

# That much more than a bank.

Interim Report to Shareholders as at 30 September 2013



150 branches in five European countries.  
Oberbank – that much more than a bank.

**Oberbank**  
3 Banken Gruppe

## OBERBANK AT A GLANCE

| <b>Income statement in €m</b>            | <b>Q1-3 2013</b> | <b>+/-</b> | <b>Q1-3 2012</b> |
|--|------------------|------------|------------------|
| Net interest income                      | 255.3            | 11.0%      | 230.1            |
| Charges for losses on loans and advances | (53.1)           | 21.0%      | (43.9)           |
| Net commission income                    | 86.0             | 5.3%       | 81.6             |
| Administrative expenses                  | (181.0)          | 2.6%       | (176.5)          |
| Profit for the period before tax         | 114.2            | 5.6%       | 108.2            |
| Consolidated net profit for the period   | 97.2             | 8.2%       | 89.8             |

| <b>Balance sheet in €m</b>                                      | <b>30/09/2013</b> | <b>+/-</b> | <b>31/12/2012</b> |
|---|-------------------|------------|-------------------|
| Assets  | 17,388.9          | (1.6%)     | 17,675.1          |
| Loans and advances to customers after provisioning charge       | 11,266.9          | 3.6%       | 10,877.0          |
| Primary funds   | 11,792.2          | 1.6%       | 11,607.9          |
| of which savings deposits                                       | 3,300.4           | (2.4%)     | 3,380.1           |
| of which securitised liabilities including subordinated capital | 2,220.6           | 0.5%       | 2,208.8           |
| Equity  | 1,402.0           | 4.4%       | 1,342.4           |
| Customer funds under management                                 | 22,183.6          | 2.9%       | 21,558.0          |

| <b>Own funds within the meaning of BWG in €m</b> | <b>30/09/2013</b> | <b>+/-</b> | <b>31/12/2012</b> |
|--|-------------------|------------|-------------------|
| Assessment basis                                 | 10,767.8          | 2.7%       | 10,481.9          |
| Own funds  | 1,741.3           | (1.2%)     | 1,762.5           |
| of which core capital (Tier 1)                   | 1,240.0           | (0.4%)     | 1,245.4           |
| Surplus of own funds                             | 814.5             | (5.1%)     | 857.9             |
| Core capital ratio in %                          | 11.52             | (0.36ppt)  | 11.88             |
| Total capital ratio in %                         | 16.17             | (0.64ppt)  | 16.81             |

| <b>Performance in %</b>                                       | <b>Q1-3 2013</b> | <b>+/-</b> | <b>Q1-3 2012</b> |
|---|------------------|------------|------------------|
| Return on equity before tax                                   | 11.15            | (0.20ppt)  | 11.35            |
| Return on equity after tax                                    | 9.49             | 0.07ppt    | 9.42             |
| Cost/income ratio   | 51.98            | (1.74ppt)  | 53.72            |
| Risk/earnings ratio (credit risk in % of net interest income) | 20.78            | 1.72ppt    | 19.06            |

| <b>Resources</b>                              | <b>Q1-3 2013</b> | <b>+/-</b> | <b>FY 2012</b> |
|---|------------------|------------|----------------|
| Average number of staff (weighted)            | 2,002            | (18)       | 2,020          |
| Number of branches at the end of quarter/year | 148              | 1          | 147            |

# THE OBERBANK GROUP IN THE FIRST THREE QUARTERS OF 2013



Dear Readers,

**Oberbank looks back on very satisfactory development in the first three quarters of 2013.**

The operating profit as well as the profit before and after tax clearly increased compared to the previous year; loans and deposits continued to grow perceptibly; credit risk continued to develop along favourable lines and we further strengthened our already excellent capital base.

## Top position in a Europe-wide comparison

With these developments, the Bank holds an excellent position, even in an international comparison.

The international finance magazine “The Banker” recently published a comparison of Europe’s 250 largest banks. In this ranking, Oberbank is listed in the top 50 in terms of both profitability and return on equity and hence has clearly been outperforming the European average.

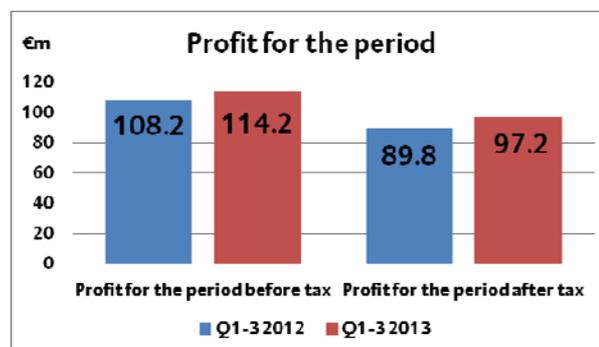
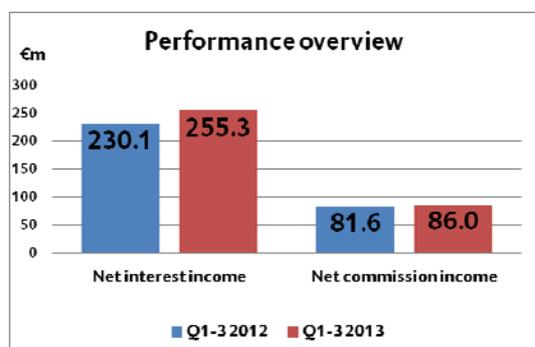
## Particularly positive development of results

- **Operating profit +10.0%, profit before tax +5.6%, profit after tax +8.2%**
- **Credit risk continues to develop along favourable lines**

In the first three quarters of 2013, we again boosted our operating result by a substantial margin, namely by 10.0% to €167.3 million – figures that make Oberbank one of the most profitable players in the Austrian banking sector.

This outstanding result enabled the Bank to retain its particularly cautious provisioning policy. Notwithstanding its persistently favourable credit risk situation, Oberbank set up €53.1 million in new risk provisions, thus increasing allocations by 21.0 per cent as compared with the first three quarters of 2012.

Oberbank’s consolidated profit for the first three quarters of 2013 thus widened by 5.6% to €114.2 million before tax year on year. The consolidated profit after tax rose by an impressive 8.2% to €97.2 million.



## Growth in net interest income and income from services, favourable cost structure

- **11.0% growth in net interest income, 5.3% increase in income from services**
- **Administrative expenses widened by only 2.6%**
- **Cost/income ratio clearly better than in the industry as a whole**

**Net interest income soared by 11.0% to €255.3 million year on year.** At €216.7 million, interest income from operating activities was 5.2% higher than in the comparable period of 2012. Income from equity investments took an excellent development, rising from by 60.4% to €38.6 million.

**Income from services also showed highly satisfactory growth,** rising by 5.3% to €86.0 million.

This growth was primarily boosted by an 8.6% increase in commissions from payment transactions to €31.4 million and a 10.4% rise in commissions from securities transactions to €26.9 million.

**Costs, by contrast, widened at a very moderate rate.** Administrative expenses rose by 2.6% to €181.0 million and hence at a much lower rate than earnings, resulting in a cost/income ratio of 52% (comparing with a ratio of 66% in the industry as a whole according to recent data published by the Österreichische Nationalbank).

#### **Further growth in lending**

- **4.2% lending volume growth to €11.7 billion**
- **Growth propelled by commercial and personal lending**

Oberbank's commercial lending volume increased by 4.0% to €9.5 billion as at 30 September 2013. This growth was primarily due to the excellent development of investment finance lending, which grew by 7.2% to €6.6 billion. The volume of personal loans widened by 4.9% to €2.2 billion.

#### **Customer funds under management prove customers' trust in Oberbank**

- **5.6% or €1.2 billion volume growth to €22.2 billion despite declining savings rate**
- **Further growth in both primary deposits and volume of securities held on customer deposits**

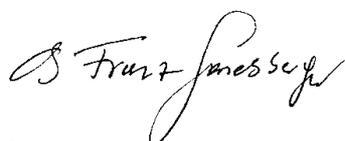
The savings rate in Austria continued to decline and recently reached a historical low of only 5.2%. Oberbank nevertheless remained in high favour among investors, who appreciate our earnings strength, stability and predictability in the light of the current uncertain environment.

Primary deposits increased by 3.9% from €11.3 billion to €11.8 billion, and the volume of securities held on customer deposits surged 7.5% from €9.7 billion to €10.4 billion. On balance, assets under management rose by 5.6% or €1.2 billion to €22.2 billion year on year.

#### **Key ratios remain excellent, core capital ratio substantially higher**

- **RoE before tax: 11.15%; after tax: 9.49%**
- **Core capital ratio improved from 11.10% to 11.52%**
- **Own funds ratio came to 16.17%, double the statutory rate**

At 11.15% before tax and 9.49% after tax, Oberbank's return on equity continues to be on a truly excellent level. The core capital of Oberbank rose by 6.1% to €1,240.0 million and the core capital ratio improved from 11.10% to 11.52% year on year. Own funds also increased by a remarkable 4.3% to €1,741.3 million; the Bank's own funds ratio is more than double the statutory rate.



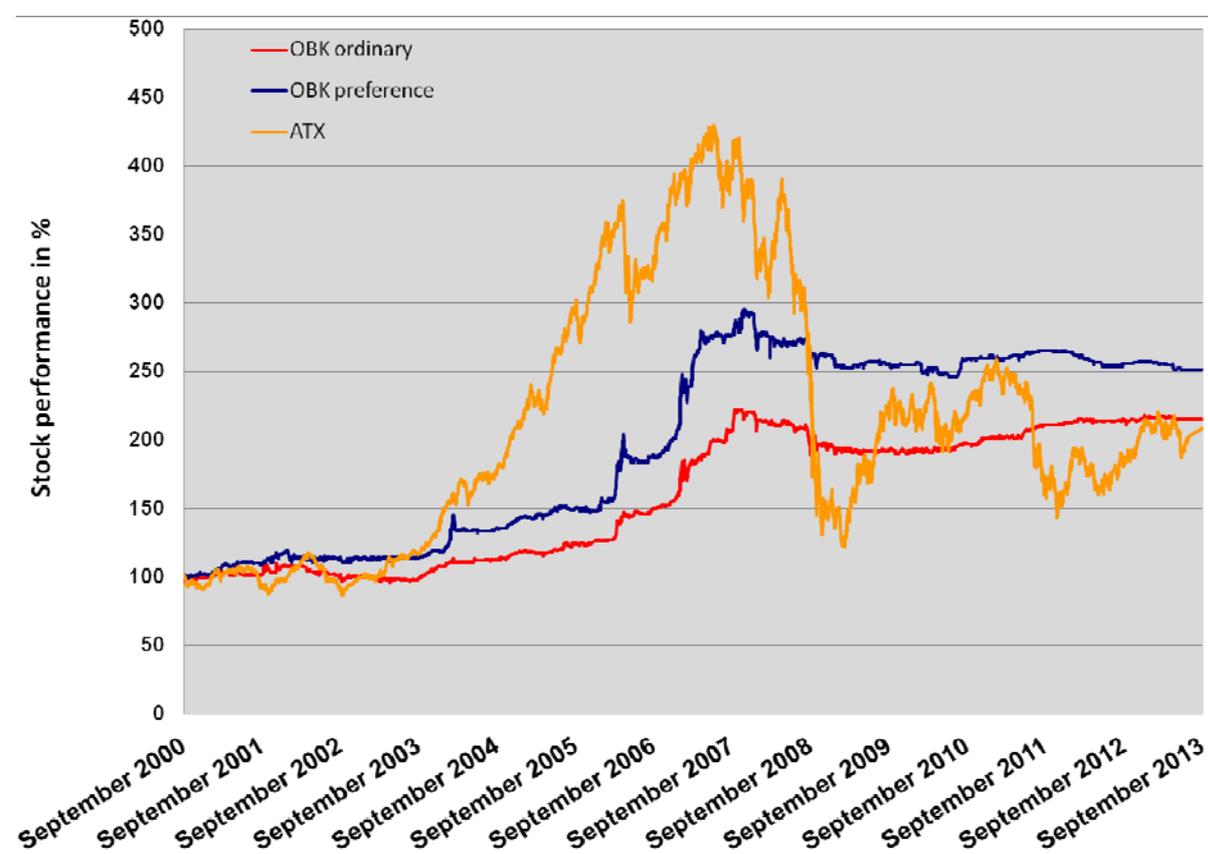
CEO Franz Gasselsberger

## THE OBERBANK SHARES

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

| Oberbank stock – key figures             | Q1-3 2013   | Q1-3 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 €     | 47.60/37.60 | 47.15 / 38.10 |
| Close (ordinary/preference share) in €   | 47.89/37.70 | 47.85 / 38.40 |
| Market capitalisation in €m              | 1,347.9     | 1,348.9       |
| IFRS earnings per share in €, annualised | 4.51        | 4.17          |
| P/E ratio (ordinary share)               | 10.62       | 11.47         |
| P/E ratio (preference share)             | 8.36        | 9.21          |

