INTERIM REPORT AS AT 30.06.2009

BANK FÜR TIROL UND VORARLBERG AG

BTV
3 Banken Gruppe

Content

IMPORTANT DATES FOR SHAREHOLDERS

Annual General Meeting	28.05.2009, 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	02.06.2009
Payment of dividend	05.06.2009
Intermediate report as at 31.03.2009	Published on 22.05.2009 (www.btv.at)
Intermediate report as at 30.06.2009	Published on 21.08.2009 (www.btv.at)
Intermediate report as at 30.09.2009	Published on 20.11.2009 (www.btv.at)

The BTV group – at a glance

Income in millions of €	30.06.2009	30.06.2008	+/– %
Interest	66,6	71,5	–6,9 %
Loan loss provisions	–15,0	–12,3	+21,8 %
Commission	20,4	21,6	–5,6 %
Operating expenses	–47,6	–47,2	+1,0 %
Profit of the period before tax	30,3	30,1	+0,8 %
Group profit for the period	26,1	25,6	+2,0 %

Balance sheet in millions of €	30.06.2009	31.12.2008	+/– %
Total assets	8.556	8.496	+0,7 %
Loans and advances to customers after credit risk	5.527	5.750	–3,9 %
Primary funds	6.269	6.353	–1,3 %
of which savings deposits	1.360	1.246	+9,2 %
of which securitised debt inc. subordinated capital	1.250	1.290	–3,1 %
Equity	574	554	+3,6 %
Managed deposits	10.176	10.258	–0,8 %

Equity (under Austrian law – BWG) in millions of €	30.06.2009	31.12.2008	+/– %
Risk-weighted assets	5.536	5.614	–1,4 %
Own funds (not inc. Tier 3)	735	671	+9,6 %
of which core capital (Tier 1)	464	429	+8,2 %
Surplus own funds	272	201	+35,2 %
Core capital ratio	8,37 %	7,61 %	+0,76 %
Total capital ratio	13,27 %	11,93 %	+1,34 %

Companies	30.06.2009	30.06.2008	+/–
Return on equity before tax	10,84 %	11,30 %	–0,46 %
Return on equity after tax	9,32 %	9,60 %	–0,28 %
Cost/income ratio	52,47 %	50,52 %	+1,95 %
Risk/earnings ratio	22,47 %	17,17 %	+5,30 %

Resources	30.06.2009	30.06.2008	+/–
Average no. of employees	882	870	+12
Number of branches	43	43	+0

BTV shares	30.06.2009	30.06.2008
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 €	21,00/17,60	23,00/21,60*
Bottom price of ordinary/preference share in €	15,40/15,40	18,00/18,00*
Closing price of ordinary/preference share in €	18,99/16,40	22,00/19,60*
Market capitalisation in millions of €	468	544
IFRS EPS in €	2,11	2,12*
P/E ratio, ordinary share	9,0	10,4
P/E ratio, preference share	7,8	9,3

*) The comparative figures from 30 June 2008 are adjusted because of the share split (ratio 5:1) from 10.06.2009.

Economic environment

The financial crisis impacts on the real economy

Relatively little about the financial crisis has been heard recently. Doom-laden scenarios have not coming into being. The outbreak of the financial and economic crisis in the second half of 2008 pulled the world economy down with it. Despite slightly better economic indications in the second quarter of 2009 the global recession is persisting unabated. There are, however, differences: China and the Asiatic Emerging Markets are one or two steps ahead in the economic cycle, while the Anglo-Saxon countries are making headway rather more slowly and the export-dependent European countries are lagging behind the most. Capital expenditure and exports in the Eurozone have collapsed, and diminishing capacity utilisation is leading to higher unemployment. The Eurozone's 2009 GDP is actually dropping by 4.1% to 4.8% (OECD). Germany, the world's export champion, is especially crucial in this respect as it is undergoing a decline of between 5.4% and 6.0% (OECD).

In Austria the export indicators that are so vital for recovery have recently stabilised at a lower level. While visible exports declined in the first four months of 2009 by almost 25% against the same period in the previous year, export volumes managed to improve again in March and April compared, in each case, with the preceding month. WIFO [Austria's Institute for Economic Research] is expecting exports for 2009 to be down by 15% in real terms.

The suffering of Switzerland's export industry from the financial crisis has been second only to that of its major banks.This negative trend might well continue over the coming months. Domestic demand had until recently remained robust. The IMF is already forecasting improved economic development for next year. The global economy ought by then to be back on a growth trajectory. The Emerging Markets, in particular, will be driving this revival while the economic dynamics in the industrialised countries will remain weak. The US economy will grow by about 0.9% in 2010 while the Eurozone's economic performance will stagnate. Austria will return to growth next year. For Switzerland the KOF economic research institute anticipates GDP falling by about 0.5%.

Interest markets

The central banks of the G10 countries lowered interest rates further insofar as they still had the room for manoeuvre to do so. The European Central Bank (ECB) did not reduce its basic rate below 1.00% and, on the contrary, announced a programme to purchase mortgage bonds. The programme is intended to stimulate this market, which suffered especially severely from the sharp rise in risk aversion that followed the bankruptcy of Lehmann Brothers.

The Euro interest rate curve became steeper and steeper in the course of the first six months. While the explosion in the money supply and state indebtedness points to the danger of inflation two aspects, above all, point the other way. For one thing, the major loss in the value of assets that private households, in particular, have suffered as a result of the falls in equity and property prices is working against the possibility of a boost in inflation; and people's readiness to take risks has clearly diminished. For another, influences that will keep prices very much in check are emerging on the production side of businesses. For these reasons we calculate that there will be no major changes in interest rates or in the interest rate curve during the second half of 2009.

