

INTERIM REPORT TO SHAREHOLDERS as at 31 March 2011

OBERBANK AT A GLANCE

Income statement in €m	Q1 2011	+/-	Q1 2010
Net interest income	81.6	10.4%	73.9
Charges for losses on loans and advances	(24.6)	(2.4%)	(25.2)
Net commission income	27.2	10.4%	24.6
Administrative expenses	(55.4)	7.1%	(51.7)
Profit from operating activities	57.5	9.9%	52.3
Profit for the period before tax	32.9	21.7%	27.1
Consolidated net profit for the period	28.1	30.4%	21.5

Balance sheet in €m	31/03/2011	+/-	31/12/2010
Assets	16,922.3	0.9%	16,768.4
Loans and advances to customers after provisioning charge	10,245.7	1.1%	10,129.7
Primary funds	11,138.7	0.0%	11,135.3
of which savings deposits	3,415.7	(0.9%)	3,447.2
of which securitised liabilities including subordinated capital	2,178.7	(2.4%)	2,232.6
Equity	1,194.7	2.9%	1,160.9
Customer funds under management	19,953.3	0.2%	19,912.7

Own funds within the meaning of BWG in €m	31/3/2011	+/-	31/12/2010
Assessment basis	10,089.3	3.0%	9,795.8
Own funds	1,594.4	(2.5%)	1,635.1
of which core capital (Tier 1)	1,028.0	(0.1%)	1,028.7
Surplus own funds	725.2	(8.2%)	789.8
Core capital ratio in %	10.19	(0.31ppt)	10.50
Total capital ratio in %	15.80	(0.89ppt)	16.69

Performance in%	Q1 2011	+/-	Q1 2010
Return on equity before tax	11.27	0.88ppt	10.39
Return on equity after tax	9.60	1.34ppt	8.26
Cost/income ratio	49.04	(0.70ppt)	49.74
Risk/earnings ratio (credit risk/net interest income)	30.18	(3.94ppt)	34.12

Resources	Q1 2011	+/-	FY 2010
Average number of staff (weighted)	2,028	32	1,996
Branches at the end of the quarter/year	144	1	143

THE OBERBANK GROUP IN THE FIRST QUARTER OF 2011



Dear Readers!

Following a new record result in 2010, business developments in the first quarter of 2011 continued along highly satisfactory lines. Thanks to the earnings contributions from credit operations, equity investments and services, we once again generated a very good result, with profit from operating activities and profit before tax clearly above the results of the first quarter of 2010.

Profit from operating activities: € 57.5 million (+9.9% / € 5.2 m)

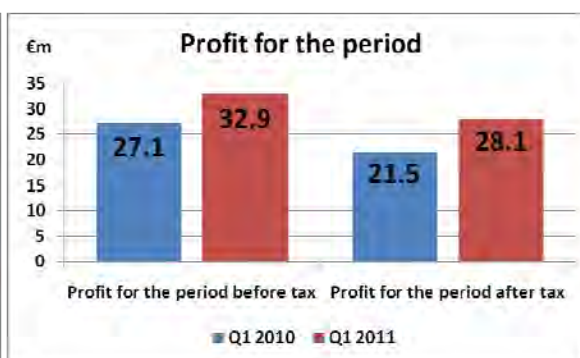
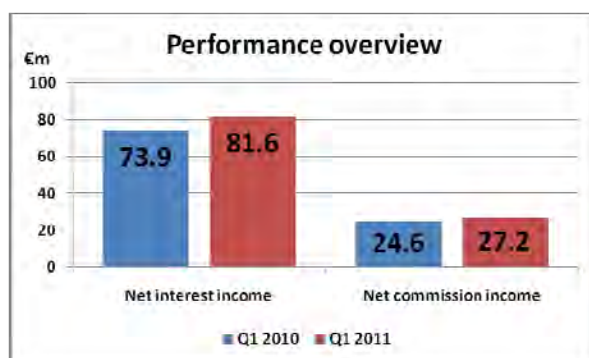
- Income from equity investments boost net interest income
- Net commission income enhanced by recovery in securities business
- Administrative expenses reflect the impact of expansion efforts

Net interest income rose by 10.4% or € 7.7 million to € 81.6 million year on year. Owing to higher liquidity costs, interest income from operating activities rose by only 0.6% or € 0.4 million to € 67.3 million on balance. Income from equity investments, by contrast, doubled to € 14.3 million.

Net commission income, which increased by 10.4% or € 2.6 million to € 27.2 million, reflects the pronounced improvement in the securities business.

Administrative expenses increased by 7.1% or € 3.7 million to € 55.4 million as a result of high investments incurred in connection with the expansion of our branch network.

On balance, the profit from operating activities improved by 9.9% or € 5.2 million to € 57.5 million in the first quarter of 2011.



Cautious risk policy maintained

Although we have been observing a notable relaxation of the credit risk situation in recent months, we are holding on to our cautious risk policy approach. We allocated another € 24.6 million to our charges for losses on loans and advances, which is only 2.4% or € 0.6 million less than the sum allocated in the first quarter of 2010.

As we have utilised only a small proportion of our risk provisions over recent years, our risk buffer has, in the meantime, steadily increased to a total of almost € 450 million, which corresponds to 4.25% of our total lending volume.

Marked increase in profit before and after taxes

Notwithstanding our cautious provisioning policy, our profit before tax for the first quarter of 2011 came to €32.9 million (+21.7% or €5.9 million), while the net profit for the period widened to €28.1 million (+30.4% or €6.5 million).

Further increase in business volume, no limitations on loans or extensions of credit

- Total assets increased by 3.3% to €16.9 billion
- Lending volume widened further to €10.6 billion (+7.1%)
- Primary deposits at €11.1 billion, customer assets under management at €20.0 billion

As at the end of the first quarter, Oberbank had expanded its total assets by 3.3% or €543.0 million to €16,922.3 million year on year. Volume growth in lending continued unabated. Loans and advances to customers rose 7.1% or €698.2 million to €10,569.0 million, which is clear evidence that Oberbank customers have never been affected by anything like a credit crunch. Primary funds also continued to increase. Including subordinated capital, they widened by 3.3% or €355.8 million to €11,138.7 million.

The total volume of assets entrusted to us by our customers increased by 5.2% or €980.5 million to €19,953.3 million.

Excellent liquidity situation

- Loan/deposit ratio of 111.5%

Thanks to the well-balanced growth of lending and customer deposits, our liquidity situation showed a particularly favourable development. Our loan/deposit ratio, which shows the relationship of refinancing funds to loans extended to customers, was 111.5% as at 31 March 2011, which means that our refinancing funds exceeded the volume of customer loans by 11.5% or €1.2 billion.

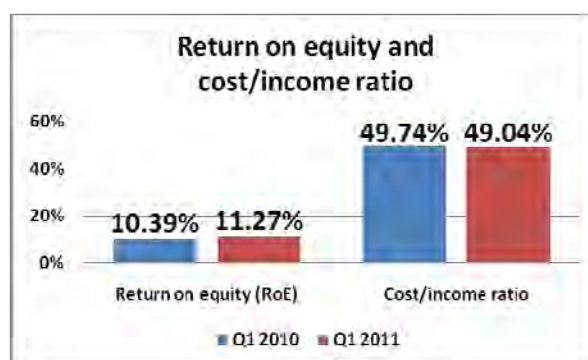
Excellent performance indicators

- ROE improved further to 11.27%
- Outstanding cost/income ratio of 49.04%
- Superior total capital and core capital ratios

The gratifying earnings development helped to lift the Bank's ROE from 10.39% to 11.27% (before taxes) and 8.26% to 9.60% (after taxes).

Our cost/income ratio of 49.04% represents a more than excellent value.

Our total capital ratio was 15.80% on 31 March 2011, which is 0.73 percentage points above the comparative figure of the previous year. Concurrently, the Bank's core capital ratio widened by 0.86 percentage points to 10.19%. In terms of capital strength, we thus continue to feature in the top league of Austrian banks.



CEO Franz Gasselsberger

THE OBERBANK SHARES

The exceptionally stable price development of the Oberbank share continued in the first quarter of 2011.

