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# Oberoesterreichische Landesbank AG

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# Oberoesterreichische Landesbank AG

## Ratings Score Snapshot

| Issuer Credit Rating |
|---|
| A+/Stable/A-1 |

**SACP: bbb+** → **Support: +3** → **Additional factors: 0**

| | | |
|---|---|---|
| Anchor | a- | |
| Business position | Constrained | -2 |
| Capital and earnings | Strong | +1 |
| Risk position | Adequate | 0 |
| Funding | Adequate | 0 |
| Liquidity | Adequate | |
| CRA adjustment | | 0 |

| | |
|---|---|
| ALAC support | 0 |
| GRE support | +3 |
| Group support | 0 |
| Sovereign support | 0 |

| Issuer credit rating |
|---|
| A+/Stable/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 |
|---|---|
| Important role for, and very strong link with, the State of Upper Austria, the bank's 51% owner. | Low operating profitability and efficiency. |
| Low-risk business model with strong capitalization. | Loan portfolio's concentration in one region, with a focus on public-sector-related lending and the promotion of subsidized housing. |

***We expect Austria-based Oberoesterreichische Landesbank AG (Hypo OÖ)'s performance will remain sound, despite the worsened economic environment.*** We anticipate the bank will work to decrease its profitability gap with peers, while upholding its strong capital buffer and good asset quality. We expect only marginal deterioration of asset quality metrics, reflecting the material fiscal support to the private sector in Austria from the state, high private-sector wealth, resilience in previous downturns, and the banks' prudent lending policies. This will keep risk costs low while the cost of living increases with inflation and the debt repayment burden increases with higher interest rates.

***At the same time, we think Hypo OÖ continues to face downside risks in light of its low profitability and weak operating efficiency, which leave the bank more vulnerable to adverse developments than peers with higher income buffers.*** The bank's S&P Global Ratings-calculated return on equity improved to 5.7% in 2021, significantly increasing from its previous levels. Its cost-to-income ratios improved to roughly 63% in 2021, from 75%-80% over the previous years.

However, results for the first six months of 2022 indicate the full-year 2022 results are likely to be at a slightly lower level than in 2021. While management has a strong focus on improving efficiency, we do not expect tangible improvements in the medium term. This is because the competitive market environment and increased need for investments into digitalization pose challenges to revenue and cost targets, until the investments start to pay off. Positively, we understand the bank is not under pressure from shareholders to generate high returns. Its strong capital buffer can facilitate moderate lending growth, which leaves management sufficient room to invest in the bank's modernization and digitalization.

***We expect Hypo OÖ's important role for and very strong link to Upper Austria will continue to support its franchise and creditworthiness.*** The bank is 51% owned by Upper Austria (AA+/Stable/A-1+) and has an important role in the state-supported real estate promotion business. In the event of financial stress, we believe there is a high likelihood that Upper Austria would provide sufficient extraordinary support. We reflect this in the three-notch uplift in our assessment of Hypo OÖ's 'bbb+' stand-alone credit profile (SACP), leading to our 'A+' long-term issuer credit rating.

## Outlook

Our stable outlook on Hypo OÖ takes into account the stable outlook on the State of Upper Austria (AA+/Stable/A-1+) and our expectation that the likelihood of support from the state will remain high over the next two years.

### Downside scenario

The ratings are sensitive to Upper Austria's ability and willingness to support the bank. We would lower the ratings on Hypo OÖ in the event of a downgrade of Upper Austria or if we observed a weakening in Hypo OÖ's role for, or link with, Upper Austria.

We could also lower the ratings if the bank embarked on riskier lending, leading our risk-adjusted capital (RAC) ratio to drop below 10%.

### Upside scenario

A positive rating action would require an upgrade of Upper Austria, accompanied by an increase in Hypo OÖ's RAC ratio to sustainably above 15%, a scenario we see as highly unlikely over the next two years.

## Anchor: 'a-'For Banks Operating Only in Austria

We use our Banking Industry Country Risk Assessment (BICRA) economic risk and industry risk scores to determine the bank's anchor. The 'a-' anchor reflects Hypo OÖ's operations and domicile in Austria.

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 (NPLs) are likely to rise throughout 2023 because of tail risks from the war in Ukraine, but we believe that the second-round effects of this on the banking system will be manageable.

We consider Austria's prudential regulatory standards 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 (see "Various Rating Actions Taken On Austrian Banks On Stabilization of Operating Performance," published Feb. 24, 2023, on RatingsDirect).

