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Oberbank AG

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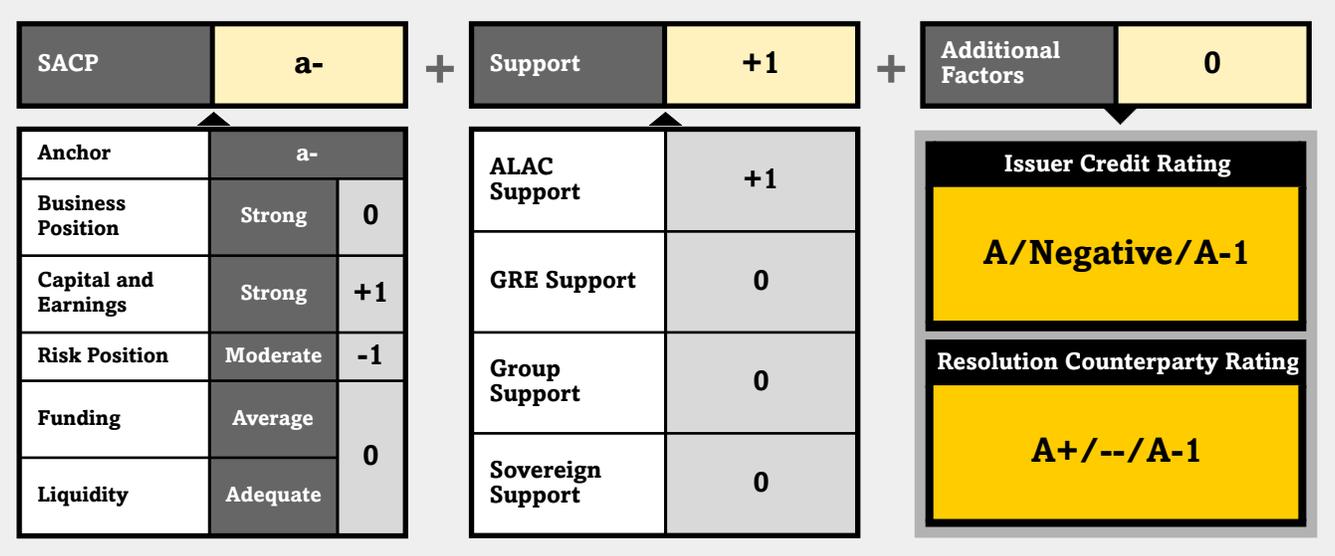
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Oberbank AG



Major Rating Factors

Strengths:	Weaknesses:
<ul style="list-style-type: none"> Strong and stable corporate and retail franchise in Upper Austria and Salzburg. Sound cost efficiency. Strong capitalization and solid additional loss-absorbing capital (ALAC). 	<ul style="list-style-type: none"> Regional concentration in corporate business. Concentration from sizable equity investments in Upper Austria. The COVID-19 pandemic will lead to higher credit losses and lower contributions from equity investments.

Outlook: Negative

The negative outlook reflects S&P Global Ratings' view of heightening economic risk for the Austrian banking sector in light of the COVID-19 pandemic. We could lower the ratings on Oberbank AG within the next two years if it does not sustain strong capitalization, robust asset quality, and ALAC above our 5% threshold.

Downside scenario

We might lower our long-term rating on Oberbank by one notch if we saw increased risks to the Austrian banking industry resulting from the pandemic, which would lead to a revision of our anchor for Austrian banks to 'bbb+' from 'a-'. We would also lower the rating by one notch if we concluded that Oberbank's ALAC buffer would drop below our 5% threshold. Offering more risky products, strong growth into regions with higher risks than Austria, or tail risk in its equity holdings may harm the bank's risk profile or materially increase its capital consumption. This would lead the capital buffer to deteriorate, with the risk-adjusted capital (RAC) ratio falling below 10%, which could also lead to a downgrade.

Upside scenario

We could revise the outlook to stable if we considered that economic risk trend for the Austrian banking sector had stabilized and we believed the bank was able to preserve its asset quality, capital buffer, and ALAC throughout and beyond the pandemic.

