S&P Global 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.
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 enterprises (SMEs) and corporate banking. The bank has shown resilience and we expect that the bank will continue to outperform its local peers through the cycle. Nevertheless, performance can be volatile 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 large equity stakes in local corporates. In the first nine months of 2022, the bank reported a 3% ROE and a 68% cost-to-income ratio, reflecting the drop in valuations in its equity investments, thereby highlighting this sensitivity.

We expect Oberbank's solid capitalization will continue to balance risks from its regional concentration and local equity investments. As of Dec. 31, 2021, Oberbank's risk-adjusted capital (RAC) ratio stood at 12.4%. We expect the ratio will remain around 13% over the next two years and continue to balance concentration risks. Oberbank's asset quality has remained stable during the pandemic. We project its nonperforming assets (NPAs) ratio to rise to about 2.6% for 2023 (from 1.8% at end-2021), as its corporate customers face headwinds from the economic slowdown and rising interest rates, which increase their debt repayment burdens and total funding costs. Overall, however, we expect the impact on the bank from rising risk costs to be manageable, in line with our thinking on the broader Austrian banking sector. See also "Various Rating Actions Taken On Austrian Banks On Stabilization Of Operating Performance," Feb. 24, 2023.

Oberbank is set 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 4% of its S&P Global Ratings risk-weighted assets (RWAs) through 2023, which should provide protection to 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 will maintain its competitive advantage and internal capital generation, and that expansion in neighboring markets will remain contained and not weaken the bank's risk profile or deplete its strong capital buffer in the medium term.

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 would be the case for all 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--				
(%)	2020a	2021a	2022f	2023f	2024f
Growth in operating revenue	(12.7)	25.2	(-14.5)-(-15.5)	17.5-18.5	2.2-3.2
Growth in customer loans	4.2	6.7	4.5-5.5	2.7-3.3	2.7-3.3
Net interest income/average earning assets (NIM)	1.6	1.6	1.8-1.9	1.9-2.0	1.9-2.1
Cost to income ratio	58.5	49.7	60.5-61.5	55-0-56.0	55-0-56.0
Return on average common equity	4.2	7.5	3.3-4-0	5.0-5.7	5.0-5.7
New loan loss provisions/average customer loans	0.2	0.2	0.2-0.2	0.2-0.3	0.2-0.3
Gross nonperforming assets/customer loans	2.2	1.8	1.9-2.1	2.5-2.7	1.8-2.0
Risk-adjusted capital ratio	11.6	12.4	12.2-12.7	12.6-13.1	13.0-13.5

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

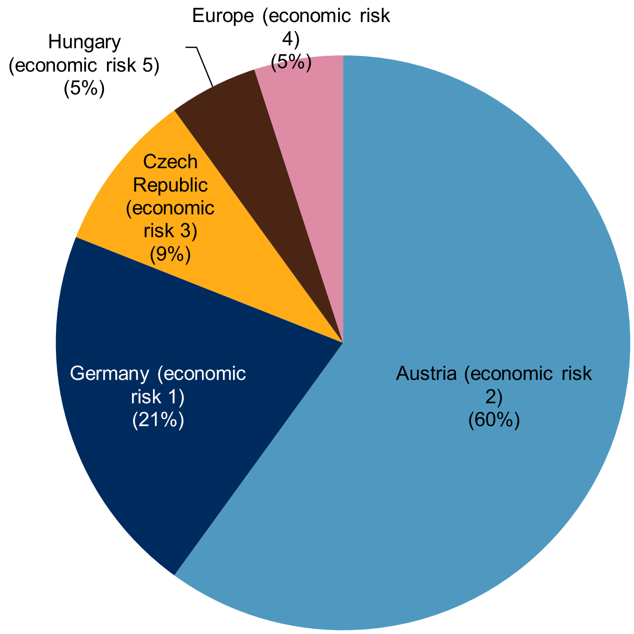
Anchor: 'a-' For Banks Mainly Operating In Austria

The 'a-' anchor draws on our BICRAs for the countries in which Oberbank operates.

The geographical distribution of its corporate and retail exposures (see chart 1) results in a weighted-average economic risk score slightly above the '2' for Austrian banks 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 Lower Risk Countries
Breakdown by retail and corporate exposures



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. We expect Austria's economic growth to stagnate in real terms this year, after an estimated strong rebound of 4.7% in 2022, as the adverse effects of the Russia-Ukraine war continue to weigh on the open and export-oriented economy. We remain mindful that nonperforming loans are likely to rise throughout 2023 because of tail risks from the current war in Ukraine, but we believe that the second-round effects on the banking system will be manageable.

