Oberbank

Interim Report to Shareholders as at 30 June 2024

Key Performance Indicators

Income statement in € m	Q1-Q2 2024	Change	Q1-Q2 2023
Net interest income	329.4	17.1 %	281.4
Profit from entities recognized using the equity method	34.2	-63.6 %	94.0
Charges for losses on loans and advances	-24.2	> 100%	-8.4
Net fee and commission income	101.7	-0.5 %	102.2
Administrative expenses	-197.6	7.0%	-184.6
Profit/loss for the period before tax	258.7	-7.2%	278.7
Profit/loss for the period after tax	201.4	-12.3%	229.6

Balance sheet in €m	30/6/2024	Change	31/12/2023
Total assets	27,680.1	-0.6%	27,834.5
Loans and advances to customers	20,595.1	2.6%	20,074.3
Primary funds	19,146.1	0.1%	19,125.3
thereof securitised liabilities incl. subordinated capital	3,621.4	7.5%	3,369.2
Shareholders' equity	3,962.5	2.6%	3,863.1
Customer funds under management	39,162.2	-0.1%	39,214.7

Own funds pursuant to CRR in € m	30/6/2024	Change	31/12/2023
Common equity tier 1 capital (CET 1)	3,327.6	-1.7%	3,383.3
Tier 1 capital	3,377.6	-1.6%	3,433.3
Own funds	3,719.4	-1.5%	3,775.9
CET 1 ratio in %	18.03 %	-0.58 ppt	18.61 %
Tier 1 capital ratio in %	18.31 %	-0.57 ppt	18.88 %
Total capital ratio in %	20.16 %	-0.61 ppt	20.77 %

Risk indicators	Q1-Q2 2024	Change	Q1-Q2 2023
Liquidity coverage ratio in %	168.12	-11.52 ppt	179.64
Net stable funding ratio in %	127.78	-0.98 ppt	128.76
Leverage ratio in %	11.40	0.91 ppt	10.49

Performance indicators	Q1-Q2 2024	Change	Q1-Q2 2023
Cost/income ratio in %	41.13	1.99 ppt	39.14
Return on equity before tax in %	13.19	-2.08 ppt	15.27
Return on equity after tax in %	10.27	-2.31 ppt	12.58
Risk/earnings ratio (credit risk/net interest) in %	7.34	4.36 ppt	2.98

Resources	30/6/2024	Change	31/12/2023
Average number of staff (weighted)	2,234	82	2.152[1)]
Number of branches	175	-3	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 – HY1 2024 Oberbank Group

Dear shareholders,
In the first half of 2024, we saw declining inflation, an initial interest rate cut by the ECB, and economic stagnation across Europe. By contrast, the global economy has been growing satisfactorily and especially the US is benefiting from rising productivity. Despite the adverse environment, Oberbank's business operations developed robustly. In HY1 2024, we achieved the second-best profit and best operating result in the bank's history.

Excellent operating income
Net interest income rose by 17.1% from EUR 281.4 million to EUR 329.4 million. Oberbank's lending volume increased by almost EUR 600 million (+2.9%) to EUR 20.6 billion, which was a major contribution to the excellent performance. Once again, the importance of the segment of **Corporate and Business Banking** for Oberbank became very clear. At a gain of 5.8%, the growth trend in commercial loans continued. Very pleasing is the contribution to credit growth from our markets in the Czech Republic and Hungary. The leasing business continued to develop very well.

We do not perceive any gloomy sentiment in **Retail Banking**. Demand for insurance and retirement provisioning products increased by around 10%. Although the federal government's housing policies and the first interest rate cut have not triggered a surge, demand for housing loans is rising every month. The savings ratio in Austria is 9%, and we recorded an increase of 3.2% or EUR 113.0 million in savings deposits from retail customers.

Primary funds reach new highs
The bank's primary funds increased by EUR 785.0 million (+4.3%) to EUR 19.2 billion.

Net fee and commission income remained stable at the high level of EUR 101.7 million. The higher income from the securities business and payment services did not fully offset the decline in commission income on loans and foreign exchange. Commissions on securities rose by 9.6% to EUR 34.8 million. The strong points of Oberbank's Private Banking business are its good contacts in the corporate segment combined with products of high quality and its first-rate credit standing. Therefore, demand for our bonds, investment funds and asset management services is high.

Risk provisions adjusted to the economic situation

Credit risk has returned to normal levels and remains well manageable. Allocations to risk provisions were raised as of 30 June of this year from EUR 8.4 million to EUR 24.2 million. Total risk provisions fell by 9.3%.

Best operating income ensures second-best half-yearly results
Net profit before tax for the period was EUR 258.7 million on 30 June 2024. Although this represents a decline of 7.2%, it is the second-strongest quarterly result in history. Operating income developed excellently and is once again a reliable mainstay, with the volatility being attributable to the income from equity investments.
Income tax rose by 16.5% to EUR 57.3 million, which reduces net profit for the period after tax by 12.3% to EUR 201.4 million.

Income from entities accounted for by the equity method within long-year average

Income from entities accounted for by the equity method decreased from EUR 94 million to EUR 34.2 million and are therefore within the long-year average after the exceptionally high level of 30 June 2023. This decline resulted exclusively from the investment in voestalpine AG. Our partner banks, BTV and BKS delivered highly satisfactory returns.

Stronger equity base

Shareholders' equity pursuant to IFRS increased to almost EUR 4.0 billion as of 30 June 2024. This is an increase by 6.8%, thereby strengthening Oberbank's risk-bearing capacity. At a tier 1 capital ratio of 18.3% and a total capital ratio of 20.2%, Oberbank ranks among the top performing universal banks in Europe.

Outlook

We are also concerned about current economic developments. Our business is dominated by regional trends, while the global economy is doing much better. In our markets in the Czech Republic and Hungary, which are already much further along in the interest rate cutting cycle, we are seeing the propensity to invest, and thus also demand for loans increasing significantly. Therefore, we believe that the interest rate cuts will also create greater confidence and help liven up investment activity among businesses. Higher real incomes should also encourage individuals to carry out larger projects.

Considering the prevailing volatile economic and political conditions, the Management Board of Oberbank is not presenting an earnings outlook for the full year.

Linz, August 2024

CEO Franz Gasselsberger

Oberbank’s shares

After HY1 2024, Oberbank’s ordinary shares were trading at EUR 70.00 per share. The price of Oberbank’s ordinary shares rose by +8.70% and performance was 10.27%. Market capitalisation at the end of HY1 2024 was EUR 4,943.02 million compared to EUR 4,547.58 million at the close of the preceding year.

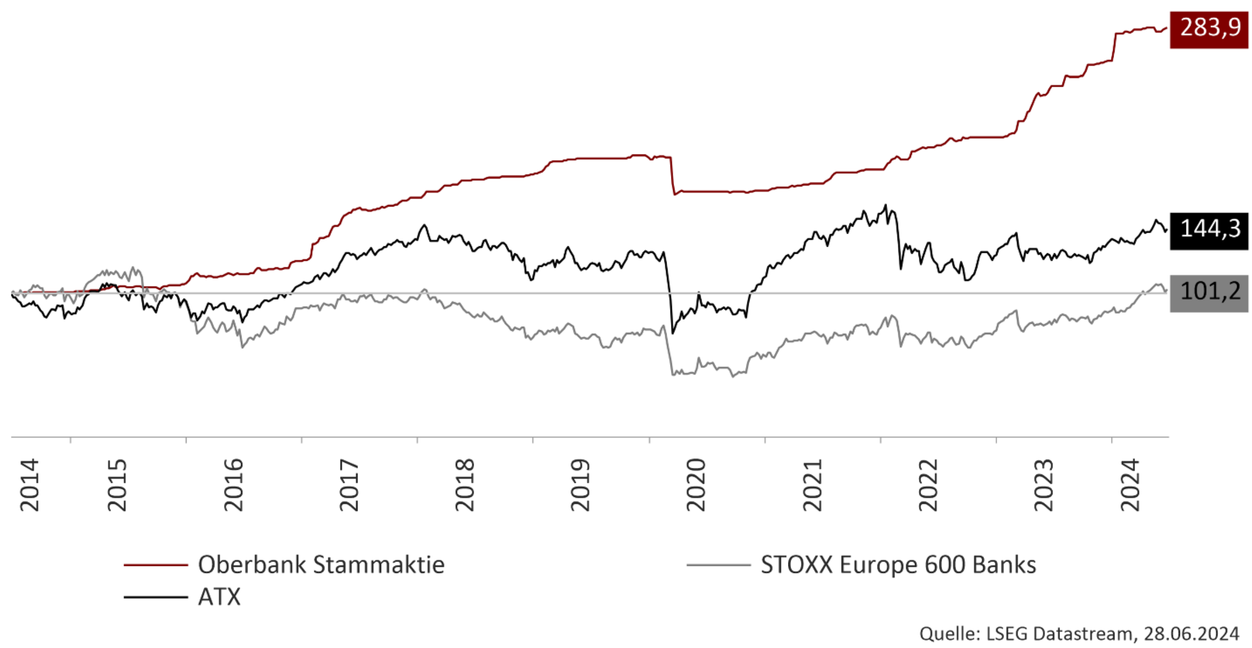
Oberbank shares – key figures	Q1-Q2 2024	Q1-Q2 2023
Number of ordinary no-par shares	70,614,600	70,614,600
High, ordinary shares in €	70.00	60.00
Low, ordinary shares in €	64.60	51.00
Close, ordinary share in €	70.00	60.00
Market capitalization in €m	4,943.02	4,236.88
IFRS earnings per share in €, annualised	5,71*	6,51*
P/E ratio, ordinary shares	12.26	9.22

Historical data has been adjusted for the share split.

