SHAREHOLDER REPORT INTERIM REPORT AS AT 31.03.2015

BANK FÜR TIROL UND VORARLBERG AG

BTV VIER LÄNDER BANK

3 Banken Gruppe

Contents

IMPORTANT DATES FOR BTV SHAREHOLDERS

Annual General Meeting	13 May 2015, 10.00 am, Stadtforum, Innsbruck The dividend will be published on the BTV homepage and in the gazette of the Wiener Zeitung the day after the Annual General Meeting.
Ex-dividend date	22.05.2015
Payment of dividend	26.05.2015
Interim report as at 31 March 2015	Published on 22 May 2015 (www.btv.at)
Interim Financial Report up to 30 June 2015	Published on 21 August 2015 (www.btv.at)
Interim report as at 30 September 2015	Published on 27 November 2015 (www.btv.at)

The BTV Group at a glance

INCOME in € million	31.03.2015	31.03.2014	Change in %
Net interest income	44.2	46.0	–3.9 %
Loan loss provisions in the credit business	–4.3	–9.4	–55.0 %
Net commission income	13.2	10.8	+22.4 %
Operating expenses	–32.3	–31.9	+1.0 %
Other operating profit	3.8	6.1	–38.0 %
Net pre-tax profit for the period	28.2	22.6	+24.9 %
Group profit for the period	22.9	18.4	+24.5 %

BALANCE SHEET in € million	31.03.2015	31.12.2014	Change in %
Total assets	9,913	9,598	+3.3 %
Loans and advances to clients after loan loss provisions	6,310	6,187	+2.0 %
Primary funds	7,078	6,919	+2.3 %
of which savings deposits	1,187	1,176	+0.9 %
of which securitised debt including subordinated capital	1,426	1,392	+2.4 %
Equity	1,024	1,004	+2.0 %
Managed deposits	12,735	12,155	+4.8 %

REGULATORY CAPITAL (CRR) in € million	31.03.2015	31.12.2014	Change in %
Risk-weighted assets	6,333	6,213	+1.9 %
Equity	933	930	+0.3 %
of which common equity (CET1)	826	796	+3.7 %
of which total core capital (CET1 and AT1)	826	796	+3.7 %
Common equity Tier 1 ratio	13.04 %	12.81 %	+0.23 pp
Core capital ratio	13.04 %	12.81 %	+0.23 pp
Equity ratio	14.74 %	14.97 %	–0.23 pp

COMPANY KEY FIGURES in percentage points	31.03.2015	31.03.2014	Change in percentage points
Return on equity before tax (RoE)	11.29 %	9.81 %	+1.48 pp
Return on Equity after tax	9.14 %	7.96 %	+1.18 pp
Cost/income ratio	50.0 %	50.8 %	–0.8 pp
Risk/earnings ratio	9.6 %	20.5 %	–10.9 pp

RESOURCES Number	31.03.2015	31.12.2014	Change Number
Weighted average number of employees	1,193	1,195	–2
Number of branches	37	38	–1

KEY INDICATORS FOR BTV SHARES	31.03.2015	31.03.2014
Number of ordinary no par value shares	22,500,000	22,500,000
Number of preference shares	2,500,000	2,500,000
Top price of ordinary/preference share in €	22.40/18.60	20.10/16.60
Bottom price of ordinary/preference share in €	21.35/18.10	19.60/16.50
Closing price of ordinary/preference share in €	22.00/18.60	20.10/16.60
Market capitalisation in € million	542	494
IFRS EPS in €	3.70	2.98
P/E ratio, ordinary share	5.9	6.8
P/E ratio, preference share	5.0	5.6

Management report and notes on BTV Group business trends in 2015

Economic environment

In the autumn of 2014, the International Monetary Fund (IMF) forecast US economic growth of 3.1% for 2015. The forecast was increased to 3.6% in early 2015. Two weeks ago, this figure was revised downwards to 3.1% as the US economy grew by only a disappointing 0.2% in the first quarter. There is current speculation concerning a delayed initial hike in the US federal funds rate, although a slightly attractive inflation rate was observed in February.
Clearly better sentiment and leading indicators point to the fact that the eurozone managed a stronger upturn than expected in the first quarter of 2015. The weak euro and the low price of oil are mainly responsible for this. Germany continues to be the economic driving force of the eurozone. Among the problem children, Italy managed to post better numbers than France, which continues to show signs of weakness. However, the main problem continuing to affect the eurozone is high unemployment. In addition, the uncertainty about the further course of action with regard to highly indebted Greece is a burden. In early March, the European Central Bank (ECB) launched the bond purchase programme. Although many experts were sceptical, the ECB acquired securities amounting to approx. EUR 60 billion in the first month, reaching its target.

Interest rates

On 9 March, the ECB unveiled its bond purchase programme to stimulate the economic climate and raise low inflation rates. The announcement of the glut of money as early as mid-January caused European government bond yields to plummet once again, resulting in a flattening of the yield curve. The yield on 10-year German Bunds reached its all-time low of 0.18% at the end of March. Yields on 10-year Spanish and Italian government bonds also fell in March to 1.15% and 1.13% respectively, closing the month-end at 1.21% and 1.24% respectively.

The attractive economic recovery in the months ahead and the upcoming hike in the US federal funds rate should, however, boost US government bond yields going forward.

In the first quarter of 2015, long-dated euro interest rates fell considerably (–25 basis points to 0.56% on the 10-year euro swap). Money market interest rates (3-month Euribor) fell slightly compared with 31 December 2014 by 6 basis points to 0.02%.

Currencies

In mid-January, the Swiss National Bank (SNB) announced the increase in the EUR/CHF minimum rate. At the same time, the monetary authorities cut the negative interest rate from –0.25% to –0.75% to prevent an overly strong appreciation of the Swiss franc. The reason for this decision was the prospect of the ECB's bond purchase programme, which considerably weakened the euro, thus causing the pressure on the lower limit to become too great. To guarantee its preservation, the SNB would have had to continue to intervene on the forex market on a massive scale. As the market had not counted on such a decision, the currency pair fell to CHF 0.85 within a few minutes of the announcement. During the quarter, the EUR/CHF exchange rate managed, however, to recover thanks to the SNB's intervention and has hovered around CHF 1.05 since February. To keep the exchange rate stable, the SNB continues to operate on the forex market.

The ECB's bond purchase programme launched in early March resulted in a further depreciation of the euro against the US dollar. In March, the EUR/USD exchange rate fell to below 1.05, thus reaching its 12-year low. However, the strong US dollar is slowly becoming a concern for the US economy. It is doubtful whether the Fed will accept such a strong appreciation of the US dollar. As the interest rate hike in the US will continue to strengthen the dollar, there is increasing speculation that this will be delayed.

Profit trend

Net interest income

As at 31 March 2015, BTV had managed to boost pre-tax profit for the period by EUR 5.6 million, or 24.9%, to EUR 28.2 million.

Interest income continues to represent the lion's share of earnings: At EUR 44.2 million, this was EUR 1.8 million less than the previous year. The pressure on margins in the market and the declining structural contribution are definitely perceptible. Interest income also includes income from at-equity valued enterprises. This result, including the effects from changes to the scope of consolidation, was EUR 7.7 million overall (down EUR 0.9 million on the previous year).

Loan loss provisions in the credit business

Loss provisions for credit business represent the balance of inflows and releases of loss provisions, including direct write-downs on receivables. They are supplemented by income from debt that had previously been written off.

The downward trend in risks and loan loss provisions in the credit business has continued in 2015 as well. The close support provided to customers by account managers and knowledge of the markets resulted in a EUR 5.2 million drop in loan loss provisions.

Net commission income

Net commission income, which rose by EUR 2.4 million, has developed satisfactorily so far this year. The securities business in particular — up EUR 1.7 million (35.4%) compared with the previous year — posted an excellent performance. Owing to the appreciation of the Swiss franc, foreign exchange commission rose by EUR 0.6 million.

Trading income

BTV's trading income also posted a positive performance. At EUR 3.4 million, this was up EUR 3.4 million on the previous year. The main reason for this increase was higher earnings from foreign exchange and notes and coins transactions and from derivative hedging instruments.

Operating expenses

Operating expenses (personnel, expenditure on materials, amortisation and depreciation) were up EUR +0.3 million, or +1.0%, to EUR 32.3 million.

The growth primarily resulted from the expenditure on materials, which rose by EUR 0.5 million. At EUR 19.3 million, personnel expenditure was up EUR 0.2 million on the previous year. This was counteracted by the EUR 0.4 million drop in depreciation and amortisation to EUR 3.2 million.

Other operating profit

Other operating profit could not keep pace with the first quarter of the previous year and — at EUR 3.8 million — was EUR 2.3 million less than the comparative value as at 31 March 2014. This is attributed to a drop in the Silvretta Montafon Group's turnover (down EUR 1.7 million on the previous year) and in BTV Leasing's income (down EUR 0.9 million on the previous year).

