

Innovation

Trust

Continuity

Sustainability

The 2009 Financial Year at a Glance

Independence

Regionality

Safety

Solidity

Stability

Reliability

Tradition

Autonomy

Predictability

Oberbank
3 Banken Gruppe

Key Figures in Overview

Income statement in €m	2009	Change	2008	2007
Net interest income	262.4	(12.7%)	300.7	276.2
Charges for losses on loans and advances	(90.7)	33.9%	(67.8)	(68.4)
Net commission income	88.6	(9.5%)	97.8	101.8
Administrative expenses	(208.2)	4.2%	(199.8)	(203.2)
Profit from operating activities	182.8	0.5%	181.8	181.3
Profit for the year before tax	92.0	(19.3%)	114.0	112.9
Profit for the year after tax	77.3	(26.7%)	105.0	102.5
Balance sheet in €m	2009	Change	2008	2007
Assets	16,031.4	4.7%	15,314.0	14,330.8
Loans and advances to customers after provisioning charge	9,594.0	3.8%	9,248.6	8,499.2
Primary funds	10,916.4	9.0%	10,016.7	8,839.6
of which savings deposits	3,399.2	2.9%	3,301.9	2,899.2
of which securitised liabilities including subordinated capital	2,040.2	7.5%	1,897.4	1,694.8
Equity	1,035.6	15.8%	894.1	889.5
Customer funds under management	18,686.8	9.7%	17,039.1	16,887.3
Own funds within the meaning of BWG in €m	2009	Change	2008	2007
Assessment basis	9,970.5	0.0%	9,970.2	10,079.1
Own funds	1,534.3	19.3%	1,286.1	1,293.6
of which core capital (Tier 1)	955.4	15.8%	824.7	720.5
Surplus of own funds	679.5	55.8%	436.5	485.2
Core capital ratio in %	9.58	1.31 ppt	8.27	7.15
Total capital ratio in %	15.39	2.49 ppt	12.90	12.83
Performance in %	2009	Change	2008	2007
Return on equity before tax	9.86	(2.97 ppt)	12.83	13.21
Return on equity after tax	8.28	(3.54 ppt)	11.82	11.99
Cost/income ratio	53.3	0.90 ppt	52.4	52.8
Risk/earnings ratio (credit risk in percent of net interest income)	34.6	12.10 ppt	22.5	24.8
Resources	2009	Change	2008	2007
Average number of staff (weighted)	1,990	7	1,983	1,879
Branches	133	(1)	134	126

Oberbank remained stable and safe even in the period of financial crisis:

- Conservative business model proved its worth
- Operating business as sound as a bell
- Core capital ratio increased to 9.6%
- Secure liquidity position thanks to well-balanced ratio between customer deposits and lending
- Exceptionally stable share price performance

Earnings Profit from operating activities: at € 182.8 million, achieved last year's level
Cautious risk policy, sizeable allocations to loan loss provisions
Profit for the year before tax: down 19.3% to € 92.0 million
Oberbank outperformed the market

Growth Lending to customers: up 4.0% to € 9.8 billion
Primary deposits: up 9.0% to € 10.9 billion
Customer funds under management: up 10% to € 18.7 billion

Expansion Market entry as a fully fledged bank in Slovakia
133 bank branches in Austria, Bavaria, the Czech Republic, Hungary and Slovakia
27,000 new customers; 328,000 corporate and personal banking customers in total

Oberbank – that much more than a bank

Oberbank – a dynamic regional bank at the heart of Central Europe – offers universal banking services of the highest quality. Oberbank's independence, which is guaranteed by its solid shareholder structure and its customer-oriented approach as a service provider, make it a genuine alternative in a market dominated by big players.

Besides its core region in Austria, Oberbank has operations in Bavaria, the Czech Republic, Hungary and Slovakia. It services small and medium-sized businesses and large corporates as well as private individuals. Besides classical banking products and services, it boasts special expertise in the fields of complex corporate finance services as well as private banking and asset management. Oberbank's ongoing geographical expansion and diversification into new fields of business by no means constitute a deviation from the Bank's time-tested strategy. On the contrary, these developments evidence Oberbank's readiness to expand its activities to all regions and in all core business areas where it can offer support and advice to its customers.

Rewarding results also in 2009

Looking back on the past business year, we may well be proud of the rewarding results Oberbank has achieved in 2009:

- Once again we are able to present a result that is free of any surprises and even matches the excellent level of the previous year.
- We have once again outperformed the entire Austrian banking market.
- We have gained further market shares in terms of lending and deposits.
- We have substantially increased our equity and our core capital.
- For all these reasons we never even considered taking recourse to government assistance.

Oberbank's values and its business model fully proved their worth in this environment

Time-tested values such as reliability, stability and solidity have always been the backbone of our business model and proved to be our best protection during the crisis. They have always given us the extra credibility needed to thrive even in troubled times, and they are the bedrock on which our excellent base of customer deposits grows and prospers. We have thus always been in a position to live up to our responsibility of providing finance to businesses and individuals, to strengthen our capital base and core capital from own resources, and to continue expanding and enhancing our earnings position.

