

Autonomy. Entrepreneurial. For 119 years.

BTV

Vier Länder Bank

May 2023

BTV VIER
LÄNDER
BANK

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Company
Portrait

Milestones



1904

Founding

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

1924

The Miracle from Inn

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

1952

Association of the '3 Banken Gruppe'

Today, Oberbank AG, BKS Bank AG, and BTV form the '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

New name

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

2020

Leading into the future

The three managing directors Gerhard Burtscher, Mario Pabst and Dr. Markus Perschl, MBA, get the BTV strategy 2030 off the ground.

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 the BTV land



Tyrol with the strongest economic growth compared to the rest of Austria
→ **+7.9% in 2022**



Low unemployment rate in Tyrol and Vorarlberg
→ **4.0% respectively 4.8% in 2022**



Tyrol with the most overnight stays compared to the rest of Austria
→ **over 43 million in 2022**



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
→ **€ 262.8 billion in 2022**



Bavaria and Baden-Württemberg are especially innovative regions within the EU
→ **121 or 80 patents/100,000 residents in 2022**

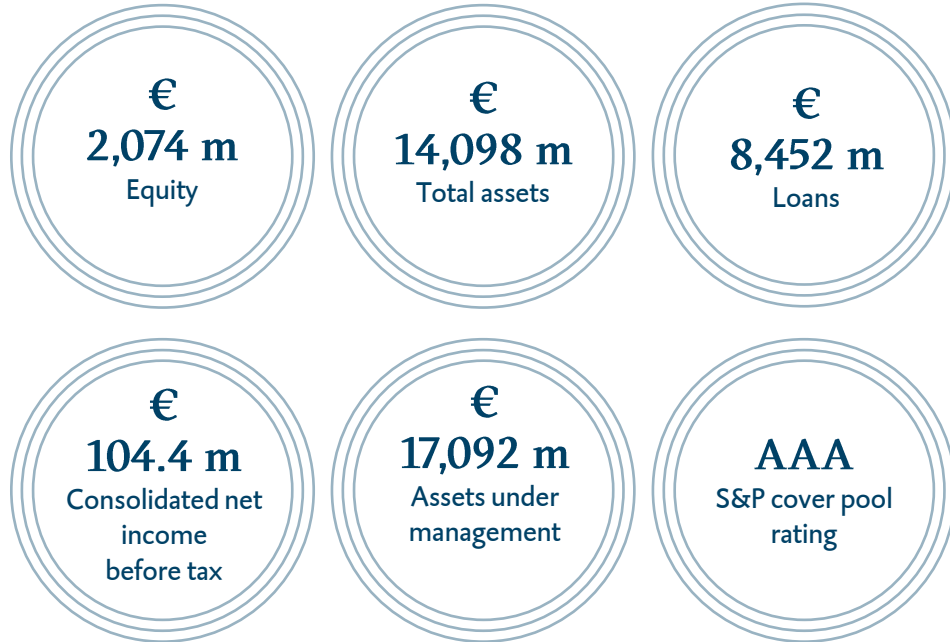
The DACH region: one of Europe's most attractive economic regions

Economic data	Austria	Germany	Switzerland	Euro zone
GDP growth (2022)	5.1%	1.8%	2.2%	3.5%
Inflation (2022)	8.5%	8.6%	2.8%	8.4%
Unemployment (2022)	4.8%	5.3%	2.1%	6.7%
National debt in % of the GDP (2022)	78.4%	68.6%*	39.1%	91.6%
Budget balance in % of the GDP (2022)	-3.2%	-2.6%	-0.1%	-3.6%

* number 2021

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

BTV at a glance



Rank	Bank	Total assets 2021 in bn. €
1	Erste Group Bank AG	307.4
2	Raiffeisen Bank International AG	192.1
3	UniCredit Bank Austria AG	118.4
4	BAWAG Group AG	56.3
5	Raiffeisenlandesbank Oberösterreich AG	51.4
6	Raiffeisenlandesbank NÖ-Wien AG	28.6
7	Oberbank AG	27.5
8	Steiermärkische Bank und Sparkassen AG	19.6
9	Raiffeisenlandesbank Steiermark AG	18.5
10	Volksbank Wien AG	16.9
11	Hypo Noe Landesbank AG	16.8
12	Allg. Sparkasse Oberösterreich Bank AG	16.4
13	Hypo Vorarlberg Bank AG	15.6
14	Bank für Tirol und Vorarlberg Aktiengesellschaft	14.3
15	Raiffeisen Bankengruppe Kärnten	11.0

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	Real estate loan	Consumer credit
Subsidized Financing	Leasing	Subsidized Financing	

Investing

Short-term investment	Special fund management	Asset management	Individual investments in securities
Mid-term, long-term investment	Liquidity management	Consultancy mandate	Saving