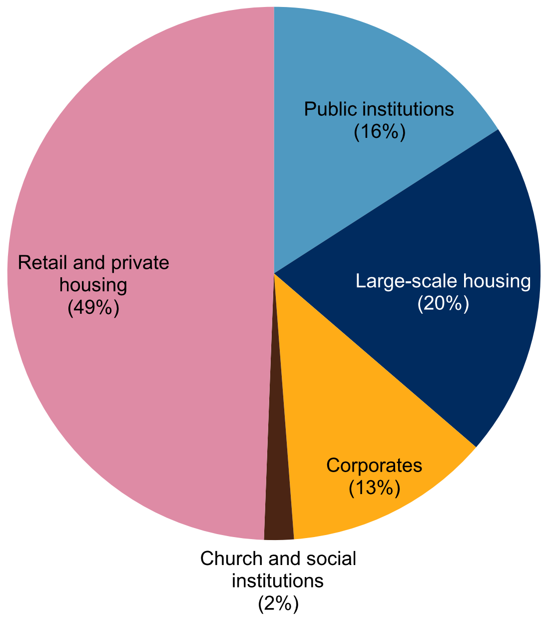
## Business Position: A Concentrated Business Model

***Business strength lags that of most peers.*** We think Hypo OÖ's business model, with its regional concentration on low-margin subsidized housing and public-sector lending, accompanied by one of the lowest efficiencies among peers, makes the bank more sensitive to downside scenarios than its more diversified, stronger performing peers. At the same time, downside risks are limited, in our view, by the ongoing support from Upper Austria, which reinforces the stability of the bank's franchise.

***Hypo OÖ runs a concentrated-but-conservative business model.*** It has a clear focus on real estate, which accounts for more than 70% of its €8 billion balance sheet. The bank executes subsidized housing programs on behalf of its home state, Upper Austria, and has a strong position in the local public housing niche and mortgage lending market (see chart 1). The bank operates primarily in its core region of Upper Austria with a modest market share of about 1.5% nationwide. At the same time, we think the banks local franchise is robust, reinforced by the benefits of having Upper Austria and Raiffeisenlandesbank Oberösterreich as shareholders (51% and 41%, respectively).

**Chart 1**

**Roughly 70% Of HYPO OÖ's Loan Volume Relates To The Housing Sector**
Breakdown of customer loans as of Dec. 31, 2021



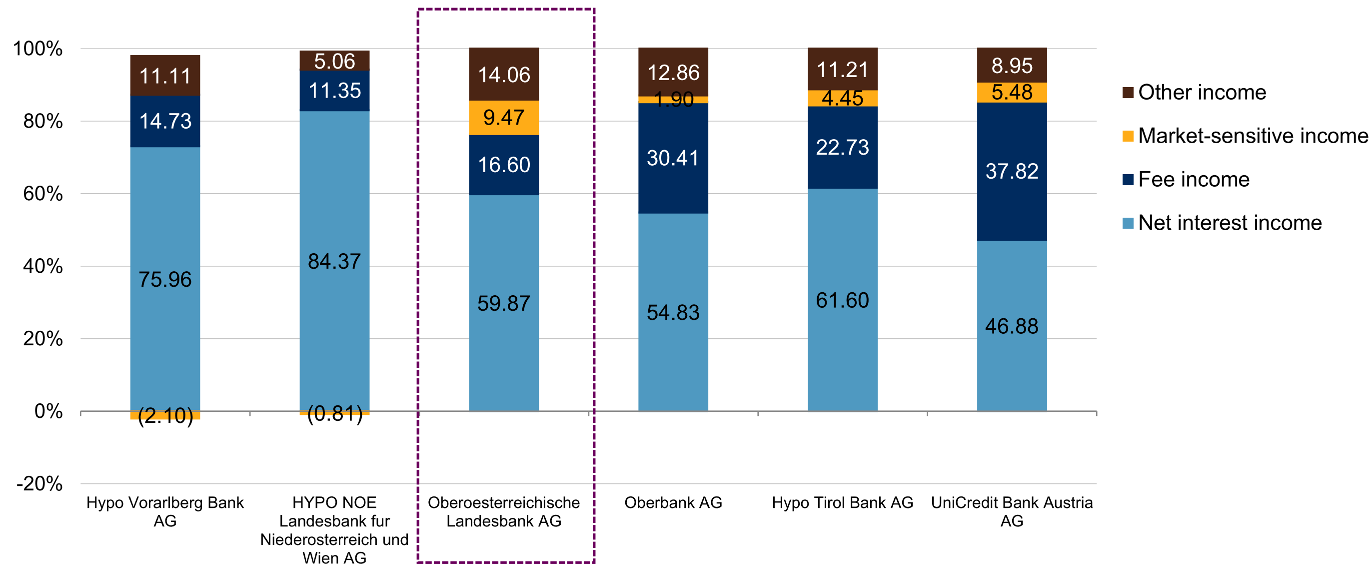

Source: Hypo OÖ, S&P Global Ratings.


