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# INTERIM REPORT AS AT 30.09.2009

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BANK FÜR TIROL UND VORARLBERG AG

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### IMPORTANT DATES FOR SHAREHOLDERS

Annual General Meeting	28.05.2009, 10.00 Uhr, Stadtforum, Innsbruck
Dividend	The dividend is published after the General Meeting at BTV's website and in the gazette of the Wiener Zeitung.
Ex-dividend date	02.06.2009
Payment of dividend	05.06.2009
Intermediate report as at 31.03.2009	Published on 22.05.2009 (www.btv.at)
Intermediate report as at 30.06.2009	Published on 21.08.2009 (www.btv.at)
Intermediate report as at 30.09.2009	Published on 20.11.2009 (www.btv.at)

## The BTV group – at a glance

Income in millions of €	30.09.2009	30.09.2008	+/- %
Interest	98,3	105,1	-6,5 %
Loan loss provisions	-29,8	-18,6	+60,4 %
Commission	30,0	31,6	-5,2 %
Operating expenses	-70,9	-68,5	+3,4 %
Profit of the period before tax	42,2	41,0	+3,0 %
Group profit for the period	37,4	35,7	+4,8 %

Balance sheet in millions of €	30.09.2009	31.12.2008	+/- %
Total assets	8.482	8.496	-0,2 %
Loans and advances to customers after credit risk	5.421	5.750	-5,7 %
Primary funds	6.180	6.353	-2,7 %
of which savings deposits	1.416	1.246	+13,6 %
of which securitised debt inc. subordinated capital	1.228	1.290	-4,8 %
Equity	596	554	+7,7 %
Managed deposits	10.174	10.258	-0,8 %

Equity (under Austrian law – BWC) in millions of €	30.09.2009	31.12.2008	+/- %
Risk-weighted assets	5.458	5.614	-2,8 %
Own funds (not inc. Tier 3)	764	671	+13,9 %
of which core capital (Tier 1)	463	429	+7,9 %
Surplus own funds	307	201	+52,7 %
Core capital ratio	8,46 %	7,61 %	+0,85 %
Total capital ratio	13,99 %	11,93 %	+2,06 %

Companies	30.09.2009	30.09.2008	+/- in %-Punkte
Return on equity before tax	9,81 %	10,21 %	-0,40 %
Return on equity after tax	8,71 %	8,91 %	-0,20 %
Cost/income ratio	53,58 %	49,70 %	+3,88 %
Risk/earnings ratio	30,31 %	17,68 %	+12,63 %

Resources	30.09.2009	30.09.2008	+/- Anzahl
Average no. of employees	873	875	-2
Number of branches	43	43	+0

BTB shares	30.09.2009	30.09.2008
Number of ordinary no-par value shares	22.500.000	4.500.000
Number of preference no-par value shares	2.500.000	500.000
Top price of ordinary/preference share in €	21,00/17,60	23,00/21,60*
Bottom price of ordinary/preference share in €	15,40/15,40	18,00/17,60*
Closing price of ordinary/preference share in €	18,00/17,60	18,00/18,00*
Market capitalisation in millions of €	449	450
IFRS EPS in €	2,01	1,96*
P/E ratio, ordinary share	9,0	9,2
P/E ratio, preference share	8,8	9,2

\*) The comparative figures from 30 September 2008 are adjusted because of the share split (ratio 5:1) from 10.06.2009.

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## Economic environment

### GDP decline has bottomed out

After the severe slump in trade that affected the whole world at once during the early months of 2009, the global economy has been advancing again since the summer. The position on the financial markets has eased and important early indicators are pointing upward again. Order intakes and factory outputs are rising. The IMF is forecasting that the global economy will have shrunk by 1.1% in 2009. Despite the more optimistic items of news, risks remain. The greatest potential danger lies in private consumption, which might remain weak. China, with growth of 8.5%, is now the growth driver for the whole world.

According to the IMF forecast, the USA's economic performance will have fallen by 2.7% this year. Up to the third quarter of 2009 it had contracted by a total of 3.8% over four quarters, the longest downturn since World War II.

The Eurozone and the EU as a whole surmounted the recession in the third quarter. According to first estimates from Eurostat (the EU's Statistical Office) real GDP rose, compared with the previous quarter, by 0.4% throughout Europe and by 0.2% in the 27 EU member countries taken together, with both economic groupings thus recording growth again for the first time since the first quarter of 2008.

Germany acted as the Eurozone's carthorse with growth of 0.7% over the preceding quarter, thus bringing the most serious recession in the Federal Republic's history to a close. Its GDP for the whole year will, nonetheless, have shrunk by about 4.3% owing to the poor start to the year.

In the second quarter of 2009, Austria again recorded a decline in GDP of 0.5% from the previous quarter, clearly indicating some easing of the downward dynamic. Surveys of companies and other important precursor indicators are signalling a rise in economic performance. The impulses are coming both from foreign and domestic economic programmes aimed at stimulating sales, especially exports. The economy grew in the third quarter by 0.9% over the second, but the decline in GDP will still be 3.4% for 2009 as a whole.

The recession had slowed also in Switzerland, where it eased by 0.3% in the second quarter compared with the first. SECO (Switzerland's State Secretariat for Economic Affairs) is expecting growth for the second half of the year, such that the fall for whole year is forecast at 1.7%. Private consumption and spending on construction have been positive in 2009 but the economy has been held back by reduced exports and business investments in plant and equipment.

### Interest markets

Despite the gradual economic recovery central banks adhered to their expansive monetary policies in 2009. The ECB, the FED in USA and the Swiss National Bank (SNB) all judge it still too early for any tightening of monetary policy owing to the uncertain economic outlook and low inflation. Discussion within central banks about possible exit strategies is, nonetheless, growing.

