingly adjusted.

## V. BTV group: Notes

	01.01.- 30.09.2007	01.01.- 30.09.2006
<b>18   Other operating income in thousands of €</b>		
Securities and derivatives	2.980	665
Participations	-738	82
Sundry other operating income	4.338	3.650
Sundry other operating expenses	-2.296	-3.201
<b>Other operating income</b>	<b>4.284</b>	<b>1.196</b>
<b>19   Performance bonds and credit risks in thousands of €</b>	<b>30.09.2007</b>	<b>30.09.2006</b>
Performance bonds	263.560	201.119
Credit risks	801.154	725.759
<b>Performance bonds and credit risks</b>	<b>1.064.714</b>	<b>926.878</b>
<b>20   EPS (Ordinary and preference shares)</b>	<b>30.09.2007</b>	<b>30.09.2006</b>
Equities (ordinary and preference shares)	5.000.000	5.000.000
Average float (ordinary and preference shares)	4.956.044	4.955.183
Net Group income (thousands of €)	35.718	30.868
<b>EPS in € (Ordinary and preference shares)</b>	<b>7,21</b>	<b>6,23</b>
Diluted gain per share in € (ordinary und preference shares)	7,21	6,23

## V. BTV group: Segment reporting

### Corporate banking

The bank managed to increase its profits on the company clientele side of its business with a before-tax surplus for the period of € 18.2 million, which was up 12.4 % compared with the preceding year. Volume extensions led in total to an improvement in net interest income of € 4.6 million or 11.7 %. The growth in net commission income is primarily accounted for by positive developments in payment transactions, while the loan and foreign exchange businesses were just slightly above the previous year's levels. Rising personnel costs brought about by our expansion in Bavaria and Baden-Württemberg led to administrative costs increasing by € 2.1 million or 11.3 %. The cost/profit ratio slipped from 39.4 % to 39.3 % against the year before, while the interest charged on our own funds remained unchanged at 9.1 %.

### Retail banking

The period reported enjoyed satisfactory development in our securities business for private clients. The commission revenues in this area managed yet again to exceed the high level of the previous year, and rose by 8.5 %, with the total commission surplus increasing by 4.8 % to € 25.5 million. The net interest income increased by 0.5 % compared with the year before, to € 34.8 million. It proved possible here to compensate for declining volumes and margins in the existing lending operations by writing new business and gently widening the margins on deposits. The additional administrative expenditure (up 5.3 %) was brought about by our expansion activities.

The before-tax surplus for the period was € 15.6 million as at the end of September 2007. At 65.9 % the cost/profit ratio was 1.9 percentage points above the previous year, while the return on shareholders' equity improved from 16.6 % to 17.4 %.

### Treasury

Higher holdings of securities and better results from the structural contribution had positive effects on the Treasury's net interest income. At € 8.2 million at the end of September 2007 it was up by € 1.1 million against the preceding year. Because of the turbulence in the financial markets we acted with restraint. The trading result at the end of the third quarter was therefore, at € 1.7 million, down by € 0.5 million against the preceding year. The before-tax surplus for the Treasury business for the period was € 12.8 million.

## V. BTV group: Segment reporting

Segment reporting in thousands of €	Quarter	Corporate	Retail	Treasury	Other	Total
Net interest income	09/2007 09/2006	44.098 39.465	34.806 34.650	8.239 6.051	0 0	87.143 80.166
Loan loss provisions	09/2007 09/2006	-15.029 -12.778	-5.298 -5.833	0 0	0 0	-20.327 -18.611
Commission	09/2007 09/2006	8.351 7.486	25.476 24.313	2.272 1.934	0 0	36.099 33.733
Trading income	09/2007 09/2006	0 0	0 0	1.726 2.236	0 0	1.726 2.236
Operating expenses	09/2007 09/2006	-20.605 -18.521	-39.748 -37.732	-1.663 -1.751	-4.742 -4.948	-66.758 -62.951
Other operating income	09/2007 09/2006	1.376 536	391 -1	2.243 747	274 -87	4.284 1.196
<b>Net profit for the year before tax</b>	<b>09/2007 09/2006</b>	<b>18.192 16.187</b>	<b>15.626 15.398</b>	<b>12.817 9.217</b>	<b>-4.468 -5.034</b>	<b>42.167 35.768</b>
Segment income	09/2007 09/2006	3.332.760 3.259.804	1.592.579 1.650.729	2.482.075 1.635.337	0 0	7.407.414 6.845.870
Segment liabilities	09/2007 09/2006	1.070.559 1.116.453	1.864.146 1.685.074	4.314.065 3.823.706	0 0	7.248.770 6.625.233
Ø Lending and market risk equivalent pursuant to section 22 BWG	09/2007 09/2006	3.347.860 2.970.840	1.501.695 1.551.865	370.164 307.492	103.876 109.113	5.323.594 4.939.309
Ø Allocated equity	09/2007 09/2006	267.829 237.667	120.136 124.149	29.613 24.599	103.461 93.220	521.039 479.636
Cost/income ratio (%)	09/2007 09/2006	39,3% 39,4%	65,9% 64,0%	13,6% 17,1%	0 0	53,4% 54,2%
RoE (basis net profit for the year before tax) in %	09/2007 09/2006	9,1% 9,1%	17,4% 16,6%	57,9% 50,1%	0 0	10,8% 10,0%

The allocation of the net interest income is made according to the market interest method (a market-oriented fund transferpricing 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 noncurrent 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.

