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Ratings

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Oberbank AG

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Oberbank AG

Rating Score Snapshot

Global Scale Ratings
Issuer Credit Rating
A/Stable/A-1
Resolution Counterparty Rating
A+/--/A-1

SACP: a- → **Support: +1** → **Additional factors: 0**

Anchor	a-	
Business position	Adequate	0
Capital and earnings	Strong	+1
Risk position	Moderate	-1
Funding	Adequate	0
Liquidity	Adequate	
CRA adjustment		0

ALAC support	+1
GRE support	0
Group support	0
Sovereign support	0

Issuer credit rating
A/Stable/A-1
Resolution counterparty rating
A+/A-1

ALAC--Additional loss-absorbing capacity. CRA--Comparable ratings analysis. GRE--Government-related entity. ICR--Issuer credit rating. SACP--Stand-alone credit profile.

Credit Highlights

Overview	
Key strengths	**Key risks**
Strong and stable corporate and retail franchise in Upper Austria and Salzburg.	Regional concentration in corporate business as well as material exposure to commercial real estate (CRE).
Sound cost efficiency.	Concentration risks from sizable equity investments in Upper Austria.
Strong capitalization and solid additional loss-absorbing capacity (ALAC).	

Oberbank runs a strong regional franchise in small and midsize enterprise (SMEs) and corporate banking. The bank has shown business resilience and we expect it to continue to outperform its small local peers through the cycle. Nevertheless, performance can be volatile in the downturns and tail risk exists because the bank's revenue base depends heavily on the corporate sector in Upper Austria and Salzburg, making it vulnerable to adverse local economic developments and to volatility in the valuations of its equity stakes in local corporates. In the first nine months of 2023, the bank reported 12% return on equity (ROE) and a 39% cost-to-income ratio, reflecting strong net interest income (NII) following a series of rate hikes by the European Central Bank (ECB). We don't see this level as sustainable however.

We anticipate that Oberbank's solid returns will sufficiently buffer rising risk costs during the current cyclical downturn, protecting its strong capital buffer. Given strong earnings retention amid an improved net interest margin (NIM), we forecast our main capital measure--the risk-adjusted capital (RAC) ratio--to rise to 13.3%-13.9% by 2025, which we regard as indicating strong capitalization. In our view, strong revenue generation capacity, together with generally prudent risk management, mitigate risks stemming from the bank's material exposure to deteriorating CRE markets as well as other downside risks stemming from the challenging macroeconomic and geopolitical environment. We expect asset quality deterioration to be moderate, with annual cost of risk around 40 bps and gross nonperforming loans (NPLs) of up to 4% of total loans over 2023-2025. We estimate the bank's exposure to CRE projects to be material at approximately one quarter of the total loan portfolio; of that exposure, construction is a low single digit percentage.

Oberbank is set up for a bail-in resolution and maintains a material buffer of bail-in-able subordinated issues, which gives some protection to investors in senior unsecured instruments. We anticipate that Oberbank will continue to hold ALAC of about 3.6% of S&P Global Ratings risk-weighted assets (RWAs) through 2024, which should protect senior unsecured creditors in a resolution scenario. This supports our issuer credit rating, as reflected in the one notch uplift above the bank's stand-alone credit profile.

Outlook

The stable outlook reflects our expectation that Oberbank AG will maintain its competitive advantage and internal capital generation, and that expansion in foreign markets will remain contained and will not weaken the bank's risk profile or capital. Furthermore, we expect that losses related to the bank's material CRE exposure will remain contained and would not deplete its strong capital buffer.

The outlook also reflects our view that management will be able to uphold the buffer of ALAC-eligible instruments above 2% of our RWAs, and that the resolution scenario for Oberbank would likely be bail-in-led, as we anticipate for the larger, more systemically important banks in Austria.

Downside scenario:

We would downgrade Oberbank if its capital buffer deteriorates, with our RAC ratio falling below 10% because of material unexpected risk costs or aggressive expansion into regions with higher economic risks than Austria, or tail risk in its equity holdings that could harm its risk profile or materially increase its capital consumption, for example. We would also lower the rating if we expected the bank's ALAC buffer to drop below our 2% threshold.

Upside scenario:

We consider an upgrade to be remote. We think Oberbank's strengths are unlikely to compensate for its regional concentrations in revenue and risks to the extent that we would consider raising the rating.

Key Metrics

Oberbank AG--Key ratios and forecasts					
	--Fiscal year ended Dec. 31--				
(%)	**2021a**	**2022a**	**2023f**	**2024f**	**2025f**
Growth in operating revenue	25.2	4.1	30.4-37.1	(11.7)-(14.3)	(0.7)-(0.9)
Growth in customer loans	6.7	4.2	3.6-4.4	3.6-4.4	3.6-4.4
Net interest income/average earning assets (NIM)	1.6	1.8	2.3-2.6	2.2-2.4	2.1-2.3
Cost to income ratio	49.7	48.8	39.1-41.1	47.2-49.6	48.5-51.0
Return on average common equity	7.5	7.2	9.7-10.7	6.4-7.0	5.8-6.4
New loan loss provisions/average customer loans	0.2	0.2	0.4-0.4	0.3-0.4	0.3-0.3
Gross nonperforming assets/customer loans	1.8	2.4	3.8-4.2	3.8-4.2	3.8-4.2
Risk-adjusted capital ratio	12.4	12.3	12.6-13.2	13.0-13.6	13.3-13.9

All figures are S&P Global Ratings-adjusted. a--Actual. f--Forecast. NIM--Net interest margin.

