

Quarterly Report as per 2002-06-30

CONSOLIDATED BUSINESS DEVELOPMENT OF BTV DURING THE 2. QUARTER OF 2002

During the first six months the economy grew slower compared to the previous years because exports slightly decreased and enterprises and public authorities were less prepared to invest. The introduction of EURO cash was a great challenge for banks, which was handled well. Related introduction costs and reduced profit out of foreign exchange business were calculated for the business year 2002. From our point of view the continuing private consumption is an important positive support of the economic development for the current business year.

Corporate Customers Business : Growth of 30 % in Export Financing, Private Equity Capital increased

BTV's reputation as a competitive partner for export orientated medium-sized enterprises continued during the first six months of 2002. The export financing volume handled by BTV expanded by more than 30 % since Jan. 1, 2002. The Danube Growth Equity Fund founded with VOEST Alpine Stahl AG acquired two equity investments in Tyrol and Vorarlberg. BTV supports participatory financing in traditional Old Economy Enterprises with the new Lead Equity Fund. A special Reconstruction Venture Fund concentrating on participation and active support of the management of enterprises in periods of capital reconstruction completes the participation network of BTV in favour of the middle class in Tyrol and Vorarlberg.

Private Customers Business: Top International Award for BTV Asset Management

BTV managed to obtain five stars in the ranking of the internationally accepted Rating Agency Standard and Poor's (July 2002) for the "3 Banken Vermögens-Mix" despite the difficult market environment. The four BTV-Funds represented in the star ranking averaged 3.25 stars, which is a top position along with many internationally recognized investment companies. The demand for guarantee products increased considerably as a result of the difficult situation at the international stock markets. BTV reacted to the customers' demand for sound investments by issuing the "Best of Best Yield" Certificate, which was very much in demand within short time.

Operating Income exceeded the level of the year before despite difficult environment

Within the last years BTV conquered a high share of the market in Tyrol and Vorarlberg permitting a further increase in operating income. For this reason last year's result was exceeded despite loss in profit due to the introduction of the EURO cash. The rise in operating income was mainly achieved by the 4.7 % increase in the interest balance. Income from service business dropped by 4.6 % due to a further decrease of the securities business. Eighteen more people were employed in order to intensify sales on core and expansion markets, which caused an increase

ASSETS	2002-06-30 mn EUR	2001-06-30 mn EUR	Change mn EUR	Change %
1. Cash in hand, balances with central banks and post office banks	88.7	59.3	29.4	49.6 %
2. Treasury bills and other bills eligible for refinancing with the central bank	313.6	356.4	-42.8	-12.0 %
3. Loans and advances to credit institutions	281.1	355.0	-73.9	-20.8 %
4. Loans and advances to customers	3 985.2	3 866.6	118.6	3.1 %
5. Debt securities and other fixed-interest securities	485.2	232.8	252.4	108.4 %
6. Shares and other non-fixed interest securities	23.8	40.7	-16.9	-41.5 %
7. Equity shares	59.0	58.8	0.2	0.3 %
8. Interest in associated companies	45.6	44.7	0.9	2.0 %
9. Other assets	154.1	159.5	-5.4	-3.4 %
TOTAL	5 436.3	5 173.8	262.5	5.1 %

in staff costs by 6.6 %. Material costs rose by 7.4 % compared to last year. This money was mainly invested into future orientated EDV and building projects. The consolidated operating result of BTV group amounted up to EUR 32 mn. within the period under report.

The balance sheet total as per June 30, 2002 has grown by EUR 262.5 mn. or 5.1 % to EUR 5,440 mn. compared to the year before, which was mainly the result of granting credit facilities to private customers, industry and trade. The credit volume in total was almost EUR 4,000 mn. BTV clients reacted with caution to the extremely volatile securities markets for bonds and shares. This led to an increase in primary funds. Savings deposits increased by 4.3 % to EUR 934 mn. Account and time deposits rose by 15 % totalling in EUR 2,300 mn., the increase was mostly due to a higher deposit volume of institutional customers.

Extension of Capital Resources by 20 % to EUR 425 mn

The supplementary capital was considerably increased by EUR 33 mn. to EUR 178 mn. in order to strengthen the capital resources. Currently the capital resources together with last year's allocation to reserves are EUR 425 mn. (20 % more than last year). This results in a core capital ratio of 7.37 % and a capital resources ratio of 12.01 %. This development makes BTV even more independent and a safe place for customers' money.

