

Create. Values. Sustainably.

Bank für Tirol und Vorarlberg Aktiengesellschaft
May 2024

1. Company portrait
2. Our business philosophy
3. Balance sheet and P&L
4. Funding
5. Cover pool
6. Summary
7. Contacts



Company portrait

Milestones

Founding

On 8 April, a joint-stock company was founded under the name 'Bank für Tirol and Vorarlberg'.



Association of the '3 Banken Gruppe'

Today, Oberbank AG, BKS Bank AG, and BTV form the '3 Banken Gruppe'.



New name

Commitment in Austria, Germany, Italy and Switzerland. The brand identity is changed to BTV VIER LÄNDER BANK

Strategy 2030



Leading into the future

TV is celebrating its 120th anniversary.

1904



1924

The Miracle from Inn

BTV can pay out the savings deposits to its customers as the only regional joint stock bank.

1952

3 Banken Gruppe

1986

First 'western bank' on the Vienna Stock Exchange

Since 1986, BTV is listed as the only regional bank of western Austria on the Vienna Stock Exchange.

2011



2018

'Create. Values. Sustainably.'

This is our mission and an expression of our strategic positioning, our ambitions and our identity.

2024

Four countries – one bank

The market area of the BTV VIER LÄNDER BANK is full of opportunities. It extends from Tyrol, Vorarlberg and Vienna through southern Germany and German-speaking Switzerland to South Tyrol.

We're represented at the most important hubs with a total of 37 branch offices.



Top economic development in our markets



Tyrol grows the most economically
within Austria
→ **+0.5% in 2023***



Low unemployment rate in Tyrol and
Vorarlberg
→ **3.1% respectively 3.4% in 2023**



Tyrol is the region with most guests
staying overnight within Austria
→ **over 48.5 million in 2023**



Tyrol offers a wide range of university
education
→ **currently over 35,000 students**



Baden-Württemberg is the German Federal State with
the strongest exporting economy
→ **€ 247.6 billion in 2023**



Bavaria and Baden-Württemberg are especially innovative
regions within the EU
→ **81 respectively 130 patents/100,000 residents in 2023**

The DACH region: one of Europe's most attractive economic regions

Economic data	Austria	Germany	Switzerland	Euro zone
GDP growth (2023)	-0.7%	-0.3%	0.7%	0.4%
Inflation (2023)	7.9%	6.1%	2.2%	5.5%
Unemployment (2023)	5.1%	5.7%	2.0%	6.5%
National debt in % of the GDP (2023)	78.2%	63.6%	39.1%	91.0%
Budget balance in % of the GDP (2023)	-2.7%	-2.4 %*	0.8%	-3.4%

*provisional data

Rating	Rating S&P	Outlook S&P
Austria	AA+	stable
Germany	AAA	stable
Switzerland	AAA	stable
EU	AA+	positive

2023: Political and economic developments



High interest rate level and weak economic situation



High prices for energy and raw materials



Inflation



Geopolitical trouble spots



Stagnating property market



Positive annual performance of the stock markets due to the end-of-year rally

2024: Challenges



Inflation, weakening economic situation



Continued high interest rate level



Geopolitical environment: wars, trade disputes, intensification of protectionism

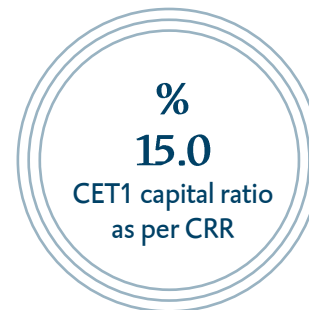


Supply chains and logistics challenges in global trade



The general economic conditions will be shaped by various elections (EU Parliament, National Council, US presidential election)

BTV at a glance



Business model



Corporate and business customers



Retail customers

Finance & Hedge

Financing –
resources, investments, structured,
syndicated, mezzanine

Hedging – bank guarantees,
foreign trade, currency
management and interest
rate management

