INTERIM REPORT AS AT 31.03.2011

BANK FÜR TIROL UND VORARLBERG AG

BTV VIER LÄNDER BANK

3 Banken Gruppe

Content

IMPORTANT DATES 2011 FOR SHAREHOLDERS

Annual General Meeting	19.05.2011, 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	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 €	31.03.2011	31.03.2010	+/– %
Interest	37,2	32,3	+15,2 %
Loan loss provisions	–9,8	–10,6	–7,3 %
Commission	11,5	10,9	+5,3 %
Operating expenses	–23,1	–22,1	+4,7 %
Profit of the period before tax	16,5	12,2	+35,4 %
Group profit for the period	13,1	10,8	+21,4 %

Balance sheet in millions of €	31.03.2011	31.12.2010	+/– %
Total assets	9.007	8.887	+1,4 %
Loans and advances to customers after credit risk	5.661	5.775	–2,0 %
Primary funds	5.967	6.168	–3,3 %
of which savings deposits	1.262	1.284	–1,7 %
of which securitised debt inc. subordinated capital	1.193	1.287	–7,3 %
Equity	680	676	+0,6 %
Managed deposits	10.349	10.689	–3,2 %

Equity (under Austrian law – BWG) in millions of €	31.03.2011	31.12.2010	+/– %
Risk-weighted assets	5.733	5.736	–0,1 %
Own funds	836	853	–2,1 %
of which core capital (Tier 1)	593	597	–0,6 %
Surplus own funds	353	370	–4,6 %
Core capital ratio	10,35 %	10,40 %	–0,05 %
Total capital ratio	14,58 %	14,87 %	–0,29 %

Companies	31.03.2011	31.03.2010	+/–
Return on equity before tax	9,87 %	7,94 %	+1,93 %
Return on equity after tax	7,86 %	7,05 %	+0,81 %
Cost/income ratio	47,7 %	50,2 %	–2,5 %
Risk/earnings ratio	26,3 %	32,7 %	–6,4 %

Resources	31.03.2011	31.03.2010	+/–
Average no. of employees	787	803	–16
Number of branches	42	41	+1

BTV shares	31.03.2011	31.03.2010
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 €	19,50/18,10	19,50/17,60
Bottom price of ordinary/preference share in €	19,00/17,75	18,00/16,90
Closing price of ordinary/preference share in €	19,50/17,80	18,50/17,60
Market capitalisation in millions of €	483	460
IFRS EPS in €	2,15	1,77
P/E ratio, ordinary share	9,1	10,5
P/E ratio, preference share	8,3	10,0

Interim Management Report

ECONOMIC ENVIRONMENT

The economic environment stabilised further in the first quarter of 2011. After a brief weakening in economic growth due to the end of the monetary and fiscal policy measures, the early indicators point towards renewed acceleration in the growth dynamic for the next few months. It is extremely unlikely that most economies will fall back into recession in the current year.

Emerging countries continue to lead the upturn and will see better results in the forecast period than industrial nations. Economic growth in Japan is likely to fall over the next two quarters due to the earthquake and its subsequent damage to the economy; reconstruction is expected to restart growth towards the end of 2011.

Structural bottlenecks and geo-political risks, such as political unrest in the Middle East and North Africa, caused the prices of food and oil to rise. With the ever stronger economic recovery, however, the risk of strong growth accompanied by excess inflation rises significantly. In contrast, the risk of deflation recedes and is now low.

Interest rate markets

Faced with the better economic prospects and the increased risk of inflation, central banks will have to put the brakes on ever more strongly using monetary policies. Smaller central banks already started to increase interest rates in the first quarter of 2011, and the European Central Bank (ECB) followed suit at the beginning of April with the first interest rise because there was a certain amount of unrest in the euro zone due to the debt crisis and inflation had increased significantly. Therefore the ECB started to change its monetary policy after having left the interest rate for central bank funds at a record low of 1.0% since May 2009. As a result of the lack of inflationary pressure, among the large central banks, the US Federal Reserve was able to maintain an accommodating course, whereas the Bank of Japan will continue to supply the market with emergency liquidity in order to provide additional support for reconstruction.

Although short-term interest rates in most regions increased, for the most part real interest rates were significantly below real economic growth rates, which reflects the expansive monetary policy.
Against this background financial market investments are not very attractive as real interest rates are not only low in comparison with growth, they are even clearly negative in many economies. The environment is also unfavourable for bonds. In the first quarter of 2011 they even produced lower yields than financial market investments.

Currency markets

In the first quarter of 2011 currency markets, especially for the main currencies, were characterised by a lack of direction. The only recognisable general trend was the widespread US dollar weakness as it continuously lost value due to the expansive monetary policy course of the US Federal Reserve with key interest rates at close to zero percent and the high US budget deficit. The natural disaster in Japan had an adverse effect on the Japanese economy, but accelerated the soaring Japanese yen. This resulted for the first time in over ten years in the leading industrial G& nations intervening jointly in the currency market. In spite of the devastating economic consequences of the disaster, the yen had reached its highest level against the US dollar since the Second World War.

