INTERIM REPORT AS AT 30.09.2008

BTV
3 Banken Gruppe

Content

Important dates for shareholders

Annual General Meeting	30 May 2008, 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	2 June 2008
Payment of dividend	6 June 2008
Intermediate report as at 31 March 2008	Published on 23 May 2008 (www.btv.at)
Intermediate report as at 30 June 2008	Published on 22 August 2008 (www.btv.at)
Intermediate report as at 30 Sep. 2008	Published on 21 November 2008 (www.btv.at)

The BTV group – at a glance

Income in millions of €	30.09.2008	30.09.2007	+/– %
Interest	105,1	87,1	+20,6 %
Loan loss provisions	–18,6	–20,3	–8,6 %
Commission	31,6	36,1	–12,4 %
Operating expenses	–68,5	–66,8	+2,7 %
Profit of the period before tax	41,0	42,2	–2,9 %
Group profit for the period	35,7	35,7	+0,0 %

Balance sheet in millions of €	30.09.2008	31.12.2007	+/– %
Total assets	8.659	8.053	+7,5 %
Loans and advances to customers after credit risk	5.497	5.160	+6,5 %
Primary funds	6.396	6.173	+3,6 %
of which savings deposits	1.110	1.127	–1,5 %
of which securitised debt inc. subordinated capital	1.236	1.283	–3,7 %
Equity	535	537	–0,5 %
Managed deposits	10.462	10.982	–4,7 %

Equity (under Austrian law – BWG) in millions of €	30.09.2008	31.12.2007	+/– %
Risk-weighted assets	5.642	5.587	+1,0 %
Own funds (not inc. Tier 3)	613	662	–7,3 %
of which core capital (Tier 1)	384	394	–2,5 %
Core capital ratio	6,78 %	7,05 %	–0,27 %
Total capital ratio	10,86 %	11,85 %	–0,99 %

Companies	30.09.2008	30.09.2007	+/– %-points
Return on equity before tax	10,21 %	10,82 %	–0,61 %
Return on equity after tax	8,91 %	9,17 %	–0,26 %
Cost/income ratio	49,70 %	53,42 %	–3,72 %
Risk/earnings ratio	17,68 %	23,33 %	–5,65 %

Resources	30.09.2008	30.09.2007	+/– number
Average no. of employees	875	846	+29
Number of branches	43	41	+2

BTV shares	30.09.2008	30.09.2007
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 €	114,99/108,00	125,00/123,30
Bottom price of ordinary/preference share in €	90,00/88,01	105,00/95,51
Closing price of ordinary/preference share in €	90,00/90,00	124,00/123,30
Market capitalisation in millions of €	450	620
IFRS EPS in €	9,81	9,64
P/E ratio, ordinary share	9,2	12,9
P/E ratio, preference share	9,2	12,8

Business development of BTV group

ECONOMIC ENVIRONMENT

The world economy is losing momentum this year and will continue to do so in the coming year. According to an estimate for 2009 by the International Monetary Fund [IMF] the financial crisis is driving the global economy into recession. The economic performances of the industrialised countries will shrink by 0.3 % in 2009, for the first time since WW2. The Eurozone has already slipped into recession in the third quarter of 2008 – for the first time since it came into being in 1999. Major EU member countries such as Great Britain, Germany and Italy contracted particularly sharply in the third quarter. The overall economic performance of the Eurozone fell back by 0.2 % in each of the second and third quarters of 2008. The prospects for the final quarter continue to be weak.

All this has caused Germany's gross domestic product [GDP], which was extraordinarily strong - particularly in 2007 and at the beginning of 2008 – to fall back by 0.8 %. Switzerland cannot escape from this either, with its high growth rates of recent years now mutating into recession – driven there by the strong Swiss franc. The Austrian economy is now growing by only 1.9 % in 2008. Its GDP is at the moment still going up – in contrast to the Eurozone – but a considerable slow-down is imminent. Exports year are down by 50 %, the growth in employment is clearly flattening out and unemployment is set to rise. Investment demand is stagnating and private consumption is persistently weak. Austria should, nonetheless, be able to come up with some slight GDP growth in 2009 as well.

At the start of the quarter the European Central Bank [ECB] increased the basic rate by 0.25 % to 4.25 % in reaction to inflation rates having gone up. By the end of the quarter its focus was on the supply of liquidity in the money markets. The 3-month interest rates were listed above the 10-year swap rate for almost the entire past quarter. The 3-month Euribor rate stood at 5.28 % on 30.09.2009 (having been at 4.68 % at the beginning of the year) and was thus 57 basic points above the 10-year swap rate of 4.71 %.

The American Central Bank [FED] left its basic rate at 2.00 % in the third quarter. The 3-month Libor target range in Switzerland continued to lie between 2.25 % and 3.25 % at the end of the quarter, with a 3-month target Libor of 2.75 %. The Japanese basic rate for overnight money remained unchanged at 0.50 % in the third quarter of 2008. The volatility of the overnight rates in these three currencies rose sharply.

The financial and property crises had obvious effects on the foreign currency markets in the third quarter of 2008, making for extremely volatile movements. These affected the euro above all, as it fell markedly in value against the US$ and the Japanese yen in the course of the third quarter.

