INTERIM REPORT AS AT 30.06.2008

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 €	30.06.2008	30.06.2007	+/– %
Interest	71,5	55,3	+29,4 %
Loan loss provisions	–12,3	–13,7	–10,4 %
Commission	21,6	24,9	–13,1 %
Operating expenses	–47,2	–44,5	+5,9 %
Profit of the period before tax	30,1	27,6	+9,1 %
Group profit for the period	25,6	23,5	+8,9 %
Balance sheet in millions of €	**30.06.2008**	**31.12.2007**	**+/– %**
Total assets	8.605	8.053	+6,9 %
Loans and advances to customers after credit risk	5.480	5.160	+6,2 %
Primary funds	6.233	6.173	+1,0 %
of which savings deposits	1.137	1.127	+0,9 %
of which securitised debt inc. subordinated capital	1.237	1.283	–3,6 %
Equity	534	537	–0,7 %
Managed deposits	10.553	10.982	–3,9 %
Equity (under Austrian law – BWG) in millions of €	**30.06.2008**	**31.12.2007**	**+/– %**
Risk-weighted assets	5.553	5.587	–0,6 %
Own funds (not inc. Tier 3)	639	662	–3,4 %
of which core capital (Tier 1)	384	394	–2,5 %
Surplus own funds	176	215	–18,2 %
Core capital ratio	6,87 %	7,05 %	–0,18 %
Total capital ratio	11,49 %	11,85 %	–0,36 %
Companies	**30.06.2008**	**30.06.2007**	**+/– %-points**
Return on equity before tax	11,30 %	10,70 %	+0,60 %
Return on equity after tax	9,60 %	9,12 %	+0,48 %
Cost/income ratio	50,52 %	54,30 %	–3,78 %
Risk/earnings ratio	17,17 %	24,80 %	–7,63 %
Resources	**30.06.2008**	**30.06.2007**	**+/– number**
Average no. of employees	870	837	+33
Number of branches	43	41	+2

BTV shares	30.06.2008	30.06.2007
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	131,00/125,00
Bottom price of ordinary/preference share in €	90,00/90,00	101,70/89,01
Closing price of ordinary/preference share in €	110,00/98,00	120,10/104,50
Market capitalisation in millions of €	544	593
IFRS EPS in €	10,59	9,55
P/E ratio, ordinary share	10,4	12,6
P/E ratio, preference share	9,3	10,9

Business development of BTV group

ECONOMIC ENVIRONMENT

The Austrian economy pushed ahead powerfully in the first six months of 2008. In particular the production of physical goods, construction and tourism all operated at excellent rates of capacity utilisation, which is why Austria's GDP, with a real gain of 2.3%, managed to grow even more strongly than had been expected in the spring. WIFO [Austria's Institute for Economic Research] is, nonetheless, assuming an economic downturn that is being triggered off by several factors that are affecting demand adversely:

- The serious financial and real-estate crisis in the USA, involving stagnation for the last nine months, which has led to a contraction in domestic demand,
- The consequences of the upward valuation of the euro, which is dampening down exports and investments in Europe, and
- The sharp rise in the prices of raw materials (especially oil) on the world markets.

Above all it is the striking rise in oil prices on the world's markets that is bringing about a marked acceleration in inflation to 3.5% - its highest figure since 1993. This is weighing down on private households' disposable real income and braking the growth of consumer spending. The dampening of the economy that is spreading from the USA into the industrial countries will slow down Austria's expansion in exports, industrial production and investments. Its domestic economy will therefore only expand in 2009 by just 1.4% in real terms.

The international financial crisis is continuing to hold back the world economy. Only when the situation on the American mortgage market stabilises will this negative influence lessen. There continues, though, to be no signs of that. The central banks were successful, on a global scale, in their efforts to prevent bank failures in large numbers by allowing massive increases in liquidity. The continuing high-risk premiums on the interbank markets show, however, that the financial markets are still under great strain.

The ECB [European Central Bank] left its basic rate of interest at 4.00% in the second quarter of 2008 as well. The liquidity bottleneck on the money market persisting because of the financial crisis is holding short-term interest rates high and the interest rate curve inverse. Only at the end of the second quarter did the 10-year rate again exceed the 3-month Euribor rate. The latter was listed as at 30.06.2008 at 4.95% (having been 4.68% at the start of the year) and thus below the 10-year rate by 11 basic points.
Unlike the ECB the American central bank again cut its basic rate of interest further in the second quarter, this time by 25 basic points in April. The basic rate was listed at 2.00% on 30.06.08. Because of the accelerated inflation the American central bank's cycle of interest rate cuts should thus be at an end for the time being.
The 3-month Libor target range in Switzerland at the end of the quarter was 2.25% to 3.25%, with a 3-month libor of 2.75%. The Japanese basic rate of overnight money remained unchanged at 0.50% in the second quarter of 2008.

