

# QUARTERLY REPORT AS AT 2004-09-30

## BUSINESS DEVELOPMENT OF BTV AG DURING THE FIRST THREE QUARTERS OF 2004

### **BTV balance sheet total is at EUR 5,950 mn - credit business still booming**

The positive business development of BTV continued during the third quarter. The market positions were further expanded in the core markets of Tyrol and Vorarlberg as well as in our growing markets in Vienna, Eastern Switzerland and Southern Germany. The balance sheet total of BTV increased by EUR 345.2 mn or 6.2 % to EUR 5,950 mn compared to the previous year. During the last quarter the main increase was achieved by home-building loans and loans to business and trade as well as to institutional customers. The securities portfolio was mainly expanded by buying variable-income securities and increasing the shares and funds by EUR 148 mn or 16.2 %.

### **Safe investments in the centre of attraction for customers**

There was a big customers' demand for the innovative issues of BTV such as BTV extra dividend guarantee loan and BTV capital market floater. The securitized liabilities rose by EUR 117 mn to EUR 778 mn. Savings deposits increased by EUR 48 mn to EUR 1,039 mn compared to the year before, which was another pleasant result. The supplementary capital was considerably topped up by EUR 28 mn to EUR 257 mn to strengthen the Bank's capital resources. At the end of September BTV's BIS-ratio was 12.03 %.

### **Operating result by 2.3 % above last year's figure**

The net interest income rose by EUR 1.40 mn or 2.4 % to EUR 60.8 mn. Commission income from securities business was by EUR 2.1 or 16 % above last year due to our guarantee products, which sold very well. Income from clean payments were EUR 0.4 mn or 3.8 % less than last year, credit business decreased by EUR 0.5 mn or 11.3 %. Income from foreign exchange business was considerably below last year's figure. Due to current development of currencies our customers were less interested in turning their currency loans. The operating income totalled EUR 104.2 mn, which is 2.3 % higher than last year.

### **The operating result of BTV AG for 2004 is expected to be the same as in 2003**

Gains in markets shares in Tyrol and Vorarlberg and in our growing markets as well as the favourable development of our securities business will have a positive effect on our income. For this reason our operating result will be at the level of last year.

# BALANCE SHEET AND PROFIT AND LOSS ACCOUNT OF BTV AG AS AT 2004-09-30

ASSETS	2004-09-30 mn. EUR	2003-09-30 mn. EUR	CHANGES mn. EUR	CHANGES %
1. Cash in hand, balances with central banks	158,0	25,2	132,8	>100,0
2. Treasury bills and other bills eligible for refinancing with the central bank	177,8	153,7	24,1	15,7
3. Loans and advances to credit institutions	116,9	97,7	19,2	19,7
4. Loans and advances to customers	4.296,1	4.280,3	15,8	0,4
5. Debt securities and other fixed-interest securities	806,8	705,3	101,5	14,4
6. Shares and other non-fixed interest securities	63,7	41,8	21,9	52,4
7. Equity shares	53,0	52,8	0,2	0,4
8. Interest in associated companies	125,6	120,3	5,3	4,4
9. Other assets	147,4	123,0	24,4	19,8
<b>TOTAL</b>	<b>5.945,3</b>	<b>5.600,1</b>	<b>345,2</b>	<b>6,2</b>

LIABILITIES	2004-09-30 mn. EUR	2003-09-30 mn. EUR	changes mn. EUR	changes %
1. Deposits by credit institution	654,8	1.249,5	-594,7	-47,6
2. Customers accounts	3.808,8	3.024,7	784,1	25,9
of which a) savings deposits	1.038,6	990,4	48,2	4,9
of which b) other liabilities	2.770,2	2.034,3	735,9	36,2
3. Liabilities evidenced by certificates	777,6	660,5	117,1	17,7
4. Provisions	45,2	45,2	0,0	0,0
5. Supplementary capital	256,5	228,4	28,1	12,3
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	108,7	119,6	-10,9	-9,1
<b>TOTAL</b>	<b>5.945,3</b>	<b>5.600,1</b>	<b>345,2</b>	<b>6,2</b>