We anticipate no substantial change in the euro interest curve in the current year.

### Foreign exchange markets

The euro continued its gain versus the US-dollar over the past quarter; it was at 1.46 on 30 September, having been at 1.40 at the start of the year and again at the end of the second quarter. Speculators are increasingly using the US-dollar as a loan currency (carry trades). The euro rose by a total of about 4% on the quarterly comparison.

The Japanese yen managed to put on 3% versus the euro in the third quarter, the euro having been listed about 4% higher since the start of the year. Its exchange rate having then been 127 yen and risen to 135 yen at the end of the second quarter, it was down again at 131 as at 30.09.2009.

As a result of SNB's unchanged strategy (low interest rates, continuation of the quantitative easing programme, and its own purchasing of bonds) we do not expect the EUR/CHF exchange rate to change very much. It hovered around the 1.52 mark over the past quarter, which was in fact its closing rate as at 30.09.2009.

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## Business development of BTV group

### PROFIT DEVELOPMENT

#### Interest income

Over the first 9 months, interest income was down by 6.5%, to € 98.3 million, compared with the preceding year. The revenues from at-equity valued companies are included in the interest income which fell, in the same way as most other revenues, by € 3.7 million to € 16.2 million. The deposit interest rates from the private client business did not fall back as sharply as the money market interest rates, which led to a narrowing of the interest rate spread. It was also the case that the declining lending business held interest revenues back. Targeted investments in securities managed to dampen such effects down. BTV is continuing its consistent and selective involvement in the company business and private client fields in its core markets and in its expansion markets.

#### Loan loss provisions

The provisions for bad debts in the lending business represent the balance of the additional provisions and the writing back of loan loss provisions including direct depreciation on claims. They are supplemented by income arising from claims that have already been depreciated. The loan loss provision was € 29.8 million and thus € 11.2 million above the preceding year's level. By segments it broke down to € 25.8 million attributed to companies and € 4.0 million to private clients.

#### Commission income

Customers are holding back from investments in securities because of the uncertainties, which is causing the securities business to fall back. The commissions in this sector of € 12.8 million were lower than those of the previous year by € 2.5 million, or 16.4%. The satisfactory performance of the lending business (up by € 1.3 million to € 4.1 million) managed partially to set off these setbacks. The businesses in foreign exchange, foreign notes and coins, and precious metals contributed € 2.3 million to profits, while money transmission contributed € 9.8 million. The commission income as a whole recorded a fall of € 1.7 million to € 30.0 million.

#### Trading income

Our trading department managed to make targeted use of the higher volatility on the securities and foreign exchange markets in the third quarter as well. At € 4.0 million trading profits were € 2.9 million above the previous year's figure.

#### Operating expenses

Operating expenses (personnel, expenditure on materials and depreciation) in the reported period went up by € 2.4 million to € 70.9 million. The expenditure on personnel went up slightly, by € 0.8 million to € 46.0 million. The average weighted number of people on the payroll compared with September 2008 was down by 2 at 873. At € 19.4 million expenditure on materials was 8.3% up on the previous year's figure, while BTV group's depreciation over the first six months of 2009 was stable at € 5.5 million.

#### Other operating profit

As at 30 September this profit was, at € 2.0 million, in line with BTV's long-term trend. Other operating revenues went down by € 2.9 million to € 4.5 million, while other operating expenditure, compared with the previous year, rose by € 0.7 million to € 2.8 million. The profit arising from hedge accounting increased by € 0.4 million to € 0.3 million.

#### Profit arising from financial assets

The credit spreads of corporate bonds and government bonds went down further in the third quarter. This led to valuation profits in the case of bonds subject to fair value option. All in all the financial assets result improved, compared with the year before, from a loss of € 15.0 million to a gain of € 8.6 million.

#### Tax position

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 liability of € 4.7 million for the year 2009 to date.

#### Group surplus

BTV's operating income was robust in the first nine months of 2009. It proved possible for the profit arising from financial assets resulting from the falling credit spread to rescue the setbacks in the at-equity profit and the increased loan loss provisions. In total, the before-tax income for the period reported amounted to € 42.2 million compared with € 41.0 million in the preceding year, an increase of 3.0%. The after-tax BTV group income for the period is stated at € 37.4 million, representing an increase of 4.8% over the previous year. The pre-tax return on equity (RoE) for the period was 9.8% as at 30 September, having been 10.2% the previous year. The cost/income ratio rose from 49.7% to 53.6% and the risk/earnings ratio from 17.7% to 30.3%.

## BALANCE SHEET PERFORMANCE

As at 30 September 2009, the balance sheet total was € 8,482 million and thus € 14 million below the figure of 31.12.2008. Claims on banks as at 30 September 2009 had fallen back by € 218 million, as BTV reduced its activities on the interbank market compared with the previous year.

Claims on customers went down by € 316 million to € 5,593.3 million, or by 5.3% compared with 31.12.2008. More than half of the fall was accounted for by institutional clients, whose borrowings this year of € 177.8 million were lower by € 169.4 million or 48.8%. Claims on company clients fell back to € 3,858.8 million and on private clients to € 1,556.7 million.

The aggregate provision for bad debts on lending increased by € 14 million to € 173 million. The entry for financial assets and shareholdings increased by a total of € 380 million to € 2,332 million compared to the figure on 21.12.2008. With these increases, BTV is cushioning the effect of the narrower interest rate spread and the much lower volume of lending. In the third quarter it concentrated, in addition, on purchasing tenderable fixed-interest government bonds and government-guaranteed bank debentures with terms between 2 and 10 years. The third quarter saw no substantial changes in the underlying conditions on the investment side: the necessity for "security" and the steep interest rate curve continued to dominate clients' investment behaviour, from which the associated savings deposits gained, rising by € 169.8 million to € 1,415.7 million.

