

Job Nr.: 2014-0067
Nachtrag gebilligt

13. Okt. 2014



Prospectus Supplement No. 3
dated 10 October 2014

Oberbank AG

(incorporated as a stock corporation under the laws of the Republic of Austria; registered number FN 79063w)

relating to the

OBERBANK AG EUR 530,000,000 DEBT ISSUANCE PROGRAMME

for the issuance of Notes in bearer form
(with the option to increase the total volume to up to EUR 700,000,000)
dated 18 February 2014

This prospectus supplement No. 3 (the „Supplement“) constitutes a prospectus supplement pursuant to Art 16 (1) of the Directive 2003/71/EC as amended by Directive 2010/73/EC (the “Prospectus Directive”) and section 6 of the Austrian Capital Market Act (Kapitalmarktgesetz) (the “Capital Market Act”) and is supplemental to, and should be read in conjunction with the prospectus relating to the EUR 530,000,000 Debt Issuance Programme (the “Programme”) of Oberbank AG (the “Issuer”) dated 18 February 2014 as amended by the supplement No. 1 of 24 March 2014 and supplement No. 2 of 18 April 2014 (the “Original Prospectus”).

The Original Prospectus was approved on 18 February 2014 by the Austrian Financial Market Authority (Finanzmarktaufsichtsbehörde, the “FMA”).

This Supplement was published, deposited with the Oesterreichische Kontrollbank Aktiengesellschaft and filed for approval with the FMA in its capacity as competent authority in accordance with the Austrian Capital Market Act on 10 October 2014. The Issuer has requested the FMA to provide the competent authorities of Germany and the Czech Republic with notifications concerning the approval of this Supplement.

Terms defined in the Original Prospectus shall have the same meaning when used in this Supplement, if there is no indication to the contrary.

To the extent that there is any inconsistency between any statement in this Supplement and any other statement in or contemplated by reference in the Original Prospectus, the statements in the Supplement will prevail.

In accordance with Art 16 of the Prospectus Directive and section 6 of the Capital Market Act investors who have already agreed to purchase or subscribe for the Notes before the Supplement is published shall have the right, exercisable within two working days after the publication of the Supplement, to withdraw their acceptances, provided that the new factor, mistake or inaccuracy described in this Supplement arose before the final closing of the offer to the public and the delivery of the Notes.

The accuracy of the information contained in this Supplement does not fall within the scope of examination by the FMA under applicable Austrian law. The FMA examines the Supplement only in respect of its completeness, coherence and comprehensibility pursuant to section 8a (1) of the Capital Market Act.

Responsibility Statement

The Issuer accepts the responsibility for the information contained in this Supplement. Having taken all reasonable care to ensure that such is the case, the information contained in the Supplement is, to the best of the knowledge of the Issuer, in accordance with the facts and contains no omission likely to affect its import.

IMPORTANT NOTICE

This Supplement does not constitute an offer of, or an invitation by or on behalf of the Issuer to subscribe for, or purchase, any Notes.

No person has been authorised to give any information or to make any representations other than those contained in this Supplement in connection with the issuance or sale of the Notes and, if given or made such information or representations must not be relied upon as having been authorised by the Issuer.

Selling Restrictions

The distribution of this Supplement and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Supplement comes are required by the Issuer to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the United States Securities Act of 1933 (the "Securities Act") and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons. For a description of certain restrictions on offers and sales of Notes and on distribution of this Prospectus, see "Selling Restrictions" of the Original Prospectus.

Significant new factors

The following significant new factors relating to the information contained in the Original Prospectus have arisen which are capable of affecting the assessment of the Notes, and are thus herewith included in the Original Prospectus as follows:

