Oberbank

Interim Report to Shareholders as at 31 March 2024

Key Performance Indicators

Income statement in € m	Q1 2024	Change	Q1 2023
Net interest income	166.9	27.4%	131.0
Profit from entities recognised using the equity method	5.9	-91.0%	65.4
Charges for losses on loans and advances	-9.2	94.3%	-4.7
Net fee and commission income	51.9	-1.4%	52.6
Administrative expenses	-91.9	8.3%	-84.9
Profit/loss for the period before tax	126.4	-15.8%	150.0
Profit/loss for the period after tax	95.7	-25.7%	128.8

Balance sheet in €m	31/3/2024	Change	31/12/2023
Total assets	27,637.6	-0.7%	27,834.5
Loans and advances to customers	20,353.7	1.4%	20,074.3
Primary funds	19,049.7	-0.4%	19,125.3
thereof securitised liabilities incl. subordinated capital	3,577.5	6.2%	3,369.2
Shareholders' equity	3,944.7	2.1%	3,863.1
Customer funds under management	39,201.0	0.0%	39,214.7

Own funds pursuant to CRR in € m	31/3/2024	Change	31/12/2023
Common equity tier 1 capital (CET 1)	3,357.5	-0.8%	3,383.3
Tier 1 capital	3,407.5	-0.8%	3,433.3
Own funds	3,748.5	-0.7%	3,775.9
CET 1 ratio in %	18.32%	-0.29 ppt	18.61%
Tier 1 capital ratio in %	18.59%	-0.29 ppt	18.88%
Total capital ratio in %	20.45%	-0.32 ppt	20.77%

Risk indicators	Q1 2024	Change	Q1 2023
Liquidity coverage ratio in %	169.53	-17.08 ppt	186.61
Net stable funding ratio in %	128.45	-3.43 ppt	131.88
Leverage ratio in %	11.49	0.92 ppt	10.57

Performance indicators	Q1 2024	Change	Q1 2023
Cost/income ratio in %	40.39%	4.97 ppt	35.42%
Return on equity before tax in %	12.95%	-3.63 ppt	16.58%
Return on equity after tax in %	9.81%	-4.42 ppt	14.23%
Risk/earnings ratio (credit risk/net interest) in %	5.52%	1.90 ppt	3.62%

Resources	31/3/2024	Change	31/12/2023
Average number of staff (weighted)	2,233	81	2,152 1)
Number of branches	176	-2	178

1) In the preceding year, the figure did not include 22 employees seconded to 3 Banken IT GmbH to provide services.

Development of Business of the Oberbank Group in Q1 2024

Dear shareholders,
In the first quarter of the current financial year, the economy in Europe developed very sluggishly, especially in Germany and Austria. Interest rate expectations in the market have become slightly more subdued, while geopolitical tensions continue unabated. Despite the persistently adverse environment, Oberbank's business operations developed very well.

Lending volume continues to expand

Contrary to the general trend, Oberbank's lending volume increased by EUR 567.3 million (+2.9%) to EUR 20.4 billion. The solid growth trend in commercial loans was unbroken, gaining 5.7%. The highly satisfactory development in the leasing business of past few quarters continued.
In Retail Banking, demand for housing loans was much higher at the beginning of the year, but came to a standstill again due to the housing policy measures announced by the Austrian government which caused a great deal of uncertainty.

Higher volume of primary funds
The bank's primary funds increased by 1.7% to EUR 19.05 billion. In the same quarter of the preceding year, the volume was EUR 18.72 billion.

Excellent result of operations
Net interest income rose by 27.4% from EUR 131.0 million to EUR 166.9 million. Net fee and commission income remained more or less stable at a high level, decreasing only slightly by -1.4% to EUR 51.9 million. While fees and commissions from the securities business rose significantly again, commissions on loans decreased.

Risk costs adjusted to economy

Charges for impairment losses were EUR 9.2 million. In Q1 2023, they amounted to EUR 4.7 million, a level considered exceptionally low at the time. The increase in risk costs is in line with expectations.

Income from entities accounted for by the equity method

Income from entities accounted for by the equity method decreased from EUR 65.4 million to EUR 5.9 million. This decline, which resulted exclusively from the investment in voestalpine AG, is also largely responsible for the weaker result for the period.

Business operations deliver second-best quarterly result ever
Net profit before tax for the period was EUR 126.4 million on 31 March 2024. Although this represents a decline of 15.8%, it is the second-strongest quarterly result in history. The operating result developed excellently and is once again mainstay of income, with volatility being caused exclusively by income from equity investments.
Income tax rose by 44.4% to EUR 30.7 million, and therefore, net profit for the period after tax was 25.7% lower at EUR 95.7 million.

Stronger equity base

Shareholders' equity pursuant to IFRS increased to EUR 3.9 billion on 31 March 2024 (EUR 3.7 billion on 31/03/2023). This is a rise of 6.8%, thereby strengthening Oberbank's risk-bearing capacity. At a tier 1 capital ratio of 18.6% and a total capital ratio of 20.5%, Oberbank ranks among the top performing banks in Europe.

Outlook

The economic downturn seems to have bottomed out around the end of the first quarter of 2024. Inflation is moving towards the target corridor and interest rate cuts are within sight. The factors slowing the economy should gradually abate and real income growth is expected to help the economy regain lost ground.
On account of the volatile economic and political environment, the Management Board of Oberbank is not presenting an outlook for the full year.

Linz, May 2024

CEO Franz Gasselsberger

Oberbank's shares

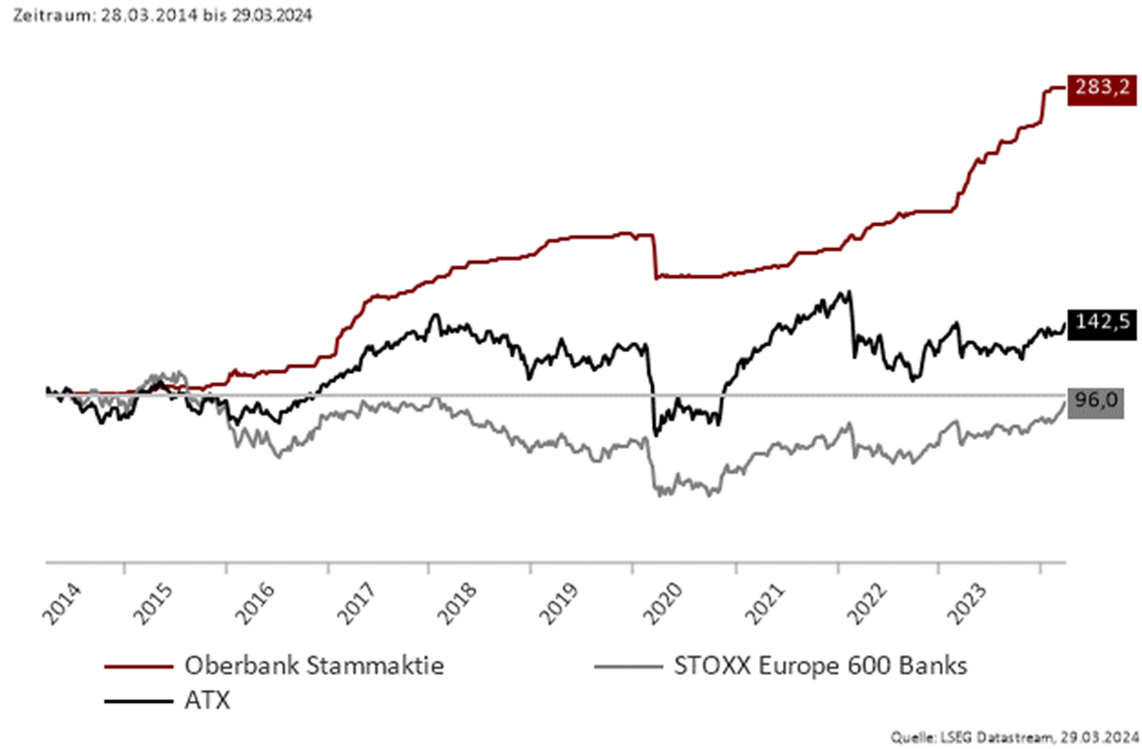
After the first quarter of 2024, Oberbank's ordinary shares were quoted at EUR 69.60 per share. The performance of Oberbank's ordinary shares was +8.07%. Market capitalisation at the end of Q1 2024 was EUR 4,914.78 million compared to EUR 4,547.58 million at the close of the preceding year.

Oberbank shares – key figures	Q1 2024	Q1 2023
Number of ordinary no-par shares	70,614,600	70,614,600
High, ordinary shares in €	69.60	54.50
Low, ordinary shares in €	64.60	51.00
Close, ordinary share in €	69.60	54.50
Market capitalization in €m	4,914.78	3,848.50
IFRS earnings per share in €, annualised	5.42*	7.30*
P/E ratio, ordinary shares	12.84	7.47

Historical data has been adjusted for the share split.

*Earnings per share are annualised. They are calculated as follows: Profit for the period after tax in the first quarter divided by the average number of ordinary shares in circulation, multiplied by four (projection for the full year).

Oberbank ordinary and preference shares vs. ATX and the European banking index



Texts in the chart: "Period 28 March 2014 to 29 March 2024. Oberbank Stammaktie = Oberbank ordinary shares.
Source: LSEG Datastream 29 March 2024.
Note: The numbers use the German format, i.e. commas are periods and vice versa.

Explanation: This chart compares the development of Oberbank's ordinary shares, the Austrian stock index ATX, and the European banking index STOXX Europe 600 Banks. In the chart, the prices have been adjusted by indexing the daily closing prices of the relevant stock and the indices to 100. This means the starting prices were all set to 100% at the starting time. Therefore, the chart presents the relative percentage development.
The figures given refer to the past. These cannot be used to derive future trends.

Segments in the first quarter of2024

Corporate and Business Banking

Corporate and Business Banking	Q1 2024	Q1 2023	± absolute	± in %
Net interest income	130.3	109.1	21.2	19.5%
Charges for losses on loans and advances	-9.0	-8.1	-0.9	11.6%
Net fee and commission	28.0	30.0	-2.0	-6.6%
Net trading income	0.1	0.0	0.1	> 100.0%
Administrative expenses	-50.4	-46.6	-3.8	8.3%
Other operating income	0.6	-0.2	0.8	>-100.0%
Profit/loss for the period	99.6	84.2	15.4	18.2%
Risk equivalent	13,159.4	12,282.4	877.0	7.1%
Average allocated equity	2,602.1	2,198.3	403.7	18.4%
Return on equity before tax (RoE)	15.3%	15.3%	- ppt	
Cost/income ratio	31.7%	33.5%	-1.8 ppt	

Starting as of 2024, sole proprietorships not registered in the Companies Register will be allocated to the Retail Banking segment. The preceding year's figures have been adjusted accordingly.

Earnings in Corporate and Business Banking

Profit in the Corporate and Business Banking segment was EUR 99.6 million, which is EUR 15.4 million (+18.2%) higher year on year.
Net interest income rose by EUR 21.2 million (+19.5%) to EUR 130.3 million.
Impairment charges increased from EUR 8.1 million by EUR 0.9 million to EUR 9.0 million.
At EUR 28.0 million, net fee and commission income was lower by EUR -2.0 million (-6.6%) year on year.
Administrative expenses increased by EUR 3.8 million (+8.3%) to EUR 50.4 million.
Other operating income increased by EUR 0.8 million to EUR 0.6 million.
RoE in Corporate and Business Banking rose to 15.3%, and the cost/income ratio improved to 31.7%.

Commercial loans

Oberbank's commercial lending volume increased by EUR 900.7 million (+5.7%) from EUR 15,746.5 million to EUR 16,647.2 million.

Commercial loans		YoY change	
As at 31/3/2024	As at 31/3/2023	absolute	in %
EUR 16,647.2 m	EUR 15,746.5 m	EUR 900.7 m	5.7%

Investment and innovation finance

At 397 projects, the number of applications for subsidized loans submitted in all five Oberbank markets in the first quarter of this year for investments and innovation and to secure liquidity was 18% higher than in the same period of the preceding year. This decline was due to subdued investment activity in the business sector on account of the difficult economic conditions and the unattractive terms of subsidized loan schemes (especially under Austria’s ERP Fund and Germany’s KfW lending schemes). The volume of subsidised loans handled by Oberbank during the 12-month period from 31 March 2023 to 31 March 2024 increased again by 8% to EUR 2.17 billion.

Although general demand for investment and innovation funding is still low due to the still uncertain economic situation, innovation, sustainability and digitalization projects are being implemented.

Leasing

The leasing business also developed well in the first quarter of the current financial year. At a volume of new business of EUR 246.9 million, the portfolio increased by 9.6% to EUR 2,730 million year on year.

Structured financing and syndication

Measured in terms of the total number of applications processed, demand for structured finance was slightly below the level of the same period of the preceding year. Demand for funding for acquisitions and changes in ownership remained satisfactory also in the first quarter of 2024. Demand even increased in the renewable energies segment. The trend in tourism financing segment remains intact, though it is slightly weaker than in the preceding year. With respect to commercial real estate financing, the market remained cautious.

