

Volksbanken-Verbund

Key Rating Drivers

Cooperative Domestic Banking Group: Volksbanken-Verbund (VB-Verbund) is a medium-sized network of regional cooperative banks, not a legal entity. Volksbank Wien AG (VBW) acts as its central organisation. The group's strong cohesion is primarily ensured by its mutual support scheme. VB-Verbund's Issuer Default Ratings (IDRs) apply to each of its member banks, in line with Fitch Ratings' criteria for rating banking structures backed by mutual support mechanisms.

The group's ratings reflect a small domestic franchise and modestly diverse business model, which results in below-peer-average operating profitability and cost efficiency, ultimately limiting financial flexibility. The ratings also reflect the group's adequate capitalisation, and good liquidity and funding profile, which is a relative rating strength.

Established Retail Business Profile: VB-Verbund benefits from a well-established retail-oriented cooperative franchise in the Austrian market, which translates into a stable and granular retail deposit base, and principally generates revenues from traditional retail and commercial banking services. The group's moderate size and regional focus result in limited diversification and pricing power. Its business model has proved resilient throughout the cycle despite recent asset-quality deterioration.

High CRE Risks: The group's overall risk profile benefits from a focus on core products, lending to a well-known long-term customer base of mostly domestic retail, self-employed and SME borrowers. However, more than 20% of its loan portfolio relates to higher-risk commercial real estate (CRE) lending. This segment performed poorly over the past two years, despite tightened lending standards, and significantly weighs on VB-Verbund's risk profile and asset quality.

Weak Asset Quality: VB-Verbund failed to stabilise its asset-quality indicators in 2025, and the stock of impaired loans continued to rise to 6.1%, primarily in the residential CRE sector. We expect progress from the group's loan work-out in 2026 will help manage asset-quality pressures. However, we expect VB-Verbund's impaired loans ratio to remain well above peers' at around 4.8% in 2026-2027, also above the group's end-2027 target of 3%.

Downside risks from current geopolitical conflicts remain high, particularly if they culminate in persistently higher energy prices, inflation and interest rates, as VB-Verbund's asset quality has previously proved particularly sensitive to these factors.

Profitability Challenges: VB-Verbund's operating profit/risk-weighted assets (RWAs) ratio declined to 0.9% by end-2025, which is below that of peers. Lower net interest income highlights the group's sensitivity to interest rates. Loan impairment charges (LICs) declined significantly from last year's record level but remained well above average. We expect profitability to reach a low in 2026 before a moderate recovery in 2027 as we expect LICs to return towards pre-2024 levels and cost pressure to level off.

Stable Capitalisation: The group's common equity Tier 1 (CET1) ratio of 15.6% at end-2025 offers adequate headroom over its regulatory capital requirements despite weakened internal capital generation. We also consider VB-Verbund's above-average leverage ratio at 7.5% at end-2025. We expect VB-Verbund to operate with a CET1 ratio of about 15% in 2026-2027.

Stable Funding: VB-Verbund's granular retail and SME deposit base is a reliable source to fully fund loan growth and represents the group's main funding source. Customer deposits continued to rise, albeit modestly, in 2025, and we expect this to continue in 2026. Other debt issuance is mainly linked to minimum requirements for own funds and eligible liabilities (MREL). VB-Verbund's liquidity profile is sound and benefits from the group's joint pooling scheme.

Rating Sensitivities

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

VB-Verbund's ratings could be downgraded if its impaired loans ratio stays above 6% for a prolonged period and operating profit decreases below 0.5% of RWAs. A reduction in VB-Verbund's CET1 ratio towards 12% without clear recovery prospects could also lead to a downgrade.

The Short-Term IDRs are sensitive to downgrades of the Long-Term IDRs, in conjunction with a deterioration of the group's funding and liquidity profile.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

An upgrade would require an improvement of the group's risk profile, which would be demonstrated by an impaired loans ratio of around 3% on a sustained basis. We would also require an improvement in the group's operating profit to above 1.0% of RWAs, while maintaining good capitalisation and funding and liquidity profile.

