

ICO launches a successful EUR 500mn 7-year Green Bond, its first benchmark transaction in 2025 (May 2025)

ICO issued a successful EUR 500mn 2.8% May 2032 Green Bond. The bond attracted strong demand, with orders exceeding EUR 2.6bn and a final orderbook of EUR 1.7bn—more than three times oversubscribed. This allowed ICO to tighten the spread over the Treasury benchmark by 5 b.p., achieving its narrowest spread ever on a public issue: SPGB +5 b.p.

The final allocation was supported by high-quality international accounts, with nearly 70% of the bond placed outside Spain. ESG investors accounted for 75% of the final allocation. By geography, France, Germany, and Austria represented 36% of the demand, while Asian investors took 10%. By investor type, fund managers led with 41%, followed by banks (21%), insurers & pension funds (19%), central banks & official institutions (14%), and hedge funds (5%).

This is ICO's seventh Green Bond, bringing its total green issuance to EUR 3.5bn. Together with its 11 Social Bonds, ICO has issued more than EUR 9bn in sustainable bonds since 2015, financing projects that support the green transition and avoid the emission of over 1.25 million tonnes of CO₂ per year.



ICO brings together international investors and issuers at the 9th ICO Forum on Sustainable Bonds (June 2025)



ICO held the ninth edition of its Sustainable Bond Forum on June 24th. The event brought together international issuers and investors to discuss the evolution of sustainable finance, with a particular focus on green, social, and sustainable bond markets.

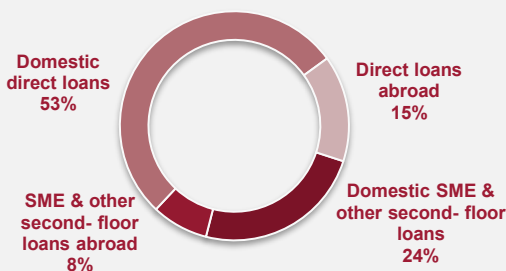
The forum opened with remarks from ICO's Chairman, Manuel Illueca, and featured contributions from Carla Díaz Álvarez de Toledo, Director General of the Treasury and Financial Policy; Carlos San Basilio, Chairman of the Spanish Securities Market Commission (CNMV); and Helena Viñes, Co-Chair of the Taskforce on Net Zero Policy and Commissioner of the CNMV. Attendees also had the opportunity to attend an interview with Simone Utermarck, Senior Director of Sustainable Finance

at ICMA. Additionally, three roundtable discussions took place: "Social finance: from social housing to the debate on integrating defense spending into ESG funds"; "Will the EU Green Bonds reshape the Green Bond market?" and "Sustainable finance in a new world order".

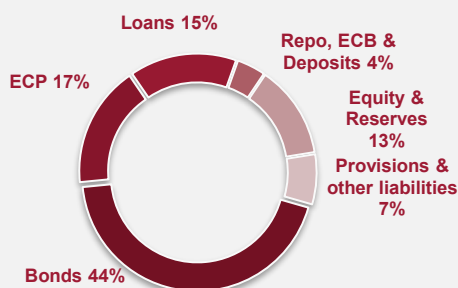
Organized in collaboration with BBVA, Crédit Agricole, HSBC, ING, and Santander, the forum has become a key platform in the ESG bond space, attracting representatives from investors, financial institutions, corporates, and the public sector.

ICO in figures

Loan Portfolio as at 30/06/2025



Liabilities breakdown as at 30/06/2025



Financial Highlights

	2021	2022	2023	2024	30/06/2025*
Total assets (Mill. EUR)	37,766	29,775	31,657	37,780	42,106
Equity & reserves¹ (Mill. EUR)	5,354	5,515	5,689	5,385	5,651
Pre-tax profit (Mill. EUR)	171.70	178.11	336.89	330.82	185.69
Net interest income (Mill. EUR)	104.55	125.73	290.25	254.57	133.01
Gross revenue (Mill. EUR)	181.86	204.58	361.50	358.23	168.06
Profitability ROA	0.49%	0.53%	1.09%	0.93%	0.94%
Tier I Ratio	36.94%	33.62%	26.49%	23.02%	23.04%
Non-Performing Loans					
Direct Loans	3.81%	3.67%	4.20%	4.03%	3.80%
Total loans incl. second floor loans	2.33%	2.31%	2.76%	2.54%	2.44%
Provision coverage ratio	157%	171%	128%	142%	147%
Efficiency					
Operating expenses over gross revenue	24.61%	23.37%	13.63%	15.11%	16.73%

¹ Eligible capital for solvency purposes.