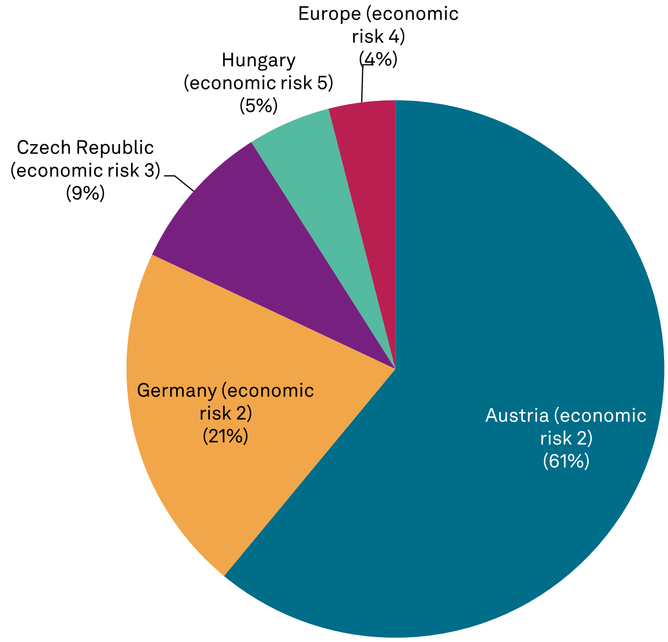
Anchor: 'a-' For Banks Mainly Operating In Austria

The 'a-' anchor draws on our economic risk assessment for the countries in which Oberbank operates and our industry risk assessment for Austria. The geographical distribution of its corporate and retail exposures results in a weighted-average economic risk score slightly above the '2' for peers with a sole domestic focus but not to the extent that it negatively affects the anchor. The industry risk score of '3' for Oberbank is based solely on its home market of Austria.

Chart 1

Most of exposure to low risk countries

Breakdown by retail and corporate exposures, as of Sept. 30, 2023



Source: S&P Global Ratings.

Our economic risk assessment is based on Austria's highly competitive and diverse economy, with strong economic fundamentals, high integration in Western European economies, and strong ties to Eastern and Southeastern Europe. After a strong rebound of 4.9% in 2022, Austria's economic growth stagnated in real terms in 2023 as the adverse effects of the Russia-Ukraine war continued to weigh on the open and export-oriented economy. Given our expectation of only a muted pickup in growth over 2024, we think that NPLs are likely to rise moderately in the next 12-24 months.

Austria's prudential regulatory standards are in line with the EU's, and banks' funding conditions remain comfortable, reflecting a large share of customer deposits. Austrian banks are among the largest beneficiaries of rising interest rates, also reflecting a still-material share of variable interest rate lending, which allows quick repricing on the asset side. However, the average cost-to-income ratio of domestic banks remains mediocre in a broader international context. Remaining competitive throughout the cycle hinges on banks' ability to continue tackling inefficiencies.

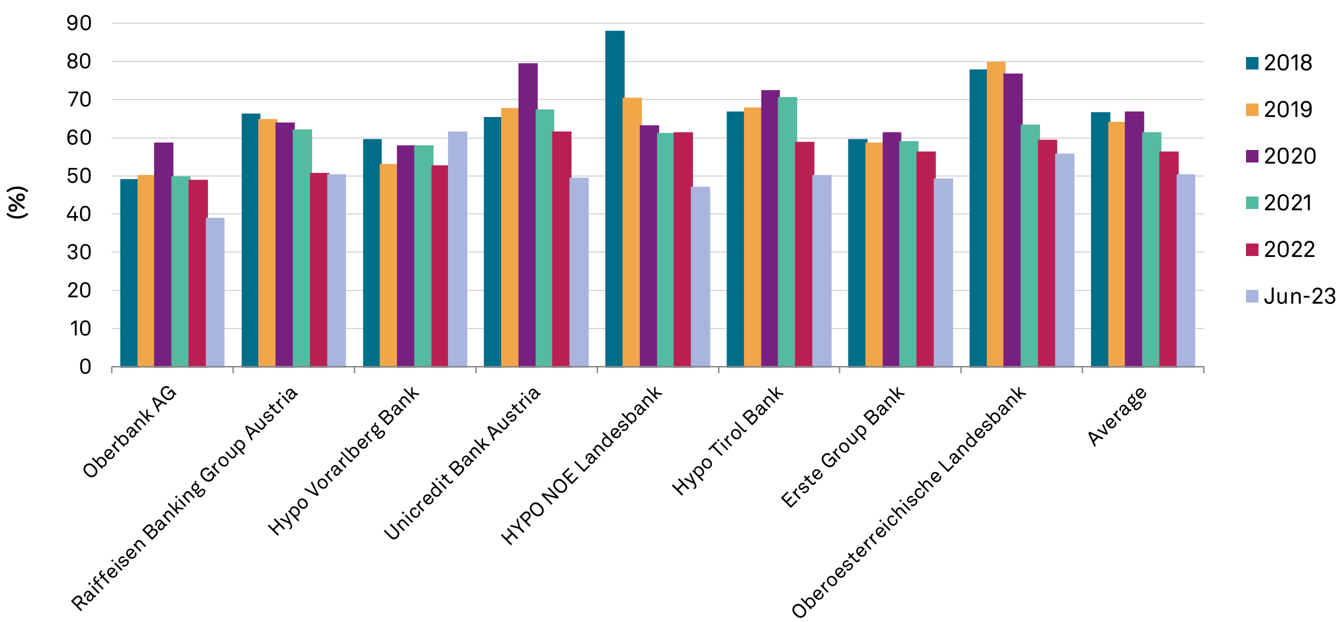
Business Position: Cost-Efficient Midsize Universal Bank With A Strong Regional Franchise

