

RATING ACTION COMMENTARY

Fitch Revises Outlooks on 5 Spanish Government-Related Entities to Positive

Thu 21 Nov, 2024 - 10:19 AM ET

Fitch Ratings - Barcelona - 21 Nov 2024: Fitch Ratings has revised the Outlooks on five Spanish government-related entities' (GREs) Long-Term Issuer Default Ratings (IDR) to Positive from Stable and affirmed the IDRs. The GREs are: ADIF- Alta Velocidad (ADIF-AV), Administrador de Infraestructuras Ferroviarias (ADIF), Corporacion de Reservas Estrategicas de Productos Petroliferos (CORES), Institut Catala de Finances (ICF) and Pequenos y Medianos Astilleros Sociedad de Reconversion, S.A. (PYMAR).

The rating actions follow the recent revision of the Outlooks on the Spanish sovereign (A-/Positive) and the Autonomous Community of Catalonia (BBB/Positive). A full list of rating actions is below.

KEY RATING DRIVERS

On 8 November 2024, Fitch revised the Outlook on the Spanish sovereign to Positive from Stable and affirmed its Long-Term IDR at 'A-' (see "Fitch Revises Spain's Outlook to Positive; Affirms IDR at 'A-' " on [fitchratings.com](https://www.fitchratings.com)). As a result, Fitch also revised the Outlooks to Positive from Stable and affirmed the Long-Term IDRs of eight Spanish local and regional governments (LRGs), including the Autonomous Community of Catalonia (see "Fitch Revises Outlooks on 8 Spanish LRGs to Positive; Affirms IDRs" on [fitchratings.com](https://www.fitchratings.com)).

These rating actions had an impact on the Outlooks of the five Spanish GREs.

The GREs' Short-Term IDRs and SCPs have not been reviewed. All rating factors are unchanged since our last reviews (see the latest published rating action commentary for each entity).

DERIVATION SUMMARY

Fitch equalises the ratings of ADIF, ADIF-AV and CORES with those of Spain. We consider the likelihood of support from Spain as 'Virtually certain'.

Fitch rates PYMAR one notch below Spain, reflecting a likelihood of support from Spain as 'Extremely likely'.

A one-notch upgrade of the sovereign would lead to an upgrade of these four entities.

Fitch equalises ICF's ratings with those of Catalonia, based on its statutory, irrevocable and unconditional guarantee from the latter. A one-notch upgrade of Catalonia would lead to an upgrade of ICF.

RATING SENSITIVITIES

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

- For ADIF, ADIF-AV, CORES and PYMAR, a revision of the sovereign Outlook to Stable would result in similar action assuming other factors were unchanged.

- For ICF, a revision of Catalonia's Outlook to Stable would result in similar action, assuming other factors were unchanged.

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

- For ADIF, ADIF-AV, CORES and PYMAR, a one-notch upgrade of the sovereign would lead to an upgrade, assuming other factors were unchanged.

- For ICF, a one-notch upgrade of Catalonia would lead to an upgrade, assuming other factors were unchanged.

See the latest published rating action commentary for each entity for specific rating sensitivities.

Sources of Information

The principal sources of information used in the analysis are described in the Applicable Criteria.

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

PUBLIC RATINGS WITH CREDIT LINKAGE TO OTHER RATINGS

ICF's ratings are linked to the ratings of the Autonomous Community of Catalonia.

The ratings of the other entities are linked to those of Spain.

ESG CONSIDERATIONS

ADIF-AV: 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>.

RATING ACTIONS

| ENTITY / DEBT ⚡ | RATING ⚡ | | PRIOR ⚡ |
|-----------------------------|-----------|-----------------------------|---------------------------|
| Institut Catala de Finances | LT IDR | BBB Rating Outlook Positive | BBB Rating Outlook Stable |
| | Affirmed | | |
| senior unsecured | LT | BBB | BBB |
| | Affirmed | | |
| ADIF- Alta Velocidad | LT IDR | A- Rating Outlook Positive | A- Rating Outlook Stable |
| | Affirmed | | |
| | LC LT IDR | A- Rating Outlook Positive | A- Rating Outlook Stable |
| | Affirmed | | |

| | | | | |
|--|-----------|------------------------------|----------|----------------------------|
| senior unsecured | LT | A- | Affirmed | A- |
| Corporacion de Reservas Estrategicas de Productos Petroliferos (CORES) | LT IDR | A- Rating Outlook Positive | Affirmed | A- Rating Outlook Stable |
| | LC LT IDR | A- Rating Outlook Positive | Affirmed | A- Rating Outlook Stable |
| senior unsecured | LT | A- | Affirmed | A- |
| Pequenos y Medianos Astilleros Sociedad de Reconversion, S.A. | LT IDR | BBB+ Rating Outlook Positive | Affirmed | BBB+ Rating Outlook Stable |
| Administrador de Infraestructuras Ferroviarias (ADIF) | LT IDR | A- Rating Outlook Positive | Affirmed | A- Rating Outlook Stable |

[VIEW ADDITIONAL RATING DETAILS](#)

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APPLICABLE CRITERIA

[Public Policy Revenue-Supported Entities Rating Criteria \(pub. 12 Jan 2024\) \(including rating assumption sensitivity\)](#)

[Government-Related Entities Rating Criteria \(pub. 09 Jul 2024\)](#)

ADDITIONAL DISCLOSURES

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ENDORSEMENT STATUS

| | |
|--|--------------------|
| Institut Catala de Finances | EU Issued, UK Endc |
| Corporacion de Reservas Estrategicas de Productos Petroliferos (CORES) | EU Issued, UK Endc |
| Pequenos y Medianos Astilleros Sociedad de Reconversion, S.A. | EU Issued, UK Endc |
| Administrador de Infraestructuras Ferroviarias (ADIF) | EU Issued, UK Endc |
| ADIF- Alta Velocidad | EU Issued, UK Endc |



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