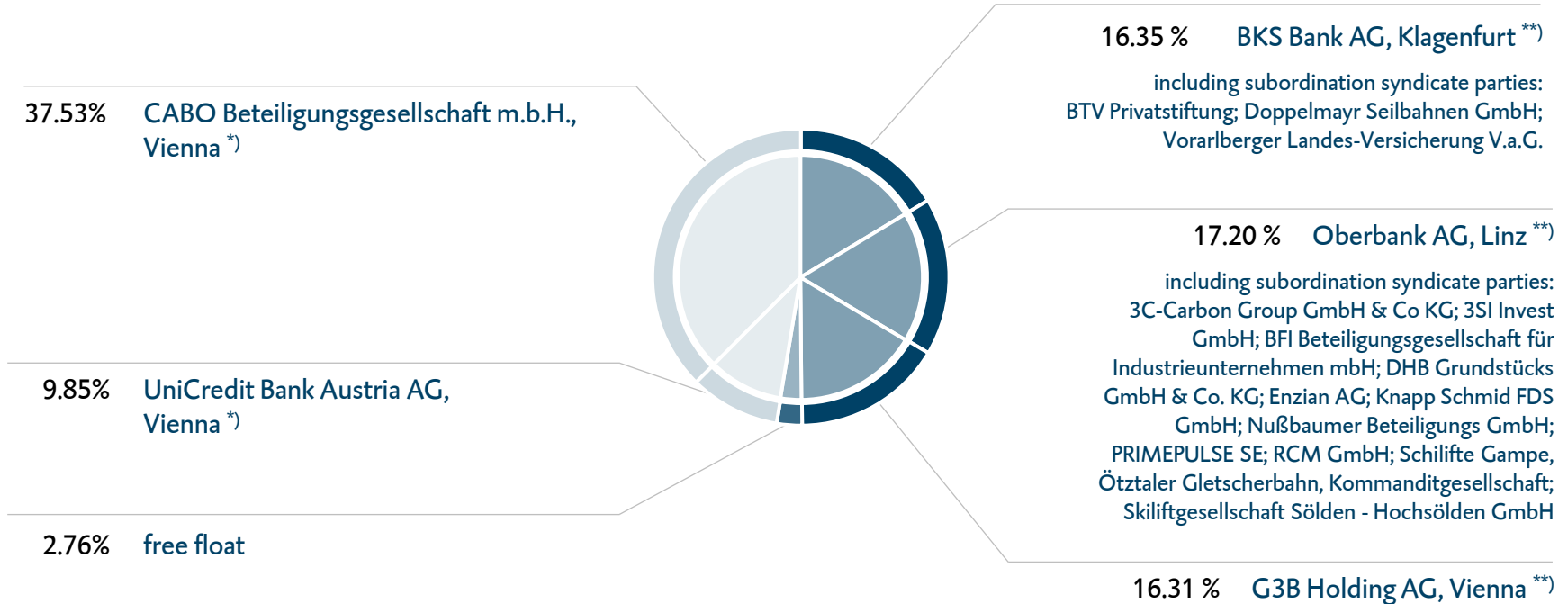
Payment services

Payment services	Cash management	Account and cards	Internet banking and apps
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Provide & Insure

Occupational pensions	Property insurance	Life insurance	Pension and risk provisioning
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BTV shareholder structure as of 31.12.2022



*) affiliated with the group

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

Strategic investment portfolio



Strategy 2030

Create. Values. Sustainably.

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



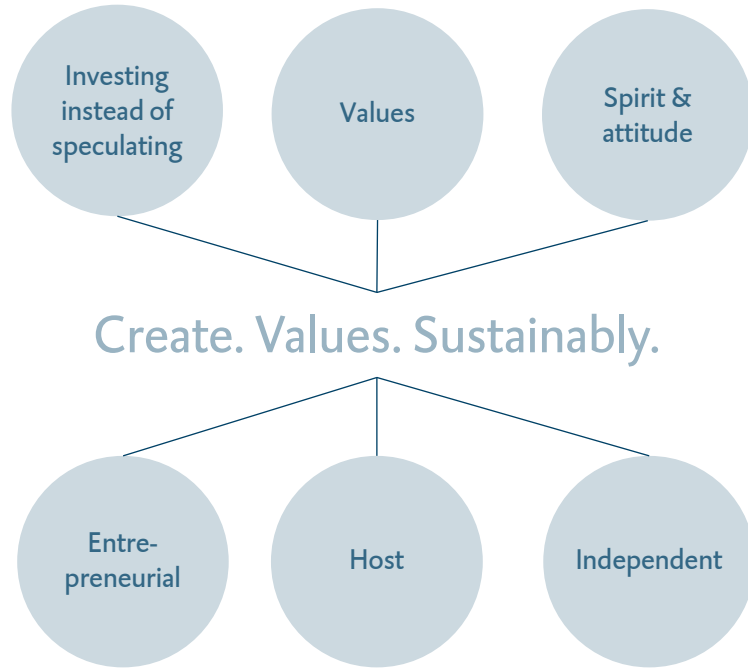
Strengths and assets
We act from a position of strength.