Rationale

Our ratings on Oberbank balance our view of the bank's strong regional franchise and sound cost efficiency against its high regional and business concentration. Despite headwinds from the COVID-19 pandemic, we expect Oberbank will maintain its strong capitalization, underpinned by our forecasted RAC ratio of 12.0%-12.5% in the next 12-24 months. The bank's modest diversification through its regional concentration in the Austrian states of Upper Austria and Salzburg, amplified by material and concentrated equity investments in local Austrian corporations, is the main rating constraint. Although we believe Oberbank's corporate focus leaves the bank more vulnerable to the adverse effects of the pandemic than retail-focused peers, we think Oberbank's sound efficiency, prudent risk standards, and solid sector diversification will help ease the expected strain on asset quality. We expect Oberbank will retain adequate liquidity buffers and a solid funding profile, benefitting from its proximity to and longstanding relationships with customers in its home regions. This results in the 'a-' stand-alone credit profile (SACP).

We add one notch of uplift to arrive at the long-term issuer credit rating (ICR) of 'A' to reflect its material and expanding ALAC buffer and our expectation that, despite its relatively modest size, Oberbank would be subject to a bail-in-led resolution if it were to fail under the EU's bank recovery and resolution directive (BRRD).

Although Oberbank's size and diversity are weaker than those of larger 'A' rated peers, we think that the low economic risks of its lending portfolio, relative stability in its core markets, good efficiency, and a favorable performance and risk metric track record offset its higher geographic and business concentration. Combined, these factors support our view that Oberbank's creditworthiness is equivalent to that of its 'A' rated peers in Europe.

Anchor: 'a-' for banks mainly operating in Austria

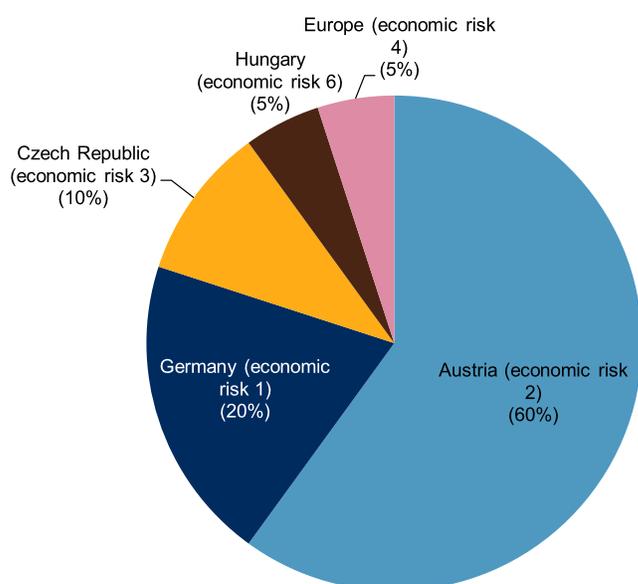
The 'a-' anchor draws on our Banking Industry Country Risk Assessments (BICRA) for countries in which Oberbank operates.

The geographic distribution (see chart 1) results in a weighted-average economic risk score slightly above the '2' score of a solely domestically focused Austrian bank 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

Oberbank's Weighted-Average Economic Risk Benefits From High Exposure To Lower Risk Countries

Breakdown by retail and corporate exposures



Source: S&P Global Ratings.

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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. In our base-case scenario, we expect a sharp recession due to the COVID-19 pandemic in 2020, but a relatively strong rebound in 2021-2022. However, we view the economic risk trend as negative, reflecting the significant risk to our baseline scenario due to the economic effects of COVID-19, which could result in a deterioration of household and corporate sector health, particularly given Austria's economy is focused on service industries, with some additional sensitivity due to large tourism sector exposure.

With regard to industry risk, Austrian banks face similar challenges as their global peers, including business model optimization, ensuring sufficient and sustainable profitability, leveraging the benefits of the digital era, and introducing

