INTERIM REPORT AS AT 30.09.2011

BANK FÜR TIROL UND VORARLBERG AG

BTV VIER LÄNDER BANK

3 Banken Gruppe

Content

IMPORTANT DATES 2011 FOR SHAREHOLDERS

Annual General Meeting	19 May 2011, 10.00 a.m., Stadtforum, Innsbruck
Dividend	The dividend is published after the General Meeting on BTV's website and in the gazette of the Wiener Zeitung.
Ex-dividend date	23.05.2011
Payment of dividend	26.05.2011
Intermediate report as at 31.03.2011	Published on 20.05.2011 (www.btv.at)
Half yearly financial report 2011	Published on 19.08.2011 (www.btv.at)
Intermediate report as at 30.09.2011	Published on 18.11.2011 (www.btv.at)

The BTV group – at a glance

Income in millions of €	30.09.2011	30.09.2010	+/– %
Net interest income	122,2	110,6	+10,5 %
Loan loss provisions	–26,9	–27,8	–3,3 %
Commission	32,6	32,1	+1,3 %
Operating expenses	–69,4	–66,9	+3,8 %
Profit of the period before tax	51,5	47,4	+8,6 %
Group profit for the period	41,9	40,3	+4,0 %

Balance sheet in millions of €	30.09.2011	31.12.2010	+/– %
Total assets	9.231	8.887	+3,9 %
Loans and advances to customers after credit risk	5.929	5.775	+2,7 %
Primary funds	6.407	6.168	+3,9 %
of which savings deposits	1.248	1.284	–2,8 %
of which securitised debt inc. subordinated capital	1.182	1.287	–8,1 %
Equity	716	676	+5,9 %
Managed deposits	10.609	10.689	–0,8 %

Equity (under Austrian law – BWG) in millions of €	30.09.2011	31.12.2010	+/– %
Risk-weighted assets	6.045	5.736	+5,4 %
Own funds	837	853	–1,9 %
of which core capital (Tier 1)	593	597	–0,7 %
Surplus own funds	329	370	–11,0 %
Core capital ratio	9,81 %	10,40 %	–0,59 %
Total capital ratio	13,84 %	14,87 %	–1,03 %

Companies	30.09.2011	30.09.2010	+/–
Return on equity before tax	9,90 %	9,91 %	–0,01 %
Return on equity after tax	8,05 %	8,41 %	–0,36 %
Cost/income ratio	44,5 %	46,3 %	–1,8 %
Risk/earnings ratio	22,0 %	25,1 %	–3,1 %

Resources	30.09.2011	30.09.2010	+/–
Average no. of employees	787	797	–10
Number of branches	41	41	+0

BTV shares	30.09.2011	30.09.2010
Number of ordinary no-par value shares	22.500.000	22.500.000
Number of preference no-par value shares	2.500.000	2.500.000
Top price of ordinary/preference share in €	20,00/18,10	19,50/17,60
Bottom price of ordinary/preference share in €	19,00/16,50	17,50/15,51
Closing price of ordinary/preference share in €	19,30/17,10	18,80/17,50
Market capitalisation in millions of €	477	467
IFRS EPS in €	2,26	2,17
P/E ratio, ordinary share	8,5	8,7
P/E ratio, preference share	7,6	8,1

Interim Management Report

ECONOMIC ENVIRONMENT

Over the past few months, global growth has lost momentum. Following the powerful recovery from the recent recession, the global economy is experiencing a cyclical bump. There is a considerable risk that the current weak growth will continue and the developed national economies will slip into recession again. The first indication of this can be seen in a few of the weak euro zone periphery countries troubled by budget problems. In this kind of environment, inflation may regress again in the short to medium term because many national economies transmit deflationary impulses due to a weakness in demand.

So far, the growth problems of the industrial nations have only spread to emerging economies that still report quite vigorous and unencumbered growth. The early indicators of the developed national economies are showing lower values overall. They neither confirm the concerns of many investors nor indicate a speedy recovery in economic activity. The basic scenario therefore assumes sluggish and primarily substandard growth in Europe and the US as well as average growth in the emerging economies.

Interest rate markets

Major central banks have crossed over to an extremely relaxed monetary policy, which is only conditionally effective and could end in a liquidity trap. In the long term, this would mean higher inflation with only low economic growth. In contrast, economic development is slowing down considerably, with inflation expected to stay within the boundaries. This is apparent in the euro in the narrowing of interest curves for which the rate of return has dropped significantly again at the long end.

The US central bank Fed resorted to unconventional monetary policy measures in the third quarter, leaving interest rates at virtually zero until the middle of 2013. Some other central banks postponed scheduled interest rate hikes, while the European Central Bank lowered the key interest rate to 1.25% following two increases to 1.50%.

The Swiss money market rates have already fallen into negative territory because the SNB aggressively adopted currency swaps in a bid to prevent an excessive revaluation of the Swiss franc. However, the simultaneously announced floor limit for the euro mitigated as a result of the downward pressure on the Swiss money market rates.

Currency markets

In the third quarter, the Swiss National Bank (SNB) decided to circumvent a euro rate below CHF 1.20 by all available means. Thus, the appreciation against the euro reported up to the beginning of August was almost entirely negated. In the meantime, the Swiss franc even almost reached parity with the euro. Compared to year-end 2010, the euro had therefore only lost 3% as at the end of September.