Because of the poor economic outlook and inflation being low for the foreseeable future the Swiss Central Bank (SNB) is pursuing a very expansive monetary policy and has lowered the 3-month Libor target range from 0.00% to 0.75%. It has, furthermore, normalised the extremely high risk premiums through liquidity made available on a generous scale. The SNB has, moreover, resolved on a range of unconventional measures. It has made a significant contribution to stabilising the financial system with the newly-founded special vehicle company for taking over UBS's illiquid assets.

Foreign exchange markets

The euro's rate of exchange managed to improve in the second quarter both in relation to the US-dollar and the Swiss franc, but also in relation to the Japanese yen. The euro was thus up in relation to all three currencies compared with the start of 2009. Having still been listed against the US-dollar at $1.40 at the beginning of the year and at $1.32 at the end of March, the euro rose again to over $1.40 as at 30.06.2009.

The Japanese yen's trend against the euro was volatile in the second quarter of 2009, as it indeed had been in the first quarter. One euro was still 127 yen at the start of the year. After a short-lived rise to 138 yen in the second quarter, the euro's improvement against the Japanese currency finally settled at 135 yen. On a quarterly comparison to March the euro thus put on a further 3%.

The volatility of the Swiss franc to the euro reduced markedly in the second quarter. From CHF 1.49 at the beginning of the year the franc recovered by the end of June and was listed on 30.06.2009 against the euro at CHF 1.52. On a quarterly comparison the franc thus gained about 1% in total.

Business development of BTV group

PROFIT DEVELOPMENT

Interest income

Compared with the previous year, interest income fell over the first six months by €5.0 million to €66.6 million. Since the financial crisis competition for primary funds has intensified. The price of deposits has thus increased. It was also the case that, in the first six months, we reached a psychological lower limit on interest on deposits and were no longer able to pass the falling money market rates of interest on to depositors to their full extent.

The revenues from at-equity valued companies, which were falling back in the general environment in the same way, are included in the net interest income. The market offensive on company and on private client business was continued, both in the core market and in the expansion market.

Loan loss provisions

The provisions for bad debts in the lending business represent the balance of the additional provisions and the writing back of loan loss provisions including direct depreciation on claims. They are supplemented by income arising from claims that have already been depreciated. The loan loss provision was €15.0 million and thus €2.7 million above the preceding year's level. By segments it broke down to €12.2 million attributed to companies and €2.8 million to private clients.

Commission income

In the second quarter of 2009 the stock exchanges recovered from their low points. Sales of securities – and thus also our commission profit – gained accordingly, but the weak results in the first quarter dampened profits on the securities business. At €8.5 million these were €2.3 million, or 21.1%, below those of the previous year.

The lending business profits managed, on the other hand, to be extended by €1.1 million, or 72.2%, while the businesses in foreign exchange, foreign notes and coins, and precious metals contributed €1.6 million to profits (compared with €1.7 million the previous year). Money transmission also reveals a stable picture, having generated profits of €6.7 million (the same as the year before). The commission income as a whole recorded a fall of €1.2 million to €20.4, i.e. it was down by 5.6%.

Trading income

Our trading department managed to make targeted use of the higher volatility on the securities and foreign exchange markets. At €3.7 million trading profits were €3.5 million above the previous year's figure.

Operating expenses

Operating expenses (personnel, expenditure on materials and depreciation) in the reported period went up by €0.5 million to €47.6 million. The expenditure on personnel went up slightly to €31.0 million. The average weighted number of people on the payroll compared with June 2008 was up by 12 at 882. At €13.0 million, expenditure on materials was 0.8% up on the previous year's figure, while BTV group's depreciation over the first six months of 2009 was stable at €3.7 million.

Other operating profit

This profit was down compared with the year before by €2.0 million, to €1.8 million. Other operating revenues went down by €1.0 million to €3.4 million while other operating expenditure, compared with the previous year, rose by €0.6 million to €2.0 million. Expenditure arising from hedge accounting fell by €0.4 million to €0.4 million.

Profit arising from financial assets

For the first time since the fourth quarter of 2007 the credit spreads of corporate bonds and government bonds denominated in Euros went down again materially. In the case of bonds subject to fair value option this led to valuation profits of €4.1 million, such that we succeeded in making up for the valuation losses, amounting to €3.8 million, of the first quarter. All in all the financial assets result improved, compared with the year before, from a loss of €7.6 million to a gain of €0.3 million.

Tax position

The amounts showed in the "Taxes on income and profit" entry concern chiefly the adjustments to assets and liabilities for deferred taxes to be undertaken in accordance with IFRS on top of the ongoing Austrian corporation tax charge. The result was a tax liability of €4.2 million for the first six months of 2009.

Group surplus

BTV's operating income was robust in the first six months of 2009. It proved possible to recover the setbacks in the at-equity profit and the increased loan loss provisions from the valuation profit on the basis of the reducing credit spreads. The pre-tax group income came to €30.3 million, having been €30.1 million in the preceding year – a rise of 0.8%. The after-tax group income for the first six months worked out at €26.1 million, which represented an improvement of 2.0% over the previous year.

The pre-tax return on equity (RoE) for the period was 10.8% as at 30 June, having been 11.3% the previous year. The cost/income ratio rose from 50.5% to 52.5% and the risk/earnings ratio from 17.2% to 22.5%.