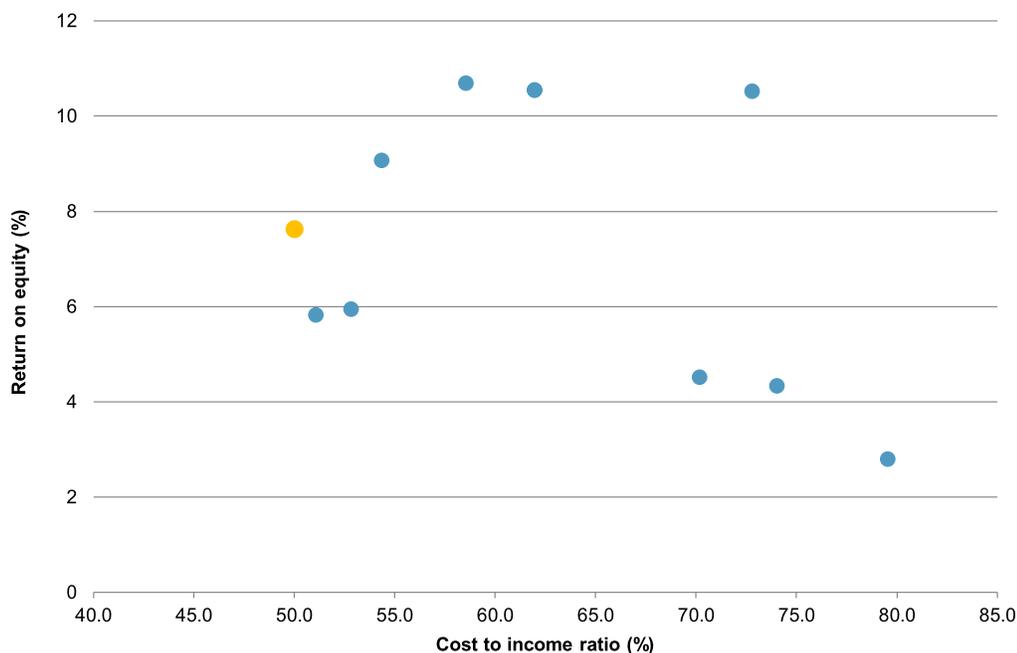
measures to avoid disruption and franchise damage from cyberattacks and customer data mismanagement. We view the trend on banking industry risk in Austria as stable. We expect that overall COVID-19-related damage to the banking system will remain contained. Despite the one-off deterioration of the sector's performance, overall sector stability is unlikely to deteriorate, given banks' comfortable capital and provisions, massive government programs, large-scale short-term work contracts, and the social benefits system, all of which are likely to absorb or prevent material adverse effects on the banking system. Looking beyond the pandemic, we believe enhanced focus on efficiency and profitability and recent de-risking will contribute to system stability.

Business position: Midsize universal bank with a strong regional franchise under cost-efficient structures

With about €25 billion in assets, Oberbank is a midsize universal bank in Austria with a strong regional focus, mainly in Upper Austria and Salzburg, and to a lesser extent in Lower Austria and Vienna. This is complemented by supplementary business in neighboring countries. 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.

We view positively the bank's sound market presence in the economically strong Upper Austria and Salzburg regions, in particular in the corporate and small and midsize enterprise (SME) segment, which will continue to provide a stable source of income. However, in our view, its corporate-focused business profile puts its short-term profitability at risk in the pandemic, exacerbated by related shutdowns across multiple industries.

Positively, we expect Oberbank will maintain its competitive advantage in efficiency. Lower contributions and impairments on its equity investments (particularly in steel producer Voestalpine AG) in 2020 led to a temporary surge in its cost-to-income ratio but we expect it will return to about 50% by 2022. This is materially below the around 70% average we calculate for Austrian banks' domestic operations, but it remains slightly distorted by a relatively higher share of earnings contributions from equity participations than Austrian peers. Oberbank has an established presence in neighboring countries such as Germany, the Czech Republic, and Hungary. However, it plays a niche role in these markets and we consider its customer relationships to be more price sensitive and less stable.

Chart 2**Cost Efficiency Remains Oberbank's Competitive Advantage Against European Peers**

Data relates to 2019. Return on equity is defined as return on average common equity. Cost to income ratio is defined as non-interest expenses as % of total operating revenues. Source: S&P Global Ratings. Copyright © 2021 by Standard & Poor's Financial Services LLC. All rights reserved.

We consider Oberbank's geographic and business concentration material, partially offsetting the bank's strengths. Given its limited size, we consider its diversity as significantly weaker than that of larger domestic peers such as Erste Bank Group, as well as other banks active in European markets such as Germany, Belgium, and France, with similar industry risk profiles. We believe its concentrated business profile makes its prospects particularly sensitive to a rapid deterioration of economic conditions in light of the COVID-19 pandemic.