- Entrepreneurial attitude
- Commitment
- Independence
- Courage to voice our opinion
- Trust and quality of consultation
- Vier-Länder-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 practices 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



Sustainability regulatory



- Strategy & governance**
- Sustainability strategy
 - Corporate culture
 - Governance



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



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

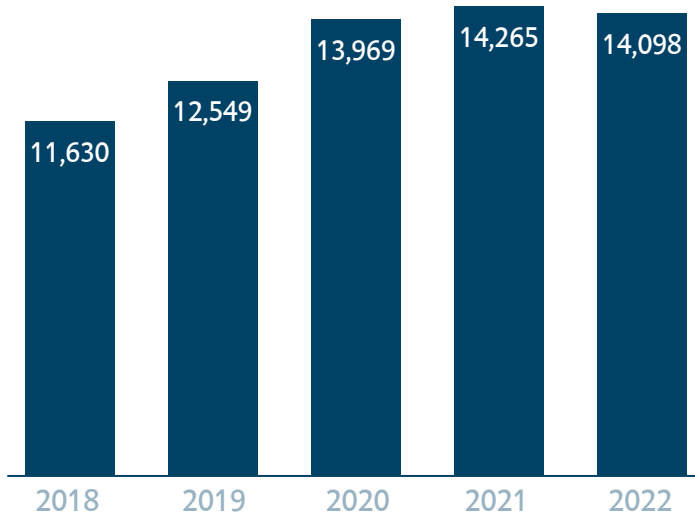
Balance sheet and P&L

BTV business development

Balance sheet in million €	31.12.2018	31.12.2019	31.12.2020	31.12.2021	31.12.2022	Δ 2021/2022
Customer loans	7,754	7,939	8,036	8,081	8,452	+4.6%
Primary funds	8,162	8,937	9,649	9,394	9,743	+3.7%
Equity	1,639	1,749	1,787	1,881	2,074	+10.3%
Total assets	11,630	12,549	13,969	14,265	14,098	-1.2%
Assets under management	14,195	15,717	16,438	17,422	17,092	-1.9%

BTV business development

Total assets in million €

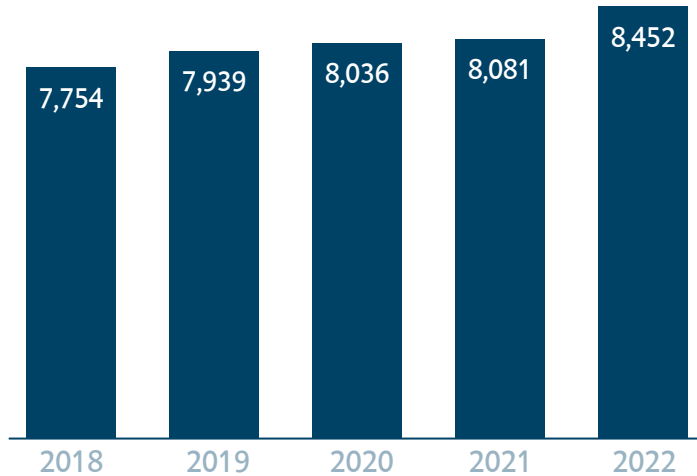


Operative business on a growth trajectory

Besides the positive development of the customer loans and primary deposits, deposits amounting to 900 million euros that were made as part of the ECB's TLTRO III programme were repaid prematurely in 2022 due to the high liquidity reserves.

Lending volume

Volumes in million €

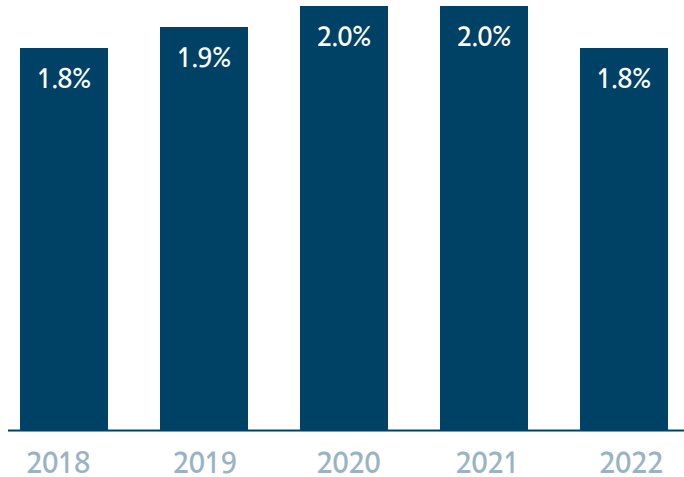


Continuous credit growth

The successful growth in customer loans is directly related to the tight support of customers by the BTV advisors.