In our assessment, we balance Oberbank's strong and stable franchise in its core regions and its sound cost efficiency against its limited size, corporate focus, and high regional and business concentrations. With close to €28 billion in total assets, Oberbank is a midsize universal bank with a strong regional focus. Local business is complemented by activities in neighboring countries. The bank is part of The 3 Banken Group, a partnership-based cooperation with two other regional banks in Austria (BKS Bank AG [BKS] and Bank für Tirol und Vorarlberg AG [BTV]). Key benefits of membership are the opportunity to exploit cost synergies in information technology (IT), share single-name concentrations, and stabilize each bank's ownership structure by cross-shareholdings.

Driven by lean processes and a focus on corporate lending, we expect Oberbank to maintain its competitive advantage in terms of efficiency. As of Sept. 30, 2023, Oberbank recorded a cost-to-income ratio of 39%. While we expect the ratio to deteriorate as interest rate margins shrink amid slower growth, it is likely to remain stronger than that of most domestic peers. We expect a more moderate but still strong efficiency of 40%-50% until 2025, which we see as sustainable through the cycle. At the same time, this ratio can occasionally be very volatile as it is highly sensitive to the volume of contributions from Oberbank's equity investments (particularly in steel producer Voestalpine AG). Regarding the efficiency of Oberbank's core banking operations, we note that even after deducting returns from equity participations, Oberbank's historical cost-to-income ratio average has outperformed most domestic peers.

Chart 2

Oberbank outperforms domestic peers in efficiency metrics



Data as of June 30, 2023. Source: S&P Global Ratings.

Concentrations partially offset the bank's strengths, leaving it more vulnerable to adverse economic developments. We view Oberbank's geographical and business diversity as significantly weaker than larger domestic peers' such as Erste Bank Group, and other larger banks with similar industry risk profiles in the Nordics, Belgium, or the Netherlands, for example. Although Oberbank has an established presence in neighboring Germany, Czechia, and Hungary, its domestic activities account for most of its annual pre-tax profit, and most of this originates from corporate banking. Additionally, Oberbank only plays a niche role in its foreign markets and we consider its customer relationships more price sensitive and less stable compared to its home market. We expect the share of profits from Germany to grow over time in line with the expansion. But the focus on Austria is likely to remain integral to the business model.

Positively, we believe Oberbank's corporate and SME-focused business model implies less risk of technological disruption compared with retail-focused peers in the medium term. We expect disruption risk will extend to corporate banking over the coming years, but materially less so than for mass retail banking. We believe Oberbank is sufficiently agile to face this risk, but we do not expect the bank will become a frontrunner in the development of digital innovations. Instead, we think it will follow a more resources-preserving second-mover approach.

Capital And Earnings: Strong Capitalization Will Remain A Key Rating Strength

We expect that Oberbank's RAC ratio will increase to 13.3%-13.9% by 2025, from 12.3% at year-end 2022. This improvement reflects our expectation of stable earnings generation and a modest pay-out policy, which counterbalances risks stemming from the banks' large equity holdings and sensitivities due to its concentration in local corporates and real estate.

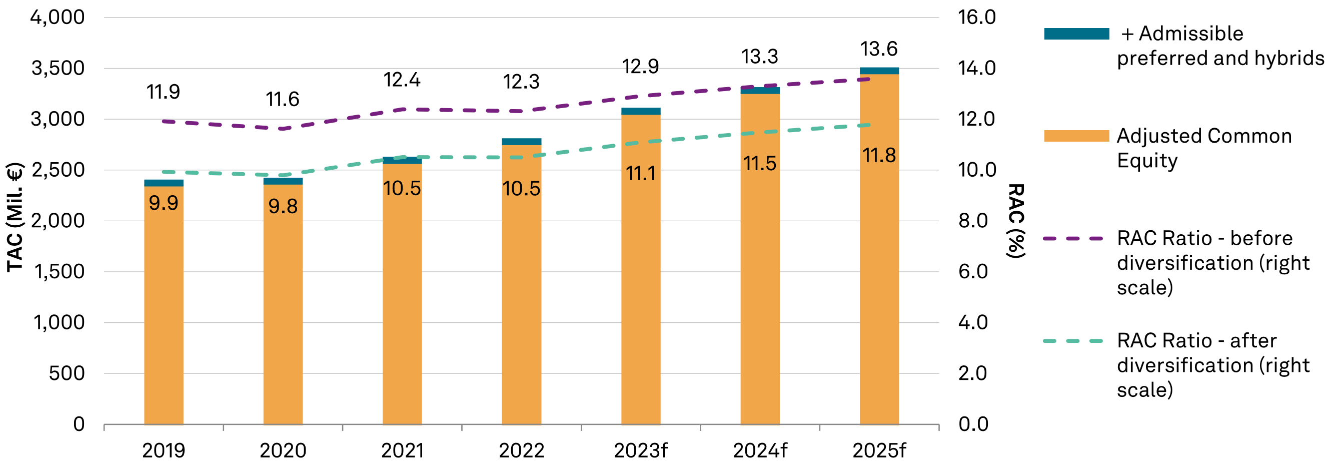
The bank's regulatory risk-weighted common equity tier 1 (CET1) ratio of 17% at Sept. 30, 2023, was comfortably above regulatory going-concern capital requirements.