Oberbank stock – key figures	Q1 2011	Q1 2010
Number of ordinary no-par shares	25,783,125	25,783,125
Number of no-par preference shares	3,000,000	3,000,000
High (ordinary/preference share) in €	45.20/39.25	43.10/38.50
Low (ordinary/preference share) in €	44.85/38.80	42.50/37.20
Close (ordinary/preference share) in €	45.00/39.00	42.90/38.00
Market capitalisation in €m	1,277.2	1,220.1
IFRS earnings per share in €, annualised	3.90	2.99
P/E ratio (ordinary share)	11.54	14.35
P/E ratio (preference share)	10.00	12.71

Oberbank ordinary and preference shares compared with the ATX



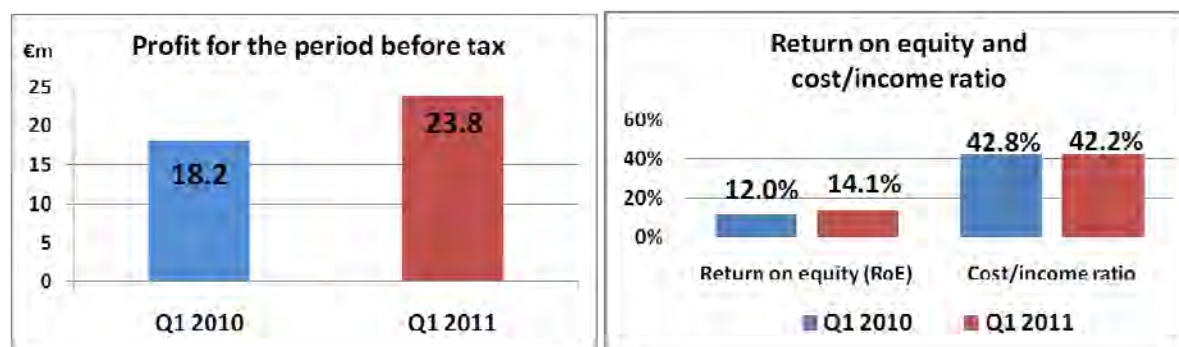
THE BUSINESS SEGMENTS IN THE FIRST QUARTER OF 2011

CORPORATE AND BUSINESS BANKING SEGMENT

€m	Q1 2011	Q1 2010	+/- in absolute terms	+/- %
Net interest income	45.5	42.1	3.3	7.9
Charges for losses on loans and advances	(11.7)	(13.8)	2.1	(15.0)
Net commission income	14.3	12.5	1.8	14.1
Net trading income	(0.6)	(0.5)	(0.1)	20.3
Administrative expenses	(26.0)	(23.9)	(2.0)	8.5
Other operating profit	2.4	1.7	0.7	37.6
Extraordinary profit	0.0	0.0	0.0	
Profit for the period before tax	23.8	18.2	5.7	31.2
Average credit and market risk equivalent (BWG)	7,676.0	7,615.9	60.1	0.8
Average allocated equity	678.5	603.7	74.8	12.4
Return on equity (ROE)	14.1%	12.0%	2.0 ppt	
Cost/income ratio	42.2%	42.8%	(0.6 ppt)	

Improved result in Corporate and Business Banking

Net interest income increased by 7.9% or €3.3 million to €45.5 million compared to the same period in the previous year. Charges for losses on loans and advances declined by 15.0% or €2.1 million to €11.7 million. Net commission income widened by 14.1% or €1.8 million to €14.3 million.



Administrative expenses increased by 8.5% or €2.0 million to €26.0 million. Other operating profit surged by 37.6% or €0.7 million to €2.4 million.

On balance, the profit for the period before tax rose 31.2% or €5.7 million to €23.8 million.

The return on equity increased by 2.1 percentage points to 14.1%, whereas the cost/income ratio declined by 0.6 percentage points to 42.2%.

More than 37,500 corporate and business banking customers

The positive trend in new customer acquisition continued in the first quarter of 2010, with Oberbank gaining 1,486 new corporate and business banking customers since the beginning of the current year. Currently the Bank services 37,524 corporate and business customers.

Commercial lending

The Bank's portfolio of loans to corporate and business banking customers increased by a gratifying 8.3% or € 658.6 million to € 8,606.4 million.

Commercial loans		YoY growth	YoY growth
as at 31 March 2011	as at 31 March 2010	in absolute terms	in %
€ 8,606.4 m	€ 7,947.8 m	€ 658.6 m	8.3%

Investment finance

The total volume of investment finance loans climbed by 12.7% or € 657.9 million to € 5,835.1 million.

Investment finance		YoY growth	YoY growth
as at 31 March 2011	as at 31 March 2010	in absolute terms	in %
€ 5,835.1 m	€ 5,177.2 m	€ 657.9 Mio.	12.7%

As compared to the average of the past three years (2008 to 2010), the number of applications for subsidised loans for investment projects and innovation projects increased from 147.3 to 176 in the first quarter of 2011. Robust demand for subsidies related to development projects and environmental projects continued unabated in the first quarter of 2011.

The total volume of subsidised investment finance loans extended by Oberbank also increased by a notable 12.7% to € 476.4 million year on year. In terms of ERP industry promotion loans, Oberbank continues to lead the Austrian market with a market share of 24.4%.

Leasing

Leasing receivables from customers edged up by 0.3% or € 4.6 million to € 1,388.0 million year on year.

The volume of new business increased by 2.5% to € 85.2 million. In terms of market shares, Oberbank holds a share of 4% in Austria, 3% in the Czech Republic, 4% in Slovakia and 5% in Hungary in this business segment.

Leasing receivables from customers		YoY growth	YoY growth
Q1 2011	Q1 2010	in absolute terms	in %
€ 1,388.0 m	€ 1,383.4 m	€ 4.6 m	0.3%

Structured finance

The companies within the catchment area of Oberbank have obviously weathered the financial crisis quite well. Following a period of austerity marked by cost cutting and efficiency enhancement measures during the crisis,

businesses are again planning capital expenditures or company acquisitions, thus setting the sails for growth and expansion.

In the first quarter of 2011, brisk acquisition activities became evident in the number of projects handled in the field of structured finance, which increased almost threefold compared to the first quarter of the previous year. Demand for refinancing solutions remained constant, with many companies negotiating for better terms to refinance expensive loans taken up during the crisis. Safeguarding liquidity has become somewhat less of a priority, as the development of demand in the field of claims management shows. Overall, the Bank's results from activities in the field of structured finance in the first quarter of 2011 follow up seamlessly on the successful development in the comparable period in the previous year.

Oberbank Opportunity Fonds

Since the beginning of 2011, the Oberbank Opportunity Fonds has received 28 applications for financing solutions; three projects have already been successfully concluded, while a number of others are near completion.

Entrepreneurs are taking a more optimistic view of the future again: previously shelved projects are now being realised, succession issues taken up again and promising acquisition opportunities examined.

The financial crisis, however, has made entrepreneurs more aware of risks and the need for a solid financing structure. For many companies, a highly leveraged financing structure and financing at non-matching maturities dating back to the "carefree years" prior to the financial crisis almost ended in financial disaster. Today, companies are looking for a partner of the calibre of the Oberbank Opportunity Fonds, which guarantees a solid and healthy long-term structure. Against this backdrop, the Oberbank Opportunity Fonds is expecting high demand for its products in 2011.

Since the launch of the Oberbank Opportunity Fonds, the Bank has facilitated a total of 28 transactions by providing equity and/or mezzanine capital support. As at 31 March 2011, the committed fund volume amounted to approximately €66.9 million (of a total of €150 million), of which €33 million are equity capital and €33.9 million mezzanine capital.

International business

Export finance and export promotion

The world economy has been recovering and spurring Austrian export business. Oberbank once again successfully defended its position as the leading regional bank in the field of export finance procedures.

The financing volume in this business line showed a slightly rising trend in the first quarter of 2011. For the second quarter, Oberbank expects further growth in terms both of individual financing projects and revolving loan procedures. In conjunction with the fact that interest rates granted under Export Fund procedures are becoming attractive again, this is likely to help boost the Bank's leading position in export finance under Export Fund procedures from the current market share of 10.6%.

