

ICO completes its third benchmark of the year with a EUR 1bn bond (September 2024)

ICO launched a successful EUR 1bn 2.70% October 2030 benchmark. As the bond attracted significant interest, with demand exceeding EUR 1.9bn, ICO was able to narrow the initial spread over the Spanish Treasury benchmark with the same maturity by 3 b.p., resulting in a final yield of SPGB 1.25 10/31/30 + 10 b.p.



The final orderbook was well supported by high quality accounts from a geographically diverse investor base with German and Austrian accounts taking the lion's share with 34%. In terms of investor type distribution, Banks took 52% of the issue size, followed by Central Banks/Official Institutions accounts with 29%, Asset Managers with 17% and Insurers with 2%.

The transaction, which pays a coupon of 2.70%, was led by BNP Paribas, Citi, Credit Agricole and Santander. Helaba, DZ Bank and Jefferies participated as co-leads.

Throughout 2024, ICO has raised over EUR 8 bn with its medium and long-term funding program. It is expected to be the last ICO benchmark transaction in 2024.

ICO signs a EUR 500m green syndicated loan for Iberdrola (August 2024)



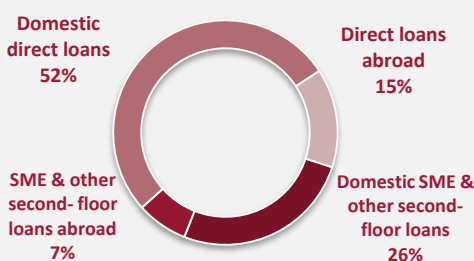
Iberdrola, ICO, Sabadell and HSBC have signed a syndicated green loan for an amount of 500 million euros with the participation of Cesce on behalf of the State through its Green Investment Policy, which is guaranteed by the Internationalisation Risk Reserve Fund (IRRF), attached to the Ministry of Economy, Trade and Enterprise. The green loan, repayable over a 15-year term, provides extra diversification to Iberdrola's funding sources.

This is the first loan aimed at boosting renewable energy projects that ICO will finance with the Next Generation funds in the second phase of the Recovery Plan. The operation is part of the

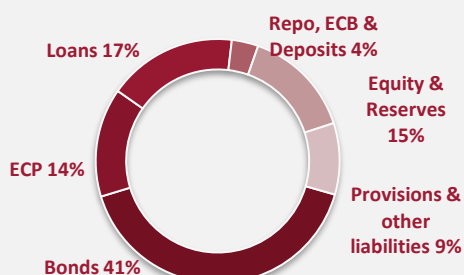
Green-ICO facility (ICO-verde). These funds will finance renewable wind and photovoltaic farms, as well as battery projects in the US, Australia and Italy. The total renewable capacity financed will reach 897 MW and is expected to be operational between 2025 and 2026.

ICO in figures

Loan Portfolio as at 30/09/2024



Liabilities breakdown as at 30/09/2024



Financial Highlights

	2020	2021	2022	2023	30/09/2024*
Total assets (Mill. EUR)	34.386	37.766	29.775	31.657	36.887
Equity & reserves ¹ (Mill. EUR)	5.202	5.354	5.515	5.689	5.284
Pre-tax profit (Mill. EUR)	97,55	171,70	178,11	336,89	333,61
Net interest income (Mill. EUR)	-10,63	104,55	125,73	290,25	193,73
Gross revenue (Mill EUR)	88,22	181,86	204,58	361,50	263,48
Profitability ROA	0,29%	0,49%	0,53%	1,09%	1,30%
Tier I Ratio	37,21%	36,94%	33,62%	26,49%	22,39%
Non-Performing Loans					
Direct Loans	4,16%	3,81%	3,67%	4,20%	3,70%
Total loans incl. second floor loans	2,33%	2,33%	2,31%	2,76%	2,39%
Provision coverage ratio	145%	157%	171%	128%	127%
Efficiency					
Operating expenses over gross revenue	47,70%	24,60%	23,40%	13,63%	14,65%