An increase was seen in the number of commitments and transactions in the segment of syndicated loans, special loans and borrower’s notes both versus Q1 2023 and the close of the last financial year. The number of syndicated loans for which Oberbank acted as leader manager also increased.

In the segment of borrower's notes, in Q1 several transactions of Austrian and German issuers with high credit ratings were subscribed to, and we also participated in ESG-linked borrower’s notes to support sustainability.

Oberbank Opportunity Fund

In Q1 2024, the Oberbank Opportunity Fund recorded 42 inquiries, which is roughly the same as in the same period of the preceding year. The Oberbank Opportunity Fund closed several new transactions during this period. Since the inception of the Oberbank Opportunity Fund, 120 transactions involving equity and/or mezzanine capital or high-yield capital have been financed (plus debt financing) and ten supplementary financing transactions were also carried out with portfolio companies. The volume of capital committed as at 31 March 2024 was around EUR 357 million distributed across equity, mezzanine capital and high-yield capital.

Payment services

Despite the general economic downturn, income from payment services in Corporate and Business Banking developed pleasingly in Q1 2024 and was 5.3% higher year on year. The number of payment transactions processed was also slightly higher than in the preceding year.
We are currently working on a replacement of the software, ELBA MBS. The decision for the successor product has been taken and implementation started. The new product is expected to be available to new customers in the third quarter.
On 19 March 2024, the EU Regulation on instant payments was published in the Official Journal of the European Union. To meet the numerous requirements for instant payments, a separate project was launched to analyse and implement the EU Regulation. Among other things, from October 2025 instant payments must be offered for all electronic banking products, and to prevent fraud, payers must have the option of verifying a payee’s account.

Export finance

According to OeNB, Austria's economy contracted in real GDP by 0.7% in 2023. One of the reasons was slowing exports. Exports stagnated in real terms compared to the preceding year (+0.3%). Apart from the war in Ukraine, slower inventory build-up put a damper on international trade.
Volatility prevailed in the export sector in Q1 2024. According to the latest data released by Statistik Austria, the export of goods rose slightly by 0.8% in January and by as much as 8.6% in February. However, there was a decline of 9.3% in March. In summary, this translates into a slight decline for Q1 2024. This development is also observable in Oberbank's export finance business. The renewed rise in demand for working capital loans secured Oberbank's strong position in OeKB-refinanced working capital lines of credit. For example, the market share of Kontrollbank’s export refinancing framework for SMEs rose by 0.1% to 11.3%.
In the area of investment loans refinanced by OeKB, exporters were unable to escape the trend triggered by a weak economic outlook and rising interest rates. Exporters thus also cut back their investment activity. As a result, Oberbank's market share in OeKB refinance for domestic investments fell by 0.1% to 11.5% in Q1.

Factoring

Compared to the same period of the preceding year, Oberbank's factoring volumes increased by 5.8% while the number of customers remained almost unchanged. The sustained high inflation and reduced purchasing power caused a 5.9% drop in revenues and lowered earnings by 14.8%. The acquisition of new customers and the economic recovery prognosticated for the medium term is expected to lift revenues in the next quarter.

Documentary business

The adverse development in foreign trade continued at low level in Q1 2024 as well. Both exports and imports of goods declined. Trade restrictions and geopolitical tensions had a significant negative impact on international trade and led to uncertainty and volatility on markets. With its know-how in international transactions, Oberbank is a top choice for companies engaged in global trade.
Despite gloomier economic conditions, the documentary business remained stable. Compared to the first quarter of 2023, letters of credit issued and collection activities increased by 18% in 2024. Guarantee transactions were also up by 9% Therefore, profit increased by 5% in Q1 2024.

International network of partner banks and institutions

The measures agreed to optimize the international banking network are on the right track. First, the policy guidelines for relationships with correspondent and network banks developed jointly with the Compliance department have been refined making the highly complex know-your-customer (KYC) documentation mandatory for credit institutions more efficient. Second, existing business arrangements with many partner banks were reviewed. In this context as well, specific measures were taken such as combining accounts and in this way we achieved good results without changing the range of services for customers engaged in international trade. Implementation work will continue at Oberbank over the coming months, but is expected to be largely completed by the end of the year.
Another important topic in the first quarter was the confirmation of international bank balances. For several years now, we have seen a clear trend in audits to confirm the account balance information of credit institutions. Therefore, in the first quarter of 2024 around 35% of bank-to-bank accounts were reviewed to confirm the account balance information.
The insecurity of the geopolitical situation did not abate in the first quarter of 2024 and resulted in companies placing a greater focus on hedging their risks. This is a trend that is very likely to intensify.

Primary deposits

A key topic in the past quarter was whether or not the European Central Bank would cut interest rates before the summer and how many more rate cuts we would see in the current year. While sentiment was still very optimistic at the beginning of the year and up to five rate cuts were priced in, expectations fell in the first quarter and at the end of March, estimates stated three rate cuts starting in June.
Thus, terms deposits held with Oberbank increased slightly. The volumes on sight deposits decreased partly due to switching to term deposits and securities.

Currency risk management

Currency transactions started the year at very satisfactory levels in Q1. Customer transactions were higher than expected and also year on year. Companies with international business hedged both incoming and outgoing currency transactions against exchange rate risks despite a slowing economy. The Czech market performed particularly well in this context. The popularity of Oberbank's "I-Trader" platform increased. This platform for foreign exchange trading makes it possible for companies to carry out transactions outside of business hours. The US dollar ranked again at the top of all traded currencies.

Retail Banking

Retail Banking in € million	Q1 2024	Q1 2023	± absolute	± in %
Net interest income	59.0	53.0	6.0	11.3%
Charges for losses on loans and advances	-0.1	3.6	-3.6	>-100.0%
Net fee and commission income	23.9	22.7	1.3	5.6%
Net trading income	0.0	0.0	0.0	
Administrative expenses	-30.3	-27.9	-2.4	8.7%
Other operating income	1.2	1.5	-0.2	-15.2%
Profit/loss for the period	53.7	52.8	1.0	1.8%
Risk equivalent	1,981.7	2,194.3	-212.5	-9.7%
Average allocated equity	391.9	392.7	-0.9	-0.2%
Return on equity before tax (RoE)	54.8%	53.7%	1.1 ppt	
Cost/income ratio	36.1%	36.2%	-0.1 ppt	

As of 2024, sole proprietorships not registered in the Companies Register will be allocated to the Retail Banking segment. The preceding year's figures were adjusted accordingly.

Earnings in Retail Banking

Profit in Retail Banking rose year on year by EUR 1.0 million (+1.8%) EUR 53.7 million.

Net interest income increased by EUR 6.0 million (+11.3%) to EUR 59.0 million.

In the preceding year, there was a reversal of risk provisions of EUR 3.6 million; this year, allocations to risk provisions were EUR 0.1 million.

Net commission income increased by EUR 1.3 million (+5.6%) to EUR 23.9 million.

At EUR 30.3 million, administrative expenses were EUR 2.4 million (+8.7%) higher year on year.

Other operating income decreased by EUR -0.2 million (-15.2%) to EUR 1.2 million.

Return on equity in Retail Banking rose to 54.8%, and the cost/income ratio improved to 36.1%.

Retail accounts

Compared to the preceding year, the number of retail accounts decreased by 482 (-0.2%) from 194,768 to 194,286. The "be(e) green account", which is a sustainable giro account for retail customers, was introduced in June 2021 in Austria and in the second half of 2023 in the Czech Republic. As at 31 March 2024, 35.8% of retail accounts in the portfolio were sustainable. This corresponds to an increase of 14,533 to 69,485 sustainable accounts in the period of comparison.

Retail accounts		YoY change	
As at 31/3/2024	As at 31/3/2023	absolute	in %
194,286	194,768	-482	-0.2%

Retail loans

Due to the very challenging market environment, the outstanding volume (excluding leasing) decreased by EUR 333.4 million (-8.3%) from EUR 4,039.9 million on 31 March 2023 to EUR 3,706.5 million. Also the volume of new retail loans was 16.2% lower than in the same period of the preceding year. Demand for housing loans has risen compared to the preceding quarters. The announcement of the housing policy measures announced by the government at the end of February created uncertainty. As a consequence, potential borrowers took a wait-and-see stance, thereby weakening the trend in new loans. The share of foreign currency loans in the total volume of retail loans at Oberbank was only 1.2%.

Retail loans*		YoY change	
As at 31/3/2024	As at 31/3/2023	absolute	in %
3,706.5 in €m	EUR 4,039.9 m	-333.4 in €m	-8.3%

*) Since 2024, reporting includes transactions of sole proprietorships not registered in the Companies Register which are now recorded under retail banking;

Retail customer deposits

The volume on savings, sight and term deposits decreased year on year by EUR 232.7 million (-3.2%) from EUR 7,197.0 million to EUR 6,964.3 million. It is pointed out that deposit levels were relatively high on the comparison date 31 March 2023. Additionally, competition for retail customer deposits is fierce. Nonetheless, Oberbank aims to achieve an reasonable level of earnings. However, the trend to put funds in online savings products continues unabated. Deposits on online savings accounts in Austria increased steeply again year on year, rising by EUR 952.1 million (+68.0%) from EUR 1,399.6 million to EUR2,351.7 million. Year on year by contrast, deposits on savings passbooks declined by EUR 629.6 million (-32.3%) from EUR 1,947.7 million to EUR 1,318.1 million.

Retail customer deposits*		YoY change	
As at 31/3/2024	As at 31/3/2023	absolute	in %
6,964.3 in €m	7,197.0 in €m	-232.7 in €m	-3.2%

*) Since 2024, reporting includes sole proprietorships not registered in the Companies Register which are now recorded under retail banking; the previous year figures have been adjusted.

Securities business

In Q1 2024, fee and commission income from the securities business increased by EUR 2.1 million (+13.3%) to EUR 18.0 million. The main factor behind this considerable increase were commissions on transactions. In the generally good market environment, investor sentiment was upbeat even though overall economic conditions remained difficult. The attractive interest on bonds were used for purchases. A highlight was the creation of the fund “3 Banken Zinschance nachhaltig 2030” with a volume EUR 80.4 million. Demand for Oberbank’s issues was also lively, with EUR 65.2 million floated in the retail market.

Commission income from securities		YoY change	
As at 31/3/2024	As at 31/3/2023	absolute	in %
18.0 in €m	15.9 in €m	2.1 in €m	13.3%

Market value on custody accounts

The market value on custody accounts increased slightly by EUR 22.9 million (+0.1%) versus the preceding year to EUR 20.2 billion.

Market value on custody accounts		**YoY change**	
As at 31/3/2024	**As at 31/3/2023**	**absolute**	**in %**
20,151.2 in €m	20,128.3 in €m	22.9 in €m	0.1%

Private Banking

Assets under management in Private Banking (demand deposits and custody accounts) increased by a very satisfactory EUR 964.1 million (+8.0%) to EUR 13.1 billion year on year.
Individual portfolio management accounts also reached a new all-time high at currently EUR 821.6 million under management.

Assets under management in Private Banking		**YoY change**	
As at 31/3/2024	**As at 31/3/2023**	**absolute**	**in %**
13,069.4 in €m	12,105.3 in €m	964.1 in €m	8.0%

3 Banken-Generali Investment-Gesellschaft m.b.H.

The assets managed by 3 Banken Generali-Investment-Gesellschaft m.b.H. as at 31 March 2024 totalled EUR 12.0 billion, which is a gain of 3.2% or EUR 0.4 billion higher than at year-end 2023. Compared to the same period of the preceding year, there was an increase by EUR 0.8 billion or 7.3%. Therefore, the company continues to rank fifth among Austrian investment companies with a market share of 5.7%. In Q1, growth was slightly slower than the overall market which saw an increase of 3.7% to EUR 209.5 billion since the close of 2023.
Oberbank's share of assets under management was EUR 6.1 billion as at 31 March 2024, and thus much higher than in Q1 2023 (EUR 5.5 billion). Growth was achieved by the net inflow of funds and performance effects. Furthermore, net inflows into sustainable investment funds clearly outweigh the other categories.

Retail investment funds and special funds		**YoY change**	
As at 31/3/2024	**As at 31/3/2023**	**absolute**	**in %**
6,135.4 in €m	5,534.4 in €m	601.0 in €m	10.9%

Building society savings

In Q1 2024, Oberbank brokered 1,252 building society savings contracts. Compared to the same period of the preceding year, this corresponds to a decrease by 550 contracts (-30.5%). With the rise in interest rates, terms on building society savings and investment products have become attractive again.

Wüstenrot loans

As regards building society loans, no volumes were brokered to Wüstenrot in Q1 2024. This was due to the overall market situation. In the comparison period of 2023, the volume brokered was EUR 0.8 million.

Insurance business

Market AT

Production (= annual net premium) for life insurance and non-life insurance increased in Q1 by 18.2% year on year. It was especially pleasing to see significant increases in net premiums across all segments.

Insurance contracts - premium volume		YoY change	
As at 31/3/2024	**As at 31/3/2023**	**absolute**	**in %**
4,230.0 in €m	3,578.0 in €m	652.0 in €m	18.2%

Market DE

Premium volume (= premium sum) in life insurance rose year on year by 61.8%.

