

# QUARTERLY REPORT AS AT 2004-03-31

## BTV AG IN THE FIRST QUARTER OF 2004

### Total assets rise to € 6.16 billion - New funds show further growth

Total assets at 31 March 2004 rose € 675.3 (+ 12.3 %) over the same period in 2003 to € 6.16 billion. On the asset side, client receivables in the first quarter increased to € 4.26 billion, 6.0 % (€ 242.0 million) up from previous year. Home-building loans to retail customers rose again, while the biggest growth in corporate banking came from the industrial and transport sectors. At the end of March 2004 currency loans as a proportion of total Bank lending had not changed since the end of March 2003, accounting for over 44% of all Bank loans. The securities book was € 123.1 million larger, half of all new investments being in fixed-interest securities and funds. Claims against lending institutions increased € 420.6 million to € 658.4 million on the back of larger round-tripping volumes. The refinancing position was as follows: Other client investments showed very satisfactory growth of € 460.8 million, mainly due to increased business from institutional investors. Customer savings rose € 32.5 million. The huge interest in guaranteed products pushed up securitized debt € 108.6 million to € 714.3 million. Supplementary capital lifted own funds € 14.2 million to € 227.6 million while at the same time debt to other banks increased only € 44.1 million to € 891.4 million.

### Operating profit up 3.4 %.

Given the current economic climate, operating profit in the first quarter showed a good year on year increase of 3.4%. Current low interest rates and the ensuing pressure on margins meant that net interest income showed only a moderate € 0.4 million rise (+2%) to € 20.2 million. Commission on securities business was up € 1.2 million (+26.8%) against 2003 as a result of the success of our guaranteed products. Although forex and currency handling business fell € 0.3 million, inco-

me from lending remained unchanged and from payment transactions rose slightly. Total operating income thus went up € 1.3 million (+ 3.9 %) to € 34.7 million.

Operating expenditure increased 4.3 % to € 19.4 million. Payroll rose 5.0 % on 2003 and material expenditure 5.8 % to € 5.5 million. There was no material change in other operating expenditure or write-offs. The first quarter turned in operating profits of € 15.3 million, € 0.5 million (+ 3.4 %) up on the same period in 2003.

### Outlook for 2004

BTV was able to further increase its share of the corporate and retail banking market. Despite the tough banking climate, BTV expects operating profit in 2004 to be slightly higher than last year.

# BALANCE SHEET AND PROFIT AND LOSS ACCOUNT OF BTV AG AS AT 31-03-2004

ASSETS	2004-03-31 mn. EUR	2003-03-31 mn. EUR	CHANGES mn. EUR	CHANGES %
1. Cash in hand, balances with central banks	25,8	148,8	-123,0	-82,7
2. Treasury bills and other bills eligible for refinancing with the central bank	149,1	148,8	0,3	0,2
3. Loans and advances to credit institutions	658,4	237,8	420,6	176,9
4. Loans and advances to customers	4.257,5	4.015,5	242,0	6,0
5. Debt securities and other fixed-interest securities	679,5	615,9	63,6	10,3
6. Shares and other non-fixed interest securities	69,3	10,1	59,2	586,1
7. Equity shares	53,0	58,4	-5,4	-9,2
8. Interest in associated companies	125,3	110,4	14,9	13,5
9. Other assets	140,2	137,1	3,1	2,3
<b>TOTAL</b>	<b>6.158,1</b>	<b>5.482,8</b>	<b>675,3</b>	<b>12,3</b>

LIABILITIES	2004-03-31 mn. EUR	2003-03-31 mn. EUR	changes mn. EUR	changes %
1. Deposits by credit institution	891,4	847,3	44,1	5,2
2. Customers accounts	3.901,1	3.407,8	493,3	14,5
of which a) savings deposits	1.049,2	1.016,7	32,5	3,2
of which b) other liabilities	2.851,9	2.391,1	460,8	19,3
3. Liabilities evidenced by certificates	714,3	605,7	108,6	17,9
4. Provisions	45,7	45,5	0,2	0,4
5. Supplementary capital	227,6	213,4	14,2	6,7
6. Subscribed capita	50,0	50,0	0,0	0,0
7. Reserves	152,2	134,5	17,7	13,2
8. Liability reserve according to §23 (6) Bank Act	91,5	87,7	3,8	4,3
9. Other liabilities	84,3	90,9	-6,6	-7,3
<b>TOTAL</b>	<b>6.158,1</b>	<b>5.482,8</b>	<b>675,3</b>	<b>12,3</b>

