

Bausparkasse Wuestenrot AG

Primary Credit Analyst:

Anna Lozmann, Frankfurt + 49 693 399 9166; anna.lozmann@spglobal.com

Secondary Contact:

Manuel Adam, Frankfurt + 49 693 399 9199; manuel.adam@spglobal.com

Table Of Contents

Credit Highlights

Outlook

Anchor: 'a-', Reflecting Bausparkasse's Operations Predominantly In Austria

Business Position: Well-Established Niche Franchise, But Constrained Due To Low Profitability And Efficiency

Box 1: Bausparen in Austria

Capital And Earnings: Slow But Steady Capital Accumulation

Risk Position: High Collateralization Balances Concentration On Mortgages In Austria

Funding And Liquidity: Stable And Granular Customer Deposits

Support: One Notch Of Uplift For Group Support

Additional Rating Factors

Environmental, Social And Governance

Key Statistics

Table Of Contents (cont.)

Related Criteria

Related Research

Bausparkasse Wuestenrot AG

SACP: bbb- →			Support: +1 →		Additional factors: 0	
Anchor	a-		ALAC support	0	Issuer credit rating BBB/Stable/A-2	
Business position	Constrained	-3	GRE support	0		
Capital and earnings	Adequate	0	Group support	+1		
Risk position	Adequate	0	Sovereign support	0		
Funding	Adequate	0				
Liquidity	Adequate					
CRA adjustment		0				

The SACP scores refer to our assessment of Wuestenrot Wohnungswirtschaft. Group support reflects benefits (+1 notch) of the bankassurance model and the insurance subgroup that are not incorporated in the stand-alone assessment of the group's banking subgroup, Wuestenrot Wohnungswirtschaft. ALAC--Additional loss-absorbing capacity. CRA--Comparable ratings analysis. GRE--Government-related entity. ICR--Issuer credit rating. SACP--Stand-alone credit profile.

Credit Highlights

Issuer Credit Rating

BBB/Stable/A-2

Overview

Key strengths

Stable franchise in mortgage lending in Austria.

High market share in the niche Bauspar business.

Granular and stable retail deposit base.