Mortgage loans

Consumer credits

Subsidized lending

Subsidized lending

Leasing

Investing

Short-term investments

Special fund management

Asset management

Individual investments in
securities

Mid-term, long-term investments

Liquidity management

Consultancy mandate

Savings

Payment services

Payment services

Cash management

Accounts and cards

Internet banking and apps

Provide & Insure

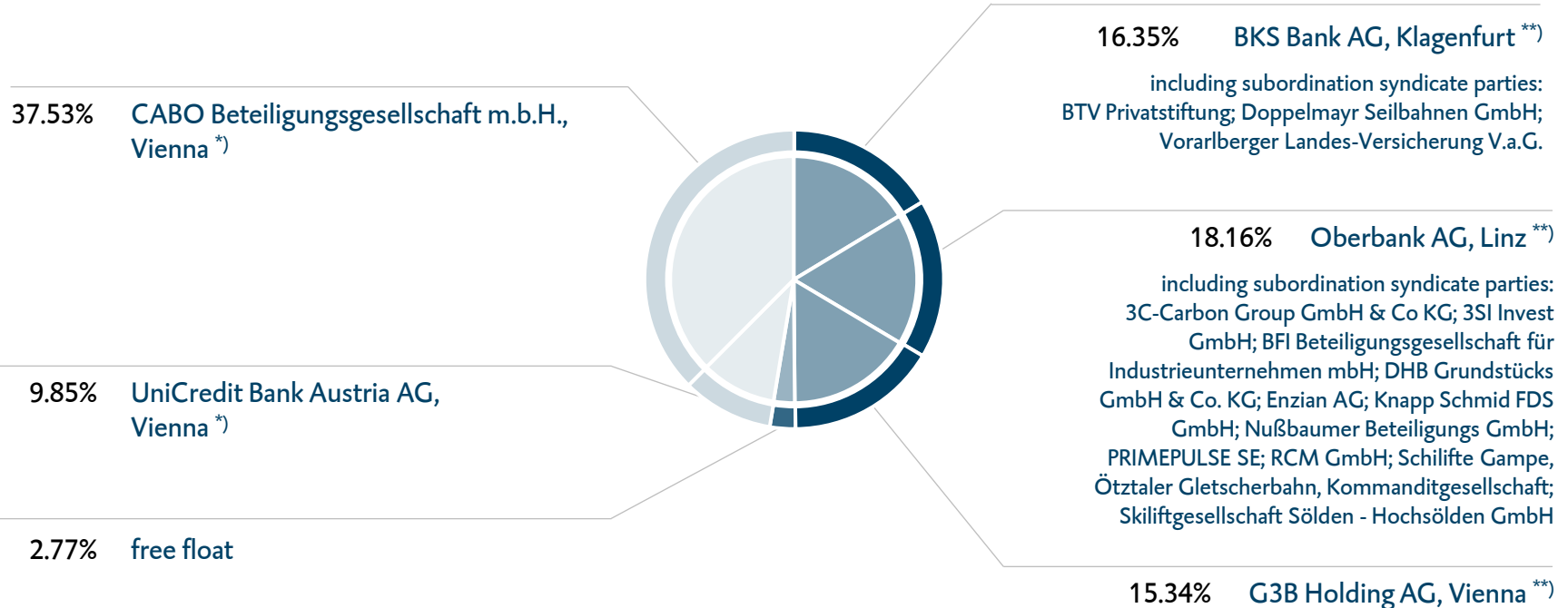
Occupational pensions

Property insurance

Life insurance

Pension and risk provisioning

BTV shareholder structure as of 31.12.2023



*) affiliated with the group

**) shareholders who are parties to the syndicate agreement – percentage of the syndicate: 49.85%

Strategic investment portfolio





Our business philosophy

BTV Strategy Wheel with all fields of action

Market and environment
Business isn't romantic.

- Intense competition
- Increasing regulation
- Digitalisation and innovation
- Market transparency
- Increasing customer requirements

Value cycle
The market is in motion. So are we.



Fields of action



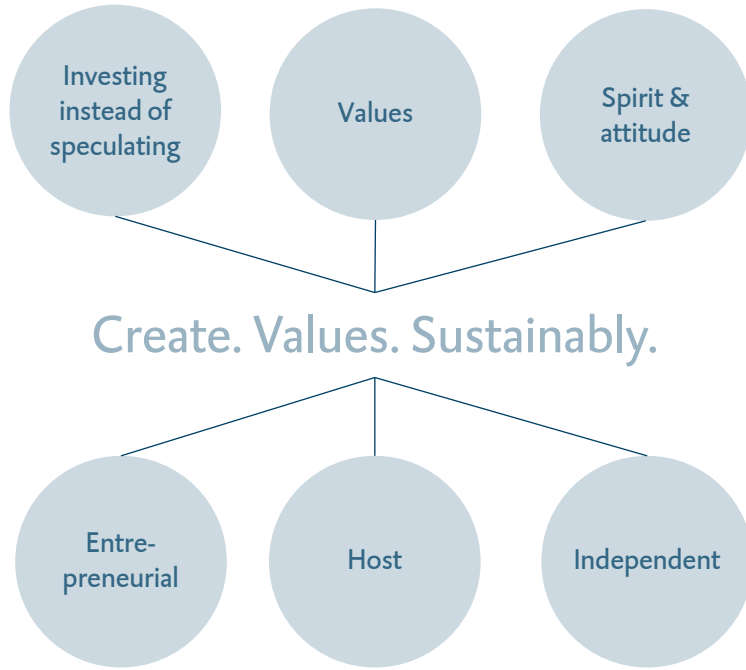
Strengths and assets
We act from a position of strength.

- Entrepreneurial attitude
- Commitment
- Independence
- Courage to voice our opinion
- Trust and quality of consultation
- four countries – one bank
- Whoever has the ability and the willingness gets the chance

Meaning and identity

- BTV = a company with spirit and attitude
- BTV = refreshing and conservative
- BTV = quantitative VALUES (cycle)
- BTV = qualitative core VALUES
- BTV = intentional cultural development
- BTV = progress and stability through movement
- BTV = passion for the future

Business philosophy



- BTV provides banking as it used to be: deposits from the region go back into the region in the form of loans to innovative companies, projects and private individuals.
- We manage savings prudently and deliberately. Trust and partnership are decisive for us.
- We offer comprehensive services as well as wide-ranging industry know-how.

Sustainability strategy

As part of its sustainability goals, BTV supports the 2030 Agenda of the United Nations, which was enacted in September 2015.

That agenda centres around the 17 Sustainable Development Goals (SDGs).