Documentary business and guarantees

The gratifying development in documentary business in terms of transaction volume and numbers continued in the first quarter of 2011 with a 24% expansion of volume and 6.5% increase in numbers. Earnings from documentary credits and collection improved by 4.7%; earnings from export guarantees surged by as much as 22%. In documentary business, enhanced support of the Bank's advisors by experts at headquarters already began to show a positive effect: 13 new customers have been won since the beginning of the year.

Earnings from domestic guarantees business improved by 8% year on year.

Payment services

In payment services, Oberbank generated improved results in comparison to the first quarter of the previous year in terms both of transaction numbers and earnings. Efforts in the current year have been focusing on corporate and business customers who up to now relied on Oberbank merely for financing services. The Bank is now attempting to acquire these customers for the payment services segment as well.

In order to secure a steady development of earnings from payment services, the Bank implemented market and cost oriented price adjustments and redefined account statement fees in the first quarter of 2011. In the Personal Banking segment, payment transaction rates were increased in line with index developments.

OeNB Clearing

In 2010 Oberbank decided to take part in the planned payments clearing services offered by the Austrian central bank OeNB – the so-called “Clearing Service Austria (CSA)“. This project, including a first intensive testing stage, was successfully driven forward in the first quarter of 2011.

Taking advantage of the services offered by the cash services company GSA Geldservice Austria as a partner, the cash supply of the Bank’s branches in South Bavaria has now been put on a more efficient and cost effective footing.

Cash Management

Oberbank’s electronic banking product line with different eBanking options for personal and business customers and the MultiCash electronic banking system are already successfully in use in Slovakia. In cooperation with Paylife Bank, Oberbank launched a new point of sales (POS) solution especially addressed to business customers. Settling payments with card and PIN has become very simple thanks to the use of state-of-the-art mobile and stationary cash-point machines.

Risk management, investments

Interest rate and currency risk management

Rising interest rates, both short and long term, have prompted a number of customers to seek efficient hedging against interest rate risk. Besides interest rate swaps, customers’ interest focused on interest rate caps.

Direct customer services

The positive development of the economy, good export dynamics and the related increase of foreign currency revenues in the corporate sector resulted in higher transaction numbers in the field of currency hedging. Oberbank posted an approximately 3% increase in currency hedging transactions in the first three months of 2011. Besides the traditional USD hedge, customer demand increasingly shifted to “new“ currencies (above all the so-called BRIC currencies, namely the Brazilian real, the Russian rouble, the Indian rupee and the Chinese renminbi).

Increasing trade with BRIC countries posed new challenges, also for Oberbank. Since the autumn of 2010, companies have been able to conclude transactions directly in the currencies of these countries; Oberbank therefore offers new hedging vehicles in this field. In fact, Oberbank was one of the first Austrian banks to hedge transactions in the Chinese currency. This offer has been readily accepted by the Bank’s customers, as evidenced by the conclusion of a number of transactions.

Focus on foreign markets

In its international business policy, Oberbank continued to emphasise its focus on the BRIC countries, which have become the engine of growth for the world economy.

In order to best serve our customers, we consider it important to provide ways and means for handling transactions swiftly and smoothly in the BRIC countries as well, e.g. payment transaction services, financing facilities, subsidies and guarantees.

Additionally, Oberbank has successfully introduced hedging instruments to provide protection against local currency risks. Today the Bank is able to hedge all BRIC currencies on the spot and futures markets (partly by means of so-called NDFs, i.e. non deliverable forwards) and thus to offer customers a transparent and risk-free calculation basis for exports and imports.

PERSONAL BANKING SEGMENT

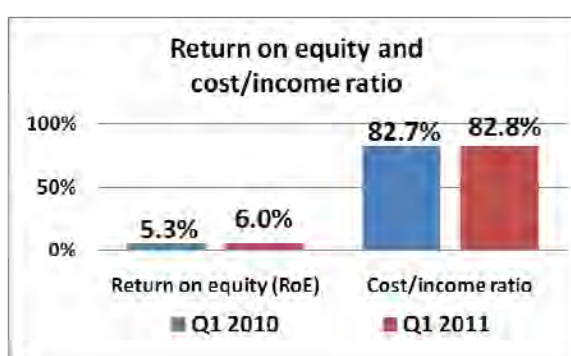
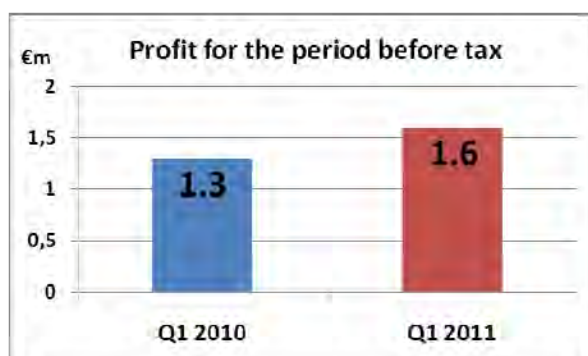
€m	Q1 2011	Q1 2010	+/- in absolute terms	+/- %
Net interest income	13.4	12.5	0.9	6.8
Charges for losses on loans and advances	(3.0)	(3.1)	0.0	(0.8)
Net commission income	12.9	12.1	0.8	6.6
Net trading income	0.0	0.0	0.0	
Administrative expenses	(22.2)	(20.7)	(1.5)	7.3
Other operating profit	0.5	0.3	0.1	39.1
Extraordinary profit	0.0	0.0	0.0	
Profit for the period before tax	1.6	1.3	0.3	24.1
Average credit and market risk equivalent (BWG)	1,181.1	1,195.3	(14.2)	(1.2)
Average allocated equity	104.4	94.7	9.6	10.2
Return on equity (ROE)	6.0%	5.3%	0.7 ppt	
Cost/income ratio	82.8%	82.7%	0.1 ppt	

Gratifying increase in net interest income and net commission income

Improved earnings in the Personal Banking segment are due to a rise of net interest income by 6.8% or €0.9 million to €13.4 million and the increase of net commission income by 6.6% or €0.8 million to €12.9 million.

At €3.0 million, charges for losses on loans and advances remained stable year on year. In the wake of the expansion, administrative expenses increased by 7.3% or €1.5 million to €22.2 million. Other operating profit went up €0.5 million.

The return on equity rose by 0.7 percentage points to 6.0%; the cost/income ratio increased by 0.1 percentage points to 82.8%.



More personal banking customers year on year

Developments in the Personal Banking segment reflected Oberbank's growth strategy. Overall and across all lines of business in Austria and abroad, Oberbank serviced a total of 298,655 personal banking customers as at 31 March 2011.

Personal banking customers		YoY growth	
as at 31 March 2011*	as at 31 March 2010	in absolute terms	in %
298,655	292,509	6,146	2.1%

* From 1 January 2001 this number includes personal banking customers and joint proprietors.

More than 3,600 new personal accounts

Oberbank's portfolio of personal accounts has grown by a gratifying 1,053 since the beginning of the year. In absolute terms, the number of personal accounts increased by 3,641 or 2.2% year on year and on 31 March stood at 166,747.

Number of personal accounts		YoY growth	
as at 31 March 2011	as at 31 March 2010	in absolute terms	in %
166,747	163,106	3,641	2.2%

Personal loans

In the first quarter of 2011, the personal loans portfolio expanded by 2.1% or €39.9 million to €1,962.6 million year on year. The proportion of euro loans as compared to foreign currency loans has further shifted in favour of euro loans.

Personal loans		YoY growth	
as at 31 March 2011	as at 31 March 2010	in absolute terms	in %
€1,962.6 m	€1,922.7 m	€39.9 m	2.1%

Savings deposits

The volume of customers' deposits at the Bank edged up by 0.8% to €3,415.7 million year on year.

Savings deposits		YoY growth	
as at 31 March 2011	as at 31 March 2010	in absolute terms	in %
€3,415.7 m	€3,390.0 m	€25.7 m	0.8%

Securities business

Developments on securities markets were highly volatile in the first quarter of 2011. The revolutionary upheavals in Northern Africa had hardly any lasting effects on price developments, but the catastrophe in Japan entailed a temporary decline of stock prices all over the world. Almost all asset categories (stocks, bonds, real estate and currencies) posted negative performance; only commodities, above all oil, edged up somewhat.