1. In section "SUMMARY", "Section D - Risks", in element D.2 the following bullet point on page 25 of the Original Prospectus
"- Risk of increased administrative expenses and refinancing costs due to the implementation of Basel II and Basel III"
shall be replaced as follows:
"- Risk of increased administrative expenses and refinancing costs due to the implementation of Basel III and the Single Resolution Mechanism"
2. In section "SUMMARY", "Section D - Risks", in element D.3 the following bullet point on page 25 of the Original Prospectus
"[- Noteholders of subordinated Notes are exposed to the risk of a statutory loss participation]"
shall be replaced as follows:
"- Noteholders are exposed to the risk of statutory loss participation"
3. In section "SUMMARY IN GERMAN LANGUAGE", "Abschnitt D - Risiken", in element D.2 the following bullet point on page 45 of the Original Prospectus
"- Risiko von erhöhtem Verwaltungsaufwand und Refinanzierungskosten aufgrund der Umsetzung von Basel II und Basel III"
shall be replaced as follows:
"- Risiko von erhöhtem Verwaltungsaufwand und Refinanzierungskosten aufgrund der Umsetzung von Basel III und des Single Resolution Mechanism"
4. In section "SUMMARY IN GERMAN LANGUAGE", "Abschnitt D - Risiken", in element D.3 the following bullet point on page 45 of the Original Prospectus
"[- Anleihegläubiger von nachrangigen Schuldverschreibungen sind dem Risiko einer gesetzlichen Verlustbeteiligung ausgesetzt.]"
shall be replaced as follows:
"- Anleihegläubiger sind dem Risiko einer gesetzlichen Verlustbeteiligung ausgesetzt."
5. In section "SUMMARY IN CZECH LANGUAGE", "Oddíl D – Rizika", in element D.2 the following bullet point on page 62 of the Original Prospectus
"- Riziko zvýšených administrativních nákladů a nákladů na refinancování v důsledku implementace rámce Basel II a Basel III"
shall be replaced as follows:
"- Riziko zvýšených administrativních nákladů a nákladů na refinancování v důsledku implementace rámce Basel III a Jednotního mechanismu pro řešení krizí (Single Resolution Mechanism)"
6. In section "SUMMARY IN CZECH LANGUAGE", "Oddíl D – Rizika", in element D.3 the following bullet point on page 63 of the Original Prospectus
"[- Držitelé podřízených Dluhopisů jsou vystaveni riziku zákonného podílu na ztrátě]"
shall be replaced as follows:

“- Držitelé jsou vystaveni riziku zákonného podílu na ztrátě“

7. In section “RISK FACTORS” the risk factor “Risk of increased administrative expenses and refinancing costs due to the implementation of Basel II and Basel III” on pages 70 et seq of the Original Prospectus shall be replaced as follows:

“Risk of increased administrative expenses and refinancing costs due to the implementation of Basel III and the Single Resolution Mechanism

The Basel III provisions for credit institutions were implemented on the European plane on 26 June 2013 by passing the CRR and CRD IV. Both, CRR and CRD IV contain stringent requirements as to the quality and quantity of the capital of a credit institution and provide for capital buffers, which shall be applied step by step. The provisions of the CRR are in force (with only few exceptions) since 1 January 2014. The requirements of the CRD IV have been implemented into Austrian national law by the amendment act to the Austrian Banking Act (*Bankwesengesetz*), Austrian Federal Law Gazette (*BGBI*) I 184/2013. The new regulatory framework as set forth therein shall be implemented step by step until the end of 2018. Amendments to this legal framework cannot be excluded in the implementation phase. The requirements concerning the recognition of own funds (in particular concerning the Tier 1 Capital as defined in Articles 25 et seqq of the CRR) may have material effects on credit institutions, since not all funds which hitherto qualified as Tier 1 Capital will be recognised as such in the future. The implementation of these new and more stringent own funds requirements into Austrian law and their direct application in Austria can have a material influence on the capitalisation of the Issuer and may have adverse effects on the Issuer’s business, financial conditions and operations. Also, the capital buffer requirements could affect the Issuer’s future liquidity.

The Issuer calculates the regulatory capital ratios and parameters according to legal requirements, in particular the requirements as set by the CRR and the Austrian Banking Act (*Bankwesengesetz*). These legal requirements are subject to interpretation and the Issuer cannot exclude that due to differing interpretations the capital ratios and parameters should have been calculated differently. In particular the calculation of own funds on a consolidated basis on the basis of the accounting standards under Regulation (EC) No 1606/2002 will lead to changes in the calculation of own funds according to the CRR. The amount of deductions for investments by the Issuer in instruments of financial sector entities is currently determined by their amortised costs. The continuation or possible changes to this evaluation method for the calculation of deductions is currently being discussed with the FMA and the Austrian National Bank and shall be finally clarified by a query from the FMA to the European Banking Authority (EBA) in the course of its Q&A process. Until 31 December 2014 the Issuer intends to change the evaluation method for the calculation of deductions to IFRS standards. This would result in the said Issuer’s investments - compared to the current calculation - then to be determined at a higher deduction value. Each infringement of own funds requirements and other regulatory parameters could cause sanctions to be imposed on the Issuer by the competent authorities, which in turn could result in an increase in operational costs and reputational damage.

