SHAREHOLDERS' REPORT
INTERIM REPORT
AS AT 31 MARCH 2014

BANK FÜR TIROL UND VORARLBERG AG

BTV VIER LÄNDER BANK

3 Banken Gruppe

Contents

IMPORTANT DATES FOR BTV SHAREHOLDERS

Annual General Meeting	14 May 2014, 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	19 May 2014
Payment of dividend	22 May 2014
Interim report as at 31 March 2014	Published on 23 May 2014 (www.btv.at)
Interim report as at 30 June 2014	Published on 22 August 2014 (www.btv.at)
Interim report as at 30 September 2014	Published on 28 November 2014 (www.btv.at)

The BTV Group at a glance

INCOME in € million	31/03/2014	31/03/2013	Change in %
Net interest income	45.3	40.1	+13.1%
Loan-loss provisions in the credit business	–9.4	–9.5	–0.4%
Net commission income	10.8	11.4	–5.0%
Operating expenses	–31.9	–23.5	+36.1%
Net pre-tax profit for the period	21.9	20.7	+6.3%
Group profit for the period	17.7	16.3	+8.5%

BALANCE SHEET in € million	31/03/2014	31/12/2013	Change in %
Total assets	9,479	9,589	–1.1%
Loans and advances to clients after loan loss provisions	6,035	6,197	–2.6%
Primary funds	6,558	6,716	–2.4%
of which savings deposits	1,165	1,176	–0.9%
of which securitised debt including subordinated capital	1,284	1,288	–0.3%
Equity	937	913	+2.6%
Managed deposits	11,510	11,546	–0.3%

REGULATORY CAPITAL in € million	31/03/2014	31/12/2013	Change in %
Risk-weighted assets	6,280	6,055	+3.7%
Equity	1,097	964	+13.8%
of which common equity (CET1)	783	-	-
of which total core capital (CET1 and AT1)	847	807	+5.0%
Common equity Tier 1 ratio	12.46%	-	-
Core capital ratio	13.49%	13.33%	+0.16 pp
Equity ratio	17.47%	15.93%	+1.54 pp

COMPANY KEY FIGURES in percentage points	31/03/2014	31/03/2013	Change in percentage points
Return on equity before tax (RoE)	9.63%	9.82%	–0.19 pp
Return on Equity after tax	7.76%	7.75%	+0.01 pp
Risk/earnings ratio	20.8%	23.6%	–2.8 pp

RESOURCES Number	31/03/2014	31/12/2013	Change Number
Number of branches	37	37	+0

KEY INDICATORS FOR BTV SHARES	31/03/2014	31/03/2013
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 EUR	20.10/16.60	17.50/15.90
Bottom price of ordinary/preference share in EUR	19.60/16.50	17.20/15.40
Closing price of ordinary/preference share in EUR	20.10/16.60	17.30/15.50
Market capitalisation in millions of euros	494	428
IFRS EPS in EUR	2.87	2.65
P/E ratio, ordinary share	7.0	6.5
P/E ratio, preference share	5.8	5.9

Management report and notes on BTV Group business development in 2014

Economic environment

Industrial countries grew significantly more strongly in the first quarter 2014 than in the previous year. The euro countries returned to a path of moderate growth following the decline of 2013 owing to strong exports. The economic performance of emerging countries remains below expectations due to structural problems. The GDP in BTV's markets demonstrated the strongest growth within the eurozone. The expected economic growth for 2014 is approximately +1.8%, with Switzerland the positive outlier at +2.1%.

America's economy was caught by a weak start to the year. GDP remained virtually at the level of the previous quarter with a small quarterly gain of 0.1%. Economists' forecasts had predicted roughly +1%. The stagnation is being attributed to the unusually poor weather. The American economy is actually better on the road to recovery than first quarter figures suggest. Forecasts for 2014 expect GDP growth of +2.9%.

Interest rates

The returns on ‚safe haven' bonds have fallen again in the first quarter given the current environment of political and economical uncertainty, primarily due to the developments in Crimea and the disappointing figures from China. By now they offer hardly any compensation for inflation. The environment in the bonds segment remains challenging. In order to achieve higher returns or non-negative real interest rates, investors are having to resort to longer maturities or weaker credit ratings.

The American Federal Reserve is sticking to its plan to end its bond purchasing programme later in the year. From May it still wants to buy USD 45 billion government bonds and mortgage securities per month in order to put pressure on longer-term interest rates. The central bank is thus continuing the gradual reduction started in December by USD 10 billion per month.

In the first quarter of 2014, long-dated euro interest rates fell considerably (–37 basis points to 1.79% on the 10-year euro swap). Money market interest rates on the other hand were up slightly (+3 basis points to 0.31% on the 3-month Euribor).

Currencies

Among the major currencies, the euro has to cope with the effects of a more moderate stance on the part of the central bank. Since the deflation risks in the eurozone are higher than in the USA or Japan, the market expects additional monetary policy stimuli from the ECB. The negative effects to the euro of a possible interest rate drop are, however, relatively limited since the large and still growing current account surplus of the eurozone (roughly EUR +200 billion) supports the euro compared to the US deficit of almost –290 billion. In general, the expectations with regard to ending the zero or almost-zero interest rate policies in Europe and the USA remain a key issue for currency performance.

The weak yen pushed by the government to support Japanese export companies continued at the beginning of the first quarter; the decline however turned out to be moderate at –2%.

The Swiss franc continues to be sound.

Profit trend

The development of the overall income statement and the balance sheet of the BTV Group were influenced by changes in the scope of consolidation (cf. p 12 and following pages); the values for the previous year correspond to the scope of consolidation at that time. This should be noted in the individual detailed items.

Net interest income

The pleasing increase in the BTV profit for the period before tax as at 31 March 2014 by +6.3% to EUR 21.9 was primarily the result of the higher net interest income.

At EUR 45.3 million, the interest income made gains of EUR +5.2 million or +13.1% compared to 31 March 2013. Interest income also includes income from at-equity valued enterprises. This result including the effects from changes from the scope of consolidation was EUR 8.0 million overall.

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.

So far in 2014, the requirement for loan-loss provisions for credit transactions fell by -0.4% to EUR 9.4 million. This includes the newly established portfolio-based allowances in addition to the specific valuation allowances. Within the segments, loan loss provisions are distributed between corporate customers at EUR 7.7 million and retail business at EUR 1.1 million. Loan loss provisions of BTV Leasing were EUR 0.6 million. There were no loan loss provisions for credit transactions for institutional clients and banks.

Net commission income

The total net commission income fell by EUR -0.6 million or -5.0% to EUR 10.8 million. Securities trading was down by EUR -0.3 million at EUR 4.9 million. Payment transactions and the forex, foreign notes and coins and precious metals business were down by EUR -0.2 million. Other services business was able to gain (EUR +0.1 million). The lending business performed sideways at EUR 1.2 million.