Domestic activities account for more than 80% of net profits and we continue to regard the benefits in terms of geographic diversification as limited. However, we expect the ongoing opening of branches, in particular in Germany, will help the share of nondomestic business to slightly increase over the coming years. In our view, the bank's lean structure and efficiency will help it to offer competitive prices in its second-largest market, Germany, where we observe cost-to-income ratios of comparable domestic banks exceeding 80%.

We consider that Oberbank's longstanding management team will continue to prudently execute the bank's strategy in foreign markets. We also view as positive Oberbank's strong track record in delivering sound and stable risk-adjusted profits over the past few decades. We believe Oberbank's corporate and SME-focused business model implies little risk of technological disruption compared with retail-focused peers in the short-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 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.

Oberbank is part of The 3 Banken Group, an exclusive partnership-based cooperation together with two other regional banks in Austria (BKS Bank AG and Bank für Tirol und Vorarlberg AG, BTV). We consider the key benefits of membership in the group the possibility to exploit cost synergies in information technology (IT), sharing single-name concentrations, and stabilizing each bank's ownership structure by cross-shareholdings of 30%-40%.

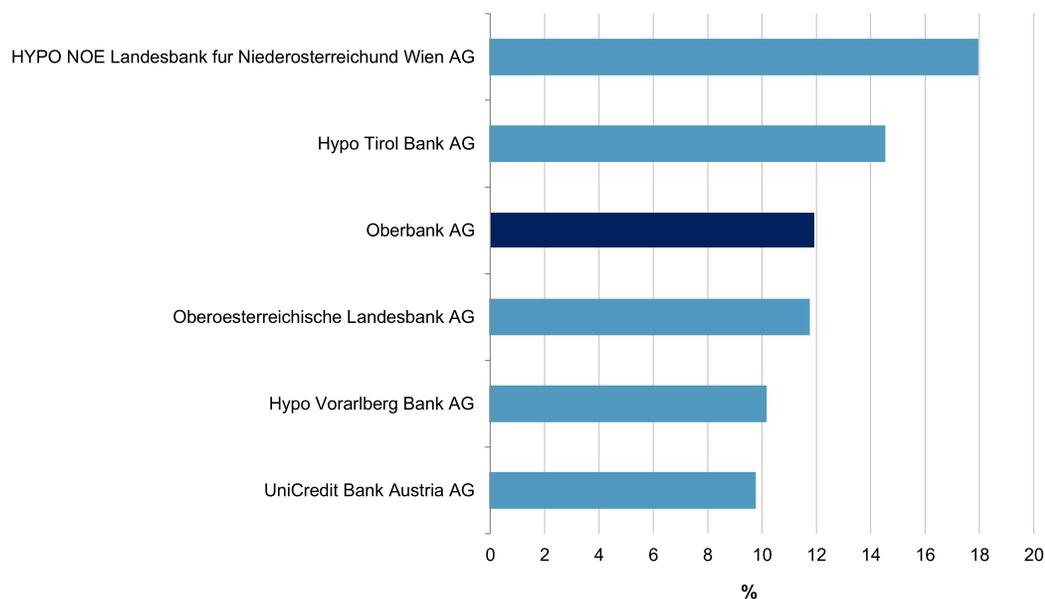
Capital and earnings: We expect strong capitalization will remain a rating strength

Oberbank shows strong capital ratios. Its RAC ratio of 11.9% as of year-end 2019 remain higher than that of several international peers, and we expect this strength will persist. In previous years, the ratio had been on a steady upward path. Although the trajectory is likely to slow down amid the pandemic, we expect Overbank's RAC ratio will rebound to 12.0%-12.5% by end-2022 after a anticipated temporary dip in 2020.

Chart 3

Oberbank's Capitalization Is A Strength

Risk-adjusted capital ratio before diversification



Capitalization as measured by S&P's risk-adjusted capital ratio before diversification at year-end 2019.

Source: S&P Global Ratings.

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Our forecast for the next two years includes the following assumptions:

- Operating revenue will decline by 15%-20% in 2020, mainly due to lower contributions from equity investments and negative fair value changes in the securities portfolio, followed by a rebound of a similar degree in 2021;

- Increase in operating expenses by about 1% in 2020, temporarily lower due to some COVID-19-related savings, and about 2% thereafter;
- Substantial increase in credit losses to about 20 basis points (bps) in 2020 and 40bps in 2021, reflecting COVID-19-induced higher loan loss provisioning needs;
- Increase of S&P Global Ratings' risk-weighted assets (RWAs) of 3%-5% in 2020 and 2021, broadly in line with anticipated loan book growth; and
- Ongoing moderate dividend payout of 15%-25% of annual net income, which is in line with regulatory recommendations with regards to dividends payment during the pandemic.