PROFIT AND LOSS ACCOUNT	2004-09-30 mn. EUR	2003-09-30 mn. EUR	changes mn. EUR	changes %
1. Interest receivable and similar income	152,3	155,9	-3,6	-2,3
2. Interest payable and similar expenses	-91,5	-96,5	-5,0	-5,2
<b>I. NET INTEREST INCOME</b>	<b>60,8</b>	<b>59,4</b>	<b>1,4</b>	<b>2,4</b>
3. Income on shares, other equity rights and variable-yield securities	0,4	0,1	0,3	>100,0
4. Income on equity interests and interests in associated companies	7,1	4,9	2,2	44,9
5. Commissions	32,0	32,9	-0,9	-2,7
6. Earnings/expenses from financial transactions	2,9	3,5	-0,6	-17,1
7. Other operating income	1,0	1,1	-0,1	-9,1
<b>II. OPERATING INCOME</b>	<b>104,2</b>	<b>101,9</b>	<b>2,3</b>	<b>2,3</b>
8. Staff costs	-38,3	-36,2	2,1	5,8
9. Other administrative expenses (material costs)	-16,6	-15,7	0,9	5,7
10. Value adjustments on assets included in asset item no. 9	-4,0	-3,8	0,2	5,3
11. Other operating expenses	-0,2	-0,5	-0,3	-60,0
<b>III. OPERATING EXPENSES</b>	<b>-59,1</b>	<b>-56,2</b>	<b>2,9</b>	<b>5,2</b>
<b>IV. OPERATING RESULT</b>	<b>45,1</b>	<b>45,7</b>	<b>-0,6</b>	<b>-1,3</b>

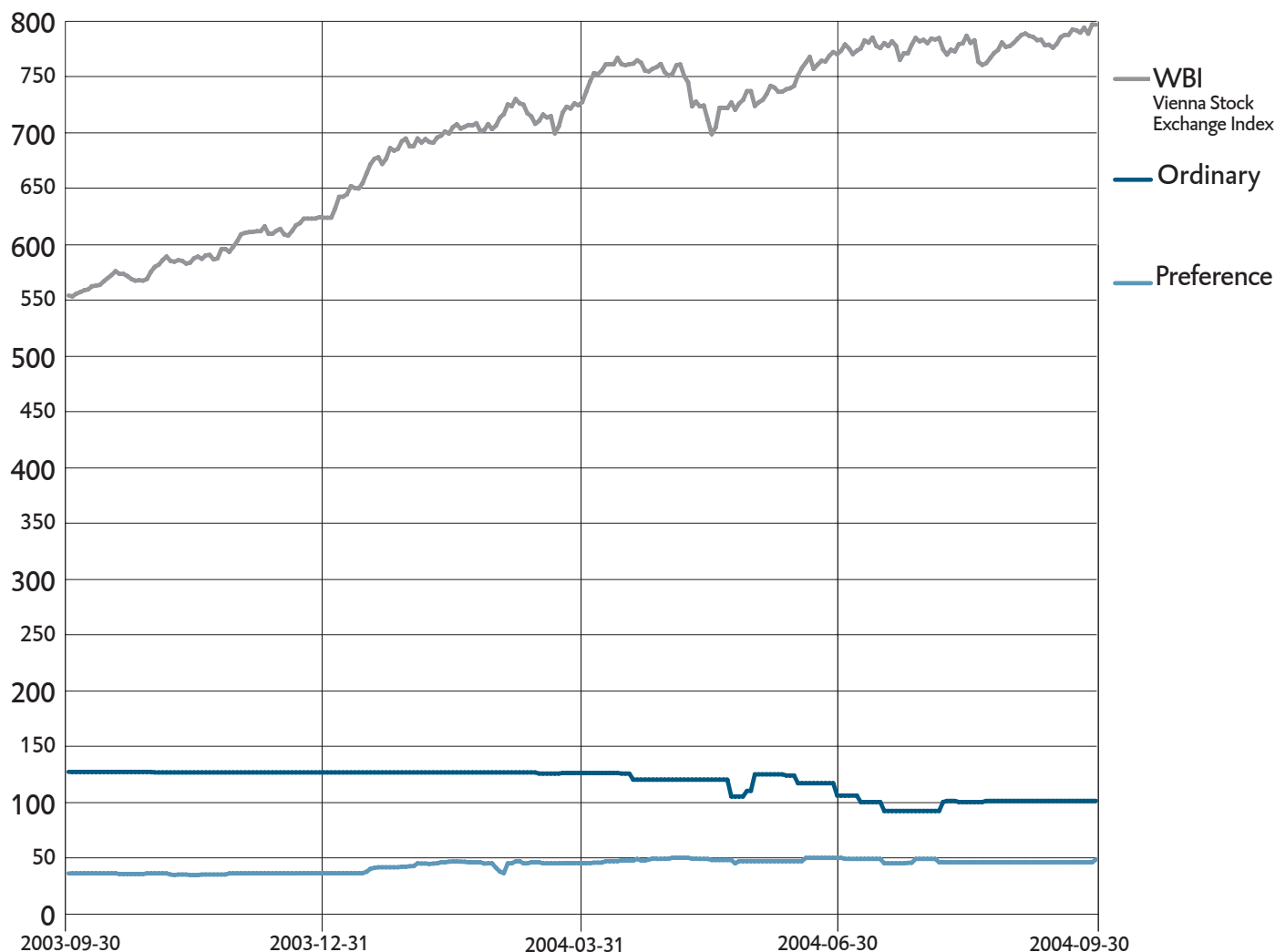
# CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT OF BTV AS PER 2004-09-30