***Following years of low profitability, Hypo OÖ is now making progress on executing its new strategy.*** At year-end 2021, the bank's S&P Global Ratings-adjusted cost-to-income ratio stood at 63%, down from 77% in 2020, which attests to the progress made by management. Management targets a cost-to-income ratio of 60% by 2025 (as per the bank's definition). Tangible progress over the last years supports the rating amid ongoing improvements in the peer group. We expect rising interest rates will have a net positive effect on the bank and support profitability metric improvement. Hypo OÖ mainly relies on interest income, which accounted for approximately 60% of its operating revenues in 2021. In our opinion, even if the bank achieves a material improvement in efficiency, its profitability is likely to remain subdued compared with most peers, reflecting its low-risk business model.

**Chart 2**

**Hypo OÖ's Reliance On Net Interest Income Has Slightly Reduced Over The Past Two Years**

Breakdown of operating revenues in 2021




The selected peer group only includes rated Austrian banks which are focussed predominantely on the Austrian market. Source: S&P Global Ratings.



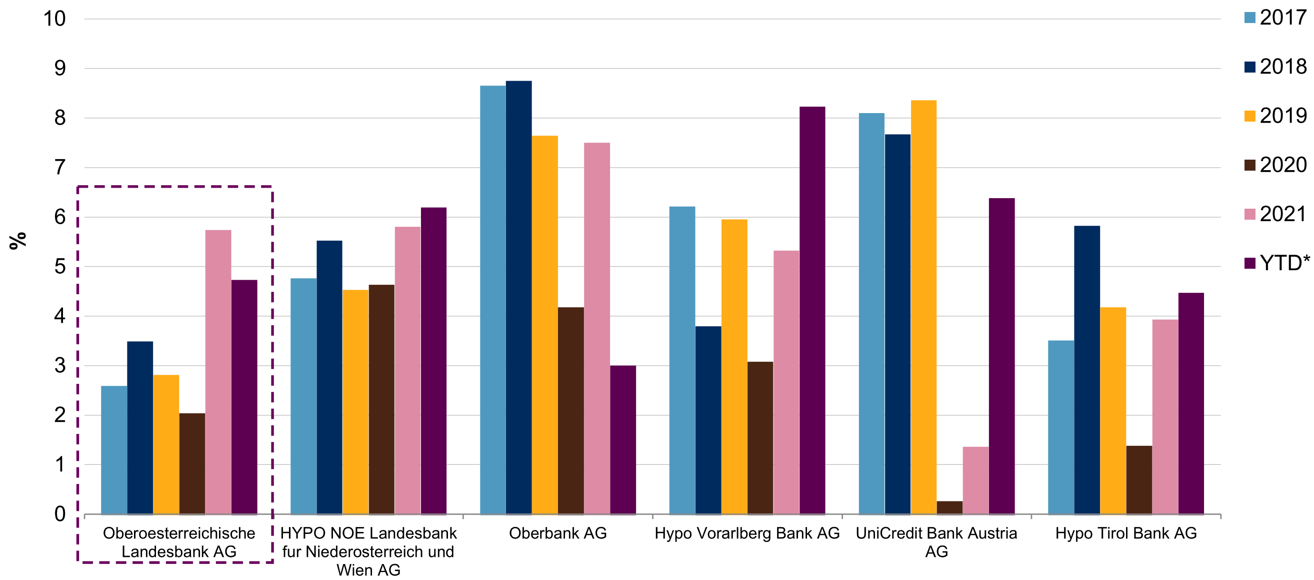
## Capital And Earnings: Low Dividends Support Strong Capitalization

***We view Hypo OÖ's capital buffer as strong.*** We expect the bank's RAC ratio will remain above our 10% threshold for a strong assessment over the next 24 months. The ratio was 11.35% at year-end 2021, and we project it will remain between 10.5%-11.0% through 2025. Hypo OÖ also has a comfortable margin in its regulatory capital requirements, with a consolidated common equity tier 1 ratio of 12.9% at mid-year 2022 against a requirement of 8.12%.

***While returns are low, we regard the quality of earnings as sufficient to support stable internal capital generation.*** We expect Hypo OÖ's annual net income will trend at about €25 million over 2023-2024. Our forecast is based on roughly 3% annual growth in lending, accompanied by margin improvement on the loan portfolio. We expect the bottom line will remain supported by the bank's low-risk business profile, which results in very low risk costs of around 10 basis points or less, leading to relatively stable performance over the cycle. We also view Hypo OÖ's moderate dividend policy as favorable to support gradual but sustainable internal capital accumulation. In 2021, Hypo OÖ paid out roughly €7 million, equivalent to 25% of its net income, and we expect similar payout ratios going forward. We also note Hypo OÖ has a high quality of capital, with our total adjusted capital (TAC) solely comprising common equity.