We consider that Austria's prudential regulatory standards are in line with the EU's and that 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, trending at about 65%, the consolidated sector's cost-to-income ratio remains mediocre in a broader international context. We highlight that it remains crucial that banks continue to tackle inefficiencies to remain competitive throughout the cycle.

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 about €28 billion in assets, Oberbank is a midsize universal bank with a strong regional focus. Local business is complemented by supplementary business in neighboring countries. Oberbank is part of The 3 Banken Group, a partnership-based cooperation together with two other regional banks in Austria (BKS Bank AG [BKS] and Bank für Tirol und Vorarlberg AG [BTV]). We consider the key benefits of membership are the opportunity to exploit cost synergies in information technology (IT), sharing single-name concentrations, and stabilizing each bank's ownership structure by cross-shareholdings.

We expect Oberbank will maintain its competitive advantage in terms of efficiency. In 2022 lower contributions and impairments on its equity investments (particularly in steel producer Voestalpine AG) led to a temporary surge in its cost-to-income ratio, but we expect it will return to about 55% through 2024, which we see as sustainable. We also look beyond the headline cost-to-income ratio by deducting returns from equity participations. While efficiency is lower for core banking operations, at 55%-60% on average over the last few years, it is still better than the industry average.

Concentrations partially offset the bank's strengths, leaving it more vulnerable to adverse economic developments. We consider Oberbank's geographical and business diversity as significantly weaker than that of larger domestic peers such as Erste Bank Group, as well as other larger banks active in European markets with similar industry risk profiles, such as in the Nordics, Belgium, or the Netherlands. 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.

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. However, we still expect disruption risk will extend to corporate banking over the coming years. Although we believe Oberbank is sufficiently agile to face this risk, we do not expect the bank will become a frontrunner in the development of digital innovations. Instead, we think it will follow a more resource-preserving second-mover approach.

Capital And Earnings: Strong Capitalization Will Remain A Rating Strength

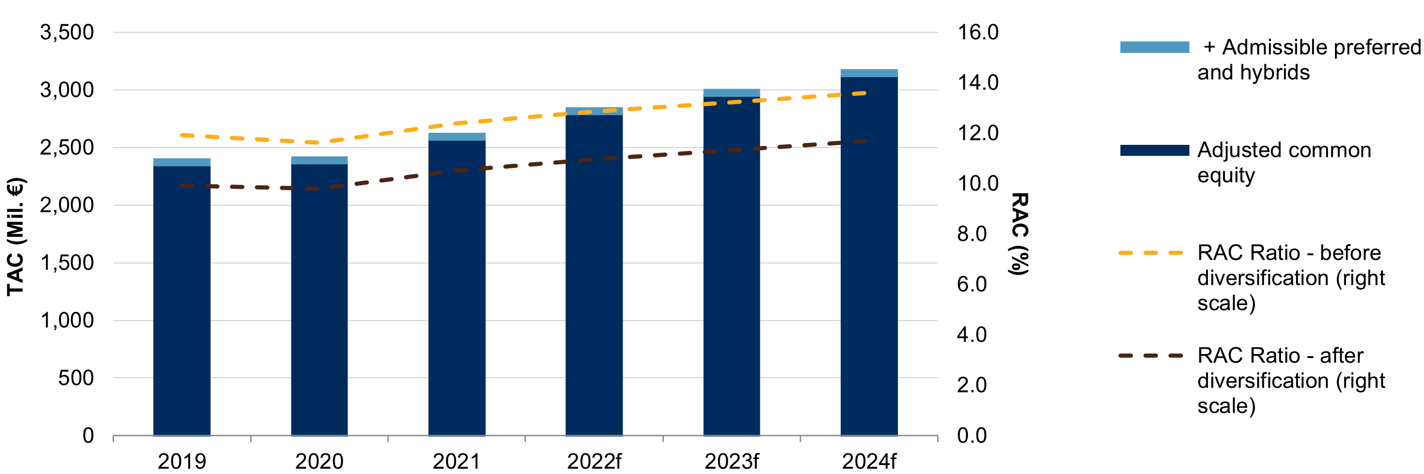
We base our view on the likelihood that our RAC ratio for the bank will hover around 13% up to 2025, after being 12.4% at year-end 2021. Oberbank's regulatory risk-weighted common equity tier 1 (CET1) ratio of 16.8% at Sept. 30, 2022, is comfortably above regulatory going-concern capital requirements, which also supports our assessment. Our expectation that the bank's capital ratios will increase reflects stable earnings generation and a modest pay-out policy, which will likely offset moderate growth in RWAs and comfortably buffer increases in risk, operational, and funding costs. More specifically, our forecast for the next two years assumes:

- Credit growth to decrease from the recent strong pace to average about 3% annually;
- Improvement in net interest income by 15% in 2022 and 8% in 2023, normalizing to low-digit growth thereafter, in line with the lending growth pace;
- Operating expenses to increase about 5%-7% through 2024, spurred by inflation;
- Credit losses of about 20 basis points (bps)-30 bps maximum;
- Total revenue to decrease by about 15% in 2022, driven by losses on equity investments. Thereafter we expect a strong improvement in 2023, as valuations recover and result in a positive P&L contribution (as indicated in the first months of 2023). Because of this volatility net income in 2022 is likely to remain €120 million at best, recovering to about €180 million annually in 2023 and 2024; and
- Ongoing moderate dividend payouts of maximum 20% of annual net income.

Chart 2

Oberbank's Risk-adjusted Capital Ratio Solidly Above 10% In The Next 12-24 Months

Oberbank's risk adjusted capital developments



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

Oberbank's financial performance is heavily affected by its sizable equity investments in its two sister banks and Voestalpine AG. 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. In contrast, 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 almost fully consists of high-quality capital. Hybrid capital instruments only represent 2% of TAC and refer to two additional tier

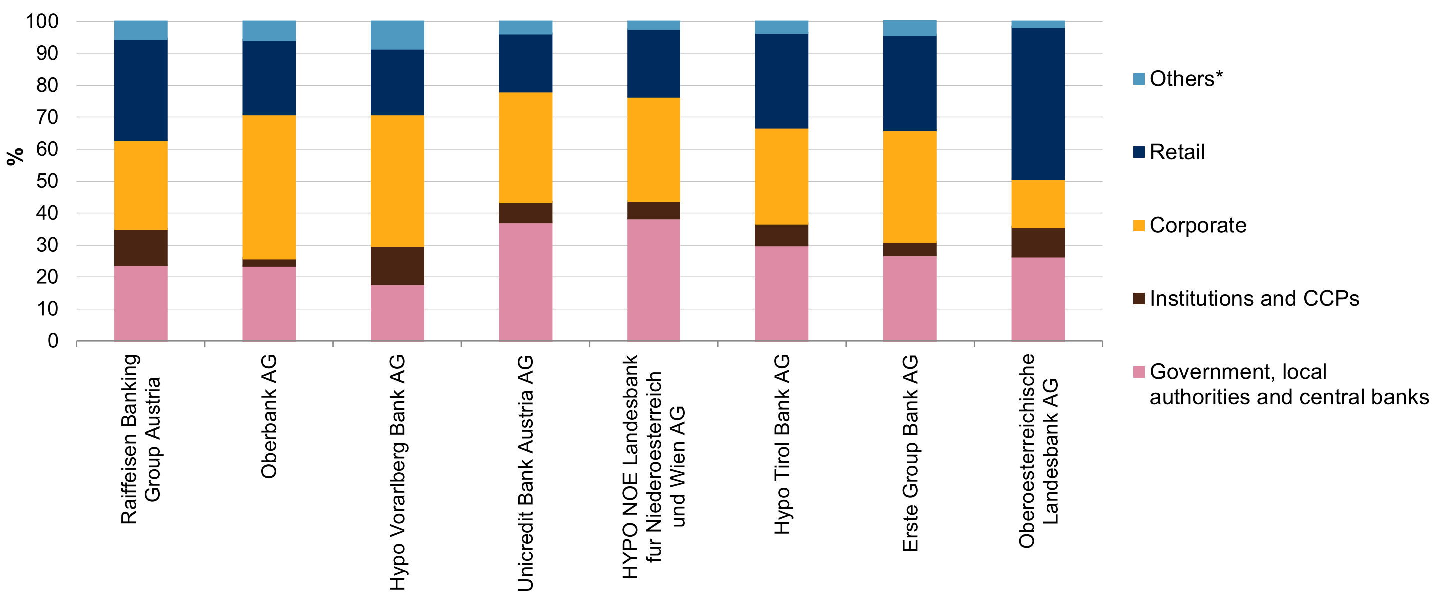
1 (AT1) issuances amounting to €50 million.

