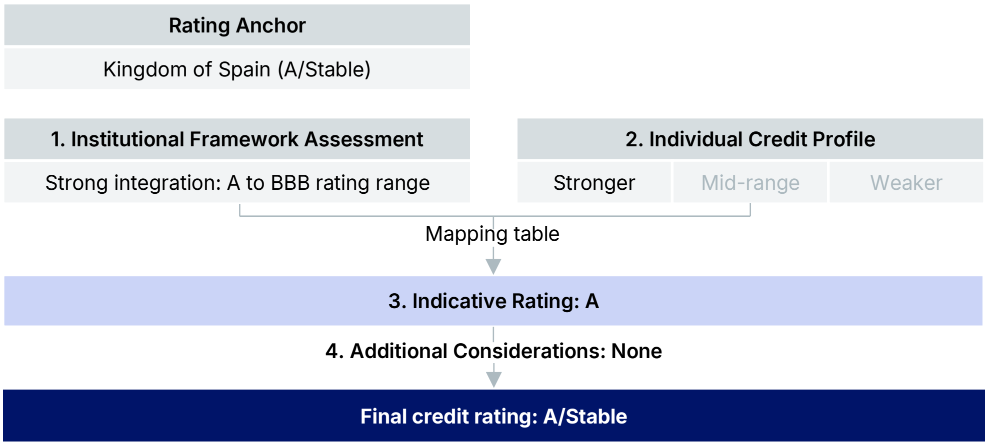
Autonomous Community of Madrid

Rating report

The Autonomous Community of Madrid's ('Madrid') A rating is driven by:

- A **highly integrated institutional framework**, which provides Spanish Autonomous Communities under the common regional financing system (régimen común) with a close central government oversight of regional finances and an optional system-wide liquidity support mechanism made available by the central government. Our evaluation of this framework results in an indicative rating range of A to BBB for the Autonomous Communities under the common regional financing system.
- Madrid's **strong individual credit profile** compared to its peers, characterised by robust budgetary performance, strong capital market access, robust liquidity buffer, a favourable debt profile, and a wealthy, diversified economy. An elevated debt burden—despite recent improvements—and limited expenditure flexibility remain challenges.

Figure 1: Madrid's sovereign-rating drivers



Note: For further details, please see Scope's Sub-sovereigns Rating Methodology.
Source: Scope Ratings

Foreign currency

Long-term issuer rating/Outlook

A/Stable

Senior unsecured debt

A/Stable

Short-term issuer rating/Outlook

S-1/Stable

Local currency

Long-term issuer rating/Outlook

A/Stable

Senior unsecured debt

A/Stable

Short-term issuer rating/Outlook

S-1/Stable

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Credit strengths and challenges

Credit strengths	Credit challenges
• Robust budgetary performance • Strong access to capital markets • Robust liquidity buffer • Favourable debt profile • Wealthy and diversified economy • Supportive institutional framework	• High, albeit declining, debt burden • Limited flexibility in adjusting expenditure

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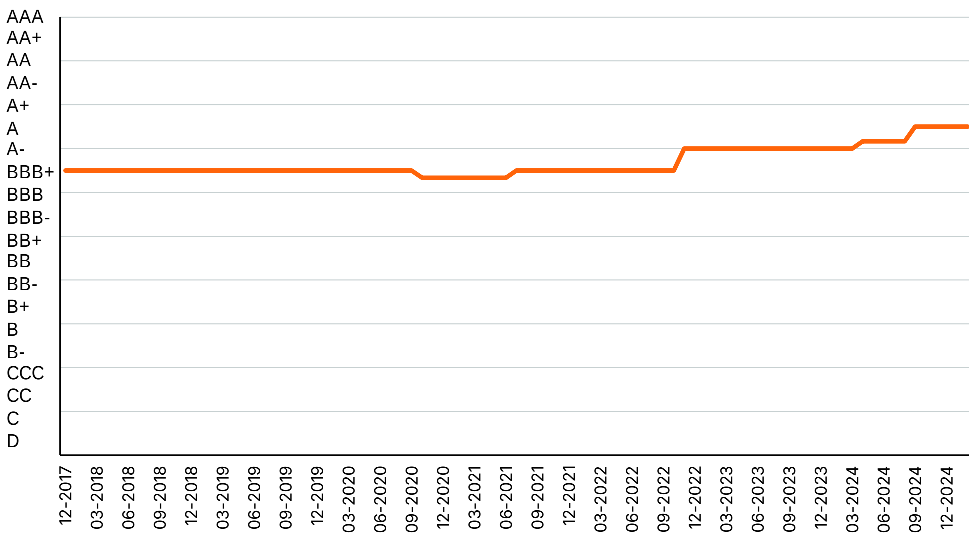
Outlook and rating triggers

The Stable Outlook reflects Scope's view that risks to the ratings are balanced.