Among the most important currencies, the euro was the main beneficiary of the surprisingly clear announcement by the ECB in April 2011 that is was increasing interest rates. Both in the euro zone and in Switzerland, interest rate normalisation should now take place at the same time. The gradual resolution of the debt problem in the euro zone saw the Swiss franc partially lose its status as a safe haven over the course of 2011.

PROFIT TREND

Net interest income
Robust customer business, higher structural results and the improved results from companies valued at-equity allowed the operating interest profit to rise significantly in the first quarter of 2011. As of 31st March the comparable figure for the previous year of EUR 37.2 million was exceeded by EUR 4.9 million or 15.2%.

Net interest continued to benefit above all from increased customer demand compared with the previous year. Other reasons for the high growth came from moving from expensive primary funds to banks and the steep interest curve, which provided higher profits from interest structure business. The interest income also includes income from companies valued at-equity, whose results improved by EUR 1.4 million to EUR 4.2 million.

Loan-loss provisions
Loan loss provisions from lending business recorded the balance of inflows to and outflows from loan loss provisions, including direct depreciation on loans. They are supplemented by proceeds from debts that had already been written off. Provisions for lending business amounted to EUR 9.8 million and were therefore EUR 0.8 million or 7.3% below the previous year. By segment, the loan loss provisions were split between EUR 8.0 million for corporate and EUR 1.8 million for retail client business.

Net commission income
The ongoing low interest rates allowed customer demand for securities to increase significantly over the year to date, and commission income increased above all through securities business. The balance from securities business as of 31.03 was EUR 5.4 million, up EUR 0.7 million or 14.7% on the previous year.
Mit EUR 3.6 million, the income from payments handling is the second largest component of BTV commissions: The balance increased this year by 5.1%. Forex, foreing notes and coins and precious metal business contributed EUR 0.4 million and lending business EUR 1.2 million to profit. Total net commission income rose by EUR 0.6 million or 5.3% to EUR 11.5 million.

Trading income
Operating income at -EUR 0.2 million was EUR 0.9 million below the value for the previous year. Over the year to date the negative valuation results from interest rate hedging transactions had a detrimental effect.

Operating expenses
Operating expenses (personnel, administrative expenses and depreciation) increased in the period under review by EUR 1.0 million or 4.7% to EUR 23.1 million. The main reason for the higher operating expenses was in particular the personnel expenditure. This increased by EUR 1.1 million to EUR 14.9 million. The average number of employees fell compared with the same quarter in the previous year by 16 to 787 person years.

Administrative expenses were equivalent to the previous year at EUR 6.6 million. Depreciation fell by EUR 0.1 million to EUR 1.6 million.

Other operating profit
Other operating profit as of 31st March 2011 was -EUR 0.2 million and therefore EUR 0.9 million below the figure for the previous year.
The fall over the year was caused by banking tax, which reduced other operating profit in the first quarter by EUR 0.8 million (banking tax for the full 2011 year: EUR 3.2 million).

Income from financial assets
The volatile income from financial assets was shown in the first quarter at EUR 1.1 million above the previous year's value after EUR 0.2 million in 2010.

Tax position
The amounts recorded in the „taxes on income and profit" item relate in addition to the ongoing effect of Austrian corporation tax, above all to the latent taxes to be paid as per IFRS on accrual and prepayment adjustments. Over the year to date in 2011 additional taxes of EUR 2.0 million compared with the previous year were paid, totalling EUR 3.4 million. Therefore the tax rate for the first quarter was 20.4%.

Group income
As a result of strong operations, the pre-tax profit for the period rose significantly compared with the previous year by EUR 4.3 million or 35.4% to EUR 16.5 million. After tax, group income for the period was EUR 13.1 million. This represents a 21.4% increase compared with the previous year.

The return on equity (RoE) based on pre-tax profit for the period rose compared with 31 March 2010 from 7.9% to 9.9%. The cost income ratio improved from 50.2% to 47.7% and the risk-earnings ratio from 32.7% to 26.3%.

BALANCE SHEET PERFORMANCE

Total assets as of 31st March 2011 were EUR 9,007 million and therefore above the EUR 9 billion mark for the first time. The value at the end of 2010 was exceeded by EUR 120 million.

Loans and advances to banks were significantly higher compared with 31 December 2010 at EUR 180 million. Compared with the previous year, interbank activities rose.

There was a slight fall in loans and advances to customers: These fell as of 31 December 2010 by 1.8% to EUR 5,833 million although this development was partially due to the weaker Swiss franc. Within the segments, the loan volume to retail customers fell by EUR 33 million and to corporate customers by EUR 92 million. The volume of institutional clients rose by EUR 18 million. Divided by domestic and international, loans and advances to domestic customers fell by EUR 33 million to EUR 3,850 million and to international customers by EUR 74 million to EUR 1,983 million.

