DECISIONS.

ANNUAL REPORT 2008

BTV
3 Banken Gruppe

»Values such as trust, awareness of responsibility and sustainability are experiencing a Renaissance. That is good and right.«

We have decided to operate successfully and sustainably.

BTV has produced one of the best sets of results in its 104-year history during a period of crisis in the financial markets. Just a coincidence? No.

The whole world is talking of the greatest crisis of the post-war period. We all know it is here, but there seems to be something imaginary about it– although its heavy footfalls have long been audible.

The crisis hinges on values – values that have gone missing. Instead of concentrating on them we are immersing ourselves in details: will economic growth shrink by one, two or even three percent? Are flamboyant bankers responsible for the crisis or all of us? Will we have to adapt our lifestyles?

Many of us thought that we might have overcome the great crises. The hour of technocrats and managers, specialists in emissions and experts on terrorism, network researchers and actuaries might have arrived. But it has turned out differently – with philosophers, theologians and writers now telling us how the world managed to get into such a right mess.

BTV always sets its strategy up so that it rides crises out. That proved its worth following the subprime crisis during BTV's 2007 financial year and now, in 2008, is doing so again in the shadow of the general crisis affecting finance and trust. With pre-tax income for the year of €50 million we are recording the third best result in our 104-year history. Never before have we managed to achieve such a high equity allocation – of €35 million. Our equity funds rose to a total of €670 million such that we more than fulfilled the statutory requirement to the extent of over €200 million.

We may also speak highly of our crisis management, as our employees kept their nerve and concentrated on the main thing – the well being of our customers. They increased their active customer contacts by a good 40%, showing that they were being looked after all round the clock.

Our business model has long been aligned to healthy growth. In 2008 we opened new branches in Stuttgart, Munich and Telfs thus strengthening our market territory, which stretches from Vienna over to Eastern Switzerland and from Baden-Württemberg down to the Veneto. Growing naturally entails building up our personnel. Last year BTV recruited a further 30 employees, bringing their total to 879 at the end of the year.

People in our region trust BTV. That brought us above-average deposit growth, with savings rising by over 10 percent. We are not operating any kind of credit squeeze. In 2008 we made available additional funds of about €590 million to our customers for working capital, investments, export credits and residential building loans – an increase of over 11 percent. It was BTV's house-buying customers who profited particularly from its excellent liquidity situation.

The crisis in the financial markets just goes to underline the true value of close relationships between customers and lenders. Mutual trust arises, above all, as a result of co-operation over many years. The highest information costs come at the beginning, but these minimise on both sides in the course of long-term relationships. Not shuffling the cards the whole time is equally advantageous for the bank and the customer.

BTV, as a regional bank in the heart of Europe, has – for some years – been experiencing a Renaissance as the financial crisis has built up because customers value our rather conservative attitude to money.
It is precisely in times like these that we know that our strategy is the right one and we pursue it out of conviction. That way we will be in the future what you deserve – a safe financial partner who springs no surprises on you.

Yours

Mag. Matthias Moncher   Peter Gaugg

2008 consolidated financial statements prepared pursuant to the International Financial Reporting Standards (IFRS)

Status report

Balance Sheet and Notes

Business over the year

2008 – the year of economic extremes.
Reliability, customer proximity, power and independence are the basis of our success.

Economic environment

2008 will go down in economic history as a year of extremes. Until the summer the economic outlook was positive, though inflation was rising. In July the ECB increased its basic rate to 4.25% to counter inflation, but two months later, in September 2008, everything was suddenly completely different. The US subprime crisis spilled over to Europe with great momentum and at high speed and turned into a global financial market crisis. Overnight the governments of EU member countries intervened directly into the financial system, whether in the form of guarantees, assuming liabilities or taking direct shareholdings in banks. At the same time the central banks of the major economies lowered their basic rates rapidly and in co-ordination with each other. The American central bank, the FED, reduced its basic rate within one year from 4.25 % to a target range of 0.0 % to 0.25 % and the ECB reduced its basic rate from 4.00 % to 2.50 %. The crisis of confidence between the banks led at times to the money markets drying right up and to central bank interventions. These increased the money supply substantially.

The crisis on the financial markets had a direct impact on the real economy. World trade fell back last year, for the first time since 1982. Manufacturers all over the world are under pressure and dismissing thousands of people.

Austria's economy was unable to escape all this in 2008. After a robust first six months it had slid into recession by the end of the year. Exports halved, the increase in employment flattened out and unemployment began to climb again. Investment demand stagnated, while private consumption remained weak.

Over the past year the foreign currency markets were also very volatile. The euro exchange rate in relation to the US-dollar reduced from 1.46 to 1.40 over the year – but it had been as high as 1.60 during the year. The Japanese yen and the Swiss franc revalued markedly. The very strength of the Swiss franc – traditionally the currency of safety – is an indicator of 2008's dramatic developments.

Business development

Group financial statements under IFRS

The group financial statements have been drawn up in accordance with IFRS requirements and IFRIC [International Financial Reporting Interpretations Committee] as an exempting group financial statement under § 59a BWG [Austria's Banking Act] taken together with § 245a UGB [Austria's Commercial Code]. In drawing up this group financial statement all the standards were applied whose application was required for the financial years concerned.
Standards or interpretations already published and taken up by the EU but which do not yet have to be compulsorily applied have not been applied prematurely.

Successful performance

The Bank's philosophy, which it adopted when it was founded in 1904, of not embarking on any risky speculations on the financial markets proved its worth again in 2008. BTV concentrates on its strong client business, on providing high quality personal financial advice, and on achieving healthy growth.

As a regional bank we have extended our market position consistently in the Tyrol, the Vorarlberg, Vienna, Eastern Switzerland, Bavaria, Baden-Württemberg, South Tyrol and the Veneto. BTV's catchment area ranks as one of Europe's strongest regions economically. Three newly opened branches – in Munich, Stuttgart and Telfs, have reinforced BTV's sales network.

The main components of the results can be seen as follows:

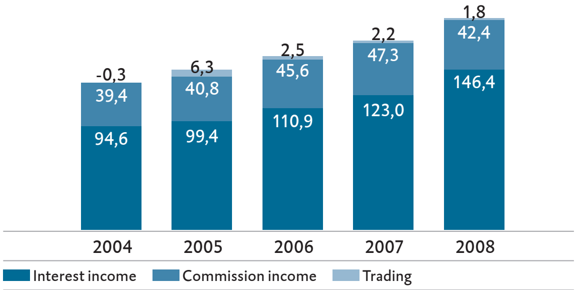
Interest income increased by 19.0 % to €146.4 million. Commission income went down by 10.3 % to €42.4 million because of the difficult underlying conditions. Trading income fell back in the year reported, reaching a figure of €1.8 million. Operating expenses increased by 5.9 % to €93.3 million. As a result of this development the cost-income ratio improved to 48.9 % (previous year: 51.1 %). Loan loss provisions increased by 0.3 %. Other operating profits amounted to €6.3 million. The total profit arising from financial assets turned out to be down by €24.1 million as a result of the financial crisis. All in all the after-tax income for the year was down by 5.6 % to €50.3 million.

CHANGE IN EARNINGS	in thousands of €
Interest income	+23.358
Loan loss provisions	–80
Commission income	–4.855
Trading	–419
Operating expenses	–5.155
Other operating profit	+4.703
Profit arising from financial assets	–24.112
Pre-tax profit	–9.871
After-tax profit	–2.984

Interest income

The interest income rose by €23.4 million, or 19.0%, to €146.4 million. The main contributors were volume growth in all BTV's markets, targeted utilisation of the interest rate structure (particularly on the money market) and growth in profits of at-equity valued companies.

DEVELOPMENT OF OPERATING REVENUES in millions of €



Loan loss provisions

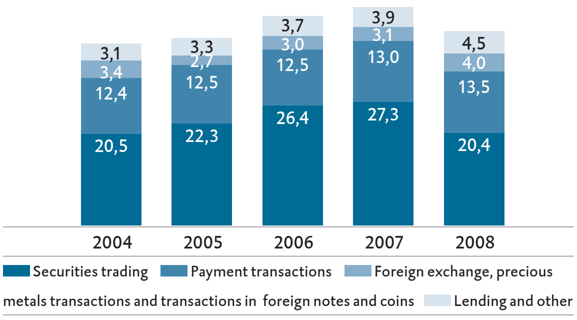
The need for loan loss provisions increased in 2008 by €0.1 million or 0.3 % to €29.3 million. The risk report provides detailed explanations on the risk management and risk situation.

Commission income

Stock markets all over the world fell back massively in 2008, exercising lasting influence on sales of securities and thus on our commission profits too. Overall revenues on the securities business of €20.4 million were below those of the previous year by 25.0 %, or €6.8 million.
It proved possible, on the other hand, to expand our revenues from the lending business by 19.3 %, or €0.6 million, with foreign exchange and precious metals transactions, and transactions in foreign notes and coins achieving a noticeable increase of 25.4 %.

Money transmission also reveals a satisfactory picture, with last year's revenues having exceeded the comparable figure of the previous year by €0.5 million, despite the pressure of the conditions. The commission income as a whole recorded a fall of 10.3 % to €42.4 million.

DEVELOPMENT OF COMMISSION BUSINESS in millions of €



Trading income

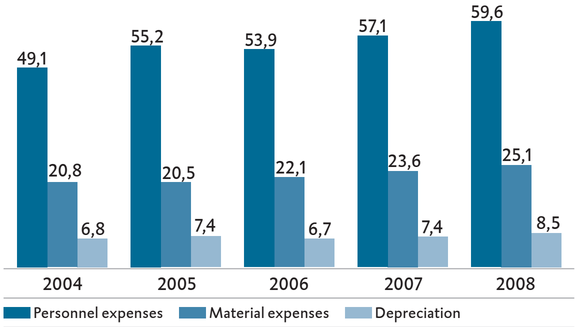
Trading income had a challenging year in 2008. On balance the profit of €1.8 million was below the previous year's figure. The main reason for the setback was the lower revenues from the securities business, whereas the revenues obtained from the derivative positions adopted, from foreign exchange, and from dealings in foreign notes and coins managed to make marked progress.

Operating expenses

Operating expenses (personnel, expenditure on materials and depreciation) in the reported year went up by 5.9 % to €93.3 million. The expenditure on personnel within that was up by 4.4 % to €59.6 million. The payroll grew by 3.5% compared with the year before, chiefly because of continued expansion in Bavaria and Baden-Württemberg. Falling payments on miscellaneous social expenditure and falling amounts for severance payments and payments to operational employee providential funds had a lessening effect on the expenditure. The additional expenditure involved in computing the social capital as a result of the new mortality tables (whose effect BTV took wholly into consideration in the year reported) was more than compensated by the increase in the discounting rate of interest from 4.25 % to 4.75 %.

Expenditure on materials was up by €25.1 million, or 6.4 % above the previous year's level, mainly because of the continued expansion. Above all higher depreciation on properties led to a 15 % extension of the depreciation allowance, to €8.5 million.

DEVELOPMENT OF OPERATING EXPENSES in millions of €



Other operating profit and profit arising from financial assets

DThe profit from other operating business improved by €1.6 million to €6.3 million. The growth results mostly from higher other operating profits and lower other operating expenditure compared with the previous year.
The profit arising from financial assets shows a loss of €24.1 million after a profit of €3.3 million the year before. Owing to massively increased credit spreads on bonds that were subject to the fair-value option the 2008 financial year saw valuation losses and losses realised as a result of sales of bonds.
As early as the start of 2008 we also sold equities with negative prospects from our own portfolio and took losses.

Taxes on income and profit

The amounts shown in the "Taxes on income and profit" entry concern chiefly the adjustments to assets and liabilities for deferred taxes to be undertaken in accordance with IFRS on top of the ongoing Austrian corporation tax charge. The result was a tax yield of €0.1 million for the 2008 financial year.

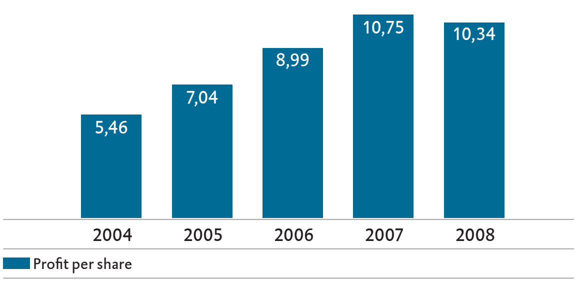
Group income for the year

The pre-tax income for the year was €50.2 million, compared with €60.0 million the previous year, representing a fall of 16.4 %. The after-tax group income for the year worked out at €50.3 million, representing a fall of 5.6 % against the previous year.

KEY DATA	in %
Pre-tax return on equity	9,2 %
After-tax return on equity	9,2 %
Cost-Income-Ratio	48,9 %
Risk-Earnings-Ratio	20,0 %
Core capital ratio	7,61 %
Capital resources ratio	11,93 %

The pre-tax RoE [return on equity] based on the group pre-tax income was 9.2 % (after 11.4 % the previous year). The after-tax figure for the year reported was also 9.2 % (10.2 % the year before). The profit per share went down from €10.75 the previous year to €10.34 as of now.

DEVELOPMENT OF PROFIT PER SHARE in €

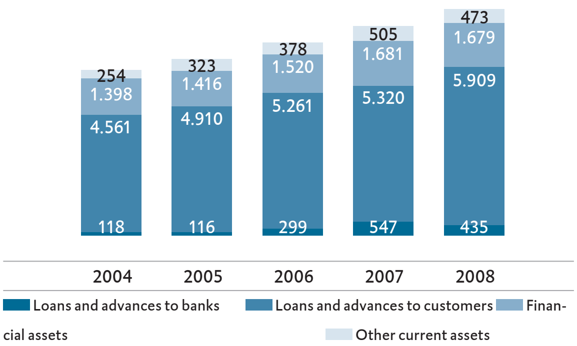


The Management Board will propose to the Shareholders' Meeting that an unchanged dividend of €1.50 per share be paid for the 2008 financial year.

Balance sheet performance

The balance sheet total at 31 December 2008 was €8,496 million, and thus above the preceding year's figure by €442 million, or 5.5 %.

DEVELOPMENT OF THE BALANCE SHEET ASSETS in millions of €



The engine for the growth was the asset side of customers' claims, which increased by €589.3 million. BTV achieved a growth of €552.7 million, or 16.1 %, to €3,979.8 million from its transactions with its company clients, especially from those of medium size, while its private client business went up slightly to €1,582.0 million. Business with institutional clients went up by 9.9 % to €347.2 million. Clients' demand focused on the financing of investments and on utilising to the full their funds available for working capital.
The cash value of leasing claims rose markedly in 2008 because of the volume of new transactions totalling €170 million.

BTV had sufficient liquidity at all times throughout 2008, such that we were able to make our excess liquidity available to selected banks. Claims on banks totalled €435.5 million at the end of the year.

As far as loan loss provisions were concerned, write-backs during 2008 were, for the most part, offset by write-downs and consumptions. The loan loss provision level as a whole went down by 1.1 % to €158.6 million. Please refer to the risk report for the risk management objectives and methods and for statements with respect to the existing risks of default and market risks.

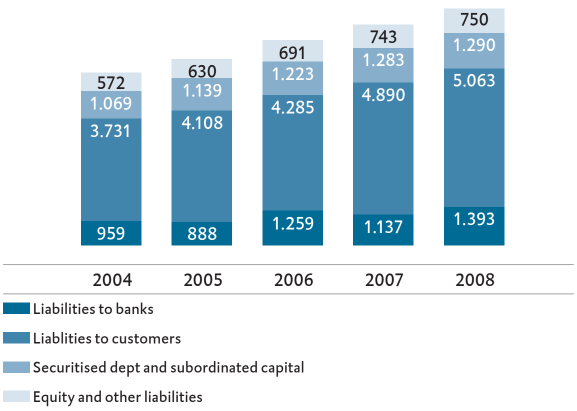
The portfolio of financial assets and shareholdings increased by €1.8 million to €1,895.4 million. In January 2008 we re-structured our portfolio and increased the "held to maturity" category by those securities that were being held in stock to their final maturity. By the spring we had also reduced the proportion of equities in our portfolio to about 2 % of the total holdings of financial assets and shareholdings because of the uncertain outlook.

On the liabilities side customers' deposits rose by 3.5 % to €5,063.2 million, thus breaking through the 5 billion barrier for the first time. Time deposits and capital pass books with one year terms were in particular demand. In total primary deposits increased by 2.9 % to €6,352.9 million, with the savings volume at €1,245.9 million above the preceding year's level by 10.6 %.
The financial crisis and the inverse interest rate curve restrained customers' willingness to invest in bonds with longer terms. BTV managed, nonetheless, to increase the level of its own issues, including subordinated capital, to €1,289.7 million.
The extraordinary development of primary deposits in the year reported highlights customers' especial confidence in BTV.

The liquidity cover of customers' claims after loan loss provisions with primary funds is 110.5 %.

DEVELOPMENT OF THE BALANCE SHEET LIABILITIES

in millions of €



The balance sheet equity (including the group surplus for the year) rose by 3.0 % or €16.3 million to €553.6 million, with the growth resulting mainly from the 2008 financial year profit.

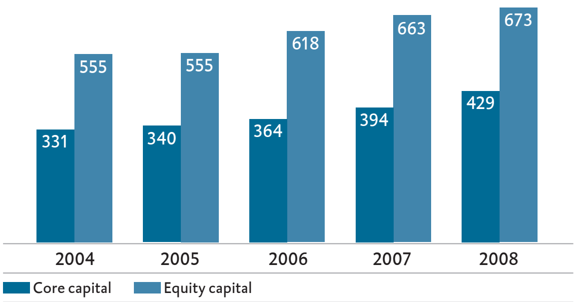
TOTAL CHANGE

	in millions of €
Total assets	+442
Loans and advances to customers	+589
Loans and advances to banks	–112
Financial assets including inkl. investments	+2
Liabilities to banks	+256
Primary funds including supplementary capital	+180
Equity	+16

The banking group's eligible net equity under BWG [Austria's Banking Act] on the balance sheet date was €672.6 million (previous year: €663.4 million). The statutory minimum requirement on that date was just €471.6 million, making the liquidity cover 142% (previous year: 148%).

CORE AND EQUITY CAPITAL DEVELOPMENT

in millions of €



The banking group's core capital under BWG was €429.2 million on the balance sheet date (previous year: €394.0 million). The resulting core capital ratio calculable on the quarter date of 7.61 % was above the comparable figure at the end of 2007 by 0.56 of a percentage point. The equity ratio reached 11.93 % thus markedly exceeding the minimum ratio of 8.0 % required by law. It should be noted that the calculation from 2008 is made according to the guidelines of the standard approach as per Basel II.

Sustainability report

Working with a view to the future and trading responsibly are the foundations of BTV‘s operational success.

Die BTV is aware of its responsibilities in relation to society and the environment and takes the expectations of the company in these respects very seriously. Supporting developments that meet the requirements of the current generation, without jeopardising opportunities for future generations, has been part of BTV’s corporate policy for many years. More and more companies are recognising the importance of such an integrated approach, and aligning their corporate policies to the aims of sustainable developments – a process that BTV supports.

Privately run BTV operates in a sophisticated environment and has close reciprocal relationships with many social groups that confront it with the most diverse demands. It places a high value on sustainability and on showing respect and fairness to its shareholders, customers and employees, and indeed to future generations.

Long-term added value

BTV strives to use resources in the best possible ways and to act in socially responsible ways. By seeking a balance between economy, ecology and social interests in its daily business it makes a positive contribution for customers, employees, the environment and society as a whole, and adds value in the long term.

Focus on employees – nearly 1,500 applicants

BTV focuses on an innovative range of products and services, the efficient use of resources, and responsible interaction with employees, who are the most important factor in bringing about its success. Their social needs are met through comprehensive benefits, including private health insurance. Individualised training courses for employees, and attracting their loyalty, rank among BTV’s foremost objectives.

„Dr. Gerhard Moser going Europe“ private foundation

BTV is also concerned that talent is fostered over the longer term. The “Dr. Gerhard Moser going Europe” private foundation has already supported 48 talented students on training courses in Europe. In 2008 six students were awarded.

Making efficient use of natural resources

Eco-efficient office management within BTV focuses on consistent, sustainable bank operations at all levels. The company has been working for many years to reduce the environmental impact of its own business. The main approach here is monitoring consumption, involving reductions in energy consumption and the sparing use of other resources. Emphasis is laid on environmentally sound, re-cyclable products when making purchases. BTV has made important savings by using energy-efficient products in the course of renovating old buildings and erecting new ones (for instance, on heating, lighting and insulation systems). Such measures, taken all together, result in conscientious, far-sighted and efficient use of natural resources and they also contribute to BTV’s operational success in the form of cost savings.

Sustainable bank products

The principle of sustainability can also be seen in BTV’s bank products. The 3 Banken investment company offers an equity fund based on sustainability considerations. The 3 Banken sustainability fund is ideal for all ethically-minded investors in equities seeking investments, all over the world, with an over-weighting of eco-criteria combined with clearly defined exclusion criteria. These guarantee that the fund only invests in companies, which contribute to economic performances that are ecologically and socially viable in the long term. Topics for the future such as water, renewable energies or health are overweighted. The ranges of products and services are constantly being adapted and developed to customers’ needs.

Shares and shareholders

BTV is autonomous and independent.

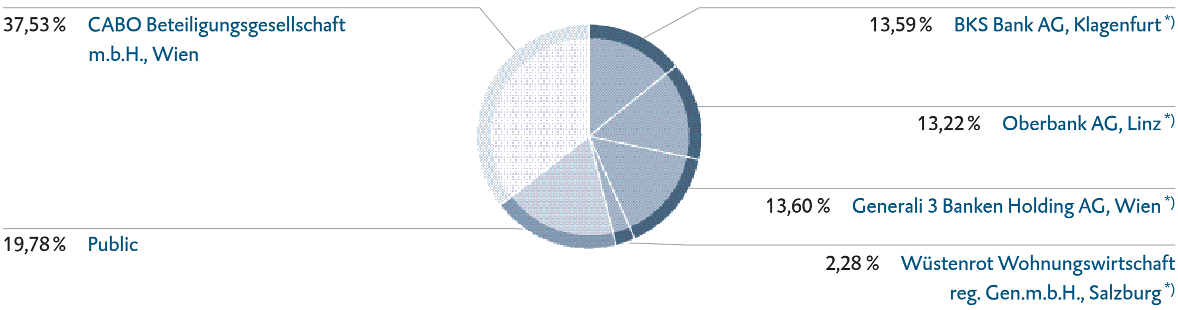
It has € 50.0 million share capital, and is divided into 4.5 million ordinary individual share certificates and 500,000 preference individual share certificates without voting rights that have a minimum payable dividend of 6% of the proportionate amount of the share capital.