Positive rating-change drivers	Negative rating-change drivers
• Upgrade of Spain's rating/Outlook • Reforms to the institutional framework resulting in higher budgetary autonomy and flexibility for Madrid	• Downgrade of Spain's rating/Outlook • Reforms to the framework, materially weakening regions' integration in institutional arrangements • Individual credit profile weakening significantly and structurally

Figure 2: Rating history[1]



Source: Scope Ratings

[1] Foreign-currency long-term issuer rating. Positive/Negative Outlooks are treated with a +/-0.33-notch adjustment. Credit Watch positive/negative with a +/-0.67-notch adjustment

1. Institutional framework

Range from A to BBB for Spanish Autonomous Communities

Our evaluation of the institutional framework for Spanish Autonomous Communities (*Comunidades Autónomas de régimen común*) leads to an indicative rating range for the sector spanning from A to BBB (**Annex I**). Spain's regional financing system demonstrates a high level of integration between the central government and the Autonomous Communities under the *régimen común*, with an overall integration score of 75. The fiscal framework reflects strong financial and oversight interdependence, particularly in funding mechanisms, crisis support, and budgetary discipline.

1.1 Extraordinary support and bail-out practices

Extensive framework for extraordinary support

The FLA (*Fondo de Liquidez Autonómico*) and FF (*Fondo de Facilidad Financiera*) are two funding mechanisms established by the central government to provide financial support to Autonomous Communities. The FLA was created in 2012 during the sovereign debt crisis to assist regions with limited market access due to high borrowing costs. This mechanism provides state-backed loans for debt maturities and deficit financing but requires strict fiscal oversight and compliance with adjustment plans. The FF (Fondo de Facilidad Financiera) is a more flexible alternative for regions meeting fiscal targets but still needing financial support. It provides similar loans with fewer restrictions, allowing greater budgetary autonomy.

Debt relief proposal under discussion

In February 2025, the national government proposed a EUR 83bn debt relief (25% of total regional debt) to alleviate the financial burdens of the regions. If implemented, it could improve regional debt metrics, though the growing role of bilateral negotiations adds uncertainty to the system's predictability. The state is expected to assume the debt gradually, aligned with maturities, rather than cancelling it outright. Moreover, implementation requires modifications to the regional financing system, which currently prohibits unilateral debt forgiveness, as well as parliamentary approval, expected no earlier than year-end. While the proposal is credit-positive for reducing the debt burden, its effectiveness will depend on implementation details and potentially complementary fiscal reforms.

1.2 Ordinary budgetary support and fiscal equalisation

Structured fiscal equalisation framework

The fiscal equalisation system is primarily based on shared taxes alongside additional equalisation mechanisms, which allow regions to finance their healthcare, education, and social services—areas that represent on average over 70% of their total expenditure. The central government remains committed to a high level of budgetary support, ensuring that all Autonomous Communities can maintain service quality, regardless of economic disparities. However, the fiscal equalisation system has sparked ongoing political debates about regional financing reform, centered around the transparency of the redistribution formula, growing transfer dependency for some regions, and calls for greater fiscal autonomy from high-contributing regions, such as Madrid.

1.3 Funding practices

Integrated regional funding

Funding practices demonstrate strong integration between the central government and Spanish Autonomous Communities. Since 2012, many regions have relied heavily on FLA and FF loans, making them a dominant category in Spain's regional debt composition. By Q3 2024, approximately 63% of total regional debt was in the form of FLA/FF loans, highlighting the long-term dependence of many regions on central government funding. However, Madrid has no FLA/FF debt, as it has consistently financed itself through market issuances and alternative funding sources, maintaining greater fiscal autonomy compared to other regions.

1.4 Fiscal rules and oversight

Close central oversight

The fiscal framework for Autonomous Communities is defined by a high degree of central oversight. The core regulatory structure is established under the Organic Law on Budgetary Stability and Financial Sustainability (LOEPSF, 2012), which aligns regional fiscal governance with

EU Stability and Growth Pact principles. The system balances regional financial autonomy with centralised control mechanisms, such as deficit limits, borrowing restrictions, and external oversight by AIReF (Independent Fiscal Authority).

1.5 Revenue and spending powers

Limited room for fiscal manoeuvring

Revenue and spending powers in Spain's Autonomous Communities are structured within a centralised fiscal framework, where shared taxes constitute the primary source of regional funding. While regions manage significant expenditure responsibilities, particularly in healthcare, education, and social services, their fiscal autonomy remains limited due to heavy reliance on centrally regulated revenues and equalisation mechanisms.

1.6 Political coherence and multi-level governance

Moderate political integration

Political coherence and multilevel governance remain moderately integrated. The presence of strong regional parties in the Congress of Deputies allows them to shape national policy, though the system's overall coherence is impacted by political negotiations and regional interests.

2. Individual credit profile (ICP)

Strong individual credit profile relative to peers

The Autonomous Community of Madrid's individual credit profile is assessed at 85 out of 100 (**Annex II**), resulting in the region's 'A' credit rating.