The deposit-taking business continued to be volatile, particularly with institutional clients. Clients' deposits amounted in total to € 4,951.9 million as at 30.09.2009.

The banking group's eligible net equity under BWG [Austria's Banking Act] without Tier III capital as at 30 September 2009 was € 764.2 million. The statutory minimum requirement on that date was € 458.3 million, such that the degree of cover provided was 167% (compared with 130% at the same point the previous year). BTV is covering the statutory minimum requirement with its core capital. The equity surplus at the end of September 2009 of € 307 million exceeded € 300 million for the first time.

The core capital ratio of 8.46% is 0.85 of a percentage point above the comparable figure for the final day of 2008. The equity ratio reached 13.99% (up by 2.06 percentage points on 31.12.2008) thus continuing markedly to exceed the minimum ratio of 8.00% required by law.

## OUTLOOK

BTV is holding fast to its view that the difficult circumstances will pertain for the final quarter of 2009. It is succeeding in gaining market shares, both in its company and private client businesses, as a result of its consistent and targeted tackling of the markets in the Tyrol and Vorarlberg, Vienna, Eastern Switzerland, Bavaria, Baden-Württemberg, South Tyrol and Veneto.

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

## Balance sheet as at 30 September 2009

Assets in thousands of €	30.09.2009	31.12.2008	change absolute	change in %
Cash reserves	201.282	112.937	+88.345	+78,2 %
Loans and advances to banks <sup>1 (Notes)</sup>	218.224	435.302	-217.078	-49,9 %
Loans and advances to customers <sup>2</sup>	5.593.322	5.908.939	-315.617	-5,3 %
Loan loss provisions <sup>3</sup>	-172.734	-158.566	-14.168	+8,9 %
Trading <sup>4</sup>	11.628	56.167	-44.539	-79,3 %
Financial assets – at fair value through profit or loss <sup>5</sup>	171.861	174.678	-2.817	-1,6 %
Financial assets – available for sale <sup>6</sup>	927.199	847.251	+79.948	+9,4 %
Financial assets – held to maturity <sup>7</sup>	995.091	657.348	+337.743	+51,4 %
Shares in at-equity-valued companies <sup>8</sup>	225.728	216.074	+9.654	+4,5 %
Intangible fixed assets	669	829	-160	-19,3 %
Property, plant and equipment	89.936	94.362	-4.426	-4,7 %
Properties held as financial investments	32.793	34.121	-1.328	-3,9 %
Tax claims	2.949	6.610	-3.661	-55,4 %
Other assets	184.431	109.562	+74.869	+68,3 %
<b>Total assets</b>	<b>8.482.379</b>	<b>8.495.614</b>	<b>-13.235</b>	<b>-0,2 %</b>

Liabilities in thousands of €	30.09.2009	31.12.2008	change absolute	change in %
Banks <sup>9</sup>	1.475.550	1.392.874	+82.676	+5,9 %
Customer accounts <sup>10</sup>	4.951.919	5.063.227	-111.308	-2,2 %
Securitised debt <sup>11</sup>	780.736	866.536	-85.800	-9,9 %
Trading liabilities <sup>12</sup>	20.748	23.261	-2.513	-10,8 %
Reserves and provisions <sup>13</sup>	64.585	64.456	+129	+0,2 %
Tax debts	3.390	3.473	-83	-2,4 %
Other liabilities	142.168	105.035	+37.133	+35,4 %
Subordinated capital <sup>14</sup>	446.884	423.148	+23.736	+5,6 %
Equity <sup>15</sup>	596.399	553.604	+42.795	+7,7 %
<b>Total liabilities</b>	<b>8.482.379</b>	<b>8.495.614</b>	<b>-13.235</b>	<b>-0,2 %</b>

## Profit and loss account as at 30 September 2009

Profit and loss account in thousands of €	01.01.- 30.09.2009	01.01.- 30.09.2008	change absolute	change in %
Interest and similar income	200.495	321.108	-120.613	-37,6 %
Interest and similar expenses	-118.377	-235.930	+117.553	-49,8 %
Income of at-equity valued companies	16.202	19.931	-3.729	-18,7 %
Net interest income <sup>16</sup>	98.320	105.109	-6.789	-6,5 %
Loan loss provisions <sup>17</sup>	-29.801	-18.581	-11.220	+60,4 %
Commission income	36.718	36.570	+148	+0,4 %
Commission expense	-6.740	-4.936	-1.804	+36,5 %
Net commission income <sup>18</sup>	29.978	31.634	-1.656	-5,2 %
Trading income <sup>19</sup>	4.007	1.157	+2.850	>+100 %
Operating expenses <sup>20</sup>	-70.892	-68.540	-2.352	+3,4 %
Other operating income <sup>21</sup>	2.013	5.132	-3.119	-60,8 %
Financial assets – at fair value through profit or loss <sup>22</sup>	8.165	-9.690	+17.855	>+ 100 %
Financial assets – available for sale <sup>23</sup>	389	-2.999	+3.388	>+ 100 %
Financial assets – held to maturity	2	-2.264	2.266	>+ 100 %
Net profit for the period before tax	42.181	40.958	+1.223	+3,0 %
Income and profits tax	-4.740	-5.226	+486	-9,3 %
<b>Net profit for the period after tax</b>	<b>37.441</b>	<b>35.732</b>	<b>+1.709</b>	<b>+4,8 %</b>
of which equity portion	37.441	35.732	+1.709	+4,8 %
of which minority portion	0	0	+0	+0,0 %

