SHAREHOLDER REPORT
INTERIM REPORT
AS AT 30.09.2014

BANK FÜR TIROL UND VORARLBERG AG

3 Banken Gruppe

Contents

IMPORTANT DATES FOR BTV SHAREHOLDERS

Annual General Meeting	14 May 2014, 10.00 am, Stadtforum, Innsbruck The dividend will be published on the BTV homepage and in the gazette of the Wiener Zeitung the day after the Annual General Meeting.
Ex-dividend date	19.05.2014
Payment of dividend	22.05.2014
Interim report as at 31 March 2014	Published on 23 May 2014 (www.btv.at)
Interim financial report as at 30 June 2014	Published on 22 August 2014 (www.btv.at)
Interim report as at 30 September 2014	Published on 28 November 2014 (www.btv.at)

The BTV Group at a glance

INCOME in € million	30.09.2014	30.09.2013	Change in %
Net interest income	136.3	133.2	+2.3%
Loan loss provisions in the credit business	–18.5	–32.9	–43.8%
Net commission income	31.9	33.7	–5.4%
Operating expenses	–106.3	–72.1	+47.5%
Other operating profit	31.3	–1.8	>–100%
Net pre-tax profit for the period	75.1	66.6	+12.7%
Group profit for the period	59.3	51.8	+14.5%

BALANCE SHEET in € million	30.09.2014	31.12.2013	Change in %
Total assets	9,389	9,589	–2.1%
Loans and advances to clients after loan loss provisions	6,009	6,197	–3.0%
Primary funds	6,702	6,716	–0.2%
of which savings deposits	1,155	1,176	–1.8%
of which securitised debt including subordinated capital	1,373	1,288	+6.5%
Equity	977	913	+7.0%
Managed deposits	11,888	11,546	+3.0%

REGULATORY CAPITAL in € million	30.09.2014	31.12.2013	Change in %
Risk-weighted assets	6,263	6,055	+3.4%
Equity	1,109	964	+15.0%
of which common equity (CET1)	784	n. a.	n. a.
of which total core capital (CET1 and AT1)	848	807	+5.1%
Common equity Tier 1 ratio	12.51%	n. a.	n. a.
Core capital ratio	13.55%	13.33%	+0.22%
Equity ratio	17.71%	15.93%	+1.78%

COMPANY KEY FIGURES in percentage points	30.09.2014	30.09.2013	Change in percentage points
Return on equity before tax (RoE)	10.62%	10.36%	+0.26 pp
Return on Equity after tax	8.39%	8.06%	+0.33 pp
Risk/earnings ratio	13.6%	24.7%	–11.1 pp

RESOURCES Number	30.09.2014	31.12.2013	Change Number
Number of branches	38	37	+1

KEY INDICATORS FOR BTV SHARES	30.09.2014	30.09.2013
Number of ordinary no par value shares	22,500,000	22,500,000
Number of preference shares	2,500,000	2,500,000
Top price of ordinary/preference share in euros	21.90/16.91	19.00/16.40
Bottom price of ordinary/preference share in euros	19.60/16.50	17.20/15.40
Closing price of ordinary/preference share in euros	21.70/16.60	19.00/16.40
Market capitalisation in millions of euros	530	469
IFRS EPS in euros	3.16	2.77
P/E ratio, ordinary share	6.9	6.8
P/E ratio, preference share	5.3	5.9

n.s. = not shown

Management report and notes on BTV Group business development in 2014

Economic environment

After a weak start to the year as a result of inclement weather, the economic recovery in the United States continued in the second and third quarters. Between April and June the US economy grew significantly by 4.6%. The main pillar of the American economy, consumer spending, provided the main impetus for this trend. Various leading indicators suggest that this trend is set to continue in the coming months. For example, the University of Michigan consumer confidence index for October reached a seven-year high and the purchasing managers' index remains well over the 50 point growth threshold. In addition, there are signs of continuing recovery in the real estate and employment markets.

In comparison with the first six months of the year, the economy in the eurozone showed no growth in the third quarter. This was mainly due to a downturn in the three main economies of the eurozone. Germany, Europe's economic driving force, was disappointing with a shrinking GDP, France remained stagnant and Italy was unable to climb out of recession. In addition to ongoing structural problems such as the high rate of unemployment, the main reasons for this weak trend are the conflict in Ukraine and the concomitant trade sanctions. Although the ECB is trying to boost economic recovery through its expansive monetary policy, concerns about deflation continue to loom large. In September the rate of inflation fell again and reached a five-year low of 0.3%. The monetary watchdogs responded by lowering base rates and announcing unconventional measures. These measures are intended to stimulate lending, especially in the countries of southern Europe.

Interest rates

In the third quarter, the ECB introduced a number measures designed to ease monetary policy. It once again reduced both its base rate (0.05%) and its interest on deposits (down 0.20%) by 10 basis points each. And mid-September also saw the allocation of the first liquidity injection as part of the targeted long-term refinancing program for European commercial banks. However, the banks' response was restrained.

In order to provide further stimulus for lending, the ECB also announced a purchasing scheme for securitised debt. This easing of monetary policy on the part of the ECB led to a further fall in yields on government bonds in both the peripheral and the core countries of Europe.

In the third quarter of 2014, long-dated euro interest rates fell considerably (down 101 basis points to 1.14% on the 10-year euro swap). Money market interest rates (3-month Euribor) fell slightly compared to 31 December 2013 by 20 basis points to 0.08%.

Currencies

In the third quarter the US dollar strengthened considerably against the euro, mainly due to the different economic environment. Whereas the USA continues to show positive tendencies, data from the eurozone is mainly disappointing. The EUR/USD exchange rate fell to 1.258, its lowest level for many years. The strength of the US dollar is also set to continue in the coming months. In the United States, an interest rate hike is already being anticipated for 2015.

Against the euro, the Swiss franc also reached a new high for the year at the start of September. The currency benefited from its role as a „safe haven" since geopolitical uncertainty made markets more averse to taking risks. In spite of the existing pressure on the price floor of EUR/CHF 1.20 introduced by the SNB in September 2011, there are as yet no signs of this being lifted.

Profit trend

Consolidation

The combined profit and loss account and the balance sheet of the BTV Group were influenced by changes in the group of consolidated companies (cf. p. 12 and following pages); the values for the previous year correspond to the consolidated group at that time. This should be noted in the individual detailed items.

Net interest income

BTV's pre-tax earnings were up by €8.5 million to €75.1 million compared to the first three quarters of the previous year. This is mainly due to earnings from interest: At €136.3 million, this was €3.1 million or 2.3% higher than in the previous year. Interest income also includes income from at-equity valued enterprises. This result including the effects of changes in to the group of consolidated companies was €24.0 million overall.

Loan loss provisions in the credit business

Loss provisions for credit business represent the balance of inflows and releases of loss provisions, including direct write-downs on receivables. They are supplemented by income from debt that had previously been written off.

So far in 2014, the requirement for loan loss provisions for credit transactions (specific and portfolio valuation allowances) fell considerably by €14.4 million to €18.5 million. Within the segments, expenditure on loan loss provisions is distributed between corporate customers at €19.2 million including Leasing and Algar and €0.7 million for retail business. Valuation allowances for institutional clients and banks were down by €1.4 million.

Net commission income

Above all, the lower securities profit (down €1.1 million) and payment transactions (down €0.6 million) reduced net commission income by €1.8 million to €31.9 million. The forex, foreign notes and coins and precious metals business recorded a decline (down €0.2 million). Lending business was up by €0.1 million; other services business was unchanged year on year.

Trading income

Trading income was at €0.1 million, €0.9 million below the previous year. The main reason for this decline was reduced income from foreign exchange and notes and coins transactions and from derivative hedging instruments.

Operating expenses

Operating expenses were up €34.2 million in the reporting period to €106.3 million. The rise in personnel costs, expenditure on materials, amortisation and depreciation mainly resulted from the inclusion of VoMoNoSi Beteiligungs AG in the group of consolidated companies (up €31.2 million).

Personnel costs increased in the year to date (2014) by €14.9 million to €60.9 million. As from April, the banking industry pay settlement increased collective agreement salaries by an average of 2.2%; otherwise the increase was due to including VoMoNoSi Beteiligungs AG for the first time.
Operating expenses increased year-on-year by €9.7 million to €31.0 million. Without the changes to the consolidated group (up €9.2 million), the main cost driver was the increase in data centre costs, which were up by €0.4 million. Depreciation was €14.4 million in the reporting period. With an increase of €9.7 million, this has more than tripled due to the change in the basis of consolidation.