BKS Bank AG, Oberbank AG, Generali 3 Banken Holding AG and Wüstenrot Wohnungswirtschaft registered Gen.m.b.H. make up a syndicate. The purpose of this syndicate is to maintain the independence of the Bank für Tirol und Vorarlberg AG, meaning that it is in the interests of the syndicate members that BTV develops further as an income and profit-oriented company. To obtain this objective, the syndicate members have agreed on a uniform exercising of their corporate rights linked to share ownership and rights of pre-emption. There are no shares with particular controlling rights.

There is an employee share ownership plan in the form of the BTV private foundation. The BTV private foundation is made up of the Management Board, the foundation inspector and the Foundation Advisory Board.

The BTV private trust serves to pass on completely, exclusively and directly the profits arising from shareholdings in BTV or the group companies affiliated to it. It is thereby possible for all BTV employees to be actively involved both in the bank's organisation and its success.

BTV SHAREHOLDERS ACCORDING TO SHARES IN CAPITAL

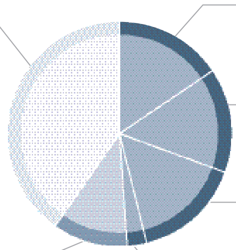


*) Shareholders who have concluded syndicate agreements.

Until 29 November 2010 the Bank für Tirol und Vorarlberg Aktiengesellschaft is entitled to purchase its own shares for the purposes of securities trading, provided that the trading portfolio of the shares purchased does not exceed five per cent of the share capital at the end of the day. On the basis of this decision, shares may only be purchased when the counter value per share does not fall more than 20% above/below the average official standard quotation on the Vienna stock exchange for the shares of the Bank für Tirol und Vorarlberg Aktiengesellschaft on the three trading days preceding the purchase.

In June 2008 BTV announced publicly that UniCredit wished to withdraw from its shareholdings in the stock exchange- listed Austrian regional banks Oberbank AG, BKS Bank AG and BTV (the 3 banks group). After an evaluation phase over the past few months BTV's Management Board was informed by UniCredit in December 2008 that the sale of its shares had been temporarily stopped owing to the adverse circumstances on the capital market. UniCredit thus continues to hold 41.7 % of the voting rights in BTV indirectly via CABO Beteiligungsgesellschaft m.b.H.

BTV SHAREHOLDERS ACCORDING TO VOTES



*) Shareholders who have concluded syndicate agreements.

Compliance and money laundering

Compliance

When they start work employees undertake to work in accordance with the provisions of BTV's compliance regulations. These are based on the Standard Compliance Code of Austria's banking industry and on the provisions of the Issuers' Compliance Regulation. Compliance with these rules is checked and documented daily.

In 2008 emphasis was placed on training employees.

Mondey laundering

In the 2008 reporting period, BTV was constantly carrying out comprehensive measures to ensure compliance with all money laundering regulations. In addition to using computer-supported systems based on databases containing suspects from all over the world, random samples were regularly taken of conspicuous transactions, which were then thoroughly examined.

Employees were constantly up-dated on the latest money-laundering schemes in order to recognise suspicious transactions in advance.

Outlook and most recent developments

The economic outlook has patently deteriorated since the beginning of 2009. The financial crisis has impacted fully on the real economy. We are assuming that economic researchers will adjust European growth forecasts further downward. The financial and economic crisis may only be overcome in the medium term. It is impossible to estimate any development in the markets for the current year.

European governments and the EU will extend their economic support programmes. After the reduction at the beginning of January to 2.0 % the ECB will undertake further interest reductions during 2009. The considerable uncertainty on the financial markets is staying put, entailing high volatilities on the equity, foreign currency and interest rate markets.

BTV is therefore expecting the conditions for its business to go on being difficult during 2009. We are as well equipped as possible for this. Having successfully extended our market position, as targeted, in the core markets of the Tyrol and the Vorarlberg and in the expansion markets of Eastern Swtizerland, Bavaria, Baden-Württemberg, South Tyrol and the Veneto we will be endeavouring this year to increase our market shares with our existing sales network.

We expect the annual income for the 2009 financial year to enable us again to make an allocation to our reserves. Our aim is to build our core capital ratio up to more than 8 % by the end of the year. BTV will also increase its productivity further through targeted projects involving its development and its organisational procedures.

No substantial events relevant to BTV's operations occurred in the period between the end of its financial year and the auditors' drawing up and confirming the income for that year.

Innsbruck, 20 February 2009

The Managing Directors

Peter Gaugg
Management Board
Spokesman

Mag. Matthias Moncher
Director

Risk report

BTV has its risks under control.

Risk policy

One of the core functions of the banking business is the conscious and selective assumption of risks and controlling them appropriately. With its policy on risk BTV is pursuing the objective of identifying the risks resulting from its banking operations in good time, of managing them actively, and above all of limiting them. For this it has to attain a balanced risk/profit ratio in order to make permanent, positive profit contributions.

By risk BTV means the danger of a negative variance against an expected result in the context of its business activity (a variance from plan).

BTV's risk management strategy is distinctive for dealing with the risks inherent in banking conservatively, and it results from the need to focus on customers, tempered by the underlying statutory conditions in which banks operate. In line with this strategy BTV implements a controlled process whose objective is to identify and quantify all the risks to the group, in order thereby to control such risks actively and to be able to attain the desired contribution to its profit performance.

Structure and organisation of the relevant risk management functions

BTV's overall Management Board takes central responsibility for risk management. It decides on risk policy and approves the principles of risk management, determines the limits for all relevant risks and the procedures for monitoring them. It is backed up in fulfilling these tasks by a committee (BTV Banking Control) and independent risk management units.

The loan management department is responsible for the portfolio management, risk control and risk monitoring of all BTV's loans and for evaluating its business customers in terms of credit-worthiness. It is also responsible for the comprehensive administration and management of loan commitments in danger of default, for the drawing up of analyses of balance sheets and companies, and for the gathering and interpretation of sector information.
In the fields of finance and controlling the group risk control department is responsible for developing and implementing methods of risk and profit measurement, for on-going development and refinement of control instruments, and for independent and neutral reporting on BTV's risk profile.

The BTV Banking Control committee consists of the overall Management Board, the managers of the loan, finance and controlling as well as treasury departments, and the managers of the business sectors. It is responsible for managing the balance sheet entries, for controlling the market risks incurred by the bank's portfolio of loans, and the liquidity risk. In addition presentations are made to this committee (which meets monthly) on the status of the profits from the loan portfolio and the operational risks. This committee also decides on and analyses the limits to be set and the extent to which customers may avail themselves of them.

Risk controlling

Long-term success is ensured only by active risk management, which is therefore of great importance in BTV. Established techniques and modern procedures and systems are thus deployed within the bank both for internal control and to comply with the statutory requirements of BASEL II and BWG.

The main tasks of BTV's risk control department subdivide into risk identification, risk appraisal, risk management and risk control, as defined in the risk management procedure as a whole. Through these core tasks the department provides BTV's management with an overall business service enabling its planning and controlling to be orientated to targets and risks, and also ensuring that all its results, risks, procedures and strategies are transparent.

Control of overal banking risk

Pillar I

In relation to Pillar I (equity requirement) of Basel II BTV applies the standard approach both for the risk on loans and for operational risk. The original exposure method is applied to the market risk. The equity requirement on derivatives is calculated using the current exposure method. Sureties are taken into consideration using the comprehensive method.

Pillar II

The regulatory requirements for quantitative risk management that derive from the Basel II Accord II and from the ICAAP consultation paper are covered, first and foremost, by the risk acceptability calculation. According to that the aim of any overall banking risk control is to guarantee that the bank stays in business. Under this calculation the risk results of the individual types of risk are aggregated into an overall loss potential and set against the covering assets available to cover the potential loss concerned. BTV thus establishes the extent to which it is in a position to absorb potential, unexpected losses. This is at the same time the basis for defining the appropriate overall banking limits to ensure BTV's continued existence.

The risks for the bank as a whole are monthly contrasted with the available covering assets. The BTV Banking Control committee reports monthly on the current utilisation and limitation of the types of risk. The risks set up in BTV's risk controlling and management systems include the following main risks:

Risk acceptability	Loan risk	Losses that arise from default by, or deterioration in the creditworthiness of business partners (going over and above expected)
	Market risk	Losses in value that are triggered off by changes to interest rates, equity prices, foreign exchange rates, and by general volatility
	Liquidity risk	Problems in meeting short-term payment obligations or closing off market positions optimally at short notice
	Operational risk	Losses caused by failures of internal procedures, systems and people, or by external influences
	Other risk	Losses because of strategic decisions, reputation, equity, income or business risk

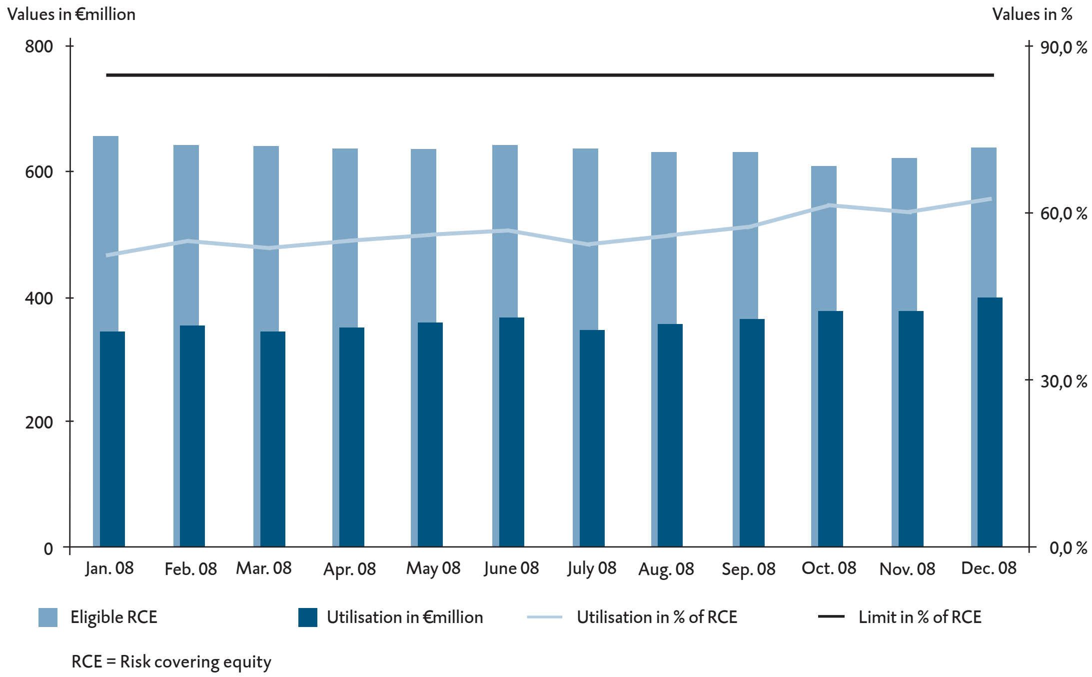
Two approaches are calculated – the liquidation approach and the going-concern approach. The going-concern approach assumes the continuation of the enterprise. The liquidation approach assumes the decline of liquidation.

In the liquidation approach it is essentially the eligible equity that is defined as the internal capital (risk-covering equity). In the going-concern approach a risk-covering equity figure has been defined. This is essentially composed of the expected income for the year and the dormant reserves.

The liquidation approach is based on a confidence interval (value-at-risk approach) of 99.9 %, the going-concern approach on one of 95 %. In the case of the liquidation approach a retention term of one year (taken at 250 days) is imputed. In the case of the going-concern approach a retention term of 30 days is selected.

Limits are defined for each risk category (market, loan, liquidity and operational risks) in total and for the loan exposure claim classes and for detail categories in the market risk.

Liquidation approach – Risk acceptability

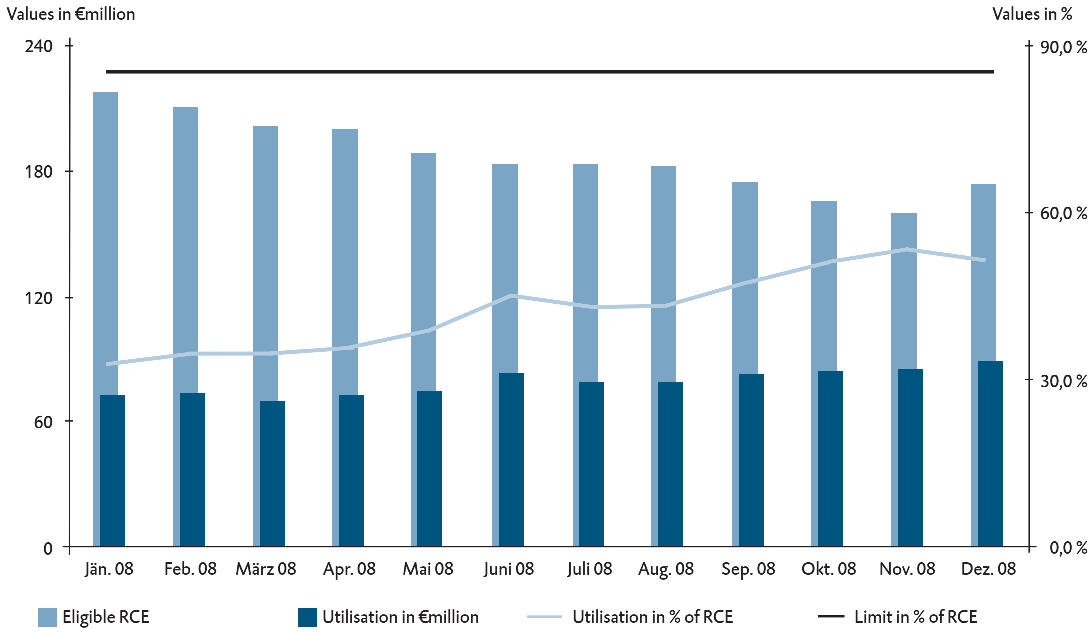


RISK ACCEPTABILITY – LIQUIDATION APPROACH 2008	Previous year	Maximum	Average	Last trading day
Utilisation in thousands of €	381.000	399.901	361.063	399.901
Utilisation in % of risk covering equity (RCE)	62,50 %	62,47 %	56,90 %	62,47 %

The results of the 2008 risk acceptability (liquidation approach) are no longer comparable with the 2007 results. There are differences, especially in the market risk: the interest rate risk had been calculated for 2008 with a value-at-risk approach on the basis of 99.9 % and a 250-day retention term (2007: 200 basic points shift). The equity price risk and the foreign currency risk were calculated for 2008 with 99.9 % and a 250-day retention term (2007: 99 % and 30 day retention term).
The operational risk for 2008 was adapted into the risk acceptability calculation with the results of the approach converted according to the regulatory requirements under the Basel II standard approach.

The utilisation of the overall risk in % for the purpose of the risk-covering equity is limited by BTV internally to 85 % and amounted to 62.5 % (€399.9 million) on the final day of the year. The highest utilisation was on that day. The slight increase in the course of the year is explained by the volume having increased continuously while the risk-covering equity remained about the same throughout the year.

Going-concern-approach – Risk acceptability



RCE = Risk covering equity

RISK ACCEPTABILITY – GOING-CONCERN-APPROACH 2008	Maximum	Average	Last trading day
Utilisation in thousands of €	91.015	78.655	91.015
Utilisation in % of risk covering equity (RCE)	53,39 %	42,82 %	52,42 %

As can be seen from the chart above the limit in the going-concern approach was complied with at all times. There was also, at all times, sufficient cushion below the limit granted.

During the year reported (2008) account was thus constantly taken of the compulsory process of reconciling the Bank's quantified risk-coverage potential, on the one hand, with its allocated risk-coverage potential.

By the risk of counterparty default or loan risk is meant the whole or only partial default of a counterparty and the accompanying deficit in the accumulated income and/or losses of capital deployed. The loss of capital in cases of transactions shown on the balance sheet is real, while in the case of derivatives the capital or nominal amount serves just as a basis for charging and is not effectively made available.

Particular importance is attached to monitoring the risk of counterparty default, as BTV's leading risk type. With the marked increase in volume of trading with derivatives in recent years it has become necessary to ensure that the risk of counterparty default is managed and monitored separately from market price risks. Separate covering of the risks results from the fact that loan risk persists even in the case of positions that are completely closed.

Managing loan risk

Long-term optimisation of the lending operations with respect to the risk/profit ratio, and short-term attainment of the loan risk objectives budgeted in each case in the individual customer segments, were defined as the main targets for managing loan risk.

Checking on credit-worthiness, the acceptance of sureties, on-going monitoring of account management, regular checking of the rating, and the soundness of the collateral rank among the risk reduction techniques at the individual level. Diligent risk precautions in the form of provisions against bad debts are taken for risks of default that are identified and quantified for the financial year, taking existing sureties into consideration.

Both for companies and for BTV's private clientele a computer-aided rating programme is in use with which classification of loan risks on a scale of ten is undertaken. Qualitative components as well as purely quantitative criteria flow into the appraisal.

A scoring procedure that backs up a well-founded appraisal of the loan customer is in use for private clients. The adviser makes an initial judgement of the customer rating on site. The final rating classification is released once the loan managers have given their expert opinion, whereby the separation of market and market consequence is unambiguous.

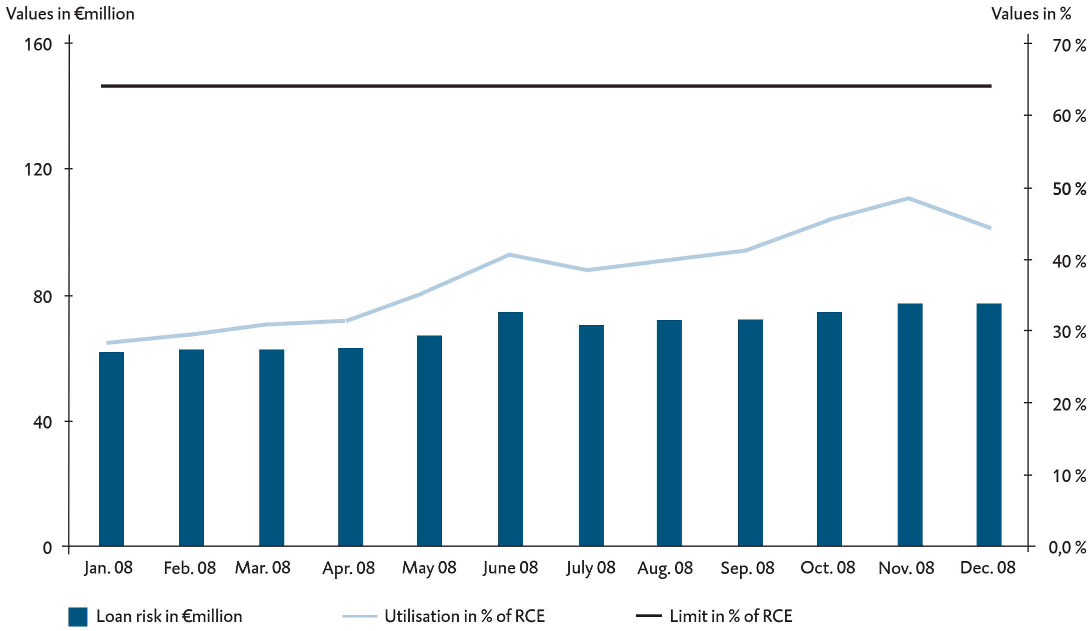
This rating procedure forms the basis for computing loan risks in the form of default probabilities and creates the preconditions for a conditions calculation that does justice the risks and for early identification of problem cases. The price calculation in the lending operations builds on that and is thus takes into consideration rating-based risk mark-ups and the costs of collateralisation using regulatory capital as per Basel II.

Management of the loan risk at portfolio level is based predominantly on sectors, currencies, countries and credit-worthiness classes. The loan risk report drawn up regularly for the various levels of consolidation is the central management and supervisory instrument for the decision-takers. On-going analysis and the initiation of whatever measures become necessary ensures that BTV's business policy objectives are attained.

The counterparty- or default-risk is drawn up with a computer model similar to an IRB model. In the liquidation approach the risk is calculated with a confidence interval of 99.9 % - as demanded in Pillar I. The risk depicted is thus the equivalent of an equity requirement under the Pillar I – IRB approach. The going-concern approach is calculated with a 95.0 % confidence level.

The shareholding risk is calculated within the IRB computer model with the PD/LGD approach.

Loan risk, Going-concern-approach



RCE = Risk covering equity

LOAN RISK – GOING-CONCERN-APPROACH	Maximum	Average	Last trading day
Utilisation in thousands of €	77.211	69.638	77.023
Utilisation in % of Risk covering equity (RCE)	48,5 %	37,9 %	44,4 %

Total loan risk volumes

The loan risk volume is made up of the balance sheet amounts receivable from banks, amounts receivable from customers, all fixed-interest securities, and guarantees and liabilities.
In line with the IAS 39 guidelines payment guarantees vis-à-vis development banks and documentary credits are no longer taken into consideration in the loan risk volume.

The entire loan volume of the BTV group increased by €536 million, or 7.0%, to €8,167.2 million. Of this increase €486.6 million came from BTV AG, and €49.4 million from BTV Leasing. The increase in the loan risk was largely in the best risk category (without noticeable default risk). Viewed as a whole more than 84.8% of the loan volume continues to be in the best risk category, which means an increase of €318.4 million, or 4.8%, in the credit-worthiness categories concerned.

