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CREDIT OPINION
3 November 2020

Update

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RATINGS

Raiffeisen-Landesbank Tirol AG

Domicile	Austria
Long Term CRR	A3
Type	LT Counterparty Risk Rating - Dom Curr
Outlook	Not Assigned
Long Term Debt	Not Assigned
Long Term Deposit	Baa1
Type	LT Bank Deposits - Dom Curr
Outlook	Stable

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.

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Raiffeisen-Landesbank Tirol AG

Update to credit analysis

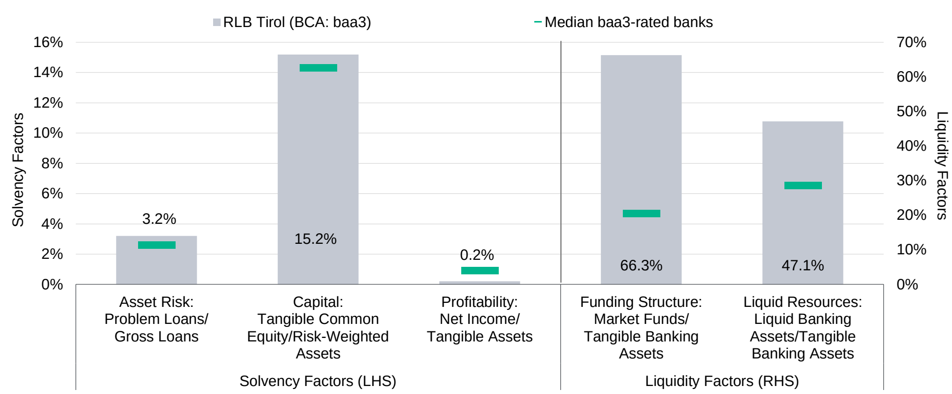
Summary

We assign Baa1(stable) deposit and issuer ratings to Raiffeisen-Landesbank Tirol AG (RLB Tirol). Furthermore, we assign a baa3 Baseline Credit Assessment (BCA) and Adjusted BCA, along with its A3/P-2 Counterparty Risk Ratings (CRRs).

RLB Tirol's Baa1 deposit and issuer ratings reflect the bank's baa3 Baseline Credit Assessment; its membership in the federal institutional protection scheme of Austria's Raiffeisen Banking Group (RBG), which results in a close alignment of the member banks' Adjusted BCAs; and two notches of uplift from our Advanced Loss Given Failure (LGF) analysis to its liabilities. We do not incorporate rating uplift from government support for RLB Tirol due to the wider scope of BRRD application in Austria and evidenced willingness of its government to apply burden-sharing to creditors.

RLB Tirol's baa3 BCA reflects the bank's solid capitalisation and modest profitability, as well as its vulnerability to tail risks through its concentration in the tourism sector and the bank's equity investments and participations, in particular a large stake in RBG's central institution Raiffeisen Bank International AG (RBI, A3 stable/A3 stable, baa3)[1]. RLB Tirol's high reliance on confidence-sensitive market funding is mitigated by its access to sector funding and sound liquid resources. Our view on the bank's BCA could change if the coronavirus pandemic-induced credit shock leads to a sustained erosion of RLB Tirol's solvency strengths.

Exhibit 1
Rating Scorecard - Key financial ratios



Source: Moody's Financial Metrics

Credit strengths

- RLB Tirol's capitalisation is sound, especially when taking into account its additional reserves.
- Its good access to the Raiffeisen sector mitigates the bank's high dependence on wholesale funding.
- The bank's senior creditors benefit from a large volume of outstanding debt and, therefore, a very low loss given failure in the unlikely event of resolution.

Credit challenges

- RLB Tirol's risk profile is vulnerable to risks stemming from concentrations in sectors such as tourism.
- Its large equity stake in the sector's central institution, RBI, strongly influences the bank's risk profile.
- The bank's profitability is modest, with some dependence on dividend payments from RBI's earnings.

Outlook

- The outlook is stable, reflecting our expectation that the bank will maintain its sound solvency profile and sustain its liquidity profile.
- If RLB Tirol's fundamentals improve further, RBG's financial strength may become a limiting factor for the bank's individual creditworthiness.

Factors that could lead to an upgrade

- RLB Tirol's ratings could be upgraded if RBG's financial strength improves such that it results in affiliate support uplift.
- Moreover, the ratings may benefit from additional uplift as assessed in our Advanced LGF analysis. However, such a scenario is unlikely, given that a higher rating uplift would require significantly higher subordinated instruments.
- We would consider upgrading the BCA if the bank demonstrates its ability to maintain the positive trend in its funding profile. However, this would not result in a rating upgrade unless the financial strength of RBG improves.