Insurance contracts - premium volume		YoY change	
As at 31/3/2024	**As at 31/3/2023**	**absolute**	**in %**
8.9 in €m	5.5 in €m	3.4 in €m	61.8%

Financial Markets

Financial Markets in € million	**Q1 2024**	**Q1 2023**	**± absolute**	**± in %**
Net interest income	-22.3	-31.0	8.7	-28.0%
Profit from entities recognised using the equity method	5.9	65.4	-59.5	-91.0%
Charges for losses on loans and advances	-0.1	-0.2	0.1	-45.9%
Net fee and commission income	0.0	0.0	0.0	
Net trading income	2.8	2.2	0.6	29.2%
Administrative expenses	-3.0	-3.0	0.0	-0.2%
Other operating income	2.8	4.6	-1.9	-40.2%
Profit/loss for the period	-14.0	38.0	-51.9	>-100.0%
Risk equivalent	4,602.0	5,745.7	-1,143.7	-19.9%
Average allocated equity	910.0	1,028.4	-118.4	-11.5%
Return on equity before tax (RoE)	n.a.	14.8%		
Cost/income ratio	n.a.	7.2%		

n.a. – not indicative

Earnings in Financial Markets

Income in Financial Markets declined by EUR -51.9 million to EUR -14.0 million.
Net interest income increased by EUR 8.7 million to EUR -22.3 million.
Income from companies accounted for by the equity method decreased by EUR -59.5 million from EUR 65.4 million to EUR 5.9 million.
The allocation to risk provisions improved by EUR 0.1 million to EUR 0.1 million.
Net trading income increased by EUR 0.6 million (+29.2%) to EUR 2.8 million.
Administrative expenses were at the same level of the preceding year at EUR 3.0 million.
Other operating income decreased by EUR -1.9 million from EUR 4.6 million to EUR 2.8 million.
RoE and the cost/income ratio are not indicative.

Proprietary trading

Despite geopolitical crises and the still sluggish economy in Europe, sentiment on financial markets is very positive. This is due primarily to the robust economy in the US, which usually also sets the trend.
Long-term interest rates have risen slightly again and offset some of the decline seen at the end of last year; equities have been trending upwards for some time and gold climbed to new highs. On currency markets, the US dollar is appreciating on the back of the robust economy and expectations of widening spreads vs the euro.
These developments have been evolved steadily and calmly this year, and there were no major movements or volatility as in the past.
We took advantage of this situation within the limited scope of proprietary trading, thus contributing positively to earnings, which were also higher than in the preceding year. A large share comes from income from foreign exchange trading.

Refinancing

In the first few days of January of this year, we took advantage of the low interest rates and successfully placed a Pfandbrief with a volume of EUR 250 million. We used the attractive environment to obtain financing for eight years. With the issuance of this Pfandbrief, we are continuing our regular issuing activity with at least one transaction per year on the institutional capital market. The maturity selected places us again at the upper end compared to other issues, and this clearly shows our strong position.

The sale of bonds to our own customers also progressed as prognosticated and in the first quarter, we placed senior and subordinated bonds with a volume of EUR 75 million.

Own funds

Own funds of EUR 3,748.5 million on 31 March 2024 represent a ratio of 20.5%. Tier 1 capital was EUR 3,407.5 million, and the tier 1 capital ratio was 18.6%. Common equity tier 1 capital of EUR 3,357.5 million corresponds to a ratio of 18.3%.

Risk

Oberbank’s risk policy takes into account the risk situation of all business areas including the new markets. Risk management focuses on keeping customer funds entrusted to Oberbank safe, conserving own funds and guaranteeing liquidity.

The most important risk category is counterparty risk. This risk is accounted for by recognizing the corresponding impairment charges in the balance sheet.

When assessing creditworthiness and in collateral policy, Oberbank can rely on decades of know-how. Moreover, the business model as a regional bank, professional credit management, and a balanced distribution of overall debt across customer segments help to limit the risk to Oberbank’s overall result from this category of risk exposure. Therefore, no extraordinary counterparty risk events are expected for the full financial year 2024.

The other risk categories are equity risk (risk of loss in value or foregone earnings in the equity portfolio), market risk (risk of losses due to fluctuating interest rates, foreign exchange rates or equity prices), operational risk and liquidity risk. In terms of liquidity risk, Oberbank's good position is also supported by the fact that it can refinance the total volume of loans to customers (31/3/2024: EUR 20.4 billion) by primary deposits, own issues and deposits of investment finance banks (OeKB, LfA, KfW) amounting to EUR 22.4 billion (31/3/2024). Additionally, Oberbank has a permanent risk controlling system in place as well as strict process management and other efficient control and management instruments.

Consolidated interim financial statements pursuant to IFRS - Statement of comprehensive income for the period 1/1/2024 to 31/3/2024

Consolidated income statement ***in €k***		**1/1 to 31/3/2024**	**1/1 to 31/3/2023**	**Change in €k**	**Change in %**
1. Interest and similar income		289,084	207,080	82,004	39.6
a) Interest income based on the effective interest rate method		282,163	202,242	79,921	39.5
b) Other interest income		6,921	4,838	2,083	43.1
2. Interest and similar expenses		-122,168	-76,078	-46,090	60.6
Net interest income	(1)	166,916	131,002	35,914	27.4
3. Profit from entities recognised using the equity method	(2)	5,878	65,385	-59,507	-91.0
4. Charges for losses on loans and advances	(3)	-9,210	-4,740	-4,470	94.3
5. Net commission income		56,873	57,527	-654	-1.1
6. Net commission expenses		-4,960	-4,886	-74	1.5
Net fee and commission income	(4)	51,913	52,641	-728	-1.4
7. Net trading income	(5)	2,947	2,199	748	34.0
8. Administrative expenses	(6)	-91,883	-84,865	-7,018	8.3
9. Other operating income	(7)	-184	-11,611	11,427	-98.4
a) Net income from financial assets - FVPL		5,445	6,677	-1,232	-18.5
b) Net income from financial assets - FVOCI		59	-352	411	>-100.0
c) Net income from financial assets - AC		0	0	0	
d) Other operating income		-5,688	-17,936	12,248	-68.3
Profit/loss for the period before tax		126,377	150,011	-23,634	-15.8
10. Income taxes	(8)	-30,651	-21,219	-9,432	44.5
Profit/loss for the period after tax		95,726	128,792	-33,066	-25.7
thereof attributable to the owners of the parent company and the owners of additional equity components		95,227	128,499	-33,272	-25.9
thereof attributable to non-controlling interests		499	293	206	70.3

Other comprehensive income in €k	1/1 to 31/3/2024	1/1 to 31/3/2023
Profit/loss for the period after tax	**95,726**	**128,792**
Items not reclassified to profit or loss for the year	**-14,097**	**2,766**
-/+ Actuarial gain/loss IAS 19	0	0
± Deferred taxes on actuarial gains/losses IAS 19	0	0
+/- Share from entities recognised using the equity method	-8,473	-4,781
+/- Value changes in own credit risk recognised in equity IFRS 9	-2,061	-5,165
+/- Deferred tax on changes recognised in equity for own credit risk IFRS 9	474	1,188
+/- Value changes in equity instruments recognised in equity IFRS 9	-5,243	14,966
+/- Deferred tax on value changes in equity instruments recognised in equity IFRS 9	1,206	-3,442
Items reclassified to profit or loss for the period	**-506**	**-466**
+/- Value changes recognised in equity for debt securities IFRS 9	-665	1,211
Amounts recognised in equity	-656	1,149
Reclassification adjustments	-9	62
+/- Deferred tax on value changes recognised in equity for debt securities IFRS 9	153	-279
Amounts recognised in equity	151	-264
Reclassification adjustments	2	-15
± Exchange differences	-645	2,061
+/- Share from entities recognised using the equity method	651	-3,459

	1/1 to 31/3/2024	1/1 to 31/3/2023
Total income and expenses recognised directly in equity	-14,603	2,300
Total comprehensive income for the period from net profit/loss and income/expenses not recognised in profit or loss	81,123	131,092
thereof attributable to the owners of the parent company and the owners of additional equity components	80,624	130,799
thereof attributable to non-controlling interests	499	293

Performance indicators	**1/1 to 31/3/2024**	**1/1 to 31/3/2023**
Cost/income ratio in %[1)]	40.39	35.42
Return on equity before tax in %[2)]	12.95	16.58
Return on equity after tax in %[3)]	9.81	14.23
Risk/earnings ratio (credit risk/net interest income) in %[4)]	5.52	3.62
Earnings per share (annualised) in €[)5)6)7)]	5.42	7.30

1) Administrative expenses in relation to net interest income, income from entities accounted for by the equity method, net fee and commission income, net trading income and other operating income
2) Profit/loss for the period before tax in relation to average shareholders' equity
3) Profit/loss for the period after tax in relation to average shareholders' equity
4) Charges for losses on loans and advances in relation to net interest income
5) Profit/loss for the year after tax in relation to average number of shares in circulation
6) Since no financial instruments with diluting effect were issued, diluted earnings per share were identical with undiluted earnings per share.
7) In Q3 2023, Oberbank AG carried out a share split at a ratio of 1:2. This results in adjusted earnings per share of EUR 7.30 for the preceding year.

Consolidated balance sheet as at 31/3/2024

Assets in €k			31/3/2024	31/12/2023	Change in €k	Change in %
1.	Cash and balances with central banks	(10)	2,601,351	2,836,294	-234,943	-8.3%
2.	Loans and advances to credit institutions	(11)	484,369	817,554	-333,185	-40.8%
3.	Loans and advances to customers	(12)	20,353,664	20,074,272	279,392	1.4%
4.	Trading assets	(13)	35,497	30,917	4,580	14.8%
5.	Financial investments	(14)	3,613,572	3,556,995	56,577	1.6%
	a) Financial assets FVPL		641,557	520,364	121,193	23.3%
	b) Financial assets FVOCI		366,080	372,562	-6,482	-1.7%
	c) Financial assets AC		1,414,309	1,469,598	-55,289	-3.8%
	d) Interests in entities accounted for by the equity method		1,191,626	1,194,471	-2,845	-0.2%
6.	Intangible assets	(15)	3,988	4,274	-286	-6.7%
7.	Property, plant and equipment	(16, 17)	339,810	347,162	-7,352	-2.1%
	a) Investment property		64,830	69,045	-4,215	-6.1%
	b) Other property, plant and equipment		274,980	278,117	-3,137	-1.1%
8.	Other assets	(18)	205,342	167,003	38,339	23.0%
	a) Deferred tax assets		1,366	1,606	-240	-14.9%
	b) Positive fair values of closed out derivatives in the banking book		24,571	25,933	-1,362	-5.3%
	c) Other		179,405	139,464	39,941	28.6%
	Total assets		**27,637,593**	**27,834,471**	**-196,878**	**-0.7%**

Consolidated balance sheet as at 31/3/2024

Liabilities in €k

			31/3/2024	31/12/2023	Change in €k	Change in %
1.	Amounts owed to credit institutions	(19)	3,825,021	4,046,388	-221,367	-5.5%
	a) Refinance allocated for customer loans		3,397,020	3,405,115	-8,095	-0.2%
	b) Other amounts owed to credit institutions		428,001	641,273	-213,272	-33.3%
2.	Amounts owed to customers	(20)	15,472,266	15,756,132	-283,866	-1.8%
3.	Securitised liabilities	(21)	3,075,674	2,842,137	233,537	8.2%
4.	Provisions for liabilities and charges	(22)	295,999	308,124	-12,125	-3.9%
5.	Other liabilities	(23)	522,151	491,563	30,588	6.2%
	a) Trading liabilities	(24)	30,704	35,020	-4,316	-12.3%
	b) Tax liabilities		68,414	44,647	23,767	53.2%
	ba) Current tax liabilities		50,148	25,689	24,459	95.2%
	bb) Deferred tax liabilities		18,266	18,958	-692	-3.7%
	c) Negative fair values of closed out derivatives in the banking book		113,169	119,248	-6,079	-5.1%
	d) Other		309,864	292,648	17,216	5.9%
6.	Subordinated debt capital	(25)	501,777	527,054	-25,277	-4.8%
7.	Shareholders' equity	(26)	3,944,705	3,863,073	81,632	2.1%
	a) Equity after minorities		3,886,771	3,804,390	82,381	2.2%
	b) Shares of non-controlling shareholders		7,934	8,683	-749	-8.6%
	c) Additional equity capital components		50,000	50,000	0	0.0%
	Total equity and liabilities		**27,637,593**	**27,834,471**	**-196,878**	**-0.7%**

