

That Much More than a bank.

Interim Report to Shareholders as at 30 June 2013



150 branches in five European countries.
Oberbank – that Much More than a bank.

Oberbank
3 Banken Gruppe

OBERBANK AT A GLANCE

Income statement in €m	H1 2013	+/-	H1 2012
Net interest income	167.8	15.5%	145.2
Charges for losses on loans and advances	(32.3)	30.8%	(24.7)
Net commission income	58.1	5.4%	55.1
Administrative expenses	(119.8)	3.2%	(116.1)
Profit for the period before tax	78.5	6.8%	73.5
Consolidated net profit for the period	66.4	11.0%	59.8

Balance sheet in €m	30/06/2013	+/-	31/12/2012
Assets	17,547.1	(0.7%)	17,675.1
Loans and advances to customers after provisioning charge	11,295.5	3.8%	10,877.0
Primary funds	11,738.8	1.1%	11,607.9
of which savings deposits	3,331.3	(1.4%)	3,380.1
of which securitised liabilities including subordinated capital	2,195.2	(0.6%)	2,208.8
Equity	1,375.5	2.5%	1,342.4
Customer funds under management	21,642.6	0.4%	21,558.0

Own funds within the meaning of BWG in €m	30/06/2013	+/-	31/12/2012
Assessment basis	10,704.0	2.1%	10,481.9
Own funds	1,754.3	(0.5%)	1,762.5
of which core capital (Tier 1)	1,242.2	(0.3%)	1,245.4
Surplus of own funds	832.4	(3.0%)	857.9
Core capital ratio in %	11.61	(0.27ppt)	11.88
Total capital ratio in %	16.39	(0.32ppt)	16.81

Performance in %	H1 2013	+/-	H1 2012
Return on equity before tax	11.58	(0.13ppt)	11.71
Return on equity after tax	9.79	0.26ppt	9.53
Cost/income ratio	51.94	(2.24ppt)	54.18
Risk/earnings ratio (credit risk in % of net interest income)	19.23	2.24ppt	16.99

Resources	H1 2013	+/-	FY 2012
Average number of staff (weighted)	2,000	(20)	2,020
Number of branches at the end of quarter/year	148	1	147

THE OBERBANK GROUP IN THE FIRST HALF OF 2013



Dear Readers,

Oberbank generated outstandingly good results in all important fields of operations in the first half of 2013. The operating profit as well as the profit before and after tax clearly increased; loans and deposits continued to grow; credit risk developed along very positive lines and we further strengthened our already excellent capital base.

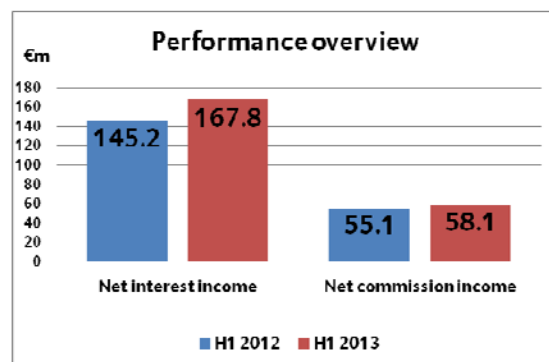
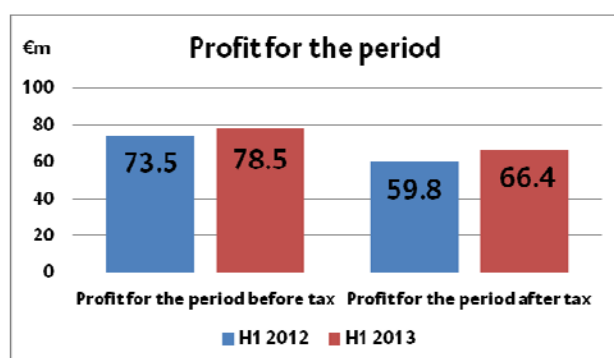
Much better performance than the market in general

- **Operating profit +12.8%, profit before tax +6.8%, profit after tax +11.0%**
- **Credit risk continues to develop along particularly favourable lines**

In the first quarter of 2013, the operating results in the Austrian banking industry as a whole dropped sharply by about 30 per cent according to preliminary figures. We, in contrast, were able to increase our operating result by a substantial margin, namely by 12.8% to €110.8 million in the first two quarters of 2013.

This excellent result enabled the Bank to retain its particularly cautious provisioning policy. Notwithstanding its highly favourable credit risk situation, Oberbank set up €32.3 million in new risk provisions, thus increasing allocations by 30.8 per cent as compared with the first half of 2012.

Oberbank's consolidated profit for the first half of 2013 consequently widened by 6.8% to €78.5 million before tax and by as much as 11.0% to €66.4 million after tax.



Growth in net interest income and income from services, solid cost structure

- **15.5% growth in net interest income, 5.4% increase in income from services**
- **Administrative expenses widened by a moderate rate of 3.2%**
- **Cost/income ratio clearly better than in the industry as a whole**

Net interest income soared by 15.5% or €22.6 million to €167.8 million year on year.

At €143.2 million, interest income from operating activities was 5.7% higher than in the first half of 2012. Income from equity investments took an excellent development, rising from €9.7 million to €24.6 million.

Income from services also posted very satisfactory growth, rising by 5.4% to €58.1 million. This was boosted, above all, by a 7.4% increase in commissions from payment transactions to €20.9 million and a 13.4% rise in commissions from securities transactions to €18.7 million.

Administrative expenses rose by 3.2% to €119.8 million and hence by a much lower rate than earnings, resulting in a cost/income ratio of 51.9% (as compared to a ratio of almost 61% in the industry as a whole in 2012).

Lending volume widened by 3.4% to €11.7 billion

- Growth propelled by commercial and personal lending

Oberbank's commercial lending volume increased by 3.1% to €9.5 billion as at 30 June 2013. This growth was primarily due to the excellent development of investment finance lending, which grew by 5.5% to €6.5 billion.

The volume of personal loans increased by 4.5% to €2.2 billion. The increase was particularly notable in June 2013; at the same time, early repayments decreased perceptibly from their previously high levels.

Customer funds under management prove customers' trust in Oberbank

- 6.4% or €1.3 billion volume growth to €21.6 billion despite declining savings rate

Defying the continued decline of the Austrian savings rate, Oberbank's deposit business continued to benefit from the Bank's excellent credit standing. Primary deposits increased by 2.7 % to €11.7 billion, and the volume of securities held on customer deposits surged by as much as 11.1% to €9.9 billion.

Inclusive of primary deposits and securities held on customer deposits, assets under management rose by 6.4% or €1.3 billion to €21.6 billion year on year.

Key ratios remain excellent

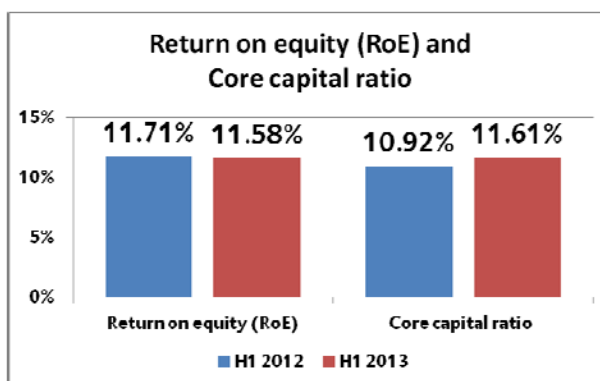
- RoE before tax: 11.58%; after tax: 9.79%
- Core capital ratio improved to 11.61%
- Own funds ratio: 16.39%

At 11.58% before tax and 9.79% after tax, Oberbank's return on equity continues to be on a truly excellent level.

The core capital of Oberbank rose by almost 7% to

€1,242.2 million and the core capital ratio improved from 10.92% to 11.61% year on year.

Own funds also increased by the remarkable rate of 7.0% to €1,754.3 million; at 16.39%, the Bank's own funds ratio is more than double the statutory rate.