Trading income

Trading income was at EUR 0.0 million, EUR -0.4 million below the previous year. The main reason for this decline was reduced income from hedging transactions.

Operating expenses

Operating expenses (personnel, expenditure on materials, amortisation and depreciation) were up EUR +8.5 million, or +36.1%, to EUR 31.9 million. The rise in personnel, expenditure on materials, amortisation and depreciation resulted from the inclusion of VoMoNoSi Beteiligungs AG in the scope of full consolidation.

Personnel costs increased moderately in the year to date (2014) by EUR +4.2 million or +28.0% to EUR 19.1 million. This includes collective agreement salaries for employees of BTV AG, which increased on average by +2.5%. Operating expenses increased year-on-year by EUR +2.3 million to EUR 9.3 million. Depreciation was EUR 3.6 million in the reporting period. With an increase of EUR +2.0 million, this has more than doubled due to the reported change in the scope of full consolidation.

Other operating profit

The result for other operating profit improved by EUR +6.5 million to EUR 6.1 million. The increase was the result of including VoMoNoSi Beteiligungs AG in the scope of full consolidation. This position includes the revenues of the Silvretta Montafon Group. Also included is the Austrian stability tax for BTV AG (EUR 1.0 million to end March 2014).

Income from financial assets

The income from financial assets as at 31 March 2014 was EUR 1.0 million down on the previous year, at EUR 1.2 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.
By 31 March 2014, tax liability fell by -2.2% to EUR 4.3 million in comparison to the previous year. The effective tax rate for the current year is 19.4%.

Group income: stable result

Overall, it was primarily BTV AG's robust operational business that led to a gain of EUR +1.3 million, or +6.3%, to EUR 21.9 million pre-tax profit for the period. After tax, Group income for the period was EUR 17.7 million (+8.5%).

The cost/income ratio of the BTV Group was around 51.4% as at 31 March 2014 and the risk/earnings ratio 20.8%. The return on equity before tax was 9.6%.

Balance sheet performance

Total assets at 31 March 2014 were EUR 9,479 million, down EUR 110 million or -1.1% on the comparative figure for year end 2013.

In comparison with 31 December 2013, cash reserves decreased by EUR 133 million, to EUR 97 million, due to reduced credit with central banks and lower cash holdings.

Loans to banks fell by EUR 18 million, to EUR 304 million, compared to the year-end result. BTV held back from the inter-bank market in the first quarter.

The restrained demand for credit led to a fall of EUR 155 million, to EUR 6,250 million, in the „loans to clients" item. Within the segments, it was primarily lending to corporate customers that declined. Tourism concerns in particular made unscheduled repayments on loans, an effect that occurs every year in the first quarter.

Split according to domestic and international business, loans and advances to domestic clients fell by EUR 86 million to EUR 4,221 million, while loans and advances to international clients fell by EUR 69 million to EUR 2,029 million.

Loan loss provisions for lending increased by EUR +8 million to EUR 215 million.

Financial assets and interests, including trading assets rose compared to the previous year by EUR +51 million to EUR 2,665 million. As in previous years, the majority of new investments for 2014 were carried out in the first quarter. Regarding the reinvestment of expiring securities, primarily fixed interest medium and longer term securities with excellent credit ratings were purchased, which may be used for tender and repo transactions.

Primary funds formed the basis of the refinancing: this was a total of EUR 6,558 million as at 31 March 2014. The decline primarily resulted from institutional customers (down -2.4% compared to 31 December 2013).

Managed client deposits were at EUR 11,510 million at the end of March 2014 – this constitutes a drop of -0.3% compared to year end 2013. The deposit volumes were up +2.5% to EUR 4,952 million and counteracted the falling primary funds. The basic principle of BTV, refinancing customer credit business by primary finds, is still intact.

Liabilities to banks fell by EUR -62 million in comparison to year-end 2013, to EUR 1,691 million owing to the declining customer loans, despite reduced primary funds.

Balance sheet equity increased by EUR +23 million to EUR 937 million, mainly thanks to the good result for the period.

As at 31 March 2014, the credit institution group's qualifying net equity under BWG (Austria's Banking Act) was EUR 1,097 million as per Basel III, being above EUR 1 billion for the first time. Overall it increased by roughly EUR +133 million compared to 31 December 2013 (Basel 2.5), mainly due to the increased Tier 1 core capital.

On 31 March 2014, the Tier 1 core capital of the credit institution group as per BWG amounted to EUR 847 million. Of this, common equity (CET1) accounted for EUR 782 million and the additional core capital (AT1) for EUR 65 million. Total risk-weighted assets rose to EUR 6,280 million (EUR +225 million compared to 31 December 2013). From this the common equity is calculated at 12.46%, the core capital ratio at 13.49% and the equity ratio at 17.47%. 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 and Eastern Switzerland and South Tyrol. BTV is already the market leader in the main target groups in Tyrol and Vorarlberg. This position continues to be reinforced.

As explained in the outlook in the 2013 annual report, for the financial year 2014 we expect that the annual net profit before tax will be at least equal to that of 2013, provided there are no unexpected economic upsets.

Abridged consolidated financial statements

Balance Sheet at 31 March 2014

ASSETS in thousands of euros	31/03/2014	31/12/2013	Change absolute	Change in %
Cash reserves	96,568	229,545	–132,977	–57.9%
Loans and advances to banks [1] [Notes]	304,096	321,850	–17,754	–5.5%
Loans and advances to clients [2]	6,249,905	6,404,543	–154,638	–2.4%
Loan loss provisions [3]	–215,183	–207,146	–8,037	+3.9%
Trading assets [4]	23,245	27,208	–3,963	–14.6%
Financial assets – at fair value through profit or loss [5]	152,766	155,223	–2,457	–1.6%
Financial assets – available for sale [6]	1,318,602	1,251,189	+67,413	+5.4%
Financial assets – held to maturity [7]	821,240	846,262	–25,022	–3.0%
Shares in at-equity-valued companies [8]	348,933	333,672	+15,261	+4.6%
Intangible fixed assets	6,796	51	+6,745	>+100%
Property, plant and equipment	165,007	85,364	+79,643	+93.3%
Properties held as financial investments	45,241	46,754	–1,513	–3.2%
Tax refunds	4,169	224	+3,945	>+100%
Other assets	157,285	93,786	+63,499	+67.7%
Total assets	**9,478,670**	**9,588,525**	**–109,855**	**–1.1%**