Our RAC forecast for the next two years incorporates the following assumptions:

- Stable credit growth of around 4% annually over 2023-2025;
- A decrease in the NIM from its peak of 2.4% in 2023 to around 2.2% by 2025;
- Declining growth in operating expenses from 10% in 2023 to 5% in 2024 and 2% in 2025, respectively, spurred by disinflation;
- Cost of risk of about 40 bps, driven by an uncertain macroeconomic environment and a downturn in the CRE market.
- Net profit to increase by over 50% in 2023 thanks to strong NII growth. Thereafter, we expect a considerable decline amid stagnating fee and commission income, a weakening NIM, and increased provisioning needs. More precisely, we anticipate that net profit will decline by around one third over 2024 and 2025; and
- Ongoing moderate dividend payouts of around 20% of annual net income.

Chart 3

Oberbank's risk-adjusted capital ratio on the continued growth trend
Oberbank's risk adjusted capital developments



TAC--Total adjusted capital. RAC--Risk-adjusted capital. Source: S&P Global Ratings.

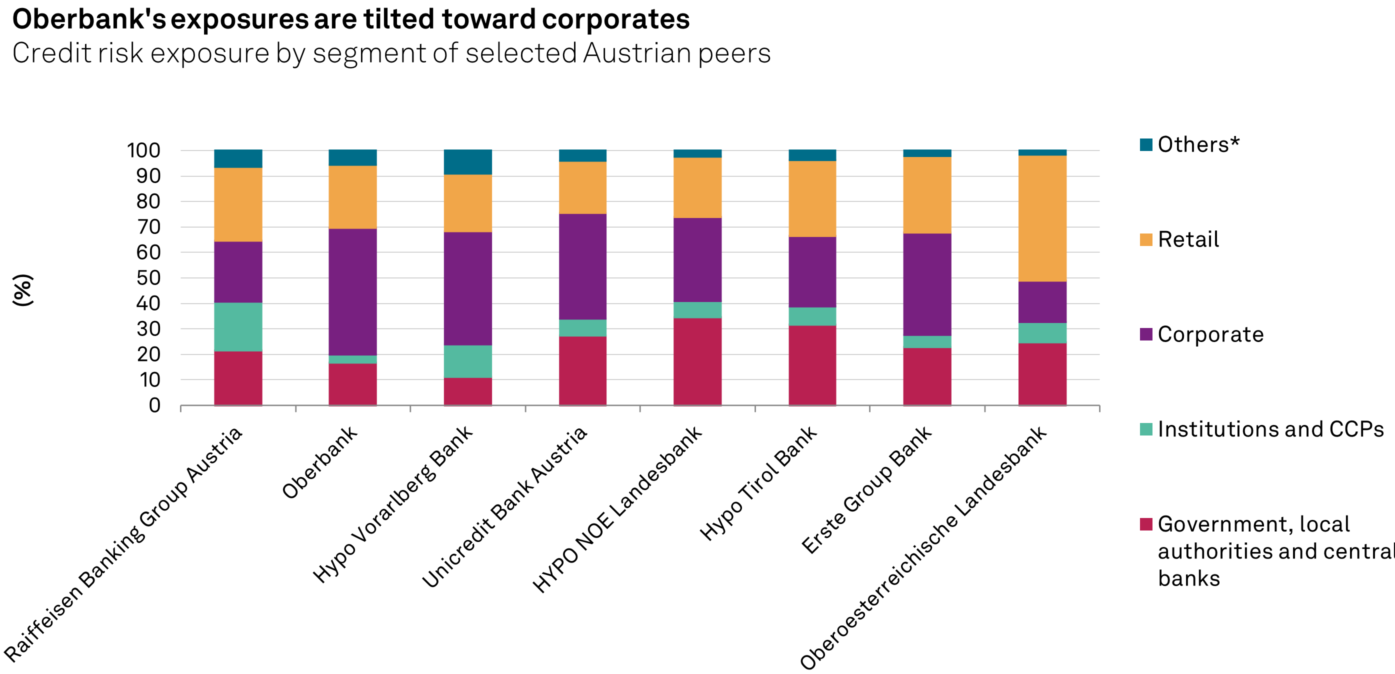
Oberbank's financial results can be affected by its sizable equity investments in its two sister banks and Voestalpine AG, but we expect strong capitalization over the cycle. Valuations and contributions from these investments have accounted for about one-quarter of pre-tax profits over the past 10 years, on average. The capital calculation remains sensitive to market risk resulting from fluctuations in the stock price of Voestalpine AG, Oberbank's largest equity participation. At the same time, we fully deduct the book value of BTV and BKS' equity stakes from our total adjusted capital (TAC), which limits the risk that earnings from BTV and BKS could obscure our RAC ratio projections.