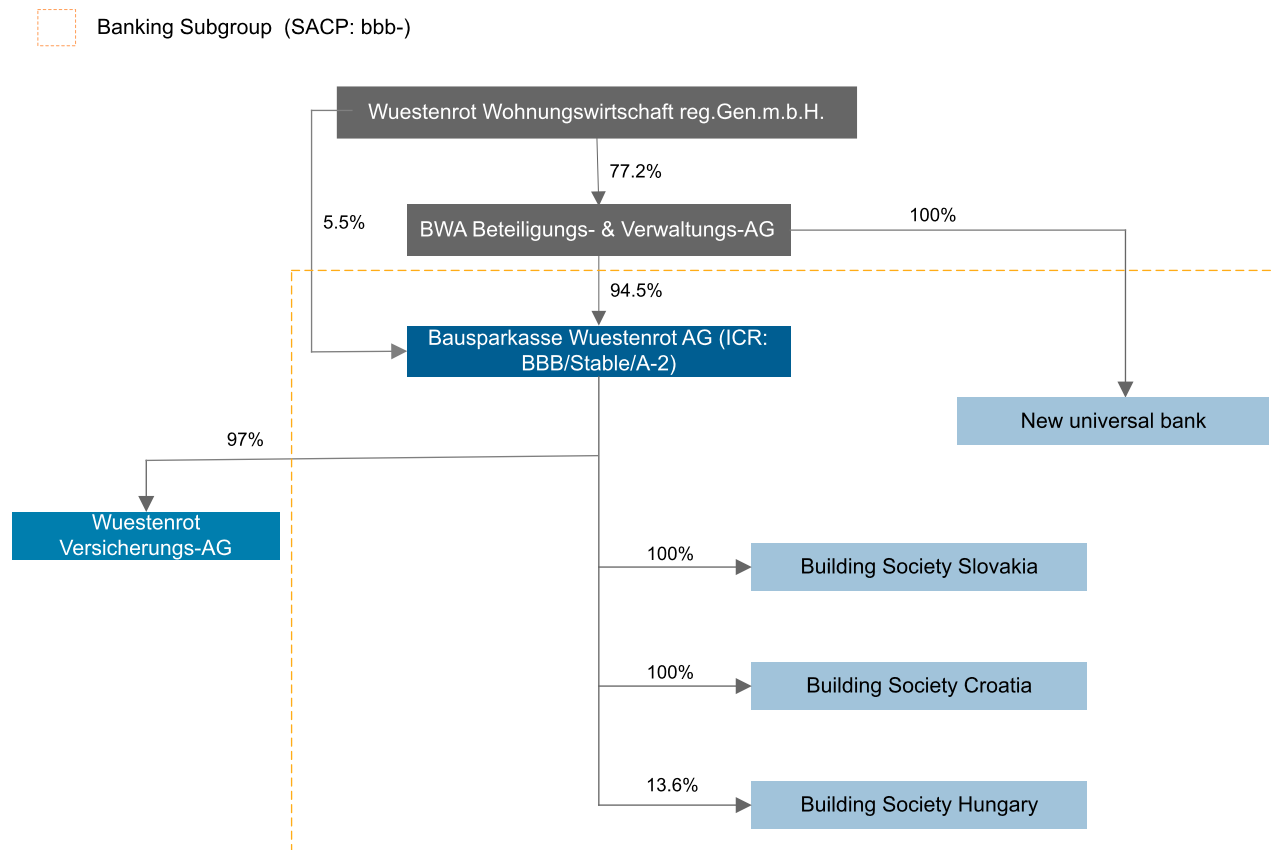
Key risks

Low profitability and structural risks to business model amid high competition and limited product differentiation.

Concentrated mortgage lending in Austria.

We expect that Bausparkasse Wuestenrot AG (Bausparkasse) will remain a core part of Austrian bancassurance Wuestenrot Wohnungswirtschaft's strategy. We base our ratings on Bausparkasse Wuestenrot on Wuestenrot Wohnungswirtschaft's (the holding company) aggregate creditworthiness of its banking and insurance operations, given the significant size of both segments (see chart 1). We expect that Bausparkasse will remain an integral part of the group.

Wuestenrot Wohnungswirtschaft -- Simplified Organizational Structure



Bausparkasse Wuestenrot AG is the rated entity. ICR--Issuer credit rating. SACP--Stand-alone credit profile.

Source: S&P Global Ratings.

Copyright © 2022 by Standard & Poor's Financial Services LLC. All rights reserved.

We view Bausparkasse as a small and concentrated, but well-established specialist in its niche Bauspar business. The bank is almost exclusively focused on mortgage lending, which we view as a low-risk segment in Austria. The group is setting up a new universal bank within the group that will not be bound by the legal restrictions of the Bauspar act and will broaden the scope of its services. This is likely to contribute to somewhat better diversification over the longer term, but unlikely to materially change the group's overall business profile.

Low interest rates, high competition in the Austrian mortgage market, and transformation costs will weigh on the banking subgroup's bottom line. We believe that the bank is more sensitive to low interest rates than most domestic peers, due to the little product differentiation compared with peers, its fee-heavy franchise, and less flexibility on its funding structure. The group has started to introduce a package of short-term measures to address its large cost base and strengthen fee income, but we believe that costs related to the launch of the group's new universal bank will more than offset the incremental earnings and result in subdued performance over the next two years.

We consider Bausparkasse as adequately capitalized for its low-risk loan book. We project that Bausparkasse's risk-adjusted capital (RAC) ratio, our main capital indicator, will remain between 8.0%-8.5% in the next 12-24 months. This includes our expectation that full capital retention beyond our expected growth in risk-weighted assets will support slow, but steady, accumulation of capital. Bausparkasse has strong asset quality, with nonperforming loans

(NPLs) of 1.1% by our measures as of Dec. 31, 2020, thanks to restrictive underwriting standards and strong collateralization.

Outlook

The outlook on Bausparkasse is stable. At the current rating level, some headroom exists for a deterioration in financial performance and capitalization. We expect the bank will maintain low but stable profitability from its core operations, with a prudent risk appetite and contained risk costs, such that the banking subgroup's RAC ratio remains solidly above 7%. We also expect the insurance operations will remain integral to the group and continue contributing to its business strategy with stable earnings.

Upside scenario

We could raise our ratings over the next 12-24 months if Bausparkasse established a credible track record of improving operating performance on the back of successful execution of its planned operational and strategic measures, without jeopardizing its risk profile for higher returns. A positive rating action would also be supported by the easing of risks to profitability that we see in Austrian banks' operating environment.