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

Oberbank ordinary shares vs ATX and the European banking index

Period: 30/6/2014 to 28/6/2024



Text in Chart: Oberbank Stammaktie = Oberbank’s ordinary shares; Quelle = Source

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 half of 2024

Corporate and Business Banking

Corporate and Business Banking	Q1-Q2 2024	Q1-Q2 2023	± absolute	± in %
Net interest income	255.3	230.3	25.0	10.9%
Charges for losses on loans and advances	-23.8	-12.8	-11.0	86.0%
Net fee and commission	54.9	57.9	-3.0	-5.2%
Net trading income	0.3	-0.1	0.4	>-100.0%
Administrative expenses	-107.0	-99.8	-7.2	7.2%
Other operating income	1.4	-1.2	2.6	>-100.0%
Profit/loss for the period	181.2	174.3	6.9	3.9%
Risk equivalent	13,152.3	12,548.5	603.9	4.8%
Average allocated equity	2,607.2	2,279.5	327.7	14.4%
Return on equity before tax (RoE)	13.9 %	15.3%	-1.4 ppt	
Cost/income ratio	34.3 %	34.8%	-0.5 ppt	

Since 1 January 2024, sole proprietorships not registered in the Companies Register have been allocated to the Retail Banking segment; prior year figures have been adjusted.

Earnings in Corporate and Business Banking

Profit in the Corporate and Business Banking segment was EUR 181.2 million, which is EUR 6.9 million (+3.9%) higher year on year.
Net interest income rose by EUR 25.0 million (+10.9%) to EUR 255.3 million.
Impairment charges increased by EUR 11.0 million from EUR 12.8 million to EUR 23.8 million.
At EUR 54.9 million, net fee and commission income was lower year on year by EUR 3.0 million (-5.2%).
Net trading income increased by EUR 0.4 million year on year.
Administrative expenses went up by EUR 7.2 million (+7.2%) to EUR 107.0 million.
Other operating income increased by EUR 2.6 million to EUR 1.4 million.
RoE in Corporate and Business Banking was 13.9% and the cost/income ratio improved to 34.3%.

Commercial loans

Oberbank's commercial lending volume increased by EUR 861.5 million (+5.4%) from EUR 16,068.9 million to EUR 16,930.4 million.

Commercial loans		YoY change	
As at 30/6/2024	As at 30/6/2023	absolute	in %
16,930.4 in €m	16,068.9 in €m	861.5 in €m	5.4%

Investment and innovation finance

At 755 projects, the number of applications for subsidised loans submitted in all five Oberbank markets in the first half of this year for investments and innovation and to secure liquidity was 12.3% lower 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 unattractive terms of subsidised loan schemes (especially under Austria's ERP Fund and Germany's KfW lending schemes). The volume of subsidised loans handled by Oberbank as at 30 June 2024 increased again by 4.3% to EUR 2.1 billion. This highly satisfactory development was also seen in the volume of subsidised loans of the ERP Fund in the first half of this year. At a market share of 24% for all of Austria, Oberbank once again ranked in first place among Austrian banks.

Leasing

The leasing business continued to develop well. At a volume of new business of EUR 535.7 million, the portfolio increased by 9.0% to EUR 2,761 million year on year.

Structured financing and syndication

The number of cases processed in structured finance was again below the level of the same period of the preceding year. Financing for company acquisitions and changes of ownership showed a year-on-year increase in demand. The dynamic trend in the segments of renewable energy and tourism continued. Market sentiment remains subdued in the area of commercial real estate finance.
There was an increase versus HY1 2023 in the total exposure and number transactions in the segment of syndicated loans, special loans and borrower's notes. The number of syndicated loans for which Oberbank acts as leader manager has settled at a stable level. The market for borrower's notes showed a positive trend in the first half of the year. We subscribed to several attractive issues of Austrian and German issuers with solid credit ratings again.

Oberbank Opportunity Fund

In HY1 2024, the Oberbank Opportunity Fund recorded 76 inquiries, which is roughly the same as in the same period of the preceding year. The Oberbank Opportunity Fund closed three new transactions during this period and six further transactions will be closed shortly, supplemented by exclusively debt capital transactions. Since the inception of the Oberbank Opportunity Fund, 121 transactions involving equity and/or mezzanine capital or high-yield capital have been financed (plus debt financing) and ten supplementary finance transactions with portfolio companies. The volume of capital committed as at 30 June 2024 was EUR 372 million distributed across equity, mezzanine capital and high-yield capital.

Payment services

At mid-year, income from corporate customer payment services was 6.1% higher year on year, despite the difficult economic environment.
The replacement of the ELBA MBS software product is under way. The market launch of the new payment services product “oBusiness” is planned for the third quarter.

Export finance

The current economic situation caused export growth to stagnate in 2023, and it only gained +0.3% versus the preceding year. OeNB expects a slight recovery of global trade in 2024 and forecasts growth in real exports of +1.5%.
Expectations of declining interest rates reinforced by an initial interest rate cut by the ECB fuelled a substantial rise in demand for working capital loans in HY1. Therefore, in Q3 we should see rising figures for credit lines for working capital under the OeKB refinancing scheme. Oberbank's strong market share in these types of loans (export fund loans for SMEs and loans under the KRR scheme for large corporates) remained constant in the first half of 2024 at 11.6%.
Thus, Oberbank achieved a stable market share in investment finance under the OeKB funding schemes in the first half of 2024.

Factoring

Compared to the same period of the preceding year, the number of factoring clients and also the factoring framework (+10.0%) increased significantly. This has not yet fully impacted revenues and earnings. In this context, we saw a decline of -0.6% and -9.6%, respectively, versus the preceding year. The acquisition of new customers and the economic recovery prognosticated for the medium term are expected to boost earnings in the next quarter.

Documentary business

After a difficult financial year in 2023, there were some positive signals from the economy at the end of the first half of 2024. In the first half of the year 2024, several factors weighed heavily on markets especially the prevailing global insecurity and the related steep rise in shipping costs. Oberbank proved a reliable and strong partner also in such difficult times. Documentary transactions and guarantees helped customers safely conduct trade activities. In the first half of 2024, the increase in transactions secured by documentary transactions was 28.3%. With respect to guarantees, in HY1 2024, the volume of these transactions was 10.1% higher than in the same period of the preceding year.

International network of partner banks and institutions

Also at the end of HY1, geopolitical topics were an issue for daily business. Military conflicts had a strong impact on global economic developments. Demand for security in international foreign trade increased, and solid trustworthy partner banks became very important. The long-standing and solid relationships with these partner banks have been developed and established over many years through personal talks and meetings.
Oberbank aims to be a reliable partner for its customers for their international business transactions. This means understanding the needs of our customers and preparing well ahead of time to meet these needs. Subsequently, a broad range of high-quality banking services was offered throughout Oberbank's entire market areas including in Germany, the Czech Republic, Hungary and Slovakia.

On the one hand, efficiency and speed of regulatory processes improved – for example, through bank concentration – and on the other, a focus was placed on the new and future markets and regions of our customers.

Primary deposits

"Order placed - goods delivered" – that's how one might briefly describe the ECB's interest rate action in June. The long-awaited reduction of key lending rates in the euro area was carried out at the beginning of June. Less noticed – but no less important – was the European Central Bank's announcement to narrow the spread between the ECB deposit rate and refinancing rate from 0.5% to 0.15% as of September, starting with the deposit rate.

Deposits at Oberbank decreased in the reporting period, both with respect to sight deposits and term deposits. The trend of funds shifting from sight deposits to term deposits continued.

Currency risk management

The currency transaction business remained stable in the first half of the year. Income from corporate and business customers from such transactions achieved the corresponding budget figures. The rather sluggish international economy did not permit any steep increases, as many companies with international business had to reduce their hedges before entering into new business. The digital foreign exchange trading platform, Oberbank I-Trader, continued to develop very well. We also started our entry into the Czech market.