What is more, we have always focused on our business model of a regional bank and our core customer business. We are strongly anchored in the market with our branches and we are continuing to set up new ones to ensure organic growth – which is why we have no write-downs for goodwill losses on overpriced acquisitions in our balance sheet.

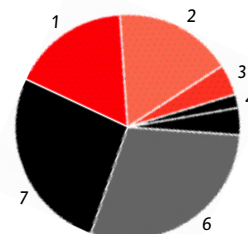
Investor Relations

Above-average price development in 2009

The Oberbank shares proved outstandingly stable even in this turbulent stock market year. The ordinary share reached its high for the year at € 43.88 on 2 January 2009; the preference share peaked at € 39.40 on 8 January 2009. Closing at € 42.70 on 31 December 2009, the Oberbank ordinary share (- 2.7%), just like the preference share, which finished at € 38.30 (- 2.8%), concluded the year with a comparatively low year on year price loss.

Taking into account the capital increase of October 2009, the market capitalisation of Oberbank AG amounted to € 1,215.8 million (+ 2.8%) at the end of 2009. The Oberbank shares thus clearly outperformed the ATX average in the reporting period.

Oberbank shareholder structure at 31/12/2009	Ordinaries	Total
Bank für Tirol und Vorarlberg AG, Innsbruck ¹	18.51%	17.00%
BKS Bank AG, Klagenfurt ²	18.51%	16.95%
Wüstenrot Wohnungswirtschaft reg. Gen.m.b.H., Salzburg ³	5.13%	4.62%
Generali 3 Banken Holding AG, Vienna ⁴	2.21%	1.98%
Staff shares ⁵	4.02%	3.73%
CABO Beteiligungsgesellschaft m. b. H., Vienna ⁶	32.54%	29.15%
Free float ⁷	19.08%	26.57%



Corporate Governance

Oberbank's business policy and its proven track record of success are based on a strong policy of good corporate governance and transparency. The Bank's corporate goals are defined with a view to sustainable long-term development and clearly communicated to the public. As an exchange-listed regional bank, top priority is given to preserving Oberbank's independence, an objective which is safeguarded by high earning power, a judicious risk policy, Oberbank's partnership with BKS and BTV – both autonomous regional banks – and shareholders committed to preserving the independence of Oberbank.

No single shareholder of Oberbank AG is in a position to assume direct or indirect control. A syndicate agreement between BKS, BTV and Wüstenrot Genossenschaft specifically aims at ensuring Oberbank's independence. Another stabilising element in the shareholder structure of Oberbank is the fact that some of the shares are held by the staff, the attached voting rights having been assigned to a collective syndicate called Oberbank Mitarbeitergenossenschaft. The commitment of both management and staff to Oberbank is a further stabilising factor, as are its long-standing alliances with dependable partners such as Wüstenrot or Generali.

The Austrian Code of Corporate Governance

Being a listed company, Oberbank voluntarily undertakes to adhere to the Austrian Code of Corporate Governance, interpreting it as a valuable guideline for developing the respective internal mechanisms and rules. In its meeting of 28 March 2007, the Supervisory Board adjusted the Standing Orders of the Management Board and the Supervisory Board to comply with the provisions of the Code as amended. The Supervisory Board had already defined guidelines to ensure its members' independence in conformity with the provisions of the Code in 2006; these guidelines can be viewed at www.oberbank.at.

Sustainable Corporate Social Responsibility

Economic sustainability

The financial and economic crisis has drastically highlighted the dangers of short-term profit orientation. Sustainable management is the only approach that enhances the common weal and generates lasting value added for our society. Oberbank is expressly committed to the goal of sustainable business development, and its measures and activities are governed by this premise. The Bank's strategy, business policy, target planning and remuneration system put their focus on long-term business success and make sustainable, successful development the guiding principle of all corporate action.

Ecological sustainability

Using resources responsibly is part and parcel of corporate social responsibility, which is why Oberbank strives for the highest levels of environmental compatibility in all its operations, processes and products. Emphasising environmental aspects in building and energy management as well as in the planning of business trips and in procurement policy sets the course towards reducing costs in the long term and achieving a lasting change in behaviour throughout the Bank.

Energy-neutral Donau Forum

From the outset, this modern building was designed to ensure energy-neutral operation, meaning that no additional external resources are required for its operation. This was achieved by means of highly energy-efficient design and innovative insulation methods, state-of-the-art technologies such as low temperature heating and equivalent cooling systems as well as the use of environmentally friendly energy resources – as, for instance, using IT waste heat for heating and natural groundwater for cooling the building. Overall, the measures implemented permit a reduction of carbon dioxide emissions by 250 tonnes per year (as compared to traditional technologies). This corresponds to the CO₂ emissions of a Diesel-propelled truck over a distance of 1.2 million kilometres.

Timelessly modern values create a solid foundation

The financial and economic crisis that has beset the world in the past two years was basically caused by short-term profit considerations of numerous players in the corporate and financial sector. This type of thinking – in most cases triggered by misguided remuneration incentives – gave rise to careless and imprudent dealing with intransparent and only seemingly riskless products and a happy-go-lucky approach to risk. In the meantime, people are increasingly looking for reliability, stability and solidity, reminding banks that these values should constitute the basis of all banking business.