Consolidated statement of changes in equity as at 31/3/2023

					Revaluation reserve								
in €k	Subscribed capital	Capital reserves	Retained earnings	Exchange differences	Reclassified debt securities IFRS 9	Equity instruments IFRS 9 not reclassified	Change in own credit risk IFRS 9 not reclassified	Actuarial gains/losses pursuant to IAS 19	Associates	Equity after minorities	Shares of non-controlling shareholders	Additional equity components	Shareholders' equity
As at 1/1/2023	**105,772**	**505,523**	**1,973,965**	**-1,332**	**-1,522**	**124,418**	**13,364**	**-13,859**	**781,987**	**3,488,314**	**8,606**	**50,000**	**3,546,920**
Consolidated net profit			67,156	2,061	932	11,524	-3,977		53,103	130,799	293		131,092
Net profit/loss for the year			67,156						61,343	128,499	293		128,792
Other comprehensive income				2,061	932	11,524	-3,977		-8,240	2,300			2,300
Dividend distribution													
Coupon payments on additional equity components													
Capital increase													
Issuance of additional equity components													
Repurchased own shares	130		4,284							4,414			4,414
Other changes not recognised in income			-54						10,677	10,623	-1,086		9,537
As at 31/3/2023	**105,902**	**505,523**	**2,045,351**	**729**	**-590**	**135,942**	**9,387**	**-13,859**	**845,767**	**3,634,150**	**7,813**	**50,000**	**3,691,963**

Consolidated statement of changes in equity as at 31/3/2024

					Revaluation reserve								
in €k	Subscribed capital	Capital reserves	Retained earnings	Exchange differences	Reclassified debt securities IFRS 9	Equity instruments IFRS 9 not reclassified	Change in own credit risk IFRS 9 not reclassified	Actuarial gains/losses pursuant to IAS 19	Associates	Equity after minorities	Shares of non-controlling shareholders	Additional equity components	Shareholders' equity
As at 1/1/2024	**105,919**	**505,523**	**2,204,776**	**697**	**788**	**124,400**	**25,809**	**-39,401**	**875,881**	**3,804,390**	**8,683**	**50,000**	**3,863,073**
Consolidated net profit			92,932	-645	-512	-4,037	-1,587		-5,527	80,624	499		81,123
Net profit/loss for the year			92,932						2,295	95,227	499		95,726
Other comprehensive income				-645	-512	-4,037	-1,587		-7,822	-14,603			-14,603
Dividend distribution													
Coupon payments on additional equity components													
Capital increase													
Issuance of additional equity components													
Repurchased own shares	-21		-983							-1,004			-1,004
Other changes not recognised in income			79						2,682	2,761	-1,248		1,513
As at 31/3/2024	**105,898**	**505,523**	**2,296,804**	**52**	**276**	**120,363**	**24,222**	**-39,401**	**873,036**	**3,886,771**	**7,934**	**50,000**	**3,944,705**

Consolidated statement of cash flows in €k	1/1 to 31/3/2024	1/1 to 31/3/2023
Profit/loss for the period	95,726	128,792
Non-cash items in profit/loss for the period and reconciliation of net cash from operating activities		
Write-offs, impairment losses, write-ups	23,111	-177,224
Change in provisions for staff benefits and other provisions for liabilities and charges	-12,125	4,817
Change in other non-cash items	55,978	41,400
Gains and losses on financial investments, property, plant and equipment and intangible assets	1	1
Subtotal	**162,691**	**-2,214**
Change in assets and liabilities arising from operating activities after corrections for non-cash positions		
- Receivables from credit institutions	356,233	205,581
- Receivables from customers	-278,734	-571,345
- Trading assets	872	5,951
- Financial assets used for operating activities[1)]	-2,611	-9,245
- Other assets from operating activities	6,940	31,485
- Amounts owed to credit institutions	-256,334	-9,215
- Amounts owed to customers	-338,232	433,291
- Securitised liabilities	206,650	272,562
- Other liabilities from operating activities	-23,547	-17,378
Cash flow from operating activities	**-166,072**	**339,473**
Proceeds from the sale of		
- Financial assets held as investments[2)]	60,610	266,104
- Property, plant and equipment, and intangible assets	5,461	0
Outlay on purchases of		
- Financial assets	-99,509	-129,227
- Property, plant and equipment, and intangible assets	-7,131	-10,832
Cash flow from investing activities	**-40,569**	**126,045**
Capital increase	0	0
Dividend distributions	0	0
Coupon payments on additional equity components	0	0
Cash from subordinated liabilities and other financing activities		
- Issues	15,776	16,349
- Other	0	0
Outflow from subordinated debt capital and other financing activities		
- Redemptions	-37,500	-32
- Other	-6,578	-834
Cash flow from financing activities	**-28,302**	**15,483**
Cash and cash equivalents at the end of preceding period	**2,836,294**	**2,287,322**

Cash flow from operating activities	-166,072	339,473
Cash flow from investing activities	-40,569	126,045
Cash flow from financing activities	-28,302	15,483
Effects of changes in the group of consolidated companies and revaluation	0	0
Effects of foreign exchange rate changes	0	0
Cash and cash equivalents at the end of the period	**2,601,351**	**2,768,323**
Interest received	282,464	195,271
Dividends received	6,505	6,646
Interest paid	128,640	-55,985
Coupon payments on additional equity components	0	0
Income tax paid	-16,837	-12,575

Cash and cash equivalents comprise the line item cash reserves, consisting of cash in hand and credit balances with central banks of issue.

1) Financial investments not intended to be held long term

2) Financial investments intended to be held long term

Notes to the consolidated financial statements

Accounting policies

The consolidated financial statements of Oberbank AG have been prepared in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) as in force and as adopted by the EU and the interpretations thereof by the International Financial Reporting Interpretations Committee (IFRIC). The consolidated financial statements cover the first quarter of 2024 (1 January 2024 to 31 March 2024) and compare the results with the corresponding periods of the preceding year. This condensed interim report for the first quarter of 2024 complies with IAS 34 (“Interim Reports”). No full audit or review by an auditor has been conducted of these condensed interim financial statements for the group. We have not applied standards and interpretations that take effect as of the financial year 2025 or later.

Changes to accounting policies 2024

The interim report of Oberbank AG has been drafted using the same recognition and measurement policies as applied on 31 December 2023. An exception are the standards and interpretations that apply to financial years that start on or after 1 January 2024. Only those new standards and interpretations are presented that are relevant for the operating activities of Oberbank.

The following standards and interpretations, as amended, have been mandatory since January 2024.

- Amendments to IAS 1 – Classification of liabilities as current or non-current
- Amendments to IAS 1 – Non-current liabilities with covenants
- Amendments to IFRS 16 – Lease liabilities in a sale and leaseback
- Amendments to IAS 7 and IFRS 7 – Supplier finance arrangements und effects on a company’s liabilities, cash flows and exposure to liquidity risks

The International Accounting Standards Board (IASB) published amendments to **IAS 1 "Classification of liabilities as current or non-current"** to introduce a more general approach to the classification of liabilities under IAS 1 based on contractual arrangements effective on the reporting date. The amendments refer only the reporting of liabilities in the statement of financial position – not the amount or timing of recognition of any asset, liability, income or expenses, or the information that entities disclose about those items. The amendments took effect as of 1 January 2024. These do not have any material effects on the consolidated statements of Oberbank AG.

The International Accounting Standards Board (IASB) published the amendments to **IAS 1 "Non-current liabilities with covenants"** to clarify how conditions that entity must meet within twelve months after the end of the reporting period affect the classification of liabilities. The amendments took effect as of 1 January 2024. These do not have any material effects on the consolidated statements of Oberbank AG.

The amendments to **IFRS 16 "Lease liabilities in a sale and leaseback"** contain requirements that clarify how a seller-lessee subsequently measures sale and leaseback (SLB) transactions. The amendment requires a seller-lessee to subsequently measure lease liabilities arising from a SLB in a way that the expected payments at the start of the contract are defined so that no gain is recognised with respect to the right of use it retains. In each period, the lease liability is reduced by the underlying expected payments and the difference to the actual payments is recognised in profit or loss. The amendments took effect as of 1 January 2024. These do not have any material effects on the consolidated statements of Oberbank AG, because the bank usually does not enter into any sale-and-leaseback agreements with variable leasing payments.

The amendments to **IAS 7 and IFRS 7** relate to disclosure requirements, and ‘signposts’ within existing disclosure requirements that require entities to provide qualitative and quantitative information about supplier finance arrangements. These amendments relate to the description of the characteristics of an arrangement for which an entity must provide information. Furthermore, entities must disclose information that enables users of the financial statements to assess how supplier finance arrangements affect an entity’s liabilities and cash flows, and to understand the effect of supplier finance arrangements on an entity’s exposure to liquidity risk, and how the entity might be affected if the arrangements were no longer available to it. Moreover, additional disclosures are required regarding the terms and conditions of supplier finance arrangements, the arrangements at the beginning and end of the reporting period, and the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of the arrangement. The amendments took effect as of 1 January 2024. These do not have any material effects on the consolidated statements of Oberbank AG.

The Oberbank group has business operations in Austria, Germany, Czech Republic, Hungary and Slovakia. In each of these countries a new law was passed to implement the global minimum tax. The Oberbank group does not expect any material impacts on taxes it must pay or on the consolidated net profit in these countries. The Oberbank group makes use of the temporary mandatory relief from accounting for deferred tax with respect to the effects of the global minimum tax.

Actuarial assumptions

Material actuarial assumptions for calculating the present values of defined benefit obligations did not change compared to 31 December 2023.

Oberbank’s group of consolidated companies

The group of consolidated companies as at 31 March 2024 included, apart from Oberbank AG, 30 Austrian and 15 foreign subsidiaries. Compared to 31 December 2023, the group of consolidated companies did not change.

Impairment – financial assets and contract assets

IFRS 9 is based on the forward-looking model of expected credit losses. This requires considerable discretionary decisions as to how changes in economic factors affect expected credit losses. This measurement is done on the basis of weighted probabilities. The impairment model under IFRS 9 applies to financial assets designated at amortised costs or at FVOCI as well as to contract assets and off-balance sheet instruments such as guarantees and irrevocable letters of credit.

These are allocated to either stage 1, stage 2 or stage 3 depending on the change in credit risk between the time of initial recognition and the respective current credit risk on the measurement date:

- Stage 1 generally includes newly added financial instruments and those for which no significant increase in risk has been identified since initial recognition. Additionally, all financial instruments with an absolutely defined low credit risk on the reporting date (rating classes AA to 1b) are allocated to stage 1 as an exception to the relative approach (IFRS 9.5.5.10). This logic is applied only to the low-default portfolio for the segments of sovereigns and banks. The low credit risk exemption therefore applies to a portfolio that would generally be designated as 'investment grade' (average PD of rating class corresponds to S&P equivalent ratings up to BBB-).

- Stage 2 includes instruments in which there has been a significant increase in credit risk since initial recognition.

  In the case of lease contracts, use is made of an IFRS 9 option and these are always recognised in stage 2.

- Stage 3 is the non-performing portfolio. If the borrower is in default (internal rating classification 5a, 5b or 5c), it is assigned to credit stage 3. Oberbank AG uses the default definition of Article 178 Regulation (EU) No 575/2013 (CRR) uniformly and consistently for all classes of receivables and risk models. This is based on a 90-day default or probability of an irrecoverable debt.

An exception is made for assets already impaired at the time of recognition (so-called POCI assets, "purchased or originated credit impaired"). These constitute a separate category in accordance with IFRS 9 requirements.

Segmentation

Oberbank's loan portfolio is grouped into the following five segments in the impairment model pursuant to IFRS 9: sovereigns, banks, corporates, SME and retail. The reasons for the segmentation are the different estimates of the relevant credit risk parameters. The grouping into the different segments is done on the basis of the rating method selected.

The overall classification concept of Oberbank is based on qualitative, quantitative and backstop criteria.

Impairment for stage 1 and stage 2

Under IFRS 9, impairments are measured on one of the following:

- 12-month expected credit loss: allocation of risk provisions in the amount of the 12-month credit loss and calculation of interest income based on the gross carrying amount applying the effective interest rate method (for stage 1 instruments).
- Full lifetime expected credit loss: these are expected credit losses due to potential default events over the expected life of a financial instrument. Allocation of risk provisions is done in the amount of the expected losses with respect to the remaining time to maturity of the financial instrument (lifetime ECL) and the calculation of interest income is based on the gross carrying amount applying the effective interest rate method (for stage 2 instruments).

Quantitative criteria for a stage transfer

The assessment of a significant increase in credit risk is a key factor of the 3-stage model pursuant to the impairment rules of IFRS 9, because in the event of a significant increase in credit risk, the impairment must be recognised over the entire life of the financial instrument (lifetime ECL).

The main characteristic for determining the credit risk of a financial instrument is the internal rating assigned to the borrower. ESG risks are also taken into account when preparing the rating. A borrower's rating is always based on a default ratio per rating category. This default ratio is derived from the bank's internal master rating scale for the low-default portfolio (sovereigns and banks). For the key customer segments of corporates, retail and SMEs, the default ratio is derived from the ratio of actual defaults in the respective migration matrix. This is the basis for an assessment to ascertain whether or not – and if yes, when – credit risk increased significantly.

The quantitative transfer criterion at Oberbank is based on an analysis of the cumulative default probability (lifetime PDs). The following variables influence the measurement of a relative deterioration of PD:

- Customer segment
- Current rating
- Rating at the time of recognition of the financial instrument
- Remaining time to maturity (comparison of reporting date and expiry of contract)
- Age of the financial instrument (comparison of initial recognition date and reporting date)

In order to assess the significance of an increase in credit risk, a comparison is made of the default probability on initial recognition and the default probability on the measurement date (IFRS 9.5.5.9). In this context, the lifetime PD of the current rating stage over the remaining time to maturity is applied. This is done by comparing the lifetime PD in the current rating stage over the remaining time to maturity with the forward lifetime PD in the rating stage at initial recognition over this period.