Total asset quality in thousands of €

Balance sheet date	Items	No expectation of default	Credit watch	Higher risk of default	Non performing	Total
31.12.2008	Total Assets	6.925.594	643.999	274.684	322.909	8.167.186
	Percentage	84,80 %	7,89 %	3,36 %	3,95 %	100,00 %
	Provisions	6.410	2.186	19.866	130.341	158.803
	Percentage cover	0,09 %	0,34 %	7,23 %	40,36 %	1,94 %
31.12.2007	Total Assets	6.607.212	519.997	228.450	275.545	7.631.204
	Percentage	86,58 %	6,81 %	2,99 %	3,61 %	100,00 %
	Provisions	5.066	9.754	12.388	132.472	159.679
	Percentage cover	0,08 %	1,88 %	5,42 %	48,08 %	2,09 %
Change	Total Assets	+318.382	+124.002	+46.234	+47.364	+535.982
	Percentage	+4,82 %	+23,85 %	+20,24 %	+17,19 %	+7,02 %
	Provisions	+1.344	–7.568	+7.478	–2.129	–876
	Percentage cover	+26,52 %	–77,59 %	+60,37 %	–1,61 %	–0,55 %

Loan risk structure within Austria and abroad

This is shown on the basis of the country of origin of the borrower/issuer. In Austria the loan risk volume as a whole increased by €103.3 million, or 2.2%, compared with the preceding year. As the foreign part of the loan risk volume grew by €432.7 million, or 15%, its share of the loan risk went up from 37.7% to 40.5%.

Asset quality Austria in thousands of €

Balance sheet date	Items	No expectation of default	Credit watch	Higher risk of default	Non performing	Total
31.12.2008	Total Assets	3.914.292	507.052	195.406	239.636	4.856.386
	Percentage	80,60 %	10,44 %	4,02 %	4,93 %	100,00 %
	Provisions	2.216	1.497	15.563	105.528	124.805
	Percentage cover	0,06 %	0,30 %	7,96 %	44,04 %	2,57 %
31.12.2007	Total Assets	3.930.043	419.265	179.173	224.584	4.753.065
	Percentage	82,68 %	8,82 %	3,77 %	4,73 %	100,00 %
	Provisions	3.805	7.958	10.044	109.178	130.986
	Percentage cover	0,10 %	1,90 %	5,61 %	48,61 %	2,76 %
Change	Total Assets	–15.750	+87.787	+16.233	+15.052	+103.322
	Percentage	–0,40 %	+20,94 %	+9,06 %	+6,70 %	+2,17 %
	Provisions	–1.589	–6.461	+5.518	–3.650	–6.181
	Percentage cover	–41,76 %	–81,19 %	+54,94 %	–3,34 %	–4,72 %

Asset quality abroad in thousands of €

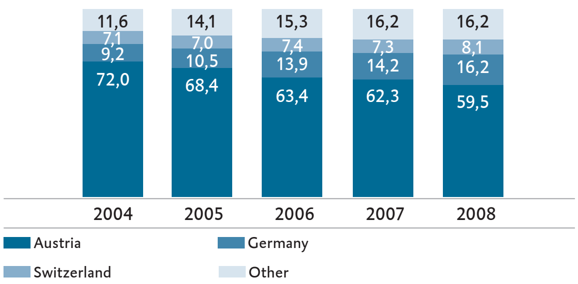
Balance sheet date	Items	No expectation of default	Credit watch	Higher risk of default	Non perfor-ming	Total
31.12.2008	Total Assets	3.011.302	136.947	79.278	83.273	3.310.800
	Percentage	90,95 %	4,14 %	2,39 %	2,52 %	100,00 %
	Provisions	4.194	689	4.303	24.813	33.998
	Percentage cover	0,14 %	0,50 %	5,43 %	29,80 %	1,03 %
31.12.2007	Total Assets	2.677.170	100.732	49.277	50.961	2.878.140
	Percentage	93,02 %	3,50 %	1,71 %	1,77 %	100,00 %
	Provisions	1.261	1.796	2.343	23.293	28.693
	Percentage cover	0,05 %	1,78 %	4,76 %	45,71 %	1,00 %
Change	Total Assets	+334.133	+36.215	+30.001	+32.312	+432.660
	Percentage	+12,48 %	+35,95 %	+60,88 %	+63,40 %	+15,03 %
	Provisions	+2.933	–1.107	+1.960	+1.520	+5.305
	Percentage cover	> +100,00 %	–61,64 %	+83,63 %	+6,53 %	+18,49 %

Loan risk structure by countries

About 59.5% of the loan risk volume involves Austrian borrowers. BTV succeeded in again achieving increases in the absolute shares of the expansion markets of Germany and Switzerland, which are now 16.2% and 8.1% respectively. The remaining 16.2% is distributed across borrowers in Italy, the USA and other countries. The "other countries" entry involves mainly securities in treasury.

DEVELOPMENT OF THE REGIONAL STRUCTURE OF THE LOAN RISK

in %



Asset quality by country in thousands of €

Country	No expectation of default	Credit watch	Higher risk of default	Non perfor-ming	Total	Percentage
Austria	3.914.292	507.052	195.406	239.636	4.856.386	59,46 %
Germany	1.169.091	70.641	43.162	40.350	1.323.243	16,20 %
Switzerland	549.081	43.777	30.394	38.672	661.923	8,10 %
Italy	267.727	8.461	1.688	3.095	280.971	3,44 %
USA	246.357	7.958	0	243	254.558	3,12 %
Other	779.046	6.109	4.034	915	790.104	9,67 %
Total	**6.925.594**	**643.999**	**274.684**	**322.909**	**8.167.186**	**100,00 %**

Loan risk structure by sectors

The main sectors are the same as in previous years – the private clientele, in banking and insurance, and in the production of physical goods. The services sector, property, public authorities, trade, construction and tourism follow proportionately. The shares of other sectors are all below 4%, such that the sector mix is balanced and risk is appropriately diversified.

Asset quality by sectors in thousands of €

Branches total	No expectation of default	Credit watch	Higher risk of default	Non performing	Total	Percentage
Building industry	273.874	47.928	18.936	16.810	357.547	4,38 %
Services	667.236	115.701	23.630	46.666	853.233	10,45 %
Power/water supply	102.545	632	0	0	103.177	1,26 %
Tourism	250.571	50.992	12.080	20.421	334.063	4,09 %
Trade	330.677	44.519	43.098	33.462	451.756	5,53 %
Financing and Industry	1.700.078	3.738	1.807	403	1.706.027	20,89 %
State	663.700	3.447	0	0	667.147	8,17 %
Private enterprises	1.106.381	127.530	87.922	118.672	1.440.506	17,64 %
Real estate industry	672.146	120.093	17.663	29.634	839.536	10,28 %
Production of material goods	788.383	78.224	61.284	39.432	967.322	11,84 %
Cable cars	202.601	29.669	410	2.912	235.592	2,88 %
Other	33.521	2.672	1.286	8.540	46.019	0,56 %
Traffic and telecommunication	133.882	18.855	6.569	5.957	165.262	2,02 %
Total	**6.925.594**	**643.999**	**274.684**	**322.909**	**8.167.186**	**100,00 %**

The net loan volume increase of €536 million consisted of increases totalling €399.5 million in banking and insurance, property, services, cable cars, tourism, public authorities, private enterprises, traffic and telecommunication. In the other sectors some slight losses were observed.

Asset quality by sectors in Austria in thousands of €

Branches total in Austria	No expectation of default	Credit watch	Higher risk of default	Non performing	Total	Percentage
Building industry	194.285	47.087	18.209	15.368	274.949	5,66 %
Services	454.633	91.990	21.634	39.836	608.093	12,52 %
Power/water supply	78.391	455	0	0	78.847	1,62 %
Tourism	229.768	50.081	11.209	13.602	304.659	6,27 %
Trade	222.642	37.425	38.688	32.313	331.068	6,82 %
Financing and Industry	508.475	3.666	372	369	512.882	10,56 %
State	360.056	24	0	0	360.080	7,41 %
Private enterprises	732.842	85.538	49.961	56.695	925.036	19,05 %
Real estate industry	566.070	103.662	17.165	28.331	715.228	14,73 %
Production of material goods	292.907	57.955	31.329	36.428	418.619	8,62 %
Cable cars	197.203	10.345	410	2.912	210.870	4,34 %
Other	7.903	2.640	1.226	7.989	19.758	0,41 %
Traffic and telecommunication	69.118	16.185	5.204	5.792	96.298	1,98 %
Total	**3.914.292**	**507.052**	**195.406**	**239.636**	**4.856.386**	**100,00 %**

Asset quality by sectors abroad in thousands of €

Branches total abroad	No expectation of default	Credit watch	Higher risk of default	Non performing	Total	Percentage
Building industry	79.589	841	727	1.442	82.598	2,49 %
Services	212.602	23.711	1.996	6.830	245.140	7,40 %
Power/water supply	24.154	177	0	0	24.330	0,73 %
Tourism	20.803	911	871	6.819	29.404	0,89 %
Trade	108.035	7.094	4.409	1.150	120.688	3,65 %
Financing and Industry	1.191.603	73	1.435	35	1.193.146	36,04 %
State	303.644	3.423	0	0	307.067	9,27 %
Private enterprises	373.540	41.992	37.961	61.976	515.469	15,57 %
Real estate industry	106.076	16.431	498	1.303	124.308	3,7 5%
Production of material goods	495.476	20.268	29.955	3.004	548.703	16,57 %
Cable cars	5.398	19.324	0	0	24.721	0,75 %
Other	25.619	33	59	551	26.262	0,79 %
Traffic and telecommunication	64.764	2.670	1.365	164	68.963	2,08 %
Total	**3.011.302**	**136.947**	**79.278**	**83.273**	**3.310.800**	**100,00 %**

Loan risk structure by segments

The company clientele's share in the total loan risk volume is 51.1%. Private clients account for 19.8%, and the remaining 29.1% involves the treasury segment.

The increase in the total exposure of €536 million is attributable to the company clientele segment.

Asset quality by segments in thousands of €

Segments	Data	No expectation of default	Credit watch	Higher risk of default	Non performing	Total
Corporate	Total Assets	3.318.362	492.400	173.139	189.194	4.173.096
	Provisions	5.900	1.886	16.307	79.581	103.674
	Percentage cover	0,18 %	0,38 %	9,42 %	42,06 %	2,48 %
Retail	Total Assets	1.230.869	151.443	100.133	133.714	1.616.159
	Provisions	509	301	3.559	50.760	55.129
	Percentage cover	0,04 %	0,20 %	3,55 %	37,96 %	3,41 %
Treasury	Total Assets	2.376.363	155	1.413	0	2.378.055
	Provisions	0	0	0	0	0
	Percentage cover	0,00 %	0,00 %	0,00 %	0,00 %	0,00 %
Total	Total Assets	6.925.594	643.999	274.684	322.909	8.167.186
	Provisions	6.409	2.186	19.866	130.341	158.803
	Percentage cover	0,09 %	0,34 %	7,23 %	40,36 %	1,94 %

Loan risk structure by currencies

About 76.1% of the loan risk volume involves claims in euros. 21.4% is in Swiss francs non-Swiss clients, while claims in other currencies represent 2.5% of the volume of claims.

Asset quality in thousands of €

Currency	No expectation of default	Credit watch	Higher risk of default	Non performing	Total	Percentage
EUR	5.310.006	451.790	186.463	263.900	6.212.158	76,06 %
CHF	992.080	136.674	65.144	20.885	1.214.783	14,87 %
CHF with swiss clients	431.883	41.192	20.549	37.756	531.381	6,51 %
USD	135.503	7.457	25	33	143.018	1,75 %
JPY	42.007	6.554	2.443	335	51.339	0,63 %
Other	14.115	332	60	0	14.507	0,18 %
Total	**6.925.594**	**643.999**	**274.684**	**322.909**	**8.167.186**	**100,00 %**

Loan risk structure by overdue claims

The following table shows an age analysis of overdue, but unadjusted financial assets. The debtors are in arrears in the payment of interest or of the nominal amount. It is not, however, appropriate on the basis or our assessments of the debtors or the sureties in hand to form specific loan loss allowances in these cases.

In contrast to previous years the table contains only such contracts as are overdrawn by fewer than 90 days, as these are automatically converted to a rating class classified as in distress after 90 days of continuous overdrawing.

Loan risk structure by overdue claims in thousands of €

Balance-sheet-date	Number of overdue days in thousand €	No expectation of default	Credit watch	Higher risk of default	Total
31.12.2008	30 – 60 days	4.704	3.768	1.633	10.105
	60 – 90 days	1.339	1.556	2.148	5.042
Total 31.12.2008		**6.043**	**5.324**	**3.780**	**15.147**
31.12.2007	30 – 60 days	6.395	2.567	2.458	11.421
	60 – 90 days	3.307	844	1.343	5.494
Total 31.12.2007		**9.702**	**3.411**	**3.801**	**16.915**

Loan collateral held

BTV holds loan collateral in the form of mortgages, securities and other assets. In cases of poor credit-worthiness great importance is attached to the collateral. The classes entitled "to be observed" and "enhanced risk of default" are therefore collateralised by more than 50%.

Loan collateral held in thousands of €

Loan collateral	No expectation of default	Credit watch	Higher risk of default	Non performing	Total
Total assets	6.925.594	643.999	274.684	322.909	8.167.186
Total loan collateral mortgages	1.069.895	174.758	95.448	69.511	1.409.613
Total loan collateral securities	124.575	18.453	7.248	381	150.656
Other assets	581.794	86.081	24.573	26.530	718.976
Collateralisation in %	**25,65 %**	**43,37 %**	**46,33 %**	**29,86 %**	**27,91 %**

Claims arising from derivatives

The BTV group calculates the counterparty/default risk for derivatives using the current exposure method. This is calculated with the positive market value plus a percentage uplift on the nominal value. Determination of market values is undertaken using the IRIS company's riskproTM system software, with UnRisk and with Kondor+.

Risk structure of derivatives by segments

There are claims arising from derivatives on the basis of the calculation of market values (without additional charges) amounting to €45,372,000. Claims on banks account for 46.1% of them (€30,111,000). Claims on the company clientele account for 53.1% (€34,760,000) and claims on private customers account for 0.8% (€502,000).

Risk structure of derivatives by segments in thousands of €

Segment	No expectation of default	Credit watch	Higher risk of default	Non performing	Total
Corporate	27.976	4.944	1.840	0	34.760
Retail	297	156	49	0	502
Treasury	30.111	0	0	0	30.111
Total	**58.383**	**5.100**	**1.890**	**0**	**65.372**

Risk structure of derivatives by currencies

About 83.6% of the outstanding claims arising from derivatives are in euros, while 12.3% arise from transactions denominated in Swiss francs. The remaining 4.1% are in US dollars and other currencies.

Risk structure of derivatives by currencies in thousands of €

Segments	Currency	No expectation of default	Credit watch	Higher risk of default	Non performing	Total
Corporate	EUR	19.602	4.636	1.825	0	26.063
	CHF	6.691	289	15	0	6.996
	USD	1.301	19	0	0	1.321
	Other	381	0	0	0	381
Retail	EUR	164	0	0	0	164
	CHF	128	0	0	0	128
	USD	5	0	0	0	5
	Other	0	156	49	0	205
Treasury	EUR	28.413	0	0	0	28.413
	CHF	927	0	0	0	927
	USD	242	0	0	0	242
	Other	529	0	0	0	529
Total		**58.383**	**5.100**	**1.890**	**0**	**65.372**

Risk structure of derivatives by countries

72.8% of the claims are on opponents in Austria, 20% are on business partners in Germany. The rest comes from clients from Switzerland, Great Britain, US, France and Luxemburg.

Risk structure of derivatives by countries in thousands of €

Country	No expectation of default	Credit watch	Higher risk of default	Non performing	Total
Austria	42.568	3.474	1.566	0	47.608
Germany	12.028	705	324	0	13.056
Switzerland	2.212	81	0	0	2.293
Great Britain	1.293	0	0	0	1.293
US	0	840	0	0	840
France	179	0	0	0	179
Luxemburg	103	0	0	0	103
Total	**58.383**	**5.100**	**1.890**	**0**	**65.372**

Risk structure of derivatives by types of transaction

45,8 % of the claims arise from interest rate swaps, 47.1% from currency derivatives (cross currency swaps, FX swaps and forward exchange deals), the remaining

7.1% of the claims emanate from interest rate option transactions.

Risk structure of derivatives by types of transaction in thousand€

Type of transaction	No expectation of default	Credit watch	Higher risk of default	Non performing	Total
Interest rate swaps	27.325	1.988	599	0	29.912
Cross currency swaps	9.918	2.883	1.291	0	14.092
Forward exchange deals	16.619	49	0	0	16.668
Interest rate options (cap or floor)	4.059	0	0	0	4.059
Interest rate options (collar)	462	179	0	0	641
Total	**58.383**	**5.100**	**1.890**	**0**	**65.372**

Risk report: Market risk

By market risks BTV means the potential loss that may arise as a result of changes in the prices on financial markets for all the entries on its loan and trading ledgers. The market risk is composed of the interest rate risk, the equity price risk and the currency rate risk, and is managed at a level that involves the bank as a whole.

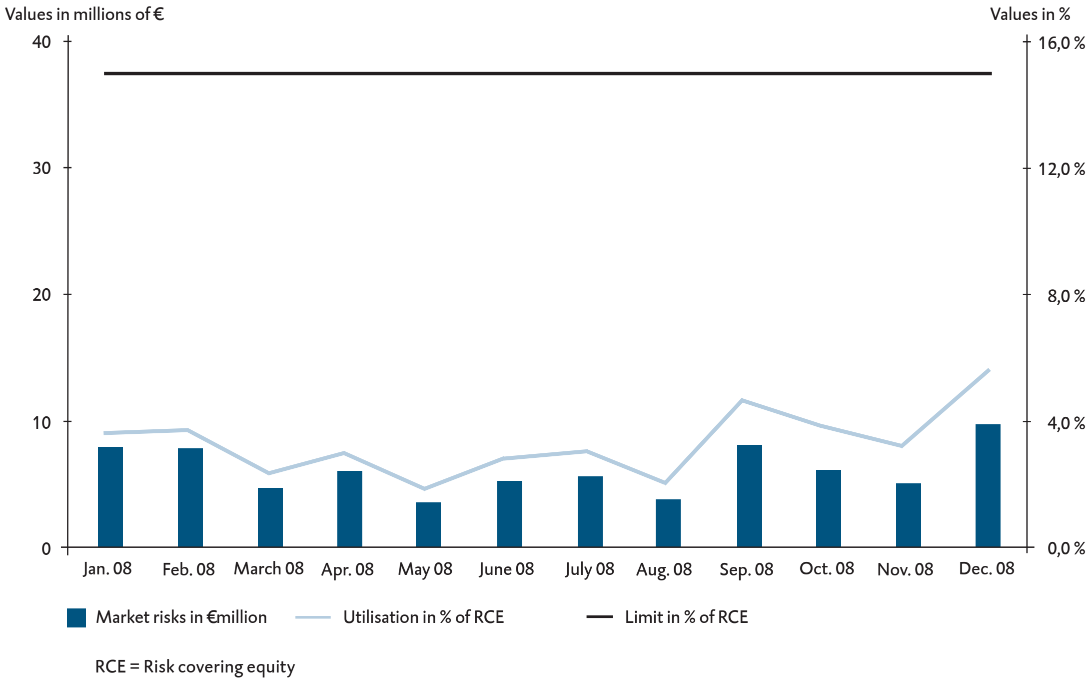
Measuring methodology

For the purposes of risk measurement and control BTV quantifies the value-at-risk on the basis of a confidence level of 99% and a 250-day holding period (liquiditation approach) or a confidence level of 95% and a 30-day holding period (going-concern approach).

The value-at-risk is calculated on the basis of the variance-covariance method, whereby the past 200 trading days are enlisted for computing the volatility. The figures for the going-concern approach are detailed for the market risks.

A diversification effect is applied in the case of market risks, whereby correlations between the risk categories of interest rate risk, equity price risk and foreign currency risk are taken into consideration. The diversification is distributed over the risk categories using the straight-line method so that the total limit of the market risk emerges from the total of the individual limits.

Market risks, going-concern approach



MARKET RISK 2008 – GOING-CONCERN APPROACH	Maximum	Average	Last trading day
Utilisation in thousands of €	9.902	6.168	9.902
Utilisation in % of risk covering equity (RCE)	5,7 %	3,3 %	5,7 %

At no point during 2008 was the limit for market risks of 15% of the bank's equity exceeded. The maximum utilisation of the market price risk was achieved in December with 38% of the approved limit.

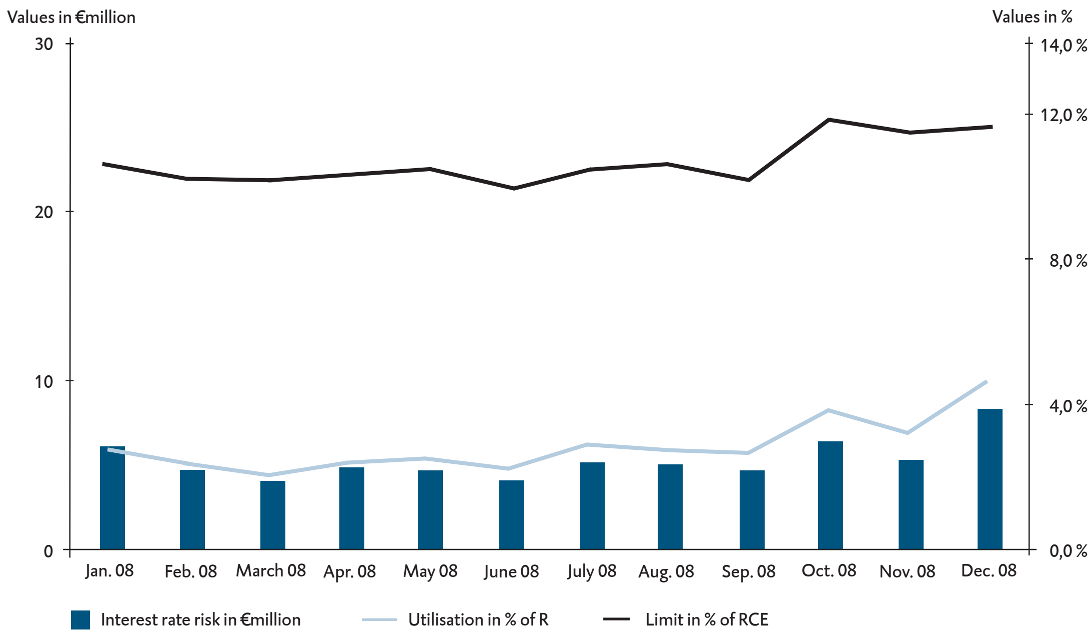
Interest rate risk

The risks of changes in interest rates arise as a result of changes in market value caused by changes in market rates of interest. Such risks arise from mismatched fixed rate agreements of all asset and liability positions (including off balance sheet transactions).