Fitch notes that the ratings of banks operating in developed resolution regimes could be affected if the 'Exposure Draft: Bank Rating Criteria' is implemented as proposed upon conversion into final criteria.

VB-Verbund's 'no support' Government Support Rating reflects Fitch's view that the EU's resolution framework is likely to require senior creditors participating in losses, if necessary, instead of, or ahead of, a bank receiving sovereign support.

Ratings Navigator

	Operating Environment	Business Profile 20%	Risk Profile 10%	Financial Profile				Implied Viability Rating	Viability Rating	Government Support Rating	LT Issuer Default Rating
				Asset Quality 20%	Earnings & Profitability 15%	Capitalisation & Leverage 25%	Funding & Liquidity 10%				
aaa								aaa	aaa	aaa	AAA
aa+	■							aa+	aa+	aa+	AA+
aa								aa	aa	aa	AA
aa-	■							aa-	aa-	aa-	AA-
a+						■	■	a+	a+	a+	A+
a							■	a	a	a	A
a-							■	a-	a-	a-	A-
bbb+		■		■	■	■	■	bbb+	bbb+	bbb+	BBB+
bbb		■	■	■	■			bbb	bbb	bbb	BBB Sta
bbb-		■		■	■			bbb-	bbb-	bbb-	BBB-
bb+								bb+	bb+	bb+	BB+
bb								bb	bb	bb	BB
bb-								bb-	bb-	bb-	BB-
b+								b+	b+	b+	B+
b								b	b	b	B
b-								b-	b-	b-	B-
ccc+								ccc+	ccc+	ccc+	CCC+
ccc								ccc	ccc	ccc	CCC
ccc-								ccc-	ccc-	ccc-	CCC-
cc								cc	cc	cc	CC
c								c	c	c	C
f								f	f	ns	D or RD

The Key Rating Driver (KRD) weightings used to determine the implied VR are shown as percentages at the top. In cases where the implied VR is adjusted upwards or downwards to arrive at the VR, the KRD associated with the adjustment reason is highlighted in red. The shaded areas indicate the benchmark-implied scores for each KRD.

Factor Outlook

■ Stable ◆ Evolving ▲ Positive ▼ Negative

VR - Adjustments to Key Rating Drivers

The capitalisation and leverage score of 'bbb+' is below the 'a' category implied score due to the following adjustment reason: internal capital generation and growth (negative).

Company Summary and Key Qualitative Factors

Business Profile

Medium-Sized Domestic Retail-Focused Cooperative Banking Group

VB-Verbund focuses on retail customers, self-employed individuals and small businesses in Austria. Its member banks collectively serve about 1 million clients. The group has modest retail market shares in the fairly small and saturated banking sector, but member banks generally have strong local franchises, underpinned by solid customer loyalty in rural areas.

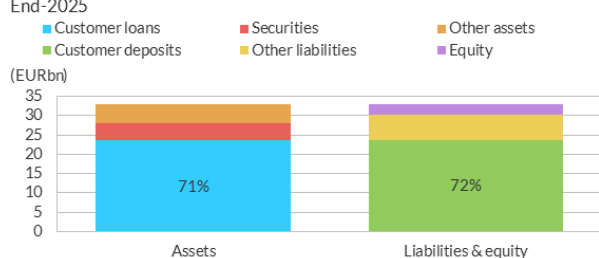
Real estate financing comprises a substantial part of VB-Verbund’s business activities. This is mostly through lower-risk mortgage lending in the retail segment but also through a dedicated real estate business segment that includes higher-risk CRE lending.

The group complements its highly standardised product mix with consumer lending and asset-management products from DZ BANK AG Deutsche Zentral-Genossenschaftsbank, the German cooperative banks’ central organisation. Revenue diversification from this outsourcing agreement mitigates VB-Verbund’s limited size, which would make it uneconomical for the individual banks to offer these services on their own. We expect the group’s increasing focus on sustainability financing to support ecological transformation in Austria and underpin the group’s business profile. VB-Verbund is extending its service offerings by increasing digitalisation across the group. However, adding new clients in the saturated Austrian banking sector is VB-Verbund’s most critical long-term challenge.