In this difficult environment, net commission income in this line of business increased by 6.1% to €8.9 million. This improvement is mainly due to substantial price gains of managed products, which resulted in perceptibly higher security deposit and management fees.

The market value of customer securities deposited at Oberbank rose by 8.0% or €652 million to a new all-time high of €8,815 million.

Own issues of securities

The steady uptrend of interest rates across all maturities and the expected rate increase on the part of the ECB had the effect that investor demand primarily focused on short-term products. Oberbank's total issuing volume amounted to €130.4 million in the first quarter of 2011. The corresponding balance sheet items widened by 2.2% or €46.7 million year on year. The largest volumes were placed in the money-market-based Cash Garant X.

Private Banking

The acquisition efforts in Private Banking continued to yield positive results in the first quarter of 2011; totalling €183 million, the inflow of new funds was clearly above plan. High inflows were also attributable to the special funds offered by 3 Banken Generali Investment GmbH. Notably the so-called "tangible assets strategy", in the scope of which the Sachwertefond was launched in 2009, met with keen interest on the part of investors. In the line of classical asset management, Oberbank also posted growth in terms of business volumes and customer numbers.

Investment funds: Above-market growth for 3 Banken-Generali Investment GmbH

3 Banken-Generali Investmentgesellschaft reported excellent performance figures for the first quarter of 2011. In a slightly contracting overall market (-0.9%), the fund management company posted the substantial volume growth of 3.0% or €155 million to €5.3 billion. This excellent development – in terms of both inflows of funds and new mandates – was mainly due to the pronounced growth of specialised investment vehicles and funds addressed to institutional investors.

As regards retail funds, broadly diversified, value-based concepts such as the 3 Banken Sachwertefonds continue to enjoy high demand.

Growth in building and loan association saving

The number of building and loan association contracts brokered by Oberbank for the building and loan association Bausparkasse Wüstenrot increased by 15.7% in the first quarter of 2011. A total of 3,508 new building and loan association contracts represent the best quarterly result since the beginning of the Bank's cooperation with Bausparkasse Wüstenrot.

Insurance services

Life insurance policy business showed a highly positive development in the first quarter of 2011. Overall, the premium volume of endowment insurance policies increased by 55.6% to €18.5 million from the first quarter of 2010.

High level of safety in electronic banking

Enhancing the safety of online banking facilities continues to be a central priority for Oberbank. With the introduction of the mobile-based xTAN authorisation and the limitation of paper-TAN-based transactions to €1,000 per payment order, Oberbank has successfully started to replace the old paper-based authorisation procedure.

More than 50% of all Oberbank customers are already taking advantage of the mobile-based xTAN authorisation. In a next step, this new approach will now be launched by the regional divisions in Germany and the Czech Republic.

The range of services offered, the quality of processing and the stability of the system are the key prerequisites for a successful electronic banking product. Within the context of its ongoing efforts to enhance process efficiency, Oberbank identified improvement potential above all in the field of mail-based PIN/TAN issuance and activation procedures. The barrier-free processes now ready for implementation are designed to obviate time-consuming activation measures (such as the need for the customer to send back information in an envelope) in the future. Preparatory measures are underway and the launch of the new system is planned for the second quarter of 2011.

FINANCIAL MARKETS SEGMENT

The Financial Markets segment covers earnings from equity investments and trading activities as well as interest earnings on the surplus of non-interest-bearing liabilities and income from maturity transformation.

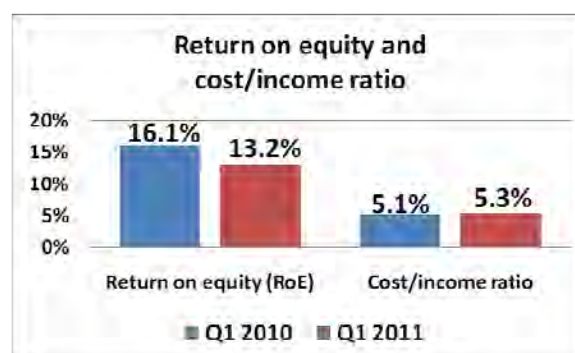
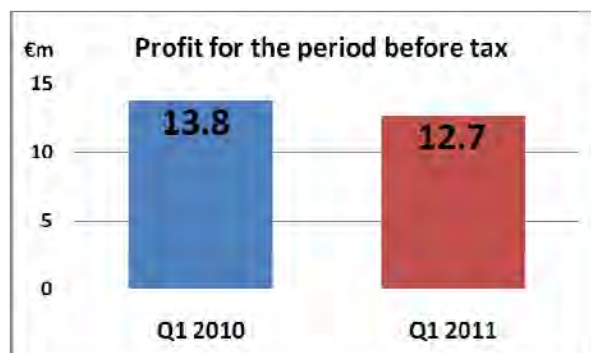
€m	Q1 2011	Q1 2010	+/- in absolute terms	+/- %
Net interest income	22.8	19.3	3.5	18.1
Charges for losses on loans and advances	(9.9)	(8.4)	(1.5)	17.7
Net commission income	0.0	0.0	0.0	
Net trading income	1.9	2.1	(0.2)	(7.5)
Administrative expenses	(1.3)	(1.2)	(0.1)	7.4
Other operating profit (loss)	(0.8)	2.0	(2.8)	(137.7)
Extraordinary result	0.0	0.0	0.0	
Profit for the period before tax	12.7	13.8	(1.0)	(7.6)
Average credit and market risk equivalent (BWG)	4,367.0	4,323.3	43.7	1.0
Average allocated equity	386.0	342.7	43.3	12.6
Return on equity (ROE)	13.2%	16.1%	(2.9 ppt)	
Cost/income ratio	5.3%	5.1%	0.3 ppt	

In the Financial Markets segment, net interest income increased by 18.1% or € 3.5 million to € 22.8 million and thus contributed substantially to boosting the segment's result.

Charges for losses on loans and advances increased by 17.7% or € 1.5 million to € 9.9 million year on year, while the net trading income decreased by 7.5% or € 0.2 million to € 1.9 million.

The item Other operating profit reversed to a loss of € 0.8 million owing to the reduced valuation result of available-for-sale financial assets and an increase of other taxes (bank levy).

The return on equity declined 2.9 percentage points to 13.2%; the cost/income ratio rose 0.3 percentage points to 5.3%.



OWN FUNDS

The core capital increased by 7.7% or € 73.3 million to € 1,028.0 million. The core capital ratio thus improved by 0.86 percentage points from 9.33% to 10.19%.

Consolidated own funds within the meaning of Section 24 of the Austrian Banking Act (Bankwesengesetz, BWG) amounted to € 1,594.4 million as at 31 March 2011, which is 3.5% above the level on the same date in the previous year.

The own funds requirement as at 31 March 2011 amounted to € 869.3 million, bringing the Group's surplus own funds to € 725.2 million, which is 9.2% above the previous year's level. The Bank's total capital ratio came out at 15.8% or almost double the relevant regulatory rate.

RISK

The risk policy of Oberbank accommodates all kinds of risks existing in the different lines of business including the Bank's new markets. The Bank's risk management primarily focuses on guaranteeing the safety of the customer assets entrusted to Oberbank, on compliance with own funds requirements and on securing liquidity.

Credit risk constitutes the most important risk category. Oberbank mitigates this risk by recognising adequate allowances and provisions in the balance sheet. As regards customer ratings and collateralisation policy, Oberbank boasts long years of experience and know-how. Additionally, the Bank's regional business model, professional credit management, and a well-balanced distribution of the overall exposure across the individual customer segments all ensure that the possible impact of this risk component on Oberbank's overall performance is always kept within manageable bounds.

We therefore do not expect any extraordinary credit risks to occur in 2011 as a whole.

Further risk components are the equity risk (risk of potential losses of value and/or earnings in the Bank's equity portfolio), the market risk (possible losses due to changes in interest rates, exchange rates or stock prices), operational risk and liquidity risk.

