

QUARTERLY REPORT AS PER 2003-09-30

BUSINESS DEVELOPMENT OF BTV AG DURING THE FIRST THREE QUARTERS OF 2003

BTV balance sheet total is at EUR 5,600 mn – loans and advances to customers are significantly above the year before

As per September 30, 2003 the balance sheet total of BTV increased by EUR 259 mn or 4.9 % to EUR 5,600 mn compared to the previous year.

Loans and advances to customers increased to EUR 4,280 mn since Sept. 2002, which was an increase of EUR 226 mn or 5.6 %. Financing was mainly taken by private customers for home-building and by corporate customers from industry and trade. Loans to credit institutions decreased by EUR 27 mn to EUR 98 mn, the interbank-business was further reduced. The securities portfolio was mainly increased by fixed-income securities whereas the percentage of shares and funds was only slightly increased in the reporting year. Our own portfolio rose by EUR 122 mn or 15.6 % in total compared to last year.

Within refinancing liabilities to banks rose by EUR 288 mn whereas the item other customer accounts payable dropped by EUR 169 mn or 7.7 %. This shift from customers to banks took place because the big-ticket deposit-taking of institutional customers was not prolonged for margin reasons. Savings deposits rose by EUR 39 mn compared to September 2002 and securitized liabilities rose by EUR 38 mn to EUR 661 mn. Supplementary capital was considerably topped up by EUR 42 mn to EUR 228 mn to strengthen the Bank's capital resources. At the end of September 2003 BTV's BIS-ratio was 11.47 % (core capital ratio was 6.63 %).

Operating result by 3.6 % above last year's excellent figure

The operating result was 3.6 % higher than last year, which was a satisfactory development considering the continuing difficult environment. The net interest income dropped by EUR 2.8 mn or 4.5 % to EUR 59.4 mn. Commission income from securities business was by EUR 2.8 mn or 17.3 % lower than last year due to the continuing caution of our customers. Higher turnover in clean payments resulted in an increase of EUR 0.4 mn or 4.6 %. Income increase of EUR 0.2 mn or 4.0 % from credit business was the result of a higher guarantee volume. Income increase from foreign exchange business rose by EUR 1.1 mn to EUR 5.0 mn, due to our customers' interest to turn the JPY-loans into CHF or EUR. Other operating income was 0.2 % higher than last year. The trading result superseded the result of last year due to profits from securities trading and foreign exchange. Therefore operating income totalled in EUR 101.9 mn, which was slightly higher than the year before.

Operating expenses increased by 2.4 % to EUR 56.2 mn in total. Staff costs were reduced by EUR 0.7 mn or 1.9 %, depreciation was EUR 1.1 mn less, administration expenses increased by EUR 0.3 mn due to high EPD-costs. Other operating expenses increased by EUR 0.1 mn. The operating result achieved within the first three quarters was at EUR 45.7 mn by EUR 1.6 mn above last year's figure.

BTV expects the operating result for 2003 higher than the year before

The results as per the end of September 2003 reflect a development of BTV and our customers, which was more positive than the general market. For this reason the operating result and the results from ordinary business activities are expected to be above the previous year.

BALANCE SHEET AND PROFIT AND LOSS ACCOUNT OF BTV AG AS PER 2003-09-30

ASSETS	2003-09-30 mn. EUR	2002-09-30 mn. EUR	Change mn. EUR	Change %
1. Cash in hand, balances with central banks	25,2	77,4	-52,2	-67,4
2. Treasury bills and other bills eligible for refinancing with the central bank	153,7	306,7	-153,0	-49,9
3. Loans and advances to credit institutions	97,7	124,2	-26,5	-21,3
4. Loans and advances to customers	4.280,3	4.054,1	226,2	5,6
5. Debt securities and other fixed-interest securities	705,3	456,9	248,4	54,4
6. Shares and other non-fixed interest securities	41,8	15,4	26,4	171,4
7. Equity shares	52,8	58,2	-5,4	-9,3
8. Interest in associated companies	120,3	103,8	16,5	15,9
9. Other assets	123,0	144,3	-21,3	-14,8
TOTAL	5.600,1	5.341,0	259,1	4,9

LIABILITIES	2003-09-30 mn. EUR	2002-09-30 mn. EUR	Change mn. EUR	Change %
1. Deposits by credit institutions	1.249,5	961,6	287,9	29,9
2. Customers accounts	3.024,7	3.154,2	-129,5	-4,1
of which a) savings deposits	990,4	951,1	39,3	4,1
of which b) other liabilities	2.034,3	2.203,1	-168,8	-7,7
3. Liabilities evidenced by certificates	660,5	622,4	38,1	6,1
4. Provisions	45,2	45,9	-0,7	-1,5
5. Supplementary capital	228,4	186,1	42,3	22,7
6. Subscribed capital	50,0	50,0	0,0	0,0
7. Reserves	134,5	116,8	17,7	15,2
8. Liability reserve according to §23 (6) Bank Act	87,7	85,6	2,1	2,5
9. Other liabilities	119,6	118,4	1,2	1,0
TOTAL	5.600,1	5.341,0	259,1	4,9

