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# INTERIM REPORT AS AT 31.03.2010

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BANK FÜR TIROL UND VORARLBERG AG

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### IMPORTANT DATES FOR SHAREHOLDERS

Annual General Meeting	27.05.2010, 10.00 Uhr, Stadtforum, Innsbruck
Dividend	The dividend is published after the General Meeting at BTV's website and in the gazette of the Wiener Zeitung.
Ex-dividend date	31.05.2010
Payment of dividend	04.06.2010
Intermediate report as at 31.03.2010	Published on 21.05.2010 (www.btv.at)
Intermediate report as at 30.06.2010	Published on 20.08.2010 (www.btv.at)
Intermediate report as at 30.09.2010	Published on 19.11.2010 (www.btv.at)

## The BTV group – at a glance

<b>Income in millions of €</b>	<b>31.03.2010</b>	<b>31.03.2009</b>	<b>+/- %</b>
Interest	32,3	30,8	+4,7 %
Loan loss provisions	-10,6	-6,2	+69,6 %
Commission	10,9	10,8	+0,7 %
Operating expenses	-22,1	-23,5	-5,9 %
Profit of the period before tax	12,2	11,2	+9,3 %
Group profit for the period	10,8	10,1	+7,5 %

<b>Balance sheet in millions of €</b>	<b>31.03.2010</b>	<b>31.12.2009</b>	<b>+/- %</b>
Total assets	8.797	8.465	+3,9 %
Loans and advances to customers after credit risk	5.463	5.385	+1,4 %
Primary funds	5.775	6.260	-7,7 %
of which savings deposits	1.366	1.412	-3,3 %
of which securitised debt inc. subordinated capital	1.299	1.275	+1,9 %
Equity	633	612	+3,4 %
Managed deposits	9.817	10.309	-4,8 %

<b>Equity (under Austrian law – BWG) in millions of €</b>	<b>31.03.2010</b>	<b>31.12.2009</b>	<b>+/- %</b>
Risk-weighted assets	5.594	5.476	+2,2 %
Own funds (not inc. Tier 3)	805	800	+0,6 %
of which core capital (Tier 1)	514	515	-0,1 %
Surplus own funds	334	340	-1,7 %
Core capital ratio	9,19 %	9,40 %	-0,21 %
Total capital ratio	14,39 %	14,61 %	-0,22 %

<b>Companies</b>	<b>31.03.2010</b>	<b>31.03.2009</b>	<b>+/-</b>
Return on equity before tax	7,94 %	8,11 %	-0,17 %
Return on equity after tax	7,05 %	7,32 %	-0,27 %
Cost/income ratio	50,23 %	53,69 %	-3,46 %
Risk/earnings ratio	32,71 %	20,20 %	+12,51 %

<b>Resources</b>	<b>31.03.2010</b>	<b>31.03.2009</b>	<b>+/-</b>
Average no. of employees	803	884	-81
Number of branches	41	43	-2

<b>BTV shares</b>	<b>31.03.2010</b>	<b>31.03.2009</b>
Number of ordinary no-par value shares	22.500.000	4.500.000
Number of preference no-par value shares	2.500.000	500.000
Top price of ordinary/preference share in €	19,50/17,60	21,00/17,60*
Bottom price of ordinary/preference share in €	18,00/16,90	18,80/17,20*
Closing price of ordinary/preference share in €	18,50/17,60	18,80/17,20*
Market capitalisation in millions of €	460	466
IFRS EPS in €	1,77	1,64*
P/E ratio, ordinary share	10,5	11,5
P/E ratio, preference share	10,0	10,5

\*) The comparative figures from 31 March 2010 are adjusted because of the share split (ratio 1:5) from 10.06.2009.

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## Economic environment

### Recession overcome

Global growth has continued to strengthen in quarter 1 of 2010. The emerging markets in Asia are leading the economic recovery. In the midst of the European debt crisis there is some good news: In its spring forecast, the European Commission has raised its growth expectations for the current year. After the deepest recession in the history of the EU, there is the prospect of real growth in gross domestic product of +0.9% in the Euro zone, and of +1% in the EU as whole. Despite this improved outlook the recovery will, however, remain modest due to weak internal demand. The recovery is happening more slowly than in earlier upturns. The increasingly weak euro is strengthening the competitive position of exporters. France, Germany and Austria will grow by more than the European average.

Despite the start of an upturn, in the current year the cumulative national debt in the Eurozone is likely to rise to approximately 6.6% of GDP, and to 7.2% of GDP in the EU 27, more than double the 3% reference value.

In Switzerland there has been a clear consolidation of the economic recovery since autumn 2009. Although momentum is expected to tail off somewhat over the rest of the year in view of the mediocre support expected from the export business, as well as domestic demand which is appreciably slowing. The Swiss State Secretariat for Economic Affairs (SECO) expects the Swiss economy to grow by 1.4% in 2010. Any noticeable easing with rising employment will only set in in the coming year.

### Interest rate markets

Consumer prices rose slightly from the very low level last year. The momentum driving prices is mainly coming from the commodities markets and the weaker euro. The current economic doldrums are throttling back inflation. The 2010 inflation rate in the Euro zone will fluctuate between 1.5% and 1.75%, while WIFO (Austrian Institute of Economic Research) is predicting 0.4% for Switzerland.

Money market rates have bottomed out, shown by the slight rise in the 1-month and 3-month Euribor rates last week. The central banks are still keeping the money supply plentiful and so money market rates remain depressed.

German and Austrian Federal bonds profited in quarter 1 from the slight economic recovery, the European Central Bank's hands-off monetary policy, and the favourable inflation environment. The fiscal policy crisis in the PIGS states, particularly Greece, led to a clear increase in spreads for government bonds from these countries.