In line with the principle of prudence, these risks are also backed by appropriate levels of capital. In terms of liquidity risk, Oberbank is in an excellent position insofar as the entire lending volume (€ 10.6 billion as at 31 March 2011) can be refinanced from customers' primary deposits (€ 11.1 billion as at 31 March 2011). In addition, Oberbank has a permanent risk controlling system, stringent process management and other efficient control and monitoring instruments in place.

For 2011 as a whole, Oberbank therefore does not expect any extraordinary risk to arise from these risk components.

OUTLOOK FOR 2011

More challenging environment

- Subdued credit demand, declining savings rate, more expensive refinancing
- Further decline of credit risk

Credit demand by corporate customers, which remained subdued through February, started to increase again in March. Developments in personal lending were marked by a declining trend throughout the first quarter of 2011, with high repayments and a low volume of newly extended loans. Rate-based competition was fierce above all in the top rating categories.

The development of savings deposits has been affected by the declining savings rate and a trend towards long-term investments (real estate, securities).

The Bank's refinancing facilities have become more expensive lately, while interest rate margins have shown a declining trend. A positive feature worth noting is that credit risk has continued to decline.

Business development in the year as a whole

- Capital spending and export business will support credit growth
- Cautious risk policy to be continued
- Development of deposits will be affected by margin pressure
- Expansion to continue, eight new branches being established

As regards financing activities, we expect further growth due to increased capital spending and the favourable development of exports. Just as in personal lending, demand for working capital facilities is expected to remain subdued. Credit risk has been seen to be declining, but we will nevertheless maintain our consistently cautious risk policy.

In savings as well as sight and fixed-term deposits, pressure on margins is likely to impact on volume developments. Oberbank is continuing its expansion course in 2011 and plans to establish eight new branches (four in Vienna, two each in Bavaria and Slovakia), which means that the goal of expanding the Bank's network to 150 branches will be reached one year earlier than originally anticipated.

Net profit for the year likely to match the previous year's level

Earnings developments for the year as a whole are still difficult to assess notwithstanding the excellent results of the first quarter. We expect that high volatility in all markets will take a toll on spread-related and services business.

Overall, we believe that we will be able to match the excellent result generated last year, allowing the Bank to make appropriate allocations to reserves and to distribute an attractive dividend to our shareholders.

3 BANKEN GROUP IN THE FIRST QUARTER OF 2011

The 3 Banken Group developed along satisfying lines in the first quarter of 2011. Joint total assets of the three banks within the 3 Banken Group increased by 2.0% to €32.2 billion as compared to 31 March 2010. Lending in terms of total volume (after charges for losses on loans and advances) widened by 4.6% to €20.4 billion. Primary deposits increased by 3.7% to €21.4 billion. Joint net profit for the period widened by 26.3% to €51.9 million.

As at 31 March 2011, the three banks were operating a total of 242 branches; they had an average of 3,705 employees on their payrolls in the first quarter of 2011.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Prepared in accordance with IFRS

Consolidated statement of comprehensive income for the period 1 January to 31 March 2011

Consolidated income statement for the first quarter of 2011		01/01-31/03/2011	01/01-31/03/2010	Change in	Change
		in €m	in €m	€m	in %
1. Interest and similar income	(1)	118.4	113.9	4.5	4.0
2. Interest and similar expenses	(1)	(51.1)	(47.0)	(4.1)	8.8
3. Interest from entities accounted for using the equity method	(1)	14.3	7.0	7.3	>100.0
NET INTEREST INCOME	(1)	81.6	73.9	7.7	10.4
4. Charges for losses on loans and advances	(2)	(24.6)	(25.2)	0.6	(2.4)
5. Commission income	(3)	30.4	27.3	3.2	11.6
6. Commission expenses	(3)	(3.2)	(2.6)	(0.6)	22.7
NET COMMISSION INCOME	(3)	27.2	24.6	2.6	10.4
7. Net trading income	(4)	1.3	1.6	(0.3)	(16.7)
8. Administrative expenses	(5)	(55.4)	(51.7)	(3.7)	7.1
9. Other operating profit (loss)	(6)	2.8	3.9	(1.1)	(27.2)
a) Net income from financial assets – FV through P or L	(6)	1.4	0.9	0.6	62.1
b) Net income from financial assets – AFS	(6)	(0.5)	1.0	(1.5)	>(100.0)
c) Net income from financial assets – HtM	(6)	0.0	0.0	0.0	
d) Other operating profit (loss)	(6)	1.9	2.1	(0.1)	(6.2)
PROFIT FOR THE PERIOD BEFORE TAX		32.9	27.1	5.9	21.7
10. Income tax	(7)	(4.9)	(5.5)	0.7	(12.2)
PROFIT FOR THE PERIOD AFTER TAX		28.1	21.5	6.5	30.4
of which attributable to the owners of the parent company		28.0	21.5	6.5	30.4
of which attributable to minority interests		0.0	0.0	0.0	-

INCOME AND EXPENSES RECOGNISED DIRECTLY IN EQUITY (€M)	01/01-31/03/2011	01/01-31/03/2010
Profit for the period after tax	28.1	21.5
+/- Unrealised gains and losses not recognised in the income statement under IAS 39	0.5	11.9
+/- Deferred taxes on items recognised directly in equity under IAS 39	(0.1)	(6.5)
+/- Exchange differences	(0.8)	(2.2)
+/- Other changes recognised directly in equity of which changes in equity of associates	2.5	3.2
Total income and expenses recognised directly in equity	2.1	6.3
Total comprehensive income for the period of the net profit for the period and income and expenses recognised directly in equity	30.2	27.8
of which attributable to the owners of the parent company	30.2	27.8
of which attributable to minority interests	0.0	0.0

PERFORMANCE INDICATORS	Q1 2011	Q1 2010
Cost/income ratio in %	49.04%	49.74%
Return on equity before tax in %	11.27%	10.39%
Return on equity after tax in %	9.60%	8.26%
Risk/earnings ratio (credit risk/net interest income) in %	30.18%	34.12%
Earnings per share in € (annualised)	3.90	2.99

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2011

		31/03/2011	31/12/2010	Change in €m	Change
		in €m	in €m		in %
ASSETS					
1. Cash and balances at central banks	(9)	276.8	226.9	49.9	22.0
2. Loans and advances to credit institutions	(10)	1,836.6	1,856.0	(19.4)	(1.0)
3. Loans and advances to customers	(11)	10,569.0	10,442.3	126.7	1.2
4. Impairment provisions	(12)	(323.4)	(312.6)	(10.8)	3.4
5. Trading assets	(13)	47.4	45.5	1.9	4.3
6. Financial investments	(14)	4,042.3	3,959.5	82.8	2.1
a) Financial assets – FV through P or L	(14)	324.4	336.2	(11.8)	(3.5)
b) Financial assets – AfS	(14)	711.4	752.4	(41.0)	(5.4)
c) Financial assets – HtM	(14)	2,510.5	2,406.5	104.0	4.3
d) Interest in entities accounted for using the equity method	(14)	496.0	464.5	31.6	6.8
7. Intangible assets	(15)	5.6	6.2	(0.5)	(8.4)
8. Property, plant and equipment	(16)	219.3	221.1	(1.8)	(0.8)
a) Investment property	(16)	76.5	77.0	(0.5)	(0.6)
b) Other property, plant and equipment	(16)	142.8	144.1	(1.3)	(0.9)
9. Other assets	(17)	248.5	323.4	(75.0)	(23.2)
a) Deferred tax assets	(17)	22.0	20.8	1.2	5.7
b) Other	(17)	226.4	302.6	(76.2)	(25.2)
TOTAL ASSETS		16,922.3	16,768.4	153.9	0.9