Retail Banking

Retail Banking in € million	Q1-Q2 2024	Q1-Q2 2023	± absolute	± in %
Net interest income	116.2	112.5	3.7	3.3%
Charges for losses on loans and advances	-0.5	4.0	-4.5	>-100.0%
Net fee and commission income	46.8	44.3	2.5	5.7%
Net trading income	0.0	0.0	0.0	
Administrative expenses	-68.0	-62.5	-5.5	8.8%
Other operating income	2.3	2.7	-0.4	-14.7%
Profit/loss for the period	96.8	101.0	-4.2	-4.2%
Risk equivalent	2,034.5	2,185.7	-151.2	-6.9%
Average allocated equity	403.3	397.1	6.2	1.6%
Return on equity before tax (RoE)	48.0 %	50.9 %	-2.9 ppt	
Cost/income ratio	41.2 %	39.2 %	2.0 ppt	

Since 1 January 2024, sole proprietorships not registered in the Companies Register have been allocated to the Retail Banking segment; prior year figures have been adjusted.

Earnings in Retail Banking

Profit in the Retail Banking segment decreased year on year by EUR -4.2 million (-4.2%) to EUR 96.8 million.
Net interest income rose by EUR 3.7 million (+3.3%) to EUR 116.2 million.
While there was a reversal of risk provisions of EUR 4.0 million in the preceding year, allocations to risk provisions were EUR 0.5 million this year.
Net commission income increased by EUR 2.5 million (+5.7%) to EUR 46.8 million.
At EUR 68.0 million, administrative expenses were EUR 5.5 million (+8.8%) higher year on year.
Other operating income decreased by EUR -0.4 million (-14.7%) to EUR 2.3 million.
RoE in Retail Banking dropped to 48.0%, and the cost/income ratio worsened to 41.2%.

Retail accounts

Compared to the preceding year, the number of retail accounts decreased by 199 (-0.1%) from 194,577 to 194,378 accounts. 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 30 June 2024, 39.4% of retail accounts in the portfolio were sustainable accounts. This corresponds to an increase of 18,964 to 76,488 sustainable accounts in the period of comparison.

Retail accounts		YoY change	
As at 30/6/2024	As at 30/6/2023	absolute	in %
194,378	194,577	-199	-0.1%

Retail loans

On account of the very challenging market environment, the outstanding volume (excluding leasing) decreased by EUR 271.6 million (-6.9%) from EUR 3,936.3 million on 30 June 2023 to EUR 3,664.7 million. The volume of new retail loans was 12.1% lower than in the same period of the preceding year. Demand for housing loans has risen compared to the preceding quarters. The government's announcement of a set of housing policy measures at the end of February initially created uncertainty. As a consequence, potential borrowers took a wait-and-see stance, thus slowing 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 30/6/2024	**As at 30/6/2023**	**absolute**	**in %**
3,664.7 Mio. €	3,936.3 Mio. €	-271.6 Mio. €	-6.9%

*) Since 1 January 2024, sole proprietorships not registered in the Companies Register have been allocated to the Retail Banking segment; prior year figures have been adjusted.

Retail customer deposits

The volume on savings, sight and term deposits decreased year on year by EUR 223.5 million (-3.1%) from EUR 7,167.3 million to EUR 6,943.8 million. We would like to point out that deposit levels were relatively high on the comparison date 30 June 2023. Additionally, competition for retail customer deposits is fierce. Nonetheless, Oberbank aims to achieve a reasonable level of earnings. However, flows into online savings products continues unabated. Deposits on online savings accounts in Austria increased substantially again year on year, rising by EUR 761.0 million (+46.3%) from EUR 1,644.0 million to EUR 2,405.0 million. By contrast, deposits on savings passbooks declined year on year by EUR 494.3 million (-28.0%) from EUR 1,765.8 million to EUR 1,271.4 million.

Retail customer deposits*		YoY change	
As at 30/6/2024	**As at 30/6/2023**	**absolute**	**in %**
6,943.8 in €m	7,167.3 in €m	-223.5 €m	-3.1%

*) Since 1 January 2024, sole proprietorships not registered in the Companies Register have been allocated to the Retail Banking segment; prior year figures have been adjusted.

Securities business

In HY1 2024, fee and commission income from the securities business increased by EUR 3.1 million (+9.6%) to EUR 34.8 million. Despite the adverse economic and geopolitical conditions, investor sentiment remained positive in the first half of the year. Transaction activity was lively and resulted in higher income from current turnover. Demand for Oberbank issues and bond investment funds continued, with many investors securing attractive long-term interest rates. Overall, the volume trend was positive for managed products. Demand for sustainable investment funds continued, and the product range was enlarged by new funds in HY1 2024. A highlight of the year was the Oberbank Financial Market Forum held in April 2024 that was attended by almost a thousand persons.

We are also very pleased that the functionality in the Oberbank app for placing securities orders is popular among customers. Almost one third of all securities orders were placed by customers using the Oberbank app.

Fee and commission income on securities		YoY change	
As at 30/6/2024	As at 30/6/2023	absolute	in %
34.8 €m	31.7 €m	3.1 €m	9.6%

Market value on custody accounts

Market values on custody accounts decreased year on year by EUR 600.2 million or 2.9% to EUR 20.0 billion.

Market value on custody accounts		YoY change	
As at 30/6/2024	As at 30/6/2023	absolute	in %
20,016.1 in €m	20,616.3 in €m	600.2 €m	2.9%

Private Banking

The assets under management in Private Banking (demand deposits and custody accounts) increased by a pleasing EUR 710.2 million (+5.8%) to EUR 13.0 billion year on year. Individual portfolio management accounts also reached a new all-time high with a volume of EUR 835.54 million under management. Apart from the inflow of funds, all strategies also performed very well.

Assets under management in Private Banking		YoY change	
As at 30/6/2024	As at 30/6/2023	absolute	in %
12,955.7 €m	12,245.5 €m	710.2 €m	5.8%

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

The assets managed by 3 Banken Generali-Investment-Gesellschaft m.b.H. as at 30 June 2024 totalled EUR 12.0 billion, which is a gain of 3.1% or EUR 0.4 billion higher than at year-end 2023. Compared to the same period of the preceding year, this was an increase by EUR 0.6 billion (+5.4%). Therefore, the company still ranks fifth among Austrian investment companies with a market share of 5.6%. In HY1, growth was slightly slower than the overall market which saw an increase of 5.1% to EUR 212.5 billion since the close of 2023.
Oberbank's share of assets under management was EUR 6.1 billion as at 30 June 2024, and therefore, it is much higher than in HY1 2023 with EUR 5.7 billion. Growth was achieved through net fund inflows and performance effects. Sustainable investment funds continue to be a driving force in all asset classes, i.e. bond, equity and mixed funds.

Retail investment funds and special funds		YoY change	
As at 30/6/2024	As at 30/6/2023	absolute	in %
6,108.3 €m	5,710.5 €m	397.8 €m	7.0%

Building society savings

Oberbank brokered a total of 1,974 building society savings contracts in HY1 2024. Compared to HY1 2023, this was a decrease by 759 contracts (-27.8%).

Wüstenrot loans

In the first two quarters of 2024, a loan volume of EUR 0.5 million was brokered to Wüstenrot. This corresponded to a decrease of EUR -0.4 million (-45.1%).

Insurance business

Market AT

Production volume (= annual net premium) for life insurance and non-life insurance increased in HY1 by 10.9% year on year. Especially pleasing was the significant increase in net premiums across all segments.

Insurance contracts - premium volume		**YoY change**	
As at 30/6/2024	**As at 30/6/2023**	**absolute**	**in %**
6.1 €m	5.5 €m	0.6 €m	10.9%

Market DE

Premium volume (= premium sum) in life insurance rose year on year by 34%.

Insurance contracts - premium volume		**YoY change**	
As at 30/6/2024	**As at 30/6/2023**	**absolute**	**in %**
14.6 €m	10.9 €m	3.7 €m	34%

Financial Markets

Financial Markets in € million	Q1-Q2 2024	Q1-Q2 2023	± absolute	± in %
Net interest income	-42.1	-61.4	19.3	-31.4%
Profit from entities recognized using the equity method	34.2	94.0	-59.8	-63.6%
Charges for losses on loans and advances	0.1	0.4	-0.3	-72.4%
Net fee and commission income	0.0	0.0	0.0	
Net trading income	4.2	3.5	0.7	20.5%
Administrative expenses	-6.0	-6.8	0.8	-11.4%
Other operating income	6.6	0.9	5.7	> 100.0%
Profit/loss for the period	-3.0	30.6	-33.6	>-100.0%
Risk equivalent	4,605.5	5,357.0	-751.4	-14.0%
Average allocated equity	913.0	973.1	-60.2	-6.2%
Return on equity before tax (RoE)	n.a.	6.3 %		
Cost/income ratio	n.a.	18.4 %		

n.a. – not indicative

Earnings in Financial Markets

Income in Financial Markets decreased by EUR -33.6 million to EUR -3.0 million.
Net interest income increased by EUR 19.3 million to EUR -42.1 million.
Income from companies accounted for by the equity method decreased by EUR -59.8 million from EUR 94.0 million to EUR 34.2 million.
Reversal of risk provisions decreased by EUR -0.3 million to EUR 0.1 million.
Net trading income increased by EUR 0.7 million (+20.5%) to EUR 4.2 million.
At EUR 6.0 million, administrative expenses were EUR 0.8 million lower year on year.
Other operating income rose by EUR 5.7 million from EUR 0.9 million to EUR 6.6 million.
RoE and the cost/income ratio are not indicative.