PROFIT AND LOSS ACCOUNT	2003-09-30 mn. EUR	2002-09-30 mn. EUR	Change mn. EUR	Change %
1. Interest receivable and similar income	155,9	180,5	-24,6	-13,6
2. Interest payable and similar expenses	-96,5	-118,3	-21,8	-18,4
I. NET INTEREST INCOME	59,4	62,2	-2,8	-4,5
3. Income on shares, other equity rights and variable-yield securities	0,1	0,4	-0,3	-75,0
4. Income on equity interests and interests in associated companies	4,9	2,7	2,2	81,5
5. Commissions	32,9	33,8	-0,9	-2,7
6. Earnings/expenses from financial transactions	3,5	1,8	1,7	94,4
7. Other operating income	1,1	0,8	0,3	37,5
II. OPERATING INCOME	101,9	101,7	0,2	0,2
8. Staff costs	-36,2	-36,9	-0,7	-1,9
9. Other administrative expenses (material costs)	-15,7	-15,4	0,3	1,9
10. Value adjustments on assets included in asset item no. 9	-3,8	-4,9	-1,1	-22,4
11. Other operating expenses	-0,5	-0,4	0,1	25,0
III. OPERATING EXPENSES	-56,2	-57,6	-1,4	-2,4
IV. OPERATING RESULT	45,7	44,1	1,6	3,6

CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT OF BTV AS PER 2003-09-30

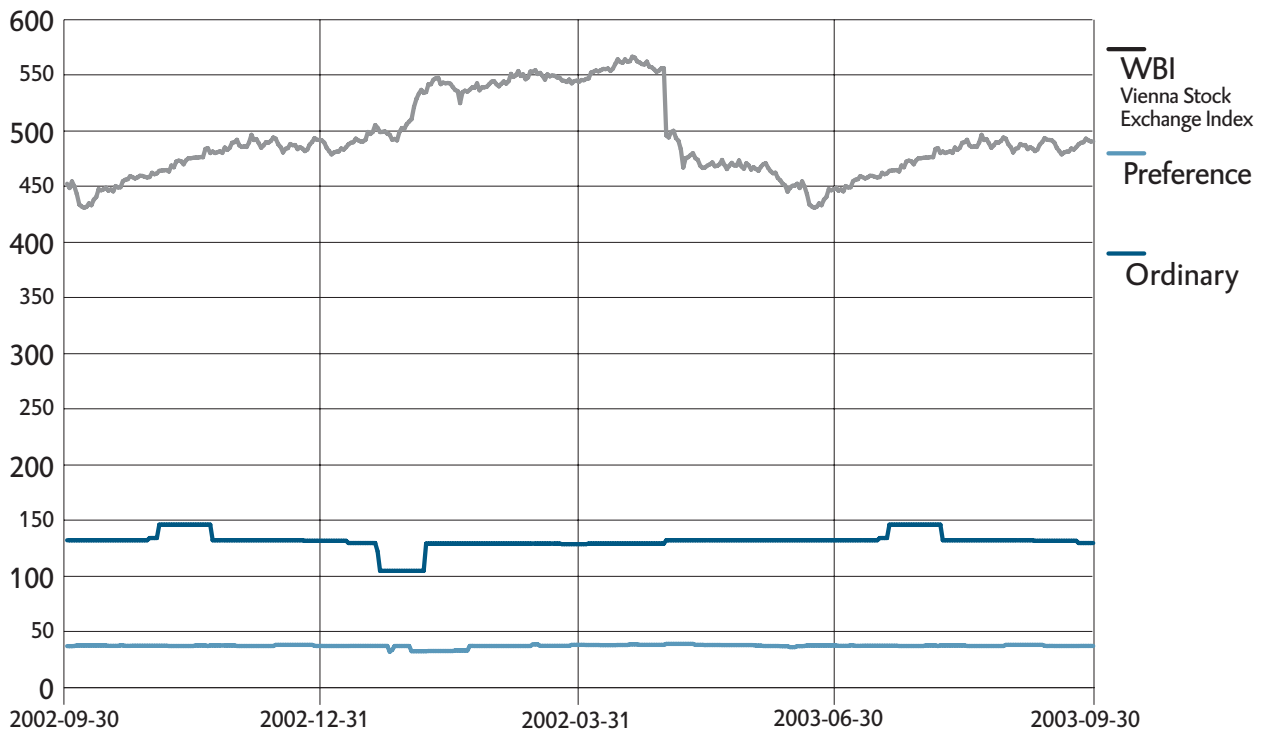
ASSETS	2003-09-30 mn. EUR	2002-09-30 mn. EUR	Change mn. EUR	Change %
1. Cash in hand, balances with central banks	25,2	77,4	-52,2	-67,4
2. Treasury bills and other bills eligible for refinancing with the central bank	153,7	306,7	-153,0	-49,9
3. Loans and advances to credit institutions	99,3	125,0	-25,7	-20,6
4. Loans and advances to customers	4.334,6	4.105,2	229,4	5,6
5. Debt securities and other fixed-interest securities	705,3	456,9	248,4	54,4
6. Shares and other non-fixed interest securities	41,8	15,4	26,4	171,4
7. Equity shares	55,1	60,1	-5,0	-8,3
8. Interest in associated companies	62,1	45,6	16,5	36,2
9. Other assets	153,4	169,5	-16,1	-9,5
TOTAL	5.630,5	5.361,8	268,7	5,0