Despite the string of bad news from the debt-ridden European periphery, the euro remains robust against the US dollar and the Japanese yen. Over the course of the year, the euro gained 1% against the US dollar and the equivalent fell by 5% in relation to the Japanese currency.

PROFIT TREND

Net interest income

Net interest income continues to form the basis for the pleasing development of this year's result: The robust customer business, higher customer requirements and increased structural results meant that last year's comparable value of EUR 122.2 million was exceeded by EUR 11.6 million, or +10.5%.
Interest income also includes income from businesses valued at equity, with results showing an improvement of EUR 4.0 million to EUR 18.8 million.

Loan-loss provisions

Loan-loss provision represents the balance of allocations to and reversals of risk, including direct write-downs on receivables. They are supplemented by proceeds from debts that had already been written off. At EUR 26.9 million, loan-loss provisions were down EUR 0.9 million, or 3.3%, on the previous year's figures.
Broken down by segment, EUR 18.6 million of loan-loss provision was allocated to corporate clients, EUR 5.7 million to retail and EUR 2.6 million to the treasury.

Net commission income

The payment transactions have been the growth driver for net commission income so far this year.
Compared to 30 September 2010, income in this sector rose by EUR 0.5 million, or 4.5%, to EUR 10.5 million. Securities business developed positively by 1.7% to EUR 14.7 million. Forex, foreign notes and coins and precious metals contributed EUR 2.5 million to income, while lending contributed EUR 3.7 million.
The total net commission income saw an increase of EUR 0.5 million, or 1.3%, to EUR 32.6 million.

Trading income

Compared to last year, trading income recorded a fall of EUR 0.4 million to EUR 1.3 million as at 30 September 2011.

Operating expenses

BTV Group expenses continue to remain in hand: Operating expenses (personnel, expenditure on materials, amortisation and depreciation) were up EUR 2.5 million, or 3.8%, in the reporting period to EUR 69.4 million.

The main cause of this increase is expenditure on personnel, which increased by EUR 2.9 million to EUR 44.8 million. At 787 person-years, the average number of employees was 10 lower than the situation on 30 September 2010.

At EUR 19.9 million, expenditure on materials developed steadily compared to the previous year despite an increase in IT expenses. Depreciation and amortisation fell by EUR 0.4 million to EUR 4.7 million.

Other operating profit

At 30 September 2011, other operating profit was EUR 1.3 million down on last year's figure, recording a loss of EUR 0.1 million. The year-on-year fall was attributable to the stability levy, which reduced other operating profit by EUR 2.4 million in the first three quarters of 2011 (stability levy for the whole of 2011: EUR 3.2 million).

Income from financial assets

The financial and debt crisis compromised the third quarter of 2011 with regard to income from financial assets: Due to the uncertainty of the market, credit spreads increased and the market trend of privately held bonds thus deteriorated, while BTV sold the majority of its share portfolio. At EUR –8.1 million, the overall figure was EUR 4.7 million below the previous year.

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. To date in 2011, EUR 9.6 million has been paid in taxes, an increase of EUR 2.5 million compared to the previous year. The effective tax rate for the first nine months was 18.7%.

Group income

As a result of the robust operating income, the pre-tax profit for the period rose significantly compared with the previous year by EUR 4.1 million, or 8.6%, to EUR 51.5 million. For the first time in BTV history, pre-tax earnings therefore amounted to more than EUR 50 million at the end of the third quarter. After tax, group income for the period rose to EUR 41.9 million. This represents an increase of 4.0% on the previous year.

The cost/income ratio improved from 46.3% to 44.5% and the risk/earning ratio from 25.1% to 22.0% compared to 30 September 2010. The return on equity (RoE) based on pre-tax profit remained the same as the previous year at 9.9%.

BALANCE SHEET PERFORMANCE

As at 30 September 2011, the total assets of the BTV Group had exceeded year-end 2010 by EUR 344 million, increasing to EUR 9.2 billion.

During the course of the year, interbank activities have been intensified. At EUR 485 million, loans and advances to banks were EUR 250 million higher than at year-end.

Loans and advances to customers increased by 2.8% to EUR 6.1 billion in comparison to year-end 2010 due to steady retail lending.
Within the segments, lending to corporate customers rose by EUR 207 million. Loans and advances to retail customers fell by EUR 34 million and to institutional customers by EUR 4 million.
Split according to domestic and international, loans and advances to domestic customers rose by EUR 83 million to EUR 4,063 million, while loans and advances to international customers rose by EUR 86 million to EUR 2,046 million.

Loan-loss provisions increased by EUR 15 million to EUR 180 million.

Financial assets and interests, including trading assets, recorded a fall of EUR 119 million compared to 31 December 2010 to EUR 2,371 million. Due to the worsening debt crisis and the associated market fluctuations, BTV was cautious in purchasing securities.
Government bonds are at the centre of the debt crisis discussion. As at 30 September 2011, BTV was holding a nominal value of EUR 440 million in government bonds; the share of financial assets is thus 19%. Of the government bonds, 57% are attributable to Austria, 23% to Germany and 5% to France. Only 2% of the nominal value is attributable to the PIIGS countries (Spain, EUR 10 million), thus the government bond portfolio is constructed in a very security conscious way.

At the end of September 2011, primary funds increased by EUR 239 million, or 3.9%, to EUR 6,407 million compared to year-end. The coverage ratio of primary funds to customer receivables by risk was therefore 108%.