BALANCE SHEET PERFORMANCE

At the end of June 2009 the balance sheet total was €8,556 million and thus €60 million above the figure of 31.12.2008. Activities on the interbank market had reduced markedly compared with the previous year. Claims on banks as at 30 June 2009 had fallen back by €169 million to €266 million.

Claims on customers went down in the second quarter of 2009 by €217.0 million to €5,692.2 million. As well as currency effects (the weaker Swiss franc) it was our customers' reluctance to invest that affected our loan book adversely. Thus loans to company customers went down by €116.6 million to €3,863.2 million. In the private client segment new business just failed to make up for current repayments. The volume of financing fell back by €17.1 million to €1,564.8 million. Business with institutional clients was down by €83.0 million to €264.2 million.

The level of loan loss provisions increased by €6 million to €165 million. The entry under financial assets and shareholdings increased by €215 million to €2,167 million. These increases enabled BTV to improve its net interest income through additional interest receipts. In the first six months it was chiefly tenderable fixed-interest government bonds and government-guaranteed bank loans with terms of between 2 and 10 years that were purchased.

The uncertainty surrounding the possibility of the financial system collapsing has receded. In view of the steep interest curve customers are increasingly demanding investments with medium terms from which associated savings deposits can profit. In the first six months of 2009 BTV's customer service officers managed to win further savings deposits, which went up over the period by €114.5 million to 1,360.4 million. Deposit-taking business with institutional clients is traditionally volatile, with their deposits at €5,019.6 million as at 30 June being slightly down by 0.8% compared with the start of the year.

The banking group's eligible net equity under BWG [Austria's Banking Act] without Tier III capital as at 30 June 2009 was €732.1 million. The statutory minimum requirement on that date was €464.4 million, such that the degree of cover provided was 158% (compared with 145% at the same point the previous year). For the first time BTV is covering the statutory minimum requirement just with its own core capital. The core capital increased mainly as a result of successful sales of hybrid capital to the extent of €35 million. The resulting core capital ratio on the quarter date of 8.37% was up by 0.76 of a percentage point on the comparable figure for the final day of 2008. The equity ratio reached 13.27 % (up by 1.34 percentage points on 31.12.2008) thus again markedly exceeding the minimum ratio of 8.0 % required by law. The balance sheet equity figure increased by €20.2 million to €573.8 million.

OUTLOOK

BTV is holding fast to its view that the difficult circumstances will persist for the whole of the year 2009. Having succeeded in the targeted extension of our sales network in the core markets of the Tyrol and Vorarlberg and in the expansion markets of Eastern Switzerland, Bavaria, Baden-Würt¬temberg, South Tyrol and the Veneto, we are continuing our market offensive in the current year.

We expect the annual income for the 2009 financial year to enable us again to make an allocation to our reserves. Our aim is to build our core capital ratio further by the end of the year. BTV will also increase its productivity further through targeted projects involving its development and organisational procedures.

Balance sheet as at 30 June 2009

Assets in thousands of €	30.06.2009	31.12.2008	change absolute	change in %
Cash reserves	264.824	112.937	+151.887	>+ 100 %
Loans and advances to banks[1] (Notes)	265.615	435.302	–169.687	–39,0 %
Loans and advances to customers[2]	5.692.232	5.908.939	–216.707	–3,7 %
Loan loss provisions[3]	–165.038	–158.566	–6.472	+4,1 %
Trading[4]	20.355	56.167	–35.812	–63,8 %
Financial assets – at fair value through profit or loss[5]	168.821	174.678	–5.857	–3,4 %
Financial assets – available for sale[6]	723.749	847.251	–123.502	–14,6 %
Financial assets – held to maturity[7]	1.032.478	657.348	+375.130	+57,1 %
Shares in at-equity-valued companies[8]	221.898	216.074	+5.824	+2,7 %
Intangible fixed assets	722	829	–107	–12,9 %
Property, plant and equipment	90.938	94.362	–3.424	–3,6 %
Properties held as financial investments	32.045	34.121	–2.076	–6,1 %
Tax claims	5.229	6.610	–1.381	–20,9 %
Other assets	202.041	109.562	+92.479	+84,4 %
Total assets	**8.555.909**	**8.495.614**	**+60.295**	**+0,7 %**

Liabilities in thousands of €	30.06.2009	31.12.2008	change absolute	change in %
Banks[9]	1.487.028	1.392.874	+94.154	+6,8 %
Customer accounts[10]	5.019.584	5.063.227	–43.643	–0,9 %
Securitised debt[11]	792.342	866.536	–74.194	–8,6 %
Trading liabilities[12]	15.985	23.261	–7.276	–31,3 %
Reserves and provisions[13]	65.412	64.456	+956	+1,5 %
Tax debts	4.290	3.473	+817	+23,5 %
Other liabilities	140.297	105.035	+35.262	+33,6 %
Subordinated capital[14]	457.188	423.148	+34.040	+8,0 %
Equity[15]	573.783	553.604	+20.179	+3,6 %
Total liabilities	**8.555.909**	**8.495.614**	**+60.295**	**+0,7 %**