The euro's rate of exchange to the US$ fell back by 12 % in the course of the third quarter, being listed at € 1.41 on 30.09.2008 while having been as high as € 1.58 three months earlier. The euro also weakened noticeably against the Japanese yen in the third quarter and lost about 12 % over this period – its rate was 149 yen on 30.09.2008, having been at 167 at the end of June. The euro's rate of exchange to the Swiss franc hovered around 1.60 in the third quarter of 2008 – it was 1.58 on 30.09.2008, having been 1.61 three months earlier.

PROFIT DEVELOPMENT

Interest income

Interest income for the first nine months was, at € 105 million, up by € 18 million or by 20.6 % over the previous year. The clear growth in interest income came from increased volumes of customer transactions in the fields of finance and primary deposits, and from satisfactory profits from dealings on the money market. Higher dividends and profits from at equity shareholdings also made their contributions to the increase.

Loan loss provisions

The loan loss provisions on BTV's lending business represent the balance of additions to and write backs on loan loss provisions, including direct write-downs on claims. They are supplemented by income arising from claims that had already been written off. The loan loss provisions for companies and private individuals totalled € 18.6 million, at which level they were 1.8 % below that of the preceding year.

Commission income

The unsettled stock market situation did not improve in the third quarter either, with further price falls on the agenda. Securities turnover and thus our commission income were materially influenced. Commission on securities transactions were at € 15.4 million, a down by € 5.9 million compared with the preceding year. Against that revenue from money transmission, and also foreign exchange commission and income from lending operations exceeded the previous year's results. Commission income in total as at 30.09.2008 was € 31.6 million, which was € 4.5 million below the year before.

Trading income

The continuing difficult stock market situations also influenced trading income. Total revenues from securities trading were down by € 0.7 million by the end of September. Currency trading fared better, slightly exceeding its last year's result. Trading income as a whole was down € 0.6 million.

Operating expenses
Operating expenses (personnel and operating expenditure, including depreciation on tangible assets) rose by 2.7 % compared with the year before to € 68.5 million.
Personnel costs went up by 4.1 % to € 45.2 million. The main reasons for this increase were the final collective agreement settlement of 3.3 % and the larger workforce. The special charge reported in June for mortality tables was offset in the third quarter by the increase in the discounting rate from 4.25 % to 4.75 %. Operating expenditure and depreciation charges taken together at € 23.3 million were at the previous year's level. Operating expenditure, which was in fact € 0.1 million below last year, continued to be driven mainly by our expansion while depreciation charges were slightly up.

Other operating income
The satisfactory profit development in the leasing business was the main factor in the increase under this heading, which in total rose by € 3.3 million to € 5.1 million above the preceding year.

Profit arising from financial assets
Because, above all, of the massively widened spreads on bonds that were subject to the fair value option, the valuation losses and realised losses arising from sales of bonds had, by the end of September 2008, accumulated to € 13.3 million. We had already, as early as the beginning of 2008, sold equities with negative prospects from our own holdings and taken losses. By the end of September the loss arising from financial assets was € 15.0 million.

Tax situation
The amounts shown in the entry covering taxation on income and profits concern, above all, the effects on assets and liabilities of the accumulation of deferred taxes to be undertaken under IFRS, in addition to the on-going commitments arising under Austrian corporation tax. A tax charge of € 5.2 million results for the first nine months of 2008, such that BTV's tax rate is turning out at 12.8 % (previous year 15.3 %).

Group income
The after tax income for the period at the end of September 2008 was at the previous year's level of € 35.7 million.
The RoE [Return on equity] on the basis of the before tax income for the period ended on 30 September 2008 was 10.2 %, compared with 10.8 % the year before. The cost-income ratio improved from 53.4 % to 49.7 %, and the risk-earnings ratio from 23.3 % to 17.7 %.

BALANCE SHEET PERFORMANCE

The BTV Group's balance sheet total was € 8,659 million at the end of September 2009, and thus up by 7.5 % or € 606 million on its figure as at 31.12.2007.
Claims on customers, which increased by € 333 million, were the growth driving force, with finance for the middle classes, in particular, having increased markedly. BTV, moreover, disposed of sufficient liquidity at all times and we were thus able to make some excess liquidity available to banks. This led to a rise in claims on banks, which moved up by € 296 million to € 843 million. Provision for bad debts went down by 2.2 % to € 156 million.

The level of financial assets and shareholdings increased by € 13 million. We restructured our banking ledgers in January 2008, increasing the "held to maturity" category by those securities that were being held in stock right up to their final maturity.

On the liability side customers' deposits rose by 5.5 % to € 5,159 million. Term deposits and capital passbooks with one-year maturities were in especial demand. All in all primary deposits were up by 3.6 % at € 6,396 million. The degree of cover of customer claims rose thereby to 116.4 % after bad debt provisioning with primary funds.

The banking group's eligible own funds amounted, under the BWG, to € 613.4 million on 30 September. The statutory minimum requirement was € 472.7 million, so there was surplus cover of about 30 %.