Factors that could lead to a downgrade

- A rating downgrade could be prompted if weakening fundamentals warrant a downgrade of the bank's BCA and, at the same time, RBG's fundamentals were to weaken to a level that the downgrade cannot be offset by higher affiliate support; or RBG's financial strength were to deteriorate, which could lead to constraints on RLB Tirol's BCA.
- In addition, a downgrade could result from a decrease in the volume of senior unsecured debt relative to its tangible assets by such an amount that it increases the severity of loss in our LGF analysis.
- Negative pressure on the BCA could result from a significant weakening in RLB Tirol's capital ratios or indications of substantially rising asset risk. However, this would not result in a rating downgrade if the financial strength of its affiliate, RBG, remains unchanged.

Key indicators

Exhibit 2
Raiffeisen-Landesbank Tirol AG (Unconsolidated Financials) [1]

	12-19[2]	12-18[2]	12-17[2]	12-16[2]	12-15[2]	CAGR/Avg.[3]
Total Assets (EUR Billion)	8.5	7.9	7.4	7.3	7.4	3.4[4]
Total Assets (USD Billion)	9.5	9.0	8.9	7.7	8.1	4.2[4]
Tangible Common Equity (EUR Billion)	0.5	0.4	0.4	0.4	0.4	4.8[4]
Tangible Common Equity (USD Billion)	0.5	0.5	0.5	0.4	0.4	5.7[4]
Problem Loans / Gross Loans (%)	2.0	3.0	4.4	6.0	6.3	4.3[5]
Tangible Common Equity / Risk Weighted Assets (%)	15.2	15.0	15.2	14.2	13.3	14.6[6]
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	11.7	17.9	24.0	30.2	31.9	23.2[5]
Net Interest Margin (%)	0.6	0.7	0.7	0.7	0.7	0.7[5]
PPI / Average RWA (%)	1.0	0.9	0.6	0.8	0.9	0.8[6]
Net Income / Tangible Assets (%)	0.3	0.2	0.2	0.3	0.2	0.2[5]
Cost / Income Ratio (%)	69.5	72.7	79.9	72.2	70.5	73.0[5]
Market Funds / Tangible Banking Assets (%)	66.3	68.1	67.4	66.7	67.3	67.2[5]
Liquid Banking Assets / Tangible Banking Assets (%)	47.1	47.0	48.4	50.8	51.7	49.0[5]
Gross Loans / Due to Customers (%)	136.1	150.3	144.2	132.3	138.2	140.2[5]

[1] All figures and ratios are adjusted using Moody's standard adjustments. [2] Basel III - fully loaded or transitional phase-in; LOCAL GAAP. [3] May include rounding differences because of the scale of reported amounts. [4] Compound annual growth rate (%) based on the periods for the latest accounting regime. [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

With total assets of €8.5 billion as of December 2019, Raiffeisen-Landesbank Tirol AG (RLB Tirol) is one of the smaller of the eight Raiffeisenlandesbanken in Austria (Aa1 stable). RLB Tirol is majority owned by 64 local primary credit cooperatives in the region, for which the bank is the central institution. In Tyrol, the regional cooperative sector has sizeable market shares in retail banking and in lending to private customers, and small and medium-sized enterprises (SMEs).

As of year-end 2019, RLB Tirol reported 11 full branches and three self-service branches, offering services to its 66,400 customers.

RLB Tirol is a direct shareholder in RBI, the Austrian Raiffeisen sector's central institution, holding a 3.7% share, which implies a significant indirect exposure to the Central and Eastern European banking markets. Traditionally, RLB Tirol has partly relied on income derived from participations.

Weighted Macro Profile of Strong+

RLB Tirol is focused on the Austrian market (87% of exposure at default), and the bank's assigned Strong+ Weighted Macro Profile is in line with the Strong+ Macro Profile of Austria.

Recent developments

The coronavirus pandemic is causing an unprecedented shock to the global economy. The full extent of the economic downswing will be unclear for some time; however, G-20 economies will contract in 2020. We presently expect the G-20 advanced economies as a group to contract by 6.5% in 2020 and the euro area by 9.0%, followed by a gradual recovery in 2021. In Europe, the pandemic adds to late-cycle risks for European banks. The recession in 2020 will weigh on banks' asset quality and profitability. We expect fiscal policy measures, as already announced by a variety of euro-area governments, to mitigate the economic contraction caused by the pandemic.