Items of income and expenditure captured directly in the equity	01.01.- 30.09.2009	01.01.- 30.09.2008
<b>Group income for the period</b>	<b>37.441</b>	<b>35.732</b>
Unrealised profits/losses arising from assets kept for the purposes of disposal (AfS reserve)	21.923	-6.226
Profits/losses in relation to deferred taxes that have been charged directly to capital	-3.589	-223
Changes in companies valued at-equity that are neutral in their effects on profits	-4.381	-15.085
Unrealised profits/losses arising from adjustments to currency conversion	59	-42
<b>Total of the income and expenditure captured directly in the equity</b>	<b>14.012</b>	<b>-21.575</b>
<b>Total of the income and expense entries captured in the period reported</b>	<b>51.453</b>	<b>14.157</b>
of which equity portion	51.453	14.157
of which minority portion	0	0



## Profit and loss account – periods

Profit and loss accounts – periods in thousands of €	III. Q 2009	II. Q 2009	I. Q 2009	IV. Q 2008	III. Q 2008
Interest and similar income	55.110	57.344	88.041	128.805	102.594
Interest and similar expenses	-26.367	-31.355	-60.655	-93.817	-71.201
Income of at-equity valued companies	2.984	9.757	3.461	6.264	2.170
Net interest income	31.727	35.746	30.847	41.252	33.563
Loan loss provisions	-14.840	-8.730	-6.231	-10.705	-6.298
Commission income	11.537	12.144	13.037	13.524	11.788
Commission expense	-2.001	-2.535	-2.204	-2.755	-1.802
Net commission income	9.536	9.609	10.833	10.769	9.986
Trading income	264	1.736	2.007	623	956
Operating expenses	-23.260	-24.176	-23.456	-24.714	-21.359
Other operating expenses	238	838	937	1.150	1.355
Financial assets – at fair value through profit or loss	8.154	4.062	-4.051	-7.574	-3.680
Financial assets – available for sale	53	68	268	-1.957	-1.376
Financial assets – held to maturity	0	2	0	372	-2.264
Net profit for the quarter before tax	11.872	19.155	11.154	9.216	10.883
Income and profits tax	-497	-3.156	-1.087	5.347	-714
<b>Net profit for the period after tax</b>	<b>11.375</b>	<b>15.999</b>	<b>10.067</b>	<b>14.563</b>	<b>10.169</b>
of which equity portion	11.375	15.999	10.067	14.563	10.169
of which minority portion	0	0	0	0	0

Indicators	30.09.2009	30.09.2008
EPS in € <sup>26</sup>	1,50	1,47
RoE before tax	9,81%	10,21%
RoE after tax	8,71%	8,91%
Cost/income ratio	53,58%	49,70%
Risk/earnings ratio	30,31%	17,68%

## Statement of change in equity

in thousands of €	Subscribed capital	Retained earnings	Revenue reserves	Depreciat. reserves	Total equity
Equity at 01.01.2008	50.000	58.731	437.534	-8.939	537.326
Capital increases	-	-	-	-	-
Net income for the period	-	-	+35.732	-	+35.732
Distributions	-	-	-7.500	-	-7.500
Exchange differentials	-	-9.692	-	-	-9.692
Treasury shares	-	-	-15.349	-6.226	-21.575
Other changes	-	-	+221	-	+221
<b>Equity at 30.09.2008</b>	<b>50.000</b>	<b>49.039</b>	<b>450.637</b>	<b>-15.165</b>	<b>534.511</b>

in thousands of €	Subscribed capital	Retained earnings	Revenue reserves	Depreciat. reserves	Total equity
Equity at 01.01.2009	50.000	60.092	461.142	-17.630	553.604
Capital increases	-	-	-	-	-
Net income for the period	-	-	+37.441	-	+37.441
Distributions	-	-	-7.500	-	-7.500
Exchange differentials	-	-1.175	-	-	-1.175
Treasury shares	-	-	-7.911	+21.923	+14.012
Other changes	-	-	+17	-	+17
<b>Equity at 30.09.2009</b>	<b>50.000</b>	<b>58.917</b>	<b>483.189</b>	<b>4.293</b>	<b>596.399</b>

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## Cash flow statement as at 30 September 2009

<b>Cash flow statement in thousands of €</b>	<b>01.01.- 30.09.2009</b>	<b>01.01.- 30.09.2008</b>
Cash position at the end of the previous period	112.937	245.358
Operating cash flow	428.439	-92.317
Investment cash flow	-351.004	-29.176
Financing cash flow	10.909	-2.829
Cash position at end of period	201.281	121.036

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## BTV group: Notes

### Accounting and valuation principles

These intermediate group financial statements are in harmony with IFRS requirements [International Financial Reporting Standards] and IFRIC interpretations [International Financial Reporting Interpretations Committee] as these have been published by the IASB [International Accounting Standards Boards] and taken into European law through the EU. This group intermediate financial statement as at 30 September 2009 has been drawn up in harmony with the provisions of IAS 34 [Intermediate reports] and counts as an exempting consolidated financial statement under § 59a BWG [Austria's Banking Act] taken together with section § 245a UGB [Austria's Commercial Code]. It has been prepared using the same accounting principles as were applied to BTV's audited group financial statements for 2008.

### Companies included in the consolidation

BTV M1/92 Leasing GmbH in liquidation was taken out of the group accounts as at 30.09.2009. That has not had any effects of importance.

### Main business events in the period reported

BTV Rosenheim in the expansion market of Bavaria was amalgamated with BTV Munich at the end of January 2009 and the Rosenheim property was thus disposed of.

With reference to the resolutions adopted at the 91st Annual General Shareholders' Meeting on 28 May 2009, please see the announcement on the BTV Homepage under the heading „Das Unternehmen“ ([www.btv.at](http://www.btv.at)).