The banking group's core capital under BWG was € 384.3 million as at 30 September 2008 (it having been € 394.0 million in December 2007). The core capital rate of 6.78 % to be calculated on the quarterly reporting date was 27 percentage points below the comparable figure on the final day of 2007. The own equity rate reached 10.86 %, and thus markedly exceeded the statutory minimum necessary level of 8 %. Attention should be drawn, at this point, to the fact that the calculations for 2008 were made following the guidelines of the standard approach, as per Basel II.

OUTLOOK

The profit from company and private client business will exceed last year's result.
The volatility of spreads means that forecasts about the development of bond prices can only be made with considerable reservations. Seen from today's viewpoint the group after-tax income at the end of the year is expected to be at the same level as last year – despite the difficult underlying conditions – but it might be lower than that because, in particular, of write downs that may be necessitated by lower bond prices pertaining as at 31.12.2008.

Balance sheet as at 30 September 2008

Assets in thousands of €	30.09.2008	31.12.2007	change absolute	change in %
Cash reserves	121.036	245.358	–124.322	–50,7 %
Loans and advances to banks[1] (Notes)	843.150	547.193	+295.957	+54,1 %
Loans and advances to customers[2]	5.652.942	5.319.660	+333.282	+6,3 %
Loan loss provisions[3]	–156.182	–159.679	+3.497	–2,2 %
Trading[4]	39.215	321	+38.894	>+ 100 %
Financial assets – at fair value through profit or loss[5]	173.930	151.032	+22.898	+15,2 %
Financial assets – available for sale[6]	850.078	1.149.215	–299.137	–26,0 %
Financial assets – held to maturity[7]	629.362	381.476	+247.886	+65,0 %
Shares in at-equity-valued companies[8]	214.476	212.025	+2.451	+1,2 %
Intangible fixed assets	882	1.062	–180	–16,9 %
Property, plant and equipment	93.459	93.507	–48	–0,1 %
Properties held as financial investments	32.442	28.256	+4.186	+14,8 %
Tax claims	8.978	6.894	+2.084	+30,2 %
Other assets	154.762	77.028	+77.734	+100,9 %
Total assets	**8.658.530**	**8.053.348**	**+605.182**	**+7,5 %**

Liabilities in thousands of €	30.09.2008	31.12.2007	change absolute	change in %
Banks[9]	1.468.562	1.136.795	+331.767	+29,2 %
Customer accounts[10]	5.159.365	4.890.115	+269.250	+5,5 %
Securitised debt[11]	878.389	913.177	–34.788	–3,8 %
Trading liabilities[12]	1.474	377	+1.097	> +100%
Reserves and provisions[13]	64.568	67.813	–3.245	–4,8 %
Tax debts	2.465	3.321	–856	–25,8 %
Other liabilities	191.467	134.564	+56.903	+42,3 %
Subordinated capital[14]	357.729	369.860	–12.131	–3,3 %
Equity[15]	534.511	537.326	–2.815	–0,5 %
Total liabilities	**8.658.530**	**8.053.348**	**+605.182**	**+7,5 %**

Profit and loss account as at 30 September 2008

Profit and loss account in thousands of €	01.01.- 30.09.2008	01.01.- 30.09.2007	change absolute	change in %
Interest and similar income	321.108	265.885	+55.223	+20,8 %
Interest and similar expenses	–235.930	–195.215	–40.715	+20,9 %
Income of at-equity valued companies	19.931	16.473	+3.458	+21,0 %
Net interest income[16]	105.109	87.143	+17.966	+20,6 %
Loan loss provisions[17]	–18.581	–20.327	+1.746	–8,6 %
Commission income	36.570	42.261	–5.691	–13,5 %
Commission expense	–4.936	–6.162	+1.226	–19,9 %
Net commission income[18]	31.634	36.099	–4.465	–12,4 %
Trading income[19]	1.157	1.726	–569	–33,0 %
Operating expenses[20]	–68.540	–66.758	–1.782	+2,7 %
Other operating income[21]	5.132	1.847	+3.285	>+ 100 %
Financial assets – at fair value through profit or loss[22]	–9.690	–158	–9.532	>- 100 %
Financial assets – available for sale[23]	–2.999	2.595	–5.594	>- 100 %
Financial assets – held to maturity	–2.264	0	–2.264	>- 100 %
Net profit for the period before tax	40.958	42.167	–1.209	–2,9 %
Income and profits tax	–5.226	–6.449	+1.223	–19,0 %
Net profit for the period after tax	**35.732**	**35.718**	**+14**	**+0,0 %**

Indicators	30.09.2008	30.09.2007
EPS in €[25]	7,35	7,21
RoE before tax	10,21%	10,82%
RoE after tax	8,91%	9,17%
Cost/income ratio	49,70%	53,42%
Risk/earnings ratio	17,68%	23,33%