Other operating profit

The result for other operating profit improved by €33.1 million to €31.3 million. The negative value for the previous year was due to the fact that this item included the Austrian stability tax for BTV AG (€5.2 million to the end September 2014, up €2.2 million or 77.1% compared to September 2013). The increase in 2014 in other operating income mainly resulted from the inclusion of VoMoNoSi Beteiligungs AG in the consolidated group (this position includes the revenues of the Silvretta Montafon Group).

Income from financial assets

At €0.3 million, the improvement in results during the course of 2014 remained modest. Compared to the high value for the previous year (€5.6 million), however, the decline of €5.3 million is significant.

Tax position

Besides the ongoing effect of Austrian corporation tax, the amounts recorded at „Taxes on income and profit" relate primarily to the latent taxes to be paid on accruals and prepayment adjustments, in accordance with IFRS. By 30 September 2014, tax liability grew by 6.5% to €15.8 million in comparison to the previous year. The effective tax rate for the first three quarters was 21.0%.

Group income: Healthy result

In 2014, the consistent implementation of the risk strategy resulted in much lower risk costs. Compared to the previous year, the net pre-tax profit for the period therefore rose by €8.5 million or 12.7% to €75.1 million. After tax, Group income for the period was €59.3 million (up 14.5%).
The cost/income ratio of the BTV Group was around 53.3% as at 30 September 2014 and the risk/earnings ratio 13.6%. The return on equity before tax was 10.6%.

Balance sheet performance

The BTV Group's total assets fell by 2.1% to €9,389 million in comparison to year-end 2013.

Balances with central banks were reduced as a result of the negative deposit rates at the ECB. Cash reserves therefore fell by €171 million to €59 million compared to the year-end result. Loans to banks rose by €42 million to €364 million compared to 31 December 2013.

In the third quarter, customer loans were down by €79 million as a result of unscheduled repayments and a cautious investment pattern following a positive second quarter. However, the „loans to clients" item fell by €188 million to €6,217 million compared to year-end 2013.
Within the segments, lending to corporate and retail clients fell. Split according to domestic and foreign, loans to domestic customers fell by €196 million to €4,110 million, while loans to international customers rose by €8 million to €2,107 million.

Loan loss provisions for lending increased slightly by €1 million to €208 million.

The majority of new investments for 2014 in financial assets and holdings, including assets held for trading were carried out in the first quarter. The third quarter therefore saw a slight decline in the volume of securities as a result of current repayments amounting to €51 million. At 30 September 2014 these items amounted to €2,568 million, €46 million lower than
year-end 2013.

Other assets and other liabilities rose primarily on account of the full consolidation of the VoMoNoSi Beteiligungs AG.

Primary funds remained the basis of BTV's refinancing. At 30 September 2014, these were €14 million or 0.2% down compared to year-end 2013 and amounted to €6,702 million. Primary funds secured on the markets showed a positive trend whereas the volume of business with institutional customers declined due to the reduction in total assets (down €192 million). The basic principle of BTV, refinancing customer credit business by primary finds, is still intact.

Low interest rates are leading many clients to switch to the successful BTV Asset Management. Deposits increased in the first nine months by €356 million or 7.4% to €5,186 million.

Liabilities to banks fell by €331 million in comparison to year-end 2013, to €1,422 million owing to the declining balances with central banks.

Other liabilities including reserves and provisions increased mainly due to the inclusion of VoMoNoSi Beteiligungs AG in the basis of consolidation and the ALPENLÄNDISCHE GARANTIE-GESELLSCHAFT M.B.H. in the basis of consolidation as companies operating jointly.

Balance sheet equity increased by €64 million to €977 million, mainly thanks to the result for the period.

As at 30 September 2014, the credit institution group's qualifying net equity under CRR (Basel III) was €1,109 million. Overall, it increased by €145 million or 15.0% compared to year-end 2013 (Basel II). On 30 June 2014, the Tier 1 core capital of the banking group as per CRR amounted to €848 million. Of this, common equity (CET1) accounted for €784 million and the additional core capital (AT1) for €64 million.

Total risk-weighted assets rose by €207 million to €6,263 million mainly as a result of the transitional provisions under Basel III. From this the common equity is calculated at 12.51%, the core capital ratio at 13.55% and the equity ratio at 17.71%. The legally required minimum ratios are comfortably met.

Outlook

BTV is continuing its successful growth strategy in the growth markets of Vienna, Bavaria, Baden-Württemberg and Eastern Switzerland and South Tyrol. BTV is already the market leader in the main target groups in Tyrol and Vorarlberg. This position continues to be reinforced.
As explained in the outlook in the 2013 annual report, for the financial year 2014 we still expect that the annual net profit before tax will be at least equal to that of 2013, provided there are no unexpected economic upsets.

Abridged consolidated financial statements

Balance Sheet as at 30 September 2014

ASSETS in thousands of euros	30.09.2014	31.12.2013	Change absolute	Change in %
Cash reserves	58,674	229,545	–170,871	–74.4%
Loans and advances to banks [1] [Notes]	364,451	321,850	+42,601	+13.2%
Loans and advances to clients [2]	6,217,004	6,404,543	–187,539	–2.9%
Loan loss provisions [3]	–208,304	–207,146	–1,158	+0.6%
Trading assets [4]	32,737	27,208	+5,529	+20.3%
Financial assets – at fair value through profit or loss [5]	145,047	155,223	–10,176	–6.6%
Financial assets – available for sale [6]	1,256,567	1,251,189	+5,378	+0.4%
Financial assets – held to maturity [7]	770,564	846,262	–75,698	–8.9%
Shares in at-equity-valued companies [8]	363,205	333,672	+29,533	+8.9%
Intangible fixed assets	5,998	51	+5,947	>+100%
Property, plant and equipment	166,970	85,364	+81,606	+95.6%
Properties held as financial investments	44,646	46,754	–2,108	–4.5%
Tax refunds	402	224	+178	+79.5%
Other assets	170,742	93,786	+76,956	+82.1%
Total assets	**9,388,703**	**9,588,525**	**–199,822**	–2.1%

LIABILITIES in thousands of euros	30.09.2014	31.12.2013	Change absolute	Change in %
Liabilities to banks [9]	1,421,627	1,752,704	–331,077	–18.9%
Liabilities to clients [10]	5,329,211	5,427,569	–98,358	–1.8%
Securitised debt [11]	985,956	880,491	+105,465	+12.0%
Trading liabilities [12]	21,779	21,443	+336	+1.6%
Reserves and provisions [13]	114,610	69,601	+45,009	+64.7%
Tax debts	16,527	15,030	+1,497	+10.0%
Other liabilities	135,650	100,781	+34,869	+34.6%
Subordinated capital [14]	386,687	407,841	–21,154	–5.2%
Equity [15]	976,656	913,065	+63,591	+7.0%
Non-controlling interests	706	0	+706	>+100%
Owners of the parent company	975,950	913,065	+62,885	+6.9%
Total liabilities	**9,388,703**	**9,588,525**	**–199,822**	–2.1%

Statement of comprehensive income as at 30 September 2014

COMBINED PROFIT AND LOSS ACCOUNT in thousands of euros	01.01.– 30.09.2014	01.01.– 30.09.2013	Change absolute	Change in %
Interest and similar income	156,407	185,738	–29,331	–15.8%
Interest and similar expenses	–44,147	–73,336	+29,189	–39.8%
Income from at-equity valued companies	24,002	20,777	+3,225	+15.5%
Net interest income [16]	136,262	133,179	+3,083	+2.3%
Loan loss provisions [17]	–18,496	–32,920	+14,424	–43.8%
Commission income	35,442	38,615	–3,173	–8.2%
Commission expenses	–3,551	–4,899	+1,348	–27.5%
Net commission income [18]	31,891	33,716	–1,825	–5.4%
Trading income [19]	129	953	–824	–86.5%
Operating expenses [20]	–106,315	–72,085	–34,230	+47.5%
Other operating income [21]	31,254	–1,802	+33,056	>–100%
Profits arising from financial assets – at fair value through profit or loss [22]	–344	2,509	–2,853	>–100%
Income from financial assets – available for sale [23]	1,102	3,088	–1,986	–64.3%
Income from financial assets – held to maturity [24]	–414	–22	–392	>+100%
Net pre-tax profit for the period	75,069	66,616	+8,453	+12.7%
Taxes on earnings and profit	–15,764	–14,800	–964	+6.5%
Group profit for the period	**59,305**	**51,816**	**+7,489**	+14.5%
Non-controlling interests	377	0	+377	>+100%
Owners of the parent company	58,928	51,816	+7,112	+13.7%

