

Fitch Downgrades Large Austrian Banks on Support Revision

Fitch Ratings-Frankfurt/Warsaw/London-19 May 2015: Fitch Ratings has downgraded the Long-term Issuer Default Ratings (IDRs) and senior debt ratings of Erste Group Bank AG (Erste) to 'BBB+'/'F2'; Raiffeisen Bank International AG (RBI) to 'BBB'/'F3'; UniCredit Bank Austria AG (Bank Austria) to 'BBB+'/'F2'; and Volksbanken-Verbund (VB-Verbund) to 'BB-'/'B'. VB-Verbund's Long-term IDR has been placed on Rating Watch Positive (RWP).

VB-Verbund is not a legal entity but a network of cooperative banks. Based on Fitch's rating criteria for banking structures backed by mutual support mechanisms, Fitch has assigned group ratings but no Viability Ratings (VRs) to VB-Verbund's member banks.

A full list of rating actions is available at the end of this rating action commentary.

The rating actions are in conjunction with Fitch's review of sovereign support for banks globally, which the agency announced in March 2014. In line with its expectations announced at that time and communicated regularly since then, Fitch believes legislative, regulatory and policy initiatives have substantially reduced the likelihood of sovereign support for commercial banks in the European Union.

As a result, Fitch believes that, in line with our Support Rating (SR) definition of '5', extraordinary sovereign support, while possible, can no longer be relied upon for any member of the peer group. We have, therefore, downgraded the SRs of Erste, RBI and VB-Verbund to '5' from '1' and revised their Support Rating Floors (SRFs) to 'No Floor' from 'A'. In addition, we have downgraded Bank Austria's SR to '2' from '1' and revised its SRF to 'No Floor' from 'A' and subsequently withdrawn the latter because our support assessment for the bank is now based on institutional rather than sovereign support; and hence the SRF is no longer considered by Fitch to be relevant to the agency's coverage.

The revision of our expectations for state support means the banks' IDRs are now driven by their standalone creditworthiness as expressed in the Viability Rating (VR), leading to the downgrade of the IDRs to the level of their respective VRs.

The rating actions are also part of a periodic peer review of large Austrian banking groups rated by Fitch. The VRs have been affirmed at 'bbb+' (Erste and Bank Austria) and 'bbb' (RBI), while VB-Verbund's 'bb-' is maintained on RWP. The affirmation of most VRs within the 'bbb' range reflects the Austrian banking sector's generally solid operating environment and adequate flexibility to deal with recurring challenges in heterogeneous CEE markets, although significant pressure remains on the VRs of the peers exposed to Russia and Ukraine.

Erste's Stable Outlook reflects our expectation that its performance will continue to recover as indicated by its 1Q15 results. RBI's Negative Outlook primarily reflects the weak and uncertain economic outlook in Russia, its dominant profit contributor, the worsening recession in Ukraine and the execution risk of its deleveraging plan. Bank Austria's Stable Outlook reflects our view that, given its solid profit and lower reliance on Russia and Ukraine, any severe asset quality deterioration in these countries would only have a moderate effect on the bank.

KEY RATING DRIVERS - IDRs, VRs AND SENIOR DEBT

We view Erste, RBI and Bank Austria's management capabilities, execution and strategic positioning as comparably solid but with only modest positive VR implications given the recurring challenges that they face in a large number of diverse markets. The three banks have similar dual positioning in Austria and CEE. While this results in broadly comparable risk appetites in our view, RBI is naturally more exposed to volatile markets due to its stronger focus on CEE, where about 61% of total credit exposure is located, compared with 36% at Erste.

In addition to Erste and Bank Austria's leading domestic franchises, the three banks have solid market shares in several CEE countries, resulting in a risk diversification which mitigates the impact of negative developments in single markets. However, a strong deterioration of the Russian economy could affect many CEE countries despite the region's limited economic convergence.