BTV group: Profit and loss account – periods

Profit and loss accounts – periods in thousands of €	III. Q 2008	II. Q 2008	I. Q 2008	IV. Q 2007	III. Q 2007
Interest and similar income	102.594	114.680	103.834	106.285	92.033
Interest and similar expenses	–71.201	–87.327	–77.402	–76.552	–66.585
Income of at-equity valued companies	2.170	11.901	5.860	6.127	6.422
Net interest income	33.563	39.254	32.292	35.860	31.870
Loan loss provisions	–6.298	–6.185	–6.098	–8.879	–6.620
Commission income	11.788	11.701	13.081	13.162	13.071
Commission expense	–1.802	–1.552	–1.582	–2.003	–1.881
Net commission income	9.986	10.149	11.499	11.159	11.190
Trading income	956	367	–166	473	–129
Operating expenses	–21.359	–24.058	–23.123	–21.341	–22.215
Other operating expenses	1.355	1.411	2.366	–267	1.101
Financial assets – at fair value through profit or loss	–3.680	–4.919	–1.091	–34	77
Financial assets – available for sale	–1.376	131	–1.754	907	–662
Financial assets – held to maturity	–2.264	0	0	0	0
Net profit for the quarter before tax	10.883	16.150	13.925	17.878	14.612
Income and profits tax	–714	–2.509	–2.003	–317	–2.358
Net profit for the quarter after tax	**10.169**	**13.641**	**11.922**	**17.561**	**12.254**

Statement of change in equity

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

in thousands of €	Subscribed capital	Retained earnings	Revenue reserves	Depreciat. reserves	Total equity
Equity at 01.01.2008	50.000	58.731	437.534	–8.939	537.326
Capital increases	-	-	-	-	-
Net income for the period	-	-	+35.732	-	+35.732
Distributions	-	-	–7.500	-	–7.500
Exchange differentials	-	-	–42	-	–42
Treasury shares	-	–9.692	-	-	–9.692
Other changes	-	-	–15.087	–6.226	–21.313
of which deferred tax	-	-	–223	-	–223
of which at equity assessment	-	-	–15.085	-	–15.085
Equity at 30.09.2008	**50.000**	**49.039**	**450.637**	**–15.165**	**534.511**

Cash flow statement as at 30 September 2008

Cash flow statement in thousands of €	01.01.-30.09.2008	01.01.-30.09.2007
Cash position at the end of the previous period	245.358	126.973
Operating cash flow	–92.317	82.369
Investment cash flow	–29.176	–256
Financing cash flow	–2.829	11.080
Cash position at end of period	121.036	220.166

BTV group: Notes

Accounting and Valuation Principles

These intermediate group financial statements are in harmony with IFRS requirements [International Financial Reporting Standards] and IFRIC interpretations [International Financial Reporting Interpretations Committee] as these have been published by the IASB [International Accounting Standards Boards] and taken into European law through the EU. This group intermediate financial statement as at 30 September 2008 has been drawn up in harmony with the provisions of IAS 34 [Intermediate reports] and counts as an exempting consolidated financial statement under § 59a BWG [Austria's Banking Act] taken together with section § 245a UGB [Austria's Commercial Code]. It has been prepared using the same accounting principles as were applied to BTV's audited group financial statements for 2007.

Main business events in the period reported

From 2008 the bank's solvency computation is being made in accordance with § 22 BWG using the approaches laid down under Basel II. The standard approach is applied in the fields of loan risk and operational risk.

In the first quarter of 2008 financial assets in the valuation category "available for sale" valued at € 254,921,000 (Nominally valued at € 255,000,000) were reclassified as "held to maturity". This reclassification was undertaken because of the changed intention to hold the securities until their expiry dates.

In line with the 2008 performance of the capital market the accounting rate of interest for calculating the provisions to be made with regard to social overheads (i.e. the long-term capital market rate) was adjusted from 4.25 % to 4.75 % in the third quarter of 2008. The new calculation bases "AVÖ 2008 P" for Pagler & Pagler's mortality tables for valuing social capital had already been taken into account in the second quarter of 2008. The changes were spread over the 2008 calendar year.

In the middle of March 2008 BTV opened its fifth branch in Southern Germany, in Stuttgart.

As far as the resolutions adopted at the 90th Annual General Shareholders' Meeting on 30 May 2008 are concerned, you are referred to what has been published on BTV's Homepage under the heading "Investor Relations" (www.btv.at).

The processes of selling the UniCredit minority shareholdings in BTV AG, and also in BKS Bank AG and Oberbank AG, were continued in the quarter reported.

Events following the intermediate financial statement's reporting date

On 1 October 2008 BTV opened a further branch in its core market of the Tyrol, in the town of Telfs. On the same day the Innsbruck Altstadt branch was closed (but converted into a self-service facility), and BTV opened its sixth branch in Southern Germany, in Munich, on 6 October.

Balance sheet – Assets

1. Loans and advances to banks in thousands of €	**30.09.2008**	**31.12.2007**
Austrian banks	164.184	228.501
Foreign banks	678.966	318.692
Loans and advances to banks	**843.150**	**547.193**

2. Loans and advances to customers in thousands of €	**30.09.2008**	**31.12.2007**
Austrian customers	3.863.426	3.905.060
Foreign customers	1.789.516	1.414.600
Loans and advances to customers	**5.652.942**	**5.319.660**
of which fair value	15.560	2.255

3. Loan loss provisions in thousands of €	**2008**	**2007**
Opening balance at 01.01.	159.679	152.439
– Releases	–3.046	–1.372
+ Allocation	14.680	16.779
– Application	–15.152	–7.570
Changes arising from currency differences	21	0
Loan loss provisions at 30.09.	156.182	160.276
Opening balance commitments at 01.01.	273	219
– Releases	0	0
+ Allocation	75	75
– Application	0	0
Reserves and provisions commitments at 30.09.	348	294
Total loan loss provisions 30.09.	**156.530**	**160.570**