Income from financial assets

Income from financial assets fell EUR 1.0 million to EUR 0.2 million.

Tax position

Besides the ongoing effect of Austrian corporation tax, the amounts recorded at "Taxes on income and profit" relate primarily to the latent taxes to be paid on accruals and prepayment adjustments, in accordance with IFRS.

Compared with the previous year, the tax liability rose by 26.5% to EUR 5.4 million as at 31 March 2015. The effective tax rate for the first quarter is 19.1% (previous year: 18.8%).

Group income: Healthy result

Owing to the pleasing development of commission income and trading income, as well as the declining loan loss provisions, pre-tax profit for the period grew by 24.9%, or EUR 5.6 million, to EUR 28.2 million. After tax, despite the earnings-related high tax expenditure, group income for the period rose by 24.5%, or EUR 4.5 million, to EUR 22.9 million.

Owing to the high earnings, the cost-income ratio improved compared with the 2014 year-end from 54.4% to 50.0%. The return on equity (RoE) before tax increased to 11.3% and the risk-earnings ratio fell from 15.9% to a welcome 9.6%.

Balance sheet performance

Total assets at 31 March 2015 were EUR 9,913 million, up EUR 3.3% or EUR 316 million on the figure for the 2014 year-end. The reason for this was mainly the increase in loans and advances to clients and banks.

The "Loans to clients" position grew by EUR 125 million, or 2.0%, to EUR 6,511 million. It should be considered here that growth in volume of EUR 151.3 million resulted from the trend in the CHF exchange rate. Within the segments, the volume rose significantly in corporate banking. This growth also absorbed the seasonal repayments by cable car firms after the winter season. Growth was also posted in the retail segment. When compared with corporate banking, it should especially be observed that some of the growth in volume is attributable to the appreciation of the Swiss franc. Loans to foreign customers rose, including the appreciation of the Swiss franc, by EUR 82 million to EUR 2.22 billion. Compared with domestic customers, they grew by EUR 43 million to EUR 4.29 billion.

Loans and advances to banks rose by EUR 246 million to EUR 520 million, compared with the year-end.

Posting a decrease of EUR 201 million, loan loss provisions remained almost unchanged compared with 31 December 2014 (down EUR 2 million).

In comparison with 31 December 2014, cash reserves decreased by EUR 106 million, to EUR 67 million, due to reduced credit with central banks.

Financial assets and interests, including trading assets rose by EUR 29 million to EUR 2,641 million, compared with the 2014 year-end. As in previous years, the majority of planned new investments for 2015 were carried out in the first quarter. Primarily fixed interest medium-term securities with excellent credit ratings were purchased, which may be used for tender and repo transactions.

Primary funds, which are crucial for refinancing loans, rose by EUR 159 million in the first quarter. These stood at EUR 7,078 million, therefore exceeding the EUR 7 billion mark for the first time. Both corporate and retail banking were instrumental here in increasing the volume in each segment. This corresponded, therefore, more than ever to the basic principle of using customer deposits to refinance customer credit.

Managed client deposits were at EUR 12,735 million at the end of March 2015 – this constitutes a rise of 4.8% compared with the 2014 year-end. In addition to primary funds, it was mainly the volume of deposits that rose sharply, posting growth of EUR 420.1 million, or 8.0%, to EUR 5,656 million. The growth in volume was also supported by the prevailing bullish equity markets.

Liabilities to banks increased — due to the sharp rise in assets — by EUR 113 million to EUR 1,508 million.

Balance sheet equity increased by EUR 20 million to EUR 1,024 million, mainly thanks to earnings for the period after taxes.

As at 31 March 2015, the qualifying net equity under CRR (Basel III) was €933 million. Overall, it increased by EUR 3 million, or 0.3%, compared with the 2014 year-end. As at 31 March 2015, common equity (CET1) under CRR amounted to EUR 826 million, therefore posting an increase of EUR 30 million, or 3.7%.

Total risk-weighted assets rose by EUR 119.8 million to EUR 6,332.6 million. From this the common equity is calculated at 13.04% and the equity ratio at 14.74%. The legally required minimum ratios are comfortably met.

Outlook

BTV is continuing its successful growth strategy in the growth markets of Vienna, Bavaria, Baden-Württemberg, Eastern Switzerland, South Tyrol and Veneto (out of Innsbruck). BTV is already the market leader in the main target groups in Tyrol and Vorarlberg. Here, this position must continue to be consolidated and further market shares must be gained.

As explained in the outlook in the 2014 annual report, for the financial year 2015 we expect that the annual net profit before tax will be at least equal to that of 2014, provided that there are no unexpected economic upsets.

Abridged consolidated financial statements

Balance Sheet at 31 March 2015

ASSETS in thousands of euros	31.03.2015	31.12.2014	Change absolute	Change in %
Cash reserves	66,707	173,002	–106,295	–61.4 %
Loans and advances to banks [1] [Notes]	520,157	273,979	+246,178	+89.9 %
Loans and advances to clients [2]	6,511,306	6,386,508	+124,798	+2.0 %
Loan loss provisions [3]	–200,949	–199,274	–1,675	+0.8 %
Trading assets [4]	41,386	38,433	+2,953	+7.7 %
Financial assets – at fair value through profit or loss [5]	141,595	142,208	–613	–0.4 %
Financial assets – available for sale [6]	1,279,531	1,263,076	+16,455	+1.3 %
Financial assets – held to maturity [7]	748,625	741,772	+6,853	+0.9 %
Shares in at-equity-valued companies [8]	430,020	426,931	+3,089	+0.7 %
Intangible fixed assets	5,203	5,543	–340	–6.1 %
Property, plant and equipment	169,280	165,818	+3,462	+2.1 %
Properties held as financial investments	52,626	52,807	–181	–0.3 %
Current tax refunds	87	87	+0	+0.0 %
Deferred tax refunds	18,454	17,008	+1,446	+8.5 %
Other assets	129,255	109,804	+19,451	+17.7 %
Total assets	**9,913,283**	**9,597,702**	**+315,581**	**+3.3 %**

LIABILITIES in thousands of euros	31.03.2015	31.12.2014	Change absolute	Change in %
Liabilities to banks [9]	1,507,795	1,394,692	+113,103	+8.1 %
Liabilities to clients [10]	5,652,053	5,527,031	+125,022	+2.3 %
Securitised debt [11]	1,042,553	1,012,571	+29,982	+3.0 %
Trading liabilities [12]	54,351	15,806	+38,545	>+100 %
Reserves and provisions [13]	126,577	127,366	–789	–0.6 %
Current tax refunds	4,270	1,732	+2,538	>+100 %
Deferred tax refunds	6,628	5,184	+1,444	+27.9 %
Other liabilities	111,980	129,973	–17,993	–13.8 %
Subordinated capital [14]	383,025	378,952	+4,073	+1.1 %
Equity [15]	1,024,051	1,004,395	+19,656	+2.0 %
Non-controlling interests	433	541	–108	–20.0 %
Owners of the parent company	1,023,618	1,003,854	+19,764	+2.0 %
Total liabilities	**9,913,283**	**9,597,702**	**+315,581**	**+3.3 %**

Statement of comprehensive income as at 31 March 2015

STATEMENT OF COMPREHENSIVE INCOME in thousands of euros	01.01.– 31.03.2015	01.01.– 31.03.2014*	Change absolute	Change in %
Interest and similar income	52,653	52,392	+261	+0.5 %
Interest and similar expenses	–16,149	–15,026	–1,123	+7.5 %
Income from at-equity valued companies	7,672	8,609	–937	–10.9 %
Net interest income [16]	44,176	45,975	–1,799	–3.9 %
Loan loss provisions [17]	–4,253	–9,441	+5,188	–55.0 %
Commission income	14,432	11,957	+2,475	+20.7 %
Commission expenses	–1,204	–1,152	–52	+4.5 %
Net commission income [18]	13,228	10,805	+2,423	+22.4 %
Trading income [19]	3,393	–40	+3,433	>+100 %
Operating expenses [20]	–32,271	–31,937	–334	+1.0 %
Other operating income [21]	3,770	6,078	–2,308	–38.0 %
Income from financial assets – at fair value through profit or loss [22]	305	506	–201	–39.7 %
Income from financial assets – available for sale [23]	–109	665	–774	>–100 %
Income from financial assets – held to maturity [24]	0	0	+0	+0.0 %
Net pre-tax profit for the period	28,239	22,611	+5,628	+24.9 %
Taxes on earnings and profit	–5,382	–4,253	–1,129	+26.5 %
Group profit for the period	**22,857**	**18,358**	**+4,499**	**+24.5 %**
Non-controlling interests	39	44	–5	–10.6 %
Owners of the parent company	22,818	18,314	+4,504	+24.6 %

OTHER COMPREHENSIVE INCOME in thousands of euros	01.01.- 31.03.2015	01.01.- 31.03.2014*
Group profit for the period	22,857	18,358
Revaluation from performance-oriented pension plans	1	1
Changes in at-equity valued companies recognised directly in equity	–5,101	–98
Profits/losses with regard to deferred taxes, applied directly against equity	0	0
Total headings which could subsequently not be allocated to profit or loss	–5,100	–97
Unrealised profit/loss on assets retained for disposal (AfS reserve)	–1,164	6,415
Changes in at-equity valued companies recognised directly in equity	1,469	–73
Unrealised profits/losses from adjustments due to currency conversions	1,590	35
Profits/losses with regard to deferred taxes, applied directly against equity	0	–1,608
Total of the items which can subsequently be allocated to profit or loss	1,895	4,769
Total other comprehensive income	–3,205	4,672
Comprehensive income for the period	**19,652**	**23,030**
Non-controlling interests	39	44
Owners of the parent company	19,613	22,986

* In 2014 adjusted to the changed consolidation scope.