Sustainable development

UN Sustainable Development Goals and sustainability regulatory



Society & Social Affairs

- Societal responsibility
- Social responsibility
- Art & culture

- ⇒ 10 supported projects by 2030
- ⇒ 300 hours worked as part of the BTV Action Crew by 2025



Environment & resources

- Carbon footprint and energy
- Consumption of resources
- Mobility
- Sustainable procurement

- ⇒ 100% green electricity by 2025
- ⇒ 85% paper reduction by 2030



Strategy & governance

- Sustainability strategy
- Corporate culture
- Governance



Customers & products

- Responsible Financing
- Responsible Investing
- Digitalisation and innovation
- Customer satisfaction

- ⇒ Net growth of sustainable financing in % from the portfolio of 67% by 2030
- ⇒ Gross inflows in sustainable funds 50% by 2025



Employees

- Reliable employer
- Continuing education
- Diversity
- Health

- ⇒ 850 hours of participation in healthcare services by 2025
- ⇒ 40% of women in leadership positions by 2030

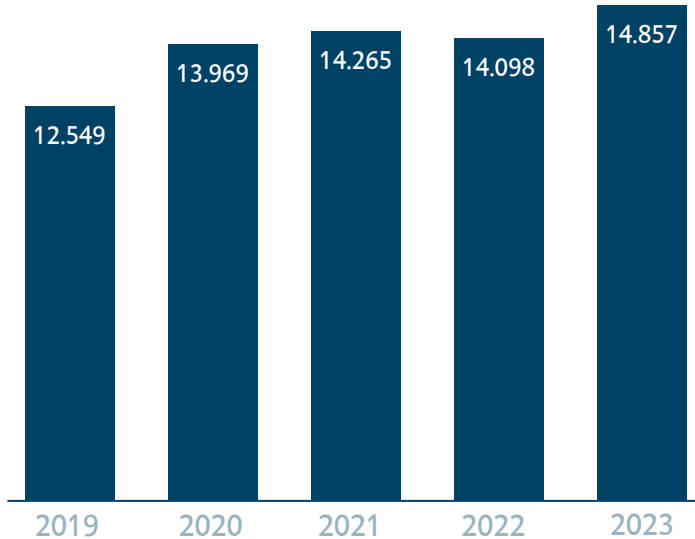
Balance sheet and P&L

BTV business development

Balance sheet in million €	31.12.2019	31.12.2020	31.12.2021	31.12.2022	31.12.2023	Δ 2022/2023
Customer loans	7,939	8,036	8,081	8,452	8,615	+1.9 %
Primary funds	8,937	9,649	9,394	9,743	10,653	+9.3 %
Equity	1,749	1,787	1,881	2,074	2,284	+10.1 %
Total assets	12,549	13,969	14,265	14,098	14,857	+5.4 %
Assets under management	15,717	16,438	17,422	17,092	18,450	+7.9 %

BTV business development

Total assets in million €

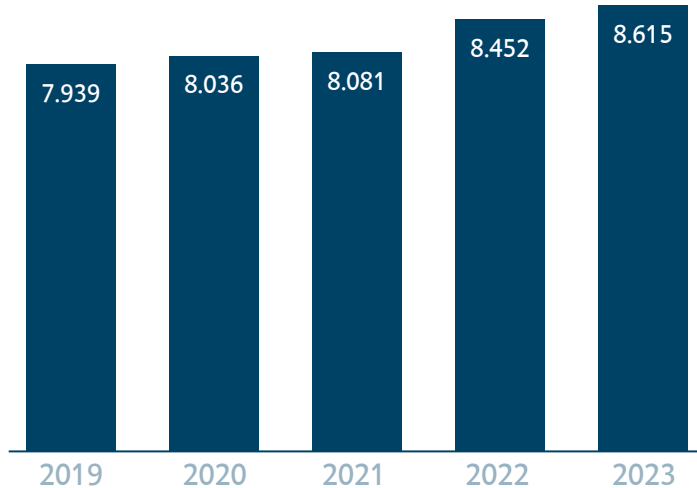


Operating on a growth trajectory

Supported by the encouraging development in customer loans and primary deposits, our total assets increased significantly.

Lending volume

Volumes in million €



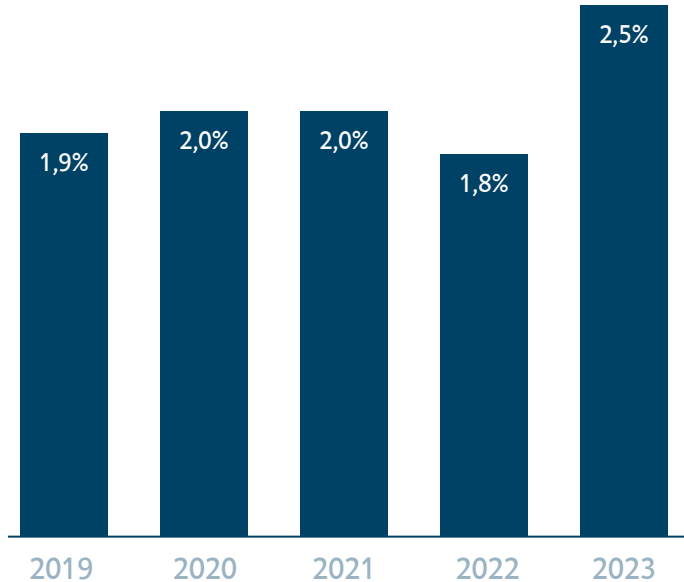
Continuous credit growth

The success with customer loans is directly related to the permanent support of customers by the BTV advisors.

The growth was driven by corporate banking.