On 10 June 2009 BTV (The Bank für Tirol und Vorarlberg AG) executed a share split in the ratio 5:1, whereby the number of shares was increased to 25,000,000 units. As a result of the share split shareholders thus received for each original share unit or preference share unit 4 further original share units or 4 further preference share units. This change was resolved at the 91st Annual General Shareholders' Meeting on 28 May 2009. The corresponding change to the bank's articles of incorporation was entered on the Commercial Register of the Regional Commercial Court in Innsbruck on 9 June 2009.

### Events following the intermediate financial statement's reporting date

No activities or events that were in their form or content relevant to BTV's operations occurred after the intermediate report's cut-off date that would have influenced the picture of its asset, financial and profit position conveyed in this present report.

## Balance sheet – Assets

1. Loans and advances to banks in thousands of €	30.09.2009	31.12.2008
Austrian banks	130.286	219.543
Foreign banks	87.938	215.759
<b>Loans and advances to banks</b>	<b>218.224</b>	<b>435.302</b>

2. Loans and advances to customers in thousands of €	30.09.2009	31.12.2008
Austrian customers	3.720.385	4.035.169
Foreign customers	1.872.937	1.873.770
<b>Loans and advances to customers</b>	<b>5.593.322</b>	<b>5.908.939</b>
of which fair value	18.036	15.799

3. Loan loss provisions in thousands of €	2009	2008
Opening balance at 01.01.	158.566	159.679
– Releases	–2.454	–3.046
+ Allocation	23.082	14.680
– Application	–6.450	–15.152
Changes arising from currency differences	–10	21
Loan loss provisions at 30.09.	172.734	156.182
Opening balance commitments at 01.01.	241	273
– Releases	0	0
+ Allocation	30	75
– Application	0	0
Reserves and provisions commitments at 30.09.	271	348
<b>Total loan loss provisions 30.09.</b>	<b>173.005</b>	<b>156.530</b>

<b>4. Trading assets in thousands of €</b>	<b>30.09.2009</b>	<b>31.12.2008</b>
Debenture bonds and other fixed-interest securities	702	35.809
Equities and other variable-interest securities	2.622	0
Positive market values arising from derivative transactions – Trading	2.063	17.555
Positive market values arising from derivative transactions – Fair-Value Option	6.241	2.803
<b>Trading assets</b>	<b>11.628</b>	<b>56.167</b>

<b>5. Financial assets – at fair value through profit or loss in thousands of €</b>	<b>30.09.2009</b>	<b>31.12.2008</b>
Debenture bonds and other fixed-interest securities	152.075	165.874
Equities and other variable-interest securities	19.786	8.804
<b>Financial assets – at fair value through profit or loss</b>	<b>171.861</b>	<b>174.678</b>

<b>6. Financial assets – available for sale in thousands of €</b>	<b>30.09.2009</b>	<b>31.12.2008</b>
Debenture bonds and other fixed-interest securities	745.796	719.815
Equities and other variable-interest securities	83.687	29.720
Other shareholdings	29.128	29.128
Other affiliated shareholdings	68.588	68.588
<b>Financial assets – available for sale</b>	<b>927.199</b>	<b>847.251</b>

<b>7. Financial assets – held to maturity in thousands of €</b>	<b>30.09.2009</b>	<b>31.12.2008</b>
Debenture bonds and other fixed-interest securities	995.091	657.348
<b>Financial assets – held to maturity</b>	<b>995.091</b>	<b>657.348</b>

<b>8. Shares in at equity valued companies in thousands of €</b>	<b>30.09.2009</b>	<b>31.12.2008</b>
Banks	217.302	210.974
Other	8.426	5.100
<b>Shares in at equity valued companies</b>	<b>225.728</b>	<b>216.074</b>

## Balance sheet – Liabilities

<b>9. Liabilities to banks in thousands of €</b>	<b>30.09.2009</b>	<b>31.12.2008</b>
Austrian banks	659.119	1.135.130
Foreign banks	816.431	257.744
<b>Liabilities to banks</b>	<b>1.475.550</b>	<b>1.392.874</b>
<b>10. Liabilities to customers in thousands of €</b>	<b>30.09.2009</b>	<b>31.12.2008</b>
<b>Saving deposits</b>		
Austrian	1.244.894	1.089.557
Foreign	170.847	156.376
Sub-total savings deposits	1.415.741	1.245.933
<b>Other deposits</b>		
Austrian	2.765.509	3.040.770
Foreign	770.669	776.524
Sub-total other deposits	3.536.178	3.817.294
<b>Liabilities to customers</b>	<b>4.951.919</b>	<b>5.063.227</b>
<b>11. Securitised debt in thousands of €</b>	<b>30.09.2009</b>	<b>31.12.2008</b>
Debentures	686.051	747.960
Domestic bonds	94.685	118.576
<b>Securitised debt</b>	<b>780.736</b>	<b>866.536</b>
of which fair value	132.478	8.421
<b>12. Trading liabilities in thousands of €</b>	<b>30.09.2009</b>	<b>31.12.2008</b>
Negative market values arising from derivative transactions – Trading	8.505	17.151
Negative market values arising from derivative transactions – Fair-Value-option	12.243	6.110
<b>Trading liabilities</b>	<b>20.748</b>	<b>23.261</b>
<b>13. Reserves and provisions in thousands of €</b>	<b>30.09.2009</b>	<b>31.12.2008</b>
Long-term payroll reserves	63.201	63.082
Other reserves and provisions	1.384	1.374
<b>Reserves and provisions</b>	<b>64.585</b>	<b>64.456</b>

<b>14. Subordinated capital in thousands of €</b>	<b>30.09.2009</b>	<b>31.12.2008</b>
Supplementary capital	411.884	423.148
Hybrid capital	35.000	0
<b>Subordinated capital</b>	<b>446.884</b>	<b>423.148</b>
of which fair value	113.341	70.090