Lending volume

Non-performing loans ratio



NPL ratio at a low level

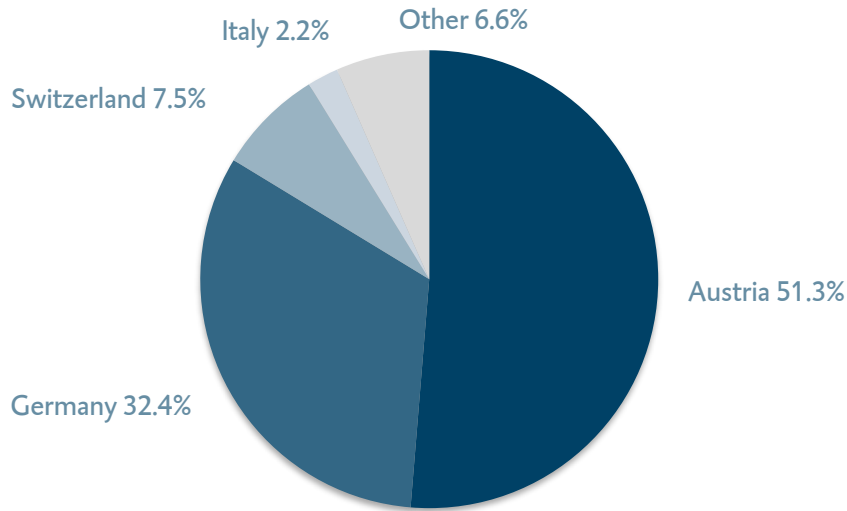
Marginal increase in 2020 and 2021 caused by COVID-19.

Overall, however, a positive development during the last five years.

Credit risk by country

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

Distribution by country

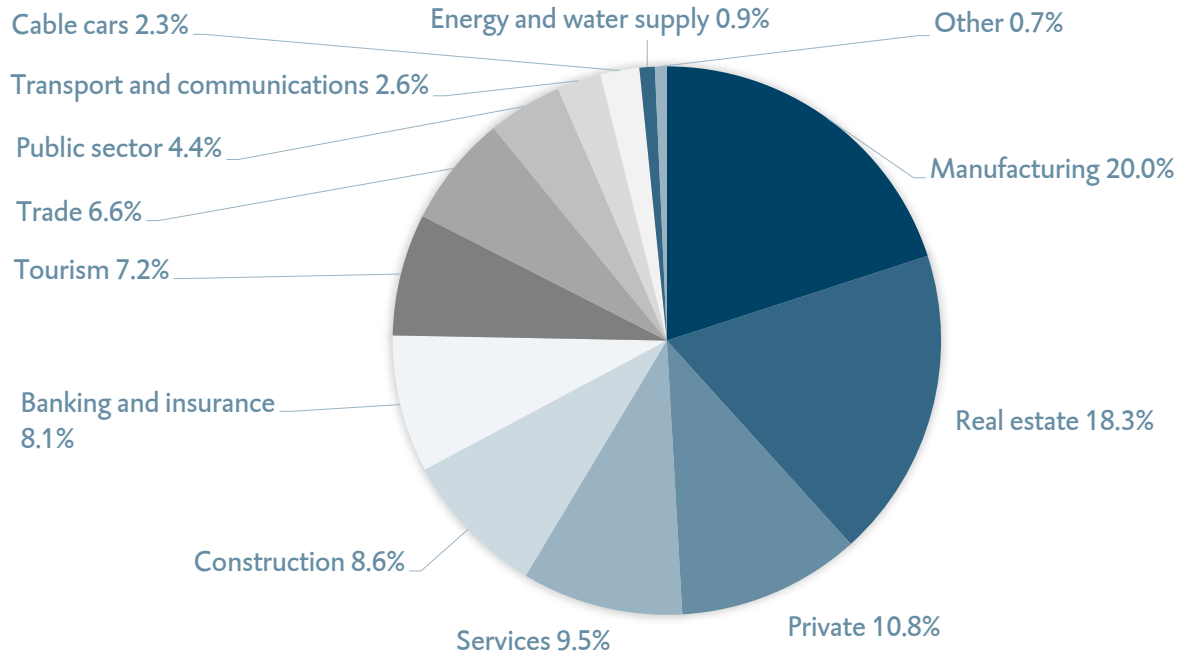


Investing in the region

93% of the credit risk in Austria, Germany, Switzerland and Italy (South Tyrol).

Credit risk by economic sector

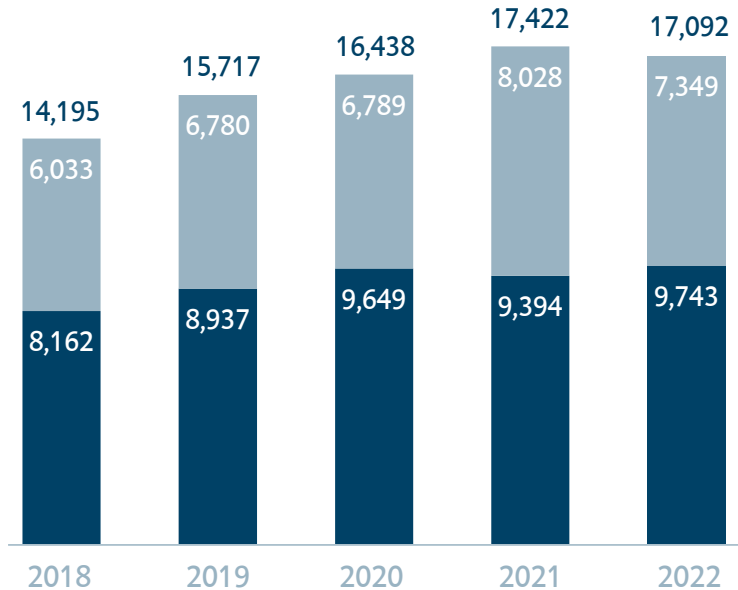
Loans to credit institutions and to customers, other financial assets and guarantees