The level of loan loss provisions for the lending business rose by EUR 7 million to EUR 172 million.

Financial assets and interests incl. trading assets fell moderately compared with 31 December 2010 by 37 million to EUR 2,453 million. In order to reinvest maturing securities, in the first quarter fixed-income securities with medium terms were purchased; these were submitted to the central bank and can be used for repo transactions.

The intensive price competition in the institutional business line results for the 2011 year to date in a transfer of our financial trading activities from large customers to banks. The coverage ratio of primary funds to customer claims by risk was therefore 105%.

The banking group's qualifying equity as per the Banking Act (BWG) was EUR 835.6 million as of 31 March 2011. The statutory minimum requirement was EUR 482.4 million. This represents a coverage ratio of 173% (end of 2010: 177%). Core capital at the end of March was EUR 593.3 million. The core capital ratio calculated from this of 10.35% is 1.16% higher than the comparable value for March 2010. The equity ratio reached 14.58% and this significantly exceeded the 8% minimum rate required by law.

OUTLOOK

BTV expects the 2011 business environment to have a benign trend but also an environment that lacks security as the currency and capital markets are dominated by the crisis in the PIGS states, unrest in the Middle East and the consequences of natural disasters.

BTV is continuing its consistent and targeted market operations in Tirol, Vorarlberg, Vienna, Eastern Switzerland, Bavaria, Baden-Württemberg, South Tirol and Veneto, both for corporate and retail customers. For the 2011 financial year we expect that we will achieve the objectives set in the outlook section in the 2010 annual report.

Condensed Consolidated Financial Statements: Balance sheet as at 31 March 2011

Assets in thousands of €	31.03.2011	31.12.2010	change absolute	change in %
Cash reserves	206.847	164.531	+42.316	+25,7 %
Loans and advances to banks[1 (Notes)]	414.604	234.583	+180.021	+76,7 %
Loans and advances to customers[2]	5.833.294	5.939.729	–106.435	–1,8 %
Loan loss provisions[3]	–171.904	–164.971	–6.933	+4,2 %
Trading[4]	19.193	17.626	+1.567	+8,9 %
Financial assets – at fair value through profit or loss[5]	208.729	225.536	–16.807	–7,5 %
Financial assets – available for sale[6]	904.571	1.004.781	–100.210	–10,0 %
Financial assets – held to maturity[7]	1.035.477	964.626	+70.851	+7,3 %
Shares in at-equity-valued companies[8]	285.447	277.202	+8.245	+3,0 %
Intangible fixed assets	368	416	–48	–11,5 %
Property, plant and equipment	84.991	84.930	+61	+0,1 %
Properties held as financial investments	44.115	42.972	+1.143	+2,7 %
Tax claims	9.599	435	+9.164	>+100 %
Other assets	131.614	94.164	+37.450	+39,8 %
Total assets	**9.006.945**	**8.886.560**	**+120.385**	**+1,4 %**

Liabilities in thousands of €	31.03.2011	31.12.2010	change absolute	change in %
Banks[9]	2.120.978	1.794.955	+326.023	+18,2 %
Customer accounts[10]	4.773.383	4.880.533	–107.150	–2,2 %
Securitised debt[11]	718.776	803.645	–84.869	–10,6 %
Trading liabilities[12]	22.000	72.896	–50.896	–69,8 %
Reserves and provisions[13]	64.988	64.693	+295	+0,5 %
Tax debts	11.642	2.744	+8.898	>+100 %
Other liabilities	140.211	107.522	+32.689	+30,4 %
Subordinated capital[14]	474.534	483.461	–8.927	–1,8 %
Equity[15]	680.433	676.111	+4.322	+0,6 %
Total liabilities	**9.006.945**	**8.886.560**	**+120.385**	**+1,4 %**

Statement of comprehensive income as at 31 March 2011

Profit and loss account in thousands of €	01.01.-31.03.2011	01.01.-31.03.2010	change absolute	change in %
Interest and similar income	46.139	60.237	–14.098	–23,4 %
Interest and similar expenses	–13.137	–30.714	+17.577	–57,2 %
Income of at-equity valued companies	4.197	2.777	+1.420	+51,1 %
Net interest income[16]	37.199	32.300	+4.899	+15,2 %
Loan loss provisions[17]	–9.794	–10.566	+772	–7,3 %
Commission income	13.197	12.556	+641	+5,1 %
Commission expense	–1.711	–1.647	–64	+3,9 %
Net commission income[18]	11.486	10.909	+577	+5,3 %
Trading income[19]	–219	742	–961	>–100 %
Operating expenses[20]	–23.117	–22.075	–1.042	+4,7 %
Other operating income[21]	–156	718	–874	>–100 %
Financial assets – at fair value through profit or loss[22]	340	343	–3	–0,9 %
Financial assets – available for sale[23]	770	–179	+949	>+100 %
Financial assets – held to maturity[24]	0	0	+0	+0,0 %
Net profit for the period before tax	**16.509**	**12.192**	**+4.317**	**+35,4 %**
Income and profits tax	–3.369	–1.370	–1.999	>+100 %
Net profit for the period after tax	**13.140**	**10.822**	**+2.318**	**+21,4 %**
of which equity portion	13.140	10.822	+2.318	+21,4 %
of which minority portion	0	0	+0	+0,0 %