RBI's geographically less diversified profits than those of Bank Austria somewhat limit the former's flexibility to absorb the economic slowdown in Russia. This is a key driver of the one-notch differential between RBI's VR and those of its larger peers. This constraint is counterbalanced by RBI's solid and improved pre-impairment performance, which remains significantly above its peers'.

RBI's deleveraging should result in more balanced profit contributions across CEE by reducing the bank's earnings reliance on Russia. However, the positive VR implications thereof are diluted by RBI's decision to exit the Polish market, one of the largest and most resilient in CEE. Generally, we view RBI's company profile as slightly weaker than those of Erste and Bank Austria due to RBI's less developed retail franchise in stable mature markets.

Bank Austria's operating performance is more diversified and currently stronger and more stable than those of its peers. However, Bank Austria's performance is similarly reliant on Turkey as on Russia. RBI's and Bank Austria's exposures to Ukraine are modest, but the weak and rapidly deteriorating asset quality there will continue to burden both banks' consolidated performance in 2015. Erste's exposure to Russia and Ukraine is limited. The bank is similarly reliant on its Czech subsidiary's profit contribution as RBI is on Russia. However, this is strongly mitigated by the Czech unit's strong capitalisation, profitability, funding and asset quality.

The peers' recent performance has suffered from large one-off impairments, adverse legislation (notably in Hungary, although the issue of legacy FX exposures was largely resolved in 2014), regulatory charges (including bank levies), currency depreciation in CEE (especially in Ukraine and Russia in 2014), recurring low margins and high fixed costs in Austria, high loan impairment charges (LICs) in weak CEE markets such as Hungary (all), Romania (particularly Erste, although the bank has significantly cleaned up its Romanian loan book in the last few years), Ukraine (RBI and Bank Austria) and Asia (RBI) and subdued loan growth in CEE and Austria, accentuated by the banks' restructuring and asset clean-up.

Asset quality remains weak in several CEE markets (notably Hungary, Croatia and Romania), and is rapidly deteriorating in Ukraine. While it remains solid in Russia, we expect LICs to increase significantly in Russia in the near term. We view the three banks' overall non-performing loan (NPL) coverage as adequate, although it varies substantially by country, especially at RBI and Bank Austria.

Bank Austria caught up with its peers by significantly increasing its cash provisioning of NPLs in 2013, but its provisioning in Ukraine remains materially lower than RBI's despite comparable operations. This is, however, sufficiently mitigated by Bank Austria not having distributed any dividends to its parent for several years, which helped it to maintain unreserved NPLs/Fitch Core Capital (FCC) at the lower end of the peer group. We believe that further asset quality deterioration in Ukraine should be manageable for the banks given their coverage ratios and the size of their exposures.

The three banks have strengthened their local deposit franchises in CEE and maintain large unencumbered liquidity buffers. In addition, Erste and Bank Austria have large Austrian retail deposit franchises which are particularly resilient and not subject to FX volatility. We believe that Bank Austria's and RBI's higher reliance than Erste's on wholesale funding is mitigated by their access to contingent funding sources from their parents.

The three banks' adequate risk-adjusted capitalisation is in line with general market expectations for universal banks, and high regulatory risk weights in CEE drive their solid leverage ratios. But their CEE portfolios expose them to FX and RWA volatility and cumulated internal capital generation was negative at all three banks in the last two years, putting them at risk of falling behind their international peers as regulatory and market demands tighten.

RBI's short-term internal capital generation prospects are weaker than those of its two larger peers due to its larger exposure to more vulnerable CEE markets. We believe that its recently launched strategic realignment, which foresees a gross RWA reduction by 20% in the next three years and the sale of its Polish unit, adequately addresses these challenges. But its execution is vulnerable to challenging market conditions. This supports the Negative Outlook on RBI's Long-term IDR.