The criterion for allocation to stage 1 and stage 2 is based primarily on a relative criterion and not on an absolute credit risk estimate at every measurement point in time (IFRS 9.B5.5.9).

As a backstop and based on an analysis of the relative transfer criterion, the decision was taken – irrespective of the structure of the migration matrix – that a stage transfer must be triggered when a loan has shifted by at least three rating stages since initial recognition. In the event of very long remaining times to maturity and very good ratings, the 'drift to the middle' tendency in marginal PDs may be the reason that the transfer criterion is not reached, even in cases of downgrades by several rating stages.

A return to a higher stage is done when the criteria which were the cause of the downgrade no longer apply. Therefore, upgrades and downgrades are treated symmetrically. A return to stage 2 is carried out, for example, as soon as there is no longer any significant increase in the default risk. The measure used is a comparison of default risk on initial recognition with the default risk on the relevant reporting date.

The impairment model of Oberbank AG always refers to individual transactions when calculating risk provisions and also when assessing a stage transition. This means that the relevant credit risk parameters PD (default probability), LGD (loss given default) and EAD (exposure at default) always refer to an individual borrower and are derived from an individual transaction.

<u>Quantitative criteria for a stage transfer</u>
Financial instruments with the attribute forbearance are always assigned to stage 2 provided the receivable is not already in default. The lifetime expected loss is recognised for this receivable throughout the entire forbearance phase.
A rebuttable presumption in the case of contractual payments more than 30 days past due as a qualitative criterion results in a stage transfer (IFRS 9.5.5.11). This means that instruments are assigned to stage 2 when the default on payment of capital and/or interest exceeds 30 days.

Likewise, foreign currency loans with income in a congruent currency and also loans with special purpose vehicles classified as performing are assigned to stage 2. Currency fluctuations and movements in collateral assets in the case of special purpose vehicles have a higher risk with respect to the ability to service a loan than in the case of conventional loan portfolios.
Problem loans, observation cases, and loans requiring very close monitoring are allocated to stage 2, because the emerging factors indicate a change in the default risk (IFRS 9.B.5.5.17(o)).

Apart from qualitative factors inherent to the model for a stage transfer, as at 31/3/2024 Oberbank applied the collective stage transfer to stage 2 for certain sub-portfolios due to the steep increase in interest rates.

The reason is higher financing costs resulting from the rise in interest rates. Furthermore, higher yield expectations among investors resulted in a de facto standstill in transactions, thereby causing the market values of real estate properties to decline. A recovery is not expected before the end of 2024.

In the case of the portfolios listed below and considering the conditions mentioned above, we deemed it necessary to temporarily apply the collective stage transfer due to the higher credit risk in the segments of corporates and SMEs:

- Receivables from borrowers for which a generally high vulnerability to energy prices and heightened dependence on economic trends was identified in a case-by-case analysis.
- Receivables from borrowers relating to real estate projects with commercial mortgage-backed collateral.

The time at which the collective stage transfer will end or be reduced depends primarily on the further development of inflation, interest rates hikes and energy prices.

Impairment for stage 3 (non-performing loans)

Non-performing loans are assigned to stage 3. Loan loss provisions are created throughout the group in the amount of the expected loss whenever there are grounds for believing that customers are unlikely to repay their credit obligations in full. For non-performing loans, loan loss provisions are allocated pursuant to IFRS 9 5.5 using the discounted cash flow method in the amount of the expected loss in relation to the remaining time to maturity (lifetime expected credit loss, ECL) and the calculation of interest income based on the net carrying amount applying the effective interest rate method. For all non-performing loans of minor significance, loan loss provisions are allocated for the shortfall that are determined using the experts method. The loan loss provisions cover 100% of the shortfall for loans already terminated for which the collateral is realized.
Depending on the default reason and the default status, 20% to 100% of the shortfall are recognised as loan loss provisions for the remaining amount.

Direct write-offs of non-performing loans

In cases in which an event occurs that prevents recovery of an exposure in full or in part from the respective customer and there are no or insufficient loan loss provisions, the non-recoverable balance is offset directly through profit or loss (direct write-off). Such events may include:

- Derecognition of the remaining balance following the dismissal or finalisation of insolvency proceedings and/or realisation of all available collateral
- Closing of a decedent's estate with a lack of assets and collateral
- Debt rescheduling including discount granted (composition agreement)

Calculating ECL

At Oberbank, the impairment model pursuant to IFRS 9 is applied in the following cases:

- Financial assets measured at amortised costs or at fair value through profit or loss
- Leasing receivables from customers
- Irrevocable letters of credit and guarantees

Expected credit loss at Oberbank is a probability-weighted estimate of the loss over the expected remaining time to maturity of the financial instrument. In other words, it is the present value of the difference between the contractually-agreed cash flows and expected cash flows.
The calculation of the expected loss includes

- An amount in line with expectations and the probability-weighting that is determined on the basis of several possible scenarios
- The time value of money
- Information on past events, current conditions and forecasts of future economic conditions

The maximum time period determined for the expected credit loss is the life of the contract over which Oberbank is exposed to the credit risk from the financial instrument. Only in the case of revolving lines of credit is the expected credit loss determined for a period which under certain conditions may be longer than the life of the contract. The expected loss breaks down into three components:

$$ECL = PD \times LGD \times EAD$$

(PD: default probability; LGD: loss given default in % of EAD; EAD: exposure at default)

In the case of an asset assigned to stage 2 and the related calculation of the lifetime expected credit loss, this corresponds to the remaining time to maturity of the contract. In the case of an asset assigned to stage 1 (12-month ECL), the maturity is limited to one year. If the term is shorter than one year, the actual remaining time to maturity is used for the calculation. The expected credit loss pursuant to IFRS 9 is a discounted value. To this end, the respective EL per period is multiplied by the discounting factor per period. The discounting factor considers the effective interest rate on the asset.

Key input parameters

Probability of Default (PD)

The probability of default is derived for the segments corporates, SME and retail in a base scenario from the historic default rates and the migration probability.
The default probabilities for different maturities (lifetime PD) is calculated for each segment and rating stage based on the default vector of the migration matrix. The default probability for the segments of banks and sovereigns is derived directly from the internal ratings and thus from the internal banking master scale.

The determination of the historic default rates and migration probabilities for the central customer portfolio is based on the migration matrix for each respective segment. In such cases, the last ten-year period is used. The basis for determining the 1-year migration matrix is in a first step the quarterly view for rating migrations.

The 1-year migration matrix is determined based on a matrix multiplication of four successive quarters. The final 1-year migration matrix is the mean value of all migration matrices determined. The cumulated and lifetime PD is ascertained based on the Markov assumption for migration matrices by applying a matrix multiplication. The cumulated maturity PDs per rating class in this case are the sum of the PD from the three default rating classes 5a, 5b and 5c. This results in PD curves per segment and rating class.

For individual segments and maturity bands, these conditional basis PDs that result from the ‘through-the-cycle migration matrix’ are adjusted in order to include forward-looking information. This so-called ‘point-in-time adjustment’ (PIT adjustment) is done using statistical models to show the relationships between the default probability and the explanatory macroeconomic variables.

Logistic regression is used as the statistical model to predict the probability of default. The regression parameters are estimated by maximising the likelihood function. The harmonised consumer price index (CPI) and the growth of gross domestic product (GDP) are the main macroeconomic variables used in the model. The CPI and GDP factors are weighted by country. In this context, the countries of Austria, Germany, Czech Republic, Hungary and Slovakia are considered which is where Oberbank has business operations. The factors are weighted as follows: Austria with 63.1%, Germany with 20.6%, Czech Republic with 8.5%, Hungary with 4.7% and Slovakia with 3.1%.

Based on these estimated factors, the PD is adjusted in the segments of corporates, SME and retail by scaling. In the corporates segment, this adjustment is made as of the second year, as the macroeconomic factors of the first year are taken into account already when preparing the balance sheet rating. No plausible correlations with macroeconomic factors were found in the segments of sovereigns and banks.

Oberbank uses three different scenarios for the ECL calculation (normal, upward and downward scenario), with the final adjustment of a linear combination being equivalent to the three different scenarios. The scenario weighting is oriented on the common practice of weighting the normal scenario with 50% and the two other scenarios each with 25%. Oberbank uses the macroeconomic data of the data vendor Bloomberg for the scenarios. In this context, it is pointed out that economically plausible forecasts are only available for 3 years.

The following table shows the country-weighted macroeconomic factors considered in the ECL calculation for the segments Corporates, Retail and SME as at 31 March 2024:

Normal scenario	**Year 1 (4 quarter average)**	**Year 2 (4 quarter average)**	**Year 3 (4 quarter average)**
Real GDP growth	0.23%	1.74%	1.76%
Harmonised Index of Consumer Prices	3.00 %	2.34%	2.17%

Pessimistic scenario	**Year 1 (4 quarter average)**	**Year 2 (4 quarter average)**	**Year 3 (4 quarter average)**
Real GDP growth	-0.06%	1.21%	1.31%
Harmonised Index of Consumer Prices	3.71%	2.91%	2.83%

Optimistic scenario	**Year 1 (4 quarter average)**	**Year 2 (4 quarter average)**	**Year 3 (4 quarter average)**
Real GDP growth	0.81%	2.38%	2.50%
Harmonised Index of Consumer Prices	2.03%	0.78%	1.03%

Loss Given Default (LGD)

The loss in the event of default corresponds to that share of receivables that cannot be recovered and therefore constitutes an economic loss. LGD is divided into an LGD from secured parts of a loan and an LGD from unsecured parts of a loan. LGD from the secured portions of a loan depends on the type of collateral and the potential development of value/depreciation over time. The development of an exposure over a time period and the development of the collateral results in effective LGDs per bandwidth over a time period.

Secured LGD

The calculation of the expected credit loss includes all internal collateral based on cover asset values. The difference between the market value and the cover value of collateral corresponds to a haircut for estimation uncertainties and fluctuations in value, and can therefore implicitly be interpreted as the LGD for the secured portion of a loan. The calculation of the expected credit loss thus entails an implicit splitting of the loan into a secured and unsecured part. The secured part thus has an LDG of 0% after considering the cover value and the unsecured part of a loan has an undefined LGD depending on the segment. When both parts of the loan are combined, they result in a type of ‘mixed’ LGD per maturity bandwidth.

Unsecured LGD

The unsecured LDG represents the irrecoverable portion after deducting the proceeds from the collateral and depends mainly on the proceeds from the realization or liquidation process.

<u>Exposure at Default (EAD)</u>

For loans with certain principal due dates, the cash flow estimates are based on the contractual redemption structure. All cash flows are determined by the transaction attributes (balance, amount of repayments, frequency of repayments, interest payment intervals, reference interest rates, due dates) as well as current market data (exchange rates and market interest rates). Cash flows from interest payments are derived from the forward interest implicit in the interest rate curve.

Revolving lines of credit do not have any contractually agreed cash flows. Therefore, an explicit cash flow estimate using a replication model is needed.

At Oberbank, there are loans that were granted on a “until further notice” basis with respect to maturity. Within the scope of the annual credit review, the credit agreement is reassessed and, if applicable, the terms are adjusted with a view to the changes in credit quality. These loans can be called at any time. Therefore, with respect to maturity, it is assumed that the period is one year, because every year a decision is made on the prolongation of the line of credit. Oberbank is thus exposed to the credit risk for a maximum period of one year.

In the case of overdraft facilities, the portion is calculated first that is currently not being used. In this case, the credit balance is deducted from the overdraft limit. This unused part of an overdraft facility consequently remains unchanged over the entire life of the loan. The calculation of the exposure at default (EAD) is based throughout on a credit conversion factor. The due date of the overdraft facility always corresponds to the maturity of the loan.

<u>Development of impairment charges for performing loans</u>

Compared to the start of the year, the amount of the impairment charges for performing loans (stage 1 and stage 2) decreased by EUR 0.34 million.

<u>Sensitivity analysis</u>

A factor of influence for the amount of the expected credit loss is the stage determined for the individual items. The stages result from qualitative and quantitative staging criteria described. Subsequently, the effects on the expected credit loss are reported based on the assumption that all items are allocated, on the one hand, to stage 1 (12-month ECL), and on the other, to stage 2 (lifetime ECL).

Impairment charges by segment

in €k	100% Stage 1 12M ECL	ECL calculation as at 31/3/2024	100% Stage 2 LT ECL
Banks	1,082	1,085	2,616
Corporates	40,084	80,366	139,833
Retail	6,297	7,677	14,156
SME	5,465	6,388	7,734
Sovereigns	400	544	1,898
Total	53,329	96,060	166,236

Impairment testing for investments accounted for using the equity method

Interests in entities accounted for using the equity method are recognised proportionately to the equity held by Oberbank in the entity. If there are objective indications of impairment for an investment measured by the equity method, an individual value-in-use is determined for this investment. The higher of the stock market price and the value-in-use represents the recoverable amount pursuant to IAS 36.6 and this is used for the measurement. A trigger for an impairment test is given if either the fair value drops by at least 20% below the carrying amount of investments recognised using the equity method or if the fair value remains persistently below its carrying amount for a period of at least nine months.