Reconciliation from profit for the period to net result in thousands of €	01.01.-31.03.2011	01.01.-31.03.2010
Consolidated profit for the period	**13.140**	**10.822**
Unrealised profits/losses on disposal of assets (depreciation reserves)	–13.515	12.242
Profits/losses with regard to deferred taxes, applied directly against equity	3.250	–3.060
Earnings-neutral changes in companies valued at equity	4.959	1.210
Unrealised profits/losses from adjustments due to currency conversions	–81	217
Sum of income and expenses recorded directly under equity	**–5.387**	**10.608**
Total of the income and expense entries captured in the period reported	**7.753**	**21.430**
of which equity portion	7.753	21.430
of which minority portion	0	0

Income Statement – Quarterly Financial Data

Profit and loss accounts – periods in thousands of €	I. Q 2011	IV. Q 2010	III. Q 2010	II. Q 2010	I. Q 2010
Interest and similar income	46.139	49.064	56.419	71.384	60.237
Interest and similar expenses	–13.137	–17.022	–23.447	–38.142	–30.714
Income of at-equity valued companies	4.197	3.954	2.663	9.390	2.777
Net interest income	37.199	35.996	35.635	42.632	32.300
Loan loss provisions	–9.794	–14.273	–11.606	–5.625	–10.566
Commission income	13.197	13.220	11.721	13.960	12.556
Commission expense	–1.711	–2.046	–1.608	–2.842	–1.647
Net commission income	11.486	11.174	10.113	11.118	10.909
Trading income	–219	1.162	105	813	742
Operating expenses	–23.117	–24.027	–22.665	–22.143	–22.075
Other operating expenses	–156	638	–81	563	718
Financial assets – at fair value through profit or loss	340	3.497	3.407	–4.621	343
Financial assets – available for sale	770	179	716	–1.917	–179
Financial assets – held to maturity	0	0	0	–1.189	0
Net profit for the quarter before tax	**16.509**	**14.346**	**15.624**	**19.631**	**12.192**
Income and profits tax	–3.369	–5.461	–2.829	–2.953	–1.370
Net profit for the period after tax	**13.140**	**8.885**	**12.795**	**16.678**	**10.822**
of which equity portion	13.140	8.885	12.795	16.678	10.822
of which minority portion	0	0	0	0	0

Indicators	31.03.2011	31.03.2010
EPS in €[26]	0,53	0,44
RoE before tax	9,87 %	7,94 %
RoE after tax	7,86 %	7,05 %
Cost/income ratio	47,7 %	50,2 %
Risk/earnings ratio	26,3 %	32,7 %

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	-	-	+21.267	–13.515	+7.752
Distributions	-	-	-	-	-
Treasury shares	-	–3.430	-	-	–3.430
Other changes	-	-	+0	-	-
Equity at 31.03.2011	**50.000**	**57.292**	**569.319**	**3.821**	**680.433**

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	-	-	-	-	-
Equity at 31.03.2010	**50.000**	**58.067**	**508.847**	**16.160**	**633.074**

Cash flow statement as at 31 March 2011

Cash flow statement in thousands of €	01.01.- 31.03.2011	01.01.- 31.03.2010
Cash position at the end of the previous period	164.531	220.438
Operating cash flow	136.015	–101.530
Investment cash flow	–89.649	8.649
Financing cash flow	–4.051	–35.932
Cash position at end of period	206.847	91.625

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 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, 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 2010.

Main business events in the period reported

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

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 €	31.03.2011	31.12.2010
Austrian banks	208.446	21.220
Foreign banks	206.158	213.363
Loans and advances to banks	**414.604**	**234.583**

2. Loans and advances to customers in thousands of €	31.03.2011	31.12.2010
Austrian customers	3.850.472	3.979.552
Foreign customers	1.982.822	1.960.177
Loans and advances to customers	**5.833.294**	**5.939.729**
of which fair value	24.953	25.721

3. Loan loss provisions in thousands of €	2011	2010
Opening balance at 01.01.	164.972	173.559
– Releases	–253	–378
+ Allocation	8.994	8.482
– Application	–1.764	–10.744
Changes arising from currency differences	–45	44
Loan loss provisions at 31.03.	171.904	170.963
Opening balance commitments at 01.01.	147	255
– Releases	0	0
+ Allocation	0	40
– Application	0	0
Reserves and provisions commitments at 31.03.	147	295
Total loan loss provisions 31.03.	**172.051**	**171.258**

4. Trading assets in thousands of €	31.03.2011	31.12.2010
Debenture bonds and other fixed-interest securities	0	0
Equities and other variable-interest securities	20	4.839
Positive market values arising from derivative transactions – Trading	15.373	4.175
Positive market values arising from derivative transactions – Fair-Value-Option	3.800	8.612
Trading assets	**19.193**	**17.626**