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

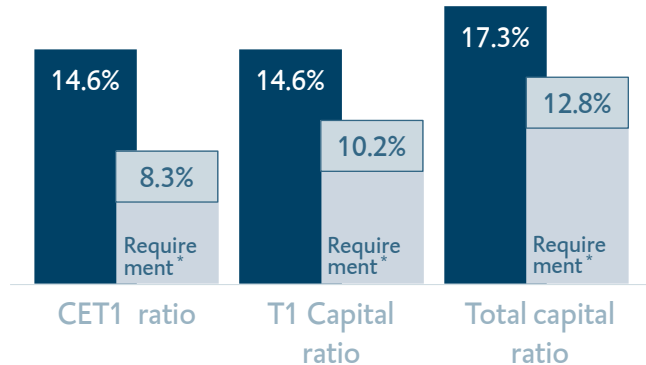
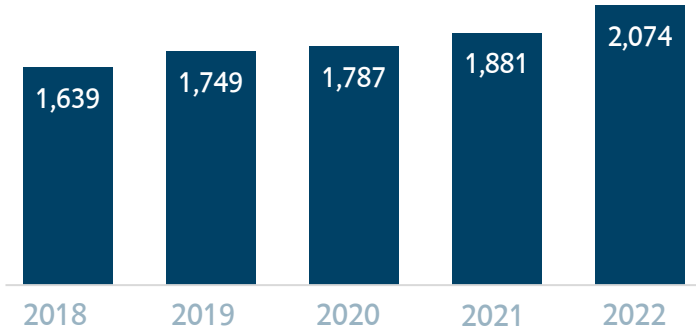
The securities business is one of the strengths of BTV in 2022, assets managed in custody accounts were strained by market conditions.

Primary funds

High volumes of customer funds increase independence

The high degree of trust that customers place in BTV is also reflected in the performance of the primary funds.

Equity in million €



Solid equity

The equity base offers customers security and enables BTV to support customers over the long term perspective. In 2022, with a significantly oversubscribed capital increase, BTV achieved gross proceeds of around €101.1 million.

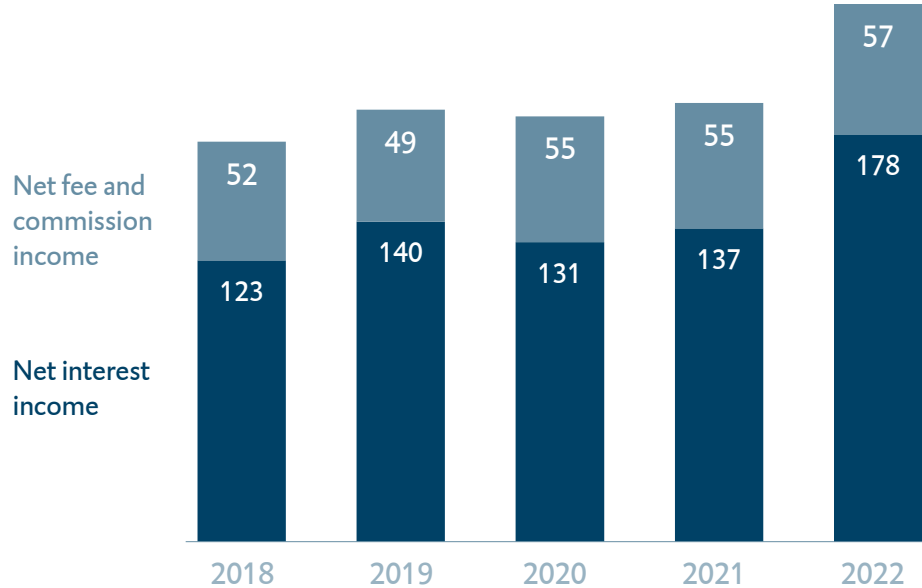
We exceed the regulatory requirement for capital.