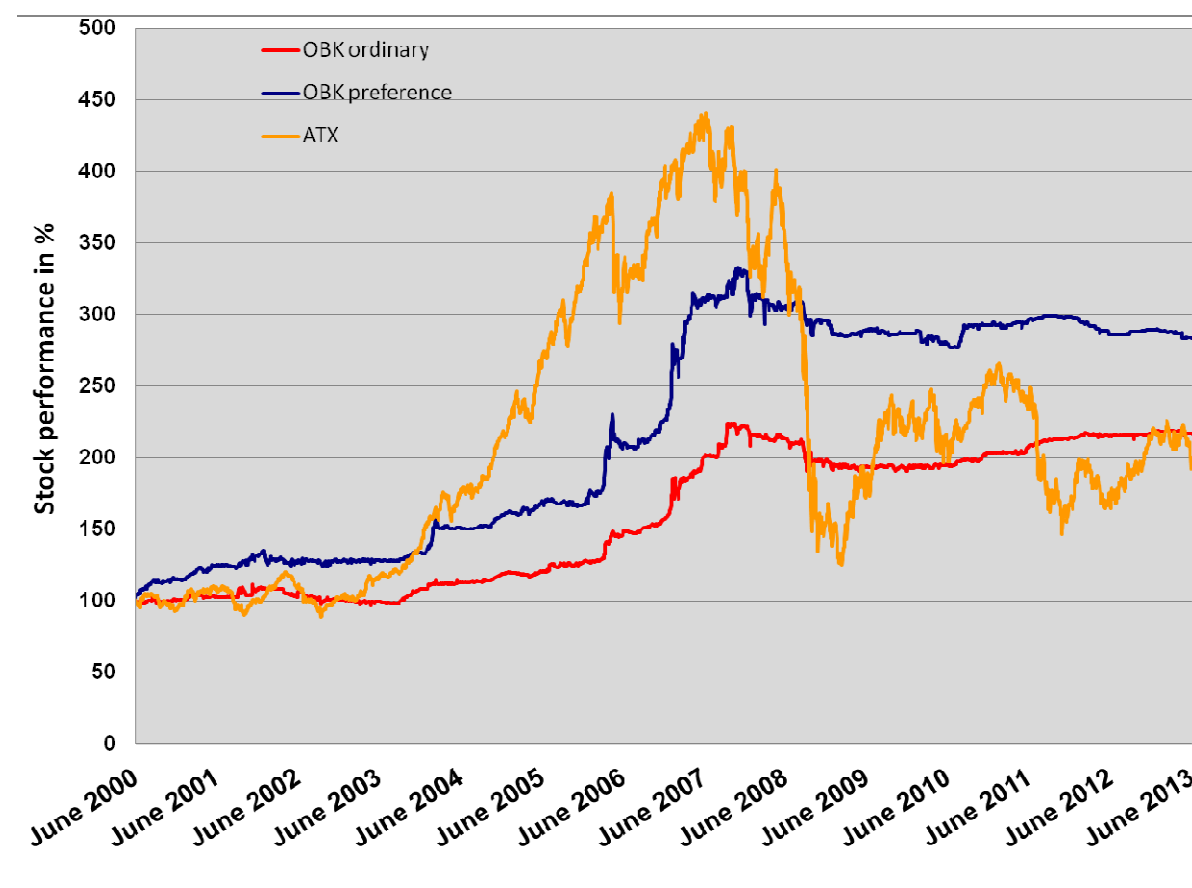
CEO Franz Gasselsberger

THE OBERBANK SHARES

The stable price development of the Oberbank share continued in the first half of 2013

Oberbank stock – key figures	H1 2013	H1 2012
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 €	48.50/38.70	48.10/39.75
Low (ordinary/preference share) in €	47.70/37.80	47.15/38.20
Close (ordinary/preference share) in €	48.00/37.80	47.60/38.20
Market capitalisation in €m	1,351.0	1,341.9
IFRS earnings per share in €, annualised	4.62	4.17
P/E ratio (ordinary share)	10.39	11.41
P/E ratio (preference share)	8.18	9.16

Oberbank ordinary and preference shares compared with the ATX



THE BUSINESS SEGMENTS IN THE FIRST HALF OF 2013

CORPORATE AND BUSINESS BANKING SEGMENT

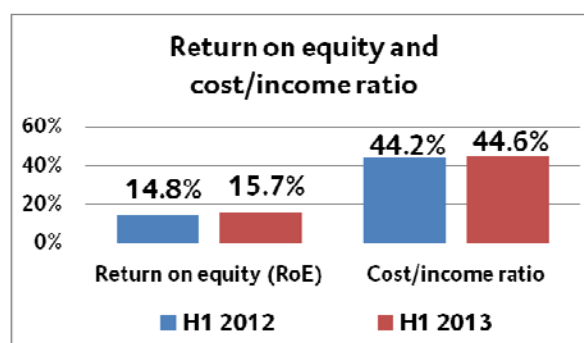
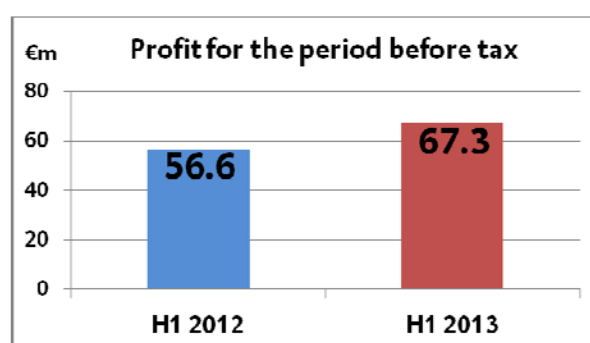
€m	H1 2013	H1 2012	+/- in absolute terms	+/-%
Net interest income	105.7	97.3	8.4	8.6
Charges for losses on loans and advances	(11.0)	(18.3)	7.3	(39.9)
Net commission income	29.4	30.3	(0.9)	(2.9)
Net trading income	(0.1)	0.2	(0.3)	>(100)
Administrative expenses	(63.0)	(59.2)	(3.7)	6.3
Other operating profit	6.2	6.4	(0.2)	(2.6)
Extraordinary profit	0.0	0.0	0.0	
Profit for the period before tax	67.3	56.6	10.6	18.8
Average credit and market risk equivalent (BWG)	8,180.0	7,861.0	319.0	4.1
Average allocated equity	856.9	764.5	92.4	12.1
Return on equity	15.7%	14.8%	0.9ppt	
Cost/income ratio	44.6%	44.2%	0.4ppt	

Earnings growth in Corporate and Business Banking

The Corporate and Business Banking segment boosted earnings: The profit for the period before tax increased by 18.8% or €10.6 million to €67.3 million.

Net interest income widened by 8.6% or €8.4 million to €105.7 million year on year. Concurrently, charges for losses on loans and advances decreased by 39.9% or €7.3 million to €11.0 million. Net commission income declined slightly by 2.9% or €0.9 million to €29.4 million.

Administrative expenses rose by 6.3% or 3.7 million to €63.0 million; other operating profit declined by 2.6% or €0.2 million to €6.2 million.



The return on equity increased by 0.9 percentage points to 15.7% and the cost/income ratio rose by 0.4 percentage points to 44.6%.

More than 41,900 corporate and business banking customers

The positive trend in new customer acquisition continued in the first half of 2013, with Oberbank gaining 2,917 new corporate and business banking customers in this period. Currently, Oberbank services 41,936 corporate and business banking customers.

Commercial lending

Lending was sluggish throughout the market in general. According to the most recent figures, credit growth in Austria was a mere 0.8%; the euro area even reported negative lending growth. In this environment, Oberbank, in contrast, boosted its lending volume by 3.5% or € 381.6 million to €11.7 billion year on year. Loans to corporate and business customers, which increased by 3.1% or € 288.6 million year on year, accounted for € 9.5 billion of this total.

Commercial loans		YoY growth	
as at 30/06/2013	as at 30/06/2012	in absolute terms	in %
€ 9,529.7 m	€ 9,241.1 m	€ 288.6 m	3.1%

Investment finance

The total volume of investment finance loans mounted by 5.5% or € 341.1 million to € 6,552.6 million. This shows that the businesses of Oberbank's customers are seeing dynamic development even in a difficult environment.

Investment finance		YoY growth	
as at 30/06/2013	as at 30/06/2012	in absolute terms	in %
€ 6,552.6 m	€ 6,211.5 m	€ 341.1 m	5.5%

In the field of corporate finance, an appropriate financing mix and proficient advice with regard to the wide variety of financial support and assistance options available to businesses is of crucial importance. Flexible and targeted customer support in identifying appropriate funding programmes and filing applications is one of the key strengths of Oberbank. This is evidenced by another 230 new customers gained in this line of business in the first half of 2013. And it is reflected by the number of applications for subsidised loans for investment projects and innovation projects handled by Oberbank in Austria and Germany, which rose to 534 projects, an increase of 50 per cent compared to the first half of 2012. As at 30 June 2013, the volume of subsidised loans extended by Oberbank had increased by 7.8% to € 572.1 million year on year. With a market share of 20 per cent in terms of newly extended ERP business promotion loans, Oberbank leads the Austrian market in this business line.

Leasing

Leasing receivables from customers increased by 1.5% or € 22.0 million to € 1,524.0 million year on year

Leasing receivables from customers		YoY growth	
H1 2013	H1 2012	in absolute terms	in %
€ 1,524.0 m	€ 1,502.0 m	€ 22.0 m	1.5%

Rising to € 111.4 million in the second quarter of the current business year, the volume of new leasing business increased by 5% compared to the third quarter of 2012 and 17% compared to the fourth quarter of the same year, but still fell slightly short of the highly satisfactory result attained in the first half of 2012.

Overall, businesses have continued to pursue a course of caution when it comes to expansion projects, and investments have been primarily focusing on replacement and projects aimed at increasing efficiency and flexibility. In regional terms, the expansion markets, especially Hungary, have continued to develop in a positive manner.

Export finance

According to Statistics Austria, Austrian exports are set to rise slightly in 2013 despite internationally restrained economic expectations. The first half of the current year was a challenging period for Austrian exporters, but businesses held their ground well in international competition, gaining further market shares and venturing into new markets. Partnering customers in about 350 export projects and lifting the volume of export finance exposures to almost €850 million, Oberbank posted remarkable growth in this line. With a market share of almost 12%, Oberbank continues to take second place in Austria in terms of export finance under Export Fund procedures for SMEs.

Documentary business and guarantees

Importers responded with noticeable reserve in their procurement policy to forecasts predicting declining consumer demand; the development of exports reflected the loss of entire markets (due to sanctions) and the cautious approach taken by exporters in individual transactions (e.g. small batches). Overall, this resulted in lower transaction numbers (-12%) and a corresponding decline in earnings.

Lately, the Bank's customers have been regaining confidence and business may be expected to develop along positive lines in the second half of the year.

Structured financing

Brisk investment activity in the corporate sector continued in the catchment area of Oberbank in the first half of 2013. The number of projects handled by the Bank increased by a gratifying 52% year on year. Notably in the field of classical investment finance, customers' demand for capital was high and substantially exceeded the previous year's level. Demand for receivables management solutions increased, while demand for refinancing fell slightly short of the previous year's level. Demand for debt capital related to the financing of physical assets increased greatly against the backdrop of high demand for real estate.

Oberbank Opportunity Funds

Notwithstanding the rather changeable economic framework conditions, companies' appetite for acquisitions is still alive in a number of industries. In the reporting period, the Oberbank Opportunity Funds received 75 new applications for financing solutions, which, apart from expansion finance, related above all to various forms of change of ownership, such as management buy-in, management buyout and owner buyout.

Buyouts by private equity funds are a special strength of the Oberbank Opportunity Funds, as the latter benefits from its network of friendly financial investors and its position as a reliable, solid and flexible partner.