LIABILITIES in thousands of euros	31/03/2014	31/12/2013	Change absolute	Change in %
Liabilities to banks [9]	1,690,868	1,752,704	–61,836	–3.5%
Liabilities to clients [10]	5,273,993	5,427,569	–153,576	–2.8%
Securitised debt [11]	906,284	880,491	+25,793	+2.9%
Trading liabilities [12]	23,052	21,443	+1,609	+7.5%
Reserves and provisions [13]	117,142	69,601	+47,541	+68.3%
Tax debts	17,133	15,030	+2,103	+14.0%
Other liabilities	136,062	100,781	+35,281	+35.0%
Subordinated capital [14]	377,636	407,841	–30,205	–7.4%
Equity [15]	936,500	913,065	+23,435	+2.6%
Non-controlling interests	407	0	+407	>+100%
Owners of the parent company	936,093	913,065	+23,028	+2.5%
Total liabilities	**9,478,670**	**9,588,525**	**–109,855**	**–1.1%**

Combined profit and loss account as at 31 March 2014

COMBINED PROFIT AND LOSS ACCOUNT in thousands of euros	01/01 - 31/03/2014	01/01 - 31/03/2013	Change absolute	Change in %
Interest and similar income	52,391	59,380	–6,989	–11.8%
Interest and similar expenses	–15,027	–23,284	+8,257	–35.5%
Income from at-equity valued companies	7,951	3,982	+3,969	+99.7%
Net interest income [16]	45,315	40,078	+5,237	+13.1%
Loan-loss provisions [17]	–9,441	–9,476	+35	–0.4%
Commission income	11,957	13,138	–1,181	–9.0%
Commission expenses	–1,152	–1,759	+607	–34.5%
Net commission income [18]	10,805	11,379	–574	–5.0%
Trading income [19]	–40	351	–391	>–100%
Operating expenses [20]	–31,937	–23,459	–8,478	+36.1%
Other operating income [21]	6,077	–381	+6,458	>–100%
Income from financial assets – at fair value through profit or loss [22]	506	1,045	–539	–51.6%
Income from financial assets – available for sale [23]	665	1,121	–456	–40.7%
Income from financial assets – held to maturity [24]	0	0	+0	+0.0%
Net pre-tax profit for the period	21,950	20,658	+1,292	+6.3%
Taxes on earnings and profit	–4,253	–4,348	+95	–2.2%
Group profit for the period	**17,697**	**16,310**	**+1,387**	**+8.5%**
Non-controlling interests	44	0	+44	>+100%
Owners of the parent company	17,653	16,310	+1,343	+8.2%

ADDITIONAL OVERALL PROFIT in thousands of euros	01/01 - 31/03/2014	01/01 - 31/03/2013
Group profit for the period	17,697	16,310
Revaluation from performance-oriented pension plans	1	–6
Changes in at-equity valued companies recognised directly in equity	–98	–923
Profits/losses with regard to deferred taxes, applied directly against equity	0	2
Total headings which could subsequently not be allocated into profit or loss	–98	–927
Unrealised profit/loss on assets retained for disposal (AfS reserve)	6,415	–4,795
Changes in at-equity valued companies recognised directly in equity	8	1,993
Unrealised profits/losses from adjustments due to currency conversions	35	–67
Profits/losses with regard to deferred taxes, applied directly against equity	–1,608	2,613
Total of the items which can subsequently be allocated to profit or loss	4,849	–256
Sum other comprehensive income	4,752	–1,183
Comprehensive income for the period	**22,449**	**15,127**
Non-controlling interests	44	0
Owners of the parent company	22,405	15,127

Quarterly financial data

COMBINED PROFIT AND LOSS ACCOUNT in thousands of euros	I. Q 2014	VI. Q 2013	III. Q 2013	II. Q 2013	I. Q 2013
Interest and similar income	52,391	56,073	59,324	67,034	59,380
Interest and similar expenses	–15,027	–17,290	–20,147	–29,905	–23,284
Income from at-equity valued companies	7,951	3,747	4,449	12,346	3,982
Net interest income [16]	45,315	42,530	43,626	49,475	40,078
Loan-loss provisions [17]	–9,441	–13,964	–11,006	–12,438	–9,476
Commission income	11,957	12,639	12,391	13,086	13,138
Commission expenses	–1,152	–1,076	–1,269	–1,871	–1,759
Net commission income [18]	10,805	11,563	11,122	11,215	11,379
Trading income [19]	–40	48	634	–32	351
Operating expenses [20]	–31,937	–23,942	–24,037	–24,589	–23,459
Other operating income [21]	6,077	–470	–849	–572	–381
Income from financial assets – at fair value through profit or loss [22]	506	9	250	1,214	1,045
Income from financial assets – available for sale [23]	665	–273	1,368	599	1,121
Income from financial assets – held to maturity [24]	0	–1	–22	0	0
Net pre-tax profit for the period	21,950	15,500	21,086	24,872	20,658
Taxes on earnings and profit	–4,253	–2,948	–7,080	–3,372	–4,348
Group profit for the period	**17,697**	**12,552**	**14,006**	**21,500**	**16,310**
Non-controlling interests	44	0	0	0	0
Owners of the parent company	17,653	12,552	14,006	21,500	16,310

KEY FIGURES	31/03/2014	31/03/2013
EPS in EUR [26]	0.71	0.65
RoE before tax	9.63%	9.82%
RoE after tax	7.76%	7.75%
Cost/income ratio*	51.4%	45.6%
Risk/earnings ratio	20.8%	23.6%

* Other operating profit is now included in the calculation of the cost/income ratio. The value for the previous year has been adjusted.

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 2013	50,000	60,935	647,147	99,744	–12,302	845,524	0	845,524
Capital increases	0	0	0	0	0	0	0	0
Comprehensive income for the period	0	0	19,928	–4,795	–6	15,127	0	15,127
Distributions	0	0	0	0	0	0	0	0
Own shares	0	–71	0	0	0	–71	0	–71
Other changes with a neutral effect on results	0	0	0	0	0	0	0	0
Equity at 31.03.2013	**50,000**	**60,864**	**667,075**	**94,948**	**–12,308**	**860,580**	**0**	**860,580**

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
Capital increases	0	0	0	0	0	0	0	0
Comprehensive income for the period	0	0	15,989	6,415	1	22,405	44	22,449
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	1,013
Equity at 31 March 2014	**50,000**	**60,680**	**709,014**	**131,422**	**–15,025**	**936,093**	**407**	**936,500**

Cash flow statement as of 31 March 2014

CASH FLOW STATEMENT in thousands of euros	01/01 - 31/03/2014	01/01 - 31/03/2013
Cash position at the end of the previous period	229,545	109,068
Operating cash flow	–83,397	131,280
Investment cash flow	–14,745	–136,432
Financing cash flow	–34,835	–18,895
Cash position at the end of the period	96,568	85,021

Cash flow from investment activity includes a cash flow of EUR 18,086 thousand from the acquisition of associated companies.