Interest rate control gaps are depicted in the APM report. A 200-BP shift is calculated as a stress test.

The chart relating to the interest rate risk shows that the limit based on the diversification between the interest rate risk, the foreign currency risk and the equity price risk is dynamic. The limit was complied with at all times and there was also, at all times, sufficient cushion below the limit granted.

Interest rate risk (95,0 %, 30 days), going-concern approach



RCE = Risk covering equity

RISK OF CHANGES IN INTEREST RATES (95,0 %, VAR 30 TRADING DAYS) GOING-CONCERN APPROACH	Maximum	Average	Last trading day
Utilisation in thousands of €	8.322	5.326	8.322
Utilisation in % of risk covering equity (RCE)	4,8 %	2,9 %	4,8 %

The results of the stress test:

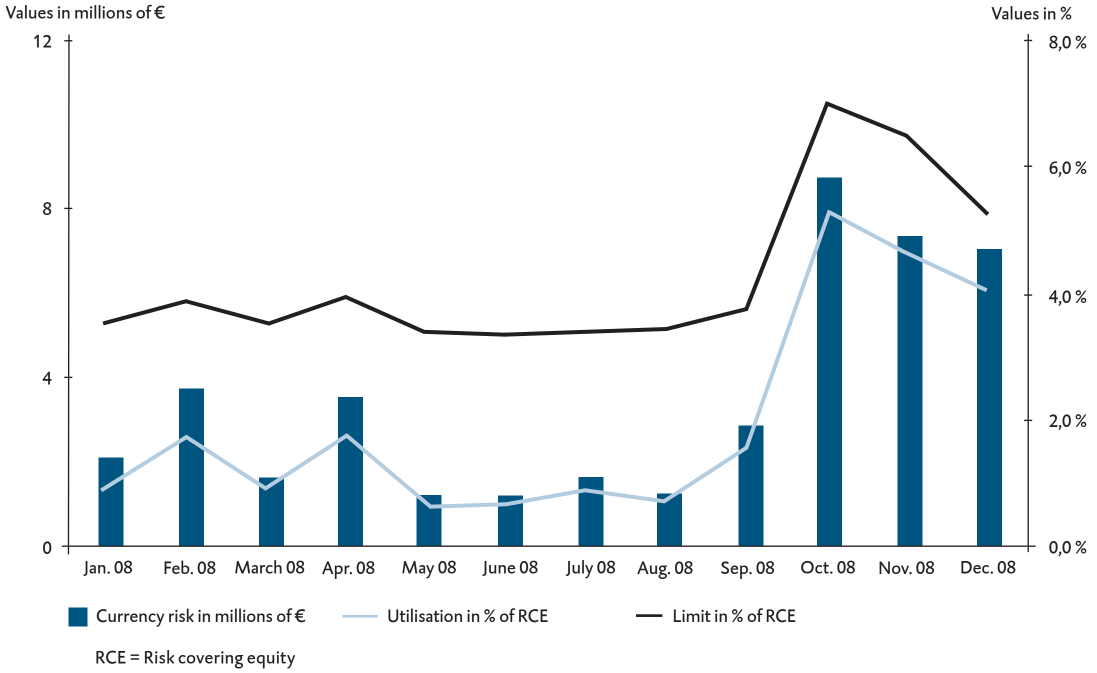
RISK OF CHANGES IN INTEREST RATES (200 BP-SHIFT)	Previous year	Maximum	Average	Last trading day
Utilisation in thousands of €	27.510	38.476	31.470	29.859

Currency risk

The currency risk is defined as the danger of the profit achieved falling short of the results anticipated because of transactions that require transition from one currency to another.

The following chart shows that the foreign currency risk rose in the course of the year because of the increased volatility. The limit was complied with at all times and there was also, at all times, sufficient cushion below the limit granted.

Currency risk (FX-Risiko 95,0 %, 30 days), going-concern approach



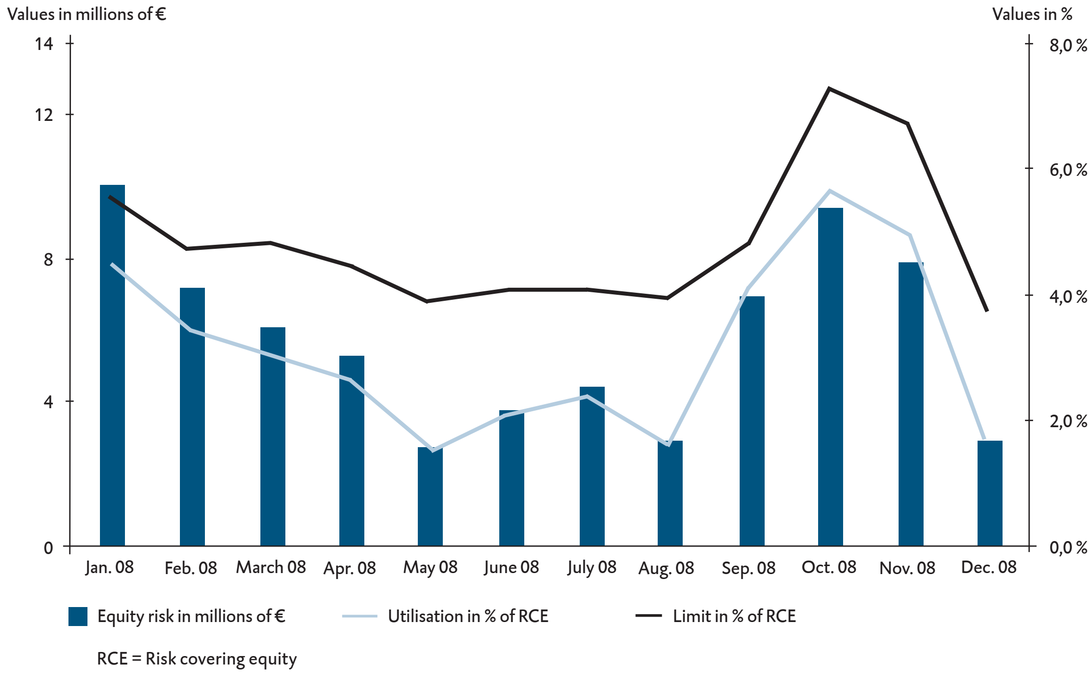
CURRENCY RISK (CONFIDENCE LEVEL OF 95,0 %, 30-DAY HOLDING PERIOD) GOING-CONCERN APPROACH	Maximum	Average	Last trading day
Currency-VaR in thousands of €	8.783	3.553	7.024
Utilisation in % of risk covering equity (RCE)	5,3 %	2,0 %	4,0 %

Equity risk

BTV's risk awareness also includes taking its risk in equities into account with a maximum equity value-at-risk of €10.1 million (equivalent to 5.7% of risk covering equity). The equity risk, like all market risks, is determined on the basis of a 95% value-at-risk and monitored every 30 days (going-concern approach) or on the basis of a 99.9% value-at-risk and monitored every 250 days (liquiditation approach). The high volatility was, in turn, decisive for some rise in this risk over the last few months. The marked fall in December can be explained by the fact that the portfolio of equities and/or funds, which was very small anyway, was reduced further.

Because of the low importance of the trading ledger at the moment, the equity positions in it are restricted by a volume limit and a stop-loss limit applying to individual shares, compliance with these limits being continuously supervised.

Equity risk (95,0 %, 30 days), going-concern approach



EQUITY RISK (CONFIDENCE LEVEL OF 95,0 %, 30-DAY HOLDING PERIOD) GOING-CONCERN APPROACH	Maximum	Average	Last trading day
Equity-VaR in thousands of €	10.051	5.820	2.907
Utilisation in % of risk covering equity (RCE)	5,7 %	3,1 %	1,7 %

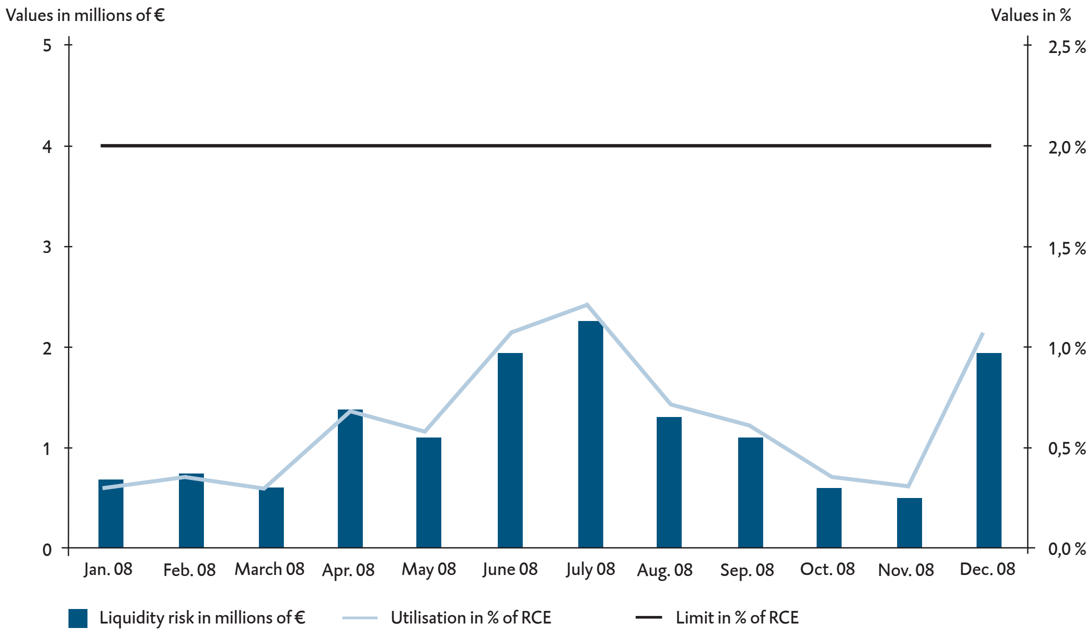
Liquidity risk

The short-term liquidity risk represents the danger of the bank being unable to meet its payment obligations punctually or in full. BTV did at all times in the year reported comply with the liquidity provisions foreseen in the BWG [Austria's Banking Act].

The refinancing risk represents the danger that additional refinancing resources can be obtained only at increased market interest rates. The risk of increased refinancing costs is simulated for BTV using a stress scenario related to changes in the interest rate curve and to an increase in the risk premium, with these simulations being incorporated into the overall bank risk.

The chart and table below show clearly that at no point during 2008 did the liquidity risk exceed or even come close to the limit of 2% of the equity.

Liquidity risk, going-concern approach



RCE = Risk covering equity

LIQUIDITY RISK – GOING-CONCERN APPROACH	Maximum	Average	Last trading day
Utilisation in thousands of €	2.235	1.175	1.935
Utilisation in % of risk covering equity (RCE)	1,2 %	0,6 %	1,1 %

Regarding principal maturities we refer to the table entitled "Breakdown of Residual Maturities" on Page 111 of the appendix.

Operational risks

"The operational risk is defined as the danger of losses caused by inadequate or failed internal procedures, systems or persons, and by external occurrences. This definition incorporates the risk of loss owing to new legal regulations, but excludes strategic risk and reputation risk". (Basel Committee – to be read up on Page 9 of the OeNB's handbook entitled "The Management of Operational Risk").

Basically operational risks, unlike market and loan risks, are not profit-related. That means there is no risk/profit relationship. The Management Board is responsible for operational risks.

BTV has developed a risk management process that applies both qualitative and quantitative methods.

There is a loss database for losses that have already been incurred into which all instances of loss are gathered. Following analysis of the losses appropriate measures are taken to minimise the risks of future losses.

This approach is supplemented by executing 'self-assessments' under which all sectors and processes are investigated for possible risks annually. Such risks are captured in the form of interviews.

A quarterly report tells the bank's decision-takers how the operational risks are developing and what measures have been taken. A regular loop is thus created, linking risk identification, quantification and control.

In the liquidation approach the operational risk is measured with the standard approach as in Pillar I.

In the going-concern approach the 95 % confidence interval of the losses so far assembled from the loss case database is applied.

Since 01.01.2008 BTV has determined the minimum equity requirement for operational risks following the standard approach under §§ 185-187 of the insolvency ordinance and § 22k BWG.

Risk report: Other risks, summary and outlook

Other risks

By "other risks" BTV means the following types of risk: strategic risk, reputation risk, equity risk, profit and/or business risk. As it is difficult to measure such risks they are taken into consideration in a cushion within the risk acceptability, which is therefore limited to 85 % of the internal capital.

Concentration risks and residual risks arising from loan-limiting techniques are controlled monthly in the course of the loan risk reporting system. Stress tests are carried out for selected topics. The risks in the goods entries and the foreign currency risk are detailed in the section of the manual dealing with capital adequacy. Furthermore the foreign exchange risk is part of the market risk and is calculated for all foreign currency entries. The interest rate risk is also part of the market risk and is calculated for all BTV's transactions.

The securitisation risk has no relevance at the moment, as BTV does not hold any securitisation positions. The risk would have an effect both on the loan risk category (IRB computer model) and on the market and liquidity risk categories.

Risks that emanate from the macro-economic environment are seen as other risks in the risk acceptability and are therefore taken into consideration in the cushion that has been detailed.

Summary

BTV has taken measures to limit and minimise all main risks. A summary of measurable risks is distributed throughout the bank as part of its risk acceptability analysis. The risks are aggregated cumulatively, whereby some diversification between the risk categories is undertaken in the field of the market risks.

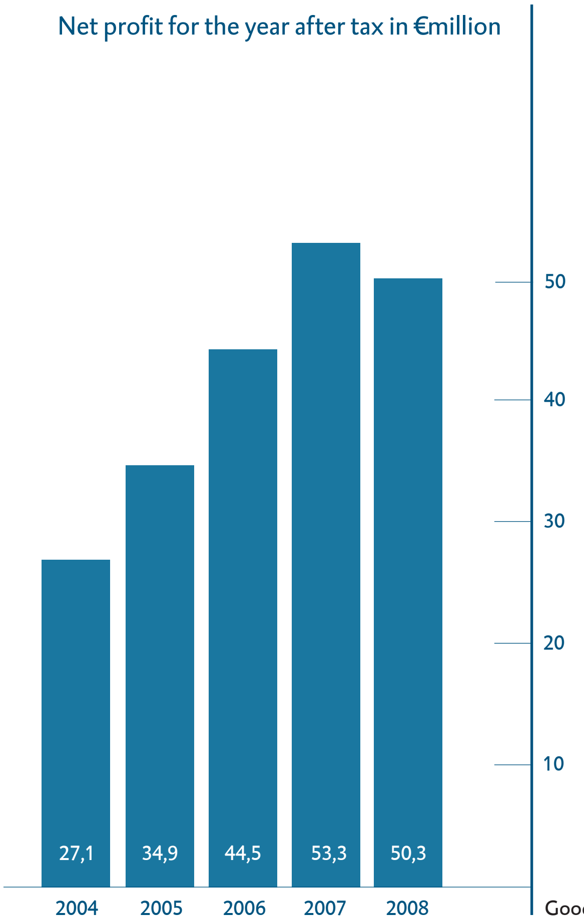
In BTV there exists a "cushion" for each individual risk category and for the level of the bank as a whole. The cushion at the overall bank level is for risks that are unquantifiable.

Outlook

BTV is going to continue with its chosen conservative risk strategy in the future, not least because of the developments in the financial markets of the past few months. The bank places great emphasis on active monitoring of loan risks and the on-going supervision, management and control of market risks. In future it will focus on progressive refinement of its management tools, on employee training schemes, and on the development and continuous improvement of its internal models.

Strong relations to the clients are the basis for sustainable success.

Our high demand on securitiy, quality, innovation and economy is reflected in our performance.



Good strategies survive every crisis. We focus on regional business and personal contact to our customers. As a result our net profit for the year after tax has increased sustainably.

Annual Accounts

Balance Sheet as at 31 December 2008

ASSETS in thousands of €	31.12.2008	31.12.2007	Change total	Change in %
Cash reserves [1] [Notes]	112.937	245.358	–132.421	–54,0 %
Loans and advances to banks [2]	435.302	547.193	–111.891	–20,4 %
Loans and advances to customers [3]	5.908.939	5.319.660	+589.279	+11,1 %
Loan loss provisions [4]	–158.566	–159.679	+1.113	+0,7 %
Trading assets [5]	56.167	321	+55.846	>+100,0 %
Financial assets – at fair value through profit or loss [6]	174.678	151.032	+23.646	+15,7 %
Financial assets – available for sale [7]	847.251	1.149.215	–301.964	–26,3 %
Financial assets – held to maturity [8]	657.348	381.476	+275.872	+72,3 %
Shares in at-equity valued companies [9]	216.074	212.025	+4.049	+1,9 %
Intangible fixed assets [10a]	829	1.062	–233	–21,9 %
Property, plant and equipment [10b]	94.362	93.507	+855	+0,9 %
Properties held as financial investments [10c]	34.121	28.256	+5.865	+20,8 %
Tax claims [11]	6.610	6.894	–284	–4,1 %
Other assets [12]	109.562	77.028	+32.534	+42,2 %
Total assets	**8.495.614**	**8.053.348**	**+442.266**	**+5,5 %**

LIABILITIES in thousands of €	31.12.2008	31.12.2007	Change total	Change in %
Banks [13]	1.392.874	1.136.795	+256.079	+22,5 %
Customer accounts [14]	5.063.227	4.890.115	+173.112	+3,5 %
Securitised debt [15]	866.536	913.177	–46.641	–5,1 %
Trading liabilities [16]	23.261	377	+22.884	>+100,0 %
Reserves and provisions [17]	64.456	67.813	–3.357	–5,0 %
Tax debts [18]	3.473	3.321	+152	+4,6 %
Other liabilities [19]	105.035	134.564	–29.529	–21,9 %
Subordinated capital [20]	423.148	369.860	+53.288	+14,4 %
Equity [21]	553.604	537.326	+16.278	+3,0 %
Total liabilities	**8.495.614**	**8.053.348**	**+442.266**	**+5,5 %**

Profit and Loss Account as at 31 December 2008

PROFIT AND LOSS ACCOUNT in thousands of €	2008	2007	Change total	Change in %
Interest and similar income	449.913	372.170	+77.743	+20,9 %
Interest and similar expenses	–329.747	–271.767	–57.980	+21,3 %
Income of at-equity valued companies	26.195	22.600	+3.595	+15,9 %
Net interest income [22]	146.361	123.003	+23.358	+19,0 %
Loan loss provisions [23]	–29.286	–29.206	–80	+0,3 %
Commission income	50.094	55.423	–5.329	–9,6 %
Commission expense	–7.691	–8.165	+474	–5,8 %
Net commission income [24]	42.403	47.258	–4.855	–10,3 %
Trading income [25]	1.780	2.199	–419	–19,1 %
Operating expenses [26]	–93.254	–88.099	–5.155	+5,9 %
Other operating income [27]	6.282	1.579	+4.703	>+100,0 %
Profit arising from financial assets – at fair value through profit or loss [28]	–17.264	–192	–17.072	>–100,0 %
Profit arising from financial assets – available for sale [29]	–4.956	3.503	–8.459	>–100,0 %
Profit arising from financial assets – held to maturity [30]	–1.892	0	–1.892	>–100,0 %
Net profit for the year before tax	50.174	60.045	–9.871	–16,4 %
Income and profits tax [31]	+ 121	–6.766	+6.887	>+100,0 %
Net profit for the year after tax	**50.295**	**53.279**	**–2.984**	**–5,6 %**

INDICATORS	31.12.2008	31.12.2007
EPS in € [32]	10,34	10,75
RoE before tax	9,2 %	11,4 %
RoE after tax	9,2 %	10,2 %
Cost-Income-Ratio	48,9 %	51,1 %
Risk-Earnings-Ratio	20,0 %	23,7 %

Statement of change in equity

STATEMENT OF CHANGE IN EQUITY in thousands of €	Subscribed capital	Retained earnings	Revenue reserves	Depreciation reserves	Total equity
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 year	0	0	+53.279	0	+53.279
Distributions	0	0	–7.000	0	–7.000
Exchange differentials	0	0	+52	0	+52
Treasury shares	0	–145	0	0	–145
Other changes	0	0	–1.171	–20.063	–21.234
– of which deferred tax	0	0	+6.510	0	+6.510
– of which from at equity assessment	0	0	–7.488	0	–7.488
Equity at 31.12.2007	**50.000**	**58.731**	**437.534**	**–8.939**	**537.326**

STATEMENT OF CHANGE IN EQUITY in thousands of €	Subscribed capital	Retained earnings	Revenue reserves	Depreciation reserves	Total equity
Equity at 01.01.2008	50.000	58.731	437.534	–8.939	537.326
Capital increases	0	0	0	0	0
Net income for the year	0	0	+50.295	0	+50.295
Distributions	0	0	–7.500	0	–7.500
Exchange differentials	0	0	–69	0	–69
Treasury shares	0	+1.361	0	0	+1.361
Other changes	0	0	–19.118	–8.691	–27.809
– of which deferred tax	0	0	–811	0	–811
– of which from at equity assessment	0	0	–18.931	0	–18.931
Equity at 31.12.2008	**50.000**	**60.092**	**461.142**	**–17.630**	**553.604**

Cash flow statement as at 31 December 2008

CASH FLOW STATEMENT in thousands of €	31.12.2008	31.12.2007
Net income for the year	50.295	53.279
Items without effect on payments and operating adjustments to cash flow		
– Amortisation/Revaluation of property, plant and equipment and long-term investments and loans and of current assets	8.491	16.922
– Accruals and appropriations to/releases of reserves and provisions and loan loss provisions	21.704	20.618
– Gains/losses on the disposal of long-term assets and loans on property, plant and equipment	5.301	–9.943
– Other adjustments	–4.255	–13.769
Sub-total	81.536	67.107
Change in operating assets and liabilities after adjustments for items without effect on payments:		
– Loans and advances to banks	101.980	–230.797
– Loans and advances to customers	–655.033	–81.711
– Trading	–35.557	12
– Other current assets	–96.561	–195.983
– Other operating assets	–21.247	–6.047
– Liabilities to banks	262.348	–122.591
– Customer accounts	262.301	676.031
– Securitised debt	–50.477	26.048
– Other operating liabilities	20.348	3.891
Operating cash flow	–130.362	135.960
Inflows from the disposal of:		
– Property, plant and equipment and intangible assets	111	1.788
– Long-term investments and loans	65.803	58.644
Outflows through investments in:		
– Property, plant and equipment	–4.638	–6.373
– Long-term investments and loans	–98.915	–99.305
Investment cash flow	–37.639	–45.246
Dividend payments	–7.500	–7.000
Subordinated debt and other financing	43.081	34.671
Financing cash flow	35.581	27.671
Cash position at the end of the previous period	245.358	126.973
Operating cash flow	–130.363	135.960
Investment cash flow	–37.639	–45.246
Financing cash flow	35.581	27.671
Cash position at end of period	112.937	245.358
Interest income	442.417	368.897
Dividend income	33.691	25.873
Interest expenses	–329.747	–271.767
Income tax payments	543	–5.412

Accounting principles

The BTV group's annual accounts have been prepared in accordance with IFRS requirements and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and, pursuant to section 59a BWG [Austria's Banking Act] taken together with section § 245a UGB [Austria's Commercial Code], remove the need to prepare any other group financial statements. The present group financial statements have been prepared in accordance with all standards applicable for the financial years concerned.

