

QUARTERLY REPORT AS PER 2003-06-30

BUSINESS DEVELOPMENT OF BTV AG DURING THE 2. HALF OF 2003

BTV balance sheet total is at EUR 5,600 mn – considerable extension of primary resources

As per June 30, 2003 the balance sheet total of BTV increased by EUR 212 mn or 3.9 % to EUR 5,622 mn compared to the previous year.

Loans and advances to customers developed according to the strength of the Euro. Within the past year the value of the Yen dropped by 16 % and Swiss Franc by 5 %. Many customers realized their Yen exchange rate profit and changed to Swiss Francs and Euro due to the low interest level. This was the reason for a moderate increase in loans and advances to customers by 1.6 % compared to the previous year. In total BTV managed to increase the market share.

Our customers' higher demand for safety regarding the continuing volatile security markets led to a considerable extension of primary resources.

Savings deposits grew by 6.6 %, own issues by 6.1 % - if supplementary loans are included by more than 10 %. Account deposits and time deposits grew most (by 9 %). As a result our customer credits were completely refinanced by primary deposits.

High capital resources guarantee BTV's independence

Capital resources of BTV in total were EUR 456.1 mn as per June 30, 2003 resulting in a surplus of legal capital resources of EUR 147.6mn. The increase of capital resources by EUR 201 mn or 78.8 % within the last 5 years reflects the solid business policy of BTV emphasizing again the independence of BTV.

Operating result above last year despite difficult conditions

Gains in market shares and a thorough cost management in good time resulted in an operating result of EUR 30.1mn (an increase of 5.6 %). The interest income including income from equity interests grew by 1.4 %.

Commission income from foreign exchange and international payments developed positively within the first half year but not enough to balance the loss in income from securities commission. Commissions were at 3.1 % below the level of last year.

In the centre of BTV's sales strategy is the personal relationship between customer and bank consultant. The number of employees working in sales was further increased. Staff costs were reduced by 3.6 % due to continuous improvements in production and declining allocation requirements for provisions. Other expenditure was kept below last year's level by continuous improvements in working processes. A moderate increase of 0.3 % in operating income is up against a reduction in operating expenses by 3.6 %.

BTV is amongst the three most profitable Austrian banks.

This is confirmed by a study of the Austrian National Bank of June 2003, in which the ratio of the operating result / balance sheet total was 1.11 %.

With a cost / income ratio of 55 % BTV holds a top position amongst the main Austrian banks and the European regional banks.

Gains in market shares and steady improvements of processes, which increased productivity, were the main reasons.

Operating result is expected to be slightly below last year's figure at the end of the year 2003

No essential changes are expected for the second half of the year. The operating income for the year 2003 is expected slightly below last year's result due to losses in income caused by the introduction of the new Euro standard payments within the Euro countries and fewer currency changes in financing.

BALANCE SHEET AND PROFIT AND LOSS ACCOUNT OF BTV AG AS PER 2003-06-2003

| ASSETS | 2003-06-30 mn. EUR | 2002-06-30 mn. EUR | Change mn. EUR | Change % |
|--|-----------------------|-----------------------|-------------------|-------------|
| 1. Cash in hand, balances with central banks | 26,5 | 88,7 | -62,2 | -70,1 |
| 2. Treasury bills and other bills eligible for refinancing with the central bank | 164,7 | 313,6 | -148,9 | -47,5 |
| 3. Loans and advances to credit institutions | 406,7 | 280,1 | 126,6 | 45,2 |
| 4. Loans and advances to customers | 3.990,8 | 3.929,6 | 61,2 | 1,6 |
| 5. Debt securities and other fixed-interest securities | 718,9 | 485,2 | 233,7 | 48,2 |
| 6. Shares and other non-fixed interest securities | 20,8 | 23,8 | -3,0 | -12,6 |
| 7. Equity shares | 52,8 | 57,1 | -4,3 | -7,5 |
| 8. Interest in associated companies | 120,3 | 103,8 | 16,5 | 15,9 |
| 9. Other assets | 120,8 | 128,6 | -7,8 | -6,1 |
| TOTAL | 5.622,3 | 5.410,5 | 211,8 | 3,9 |