**Chart 3**

**Structural Profitability Remains Relatively Weak**
Return on average common equity (%)




*Data for Oberoesterreichische, Hypo Vorarlberg, UniCredit Austria, and Hypo Tirol is as of June 2022.
Data for Hypo Noe is as of December 2022. Data for Oberbank is as of September 2021. YTD--Year to date.
Source: S&P Global Ratings. 

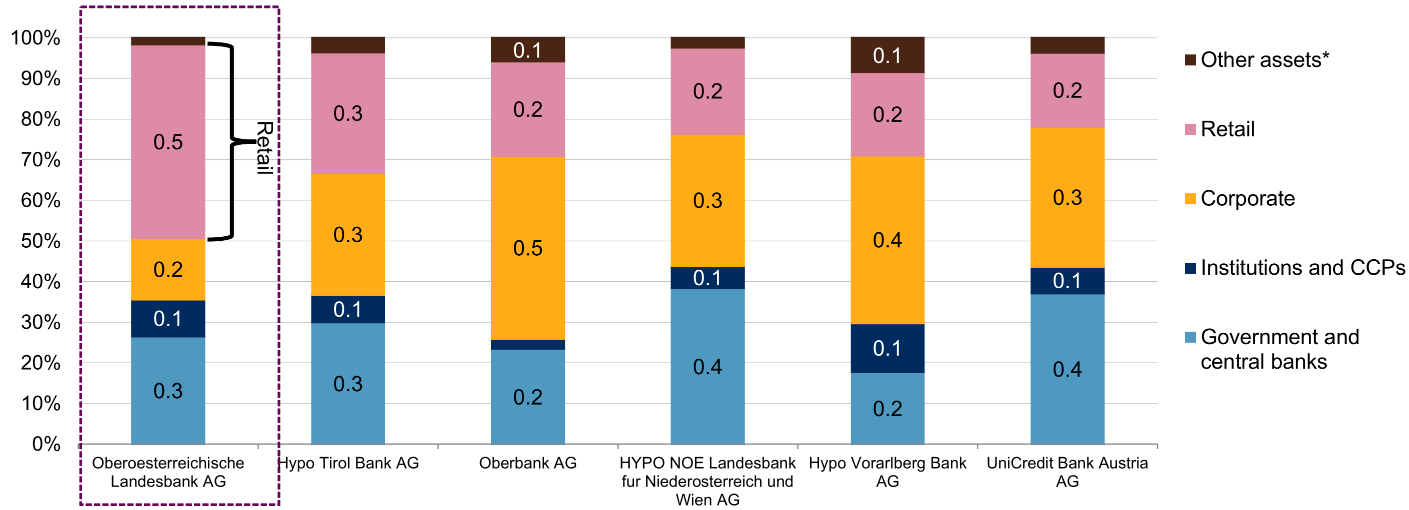
## Risk Position: Business Strategy Is Risk Averse, But Some Concentration Remains

***We view Hypo OÖ's risk position as on par with that of banks with similar business models operating in Austria or in countries with a similar economic risk environment.*** Our view balances the bank's geographic concentration with our expectation that Hypo OÖ will continue to focus on low-risk products, such as small, secured homeowner loans, mortgage loans to public-benefit housing associations with historically very low default risk, and public-sector loans (see chart 4). We also view the concentration in real estate as balanced with the generally highly collateralized nature of its loan book. Although Hypo OÖ's updated strategy is leading to a gradual increase in exposure to small and midsize enterprises (SMEs), we expect no significant shift in the bank's risk profile. We think the RAC ratio will continue to adequately reflect Hypo OÖ's main risks.

**Chart 4**

**Hypo OÖ's Large Retail Portfolio Reflects Its Subsidized Mortgage Lending Activities**

Credit risk exposure§ of rated Austrian banks




*Other assets include securitization and other assets. §Exposure refers to exposure at default. The selected peer group only includes rated Austrian banks which are focussed predominantely on the Austrian market.

Data as of Dec. 31, 2021. Source: S&P Global Ratings.