*Regulatory requirement including SREP surcharge

BTV P&L development

in million €	31.12.2018	31.12.2019	31.12.2020	31.12.2021	31.12.2022	Δ 2021/2022
Net interest income	123	140	131	137	178	+29.8%
Net fee and commission income	52	49	55	55	57	+4.0%
Impairment charges	4	-1	-47	-23	-25	+11.9%
Administrative expenses	-181	-191	-187	-183	-217	+19.0%
At equity profit	52	53	30	57	29	-48.8%
Other operating income	81	84	72	45	85	+90.5%
Profit for the year before tax	140	144	54	93	104	+12.8%
Profit for the year after tax	107	127	53	82	83	+1.8%

Net interest income and net commission income in million €

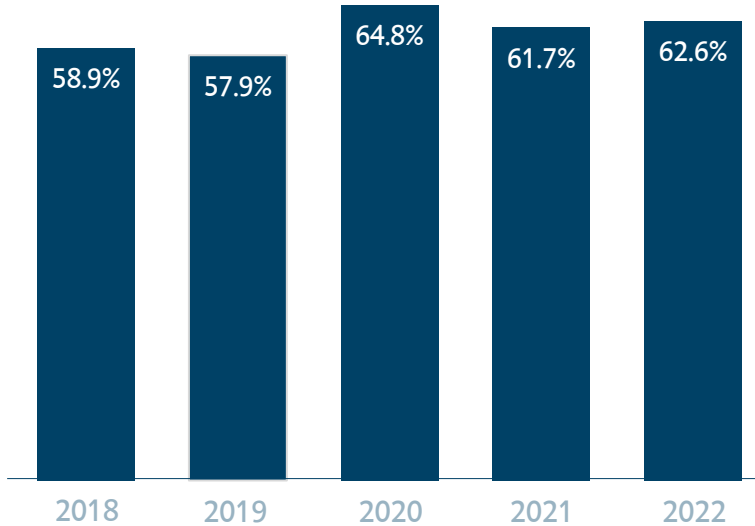


Stable development of earnings

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



Stable cost income ratio

The CIR is developing steadily despite the market environment.

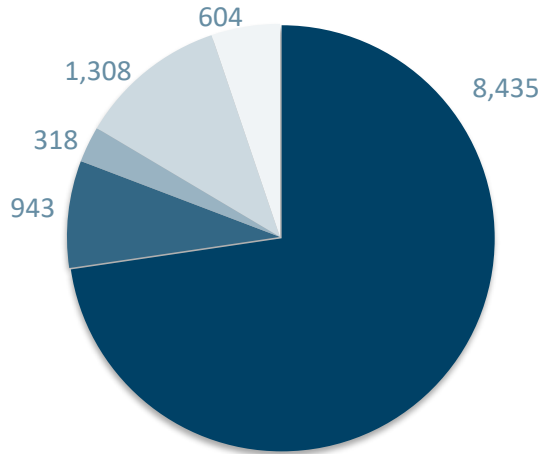
Key performance indicators

	2018	2019	2020	2021	2022	Δ 2021/2022
CET1 capital ratio as per CRR	13.1%	13.1%	13.8%	13.6%	14.6%	+1.0% points
Total capital ratio as per CRR	15.8%	15.6%	16.7%	16.5%	17.3%	+0.8% points
Non-performing loans ratio	1.8%	1.9%	2.0%	2.0%	1.8%	-0.2% points
Cost income ratio	58.9%	57.9%	64.8%	61.7%	62.6%	+0.9% points
LCR	-	160.1%	216.3%	190.7%	201.1%	+10.4% points
NSFR	-	114.8%	130.2%	135.5%	133.2%	-2.3% points
Return on equity before taxes	9.3%	8.5%	3.1%	5.0%	5.3%	+0.3% points