ADDITIONAL OVERALL PROFIT in thousands of euros	01.01.- 30.09.2014	01.01.- 30.09.2013
Group profit for the period	59,305	51,816
Revaluation from performance-oriented pension plans	–2,002	–1,627
Changes in at-equity valued companies recognised directly in equity	–486	–1,721
Profits/losses with regard to deferred taxes, applied directly against equity	501	430
Total headings which could subsequently not be allocated into profit or loss	–1,987	–2,918
Unrealised profit/loss on assets retained for disposal (AfS reserve)	16,747	–12,896
Changes in at-equity valued companies recognised directly in equity	440	–3,403
Unrealised profits/losses from adjustments due to currency conversions	177	–154
Profits/losses with regard to deferred taxes, applied directly against equity	–4,688	4,214
Total of the items which can subsequently be allocated to profit or loss	12,676	–12,239
Sum other comprehensive income	10,690	–15,157
Comprehensive income for the period	**69,995**	**36,659**
Non-controlling interests	377	0
Owners of the parent company	69,618	36,659

Quarterly financial data

COMBINED PROFIT & LOSS ACCOUNT in thousands of euros	III. Q 2014	II. Q 2014	I. Q 2014	IV. Q 2013	III. Q 2013
Interest and similar income	52,504	51,512	52,391	56,073	59,324
Interest and similar expenses	–14,009	–15,111	–15,027	–17,290	–20,147
Income from at-equity valued companies	8,400	7,651	7,951	3,747	4,449
Net interest income [16]	46,895	44,052	45,315	42,530	43,626
Loan loss provisions [17]	–1,230	–7,825	–9,441	–13,964	–11,006
Commission income	11,410	12,075	11,957	12,639	12,391
Commission expenses	–1,216	–1,183	–1,152	–1,076	–1,269
Net commission income [18]	10,194	10,892	10,805	11,563	11,122
Trading income [19]	164	5	–40	48	634
Operating expenses [20]	–30,310	–44,068	–31,937	–23,942	–24,037
Other operating income [21]	–18	25,195	6,077	–470	–849
Income from financial assets – at fair value through profit or loss [22]	440	–1,290	506	9	250
Income from financial assets – available for sale [23]	138	299	665	–273	1,368
Income from financial assets – held to maturity [24]	–414	0	0	–1	–22
Net pre-tax profit for the period	25,859	27,260	21,950	15,500	21,086
Taxes on earnings and profit	–6,832	–4,679	–4,253	–2,948	–7,080
Group profit for the period	**19,027**	**22,581**	**17,697**	**12,552**	**14,006**
Non-controlling interests	–56	389	44	0	0
Owners of the parent company	19,083	22,192	17,653	**12,552**	**14,006**

KEY FIGURES	30.09.2014	30.09.2013
EPS in €[26]	2.36	2.07
RoE before tax	10.62%	10.36%
RoE after tax	8.39%	8.06%
Cost/income ratio*	53.28%	43.41%
Risk/earnings ratio	13.57%	24.72%

* Other operating profit for 2014 is now included in the calculation of the cost/income ratio. The value for the previous year has been adjusted.

Statement of change in equity

STATEMENT OF CHANGES IN EQUITY in thousands of euros	Subscribed capital	Reserves	Retained earnings	AfS reserve	Actuarial profit/loss	Total owners of the parent company	Non-controlling interests	Equity
Equity at 1 January 2013	50,000	60,935	647,147	99,745	–12,302	845,524	0	845,524
Capital increases	0	17	0	0	0	17		17
Comprehensive income for the period	0	0	51,182	–12,896	–1,627	36,658	0	36,658
Distributions	0	0	–7,500	0	0	–7,500	0	–7,500
Own shares	0	–162	0	0	0	–162	0	–162
Other changes with a neutral effect on results	0	0	–9	0	0	–9	0	–9
Equity at 30 September 2013	50,000	**60,790**	**690,820**	**86,847**	**–13,929**	**874,529**	**0**	**874,529**

STATEMENT OF CHANGES IN EQUITY in thousands of euros	Subscribed capital	Reserves	Retained earnings	AfS reserve	Actuarial profit/loss	Total owners of the parent company	Non-controlling interests	Equity
Equity at 1 January 2014	50,000	60,707	692,376	125,008	–15,026	913,065	0	913,065
Capital increases	0	0	0	0	0	0	0	0
Comprehensive income for the period	0	0	54,874	16,747	–2,002	69,620	377	69,995
Distributions	0	0	–7,500	0	0	–7,500	0	–7,500
Own shares	0	105	0	0	0	105	0	105
Other changes with a neutral effect on results	0	0	659	0	0	659	330	989
Equity at 30 September 2014	50,000	**60,812**	**740,410**	**141,755**	**–17,028**	**975,949**	**707**	**976,656**

Cash flow statement as at 30 September 2014

CASH FLOW STATEMENT in thousands of euros	01.01.- 30.09.2014	01.01.- 30.09.2013
Cash position at the end of the previous period	229,545	109,068
Operating cash flow	–196,981	53,740
Investment cash flow	40,734	–95,834
Financing cash flow	–14,624	–24,404
Cash position at the end of the period	58,674	42,570

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

BTV Group: notes 2014

Accounting and valuation principles

The present interim BTV Group accounts as at 30 September 2014 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 Commercial Code (Unternehmensgesetzbuch - UGB) and in accordance with IAS 34 (Interim Financial Reporting). The accounting and valuation methods applied uniformly across the group comply with the standards for European balance sheets, so that the informative value of these group financial statements equates to those pursuant to the provisions of the Austrian Commercial Code (UGB), in conjunction with the provisions of the Austrian Banking Act (BWG). During the year under review, the new version of IAS 27 and 28 and the new IFRS 10, 11 and 12 standards were applied for the first time. Moreover, the group interim report has been prepared according to the same accounting principles as those applied to the audited annual BTV Group accounts 2013.

Principles of consolidation and basis of consolidation

All significant subsidiaries which are under the financial control of the Bank für Tirol und Vorarlberg AG (BTV) are fully consolidated in the group financial statements, pursuant to IFRS 10. The consolidation of equity is carried out pursuant to the principles of IFRS 3, within the context of the acquisition method, by offsetting the acquisition costs against the identified assets and liabilities allocated to the parent company on a proportional basis. The assets and liabilities of the subsidiaries are stated at their respective fair market values at the time of acquisition. The difference between the acquisition costs and the net asset recorded at fair value is capitalised as goodwill. The capitalised goodwill is subject to an annual impairment test pursuant to the provisions of IFRS 3, in connection with IAS 36 and IAS 38. Subsidiaries of lesser significance for the asset, financial and income situation of the group are not fully consolidated.

The group of consolidated companies changed in 2014. Due to the resolution of the vote trust agreement, MPR Holding GmbH gained control over VoMoNoSi Beteiligungs AG as at 1 January 2014. TiMe Holding GmbH was established in March 2014 and is a subsidiary of MPR Holding GmbH. Its purpose is to hold the participation in Moser Holding AG.

As at 30 September 2014, the group of consolidated companies includes the following holdings:

FULLY CONSOLIDATED COMPANIES	Share in %	Voting rights in %
BTV Leasing Gesellschaft m.b.H., Innsbruck	100.00%	100.00%
BTV Real-Leasing Gesellschaft m.b.H., Vienna	100.00%	100.00%
BTV Real-Leasing I Gesellschaft m.b.H., Innsbruck	100.00%	100.00%
BTV Real-Leasing II Gesellschaft m.b.H., Innsbruck	100.00%	100.00%
BTV Real-Leasing III Nachfolge GmbH & Co KG, Innsbruck	100.00%	100.00%
BTV Real-Leasing IV Gesellschaft m.b.H., Innsbruck	100.00%	100.00%
BTV Real-Leasing V Gesellschaft m.b.H., Innsbruck (formerly: Gewerbegebiet Hall Immobilien GmbH, Innsbruck)	100.00%	100.00%
BTV Anlagenleasing 1 GmbH, Innsbruck	100.00%	100.00%
BTV Anlagenleasing 2 GmbH, Innsbruck	100.00%	100.00%
BTV Anlagenleasing 3 Gesellschaft m.b.H., Innsbruck	100.00%	100.00%
BTV Anlagenleasing 4 GmbH, Innsbruck	100.00%	100.00%
BTV Leasing Deutschland GmbH, Augsburg	100.00%	100.00%
BTV Leasing Schweiz AG, Staad	99.99%	99.99%
BTV Hybrid I GmbH, Innsbruck	100.00%	100.00%
BTV Hybrid II GmbH, Innsbruck	100.00%	100.00%
MPR Holding GmbH, Innsbruck	100.00%	100.00%
TiMe Holding GmbH, Innsbruck	100.00%	100.00%
VoMoNoSi Beteiligungs AG, Innsbruck	100.00%	100.00%
Silvretta Montafon Bergbahnen AG, Gaschurn	100.00%	100.00%
Silvretta Montafon Gastronomie GmbH, Gaschurn	100.00%	100.00%
Silvretta Skischule GmbH, Gaschurn	100.00%	100.00%
Silvretta Verwaltungs GmbH, Gaschurn	100.00%	100.00%
Silvretta Montafon Sporthotel GmbH & Co. KG, Gaschurn	100.00%	100.00%
Silvretta Montafon Infrastruktur GmbH, Gaschurn	100.00%	100.00%
Josefsheim Projektentwicklungsgesellschaft mbH, St. Gallenkirch	100.00%	100.00%
HJB Projektgesellschaft mbH, St. Gallenkirch	100.00%	100.00%
Silvretta Sportservice GmbH, Schruns	51.00%	51.00%
Process Engineering SMT GmbH, Dornbirn	51.00%	51.00%
Skischule Silvretta Montafon St. Gallenkirch GmbH, St. Gallenkirch	50.00%	50.00%