Proprietary trading

Financial and capital markets performed excellently this year. Prevailing sentiment was positive with only minor volatility. Stock markets climbed steadily, gold is close to its all-time high, long-term interest rates have stabilized at a good level, currencies have been very stable and short-term interest rates have gradually fallen in most countries in line with central bank moves – only in the US do we still need to have some patience.
Although larger fluctuations are better for trading as it makes it possible to earn returns on movements, but even in this stable environment, contributions to profits were earned in proprietary trading.

Refinancing

Shortly after the start of the year, projected estimates were attained through the issuance of a euro covered bond on the institutional investor market with a volume of EUR 250 million.
Furthermore, sales of banking bonds (senior preferred) and subordinated bonds continued at a stable level. At just under EUR 160 million at the end of the HY1, almost exactly half of the projected volume was placed. Demand for bonds is expected to remain strong, as it is quite reasonable to secure current interest rates for the long term.

Own funds

Own funds of EUR 3,719.4 million on 30 June 2024 represent a ratio of 20.2%. Tier 1 capital was EUR 3,377.6 million, and the tier 1 capital ratio was 18.3%. Common equity tier 1 capital of EUR 3,327.6 million corresponds to a ratio of 18.0%.

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 on the balance sheet.
When assessing creditworthiness and in collateral policy, Oberbank has decades of know-how. Moreover, our 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, counterparty risks are expected to remain within the budgeted amounts for risk provisions also 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 (30/6/2024: EUR 20.6 billion) by primary deposits plus own issues and deposits of investment finance banks (OeKB, LfA, KfW) amounting to EUR 22.6 billion (30/6/2024). 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 30/6/2024

Consolidated income statement ***in €k***		**1/1 to 30/6/2024**	**1/1 to 30/6/2023**	**Change in €k**	**Change in %**
1. Interest and similar income		569,794	455,496	114,298	25.1
a) Interest income based on the effective interest rate method		555,444	444,958	110,486	24.8
b) Other interest income		14,350	10,538	3,812	36.2
2. Interest and similar expenses		-240,357	-174,050	-66,307	38.1
Net interest income	(1)	329,437	281,446	47,991	17.1
3. Profit from entities recognized using the equity method	(2)	34,162	93,955	-59,793	-63.6
4. Charges for losses on loans and advances	(3)	-24,187	-8,397	-15,790	> 100.0
5. Net commission income		111,894	112,531	-637	-0.6
6. Net commission expenses		-10,184	-10,349	165	-1.6
Net fee and commission income	(4)	101,710	102,182	-472	-0.5
7. Net trading income	(5)	4,549	3,365	1,184	35.2
8. Administrative expenses	(6)	-197,646	-184,639	-13,007	7.0
9. Other operating income	(7)	10,637	-9,260	19,897	>-100.0
a) Net income from financial assets - FVPL		10,842	4,890	5,952	> 100.0
b) Net income from financial assets - FVOCI		92	-302	394	>-100.0
c) Net income from financial assets - AC		0	0	0	
d) Other operating income		-297	-13,848	13,551	-97.9
Profit/loss for the period before tax		258,662	278,652	-19,990	-7.2
10. Income taxes	(8)	-57,277	-49,038	-8,239	16.8
Profit/loss for the period after tax		201,385	229,614	-28,229	-12.3
thereof attributable to the owners of the parent company and the owners of additional equity components		200,627	228,910	-28,283	-12.4
thereof attributable to non-controlling interests		758	704	54	7.7

Other comprehensive income in €k	**1/1 to 30/6/2024**	**1/1 to 30/6/2023**
Profit/loss for the period after tax	**201,385**	**229,614**
Items not reclassified to profit or loss for the year	**-22,069**	**-18,363**
-/+ Actuarial gain/loss IAS 19	-10,179	-13,734
± Deferred taxes on actuarial gains/losses IAS 19	2,341	3,159
+/- Share from entities recognised using the equity method	-1,999	2,465
+/- Value changes in own credit risk recognised in equity IFRS 9	-14,185	-5,891
+/- Deferred tax on changes recognised in equity for own credit risk IFRS 9	3,263	1,355
+/- Value changes in equity instruments recognised in equity IFRS 9	-2,328	-7,367
+/- Deferred tax on value changes in equity instruments recognised in equity IFRS 9	1,018	1,649
Items reclassified to profit or loss for the period	**-4,841**	**4,246**
+/- Value changes recognised in equity for debt securities IFRS 9	-810	2,042
Amounts recognised in equity	-799	1,654
Reclassification adjustments	-10	388
+/- Deferred tax on value changes recognised in equity for debt securities IFRS 9	186	-470
Amounts recognised in equity	184	-380
Reclassification adjustments	2	-90
± Exchange differences	-2,820	4,797
+/- Share from entities recognised using the equity method	-1,398	-2,123

	1/1 to 30/6/2024	1/1 to 30/6/2023
Total income and expenses recognised directly in equity	-26,910	-14,117
Total comprehensive income for the period from net profit/loss and income/expenses not recognised in profit or loss	174,475	215,497
thereof attributable to the owners of the parent company and the owners of additional equity components	173,717	214,793
thereof attributable to non-controlling interests	758	704

Performance indicators	**1/1 to 30/6/2024**	**1/1 to 30/6/2023**
Cost/income ratio in %[1)]	41.13	39.14
Return on equity before tax in %[2)]	13.19	15.27
Return on equity after tax in %[3)]	10.27	12.58
Risk/earnings ratio (credit risk/net interest income) in %[4)]	7.34	2.98
Earnings per share (annualised) in €[)5)6)7)]	5.71	6.51

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 period 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 6.51 for the preceding year.

Consolidated interim financial statements pursuant to IFRS - Statement of comprehensive income for the period 1/4/2024 to 30/6/2024

Consolidated income statement *in €k*		1/4 to 30/6/2024	1/4 to 30/6/2023	Change in €k	Change in %
1. Interest and similar income		280,710	248,416	32,294	13.0
a) Interest income based on the effective interest rate method		273,281	242,716	30,565	12.6
b) Other interest income		7,429	5,700	1,729	30.3
2. Interest and similar expenses		-118,189	-97,972	-20,217	20.6
Net interest income	(1)	162,521	150,444	12,077	8.0
3. Profit from entities recognized using the equity method	(2)	28,284	28,570	-286	-1.0
4. Charges for losses on loans and advances	(3)	-14,977	-3,657	-11,320	> 100.0
5. Net commission income		55,021	55,004	17	0.0
6. Net commission expenses		-5,224	-5,463	239	-4.4
Net fee and commission income	(4)	49,797	49,541	256	0.5
7. Net trading income	(5)	1,602	1,166	436	37.4
8. Administrative expenses	(6)	-105,763	-99,774	-5,989	6.0
9. Other operating income	(7)	10,821	2,351	8,470	> 100.0
a) Net income from financial assets - FVPL		5,397	-1,787	7,184	>-100.0
b) Net income from financial assets - FVOCI		33	50	-17	-34.0
c) Net income from financial assets - AC		0	0	0	
d) Other operating income		5,391	4,088	1,303	31.9
Profit/loss for the period before tax		132,285	128,641	3,644	2.8
10. Income taxes	(8)	-26,626	-27,819	1,193	-4.3
Profit/loss for the period after tax		105,659	100,822	4,837	4.8
thereof attributable to the owners of the parent company and the owners of additional equity components		105,400	100,411	4,989	5.0
thereof attributable to non-controlling interests		259	411	-152	-37.0

Other comprehensive income in €k	**1/4 to 30/6/2024**	**1/4 to 30/6/2023**
Profit/loss for the period after tax	105,659	100,822
Items not reclassified to profit or loss for the year	-7,972	-21,129
-/+ Actuarial gain/loss IAS 19	-10,179	-13,734
+/- Deferred taxes on actuarial gains/losses IAS 19	2,341	3,159
+/- Share from entities recognised using the equity method	6,474	7,246
+/- Value changes in own credit risk recognised in equity IFRS 9	-12,124	-726
+/- Deferred tax on changes recognised in equity for own credit risk IFRS 9	2,789	167
+/- Value changes in equity instruments recognised in equity IFRS 9	2,915	-22,333
+/- Deferred tax on value changes in equity instruments recognised in equity IFRS 9	-188	5,091
Items reclassified to profit or loss for the period	-4,335	4,712
+/- Value changes recognised in equity for debt securities IFRS 9	-144	831
Amounts recognised in equity	-143	505
Reclassification adjustments	-1	326
+/- Deferred tax on value changes recognised in equity for debt securities IFRS 9	33	-191
Amounts recognised in equity	33	-116
Reclassification adjustments	0	-75
± Exchange differences	-2,175	2,736
+/- Share from entities recognised using the equity method	-2,049	1,336