- **Debt and liquidity:** Madrid maintains strong debt affordability, benefiting from strong capital market access. Unlike many other Spanish regions, Madrid does not rely on FLA/FF loans, demonstrating higher financial autonomy. Madrid's debt burden declined to 136% of operating revenue in 2024 (from 161% in 2022), while its strong revenue base and sustained tax growth bolster debt-bearing capacity.
- **Budget performance:** The region maintains solid budgetary performance, supported by strong tax revenues and sustained economic growth, making it a key net contributor to Spain's regional financing system. Madrid benefits from greater fiscal autonomy than most Autonomous Communities due to its lack of reliance on FLA/FF funding, but its high structural expenditures in healthcare, education, and public services constrain discretionary spending.
- **Economy and governance:** As Spain's largest economic hub, Madrid benefits from a wealthy, and highly diversified economy, with finance, technology, and tourism driving strong growth. The region benefits from favourable demographics. Governance quality is strong, with efficient public administration and proactive economic policies.
- **Environmental and social factors**: Madrid faces moderate environmental risks, including air pollution and urban congestion, but has implemented ambitious sustainability initiatives to enhance green mobility and emissions reduction. Social indicators are stable, with high employment rates and access to quality public services, though challenges persist in housing affordability and income inequality.

2.1 Debt and liquidity

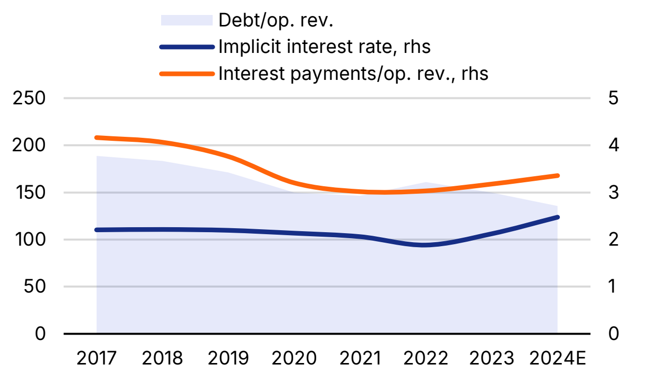
2.1.1 Debt burden and trajectory

High but declining debt burden

Madrid's debt burden stood at approximately 136% of operating revenue in 2024 (**Figure 3**), continuing its downward trajectory from 161% in 2022. While this remains at a similar level compared to the average debt burden among Spain's Autonomous Communities (164% on aggregate in 2023), Madrid's debt-bearing capacity is strengthened by its strong revenue base and sustained tax growth driven by economic expansion. We expect the debt-to-operating revenue ratio to gradually decline to around 120% by 2028, driven by sustained revenue growth and disciplined borrowing.

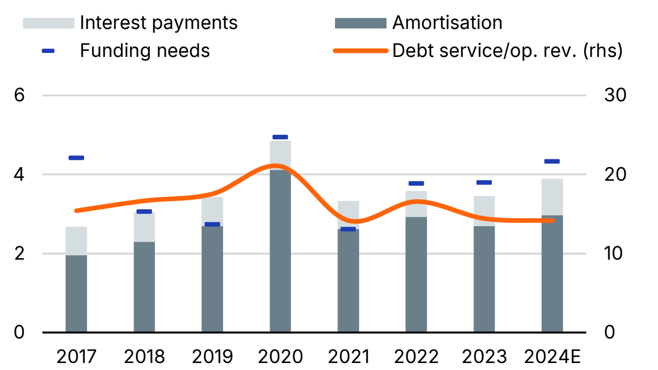
We note that this process could accelerate significantly if the central government's proposed debt relief for Autonomous Communities is implemented. Under the current proposal, Madrid could benefit from a debt relief package of around EUR 8.6bn, potentially reducing its debt stock of EUR 37.2bn as of year-end 2024 by 23%. However, given that Madrid does not hold FLA/FF debt, discussions are ongoing regarding how the relief would be structured, with potential alternatives including revenue transfers aligned with debt maturities. If structured to match Madrid's total redemptions from 2025 to 2028, the relief could be phased in over this period, significantly accelerating the decline in debt levels to around 90% of operating revenue by 2028, further improving the region's long-term debt sustainability.

Figure 3: Debt and interest burden, %



Sources: Ministry of Finance, Banco de España (BoS), Madrid, Scope Ratings

Figure 4: Debt service, EUR bn (lhs); % (rhs)



