

Outlooks On Austrian Government-Related Entities Revised To Stable After Same Action On Austria; Affirmed At 'AA+/A-1+'

February 18, 2025

Overview

- On Feb. 18, 2025, we revised our outlook on Austria to stable from positive, based on larger-than-projected budget deficits and a more sluggish economic growth outlook.
- We equalize our ratings on Autobahnen-und Schnellstrassen-Finanzierungs-AG, Erdoel-Lagergesellschaft m.b.H., OeBB-Infrastruktur AG, Oesterreichische Entwicklungsbank AG, and Oesterreichische Kontrollbank AG with the ratings on Austria because we believe these entities benefit from an almost certain likelihood of receiving extraordinary government support in case of financial distress.
- We therefore revised our outlooks on these five entities to stable from positive. At the same time, we affirmed our 'AA+/A-1+' ratings on these entities.

FRANKFURT (S&P Global Ratings) Feb. 18, 2025--S&P Global Ratings today revised its outlooks to stable from positive on the following five Austrian government-related entities (GRES):

- Autobahnen-und Schnellstrassen-Finanzierungs-AG (ASFINAG)
- Erdoel-Lagergesellschaft m.b.H. (ELG)
- OeBB-Infrastruktur AG (OeBB-Infra)
- Oesterreichische Entwicklungsbank AG (OeEB)
- Oesterreichische Kontrollbank AG (OeKB)

At the same time, we affirmed our 'AA+/A-1+' long- and short-term issuer credit ratings on all five entities.

Rationale

The outlook revision on the five GRES follows a similar action on Austria (see "Research Update: Austria Outlook Revised To Stable From Positive On Fiscal And Economic Challenges; 'AA+/A-1+' Ratings Affirmed," published Feb. 14, 2025, on RatingsDirect). Austria's recession has persisted for longer than we initially expected, and the impending budgetary consolidation measures could

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further weigh on an economic recovery.

We consider ASFINAG, ELG, OeBB-Infra, OeEB, and OeKB to be GREs and equalize our ratings on them with those on Austria. This is based on our belief that there is an almost certain likelihood that the Austrian government would provide them with timely and sufficient extraordinary support in the event of financial distress. In our view, all five entities provide services critical to, and have close ties with, the Austrian government.

Autobahnen- und Schnellstrassen-Finanzierungs-Aktiengesellschaft (ASFINAG)

Outlook

The stable outlook on motorway financing and operating company ASFINAG reflects our outlook on the company's sole owner and guarantor, the government of Austria. We consider ASFINAG's strategic importance for the government and expect that neither the likelihood of extraordinary support, nor the guarantee, nor the legal framework for ASFINAG will change significantly. We believe the company will maintain its monopoly position and that there is currently no risk of privatization.

Downside scenario. We would lower the ratings on ASFINAG if we lowered the ratings on the sovereign. A change in our assessment of the likelihood of extraordinary support from the Austrian federal government for ASFINAG would also trigger a negative rating action. For example, a change in law, privatization plans, or a refusal of future guarantees could point to a weaker role for and link with the government. However, we currently view these developments as unlikely.

Upside scenario. We would raise the ratings on ASFINAG if we took the same action on Austria and our assessment of an almost certain likelihood of extraordinary government support for the entity in case of financial stress remained unchanged.

Erdoel-Lagergesellschaft m.b.H. (ELG)

Outlook

The stable outlook on oil stockholding company ELG mirrors that on Austria and reflects our view that the company's role for and link with the government are unlikely to change in the next few years. We therefore expect to continue equalizing our ratings and outlook on ELG with those on Austria.

Downside scenario. We would lower the ratings on ELG if we lowered the ratings on the sovereign. A change in our assessment of the likelihood of extraordinary support from the Austrian federal government for ELG would also trigger a negative rating action. For example, we could weaken our view of ELG's role for and link with the government if there was a change to ELG's legal mandate as officially appointed central stockholding entity or in the government oversight arrangements.

Upside scenario. We would raise the ratings on ELG if we took the same action on Austria and if our assessment of an almost certain likelihood of extraordinary government support for the entity in case of financial stress remained unchanged.

ÖBB-Infrastruktur AG (OeBB-Infra)

Outlook

The stable outlook on OeBB-Infra, owner and operator of Austria's railway tracks, reflects our outlook on its sole owner, the Austrian federal government. Our assessment is supported by the highly predictable legal support framework, irrevocable guarantees on most of the company's capital market debt, and the current funding framework with Austria's government debt management agency OeBFA. We therefore expect our ratings and outlook on OeBB-Infra will move in line with those on Austria.

Downside scenario. We would lower the ratings on OeBB-Infra if we lowered the ratings on the sovereign. A change in our assessment of the likelihood of extraordinary support from the Austrian federal government for OeBB-Infra would also trigger a negative rating action. For example, changes to OeBB-Infra's ownership structure, or its legal and funding framework, could point to a weakening of the entity's role for and its link with the Austrian federal government. However, we currently view this scenario as unlikely.

Upside scenario. We would raise the ratings on OeBB-Infra if we took the same action on Austria and our assessment of an almost certain likelihood of extraordinary government support for the entity in case of financial stress remained unchanged.