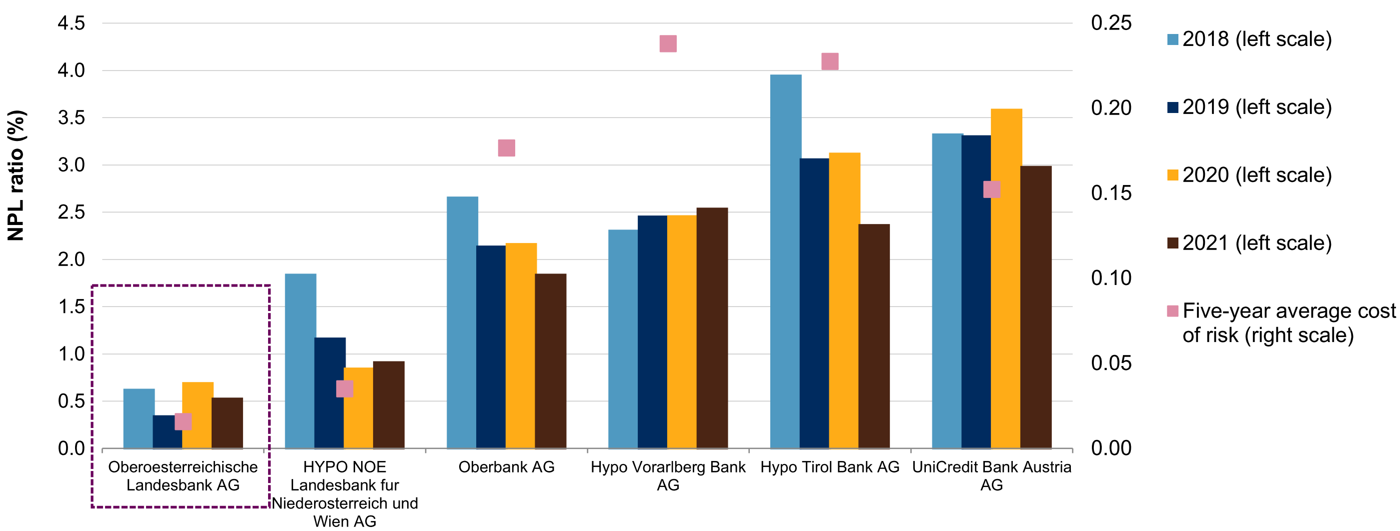


***Strong asset quality metrics, which we expect will be resilient through the cycle.*** Across Austria, we expect NPLs will rise moderately. This will likely be the same for Hypo OÖ, although we think it will be less so than most domestic peers, thanks to the composition of its loan book with low exposures to corporates and SMEs, and strong asset quality metrics entering the pandemic. As per our calculations, the bank's NPL ratio was 0.4% at year-end 2021.

**Chart 5**

**We Expect Hypo OÖ's Low Risk Business Model Will Continue To Support Its Asset Quality**

Nonperforming loan (NPL) ratio* and cost of risk (%)§




*Defined as gross nonperforming assets divided by customer loans. From 2019, Hypo OÖ's nonperforming loans comprise stage 3 loans and stage 1 and 2 loans that are overdue by more than 90 days. §Cost of risk is defined as new loan loss privisions as % of average customer loans. The selected peer group only includes rated Austrian banks which are focussed predominantely on the Austrian market.

Source: S&P Global Ratings.



***Given large parts of Hypo OÖ's loan book are collateralized by real estate, its risk profile heavily depends on developments in the local housing sector in Upper Austria.*** Real housing prices are likely to decrease in 2023 and 2024 in Austria, in line with our expectations for Europe. However, we consider the risk of a sharp correction in house prices in Austria low, mitigating concentrations in the bank's loan book to mortgages and real-estate backed loans.