4. Trading assets in thousands of €	30.09.2008	31.12.2007
Debenture bonds and other fixed-interest securities	36.916	0
Equities and other variable-interest securities	0	0
Positive market values arising from derivative transactions	2.299	321
Trading assets	**39.215**	**321**

5. Financial assets – at fair value through profit or loss in thousands of €	30.09.2008	31.12.2007
Debenture bonds and other fixed-interest securities	164.615	130.379
Equities and other variable-interest securities	9.315	19.856
Positive market values arising from derivative transactions	0	797
Financial assets – at fair value through profit or loss	**173.930**	**151.032**

6. Financial assets – available for sale in thousands of €	30.09.2008	31.12.2007
Debenture bonds and other fixed-interest securities	720.213	1.004.344
Equities and other variable-interest securities	31.461	49.299
Other shareholdings	28.697	25.715
Other affiliated shareholdings	69.707	69.857
Financial assets – available for sale	**850.078**	**1.149.215**

7. Financial assets – held to maturity in thousands of €	30.09.2008	31.12.2007
Debenture bonds and other fixed-interest securities	629.362	381.476
Financial assets – held to maturity	**629.362**	**381.476**

8. Shares in at equity valued companies in thousands of €	30.09.2008	31.12.2007
Banks	209.243	208.503
Other	5.233	3.522
Shares in at equity valued companies	**214.476**	**212.025**

Balance sheet – Liabilities

9. Liabilities to banks in thousands of €	30.09.2008	31.12.2007
Austrian banks	978.952	753.280
Foreign banks	489.610	383.515
Liabilities to banks	**1.468.562**	**1.136.795**

10. Liabilities to customers in thousands of €	30.09.2008	31.12.2007
Saving deposits		
Austrian	974.196	991.801
Foreign	135.868	135.052
Sub-total savings deposits	1.110.064	1.126.853
Other deposits		
Austrian	3.343.942	3.195.098
Foreign	705.359	568.164
Sub-total other deposits	4.049.301	3.763.262
Customer accounts	**5.159.365**	**4.890.115**

11. Securitised debt in thousands of €	30.09.2008	31.12.2007
Debentures	741.349	772.223
Domestic bonds	137.040	140.954
Securitised debt	**878.389**	**913.177**

12. Trading liabilities in thousands of €	30.09.2008	31.12.2007
Negative market values arising from derivative transactions – Trading	573	377
Negative market values arising from derivative transactions – Fair-Value-option	901	0
Trading liabilities	**1.474**	**377**

13. Reserves and provisions in thousands of €	30.09.2008	31.12.2007
Long-term payroll reserves	63.413	63.539
Other reserves and provisions	1.155	4.274
Reserves and provisions	**64.568**	**67.813**

14. Subordinated capital in thousands of €	30.09.2008	31.12.2007
Supplementary capital – Other liabilities	331.026	369.860
Supplementary capital – Fair-Value-option	26.703	0
Subordinated capital	**357.729**	**369.860**

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

15. Equity: Consolidated own funds of the BTV banking group in millions of €	Basel II 30.09.2008	Basel I* 31.12.2007
Share capital	50,0	50,0
Minus treasury shares	–12,2	–2,5
General reserves	338,0	338,0
Consolidation pursuant to section 24 (2) BWG	9,4	9,4
Minus intangible assets	–0,9	–0,9
Core capital (Tier 1)	384,3	394,0
Core capital ratio in %	6,78%	7,05%
Supplementary own funds (Tier 2)	331,4	367,6
Valuation items	–102,3	–99,3
Eligible own funds (excluding Tier 3)	613,4	662,3
Own funds applied pursuant to section 23 (14 Z 7) BWG (Tier 3)	2,0	1,1
Eligible own funds pursuant to section 23 (14) BWG	615,4	663,4
Total capital ratio in %	10,86%	11,85%
Risk-weighted measurement basis pursuant to section 22 (2) BWG	5.642,0	5.586,9
Equity requirement in relation to loan risk pursuant to section 22 (2) BWG	451,4	446,9
Equity requirement in relation to banking ledger pursuant to section 22o (2) BWG	2,0	1,1
Equity requirement for operational risk pursuant to section 22i BWG	19,3	0,0
Total own fund requirement	472,7	448,0
Surplus of own funds	142,7	215,4

*) Determined by applying the provisions of the BWG valid up to 31.12.2007 in the version published in the Federal Gazette of 2006, I No. 48.