Sources: BoS, Madrid, Scope Ratings

2.1.2 Debt profile and affordability

Improved interest payment burden

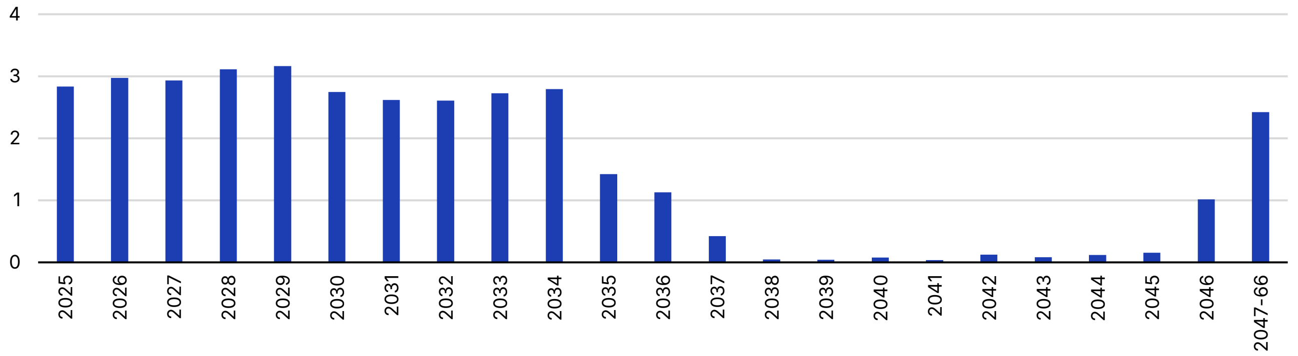
Madrid's interest payments as a share of operating revenue have declined from 4.03% (2017-2019 avg.) to 3.1% (2020-2023 avg.), showing improved debt affordability. However, this trend reversed slightly in 2024, with interest costs rising to 3.4% despite a declining debt-to-revenue ratio, reflecting higher financing costs in capital markets, which have begun to impact borrowing costs despite Madrid's strong credit profile and market access. We expect the interest payment burden to decline modestly, from 3.4% of operating revenue in 2024 to around 3.2% by 2028, reflecting stable borrowing costs. If the debt relief is implemented, Madrid's financing costs could decrease further, potentially reducing long-term debt servicing.

Favourable debt profile, robust access to capital markets

Long-term debt at year-end amounted to EUR 35.6bn by the end of 2024. . Madrid's debt profile remains favourable, characterised by a 100% euro-denominated structure and a strong commitment to fixed-rate issuances, with 94.4% of debt at fixed rates as of year-end 2024. The region's funding mix is well-diversified, with 58.1% in bonds and 41.9% in loans, while its complete absence of FLA/FF loans underscores its financial independence and strong market access. Madrid's debt portfolio demonstrates a favourable cost and maturity structure with a debt maturity of 8.1 years as of October 2024 (**Figure 5**,) reflecting prudent debt management and stable market access. In 2025, total funding needs are estimated at EUR 3.2bn, consisting of EUR 2.8bn in redemptions of long-term debt and a modest deficit of EUR 316m. This compares with a total issuance of EUR 4.4bn in 2024. Over a three-year period (2025-2027), Madrid's total refinancing represents around a quarter of total debt, which remains well within sustainable levels.

Figure 5: Debt profile

EUR bn



Source: BoS, Scope Ratings

2.1.3 Contingent liabilities

Limited contingent liabilities

The current balance of guaranteed amounts stands at EUR 53m, corresponding to two guarantees granted to Metro for EIB loans. In 2024, no new guarantees were granted, and for 2025, no guarantees are expected to be issued. Spain's pension system is managed at the national level by the Social Security Administration, with Autonomous Communities not responsible for pension payments. However, regions like Madrid co-administer social services, including non-contributory pensions, elderly care, and welfare programmes for retirees.

2.1.4 Liquidity position and funding flexibility

Strong liquidity position

The Community of Madrid maintains a strong liquidity position, primarily supported by the Treasury, Financing, and Collection Agreement, alongside a Commercial Paper Issuance Programme. As of December 31, 2024, the total short-term financing capacity amounts to EUR 2.82bn, comprising EUR 1.82bn under the Treasury Agreement—of which EUR 1.1bn is in credit lines and EUR 720m in current account credits—and an additional EUR 1bn through the Commercial Paper Issuance Programme. As of year-end 2024, outstanding short-term debt amounted to EUR 162m, consisting of EUR 97m in credit lines and EUR 65m in commercial paper. Additionally, the Community of Madrid's liquidity position remains stable, with cash reserves totalling EUR 106m, including EUR 50m in fixed-term deposits and the remainder held in current accounts.

Madrid's short-term financing strategy is well-diversified, ensuring efficient liquidity management with favourable interest rates and inclusion of multiple financial institutions, mitigating counterparty risk and ensuring stable access to liquidity. Since 2021, Madrid has actively managed its liquidity surplus by entering interest-bearing agreements with financial institutions, adjusting rates annually to market conditions. As of November 2024, the average rate on remunerated accounts is 3.28%, while EUR 75m in fixed-term deposits earns 3.7%. The interest income from these arrangements fully offsets short-term financing costs, effectively reducing Madrid's overall financial burden.

2.2 Budget

2.2.1 Budgetary performance and outlook

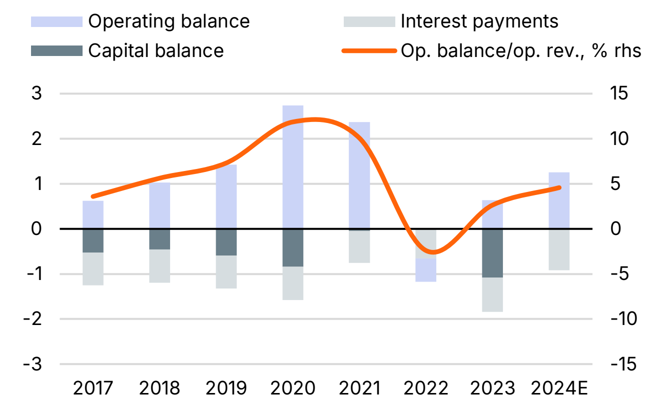
Consistent fiscal resilience

Madrid's budgetary performance is supported by robust revenue growth, disciplined expenditure management, and strong fiscal oversight. The region has demonstrated consistent adherence to prudent fiscal policies, maintaining a lower deficit compared to the national average among Autonomous Communities. In 2023, Madrid's budget deficit stood at 0.7% of GDP, exceeding the reference benchmark of 0.3% but still outperforming the average deficit of 0.9% among Spain's Autonomous Communities. This reflects effective fiscal discipline, particularly in controlling expenditure growth amid increasing demands for public services.