## Funding And Liquidity: Matched Funding And A Conservative Liquidity Policy

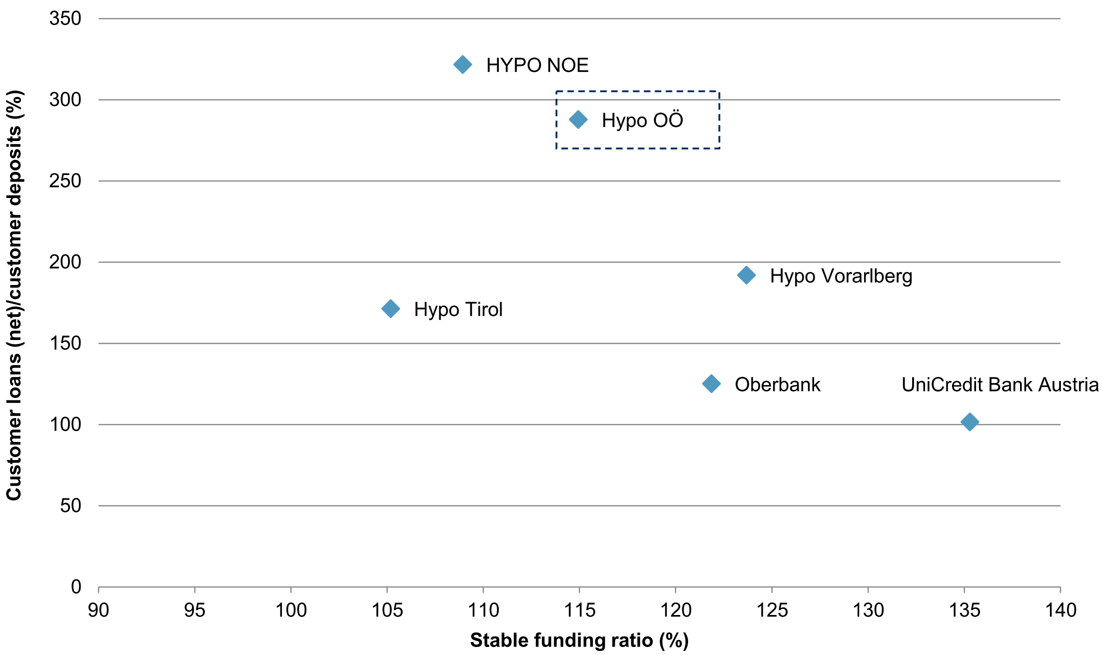
***We expect Hypo OÖ's link with the state and matched asset-liability profile, and prudent funding and liquidity management will continue to support our assessment.*** We believe the bank's ownership by Upper Austria materially reduces its sensitivity to market confidence.

***Market issuances made up about 70% of Hypo OÖ's funding base at end June 2022.*** We think the bank will remain primarily wholesale funded and reliant on the capital market. However, most of the wholesale funding is long term and relates to covered bond placements, which we regard as a stable and reliable source of funding in Austria, so we view Hypo OÖ's overall funding structure in line with that of more retail-funding-oriented domestic peers.

**Chart 6**

**Hypo OÖ's Funding Profile Is In Line With Domestic Peers**

Key funding and liquidity metrics as of Dec. 31, 2021




The selected peer group only includes rated Austrian banks which are focussed predominantely on the Austrian market. Source: S&P Global Ratings.



***The bank's main S&P Global Ratings funding and liquidity metrics are broadly in line with the peer average.*** The bank's S&P Global Ratings stable funding ratio is typically about 110% and our broad liquid assets-to-short-term (BLAST) wholesale funding ratio is likely to remain comfortably in line with that of peers. At end June 2022, it was 2.44x. While the bank's BLAST ratio indicates a strong liquidity buffer, we consider Hypo OÖ to be in line with the system average and think it could operate for more than six months without access to market funding in an adverse scenario.

## Support: A high Likelihood Of Extraordinary Support From Upper Austria

Our long-term issuer credit rating on Hypo OÖ is three notches higher than the SACP, because we see a high likelihood of the bank receiving timely and sufficient extraordinary support from the government of Upper Austria if needed. This would go beyond the ongoing support we already reflect mainly in the banks business and funding and liquidity position. We expect Upper Austria will remain supportive of Hypo OÖ and a long-term shareholder of the bank. We base our assessment on the bank's:

- Important role as one of Upper Austria's largest government-related entities, implying that Hypo OÖ's potential default could tarnish the state's reputation in the capital markets; and

- Very strong link with the government of Upper Austria. We do not expect changes to the bank's prominent role in the state-supported real estate promotion business or to the state's majority stake in Hypo OÖ over the next two years.

## 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.

We see ESG credit factors for Hypo OÖ as broadly in line with those of the industry and Austrian peers and not a rating differentiator, in our view. We acknowledge Hypo OÖ's increasing focus on green lending, and believe the bank's ownership and business model, with a focus on real estate and public lending, supports these efforts. We also expect Hypo OÖ to maintain low exposure to assets with material physical climate risks and transition risks, as well as socially controversial industries. The bank also issued its first green and sustainable housing bonds in 2021, and we expect more issuances considering the demand from investors.

## Group Structure, Rated Subsidiaries, And Hybrids

We rate Hypo OÖ's nondeferrable senior subordinated debt 'BBB-', two notches down from our assessment of the bank's SACP, which indicates our view of a bank's credit risk without extraordinary support from the government. We believe that by notching from the SACP assessment, instead of the long-term issuer credit rating, we better capture the risk of increased uncertainty of government support for subordinated debt issues.