Verbund Contract Strengthens Central Organisation and Governance

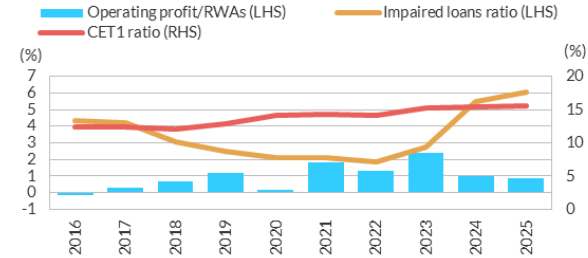
VB-Verbund is a highly integrated cooperative banking group. VBW is contractually entrusted with broad discretionary powers, enabling VBW’s management to unilaterally issue binding orders to all or individual member banks and impose support measures if necessary. VBW is also responsible for the group’s adherence to regulatory capital, liquidity and risk-management requirements, and strategic decisions and their implementation. This mechanism enables VB-Verbund’s recognition as a financial institution group by the Single Resolution Board, although its member banks are legally independent. VB-Verbund’s local banks no longer have internal requirements under the revised resolution strategy as they are considered affiliated entities.

Balance Sheet



Source: Fitch Ratings, Fitch Solutions, Volksbanken-Verbund

Performance Through the Cycle



Source: Fitch Ratings, Fitch Solutions, Volksbanken-Verbund

Risk Profile

Residential CRE Exposure Weighs on Risk Profile

We generally view VB-Verbund’s risk profile as robust considering its simple retail-focused business model and standardised product offering with an emphasis on less complex transactions. Retail lending comprised more than a third of the loan book at end-2025. Corporate and SME lending is of a similar size and broadly mirrors the domestic economy, leading to meaningful exposure to the gastronomy and tourism sectors. Austria’s weak economic growth and higher energy prices have adversely affected asset performance in the SME business in recent years.

Within CRE, exposure to commercial residential housing is the main constraint on the group’s risk profile. Signs of a recovery are tentative as more buildings and apartments are completed and made available for sale as prices recover, particularly in the Vienna area. Impaired loans inflows remained positive at end-2025, albeit at a declining pace in 2H25. VB-Verbund is still committed to reducing problem assets, with a target non-performing loans (NPLs) ratio of 3% by end-2027.

Structural interest rate risk in the member banks’ banking books is VB-Verbund’s main source of market risk. This is driven by the mismatch between mainly short-term deposits and long-term mortgage loans. However, this is mitigated by the majority of retail loans in the group’s bank book carrying variable rates, similar to those of its Austrian peers.

VB-Verbund runs a prudent securities book, mainly comprising European government and highly rated covered bonds.

Financial Profile

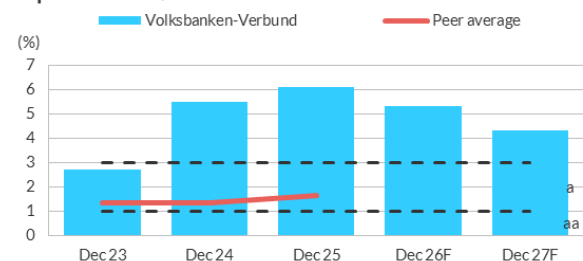
Asset Quality

VB-Verbund’s asset quality remained weaker than peers’, with an impaired loans ratio of 6.1% at end-2025. The ECB designates the group as a high-NPL institution; therefore, the group is subject to related supervisory guidance including minimum loss coverage requirements (under Pillar 2), fostering regulatory scrutiny.