The euro's rate of exchange with the US dollar climbed by 8% over the first six months. The euro stabilised in the second quarter at a high level, and was listed at $1.58 as at 30.06.2008. The Japanese yen weakened markedly against the euro to 167 in the second quarter. A euro was costing 163 yen at the start of the year.
The downward trend of the Swiss franc against the euro was temporarily halted in the first quarter of 2008, but the trend resumed in the second quarter. With the euro having been listed at CHF 1.65 at the start of the year, the franc was recovering again by the end of June. The euro rate of exchange was CHF 1.61 as at 30.06.2008.

PROFIT DEVELOPMENT

Interest income
The clear growth in interest income is coming from increased volumes of customer transactions in the fields if 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 rise in interest income of € 16.3 million, or 29.4%, to € 71.5 million.

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 € 12.3 million, at which level they were 10.4% below that of the preceding year.

Commission income
Because of the unsettled stock market situations turnover in securities was markedly below last year's excellent level. The first six months' revenue in this core division of BTV was down by € 4.2 million, or 28.0%, to € 10.7 million. Foreign exchange commission, income from lending operations and revenue from money transmission were, on the other hand, above the results for the comparable period of 2007. Commission income as a whole was down by 13.1%, to € 21.6 million.

Trading income
Trading income reflected the difficult stock markets. Revenues from securities trading and derivatives were € 1.5 million below the previous year's level. Currency trading fared somewhat better. Trading income as a whole was € 0.2 million at the end of June 2008.

Operating expenses
Operating expenses (personnel and operating expenditure, including depreciation on tangible assets) rose by 5.9% compared with the year before to € 47.2 million.
Personnel costs went up by 5.6% to € 30.7 million. The main reasons for this increase were the final collective agreement settlement of 3.3% and the larger workforce, which had a net total increase (weighted to reflect part-time employees)

compared with the preceding year of 33 to 870 employees. Personnel provisions, furthermore, are rising by 1.8% for the year as a whole because of the new mortality tables. Higher spending on IT, office space and equipment were the chief causes of operating expense rising by € 1.0 million to € 12.9 million. Depreciation on tangible assets, at € 3.6 million, was at the same level as last year.

Other operating income
Satisfactory income from leasing business and higher profit from hedge accounting were the main factors that led, in total, to a gain of € 3.0 million under this heading compared with the year before.

Profit arising from financial assets
Because of the persisting uncertainties on the securities exchanges we reduced our own equity holdings in January 2008. Shares with negative prospects were sold and losses taken. Furthermore there were valuation losses as a result of the increased spreads on bonds to which the fair value option was applied. Taken all together the results from financial assets were showing a loss of € 7.6 million at the end of June 2008.

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 € 4.5 million results for the first six months of 2008, such that BTV's tax rate turns out at 15.0% (previous year 14.8%).

Group income
The after tax income for the period rose by 8.9% to € 25.6 million (compared with € 23.5 million the year before). The RoE [return on equity] on the basis of the before tax income for the period ended on 30 June 2008 was 11.3%, compared with 10.7% the year before. The cost-income ratio improved from 54.3% to 50.5%, and the risk-earnings ratio from 24.8% to 17.2%.

BALANCE SHEET PERFORMANCE

The BTV Group's balance sheet total went up by 6.9%, or € 552 million, compared with the figure on the final day of 2007. On the asset side it was chiefly claims on customers, which went up by € 315 million, that accounted for this trend. It proved possible, especially, to make notable expansions in the financing of small and medium-sized companies both on current accounts and also in financing investments. Higher money dealing positions were the cause of the rise in claims on banks. Provision for bad debts went down by 2.8% to € 155 million.

The level of financial assets was reduced by € 23 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 were extended by 2.2% to € 4,996 million. Term deposits and capital passbooks with one-year maturities were in particular demand. All in all the primary deposits (including subordinate capital) of € 6,233 million were 1.0% above the end year figure for 2007. The degree of cover of customer claims rose thereby to 113.7% after bad debt provisioning with primary funds.

The banking group's eligible own funds amounted, under the BWG [Austria's banking act], to € 639.4 million at the end of the first six months (compared with € 662.3 million in December 2007). The statutory minimum requirement as at 30 June 2008 was € 466.5 million, so there was surplus cover of about 37%.

The banking group's core capital under the BWG was € 384.3 million as at 30 June 2008 (it having been € 394.0 million in December 2007). The core capital rate of 6.87% to be calculated on the quarterly reporting date was 18 percentage points above the comparable figure at the final day of 2007. The own equity rate reached 11.49%, 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

Even if the economy were to weaken somewhat in the further course of this year, and even if increased interest rates were to lead to some gentle cooling off of the credit-led demand, a positive environment for the development of our company clientele is nonetheless expected for the entire 2008 calendar year. On the private client side of our business profits will be dependent on further developments in the securities markets and on the revenues in our core securities business division.

An after tax group surplus of € 53 million is expected at the end of the year, slightly above the previous year's figure.