In the current coronavirus pandemic-induced recession and its aftermath, capital levels will be a key differentiator of credit profiles among banks. Generally, banks are facing a sharp deterioration in asset quality and reductions in profitability from already low levels, while central banks are providing extraordinary levels of liquidity and governments have strong incentives to support banking systems to foster an eventual recovery. Thus, when comparing a bank to its peers, the level of capital with which it entered this recession and its ability to retain capital throughout the next several years take on particular importance.

The European Central Bank (ECB) announced a series of measures to help European Union (EU) economies weather the widening effects of the coronavirus pandemic, temporarily increasing banks' liquidity provisions, as well as lowering regulatory capital and liquidity requirements. As part of these temporary measures, the ECB increased its targeted long-term refinancing operations (TLTRO III) under more favourable terms as well as its financial asset purchase programme while refraining from lowering the ultralow interest rates further. The temporary suspension of buffer requirements for regulatory capital and the liquidity coverage ratio (LCR) gives banks greater flexibility and additional leeway to absorb the economic impacts, such as asset-quality declines. Overall, the package aims to help the banks continue to finance corporates and small and medium-sized businesses suffering from the effects of the coronavirus pandemic. We believe that the ECB's measures will provide a limited relief for banks and their borrowers, and that it will require significant fiscal policy measures by the EU and its member states to avert higher default rates in banks' lending books.

Austria announced a large stimulus package that complements the ECB's supportive policy actions. The Austrian government launched emergency corporate lending guarantee programmes and expanded short-time work subsidies. These measures add to automatic stabilisers that support household incomes when unemployment increases. These policy measures will mitigate the negative economic effects of the pandemic, but might not fully offset the credit-negative operational effects of the pandemic.

Detailed credit considerations

RLB Tirol's asset risk, although improving, remains relatively high

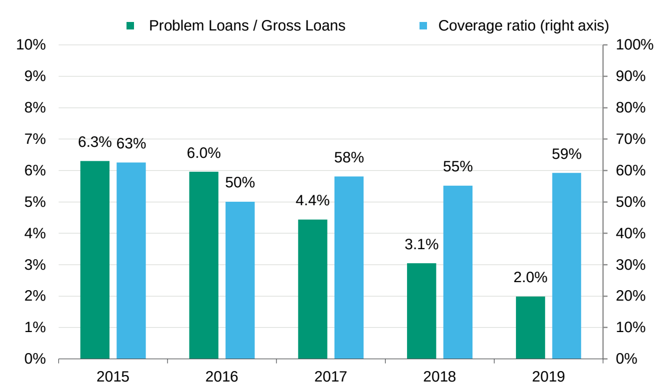
RLB Tirol's ba1 Asset Risk score is four notches below the a3 initial score. The ba1 score reflects not only the bank's credit quality (as measured by its nonperforming loan [NPL] ratio) and sector concentration risk within its lending book, but also the additional market risk related to the bank's equity investments in its parent bank RBI as well as other equity investments.

As of year-end 2019, RLB Tirol's asset-risk profile was sound as measured by its NPL ratio of 2.0%, down from 3.0% a year earlier. The bank's provisioning level of around 59% is adequate to cover risks from the bank's loan book of €3.0 billion, which primarily focuses on regional SME lending, while retail lending is mostly provided by the primary Raiffeisen banks in the region. Within the SME loan book, RLB Tirol has exposures to cyclical industries such as tourism, representing 125% of the bank's tangible common equity (TCE), as well as commercial real estate to a lower extent. Our assigned Asset Risk score reflects those tail risks, which could trigger large losses in a highly adverse macroeconomic scenario.

Moreover, we consider market risks from the bank's equity participations in our Asset Risk score. RLB Tirol's total amount of equity investment of €209 million currently accounts for 44% of the bank's TCE. RLB Tirol holds a 3.7% stake in RBI, valued at €174 million, as well as some minor equity investments in regional non-banking companies of €35 million, including tourism exposures. These equity investments expose the bank to elevated risks from potential lack of dividends or even impairment needs. We recognise that the bank's revaluation reserves related to its €209 million participation portfolio represent a level of protection[2]. Although such revaluation reserves cannot be (and are also not intended to be) realised without selling the participations, they imply a valuable buffer against value erosion in its participations, thereby partly protecting the bank's income statement from potential impairments.

