

Rating Action: Moody's withdraws ratings on Kommunalkredit Austria AG following its reorganisation

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Frankfurt am Main, October 06, 2015 -- Moody's Investors Service has today withdrawn the Ba3 long-term senior unsecured debt and deposit ratings of Kommunalkredit Austria AG (KA). Moreover, Moody's Investors Service has withdrawn the b3 baseline credit assessment and the Caa1 subordinate debt ratings. In addition, the rating agency has withdrawn all Not Prime short-term ratings as well as the counterparty risk assessment (CRA) of Ba2(cr)/Not-Prime(cr). All long-term ratings as well as the BCA and the long-term CRA were under review with uncertain direction at the time of rating withdrawal.

RATINGS RATIONALE

Moody's has withdrawn the ratings and the BCA following the bank's announcement of a comprehensive corporate reorganisation on 25 September 2015. As part of the reorganisation, some of KA's debt instruments were transferred to the newly incorporated and private equity owned entity Kommunalkredit Austria AG (KA New, unrated) and the remainder was assumed by government-owned KA Finanz AG (KF, unrated). Consequently, KA ceased to exist.

Moody's has withdrawn the ratings because it believes it has insufficient or otherwise inadequate information to support the maintenance of the ratings. Please refer to the Moody's Investors Service's Policy for Withdrawal of Credit Ratings, available on its website, www.moodys.com.

THE FOLLOWING RATINGS AND RATING INPUTS WERE WITHDRAWN AT THE CURRENT RATING LEVEL

Kommunalkredit Austria AG:

- Ba3 long-term bank deposit ratings, under review direction uncertain
- Ba3 long-term senior unsecured debt ratings, under review direction uncertain
- (P)Ba3 senior unsecured program ratings, under review direction uncertain
- Not-Prime short-term deposit ratings
- (P)Not-Prime other short term ratings
- Caa1 subordinated debt ratings, under review direction uncertain
- (P)Caa1 subordinated program ratings, under review direction uncertain
- b3 Baseline Credit Assessment and adjusted Baseline Credit Assessment, under review direction uncertain
- Ba2(cr) long-term Counterparty Risk Assessment, under review direction uncertain
- Not-Prime(cr) short-term Counterparty Risk Assessment

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