Balance sheet as at 30 June 2008

Assets in thousands of €	30.06.2008	31.12.2007	change absolute	change in %
Cash reserves	154.467	245.358	–90.891	–37,0 %
Loans and advances to banks[1] (Notes)	764.700	547.193	+217.507	+39,7 %
Loans and advances to customers[2]	5.634.612	5.319.660	+314.952	+5,9 %
Loan loss provisions[3]	–155.137	–159.679	+4.542	–2,8 %
Trading[4]	34.913	321	+34.592	>+ 100 %
Financial assets – at fair value through profit or loss[5]	162.835	151.032	+11.803	+7,8 %
Financial assets – available for sale[6]	866.604	1.149.215	–282.611	–24,6 %
Financial assets – held to maturity[7]	629.091	381.476	+247.615	+64,9 %
Shares in at-equity-valued companies[8]	217.227	212.025	+5.202	+2,5 %
Intangible fixed assets	936	1.062	–126	–11,9 %
Property, plant and equipment	92.666	93.507	–841	–0,9 %
Properties held as financial investments	31.977	28.256	+3.721	+13,2 %
Tax claims	6.169	6.894	–725	–10,5 %
Other assets	163.992	77.028	+86.964	>+ 100 %
Total assets	**8.605.052**	**8.053.348**	**+551.704**	**+6,9 %**

Liabilities in thousands of €	30.06.2008	31.12.2007	change absolute	change in %
Banks[9]	1.561.864	1.136.795	+425.069	+37,4 %
Customer accounts[10]	4.995.944	4.890.115	+105.829	+2,2 %
Securitised debt[11]	903.058	913.177	–10.119	–1,1 %
Trading liabilities[12]	692	377	+315	+83,6 %
Reserves and provisions[13]	68.336	67.813	+523	+0,8 %
Tax debts	2.246	3.321	–1.075	–32,4 %
Other liabilities	205.333	134.564	+70.769	+52,6 %
Subordinated capital[14]	334.113	369.860	–35.747	–9,7 %
Equity[15]	533.466	537.326	–3.860	–0,7 %
Total liabilities	**8.605.052**	**8.053.348**	**+551.704**	**+6,9 %**

Profit and loss account as at 30 June 2008

Profit and loss account in thousands of €	01.01.-30.06.2008	01.01.-30.06.2007	change absolute	change in %
Interest and similar income	218.514	173.851	+44.663	+25,7 %
Interest and similar expenses	–164.729	–128.630	–36.099	+28,1 %
Income of at-equity valued companies	17.761	10.052	+7.709	+76,7 %
Net interest income[16]	71.546	55.273	+16.273	+29,4 %
Loan loss provisions[17]	–12.283	–13.707	+1.424	–10,4 %
Commission income	24.782	29.190	–4.408	–15,1 %
Commission expense	–3.134	–4.281	+1.147	–26,8 %
Net commission income[18]	21.648	24.909	–3.261	–13,1 %
Trading income[19]	201	1.855	–1.654	–89,2 %
Operating expenses[20]	–47.181	–44.543	–2.638	+5,9 %
Other operating income[21]	3.777	746	+3.031	>+ 100 %
Financial assets – at fair value through profit or loss[22]	–6.010	–235	–5.775	>- 100 %
Financial assets – available for sale[23]	–1.623	3.257	–4.880	>- 100 %
Financial assets – held to maturity	0	0	+0	+0,0 %
Net profit for the period before tax	30.075	27.555	+2.520	+9,1 %
Income and profits tax	–4.512	–4.091	–421	+10,3 %
Net profit for the period after tax	**25.563**	**23.464**	**+2.099**	**+8,9 %**

Indicators	30.06.2008	30.06.2007
EPS in €[25]	5,26	4,73
RoE before tax	11,30%	10,70%
RoE after tax	9,60%	9,12%
Cost/income ratio	50,52%	54,30%
Risk/earnings ratio	17,17%	24,80%

BTV group: Profit and loss account – periods

Profit and loss accounts – periods in thousands of €	II. Q 2008	I. Q 2008	IV. Q 2007	III. Q 2007	II. Q 2007
Interest and similar income	114.680	103.834	106.285	92.033	93.912
Interest and similar expenses	–87.327	–77.402	–76.552	–66.585	–71.549
Income of at-equity valued companies	11.901	5.860	6.127	6.422	5.371
Net interest income	39.254	32.292	35.860	31.870	27.734
Loan loss provisions	–6.185	–6.098	–8.879	–6.620	–6.515
Commission income	11.701	13.081	13.162	13.071	14.403
Commission expense	–1.552	–1.582	–2.003	–1.881	–2.191
Net commission income	10.149	11.499	11.159	11.190	12.212
Trading income	367	–166	473	–129	1.136
Operating expenses	–24.058	–23.123	–21.341	–22.215	–22.056
Other operating expenses	1.411	2.366	–267	1.101	1.343
Financial assets – at fair value through profit or loss	–4.919	–1.091	–34	77	–292
Financial assets – available for sale	131	–1.754	907	–662	1.116
Financial assets – held to maturity	0	0	0	0	0
Net profit for the quarter before tax	16.150	13.925	17.878	14.612	14.678
Income and profits tax	–2.509	–2.003	–317	–2.358	–2.093
Net profit for the quarter after tax	**13.641**	**11.922**	**17.561**	**12.254**	**12.585**