Profit and loss account as at 30 June 2009

Profit and loss account in thousands of €	01.01.- 30.06.2009	01.01.- 30.06.2008	change absolute	change in %
Interest and similar income	145.385	218.514	–73.129	–33,5 %
Interest and similar expenses	–92.010	–164.729	+72.719	–44,1 %
Income of at-equity valued companies	13.218	17.761	–4.543	–25,6 %
Net interest income[16]	66.593	71.546	–4.953	–6,9 %
Loan loss provisions[17]	–14.961	–12.283	–2.678	+21,8 %
Commission income	25.181	24.782	+399	+1,6 %
Commission expense	–4.739	–3.134	–1.605	+51,2 %
Net commission income[18]	20.442	21.648	–1.206	–5,6 %
Trading income[19]	3.743	201	+3.542	>+100 %
Operating expenses[20]	–47.632	–47.181	–451	+1,0 %
Other operating income[21]	1.775	3.777	–2.002	–53,0 %
Financial assets – at fair value through profit or loss[22]	11	–6.010	+6.021	>+ 100 %
Financial assets – available for sale[23]	336	–1.623	+1.959	>+ 100 %
Financial assets – held to maturity[24]	2	0	2	>+ 100 %
Net profit for the period before tax	30.309	30.075	+234	+0,8 %
Income and profits tax	–4.243	–4.512	+269	–6,0 %
Net profit for the period after tax	**26.066**	**25.563**	**+503**	**+2,0 %**

Items of income and expenditure captured directly in the equity	01.01.- 30.06.2009	01.01.- 30.06.2008
Group income for the period	**26.066**	**25.563**
Unrealised profits/losses arising from assets kept for the purposes of disposal (AfS reserve)	9.123	–1.933
Profits/losses in relation to deferred taxes that have been charged directly to capital	–1.497	483
Changes in companies valued at-equity that are neutral in their effects on profits	–6.049	–10.986
Unrealised profits/losses arising from adjustments to currency conversion	63	–17
Total of the income and expenditure captured directly in the equity	**1.640**	**–12.453**
Total of the income and expense entries captured in the period reported	**27.706**	**13.110**
of which equity portion	27.706	13.110
of which minority portion	0	0

Profit and loss account – periods

Profit and loss accounts – periods in thousands of €	II. Q 2009	I. Q 2009	IV. Q 2008	III. Q 2008	II. Q 2008
Interest and similar income	57.344	88.041	128.805	102.594	114.680
Interest and similar expenses	–31.355	–60.655	–93.817	–71.201	–87.327
Income of at-equity valued companies	9.757	3.461	6.264	2.170	11.901
Net interest income	35.746	30.847	41.252	33.563	39.254
Loan loss provisions	–8.730	–6.231	–10.705	–6.298	–6.185
Commission income	12.144	13.037	13.524	11.788	11.701
Commission expense	–2.535	–2.204	–2.755	–1.802	–1.552
Net commission income	9.609	10.833	10.769	9.986	10.149
Trading income	1.736	2.007	623	956	367
Operating expenses	–24.176	–23.456	–24.714	–21.359	–24.058
Other operating expenses	838	937	1.150	1.355	1.411
Financial assets – at fair value through profit or loss	4.062	–4.051	–7.574	–3.680	–4.919
Financial assets – available for sale	68	268	–1.957	–1.376	131
Financial assets – held to maturity	2	0	372	–2.264	0
Net profit for the quarter before tax	19.155	11.154	9.216	10.883	16.150
Income and profits tax	–3.156	–1.087	5.347	–714	–2.509
Net profit for the period after tax	**15.999**	**10.067**	**14.563**	**10.169**	**13.641**

Indicators	30.06.2009	30.06.2008
EPS in €[26]	1,05	1,05
RoE before tax	10,84%	11,30%
RoE after tax	9,32%	9,60%
Cost/income ratio	52,47%	50,52%
Risk/earnings ratio	22,47%	17,17%

Statement of change in equity

in thousands of €	Subscribed capital	Retained earnings	Revenue reserves	Depreciat. reserves	Total equity
Equity at 01.01.2008	50.000	58.731	437.534	–8.939	537.326
Capital increases	-	-	-	-	-
Net income for the period	-	-	+25.563	-	+25.563
Distributions	-	-	–7.500	-	–7.500
Treasury shares	-	–9.692	-	-	–9.692
Income and expenditure captured directly in the equity	-	-	–10.520	–1.933	–12.453
Other changes	-	-	+222	-	+222
Equity at 30.06.2008	**50.000**	**49.039**	**445.299**	**-10.872**	**533.466**

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	-	-	+26.065	-	+26.065
Distributions	-	-	–7.500	-	–7.500
Treasury shares	-	–42	-	-	–42
Income and expenditure captured directly in the equity	-	-	–7.484	+9.123	+1.639
Other changes	-	-	+17	-	+17
Equity at 30.06.2009	**50.000**	**60.050**	**472.240**	**-8.507**	**573.783**

Cash flow statement as at 30 June 2009

Cash flow statement in thousands of €	01.01.- 30.06.2009	01.01.- 30.06.2008
Cash position at the end of the previous period	112.937	245.358
Operating cash flow	535.267	–61.191
Investment cash flow	–406.926	–4.962
Financing cash flow	23.545	–24.738
Cash position at end of period	264.823	154.467

Accounting and valuation principles

These intermediate group financial statements are in harmony with IFRS requirements [International Financial Reporting Standards] and IFRIC interpretations [International Financial Reporting Interpretations Committee] as these have been published by the IASB [International Accounting Standards Boards] and taken into European law through the EU. This group intermediate financial statement as at 30 June 2009 has been drawn up in harmony with the provisions of IAS 34 [Intermediate reports] and counts as an exempting consolidated financial statement under § 59a BWG [Austria's Banking Act] taken together with section § 245a UGB [Austria's Commercial Code]. It has been prepared using the same accounting principles as were applied to BTV's audited group financial statements for 2008.