### Oberbank ordinary and preference shares compared with the ATX



# THE BUSINESS SEGMENTS IN THE FIRST THREE QUARTERS

## CORPORATE AND BUSINESS BANKING SEGMENT

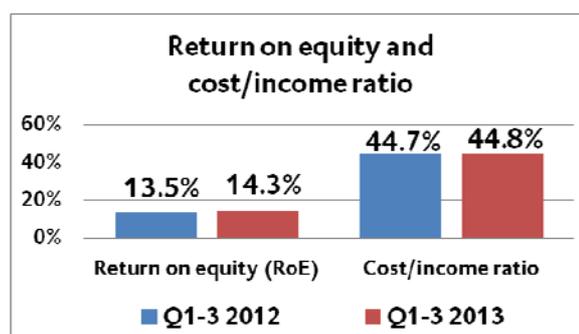
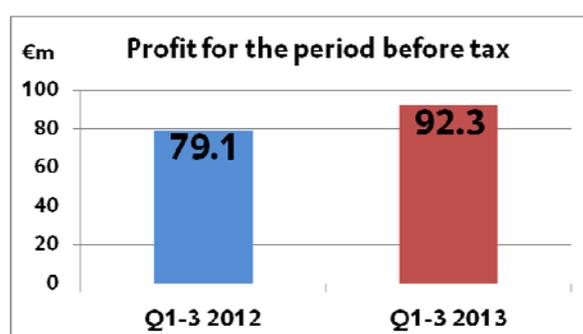
| €m  | Q1-3 2013    | Q1-3 2012    | +/- in absolute terms | +/-%        |
|---|--------------|--------------|-----------------------|-------------|
| Net interest income                             | 159.5        | 147.5        | 12.0                  | 8.1         |
| Charges for losses on loans and advances        | (25.2)       | (33.1)       | 7.9                   | (23.8)      |
| Net commission income                           | 44.6         | 45.0         | (0.4)                 | (0.9)       |
| Net trading income                              | (0.8)        | 0.1          | (0.9)                 | >(100)      |
| Administrative expenses                         | (95.3)       | (90.5)       | (4.8)                 | 5.3         |
| Other operating profit                          | 9.5          | 10.1         | (0.6)                 | (6.3)       |
| Extraordinary profit                            | 0.0          | 0.0          | 0.0                   |             |
| <b>Profit for the period before tax</b>         | <b>92.3</b>  | <b>79.1</b>  | <b>13.2</b>           | <b>16.7</b> |
| Average credit and market risk equivalent (BWG) | 8,258.7      | 7,907.5      | 351.2                 | 4.4         |
| Average allocated equity                        | 861.6        | 778.2        | 83.4                  | 10.7        |
| <b>Return on equity</b>                         | <b>14.3%</b> | <b>13.5%</b> | <b>0.8ppt</b>         |             |
| <b>Cost/income ratio</b>                        | <b>44.8%</b> | <b>44.7%</b> | <b>0.1ppt</b>         |             |

### Earnings growth in Corporate and Business Banking

The Corporate and Business Banking segment boosted earnings: The profit for the period before tax increased by 16.7% or €13.2 million to €92.3 million year on year.

Net interest income widened by 8.1% or €12.0 million to €159.5 million year on year. Concurrently, charges for losses on loans and advances decreased by 23.8% or €7.9 million to €25.2 million. Net commission income declined slightly by 0.9% or €0.4 million to €44.6 million.

Administrative expenses rose by 5.3% or 4.8 million to €95.3 million; other operating profit declined by 6.3% or €0.6 million to €9.5 million.



The return on equity increased by 0.8 percentage points to 14.3% and the cost/income ratio rose by 0.1 percentage points to 44.8%.

## More than 42,500 corporate and business banking customers

The positive trend in new customer acquisition continued in the first three quarters of 2013, with Oberbank gaining 4,367 new corporate and business banking customers in this period. Currently, Oberbank services 42,515 corporate and business banking customers.

## Commercial lending

Lending has continued to develop along positive lines at Oberbank. On 30 September 2013, the Bank's total lending volume amounted to €11.7 billion, which marks a rise of 4.2% or €466.1 million year on year. Loans to corporate and business customers, which increased by as much as 4.0% or €363.1 million year on year, accounted for €9.5 billion of this total.

| Commercial loans |                  | YoY growth        |      |
|------------------|------------------|-------------------|------|
| as at 30/09/2013 | as at 30/09/2012 | in absolute terms | in % |
| €9,452.4 m       | €9,089.3 m       | €363.1 m          | 4.0% |

## Investment finance

In the first three quarters of 2013, the number of applications for subsidised investment and innovation projects handled by Oberbank increased by 38% to 783 year on year. With 217 applications for ERP loans (fixed-rate loans to small and medium-sized businesses), the Bank again substantially contributed to providing subsidised finance to Austrian SMEs in the first nine months of 2013. The project volume also increased noticeably as compared to the previous year, namely by 11%. This is reflected by the volume of investment finance loans extended by Oberbank, which increased to a new high of €576.5 million as at 30 September 2013.

## Leasing

Leasing receivables from customers increased by 0.3% or €5.0 million to €1,531.0 million year on year.

| Leasing receivables from customers |            | YoY growth        |      |
|------------------------------------|------------|-------------------|------|
| Q1-3 2013                          | Q1-3 2012  | in absolute terms | in % |
| €1,531.0 m                         | €1,526.0 m | €5.0 m            | 0.3% |

Rising to €134.4 million in the third quarter, the volume of new leasing business increased markedly compared to the first and second quarter of the current year. New business in the first three quarters, which came to a total of €362.7 million, failed to fully match the previous year's excellent result of €382.3 million, attained against the backdrop of a number of large projects.

New business was mainly driven by anticipatory effects due to the imminent amendment of the exhaust emission standards for trucks; a number of enterprises decided to replace their truck fleets ahead of time. The movable-assets business continued to pick up perceptibly in the third quarter.

## Export finance and export promotion

Recessionary trends in a number of euro area countries continue to pose special challenges for exporters. As a matter of fact, overseas markets are the only regions where businesses see positive export growth, which is why receivables hedging has become a central topic. As a full-service provider in this business line, Oberbank has evinced a disproportionately positive business trend.

Oberbank continued to strengthen its position in this business line also in terms of market share, closing the third quarter with a record share of 12.12% in terms of export finance under Export Fund procedures for SMEs. In terms

of large corporate loans extended under the KRR Kontrollbank Credit Line, Oberbank held an Austria-wide market share of 10.16%. With these figures, Oberbank takes second place and third place respectively in an Austrian comparison.

### **Documentary business and guarantees**

Customer demand in this business line reflected the general trend in foreign trade (decline of imports and slight rise in exports) observed from the beginning of the year. Following restraint in the first half of 2013, transaction numbers picked up again, rising to the previous year's level and slightly higher. Earnings developments were highly positive; in the third quarter, earnings exceeded the comparable figure for the third quarter of 2012 by 28.5%.

### **Syndicated and international lending**

The development of Oberbank's syndicated and international lending business in the third quarter was characterised by slight increases in terms of both transaction numbers and volume. This positive trend was primarily due to numerous transactions resulting from Oberbank's participation in the placement of new syndicated loans as well as select note issues.

### **Structured financing**

As in the first half of 2013, demand for structured finance remained on a constantly high level in the third quarter. More than half of the loan applications related to classical investment projects and a large share of these to real estate. This suggests that companies were raising capital not only for the renovation and expansion of existing locations, but also for new investment projects.

While inquiries for refinancing solutions continued more or less on the level of the first half of 2013, the third quarter witnessed notable growth in credit demand for change-of-ownership projects. High demand for receivables management solutions indicates that in the third quarter companies focused increased attention on optimising liquidity management.

### **Oberbank Opportunity Fonds**

In the reporting period, the Oberbank Opportunity Fonds received 117 new applications for financing solutions. Six transactions were finalised in the first three quarters of 2013 (including supplementary funding for existing portfolio companies), a number of others were pending finalisation.

Since the launch of the Oberbank Opportunity Fonds, the Bank has facilitated a total of 40 transactions by providing equity and/or mezzanine capital support. The committed fund volume amounted to €90.3 million (of a total of €150 million) as at 30 September 2013. On the same date, equity participation capital accounted for €22.7 million and mezzanine capital finance for €24.5 million of the outstanding exposure of €47.2 million.

### **International network of banks and institutions**

In their world-wide activities, the Bank's export customers continued to take advantage of the competent support of Oberbank, which further strengthened and expanded relations with its international network of banks and institutions in Central and Eastern Europe as well as in Russia, China, South-East Asia and the Middle East. In addition to the assumption of country and bank risks of export-oriented businesses, Oberbank also aimed at enhancing the utilisation of cross-selling potentials. For this reason, acquisition activities focused on customers with activities in the five Oberbank regions (Austria, Germany, Czech Republic, Slovakia and Hungary). As regards the goal of securing excess liquidity above and beyond the level required to refinance customer loans by customer deposits, Oberbank persevered in its efforts to strengthen contacts with bank partners, thus bolstering its very healthy level of spare

capacity. Strategic finance extended to bank partners in growth regions, moreover, helps to unlock potential for reciprocal business with customers of these partner banks in Oberbank's five regions of activity.

## Payment services

Having risen by 8.6%, earnings from payment services were clearly headed upward in the first three quarters of 2013. The number of SEPA-standard transactions also rose substantially.

| Q1-3 2013                                | Corporate customers | Personal Customers | Total             |
|--|---------------------|--------------------|-------------------|
| <b>Payment volumes</b>                   |                     |                    |                   |
| Electronic payment orders                | 16,122,797          | 3,730,872          | 19,853,669        |
| Paper-based payment orders               | 404,449             | 597,525            | 1,001,974         |
| <b>Total</b>                             | <b>16,527,246</b>   | <b>4,328,397</b>   | <b>20,855,643</b> |
| Percentage of electronic payment orders  | 97.6%               | 86.2%              | 95.2%             |
| Percentage of paper-based payment orders | 2.5%                | 13.8%              | 4.8%              |

## SEPA (Single Euro Payments Area)

The third quarter was dominated by the preparations for the forthcoming migration to SEPA standards. The focus of activities was on counselling customers and providing them with information on the handling of direct debit transactions. Since the beginning of September, customers have increasingly asked for SEPA-related services such as the Bank's IBAN conversion service, XML data carrier check and SEPA online counselling ([sepa@oberbank.at](mailto:sepa@oberbank.at)). As demand for SEPA counselling is likely to increase in the upcoming months, we have stocked up our advisory resources to afford our customers the best possible support.

## Risk management, investment

### Management of interest rate risk and currency risk

The Fed's indications of a possible alteration of its current, highly accommodative interest rate and liquidity policy and of reducing the liquidity supply of the market in the medium term triggered some movements on the currency market. The EUR/USD currency pair, i.e. the pair most commonly traded by our customers, fluctuated within a range of almost 6.5% between the highest and the lowest exchange rates in the third quarter. Against the backdrop of these ups and downs on currency markets, many of the Bank's business customers took advantage of tried and tested hedging instruments to protect their existing and upcoming trades. Forward exchange transactions, the classic among hedging instruments, were the instrument highest in demand among customers.