Lending volume

Non-performing loans ratio



NPL ratio at a low level

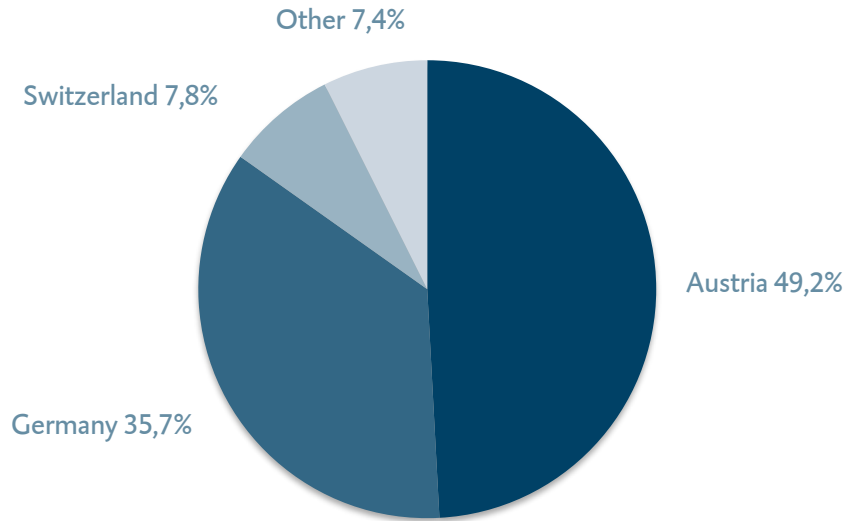
A challenging economic environment leads to an increase in the NPL ratio.

Compared to industry peers the NPL ratio remains at a low level.

Credit risk by country

Loans to credit institutions and to customers, other financial assets and guarantees

Distribution by country

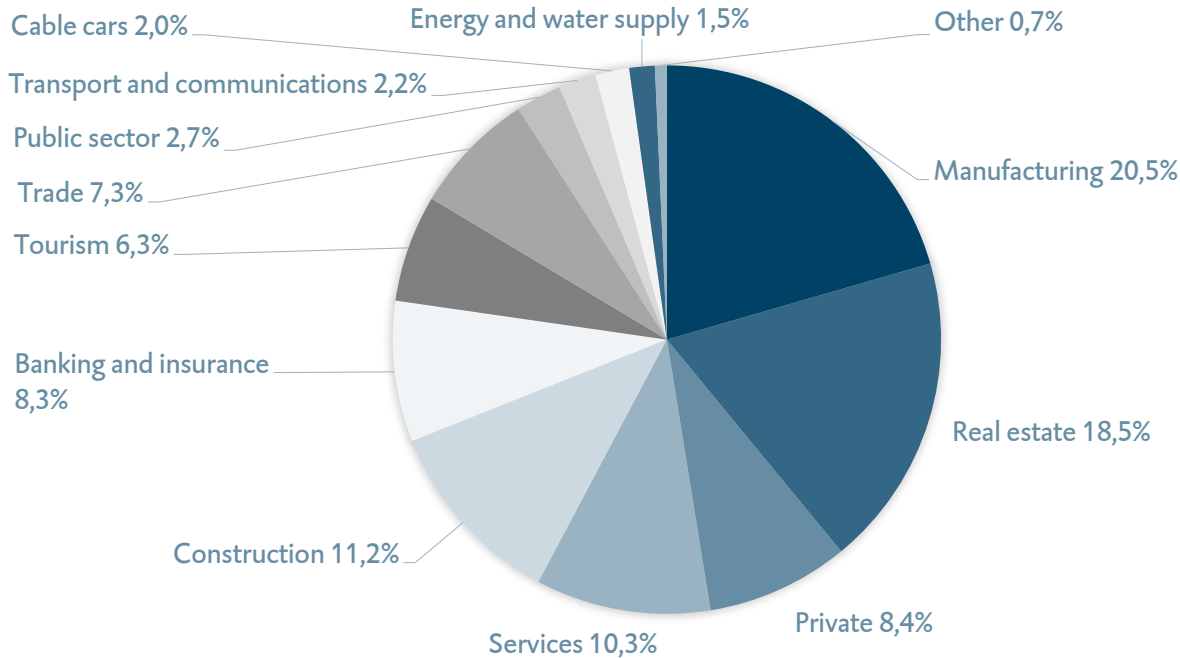


Investing in the region

93% of the credit risk in Austria, Germany and Switzerland.

Credit risk by economic sector

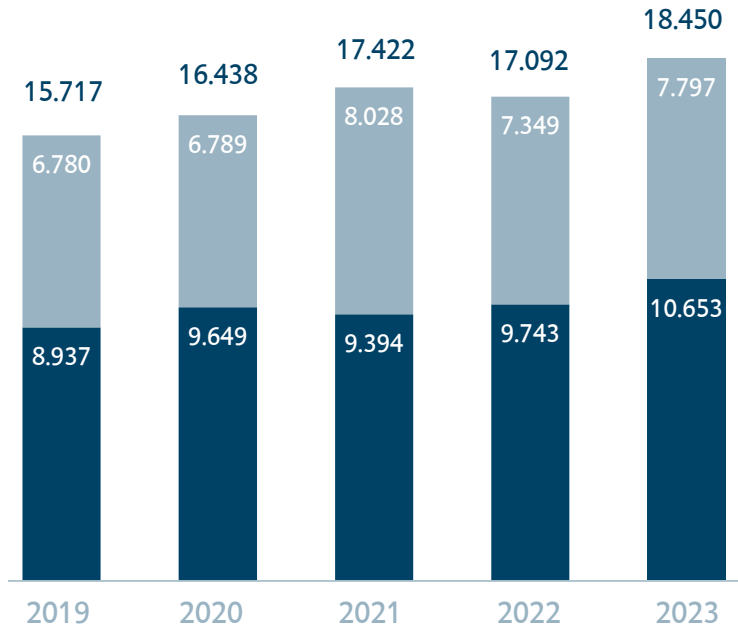
Loans to credit institutions and to customers, other financial assets and guarantees



Well diversified loan portfolio

The loan portfolio reflects the economic structure of the BTV markets.