Main business events in the period reportet

BTV Rosenheim in the expansion market of Bavaria was amalgamated with BTV Munich at the end of January 2009 and the Rosenheim property was thus disposed of.

With reference to the resolutions adopted at the 91st Annual General Shareholders' Meeting on 28 May 2009, please see the announcement on the BTV Homepage under the heading „Das Unternehmen" (www.btv.at).

On 10 June 2009 BTV (The Bank für Tirol und Vorarlberg AG) executed a share split in the ratio 5:1, whereby the number of shares was increased to 25,000,000 units. As a result of the share split shareholders thus received for each original share unit or preference share unit 4 further original share units or 4 further preference share units. This change was resolved at the 91st Annual General Shareholders' Meeting on 28 May 2009. The corresponding change to the bank's articles of incorporation was entered on the Commercial Register of the Regional Commercial Court in Innsbruck on 9 June 2009.

Events following the intermediate financial statement's reporting date

No activities or events that were in their form or content relevant to BTV's operations occurred after the intermediate report's cut-off date that would have influenced the picture of its asset, financial and profit position conveyed in this present report.

Balance sheet – Assets

1. Loans and advances to banks in thousands of €	30.06.2009	31.12.2008
Austrian banks	41.117	219.543
Foreign banks	224.498	215.759
Loans and advances to banks	**265.615**	**435.302**

2. Loans and advances to customers in thousands of €	30.06.2009	31.12.2008
Austrian customers	3.856.502	4.035.169
Foreign customers	1.835.730	1.873.770
Loans and advances to customers	**5.692.232**	**5.908.939**
of which fair value	15.614	15.799

3. Loan loss provisions in thousands of €	2009	2008
Opening balance at 01.01.	158.566	159.679
– Releases	–1.257	–2.033
+ Allocation	10.902	9.984
– Application	–3.155	–12.506
Changes arising from currency differences	–18	13
Loan loss provisions at 30.06.	165.038	155.137
Opening balance commitments at 01.01.	241	273
– Releases	0	0
+ Allocation	20	50
– Application	0	0
Reserves and provisions commitments at 30.06.	261	323
Total loan loss provisions 30.06.	**165.299**	**155.460**

4. Trading assets in thousands of €	30.06.2009	31.12.2008
Debenture bonds and other fixed-interest securities	9.059	35.809
Equities and other variable-interest securities	579	0
Positive market values arising from derivative transactions – Trading	7.526	17.555
Positive market values arising from derivative transactions – Fair-Value Option	3.191	2.803
Trading assets	**20.355**	**56.167**

5. Financial assets – at fair value through profit or loss in thousands of €	30.06.2009	31.12.2008
Debenture bonds and other fixed-interest securities	159.945	165.874
Equities and other variable-interest securities	8.876	8.804
Financial assets – at fair value through profit or loss	**168.821**	**174.678**

6. Financial assets – available for sale in thousands of €	30.06.2009	31.12.2008
Debenture bonds and other fixed-interest securities	555.580	719.815
Equities and other variable-interest securities	70.453	29.720
Other shareholdings	29.128	29.128
Other affiliated shareholdings	68.588	68.588
Financial assets – available for sale	**723.749**	**847.251**

7. Financial assets – held to maturity in thousands of €	30.06.2009	31.12.2008
Debenture bonds and other fixed-interest securities	1.032.478	657.348
Financial assets – held to maturity	**1.032.478**	**657.348**

8. Shares in at equity valued companies in thousands of €	30.06.2009	31.12.2008
Banks	217.328	210.974
Other	4.570	5.100
Shares in at equity valued companies	**221.898**	**216.074**

Balance sheet – Liabilities

9. Liabilities to banks in thousands of €	30.06.2009	31.12.2008
Austrian banks	555.993	1.135.130
Foreign banks	931.035	257.744
Liabilities to banks	**1.487.028**	**1.392.874**

10. Liabilities to customers in thousands of €	30.06.2009	31.12.2008
Saving deposits		
Austrian	1.191.263	1.089.557
Foreign	169.164	156.376
Sub-total savings deposits	1.360.427	1.245.933
Other deposits		
Austrian	2.906.903	3.040.770
Foreign	752.254	776.524
Sub-total other deposits	3.659.157	3.817.294
Liabilities to customers	**5.019.584**	**5.063.227**

11. Securitised debt in thousands of €	30.06.2009	31.12.2008
Debentures	676.074	747.960
Domestic bonds	116.268	118.576
Securitised debt	**792.342**	**866.536**
of which fair value	94.020	8.421

12. Trading liabilities in thousands of €	30.06.2009	31.12.2008
Negative market values arising from derivative transactions – Trading	3.387	17.151
Negative market values arising from derivative transactions – Fair-Value-option	12.598	6.110
Trading liabilities	**15.985**	**23.261**

13. Reserves and provisions in thousands of €	30.06.2009	31.12.2008
Long-term payroll reserves	63.238	63.082
Other reserves and provisions	2.174	1.374
Reserves and provisions	**65.412**	**64.456**

14. Subordinated capital in thousands of €	30.06.2009	31.12.2008
Supplementary capital	422.188	423.148
Hybrid capital	35.000	0
Subordinated capital	**457.188**	**423.148**
of which fair value	103.328	70.090