Quarterly financial data

STATEMENT OF COMPREHENSIVE INCOME in thousands of euros	I. Q 2015	IV. Q 2014	III. Q 2014*	II. Q 2014*	I. Q 2014*
Interest and similar income	52,653	51,859	52,505	52,047	52,392
Interest and similar expenses	–16,149	–16,617	–14,006	–15,105	–15,026
Income from at-equity valued companies	7,672	7,540	9,446	8,624	8,609
Net interest income [16]	44,176	42,782	47,945	45,566	45,975
Loan loss provisions [17]	–4,253	–10,545	–1,230	–7,825	–9,441
Commission income	14,432	13,383	11,410	12,075	11,957
Commission expenses	–1,204	–1,545	–1,216	–1,183	–1,152
Net commission income [18]	13,228	11,838	10,194	10,892	10,805
Trading income [19]	3,393	636	164	5	–40
Operating expenses [20]	–32,271	–33,292	–30,310	–44,069	–31,937
Other operating income [21]	3,770	–1,299	–17	25,194	6,078
Income from financial assets – at fair value through profit or loss [22]	305	553	440	–1,290	506
Income from financial assets – available for sale [23]	–109	802	138	299	665
Income from financial assets – held to maturity [24]	0	0	–414	0	0
Net pre-tax profit for the period	28,239	11,475	26,910	28,772	22,611
Taxes on earnings and profit	–5,382	2,187	–6,832	–4,789	–4,253
Group profit for the period	**22,857**	**13,662**	**20,078**	**23,983**	**18,358**
Non-controlling interests	39	–166	–57	390	44
Owners of the parent company	22,818	13,828	20,135	23,593	18,314

KEY FIGURES	31.03.2015	31.03.2014*
EPS in EUR [26]	0.91	0.73
RoE before tax	11.29 %	9.81 %
RoE after tax	9.14 %	7.96 %
Cost/income ratio	50.0 %	50.8 %
Risk/earnings ratio	9.6 %	20.5 %

* In 2014 adjusted to the changed consolidation scope.

Statement of change in equity

STATEMENT OF CHANGE IN EQUITY in thousands of euros	Subscribed capital	Reserves	Retained earnings	AfS reserve	Actuarial profit/loss	Total owners of the parent company	Non-controlling interests	Equity
Equity at 1 January 2014	50,000	60,707	692,376	125,008	–15,026	913,065	0	913,065
Consolidation effects*	0	0	48,773	–29,137	0	19,636	0	19,636
Equity at 1 January 2014	50,000	60,707	741,149	95,871	–15,026	932,702	0	932,702
Capital increases	0	0	0	0	0	0	0	0
Comprehensive income for the period								
Revenue	0	0	18,314	0	0	18,314	44	18,358
Other income	0	0	–1,744	6,415	1	4,672	0	4,672
Distributions	0	0	0	0	0	0	0	0
Own shares	0	–27	0	0	0	–27	0	–27
Other changes with a neutral effect on results	0	0	649	0	0	649	364	1,012
Equity at 31 March 2014	**50,000**	**60,680**	**758,368**	**102,286**	**–15,026**	**956,308**	**408**	**956,716**

STATEMENT OF CHANGE IN EQUITY in thousands of euros	Subscribed capital	Reserves	Retained earnings	AfS reserve	Actuarial profit/loss	Total owners of the parent company	Non-controlling interests	Equity
Equity at 1 January 2015	50,000	61,133	812,914	111,124	–31,318	1,003,854	541	1,004,395
Capital increases	0	0	0	0	0	0	0	0
Comprehensive income for the period								
Revenue	0	0	22,818	0	0	22,818	39	22,857
Other income	0	0	–2,042	–1,164	1	–3,205	0	–3,205
Distributions	0	0	0	0	0	0	0	0
Own shares	0	68	0	0	0	68	0	68
Other changes with a neutral effect on results	0	0	84	0	0	84	–147	–63
Equity at 31 March 2015	**50,000**	**61,201**	**833,774**	**109,960**	**–31,318**	**1,023,618**	**433**	**1,024,051**

* 01.01.2014 adjusted to the changed consolidation scope.

Cash flow statement as at 31 March 2015

CASH FLOW STATEMENT in thousands of euros	01.01.- 31.03.2015	01.01.- 31.03.2014
Cash position at the end of the previous period	173,002	229,545
Operating cash flow	–95,565	–83,397
Investment cash flow	–16,126	–14,745
Financing cash flow	5,397	–34,835
Cash position at the end of the period	66,707	96,568

BTV Group: notes 2015

Accounting and valuation principles

The present interim BTV Group accounts as at 31 March 2015 have been drawn up according to IFRS regulations and Interpretations by the International Financial Reporting Interpretations Committee (IFRIC) as exempting consolidated financial statements as defined by section 59a of the Austrian Banking Act (Bankwesengesetz - BWG) in conjunction with section 245a of the Austrian Commercial Code (Unternehmensgesetzbuch - UGB) and in accordance with IAS 34 (Interim Financial Reporting).

The Bank für Tirol und Vorarlberg AG is an ‚Aktiengesellschaft' (public limited company) headquartered in Austria. The company's registered office is Stadtforum in 6020 Innsbruck. The main activities of the company and its subsidiaries include asset management, corporate and retail banking, the holding of participations and the operation of funicular railways and other tourism firms. The segment reporting contains more detailed information on this.

The accounting and valuation methods applied uniformly across the group comply with the standards for European balance sheets, so that the informative value of these group financial statements equates to those pursuant to the provisions of the Austrian Commercial Code (UGB), in conjunction with the provisions of the Austrian Banking Act (BWG). The group interim report was prepared according to the same accounting principles as those applied to the audited annual BTV Group accounts 2014.

Principles of consolidation and scope of consolidation

All significant subsidiaries which are controlled by BTV under IFRS 10 are consolidated in the group financial statements, pursuant to IFRS 10. The Group controls a company if it is exposed to fluctuating returns on its commitment to the company or possesses rights thereon and has the ability to influence these returns using its power of control over the company. In accordance with the principles of IFRS 3, the consolidation of capital in the context of the acquisition method is performed by offsetting the consideration against the proportionally identified assets and liabilities. The assets and liabilities of the subsidiaries are stated at their respective fair market values at the time of acquisition. As part of the consideration, shares of other associates are valued with their share in the identified assets and liabilities. The difference between the acquisition costs and the net asset recorded at fair value is capitalised as goodwill. The capitalised goodwill is subject to an annual impairment test pursuant to the provisions of IFRS 3, in connection with IAS 36 and IAS 38. Subsidiaries of lesser significance for the asset, financial and income situation of the group are not fully consolidated.

The scope of full consolidation has not changed compared with 31 December 2014 and as at 31 March 2015 includes the following holdings.