Risk Position: Regional Concentration Is The Biggest Vulnerability

We believe high exposure to the regional corporate business and through material equity participations in local Austrian corporations makes Oberbank's risk profile more susceptible to adverse economic developments compared to more diversified 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 fully be covered by our capital framework.

Chart 3

Oberbank's Exposures Are Tilted Towards Corporates



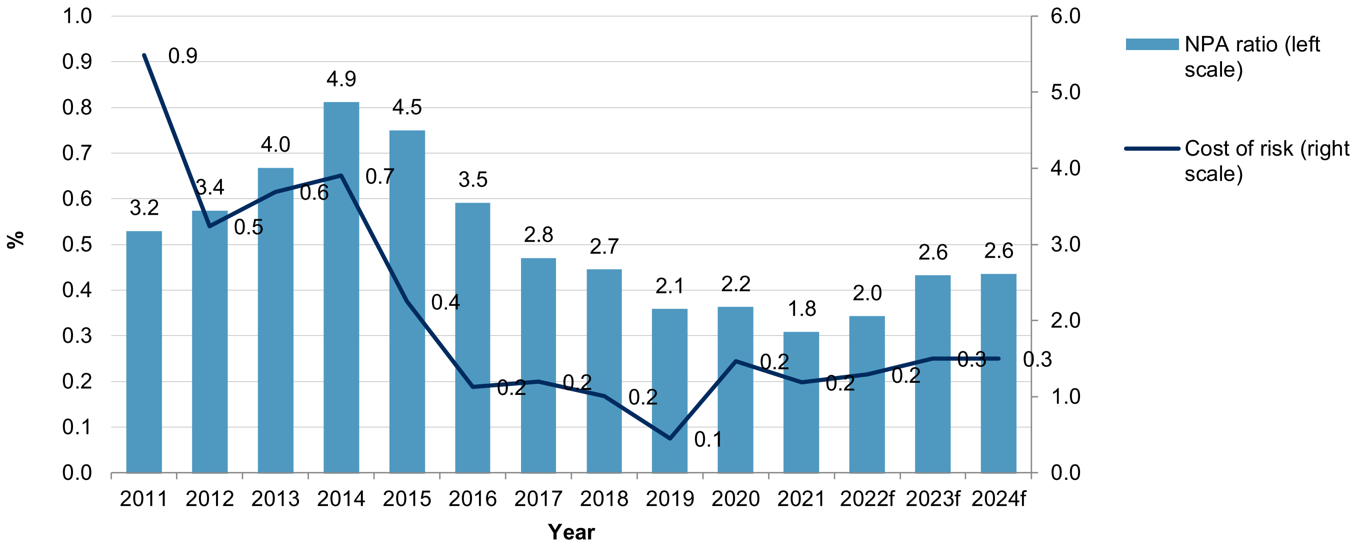
*Others includes securitization and other assets. Exposure refers to exposure at default. The selected peer group only includes rated Austrian banks which are focused predominantly on the Austrian market. Data as of Dec. 31, 2021. CCPs--Central counterparty clearing house. Source: S&P Global Ratings.

We assess Oberbank's risk strategy as adequate. 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 regard its strategy to mitigate single-name concentration risks in its portfolio as prudent. Oberbank 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. We expect Oberbank's nonperforming loans to increase through 2023 to 2.6% of gross customer loans (from 1.8% at year-end 2021). This is an increase that we expect will be higher than for retail-oriented peers, but manageable given the bank's prudent lending and provisioning policy, and ongoing governmental support for the private sector, which will support the sector's debt repayment ability.

Chart 4

We Expect Additional NPLs And Loss Provisioning In 2023 And 2024 Will Remain Manageable

NPA ratio and cost of risk between 2011 and 2024f



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. E--Estimate. f--Forecast. Source: S&P Global Ratings.

Funding And Liquidity: Stability Through Proximity To Local Customers

We expect 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.

Oberbank's stable funding ratio was 112% at Sept. 30, 2022, similar to local peers. Core customer deposits accounted for about 62% of the funding base at Sept. 30, 2022. This is weaker than for domestic peers with a greater retail focus (as we only count for 50% of corporate deposits in our calculation). 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.

We expect the bank's liquidity management will remain prudent. The bank's short-term wholesale funding needs still covered broad liquid assets 4.3x at Sept. 30, 2022. This ratio is inflated by TLTRO III-related excess cash and we estimate that it will decline to a more normalized 1.2x-1.5x over the next 12 months. That said, we anticipate that Oberbank will follow its matched-funding strategy and think that it could operate for more than six months without access to market funding in an adverse scenario.