Oberbank has never turned its back on these values. In our opinion, the banking business is still very much what it always has been: A bank's core mandates are to induce confidence and provide security, accept deposits from customers and extend bank loans to selected customers.

Eight strategic goals of Oberbank

Guided by these basic values, Oberbank formulated eight strategic goals, which constitute the framework for the Bank's exceptionally successful business policy that has proved its worth over the years:

- Priority goal: safeguarding the independence and autonomy of Oberbank
- High quality of advisory services for corporate and personal banking customers
- Continuous organic growth
- Concentration on risk management
- Safeguarding long-term liquidity by securing continued high growth of primary funds
- No proprietary treasury trading detached from customer business
- Strategic staff development
- Ensuring long-term competitiveness by focusing on lean processes

Oberbank's investment portfolio

An active industry investment policy does not correspond with Oberbank's corporate philosophy. Oberbank acquires equity stakes in other companies only if these investments serve to assist the survival of headquarters and locations of local enterprises or help enable the Bank to live up to its role of principal local banker, or if the activities of a potential joint venture partner are complimentary to the Bank's core banking business (real estate or investment fund companies). Oberbank does not engage in long-term private equity investments on its own accord, but rather uses this instrument to support customers in situations in which traditional finance solutions fail to fulfil their funding requirements. Except for its private equity holdings, Oberbank generally considers investments as long-term commitments and has no plans to reduce or sell its portfolio holdings.

Private equity investments

The Oberbank Opportunity Funds set up in 2006 creates the basis for Oberbank to act as a private equity finance partner. It offers an alternative when a customer needs a financing solution that goes beyond the scope of traditional credit and leasing financing. Investments in other mezzanine and equity capital providers are made with the objective of gaining access to their expertise and markets.

Real estate

In real estate business, Oberbank holds equity interests in companies set up for the construction or management of Oberbank-owned real estate, as well as in selected residential developers that feature as potentially important partners in residential construction finance issues.

Industry and commerce

When it comes to supporting decision makers of key Austrian enterprises and securing jobs in local markets, Oberbank offers its services as a strategic partner. Oberbank holds, among others, an interest in Austria's largest industrial concern, namely the steelmaker voestalpine AG (7.48%, www.voestalpine.com), as well as in the Upper Austrian energy provider Energie AG (4.13%, www.energieag.at), the pulp, paper and textile manufacturer Lenzing AG (2.89%, www.lenzing.com) and the lift operator Gasteiner Bergbahnen AG (32.62%, www.skigastein.com).

Credit institutions and insurance companies

Oberbank's most significant investments include the stakes in its sister banks Bank für Tirol und Vorarlberg Aktiengesellschaft (BTV) and BKS Bank AG (BKS), each of which is below 20%. The cooperation with BTV and BKS also creates the basis for a number of joint ventures: The three banks hedge their large loan risk through ALGAR (ALPEN-LÄNDISCHE GARANTIE-GESELLSCHAFT); 3 Banken-Generali Investment-Gesellschaft acts as a shared investment fund company; Drei-Banken Versicherungs-Aktiengesellschaft provides property and personal insurance contracts in cooperation with the Generali insurance company. Details regarding the shareholder structure of the three banks and their key figures are provided on pages 150 and 151 of this Annual Report. Oberbank also holds stakes in other companies with which the Bank closely cooperates in day-to-day business, among them Bausparkasse Wüstenrot, Oesterreichische Kontrollbank AG, Wiener Börse AG and PayLife Bank GmbH.

Leasing

Oberbank's leasing companies in Austria, Bavaria, the Czech Republic, Hungary and Slovakia are bundled in its Leasing sub-group. This sub-group also includes companies established for the purpose of financing individual customer projects or Oberbank projects.

Other investments

Other investments include stakes in companies whose activities lie outside the core business of Oberbank and which either provide bank-related services (Drei-Banken-EDV Gesellschaft and Einlagensicherung der Banken und Bankiers GmbH, the deposit protection company of the Austrian commercial banks) or have specific regional significance in the catchment area of Oberbank (various technology or business incubation centres).

Oberbank as an attractive employer

Oberbank's business model, its tenets and values and the Bank's stability, along with a pleasant working environment and a sound market position, make the Bank an attractive employer. All these are factors that require and encourage personal initiative and creativity, create scope for personal commitment and allow employees at all levels to assume responsibility. Aiming to attract interesting job applications in the market and retain key employees in the long term, Oberbank is constantly working on improving the models and concepts designed to enhance the Bank's employer attractiveness. Within the context of a specific project, Oberbank has now created the framework of a Group-wide uniform recruiting process, which will be implemented starting in 2010.

Learning and training

Learning forms part of the permanent service and performance obligation of every employee of Oberbank. Contrary to the general trend, the Bank invested more than ever in the further education and training of its human resources in the reporting year. The comprehensive, practice-oriented training and development programme is being continuously improved and has been very well received by the staff. It ensures the continued personal and professional advancement of the Bank's employees. Hence, customers can invariably rely on top-level professional advice and services.