### Currency markets

The biggest shock in quarter 1 was without doubt the realization that even as a member of the Euro zone, you can't go on living beyond your means forever. The debt burden of some fringe euro countries, Greece in particular, has created uncertainty in the markets about the repayment of their debts. The European single currency thus lost ground against major world currencies. Currencies such as the Swiss franc, for which early relaxation of the expansive and unconventional monetary policy can be expected, performed well in the first three months of 2010. A long-term budgetary policy will remain an important factor in future currency movements. Attention will also shift from the Euro zone to the USA and Japan.

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## Business development of BTV group

### PROFIT TREND

#### Net interest income

In the first three months of 2010, net interest income rose by +4.7% to €32.3 million in comparison to the previous year. This interest income also includes income from at-equity valued enterprises, which fell by €0.7 million to €2.8 million, in line with the general economic context. The main reason for the rise in net interest income was the increase in volume of customer loans, as well as securities traded on own account.

#### Loan-loss provisions

Loan-loss provision represents the balance of allocations to and reversals of risk provision, including direct write-downs on receivables. They are supplemented by receipts from debts which had already been written off. At €10.6 million, loan-loss provision exceeded the previous year by €4.3 million, or 69.6%. Broken down by segment, €8.6 million of loan-loss provision was allocated to corporate clients and €2.0 million to retail.

#### Net commission income

In quarter 1 customer demand for securities rose, as interest rates are low for short-term, risk-free investments. This led to greater earnings from the securities business. At the end of the quarter, the net commission income from securities was €4.7 million, up 8.7% on the previous year.

Income from payments fell by -2.7% to €3.4 million. The forex, foreign notes and coins and precious metals business contributed €0.7 million to the result, and the loan business €1.4 million. In total the commission business showed an increase of +0.7% to €10.9.

#### Trading income

At €0.7 million, trading income was €1.0 million lower than the previous year's figure. The effect of the weak euro exchange rate is evident here.

#### Operating expenses

Administrative costs (staff, operating costs and depreciation) fell by €1.4 million in the reporting period, or -5.9%, to €22.1 million. Staff costs fell by €1.4 million, or -9.4%, to €13.8 million. Process streamlining introduced last year led to a reduction in staff of -81 person years. Operating expenses of €6.6 million were up by €0.1 million, or 2.2%, higher than the value for the previous year. Depreciation fell by €0.1 million, to €1.7 million.

#### Other operating profit

As of 31 March 2010, other operating profit was €0.2 million below the previous year, at €0.7 million. The decline primarily resulted from reduced hedge accounting income (down from €0.4 million to €0.1 million).

#### Income from financial assets

Total income from financial assets was up at €0.2 million, against -€3.8 million in the previous year. The credit spreads on corporate and government bonds were steady during the reporting period, after having been at record levels in the previous year, due to the financial and economic crisis.

#### Tax situation

In addition to current Austrian corporation tax, the amounts shown under the heading of tax on income and earnings mainly relate to the accrual and prepayment adjustments required under IFRS for deferred taxation. So far in 2010 tax liability has increased by +26% to €1.4 million compared with the previous year.

#### Consolidated profit

In the first three months of 2010 business at BTV was healthy, so the pre-tax profit for the period rose by €1.0 million to €12.2 million, which is an increase of +9.3%. After tax, group income for the year was €10.8 million. This represents an increase of 7.5% relative to the previous year.

As at 31 March the return on equity (RoE) based on the pre-tax profit for the period was 7.9%, compared to 8.1% in the prior year. The cost/income ratio improved from 53.7% to 50.2%. The risk/earnings ratio was 32.7% (previous year: 20.2%).

## BALANCE SHEET PERFORMANCE

At 31 March 2010 total assets were €8.797 billion, which is +3.9% above the value at 31 December 2009. As of the end of Q1, loans to credit institutions rose by €90 million to €381 million. Compared to last year, activities in the interbank market have been strained and the cash reserve increased at the end of the year was reduced by €129 million to €92 million.

Loans and advances to customers grew by €75 million, or +1.4%, to €5.634 billion. Within the segments, the volume of loans to corporate clients rose by €37 million and to retail customers by €38 million.

Split according to domestic and foreign, loans to domestic customers rose by €86 million to €3.834 billion, while loans to foreigners fell by €11 million to €1.8 billion.

Loan-loss provision fell by €3 million, or -1.5%, to €171 million.

As of the end of March, financial assets and holdings, including trading assets amounted to €2.560 billion (+10.4% compared to the year end). In the first quarter of 2010 it was mainly fixed interest securities which were purchased, which could be deposited with the central bank and used for repo transactions.

The intense price war in the institutional business led us to shift our money trading activities from major customers to credit institutions.

The banking group's own funds eligible according to the BWG (Austrian Banking Act) was €805.1 million. At the end of the quarter in March 2010, the legal minimum requirement was €471.4 million. This corresponds to a level of coverage of 171% (year end 2009: 174%). The equity surplus at 31 March was €333.7 million. Core capital at 31 March 2010 was €513.9 million. The calculated core capital ratio of 9.19% is 1.7 percentage points above the comparable value in March 2009. The equity ratio reached 14.39% and therefore was substantially above the legally required minimum level of 8%.

## OUTLOOK

BTV expects the business environment to remain difficult throughout 2010. The crisis in the PIGS-States, particularly Greece, is creating uncertainty in the currency and capital markets.

BTV will continue with its consistent and focussed market activities in Tirol and Vorarlberg, Vienna, East Switzerland, Bavaria, Baden-Württemberg, South Tirol and Veneto, with both its corporate and retail customers. For the financial year 2010, we expect that net profit will again permit an allocation to reserves.