| LIABILITIES | 2003-06-30 mn. EUR | 2002-06-30 mn. EUR | Change mn. EUR | Change % |
|--|-----------------------|-----------------------|-------------------|-------------|
| 1. Deposits by credit institutions | 811,3 | 965,4 | -154,1 | -16,0 |
| 2. Customers accounts | 3.520,4 | 3.249,2 | 271,2 | 8,3 |
| of which a) savings deposits | 996,1 | 934,3 | 61,8 | 6,6 |
| of which b) other liabilities | 2.524,3 | 2.314,9 | 209,4 | 9,0 |
| 3. Liabilities evidenced by certificates | 648,1 | 610,8 | 37,3 | 6,1 |
| 4. Provisions | 45,3 | 46,1 | -0,8 | -1,7 |
| 5. Supplementary capital | 222,1 | 178,0 | 44,1 | 24,8 |
| 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 | 102,9 | 108,6 | -5,7 | -5,2 |
| TOTAL | 5.622,3 | 5.410,5 | 211,8 | 3,9 |

| PROFIT AND LOSS ACCOUNT | 2003-06-30 mn. EUR | 2002-06-30 mn. EUR | Change mn. EUR | Change % |
|--|-----------------------|-----------------------|-------------------|-------------|
| 1. Interest receivable and similar income | 107,4 | 119,4 | -12,0 | -10,1 |
| 2. Interest payable and similar expenses | -67,7 | -79,1 | -11,4 | -14,4 |
| I. NET INTEREST INCOME | 39,7 | 40,3 | -0,6 | -1,5 |
| 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 | 3,3 | 1,8 | 1,5 | 83,3 |
| 5. Commissions | 22,0 | 22,7 | -0,7 | -3,1 |
| 6. Earnings/expenses from financial transactions | 1,5 | 1,3 | 0,2 | 15,4 |
| 7. Other operating income | 0,7 | 0,6 | 0,1 | 16,7 |
| II. OPERATING INCOME | 67,3 | 67,1 | 0,2 | 0,3 |
| 8. Staff costs | -23,9 | -24,8 | -0,9 | -3,6 |
| 9. Other administrative expenses (material costs) | -10,4 | -10,3 | 0,1 | 1,0 |
| 10. Value adjustments on assets included in asset item no. 9 | -2,6 | -3,2 | -0,6 | -18,8 |
| 11. Other operating expenses | -0,3 | -0,3 | 0,0 | 0,0 |
| III. OPERATING EXPENSES | -37,2 | -38,6 | -1,4 | -3,6 |
| IV. OPERATING RESULT | 30,1 | 28,5 | 1,6 | 5,6 |