Management and corporate culture

A company's management culture and corporate culture are vital elements in coping successfully with new and existing challenges. Management by Objectives (MbO) gives managers and employees clear orientation and creates scope for open feedback. At Oberbank, the MbO system has long been the cornerstone of the Bank's corporate culture, philosophy and management strategy. Continuous further development of this system in terms of structure, content and training is therefore a top priority, and it was recently expanded to include a Bank-wide strategic project addressing performance standards for executives, which also involves the uppermost management level. Among other things, this project clearly specifies performance and commitment as central values of Oberbank's corporate culture. Its objective is to provide for clear orientation, motivation and inspiration, which is the basis and starting point for building self-confidence and enhancing the responsible conduct of employees and management throughout the Company.

The performance standards also form the basis for performance and potential assessments, help to promote consistent development measures and support professional career planning. An "in-house career" is more than a catchphrase at Oberbank: Vacant management positions can almost always be filled from in-house ranks.

Growth and expansion

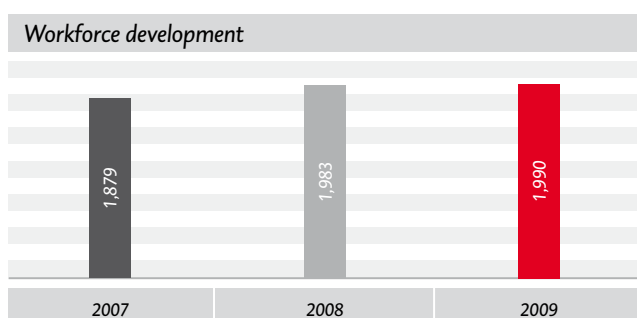
The focus of HR work in Oberbank's expansion markets is on the careful selection of the "right" employees, people who through their knowledge of the market, their pioneering spirit and social competence will locally support the organic growth of the Bank. By manning key positions with experienced Oberbank executives, the Bank ensures that the Oberbank culture will be transmitted to these markets. At the same time, this cultural transfer is promoted and accelerated through training initiatives and programmes with a special focus on banking products and processes as well as on communication, sales and personal development, accompanied by periods of practical training and job rotation programmes. A further measure that has proved effective is to install employees with competences in regional HR and training in these expansion markets.

Employee shareholder plan

Under an employee shareholder programme introduced in 1994, Oberbank offers employees an attractive opportunity to invest in their own company. By now, Oberbank's staff holds more than 4% of the voting rights embodied by the Company's shares and is thus one of its major – namely the fourth largest – single shareholder. A fact really worth mentioning as a strong sign of the employees' identification and solidarity with the Company is their high participation (take-up rate of over 87%) in the capital increase of 2009, even though they were not offered a preferential subscription price.

Number of employees

As banking processes and procedures have been continuously improved, the Bank's workforce was decreased – as planned, and exclusively through natural fluctuation – in the year under report. At the same time, resources deployed in sales operations, notably in growth markets, were stocked up.



Equal opportunities in practice

About 60% of all Oberbank employees are women. Equal opportunities for female and male employees is a principle adhered to as a matter of course within Oberbank. The management is not aware of any discrimination in terms of processes or procedures; otherwise, corrective action would be taken immediately.

Gratifying results of operations

In the financial year 2009, Oberbank achieved very gratifying results despite the difficult business environment. At € 182.8 million, the operating profit remained stable at the previous year's excellent level. In contrast, a decline in the result from operations by about 30% has been projected for the banking industry in general in 2009. The profit for the year before tax declined by 19.3% to € 92.0 million, while the net profit after tax decreased by 26.7% to € 77.3 million, a development that has to be viewed against the backdrop of Oberbank's particularly cautious provisioning policy.

Net interest income

Net interest income dropped by 12.7% to € 262.4 million in the financial year 2009. This development is attributable to a 10.7% increase in profit from credit operations to € 249.2 million and an 82.5% decrease in the contribution attributable to earnings from equity investments to € 13.2 million.

Charges for losses on loans and advances

Within the framework of the Bank's credit risk strategy, adequate provisions were set up for all discernable risks. Besides specific valuation allowances, a general allowance for impairment of the portfolio in accordance with IAS 39 was also recognised. In addition, guarantee commissions were paid to ALPENLÄNDISCHE GARANTIE-GESELLSCHAFT, the 3 Banken Group's jointly owned large-loan guarantee company. Taking into account write-offs of receivables, the Group's net charges for losses on loans and advances came to € 90.7 million in 2009, after € 67.8 million in the previous year, resulting in an increase of the Bank's impairment allowance ratio from 0.72% to 0.92%. These high charges for impairment losses keep Oberbank comfortably cushioned against credit risk.

Net commission income

Development marked by decline in income from securities business

Net commission income contracted by 9.5% to € 88.6 million in 2009. Good results from payment services, credit operations, dealing in foreign coins and notes and precious metals as well as other services and advisory business failed to fully offset the decline in commission income in the securities business caused by the international finance and stock market crisis.