	1/4 to 30/6/2024	**1/4 to 30/6/2023**
Total income and expenses recognised directly in equity	-12,307	-16,417
Total comprehensive income for the period from net profit/loss and income/expenses not recognised in profit or loss	93,352	84,405
thereof attributable to the owners of the parent company and the owners of additional equity components	93,093	83,994
thereof attributable to non-controlling interests	259	411

Consolidated balance sheet as at 30/6/2024

Assets in €k			30/6/2024	31/12/2023	Change in €k	Change in %
1.	Cash and balances with central banks	(10)	2,365,037	2,836,294	-471,257	-16.6%
2.	Loans and advances to credit institutions	(11)	383,323	817,554	-434,231	-53.1%
3.	Loans and advances to customers	(12)	20,595,111	20,074,272	520,839	2.6%
4.	Trading assets	(13)	33,634	30,917	2,717	8.8%
5.	Financial investments	(14)	3,717,774	3,556,995	160,779	4.5%
	a) Financial assets FVPL		646,143	520,364	125,779	24.2%
	b) Financial assets FVOCI		373,604	372,562	1,042	0.3%
	c) Financial assets AC		1,480,533	1,469,598	10,935	0.7%
	d) Interests in entities accounted for by the equity method		1,217,494	1,194,471	23,023	1.9%
6.	Intangible assets	(15)	4,140	4,274	-134	-3.1%
7.	Property, plant and equipment	(16, 17)	335,766	347,162	-11,396	-3.3%
	a) Investment property		64,208	69,045	-4,837	-7.0%
	b) Other property, plant and equipment		271,558	278,117	-6,559	-2.4%
8.	Other assets	(18)	245,321	167,003	78,318	46.9%
	a) Deferred tax assets		1,278	1,606	-328	-20.4%
	b) Positive fair values of closed out derivatives in the banking book		21,963	25,933	-3,970	-15.3%
	c) Other		222,080	139,464	82,616	59.2%
	Total assets		**27,680,106**	**27,834,471**	**-154,365**	**-0.6 %**

Consolidated balance sheet as at 30/6/2024

Equity and liabilities in €k

			30/6/2024	31/12/2023	Change in €k	Change in %
1.	Amounts owed to credit institutions	(19)	3,773,307	4,046,388	-273,081	-6.7%
	a) Refinance allocated for customer loans		3,417,028	3,405,115	11,913	0.3%
	b) Other amounts owed to credit institutions		356,279	641,273	-284,994	-44.4%
2.	Amounts owed to customers	(20)	15,524,699	15,756,132	-231,433	-1.5%
3.	Securitised liabilities	(21)	3,125,414	2,842,137	283,277	10.0%
4.	Provisions for liabilities and charges	(22)	288,016	308,124	-20,108	-6.5%
5.	Other liabilities	(23)	510,196	491,563	18,633	3.8%
	a) Trading liabilities	(24)	30,087	35,020	-4,933	-14.1%
	b) Tax liabilities		83,078	44,647	38,431	86.1%
	ba) Current tax liabilities		71,052	25,689	45,363	> 100.0%
	bb) Deferred tax liabilities		12,026	18,958	-6,932	-36.6%
	c) Negative fair values of closed out derivatives in the banking book		115,282	119,248	-3,966	-3.3%
	d) Other		281,749	292,648	-10,899	-3.7%
6.	Subordinated debt capital	(25)	495,976	527,054	-31,078	-5.9%
7.	Shareholders' equity	(26)	3,962,498	3,863,073	99,425	2.6%
	a) Equity after minorities		3,904,314	3,804,390	99,924	2.6%
	b) Shares of non-controlling shareholders		8,184	8,683	-499	-5.7%
	c) Additional equity capital components		50,000	50,000	0	0.0%
	Total equity and liabilities		**27,680,106**	**27,834,471**	**-154,365**	**-0.6 %**

Consolidated statement of changes in equity as at 30/6/2023

					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 gain/loss 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			143,148	4,797	1,572	-5,717	-4,536	-10,575	86,104	214,793	704		215,497
Net profit/loss for the year			143,148						85,762	228,910	704		229,614
Other comprehensive income				4,797	1,572	-5,717	-4,536	-10,575	342	-14,117			-14,117
Dividend distribution			-51,187							-51,187			-51,187
Coupon payments on additional equity components			-1,725							-1,725			-1,725
Capital increase										0			0
Issuance of additional equity components										0			0
Repurchased own shares	121		3,837							3,958			3,958
Other changes not recognised in income			-105						-1,977	-2,082	-1,136		-3,218
As at 30/6/2023	**105,893**	**505,523**	**2,067,933**	**3,465**	**50**	**118,701**	**8,828**	**-24,434**	**866,114**	**3,652,071**	**8,174**	**50,000**	**3,710,245**

Consolidated statement of changes in equity as at 30/6/2024

					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 gain/loss 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			173,796	-2,820	-624	-1,310	-10,922	-7,838	23,435	173,717	758		174,475
Net profit/loss for the year			173,796						26,831	200,627	758		201,385
Other comprehensive income				-2,820	-624	-1,310	-10,922	-7,838	-3,396	-26,910			-26,910
Dividend distribution			-70,609							-70,609			-70,609
Coupon payments on additional equity components			-1,725							-1,725			-1,725
Capital increase										0			0
Issuance of additional equity components										0			0
Repurchased own shares	-24		-1,091							-1,115			-1,115
Other changes not recognised in income			68						-412	-344	-1,257		-1,601
As at 30/6/2024	**105,895**	**505,523**	**2,305,215**	**-2,123**	**164**	**123,090**	**14,887**	**-47,239**	**898,904**	**3,904,314**	**8,184**	**50,000**	**3,962,498**

Consolidated statement of cash flows in €k	1/1 to 30/6/2024	1/1 to 30/6/2023
Profit/loss for the period	201,385	229,614
Non-cash items in profit/loss for the period and reconciliation of net cash from operating activities		
Write-offs, impairment losses, write-ups	32,349	-78,546
Change in provisions for staff benefits and other provisions for liabilities and charges	-27,946	14,373
Change in other non-cash items	80,880	66,984
Gains and losses on financial investments, property, plant and equipment and intangible assets	2	-344
Subtotal	**286,670**	**232,081**
Change in assets and liabilities arising from operating activities after corrections for non-cash positions		
- Receivables from credit institutions	456,051	303,350
- Receivables from customers	-558,660	-780,907
- Trading assets	1,897	16,267
- Financial assets used for operating activities[1)]	23,529	220,228
- Other assets from operating activities	-31,228	2,749
- Amounts owed to credit institutions	-314,960	172,407
- Amounts owed to customers	-303,233	41,316
- Securitised liabilities	254,902	285,072
- Other liabilities from operating activities	-31,699	-14,210
Cash flow from operating activities	**-216,731**	**478,353**
Proceeds from the sale of		
- Financial assets held as investments[2)]	38,933	184,957
- Property, plant and equipment, and intangible assets	8,029	0
Outlay on purchases of		
- Financial assets	-173,950	-175,242
- Property, plant and equipment, and intangible assets	-15,144	-18,115
Cash flow from investing activities	**-142,132**	**-8,400**
Capital increase	0	0
Dividend distributions	-70,609	-51,187
Coupon payments on additional equity components	-1,725	-1,725
Cash from subordinated liabilities and other financing activities		
- Issues	31,745	19,721
- Other	1,725	1,725
Outflow from subordinated debt capital and other financing activities		
- Redemptions	-62,460	0
- Other	-11,069	-5,588
Cash flow from financing activities	**-112,393**	**-37,054**

Cash and cash equivalents at the end of preceding period	**2,836,294**	**2,287,322**
Cash flow from operating activities	-216,732	478,353
Cash flow from investing activities	-142,133	-8,400
Cash flow from financing activities	-112,392	-37,054
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	**2,365,037**	**2,720,221**
Interest received	566,722	431,991
Dividends received	11,466	10,798
Interest paid	-228,174	-228,350
Coupon payments on additional equity components	-1,725	-1,725
Income tax paid	-35,902	-33,388

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 half-year 2024 (1 January 2024 to 30 June 2024) and compare the results with the corresponding periods of the preceding year. This condensed interim report for the first half-year 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 consolidated financial statements of Oberbank AG for the period ended 30 June 2024 have 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 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 recognized 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 were updated as set out below:

	30/6/2024	31/12/2023
Interest rate applied	3.50 %	3.25 %
Increase under collective agreements	5.04 %	4.03 %
Pension increase	3.97 %	2.99 %

Oberbank's group of consolidated companies

The group of consolidated companies as at 30 June 2024 included, apart from Oberbank AG, 30 Austrian and 14 foreign subsidiaries. Compared to 31 December 2023, the group of consolidated companies changed as follows:

- Liquidation of Oberbank Leasing Prievidza s.r.o., Bratislava (share 100%)

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 cases 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 is done in the amount of the 12-month credit loss, and the calculation of interest income is 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 SME, 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 – the 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 on initial recognition over this period.