Assets under management in million €



Strong customer confidence

Custody
accounts

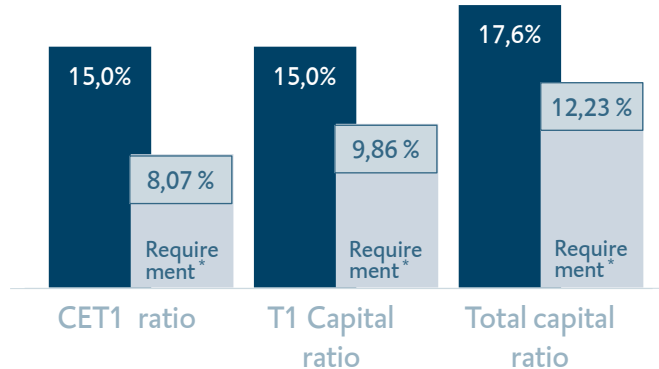
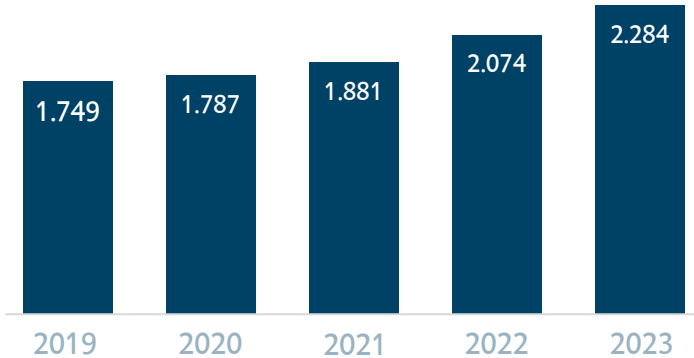
One of BTV's strengths is the securities business. The deposit volume grew considerably.

Primary
funds

High volumes of customer funds increase independence

The high degree of trust which BTV receives from its customers is also reflected in increased volume of primary funds.

Equity in million €



Solid equity

BTV's equity position offers customers security and allows us to accompany them over the long term. Due to our stable income position, we were able to further strengthen our equity.

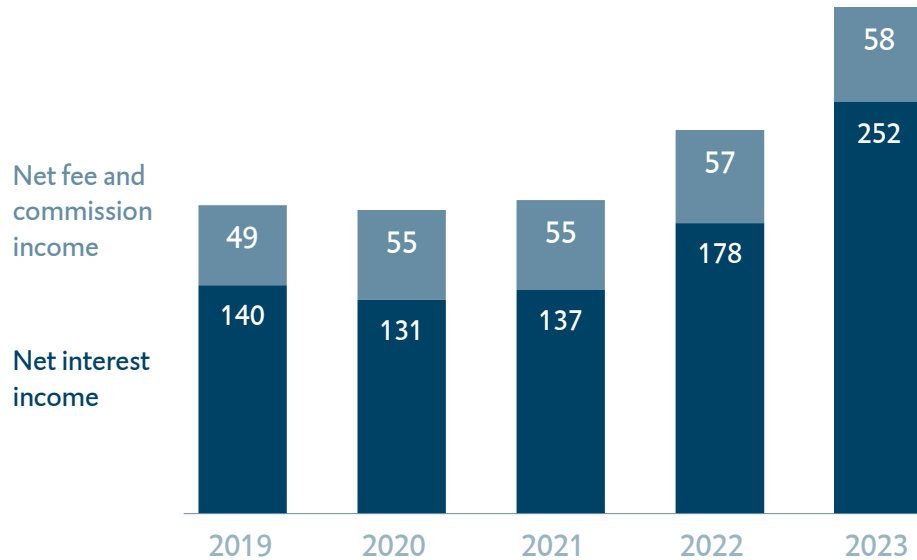
We exceed the regulatory requirement for capital.

*Regulatory requirement including SREP surcharge

BTV P&L development

in million €	31.12.2019	31.12.2020	31.12.2021	31.12.2022	31.12.2023	Δ 2022/2023
Net interest income	140	131	137	178	252	+41.5 %
Net fee and commission income	49	55	55	57	58	+0.7 %
Impairment charges	-1	-47	-23	-25	-32	+11.9 %
Administrative expenses	-191	-187	-183	-217	-239	+9.6 %
At equity profit	53	30	57	29	92	>+100 %
Other operating income	84	72	45	85	105	+23.9 %
Profit for the year before tax	144	54	93	104	229	>+100 %
Profit for the year after tax	127	53	82	83	196	>+100 %