BTV Group: notes 2014

Accounting and valuation principles

The present interim BTV Group accounts 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 Business Enterprise Code (Unternehmensgesetzbuch - UGB). This group interim report as of 31 March 2014 has been drawn up in accordance with IAS 34 (Interim Financial Reporting). 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). During the quarter under review, the new version of IAS 27 and 28 and the new IFRS 10, 11 and 12 standards were applied for the first time. Moreover, the group interim report has been prepared according to the same accounting principles as those applied to the audited annual BTV Group accounts 2013.

Principles of consolidation and scope of consolidation

All significant subsidiaries which are under the financial control of the Bank für Tirol und Vorarlberg AG (BTV) are fully consolidated in the group financial statements, pursuant to IFRS 10. The consolidation of equity is carried out pursuant to the principles of IFRS 3, within the context of the acquisition method, by offsetting the acquisition costs against the identified assets and liabilities allocated to the parent company on a proportional basis. The assets and liabilities of the subsidiaries are stated at their respective fair market values at the time of acquisition. 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 changed in 2014. Due to the resolution of the vote trust agreement, MPR Holding GmbH gained control over VoMoNoSi Beteiligungs AG as at 1 January 2014. TiMe Holding GmbH was established in March 2014 and is a subsidiary of MPR Holding GmbH. Its purpose is to hold the participation in Moser Holding AG.

As at 31 March 2014, the scope of full consolidation 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%
Gewerbegebiet Hall Immobilien GmbH, 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%
Silvretta Montafon Infrastruktur GmbH, Gaschurn	100.00%	100.00%
HJB Projektgesellschaft mbH, St. Gallenkirch	100.00%	100.00%
Silvretta Sportservice GmbH, Schruns	51.00%	51.00%
Process Engineering SMT GmbH, Dornbirn	51.00%	51.00%
Skischule Silvretta Montafon St. Gallenkirch GmbH, St. Gallenkirch	50.00%	50.00%

Leasing companies and the companies of the Silvretta Montafon Bergbahnen Group were included in the interim report as at 31 December 2013, in accordance with their divergent financial year. The balance sheet date of the leasing companies and the companies of the Silvretta Montafon Bergbahnen Group, with the exception of Skischule Silvretta Montafon St. Gallenkirch GmbH, is 30 September. The balance sheet date of Skischule Silvretta Montafon St. Gallenkirch GmbH is 31 May. The companies of Silvretta Montafon have a divergent accounting date due to their seasonal activity. The leasing companies have a divergent period closing date due to structural fact in the organisation of the group.

As at 31 March 2014 the Group does not disclose any direct minority interests owing to the acquisition of the remaining minority interests in VoMoNoSi Beteiligungs AG in March. MPR Holding GmbH holds 100% of the shares in VoMoNoSi Beteiligungs AG as at 31 March 2014. There are only indirect minority interests, which are the results of the holding in Silvretta Sportservice GmbH, Process Engineering SMT GmbH 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, 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 44 thousand.

As the ordinary general assembly of 2 December 2013, Silvretta Sportservice GmbH resolved to distribute dividends of EUR 700 thousand, to which EUR 343 thousand was allocated to minority interests.

With the circular resolution to shareholders on 13 January 2014, Process Engineering SMT GmbH resolved to distribute EUR 70 thousand of dividends to shareholders. Of this, EUR 34 thousand was allocated to minority interests.

Skischule Silvretta Montafon St. Gallenkirch GmbH only began operating in the 2013/2014 financial year.

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 are also changes in associated companies as as 31 March 2014. Moser Holding AG is included at equity in the consolidated financial statements for the first time. The purchase of 24.99% of shares in Moser Holding AG closed on 27 March 2014. The share purchase agreement had already been signed on 16 July 2013. Moser Holding AG has a divergent economic year with a year-end date of 30 June and is included in the interim report dated 31 December 2013.

VoMoNoSi Beteiligungs AG was included in the scope of full consolidation and as such no longer appears under the companies reported at-equity.

The company ALPENLÄNDISCHE GARANTIE-GESELLSCHAFT M.B.H. is no longer included at equity as from 2014, but is classed a company acting jointly and therefore reported in the prorated assets and debts.

The following holdings were included using the equity method:

AT EQUITY CONSOLIDATED COMPANIES	Share in %	Voting rights in %
BKS Bank AG, Klagenfurt	18.90%	18.90%
Oberbank AG, Linz	13.95%	13.95%
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 the Oberbank AG, there is a syndication contract between BTV, the BKS Bank AG and the Wüstenrot Wohnungswirtschaft reg. Gen.m.b.H. For the holding in the BKS Bank AG, there is a syndication contract between BTV, Oberbank AG and Generali 3 Banken Holding AG. The purpose of each of these syndication contracts is the maintenance of the independence of the bank. In this way, for both of the cited companies, there is the possibility of exercising a significant influence.

Associated companies are considered to have a reporting date of 31 December, in order to permit the drawing up of the annual financial statements in timely fashion. Receivables and liabilities, expenses and income internal to the group are eliminated except where they are insignificant. An interim net profit elimination has been waived, since material interim net profit figures were not available.

The ALPENLÄNDISCHE GARANTIE GESELLSCHAFT M.B.H. is classed as joint operations after IFRS 11 came into effect on 1 January 2014. The company 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 and is therefore classed as joint operations in accordance with IFRS 11.B29-32.

COMPANIES OPERATING JOINTLY	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 96th Annual General Meeting on 14 May 2014, please see the announcement on the BTV Homepage under the heading „Company" (www.btv.at).

Events after the interim financial statement date

Since the date of the interim financial statement there have not been any activities or events in the BTV Group which are relevant to the report because 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	31/03/2014	31/12/2013
Loans to domestic credit institutions	71,050	134,817
Loans to foreign credit institutions	233,046	187,033
Loans to Credit Institutions	**304,096**	**321,850**

2 LOANS TO CLIENTS in thousands of euros	31/03/2014	31/12/2013
Loans to Austrian clients	4,221,103	4,306,350
Loans to foreign clients	2,028,802	2,098,193
Loans to clients	**6,249,905**	**6,404,543**

3 LOAN LOSS PROVISIONS in thousands of euros	2014	2013
Opening balance of credit transactions at 1 January	207,146	194,492
– Releases	–448	–456
+ Allocation	9,723	10,618
– Application	–1,240	–5,008
(+/–) Changes arising from currency differences	2	–6
Loan-loss provisions at 31 March.	215,183	199,640
Opening balance commitments at 1 January	1,552	1,107
– Releases	–2	–16
+ Allocation	51	0
– Application	0	0
Reclassification from consolidation	42,731	0
Changes arising from currency differences	0	0
Reserves and provisions commitments at 31.03	**44,332**	**1,091**
Total loan-loss provisions at 31.03	**259,515**	**200,731**