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	-	-	+23.464	-	+23.464
Distributions	-	-	–7.000	-	–7.000
Exchange differentials	-	-	+52	-	+52
Treasury shares	-	–79	-	-	–79
Other changes	-	-	–147	–2.834	–2.981
of which deferred tax	-	-	+708	-	+708
of which at equity assessment	-	-	–917	-	–917
Equity at 30.06.2007	**50.000**	**58.797**	**408.743**	**8.290**	**525.830**

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	-	-	+25.563	-	+25.563
Distributions	-	-	–7.500	-	–7.500
Exchange differentials	-	-	–17	-	–17
Treasury shares	-	–9.692	-	-	–9.692
Other changes	-	-	–10.281	–1.933	–12.214
of which deferred tax	-	-	+483	-	+483
of which at equity assessment	-	-	–10.986	-	–10.986
Equity at 30.06.2008	**50.000**	**49.039**	**445.299**	**–10.872**	**533.466**

Cash flow statement as at 30 June 2008

Cash flow statement in thousands of €	01.01.-30.06.2008	01.01.-30.06.2007
Cash position at the end of the previous period	245.358	126.973
Operating cash flow	–61.191	–6.974
Investment cash flow	–4.962	2.286
Financing cash flow	–24.738	8.119
Cash position at end of period	154.467	130.404

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 June 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

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

In the first quarter of 2008 financial assets in the valuation category "available for sale" were 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.

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.

The Austrian actuaries' association published the new calculation bases "AVÖ 2008 P" for Pagler & Pagler's mortality tables for the purposes of valuing social capital in the middle of June. The changes in the mortality tables were taken into consideration with an amount of € 0.4 million in the expenditure on personnel.

As far as the resolutions adopted at the 90th Annual General Shareholders' Meeting on 20 May 2008 are concerned, you are referred to what has been published on the BTV Homepage under the heading "Investor Relations" (www.btv.at).

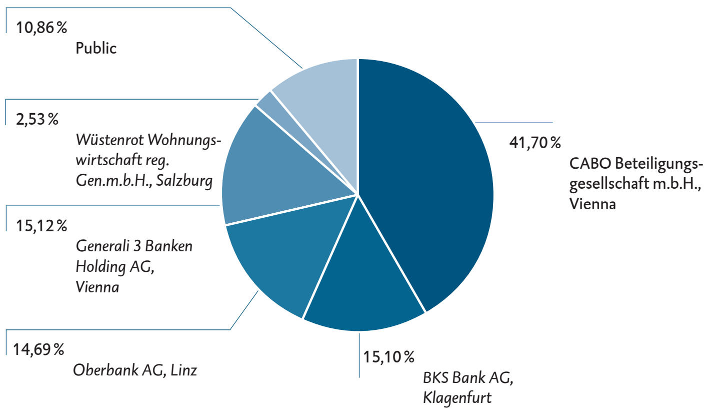
BTV's independence and autonomy unaffected by the sale of UniCredit share:

As has been communicated several times in recent weeks, UniCredit is examining the possibility of selling its minority shareholdings in BTV, in BKS Bank AG, and in Oberbank AG by the end of 2008. The market price of the package of shares up for sale is about € 231 million (BTV) or € 800 million (Oberbank, BKS and BTV).

The most important points are:

- The self-sufficiency and independence of BTV will be preserved,
- Syndicate agreement between BKS, Oberbank, Generali 3 Banken Holding and Wüstenrot with the purpose of keeping BTV's autonomy,
- Clear intention of many other shareholders not to surrender their shares!
- Meaning that BTV's tried and test regional bank model will continue to operate, unchanged.

BTV Shareholders according to votes:



BTV involved in the sale, with the whole process taking place under agreements between BTV and Unicredit. This means that we have a say in the matter. We see new opportunities in having new shareholders, and are therefore basically positive towards any potential exchange of shareholders.

Events following the intermediate financial statement's reporting date

Following the date of the intermediate report there have not been in the BTV group any activities or events relevant by their nature or form to that report which would have influenced the asset, financial and profit position conveyed in it.