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 €	30.06.2009	31.12.2008
Share capital	50,0	50,0
Minus treasury shares	–1,2	–1,2
General reserves	372,7	372,7
Consolidation pursuant to section 24 (2) BWG	8,4	8,5
Hybrid capital	35,0	0,0
Minus intangible assets	–0,7	–0,8
Core capital (Tier 1)	**464,2**	**429,2**
Supplementary own funds (Tier 2)	372,6	343,1
Valuation items	–101,6	–101,7
Eligible own funds (excluding Tier 3)	**735,2**	**670,6**
Own funds applied pursuant to section 23 (14 Z 7) BWG (Tier 3)	1,0	2,0
Eligible own funds pursuant to section 23 (14) BWG	**736,2**	**672,6**
Risk-weighted measurement basis pursuant to section 22 (2) BWG	5.536,1	5.613,7
Equity requirement in relation to loan risk pursuant to section 22 (2) BWG	442,9	449,1
Equity requirement in relation to banking ledger pursuant to section 22o (2) BWG	1,0	2,0
Equity requirement for operational risk pursuant to section 22i BWG	20,5	20,5
Total own fund requirement	464,4	471,6
Surplus of own funds	271,8	201,0
Core capital ratio in %	**8,37%**	**7,61%**
Total capital ratio in %	**13,27%**	**11,93%**

Profit and loss account: Notes

16. Net interest income in thousands of €	01.01.-30.06.2009	01.01.-30.06.2008
Interest and similar income from		
Lending and money market transactions with banks	13.574	37.565
Lending and money market transactions with customers	93.251	132.159
Debenture bonds and fixed-interest securities	27.983	35.177
Equities and variable-rate securities	1.292	1.326
Other participations	2.435	1.459
Other	6.850	10.828
Sub-total interest and similar income	145.385	218.514
Interest and similar expenses on		
bank deposits	–12.351	–28.595
client deposits	–51.887	–94.276
securitised debt	–12.080	–21.216
subordinated capital	–8.238	–8.285
other	–7.454	–12.357
Sub-total interest and similar expenses	–92.010	–164.729
Income of at equity valued companies	13.218	17.761
Net interest income	**66.593**	**71.546**

17. Loan loss provisions in thousands of €	01.01.-30.06.2009	01.01.-30.06.2008
On-balance sheet	–10.902	–9.984
Off-balance sheet	–20	–50
Loan loss insurance premiums	–3.668	–3.000
Release of on-balance sheet provisions	1.256	2.033
Release of off-balance sheet provisions	0	0
Direct amortisation	–1.683	–1.557
Income from amortised receivables	56	275
Loan loss provisions	**-14.961**	**-12.283**

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.- 30.06.2009	01.01.- 30.06.2008
Lending	2.813	1.634
Payment transactions	6.679	6.698
Securities trading	8.476	10.742
Currency, foreign exchange and precious metals trading	1.625	1.729
Other	849	845
Commission income	**20.442**	**21.648**

19. Trading income in thousands of €	01.01.- 30.06.2009	01.01.- 30.06.2008
Derivatives	373	–123
Securities	1.593	31
Foreign currency	1.777	293
Trading income	**3.743**	**201**

20. Operating expenses in thousands of €	01.01.- 30.06.2009	01.01.- 30.06.2008
Payroll	–30.956	–30.677
thereof salaries and wages	–23.058	–22.505
thereof legal social contributions	–6.344	–6.081
thereof other personnel costs	–921	–1.038
thereof expenditures for long-term personnel deferrals	–633	–1.053
Materials	–12.979	–12.880
Amortisation	–3.697	–3.624
Operating expenses	**-47.632**	**-47.181**

20a. Payroll – annual average	2009	2008
White collar	882	870
Blue collar	29	28
Payroll	**911**	**898**

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.-30.06.2009	01.01.-30.06.2008
Other operating income	3.390	4.389
Other operating expenses	–2.047	–1.462
Hedge accounting income	432	850
Other operating income	**1.775**	**3.777**

22. Profit arising from financial assets – at fair value through profit or loss in thousands of €	01.01.-30.06.2009	01.01.-30.06.2008
Profit arising from financial assets – at fair value through profit or loss	11	–6.010
Profit arising from financial assets – at fair value through profit or loss	**11**	**-6.010**

23. Profit arising from financial assets – available for sale in thousands of €	01.01.-30.06.2009	01.01.-30.06.2008
Profit arising from financial assets – available for sale	336	–1.623
Profit arising from financial assets – available for sale	**336**	**-1.623**

24. Profit arising from financial assets – held to maturity in thousands of €	01.01.-30.06.2009	01.01.-30.06.2008
Profit arising from financial assets – held to maturity	2	0
Profit arising from financial assets – held to maturity	**2**	**0**

25. Performance bonds and credit risks in thousands of €	01.01.-30.06.2009	31.12.2008
Guarantees/Bonds	335.230	254.729
Credit risks	278.963	466.812
Performance bonds and credit risks	**614.193**	**721.541**

26. EPS (ordinary and preference shares)	30.06.2009	30.06.2008
Equities (ordinary and preference shares)	25.000.000	5.000.000
Average float (ordinary and preference shares)	24.932.153	4.855.832
Net Group income in thousands of €	26.066	25.563
EPS in € (ordinary and preference shares)	**1,05**	**1,05** *
Diluted gain per share in € (ordinary and preference shares)	1,05	1,05*

*) 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 €5.26.

Segment reporting

Company clients

The company clientele continued to be the engine of growth over the first six months of 2009. Profit rose by 9.3% compared with the previous year with pre-tax income for the period of €17.3 million. Higher volumes and widening margins in the lending operations as a whole led to an overall improvement in net interest income of €5.2 million compared with the preceding year.