4 TRADING ASSETS in thousands of euros	31/03/2014	31/12/2013
Debenture bonds and other fixed-interest securities	0	0
Equities and other variable-interest securities	0	0
Positive market values arising from derivative transactions – Trading	988	6,023
Positive market values arising from derivative transactions – Fair value option	22,257	21,185
Trading assets	**23,245**	**27,208**

5 FINANCIAL ASSETS – AT FAIR VALUE THROUGH PROFIT OR LOSS in thousands of euros	31/03/2014	31/12/2013
Debenture bonds and other fixed-interest securities	143,414	145,773
Equities and other variable-interest securities	9,352	9,450
Financial assets - at fair value through profit or loss	**152,766**	**155,223**

6 FINANCIAL ASSETS – AVAILABLE FOR SALE in thousands of euros	31/03/2014	31/12/2013
Debenture bonds and other fixed-interest securities	1,081,390	980,290
Equities and other variable-interest securities	33,930	72,835
Other shareholdings	35,674	30,335
Other affiliated shareholdings	167,608	167,729
Financial assets - available for sale	**1,318,602**	**1,251,189**

7 FINANCIAL ASSETS – HELD TO MATURITY in thousands of euros	31/03/2014	31/12/2013
Debenture bonds and other fixed-interest securities	821,240	846,262
Financial assets – held to maturity	**821,240**	**846,262**

8 SHARES IN AT-EQUITY VALUED COMPANIES in thousands of euros	31/03/2014	31/12/2013
Credit institutions	332,846	329,656
Non-credit institutions	16,087	4,016
Shares in at-equity valued companies	**348,933**	**333,672**

Balance sheet – Liabilities

9 LIABILITIES TO BANKS in thousands of euros	31/03/2014	31/12/2013
Austrian credit institutions	757,876	679,439
Foreign credit institutions	932,992	1,073,265
Liabilities to credit institutions	**1,690,868**	**1,752,704**

10 LIABILITIES TO CLIENTS in thousands of euros	31/03/2014	31/12/2013
Savings deposits		
Austrian	1,032,071	1,039,940
Foreign	133,176	135,843
Sub-total savings deposits	1,165,247	1,175,783
Other deposits		
Austrian	2,921,559	3,081,270
Foreign	1,187,187	1,170,516
Sub-total other deposits	4,108,746	4,251,786
Liabilities to clients	**5,273,993**	**5,427,569**

11 SECURITISED DEBT in thousands of euros	31/03/2014	31/12/2013
Debentures	708,356	681,527
Domestic bonds	197,928	198,964
Securitised debt	**906,284**	**880,491**
of which fair value	408,089	401,711

12 TRADING LIABILITIES in thousands of euros	31/03/2014	31/12/2013
Negative market values arising from derivative transactions – Trading	10,589	8,969
Negative market values arising from derivative transactions – Fair value option	12,463	12,474
Trading liabilities	**23,052**	**21,443**

13 RESERVES AND PROVISIONS in thousands of euros	31/03/2014	31/12/2013
Long-term payroll reserves	67,551	65,590
Other reserves and provisions	49,591	4,011
Reserves and provisions	**117,142**	**69,601**

14 SUBORDINATED CAPITAL in thousands of euros	31/03/2014	31/12/2013
Supplementary capital	296,631	326,798
Hybrid capital	81,005	81,043
Subordinated capital	**377,636**	**407,841**
of which fair value	151,912	153,085

15 REGULATORY CAPITAL AND DEBT LEVELS

As of 2014, 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%. Pursuant to the CRR accompanying regulation in Austria, the minimum requirements are set at 4.0% for common equity and at 5.5% for the entire core capital. The minimum requirement for total capital remains unchanged compared to the requirements of CRR at 8.0%. Additional regulatory capital buffers are not defined for the 2014 reporting period. With regard to the debt ratio (leverage ratio), a revised version of the guidelines for the determination and disclosure of the leverage ratio was published in January 2014. It is expected to be adopted into the European regulatory framework in 2015. Within BTV the future impact will be examined and the appropriate requirements in terms of disclosure from 1 January 2015 prepared.

CONSOLIDATED EQUITY OF THE BTV CI GROUP in millions of euros	31/03/2014 Basel 3	31/03/2013 Basel 2.5
Common equity (CET1)	782.5	n.a.
Additional core capital (AT1)	64.8	n.a.
Core capital (Tier 1): sum of common equity (CET1) and additional (AT1) core capital	847.3	807.0
Supplementary capital (Tier 2)	250.1	157.3
Equity applied under Section 23 para. 14 line 7 BWG (Tier 3)	n.a.	0.1
Total regulatory capital	**1,097.4**	**964.4**
Risk-adjusted assessment basis	5,877.0	5,651.9
Risk-adjusted assessment basis	0.9	1.5
Risk-adjusted assessment basis	402.0	402.0
Total risk-weighted assets	**6,279.9**	**6,055.4**
Common equity Tier 1 ratio	12.46%	n.a.
Core capital ratio	13.49%	13.33%
Equity ratio	17.47%	15.93%

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.

The comparative figures with Basel 2.5 are limited to the total items, since the structure of equity under Basel 3 differs considerably from that under Basel 2.5.

Explanation: n.s. = not shown

Income Statement: Notes

16 NET INTEREST INCOME in thousands of euros	01/01 - 31/03/2014	01/01 - 31/03/2013
Interest and similar income from		
Lending and money market transactions with credit institutions	1,887	2,542
Lending and money market transactions with clients	38,267	37,416
Debenture bonds and fixed-interest securities	11,328	12,366
Equities and variable-rate securities	273	319
Other shareholdings	382	356
Other transactions	254	6,381
Sub-total interest and similar income	52,391	59,380
Interest and similar expenses on		
Credit institutions deposits	–2,493	–2,817
Customer deposits	–6,992	–9,195
Securitised debt	–1,286	–725
Subordinated capital	–3,293	–3,321
Other trades	–963	–7,226
Sub-total interest and similar expenses	–15,027	–23,284
Income from at-equity valued companies	7,951	3,982
Net interest income	**45,315**	**40,078**

17 LOAN LOSS PROVISIONS in thousands of euros	01/01 - 31/03/2014	01/01 - 31/03/2013
Allocation of on-balance sheet provision	–9,723	–10,619
Allocation of off-balance sheet provision	–51	0
Loan loss insurance premiums	0	–1,149
Release of on-balance sheet provisions	448	2,300
Release of off-balance sheet provisions	2	16
Direct amortisation	–191	–122
Income from amortised receivables	74	98
Loan-loss provisions in the credit business	**–9,441**	**–9,476**

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 - 31/03/2014	01/01 - 31/03/2013
Credit transaction	1,191	1,243
Payment transactions	3,124	3,296
Securities trading	4,880	5,170
Currency, foreign exchange and precious metals trading	632	787
Other services business	978	883
Net commission income	**10,805**	**11,379**