LIABILITIES	2003-09-30 mn. EUR	2002-09-30 mn. EUR	Change mn. EUR	Change %
1. Deposits by credit institutions	1.248,9	956,0	292,9	30,6
2. Customers accounts	3.024,6	3.155,0	-130,4	-4,1
of which a) savings deposits	990,4	951,1	39,3	4,1
of which b) other liabilities	2.034,2	2.203,9	-169,7	-7,7
3. Liabilities evidenced by certificates	660,5	622,4	38,1	6,1
4. Provisions	47,9	47,4	0,5	1,1
5. Supplementary capital	228,4	186,1	42,3	22,7
6. Subscribed capital	50,0	50,0	0,0	0,0
7. Reserves	150,4	130,4	20,0	15,3
8. Liability reserve according to §23 (6) Bank Act	87,7	85,6	2,1	2,5
9. Other liabilities	132,1	128,9	3,2	2,5
TOTAL	5.630,5	5.361,8	268,7	5,0

PROFIT AND LOSS ACCOUNT	2003-09-30 mn. EUR	2002-09-30 mn. EUR	Change mn. EUR	Change %
1. Interest receivable and similar income	166,2	186,5	-20,3	-10,9
2. Interest payable and similar expenses	-102,7	-118,4	-15,7	-13,3
I. NET INTEREST INCOME	63,5	68,1	-4,6	-6,8
3. Income on shares, other equity rights and variable-yield securities	0,1	0,4	-0,3	-75,0
4. Income on equity interests and interests in associated companies	3,2	2,8	0,4	14,3
5. Commissions	33,7	34,6	-0,9	-2,6
6. Earnings/expenses from financial transactions	3,5	1,8	1,7	94,4
7. Other operating income	5,1	3,3	1,8	54,5
II. OPERATING INCOME	109,1	111,0	-1,9	-1,7
8. Staff costs	-37,5	-38,2	-0,7	-1,8
9. Other administrative expenses (material costs)	-15,3	-15,2	0,1	0,7
10. Value adjustments on assets included in asset item no. 9	-4,9	-6,4	-1,5	-23,4
11. Other operating expenses	-3,2	-2,6	0,6	23,1
III. OPERATING EXPENSES	-60,9	-62,4	-1,5	-2,4
IV. OPERATING RESULT	48,2	48,6	-0,4	-0,8

QUARTERLY REPORT

PERFORMANCE OF BTV-SHARES AT 2003-09-30



Positive economic figures and company reports above expectations stimulated the stock markets during the third quarter. The ATX (Austrian Traded Index) gained 17.55 % within the first three quarters of 2003 reaching 1,351.89 and the WB-Index (Vienna stock exchange index) increased by 17.55 % up to 554.07 points.

The development of BTV shares was hardly influenced again by the development at the international financial markets. The price of BTV preference shares remained relatively steady (+ 1.41 % to EUR 36). The price of BTV ordinary shares dropped slightly by 2.31 % to EUR 127.

QUARTERLY REPORT

IMPORTANT FIGURES OF 3 BANKEN GRUPPE* (CONSOLIDATED)

BALANCE SHEET	2003-09-30 mn. EUR	2002-09-30 mn. EUR	Change mn. EUR	Change %
Balance-sheet total	19.969	18.536	1.433	7,7
Loans and advances to customers	13.234	12.349	885	7,2
Fixed-interest securities	2.938	2.643	295	11,2
Primary funds (including supplementary capital)	12.403	11.562	841	7,3
of which savings deposits	4.545	4.185	360	8,6
Securities deposited by customers	14.989	14.159	830	5,9

PROFIT AND LOSS ACCOUNT

Interest income (including income on equity interests)	240,9	246,0	-5,1	- 2,1
Commission receivable (including other earnings)	142,5	136,1	6,4	4,7
Earnings/expenses from financial transactions	9,7	5,9	3,8	64,4
Staff costs	137,6	141,8	-4,2	- 3,0
Material expenditure, depreciation	92,6	88,1	4,5	5,1
Operating result	162,9	158,1	4,8	3,0

CAPITAL RESOURCES

Creditable capital resources (without Tier 3)	1.623	1.459	164	11,2
Surplus capital resources	490	404	86	21,3

RESOURCES

Average number of persons employed	3.212	3.185	27	0,8
Branches	190	174	16	9,2

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