Balance sheet – Assets

1. Loans and advances to banks in thousands of €	30.06.2008	31.12.2007
Austrian banks	229.913	228.501
Foreign banks	534.787	318.692
Loans and advances to banks	**764.700**	**547.193**

2. Loans and advances to customers in thousands of €	30.06.2008	31.12.2007
Austrian customers	4.007.653	3.905.060
Foreign customers	1.626.959	1.414.600
Loans and advances to customers	**5.634.612**	**5.319.660**
of which fair value	14.343	2.255

3. Loan loss provisions in thousands of €	2008	2007
Opening balance at 01.01.	159.679	152.439
– Releases	–2.033	–537
+ Allocation	9.984	11.176
– Application	–12.506	–6.420
Loan loss provisions at 30.06.	155.137	156.658
Opening balance commitments at 01.01.	273	219
– Releases	0	0
+ Allocation	50	50
– Application	0	0
Reserves and provisions commitments at 30.06.	323	269
Total loan loss provisions 30.06.	**155.460**	**156.927**

4. Trading assets in thousands of €	30.06.2008	31.12.2007
Debenture bonds and other fixed-interest securities	26.548	0
Equities and other variable-interest securities	7.756	0
Positive market values arising from derivative transactions	609	321
Trading assets	**34.913**	**321**

5. Financial assets – at fair value through profit or loss in thousands of €	30.06.2008	31.12.2007
Debenture bonds and other fixed-interest securities	152.226	130.379
Equities and other variable-interest securities	9.441	19.856
Positive market values arising from derivative transactions	1.168	797
Financial assets – at fair value through profit or loss	**162.835**	**151.032**

6. Financial assets – available for sale in thousands of €	30.06.2008	31.12.2007
Debenture bonds and other fixed-interest securities	734.431	1.004.344
Equities and other variable-interest securities	36.751	49.299
Other shareholdings	25.715	25.715
Other affiliated shareholdings	69.707	69.857
Financial assets – available for sale	**866.604**	**1.149.215**

7. Financial assets – held to maturity in thousands of €	30.06.2008	31.12.2007
Debenture bonds and other fixed-interest securities	629.091	381.476
Financial assets – held to maturity	**629.091**	**381.476**

8. Shares in at equity valued companies in thousands of €	30.06.2008	31.12.2007
Banks	207.767	208.503
Other	9.460	3.522
Shares in at equity valued companies	**217.227**	**212.025**

Balance sheet – Liabilities

9. Liabilities to banks in thousands of €	30.06.2008	31.12.2007
Austrian banks	1.052.931	753.280
Foreign banks	508.933	383.515
Liabilities to banks	**1.561.864**	**1.136.795**

10. Liabilities to customers in thousands of €	30.06.2008	31.12.2007
Saving deposits		
Austrian	996.400	991.801
Foreign	140.330	135.052
Sub-total savings deposits	1.136.730	1.126.853
Other deposits		
Austrian	3.306.966	3.195.098
Foreign	552.248	568.164
Sub-total other deposits	3.859.214	3.763.262
Customer accounts	**4.995.944**	**4.890.115**

11. Securitised debt in thousands of €	30.06.2008	31.12.2007
Debentures	767.255	772.223
Domestic bonds	135.803	140.954
Securitised debt	**903.058**	**913.177**

12. Trading liabilities in thousands of €	30.06.2008	31.12.2007
Negative market values arising from derivative transactions – Trading	692	377
Trading liabilities	**692**	**377**

13. Reserves and provisions in thousands of €	30.06.2008	31.12.2007
Long-term payroll reserves	64.132	63.539
Other reserves and provisions	4.204	4.274
Reserves and provisions	**68.336**	**67.813**

14. Subordinated capital in thousands of €	30.06.2008	31.12.2007
Supplementary capital	334.113	369.860
Subordinated capital	**334.113**	**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 30.06.2008	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 %	6,87%	7,05%
Supplementary own funds (Tier 2)	355,1	367,6
Valuation items	–100,0	–99,3
Eligible own funds (excluding Tier 3)	639,4	662,3
Own funds applied pursuant to section 23 (14 Z 7) BWG (Tier 3)	3,0	1,1
Eligible own funds pursuant to section 23 (14) BWG	642,4	663,4
Total capital ratio in %	11,49%	11,85%
Risk-weighted measurement basis pursuant to section 22 (2) BWG	5.553,1	5.586,9
Equity requirement in relation to loan risk pursuant to section 22 (2) BWG	444,2	446,9
Equity requirement in relation to banking ledger pursuant to section 22o (2) BWG	3,0	1,1
Equity requirement for operational risk pursuant to section 22i BWG	19,3	0,0
Total own fund requirement	466,5	448,0
Surplus of own funds	175,9	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.-30.06.2008	01.01.-30.06.2007
Interest and similar income from		
Lending and money market transactions with banks	37.565	24.663
Lending and money market transactions with customers	132.159	109.040
Debenture bonds and fixed-interest securities	35.177	27.765
Equities and variable-rate securities	1.326	1.415
Other participations	1.459	586
Other	10.828	10.382
Sub-total interest and similar income	218.514	173.851
Interest and similar expenses on		
bank deposits	–28.595	–18.067
client deposits	–94.276	–73.994
securitised debt	–21.216	–17.837
subordinated capital	–8.285	–7.883
other	–12.357	–10.849
Sub-total interest and similar expenses	–164.729	–128.630
Income of at equity valued companies	17.761	10.052
Net interest income	**71.546**	**55.273**