The following table shows newly published or changed standards and interpretations that had not, however, come into force by the balance sheet date and were not applied in these group financial statements.

STANDARD INTERPRETATION	ACTIVITY	TO BE EXECUTED FOR FINANCIAL YEARS FROM	FROM EU ALREADY EXECUTED
	Improvements to IFRSs (2007)	01.01.2009	yes
IAS 1 – Änderungen	Presentation of Financial Statements: A revised Presentation	01.01.2009	yes
IAS 23 – Änderungen	Borrowing Costs	01.01.2009	yes
IAS 27 – Änderungen	Consolidated and Separate Financial Statements	01.07.2009	no
IAS 32 und IAS 1 – Änderungen	Puttable Financial Instruments and Obligations Arising on Liquidation	01.01.2009	yes
IAS 39 Änderungen	Financial Instruments: Recognition and Measurement: Eligible Hedged Items	01.07.2009	no
IFRS 1 – Überarbeitung	First Time Adoption of IFRS	01.07.2009	no
IFRS 1 und IAS 27 – Änderungen	Cost of an Investment in a Subsidiary, Jointly-Controlled Entity or Associate	01.01.2009	yes
IFRS 2 – Änderungen	Share-Based Payment: Vesting Conditions and Cancellations	01.01.2009	yes
IFRS 3 – Überarbeitung	Business Combinations	01.07.2009	no
IFRS 8	Operating Segments	01.01.2009	yes
IFRIC 12	Service Concession Arrangements	01.01.2008	no
IFRIC 13	Customer Loyalty Programmes	01.07.2008	yes
IFRIC 15	Agreements for the Construction of Real Estate	01.01.2009	no
IFRIC 16	Hedges of a Net Investment in A Foreign Operation	01.10.2008	no
IFRIC 17	Distributions of Non-Cash Assets to Owners	01.07.2009	no

Insofar as BTV has already investigated the standards, no changes in material respects are expected.

The following table shows standards and interpretations published or changed as at the balance sheet date that apply for the first time to the period reported, but which were not applied in these group financial statements.

STANDARD INTERPRETATION	ACTIVITY	TO BE EXECUTED FOR FINANCIAL YEARS FROM	FROM EU ALREADY EXECUTED
IAS 39 und IFRS 7 – Modifications	Reclassification of Financial Instruments	01.07.2008	yes
IFRIC 11 – IFRS 2	Group and Treasury Share Transaction	01.01.2008	yes
IFRIC 14 – IAS 19	The Limit of a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	01.01.2008	yes

The uniform accounting and valuation methods used throughout the group are in harmony with European accounting standards, such that BTV's accounts are as informative as if they had been prepared according to Austria's banking law and commercial code. Additional information required under EU regulations is provided in the Appendix.

The reference currency is the euro (€). All figures are expressed in thousands of euros, unless otherwise stated. Rounding differences may exist in the following tables.

Consolidation principles

All the main subsidiaries over which BTV AG has management control have been consolidated. Participations involving shareholdings of between 20% and 50% (associated companies) have been consolidated at equity.

The full consolidation under IAS 27 comprises, in addition to BTV AG, the shareholdings detailed below, whereby the capital consolidation is in accordance with the principles of IFRS 3. The full consolidation for the 2008 financial year was extended to include the companies MPR Holding GmbH, Innsbruck, and BTV Hybrid I GmbH, Innsbruck. MPR Holding GmbH holds the shareholding in VoMoNoSi Beteiligungs AG.

The leasing companies were incorporated into the balance sheet according to their differing financial year, which ended on 30 September. MPR Holding GmbH and BTV Hybrid I GmbH were taken into consideration in the balance sheet date of 31 December.

FULLY CONSOLIDATED COMPANIES	Share In %
BTV Leasing GmbH, Innsbruck	100,00 %
BTV Real-Leasing GmbH, Vienna	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	100,00 %
BTV Mobilien Leasing GmbH, Innsbruck	100,00 %
BTV M1/92 Leasing GmbH in Liquidation, 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	100,00 %
BTV Leasing Deutschland GmbH, Munich/Grünwald	100,00 %
BTV Leasing Schweiz AG, Staad	99,99 %
MPR Holding GmbH, Innsbruck	100,00 %
BTV Hybrid I GmbH, Innsbruck	100,00 %

The following shareholdings have been included at equity:

AT-EQUITY-CONSOLIDATED COMPANIES	Share in %
BKS Bank AG, Klagenfurt	18,57 %
Oberbank AG, Linz	13,95 %
Alpenländische Garantie GmbH, Linz	25,00 %
Drei-Banken Versicherungs-AG, Linz	20,00 %
VoMoNoSi Beteiligungs AG, Innsbruck (49 % share of the voting rights)	64,00 %

The shareholding in Oberbank AG has come down from 14% last year to 13.95% because of an increase in its capital that was undertaken to the exclusion of the subscription rights of existing shareholders.

Despite the shareholdings in Oberbank AG and BKS Bank AG not reaching the 20%-threshhold, they were consolidated because of syndicate agreements entered into to maintain their independence.

These agreements are respectively between BTV AG, BKS Bank AG and Wüstenrot Wohnungswirtschaft reg. Gen.m.b.H - for the shareholding in Oberbank AG, and between BTV AG, Oberbank AG and Generali 3 Banken Holding AG for the shareholding in BKS Bank AG. The banks thus can develop themselves as profit-oriented companies.

The VoMoNoSi Beteiligungs AG group of companies, in which the shareholding in the Silvretta Nova Gruppe is held, were taken up into the scope of the consolidation, as an associated enterprise under IAS 28 as at the 1 January 2008 reporting date. The equity method approach is justified by the considerable influence that is exercised by having a 49.0 % share of the voting rights concerned.

The associated companies are in each case taken into consideration as at their reporting dates of 30 September in order to make it possible to produce annual accounts that are up-to-date.

Claims and liabilities, and expenses and revenues within the group are eliminated unless they are of subordinate importance. The elimination of intermediate results was waived as there were no important intermediate results.

Valuation principles
Cash transactions of financial assets were captured or charged off on the settlement days concerned.

Foreign currency conversion
Under IAS 21 assets and liabilities are denominated in foreign currency and unadjusted cash transactions are converted at the balance sheet date's mean spot rates. Forward exchange deals are valued at current forward rates valid for the residual term.

The conversion of the annual accounts of the Swiss subsidiary is made using the reporting date rate method. Conversion differences in the profit or loss carryover are captured in the equity capital.

In addition to financial instruments in the functional currency there are also financial instruments predominantly in Swiss francs, US-dollars and Japanese yen.

Cash reserves
The cash situation and credit balances at central banks are declared as cash reserves.

Amounts receivable
Loans and advances to banks and customers with fixed or allocatable payments which do not serve the fair-value-option are stated at adjusted acquisition costs. If direct depreciation has been undertaken, that reduces the amounts receivable. Bad debt allowances are openly stated as loan loss provisions. Interest receivables are not recognised as income if – regardless of legal claims – it is highly improbable that the amounts concerned will be recovered.

Claims on customers that are covered with hedges (interest rate swaps) against the interest rate risk, have been allocated to the fair-value option valuation category. The valuation profit of the fair-value option is shown in the balance sheet in the corresponding profit/loss position headed "Profit arising from financial assets - at fair value through profit or loss".

Loan loss provisions
BTV accounts for banking risk by making loan loss adjustments and provisions on scales that are appropriate. Credit-worthiness risks are provided for on the basis of group-wide appraisal standards and by taking any possible collateralisation into consideration.
The sum of the loan loss provisions taking the form of balance-sheet receivables is openly stated as an amount of reduction on the asset side of the balance sheet below after loans and advances to banks and customers. The loan loss provisions for off balance sheet transactions (especially settlement guarantees) are contained in the "provisions" entry.

Portfolio value adjustments are made for loan portfolio losses that have already been incurred by the balance sheet date but have not yet been identified, with their level being based on the historical probabilities of default and loss amounts of loan portfolios for which loan loss provisions have not already otherwise been made. The economic conditions and current events are taken into consideration when stipulating the size of the flat-rate adjustment.

Trading assets/liabilities

Financial assets or debts held for trading purposes are reflected in trading assets/liabilities. Such financial instruments serve chiefly to achieve profits from short-term price fluctuations or dealer margins. Dealing inventory is valued at fair-value and treated as income.

"Stand alone" derivatives are also shown in the balance sheet in the trading assets/liabilities at fair-value option. The valuation is made at the market value to be settled.

All the realised and unrealised valuation profits arising from fair-value option are shown in the profit and loss account in the entry "Profit arising from financial assets – at fair value through profit or loss". Interest and dividend revenues arising from fair-value option are reflected in the interest rate profit.

The market value to be settled (fair value) is the amount at which an asset could be exchanged or a debt could be settled between expert business partners who are independent of and willing to contract with each other. If stock exchange prices were available these have been enlisted for the purpose of the valuation. For financial instruments without stock exchange prices internal valuation models with current market parameters are enlisted, especially the net present value concept and option price model.

Financial assets – at fair value through profit or loss

Securities and structured products containing embedded derivatives that must be separated out are accounted for at fair value-option under IAS 39. BTV furthermore uses the fair value-option in order to be able to remove, or significantly reduce mismatches of accounting treatment or approach. These assets are assessed and stated at market value.

The fair-value option valuation profit is stated in the corresponding profit and loss entry headed "Profit from financial assets – at fair value through profit or loss".

Financial assets – available for sale

Securities that are dedicated to the 'available for sale' [AfS] stock and ownership interests in unconsolidated companies are captured in the "financial assets – available for sale" entry. Changes in the market value of to be attached to securities in the AfS portfolio arising from the assessment are shown with no effect on the profit in the capital account until the asset is sold. Investments in equity instruments (for instance, shares in limited liability companies) are – unless fair-value can be determined on the basis of a stock exchange price or on the basis of a recognised valuation model – valued at acquisition costs ("at cost").

The valuation is made at amortised acquisition costs, whereby any possible premium or discount is liquidated up until the final maturity on the basis of the effective interest rate method.

Financial assets – held to maturity

This balance sheet item includes debentures that are intended for long-term holding or holding until due date, and other fixed-interest securities, providing these have a final due date. These components are allocated to the held-to-maturity portfolio.

The valuation is made at amortised acquisition costs, whereby any possible premium or discount is liquidated up until the final maturity on the basis of the effective interest rate method.

Shares in at-equity valued companies

Shareholdings in associated companies are shown in this position.

Derivatives

Financial derivatives are stated in the balance sheet at their fair-value, whereby changes in value are immediately recognised as income in the profit and loss account.

To the extent that hedge accounting under IAS 39 is applied in the BTV group it serves to hedge against interest profit, loan risk and market risk. Fair-value hedges are predominantly deployed for measures to minimise the risk of interest rate changes and to lower market risk. The hedging of fair-value hedging transactions is achieved by converting fixed-interest transactions into transactions with money market links. This concerns, in particular, a major part of the Bank's own issues and selected fixed-interest loans in the client business. Interest rate swaps are deployed mainly in the context of fair-value hedge accounting. Options are also deployed selectively in the case of own issues in order to protect the fair-value.

Insofar as claim is laid to the fair-value option under IAS 39, the derivative financial instruments serve to avoid and/or eliminate valuation incongruities at the time of the approach and in the case of valuing assets and liabilities. The derivatives are valued at the fair-value and recognised as income.

Financial guarantees
Financial guarantees are treated in the balance sheet in accordance with IAS 39. The net presentation principle is applied for their depiction in the balance sheet. Under this method the premium cash value and the obligation cash value arising from the financial guarantee are set off against each other.

Intangible fixed assets
This position covers chiefly rights to tenancy. Valuation is at historic acquisition cost, reduced by planned straight-line depreciation on the basis of the asset's estimated useful life.

Tangible assets
Tangible assets – land, buildings and office furniture and equipment – are valued at their acquisition or development cost, reduced by planned depreciation in line with probable useful lives, which are between 33 and 50 years in the case of buildings and between 4 and 10 years in the case of office furniture and equipment.

Properties held as financial investments
Land and buildings that the BTV group holds as financial investments to earn rent and increase in value over the long-term are stated at extrapolated acquisition costs. The rents concerned are shown in the profit and loss position "other operating income".

Leasing
BTV group leases are mainly finance leases under which all the risks and opportunities associated with the leased asset are assumed by the lessee. Under IAS 17 the lessor must issue a claim on the lessee equivalent to the cash value of the contractually agreed payments, taking any possible residual values into consideration.

In the case of operating leases (in which all the ownership-associated risks and opportunities remain with the lessor) the lessor recognises the leased item under "tangible assets" and depreciation is charged in line with whatever principles apply to the fixed asset concerned. Leasing payments are recognised in the income statement according to the terms under which the use and benefit of the asset are surrendered.

Liabilities
Liabilities to customers and banks, and securitised debts, are valued at their repayment costs and/or nominal amounts. Premiums/discounts are recognised on a time-proportion basis. The sum of securitised debts is reduced by the acquisition costs of issues that are still in the bank's ownership.

New issues of certificated obligations and subordinated capital bonds that have been hedged with derivative financial instruments as part of the process of controlling interest rate exposure are, from the 2008 calendar year, allocated exclusively to the fair-value option valuation category. Hedge accounting, exclusively, had been applied up till 2007.

The fair-value option valuation profit is stated in the corresponding profit and loss entry headed "Profit from financial assets – at fair value through profit or loss".

Provisions
Long-term payroll provisions (pensions, severance pay, anniversary bonuses and quarterly death liabilities) are determined by the projected unit credit method under IAS 19 (Employee benefits). Future liabilities are assessed by means of actuarial surveys. This means that future expected increments in these figures are taken into account in addition to the pension payments known about on the balance sheet date.

The main parameters used in the actuarial calculation of pension liabilities are the 4.75% p.a. assumed rate of interest (the long-term capital market rate) plus a 3.50% p.a. pay rise for employees still working. The corresponding parameters estimated for the pension provision for existing pensioners are a 4.75% p.a. assumed rate of interest and an expected 3.0% p.a. rise in pensions under the collective agreement. An assumed rate of interest of 4.75% p.a. and an average salary increase of 3.50% p.a. are also assumed for calculating severance pay obligations and anniversary bonuses.

The age at which people start to receive their pensions has been considered individually. Long-term payroll provisions (Pensions, severance pay and anniversary bonus obligations) have been made in accordance with the current AVÖ 2008-P mortality tables – basis of calculation for pension insurance – published by Pagler & Pagler.

Of the calculation parameters detailed the assumed rate of interest, which has been adjusted from 4.25% to 4.75% in line with the performance of the capital market in 2008, has changed compared with the year before.

The calculation parameter for the collective agreement remained unchanged at 3.00 % both for active and for retired employees. Neither was there any change to the "career trend" calculation parameter, which continues to be 0.50 %.

The differences resulting from the changes in the calculation parameters are shown under the actuarial profits/losses in the expenditure on personnel.

No use was made of the option to present actuarial gains and losses using the corridor method or to list these in the equity.

Provisions are formed, in accordance with IAS 37, if the group has existing legal or de facto commitments arising from underlying transactions or events that make it likely that an outflow of economic resources will be needed to fulfil the commitment involved, and if a reliable estimate of the extent of the commitment is possible. Provisions are subject to an annual audit and reassessment. There are uncertainties here about the estimates that might lead to changes in the coming year.

Income tax

Income tax obligations and claims for refund are shown in the entries headed "tax debts" or "tax claims". Current tax obligations and claims are estimated at the tax figures at which settlement with the tax offices concerned is expected. Deferred tax assets arising on unused tax losses are stated in the balance sheet provided it is probable that the same company will, in the future, post taxable profits of the same order. The bank has taken advantage of various group taxation opportunities.

Net interest income

Net interest income and interest paid out are deferred as they accrue. Contained in the net interest income are revenues and expenses representing remuneration for the handing over of capital. Also contained in this entry are revenues arising from equities and other ownership interests and other non-fixed interest securities, providing what is not involved are revenues arising from securities that have to be counted as trading assets. Revenues from shareholdings and shares in affiliated companies – unless these have not been consolidated owing to their secondary importance – are shown under this heading. Revenues from companies included at-equity are also shown in this entry.

Loan loss provisions on lending operations

The "loan loss provision" entry comprises additions to bad debt allowances and provisions and/or revenues arising from the reversal of bad debt allowances and provisions, as well as direct write-downs and subsequent income from claims relating to loans that were already written off in connection with the lending operations.

Commission income

Commission income is the net balance of the revenues and expenses arising from service business.

Trading income

This entry contains profits and losses arising sales of securities, derivatives and other financial instruments held for trading, valuation profits and losses arising from market valuations of securities, derivatives and other financial instruments held for trading, accrued interest on fixed-interest securities held for trading, and dividends on equities held for trading along with refinancing expenses for such securities.

Operating expenses

Shown under operating expenses are personnel costs, the operating expenditure and planned depreciation on tangible assets, on intangible fixed assets and on properties held as financial investments that have been deferred to the period reported.

Recorded in personnel expenditure are wages and salaries, variable components of salary, statutory and voluntary social expenditure, taxes that are dependent on the person as well as expenditure (including any changes in provisions) on severance payments, pensions, anniversary bonuses, and quarterly mortality tables.

Contained in the operating expenditure on top of EDP expenditure, expenditure on premises and on office operations, is the expenditure on promotion and marketing, the outlay for advertising and marketing, and legal and consultancy expenses as well as miscellaneous items of operational expenditure.

Other operating income

ImAll such revenues and expenses of the BTV group as are not to be allocated to on-going business activities must be stated under other operating income. Counted here in particular are the profits arising from the renting/exploitation of property not used operationally and other physical assets, inputs of goods and revenues arising from businesses outside banking, such as insurance. Furthermore, shown in this position - in addition to expenditures arising from other taxes and expenses arising from the provision of funds - are revenues arising from the release of other provisions.

Profit arising from financial assets – at fair value through profit or loss

This entry captures both profits on valuation and realisations of securities, derivatives and loan claims of the fair-value portfolio.

Profit arising from financial assets – available for sale

Recorded in this entry are profits on disposal and impairments of securities and shareholdings from the available-for-sale portfolio.

Profit arising from financial assets – held to maturity

Contained in this entry are profits from sales and impairments of securities from the held-to-maturity portfolio.

Taxation on income

On-going and deferred income tax is captured in this entry.

Balance Sheet – Assets

1 CASH RESERVES in thousands of €	31.12.2008	31.12.2007
Cash	37.655	42.177
Central bank credit balances	75.282	203.181
Cash reserves	**112.937**	**245.358**

2 LOANS AND ADVANCES TO BANKS in thousands of €	31.12.2008	31.12.2007
Austrian banks	219.543	228.501
Foreign banks	215.759	318.692
Loans and advances to banks	**435.302**	**547.193**

3 LOANS AND ADVANCES TO CUSTOMERS in thousands of €	31.12.2008	31.12.2007
Austrian	4.035.169	3.905.060
Foreign	1.873.770	1.414.600
Loans and advances to customers	**5.908.939**	**5.319.660**
thereof market values (Fair-Value option)	15.799	2.255

The claims on customers contain finance-lease contracts with a net investment value of €466.0 million (previous year €416.3 million). The corresponding gross investment value of these leasing arrangements is €595.6 million (previous year €526.7 million), while the financial profits associated with them but not realised amount to €129.6 million (previous year €110.3 million). The residual figures of the leasing assets as a whole were guaranteed in the financial year, as they were in the previous year. On the balance sheet date there were value adjustments on uncollectable leasing claims totalling €7.7 million (previous year €7.4 million).