The banking group's own eligible funds according to the BWG (Austrian Banking Act) amounted to EUR 836.6 million as at 30 September 2011. The legally required minimum was EUR 507.3 million. This corresponds to a level of coverage of 165% (year end 2010: 177%). At the end of September, core capital was EUR 592.8 million. The calculated core capital ratio of 9.81% is 0.30 percentage points above the value of September 2010. The equity surplus as at 30 September 2011 was EUR 329.3 million.

OUTLOOK

For the remainder of 2011, BTV expects a turbulent environment to continue in the financial markets.
BTV will continue its consistent and focused market activities in Tirol and Vorarlberg, Vienna, Eastern Switzerland, Bavaria, Baden-Württemberg, South Tirol and Veneto, for both its corporate and retail customers. For the 2011 financial year, we expect to achieve the objectives set out in the Outlook section of the 2010 Annual Report, despite the intensification of the financial and debt crisis.

Abbreviated Consolidated Financial Statements: Balance sheet as at 30 September 2011

Assets in thousands of €	30.09.2011	31.12.2010	change absolute	change in %
Cash reserves	149.296	164.531	–15.235	–9,3 %
Loans and advances to banks[1] (Notes)	485.210	234.583	+250.627	>+100 %
Loans and advances to customers[2]	6.108.690	5.939.729	+168.961	+2,8 %
Loan loss provisions[3]	–179.863	–164.971	–14.892	+9,0 %
Trading[4]	79.393	17.626	+61.767	>+100 %
Financial assets – at fair value through profit or loss[5]	201.419	225.536	–24.117	–10,7 %
Financial assets – available for sale[6]	892.489	1.004.781	–112.292	–11,2 %
Financial assets – held to maturity[7]	897.315	964.626	–67.311	–7,0 %
Shares in at-equity-valued companies[8]	299.914	277.202	+22.712	+8,2 %
Intangible fixed assets	272	416	–144	–34,6 %
Property, plant and equipment	83.668	84.930	–1.262	–1,5 %
Properties held as financial investments	46.662	42.972	+3.690	+8,6 %
Tax claims	3.010	435	+2.575	>+100 %
Other assets	163.477	94.164	+69.313	+73,6 %
Total assets	**9.230.952**	**8.886.560**	**+344.392**	**+3,9 %**

Liabilities in thousands of €	30.09.2011	31.12.2010	change absolute	change in %
Banks[9]	1.835.338	1.794.955	+40.383	+2,2 %
Customer accounts[10]	5.224.628	4.880.533	+344.095	+7,1 %
Securitised debt[11]	688.703	803.645	–114.942	–14,3 %
Trading liabilities[12]	24.122	72.896	–48.774	–66,9 %
Reserves and provisions[13]	64.021	64.693	–672	–1,0 %
Tax debts	4.956	2.744	+2.212	+80,6 %
Other liabilities	179.745	107.522	+72.223	+67,2 %
Subordinated capital[14]	493.713	483.461	+10.252	+2,1 %
Equity[15]	715.726	676.111	+39.615	+5,9 %
Total liabilities	**9.230.952**	**8.886.560**	**+344.392**	**+3,9 %**

Statement of comprehensive income as at 30 September 2011

Profit and loss account in thousands of €	01.01.- 30.09.2011	01.01.- 30.09.2010	change absolute	change in %
Interest and similar income	196.471	188.040	+8.431	+4,5 %
Interest and similar expenses	–93.066	–92.303	–763	+0,8 %
Income of at-equity valued companies	18.823	14.830	+3.993	+26,9 %
Net interest income[16]	122.228	110.567	+11.661	+10,5 %
Loan loss provisions[17]	–26.876	–27.797	+921	–3,3 %
Commission income	39.740	38.237	+1.503	+3,9 %
Commission expense	–7.171	–6.097	–1.074	+17,6 %
Net commission income[18]	32.569	32.140	+429	+1,3 %
Trading income[19]	1.253	1.660	–407	–24,5 %
Operating expenses[20]	–69.425	–66.883	–2.542	+3,8 %
Other operating income[21]	–96	1.200	–1.296	>–100 %
Financial assets – at fair value through profit or loss[22]	–5.859	–871	–4.988	>+100 %
Financial assets – available for sale[23]	–2.262	–1.380	–882	+63,9 %
Financial assets – held to maturity[24]	0	–1.189	+1.189	–100,0 %
Net profit for the period before tax	**51.532**	**47.447**	**+4.085**	**+8,6 %**
Income and profits tax	–9.614	–7.152	–2.462	+34,4 %
Net profit for the period after tax	**41.918**	**40.295**	**+1.623**	**+4,0 %**
of which equity portion	41.918	40.295	+1.623	+4,0 %
of which minority portion	0	0	+0	+0,0 %

Reconciliation from profit for the period to net result in thousands of €	01.01.- 30.09.2011	01.01.- 30.09.2010
Consolidated profit for the period	**41.918**	**40.295**
Unrealised profits/losses on disposal of assets (depreciation reserves)	2.145	24.166
Profits/losses with regard to deferred taxes, applied directly against equity	0	–6.042
Earnings-neutral changes in companies valued at equity	6.623	5.010
Unrealised profits/losses from adjustments due to currency conversions	373	746
Sum of income and expenses recorded directly under equity	**9.140**	**23.881**
Total of the income and expense entries captured in the period reported	**51.058**	**64.176**
of which equity portion	51.058	64.176
of which minority portion	0	0