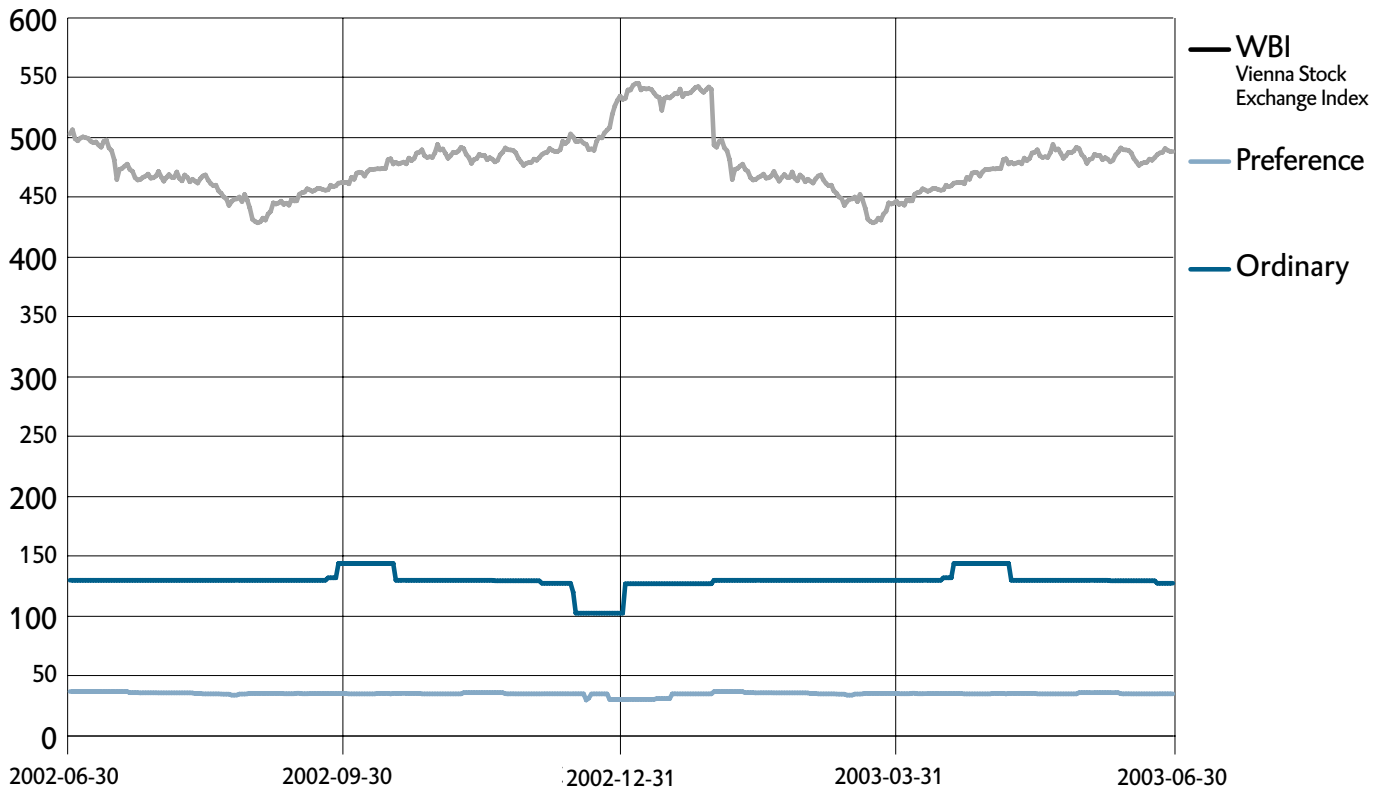
CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT OF BTV AS PER 2003-06-2003

| ASSETS | 2003-06-30 mn. EUR | 2002-06-30 mn. EUR | Change mn. EUR | Change % |
|--|-----------------------|-----------------------|-------------------|-------------|
| 1. Cash in hand, balances with central banks and post office banks | 26,5 | 88,7 | -62,2 | -70,1 |
| 2. Treasury bills and other bills eligible for refinancing with the central bank | 164,7 | 313,6 | -148,9 | -47,5 |
| 3. Loans and advances to credit institutions | 408,2 | 281,1 | 127,1 | 45,2 |
| 4. Loans and advances to customers | 4.037,5 | 3.985,2 | 52,3 | 1,3 |
| 5. Debt securities and other fixed-interest securities | 719,0 | 485,2 | 233,8 | 48,2 |
| 6. Shares and other non-fixed interest securities | 20,8 | 23,8 | -3,0 | -12,6 |
| 7. Equity shares | 54,9 | 59,0 | -4,1 | -6,9 |
| 8. Interest in associated companies | 62,1 | 45,6 | 16,5 | 36,2 |
| 9. Other assets | 153,9 | 154,1 | -0,2 | -0,1 |
| TOTAL | 5.647,6 | 5.436,3 | 211,3 | 3,9 |

| LIABILITIES | 2003-06-30 mn. EUR | 2002-06-30 mn. EUR | Change mn. EUR | Change % |
|--|-----------------------|-----------------------|-------------------|-------------|
| 1. Deposits by credit institutions | 809,7 | 965,4 | -155,7 | -16,1 |
| 2. Customers accounts | 3.521,6 | 3.250,1 | 271,5 | 8,4 |
| of which a) savings deposits | 996,1 | 934,3 | 61,8 | 6,6 |
| of which b) other liabilities | 2.525,5 | 2.315,8 | 209,7 | 9,1 |
| 3. Liabilities evidenced by certificates | 648,1 | 610,8 | 37,3 | 6,1 |
| 4. Provisions | 47,5 | 47,8 | -0,3 | -0,6 |
| 5. Supplementary capital | 222,1 | 178,0 | 44,1 | 24,8 |
| 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 | 110,5 | 118,2 | -7,7 | -6,5 |
| TOTAL | 5.647,6 | 5.436,3 | 211,3 | 3,9 |