Downside scenario

We could lower our ratings over the next 12-24 months if we expected Bausparkasse's RAC ratio to fall below 7%. This could be case if the bank's profitability dropped as a result of more severe-than-expected deterioration of the net interest margin, insufficiently executed measures, or weakened asset quality.

Anchor: 'a-', Reflecting Bausparkasse's Operations Predominantly In Austria

We use our Banking Industry Country Risk Assessment to determine a bank's anchor, the starting point in assigning an issuer credit rating. The 'a-' anchor is based on our Austria economic risk score of '2' (on a scale of '1' to '10', '1' being the lowest risk). We expect that Bausparkasse will continue to operate almost exclusively 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. While there are risks to our baseline scenario, due to the economic effects of the COVID-19 pandemic, we expect that the government's slow pace to phase out support to the private sector amid recovery will support households' and corporates' financial health. We remain mindful that NPLs could rise throughout as fiscal support measures are gradually withdrawn, but we believe that the residual effect on the banking system will likely 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 high share of customer deposits. However, moderate overcapacity and structural impediments in the banking sector result in ultra-low lending margins and cost inefficiencies, which remains the weakest spot in our assessment. These factors pose a risk to long-term stability, as reflected in the negative trend on banking industry risk.

S&P Global Ratings acknowledges a high degree of uncertainty about the extent, outcome, and consequences of the military conflict between Russia and Ukraine. Irrespective of the duration of military hostilities, sanctions and related political risks are likely to remain in place for some time. Potential effects could include dislocated commodities markets—notably for oil and gas—supply chain disruptions, inflationary pressures, weaker growth, and capital market volatility. As the situation evolves, we will update our assumptions and estimates accordingly. See our macroeconomic and credit updates here: [Russia-Ukraine Macro, Market, & Credit Risks](#). Note that the timing of publication for rating decisions on European issuers is subject to European regulatory requirements.

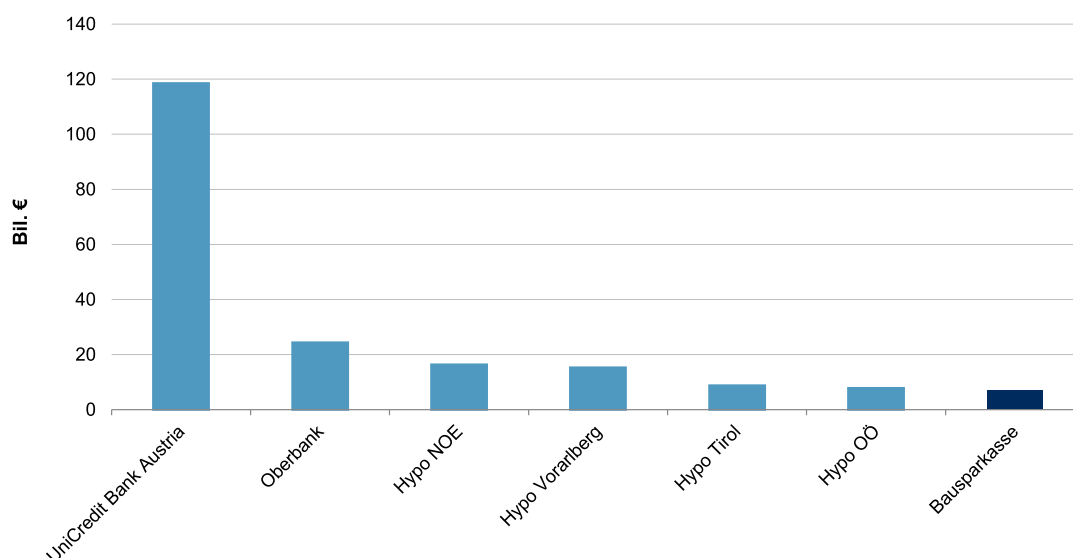
Business Position: Well-Established Niche Franchise, But Constrained Due To Low Profitability And Efficiency

With assets of €7.1 billion as of December 2020, Bausparkasse is a relatively small player in the Austrian market (see chart 2) but has an established track record and high market share in its niche Bauspar business.