For many customers of the Oberbank Opportunity Funds, an important objective is to strengthen their ratios of liable equity and maintain a healthy balance sheet structure in phases of corporate change. The financial crisis undoubtedly contributed to raising awareness in this respect. Being a financing partner backed by a strong regional bank, the Oberbank Opportunity Funds is excellently positioned as the partner of choice in such matters.

Since the launch of the Oberbank Opportunity Funds, the Bank has facilitated a total of 39 transactions by providing equity and/or mezzanine capital support. The committed fund volume amounted to approximately €86.2 million (of a total of €150 million) as at 30 June 2013. On the same date, equity participation capital accounted for €20.6 million and mezzanine capital finance for €25.1 million of the outstanding exposure of €45.7 million.

Payment services

Having risen by 7.5%, earnings from payment services were clearly headed upward in the first half of 2013. The conversion to the clearing service for Austrian domestic payment transactions has been completed: Domestic payments are now transacted via the national clearing house CS.A (Clearing Service.Austria) set up by the Austrian National Bank (OeNB).

H1 2013	Corporate	Personal	
Payment volumes	customers	customers	Total
Electronic payment orders	10,664,443	2,493,279	13,157,722
Paper-based payment orders	273,113	412,880	685,993
Total	10,937,556	2,906,159	13,843,715

Percentage of electronic payment orders	97.5%	85.8%	95.0%
Percentage of paper-based payment orders	2.5%	14.2%	5.0%

SEPA (Single Euro Payments Area)

In the run-up to SEPA introduction, Oberbank has been supporting its customers both directly and via the mail address sepa@oberbank.at in their preparations for SEPA by answering questions, assisting in the changeover from account number/bank sort code to IBAN and particulars such as how to obtain a SEPA creditor identifier. In the first half of 2013, Oberbank continued its SEPA information campaign with a number of customer events, providing information on details like how to effect payments by SEPA direct debit.

International network of banks and institutions

The provision of continuous and competent support to the Bank's export customers in their world-wide activities, but above all in emerging markets, is a service that remained in high demand with customers in the first half of 2013. In addition to the assumption of country and bank risks of businesses with international activities, inter-bank exchange of liquidity moved back into focus in the reporting period. In particular, Oberbank continued to strengthen and expand relations with an international network of banks and institutions in Central and Eastern Europe as well as in China and South-East Asia. People's trust in Oberbank is unbroken, which is why the Bank has access to particularly attractive liquidity reserves.

Risk management, investment

Management of interest rate risk and currency risk

The EUR/USD exchange rate fluctuated within a bandwidth of more than 7% in the first half of 2013. Consequently, our customers' key hedging currency was just as volatile as in the comparable period of the previous year. Key drivers of these movements, among others, were the easing of the sovereign debt crisis in the euro area at the beginning of the year and the gradual improvement of economic prospects in the United States. Against the backdrop of these ups and downs on currency markets, many of the Bank's corporate and business customers took advantage of tried and tested hedging instruments to protect their import and export deals against exchange risks. Currency futures contracts were the instrument that was highest in demand; demand for currency options revived slightly.

Direct customer services

The focus of activities in direct customer services was on short-term money market transactions and hedging transactions. Customers exhibited a pronounced penchant for liquidity; the percentage of short-term investments increased year on year.

EMIR (European Market Infrastructure Regulation)

With the coming into force of EMIR, the new EU regulatory standard designed to increase the stability of the over-the-counter (OTC) derivative markets, the subject of derivatives has moved to the centre of interest. The Bank's direct customer services experts have been analysing the impacts of the new regulation on business with customers. When the analysis is concluded, the required measures will be implemented. The process will last throughout 2013.

Primary deposits

The aggressive monetary policy pursued by the ECB resulted in persistently low interest rates for short-term investments throughout the first half of 2013; this trend was corroborated when the ECB cut the key rate further from 0.75% to 0.5%.

The 3-month Euribor (European Interbank Offered Rate), traditionally the main gauge of unsecured bank-to-bank lending, showed a difference of 0.05% between its high and low. The EONIA (Euro OverNight Index Average), the effective overnight reference rate for the euro, remained at levels below 0.10% with few exceptions in the reporting period.

A conspicuous feature of the past few months was that customers and investors, despite declining interest rates, exhibited a pronounced inclination for liquid assets. In the first half of 2013, sight deposits at Oberbank grew by more than 13%, i.e. more strongly than in earlier comparable periods.

The Cash Garant product line was successfully continued in the first half of 2013. As the products enjoy the benefits of Oberbank's high creditworthiness and a regular, predefined repayment schedule, they are well received by customers.

PERSONAL BANKING SEGMENT

€m	H1 2013	H1 2012	+/- in absolute terms	+/-%
Net interest income	28.5	27.9	0.5	1.9
Charges for losses on loans and advances	(1.5)	(5.7)	4.1	(72.8)
Net commission income	28.7	24.8	3.9	15.6
Net trading income	0.0	0.0	0.0	
Administrative expenses	(41.6)	(42.8)	1.1	(2.6)
Other operating profit	1.5	2.7	(1.2)	(44.8)
Extraordinary profit	0.0	0.0	0.0	
Profit for the period before tax	15.5	7.0	8.4	>100
Average credit and market risk equivalent (BWG)	1,192.4	1,179.4	13.0	1.1
Average allocated equity	124.9	114.7	10.2	8.9
Return on equity (RoE)	24.7%	12.2%	12.5ppt	
Cost/income ratio	71.0%	77.1%	(6.1ppt)	

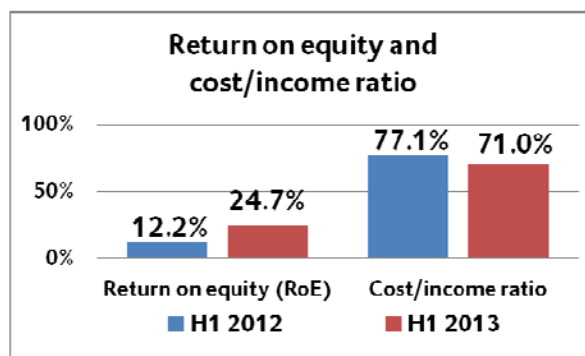
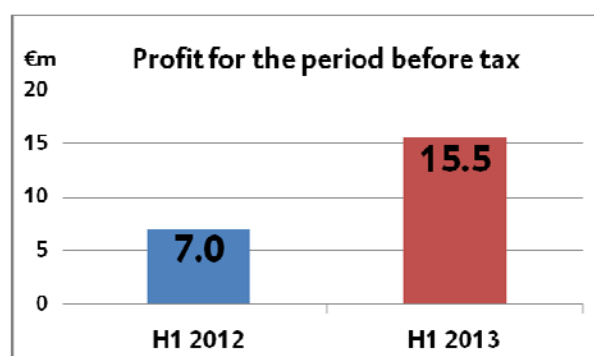
Gratifying development

In the Personal Banking segment, the profit for the period before tax increased by 120.0% or € 8.4 million to € 15.5 million year on year.

Net interest income widened by 1.9% or € 0.5 million to € 28.5 million; net commission income grew by 15.6% or € 3.9 million to € 28.7 million.

Charges for losses on loans and advances declined by 72.8% or € 4.1 million to € 1.5 million compared with the same period in the previous year. Administrative expenses decreased by 2.6% or € 1.1 million to € 41.6 million. Other operating profit fell by € 1.2 million to € 1.5 million.

The return on equity rose by 12.5 percentage points to 24.7%; the cost/income ratio improved by 6.1 percentage points to 71.0%.



Personal banking customers

In the first half of 2013, Oberbank acquired 10,921 new customers. As at 30 June 2013, the Bank was servicing a total of 305,634 personal banking customers across all lines of business in Austria and abroad. This figure marks a slight decrease of 0.5% or 1,404 personal banking customers, partly due to adjustments carried out in the first half of 2013 and to a decline in the number of German customers in branches close to the border owing to changed legal framework conditions.

Personal accounts

In the first half of 2013, Oberbank's portfolio of personal accounts grew by 954 accounts to a total of 174,468. Year on year, the number of personal accounts increased by 1,666 or 1.0%.

Number of personal accounts		YoY growth	
as at 30/06/2013	as at 30/06/2012	in absolute terms	in %
174,468	172,802	1,666	1.0%

Personal loans

According to the most recent data, the growth of personal loans to households has decelerated perceptibly in all of Europe to a mere 0.2% year on year.

Oberbank reports clearly better development: New lending continued on a very satisfactory level; the dynamics of repayments slackened and the volume of personal loans widened by 4.5% or €93.0 million to €2,146.0 million year on year. A particularly encouraging aspect of this performance is that all the Bank's markets contributed to the growth.

Personal loans		YoY growth	
as at 30/06/2013	as at 30/06/2012	in absolute terms	in %
€2,146.0m	€2,053.0 m	€93.0 m	4.5%

Savings deposits

Compared with the level on 30 June 2012, the volume of saving deposits declined by 2.9% or €101.0 million to €3,331.3 million; the ratio of variable-rate savings deposits to fixed-rate deposits shifted slightly in favour of variable-rate deposits. The savings rate continues to be at a very low level in all of Austria. Following a slight rise to 7.7% in 2012, the savings rate again declined to 7.0% in the first quarter of 2013.

Savings deposits		YoY growth	
as at 30/06/2013	as at 30/06/2012	in absolute terms	in %
€3,331.3 m	€3,432.3 m	(€101.0 m)	(2.9%)

Securities business

Numerous equity markets reached an annual high in May and thereafter witnessed a massive correction in June. A striking feature was a pronounced decrease in the price of gold, which proceeded on the downward trend that had set in during the first quarter of 2013. Bond prices became more volatile towards the end of the quarter; capital market rates generally remained at very low levels.