The criterion for allocation to stage 1 and stage 2 is based mainly 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 30/6/2024 Oberbank applied the collective stage transfer to stage 2 for certain sub-portfolios due to the steep increase in interest rates.

The reason is the higher financing cost 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 being realized.
Depending on the default reason and the default status, 20% to 100% of the shortfall are recognized 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

<u>Probability of Default (PD)</u>

The probability of default is derived for the segments of 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 30 June 2024:

Normal scenario	**Year 1 (4 Quarter average)**	**Year 2 (4 Quarter average)**	**Year 3 (4 Quarter average)**
Real GDP growth	1.04%	1.77%	1.77%
Harmonised Index of Consumer Prices	2.63%	2.15%	2.15%

Pessimistic scenario	**Year 1 (4 Quarter average)**	**Year 2 (4 Quarter average)**	**Year 3 (4 Quarter average)**
Real GDP growth	0.32%	1.30%	1.27%
Harmonised Index of Consumer Prices	3.34%	2.74%	2.73%

Optimistic scenario	**Year 1 (4 Quarter average)**	**Year 2 (4 Quarter average)**	**Year 3 (4 Quarter average)**
Real GDP growth	1.60%	2.50%	2.49%
Harmonised Index of Consumer Prices	1.77%	1.06%	1.07%

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.

Exposure at Default (EAD)

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.

Development of impairment charges for performing loans
Compared to the start of the year, the amount of the impairment charges for performing loans (stage 1 and stage 2) increased by EUR 4.14 million.

Sensitivity analysis
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 30/6/2024	100% Stage 2 LT ECL
Banks	849	851	2,157
Corporate	42,185	86,283	150,054
Retail	5,539	6,879	13,123
SME	5,110	6,103	7,185
Sovereign	416	418	2,051
Total	54,099	100,534	174,570

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 valuation. A trigger for an impairment test is given if either the fair value drops by at least 20% below the carrying amount of investments recognized 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 30 June 2024, the quantitative impairment trigger was released for the investment in voestalpine AG, which is recognized using the equity method, because at a market price of EUR 25.22 on 30 June 2024, the price was significantly lower – by 38.82% – than the carrying amount of EUR 41.22 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 30 June 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 758,995. This value-in-use as the recoverable amount was recognized as the higher value from the comparison with the fair value less selling costs for the measurement as at 30/06/2024.

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 6.86% 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 5.61% or an increase in the value-in-use by 6.16% and a change in the discount rate of +/- 50 basis points would result in a reduction by 10.75% or an increase in the value-in-use by 12.94%.

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 and especially on real estate project finance

The interest rate hiking cycle initiated by the European Central Bank on 27 July 2022 lifted key lending rates 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 funded is 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 significantly higher default risk expected, 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. The allocation of additional risk provisions (lifetime expected loss) increases impairment charges for performing loans by EUR 8.3 million.
- 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. The continued risk of gas supply disruptions, persistently high energy prices in conjunction with a recession more severe than estimated by economists and their consequences are impossible to rule out and hard to assess. The allocation of additional risk provisions (lifetime expected loss) increases impairment charges for performing loans by EUR 7.1 million.

Effects of collective staging as at 30 June 2024 in €k

Balance sheet item	Reason for transfer	Volume of receivables	Effects of stage transfers
Balance sheet assets	Collective staging IPRE commercial	1,773,598	5,594
	Collective staging negative outlook	742,978	5,240
	Total	**2,516,575**	**10,834**
Off-balance sheet assets	Collective staging IPRE commercial	114,697	2,710
	Collective staging negative outlook	379,078	1,866
	Total	**493,776**	**4,576**
Total		**3,010,351**	**15,409**

Material events after the close of the interim reporting period

No events of material significance occurred after the reporting cut-off date 30 June 2024.

Outlook

We are also concerned about current economic developments. Our business is dominated by regional trends, while the global economy is doing much better. In our markets in the Czech Republic and Hungary, which are already much further along in the interest rate cutting cycle, we are seeing a greater propensity to invest and therefore demand for loans increasing significantly as well. This makes us optimistic and we believe that the interest rate cuts will help improve confidence and revive investment activity in the business sector. Higher real incomes should also encourage individuals to carry out larger projects.

Considering the volatile economic and political conditions, the Management Board of Oberbank is not presenting an earnings outlook for the full year.

Details of the consolidated income statement in €k

1) Net interest income	1/1 to 30/6/2024	1/1 to 30/6/2023
Interest income from:		
Credit and money market operations	545,351	430,626
Shares and other variable-yield securities	1,155	3,512
Other equity investments	2,389	2,039
Subsidiaries	591	565
Fixed-interest securities and bonds	20,308	18,754
Interest and similar income	569,794	455,496
Interest expenses for:		
Deposits	-202,687	-149,067
Securitised liabilities	-28,462	-19,698
Subordinated liabilities	-7,955	-6,985
Result of non-significant modifications	-1,253	1,700
Interest and similar expenses	-240,357	-174,050
Net interest income	329,437	281,446

2) Profit from entities recognized using the equity method	1/1 to 30/6/2024	1/1 to 30/6/2023
Net amounts from proportionately recognised income	13,109	48,918
Expenses from impairments	0	0
Income from additions	21,053	54,640
Expenses from dilution	0	-9,603
Profit from entities recognized using the equity method	34,162	93,955

3) Charges for losses on loans and advances	1/1 to 30/6/2024	1/1 to 30/6/2023
Additions to charges for losses on loans and advances	-116,899	-66,661
Direct write-offs	-430	-891
Reversals of loan loss provisions	90,835	58,012
Recoveries from written-off receivables	903	1,151
Result of non-significant modifications	-17	285
Result of POCI financial instruments	1,421	-293
Charges for losses on loans and advances	-24,187	-8,397

4) Net fee and commission income	**1/1 to 30/6/2024**	**1/1 to 30/6/2023**
Fee and commission income		
Payment services	38,831	37,360
Securities business	39,001	35,748
Foreign exchange, foreign bank notes and precious metals	12,069	12,486
Credit operations	20,602	25,157
Other services and advisory business	1,391	1,780
Total net fee and commission income	111,894	112,531
Fee and commission expenses		
Payment services	3,502	3,174
Securities business	4,240	4,033
Foreign exchange, foreign bank notes and precious metals	338	354
Credit operations	1,792	2,704
Other services and advisory business	312	84
Total fee and commission expenses	10,184	10,349
Net fee and commission income	101,710	102,182

5) Net trading income	**1/1 to 30/6/2024**	**1/1 to 30/6/2023**
Gains/losses on interest rate contracts	171	498
Gains/losses on foreign exchange, foreign notes and numismatic business	1,653	2,364
Gains/losses on derivatives	2,725	503
Net trading income	4,549	3,365

6) Administrative expenses	**1/1 to 30/6/2024**	**1/1 to 30/6/2023**
Staff costs	123,110	115,550
Other administrative expenses	58,782	54,025
Write-offs and impairment allowances	15,754	15,064
Administrative expenses	197,646	184,639

7) Other operating income	1/1 to 30/6/2024	1/1 to 30/6/2023
a) Net income from financial assets - FVPL	10,842	4,890
thereof from designated financial instruments	1,632	966
thereof financial instruments with mandatory measurement at FVPL	9,210	3,924
b) Net income from financial assets - FVOCI	92	-302
thereof from the measurement of debt instruments	34	-11
thereof from the sale and derecognition of debt instruments	58	-291
c) Net income from financial assets - AC	0	0
d) Other operating income	-297	-13,848
Other operating income:	**15,295**	**15,245**
Income from operational risks	2,633	1,862
Income from private equity investments	139	361
Income from operating leases	5,169	4,939
Other income from the leasing sub-group	2,464	2,875
Brokerage fees from third parties	2,443	2,616
Other	2,447	2,592
Other operating expenses:	**-15,592**	**-29,093**
Expenses from operational risks	-317	-79
Stability tax	-5,474	-5,352
Contributions to the resolution fund and deposit protection scheme	-250	-12,449
Expenses from operating leases	-3,474	-3,965
Other expenses from the leasing sub-group	-2,515	-4,196
Other	-3,562	-3,052
Other operating income/expenses	10,637	-9,260

8) Income taxes	1/1 to 30/6/2024	1/1 to 30/6/2023
Current income tax expenses	56,988	48,556
Deferred income tax expenses (+)/income (-)	289	482
Income taxes	57,277	49,038

9) Earnings per share in €	1/1 to 30/6/2024	1/1 to 30/6/2023
Number of shares on the reporting date	70,614,600	70,614,600
Average number of shares in issue	70,599,019	70,581,227
Profit/loss for the period after tax	201,385	229,614
Earnings per share in €	2.85	3.25
Annualised values	5.71	6.51

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 resulted in adjusted earnings per share for the preceding year of € 3.25 or an annualised value of € 6.51.