17. Loan loss provisions in thousands of €	01.01.-30.06.2008	01.01.-30.06.2007
On-balance sheet	–9.984	–11.176
Off-balance sheet	–50	–50
Loan loss insurance premiums	–3.000	–2.400
Release of on-balance sheet provisions	2.033	537
Release of off-balance sheet provisions	0	0
Direct amortisation	–1.557	–698
Income from amortised receivables	275	80
Loan loss provisions	**-12.283**	**-13.707**

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.-30.06.2008	01.01.-30.06.2007
Lending	1.634	1.462
Payment transactions	6.698	6.381
Securities trading	10.742	14.916
Currency, foreign exchange and precious metals trading	1.729	1.526
Other	845	624
Commission income	**21.648**	**24.909**

19. Trading income in thousands of €	01.01.-30.06.2008	01.01.-30.06.2007
Derivatives	–123	–21
Securities	31	1.391
Foreign currency	293	485
Trading income	**201**	**1.855**

20. Operating expenses in thousands of €	01.01.-30.06.2008	01.01.-30.06.2007
Payroll	–30.677	–29.051
thereof salaries and wages	–22.505	–19.671
thereof legal social contributions	–6.081	–5.580
thereof other personnel costs	–1.038	–1.218
thereof expenditures for long-term personnel deferrals	–1.053	–2.582
Materials	–12.880	–11.922
Amortisation	–3.624	–3.570
Operating expenses	**-47.181**	**-44.543**

20a. Payroll – annual average	2008	2007
White collar	870	837
Blue collar	28	26
Payroll	**898**	**863**

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.-30.06.2008	01.01.-30.06.2007
Other operating income	4.389	3.169
Other operating expenses	–1.462	–2.403
Hedge accounting income	850	–20
Other operating income	**3.777**	**746**

22. Profit arising from financial assets – at fair value through profit or loss in thousands of €	01.01.-30.06.2008	01.01.-30.06.2007
Profit arising from financial assets – at fair value through profit or loss	–6.010	–235
Profit arising from financial assets – at fair value through profit or loss	**-6.010**	**-235**

23. Profit arising from financial assets – available for sale in thousands of €	01.01.-30.06.2008	01.01.-30.06.2007
Profit arising from financial assets – available for sale	–1.623	3.257
Profit arising from financial assets – available for sale	**-1.623**	**3.257**

24. Performance bonds and credit risks in thousands of €	30.06.2008	31.12.2007
Guarantees/Bonds	278.621	258.888
Credit risks	542.090	481.119
Eventual guarantees and credit risks	**820.711**	**740.007**

25. EPS (ordinary and preference shares)	30.06.2008	30.06.2007
Equities (ordinary and preference shares)	5.000.000	5.000.000
Average float (ordinary and preference shares)	4.855.832	4.956.042
Net Group income in thousands of €	25.563	23.464
EPS in € (ordinary and preference shares)	5,26	4,73
Diluted gain per share in € (ordinary and preference shares)	5,26	4,73

26 Segment Reporting

Company clients
In the company clientele segment profits were up by 35.5% over last year with a before tax surplus for the period of € 15.8 million. Volume extensions both in the lending operations and in deposits led all in all to an improvement in interest income of € 3.31 million, or 11.6%. 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 slightly above the levels of the preceding year. Rising personnel costs because of our expansion in Bavaria and Baden-Württem¬berg led to an increase in operating expenses of € 1.17 million, or 8.8%. The cost-income ratio vis-à-vis last year improved from 39.3% to 38.6%, while the interest on equity rose from 9.1% to 10.9%.

Private clients
Our private client business in the first six months of 2008 was affected by the uncertainty on the stock exchanges and by the fall in securities turnover associated with that. Commission income in the securities division failed to reach the attractive level of the previous year, falling back by 19.7% to a total of € 14.33 million on business with private clients. The interest income was, at € 22.89 million, at the previous year's level.
New business, particularly on the deposit side, succeeded in making up for falling commission rates. Operating expenses rose moderately by 2.2%. The before tax income for the period was € 7.60 million as at 30 June 2008. The cost-income ratio was at 71.9%, having been 64.1% in the previous year. The equity interest rate reduced from 17.5% to 15.3%.

Treasury
Higher money trading positions in the short-term field and revenues from shareholdings affected the Treasury's interest income positively. At € 16.86 million at the end of June 2008 it was up by € 13.05 million on the previous year. The setback in trading profits is attributable to lower profits on securities and derivatives transactions. The first six months of 2008 recorded a loss on financial assets of € 7.63 million, which was the equivalent of a fall of € 10.66 million compared with the preceding year. As already mentioned in the context of the group's performance, the chief causes were losses on sales of equities and valuation losses on loans to which fair value options were applied. The before tax income for the period was € 11.29 million.