PROFIT AND LOSS ACCOUNT	2004-03-31 mn. EUR	2003-03-31 mn. EUR	changes mn. EUR	changes %
1. Interest receivable and similar income	50,5	56,0	-5,5	-9,8
2. Interest payable and similar expenses	-30,3	-36,2	-5,9	-16,3
<b>I. NET INTEREST INCOME</b>	<b>20,2</b>	<b>19,8</b>	<b>0,4</b>	<b>2,0</b>
3. Income on shares, other equity rights and variable-yield securities	0,1	0,0	0,1	>100
4. Income on equity interests and interests in associated companies	1,7	2,0	-0,3	-15,0
5. Commissions	11,6	10,6	1,0	9,4
6. Earnings/expenses from financial transactions	0,7	0,6	0,1	16,7
7. Other operating income	0,4	0,4	0,0	0,0
<b>II. OPERATING INCOME</b>	<b>34,7</b>	<b>33,4</b>	<b>1,3</b>	<b>3,9</b>
8. Staff costs	-12,5	-11,9	0,6	5,0
9. Other administrative expenses (material costs)	-5,5	-5,2	0,3	5,8
10. Value adjustments on assets included in asset item no. 9	-1,3	-1,3	0,0	0,0
11. Other operating expenses	-0,1	-0,2	-0,1	-50,0
<b>III. OPERATING EXPENSES</b>	<b>-19,4</b>	<b>-18,6</b>	<b>0,8</b>	<b>4,3</b>
<b>IV. OPERATING RESULT</b>	<b>15,3</b>	<b>14,8</b>	<b>0,5</b>	<b>3,4</b>