Net trading income

The net trading income comprises earnings from securities and derivatives in the trading book as well as earnings from dealings in foreign exchange, foreign bank notes and precious metals. On balance, the net trading income improved by 46.4% to € 11.3 million in 2009. A marked increase in valuation and disposal gains in the securities business was offset by a decrease in net earnings from foreign currency and derivatives dealings.

Administrative expenses

Only slight increase despite market entry in Slovakia

Despite the Bank's ongoing expansion in its growth markets and its market entry in Slovakia, administrative expenses rose only by 4.2% to € 208.2 million year on year. Staff costs increased by 4.2% to € 119.8 million. This increase is due to the write-back of provisions for pensions in the context of the adjustment of the mortality tables in the previous year. The average number of employees remained almost unchanged as compared to 2008. At € 66.0 million, non-personnel expenses remained stable at the previous year's level despite the Bank's market entry in Slovakia. Due, above all, to higher depreciation in the Leasing sub-group (increase of property, plant and equipment in operating leases), depreciation increased by 19.3% to € 22.4 million. The Bank's cost/income ratio came to 53.26% and thus remained stable at an excellent level.

Cautious risk policy impacts on profit situation

Operating result stable at previous year's level

Oberbank was able to keep net income from operating activities – the sum total of net interest income, net commission income, net trading income and other operating profit or loss less administrative expenses – stable at € 182.8 million, the outstanding level attained in the previous year. At € 92.0 million, the profit before tax and after charges for losses on loans and advances decreased by 19.3% year on year. Income taxes amounted to € 14.7 million, which corresponds to an increase of 72.6% year on year. On balance, the consolidated net profit for the year including minority interests was € 77.3 million, which is 26.7% below the previous year's level. After € k 45 in minority interests, the Oberbank Group showed a consolidated net profit for the year of € 77.3 million (- 26.4%).

Following the capital increase in October 2009, the total number of shares issued by Oberbank AG came to 28,783,125 as of the balance sheet date. Earnings per share thus amounted to € 2.83 in 2009, after € 3.91 one year earlier.

Proposed appropriation of profit

Distributable profit is determined on the basis of the annual financial statements of the Group parent, Oberbank AG. At the level of Oberbank AG, the net profit for 2009 totalled € 64.9 million. After a net allocation of € 50.8 million to reserves and adding a profit carried forward of € 0.3 million, the distributable net profit amounted to € 14.4 million. Subject to approval by the Annual General Meeting, the Company will distribute a dividend of € 0.50 per eligible share on the share capital of € 86.3 million. Given a total of 28,783,125 shares, the distribution will amount to € 14,391,562.50. The Management Board will propose to carry forward to new account the remainder of € k 22.8.

Key performance indicators

The operating profit ratio – profit from operating activities as a percentage of average assets – decreased by 0.06 percentage points from 1.22% in 2008 to 1.16% in 2009, which, in view of the challenging market environment, marks a top level ratio in the Austrian banking industry.

Starting in the financial year 2009, the income statement item Other operating profit (loss) is also included in the calculation of the operating profit and the operating profit ratio. The comparable figures for the previous years have been adjusted accordingly.

As Oberbank's equity capital increased at a disproportionately high rate in comparison to the net profit for the year, the return on equity (ROE) before tax dropped from 12.83% to 9.86% in 2009 and the ROE after tax decreased from 11.82% to 8.28%. Due to the issuance of 1.7 million ordinary shares in October 2009 and the lower consolidated net profit, IFRS earnings per share declined from € 3.91 in 2008 to € 2.83 in 2009.

At 53.26%, Oberbank's cost/income ratio continued to be on an excellent level and clearly better than the banking industry average in 2009. The risk/earnings ratio widened from 22.54% to 34.58%. The Bank's own funds ratio, a key parameter for bank ratings, rose from 12.90% to 15.39%, the core capital ratio from 8.27% to 9.58%.

Equity

On 31 December 2009, own funds within the meaning of Sections 23 and 24 of the Austrian Banking Act (BWG) amounted to € 1,534.3 million as compared to € 1,286.1 million as at the previous year's balance sheet date. Hence, the surplus of own funds over the applicable own funds requirement of € 854.8 million pursuant to Section 22 (1) of the Austrian Banking Act (BWG) amounted to € 679.5 million, which is 7.39 percentage points above the regulatory requirement of 8%. Consequently, the own funds ratio increased from 12.90% to 15.39%, the core capital ratio from 8.27% to 9.58% in 2009.

<i>Segment overview 2009 in €m</i>	Corporate and Business Banking	Personal Banking	Financial Markets	Other	Consolidated income statement for 2009
Net interest income	162.4	57.1	42.9		262.4
Charges for losses on loans and advances	(51.2)	(10.1)	(29.4)		(90.7)
Net commission income	47.7	40.9			88.6
Net trading income	0.4		10.8		11.3
Administrative expenses	(95.5)	(83.9)	(4.9)	(24.0)	(208.2)
Other operating profit (loss)	6.1	0.3	22.6	(0.2)	28.8
Profit (loss) for the year before tax	69.9	4.3	42.0	(24.2)	92.0
Return on equity before tax (ROE)	12.6%	5.2%	14.1%	–	9.9%
Cost/income ratio	44.1%	85.4%	6.4%	–	53.3%

Corporate and business banking

4,500 new customers gained in 2009

The Corporate and Business Banking segment encompasses business with companies and self-employed customers as well as the leasing business. At year-end 2009 this segment was servicing some 36,000 customers, about 4,500 of which had been newly acquired in 2009.