RBI's Short-term IDR was downgraded to 'F3', the lower of two possible levels corresponding to its Long-term IDR of 'BBB' given the Negative Outlook on the Long-term IDR. While we believe that Raiffeisen Banking Group (RBG) could provide short-term liquidity support, RBI's Long-term IDR

does not factor any uplift for potential institutional support from its parent because we believe that RBI is less integrated into RBG than other group members and because of RBI's relatively large size, which would make support from the rest of the group more difficult. RBI is an important contributor to RBG's profitability, which means that RBG would likely be weakened in a situation in which RBI would require support. At the same time, we believe that RBG's business model is unlikely to generate major risks on a scale that could affect RBI's ratings negatively.

VB-Verbund remains an outlier within the peer group. Its non-investment grade VR primarily reflects legacy asset quality weaknesses at Oesterreichische Volksbanken AG (OeVAG, B/Rating Watch Negative (RWN)/B), VB-Verbund's central institution that is in wind down. However, OeVAG has made considerable restructuring progress, shrinking its higher-risk non-core asset portfolio to EUR3.6bn or a quarter of its total assets at end-2014 from about 40% at end-2012. This accelerated deleveraging triggered OeVAG's large loss in 2014.

OeVAG reached a further major milestone in April 2015 when it completed the sale of its Romanian subsidiary, which generated large losses and considerably burdened VB-Verbund's asset quality and capitalisation in the last five years.

VB-Verbund's next major restructuring milestone in the short-term is the spin-off (planned for July 2015) of OeVAG from VB-Verbund as a wind-down entity (to be renamed Immigon) without a banking license and with substantial remaining higher-risk non-core assets. We expect OeVAG to leave VB-Verbund's mutual support scheme and be deconsolidated from the group in July 2015, following the remarkable progress achieved since the start of the restructuring of OeVAG following the part nationalisation in 2012 and the launch of OeVAG's accelerated wind-down strategy in 4Q14 and the concerted approach of the Austrian regulators and government (which owns 43.3% of OeVAG). We expect VB-Verbund's net residual exposure to Immigon to be modest, which should no longer materially constrain the group's VR.

Beside considerably relieving VB-Verbund's asset quality and performance and, thus, reducing the vulnerability of the group's capital, OeVAG's spin-off should enable VB-Verbund's 47 member banks to concentrate on their restructuring, which includes merging into eight local cooperative banks and two special institutions, all of which will predominantly concentrate on Austrian and small corporate clients. Therefore, in the medium-term, VB-Verbund should emerge as a significantly more stable banking group with the vast majority of its revenues being generated from lower-risk Austrian retail clients.

The ratings of three local cooperative banks members of VB-Verbund have been placed on Rating Watch Evolving (RWE). This reflects that the three banks' governing bodies have to date voted against VB-Verbund's restructuring plans. We understand from VB-Verbund that, if these banks remain opposed, they could be removed from the group's joint-liability scheme. The regulator could prevent them from joining competing deposit protection schemes, which could result in a withdrawal of their banking licenses. However, in our view, the opposition of these three bank (which account for 2% of VB-Verbund's RWAs) is highly unlikely to derail the group's restructuring.

RATING SENSITIVITIES - IDRs, VRs, AND SENIOR DEBT

Erste's, RBI's and VB-Verbund's IDRs and senior debt ratings are now sensitive to the same factors that may affect their respective VRs. The asset quality and performance challenges in CEE limit the short-term upside potential on Erste's, Bank Austria's and RBI's ratings. We expect the Austrian economy to remain resilient in the medium term and, as such, to have neutral implications for all peers' ratings.

Negative pressure on Erste's ratings could result from an unexpected deterioration in Hungary or Romania. Conversely, significantly improving asset quality in these countries could trigger an upgrade if it leads to a sustainable turnaround locally and at Erste's consolidated level, and materially reduce Erste's reliance on its Czech operations. Improved cost efficiency at the Austrian savings banks would also help.