		31/03/2011	31/12/2010	Change in €m	Change
		in €m	in €m		in %
EQUITY AND LIABILITIES					
1. Amounts owed to credit institutions	(18)	3,944.8	3,833.2	111.6	2.9
2. Amounts owed to customers	(19)	8,960.0	8,902.8	57.2	0.6
3. Securitised liabilities	(20)	1,471.7	1,486.4	(14.7)	(1.0)
4. Provisions for liabilities and charges	(21)	384.1	378.4	5.7	1.5
5. Other liabilities	(22)	260.0	260.5	(0.6)	(0.2)
a) Trading liabilities	(23)	12.1	32.4	(20.2)	(62.5)
b) Tax liabilities	(22)	11.2	2.4	8.9	>100.0
c) Other	(22)	236.6	225.8	10.8	4.8
6. Subordinated debt capital	(24)	707.0	746.2	(39.2)	(5.2)
7. Equity	(25)	1,194.7	1,160.9	33.8	2.9
a) Equity after minorities	(25)	1,193.3	1,159.5	33.8	2.9
b) Minority interests in equity	(25)	1.4	1.4	0.0	0.2
TOTAL EQUITY AND LIABILITIES		16,922.3	16,768.4	153.9	0.9

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Subscribed capital	Capital reserves	Retained earnings	Translation reserve	Gains (losses) recognised in equity acc.to. IAS 39	Associated companies	Equity after minorities	Minorities	Equity
€m									
As at 01/01/2010	86.2	194.5	512.4	(0.6)	14.2	227.6	1,034.2	1.3	1,035.6
Consolidated net profit for the year	-	-	16.1	(2.2)	5.4	8.6	27.8	-	27.8
Dividend distribution	-	-	-	-	-	-	-	-	-
Capital increase	-	-	-	-	-	-	-	-	-
Reacquired Oberbank shares	-	(0.1)	-	-	-	-	(0.2)	-	(0.2)
Unrealised gains and losses not recognised in the income statement	-	-	-	-	-	2.7	2.7	-	2.7
AS AT 31/03/2010	86.2	194.3	528.5	(2.9)	19.6	238.9	1,064.6	1.3	1,065.9
As at 01/01/2011									
As at 01/01/2011	86.3	194.6	561.8	0.4	45.0	271.5	1,159.5	1.4	1,160.9
Consolidated net profit for the year	-	-	16.6	(0.8)	0.4	14.0	30.2	-	30.2
Dividend distribution	-	-	-	-	-	-	-	-	-
Capital increase	-	-	-	-	-	-	-	-	-
Reacquired Oberbank shares	(0.2)	(0.5)	-	-	-	-	(0.7)	-	(0.7)
Unrealised gains and losses not recognised in the income statement	-	-	-	-	-	4.3	4.3	-	4.3
As at 31/03/2011	86.1	194.1	578.5	(0.5)	45.4	289.7	1,193.3	1.4	1,194.7

CASH FLOW STATEMENT (€m)	01/01-31/03/2011	01/01-31/03/2010
Cash and cash equivalents at the end of the previous period	226.9	164.7
Cash flows from operating activities	186.6	24.2
Cash flows from investing activities	(99.7)	(5.6)
Cash flows from financing activities	(43.4)	(41.8)
Effects of changes in the scope of consolidation and valuations	7.3	11.3
Effects of exchange rate changes	(0.8)	(2.2)
Cash and cash equivalents at the end of the period	276.8	150.6

NOTES

to the consolidated interim financial statements

as at 31 March 2011

SUMMARY OF ACCOUNTING POLICIES

This Interim Report of Oberbank AG has been prepared in accordance with the International Financial Reporting Standards (IFRS) and the International Accounting Standards (IAS) published by the International Accounting Standards Board (IASB) as adopted by and in force within the EU and the interpretations thereof by the International Financial Reporting Interpretations Committee (IFRIC).

This Interim Report covers the first quarter of 2011 (1 January 2011 to 31 March 2011) and compares this period with the same period of the previous year.

These consolidated interim financial statements for the first quarter of 2011 have been drawn up in compliance with IAS 34 ("Interim Financial Reporting").

CHANGES IN ACCOUNTING POLICIES IN 2011

This Interim Report of Oberbank AG has been drawn up using the same recognition and measurement policies applied as at 31 December 2010.

THE OBERBANK GROUP OF CONSOLIDATED COMPANIES

Besides Oberbank AG, the group of consolidated companies as at 31 March 2011 included 23 domestic and 19 foreign subsidiaries. In the period under review, the consolidated group as compared to 31 December 2010 expanded to include the following subsidiary:

Oberbank airplane Leasing GmbH, Linz	share in %	100%
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DETAILS OF THE INCOME STATEMENT (€m)

1. NET INTEREST INCOME	01/01-31/03/2011	01/01-31/03/2010
Interest income from credit and money-market business	93.2	87.3
Shares and other variable-yield securities	0.5	0.4
Other equity investments	0.4	0.2
Subsidiaries	0.9	3.2
Fixed-interest securities and bonds	23.4	22.8
INTEREST AND SIMILAR INCOME	118.4	113.9
Interest expenses on deposits	(34.4)	(30.2)
Interest expenses on securitised liabilities	(10.2)	(10.2)
Interest expenses on subordinated liabilities	(6.4)	(6.6)
INTEREST AND SIMILAR EXPENSES	(51.1)	(47.0)
INTEREST FROM ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	14.3	7.0
NET INTEREST INCOME	81.6	73.9
2. CHARGES FOR LOSSES ON LOANS AND ADVANCES	01/01-31/03/2011	01/01-31/03/2010
Allocated to loan loss provisions	28.7	27.4
Direct write-offs	0.3	0.2
Reversals of loan loss provisions	(3.9)	(2.2)
Recoveries of written-off receivables	(0.5)	(0.2)
CHARGES FOR LOSSES ON LOANS AND ADVANCES	24.6	25.2
3. NET COMMISSION INCOME	01/01-31/03/2011	01/01-31/03/2010
Payment services	9.1	8.2
Securities business	8.9	8.3
Foreign exchange, foreign bank note and precious metals business	2.8	2.2
Credit operations	5.3	4.9
Other services and advisory business	1.2	0.9
NET COMMISSION INCOME	27.2	24.6
4. NET TRADING INCOME	01/01-31/03/2011	01/01-31/03/2010
Gains (losses) on interest rate contracts	0.7	0.6
Gains (losses) on foreign exchange, foreign bank note and numismatic business	0.2	0.7
Gains (losses) on derivatives	0.4	0.2
NET TRADING INCOME	1.3	1.6

5. ADMINISTRATIVE EXPENSES	01/01-31/03/2011	01/01-31/03/2010
Staff costs	32.1	30.1
- of which contribution to staff benefit fund	0.1	0.1
Other administrative expenses	17.8	16.4
Write-offs and valuation allowances	5.5	5.3
ADMINISTRATIVE EXPENSES	55.4	51.7
6. OTHER OPERATING PROFIT (LOSS)	01/01-31/03/2011	01/01-31/03/2010
a) Net income from financial assets – FV through P or L	1.4	0.9
b) Net income from financial assets – Afs	(0.5)	1.0
c) Net income from financial assets – HtM	0.0	0.0
d) Other operating profit (loss)	1.9	2.1
OTHER OPERATING PROFIT (LOSS)	2.8	3.9
7. INCOME TAXES	01/01-31/03/2011	01/01-31/03/2010
Current income tax expense	6.2	5.3
Deferred income tax expense (income)	(1.3)	0.3
INCOME TAXES	4.9	5.5
8. EARNINGS PER SHARE	01/01-31/03/2011	01/01-31/03/2010
Number of shares in issue at 31 March	28,783,125	28,783,125
Average number of shares in issue	28,770,164	28,732,158
Consolidated net profit for the period	28.1	21.5
EARNINGS PER SHARE IN €	0.97	0.75
ANNUALISED FIGURES IN €	3.90	2.99

Since no financial instruments with diluting effect were issued, diluted earnings per share were identical with undiluted earnings per share. Earnings per share were the same for both ordinary and preference shares.