Exhibit 3

RLB Tirol's problem loan ratio decreased substantially in the last five years

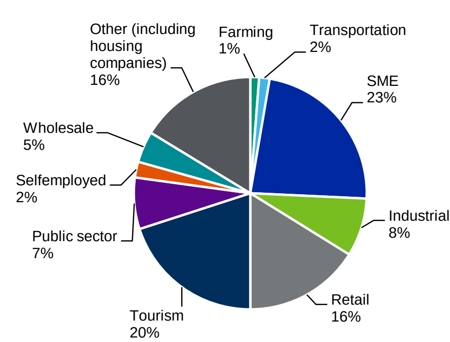


Sources: Moody's Financial Metrics and company reports

Exhibit 4

Breakdown of RLB Tirol's customer loans by sector

As of year-end 2019, total €3.0 billion



Source: Company data

RLB Tirol's capitalisation is sound, considering additional reserves

RLB Tirol's a2 Capital score is two notches below the aa3 initial score. The a2 score reflects the bank's good capitalisation, as represented by the 15.2% TCE ratio, as well as valuation risks in stressed markets resulting from potential impairments in its equity investments that are mitigated by reserves.

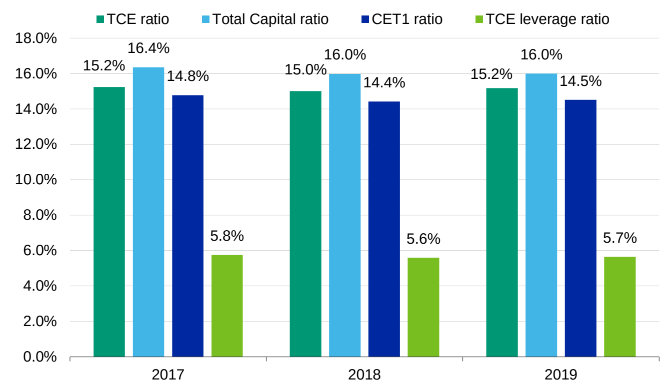
In addition to the reported TCE ratio, our assigned score takes into consideration additional local GAAP reserves[3] of €63 million that could be turned into capital directly, if necessary. These reserves are not related to the RBI stake, but result from customer loans and corresponding releases of provisions. Additionally, we consider the capital resilience of RLB Tirol in an adverse scenario, assuming a 50% reduction in the value of its holdings. As of year-end 2019, RLB Tirol reports its €174 million stake in RBI based on the lower of the historical cost or value. This results in a valuation that could be lower than the equity market valuation of RBI, when considering RBI's share price based on the five-year average as a reference. However, we would not consider hidden reserves of the RBI stake in our assessment.

As of year-end 2019, RLB Tirol reported a TCE ratio of 15.2% and a Common Equity Tier 1 (CET1) capital ratio of 14.5%, slightly up from 15.0% and 14.4%, respectively, a year earlier. At the same time, the total capital ratio remained unchanged at 16.0%. The bank's regulatory leverage ratio was solidly above the 3% regulatory minimum, at 5.0% as of year-end 2019 (2018: 5.1%).

Exhibit 5

RLB Tirol's capital ratios have strengthened

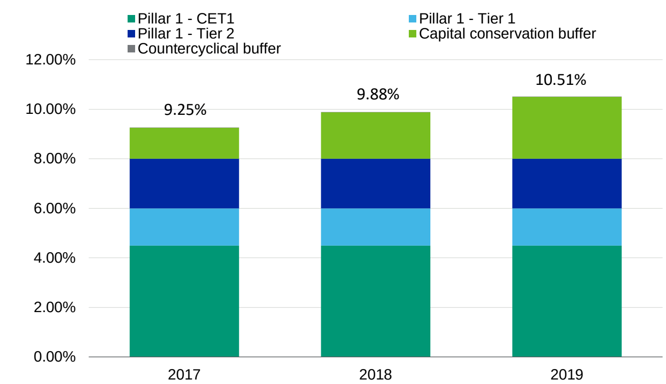
Data as a percentage of risk-weighted assets