5. Financial assets – at fair value through profit or loss in thousands of €	31.03.2011	31.12.2010
Debenture bonds and other fixed-interest securities	198.487	204.555
Equities and other variable-interest securities	10.242	20.981
Financial assets – at fair value through profit or loss	**208.729**	**225.536**

6. Financial assets – available for sale in thousands of €	31.03.2011	31.12.2010
Debenture bonds and other fixed-interest securities	722.549	791.756
Equities and other variable-interest securities	80.908	111.911
Other shareholdings	29.647	29.647
Other affiliated shareholdings	71.467	71.467
Financial assets – available for sale	**904.571**	**1.004.781**

7. Financial assets – held to maturity in thousands of €	31.03.2011	31.12.2010
Debenture bonds and other fixed-interest securities	1.035.477	964.626
Financial assets – held to maturity	**1.035.477**	**964.626**

8. Shares in at equity valued companies in thousands of €	31.03.2011	31.12.2010
Banks	281.422	272.336
Other	4.025	4.866
Shares in at equity valued companies	**285.447**	**277.202**

Balance sheet – Liabilities

9. Liabilities to banks in thousands of €	31.03.2011	31.12.2010
Austrian banks	995.073	703.042
Foreign banks	1.125.905	1.091.913
Liabilities to banks	**2.120.978**	**1.794.955**

10. Liabilities to customers in thousands of €	31.03.2011	31.12.2010
Saving deposits		
Austrian	1.137.000	1.153.716
Foreign	125.165	130.522
Sub-total savings deposits	1.262.165	1.284.238
Other deposits		
Austrian	2.636.553	2.580.143
Foreign	874.665	1.016.152
Sub-total other deposits	3.511.218	3.596.295
Liabilities to customers	**4.773.383**	**4.880.533**

11. Securitised debt in thousands of €	31.03.2011	31.12.2010
Debentures	665.412	676.095
Domestic bonds	53.364	127.550
Securitised debt	**718.776**	**803.645**
of which fair value	338.417	302.211

12. Trading liabilities in thousands of €	31.03.2011	31.12.2010
Negative market values arising from derivative transactions – Trading	10.618	61.637
Negative market values arising from derivative transactions – Fair-Value-option	11.382	11.259
Trading liabilities	**22.000**	**72.896**

13. Reserves and provisions in thousands of €	31.03.2011	31.12.2010
Long-term payroll reserves	60.648	60.633
Other reserves and provisions	4.340	4.060
Reserves and provisions	**64.988**	**64.693**

14. Subordinated capital in thousands of €	31.03.2011	31.12.2010
Supplementary capital	393.529	400.864
Hybrid capital	81.005	82.597
Subordinated capital	**474.534**	**483.461**
of which fair value	133.220	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 €	31.03.2011	31.12.2010
Share capital	50,0	50,0
Own shares held in portfolio	–4,0	–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 as defined in Section 24 para 2 line s 5 and 6 of BWG	81,0	81,0
Intangible assets	–0,3	–0,3
Core capital (Tier 1)	**593,3**	**596,7**
Qualifying supplementary capital – bonds	273,8	284,2
Other supplementary capital	60,9	70,4
subordinated bonds (supplementary capital with less than 3 years to maturity)	26,0	19,9
Supplementary capital (Tier 2)	**360,7**	**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)	**834,5**	**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	**835,6**	**853,2**
Risk-adjusted assessment basis under Section 22 para 2 BWG	5.732,9	5.736,5
Equity requirement credit risk under Section 22 para 2 BWG	458,6	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	482,4	483,0
Equity surplus over operational risk	353,3	370,2
Core capital ratio in %	**10,35 %**	**10,40 %**
Total capital ratio in %	**14,58 %**	**14,87 %**

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

Income Statement: Notes

16. Net interest income in thousands of €	01.01.- 31.03.2011	01.01.- 31.03.2010
Interest and similar income from		
Lending and money market transactions with banks	4.450	2.302
Lending and money market transactions with customers	38.441	32.652
Debenture bonds and fixed-interest securities	13.601	13.542
Equities and variable-rate securities	650	800
Other participations	602	874
Other	11.886	10.067
Sub-total interest and similar income	69.630	60.237
Interest and similar expenses on		
bank deposits	–6.279	–3.022
client deposits	–11.302	–11.768
securitised debt	–1.897	–1.728
subordinated capital	–4.203	–4.090
other	–12.947	–10.106
Sub-total interest and similar expenses	–36.628	–30.714
Income of at equity valued companies	4.197	2.777
Net interest income	**37.199**	**32.300**

17. Loan loss provisions in thousands of €	01.01.- 31.03.2011	01.01.- 31.03.2010
On-balance sheet	–8.994	–8.482
Off-balance sheet	0	–40
Loan loss insurance premiums	–951	–1.818
Release of on-balance sheet provisions	253	378
Release of off-balance sheet provisions	0	0
Direct amortisation	–138	–652
Income from amortised receivables	36	48
Loan loss provisions	**–9.794**	**–10.566**