## Key Statistics

**Table 1**

**Oberoesterreichische Landesbank AG--Key Figures**

| | --Year-ended Dec. 31-- | | | |
|---|---|---|---|---|
| **(Mil. €)** | **2022*** | **2021** | **2020** | **2019** |
| Adjusted assets | 8,054.7 | 8,157.5 | 7,824.5 | 7,767.4 |
| Customer loans (gross) | 5,775.5 | 5,612.8 | 5,471.9 | 5,444.1 |
| Adjusted common equity | 495.1 | 483.0 | 461.9 | 449.1 |
| Operating revenues | 50.3 | 102.4 | 79.5 | 75.0 |
| Noninterest expenses | 35.2 | 64.6 | 60.9 | 59.7 |
| Core earnings | 11.3 | 28.1 | 9.9 | 13.0 |

*Data as of June 30.

**Table 2**

## Oberoesterreichische Landesbank AG--Business Position

| | --Year-ended Dec. 31-- | | | |
|---|---|---|---|---|
| (%) | 2022* | 2021 | 2020 | 2019 |
| Total revenues from business line (currency in millions) | 50.3 | 102.4 | 79.5 | 75.0 |
| Commercial & retail banking/total revenues from business line | 100.0 | 100.0 | 100.0 | 100.0 |
| Return on average common equity | 4.7 | 5.7 | 2.0 | 2.8 |

*Data as of June 30.

**Table 3**

## Oberoesterreichische Landesbank AG--Capital And Earnings

| | --Year-ended Dec. 31-- | | | |
|---|---|---|---|---|
| (%) | 2022* | 2021 | 2020 | 2019 |
| Tier 1 capital ratio | 12.9 | 14.4 | 14.8 | 14.0 |
| S&P Global Ratings' RAC ratio before diversification | N/A | 11.4 | 12.0 | 11.7 |
| S&P Global Ratings' RAC ratio after diversification | N/A | 7.3 | 7.4 | 7.3 |
| Adjusted common equity/total adjusted capital | 100.0 | 100.0 | 100.0 | 100.0 |
| Net interest income/operating revenues | 68.3 | 59.9 | 71.3 | 75.7 |
| Fee income/operating revenues | 17.1 | 16.6 | 18.3 | 18.1 |
| Market-sensitive income/operating revenues | 1.0 | 9.5 | (6.7) | (3.6) |
| Cost to income ratio | 69.9 | 63.1 | 76.6 | 79.6 |
| Preprovision operating income/average assets | 0.4 | 0.5 | 0.2 | 0.2 |
| Core earnings/average managed assets | 0.3 | 0.4 | 0.1 | 0.2 |

*Data as of June 30. N/A--Not applicable

**Table 4**

## Oberoesterreichische Landesbank AG--Risk-Adjusted Capital Framework Data

| (Mil. €) | Exposure* | Basel III RWA | Average Basel III RW(%) | S&P Global Ratings RWA | Average S&P Global Ratings RW (%) |
|---|---|---|---|---|---|
| **Credit risk** | | | | | |
| Government & central banks | 2,107.0 | 12.5 | 0.6 | 47.2 | 2.2 |
| Of which regional governments and local authorities | 1,068.0 | 0.0 | 0.0 | 38.4 | 3.6 |
| Institutions and CCPs | 720.5 | 118.3 | 16.4 | 126.5 | 17.6 |
| Corporate | 1,198.0 | 1,214.9 | 101.4 | 1,048.9 | 87.6 |
| Retail | 3,792.0 | 1,469.1 | 38.7 | 1,106.3 | 29.2 |
| Of which mortgage | 3,261.0 | 1,110.0 | 34.0 | 756.2 | 23.2 |
| Securitization§ | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other assets† | 126.0 | 100.0 | 79.4 | 124.6 | 98.9 |
| Total credit risk | 7,943.5 | 2,914.8 | 36.7 | 2,453.5 | 30.9 |
| **Credit valuation adjustment** | | | | | |
| Total credit valuation adjustment | -- | 108.0 | -- | 293.9 | -- |
| **Market Risk** | | | | | |
| Equity in the banking book | 199.0 | 175.0 | 87.9 | 1,338.6 | 672.7 |

**Table 4**

| Oberoesterreichische Landesbank AG--Risk-Adjusted Capital Framework Data (cont.) | | | | | |
|---|---|---|---|---|---|
| Trading book market risk | -- | 0.0 | -- | 0.0 | -- |
| Total market risk | -- | 175.0 | -- | 1,338.6 | -- |
| **Operational risk** | | | | | |
| Total operational risk | -- | 150.0 | -- | 168.8 | -- |
| | **Exposure** | **Basel III RWA** | **Average Basel II RW (%)** | **S&P Global Ratings RWA** | **% of S&P Global Ratings RWA** |
| **Diversification adjustments** | | | | | |
| RWA before diversification | -- | 3,347.8 | -- | 4,254.7 | 100.0 |
| Total Diversification/ Concentration Adjustments | -- | -- | -- | 2,385.5 | 56.1 |
| RWA after diversification | -- | 3,347.8 | -- | 6,640.2 | 156.1 |
| | | **Tier 1 capital** | **Tier 1 ratio (%)** | **Total adjusted capital** | **S&P Global Ratings RAC ratio (%)** |
| Capital ratio before adjustments | | 480.5 | 14.4 | 483.0 | 11.4 |
| Capital ratio after adjustments‡ | | 480.5 | 14.4 | 483.0 | 7.3 |

*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. Sources: Company data as of 'Dec. 31 2021', S&P Global Ratings.