Sources: Moody's Financial Metrics and company reports

Exhibit 6

RLB Tirol's capitalisation has kept up with its regulatory requirements



Sources: Company reports

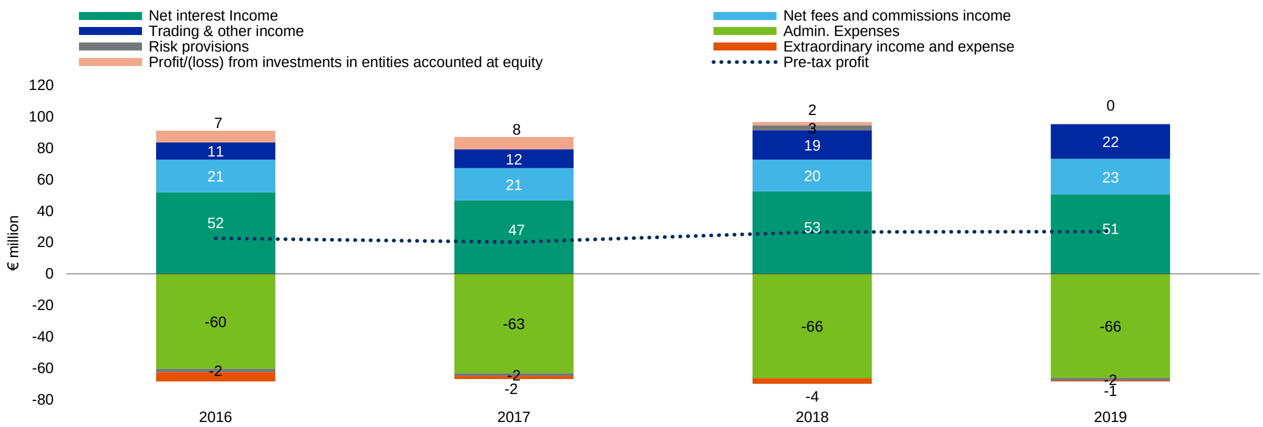
RLB Tirol's profitability is modest and partly dependent on income from participations

We assign a b2 Profitability score, one notch below the b1 initial score, to RLB Tirol. The b2 score reflects our expectation that the bank's profitability will come under pressure over the outlook period, driven by increased provisioning needs in response to the coronavirus pandemic as well as some volatility in the bank's earnings as a consequence of its equity investments in RBI and other non-banking activities.

The assigned score takes into consideration the volatility in the bank's net income resulting from its revenue related to non-bank activities and non-bank equity investments, as well as from its equity investments in RBI. We consider this revenue to be less reliable income and exposed to considerable volatilities. To evaluate the bank's standalone earnings generation capacity and exclude annual fluctuations, we look at an adjusted net income that excludes those earnings. Moreover, we amend profitability for the creation or release of §57 local GAAP reserves to reach an unadjusted earnings generation capacity because such transfer dilute profits of banks. For 2020, we expect RLB Tirol's profitability to remain under pressure as long as the low/negative interest rate environment persists and provisioning levels will increase in response to coronavirus.

In 2019, RLB Tirol's net income of €21.3 million (2018: €18.5 million) benefited from low provisioning needs as well as increased net fee and commission income of €22.6 million and income from non-trading securities of €11.6 million compared with €20.1 million and €7.9 million, respectively, in 2018. Moreover, the bank increased its local GAAP reserves by €11.5 million (2018: €8 million)[4] at the same time and kept its total operating expenses stable at €66.3 million despite investments in its new headquarter.

Exhibit 7
Overview of RLB Tirol's revenue structure
Data in € millions, Austrian local GAAP



Sources: Moody's Financial Metrics and company reports

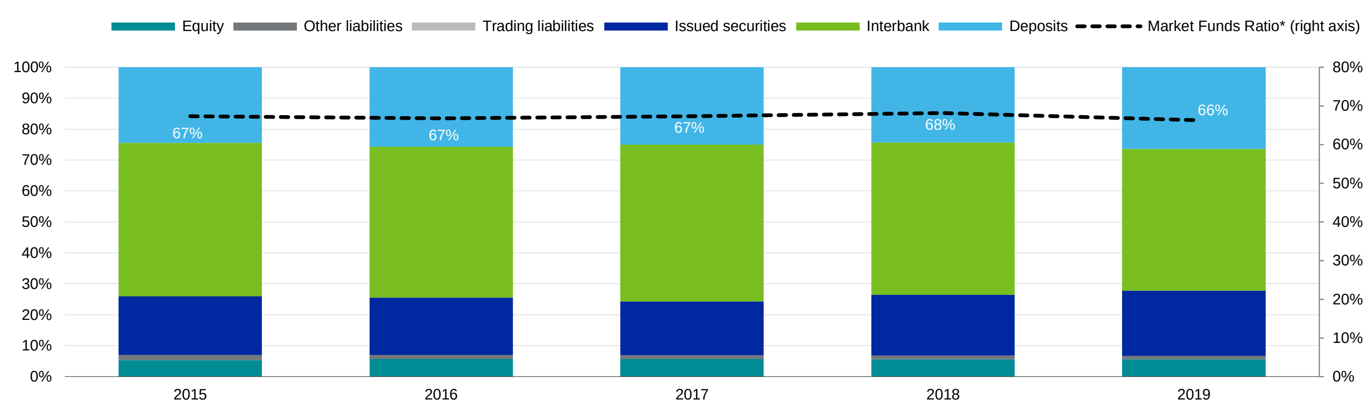
High dependence on wholesale funding is mitigated by access to sector funds

We assign a baa3 Funding score, seven notches above the caa1 initial score, reflecting the bank's relatively high market funds-to-tangible banking assets ratio of 66% as of year-end 2019, as well as its good access to funds from regional Raiffeisen banks, which mitigates its reliance on wholesale funding.