## Balance sheet as at 31 March 2010

Assets in thousands of €	31.03.2010	31.12.2009	change absolute	change in %
Cash reserves	91.625	220.438	-128.813	-58,4 %
Loans and advances to banks <sup>1 (Notes)</sup>	380.983	291.218	+89.765	+30,8 %
Loans and advances to customers <sup>2</sup>	5.633.731	5.558.507	+75.224	+1,4 %
Loan loss provisions <sup>3</sup>	-170.963	-173.559	+2.596	-1,5 %
Trading <sup>4</sup>	17.266	10.762	+6.504	+60,4 %
Financial assets – at fair value through profit or loss <sup>5</sup>	237.004	176.327	+60.677	+34,4 %
Financial assets – available for sale <sup>6</sup>	1.070.472	866.572	+203.900	+23,5 %
Financial assets – held to maturity <sup>7</sup>	979.170	1.011.654	-32.484	-3,2 %
Shares in at-equity-valued companies <sup>8</sup>	256.307	253.224	+3.083	+1,2 %
Intangible fixed assets	571	624	-53	-8,5 %
Property, plant and equipment	88.522	89.687	-1.165	-1,3 %
Properties held as financial investments	40.874	41.434	-560	-1,4 %
Tax claims	2.097	5.269	-3.172	-60,2 %
Other assets	169.665	113.232	+56.433	+49,8 %
<b>Total assets</b>	<b>8.797.324</b>	<b>8.465.389</b>	<b>+331.935</b>	<b>+3,9 %</b>

Liabilities in thousands of €	31.03.2010	31.12.2009	change absolute	change in %
Banks <sup>9</sup>	2.163.758	1.423.912	+739.846	+52,0 %
Customer accounts <sup>10</sup>	4.475.762	4.984.252	-508.490	-10,2 %
Securitised debt <sup>11</sup>	817.028	802.692	+14.336	+1,8 %
Trading liabilities <sup>12</sup>	34.371	28.335	+6.036	+21,3 %
Reserves and provisions <sup>13</sup>	64.918	64.314	+604	+0,9 %
Tax debts	2.862	2.844	+18	+0,6 %
Other liabilities	123.531	73.922	+49.609	+67,1 %
Subordinated capital <sup>14</sup>	482.020	472.692	+9.328	+2,0 %
Equity <sup>15</sup>	633.074	612.426	+20.648	+3,4 %
<b>Total liabilities</b>	<b>8.797.324</b>	<b>8.465.389</b>	<b>+331.935</b>	<b>+3,9 %</b>

## Profit and loss account as at 31 March 2010

Profit and loss account in thousands of €	01.01.- 31.03.2010	01.01.- 31.03.2009	change absolute	change in %
Interest and similar income	60.237	88.041	-27.804	-31,6 %
Interest and similar expenses	-30.714	-60.655	+29.941	-49,4 %
Income of at-equity valued companies	2.777	3.461	-684	-19,8 %
Net interest income <sup>16</sup>	32.300	30.847	+1.453	+4,7 %
Loan loss provisions <sup>17</sup>	-10.566	-6.231	-4.335	+69,6 %
Commission income	12.556	13.037	-481	-3,7 %
Commission expense	-1.647	-2.204	+557	-25,3 %
Net commission income <sup>18</sup>	10.909	10.833	+76	+0,7 %
Trading income <sup>19</sup>	742	2.007	-1.265	-63,0 %
Operating expenses <sup>20</sup>	-22.075	-23.456	+1.381	-5,9 %
Other operating income <sup>21</sup>	718	937	-219	-23,4 %
Financial assets – at fair value through profit or loss <sup>22</sup>	343	-4.051	+4.394	>+ 100 %
Financial assets – available for sale <sup>23</sup>	-179	268	-447	>- 100 %
Financial assets – held to maturity	0	0	0	0,0 %
Net profit for the period before tax	12.192	11.154	+1.038	+9,3 %
Income and profits tax	-1.370	-1.087	-283	+26,0 %
<b>Net profit for the period after tax</b>	<b>10.822</b>	<b>10.067</b>	<b>+755</b>	<b>+7,5 %</b>
of which equity portion	10.822	10.067	+755	+7,5 %
of which minority portion	0	0	+0	+0,0 %

Reconciliation from profit for the period to net result in thousands of €	01.01.- 31.03.2010	01.01.- 31.03.2009
<b>Consolidated profit for the period</b>	<b>10.822</b>	<b>10.067</b>
Unrealised profits/losses on disposal of assets (depreciation reserves)	12.242	-694
Profits/losses with regard to deferred taxes, applied directly against equity	-3.060	1.181
Earnings-neutral changes in companies valued at equity	1.210	-2.630
Unrealised profits/losses from adjustments due to currency conversions	217	121
<b>Sum of income and expenses recorded directly under equity</b>	<b>10.608</b>	<b>-2.023</b>
<b>Total of the income and expense entries captured in the period reported</b>	<b>21.430</b>	<b>8.044</b>
of which equity portion	21.430	8.044
of which minority portion	0	0