### Primary deposits

Persistently low money market rates and slight rate movements at the long end of the market characterised the past reporting period. In view of low interest rates and just minor differences between rates in the short maturities range, investors' preferences focused on short-term investments. Sight deposits further increased year on year and continued to account for a high percentage of total deposits. The overall rates of interest on short-term deposits also reflected the low money market rates. Higher yielding categories had to be adjusted to keep the interest rate structure of sight deposits close to short-term market rates.

Overall, sight deposits at Oberbank grew by 3.9% to € 11.8 billion year on year.

## PERSONAL BANKING SEGMENT

| €m  | Q1-3 2013    | Q1-3 2012    | +/- in absolute terms | +/-%        |
|---|--------------|--------------|-----------------------|-------------|
| Net interest income                             | 42.8         | 41.6         | 1.2                   | 2.8         |
| Charges for losses on loans and advances        | (1.3)        | (6.2)        | 4.8                   | (78.3)      |
| Net commission income                           | 41.4         | 36.6         | 4.8                   | 13.0        |
| Net trading income                              | 0.0          | 0.0          | 0.0                   |             |
| Administrative expenses                         | (62.6)       | (63.6)       | 0.9                   | (1.5)       |
| Other operating profit                          | 2.0          | 4.5          | (2.5)                 | (55.5)      |
| Extraordinary profit                            | 0.0          | 0.0          | 0.0                   |             |
| <b>Profit for the period before tax</b>         | <b>22.2</b>  | <b>13.0</b>  | <b>9.2</b>            | <b>70.6</b> |
| Average credit and market risk equivalent (BWG) | 1,204.1      | 1,180.1      | 24.0                  | 2.0         |
| Average allocated equity                        | 125.6        | 116.1        | 9.5                   | 8.2         |
| <b>Return on Equity (RoE)</b>                   | <b>23.6%</b> | <b>15.0%</b> | <b>8.6ppt</b>         |             |
| <b>Cost/income ratio</b>                        | <b>72.7%</b> | <b>76.8%</b> | <b>(4.1ppt)</b>       |             |

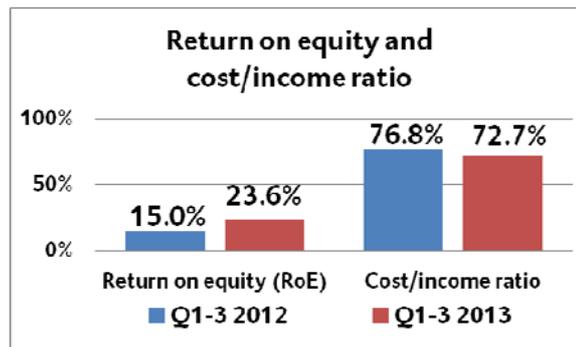
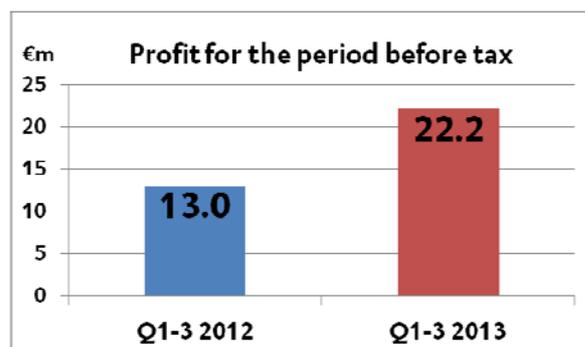
### Gratifying development

In the Personal Banking segment, the profit for the period before tax increased by 70.6% or €9.2 million to €22.2 million year on year.

Net interest income widened by 2.8% or €1.2 million to €42.8 million; net commission income grew by 13.0% or €4.8 million to €41.4 million.

Charges for losses on loans and advances declined by 78.3% or €4.8 million to €1.3 million compared with the same period in the previous year. Administrative expenses decreased by 1.5% or €0.9 million to €62.6 million. Other operating profit fell by 2.5 million to €2.0 million.

The return on equity rose by 8.6 percentage points to 23.6%; the cost/income ratio improved by 4.1 percentage points to 72.7%.



## Personal banking customers

In the first three quarters of 2013, Oberbank acquired 16,309 new customers. As at 30 September 2013, the Bank was servicing a total of 305,506 personal banking customers across all lines of business in Austria and abroad. This figure marks a slight decrease of 0.7% or 2,128 personal banking customers, partly due to adjustments in the field of passbook operations 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 three quarters of 2013, Oberbank's portfolio of personal accounts grew by 1,782 accounts to a total of 175,296. Year on year, the number of personal accounts increased by 2,045 or 1.2%.

| Number of personal accounts |                  | YoY growth        |      |
|-----------------------------|------------------|-------------------|------|
| as at 30/09/2013            | as at 30/09/2012 | in absolute terms | in % |
| 175,296                     | 173,251          | 2,045             | 1.2% |

## Personal loans

The volume of personal loans to households increased by 4.9% or € 103.2 million to € 2,204.0 million in the first nine months of 2013, with the volume of new lending topping that of the comparative period of the previous year by 1.3%. The Bank's foreign markets posted very satisfactory development in the reporting period: Slovakia +40.5%, Bavaria +8.4% and Czech Republic +7.3%.

| Personal loans   |                  | YoY growth        |      |
|------------------|------------------|-------------------|------|
| as at 30/09/2013 | as at 30/09/2012 | in absolute terms | in % |
| € 2,204.0 m      | € 2,100.8 m      | € 103.2 m         | 4.9% |

## Savings deposits

Compared with the level on 30 September 2012, the volume of saving deposits declined by 2.1% or € 71.3 million to € 3,300.4 million; the ratio of variable-rate savings deposits to fixed-rate deposits shifted slightly in favour of variable-rate deposits. The savings rate continued to drop throughout Austria. Following a slight rise to 7.4% in 2012, the savings rate again declined to a record low of 5.2% in the first half of 2013.

| Savings deposits |                  | YoY growth        |        |
|------------------|------------------|-------------------|--------|
| as at 30/09/2013 | as at 30/09/2012 | in absolute terms | in %   |
| € 3,300.4 m      | € 3,371.7 m      | (€ 71.3 m)        | (2.1%) |

## Securities business

Global equity markets rallied in the third quarter of 2013. Towards the end of the quarter, the US Dow Jones Industrials climbed to a new record level, and the German DAX also marked a new high.

The Vienna Stock Exchange witnessed a very good third quarter. However, the issuing activity of Austrian corporate bonds, in contrast to a strong first half of the year, was marked by conspicuous weakness.

The market value of securities in customer deposits showed very positive development, rising by 10.2% or € 963.0 billion to an all-time high of € 10.4 billion.

Net commission income in the securities business increased by 10.4% or €2.5 million to €26.5 million as at 30 September 2013. This rise was distributed across all three large sub-positions, i.e. transaction, management and securities deposit fees. Net commission income thus surged to its highest level since 2007.

### **Issues of Oberbank investment vehicles**

The Bank's issuing activity continued at a high level in the third quarter of 2013. Overall, the Bank's new issuing volume amounted to €292.4 million in the third quarter, with new issues focusing on medium-term step-up bonds and the money-market-oriented Cash Garant line of products.

### **3-Banken Wohnbaubank AG**

In the third quarter, 3-Banken Wohnbaubank AG placed fiduciary bond issues for all three partner banks, the volume placed on a fiduciary basis for Oberbank amounting to €14.4 million year to date. The current issue is structured as a step-up bond.

### **Private Banking & Asset Management**

The highly satisfactory development in Private Banking continued unbroken in the first three quarters of 2013. Both the acquisition of new funds and the performance contributed to a volume increase of 15.1% or €621 million to €4.7 billion compared to the level on 30 September 2012.

The volume of funds managed by the Bank's asset management department climbed to a new record level of €290.6 million, which corresponds to a rise of 22.2% or €52.9 million year on year.

Thanks to the high share of equities in the portfolio and the absence of low-performing assets such as commodities and gold, average yields were highly satisfactory.

Trading activities of the Bank's brokerage customers continued to pick up.

The Oberbank asset allocation reflected in the Oberbank Vermögensmanagement Plus portfolio resulted in a performance of 3.6% in the first nine months of 2013.

### **Investment funds: 3 Banken-Generali Investment GmbH**

In 2013, the 3 Banken-Generali Investment GmbH continued to develop along the very positive lines of the past few years. As at 30 September 2013, the volume of funds managed by the fund management company had risen to €6.4 billion, which corresponds to an increase of 6.0% or €360 million. The fund management company thus clearly outperformed the Austrian Market (+1.3%).

Volume growth was almost equally distributed between the inflow of new funds and the value appreciation attained by the individual investment funds. The special funds business with its made-to-measure fund concepts for different customer groups again showed particularly dynamic development.

The financial market environment, though still prone to irritations, has basically been friendly. In the persisting low-interest environment, bond markets have failed to show any noteworthy performance, but equity markets have been making up for much of this shortcoming. Depending on the market and segment, performance figures were partly in the double-digit range in the first nine months. Demand for diversified and transparent investment concepts is likely to remain high as interest rates at the short end are expected to stay low for quite some time yet.

## Building and loan association saving

In the first nine months of 2013, the number of building and loan association contracts brokered by Oberbank for the Bausparkasse Wüstenrot building and loan association increased by 15.7% to 9,221 contracts year on year. This rise marks the best result 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

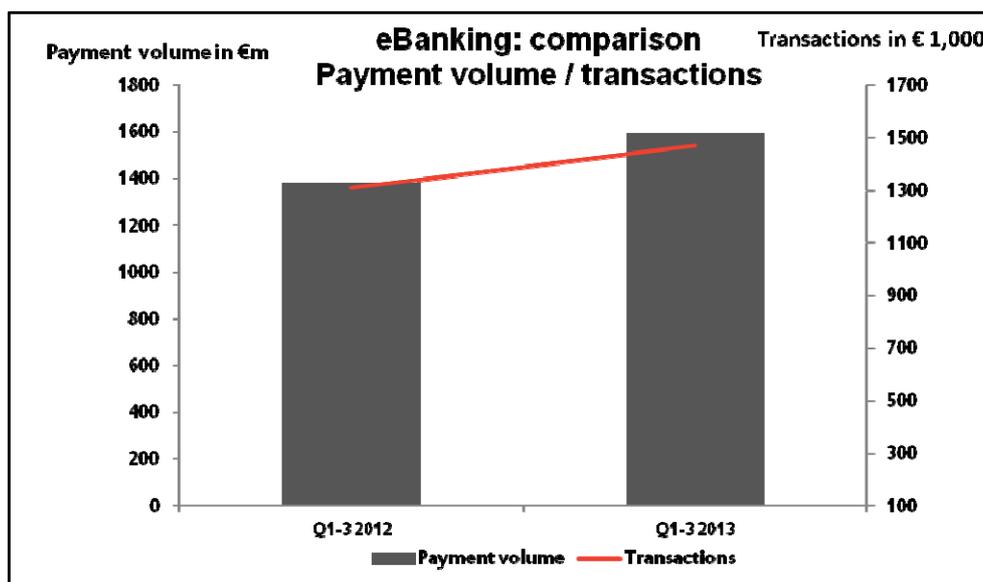
In the third quarter of 2013, insurance services in Personal Banking continued on the firm track set in the first half of the year. In Corporate and Business Banking, this business line posted notable success in boosting property insurance contracts and exploiting untapped potential in the field of occupational pension schemes. Overall, the premium volume in this line of business increased by € 12.6 million or 25.9% from € 48.8 million to € 61.4 million year on year.

| Insurance policies – premium volume |                  | YoY growth        |       |
|-------------------------------------|------------------|-------------------|-------|
| as at 30/09/2013                    | as at 30/09/2012 | in absolute terms | in %  |
| € 61.4 m                            | € 48.8 m         | € 12.6 m          | 25.9% |

## E-Banking

The Oberbank App almost immediately became a success story with customers, as customer interest has proven. Almost 17,000 downloads document high demand. At present, one out of five online customers takes advantage of the innovative functions and services accessible with this new mobile application.