Income Statement – Quarterly Financial Data

Profit and loss accounts – periods in thousands of €	III. Q 2011	II. Q 2011	I. Q 2011	IV. Q 2010	III. Q 2010
Interest and similar income	73.819	53.022	69.630	49.064	56.419
Interest and similar expenses	–35.868	–20.570	–36.628	–17.022	–23.447
Income of at-equity valued companies	3.525	11.101	4.197	3.954	2.663
Net interest income	41.476	43.553	37.199	35.996	35.635
Loan loss provisions	–7.768	–9.314	–9.794	–14.273	–11.606
Commission income	13.087	13.456	13.197	13.220	11.721
Commission expense	–2.560	–2.900	–1.711	–2.046	–1.608
Net commission income	10.527	10.556	11.486	11.174	10.113
Trading income	1.004	468	–219	1.162	105
Operating expenses	–23.395	–22.913	–23.117	–24.027	–22.665
Other operating expenses	321	–261	–156	638	–81
Financial assets – at fair value through profit or loss	–5.474	–725	340	3.497	3.407
Financial assets – available for sale	–3.308	276	770	179	716
Financial assets – held to maturity	0	0	0	0	0
Net profit for the quarter before tax	**13.383**	**21.640**	**16.509**	**14.346**	**15.624**
Income and profits tax	–3.054	–3.191	–3.369	–5.461	–2.829
Net profit for the period after tax	**10.329**	**18.449**	**13.140**	**8.885**	**12.795**
of which equity portion	10.329	18.449	13.140	8.885	12.795
of which minority portion	0	0	0	0	0

Indicators	30.09.2011	30.09.2010
EPS in €[26]	1,69	1,62
RoE before tax	9,90 %	9,91 %
RoE after tax	8,05 %	8,41 %
Cost/income ratio	44,5 %	46,3 %
Risk/earnings ratio	22,0 %	25,1 %

Statement of change in equity

in thousands of €	Subscribed capital	Retained earnings	Revenue reserves	Depreciat. reserves	Total equity
Equity at 01.01.2011	50.000	60.722	548.052	17.336	676.111
Capital increases	-	-	-	-	-
Net income for the period	-	-	+48.914	+2.145	+51.058
Distributions	-	-	–7.500	-	–7.500
Treasury shares	-	–4.013	-	-	–4.013
Other changes	-	-	+70	-	+70
Equity at 30.06.2011	**50.000**	**56.709**	**589.536**	**19.481**	**715.726**

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	-	-	+40.009	+24.166	+64.176
Distributions	-	-	–7.500	-	–7.500
Treasury shares	-	–905	-	-	–905
Other changes	-	-	+55	-	+55
Equity at 30.06.2010	**50.000**	**57.944**	**532.223**	**28.084**	**668.252**

Cash flow statement as at 30 September 2011

Cash flow statement in thousands of €	**01.01.- 30.09.2011**	**01.01.- 30.09.2010**
Cash position at the end of the previous period	164.531	220.438
Operating cash flow	–56.907	–151.868
Investment cash flow	41.859	52.452
Financing cash flow	–187	–2.588
Cash position at end of period	149.296	118.434

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 30 September 2011 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, meaning 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 2010.

Main business events in the period reported

BTV Kirchbichl was opened in BTV's home market place of Tyrol. BTV Kirchbichl's activities focus on corporate clients.

At the end of June 2011, BTV merged the Kirchberg and Kitzbühel branches, resulting in the closure of the Kirchberg branch.

With reference to the resolutions adopted at the 93rd Annual General Shareholders' Meeting on 19 May 2011, please see the announcement on the BTV homepage under the heading „Das Unternehmen" (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 illustration of the asset, financial and earnings situation conveyed by this report.

Balance sheet – Assets

1. Loans and advances to banks in thousands of €	30.09.2011	31.12.2010
Austrian banks	156.459	21.220
Foreign banks	328.751	213.363
Loans and advances to banks	**485.210**	**234.583**

2. Loans and advances to customers in thousands of €	30.09.2011	31.12.2010
Austrian customers	4.062.741	3.979.552
Foreign customers	2.045.949	1.960.177
Loans and advances to customers	**6.108.690**	**5.939.729**
of which fair value	34.337	25.721

3. Loan loss provisions in thousands of €	2011	2010
Opening balance at 01.01.	164.972	173.559
– Releases	–2.770	–5.659
+ Allocation	25.443	25.996
– Application	–7.813	–31.612
Changes arising from currency differences	31	185
Loan loss provisions at 31.03.	179.863	162.469
Opening balance commitments at 01.01.	147	255
– Releases	–3	0
+ Allocation	234	132
– Application	0	0
Reserves and provisions commitments at 31.03.	378	387
Total loan loss provisions 31.03.	**180.241**	**162.856**

4. Trading assets in thousands of €	30.09.2011	31.12.2010
Debenture bonds and other fixed-interest securities	2.158	0
Equities and other variable-interest securities	0	4.839
Positive market values arising from derivative transactions – Trading	66.402	4.175
Positive market values arising from derivative transactions – Fair-Value-Option	10.833	8.612
Trading assets	**79.393**	**17.626**

5. Financial assets – at fair value through profit or loss in thousands of €	30.09.2011	31.12.2010
Debenture bonds and other fixed-interest securities	191.367	204.555
Equities and other variable-interest securities	10.052	20.981
Financial assets – at fair value through profit or loss	**201.419**	**225.536**

