

Metro de Madrid signs an agreement with Instituto de Crédito Oficial to finance the purchase of 80 new trains. (December 2023)

The loan agreement will facilitate the availability of new state-of-the-art rolling stock based on sustainability criteria and will allow the modernization of Madrid's fleet through the acquisition of 80 new trains.

The operation will support sustainable transport, help reduce carbon emissions and further improve life quality and services in the Spanish capital.

The financing amounts to EUR 820 million, of which the European Investment Bank will contribute EUR 470 million and ICO EUR 350 million.



16th Fond-ICO Global call: ICO begins mobilising Recovery Plan loans with EUR 900 million in venture capital investments (December 2023)



The funds will come from three of the facilities managed by the ICO in the Addendum to the Recovery Plan - ICO Verde, ICO Empresas y Emprendedores, and Spain Audiovisual Hub - and will promote investments that foster business growth and green and digital transformation. It is the largest ever call from Fond-ICO Global.

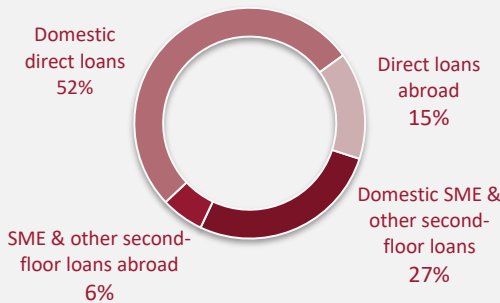
Up to 12 funds will be selected to invest in a public-private partnership scheme in business projects at different stages of development: incubation and technology transfer, venture capital and expansion

The Recovery Plan loans have allowed Fond-ICO Global to increase both the amounts to be disbursed by Fond-ICO Global to each of the selected funds/operators and the maximum investment percentage, reflecting the public sector's commitment to supporting and developing the entrepreneurial ecosystem

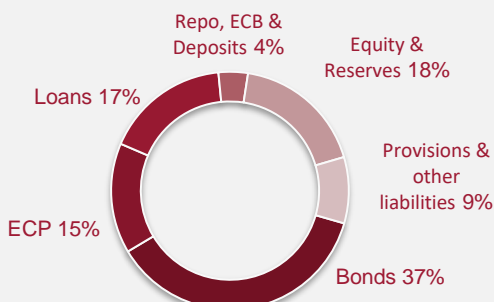
In the 15 previous calls launched by Fond-ICO Global, 130 funds have been selected to invest up to EUR 3,426 billion, which, in collaboration with private investors, is expected to mobilise EUR 11,492 billion for the benefit of Spanish companies.

ICO in figures

Loan Portfolio as at 31/12/2023



Liabilities breakdown as at 31/12/2023



Financial Highlights

	2020	2021	2022	31/12/2023*
Total assets (Mill. EUR)	34,386	37,766	29,775	31,657
Equity & reserves¹ (Mill. EUR)	5,202	5,354	5,515	5,689
Pre-tax profit (Mill. EUR)	97.55	171.70	178.11	336.89
Net interest income (Mill. EUR)	-10.63	104.55	125.73	290.25
Gross revenue (Mill. EUR)	88.22	181.86	204.58	361.50
Profitability ROA	0.29%	0.49%	0.53%	1.09%
Tier I Ratio	37.21%	35.36%	33.62%	26.21%
Non-Performing Loans				
Direct Loans	4.16%	3.81%	3.67%	4.20%
Total loans incl. second floor	2.33%	2.33%	2.31%	2.76%
Provision coverage ratio	145%	157%	171%	128%
Efficiency				
Ordinary Expenditure/ATA	0.12%	0.13%	0.14%	0.16%

(1) Eligible capital for solvency purposes.

