

In order to convey you a closer understanding of the payment transactions within the Oberbank's catchment area we would like to draw your attention to the following policy.

## **Oberbank's Policy concerning Incoming and Outgoing Payment Transactions**

You may be aware that Oberbank AG, headquartered in Linz/Austria, is a Central European Regional Bank, providing banking services to Corporate Customers as well as Private Individuals.

It is no secret that Oberbank focuses on the philosophy of a close relationship to its customers and in order to achieve this target, Oberbank currently runs 175 fully-fledged European Branches in Austria, Germany, Czech Republic, Slovakia and Hungary.

The history of Oberbank is going back more than 151 years now and in all these years the business activities were driven exclusively by the demands of the customers within Oberbank's catchment area. As a homegrown bank it is from great importance to concentrate on these mentioned customers. It is absolutely not the intension of the Board to leave this catchment area and step outside.

However, out of this policy it is neither necessary to support or execute the forwarding of payment for customers (third party payments) nor to offer clearing bank services to partner banks.

Quite the contrary, all of Oberbank's EU branches are fully integrated in the same IT-infrastructure as well as all the policies and guidelines on AML and KYC, used in the entire Oberbank world.

From time to time we have been faced with questions and payment requests in relation to so-called "nested or downstreaming payment transactions". At this point we would like to underline again that Oberbank is not doing "nested or downstream" transactions.

It is right that Oberbank does run an extremely centralized business strategy, also in the field of payment transactions. In order to make transactions easier for the international partner banks, Oberbank offers all of them to use its headquarters in Linz as single entry point. Afterwards Oberbank routes these transactions (trade finance, payments, ...) via internal channels from Linz to its branches and vice versa.

We do not treat this kind of inhouse transactions between Oberbank and its fully-fledged branches as "nested or downstream transactions", although the main branches in Germany, Czech Republic, Slovakia and Hungary have Swift-Codes at their own disposal. But this is owed to technical base of the Swift System, independent of having transactions to fully fledged EU branches or subsidiaries. Nevertheless Oberbank built up, assisted and supported by Swift, the whole GPI payment structure in the same way.

Summarized please be informed that the payment transactions for customers as well as own bank payments are **coming in and going out via Linz SWIFT Code OBKLAT2L** (except of only a few special direct transactions with the local national banks in these countries, such as minimum reserve holdings).

In our opinion this is important for an efficient liquidity management and in general for a successful AML screening.

Furthermore Oberbank would like to point out again, that the Bank does not offer payment clearing services to any other bank. We only allow payment transactions in favor of own customers in its five countries.

We do hope that our declaration describes our payment transactions in a transparent way and will finally find your understanding. In case of any further requests or need for clarification please feel free to contact Oberbank's entire Global Financial Institutions Team



Helmut Edlbauer MBA  
Head of  
Global Financial Institutions



Dr. Claudia Raml  
Head of  
Compliance AML



Dr. Manfred Weissmann  
Deputy Head of  
Global Financial Institutions

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