VB-Verbund’s business activity did not improve materially in 2025 as the Austrian economy’s performance was lacklustre. Impaired loans increased in all three of VB-Verbund’s customer segments (retail/corporates/real estate). The highest rise was in the residential CRE segment, which continued to be burdened by developers’ financial stress, high construction costs and weak end-buyer demand. The corporate and SME sectors suffered from rising insolvencies due to Austria’s sub-par economic performance and the effects of inflation on production costs.

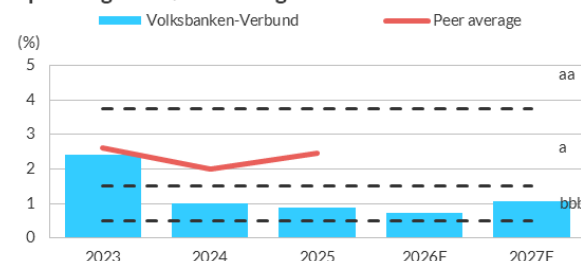
We expect impaired loans to remain heightened for longer than previously anticipated, but to gradually decline to VB-Verbund’s target of no more than 3%. VB-Verbund’s work-out efforts are supported by rising building completions, decreasing impaired loans inflows in 1Q26, lower interest rates and tentative signs of rising property prices, particularly in the Vienna region. The group’s high collateralisation and solid coverage from loan loss allowances are mitigants in our loan quality assessment.

Impaired Loans/Gross Loans



Source: Fitch Ratings, Fitch Solutions, banks

Operating Profit/Risk-Weighted Assets



Source: Fitch Ratings, Fitch Solutions, banks

Earnings and Profitability

We expect VB-Verbund’s 2026 pre-impairment profit to moderately decline as cost increases are still likely to outweigh revenue growth. LICs are likely to decline further, but will remain above historical averages at about 50bp. We forecast a further decline to pre-2024 levels in 2027.

Declining net interest income, above-average LICs and a rising cost base adversely affected VB-Verbund’s 2025 financial performance. Higher fee income and marginal trading income were insufficient to offset these pressures. This highlights the group’s limited revenue diversification and pronounced interest rate sensitivity. VB-Verbund’s marginally higher net profit in 2025 reflects a non-recurring tax benefit of EUR9 million due to deferred tax assets being offset against tax losses carried forward.

VB-Verbund’s cost base rose further in 2025, including higher regulatory expenses. Most of the cost increase resulted from personnel expenses due to a higher number of employees and adjustments to collective wage agreements. Spending on IT projects to drive the bank’s digitalisation initiative burdens its administrative expenses. We expect these expenses to gradually decrease after 2026 and digitalisation to provide efficiency gains.

Capitalisation and Leverage

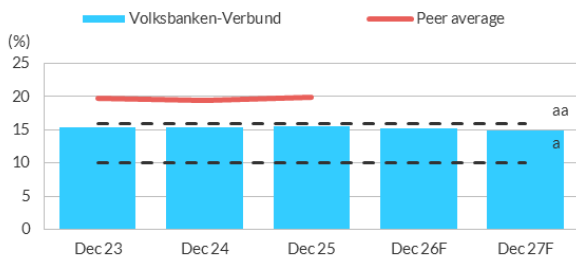
VB-Verbund’s CET1 ratio is a relative rating strength and close to management’s medium-term target of 16%. The small 10bp rise in 2025 mainly reflects higher-than-expected profit and a smaller-than-expected rise in RWAs. Credit risks were less affected than initially anticipated following the first-time implementation of the Capital Requirements Regulation III.

The composition of VB-Verbund’s capital is of good quality, consisting largely of retained profits and reserves, and is fungible across the group. VB-Verbund’s capital adequacy is a management priority, and capitalisation is fairly stable as capital consumption due to rising RWAs is typically compensated by above-average profit retention within the group. Regulatory capital deductions such as the recent introduction of the non-performing exposure backstop are relatively small and do not play a major role in our assessment of VB-Verbund’s capitalisation.

The CET1 ratio is broadly in line with peers’. It considers the group’s risk density of 49% due to application of the standardised approach for the calculation of RWAs.

