MOODY'S INVESTORS SERVICE

CREDIT OPINION
22 August 2023

Update

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RATINGS

Oldenburgische Landesbank AG

Domicile	Oldenburg, Germany
Long Term CRR	Baa1
Type	LT Counterparty Risk Rating - Fgn Curr
Outlook	Not Assigned
Long Term Debt	Baa2
Type	Senior Unsecured - Dom Curr
Outlook	Positive
Long Term Deposit	Baa2
Type	LT Bank Deposits - Fgn Curr
Outlook	Positive

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

Contacts

Bernhard Held, CFA +49.69.70730.973
VP-Sr Credit Officer
bernhard.held@moodys.com

Alexander Hendricks, CFA +49.69.70730.779
Associate Managing Director
alexander.hendricks@moodys.com

Carola Schuler +49.69.70730.766
MD-Banking
carola.schuler@moodys.com

» Contacts continued on last page

Oldenburgische Landesbank AG

Update to credit analysis

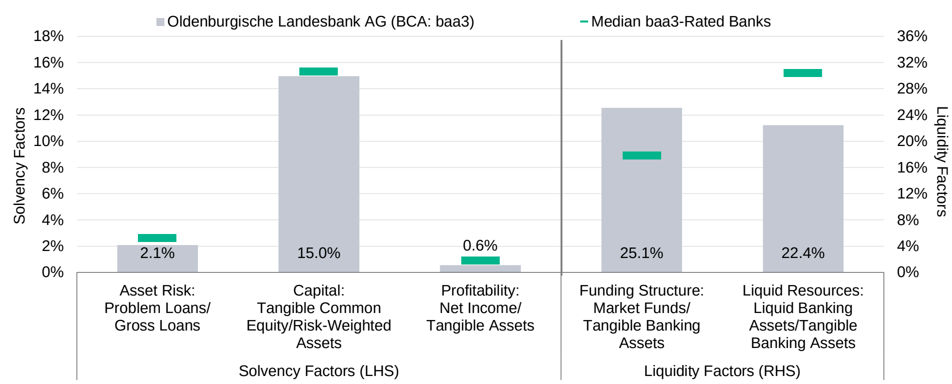
Summary

Oldenburgische Landesbank AG's (OLB) Baa2 (positive) deposit and senior unsecured debt ratings reflect the bank's baa3 Baseline Credit Assessment (BCA) and one notch of uplift from our Advanced Loss Given Failure (LGF) analysis, which incorporates the relative loss severity of a liability class. OLB's ratings do not benefit from a government support uplift because of its small size in the context of the German banking sector.

OLB's baa3 BCA reflects our expectation of a measured increase in OLB's currently low problem loans, that OLB will be able to absorb through continued sound capitalisation and improving pre-provision income. OLB's financial results will benefit from risk-return conscious lending and extensive cost reduction measures initiated in recent years. In addition, OLB's financial profile benefits from a sound funding and liquidity profile supported by its strong access to retail deposits and compliance with regulatory minimum requirements for funding and liquidity, despite tight management of its liquid resources.

Exhibit 1

Rating Scorecard - Key financial ratios as of December 2022



Source: Moody's Investors Service

Credit strengths

» Low dependence on wholesale funding as a result of its strong access to retail deposits

» Moderate problem loan ratio as a result of the bank's clear focus on the domestic market

» A developing track record of improving profitability amid a difficult operating environment

Credit challenges

» OLB is exposed to concentration risks as a result of its asset-based finance-focused business model.

» Rising capital requirements reduce the bank's solid capital buffers.

» Tightly managed liquidity buffers are well-shielded against value deterioration and correspond to low funding risks

Outlook

The positive rating outlook reflects the strengthening of OLB's pre-provision income generation capacity, and the supportive effects of the acquisition of Degussa Bank AG on the bank's funding and liquidity base, which may result in a one-notch upgrade.

Factors that could lead to an upgrade

» We could upgrade OLB's Baa2 long-term deposit and issuer ratings in case of an upgrade of its baa3 BCA or following an increase in the stock of bail-in-able liabilities.

» A BCA upgrade could result if the bank sustainably improved its standalone intrinsic strength by maintaining its achieved solvency, which is principally subject to keeping sound levels of capitalization, and to the extension of a track record of profit generation without incurring significant renewed asset risks, overseen by a stable management team.

Factors that could lead to a downgrade

» We could downgrade OLB's Baa2 long-term deposit and issuer ratings if the bank's BCA is downgraded or if the bank does not replace maturing junior senior unsecured liabilities by other unsecured liabilities to the extent currently expected by us because this could lead to a less favourable outcome under our Advanced LGF analysis.

» OLB's BCA could be downgraded following a pronounced negative deviation of OLB's future financial performance from the solvency and liquidity metrics that we currently expect, for instance if the integration of Degussa Bank proves to be disruptive to OLB's financial profile. Alternatively, a BCA downgrade could result from continued high turnover in OLB's management team in case we conclude this is indicative of a lack of a coherent strategic direction or of weak governance at OLB.