Chart 2

Bausparkasse Is A Smaller Austrian Mortgage Lender

Total assets at end-2020



Note: The peer group comprises selected Austrian peers that operate predominantly in Austria. Total assets of Bausparkasse refer to Wuestenrot Wohnungswirtschaft (banking subgroup). Source: S&P Global Ratings.

Copyright © 2022 by Standard & Poor's Financial Services LLC. All rights reserved.

We consider the main factor underpinning the stability of new Bauspar business in the low interest rate environment to be the 1.5% state subsidy. A key assumption underlying our base case is that this subsidy will not be removed (see box 1). Our assessment of the banking subgroup's business position also reflects other supporting factors such as a solid

proportion of fee income, its large customer base, and the timely termination of unprofitable customer relations, reflecting an agile and forward-looking management.

Nevertheless, we see the bank's limited scope and modest growth opportunities as a disadvantage against more universal players in Austria and abroad. Bausparkasse runs banking operations in Slovakia and Croatia, but we view the diversification benefits from the bank's foreign operations as limited, due to the small scale of these operations.

Bausparkasse's product offering is concentrated to mortgages and other lending products, resulting in reliance on interest income and associated fees. We see the bank's business model as highly sensitive to low interest rates. In our view, pressure on net interest margins, decreasing product differentiation, higher competition from universal banks, and a fee-heavy deposit base will increase the strain on the bank's profitability.

Wuestenrot group plans to launch a new universal bank in 2022, and its operations will not be restricted by the Bauspar Act. This will allow the group to expand its product offering with checking accounts, online savings, and more flexible mortgage products. We recognize the strategic rationale for the new bank to leverage its solid brand and sales force in promoting its new offering to clients. However, we expect tangible benefits will only accrue to the group in the medium to long term, while transition risks prevail in the short term. We expect the new universal bank will post losses for more than two years, weakening the banking operations' overall profitability, while technological risks from the introduction of new online products could damage the bank's franchise if not properly managed. In our view, fierce competition, and little product differentiation versus larger universal banks--which could have more capacity for investments in digitalization and overall improvement of customer services--will also constrain the potential upside of this strategy.

Box 1: Bausparen in Austria

Bausparen is a contractual savings system that involves a retail client agreeing to save an agreed amount over a certain period for a commitment of the Bauspar bank to provide a mortgage later if the client passes credit requirements. Bausparen is historically characterized by fixed and below-market rates on loans. However, in the low-rate environment, commercial banks often offer similar or lower rates on mortgages, which has led to only low demand of Bauspar products in the industry over the last years. The interest rate for Bauspar loans in Austria is set when the loan is drawn down, similar to regular mortgages. The government supports savings under Bauspar contracts with a current subsidy of 1.5% on new deposits, up to a maximum annual amount.

Capital And Earnings: Slow But Steady Capital Accumulation

We assess Bausparkasse's capital and earnings as a neutral rating factor. Even though profitability is low, and we expect it to be further dented by high competition in the market, the low-rate environment, and start-off losses in relation to the new universal bank, the relative stability of the core Bauspar business and a policy of paying no dividends still support slow but gradual internal capital accumulation. While a potential moderate increase in interest

rates would be beneficial for the group, it is unlikely to be a game changer amid the above-mentioned pressures.

We expect the Bausparkasse's RAC ratio will remain at 8.0%-8.5% in the coming two years, compared with 9.9% at end-2020. We do not regard the €51 million of non-credit-risk-related general reserves, which the group built to anticipate lower interest rates in recent years, as part of our RAC measure. However, the bank could convert these reserves into common equity, providing a buffer to our RAC projection.

We capture the risk of Bausparkasse's potential unexpected losses arising from its equity stake in the insurance subsidiary by deducting the investment from our total adjusted capital. We do reflect the effect of the over-capitalization of its insurance subsidiary with respect to its ability to withstand an 'A' stress level in our calculation of our risk-weighted assets. This makes the capital calculation for Bausparkasse very sensitive to fluctuations in the insurance activities' capitalization.

Risk Position: High Collateralization Balances Concentration On Mortgages In Austria

We believe that our RAC framework adequately captures the risks that the banking subgroup faces, and we assess its risk position as in line with that of domestic and foreign peers operating in countries with a similar economic risk environment.

