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CREDIT OPINION
3 December 2019

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

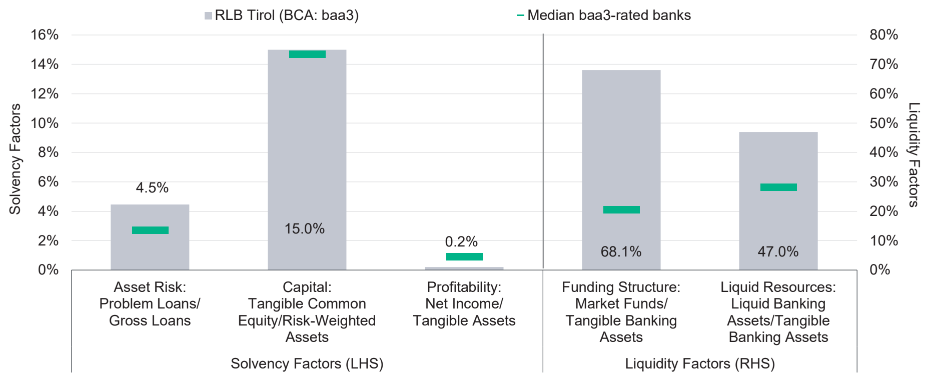
Summary

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

RLB Tirol's Baa1 deposit and issuer ratings reflect the bank's baa3 Baseline Credit Assessment (BCA); its membership in the federal institutional protection scheme of Austria's Raiffeisen Banking Group (RGB) which results in a close alignment of the member banks' Adjusted BCAs; and the application of 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 sound capitalisation, a mitigating factor for the bank's elevated market risks which the bank's equity investments represent, in particular the large stake in RBG's central institution Raiffeisen Bank International AG (RBI, A3 stable/A3 stable, baa3)[1]. The bank's BCA is also driven by its modest profitability and its vulnerability to asset risks through its relatively high problem loans and high sector concentrations. RLB Tirol's high reliance on confidence-sensitive market funding is mitigated by its access to sector funding and sound liquid resources.

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 partially 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 sector concentrations to real estate and 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 maintains its sound solvency profile and stable liquidity profile over the next 12-18 months. If RLB Tirol's fundamentals improve further, the Raiffeisen sector's (RBG) financial strength may become a limiting factor on 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.
- » In addition, the ratings may benefit from additional rating uplift, as assessed in our Advanced LGF analysis. However, the latter is unlikely, given that a higher rating uplift would require significantly higher subordinated instruments.
- » We would consider upgrading the BCA if the bank demonstrates that it can maintain the positive trend in its funding profile. However, this would not result in a rating upgrade unless the financial strength of RBG also improves.

Factors that could lead to a downgrade

- » A rating downgrade could be prompted if (1) 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 (2) there were to be a deterioration in RBG's financial strength because this could raise the current constraints for 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 material weakening in RLB Tirol's capital ratios or indications of materially rising asset risks. 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]

	12-18[2]	12-17[2]	12-16[2]	12-15[2]	12-14[2]	CAGR/Avg.[3]
Total Assets (EUR Billion)	7.9	7.4	7.3	7.4	7.1	2.8[4]
Total Assets (USD Billion)	9.0	8.9	7.7	8.1	8.6	1.3[4]
Tangible Common Equity (EUR Billion)	0.4	0.4	0.4	0.4	0.4	3.4[4]
Tangible Common Equity (USD Billion)	0.5	0.5	0.4	0.4	0.5	1.9[4]
Problem Loans / Gross Loans (%)	3.0	4.4	6.0	6.3	8.5	5.6[5]
Tangible Common Equity / Risk Weighted Assets (%)	15.0	15.2	14.2	13.3	12.7	14.1[6]
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	17.9	24.0	30.2	31.9	39.8	28.8[5]
Net Interest Margin (%)	0.7	0.7	0.7	0.7	0.8	0.7[5]
PPI / Average RWA (%)	0.9	0.6	0.8	0.9	1.4	0.9[6]
Net Income / Tangible Assets (%)	0.2	0.2	0.3	0.2	0.3	0.2[5]
Cost / Income Ratio (%)	72.7	79.9	72.2	70.5	59.9	71.0[5]
Market Funds / Tangible Banking Assets (%)	68.1	67.4	66.7	67.3	68.5	67.6[5]
Liquid Banking Assets / Tangible Banking Assets (%)	47.0	48.4	50.8	51.7	62.1	52.0[5]
Gross Loans / Due to Customers (%)	150.3	144.2	132.3	138.2	147.4	142.5[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 due to scale of reported amounts. [4] Compound Annual Growth Rate (%) based on time period presented for the latest accounting regime. [5] Simple average of periods presented for the latest accounting regime. [6] Simple average of Basel III periods presented.
Source: Moody's Investors Service; Company Filings