RBI's ratings are primary sensitive to the asset quality and performance implications of the economic deterioration in Russia and Ukraine. Therefore, RBI's ratings could be downgraded if the VR of its Russian subsidiary, ZAO Raiffeisenbank (BBB-/Negative/bbb-) is downgraded, either because of a deterioration of its credit profile or as a result of a downgrade of the Russian sovereign (BBB-/Negative/F3).

RBI's ratings could also be downgraded if the bank fails to achieve the planned capital strengthening from its strategic realignment. In the medium term, positive momentum could result from achieving the targeted 12% fully-loaded CET1 ratio and from successfully shifting capital allocation from Russia and Poland to other CEE markets without negative effects on risk-adjusted group earnings.

The significantly higher resilience of RBI's and Bank Austria's Russian operations relative to most local banks in Russia in 2014 largely reflected their focus on lower-risk retail clients and FX lending to large corporate clients with revenues in matching currencies. However, an upgrade of their ratings would be contingent on a durable stabilisation of the Russian and Ukrainian economies and, thus, is unlikely in the short term. The influence of the Russian crisis on both banks' ratings will also depend on whether their solid positioning will continue to provide relative insulation or whether it merely delays the impact of the crisis. Upside potential on Bank Austria's ratings could arise if the bank increases its earnings contribution from Austria and other stable markets. Conversely, negative pressure could arise if the current combination of strong loan growth and earning pressure in Turkey persists.

Bank Austria's Long-term IDR is subject to the same sensitivities as its VR. Its VR is also sensitive to changes in the ratings of its parent, UniCredit S.p.A. (UC, BBB+/Stable/bbb+), as a subsidiary's VR will not normally be more than three notches above its parent's IDR, and within the eurozone the appropriate difference is narrower. Therefore, Bank Austria's VR could be negatively affected by a downgrade of UC's ratings.

In case of a multi-notch downgrade of Bank Austria's VR, the downside for its Long-term IDR would likely be limited to one notch (to 'BBB', ie one notch below UC's Long-term IDR), when its IDRs would be based on institutional support. This reflects Fitch's view that UC has a strong propensity to support Bank Austria (due to the latter's role as holding company for most of UC's CEE operations) and is able to do so, as indicated by UC's rating. Our view on UC's ability to provide support for Bank Austria also takes into account the size of any likely solvency support that would be required relative to the capital available in the rest of the group (Bank Austria accounts for one third of UC's total RWAs).

Bank Austria's IDR is also sensitive to developments in UC's group structure and to further integration of UC's subsidiaries. When a subsidiary is large compared to its parent, makes a significant contribution to the group's credit profile and is strongly integrated, which is the case for Bank Austria within UC, Fitch could assign a common VR to both entities.

Fitch believes that Bank Austria's intragroup exposure might increase materially as a result of a stronger integration of capital and liquidity management, especially in a potential stress scenario at UC or one of its larger subsidiaries, under a Single Supervisor Mechanism (SSM). Bank Austria and UC are now both regulated by the European Central Bank and Fitch believes the potential for the bank's parent to upstream excessive liquidity and/or capital from the subsidiary could increase.

VB-Verbund's VR is primarily sensitive to OeVAG's planned spin-off, which we expect to strengthen VB-Verbund's capitalisation and risk profile sufficiently to upgrade the VR by up to two notches. Therefore, we expect to resolve the RWP on VB-Verbund's ratings when the spin-off is formally completed in July 2015. However, the RWP could extend beyond the typical six-month review horizon if technical, legal and regulatory aspects delay the spin-off.

We do not expect the spin-off to be sufficient for VB-Verbund to achieve an investment-grade VR in the short term. This is because the restructuring of its primary banks will bear significant execution risk until its planned completion in 2017, potentially triggering unexpected burdens that may result in a need for intragroup support at weaker individual banks. We believe that VB-Verbund has the potential to achieve a sustainable VR within the 'bbb' range by the time the local banks' consolidation process nears completion. However, the VR is unlikely to rise above the 'bbb' range in the long term in light of VB-Verbund's small market share in the generally low-margin Austrian retail market, which suffers from structural overcapacity.