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

<b>15. Equity: Consolidated own funds of the BTV banking group in millions of €</b>	<b>30.09.2009</b>	<b>31.12.2008</b>
Share capital	50,0	50,0
Minus treasury shares	-2,4	-1,2
General reserves	372,7	372,7
Consolidation pursuant to section 24 (2) BWG	8,4	8,5
Hybrid capital	35,0	0,0
Minus intangible assets	-0,6	-0,8
<b>Core capital (Tier 1)</b>	<b>463,1</b>	<b>429,2</b>
Supplementary own funds (Tier 2)	402,5	343,1
Valuation items	-101,5	-101,7
<b>Eligible own funds (excluding Tier 3)</b>	<b>764,2</b>	<b>670,6</b>
Own funds applied pursuant to section 23 (14 Z 7) BWG (Tier 3)	1,1	2,0
<b>Eligible own funds pursuant to section 23 (14) BWG</b>	<b>765,3</b>	<b>672,6</b>
Risk-weighted measurement basis pursuant to section 22 (2) BWG	5.457,6	5.613,7
Equity requirement in relation to loan risk pursuant to section 22 (2) BWG	436,6	449,1
Equity requirement in relation to banking ledger pursuant to section 22o (2) BWG	1,1	2,0
Equity requirement for operational risk pursuant to section 22i BWG	20,5	20,5
Total own fund requirement	458,3	471,6
Surplus of own funds	307,0	201,0
<b>Core capital ratio in %</b>	<b>8,46%</b>	<b>7,61%</b>
<b>Total capital ratio in %</b>	<b>13,99%</b>	<b>11,93%</b>



## Profit and loss account: Notes

16. Net interest income in thousands of €	01.01.- 30.09.2009	01.01.- 30.09.2008
<b>Interest and similar income from</b>		
Lending and money market transactions with banks	16.206	56.733
Lending and money market transactions with customers	130.661	203.126
Debenture bonds and fixed-interest securities	42.119	53.523
Equities and variable-rate securities	1.961	1.716
Other participations	4.403	5.539
Other	5.145	471
Sub-total interest and similar income	200.495	321.108
<b>Interest and similar expenses on</b>		
bank deposits	-15.865	-44.927
client deposits	-69.209	-143.812
securitised debt	-14.506	-31.906
subordinated capital	-12.373	-12.543
other	-6.424	-2.742
Sub-total interest and similar expenses	-118.377	-235.930
Income of at equity valued companies	16.202	19.931
<b>Net interest income</b>	<b>98.320</b>	<b>105.109</b>

17. Loan loss provisions in thousands of €	01.01.- 30.09.2009	01.01.- 30.09.2008
On-balance sheet	-23.082	-14.680
Off-balance sheet	-30	-75
Loan loss insurance premiums	-5.502	-4.500
Release of on-balance sheet provisions	2.453	3.046
Release of off-balance sheet provisions	0	0
Direct amortisation	-3.713	-2.716
Income from amortised receivables	73	344
<b>Loan loss provisions</b>	<b>-29.801</b>	<b>-18.581</b>

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

<b>18. Commission income in thousands of €</b>	<b>01.01.- 30.09.2009</b>	<b>01.01.- 30.09.2008</b>
Lending	4.120	2.792
Payment transactions	9.781	10.003
Securities trading	12.827	15.347
Currency, foreign exchange and precious metals trading	2.328	2.651
Other	922	841
<b>Commission income</b>	<b>29.978</b>	<b>31.634</b>

<b>19. Trading income in thousands of €</b>	<b>01.01.- 30.09.2009</b>	<b>01.01.- 30.09.2008</b>
Derivatives	-89	407
Securities	1.969	18
Foreign currency	2.127	732
<b>Trading income</b>	<b>4.007</b>	<b>1.157</b>

<b>20. Operating expenses in thousands of €</b>	<b>01.01.- 30.09.2009</b>	<b>01.01.- 30.09.2008</b>
Payroll	-46.037	-45.226
thereof salaries and wages	-34.083	-33.732
thereof legal social contributions	-9.515	-9.365
thereof other personnel costs	-1.371	-1.388
thereof expenditures for long-term personnel deferrals	-1.068	-741
Materials	-19.389	-17.903
Amortisation	-5.466	-5.411
<b>Operating expenses</b>	<b>-70.892</b>	<b>-68.540</b>

<b>20a. Payroll – annual average</b>	<b>2009</b>	<b>2008</b>
White collar	873	875
Blue collar	29	28
<b>Payroll</b>	<b>902</b>	<b>903</b>

The level of the workforce was reduced by the number of employees delegated to subsidiaries outside the circle of companies covered by the IFRS consolidation.

<b>21. Other operating income in thousands of €</b>	<b>01.01.- 30.09.2009</b>	<b>01.01.- 30.09.2008</b>
Other operating income	4.512	7.368
Other operating expenses	-2.781	-2.107
Hedge accounting income	282	-129
<b>Other operating income</b>	<b>2.013</b>	<b>5.132</b>

<b>22. Profit arising from financial assets – at fair value through profit or loss in thousands of €</b>	<b>01.01.- 30.09.2009</b>	<b>01.01.- 30.09.2008</b>
Profit arising from financial assets – at fair value through profit or loss	8.165	-9.690
<b>Profit arising from financial assets – at fair value through profit or loss</b>	<b>8.165</b>	<b>-9.690</b>

<b>23. Profit arising from financial assets – available for sale in thousands of €</b>	<b>01.01.- 30.09.2009</b>	<b>01.01.- 30.09.2008</b>
Profit arising from financial assets – available for sale	389	-2.999
<b>Profit arising from financial assets – available for sale</b>	<b>389</b>	<b>-2.999</b>

<b>24. Profit arising from financial assets – held to maturity in thousands of €</b>	<b>01.01.- 30.09.2009</b>	<b>01.01.- 30.09.2008</b>
Profit arising from financial assets – held to maturity	2	-2.264
<b>Profit arising from financial assets – held to maturity</b>	<b>2</b>	<b>-2.264</b>