The percentage of equities in the Bank's asset allocation was high in the second quarter, as we attributed greater weight to the positive effects of the consolidation of the economic recovery in the United States than to the

negative impact of the rigid interest rate policy pursued by central banks. At any rate, the profit situation in the corporate sector remained stable at a very high level.

In the second quarter, Oberbank again participated in the placement of a number of corporate bonds by the following companies: the Upper Austrian aircraft supplier FACC, the packaging group Constantia Flexible Group GmbH (hybrid bond) and the construction group STRABAG SE.

The 3 Banken Top-Rendite Fonds 2019 issued in June was floated as a follow-up product for one of the Bank's most popular fund products, a matured fixed-term corporate fund.

Against this backdrop, Oberbank saw a sturdy increase in net commission income in the securities business from €16.5 million to €18.7 million, which translates to a year-on-year rise of 13.4%. The market value of securities in customer deposits also showed very positive development, rising by 11.1% or almost €1 billion to €9.9 billion.

Issues of Oberbank investment vehicles

As hitherto, Oberbank was continuously present in the market with a range of Oberbank fixed-term bonds and step-up bonds. Further issues of the Cash Garant line of products were floated for short-term investors, namely the tranches XIX and XX. Overall, the Bank's new issuing volume amounted to €249.5 million in the first half of 2013, €109.2 million thereof being issued in the second quarter of 2013.

3-Banken Wohnbaubank AG

Sales of the housing bond issued by 3-Banken Wohnbaubank showed positive development. The issue placed on a fiduciary basis for Oberbank AG in June has already been listed on the Vienna Stock Exchange: the total issuing volume amounts to €17.0 million. A further tap has been included in the issuance programme.

Private Banking & Asset Management

The highly satisfactory development in the Private Banking continued unbroken in the first half of 2013. The Bank's asset management department (iPM – individual portfolio management) manages a volume of €265.3 million, i.e. €42.7 million or 19.2% more than in the first half of 2012. The acquisition of new funds and special fund mandates also advanced along very positive lines. Trading activities of the Bank's brokerage customers remained at a high level.

Investment funds: 3 Banken-Generali Investment GmbH

The volume of funds managed by 3 Banken-Generali Investment-Gesellschaft increased by €120 million or 2.0% to €6.2 billion in the first half of 2013. As in previous years, the fund management company thus once again outperformed the Austrian market (-0.1%).

Special investment vehicles again performed particularly well, thanks to inflows from existing mandates and newly acquired customers. In retail funds, demand was high for strategies based on value stock and high-dividend equities. In the first five months of 2013, the financial market environment was characterised by markedly solid developments on bond and equity markets, followed by a correction phase in June. Despite the fact that central bank activities have become a widely contested issue, short-term interest rates are expected to remain low for the time being in the euro area in particular. Diversified investment strategies are likely to witness high demand in this setting, though market volatility is generally expected to increase.

Building and loan association saving

In the first half of 2013, the number of building and loan association contracts brokered by Oberbank for the Bausparkasse Wüstenrot building and loan association increased by 28.1% to 6,789 contracts or year on year. This

rise makes the reporting period the best first half since the beginning of the Bank's cooperation with Bausparkasse Wüstenrot.

Hence, building and loan association saving is definitely back in favour with customers, who have overcome the bout of nervousness caused by the reduction of the government premium last year.

Insurance services

The first half of 2013 was a very successful period. In Austria and Germany, endowment life insurance products, in particular the conservative, classical life insurance policy, saw good results also in the second quarter. The premium volume in this business line increased by 8% year on year. Sales of the newly introduced accident insurance products also developed extremely well. Overall, the premium volume in this line of business increased by €9.4 million or 26.8% from €35.1 million to €44.5 million year on year.

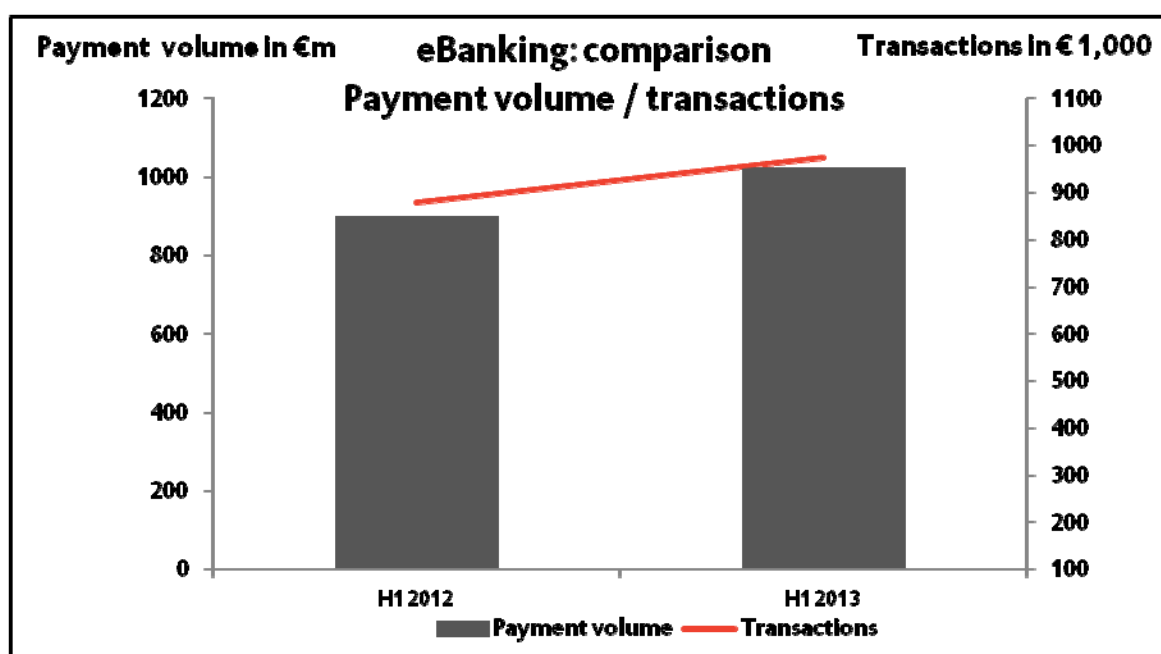
Insurance policies – premium volume		YoY growth	
as at 30/06/2013	as at 30/06/2012	in absolute terms	in %
€44.5 m	€35.1 m	€9.4 m	26.8%

E-Banking

A growing number of customers are demanding greater flexibility in their digital access to the communication channels of their bank. Oberbank has responded to this trend with a new mobile application that gives online banking customers round-the-clock access to many e-banking functions, innovative services and other practical features via their smartphones wherever they are, at home or abroad.

The launch of the Oberbank App in the second quarter of 2013 has become a success story. Within the first month, the bank recorded almost 6,000 downloads in App Stores and more than 48,000 registrations.

The success of the classical online banking also continued unbroken. In the first half of 2013, the number of transactions increased by 11% and the overall payment volume by 14%.



FINANCIAL MARKETS SEGMENT

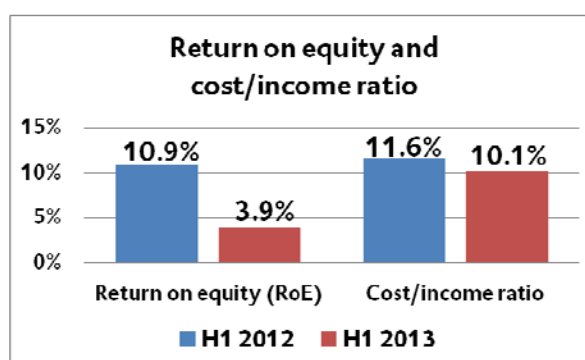
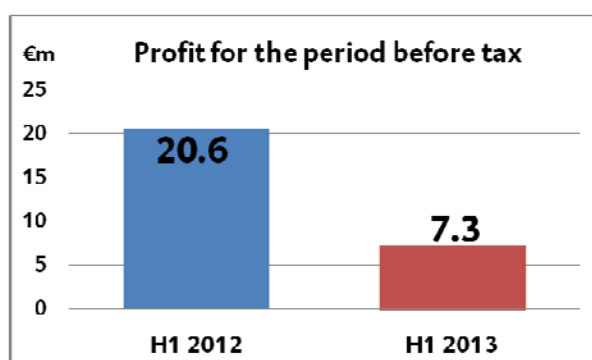
The Financial Markets segment covers earnings from equity investments and trading activities as well as interest earnings on the surplus of non-interest-bearing liabilities and income from maturity transformation.

€m	H1 2013	H1 2012	+/- in absolute terms	+/-%
Net interest income	33.6	20.0	13.6	68.4
Charges for losses on loans and advances	(19.7)	(0.7)	(19.0)	>100
Net commission income	0.0	0.0	0.0	
Net trading income	2.5	4.5	(2.0)	(44.3)
Administrative expenses	(3.0)	(2.8)	(0.2)	8.0
Other operating profit	(6.0)	(0.3)	(5.7)	>100
Extraordinary profit	0.0	0.0	0.0	
Profit for the period before tax	7.3	20.6	(13.3)	(64.5)
Average credit and market risk equivalent (BWG)	3,581.1	3,876.7	(295.5)	(7.6)
Average allocated equity	375.2	377.0	(1.9)	(0.5)
Return on equity (RoE)	3.9%	10.9%	(7.0ppt)	
Cost/income ratio	10.1%	11.6%	(1.5ppt)	

The Financial Markets segment posted a profit of €7.3 million for the reporting period; this corresponds to a decline of 64.5% or €13.3 million year on year.

Net interest income increased by 68.4% or €13.6 million to €33.6 million. Charges for losses on loans and advances increased from €19.0 million to €19.7 million year on year. Net trading income declined by 44.3% or €2.0 million to €2.5 million. Administrative expenses rose by 8.0% or €0.2 million to €3.0 million.

The return on equity decreased by 7.0 percentage points to 3.9%; the cost/income ratio improved by 1.5 percentage points to 10.1%.