**Main events of the reporting period**

At the beginning of February 2007 BTV opened its fourth branch in Southern Germany in Rosenheim, and its third advisory office in Northern Italy in Bolzano.

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](http://www.btv.at)).

BTV took an indirect shareholding in Silvretta Nova AG in September 2007, intending by this commitment further to expand its market position in the Montafon area. An advisory office was therefore opened in the town of Schruns in the Vorarlberg.

Preparations for the opening of our new location in Lech am Arlberg – to be opened this coming December – are in top gear. BTV will thus in future be represented in the province of the Vorarlberg's second most important region for tourism.

**Events after the reporting date for the intermediate accounts**

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.

**Declaration of statutory representatives under § 87 of Austria's law governing stock exchanges**

As the statutory representative of the Bank für Tirol und Vorarlberg AG we give an assurance, in good faith, that the abridged group report as at the 3rd quarter of 2007 is in harmony with IAS 34 "Interim Financial Reporting" and conveys the fairest possible picture of the asset, financial and profit position of the BTV group. We declare, moreover, that the Directors' report as at the 3rd quarter conveys the fairest possible picture of the asset, financial and profit position of the entirety of the enterprises included in the consolidation.

The carrying out of an audit or any investigative examination of the intermediate report by an auditor has been waived.

The managing directors

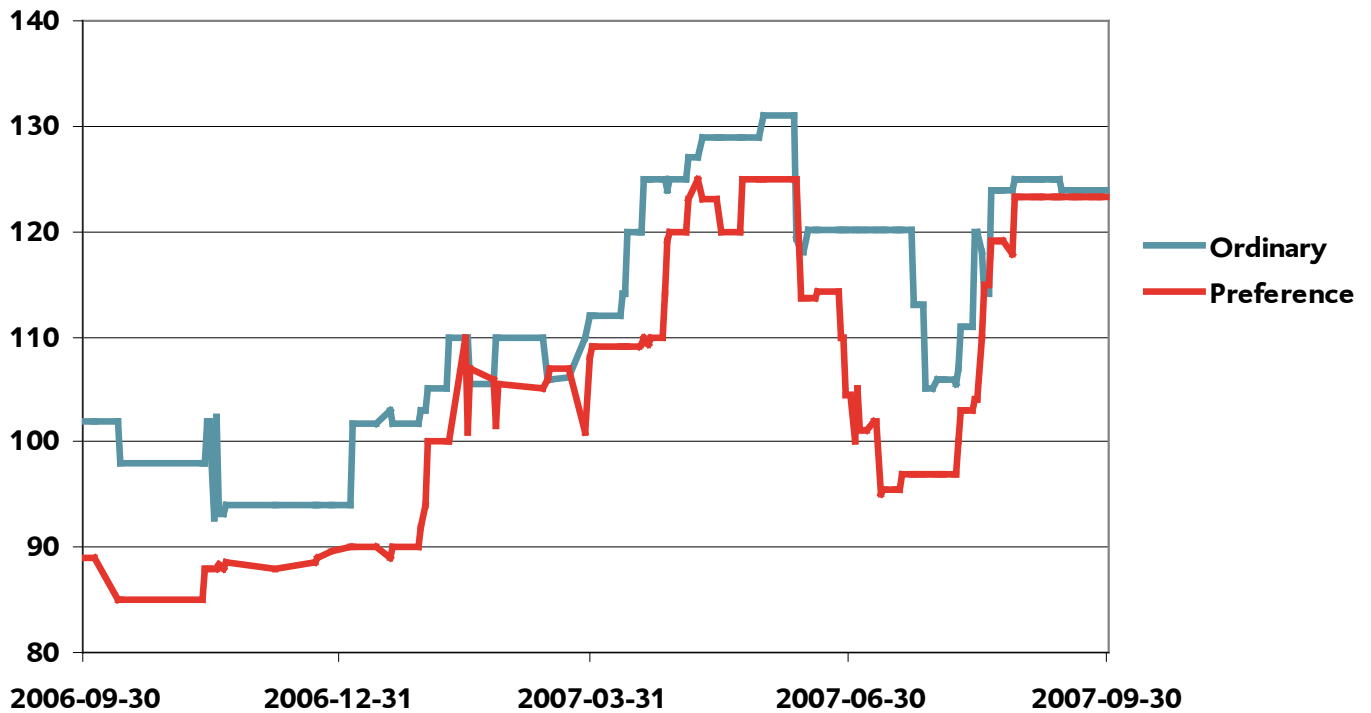


Peter Gaugg



Mag. Matthias Moncher

## BTV equities as at 2007-09-30



Following the rally in the equity markets that had actually been going on for several years the reports of the bankruptcy of some US mortgage banks shocked the financial markets. The ensuing crisis of confidence and unease led to marked falls on the equity markets, with stock exchange indices losing about 10 % of their value within a month.