MATURITIES FOR FINANCE LEASE RECEIVABLES in thousands of €	< 1 Year	1–5 Years	> 5 Years	Total
Gross investment	100.637	268.081	226.882	595.600
Outstanding lease income	23.234	56.710	49.628	129.573
Net investment outstanding	77.402	211.371	177.254	466.027

4 LOAN LOSS PROVISIONS in thousands of €	2008	2007
Opening balance at 1 January	159.679	152.439
– Releases	–15.938	–6.126
+ Allocation	35.091	28.871
– Application	–20.315	–15.498
Changes due to exchange differentials	49	–7
Loan loss provisions at 31 December	158.566	159.679
Opening balance commitments at 1 January	273	219
– Releases	–56	–11
+ Allocation	24	65
– Application	0	0
Reserves and provisions commitments at 31 December	241	273
Total loan loss provisions commitments at 31 December	**158.807**	**159.952**

5 TRADING ASSETS in thousands of €	31.12.2008	31.12.2007
Debenture bonds and other fixed-interest securities	35.809	0
Quoted	35.809	0
Not quoted	0	0
Equities and other variable-interest securities	0	0
Positive market values arising from derivative transactions – Trading	17.555	321
Currency-oriented contracts	16.555	0
Interest-rate contracts	1.000	321
Other contracts	0	0
Positive market values arising from derivative transactions – Fair-Value option	2.803	0
Currency-oriented contracts	0	0
Interest-rate contracts	2.803	0
Other contracts	0	0
Trading assets	**56.167**	**321**

6 FINANCIAL ASSETS – AT FAIR VALUE THROUGH PROFIT OR LOSS in thousands of €	31.12.2008	31.12.2007
Debenture bonds and other fixed-interest securities	165.874	130.379
Quoted	165.874	130.379
Not quoted	0	0
Equities and other variable-interest securities	8.804	19.856
Quoted	8.804	19.856
Not quoted	0	0
Positive market values arising from derivative transactions	0	797
Interest-rate contracts	0	797
Financial assets – at fair value through profit or loss	**174.678**	**151.032**

7 FINANCIAL ASSETS – AVAILABLE FOR SALE in thousands of €	31.12.2008	31.12.2007
Debenture bonds and other fixed-interest securities	719.815	1.004.344
Quoted	713.900	1.000.843
Not quoted	5.915	3.501
Equities and other variable-interest securities	29.720	49.299
Quoted	12.122	21.090
Not quoted	17.598	28.209
Other shareholdings	29.128	25.715
Banks	11.789	12.352
Other	17.339	13.363
Other associates	68.588	69.857
Financial assets – available for sale	**847.251**	**1.149.215**

Fixed-interest securities that constitute the assured underlying transaction for any fair-value hedge are to be found under the financial instruments classified as “available for sale”. The credit-worthiness of two issuers of securities was thereby hedged with a credit derivative. The credit derivative is shown in the balance sheet in the “Other assets” entry at a value of €10 million.

The “Other shareholdings” entry involves, exclusively, financial instruments valued at acquisition costs (“at cost”).

8 FINANCIAL ASSETS – HELD TO MATURITY in thousands of €	31.12.2008	31.12.2007
Debenture bonds and other fixed-interest securities	657.348	381.476
Quoted	652.283	376.425
Not quoted	5.065	5.051
Financial assets – held to maturity	**657.348**	**381.476**

In the year reported financial assets in the valuation "available for sale" category amounting to €241,384,600 (nominally €255,000,000) were reclassified into the "held to maturity" valuation category. The reclassification was made because of the intention to change to holding the securities until the end of their terms.

9 SHARES IN AT-EQUITY VALUED COMPANIES in thousands of €	31.12.2008	31.12.2007
Banks	210.974	208.503
Other	5.100	3.522
Shares in at-equity valued companies	**216.074**	**212.025**

10 STATEMENT OF ACCESSIONS AND DISPOSALS – 31.12.2008 in thousands of €	Purchase value 01.01.2008	Additions	Disposals
Intangible fixed assets	7.424	+32	0
Land and buildings	92.971	+4.228	–754
Office furniture and equipment	55.028	+4.313	–6.083
Properties held as financial investments	34.793	+9.648	0
Other participations	27.016	+3.975	0
Other associates	69.966	+35	–1.263
Participations consolidated at equity	212.025	+4.049	0
Total	**499.222**	**+26.281**	**–8.100**

STATEMENT OF ACCESSIONS AND DISPOSALS – 31.12.2007 in thousands of €	Purchase value 01.01.2007	Additions	Disposals
Intangible fixed assets	7.421	+2	0
Land and buildings	91.802	+587	–1.592
Office furniture and equipment	54.297	+6.068	–3.134
Properties held as financial investments	34.273	+1.195	–675
Other participations	20.186	+6.954	–124
Other associates	70.509	+150	–693
Participations consolidated at equity	200.196	+11.829	0
Total	**478.684**	**+26.786**	**–6.218**

Reclassifica-tion	Group change	Value change	Purchase value 31.12.2008	Cumulative amortisation	Balance sheet value 31.12.2008	Amortisation	Balance sheet value 31.12.2007
0	0	0	7.456	–6.627	829	–265	1.062
+621	0	0	97.066	–17.478	79.588	–2.026	76.944
–1.155	0	+54	52.158	–37.384	14.774	–3.974	16.563
+534	0	0	44.975	–10.854	34.121	–2.221	28.256
0	0	0	30.991	–1.864	29.128	–563	25.715
0	–150	0	68.588	0	68.588	0	69.857
0	0	0	216.074	0	216.074	0	212.025
0	**–150**	**54**	**517.307**	**–74.206**	**443.101**	**–9.049**	**430.422**

Reclassifica-tion	Group change	Value change	Purchase value 31.12.2007	Cumulative amortisation	Balance sheet value 31.12.2007	Amortisation	Balance sheet value 31.12.2006
0	0	0	7.424	–6.362	1.062	–421	1.481
+2.173	0	0	92.971	–16.026	76.944	–1.995	77.294
–2.173	0	–30	55.028	–38.465	16.563	–3.938	16.757
0	0	0	34.793	–6.537	28.256	–1.022	28.393
0	0	0	27.016	–1.302	25.715	–1.024	20.062
0	0	0	69.966	–109	69.857	0	70.400
0	0	0	212.025	0	212.025	0	200.196
0	**0**	**–30**	**499.222**	**–68.800**	**430.422**	**–8.580**	**414.584**

10a INTANGIBLE FIXED ASSETS in thousands of €	31.12.2008	31.12.2007
Intangible fixed assets	829	1.062
Intangible fixed assets	**829**	**1.062**

10b PROPERTY, PLANT AND EQUIPMENT in thousands of €	31.12.2008	31.12.2007
Land and buildings	79.588	76.944
Office furniture and equipment	14.774	16.563
Property, plant and equipment	**94.362**	**93.507**

10c PROPERTIES HELD AS FINANCIAL INVESTMENTS in thousands of €	31.12.2008	31.12.2007
Properties held as financial investments	34.121	28.256
Properties held as financial investments	**34.121**	**28.256**

The fair value of the properties held as financial investments is €36.8 million (previous year €29.6 million), and was determined by the property yield calculations that underpinned their agreed rents. The rents were €2.0 million in the year reported (previous year €1.3 million). The expenses that were incurred in obtaining the rents came to €3.3 million, including AfA (previous year €1.4 million). That includes special write-offs amounting to €1.1 million.

OPERATING LEASE MATURITIES in thousands of €	< 1 Year	1–5 Years	> 5 Years	Total
Future minimum of rental payments	407	1.628	2.903	4.938

Contained in the „properties held as financial investments" entry are book values arising from operating-lease contracts of €4.9 million (previous year €5.1 million). The market value is €4.9 million (previous year €5.1 million). No revenues were recovered for contingent rental payments in the year reported.

11 DEFERRED TAX ASSETS AND LIABILITIES in thousands of €	31.12.2008	31.12.2007
Financial assets – at fair value through profit or loss	226	–233
Financial assets – available for sale	–556	53
Financial assets – held to maturity	–12.773	0
Long-term payroll provisions	5.352	6.325
Hedge-Accounting and derivatives	–24	–786
Bad debt provision	4.769	6.744
Deferred tax – losses	13.621	0
Revaluations of finance leases and other items	–4.005	–5.209
Deferred tax assets and liabilities	**6.610**	**6.894**

In the year reported no deferred tax asset was shown for any part of the 2008 losses for tax purposes carried over that had not yet been utilised. The deferred tax not shown amounts to €4,355,200 (Previous year: Nil).

12 OTHER ASSETS in thousands of €	31.12.2008	31.12.2007
Positive market values arising from derivative transactions	40.916	25.967
Other assets	68.646	51.061
Other assets	**109.562**	**77.028**

Balance Sheet – Liabilities

13 LIABILITIES TO BANKS in thousands of €	31.12.2008	31.12.2007
Austrian	1.135.130	753.280
Foreign	257.744	383.515
Liabilities to banks	**1.392.874**	**1.136.795**

14 LIABILITES TO CUSTOMERS in thousands of €	31.12.2008	31.12.2007
Saving deposits		
Austrian	1.089.557	991.801
Foreign	156.376	135.052
Sub-total savings deposits	1.245.933	1.126.853
Other deposits		
Austrian	3.040.770	3.195.098
Foreign	776.524	568.164
Sub-total other deposits	3.817.294	3.763.262
Liabilities to customer accounts	**5.063.227**	**4.890.115**

15 SECURITISED DEBT in thousands of €	31.12.2008	31.12.2007
Debentures	747.960	772.223
Domestic bonds	118.576	140.954
Securitised debt	**866.536**	**913.177**
thereof market value amount (fair-value) vis-à-vis profit and loss	8.421	0

The repayment amount for the certificated obligations for which the fair-value option was exercised amounts to €8,166,000 as at 31 December 2008. The difference between the fair-value of the certificated obligations for which the fair-value option was exercised and their repayment amount comes to a positive figure of €255,000.

16 TRADING LIABILITIES in thousands of €	31.12.2008	31.12.2007
Negative market values arising from derivative transactions – Trading	17.151	377
Currency-oriented transactions	16.145	0
Interest-rate transactions	1.006	377
Negative market values arising from derivative transactions – Fair-value option	6.110	0
Currency-oriented transactions	0	0
Interest-rate transactions	6.110	0
Trading liabilities	**23.261**	**377**

17 RESERVES AND PROVISIONS in thousands of €	31.12.2008	31.12.2007
Long-term payroll reserves	63.082	63.539
Other reserves and provisions	1.374	4.274
Reserves and provisions	**64.456**	**67.813**

17a LONG-TERM PAYROLL RESERVES in thousands of €	Pensions	Severance pay	Anniversary bonus	Other	Total current payroll reserves
At 01.01.2007	41.477	14.972	4.341	2.328	63.118
Interest	1.474	578	167	92	2.311
Length of service expenses	185	819	292	0	1.296
Disbursements	–2.474	–898	–175	–30	–3.578
Actuarial gain (–)/loss (+)	735	–96	–163	–84	392
At 31.12.2007	**41.397**	**15.374**	**4.462**	**2.306**	**63.539**
Interest	1.547	640	185	95	2.468
Length of service expenses	190	825	317	0	1.333
Disbursements	–2.586	–838	–107	–17	–3.548
Actuarial gain (–)/loss (+)	732	–940	–297	–204	–709
At 31.12.2008	**41.280**	**15.062**	**4.560**	**2.180**	**63.082**

Profits or losses arising from changes in the calculation parameters are contained in the actuarial profits/losses listed above.

OVERVIEW LONG-TERM PAYROLL RESERVES 2004 – 2008 in thousands of €	31.12.2008	31.12.2007	31.12.2006	31.12.2005	31.12.2004
Pensions	41.280	41.397	41.477	41.235	38.857
Severance pay	15.062	15.374	14.972	13.861	12.580
Anniversary bonus	4.560	4.462	4.341	3.980	3.723
Other	2.180	2.306	2.328	2.136	1.850
Total	**63.082**	**63.539**	**63.118**	**61.212**	**57.010**

17b OTHER RESERVES AND PROVISIONS in thousands of €	31.12.2007	Accruals	Applications	Releases	Reclassifications	31.12.2008
Other reserves and provisions	4.274	246	–642	–2.503	0	1.374
Other reserves and provisions	**4.274**	**246**	**– 642**	**– 2.503**	**0**	**1.374**

18 TAX DEBTS in thousands of €	31.12.2008	31.12.2007
Current tax debts	669	1.466
Deferred tax debts	2.804	1.855
Tax debts	**3.473**	**3.321**

19 OTHER LIABILITIES in thousands of €	31.12.2008	31.12.2007
Negative market values arising from derivative transactions	37.755	38.554
Other liabilities	67.280	96.010
Other liabilities	**105.035**	**134.564**

20 SUBORDINATED CAPITAL in thousands of €	31.12.2008	31.12.2007
Supplementary capital	423.148	369.860
Subordinated capital	**423.148**	**369.860**
thereof market value amount (fair-value) vis-à-vis profit and loss	70.090	0

The issues shown under subordinate capital concern supplementary capital with maturities over the financial years from 2009 and 2030 and interest rates between 3.016% and 6.125% (previous year: 3.523% and 6.125%).

In the year reported €76,758,100 (previous year: €40,007,600) of supplementary capital (subordinate under § 45 paragraph 4 of BWG) was floated (not through the stock exchange) with final maturities up to 2016 (previous year: 2017), while €33,314,0 (previous year: €5,500,000) of supplementary capital floated on the stock exchange was redeemed, and €0 (previous year: €391,000) was redeemed that was not so floated.

Neither the bank nor the creditors can call in these debentures. Interest can only be paid out if it is covered by the annual income prior to movements in reserves.

Repayment at maturity is only possible if losses that have occurred during the term are proportionately deducted.

The total expense for subordinate liabilities in the year reported was €17,743,3 (previous year: €16,790,600).

Supplementary capital floated with a total nominal value of €52,895,800 becomes due for payment in the 2009 financial year.

The repayment amount for the subordinate capital for which the fair-value option was exercised amounts to €67,668,000 as at 31 December 2008. The difference between the fair-value of the subordinate capital for which the fair-value option was exercised and its repayment amount comes to €2,422,000.

21 EQUITY

The subscribed capital was €50 million as at 31 December 2008 (unchanged from the same date in 2007). The nominal capital is represented by 4,500,000 units of no par value shares carrying voting rights (ordinary shares) made out to bearer. Also issued were 500,000 units of no par value shares without voting rights (preference shares) bearing a minimum dividend of 6% (to be paid later in the event of a dividend being suspended). The historic redemption value of the own shares held was €1.2 million on the balance sheet date (previous year €2.5 million).

EQUITY	2008	2007
Equity float at 01.01.	4.955.742	4.956.346
Treasury shares purchased	–106.427	–607
Treasury shares sold	137.529	3
Equity float at 31.12.	4.986.844	4.955.742
plus treasury shares held by group	13.156	44.258
Equities issued at 31.12.	5.000.000	5.000.000

The equity issued by the BTV banking group under the BWG [Austria's banking law] is made up as follows:

CONSOLIDATED OWN FUNDS OF THE BTV BANKING GROUP in millions of €	31.12.2008 Basel II	31.12.2007 Basel I*
Share capital	50,0	50,0
Minus treasury shares	–1,2	–2,5
General reserves	372,7	338,0
Consolidation pursuant to section 24(2) BWG	8,5	9,4
Minus intangible assets	–0,8	–0,9
Core capital (Tier 1)	429,2	394,0
Supplementary own funds (Tier 2)	343,1	367,6
Valuation items	–101,7	–99,3
Eligible own funds (excluding Tier 3)	670,6	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	672,6	663,4
Risk weighted assessment basis pursuant to 22 (2) BWG	5.613,7	5.586,9
Own fund requirement for credit risk pursuant to 22 (2) BWG	449,1	446,9
Own fund requirement for trading book pursuant to section 22o BWG	2,0	1,1
Own fund requirement operational risk pursuant to section 22i BWG	20,5	0,0
Total own fund requirement	471,6	448,0
Excess	201,0	215,4
Core capital ratio in %	7,61 %	7,05 %
Attributable own funds in %	11,93 %	11,85 %

* Issue applying the current provisions of BWG up until 31.12.2007 in the version of the federal law published in the Federal Gazette I, No. 48/2006.

22 NET INTEREST INCOME in thousands of €	2008	2007
Interest and similar income from		
Lending and money market transactions with banks	75.823	60.210
Lending and money market transactions with customers	277.734	237.021
Debenture bonds and fixed-interest securities	72.158	59.162
Equities and variable-rate securities	1.706	4.287
Other participations	7.496	3.273
Other	14.996	8.217
Sub-total interest and similar income	449.913	372.170
Interest and similar expenses on		
Bank deposits	–63.371	–41.595
Client deposits	–189.155	–164.921
Securitised debt	–42.843	–39.528
Subordinated capital	–16.803	–16.502
Other	–17.575	–9.221
Sub-total interest and similar expenses	–329.747	–271.767
Income of at-equity valued companies	26.195	22.600
Net interest income	**146.361**	**123.003**

The interest income for financial assets that are valued without be recognised as income at market value to be settled amounts to €436,380,400. The correspon-ding interest charge for financial liabilities amounts to €313,831,400.

In 2008 accrued interest income amounting to €5,941,800 (Previous year: €4,350,300) was recogni-sed for impaired financial assets.

23 LOAN LOSS PROVISIONS in thousands of €	2008	2007
On-balance sheet	–35.092	–28.871
Off-balance sheet	–24	–65
Loan loss insurance premiums	–6.136	–4.545
Release of on-balance sheet provisions	15.938	6.126
Release of off-balance sheet provisions	56	11
Direct amortisation	–4.525	–2.008
Income of amortised receivables	497	146
Loan loss provisions	**–29.286**	**–29.206**

Additions to and write-backs on provisions for off-balance-sheet loan risks are contained in the above figures.

24 COMMISSION INCOME in thousands of €	2008	2007
Lending	3.719	3.117
Payment transactions	13.538	12.992
Securities trading	20.431	27.258
Currency, foreign exchange and precious metals trading	3.947	3.148
Other	768	743
Commission income	**42.403**	**47.258**

25 TRADING INCOME in thousands of €	2008	2007
Derivatives	654	–17
Securities	–176	1.432
Foreign currency	1.302	784
Trading income	**1.780**	**2.199**

26 OPERATING EXPENSES in thousands of €	2008	2007
Payroll	–59.647	–57.113
thereof salaries and wages	–44.819	–41.277
thereof legal social contributions	–12.417	–11.442
thereof other personnel costs	–1.787	–2.689
thereof expenditures for long-term personnel deferrals	–624	–1.705
Materials	–25.122	–23.610
Amortisation	–8.485	–7.376
Operating expenses	**–93.254**	**–88.099**

Expenditure on contribution-related pension plans of €1,144,800 is contained in the payroll expenditure (previous year €1,061,700).

26a PAYROLL	2008	2007
White collar	879	849
Blue collar	28	27
Payroll	**907**	**876**

In the year reported, moreover, an average of 34 employees (31 in the year before) were delegated to associated companies, a point not taken into consideration in the tables set out above.

Loans and advances granted to members of the Management Board totalled €10,000 at the end of 2008 (€14,000 at the end of 2007). Members of the Supervisory Board hold loans totalling €28,296,000 (previous year €25,717,000). The rates of interest and other conditions (terms and collateralisation) are in line with the market.

Repayments of €3,000 were made on loans to members of the Management Board in the current financial year (€4,000 in the year before). Reductions of €2,086,000 were made in the loans to members of the Supervisory Board in 2008 (€25,795,000 in the year before). Loans at rates of interest and on conditions in line with the market were made in 2008 to associates and relatives of members of the Supervisory Board.

The members of the Management Board working in key positions in the 2008 financial year (13 persons, as in the year before) received emoluments (including remuneration in kind) totalling €2,047,500 (€1,898,000 the year before), which was 3.4% of the BTV group's aggregate expenditure on personnel. €664,000 of that was performance-related (€578,000 the year before). €543,500 was paid out to former members of the Management Board and their dependents in the year reported (€526,400 the year before).

Pension provisions for the groups of persons shown amounted on 31 December 2008 to €11,024,900 (previous year €12,507,000), while the provision for severance payments was determined at €1,005,400 (previous year €958,000).

Annual fees of €120,000 were paid to the active members of BTV AG's Supervisory Board for their services during the year reported (previous year €152,000).

27 OTHER OPERATING INCOME in thousands of €	2008	2007
Other operating income	10.765	7.707
Other operating expenses	–3.693	–5.460
Income out of Hedge Accounting	–790	–668
Other operating income	**6.282**	**1.579**

28 INCOME FINANCIAL ASSETS – AT FAIR VALUE THROUGH PROFIT OR LOSS in thousands of €	2008	2007
Income financial assets – at fair value through profit or loss	–17.264	–192
Income financial assets – at fair value through profit or loss	**–17.264**	**–192**

29 INCOME FINANCIAL ASSETS – AVAILABLE FOR SALE in thousands of €	2008	2007
Income financial assets – available for sale	–4.956	3.503
Income financial assets – available for sale	**– 4.956**	**3.503**

In the year reported a cumulative loss amounting to €30,233,600 arising from the financial assets available for disposal was taken directly into the equity capital (the year before it was a loss of €15,057,600). During the year reported, moreover, a loss of €4,609,800 (previous year profit of €5,193,600) was entered in the profit and loss entry "profit arising from financial assets – available for sale" as a result of sales and/or redemptions from the available-for-sale valuation reserve. Also contained in this profit position in the 2008 financial year are persistent impairments totalling €1.4 million (€1.2 million in the previous year). The other profit positions work out, when balanced, at an expenditure of €1.0 million.

30 INCOME FINANCIAL ASSETS – HELD TO MATURITY in thousands of €	2008	2007
Income financial assets – held to maturity	–1.892	0
Income financial assets – held to maturity	**– 1.892**	**0**

31 INCOME AND PROFITS TAX in thousands of €	2008	2007
Current tax expense	543	–5.441
Deferred tax expense (–)/income (+)	–422	–1.355
Income tax	**121**	**–6.766**

TAXES: ADJUSTMENTS in thousands of €	2008	2007
Net profit for the year before tax	50.174	60.045
Calculated tax expense	–12.544	–15.011
Deductible tax-free participation income and other tax-free income	5.937	6.120
Additional taxable expense	–57	114
Other	40	–1.234
Non-regular tax expense	195	–1.584
Tax-free at-equity income	6.549	4.829
Income and profits tax	**121**	**–6.766**

The income tax headings contain the on-going income tax calculated on the taxable profits of the individual group companies, income tax adjustments for previous years, and changes in deferred taxes.

32 EPS (ORDINARY AND PREFERENCE SHARES)	31.12.2008	31.12.2007
Equities at 31 December	5.000.000	5.000.000
Average float	4.863.267	4.956.044
Net group income for the year in thousands of €	50.295	53.279
EPS in €	10,34	10,75
Diluted gain per share in €	10,34	10,75
Dividend per share in €	1,50	1,50

No financial instruments with diluting effect on the ordinary or preference shares were in circulation over the period reported, such that there is no difference between the figures stated for „profit per share" and „diluted profit per share".