Income statement and Segment Reporting

16. Net interest income in thousands of €	01.01.-30.09.2008	01.01.-30.09.2007
Interest and similar income from		
Lending and money market transactions with banks	56.733	42.083
Lending and money market transactions with customers	203.126	169.706
Debenture bonds and fixed-interest securities	53.523	42.169
Equities and variable-rate securities	1.716	2.178
Other participations	5.539	1.809
Other	471	7.940
Sub-total interest and similar income	321.108	265.885
Interest and similar expenses on		
bank deposits	–44.927	–26.805
client deposits	–143.812	–119.574
securitised debt	–31.906	–28.120
subordinated capital	–12.543	–12.112
other	–2.742	–8.604
Sub-total interest and similar expenses	–235.930	–195.215
Income of at equity valued companies	19.931	16.473
Net interest income	**105.109**	**87.143**

17. Loan loss provisions in thousands of €	01.01.-30.09.2008	01.01.-30.09.2007
On-balance sheet	–14.680	–16.779
Off-balance sheet	–75	–75
Loan loss insurance premiums	–4.500	–3.600
Release of on-balance sheet provisions	3.046	1.372
Release of off-balance sheet provisions	0	0
Direct amortisation	–2.716	–1.367
Income from amortised receivables	344	122
Loan loss provisions	**-18.581**	**-20.327**

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

18. Commission income in thousands of €	01.01.-30.09.2008	01.01.-30.09.2007
Lending	2.792	2.171
Payment transactions	10.003	9.593
Securities trading	15.347	21.204
Currency, foreign exchange and precious metals trading	2.651	2.325
Other	841	806
Commission income	**31.634**	**36.099**

19. Trading income in thousands of €	01.01.-30.09.2008	01.01.-30.09.2007
Derivatives	407	–12
Securities	18	1.075
Foreign currency	732	663
Trading income	**1.157**	**1.726**

20. Operating expenses in thousands of €	01.01.-30.09.2008	01.01.-30.09.2007
Payroll	–45.226	–43.445
thereof salaries and wages	–33.732	–30.360
thereof legal social contributions	–9.365	–8.532
thereof other personnel costs	–1.388	–1.921
thereof expenditures for long-term personnel deferrals	–741	–2.632
Materials	–17.903	–17.995
Amortisation	–5.411	–5.318
Operating expenses	**-68.540**	**-66.758**

20a. Payroll – annual average	2008	2007
White collar	875	846
Blue collar	28	27
Payroll	**903**	**873**

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.

21. Other operating income in thousands of €	01.01.-30.09.2008	01.01.-30.09.2007
Other operating income	7.368	4.338
Other operating expenses	–2.107	–2.296
Hedge accounting income	–129	–195
Other operating income	**5.132**	**1.847**

22. Profit arising from financial assets – at fair value through profit or loss in thousands of €	01.01.-30.09.2008	01.01.-30.09.2007
Profit arising from financial assets – at fair value through profit or loss	–9.690	–158
Profit arising from financial assets – at fair value through profit or loss	**-9.690**	**-158**

23. Profit arising from financial assets – available for sale in thousands of €	01.01.-30.09.2008	01.01.-30.09.2007
Profit arising from financial assets – available for sale	–2.999	2.595
Profit arising from financial assets – available for sale	**-2.999**	**2.595**

24. Profit arising from financial assets – held to maturity in thousands of €	01.01.-30.09.2008	01.01.-30.09.2007
Profit arising from financial assets – held to maturity	–2.264	0
Profit arising from financial assets – held to maturity	**-2.264**	**0**

25. Performance bonds and credit risks in thousands of €	30.09.2008	31.12.2007
Guarantees/Bonds	293.307	258.888
Credit risks	420.472	481.119
Eventual guarantees and credit risks	**713.779**	**740.007**

26. EPS (ordinary and preference shares)	30.09.2008	30.09.2007
Equities (ordinary and preference shares)	5.000.000	5.000.000
Average float (ordinary and preference shares)	4.864.139	4.956.044
Net Group income in thousands of €	35.732	35.718
EPS in € (ordinary and preference shares)	7,35	7,21
Diluted gain per share in € (ordinary and preference shares)	7,35	7,21

26 Segment Reporting

Company clients
Development in the company clientele segment was particularly pleasing, its before tax surplus rising by € 26.4 million over the previous year – an increase of 45.1 %.

Interest income is contributing the largest share of the growth: Volume extensions both in the lending operations and in deposits led all in all to an improvement in interest income of € 6.3 million. The growth in commission income came mainly from a positive performance in money transmission, but it was also the case that the lending and foreign exchange businesses were above the comparative levels of the preceding year. Rising personnel costs because of our expansion in Bavaria and Baden-Württemberg led to an increase in operating expenses of € 0.8 million, to € 21.4 million. The cost-income ratio vis-à-vis last year improved from 39.3 % to 35.9 %, while the rate of interest on equity rose from 9.1 % to 12.0 %.

Private clients
The year 2008 has so far proceeded against the background of the financial crisis. This affected the private client business adversely, especially through the stock exchange collapses and associated setbacks in securities turnover.
Total commission income on the private client business fell back by € 5.0 million to € 20.5 million. The interest income was, at € 34.9 million, slightly above the previous year's level. High volumes of new business compensated for the declining margin performance, especially on the deposit side.

Operating expenses rose moderately by € 0.4 million to € 40.2 million. The before tax income for the period was € 11.3 million as at 30 September 2008. The cost-income ratio on the reporting date was 72.5 %, having been 65.9 % the previous year. The equity interest rate reduced from 17.4 % to 15.2 %.