The success of the classical online banking also continued unbroken. In the first nine months of 2013, the number of transactions increased by 13% and the overall payment volume by 16% year on year.



## FINANCIAL MARKETS SEGMENT

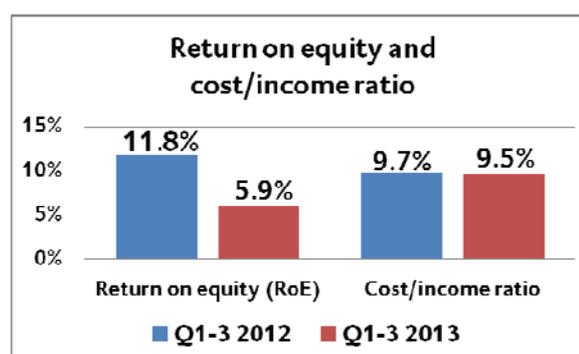
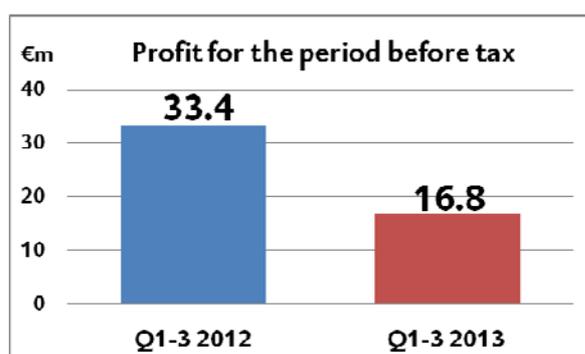
The Financial Markets segment covers earnings from equity investments and trading activities as well as interest earnings on the surplus of non-interest-bearing liabilities and income from maturity transformation.

| €m  | Q1-3 2013   | Q1-3 2012    | +/- in absolute terms | +/-%          |
|---|-------------|--------------|-----------------------|---------------|
| Net interest income                             | 53.1        | 41.0         | 12.0                  | 29.4          |
| Charges for losses on loans and advances        | (26.5)      | (4.6)        | (21.9)                | >100          |
| Net commission income                           | 0.0         | 0.0          | 0.0                   |               |
| Net trading income                              | 3.7         | 5.8          | (2.1)                 | (36.6)        |
| Administrative expenses                         | (4.6)       | (4.1)        | (0.5)                 | 11.4          |
| Other operating profit                          | (8.9)       | (4.7)        | (4.2)                 | 88.7          |
| Extraordinary profit                            | 0.0         | 0.0          | 0.0                   |               |
| <b>Profit for the period before tax</b>         | <b>16.8</b> | <b>33.4</b>  | <b>(16.6)</b>         | <b>(49.8)</b> |
| Average credit and market risk equivalent (BWG) | 3,626.1     | 3,825.6      | (199.5)               | (5.2)         |
| Average allocated equity                        | 378.3       | 376.5        | 1.8                   | 0.5           |
| <b>Return on Equity (RoE)</b>                   | <b>5.9%</b> | <b>11.8%</b> | <b>(5.9ppt)</b>       |               |
| <b>Cost/income ratio</b>                        | <b>9.5%</b> | <b>9.7%</b>  | <b>(0.2ppt)</b>       |               |

The Financial Markets segment posted a profit of €16.8 million for the reporting period; this corresponds to a decline of 49.8% or €16.6 million year on year.

Net interest income increased by 29.4% or €12.0 million to €53.1 million. Charges for losses on loans and advances increased from €21.9 million to €26.5 million year on year. Net trading income declined by 36.6% or €2.1 million to €3.7 million. Administrative expenses rose by 11.4% or €0.5 million to €4.6 million.

The return on equity decreased by 5.9 percentage points to 5.9%; the cost/income ratio improved by 0.2 percentage points to 9.5%.



## **Current environment**

### **Market development**

The market environment has improved slightly in the course of the year. The sovereign debt crisis has been moving into the background and some of the credit spreads for peripheral states have decreased substantially. Countries like Italy and Spain have been able to finance themselves on the capital market again; Ireland has already announced its return to the markets and Portugal is getting ready for a similar move.

Political events also contributed to calming the markets. Angela Merkel's success in the German elections was received with enthusiasm, even though the coalition building process was bound to pose challenges; Berlusconi's fall from power in Italy also had positive impacts on the markets.

Meanwhile, signals coming from the large central banks have given rise to uncertainty:

- The Fed announced its intention to taper its bond purchases, but failed to state a time frame.
- The ECB has been reticent with information about further steps.

The equity markets have reacted the most conspicuously to this environment, posting substantial price gains. Important stock indices such as the Dow Jones, the DAX and the Eurostoxx50 climbed between 10% and 15% in the first three quarters.

### **Regulatory environment**

Numerous regulations, directives and laws have entered into force, will soon enter into force or are pending decision.

Oberbank AG has already initiated the implementation of the major part of this new legislation and is well prepared for the challenges involved.

### **Proprietary trading**

Due to the uncertainties governing the markets, it was considered advisable to keep risks low and to mainly restrict trading activities to transactions for customers. Nevertheless, the Bank generated a stable contribution to earnings in this line in the first nine months of 2013.

## OWN FUNDS

The core capital increased by 6.1% or € 71.0 million to € 1,240.0 as compared to the first three quarters of 2012. The core capital ratio thus improved by 0.42 percentage points from 11.10% to 11.52%.

Consolidated own funds within the meaning of Section 24 of the Austrian Banking Act (Bankwesengesetz, BWG) amounted to € 1,741.3 million as at 30 September 2013, which is 4.3% above the level of the same date in the previous year.

The own funds requirement as at 30 September 2013 amounted to € 926.9 million, bringing the Group's surplus of own funds to € 814.5 million, which corresponds to a 6.5% 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.

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

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 September 2013) can be refinanced from customers' primary deposits (€ 11.8 billion as at 30 September 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

**Confident outlook in terms of earnings growth in 2013 as a whole:**

- **Further growth of lending and deposits**
- **Strong growth in net interest income and income from services, slight increase of expenses**
- **Higher allocations to impairment provisions on the basis of cautious risk provisioning policy**

Oberbank's management expects the solid growth seen in both lending and deposits in the first three quarters of 2013 to continue for the rest of the year.

This volume growth will result in a further rise in net interest income, notwithstanding the persistently low interest rates and consequently narrow margins. Further improvement in income from services is also anticipated.

Credit risk is expected to continue along the positive lines observed in the first nine months of the year. Impairment provisions, however, will be higher than in the previous year due to the Bank's strict adherence to a particularly cautious risk policy.

Administrative expenses are set to climb at a lower rate than earnings, even though the Bank has continued its branch expansion policy.

As regards overall earnings developments for 2013, the Bank expects to top the previous year's excellent result both before and after taxes.

## 3 BANKEN GROUP IN THE FIRST THREE QUARTERS OF 2013

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

Joint net profit for the period grew by 8.8% to € 179.9 million.

Joint total assets of the three banks within the 3 Banken Group declined by 0.9% to € 33.5 billion year on year.

Lending in terms of volume (after charges for losses on loans and advances) widened by 1.6% to € 22.2 billion.

Primary deposits rose by 4.7% to € 22.9 billion.

As at 30 September 2013, the three banks were operating a total of 241 branches; they had an average of 3,681 employees on their payrolls in the first three quarters of 2013.

# CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Prepared in accordance with IFRS

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

| Consolidated income statement for the first three quarters of 2013 |            | 01/01-30/09/2013<br>in €m | 01/01-30/09/2012<br>in €m<br>*1) | Change in<br>€m | Change<br>in % | 01/01-30/09/2012<br>in €m<br>*2) |
|--|------------|---------------------------|----------------------------------|-----------------|----------------|----------------------------------|
| 1. Interest and similar income                                     | (1)        | 338.0                     | 377.2                            | (39.2)          | (10.4)         | 377.2                            |
| 2. Interest and similar expenses                                   | (1)        | (121.3)                   | (171.2)                          | 49.9            | (29.2)         | (171.2)                          |
| 3. Interest from entities accounted for using the equity method    | (1)        | 38.6                      | 24.1                             | 14.5            | 60.4           | 24.1                             |
| <b>NET INTEREST INCOME</b>   | <b>(1)</b> | <b>255.3</b>              | <b>230.1</b>                     | <b>25.2</b>     | <b>11.0</b>    | <b>230.1</b>                     |
| 4. Charges for losses on loans and advances                        | (2)        | (53.1)                    | (43.9)                           | (9.2)           | 21.0           | (43.9)                           |
| 5. Commission income   | (3)        | 95.3                      | 90.2                             | 5.1             | 5.6            | 90.2                             |
| 6. Commission expenses   | (3)        | (9.3)                     | (8.6)                            | (0.7)           | 8.4            | (8.6)                            |
| <b>NET COMMISSION INCOME</b>                                       | <b>(3)</b> | <b>86.0</b>               | <b>81.6</b>                      | <b>4.3</b>      | <b>5.3</b>     | <b>81.6</b>                      |
| 7. Net trading income  | (4)        | 2.9                       | 5.9                              | (3.0)           | (51.0)         | 5.9                              |
| 8. Administrative expenses   | (5)        | (181.0)                   | (176.5)                          | (4.6)           | 2.6            | (177.5)                          |
| 9. Other operating profit (loss)                                   | (6)        | 4.1                       | 10.9                             | (6.7)           | (62.1)         | 10.9                             |
| a) Net income from financial assets – FV through P or L            | (6)        | 2.5                       | 12.8                             | (10.2)          | (80.1)         | 12.8                             |
| b) Net income from financial assets – AFS                          | (6)        | (6.6)                     | (14.1)                           | 7.6             | (53.5)         | (14.1)                           |
| c) Net income from financial assets – HtM                          | (6)        | 0.0                       | 0.0                              | 0.0             | 0.0            | 0.0                              |
| d) Other operating profit (loss)                                   | (6)        | 8.1                       | 12.2                             | (4.1)           | (33.4)         | 12.2                             |
| <b>PROFIT FOR THE PERIOD BEFORE TAX</b>                            |            | <b>114.2</b>              | <b>108.2</b>                     | <b>6.1</b>      | <b>5.6</b>     | <b>107.1</b>                     |
| 10. Income tax   | (7)        | (17.1)                    | (18.4)                           | 1.3             | (7.1)          | (18.1)                           |
| <b>PROFIT FOR THE PERIOD AFTER TAX</b>                             |            | <b>97.2</b>               | <b>89.8</b>                      | <b>7.4</b>      | <b>8.2</b>     | <b>89.0</b>                      |
| of which attributable to the owners of the parent company          |            | 97.1                      | 89.8                             | 7.4             | 8.2            | 89.0                             |
| of which attributable to minority interests                        |            | 0.0                       | 0.0                              | 0.0             | (6.3)          | 0.0                              |