We expect to resolve the RWE on the three non-aligned members of VB-Verbund when we obtain more clarity on whether they will eventually accept the conditions of the group's restructuring. If so, we expect to upgrade them in line with VB-Verbund. An exclusion from the mutual support scheme is likely to trigger a downgrade of their Long-term IDRs into the 'B' category to reflect these small banks' uncertain viability without the technical support, franchise and creditor protection associated with their membership in VB-Verbund.

KEY RATING DRIVERS AND SENSITIVITIES - SRs AND SRFs

The peers' SRs and SRFs reflect Fitch's view that senior creditors can no longer rely on full extraordinary support from the sovereign in the event that they become non-viable. The Austrian government has, for instance, expressed its reluctance to provide support by explicitly ruling out since 4Q14 further support to OeVAG, although the institution will remain exposed to potential further deterioration of its vulnerable assets during its wind-down.

In Fitch's view, the EU's Bank Recovery and Resolution Directive (BRRD) and the SRM for eurozone banks are now sufficiently progressed to provide a framework for resolving banks that is likely to require senior creditors participating in losses, if necessary, instead of or ahead of a bank receiving sovereign support.

BRRD, which was implemented into Austrian legislation with effect from 1 January 2015, includes minimum loss absorption requirements before resolution financing or alternative financing (eg, government stabilisation funds) can be used. Austria is one of the first EU countries to have implemented the BRRD's bail-in tool.

The downgrade of Bank Austria's SR to '2' from '1' reflects our opinion that, although sovereign support is no longer reliable, extraordinary support from UC would be highly likely should this be required.

Any upgrade to the SR of Erste, RBI and VB-Verbund and upward revision to their SRFs would be contingent on a positive change in the sovereign's propensity to support its banks. While not impossible, this is highly unlikely in Fitch's view.

Bank Austria's SR is sensitive to material changes in UC's ability to support that could be indicated by a change to UC's rating or could relate to a change in the size of Bank Austria relative to UC. It is also sensitive to any negative changes to Fitch's view of the parent's propensity to provide support.

KEY RATING DRIVERS AND SENSITIVITIES - SUBSIDIARIES' IDRs AND SRs

Banca Comerciala Romana S.A (BCR) is Erste's 93.6%-owned Romanian subsidiary, and Raiffeisenbank (Bulgaria) EAD is RBI's 100%-owned Bulgarian subsidiary. BCR's and Raiffeisenbank (Bulgaria)'s IDRs are notched down once from their parents' as we believe that they remain strategically important for Erste and RBI, respectively, despite recent weak performance, particularly in the Romanian market.

Our view is driven by the importance of CEE for Erste and RBI, by BCR's and Raiffeisenbank (Bulgaria)'s strong integration into the groups and by the track record of support to date. At this rating level, BCR's and Raiffeisenbank (Bulgaria)'s IDRs are no longer constrained by the Romanian and Bulgarian Country Ceilings of 'BBB+'.

The Negative Outlook on Raiffeisenbank (Bulgaria)'s Long-term IDR mirrors RBI's Outlook. Raiffeisenbank (Bulgaria)'s Short-term IDR was downgraded to 'F3' from 'F2', in accordance with Fitch's rating correspondence table between Long-term and Short-term IDRs. BCR's Short-term IDR was affirmed at 'F2', the higher of the two possible Short-term IDRs corresponding to its Long-term IDR of BBB, reflecting available liquidity support from Erste.

BCR's and Raiffeisenbank (Bulgaria)'s ratings are sensitive to the same factors that may affect their respective parents' IDRs. They are also sensitive to, respectively, changes in Fitch's view of Erste's or RBI's commitment to the CEE in general, and to the Romanian or Bulgarian markets in particular.