On the measurement date 31 March 2024, the quantitative impairment trigger was released for the investment in voestalpine AG, which is recognised using the equity method, because at a market price of EUR 26.00 on 31 March 2024, the price was significantly lower – by 39.44% – than the carrying amount of EUR 42.93 based on the equity method.

An impairment test was therefore triggered in which the individual value-in-use of voestalpine AG was determined as at 31 March 2024. The value-in-use was calculated in accordance with the discounted cash flow method and applying the WACC method (weighted average cost of capital) and resulted in a value of €k 686,892. This value-in-use as the recoverable amount was recognised as the higher value from the comparison with the fair value less selling costs for the measurement as at 31/03/2024. The impairment of €k 21,053 as at 31 December 2023 was reversed through profit or loss. A WACC (weighted average cost of capital) of 7.32% was used as the discount rate in the terminal value. A change in the discount rate of +/- 25 basis points would result in a reduction by 5.34% or an increase in the value-in-use by 5.82% and a change in the discount rate of +/- 50 basis points would result in a reduction by 10.27% or an increase in the value-in-use by 12.17%.

On 14 March 2024, voestalpine AG published an ad-hoc disclosure announcing negative one-off effects on net profit of approximately EUR 410 million. As this is a significant event after the reporting date for the inclusion of voestalpine AG (31/12/2023), this matter was taken into account in these consolidated financial statements.
In the case of the investments in BKS Bank AG and Bank für Tirol und Vorarlberg AG accounted for using the equity method, the stock market price is not an impairment trigger due to the illiquidity of the shares. Unless there are other objective indications of impairment, the proportionate equity of these investments represents the recoverable amount.

Effects of the rise in interest rates on real estate loans, especially on real estate project finance

The interest rate hiking cycle started by the European Central Bank on 27 July 2022 lifted the key lending rate to 4.5% by the end of the year, putting considerable pressure on the real estate market. The most affected were development projects whose calculation basis deteriorated significantly. The higher finance costs resulting from the rise in interest rates had a negative impact on the liquidity of the individual companies responsible for the projects.
Apart from these factors, the higher return expectations of investors resulted in a de facto standstill in transactions, thereby causing the market values of real estate properties to decline. At the latest with the insolvency of large and well-known real estate developers in Germany in mid-2023, the crisis became topical in the media. A recovery is not expected before the end of 2024.

Oberbank's exposure to investment property financing is limited to the catchment areas of Oberbank and is funded primarily at the project level. There is no bond financing for project developers at the holding level. Oberbank made the first adjustments to the criteria for its tender procedures at the end of 2022, which were significantly tightened in the course of 2023. The real estate loan portfolio was also systematically analysed for additional risks. The exposures identified in this process are closely monitored by back office units and appropriate measures are taken.

To take into account the expected significant increase in the default risk, a collective transfer from stage 1 to stage 2 was carried out for the following sub-portfolios as a management overlay measure:

- Receivables from borrowers with real estate project finance covered by commercial mortgage-backed collateral in which project progress and loan repayment capability are at high risk due to the massive interest rate hikes by the ECB and prevailing high inflation rates.
- Receivables from borrowers for which a generally high vulnerability to energy prices and heightened dependence on economic developments was identified in a case-by-case analysis. The continued risk of gas supply disruptions, persistently high energy prices together with a recession more severe than estimated by economists and their consequences are impossible to rule out and hard to assess.

Effect of collective staging as at 31 March 2024 in €k

Balance sheet item	Reason for transfer	Volume of receivables	Stage transfer effects
Financial assets on the balance sheet	Collective staging IPRE commercial	1,808,418	6,296
	Collective staging negative outlook	900,736	5,347
	Total	**2,709,154**	**11,643**
Off-balance sheet financial assets	Collective staging IPRE commercial	151,298	2,734
	Collective staging negative outlook	411,698	2,473
	Total	**562,996**	**5,207**
Total		**3,272,150**	**16,850**

Macroeconomic risks and consequences of the Russia-Ukraine crisis

Apart from creating macroeconomic risks, the Russia-Ukraine crisis has hardly had any direct consequences for Oberbank. Oberbank does not hold any Russian, Ukrainian or Belarus government bonds. Furthermore, Oberbank does not provide financing to Russian, Ukrainian or Belarus companies. Export finance, such as factoring is only carried with OeKB cover. The support services and the letters of credit provided to Austrian exporters are of minor significance.

Material events after the close of the interim reporting period

No events of material significance occurred after the reporting date 31 March 2024.

Outlook

The economic downturn seems to have bottomed out around the end of the first quarter of 2024. Inflation is moving towards the target corridor and interest rate cuts are on the horizon. The factors slowing the economy should gradually abate and real income growth is expected to help the economy regain lost ground. Considering the volatile economic and political conditions, the Management Board of Oberbank is not presenting an outlook for the full year.

Details of the consolidated income statement in €k

1) Net interest income	1/1 to 31/3/2024	1/1 to 31/3/2023
Interest income from:		
Credit and money market operations	277,388	195,409
Shares and other variable-yield securities	692	1,310
Other equity investments	1,034	1,012
Subsidiaries	297	282
Fixed-interest securities and bonds	9,673	9,067
Interest and similar income	289,084	207,080
Interest expenses for:		
Deposits	-103.801	-64.475
Securitised liabilities	-13,919	-8,720
Subordinated liabilities	-4,016	-3,351
Result of non-significant modifications	-432	468
Interest and similar expenses	-122,168	-76,078
Net interest income	166,916	131,002

2) Profit from entities recognised using the equity method	1/1 to 31/3/2024	1/1 to 31/3/2023
Net amounts from proportionately recognised income	-15,175	10,745
Expenses from impairments	0	0
Income from additions	21,053	54,640
Expenses from dilution	0	0
Profit from entities recognised using the equity method	5,878	65,385

3) Charges for losses on loans and advances	1/1 to 31/3/2024	1/1 to 31/3/2023
Additions to charges for losses on loans and advances	-76,849	-36,805
Direct write-offs	-92	-437
Reversals of loan loss provisions	66,395	32,306
Recoveries from written-off receivables	436	302
Result of non-significant modifications	-134	356
Result of POCI financial instruments	1,034	-462
Charges for losses on loans and advances	-9,210	-4,740

4) Net fee and commission income	1/1 to 31/3/2024	1/1 to 31/3/2023
Fee and commission income:		
Payment services	19,060	18,620
Securities business	20,143	18,228
Foreign exchange, foreign bank notes and precious metals	6,110	6,219
Credit operations	10,790	13,144
Other services and advisory business	770	1,316
Total net fee and commission income	56,873	57,527
Fee and commission expenses:		
Payment services	1,602	1,527
Securities business	2,100	2,305
Foreign exchange, foreign bank notes and precious metals	172	173
Credit operations	835	832
Other services and advisory business	251	49
Total fee and commission expenses	4,960	4,886
Net fee and commission income	51,913	52,641

5) Net trading income	1/1 to 31/3/2024	1/1 to 31/3/2023
Gains/losses on interest rate contracts	179	276
Gains/losses on foreign exchange, foreign notes and numismatic business	943	1,375
Gains/losses on derivatives	1,825	548
Net trading income	2,947	2,199

6) Administrative expenses	1/1 to 31/3/2024	1/1 to 31/3/2023
Staff costs	53,776	50,505
Other administrative expenses	30,253	26,884
Write-offs and impairment allowances	7,854	7,476
Administrative expenses	91,883	84,865

7) Other operating income	1/1 to 31/3/2024	1/1 to 31/3/2023
a) Net income from financial assets - FVPL	5,445	6,677
thereof from designated financial instruments	989	3,074
thereof financial instruments with mandatory measurement at FVPL	4,456	3,603
b) Net income from financial assets - FVOCI	59	-352
thereof from the measurement of debt instruments	10	36
thereof from the sale and derecognition of debt instruments	49	-388
c) Net income from financial assets - AC	0	0
d) Other operating income	-5,688	-17,936
Other operating income:	**6,917**	**7,510**
Income from operational risks	1,181	1,327
Income from deconsolidation	0	0
Income from private equity investments	0	0
Income from operating leases	2,623	2,576
Other income from the leasing sub-group	970	1,237
Brokerage fees from third parties	1,256	1,238
Other	887	1,132
Other operating expenses:	**-12,605**	**-25,446**
Expenses from operational risks	-156	-26
Stability tax	-2,140	-1,511
Contributions to the resolution fund and deposit protection scheme	-5,000	-18,000
Expenses from operating leases	-1,754	-2,100
Other expenses from the leasing sub-group	-1,019	-2,285
Other	-2,536	-1,524
Other operating income/expenses	-184	-11,611

8) Income taxes	1/1 to 31/3/2024	1/1 to 31/3/2023
Current income tax expenses	29,238	21,609
Deferred income tax expenses/income	1,413	-390
Income taxes	30,651	21,219

9) Earnings per share in €	1/1 to 31/3/2024	1/1 to 31/3/2023
Number of shares as at 31/3	70,614,600	70,614,600
Average number of shares in issue	70,595,071	70,558,084
Profit/loss for the period after tax	95,726	128,792
Earnings per share in €	1.36	1.83
Annualised values	5.42	7.30

Since no financial instruments with diluting effect were issued, diluted earnings per share were identical with undiluted earnings per share.
In Q3 2023, Oberbank AG carried out a share split at a ratio of 1:2. This results in adjusted earnings per share of EUR 1.83 and an annualised value of EUR 7.30 for the preceding year.

Details of the balance sheet in €k

10) Cash and balances with central banks	**31/3/2024**	**31/12/2023**
Credit balances with central banks of issue	2,521,816	2,753,939
Other cash reserves	79,535	82,355
Cash and balances with central banks	2,601,351	2,836,294

11) Loans and advances to credit institutions	**31/3/2024**	**31/12/2023**
Loans and advances to Austrian credit institutions	170,050	137,648
Loans and advances to foreign credit institutions	314,319	679,906
Loans and advances to credit institutions	484,369	817,554

12) Loans and advances to customers	**31/3/2024**	**31/12/2023**
Loans and advances to Austrian customers	10,728,288	10,706,073
Loans and advances to foreign customers	9,625,376	9,368,199
Loans and advances to customers	20,353,664	20,074,272

13) Trading assets	**31/3/2024**	**31/12/2023**
Bonds and other fixed-interest securities		
Listed	0	0
Shares and other variable-yield securities		
Listed	886	432
Positive fair values of derivative financial instruments		
Currency contracts	7,345	5,021
Interest rate contracts	27,266	25,464
Other contracts	0	0
Trading assets	35,497	30,917

14) Financial investments	**31/3/2024**	**31/12/2023**
Bonds and other fixed-interest securities		
Listed	1,779,083	1,737,725
Unlisted	38,129	25,086
Shares and other variable-yield securities		
Listed	51,575	56,682
Unlisted	216,646	211,625
Equity investments/shares		
in subsidiaries	90,015	90,456
in entities recognised using the equity method		
Banks	608,176	594,284
Non-banks	583,450	600,187

Other equity investments		
Banks	50,139	50,139
Non-banks	196,359	190,811
Financial investments	3,613,572	3,556,995

a) Financial assets FVPL	641,557	520,364
b) Financial assets FVOCI	366,080	372,562
thereof equity instruments	338,004	343,187
thereof debt instruments	28,076	29,375
c) Financial assets AC	1,414,309	1,469,598
d) Interest in entities accounted for using the equity method	1,191,626	1,194,471
Financial investments	3,613,572	3,556,995

15) Intangible assets	31/3/2024	31/12/2023
Other intangible assets	3,832	4,116
Customer base	156	158
Intangible assets	3,988	4,274

16) Property, plant and equipment	31/3/2024	31/12/2023
Investment property	64,830	69,045
Land and buildings	82,021	81,764
Business equipment and furnishings	38,096	38,636
Other property, plant and equipment	16,337	19,153
Right-of-use for leased objects	138,526	138,564
Property, plant and equipment	339,810	347,162

17) Lease contracts in which Oberbank is lessee

The lease contracts entered into by Oberbank relate mainly to rentals for branch premises and office space as well as to building rights and tenancy rights for plots of land, garages, business equipment and furnishings, and vehicles. The lease contracts do not involve any significant restrictions or commitments. There were no sale-and-leaseback transactions. The results in the consolidated balance sheet, consolidated income statement and consolidated statement of cash flows for Oberbank as a lessee are presented below for the first quarter of 2024 and as at 31 March 2024:

Leasing in the consolidated balance sheet	31/3/2024	31/12/2023
Property, plant and equipment	138,790	138,875
Right-of-use for land and buildings	135,686	135,478
Right-of-use for business equipment and furnishings	631	683
Right-of-use for other property, plant and equipment	2,209	2,403
Right-of-use for investment property	264	311
Other liabilities		
Leasing liabilities	140,396	140,408

Additions to rights-of-use in Q1 2024 were €k 4,589. Cash outflows for lease liabilities totalled to €k 4,326.