Key indicators

Exhibit 2
Oldenburgische Landesbank AG (Consolidated Financials) [1]

	12-22[2]	12-21[2]	12-20[2]	12-19[2]	12-18[3]	CAGR/Avg.[4]
Total Assets (EUR Billion)	24.1	23.3	20.2	19.3	19.1	--
Total Assets (USD Billion)	25.7	26.3	24.7	21.7	21.8	--
Tangible Common Equity (EUR Billion)	1.4	1.2	1.1	1.1	1.0	--
Tangible Common Equity (USD Billion)	1.5	1.4	1.3	1.2	1.2	--
Problem Loans / Gross Loans (%)	1.5	2.0	2.8	2.6	2.7	2.3[5]
Tangible Common Equity / Risk Weighted Assets (%)	15.0	12.5	12.5	12.0	11.9	12.8[6]
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	17.2	25.2	34.3	32.6	32.0	28.3[5]
Net Interest Margin (%)	1.8	1.7	1.7	1.5	1.8	1.7[5]
PPI / Average RWA (%)	3.7	2.4	1.9	1.2	1.4	2.1[6]
Net Income / Tangible Assets (%)	0.8	0.5	0.3	0.4	0.2	0.5[5]
Cost / Income Ratio (%)	42.3	57.8	63.4	74.9	77.1	63.1[5]
Market Funds / Tangible Banking Assets (%)	25.1	32.6	29.9	29.5	29.9	29.4[5]
Liquid Banking Assets / Tangible Banking Assets (%)	22.4	25.0	20.2	19.3	24.7	22.3[5]
Gross Loans / Due to Customers (%)	116.1	126.1	127.7	128.9	124.5	124.6[5]

[1] All figures and ratios are adjusted using Moody's standard adjustments. [2] Basel III - fully loaded or transitional phase-in; IFRS. [3] Basel III; LOCAL GAAP. [4] May include rounding differences because of the scale of reported amounts. [5] Simple average of periods for the latest accounting regime. [6] Simple average of Basel III periods.
Sources: Moody's Investors Service and company filings

Profile

Oldenburgische Landesbank AG (OLB) is a universal bank in Germany's north-western Weser-Ems region in Lower Saxony with niche expertise in specialised lending markets.

On 14 September 2022, OLB announced its acquisition of German mortgage lender and worksite bank Degussa Bank AG (Degussa Bank), based on common equity tier 1 (CET1) capital of €357 million at closing for a €220 million cash consideration. Upon the closing of this transaction which OLB expects during the second half of 2023, OLB plans to merge with Degussa Bank during the first half of 2024. With Degussa Bank, OLB will service close to one million retail and corporate customers, up around 50% from its current standalone operations. As of June 2023, OLB had around 1,260 full-time equivalent employees, down from 1,648 as of year-end 2021. Its network of 40 branches as of August 2023 caters primarily to regional retail and small and medium-sized enterprise (SME) banking activities. The bank has five offices in major cities of Germany, which complement the Oldenburg-based headquarters in sourcing corporate and specialised lending opportunities on a national scale.

In 2018, OLB, which was founded in 1869, had merged with Bremer Kreditbank AG (BKB) and Bankhaus Neelmeyer AG (BHN), and maintained the OLB and Bankhaus Neelmeyer brands. As of year-end 2019, the bank completed its merger with the smaller Wuestenrot Bank AG Pfandbriefbank (WBP).

The bank's operations are split into two segments, Private and Business Customers (with subdivisions Private Customers, SME Customers, and Private Banking and Wealth Management), and Corporate and Diversified Lending.

As a preparatory measure for a potential public stock listing, the bank started to report its financials under International Financial Reporting Standards (IFRS) as of June 2022 as well as retroactively from 2019 on.

Weighted macro profile of Strong +

OLB has a clear focus on the German market and, therefore, we assign the bank a weighted macro profile of Strong +, which is in line with the Strong + macro profile of Germany.

Detailed credit considerations

Measured non-retail asset growth will help OLB maintain problem loans at a low level

OLB's ba1 Asset Risk score is five notches below the a2 initial score. Our assessment of OLB's Asset Risk score incorporates its regional market concentration within the retail and SME business, the bank's exposure to more cyclically sensitive asset-based lending activities, including football finance, and our expectation that problem loans across the German banking industry will increase moderately in 2023.

Through the announced acquisition of Degussa Bank, OLB will mainly add residential mortgage loans to its portfolio, together with some consumer and multifamily housing loans. The acquisition will provide some geographical diversification, also in terms of branch network footprint, to OLB's regionally concentrated retail and SME lending book. OLB aims for a balanced mix between its retail and SME lending exposures, and its corporate and diversified lending activities. Organic growth of OLB's domestic residential mortgage loan book has been more difficult to achieve after a pronounced increase in German mortgage lending rates and significant weakening in housing affordability for German households. At the same time, OLB's Dutch residential mortgage loan originations, which exhibit a defensive risk profile despite their platform-reliant origination process, have gained traction in 2023.