Current market environment

In the first half of 2013, financial markets fluctuated between hope and fear, expecting either an imminent economic recovery or new sovereign debt problems in the euro area; this changeable mood gave rise to temporary ups and downs, but caused little change over the period as a whole.

Positive sentiment prevailed on international equity markets and led to a rise in a number of important indices.

For the second half of the year Oberbank expects uncertainty on the markets to continue, but with a slight tendency towards stabilisation.

Proprietary trading

The uncertainties governing the markets coupled with rather unpredictable market trends created a challenging environment in the first half of 2013. Nevertheless, focussed and cautious action enabled the Bank to generate a satisfactory result.

OWN FUNDS

The core capital increased by 6.9% or € 79.9 million to € 1,242.2 million as compared to the end of the first half of 2012. The core capital ratio thus improved by 0.69 percentage points from 10.92% to 11.61%.

Consolidated own funds within the meaning of Section 24 of the Austrian Banking Act (Bankwesengesetz, BWG) amounted to € 1,754.3 million as at 30 June 2013, which is 7.0% above the level of the same date in the previous year.

The own funds requirement as at 30 June 2013 amounted to € 921.9 million, bringing the Group's surplus of own funds to € 832.4 million, which corresponds to a 14.8% increase over the previous year's level.

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 2013 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 (€ 11.7 billion as at 30 June 2013) can be refinanced from customers' primary deposits (€ 11.7 billion as at 30 June 2013). In addition, Oberbank has a permanent risk controlling system, stringent process management and other efficient control and monitoring instruments in place.

For 2013 as a whole, Oberbank therefore does not expect any extraordinary risk to arise from these risk components.

OUTLOOK FOR 2013

- **Stable development in Austria and Germany**
- **ECB not expected to cut key rates further**
- **Confident outlook in terms of earnings growth in 2013 as a whole**

The economic outlook for Austria and Germany appears stable despite ongoing problems in southern Europe.

Both these countries are anticipated to post real economic growth in 2013; an inflation rate of just below 2% in Austria indicates comparatively robust economic activity. Exports and corporate investments are still sluggish, but the Bank expects both to pick up in the second half of the year because companies still have numerous projects already planned for future implementation.

The ECB is unlikely to cut interest rates further.

Further cuts would fail to stimulate the markets, savers would suffer even more under the impact of negative real interest rates, corporates and sovereigns would find it even more difficult to place bonds, and banks' interest margins would come under even greater pressure.

Confident outlook for Oberbank in the second half of 2013.

Oberbank's management expects the solid lending and deposit growth of the first half of 2013 to continue in the second half and is confident that the Bank will close the year well ahead of the figures for the previous year. Credit risk is expected to continue along the positive lines observed in the first half of 2013. Nevertheless, the Bank will continue to pursue its particularly cautious risk policy and make substantial allocations to impairment provisions.

As regards earnings developments, the growth rates attained in the first half of 2013 cannot be extrapolated for the year as a whole, but the Bank will again make commensurate allocations to reserves and thus at least repeat the excellent result of the previous year.

3 BANKEN GRUPPE IN THE FIRST HALF OF 2013

The 3 Banken Group continued to show satisfactory development in the first half of 2013.

Joint net profit for the period grew by 10.3% to €125.0 million.

Joint total assets of the three banks within the 3 Banken Group declined by 0.7% to €33.6 billion year on year.

Lending in terms of volume (after charges for losses on loans and advances) widened by 1.4% to €22.2 billion.

Primary deposits rose by 1.7% to €22.6 billion.

As at 30 June 2013, the three banks were operating a total of 241 branches; they had an average of 3,686 employees on their payrolls in the first half of 2013.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Prepared in accordance with IFRS

Consolidated statement of comprehensive income for the period 1 Jan. to 30 June 2013

Consolidated income statement for the first half of 2013		01/01-30/06/2013 in €m	01/01-30/06/2012 in €m *1)	Change in €m	Change in %	01/01-30/06/2012 in €m *2)
1. Interest and similar income	(1)	226.2	253.0	(26.8)	(10.6)	253.0
2. Interest and similar expenses	(1)	(83.0)	(117.5)	34.5	(29.4)	(117.5)
3. Interest from entities accounted for using the equity method	(1)	24.6	9.7	14.8	>100.0	9.7
NET INTEREST INCOME	(1)	167.8	145.2	22.6	15.5	145.2
4. Charges for losses on loans and advances	(2)	(32.3)	(24.7)	(7.6)	30.8	(24.7)
5. Commission income	(3)	64.1	60.6	3.5	5.8	60.6
6. Commission expenses	(3)	(6.1)	(5.5)	(0.5)	9.6	(5.5)
NET COMMISSION INCOME	(3)	58.1	55.1	3.0	5.4	55.1
7. Net trading income	(4)	2.4	4.6	(2.3)	(49.0)	4.6
8. Administrative expenses	(5)	(119.8)	(116.1)	(3.7)	3.2	(116.6)
9. Other operating profit (loss)	(6)	2.4	9.4	(7.0)	(74.7)	9.4
a) Net income from financial assets – FV through P or L	(6)	(0.1)	8.6	(8.7)	>(100.0)	8.6
b) Net income from financial assets – AFS	(6)	(2.4)	(6.9)	4.5	(65.1)	(6.9)
c) Net income from financial assets – HtM	(6)	0.0	0.0	0.0	0.0	0.0
d) Other operating profit (loss)	(6)	4.9	7.8	(2.9)	(36.8)	7.8
PROFIT FOR THE PERIOD BEFORE TAX		78.5	73.5	5.0	6.8	73.0
10. Income tax	(7)	(12.1)	(13.7)	1.6	(11.4)	(13.6)
PROFIT FOR THE PERIOD AFTER TAX		66.4	59.8	6.6	11.0	59.5
of which attributable to the owners of the parent company		66.4	59.8	6.6	11.0	59.4
of which attributable to minority interests		0.0	0.0	0.0	40.0	0.0

*1) Figures of the previous year following adjustment owing to retrospective application of IAS 19

*2) Figures published as at 30/06/2012

INCOME AND EXPENSES RECOGNISED DIRECTLY IN EQUITY (€m)	01/01- 30/06/2013	01/01-30/06/2012 *1)	01/01-30/06/2012 *2)
Profit for the period after tax	66.4	59.8	59.5
Items not reclassified to profit for the period before tax			
+ / - Actuarial gains/losses IAS 19	(0.4)	(0.5)	0.0
+ / - Deferred taxes on actuarial gains/losses IAS 19	0.1	0.1	0.0
	(0.3)	(0.4)	0.0
Items reclassified to profit for the period before tax			
+/- Unrealised gains and losses not recognised in the income statement under IAS 39	(23.7)	7.4	7.4
+/- Deferred taxes on items recognised directly in equity under IAS 39	5.9	(1.8)	(1.8)
+/- Exchange differences	(0.8)	0.1	0.1
+/- Other changes recognised directly in equity of which changes in equity of associates	(6.8)	6.4	6.4
	(25.4)	12.1	12.1
Total income and expenses recognised directly in equity	(25.7)	11.7	12.1
Total comprehensive income for the period of the net profit for the period and income and expenses recognised directly in equity	40.7	71.5	71.5
of which attributable to the owners of the parent company	40.7	71.5	71.5
of which attributable to minority interests	0.0	0.0	0.0

*1) Figures of the previous year following adjustment owing to retrospective application of IAS 19

*2) Figures published as at 30/06/2012

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Prepared in accordance with IFRS

Consolidated statement of comprehensive income for the period 1 April to 30 June 2013

Consolidated income statement for the second quarter of 2013		01/04- 30/06/2013 in €m	01/04- 30/06/2012 in €m *1)	Change in €m	Change in %	01/04- 30/06/2012 in €m *2)
1. Interest and similar income	(1)	112.8	123.7	(10.9)	(8.8)	123.7
2. Interest and similar expenses	(1)	(40.2)	(58.0)	17.9	(30.8)	(58.0)
3. Interest from entities accounted for using the equity method	(1)	14.8	2.6	12.2	>100.0	2.6
NET INTEREST INCOME	(1)	87.4	68.2	19.2	28.1	68.2
4. Charges for losses on loans and advances	(2)	(17.4)	(5.2)	(12.2)	>100.0	(5.2)
5. Commission income	(3)	32.2	29.9	2.2	7.5	29.9
6. Commission expenses	(3)	(2.9)	(2.6)	(0.4)	13.8	(2.6)
NET COMMISSION INCOME	(3)	29.2	27.4	1.9	6.9	27.4
7. Net trading income	(4)	0.7	3.0	(2.3)	(77.6)	3.0
8. Administrative expenses	(5)	(60.7)	(58.5)	(2.1)	3.6	(59.1)
9. Other operating profit (loss)	(6)	(1.6)	(1.7)	0.2	(9.6)	(1.7)
a) Net income from financial assets – FV through P or L	(6)	(3.3)	0.4	(3.7)	>(100.0)	0.4
b) Net income from financial assets – AFS	(6)	(1.2)	(7.8)	6.6	(84.7)	(7.8)
c) Net income from financial assets – HtM	(6)	0.0	0.0	0.0	0.0	0.0
d) Other operating profit (loss)	(6)	2.9	5.7	(2.7)	(48.1)	5.7
PROFIT FOR THE PERIOD BEFORE TAX		37.7	33.0	4.6	14.0	32.5
10. Income tax	(7)	(4.6)	(6.4)	1.9	(29.3)	(6.3)
PROFIT FOR THE PERIOD AFTER TAX		33.1	26.6	6.5	24.4	26.2
of which attributable to the owners of the parent company		33.1	26.6	6.5	24.5	26.2
of which attributable to minority interests		0.0	0.0	0.0	(66.7)	0.0

*1) Figures of the previous year following adjustment owing to retrospective application of IAS 19

