

Spanish Government launches a Guarantee Line to facilitate financing for companies affected by new tariff measures (March 2025)

The Council of Ministers has approved the characteristics of the first tranche of a new Guarantee Line, amounting to €1 billion, of which €750 million will be allocated to guaranteeing companies' liquidity and €250 million to support new investment projects.

The Guarantee Line has a total endowment of €5 billion and aims to support Spanish companies affected by the new tariff framework approved by the United States, ensuring access to financing to cover their liquidity needs or to launch business restructuring projects.

This facility will be available to exporting and importing companies whose export and import volume with the United States exceeds 5% of their turnover.

The guarantee will be managed by ICO and may cover up to 80% of the loan granted by the financial institution or ICO, and the loan repayment period may be up to 10 years for investments in business restructuring.



ICO and Santander Brazil sign a financing agreement of up to \$300 million to promote sustainable economic growth for companies and projects of Spanish interest in Brazil (April 2025)



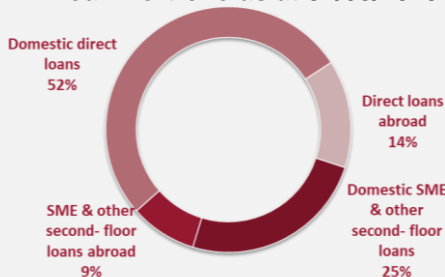
ICO and Santander Brazil, a subsidiary of the Santander Group, have signed a financing agreement of up to \$300 million to promote the sustainable and digital economic growth of companies and projects of Spanish interest in Brazil.

This new agreement between ICO and Santander Brazil will promote financial support for sustainable business projects through public-private collaboration. In this way, ICO will continue to promote the development of sustainable finance and the ecological transition with projects that boost energy efficiency, sustainable transport and industrial decarbonization.

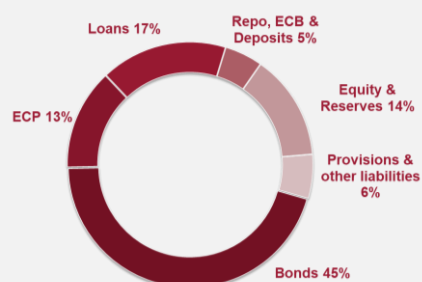
Furthermore, the agreement will channel financial resources towards digitalization projects as one of the main drivers for boosting business competitiveness and productivity, as well as generating quality employment.

ICO in figures

Loan Portfolio as at 31/03/2025



Liabilities breakdown as at 31/03/2025



Financial Highlights

	2021	2022	2023	2024	31/03/2025*
Total assets (Mill. EUR)	37,766	29,775	31,657	37,780	39,656
Equity & reserves¹ (Mill. EUR)	5,354	5,515	5,689	5,385	5,662
Pre-tax profit (Mill. EUR)	171.70	178.11	336.89	330.82	81.32
Net interest income (Mill. EUR)	104.55	125.73	290.25	254.57	58.69
Gross revenue (Mill. EUR)	181.86	204.58	361.50	358.23	69.59
Profitability ROA	0.49%	0.53%	1.09%	0.93%	0.84%
Tier I Ratio	36.94%	33.62%	26.49%	23.02%	25.11%
Non-Performing Loans					
Direct Loans	3.81%	3.67%	4.20%	4.03%	3.77%
Total loans incl. second floor loans	2.33%	2.31%	2.76%	2.54%	2.42%
Provision coverage ratio	157%	171%	128%	142%	146%
Efficiency					
Operating expenses over gross revenue	24.60%	23.40%	13.63%	15.11%	14.05%

(1) Eligible capital for solvency purposes.
 *2025 Q1: Unaudited figures
 Source: ICO

Funding Policy for 2025

- **Expected total funding in 2025: €5 bn**
In 2024 ICO already prefunded €2.9 billion for 2025.
- **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