Leasing companies and the companies of the Silvretta Montafon Bergbahnen Group have been included in the report based on their respective first three quarter years, in accordance with their divergent financial year. The balance sheet date of the leasing companies and the Silvretta Montafon Bergbahnen Group is 30 September. The companies of Silvretta Montafon have a divergent accounting date due to their seasonal activity. The leasing companies have a divergent period closing date due to structural fact in the organisation of the group.

As at 30 September 2014 the Group does not disclose any direct minority interests owing to the acquisition of the remaining minority interests in VoMoNoSi Beteiligungs AG in March 2014. MPR Holding GmbH holds 100% of the shares in VoMoNoSi Beteiligungs AG as at 30 September 2014. There are only indirect minority interests, which are the result of the holding in Silvretta Sportservice GmbH, Process Engineering SMT GmbH and Skischule Silvretta Montafon St. Gallenkirch GmbH. Silvretta Montafon Bergbahnen AG holds 51% of the shares in Silvretta Sportservice GmbH, based in Schruns, 51% of the shares in Process Engineering SMT GmbH, based in Dornbirn and 50% of the shares in Skischule Silvretta Montafon St. Gallenkirch GmbH based in St. Gallenkirch. The result for the period that is allocated to the indirect minority interests is €377 thousand.

At the ordinary general meeting of 2 December 2013, Silvretta Sportservice GmbH resolved to distribute dividends of €700 thousand, of which €343 thousand was allocated to minority interests. With the circular resolution to shareholders on 13 January 2014, Process Engineering SMT GmbH resolved to distribute €70 thousand of dividends to shareholders. Of this, €34 thousand was allocated to minority interests.

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

Significant holdings over which BTV has a major influence are recorded by the equity method. As a rule, a stake of between 20% and 50% is considered to be a significant influence („associated companies"). According to the equity method, holdings in associated companies are included in the financial statements at acquisition cost plus any changes in the group's share of the net assets of the associated company after the initial consolidation.

There are also changes in associated companies as in 2014. Moser Holding AG is included at equity in the consolidated financial statements for the first time. The purchase of 24.99% of shares in Moser Holding AG closed on 27 March 2014. Moser Holding AG has a divergent financial year with a year-end date of 30 June and is included in this interim report as of 30 June 2014.

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

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

The following holdings were included using the equity method:

AT EQUITY CONSOLIDATED COMPANIES	Share in %	Voting rights in %
BKS Bank AG, Klagenfurt	18.90%	18.90%
Oberbank AG, Linz	13.95%	13.95%
Drei-Banken Versicherungs-Aktiengesellschaft, Linz	20.00%	20.00%
Moser Holding AG, Innsbruck	24.99%	24.99%

BKS Bank AG based in Klagenfurt and Oberbank AG based in Linz are regional universal banks and together with BTV form the 3 Banken Group. In addition, the Drei-Banken Versicherungs-Aktiengesellschaft is the common insurance company of the 3 Banken Group. Moser Holding AG is active in publishing with a focus on print (daily newspapers, free weekly newspapers and magazines) and online.

The holdings in Oberbank AG and BKS Bank AG have been included in the group financial statements for the following reasons, despite the fact that they are below the 20% holding threshold:

For the holding in Oberbank AG, there is a syndication contract between BTV, BKS Bank AG and Wüstenrot Wohnungswirtschaft reg. Gen.m.b.H., or for the holding in BKS Bank AG, there are syndicate agreements between BTV, Oberbank AG and Generali 3 Banken Holding AG, the purpose of which is to maintain the autonomy of the institutions. In this way, for both of the cited companies, there is the possibility of exercising a significant influence.

For the purpose of drawing up the annual financial statements in a timely fashion, at-equity valued companies are included for the period from 1 October 2013 to 30 June 2014. Receivables and liabilities, expenses and income internal to the group are eliminated except where they are insignificant. An interim net profit elimination has been waived, since material interim net profit figures were not available.

The ALPENLÄNDISCHE GARANTIE-GESELLSCHAFT M.B.H. is classed as joint operations after IFRS 11 came into effect on 1 January 2014. The company ALPENLÄNDISCHE GARANTIE-GESELLSCHAFT M.B.H. has a concession under Section 1 para. 1, line 8, of the Austrian Banking Act (BWG). Its exclusive corporate object is the granting of guarantees, sureties and other liabilities for lending businesses of the 3 Banken Group. The 3 Banken Group is primarily the only source for payment flows that contribute to the continued activities of the arrangement. It is therefore classed as a joint operation in accordance with IFRS 11.B29-32.

COMPANIES OPERATING JOINTLY	Share in %	Voting rights in %
ALPENLÄNDISCHE GARANTIE-GESELLSCHAFT M.B.H.	25.00%	25.00%

Main business events in the period reported

With reference to the resolutions adopted at the 96th Annual General Meeting of the Bank für Tirol und Vorarlberg AG on 14 May 2014, please see the the BTV Homepage (www.btv.at) under the heading „Company".

BTV Garmisch was opened in September. The main focus of the location is on retail client activities.

Events after the interim financial statement date

Since the date of the interim financial statement there have not been any activities or events in the BTV Group which are relevant to the report because of their form or content, and which would affect the picture of the asset, financial and earnings situation conveyed by this report.

Balance sheet – Assets

1 LOANS AND ADVANCES TO BANKS in thousands of euros	30.09.2014	31.12.2013
Loans to domestic credit institutions	180,273	134,817
Loans to foreign credit institutions	184,178	187,033
Loans to Credit Institutions	**364,451**	**321,850**

2 LOANS TO CLIENTS in thousands of euros	30.09.2014	31.12.2013
Loans to Austrian clients	4,110,302	4,306,350
Loans to foreign clients	2,106,702	2,098,193
Loans to clients	**6,217,004**	**6,404,543**

3 LOAN LOSS PROVISIONS in thousands of euros	2014	2013
Opening balance of credit transactions at 1 January	207,146	194,492
– Releases	–6,651	–3,608
+ Allocation	19,134	31,443
– Application	–19,739	–9,895
(+/–) Changes arising from currency differences	14	–14
(+/–) Reclassification from consolidation	8,400	0
Loan loss provisions at 30.09.	**208,304**	**212,418**
Opening balance of credit transaction reserves at 1 January	1,552	1,107
– Releases	–71	–71
+ Allocation	5,710	507
– Application	0	0
Reclassification from consolidation	32,131	0
Changes arising from currency differences	0	0
Credit transaction reserves at 30 September	**39,322**	**1,543**
Total loan loss provisions at 30 September	**247,626**	**213,961**

4 TRADING ASSETS in thousands of euros	30.09.2014	31.12.2013
Debenture bonds and other fixed-interest securities	0	0
Equities and other variable-interest securities	0	0
Positive market values arising from derivative transactions – Trading	8,080	6,023
Positive market values arising from derivative transactions – Fair value option	24,657	21,185
Trading assets	**32,737**	**27,208**

5 FINANCIAL ASSETS – AT FAIR VALUE THROUGH PROFIT OR LOSS in thousands of euros	30.09.2014	31.12.2013
Debenture bonds and other fixed-interest securities	135,967	145,773
Equities and other variable-interest securities	9,080	9,450
Financial assets - at fair value through profit or loss	**145,047**	**155,223**

6 FINANCIAL ASSETS – AVAILABLE FOR SALE in thousands of euros	30.09.2014	31.12.2013
Debenture bonds and other fixed-interest securities	1,030,635	980,290
Equities and other variable-interest securities	33,663	72,835
Other shareholdings	24,476	30,335
Other affiliated shareholdings	167,793	167,729
Financial assets - available for sale	**1,256,567**	**1,251,189**