Outlook into the second half of 2002

During the first half of 2002 preparations were made for further expansion of the growing markets. In Vienna a centre for corporate customers will be opened very soon (at the Vienna Naschmarkt). A new consulting office will be opened in Trento (Italy) to meet the demand for Austrian bank products in northern Italy. Furthermore the new head office building was opened in Innsbruck, at Langer Weg, - a unique innovative centre for BTV clients, partners and employees designed to meet all the demands of individual private customers and middle class economy to a regional bank.

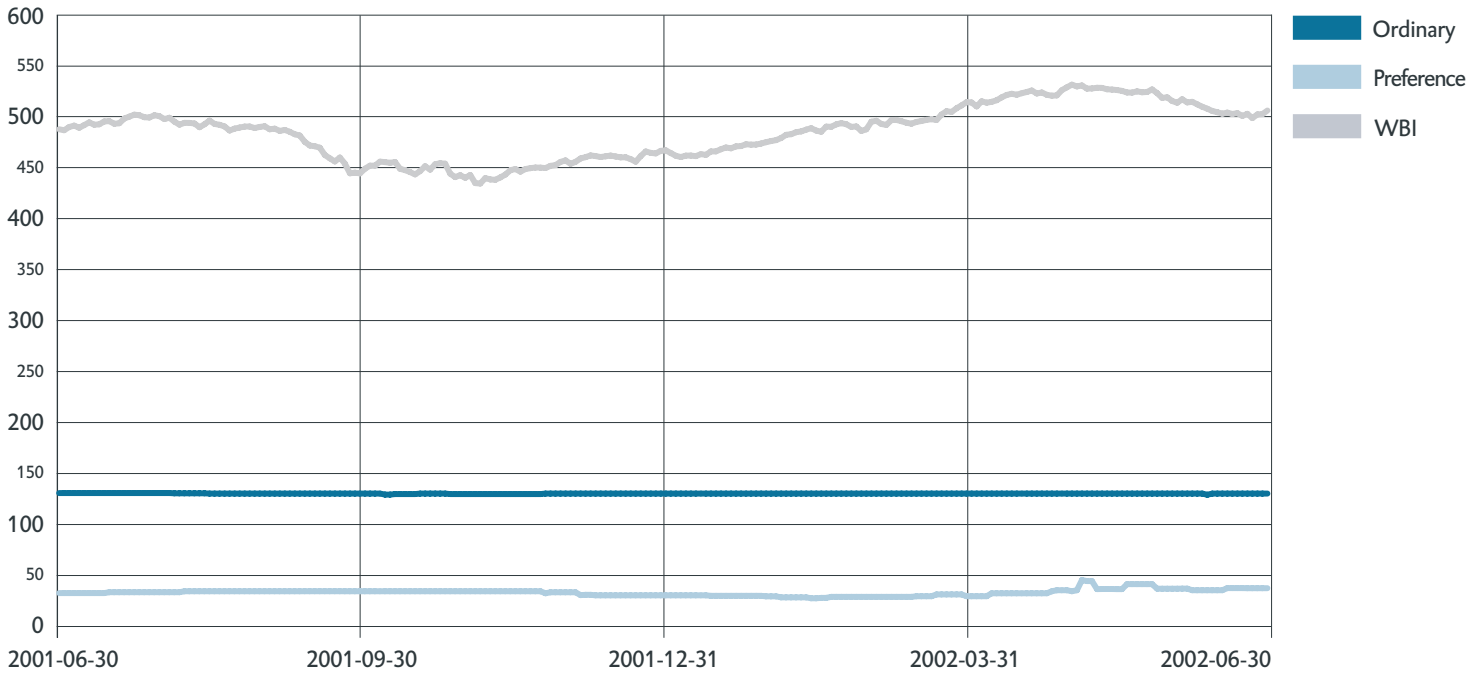
The results at the end of the first half of 2002 reflect the difficult economic environment. The uncertain market situation regarding the development of interest rates, foreign exchange rates and stock exchanges indices make it difficult to give a forecast for the results after the second half of 2002. Since the operating expenses will decrease in the second half of 2002, BTV will make the effort to reach the operating result of last year.