Profile

With total assets of €7.9 billion as of December 2018, 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 co-operatives in the region, for which the bank is the central institution. In Tyrol, the regional co-operative sector has sizeable market shares in retail banking and in lending to private customers, and small and medium-sized enterprises.

As of year-end 2018, RLB Tirol reported 11 full branches and seven self-service branches, offering services to its 66,000 customers.

RLB Tirol is a direct shareholder in RBI, the Austrian Raiffeisen Sector's (Raiffeisenbankengruppe Oesterreich; RBG) 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 (86% of exposure at default), and the bank's assigned Strong+ Weighted Macro Profile is in line with the Strong+ Macro Profile of Austria.

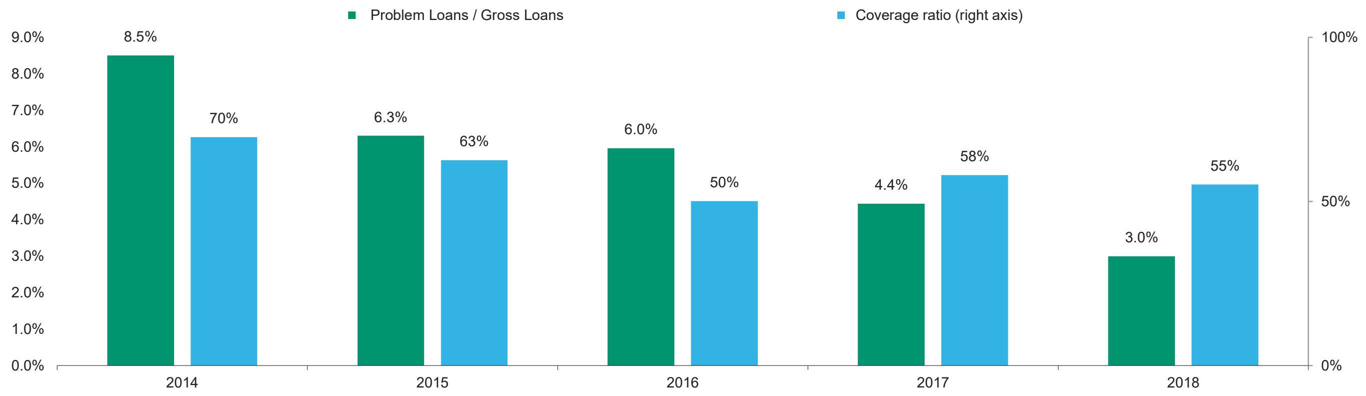
Detailed credit considerations

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

We assign a baa3 Asset Risk score to RLB Tirol, two notches below the initial score of baa1. This score reflects the three-year average of problem loans to gross loans of 4.5% as well as our expectation and our adjustments for concentrations in cyclical sectors like real estate lending.

Lending to commercial customers, predominantly small and medium-sized enterprises, account for around three-quarters of the €2.8 billion loan book and considerable sector concentrations. The bank's exposure to real estate, at €716 million, is large relative to its capital (145% of tangible common equity [TCE]). Other concentrations are in the tourism and retail trade sectors.