Corporate and business loans

Oberbank increased its total volume of loans to corporate and business customers by 5.9% to € 7.9 billion in 2009. Thanks to its solid business model, Oberbank was at all times able to supply its customers with sufficient liquidity and, despite the turmoil on international financial markets, the Bank was at no time compelled to reduce any of its credit lines.

Investment finance

The total volume of Oberbank's investment finance facilities grew at the gratifying rate of 6.4%, totalling € 5.4 billion at the end of 2009. Demand for subsidised investment finance widened at a particularly high rate: The number of project applications rose by 22% to 430 (for more than one third of the loan applications, the Bank obtained guarantees granted by support agencies); the total volume of subsidised investment finance loans surged by 11.3% to over € 400 million.

Under the Austrian economic stimulus package, the ERP small business loans programme established itself as the new promotional instrument for supporting small enterprises. Good cooperation with the subsidisation agencies and the sound know-how of the Bank's advisory staff in this area secured Oberbank a market share of 18%. Oberbank thus features as Austria's second most successful applicant to the ERP Fund.

Oberbank's private equity network

2009 was a challenging and work-intensive year for the private equity sector. Two aspects in particular marked activities in this field: Investors' increased need for in-depth information and elevated demand for equity and mezzanine finance. In 2009, the Oberbank Opportunity Fonds (OOF) handled a total of 139 enquiries; eight of these projects were successfully concluded. About 20 further enquires are currently being examined in greater detail, a quarter of which are likely to be concluded within the next few months. In contrast to certain other private equity funds, the companies in the Opportunity Fonds portfolio were conspicuous for their stable value development even in the difficult environment of 2009; from today's viewpoint, there is no write-down necessity for any of the portfolio companies.

Leasing

Pronounced earnings growth in the Leasing sub-group

Oberbank provides the full range of leasing products (vehicle, movable property and real estate leasing) in five countries. In the leasing market, the Bank has activities in five Austrian provinces (market share about 3%) as well as abroad, namely in Germany, the Czech Republic, Slovakia and Hungary. Finance leasing continues to account for the lion's share of lease volumes.

Export finance

The pronounced decline of Austrian exports in 2009 resulted in special challenges for the Bank's export customers. Besides organisational changes and production adjustments in the manufacturing sector, working capital management assumed a particularly significant role as enterprises were compelled to adjust their financial plans to constant pressure on payment terms and conditions and customers' changed payment behaviour. Oberbank perceived itself as a full service provider in export finance even before the crisis and always stressed the importance of hedging export risks. For this reason, and notwithstanding lower sales volumes and, in particular, declining export receivables, Oberbank was once again able to demonstrate its leading position in the field of subsidised export finance. The market share in SME-relevant export finance under Export Fund procedures was raised to 10.4%; Oberbank thus secured itself second place in an Austria-wide comparison and first place outside of Vienna in this business line. With a market share of 10% of large corporate loans extended under the KRR Kontrollbank Credit Line, Oberbank successfully defended its third place in a national comparison.

Personal banking

The Personal Banking segment encompasses business relations with wage and salary earners and private individuals. In 2009 Oberbank serviced roughly 292,000 customers in this segment; 22,000 customers were newly acquired. A total of about 600 customer advisors are available to service Personal Banking clients at the 133 Oberbank branches.

Deposit banking

Further growth evidences the trust Oberbank enjoys with customers

In a year marked by continued insecurity on financial markets, Oberbank once again confirmed its reputation as a solid address for investors. Traditional saving products – first and foremost the classical passbook account – boosted deposits and led to substantial growth in this area. Taking into account interest on existing deposits, euro savings deposits grew by roughly 3% or € 97 million to € 3.391 billion. Widening by € 197 million, variable rate deposits posted particularly gratifying growth. Investments in the “Oberbank Vorteilskonto spar” savings account also increased sharply, advancing by 44.4% to € 62.4 million. Deposits by private individuals in Oberbank's foreign markets, above all in Bavaria and the Czech Republic, also posted very dynamic growth.

Personal loans

Market share stable at high level

Helped by attractive terms and conditions in combination with competent advisory services offered by Oberbank's customer advisors, Oberbank maintained its Austria-wide market share in the field of personal loans at a stable level. More than ever, proximity to customers, trust and a sound bank-customer relationship proved to be key factors for the success of Oberbank. Notwithstanding the above-mentioned adverse market environment, the personal loan portfolio, including personal accounts and private leases, declined by only 3.3% or € 66 million in 2009. As at year end, the total volume amounted to € 1.9 billion. In its expansion markets abroad, the Bank even achieved substantial growth.

Personal accounts

Number of accounts up in all five Oberbank markets

During the year under review, the Bank's portfolio of personal accounts increased by 2,362 to 162,675 despite harsh competition in the difficult economic environment of 2009. Oberbank's growth and expansion markets – Lower Austria and Vienna as well as Bavaria, the Czech Republic, Hungary and Slovakia – substantially contributed to this growth.

