

Consolidated Financial Statements

54) Consolidated own funds and regulatory own funds requirement

As from 1 January 2014, Oberbank AG became subject to the provisions of Regulation (EU) No. 575/2013 (CRR) as well as CRD IV. The defined minimum capital requirements were met at all times. The own fund components disclosed are also used for purposes of internal capital management.

Regulatory capital pursuant to Part 2 of Reg.(EU) No 575/2013	Change			
	2016	2015	absolut	in %
Subscribed capital	102,322	94,011	8,311	8.8
Capital reserves	505,523	349,127	156,39	44.8
Retained earnings ¹⁾	1,557,113	1,405,094	152,01	10.8
Minority interests	0	0	-	-
Accumulated other comprehensive income	35,670	3,269	32,401	> 100.0
Regulatory adjustment items	-39,124	-38,685	-439	1.1
Deductions from common equity Tier 1 capital items	-152,121	-162,062	9,941	-6.1
COMMON EQUITY TIER 1 CAPITAL	2,009,383	1,650,754	358,62	21.7
AT1 capital instruments	50,000	50,000	-	-
AT1 capital instruments purs.to national implementation rules	35,400	41,300	-5,900	-14.3
Deductions from AT1 capital items	-8,827	-8,747	-80	0.9
ADDITIONAL TIER 1 CAPITAL	76,573	82,553	-5,980	-7.2
TIER 1 CAPITAL	2,085,956	1,733,307	352,64	20.4
Qualifying supplementary capital instruments	337,264	352,505	-15,241	-4.3
Nominal capital preference shares purs. to transition rules ÜRL	3,600	2,700	900	33.3
AT1 capital instruments purs. to transition rules	23,600	17,700	5,900	33.3
Supplementary capital items purs. to national impl. rules	45,688	56,224	-10,536	-18.7
General credit risk adjustments	0	0	-	-
Deductions from supplementary capital items	-13,892	-4,432	-9,460	> 100.0
Supplementary capital	396,260	424,697	-28,437	-6.7
OWN FUNDS	2,482,216	2,158,004	324,21	15.0
Total risk exposure purs. Art. 92 CRR				
Credit risk	11,799,980	11,213,348	586,63	5.2
Market risk, settlement risk and CVA risk	50,558	51,477	-919	-1.8
Operational risk	970,730	951,842	18,888	2.0
Total exposure	12,821,268	12,216,667	604,60	5.0
Capital ratios purs. Art. 92 CRR				
Common equity Tier 1 capital ratio	15.67 %	13.51 %	2.16 %	
Core Tier 1 capital ratio	16.27 %	14.19 %	2.08 %	
Total capital ratio	19.36 %	17.66 %	1.70 %	
Regulatory capital ratio requirement purs. to transition rules in %				
Common equity Tier 1 capital ratio	5.125 %	4.500 %	0.625	
Core Tier 1 capital ratio	6.625 %	6.000 %	0.625	
Total capital ratio	8.625 %	8.000 %	0.625	
Regulatory capital requirements purs. to transition rules in €k				
Common equity Tier 1 capital	657,090	549,750	107,34	19.5
Tier 1 Capital	849,409	733,000	116,40	15.9
Total capital	1,105,834	977,333	128,50	13.2
Free capital components				
Common equity Tier 1 capital	1,352,293	1,101,004	251,28	22.8
Tier 1 Capital	1,236,547	1,000,307	236,24	23.6
Total capital	1,376,382	1,180,671	195,71	16.6

1) Including allocation to retained earnings 2016 subject to approval by the Supervisory Board on 28 March 2017

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55) Other disclosures required pursuant to the Austrian Banking Act and Austrian Business Code

A nominal total of EUR 154.1 million of bonds issued by Oberbank will mature in the financial year 2017. As at 31 December 2016, no subordinated borrowings individually exceeded 10% of aggregate amount of subordinated liabilities. Other subordinated borrowings individually coming to 10% or less of aggregate subordinated liabilities totalled €k 615,520.0 (nominal). They included supplementary capital subject to interest rates of 0.0% to 7.4% and maturities in the years 2017 to 2024 as well as two issues with indefinite maturities. The Company incurred EUR k 19,238.3 in expenses on subordinated liabilities in the year under review. Applying market prices, the trading book was valued at a total of EUR 98.7 million as at 31 December 2016. The total comprised securities totalling EUR 11.4 million (market values) and other financial instruments totalling EUR 87.3 million (market values). The lease portfolio was worth EUR 1,254.6 million on 31 December 2016.

Expenses for the auditor amounted to €k 852 (incl. VAT and incl. leasing companies and subsidiaries). Of this total, the audit of the annual financial statements accounted for €k 693 and €k 5 for other audit certificate services as well as €k 137 for tax advisory services and €k 17 for other audit services.