Funding

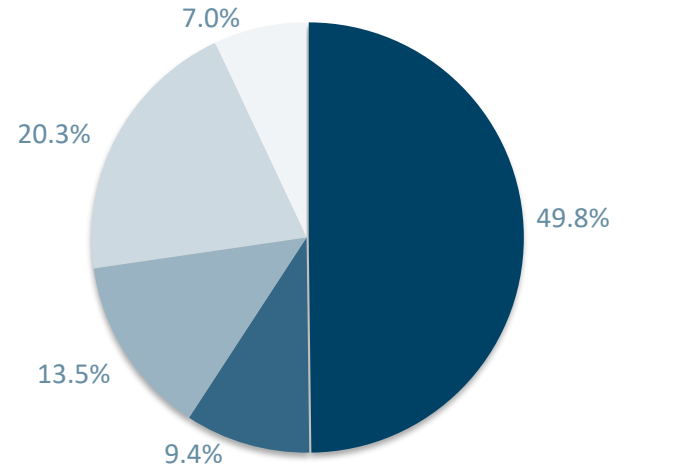
Funding sources

by volume in million €



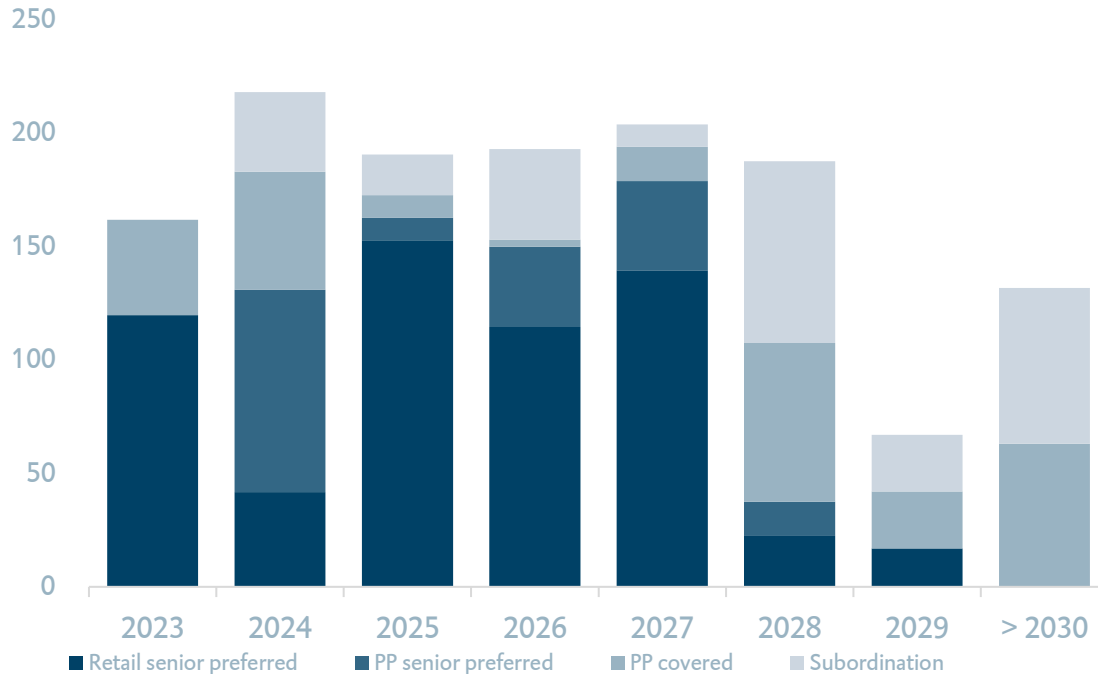
- Customer deposits
- Promotional banks
- Money market
- Bonds and subordinated capital
- TLTRO III

by maturity



- due daily
- up to 3 months
- 3 months to 1 year
- 1 to 5 years
- more than 5 years

Maturity profile bond issues in million €



Balanced maturity structure

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

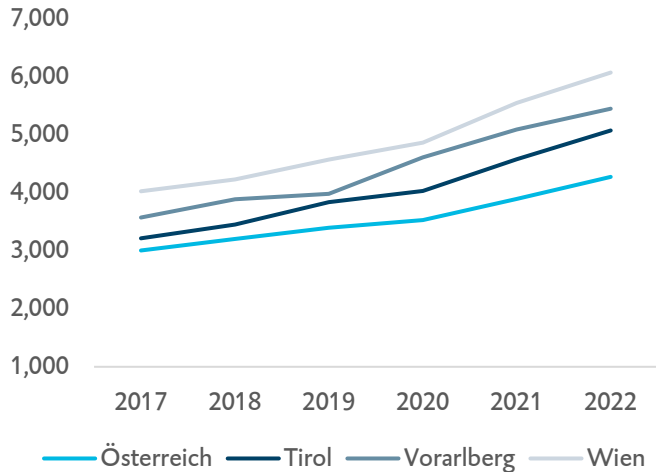
Funding plan in million €

Emissions	2021	2022	2023 (planned)
Retail senior preferred	54	130	170
Private placements	35	18	40
Sub-benchmark debut			250
Subordinated bonds	20	18	25
Total	109	166	485

Cover pool

Development of the real estate market 2017–22

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



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

Region	2017	2018	2019	2020	2021	2022
Austria	4.3%	6.6%	6.1%	3.8%	10.4%	9.7%
Tyrol	4.6%	7.5%	11.1%	5.0%	13.6%	10.8%
Vorarlberg	8.8%	8.7%	2.4%	15.8%	10.3%	7.1%
Vienna	5.5%	5.1%	8.1%	6.3%	14.1%	9.4%

Real estate prices peaked in **Quarter 3 2022**.
In **Quarter 4 2022**, the prices declined slightly compared to the previous quarter (throughout Austria by **-0.6%**).