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

\*2) Figures published as at 30/09/2012

| <b>INCOME AND EXPENSES RECOGNISED DIRECTLY IN EQUITY (€m)</b>   |                         |                         |                         |
|---|-------------------------|-------------------------|-------------------------|
|   | <b>01/01-30/09/2013</b> | <b>01/01-30/09/2012</b> | <b>01/01-30/09/2012</b> |
|   |                         | <b>*1)</b>              | <b>*2)</b>              |
| <b>Profit for the period after tax</b>  | <b>97.2</b>             | <b>89.8</b>             | <b>89.0</b>             |
| <b>Items not reclassified to profit for the period before tax</b>   |                         |                         |                         |
| + / - Actuarial gains/losses IAS 19   | (0.9)                   | (1.0)                   | 0.0                     |
| + / - Deferred taxes on actuarial gains/losses IAS 19   | 0.2                     | 0.3                     | 0.0                     |
|   | <b>(0.7)</b>            | <b>(0.8)</b>            | <b>0.0</b>              |
| <b>Items reclassified to profit for the period before tax</b>   |                         |                         |                         |
| +/- Unrealised gains and losses not recognised in the income statement under IAS 39   | (23.6)                  | 10.7                    | 10.7                    |
| +/- Deferred taxes on items recognised directly in equity under IAS 39  | 5.9                     | (2.7)                   | (2.7)                   |
| +/- Exchange differences  | (1.0)                   | (0.8)                   | (0.8)                   |
| +/- Other changes recognised directly in equity of which changes in equity of associates  | (12.3)                  | 7.6                     | 7.6                     |
|   | <b>(31.0)</b>           | <b>14.8</b>             | <b>14.8</b>             |
| <b>Total income and expenses recognised directly in equity</b>  | <b>(31.6)</b>           | <b>14.0</b>             | <b>14.8</b>             |
| <b>Total comprehensive income for the period of the net profit for the period and income and expenses recognised directly in equity</b> | <b>65.5</b>             | <b>103.8</b>            | <b>103.8</b>            |
| of which attributable to the owners of the parent company   | 65.5                    | 103.8                   | 103.8                   |
| 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 30/09/2012

# CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Prepared in accordance with IFRS

Consolidated statement of comprehensive income  
for the period 1 July to 30 Sept. 2013

| Consolidated income statement for the third quarter of 2013     |            | 01/07-<br>30/09/2013<br>in €m | 01/07-<br>30/09/2012<br>in €m<br>*1) | Change in<br>€m | Change<br>in % | 01/07-<br>30/09/2012<br>in €m<br>*2) |
|---|------------|-------------------------------|--------------------------------------|-----------------|----------------|--------------------------------------|
| 1. Interest and similar income                                  | (1)        | 111.8                         | 124.2                                | (12.4)          | (10.0)         | 124.2                                |
| 2. Interest and similar expenses                                | (1)        | (38.3)                        | (53.7)                               | 15.4            | (28.7)         | (53.7)                               |
| 3. Interest from entities accounted for using the equity method | (1)        | 14.0                          | 14.3                                 | (0.3)           | (2.1)          | 14.3                                 |
| <b>NET INTEREST INCOME</b>                                      | <b>(1)</b> | <b>87.6</b>                   | <b>84.9</b>                          | <b>2.7</b>      | <b>3.2</b>     | <b>84.9</b>                          |
| 4. Charges for losses on loans and advances                     | (2)        | (20.8)                        | (19.2)                               | (1.6)           | 8.4            | (19.2)                               |
| 5. Commission income  | (3)        | 31.2                          | 29.6                                 | 1.5             | 5.2            | 29.6                                 |
| 6. Commission expenses  | (3)        | (3.3)                         | (3.1)                                | (0.2)           | 6.3            | (3.1)                                |
| <b>NET COMMISSION INCOME</b>                                    | <b>(3)</b> | <b>27.9</b>                   | <b>26.6</b>                          | <b>1.3</b>      | <b>5.1</b>     | <b>26.6</b>                          |
| 7. Net trading income   | (4)        | 0.5                           | 1.3                                  | (0.7)           | (58.1)         | 1.3                                  |
| 8. Administrative expenses                                      | (5)        | (61.3)                        | (60.4)                               | (0.9)           | 1.5            | (60.9)                               |
| 9. Other operating profit (loss)                                | (6)        | 1.7                           | 1.5                                  | 0.2             | 16.7           | 1.5                                  |
| e) Net income from financial assets – FV through P or L         | (6)        | 2.7                           | 4.2                                  | (1.6)           | (37.2)         | 4.2                                  |
| f) Net income from financial assets – AFS                       | (6)        | (4.1)                         | (7.2)                                | 3.0             | (42.3)         | (7.2)                                |
| g) Net income from financial assets – HtM                       | (6)        | 0.0                           | 0.0                                  | 0.0             | 0.0            | 0.0                                  |
| h) Other operating profit (loss)                                | (6)        | 3.2                           | 4.4                                  | (1.2)           | (27.4)         | 4.4                                  |
| <b>PROFIT FOR THE PERIOD BEFORE TAX</b>                         |            | <b>35.7</b>                   | <b>34.6</b>                          | <b>1.0</b>      | <b>3.0</b>     | <b>34.1</b>                          |
| 10. Income tax  | (7)        | (4.9)                         | (4.7)                                | (0.3)           | 5.4            | (4.5)                                |
| <b>PROFIT FOR THE PERIOD AFTER TAX</b>                          |            | <b>30.7</b>                   | <b>30.0</b>                          | <b>0.8</b>      | <b>2.6</b>     | <b>29.6</b>                          |
| of which attributable to the owners of the parent company       |            | 30.7                          | 30.0                                 | 0.8             | 2.6            | 29.6                                 |
| of which attributable to minority interests                     |            | 0.0                           | 0.0                                  | 0.0             | (47.1)         | 0.0                                  |

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

\*2) Figures published as at 30/09/2012

| <b>INCOME AND EXPENSES RECOGNISED DIRECTLY IN EQUITY (€m)</b>   |                  |                         |                         |
|---|------------------|-------------------------|-------------------------|
|   | 01/07-30/09/2013 | 01/07-30/09/2012<br>*1) | 01/07-30/09/2012<br>*2) |
| <b>Profit for the period after tax</b>  | <b>30.7</b>      | <b>30.0</b>             | <b>29.6</b>             |
| <b>Items not reclassified to profit for the period before tax</b>   |                  |                         |                         |
| + / - 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                     |
|   | <b>(0.3)</b>     | <b>(0.4)</b>            | <b>0.0</b>              |
| <b>Items reclassified to profit for the period before tax</b>   |                  |                         |                         |
| +/- Unrealised gains and losses not recognised in the income statement under IAS 39   | 0.1              | 3.3                     | 3.3                     |
| +/- Deferred taxes on items recognised directly in equity under IAS 39  | 0.0              | (0.8)                   | (0.8)                   |
| +/- Exchange differences  | (0.1)            | (0.9)                   | (0.9)                   |
| +/- Other changes recognised directly in equity of which changes in equity of associates  | (5.5)            | 1.2                     | 1.2                     |
|   | <b>(5.6)</b>     | <b>2.7</b>              | <b>2.7</b>              |
| <b>Total income and expenses recognised directly in equity</b>  | <b>(5.9)</b>     | <b>2.3</b>              | <b>2.7</b>              |
| <b>Total comprehensive income for the period of the net profit for the period and income and expenses recognised directly in equity</b> | <b>24.8</b>      | <b>32.3</b>             | <b>32.3</b>             |
| of which attributable to the owners of the parent company   | 24.8             | 32.3                    | 32.3                    |
| <b>Total income and expenses recognised directly in equity</b>  | <b>0.0</b>       | <b>0.0</b>              | <b>0.0</b>              |

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

\*2) Figures published as at 30/09/2012

| <b>PERFORMANCE INDICATORS</b>                              | <b>Q1-3 2013</b> | <b>Q1-3 2012</b> |
|--|------------------|------------------|
| Cost/income ratio in %                                     | 51.98%           | 53.72%           |
| Return on equity before tax in %                           | 11.15%           | 11.35%           |
| Return on equity after tax in %                            | 9.49%            | 9.42%            |
| Risk/earnings ratio (credit risk/net interest income) in % | 20.78%           | 19.06%           |
| Earnings per share in € (annualised)                       | 4.51             | 4.17             |

## CONSOLIDATED BALANCE SHEET AS AT 30 SEPT. 2013

| ASSETS  |      | 30/09/2013<br>in €m | 31/12/2012<br>in €m | Change<br>in €m | Change<br>in % |
|---|------|---------------------|---------------------|-----------------|----------------|
| 1. Cash and balances at central banks                         | (9)  | 126.8               | 182.8               | (56.0)          | (30.7)         |
| 2. Loans and advances to credit institutions                  | (10) | 1,542.0             | 1,769.4             | (227.3)         | (12.8)         |
| 3. Loans and advances to customers                            | (11) | 11,656.4            | 11,245.8            | 410.6           | 3.7            |
| 4. Impairment provisions                                      | (12) | (389.6)             | (368.8)             | (20.7)          | 5.6            |
| 5. Trading assets   | (13) | 55.9                | 60.4                | (4.5)           | (7.5)          |
| 6. Financial investments                                      | (14) | 3,820.1             | 4,182.0             | (361.8)         | (8.7)          |
| a) Financial assets – FV through P or L                       | (14) | 255.3               | 278.0               | (22.7)          | (8.2)          |
| b) Financial assets – AfS                                     | (14) | 796.8               | 1,121.9             | (325.2)         | (29.0)         |
| c) Financial assets – HtM                                     | (14) | 2,191.1             | 2,231.0             | (39.8)          | (1.8)          |
| d) Interest in entities accounted for using the equity method | (14) | 576.9               | 551.1               | 25.8            | 4.7            |
| 7. Intangible assets  | (15) | 2.7                 | 3.9                 | (1.2)           | (29.9)         |
| 8. Property, plant and equipment                              | (16) | 234.6               | 229.1               | 5.5             | 2.4            |
| a) Investment property  | (16) | 90.7                | 84.5                | 6.2             | 7.3            |
| b) Other property, plant and equipment                        | (16) | 144.0               | 144.6               | (0.7)           | (0.5)          |
| 9. Other assets   | (17) | 339.9               | 370.6               | (30.7)          | (8.3)          |
| a) Deferred tax assets  | (17) | 48.9                | 38.0                | 10.9            | 28.6           |
| b) Other  | (17) | 291.1               | 332.7               | (41.6)          | (12.5)         |
| <b>TOTAL ASSETS</b>   |      | <b>17,388.9</b>     | <b>17,675.1</b>     | <b>(286.2)</b>  | <b>(1.6)</b>   |

| EQUITY AND LIABILITIES                    |      | 30/09/2013<br>in €m | 31/12/2012<br>in €m | Change in €m   | Change<br>in % |
|---|------|---------------------|---------------------|----------------|----------------|
| 1. Amounts owed to credit institutions    | (18) | 3,464.2             | 4,039.7             | (575.5)        | (14.2)         |
| 2. Amounts owed to customers              | (19) | 9,571.6             | 9,399.1             | 172.5          | 1.8            |
| 3. Securitised liabilities                | (20) | 1,588.7             | 1,533.7             | 55.0           | 3.6            |
| 4. Provisions for liabilities and charges | (21) | 401.1               | 400.2               | 0.9            | 0.2            |
| 5. Other liabilities                      | (22) | 329.4               | 284.9               | 44.5           | 15.6           |
| a) Trading liabilities                    | (22) | 42.3                | 52.1                | (9.9)          | (18.9)         |
| b) Tax liabilities                        | (22) | 24.2                | 4.9                 | 19.4           | >100           |
| c) Other                                  | (22) | 262.9               | 227.9               | 35.0           | 15.4           |
| 6. Subordinated debt capital              | (23) | 631.9               | 675.1               | (43.3)         | (6.4)          |
| 7. Equity                                 | (24) | 1,402.0             | 1,342.4             | 59.6           | 4.4            |
| a) Equity after minorities                | (24) | 1,399.1             | 1,339.5             | 59.5           | 4.4            |
| b) Minority interests in equity           | (24) | 2.9                 | 2.9                 | 0.0            | 0.8            |
| <b>TOTAL EQUITY AND LIABILITIES</b>       |      | <b>17,388.9</b>     | <b>17,675.1</b>     | <b>(286.2)</b> | <b>(1.6)</b>   |