**Table 5**

| Oberoesterreichische Landesbank AG--Risk Position | | | | |
|---|---|---|---|---|
| | --Year-ended Dec. 31-- | | | |
| **(%)** | **2022*** | **2021** | **2020** | **2019** |
| Growth in customer loans | 5.8 | 2.6 | 0.5 | (2.1) |
| Total diversification adjustment/S&P Global Ratings' RWA before diversification | N/A | 56.1 | 61.9 | 61.6 |
| Total managed assets/adjusted common equity (x) | 16.3 | 16.9 | 16.9 | 17.3 |
| New loan loss provisions/average customer loans | 0.1 | 0.1 | 0.1 | (0.0) |
| Gross nonperforming assets/customer loans + other real estate owned | N/A | 0.4 | 0.5 | 0.3 |
| Loan loss reserves/gross nonperforming assets | N/A | 63.8 | 48.3 | 43.3 |

*Data as of June 30. N/A--Not applicable.

**Table 6**

| Oberoesterreichische Landesbank AG--Funding And Liquidity | | | | |
|---|---|---|---|---|
| | --Year-ended Dec. 31-- | | | |
| **(%)** | **2022*** | **2021** | **2020** | **2019** |
| Core deposits/funding base | 30.4 | 26.0 | 24.3 | 24.5 |
| Customer loans (net)/customer deposits | 255.4 | 287.8 | 314.3 | 311.7 |
| Long-term funding ratio | 93.5 | 92.7 | 90.2 | 89.8 |
| Stable funding ratio | 110.3 | 114.9 | 109.4 | 108.4 |
| Short-term wholesale funding/funding base | 6.9 | 7.8 | 10.4 | 10.8 |
| Broad liquid assets/short-term wholesale funding (x) | 2.4 | 2.4 | 1.4 | 1.3 |
| Broad liquid assets/total assets | 15.6 | 17.0 | 13.7 | 13.3 |

**Table 6**

**Oberoesterreichische Landesbank AG--Funding And Liquidity (cont.)**

| | --Year-ended Dec. 31-- | | | |
|---|---|---|---|---|
| **(%)** | **2022*** | **2021** | **2020** | **2019** |
| Broad liquid assets/customer deposits | 55.5 | 71.4 | 61.9 | 59.1 |
| Net broad liquid assets/short-term customer deposits | 35.1 | 44.6 | 20.5 | 16.2 |
| Short-term wholesale funding/total wholesale funding | 10.0 | 10.5 | 13.8 | 14.3 |
| Narrow liquid assets/3-month wholesale funding (x) | 3.1 | 3.0 | 1.8 | 1.6 |

*Data as of June 30.

**Oberoesterreichische Landesbank--Rating Component Scores**

| | |
|---|---|
| Issuer Credit Rating | A+/Stable/A-1 |
| SACP | bbb+ |
| Anchor | a- |
| Economic risk | 2 |
| Industry risk | 3 |
| Business position | Constrained |
| Capital and earnings | Strong |
| Risk position | Adequate |
| Funding | Adequate |
| Liquidity | Adequate |
| Comparable ratings analysis | 0 |
| Support | +3 |
| ALAC support | 0 |
| GRE support | +3 |
| 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

- 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: Rating Government-Related Entities: Methodology And Assumptions, March 25, 2015
- 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
- Oberoesterreichische Landesbank AG Affirmed At ‘A+/A-1’ Following Outlook Revision On Upper Austria; Outlook Remains Neg, May 24, 2022
- State of Upper Austria Outlook Revised To Stable; 'AA+/A-1+' Ratings Affirmed, May 20, 2022

| Ratings Detail (As Of March 14, 2023)* | |
|---|---|
| **Oberoesterreichische Landesbank AG** | |
| Issuer Credit Rating | A+/Stable/A-1 |
| Senior Secured | AA+/Stable |
| Subordinated | BBB- |
| **Issuer Credit Ratings History** | |
| 24-Feb-2023 | A+/Stable/A-1 |
| 29-Apr-2020 | A+/Negative/A-1 |
| 11-Jun-2018 | 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.