Segment reporting in thousands of €	Quarter	Corporate	Retail	Treasury	Other	Total
Net interest income	06/2008	31.792	22.894	16.860	0	71.546
	06/2007	28.479	22.987	3.807	0	55.273
Loan loss provisions	06/2008	-9.120	-3.163	0	0	-12.283
	06/2007	-9.844	-3.863	0	0	-13.707
Commission	06/2008	5.950	14.330	1.368	0	21.648
	06/2007	5.588	17.844	1.477	0	24.909
Trading income	06/2008	0	0	201	0	201
	06/2007	0	0	1.855	0	1.855
Operating expenses	06/2008	-14.568	-26.749	-1.204	-4.660	-47.181
	06/2007	-13.395	-26.175	-1.088	-3.885	-44.543
Other operating income	06/2008	1.782	288	1.699	8	3.777
	06/2007	856	-323	-20	233	746
Profit arising from financial assets	06/2008	0	0	-7.633	0	-7.633
	06/2007	0	0	3.022	0	3.022
Net profit for the year before tax	06/2008	15.836	7.600	11.291	-4.652	30.075
	06/2007	11.684	10.470	9.053	-3.652	27.555
Segment income	06/2008	3.653.513	1.583.461	2.723.608	0	7.960.582
	06/2007	3.212.258	1.592.579	2.360.348	0	7.165.185
Segment liabilities	06/2008	1.261.280	2.031.621	4.502.078	0	7.794.979
	06/2007	1.066.123	1.820.043	4.051.929	0	6.938.095
Ø Lending and market risk equivalent pursuant to section 22 BWG	06/2008	3.653.000	1.246.268	519.072	151.672	5.570.011
	06/2007	3.243.806	1.508.848	370.582	96.200	5.219.436
Ø Allocated equity	06/2008	292.240	99.701	41.526	101.929	535.396
	06/2007	259.504	120.708	29.647	109.243	519.102
Cost/income ratio in %	06/2008	38,6%	71,9%	6,5%		50,5%
	06/2007	39,3%	64,1%	15,2%		54,3%
RoE (basis net profit for the year before tax) in %	06/2008	10,9%	15,3%	54,5%		11,3%
	06/2007	9,1%	17,5%	61,6%		10,7%

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.

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 six-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 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.

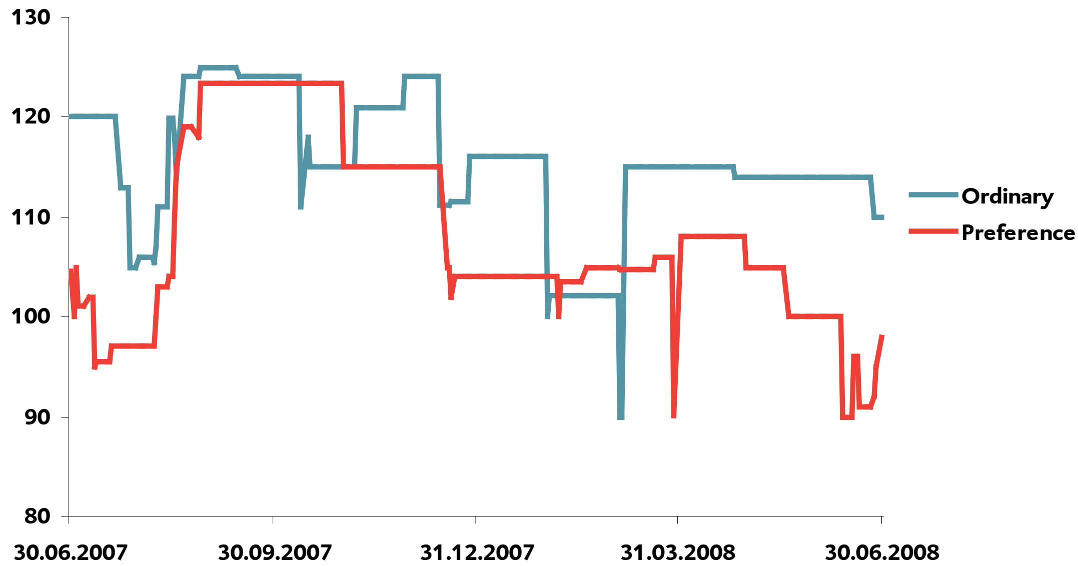
Innsbruck, August 2008

The Managing Directors

Peter Gaugg
Spokesman of the Managing Board

Mag. Matthias Moncher
Member of the Managing Board

BTV equities as at 30 June 2008



Price movements on the international equity markets in the second quarter of 2008 continued to be characterised by the financial crisis and the effects associated with it on the real economy. The stock exchanges were very volatile. After the collapse in prices all over the world in the first quarter the markets recovered themselves until the middle of May. Negative economic news emanating from Europe, Asia and the USA, however, and the crisis on the financial markets, caused the stock markets to plunge again.