Exhibit 3
RLB Tirol's problem loan ratio has decreased substantially in the last five years
The coverage ratio is prudent



Sources: Moody's Financial Metrics and company reports

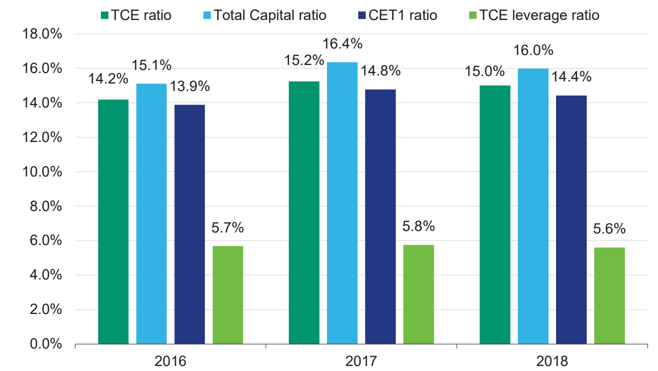
RLB Tirol's problem loan ratio improved to 3.0% as of December 2018 from 4.4% a year earlier. In 2019-20, we expect the bank's problem loans to remain broadly stable, underpinned by the benign credit environment for sectors that the bank is most exposed to, in particular, tourism and real estate. We consider the bank's provisioning levels of around 55% adequate. Moreover, we recognise that the bank's revaluation reserves related to its €204 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.

RLB Tirol's capitalisation is sound considering additional reserves

We position the Capital score at a1, one notch below the initial score of aa3. The score reflects RLB Tirol's sound solvency metrics represented by a TCE of 15.0%, slightly down from 15.2% a year earlier. Moreover, the score takes into consideration additional hidden reserves, as well as risks from the bank's participations book.

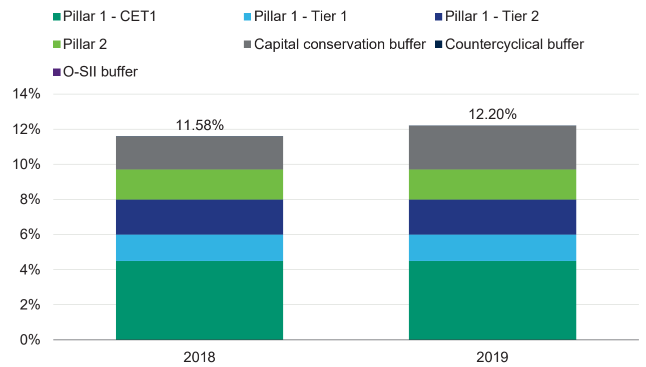
In addition to its €442 million TCE, RLB Tirol has additional capital resources stemming from €51 million in reserves under Austrian local GAAP[3] which are not included in its TCE as well as considerable revaluation reserves from its participations, which the bank accounts for at historical costs. However, the bank's €204 million participations (mostly the stake in RBI) as of year-end 2018 also represent a material concentration in the context of its TCE (42%). To account for the related risk, we simulated an impairment of the bank's stake in RBI.

Exhibit 4
RLB Tirol's capital ratios have strengthened
Data as a percentage of risk-weighted assets



Sources: Moody's Financial Metrics and company reports

Exhibit 5
RLB Tirol's capitalisation has kept up its regulatory requirements



Sources: Company reports

In addition to current market risks stemming from its participations, we expect RLB Tirol to only gradually build further capital buffers above the regulatory required minimum. In the context of prospective changes in the European Union's (EU) bank regulation the targeted harmonisation of risk weights could lead to a decrease in capital ratios resulting from adjustments to the currently applicable (and relatively favourable) risk weightings for participations.[4]

As of year-end 2018, RLB Tirol reported a solid 14.4% Common Equity Tier 1 (CET1) capital ratio, slightly down from 14.8% a year earlier, and a total capital ratio of 16.0%, down from 16.4% over the same period. The decrease in the ratios resulted from an increase in risk-weighted assets of 5% to €2.9 billion that outpaced the increase in total capital of 3% to €471 million. The bank's regulatory leverage ratio is solidly above the 3% regulatory minimum, at 5.1% as of year-end 2018 (2017: 5.2%). Despite the decrease in these ratios, RLB Tirol's capitalisation was well above the required Total capital ratio of 11.58% and CET1 capital of 9.92%, plus a capital conservation buffer of 1.9% and a countercyclical buffer of 0.003% in 2018.