Leasing in the consolidated income statement	1/1 to 31/3/2024	1/1 to 31/3/2023
Interest expenses for leasing liabilities	255	224
Administrative expenses	4,143	4,006
Depreciation/amortisation for right-of-use for land and buildings	3,776	3,669
Depreciation/amortisation for right-of-use for business equipment and furnishings	59	60
Depreciation/amortisation for right-of-use to other property, plant and equipment	261	233
Depreciation for right-of-use to investment property	47	44
Other expenses from lease contracts	562	520
Other operating income		
Income from the subleasing of rights-of-use	201	189

Leasing in the consolidated statement of cash flows	1/1 to 31/3/2024	1/1 to 31/3/2023
Repayment of leasing liabilities from finance activities	-4,326	-4,162
Interest expenses for leasing liabilities from operating activities	255	224

18) Other assets	31/3/2024	31/12/2023
Deferred tax assets	1,366	1,606
Other assets	162,161	127,318
Positive fair values of closed out derivatives in the banking book	24,571	25,933
Deferred items	17,244	12,146
Other assets	205,342	167,003

19) Amounts owed to credit institutions	31/3/2024	31/12/2023
Amounts owed to Austrian credit institutions	1,627,706	1,926,740
Amounts owed to foreign credit institutions	2,197,315	2,119,648
Amounts owed to credit institutions	3,825,021	4,046,388

The item “Amounts owed to credit institutions” contains an amount of EUR 350 million from the TLTRO III refinancing programme of the ECB as at 31/12/2023. This amount was settled in March 2024 prematurely, which is why there were no longer any liabilities under this designation on 31 March 2024.

20) Amounts owed to customers	31/3/2024	31/12/2023
Savings deposits	1,318,135	1,429,458
Other	14,154,131	14,326,674
Amounts owed to customers	15,472,266	15,756,132

21) Securitised liabilities	31/3/2024	31/12/2023
Bonds issued	3,068,280	2,834,820
Other securitised liabilities	7,394	7,317
Securitised liabilities	3,075,674	2,842,137

22) Provisions for liabilities and charges	31/3/2024	31/12/2023
Provisions for termination benefits and pensions	138,864	139,736
Provisions for anniversary bonuses	15,256	15,006
Provisions for credit risks	115,077	125,137
Other provisions	26,802	28,245
Provisions for liabilities and charges	295,999	308,124

23) Other liabilities	31/3/2024	31/12/2023
Trading liabilities	30,704	35,020
Tax liabilities	68,414	44,647
thereof current tax liabilities	50,148	25,689
thereof deferred tax liabilities	18,266	18,958
Leasing liabilities	140,396	140,408
Other liabilities	167,638	140,873
Negative fair values of closed out derivatives in the banking book	113,169	119,248
Deferred items	1,830	11,367
Other liabilities	522,151	491,563

24) Other liabilities (trading liabilities)	31/3/2024	31/12/2023
Currency contracts	3,011	7,202
Interest rate contracts	27,569	27,574
Other contracts	124	244
Trading liabilities	30,704	35,020

25) Subordinated debt capital	31/3/2024	31/12/2023
Subordinated bonds issued incl. supplementary capital (tier 2)	501,777	527,054
Hybrid capital	0	0
Subordinated debt capital	501,777	527,054

26) Shareholders’ equity	31/3/2024	31/12/2023
Subscribed capital	105,897	105,919
Capital reserves	505,523	505,523
Retained earnings (incl. net profit)	3,273,479	3,191,076
Negative goodwill	1,872	1,872
Additional equity capital components	50,000	50,000
Share of non-controlling shareholders	7,934	8,683
Shareholders’ equity	3,944,705	3,863,073

27) Contingent liabilities and credit risks	31/3/2024	31/12/2023
Other contingent liabilities (guarantees and letters of credit)	1,723,751	1,681,322
Contingent liabilities	1,723,751	1,681,322
Liabilities arising from non-genuine repos	0	0
Other commitments (irrevocable loan commitments)	4,402,012	4,657,470
Credit risks	4,402,012	4,657,470

28) Segment report as at 31/3/2024 Core business segments in €m	Retail Banking	Corporate and Business Banking	Financial Markets	Other	Total
Net interest income	59.0	130.3	-22.3		166.9
Profit from entities accounted for by the equity method			5.9		5.9
Charges for losses on loans and advances	-0.1	-9.0	-0.1		-9.2
Net fee and commission income	23.9	28.0			51.9
Net trading income		0.1	2.8		2.9
Administrative expenses	-30.3	-50.4	-3.0	-8.2	-91.9
Other operating income	1.2	0.6	2.8	-4.8	-0.2
Profit/loss for the period before tax	53.7	99.6	-14.0	-13.0	126.4
Average risk-weighted assets	1,981.7	13,159.4	4,602.0		19,743.2
Average allocated equity	391.9	2,602.1	910.0		3,903.9
RoE (return on equity before tax)	54.8%	15.3%	n.a.		12.9%
Cost/income ratio	36.1%	31.7%	n.a.		40.4%

n.a. – not indicative

Segment reporting as at 31/3/2023 Core business areas in €m	Retail Banking	Corporate and Business Banking	Financial Markets	Other	Total
Net interest income	53.0	109.1	-31.0		131.0
Profit from entities recognised using the equity method			65.4		65.4
Charges for losses on loans and advances	3.6	-8.1	-0.2		-4.7
Net fee and commission income	22.7	30.0			52.6
Net trading income			2.2		2.2
Administrative expenses	-27.9	-46.6	-3.0	-7.4	-84.9
Other operating income	1.5	-0.2	4.6	-17.5	-11.6
Profit/loss for the period before tax	52.8	84.2	38.0	-24.9	150.0
Average risk-weighted assets	2,194.3	12,282.4	5,745.7		20,222.3
Average allocated equity	392.7	2,198.3	1,028.4		3,619.4
RoE (return on equity before tax)	53.7%	15.3%	14.8%		16.6%
Cost/income ratio	36.2%	33.5%	7.2%		35.4%

Due to the reclassification of sole proprietorship entities not registered in the Companies Register within the individual segments as of the 2024 financial year, the preceding year's figures have been adjusted accordingly.

29) Human resources	31/3/2024	31/12/2023
Salaried employees	2,233	2,152[1)]
Blue-collar	3	4
Total resources	2,236	2,156

1) In the preceding year, the figure did not include 22 employees seconded to 3 Banken IT GmbH to provide services.

30) Regulatory capital pursuant to Part 2 of Regulation (EU) No 575/2013 - Pillar I in €k	31/3/2024	31/12/2023	31/3/2023
Subscribed capital	105,922	105,922	105,922
Capital reserves	505,523	505,523	505,523
Retained earnings	3,002,637	3,008,333	2,710,906
Minority interests	0	0	0
Cumulated other comprehensive income	105,512	112,293	121,069
Regulatory adjustment items	-26,841	-28,433	-12,089
Deductions from CET 1 capital	-335,253	-320,349	-304,704
COMMON EQUITY TIER 1 CAPITAL	**3,357,500**	**3,383,289**	**3,126,627**
AT1 capital instruments	50,000	50,000	50,000
AT1 capital instruments pursuant to national implementation rules	0	0	0
Deductions from AT1 capital items	0	0	0
Additional tier 1 capital	50,000	50,000	50,000
TIER 1 CAPITAL	**3,407,500**	**3,433,289**	**3,176,627**
Qualifying supplementary capital instruments	357,372	358,972	339,994
Supplementary capital (tier 2) items pursuant to national implementation rules	0	0	0
General credit risk adjustments	0	0	0
Deductions from supplementary capital items	-16,403	-16,403	-14,921
Supplementary capital (tier 2)	**340,969**	**342,569**	**325,073**
OWN FUNDS	**3,748,469**	**3,775,858**	**3,501,700**

Total risk exposure pursuant to Art 92 CRR			
Credit risk	16,880,046	16,735,047	16,822,248
Market risk, settlement risk and CVA risk	19,481	18,189	19,320
Operational risk	1,428,187	1,428,187	1,160,246
Total exposure	**18,327,714**	**18,181,423**	**18,001,814**

Own funds ratio pursuant to Art 92 CRR			
Common equity tier 1 capital ratio	18.32%	18.61%	17.37%
Tier 1 capital ratio	18.59%	18.88%	17.65%
Total capital ratio	20.45%	20.77%	19.45%
Regulatory requirement, own capital ratios in %			
Common equity tier 1 capital ratio	7.36%	7.35%	7.33%
Tier 1 capital ratio	8.86%	8.85%	8.83%
Total capital ratio	10.86%	10.85%	10.83%
Regulatory capital requirements in €k			
Common equity tier 1 capital	1,348,920	1,336,335	1,319,533
Tier 1 capital	1,623,835	1,609,056	1,589,560
Total capital	1,990,390	1,972,684	1,949,596
Free capital components			
Common equity tier 1 capital	2,008,580	2,046,954	1,807,094
Tier 1 capital	1,783,665	1,824,233	1,587,067
Total capital	1,758,079	1,803,174	1,552,104

31) Fair value of financial instruments and other items regarding reconciliation as at 31/3/2024 in €k	**AC**	**FVTPL**	**thereof designated**	**HFT**	**FVOCI**	**thereof equity instruments FVOCI**	**thereof debt instruments FVOCI**	**AC / liabilities**	**Other**	**Total**
Cash and balances with central banks								2,601,351		**2,601,351**
								2,601,351		**2,601,351**
Loans and advances to credit institutions								484,369		**484,369**
								484,521		**484,521**
Loans and advances to customers	74,175	301,083	273,868		761		761	19,977,645		**20,353,664**
	71,771	301,083	273,868		761		761	19,718,425		**20,092,041**
Trading assets				35,497						**35,497**
				35,497						**35,497**
Financial investments	1,414,309	641,557	326,950		366,080	338,004	28,076		1,191,626	**3,613,572**
	1,333,254	641,557	326,950		366,080	338,004	28,076			
Intangible assets									3,988	**3,988**
Property, plant and equipment									339,810	**339,810**
Other assets				24,571					180,771	**205,342**
				24,571						
thereof closed out derivatives in the banking book				24,571						**24,571**
				24,571						**24,571**
Total assets	**1,488,484**	**942,641**	600,818	**60,068**	**366,841**	338,004	28,837	**23,063,365**	**1,716,194**	27,637,593
	1,405,025	**942,641**	600,818	**60,068**	**366,841**	338,004	28,837	**22,804,297**		

The first line item shows the carrying amount; the line below shows the fair value of the same item.

31) Fair value of financial instruments and other items regarding reconciliation as at 31/3/2024 in €k	**AC**	**FVTPL**	**thereof designated**	**HFT**	**FVOCI**	**thereof equity instruments FVOCI**	**thereof debt instruments FVOCI**	**AC / liabilities**	**Other**	**Total**
Amounts owed to credit institutions								3,825,021		**3,825,021**
								3,522,350		**3,522,350**
Amounts owed to customers		252,943	252,943					15,219,324		**15,472,266**
		252,943	252,943					15,202,765		**15,455,708**
Securitised liabilities		567,622	567,622					2,508,052		**3,075,674**
		567,622	567,622					2,315,950		**2,883,573**
Provisions for liabilities and charges									295,999	**295,999**
Other liabilities				143,873					378,277	**522,151**
				143,873						**143,873**
thereof closed out derivatives				113,169						**113,169**
in the banking book				113,169						**113,169**
Subordinated debt capital		247,117	247,117					254,660		**501,777**
		247,117	247,117					236,640		**483,757**
Shareholders's equity									3,944,705	**3,944,705**
Total equity and liabilities		**1,067,682**	1,067,682	**143,873**				**21,807,057**	**4,618,981**	**27,637,593**
		1,067,682	1,067,682	**143,873**				**21,277,705**		

The first line item shows the carrying amount; the line below shows the fair value of the same item.

In the first quarter of 2024, there were no reclassifications with respect to financial assets from the measurement category recognised at fair value through other comprehensive income (FVOCI) to the measurement category at amortised cost (AC), and no reclassifications from the measurement category fair value through profit or loss (FVPL) to the measurement category recognised at amortised cost (AC) or to fair value through other comprehensive income (FVOCI).

Liabilities designated at fair value through profit or loss in €k	Cumulated changes to fair value due to a change to own default risk (recognised in OCI)	Modification to fair value due to a change in market risk (recognised in P/L)		Difference in amount between carrying amount and par value
	as at 31/3/2024	in Q1 2024	Cumulated	as at 31/3/2024
Amounts owed to credit institutions	0	0	0	0
Amounts owed to customers	10,702	1,723	-23,756	-23,756
Securitised liabilities	16,093	2,161	-76,633	-76,633
Subordinated debt capital	4,662	572	-14,936	-14,936

In Q1 2024, there were no reclassifications of cumulated profit or loss within equity.

Liabilities designated at fair value through profit or loss in €k	Cumulated changes in fair value due to a change in own default risk (recognised in OCI)	Modification to fair value due to a change in market risk (recognised in P/L)		Difference in amount between carrying amount and par value
	as at 31/12/2023	in financial year 2023	Cumulated	as at 31/12/2023
Amounts owed to credit institutions	0	0	0	0
Amounts owed to customers	11,864	-10,800	-23,195	-23,195
Securitised liabilities	16,387	-33,765	-74,766	-74,766
Subordinated debt capital	5,267	-11,428	-14,969	-14,969

In the financial year 2023, there were no reclassifications of cumulated profit or loss within equity.