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### as at 30 Sept. 2013

|  | Subscribed capital | Capital reserves | Retained earnings | Translation reserve | Gains (losses) recognised in equity acc. to IAS 39 | Actuarial gains (losses) acc.to IAS 19 | Associated companies | Equity excluding minorities | Minorities | Equity         |
|--|--------------------|------------------|-------------------|---------------------|--|--|----------------------|-----------------------------|------------|----------------|
| <b>In €m</b>   |                    |                  |                   |                     |  |  |                      |                             |            |                |
| <b>As at 01/01/2012</b>  | <b>86.2</b>        | <b>194.5</b>     | <b>609.3</b>      | <b>0.4</b>          | <b>15.1</b>  | <b>0.0</b>                             | <b>315.1</b>         | <b>1,220.6</b>              | <b>1.4</b> | <b>1,222.0</b> |
| Retroactive adjustment <sup>1)</sup>                               | -                  | -                | 19.7              | -                   | -  | (19.7)                                 | -                    | -                           | -          | -              |
| <b>Adjusted as at 01/01/2012</b>                                   | <b>86.2</b>        | <b>194.5</b>     | <b>629.0</b>      | <b>0.4</b>          | <b>15.1</b>  | <b>(19.7)</b>                          | <b>315.1</b>         | <b>1,220.6</b>              | <b>1.4</b> | <b>1,222.0</b> |
| Consolidated net profit for the period                             | -                  | -                | 75.7              | (0.8)               | 8.0  | (0.8)                                  | 21.6                 | 103.8                       | 0.0        | 103.8          |
| 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 | -                  | -                | (0.1)             | -                   | -  | -                                      | 12.3                 | 12.2                        | 1.5        | 13.7           |
| <b>As at 30/09/2012</b>  | <b>86.3</b>        | <b>194.6</b>     | <b>690.3</b>      | <b>(0.4)</b>        | <b>23.1</b>  | <b>(20.4)</b>                          | <b>349.0</b>         | <b>1,322.5</b>              | <b>2.9</b> | <b>1,325.5</b> |
| <b>As at 01/01/2013</b>  | <b>86,1</b>        | <b>194,0</b>     | <b>703,3</b>      | <b>0,2</b>          | <b>33,2</b>  | <b>(22,2)</b>                          | <b>344,8</b>         | <b>1.339,5</b>              | <b>2,9</b> | <b>1.342,4</b> |
| Consolidated net profit for the period                             | -                  | -                | 69.2              | (1.0)               | (17.7)   | (0.7)                                  | 15.6                 | 65.5                        | 0.0        | 65.5           |
| Dividend distribution  | -                  | -                | (14.4)            | -                   | -  | -                                      | -                    | (14.4)                      | -          | (14.4)         |
| Capital increase   | -                  | -                | -                 | -                   | -  | -                                      | -                    | -                           | -          | -              |
| Reacquired Oberbank shares   | (0.6)              | (1.3)            | -                 | -                   | -  | -                                      | -                    | (1.9)                       | -          | (1.9)          |
| Unrealised gains and losses not recognised in the income statement | -                  | -                | 0.0               | -                   | -  | -                                      | 10.3                 | 10.3                        | -          | 10.3           |
| <b>As at 30/09/2013</b>  | <b>85.5</b>        | <b>192.7</b>     | <b>758.2</b>      | <b>(0.7)</b>        | <b>15.6</b>  | <b>(22.9)</b>                          | <b>370.6</b>         | <b>1,399.1</b>              | <b>2.9</b> | <b>1,402.0</b> |

1) Adjustment owing to retroactive application of IAS 19

| <b>CASH FLOW STATEMENT (€m)</b>                                    | <b>01/01-30/09/2013</b> | <b>01/01-30/09/2012</b> |
|--|-------------------------|-------------------------|
| <b>Cash and cash equivalents at the end of the previous period</b> | <b>182.8</b>            | <b>300.2</b>            |
| Cash flows from operating activities                               | (53.0)                  | (261.0)                 |
| Cash flows from investing activities                               | 76.1                    | 300.3                   |
| Cash flows from financing activities                               | (57.8)                  | (122.5)                 |
| Effects of changes in the scope of consolidation and valuations    | (20.4)                  | 27.8                    |
| Effects of exchange rate changes                                   | (1.0)                   | (0.8)                   |
| <b>Cash and cash equivalents at the end of the period</b>          | <b>126.8</b>            | <b>244.0</b>            |

# **NOTES to the consolidated interim financial statements as at 30 Sept. 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 three quarters of 2013 (1 January 2013 to 30 Sept. 2013) and compares this period with the same period of the previous year.

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

## **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 Sept. 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)

| <b>1. NET INTEREST INCOME</b>   | <b>01/01-<br/>30/09/2013</b> | <b>01/01-<br/>30/09/2012</b> |
|---|------------------------------|------------------------------|
| Interest income from credit and money-market business                         | 261.0                        | 289.1                        |
| Shares and other variable-yield securities                                    | 4.6                          | 5.4                          |
| Other equity investments  | 2.0                          | 1.3                          |
| Subsidiaries  | 2.5                          | 2.6                          |
| Fixed-interest securities and bonds   | 68.0                         | 78.8                         |
| <b>INTEREST AND SIMILAR INCOME</b>  | <b>338.0</b>                 | <b>377.2</b>                 |
| Interest expenses on deposits   | (81.2)                       | (122.9)                      |
| Interest expenses on securitised liabilities                                  | (26.5)                       | (31.2)                       |
| Interest expenses on subordinated liabilities                                 | (13.6)                       | (17.1)                       |
| <b>INTEREST AND SIMILAR EXPENSES</b>  | <b>(121.3)</b>               | <b>(171.2)</b>               |
| <b>INTEREST FROM ENTITIES ACCOUNTED FOR USING THE<br/>EQUITY METHOD</b>       | <b>38.6</b>                  | <b>24.1</b>                  |
| <b>NET INTEREST INCOME</b>  | <b>255.3</b>                 | <b>230.1</b>                 |
| <b>2. CHARGES FOR LOSSES ON LOANS AND ADVANCES</b>                            | <b>01/01-<br/>30/09/2013</b> | <b>01/01-<br/>30/09/2012</b> |
| Allocated to loan loss provisions   | (73.4)                       | (65.8)                       |
| Direct write-offs   | (1.4)                        | (1.8)                        |
| Reversals of loan loss provisions   | 18.6                         | 21.7                         |
| Recoveries of written-off receivables   | 3.1                          | 2.1                          |
| <b>CHARGES FOR LOSSES ON LOANS AND ADVANCES</b>                               | <b>(53.1)</b>                | <b>(43.9)</b>                |
| <b>3. NET COMMISSION INCOME</b>   | <b>01/01-<br/>30/09/2013</b> | <b>01/01-<br/>30/09/2012</b> |
| Payment services  | 31.4                         | 29.0                         |
| Securities business   | 26.9                         | 24.4                         |
| Foreign exchange, foreign bank note and precious metals business              | 8.0                          | 9.5                          |
| Credit operations   | 17.3                         | 16.5                         |
| Other services and advisory business  | 2.3                          | 2.3                          |
| <b>NET COMMISSION INCOME</b>  | <b>86.0</b>                  | <b>81.6</b>                  |
| <b>4. NET TRADING INCOME</b>  | <b>01/01-<br/>30/09/2013</b> | <b>01/01-<br/>30/09/2012</b> |
| Gains (losses) on interest rate contracts                                     | 2.4                          | 1.0                          |
| Gains (losses) on foreign exchange, foreign bank note and numismatic business | 1.5                          | 4.2                          |
| Gains (losses) on derivatives   | (1.0)                        | 0.8                          |
| <b>NET TRADING INCOME</b>   | <b>2.9</b>                   | <b>5.9</b>                   |

| <b>5. ADMINISTRATIVE EXPENSES</b>                       | <b>01/01-<br/>30/09/2013</b> | <b>01/01-<br/>30/09/2012</b> |
|---|------------------------------|------------------------------|
| Staff costs   | 104.9                        | 103.1                        |
| Other administrative expenses                           | 58.6                         | 56.0                         |
| Write-offs and valuation allowances                     | 17.6                         | 17.3                         |
| <b>ADMINISTRATIVE EXPENSES</b>                          | <b>181.0</b>                 | <b>176.5</b>                 |
| <b>6. OTHER OPERATING PROFIT</b>                        | <b>01/01-<br/>30/09/2013</b> | <b>01/01-<br/>30/09/2012</b> |
| a) Net income from financial assets – FV through P or L | 2.5                          | 12.8                         |
| b) Net income from financial assets – AfS               | (6.6)                        | (14.1)                       |
| c) Net income from financial assets – HtM               | 0.0                          | 0.0                          |
| d) Other operating profit (loss)                        | 8.1                          | 12.2                         |
| <b>OTHER OPERATING PROFIT (LOSS)</b>                    | <b>4.1</b>                   | <b>10.9</b>                  |
| <b>7. INCOME TAXES</b>                                  | <b>01/01-<br/>30/09/2013</b> | <b>01/01-<br/>30/09/2012</b> |
| Current income tax expense                              | 21.3                         | 17.2                         |
| Deferred income tax expense (income)                    | (4.2)                        | 1.2                          |
| <b>INCOME TAXES</b>                                     | <b>17.1</b>                  | <b>18.4</b>                  |
| <b>8. EARNINGS PER SHARE</b>                            | <b>01/01-<br/>30/09/2013</b> | <b>01/01-<br/>30/09/2012</b> |
| Number of shares in issue at 30 Sept.                   | 28,783,125                   | 28,783,125                   |
| Average number of shares in issue                       | 28,737,658                   | 28,729,708                   |
| Consolidated net profit for the period                  | 97.2                         | 89.8                         |
| <b>EARNINGS PER SHARE IN €</b>                          | <b>3.38</b>                  | <b>3.13</b>                  |
| <b>ANNUALISED FIGURES IN €</b>                          | <b>4.51</b>                  | <b>4.17</b>                  |

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)

| <b>9. CASH AND BALANCES AT CENTRAL BANKS</b> | <b>30/09/2013</b> | <b>31/12/2012</b> |
|--|-------------------|-------------------|
| Cash in hand                                 | 59.9              | 71.6              |
| Credit balances with central banks of issue  | 66.9              | 111.2             |
| <b>CASH AND BALANCES AT CENTRAL BANKS</b>    | <b>126.8</b>      | <b>182.8</b>      |

| <b>10. LOANS AND ADVANCES TO CREDIT INSTITUTIONS</b> | <b>30/09/2013</b> | <b>31/12/2012</b> |
|--|-------------------|-------------------|
| Loans and advances to Austrian banks                 | 811.8             | 1,017.5           |
| Loans and advances to foreign banks                  | 730.2             | 751.9             |
| <b>LOANS AND ADVANCES TO CREDIT INSTITUTIONS</b>     | <b>1,542.0</b>    | <b>1,769.4</b>    |

| <b>11. LOANS AND ADVANCES TO CUSTOMERS</b> | <b>30/09/2013</b> | <b>31/12/2012</b> |
|--|-------------------|-------------------|
| Loans and advances to Austrian customers   | 7,193.9           | 6,936.4           |
| Loans and advances to foreign customers    | 4,462.5           | 4,309.4           |
| <b>LOANS AND ADVANCES TO CUSTOMERS</b>     | <b>11,656.4</b>   | <b>11,245.8</b>   |

| <b>12. IMPAIRMENT PROVISIONS</b>                                  |                             |                                  |              |               |                 |                             |
|---|-----------------------------|----------------------------------|--------------|---------------|-----------------|-----------------------------|
| <b>€m</b>   | <b>As at<br/>01/01/2013</b> | <b>Exchange rate<br/>changes</b> | <b>Added</b> | <b>Used</b>   | <b>Reversed</b> | <b>As at<br/>30/09/2013</b> |
| Specific impairment provisions                                    | 230.2                       | (0.6)                            | 40.3         | (28.2)        | (12.4)          | 229.3                       |
| Country risks   | 0.0                         | 0.0                              | 0.0          | 0.0           | 0.0             | 0.0                         |
| Portfolio impairment provisions<br>under IAS 39                   | 138.5                       | 0.0                              | 21.7         | 0.0           | 0.0             | 160.2                       |
| <b>Charges for losses on loans<br/>and advances <sup>1)</sup></b> | <b>368.8</b>                | <b>(0.6)</b>                     | <b>62.0</b>  | <b>(28.2)</b> | <b>(12.4)</b>   | <b>389.6</b>                |
| Loan loss provisions  | 128.9                       | (0.1)                            | 10.1         | (3.2)         | (6.2)           | 129.5                       |
| <b>TOTAL IMPAIRMENT<br/>PROVISIONS</b>                            | <b>497.7</b>                | <b>(0.7)</b>                     | <b>72.0</b>  | <b>(31.4)</b> | <b>(18.6)</b>   | <b>519.1</b>                |