Oberbank issues posted record growth

Strong demand also in Bavaria

Oberbank issues placed in 2009 reached a new record volume. In total, the Bank placed a volume of € 590 million distributed across 26 issues of bonds of all types. Classical fixed-rate bonds made up the lion's share of these issues, followed by products of the Jubiläums-Garant and the Cash-Garant families as well as inflation-protected supplementary capital bonds. In addition, the Bank issued two hybrid capital bonds with a total volume of € 20 million. Robust demand encountered on the Bavarian market is a gratifying phenomenon that prompted the Bank to adjust issuing prospectuses in such a way as to allow it to offer most of the issues on German market as well.

3 Banken-Generali Investment GmbH

Growth clearly above market average

Measured by the average performance of the Austrian investment fund industry, 2009 was the best year since the establishment of the company in 1988. The volume of funds managed by 3 Banken-Generali Investment GmbH rose by 13.1% to € 4.6 billion and hence grew at a rate substantially above the 8.4% growth achieved by the Austrian investment fund industry in general. In an Austria-wide ranking of investment fund companies, 3 Banken-Generali Investment GmbH now holds seventh place.

Gratifying new money inflow in Private Banking

As in the preceding year, new money inflow to the Private Banking segment again reached a substantial volume in 2009. Total assets under management thus increased to some € 3 billion in terms of sight and time deposits plus the fair value of funds on customers' securities accounts. Besides attracting new funds, the focus of work efforts in 2009 was on expanding the Bank's range of individual portfolio management services (asset management) and brokerage services as well as the acquisition of private foundation customers. Efforts in these fields will be stepped up further in 2010.

Financial Markets

The Financial Markets segment covers earnings from equity investments and trading activities as well as income from maturity transformation and structural earnings. The Bank's strategic objectives in the Financial Markets segment are to optimise earnings in these lines of business in compliance with the legal framework and to ensure efficient control and mitigation of all material banking risks, in particular the liquidity and maturity transformation risks. Proprietary trading in interest rate and foreign exchange products has benefited from the dynamic development of Oberbank's business activities abroad.

Bank relationship management

Worldwide network of 2,500 banking partners

The international network of Oberbank is made up of some 2,500 banking partners worldwide. Oberbank cooperates intensively and on a broad basis with some 700 banks within the scope of customer business and proprietary activities. This enables the Bank to offer customers a comprehensive range of hedging, payment and financing services worldwide. In 2009, the Global Financial Markets/Financial Institutions department continued to refine its cross-border strategy, focusing especially on the Bank's expansion markets Bavaria, the Czech Republic, Hungary and Slovakia as well as on regions of importance to Oberbank customers.

Focal points of Oberbank's business activities

In Corporate and Business Banking, Oberbank will continue, in 2010, to focus on its key franchise as a banker for industrial and medium-sized companies and provide finance to businesses. In view of the anticipated revival of export activities, the Bank's management expects that demand for export finance facilities will pick up and dynamics in the field of documentary and guarantee business will improve in 2010. Stepped up investment activity in the corporate sector (since the fourth quarter of 2009, companies have been increasing capital spending to implement previously shelved large-scale projects) is likely to boost demand for investment finance. Public sector subsidies and guarantees will play an important role in both these areas.

In Personal Banking, Oberbank will continue to direct its efforts towards attracting savings and other deposits to maintain the Bank's healthy liquidity and funding position. At the beginning of 2010, the unlimited state guarantee on bank deposits of private investors was set back to € 100,000. This offers an opportunity to highlight Oberbank's solidity in targeted measures aimed at attracting customers. In personal lending, the management expects demand to increase thanks to improved economic prospects and the continued low level of interest rates. As residential construction and refurbishment are currently booming, the management perceives a notable potential in particular in the field of residential construction finance, a core competence area of Oberbank.

Oberbank will continue on its well-proven path in 2010, pursuing a conservative and cautious business policy based on the central values of reliability, stability and solidity.

Earnings development in 2010

Spread-related business will continue to be one of the mainstays of a stable performance path in 2010. Oberbank expects a further slight improvement of profit from credit operations against the previous year, and anticipates a marked rise in profit contributions from equity investments. For the services business, the management anticipates a marked improvement of results, mainly because the situation on securities markets is set to stabilise substantially. Operating expenses, on balance, should remain more or less at the previous year's level. Despite its strong expansion course, Oberbank expects only a minor increase in staff costs and other administrative expenses, while depreciation is expected to rise at a somewhat higher rate.

The impacts of the economic crisis have definitely left their mark on corporate-sector balance sheets for 2009. Oberbank will therefore continue to pursue a highly cautious risk policy course, making substantial allocations to credit risk provisions. However, charges for losses on loans and advances will increase by a markedly lower rate than in the reporting year.

Economic framework conditions continue to be frail and all but easy, so it is not possible to formulate precise earnings projections for 2010. The Management Board of Oberbank is optimistic, however, that the Bank will be able to match the level of profit from operating activities achieved in 2009 and to report a profit for the year before and after taxes at the level of 2009. Furthermore, the management expects higher income from equity investments, but this positive effect will be offset by high charges for impairment losses and higher tax expenses.