As part of its business model as the regional central bank for the primary Raiffeisen banks, RLB Tirol's interbank liabilities include a high proportion of intragroup funding within the Raiffeisen sector. We adjust our market funding ratio for intragroup funding in the Raiffeisen sector (funds received from primary banks) because we consider funding from primary banks more sticky than the usual interbank business, as it is part of the bank's business model to hold liquidity reserves for its primary banks.

Moreover, we adjust the market funding ratio for pass-through funding from development banks because those funds are typically downstreamed to the primary banks and are not market-confidence sensitive. As the central institution for the local Raiffeisen banks in Tyrol, RLB Tirol has access to diversified funding sources, including sector funds of €2.4 billion in 2019 and own issuances of €1.7 billion, which are also partly placed within the Raiffeisen sector. These funds are complemented by customer deposits of €1.8 billion and interbank funding of €1.5 billion, which was placed outside the sector as of year-end 2019.

Exhibit 8
RLB Tirol is significantly dependent on market funding
Composition of funding sources as a percentage of tangible banking assets



*Market funding ratio = Market funds/tangible banking assets.
Sources: Moody's Financial Metrics and company reports

Funding risks are mitigated by sound liquidity buffers

We assign a Liquid Resources score of baa2, five notches below the initial score of aa3, which represents RLB Tirol's strong liquid banking assets-to-tangible banking assets ratio of 47% as of year-end 2019, along with our assessment of asset encumbrance and additional restrictions on intragroup lending that RLB Tirol holds as part of its role as a central institution.

As the central bank for the regional primary banks, RLB Tirol provides intragroup lending to primary banks and RBI. We negatively adjust our liquid resources score for liquidity reserves held at RBI and other intragroup lending for primary banks because we assume that those amounts are not fully fungible for RLB Tirol to cover short-term liquidity in case of need. Interbank lending to RBI generally includes the minimum reserve that RLB Tirol holds for its primary banks and that is not available to cover the liquidity needs of RLB. Additionally, we adjust our ratio for encumbrance of liquid securities that are initially classified as liquid, but we know that those are pledged as collateral, for example, for public-sector covered bonds.

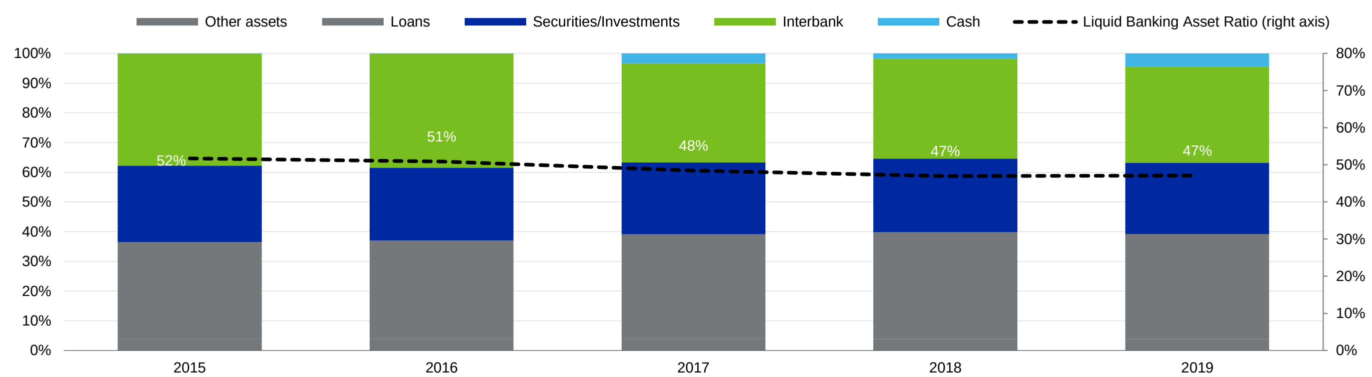
However, the assigned score further captures additional liquid resources the bank can generate through over-collateralisation in its mortgage covered bond programme. In case of need, RLB Tirol can increase issuances and post them at the central bank to generate additional cash, given the current status of over-collateralisation in the programme.

As of year-end 2019, RLB Tirol's liquid resources mainly consist of interbank claims of €2.7 billion and unencumbered securities investments of €0.9 billion. However, a major part of the interbank claims are liquidity reserves that the bank holds because of its function as the central institution for primary banks and are not available as a liquidity buffer for RLB Tirol. The reported regulatory liquidity coverage ratio as of December 2019 was 123%.