6. Financial assets – available for sale in thousands of €	30.09.2011	31.12.2010
Debenture bonds and other fixed-interest securities	712.380	791.756
Equities and other variable-interest securities	78.460	111.911
Other shareholdings	29.647	29.647
Other affiliated shareholdings	72.002	71.467
Financial assets – available for sale	**892.489**	**1.004.781**

7. Financial assets – held to maturity in thousands of €	30.09.2011	31.12.2010
Debenture bonds and other fixed-interest securities	897.315	964.626
Financial assets – held to maturity	**897.315**	**964.626**

8. Shares in at equity valued companies in thousands of €	30.09.2011	31.12.2010
Banks	291.390	272.336
Other	8.524	4.866
Shares in at equity valued companies	**299.914**	**277.202**

Balance sheet – Liabilities

9. Liabilities to banks in thousands of €	30.09.2011	31.12.2010
Austrian banks	768.386	703.042
Foreign banks	1.066.952	1.091.913
Liabilities to banks	**1.835.338**	**1.794.955**

10. Liabilities to customers in thousands of €	30.09.2011	31.12.2010
Saving deposits		
Austrian	999.737	1.153.716
Foreign	248.120	130.522
Sub-total savings deposits	1.247.857	1.284.238
Other deposits		
Austrian	2.805.851	2.580.143
Foreign	1.170.920	1.016.152
Sub-total other deposits	3.976.771	3.596.295
Liabilities to customers	**5.224.628**	**4.880.533**

11. Securitised debt in thousands of €	30.09.2011	31.12.2010
Debentures	644.871	676.095
Domestic bonds	43.832	127.550
Securitised debt	**688.703**	**803.645**
of which fair value	387.921	302.211

12. Trading liabilities in thousands of €	30.09.2011	31.12.2010
Negative market values arising from derivative transactions – Trading	13.353	61.637
Negative market values arising from derivative transactions – Fair-Value-option	10.769	11.259
Trading liabilities	**24.122**	**72.896**

13. Reserves and provisions in thousands of €	30.09.2011	31.12.2010
Long-term payroll reserves	59.750	60.633
Other reserves and provisions	4.271	4.060
Reserves and provisions	**64.021**	**64.693**

14. Subordinated capital in thousands of €	30.09.2011	31.12.2010
Supplementary capital	412.708	400.864
Hybrid capital	81.005	82.597
Subordinated capital	**493.713**	**483.461**
of which fair value	155.183	135.484

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

15. Equity: Consolidated own funds of the BTV banking group in millions of €	30.09.2011	31.12.2010
Share capital	50,0	50,0
Own shares held in portfolio	–4,6	–0,6
Visible reserves	423,2	423,2
Difference from consolidations under Section 24 para 2 line 2, 4 of Banking Act (BWG)	43,4	43,4
Mixed capital	81,0	81,0
Intangible assets	–0,2	–0,3
Core capital (Tier 1)	**592,8**	**596,7**
Qualifying supplementary capital – bonds	265,0	284,2
Other supplementary capital	72,1	70,4
subordinated bonds (supplementary capital with less than 3 years to maturity)	25,1	19,9
Supplementary capital (Tier 2)	**362,2**	**374,5**
Deduction of CI/FI holdings more than 10% shareholding	–119,5	–119,5
Deduction holding CI/FI less than 10% holding	0,0	0,0
Deductions from core capital and supplementary equity	–119,5	–119,5
Qualifying equity (excluding Tier 3)	**835,5**	**851,7**
Equity applied under Section 23 para 14 line 7 BWG (Tier 3)	1,1	1,5
Qualifying equity under Section 23 para 14 BWG	**836,6**	**853,2**
Risk-adjusted assessment basis under Section 22 para 2 BWG	**6.045,0**	**5.736,5**
Equity requirement credit risk under Section 22 para 2 BWG	483,6	458,9
Equity requirement for trading book under Section 220 para 2 BWG	1,1	1,5
Equity requirement for operational risk under Section 22k BWG	22,6	22,6
Total equity requirements	**507,3**	**483,0**
Equity surplus over operational risk	**329,3**	**370,2**
Core capital ratio in %	**9,81 %**	**10,40 %**
Total capital ratio in %	**13,84 %**	**14,87 %**

Core capital ratio: ratio of Tier 1 capital to the risk-weighted measurements basis pursuant to section 22 (2) BWG

Total capital ratio: ratio of qualifying equity under section 23 para 14 BWG to the risk-weighted measurements basis pursuant to section 22 (2) BWG

Income Statement: Notes

16. Net interest income in thousands of €	01.01.-30.09.2011	01.01.-30.09.2010
Interest and similar income from		
Lending and money market transactions with banks	18.110	8.562
Lending and money market transactions with customers	125.567	104.126
Debenture bonds and fixed-interest securities	41.305	40.311
Equities and variable-rate securities	1.541	2.424
Other participations	1.805	2.622
Other	8.143	29.995
Sub-total interest and similar income	196.471	188.040
Interest and similar expenses on		
bank deposits	–21.837	–11.189
client deposits	–40.357	–32.280
securitised debt	–7.259	–5.664
subordinated capital	–13.061	–12.182
other	–10.552	–30.988
Sub-total interest and similar expenses	–93.066	–92.303
Income of at equity valued companies	18.823	14.830
Net interest income	**122.228**	**110.567**