The rating actions are as follows:

Erste Group Bank AG

Long-term IDR: downgraded to 'BBB+' from 'A'; Outlook Stable

Short-term IDR: downgraded to 'F2' from 'F1'

Viability Rating: affirmed at 'bbb+'

Support Rating: downgraded to '5' from '1'

Support Rating Floor: revised to 'No Floor' from 'A'

Senior unsecured notes: downgraded to 'BBB+/'F2' from 'A/'F1'

Market-linked securities: downgraded to 'BBB+emr' from 'Aemr'

Lower Tier 2 debt: affirmed at 'BBB'

Erste Finance (Delaware) LLC: USD10bn commercial paper programme, guaranteed by Erste: downgraded to 'F2' from 'F1'

Banca Comerciala Romana S.A. (BCR)
Long-term foreign currency IDR: downgraded to 'BBB' from 'BBB+'; Outlook Stable
Short-term foreign currency IDR: affirmed at 'F2'
Long-term local currency IDR: downgraded to 'BBB' from 'BBB+'; Outlook Stable
Support Rating: affirmed at '2'
Viability Rating: 'b+' unaffected

Raiffeisen Bank International AG
Long-term IDR: downgraded to 'BBB' from 'A'; Outlook Negative
Short-term IDR: downgraded to 'F3' from 'F1'
Viability Rating: affirmed at 'bbb'
Support Rating: downgraded to '5' from '1'
Support Rating Floor: revised to 'No Floor' from 'A'

Raiffeisenbank (Bulgaria) EAD
Long-term IDR: downgraded to 'BBB-' from 'BBB+'; Outlook Negative
Short-term IDR: downgraded to 'F3' from 'F2'
Support Rating: affirmed at '2'
Viability Rating: 'b+' unaffected

UniCredit Bank Austria AG
Long-term IDR: downgraded to 'BBB+' from 'A'; Outlook Stable
Short-term IDR: downgraded to 'F2' from 'F1'
Viability Rating: affirmed at 'bbb+'
Support Rating: downgraded to '2' from '1'
Support Rating Floor: revised to 'No Floor' from 'A'; withdrawn
Senior unsecured notes: downgraded to 'BBB+' from 'A'

Volksbanken-Verbund
Long-term IDR: downgraded to 'BB-' from 'A'; placed on RWP
Short-term IDR: downgraded to 'B' from 'F1'
Viability Rating: 'bb-'; maintained on RWP
Support Rating: downgraded to '5' from '1'
Support Rating Floor: revised to 'No Floor' from 'A'

OeVAG's ratings (B, RWN/B, RWN) are unaffected by today's rating actions. The IDRs of VB-Verbund's other member banks listed below have been downgraded to 'BB-/RWP/B' from 'A/Negative/F1+', in line with VB-Verbund's IDRs. These "group" ratings assigned under Fitch's rating criteria for banking structures backed by mutual support mechanisms are sensitive to the same drivers as VB-Verbund's IDRs:

start:bausparkasse e.Gen. Genossenschaft mit beschaenakter Haftung
Bank fuer Aerzte und Freie Berufe AG
Volksbank, Gewerbe- und Handelsbank Kaernten AG
IMMO-BANK AG
Oesterreichische Apothekerbank eG
SPARDA-BANK AUSTRIA Nord eGen
SPARDA-BANK AUSTRIA Sued eGen
Volksbank Alpevorland e.Gen.
Volksbank Bad Goisern eingetragene Genossenschaft
Volksbank Bad Hall e.Gen.
Volksbank Donau-Weinland reg.Gen.m.b.H.
Volksbank Eferding - Grieskirchen reg.Gen.m.b.H.
Volksbank Enns - St.Valentin eG
Volksbank Feldkirchen eG
Volksbank Fels am Wagram e.Gen.
Volksbank Kaernten Sued e.Gen.
Volksbank NOe, St.Poelten, Krems Zwettl AG
Volksbank Kufstein-Kitzbuehel eG
Volksbank Landeck eG
Volksbank Linz-Wels-Muehlviertel AG
Volksbank Marchfeld e.Gen.
Volksbank Nideroesterreich Sued eG