The quality of Oberbank's capital and earnings supports our capital assessment, reflecting that TAC consists almost completely of high-quality capital. Hybrid capital instruments only represent 2% of TAC and refer to two additional tier 1 (AT1) issuances amounting to €50 million.

Risk Position: We Expect Prudent Risk Management To Mitigate Risks From Regional Corporate Concentrations And CRE Exposures

We believe that Oberbank's high exposure to regional corporates and material equity participations in local Austrian corporations make its risk profile more susceptible to adverse economic developments compared to more diversified, retail-oriented peers. In our RAC framework, we capture the bank's corporate equity investments by assigning capital charges that are materially higher than on its corporate credit risk exposure and deduct its equity investments in financial institutions--in particular in BKS (19%) and BTV (14%)--from our measure of capital. However, we believe that the specific tail risk in this case might not be fully covered by our capital framework.

Chart 4



*Others includes securitization and other assets. Exposure refers to exposure at default. The selected peer group only includes rated Austrian banks which are focused predominantly on the Austrian market. Data as of Dec. 31, 2022. CCPs--Central counterparty clearing house. Source: S&P Global Ratings.

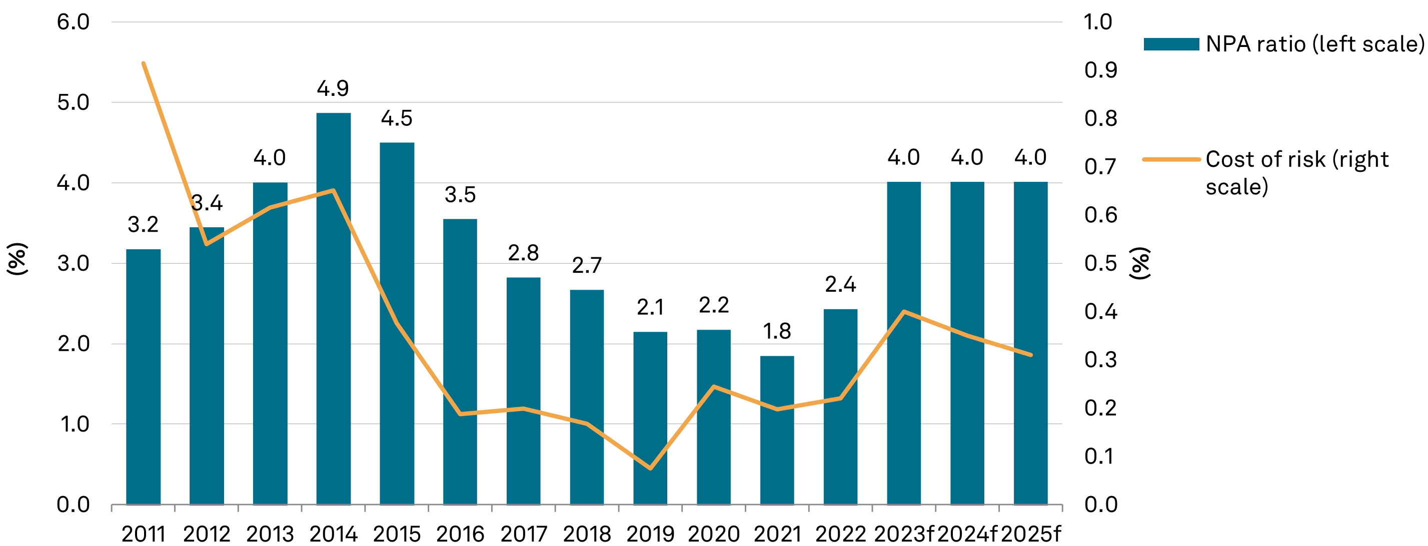
We assess Oberbank's overall risk strategy as prudent, somewhat mitigating concentrations risks. This is demonstrated, for example, by generally low exposures to complex or high-risk structured products and only marginal amounts of foreign-currency lending. The bank's focus on corporate lending results in larger single tickets than retail-oriented peers, but we consider risks to be well managed. Furthermore, beyond some CRE concentration, Oberbank's portfolio is well diversified across sectors, and partly hedges credit risk through a jointly owned company that provides guarantees (Alpenländische Garantie Gesellschaft m.b.H) to each member of the 3 Banken Group.

Overall, we project that gross NPLs will increase to up to 4% over 2023-2025. While this highlights the bank's higher sensitivity to cyclical downturns compared to retail-oriented peers, we do not expect deteriorations in asset quality to be materially worse than for other banks focused on corporate lending. This view is based on Oberbank's generally sound underwriting and provisioning standards, which we believe will mitigate further downside risks.