Disclosure regarding branch establishments pursuant to § 64 (1) no. 18 Banking Act

Name of establishment (incl. leasing companies)	Regional Division Germany	Regional Division Czech Republic	Regional Division Hungary	Regional Division Slovakia
Business areas	Southern Bavaria Northern Bavaria			
State of registered office	Federal Republic of Germany	Czech Republic	Hungary	Slovakia
Net interest income	€k 31,873	€k 26,304	€k 15,350	€k 6,492
Operating profit	€k 37,781	€k 32,061	€k 19,932	€k 7,808
Number of employees (full- time basis)	220.6	200.2	97.9	47.4
Profit for the year before tax	€k 6,400	€k 14,135	€k 9,285	€k 3,891
Income taxes	€k -1,479	€k -1,795	€k -909	€k -374
Government subsidies received	0	0	0	0

The return on investment pursuant to § 64 (1) no. 19 Banking Act (BWG) is 0.95%.

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56) List of equity investments required by the Austrian Business Code

As at 31 December 2016, the Company held stakes of 20% or more in:	Method of inclusion	Share in capital in % ⁵⁾		Equity ³⁾	Profit (loss) in most recent financial year ⁴	Financial statements	Comment
a) Direct investments							
„AM“ Bau- und Gebäudevermietung Gesellschaft m.b.H., Linz	N	100.00	100.00				1,6
„LA“ Gebäudevermietung und Bau – Gesellschaft m.b.H., Linz	N	100.00	100.00				1,6
„SG“ Gebäudevermietungsgesellschaft m.b.H., Linz	N	100.00	100.00				1,6
„SP“ Bau- und Gebäudevermietungsgesellschaft m.b.H., Linz	N	100.00	100.00				1,6
„VB“ Gebäudeerrichtungs- und –vermietungs-gesellschaft m.b.H., Linz	N	100.00	100.00				1,6
3 Banken-Generali Investment-Gesellschaft m.b.H., Linz	N	20.57	20.57				6
3-Banken Wohnbaubank AG, Linz	V	80.00	80.00	7,994	119	2016	1
ALPENLÄNDISCHE GARANTIE-GESELLSCHAFT m.b.H., Linz	Q	50.00	50.00	3,894	0	2016	
Beteiligungsverwaltung Gesellschaft m.b.H., Linz	N	40.00	40.00				6
Betriebsobjekte Verwertung Gesellschaft m.b.H., Linz	N	100.00	100.00				1,2,6
Biowärme Attnang-Puchheim GmbH, Attnang-Puchheim	N	49.00	49.00				6
Buy-Out Central Europe II Beteiligungs-Invest AG i. A., Wien	N	24.85	24.85				6
Drei Banken Versicherungsagentur GmbH (vorm. Drei-Banken Versicherungs AG)	E	40.00	40.00	14,874	5.608	09/2016	
DREI-BANKEN-EDV Gesellschaft m.b.H., Linz	N	40.00	40.00				6
DPI S.A., Luxemburg	N	25.10	57.50				1,6
GAIN CAPITAL PARTICIPATIONS II S.A. SICAR, Luxemburg	N	33.11	33.11				6
GAIN CAPITAL PARTICIPATIONS SA, SICAR, Luxemburg	N	58.69	58.69				1,6
Gasteiner Bergbahnen Aktiengesellschaft, Bad Hofgastein	N	32.62	32.62				6
Ober Finanz Leasing gAG, Budapest	V	1.00	100.00	10,066	3.750	09/2016	1
Ober Leasing Gesellschaft mit beschränkter Haftung, Budapest	V	1.00	100.00	1,230	375	09/2016	1
Oberbank Beteiligungsholding Gesellschaft m.b.H., Linz	N	100.00	100.00				1,6
Oberbank Hybrid 1 GmbH, Linz	V	100.00	100.00	332	36	2016	1
Oberbank Hybrid 2 GmbH, Linz	V	100.00	100.00	305	29	2016	1
Oberbank Hybrid 3 GmbH, Linz	V	100.00	100.00	85	-2	2016	1
Oberbank Hybrid 4 GmbH, Linz	V	100.00	100.00	85	-2	2016	1
Oberbank Hybrid 5 GmbH, Linz	V	100.00	100.00	21	-2	2016	1
Oberbank Immobilien Leasing GmbH Bayern, Neuötting	V	6.00	100.00	2,081	12	09/2016	1
Oberbank Immobilien-Service Gesellschaft m.b.H., Linz	N	100.00	100.00				1,6
Oberbank Vsetaty Immobilienleasing s.r.o., Pilsen (vorm. Oberbank Leasing Bauhaus)	V	10.00	100.00	4	-2	09/2016	1