ASSETS	2004-09-30 mn. EUR	2003-09-30 mn. EUR	CHANGES mn. EUR	CHANGES %
1. Cash in hand, balances with central banks	158,0	25,2	132,8	>100,0
2. Treasury bills and other bills eligible for refinancing with the central bank	177,8	153,7	24,1	15,7
3. Loans and advances to credit institutions	121,7	99,3	22,4	22,6
4. Loans and advances to customers	4.345,4	4.334,6	10,8	0,2
5. Debt securities and other fixed-interest securities	806,8	705,3	101,5	14,4
6. Shares and other non-fixed interest securities	63,7	41,8	21,9	52,4
7. Equity shares	54,7	55,1	-0,4	-0,7
8. Interest in associated companies	67,8	62,1	5,7	9,2
9. Other assets	179,3	153,4	25,9	16,9
<b>TOTAL</b>	<b>5.975,2</b>	<b>5.630,5</b>	<b>344,7</b>	<b>6,1</b>

LIABILITIES	2004-09-30 mn. EUR	2003-09-30 mn. EUR	changes mn. EUR	changes %
1. Deposits by credit institution	650,3	1.248,9	-598,6	-47,9
2. Customers accounts	3.804,6	3.024,6	780,0	25,8
of which a) savings deposits	1.038,6	990,4	48,2	4,9
of which b) other liabilities	2.766,0	2.034,2	731,8	36,0
3. Liabilities evidenced by certificates	777,6	660,5	117,1	17,7
4. Provisions	49,7	47,9	1,8	3,8
5. Supplementary capital	256,5	228,4	28,1	12,3
6. Subscribed capita	50,0	50,0	0,0	0,0
7. Reserves	170,4	150,4	20,0	13,3
8. Liability reserve according to §23 (6) Bank Act	91,5	87,7	3,8	4,3
9. Other liabilities	124,6	132,1	-7,5	-5,7
<b>TOTAL</b>	<b>5.975,2</b>	<b>5.630,5</b>	<b>344,7</b>	<b>6,1</b>