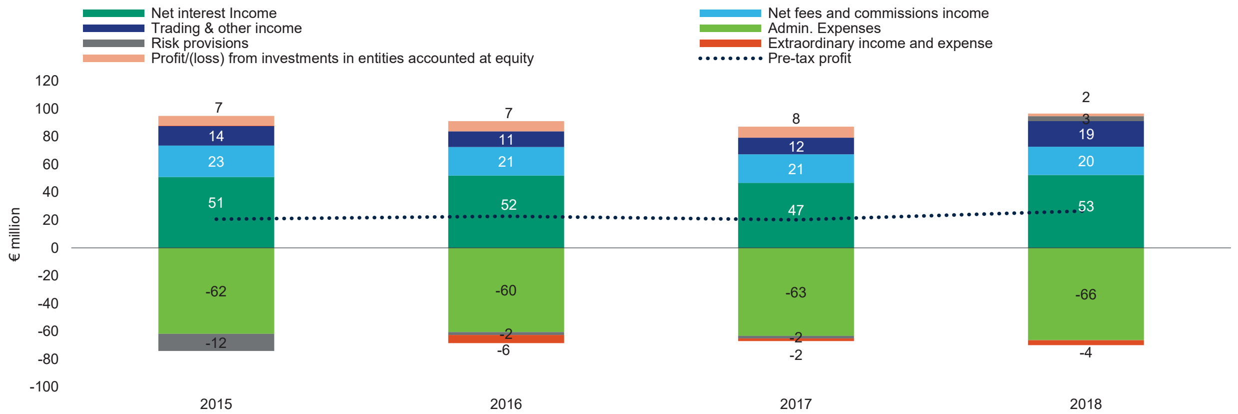
RLB Tirol's profitability is modest and partly dependent on income from participations

RLB Tirol's Profitability score of b1, which is in line with the initial score, reflects the bank's relatively resilient underlying performance of around 20 bps in recent years, as well as its partial dependence on less reliable income streams from participations.

Exhibit 5

Overview of RLB Tirol's revenue structure

Data in € millions, Austrian local GAAP



Sources: Moody's Financial Metrics and company reports

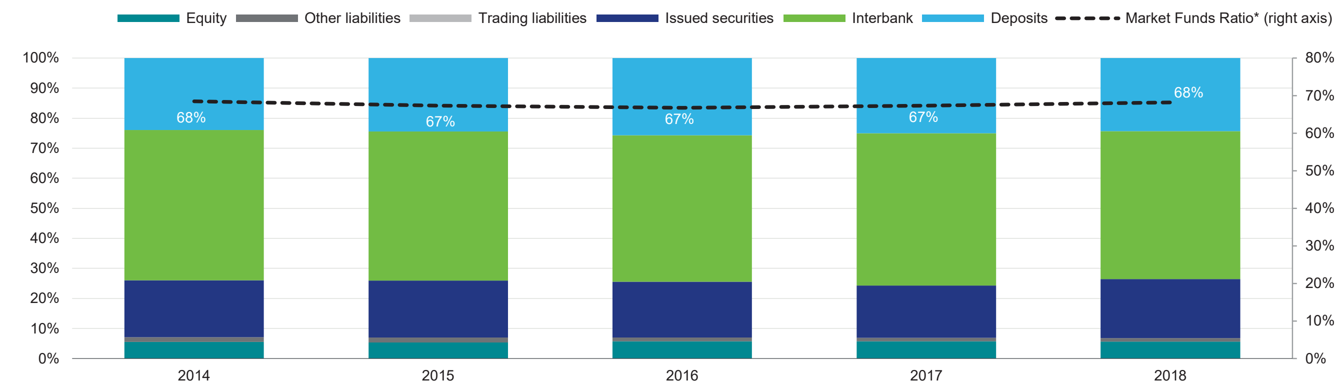
In 2018, RLB Tirol's net income of €18.5 million (2017: €14 million) benefitted from low provisioning needs and increased income from its participations compared with that in 2017. Compared with 2017, the bank increased its local GAAP reserves by €8 million (2017: €0 million)[5]. Such transfers principally understate the bank's true profit, thereby adding to its loss-absorption buffers. 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 normalise.

