

# Outlook On Five Austrian Government-Related Entities Revised To Positive After Action On Austria; 'AA+' Ratings Affirmed

August 27, 2024

## Overview

On Aug. 23, 2024, we revised our sovereign rating outlook on Austria to positive from stable, based on an improving energy supply position and anticipated return to stronger economic growth.

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 outlook to positive from stable and affirmed our 'AA+/A-1+' ratings on these five entities.

FRANKFURT (S&P Global Ratings) Aug. 27, 2024--S&P Global Ratings today revised its outlook to positive from stable 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 these five entities.

## Rationale

The outlook revision on the five GREs follows a similar action on Austria (see "Austria Outlook Revised To Positive On Improving Energy Supply Position; 'AA+/A-1+' Ratings Affirmed," published Aug. 23, 2024, on RatingsDirect). We observe a more robust economic growth outlook for Austria and consider the country more resilient to potential short-term energy supply disruptions that could result from the expiration at the end of this year of the contract between Russia and Ukraine

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under which Russian gas is transported through Ukraine to Austria. We also see the possibility of improving Austrian budgetary performance.

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 positive outlook on motorway financing and operating company ASFINAG reflects our assessment of the creditworthiness of the company's sole owner and guarantor, the government of Austria. Any rating action on Austria would lead us to also reassess our rating on ASFINAG. We also 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 no risk of privatization.

**Upside scenario.** We would raise the rating on ASFINAG if we took a positive rating action on the sovereign over the coming two years and if the likelihood of support for ASFINAG remained almost certain.

**Downside scenario.** We would lower the rating on ASFINAG if we were to change our assessment of the likelihood of support from the Austrian federal government. Should there be a change in law, privatization plans, or a refusal of future guarantees, we could reassess the company's role for and link with the government. However, we currently view these developments as unlikely.

Additionally, a negative rating action on the sovereign, including revising the outlook to stable, would lead to a similar rating action on ASFINAG.

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

### **Outlook**

The positive 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 two years. We therefore expect to continue equalizing our ratings and outlook on ELG with those on Austria.

**Upside scenario.** We would raise the ratings on ELG if we took a similar action on Austria over the coming two years and if our assessment of the likelihood of government support remained the same.

**Downside scenario.** We could lower the ratings on ELG if we concluded that its critical role for and integral link with the Austrian government had deteriorated.

Additionally, a negative rating action on the sovereign, including revising the outlook to stable, would lead to a similar rating action on ELG.

## OeBB-Infrastruktur AG (OeBB-Infra)

### Outlook

The positive 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.

**Upside scenario.** We would upgrade OeBB-Infra if we took the same rating action on Austria over the coming two years and if our view of the likelihood of extraordinary support for OeBB-Infra from the sovereign remained unchanged.

**Downside scenario.** We would consider lowering the ratings if changes to OeBB-Infra's ownership structure resulted in a weakening of the entity's role for and its link to the Austrian federal government. Politically triggered changes to the legal or funding framework that reduced the likelihood of extraordinary support from the sovereign would also lead us to consider a downgrade. However, we currently view this scenario as unlikely.

Additionally, a negative rating action on the sovereign, including revising the outlook to stable, would lead to a similar rating action on OeBB-Infra.

## Oesterreichische Entwicklungsbank (OeEB)

### Outlook

Our positive 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.

**Upside scenario.** We would upgrade OeEB if we took the same action on Austria over the coming two years and if our assessment of an almost certain likelihood of extraordinary support remained the same.

**Downside scenario.** We could take a negative rating action if OeEB's critical role for or integral link with the Austrian government weakened, which might be demonstrated by a significant change in the government's international development strategy or the supportive legal framework for OeEB. We could also lower the rating if we observed OeEB's relationship with its owner, OeKB,

weakening and if the government didn't compensate for this.

Additionally, a negative rating action on the sovereign, including revising the outlook to stable, would lead to a similar rating action on OeEB.

## **Oesterreichische Kontrollbank AG (OeKB)**

### **Outlook**

OeKB is, among other roles, Austria's officially appointed export credit agency. The positive outlook 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.

**Upside scenario.** We would upgrade OeKB if we upgraded Austria over the coming two years and if our assessment of an almost certain likelihood of extraordinary government support in case of financial stress remained unchanged.

**Downside scenario.** We could lower the ratings if the Austrian government changed its relationship with OeKB or withdrew its support, together with the guarantees on future bond issuances. We would also consider a downgrade if the bank lost its exclusive position as the government's agent for export guarantees and export guarantee-based financings. Furthermore, we could reassess the bank's role for and link with the government if OeKB deviated from its government-approved strategy and became more involved in commercial activities for its own account.

Additionally, a negative rating action on the sovereign, including revising the outlook to stable, could also lead to a similar rating action on OeKB.

### **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**

- Austria Outlook Revised To Positive On Improving Energy Supply Position; 'AA+/A-1+' Ratings Affirmed, Aug 23, 2024
- Sovereign Ratings List, Aug. 15, 2024
- Sovereign Ratings History, Aug. 15, 2024
- Sovereign Ratings Score Snapshot, Aug. 6, 2024

- Oesterreichische Kontrollbank, July 30, 2024
- Sovereign Risk Indicators, July 8, 2024; a free interactive version is available at <http://www.spratings.com/sri>
- Autobahnen-und Schnellstrassen-Finanzierungs-AG, June 27, 2024
- OeBB-Infrastruktur AG, June 24, 2024
- Oesterreichische Entwicklungsbank AG, June 24, 2024
- Erdoel-Lagergesellschaft, Nov. 29, 2023

## Ratings List

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

Ratings Affirmed; Outlook Action

	To	From
<b>Autobahnen-und Schnellstrassen-Finanzierungs-AG</b>		
Issuer Credit Rating	AA+/Positive/A-1+	AA+/Stable/A-1+
Senior Unsecured	AA+	AA+

\*\*\*\*\* OeBB-Infrastruktur AG. \*\*\*\*\*

Ratings Affirmed; Outlook Action

	To	From
<b>OeBB-Infrastruktur AG</b>		
Issuer Credit Rating	AA+/Positive/A-1+	AA+/Stable/A-1+
Senior Unsecured	AA+	AA+

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

Ratings Affirmed; Outlook Action

	To	From
<b>Erdoel-Lagergesellschaft m.b.H.</b>		
Issuer Credit Rating	AA+/Positive/A-1+	AA+/Stable/A-1+
Senior Unsecured	AA+	AA+

\*\*\*\*\* Oesterreichische Kontrollbank AG \*\*\*\*\*

Ratings Affirmed; Outlook Action

	To	From
<b>Oesterreichische Entwicklungsbank AG</b>		
Issuer Credit Rating	AA+/Positive/A-1+	AA+/Stable/A-1+
<b>Oesterreichische Kontrollbank AG</b>		
Issuer Credit Rating	AA+/Positive/A-1+	AA+/Stable/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,

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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](http://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/sourcelid/504352>. Complete ratings information is available to RatingsDirect subscribers at [www.capitaliq.com](http://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](http://www.spglobal.com/ratings). Alternatively, call S&P Global Ratings' Global Client Support line (44) 20-7176-7176.

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