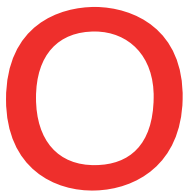


Oberbank
Nicht wie jede Bank

Green Bond Impact & Allocation Reporting Oberbank AG

June 2022



Introduction

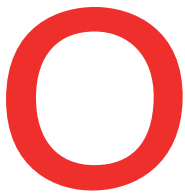
Oberbank's sustainability strategy is based on ethical and environment stewardship values, and is regularly reviewed and updated. We are committed to the goal of the Paris Agreement to limit global warming to 1.5°C. All sustainability ambitions of Oberbank comply with the UN's Sustainable Development Goals (UN SDGs).

As Oberbank, we take responsibility for sustainability and have defined ambitious strategic goals to contribute to the 1.5°C goal. To this end, we take action at various levels: in our core business of lending, we contribute to decarbonization by defining exclusion and positive criteria for commercial loans. We will calculate and publish annually how many tons of CO₂ we have helped to reduce through our lending policy

Comprehensive information on our sustainability strategy as well as details and progress reports on all (planned) measures and projects are included in the most recent Sustainability Report available at: <https://www.oberbank.at/nachhaltigkeit>

In June 2021 we issued Oberbank's first Green Bond with the net proceeds used for Green Loans financing green buildings (according to defined eligibility criteria).

In this reporting we will give an overview of the framework and the impact of the Green Bond. Summarizing the most important points of the Oberbank Green Bond Framework, we give an overview over the use of net proceeds (including eligibility criteria), financing and refinancing and the existence of exclusion criteria and the contribution of the Green Bond to the SDGs. Then we will discuss the methodology and of course the results, especially the reduction of energy consumption and the carbon emissions avoided.



Green Bond Framework

Ambitious strategic sustainability objectives are creating demand for capital to fund projects supportive of sustainable and environmental goals. To this end, Oberbank has developed a Green Bond Framework (“Framework”) based on the Green Bond Principles (GBP) of the International Capital Market Association (ICMA) (version: June 2021). When designing the Green Bond Framework, Oberbank also considered the requirements of the Delegated Acts for Environmental Objectives 1 and 2 of the EU Taxonomy published by the EU Commission in June 2021 and the requirements of the draft of the EU Green Bond Standard published in 2020.

The alignment of Oberbank’s Green Bond Framework with the Green Bond Principles (June 2021) and the EU Taxonomy (June 2021) as well as its consistency with Oberbank’s sustainability strategy was confirmed by ISS-ESG in a second party opinion (17 June 2021).

Use of Proceeds

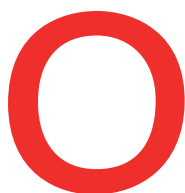
Use of net proceeds

An amount equal to the net proceeds of the Green Bond Instruments will be used to finance or refinance, in whole or in part, loans or investments mainly in Oberbank's core region (Austria and Germany) that promote the transition to a low-carbon, climate resilient and sustainable economy (Green Loans), each of which must meet the green loan criteria as defined in the Oberbank Green Bond Framework. In short, the eligible Green Loans are used to finance green buildings (residential), including construction of new buildings, acquisition and ownership and renovation of existing residential buildings (see eligibility criteria in the table below).


The net proceeds of Green Bond Instruments issued under this Framework are managed by the Green Bond Committee, which was set up to take care of the Green Bond Framework (updates, monitoring, identifying potential risks, etc.).

Financing and refinancing

The net proceeds can be used to fund both existing and new green loans which have been granted either up to 18 months after the issuance of a green bond or up to 18 months prior to the issuance. The net proceeds will be used primarily to refinance existing green loans. However, Oberbank will endeavor to increase the volume of new green loans granted.



Eligible Green Loans - Requirements (Green Bond Criteria) for Austria and Germany

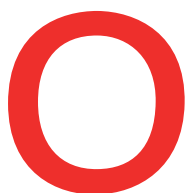
Green project categories	Green sub-category	Definition	Eligibility criteria	UN SDG	EU Taxonomy
Green buildings (residential)	Construction of new buildings	Acquisition and ownership of residential buildings (single-family and multi-family) built before 31 December 2020	Energy Performance Certificate (EPC) Class A. Alternatively, buildings that belongs to the top 15% most energy efficient buildings at the national or regional level in terms of operational primary energy demand (PED), with the corresponding certification.		Environmental Objective (1): Climate Change Mitigation
	Acquisition and ownership of residential buildings	Acquisition and ownership of residential buildings (single-family and multi-family) built after 31 December 2020	The primary energy demand (PED) , which defines the energy performance of a building after construction, is at least 10% below the national threshold for nearly zero energy buildings (NZEB) and verified by an Energy Performance Certificate (EPC). For residential buildings over 5,000 m² : Testing for air tightness and thermal integrity upon completion or, alternatively, verifiable quality control processes during the construction process.		
	Renovation of existing residential buildings	Renovation of existing single-family and multi-family homes	Building renovation complies with the applicable requirements for major renovations . Alternatively, it leads to a reduction in primary energy demand (PED) of at least 30% .		