Chart 5

Some deterioration in asset quality, but we expect it to remain manageable

NPA ratio and cost of risk between 2011 and 2025f



Cost of risk defined as new loan loss provisions as % of average customer loans. NPA ratio defined as gross nonperforming assets as % of customer loans + other real estate owned. f--Forecast. Source: S&P Global Ratings.

Funding And Liquidity: Stability Through Proximity To Local Customers

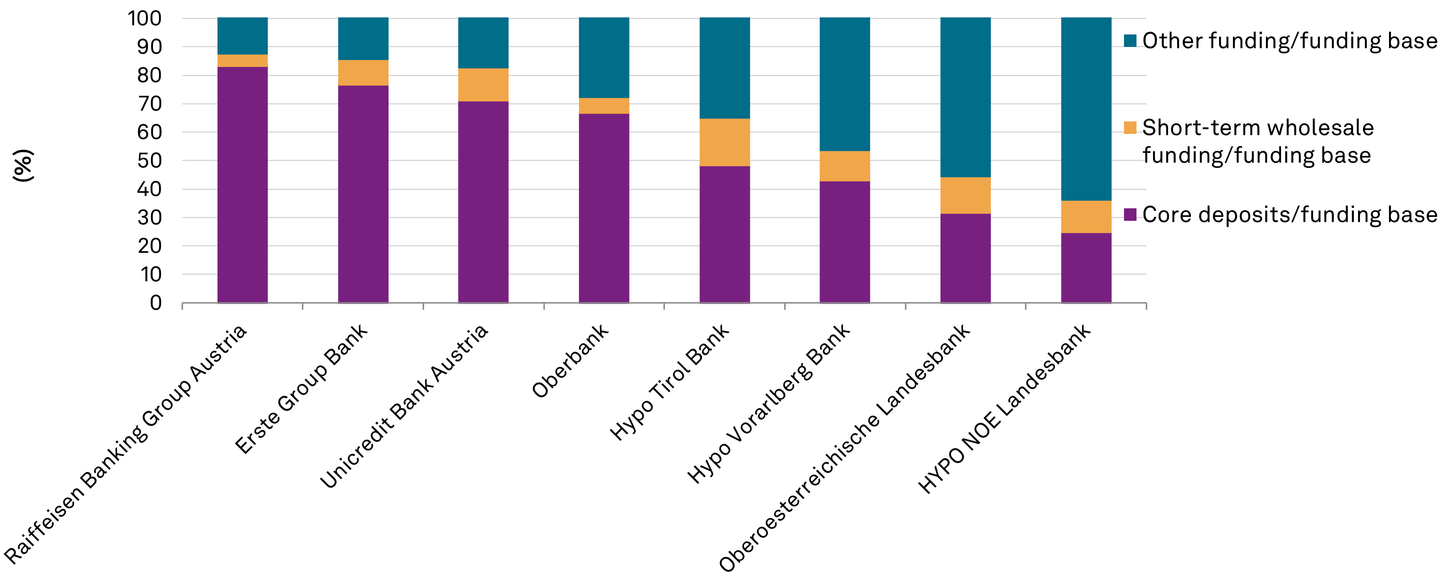
We anticipate that Oberbank's funding will remain in line with that of Austrian peers, and liquidity will remain a neutral factor for the rating. We think the bank is well placed to withstand an extended period of market or idiosyncratic stress. Our view is based on the bank's strong regional franchise and its proximity to local customers with long-standing relationships that continue to provide it with a stable deposit base, even in times of stress. In our view, the funding franchise strength mitigates weaknesses in the funding structure: single name concentrations and the large share of non-guaranteed/daily due funding given the predominantly corporate nature of deposits. The share of on-demand deposits was high at 85% as of end-2022; we expect this share to remain broadly similar in 2023.

Oberbank's stable funding ratio was 109% at Sept. 30, 2023, similar to local peers, while core customer deposits accounted for about 65% of the funding base. This is weaker than for domestic peers with a greater retail focus such as Raiffeisen or Erste Group (as we only account for 50% of corporate deposits in our calculation), but more-or-less in line with the broader Austrian market. The remainder of the funding mix is made up of interbank funding and capital market funding via secured and unsecured instruments with a strong focus on Austria and Germany.

Chart 6

Oberbank's funding base is tilted toward corporate deposits

Funding mix, % of total funding base



Data as of Dec. 31, 2022. Source: S&P Global Ratings.

We expect the bank's liquidity management will remain prudent. As of Sept. 30, 2023, the bank's liquidity coverage ratio (LCR) of around 190% remained comfortably above regulatory requirements, and its short-term wholesale funding needs covered broad liquid assets 3.3x. This ratio remains inflated by TLTRO III-related excess cash, with an outstanding amount of €800 million as of June 30, 2023. As this will have to be repaid by year-end 2024, we anticipate that Oberbank's ratio of broad liquid assets in relation to short-term wholesale funding needs will return to more normalized levels.

Support: One Notch Of Uplift Due To Material Subordinated Buffer In A Bail-In Resolution

We include one notch of support above Oberbank's 'a-' stand-alone credit profile assessment because we expect the bank will maintain a meaningful ALAC buffer, which we believe has the capacity to absorb losses in a resolution scenario without triggering a default on senior obligations.

We see the bank as operating effectively under a well-defined bail-in resolution framework, under which authorities would permit nonviable systemically important banks to continue critical functions as going concerns following a bail-in of eligible liabilities.

