

Announcement of Periodic Review: Moody's announces completion of a periodic review of ratings of Raiffeisenlandesbank Vorarlberg

20 Mar 2020

Frankfurt am Main, March 20, 2020 -- Moody's Investors Service ("Moody's") has completed a periodic review of the ratings of Raiffeisenlandesbank Vorarlberg and other ratings that are associated with the same analytical unit. The review was conducted through a portfolio review in which Moody's reassessed the appropriateness of the ratings in the context of the relevant principal methodology(ies), recent developments, and a comparison of the financial and operating profile to similarly rated peers. The review did not involve a rating committee. Since 1 January 2019, Moody's practice has been to issue a press release following each periodic review to announce its completion.

This publication does not announce a credit rating action and is not an indication of whether or not a credit rating action is likely in the near future. Credit ratings and outlook/review status cannot be changed in a portfolio review and hence are not impacted by this announcement. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moodys.com for the most updated credit rating action information and rating history.

Key rating considerations are summarized below.

Raiffeisenlandesbank Vorarlberg's (RLB Vorarlberg) Baa1 deposit and issuer ratings reflect (1) the bank's baa3 Baseline Credit Assessment (BCA); (2) its membership in the federal institutional protection scheme of Austria's Raiffeisen Banking Group which results in a close alignment of the member banks' Adjusted BCAs; and (3) two notches of uplift from the application of Moody's Advanced Loss Given Failure (LGF) analysis to its liabilities. Moody's does not incorporate rating uplift from government support for RLB Vorarlberg due to the wider scope of BRRD application in Austria and evidenced willingness of its government to apply burden-sharing to creditors.

RLB Vorarlberg's baa3 BCA is based on its strong asset quality and capitalisation, that provides a strong cushion against tail risks, especially those related to its equity participations. The bank's BCA further reflects its modest profitability and its vulnerability to a strong concentration in commercial real estate lending. RLB Vorarlberg's high dependence on confidence-sensitive market funding is mitigated by its access to the Raiffeisen sector and material liquid resources.

This document summarizes Moody's view as of the publication date and will not be updated until the next periodic review announcement, which will incorporate material changes in credit circumstances (if any) during the intervening period.

The principal methodology used for this review was Banks Methodology published in November 2019. Please see the Rating Methodologies page on www.moodys.com for a copy of this methodology.

This announcement applies only to EU rated and EU endorsed ratings. Non EU rated and non EU endorsed ratings may be referenced above to the extent necessary, if they are part of the same analytical unit.

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