FULLY CONSOLIDATED COMPANIES	Share in %	Voting rights in %
BTV Leasing Gesellschaft m.b.H., Innsbruck	100.00 %	100.00 %
BTV Real-Leasing Gesellschaft m.b.H., Vienna	100.00 %	100.00 %
BTV Real-Leasing I Gesellschaft m.b.H., Innsbruck	100.00 %	100.00 %
BTV Real-Leasing II Gesellschaft m.b.H., Innsbruck	100.00 %	100.00 %
BTV Real-Leasing III Nachfolge GmbH & Co KG, Innsbruck	100.00 %	100.00 %
BTV Real-Leasing IV Gesellschaft m.b.H., Innsbruck	100.00 %	100.00 %
BTV Real-Leasing V Gesellschaft m.b.H., Innsbruck	100.00 %	100.00 %
BTV Anlagenleasing 1 GmbH, Innsbruck	100.00 %	100.00 %
BTV Anlagenleasing 2 GmbH, Innsbruck	100.00 %	100.00 %
BTV Anlagenleasing 3 Gesellschaft m.b.H., Innsbruck	100.00 %	100.00 %
BTV Anlagenleasing 4 GmbH, Innsbruck	100.00 %	100.00 %
BTV Leasing Deutschland GmbH, Augsburg	100.00 %	100.00 %
BTV Leasing Schweiz AG, Staad	99.99 %	99.99 %
BTV Hybrid I GmbH, Innsbruck	100.00 %	100.00 %
BTV Hybrid II GmbH, Innsbruck	100.00 %	100.00 %
MPR Holding GmbH, Innsbruck	100.00 %	100.00 %
TiMe Holding GmbH, Innsbruck	100.00 %	100.00 %
VoMoNoSi Beteiligungs AG, Innsbruck	100.00 %	100.00 %
Silvretta Montafon Bergbahnen AG, Gaschurn	100.00 %	100.00 %
Silvretta Montafon Gastronomie GmbH, Gaschurn	100.00 %	100.00 %
Silvretta Skischule GmbH, Gaschurn	100.00 %	100.00 %
Silvretta Verwaltungs GmbH, Gaschurn	100.00 %	100.00 %
Silvretta Montafon Sporthotel GmbH & Co. KG, Gaschurn	100.00 %	100.00 %
HJB Projektgesellschaft mbH, St. Gallenkirch	100.00 %	100.00 %
Josefsheim Projektentwicklungsgesellschaft mbH, St. Gallenkirch	100.00 %	100.00 %
Silvretta Sportservice GmbH, Schruns	51.00 %	51.00 %
Process Engineering SMT GmbH, Dornbirn (in liquidation)	51.00 %	51.00 %
Skischule Silvretta Montafon St. Gallenkirch GmbH, St. Gallenkirch	50.00 %	50.00 %
BTV Beteiligungsholding GmbH, Innsbruck	100.00 %	100.00 %
BTV 2000 Beteiligungsverwaltungsgesellschaft m.b.H., Innsbruck	100.00 %	100.00 %

Leasing companies and the companies of the Silvretta Montafon Bergbahnen Group have been included in the report based on their respective first quarter year, in accordance with their divergent financial year. The balance sheet date of the leasing companies and the companies of the Silvretta Montafon Bergbahnen Group is 30 September, with the exception of Skischule Silvretta Montafon St. Gallenkirch GmbH, which is 31 May. BTV Beteiligungsholding GmbH's accounting year ends on 30 November. The companies of Silvretta Montafon have a divergent accounting date due to their seasonal activity. Owing to the structural situation in the group organisation, there is a different reporting date for both the leasing companies and BTV Beteiligungsholding GmbH.

As at 31 March 2015, the Group does not disclose any direct minority interests; there are only indirect minority interests. MPR Holding GmbH holds 100% of the shares in VoMoNoSi Beteiligungs AG as at 31 March 2015. There are only indirect minority interests, which are the result of the holding in Silvretta Sportservice GmbH, Process Engineering SMT GmbH (in liquidation) and Skischule Silvretta Montafon St. Gallenkirch GmbH. Silvretta Montafon Bergbahnen AG holds 51% of the shares in Silvretta Sportservice GmbH, based in Schruns, 51% of the shares in Process Engineering SMT GmbH (in liquidation), based in Dornbirn, and 50% of the shares in Skischule Silvretta Montafon St. Gallenkirch GmbH based in St. Gallenkirch. The result for the period that is allocated to the indirect minority interests is EUR 39,000. At the annual general meeting of 18 December 2014, Silvretta Sportservice GmbH resolved to distribute dividends of EUR 300,000, of which EUR 147,000 was allocated to minority interests.

Significant holdings over which BTV has a major influence are recorded by the equity method. As a rule, a stake of between 20% and 50% is considered to be a significant influence ("associated companies"). According to the equity method, holdings in associated companies are included in the financial statements at acquisition cost plus any changes in the group's share of the net assets of the associated company after the initial consolidation. There was no change for the associated companies in the first reporting quarter of 2015.

The following holdings were included using the equity method:

AT-EQUITY CONSOLIDATED COMPANIES	Share in %	Voting rights in %
BKS Bank AG, Klagenfurt	18.89 %	19.57 %
Oberbank AG, Linz	16.99 %	18.51 %
Drei-Banken Versicherungs-Aktiengesellschaft, Linz	20.00 %	20.00 %
Moser Holding AG, Innsbruck	24.99 %	24.99 %

BKS Bank AG based in Klagenfurt and Oberbank AG based in Linz are regional universal banks and together with BTV form the 3 Banken Group. In addition, the Drei-Banken Versicherungs-Aktiengesellschaft is the common insurance company of the 3 Banken Group. Moser Holding AG is active in publishing with a focus on print (daily newspapers, free weekly newspapers and magazines) and online.

The holdings in Oberbank AG and BKS Bank AG have been included in the group financial statements for the following reasons, despite the fact that they are below the 20% holding threshold: For the holding in Oberbank AG, there is a syndication contract between BTV, BKS Bank AG and Wüstenrot Wohnungswirtschaft reg. Gen.m.b.H., or for the holding in BKS Bank AG, there are syndicate agreements between BTV, Oberbank AG and Generali 3 Banken Holding AG, the purpose of which is to maintain the autonomy of the institutions.

In this way, for both of the cited companies, there is the possibility of exercising a significant influence. For the purpose of drawing up the annual financial statements in a timely fashion, at-equity valued companies are included for the period from 1 October 2014 to 31 December 2014.

Receivables and liabilities, expenses and income internal to the group are eliminated except where they are significant. An interim net profit elimination has been waived, since material interim net profit figures were not available.

Alpenländische Garantie-Gesellschaft m.b.H. is classed as joint operations. Alpenländische Garantie-Gesellschaft m.b.H. has a concession under Section 1 para. 1, line 8, of the Austrian Banking Act (BWG). Its exclusive corporate object is the granting of guarantees, sureties and other liabilities for lending businesses of the 3 Banken Group. The 3 Banken Group is primarily the only source for payment flows that contribute to the continued activities of the arrangement. It is therefore classed as a joint operation in accordance with IFRS 11.B29-32. The proportional assets and liabilities of the company are considered on the reporting date of 31 March.

PROPORTIONALLY CONSOLIDATED COMPANIES	Share in %	Voting rights in %
Alpenländische Garantie-Gesellschaft m.b.H.	25.00 %	25.00 %

Main business events in the period reported

With reference to the resolutions adopted at the 97th Annual General Meeting of the Bank für Tirol und Vorarlberg AG on 13 May 2015, please see the the BTV Homepage (www.btv.at) under the heading “Company”.

Events after the interim financial statement date

BTV Augsburg was closed in April. As at 11 March 2015, Process Engineering SMT GmbH (in liquidation), with registered office in Dornbirn, was deleted from the commercial register but appears in the full scope of consolidation of BTV owing to the divergent reporting date of the Silvretta Montafon Bergbahnen Group. In May 2015, a capital increase was carried out at Oberbank AG, Linz. BTV’s calculated share in this capital increase is EUR 12.89 million. Since the date of the interim report there have not been any activities or events in the BTV Group which are relevant to the report as a result of their form or content, and which would affect the picture of the asset, financial and earnings situation conveyed by this report.

Balance sheet – Assets

1 LOANS AND ADVANCES TO BANKS in thousands of euros	31.03.2015	31.12.2014
Loans to domestic credit institutions	190,296	79,782
Loans to foreign credit institutions	329,861	194,197
Loans to Credit Institutions	**520,157**	**273,979**

2 LOANS TO CLIENTS in thousands of euros	31.03.2015	31.12.2014
Loans to Austrian clients	4,292,936	4,250,336
Loans to foreign clients	2,218,370	2,136,172
Loans to clients	**6,511,306**	**6,386,508**

3 LOAN LOSS PROVISIONS in thousands of euros	2015	2014
Opening balance of credit transactions at 1 January	199,274	207,146
– Releases	–1,079	–8,568
+ Allocation	5,486	28,279
– Application	–3,105	–40,289
(+/–) Changes arising from currency differences	373	6
(+/–) Splitting	0	12,700
Loan loss provisions at 31 March | 31 December	**200,949**	**199,274**
Opening balance of credit transaction reserves at 1 January	38,657	1,552
– Releases	–165	–1,379
+ Allocation	19	9,791
– Application	–43	0
Splitting	140	28,693
Changes arising from currency differences	21	0
Credit transaction reserves at 31 March | 31 December	**38,629**	**38,657**
Total loan loss provisions at 31 March | 31 December	**239,577**	**237,931**

4 TRADING ASSETS in thousands of euros	31.03.2015	31.12.2014
Debenture bonds and other fixed-interest securities	0	7,122
Equities and other variable-interest securities	0	0
Positive market values arising from derivative transactions – Trading	16,429	6,516
Positive market values arising from derivative transactions – Fair value option	24,957	24,795
Trading assets	**41,386**	**38,433**