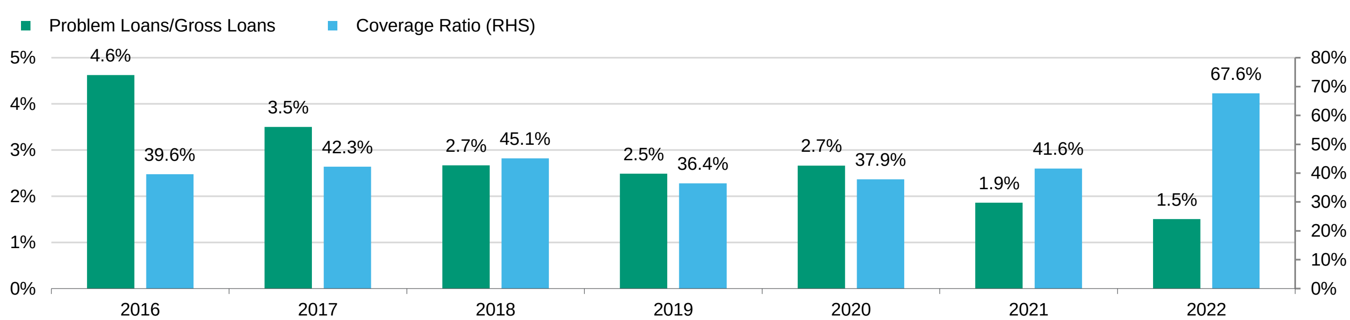
In view of the difficult economic environment, we expect OLB's corporate and diversified lending activities to expose the bank to higher problem loans, particularly in 2023, when we forecast Germany's economy will shrink moderately. In underwriting loans in this segment, OLB benefits from the in-house specialist expertise of, for example, its commercial real estate lending and acquisition finance teams, which maintained sound credit costs even in the difficult economic environment following the coronavirus pandemic.

As of 31 December 2022, OLB's problem loan ratio was 1.5%, down from 1.9% as of year-end 2021, reflecting both a solid performance of the corporate lending book and positive mix effects from the growth in OLB's strongly performing residential mortgage book. With the adoption of IFRS9, the bank significantly improved the loan loss reserve coverage of its problem loans to a sound 68% as of 31 December 2022 (December 2021 under local GAAP: 41.6%), supported by €87 million of general loan loss reserves (€42 million as of year-end 2021 under local GAAP and €63 million under IFRS as of 1 January 2022). According to OLB's preliminary half-year numbers, its reported problem loan ratio declined further, to 1.3% as of June 2023.

Exhibit 3

OLB's problem loan ratio has continued to decline; reserve coverage strengthened upon the adoption of IFRS9 in 2022

Data in percentages



The problem loan ratio is in accordance with our definition. The coverage ratio compares total loan loss reserves with problem loans.
Sources: Company and Moody's Investors Service

Rising regulatory requirements reduce OLB's solid capital leeway

OLB's sound capitalisation is reflected in its a3 assigned Capital score, two notches below the initial score. Based on OLB's improvement in capital ratios, which reflect earnings retention as well as risk-weighted assets (RWA) optimization measures, we now anticipate the bank will still experience a decline in both its TCE ratio as well as the regulatory Common Equity Tier 1 (CET1) capital ratio, but these will be maintained above management's CET1 ratio target level of 12.25% following the acquisition of Degussa Bank.

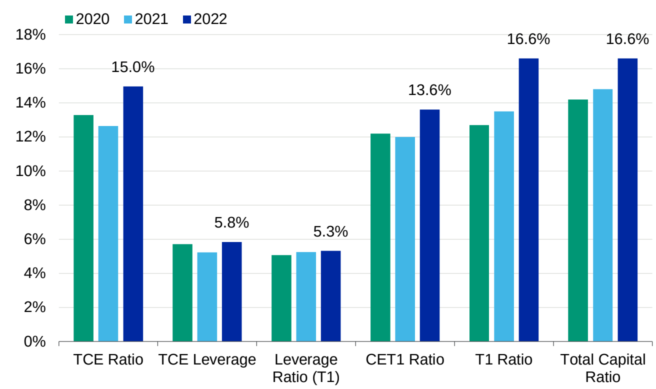
OLB applies the standardised approach to calculate credit risk weights for a range of its loan portfolios, which leads to a still comparatively high RWA density. Over the next three years we expect the bank to maintain a broadly stable mix between retail and SME assets on one side and corporate and diversified lending. At the same time, OLB will gradually reduce its current RWA density, because the bank will benefit from regulatory changes and RWA optimisation measures, including a further extension of the use of internal models and RWA optimisation measures. In parallel, higher regulatory capital requirements have applied since early 2023.

As of 31 December 2022, OLB's TCE ratio of 15.0% was up strongly from 12.5% as of year-end 2021. It was above the bank's transitional CET1 ratio of 13.6%, partly because of additional regulatory deductions. In February 2022, the German Federal Financial Supervisory Authority (BaFin) informed OLB that it will add a 1.0% additional total capital requirement as a result of the Supervisory Review and Evaluation Process. As of June 2023, OLB's CET1 requirement includes a 15 basis points systemic risk buffer and a countercyclical buffer requirement of 68 basis points, up from 5 basis points as of year-end 2022. These increases reflect the introduction of a 0.75% countercyclical buffer requirement for domestic exposures plus a specific 2% systemic risk add-on requirement for residential housing loans. As of June 2023, OLB's CET1 capital ratio increased to 14.4% based on OLB's preliminary reported financials.