Net interest income and net commission income in million €

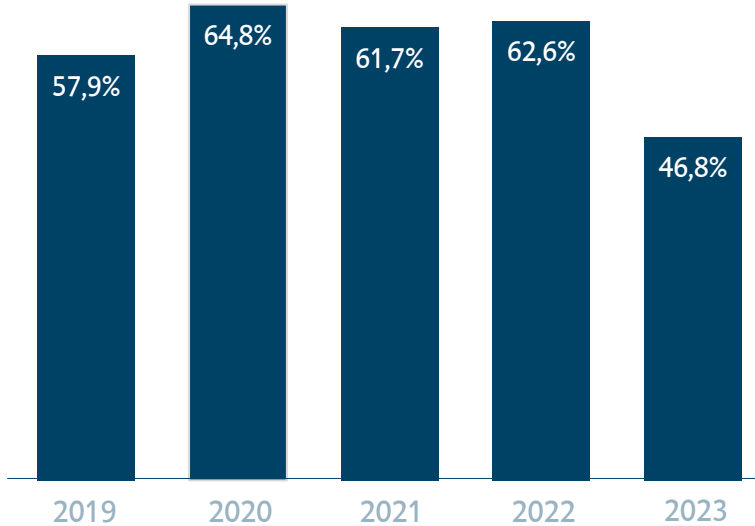


Stable development of earnings

The most significant pillar of the net fee and commission income is the securities business.

Some important parameters for the positive trend of the net interest income were the increasing interest and the positive volume impact. New loans significantly exceeded the repayments.

Cost structure: CIR



Improved cost-income ratio

The strong operating income is also reflected in a reduced cost-income ratio.

Key performance indicators

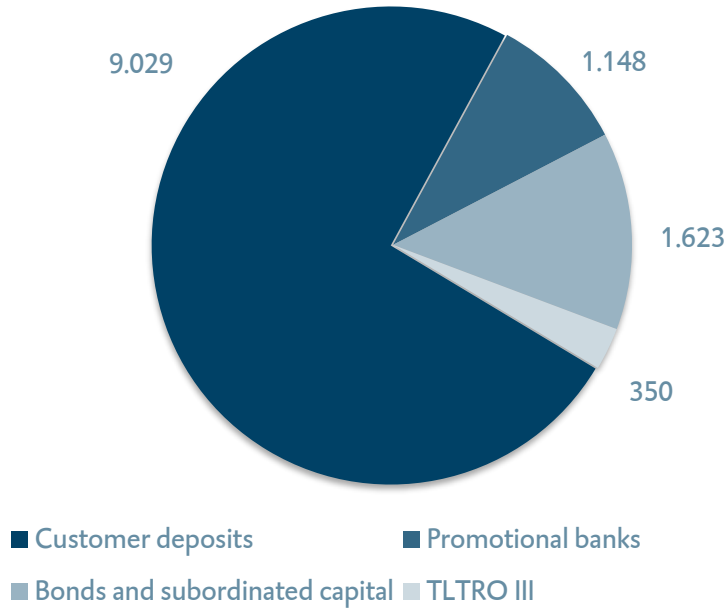
	2019	2020	2021	2022	2023	Δ 2022/2023
CET1 capital ratio as per CRR	13.1%	13.8%	13.6%	14.6%	15.0 %	+0.4 % points
Total capital ratio as per CRR	15.6%	16.7%	16.5%	17.3%	17.6 %	+0.3 % points
Non-performing loans ratio	1.9%	2.0%	2.0%	1.8%	2.5 %	+0.7 % points
Cost income ratio	57.9%	64.8%	61.7%	62.6%	46.8 %	-15.8 % points
LCR	160.1%	216.3%	190.7%	201.1%	224.3 %	+23.2 % points
NSFR	114.8%	130.2%	135.5%	133.2%	134.4 %	+1.2 % points
Return on equity before taxes	8.5%	3.1%	5.0%	5.3%	10.5 %	+5.2 % points

A hand is shown dropping a coin into a glass jar that is already filled with several coins. The scene is set against a blurred background, and the entire image has a blue tint. The word 'Funding' is written in large, white, serif font across the lower half of the image.