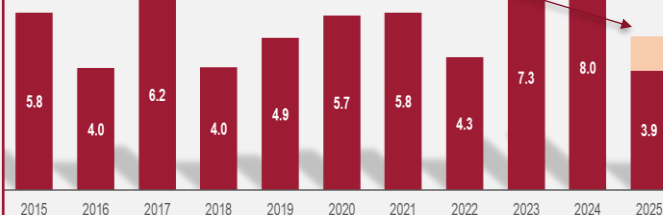
S&P	A / Stable
Scope	A / Stable
Fitch	A- / Positive
Moody's	Baa1 / Positive

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)

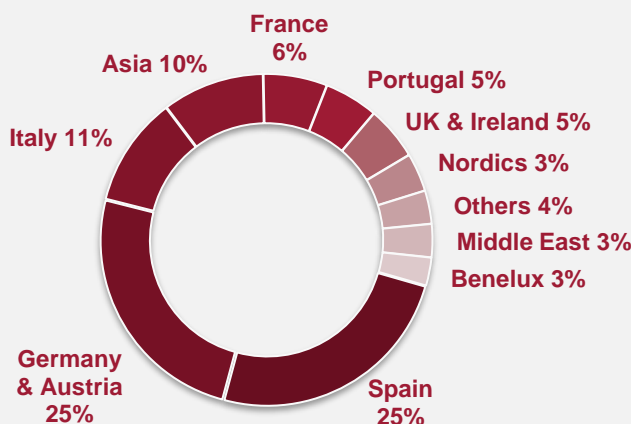
Funding Activity € bn

Pre-funding for 2025: €2.9 bn
Total funding 2024: €10.9 bn

Funding programme for 2025: €5 bn
€3.9 bn raised as at 30th April

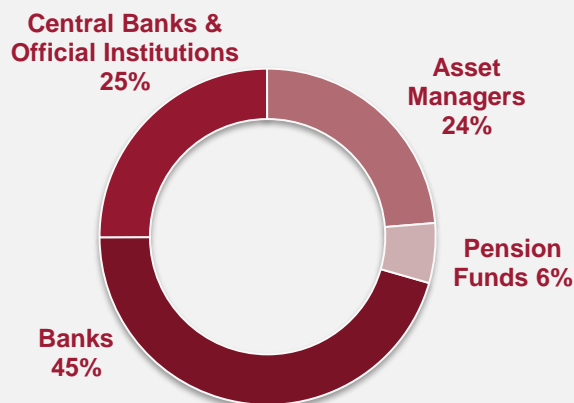


By region



Borrowing profile 2024 (benchmark transactions)

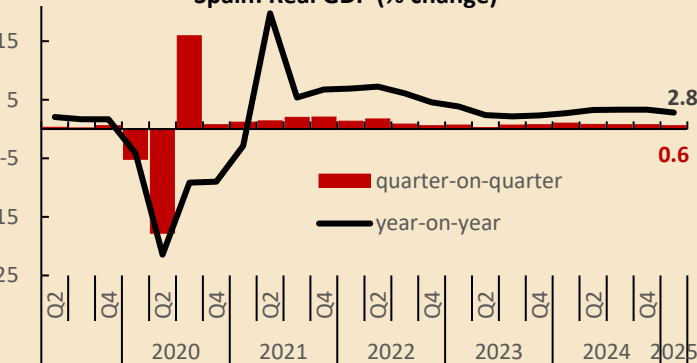
By investor type



Spanish Economy: latest figures and comments

Spain grew by 0.6% quarter-on-quarter (QoQ) in Q1 2025, slightly below the growth of 0.7% in Q3 and Q4 2024. Both domestic demand and net exports had a positive contribution (0.4% and 0.2%, respectively). In more detail, in Q1 private consumption grew by 0.4% QoQ, while public consumption and investment grew by 0.2% and 0.6% QoQ respectively. Additionally, exports grew by 1.0% QoQ, more than imports, which increased by 0.7% QoQ. **In Q1 2025, year-on-year (YoY) growth was 2.8%** (3.3% YoY in Q3 and Q4 2024). Domestic demand grew by 3.2% YoY (growth of all private and public consumption and investment were close to the average growth, well above 3% YoY), while net exports made a negative contribution of 0.4% YoY in Q1 2025, due to a 2.1% YoY increase in exports and 3.6% YoY increase in imports.