* 2023: Unaudited figures

Source: ICO

Funding Policy for 2024

- **Expected total funding in 2024: EUR 5-6 bn**
- **EUR benchmark transactions**
- **Promotion of the sustainability bond market**
- **Short to medium maturities**

Funding activity

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

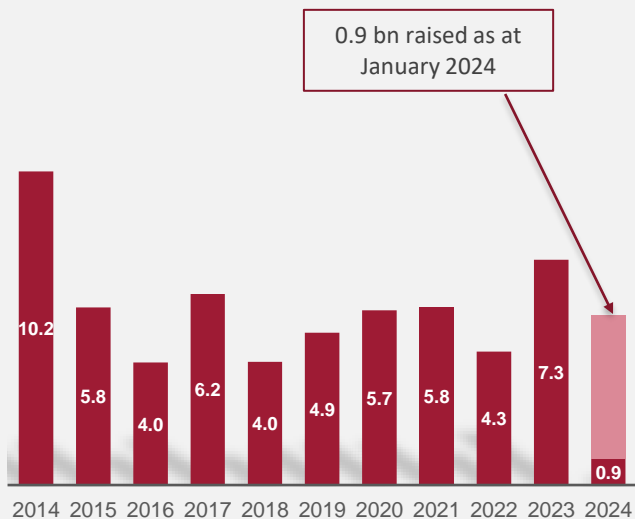
Explicit
Irrevocable
Unconditional
Direct

ICO's long term ratings

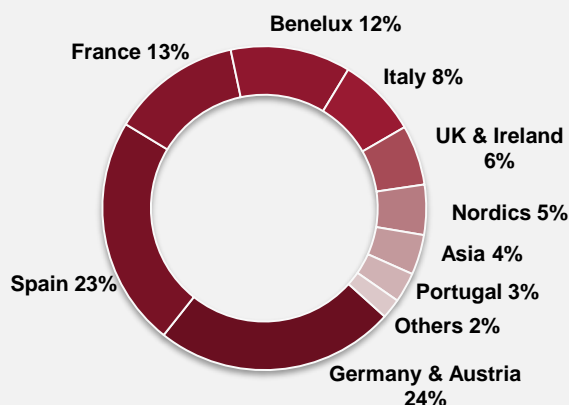
S&P	A / Stable
DBRS	A / Stable
Fitch	A- / Stable
Moody's	Baa1 / Stable

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

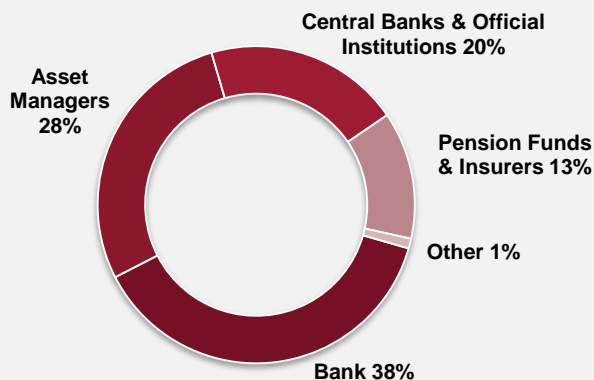


By region



Borrowing profile 2023 (benchmark transactions)

By investor type



Spanish Economy: latest figures and comments

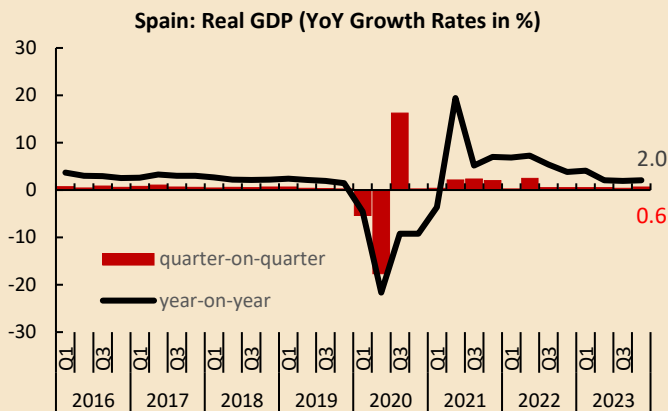
Spanish GDP performance has exceeded expectations in Q4 2023 and for the entire year 2023. According to estimates released by the **Spanish Statistical Office (INE)**, **GDP grew by 0.6% QoQ in Q4 2023**, surpassing the growth of 0.4% QoQ in Q3 (revised upwards by 0.1% from the previous estimate). Annual growth also accelerated, with a YoY variation of 2.0% in Q4, up from 1.9% YoY in Q3. Consequently, average **GDP growth for 2023 was 2.5%, lower than in 2022 (5.8%) but above the expectations of most analysts.** **Growth in 2023** resulted both from a **positive contribution of internal demand (1.7%)** and **net exports (0.8%).**