The profit situation expected for 2010 will again be in an order of magnitude that permits Oberbank to make high allocations to the Bank's reserves, strengthen its capital base and propose an attractive dividend at the Annual General Meeting.

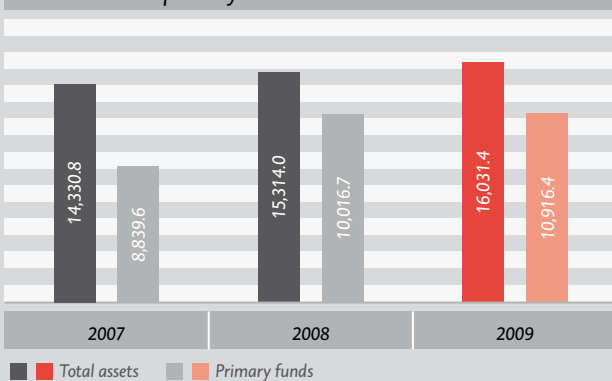
Key Figures in Overview

Oberbank shares, key figures

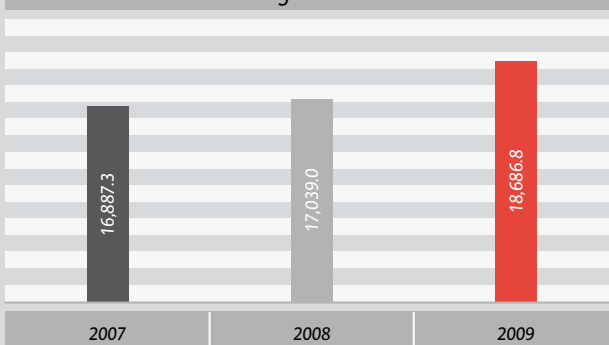
	2009	2008	2007*
Number of ordinary no-par shares	25,783,125	24,090,000	24,000,000
Number of no-par preference shares	3,000,000	3,000,000	3,000,000
High (ordinary/preference share) in €	43.88/39.40	49.67/43.90	50.00/44.33
Low (ordinary/preference share) in €	42.20/37.90	42.60/38.00	35.10/30.17
Close (ordinary/preference share) in €	42.70/38.30	44.20/39.40	49.63/44.00
Market capitalisation in €m	1,215.8	1,183.0	1,323.2
IFRS earnings per share in €	2.83	3.91	3.82
Dividend per share in €	0.50	0.50	0.50
P/E ratio (ordinary share)	15.1	11.3	13.0
P/E ratio (preference share)	13.5	10.1	11.5

* For reasons of better comparability, the number of shares, highs, lows and closing prices, IFRS earnings per share and the dividend per share for the year 2007 were converted at the ratio 1:3 in analogy to the stock split of July 2008.

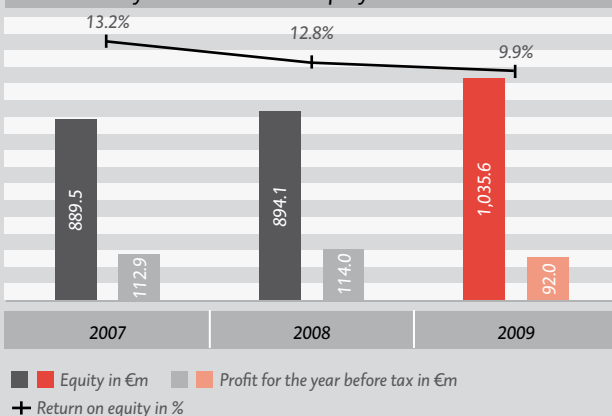
Total assets and primary funds in €m



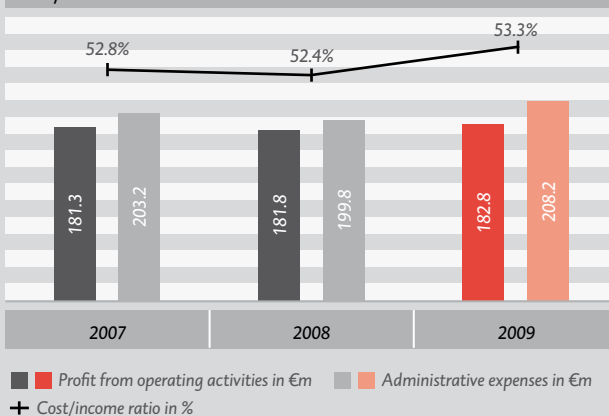
Customer funds under management in €m



Profit for the year and return on equity



Cost/income ratio



Imprint: Proprietor and Publisher

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Chairman of the Supervisory Board: Hermann Bell

Investor Relations: Frank Helmkamp

Concept and Consultancy: Scholdan & Company; Printing: Agens Ketterl; Translation: Maria Bennett

Tradition

Independence

Innovation

Reliability

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Safety

Predictability

Trust

Continuity

Autonomy

Sustainability

Solidity

Stability

Regionality