Despite Oberbank's relatively modest size, as well as its corporate focus, we believe it has moderate systemic importance in Austria and, if the bank failed, it would be subject to a bail-in-led resolution. We base our assessment on

Oberbank's strong regional franchise, with large regional market shares and strong interconnections with the economy in Upper Austria.

We project that Oberbank's ALAC over S&P Global Ratings' RWAs will decrease to about 2.9% through 2026, from 3.9% at year-end 2022. We compare Oberbank's ALAC buffers against a reduced threshold of 200 bps for one notch of uplift. We lower the standard threshold of 300 bps for banks with investment-grade anchors by 100 bps to compensate for Oberbank's sizable equity investments, which we expect will not be recapitalized in a resolution.

Environmental, Social, And Governance

We believe that environmental, social, and governance (ESG) factors for Oberbank are broadly in line with its industry and domestic peers. The largest environmental risk, in our opinion, stems from the bank's 8% participation in Voestalpine AG. The steel producer is among the largest greenhouse gas emitters in Austria, accounting for a significant amount of domestic carbon dioxide emissions, which makes the bank sensitive to future political developments--for instance in carbon dioxide pricing.

In our opinion, Oberbank's governance standards are prudent and in line with peers. Following legal action by the largest shareholder, UniCredit, to verify the correctness of Oberbank's past capital increases and seek clarification on the application of proper governance standards within the 3-Banken group, the Austrian Supreme Court not only rejected UniCredit's appeal on formal grounds, but also found the three banks to be correct on every single point with regard to all 22 lawsuits against its structure and capitalization. Even though proceedings in other subject areas are still ongoing, we continue to incorporate no negative effects in our base case scenario, apart from the associated legal costs.

Key Statistics

Table 1

Oberbank AG--Key figures

	--Year ended Dec. 31--			
(Mil. €)	**2023**	**2022**	**2021**	**2020**
Adjusted assets	27,973	26,794	27,536	24,431
Customer loans (gross)	20,030	19,433	18,644	17,480
Adjusted common equity	3,075	2,753	2,570	2,365
Operating revenues	704	657	631	504
Noninterest expenses	273	320	314	295
Core earnings	329	243	235	124

*Data as of September 30.

Table 2

Oberbank AG--Business position

	--Year ended Dec. 31--			
(%)	**2023***	**2022**	**2021**	**2020**
Total revenues from business line (currency in millions)	703.7	657.1	631.2	504.3
Commercial banking/total revenues from business line	64.6	69.9	60.0	71.1
Retail banking/total revenues from business line	32.4	28.2	24.8	29.3
Commercial & retail banking/total revenues from business line	97.0	98.1	84.9	100.4
Trading and sales income/total revenues from business line	4.4	3.8	18.4	2.1
Other revenues/total revenues from business line	(1.4)	(1.9)	(3.2)	(2.5)
Investment banking/total revenues from business line	4.4	3.8	18.4	2.1
Return on average common equity	12.1	7.2	7.5	4.2

*Data as of September 30.

Table 3

Oberbank AG--Capital and earnings

	--Year ended Dec. 31--			
(%)	**2023***	**2022**	**2021**	**2020**
Tier 1 capital ratio	17.3	18.3	18.7	18.2
S&P Global Ratings' RAC ratio before diversification	N/A	12.3	12.4	11.6
S&P Global Ratings' RAC ratio after diversification	N/A	10.5	10.5	9.8
Adjusted common equity/total adjusted capital	98.4	98.2	98.1	97.9
Net interest income/operating revenues	62.4	61.8	54.8	66.8
Fee income/operating revenues	21.1	31.5	30.4	33.8
Market-sensitive income/operating revenues	0.4	(4.5)	1.9	2.1
Cost to income ratio	38.8	48.8	49.7	58.5
Preprovision operating income/average assets	2.1	1.2	1.2	0.9
Core earnings/average managed assets	1.6	0.9	0.9	0.5

*Data as of September 30. N/A--Not applicable. RAC--Risk-adjusted capital.

Table 4

Oberbank AG--Risk-adjusted capital framework data

	Exposure*	**Basel III RWA**	**Average Basel III RW(%)**	**S&P Global Ratings RWA**	**Average S&P Global Ratings RW (%)**
Credit risk					
Government & central banks	4,523,888,916	52,188,831	1	126,279,881	3
Of which regional governments and local authorities	234,818,602	643,705	0	18,943,397	8
Institutions and CCPs	903,249,429	213,065,755	24	198,845,684	22
Corporate	13,423,233,218	10,167,927,553	76	9,796,197,649	73
Retail	6,663,664,086	2,750,919,347	41	2,520,074,465	38
Of which mortgage	4,035,252,617	1,351,454,957	33	990,844,990	25
Securitization§	0	0	0	0	0

Table 4

Oberbank AG--Risk-adjusted capital framework data (cont.)