17. Loan loss provisions in thousands of €	01.01.-30.09.2011	01.01.-30.09.2010
On-balance sheet	–25.443	–25.996
Off-balance sheet	–234	–132
Loan loss insurance premiums	–2.893	–3.863
Release of on-balance sheet provisions	2.770	5.659
Release of off-balance sheet provisions	3	0
Direct amortisation	–1.187	–4.750
Income from amortised receivables	108	1.285
Loan loss provisions	**–26.876**	**–27.797**

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

18. Commission income in thousands of €	01.01.-30.09.2011	01.01.-30.09.2010
Lending	3.703	4.033
Payment transactions	10.527	10.076
Securities trading	14.743	14.499
Currency, foreign exchange and precious metals trading	2.451	2.294
Other	1.145	1.238
Commission income	**32.569**	**32.140**

19. Trading income in thousands of €	01.01.-30.09.2011	01.01.-30.09.2010
Derivatives	195	1.192
Securities	502	969
Foreign currency	556	–501
Trading income	**1.253**	**1.660**

20. Operating expenses in thousands of €	01.01.-30.09.2011	01.01.-30.09.2010
Payroll	–44.761	–41.924
thereof salaries and wages	–32.427	–32.347
thereof legal social contributions	–9.023	–8.971
thereof other personnel costs	–2.449	–1.298
thereof expenditures for long-term personnel deferrals	–862	692
Materials	–19.921	–19.866
Amortisation	–4.743	–5.093
Operating expenses	**–69.425**	**–66.883**

20a. Payroll – annual average	2011	2010
White collar	787	797
Blue collar	27	26
Payroll	**814**	**823**

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 €	01.01.-30.09.2011	01.01.-30.09.2010
Other operating income	5.319	5.374
Other operating expenses	–5.394	–4.341
Hedge accounting income	–21	167
Other operating income	**–96**	**1.200**

22. Profit arising from financial assets – at fair value through profit or loss in thousands of €	01.01.-30.09.2011	01.01.-30.09.2010
Profit arising from financial assets – at fair value through profit or loss	–5.859	–871
Profit arising from financial assets – at fair value through profit or loss	**–5.859**	**–871**

23. Profit arising from financial assets – available for sale in thousands of €	01.01.-30.09.2011	01.01.-30.09.2010
Profit arising from financial assets – available for sale	–2.262	–1.380
Profit arising from financial assets – available for sale	**–2.262**	**–1.380**

24. Profit arising from financial assets – held to maturity in thousands of €	01.01.- 30.09.2011	01.01.- 30.09.2010
Profit arising from financial assets – held to maturity	0	–1.189
Profit arising from financial assets – held to maturity	**0**	**–1.189**

25. Performance bonds and credit risks in thousands of €	30.09.2011	31.12.2010
Guarantees/Bonds	279.952	283.707
Credit risks	457.343	370.755
Performance bonds and credit risks	**737.295**	**654.462**

26. EPS (ordinary and preference shares)	30.09.2011	30.09.2010
Equities (ordinary and preference shares)	25.000.000	25.000.000
Average float (ordinary and preference shares)	24.784.342	24.819.025
Net Group income in thousands of €	41.918	40.295
EPS in € (ordinary and preference shares)	**1,69**	**1,62**
Diluted gain per share in € (ordinary and preference shares)	1,69	1,62

The diluted earnings per share are the same as the undiluted earnings per share as no financial instruments with diluting effect were issued.

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 the 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, freelance 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

Operating interest income forms the main revenue component in corporate business. During the course of 2011, this primarily grew due to the increase in the financing volume by EUR 3.2 million to EUR 67.2 million.

Another factor determining income is the established risk provision: compared to 30 September 2010, this remained stable at EUR 18.6 million.

The net commission income increased over the course of the year, which was mainly attributable to the strong development in payment transactions by 2.2 million to EUR 12.8 million.

Overall, income from the corporate client division before tax improved by EUR 6.7 million to EUR 37.4 million. The cost-to-income ratio rose to 32.6% following 34.5% in September 2010. Interest on equity was 15.2% (previous year: 13.3%).

Retail clients

So far this year, retail income has increased significantly. Pre-tax profit for the period has risen by EUR 4.1 million to EUR 8.1 million, which is partly due to the operating interest income, increased net commission income and reduced risk provisions.

The cost-to-income ratio rose to 72.7%. Interest on equity rose considerably from 7.5% to 14.7%.

Treasury

Compared to the previous year, operating interest income in treasury rose significantly by EUR 3.8 million. The steep interest rate curve enabled increased income from the interest rate structure business. Interest income was EUR 6.5 million. The income from businesses valued at equity increased by EUR 4.0 million to EUR 18.8 million.

Income from financial assets has been hard hit during the course of this year, however. Due to the uncertainty of the market, credit spreads increased and the market trend of privately held bonds thus deteriorated, while BTV sold the majority of its share portfolio. At EUR –8.1 million, the overall figure was EUR 4.7 million below the previous year.

Pre-tax profit for the period fell, which was primarily due to the reduction in income from financial assets by a total of EUR 2.1 million to EUR 14.4 million.