We note that the capital calculation remains very sensitive to market risk resulting from fluctuations in the stock price of Voestalpine AG, Oberbank's largest equity participation. Impairments on the Voestalpine stake in first-quarter 2020 and the consequent write-ups in the following two quarters do not directly affect our RAC ratio because we generally adjust it for unrealized losses.

The bank's 16.5% regulatory risk-weighted common equity tier 1 (CET1) ratio as of Sept. 2020 was well above regulatory going-concern capital requirements.

The quality of Oberbank's capital and earnings adds to our capital assessment, reflecting that total adjusted capital (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.

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	3,373,425,286.1	67,414,079.3	2.0	81,114,236.8	2.4
Of which regional governments and local authorities	187,737,639.5	1,059,050.5	0.6	6,521,791.5	3.5
Institutions and CCPs	1,178,876,092.0	251,958,133.9	21.4	234,460,918.3	19.9
Corporate	11,075,643,199.2	8,461,394,104.2	76.4	7,583,020,335.7	68.5
Retail	5,872,445,716.8	2,578,861,004.5	43.9	2,416,159,614.3	41.1
Of which mortgage	3,260,727,201.6	1,108,121,603.9	34.0	813,733,476.7	25.0
Securitization§	0.0	0.0	0.0	0.0	0.0
Other assets†	1,642,956,746.1	912,063,076.3	55.5	1,701,312,243.3	103.6
Total credit risk	23,143,347,040.2	12,271,690,398.3	53.0	12,016,067,348.3	51.9
Credit valuation adjustment					
Total credit valuation adjustment	--	44,978,975.9	--	0.0	--
Market Risk					
Equity in the banking book	863,208,763.8	1,707,027,234.7	197.8	6,867,029,428.8	795.5
Trading book market risk	--	7,778,771.4	--	11,668,157.1	--

Table 4

Oberbank AG--Risk-Adjusted Capital Framework Data (cont.)					
Total market risk	--	1,714,806,006.1	--	6,878,697,585.9	--
Operational risk					
Total operational risk	--	1,083,459,330.1	--	1,232,112,613.4	--
	Exposure	Basel III RWA	Average Basel II RW (%)	S&P Global Ratings RWA	% of S&P Global Ratings RWA
Diversification adjustments					
RWA before diversification	--	15,114,934,907.5	--	20,126,877,547.6	100.0
Total Diversification/ Concentration Adjustments	--	--	--	4,039,111,072.7	20.1
RWA after diversification	--	15,114,934,907.5	--	24,165,988,620.3	120.1
		Tier 1 capital	Tier 1 ratio (%)	Total adjusted capital	S&P Global Ratings RAC ratio (%)
Capital ratio					
Capital ratio before adjustments		2,708,972,390.8	17.9	2,397,811,064.9	11.9
Capital ratio after adjustments†		2,708,972,390.8	17.9	2,397,811,064.9	9.9

*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 2019', S&P Global Ratings.