| PROFIT AND LOSS ACCOUNT | 2003-06-30 mn. EUR | 2002-06-30 mn. EUR | Change mn. EUR | Change % |
|--|-----------------------|-----------------------|-------------------|-------------|
| 1. Interest receivable and similar income | 114,8 | 123,4 | -8,6 | -7,0 |
| 2. Interest payable and similar expenses | -72,5 | -79,1 | -6,6 | -8,3 |
| I. NET INTEREST INCOME | 42,3 | 44,3 | -2,0 | -4,5 |
| 3. Income on shares, other equity rights and variable-yield securities | 0,1 | 0,3 | -0,2 | -66,7 |
| 4. Income on equity interests and interests in associated companies | 2,2 | 1,9 | 0,3 | 15,8 |
| 5. Commissions | 22,5 | 23,3 | -0,8 | -3,4 |
| 6. Earnings/expenses from financial transactions | 1,5 | 1,3 | 0,2 | 15,4 |
| 7. Other operating income | 2,9 | 2,6 | 0,3 | 11,5 |
| II. OPERATING INCOME | 71,5 | 73,7 | -2,2 | -3,0 |
| 8. Staff costs | -24,8 | -25,7 | -0,9 | -3,5 |
| 9. Other administrative expenses (material costs) | -10,2 | -10,2 | 0,0 | 0,0 |
| 10. Value adjustments on assets included in asset item no. 9 | -3,3 | -4,0 | -0,7 | -17,5 |
| 11. Other operating expenses | -1,7 | -1,8 | -0,1 | -5,6 |
| III. OPERATING EXPENSES | -40,0 | -41,7 | -1,7 | -4,1 |
| IV. OPERATING RESULT | 31,5 | 32,0 | -0,5 | -1,6 |

PERFORMANCE OF BTV-SHARES AT 2003-06-30



After the extremely negative first quarter of 2003 a rallye started at the stock markets at the middle of March. There was a tendency change at the stock markets after the quick end of the war in Iraq and the positive profit prospects of the enterprises. The ATX (Austrian Traded Index) gained 13.54 % within the first half of 2003 reaching 1,305.71. The prices of the BTV shares were hardly influenced by the developments at the international financial markets

The price of BTV preference shares remained relatively steady (- 1.41 % to EUR 35). The price of BTV ordinary shares dropped slightly by 2.31 % to EUR 127.

IMPORTANT FIGURES OF 3 BANKEN GRUPPE* (CONSOLIDATED)

| BALANCE SHEET | 2003-06-30 mn. EUR | 2002-06-30 mn. EUR | Change mn. EUR | Change % |
|---|-----------------------|-----------------------|-------------------|-------------|
| Balance-sheet total | 19.362 | 18.713 | + 649 | + 3,5 |
| Loans and advances to customers | 12.696 | 12.294 | + 402 | + 3,3 |
| Fixed-interest securities | 2.844 | 2.615 | + 229 | + 8,7 |
| Primary funds (including supplementary capital) | 12.767 | 11.906 | + 861 | + 7,2 |
| of which savings deposits | 4.365 | 4.146 | + 219 | + 5,3 |
| Securities deposited by customers | 14.636 | 14.989 | - 353 | - 2,4 |

PROFIT AND LOSS ACCOUNT

| | | | | |
|--|-------|-------|------|--------|
| Interest income (including income on equity interests) | 161,0 | 160,0 | 1,0 | + 0,6 |
| Commission receivable (including other earnings) | 93,1 | 93,9 | -0,8 | - 0,9 |
| Earnings/expenses from financial transactions | 5,2 | 4,3 | 0,9 | + 20,9 |
| Staff costs | 92,0 | 94,6 | -2,6 | - 2,7 |
| Material expenditure, depreciation | 59,8 | 58,4 | 1,4 | + 2,4 |
| Operating result | 107,5 | 105,2 | 2,3 | + 2,2 |

CAPITAL RESOURCES

| | | | | |
|---|-------|-------|-------|--------|
| Creditable capital resources (without Tier 3) | 1.602 | 1.444 | + 158 | + 10,9 |
| Surplus capital resources | 503 | 390 | + 113 | + 29,0 |

RESOURCES

| | | | | |
|------------------------------------|-------|-------|------|-------|
| Average number of persons employed | 3.138 | 3.184 | - 46 | - 1,4 |
| Branches | 175 | 174 | + 1 | + 0,6 |

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

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