7 FINANCIAL ASSETS – HELD TO MATURITY in thousands of euros	30.09.2014	31.12.2013
Debenture bonds and other fixed-interest securities	770,564	846,262
Financial assets – held to maturity	**770,564**	**846,262**

8 SHARES IN AT-EQUITY VALUED COMPANIES in thousands of euros	30.09.2014	31.12.2013
Credit institutions	345,907	329,656
Non-credit institutions	17,298	4,016
Shares in at-equity valued companies	**363,205**	**333,672**

Balance sheet – Liabilities

9 LIABILITIES TO BANKS in thousands of euros	30.09.2014	31.12.2013
Austrian credit institutions	644,745	679,439
Foreign credit institutions	776,882	1,073,265
Liabilities to credit institutions	**1,421,627**	**1,752,704**

10 LIABILITIES TO CLIENTS in thousands of euros	30.09.2014	31.12.2013
Savings deposits		
Austrian	1,015,235	1,039,940
Foreign	139,920	135,843
Sub-total savings deposits	1,155,155	1,175,783
Other deposits		
Austrian	2,984,546	3,081,270
Foreign	1,189,510	1,170,516
Sub-total other deposits	4,174,056	4,251,786
Liabilities to clients	**5,329,211**	**5,427,569**

11 SECURITISED DEBT in thousands of euros	30.09.2014	31.12.2013
Debentures	797,234	681,527
Domestic bonds	188,722	198,964
Securitised debt	**985,956**	**880,491**
of which fair value	426,134	401,711

12 TRADING LIABILITIES in thousands of euros	30.09.2014	31.12.2013
Negative market values arising from derivative transactions – Trading	9,884	8,969
Negative market values arising from derivative transactions – Fair value option	11,895	12,474
Trading liabilities	**21,779**	**21,443**

13 RESERVES AND PROVISIONS in thousands of euros	30.09.2014	31.12.2013
Long-term payroll reserves	69,451	65,590
Other reserves and provisions	45,159	4,011
Reserves and provisions	**114,610**	**69,601**

14 SUBORDINATED CAPITAL in thousands of euros	30.09.2014	31.12.2013
Supplementary capital	305,682	326,798
Hybrid capital	81,005	81,043
Subordinated capital	**386,687**	**407,841**
of which fair value	179,337	153,085

As of 2014, the consolidated capital of the Group is reported in accordance with the provisions of Basel III. This is based on EU Regulation 575/2013 (Capital Requirements Regulation – CRR), in conjunction with the Austrian CRR accompanying regulation. The capital according to CRR consists of the common equity (Common Equity Tier 1 – CET1), the additional core capital (Additional Tier 1 – AT1) and supplementary capital (Tier 2 – T2). The respective capital ratios are determined by contrasting the corresponding regulatory capital component after taking into account all regulatory deductions and transitional provisions of the overall measure of risk. In accordance with the provisions of the CRR a minimum requirement of 4.5% is planned for CET1 which will be increased by the capital buffer defined in accordance with CRD IV (Capital Requirements Directive IV). For the entire core capital, a minimum requirement of 6.0% is provided; the total capital must reach a value of 8.0%.

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

CONSOLIDATED EQUITY OF THE BTV CI GROUP in millions of euros	30.09.2014	31.12.2013
	Basel 3	Basel 2
Common equity (CET1)	783.5	n. a.
Additional core capital (AT1)	64.8	n. a.
Core capital (Tier 1): sum of common equity (CET1) and additional (AT1) core capital	848.3	807.0
Supplementary capital (Tier 2)	260.6	157.3
Equity applied under Section 23 para. 14 line 7 BWG (Tier 3)	n. a.	0.1
Total regulatory capital	**1,108.9**	**964.4**
Risk-adjusted assessment basis	5,880.8	5,651.9
Risk-adjusted assessment basis	1.3	1.5
Risk-adjusted assessment basis	380.7	402.0
Total risk-weighted assets	**6,262.8**	**6,055.4**
Common equity Tier 1 ratio	12.51%	n. a.
Core capital ratio	13.55%	13.33%
Equity ratio	17.71%	15.93%

The structure of regulatory capital is based on the final proposal of the guidelines of the EBA (Europe-an Banking Authority); the values are assessed on the basis of the group of consolidated companies required by supervisory regulations.

The comparative figures with Basel 2 are limited to the total items, since the structure of equity under Basel 3 differs considerably from that under Basel 2.

Explanation: n.s. = not shown

Income Statement: Notes

16 NET INTEREST INCOME in thousands of euros	01.01.-30.09.2014	01.01.-30.09.2013
Interest and similar income from		
Lending and money market transactions with credit institutions	5,270	6,580
Lending and money market transactions with clients	115,814	113,473
Debenture bonds and fixed-interest securities	33,074	37,560
Equities and variable-rate securities	38	956
Other shareholdings	1,145	693
Other transactions	1,066	26,476
Sub-total interest and similar income	156,407	185,738
Interest and similar expenses on		
Credit institutions deposits	–6,914	–7,547
Customer deposits	–20,148	–24,108
Securitised debt	–3,688	–2,338
Subordinated capital	–10,161	–9,949
Other trades	–3,236	–29,394
Sub-total interest and similar expenses	–44,147	–73,336
Income from at-equity valued companies	24,002	20,777
Net interest income	**136,262**	**133,179**

17 LOAN LOSS PROVISIONS in thousands of euros	01.01.-30.09.2014	01.01.-30.09.2013
Allocation of on-balance sheet provision	–19,134	–31,443
Allocation of off-balance sheet provision	–5,710	–507
Loan loss insurance premiums	0	–3,253
Release of on-balance sheet provisions	6,651	5,452
Release of off-balance sheet provisions	71	71
Direct amortisation	–543	–3,455
Income from amortised receivables	169	215
Loan loss provisions in the credit business	**–18,496**	**–32,920**

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

18 COMMISSION INCOME in thousands of euros	01.01.- 30.09.2014	01.01.- 30.09.2013
Credit transaction	4,274	4,155
Payment transactions	9,156	9,795
Securities trading	14,932	16,016
Currency, foreign exchange and precious metals trading	2,007	2,201
Other services business	1,522	1,549
Net commission income	**31,891**	**33,716**

19 TRADING INCOME in thousands of euros	01.01.- 30.09.2014	01.01.- 30.09.2013
Income from derivatives	–786	–169
Income from securities	284	257
Income from foreign exchange and notes and coins transactions	631	865
Trading income	**129**	**953**

20 OPERATING EXPENSES in thousands of euros	01.01.- 30.09.2014	01.01.- 30.09.2013
Payroll	–60,922	–46,020
thereof salaries and wages	–45,448	–34,256
thereof legal social contributions	–12,652	–9,377
thereof other personnel costs	–1,469	–1,460
thereof expenditures for long-term personnel deferrals	–1,353	–927
Materials	–30,953	–21,305
Amortisation	–14,442	–4,760
Operating expenses	**–106,317**	**–72,085**

20a AVERAGE NUMBER OF EMPLOYEES, WEIGHTED ACCORDING to personnel years	2014	2013
White collar	895	766
Blue collar	337	27
Payroll	**1,232**	**793**

The number of staff was reduced by the number of employees delegated to subsidiaries outside the group of companies covered by the IFRS consolidation.

21 OTHER OPERATING INCOME in thousands of euros	01.01.- 30.09.2014	01.01.- 30.09.2013
Other operating income	56,530	4,339
Other operating expenses	–25,253	–6,079
Hedge accounting income	–23	–62
Other operating profit	**31,254**	**–1,802**

22 PROFIT ARISING FROM FINANCIAL ASSETS – AT FAIR VALUE THROUGH PROFIT OR LOSS in thousands of €	01.01.- 30.09.2014	01.01.- 30.09.2013
Profit arising from financial assets – at fair value through profit or loss	–344	2,509
Profit arising from financial assets – at fair value through profit or loss	**–344**	**2,509**

23 PROFIT ARISING FROM FINANCIAL ASSETS – AVAILABLE FOR SALE in thousands of euros	01.01.- 30.09.2014	01.01.- 30.09.2013
Profit arising from financial assets – available for sale	1,102	3,088
Profit arising from financial assets – available for sale	**1,102**	**3,088**

24 PROFIT ARISING FROM FINANCIAL ASSETS – HELD TO MATURITY in thousands of euros	01.01.- 30.09.2014	01.01.- 30.09.2013
Profit arising from financial assets – held to maturity	–414	–22
Profit arising from financial assets – held to maturity	**–414**	**–22**

25 PERFORMANCE BONDS AND CREDIT RISKS in thousands of euros	30.09.2014	30.09.2013
Performance guarantees	236,566	249,723
Credit risks	1,069,375	1,037,541
Performance bonds and credit risks	**1,305,941**	**1,287,264**

Creditworthiness by sector of selected countries

The following table illustrates the volume of receivables owed by debtors in selected countries categorised by sectors. Against the backdrop of recent trends on the financial markets the loan, insurance and public authority sectors have been highlighted.