Exhibit 4

OLB's risk-weighted capitalisation improved strongly ahead of the announced Degussa Bank acquisition

As a percentage of RWA, tangible assets (TCE leverage ratio) and leverage exposure (T1 leverage ratio)

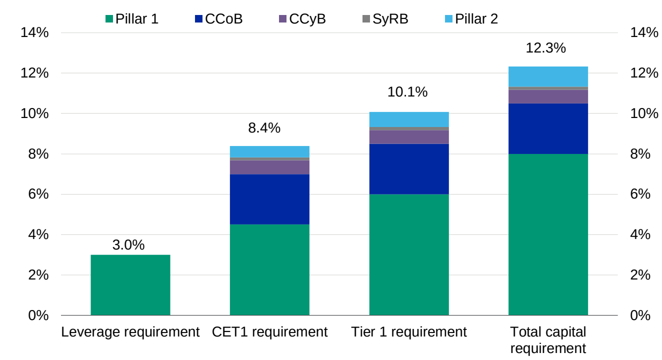


TCE = Tangible common equity (our calculation); CET1 = Common Equity Tier 1 capital; the TCE leverage ratio compares TCE with tangible banking assets.
Source: Company and Moody's Investors Service

Exhibit 5

OLB's regulatory total capital requirements as of June 2023

As a percentage of RWA



SyRB = Systemic Risk Buffer; CCoB = Capital Conservation Buffer; CCyB = Countercyclical Buffer
Sources: Company and Moody's Investors Service

Net income improvements will be driven by cost measures and higher rates

We assign OLB a baa2 score for Profitability, at the level of the initial score. It reflects our expectation that OLB's cost reduction measures will help the bank absorb and likely more than offset earnings pressure and additional risk costs in the volatile economic environment.

In an environment of rising interest rates, we expect OLB to benefit from higher variable rates on interest rate swaps, as well as from a repricing of its nonmortgage loan book. The €7.3 billion of mortgage loans that the bank had granted to customers as of year-end 2022 will reprice very gradually because they are mostly long-term fixed-rate loans. At the same time, OLB benefits from very limited repricing dynamics within its retail-focused deposit base. Accordingly, OLB expects its reported preliminary net interest margin improvement by 27 basis points to 2.49% in 2022 to capture only a part of its upside potential. As a rule of thumb, OLB believes every 1% point of higher interest rates could increase its net interest income by about €40 million.

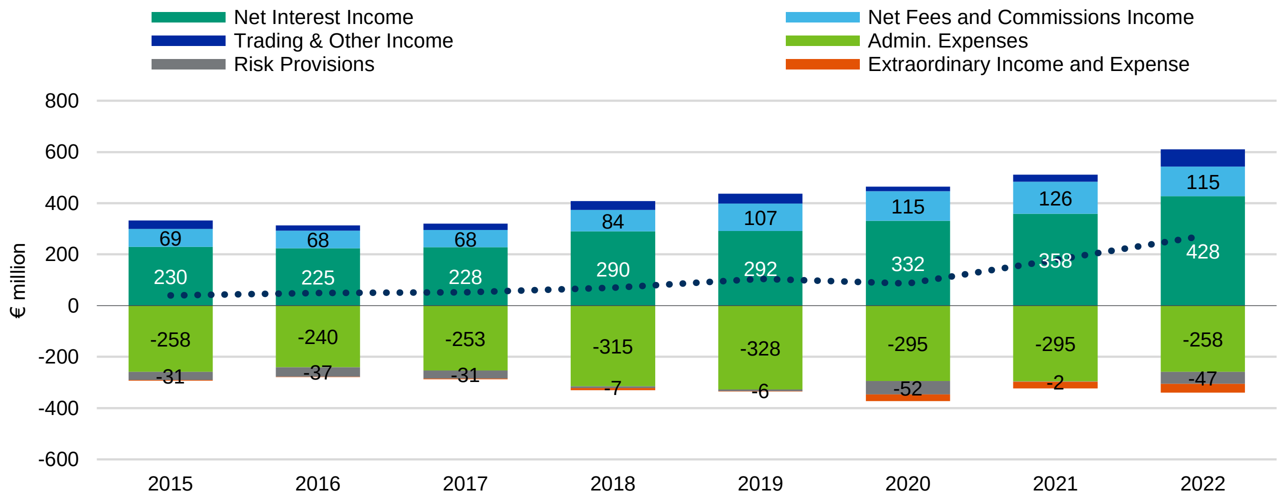
OLB's cost reduction measures have been increasingly reflected in an improved cost-to-income ratio of 42% in 2022, down from 63% in 2021 and 75% in 2019. We expect the bank to make additional progress towards its target cost-to-income ratio of 40%, which will result in a much improved capacity to absorb future cost inflation or unexpectedly high credit losses.