## Profit and loss account – periods

Profit and loss accounts – periods in thousands of €	I. Q 2010	IV. Q 2009	III. Q 2009	II. Q 2009	I. Q 2009
Interest and similar income	60.237	57.562	55.110	57.344	88.041
Interest and similar expenses	-30.714	-26.620	-26.367	-31.355	-60.655
Income of at-equity valued companies	2.777	2.169	2.984	9.757	3.461
Net interest income	32.300	33.111	31.727	35.746	30.847
Loan loss provisions	-10.566	-14.662	-14.840	-8.730	-6.231
Commission income	12.556	12.331	11.537	12.144	13.037
Commission expense	-1.647	-2.017	-2.001	-2.535	-2.204
Net commission income	10.909	10.314	9.536	9.609	10.833
Trading income	742	476	264	1.736	2.007
Operating expenses	-22.075	-23.641	-23.260	-24.176	-23.456
Other operating expenses	718	1.343	238	838	937
Financial assets – at fair value through profit or loss	343	2.528	8.154	4.062	-4.051
Financial assets – available for sale	-179	-337	53	68	268
Financial assets – held to maturity	0	0	0	2	0
Net profit for the quarter before tax	12.192	9.132	11.872	19.155	11.154
Income and profits tax	-1.370	1.214	-497	-3.156	-1.087
<b>Net profit for the period after tax</b>	<b>10.822</b>	<b>10.346</b>	<b>11.375</b>	<b>15.999</b>	<b>10.067</b>
of which equity portion	10.822	10.346	11.375	15.999	10.067
of which minority portion	0	0	0	0	0

Indicators	31.03.2010	31.03.2009
EPS in € <sup>26</sup>	0,44	0,40
RoE before tax	7,94 %	8,11 %
RoE after tax	7,05 %	7,32 %
Cost/income ratio	50,2 %	53,7 %
Risk/earnings ratio	32,7 %	20,2 %

## Statement of change in equity

in thousands of €	Subscribed capital	Retained earnings	Revenue reserves	Depreciat. reserves	Total equity
Equity at 01.01.2009	50.000	60.092	461.142	-17.630	553.604
Capital increases	-	-	-	-	-
Net income for the period	-	-	+8.737	-694	+8.044
Distributions	-	-	-	-	-
Treasury shares	-	-27	-	-	-27
Other changes	-	-	-3	-	-3
<b>Equity at 31.03.2009</b>	<b>50.000</b>	<b>60.065</b>	<b>469.876</b>	<b>-18.324</b>	<b>561.617</b>

in thousands of €	Subscribed capital	Retained earnings	Revenue reserves	Depreciat. reserves	Total equity
Equity at 01.01.2010	50.000	58.849	499.659	3.918	612.426
Capital increases	-	-	-	-	-
Net income for the period	-	-	9.189	12.242	21.430
Distributions	-	-	-	-	-
Treasury shares	-	-782	-	-	-782
Other changes	-	-	-	-	-
<b>Equity at 31.03.2010</b>	<b>50.000</b>	<b>58.067</b>	<b>508.847</b>	<b>16.160</b>	<b>633.074</b>

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## Cash flow statement as at 31 March 2010

<b>Cash flow statement in thousands of €</b>	<b>01.01.- 31.03.2010</b>	<b>01.01.- 31.03.2009</b>
Cash position at the end of the previous period	220.438	112.937
Operating cash flow	-101.530	181.266
Investment cash flow	8.649	-163.090
Financing cash flow	-35.932	-53.569
Cash position at end of period	91.625	77.544

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## BTV group: Notes

### 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 2010 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 Business Enterprise Code (UGB), in conjunction with the provisions of the Austrian Banking Act (BWG). The group interim report is prepared according to the same accounting principles as those applied to the audited annual BTV Group accounts 2009.

### 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 €	31.03.2010	31.12.2009
Austrian banks	93.445	55.967
Foreign banks	287.538	235.251
<b>Loans and advances to banks</b>	<b>380.983</b>	<b>291.218</b>

2. Loans and advances to customers in thousands of €	31.03.2010	31.12.2009
Austrian customers	3.834.095	3.748.015
Foreign customers	1.799.636	1.810.492
<b>Loans and advances to customers</b>	<b>5.633.731</b>	<b>5.558.507</b>
of which fair value	18.928	18.771

3. Loan loss provisions in thousands of €	2010	2009
Opening balance at 01.01.	173.559	158.566
– Releases	–378	–423
+ Allocation	8.482	5.031
– Application	–10.744	–106
Changes arising from currency differences	44	–13
Loan loss provisions at 31.03.	170.963	163.055
Opening balance commitments at 01.01.	255	241
– Releases	0	0
+ Allocation	40	10
– Application	0	0
Reserves and provisions commitments at 31.03.	295	251
<b>Total loan loss provisions 31.03.</b>	<b>171.258</b>	<b>163.306</b>

<b>4. Trading assets in thousands of €</b>	<b>31.03.2010</b>	<b>31.12.2009</b>
Debenture bonds and other fixed-interest securities	275	0
Equities and other variable-interest securities	1.284	910
Positive market values arising from derivative transactions – Trading	6.767	4.180
Positive market values arising from derivative transactions – Fair-Value Option	8.940	5.672
<b>Trading assets</b>	<b>17.266</b>	<b>10.762</b>

<b>5. Financial assets – at fair value through profit or loss in thousands of €</b>	<b>31.03.2010</b>	<b>31.12.2009</b>
Debenture bonds and other fixed-interest securities	217.184	155.963
Equities and other variable-interest securities	19.820	20.364
<b>Financial assets – at fair value through profit or loss</b>	<b>237.004</b>	<b>176.327</b>

<b>6. Financial assets – available for sale in thousands of €</b>	<b>31.03.2010</b>	<b>31.12.2009</b>
Debenture bonds and other fixed-interest securities	868.689	682.060
Equities and other variable-interest securities	100.434	84.296
Other shareholdings	29.899	28.766
Other affiliated shareholdings	71.450	71.450
<b>Financial assets – available for sale</b>	<b>1.070.472</b>	<b>866.572</b>