TOTAL CREDIT RISK: CREDITWORTHINESS STRUCTURE BY SECTORS OF THE SELECTED COUNTRIES AT 30 SEPTEMBER 2014

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

Sectors in thousands of euros	Italy	Ireland	Spain	Russia	Total
Loans and insurance	35,649	8,578	0	0	44,227
Public sector	0	0	0	0	0
Remaining sectors	122,229	84	515	471	123,299
Total	**157,878**	**8,662**	**515**	**471**	**167,526**

26 EPS (ORDINARY AND PREFERENCE SHARES)	30.09.2014	30.09.2013
Equities (ordinary and preference shares)	25,000,000	25,000,000
Average float (ordinary and preference shares)	24,966,101	24,972,350
Net Group income in thousands of euros	58,926	51,816
EPS (Earnings per share) in €	2.36	2.07
Diluted earnings per share in € (ordinary and preference shares)	2.36	2.07

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

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

This hierarchy reflects the significance of the input data used for the valuation and is classified as follows:

Quoted prices in active markets (Level 1):

This category contains equity, corporate bonds and government lending listed on major exchanges. The fair value of financial instruments traded in active markets is calculated on the basis of quoted prices, in so far as these represent prices applied within the context of regular and current transactions.

An active market must fulfil cumulatively the following conditions:

- the products traded on the market are homogenous,
- normally willing contractual buyers and sellers can be found any time and
- prices are available to the public.

A financial instrument is seen as listed on an active market if its prices are available easily and regularly from a stock exchange, a trader or broker, an industry group, a price service agency or a supervisory authority and these prices represent actual and regularly occurring market transactions.

Valuation procedure through observable parameters (Level 2):

This category includes OTC derivative contracts, receivables and issued debt securities of the Group classified at fair value.

Valuation procedures through significant unobservable parameters (Level 3):

The financial instruments in this category show input parameters which are based on unobservable markets.

The allocation of certain financial instruments to the categories requires a systematic assessment, especially if the valuation is based on both observable as well as unobservable market parameters. The instrument classification may also change over time in consideration of changes to the market parameters.

For securities and other investments which are valued at fair value, the following valuation processes are applied:

Level 1
The fair value is derived from the transaction prices as traded on the stock exchange.

Level 2
Securities which are not traded in an active market are valued by means of the discounted cash flow method. This means that the future projected cash flows are discounted by means of suitable discount factors in order to calculate the fair value. The discount factors contain both the credit curve without credit risk as well as the credit spreads which follow the credit rating and the rank of the issuer. The interest curve for discounting hereby contains securities account, money-market futures and swap rates as observable on the market. The calculation of the credit spread follows a 3-step process:

1) If there is for the issuer a bond of the same rank and of the same remaining term which is actively traded on the market, this credit spread is used.
2) if there is no comparable bond which is actively traded on the market, the credit default swap spread (CDS spread) with a similar term is applied.
3) If there is neither a comparable bond traded on the market nor an actively traded CDS, then the credit spread from a comparable issuer is applied (level 3). This approach is currently not being used at the BTV group.

Level 3
The accompanying current values of the mentioned financial assets in the third stage where determined in accordance with generally recognised valuation processes. Significant parameters are the depreciation rate as well as long-term success and capitalisation values with consideration of the experience of the management as well as knowledge of the market conditions of the specific industry.

The issues are categorised at level 2 and the valuation takes place in accordance with the following process:

Level 2
The own issues are not subject to active trade on the capital market. Instead they are retail issues and private placements. The valuation consequently takes place by means of a discounted cash flow valuation model. This is based on an interest curve based on money market interest rates and swap interest as well as BTV's credit spreads. The credit spreads align themselves with the spreads that are payable at the time for an interest rate hedging transaction (interest spread on swap).

The derivatives are also categorised at level 2.
The following valuation processes are applied:

Level 2
Derivative financial instruments are divided into derivatives with a symmetrical payment profile as well as derivatives with an asymmetrical payment profile.

At BTV, derivatives with a symmetrical payment profile contain interest derivatives (interest swaps and interest rate forwards) and foreign currency derivatives (FX Swaps, cross currency swaps and FX outright transactions). These derivatives are calculated by means of the discounted cash flow method which is based on money market interest rates, money market futures-interest rates, swap interest rates as well as basis spreads which can be observed continually on the market.

At BTV, derivatives with an asymmetrical payment profile contain interest derivatives (caps and floors). The calculation of the fair value occurs here by means of the Black-76-Option price model. All inputs are either completely directly observable on the market (money market rates, money market futures- interest rates as well as swap interest rates) or derived from input factors observable on the market (caps / floor volatilities implicitly deducted from option prices).

The following tables show the fair value valuation methods used in order to determine the fair value of the balance sheet financial instruments.

FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS WHICH ARE VALUED AT FAIR VALUE AS AT 30 SEPTEMBER 2014 IN thousands of euros	Prices listed in active markets Level 1	Valuation methods based on market data Level 2	Valuation methods not based on market data Level 3
Financial assets stated at fair value			
Trading portfolio securities	0	0	0
Positive market values from derivative financial instruments	0	107,132	0
Assets classified at fair value	119,364	25,558	125
Financial assets available for disposal	935,974	128,324	192,269
Overall financial assets classified at fair value	1,055,338	261,014	192,394
Financial liabilities stated at fair value			
Negative market values from derivative financial instruments	0	63,283	0
Liabilities classified at fair value	0	605,471	0
Overall liabilities classified at fair value	0	668,754	0

FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS WHICH ARE VALUED AT FAIR VALUE AS AT 31 DECEMBER 2013 in thousands of euros	Prices listed in active markets Level 1	Valuation methods based on market data Level 2	Valuation methods not based on market data Level 3
Financial assets stated at fair value			
Trading portfolio securities	0	0	0
Positive market values from derivative financial instruments	0	77,401	0
Assets classified at fair value	129,100	25,822	301
Financial assets available for disposal	891,804	127,321	232,064
Overall financial assets classified at fair value	1,020,904	230,544	232,365
Financial liabilities stated at fair value			
Negative market values from derivative financial instruments	0	62,883	0
Liabilities classified at fair value	0	554,796	0
Overall liabilities classified at fair value	0	617,679	0

MOVEMENTS IN LEVEL 3 OF FINANCIAL INSTRUMENTS ASSESSED AT FAIR VALUE in thousands of euros	December 2013	Profit Profit and loss	Success from other operating income	Purchases	Sales, repayments	Transfer to level 3	Transfer from level 3	Currency conversion	Sept. 2014
Trading portfolio securities	0	0	0	0	0	0	0	0	0
Positive market values from derivative financial instruments	0	0	0	0	0	0	0	0	0
Classified at fair value - assets	301	–176	0	0	0	0	0	0	125
Available for sale financial assets	232,064	0	–23	6,401	–12,388	215	–34,000	0	192,269
Overall financial assets classified at fair value	**232,365**	**–176**	**–23**	**6,401**	**–12,388**	**215**	**–34,000**	**0**	**192,394**

Movements between level 1, level 2 and level 3

In the current reporting year of 2014, financial assets available of €34,030 thousand were reclassified for disposal owing to effects of consolidation and €185 thousand transferred to Level 3 due to the establishment of a company and a shareholder contribution respectively.

28 FAIR VALUE OF FINANCIAL INSTRUMENTS, WHICH ARE NOT VALUED AT FAIR VALUE

In the following table for each balance sheet item the fair market value is compared to the book value. The market value is the amount, which in an active market could be raised from the sale of a financial instrument or which would need to be paid to make an equivalent purchase.

For positions without a contractually fixed term the relevant book value was applied. If no market prices exist, then generally accepted valuation models were applied, in particular analysis using discounted cash flow and the option price model.

ASSETS in thousands of euros	Fair value 30 September 2014	Book value 30.09.2014	Fair value 31 December 2013	Book value 31.12.2013
Cash reserves	58,674	58,674	229,545	229,545
Loans to Credit Institutions	364,927	364,451	323,088	321,850
Loans to clients	6,748,355	6,217,004	6,881,828	6,404,543
Financial assets – held to maturity	838,163	770,564	875,006	846,262

LIABILITIES in thousands of euros	Fair value 30 September 2014	Book value 30.09.2014	Fair value 31 December 2013	Book value 31.12.2013
Liabilities to credit institutions	1,416,081	1,421,627	1,744,778	1,752,704
Liabilities to clients	5,351,381	5,329,211	5,431,697	5,427,569
Securitised debt	555,853	559,821	467,988	478,781
Subordinated capital	209,018	207,350	253,086	254,756

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

Segment reporting is provided by BTV Group as required by the information and valuation rules of IFRS 8. Segment information is based on what is known as the „Management Approach". This requires segment information to be presented according to internal reporting as it is regularly used by the company's key decision-makers for decisions on allocation of resources to the segments and to assess their performance. The qualitative and quantitative thresholds defined in IFRS 8 are met by this segment reporting. The business areas are reported as independent businesses.