Segment reporting in thousands of €	Quarter	Corporate	Retail	Treasury	Other	Total
Net interest income of operations	09/2011	67.162	29.753	6.490	0	103.405
	09/2010	63.914	29.142	2.681	0	95.737
Income of at equity valued companies	09/2011	0	0	18.823	0	18.823
	09/2010	0	0	14.830	0	14.830
Loan loss provisions	09/2011	–18.544	–5.719	–2.613	0	–26.876
	09/2010	–18.612	–9.185	0	0	–27.797
Commission	09/2011	12.757	19.445	367	0	32.569
	09/2010	10.513	19.317	2.310	0	32.140
Trading income	09/2011	0	0	1.253	0	1.253
	09/2010	0	0	1.660	0	1.660
Operating expenses	09/2011	–26.060	–35.764	–1.779	–5.822	–69.425
	09/2010	–25.699	–35.828	–1.703	–3.653	–66.883
Other operating income	09/2011	2.109	411	–21	–2.595	–96
	09/2010	623	542	167	–132	1.200
Profit arising from financial assets	09/2011	0	0	–8.121	0	–8.121
	09/2010	0	0	–3.439	0	–3.439
Net profit for the period before tax	**09/2011**	**37.424**	**8.126**	**14.400**	**–8.417**	**51.532**
	09/2010	**30.739**	**3.988**	**16.506**	**–3.785**	**47.448**
Income and profits tax	09/2011	–9.356	–2.032	–331	2.105	–9.614
	09/2010	–7.685	–997	170	1.360	–7.152
Net profit for the period after tax	**09/2011**	**28.068**	**6.093**	**14.068**	**–6.313**	**41.918**
	09/2010	**23.054**	**2.991**	**16.676**	**–2.425**	**40.296**
Segment income	09/2011	4.337.375	1.603.563	2.456.182	0	8.397.120
	09/2010	4.096.556	1.596.581	2.342.170	0	8.035.307
Segment liabilities	09/2011	1.223.870	2.147.449	4.895.185	0	8.266.504
	09/2010	1.187.179	2.112.451	4.623.654	0	7.923.284
Ø Lending and market risk equivalent pursuant to section 22 BWG	09/2011	4.119.947	921.564	785.512	63.714	5.890.736
	09/2010	3.859.995	887.788	750.385	104.448	5.602.616
Ø Allocated equity	09/2011	329.596	73.725	62.841	229.758	695.919
	09/2010	308.800	71.023	60.031	207.333	647.187
Cost/income ratio in %	09/2011	32,6 %	72,7 %	6,6 %	0,0 %	44,5 %
	09/2010	34,5 %	73,9 %	25,6 %	0,0 %	46,3 %
RoE (basis net profit for the year before tax) in %	09/2011	15,2 %	14,7 %	30,6 %	–4,9 %	9,9 %
	09/2010	13,3 %	7,5 %	36,8 %	–2,4 %	9,9 %

The allocation of the net interest income is made according to the market interest method (a market-oriented fund transfer pricing 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 pre-tax annual surplus generated by that segment.

The return on own capital is calculated by the ratio of the pre 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 including the income of at equity valued companies, the net commission income and the trading income.

Statement by the statutory representatives – 82 (4) and 87 (1) BörseG

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 provides an illustration that is as faithful as possible to the asset, finance and profit position of the BTV group, and that the six-month report paints a picture that is as faithful as possible to the asset, finance and profit position of the BTV group with reference to the important occurrences during the first nine months of the financial year and their effects on the abridged intermediate group financial statements with respect to the main risks and uncertainties to which the group is exposed.

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

Innsbruck, November 2011

The Managing Directors

Peter Gaugg
Spokesman of the Managing Board

Spokesman for the Board and responsible for Corporate Client business, as well as legal matters and investments and marketing and communications.

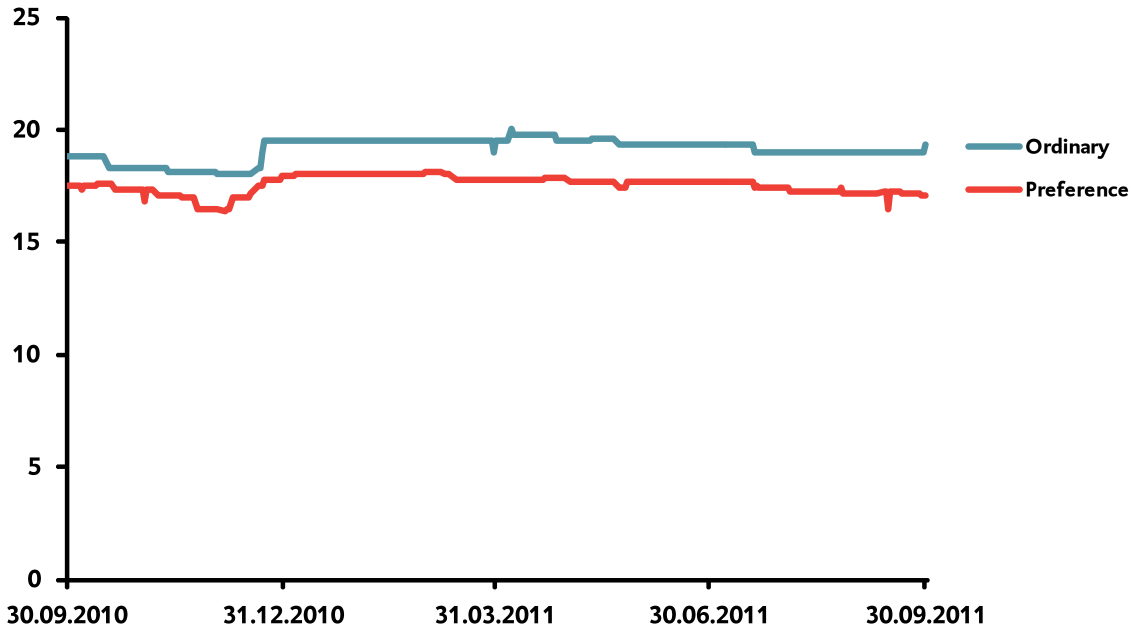
Mag. Matthias Moncher
Member of the Board

Member of the Executive Board and responsible for Retail Customer business as well as Treasury.