DETAILS OF THE BALANCE SHEET (€m)

9. CASH AND BALANCES AT CENTRAL BANKS	31/03/2011	31/12/2010
Cash in hand	56.0	64.4
Credit balances with central banks of issue	220.9	162.5
CASH AND BALANCES AT CENTRAL BANKS	276.8	226.9

10. LOANS AND ADVANCES TO CREDIT INSTITUTIONS	31/03/2011	31/12/2010
Loans and advances to Austrian banks	1,012.0	1,098.7
Loans and advances to foreign banks	824.6	757.3
LOANS AND ADVANCES TO CREDIT INSTITUTIONS	1,836.6	1,856.0

11. LOANS AND ADVANCES TO CUSTOMERS	31/03/2011	31/12/2010
Loans and advances to Austrian customers	6,496.5	6,490.4
Loans and advances to foreign customers	4,072.5	3,952.0
LOANS AND ADVANCES TO CUSTOMERS	10,569.0	10,442.3

12. IMPAIRMENT PROVISIONS						
€m	At 01/ 01/2011	Exchange rate changes	Added	Used	Reversed	At 31/03/ 2011
Credit risks	209.1	(0.2)	16.1	(9.8)	(3.4)	211.7
Country risks	0.0	-	-	-	-	0.0
General provisions	8.7	-	0.4	-	-	9.1
Portfolio impairment provisions under IAS 39	94.8	-	7.7	-	-	102.5
Interest value impairments	0.0	-	-	-	-	0.0
Charges for losses on loans and advances ¹⁾	312.6	(0.2)	24.2	(9.8)	(3.4)	323.4
Loan loss provisions	119.2	2.5	4.1	0.0	(0.5)	125.3
TOTAL IMPAIRMENT PROVISIONS	431.8	2.3	28.3	(9.8)	(3.9)	448.7

1) Loan loss provisions are recognised in line item 4 on the asset side of the balance sheet

13. TRADING ASSETS	31/03/2011	31/12/2010
Bonds and other fixed-interest securities		
Listed	11.3	12.0
Stocks and other variable-yield securities		
Listed	6.0	3.0
Positive fair values of derivative financial instruments		
Currency contracts	3.4	2.7
Interest rate contracts	26.8	27.9

Other contracts	0.0	0.0
TRADING ASSETS	47.4	45.5
<hr/>		
14. FINANCIAL INVESTMENTS	31/03/2011	31/12/2010
Bonds and other fixed-interest securities	2,966.9	2,923.3
Stocks and other variable-yield securities	290.4	282.7
<hr/>		
Equity investments/shares		
Subsidiaries	226.9	227.0
Entities accounted for using the equity method		
- Banks	205.6	201.2
- Non-banks	290.4	263.3
Other equity investments		
- Banks	10.8	10.8
- Non-banks	51.3	51.3
FINANCIAL INVESTMENTS	4,042.3	3,959.5
<hr/>		
a) Financial assets – FV through P or L	324.4	336.2
b) Financial assets – AfS	711.4	752.4
c) Financial assets – HtM	2,510.5	2,406.5
d) Interest in entities accounted for using the equity method	496.0	464.5
FINANCIAL INVESTMENTS	4,042.3	3,959.5
<hr/>		
15. INTANGIBLE ASSETS	31/03/2011	31/12/2010
Other intangible assets	4.8	5.4
Customer base	0.8	0.8
INTANGIBLE ASSETS	5.6	6.2
<hr/>		
16. PROPERTY, PLANT AND EQUIPMENT	31/03/2011	31/12/2010
Investment property	76.5	77.0
Land and buildings	70.7	69.5
Business equipment and furnishings	61.1	60.8
Other property, plant and equipment	10.9	13.9
PROPERTY, PLANT AND EQUIPMENT	219.3	221.1
<hr/>		
17. OTHER ASSETS	31/03/2011	31/12/2010
Deferred tax assets	22.0	20.8
Other items	224.9	301.0
Other deferrals	1.5	1.7
OTHER ASSETS	248.5	323.4

18. AMOUNTS OWED TO CREDIT INSTITUTIONS	31/03/2011	31/12/2010
Amounts owed		
- Austrian banks	1,769.9	1,439.2
- Foreign banks	2,174.9	2,394.0
AMOUNTS OWED TO CREDIT INSTITUTIONS	3,944.8	3,833.2
19. AMOUNTS OWED TO CUSTOMERS	31/03/2011	31/12/2010
Savings deposits	3,415.7	3,447.2
Other	5,544.2	5,455.6
AMOUNTS OWED TO CUSTOMERS	8,960.0	8,902.8
20. SECURITISED LIABILITIES	31/03/2011	31/12/2010
Issued bonds	1,328.7	1,285.5
Other securitised liabilities	143.0	200.9
SECURITISED LIABILITIES	1,471.7	1,486.4
21. PROVISIONS FOR LIABILITIES AND CHARGES	31/03/2011	31/12/2010
Provisions for severance and pensions	207.4	207.4
Provisions for anniversary bonuses	8.4	8.3
Loan loss provisions	125.3	119.2
Other provisions	43.0	43.5
PROVISIONS FOR LIABILITIES AND CHARGES	384.1	378.4
22. OTHER LIABILITIES	31/03/2011	31/12/2010
Trading liabilities	12.1	32.4
Tax liabilities	11.2	2.4
Other liabilities	186.7	179.3
Deferred items	49.9	46.5
OTHER LIABILITIES	260.0	260.5
23. OTHER LIABILITIES (TRADING LIABILITIES)	31/03/2011	31/12/2010
Currency contracts	3.7	2.9
Interest rate contracts	6.2	27.7
Other contracts	2.2	1.8
TRADING LIABILITIES	12.1	32.4
24. SUBORDINATED DEBT CAPITAL	31/03/2011	31/12/2010
Issued subordinated bonds	6.3	6.7
Supplementary capital	620.5	660.1
Hybrid capital	80.2	79.4
SUBORDINATED DEBT CAPITAL	707.0	746.2

25. EQUITY	31/03/2011	31/12/2010
Subscribed capital	86.1	86.3
Capital reserves	194.1	194.6
Retained earnings (including net profit)	887.3	852.8
Untaxed reserves	24.0	24.0
Negative goodwill	1.9	1.9
Minorities	1.4	1.4
EQUITY	1,194.7	1,160.9

26. CONTINGENT LIABILITIES AND COMMITMENTS	31/03/2011	31/12/2010
Other contingent liabilities (guarantees and letters of credit)	1,351.0	1,360.4
CONTINGENT LIABILITIES	1,351.0	1,360.4
Liabilities arising from non-genuine repos	0.0	30.1
Other commitments (irrevocable loan commitments)	1,661.0	1,605.4
COMMITMENTS	1,661.0	1,635.5

27. SEGMENT REPORT – CORE BUSINESS SEGMENTS

	Personal Banking	Corporate	Financial Markets	Other	Consolidated income statement Q1 2011
Net interest income	13.4	45.5	22.8	0.0	81.6
Charges for losses on loans and advances	(3.0)	(11.7)	(9.9)	0.0	(24.6)
Net commission income	12.9	14.3	0.0	0.0	27.2
Net trading income	0.0	(0.6)	1.9	0.0	1.3
Administrative expenses	(22.2)	(26.0)	(1.3)	(6.0)	(55.4)
Other operating profit (loss)	0.5	2.4	(0.8)	0.8	2.8
Extraordinary profit	0.0	0.0	0.0	0.0	0.0
Profit for the period year before tax	1.6	23.8	12.7	(5.2)	32.9
Average credit and market risk equivalent	1,181.1	7,676.0	4,367.0	0.0	13,224.1
Average allocated equity	104.4	678.5	386.0	0.0	1,168.8
Return on equity (ROE)	6.0%	14.1	13.2		11.3%
Cost/income ratio	82.8%	42.2%	5.3%		49.0%