Other assets†	1,517,118,300	944,842,870	62	1,466,491,860	97
Total credit risk	27,031,153,949	14,128,944,357	52	14,107,889,538	52
Credit valuation adjustment					
Total credit valuation adjustment	--	14,723,315	--	0	--
Market Risk					
Equity in the banking book	859,069,032	2,033,491,150	237	7,278,643,414	847
Trading book market risk	--	3,463,652	--	5,195,477	--
Total market risk	--	2,036,954,801	--	7,283,838,892	--
Operational risk					
Total operational risk	--	1,160,246,254	--	1,378,522,521	--
	Exposure	**Basel III RWA**	**Average Basel II RW (%)**	**S&P Global Ratings RWA**	**% of S&P Global Ratings RWA**
Diversification adjustments					
RWA before diversification	--	17,340,868,727	--	22,770,250,952	100
Total diversification/ Concentration adjustments	--	--	--	3,943,079,575	17
RWA after diversification	--	17,340,868,727	--	26,713,330,526	117
		Tier 1 capital	**Tier 1 ratio (%)**	**Total adjusted capital**	**S&P Global Ratings RAC ratio (%)**
Capital ratio					
Capital ratio before adjustments		3,176,351,961	18.3	2,802,992,000	12.3
Capital ratio after adjustments‡		3,176,351,961	18.3	2,802,992,000	10.5

*Exposure at default. §Securitization exposure includes the securitization tranches deducted from capital in the regulatory framework. †Exposure and S&P Global Ratings' risk-weighted assets for equity in the banking book include minority equity holdings in financial institutions. ‡Adjustments to Tier 1 ratio are additional regulatory requirements (e.g. transitional floor or Pillar 2 add-ons). RWA--Risk-weighted assets. RW--Risk weight. RAC--Risk-adjusted capital. CCPs--Central counterparty clearing house. Sources: Company data as of Dec. 31, 2022. S&P Global Ratings.

Table 5

Oberbank AG--Risk position

	--Year ended Dec. 31--			
(%)	**2023***	**2022**	**2021**	**2020**
Growth in customer loans	4.1	4.2	6.7	4.2
Total diversification adjustment/S&P Global Ratings' RWA before diversification	N/A	17.3	18.0	18.6
Total managed assets/adjusted common equity (x)	9.1	9.7	10.7	10.3
New loan loss provisions/average customer loans	0.1	0.2	0.2	0.2
Net charge-offs/average customer loans	(0.0)	(0.0)	(0.0)	(0.0)
Gross nonperforming assets/customer loans + other real estate owned	N/A	2.4	1.8	2.2
Loan loss reserves/gross nonperforming assets	N/A	51.1	62.9	57.0

*Data as of September 30. N/A--Not applicable. RWA--Risk-weighted assets.

Table 6

Oberbank AG--Funding and liquidity				
	--Year ended Dec. 31--			
(%)	2023*	2022	2021	2020
Core deposits/funding base	65.5	66.8	62.8	63.4
Customer loans (net)/customer deposits	130.9	127.4	125.1	131.9
Long-term funding ratio	95.0	95.1	95.6	93.2
Stable funding ratio	108.9	113.6	121.9	111.8
Short-term wholesale funding/funding base	5.8	5.7	5.0	7.8
Regulatory net stable funding ratio	127.9	132.3	137.6	N/A
Broad liquid assets/short-term wholesale funding (x)	3.3	4.1	5.7	3.0
Broad liquid assets/total assets	16.1	19.3	24.2	19.6
Broad liquid assets/customer deposits	29.4	34.4	45.3	36.6
Net broad liquid assets/short-term customer deposits	21.3	26.8	39.1	25.8
Regulatory liquidity coverage ratio (LCR) (x)	189.8	179.8	203.5	N/A
Short-term wholesale funding/total wholesale funding	16.6	16.9	13.3	21.3
Narrow liquid assets/3-month wholesale funding (x)	4.2	5.1	5.8	3.4

N/A--Not applicable.

Oberbank AG--Rating component scores	
Issuer Credit Rating	**A/Stable/A-1**
SACP	a-
Anchor	a-
Economic risk	2
Industry risk	3
Business position	Adequate
Capital and earnings	Strong
Risk position	Moderate
Funding	Adequate
Liquidity	Adequate
Comparable ratings analysis	0
Support	+1
ALAC support	+1
GRE support	0
Group support	0
Sovereign support	0
Additional factors	0

ALAC--Additional loss-absorbing capacity. GRE--Government-related entity. SACP--Stand-alone credit profile.

Related Criteria

- General Criteria: Hybrid Capital: Methodology And Assumptions, March 2, 2022
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And

Assumptions, Dec. 9, 2021

- Criteria | Financial Institutions | General: Financial Institutions Rating Methodology, Dec. 9, 2021
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology, July 20, 2017
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Related Research

- Credit Conditions Europe Q1 2024: Adapting To New Realities, Nov. 28, 2023
- Banking Industry Country Risk Assessment: Austria, Aug. 1, 2023

Ratings Detail (As Of March 19, 2024)*	
Oberbank AG	
Issuer Credit Rating	A/Stable/A-1
Resolution Counterparty Rating	A+/--/A-1
Senior Secured	AAA/Stable
Senior Subordinated	BBB+
Senior Unsecured	A
Issuer Credit Ratings History	
24-Feb-2023	A/Stable/A-1
29-Apr-2020	A/Negative/A-1
09-Jan-2019	A/Stable/A-1
Sovereign Rating	
Austria	AA+/Stable/A-1+

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.