Treasury
The Treasury's interest income was the growth driver in this segment. Higher money trading positions in the short-term field and revenues from shareholdings jacked this position up by € 11.6 million to € 19.8 million. The € 0.6 million setback in trading profits to € 1.2 million was attributable to lower profits on securities transactions. The first nine months of 2008 recorded a loss on financial assets of € 15.0 million. As already mentioned in the context of BTV's group's performance, the chief causes were losses on sales of equities (at the start of the year) and valuation losses and losses actually taken on loans. The before tax income for the period in this segment was € 8.5 million.

Segment reporting in thousands of €	Quarter	Corporate	Retail	Treasury	Other	Total
	09/2008	50.396	34.905	19.808	0	105.109
Net interest income	09/2007	44.098	34.806	8.239	0	87.143
	09/2008	–14.187	–4.394	0	0	–18.581
Loan loss provisions	09/2007	–15.029	–5.298	0	0	–20.327
	09/2008	9.116	20.505	2.013	0	31.634
Commission	09/2007	8.351	25.476	2.272	0	36.099
	09/2008	0	0	1.157	0	1.157
Trading income	09/2007	0	0	1.726	0	1.726
	09/2008	–21.372	–40.158	–1.780	–5.230	–68.540
Operating expenses	09/2007	–20.605	–39.748	–1.663	–4.742	–66.758
	09/2008	2.437	416	2.305	–26	5.132
Other operating income	09/2007	1.376	391	–194	274	1.847
	09/2008	0	0	–14.953	0	–14.953
Profit arising from financial assets	09/2007	0	0	2.437	0	2.437
	09/2008	**26.390**	**11.274**	**8.549**	**–5.256**	**40.958**
Net profit for the period before tax	**09/2007**	**18.191**	**15.627**	**12.817**	**–4.468**	**42.167**
	09/2008	3.773.474	1.581.956	2.833.247	0	8.188.677
Segment income	09/2007	3.332.760	1.592.579	2.482.075	0	7.407.414
	09/2008	1.261.280	2.031.621	4.572.618	0	7.865.519
Segment liabilities	09/2007	1.070.559	1.864.146	4.314.322	0	7.249.027
Ø Lending and market risk equivalent	09/2008	3.851.138	924.080	712.022	154.789	5.642.029
pursuant to section 22 BWG	09/2007	3.347.860	1.501.695	370.164	103.876	5.323.595
	09/2008	308.091	73.926	56.962	93.335	532.314
Ø Allocated equity	09/2007	267.829	120.136	29.613	103.461	521.039
	09/2008	35,9%	72,5%	7,7%	0,0%	49,7%
Cost/income ratio in %	09/2007	39,3%	65,9%	13,6%	0,0%	53,4%
RoE (basis net profit for the year	09/2008	12,0%	15,2%	25,5%	0,0%	10,2%
before tax) in %	09/2007	9,1%	17,4%	57,9%	0,0%	10,8%

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, trading liabilities, 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.

Statement by the statutory representatives

We confirm that, to the best of our knowledge, the abridged intermediate group financial statements that have been drawn up in harmony with the relevant accounting standards convey a picture that is as faithful as possible of the asset, finance and profit position of the BTV group, and that the nine-months' report paints a picture that is as faithful as possible of the asset, finance and profit position of the BTV group with reference to the important occurrences during the first nine months of the financial year and their effects on the abridged intermediate group financial statements with respect to the main risks and uncertainties to which the group is exposed.

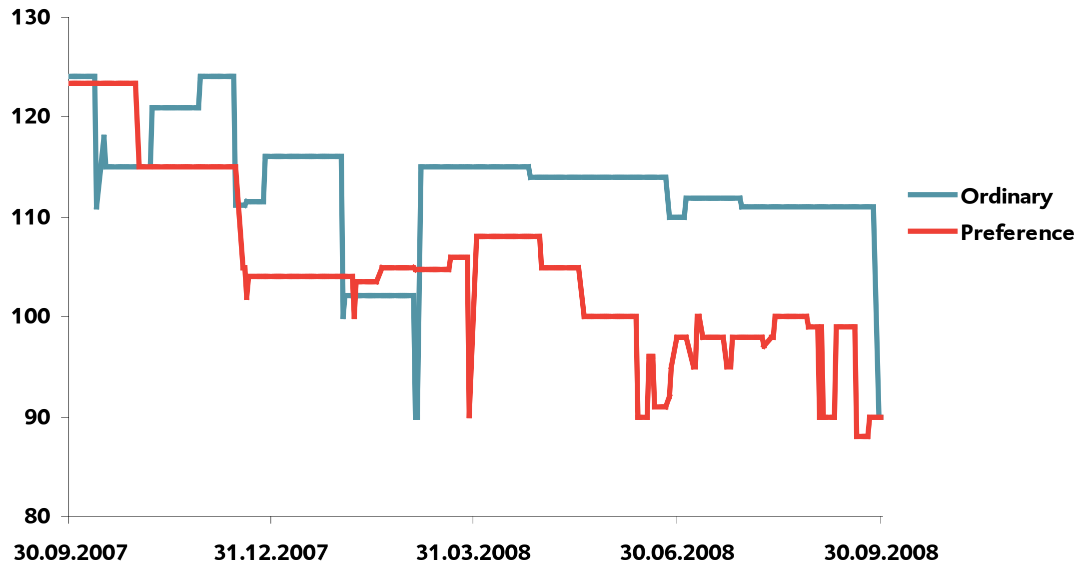
Execution of an audit and/or an examination of the intermediate report by an auditor has been waived.