Assets designated at fair value through profit or loss as at 31/3/2024 in €k			Modification to fair value due to adjusted default risk		Modification to fair value of related credit derivatives or similar instruments	
	Maximum default risk	Mitigation due to related credit derivatives or similar instruments	in Q1 2024	Cumulated	in Q1 2024	Cumulated
Loans and advances to customers	273,868		—	—	—	—
Financial investments	326,950		—	61	—	—

Assets designated at fair value through profit or loss as at 31/12/2023 in €k			Modification to fair value due to adjusted default risk		Modification to fair value of related credit derivatives or similar instruments	
	Maximum default risk	Mitigation due to related credit derivatives or similar instruments	in financial year 2023	Cumulated	in financial year 2023	Cumulated
Loans and advances to customers	275,921	—	—	—	—	—
Financial investments	218,313	—	—	72	—	—

The maximum default risk for financial instruments within the scope of application of IFRS 9 to which, however, the impairment rules of IFRS 9 do not apply is as follows:

in €k	**31/3/2024**	**31/12/2023**
Loans and advances to customers FVTPL	301,083	302,402
Financial investments	641,557	520,364
Financial investments	338,004	343,187
Trading assets	35,497	30,917
Derivatives in the banking	24,571	25,933
Total	**1,340,713**	**1,222,803**

Fair value hierarchy of financial instruments as at 31/3/2024										
	AC Carrying amount	FVTPL Carrying amount	HFT Carrying amount	FVOCI Carrying amount	AC/Liabilities carrying amount	Other carrying amount	Total carrying amount	Level 1 Fair value	Level 2 Fair value	Level 3 Fair value
Financial instruments carried at fair value in €k										
Loans and advances to customers		301,083		761			**301,845**		20,250	281,595
Trading assets			35,497				**35,497**	885	34,612	
Financial assets - FVPL		641,557					**641,557**	374,827	266,730	
Financial assets - FVOCI				366,080			**366,080**	79,621	263	286,195[1)]
Other assets			24,571				**24,571**		24,571	
thereof closed out derivatives in the banking book			24,571				**24,571**		24,571	
Financial assets not carried at fair value										
Loans and advances to credit institutions					484,369		**484,369**		484,521	
Loans and advances to customers	74,175				19,977,645		**20,051,820**		71,771	19,718,425
Financial assets - AC	1,414,309						**1,414,309**	1,309,457	23,797	

1) This item consists of equity investments whose market value was measured using the discounted cash-flow entity method and/or mixed methods (multiples method in combination with the discounted cash-flow method) or other methods of company valuation.

Fair value hierarchy of financial instruments as at 31/3/2024										
	AC Carrying amount	**FVTPL Carrying amount**	**HFT Carrying amount**	**FVOCI Carrying amount**	**AC/Liabilities carrying amount**	**Other carrying amount**	**Total carrying amount**	**Level 1 Fair value**	**Level 2 Fair value**	**Level 3 Fair value**
Financial liabilities carried at fair value										
Amounts owed to credit institutions										
Amounts owed to customers		252,943					**252,943**		252,943	
Securitised liabilities		567,622					**567,622**		567,622	
Other liabilities			143,873				**143,873**		143,873	
thereof closed out derivatives in the banking book			113,169				**113,169**		113,169	
Subordinated debt capital		247,117					**247,117**		247,117	
Liabilities not carried at fair value										
Amounts owed to credit institutions					3,825,021		**3,825,021**		3,522,350	
Amounts owed to customers					15,219,324		**15,219,324**		15,202,765	
Securitised liabilities					2,508,052		**2,508,052**		2,315,950	
Other liabilities										
Subordinated debt capital					254,660		**254,660**		236,640	

The fair value corresponds to the amount at which an asset can be sold or a liability settled by market participants in a transaction under market conditions on the balance sheet date or at which a debt can be transferred.

The assessment of the fair value is based on the assumption that the transaction takes place either on the principal market for the respective asset or debt instrument or, if no such principal market exists, the most advantageous active market for the respective transaction, provided the entities involved have access to such markets. Where market prices are available for identical assets or debt instruments in an active market to which access is available on the balance sheet date, these prices are used for the measurement (level 1). Where no such market prices are available, the fair value is determined using valuation models based on parameters that are either directly or indirectly observable (level 2). Where the fair value cannot be assessed on the basis of market prices or using valuation models fully based on directly or indirectly observable market data, individual valuation parameters that are not observable on the market are estimated on the basis of reasonable assumptions (level 3).

All fair value measurements refer to regularly performed measurements. There were no one-off fair value measurements in the reporting period.

Measurement process

The Strategic Risk Management department of Oberbank is responsible for the independent monitoring and communication of risks as well as for the measurement of financial instruments. The unit is functionally and organisationally separate from trading, which is responsible for the initiation and execution of transactions. Trading book positions are marked-to-market daily at the close of business.

Valuation is based on current stock exchange prices where such quoted prices are publicly available. If direct measurement based on prices quoted on securities exchanges is not possible, model values derived from current market data (yield curves, volatilities, etc.) are used. The market data is validated daily. At regular intervals, the model prices are compared with the prices actually obtainable on the market; in this context the model prices of the derivatives are compared to the model prices of the partner banks. The management is sent a daily update on risk positions and the valuation results based on the entire trading book positions. The fair value of financial instruments not carried in the trading book is measured on a quarterly basis.

Measurement methods for fair values

The measurement methods used are in compliance with recognised mathematical methods for measuring financial instruments taking into account all factors that market participants would consider appropriate for determining a price. The income-based methodology applied is the fair value measurement approach. The market-based approach is applied only in the fair value measurement of structured products.

Input factors for the fair value measurement

The measurement of the fair value of financial instruments in level 1 is based on prices quoted on active markets. These instruments include listed securities and derivative instruments.

If direct measurement based on prices quoted on securities exchanges is not possible, the present value in level 2 is estimated using model values derived from current market data (yield curves, volatilities, etc.). Underlying interest-rate curves and volatilities are obtained from the Refinitiv system.
Measurements are based on generally-accepted valuation models, with measurements being made under market conditions. In the case of derivatives, symmetrical products (e.g. IRS) are measured using the discounted cash flow method. The fair values of asymmetrical products (options) are calculated using standard methods (e.g. the Black-Scholes, Hull & White, etc.). Structured products are measured on the basis of price information obtained from third parties.
All derivative instruments are measured on a counterparty-risk-free basis in a first step. In a second step, a credit risk markdown is determined (credit valuation adjustment, CVA) based on the internal default probabilities of an expected loss.

The fair values of non-listed securities are obtained from the Geos system. The fair value of investment fund units is obtained from the fund management companies. The present value method (discounted cash flow method) is used to calculate the fair value of securitised liabilities, subordinated capital and amounts owed to banks and customers, with the cash flows of own issues being calculated using the contractual interest rate. The interest rates used for discounting are derived from the discount curve applicable to the respective currency, adding a premium in the form of a credit spread corresponding to the seniority of the issue. The credit rating premiums are adjusted regularly to the respective market conditions.

The fair value of level 3 assets is measured using generally-accepted valuation models. The fair value measurement of receivables from banks and customers is based on the discounted contract cash flow (based on contractually-agreed repayment structures) and the discounted expected credit loss cash flows (considers the credit rating of customers and collateral). The exchange rates used are the reference rates published by the ECB.

The potential downgrading of customers' credit ratings affects the calculation of fair values of level 3 financial instruments.
If measurements based on risk premiums were to increase by 50 bp, receivables from customers measured at fair value would decline by EUR 10.1 million (31/12/2023: EUR 10.5 million); if risk premiums were to increase by 100 bp, the fair values of these receivables would decrease by EUR 19.7 million (31/12/2023: EUR 20.4 million).

The fair value of equity investments and shares in affiliated companies is measured primarily using the discounted cash flow entity method and/or mixed methods (multiples method in combination with the discounted cash-flow method) or other methods of company valuation.

Changes in the fair value hierarchy or classification take place whenever there is any change in the quality of the input parameters used in the valuation method. Classification adjustments are made at the end of the reporting period.

The following table shows the development of equity investments FVOCI measured at fair value and assigned to level 3.

Movements in €k	Equity investments FVOCI
Carrying amount as at 1/1/2024	286,270
Additions (purchases)	0
Disposals (sales)	0
Value changes recognised in equity	-75
Value changes recognised in income	0
Carrying amount as at 31/3/2024	286,195

The item Other comprehensive income from these instruments decreased by EUR 58,000

The remaining level 3 financial instruments measured at fair value comprise loans and advances to customers and/or amounts owed to credit institutions for which the fair value option was used.

Movements in €k	Loans and advances to customers
Carrying amount as at 1/1/2024	283,554
Transfer to level 2	0
Additions	2,182
Disposals	-1,085
Changes in fair value	-3,056
thereof disposals	0
thereof portfolio instruments	-3,056
Carrying amount as at 31/3/2024	281,595

There were no transfers between level 1 and level 2.

New major transactions with related parties in the financial year on 31/3/2024:

Associated companies	€k 30,000
Subsidiaries	€k 0
Other related parties	€k 0

Statement by the Management Board of Oberbank AG

The Management Board confirms that

- these condensed interim financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and the International Accounting Standards (IAS) currently in force and published by the International Accounting Standards Board (IASB) as applicable in the EU and the interpretations thereof by the International Financial Reporting Interpretations Committee (IFRIC); they furthermore present a true and fair view of the financial position, financial performance and cash flows of the Oberbank Group;
- this report covers the first quarter of 2024 (1 January 2024 to 31 March 2024) and presents a true and fair view of the financial position, financial performance and cash flows of the Oberbank Group in compliance with the principles of IFRS for interim financial reports.

The undersigned members of the Management Board in their function as legal representatives of Oberbank confirm that

a) these condensed interim financial statements have been prepared in accordance with the relevant accounting standards and to the best of their knowledge present a true and fair view of the financial position, financial performance and cash flows of the issuer and of all entities included in the group of consolidated companies;
b) the management report for the first quarter presents a true and fair view of the financial position, financial performance and cash flows with respect to the key events during the first three months of the financial year and their effects on the condensed interim financial statements with respect to the key risks and uncertainties in the remaining nine months of the financial year and with respect to material business transactions with related parties that must be disclosed.

Linz, 13 May 2024

The Management Board

CEO
Franz Gasselsberger
Remit: Market

Management Board Member
Martin Seiter
Remit: Market

Management Board Member
Florian Hagenauer
Remit: Back Office

Management Board Member
Isabella Lehner
Remit: Back Office

Current Management Board Remits

CEO Franz Gasselsberger	Management Board Member Martin Seiter	Management Board Member Florian Hagenauer	Management Board Member Isabella Lehner
Market	**Market**	**Back Office**	**Back Office**
General Business Policy			
Internal Audit			
Compliance			
Business and Service Departments			
CIF (Corporate & International Finance)	GFI (Global Financial Institutions)	BSR (Bank Supervisory Reporting)	ORG (Organisational Development, Strategy and Process Management)
HRA (Human Resources)	PAM (Private Banking & Asset Management)	ISK (Real Estate, Security and Cost Management)	ZSP (Central Services and Production)
RUC (Accounts & Controlling)	PKU (Personal Banking)	KRM (Credit Management)	Oberbank Service GmbH*
	TRE (Treasury & Trade)	RIS (Strategic Risk Management)	3 Banken IT GmbH**
	Oberbank Leasing GmbH*	SEK (Corporate Secretary & Communication)	
Regional Business Divisions			
Linz North	Linz South	Back Office Austria	
Innviertel	Salzburg	Back Office Germany	
Lower Austria & Burgenland	Vienna	Back Office Czech Republic	
Upper Austria South	Germany Southwest	Back Office Hungary	
Germany Central	Germany South	Back Office Hungary	
Czech Republic	Slovakia		
	Hungary		

1) Oberbank Service GmbH, 100% subsidiary of Oberbank

2) CEE as defined by Oberbank comprises the regions of Czech Republic, Slovakia and Hungary.

Important information

Forecasts that refer to the future development of Oberbank are estimates made on the basis of information available to us on the reporting date. Should the assumptions regarding such forward-looking statements prove incorrect or should risks materialise to an extent not anticipated, the actual results may vary from those currently expected. Information provided on market shares are based on the most recent data available at the copy deadline.

When adding up rounded figures and calculating percentage rates of change, slight differences may result when compared to totals and rates arrived at by adding up figures which have not been rounded.

This report is made available in English for the convenience of readers. Only the German-language version shall be legally-binding.

Financial calendar 2024

3 April 2024	Online publication of the Annual Report 2023
3 May 2024	Date of record for the 144th Annual General Meeting
13 May 2024	144th Annual General Meeting of Oberbank AG
16 May 2024	Ex-dividend date
17 May 2024	Date of record
21 May 2024	Dividend payout date
13 May 2024	Report on Q1 2024
22 August 2024	Report on Q1-Q2 2024
22 November 2024	Report on Q1-Q3 2024

The financial calendar is subject to change. The most current version is available on the website of Oberbank AG at www.oberbank.at

This report is also available online at https://www.oberbank.at/investor-relations

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