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

RLB Tirol's Funding score of ba2, which is five notches above the initial score of caa1, reflects the bank's good access to less-market-confidence-related sector funding. The bank's market funds ratio remained high at 68% in 2018, unchanged compared with that in 2017. However, for our assessment of the bank's funding structure, we adjust for several risk-mitigating factors, including funds received from primary Raiffeisen banks and from development banks.

The bank's good access to funds from regional Raiffeisen banks and their retail clients, as well as its own retail client base and covered bond franchise, supports the positive adjustment to the Funding score. We consider pass-through funding of retail deposits coming from the sector to be more sticky than interbank funding outside the sector and hence as a more reliable funding source.

Exhibit 7
RLB Tirol is significantly dependent on market funding
Composition of funding sources as a percentage of tangible banking assets



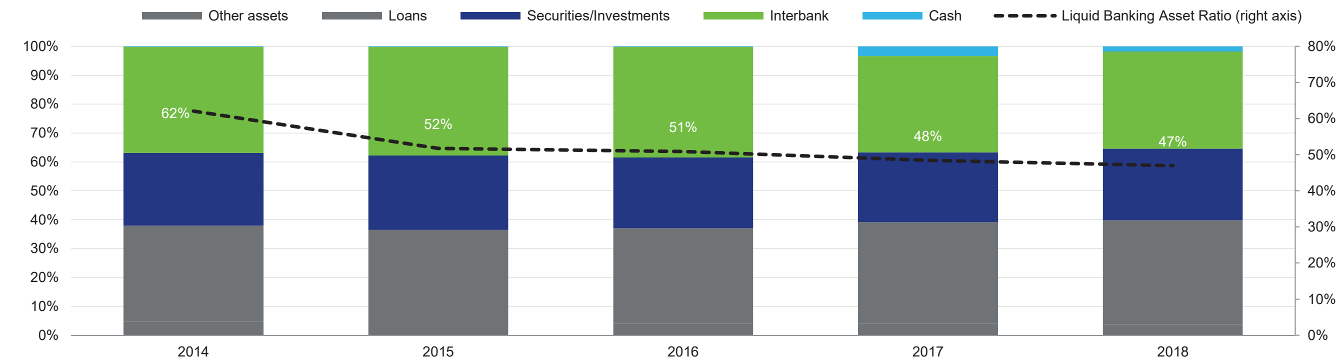
*Market funding ratio = Market funds/tangible banking assets.
Sources: Moody's Financial Metrics and company reports

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 2017 and own issuances of €1.5 billion, which are also partly placed within the Raiffeisen sector. These funds are complemented by deposits of €2.0 billion and interbank funding of €1.4 billion, which is placed outside the sector.

Funding risks are mitigated by sound liquidity buffers

We assign a baa2 Liquidity score, five notches below the initial score of aa3, reflecting our Moody's-adjusted liquid resources ratio of 47%, as well as adjustments for asset encumbrance and additional restrictions on intragroup deposits that RLB Tirol holds as part of its role as a central institution.

Exhibit 8
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

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 the primary banks and are not available as a liquidity buffer for RLB Tirol.

The reported regulatory liquidity coverage ratio as of December 2018 was 126%.