Support:One Notch Of Uplift Due To Material Subordinated Capital 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. The regulator imposed a minimum requirement for own funds and eligible liabilities for the bank, which also indicates an open bank bail-in resolution.

We project that Oberbank's ALAC over S&P Global Ratings' RWAs will increase to about 4% through 2025, from 3.8% at year-end 2021. 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

ESG Credit Indicators

E-1	**E-2**	E-3	E-4	E-5	S-1	**S-2**	S-3	S-4	S-5	G-1	**G-2**	G-3	G-4	G-5

ESG credit indicators provide additional disclosure and transparency at the entity level and reflect S&P Global Ratings' opinion of the influence that environmental, social, and governance factors have on our credit rating analysis. They are not a sustainability rating or an S&P Global Ratings ESG Evaluation. The extent of the influence of these factors is reflected on an alphanumerical 1-5 scale where 1 = positive, 2 = neutral, 3 = moderately negative, 4 = negative, and 5 = very negative. For more information, see our commentary "ESG Credit Indicators: Definition And Applications," published Oct. 13, 2021.

ESG factors have no material influence on our credit rating analysis of Oberbank. 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 (CO_2) emissions, which makes the bank sensitive to future political developments--for instance in CO_2 pricing.

The largest shareholder, UniCredit, has taken legal action 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. Apart from the associated legal expenses, at this point we don't anticipate material negative impacts from the litigation on Oberbank's operations and performance. In our opinion, Oberbank's governance standards are prudent and in line with peers. However, if the legal investigations reveal material weaknesses, this could lead us to reassess our view on the bank's governance.

Resolution Counterparty Ratings (RCRs)

Our RCRs on Oberbank are 'A+/A-1', reflecting our view that the resolution regime in Austria is effective and the bank will likely be subject to a bail-in-led resolution if it reaches nonviability. The RCR is a forward-looking opinion of the relative default risk of certain senior liabilities that may be protected from default through an effective bail-in resolution process for the issuing financial institution (see "Resolution Counterparty Ratings Jurisdiction Assessment For Austria Completed," published June 29, 2018 on RatingsDirect.)

Key Statistics

Table 1

Oberbank AG--Key Figures

	--Year ended Dec. 31--			
(Mil. €)	**2022***	**2021**	**2020**	**2019**
Adjusted assets	27,907	27,536	24,431	22,827
Customer loans (gross)	19,360	18,644	17,480	16,772
Adjusted common equity	2,676	2,570	2,365	2,348
Operating revenues	365	631	504	577
Noninterest expenses	248	314	295	289
Core earnings	74	235	124	216

*Data as of September 30.

Table 2

Oberbank AG--Business Position

	--Year ended Dec. 31--			
(%)	**2022***	**2021**	**2020**	**2019**
Total revenues from business line (currency in millions)	365.1	631.2	504.3	577.4
Commercial banking/total revenues from business line	90.0	60.0	71.1	61.7
Retail banking/total revenues from business line	35.3	24.8	29.3	24.9
Commercial & retail banking/total revenues from business line	125.3	84.9	100.4	86.6
Trading and sales income/total revenues from business line	(20.9)	18.4	2.1	14.7
Other revenues/total revenues from business line	(4.4)	(3.2)	(2.5)	(1.2)
Investment banking/total revenues from business line	(20.9)	18.4	2.1	14.7
Return on average common equity	3.0	7.5	4.2	7.6

*Data as of September 30.

Table 3

Oberbank AG--Capital And Earnings

	--Year ended Dec. 31--			
(%)	**2022***	**2021**	**2020**	**2019**
Tier 1 capital ratio	17.1	18.7	18.2	17.9
S&P Global Ratings' RAC ratio before diversification	N/A	12.4	11.6	11.9
S&P Global Ratings' RAC ratio after diversification	N/A	10.5	9.8	9.9
Adjusted common equity/total adjusted capital	98.2	98.1	97.9	97.9
Net interest income/operating revenues	78.1	54.8	66.8	59.9
Fee income/operating revenues	42.8	30.4	33.8	28.2
Market-sensitive income/operating revenues	(8.2)	1.9	2.1	5.5
Cost to income ratio	67.9	49.7	58.5	50.0
Preprovision operating income/average assets	0.6	1.2	0.9	1.3
Core earnings/average managed assets	0.4	0.9	0.5	1.0