Highlights – BTV mortgage cover pool

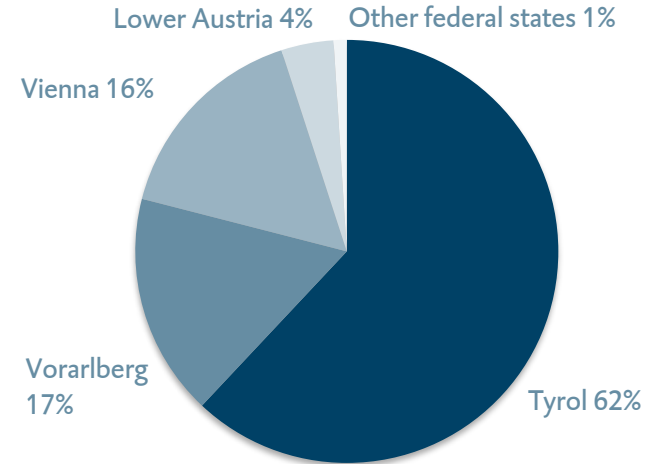
- + Rating S&P: AAA rating with outlook ‘stable’
- + HIGH overcollateralisation
- + Strict guidelines – de facto no overdue loans
- + Focus on residential properties (79%)
- + Well diversified (average of 218 thousand € per debtor)
- + Cover assets in a strong economic region with a shortage of land
- + Reporting in accordance with international standards

Mortgage cover pool in million €

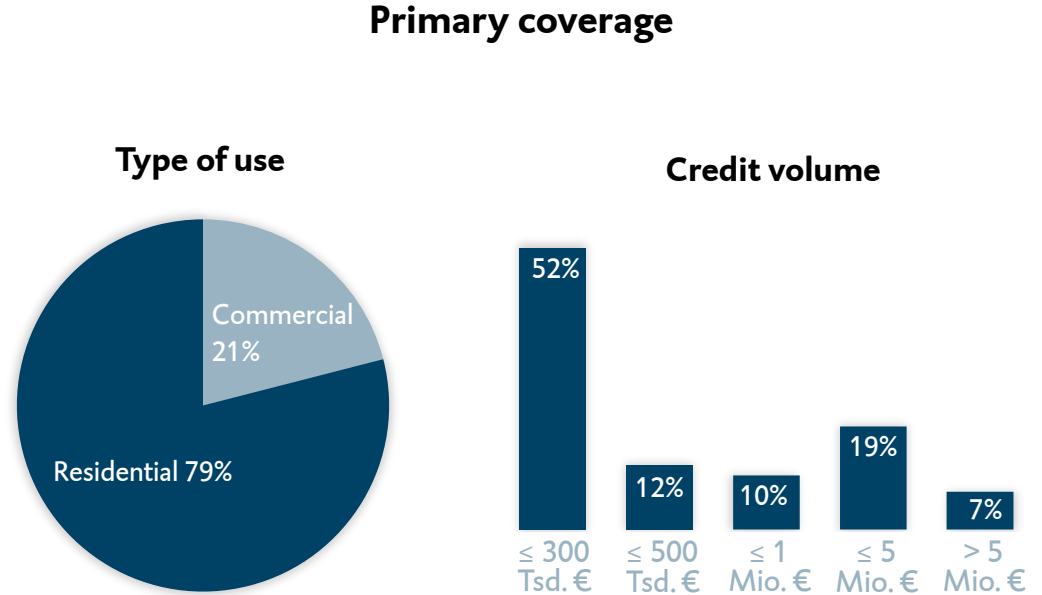
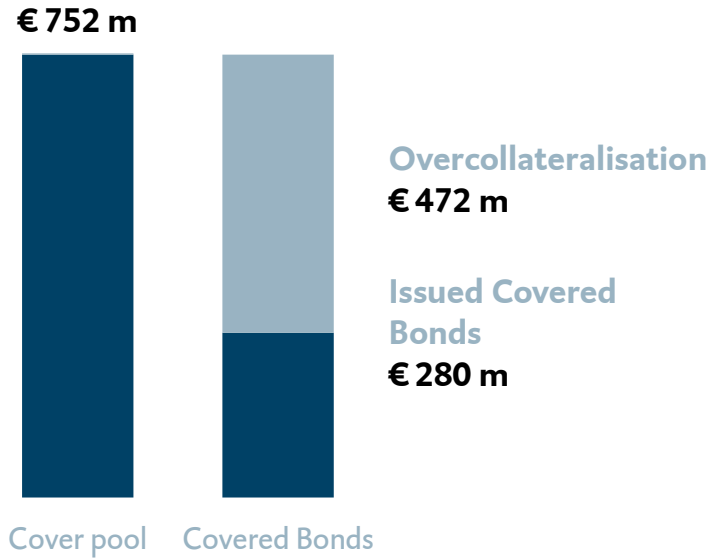
Key performance indicators	in million € or %
Residentially used private	557
Residentially used commercial	39
Commercially used	156
Total cover assets (100% Austria)	752
Overcollateralisation absolute	472
Overcollateralisation in %	169%
Number of loans	4,289
Percentage of the 10 largest loans	9%
Average cover asset per debtor	0.218
Seasoning > 36 months	66%
Outstanding volumes	
Covered bonds	280

Source: BTV, status: 31.12.2022

Distribution



High overcollateralisation – focus on residential



Summary



Independence is the most important goal
Strong and sustainable owner structure



High stability

- Stable operating income
- 17.3% total capital ratio*



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



Mortgage cover pool

- Rating S&P: AAA rating with outlook 'stable'
- Focus 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 BTV
- Specific goals for 2025 and 2030

Contact

Points of contact



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