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PRESS RELEASE

Creditreform Rating publishes unsolicited sovereign rating for the Republic of Austria

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Creditreform Rating has published the unsolicited long-term sovereign rating of “AA+” for the Republic of Austria. Creditreform Rating has also published Austria’s unsolicited ratings for foreign and local currency senior unsecured long-term debt of “AA+”.

Austria’s very high creditworthiness is mainly underpinned by its very strong institutional framework and its prosperous economy as reflected by high GDP per capita. In addition, the Austrian economy is very well-diversified and competitive. The country’s labor market is in good shape and remains supportive of the economy’s high degree of economic resilience and flexibility, although unemployment has been rising moderately in recent years. However, high levels of government debt leave the Austrian government with limited fiscal leeway. Moreover, risks pertain to counter-financing the tax reform and to contingent liabilities which weigh on fiscal sustainability.

Our Rating outlook on the long-term sovereign rating of AA+ is stable as we believe that the risks surrounding the perspectives for the Austrian economy are broadly balanced over the medium term.

Notwithstanding, adverse developments could lead to lower-than-expected medium term growth, implying that GDP trend growth

would not pick up as projected, but stagnate at the levels observed over the recent years. Further downside risks relate to the banking sector as the various measures for supporting the financial sector amount to considerable contingent liabilities which could have negative repercussions on fiscal sustainability. Subdued growth as well as financial stress would further delay fiscal consolidation, which we believe to be necessary for any fiscal policy response to materializing downside risks to the Austrian economy. At the same time, upside risks derive from higher-than-expected growth rates over the medium term. Furthermore, upside risks relate to significant progress in fiscal consolidation and a faster-than-projected wind-down of distressed banks.

ABOUT CREDITREFORM RATING

Creditreform Rating AG is a European Rating Agency registered with the European Securities and Markets Authority (ESMA). We are an External Credit Assessment Institution (ECAI) and a shareholder of European DataWarehouse GmbH. Creditreform Rating issues corporate, bank and sovereign ratings as well as structured finance and issue ratings. The European Banking Authority (EBA) has provided mappings for our corporate and structured finance ratings. We are a dynamically growing enterprise and currently employ more than 70 staff from ten countries. We are specialist providers of credit risk assessments and offer a wide range of rating and credit services as well as risk management solutions.