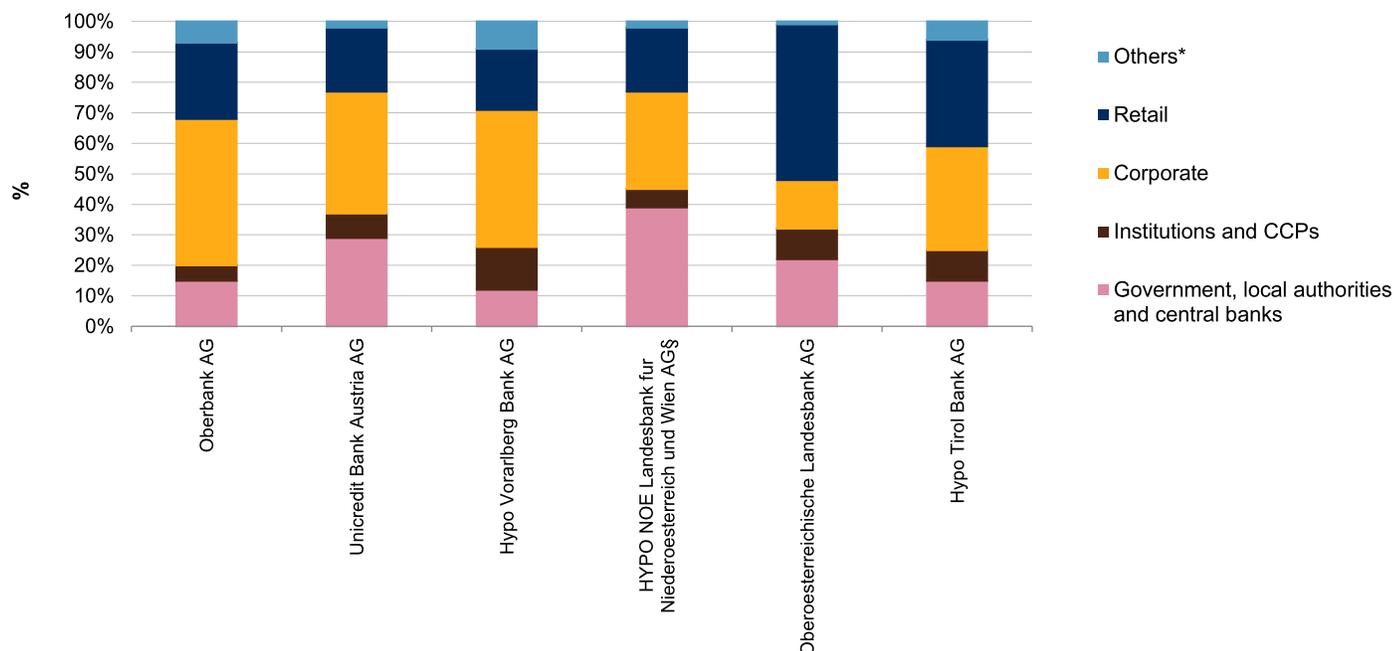
Risk position: Regional concentration poses the biggest risk

In our view, the bank's higher regional concentration than more diversified international and domestic peers is the main rating constraint. We believe high exposure to the regional corporate business and through material equity participations in local Austrian corporations makes Oberbank significantly more susceptible to adverse economic developments, particularly in its main region of Upper Austria.

Chart 4

Oberbank Remains More Corporate Than Retail-Lending Oriented Compared With Peers

Credit risk exposure by segment of selected Austrian peers



*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, 2019. Source: S&P Global Ratings.

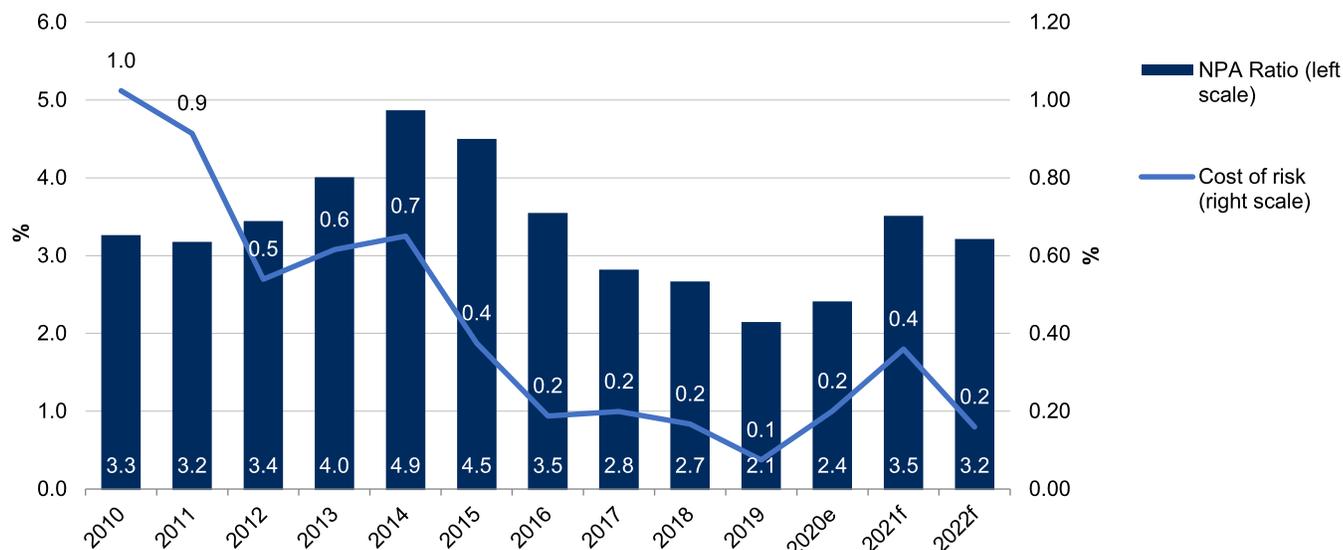
In our RAC framework, we capture the bank's material corporate equity investments by assigning capital charges that are materially higher than on its corporate credit risk exposure and deduct its equity investments in financial institutions--in particular in BKS Bank (19%) and BTV (14%)--from our measure of capital. However, we believe that the specific tail risk in this case might not fully be covered by our capital framework. Considering Oberbank's risk concentrations, both in corporate lending and industry holding in Upper Austria, potential economic deterioration could have a greater negative effect on the bank if compared with larger, diversified universal peer banks.