<b>7. Financial assets – held to maturity in thousands of €</b>	<b>31.03.2010</b>	<b>31.12.2009</b>
Debenture bonds and other fixed-interest securities	979.170	1.011.654
<b>Financial assets – held to maturity</b>	<b>979.170</b>	<b>1.011.654</b>

<b>8. Shares in at equity valued companies in thousands of €</b>	<b>31.03.2010</b>	<b>31.12.2009</b>
Banks	251.563	247.350
Other	4.744	5.874
<b>Shares in at equity valued companies</b>	<b>256.307</b>	<b>253.224</b>

## Balance sheet – Liabilities

<b>9. Liabilities to banks in thousands of €</b>	<b>31.03.2010</b>	<b>31.12.2009</b>
Austrian banks	1.024.401	539.360
Foreign banks	1.139.357	884.552
<b>Liabilities to banks</b>	<b>2.163.758</b>	<b>1.423.912</b>
<b>10. Liabilities to customers in thousands of €</b>	<b>31.03.2010</b>	<b>31.12.2009</b>
<b>Saving deposits</b>		
Austrian	1.223.048	1.261.283
Foreign	142.512	150.769
Sub-total savings deposits	1.365.560	1.412.052
<b>Other deposits</b>		
Austrian	2.386.485	2.657.245
Foreign	723.717	914.955
Sub-total other deposits	3.110.202	3.572.200
<b>Liabilities to customers</b>	<b>4.475.762</b>	<b>4.984.252</b>
<b>11. Securitised debt in thousands of €</b>	<b>31.03.2010</b>	<b>31.12.2009</b>
Debentures	725.020	712.397
Domestic bonds	92.008	90.295
<b>Securitised debt</b>	<b>817.028</b>	<b>802.692</b>
of which fair value	233.792	177.854
<b>12. Trading liabilities in thousands of €</b>	<b>31.03.2010</b>	<b>31.12.2009</b>
Negative market values arising from derivative transactions – Trading	20.736	16.467
Negative market values arising from derivative transactions – Fair-Value-option	13.635	11.868
<b>Trading liabilities</b>	<b>34.371</b>	<b>28.335</b>
<b>13. Reserves and provisions in thousands of €</b>	<b>31.03.2010</b>	<b>31.12.2009</b>
Long-term payroll reserves	62.212	62.326
Other reserves and provisions	2.706	1.988
<b>Reserves and provisions</b>	<b>64.918</b>	<b>64.314</b>

<b>14. Subordinated capital in thousands of €</b>	<b>31.03.2010</b>	<b>31.12.2009</b>
Supplementary capital	414.265	403.382
Hybrid capital	67.755	69.310
<b>Subordinated capital</b>	<b>482.020</b>	<b>472.692</b>
of which fair value	133.111	119.523

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

<b>15. Equity: Consolidated own funds of the BTV banking group in millions of €</b>	<b>31.03.2010</b>	<b>31.12.2009</b>
Share capital	50,0	50,0
Minus treasury shares	-3,2	-2,4
General reserves	391,9	391,9
Consolidation pursuant to section 24 (2) BWG	7,9	7,9
Hybrid capital	67,8	67,8
Minus intangible assets	-0,5	-0,6
<b>Core capital (Tier 1)</b>	<b>513,9</b>	<b>514,6</b>
Supplementary own funds (Tier 2)	408,1	404,4
Valuation items	-119,5	-120,1
<b>Eligible own funds (excluding Tier 3)</b>	<b>802,5</b>	<b>798,9</b>
Own funds applied pursuant to section 23 (14 Z 7) BWG (Tier 3)	2,6	1,3
<b>Eligible own funds pursuant to section 23 (14) BWG</b>	<b>805,1</b>	<b>800,2</b>
Risk-weighted measurement basis pursuant to section 22 (2) BWG	5.594,1	5.476,1
Equity requirement in relation to loan risk pursuant to section 22 (2) BWG	447,5	438,1
Equity requirement in relation to banking ledger pursuant to section 22o (2) BWG	2,6	1,3
Equity requirement for operational risk pursuant to section 22i BWG	21,3	21,3
Total own fund requirement	471,4	460,7
Surplus of own funds	333,7	339,5
<b>Core capital ratio in %</b>	<b>9,19%</b>	<b>9,40%</b>
<b>Total capital ratio in %</b>	<b>14,39%</b>	<b>14,61%</b>

## Profit and loss account: Notes

16. Net interest income in thousands of €	01.01.- 31.03.2010	01.01.- 31.03.2009
<b>Interest and similar income from</b>		
Lending and money market transactions with banks	2.302	9.551
Lending and money market transactions with customers	32.652	51.347
Debenture bonds and fixed-interest securities	13.542	15.071
Equities and variable-rate securities	800	632
Other participations	874	1.228
Other	10.067	10.212
Sub-total interest and similar income	60.237	88.041
<b>Interest and similar expenses on</b>		
bank deposits	-3.022	-8.082
client deposits	-11.768	-30.288
securitised debt	-1.728	-7.390
subordinated capital	-4.090	-4.212
other	-10.106	-10.683
Sub-total interest and similar expenses	-30.714	-60.655
Income of at equity valued companies	2.777	3.461
<b>Net interest income</b>	<b>32.300</b>	<b>30.847</b>

17. Loan loss provisions in thousands of €	01.01.- 31.03.2010	01.01.- 31.03.2009
On-balance sheet	-8.482	-5.031
Off-balance sheet	-40	-10
Loan loss insurance premiums	-1.818	-1.584
Release of on-balance sheet provisions	378	423
Release of off-balance sheet provisions	0	0
Direct amortisation	-652	-78
Income from amortised receivables	48	49
<b>Loan loss provisions</b>	<b>-10.566</b>	<b>-6.231</b>