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

18. Commission income in thousands of €	01.01.- 31.03.2011	01.01.- 31.03.2010
Lending	1.203	1.377
Payment transactions	3.562	3.394
Securities trading	5.379	4.685
Currency, foreign exchange and precious metals trading	434	710
Other	908	743
Commission income	**11.486**	**10.909**

19. Trading income in thousands of €	01.01.- 31.03.2011	01.01.- 31.03.2010
Derivatives	–735	807
Securities	351	697
Foreign currency	165	–762
Trading income	**–219**	**742**

20. Operating expenses in thousands of €	01.01.- 31.03.2011	01.01.- 31.03.2010
Payroll	–14.867	–13.733
thereof salaries and wages	–10.745	–10.071
thereof legal social contributions	–2.963	–2.926
thereof other personnel costs	–872	–439
thereof expenditures for long-term personnel deferrals	–287	–297
Materials	–6.674	–6.629
Amortisation	–1.576	–1.713
Operating expenses	**–23.117**	**–22.075**

20a. Payroll – annual average	2011	2010
White collar	787	803
Blue collar	26	27
Payroll	**813**	**830**

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.-31.03.2011	01.01.-31.03.2010
Other operating income	2.397	2.411
Other operating expenses	–2.563	–1.836
Hedge accounting income	10	143
Other operating income	**–156**	**718**

22. Profit arising from financial assets – at fair value through profit or loss in thousands of €	01.01.-31.03.2011	01.01.-31.03.2010
Profit arising from financial assets – at fair value through profit or loss	340	343
Profit arising from financial assets – at fair value through profit or loss	**340**	**343**

23. Profit arising from financial assets – available for sale in thousands of €	01.01.-31.03.2011	01.01.-31.03.2010
Profit arising from financial assets – available for sale	770	–179
Profit arising from financial assets – available for sale	**770**	**–179**

24. Profit arising from financial assets – held to maturity in thousands of €	01.01.- 31.03.2011	01.01.- 31.03.2010
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 €	31.03.2011	31.12.2010
Guarantees/Bonds	281.675	283.707
Credit risks	382.807	370.755
Performance bonds and credit risks	**664.482**	**654.462**

26. EPS (ordinary and preference shares)	31.03.2011	31.03.2010
Equities (ordinary and preference shares)	25.000.000	25.000.000
Average float (ordinary and preference shares)	24.799.506	24.822.401
Net Group income in thousands of €	13.140	10.822
EPS in € (ordinary and preference shares)	**0,53**	**0,44**
Diluted gain per share in € (ordinary and preference shares)	0,53	0,44

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 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

Operational interest profit represented the main income component in this segment over the course of 2011. Both the average volume in financial transactions, which rose slightly over the value for the previous year, and the expansion of the range due to the stronger focus on rating-oriented pricing raised operational interest profit by EUR 0.9 million to EUR 20.5 million.
Another key influencing factor on the profit was the loan loss provision that was established: The increase in insolvencies, which was below expectations, and the rating migrations resulted in a fall in the loan loss provision of -EUR 0.6 million to EUR 8.0 million.
The profit for the period in corporate customer business rose before taxes by EUR 1.1 million, to EUR 8.3 million.
The cost-to-income ratio was 34.4% after 34.1% in the first quarter of 2010. Return on equity improved from 9.7% to 10.5%.

Retail clients

In retail business the low interest rates and strong price competition in investment business restricted the interest margin. Operating interest profit fell compared with the previous year by EUR 0.3 million to EUR 9.4 million.
Commission business is the second main profit component in the retail customer segment.
Here securities business in particular saw pleasing improvements. Net commission income at EUR 7.3 million was EUR 0.5 million above the previous year. The profit for the period before taxes remained stable at EUR 2.9 million.
The cost-income ratio rose by 71.5% to 72.4%.
Return on equity for the quarter under review was 16.2% (first quarter of 2010: 16.9%).

Treasury

Operating interest income in the treasury business rose significantly compared with the previous year at EUR 2.9 million. The steep interest curve facilitated increased income from interest rate structure business.
The interest income amounted to EUR 3.1 million.
The profit from companies valued at-equity rose by EUR 1.4 million to EUR 4.2 million.
Trading profit was adversely affected above all by a negative valuation result for hedging transactions. (-EUR 0.9 million to
-EUR 0.2 million). Profit from financial assets rose by EUR 0.9 million to EUR 1.1 million.
The profit before taxes for the period in this segment was therefore EUR 8.3 million, a rise of EUR 4.2 million compared with the previous year.