Segment reporting is based on internal divisional accounting for the corporate and retail customers business areas, on the overall bank report for the institutional clients and banks business area, on the Reporting Package and the monthly report for the BTV Leasing subgroup and on the respective monthly report for the Silvretta Montafon Bergbahnen Group. These reports reflect the structure of management responsibilities within BTV in 2014. These internal reports to the Board of Directors, which only satisfy IFRS accounting standards in part, are supplied monthly and are almost totally automated by preparatory systems and interfaces. The reporting dates for the data are the respective period closing dates of the subsidiaries included in the consolidated financial statements. The information of the internal and external accounting system is based on the same base data and is agreed for the reports between Controlling and the accounting and reporting departments. This also means that there is mutual checking by the two teams. The criterion for the separation of business areas is primarily the responsibility for looking after clients. Changes in this responsibility can also lead to changes in attribution to a segment during the course of a year. These effects are not corrected in the year-on-year comparison insofar as they are immaterial.

In 2014, the following business areas are defined within BTV:
The corporate client business area is responsible for small, medium and large business clients and chartered accountants and auditors. The retail client business area is responsible for the retail clients, freelance professionals and micro-companies market segments. The institutional clients and banks division mainly includes treasury and trading activities. BTV Leasing brings together all leasing operations of BTV AG. The Silvretta Montafon Bergbahnen Group contains all of its tourism activities. The results of these segments also include transactions between segments, particularly between the corporate customer segment and leasing and the Silvretta Montafon Group. Services are transferred at market prices.
Alongside these five reporting segments is the „Other segments/consolidations/misc." heading. This item reports the results from service areas across BTV, such as Finance and Controlling, Legal and Investments, Marketing and Communications and Group Auditing etc. In addition, the effects of consolidation and fully consolidated companies below the thresholds (ALPENLÄNDISCHE GARANTIE-GESELLSCHAFT M.B.H., BTV Hybrid I GmbH and BTV Hybrid II GmbH) as well as TiMe Holding GmbH are allocated to this segment.

Corporate clients

In the first three quarters of 2014 income from corporate clients improved by €8.0 million overall to €40.3 million. This considerable increase was mainly due to healthy income from interest and the reduced provision for risk in respect of credit transactions. Moderately increased margins in the financing business increased net interest income by €1.7 million to €65.0 million. Loan loss provisions in the lending business fell by €7.9 million to €17.0 million. Operating expenses were up €1.5 million whereas commission income remained stable at €15.4 million.

Retail clients

In the retail business sector, the reduced risk provisions for credit transactions could not fully compensate for the lower commission income (down €3.3 million to €19.9 million) and higher administrative expenses (up €0.5 million to €33.0 million). The pre-tax income for the period fell by €0.5 million to €15.5 million. Interest income remained relatively flat (down €0.1 million to €28.7 million).

Institutional clients and banks

Net interest income fell year-on-year by €1.3 million to €10.3 million. The trading result including income from financial assets also fell (down €5.9 million). Administrative expenses rose by €0.2 million. Given that risk provisions fell by €5.9 million, pre-tax income for this segment amounted to €32.6 million compared to €48.1 million in the previous year.

Leasing

Buoyed by higher customer cash values (up €51 million), net interest income rose by €1.3 million to €11.6 million. The other decisive factors are other operating income, which was up by €0.4 million to €2.7 million, and the €0.9 million reduction in expenses for risk provisions. Overall, pre-tax profit grew by €2.2 million to €10.6 million.

Silvretta Montafon

The result of the Silvretta Montafon Group is reported for the first time due to full consolidation in 2014, so there are no comparable values. As at 30 September 2014 the months to October 2013 to June 2014 for Silvretta Montafon Bergbahnen Group are included in the report. As the business is dominated by tourism, there is a strong seasonal fluctuation in results.

Other operating profit (€39.5 million) mainly includes the revenues. These are the decisive factors for Silvretta Montafon with its average of 436 employees in the quarter under review. Administrative expenses amounted to €31.2 million. Overall, the pre-tax result for the period with a slightly negative net interest income (down €0.7 million) was around €7.5 million.

SEGMENT REPORTING in thousands of euros	Year	Corporate clients	Retail clients	Institutional clients and banks	Leasing	Silvretta Montafon	Reporting segments	Others segments/ consolida-tion/misc.	Group balance sheet/P&L
Net interest income	09/2014	64,980	28,713	10,341	11,642	–732	114,944	–2,684	112,260
	09/2013	63,307	28,809	11,375	10,372	0	113,863	–1,461	112,402
Income from at-equity val-ued companies	09/2014	0	0	0	0	0	0	24,002	24,002
	09/2013	0	0	0	0	0	0	20,777	20,777
Loan loss provisions in the credit business	09/2014	–17,001	–699	1,435	265	0	–16,000	–2,496	–18,496
	09/2013	–24,867	–3,961	–3,500	–592	0	–32,920	0	–32,920
Net commission income	09/2014	15,420	19,940	0	479	0	35,839	-3,948	31,891
	09/2013	15,444	23,241	0	525	0	39,210	-5,494	33,716
Operating expenses	09/2014	–23,143	–33,012	–1,795	–4,464	–31,239	–93,652	–12,662	–106,315
	09/2013	–21,634	–32,500	–1,547	–4,238	0	–59,918	–12,167	–72,085
Other operating profit	09/2014	0	532	0	2,721	39,497	42,750	–11,496	31,254
	09/2013	0	404	0	2,305	0	2,709	–4,511	–1,802
Result from financial assets and trading result	09/2014	0	0	478	–5	0	473	0	473
	09/2013	0	0	6,427	101	0	6,528	0	6,528
Result for the period before tax	09/2014	40,256	15,474	10,459	10,638	7,525	84,354	-9,284	75,069
	09/2013	32,250	15,993	12,755	8,473	0	69,472	-2,854	66,617
Segment loans	09/2014	4,268,313	1,287,289	2,360,856	709,775	3,625	8,629,858	130,023	8,759,881
	09/2013	4,280,531	1,341,644	2,249,064	658,279	0	8,529,518	313,520	8,843,038
Segment liabilities	09/2014	1,795,118	2,791,227	2,680,731	666,997	41,122	7,975,195	170,065	8,145,260
	09/2013	1,677,100	2,821,107	2,564,584	621,143	0	7,683,934	521,352	8,205,286

Changes in this responsibility can lead to changes in attribution to a segment. These effects are not corrected in the year-on-year comparison.

Segment reporting: explanatory notes

The net interest income is allocated according to the market interest method. Sales figures are included in the corporate and retail clients for management reasons, among other items. Income from equity-valued companies is allocated to the „Other segments/consolidation/misc.“ area. Net commission income is determined by the assignment of the internal divisional accounting (including all manual entries being assigned to commission). Costs are allocated to the respective segments in which they were incurred and the expenses of BTV Leasing GmbH or Silvretta Montafon Group are directly allocated in accordance with the management reports. Costs not directly imputable are shown under „Other segments/consolidation/misc.“ The other operating income includes, among other things, the turnover of the Silvretta Montafon Group and essentially the stability tax and rental and underground car park operations under „Other segments/consolidation/misc.“

The segment receivables include the entries for loans and advances to banks, loans and advances to clients, trading assets and all fixed-interest securities, guarantees and liabilities. The „Other segments/consolidation/misc.“ column includes loan loss provisions, since the internal control considers the liabilities as net figures in contrast to the balance sheet. Also included in this column are consolidating entries. The entries for liabilities to banks, liabilities to clients, trading liabilities, securitised debt, trading liabilities and subordinated capital are allocated to the liabilities segment. Consolidating entries are also included in this item in the „Other segments/consolidation/misc.“ column. The success of the business field concerned is measured by the before-tax annual net profit generated by that segment. The result of the investment in the Silvretta Montafon Group was included in 2013 in the at-equity result and not yet part of the full consolidation, therefore the comparative figures for the „Silvretta Montafon“ segment for 2013 are stated as 0.