*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	6,548,118,278.5	52,400,669.1	0.8	100,231,028.3	1.5
Of which regional governments and local authorities	342,409,014.3	831,251.4	0.2	15,180,661.4	4.4
Institutions and CCPs	677,024,705.2	181,971,514.4	26.9	147,778,478.3	21.8
Corporate	12,562,210,885.7	9,397,889,403.7	74.8	9,096,801,327.6	72.4
Retail	6,481,431,967.4	2,691,659,279.4	41.5	2,461,446,778.7	38.0
Of which mortgage	3,833,999,889.2	1,292,401,905.8	33.7	938,390,428.8	24.5
Securitization§	0.0	0.0	0.0	0.0	0.0
Other assets†	1,625,645,386.4	813,223,916.2	50.0	1,612,289,565.4	99.2
Total credit risk	27,894,431,223.2	13,137,144,782.8	47.1	13,418,547,178.3	48.1
Credit valuation adjustment					
Total credit valuation adjustment	--	36,780,352.3	--	0.0	--
Market Risk					
Equity in the banking book	1,052,498,402.7	1,934,534,678.7	183.8	6,397,409,699.7	607.8
Trading book market risk	--	8,831,691.4	--	13,247,537.1	--
Total market risk	--	1,943,366,370.0	--	6,410,657,236.8	--
Operational risk					
Total operational risk	--	1,070,995,550.1	--	1,307,128,544.4	--

Table 4

Oberbank AG--Risk-Adjusted Capital Framework Data (cont.)

	Exposure	Basel III RWA	Average Basel II RW (%)	S&P Global Ratings RWA	% of S&P Global Ratings RWA
Diversification adjustments					
RWA before diversification	--	16,188,287,055.1	--	21,136,332,959.5	100.0
Total Diversification/ Concentration Adjustments	--	--	--	3,805,417,168.3	18.0
RWA after diversification	--	16,188,287,055.1	--	24,941,750,127.8	118.0

	Tier 1 capital	Tier 1 ratio (%)	Total adjusted capital	S&P Global Ratings RAC ratio (%)
Capital ratio				
Capital ratio before adjustments	3,021,108,200.3	18.7	2,619,741,000.0	12.4
Capital ratio after adjustments‡	3,021,108,200.3	18.7	2,619,741,000.0	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, 2021, S&P Global Ratings.

Table 5

Oberbank AG--Risk Position

	--Year ended Dec. 31--			
(%)	**2022***	**2021**	**2020**	**2019**
Growth in customer loans	5.1	6.7	4.2	5.6
Total diversification adjustment/S&P Global Ratings' RWA before diversification	N/A	18.0	18.6	20.1
Total managed assets/adjusted common equity (x)	10.4	10.7	10.3	9.7
New loan loss provisions/average customer loans	0.1	0.2	0.2	0.1
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	1.8	2.2	2.1
Loan loss reserves/gross nonperforming assets	N/A	62.9	57.0	56.8

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

Table 6

Oberbank AG--Funding And Liquidity

	--Year ended Dec. 31--			
(%)	**2022***	**2021**	**2020**	**2019**
Core deposits/funding base	62.0	62.8	63.4	62.7
Customer loans (net)/customer deposits	132.4	125.1	131.9	138.3
Long-term funding ratio	95.5	95.6	93.2	88.3
Stable funding ratio	112.3	121.9	111.8	99.7
Short-term wholesale funding/funding base	5.1	5.0	7.8	13.5
Regulatory net stable funding ratio	128.4	137.6	N/A	N/A
Broad liquid assets/short-term wholesale funding (x)	4.3	5.7	3.0	1.3

Table 6

Oberbank AG--Funding And Liquidity (cont.)				
	--Year ended Dec. 31--			
(%)	**2022***	**2021**	**2020**	**2019**
Broad liquid assets/total assets	18.4	24.2	19.6	14.8
Broad liquid assets/customer deposits	35.2	45.3	36.6	28.3
Net broad liquid assets/short-term customer deposits	27.5	39.1	25.8	7.4
Regulatory liquidity coverage ratio (LCR) (x)	158.8	203.5	N/A	N/A
Short-term wholesale funding/total wholesale funding	13.3	13.3	21.3	35.8
Narrow liquid assets/3-month wholesale funding (x)	4.4	5.8	3.4	1.6

*Data as of September 30. 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

- Various Rating Actions Taken On Austrian Banks On Stabilization Of Operating Performance, Feb. 24, 2023

Ratings Detail (As Of March 21, 2023)*	
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.