DISCLOSURES REQUIRED BY AUSTRIAN LAW

28. HUMAN RESOURCES	Q1 2011	FY 2010
Salaried	2,028	1,996
Blue-collar	21	22
TOTAL RESOURCES	2,049	2,018

29. CONSOLIDATED OWN FUNDS AND REGULATORY OWN FUNDS REQUIREMENT			
Eligible own funds pursuant to Section 24 Austrian Banking Act (BWG) in €m			
Composition	31/03/2011	31/12/2010	31/03/2010
1. Core capital			
Share capital	86.3	86.3	86.3
Holdings of Oberbank AG shares	(0.9)	(0.2)	(0.6)
Disclosed reserves	821.2	821.2	754.0
Minorities	1.4	1.4	1.4
Goodwill arising due to capital consolidation	(2.6)	(2.6)	(0.7)
Goodwill arising due to the use of the equity method	48.8	48.8	44.1
Hybrid capital	79.0	79.0	79.0
Deductions of intangible assets	(5.3)	(5.3)	(8.9)
TOTAL CORE CAPITAL (TIER I)	1,028.0	1,028.7	954.7
CORE CAPITAL RATIO	10.19%	10.50%	9.33%
2. Supplementary own funds (TIER II)			
Eligible supplementary capital bonds	451.4	494.4	461.9
Revaluation reserves (already 45% of undisclosed reserves)	151.3	146.9	153.4
Subordinated bonds (suppl. capital below 3Y maturity)	42.7	42.4	47.3
TOTAL SUPPLEMENTARY OWN FUNDS (TIER II)	645.4	683.7	662.6
3. TIER III			
Addition of an amount not exceeding subordinated bonds eligible for Tier II	3.3	2.8	3.9
TOTAL TIER III CAPITAL	3.3	2.8	3.9
4. Deductions			
Deductions of interests in banks/other FI of over 10%	(82.3)	(80.0)	(80.0)
Deductions of interests in banks/other FI of up to 10%	0.0	0.0	0.0
TOTAL OWN FUNDS	1,594.4	1,635.1	1,541.2
Of which: own funds pursuant to Section 23 (14) no. 7 Austrian Banking Act (BWG)	3.3	2.8	3.9
OWN FUNDS RATIO	15.80%	16.69%	15.07%

Own funds requirement	31/03/2011	31/12/2010	31/03/2010
Credit risk pursuant to Section 22 (2) BWG	806.7	783.4	817.9
Trading book purs. to Section 22 o (2) BWG	3.3	2.8	3.9
Operational risk purs. to Section 22 k BWG	59.2	59.2	55.0
Qualified investments purs. to Section 29 (4) BWG	0.0	0.0	0.0
TOTAL OWN FUNDS REQUIREMENT	869.3	845.3	876.8
UNAPPROPRIATED OWN FUNDS	725.2	789.8	664.4
Basis for the calculation of the reserve ratios			
Assessment basis for the credit risk - Section 22 (2) BWG	10,084.1	9,791.9	10,224.2
Specific position risk of the trading book pursuant to Section 22 o nos. 1,3,6 BWG	5.3	3.9	4.8
TOTAL BASIS OF ASSESSMENT	10,089.3	9,795.8	10,229.0

Financial calendar 2011

20 May 2011	quarterly results for Q1 2011
19 August 2011	quarterly results for Q1-Q2 2011
18 November 2011	quarterly results for Q1 –Q3 2011

All information is electronically available under Investor Relations at www.oberbank.at.

STATEMENT BY THE MANAGEMENT BOARD PURSUANT TO SECTION 87 OF THE AUSTRIAN STOCK EXCHANGE ACT

The Management Board confirms that

- the present condensed Interim Report to the Shareholders of Oberbank AG has been prepared in accordance with the International Financial Reporting Standards (IFRS) and the International Accounting Standards (IAS) published by the International Accounting Standards Board (IASB) as adopted by and in force within the EU and the interpretations thereof by the International Financial Reporting Interpretations Committee (IFRIC) and gives a true and fair view of the assets, liabilities, financial position and the profit or loss of the Oberbank Group.
- these consolidated interim financial statements cover the first quarter of 2011 (1 January 2011 to 31 March 2011) and that they give a true and fair view of the assets, liabilities, financial position and profit or loss of the Oberbank Group in compliance with the IFRS standards governing interim financial reporting.

As at 31 March 2011, major transactions with individuals and companies considered to be related parties amounted to:

- associated companies €k 20,000
- subsidiaries €k 0

Linz, 20 May 2011

The Management Board

Franz Gasselsberger, Chairman
Josef Weissl
Florian Hagenauer

Notes

This report contains forward-looking statements relating to the future performance of Oberbank AG. These statements reflect estimates which have been made on the basis of all information available to us on the reporting date. Should the assumptions underlying such forward-looking statements prove incorrect, or should risks materialise to an extent not anticipated, actual results may vary from those expected at present.

Market share data are based on the most recent information available at the editorial close of this report.

In adding up rounded figures and calculating percentage rates of changes, slight differences may result compared with totals and rates arrived at by adding up component figures which have not been rounded off.

Disclaimer

This Interim Report to Shareholders is prepared for the convenience of English-speaking readers. It is based on the German original; only the German text is binding.

Imprint

Proprietor and publisher: Oberbank AG, 4020 Linz, Untere Donaulände 28
Internet: www.oberbank.at; e-mail: sek@oberbank.at
Editing: Corporate Secretary and Communications, phone ++43-732-7802-0
Translation: Maria Bennett-Hengl

The Interim Report to Shareholders of Oberbank is published three times annually.

3 BANKEN GROUP AT A GLANCE

Income statement €m	Oberbank Group		BKS Bank Group		BTV Group	
	Q1 2011	Q1 2010	Q1 2011	Q1 2010	Q1 2011	Q1 2010
Net interest income	81.6	73.9	33.8	33.2	37.2	32.3
Charges for losses on loans and advances	(24.6)	(25.2)	(12.4)	(16.0)	(9.8)	(10.6)
Net commission income	27.2	24.6	10.9	11.2	11.5	10.9
Administrative expenses	(55.4)	(51.7)	(22.8)	(22.1)	(23.1)	(22.1)
Profit for the period before tax	32.9	27.1	12.6	10.7	16.5	12.2
Consolidated net profit for the period	28.1	21.5	10.7	8.8	13.1	10.8

Balance sheet in €m	31/03/2011	31/12/2010	31/03/2011	31/12/2010	31/03/2011	31/12/2010
Total assets	16,922.3	16,768.4	6,311.5	6,238.2	9,006.9	8,886.6
Loans and advances to customers after charges for losses on loans and advances	10,245.7	10,129.7	4,490.5	4,498.2	5,661.4	5,774.8
Primary funds	11,138.7	11,135.3	4,245.2	4,158.5	5,966.7	6,167.6
of which savings deposits	3,415.7	3,447.2	1,822.3	1,847.2	1,262.2	1,284.2
of which securitised liabilities including subordinated debt capital	2,178.7	2,232.6	692.7	667.6	1,193.3	1,287.2
Equity	1,194.7	1,160.9	629.3	627.8	680.4	676.1
Customer funds under management	19,953.3	19,912.7	10,211.6	10,023.5	10,348.9	10,688.9

Own funds within the meaning of the Austrian Banking Act (BWG) in €m	31/03/2011	31/12/2010	31/03/2011	31/12/2010	31/03/2011	31/12/2010
Assessment basis	10,089.3	9,795.8	4,348.5	4,345.1	5,732.9	5,736.5
Own funds	1,594.4	1,635.1	555.4	567.4	835.6	853.2
of which core capital (Tier 1)	1,028.0	1,028.7	414.8	416.6	593.3	596.7
Surplus own funds	725.2	789.8	180.7	194.8	353.3	370.2
Core capital ratio in %	10.19	10.50	9.54	9.59	10.35	10.40
Total capital ratio in %	15.80	16.69	12.77	13.06	14.58	14.87

Performance in %	Q1 2011	FY 2010	Q1 2011	FY 2010	Q1 2011	FY 2010
Return on equity before tax	11.27	10.57	8.07	8.90	9.87	9.59
Return on equity after tax	9.60	9.08	7.04	7.70	7.86	7.63
Cost/income ratio	49.04	50.28	49.93	48.77	47.70	47.18
Risk/earnings ratio (credit risk in percent of net interest income)	30.18	32.55	28.20	33.11	26.33	28.70

Resources	Q1 2011	FY 2010	Q1 2011	FY 2010	Q1 2011	FY 2010
Average number of staff (weighted)	2,028	1,996	890	872	787	794
Branches as at the end of the quarter/year	144	143	56	55	42	41