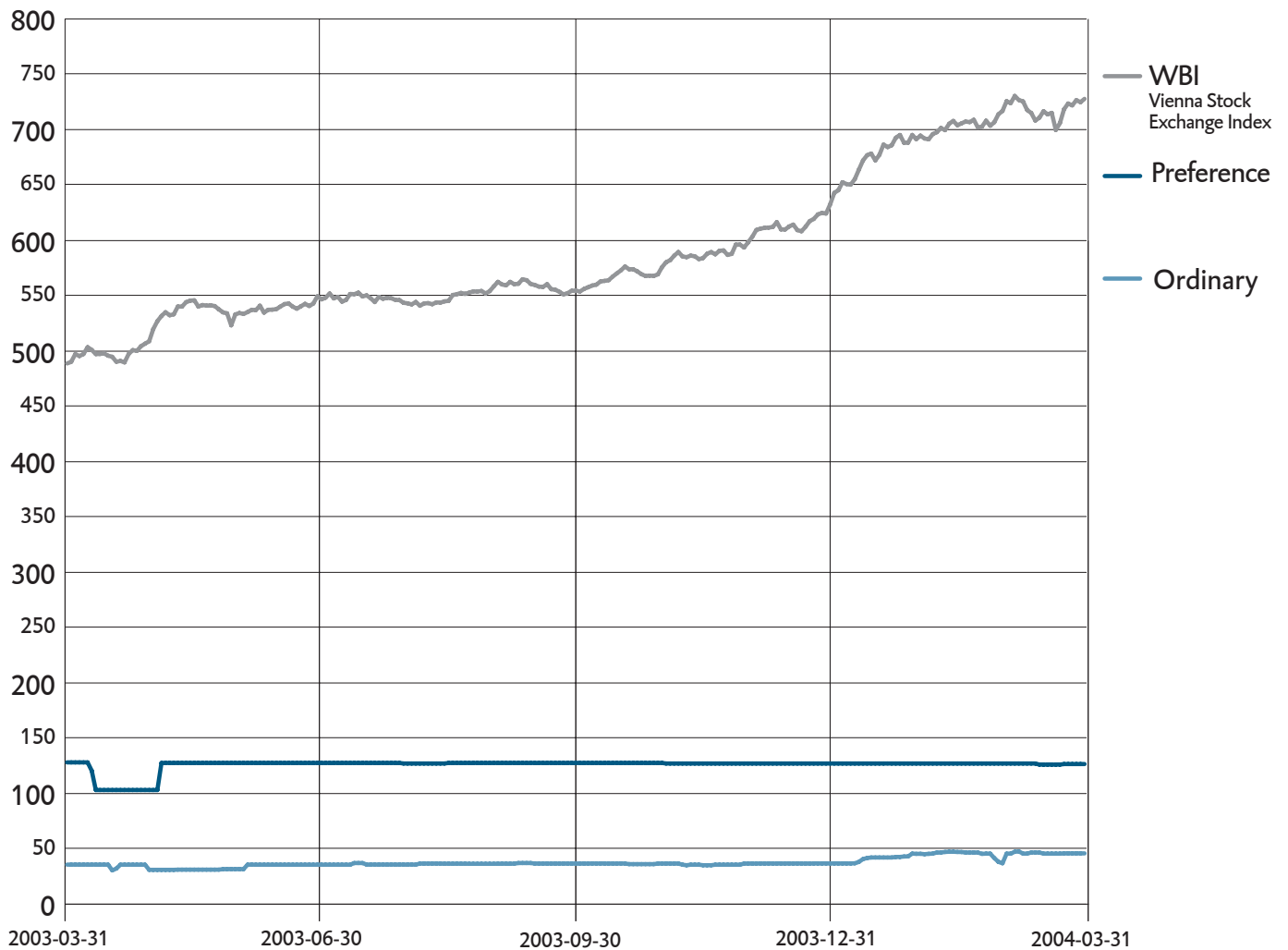
# CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT OF BTV AS AT 2004-03-31

ASSETS	2004-03-31 mn. EUR	2003-03-31 mn. EUR	CHANGES mn. EUR	CHANGES %
1. Cash in hand, balances with central banks	25,8	148,8	-123,0	-82,7
2. Treasury bills and other bills eligible for refinancing with the central bank	149,1	148,8	0,3	0,2
3. Loans and advances to credit institutions	659,8	239,4	420,4	175,6
4. Loans and advances to customers	4.313,4	4.073,4	240,0	5,9
5. Debt securities and other fixed-interest securities	679,5	615,9	63,6	10,3
6. Shares and other non-fixed interest securities	69,4	10,1	59,3	587,1
7. Equity shares	54,5	60,4	-5,9	-9,8
8. Interest in associated companies	67,5	52,2	15,3	29,3
9. Other assets	172,0	163,0	9,0	5,5
<b>TOTAL</b>	<b>6.191,0</b>	<b>5.512,0</b>	<b>679,0</b>	<b>12,3</b>

LIABILITIES	2004-03-31 mn. EUR	2003-03-31 mn. EUR	changes mn. EUR	changes %
1. Deposits by credit institution	879,9	847,2	32,7	3,9
2. Customers accounts	3.898,1	3.408,3	489,8	14,4
of which a) savings deposits	1.049,2	1.016,7	32,5	3,2
of which b) other liabilities	2.848,9	2.391,6	457,3	19,1
3. Liabilities evidenced by certificates	714,3	605,7	108,6	17,9
4. Provisions	50,2	47,8	2,4	5,0
5. Supplementary capital	227,6	213,4	14,2	6,7
6. Subscribed capita	50,0	50,0	0,0	0,0
7. Reserves	170,7	150,5	20,2	13,4
8. Liability reserve according to §23 (6) Bank Act	91,5	87,7	3,8	4,3
9. Other liabilities	108,7	101,4	7,3	7,2
<b>TOTAL</b>	<b>6.191,0</b>	<b>5.512,0</b>	<b>679,0</b>	<b>12,3</b>