Management of Proceeds

Oberbank's aims is to fully allocate eligible green loans to the portfolio (Green Portfolio) until maturity, but at the latest 18 months after the issue, and to replace these loans if they are removed from the Green Portfolio due to early repayment, redemption, sale or loss of status as eligible for the Green Portfolio. If there is a shortfall in green loans until maturity, Oberbank may – until full reallocation – hold the amount corresponding to the unallocated issuance proceeds in cash or in short-term liquid instruments in accordance with the exclusion criteria defined in Oberbank's "Guidelines for Absolutely Excluded Transactions and Transactions requiring Anti-Money Laundering Authorization".

Exclusion criteria

Oberbank dissociates itself from industries, companies and business practices that, in its view, could result in unacceptable environmental, social and governance (ESG) effects.



Therefore, the net proceeds of Green Bond Instruments will not be used for investments that do not comply with the restrictions described and defined in Oberbank's "Guidelines for Absolutely Excluded Transactions and Transactions requiring Anti-Money Laundering Authorization". All of the exclusion criteria defined refer to the full investment scope of the projects funded.

The exclusion criteria are mandatory for new customers as well as for new business areas of existing customers and do not permit any type of approval. Oberbank revised its exclusion criteria in 2022. The new and updated criteria can be found on Oberbank's website ([Strategie und Richtlinien | Nachhaltigkeit | Oberbank AG - Oberbank](#)).

Contribution to SDGs

Our Green Bond contributes to SDG 13 – Climate Action.



According to the Austrian Umweltbundesamt (2020) buildings are amongst the four sectors, that contribute most to the CO₂ emissions (10,9%) in Austria. Most emissions are caused by energy and industry, followed by mobility, buildings, and agriculture.

Therefore, this area is highly relevant for improvements and building more environmentally friendly and energy efficient buildings and renovating existing ones facilitates the transition to a greener future by reducing the energy consumption and emission of greenhouse gases.

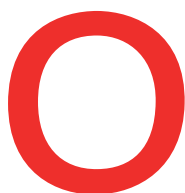
Allocation & Impact Reporting

Oberbank issued its first Green Covered Bond in June 2021. The net proceeds of this bond are used to finance green buildings (residential).

All buildings financed through the green bond asset pool are located in Austria and meet the eligibility criteria outlined in the table above.

Allocation Reporting as end of May 2022 (in million Euro)

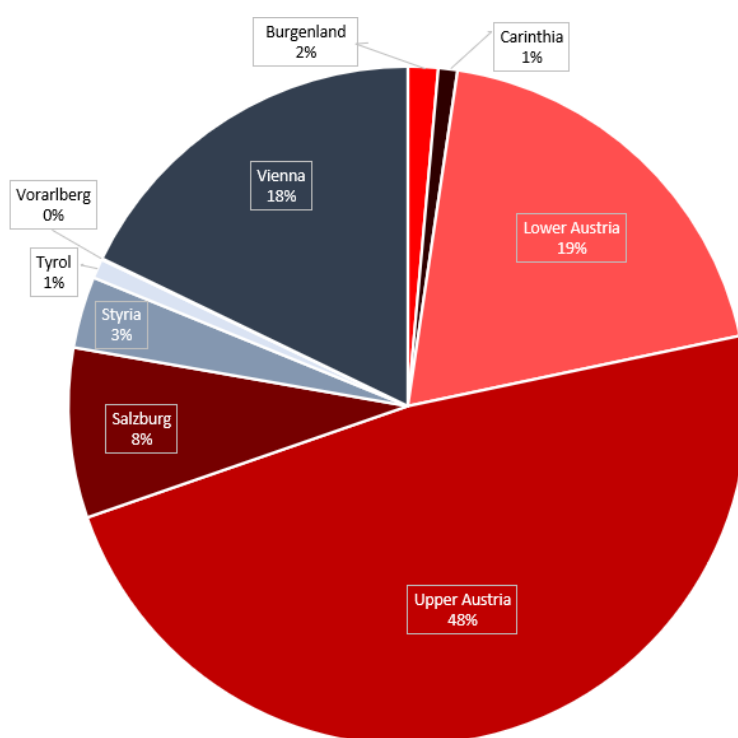
Volume of the Green Portfolio	1.201.474.951,56
Total amount of net proceeds allocated to the Green Portfolio	248.112.500,00
Balance (if any) of unallocated net proceeds	-
Amount or percentage share of new loans and refinancing	9.071.109,66
Total volume of outstanding Green Bond Instruments	250.000.000,00



Geographical breakdown of the Green Portfolio as end of May 2022 (in million Euro)

Burgenland	17.247.063,03
Carinthia	10.931.663,06
Lower Austria	232.300.518,35
Upper Austria	576.690.283,21
Salzburg	97.191.419,21
Styria	40.970.883,66
Tyrol	11.119.677,56
Vorarlberg	641.112,21
Vienna	214.382.331,27

Geographical breakdown of the Green Portfolio



Impact Reporting

**DREES &
SOMMER**

The green buildings in Oberbank's green loan portfolio have considerably lower energy consumption and consequently lower levels of CO₂ emissions than average level for residential buildings in Austria (see eligibility criteria outlined above). With its green loan portfolio, Oberbank thus contributes to avoiding CO₂ emissions.

As of end of May 2022, Oberbank's green loan portfolio saved 63.947 MWh of energy as well as 9.075 tons of CO₂ per year (compared to average level for residential buildings in Austria).

The methodology used for the impact calculation was developed by the consulting firm Drees & Sommer.



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