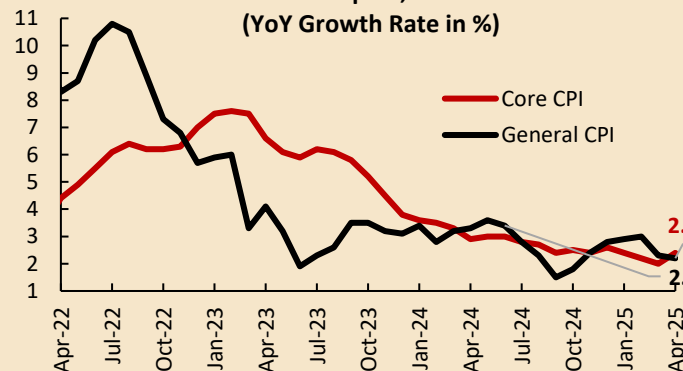
Spain: Real GDP (% change)



Source: INE

Regarding **inflation**, it continues on its path towards **normalization**. The latest data from March and April 2025 confirm a deceleration trend and YoY core and headline inflation are only slightly above the ECB's medium-term target of 2%.

Annual CPI Spain, base 2021
(YoY Growth Rate in %)



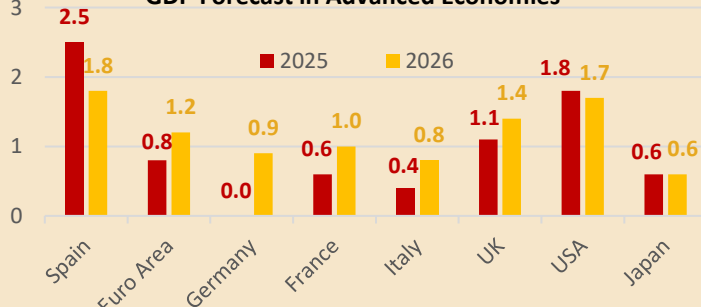
Source: INE

Employment, as usual in Spain in Q1, was lower than in Q4, mainly due to seasonal reasons. However, overall employment in Q1 2025 was 21.7 million people, which meant **half a million more workers than a year before**. The unemployment rate was 11.4% in Q1 2025 (12.3% in Q1 2024).

Spain's **fiscal deficit was 2.8% of GDP in 2024** (3.15% taking into account the extraordinary expenses due to last autumn's floods). Budget deficit diminished from 3.5% of GDP in 2023 and has decreased each year since 2020. Last year, **Spain met its commitments with the European Commission**, in line with the previous five years, as it has reached lower deficit levels than the objectives agreed with the European authorities. Therefore, Spain's budget deficit is now below its pre-pandemic level, and it is expected that Spain will continue improving its fiscal position in the coming years.

The Spanish economy will remain solid according to forecasts. The IMF foresees that Spain's GDP will grow by 2.5% this year, slightly less than in 2024 (3.2%). This deceleration is also expected at a global level (from 3.3% in 2024 to 2.8% in 2025). According to the IMF, rising uncertainty and tariffs will be key drivers of the subdued growth in 2025. Nevertheless, Spain will be the big advanced economy with the **fastest rhythm of growth** in 2025 and 2026 (GDP growth will be 1.8% in 2026). The Spain's forecast reflects a large carryover from better-than-expected outturns in 2024 and reconstruction activity following floods. **Inflation will continue its deceleration** as it will move from 2.9% in 2024 to 2.2% in 2025 and 2.0% in 2026. The IMF also foresees in its Fiscal Monitor that the **Public Budget Balance will continue its moderation trend** (deficit down to 2.7% of GDP in 2025 and 2.4% in 2026). Consequently, **public debt will be below 100% of GDP in 2026** according to the IMF (100.6% in 2025 and 99.0% in 2026).

GDP Forecast in Advanced Economies



Source: IMF - WEO April 2025

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