* Q2 2025: Unaudited figures

Source: ICO

Funding Policy for 2025

- **Expected total funding in 2025: €6-7 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

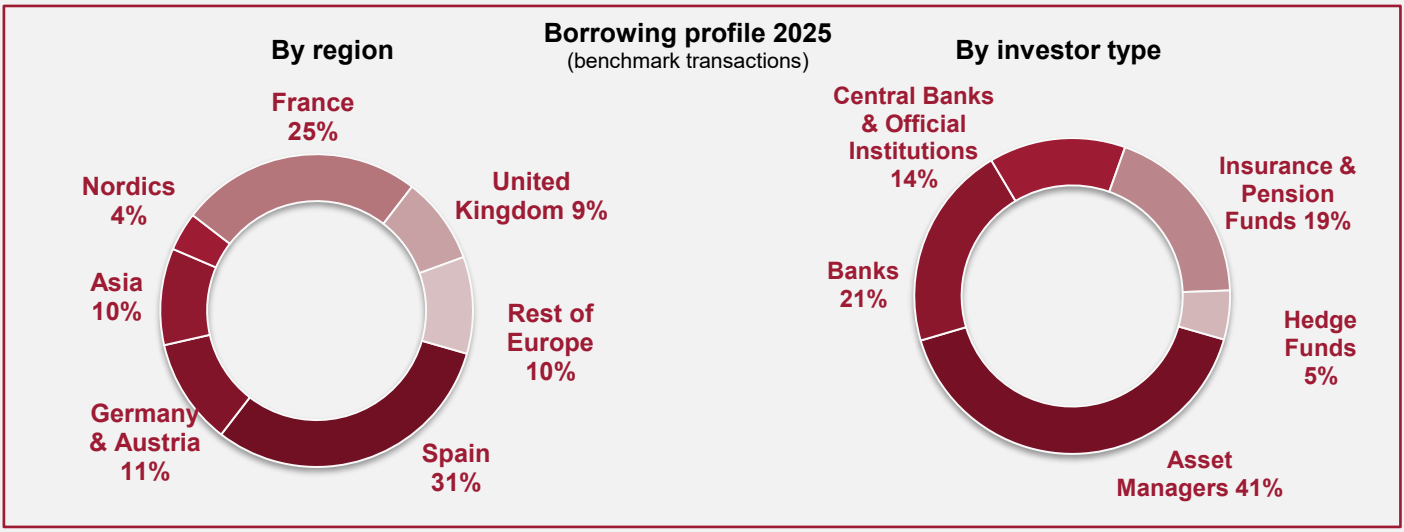
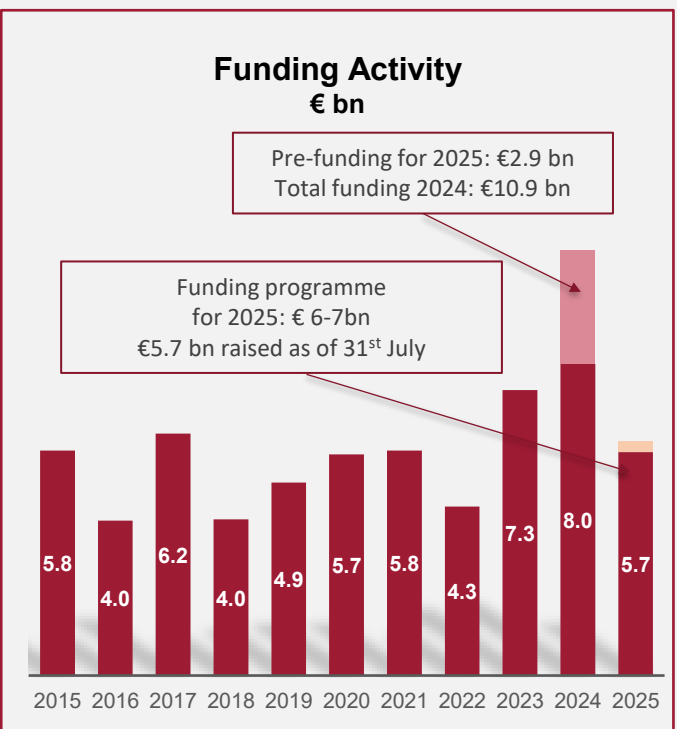
ICO enjoys the **guarantee** from the Kingdom of Spain which is defined in its bylaws as:

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)