5 FINANCIAL ASSETS – AT FAIR VALUE THROUGH PROFIT OR LOSS in thousands of euros	31.03.2015	31.12.2014
Debenture bonds and other fixed-interest securities	132,477	132,873
Equities and other variable-interest securities	9,118	9,335
Financial assets - at fair value through profit or loss	**141,595**	**142,208**

6 FINANCIAL ASSETS – AVAILABLE FOR SALE in thousands of euros	31.03.2015	31.12.2014
Debenture bonds and other fixed-interest securities	1,115,913	1,104,186
Equities and other variable-interest securities	11,982	7,254
Other shareholdings	46,246	46,246
Other affiliated shareholdings	105,390	105,390
Financial assets - available for sale	**1,279,531**	**1,263,076**

7 FINANCIAL ASSETS – HELD TO MATURITY in thousands of euros	31.03.2015	31.12.2014
Debenture bonds and other fixed-interest securities	748,625	741,772
Financial assets – held to maturity	**748,625**	**741,772**

8 SHARES IN AT-EQUITY VALUED COMPANIES in thousands of euros	31.03.2015	31.12.2014
Credit institutions	412,391	409,623
Non-credit institutions	17,629	17,308
Shares in at-equity valued companies	**430,020**	**426,931**

Balance sheet – Liabilities

9 LIABILITIES TO BANKS in thousands of euros	31.03.2015	31.12.2014
Austrian credit institutions	846,412	732,408
Foreign credit institutions	661,383	662,284
Liabilities to credit institutions	**1,507,795**	**1,394,692**

10 LIABILITIES TO CLIENTS in thousands of euros	31.03.2015	31.12.2014
Savings deposits		
Austrian	1,031,064	1,024,949
Foreign	155,890	151,308
Sub-total savings deposits	1,186,954	1,176,257
Other deposits		
Austrian	3,277,149	3,241,688
Foreign	1,187,950	1,109,086
Sub-total other deposits	4,465,099	4,350,774
Liabilities to clients	**5,652,053**	**5,527,031**

11 SECURITISED DEBT in thousands of euros	31.03.2015	31.12.2014
Debentures	825,528	811,994
Domestic bonds	217,025	200,578
Securitised debt	**1,042,553**	**1,012,571**
of which fair value	410,722	424,874

12 TRADING LIABILITIES in thousands of euros	31.03.2015	31.12.2014
Negative market values arising from derivative transactions – Trading	44,146	4,786
Negative market values arising from derivative transactions – Fair value option	10,205	11,020
Trading liabilities	**54,351**	**15,806**

13 RESERVES AND PROVISIONS in thousands of euros	31.03.2015	31.12.2014
Long-term payroll reserves	85,120	85,077
Other reserves and provisions	41,457	42,289
Reserves and provisions	**126,577**	**127,366**

14 SUBORDINATED CAPITAL in thousands of euros	31.03.2015	31.12.2014
subordinated capital	383,025	378,952
subordinated capital	**383,025**	**378,952**
of which fair value	197,937	195,833

15 REGULATORY CAPITAL AND DEBT LEVELS

The consolidated capital of the Group is reported in accordance with the provisions of Basel III. This is based on EU Regulation 575/2013 (Capital Requirements Regulation – CRR), in conjunction with the Austrian CRR accompanying regulation. The capital according to CRR consists of the common equity (Common Equity Tier 1 – CET1), the additional core capital (Additional Tier 1 – AT1) and supplementary capital (Tier 2 – T2). The respective capital ratios are determined by contrasting the corresponding regulatory capital component after taking into account all regulatory deductions and transitional provisions of the overall measure of risk. In accordance with the provisions of the CRR, a minimum requirement of 4.5% is planned for CET1 which will be increased by the capital buffer defined in accordance with CRD IV (Capital Requirements Directive IV). For the entire core capital, a minimum requirement of 6.0% is provided; the total capital must reach a value of 8.0%. As regards the leverage ratio, reference is made to the disclosure pursuant to Part 8 of Regulation (EU) No 575/2013 (CRR). The structure of regulatory capital is based on the final proposal of the guidelines of the EBA (European Banking Authority); the values are assessed on the basis of the scope of consolidation required by supervisory regulations.

CONSOLIDATED EQUITY ACCORDING TO CRR in € million	Basel III 31.03.2015	Basel II 31.12.2014
Common equity (CET1)		
Capital instruments qualifying as CET1	99.5	99.5
Proprietary CET1 instruments	–1.4	–1.5
Retained earnings	782.0	778.5
Aggregated other income	60.3	60.3
Other reserves	128.7	128.7
Transitional changes owing to the transitional provisions for CET1 capital instruments	3.5	4.0
Goodwill	0.0	0.0
Other intangible assets	–0.0	–0.0
Regulatory changes in connection with CET1 instruments of financial companies, in which the bank holds a substantial interest	–327.0	–324.7
Other transitional changes to CET1	80.4	51.3
Common equity (CET1)	826.0	796.1
Additional core capital (Additional Tier 1)		
Changes owing to the transitional provisions for Additional Tier 1 capital instruments	56.7	64.8
Other transitional changes to Additional Tier 1	–56.7	–64.8
Additional core capital (Additional Tier 1)	0.0	0.0
Core capital (Tier 1): sum of common equity (CET1) and additional (AT1) core capital	826.0	796.1
Supplementary capital (Tier 2)		
Paid-up capital instruments and subordinated loans	131.7	141.1
Direct positions in supplementary capital instruments	–1.6	–0.9
Changes owing to the transitional provisions for supplementary capital instruments and subordinated loans	55.9	71.8
Other transitional changes to supplementary capital	–78.6	–78.0
Supplementary capital (Tier 2)	107.4	134.0
Total qualifying equity	933.4	930.1
Total risk-weighted assets	6,332.6	6,212.8
Common equity Tier 1 ratio	13.04 %	12.81 %
Core capital ratio	13.04 %	12.81 %
Equity ratio	14.74 %	14.97 %

Income Statement: Notes

16 NET INTEREST INCOME in thousands of euros	01.01.- 31.03.2015	01.01.- 31.03.2014
Interest and similar income from		
Lending and money market transactions with credit institutions	1,734	1,887
Lending and money market transactions with clients	36,108	38,267
Debenture bonds and fixed-interest securities	10,041	11,328
Equities and variable-rate securities	171	273
Other shareholdings	676	382
Other transactions	3,923	255
Sub-total interest and similar income	52,653	52,392
Interest and similar expenses on		
Credit institutions deposits	–1,636	–2,493
Customer deposits	–5,780	–6,992
Securitised debt	–799	–1,286
subordinated capital	–3,573	–3,293
Other trades	–4,361	–962
Sub-total interest and similar expenses	–16,149	–15,026
Income from at-equity valued companies	7,672	8,609
Net interest income	**44,176**	**45,975**

17 LOAN LOSS PROVISIONS in thousands of euros	01.01.- 31.03.2015	01.01.- 31.03.2014
Allocation of on-balance sheet provision	–5,487	–9,723
Allocation of off-balance sheet provision	–19	–51
Release of on-balance sheet provisions	1,078	448
Release of off-balance sheet provisions	165	2
Direct amortisation	–37	–191
Income from amortised receivables	47	74
Loan loss provisions in the credit business	**–4,253**	**–9,441**

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

18 COMMISSION INCOME in thousands of euros	01.01.-31.03.2015	01.01.-31.03.2014
Credit transaction	1,267	1,191
Payment transactions	3,111	3,124
Securities trading	6,606	4,880
Currency, foreign exchange and precious metals trading	1,249	632
Other services business	995	978
Net commission income	**13,228**	**10,805**

19 TRADING INCOME in thousands of euros	01.01.-31.03.2015	01.01.-31.03.2014
Income from derivatives	1,758	–352
Income from securities	124	101
Income from foreign exchange and notes and coins transactions	1,511	211
Trading income	**3,393**	**–40**

20 OPERATING EXPENSES in thousands of euros	01.01.-31.03.2015	01.01.-31.03.2014
Payroll	–19,314	–19,089
thereof salaries and wages	–14,277	–14,207
thereof legal social contributions	–4,003	–3,976
thereof other personnel costs	–524	–508
thereof expenditures for long-term personnel deferrals	–510	–398
Materials	–9,730	–9,256
Amortisation	–3,227	–3,592
Operating expenses	**–32,271**	**–31,937**

20a AVERAGE NUMBER OF EMPLOYEES, WEIGHTED ACCORDING to personnel years	31.03.2015	31.03.2014
White collar	889	879
Blue collar	304	293
Payroll	**1,193**	**1,172**

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

21 OTHER OPERATING INCOME in thousands of euros	01.01.- 31.03.2015	01.01.- 31.03.2014
Other operating income	8,606	12,762
Other operating expenses	–4,871	–6,670
Hedge accounting income	35	–14
Other operating profit	**3,770**	**6,078**