In line with the broader European bank peer group, we expect Oberbank's asset quality metrics and cost of risk will deteriorate over our two-year forecast period (see chart 5), but anticipate that government support measures will help offset some of the damage in its core markets. We believe Oberbank is more exposed to COVID-19 induced stress than retail-oriented institutions. However, the bank entered the downturn with a healthy balance sheet and benefits from sound risk management and no significant sector concentrations in its loan book.

Chart 5

Oberbank's Asset Quality And Cost Of Risk Performance Will Likely Deteriorate In 2020 And 2021

NPA ratio and cost of risk between 2010 and 2022f



Source: S&P Global Ratings. 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.

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Oberbank's asset quality metrics over the past few years were in line with the average of the Austrian banking sector. Oberbank's nonperforming loans (NPLs) accounted for 2.1% of gross customer loans at end-2019, a comfortable level to enter the recession, in our view. In our base case, we estimate a manageable amount of additional NPLs and loss provisioning for 2020 but expect a relatively sharp increase in 2021 once government measures begin phasing out.

We assess Oberbank's risk strategy as adequate. This is demonstrated, for example, by generally low exposures in very complex or high-risk structured products and only marginal amounts of foreign-currency lending. We expect Oberbank's loan growth will remain at the upper end of the Austrian bank average because we believe the bank will continue to pursue its expansion in Germany, and Austrian regions Lower Austria and Vienna, taking advantage of its lean structure and efficiency, which enables the bank to offer more attractive pricing than regional peers.

We regard Oberbank's 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.

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 neutral for the rating. We also 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 and granular deposit base, also in times of stress. We saw this, for example, with COVID-19, which had no significant adverse impact on the group's funding and liquidity.

Deposits account for about 89% of the funding base and customer loans represent 137% of core customer deposits (excluding bank deposits), as of Sept. 30, 2020. This remains weaker than for domestic peers with a greater retail focus, such as Erste Group and Raiffeisen Bank, but is broadly in line with the wider Austrian market.

The remainder of the funding mix is made up of interbank funding, promotional loans, and capital market funding via secured and unsecured instruments with a strong focus on Austria and Germany. We believe Oberbank's stable funding ratio will remain at a sound level of close to 100% over the coming 24 months. Similar to peers, Oberbank took advantage of the attractive pricing conditions offered under the European Central Bank's targeted long-term refinancing operations (TLTRO III). Although we expect this will lead to increased volatility of its stable funding ratio due to higher maturity concentrations, we consider Oberbank's TLTRO III uptake as a purely opportunistic profit-driven decision rather than indication of a funding need.

Liquidity is adequate, in our view, and we expect the bank's liquidity management will remain prudent. We also acknowledge that the bank's short-term wholesale funding needs remain covered by broad liquid assets (slightly below 1.2x as of September 2020). 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.

The regulatory liquidity coverage ratio and the net stable funding ratio are also sound, at 134% and 121%, respectively, as of Sept. 30, 2020. This supports our view of adequate liquidity cushions.

Support: One notch of uplift due to material buffers of subordinated capital in a bail-in resolution

We include one notch of support above Oberbank's 'a-' SACP because we expect the bank will maintain a meaningful ALAC buffer, which will protect its senior bondholders. With the implementation of the EU's Banking Recovery and Resolution directive in Austria in 2015, we view government support as uncertain and consider that the country has an effective resolution regime under our ALAC criteria. We base this on, among other factors, a well-defined bail-in process, 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 a resolution.