*2) Figures published as at 30/06/2012

INCOME AND EXPENSES RECOGNISED DIRECTLY IN EQUITY (€m)			
	01/04- 30/06/2013	01/04-30/06/2012 *1)	01/04-30/06/2012 *2)
Profit for the period after tax	33.1	26.6	26.2
Items not reclassified to profit for the period before tax			
+ / - Actuarial gains/losses IAS 19	(0.4)	(0.5)	0.0
+ / - Deferred taxes on actuarial gains/losses IAS 19	0.1	0.1	0.0
	(0.3)	(0.4)	0.0
Items reclassified to profit for the period before tax			
+/- Unrealised gains and losses not recognised in the income statement under IAS 39	(20.7)	(23.9)	(23.9)
+/- Deferred taxes on items recognised directly in equity under IAS 39	5.2	6.0	6.0
+/- Exchange differences	(0.7)	1.2	1.2
+/- Other changes recognised directly in equity of which changes in equity of associates	(6.2)	(0.5)	(0.5)
	22.4	(17.2)	(17.2)
Total income and expenses recognised directly in equity	(22.7)	(17.6)	(17.2)
Total comprehensive income for the period of the net profit for the period and income and expenses recognised directly in equity	10.4	9.0	9.0
of which attributable to the owners of the parent company	10.4	9.0	9.0
Total income and expenses recognised directly in equity	0.0	0.0	0.0

*1) Figures of the previous year following adjustment owing to retrospective application of IAS 19

*2) Figures published as at 30/06/2012

PERFORMANCE INDICATORS	H1 2013	H1 2012
Cost/income ratio in %	51.94%	54.18%
Return on equity before tax in %	11.58%	11.71%
Return on equity after tax in %	9.79%	9.53%
Risk/earnings ratio (credit risk/net interest income in %)	19.23%	16.99%
Earnings per share in € (annualised)	4.62	4.17

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2013

		30/06/2013	31/12/2012	Change in €m	Change
ASSETS		in €m	in €m		in %
1. Cash and balances at central banks	(9)	228.1	182.8	45.3	24.8
2. Loans and advances to credit institutions	(10)	1,632.5	1,769.4	(136.9)	(7.7)
3. Loans and advances to customers	(11)	11,675.7	11,245.8	429.9	3.8
4. Impairment provisions	(12)	(380.2)	(368.8)	(11.4)	3.1
5. Trading assets	(13)	48.1	60.4	(12.3)	(20.4)
6. Financial investments	(14)	3,778.9	4,182.0	(403.1)	(9.6)
a) Financial assets – FV through P or L	(14)	253.7	278.0	(24.3)	(8.7)
b) Financial assets – AfS	(14)	743.9	1,121.9	(378.1)	(33.7)
c) Financial assets – HtM	(14)	2,212.8	2,231.0	(18.2)	(0.8)
d) Interest in entities accounted for using the equity method	(14)	568.5	551.1	17.4	3.2
7. Intangible assets	(15)	3.2	3.9	(0.7)	(18.3)
8. Property, plant and equipment	(16)	234.2	229.1	5.1	2.2
a) Investment property	(16)	89.7	84.5	5.2	6.2
b) Other property, plant and equipment	(16)	144.5	144.6	(0.2)	(0.1)
9. Other assets	(17)	326.8	370.6	(43.8)	(11.8)
a) Deferred tax assets	(17)	47.8	38.0	9.8	25.8
b) Other	(17)	279.0	332.7	(53.6)	(16.1)
TOTAL ASSETS		17,547.1	17,675.1	(127.9)	(0.7)

		30/06/2013	31/12/2012	Change in €m	Change
EQUITY AND LIABILITIES		in €m	in €m		in %
1. Amounts owed to credit institutions	(18)	3,714.8	4,039.7	(324.9)	(8.0)
2. Amounts owed to customers	(19)	9,543.6	9,399.1	144.5	1.5
3. Securitised liabilities	(20)	1,561.6	1,533.7	27.9	1.8
4. Provisions for liabilities and charges	(21)	398.9	400.2	(1.3)	(0.3)
5. Other liabilities	(22)	319.2	284.9	34.3	12.0
a) Trading liabilities	(22)	43.9	52.1	(8.2)	(15.7)
b) Tax liabilities	(22)	22.0	4.9	17.1	>100
c) Other	(22)	253.3	227.9	25.4	11.2
6. Subordinated debt capital	(23)	633.6	675.1	(41.5)	(6.1)
7. Equity	(24)	1,375.5	1,342.4	33.0	2.5
a) Equity after minorities	(24)	1,372.5	1,339.5	33.0	2.5
b) Minority interests in equity	(24)	2.9	2.9	0.0	0.5
TOTAL EQUITY AND LIABILITIES		17,547.1	17,675.1	(127.9)	(0.7)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY as at 30 June 2013

	Subscribed capital	Capital reserves	Retained earnings	Translation reserve	Gains(losses) recognised in equity acc. to IAS 39	Associated companies	Equity after minorities	Minorities	Equity
In €m									
As at 01/01/2012	86.2	194.5	609.3	0.4	15.1	315.1	1,220.6	1.4	1,222.0
Consolidated net profit for the year	-	-	56.4	0.1	5.6	9.4	71.5	0.0	71.5
Dividend distribution	-	-	(14.4)	-	-	-	(14.4)	-	(14.4)
Capital increase	-	-	-	-	-	-	-	-	-
Reacquired Oberbank shares	(2.1)	(4.6)	-	-	-	-	(6.6)	-	(6.6)
Unrealised gains and losses not recognised in the income statement	-	-	(0.1)	-	-	8.8	8.7	1.5	10.2
As at 30/06/2012	84.2	189.9	651.3	0.5	20.6	333.3	1,279.8	2.9	1,282.7
As at 01/01/2013	86.1	194.0	681.1	0.2	33.2	344.8	1,339.5	2.9	1,342.4
Consolidated net profit for the period	-	-	48.2	(0.8)	(17.8)	11.1	40.7	0.0	40.7
Dividend distribution	-	-	(14.4)	-	-	-	(14.4)	-	(14.4)
Capital increase	-	-	-	-	-	-	-	-	-
Reacquired Oberbank shares	0.1	0.2	-	-	-	-	0.3	-	0.3
Unrealised gains and losses not recognised in the income statement	-	-	0.0	-	-	6.4	6.4	-	6.4
As at 30/06/2013	86.2	194.3	715.0	(0.6)	15.5	362.2	1,372.5	2.9	1,375.5

CASH FLOW STATEMENT (€m)	01/01-30/06/2013	01/01-30/06/2012
Cash and cash equivalents at the end of the previous period	182.8	300.2
Cash flows from operating activities	55.7	(377.59)
Cash flows from investing activities	60.7	221.3
Cash flows from financing activities	(51.79)	(80.59)
Effects of changes in the scope of consolidation and valuations	(18.59)	20.7
Effects of exchange rate changes	(0.89)	0.1
Cash and cash equivalents at the end of the period	228.1	84.2

NOTES

to the consolidated interim financial statements

as at 30 June 2013

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 half of 2013 (1 January 2013 to 30 June 2013) and compares this period with the same period of the previous year.

These consolidated interim financial statements for the first half of 2013 have been drawn up in compliance with IAS 34 ("Interim Financial Reporting").

These interim financial statements were neither fully audited nor subjected to an audit-like examination.

CHANGES IN ACCOUNTING POLICIES IN 2013

This Interim Report of Oberbank AG has been drawn up using the same recognition and measurement policies applied as at 31 December 2012.

This applies with the exception of standards and interpretations applicable for periods beginning on or after 1 January 2013. The list given below shows only those standards and interpretations that are of relevance with regard to the business activity of Oberbank.

Application of the following standards and interpretations as amended has become mandatory from January 2013:

- Amendment IAS 1, Presentation of Financial Statements,
- Amendment IAS 19, Employee Benefits,
- IFRS 13, Fair Value Measurement,
- Amendment IFRS 7, Financial Instruments: Disclosures and IAS 32, Financial Instruments: Presentation.

THE OBERBANK GROUP OF CONSOLIDATED COMPANIES

Besides Oberbank AG, the group of consolidated companies as at 30 June 2013 included 26 domestic and 21 foreign subsidiaries. In the period under review, the consolidated group as compared to 31 December 2012 changed owing to the first time inclusion of the following subsidiary:

	Share in %
Oberbank Leasing Prievidza s.r.o., Bratislava	100%

DETAILS OF THE INCOME STATEMENT (in €m)

1. NET INTEREST INCOME	01/01- 30/06/2013	01/01- 30/06/2012
Interest income from credit and money-market business	174.5	195.1
Shares and other variable-yield securities	3.1	2.5
Other equity investments	0.7	0.8
Subsidiaries	1.7	1.7
Fixed-interest securities and bonds	46.3	52.9
INTEREST AND SIMILAR INCOME	226.2	253.0
Interest expenses on deposits	(56.5)	(84.6)
Interest expenses on securitised liabilities	(17.4)	(21.3)
Interest expenses on subordinated liabilities	(9.1)	(11.7)
INTEREST AND SIMILAR EXPENSES	(83.0)	(117.5)
INTEREST FROM ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	24.6	9.7
NET INTEREST INCOME	167.8	145.2
2. CHARGES FOR LOSSES ON LOANS AND ADVANCES	01/01- 30/06/2013	01/01- 30/06/2012
Allocated to loan loss provisions	(46.8)	(40.5)
Direct write-offs	(1.0)	(1.5)
Reversals of loan loss provisions	12.7	15.9
Recoveries of written-off receivables	2.8	1.5
CHARGES FOR LOSSES ON LOANS AND ADVANCES	(32.3)	(24.7)
3. NET COMMISSION INCOME	01/01- 30/06/2013	01/01- 30/06/2012
Payment services	20.9	19.4
Securities business	18.7	16.5
Foreign exchange, foreign bank note and precious metals business	5.3	6.3
Credit operations	11.4	11.0
Other services and advisory business	1.8	1.8
NET COMMISSION INCOME	58.1	55.1
4. NET TRADING INCOME	01/01- 30/06/2013	01/01- 30/06/2012
Gains (losses) on interest rate contracts	1.6	0.7
Gains (losses) on foreign exchange, foreign bank note and numismatic business	1.3	2.8
Gains (losses) on derivatives	(0.5)	1.1
NET TRADING INCOME	2.4	4.6