During the pandemic period (2020-2023), Madrid's operating balance averaged 5.6% of operating revenue, reflecting strong revenue support via the sovereign and prudent expenditure controls (**Figure 6**). In 2024, the operating balance is projected at 4.6%, slightly below the pandemic average but still within a sustainable range. The balance before debt movement has remained relatively stable, averaging 0.4% of total revenue during 2020-2023, with 2024 expected to reach 0.3%, suggesting continued fiscal consolidation and limiting the need for additional borrowing. Capital expenditure has been on an upward trajectory, averaging 5.0% of total expenditure during 2020-2023, and is expected to increase to 5.6% in 2024. This reflects Madrid's commitment to long-term investment, such as in infrastructure and public services.

Figure 6: Budgetary performance

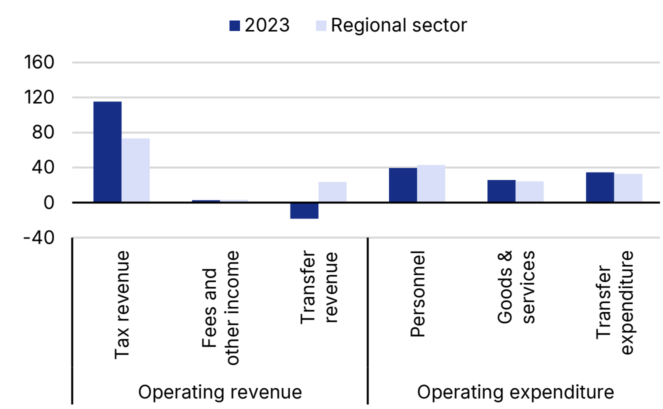
EUR bn (lhs); % (rhs)



Source: Ministry of Finance, Madrid, Scope Ratings

Figure 7: Operating budget composition

% of total



Source: Ministry of Finance, Scope Ratings.
Note: 'Regional sector' refers to the sector aggregate.

Sustained fiscal stability

Based on sustained revenue growth, controlled expenditure increases, and higher investment levels due to population growth, we expect Madrid's budget to show gradual improvement in the operating balance while experiencing some pressure on the balance after capital accounts due to increased investment spending. We forecast Madrid's operating balance to rise from 4.6% of operating Revenue in 2024 to 6.0% by 2028, reflecting expanding revenues and controlled expenditure growth. We further project Madrid's balance after capital accounts to decline slightly from -0.3% of total revenue to -0.5% by 2028, as higher capital expenditure linked to infrastructure and public services impacts the overall balance.

2.2.2 Revenue flexibility

Enhanced revenue flexibility compared to peers

Madrid maintains higher revenue flexibility than most other Autonomous Communities, largely due to its strong and diversified tax base and independence from FLA/FF funding. The region benefits from high contributions from direct and indirect taxes, particularly personal income tax (IRPF), value-added tax (VAT), and excise duties, reinforcing its financial autonomy. While these taxes are agreed with the central government, Madrid retains some discretion over regional tax deductions and surcharges, allowing for adjustments within national fiscal guidelines.

Despite its enhanced revenue-generating capacity, Madrid's ability to unilaterally increase tax revenue remains constrained by Spain's tax-sharing framework and political and economic considerations. Additionally, alternative revenue streams, such as fees and minor taxes, remain limited, making the region highly dependent on economic cycles. While this reliance introduces some revenue volatility during downturns, Madrid's strong economic base and tax revenue performance provide it with greater fiscal flexibility than most Spanish regions.

2.2.3 Expenditure flexibility

Moderate expenditure flexibility

In line with all Autonomous communities, Madrid's expenditure flexibility is constrained, primarily due to the high structural costs of essential public services, which represent a fixed and growing share of the budget. The region allocates a substantial portion of its spending to healthcare, education, and social services, which are legally mandated and politically sensitive, leaving little room for discretionary budget adjustments.

Healthcare accounts for more than 35% of total spending, with demographic factors—such as an aging population—driving rising costs in medical services and infrastructure investments. Similarly, education expenditures (around 25% of the budget) are largely fixed, covering teacher salaries, school operations, and investments in expanding educational facilities to accommodate population growth.

Madrid's commitment to long-term infrastructure investment, such as in transportation and public services, further limits short-term budgetary flexibility, as these projects often require multi-year financial commitments. While capital expenditures have remained relatively stable, increasing investment pressures due to population growth may further reduce Madrid's ability to reallocate resources in response to economic shocks.