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

<b>18. Commission income in thousands of €</b>	<b>01.01.- 31.03.2010</b>	<b>01.01.- 31.03.2009</b>
Lending	1.377	1.298
Payment transactions	3.394	3.487
Securities trading	4.685	4.309
Currency, foreign exchange and precious metals trading	710	980
Other	743	759
<b>Commission income</b>	<b>10.909</b>	<b>10.833</b>

<b>19. Trading income in thousands of €</b>	<b>01.01.- 31.03.2010</b>	<b>01.01.- 31.03.2009</b>
Derivatives	807	-171
Securities	697	1.065
Foreign currency	-762	1.113
<b>Trading income</b>	<b>742</b>	<b>2.007</b>

<b>20. Operating expenses in thousands of €</b>	<b>01.01.- 31.03.2010</b>	<b>01.01.- 31.03.2009</b>
Payroll	-13.733	-15.178
thereof salaries and wages	-10.071	-11.298
thereof legal social contributions	-2.926	-3.094
thereof other personnel costs	-439	-470
thereof expenditures for long-term personnel deferrals	-297	-316
Materials	-6.629	-6.485
Amortisation	-1.713	-1.793
<b>Operating expenses</b>	<b>-22.075</b>	<b>-23.456</b>

<b>20a. Payroll – annual average</b>	<b>2010</b>	<b>2009</b>
White collar	803	884
Blue collar	27	29
<b>Payroll</b>	<b>830</b>	<b>913</b>

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

<b>21. Other operating income in thousands of €</b>	<b>01.01.- 31.03.2010</b>	<b>01.01.- 31.03.2009</b>
Other operating income	2.411	1.042
Other operating expenses	-1.836	-597
Hedge accounting income	143	492
<b>Other operating income</b>	<b>718</b>	<b>937</b>

<b>22. Profit arising from financial assets – at fair value through profit or loss in thousands of €</b>	<b>01.01.- 31.03.2010</b>	<b>01.01.- 31.03.2009</b>
Profit arising from financial assets – at fair value through profit or loss	343	-4.051
<b>Profit arising from financial assets – at fair value through profit or loss</b>	<b>343</b>	<b>-4.051</b>

<b>23. Profit arising from financial assets – available for sale in thousands of €</b>	<b>01.01.- 31.03.2010</b>	<b>01.01.- 31.03.2009</b>
Profit arising from financial assets – available for sale	-179	268
<b>Profit arising from financial assets – available for sale</b>	<b>-179</b>	<b>268</b>

<b>24. Profit arising from financial assets – held to maturity in thousands of €</b>	<b>01.01.- 31.03.2010</b>	<b>01.01.- 31.03.2009</b>
Profit arising from financial assets – held to maturity	0	0
<b>Profit arising from financial assets – held to maturity</b>	<b>0</b>	<b>0</b>

<b>25. Performance bonds and credit risks in thousands of €</b>	<b>01.01.- 31.03.2010</b>	<b>31.12.2009</b>
Guarantees/Bonds	357.996	343.315
Credit risks	405.296	438.569
<b>Performance bonds and credit risks</b>	<b>763.292</b>	<b>781.884</b>

<b>26. EPS (ordinary and preference shares)</b>	<b>31.03.2010</b>	<b>31.03.2009</b>
Equities (ordinary and preference shares)	25.000.000	5.000.000
Average float (ordinary and preference shares)	24.822.401	4.986.643
Net Group income in thousands of €	10.822	10.067
<b>EPS in € (ordinary and preference shares)</b>	<b>0,44</b>	<b>0,40*</b>
Diluted gain per share in € (ordinary and preference shares)	0,44	0,40*

\*) The diluted earnings per share are the same as the undiluted earnings per share as no financial instruments with diluting effect were issued. The previous year's figure was adjusted in the ratio of 1:5 on the basis of the share split. The original figure was € 2,02.

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## Segment reporting

The following segment report 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.

Segment reporting is based on internal divisional accounting, which reflects the structure of management responsibilities within BTV. The business areas are managed as independent businesses with their own capital and P&L responsibility.

The criterion for separation of business areas is primarily responsibility for looking after customers. Changes in this responsibility can also lead to changes in attribution to a segment during the course of a year. The effects of this must be taken into account when comparing with unadjusted previous years' values.

### The following business areas are defined within BTV:

The corporate client business area is responsible for small, medium and large business customers, and tax consultants. In addition the leasing subsidiary's business is wholly allocated to this area. The retail customer business area is responsible for the private individuals, free-lance professionals and micro companies market segments.

The Treasury business area mainly caters for treasury and trading activities, as well as BTV's investment income.

### Corporate clients

Interest income from corporate client business rose further in Q1. Both the growth in financing business, as well as wider margins, increased interest income by €1.5 million.

The economic crisis, combined with a prudent attitude to risk, led to an increase of €3.7 million in risk provision, to €8.5 million. This is why the profit for the period from corporate banking fell by €2.5 million to €7.2 million. The cost-to-income ratio improved to 34.1%, while interest on equity fell from 12.7% to 9.7%.

### Retail clients

Interest margins narrowed due to low interest rates and increased competition where investment business prices were concerned. Interest income fell by €0.6 million, to €9.7 million, compared to the previous year. The second important element for retail customer segment earnings is commission income from securities trading. By purchasing medium-term bonds our customers can benefit from the sharp interest rate curve. In addition our asset management won new business. Total net commission income was €6.8 million, up €0.2 million compared to the previous year. The cost/income ratio improved by 9 percentage points, to 71.5%, thanks to increased productivity. Pre-tax income for the period rose by €1.0 million, to €3.0 million. Return on equity rose strongly from 11.0% to 16.9%.