Details of the balance sheet in €k

10) Cash and balances with central banks	**30/6/2024**	**31/12/2023**
Credit balances with central banks of issue	2,287,394	2,753,939
Other cash reserves	77,643	82,355
Cash and balances with central banks	2,365,037	2,836,294

11) Loans and advances to credit institutions	**30/6/2024**	**31/12/2023**
Loans and advances to Austrian credit institutions	136,657	137,648
Loans and advances to foreign credit institutions	246,666	679,906
Loans and advances to credit institutions	383,323	817,554

12) Loans and advances to customers	**30/6/2024**	**31/12/2023**
Loans and advances to Austrian customers	10,983,558	10,706,073
Loans and advances to foreign customers	9,611,553	9,368,199
Loans and advances to customers	20,595,111	20,074,272

13) Trading assets	**30/6/2024**	**31/12/2023**
Bonds and other fixed-interest securities		
Listed	0	0
Shares and other variable-yield securities		
Listed	852	432
Positive fair values of derivative financial instruments		
Currency contracts	6,528	5,021
Interest rate contracts	26,254	25,464
Other contracts	0	0
Trading assets	33,634	30,917

14) Financial investments	**30/6/2024**	**31/12/2023**
Bonds and other fixed-interest securities		
Listed	1,845,571	1,737,725
Unlisted	38,028	25,086
Shares and other variable-yield securities		
Listed	52,214	56,682
Unlisted	220,422	211,625
Equity investments/shares		
in subsidiaries	92,135	90,456
in entities recognized using the equity method		
Banks	625,600	594,284
Non-banks	591,894	600,187

Other equity investments		
Credit institutions	50,294	50,139
Non-banks	201,616	190,811
Financial investments	3,717,774	3,556,995

a) Financial assets FVPL	646,143	520,364
b) Financial assets FVOCI	373,604	372,562
thereof equity instruments	340,595	343,187
thereof debt instruments	33,009	29,375
c) Financial assets AC	1,480,533	1,469,598
d) Interest in entities accounted for using the equity method	1,217,494	1,194,471
Financial investments	3,717,774	3,556,995

15) Intangible assets	**30/6/2024**	**31/12/2023**
Other intangible assets	3,987	4,116
Customer base	153	158
Intangible assets	4,140	4,274

16) Property, plant and equipment	**30/6/2024**	**31/12/2023**
Investment property	64,208	69,045
Land and buildings	82,502	81,764
Business equipment and furnishings	38,176	38,636
Other property, plant and equipment	13,709	19,153
Right-of-use for leased objects	137,171	138,564
Property, plant and equipment	335,766	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 half of the year 2024 as at 30 June 2024:

Leasing in the consolidated balance sheet	**30/6/2024**	**31/12/2023**
Property, plant and equipment	137,396	138,875
Right-of-use for land and buildings	134,076	135,478
Right-of-use for business equipment and furnishings	578	683
Right-of-use for other property, plant and equipment	2,517	2,403
Right-of-use for investment property	225	311
Other liabilities		
Leasing liabilities	139,075	140,408

Additions to rights of use in HY1 2024 were €k 7,478. Cash outflows for lease liabilities amounted to €k 8,697.

Leasing in the consolidated income statement	1/1 to 30/6/2024	1/1 to 30/6/2023
Interest expenses for leasing liabilities	518	459
Administrative expenses	8,328	8,085
Depreciation/amortisation for right of use for land and buildings	7,589	7,402
Depreciation/amortisation for right of use for business equipment and furnishings	117	125
Depreciation/amortisation for right of use to other property, plant and equipment	535	469
Depreciation for right of use to investment property	87	89
Other expenses from lease contracts	1,161	982
Other operating income		
Income from subleasing rights of use	356	378

Leasing in the consolidated statement of cash flows	1/1 to 30/6/2024	1/1 to 30/6/2023
Repayment of leasing liabilities from finance activities	-8,697	-8,411
Interest expenses for leasing liabilities from operating activities	518	459

18) Other assets	30/6/2024	31/12/2023
Deferred tax assets	1,278	1,606
Other assets	179,767	127,318
Positive fair values of closed out derivatives in the banking book	21,963	25,933
Deferred items	42,313	12,146
Other assets	245,321	167,003

19) Amounts owed to credit institutions	30/6/2024	31/12/2023
Amounts owed to Austrian credit institutions	1,628,246	1,926,740
Amounts owed to foreign credit institutions	2,145,061	2,119,648
Amounts owed to credit institutions	3,773,307	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 title as at 30 June 2024.

20) Amounts owed to customers	30/6/2024	31/12/2023
Savings deposits	1,271,436	1,429,458
Other	14,253,263	14,326,674
Amounts owed to customers	15,524,699	15,756,132

21) Securitised liabilities	30/6/2024	31/12/2023
Bonds issued	3,117,884	2,834,820
Other securitised liabilities	7,530	7,317
Securitised liabilities	3,125,414	2,842,137

22) Provisions for liabilities and charges	30/6/2024	31/12/2023
Provisions for termination benefits and pensions	147,807	139,736
Provisions for anniversary bonuses	16,728	15,006
Provisions for credit risks	98,132	125,137
Other provisions	25,349	28,245
Provisions for liabilities and charges	288,016	308,124

23) Other liabilities	30/6/2024	31/12/2023
Trading liabilities	30,087	35,020
Tax liabilities	83,078	44,647
thereof current tax liabilities	71,052	25,689
thereof deferred tax liabilities	12,026	18,958
Leasing liabilities	139,075	140,408
Other liabilities	133,396	140,873
Negative fair values of closed out derivatives in the banking book	115,282	119,248
Deferred items	9,278	11,367
Other liabilities	510,196	491,563

24) Other liabilities (trading liabilities)	30/6/2024	31/12/2023
Currency contracts	3,185	7,202
Interest rate contracts	26,521	27,574
Other contracts	381	244
Trading liabilities	30,087	35,020

25) Subordinated debt capital	30/6/2024	31/12/2023
Subordinated bonds issued incl. supplementary capital (tier 2)	495,976	527,054
Hybrid capital	0	0
Subordinated debt capital	495,976	527,054

26) Shareholders’ equity	30/6/2024	31/12/2023
Subscribed capital	105,895	105,919
Capital reserves	505,523	505,523
Retained earnings (incl. net profit)	3,291,024	3,191,076
Negative goodwill	1,872	1,872
Additional equity capital components	50,000	50,000
Share of non-controlling shareholders	8,184	8,683
Shareholders’ equity	3,962,498	3,863,073

27) Contingent liabilities and credit risks	30/6/2024	31/12/2023
Other contingent liabilities (guarantees and letters of credit)	1,725,472	1,681,322
Contingent liabilities	1,725,472	1,681,322
Liabilities arising from non-genuine repos	0	0
Other commitments (irrevocable loan commitments)	4,267,224	4,657,470
Credit risks	4,267,224	4,657,470

28) Segment report as at 30/6/2024 Core business segments in €m	Retail Banking	Corporate and Business Banking	Financial Markets	Other	Total
Net interest income	116.2	255.3	-42.1		329.4
Profit from entities accounted for by the equity method			34.2		34.2
Charges for losses on loans and advances	-0.5	-23.8	0.1		-24.2
Net fee and commission income	46.8	54.9			101.7
Net trading income		0.3	4.2		4.5
Administrative expenses	-68.0	-107.0	-6.0	-16.6	-197.6
Other operating income	2.3	1.4	6.6	0.3	10.6
Profit/loss for the period before tax	96.8	181.2	-3.0	-16.2	258.7
Average risk-weighted assets	2,034.5	13,152.3	4,605.5		19,792.3
Average allocated equity	403.3	2,607.2	913.0		3,923.4
RoE (return on equity before tax)	48.0%	13.9%	n.a.		13.2%
Cost/income ratio	41.2%	34.3%	n.a.		41.1%

n.a. – not indicative

Segment report as at 30/6/2023 Core business segments in €m	Retail Banking	Corporate and Business Banking	Financial Markets	Other	Total
Net interest income	112.5	230.3	-61.4		281.4
Profit from entities recognized using the equity method			94.0		94.0
Charges for losses on loans and advances	4.0	-12.8	0.4		-8.4
Net fee and commission income	44.3	57.9			102.2
Net trading income		-0.1	3.5		3.4
Administrative expenses	-62.5	-99.8	-6.8	-15.5	-184.6
Other operating income	2.7	-1.2	0.9	-11.7	-9.3
Profit/loss for the period before tax	101.0	174.3	30.6	-27.2	278.7
Average risk-weighted assets	2,185.7	12,548.5	5,357.0		20,091.1
Average allocated equity	397.1	2,279.5	973.1		3,649.7
RoE (return on equity before tax)	50.9%	15.3%	6.3%		15.3%
Cost/income ratio	39.2%	34.8%	18.4%		39.1%

