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## Research Update:

# Three Spanish Government-Related Entities Upgraded To 'BBB/A-2' Following Similar Sovereign Action; Outlook Stable

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## Research Update:

# Three Spanish Government-Related Entities Upgraded To 'BBB/A-2' Following Similar Sovereign Action; Outlook Stable

## Overview

- We raised our ratings on Spain to 'BBB/A-2' from 'BBB-/A-3' on May 23, 2014.
- We equalize our issuer credit ratings on three Spanish government-related entities, ICO, SEPI, and CORES, with that on Spain, reflecting our opinion that there is an "almost certain" likelihood they would receive timely and sufficient extraordinary support from the Spanish government.
- Consequently, we are upgrading these entities to 'BBB/A-2' from 'BBB-/A-3'.
- The stable outlook reflects that on Spain.

## Rating Action

On May 27, 2014, Standard & Poor's Ratings Services raised to 'BBB/A-2' from 'BBB-/A-3' its long- and short-term issuer credit ratings on the following three Spanish government-related entities:

- Corporación de Reservas Estratégicas de Productos Petrolíferos (CORES), the entity that manages Spain's strategic oil reserves.
- Instituto de Crédito Oficial (ICO), the Spanish government's financial agency.
- Sociedad Estatal de Participaciones Industriales (SEPI), the holding company that manages the Spanish government's industrial shares.

The outlook is stable for all three entities.

## Rationale

The upgrade of the three government-related entities (GREs) reflects our similar action on Spain (BBB/Stable/A-2) on May 23, 2014 (see "Ratings On Spain Raised To 'BBB/A-2' On Improved Economic Prospects; Outlook Stable"). In accordance with our criteria for rating GREs, we believe that there is an "almost certain" likelihood that these GREs would receive timely and sufficient extraordinary support from the Spanish government in the event of financial distress. As a result, we equalize the long-term issuer credit ratings with that on Spain.

Our opinion of an "almost certain" likelihood of government support reflects our view that these GREs:

- Play a "critical" role for the Spanish government through their key public policy mandate; and
- Have an "integral" link with the Spanish government.

## Outlook

The stable outlooks reflect that on Spain.

## Related Criteria And Research

### Related Criteria

- Rating Government-Related Entities: Methodology And Assumptions, Dec. 9, 2010

### Related Research

- Ratings On Spain Raised To 'BBB/A-2' On Improved Economic Prospects; Outlook Stable, May 23, 2014
- Three Spanish Government Entity Outlooks Revised To Stable After Similar Sovereign Action; 'BBB-/A-3' Ratings Affirmed, Nov. 29, 2013

## Ratings List

Upgraded

	To	From
Instituto de Crédito Oficial		
Sociedad Estatal de Participaciones Industriales (SEPI)		
Corporación de Reservas Estratégicas de Productos Petrolíferos		
Issuer Credit Rating	BBB/Stable/A-2	BBB-/Stable/A-3
Instituto de Crédito Oficial		
Senior Unsecured*	BBB	BBB-
Senior Unsecured	BBB	BBB-
Commercial Paper*	A-2	A-3
Corporación de Reservas Estratégicas de Productos Petrolíferos		
Senior Unsecured	BBB	BBB-

\*Guaranteed by Spain.

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