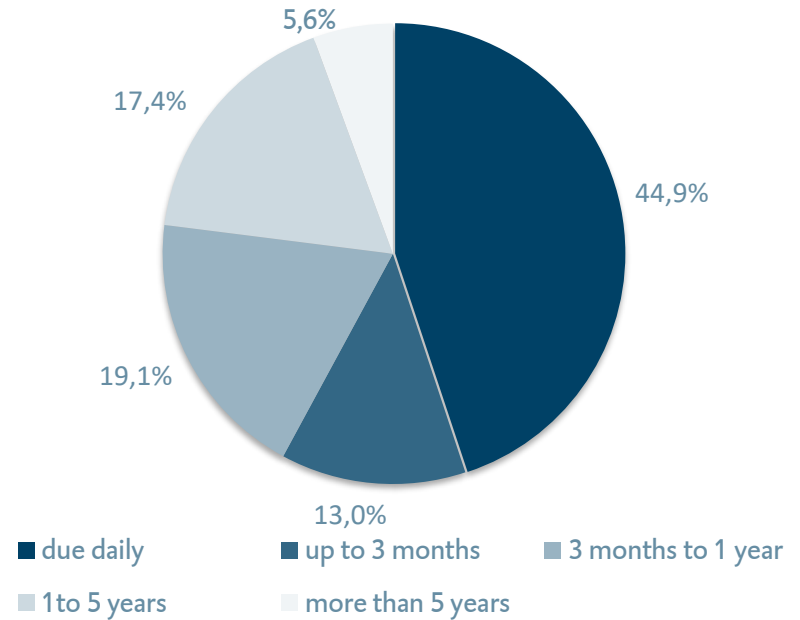
Funding

Funding sources

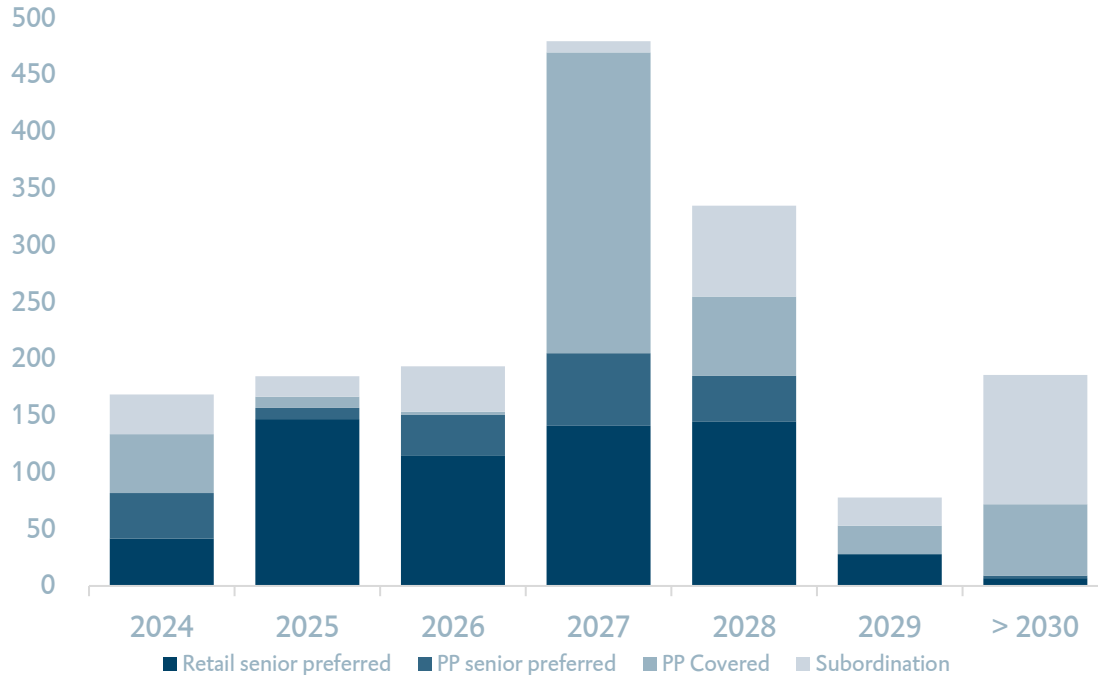
by volume in million €



by maturity



Maturity profile bond issues in million €



Balanced maturity structure

In addition to ‘Schuldschein-darlehen’ and fixed-term deposits, BTV issues bonds for long term-funding.

In 2023 BTV successfully launched its first Sub-Benchmark Covered Bond

Cover pool

Withholdings	125.00
Percent of expenses	200
Finance Pay	
Credit	

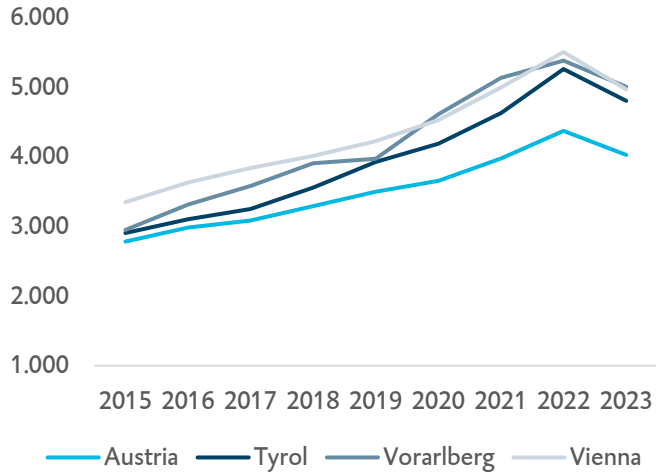


Expenses	
\$	2,564.00
\$	1,356.00
\$	2,564.00
\$	14,898.00
\$	469.00
\$	20
Other	
\$	154.00
\$	342.00
\$	256.00
\$	1,256.00
\$	1,478.00
\$	254.00
\$	369.00
\$	741.00
\$	4,850.00



Development of the real estate market 2016–23

Change of average housing prices per m² in the federal states and in Austria overall



Source: Statistik Austria (28.05.2024); WKO

Change of average housing prices in the federal states and in Austria overall

Region	2016	2017	2018	2019	2020	2021	2022	2023
Austria	7,3 %	3,3 %	6,7 %	6,3 %	4,5 %	8,8 %	9,9 %	-7,9 %
Tyrol	6,9 %	4,7 %	9,4 %	10,4 %	6,7 %	10,6 %	13,6 %	-8,7 %
Vorarlberg	12,3 %	8,1 %	9,1 %	1,7 %	16,1 %	11,4 %	4,8 %	-7,0 %
Vienna	8,5 %	5,6 %	4,6 %	5,2 %	7,2 %	10,4 %	10,2 %	-9,7 %

Due to the expected interest rate cuts, the increased income due to collective bargainings, as well as state support (through the housing stimulus package, for example), we expect an improvement in demand in the property market and stabilization in 2025.