2.3 Economy

2.3.1 Wealth levels and economic resilience

Above-national average wealth levels

Madrid demonstrates strong economic resilience, reflected in above-national average GDP per capita and a diversified economy. The region's relative GDP per capita stood at 137% of the national level in 2023, consistently outperforming other Autonomous Communities and reinforcing its position as Spain's primary economic hub (**Figure 8**). Madrid benefits from a diversified and dynamic local economy, with key high-value sectors including finance, technology, and business services. The region's favourable business environment, reflected in its consistent top ranking among Spanish communities on tax competitiveness[2] further underpins its attractiveness for both domestic and foreign investment. Despite rapid population growth, the unemployment rate has also improved substantially, declining from 13.5% in 2020 to 8.6% in 2024 (**Figure 9**).

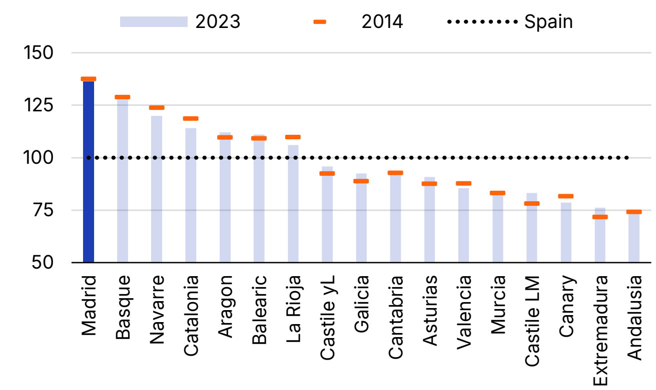
2.3.2 Economic sustainability

Sustained economic growth

Madrid's economy demonstrates solid growth potential, supported by its strategic location, developed infrastructure, and demographic trends. As Spain's economic and administrative centre, it attracts skilled professionals in finance, technology, and innovation, contributing to a resilient labour market. Population growth, driven by domestic and international migration, supports workforce expansion, though rising housing costs could pose challenges. The region's well-connected transport network, including Madrid-Barajas Airport and high-speed rail, enhances its role as a key commercial and logistical hub. Additionally, strong educational and research institutions support economic diversification and innovation, reinforcing Madrid's position as an important economic centre within Spain and the EU.

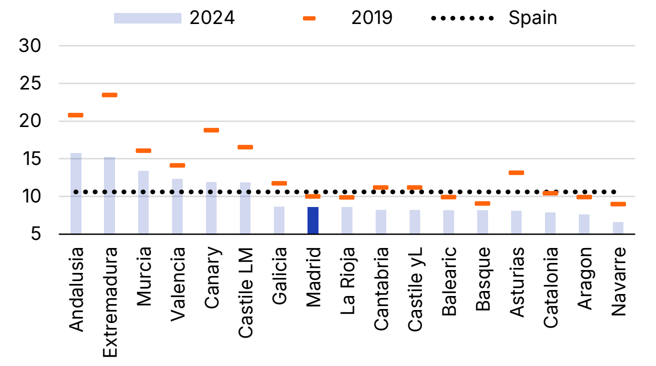
[2] Tax Foundation, October 2024 - 2024 Spanish Regional Tax Competitiveness Index

Figure 8: GDP per capita
% of national average



Source: INE, Scope Ratings

Figure 9: Unemployment rate
%



Source: INE, Scope Ratings

2.4 Governance

2.4.1 Governance and financial management

Robust governance quality

Madrid benefits from stable and effective governance, characterised by transparent policymaking, adherence to fiscal regulations, and disciplined financial management. The region has a strong track record of budget execution, consistently aligning its financial planning with fiscal objectives. While Madrid does not participate in state-backed liquidity mechanisms (FLA/FF), its ability to access capital markets independently reflects prudent debt management and financial autonomy. Additionally, established fiscal oversight mechanisms and regulatory compliance contribute to stable resource allocation, reinforcing Madrid's institutional credibility and financial resilience.

2.5 Environmental and social considerations

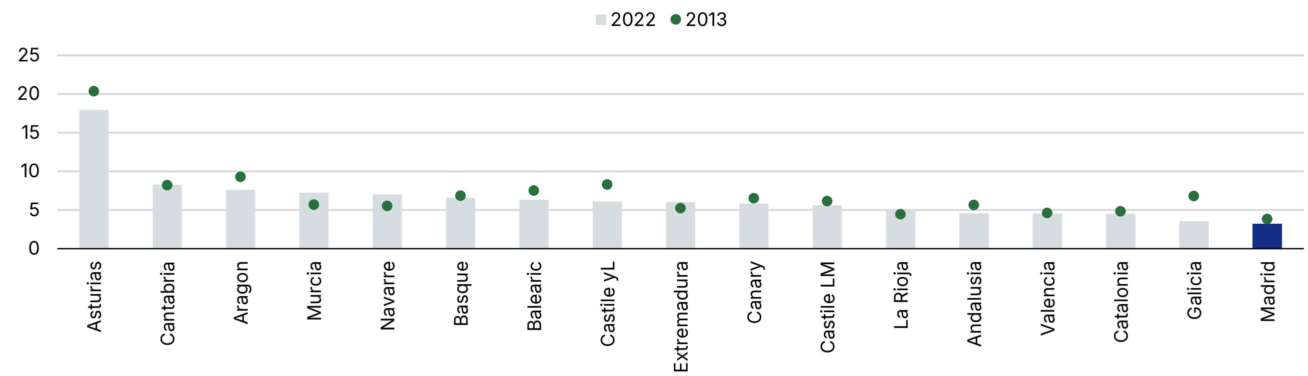
2.5.1 Environmental factors and resilience