19 TRADING INCOME in thousands of euros	01/01 - 31/03/2014	01/01 - 31/03/2013
Income from derivatives	–352	–75
Income from securities	101	136
Income from foreign exchange and notes and coins transactions	211	290
Trading income	**–40**	**351**

20 OPERATING EXPENSES in thousands of euros	01/01 - 31/03/2014	01/01 - 31/03/2013
Payroll	–19,089	–14,910
thereof salaries and wages	–14,207	–11,089
thereof legal social contributions	–3,976	–3,023
thereof other personnel costs	–508	–481
thereof expenditures for long-term personnel deferrals	–398	–317
Materials	–9,256	–6,950
Amortisation	–3,592	–1,599
Operating expenses	**–31,937**	**–23,459**

20a AVERAGE NUMBER OF EMPLOYEES, WEIGHTED ACCORDING to personnel years	2014	2013
White collar	879	768
Blue collar	293	26
Payroll	**1,172**	**794**

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 - 31/03/2014	01/01 - 31/03/2013
Other operating income	12,761	1,702
Other operating expenses	–6,670	–2,084
Hedge accounting income	–14	1
Other operating profit	**6,077**	**–381**

22 PROFIT ARISING FROM FINANCIAL ASSETS – AT FAIR VALUE THROUGH PROFIT OR LOSS in thousands of €	01/01 - 31/03/2014	01/01 - 31/03/2013
Profit arising from financial assets – at fair value through profit or loss	506	1,045
Profit arising from financial assets – at fair value through profit or loss	**506**	**1,045**

23 PROFIT ARISING FROM FINANCIAL ASSETS – AVAILABLE FOR SALE in thousands of euros	01/01 - 31/03/2014	01/01 - 31/03/2013
Profit arising from financial assets – available for sale	665	1,121
Profit arising from financial assets – available for sale	**665**	**1,121**

24 PROFIT ARISING FROM FINANCIAL ASSETS – HELD TO MATURITY in thousands of euros	01/01 - 31/03/2014	01/01 - 31/03/2013
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	31/03/2014	31/03/2013
Performance guarantees	226,828	269,896
Credit risks	1,011,358	901,080
Performance bonds and credit risks	**1,238,186**	**1,170,976**

Creditworthiness by sector of selected countries

The following table illustrates the volume of receivables owed by debtors in the countries of Italy, Ireland and Spain, 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 2014 in thousands of euros

Sectors	Italy	Ireland	Spain	Total
Loans and Insurance	45,003	13,570	0	58,573
Public sector	0	0	0	0
Remaining sectors	112,484	87	545	113,116
Total	**157,487**	**13,657**	**545**	**171,689**

There was no credit risk exposure to Greece, Portugal or Ukraine. The Irish liability is almost entirely accounted for by a US group, the financial services subsidiary of which is headquartered in Ireland.

26 EPS (ORDINARY AND PREFERENCE SHARES)	31/03/2014	31/03/2013
Equities (ordinary and preference shares)	25,000,000	25,000,000
Average float (ordinary and preference shares)	24,963,654	24,974,781
Net Group income in thousands of euros	17,653	16,310
EPS (Earnings per share) in €	0.71	0.65
Diluted earnings per share in € (ordinary and preference shares)	0.71	0.65

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

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

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 homogenous,
- 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 contains hereby 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 where 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 an interest 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 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	0	0
Positive market values from derivative financial instruments	0	81,329	0
Assets classified at fair value	126,549	25,914	303
Financial assets available for disposal	971,623	143,697	203,282
Overall financial assets classified at fair value	1,098,172	250,940	203,585
Financial liabilities stated at fair value			
Negative market values from derivative financial instruments	0	64,255	0
Liabilities classified at fair value	0	560,001	0
Overall liabilities classified at fair value	0	624,256	0

FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS WHICH ARE VALUED AT FAIR VALUE AS AT 31 DECEMBER 2013 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	77,401	0
Assets classified at fair value	129,100	25,822	301
Financial assets available for disposal	891,804	127,321	232,064
Overall financial assets classified at fair value	1,020,904	230,544	232,365
Financial liabilities stated at fair value			
Negative market values from derivative financial instruments	0	62,883	0
Liabilities classified at fair value	0	554,796	0
Overall liabilities classified at fair value	0	617,679	0

MOVEMENTS IN LEVEL 3 OF FINANCIAL INSTRUMENTS ASSESSED AT FAIR VALUE in thousands of euros	December 2013	Success in profit and loss	Success from other operating income	Purchases	Sales, repayments	Transfer to level 3	Transfer from level 3	Currency conversion	March 2014
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
Assets classified at fair value	301	2	0	0	0	0	0	0	303
Financial assets available for disposal	232,064	0	–23	6,401	–1,190	30	–34,000	0	203,282
Overall financial assets classified at fair value	**232,365**	**2**	**–23**	**6,401**	**–1,190**	**30**	**–34,000**	**0**	**203,585**

Movements between level 1, level 2 and level 3

In the first quarter, financial assets available of EUR 34,030 thousand were reclassified for disposal owing to effects of consolidation. The reclassification was determined based on the portfolios as at 31 December 2013.

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 to 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 March 2014	Book value 31 March 2014	Fair value 31 December 2013	Book value 31 December 2013
Cash reserves	96,568	96,568	229,545	229,545
Loans to Credit Institutions	305,606	304,096	323,088	321,850
Loans to clients	6,767,781	6,249,905	6,881,828	6,404,543
Financial assets – held to maturity	858,337	821,240	875,006	846,262

LIABILITIES in thousands of euros	Fair value 31 March 2014	Book value 31 March 2014	Fair value 31 December 2013	Book value 31 December 2013
Liabilities to credit institutions	1,685,379	1,690,868	1,744,778	1,752,704
Liabilities to clients	5,296,026	5,273,993	5,431,697	5,427,569
Securitised debt	493,485	498,194	467,988	478,781
Subordinated capital	229,060	225,723	253,086	254,756

29 INFORMATION ON SHARES IN OTHER COMPANIES

With the resolution of the vote trust agreement, MPR Holding GmbH gained control over VoMoNoSi Beteiligungs AG as at 1 January 2014. The purpose of VoMoNoSi Beteiligungs AG is to hold participations in the tourism segment. Due to the resolution of the vote trust agreements, MPR Holding GmbH obtained 15% of the voting rights. As such, MPR Holding GmbH held 64% of the shares and 64% of the voting rights in VoMoNoSi Beteiligungs Ag as at 1 January 2014. The resolution of the voting trust agreement is to be seen as an element in the implementation of the overall strategy.