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	30/6/2024	31/12/2023
Salaried employees	2,234	2.152[1)]
Blue-collar	3	4
Total resources	2,237	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	30/6/2024	31/12/2023	30.6.2023
Subscribed capital	105,922	105,922	105,922
Capital reserves	505,523	505,523	505,523
Retained earnings	2,999,700	3,008,333	2,701,907
Minority interests	0	0	0
Cumulated other comprehensive income	88,780	112,293	106,609
Regulatory adjustment items	-17,497	-28,433	-11,332
Deductions from CET 1 capital	-354,826	-320,349	-316,995
COMMON EQUITY TIER 1 CAPITAL	**3,327,602**	**3,383,289**	**3,091,634**
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	**3,377,602**	**3,433,289**	**3,141,634**
Qualifying supplementary capital instruments	358,247	358,972	345,059
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	-15,301
Supplementary capital (tier 2)	**341,844**	**342,569**	**329,758**
OWN FUNDS	**3,719,446**	**3,775,858**	**3,471,392**

Total risk exposure pursuant to Art 92 CRR			
Credit risk	17,006,911	16,735,047	17,069,004
Market risk, settlement risk and CVA risk	16,162	18,189	20,355
Operational risk	1,428,187	1,428,187	1,160,246
Total exposure	**18,451,260**	**18,181,423**	**18,249,605**

Own funds ratio purs. Art. 92 CRR			
Common equity tier 1 capital ratio	18.03 %	18.61 %	16.94 %
Tier 1 capital ratio	18.31 %	18.88 %	17.21 %
Total capital ratio	20.16 %	20.77 %	19.02 %
Regulatory requirement, own capital ratios in %			
Common equity tier 1 capital ratio	7.34 %	7.35 %	7.37 %
Tier 1 capital ratio	8.84 %	8.85 %	8.87 %
Total capital ratio	10.84 %	10.85 %	10.87 %
Regulatory capital requirements in €k			
Common equity tier 1 capital	1,354,322	1,336,335	1,344,996
Tier 1 capital	1,631,091	1,609,056	1,618,740
Total capital	2,000,117	1,972,684	1,983,732
Free capital components			
Common equity tier 1 capital	1,973,280	2,046,954	1,746,638
Tier 1 capital	1,746,511	1,824,233	1,522,894
Total capital	1,719,329	1,803,174	1,487,660

31) Fair value of financial instruments and other items regarding reconciliation as at 30/6/2024 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								2,365,037		**2,365,037**
								2,365,037		**2,365,037**
Loans and advances to credit institutions								383,323		**383,323**
								383,523		**383,523**
Loans and advances to customers	73,820	297,800	269,544		752	0	752	20,222,739		**20,595,111**
	67,499	297,800	269,544		752	0	752	19,942,712		**20,308,763**
Trading assets				33,634						**33,634**
				33,634						**33,634**
Financial investments	1,480,533	646,143	357,928		373,604	340,595	33,009		1,217,494	**3,717,774**
	1,395,311	646,143	357,928		373,604	340,595	33,009			
Intangible assets									4,140	**4,140**
Property, plant and equipment									335,766	**335,766**
Other assets				21,963					223,358	**245,321**
				21,963						
thereof closed out derivatives in the banking book				21,963						**21,963**
				21,963						**21,963**
Total assets	**1,554,353**	**943,943**	627,472	**55,597**	**374,356**	340,595	33,761	**22,971,099**	**1,780,758**	**27,680,106**
	1,462,810	**943,943**	627,472	**55,597**	**374,356**	340,595	33,761	**22,691,272**		

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 30/6/2024 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								3,773,307		**3,773,307**
								3,505,061		**3,505,061**
Amounts owed to customers		256,158	256,158					15,268,541		**15,524,699**
		256,158	256,158					15,255,740		**15,511,898**
Securitised liabilities		568,632	568,632					2,556,782		**3,125,414**
		568,632	568,632					2,352,795		**2,921,427**
Provisions for liabilities and charges									288,016	**288,016**
Other liabilities				145,369					364,827	**510,196**
				145,369						
thereof closed out				115,282						**115,282**
derivatives in the banking book				115,282						**115,282**
Subordinated debt capital		224,888	224,888					271,088		**495,976**
		224,888	224,888					255,256		**480,144**
Shareholders' equity									3,962,498	**3,962,498**
Total equity and liabilities		**1,049,678**	1,049,678	**145,369**				**21,869,718**	**4,615,341**	**27,680,106**
		1,049,678	1,049,678	**145,369**				**21,368,852**		

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

In the half of the year 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 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 30/6/2024	in HY1 2024	Cumulated	as at 30/6/2024
Amounts owed to credit institutions	0	0	0	0
Amounts owed to customers	5,225	4,212	-20,769	-20,769
Securitised liabilities	11,414	3,664	-73,458	-73,458
Subordinated debt capital	2,693	711	-13,106	-13,106

In HY1 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 30/6/2024 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 HY1 2024	Cumulated	in HY1 2024	Cumulated
Loans and advances to customers	269,544		—	—	—	—
Financial investments	357,928		—	52	—	—

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	**30/6/2024**	**31/12/2023**
Loans and advances to customers FVTPL	297,800	302,402
Financial investments	646,143	520,364
Financial investments	340,595	343,187
Trading assets	33,634	30,917
Derivatives in the banking	21,963	25,933
Total	**1,340,135**	**1,222,803**

Fair value hierarchy of financial instruments as at 30/6/2024										
	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		297,800		752			**298,552**		20,607	277,945
Trading assets			33,634				**33,634**	852	32,782	
Financial assets - FVPL		646,143					**646,143**	370,057	276,086	
Financial assets - FVOCI				373,604			**373,604**	85,195	300	288.109[1)]
Other assets			21,963				**21,963**		21,963	
thereof closed out derivatives in the banking book			21,963				**21,963**		21,963	
Financial assets not carried at fair value										
Loans and advances to credit institutions					383,323		**383,323**		383,523	
Loans and advances to customers	73,820				20,222,739		**20,296,559**		67,499	19,942,712
Financial assets - AC	1,480,533						**1,480,533**	1,371,613	23,698	

[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 30/6/2024										
	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							**0**			
Amounts owed to customers		256,158					**256,158**		256,158	
Securitised liabilities		568,632					**568,632**		568,632	
Other liabilities			145,369				**145,369**		145,369	
thereof closed out derivatives in the banking book			115,282				**115,282**		115,282	
Subordinated debt capital		224,888					**224,888**		224,888	
Liabilities not carried at fair value										
Amounts owed to credit institutions					3,773,307		**3,773,307**		3,505,061	
Amounts owed to customers					15,268,541		**15,268,541**		15,255,740	
Securitised liabilities					2,556,782		**2,556,782**		2,352,795	
Other liabilities							**0**			
Subordinated debt capital					271,089		**271,089**		255,256	

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 9.6 million (31/12/2023: EUR 10.5 million), and if risk premiums were to increase by 100 bp, the fair values of these receivables would decrease by EUR 18.8 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	1,839
Value changes recognised in income	0
Carrying amount as at 30/6/2024	288,109

The item Other comprehensive income from these instruments increased by €k 1,899.

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	2,358
Disposals	-1,327
Changes in fair value	-6,640
thereof disposals	0
thereof portfolio instruments	-6,640
Carrying amount as at 30/6/2024	277,945

There were no transfers between level 1 and level 2.

New major transactions with related parties in the financial year as at 30/6/2024 amounted to:

Associated companies	€k 30,951
Subsidiaries	€k 0
Other related parties	€k 0

Statement by the Management Board of Oberbank AG

We confirm to the best of our knowledge that the condensed interim financial statements have been prepared in accordance with the applicable accounting standards and present a true and fair view of the financial position, financial performance and cash flows of the Group, and that the half-year management report for the Group presents a true and fair view of the financial position, financial performance and cash flows of the Group with respect to the key events during the first six months of the financial year and their effects on the condensed interim financial statements and with respect to the key risks and uncertainties in the remaining six months of the financial year as well as material business transactions with related parties that must be disclosed.

Linz, 22 May 2024

The Management Board

CEO Franz Gasselsberger Management Board Remit Market	Management Board Member Martin Seiter Management Board Remit Market
Management Board Member Florian Hagenauer Management Board Remit Back Office	Management Board Isabella Lehner Management Board Remit Back Office

Current Management Board Remits

CEO Franz Gasselsberger	Management Board Member	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[1]
	TRE (Treasury & Trade)	RIS (Strategic Risk Management)	3 Banken IT GmbH[2]
	Oberbank Leasing GmbH.[1]	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 Slovakia	
Czech Republic	Slovakia		
	Hungary		

1) 100% subsidiary of Oberbank
2) 40% subsidiary of Oberbank

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 compared with totals and rates arrived at by adding up component 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 for the year 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 Q1 2024
22 August 2024	Report Q1-Q2 2024
22 November 2024	Report Q1-Q3 2024

The financial calendar is subject to change. The most recent version is available on the website of Oberbank AG.
The information is available online at www.oberbank.at under Investor Relations.

Publication Details

Media owner and publisher: Oberbank AG, 4020 Linz, Untere Donaulände 28
Internet: www.oberbank.at, e-mail: sek@oberbank.at
Editing: Secretariat & Communication, phone +43 732 78 02-0
English translation: Edith Vanghelof