Österreichische Entwicklungsbank (OeEB)

Outlook

Our stable outlook on development bank OeEB mirrors that on Austria and reflects our opinion that OeEB will continue to play a critical role in the implementation of Austria's international development policy. In our view, OeEB will remain Austria's officially designated development bank and we do not anticipate any change to OeEB's integral link with the government, including strong supervision and government guarantees on practically all assets. Furthermore, we assume that parent OeKB will continue to provide funding to its subsidiary whenever necessary.

Downside scenario. We would lower the ratings on OeEB if we lowered the ratings on the sovereign. A change in our assessment of the likelihood of extraordinary support from the Austrian federal government would also trigger a negative rating action. For example, a weaker role for or link with the government might be demonstrated by a significant change in Austria's international development strategy or the supportive legal framework for OeEB. We could additionally lower the rating if we observed OeEB's relationship with its owner, OeKB, weakening and the government didn't compensate for this.

Upside scenario. We would raise the ratings on OeEB if we took the same action on Austria and our assessment of an almost certain likelihood of extraordinary government support for the entity in case of financial stress remained unchanged.

Österreichische Kontrollbank AG (OeKB)

Outlook

The stable outlook on OeKB, among other roles Austria's officially appointed export credit agency, mirrors that on Austria and our view that the bank's role for and link with the government are unlikely to change materially over at least the next two years. We therefore expect our ratings and outlook on OeKB will move in line with those on Austria.

Downside scenario. We would lower the ratings on OeKB if we lowered the ratings on the sovereign. A change in our assessment of the likelihood of extraordinary support from the Austrian federal government for OeKB would also trigger a negative rating action. For example, if the Austrian government changed its relationship with the bank or withdrew its support, together with the guarantees on future bond issuances, we could reassess OeKB's role for and link with the government. This could also be the case if the bank lost its exclusive position as the government's agent for export guarantees and export guarantee-based financings or if OeKB deviated from its government-approved strategy and became more involved in commercial activities for its own account.

Upside scenario. We would raise the ratings on OeKB if we took the same action on Austria and our assessment of an almost certain likelihood of extraordinary government support for the entity in case of financial stress remained unchanged.

Related Criteria

- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- General Criteria: Rating Government-Related Entities: Methodology And Assumptions, March 25, 2015
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Related Research

- Research Update: Austria Outlook Revised To Stable From Positive On Fiscal And Economic Challenges; 'AA+/A-1+' Ratings Affirmed, Feb. 14, 2025
- Sovereign Ratings Score Snapshot, Feb. 9, 2024
- Sovereign Ratings List, Jan. 13, 2025
- Sovereign Ratings History, Jan. 13, 2025
- Sovereign Risk Indicators, Dec. 9, 2024; a free interactive version is available at

<http://www.spratings.com/sri>

- Erdoel-Lagergesellschaft m.b.H., Nov. 27, 2024
- Outlook On Five Austrian Government-Related Entities Revised To Positive After Action On Austria; 'AA+' Ratings Affirmed, Aug. 27, 2024
- Oesterreichische Kontrollbank, July 30, 2024
- Autobahnen-und Schnellstrassen-Finanzierungs-AG, June 27, 2024
- OeBB-Infrastruktur AG, June 24, 2024
- Oesterreichische Entwicklungsbank AG, June 24, 2024

Ratings List

***** **Autobahnen-und Schnellstrassen-Finanzierungs-AG.** *****

Ratings Affirmed; Outlook Action

	To	From
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Autobahnen-und Schnellstrassen-Finanzierungs-AG

Issuer Credit Rating	AA+/Stable/A-1+	AA+/Positive/A-1+
Senior Unsecured	AA+	AA+

***** **OeBB-Infrastruktur AG** *****

Ratings Affirmed; Outlook Action

	To	From
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OeBB-Infrastruktur AG

Issuer Credit Rating	AA+/Stable/A-1+	AA+/Positive/A-1+
Senior Unsecured	AA+	AA+

***** **Erdoel-Lagergesellschaft m.b.H.** *****

Ratings Affirmed; Outlook Action

	To	From
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Erdoel-Lagergesellschaft m.b.H.

Issuer Credit Rating	AA+/Stable/A-1+	AA+/Positive/A-1+
Senior Unsecured	AA+	AA+

***** **Oesterreichische Entwicklungsbank AG** *****

Ratings Affirmed; Outlook Action

	To	From
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Oesterreichische Entwicklungsbank AG

Issuer Credit Rating	AA+/Stable/A-1+	AA+/Positive/A-1+
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***** Oesterreichische Kontrollbank AG *****

Ratings Affirmed; Outlook Action

	To	From
Oesterreichische Kontrollbank AG		
Issuer Credit Rating	AA+/Stable/A-1+	AA+/Positive/A-1+
Senior Unsecured	AA+	AA+
Commercial Paper	A-1+	A-1+

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.spglobal.com/ratings for further information. A description of each of S&P Global Ratings' rating categories is contained in "S&P Global Ratings Definitions" at <https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/sourceld/504352>. Complete ratings information is available to RatingsDirect subscribers at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.spglobal.com/ratings. Alternatively, call S&P Global Ratings' Global Client Support line (44) 20-7176-7176.

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