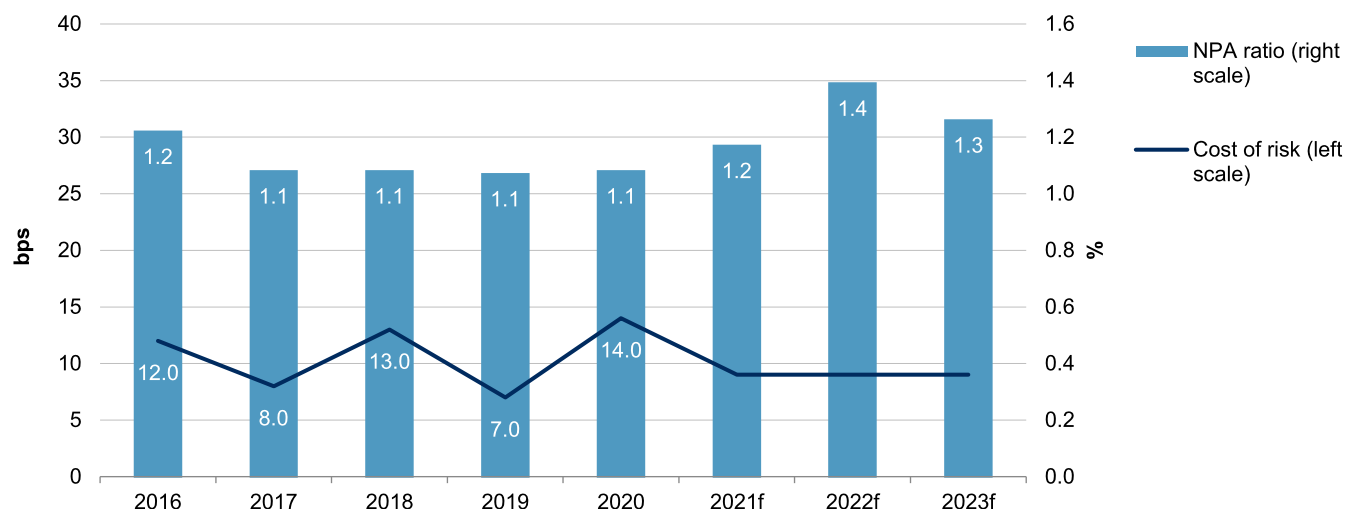
Bausparkasse's credit risk is low, in our view, which is specific to the highly granular and collateralized Bauspar business and balances the bank's sector concentration on mortgage lending in Austria. As of Dec. 31, 2020, about 93% of the bank's loan book was collateralized by real estate. On top of this, we expect the restrictions set forth by the Bauspar act will constrain the bank's risk appetite, for example, with the loan-to-value ratio for secured lending capped at 80%. We do not expect a material change to Bausparkasse's risk appetite following the launch of its new universal bank, because we understand it will predominantly underwrite mortgages.

We expect that Bausparkasse will continue to show favorable risk metrics over our forecast horizon, and we consider the bank to be less vulnerable to residual risks from the pandemic compared with corporate lenders. In 2020, Bausparkasse booked new loan loss provisions of 14 basis points (bps) of customer loans, which mainly represent general provisions. Although we expect cost of risk will increasingly translate into NPLs, we expect the decline in asset quality will remain solidly manageable for Bausparkasse and less than for the universal peer average. For 2021 and 2022, we project cost of risk at about 10 bps per year and a moderate increase in NPLs to about 1.4% of customer loans, from 1.1% at end-2020 (see chart 3).

Chart 3

We Expect Bausparkasse's Risk Metrics Will Remain Favorable

NPA ratio and cost of risk between 2016 and 2023f



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. bps--Basis points.

NPA--Nonperforming assets. Source: S&P Global Ratings.

Copyright © 2022 by Standard & Poor's Financial Services LLC. All rights reserved.

The main risks of the Bauspar business relate to interest rate sensitivity in a low-interest-rate environment. However, this mainly affects the outlook for recurring earnings and new business generation and is less of an issue for the group's risk profile. The interest rate is also fixed at the time of the underwriting of the loan, which reduces interest rate risk compared with German building societies. A sharp correction in real estate prices could pose a risk to collateral values. However, we consider this risk as low currently because price levels are not overly excessive in the context of households' high wealth and low leverage, and mortgages are granted for the main residence purchases, and not for speculative ones.