The acquisition of Degussa Bank focuses on significant cost reduction opportunities at that bank. We expect integration risks to be moderate because Degussa Bank's setup will already have been simplified through the sale of non-banking subsidiaries before the closing of the acquisition. In addition, both banks operate the same core banking systems, which reduces IT integration risks. Further net interest income improvement potential could be derived from the around €5 billion in customer deposits of Degussa Bank.

Exhibit 6

OLB's efficiency measures and revenue growth have been driving its improving pretax profit

Data in € millions, German local GAAP until 2018 and IFRS since 2019



Operating expenses include personnel and administrative expenses, and depreciation and amortisation.
Sources: Company and Moody's Investors Service

For the first half of 2023, OLB's preliminary results indicate a net income of €104.8 million (H1 2022: €99.7 million), based on significantly improved net interest income of €131.9 million (H1 2022: €112.3 million), tightly contained operating costs that increased by €3.6 million to €122.6 million and moderately higher loan loss provisions of €15.0 million (H1 2022: €3.6 million), equivalent to 16 basis points of cost of risk, up from 4 basis points in H1 2022.

Strong access to retail deposits limits the bank's dependence on wholesale funding

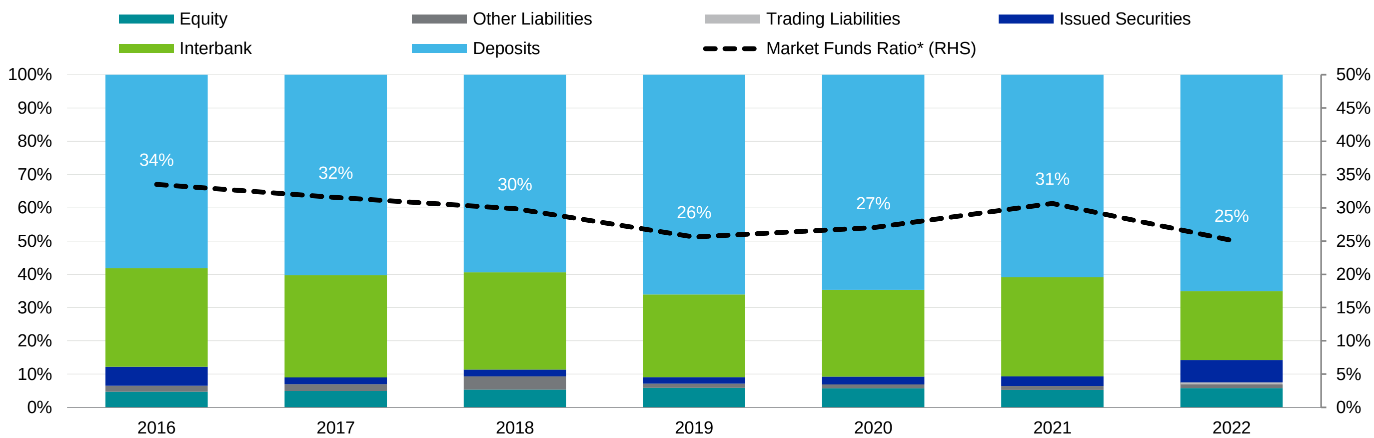
We assign OLB an a3 score for Funding Structure, two notches above the initial score. The score reflects the bank's strong focus on deposit funding and the fact that a large share of the current funding received from banks represents maturity-matched pass-through funding from development banks, in particular from the German federal development bank Kreditanstalt fuer Wiederaufbau (KfW, Aaa/Aaa stable)[1]. Whereas we do not expect it to be particularly sensitive to market sentiment, our market funds ratio fully includes development bank funding.

The integration of Degussa Bank will add around €5 billion of customer deposits to OLB's funding base, which the bank will seek to diversify further with select capital market issuances. One such tool is OLB's mortgage covered bond programme, launched in 2019. In April 2022, OLB issued a €350 million covered bond, bringing the overall outstanding amount under its programme to €881 million. With the purpose of creating collateral eligible for ECB funding purposes through the retained senior notes, OLB sponsored several securities backed by SME loans (SME ABS). In April 2023, OLB issued secured financial debt instruments under its Weser Funding program. Weser Funding S.A., Compartment No. 4 (Senior floating and fixed rate notes rated Baa1(sf)) and Weser Funding S.A., Compartment No. 6 (Senior floating rate note rated A2(sf)) are revolving cash securitisations of SME loans; Weser Funding S.A., Compartment No. 5 (rated Baa2), is a €200 million (increasable up to €600 million) repackaging of a collateralized pass-through note guaranteed by OLB. Also in H1 2023, OLB redeemed Weser Funding S.A., Compartment No. 2, whereas the €400 million revolving cash securitisation of SME loans Weser Funding S.A., Compartment No. 3 (Class A rated Aa2(sf)) remains outstanding. In January 2023, OLB issued a first-time €400 million senior unsecured bond.

The TLTRO III drawings of OLB will at least in part be temporary and repaid once the currently attractive terms offered by the ECB expire.