### Treasury

Interest income in Treasury rose markedly in the first quarter, by €1.1 million, compared with the previous year. Interest income was €0.2 million. In addition, the profit from companies valued at-equity fell by €0.7 million to €2.8 million.

The strong Swiss franc hurt the trading result (down €0.3 million to €0.7 million).

Net income from financial assets was the driver of growth in this segment, Valuation gains on bonds led to a significant improvement in income relative to the previous year.

The pre-tax profit for the period was €4.1 million compared to the previous year: this was an improvement of €2.9 million.

Segment reporting in thousands of €	Quarter	Corporate	Retail	Treasury	Other	Total
	03/2010	19.585	9.709	229	0	29.523
Net interest income of operations	03/2009	18.034	10.259	-907	0	27.386
	03/2010	0	0	2.777	0	2.777
Income of at equity valued companies	03/2009	0	0	3.461	0	3.461
	03/2010	-8.548	-2.018	0	0	-10.566
Loan loss provisions	03/2009	-4.818	-1.413	0	0	-6.231
	03/2010	3.543	6.779	588	0	10.909
Commission	03/2009	3.727	6.602	504	0	10.833
	03/2010	0	0	742	0	742
Trading income	03/2009	0	0	2.007	0	2.007
	03/2010	-7.884	-11.782	-586	-1.823	-22.075
Operating expenses	03/2009	-7.572	-13.568	-592	-1.724	-23.456
	03/2010	484	269	143	-178	718
Other operating income	03/2009	268	127	492	50	937
	03/2010	0	0	164	0	164
Profit arising from financial assets	03/2009	0	0	-3.783	0	-3.783
<b>Net profit for the period before tax</b>	<b>03/2010</b>	<b>7.180</b>	<b>2.956</b>	<b>4.057</b>	<b>-2.001</b>	<b>12.192</b>
	<b>03/2009</b>	<b>9.639</b>	<b>2.007</b>	<b>1.182</b>	<b>-1.674</b>	<b>11.154</b>
	03/2010	-1.379	-739	249	499	-1.370
Income and profits tax	03/2009	-2.619	-502	1.615	419	-1.087
<b>Net profit for the period after tax</b>	<b>03/2010</b>	<b>5.801</b>	<b>2.217</b>	<b>4.306</b>	<b>-1.502</b>	<b>10.822</b>
	<b>03/2009</b>	<b>7.020</b>	<b>1.505</b>	<b>2.797</b>	<b>-1.255</b>	<b>10.067</b>
	03/2010	4.066.059	1.567.672	2.446.303	0	8.080.034
Segment income	03/2009	3.920.390	1.588.545	2.246.430	0	7.755.365
	03/2010	1.420.287	2.175.988	4.376.664	0	7.972.939
Segment liabilities	03/2009	1.235.919	2.154.057	4.199.228	0	7.589.204
∅ Lending and market risk equivalent pursuant to section 22 BWG	03/2010	3.758.741	885.711	717.366	173.261	5.535.078
	03/2009	3.834.954	922.565	752.822	230.935	5.741.276
	03/2010	300.699	70.857	57.389	196.260	625.205
∅ Allocated equity	03/2009	306.796	73.805	60.226	114.819	555.646
	03/2010	34,1%	71,5%	37,6%	0,0%	50,2%
Cost/income ratio in %	03/2009	34,8%	80,5%	11,7%	0,0%	53,7%
	03/2010	9,7%	16,9%	28,7%	0,0%	7,9%
RoE (basis net profit for the year before tax) in %	03/2009	12,7%	11,0%	8,0%	0,0%	8,1%

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

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

The return on own capital is calculated by the ratio of the before tax-annual surplus to the equity capital. The capital allocation is made according to regulatory requirements. It is allocated in proportion to the own funds requirements of the business fields, and shown in the net interest income as profit from own funds deployed with the corresponding reference interest rate for long-term deployments.

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

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## Statement by the statutory representatives

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

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

Innsbruck, May 2010

The Managing Directors



Peter Gaugg – Spokesman of the Managing Board

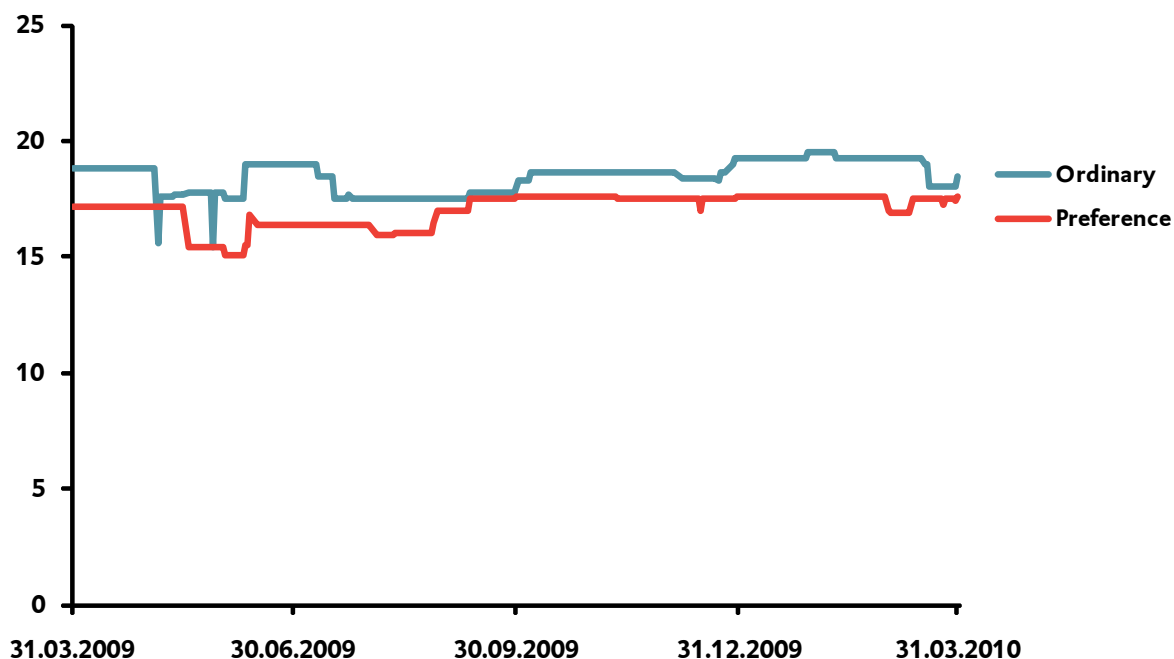
Spokesman for the Board and responsible for Corporate Client business, as well as Treasury, Legal and Investments, Bank Development and Process Management, as well as Marketing and Communications and expanding the Swiss market.