Although the markets managed to make some recovery after the FED's lowering of interest rates, the uncertainty and high volatility have not gone away. Pronounced increases in commodity prices were registered in the third quarter, with crude oil climbing again to a record figure of over USD 80 and gold actually being listed at a 17-year high.

The ATX fell in the third quarter by 6.8 % to 4,645.50 points. Over the same period BTV's ordinary shares managed to increase in value by about 3 % to € 124, while its preference shares climbed by 18 % to € 123.30.

### 3 Banken Gruppe Overview – Group information

Profit and loss in millions of €	BKS Bank		Oberbank		BTV	
	3. Qu. 2007	3. Qu. 2006	3. Qu. 2007	3. Qu. 2006	3. Qu. 2007	3. Qu. 2006
Net interest income	79,7	69,7	204,6	173,6	87,1	80,2
Loan loss provisions	-18,4	-17,0	-50,8	-38,6	-20,3	-18,6
Commission income	33,0	31,4	76,6	70,6	36,1	33,7
Operating expenses	-59,4	-55,2	-148,3	-142,0	-66,8	-63,0
Net profit for the year before tax	42,6	34,3	85,8	71,2	42,2	35,8
Attributable net income for the year	37,8	29,0	77,3	63,3	35,7	30,9
<b>Balance sheet figures in millions of €</b>	<b>30.09.2007</b>	<b>31.12.2006</b>	<b>30.09.2007</b>	<b>31.12.2006</b>	<b>30.09.2007</b>	<b>31.12.2006</b>
Total assets	5.537,8	5.145,4	14.107,0	13.221,8	8.040,8	7.458,3
Loans and advances to customers after loan loss provisions	3.466,8	3.206,3	8.469,3	7.969,3	5.120,4	5.109,0
Primary funds	3.086,9	3.009,1	8.506,5	7.605,4	5.929,0	5.508,3
– of which savings deposits	1.434,6	1.382,5	2.822,5	2.633,5	1.101,7	1.094,0
– of which securitised debt inc. subordinated capita	439,5	425,6	1.628,8	1.494,7	1.323,7	1.222,9
Equity	453,1	416,4	884,5	831,7	529,7	512,4
Managed deposits	9.530,4	9.320,4	16.488,4	15.304,3	10.967,5	10.608,9
– of which client deposits	6.443,5	6.311,3	7.981,9	7.698,9	5.038,5	5.100,6
<b>BWG own funds in millions of €</b>	<b>30.09.2007</b>	<b>31.12.2006</b>	<b>30.09.2007</b>	<b>31.12.2006</b>	<b>30.09.2007</b>	<b>31.12.2006</b>
Measurement basis	3.892,3	3.598,5	9.988,3	9.457,6	5.479,5	5.165,3
Own funds	389,8	396,3	1.221,2	1.204,6	628,6	617,4
– of which core capital (Tier I)	228,2	241,8	669,8	669,4	363,9	363,7
Surplus	78,4	108,4	419,6	446,0	190,2	204,2
Tier 1 ratio	5,86 %	6,72 %	6,71 %	7,08 %	6,64 %	7,04 %
Total capital ratio	10,02 %	11,01 %	12,23 %	12,74 %	11,47 %	11,95 %
<b>Subsidiaries in %</b>	<b>30.09.2007</b>	<b>31.12.2006</b>	<b>30.09.2007</b>	<b>31.12.2006</b>	<b>30.09.2007</b>	<b>31.12.2006</b>
RoE before tax	12,26 %	11,17 %	13,47 %	12,37 %	10,82 %	10,36 %
RoE after tax	10,64 %	9,74 %	12,13 %	11,01 %	9,17 %	9,07 %
Cost/income ratio	51,3 %	54,7 %	52,1 %	56,4 %	53,4 %	52,0 %
Risk/earnings ratio	23,1 %	21,3 %	24,8 %	23,4 %	23,3 %	26,5 %
<b>Resources</b>	<b>30.09.2007</b>	<b>31.12.2006</b>	<b>30.09.2007</b>	<b>31.12.2006</b>	<b>30.09.2007</b>	<b>31.12.2006</b>
Average no. of employees (only white collar)	793	721	1.879	1.761	848	805
Number of branches	54	50	124	117	41	40

## Imprint

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Terms such as customer, manager and employee refer equally to both men and women.

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