Of the leading exchanges it was the Japanese NIKKEI with a fall of just 12% and the Austrian ATX with a fall of 13% that held up the best, while the Euro Stoxx 50 has already shed 24% since the start of the year. The American Dow Jones Index and the Swiss SMI lost 14% and 18% respectively.

BTV's ordinary shares fell back over the first six months by 5% to € 110.00, while its preference shares were listed 6% lower, at € 98.00, at the end of June.

3 Banken Gruppe Overview – Group information

	BKS-Bank		Oberbank		BTV	
Profit and loss in millions of €	**01.01.-30.06.2008**	**01.01.-30.06.2007**	**01.01.-30.06.2008**	**01.01.-30.06.2007**	**01.01.-30.06.2008**	**01.01.-30.06.2007**
Net interest income	60,0	51,8	139,7	133,2	71,5	55,3
Loan loss provisions	–11,7	–12,1	–31,3	–33,3	–12,3	–13,7
Commission income	20,9	22,3	49,1	51,8	21,6	24,9
Operating expenses	–41,8	–39,0	–102,4	–97,8	–47,2	–44,5
Net profit for the period before tax	30,1	28,7	57,8	56,2	30,1	27,6
Attributable net income for the period	26,8	25,4	52,7	49,8	25,6	23,5
Balance sheet figures in millions of €	**30.06.2008**	**31.12.2007**	**30.06.2008**	**31.12.2007**	**30.06.2008**	**31.12.2007**
Total assets	6.272,7	5.752,7	14.835,4	14.330,8	8.605,1	8.053,3
Loans and advances to customers after loan loss provisions	3.900,9	3.561,6	9.106,1	8.499,2	5.479,5	5.160,0
Primary funds	3.778,0	3.781,8	9.187,1	8.839,6	6.233,0	6.173,1
of which savings deposits	1.530,6	1.443,7	3.066,0	2.899,2	1.136,7	1.126,9
of which securitised debt inc. subordinated capital	453,7	451,8	1.741,3	1.694,8	1.237,2	1.283,0
Equity	447,2	450,5	901,1	889,5	533,5	537,3
Managed deposits	9.324,4	10.057,9	16.833,5	16.887,3	10.552,5	10.982,1
of which client deposits	5.546,4	6.276,1	7.646,4	8.047,7	4.319,5	4.809,0
BWG own funds in millions of €	**30.06.2008**	**31.12.2007**	**30.06.2008**	**31.12.2007**	**30.06.2008**	**31.12.2007**
Measurement basis	3.930,4	4.039,2	9.823,3	10.079,1	5.553,1	5.586,9
Own funds	404,9	405,1	1.354,6	1.293,6	639,4	662,3
of which core capital (Tier 1)	235,7	235,9	720,8	720,5	384,3	394,0
Surplus before operational risk	90,4	82,0	566,7	485,2	195,1	215,4
Surplus after operational risk	69,2	82,0	520,8	485,2	175,9	215,4
Core capital ratio	6,00 %	5,84 %	7,34 %	7,15 %	6,87 %	7,05 %
Total capital ratio	10,30 %	10,03 %	13,79 %	12,83 %	11,49 %	11,85 %
Subsidiaries in %	**30.06.2008**	**31.12.2007**	**30.06.2008**	**31.12.2007**	**30.06.2008**	**31.12.2007**
RoE before tax	12,92 %	13,74 %	13,06 %	13,21 %	11,30 %	11,44 %
RoE after tax	11,33 %	11,71 %	11,90 %	11,99 %	9,60 %	10,15 %
Cost/income ratio	49,88 %	52,63 %	53,46 %	52,80 %	50,50 %	51,08 %
Risk/earnings ratio	19,50 %	17,70 %	22,42 %	24,80 %	17,20 %	23,74 %
Resources	**30.06.2008**	**31.12.2007**	**30.06.2008**	**31.12.2007**	**30.06.2008**	**31.12.2007**
Average no. of employees (only white collar)	850	836	1.983	1.879	870	849
Number of branches	52	51	126	126	43	42

Imprint

Bank für Tirol und Vorarlberg
Aktiengesellschaft
Stadtforum
6020 Innsbruck

Phone: +43/5 05 333-0
Telefax: +43/5 05 333-1180
S.W.I.F.T.: BTVAAT22
Bank code: 16000
DVR.: 0018902
FN.: 32.942w
VAT: ATU 317 12 304
btv@btv.at
www.btv.at

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

Media owner (Publisher)
Bank für Tirol und Vorarlberg AG
Stadtforum
6020 Innsbruck

Design and grafics
BTV Finanzen & Controlling
Mag. Daniel Stöckl-Leitner

Date
19.08.2008