(1) Eligible capital for solvency purposes.
* Unaudited figures
Source: ICO

Funding Policy for 2024

- **Expected total funding in 2024: EUR 8 bn**
ICO has increased its medium- and long-term funding program for 2024 due to higher-than-expected lending activity.
- **EUR benchmark transactions**
- **Short to medium maturities**
- **Promotion of the sustainability bond market**

Funding activity

ICO enjoys the **guarantee** from the Kingdom of Spain which is defined in its bylaws as:

Explicit
Irrevocable
Unconditional
Direct

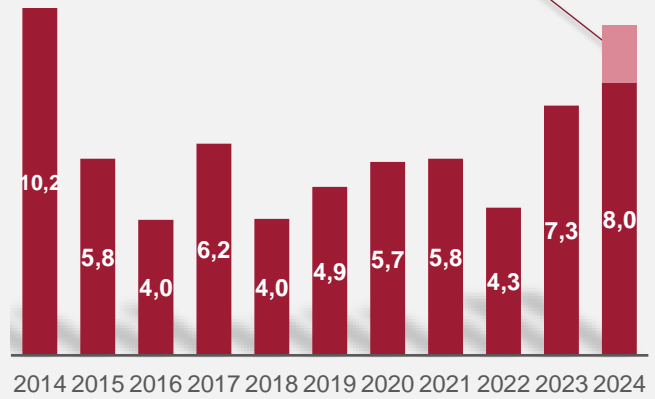
ICO's long term ratings

S&P	A / Stable
DBRS	A / Positive
Fitch	A- / Stable
Moody's	Baa1 / Positive

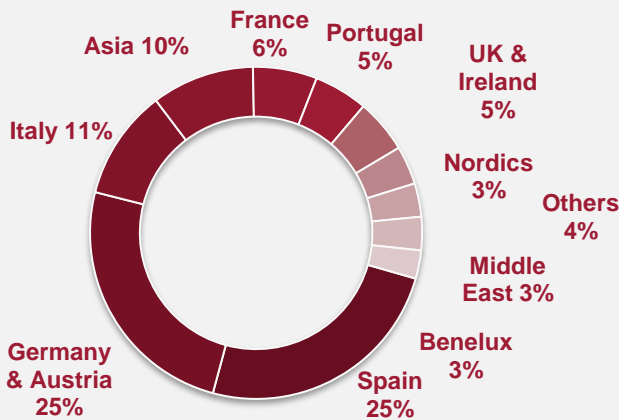
ICO Bonds qualify as **L1 HQLA assets** in the EU (pursuant to Article 10 of the Commission Delegated Regulation (EU) 2015/61 of October 10, 2014)

Funding Activity EUR bn

Funding programme for 2024: €8 bn
Pre-funding 2025: €1.7 bn

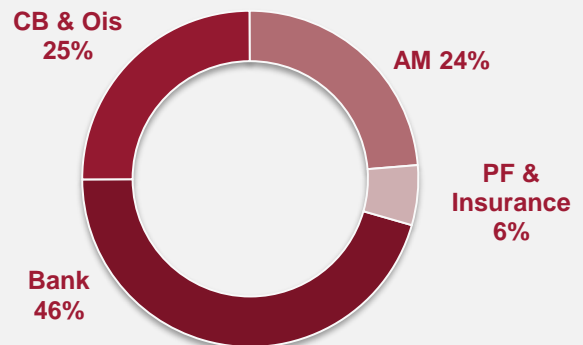


By region



Borrowing profile 2024 (benchmark transactions)

By investor type



Spanish Economy: latest figures and comments

Spain's GDP has continued to grow, increasing by 0.8% quarter-on-quarter (QoQ) in both the second and third quarters, after growing 0.9% in the first quarter. Annual growth has accelerated, with a year-on-year (YoY) variation of 3.4% in Q3 2024, up from 3.2% in Q2 2024 and 2.6% in Q1 2024. Domestic demand made a positive contribution to annual growth in Q3 2024, adding 2.7 percentage points, thanks to the strong performance of private investment and an increased contribution from private consumption. Furthermore, net exports also contributed positively to growth, adding 0.7 percentage points, despite still weak external demand.