5. ADMINISTRATIVE EXPENSES	01/01- 30/06/2013	01/01- 30/06/2012
Staff costs	69.3	67.9
Other administrative expenses	38.8	36.9
Write-offs and valuation allowances	11.7	11.3
ADMINISTRATIVE EXPENSES	119.8	116.1
6. OTHER OPERATING PROFIT (LOSS)	01/01- 30/06/2013	01/01- 30/06/2012
a) Net income from financial assets – FV through P or L	(0.1)	8.6
b) Net income from financial assets – AfS	(2.4)	(6.9)
c) Net income from financial assets – HtM	0.0	0.0
d) Other operating profit (loss)	4.9	7.8
OTHER OPERATING PROFIT (LOSS)	2.4	9.4
7. INCOME TAXES	01/01- 30/06/2013	01/01- 30/06/2012
Current income tax expense	15.4	14.1
Deferred income tax expense (income)	(3.3)	(0.4)
INCOME TAXES	12.1	13.7
8. EARNINGS PER SHARE	01/01- 30/06/2013	01/01- 30/06/2012
Number of shares in issue at 30 June	28,783.125	28,783.125
Average number of shares in issue	28,739.584	28,731.975
Consolidated net profit for the period	66.4	59.8
EARNINGS PER SHARE IN €	2.31	2.08
ANNUALISED FIGURES IN €	4.62	4.17

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 (in €m)

9. CASH AND BALANCES AT CENTRAL BANKS		30/06/2013	31/12/2012
Cash in hand		59.3	71.6
Credit balances with central banks of issue		168.9	111.2
CASH AND BALANCES AT CENTRAL BANKS		228.1	182.8

10. LOANS AND ADVANCES TO CREDIT INSTITUTIONS		30/06/2013	31/12/2012
Loans and advances to Austrian banks		862.7	1,017.5
Loans and advances to foreign banks		769.8	751.9
LOANS AND ADVANCES TO CREDIT INSTITUTIONS		1,632.5	1,769.4

11. LOANS AND ADVANCES TO CUSTOMERS		30/06/2013	31/12/2012
Loans and advances to Austrian customers		7,249.6	6,936.4
Loans and advances to foreign customers		4,426.1	4,309.4
LOANS AND ADVANCES TO CUSTOMERS		11,675.7	11,245.8

12. IMPAIRMENT PROVISIONS							
€m	As at 01/01/2013	Exchange rate changes	Added	Used	Reversed	As at 30/06/2013	
Specific impairment provisions	230.2	(1.0)	22.7	(19.6)	(7.6)	224.8	
Country risks	0.0	0.0	0.0	0.0	0.0	0.0	
Portfolio impairment provisions under IAS 39	138.5	0.0	16.9	0.0	0.0	155.4	
Charges for losses on loans and advances ¹⁾	368.8	(1.0)	39.6	(19.6)	(7.6)	380.2	
Loan loss provisions	128.9	0.0	6.5	(3.0)	(5.1)	127.3	
TOTAL IMPAIRMENT PROVISIONS	497.7	(1.0)	46.1	(22.6)	(12.7)	507.5	

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

13. TRADING ASSETS		30/06/2013	31/12/2012
Bonds and other fixed-interest securities			
Listed		2.1	4.2
Stocks and other variable-yield securities			
Listed		2.6	2.8
Positive fair values of derivative financial instruments			
Currency contracts		4.1	2.3
Interest rate contracts		39.2	51.0
Other contracts		0.0	0.0
TRADING ASSETS		48.1	60.4

14. FINANCIAL INVESTMENTS	30/06/2013	31/12/2012
Bonds and other fixed-interest securities	2,626.3	3,035.1
Stocks and other variable-yield securities	293.7	311.4
Equity investments/shares		
Subsidiaries	236.8	234.9
Entities accounted for using the equity method		
- Banks	242.0	233.8
- Non-banks	326.5	317.3
Other equity investments		
- Banks	13.5	10.8
- Non-banks	40.1	38.7
FINANCIAL INVESTMENTS	3,778.9	4,182.0
a) Financial assets – FV through P or L	253.7	278.0
b) Financial assets – AfS	743.9	1,121.9
c) Financial assets – HtM	2,212.8	2,231.0
d) Interest in entities accounted for using the equity method	568.5	551.1
FINANCIAL INVESTMENTS	3,778.9	4,182.0
15. INTANGIBLE ASSETS	30/06/2013	31/12/2012
Other intangible assets	2.5	3.2
Customer base	0.7	0.7
INTANGIBLE ASSETS	3.2	3.9
16. PROPERTY, PLANT AND EQUIPMENT	30/06/2013	31/12/2012
Investment property	89.7	84.5
Land and buildings	63.2	61.8
Business equipment and furnishings	70.6	67.8
Other property, plant and equipment	10.8	15.0
PROPERTY, PLANT AND EQUIPMENT	234.2	229.1
17. OTHER ASSETS	30/06/2013	31/12/2012
Deferred tax assets	47.8	38.0
Other items	276.4	329.8
Other deferrals	2.6	2.9
OTHER ASSETS	326.8	370.6
18. AMOUNTS OWED TO CREDIT INSTITUTIONS	30/06/2013	31/12/2012
Amounts owed to		
- Austrian banks	1,550.6	1,492.8
- Foreign banks	2,164.2	2,546.9
AMOUNTS OWED TO CREDIT INSTITUTIONS	3,714.8	4,039.7

19. AMOUNTS OWED TO CUSTOMERS	30/06/2013	31/12/2012
Savings deposits	3,331.3	3,380.1
Other	6,212.3	6,019.0
AMOUNTS OWED TO CUSTOMERS	9,543.6	9,399.1
20. SECURITISED LIABILITIES	30/06/2013	31/12/2012
Issued bonds	1,510.5	1,465.1
Other securitised liabilities	51.1	68.5
SECURITISED LIABILITIES	1,561.6	1,533.7
21. PROVISIONS FOR LIABILITIES AND CHARGES	30/06/2013	31/12/2012
Provisions for severance and pensions	210.0	210.0
Provisions for anniversary bonuses	8.9	8.7
Loan loss provisions	127.3	128.9
Other provisions	52.6	52.6
PROVISIONS FOR LIABILITIES AND CHARGES	398.9	400.2
22. OTHER LIABILITIES	30/06/2013	31/12/2012
Trading liabilities	43.9	52.1
Tax liabilities	22.0	4.9
- Current tax liabilities	17.1	0.5
- Deferred tax liabilities	4.8	4.4
Other liabilities	215.0	185.7
Deferred items	38.3	42.2
OTHER LIABILITIES	319.2	284.9
OTHER LIABILITIES (TRADING LIABILITIES)	30/06/2013	31/12/2012
Currency contracts	4.3	2.0
Interest rate contracts	38.3	50.1
Other contracts	1.4	0.1
TRADING LIABILITIES	43.9	52.1
23. SUBORDINATED DEBT CAPITAL	30/06/2013	31/12/2012
Issued subordinated bonds	9.4	6.6
Supplementary capital	543.3	589.2
Hybrid capital	80.9	79.3
SUBORDINATED DEBT CAPITAL	633.6	675.1

24. EQUITY	30/06/2013	31/12/2012
Subscribed capital	86.2	86.1
Capital reserves	194.3	194.0
Retained earnings (including net profit)	1,068.9	1,036.2
Untaxed reserves	21.4	21.4
Negative goodwill	1.9	1.9
Minorities	2.9	2.9
EQUITY	1,375.5	1,342.4

25. CONTINGENT LIABILITIES AND COMMITMENTS	30/06/2013	31/12/2012
Other contingent liabilities (guarantees and letters of credit)	1,312.0	1,310.2
CONTINGENT LIABILITIES	1,312.0	1,310.2
Liabilities arising from non-genuine repos	0.0	0.0
Other commitments (irrevocable loan commitments)	2,203.0	2,129.2
COMMITMENTS	2,203.0	2,129.2

26. SEGMENT REPORT – CORE BUSINESS SEGMENTS					
	Personal Banking	Corporate	Financial Markets	Other	Consolidated income statement H1 2013
Net interest income	28.5	105.7	33.6	0.0	167.8
Charges for losses on loans and advances	(1.5)	(11.0)	(19.7)	0.0	(32.3)
Net commission income	28.7	29.4	0.0	0.0	58.1
Net trading income	0.0	(0.1)	2.5	0.0	2.4
Administrative expenses	(41.6)	(63.0)	(3.0)	(12.2)	(119.8)
Other operating profit	1.5	6.2	(6.0)	0.7	2.4
Extraordinary profit	0.0	0.0	0.0	0.0	0.0
Profit for the period before tax	15.5	67.3	7.3	(11.5)	78.5
Average credit and market risk equivalent	1,192.4	8,180.0	3,581.1	0.0	12,953.5
Average allocated equity	124.9	856.9	375.2	0.0	1,357.0
Return on Equity (RoE)	24.7%	15.7%	3.9%		11.6%
Cost/income ratio	71.0%	44.6%	10.1%		51.9%