Volksbank Oberes Waldviertel reg.Gen.m.b.H.
Volksbank Oberkaernten reg.Gen.m.b.H.
Volksbank Oberndorf reg.Gen.m.b.H.
Volksbank Obersdorf - Wolkersdorf - Deutsch-Wagram e. Gen.
Volksbank Obersteiermark eGen
Volksbank Ost reg.Gen.m.b.H.
Volksbank Oetscherland eG
Volksbank Ried im Innkreis eG
Volksbank Salzburg eG
Volksbank Schaerding, Altheim Braunau
Volksbank Steiermark Mitte AG
Volksbank Steirisches Salzkammergut reg.Gen.m.b.H.
Volksbank Strasswalchen-Voecklamarkt-Mondsee eGen
Volksbank Suedburgenland eG
Volksbank Sued-Oststeiermark e.Gen.
Volksbank Tirol Innsbruck - Schwaz AG
Volksbank Tullnerfeld eG
Volksbank Voecklabruck-Gmunden e.Gen.
Volksbank Vorarlberg e. Gen.
Volksbank Weinviertel e.Gen.
Volksbank Wien-Baden AG
Waldviertler Volksbank Horn reg.Gen.m.b.H.
Spar- und Vorschuss-Verein der Beamtenschaft der Oesterreichischen Nationalbank reg.Gen.m.b.H.
Spar- und Vorschussverein "Graphik" reg.Gen.m.b.H.
Spar- und Vorschussverein der Mitarbeiter der Niederoesterreichischen Landesbank-
Hypothekenbank AG, reg.Gen.m.b.H.
Spar- und Vorschusskasse der Angestellten der "Wiener Staedtische Versicherung AG Vienna
Insurance Group" e.Gen.

The IDRs of VB-Verbund's following members have been downgraded to 'BB-/RWP/B' from 'A/Negative/F1+' and withdrawn as a result of their mergers into other rated members of the group:

Volksbank Laa eGen
Gaertnerbank reg.Gen.m.b.H.
Volksbank fuer den Bezirk Weiz reg.Gen.m.b.H.
Volksbank fuer die Sued- und Weststeiermark eG

Volksbank Almtal e. Gen.; Volksbank Gmuend eingetragene Genossenschaft; Volksbank Osttirol-
Westkaernten eG

Long-term IDR: downgraded to 'BB-' from 'A'; placed on RWE
Short-term IDR: downgraded to 'B' from 'F1'

Contact:

Primary Analysts
Patrick Rioual (Erste, Bank Austria, RBI, VB-Verbund)
Director
+49 69 76 80 76 123
Fitch Deutschland GmbH
Neue Mainzer Strasse 46-50
60311 Frankfurt am Main

Sandra Hamilton (BCR, Raiffeisenbank (Bulgaria))
Director
+44 20 3530 1266
Fitch Ratings Limited
30 North Colonnade
London E14 5GN

Secondary Analysts
Maria Shishkina (Erste, Bank Austria, RBI, VB-Verbund)
Analyst
+44 20 3530 1379

Radu Gheorghiu (BCR)
Analyst
+44 20 3530 1253

Agata Gryglewicz (Raiffeisenbank (Bulgaria))
Associate Director
+48 22 330 6970

Committee Chairperson
Christian Scarafia
Senior Director
+44 20 3530 1012

Media Relations: Elaine Bailey, London, Tel: +44 203 530 1153, Email:
elaine.bailey@fitchratings.com.

Additional information is available on www.fitchratings.com
Applicable criteria, Global Bank Rating Criteria, dated 20 March 2015, are available at
www.fitchratings.com.

Applicable Criteria and Related Research:
[Global Bank Rating Criteria](#)

Additional Disclosure

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