Further, there is a risk that the Basel III requirements may be changed in the future which may cause additional costs and expenses for the Issuer. This may have adverse effects on the Issuer’s business, financial conditions and operations.

On 15 April 2014, the European Parliament has enacted the Single Resolution Mechanisms (SRM) in addition to the Single-Supervisory Mechanism (SSM). In particular, a Single Resolution Fund (SRF) is envisaged, which shall have a final volume of EUR 55b and can refinance itself on the market. During a transitional period of eight years the SRF shall comprise national compartments for the individual participating Member States. Over a period of eight years, the funding shall be transferred step by

step to the SRF, starting with a transfer of 40% in the first year. The implementation of the SRF could lead to additional financial expenses for the Issuer and may have adverse effects on the Issuer's business, financial conditions and operations."

8. In section "RISK FACTORS" the risk factor "Noteholders of subordinated Notes are exposed to the risk of a statutory loss participation" on pages 74 et seqq of the Original Prospectus shall be replaced as follows:

"Noteholders are exposed to the risk of statutory loss participation

On 12 June 2014, the Bank Recovery and Resolution Directive (Directive 2014/59/EU of the European Parliament and of the Council 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council) ("BRRD") has been published. The BRRD will establish a framework for the recovery and resolution of credit institutions and, inter alia, require EU-credit institutions to draw up "recovery and resolution plans" which set out certain arrangements and measures that may be taken to restore the long-term viability of the financial institution in the event of a material deterioration of its financial position. Measures undertaken under the BRRD may also have an impact on debt instruments (in particular subordinated notes, but under certain circumstances also senior notes) by allowing authorities to write-down such instruments or convert them into shares (within the scope of the so-called bail-in tool).

The BRRD shall be implemented into national law until 31 December 2014 and the respective implementing laws shall be applicable as from 1 January 2015. The legislation implementing the bail-in tool shall be applicable, however, only as from 1 January 2016. On 15 September 2014, a draft Act on the Reorganization and Winding-Up of Banks (*Bundesgesetz über die Sanierung und Abwicklung von Banken (BSAG)*) was submitted to the Austrian National Council (*Nationalrat*) for review. This draft Act shall implement the requirements set by the BRRD including the bail-in tool and shall - as currently drafted - enter into force on 1 January 2015. It is currently unclear if and in what form this Act will be enacted.

On 31 July 2013, Austria has published the Federal Law on bank intervention and restructuring ("BIRG") in the Federal Law Gazette Nr 160/2013. This law is based on the BRRD. The above mentioned bail-in tool, however, is not provided for in BIRG. The BIRG has entered into force on 1 January 2014.

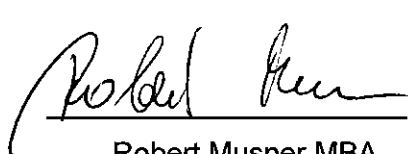
Such legal provisions and/or regulatory measures may severely affect the rights of Noteholders, may result in the loss of the entire investment in the event of non-viability or resolution of the Issuer, and may have a negative impact on the market value of the Notes also prior to non-viability or resolution."

SIGNATURE

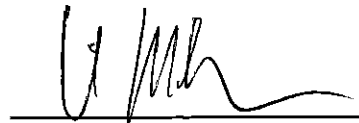
Signature according to the Austrian Capital Markets Act
(„Kapitalmarktgesetz“)

Oberbank AG, with its registered office in Untere Donaulände 28, 4020 Linz, Austria, is responsible for the information contained in this Supplement and declares that, having taken all reasonable care to ensure that such is the case, the information contained in the Supplement is, to the best of its knowledge, in accordance with the facts and that the Supplement makes no omission likely to affect its import.

Oberbank AG (as Issuer)



Robert Musner MBA
(Prokurist)



Erich Stadlberger, MBA
(Prokurist)

Linz, 10.10.2014

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