DISCLOSURES REQUIRED BY AUSTRIAN LAW

27. HUMAN RESOURCES	H1 2013	FY 2012
Salaried	2,000	2,020
Blue-collar	20	21
TOTAL RESOURCES	2,020	2,041

28. CONSOLIDATED OWN FUNDS AND REGULATORY OWN FUNDS REQUIREMENT			
Eligible own funds pursuant to Section 24 Austrian Banking Act (BWG) in €m			
Composition	30/06/2013	31/12/2012	30/06/2012
1. Core capital			
Share capital	86.3	86.3	86.3
Holdings of Oberbank AG shares	(0.7)	(1.0)	(7.0)
Disclosed reserves	952.7	952.7	886.5
Minorities	3.0	3.0	3.0
Goodwill arising due to capital consolidation	6.5	9.8	4.3
Goodwill arising due to the use of the equity method	118.7	118.7	114.1
Hybrid capital	79.0	79.0	79.0
Deductions of intangible assets	(3.3)	(3.2)	(4.0)
TOTAL CORE CAPITAL (TIER I)	1,242.2	1,245.4	1,162.3
CORE CAPITAL RATIO	11.61%	11.88%	10.92%
2. Supplementary own funds (TIER II)			
Eligible supplementary capital bonds	393.3	408.2	422.8
Revaluation reserves (already 45% of undisclosed reserves)	160.6	157.2	111.7
Subordinated bonds (suppl. capital below 3Y maturity)	36.9	30.2	24.1
TOTAL SUPPLEMENTARY OWN FUNDS (TIER II)	590.8	595.7	558.6
3. TIER III			
Addition of an amount not exceeding subordinated bonds eligible for Tier II	1.4	1.5	1.0
TOTAL TIER III CAPITAL	1.4	1.5	1.0
4. Deductions			
Deductions of interests in banks/other FI of over 10%	(80.1)	(80.1)	(82.3)
Deductions of interests in banks/other FI of up to 10%	0.0	0.0	0.0
TOTAL OWN FUNDS	1,754.3	1,762.5	1,639.6
Of which: own funds pursuant to Section 23 (14) no. 7 Austrian Banking Act (BWG)	1.4	1.5	1.0
OWN FUNDS RATIO	16.39%	16.81%	15.41%

Own funds requirement	30/06/2013	31/12/2012	30/06/2012
Credit risk pursuant to Section 22 (2) BWG	855.5	838.2	851.0
Trading book purs. to Section 22 o (2) BWG	1.4	1.5	1.0
Operational risk purs. to Section 22 k BWG	65.0	65.0	62.2
Qualified investments purs. to Section 29 (4) BWG	0.0	0.0	0.0
TOTAL OWN FUNDS REQUIREMENT	921.9	904.6	914.2
UNAPPROPRIATED OWN FUNDS	832.4	857.9	725.4
Basis for the calculation of the reserve ratios			
Assessment basis for the credit risk - Section 22 (2) BWG	10,694.4	10,476.9	10,637.4
Specific position risk of the trading book pursuant to Section 22 o nos. 1,3,6 BWG	9.7	5.0	4.1
TOTAL BASIS OF ASSESSMENT	10,704.0	10,481.9	10,641.5

29. FAIR VALUE OF FINANCIAL INSTRUMENTS AS AT 30/06/2013

In €m	HtM Book value/ fair value*	FV/PL Book value/ fair value*	TB Book value/ fair value*	Afs Book value/ fair value*	L&R/liabilities Book value/ fair value*	Other Book value/ fair value*	Total Book value/ fair value*
Cash and balances at central banks						228.1	228.1
						228.1	228.1
Loans and advances to credit institutions					1,632.5		1,632.5
					1,633.0		1,633.0
Loans and advances to customers	40.8	88.4		104.6	11,441.9		11,675.7
	40.8	88.4		104.6	11,486.4		11,720.2
Impairment provisions					(380.2)		(380.2)
					(380.2)		(380.2)
Trading assets			48.1				48.1
			48.1				48.1
Financial investments	2,212.8	253.7		743.9		568.5	3,778.9
	2,343.1	253.7		743.9		535.7	3,876.3
Intangible assets						3.2	3.2
						3.2	3.2
Property, plant and equipment						234.2	234.2
						266.8	266.8
Other assets						326.8	326.8
						326.8	326.8
TOTAL ASSETS	2,253.6	342.1	48.1	848.5	12,694.2	1,360.8	17,547.1
	2,383.8	342.1	48.1	848.5	12,739.1	1,360.6	17,722.2
Amounts owed to credit institutions		87.0			3,627.8		3,714.8
		87.0			3,642.6		3,729.7
Amounts owed to customers		411.8			9,131.8		9,543.6
		411.8			9,137.6		9,549.5
Securitised liabilities		591.7			969.8		1,561.6
		591.7			971.4		1,563.2
Provisions for liabilities and charges						398.9	398.9
						398.9	398.9
Other liabilities			43.9			275.3	319.2
			43.9			275.3	319.2
Subordinated debt capital		417.1			216.5		633.6
		417.1			218.1		635.2
Capital						1,375.5	1,375.5
						1,375.5	1,375.5
TOTAL EQUITY AND LIABILITIES	-	1,507.7	43.9	-	13,945.9	2,049.6	17,547.1
	-	1,507.7	43.9	-	13,969.8	2,049.6	17,571.0

* The first item line shows the book value; the line below shows the fair value of the same item.

**Presentation of the fair value hierarchy for financial instruments carried at fair value
as at 30/06/2013**

In €m	HtM Fair value	FV/PL Fair value	TB Fair value	AfS Fair value	L&R/Liabilities Fair value	Other Fair value	Total Fair value
Assets							
Level 1	-	57.8	4.4	442.2	-	-	504.4
Level 2	-	284.3	43.6	155.1	-	129.1	612.1
Level 3	-	-	-	-	-	-	-
Financial instruments	-	342.0	48.1	597.3	-	129.1	1,116.5
ASSETS							
Liabilities							
Level 1	-	591.7	-	-	-	-	591.7
Level 2	-	916.0	43.9	-	-	44.8	1,004.7
Level 3	-	-	-	-	-	-	-
Financial instruments	-	1,507.7	43.9	-	-	44.8	1,596.5
LIABILITIES							

* The fair value corresponds to the amount at which an asset can be sold or a liability settled in a transaction under market conditions between competent, willing and independent parties. The best indicator for the fair value is the market price in an active market. Where market prices are available in an active market, the assets are measured using these prices (level 1). Where no market prices are available, the fair value is determined using valuation models, with assets marked to market on the basis of official prices (level 2). Where the fair value cannot be assessed on the basis of market prices or using valuation models fully based on observable market data, individual valuation parameters that are not observable on the market are estimated on the basis of reasonable assumptions (level 3).

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 half of 2013 (1 January 2013 to 30 June 2013) 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 30 June 2013, major transactions with individuals and companies considered to be related parties amounted to:

- associated companies €k 0
- subsidiaries €k 0
- other related parties €k 0

Linz, 23 August 2013

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.

Financial calendar 2013

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

24 May 2013	Quarterly results for Q1 2013
23 August 2013	Quarterly results for Q1-Q2 2013
29 November 2013	Quarterly results for Q1-Q3 2013

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

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

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3 BANKEN GROUP AT A GLANCE

Income statement €m	Oberbank Group		BKS Bank Group		BTV Group	
	H1 2013	H1 2012	H1 2013	H1 2012	H1 2013	H1 2012
Net interest income	167.8	145.2	70.5	71.7	89.6	83.7
Charges for losses on loans and advances	(32.3)	(24.7)	(21.9)	(18.6)	(21.9)	(19.0)
Net commission income	58.1	55.1	22.3	22.0	22.6	21.4
Administrative expenses	(119.8)	(116.1)	(50.2)	(49.5)	(48.0)	(47.1)
Profit for the period before tax	78.5	73.5	23.3	25.3	45.5	38.4
Consolidated net profit for the period	66.4	59.8	20.8	22.1	37.8	31.8

Balance sheet in €m	30/06/2013	31/12/2012	30/06/2013	31/12/2012	30/06/2013	31/12/2012
Total assets	17,547.1	17,675.1	6,700.5	6,654.4	9,374.8	9,496.4
Loans and advances to customers after charges for losses on loans and advances	11,295.5	10,877.0	4,828.5	4,794.2	6,040.8	6,193.0
Primary funds	11,738.8	11,607.9	4,463.7	4,362.4	6,386.2	6,582.9
of which savings deposits	3,331.3	3,380.1	1,790.9	1,797.9	1,221.4	1,272.9
of which securitised liabilities including subordinated debt capital	2,195.2	2,208.8	808.0	816.5	1,220.5	1,187.8
Equity	1,375.5	1,342.4	701.8	688.3	867.2	845.5
Customer funds under management	21,642.6	21,558.0	10,877.4	10,674.9	11,088.8	11,368.8

Own funds within the meaning of the Austrian Banking Act (BWG) in €m	30/06/2013	31/12/2012	30/06/2013	31/12/2012	30/06/2013	31/12/2012
Assessment basis	10,704.0	10,481.9	4,437.8	4,457.9	5,511.0	5,665.0
Own funds	1,754.3	1,762.5	689.1	709.5	956.2	995.4
of which core capital (Tier 1)	1,242.2	1,245.4	630.0	630.7	805.8	806.0
Surplus own funds	832.4	857.9	307.1	325.8	489.1	516.0
Core capital ratio in %	11.61	11.88	13.14	13.10	13.54	13.17
Total capital ratio in %	16.39	16.81	15.53	15.92	17.35	17.57

Performance in %	30/06/2013	FY 2012	30/06/2013	FY 2012	30/06/2013	FY 2012
Return on equity before tax	11.58	10.59	6.46	7.57	10.72	8.65
Return on equity after tax	9.79	8.67	5.85	6.53	8.90	7.58
Cost/income ratio	51.94	54.64	53.91	53.82	42.72	44.44
Risk/earnings ratio (credit risk in percent of net interest income)	19.23	19.11	31.10	26.98	24.47	24.30

Resources	H1 2013	FY 2012	H1 2013	FY 2012	H1 2013	FY 2012
Average number of staff (weighted)	2,000	2,020	919	930	767	779
Number of branches	148	147	56	55	37	37