Moderate environmental resilience

Madrid maintains moderate environmental resilience, with strong climate policies but persistent air pollution and adaptation challenges. It targets a 65% emissions reduction by 2030, having already cut emissions by 48% between 1999 and 2022, though transport and residential sectors remain major contributors. The region faces climate risks like heatwaves and droughts, requiring enhanced infrastructure resilience. While urban greening, sustainable transport, and green financing efforts provide some mitigation, further investment is needed to fully address long-term environmental risks.

Madrid has consistently maintained one of the lowest per capita greenhouse gas (GHG) emissions among Spain's Autonomous Communities (**Figure 10**). In 2013, emissions stood at 3.8 tCO_2 per capita, below the national regional average. Madrid's low industrial intensity and high service-based economy contribute to its relatively low emissions footprint. By 2022, emissions had further declined to 3.2 tCO_2 per capita, representing a 15.8% reduction over the period. Even regions with similar urban structures, such as Catalonia (4.5 tCO_2) and Valencia (4.6 tCO_2) recorded higher emissions than Madrid in 2022. Madrid's progress is driven by ongoing efforts in emission reduction policies, including investments in public transport, clean energy initiatives, and stricter environmental regulations on buildings and vehicles.

Figure 10: Per capita greenhouse gas emissions
CO_2 t



Sources: INE, Ministerio para la Transición Ecológica y el Reto Demográfico, Scope Ratings

2.5.2 Social factors and resilience

Social stability driven by dynamic labour market and strong public services

Madrid maintains social stability, supported by a dynamic labour market and solid public service provision, which supports economic expansion. However, social challenges persist, particularly in income inequality. Disparities in wealth distribution have led to pressures in the housing market, with rising property prices affecting affordability, particularly for lower-income residents. The region's aging population could also lead to long-term fiscal pressures, particularly in healthcare and pension expenditures. Madrid's well-developed healthcare and education systems mitigate some of these risks, ensuring broad access to essential public services. Additionally, security and public welfare indicators remain stable, reinforcing Madrid's position as a socially resilient region.

2.6 Additional considerations

No adjustment was applied to the rating from additional considerations.

Appendix 1. Institutional Framework Assessment

To assess the institutional framework, we apply a Qualitative Scorecard (QS1) centred around 6 components. We assess each analytical component on a five-point scale ranging from a score of 0 for 'low' integration to 100 for 'full' integration. The institutional framework score, ranging from 0 to 100, is calculated as a simple average of these assessments. The score is then used to determine a rating range from the rating anchor level, within which the sub-sovereign's rating can be positioned.

Our assessment of intergovernmental integration between Spanish autonomous communities and the Kingdom of Spain (A/Stable) results in an indicative **downward rating range of up to three notches** from the Spanish sovereign, within which Spanish Autonomous Communities can be positioned according to their individual credit strengths.

Institutional Framework scorecard (QS1)

Analytical component	Full integration (100)	Strong integration (75)	Medium integration (50)	Some integration (25)	Low integration (0)
Extraordinary support and bail-out practices	●				
Ordinary budgetary support and fiscal equalisation		●			
Funding practices		●			
Fiscal rules and oversight		●			
Revenue and spending powers		●			
Political coherence and multilevel governance			●		

Integration score	75
Downward rating range	0-3

Institutional framework score	100 > x ≥ 90	90 > x ≥ 80	80 > x ≥ 70	70 > x ≥ 60	60 > x ≥ 50	50 > x ≥ 40	40 > x ≥ 30	30 > x ≥ 20	20 > x ≥ 10	10 > x ≥ 0
Indicative rating range	0-1	0-2	0-3	0-4	0-5	0-6	0-7	0-8	0-9	0-10

Appendix 2. Individual Credit Profile

To assess the ICP, we apply a Qualitative Scorecard 2 (QS2), centred around 10 components underpinned by peer benchmarking. We assess each analytical component on a three-point scale by benchmarking a sub-sovereign's performance and risk exposures to that of peers. Scores are 0 for 'weaker', 50 for 'mid-range', and 100 for 'stronger' for each component. The individual credit profile score, ranging from 0 to 100, is calculated as a simple average of these assessments. In addition, we make two additional assessments for environmental factors and resilience and social factors and resilience, which can lead to adjustments of the ICP score by up to +/- 10 points.

We assess the individual credit profile of Madrid as 'Stronger' vis-à-vis peers, with an ICP score of 85 out of 100.