Report for the second quarter of 2002

There was only a short period of a slight recovery at the stock market at the end of the first quarter of 2002. The publication of company figures relativized the positive economic figures indicating an economic upswing in the near future. Driven by weak company prospects and disco-

LIABILITIES	2002-06-30 mn EUR	2001-06-30 mn EUR	Change mn EUR	Change %
1. Deposits by credit institutions	965.4	1 115.8	-150.4	-13.5 %
2. Customers accounts	3 250.1	2 910.7	339.4	11.7 %
of which a) savings deposits	934.3	896.1	38.2	4.3 %
of which b) other liabilities	2 315.8	2 014.6	301.2	15.0 %
3. Liabilities evidenced by certificates	610.8	600.2	10.6	1.8 %
4. Provisions	47.8	53.1	-5.3	-10.0 %
5. Supplementary capital	178.0	145.3	32.7	22.5 %
6. Subscribed capital	50.0	36.4	13.6	37.4 %
7. Reserves	130.4	118.0	12.4	10.5 %
8. Liability reserve according to §23 (6) Bank Act	85.6	81.6	4.0	4.9 %
9. Other liabilities	118.2	112.7	5.5	4.9 %
TOTAL	5 436.3	5 173.8	262.5	5.1 %

DEVELOPMENT OF BTV-SHARES UNTIL 2002-06-30



veries about new falsifications of balance sheets as well as the bankruptcy of the telecommunication enterprise Worldcom, the worst bankruptcy within the history of US enterprises, the stock markets have come more and more under pressure. The conflict in the Near East and the riots around Kashmir caused an even worse atmosphere. The investors' confined trust could finally affect the real economy and curb the expected economic upswing because less money is spent on consumption. The company figures, which are expected soon again, will create volatile prices within the next weeks.

Under these circumstances the Austrian Stock Market developed surprisingly well. Even though the ATX (Austrian Traded Index) fell by 3.6 % to 1,243.07 points within the second quarter of 2002, it is still leading the performance of the European stock markets this year. The more diversified WB-Index (Vienna stock exchange index) dropped only slightly by 1.7 % to 502.92 points. The price of the BTV ordinary share was at EUR 130 exactly the same as at the end of the first quarter of 2002, whereas the price of the BTV preference share rose by 19 % to EUR 37.

CONSOLIDATED STATEMENT OF INCOME

as per 2002-06-30

	2002-06-30 mn EUR	2001-06-30 mn EUR	Change mn EUR	Change %
1. Interest receivable and similar income	125.0	139.6	-14.6	-10.5 %
2. Interest payable and similar expenses	-80.7	-97.7	17.0	-17.4 %
I. NET INTEREST INCOME	44.3	41.9	2.4	5.7 %
3. Income from shares, other equity rights and variable-yield securities	0.4	0.7	-0.3	-42.9 %
4. Earnings from participating interests and shares in affiliates	1.8	1.8	0.0	0.0 %
5. Commissions	23.3	25.0	-1.7	-6.8 %
6. Earnings/expenses from financial transactions	1.3	1.6	-0.3	-18.8 %
7. Other operating income	2.6	1.9	0.7	36.8 %
II. OPERATING INCOME	73.7	72.9	0.8	1.1 %
8. Staff costs	-25.8	-24.2	-1.6	6.6 %
9. Other administrative expenses (material costs)	-10.1	-9.1	-1.0	11.0 %
10. Value adjustments on assets included in asset item no. 9	-4.0	-4.3	0.3	-7.0 %
11. Other operating expenses	-1.8	-1.4	-0.4	28.6 %
III. OPERATING EXPENSES	-41.7	-39.0	-2.7	6.9 %
IV. OPERATING RESULT	32.0	33.9	-1.9	-5.6 %

IMPORTANT FIGURES OF 3 BANKEN GRUPPE* CONSOLIDATED

	2002-06-30 mn EUR	2001-06-30 mn EUR	Change mn EUR	Change %
Balance Sheet				
Balance-sheet total	18 713	17 756	+ 958	+ 5.4 %
Loan and advances to customers	12 294	11 710	+ 584	+ 5.0 %
Fixed-interest securities	2 615	2 391	+ 224	+ 9.4 %
Primary funds (including supplementary capital)	11 906	11 100	+ 806	+ 7.3 %
of which savings deposits	4 146	3 919	+ 227	+ 5.8 %
Volume of customers securities deposits	14 989	15 767	- 778	- 4.9 %
Income Statement				
Interest income (including income from participating interests)	160.0	152.7	+ 7.3	+ 4.8 %
Commission receivable (including other earnings)	93.9	95.9	- 2.0	- 2.1 %
Earnings/expenses from financial transactions	4.3	7.1	- 2.7	- 38.7 %
Staff costs	94.6	89.9	+ 4.7	+ 5.2 %
Cost of materials, depreciation other expenditure	58.4	57.7	+ 0.7	+ 1.3 %
Operating result	105.2	108.1	- 2.9	- 2.7 %
Capital resources				
Capital resources (without Tier 3)	1 444	1 312	+ 133	+ 10.1 %
Surplus of capital resources	390	293	+ 96	+ 32.8 %
Resources				
Average number of persons employed	3 184	3 097	+ 87	+ 2.8 %
Branches	174	171	+ 3	+ 1.8 %

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

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