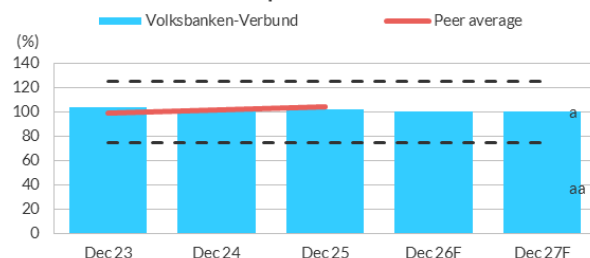
VB-Verbund's Supervisory Review and Evaluation Process (SREP) requirement (Pillar 2 requirement) has increased to 2.5% in 2026, while the SREP recommendation (Pillar 2 guidance) from the 2025 ECB stress test was unchanged at 1.25%. The combined buffer requirement will rise as the systemic sectoral risk buffer in CRE of 1% (of related exposure) introduced in June 2025 will rise to 2% from July 2026 and to 3.5% in 2027. VB-Verbund meets its MREL by a solid margin with a combination of own funds and senior preferred debt.

CET1 Ratio



Source: Fitch Ratings, Fitch Solutions, banks

Gross Loans/Customer Deposits



Source: Fitch Ratings, Fitch Solutions, banks

Funding and Liquidity

VB-Verbund's funding and liquidity profile is robust, underpinned by a stable, growing and granular customer deposit base. Fitch views VB-Verbund's retail and SME customers as loyal, based on long-term business relationships that support retail deposit stability, which Fitch otherwise considers confidence-sensitive. Most deposits are protected by the national deposit scheme due to their granular size. The share of low-cost on-demand deposits rose to 82% in 2025 (2024: 80%) at the expense of term deposits as interest rates declined.

Wholesale market funding beyond covered bond issuance is small given VB-Verbund's deposit funding franchise. This funding is used mainly to meet MREL requirements. Member banks have no internal MREL requirements because in case of resolution they will be treated as affiliated entities.

The group's liquidity profile benefits from the local banks' contractual commitment to place their excess liquidity with VBW, which has access to the ECB's and Austrian central bank's liquidity. VB-Verbund's liquidity portfolio is of high quality, consisting of central bank deposits, cash, bonds and retained covered bonds. The group's liquidity coverage ratio was above 190% throughout 2025.

Additional Notes on Charts

Black dashed lines represent boundaries for indicative quantitative ranges and implied scores for Fitch's core financial metrics for banks operating in the environments that Fitch scores in the 'aa' category. Peer average includes Corner Banca SA (VR: bbb+), Erste Group Bank AG (a), Genossenschaftliche FinanzGruppe (aa-), Raiffeisen Group (a+), ASN Bank N.V. (a-). Latest data available for Corner Banca SA is for 1H25; for Genossenschaftliche FinanzGruppe - FY24. Unless otherwise stated, financial year (FY) end is 31 December for all banks in this report.

