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## **Moody`s updates ratings in the Raiffeisen banking group**

Moody`s has reviewed the ratings in the Austrian Raiffeisen sector in the past few weeks.

The long term deposit rating of Raiffeisen-Landesbank Steiermark AG (RLB) has been changed from "A1" to "A2" with stable outlook.

While the bank financial strength rating (BFSR) and the basic risk assessment of RLB remain unchanged on a stand-alone basis, the factors for systemic support (governmental or within the sector) have been adjusted. Moody`s rationale for the change is the challenging economic environment as well as the increasing capital requirements of Basel III in connection with the assessment of the capitalisation of the Austrian Raiffeisen banking group.

Moody`s continues to favourably assess the high market share, the stable operative earning power and the potential to improve the capital basis.

Taking into account the current economic and political situation worldwide, the new rating can still be regarded as an affirmation of the long-term strategy – despite the downgrade. It does, however, also account for the changing economic and regulatory conditions for banks. With a rating of A2 Raiffeisen-Landesbank Steiermark is still viewed as a solid, well-positioned regional bank. The rating stands well up to international comparison – no other Austrian private bank is better rated than RLB.

Moody`s assessment in detail:

Long Term Rating:	A2 (as yet A1)
Short Term Rating:	P-1 (unchanged)
BFSR:	C- (unchanged)
Issuer Rating:	A2 (as yet A1)
Outlook:	stable

Raiffeisen-Landesbank Steiermark is the head institute of the Raiffeisen banking group Styria. The RLB group had total assets of 15 bn. Euro and a tier I ratio of 10.7% in 2012.

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