Segment reporting in thousands of €	Quarter	Corporate	Retail	Treasury	Other	Total
Net interest income of operations	03/2011	20.511	9.364	3.127	0	33.002
	03/2010	19.585	9.709	229	0	29.523
Income of at equity valued companies	03/2011	0	0	4.197	0	4.197
	03/2010	0	0	2.777	0	2.777
Loan loss provisions	03/2011	–7.979	–1.815	0	0	–9.794
	03/2010	–8.548	–2.018	0	0	–10.566
Commission	03/2011	3.487	7.325	674	0	11.486
	03/2010	3.543	6.779	588	0	10.910
Trading income	03/2011	0	0	–219	0	–219
	03/2010	0	0	742	0	742
Operating expenses	03/2011	–8.258	–12.080	–597	–2.182	–23.117
	03/2010	–7.884	–11.782	–586	–1.823	–22.075
Other operating income	03/2011	517	137	10	–820	–156
	03/2010	484	269	143	–178	718
Profit arising from financial assets	03/2011	0	0	1.110	0	1.110
	03/2010	0	0	164	0	164
Net profit for the period before tax	**03/2011**	**8.278**	**2.931**	**8.302**	**–3.002**	**16.509**
	03/2010	**7.180**	**2.957**	**4.057**	**–2.000**	**12.194**
Income and profits tax	03/2011	–2.070	–733	–1.317	751	–3.369
	03/2010	–1.379	–739	249	499	–1.370
Net profit for the period after tax	**03/2011**	**6.208**	**2.198**	**6.985**	**–2.251**	**13.140**
	03/2010	**5.801**	**2.218**	**4.306**	**–1.502**	**10.823**
Segment income	03/2011	4.038.885	1.605.045	2.560.481	0	8.204.411
	03/2010	4.066.059	1.567.672	2.446.303	0	8.080.034
Segment liabilities	03/2011	1.192.682	2.123.843	4.793.146	0	8.109.671
	03/2010	1.420.287	2.175.988	4.376.664	0	7.972.939
Ø Lending and market risk equivalent pursuant to section 22 BWG	03/2011	4.003.580	914.405	753.766	62.941	5.734.692
	03/2010	3.758.741	885.711	717.366	173.261	5.535.079
Ø Allocated equity	03/2011	320.286	73.152	60.301	224.533	678.272
	03/2010	300.699	70.857	57.389	196.260	625.205
Cost/income ratio in %	03/2011	34,4 %	72,4 %	7,7 %	0,0 %	47,7 %
	03/2010	34,1 %	71,5 %	37,6 %	0,0 %	50,2 %
RoE (basis net profit for the year before tax) in %	03/2011	10,5 %	16,2 %	55,8 %	–5,4 %	9,9 %
	03/2010	9,7 %	16,9 %	28,7 %	0,0 %	7,9 %

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 included 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 convey a picture that is as faithful as possible of the asset, finance and profit position of the BTV group, and that the three-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 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 intermediate report by an auditor has been waived.

Innsbruck, March 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 and Investments and Marketing and Communications.

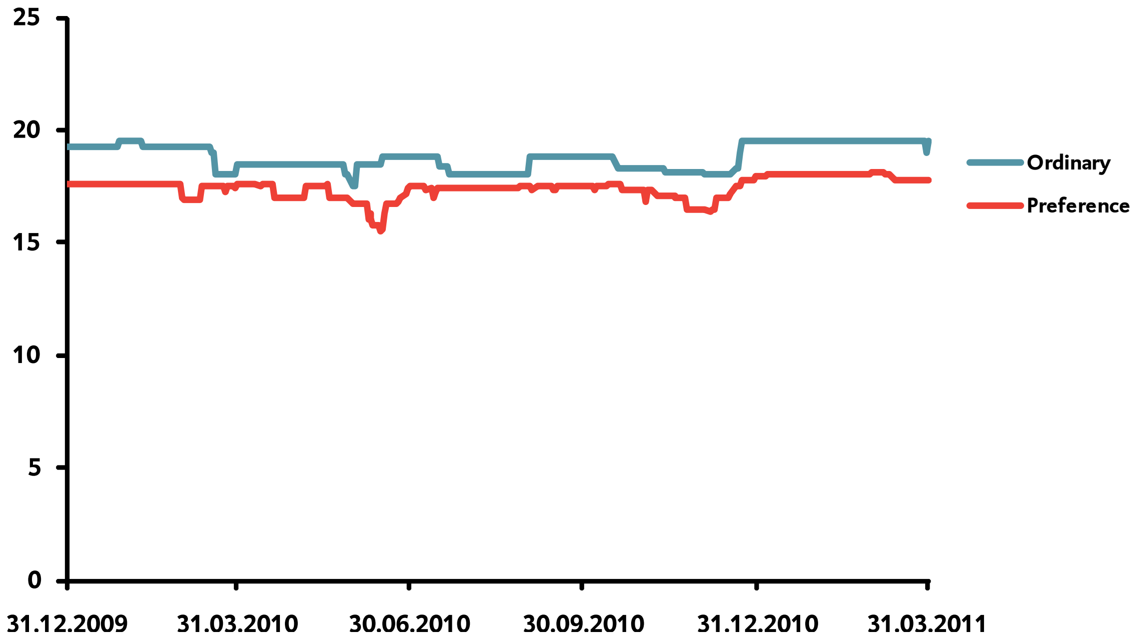
Mag. Matthias Moncher
Member of the Board

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 31 March 2011



Volatile stock markets

A range of factors increased the volatility in the global stock markets for a short period during the first quarter of 2011. Even so the markets ended the quarter for the most part in positive territory or close to the zero line. The cyclical sectors came off much better than the defensive sectors. At a sector level, the main beneficiaries were energy stocks because the ongoing unrest in the Middle East and North Africa drove up the price of oil significantly.