Financials

Financial Statements

	31 Dec 22	31 Dec 23	31 Dec 24	31 Dec 25	31 Dec 26F	31 Dec 27F
	12 months	12 months	12 months	12 months	12 months	12 months
	(EURm)	(EURm)	(EURm)	(EURm)	(EURm)	(EURm)
Summary income statement						
Net interest and dividend income	468	705	646	587	-	-
Net fees and commissions	255	262	280	293	-	-
Other operating income	-7	-2	40	12	-	-
Total operating income	716	966	966	892	901	942
Operating costs	500	536	589	614	656	674
Pre-impairment operating profit	216	430	377	278	245	268
Loan and other impairment charges	31	65	221	137	120	79
Operating profit	185	365	157	141	126	188
Other non-operating items (net)	-69	0	-	-	-	-
Tax	2	39	25	-9	-	-
Net income	115	326	132	150	116	145
Other comprehensive income	16	33	23	1	-	-
Fitch comprehensive income	131	359	155	152	-	-
Summary balance sheet						
Assets						
Gross loans	22,391	23,068	23,721	24,130	24,492	25,104
– Of which impaired	421	629	1,307	1,471	-	-
Loan loss allowances	275	330	523	612	-	-
Net loans	22,116	22,738	23,198	23,517	-	-
Interbank	123	234	229	246	-	-
Derivatives	298	271	260	223	-	-
Other securities and earning assets	2,636	3,229	3,754	4,601	-	-
Total earning assets	25,173	26,472	27,441	28,587	-	-
Cash and due from banks	3,473	3,435	4,008	3,684	-	-
Other assets	578	575	617	626	-	-
Total assets	29,224	30,482	32,066	32,897	33,372	34,227
Liabilities						
Customer deposits	22,105	22,180	23,256	23,601	24,309	25,039
Interbank and other short-term funding	1,812	212	471	248	-	-
Other long-term funding	2,133	4,329	4,762	5,475	-	-
Trading liabilities and derivatives	301	294	268	167	-	-
Total funding and derivatives	26,351	27,015	28,757	29,491	-	-
Other liabilities	435	708	707	654	-	-
Preference shares and hybrid capital	220	219	2	-	-	-

Total equity	2,218	2,540	2,600	2,751	-	-
Total liabilities and equity	29,224	30,482	32,066	32,897	-	-
Exchange rate	USD1 = EUR0.9376	USD1 = EUR0.9127	USD1 = EUR0.9622	USD1 = EUR0.8511	-	-

Source: Fitch Ratings, Fitch Solutions, Volksbanken-Verbund

Key Ratios

(%)	31 Dec 22	31 Dec 23	31 Dec 24	31 Dec 25	31 Dec 26F	31 Dec 27F
Profitability						
Operating profit/risk-weighted assets	1.3	2.4	1.0	0.9	0.7	1.1
Net interest income/average earning assets	1.9	2.7	2.4	2.1	2.1	2.2
Non-interest expense/gross revenue	69.7	55.6	63.6	68.9	72.8	71.6
Net income/average equity	5.3	13.8	5.1	5.6	-	-
Asset quality						
Impaired loans ratio	1.9	2.7	5.5	6.1	5.3	4.3
Growth in gross loans	2.5	3.0	2.8	1.7	1.5	2.5
Loan loss allowances/impaired loans	65.4	52.4	40.0	41.6	50.9	60.6
Loan impairment charges/average gross loans	0.1	0.3	0.9	0.6	0.5	0.3
Capitalisation						
Common equity Tier 1 ratio	14.2	15.3	15.5	15.6	15.1	15.0
Fully loaded common equity Tier 1 ratio	14.0	15.2	15.4	-	-	-
Tangible common equity/tangible assets	7.3	8.2	7.8	8.0	-	-
Basel leverage ratio	7.4	8.1	7.3	7.5	-	-
Net impaired loans/common equity Tier 1	7.2	12.8	32.6	34.1	-	-
Funding and liquidity						
Gross loans/customer deposits	101.3	104.0	102.0	102.2	100.8	100.3
Liquidity coverage ratio	164.9	192.6	198.9	215.1	-	-
Customer deposits/total non-equity funding	84.1	82.3	81.6	80.5	-	-
Net stable funding ratio	135.4	135.0	138.4	136.4	-	-

Source: Fitch Ratings, Fitch Solutions, Volksbanken-Verbund

Support Assessment

Government Support

Sovereign	Austria
Sovereign Long-Term Issuer Default Rating	• AA/Stable
Typical D-SIB Government Support for sovereign's rating level	a+ to a-
Actual jurisdiction D-SIB Government Support	ns
Government Support Rating	ns
Government ability to support D-SIBs	
Size of banking system	• Neutral
Structure of banking system	• Neutral
Sovereign financial flexibility (for rating level)	• Neutral
Government propensity to support D-SIBs	
Resolution legislation	• Negative
Support stance	• Neutral
Government propensity to support bank	
Systemic importance	• Neutral
Liability structure	• Neutral
Ownership	• Neutral

The colours below indicate the influence of each support factor in our assessment.