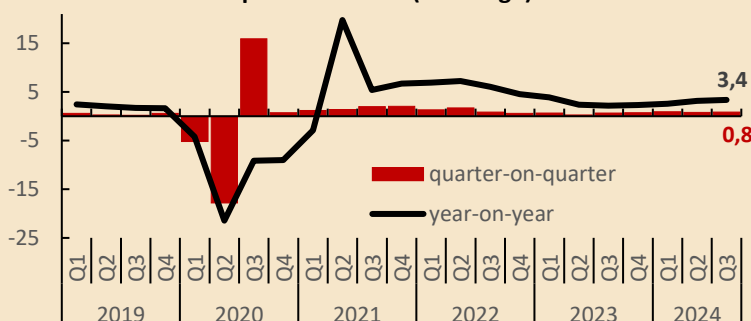
Due to the positive evolution of the Spanish economy throughout the year, **the most recent GDP forecasts for Spain have been revised upward**. The IMF has recently adjusted its GDP forecast for 2024 from 2.4% to 2.9%, and the Spanish Government has done the same, revising its prior estimate from 2.4% to 2.7%. Consequently, growth in 2024 is expected to be slightly higher than in 2023 (2.5%), with Spain remaining the fastest-growing large economy in the Euro Area, where the IMF projects average growth of 0.8% in 2024, following growth of 0.4% in 2023. For 2025, the IMF forecasts that Spanish GDP will grow by 2.1%, while the Euro Area is expected to grow by 1.2%. This growth in Spain is primarily driven by the sustained strong performance of consumption and the renewed momentum of investment, largely fueled by the impact of European funds.

The **budget deficit** has notably decreased to 3.5% of GDP in 2023, down from 9.9% in 2020. According to projections from the Spanish Government included in the Spanish Fiscal and Structural Plan 2025-2028, this moderating trend is expected to continue in the coming years, with a goal of falling below 3% next year. Additionally, the **public debt ratio** is forecasted to decrease progressively, reaching a level below 100% by 2027.



Source: Spanish Statistical Office (INE)

Spain: Real GDP (% change)



Source: INE

MAIN FEATURES OF SPAIN FORECAST

yoy growth, unless otherwise indicated	2023	2024	2025
GDP real	2.7	2.7	2.4
Private Consumption Expenditure	1.8	2.2	2.1
Government Consumption Expenditure	5.2	1.8	1.6
Gross Fixed Capital Formation	2.1	3.3	5.8
Exports	2.8	4.2	2.4
Imports	0.3	2.6	3.6
Domestic demand (contribution growth)	2.5	2.2	2.7
Net foreign balance (contribution growth)	1.0	0.7	-0.3
Total employment growth (full-time)	3.0	2.6	2.5
Unemployment rate: % labour force	12.2	11.2	10.3
Net lending/borrowing Nation (% of GDP)	3.7	3.5	3.3
General Gov. lending/borrowing (% GDP)	-3.5	-3.0	-2.5
General Government debt (% of GDP)	105.0	102.5	101.4

Source: INE and Spanish Government projections from Fiscal and Structural Plan 2025-2028.

Inflation continues to moderate. The General Consumer Price Index (CPI) increased by 1.8% in October, remaining below 2% for the second consecutive month. Although both the General and Core CPI have shown a trend of moderation throughout 2024, a slight increase is anticipated in the coming months. This expected rise is attributed to the base effect related to energy prices from 2023 and the gradual removal of the temporary reduction in indirect taxes on essential food items.

Record employment figures have been reported. According to the Labour Force Survey for Q3 2024, the number of employed individuals reached a new record high of 21.8 million. This represents an increase of 377,000 employees compared to the previous year. The unemployment rate has decreased to 11.21%, marking the lowest level since Q3 2008.

Contact us

Investors can find further information at: https://www.ico.es/web/ico_en/ico/investor_relations

Please contact us via e-mail with any queries or requests you may have: investors@ico.es

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