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

| <b>13. TRADING ASSETS</b>                                       | <b>30/09/2013</b> | <b>31/12/2012</b> |
|---|-------------------|-------------------|
| <b>Bonds and other fixed-interest securities</b>                |                   |                   |
| Listed  | 12.1              | 4.2               |
| <b>Stocks and other variable-yield securities</b>               |                   |                   |
| Listed  | 1.8               | 2.8               |
| <b>Positive fair values of derivative financial instruments</b> |                   |                   |
| Currency contracts  | 3.7               | 2.3               |
| Interest rate contracts   | 38.3              | 51.0              |
| Other contracts   | 0.0               | 0.0               |
| <b>TRADING ASSETS</b>   | <b>55.9</b>       | <b>60.4</b>       |

| <b>14. FINANCIAL INVESTMENTS</b>                              | <b>30/09/2013</b> | <b>31/12/2012</b> |
|---|-------------------|-------------------|
| <b>Bonds and other fixed-interest securities</b>              | 2,659.6           | 3,035.1           |
| <b>Stocks and other variable-yield securities</b>             | 293.2             | 311.4             |
| <b>Equity investments/shares</b>                              |                   |                   |
| Subsidiaries  | 237.3             | 234.9             |
| Entities accounted for using the equity method                |                   |                   |
| - Banks   | 244.6             | 233.8             |
| - Non-banks   | 332.4             | 317.3             |
| Other equity investments                                      |                   |                   |
| - Banks   | 13.4              | 10.8              |
| - Non-banks   | 39.7              | 38.7              |
| <b>FINANCIAL INVESTMENTS</b>                                  | <b>3,820.1</b>    | <b>4,182.0</b>    |
| a) Financial assets – FV through P or L                       | 255.3             | 278.0             |
| b) Financial assets – AfS                                     | 796.8             | 1,121.9           |
| c) Financial assets – HtM                                     | 2,191.1           | 2,231.0           |
| d) Interest in entities accounted for using the equity method | 576.9             | 551.1             |
| <b>FINANCIAL INVESTMENTS</b>                                  | <b>3,820.1</b>    | <b>4,182.0</b>    |
| <b>15. INTANGIBLE ASSETS</b>                                  | <b>30/09/2013</b> | <b>31/12/2012</b> |
| Other intangible assets                                       | 2.0               | 3.2               |
| Customer base   | 0.7               | 0.7               |
| <b>INTANGIBLE ASSETS</b>                                      | <b>2.7</b>        | <b>3.9</b>        |
| <b>16. PROPERTY, PLANT AND EQUIPMENT</b>                      | <b>30/09/2013</b> | <b>31/12/2012</b> |
| Investment property   | 90.7              | 84.5              |
| Land and buildings  | 64.4              | 61.8              |
| Business equipment and furnishings                            | 71.1              | 67.8              |
| Other property, plant and equipment                           | 8.4               | 15.0              |
| <b>PROPERTY, PLANT AND EQUIPMENT</b>                          | <b>234.6</b>      | <b>229.1</b>      |
| <b>17. OTHER ASSETS</b>                                       | <b>30/09/2013</b> | <b>31/12/2012</b> |
| Deferred tax assets   | 48.9              | 38.0              |
| Other items   | 288.4             | 329.8             |
| Other deferrals   | 2.7               | 2.9               |
| <b>OTHER ASSETS</b>   | <b>339.9</b>      | <b>370.6</b>      |

| <b>18. AMOUNTS OWED TO CREDIT INSTITUTIONS</b>    | <b>30/09/2013</b> | <b>31/12/2012</b> |
|---|-------------------|-------------------|
| Amounts owed to                                   |                   |                   |
| - Austrian banks                                  | 1,616.6           | 1,492.8           |
| - Foreign banks                                   | 1,847.6           | 2,546.9           |
| <b>AMOUNTS OWED TO CREDIT INSTITUTIONS</b>        | <b>3,464.2</b>    | <b>4,039.7</b>    |
| <b>19. AMOUNTS OWED TO CUSTOMERS</b>              | <b>30/09/2013</b> | <b>31/12/2012</b> |
| Savings deposits                                  | 3,300.4           | 3,380.1           |
| Other   | 6,271.2           | 6,019.0           |
| <b>AMOUNTS OWED TO CUSTOMERS</b>                  | <b>9,571.6</b>    | <b>9,399.1</b>    |
| <b>20. SECURITISED LIABILITIES</b>                | <b>30/09/2013</b> | <b>31/12/2012</b> |
| Issued bonds                                      | 1,538.7           | 1,465.1           |
| Other securitised liabilities                     | 50.0              | 68.5              |
| <b>SECURITISED LIABILITIES</b>                    | <b>1,588.7</b>    | <b>1,533.7</b>    |
| <b>21. PROVISIONS FOR LIABILITIES AND CHARGES</b> | <b>30/09/2013</b> | <b>31/12/2012</b> |
| Provisions for severance and pensions             | 210.3             | 210.0             |
| Provisions for anniversary bonuses                | 9.0               | 8.7               |
| Loan loss provisions                              | 129.5             | 128.9             |
| Other provisions                                  | 52.3              | 52.6              |
| <b>PROVISIONS FOR LIABILITIES AND CHARGES</b>     | <b>401.1</b>      | <b>400.2</b>      |
| <b>22. OTHER LIABILITIES</b>                      | <b>30/09/2013</b> | <b>31/12/2012</b> |
| Trading liabilities                               | 42.3              | 52.1              |
| Tax liabilities                                   | 24.2              | 4.9               |
| - Current tax liabilities                         | 19.4              | 0.5               |
| - Deferred tax liabilities                        | 4.8               | 4.4               |
| Other liabilities                                 | 215.1             | 185.7             |
| Deferred items                                    | 47.8              | 42.2              |
| <b>OTHER LIABILITIES</b>                          | <b>329.4</b>      | <b>284.9</b>      |
| <b>OTHER LIABILITIES (TRADING LIABILITIES)</b>    | <b>30/09/2013</b> | <b>31/12/2012</b> |
| Currency contracts                                | 3.7               | 2.0               |
| Interest rate contracts                           | 37.8              | 50.1              |
| Other contracts                                   | 0.8               | 0.1               |
| <b>TRADING LIABILITIES</b>                        | <b>42.3</b>       | <b>52.1</b>       |
| <b>23. SUBORDINATED DEBT CAPITAL</b>              | <b>30/09/2013</b> | <b>31/12/2012</b> |
| Issued subordinated bonds                         | 9.4               | 6.6               |
| Supplementary capital                             | 541.2             | 589.2             |
| Hybrid capital                                    | 81.3              | 79.3              |
| <b>SUBORDINATED DEBT CAPITAL</b>                  | <b>631.9</b>      | <b>675.1</b>      |

| <b>24. EQUITY</b>                        | <b>30/09/2013</b> | <b>31/12/2012</b> |
|--|-------------------|-------------------|
| Subscribed capital                       | 85.5              | 86.1              |
| Capital reserves                         | 192.7             | 194.0             |
| Retained earnings (including net profit) | 1,097.6           | 1,036.2           |
| Untaxed reserves                         | 21.4              | 21.4              |
| Negative goodwill                        | 1.9               | 1.9               |
| Minorities                               | 2.9               | 2.9               |
| <b>EQUITY</b>                            | <b>1,402.0</b>    | <b>1,342.4</b>    |

| <b>25. CONTINGENT LIABILITIES AND COMMITMENTS</b>               | <b>30/09/2013</b> | <b>31/12/2012</b> |
|---|-------------------|-------------------|
| Other contingent liabilities (guarantees and letters of credit) | 1,280.7           | 1,310.2           |
| <b>CONTINGENT LIABILITIES</b>                                   | <b>1,280.7</b>    | <b>1,310.2</b>    |
| Liabilities arising from non-genuine repos                      | 0.0               | 0.0               |
| Other commitments (irrevocable loan commitments)                | 2,334.8           | 2,129.2           |
| <b>COMMITMENTS</b>  | <b>2,334.8</b>    | <b>2,129.2</b>    |

## **26. SEGMENT REPORT – CORE BUSINESS SEGMENTS**

|   | <b>Personal<br/>Banking</b> | <b>Corporate</b> | <b>Financial<br/>Markets</b> | <b>Other</b>  | <b>Consolidated<br/>income<br/>statement<br/>Q1-3 2013</b> |
|---|-----------------------------|------------------|------------------------------|---------------|--|
| Net interest income                       | 42.8                        | 159.5            | 53.1                         | 0.0           | 255.3  |
| Charges for losses on loans and advances  | (1.3)                       | (25.2)           | (26.5)                       | 0.0           | (53.1)   |
| Net commission income                     | 41.4                        | 44.6             | 0.0                          | 0.0           | 86.0   |
| Net trading income                        | 0.0                         | (0.8)            | 3.7                          | 0.0           | 2.9  |
| Administrative expenses                   | (62.6)                      | (95.3)           | (4.6)                        | (18.5)        | (181.0)  |
| Other operating profit                    | 2.0                         | 9.5              | (8.9)                        | 1.5           | 4.1  |
| Extraordinary profit                      | 0.0                         | 0.0              | 0.0                          | 0.0           | 0.0  |
| <b>Other operating profit</b>             | <b>22.2</b>                 | <b>92.3</b>      | <b>16.8</b>                  | <b>(17.0)</b> | <b>114.2</b>   |
| Average credit and market risk equivalent | 1,204.1                     | 8,258.7          | 3,626.1                      | 0.0           | 13,088.9   |
| Average allocated equity                  | 125.6                       | 861.6            | 378.3                        | 0.0           | 1,365.6  |
| <b>Return on equity (RoE)</b>             | <b>23.6%</b>                | <b>14.3%</b>     | <b>5.9%</b>                  |               | <b>11.2%</b>   |
| <b>Cost/income ratio</b>                  | <b>72.7%</b>                | <b>44.8%</b>     | <b>9.5%</b>                  |               | <b>52.0%</b>   |