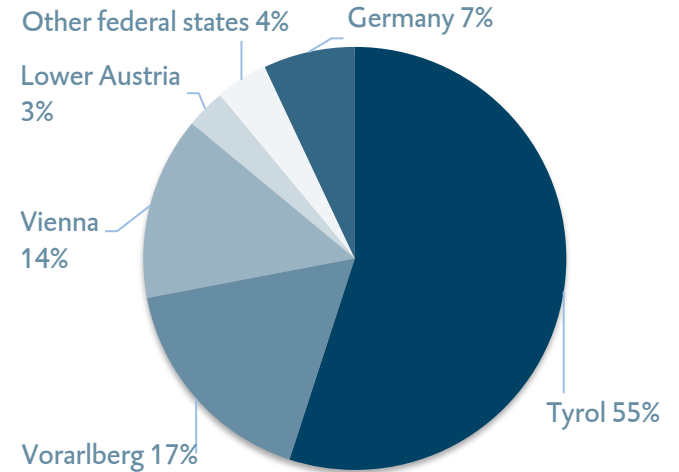
Highlights – BTV mortgage cover pool

- + Rating S&P: AAA rating with outlook ‘stable’
- + HIGH overcollateralisation
- + Strict award guidelines
- + Emphasis on residential properties (73%)
- + Well diversified (average of 250 thousand € per debtor)
- + Cover assets in a strong economic region with limited living space
- + Reporting in accordance with international criteria

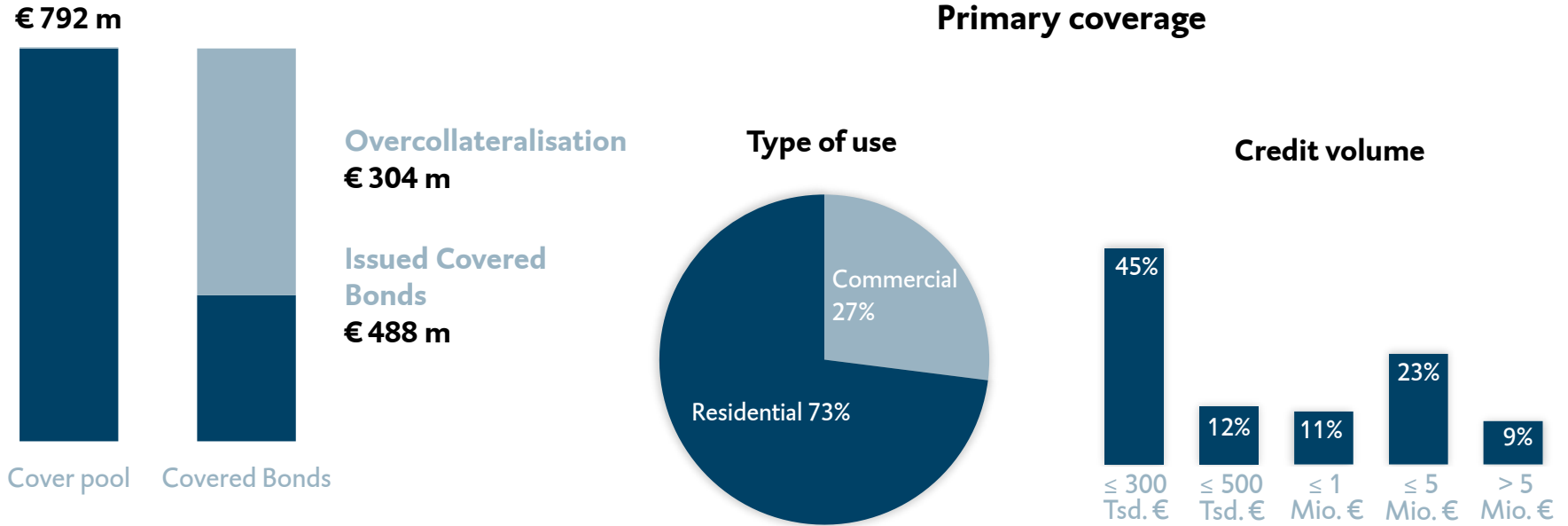
Mortgage cover pool in million €

Key performance indicators	in million € or %
Residentially, privately used	527
Residentially, commercially used	53
Commercial	212
Total cover assets (93% Austria)	792
Overcollateralisation in million €	304
Overcollateralisation in %	62%
Number of loans	4,008
10 largest exposures	9.9%
Average cover asset per debtor	0.225
Seasoning > 36 months	72%
Outstanding volumes	
Covered bonds	488

Distribution



High overcollateralisation – focus on residential



Summary



Independence is the most important goal
Stable and sustainable owner
structure



High stability

- Strong operating income
- 15,0 % CET 1 ratio*
- 17,6 % total capital ratio*



Four countries – one bank
Focus on one of Europe's most attractive
economic regions: Austria, Germany, Italy, and
Switzerland



Mortgage cover pool

- Rating S&P: AAA rating with outlook 'stable'
- Emphasis on residential properties



Capital market

- BTV is planning a regular capital market
presence in the form of sub-benchmark
issues



Sustainability strategy

- Sustainable development of the BTV
- Specific goals for 2025 and 2030
quantified



Contact

Points of contact



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