Funding And Liquidity: Stable And Granular Customer Deposits

We regard the banking subgroup's funding profile to be well in line with the peer average in Austria. We expect that the bank's retail operations will continue providing it with a stable and granular retail deposit base (about 92% of the funding base at Dec. 31, 2020), and with very low single-name concentrations. We believe the government subsidy on Bauspar deposits, a higher share of term deposits, and penalties on early withdrawals further support the stability of the bank's Bauspar deposits. This also held true during the recent economic downturn, where the bank did not observe any significant outflows of deposits. Our stable funding ratio sat at 107.4% on Dec. 31, 2020, which is average among the peer group (see chart 4).

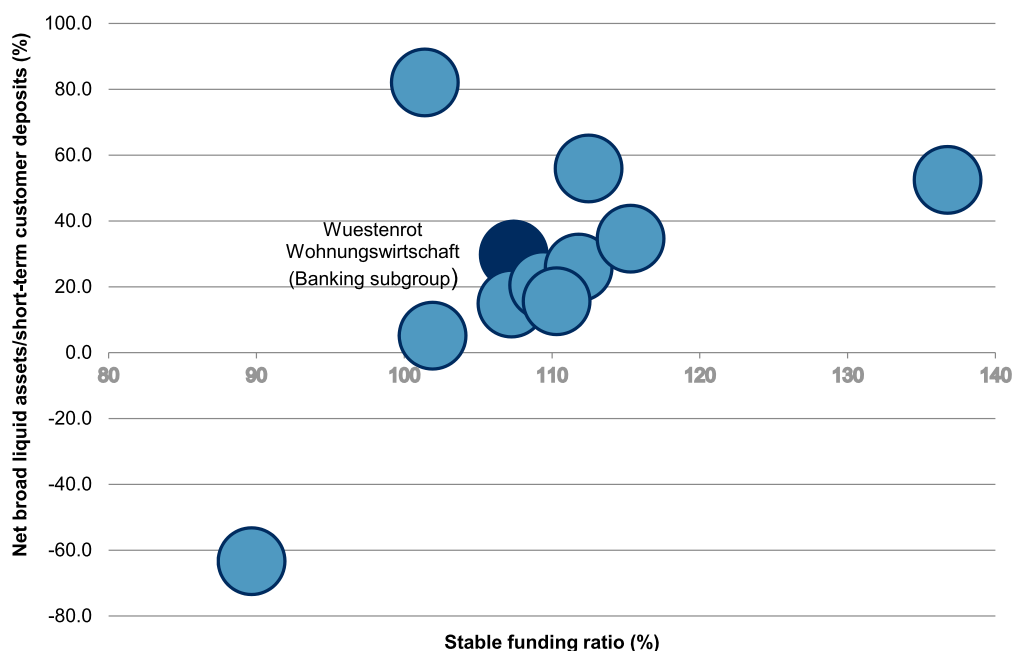
We expect that Bausparkasse will further shift its funding to non-Bauspar deposits and capital market funding, including covered bonds, which we regard as a stable and reliable source of funding in Austria. However, we do not believe this will reduce the banking subgroup's reliance on Bauspar deposits to an extent that the diversity of its funding instruments will match that of its larger domestic peers.

We see liquidity as a neutral factor for the bank's credit quality, despite its currently favorable liquidity metrics. High coverage of short-term wholesale funding by broad liquid assets (10.2x at end-2020), one of our most important liquidity metrics, reflects negligible, short-term wholesale funding and does not materially affect our credit assessment of Bausparkasse. We place more weight on the net broad liquid assets to short-term customer deposits ratio of 29.8% at end-2020, which is higher than most European peers' due to the long-term nature of the bank's deposit base. Nevertheless, we regard high liquidity buffers as a necessity for the group's resilience in adverse scenarios and high liquidity ratios partially as a reflection of the business model, with somewhat limited lending opportunities, rather than an indication of superior strategic liquidity.

Chart 4

Bausparkasse's Funding And Liquidity Profile Is In Line With Peers

Funding and liquidity metrics as of Dec. 31, 2020



The peer group includes small- and medium sized Austrian, German and Nordic banks. Source: S&P Global Ratings.

Copyright © 2022 by Standard & Poor's Financial Services LLC. All rights reserved.