Exhibit 7

OLB is largely depositor-funded, and the temporary increase in market funding reflects TLTRO drawings
As a percentage of tangible banking assets



*Market funding ratio = Market funds/tangible banking assets.
Sources: Company and Moody's Investors Service

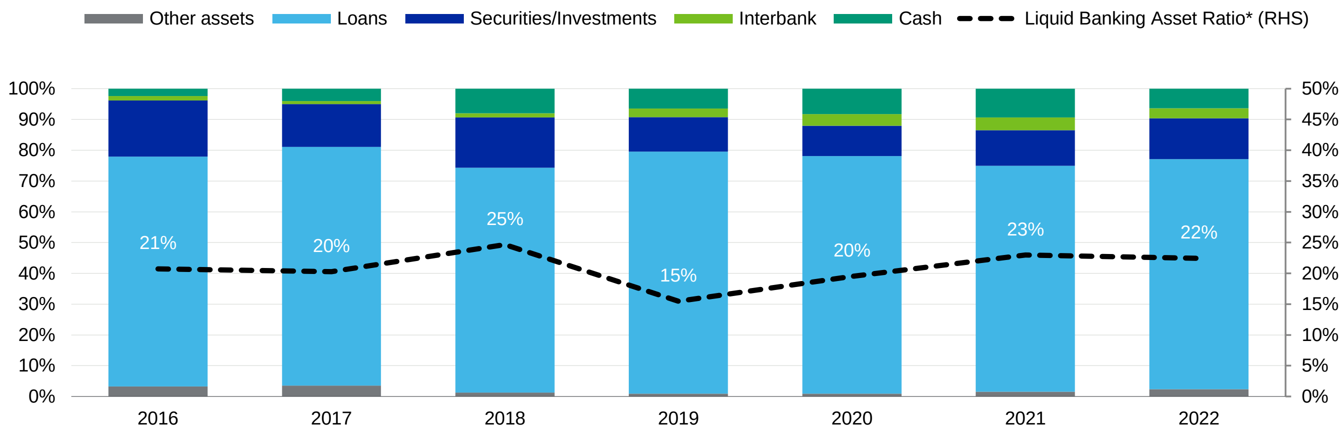
Liquidity has been efficiently managed with sound buffers to regulatory requirements

We assign OLB a baa3 score for Liquidity, two notches below the initial score, to reflect in particular that we expect some decline in liquid resources once the market environment and progress in the acquisition and integration of Degussa Bank allow for it. Therefore, our assigned score is based on our understanding that OLB targets lower levels of liquid resources than reflected on its year-end 2022 balance sheet.

As of December 2022, OLB's liquidity coverage ratio was a solid 173.9% and it rose further to 179.6% as of June 2023. Upon the repayment of the temporary TLTRO III funding, we expect liquid resources to recede, while OLB will likely maintain ample buffers to regulatory funding and liquidity ratio limits. Following the increase in the ECB's policy rates, the maintenance of additional liquid resource balances will involve lower opportunity costs for banks. As of year-end 2022, OLB had a cash position of €1.5 billion and interbank receivables of €0.8 billion. The bank's €3.2 billion securities portfolio as of December 2022 was almost entirely held in fair value through OCI accounting categories, and OLB had only very moderate losses recognised in OCI, reflecting the strong offsetting effects of interest rate swaps employed as micro and macro hedges, which OLB significantly built up during 2021.

Following the establishment of OLB's mortgage covered bond programme, the bank could in principle add further collateral to the programme's cover pool, which would improve its ability to source additional funds, if required, through new covered bond placements. As of 31 December 2022, €1.2 billion of mortgage loans and other collateral had been added to the cover pool, providing security for €1.1 billion of outstanding covered bonds.

Exhibit 8
Liquidity levels following TLTRO III drawings continue to exceed future targets
As a percentage of tangible banking assets



*Liquid banking assets ratio = Liquid assets/tangible banking assets.
Sources: Company and Moody's Investors Service

ESG considerations

Oldenburgische Landesbank AG's ESG Credit Impact Score is Moderately Negative CIS-3

OLB's ESG **CIS-3** reflects the limited credit impact of environmental and social factors on the ratings to date with greater potential for governance risks to strain the rating over time, in particular if the bank continues to experience high management turnover as during the past years.

Exhibit 9
ESG Issuer Profile Scores

Source: Moody's Investors Service

Environmental

OLB faces moderate exposure to environmental risks primarily because of its portfolio exposure to carbon transition risks as a diversified bank operating mainly in Germany. In line with its peers, OLB is facing mounting business risks and stakeholder pressure to meet broader carbon transition goals. As a result, OLB is engaging in developing its climate risk framework and optimising its loan portfolio towards less carbon-intensive assets.

Social

OLB faces high industrywide social risks related to customer relations and associated regulatory risk, litigation exposure and high compliance standards in its diversified operations. These risks are mitigated by OLB's developed policies and procedures. High cyber and personal data risks are mitigated by technology solutions and organisational measures to prevent data breaches.

Governance

OLB faces moderate governance risks. The bank has experienced a high turnover in top management ranks over the course of the past few years and now operates with a core management team around the CEO, the members of which mostly have a rather short tenure at the bank. In February 2023, OLB announced the extension of contracts of the bank's CEO and CFO until end of 2026 and September

2026, respectively, a measure that signals the supervisory board's intent to strengthen the bank's limited track record of management continuity.