33 ALLOCATION OF PROFITS

The distributable profit is determined from BTV AG's annual accounts. The net income generated in the 2008 financial year was €42.0 million (previous year: €38.3 million). After allocations to reserves of €34.7 million and to profit brought forward there results a distributable balance sheet profit of €7.6 million. The Management Board is putting a motion to the AGM that a dividend of €1.50 per share be paid out for the 2008 financial year (compared with €1.50 the previous year). That distribution would thus require a total of €7.5 million while the residual profit would, under § 65 paragraph 5 of Austria's company law, be carried over to the new account.

BTV's divisional accounting, which reflects the way its internal management responsibilities were organised in 2008, forms the basis for drawing up its segment reports. The business sectors are treated as independent companies with their own capital resources and profit responsibility. Responsibility for customer servicing is the main criterion for delineating the business sectors. Changes in such service responsibilities may lead to changes in the way the sectors are delineated between annual reports. Such effects must be taken into consideration when making comparisons with previous years' figures that are unchanged.

In the financial year 2008 BTV has the following divisions:

The corporate clients division is responsible for small and medium-size companies, for major enterprises, and for tax consultants. All the business activities of the leasing subsidiaries also fall into this division.

The retail clients division is responsible for private clients, free-lancers and very small business operations.

The treasury division deals predominantly with treasury and trading activities, including the income from BTV's participations.

The business divisions and their performances:

Corporate clients

DaBusiness with our company clientele developed especially satisfactorily. Profit in this segment increased by 33.1% compared with the previous year with pre-tax income for the year of €33.2 million.
Net interest income made the largest contribution to the growth, with higher volumes both in the lending operations and in deposits having led in total to an improvement in net interest income of €11.6 million. On the liabilities side of the balance sheet slightly higher margins in the deposit operations also had a positive effect on the net interest income. Loan loss provisions for the company clientele business, at €23.7 million, were up by €2.2 million compared with the comparable figure for the preceding year. The commission income, which improved by €1.2 million, was driven primarily by a positive performance in money transmission, but the loan and foreign exchange businesses were also above their figures for the preceding year. Rising personnel costs because of our expansion in Bavaria and Baden-Württemberg, in particular, and higher costs in BTV Leasing increased the operating expenditure to its present level of €32.0 million. The cost/profit ratio of 37.9 % remained at the previous year's level, while the return on equity rose from 9.4 % to 11.5 %.

Private clients

The year 2008 was overshadowed by the financial crisis. This affected our private client business, particularly as a result of the collapse of the stock exchanges and the fall in the sales of securities associated with that. Commission income on the private client business as a whole fell back by €5.4 million, to €26.8 million. Net interest, at €47.4 million, was just below the previous year's level. High volumes of new business just failed to offset the falls in margins that set in, particularly on the deposit side. Operating expenditure dropped by €1.3 million to €52.3 million despite our expansion activities. This shows clearly that BTV has its costs under control. The pre-tax income amounted to €17.1 million as at 31 December.
The cost/profit ratio worked out at 70.4 % on the reporting date, having been at 66.4 % the previous year. The return on equity improved from 15.9 % to 17.2 %.

Treasury

The Treasury interest income was the engine of growth in this sector. Higher income from money market dealings in the short-term field and income from trade investments boosted this entry by €12.6 million to €27.3 million. The net trading loss of €0.4 million, down to €1.8 million, is attributable to the downturn in the earnings from securities.

In 2008 the profit from financial assets recorded a loss of €24.1 million. As early as the start of 2008 BTV sold equities with negative prospects from its portfolio and took losses on them. Valuation losses and losses realised on bonds also contributed to this clear setback.
The pre-tax surplus for the year was €6.9 million, thus lying below the previous year's level by 65.5 %.

SEGMENT REPORTING in thousands of €	Year	Corporate	Retail	Treasury	Other	Total
Net interest income	2008	71.560	47.505	27.296	0	146.361
	2007	59.927	48.403	14.673	0	123.003
Loan loss provisions	2008	–23.734	–5.552	0	0	–29.286
	2007	–21.531	–7.675	0	0	–29.206
Commission	2008	12.720	26.775	2.908	0	42.403
	2007	11.478	32.187	3.594	0	47.258
Trading income	2008	0	0	1.780	0	1.780
	2007	0	0	2.199	0	2.199
Operating expenses	2008	–31.961	–52.322	–2.403	–6.568	–93.254
	2007	–27.031	–53.548	–2.167	–5.353	–88.099
Other operating income	2008	4.627	678	1.459	–482	6.282
	2007	2.112	675	–1.517	309	1.579
Financial assets	2008	0	0	–24.112	0	–24.112
	2007	0	0	3.311	0	3.311
Net profit for the year before tax	2008	33.212	17.083	6.929	–7.050	50.174
	2007	24.955	20.041	20.092	–5.044	60.045
Segment income	2008	3.979.806	1.581.956	2.361.325	0	7.923.087
	2007	3.427.135	1.576.631	2.449.559	0	7.453.325
Segment liabilities	2008	1.261.280	2.031.621	4.476.145	0	7.769.046
	2007	1.244.879	1.959.910	4.105.158	0	7.309.947
Ø BEM pursuant to 22 BWG	2008	3.620.264	1.240.467	603.860	135.714	5.600.305
	2007	3.306.498	1.575.692	381.890	86.545	5.350.624
Ø Allocated equity	2008	289.621	99.237	48.309	108.298	545.465
	2007	264.520	126.055	30.551	103.724	524.850
Cost-Income ratio in %	2008	37,9 %	70,4 %	7,5 %		48,9 %
	2007	37,9 %	66,4 %	10,6 %		51,1 %
RoE (basis net profit for the year before tax) in %	2008	11,5 %	17,2 %	14,3 %		9,2 %
	2007	9,4 %	15,9 %	65,8 %		11,4 %

Net interest income is allocated using the market rate method. Costs are allocated to the appropriate segments using the causality principle. Costs that cannot be directly allocated are shown under „other".

Segment receivables include the entries for claims on banks, claims on customers, and trading as well as financial assets". Segment liabilities come under the headings of liabilities to banks, liabilities to customers, securitised debts and subordinated capital. Segment performance is measured by its pre-tax profit for the year.

Return on equity is worked out from the ratio of the pre-tax income to the equity. Capital allocation is in accordance with regulatory points of view. It is allocated in proportion to the equity funds needed by the business segment concerned and, together with the appropriate reference rate for long-term investments, is stated as assessed equity under net interest income.

The cost-income ratio is calculated as a quotient arising from operating expenses and the total of the interest, commission and trading incomes.

Balance sheet date – Additional and supplementary data

35 OTHER INFORMATION in thousands of €	31.12.2008	31.12.2007
a) Non-interest bearing receivables	140.233	95.108
Assets given as security:		
Debenture bonds and other fixed-interest securities	49.212	59.742
Loans and advances to banks	242	425
Loans and advances to customers	168.387	90.110
b) Assets given as security	217.841	150.277
Liabilities for which securities have been given:		
Eligible securities	9.492	9.375
Liabilities to banks	168.629	90.535
c) Liabilities for which securities have been given	178.121	99.910
Subordinated assets:		
Loans and advances to customers	5.159	0
Debenture bonds and other fixed-interest securities	70.588	50.577
Equities and other not interest bounded securities	28.309	33.535
d) Subordinated assets	104.056	84.112
Foreign currency items:		
Receivables	1.935.241	1.724.090
Liabilities	305.167	585.099
e) Foreign currency items		
Foreign items:		
Assets	3.331.743	2.973.255
Liabilities	1.226.297	1.100.072
f) Foreign items		
Trust transactions – Trust receivables:	48.032	45.681
thereof receivables to customers	48.032	45.681
Trust transactions – Trust liabilities:	48.032	45.681
thereof liabilities to banks	32.102	25.326
thereof liabilities to customers	15.930	20.355
g) Trust transactions		
h) Securities repos	532.334	96.000
Contract bonds and credit risks:		
Contract bonds	254.729	258.888
Credit risks	466.812	481.119
i) Contract bonds/Credit risks	721.541	740.007

36 TRANSACTIONS WITH RELATED PARTIES

Transactions are carried out with associated companies and individuals under normal market conditions as part of normal business activities. The scope of these transactions is as follows:

36a UNCONSOLIDATED COMPANIES AND SUBSIDIARIES LOANS, ADVANCES AND LIABILITIES in thousands of €	31.12.2008	31.12.2007
Loans and advances to banks	0	0
Loans and advances to customers	31.492	22.529
Total loans and advances	31.492	22.529
Liabilities to banks	0	0
Liabilities to customers	4.353	4.203
Total liabilities	4.353	4.203

The income statement shows profits of €6,634,700 (previous year €2,396,300) and €199,200 expenses (previous year €180,800) on transactions between the parent company and its affiliated companies.

36b ASSOCIATES AND PARTICIPATIONS LOANS, ADVANCES AND LIABILITIES in thousands of €	31.12.2008	31.12.2007
Loans and advances to banks	30.346	60.298
Loans and advances to customers	72.809	44.988
Total loans and advances	103.155	105.286
Liabilities to banks	137.227	122.788
Liabilities to customers	3.939	16.669
Total liabilities	141.166	139.457

The income statement shows profits of €8,676,800 (previous year €6,099,600) and €2,263,300 expenses (previous year €715,900) on transactions between the parent company and its associated companies.

The fair value of stock-exchange listed companies consolidated at equity at the balance sheet date was €262.2 million (previous year €285.7 million). The temporary differences as per IAS 12.87 amounted to €175.3 million (previous year €171.4 million) on the balance sheet date.

The number of own shares held via associated companies was 1,349,149 (previous year 1,340,423 shares).

36c THE ASSOCIATES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS PRODUCED THE FOLLOWING VALUES ON THE BALANCE SHEET DATE in thousands of €	31.12.2008	31.12.2007
Assets	22.158.044	19.996.672
Liabilities	20.752.422	17.905.160
Revenue	1.269.348	1.147.911
Accounting profits/losses	142.889	137.526

36d THE ASSOCIATES NOT INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS PRODUCED THE FOLLOWING VALUES ON THE BALANCE SHEET DATE in thousands of €	31.12.2008	31.12.2007
Assets	69.223	181.759
Liabilities	24.536	105.856
Revenue	47.462	76.649
Accounting profits/losses	3.028	–985

The most recent annual financial accounts were taken as the basis for the calculations determining the figures in tables 36c and 36d.

37 TOTAL UNLIQUIDATED DERIVATIVES

The volume of transactions is divided into interest-rate, exchange-rate and securities-related transactions, according to the underlying financial instrument. These classifications, and also the decision to divide them according to their terms, is in line with international recommendations.

BTV only had OTC (over the counter) transactions on its books as at the end of 2007. Derivative instruments not held for trading purposes come – in the case of interest rate contracts – predominantly from customers. Cross-currency swaps and interest rate options were in demand from clients. BTV closes such positions with offsetting transactions at other banks and takes no risk onto its books. BTV itself uses mainly interest rate swaps to manage its general banking interest rate risk. To manage the currency rate risk it is chiefly currency swaps that are put to use within BTV. The securities-related transactions affect exclusively structured investment products that have been issued. The options needed for these were bought in from outside banks.

Total unliquidated derivatives as at 31.12.2008:

in thousands of €	Contract volumes/Time to maturity				Market value	
	< 1 year	1 – 5 years	> 5 years	Total	positive	negative
Interest-rate swaps	89.955	811.915	865.593	1.767.464	29.496	– 29.920
Acquisition	26.221	255.654	468.532	750.407	2.894	– 27.077
Sales	63.734	556.261	397.061	1.017.057	26.602	– 2.843
Interest options	66.132	83.348	94.544	244.024	4.117	– 4.117
Acquisition	33.066	41.674	47.272	122.012	4.117	0
Sales	33.066	41.674	47.272	122.012	0	– 4.117
Interest-rate contracts	156.087	895.263	960.137	2.011.487	33.613	– 34.037
Currency swaps	94.260	113.268	12.828	220.356	14.092	– 13.610
Acquisition	47.527	56.198	6.408	110.133	8.941	– 4.803
Sales	46.732	57.070	6.421	110.223	5.151	– 8.807
Currency futures	1.749.282	0	0	1.749.282	16.555	– 16.145
Exchange-rate contracts	1.843.541	113.268	12.828	1.969.637	30.647	– 29.756
Derivatives of securities-related transactions and other derivatives	52.221	170.891	11.275	229.387	17.816	– 102
Acquisition	48.587	166.430	11.275	221.292	17.816	0
Sales	3.634	4.461	0	8.095	0	– 102
Securities-related transactions and other derivatives	52.221	170.891	11.275	234.387	17.816	– 102
Total bank book	2.051.849	1.179.422	984.240	4.215.511	82.077	– 63.895
Interest rate options – Trading book	246	16.715	10.765	27.727	583	– 590
Acquisition	0	8.318	5.405	13.723	583	0
Sales	246	8.397	5.359	14.003	0	– 590
Interest rate swaps – Trading book	0	20.000	0	20.000	416	– 416
Acquisition	0	10.000	0	10.000	0	– 416
Sales	0	10.000	0	10.000	416	0
Total interest rate contracts	246	36.715	10.765	47.727	1.000	– 1.006
Total trading book	246	36.715	10.765	47.727	1.000	– 1.006
Total unliquidated derivatives	**2.052.096**	**1.216.137**	**995.005**	**4.263.238**	**83.076**	**– 64.901**

38 FAIR VALUE OF FINANCIAL INSTRUMENTS

In the table below the market values to be settled are put opposite their book values for each balance sheet entry. The market value is whatever amount might be achieved from the sale of a financial instrument in an active market or would have to be paid for a corresponding acquisition.

The book value concerned was definitive for positions without a contractually fixed maturity. In the absence of market prices recognised valuation models have been used, especially discounted cash flow analysis and option pricing models.

ASSETS in thousands of €	Fair Value 31.12.2008	Carrying value 31.12.2008	Fair Value 31.12.2007	Carrying value 31.12.2007
Cash reserves	112.937	112.937	245.358	245.358
Loans and advances to banks	434.411	435.302	547.087	547.193
Loans and advances to customers	5.954.126	5.908.939	5.340.439	5.319.660
Loan loss provisions	–158.566	–158.566	–159.679	–159.679
Trading	56.167	56.167	321	321
Financial assets – at fair value through profit or loss	174.678	174.678	151.032	151.032
Financial assets – available for sale	847.251	847.251	1.149.215	1.149.215
Financial assets – held to maturity	609.082	657.348	375.215	381.476
Shares in at-equity valued companies	267.952	216.074	289.872	212.025
Intangible fixed assets	829	829	1.062	1.062
Property, plant and equipment	95.763	94.362	93.507	93.507
Properties held as financial investments	37.213	34.121	29.561	28.256
Tax claims	6.610	6.610	6.894	6.894
Other assets	109.562	109.562	77.028	77.028
Total assets	**8.548.015**	**8.495.614**	**8.146.912**	**8.053.348**

LIABILITIES in thousands of €	Fair Value 31.12.2008	Carrying value 31.12.2008	Fair Value 31.12.2007	Carrying value 31.12.2007
Liabilities to banks	1.397.190	1.392.874	1.139.865	1.136.795
Liabilities to customers	5.088.149	5.063.227	4.902.667	4.890.115
Securitised debt	878.897	866.536	898.150	913.177
Trading liabilites	23.261	23.261	377	377
Reserves and provisions	64.456	64.456	67.813	67.813
Tax debts	3.473	3.473	3.321	3.321
Other liabilities	105.035	105.035	134.564	134.564
Subordinated capital	429.184	423.148	363.296	369.860
Total liabilities	**7.989.645**	**7.942.010**	**7.510.053**	**7.516.022**

39 MATURITIES

ASSETS in thousands of €	Daily	< 3 months	3 months – 1 year	1 – 5 years	> 5 years	Total
Loans and advances to banks	188.137	236.068	10.000	1.097	0	435.302
Loans and advances to customers	99.456	1.336.660	1.248.108	1.354.934	1.869.781	5.908.939
Trading	0	16.312	495	36.179	3.181	56.167
Financial assets – at fair value through profit or loss	0	0	8.933	31.462	134.283	174.678
Financial assets – available for sale	22.661	95.839	117.101	448.980	162.670	847.251
Financial assets – held to maturity	0	8.012	60.415	450.366	138.555	657.348
Total assets	**310.254**	**1.692.891**	**1.445.052**	**2.323.018**	**2.308.470**	**8.079.685**

LIABILITIES in thousands of €	Daily	< 3 months	3 months – 1 year	1 – 5 years	> 5 years	Total
Liabilities to banks	165.034	1.030.624	54.876	87.747	54.594	1.392.875
Liabilities to customers	1.468.930	2.163.587	1.255.117	175.163	431	5.063.228
Securitised debt	0	70.079	108.459	610.042	77.956	866.536
Trading	0	14.533	1.611	561	6.556	23.261
Subordinated capital	0	9.556	49.080	123.289	241.222	423.147
Total liabilities	**1.633.964**	**3.288.379**	**1.469.143**	**996.802**	**380.759**	**7.769.047**

Please refer to the risk report with respect to the liquidity risk and/or other risks.

The following members of the Management and Supervisory Boards were in post with BTV in 2008:

Managing Directors

Konsul Director Peter Gaugg, Management Board spokesman
Director Mag. Matthias Moncher, director

Supervisory Board

Honorary President

Kommerzialrat Honorary Senator Dkfm. Dr. Hermann Bell, Linz
Kommerzialrat General Director i. R. Dr. Gerhard Moser, Innsbruck (starting at 31.05.2008)
Dr. Heinrich Treichl, Vienna

Chairman

Konsul General director Dr. Franz Gasselsberger, MBA, Linz
Chairman of Oberbank AG
Vice-Chairman of the Supervisory Board of BKS Bank AG
Member of the Supervisory Board of voestalpine AG
Appointed for the longest term allowed under the articles of incorporation, elected from the first time on 24.04.2002

Alternates

Kommerzialrat General director i. R. Dr. Gerhard Moser, Innsbruck (until 30.05.2008)
Appointed for the longest term allowed under the articles of incorporation, elected from the first time on 27.04.1998
Konsul Kommerzialrat General director Dkfm. Dr. Heimo Penker, Klagenfurt
Vice-Chairman of the Supervisory Board of Oberbank AG
Appointed for the longest term allowed under the articles of incorporation, elected from the first time on 07.05.1997
Dr. Guido N. Schmidt-Chiari, Vienna
Appointed for the longest term allowed under the articles of incorporation, elected from the first time on 03.04.1967

Members

Mag. Pascal Broschek, Fieberbrunn
Appointed for the longest term allowed under the articles of incorporation, elected from the first time on 10.05.2006
Dipl.-Ing. Johannes Collini, Hohenems
Appointed for the longest term allowed under the articles of incorporation, elected from the first time on 28.04.2000
Dr. Dietrich Karner, Vienna
Member of the Supervisory Board of BKS Bank AG
Member of the Supervisory Board of Oberbank AG
Appointed for the longest term allowed under the articles of incorporation, elected from the first time on 07.05.1997
RA Dr. Andreas König, Innsbruck
Appointed for the longest term allowed under the articles of incorporation, elected from the first time on 10.05.2006
Kommerzialrat Dkfm. Dr. Johann F. Kwizda, Vienna
Appointed for the longest term allowed under the articles of incorporation, elected from the first time on 28.04.2005

Dr. Edgar Oehler, Balgach (CH)
President of the Advisory Board and delegate of the Advisory Board of
AFG Arbonia-Forster Holding AG in Arbon/CH
Appointed for the longest term allowed under the articles of incorporation,
elected from the first time on 28.04.2005
Director Dkfm. Heinz Öhler, Innsbruck (until 30.05.2008)
Member of the Supervisory Board of Wiener Städtische Versicherung AG
Appointed for the longest term allowed under the articles of incorporation,
elected from the first time on 06.03.1978
Kommerzialrat Director Karl Samstag, Wien
Member of the Supervisory Board of Bank Austria Creditanstalt AG
Member of the Supervisory Board of Allgemeine Baugesellschaft A. Porr AG
Member of the Supervisory Board of BKS Bank AG
Vice-Chairman of the Supervisory Board of Flughafen Wien AG
Member of the Supervisory Board of Oberbank AG
Member of the Supervisory Board of Schoeller-Bleckmann Oilfield Equipment AG
Appointed for the longest term allowed under the articles of incorporation,
elected from the first time on 24.04.2002
Konsul Dipl.-Ing. Paul Senger-Weiss, Lauterach (until 30.05.2008)
Appointed for the longest term allowed under the articles of incorporation,
elected from the first time on 04.03.1988
Mag. Peter Hofbauer, Vienna (starting at 30.05.2008)
Chairman of the Supervisory Board of AWT International Trade AG
Chairman of the Supervisory Board of UniCredit CA IB Beteiligungs AG
Chairman of the Supervisory Board of UniCredit Bank Hungary Zrt.
Vice-Chairman of the Supervisory Board of Bank Austria Creditanstalt Real Invest GmbH
Vice-Chairman of the Supervisory Board of Bank Austria Creditanstalt Real Invest Immobilien-Kapitalanlage GmbH
Vice-Chairman of the Supervisory Board of UNIVERSALE International Realitäten GmbH
Member of the Supervisory Board of card complete Service Bank AG
Appointed for the longest term allowed under the articles of incorporation,
elected from the first time on 30.05.2008

Employee representatives

Andrea Abenthung-Müller, Chairwoman of the central works council, Götzens
Harald Handle, Vice-Chairman of the central works council, Oberperfuß (starting at 12.03.2008)
Harald Gapp, Vice-Chairman of the central works council, Innsbruck (starting at 13.03.2008)
Stefan Abenthung, Götzens
Alfred Fabro, Wattens
Birgit Fritsche, Nüziders
Herbert Kärle, Stanzach (until 30.05.2008)
Walter Theurl, Gaimberg

State commissioners

Ministerialrat Mag. Günther Neubauer, Vienna
Alternate: HR Dr. Elisabeth Stocker, Innsbruck

Release of the group financial statements for publication by the Supervisory Board: 25 March 2009.