Exhibit 9

RLB Tirol's sound liquid resources partially include intragroup exposure

Composition of liquid resources as a percentage of tangible banking assets



*Liquid banking assets ratio = Liquid assets/tangible banking assets.

Sources: Moody's Financial Metrics and company reports

ESG considerations

The global banking sector has been classified as "Low" risk in our environmental risks heat map. RLB Tirol's exposure to environmental and social risks is in line with our general assessment for the global banking industry. Moreover, we are not aware of any noteworthy idiosyncratic social risk drivers potentially affecting the credit profile of RLB Tirol.

In line with that of banks globally, RLB Tirol's exposure to social risks is "Moderate". This includes considerations in relation to the rapid and widening spread of the coronavirus pandemic, given the substantial implications for public health and safety, and the deteriorating global economic outlook, which is creating a severe and extensive credit shock across many sectors, regions and markets. For further information, see our social risks heat map.

Corporate governance is highly relevant for RLB Tirol, as it is to all entities in the banking industry. Corporate governance weaknesses can lead to a deterioration in a bank's credit quality, while governance strengths can benefit its credit profile. Governance risks are largely internal rather than externally driven, and for RLB Tirol, we do not have any particular governance concern. Nonetheless, corporate governance remains a key credit consideration and requires ongoing monitoring.

Support and structural considerations

Affiliate support

We consider the likelihood of support from RBG, the Austrian Raiffeisen sector, very high because of RLB Tirol's regional importance to the sector. This support significantly reduces the probability of default, as the cooperative group's cross-sector support mechanism aims to stabilise its members by avoiding a bail-in or any form of loss participation by creditors.

We assess the Austrian Raiffeisen sector's financial capacity to provide support to its members on the basis of the cooperative group's combined financial strength. Although the group's combined financial strength has recently improved, we still consider RBG's capitalisation moderate relative to its overall credit profile, which is strongly correlated with its higher-risk Central and Eastern European exposures, housed at RBI. The sector's limited support capacity implies a constraint on the possible uplift included in member banks' ratings. Therefore, member banks with BCAs of baa3 or higher do not benefit in terms of rating uplift from our very high support assumption for the group of Raiffeisenlandesbanken. Accordingly, RBG's cross-sector support currently results in no rating uplift for RLB Tirol.

Loss Given Failure (LGF) analysis

RLB Tirol is subject to the EU BRRD, which we consider an operational resolution regime. We assume a residual TCE of 3%, post-failure losses of 8% of tangible banking assets, a 25% runoff in junior wholesale deposits and a 5% runoff in preferred deposits, and we assign a 25% probability to deposits being preferred to senior unsecured debt. These are in line with our standard assumptions.

- RLB Tirol's deposits are likely to face very low loss given failure, resulting in two notches of rating uplift from the baa3 Adjusted BCA.
- RLB Tirol's senior obligations (which the issuer rating speaks to) are also likely to face very low loss given failure, resulting in two notches of rating uplift from the baa3 Adjusted BCA.

Government support

In contrast to banks in other EU countries and reflective of government measures in Austria implemented since 2014, we assign a low level of support for the senior debt and deposit ratings of Austrian banks. As a consequence, we do not include any beneficial rating impact for government support in RLB Tirol's issuer and deposit ratings, despite the high national market shares and systemic relevance of the Raiffeisen sector as a whole to the country's banking system.

We do not incorporate rating uplift from government support for RLB Tirol because of the wider scope of BRRD application in Austria and the government's willingness to apply burden-sharing to creditors.

Counterparty Risk Ratings (CRRs)

CRRs are opinions of the ability of entities to honour the uncollateralised portion of non-debt counterparty financial liabilities (CRR liabilities) and also reflect the expected financial losses in the event such liabilities are not honoured. CRRs are distinct from ratings assigned to senior unsecured debt instruments and from issuer ratings because they reflect that, in a resolution, CRR liabilities might benefit from preferential treatment compared with senior unsecured debt. Examples of CRR liabilities include the uncollateralised portion of payables arising from derivatives transactions and the uncollateralised portion of liabilities under sale and repurchase agreements.

RLB Tirol's CRRs are positioned at A3/P-2

The CRRs are positioned three notches above the Adjusted BCA of baa3, reflecting the extremely low loss given failure from the high volume of instruments that are subordinated to CRR liabilities.

RLB Tirol's CRRs do not benefit from any rating uplift based on government support, which is in line with our support assumptions on deposits and senior unsecured debt.