PROFIT AND LOSS ACCOUNT	2004-03-31 mn. EUR	2003-03-31 mn. EUR	changes mn. EUR	changes %
1. Interest receivable and similar income	51,7	59,8	-8,1	-13,5
2. Interest payable and similar expenses	-30,3	-38,5	-8,2	-21,3
<b>I. NET INTEREST INCOME</b>	<b>21,4</b>	<b>21,3</b>	<b>0,1</b>	<b>0,5</b>
3. Income on shares, other equity rights and variable-yield securities	0,1	0,0	0,1	>100
4. Income on equity interests and interests in associated companies	1,0	1,1	-0,1	-9,1
5. Commissions	11,9	10,9	1,0	9,2
6. Earnings/expenses from financial transactions	0,7	0,6	0,1	16,7
7. Other operating income	0,9	1,4	-0,5	-35,7
<b>II. OPERATING INCOME</b>	<b>36,0</b>	<b>35,3</b>	<b>0,7</b>	<b>2,0</b>
8. Staff costs	-12,9	-12,3	0,6	4,9
9. Other administrative expenses (material costs)	-5,2	-5,1	0,1	2,0
10. Value adjustments on assets included in asset item no. 9	-1,6	-1,6	0,0	0,0
11. Other operating expenses	-0,7	-1,0	-0,3	-30,0
<b>III. OPERATING EXPENSES</b>	<b>-20,4</b>	<b>-20,0</b>	<b>0,4</b>	<b>2,0</b>
<b>IV. OPERATING RESULT</b>	<b>15,6</b>	<b>15,3</b>	<b>0,3</b>	<b>2,0</b>

## BTV EQUITIES AS AT 31.03.2004



Good economic data and company financials at the beginning of the year gave the equity markets a real boost. There was across the board recovery in all sectors up to the beginning of March when the consolidation that had been expected after a year of rising prices was deepened by the Madrid bombings. By the end of the first quarter most stock markets had lost the sometimes huge gains they had made since the beginning of the year.

However, this did not stop the steady 1866.76 point (over 20%) rise of the ATX or the 727.49 point (16.63 %) rise of the Vienna Stock Market index. BTV ordinary shares were relatively stable at a slightly lower € 126 but BTV preference shares rose 29 % to € 45.21.

## IMPORTANT FIGURES OF 3 BANKEN GRUPPE\* (CONSOLIDATED)

BILANZ	2004-03-31 mn. EUR	2003-03-31 mn. EUR	changes mn. EUR	changes %
Balance-sheet total	21.162	18.749	+ 2.413	+ 12,9
Loan and advances to customers	13.424	12.362	+ 1.062	+ 8,6
Fixed-interest securities	3.003	2.574	+ 429	+ 16,7
Primary funds (including supplementary capital)	13.982	12.194	+ 1.788	+ 14,7
of which savings deposits	4.759	4.287	+ 472	+ 11,0
Securities deposited by customers	16.130	14.510	+ 1.620	+ 11,2

### PROFIT AND LOSS ACCOUNT

Interest income (including income on equity interests)	80,2	78,2	2,0	+ 2,6
Commission receivable (including other earnings)	49,6	47,9	1,7	+ 3,5
Earnings/expenses from financial transactions	4,4	1,7	2,7	+ 158,8
Staff costs	48,1	46,0	2,1	+ 4,6
Material expenditure, depreciation other expenditure	31,1	30,2	0,9	+ 3,0
Operating result	55,0	51,6	3,4	+ 6,6

### CAPITAL RESOURCES

Creditable capital resources (without Tier 3)	1.723	1.569	+ 155	+ 9,9
Surplus capital resources	571	497	+ 74	+ 14,8

### RESOURCES

Average number of persons employed	3.199	3.131	+ 68	+ 2,2
Branches	190	173	+ 17	+ 9,8

\*) consisting of Bank für Kärnten und Steiermark AG, Oberbank AG, Bank für Tirol und Vorarlberg AG