PROFIT AND LOSS ACCOUNT	2004-09-30 mn. EUR	2003-09-30 mn. EUR	changes mn. EUR	changes %
1. Interest receivable and similar income	158,8	166,2	-7,4	-4,5
2. Interest payable and similar expenses	-94,2	-102,7	-8,5	-8,3
<b>I. NET INTEREST INCOME</b>	<b>64,6</b>	<b>63,5</b>	<b>1,1</b>	<b>1,7</b>
3. Income on shares, other equity rights and variable-yield securities	0,4	0,1	0,3	>100,0
4. Income on equity interests and interests in associated companies	5,1	3,2	1,9	59,4
5. Commissions	32,8	33,7	-0,9	-2,7
6. Earnings/expenses from financial transactions	2,9	3,5	-0,6	-17,1
7. Other operating income	3,6	5,1	-1,5	-29,4
<b>II. OPERATING INCOME</b>	<b>109,4</b>	<b>109,1</b>	<b>0,3</b>	<b>0,3</b>
8. Staff costs	-39,4	-37,5	1,9	5,1
9. Other administrative expenses (material costs)	-16,0	-15,3	0,7	4,6
10. Value adjustments on assets included in asset item no. 9	-5,2	-4,9	0,3	6,1
11. Other operating expenses	-2,6	-3,2	-0,6	-18,8
<b>III. OPERATING EXPENSES</b>	<b>-63,2</b>	<b>-60,9</b>	<b>2,3</b>	<b>3,8</b>
<b>IV. OPERATING RESULT</b>	<b>46,2</b>	<b>48,2</b>	<b>-2,0</b>	<b>-4,1</b>

## PERFORMANCE OF BTV SHARES AT 2004-09-30



The rise of the oil price reaching its peak at the middle of August, was the determining factor for the stock exchange markets within the last months. Negative results for the economy were expected from this development which led to the lowest prices of the year at the stock markets round the world. The Nasdaq Composite Index including mainly technology items declined significantly during that period, also the Dow Jones dropped clearly below the level of 10.000 points, which is an important psychological border. The publication of good company figures in general was hardly noticed by the market participants. When the oil price clearly dropped at the end of August and a final relaxation at the oil market was expected, the leading indices recovered quickly. At the end of the quarter the oil prices reached the

ceiling again and put the stock markets under pressure once more. During the period under review the Nikkei was mostly effected, showing more than minus 8 %, followed by the Nasdaq Composite showing minus 7 % whereas the stock exchange markets in Eastern Europe gained 5 to 10 % within the same period (all performance figures in EUR).

The ATX (Austrian Traded Index) rose further since the beginning of the year and noted at 2,042.87 points, which was plus 32%. The WB-Index (Vienna stock exchange index) increased by 28 % to 796.78 points. The price of BTV ordinary shares was EUR 101 at the end of September, the price of BTV preference shares gained 34% and reached EUR 48.49.

## IMPORTANT FIGURES OF 3 BANKEN GRUPPE\* CONSOLIDATED

BILANZ	2004-09-30 mn. EUR	2003-09-30 mn. EUR	changes mn. EUR	changes %
Balance-sheet total	21.539	19.969	+ 1.570	+ 7,9
Loan and advances to customers	13.873	13.234	+ 639	+ 4,8
Fixed-interest securities	3.208	2.938	+ 270	+ 9,2
Primary funds (including supplementary capital)	13.874	12.403	+ 1.471	+ 11,9
of which savings deposits	4.700	4.545	+ 155	+ 3,4
Securities deposited by customers	16.536	14.989	+ 1.547	+ 10,3

### PROFIT AND LOSS ACCOUNT

Interest income (including income on equity interests)	246,1	240,6	5,5	+ 2,3
Commission receivable (including other earnings)	136,8	142,3	-5,5	- 3,9
Earnings/expenses from financial transactions	14,8	9,6	5,2	+ 54,2
Staff costs	146,7	137,5	9,2	+ 6,7
Material expenditure, depreciation other expenditure	90,8	93,4	-2,6	- 2,8
Operating result	160,2	161,6	-1,4	- 0,9

### CAPITAL RESOURCES

Creditable capital resources (without Tier 3)	1.832	1.623	+ 209	+ 12,9
Surplus capital resources	598	490	+ 108	+ 22,0

### RESOURCES

Average number of persons employed	3.195	3.212	- 17	- 0,5
Branches	192	190	+ 2	+ 1,1

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