Risk pillar	Analytical component	Assessment		
Debt and liquidity	Debt burden & trajectory	**Stronger**	Mid-range	Weaker
	Debt profile & affordability	Stronger	**Mid-range**	Weaker
	Contingent liabilities	Stronger	**Mid-range**	Weaker
	Liquidity position & funding flexibility	**Stronger**	Mid-range	Weaker
Budget	Budgetary performance & outlook	**Stronger**	Mid-range	Weaker
	Revenue flexibility	**Stronger**	Mid-range	Weaker
	Expenditure flexibility	Stronger	**Mid-range**	Weaker
Economy	Wealth levels and economic resilience	**Stronger**	Mid-range	Weaker
	Economic sustainability	**Stronger**	Mid-range	Weaker
Governance	Governance and financial management	**Stronger**	Mid-range	Weaker

Additional environmental and social factors	Assessment		
Environmental factors and resilience	Positive impact	**No impact**	Negative impact
Social factors and resilience	Positive impact	**No impact**	Negative impact

ICP score	**85**
Indicative notching	**0**

Appendix 3. Mapping table

We derive the indicative sub-sovereign rating by mapping the result of the institutional framework assessment (i.e. the indicative rating range) to the ICP score.

For Madrid, this results in an indicative rating of A, aligned with the sovereign rating. No additional considerations apply.

Institutional framework assessment		Individual credit profile score							
Score	**Downward rating range**	100 > x ≥ 80	80 > x ≥ 70	70 > x ≥ 60	60 > x ≥ 50	50 > x ≥ 40	40 > x ≥ 30	30 > x ≥ 20	20 ≥ x > 0
100 > x ≥ 90	0-1	0	0	0	0	0	0	-1	-1
90 > x ≥ 80	0-2	0	0	-1	-1	-1	-1	-2	-2
80 > x ≥ 70	0-3	0	-1	-1	-1	-2	-2	-3	-3
70 > x ≥ 60	0-4	0	-1	-1	-2	-2	-3	-3	-4
60 > x ≥ 50	0-5	0	-1	-1	-2	-2	-3	-4	-5
50 > x ≥ 40	0-6	0	-1	-1/-2	-2/-3	-2/-3	-3/-4	-4/-5	-6
40 > x ≥ 30	0-7	0	-1/-2	-1/-2	-2/-3	-3/-4	-4/-5	-5/-6	-7
30 > x ≥ 20	0-8	0	-1/-2	-2/-3	-3/-4	-4/-5	-5/-6	-6/-7	-8
20 > x ≥ 10	0-9	0	-1/-2	-2/-3	-3/-4	-4/-5	-5/-6	-7/-8	-9
10 > x ≥ 0	0-10	0	-1/-2	-2/-3	-3/-4	-5/-6	-7/-8	-9/-10	-10

Note: Mapping table under section 4 of Scope's Sub-sovereigns Rating Methodology, as applied to the rating anchor's A ratings.

Appendix IV. Statistical table

	2017	2018	2019	2020	2021	2022	2023	2024E
Budgetary performance (EUR m)								
Operating revenue	17,371	18,221	19,534	23,068	23,517	21,621	23,964	27,454
Operating expenditure	16,748	17,196	18,107	20,333	21,148	22,141	23,330	26,197
Operating balance	623	1,025	1,427	2,736	2,369	-520	633	1,257
Interest payments	723	741	735	739	709	656	762	922
Current balance	-100	284	692	1,997	1,659	-1,176	-128	335
Capital balance	-525	-457	-590	-842	-43	22	-1,083	-257
Balance before debt movement	-625	-172	102	1,155	1,617	-1,153	-1,211	78
Funding needs	4,419	3,062	2,743	4,946	2,622	3,773	3,743	4,389
Debt (EUR m)								
Direct debt	32,783	33,448	33,469	34,601	34,410	34,824	35,880	37,243
Financial ratios								
Debt/operating revenue, %	188.7	183.6	171.3	150.0	146.3	161.1	149.7	135.7
Debt/operating balance, years*	52.6	32.6	23.4	12.6	14.5	100.0	56.7	29.6
Interest payments/operating revenue, %	4.2	4.1	3.8	3.2	3.0	3.0	3.2	3.4
Implicit interest rate, %	2.2	2.2	2.2	2.1	2.1	1.9	2.1	2.5
Operating balance/operating revenue, %	3.6	5.6	7.3	11.9	10.1	-2.4	2.6	4.6
Balance before debt movement/total revenue, %	-3.6	-0.9	0.5	5.0	6.6	-5.1	-4.9	0.3
Transfers and grants/operating revenue, %	-21.4	-22.8	-19.3	-2.5	-4.2	-12.9	-18.3	-18.3
Capital expenditure/total expenditure, %	3.1	3.4	3.8	4.8	4.2	4.1	6.9	5.6
Economy and demographics								
GDP per capita, EUR	34,592	35,601	36,613	32,853	35,703	39,207	42,198	-
GDP per capita, % of national GDP per capita	137.5	137.2	137.5	137.7	136.8	136.4	136.3	-
Unemployment rate, % labour force	13.8	11.5	10.0	13.5	10.2	11.3	9.6	8.6

* Capped at 100 years; n.a. in case of operating deficits

Source: Comunidad de Madrid, Ministry of Finance, Bank of Spain, INE, Scope Ratings

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Related research

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