The growth in commission income results chiefly from the strong lending business as well as from the excellent development in the money transmission business.

Rising personnel costs owing to our expansion in Bavaria and Baden-Württemberg led to an increase in operating expenditure of €0.9 million to €15.5 million. The cost/profit ratio improved in relation to the previous year from 38.6% to 35.1%, while the return on equity rose from 10.9% to 11.6%.

Private clients

The securities business – a vital contributor to the commission account – has suffered from the financial crisis. In the second quarter of 2009 the stock exchanges recovered further from their low points. Sales of securities – and thus also our commission profit – gained accordingly, but the weak results from the first quarter dampened profits on the securities business. At €8.5 million these were €2.3 million, or 21.1%, below those of the previous year. At €21.1 million the net interest income was down on the previous year's figure by €1.8 million.

Operating expenditure dropped by €0.3 million to €26.5 million. The pre-tax income for the period amounted to €4.4 million as at 30 June. The cost/profit ratio worked out at 79.3 % on the reporting date, having been at 71.9 % the previous year. The return on equity diminished from 15.3% to 12.2%.

Treasury

The trading profit was the engine of growth in this department during the second quarter of 2009. The higher profit stated at €3.5 million is attributable to the revival of the capital and foreign currency markets. It proved possible to achieve higher profits in the securities business (up €1.6 million on the year before) and in the foreign exchange and foreign notes and coins businesses (up by €1.5 million on the year before) by taking targeted advantage of the higher volatility. The interest income diminished by €8.6 million. This heading also includes the results from companies valued at-equity, which fell back in the same way as the economy as a whole.

In the first six months of 2009 the profit from financial assets recorded a gain of €0.3 million. The lowered credit spreads led here to valuation profits on bonds and to a marked improvement in profit in relation to the previous year. The pre-tax surplus for the period in this segment came to €13.0 million.

Segment reporting in thousands of €	Quarter	Corporate	Retail	Treasury	Other	Total
Net interest income	06/2009	36.981	21.055	8.557	0	66.594
	06/2008	31.792	22.894	16.860	0	71.546
Loan loss provisions	06/2009	–12.182	–2.779	0	0	–14.961
	06/2008	–9.120	–3.163	0	0	–12.283
Commission	06/2009	7.062	12.314	1.066	0	20.442
	06/2008	5.950	14.330	1.368	0	21.648
Trading income	06/2009	0	0	3.743	0	3.743
	06/2008	0	0	201	0	201
Operating expenses	06/2009	–15.467	–26.455	–1.176	–4.534	–47.632
	06/2008	–14.568	–26.749	–1.204	–4.660	–47.181
Other operating income	06/2009	907	265	433	170	1.775
	06/2008	1.782	288	1.699	8	3.777
Profit arising from financial assets	06/2009	0	0	349	0	349
	06/2008	0	0	–7.633	0	–7.633
Net profit for the period before tax	**06/2009**	**17.302**	**4.400**	**12.972**	**–4.364**	**30.310**
	06/2008	**15.836**	**7.600**	**11.291**	**–4.652**	**30.075**
Segment income	06/2009	3.863.219	1.564.819	2.298.168	0	7.726.206
	06/2008	3.653.513	1.583.461	2.723.608	0	7.960.582
Segment liabilities	06/2009	1.148.472	2.194.531	4.429.124	0	7.772.127
	06/2008	1.261.280	2.031.621	4.502.078	0	7.794.979
Ø Lending and market risk equivalent pursuant to section 22 BWG	06/2009	3.778.088	911.159	750.716	198.822	5.638.784
	06/2008	3.653.000	1.246.268	519.072	151.672	5.570.012
Ø Allocated equity	06/2009	302.247	72.893	60.057	128.497	563.694
	06/2008	292.240	99.701	41.526	101.929	535.396
Cost/income ratio in %	06/2009	35,1%	79,3%	8,8%	0,0%	52,5%
	06/2008	38,6%	71,9%	6,5%	0,0%	50,5%
RoE (basis net profit for the year before tax) in %	06/2009	11,6%	12,2%	43,8%	0,0%	10,9%
	06/2008	10,9%	15,3%	54,5%	0,0%	11,3%

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.

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 pcture 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.

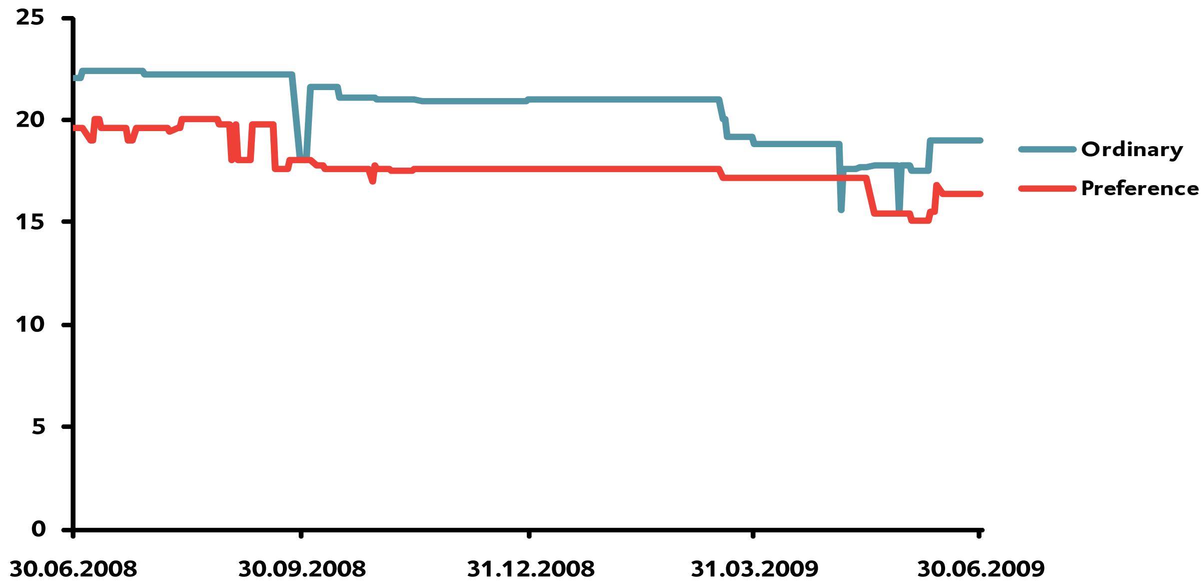
Execution of an audit and/or an examination of the intermediate report by an auditor has been waived.