Declaration by the statutory representatives pursuant to Section 82 (4) and 87 (1) BörseG (Stock Exchange Act)

We confirm that, to the best of our knowledge, the abridged interim group financial statements drawn up in accordance with the relevant accounting standards convey as faithful a picture as possible of the asset, financial and profit position of the BTV group, and that the report paints as faithful a picture as possible of the asset, financial 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 interim group financial statements with respect to the main risks and uncertainties to which the group is exposed.

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

Innsbruck, November 2014

The Board of Directors

Peter Gaugg
Board Spokesperson

Spokesperson for the Board of Directors with responsibility for corporate client business in Innsbruck, Tyrolean Unterland, Oberland and Ausserfern, South Tyrol, Vienna and Southern Germany; Corporate clients, Group audit, Human resources, Marketing & Communications divisions; BTV Leasing; Compliance and money laundering.

Mag. Matthias Moncher
Member of the Board

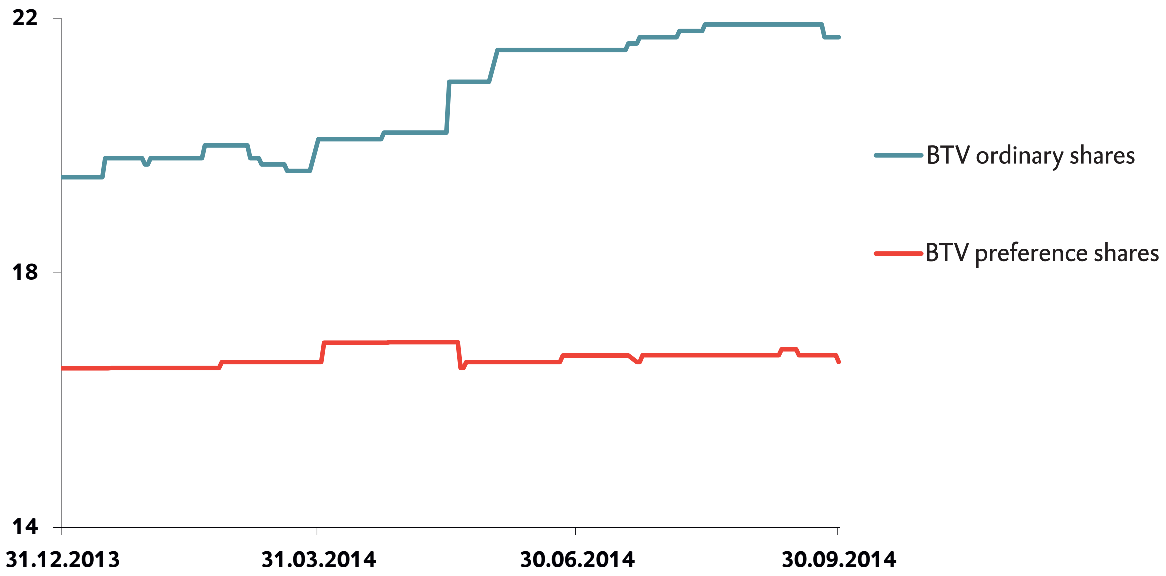
Member of the Board of Directors with responsibility for risk, process, IT and cost management; the departments for finance and controlling, legal matters and investments, credit management, the service centre, group audit; Compliance and money laundering.

Gerhard Burtscher
Member of the Board

Member of the Board, responsible for private client business in Tyrol, Vorarlberg, Vienna, Southern Germany and Italy; Corporate client business in Vorarlberg; Corporate and private customer business in Switzerland; Institutional Clients and Banks, Group audit; Compliance and money laundering.

BTV shares as at 30 September 2014

PERFORMANCE OF BTV SHARES SINCE 31 DECEMBER 2013 in euros



Sideways movements in stock markets

In the third quarter, the stock markets were characterised by increased uncertainty on the part of investors. Geopolitical factors, signs of an economic slowdown in the eurozone, concerns about Chinese growth and speculation about an upturn in interest rates in the USA and the United Kingdom meant that no clear direction could be observed on the established stock markets, with the result that markets moved mainly sideways. The outlook for equities nevertheless remains positive in the medium term, since the recovery of the global economy is due to continue in the coming months. If we look at returns, equities remain attractive. In addition, the established indices from both industrial and emerging countries seem to be fairly valued at present.

The Swiss SMI was one of the strongest stock exchanges, gaining 7.7% year on year. The Euro Stoxx 50 gained 3.8% whereas the American Dow Jones gained 2.8%. Vienna's ATX index was down by a not inconsiderable 13.45%. In the third quarter, the Japanese market was largely able to make up for the losses of the first half-year and fell by only 0.7% between the beginning of the year and 30 September.

BTV's ordinary shares have risen by 11.3% to €21.70 since 1 January 2014 and preference shares have risen by 0.6% to €16.60.

Overview of 3 Banken Group – Group information

	BKS Bank		Oberbank		BTV	
PROFIT AND LOSS in € million	01.01.- 30.09.2014	01.01.- 30.09.2013	01.01.- 30.09.2014	01.01.- 30.09.2013	01.01.- 30.09.2014	01.01.- 30.09.2013
Net interest income	119.1	107.8	262.6	255.3	136.3	133.2
Loan loss provisions in the credit business	–40.2	–30.7	–53.5	–53.1	–18.5	–32.9
Commission income	35.8	33.6	87.7	86.0	31.9	33.7
Operating expenses	–76.9	–74.5	–175.0	–172.6	–106.3	–72.1
Other operating profit	–4.0	–6.3	1.4	–4.4	31.3	–1.8
Net pre-tax profit for the period	38.6	34.6	126.3	114.2	75.1	66.6
Group profit for the period	33.3	30.9	107.4	97.2	59.3	51.8

BALANCE SHEET FIGURES in millions of euros	30.09.2014	31.12.2013	30.09.2014	31.12.2013	30.09.2014	31.12.2013
Total assets	6,859.2	6,743.8	18,038.6	17,531.8	9,388.7	9,588.5
Loans and advances to clients after loan loss provisions	4,930.4	4,874.2	11,798.3	11,277.9	6,008.7	6,197.4
Primary funds	4,939.0	4,597.5	12,078.7	12,250.4	6,701.9	6,715.9
of which savings deposits	1,716.5	1,741.2	3,132.9	3,352.1	1,155.2	1,175.8
of which securitised debt including subordinated capital	799.5	813.9	2,328.1	2,224.4	1,372.6	1,288.3
Equity	741.5	714.2	1,530.9	1,421.0	976.7	913.1
Managed deposits	12,829.9	11,383.4	23,182.2	22,787.5	11,887.8	11,545.8
of which customer deposits	7,890.9	6,785.9	11,103.5	10,537.1	5,185.9	4,829.9

REGULATORY CAPITAL in millions of euros	30.09.2014	31.12.2013	30.09.2014	31.12.2013	30.09.2014	31.12.2013
Basis for measuring capital	4,864.3	4,423.3	12,026.4	10,734.0	6,262.8	6,055.4
Equity	733.8	707.6	1,847.4	1,824.8	1,108.9	**964.4**
of which common equity (CET1)	606.0	n. a.	1,224.7	n. a.	783.5	n. a.
of which total core capital (CET1 and AT1)	615.6	662.5	1,283.0	1,320.6	848.3	807.0
Common equity ratio in %	12.46%	n. a.	10.18%	n. a.	12.51%	n. a.
Core capital ratio in %	12.66%	13.92%	10.67%	12.30%	13.55%	13.33%
Total capital ratio in %	15.09%	16.00%	15.36%	17.00%	17.71%	15.93%

COMPANY KEY INDICATORS in %	30.09.2014	31.12.2013	30.09.2014	31.12.2013	30.09.2014	31.12.2013
Return on Equity before tax	6.91%	6.49%	11.50%	10.31%	10.62%	10.36%
Return on Equity after tax	5.92%	5.79%	9.77%	8.91%	8.39%	8.06%
Risk/earnings ratio	33.7%	29.2%	20.4%	21.1%	13.6%	24.7%

NUMBER of resources	30.09.2014	31.12.2013	30.09.2014	31.12.2013	30.09.2014	31.12.2013
Number of branches	56	56	154	150	38	37

n.s. = not shown

Imprint

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Notes

Any reference in the interim report to a person (e.g. he, him) is intended to apply equally to women and men.

In the BTV interim report there may be slightly differing values between tables or graphics due to rounding. charts.

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

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Further details pursuant to Section 25 of the Austrian Media Act can be found at www.btv.at/impressum.

Principle objective

Display and presentation of the company and information about the key products and services of the Bank für Tirol und Vorarlberg Aktiengesellschaft.

Contents

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MA (Ms) Reinhard Auer
MA Daniel Stöckl-Leitner

Design

BTV Marketing and Communication
Mag. (FH) Nicola Dander

Final version

10 November 2014