The bank's strategic setup is sufficiently stable, and it is not exposed to key-person risk. Also, it is adequately staffed at the operating level to operate in the higher-margin lending business without causing outsized credit losses because of weak risk controls. OLB's risk management, policies and procedures are in line with industry practices and commensurate with its banking model that focuses on both standardised retail and SME banking as well as strongly customised niche corporate banking. OLB is controlled by a group of private equity investors, therefore exposed to potential outsized influence by the controlling shareholders on the bank's management and board. The risk is however mitigated by the presence of independent directors and Germany's developed institutional framework.

Support and structural considerations

Affiliate support

There is a low probability that OLB's owners — the Teacher Retirement System of Texas, Apollo Global Management Inc. and Grovepoint Investment Management — would support the bank in case of need, which does not result in any uplift for OLB's ratings. Support from its owners is illustrated by their degree of involvement in OLB's strategy, management and operations, but we do not expect further capital injections, in case of need.

Loss Given Failure analysis

OLB is subject to the EU Bank Recovery and Resolution Directive (BRRD), which we consider an Operational Resolution Regime. Therefore, we apply our Advanced LGF analysis, under which we consider the risks faced by the different debt and deposit classes across the liability structure should the bank enter resolution.

We further assume a residual TCE of 3% and post-failure losses of 8% of tangible banking assets, a 25% runoff in junior wholesale deposits and a 5% runoff in preferred deposits. These ratios are in line with our standard assumptions. In the case of OLB, we further assume that only a small percentage (10%) of the bank's deposit base can actually be considered junior and held by institutional investors. Our Advanced LGF analysis for OLB incorporates an approximation of the junior senior unsecured debt stack as of December 2022, combined with our forward expectation about the near-term run-off of these liabilities.

For OLB's deposit and senior unsecured debt ratings, rated Baa2, our LGF analysis indicates a low loss given failure, leading to one notch of uplift from its baa3 Adjusted BCA.

For OLB's junior senior unsecured programme ratings, rated (P)Baa3, our LGF analysis indicates a moderate loss given failure, leading to a rating at the level of its baa3 Adjusted BCA.

For OLB's subordinate programme ratings, rated (P)Ba1, our LGF analysis indicates a high loss given failure, leading to a rating one notch below its baa3 Adjusted BCA.

Additional notching for Additional Tier 1 (AT1) instruments

We rate the €100 million AT1 notes issued by OLB Ba3(hyb). This rating is three notches below OLB's baa3 Adjusted BCA and reflects our assessment of the instruments' undated deeply subordinated claim in liquidation, the issuer's ability to redeem under certain conditions the securities at a level below par in case they have been affected by a write-down and the securities' non-cumulative coupon deferral features. The securities' principal is subject to a partial or full write-down on a contractual basis if OLB's CET1 ratio at the consolidated or single entity level falls below 5.125%; the issuer receives public support; or OLB's supervisory authority determines that the conditions for a full write-down of the instrument are fulfilled and orders such a write-down as a precautionary measure to prevent insolvency.

Government support considerations

We assume a low probability of government support for OLB's rated liabilities, resulting in no additional rating uplift. This reflects the bank's small size relative to the German banking system and its limited degree of systemic interconnectedness.

For junior senior unsecured debt, subordinated debt and hybrid instruments, we believe the potential for government support is low and these ratings, therefore, do not benefit from any government support uplift.

Counterparty Risk Ratings (CRRs)

OLB's CRRs are Baa1/P-2

The CRRs are two notches above OLB's baa3 Adjusted BCA, based on the very low loss given failure from the moderate volume of instruments that are subordinated to CRR liabilities. OLB's CRRs do not benefit from government support, in line with our support assumptions on deposits.

Counterparty Risk (CR) Assessment

OLB's CR Assessment is A3(cr)/P-2(cr)

OLB's A3(cr) CR Assessment is three notches above the baa3 Adjusted BCA, based on the buffer against default provided to the senior obligations represented by the CR Assessment by more subordinated instruments, primarily senior unsecured debt and junior deposits. Because the CR Assessment captures the probability of default on certain senior operational obligations, rather than expected loss, we focus purely on subordination and take no account of the volume of the instrument class.

Methodology and scorecard

Methodology

The principal methodology we use in rating OLB was the Banks Methodology, published in July 2021.

About Moody's Bank Scorecard

Our scorecard is designed to capture, express and explain in summary form our Rating Committee's judgement. When read in conjunction with our research, a fulsome presentation of our judgement is expressed. As a result, the output of our scorecard may materially differ from that suggested by raw data alone (though it has been calibrated to avoid the frequent need for strong divergence). The scorecard output and the individual scores are discussed in rating committees and may be adjusted up or down to reflect conditions specific to each rated entity.