22 PROFIT ARISING FROM FINANCIAL ASSETS – AT FAIR VALUE THROUGH PROFIT OR LOSS in thousands of euros	01.01.- 31.03.2015	01.01.- 31.03.2014
Profit arising from financial assets – at fair value through profit or loss	305	506
Profit arising from financial assets – at fair value through profit or loss	**305**	**506**

23 PROFIT ARISING FROM FINANCIAL ASSETS – AVAILABLE FOR SALE in thousands of euros	01.01.- 31.03.2015	01.01.- 31.03.2014
Profit arising from financial assets – available for sale	–109	665
Profit arising from financial assets – available for sale	**–109**	**665**

24 PROFIT ARISING FROM FINANCIAL ASSETS – HELD TO MATURITY in thousands of euros	01.01.- 31.03.2015	01.01.- 31.03.2014
Profit arising from financial assets – held to maturity	0	0
Profit arising from financial assets – held to maturity	**0**	**0**

25 PERFORMANCE BONDS AND CREDIT RISKS in thousands of euros	31.03.2015	31.03.2014
Securities/guarantees	225,973	226,828
L/C	0	0
Credit risks	1,262,564	1,011,358
Performance bonds and credit risks	**1,488,537**	**1,238,186**

Creditworthiness by sector of selected countries

The following table illustrates the volume of receivables owed by debtors in selected countries categorised by sectors. Against the backdrop of recent trends on the financial markets, the loan, insurance and public authority sectors have been highlighted.

TOTAL CREDIT RISK: CREDITWORTHINESS STRUCTURE BY SECTORS OF THE SELECTED COUNTRIES AT 31 MARCH 2015

Sectors in thousands of euros	Italy	Ireland	Spain	Russia	Total
Loans and insurance	18,369	9,671	0	0	28,040
Public sector	0	0	0	0	0
Remaining sectors	140,921	87	1,951	421	143,380
Total	**159,290**	**9,758**	**1,951**	**421**	**171,420**

26 EPS (ORDINARY AND PREFERENCE SHARES)	31.03.2015	31.03.2014
Equities (ordinary and preference shares)	25,000,000	25,000,000
Average float (ordinary and preference shares)	24,989,975	24,963,654
Net Group income in thousands of euros	22,818	18,314
EPS (Earnings per share) in €	0.91	0.73
Diluted earnings per share in € (ordinary and preference shares)	0.91	0.73

The diluted earnings per share are the same as the undiluted earnings per share as no financial instruments with diluting effect were issued. This means that there is no difference between the values “earnings per share” and “diluted earnings per share”.

27 FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS WHICH ARE VALUED AT FAIR VALUE

The financial instruments reported at fair value are classified at fair value in the three tier valuation hierarchy as set out below.

This hierarchy reflects the significance of the input data used for the valuation and is classified as follows:

Quoted prices in active markets (Level 1):

This category contains equity, corporate bonds and government lending listed on major exchanges. The fair value of financial instruments traded in active markets is calculated on the basis of quoted prices, in so far as these represent prices applied within the context of regular and current transactions.

An active market must fulfil cumulatively the following conditions:

- the products traded on the market are homogeneous,
- normally willing contractual buyers and sellers can be found any time and
- prices are available to the public.

A financial instrument is seen as listed on an active market if its prices are available easily and regularly from a stock exchange, a trader or broker, an industry group, a price service agency or a supervisory authority and these prices represent actual and regularly occurring market transactions.

Valuation procedure through observable parameters (Level 2):

This category includes OTC derivative contracts, receivables and issued debt securities of the Group classified at fair value.

Valuation procedures through significant unobservable parameters (Level 3):

The financial instruments in this category show input parameters which are based on unobservable markets.

The allocation of certain financial instruments to the categories requires a systematic assessment, especially if the valuation is based on both observable as well as unobservable market parameters. The instrument classification may also change over time in consideration of changes to the market parameters.

For securities and other investments which are valued at fair value, the following valuation processes are applied:

Level 1
The fair value is derived from the transaction prices as traded on the stock exchange.

Level 2
Securities which are not traded in an active market are valued by means of the discounted cash flow method. This means that the future projected cash flows are discounted by means of suitable discount factors in order to calculate the fair value. The discount factors contain both the credit curve without credit risk as well as the credit spreads which follow the credit rating and the rank of the issuer. The interest curve for discounting hereby contains securities account, money-market futures and swap rates as observable on the market. The calculation of the credit spread follows a 3-step process:

1) If there is for the issuer a bond of the same rank and of the same remaining term which is actively traded on the market, this credit spread is used.
2) If there is no comparable bond which is actively traded on the market, the credit default swap spread (CDS spread) with a similar term is applied.
3) If there is neither a comparable bond traded on the market nor an actively traded CDS, then the credit spread from a comparable issuer is applied (level 3). This approach is currently not being used at the BTV group.

Level 3
The accompanying current values of the mentioned financial assets in the third stage were determined in accordance with generally recognised valuation processes. Significant parameters are the depreciation rate as well as long-term success and capitalisation values with consideration of the experience of the management as well as knowledge of the market conditions of the specific industry.

The issues are categorised at level 2 and the valuation takes place in accordance with the following process:

Level 2
The own issues are not subject to active trade on the capital market. Instead they are retail issues and private placements. The valuation consequently takes place by means of a discounted cash flow valuation model. This is based on a yield curve based on money market interest rates and swap interest as well as BTV's credit spreads. The credit spreads align themselves with the spreads that are payable at the time for an interest rate hedging transaction (interest spread on swap).

The derivatives are also categorised at level 2.
The following valuation processes are applied:

Level 2
Derivative financial instruments are divided into derivatives with a symmetrical payment profile as well as derivatives with an asymmetrical payment profile.

At BTV, derivatives with a symmetrical payment profile contain interest derivatives (interest swaps and interest rate forwards) and foreign currency derivatives (FX Swaps, cross currency swaps and FX outright transactions). These derivatives are calculated by means of the discounted cash flow method which is based on money market interest rates, money market futures interest rates, swap interest rates as well as basis spreads which can be observed continually on the market.

At BTV, derivatives with an asymmetrical payment profile contain interest derivatives (caps and floors). The calculation of the fair value occurs here by means of the Black-76-Option price model. All inputs are either completely directly observable on the market (money market rates, money market futures interest rates as well as swap interest rates) or derived from input factors observable on the market (caps / floor volatilities implicitly deducted from option prices).

The following tables show the fair value valuation methods used in order to determine the fair value of the balance sheet financial instruments.

FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS WHICH ARE VALUED AT FAIR VALUE AS AT 31 MARCH 2015 in thousands of euros	Prices listed in active markets	Valuation methods based on market data	Valuation methods not based on market data
	Level 1	Level 2	Level 3
Financial assets stated at fair value			
Trading portfolio securities	0	0	0
Positive market values from derivative financial instruments	0	124,249	0
Assets classified at fair value	115,423	26,101	71
Financial assets available for disposal	992,027	135,869	151,635
Overall financial assets classified at fair value	1,107,450	286,219	151,706
Financial liabilities stated at fair value			
Negative market values from derivative financial instruments	0	89,364	0
Liabilities classified at fair value	0	608,659	0
Overall liabilities classified at fair value	0	698,023	0

FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS WHICH ARE VALUED AT FAIR VALUE AS AT 31 DECEMBER 2014 in thousands of euros	Prices listed in active markets	Valuation methods based on market data	Valuation methods not based on market data
	Level 1	Level 2	Level 3
Financial assets stated at fair value			
Trading portfolio securities	0	7,122	0
Positive market values from derivative financial instruments	0	111,854	0
Assets classified at fair value	115,935	26,145	128
Financial assets available for disposal	984,509	126,932	151,635
Overall financial assets classified at fair value	1,100,444	272,053	151,763
Financial liabilities stated at fair value			
Negative market values from derivative financial instruments	0	54,833	0
Liabilities classified at fair value	0	620,707	0
Overall liabilities classified at fair value	0	675,540	0

MOVEMENTS IN LEVEL 3 OF FINANCIAL INSTRUMENTS ASSESSED AT FAIR VALUE in thousands of euros	December 2014	Result P&L	Result in other operating income	Purchases	Sales, repay-ments	Transfer to level 3	Transfer from level 3	Currency conver-sion	March 2015
Trading portfolio securities	0	0	0	0	0	0	0	0	0
Positive market values from derivative financial instruments	0	0	0	0	0	0	0	0	0
Classified at fair value - assets	128	–8	0	0	–49	0	0	0	71
Available for sale financial assets	151,635	0	0	0	0	0	0	0	151,635
Overall financial assets classified at fair value	**151,763**	**–8**	**0**	**0**	**–49**	**0**	**0**	**0**	**151,706**

Movements between level 1, level 2 and level 3

In the current reporting year 2015, there have not been any movements between the individual levels.