Support: One Notch Of Uplift For Group Support

We base our ratings on Bausparkasse on our assessment of the group's creditworthiness, given the significant size of both its banking and insurance segments. We consider Bausparkasse a core entity to the larger group.

We derive the overall group assessment by combining our assessments of the banking operations' ('bbb-') and insurance operations' creditworthiness. When combining these to derive the overall group credit profile (GCP), we weigh the two subgroups roughly equally, considering the relative risks from the respective profitability and the financial risk profiles. The 'bbb' GCP also incorporates benefits of the bancassurance model that are not reflected in the stand-alone credit assessments of the subgroups. These benefits are mainly synergies thanks to the cross-selling of products, diversification of revenue, and cost-savings due to the joint use of operational infrastructure and sales force.

Our assessment of the banking operations is based on the consolidated banking subgroup analogously to its regulatory recognition. The Wuestenrot Wohnungswirtschaft banking subgroup consolidates all of the group's banking operations, including the new universal bank, and books the earnings from the insurance operations as an equity investment.

Additional Rating Factors

We consider Austria's bank resolution framework to be effective, generally allowing us to include uplift for additional loss-absorbing capacity (ALAC) in our ratings on individual systemically important banks. We understand Bausparkasse is not targeted for an open bank resolution.

As such, we consider it unlikely that our issuer credit rating on the bank would be eligible for ALAC uplift. Moreover, we would raise the long-term issuer credit rating above the SACP, taking the higher of available notching under group support or ALAC support, but not both. This limits the relevance of the subject under the current construction of the rating.

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
- N/A					- N/A					- N/A				

N/A—Not applicable. 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 Bausparkasse. In our view, the risk roles and responsibilities are adequately defined. Given the bank's small size and predominantly domestic operations, we consider the bank to be less exposed to tail governance risks than some of its larger peers with business activities in higher risk countries. Social and environmental factors are also in line with peers in Europe and not a rating differentiator. Bausparkasse's focus on mortgages also reduces physical and transition risk, in our view.

Key Statistics

Table 1

Bausparkasse Wuestenrot AG Key Figures				
--Fiscal year ended Dec. 31 --				
(Mil. €)	2020	2019	2018	2017
Adjusted assets	7,134	7,249	7,186	6,921
Customer loans (gross)	5,425	5,352	5,298	5,060
Adjusted common equity	285	319	287	277
Operating revenues	190	191	158	156
Noninterest expenses	147	147	139	140
Core earnings	37	45	15	18

Table 2

Bausparkasse Wuestenrot AG Business Position				
--Fiscal year ended Dec. 31 --				
(%)	2020	2019	2018	2017
Return on average equity	6.0	8.2	1.2	N/A

N/A--Not applicable.

Table 3

Bausparkasse Wuestenrot AG Capital And Earnings				
--Fiscal year ended Dec. 31 --				
(%)	2020	2019	2018	2017
S&P Global Ratings' RAC ratio before diversification	9.9	8.2	N/A	N/A
S&P Global Ratings' RAC ratio after diversification	7.3	6.2	N/A	N/A
Adjusted common equity/total adjusted capital	100.0	100.0	100.0	100.0
Net interest income/operating revenues	49.4	52.8	62.9	58.1
Fee income/operating revenues	4.2	4.6	5.7	7.1
Market-sensitive income/operating revenues	2.5	4.3	4.5	3.4
Cost to income ratio	77.5	76.9	88.1	89.7
Preprovision operating income/average assets	0.6	0.6	0.3	0.2
Core earnings/average managed assets	0.5	0.6	0.2	0.3

RAC--Risk-adjusted capital. N/A--Not applicable.