Innsbruck, November 2008

The Managing Directors

Peter Gaugg Spokesman of the Managing Board	Mag. Matthias Moncher Member of the Managing Board

BTV equities as at 30 September 2008



All over the world the financial crisis and the weakening of global economic growth, fuelled by fears of recession, kept heavy downward pressure on equity prices in many economies throughout the third quarter. The year 2008 might become one of the years featuring the greatest set-backs since stock exchanges came into being. Stabilisation measures including bans on short selling in America and Europe had no lasting influence on the way prices were behaving. It was also the case that the effect of the rescue plan for the banking system approved by the US Congress was short-lived – despite the programme involving US-$ 700 billion and having been the most massive American government intervention in its financial markets since the global economic crisis that began in 1929. Hedge funds reinforced the pressure to sell, as many had fallen into financial distress and had to sell assets – below their values – in order to be able to pay funds to investors who were pulling their capital out and directing it into safer investments on a massive scale. The financial crisis had in fact been sparked off by the insolvency of Lehman Brothers.

Of the leading exchanges it was the American Dow Jones Index that held up best in 2008, with a fall of just over 18 %. The Swiss SMI lost 22 % and the Japanese NIKKEI 26 %, while the Euro Stoxx 50 has already gone down by 31 % since the beginning of the year. The 39 % fall of the Austrian ATX was disproportionately severe.

BTV's ordinary shares had fallen back to € 90.00 by 30 September (-22 %), while its preference shares were listed 13 % lower on the same date, also at € 90.00.

3 Banken Gruppe Overview – Group information

	BKS Bank		Oberbank		BTV	
Profit and loss in millions of €	**01.01.-30.09.2008**	**01.01.-30.09.2007**	**01.01.-30.09.2008**	**01.01.-30.09.2007**	**01.01.-30.09.2008**	**01.01.-30.09.2007**
Net interest income	92,1	79,9	213,9	204,6	105,1	87,1
Loan loss provisions	–17,6	–18,4	–46,2	–50,8	–18,6	–20,3
Commission income	30,9	33,0	72,6	76,6	31,6	36,1
Operating expenses	–63,8	–59,4	–153,3	–148,3	–68,5	–66,8
Net profit for the period before tax	41,6	42,6	88,2	85,8	41,0	42,2
Attributable net income for the period	38,3	37,8	81,1	77,3	35,7	35,7
Balance sheet figures in millions of €	**30.09.2008**	**31.12.2007**	**30.09.2008**	**31.12.2007**	**30.09.2008**	**31.12.2007**
Total assets	6.402,8	5.752,7	15.276,1	14.330,8	8.658,5	8.053,3
Loans and advances to customers after loan loss provisions	4.086,3	3.561,6	9.075,9	8.499,2	5.496,7	5.160,0
Primary funds	3.911,5	3.781,8	9.581,1	8.839,6	6.395,5	6.173,1
of which savings deposits	1.536,6	1.443,7	3.098,2	2.899,2	1.110,1	1.126,9
of which securitised debt inc. subordinated capital	461,9	451,8	1.797,9	1.694,8	1.236,1	1.283,0
Equity	445,8	450,5	915,4	889,5	534,5	537,3
Managed deposits	9.202,2	10.057,9	16.862,1	16.887,3	10.461,9	10.982,1
of which client deposits	5.290,7	6.276,1	7.281,0	8.047,7	4.066,4	4.809,0
BWG own funds in millions of €	**30.09.2008**	**31.12.2007**	**30.09.2008**	**31.12.2007**	**30.09.2008**	**31.12.2007**
Measurement basis	4.095,6	4.039,2	10.168,8	10.079,1	5.642,0	5.586,9
Own funds	404,3	405,1	1.200,5	1.293,6	613,4	662,3
of which core capital (Tier 1)	235,5	235,9	750,4	720,5	384,3	394,0
Surplus before operational risk	76,7	82,0	385,5	485,2	162,0	215,4
Surplus after operational risk	55,5	82,0	339,5	485,2	142,7	215,4
Core capital ratio	5,75 %	5,84 %	7,38 %	7,15 %	6,78 %	7,05 %
Total capital ratio	9,87 %	10,03 %	11,81 %	12,83 %	10,86 %	11,85 %
Subsidiaries in %	**30.09.2008**	**31.12.2007**	**30.09.2008**	**31.12.2007**	**30.09.2008**	**31.12.2007**
RoE before tax	12,94 %	13,74 %	13,21 %	13,21 %	10,21 %	11,44 %
RoE after tax	11,34 %	11,71 %	12,15 %	11,99 %	8,91 %	10,15 %
Cost/income ratio	50,64 %	52,63 %	53,28 %	52,80 %	49,70 %	51,10 %
Risk/earnings ratio	19,04 %	17,70 %	21,59 %	24,80 %	17,68 %	23,70 %
Resources	**30.09.2008**	**31.12.2007**	**30.09.2008**	**31.12.2007**	**30.09.2008**	**31.12.2007**
Average no. of employees (only white collar)	854	803	1.992	1.879	875	849
Number of branches	53	51	129	126	43	42

Imprint

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