Influence: Light blue = lower; Dark blue = moderate; Red = higher

Source: Fitch Ratings

No Support Assumed

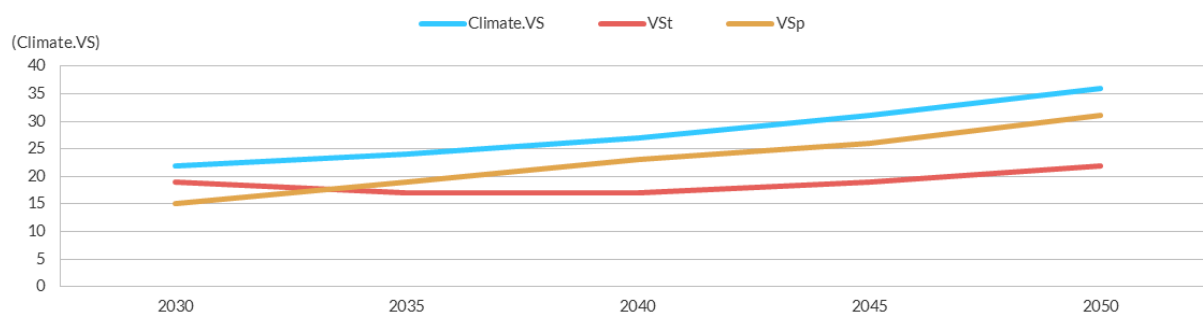
VB-Verbund's Government Support Rating reflects Fitch's view that the EU's resolution framework is likely to require senior creditors participating in losses ahead of, or instead of, a bank receiving sovereign support.

Climate Vulnerability Considerations

Fitch uses Climate Vulnerability Signals (Climate.VS) as a screening tool to identify issuers whose credit profiles have a higher potential exposure to climate-related risks, and to subject those ratings to additional analysis and consideration in rating reviews. Climate.VS range from 0 (lowest risk) to 100 (highest risk).

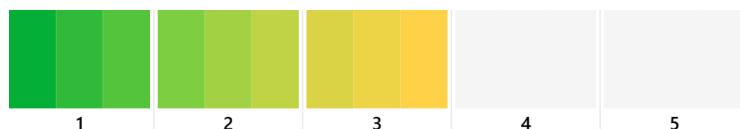
The Climate.VS for VB-Verbund for 2035 is 24, which indicates that climate risk factors are not expected to materially affect the credit profile, but some adaptation may be needed. This reflects a transition risk (VSt) component signal of 17 and a physical risk (VSp) component signal of 19. Any potential effect on the rating may differ from the illustrative rating impact in the Climate.VS framework. For more information on Climate.VS, see Fitch's [Financial Institutions Climate Vulnerability Rating Criteria](#).

Climate Vulnerability Signals for Volksbanken-Verbund



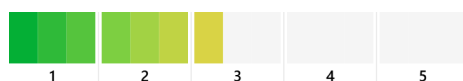
Source: Fitch Ratings

Environmental, Social and Governance Considerations



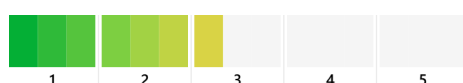
Environmental Relevance Scores

General issues	Score	Sector-specific issues	Reference
GHG Emissions & Air Quality	3	Regulatory risks, emissions fines or compliance costs related to owned, financed or managed assets, which could impact asset prices, profitability, etc.	Operating Environment; Business Profile; Risk Profile; Asset Quality
Energy Management	1	n.a.	n.a.
Water & Wastewater Management	1	n.a.	n.a.
Waste & Hazardous Materials Management; Ecological Impacts	1	n.a.	n.a.
Exposure to Environmental Impacts	2	Impact of extreme weather events on assets and/or operations and corresponding risk appetite & management; catastrophe risk; credit concentrations	Business Profile; Risk Profile; Asset Quality