<b>25. Performance bonds and credit risks in thousands of €</b>	<b>01.01.- 30.09.2009</b>	<b>31.12.2008</b>
Guarantees/Bonds	338.248	254.729
Credit risks	414.388	466.812
<b>Performance bonds and credit risks</b>	<b>752.636</b>	<b>721.541</b>

<b>26. EPS (ordinary and preference shares)</b>	<b>30.09.2009</b>	<b>30.09.2008</b>
Equities (ordinary and preference shares)	25.000.000	5.000.000
Average float (ordinary and preference shares)	24.916.129	4.864.139
Net Group income in thousands of €	37.441	35.732
<b>EPS in € (ordinary and preference shares)</b>	<b>1,50</b>	<b>1,47*</b>
Diluted gain per share in € (ordinary and preference shares)	1,50	1,47*

\*) The diluted earnings per share are the same as the undiluted earnings per share as no financial instruments with diluting effect were issued. The previous year's figure was adjusted in the ratio of 1:5 on the basis of the share split. The original figure was € 7,35.

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## Segment reporting

### Company clients

The company clientele was the BTV group's growth driver during 2009. Profit by the end of September was up with a pre-tax income of €26.4 million, or 22.6%, compared with the previous year. Higher volumes and widening margins in the lending operations led to an overall improvement in net interest income of €4.9 million compared with the preceding year. The strong lending and money transmission businesses were the main reasons for the rise of €1.1 million in commission income. Rising personnel costs owing to our expansion in Bavaria and Baden-Württemberg led to an increase in operating expenditure of €3.1 million to €24.5 million. The cost/profit ratio improved in relation to the previous year from 35.9% to 34.8%, while the return on equity was 9.7%.

### Private clients

The securities business is the main profit earner on the commission account. Its development during the course of 2009 so far has been below average. In total the commission balance was, at €18.1 million, below the previous year by €2.4 million. The net interest income was, at €32.2 million, below the previous year by €2.7 million. Operating expenditure dropped by €1.0 million to €39.2 million. The pre-tax income for the period reported amounted to €7.4 million at the end of September. The cost/profit ratio worked out at 77.9% on the reporting date, having been 72.5% the previous year. The return on equity declined from 15.2% to 13.8%.

### Treasury

Trading income contributed to an improvement in the Treasury profit with an increase of €2.9 million to the end of September 2009. The growth is attributable to the revival of the capital and foreign currency markets: it proved possible to achieve higher profits in the securities business (up €2.0 million on the year before) and in the foreign exchange and foreign notes and coins businesses (up by €1.4 million on the year before) by taking targeted advantage of the higher volatility. The interest income diminished to €6.0 million. This heading also includes the results from companies valued at-equity, which fell back in the same way as the economy as a whole. The first nine months of the year saw a result from financial assets of €8.6 million. The reduced credit spreads led here to valuation profits on bonds and to a marked improvement in profit in relation to the preceding year. All in all, the pre-tax surplus for the period reported thus came to €18.7 million.

Segment reporting in thousands of €	Quarter	Corporate	Retail	Treasury	Other	Total
	09/2009	60.156	32.190	5.974	0	98.320
Net interest income	09/2008	50.396	34.905	19.808	0	105.109
	09/2009	-25.759	-4.042	0	0	-29.801
Loan loss provisions	09/2008	-14.187	-4.394	0	0	-18.581
	09/2009	10.182	18.105	1.691	0	29.978
Commission	09/2008	9.116	20.505	2.013	0	31.634
	09/2009	0	0	4.007	0	4.007
Trading income	09/2008	0	0	1.157	0	1.157
	09/2009	-24.450	-39.195	-1.815	-5.432	-70.892
Operating expenses	09/2008	-21.372	-40.158	-1.780	-5.230	-68.540
	09/2009	1.402	362	282	-33	2.013
Other operating income	09/2008	2.437	416	2.305	-26	5.132
	09/2009	0	0	8.556	0	8.556
Profit arising from financial assets	09/2008	0	0	-14.953	0	-14.953
<b>Net profit for the period before tax</b>	<b>09/2009</b>	<b>21.532</b>	<b>7.420</b>	<b>18.694</b>	<b>-5.465</b>	<b>42.181</b>
	<b>09/2008</b>	<b>26.390</b>	<b>11.274</b>	<b>8.550</b>	<b>-5.256</b>	<b>40.958</b>
	09/2009	3.858.772	1.556.725	2.289.712	0	7.705.209
Segment income	09/2008	3.773.474	1.581.956	2.691.768	0	8.047.198
	09/2009	1.231.108	2.239.142	4.205.587	0	7.675.837
Segment liabilities	09/2008	1.261.280	2.031.621	4.572.618	0	7.865.519
Ø Lending and market risk equivalent pursuant to section 22 BWG	09/2009	3.766.287	911.475	727.083	130.825	5.535.670
	09/2008	3.851.138	924.080	712.022	154.789	5.642.029
	09/2009	301.303	72.918	58.167	142.614	575.002
Ø Allocated equity	09/2008	308.091	73.926	56.962	93.335	532.314
	09/2009	34,8%	77,9%	15,6%	0,0%	53,6%
Cost/income ratio in %	09/2008	35,9%	72,5%	7,7%	0,0%	49,7%
	09/2009	9,7%	13,8%	43,4%	0,0%	9,9%
RoE (basis net profit for the year before tax) in %	09/2008	12,0%	15,2%	25,5%	0,0%	10,2%

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

The claims segment contains the entries for claims on banks, claims on customers, trading assets, and the current and noncurrent assets. The entries for liabilities to banks, liabilities to customers, trading liabilities, securitised debt and supplementary capital are allocated to the liabilities segment. The success of the business field concerned is measured by the before-tax annual surplus generated by that segment.

