Press Release

April 2017

2016 – An exceptional year for Oberbank:
Projected earnings exceeded for seventh successive year

CEO Franz Gasselsberger presented another year of exceptional results for 2016. Net profit before tax rose to EUR 219.1 million (+ 14.4%) and profit after tax was up to EUR 181.3 million (+ 8.9 %). The Bank thus clearly surpassed its original goal of coming close to the excellent performance of the preceding year.

All business areas contributed to the excellent results

Operating net interest income was very good despite the ECB's zero interest policy and improved due to the substantial rise in the credit volume by 2.9% to EUR 308.3 million.

The credit risk situation continued to be very good despite the above average growth rates in lending. Charges for losses on loans and advances were cut in half by 49.9% to EUR 25.0 million; thus, the impairment loss ratio was an outstanding 0.16%.

Service operations developed generally stably, and at EUR 131 million, commission income was almost at the preceding year's high level.

Despite the expansion, expenses were very low

Oberbank has been investing large amounts in its expansion for years. Nonetheless, the cost-income ratio 2016 was very sound at 50.8%, while the overall market stands at 71% despite the closing of branches and personnel cuts!

Gasselsberger explained that the main reason for Oberbank's success was growth in all key areas.

Total assets rose in 2016 by 5.0% to EUR 19.2 billion, and over the last ten years, the increase was 34%, while the overall market in Austria saw a decline of almost 8% during the same period.

In 2016, loans went up steeply by 7.3% to EUR 13.8 billion, with investment finance developing again excellently (+ 9.4% to EUR 7.9 billion). Gasselsberger named the consulting-intensive business areas of export financing and subsidized investment

finance as the growth drivers, areas in which Oberbank holds a leading position for all of Austria.
Oberbank also reported a steep increase in customer assets under management. Customer assets under management and securities on customer accounts expanded by 5.1% to a record level of EUR 26.5 billion.

Long-term expansion strategy is the success factor
Oberbank's success is inseparable from its expansion strategy: the number of branches and the profit trends correlate positively.
In 2016, the expansion continued and six new branches were opened (Jena, Erfurt and Ulm in Germany, Donauspital and Perchtoldsdorf in Vienna, Nagykanisza in Hungary). At the end of 2016, Oberbank had 159 branches.

Oberbank's shares reflect its success – the share price has tripled in ten years
The excellent development of Oberbank is reflected also in Oberbank's shares, which climbed again steeply in 2016.
The price of the ordinary share rose to an all-time high of EUR 60.30 and the preferred share to EUR 52.50. Oberbank's stock market capitalization was EUR 2,105.6 million at the end of 2016, and the annual performance based on the price trend and dividends was 16% for ordinary shares and 41% for preferred shares.

Dividend raised from 55 cent to 65 cent
At the annual shareholders' meeting of 16 May, the distribution of a 10 cent higher dividend of EUR 0.65 will be proposed. This is a payout of EUR 23 million. Oberbank has paid out EUR 330 million to its shareholders on ordinary and preferred shares since its initial public offering.

Outlook 2017
Franz Gasselsberger stated that Oberbank will continue its proactive policy in 2017. Further robust growth is projected in lending volumes and also in customer assets under management. With the opening of eight new branches, the Bank will continue its organic growth strategy.
Earnings are projected to attain the excellent levels of 2016 again.