ASSETS AND DEBTS OF VOMONOSO BETEILIGUNGS AG AT THE POINT OF ACQUISITION in thousands of euros	1 January 2014
Petty cash balance	80
Loans to Credit Institutions	4,165
Loans to clients	1
Intangible assets	349
Property, plant and equipment	78,515
Financial assets	322
Accrued income	236
Other assets	6,060
Deferred tax assets	4,073
Liabilities to banks	–79,839
Other liabilities	–4,916
Deferred tax liabilities	–299
Long-term payroll reserves	–1,899
Other reserves and provisions	–3,361
Net assets	**3,487**
Indirect non-controlling interests	744
Net assets without indirect non-controlling interests	2,743

The resolution of the voting trust agreements results in a participation adjustment measured at fair value in the income statement of EUR 1,755 thousand. MPR Holding GmbH held 64% of the shares in VoMoNoSi Beteiligungs AG as at 1 January 2014. Of these shares, 36% are minority interests at the time of acquisition.

MINORITY INTERESTS AT DATE OF ACQUISITION in thousands of euros	1 January 2014
Indirect minority interests	744
Direct minority interests	987
Total minority interests as at 1 January 2014	**1,731**

The revenues for the sub-group VoMoNoSi for the first quarter were EUR 9,674 thousand. The annual net pre-tax profits since the date of acquisition, which is comparable to the first quarter, amounts to EUR 106 thousand.

On 14 March 2014 MPR Holding GmbH acquired the remaining 36% of shares in VoMoNoSi Beteiligungs AG and thus holds 100% of the shares at the quarterly reporting date of 31 March 2014. As a result of this transaction among shareholders in March 2014 only indirect minority interests are reported as at 31 March 2014.

CHANGE IN THE SHARE OF MPR HOLDING GMBH IN VOMONOSI BETEILIGUNGS AG in thousand of euros	
Share of MPR Holding GmbH as at 1 January 2014 (without indirect minority interests)	1,755
Effect of the increase of the amount of holding to 100%	987
Shares in the comprehensive income as at 31 March 2014	849
Less profit carried forward from previous years	–786
Share of MPR Holding GmbH as at 31 March 2014	**2,805**

The company ALPENLÄNDISCHE GARANTIE-GESELLSCHAFT M.B.H. is classed as joint operations as of 1 January 2014 as a result of IFRS 11 coming into effect and recognised pro rata with the assets and debts in the consolidated financial statements.

RECONCILIATION OF THE EQUITY METHOD TO THE PRO RATA ACCOUNTING OF ASSETS AND DEBTS in thousand of euros	
At-equity valued investment 1 January 2014	974
Disclosed assets and debts 31 March 2014	
Loans to Credit Institutions	43,761
Reserves for guarantees	–42,781
Other reserves and provisions	–6
Equity at 31 March 2014	**974**

In January 2014 BTV structured its segment reporting. This was based on the newly developed overall bank management reports and due to the inclusion of VoMoNoSi Beteiligungs AG (includes the Silvretta Montafon group) in the scope of full consolidation and BTV Leasing crossing the qualitative and quantitative thresholds defined in IFRS 8 (previously reported in corporate banking).

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 2014. 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 automatic 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 between Controlling and the accounting and reporting departments. This also means that there is mutual checking by the two teams. 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 2014, 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. BTV Leasing brings together all leasing operations as a subsidiary of BTV AG. The Silvretta Montafon Bergbahnen Group contains all of its fully consolidated subsidiaries. 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 central cost centres providing services 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 (ALGAR, BTV Hybrid I GmbH and BTV Hybrid II GmbH) as well as parts of MPR Holding GmbH (in particular TiMe Holding GmbH) are allocated to this segment.

Corporate clients

The main driver for growth in the first quarter 2014 in the corporate client segment was the interest income. Moderately increased volumes and margins in the financing business improved this result by EUR +0.9 million, to EUR 21.4 million. Loan loss provisions in the lending business performed sideways. Administrative costs fell by EUR -1.0 million to EUR 5.9 million. Commission income fell by EUR -0.2 million to EUR 5.8 million. Overall the result for the period in the corporate client area before tax improved by EUR +1.8 million to EUR 13.6 million.

Retail clients

In the retail client area, the reduced commission result (EUR -1.0 million to EUR 6.8 million) reduced the result for the period before tax by EUR -1.2 million to EUR 4.0 million. In the first quarter both the interest income and loan loss provisions performed sideways. Administrative expenses rose by EUR +0.4 million to EUR 11.5 million.

Institutional clients and banks

The interest income fell year-on-year by EUR -4.6 million to EUR 11.2 million. Administrative costs performed sideways, while the trading result including income from financial assets fell by EUR -1.3 million to EUR 1.2 million. Overall the pre-tax income for the period was EUR 11.8 million.

Leasing

Buoyed by higher customer cash values (EUR +34 million), interest income of the leasing subsidiary rose by EUR +0.3 million to EUR 3.8 million. Another decisive factor is the other operating income, which was up by EUR +0.2 million to EUR 1.1 million. Costs and loan loss provisions remained under control, whereby the pre-tax profit for the period grew by EUR +0.4 million to EUR 2.9 million.

Silvretta Montafon

The result of the Silvretta Montafon Group is reported for the first time due to full consolidation. Consequently there are no comparable values for 2013. Owing to the course of business being dominated by tourism, the result fell drastically due to the season. As at 31 March 2014 the months of October to December 2013 for Silvretta Montafon Bergbahnen Group are included in the interim report.

The materially decisive factors of Silvretta Montafon, with its average 381 employees in the reporting quarter, are revenues, which are shown in Other operating income (EUR 7.9 million) and administrative costs (EUR 7.6 million). Overall, the pre-tax result for the period with a slightly negative interest income (EUR -0.2 million) was around EUR 0.2 million.