Table 4

Bausparkasse Wuestenrot AG --Risk-Adjusted Capital Framework Data					
	EAD(1)	Basel III RWA(2)	Average Basel III RW(%)	S&P Global RWA	Average S&P Global RW (%)
Credit Risk					
Government and central banks	403,261,132	1,870,567	0	27,016,281	7
Of which regional governments and local authorities	4,999,850	999,970	20	299,991	6
Institutions and CCPs	300,590,290	75,701,739	25	58,851,247	20
Corporate	248,316,376	196,184,468	79	195,668,252	79
Retail	5,682,254,643	2,264,278,678	40	1,957,626,510	34
Of which mortgage	4,634,408,247	1,566,540,527	34	1,118,968,960	24
Securitization (3)	0	0	0	0	0
Other assets(4)	297,477,202	284,549,678	96	-936,402,161	-315
Total credit risk	6,931,899,642	2,822,585,129	41	1,302,760,129	19
Total credit valuation adjustment	--	3,119,213	--	0	--
Equity in the banking book	324,876,726	666,105,843	205	1,283,221,559	395
Trading book market risk	--	0	--	0	--
Total market risk	--	666,105,843	--	1,283,221,559	--
Total operational risk	--	328,810,322	--	277,816,199	--
RWA before diversification	--	3,884,023,528	--	2,863,797,887	100
Total Diversification/Concentration Adjustments	--	--	--	1,051,796,839	37
RWA after diversification	--	3,884,023,528	--	3,915,594,726	137
		Tier 1 Capital	Tier 1 Ratio (%)	Total Adjusted Capital	S&P Global RAC Ratio (%)
Capital ratio before adjustments		539,006,818	13.9	284,725,828	9.9
Capital ratio after adjustments (5)		539,006,818	13.9	284,725,828	7.3

Footnotes: (1) EAD--Exposure at default. (2) RWA--Risk-weighted assets. (3) Securitization exposure includes the securitization tranches deducted from capital in the regulatory framework. (4) Other assets includes Deferred tax assets (DTAs) not deducted from ACE. (5) For Tier 1 ratio, adjustments are additional regulatory requirements (e.g. transitional floor or Pillar 2 add-ons).

Table 5

Bausparkasse Wuestenrot AG Risk Position				
	--Fiscal year ended Dec. 31 --			
(Mil. €)	2020	2019	2018	2017
Growth in customer loans	1.4	1.0	4.7	4.1
Total managed assets/adjusted common equity (x)	25.1	22.7	25.0	25.0
New loan loss provisions/average customer loans	0.1	0.1	0.1	0.1
Gross nonperforming assets/customer loans + other real estate owned	1.1	1.1	1.1	1.1
Loan loss reserves/gross nonperforming assets	61.2	53.8	52.4	45.8

Table 6

Bausparkasse Wuestenrot AG Funding And Liquidity				
	--Fiscal year ended Dec. 31 --			
(%)	2020	2019	2018	2017
Core deposits/funding base	91.8	93.2	94.3	95.7
Customer loans (net)/customer deposits	93.5	88.7	87.0	85.2
Long term funding ratio	99.0	99.3	98.9	99.0
Stable funding ratio	107.4	110.9	111.6	112.2
Short-term wholesale funding/funding base	1.2	0.8	1.2	1.1
Broad liquid assets/short-term wholesale funding (x)	10.2	17.3	12.8	14.7
Broad liquid assets/total assets	10.5	12.8	13.6	13.9
Broad liquid assets/customer deposits	13.0	15.4	16.2	16.2
Short-term wholesale funding/total wholesale funding	14.2	12.2	20.7	24.5

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
- 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: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Group Rating Methodology, July 1, 2019
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Related Research

- Austria-Based Bausparkasse Wuestenrot AG Downgraded To 'BBB' On Weaker Profitability Prospects; Outlook Stable, Nov. 26, 2021
- Banking Industry Country Risk Assessment: Austria, July 13, 2021
- Austrian Bank Ratings Affirmed Under Revised FI Criteria, Feb. 7, 2022

Ratings Detail (As Of April 13, 2022)*

Bausparkasse Wuestenrot AG	
Issuer Credit Rating	BBB/Stable/A-2
Senior Secured	AAA/Stable
Senior Unsecured	BBB
Issuer Credit Ratings History	
26-Nov-2021	BBB/Stable/A-2

Ratings Detail (As Of April 13, 2022)*(cont.)

08-Dec-2020	BBB+/Negative/A-2
-------------	-------------------

Sovereign Rating

Austria	AA+/Positive/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.

Copyright © 2022 by Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. Rating-related publications may be published for a variety of reasons that are not necessarily dependent on action by rating committees, including, but not limited to, the publication of a periodic update on a credit rating and related analyses.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw or suspend such acknowledgment at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.standardandpoors.com (free of charge), and www.ratingsdirect.com (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.standardandpoors.com/usratingsfees.

STANDARD & POOR'S, S&P and RATINGSDIRECT are registered trademarks of Standard & Poor's Financial Services LLC.