Rating methodology and scorecard factors

Exhibit 10
Oldenburgische Landesbank AG

Macro Factors							
Weighted Macro Profile	**Strong +**	**100%**					

Factor	**Historic Ratio**	**Initial Score**	**Expected Trend**	**Assigned Score**	**Key driver #1**	**Key driver #2**
Solvency						
Asset Risk						
Problem Loans / Gross Loans	2.1%	a2	↔	ba1	Geographical concentration	Sector concentration
Capital						
Tangible Common Equity / Risk Weighted Assets (Basel III - transitional phase-in)	15.0%	a1	↔	a3	Risk-weighted capitalisation	Expected trend
Profitability						
Net Income / Tangible Assets	0.6%	baa2	↔	baa2	Return on assets	Expected trend
Combined Solvency Score		a2		baa2		
Liquidity						
Funding Structure						
Market Funds / Tangible Banking Assets	25.1%	baa2	↔	a3	Market funding quality	Deposit quality
Liquid Resources						
Liquid Banking Assets / Tangible Banking Assets	22.4%	baa1	↔	baa3	Asset encumbrance	Expected trend
Combined Liquidity Score		baa2		baa1		
Financial Profile				baa2		
Qualitative Adjustments				Adjustment		
Business Diversification				0		
Opacity and Complexity				0		
Corporate Behavior				0		
Total Qualitative Adjustments				0		
Sovereign or Affiliate constraint				Aaa		
BCA Scorecard-indicated Outcome - Range				baa1 - baa3		
Assigned BCA				baa3		
Affiliate Support notching				0		
Adjusted BCA				baa3		

Balance Sheet	**in-scope (EUR Million)**	**% in-scope**	**at-failure (EUR Million)**	**% at-failure**
Other liabilities	7,307	29.9%	8,119	33.2%
Deposits	15,672	64.1%	14,575	59.7%
Preferred deposits	14,105	57.7%	13,400	54.8%
Junior deposits	1,567	6.4%	1,175	4.8%
Senior unsecured bank debt	38	0.2%	438	1.8%
Junior senior unsecured bank debt	396	1.6%	321	1.3%
Dated subordinated bank debt	145	0.6%	145	0.6%
Preference shares (bank)	140	0.6%	100	0.4%
Equity	733	3.0%	733	3.0%
Total Tangible Banking Assets	24,431	100.0%	24,431	100.0%

Debt Class	De Jure waterfall		De Facto waterfall		Notching		LGF Notching Guidance vs. Adjusted BCA	Assigned LGF notching	Additional Notching	Preliminary Rating Assessment
	Instrument volume + subordination	Sub-ordination	Instrument volume + subordination	Sub-ordination	De Jure	De Facto				
Counterparty Risk Rating	11.9%	11.9%	11.9%	11.9%	2	2	2	2	0	baa1
Counterparty Risk Assessment	11.9%	11.9%	11.9%	11.9%	3	3	3	3	0	a3 (cr)
Deposits	11.9%	5.3%	11.9%	7.1%	1	1	1	1	0	baa2
Senior unsecured bank debt	11.9%	5.3%	7.1%	5.3%	1	0	1	1	0	baa2
Junior senior unsecured bank debt	5.3%	4.0%	5.3%	4.0%	0	0	0	0	0	baa3
Dated subordinated bank debt	4.0%	3.4%	4.0%	3.4%	-1	-1	-1	-1	0	ba1
Non-cumulative bank preference shares	3.4%	3.0%	3.4%	3.0%	-1	-1	-1	-1	-2	ba3

Instrument Class	Loss Given Failure notching	Additional notching	Preliminary Rating Assessment	Government Support notching	Local Currency Rating	Foreign Currency Rating
Counterparty Risk Rating	2	0	baa1	0	Baa1	Baa1
Counterparty Risk Assessment	3	0	a3 (cr)	0	A3(cr)	
Deposits	1	0	baa2	0	Baa2	Baa2
Senior unsecured bank debt	1	0	baa2	0	Baa2	(P)Baa2
Junior senior unsecured bank debt	0	0	baa3	0	(P)Baa3	(P)Baa3
Dated subordinated bank debt	-1	0	ba1	0	(P)Ba1	(P)Ba1
Non-cumulative bank preference shares	-1	-2	ba3	0	Ba3 (hyb)	

[1] Where dashes are shown for a particular factor (or sub-factor), the score is based on non-public information.
Source: Moody's Investors Service

Ratings

Exhibit 11

Category	Moody's Rating
OLDENBURGISCHE LANDESBANK AG	
Outlook	Positive
Counterparty Risk Rating	Baa1/P-2
Bank Deposits	Baa2/P-2
Baseline Credit Assessment	baa3
Adjusted Baseline Credit Assessment	baa3
Counterparty Risk Assessment	A3(cr)/P-2(cr)
Issuer Rating	Baa2
Senior Unsecured -Dom Curr	Baa2
Junior Senior Unsecured MTN	(P)Baa3
Subordinate MTN	(P)Ba1
Pref. Stock Non-cumulative -Dom Curr	Ba3 (hyb)
ST Issuer Rating	P-2

Source: Moody's Investors Service

Endnotes

1 KfW's ratings shown are the bank's backed deposit and backed senior unsecured debt ratings, and its issuer outlook.

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Contacts

Bernhard Held, CFA
VP-Sr Credit Officer

Christopher McCoy
Associate Analyst

CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

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