The moderation in 2023 growth in comparison with 2022, was in line with the trends observed internationally. However, **Spain continued to significantly outperform the Euro Area:** GDP grew by 0.5% in the Euro Area in 2023 according to Eurostat (with a 0.0% QoQ variation in Q4 2023). As a result, **Spanish GDP growth was approximately five times stronger than in the Euro Area.**

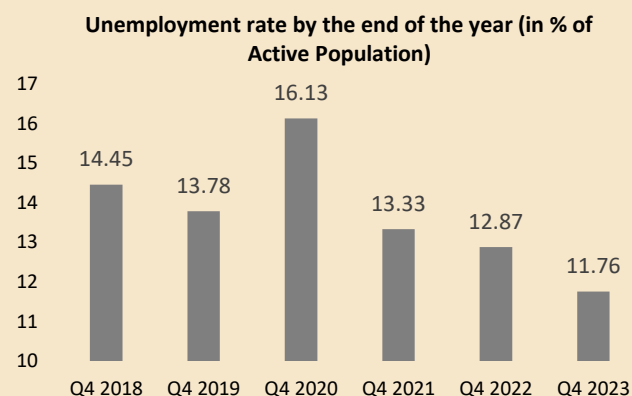
Labour market maintained its strength in 2023, consistent with the overall activity trends. According to the INE Labour Force Survey, employment increased by 783 thousand from Q4 2022 to Q4 2023, and the total number of employed individuals reached 21.25 million by the end of 2023. **In 2023, Spain achieved its historical maximum of workers.** Consequently, unemployment also decreased, with 193 thousand fewer unemployed in Q4 2023 compared to the previous year. The unemployment rate exhibited a downward trend, reaching its lowest level since 2008 in 2023.

Annual CPI slowed down significantly in 2023. General CPI stood at 3.1% in December 2023 vs 5.7% one year before (in January 2024 was 3.4%), while core CPI (all-items excluding energy and unprocessed food) stood at 3.8% in December 2023 vs 7.0% in December 2022 (in January 2024 it decreased further to 3.6%). Therefore, the downward trend is especially visible in core CPI, as general CPI is more affected by base effects and energy prices.

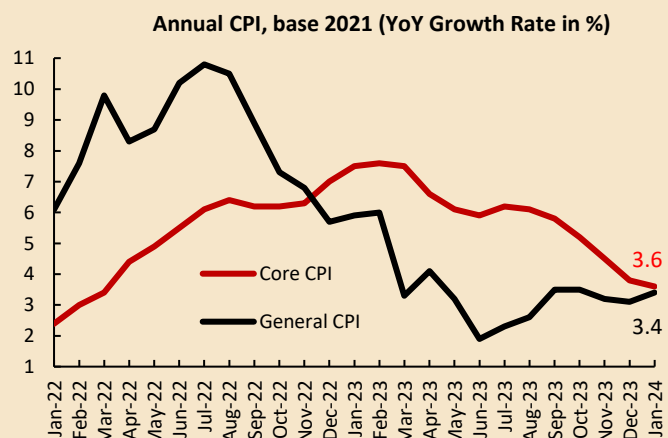
In 2024, the Spanish economy is expected to maintain its resilience, partly driven by a more intense deployment of Next Generation EU funds. The Spanish Government, that in 2023 was the most accurate institution in GDP projections, foresee that GDP will grow by 2.0% in 2024. In addition, there is a wide consensus in the sense that Spanish GDP growth will remain well above the Euro Area. According to the European Central Bank and the Bank of Spain, **GDP is projected to grow by 0.8% in the Euro Area and by 1.6% in Spain in 2024.** This growth is consistent with a decrease in inflation, particularly in core CPI, which, according to this forecast, will be 1.9% in Spain in 2024. The International Monetary Fund foresees that Spanish GDP will grow by 1.5% in 2024, above its forecast for the Euro Area (0,9%), while in 2025 growth will be 2.1% in Spain (1.7% in the Euro Area).



Source: INE



Source: Labour Force Survey (INE)



Source: INE

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

Bloomberg site: ICO <GO>