SEGMENT REPORTING IN thousands of euros	Year	Corporate clients	Retail clients	Institutional clients and banks	Leasing	Silvretta Montafon	Reporting segments	Other segments/ consolida-tion/misc.	Group balance sheet/P&L
Net interest income	03/2014	21,426	9,409	11,220	3,758	–163	45,650	–8,286	37,364
	03/2013	20,493	9,353	15,861	3,450	0	49,157	–13,061	36,096
Income from at-equity valued companies	03/2014	0	0	0	0	0	0	7,951	7,951
	03/2013	0	0	0	0	0	0	3,982	3,982
Loan-loss provisions in the credit business	03/2014	–7,693	–1,073	0	–624	0	–9,390	–51	–9,441
	03/2013	–7,734	–1,115	0	–627	0	–9,476	0	–9,476
Net commission income	03/2014	5,822	6,836	0	169	0	12,827	–2,022	10,805
	03/2013	6,006	7,815	0	224	0	14,045	–2,666	11,379
Operating expenses	03/2014	–5,948	–11,524	–575	–1,438	–7,565	–27,050	–4,887	–31,937
	03/2013	–6,969	–11,089	–536	–1,453	0	–20,047	–3,412	–23,459
Other operating profit	03/2014	0	314	0	1,080	7,887	9,281	–3,204	6,077
	03/2013	0	181	0	836	0	1,017	–1,398	–381
Result from financial assets and trading result	03/2014	0	0	1,161	–30	0	1,131	0	1,131
	03/2013	0	0	2,432	85	0	2,517	0	2,517
Result for the period before tax	03/2014	13,607	3,962	11,806	2,915	159	32,449	–10,499	21,950
	03/2013	11,796	5,145	17,757	2,515	0	37,213	–16,555	20,658
Segment loans	03/2014	4,253,904	1,299,553	2,436,589	700,707	4,326	8,695,079	131,269	8,826,348
	03/2013	4,198,364	1,376,590	2,509,097	664,049	0	8,748,100	223,079	8,971,179
Segment liabilities	03/2014	1,840,240	2,770,025	3,282,711	664,063	49,189	8,606,228	–334,395	8,271,833
	03/2013	1,653,324	2,919,585	3,027,343	629,738	0	8,229,990	164,932	8,394,922

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.“ The other operating income includes, among other things, the conversion of the Silvretta Montafon Group and essentially the stability tax and rental and underground 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 before-tax annual net profit generated by that segment. The result of the investment in the Silvretta Montafon Group was included in 2013 in the at-equity result and not yet part of the full consolidation, therefore the comparative figures for the „Silvretta Montafon“ segment for 2013 are stated as 0.

The cost/income ratio is worked out as a quotient arising from the administrative expenditure and the sum arising from the net interest income including the income of at-equity valued companies, the net commission income, the trading income and other operating income.

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 intermediate 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 occurrences during the first three 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 interim report by an auditor has been waived.

Innsbruck, May 2014

The Board of Directors

Peter Gaugg
Board Spokesperson

Spokesperson for the Board of Directors with responsibility for corporate client business in Vorarlberg, Innsbruck, South Tyrol and Vienna; Corporate and private customer business Southern Germany; Corporate audit, Human resources, Marketing & Communications divisions; Compliance and money laundering.

Mag. Matthias Moncher
Member of the Board

Member of the Board of Directors with responsibility for risk, p rocess, IT and cost management; the departments for finance and controlling, legal matters and investments and 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 and Italy; Corporate client business in Tiroler Oberland and Unterland; Corporate and private customer business in Switzerland; Institutional Clients and Banks, Corporate audit; Compliance and money laundering.

BTV shares as at 31 March 2014

Share prices start the year sideways

After several years of growth, the prices of the major indices (with the exception of Japan) moved in a corridor of approx. +/- 5% around the start-of-year value. Recently however, profit-taking has increased since the markets partially overheated, bringing the stock markets sideways overall.

As in the previous year, Japan stands out from amongst the major stock exchanges. Profit-taking allowed the Japanese market to fall by 9% compared to the beginning of the year after the sharp increase in 2013 (+39%). The Swiss SMI gained +3% and the Euro Stoxx 50 around +2%. The US Dow Jones and Vienna's ATX index were down slightly at -1% each.

Overview of 3 Banken Group – Group information

	BKS Bank		Oberbank		BTV	
PROFIT AND LOSS in € million	01/01 - 31/03/2014	01/01 - 31/03/2013	01/01 - 31/03/2014	01/01 - 31/03/2013	01/01 - 31/03/2014	01/01 - 31/03/2013
Net interest income	39.1	32.5	82.4	80.4	45.3	40.1
Loan-loss provisions in the credit business	–13.9	–9.7	–18.1	–14.8	–9.4	–9.5
Commission income	11.7	11.5	30.6	28.8	10.8	11.4
Operating expenses	–25.9	–24.8	–57.9	–56.4	–31.9	–23.5
Net pre-tax profit for the period	12.3	11.8	42.9	40.9	21.9	20.7
Group profit for the period	10.5	10.4	35.6	33.3	17.7	16.3

BALANCE SHEET FIGURES in millions of euros	31/03/2014	31/12/2013	31/03/2014	31/12/2013	31/03/2014	31/12/2013
Total assets	6,738.2	6,743.8	17,457.1	17,531.8	9,478.7	9,588.5
Loans and advances to clients after loan loss provisions	4,871.5	4,874.2	11,405.5	11,277.9	6,034.7	6,197.4
Primary funds	4,759.3	4,597.5	12,031.1	12,250.4	6,557.9	6,715.9
of which savings deposits	1,708.9	1,741.2	3,309.7	3,352.1	1,165.2	1,175.8
of which securitised debt including subordinated capital	819.7	813.9	2,238.5	2,224.4	1,283.9	1,288.3
Equity	719.2	714.2	1,456.2	1,421.0	936.5	913.1
Managed deposits	12,238.2	11,383.4	22,766.7	22,787.5	11,509.6	11,545.8
of which customer deposits	7,478.9	6,785.9	10,735.6	10,537.1	4,951.7	4,829.9

REGULATORY CAPITAL in millions of euros	31/03/2014	31/12/2013	31/03/2014	31/12/2013	31/03/2014	31/12/2013
Basis for measuring capital	4,996.5	4,423.3	11,594.5	10,734.0	6,279.9	6,055.4
Equity	735.7	707.6	1,849.3	1,824.8	1,097.4	964.4
of which common equity (CET1)	606.6	n.a.	1,225.5	n.a.	782.5	n.a.
of which total core capital (CET1 and AT1)	616.5	662.5	1,284.1	1,320.6	847.3	807.0
Common equity ratio in %	12.14%	n.a.	10.57%	n.a.	12.46%	n.a.
Core capital ratio in %	12.34%	13.92%	11.07%	12.30%	13.49%	13.33%
Total capital ratio in %	14.72%	16.00%	15.95%	17.00%	17.47%	15.93%

COMPANY KEY INDICATORS in%	31/03/2014	31/12/2013	31/03/2014	31/12/2013	31/03/2014	31/12/2013
Return on Equity before tax	6.92%	6.49%	12.00%	10.31%	9.63%	9.34%
Return on Equity after tax	6.08%	5.79%	9.97%	8.91%	7.76%	7.32%
Risk/earnings ratio	35.6%	29.2%	22.0%	21.1%	20.8%	26.7%

NUMBER of resources	31/03/2014	31/12/2013	31/03/2014	31/12/2013	31/03/2014	31/12/2013
Number of branches	55	56	152	150	37	37

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. charts.

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.

Media owner (Publisher)

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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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MA (Ms) Reinhard Auer
MA Daniel Stöckl-Leitner

Design

BTV Marketing and Communication
Mag. (FH) Nicola Dander

Final version

9 May 2014