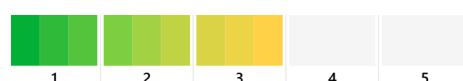
Social Relevance Scores

General issues	Score	Sector-specific issues	Reference
Human Rights, Community Relations, Access & Affordability	2	Services for underbanked and underserved communities: SME and community development programs; financial literacy programs	Business Profile; Risk Profile
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Compliance risks including fair lending practices, mis-selling, repossession/foreclosure practices, consumer data protection (data security)	Operating Environment; Business Profile; Risk Profile
Labor Relations & Practices	2	Impact of labor negotiations, including board/employee compensation and composition	Business Profile
Employee Wellbeing	1	n.a.	n.a.
Exposure to Social Impacts	2	Shift in social or consumer preferences as a result of an institution's social positions, or social and/or political disapproval of core banking practices	Business Profile; Financial Profile



Governance Relevance Scores

General issues	Score	Sector-specific issues	Reference
Management Strategy	3	Operational implementation of strategy	Business Profile
Governance Structure	3	Board independence and effectiveness; ownership concentration; protection of creditor/stakeholder rights; legal /compliance risks; business continuity; key person risk; related party transactions	Business Profile; Earnings & Profitability; Capitalisation & Leverage
Group Structure	3	Organizational structure; appropriateness relative to business model; opacity; intra-group dynamics; ownership	Business Profile
Financial Transparency	3	Quality and frequency of financial reporting and auditing processes	Business Profile



ESG Scoring






ESG relevance scores range from '1' to '5' based on a 15-level colour gradation. Red (5) is most relevant to the credit rating and green (1) is least relevant.

The Environmental (E), Social (S) and Governance (G) tables break out the general and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signalling the credit relevance of the sector-specific issues to an issuer's overall credit rating. The Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis.

The panels underneath the relevance scores tables are visualisations of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The Score columns summarise rating relevance and impact to credit from ESG issues. The column on the far left identifies any ESG relevance sub-factor issues that are drivers or potential drivers of an issuer's credit rating (corresponding with scores of '3', '4' or '5'). All scores of '4' and '5' are assumed to reflect a negative impact unless indicated with a '+' sign for positive impact.

Classification of ESG issues has been developed from Fitch's sector ratings criteria. The general and sector-specific issues draw on the classification standards published by the UN Principles for Responsible Investing, the Sustainability Accounting Standards Board and the World Bank.

Credit-Relevant ESG Scale

	5 Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to 'Higher' relative importance within the Navigator.
	4 Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to 'Moderate' relative importance within the Navigator.
	3 Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to 'Lower' relative importance within the Navigator.
	2 Irrelevant to the entity rating but relevant to the sector.
	1 Irrelevant to the entity rating and irrelevant to the sector.

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit <https://www.fitchratings.com/topics/esg/products#esg-relevance-scores>.

Ratings

Foreign Currency

Long-Term IDR	BBB
Short-Term IDR	F2

Viability Rating

Viability Rating	bbb
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Government Support Rating

Government Support Rating	ns
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Sovereign Risk (Austria)

Long-Term Foreign-Currency IDR	AA
Long-Term Local-Currency IDR	AA
Country Ceiling	AAA

Outlooks

Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Local-Currency IDR	Stable

ESG and Climate

Highest ESG Relevance Scores

Volksbanken-Verbund

Environmental	3
Social	3
Governance	3

Climate Vulnerability

2035 Climate Vulnerability Signal: 24

Transition (VSt): 17

Physical (VSp): 19

Applicable Criteria

Financial Institutions Climate Vulnerability Rating Criteria (December 2025)
Bank Rating Criteria (March 2025)

Related Research

Fitch Downgrades Volksbanken-Verbund to 'BBB'; Outlook Stable (April 2026)
Fitch Affirms Austria at 'AA'; Outlook Stable (December 2025)
Global Economic Outlook (March 2026)

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