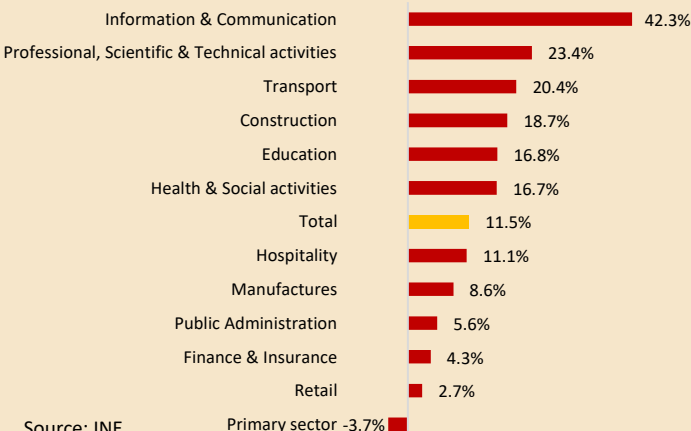


Spanish Economy: latest figures and comments

Spain accelerated its growth rate to 0.7% quarter-on-quarter (QoQ) in Q2 2025, up from 0.6% in Q1. QoQ growth was driven by domestic demand (0.9 pp), as net exports made a negative contribution (-0.1 pp QoQ) in the current context of uncertainty in international trade. Private consumption grew by 0.8% QoQ while public consumption fell by 0.1% QoQ and investment increased by 2.1% QoQ. Exports grew by 1.1% QoQ, however imports increased even more (1.7% QoQ). **In Q2 2025 year-on-year (YoY) growth was 2.8%** (same as in Q1). Domestic demand contributed 3.4 pp (with private consumption and investment as the main drivers), and net exports had a negative contribution of 0.6 pp YoY in Q2.

Employment in selected sectors

% of variation between Q4 2019 and Q2 2025



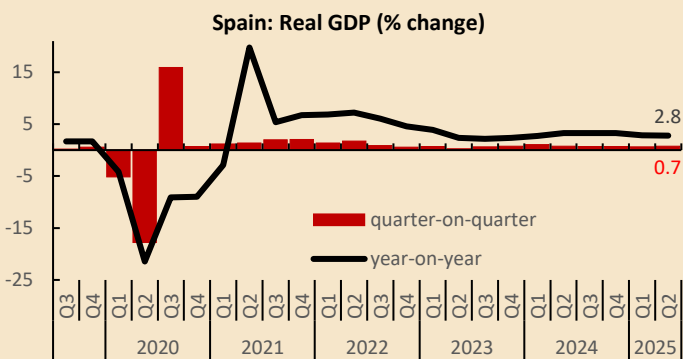
Source: INE

Primary sector -3.7%

SPAIN: SELECTED ECONOMIC INDICATORS FORECAST

	2024	2025	2026	2027
GDP real (% change)	3.2	2.5	1.8	1.7
Private Consumption	2.9	2.1	2.0	1.9
Public Consumption	4.1	3.5	1.7	1.9
Gross Fixed Investment	3.0	5.0	2.1	1.2
Exports	3.4	2.2	2.5	3.1
Imports	2.6	3.0	3.2	3.4
Domestic demand (contr. to GDP growth)	2.9	2.9	2.0	1.8
Net foreign balance (contr. to GDP growth)	0.4	-0.2	-0.1	0.0
Total employment	2.2	1.3	0.9	0.7
Unemployment rate: % labour force	11.3	11.1	11.0	11.0
Current Account Balance (% of GDP)	3.0	2.5	2.4	2.2
General Government Balance (% of GDP)	-3.2	-2.8	-2.4	-2.3
General Government debt (% of GDP)	101.8	100.7	99.1	97.7

Source: IMF, article IV consultation



Source: INE

Regarding inflation, it continues to show figures in line with the ECB mid-term reference. Since March both general and core inflation have hovered around or slightly above 2%.

The number of employees rose by more than half a million people in Q2 2025, and **overall employment reached a new record high with 22.27 million employees**. Employment has grown in almost all sectors, but the highest dynamism has been observed in sectors like Information, Communication and Scientific activities. The unemployment rate stood at its lowest level in 17 years (10.3%).

Under the new European fiscal surveillance rules, Spain is out of the Excessive Deficit Procedure, and the European Commission assessed progress on the implementation of medium-term plans of Member States, concluding that **Spain is broadly compliant**, with limited deviations from their recommended paths.

The IMF has released its **article IV report for Spain**, which highlights the **strong performance of the Spanish economy**, propelled by services exports and labor force growth, including immigration. Growth is projected to reach 2.5% in 2025, before slowing as these recent drivers normalize. The disinflation process is expected to continue, with headline and core inflation converging close to the ECB's target by end-2025.

Employment growth was intense in the past years, but a renewed reform impetus is needed to raise both the overall employment rate and productivity to match the euro area's best performers.

GDP forecasts remain well above euro area average (2.5 vs 0.8 in 2025 and 1.8 vs 1.2 in 2026). The unemployment rate is expected to decrease, while the current account balance will gradually moderate to levels above 2% of GDP. Public deficit is expected to remain below the 3% reference on a declining path that will allow public debt to fall below 100% of GDP in 2026.

Contact us

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