41 PARTICIPATIONS AT 31 DECEMBER 2008

COMPANY NAME AND REGISTERED OFFICE	Holding total	Holding direct	Equity in €million	Profit/loss in thousands of €[2]	Balance sheet date	Consolida-tion of the concern[3]
a) Associates						
1. Austrian financial institutions:						
BTV Leasing GmbH, Innsbruck	100,00 %	100,00 %	30,7	–1.668	30.09.2008	V
BTV Real-Leasing GmbH, Vienna	100,00 %	5,00 %	10,1	–7	30.09.2008	V
BTV Real-Leasing I GmbH, Innsbruck	100,00 %	5,00 %	19,1	682	30.09.2008	V
BTV Real-Leasing II GmbH, Innsbruck	100,00 %	4,26 %	23,1	1.356	30.09.2008	V
BTV Real-Leasing III Nachfolge GmbH & Co KG, Innsbruck	100,00 %		4,7	282	30.09.2008	V
BTV Real-Leasing IV GmbH, Innsbruck	100,00 %		–0,2	–85	30.09.2008	V
BTV Mobilien Leasing GmbH, Innsbruck	100,00 %		–2,6	–98	30.09.2008	V
BTV M1/92 Leasing GmbH, Innsbruck	100,00 %		0,0	1.450	30.09.2008	V
BTV Anlagenleasing 1 GmbH, Innsbruck	100,00 %		6,3	366	30.09.2008	V
BTV Anlagenleasing 2 GmbH, Innsbruck	100,00 %		5,6	–414	30.09.2008	V
BTV Anlagenleasing 3 GmbH, Innsbruck	100,00 %		11,0	288	30.09.2008	V
BTV Anlagenleasing 4 GmbH, Innsbruck	100,00 %		–2,0	–383	30.09.2008	V
2. Other austrian companies:						
BTV Beteiligungsholding GmbH, Innsbruck	100,00 %	100,00 %	73,9 [1]	4.084	31.12.2008	A
BTV 2000 Beteiligungsverwaltungs GmbH, Innsbruck	100,00 %		72,1 [1]	1.444	31.12.2008	A
BTV Anteilsholding GmbH, Innsbruck	100,00 %	100,00 %	0,1 [1]	–3	31.12.2008	A
BTV 3000 Beteiligungsverwaltung GmbH, Innsbruck	100,00 %		0,2 [1]	134	31.12.2008	A
Stadtforum Tiefgaragenzufahrt GmbH, Innsbruck	100,00 %	100,00 %	0,0 [1]	–3	31.12.2008	A
MPR Holding GmbH, Innsbruck	100,00 %	100,00 %	1,3	1.392	31.12.2008	V
BTV Hybrid I GmbH, Innsbruck	100,00 %	100,00 %	0,0	–3	31.12.2008	V
Mayrhofner Bergbahnen AG, Mayrhofen	50,52 %		41,5 [1]	2.608	30.11.2007	A
KM Immobilienservice GmbH, Innsbruck	100,00 %		–0,1 [1]	–189	31.12.2007	A
Hotel Hocheder GmbH, Innsbruck	100,00 %		–0,1 [1]	–85	31.12.2007	A
Objektgesellschaft Tenniscenter Füssen GmbH, Garmisch	94,00 %		–0,2 [1]	–88	31.12.2007	A
Miniaturpark Bodensee GmbH, Meckenbeuren	100,00 %		–0,4 [1]	–468	31.12.2007	A
VoMoNoSi Beteiligungs AG, Innsbruck	64,00 % [5]		0,1 [1]	–7	31.12.2008	E
3. Foreign financial institutions:						
BTV Leasing Schweiz AG, Staad	99,99 %		2,4	73	30.09.2008	V
BTV Leasing Deutschland GmbH, München/Grünwald	100,00 %		2,1	–327	30.09.2008	V
4. Other foreign companies:						
AG für energiebewusstes Bauen AGEB, Staad	50,00 %		0,0 [1]	–21	30.06.2008	A
KM Beteiligungsinvest AG, Staad	100,00 %		20,2 [1]	705	31.12.2007	A
BAFT Holding AG, Staad	50,00 %		[4]			A

COMPANY NAME AND REGISTERED OFFICE	Holding total	Holding direct	Equity in €million	Profit/loss in thousands of €	Balance sheet date	Consolidation of the concern
b) Other companies						
1. Austrian credit and financial institutions:						
Alpenländische Garantie-GmbH, Linz	25,00 %	25,00 %	2,6 [1]	0	31.12.2008	E
2. Other austrian companies:						
Beteiligungsverwaltung GmbH, Linz	30,00 %	30,00 %	13,4 [1]	351	31.12.2008	A
DREI-BANKEN-EDV Gesellschaft mbH, Linz	30,00 %	30,00 %	3,5 [1]	128	31.12.2008	A
Drei-Banken Versicherungs-AG, Linz	20,00 %	20,00 %	19,2 [1]	1.276	31.12.2008	E
Drei-Banken Beteiligung GmbH, Linz	30,00 %		27,6 [1]	2.380	31.12.2008	A
Alpbacher Bergbahn GmbH, Alpbach	21,43 %	21,43 %	0,5 [1]	5	30.11.2007	A
SHS Unternehmensberatung GmbH, Innsbruck	20,00 %		0,8 [1]	412	31.12.2007	A
Sitzwohl in der Gilmschule GmbH, Innsbruck	25,71 %		–0,2 [1]	–10	30.09.2008	A

1 Equity within the meaning of § 229 of the UGB plus untaxed reserves
2 Net income (loss) after income tax, before accruals and profit appropriations
3 V = full consolidation, E = inclusion at-equity, A = unconsolidated
4 Company was formed in 2008; no balance sheet was available at the time of drawing up the Directors' report
5 Voting rights below 50 %

The extent of the consolidation is given at the beginning of the notes to the financial statements. The equity and profits stated were determined by the Austrian leasing companies, the MPR Holding GmBH and the BTV Hybrid I GmbH in accordance with IFRS and may therefore differ from the individual accounts of these companies drawn up and published in accordance with the applicable national requirements. In the case of all other companies their accounts based on their respective national accounting requirements were used. The results stated reflect net income (loss) for the year after tax (but before accruals), in the case of taxable affiliates and partnerships, net profit for the year before tax.

Declaration of the BTV Management Board

We confirm that, to the best of our knowledge, the group financial statements drawn up in harmony with the relevant accounting standards conveys a picture that is as faithful as possible of the asset, finance and profit position of the group, that the Directors' situation report for the group depicts the course and profits of the business and the situation of the group in such a way that a picture that is as faithful as possible emerges of its asset, finance and profit position, and that the same report describes the main risks and uncertainties to which the group is exposed.

We confirm that, to the best of our knowledge, that the annual accounts of the parent company – drawn up in harmony with the relevant accounting standards – convey a picture that is as faithful as possible of the company's asset, financial and profit position, and that the Directors' report depicts the course and profits of the business, and the situation of the company, in such a way that a picture that is as faithful as possible of the asset, financial and profit position emerges, and that the Directors' report describes the main risks and uncertainties to which the group is exposed.

Innsbruck, 20 February 2009

The Management Board

Peter Gaugg Management Board Spokesman	Mag. Matthias Moncher Director

Audit report

Unqualified audit certificate

Report on the group financial statement

We have examined the attached group financial statement of the

Bank für Tirol und Vorarlberg Aktiengesellschaft, Innsbruck,

for the financial year from 1 January to 31 December 2008. This group financial statement encompasses the group balance sheet as at 31 December 2008, the group profit and loss account, the group cash flow statements and the group statement of changes in equity for the financial year ended on 31 December 2008, together with a summary of the main accounting and valuation methods applied and other appendix details.

The statutory representatives‘ responsibility for the group financial statement

The company's statutory representatives are responsible for drawing up a group financial statement that conveys a true and fair picture of the group's asset, finance and profit situation in harmony with IFRS [International Financial Reporting Standards] as they have to be applied in the EU. This responsibility comprises designing, implementing and maintaining an internal control system, insofar as such is of significance for drawing up a group financial statement and for conveying a true and fair picture of the group's asset, finance and profit situation; ensuring that this statement is free of substantial misrepresentations, whether they be intentional or unintentional errors; selecting and applying appropriate accounting and valuation methods; and making estimates that appear appropriate taking into consideration the existing underlying conditions.

Responsibility of the auditor of the annual accounts

It is our duty to give an opinion on the group financial statements based on our audit. We have carried out our audit in compliance with current Austrian legal requirements and with the ISAs [International Standards on Auditing] issued by the IAASB [International Auditing and Assurance Standards Board] of the IFAC [International Federation of Accountants]. These standards require that we comply with the rules of professional conduct, and plan and carry out an audit that will enable us to form a sufficiently reliable judgement on whether the group financial statement is free of material error.

An audit includes the performance of audit procedures to obtain auditory proof of the amounts and other information contained in the group financial statement. The selection of audit procedures is at the due discretion of the auditors, and must be carried out taking into consideration their assessment of the risk of material errors occurring, whether or not they be intentional. When carrying out this assessment of risk the auditors take into account the internal monitoring system to the extent that it is significant for drawing up a group statement and for conveying a true and fair picture of the asset, finance and profit situation of the group in order to determine suitable audit procedures based on the underlying conditions, but not to submit an opinion on the effectiveness of the group's internal monitoring system. The audit also involves giving an opinion on the adequacy of the accounting and valuation methods applied, and on the material valuations undertaken by the statutory representatives, and an assessment of the general presentation of the group financial statement and of the main estimates given by the statutory representatives together with an appreciation of the group financial statement's overall message.

We are of the opinion that we have gained sufficient, appropriate proof to be sure that our audit is a suitably reliable basis on which we can form our judgement.

Audit judgement

Our audit has not resulted in any objections. Based on the information we have obtained during our audit, it is our opinion that the consolidated financial statement complies with statutory requirements and conveys a true and fair picture of the assets and financial position of the group as at 31 December 2008, and of the income position and cash flows of the group for the financial year 1 January to 31 December 2008, in harmony with IFRS [International Financial Reporting Standards] as they have to be applied in the EU.

Group annual report

The group annual report must be examined on the basis of Austria's current statutory requirements to ensure that it is in harmony with the group financial statement, and that it does not contain any other information about the group's situation, which might be misleading.

It is our judgement that the group annual report is in harmony with the group financial statement.

Innsbruck, 20 February 2009

KPMG Austria GmbH
Wirtschaftsprüfungs- und
Steuerberatungsgesellschaft

Mag. Martha Kloibmüller
Wirtschaftsprüfer

Mag. Ulrich Pawlowski
Wirtschaftsprüfer

Supervisory Board report

The Supervisory Board has performed the duties that are incumbent on it under the law and the bank's articles of incorporation and has complied with the code of Corporate Governance. The Management Board has reported regularly on the course of the business and on the situation of the company and of the group. The Supervisory Board held quarterly meetings during the financial year. The Supervisory Board's working party has regularly examined the business matters that required its approval. Furthermore the committee on the auditing and preparations for drawing up the annual accounts met once, has fulfilled it's statutory audit and supervisory tasks completely and reported on the results to the Supervisory Board in full session. No Supervisory Board member has failed to participate personally in more than half of the Supervisory Board's meetings.

The auditors, KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Innsbruck, audited the bookkeeping, the annual accounts and the Director's Report. The audit met the legal requirements and did not lead to any objections. The annual accounts were provided with an unqualified audit certificate.

The Supervisory Board concurs with the result of the audit, declares its agreement with the Management Board on the annual accounts presented (including the Directors' Report), and approves the company's 2008 annual accounts, which have thus been established in accordance with § 125 paragraph 2 of Austria's law on companies.

The Supervisory Board concurs with the Management Board's proposal to distribute a dividend of €1.50 per share (i.e. €7.5 million) from the 2008 balance sheet profit and to carry the residual profit forward to the new account.

The group financial statements and the group annual report, which were drawn up in harmony with IFRS [International Financial Reporting Standards] and with the requirements of Austria's commercial code were put before the Supervisory Board. The group financial statement conveys a true and fair picture of the group's asset and finance position as at 31 December 2008. The notes on the profit position and cash flow statements, which were also set out in harmony with IFRS, convey an identical picture for the period from 1 January to 31 December 2008. The audit by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Innsbruck, did not lead to any objections. The Supervisory Board concurs with the result of the audit and declares its agreement with the group financial statements and the group annual report presented by the Management Board.

The shareholders shown in blue script have entered into underwriting agreements.

Innsbruck, March 2009

The Supervisory Board

Dr. Franz Gasselsberger, MBA, Chairman

BTV Group over 5 years

BALANCE SHEET FIGURES in millions of €	2008	2007	2006	2005	2004
Total assets	8.496	8.053	7.458	6.765	6.331
Loans and advances to banks	435	547	299	116	118
Loans and advances to customers	5.909	5.320	5.261	4.910	4.561
Loan loss provisions	–159	–160	–152	–148	–145
Financial assets – at fair value through profit or loss	175	151	40	39	26
Financial assets – available for sale	847	1.149	1.149	1.035	1.011
Financial assets – held to maturity	657	381	331	342	361
Shares in at-equity valued companies	216	212	200	165	146
Liabilities to banks	1.393	1.137	1.259	888	959
Liabilities to customers	5.063	4.890	4.285	4.108	3.731
Securitised debt	867	913	883	847	809
Subordinated capital	423	370	340	292	260
Equity	554	537	512	470	432
Primary funds	6.353	6.173	5.508	5.248	4.800
Volume of securities in deposit facilities	3.906	4.809	5.101	5.042	4.246

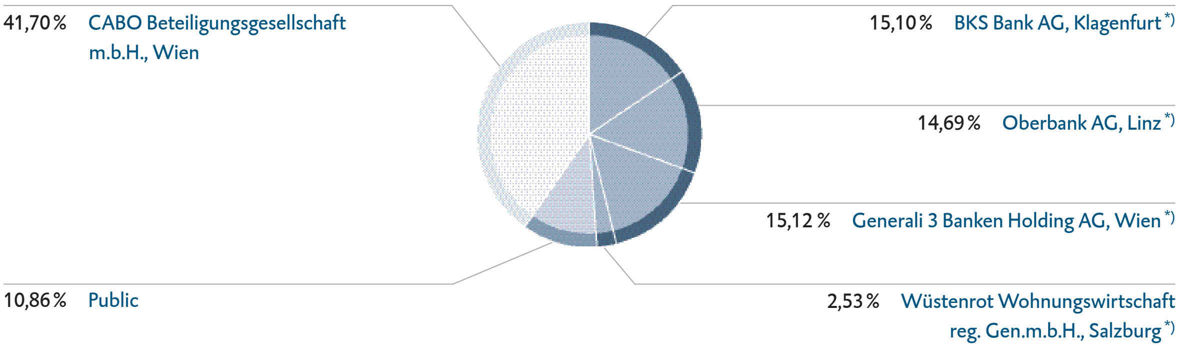
PROFIT AND LOSS in millions of €	2008	2007	2006	2005	2004
Net interest income	146,4	123,0	110,9	99,4	94,6
Loan loss provisions	–29,3	–29,2	–29,4	–26,9	–25,5
Commission income	42,4	47,3	45,6	40,8	39,4
Trading income	1,8	2,2	2,5	6,3	–0,3
Operating expenses	–93,3	–88,1	–82,7	–83,1	–76,7
Other operating income	6,3	1,6	1,3	1,8	0,7
Financial assets – at fair value through profit or loss	–17,3	–0,2	–1,5	–0,3	0,1
Financial assets – available for sale	–5,0	3,5	4,1	1,8	1,4
Financial assets – held to maturity	–1,9	0,0	0,0	0,0	0,0
Profit of the year before tax	50,2	60,0	50,9	39,8	33,7
Group profit for the year	50,3	53,3	44,5	34,9	27,1
BTV AG dividends	7,5	7,5	7,0	7,0	6,5

EQUITY (UNDER AUSTRIAN LAW: BWG) in €million	2008	2007	2006	2005	2004
Risk-weighted assets	5.614	5.587	5.165	4.773	4.388
Own funds not including Tier 3	671	662	617	555	554
Core capital ratio in %	7,61 %	7,05 %	7,04 %	7,12 %	7,53 %
Total capital ratio in %	11,93 %	11,85 %	11,95 %	11,63 %	12,63 %
Surplus own funds	201	215	204	171	203

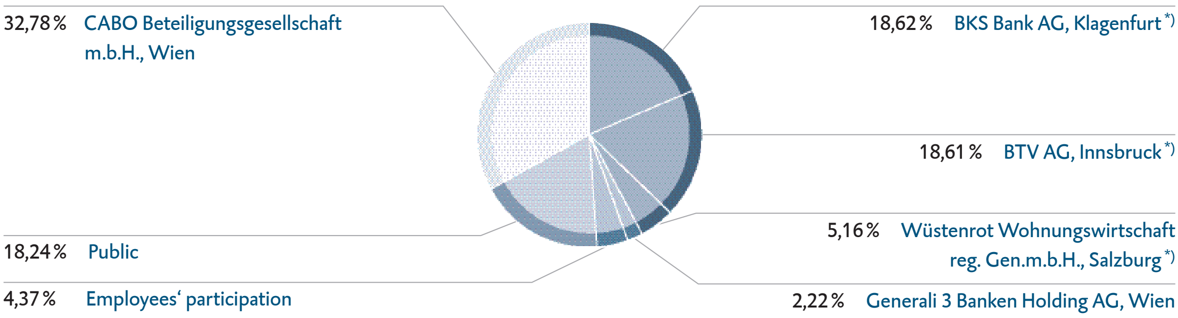
COMPANIES	2008	2007	2006	2005	2004
IFRS EPS in €	10,34	10,75	8,99	7,04	5,46
Return on equity before tax	9,20 %	11,44 %	10,36 %	8,83 %	8,03 %
Return on equity after tax	9,22 %	10,15 %	9,07 %	7,74 %	6,47 %
Cost/income ratio	48,9 %	51,1 %	52,0 %	56,7 %	57,3 %
Risk/earnings ratio	20,0 %	23,7 %	26,5 %	27,1 %	27,0 %
Average number of employees	879	849	803	808	816
Number of branches	44	42	40	37	37

Shareholders 3 Banken Group

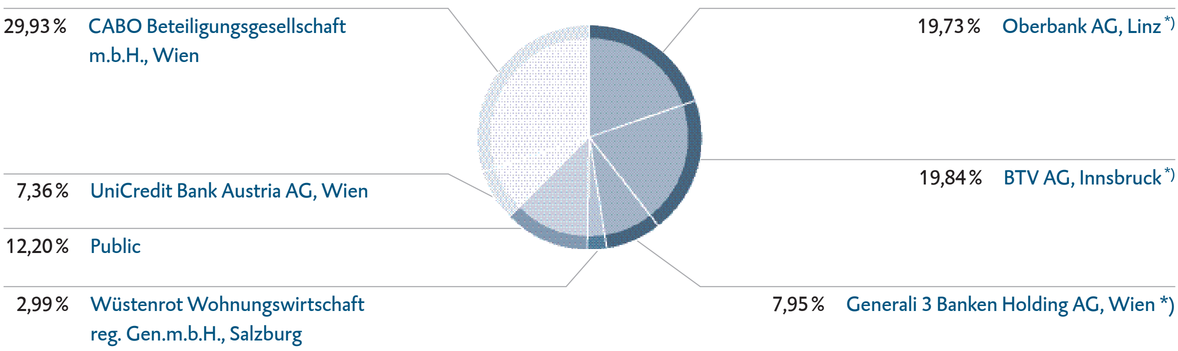
BTV ACCORDING TO VOTES



OBERBANK ACCORDING TO VOTES



BKS BANK ACCORDING TO VOTES



*) Shareholders who have concluded syndicate agreements.

3 Banken Group – Overview Group Information

	BKS Bank		Oberbank		BTV	
PROFIT AND LOSS in millions of €	2008	2007	2008	2007	2008	2007
Net interest income	130,2	108,6	300,7	276,2	146,4	123,0
Loan loss provisions	–20,0	–19,2	–67,8	–68,4	–29,3	–29,2
Commission income	40,8	44,9	97,8	101,8	42,4	47,3
Operating expenses	–87,9	–82,8	–199,8	–203,2	–93,3	–88,1
Net profit for the year before tax	44,4	59,6	114,0	112,9	50,2	60,0
Attributable net income for the year	41,9	50,8	105,0	102,5	50,3	53,3
BALANCE SHEET FIGURES in millions of €						
Total assets	5.975,7	5.752,7	15.314,0	14.330,8	8.495,6	8.053,3
Loans and advances to customers after loan loss prov.	4.186,1	3.561,6	9.248,6	8.499,2	5.750,4	5.160,0
Primary funds	3.945,1	3.781,8	10.016,7	8.839,6	6.352,8	6.173,1
of which savings deposits	1.677,5	1.443,7	3.301,9	2.899,2	1.245,9	1.126,9
of which securitised debt incl. subordinated capital	452,0	451,8	1.897,4	1.694,8	1.289,7	1.283,0
Equity	464,7	450,5	894,1	889,5	553,6	537,3
Managed deposits	8.739,3	10.057,9	17.039,1	16.887,3	10.258,4	10.982,1
of which client deposits	4.794,2	6.276,1	7.022,4	8.047,7	3.905,6	4.809,0
BWG OWN FUNDS in millions of €						
Measurement basis	4.087,7	4.039,2	9.970,2	10.079,1	5.613,7	5.586,9
Own funds	451,2	405,1	1.286,1	1.293,6	670,6	662,3
of which core capital (Tier 1)	281,9	235,9	824,7	720,5	429,2	394,0
Surplus before operational risk	123,9	82,0	487,1	485,2	221,5	215,4
Surplus after operational risk	102,7	82,0	436,5	485,2	201,0	215,4
Core capital ratio	6,90 %	5,84 %	8,27 %	7,15 %	7,61 %	7,05 %
Total capital ratio	11,03 %	10,03 %	12,90 %	12,83 %	11,93 %	11,85 %
SUBSIDIARIES in %						
RoE before tax	9,71 %	13,74 %	12,83 %	13,21 %	9,20 %	11,44 %
RoE after tax	9,16 %	11,71 %	11,82 %	11,99 %	9,22 %	10,15 %
Cost-income ratio	50,1 %	52,6 %	52,4 %	52,8 %	48,9 %	51,1 %
Risk-earnings-ratio	15,4 %	17,7 %	22,5 %	24,8 %	20,0 %	23,7 %
RESOURCES Number						
Average number of employees without employees in subsidiaries	860	803	1.983	1.879	879	849
Number of branches	54	51	134	126	44	42

Imprint

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

Because of rounding differences figures that differ very slightly may appear in the tables or charts in BTV's annual report.

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