Counterparty Risk (CR) Assessment

CR Assessments are opinions of how counterparty obligations are likely to be treated if a bank fails, and they are distinct from debt and deposit ratings in that they (1) consider only the risk of default rather than both the likelihood of default and the expected financial loss suffered in the event of default, and (2) apply to counterparty obligations and contractual commitments rather than debt or deposit instruments. The CR Assessment is an opinion of the counterparty risk related to a bank's covered bonds, contractual performance obligations (servicing), derivatives (for example, swaps), letters of credit, guarantees and liquidity facilities.

RLB Tirol's CR Assessment is positioned at A3(cr)/P-2(cr)

RLB Tirol's CR Assessment is positioned 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. To determine the CR Assessment, we focus purely on subordination, taking no account of the volume of the instrument class.

Methodology and scorecard

Methodology

The Banks methodology, published in November 2019, has been used to rate RLB Tirol.

About Moody's Bank Scorecard

Moody's Bank 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
Raiffeisen-Landesbank Tirol 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	3.2%	a3	↔	ba1	Sector concentration	Market risk
Capital						
Tangible Common Equity / Risk Weighted Assets (Basel III - transitional phase-in)	15.2%	aa3	↔	a2	Stress capital resilience	Access to capital
Profitability						
Net Income / Tangible Assets	0.2%	b1	↔	b2	Expected trend	Earnings quality
Combined Solvency Score		a3		baa3		
Liquidity						
Funding Structure						
Market Funds / Tangible Banking Assets	66.3%	caa1	↔	baa3	Market funding quality	Extent of market funding reliance
Liquid Resources						
Liquid Banking Assets / Tangible Banking Assets	47.1%	aa3	↔	baa2	Intragroup restrictions	Asset encumbrance
Combined Liquidity Score		ba1		baa3		
Financial Profile				baa3		
Qualitative Adjustments				Adjustment		
Business Diversification				0		
Opacity and Complexity				0		
Corporate Behavior				0		
Total Qualitative Adjustments				0		
Sovereign or Affiliate constraint				-		
BCA Scorecard-indicated Outcome - Range				baa2 - ba1		
Assigned BCA				baa3		
Affiliate Support notching				-		
Adjusted BCA				baa3		

Balance Sheet	**in-scope (EUR Million)**	**% in-scope**	**at-failure (EUR Million)**	**% at-failure**
Other liabilities	5,119	60.4%	5,321	62.8%
Deposits	1,985	23.4%	1,783	21.0%
Preferred deposits	1,469	17.3%	1,396	16.5%
Junior deposits	516	6.1%	387	4.6%
Senior unsecured bank debt	1,065	12.6%	1,065	12.6%
Dated subordinated bank debt	51	0.6%	51	0.6%
Equity	254	3.0%	254	3.0%
Total Tangible Banking Assets	8,474	100.0%	8,474	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	20.7%	20.7%	20.7%	20.7%	3	3	3	3	0	a3
Counterparty Risk Assessment	20.7%	20.7%	20.7%	20.7%	3	3	3	3	0	a3 (cr)
Deposits	20.7%	3.6%	20.7%	16.2%	2	3	2	2	0	baa1
Senior unsecured bank debt	20.7%	3.6%	16.2%	3.6%	2	2	2	2	0	baa1

Instrument Class	Loss Given Failure notching	Additional notching	Preliminary Rating Assessment	Government Support notching	Local Currency Rating	Foreign Currency Rating
Counterparty Risk Rating	3	0	a3	0	A3	
Counterparty Risk Assessment	3	0	a3 (cr)	0	A3(cr)	
Deposits	2	0	baa1	0	Baa1	
Senior unsecured bank debt	2	0	baa1	0	Baa1	Baa1

[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
RAIFFEISEN-LANDESBANK TIROL AG	
Outlook	Stable
Counterparty Risk Rating -Dom Curr	A3/P-2
Bank Deposits -Dom Curr	Baa1/P-2
Baseline Credit Assessment	baa3
Adjusted Baseline Credit Assessment	baa3
Counterparty Risk Assessment	A3(cr)/P-2(cr)
Issuer Rating	Baa1
ST Issuer Rating	P-2

Source: Moody's Investors Service

Endnotes

1 The ratings refer to RBI's long-term deposit rating and outlook, long-term senior unsecured debt rating and outlook, and BCA.

2 Under Austrian Local GAAP, the stake is valued at the lower of acquisition cost or market value. A market value above the acquisition cost results in hidden reserves.

3 Fully taxed local GAAP reserves, based on §57(1) of the Austrian Legal Banking Act, are deducted from gross loans and not disclosed as reserves.

4 In accordance with §57(1) of the Austrian Legal Banking Act, transfers to fully taxed reserves under Austrian local GAAP are labelled as loan-loss provisions and booked under risk charges in the income statement.

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