The return on own capital is calculated by the ratio of the before tax-annual surplus to the equity capital. The capital allocation is made according to regulatory requirements. It is allocated in proportion to the own funds

requirements of the business fields, and shown in the net interest income as profit from own funds deployed with the corresponding reference interest rate for long-term deployments.

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

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## Statement by the statutory representatives

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

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

Innsbruck, November 2009

The Managing Directors



Peter Gaugg  
Spokesman of the  
Managing Board



Mag. Matthias Moncher  
Member of the  
Managing Board

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## BTV equities as at 30 September 2009

In the third quarter some economic factors that favoured equity markets and some company reports that exceeded analysts' expectations helped equity markets all over the world make further price gains. The significant price rises since the year's low point in March have led to a marked improvement in price-earnings ratios. This development allows the conclusion to be drawn that, on the basis of striking stock reductions, advancing global demand and expansive monetary and fiscal policies, market players are counting on higher profits over the coming months.

The rapid rise in prices has taken many market players by surprise, but setbacks must be expected just because that has been so rapid and because of investors' euphoria. To the extent that the economy is recovering as forecast, however, equity markets should continue performing positively in the medium term.

As at 30.09.2009 BTV's ordinary shares were listed slightly weaker than at the beginning of the year, but its preference shares were unchanged.

Share prices as at 30.09.2009:  
BTV ordinary shares: € 18.00  
BTV preference shares: € 17.60



### 3 Banken Gruppe overview – Group information

Profit and loss in millions of €	BKS Bank		Oberbank		BTV	
	01.01.- 30.09.2009	01.01.- 30.09.2008	01.01.- 30.09.2009	01.01.- 30.09.2008	01.01.- 30.09.2009	01.01.- 30.09.2008
Net interest income	97,6	92,1	197,4	213,9	98,3	105,1
Loan loss provisions	-29,1	-17,6	-73,9	-46,2	-29,8	-18,6
Commission income	28,9	30,9	66,1	72,6	30,0	31,6
Operating expenses	-65,6	-63,8	-154,7	-153,3	-70,9	-68,5
Net profit for the period before tax	32,0	41,6	68,7	88,2	42,2	41,0
Attributable net income for the period	29,2	38,3	57,4	81,1	37,4	35,7
<b>Balance sheet figures in millions of €</b>	<b>30.09.2009</b>	<b>31.12.2008</b>	<b>30.09.2009</b>	<b>31.12.2008</b>	<b>30.09.2009</b>	<b>31.12.2008</b>
Total assets	5.945,1	5.975,7	15.901,6	15.314,0	8.482,4	8.495,6
Loans and advances to customers after loan loss provisions	4.355,8	4.186,1	9.558,0	9.248,6	5.420,7	5.750,4
Primary funds	3.594,9	3.945,1	10.516,1	10.016,7	6.179,5	6.352,8
of which savings deposits	1.800,8	1.677,5	3.411,9	3.301,9	1.415,7	1.245,9
of which securitised debt inc. subordinated capital	556,5	452,0	1.992,1	1.897,4	1.227,7	1.289,7
Equity	488,9	464,7	959,7	894,1	596,4	553,6
Managed deposits	8.940,3	8.739,3	18.017,9	17.039,1	10.174,2	10.258,4
of which client deposits	5.345,4	4.794,2	7.501,8	7.022,4	3.994,7	3.905,6
<b>BWG own funds in millions of €</b>	<b>30.09.2009</b>	<b>31.12.2008</b>	<b>30.09.2009</b>	<b>31.12.2008</b>	<b>30.09.2009</b>	<b>31.12.2008</b>
Measurement basis	4.263,9	4.087,7	10.337,0	9.970,2	5.457,6	5.613,7
Own funds	442,7	450,9	1.381,9	1.286,1	764,2	670,6
of which core capital (Tier 1)	280,5	281,9	833,4	824,7	463,1	429,2
Surplus before operational risk	101,5	123,9	553,1	487,1	327,6	221,5
Surplus after operational risk	78,4	102,7	502,5	436,5	307,0	201,0
Core capital ratio	6,58 %	6,90 %	8,06 %	8,27 %	8,46 %	7,61 %
Total capital ratio	10,38 %	11,03 %	13,37 %	12,90 %	13,99 %	11,93 %
<b>Subsidiaries in %</b>	<b>30.09.2009</b>	<b>31.12.2008</b>	<b>30.09.2009</b>	<b>31.12.2008</b>	<b>30.09.2009</b>	<b>31.12.2008</b>
RoE before tax	7,60 %	9,71 %	10,04 %	12,83 %	9,81 %	9,20 %
RoE after tax	6,55 %	9,16 %	8,40 %	11,82 %	8,71 %	9,22 %
Cost/income ratio	50,3 %	50,1 %	52,1 %	52,4 %	53,6 %	48,9 %
Risk/earnings ratio	29,8 %	15,4 %	37,4 %	22,5 %	30,3 %	20,0 %
<b>Resources</b>	<b>30.09.2009</b>	<b>31.12.2008</b>	<b>30.09.2009</b>	<b>31.12.2008</b>	<b>30.09.2009</b>	<b>31.12.2008</b>
Average no. of employees (only white collar)	873	860	1.968	1.983	873	879
Number of branches	56	54	133	134	43	44

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## 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 minimally may appear in the tables and charts in BTV's intermediate report.

This report contains forward-looking statements relating to the future performance of BTV. These statements reflect estimates which have been made on the basis of all information available to us on the reporting data. Should the assumptions underlying such forward-looking statements prove incorrect, or should risks materialise to an extent not anticipated, actual results may vary from those expected at present.