28 FAIR VALUE OF FINANCIAL INSTRUMENTS, WHICH ARE NOT VALUED AT FAIR VALUE

In the following table, for each balance sheet item the fair market value is compared with the book value. The market value is the amount which, in an active market, could be raised from the sale of a financial instrument or which would need to be paid to make an equivalent purchase.

For positions without a contractually fixed term the relevant book value was applied. If no market prices exist, then generally accepted valuation models were applied, in particular analysis using discounted cash flow and the option price model.

ASSETS in thousands of euros	Fair value 31.03.2015	Book value 31.03.2015	Fair value 31.12.2014	Book value 31.12.2014
Cash reserves	66,707	66,707	173,002	173,002
Loans to Credit Institutions	522,695	520,157	276,423	273,979
Loans to clients	6,972,241	6,511,306	6,916,304	6,386,508
Financial assets – held to maturity	809,579	748,625	800,149	741,772

LIABILITIES in thousands of euros	Fair value 31.03.2015	Book value 31.03.2015	Fair value 31.12.2014	Book value 31.12.2014
Liabilities to credit institutions	1,510,941	1,507,795	1,442,880	1,394,692
Liabilities to clients	5,669,346	5,652,053	5,551,723	5,527,031
Securitised debt	627,600	631,831	580,884	587,697
subordinated capital	185,423	185,088	183,507	183,119

30 SEGMENT REPORTING

Segment reporting is provided by BTV Group as required by the information and valuation rules of IFRS 8. Segment information is based on what is known as the "Management Approach". This requires segment information to be presented according to internal reporting as it is regularly used by the company's key decision-makers for decisions on allocation of resources to the segments and to assess their performance. The qualitative and quantitative thresholds defined in IFRS 8 are met by this segment reporting. The business areas are reported as independent businesses.

Segment reporting is based on internal divisional accounting for the corporate and retail customers business areas, on the overall bank report for the institutional clients and banks business area, on the Reporting Package and the monthly report for the BTV Leasing subgroup and on the respective monthly report for the Silvretta Montafon Bergbahnen Group. These reports reflect the structure of management responsibilities within BTV in 2015. These internal reports to the Board of Directors, which only satisfy IFRS accounting standards in part, are supplied monthly and are almost totally automated by preparatory systems and interfaces. The reporting dates for the data are the respective period closing dates of the subsidiaries included in the consolidated financial statements. The information of the internal and external accounting system is based on the same base data and is agreed for the reports. A reciprocal check, current agreements or plausibility checks between the Sales and Strategy Controlling, Risk Controlling, Reporting and Balance Sheet Presentation and Tax and Accounting groups are therefore guaranteed. The criterion for the separation of business areas is primarily the responsibility for looking after clients. Changes in this responsibility can also lead to changes in attribution to a segment during the course of a year. These effects are not corrected in the year-on-year comparison insofar as they are immaterial.

In 2015, the following business areas are defined within BTV:
The corporate client business area is responsible for small, medium and large business clients and chartered accountants and auditors. The retail client business area is responsible for the retail clients, freelance professionals and micro-companies market segments. The institutional clients and banks division mainly includes treasury and trading activities. The leasing segment brings together all leasing operations of the BTV Leasing Group. The Silvretta Montafon division includes all the tourism activities of the Silvretta Montafon Bergbahnen Group. The results of these segments also include transactions between segments, particularly between the corporate customer segment and leasing and the Silvretta Montafon Group. Services are transferred at market prices. Alongside these five reporting segments is the "Other segments/consolidations/misc." heading. This item reports the results from service areas across BTV, such as Finance and Controlling, Legal and Investments, Marketing and Communications and Group Auditing etc. In addition, the effects of consolidation and fully consolidated companies below the thresholds (Alpenländische Garantie-Gesellschaft m.b.H., BTV Hybrid I GmbH and BTV Hybrid II GmbH) as well as TiMe Holding GmbH are allocated to this segment.

The results of the five reporting segments are described on the next page.

Corporate clients

In the first quarter of 2015, income from corporate clients rose by EUR 6.3 million overall to EUR 19.9 million, compared with the previous year. This considerable increase was mainly due to the reduced loan loss provision for the credit business and the higher net commission income. Interest income remained almost constant at EUR 21.3 million. Loan loss provisions in the credit business fell by EUR 5.8 million to EUR 1.9 million. Compared with the previous year, net commission income grew by EUR 0.7 million. Operating expenses were up EUR 0.2 million.

Retail clients

Earnings for the quarter also managed to surpass the previous year's figure in the retail clients business. For the first quarter of 2015, pre-tax profit for the period was EUR 4.2 million, compared with EUR 4.0 million the previous year. In this segment too, the increase in net commission income of EUR 1.0 million, or 14.5%, to EUR 7.8 million was the main decisive factor. Interest income rose by EUR 0.2 million to EUR 9.6 million, owing to the increase in the financing volume. The increase in operating expenses and the slightly higher loan loss provisions had a negative effect on the profit for the period.

Institutional clients and banks

Net interest income fell year-on-year by EUR 0.3 million to EUR 10.9 million. The trading result including income from financial assets rose by EUR 2.4 million to EUR 3.6 million. At EUR 0.6 million, administration costs remained constant year-on-year. Loan loss provisions were EUR 1.1 million. In total, this led to a EUR 1.0 million increase in pre-tax profit for the period of EUR 12.8 million.

Leasing

Buoyed by higher customer cash values (EUR +49 million), net interest income rose by EUR +0.4 million to EUR 4.2 million. The other decisive factors are other operating profit (down EUR 0.9 million to EUR 0.2 million) and loan loss provisions (in the first quarter of 2014, EUR 0.6 million was allocated, while in the current reporting period, however, the amount of loan loss provisions released was downby EUR 0.1 million). Overall, pre-tax profit grew by EUR +0.2 million to EUR 3.1 million.

Silvretta Montafon

Owing to the course of business being dominated by tourism, the result fell due to the season. The late arrival of winter and the resulting poor earnings for December had a negative effect on income in the first quarter. Other operating profit, which mainly includes the revenues, was down by EUR 5.8 million, or –26.3%, in the first quarter of 2015 or EUR 2.1 million less than the previous year. These are the decisive factors for Silvretta Montafon with its average of 393 employees in the quarter under review. Administrative expenses fell by EUR 0.6 million to EUR 7.0 million. Overall, the net loss for the period stood at –EUR 1.5 million, as opposed to profit for the period of EUR 0.2 million the previous year.

SEGMENT REPORTING in thousands of euros	Year	Corporate clients	Retail clients	Institutional clients and banks	Leasing	Silvretta Montafon	Reporting segments	Others segments/ consolida-tion/misc.	Group balance sheet/ P&L
Net interest income	03/2015	21,306	9,604	10,913	4,187	–260	45,750	–9,245	36,505
	03/2014	21,426	9,409	11,220	3,758	–163	45,650	–8,284	37,366
Income from at-equity valued companies	03/2015	0	0	0	0	0	0	7,672	7,672
	03/2014	0	0	0	0	0	0	8,609	8,609
Loan loss provisions in the credit business	03/2015	–1,856	–1,345	–1,093	60	0	–4,234	–19	–4,253
	03/2014	–7,693	–1,073	0	–624	0	–9,390	–51	–9,441
Net commission income	03/2015	6,505	7,828	0	109	0	14,442	–1,214	13,228
	03/2014	5,822	6,836	0	169	0	12,827	–2,022	10,805
Operating expenses	03/2015	–6,070	–12,091	–556	–1,568	–7,022	–27,307	–4,964	–32,271
	03/2014	–5,948	–11,524	–575	–1,438	–7,565	–27,050	–4,887	–31,937
Other operating profit	03/2015	0	185	0	239	5,810	6,234	–2,464	3,770
	03/2014	0	314	0	1,080	7,887	9,281	–3,203	6,078
Result from financial assets and trading result	03/2015	0	0	3,563	26	0	3,589	0	3,589
	03/2014	0	0	1,161	–30	0	1,131	0	1,131
Result for the period before tax	03/2015	19,885	4,181	12,827	3,053	–1,472	38,474	–10,234	28,240
	03/2014	13,607	3,962	11,806	2,915	159	32,449	–9,838	22,611
Segment loans	03/2015	4,372,447	1,340,056	2,358,671	749,259	3,765	8,824,198	435,314	9,259,512
	03/2014	4,253,904	1,299,553	2,436,589	700,707	4,326	8,695,079	131,269	8,826,348
Segment liabilities	03/2015	2,026,423	2,996,311	3,021,154	705,424	41,971	8,791,283	–151,506	8,639,777
	03/2014	1,840,240	2,770,025	3,282,711	664,063	49,189	8,606,228	–334,395	8,271,833

Changes in this responsibility can lead to changes in attribution to a segment. These effects are not corrected in the year-on-year comparison.