Innsbruck, August 2009

The Managing Directors

Peter Gaugg Spokesman of the Managing Board	Mag. Matthias Moncher Member of the Managing Board

BTV equities as at 30 June 2009



Equity prices have been rising since the middle of March. This development was supported by the gradual stabilisation of the global economy and better than expected quarterly results from selected corporations. Major banks profited over the past quarter from heightened new issue activities and satisfactory performance on the capital markets.

After the price correction that took place at the end of June/early July equity prices have risen further. This was triggered off by better than anticipated quarterly company results. It is striking that most of the profits shown are only looking better because costs have been kept down and inventories cut back. It was increases in sales that were really needed, but these have so far been very difficult to achieve. So more price falls may still be ahead.

BTV's ordinary and preference shares were listed somewhat lower on 30.06.2009 than at the start of the year.

3 Banken Gruppe overview – Group information

	BKS Bank		Oberbank		BTV	
Profit and loss in millions of €	**01.01.-30.06.2009**	**01.01.-30.06.2008**	**01.01.-30.06.2009**	**01.01.-30.06.2008**	**01.01.-30.06.2009**	**01.01.-30.06.2008**
Net interest income	63,8	60,0	134,0	139,7	66,6	71,5
Loan loss provisions	–18,8	–11,7	–49,6	–31,3	–15,0	–12,3
Commission income	19,2	20,9	43,5	49,1	20,4	21,6
Operating expenses	–43,3	–41,8	–102,6	–102,4	–47,6	–47,2
Net profit for the period before tax	19,7	30,1	43,7	57,8	30,3	30,1
Attributable net income for the period	18,4	26,8	38,3	52,7	26,1	25,6

Balance sheet figures in millions of €	**30.06.2009**	**31.12.2008**	**30.06.2009**	**31.12.2008**	**30.06.2009**	**31.12.2008**
Total assets	6.068,6	5.975,7	15.866,2	15.314,0	8.555,9	8.495,6
Loans and advances to customers after loan loss provisions	4.318,5	4.186,1	9.544,7	9.248,6	5.527,3	5.750,4
Primary funds	3.573,7	3.945,1	10.298,3	10.016,7	6.269,1	6.352,8
of which savings deposits	1.747,3	1.677,5	3.410,9	3.301,9	1.360,4	1.245,9
of which securitised debt inc. subordinated capital	528,2	452,0	1.903,2	1.897,4	1.249,6	1.289,7
Equity	473,6	464,7	921,6	894,1	573,8	553,6
Managed deposits	8.595,7	8.739,3	17.300,6	17.039,1	10.176,3	10.258,4
of which client deposits	5.022,0	4.794,2	7.002,3	7.022,4	3.907,2	3.905,6

BWG own funds in millions of €	**30.06.2009**	**31.12.2008**	**30.06.2009**	**31.12.2008**	**30.06.2009**	**31.12.2008**
Measurement basis	4.232,4	4.087,7	10.274,4	9.970,2	5.536,1	5.613,7
Own funds	453,3	450,9	1.274,5	1.286,1	735,2	670,6
of which core capital (Tier 1)	280,9	281,9	822,5	824,7	464,2	429,2
Surplus before operational risk	114,8	123,9	450,3	487,1	292,3	221,5
Surplus after operational risk	91,6	102,7	399,7	436,5	271,8	201,0
Core capital ratio	6,64 %	6,90 %	8,01 %	8,27 %	8,37 %	7,61 %
Total capital ratio	10,71 %	11,03 %	12,40 %	12,90 %	13,27 %	11,93 %

Subsidiaries in %	**30.06.2009**	**31.12.2008**	**30.06.2009**	**31.12.2008**	**30.06.2009**	**31.12.2008**
RoE before tax	7,59 %	9,71 %	9,72 %	12,83 %	10,84 %	9,20 %
RoE after tax	6,90 %	9,16 %	8,50 %	11,82 %	9,32 %	9,22 %
Cost/income ratio	50,5 %	50,1 %	52,4 %	52,4 %	52,5 %	48,9 %
Risk/earnings ratio	29,4 %	15,4 %	37,0 %	22,5 %	22,5 %	20,0 %

Resources	**30.06.2009**	**31.12.2008**	**30.06.2009**	**31.12.2008**	**30.06.2009**	**31.12.2008**
Average no. of employees (only white collar)	876	860	1.977	1.983	882	879
Number of branches	56	54	133	134	43	44

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 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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