At a regional level, the Asian and Latin American emerging countries continued to see below average growth. The reason for this was concern that inflation in the relevant regions cannot be passed on. The main beneficiaries of the below average performance of shares from emerging economies were the US and euro zone markets; their reporting seasons have partially exceeded expectations. The Japanese market again saw significant falls due to the earthquake but by the end of the quarter it had been able to recover around two thirds of the loss again.

On 31 March 2011 BTV's ordinary share price was unchanged compared with the end of 2010. Preference shares fell by 0.9% from EUR 17.96 to EUR 17.80.

Share prices as at 31.03.2011
BTV ordinary shares: € 19.50
BTV preference shares: € 17.80

3 Banken Gruppe overview – Group information

	BKS Bank		Oberbank		BTV	
Profit and loss in millions of €	**01.01.-31.03.2011**	**01.01.-31.03.2010**	**01.01.-31.03.2011**	**01.01.-31.03.2010**	**01.01.-31.03.2011**	**01.01.-31.03.2010**
Net interest income	33,8	33,2	81,6	73,9	37,2	32,3
Loan loss provisions	–12,4	–16,0	–24,6	–25,2	–9,8	–10,6
Commission income	10,9	11,2	27,2	24,6	11,5	10,9
Operating expenses	–22,8	–22,1	–55,4	–51,7	–23,1	–22,1
Net profit for the period before tax	12,6	10,7	32,9	27,1	16,5	12,2
Attributable net income for the period	10,7	8,8	28,1	21,5	13,1	10,8

Balance sheet figures in millions of €	**31.03.2011**	**31.12.2010**	**31.03.2011**	**31.12.2010**	**31.03.2011**	**31.12.2010**
Total assets	6.311,5	6.238,2	16.922,3	16.768,4	9.006,9	8.886,6
Loans and advances to customers after loan loss provisions	4.490,5	4.498,2	10.245,7	10.129,7	5.661,4	5.774,8
Primary funds	4.245,2	4.158,5	11.138,7	11.135,3	5.966,7	6.167,6
of which savings deposits	1.822,3	1.847,2	3.415,7	3.447,2	1.262,2	1.284,2
of which securitised debt inc. subordinated capital	692,7	667,6	2.178,7	2.232,6	1.193,3	1.287,2
Equity	629,3	627,8	1.194,7	1.160,9	680,4	676,1
Managed deposits	10.211,6	10.023,5	19.953,3	19.912,7	10.348,9	10.688,9
of which client deposits	5.966,4	5.865,0	8.814,6	8.777,4	4.382,2	4.521,3

BWG own funds in millions of €	**31.03.2011**	**31.12.2010**	**31.03.2011**	**31.12.2010**	**31.03.2011**	**31.12.2010**
Measurement basis	4.348,5	4.345,1	10.089,3	9.795,8	5.732,9	5.736,5
Own funds	555,4	567,4	1.594,4	1.635,1	835,6	853,2
of which core capital (Tier 1)	414,8	416,6	1.028,0	1.028,7	593,3	596,7
Surplus before operational risk	207,5	219,8	784,4	849,0	375,9	392,8
Surplus after operational risk	180,7	194,8	725,2	789,8	353,3	370,2
Core capital ratio	9,54 %	9,59 %	10,19 %	10,50 %	10,35 %	10,40 %
Total capital ratio	12,77 %	13,06 %	15,80 %	16,69 %	14,58 %	14,87 %

Subsidiaries in %	**31.03.2011**	**31.12.2010**	**31.03.2011**	**31.12.2010**	**31.03.2011**	**31.12.2010**
RoE before tax	8,07 %	8,90 %	11,27 %	10,57 %	9,87 %	9,59 %
RoE after tax	7,04 %	7,70 %	9,60 %	9,08 %	7,86 %	7,63 %
Cost/income ratio	49,9 %	48,8 %	49,0 %	50,3 %	47,7 %	47,2 %
Risk/earnings ratio	28,2 %	33,1 %	30,2 %	32,6 %	26,3 %	28,7 %

Resources	**31.03.2011**	**31.12.2010**	**31.03.2011**	**31.12.2010**	**31.03.2011**	**31.12.2010**
Average no. of employees (only white collar)	890	872	2.028	1.996	787	794
Number of branches	56	55	144	143	42	41

Imprint

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Notes

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 underlaying 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

13.05.2011