Mag. Dietmar Strigl
Member of the Board

Member of the Executive Board, responsible for risk, process, IT and cost management, finance and controlling, legal matters and investments as well as compliance and money laundering.

BTV equities as at 30 September 2011



Volatile stock markets

Due to the intensifying EU debt crisis and the implications for the global economy that are difficult to evaluate, the international equity markets suffered severe losses in the third quarter.
The politicians also face significant difficulties in providing credible solutions to the national debt problem. Market participants remain apprehensive, especially with regard to future prospects.
Dividend-bearing securities from the euro zone were amongst the biggest losers, while US and Japanese stocks lost considerably less. Defensive sectors demonstrated above-average development, while cyclical sectors and financial instruments remained a long way behind the broad market.

Compared to year-end 2010, BTV‘s ordinary shares fell by EUR 0.20, or –1.0%, to EUR 19.30 as at 30 September 2011. The preference share value dropped from EUR 17.96 to EUR 17.10.

Share prices as at 30 September 2011:
BTV ordinary share: EUR 19.30
BTV preference share: EUR 17.10

3 Banken Gruppe overview – Group information

	BKS Bank		Oberbank		BTV	
Profit and loss in millions of €	**01.01.- 30.09.2011**	**01.01.- 30.09.2010**	**01.01.- 30.09.2011**	**01.01.- 30.09.2010**	**01.01.- 30.09.2011**	**01.01.- 30.09.2010**
Net interest income	110,1	104,1	256,7	238,9	122,2	110,6
Loan loss provisions	–28,8	–36,3	–75,1	–84,4	–26,9	–27,8
Commission income	31,6	31,5	80,1	75,3	32,6	32,1
Operating expenses	–69,2	–67,2	–170,0	–160,1	–69,4	–66,9
Net profit for the period before tax	26,4	35,8	103,6	91,9	51,5	47,4
Attributable net income for the period	25,9	31,1	91,6	75,9	41,9	40,3

Balance sheet figures in millions of €	**30.09.2011**	**31.12.2010**	**30.09.2011**	**31.12.2010**	**30.09.2011**	**31.12.2010**
Total assets	6.420,9	6.238,2	17.105,0	16.768,4	9.231,0	8.886,6
Loans and advances to customers after loan loss provisions	4.595,8	4.498,2	10.506,5	10.129,7	5.928,8	5.774,8
Primary funds	4.225,8	4.158,5	11.006,5	11.135,3	6.407,0	6.167,6
of which savings deposits	1.813,5	1.847,2	3.328,1	3.447,2	1.247,9	1.284,2
of which securitised debt inc. subordinated capital	699,1	667,6	2.321,5	2.232,6	1.182,4	1.287,2
Equity	640,1	627,8	1.226,8	1.160,9	715,7	676,1
Managed deposits	10.055,4	10.023,5	19.554,1	19.912,7	10.608,5	10.688,9
of which client deposits	5.829,6	5.865,0	8.547,6	8.777,4	4.201,5	4.521,3

BWG own funds in millions of €	**30.09.2011**	**31.12.2010**	**30.09.2011**	**31.12.2010**	**30.09.2011**	**31.12.2010**
Measurement basis	4.446,2	4.345,1	10.152,7	9.795,8	6.045,0	5.736,5
Own funds	555,0	567,4	1.537,1	1.635,1	836,6	853,2
of which core capital (Tier 1)	414,1	416,6	1.028,1	1.028,7	592,8	596,7
Surplus before operational risk	199,3	219,8	723,7	849,0	351,9	392,8
Surplus after operational risk	172,5	194,8	664,5	789,8	329,3	370,2
Core capital ratio	9,31 %	9,59 %	10,13 %	10,50 %	9,81 %	10,40 %
Total capital ratio	12,48 %	13,06 %	15,14 %	16,69 %	13,84 %	14,87 %

Subsidiaries in %	**30.09.2011**	**31.12.2010**	**30.09.2011**	**31.12.2010**	**30.09.2011**	**31.12.2010**
RoE before tax	7,10 %	8,90 %	11,60 %	10,57 %	9,90 %	9,59 %
RoE after tax	6,80 %	7,70 %	10,30 %	9,08 %	8,05 %	7,63 %
Cost/income ratio	47,7 %	48,8 %	48,8 %	50,3 %	44,5 %	47,2 %
Risk/earnings ratio	21,6 %	33,1 %	29,3 %	32,6 %	22,0 %	28,7 %

Resources	**30.09.2011**	**31.12.2010**	**30.09.2011**	**31.12.2010**	**30.09.2011**	**31.12.2010**
Average no. of employees (only white collar)	894	872	2.043	1.996	787	794
Number of branches	54	55	145	143	41	41

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.

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BTV Finanzen & Controlling
MMag. Daniel Stöckl-Leitner

Date
11.11.2011