## DISCLOSURES REQUIRED BY AUSTRIAN LAW

| 27. HUMAN RESOURCES    | Q1-3 2013    | FY 2012      |
|------------------------|--------------|--------------|
| Salaried               | 2,002        | 2,020        |
| Blue-collar            | 20           | 21           |
| <b>TOTAL RESOURCES</b> | <b>2,022</b> | <b>2,041</b> |

| 28. CONSOLIDATED OWN FUNDS AND REGULATORY OWN FUNDS REQUIREMENT                  |                |                |                |
|--|----------------|----------------|----------------|
| Eligible own funds pursuant to Section 24 Austrian Banking Act (BWG) in €m       |                |                |                |
| Composition  | 30/09/2013     | 31/12/2012     | 30/09/2012     |
| <b>1. Core capital</b>   |                |                |                |
| Share capital  | 86.3           | 86.3           | 86.3           |
| Holdings of Oberbank AG shares   | (2.8)          | (1.0)          | (0.1)          |
| 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)          | (4.1)          |
| <b>TOTAL CORE CAPITAL (TIER I)</b>   | <b>1,240.0</b> | <b>1,245.4</b> | <b>1,169.0</b> |
| <b>CORE CAPITAL RATIO</b>  | <b>11.52%</b>  | <b>11.88%</b>  | <b>11.10%</b>  |
| <b>2. Supplementary own funds (TIER II)</b>                                      |                |                |                |
| Eligible supplementary capital bonds   | 380.4          | 408.2          | 415.3          |
| Revaluation reserves (already 45% of undisclosed reserves)                       | 161.5          | 157.2          | 144.0          |
| Subordinated bonds (suppl. capital below 3Y maturity)                            | 38.3           | 30.2           | 22.5           |
| <b>TOTAL SUPPLEMENTARY OWN FUNDS (TIER II)</b>                                   | <b>580.2</b>   | <b>595.7</b>   | <b>581.8</b>   |
| <b>3. TIER III</b>   |                |                |                |
| Addition of an amount not exceeding subordinated bonds eligible for Tier II      | 1.2            | 1.5            | 1.3            |
| <b>TOTAL TIER III CAPITAL</b>  | <b>1.2</b>     | <b>1.5</b>     | <b>1.3</b>     |
| <b>4. Deductions</b>   |                |                |                |
| Deductions of interests in banks/other FI of over 10%                            | (80.1)         | (80.1)         | (82.4)         |
| Deductions of interests in banks/other FI of up to 10%                           | 0.0            | 0.0            | 0.0            |
| <b>TOTAL OWN FUNDS</b>   | <b>1,741.3</b> | <b>1,762.5</b> | <b>1,669.8</b> |
| Of which: own funds pursuant to Section 23 (14) no. 7 Austrian Banking Act (BWG) | 1.2            | 1.5            | 1.3            |
| <b>OWN FUNDS RATIO</b>   | <b>16.17%</b>  | <b>16.81%</b>  | <b>15.86%</b>  |

| <b>Own funds requirement</b>   | <b>30/09/2013</b> | <b>31/12/2012</b> | <b>30/09/2012</b> |
|--|-------------------|-------------------|-------------------|
| Credit risk pursuant to Section 22 (2) BWG   | 860.7             | 838.2             | 841.7             |
| Trading book purs. to Section 22 o (2) BWG   | 1.2               | 1.5               | 1.3               |
| 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               |
| <b>TOTAL OWN FUNDS REQUIREMENT</b>   | <b>926.9</b>      | <b>904.6</b>      | <b>905.2</b>      |
| <b>UNAPPROPRIATED OWN FUNDS</b>  | <b>814.5</b>      | <b>857.9</b>      | <b>764.6</b>      |
| <b>Basis for the calculation of the reserve ratios</b>                             |                   |                   |                   |
| Assessment basis for the credit risk - Section 22 (2) BWG                          | 10,758.9          | 10,476.9          | 10,521.3          |
| Specific position risk of the trading book pursuant to Section 22 o nos. 1,3,6 BWG | 8.8               | 5.0               | 8.9               |
| <b>TOTAL BASIS OF ASSESSMENT</b>   | <b>10,767.8</b>   | <b>10,481.9</b>   | <b>10,530.2</b>   |

## 29. Fair value of financial instruments as at 30/09/2013

| In €m  | HtM                        | FV/PL                      | TB                         | AfS                        | L&R/liabilities            | Other                      | Total                      |
|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
|  | Book value/<br>fair value* |
| <b>Cash and balances at central banks</b>        |                            |                            |                            |                            |                            | 126.8                      | 126.8                      |
| <b>Loans and advances to credit institutions</b> |                            |                            |                            |                            | 1,542.0                    |                            | 1,542.0                    |
| <b>Loans and advances to customers</b>           | 41.2                       | 85.5                       |                            | 100.8                      | 11,428.9                   |                            | 11,656.4                   |
| <b>Impairment provisions</b>                     | 41.2                       | 85.5                       |                            | 100.8                      | 11,467.5                   |                            | 11,694.9                   |
| <b>Trading assets</b>                            |                            |                            | 55.9                       |                            |                            | (389.6)                    | (389.6)                    |
| <b>Financial investments</b>                     | 2,191.1                    | 255.3                      | 55.9                       | 796.8                      |                            |                            | 3,820.1                    |
| <b>Intangible assets</b>                         | 2,319.4                    | 255.3                      |                            | 796.8                      |                            |                            | 4,020.4                    |
| <b>Property, plant and equipment</b>             |                            |                            |                            |                            |                            | 2.7                        | 2.7                        |
| <b>Other assets</b>                              |                            |                            |                            |                            |                            | 2.7                        | 2.7                        |
| <b>TOTAL ASSETS</b>                              | 2,232.3                    | 340.8                      | 55.9                       | 897.6                      | 12,581.4                   | 1,281.0                    | 17,388.9                   |
|  | 2,360.5                    | 340.8                      | 55.9                       | 897.6                      | 12,620.4                   | 1,385.2                    | 17,660.3                   |
| <b>Amounts owed to credit institutions</b>       |                            | 86.7                       |                            |                            | 3,377.5                    |                            | 3,464.2                    |
| <b>Amounts owed to customers</b>                 |                            | 86.7                       |                            |                            | 3,389.8                    |                            | 3,476.5                    |
| <b>Securitised liabilities</b>                   |                            | 408.2                      |                            |                            | 9,163.4                    |                            | 9,571.6                    |
| <b>Provisions for liabilities and charges</b>    |                            | 408.2                      |                            |                            | 9,169.2                    |                            | 9,577.4                    |
| <b>Other liabilities</b>                         |                            | 616.2                      |                            |                            | 972.5                      |                            | 1,588.7                    |
| <b>Subordinated debt capital</b>                 |                            | 616.2                      |                            |                            | 974.5                      |                            | 1,590.7                    |
| <b>Capital</b>                                   |                            |                            |                            |                            |                            | 401.1                      | 401.1                      |
| <b>TOTAL EQUITY AND LIABILITIES</b>              | -                          | 1,528.4                    | 42.3                       | -                          | 13,728.0                   | 2,090.2                    | 17,388.9                   |
|  | -                          | 1,528.4                    | 42.3                       | -                          | 13,749.3                   | 2,090.2                    | 17,410.2                   |

\* 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 30/09/2013

| In €m                        | HtM<br>Fair value | FV/PL<br>Fair value | TB<br>Fair value | AfS<br>Fair value | L&R/Liabilities<br>Fair value | Other<br>Fair value | Total<br>Fair value |
|------------------------------|-------------------|---------------------|------------------|-------------------|-------------------------------|---------------------|---------------------|
| <b>Assets</b>                |                   |                     |                  |                   |                               |                     |                     |
| Level 1                      | -                 | 57.2                | 13.6             | 490.7             | -                             | -                   | 561.5               |
| Level 2                      | -                 | 283.6               | 13.6             | 155.8             | -                             | 124.6               | 577.5               |
| Level 3                      | -                 | -                   | -                | -                 | -                             | -                   | -                   |
| <b>Financial instruments</b> | -                 | <b>340.8</b>        | <b>27.2</b>      | <b>646.5</b>      | -                             | <b>124.6</b>        | <b>1,139.0</b>      |
| <b>ASSETS</b>                |                   |                     |                  |                   |                               |                     |                     |
| <b>Liabilities</b>           |                   |                     |                  |                   |                               |                     |                     |
| Level 1                      | -                 | 613.9               | -                | -                 | -                             | -                   | 613.9               |
| Level 2                      | -                 | 914.5               | 42.3             | -                 | -                             | 53.7                | 1,010.5             |
| Level 3                      | -                 | -                   | -                | -                 | -                             | -                   | -                   |
| <b>Financial instruments</b> | -                 | <b>1,528.4</b>      | <b>42.3</b>      | -                 | -                             | <b>53.7</b>         | <b>1,624.4</b>      |
| <b>LIABILITIES</b>           |                   |                     |                  |                   |                               |                     |                     |

\* 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 three quarters of 2013 (1 January 2013 to 30 Sept. 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 Sept. 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, 29 November 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](http://www.oberbank.at).

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### 3 BANKEN GROUP AT A GLANCE

| Income statement €m                      | Oberbank Group |           | BKS Bank Group |           | BTV Group |           |
|--|----------------|-----------|----------------|-----------|-----------|-----------|
|  | Q1-3 2013      | Q1-3 2012 | Q1-3 2013      | Q1-3 2012 | Q1-3 2013 | Q1-3 2012 |
| Net interest income                      | 255.3          | 230.1     | 107.8          | 106.8     | 133.2     | 124.3     |
| Charges for losses on loans and advances | (53.1)         | (43.9)    | (30.7)         | (27.4)    | (32.9)    | (28.0)    |
| Net commission income                    | 86.0           | 81.6      | 33.6           | 32.9      | 33.7      | 31.8      |
| Administrative expenses                  | (181.0)        | (176.5)   | (74.5)         | (75.6)    | (72.1)    | (70.1)    |
| Profit for the period before tax         | 114.2          | 108.2     | 34.6           | 35.1      | 66.6      | 56.3      |
| Consolidated net profit for the period   | 97.2           | 89.8      | 30.9           | 30.4      | 51.8      | 45.1      |

| Balance sheet in €m  | 30/09/2013 | 31/12/2012 | 30/09/2013 | 31/12/2012 | 30/09/2013 | 31/12/2012 |
|--|------------|------------|------------|------------|------------|------------|
| Total assets   | 17,388.9   | 17,675.1   | 6,812.9    | 6,654.4    | 9,304.2    | 9,496.4    |
| Loans and advances to customers after charges for losses on loans and advances | 11,266.9   | 10,877.0   | 4,856.9    | 4,794.2    | 6,107.9    | 6,193.0    |
| Primary funds  | 11,792.2   | 11,607.9   | 4,573.9    | 4,362.4    | 6,557.3    | 6,582.9    |
| of which savings deposits  | 3,300.4    | 3,380.1    | 1,794.4    | 1,797.9    | 1,203.9    | 1,272.9    |
| of which securitised liabilities including subordinated debt capital           | 2,220.6    | 2,208.8    | 823.2      | 816.5      | 1,259.4    | 1,187.8    |
| Equity   | 1,402.0    | 1,342.4    | 706.1      | 688.3      | 874.5      | 845.5      |
| Customer funds under management  | 22,183.6   | 21,558.0   | 11,199.9   | 10,674.9   | 11,464.6   | 11,368.8   |

| Own funds within the meaning of the Austrian Banking Act (BWG) in €m | 30/09/2013 | 31/12/2012 | 30/09/2013 | 31/12/2012 | 30/09/2013 | 31/12/2012 |
|--|------------|------------|------------|------------|------------|------------|
| Assessment basis   | 10,767.8   | 10,481.9   | 4,432.3    | 4,457.9    | 5,549.9    | 5,665.0    |
| Own funds  | 1,741.3    | 1,762.5    | 682.3      | 709.5      | 940.3      | 995.4      |
| of which core capital (Tier 1)                                       | 1,240.0    | 1,245.4    | 629.5      | 630.7      | 805.7      | 806.0      |
| Surplus own funds  | 814.5      | 857.9      | 300.7      | 325.8      | 470.1      | 516.0      |
| Core capital ratio in %  | 11.52      | 11.88      | 13.15      | 13.10      | 13.44      | 13.17      |
| Total capital ratio in %   | 16.17      | 16.81      | 15.39      | 15.92      | 16.94      | 17.57      |

| Performance in %  | 30/09/2013 | FY 2012 | 30/09/2013 | FY 2012 | 30/09/2013 | FY 2012 |
|---|------------|---------|------------|---------|------------|---------|
| Return on equity before tax   | 11.15      | 10.59   | 6.51       | 7.48    | 10.36      | 8.61    |
| Return on equity after tax  | 9.49       | 8.67    | 5.86       | 6.47    | 8.06       | 7.46    |
| Cost/income ratio   | 51.98      | 54.64   | 52.60      | 54.13   | 42.95      | 44.56   |
| Risk/earnings ratio (credit risk in percent of net interest income) | 20.78      | 19.11   | 28.46      | 26.98   | 24.72      | 24.31   |

| Resources                          | Q1-3 2013 | FY 2012 | Q1-3 2013 | FY 2012 | Q1-3 2013 | FY 2012 |
|------------------------------------|-----------|---------|-----------|---------|-----------|---------|
| Average number of staff (weighted) | 2,002     | 2,020   | 910       | 930     | 769       | 779     |
| Number of branches                 | 148       | 147     | 56        | 55      | 37        | 37      |