We project that Oberbank's ALAC buffers will increase to above 5% through 2021, from 4.0% at year-end 2019, exceeding the ALAC threshold of 5% of risk-weighted assets for one notch of uplift. We lower the threshold by 100 bps to compensate for its sizable equity investments not being recapitalized in a resolution, but this is offset by a 100 bps addition to the threshold to reflect some concentrations in its ALAC issuances. Our projection is based on solid earnings retention and an incremental buildup of subordinated buffers exceeding the volume of maturing instruments.

Oberbank's recent senior nonpreferred issuances of slightly over €350 million support this expectation.

Environmental, social, and governance (ESG)

We believe that environmental, social, and governance (ESG) factors for Oberbank are broadly in line with its industry and domestic peers. The largest environmental risk, in our opinion, stems from the bank's 8% participation in Voestalpine AG. The steel producer is among the largest greenhouse gas emitters in Austria, accounting for a significant amount of domestic carbon dioxide (CO₂) emissions, which makes the bank sensitive to future political developments--for instance in CO₂ pricing.

The largest shareholder UniCredit has filed legal actions to verify the legal correctness of Oberbank's past capital increases and to 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 litigations 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 were to reveal material weaknesses, this could lead us to reassess our view on the bank's governance.

Resolution counterparty ratings (RCRs)

We have assigned 'A+/A-1' RCRs to Oberbank as we assess the resolution regime in Austria as effective and the bank as likely to 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)

Related Criteria

- General Criteria: Hybrid Capital: Methodology And Assumptions, July 1, 2019
- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Financial Institutions | General: Methodology For Assigning Financial Institution Resolution Counterparty Ratings, April 19, 2018
- 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
- Criteria | Financial Institutions | Banks: Bank Rating Methodology And Assumptions: Additional Loss-Absorbing Capacity, April 27, 2015
- Criteria | Financial Institutions | Banks: Quantitative Metrics For Rating Banks Globally: Methodology And Assumptions, July 17, 2013
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Nov. 9, 2011
- Criteria | Financial Institutions | Banks: Banks: Rating Methodology And Assumptions, Nov. 9, 2011
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Related Research

- The Eurozone Can Still Rebound In 2021 After Lighter Lockdowns, December 1, 2020
- Europe Braces For A Deeper Recession In 2020, April 20, 2020
- How COVID-19 Is Affecting Bank Ratings, October 2020 Update, Oct. 22, 2020
- Banking Industry Country Risk Assessment: Austria, June 17, 2020
- Outlook Revisions On Several Austrian Banks On Deepening COVID-19 Downside Risks, April 29, 2020
- Austria-Based Oberbank AG's Senior Nonpreferred Notes Rated 'BBB+', Oct. 22, 2020

Anchor Matrix										
Industry Risk	Economic Risk									
	1	2	3	4	5	6	7	8	9	10
1	a	a	a-	bbb+	bbb+	bbb	-	-	-	-
2	a	a-	a-	bbb+	bbb	bbb	bbb-	-	-	-
3	a-	a-	bbb+	bbb+	bbb	bbb-	bbb-	bb+	-	-
4	bbb+	bbb+	bbb+	bbb	bbb	bbb-	bb+	bb	bb	-
5	bbb+	bbb	bbb	bbb	bbb-	bbb-	bb+	bb	bb-	b+
6	bbb	bbb	bbb-	bbb-	bbb-	bb+	bb	bb	bb-	b+
7	-	bbb-	bbb-	bb+	bb+	bb	bb	bb-	b+	b+
8	-	-	bb+	bb	bb	bb	bb-	bb-	b+	b
9	-	-	-	bb	bb-	bb-	b+	b+	b+	b
10	-	-	-	-	b+	b+	b+	b	b	b-

Ratings Detail (As Of February 11, 2021)*

Oberbank AG

Issuer Credit Rating	A/Negative/A-1
Resolution Counterparty Rating	A+/-/A-1
Senior Secured	AAA/Stable
Senior Subordinated	BBB+
Senior Unsecured	A

Issuer Credit Ratings History

29-Apr-2020	A/Negative/A-1
09-Jan-2019	A/Stable/A-1

Sovereign Rating

Austria	AA+/Stable/A-1+
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*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.

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