Segment reporting: explanatory notes

The net interest income is allocated according to the market interest method. Sales figures are included in the corporate and retail clients for management reasons, among other items. Income from equity-valued companies is allocated to the "Other segments/consolidation/misc." area. Net commission income is determined by the assignment of the internal divisional accounting (including all manual entries being assigned to commission). Costs are allocated to the respective segments in which they were incurred and the expenses of BTV Leasing GmbH or Silvretta Montafon Group are directly allocated in accordance with the management reports. Costs not directly imputable are shown under "Other segments/consolidation/misc." Other operating income includes, among other things, the turnover of the Silvretta Montafon Group and essentially the stability tax and rental operations under "Other segments/consolidation/misc."

The segment receivables include the entries for loans and advances to banks, loans and advances to clients, trading assets and all fixed-interest securities, guarantees and liabilities. The "Other segments/consolidation/misc." column includes loan loss provisions, since the internal control considers the liabilities as net figures in contrast to the balance sheet. Also included in this column are consolidating entries. The entries for liabilities to banks, liabilities to clients, trading liabilities, securitised debt, trading liabilities and subordinated capital are allocated to the liabilities segment. Consolidating entries are also included in this item in the "Other segments/consolidation/misc." column.

The success of the business field concerned is measured by the pre-tax annual net profit generated by that segment.

Declaration by the statutory representatives pursuant to Section 82 (4) and 87 (1) BörseG (Stock Exchange Act)

We confirm that, to the best of our knowledge, the abridged interim group financial statements drawn up in accordance with the relevant accounting standards convey as faithful a picture as possible of the asset, financial and earnings position of the BTV group, and that the report paints as faithful a picture as possible of the asset, financial and earnings position of the BTV group with reference to the important events during the first three months of the financial year and their effects on the abridged interim 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 interim report by an auditor has been waived.

Innsbruck, May 2015

The Board of Directors

Peter Gaugg
Board Spokesperson

Spokesperson for the Board of Directors with responsibility for corporate client business in Innsbruck, Tyrolean Unterland, Oberland and Ausserfern, South Tyrol, Vienna and Southern Germany; Corporate Clients, Group Audit, Human Resources, Quality Management, Marketing & Communications divisions; BTV Leasing; Compliance and money laundering.

Mag. Matthias Moncher
Member of the Board

Member of the Board of Directors with responsibility for risk, process, IT and cost management; the departments for finance and controlling, legal matters and investments, credit management, the service centre, group audit; Compliance and money laundering.

Gerhard Burtscher
Member of the Board

Member of the Board, responsible for private client business in Tyrol, Vorarlberg, Vienna, Southern Germany and Italy; Corporate client business in Vorarlberg; Corporate and private customer business in Switzerland; Institutional Clients and Banks, Group audit; Compliance and money laundering.

BTV shares as at 31 March 2015

International equity markets at an all-time high

Since the beginning of the year, more than 20 central banks worldwide have eased their monetary policy, which has given a boost to the international equity markets. Driven by the ECB's bond purchase programme, mainly European bourses rallied, with many indices reaching new all-time highs. The Japanese and Chinese equity markets also displayed a considerably positive trend. On the other hand, the US Fed displayed a rather sideways trend. High rate hikes have in recent months resulted in a significant expansion of the valuation, which is why European markets are currently strong and US indices are slightly overvalued. If the recovery of the global economy continues in the coming months — supported by the low oil price and the expansionary monetary policy adopted by the major central banks — corporate earnings might also turn out to be positive, which should continue to give impetus to the equity markets. Stronger fluctuations have already been observed in recent weeks though, which point to a greater risk perception on the part of investors. Factors of uncertainty such as further action with regard to Greece or speculation about the first US interest rate hike may also continue to lead to increased fluctuations.

Among the European stock markets, the DAX has — since the beginning of the year and posting a 22% gain — benefited the most, both from the ECB's quantitative easing programme and as a result of increased exports. The Euro Stoxx 50 also managed a significant rise of 17.5%, while the Vienna Stock Exchange Austrian Traded Index (ATX) has already made good its previous year's losses by posting a 16.2% gain. The Japanese stock market also made a 10% gain in the current year, while US indices such as S&P 500 (+0.4%) and Dow Jones (–0.3%) displayed a sideways trend. Following the announcement that the EUR/CHF lower limit would be raised, the Swiss SMI shed approx. 15% but managed to make good these losses by the end of the quarter, even posting a slight gain of 1.6%.

BTV's ordinary shares have risen since 1 January 2015. by 3.0% to EUR 22.00 and preference shares by 3.3% to EUR 18.60.

Overview of 3 Banken Group – Group information

	BKS Bank		Oberbank		BTV	
PROFIT AND LOSS in € million	01.01.-31.03.2015	01.01.-31.03.2014	01.01.-31.03.2015	01.01.-31.03.2014	01.01.-31.03.2015	01.01.-31.03.2014
Net interest income	36.1	39.1	86.5	82.4	44.2	46.0
Loan loss provisions in the credit business	–6.2	–13.9	–20.4	–18.1	–4.3	–9.4
Commission income	12.9	11.7	35.2	30.6	13.2	10.8
Operating expenses	–26.2	–25.9	–59.7	–57.9	–32.3	–31.9
Other operating profit	–0.3	0.0	2.4	4.5	3.8	6.1
Net pre-tax profit for the period	18.1	12.3	48.9	42.9	28.2	22.6
Group profit for the period	11.7	10.5	40.6	35.6	22.9	18.4

BALANCE SHEET FIGURES in € million	31.03.2015	31.12.2014	31.03.2015	31.12.2014	31.03.2015	31.12.2014
Total assets	6,868.7	6,864.5	17,871.4	17,774.9	9,913.3	9,597.7
Loans and advances to clients after loan loss provisions	4,962.9	4,828.9	11,951.6	11,801.8	6,310.4	6,187.2
Primary funds	4,918.6	5,013.0	12,325.1	12,288.6	7,077.6	6,918.6
of which savings deposits	1,710.7	1,705.5	3,081.9	3,098.5	1,187.0	1,176.3
of which securitised debt including subordinated capital	799.0	789.1	2,217.2	2,295.0	1,425.6	1,391.5
Equity	809.5	805.7	1,591.0	1,534.1	1,024.1	1,004.4
Managed deposits	13,350.2	12,972.0	24,458.7	23,441.9	12,734.5	12,155.5
of which customer deposits	8,431.6	7,959.0	12,133.6	11,153.3	5,656.9	5,236.8

REGULATORY CAPITAL in € million	31.03.2015	31.12.2014	31.03.2015	31.12.2014	31.03.2015	31.12.2014
Basis for measuring capital	4,982.7	4,846.6	12,015.2	11,935.2	6,332.6	6,212.8
Equity	564.6	580.9	1,868.5	1,874.4	933.4	930.1
of which common equity (CET1)	534.5	543.7	1,338.9	1,306.9	826.0	796.1
of which total core capital (CET1 and AT1)	534.5	543.7	1,389.7	1,385.2	826.0	796.1
Common equity ratio in %	10.73 %	11.22 %	11.14 %	10.95 %	13.04 %	12.81 %
Core capital ratio in %	10.73 %	11.22 %	11.57 %	11.61 %	13.04 %	12.81 %
Total capital ratio in %	11.33 %	11.99 %	15.55 %	15.70 %	14.74 %	14.97 %

COMPANY KEY INDICATORS in %	31.03.2015	31.12.2014	31.03.2015	31.12.2014	31.03.2015	31.12.2014
Return on equity before tax (RoE)	6.65 %	6.74 %	12.59 %	10.68 %	11.29 %	9.27 %
Return on Equity after tax	5.82 %	6.13 %	10.46 %	9.25 %	9.14 %	7.86 %
Cost/income ratio	53.8 %	52.7 %	46.3 %	50.1 %	50.0 %	54.4 %
Risk/earnings ratio	17.1 %	31.5 %	23.6 %	20.9 %	9.6 %	15.9 %

NUMBER of resources	31.03.2015	31.12.2014	31.03.2015	31.12.2014	31.03.2015	31.12.2014
Weighted average number of employees	923	915	2,019	2,004	1,193	1,195
Number of branches	57	57	156	156	37	38

Imprint

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Notes

Any reference in the interim report to a person (e.g. he, him) is intended to apply equally to women and men.

In the BTV interim report there may be slightly differing values between tables or graphics due to rounding.

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 date. 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.

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Further details pursuant to Section 25 of the Austrian Media Act can be found at www.btv.at/impressum.

Principle objective

Display and presentation of the company and information about the key products and services of the Bank für Tirol und Vorarlberg Aktiengesellschaft.

Contents

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Design

BTV Marketing and Communication
Markus Geets

Final version

8 May 2015