Environmental, social and governance considerations

Environmental risks can be defined as environmental hazards encompassing the impact of air pollution, soil/water pollution, water shortage, and natural and man-made hazards (physical risks). Additionally, regulatory or policy risks, like the impact of carbon regulation or other regulatory restrictions, including the related transition risks like policy, legal, technology and market shifts, that could impair the evaluation of assets are an important factor. In our Environmental risks heat map, we scored 84 sectors according to their overall exposure to environmental risks. The banking sector has a low exposure in our view. In line with our general evaluation for banks, RLB Tirol has an overall low exposure to environmental risks. For further information, please refer to our Environmental risks heat map.

Social risk considerations represent a broad spectrum, including customer relations, human capital, demographic and societal trends, health and safety, and responsible production. The most relevant social risks for banks arise from the way they interact with their customers. Social risks are particularly high in the area of data security and customer privacy, which are partly mitigated by sizeable technology investments and banks' long track record of handling sensitive client data. Fines and reputational damage because of product mis-selling or other types of misconduct is a further social risk. Social trends are also relevant in a number of areas, such as shifting customer preferences towards digital banking services increasing information technology cost, ageing population concerns in several countries affecting demand for financial services or socially driven policy agendas that may translate into regulations that affect banks' revenue base. Overall, we believe banks face moderate social risks. For further information, please refer to our Social risks heat map.

Corporate governance is a well-established key driver for banks and related risks are typically included in our evaluation of banks' financial profiles. Further factors like specific corporate behaviour, key-person risk, insider and related-party risk, strategy and management risk factors, and dividend policy may be captured in individual adjustments to the BCA. 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 company'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 materially reduces the probability of default, as the co-operative 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 based on the co-operative group's combined financial strength. Although their 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 to 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 cross-sector support currently results in no rating uplift for RLB Tirol.

Loss Given Failure analysis

RLB Tirol is subject to the European Union Bank Recovery and Resolution Directive, which we consider an operational resolution regime. We assume a residual TCE of 3%, losses post-failure 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 European Union 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.

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 is used to rate RLB Tirol, which was published in November 2019.

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 9
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	4.5%	baa1	←→	baa3	Sector concentration	Market risk
Capital						
Tangible Common Equity / Risk Weighted Assets (Basel III - transitional phase-in)	15.0%	aa3	←→	a1	Stress capital resilience	Risk-weighted capitalisation
Profitability						
Net Income / Tangible Assets	0.2%	b1	←→	b1	Expected trend	Earnings quality
Combined Solvency Score		baa1		baa2		
Liquidity						
Funding Structure						
Market Funds / Tangible Banking Assets	68.1%	caa1	←→	ba2	Market funding quality	Extent of market funding reliance
Liquid Resources						
Liquid Banking Assets / Tangible Banking Assets	47.0%	aa3	←→	baa2	Intragroup restrictions	Asset encumbrance
Combined Liquidity Score		ba1		ba1		
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				0		
Adjusted BCA				baa3		

Balance Sheet	**in-scope (EUR Million)**	**% in-scope**	**at-failure (EUR Million)**	**% at-failure**
Other liabilities	5,737	72.7%	5,056	64.1%
Deposits	1,920	24.3%	1,484	18.8%
Preferred deposits	1,421	18.0%	1,162	14.7%
Junior deposits	499	6.3%	322	4.1%
Senior unsecured bank debt			1,059	13.4%
Dated subordinated bank debt			58	0.7%
Equity	237	3.0%	237	3.0%
Total Tangible Banking Assets	7,894	100.0%	7,894	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	21.2%	21.2%	21.2%	21.2%	3	3	3	3	0	a3
Counterparty Risk Assessment	21.2%	21.2%	21.2%	21.2%	3	3	3	3	0	a3 (cr)
Deposits	21.2%	3.7%	21.2%	17.2%	2	3	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	

[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 10

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, the long-term senior unsecured debt rating and outlook, and the 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 Being part of the institutional protection scheme of RBG, RLB Tirol has the privilege of favourable risk weights for intra-sector participations and exposures; the vast majority of its participations are weighted at 100%.

5 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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