Mag. Matthias Moncher – Member of the Board

Member of the Board and responsible for Retail Customer business, Finance and Controlling, as well as the Service Centre and expansion of the Italian market.

## BTV equities as at 31 March 2010



In the last few months the world stock markets have moved sideways, with brief rallies and corrections mainly cancelling each other out. Investors are unnerved and over-react to any negative information. Even the positive economic outlook and the recovery in corporate profits were unable to deliver any lasting increases in prices. In view of this we expect that over the next few months global stocks will largely continue to move sideways, with share price volatility offering opportunities for trading activities. Shares which pay big dividends continue to be of interest.

On 31/03/2010 BTV ordinary shares were slightly down compared to the start of the year, the preference shares, however, remained unchanged.

Share prices as at 31.03.2010  
BTV ordinary shares: € 18.50  
BTV preference shares: € 17.60

### 3 Banken Gruppe overview – Group information

Profit and loss in millions of €	BKS Bank		Oberbank		BTV	
	01.01.- 31.03.2010	01.01.- 31.03.2009	01.01.- 31.03.2010	01.01.- 31.03.2009	01.01.- 31.03.2010	01.01.- 31.03.2009
Net interest income	33,2	31,7	73,9	69,5	32,3	30,8
Loan loss provisions	-16,0	-9,3	-25,2	-22,5	-10,6	-6,2
Commission income	11,2	9,6	24,6	22,1	10,9	10,8
Operating expenses	-22,1	-21,2	-51,7	-50,9	-22,1	-23,5
Net profit for the period before tax	10,7	8,1	27,1	21,0	12,2	11,2
Attributable net income for the period	8,8	8,4	21,5	19,1	10,8	10,1

Balance sheet figures in millions of €	31.03.2010	31.12.2009	31.03.2010	31.12.2009	31.03.2010	31.12.2009
Total assets	6.417,7	6.315,9	16.379,3	16.031,4	8.797,3	8.465,4
Loans and advances to customers after loan loss provisions	4.432,4	4.350,2	9.610,9	9.594,0	5.462,8	5.384,9
Primary funds	4.038,3	3.907,9	10.782,8	10.916,4	5.774,8	6.259,6
of which savings deposits	1.887,9	1.804,6	3.390,0	3.399,2	1.365,6	1.412,1
of which securitised debt inc. subordinated capital	624,0	564,7	2.132,0	2.040,2	1.299,1	1.275,4
Equity	580,8	577,5	1.065,9	1.035,6	633,1	612,4
Managed deposits	9.670,8	9.343,5	18.945,8	18.686,8	9.817,3	10.309,0
of which client deposits	5.632,5	5.435,6	8.163,0	7.770,4	4.042,5	4.049,4

BWG own funds in millions of €	31.03.2010	31.12.2009	31.03.2010	31.12.2009	31.03.2010	31.12.2009
Measurement basis	4.356,5	4.258,4	10.229,0	9.970,5	5.594,1	5.476,1
Own funds	525,4	514,7	1.541,2	1.534,3	805,1	800,2
of which core capital (Tier 1)	369,7	369,5	954,7	955,4	513,9	514,6
Surplus before operational risk	176,9	174,0	719,3	734,5	355,0	360,8
Surplus after operational risk	152,1	150,8	664,4	679,5	333,7	339,5
Core capital ratio	8,49 %	8,68 %	9,33 %	9,58 %	9,19 %	9,40 %
Total capital ratio	12,06 %	12,09 %	15,07 %	15,39 %	14,39 %	14,61 %

Subsidiaries in %	31.03.2010	31.12.2009	31.03.2010	31.12.2009	31.03.2010	31.12.2009
RoE before tax	7,46 %	8,93 %	10,39 %	9,86 %	7,94 %	8,80 %
RoE after tax	6,28 %	7,76 %	8,26 %	8,28 %	7,05 %	8,20 %
Cost/income ratio	48,5 %	49,9 %	49,7 %	53,3 %	50,2 %	53,7 %
Risk/earnings ratio	48,1 %	28,3 %	34,1 %	34,6 %	32,7 %	33,8 %

Resources	31.03.2010	31.12.2009	31.03.2010	31.12.2009	31.03.2010	31.12.2009
Average no. of employees (only white collar)	865	872	1.966	1.990	803	862
Number of branches	55	55	133	133	41	41

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## Imprint

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

Because of rounding differences figures that differ minimally may appear in the tables and charts in BTV's intermediate report.

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